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Attention Business/Financial Editors:  
Magellan Aerospace Corporation

TORONTO, Nov. 14 /CNW/ - Magellan Aerospace Corporation (the "Corporation") (MAL) today released results for the quarter and nine months ended September 30, 2000.

The financial results are summarized as follows:

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	Three Months Ended September 30			Nine Months Ended September 30		
thousands, except per share amounts	2000	1999 (Restated)	PERCENTAGE CHANGE	2000	1999 (Restated)	PERCENTAGE CHANGE
Revenue	\$ 150,872	\$ 133,556	+13.0%	\$ 463,832	\$ 401,889	+15.4%
Net Income	\$ 9,627	\$ 6,426	+49.8%	\$ 26,188	\$ 19,171	+36.6%
Net Income Per Share	\$ 0.15	\$ 0.10	+50.0%	\$ 0.41	\$ 0.31	+32.3%
EBITDA	\$ 23,713	\$ 17,515	+35.4%	\$ 68,956	\$ 52,421	+31.5%
EBITDA Per Share	\$ 0.37	\$ 0.28	+32.1%	\$ 1.07	\$ 0.85	+25.9%

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#### Financial Results

Due to continued revenue growth and focus on cost control, Magellan was able to achieve strong financial results in a traditionally soft quarter.

Revenue for the third quarter of 2000 was \$150.9 million, an increase of 13.0% from the same period in 1999. Net income for the third quarter was \$9.6 million (\$0.15 per share) an increase of 49.8% over the \$6.4 million (\$0.10 per share) in the third quarter of 1999. The increase in net income was attributed to increased revenues and stronger gross margins, which improved from 17.2% in 1999 to 18.3% in 2000. The Corporation also controlled administrative and general expenses, which decreased as a percentage of revenue year over year from 6.9% of revenue in the third quarter of 1999 to 5.2% of revenue in the third quarter of 2000.

Revenue for the year to date was \$463.8 million, an increase of 15.4% 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 \$26.2 million (\$0.41 per share), or a 36.6% increase from the \$19.2 million (\$0.31 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. However, since the acquisition of Ellanef, the Corporation has focused on reduction of debt levels, and the proportion of debt to total capital at September 30, 2000 is now 48.9%, down from 54.8% one year ago.

The Corporation shows continued focus on management of assets through its ability to reduce inventory levels by 4.8% year over year while its revenues

grew by 15.4%.

The Corporation previously announced it had acquired shares of Devtek Corp. for investment purposes. Subsequently, Magellan tendered its Devtek shares to the offer made by Heroux Inc. for Devtek shares outstanding, liquidating its interest. The results of these transactions have not had a material effect on the Corporation's results.

#### Recent Developments

Magellan continued to build on its strong base with both Boeing and Airbus during the quarter, and expanded its application of machining expertise in non-aerospace sectors.

Magellan announced the award of a contract to provide acoustic engine exhaust nozzle assemblies for the new Airbus A318 aircraft. The contract, valued at over \$29 million, will be performed at Magellan's Aeronca facility, Middletown, Ohio, in conjunction with Hispano-Suiza Aerostructures, LeHavre France. Magellan Aerospace will now be delivering acoustic exhaust systems for Airbus Industrie's three newest aircraft models. In addition to the narrow-body A318, Magellan is currently under contract for engine exhaust nozzles and plugs for the wide-body Airbus A340-500 and A340-600 aircraft. Magellan is also supplying exhaust nozzle assemblies for Boeing's B747 and B767 aircraft, and has been a leader in exhaust system design and manufacture since the 1960's.

Magellan has reached an agreement with the power generation division of Siemens Westinghouse Corporation to supply isolation ring segments to Siemens. The work, valued at \$12 million, will be carried out in Magellan's Chicopee facility in Kitchener, Ontario. The isolation rings are precision-machined stationary parts located in the combustion section of Siemens Westinghouse's 150-megawatt natural gas powered turbines. The penetration of the industrial power market adds new stability to Chicopee's workload while using the same skill sets and equipment as the aerospace sector.

Two contracts totaling \$13.8 million in firm defence work from Northrop Grumman Integrated Systems and Aerostructures Sector, El Segundo, California were recently awarded. The first contract is for the production of key structural components for the F/A-18C/D center barrel retrofit program. The second contract is the exercise of an option for full rate production of structural components for the F/A-18E/F Super Hornet strike fighter.

Over the first half of 2000, Magellan management evaluated two complementary methodologies for improving business processes and eliminating non-value-added activities, based on pilot projects in selected operating divisions. In the third quarter, Six Sigma and Lean Manufacturing were launched as Corporate-wide initiatives to improve performance in all areas, and reduce costs. By year-end, Magellan will have deployed over 60 trained Six Sigma Black/Green Belts, and Lean Manufacturing initiatives will be under way in all divisions.

