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Attention Business/Financial Editors:
^Magellan Aerospace Corporation@

TORONTO, Aug. 15 /CNW/ - Magellan Aerospace Corporation (the "Corporation") (MAL) today released results for the quarter and six months ended June 30, 2000.

The financial results are summarized as follows:

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	Three Months Ended June 30			Six Months Ended June 30		
thousands, except per share amounts	2000	1999 (Restated)	PERCEN- TAGE CHANGE	2000	1999 (Restated)	PERCEN- TAGE CHANGE
Revenue	\$ 162,630	\$ 154,023	+5.6%	\$ 312,960	\$ 268,333	+16.6%
Net Income	\$ 9,117	\$ 6,997	+30.3%	\$ 16,561	\$ 12,745	+29.9%
Net Income Per Share	\$ 0.14	\$ 0.11	+27.3%	\$ 0.26	\$ 0.21	+23.8%
EBITDA	\$ 23,774	\$ 20,089	+18.3%	\$ 45,243	\$ 34,906	+29.6%
EBITDA Per Share	\$ 0.38	\$ 0.32	+18.8%	\$ 0.70	\$ 0.57	+22.8%

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Financial Results

Revenue for the second quarter of 2000 was \$162.6 million, an increase of 5.6% over the similar period in 1999. Net income for the second quarter was \$9.1 million (\$0.14 per share) an increase of 30.3% over the \$7.0 million (\$0.11 per share) in the second quarter of 1999. The increase in net income was attributed to increased revenues and stronger gross margins, which improved from 16.9% in 1999 to 18.4% in 2000. The Corporation also controlled administrative and general expenses, which decreased as a percentage of revenue year over year from 6.7% of revenue in the second quarter of 1999 to 6.3% of revenue in the second quarter of 2000.

Revenue for the year to date was \$313.0 million, an increase of 16.6% over the similar period in 1999. This increase reflects the inclusion of Ellanef Manufacturing for the full period, as well as internal growth. Year-to-date 2000 net income is \$16.6 million (\$0.26 per share), or a 29.9% increase from the \$12.7 million (\$0.21 per share) in 1999.

Interest expense has risen over last year, due to increased borrowing levels incurred in the acquisition of Ellanef Manufacturing in June 1999 and higher interest rates. The proportion of debt to total capital at June 30, 2000 is now 50.2%, down from 55.5% one year ago.

The Corporation shows continued focus on management of assets by the ability to reduce inventories levels year over year by 1.7% while its revenues grew by 16.6%.

Recent Developments

Magellan's strategy is to focus on its core competencies so that it may become a dominant supplier in those areas. Several events that occurred in the past quarter have demonstrated how the Corporation has been successful in its efforts.

The Corporation's Aeronca division has won contracts for engine exhaust systems for both Boeing and Airbus. After being awarded the contract for nozzles and plugs for the A340-500/600, Aeronca has been awarded the technical selection for the Pratt and Whitney powered version of the Airbus A318 and it is anticipated an order will follow imminently. Aeronca also received a five-year follow-on contract from Boeing that will see Aeronca producing nozzles and plugs for the Boeing 747 and 767 aircraft. Aeronca will produce all of the

products at its facility in Middletown, Ohio, which is undergoing a previously announced expansion and modernization.

At the Farnborough Air Show, the Corporation announced that its Bristol Aerospace division, which produces several defence systems, has successfully tested its Excalibur target for Patriot missiles. Bristol also announced the launch of a new decoy flare product for use in both jet and turboprop defence aircraft.

The Corporation's Orenda division is developing "green" technologies for coating replacements and renewable power generation. Many existing coatings utilized in aerospace have been selected and optimized for the service environment with little regard to the environmental impacts. Orenda has developed both products and application techniques to minimize the effects on the environment. In addition, Orenda is developing a turbine/generator package, which operates on a renewable liquid fuel derived from biomass to produce economical, clean, renewable power.

New Accounting standards

As required by the Canadian Institute of Chartered Accountants, the Corporation adopted two new accounting standards effective January 1, 2000. The first change in accounting standards relates to accounting for income taxes and was done on a retroactive basis with a restatement of prior year figures. As a result of this change, future earnings will reflect increased depreciation charges and income tax expenses will be at statutory rates. The second change in accounting standard relates to accounting for future employee benefits including pension and non-pension post retirement benefits. This change in policy was done on a retroactive basis with no restatement, and will have no effect on future earnings.

Summary

All of the leading manufacturers of commercial aircraft are experiencing strong sales performance year-to-date in 2000, and each is expected to increase production rates over the next two years from current levels. Magellan has received extensions of existing contracts and has begun to receive orders for new work from both Boeing and Airbus. The commercial sector's buoyancy will allow the Corporation's organic growth rate to continue at its strong historical levels.

