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NEWS RELEASE

MAGELLAN AEROSPACE CORPORATION ANNOUNCES THE AWARD OF TWO CONTRACTS AND THE FINANCIAL RESULTS FOR THE PERIOD ENDED SEPTEMBER 30, 2009

Toronto, Ontario – November 12, 2009 – Magellan Aerospace Corporation ("Magellan" of the "Corporation") released its financial results for the third quarter of 2009. All amounts are expressed in Canadian Dollars unless otherwise indicated. The results are summarized as follows:

(Expressed in thousands, except per share amounts)	**Three-months ended September 30**			**Nine-months ended September 30**		
	2009	**2008**	**Change**	**2009**	**2008**	**Change**
Revenues	$ 164,165	$ 173,088	(5.2) %	$ 520,776	$ 506,291	2.9 %
Gross Profit	$ 21,388	$ 22,568	(5.3) %	$ 63,212	$ 57,713	9.5 %
Net Income	$ 10,756	$ 2,655	305.1 %	$ 24,028	$ 5,489	337.7 %
Net Income per share – Diluted	$ 0.20	$ 0.12	66.7 %	$ 0.59	$ 0.24	145.8 %

This news 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.

The Corporation has included certain measures in this news release, including EBITDA, the terms for which are not defined under Canadian generally accepted accounting principles. The Corporation defines EBITDA as earnings before interest, taxes, depreciation and amortization and non-cash charges. The Corporation has included these measures, including EBITDA, because it believes this information is used by certain investors to assess financial performance and EBITDA is a useful supplemental measure as it provides an indication of the results generated by the Corporation's principal business activities prior to consideration of how these activities are financed and how the results are taxed in various jurisdictions. Although the Corporation believes these measures are used by certain investors (and the Corporation has included them for this reason), these measures may not be comparable to similarly titled measures used by other companies.

Awards & Financial Highlights

Awards:

The Corporation has signed an agreement between the Ministry of Energy, Republic of Ghana, and Magellan Aerospace, through the Canadian Commercial Corporation, for the provision of a turnkey electric power generation plant in Ghana. The contract is estimated to generate revenues of $185 million US Dollars, and the project will be delivered over a 24-month period by Magellan's Orenda Aerospace operating division in Mississauga, Ontario.

The project is targeted to produce 132 MW of electric power for Ghana and will be situated near the port of Takoradi. Under the contract Magellan will procure four gas turbines in combined cycle that will have a dual fuel capability to run on light crude oil or on natural gas when it becomes available on site. A formal construction start-up ceremony is scheduled later this year in Ghana.

The Canadian Commercial Corporation, a Government of Canada crown corporation and Canada's international contracting agency, took on the role of prime contractor, signing the commercial contract with Ministry of Energy, Ghana and another with Magellan in order to facilitate the delivery of the power plant.

Zorya-Mashproekt of Ukraine will supply gas turbines to Magellan for the project. These turbines have a long history of performance based on similar fuels, and both fuels have been approved for use in the units to be supplied.

The consortium of HPI Technologies Inc. ("HPI") and S&W Energy Solutions, of Houston, Texas, will supply the required steam turbines and EPC (Engineering, Procurement and Construction) services to Magellan for the project. HPI have worked with Magellan in the industrial turbine market for over 40 years, and has had recent, successful experience with EPC for a similar sized project.

This contract is a major boost to the Corporation's industrial gas turbine business. With its roots stretching back over the past 50 years, Orenda Aerospace has produced over 4,400 gas turbine engines of its own design, as well as more than 1300 others under license, to power military fighter aircraft for the Canadian and other NATO air forces. A large number of these engines were converted for industrial applications, and continue today in a number of industrial applications ranging from oil and natural gas pipeline pumping to emergency backup power in nuclear power plants. Support and maintenance services continue to be supplied by Magellan for these and other industrial units today.

The Corporation has also been awarded a contract by The Boeing Company, Integrated Defense Systems, Long Beach, California, to build spare engine shrouds for the U.S. Air Force fleet of B-1Bs. Aeronca, Inc., a subsidiary of Magellan Aerospace USA, Inc., will produce the light weight titanium honeycomb engine shroud panels that protect the aft fuselage of the airplane from heat generated by the engines. The contract includes tooling refurbishment or replacement and production hardware and is estimated to generate revenue of $3.5 million US Dollar.

