

MAGELLAN AEROSPACE CORPORATION

ANNUAL INFORMATION FORM

MAY 12, 2004

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ADVISORY

In the interest of providing the shareholders and potential investors of Magellan Aerospace Corporation ("Magellan" or the "Corporation") with information regarding the Corporation, including management's assessment of the Corporation's future plans and operations, this Annual Information Form contains forward-looking information that represents the Corporation's internal projections, expectations, estimates or beliefs concerning, among other things, future operating results and various components thereof or the Corporation's future economic performance. The projections, expectations, estimates and beliefs contained in such forward-looking statements necessarily involve known and unknown risks and uncertainties which may cause the Corporation's actual performance and financial results in future periods to differ materially from any projections, expectations, estimates and beliefs of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things, such risk and uncertainties described in this Annual Information Form and in documents incorporated by reference into this Annual Information Form and the Corporation's other reports and filings with the Canadian securities authorities. Accordingly, shareholders and potential investors are cautioned that events or circumstances could cause actual results to differ materially from those predicted.

All dollars amounts in this Annual Information Form are expressed in Canadian dollars unless specifically designated to be in United States dollars or British pounds sterling.

THE CORPORATION

General

Magellan Aerospace Corporation ("Magellan" or the "Corporation") was incorporated on February 15, 1996 under the name 1169525 Ontario Inc. under the *Business Corporations Act* (Ontario). On April 3, 1996, as part of a statutory arrangement (the "Arrangement"), 1169525 Ontario Inc. changed its name to Fleet Aerospace Corporation. On October 17, 1996 the Corporation changed its name to Magellan Aerospace Corporation.

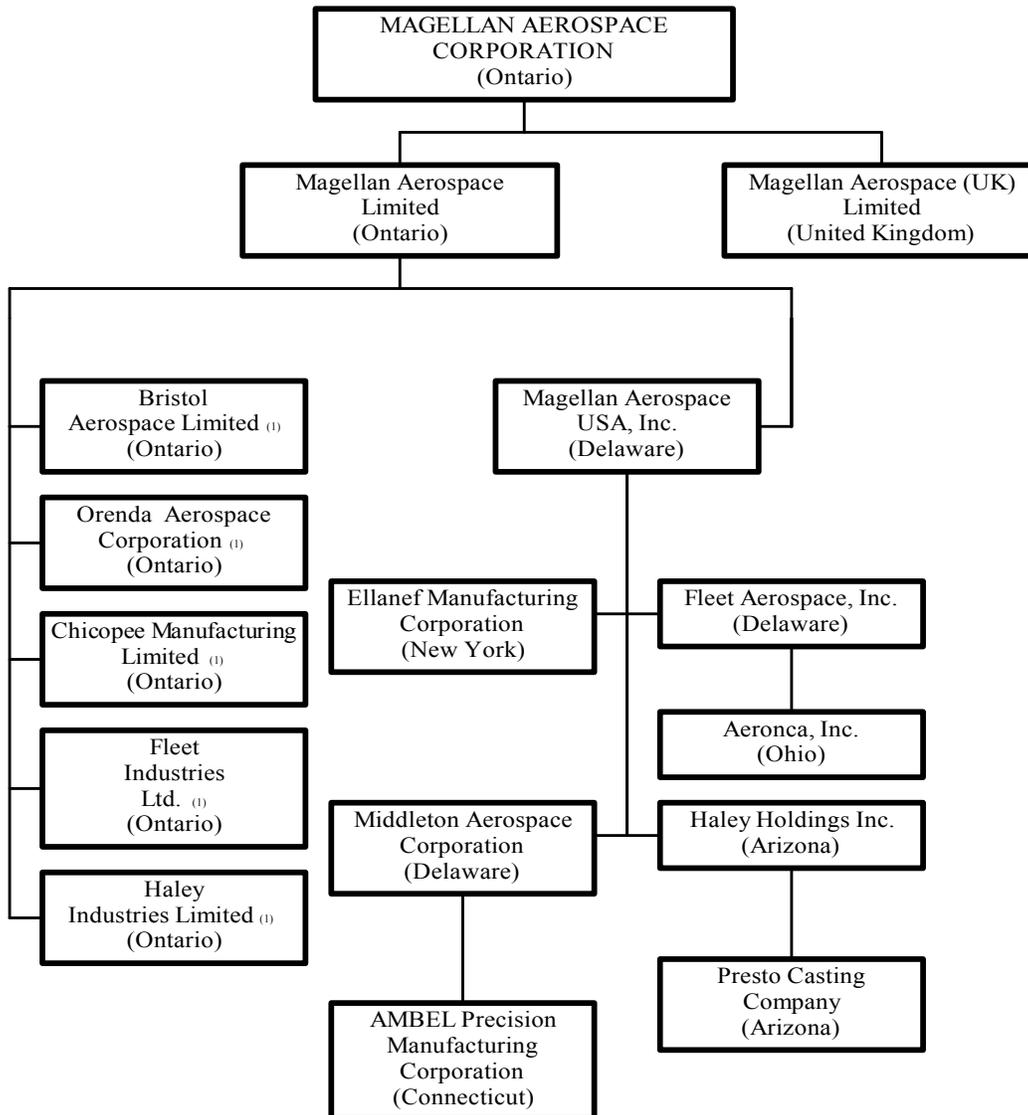
On the effective date of the Arrangement, Fleet Industries Ltd. (until that time the public company known as Fleet Aerospace Corporation) became a wholly-owned subsidiary of the Corporation (formerly a subsidiary of Fleet Industries Ltd. known as 1169525 Ontario Inc.) and holders of ordinary shares of Fleet Industries Ltd. became holders of Common Shares of the Corporation. On October 17, 1996 the Common Shares of the Corporation were consolidated on a one-for-five basis.

Magellan, through its wholly-owned subsidiaries: Bristol Aerospace Limited ("Bristol"), located in Winnipeg and Rockwood, Manitoba; Orenda Aerospace Corporation ("Orenda"), located in Mississauga, Ontario; Fleet Industries Ltd. ("Fleet Industries"), located in Fort Erie, Ontario; Chicopee Manufacturing Limited ("Chicopee") located in Kitchener, Ontario; Haley Industries Limited ("Haley") located in Haley, Ontario; Ellanef Manufacturing Corporation ("Ellanef") located in Corona and Bohemia, New York; Middleton Aerospace Corporation ("Middleton"), located in Middleton and Peabody, Massachusetts; Aeronca, Inc. ("Aeronca"), located in Middletown, Ohio; AMBEL Precision Manufacturing Corporation ("AMBEL") located in Bethel, Connecticut; Presto Casting Company ("Presto"), located in Glendale, Arizona and Magellan Aerospace (UK) Limited ("MAL UK") located in Wrexham, Bournemouth and Filton, United Kingdom, is involved in the design, engineering, and manufacture of aeroengine and aerostructure components for aerospace markets, advanced products for military and space markets, and complementary specialty products.

The Corporation's principal office is located at 3160 Derry Road East, Mississauga, Ontario, L4T 1A9.

