

Attention Business Editors:
Magellan Aerospace Announces Fleet Industries Closure

TORONTO, Feb. 13 /CNW/ - Magellan Aerospace Corporation announced today its decision to cease operations at its Fleet Industries plant in Fort Erie, Ontario. This decision will have an immediate effect on the facility. The Company's focus is now on the movement of existing work to new sites as expeditiously as possible. Work that has not already been transferred to other Magellan divisions will be relocated in accordance with terms agreed with our customers. For the past 12 months, the Company has sought support from its unionized work force to assist in dealing with identified competitive challenges in the aerospace market place, which were intensified following September 11th, 2001. The Fleet plant has been strike bound since October 1st, 2002. The closure affects approximately 300 union and 50 management, supervisory and non-union employees.

Richard Neill, President and CEO of Magellan Aerospace, stated, "We are very disappointed that we have been unable to reach an acceptable agreement with Fleet's work force. Fleet Industries has been part of the Fort Erie community for over 75 years, and we regret the disruption the closing will have on our employees, their families and area businesses." Fleet Industries has experienced a long history of troubled labour relations, and cash operating losses exceeding \$30 million over the past 10 years. Since the formation of the Magellan Aerospace group of companies in 1996, Magellan has invested an additional \$10 million to modernize the plant.

The aerospace industry is experiencing its most difficult environment in history, and Magellan customers have fundamentally changed their way of doing business. Customers are demanding that suppliers be flexible, innovative, responsive and efficient, and able to compete in global markets. "We have stressed these principles in all our Magellan divisions, but were unable to reach agreement to implement the necessary changes at Fleet", stated Mr. Neill. "On Fleet sales of \$87 million over the past two years (\$59 million in 2001 and \$28 million in 2002), we have incurred losses of \$11 million. In the end, the disruptions to customer relations, and the ongoing operating losses at the facility, had become untenable, and the action taken was the only course open to safeguard our commitments to our customers."

Magellan Aerospace Corporation is one of the world's most integrated and comprehensive aerospace industry suppliers. Magellan designs, engineers, and manufactures aeroengine and aerostructure components for aerospace markets, advanced products for military and space markets, and complementary specialty products. Magellan is a public company whose shares trade on the Toronto Stock Exchange (TSX: MAL), with operating units throughout the United States and Canada.

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