The Corporation continues to deliver strong financial performance, which the Corporation believes will ultimately be reflected in the performance of its common shares. The Corporation is continuing on its business plan, which is twofold, to focus on its core competencies so that it may become a dominant supplier in those areas and to look for acquisitions that are complimentary and aligned with the Corporation's existing core competencies. The Corporation continues to focus on both these objectives as it is felt this will result in the greatest creation of value for its shareholders. With continued strengthening through the first half of 2000 in the Corporation's balance sheet, the Corporation has additional capabilities to pursue further acquisitions and growth.

financial information

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MAGELLAN AEROSPACE CORPORATION CONDENSED CONSOLIDATED INCOME STATEMENTS (unaudited)

	Six months ended	
	June 30	
(\$ thousands, except per share amounts)	2000	1999
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		restated
Revenue	\$ 312,960	\$ 268,333
Cost of revenues	256,756	222,395
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Gross profit	56,204	45,938
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Administrative and general expenses	19,579	18,352
Research & development	486	222
Interest expense	9,665	6,668
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	29,730	25,242

Income before income taxes	26,474	20,696
Income taxes		
Current	4,768	1,438
Future	5,145	6,513
Income for the period	16,561	12,745
Income per common share		
Basic	\$ 0.26	\$ 0.21
Fully Diluted	\$ 0.25	\$ 0.20

	Three months ended June 30	
	2000	1999
		restated
Revenue	\$ 162,630	\$ 154,023
Cost of revenues	132,639	128,008
Gross profit	29,991	26,015
Administrative and general expenses	10,344	10,349
Research & development	220	80
Interest expense	4,926	4,169
	15,490	14,598
Income before income taxes	14,501	11,417
Income taxes		
Current	1,933	1,025
Future	3,451	3,395
Income for the period	9,117	6,997
Income per common share		
Basic	\$ 0.14	\$ 0.11
Fully Diluted	\$ 0.13	\$ 0.10

MAGELLAN AEROSPACE CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)
(\$ thousands)

	Six months ended June 30	
	2000	1999
		restated
ASSETS		
Current		
Cash and cash equivalents	\$ 2,718	\$ 953
Accounts receivable	111,954	80,415
Inventories	225,580	229,459
Prepaid expenses and other	14,487	6,644
Total current assets	354,739	317,471

Capital assets	308,830	289,233
Goodwill	13,327	13,831
Other	5,357	6,540
Future income tax asset	15,275	19,461
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	\$ 697,528	\$ 646,536
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LIABILITIES AND SHAREHOLDERS' EQUITY

Current		
Bank indebtedness	\$ 62,862	\$ 58,105
Accounts payable and accrued charges	87,935	84,897
Deferred revenue	3,824	2,449
Current portion of long-term debt	22,534	21,712
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Total current liabilities	177,155	167,163
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Future income tax liability	92,246	81,303
Long-term debt	164,256	177,163
Other long-term liabilities	16,300	10,899
Shareholders' equity:		
Capital stock	144,085	141,471
Retained earnings	104,654	69,903
Foreign exchange translation	(1,168)	(1,366)
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Total shareholders' equity	247,571	210,008
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	\$ 697,528	\$ 646,536
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MAGELLAN AEROSPACE CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

(\$ thousands)

Six months ended

June 30

2000

1999

restated

OPERATING ACTIVITIES

Income for the period	\$ 16,561	\$ 12,745
Add items not affecting cash		
Depreciation and amortization	9,104	7,542
Future income tax liability	5,145	6,513
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	30,810	26,800
Net change in non-cash working capital items relating to operating activities	(23,492)	(14,195)
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Cash provided in operating activities	7,318	12,605
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INVESTING ACTIVITIES

Acquisitions	-	(89,104)
Purchase of capital assets	(11,121)	(8,875)
Decrease/(Increase) in other assets	812	(3,341)
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Cash used in investing activities	(10,309)	(101,320)
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FINANCING ACTIVITIES

Increase in bank indebtedness	8,200	13,030
(Decrease)/Increase in long-term debt	(8,368)	55,416
Issue of common shares	317	12,931

(Decrease)/Increase in other long-term liabilities	(815)	5,791
Cash used in financing activities	(666)	87,168
Effect of exchange rate changes on cash	78	47
Decrease in cash and cash equivalents	(3,579)	(1,500)
Cash and cash equivalents beginning of period	6,297	2,453
Cash and cash equivalents end of period	\$ 2,718	\$ 953

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Magellan Aerospace Corporation is a diversified supplier of products and services to commercial and defence aircraft manufacturers worldwide. Manufactured products include high performance composite and metal structures, rotating and non-rotating engine components, and space and defence rocket systems. Magellan applies its engineering expertise to the design and development of aerostructure and aeroengine components, advanced materials, and energy and space systems. Services include overhaul of jet and industrial engines, aeroengine components and aircraft structures. Magellan (MAL) is listed on the Toronto Stock Exchange and has operating divisions throughout the United States and Canada.

This press release contains certain forward-looking statements that reflect the current views and/or expectations of the Corporation with respect to its performance, business and future events. Such statements are subject to a number of risks, uncertainties and assumptions which may cause actual results to be materially different from those expressed or implied. The Corporation assumes no future obligation to update these forward-looking statements.

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/For further information: Richard A. Neill, President & Chief Operating Officer, (905) 677 1889; John B Dekker, Vice President Finance & Corporate Secretary, (905) 677-1889/
(MAL.)

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ST: Ontario
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