The B-1B weapon system utilizes three shrouds per engine for a total of twelve panels per aircraft. The contract will supply the Air Force with critically needed spares in light of the age of the fleet – the first B-1B entered service in June 1985. Aeronca, located in Middletown, Ohio, was the original manufacturer of these panels. The company specializes in the development and manufacture of high heat resistant metal structures for air and space applications.

Financial Highlights:

The Corporation's performance in the third quarter of 2009 reflects the seasonal impact of plant shutdowns for summer vacations, and isolated softening of specific sub-sectors of the civil aerospace markets in the third quarter 2009 when compared to the third quarter of 2008. The further softening of the business jet sub-sector and the weakening of the US Dollar versus the Canadian Dollar have contributed to reduced reported revenues in the third quarter 2009 when compared to second quarter 2009. In spite of these headwinds, the Corporation's overall performance year-to-date in 2009 continued to improve over that of 2008.

Factors contributing positively to the 2009 third quarter performance included the continued stability of the civil airliner market sub-sector, in both single-aisle and twin-aisle models, and the steadiness of the defence market. Some timing issues impacted the revenues reported in the third quarter of 2009 from the sale of proprietary products in the defence and space sector, but the underlying demand remained solid.

The diversification of the Corporation's markets also protected sales and margins to some degree. Lower than expected revenues from the business jet sub-sector and the continued delays in ramping up production of the Airbus A380 and the Boeing 787 were in part offset by the strength of demand on the legacy airliner models of both major OEM's. Additionally, the Joint Strike Fighter F-35 program, which has recently received strong endorsement from both the new United States administration and Congress, continued to increase its pace of low-rate production and is projected to reach full scale production within the next five years.

The third quarter of 2009 also saw continued improvements in operating efficiency and capacity in the Corporation's facilities, improved capability through the phase-in of new technology and training, and the continued transfer of non-core work to local and emerging market suppliers.

For additional information, please refer to the *"Management's Discussion and Analysis"* section of the Annual Report available on www.sedar.com.

Revenues

	Three-months ended September 30			Nine-months ended September 30		
(Expressed in thousands)	**2009**	2008	Change	**2009**	2008	Change
Canada	$ **78,353**	$ 71,591	9.4 %	$ **247,934**	$ 223,572	10.9 %
United States	**48,854**	67,219	(27.3) %	**157,594**	180,565	(12.7) %
United Kingdom	**36,958**	34,278	7.8 %	**115,248**	102,154	12.8 %
Total revenue	$ **164,165**	$ 173,088	(5.2) %	$ **520,776**	$ 506,291	2.9 %

Consolidated revenues for the third quarter of 2009 were $164.2 million, a decrease of $8.9 million or 5.2% lower than the third quarter of 2008. Higher volumes in the Corporation's proprietary products contributed to increased revenues in Canada. In US Dollars, revenues in the United States declined from the third quarter of 2008 primarily as a result of a one-time retroactive price adjustment totalling $10.4 million recorded in the third quarter of 2008 and also due to reduced requirements from the Corporation's major customers. Revenues in the United Kingdom increased over revenues in the same period in 2008, despite the decline in the British Pound exchange rate versus the Canadian Dollar. Revenues in the United Kingdom, in British Pounds, increased by 17.6% as production activity on the Airbus statement of work increased. The appreciation of the US. Dollar and the decline of the British Pound against the Canadian Dollar, over the exchange rates prevailing in the third quarter of 2008, contributed, on a net basis, to an increase of $1.6 million in revenues.

Gross Profit

	Three-months ended September 30			Nine-months ended September 30		
(Expressed in thousands)	**2009**	2008	Change	**2009**	2008	Change
Gross profit	$ **21,388**	$ 22,568	(5.3) %	$ **63,212**	$ 57,713	9.5 %
Percentage of revenue	**13.0 %**	13.0 %		**12.1 %**	11.4 %	

Gross profit of $21.4 million (13.0% of revenues) was reported for the third quarter of 2009 compared to $22.6 million (13.0% of revenues) during the same period in 2008. Gross profit in the third quarter of 2009 includes a $4.1 million benefit resulting from the recognition of investment tax credits earned in the first nine months of the year. Gross profit in the third quarter of 2008 included a one-time retroactive price adjustment totalling $10.4 million as the Corporation concluded negotiations in respect of a long-term contract with a European customer. Gross profit, without the items listed above, was 10.5% of revenues for the third quarter of 2009 compared to 7.0% of revenues for the third quarter of 2008.