Corporate Structure

The following chart shows Magellan's material active subsidiaries, all wholly-owned, directly or indirectly, and the respective jurisdiction of incorporation of each corporation, as at December 31, 2003.



Note:

(1) These corporations operate business as directed by, and as agent on behalf of, Magellan Aerospace Limited

GENERAL DEVELOPMENT OF THE BUSINESS

General

The Corporation's principal business activities are the engineering, manufacture and repair and overhaul of sophisticated equipment and components for the aerospace industry, modernizing, repairing and overhauling jet engines, defence aircraft and helicopters and the manufacture of rocket systems, systems

and the design and production of magnesium and aluminium castings, primarily for the aerospace industry.

In 2002 the Corporation acquired Haley Industries Limited (including its subsidiary Presto Casting Company) ("Haley") whose business is the design and production of magnesium and aluminium castings, primarily for the aerospace industry, for \$23.4 million, consisting of 748,686 Common Shares and the balance in cash.

In 1994, Orenda Recip Inc. ("Recip"), a Canadian subsidiary of the Corporation, acquired the proprietary technology for the design and production of a series of high performance reciprocating aero engines capable of producing between 500 hp and 750 hp at a cost well below that of small turbine engines. In light of the significant downturn in the general aviation market and the general economic environment impacting Recip, a decision was made to discontinue development of the Orenda reciprocating engine effective December 31, 2002. As a result the Corporation recorded a provision of \$30.2 million at December 31, 2002 to write down the assets of Recip to their net realizable value.

January 7, 2003, the Corporation completed an offering of \$70 million of 8.5 percent convertible unsecured subordinated debentures ("Convertible Debentures") due January 31, 2008. The net proceeds of the Convertible Debenture offering of \$68.0 million were applied as to \$34.0 million towards the permanent reduction of the principal amount of the term bank loan, as to \$8.9 million towards repayment of the long-term indebtedness of Haley, which was assumed by the Corporation upon the acquisition of Haley, and as to the remaining amount of \$25.1 million, by paying down, but not permanently reducing, the Corporation's revolving lines of credit.

On February 13, 2003, due to the prolonged strike and the associated economic consequences of this strike, the Corporation announced its decision to cease operations at its Fleet Industries plant in Fort Erie, Ontario. Strike-bound for four months, Fleet Industries had a long history of troubled labour relations. When it became clear that disruptions to customer relations at the facility had become untenable, the course of action taken to safeguard commitments to customers was to transfer the majority of the work to other Magellan divisions and to close the plant. Management has estimated the potential costs and losses resulting from this decision and recorded a one-time charge to net earnings of \$33.3 million in 2003; however, as estimates are involved, the ultimate amount of the charge could be materially different from the amounts recorded. The Corporation expects to close the plant by the end of 2004.

On December 22, 2003 the Corporation completed an offering of 8,750,000 Common Shares of the Corporation, which included 2,000,000 Common Shares that were issued on exercise of underwriters' option for net proceeds of \$21,217,000. The offering was made on a bought deal basis through a syndication of underwriters. The Corporation also concurrently closed a private placement with the Corporation's principal shareholder, N. Murray Edwards, and certain other directors and officers of the Corporation, including certain associates and affiliates thereof, to purchase 3,250,000 Common Shares, on the same terms and conditions as pertain to the offering for net proceeds of \$8,288,000. The Common Shares were issued at a price of \$2.55 per share.

The net proceeds of the offering and concurrent private placement were used to fund acquisitions, including the Corporation's acquisition of the Mayflower Assets (as described below), and for other working capital purposes.

On September 29, 2003, Magellan announced that Kimball Capital Corporation ("Kimball"), which is controlled by Larry A. Moeller, a director of the Corporation, indirectly, acquired through a receivership process, substantially all of the aerospace business and assets ("Mayflower Assets") of the Mayflower Aerospace Ltd. corporate group located in the United Kingdom for £6,100,000 (then approximately \$13.4

million). Kimball granted Magellan a right to acquire the Mayflower Assets at the same price and on the same terms as those applicable to Kimball, including Kimball's financing costs, subject to Magellan securing all bank and other approvals required to complete the acquisition. Kimball obtained its financing from N. Murray Edwards, a director and principal shareholder of Magellan. The acquisition by Magellan of the Mayflower Assets from Kimball constituted a related party transaction within the meaning of Rule 61-501 of the Ontario Securities Commission ("Rule 61-501"). The acquisition was exempt from each of the formal valuation requirement and the minority shareholder requirement under Rule 61-501 on the basis that consideration agreed to be paid by Magellan constituted less than 25% of Magellan's market capitalization. The acquisition was approved by the members of the board of directors of Magellan other than N. Murray Edwards and Larry Moeller, who did not vote. On November 28, 2003, Magellan obtained the approvals required to complete the acquisition of the Mayflower Assets from Kimball. Accordingly, Magellan exercised its right to acquire the Mayflower Assets and complete the transaction on December 31, 2003. For more information with respect to the Mayflower Assets, see "The Corporation's Business – Magellan Aerospace (UK) Limited".

DESCRIPTION OF THE BUSINESS

The Corporation operates a single business segment: the manufacture and related services of aerospace components. In this segment, the Corporation has four product groupings; aerostructure components, aeroengine components, rockets and space, and specialty products. Aerostructure and aeroengine products are used both in new aircraft, as well as for spares and replacement parts.

The business carried on by the Corporation involves firm contracts generally having terms of one to five years. Component products and systems supplied are related to end-product sales by the Corporation's customers, and in accordance with industry practice, are generally subject to termination, modification or reduction at the option of the Corporation's customers. However, if a program is so terminated, the terms of the underlying contracts generally provide that the Corporation will be reimbursed for its allowable costs to the date of termination plus any proportionate amount of profits attributable to the work actually performed. Products that are delivered directly to the end-user generally involve contracts for specific quantities over specific time periods, and are less likely to experience variations to the terms.

From time to time circumstances under which long-term contracts are negotiated change and require amendment so that the Corporation does not incur a loss. The Corporation is currently in negotiation with two of its customers over material pricing amendments to existing long-term contracts. **For more information, see "Risk Factors – The Corporation may not be able to successfully negotiate long-term contracts to eliminate losses".**

The Corporation announced a number of customer program awards during 2003.

Magellan announced on January 13, 2003, the award of new engine assemblies contracts for the United States Department of Defense, with revenues in excess of \$40.0 million over 5 years if all options to purchase are exercised. The work comprises a supply contract for High Pressure Cylinder Assemblies for the AGT1500 engine that powers the M1 Abrams Tank, and a second supply contract for Inner Combustion Liners for the F110 engine that powers the F16 aircraft.

Magellan announced on January 20, 2003, its selection by Rolls-Royce, Indianapolis, to perform work packages on the Joint Strike Fighter (JSF) program. The work comprises four modules of the vertical lift fan for the short take-off and vertical landing variant of the Lockheed Martin F-35 JSF aircraft, and integrates the capabilities of four Magellan operating divisions in the production of the package. This opportunity includes aluminum casting operations at Haley's facilities near Ottawa, machining operations

on the castings at Middleton and on the vane box assembly in Chicopee, and fabrication and assembly operations in Bristol. The contract has estimated future revenues of up to \$30.0 million over 10 years.

