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Attention Business/Financial Editors:
Magellan Aerospace Corporation

TORONTO, March 7 /CNW/ - Magellan Aerospace Corporation announces record results for the quarter and year ended December 31, 2000.

The financial results are summarized as follows:

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	Three Months Ended December 31			Year Ended December 31		
thousands, except per share amounts	2000	1999 (Restated)	PERCEN- TAGE CHANGE	2000	1999 (Restated)	PERCEN- TAGE CHANGE
Revenue	\$161,561	\$159,940	+1.0%	\$625,393	\$561,829	+11.3%
Net Income	\$ 11,725	\$ 11,708	+0.1%	\$ 37,913	\$ 30,879	+22.8%
Net Income Per Share	\$ 0.18	\$ 0.18	0.0%	\$ 0.59	\$ 0.49	+20.4%
EBITDA	\$ 29,281	\$ 29,057	+0.8%	\$ 98,237	\$ 81,478	+20.6%
EBITDA Per Share	\$ 0.45	\$ 0.45	0.0%	\$ 1.52	\$ 1.30	+16.9%

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Operating results

Results for the year reflect record levels of sales and profit for Magellan, and were achieved through a strengthening of mutually beneficial long-term relationships with the world's leading aerospace companies. Revenue for the year ended December 31, 2000 was \$625.4 million, an increase of 11.3% over 1999 revenues of \$561.8 million. Net income for the year was \$37.9 million (\$0.59 per share), an increase of 22.8% over 1999 income of \$30.9 million (\$0.49 per share).

Internally, Magellan continued to reduce costs through Six Sigma and Lean Manufacturing initiatives, and through consolidation and integration of several key activities. Gross margins reflect this effort, as they improved to 18.5% in 2000, up from 18.2% in 1999. Magellan has also focused on controlling administrative and general expenses, which fell as a percentage of revenue from 6.5% in 1999 to 5.7% in 2000.

Revenue in the fourth quarter was \$161.6 million, an increase of 1.0% over the fourth quarter of 1999. Net income was \$11.7 million (\$0.18 per share), compared to net income of \$11.7 million (\$0.18 per share) in the same period last year.

Interest expense for the year 2000 was \$19.7 million compared to \$15.2 million in 1999. The higher interest expense reflects a full year of increased debt levels associated with the purchase of Ellanef Manufacturing completed in June, 1999, as well as higher interest rates. During 2000, Magellan used cash provided from operations to reduce long term debt by \$23.8 million.

Recent developments

During the fourth quarter of 2000, Magellan participated with The Boeing Company to re-shape, augment and extend Magellan's work package on the Boeing 717 twinjet. The agreement, worth over \$400 million, released an additional 97 aircraft to production at the Fort Erie and Winnipeg facilities, and extended the program horizon to 500 aircraft. At the end of 2000, 60 shipsets had been delivered to Boeing. The fourth quarter also saw advancement of Airbus

opportunities, with the announced launch of the double-deck A380 long-range transport, and the successful completion of design, testing and delivery of certification units on currently contracted work for the A318 and the A340 aircraft. Two new engine programs, the Honeywell AS907 business/RJ engine and the Orenda OGT 2500 co-generation industrial engine, ran in Magellan test cells for the first time during December.

Summary

Magellan has launched a number of initiatives to integrate activities, consolidate market advances, and improve internal processes to support its customer base. These initiatives bore fruit in 2000 in the form of new orders and improved margins. These initiatives will be broadened and extended in 2001. In late 2000, Magellan also committed to improving its support to investor relations and communications in order to better present its strong and consistent growth story. With an order book in excess of \$1 billion, and new opportunities identified in 2000, 2001 will offer continued growth.