MAGELLAN AEROSPACE

Administrative and General Expenses

(Expressed in thousands)	Three-months ended September 30		Nine-months ended September 30	
	2009	2008	**2009**	2008
Administrative and general expenses	**$ 9,982**	$ 12,113	**$ 32,783**	$ 32,807
Percentage of revenue	**6.1 %**	7.0 %	**6.3 %**	6.5 %

Administrative and general expenses were $10.0 million (6.1% of revenues) in the third quarter of 2009 compared to $12.1 million (7.0% of revenues) in the third quarter of 2008. In the third quarter of 2008 the Corporation had recorded one-time charges totalling approximately $1.4 million which did not recur in 2009.

Other

(Expressed in thousands)	Three-months ended September 30		Nine-months ended September 30	
	2009	2008	**2009**	2008
Foreign exchange gain	**$ (1,171)**	$ (2,190)	**$ (6,673)**	$ (3,246)
Loss (gain) on sale of capital assets	**180**	(9)	**189**	(1,643)
Other	**$ (991)**	$ (2,199)	**$ (6,484)**	$ (4,889)

Other income of $1.0 million in the third quarter of 2009 consisted of realized and unrealized foreign exchange gains (largely on the Corporation's currency contracts) due to the weaker Canadian Dollar in comparison to the United States Dollar. Other income in the third quarter of 2008 resulted largely from a foreign exchange gain of $2.2 million.

Interest Expense

(Expressed in thousands)	Three-months ended September 30		Nine-months ended September 30	
	2009	2008	**2009**	2008
Interest on bank indebtedness and long-term debt	**$ 4,331**	$ 3,809	**$ 10,544**	$ 11,004
Convertible debenture interest	**1,010**	442	**2,796**	1,691
Accretion charge for convertible debt	**138**	65	**536**	371
Discount on sale of accounts receivable	**136**	1,771	**1,636**	4,039
Total interest expense	**$ 5,615**	$ 6,087	**$ 15,512**	$ 17,105

Interest expense of $5.6 million in the third quarter of 2009 was lower than the third quarter of 2008 amount of $6.1 million. Convertible debenture interest and the accretion expense in relation to the convertible debentures were higher in the third quarter of 2009 than the comparative quarter in 2008 due to a higher principal amount of convertible debentures outstanding. Lower discount expense on the sale of accounts receivable resulted from decreased amounts of accounts receivables sold in the third quarter of 2009 when compared to the same quarter of 2008.

(Recovery of) Provision for Income Taxes

(Expressed in thousands)	Three-months ended September 30		Nine-months ended September 30	
	2009	2008	**2009**	2008
(Recovery of) provision for current income taxes	**$ (321)**	$ 176	**$ 81**	$ 384
(Recovery) expense of future income taxes	**(3,653)**	3,736	**(2,708)**	6,817
Total (recovery) expense of income taxes	**$ (3,974)**	$ 3,912	**$ (2,627)**	$ 7,201
Effective Tax Rate	**(58.6)%**	59.6 %	**(12.3)%**	56.7 %

The Corporation recorded an income tax recovery of $4.0 million for the third quarter of 2009, compared to an income tax expense of $3.9 million for the third quarter of 2008. The change in effective tax rates resulted from the Corporation recognizing additional deferred tax assets in Canada totalling $4.3 million in the third quarter of 2009 as the Corporation has determined that it will be able to benefit from some of its previously unrecorded future tax assets. Due to the recognition of these previous unrecorded future tax assets, the Corporation's effective tax rate in the current quarter was (58.6)% versus a normalized expected tax rate of between 30% to 35%.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

In addition to the primary measures of earnings and earnings per share in accordance with GAAP, the Corporation includes certain measures in this news release, including EBITDA (earnings before interest expense, income taxes, depreciation, amortization and certain non-cash charges). The Corporation has provided these measures because it believes this information is used by certain investors to assess financial performance and EBITDA is a useful supplemental measure as it provides an indication of the results generated by the Corporation's principal business activities prior to consideration of how these activities are financed and how the results are taxed in the various jurisdictions. Each of the components of this measure are calculated in accordance with GAAP, but EBITDA is not a recognized measure under GAAP, and the Corporation's method of calculation may not be comparable with that of other companies. Accordingly, EBITDA should not be used as an alternative to net earnings as determined in accordance with GAAP or as an alternative to cash provided by or used in operations.