On May 5, 2003 the Corporation announced orders valued at approximately \$6.0 million dollars to manufacture F-15 Eagle engine fairings for the Defense Supply Center Richmond (DSCR), and STANDARD missile dorsal fins for Raytheon Missile Systems in Tucson, Arizona, scheduled for delivery in 2003-2004. Magellan's facilities in the United States will manufacture parts for both orders. The F-15 engine upper and lower fairings are complex, brazed assemblies of titanium face sheets and titanium honeycomb requiring precise management of special processes for exotic materials.

Magellan announced May 7, 2003, its selection by Lockheed Martin, Fort Worth, TX, to perform work packages on the F-35 Joint Strike Fighter (JSF) program. The work comprises twenty-four wing structural parts for all three variants of the Lockheed Martin F-35 JSF aircraft, and uses Magellan's capability to perform high velocity machining of hard metal structures. Under this order, Magellan will produce the product through 2013, estimated to be 899 aircraft by the customer, including conventional, carrier and short takeoff/vertical landing variants. This initial order has estimated revenues of over \$17.0 million. The work will be performed at Magellan's Chicopee facility in Kitchener, Ontario.

Magellan announced May 12, 2003, that it was selected by Hurel-Hispano S.A. as the sole source manufacturer of exhaust nozzles for the Rolls-Royce and Engine Alliance engines offered on the Airbus A380 aircraft. The contract, which has estimated revenues of \$160.0 million over 15 years, will be carried out in Magellan's Bristol and Aeronca facilities. Deliveries began in 2003. The A380 aircraft has a capacity of 555 passengers in three classes over a range of up to 8,000 miles/14,800 km.

The signing of a long-term contract with the United States Department of Defense to supply aeroengine compressor components for the next ten years was announced by Magellan on June 16, 2003. The requirements-type contract includes the supply of a variety of high-precision machined components, with delivery commencing in the first half of 2004. The projected ten year revenues are in excess of \$80.0 million dollars. The agreement awards the first two years of work, and contemplates a further series of two-year optional releases for a total of ten years. The product includes disks, shafts, turbine wheels and seven other components for the J85 jet engine. The work will be performed at Magellan's Orenda aerospace facility in Mississauga, Ontario.

On August 19, 2003 the Corporation announced the award of manufacturing work for Volvo Aero Corporation, Trollhatten, Sweden. This contract is valued at approximately \$8.0 million dollars and deliveries commenced in the second half of 2003. The contract is for the manufacture of advanced aeroengine components and kits to support repair and overhaul activities by Volvo Aero on the RM12 military engine. The work will be performed at Magellan's Orenda aerospace facility in Mississauga, Ontario.

The award of a contract to supply F/A-18 landing gear Retrofit Kits for 150 F/A-18 aircraft for the Naval Inventory Control Point in Philadelphia, PA was announced by Magellan on August 25, 2003. The contract has estimated revenues of approximately \$(US) 3.8 million dollars. The contract will be performed over an eighteen-month period at Ellanef operations in Corona and Bohemia, NY. These operations specialize in complex machining, assembly and kitting technologies. The work comprises Main Landing Gear Axles, Cranks and Retainers to be delivered in kits for use in the retrofit of existing F/A-18 model A, B, C and D Hornet Aircraft. The award of 150 shipsets represents a 50% share of the initial release of retrofit kits for 300 aircraft. A total of 800 Aircraft are slated to be retrofitted with the new axle design.

The total revenue, the number of principal customers accounting for more than 10% of the consolidated revenues in each of the last two completed financial years, and the percentage of total revenues in each of Canada, the United States and the United Kingdom from the operations of the Corporation's business are set forth in the following table:

(thousands of dollars)	Year ended Dec. 31 2003	Year ended Dec. 31 2002
Canadian operations		
Total revenues	\$254,453	\$241,216
Number of principal customers	3	3
Percentage of total revenue from principal customers	34%	42%
U.S. operations		
Total revenues	\$202,595	\$218,925
Number of principal customers	3	3
Percentage of total revenue from principal customers	71%	59%
U.K. operations		
Total revenues	\$21,265	N/A
Number of principal customers	3	
Percentage of total revenue from principal customers	68%	
Total Corporation		
Total revenues	\$478,313	\$460,141
Number of principal customers	2	1
Percentage of total revenue from principal customers	30%	27%

THE CORPORATION'S BUSINESS

Bristol Aerospace

Bristol's main facility is company owned and is comprised of a 65,000 square metre (700,000 sq. ft.) plant located in Winnipeg, Manitoba. Bristol also operates a solid fuel rocket propellant manufacturing and test facility, company owned, on a 2,400 hectare (6,000 acre) site, 30 kilometers north of Winnipeg at Rockwood, Manitoba. Bristol currently employs approximately 700 employees. In addition to an experienced manufacturing and technical workforce, Bristol has strong engineering, marketing and administrative organizations. The Corporation believes that the available capacity at this facility is sufficient to meet its current and anticipated manufacturing requirements as indicated by current growth trends in the industry.

Bristol's aerospace group specializes in precision manufacturing of structures and engine components for the commercial and military aircraft industry. The products are supplied to the prime aircraft and aircraft engine manufacturers throughout the world. Bristol's major commercial aerospace customers include The Boeing Company, Bombardier Inc., General Electric Aircraft Engines, and Pratt & Whitney Canada. Major defence customers include the United States Department of Defence and NATO.

The defence group manufactures rocket systems, target systems and the Black Brant, a solid propellant high altitude research rocket. The rocket systems are sold to the Canadian Armed Forces, United States Department of Defence, and the Ministry of Defence United Kingdom. The major customer of the Black Brant is NASA, which uses the Black Brant in its suborbital Space Science Program.

Chicopee Manufacturing

Chicopee produces precision machined medium and large components and sub-assemblies from high-strength steels, titaniums and a variety of aluminum alloys. Major aerospace customers include The Boeing Company, Lockheed Martin, and Goodrich Corporation. Recent orders have been received for the power generation gas turbine industry.

Chicopee operates from a company owned modern one-storey, 8,000 square meter (80,000 square foot) industrial building situated on 8.5 acres of land in Kitchener, Ontario and employs approximately 120 people. The Corporation believes that the available capacity at this facility is sufficient to meet its current and anticipated manufacturing requirements as indicated by current growth trends in the industry.

Fleet Industries

Fleet Industries manufactures products for commercial and military aircraft, and specializes in metal-to-metal bonding and high-performance composite bonded components. Fleet Industries operates out of a company owned 46,500 square meters (501,000 square feet) manufacturing facility located on a 152 acre (62 hectare) site in Fort Erie, Ontario. The Corporation announced on February 13, 2003, that work performed at Fleet Industries would be transferred to other facilities and the Fort Erie plant would close. The Corporation expects to close the plant by the end of 2004.

Prior to the announcement that Fleet Industries would cease operations, Fleet Industries manufactured components for such major aerospace customers as Bombardier Inc., The Boeing Company and Bell Helicopter. Discussions are proceeding with certain customers concerning the relocation of the contracts to other vendors, including other Magellan subsidiaries as appropriate.

