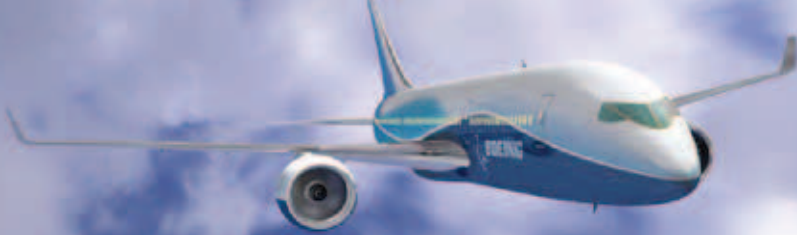


MANITOBA *means* BUSINESS



MANITOBA IS YOUR INVESTMENT DESTINATION FOR AEROSPACE

MANITOBA'S AEROSPACE INDUSTRY

Manitoba's state-of-the-art aerospace industry is the largest in Western Canada and home to a diversified cluster of world-class manufacturing, repair and overhaul, and service firms. Industry revenues in 2007 exceeded \$1.3 billion. An estimated 5,300 persons are directly employed in the industry in Manitoba. Aerospace manufacturing, and repair & overhaul account for approximately 80% of industry revenues with aerospace training and services providing 20%. Manitoba's aerospace industry is intensely export oriented, serving hundreds of companies worldwide.

The industry is led by four world-class firms; Boeing Technology Canada, Standard Aero Limited, Magellan Aerospace Limited – Winnipeg (Bristol Aerospace), and Air Canada Technical Services, as well as 23 established regional and national firms.

The industry is supported by a large number of small to medium sized aerospace suppliers including precision machine shops, tool and die makers, precision sheet metal fabricators, plating and coating operations, and electronics companies. A sophisticated training, education and transportation infrastructure provides further industry support.

Ongoing capital investment by industry ensures the technological basis for a sustained competitive advantage.

CAPABILITIES

- Design, development, manufacture, & repair/overhaul of composite aircraft components and assemblies and engine components
- Repair and overhaul of commercial aircraft, advanced alloy turbine engines, piston engines and accessories
- Precision machining and precision sheet metal fabrication of high strength metals and alloys
- Spacecraft and payload design and integration
- Sounding rocket design and integration
- Development of advanced strategic target systems
- Military pilot simulator and flight training

MANITOBA means BUSINESS

INVESTMENT LOCATION DRIVERS

MANITOBA'S VALUE PROPOSITION

INVESTOR BENEFITS

01 LABOUR COSTS

- Very competitive labour costs
- Significantly lower labour costs than US aerospace centres
- Ranked by KPMG as the most competitive location in the North American Midwest with respect to overall business costs in Aerospace Manufacturing

- Significant savings on total labour costs (including benefits) relative to US aerospace centres

02 AVAILABILITY OF SKILLED LABOUR

- Existing skilled aerospace workforce of 5,300
- Sophisticated training and education infrastructure with programs specifically supporting the aerospace industry

- Ability to recruit both experienced and entry-level workers of high quality

03 CORPORATE TAX RATES

- Unprecedented series of cuts to corporate income tax since 1999
- Corporate tax rates generally lower than US rates

- Corporate tax savings
- Improved net profit after tax

04 TAX INCENTIVES AND EXEMPTIONS

- Manitoba R&D Tax credit – combined with the Federal SR&ED credit makes for R&D incentives that are among the most generous in the world
- Manufacturing Investment Tax Credit – partially refundable

- Lower after tax cost of R&D
- Lower after tax cost of investment
- Partially refundable tax credits improve overall cashflow during critical years of new investment

05 PROXIMITY TO MAJOR MARKETS

- Seamless access under NAFTA to US based customers
- Standard border wait times of ten minutes or less

- Less travel time and lower travel and communication costs
- Ideal location for entering and trading with US market

INVESTMENT LOCATION DRIVERS

MANITOBA'S VALUE PROPOSITION

INVESTOR BENEFITS

06 TRAINING PROGRAMS

- Aerospace programs offered at the University of Manitoba, Red River College and Stevenson Aviation and Aerospace Training Centre
- New hangar and state-of-the-art flight simulator at Southport Manitoba

- Highly educated and productive workforce

07 HIGHWAY ACCESSIBILITY

- Coast to coast highway access via the Trans-Canada Highway
- Direct Highway access to the US via I-75 and I-29. Direct highway access to the US and Mexico via Highway 83
- 360 Trucking companies offering interprovincial or international transport. Four of Canada's 20 largest trucking companies headquartered in Winnipeg.

- Flexible road freight options for movement of parts and products

08 ACCESSIBILITY TO A MAJOR AIRPORT

- Winnipeg's James Armstrong Richardson International Airport is the only 24 hour cargo airport between Toronto and Calgary
- Major sorting facilities for FedEx and Purolator, and daily transborder service from UPS
- New, state of the art terminal building to open in 2009
- Ample industrial lands and properties available in close proximity to the airport

- Reduced travel time and costs
- Convenient access to international air transport
- Excellent aerospace manufacturing and testing facilities

COMPETITIVE STRENGTHS

Composite Manufacturing and Repair:

Boeing, Air Canada, Magellan Aerospace and Advanced Composite Structures all operate composite facilities in Manitoba. The Boeing composite manufacturing facility **is the largest in North America**. In addition to manufacturing composite/ assembly structures for all major Boeing production aircraft, Boeing Winnipeg is a development partner for the new 787 family of aircraft. Winnipeg was designated as the engineering design authority for the 787 Wing-to-Body fairing and several other components.

The **Composites Innovation Centre** supports research, education, training and project management in the field of advanced composite materials, with applications for aerospace, automotive, civil infrastructure, and other industries. The Centre provides access to advanced research tools, including highly sophisticated testing equipment.

Engine Repair & Overhaul: Standard Aero Limited is one of the world's largest independent gas turbine engine and accessories maintenance, repair and overhaul (MRO) facilities. Based in Winnipeg, with operations around the globe, it provides a unique mix of management and MRO services to airline, business aviation, helicopter, government/military aircraft, and industrial operators.

Advanced Manufacturing: Magellan Aerospace Corporation has entered into a relationship with Lockheed Martin Corporation and BAE Systems for the production of advanced composite assemblies for the F-35 Joint Strike Fighter program.



LEADING AEROSPACE FIRMS OPERATING IN MANITOBA INCLUDE:

- AIR CANADA TECHNICAL SERVICES
- BOEING CANADA TECHNOLOGY, WINNIPEG DIVISION
- STANDARD AERO LIMITED
- MAGELLAN AEROSPACE, WINNIPEG
- ACSION INDUSTRIES
- ADVANCED COMPOSITE STRUCTURES
- CADORATH AEROSPACE INC.
- CORMER GROUP INDUSTRIES INC.
- ENDURON CUSTOM INC.
- MICROPILOT
- SOUTHPORT AEROSPACE CENTRE INC.
- WARDROP ENGINEERING INC.
- WINNIPEG AIRPORTS AUTHORITY, INC.

FOR MORE INFORMATION

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