	Three-months ended September 30		Nine-months ended September 30	
(Expressed in thousands)	**2009**	2008	**2009**	2008
Net income	**$ 10,756**	$ 2,655	**$ 24,028**	$ 5,489
Interest	**5,615**	6,087	**15,512**	17,105
Taxes	**(3,974)**	3,912	**(2,627)**	7,201
Stock based compensation	**170**	295	**575**	908
Depreciation and amortization	**8,233**	9,152	**26,650**	24,737
EBITDA	**$ 20,800**	$ 22,101	**$ 64,138**	$ 55,440

EBITDA for the third quarter of 2009 was $20.8 million, compared to $22.1 million in the third quarter of 2008. As previously discussed, a one-time retroactive price adjustment totalling $10.4 million contributed to higher gross profit and increased the EBITDA for the third quarter of 2008.

Liquidity and Capital Resources

Cash Flow from Operations

	Three-months ended September 30		Nine-months ended September 30	
(Expressed in thousands)	**2009**	2008	**2009**	2008
Decrease (increase) in accounts receivable	**$ 8,302**	$ (2,410)	**$ (31,882)**	$ (4,646)
Decrease (increase) in inventories	**7,158**	2,092	**17,717**	(16,898)
Decrease (increase) in prepaid expenses and other	**1,806**	1,087	**(4,271)**	775
Decrease in accounts payable	**(11,676)**	(10,369)	**(28,789)**	(4,765)
Changes to non-cash working capital balances	**5,590**	(9,600)	**(47,225)**	(25,534)
Cash provided by (used in) operating activities	**$ 11,855**	$ 7,065	**$ (5,473)**	$ 9,204

In the quarter ended September 30, 2009, the Corporation generated $11.9 million of cash in its operations, compared to $7.1 million in the third quarter of 2008. Cash was generated through decreased accounts receivable, inventory and prepaid expenses. The Corporation has partially offset the generation of cash in operating activities through the reduction in accounts payable in the third quarter of 2009. The increase in accounts receivable during the nine-month period resulted from a net decrease in the amount of accounts receivable sold under the Corporation's securitization facilities at the end of the third quarter of 2009 when compared to the same quarter in 2008. One of the Corporation's current securitization facilities, which was undrawn as at September 30, 2009 and in the amount of $20 million, expires on December 31, 2009. The Corporation is exploring options of other securitization programs that may be available to replace the expiring facility.

MAGELLAN AEROSPACE

Investing Activities

(Expressed in thousands)	Three-months ended September 30		Nine-months ended September 30	
	2009	2008	**2009**	2008
Acquisition of Verdict	**$ –**	$ –	**$ –**	$ (4,240)
Purchase of capital assets	**(1,592)**	(4,988)	**(14,761)**	(14,325)
Proceeds of disposals of capital assets	**107**	24	**339**	2,808
Decrease (increase) in other assets	**2,222**	(318)	**(47)**	(5,848)
Cash provided by (used in) investing activities	**$ 737**	$ (5,282)	**$ (14,469)**	$ (21,605)

In the third quarter of 2009, the Corporation invested $1.6 million in capital assets to upgrade and enhance its capabilities for current and future programs.

Financing Activities

(Expressed in thousands)	Three-months ended September 30		Nine-months ended September 30	
	2009	2008	**2009**	2008
(Decrease) increase in bank indebtedness	**$ (8,221)**	$ 1,548	**$ (10,845)**	$ 29,235
Decrease in loan payable	**–**	–	**–**	(15,000)
Increase in loan payable	**–**	–	**–**	15,000
Decrease in long-term debt	**(647)**	(402)	**(2,058)**	(16,684)
Increase in long-term debt	**–**	–	**15,000**	50,000
Decrease in convertible debentures	**–**	–	**(20,950)**	(69,864)
Increase in convertible debentures	**–**	–	**39,667**	20,778
Decrease in long-term liabilities	**(38)**	(70)	**(310)**	(833)
Issue of Common Shares	**–**	17	**8**	60
Dividends on Preference Shares	**–**	(400)	**–**	(1,200)
Cash (used in) provided by financing activities	**$ (8,906)**	$ 693	**$ 20,512**	$ 11,191

On April 30, 2009, the Corporation amended its operating credit facility with its existing lenders. Under the terms of the amended agreement, the maximum amount available under the operating credit facility was decreased to a Canadian Dollar limit of $90 million plus a US Dollar limit of $85 million, with a maturity date of May 22, 2010. The facility is extendable for unlimited one-year renewal periods by the agreement of the Corporation and the lenders and continues to be guaranteed by the Chairman of the Board of the Corporation. An annual standby guarantee fee in 2009 of 1.35% (2008 – 1.35%) of the guaranteed amount is provided by the Corporation in consideration for this guarantee.