Haley Industries

Haley conducts its business in a company-owned facility, comprised of 19,000 square metres (192,000 sq. ft.) located in Haley, Ontario and currently employs 315 employees. The Corporation believes that the available capacity at this facility is sufficient to meet its current and anticipated manufacturing requirements as indicated by current growth trends in the industry.

Haley produces precision magnesium and aluminum sand castings for the aerospace industry. Castings range in size from 300 mm to 3 metres in length and up to 455 kg (1000 lbs.). Typical parts include engine inlet cases, accessory gearbox housings, helicopter transmission housings, compressor inlet housings, generator housings and constant speed drive housings.

Haley's principal customers include AgustaWestland, Hamilton Sundstrand, Pratt & Whitney and Pratt & Whitney Canada.

Orenda Aerospace

Orenda conducts its activities in an owned 70,000 square meter (750,000 square foot) facility in Mississauga, Ontario near Toronto's Lester B. Pearson International Airport. Approximately 450 people are employed at the Mississauga facility. The Corporation believes that the available capacity at its Orenda facility is sufficient to meet its current and anticipated manufacturing requirements as indicated by current growth trends in the industry. Orenda's customers include aerospace original equipment manufacturers, gas turbine manufacturers, and commercial users of industrial gas turbine engines, as well as the Canadian Department of National Defence and United States Department of Defense.

Orenda is a precision manufacturer of high quality components for commercial, regional and military jet engines. Under the terms of a revenue sharing agreement with Honeywell Engine Systems, Orenda works with Honeywell on the research and development phase and manufactures a variety of parts within the high pressure turbine, compressor and combustor modules for the HTF 7000 family of turbofan engines. The HTF 7000 engine is targeted for the business and regional jet markets including the Bombardier Challenger 300 Business Jet.

Orenda also provides complete repair and overhaul facilities for the GE J85 (used in F-5 and CT-114 aircraft) and F404 (used in CF-18 aircraft) engines for the Canadian Armed Forces and overhaul of exhaust frames for F404 engines used in the United States Department of Defence F-18 fighter aircraft. The majority of repair and overhaul work is performed under fixed hourly rate contracts.

Orenda's Advanced Materials and Energy Systems group develops proprietary processes that allow re-manufacture of commercial gas turbine components with quality and performance equal to or exceeding that of original factory components. In addition, this group is researching the adaptation of turbine engines to burn bio-fuel.

Aeronca, Inc.

Aeronca designs and manufactures engine exhaust systems and nacelle components, and produces conventional aircraft and missile structural components as a subcontractor to original equipment manufacturers.

Aeronca is located in Middletown, Ohio occupying a 20,900 square meter (225,000 square foot) building on a 14 acre (6 hectare) site which is owned by Aeronca. Aeronca employs approximately 230 people. The Corporation believes that the facility is sufficient to meet its current and anticipated manufacturing requirements as indicated by current growth trends in the industry. As the Corporation attracts new programs, retooling of existing equipment and the purchase of additional specialized equipment may be required for such programs.

Through Aeronca, the Corporation manufactures airframe structures and jet engine nacelle and exhaust components primarily for the commercial aerospace and defence industries. Aeronca has developed significant manufacturing expertise in brazed structures, especially titanium honeycomb structures, and conventional sheet metal structures which enables it to produce a wide variety of light-weight, high-strength products, including variable exhaust nozzles for jet engines, fairings for engines and wings, speed brakes and wing components. Aeronca's major customers include The Boeing Company and Hurel-Hispano S.A.

Aeronca manufactures its products to meet demanding performance and environmental product specifications. These specifications include high strength, the capability to absorb high levels of energy and the ability to withstand extreme temperatures, shocks and vibrations. Aeronca's expertise in designing and manufacturing brazed structures allows it to address these product specifications because brazed structures are generally lighter, more temperature resistant and stronger than bonded or riveted structures.

As a result of a strategic decision to diversify its product base to include proprietary products, Aeronca focused on the design and development of the Boeing 737 fan cowl door project. The manufacturing tools, equipment and type certificates for this program remain the property of Aeronca. Certification of the doors was received in March 1998 and Aeronca currently supplies Southwest Airlines, Continental and Lufthansa Technik. Aeronca is pursuing marketing opportunities for these replacement doors with other airlines.

AMBEL Precision Manufacturing Corporation

AMBEL is conducting its business in leased premises of approximately 2,000 square meters (22,000 square feet). Shortly after completion of the acquisition in 1998, a 1,100 square meter (12,000 square foot) expansion of the facility was undertaken in order to accommodate growing customer requirements. AMBEL employs approximately 85 people. The Corporation believes that the available capacity at this facility is sufficient to meet its current and anticipated manufacturing requirements as indicated by current growth trends in the industry.

AMBEL is a precision machining company that has been supplying high quality jet engine components for both military and commercial aircraft since 1969. Its primary customers include Pratt & Whitney Canada, Honeywell Engine Systems and the United States Department of Defense.

Ellanef Manufacturing Corporation

Ellanef is a leading speciality contract engineering and manufacturing company which engineers, manufactures and assembles complex components and sub-assemblies for original equipment manufacturers of commercial and military aircraft. Ellanef's core competency is the manufacture of close-tolerance machined components and assemblies using high heat-treat and speciality metals such as aluminum, titanium and inconel. Parts and sub-assemblies manufactured by Ellanef comprise primary aerospace product categories: mechanical and electromechanical assemblies, structural parts and assemblies, landing gear components and gearboxes. This range of components and sub-assemblies differentiates Ellanef from other aerospace component suppliers.

Ellanef's major customers include The Boeing Company (Commercial and Military), Northrop Grumman, Goodrich Corporation and Wyman-Gordon. A significant portion of Ellanef's revenue for Boeing Commercial Aircraft is parts and sub-assemblies for the successful Boeing 737 Next Generation aircraft.

Ellanef currently employs approximately 320 people. Ellanef operates from two company-owned premises in New York. Machining and assembly operations are performed at the Corona (Queens) location that consists of six buildings totalling approximately 15,000 square meters (156,000 square feet). Ellanef's large-scale machining operations occur at the Bohemia facility, which is approximately 13,000 square meters (142,000 square feet) in size. The Corporation believes that the available capacity at these facilities is sufficient to meet its current and anticipated manufacturing requirements as indicated by current growth trends in the industry.

Middleton Aerospace Corporation

Middleton conducts its business in two leased facilities. One facility of approximately 4,300 square meters (46,000 square feet) is located in Middleton, Massachusetts and an additional 2,000 square meters (22,000 square feet) of manufacturing space is located in nearby Peabody, Massachusetts. Middleton's 122 employees are skilled in sophisticated machining and measurement techniques.

Middleton manufactures critical rotating and non-rotating parts for major engine builders and the United States Department of Defense. Middleton utilizes the latest computer assisted technology and has the required quality approvals. It has long-term agreements in place with General Electric, Rolls-Royce Aerospace Group, Honeywell Engine Systems and the United States Department of Defense.