Financial information

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MAGELLAN AEROSPACE CORPORATION CONDENSED CONSOLIDATED INCOME STATEMENTS

(thousands, except per share amounts)	Three months ended December 31		Year ended December 31	
	2000	1999	2000	1999
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		(restated)		(restated)
Revenue	\$ 161,561	\$ 159,940	\$ 625,393	\$ 561,829
Cost of revenues	129,694	126,553	509,669	459,581
Gross profit	31,867	33,387	115,724	102,248
Administrative and general expenses	8,106	9,009	35,467	36,622
Research and development	338	107	977	470
Interest expense and other	4,877	5,265	19,668	15,154
	13,321	14,381	56,112	52,246
Income before income taxes	18,546	19,006	59,612	50,002
Income taxes - current	8,365	2,086	15,122	3,983
- future	(1,544)	5,212	6,577	15,140
Income for the period	\$ 11,725	\$ 11,708	\$ 37,913	\$ 30,879
Earnings per common share basic	\$ 0.18	\$ 0.18	\$ 0.59	\$ 0.49
fully diluted	\$ 0.18	\$ 0.18	\$ 0.59	\$ 0.49

MAGELLAN AEROSPACE CORPORATION CONDENSED CONSOLIDATED BALANCE SHEETS

at December 31

	2000 -----	1999 ----- (restated)
(in thousands)		
ASSETS		
Current		
Cash	\$ 5,684	\$ 6,297
Accounts receivable	110,372	91,058
Inventories	204,555	209,534
Prepaid expenses and other	6,771	5,564
Future income tax assets	6,279	6,594
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Total current assets	333,661	319,047
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Capital assets	325,442	308,836
Goodwill	13,194	13,235
Other	12,512	10,525
Future income tax assets	9,542	8,889
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	\$ 694,351	\$ 660,532
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LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness	\$ 53,114	\$ 53,434
Accounts payable and accrued charges	89,194	82,910
Deferred revenue	2,602	4,732
Current portion of long-term debt	32,078	20,799
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Total current liabilities	176,988	161,875
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Future income tax liabilities	90,670	84,180
Long-term debt	140,595	171,267
Other long-term liabilities	13,838	14,674
Shareholders' equity:		
Capital Stock	146,557	143,768
Retained earnings	126,136	87,467
Foreign exchange translation	(433)	(2,699)
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Total shareholders' equity	272,260	228,536
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	\$ 694,351	\$ 660,532
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MAGELLAN AEROSPACE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(thousands)	Three Months ended		Year ended	
	December 31		December 31	
	2000	1999	2000	1999
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		(restated)		(restated)
OPERATING ACTIVITIES				
Income for the year	\$ 11,725	\$ 11,708	\$ 37,913	\$ 30,879

Add items not affecting cash				
Depreciation and amortization	5,858	4,786	18,957	16,322
Future income taxes	(1,544)	5,212	6,577	15,140
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	16,039	21,706	63,447	62,341
Net change in non-cash working capital items relating to operating activities	21,908	1,746	(10,726)	(22,851)
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Cash provided by operating activities	37,947	23,452	52,721	39,490
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INVESTING ACTIVITIES				
Acquisitions	-	1,143	-	(87,961)
Purchase of capital assets	(11,255)	(13,989)	(28,044)	(31,666)
Decrease (increase) in other assets	552	(515)	823	(1,743)
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Cash used in investing activities	(10,703)	(13,361)	(27,221)	(121,370)
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FINANCING ACTIVITIES				
Increase (decrease) in bank indebtedness	(9,638)	(6,864)	(1,978)	9,113
Increase in long-term debt	-	-	-	101,633
Repayment of long-term debt	(13,448)	(4,890)	(23,751)	(49,630)
Issue of common shares	2,240	2,067	2,789	15,228
Increase (decrease) in other long-term liabilities	(2,724)	3,704	(3,304)	9,533
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Cash provided (used) by financing activities	(23,570)	(5,983)	(26,244)	85,877
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Effect of exchange rate changes on cash	32	(40)	131	(153)
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Increase (decrease) in cash	3,706	4,068	(613)	3,844
Cash, beginning of year	1,978	2,229	6,297	2,453
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Cash, end of year	\$ 5,684	\$ 6,297	\$ 5,684	\$ 6,297
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Magellan Aerospace Corporation, whose shares (MAL) are traded on The Toronto Stock Exchange, designs, manufactures, repairs and overhauls products for the international aerospace industry at facilities located 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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