On April 30, 2009, the Corporation also completed the following previously announced financing arrangements:

(a) the purchase by the Chairman of the Corporation, directly or indirectly, of $40 million principal amount of a new issue of 10% Convertible Secured Subordinated Debentures (the "New Convertible Debentures") with a three year term by private placement; and

(b) the extension and restatement of a previous secured subordinated loan from Edco Capital Corporation ("Edco"), which is wholly owned by the Chairman of the Corporation, to the Corporation to increase the principal amount from $50 million to $65 million and to extend the maturity date of the loan to July 1, 2010 in consideration for the payment of a one time fee to Edco equal to 1% of the principal amount of $50 million outstanding and an increase in the interest rate on the loan from 10% to 12% per annum payable monthly in arrears.

(together the "2009 Financing Arrangements")

As a result of a requirement under a change of control provision in the previously issued 8.5% convertible unsecured debentures due January 31, 2010 (the "2008 Debentures"), the Corporation was required to make an offer to purchase the $20.95 million of 2008 Debentures at a price of 102.5% of the principal amount plus accrued and unpaid interest utilizing the proceeds of the 2009 Financing Arrangements. In the second quarter of 2009 the 2008 Debentures were fully repurchased by the Corporation.

Pursuant to a similar change of control definition in the Corporation's outstanding Preference Shares' terms, the Corporation is required to retract its outstanding Preference Shares at a price of $10.00 per share plus accrued and unpaid dividends, unless such retraction contravenes any instrument of indebtedness of the Corporation or the terms of the Ontario Business

Corporations Act (the "OBCA"). The Corporation is currently not in the position to retract the Preference Shares as it is prohibited from doing so by the terms of its operating credit facility and any default in the operating credit facility would result in the Corporation being unable to pay its liabilities as they become due and constitute a contravention of the OBCA. Accordingly, the Preference Shares continue to be classified as equity instruments. In addition, dividends for the period ending April 30, 2009 and July 31, 2009 totalling $0.8 million have not been declared and remain cumulative as at September 30, 2009. Subsequent to September 30, 2009, additional dividends for the period ending October 31, 2009 totalling $0.4 million have also not been declared and remain cumulative.

Share Data

As at October 31, 2009, the Corporation had 18,209,001 common shares outstanding, 2,000,000 outstanding First Preference Shares Series A convertible into 1,333,333 common shares and $40.0 million convertible debentures convertible into 40,000,000 common shares. The dilutive weighted average number of common shares outstanding, resulting from the potential common shares issuable on the conversion of the convertible debentures, for the three and nine month periods ending September 30, 2009 were 58,209,001 and 42,207,509 respectively.

Risks and Uncertainties

The Corporation manages a number of risks in each of its businesses in order to achieve an acceptable level of risk without hindering the ability to maximize returns. Management has procedures to identify and manage significant operational and financial risks.

For more information in relation to the risks inherent in Magellan's business, reference is made to the information under "Company Overview" in Management's Discussion and Analysis for the quarter ended September 30, 2009 and to the information under "Risks Inherent in Magellan's Business" in the Annual Information Form for the year ended December 31, 2008, which is filed with SEDAR (www.sedar.com).

Changes in Accounting Policies

On January 1, 2009, the Corporation adopted CICA Handbook 3064, "Goodwill and Intangible Assets". This new section replaces the existing standards for "Goodwill and Other Intangible Assets" (CICA Handbook Section 3062) and "Research and Development Costs" (CICA Handbook Section 3450). The new standard (i) states that upon their initial identification, intangible assets are to be recognized as assets only if they meet the definition of an intangible asset and the recognition criteria; (ii) provides guidance on the recognition of internally generated intangible assets including research and development costs; and (iii) carries forward the current requirements of Section 3062 for subsequent measurement and disclosure of intangible assets and goodwill. The adoption of this new section did not have a material impact on the Corporation's consolidated financial statements.