Middleton manufactures both prototype and production parts using numerically controlled machines, and can turn, mill and grind parts as large as 60 inches in diameter. In addition, Middleton is using its five-axis machining capability to develop high value-added components for the medical equipment

industry. Middleton has very strong exposure to the regional jet engine market through participation on both engines that dominate this market, namely the Rolls-Royce AE3007 and the General Electric CF34.

Presto Casting Company

Presto conducts its business in a company-owned 8,000 square metre (89,000 square foot) facility located in Glendale, Arizona, USA and employs approximately 130 people.

Presto produces small to medium, magnesium and aluminum sand castings for the aerospace industry. Casting range in size from 150 mm to 700 mm in length and up to 100 lbs. Typical parts include generator housings and pump housings, engine accessory gearbox housings, and auxiliary power unit gearboxes and aircraft air conditioning unit housings.

Presto's principal customers include Bell Helicopter, The Boeing Company, Hamilton Sundstrand and Honeywell Engine Systems.

Magellan Aerospace (UK) Limited

MAL UK is comprised of four manufacturing sites and two engineering sites located in the United Kingdom. The owned manufacturing facilities, located in Wrexham and Bournemouth, occupy a total of 15,000 square metres (161,000 square feet). The leased engineering sites, located in Filton and Hansford, occupy, in the aggregate, approximately 700 square metres (7,500 square feet). MAL UK employs approximately 740 people. Through a receivership process, MAL UK acquired substantially all of the aerospace business and assets of the Mayflower Aerospace Ltd. corporate group located in the United Kingdom in 2003.

The aerospace manufacturing business is comprised of airframe component design involved in design and structural engineering, long bed machining involving large and medium sized parts for wings and other components, automatic programming and machining specializing in engineering precision machining of small and medium sized parts, mechanical assemblies, stress engineering and surface treatments.

MAL UK's principal customers include Airbus, BAE Systems, AgustaWestland and GKN Group.

RECENT DEVELOPMENTS

The Corporation announced on February 10, 2004 that it had signed a long-term Revenue Sharing Agreement with General Electric Company's GE Aircraft Engines unit (GEAE) to produce major components for the GE F414 military aircraft engine of the Boeing F/A-18E/F Super Hornet aircraft. Under the Revenue Sharing Agreement, Magellan will earn revenue on every GE F414 engine sale with a market potential of engine sales for 25 years or more. Magellan's investment under the agreement will be \$US 27.9M over the next four years, funded from internally generated cash flow and existing bank lines. The agreement covers orders of the F414 engine for current requirements and for new applications, for the life of the F414 program. The F414 powers the Boeing F/A 18E/F Super Hornet aircraft in service with the United States Navy. In December 2003, the United States Navy awarded Boeing a second multiyear procurement contract for an additional 210 F/A-18 Super Hornets, and a new contract for the design and development of the EA-18G airborne electronic attack aircraft. The European Aeronautics Defence and Space Company (EADS) has also chosen the F414 for application in the Mako family of advanced trainer and light combat aircraft, currently in development, and it has a broad potential for additional new applications. Magellan will build the engine front frame and exhaust frame for the F414 engine, with deliveries commencing in the first half of 2004 and reaching full production by the end of 2004. The work packages for Magellan will be performed in both Magellan divisions based in the U.S.

and Canada. Magellan is currently a source of the exhaust frames for the F414. The agreement adds the F414 front frame and increases the volume of exhaust frame orders for the life of the program.

On May 6, 2004, the Corporation announced a series of moves to strengthen its European base. A new supply agreement was signed with Airbus, under which the Corporation will produce additional work with estimated revenues of £10.0 million (approximately Cdn. \$24.0 million) annually across the entire family of Airbus commercial aircraft. To undertake this additional work, the Corporation has secured additional equipment and facilities to accommodate the expanded workload and further volume increases as the demand for Airbus aircraft continues to grow. The additional facilities, located adjacent to existing facilities in the United Kingdom will provide an opportunity for the Corporation to rationalize the increased workload across all divisions, decrease overhead costs and absorb the cost reduction demands that are now a feature of aerospace lean manufacturing. The greater capacity also brings the benefit of additional work on AgustaWestland helicopter programs and with the GKN Group, contributing additional work with revenues of £4-5 million (approximately Cdn. \$ 10-12 million) annually.

AEROSPACE INDUSTRY

Overview

The aerospace manufacturing industry differs from traditional manufacturing industries in a number of material respects. An aerospace manufacturer develops very small quantities of highly specialized products on a contract basis. Accordingly, an aerospace manufacturer is more like a contractor, hired to complete a very customized and specialized project to the specifications of a customer. The up-front costs in developing such products that are incurred prior to the completion of the first production unit are significant. Up-front costs generally include engineering, design and manufacture of tooling, test units required for certification and learning curve hours (first units have much higher production hours due to employee training and modification of tools and fixtures).

In the case of defence programs, progress payments are sometimes made as costs are incurred; and in such cases, defence programs are self-funding. In the case of commercial programs, the up-front costs of developing products are borne by the manufacturer, not the customer, and are only recovered when the project reaches the production phase and then usually on an amortization basis over the projected program life.

Trends

The Corporation relies on a mix of commercial and defence aerospace programs. Over the last two years defence spending has been stronger than commercial, and the Corporation benefited from its defence programs. Commercial sales have been severely depressed for some time. For the first time since midway through the year 2000, the industry has reached a turning point that signals the bottom of the industry cycle has been reached and the recovery has begun. Growth is being signalled in the commercial sector, particularly in business and regional civil aircraft. However, the recovery is likely to be gradual and prolonged, necessitating continued prudence in investment decisions.

The airline industry continues to report mixed results. Most regional and low cost airlines are flourishing, providing demand for regional jets and single aisle airliners. Production rate increases have been announced, or are anticipated in both areas. Magellan has well positioned exposure to both major suppliers of regional jets, and to airliner makers. For larger civil aircraft, the situation is less clear and it is expected that recovery will be slower in this area. However, the Airbus A380 aircraft has sold above expectations and Magellan's prototype supply will develop to initial production quantities in 2004.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following table sets out a consolidated summary of financial information relating to the Corporation for the periods indicated:

	Years Ended December 31		
	2003 ⁽¹⁾	2002 ⁽²⁾	2001
	(in thousands of dollars, except per share amounts)		
Operating Results			
Revenues	478,313	460,141	614,461
Unusual Item	(33,273)	(30,155)	-
Extraordinary Item	3,353	-	-
Income (Loss)	(14,241)	(8,186)	39,018
Per Share Data			
Income (Loss) for the year before extraordinary item			
Basic	(0.34)	(0.12)	0.59
Diluted	(0.34)	(0.12)	0.59
Income (Loss) for the year after extraordinary item			
Basic	(0.29)	(0.12)	0.59
Diluted	(0.29)	(0.12)	0.59
Year-end Financial Position			
Total assets	752,085	749,181	717,565
Working capital	179,106	173,634	142,857
Long-term debt (excluding current portion)	70,845	146,328	102,240
Shareholders' equity	351,816	298,671	316,230

Notes:

- (1) Effective September 29, 2003 the Corporation acquired the assets and assumed certain liabilities of MAL UK. The results of MAL UK have been included in the consolidated financial statements since that date.
- (2) On September 3, 2002 the Corporation acquired 72% of the outstanding common shares of Haley and an additional 11% during September through subsequent tenders. On December 1, 2002, the Corporation acquired the remaining 17% of the outstanding common shares of Haley. The results of Haley's operations have been included in the consolidated financial statements, partially since September 3, 2002, and fully effective December 1, 2002.