#### 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

Commercial aircraft markets continue to be strong, with orders received

from Boeing and Airbus during the year matching previous highs. Regional and business aircraft markets have increased in 2000, helping to offset weakness in some segments of the defence market. Full rate production has been achieved on the Boeing 717 aircraft, the program is on schedule, and the aircraft is selling well, with over 300 firm and option orders announced to date. The Corporation continues to work on new-product certifications to allow production to begin in 2001.

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. With continued strengthening in the Corporation's balance sheet through the first three quarters of 2000, the Corporation has additional capabilities to pursue further acquisitions and growth. North American, as well as international, acquisition opportunities continue to be presented to the Corporation.

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financial information

MAGELLAN AEROSPACE CORPORATION  
CONSOLIDATED STATEMENTS OF INCOME  
STATEMENT AND RETAINED EARNINGS  
(unaudited)

(thousands, except per share amounts)	Three months ended		Nine months ended	
	September 30		September 30	
	2000	1999	2000	1999
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Revenue	\$ 150,872	\$ 133,556	\$ 463,832	\$ 401,889
Cost of revenues	123,219	110,633	379,975	333,028
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Gross profit	27,653	22,923	83,857	68,861
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Administrative and general expenses	7,782	9,261	27,361	27,613
Research & development	153	141	639	363
Interest expense	5,126	3,221	14,791	9,889
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	13,061	12,623	42,791	37,865
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Income before income taxes	14,592	10,300	41,066	30,996
Income taxes provided - current	1,989	459	6,757	1,897
Income taxes provided - future	2,976	3,415	8,121	9,928
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Income for the period	\$ 9,627	\$ 6,426	\$ 26,188	\$ 19,171
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Retained earnings at beginning of the period	104,654	69,903	88,093	57,158
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Retained earnings at the end of the period	\$ 114,281	\$ 76,329	\$ 114,281	\$ 76,329

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Earnings per common share				
Basic	\$ 0.15	\$ 0.10	\$ 0.41	\$ 0.31
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Fully Diluted	\$ 0.15	\$ 0.10	\$ 0.40	\$ 0.30
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MAGELLAN AEROSPACE CORPORATION  
CONSOLIDATED BALANCE SHEETS  
at September 30  
(unaudited)

	2000	1999
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(in thousands)		
<b>ASSETS</b>		
Current		
Cash and short term investments	\$ 1,978	\$ 2,229
Accounts receivable	118,894	84,572
Inventories	226,617	238,115
Prepaid expenses and other	14,314	6,964
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Total current assets	361,803	331,880
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Capital assets	313,099	285,779
Goodwill	13,380	13,593
Other	5,936	6,419
Future tax asset	15,376	19,397
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	\$ 709,594	\$ 657,068
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<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current		
Bank indebtedness	\$ 62,959	\$ 60,149
Accounts payable and accrued charges	83,346	79,651
Deferred revenue	4,448	6,180
Current portion of long-term debt	26,799	26,878
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Total current liabilities	177,552	172,858
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Future income tax liability	97,485	84,308
Long-term debt	159,677	177,776
Other long-term liabilities	16,570	5,829
Shareholders' equity:		
Common shares	144,317	141,701
Retained earnings	114,281	76,329
Foreign exchange translation	(288)	(1,733)
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Total shareholders' equity	258,310	216,297
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	\$ 709,594	\$ 657,068
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MAGELLAN AEROSPACE CORPORATION  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(unaudited)

(thousands)	Three months ended September 30		Nine months ended September 30	
	2000	1999	2000	1999
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<b>OPERATING ACTIVITIES</b>				
Income for the period	\$ 9,627	\$ 6,426	\$ 26,188	\$ 19,171
Add items not affecting cash				
Depreciation and amortization	3,995	3,994	13,099	11,536
Future income taxes	2,976	3,415	8,121	9,928
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	16,598	13,835	47,408	40,635
Net change in non-cash working capital items relating to operating activities	(9,142)	(10,402)	(32,634)	(24,597)
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Cash provided in operating activities	7,456	3,433	14,774	16,038
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<b>INVESTING ACTIVITIES</b>				
Acquisitions	-	-	-	(89,104)
Purchase of capital assets	(5,668)	(8,802)	(16,789)	(17,677)
Decrease (increase) in other assets	(541)	2,113	271	(1,228)
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Cash used in investing activities	(6,209)	(6,689)	(16,518)	(108,009)
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<b>FINANCING ACTIVITIES</b>				
Increase (decrease) in bank indebtedness	(540)	2,947	7,660	15,977
Increase (decrease) in long-term debt	(1,935)	1,477	(10,303)	56,893
Issue of common shares	232	230	549	13,161
Increase (decrease) in other long-term liabilities	235	38	(580)	5,829
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Cash provided by financing activities	(2,008)	4,692	(2,674)	91,860
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Effect of exchange rate changes on cash	21	(160)	99	(113)
Increase (decrease) in cash and cash equivalents	(740)	1,276	(4,319)	(224)
Cash and cash equivalents beginning of period	2,718	953	6,297	2,453
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Cash and cash equivalents end of period	\$ 1,978	\$ 2,229	\$ 1,978	\$ 2,229
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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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(MAL.)

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