On January 20, 2009, the Emerging Issues Committee ["EIC"] of the AcSB issued EIC Abstract 173, which establishes that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and liabilities, including derivative instruments. The Corporation adopted this EIC on January 20, 2009 and applied the EIC retrospectively, without restatement of prior years to all financial assets and financial liabilities measured at fair value. The adoption of this new EIC did not have a material impact on its consolidated financial statements.

Future Changes in Accounting Policies

Sections 1582, "Business Combinations", 1601, "Consolidated Financial Statements", and 1602, "Non-controlling Interests".

In January 2009, the CICA issued Sections 1582, "Business Combinations", 1601, "Consolidated Financial Statements", and 1602, "Non-controlling Interests".

Section 1582 will be converged with IFRS 3, "Business Combinations". Section 1602 will be converged with the requirements of IAS 27, "Consolidated and Separate Financial Statements", for non-controlling interests. Section 1601 carries forward the requirements of Section 1600, "Consolidated Financial Statements", other than those relating to non-controlling interests.

Section 1582 applies to acquisitions made from January 1, 2011 in which the acquirer obtains control of one or more businesses. The term "business" is more broadly defined than in the existing standard. Most assets acquired and liabilities assumed, including contingent liabilities that are considered to be "improbable", will be measured at fair value. Any interest in the acquiree owned prior to obtaining control will be remeasured at fair value at the acquisition date, eliminating the need for guidance on step acquisitions. A bargain purchase will result in recognition of a gain. Acquisition costs must be expensed.

Under Section 1602, any non-controlling interest will be recognized as a separate component of shareholders' equity. Net income will be calculated without deduction for the non-controlling interest. Rather, net income will be allocated between the controlling and non-controlling interests.

These new standards will become effective in 2011.

International Financial Reporting Standards

In February 2008, Canada's Accounting Standards Board ("AcSB") confirmed that Canadian GAAP, as used by publicly accountable enterprises, will be converged with International Financial Reporting Standards ("IFRS") effective January 1, 2011. While IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences on recognition, measurement and disclosures. The transition from Canadian GAAP to IFRS will be applicable to the Corporation for the first quarter of 2011 where current and comparative financial information will be prepared in accordance with IFRS. In the period leading up to the changeover, the AcSB will continue to issue accounting standards that are converged with IFRS, thus mitigating the impact of the transition to IFRS at the changeover date. The International Accounting Standard Board will also continue to issue new accounting standards during the conversion period, and as a result, the final impact of IFRS on the Corporation's financial results will only be measured once all the IFRS applicable at the conversation date are known.

The Corporation commenced its IFRS conversion efforts during 2008 and will implement IFRS over a transitional period which is anticipated to be completed by 2011. The transition project is comprised of the following key elements:

- Identification of relevant differences between Canadian GAAP and IFRS
- Set up of IFRS accounting policies
- Impact analysis on systems, processes, controls, reporting, and business policies and practices
- Implementation of solutions for the conversion to IFRS
- Awareness raising and training of personnel

The Corporation's IFRS implementation has progressed as planned and to date the Corporation has, with the assistance of outside IFRS consultants, held awareness and training sessions for key personnel and the board of directors; has completed its high level diagnostic which entails an assessment of the major difference between Canadian GAAP and IFRS; and is currently in the process of analyzing these differences. Significant differences will be identified and their impact assessed. The Corporation will provide updates as further progress is achieved and conclusions are reached.

<u>Outlook</u>

The Corporation has a cautious outlook for the balance of 2009 and 2010 due to lingering unknowns related to new aircraft introductions in the civil airliner sub-sector, and political unknowns that could impact the transitions underway from legacy to new defence programs in North America and Europe. However, the civil airliner picture is more stable than earlier in 2009, with steady production of single-aisle and twin-aisle aircraft in both Airbus and Boeing planned to remain at or near current rates through 2010. Airlines in the United States have benefited from earlier capacity reductions and the implementation of additional revenue streams in early 2008. Most have improved revenue in 2009, and some are expected to be profitable in 2009. The process of replacing their aging fleets with new, more efficient aircraft is well underway in some leading airlines. On a global basis, international airlines are believed to be through the worst in late 2009, and travel rates are expecting to increase as GDP improves in leading trader nations.

The Corporation's management anticipates that the business aircraft sector will reach its bottom in mid 2010 to 2011 and will begin a gradual recovery thereafter. The Corporation has only a modest exposure to this part of the aerospace market.