Quarterly Financial Information

Quarterly Summary (unaudited)	Revenues	Income (Loss)	Income (Loss) per Share	
			Basic	Diluted
(in thousands of dollars, except per share amounts)				
December 31, 2003 Financial Year				
December 31	137,092	147	(0.02)	(0.02)
September 30	102,179	143	(0.02)	(0.02)
June 30	120,987	4,573	0.05	0.05
March 31	118,055	(19,104) ⁽¹⁾	(0.30)	(0.30)
Total	<u>478,313</u>	<u>(14,241)</u>	<u>(0.29)</u>	<u>(0.29)</u>
December 31, 2002 Financial Year				
December 31	115,222	(19,321) ⁽²⁾	(0.29)	(0.29)
September 30	111,876	1,290	0.02	0.02
June 30	104,999	3,493	0.05	0.05
March 31	128,044	6,352	0.10	0.10
Total	<u>460,141</u>	<u>(8,186)</u>	<u>(0.12)</u>	<u>(0.12)</u>

Notes:

- (1) Results include a one-time charge to net earnings of \$33,273,000 to record the potential costs and losses resulting from the Corporation's decision to cease operations at its Fleet Industries plant.
- (2) Results include a provision of \$30,155,000 to write-down the assets of Orenda Recip to their net realizable value as a result of its decision to discontinue the product line produced by Orenda Recip.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Reference is made to the commentary under the caption "Management's Discussion and Analysis" on pages 9 to 15, inclusive, of the 2003 Annual Report to Shareholders, which is incorporated herein by reference. In addition to the risks and uncertainties set forth in the Management's Discussion and Analysis, the following risks and uncertainties apply to the Corporation.

RISKS INHERENT IN MAGELLAN'S BUSINESS

Factors that have an adverse impact on the aerospace industry may adversely affect the Corporation's results of operations.

The majority of the Corporation's gross profit and operating income is derived from the aviation industry. The Corporation's aerospace operations are focused on engineering and manufacturing aircraft components on new aircraft, selling spare parts and performing repair and overhaul services on existing aircraft and aircraft components. Therefore, the Corporation's business is directly affected by economic factors and other trends that affect the Corporation's customers in the aerospace industry, including a possible decrease in outsourcing by aircraft operators and original equipment manufactures ("OEMs"), decreased demand for air travel or projected market growth that may not materialize or be sustainable. When these economic and other factors adversely affect the aerospace industry, they tend to reduce the overall customer demand for the Corporation's products and services, which decreases the Corporation's operating income. Economic and other factors, both internal to the aviation industry or general economic factors that might affect the aerospace industry may have an adverse impact on the Corporation's results of operations.

As a result of the disruption of the commercial air travel market caused by the recent general economic slowdown, the terrorist attacks of September 11, 2001 and other factors, the demand for certain

commercial aerospace products and services has been reduced. This lower demand has had a negative impact on the Corporation's business and results of operations. These or other events may lead to further declines in the worldwide aerospace industry that could adversely affect the Corporation's business and financial condition.

Competitive pressures may adversely affect the Corporation.

The Corporation competes in the aerospace industry primarily with OEMs and the manufacturers that supply them, some of which are divisions or subsidiaries of OEMs, and other large companies that manufacture aircraft components and subassemblies. Competition for the repair and overhaul of aviation components comes from three primary sources: OEMs, major commercial airlines and other independent repair and overhaul companies. Some of the competitors' financial and other resources are substantially greater than the Corporation's. Competitive pressures may materially adversely affect the Corporation's operating revenues and, in turn, the Corporation's business and financial condition.

The Corporation may need to expend significant capital to keep pace with technological developments in its industry.

The aerospace industry is constantly undergoing development and change and it is likely that new products, equipment and methods of repair and overhaul service will be introduced in the future. In order to keep pace with any new developments, the Corporation may need to expend significant capital to purchase new equipment and machines or to train the Corporation's employees in the new methods of production and service. In addition, the Corporation makes significant expenditures for the research and development of new products and services. The Corporation may not be successful in developing new products and these capital expenditures may have a material adverse effect on the Corporation.

The Corporation may incur significant expenses to comply with new or more stringent governmental regulation.

The aerospace industry is highly regulated in most countries by specialized government agencies. The Corporation must be certified in such jurisdictions and, in some cases, by individual OEMs in order to engineer and service parts and components used in specific aircraft models. If any of the Corporation's material authorizations or approvals were revoked or suspended, the Corporation's operations would be adversely affected. Although it is not expected, new or more stringent governmental regulations may be adopted, or industry oversight heightened, in the future, and the Corporation may incur significant expenses to comply with any new regulations or any heightened industry oversight.

The loss of one of the Corporation's key customers could have a material adverse effect on the Corporation.

For the period ended December 31, 2003, The Boeing Company represented approximately 20% of net sales and this is not expected to change in 2004. In 2004 Airbus will represent approximately 15% of net sales. The loss of either of these customers or any significant decline in purchasing by either customer from the Corporation could have a material adverse impact on the Corporation.

The Corporation may be unable to successfully achieve "key supplier" status with OEMs, and may be required to risk capital to achieve key supplier status.

Many OEMs are moving toward developing strategic partnerships with their key suppliers. Each key supplier provides an array of integrated services including purchasing, warehousing and assembly for OEM customers. The Corporation has been designated as a key supplier by some OEMs and is striving to

achieve a higher level of integrated supply with other OEMS. In order to achieve key status, the Corporation may need to expand the Corporation's existing capacities or capabilities, and there is no assurance that the Corporation will be able to do so.

Many new aircraft programs require that major suppliers become risk-sharing partners, meaning that the cost of design, development and engineering work associated with the development of the aircraft is partially born by the supplier, usually in exchange for a life-time agreement to supply those critical parts once the aircraft is in production. In the event that the aircraft fails to reach the production stage, inadequate number of units are produced, or actual sales otherwise do not meet projections, the Corporation may incur significant costs without any corresponding revenues.

The Corporation may not realize the Corporation's anticipated return on capital commitments made to expand its capabilities.

From time to time, the Corporation makes significant capital expenditures to implement new processes and to increase both efficiency and capacity. Some of these projects require additional training for the Corporation's employees and not all projects may be implemented as anticipated. If any of these projects do not achieve the anticipated increase in efficiency or capacity, the Corporation's returns on these capital expenditures may not be as expected.

A reduction in defence spending by the United States or other countries could result in a decrease in revenue.

The Corporation relies on sales to military customers particularly in the United States. A significant reduction in military expenditures by the United States or other countries with which we have contracts could materially adversely affect the Corporation's business and financial condition. The loss or significant reduction in government funding of a large program in which we participate could also materially adversely affect our sales and earnings.

