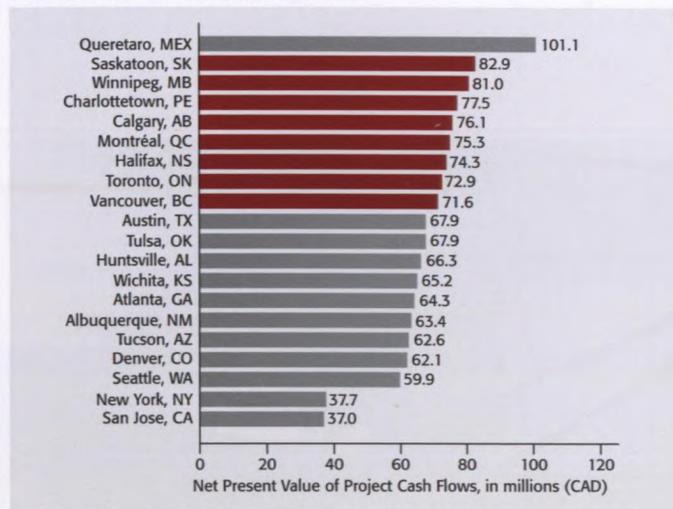
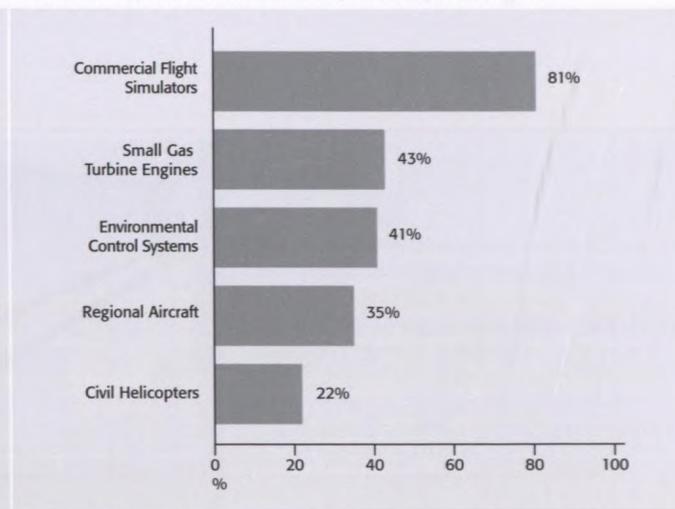


Canadian centres are some of the most profitable locations in North America for aerospace investment



PROJECT CASH FLOW FOR AEROSPACE COMPONENTS MANUFACTURING, 2009
Source: IBM Plant Location International 2009.

Canada has global market leadership in aerospace verticals



CANADA'S GLOBAL MARKET SHARE IN KEY AEROSPACE MARKETS, 2009 (%)
Source: Teal Group Q1 2010; PMI Media; Flight International and company data.

and France's **Messier-Dowty International**, the world's top landing gear maker.

These industry leaders have many good reasons to invest in Canada. Among the G7 nations, Canada has the lowest aerospace production costs.¹ In 2009, eight Canadian cities finished among the Top 30 internationally for overall competitiveness for an aerospace plant location, according to a report by IBM's *Plant Location International*.² Canada produces 3,000 aerospace graduates every year, and it ranks second worldwide in aerospace patents.³

Another advantage of establishing aerospace operations in Canada is proximity to OEMs such as **Bombardier Inc.**, **Bell Helicopter Textron Inc.** and **Boeing Co.** Canada is also a full NAFTA partner, which means that investors in Canada have free-trade access to the U.S. market.

Sustained commitment to R&D keeps Canada at the forefront of aircraft technology development and applications—annual R&D and capital investment are more than \$1.3 billion. In order to accelerate innovation and produce economic, technological and social benefits, the Canadian federal government's Strategic Aerospace and Defence Initiative (SADI) aims to increase this level of investment

by providing repayable contributions of up to 30% of eligible costs in support of pre-competitive R&D by Canadian aerospace, defence, space and security industries engaging in strategic R&D.

Civil Aircraft and Helicopters

Canada is one of the most exciting places for investment in the civil aircraft and helicopters sub-sector, offering investors a diversified industry base, cost structures that are lower than those of competitor locations and leading-edge aerospace R&D institutions. Besides **Boeing Co.**, international firms producing civil aircraft and helicopters in Canada include Texas-based **Bell Helicopter Textron Inc.** and Montréal's **Bombardier Inc.**

Landing Gear

In 2009, **Boeing** announced that it would match a \$1.2-billion contract for Chinook CH-147 military helicopters from the Canadian government by executing contracts and investments of equal value in Canada. It subsequently identified \$231 million worth of CH-147 sub-contracts to Canadian suppliers.

Defence

Maryland-based **Lockheed Martin Corp.**'s Canadian operations are part of a \$10-billion defence and security sub-

sector with 70,000 high-tech employees. In 2009, **Lockheed Martin Canada** announced that it would expand its presence in Nova Scotia, creating 100 new jobs.

Avionics

Canada's avionics sub-sector includes communications and in-flight entertainment systems. In 2009, **Esterline's** Canadian subsidiary, **Esterline CMC Electronics Inc.**, announced that it would invest \$149.4 million in its Quebec R&D facilities. Supported by a \$52.3-million repayable investment from the Canadian government, the company will develop an integrated cockpit and communications system for business jets, helicopters and transport aircraft.

Maintenance, Repair and Overhaul (MRO) Services

Across Canada, some 1,100 aircraft, engine and component MRO organizations employ 17,500 workers and generate more than \$3 billion in annual revenues. In 2009, **StandardAero**—a division of **Dubai Aerospace Enterprise (DAE)**—launched a \$13-million expansion of its Winnipeg MRO facility. Western Canada's biggest aerospace cluster, Winnipeg, is a major North American centre for MRO and composite aircraft components.