



FOR IMMEDIATE RELEASE

**MAGELLAN AEROSPACE SIGNS AGREEMENT WITH BAE SYSTEMS
FOR F-35 LIGHTNING II ASSEMBLIES**

Toronto, Ontario – October 27, 2016 – Magellan Aerospace (“Magellan”) announced today that it will be producing F-35 Lightning II horizontal tail assemblies under an agreement with BAE Systems. The agreement is the continuation of annual contract awards made to Magellan by BAE Systems for F-35 assemblies, valued at more than CDN \$70 million over a two year period.

Magellan and BAE Systems have been working together to produce horizontal tails for the global F-35 program for almost a decade, signing the original Letter of Intent for this agreement at the Farnborough Air Show in 2006. Building on that initial commitment, both companies have since made significant investment in the facilities, technologies and training to ensure the successful delivery of these flight-critical assemblies to the customer.

The horizontal tail assemblies produced at Magellan will be used on the Conventional Takeoff and Landing (CTOL) variant of the F-35. At present, Magellan plans to produce more than 1,000 ship sets of horizontal tail assemblies over the life of the F-35 program.

"This contract represents significant quantities of horizontal tails awarded to Magellan in the ramping up to full scale production. The ability to meet the increased annual volumes is an essential element of achieving F-35 program objectives in support of our customer's global obligations" said Mr. Phillip Underwood, Magellan's President and CEO. "Magellan will be producing approximately half of the CTOL horizontal tails required each year."

"Magellan's projected total revenues for the F-35 program could reach CDN \$2.0 billion based on the current anticipated aircraft requirements" said Mr. Scott McCrady, Magellan's Corporate F-35 Program Director. "We are seeing significant increases in annual program quantities from both the US DoD and the international partners." The program could produce up to 4,000 F-35 fighters globally.

About Magellan Aerospace

Magellan Aerospace is a global, integrated aerospace company that provides complex assemblies and systems solutions to aircraft and engine manufacturers, and defense and space agencies worldwide. Magellan designs, engineers, and manufactures aeroengine and aerostructure assemblies and components for aerospace markets, advanced products for military and space markets, industrial power generation, and specialty products. Magellan is a public company whose shares trade on the Toronto Stock Exchange (TSX: MAL), with operating units throughout Canada, the United States, the United Kingdom, India, and Poland.

Forward Looking Statements

Some of the statements in this press release may be forward-looking statements or statements of future expectations based on currently available information. When used herein, words such as "expect", "anticipate", "estimate", "may", "will", "should", "intend", "believe", and similar expressions, are intended to identify forward-looking statements. Forward-looking statements are based on estimates and assumptions made by the Corporation in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors that the Corporation believes are appropriate in the circumstances. Many factors could cause the Corporation's actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements, including those described in the "Risk Factors" section of the Corporation's Annual Information Form (copies of which filings may be obtained at www.sedar.com). These factors should be considered carefully, and readers should not place undue reliance on the Corporation's forward-looking statements. The Corporation has no intention and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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