Most of the Corporation's contracts are subject to competitive bidding. If the Corporation is unable to successfully compete in the bidding process, the Corporation results of operations could suffer.

The Corporation obtains most of its contracts through a competitive bidding process that subjects it to the risk that it will expend substantial time and effort on the design, development and marketing of proposals for contracts that may not be awarded to us. The Corporation is sometimes required to bid on programs in advance of the completion of the prime vehicle or system design. This creates a risk that it will experience unforeseen technological difficulties and cost overruns. The Corporation cannot ensure that it will continue to win competitively awarded contracts at the same rate as in the past.

The Corporation may not be able to successfully negotiate long-term contracts to eliminate losses.

From time to time circumstances under which long-term contracts are negotiated change and require amendments so the Corporation does not incur a loss. The Corporation is currently in negotiation with two of its customers over material amendments to pricing with respect to existing long-term contracts. While the Corporation believes that it will be successful in its negotiations, the final outcome is not determinable at the present time. If the negotiations are not successful or the final terms are different from what the Corporation expects, the Corporation may be required to record a loss provision on these contracts which will be materially adverse to the Corporation. The amount of such provision, if any, cannot be reasonably estimated until such amendments are finalized.

The Corporation may be adversely impacted by its level of indebtedness.

The Corporation and its subsidiaries have significant debt obligations. The degree to which this indebtedness could have consequences on the Corporation's prospects include the effect of such debts on the ability to obtain additional financing for working capital, capital expenditures or acquisitions, the portion of available cash flow that will need to be dedicated to repayment of principal and interest on indebtedness, thereby reducing funds available for expansion and operations and the Corporation's vulnerability to economic downturn and its ability to withstand competitive pressure. If the Corporation is unable to meet its debt obligations, it may need to consider refinancing or adopting alternative strategies to reduce or delay capital expenditures, selling assets or seeking additional equity capital.

The Corporation may be affected by interest rate fluctuations.

The Corporation's operations have been significantly financed by debt, and it has significant debt obligations. The majority of the Corporation's interest bearing long-term debt bore a variable interest rate. Consequently, the Corporation is sensitive to fluctuations in interest rates. Interest rate risk is generally managed by maintaining a balance between long and short-term exposure, which the Corporation believes provides the best effective cost for the level of exposure management deems appropriate.

Fluctuations in the value of foreign currencies could result in currency exchange losses.

A portion of the Corporation's revenues and expenses are not currently denominated in Canadian dollars, and it is expected that some revenues and expenses will continue to be based in currencies other than the Canadian dollar. Therefore, fluctuations in the Canadian dollar exchange rate will impact our results of operations and financial condition from period to period. In addition, such fluctuations affect the translation of our results for purposes of our consolidated financial statements. The Corporation's currency hedging activities may not be successful.

The Corporation may need additional financing for acquisitions and capital expenditures and additional financing may not be available on acceptable terms.

A key element of the Corporation's strategy has been, and continues to be, internal growth and growth through the acquisition of additional companies and product lines engaged in the aerospace industry. In order to grow internally, the Corporation may need to make significant capital expenditures and may need additional capital to do so. The Corporation's ability to grow is dependent upon, and may be limited by, among other things, availability under the credit facilities and by particular restrictions contained therein and the Corporation's other financing arrangements. In that case, additional funding sources may be needed, and the Corporation may not be able to obtain the additional capital necessary to pursue its internal growth and acquisition strategy or, if the Corporation can obtain additional financing, the additional financing may not be on financial terms which are satisfactory to it.

Cancellations, reductions or delays in customer orders may adversely affect the Corporation's results of operations.

The Corporation's overall operating results are affected by many factors, including the timing of orders from large customers and the timing of expenditures to manufacture parts and purchase inventory in anticipation of future sales of products and services. A large portion of the Corporation's operating expenses are relatively fixed. Because several of the Corporation's operating locations typically do not obtain long-term purchase orders or commitments from customers, the Corporation must anticipate the future volume of orders based upon the historic purchasing patterns of customers and upon discussions

with customers as to their anticipated future requirements. These historic patterns may be disrupted by many factors, including changing economic conditions, inventory adjustments, work stoppages or labour disruptions, cancellations, reductions or delays in orders by a customer or group of customers could have a material adverse effect on the Corporation's business, financial condition and results of operations.

The agreements with labour unions representing certain of the Corporation's employees are subject to renewal.

The Corporation is party to collective bargaining agreements throughout its business which are subject to expiration at various times in the future. If the Corporation is unable to renew these agreements, or others as they become subject to renegotiation from time to time, it could result in work stoppages and other labour disturbances which could have a material adverse effect on its business. This risk may be mitigated by the ability of the Corporation to transfer work from one location to another.

Any exposure to environmental liabilities may adversely affect the Corporation.

The Corporation's business, operations and facilities are subject to numerous stringent federal, provincial, state, local and foreign environmental laws and regulations. In Canada, the Corporation is required to maintain Certificates of Approval with respect to its water discharge, air emissions and land fill sites. The provincial Ministry of Environment in each province conducts periodic compliance reviews, and the Corporation is required to perform ongoing tests of its discharges. From time to time due to non-compliance matters which arise, remediation and containment orders are received which require action by the Corporation. The Corporation commits financial and technical resources as it deems necessary, including outside consultants, to develop action plans in accordance with the requirements of the various jurisdictions within which it operates. Although management believes that the Corporation's operations and facilities are in material compliance with such laws and regulations, future changes in these laws, regulations or interpretations thereof or the nature of the Corporation's operations may require the Corporation to make significant additional capital expenditures to ensure compliance in the future.

DIVIDENDS

The Corporation has not declared or paid any dividends on any of its shares in the last five years. It is intended that the Corporation will not pay any dividends in the near future and that future earnings will be retained to finance further expansion of the business and operations of the Corporation. Any decision to pay dividends on the Corporation's common shares will be made by the board of directors on the basis of the Corporation's earnings, financial requirements and other conditions existing at such future time.

DESCRIPTION OF SHARE CAPITAL

Magellan is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares, issuable in series. The holders of common shares are entitled to dividends if, as and when declared by the board of directors to one vote per share at any meeting of the shareholders of Magellan and upon liquidation to receive all assets of Magellan as are distributable to the holders of such shares. As at March 31, 2004, there were 79,350,405 common shares issued and outstanding and no preferred shares outstanding.

The Corporation has issued \$70,000,000 of 8.5 percent convertible unsecured subordinated debenture due January 31, 2008. The debentures pay interest on a semi-annual basis on January 31 and July 31 in each year commencing July 31, 2003. The debentures are convertible, at any time prior to the maturity date, by holders into common shares of the Corporation at a conversion price of \$4.50 per common share. The debentures are redeemable by the Corporation between January 31, 2006 and January 31, 2007 at a price

equal to the principal amount, plus accrued and unpaid interest, if any, provided that the current market price is not less than 125 percent of the conversion price, and after January 31, 2007 and prior to the maturity date at a price equal to the principal amount, plus accrued and unpaid interest, if any. Upon redemption or at maturity the Corporation may, at its option (provided that there has not then occurred an event of default), elect to satisfy its obligation to pay the principal amount of the debentures by issuing and delivering to holders, that number of common shares obtained by dividing such amount by 95% of the weighted average trading price of the common shares on the Toronto Stock Exchange for the twenty consecutive trading days prior to the date fixed for the redemption or the date of maturity, as applicable. The debentures are unsecured obligations of the Corporation and are subordinated in right of payment to all of the Corporation's existing and future senior indebtedness.

