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MAGELLAN AEROSPACE SIGNS AGREEMENT FOR WORK ON F-35

Paris Air Show, Le Bourget – June 17, 2013 – Magellan Aerospace has signed a Memorandum of Agreement (MOA) with BAE Systems for work on the F-35 Lightning II program. Under the agreement Magellan will produce more than 1,000 sets of horizontal tails for the Conventional Take Off and Landing (CTOL) variant of the F-35 program over a 20-year period. The agreement, announced today at the Paris Air Show, Le Bourget, formalizes the continuation of the strategic relationship between BAE Systems and Magellan.

Magellan will produce F-35A horizontal tail assemblies using components that require advanced composite manufacturing, machining capabilities, and strict quality standards. The majority of the components used for the assembly are produced in Magellan's divisions. The horizontal tail production under the MOA has a potential value of over Cdn. \$1.2 billion over the life of the program. Magellan has achieved sales of more than \$100M Cdn. on the F-35 program to date.

Today's signing represents another milestone of Magellan's strategic involvement on the F-35 program. "We have supported Magellan's journey to become a key supplier of complex, flight critical components requiring high-technology, and high-quality manufacturing capabilities to produce the components to the exacting specifications demanded of this global program," said Paul Burns, Global Procurement & Supply Chain Director, BAE Systems.

Magellan is a part of the global F-35 team that includes world-class aerospace companies representing all eight JSF partner nations. Magellan's potential value of F-35 manufacturing work is approaching Cdn. \$2.0 billion.

"At Magellan, we are proud to be an integral part of the F-35 supply chain. We've produced parts that are flying on all three variants, and for planes that will fly in four of the partnering nation's air forces," said Jim Butyniec, President and CEO of Magellan Aerospace. "We look forward to seeing the first Magellan-built horizontal tail assembly fly on a production F-35 in early 2014."

About Magellan Aerospace:

Magellan Aerospace is a global, integrated aerospace company that provides complex assemblies and systems solutions to aircraft and engine manufacturers, and defence 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.

BAE Systems Involvement in the F-35 Programme:

BAE Systems brings military aircraft expertise that is key to the development and manufacture of the F-35 Lightning II. Along with being responsible for the design and delivery of the aft fuselage and empennage for each of the three F-35 variants, BAE Systems also plays a key role in other areas including vehicle and mission systems, life support system and prognostics health management integration. The Company also has significant work share in autonomic logistics and has a role in the Integrated Test Force in America including two BAE Systems pilots flight testing the F-35 as part of Team JSF.

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