Defence spending is forecasted to be stable through 2011-2012 in both new aerospace equipment and in the aftermarket. The transition from legacy programs to new replacement programs is underway in the United States and Europe, and the Corporation anticipates new work in key new programs commencing in late 2009 and early 2010. The new work falls within the core areas of the Corporation, will introduce newer technologies, and is anticipated to have extensive production runs.

To offset somewhat the potential slowing demand for current single aisle commercial aircraft, the Corporation has exposure to anticipated growth sectors of the global aerospace industry, in the Boeing 787, the Airbus A380 and the Joint Strike Fighter. The Corporation has captured opportunities on these new civil and defence programs, has continued to modernize its facilities and update its capabilities, and has taken measures to hopefully address contingencies that may arise during the economic uncertainty of 2009 to 2011. Notwithstanding these opportunities, much uncertainty exists regarding the increasing debt loads of leading nations as the current recession spending measures play out.

Magellan Aerospace Corporation is one of the world's most integrated and comprehensive aerospace industry suppliers. Magellan designs, engineers, and manufactures aeroengine and aerostructure assemblies and 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 Canada, the United States, the United Kingdom and India.

This release should be read in conjunction with the Corporation's audited financial statements and accompanying notes, Management's Discussion and Analysis contained in the Corporation's Annual Report, the Annual Information Form and with the Corporation's unaudited quarterly financial statements and accompanying notes and the quarterly Management's Discussion and Analysis which is filed with SEDAR (www.sedar.com).

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MAGELLAN AEROSPACE

MAGELLAN AEROSPACE CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

(Expressed in thousands of dollars, except per share amounts)	Three-months ended September 30 **2009**	Three-months ended September 30 2008	Nine-months ended September 30 **2009**	Nine-months ended September 30 2008
Revenues	**$ 164,165**	$ 173,088	**$ 520,776**	$ 506,291
Cost of revenues	**142,777**	150,520	**457,564**	448,578
Gross Profit	**21,388**	22,568	**63,212**	57,713
Administrative and general expenses	**9,982**	12,113	**32,783**	32,807
Other	**(991)**	(2,199)	**(6,484)**	(4,889)
Interest	**5,615**	6,087	**15,512**	17,105
	14,606	16,001	**41,811**	45,023
Income before income taxes	**6,782**	6,567	**21,401**	12,690
(Recovery of) provision for income taxes				
Current	**(321)**	176	**81**	384
Future	**(3,653)**	3,736	**(2,708)**	6,817
	(3,974)	3,912	**(2,627)**	7,201
Net income	**$ 10,756**	$ 2,655	**$ 24,028**	$ 5,489
Net income per share				
Basic	**0.57**	0.12	**1.25**	0.24
Diluted	**0.20**	0.12	**0.59**	0.24

MAGELLAN AEROSPACE CORPORATION
CONSOLIDATED STATEMENTS OF RETAINED EARNINGS
(unaudited)

(Expressed in thousands of dollars)	Three-months ended September 30 **2009**	Three-months ended September 30 2008	Nine-months ended September 30 **2009**	Nine-months ended September 30 2008
Retained earnings, beginning of the period	**$ 73,024**	52,625	**$ 59,752**	$ 82,747
Effect of change in accounting policy	**–**	(2,139)	**–**	(34,295)
Adjusted retained earnings, beginning of period	**73,024**	50,486	**59,752**	48,452
Dividends	**–**	(400)	**–**	(1,200)
Net income	**10,756**	2,655	**24,028**	5,489
Retained earnings, end of the period	**$ 83,780**	$ 52,741	**$ 83,780**	$ 52,741

MAGELLAN AEROSPACE CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(unaudited)

(Expressed in thousands of dollars)	Three-months ended September 30 **2009**	Three-months ended September 30 2008	Nine-months ended September 30 **2009**	Nine-months ended September 30 2008
Net income	**$ 10,756**	$ 2,655	**$ 24,028**	$ 5,489
Other comprehensive income (loss):				
Unrealized (loss) gain on translation of financial statements of self-sustaining foreign operations	**(15,183)**	1,332	**(17,987)**	5,632
Comprehensive (loss) income	**$ (4,427)**	$ 3,987	**$ 6,041**	$ 11,121