MARKET FOR SECURITIES

The Corporation's Common Shares and Convertible Debentures are listed and posted for trading on the Toronto Stock Exchange under the symbol "MAL" and "MAL.DB", respectively.

The following chart shows the price ranges and volumes traded of the Corporation's Common Shares on the Toronto Stock Exchange for each month in 2003:

Month	Low Price	High price	Volume
January	3.20	3.69	2,132,100
February	2.75	3.30	2,048,600
March	1.56	3.00	3,321,300
April	1.55	2.30	3,113,300
May	1.51	2.70	4,007,000
June	2.01	2.65	2,946,100
July	2.40	3.06	2,132,200
August	2.30	2.79	2,109,100
September	2.25	2.71	2,082,100
October	2.45	3.43	3,231,200
November	2.67	3.35	2,267,000
December	2.55	3.08	4,904,700

The following chart shows the price ranges and volumes traded of the Corporation's debentures on the Toronto Stock Exchange for each month in 2003:

Month	Low Price	High price	Volume
January	98.00	101.00	86,600
February	98.25	100.50	21,920
March	76.00	99.00	24,960
April	82.00	88.95	13,850
May	85.00	97.00	15,900
June	91.02	99.95	13,940
July	93.00	98.00	27,370
August	93.55	99.00	26,590
September	93.80	95.99	41,960
October	93.55	101.75	100,420
November	99.50	103.00	35,790
December	100.00	102.50	54,090

DIRECTORS AND OFFICERS

The names and municipalities of residence of the directors and officers of the Corporation, the offices held by them in the Corporation, their principal occupations and the year each director first became a director are set out below. Each of the directors, except for Larry G. Moeller who was not a director for the period from August 14, 1999 to March 3, 2000, has served continuously as a director since the date he was first elected or appointed, which date is indicated below such director's name. The present term of each director will expire immediately prior to the election of directors at the next annual meeting of shareholders, which is scheduled for May 12, 2004.

Name and Municipality of Residence	Office Held	Principal Occupation
N. MURRAY EDWARDS Calgary, Alberta (1995)	Chairman of the Board and Director	President, Edco Financial Holdings Ltd. (private consulting and management company)
RICHARD A. NEILL Oakville, Ontario (1996)	President, Chief Executive Officer and Director	President and Chief Executive Officer, Magellan Aerospace Corporation
HON. WILLIAM G. DAVIS ⁽³⁾ Brampton, Ontario (1989)	Director	Counsel, TORYS LLP (law firm)
WILLIAM A. DIMMA ⁽¹⁾⁽²⁾ Toronto, Ontario (1989)	Director	Corporate Director
BRUCE W. GOWAN ⁽¹⁾⁽³⁾ Huntsville, Ontario (1990)	Director	Corporate Director
DONALD C. LOWE ⁽³⁾⁽⁴⁾ Toronto, Ontario (1992)	Director	Corporate Director
LARRY G. MOELLER ⁽⁴⁾ Calgary, Alberta (1995)	Director	Vice-President, Finance, Edco Financial Holdings Ltd. (private consulting and management company)
JAMES S. PALMER ⁽¹⁾⁽²⁾ Calgary, Alberta (1995)	Director	Chairman, Burnet, Duckworth & Palmer LLP (law firm)
HON. M. DOUGLAS YOUNG ⁽²⁾⁽⁴⁾ Ottawa, Ontario (1999)	Director	Chairman, Summa Strategies Canada Inc. (strategic counselling firm)
JO-ANN C. BALL Aurora, Ontario	Vice President, Human Resources	Vice President, Human Resources, Magellan Aerospace Corporation
JAMES S. BUTYNIEC Carlisle, Ontario	Senior Vice President and Chief Operating Officer of Canadian Operations	Senior Vice President and Chief Operating Officer of Canadian Operations, Magellan Aerospace Corporation

Name and Municipality of Residence	Office Held	Principal Occupation
JOHN B. DEKKER Burlington, Ontario	Vice President, Finance and Corporate Secretary	Vice President, Finance and Corporate Secretary, Magellan Aerospace Corporation
KONRAD B. HAHNELT Waterloo, Ontario	Vice President, Strategic Global Sourcing	Vice President, Strategic Global Sourcing, Magellan Aerospace Corporation
WILLIAM A. MATTHEWS Mississauga, Ontario	Vice President, Marketing	Vice President, Marketing, Magellan Aerospace Corporation
J. STEPHEN TOSI Beverly, Massachusetts	President, Magellan Aerospace USA, Inc.	President, Magellan Aerospace USA, Inc.
LARRY A. WINEGARDEN Markham, Ontario	Vice President, Corporate Strategy	Vice President, Corporate Strategy, Magellan Aerospace Corporation
STEVEN P. GROOT Burlington, Ontario	Corporate Controller and Treasurer	Corporate Controller and Treasurer, Magellan Aerospace Corporation

Notes:

- (1) Member of the Audit Committee
- (2) Member of the Governance and Nominating Committee
- (3) Member of the Human Resources and Compensation Committee
- (4) Member of the Environmental and Safety Committee

During the past five years, all of the directors and officers of the Corporation have been engaged in their principal occupations or in other executive capacities with the corporations or firms with which they currently hold positions.

As at March 31, 2004, the directors and executive officers of the Corporation, as a group, beneficially own, directly or indirectly, or exercise control or direction over 23,552,601 Common Shares representing approximately 29.7% of the outstanding Common Shares of the Corporation.

TRANSFER AGENT AND REGISTRAR

Computershare Trust Company of Canada Inc., Toronto, Ontario is the transfer agent and registrar for the Corporation's Common Shares and Convertible Debentures.

ADDITIONAL INFORMATION

Additional information relating to directors' and officers' remuneration and indebtedness, principal holders of the Corporation's voting shares and options to purchase the Corporation's shares is contained in the Corporation's Management Information Circular dated March 31, 2004 prepared in connection with the annual meeting of shareholders of the Corporation to be held on May 12, 2004. Additional financial information is provided in the Corporation's comparative financial statements for its financial years ended December 31, 2003 and 2002 which are contained in the Corporation's 2003 Annual Report.

Copies of the Management Information Circular, the financial statements, including any interim financial statements, Management's Discussion and Analysis, additional copies of this Annual Information Form, and if the Corporation is in the course of a distribution pursuant to a short-form prospectus or a preliminary short-form prospectus, any other documents incorporated therein by reference may be obtained upon request from the Secretary of the Corporation at the head office, Magellan Aerospace Corporation, 3160 Derry Road East, Mississauga, Ontario, L4T 1A9. Telephone: (905) 677-1889; Facsimile: (905) 677-5658.