MAGELLAN AEROSPACE CORPORATION

CONSOLIDATED BALANCE SHEETS

(unaudited)		As at September 30 2009		As at December 31 2008
(Expressed in thousands of dollars)				
ASSETS				
Current				
Cash	**$**	**5,675**	$	5,362
Accounts receivable		**94,004**		67,435
Inventories		**152,534**		178,474
Prepaid expenses and other		**14,488**		10,717
Future income tax assets		**3,853**		5,097
Total current assets		**270,554**		267,085
Capital assets		**256,627**		277,207
Technology rights		**30,078**		32,567
Deferred development costs		**61,030**		69,225
Other assets		**19,006**		15,970
Future income tax assets		**16,933**		8,643
Total long-term assets		**383,674**		403,612
Total assets	**$**	**654,228**	$	670,697
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Bank indebtedness	**$**	**156,625**	$	177,766
Accounts payable and accrued charges		**92,295**		125,116
Current portion of long-term debt		**66,775**		52,321
Total current liabilities		**315,695**		355,203
Long-term debt		**9,972**		11,803
Future income tax liabilities		**10,915**		11,392
Convertible debentures		**38,015**		20,544
Other long-term liabilities		**7,279**		7,947
Total long-term liabilities		**66,181**		51,686
Shareholders' equity				
Capital stock		**234,389**		234,381
Contributed surplus		**4,566**		3,991
Other paid in capital		**13,565**		11,645
Retained earnings		**83,780**		59,752
Accumulated other comprehensive loss		**(63,948)**		(45,961)
Total shareholders' equity		**272,352**		263,808
Total liabilities and shareholders' equity	**$**	**654,228**	$	670,697

MAGELLAN AEROSPACE

MAGELLAN AEROSPACE CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited) *(Expressed in thousands of dollars)*	**Three-months ended September 30**		**Nine-months ended September 30**	
	2009	**2008**	**2009**	**2008**
OPERATING ACTIVITIES				
Net income	**$ 10,756**	$ 2,655	**$ 24,028**	$ 5,489
Add (deduct) items not affecting cash				
Depreciation and amortization	**8,233**	9,152	**26,650**	24,737
Net gain (loss) on sale of capital asset	**180**	(9)	**189**	(1,643)
Employee future benefits	**(5,555)**	(1,199)	**(3,734)**	(4,066)
Write down of deferred costs	**–**	1,872	**–**	1,872
Deferred revenue	**132**	98	**352**	253
Stock based compensation	**170**	295	**575**	908
Accretion of convertible debentures	**138**	65	**536**	371
Future income tax (recovery) expense	**(7,789)**	3,736	**(6,844)**	6,817
	6,265	16,665	**41,752**	34,738
Net change in non-cash working capital items relating to operating activities	**5,590**	(9,600)	**(47,225)**	(25,534)
Cash provided by (used in) operating activities	**11,855**	7,065	**(5,473)**	9,204
INVESTING ACTIVITIES				
Acquisition of Verdict	**–**	–	**–**	(4,240)
Purchase of capital assets	**(1,592)**	(4,988)	**(14,761)**	(14,325)
Proceeds from disposal of capital assets	**107**	24	**339**	2,808
Decrease (increase) in other assets	**2,222**	(318)	**(47)**	(5,848)
Cash provided by (used in) investing activities	**737**	(5,282)	**(14,469)**	(21,605)
FINANCING ACTIVITIES				
(Decrease) increase in bank indebtedness	**(8,221)**	1,548	**(10,845)**	29,235
Decrease in loan payable	**–**	–	**–**	(15,000)
Increase in loan payable	**–**	–	**–**	15,000
Decrease in long-term debt	**(647)**	(402)	**(2,058)**	(16,864)
Increase in long-term debt	**–**	–	**15,000**	50,000
Decrease in convertible debentures	**–**	–	**(20,950)**	(69,985)
Increase in convertible debentures	**–**	–	**39,667**	20,778
Decrease in long-term liabilities	**(38)**	(70)	**(310)**	(833)
Issuance of common shares	**–**	17	**8**	60
Dividends on preference shares	**–**	(400)	**–**	(1,200)
Cash (used in) provided by financing activities	**(8,906)**	693	**20,512**	11,191
Effect of exchange rate changes on cash	**(389)**	(568)	**(257)**	(304)
Net increase (decrease) in cash during the period	**3,297**	1,908	**313**	(1,514)
Cash, beginning of period	**2,378**	1,462	**5,362**	4,884
Cash, end of period	**$ 5,675**	$ 3,370	**$ 5,675**	$ 3,370