

Avcorp Awarded Multiple Production Contracts from Boeing

- **Grows total order backlog to \$579 million**

September 22, 2016

VANCOUVER: Avcorp Industries Inc. (TSX: AVP) (the "Company", "Avcorp" or the "Avcorp Group") today announced that it has been awarded multiple production contracts from Boeing.

These production contracts consist of complex metal bond and multi-material structural assemblies that complement Avcorp's capability as a strategic integrated supplier within the aerospace industry. The new contracts include:

- Production of Spoilers for the Boeing 737 MAX program. This will be one of the most significant contracts in Avcorp's order backlog. The addition of the Spoiler production will result in considerable increases to Avcorp's existing plant and equipment utilization for the coming years. The 737 MAX is Boeing's new, more fuel-efficient single-aisle airplane, with first delivery anticipated next year.
- Production of Metal Bond Panels for the Boeing 777X. This award is the first contract for Avcorp with Boeing's new 777X program. The 777X will be the world's largest and most fuel-efficient twin-engine commercial airplane, with first delivery anticipated in 2020.
- Production and supply of Doors for the Boeing Next-Generation 737 and 737 MAX. This contract creates beneficial production synergies that complement Avcorp's current 737 Wheel Well Fairing high-rate production program, having daily just-in-time deliveries to 737 assembly lines.
- Avcorp previously announced a contract to produce Tanker Fairings for the KC-46 Program; the Boeing Tanker built on a 767 platform. This assembly leverages Avcorp's integration capabilities utilizing composite and metallic materials.

Avcorp's order backlog is currently estimated at \$579 million, in consideration of attaining full award values, after reduction for sales made during the first two months of the current quarter.

"These latest awards expand Avcorp's manufacturing relationship with Boeing with a timeline that goes well into the future," said Peter George, Avcorp Industries Inc. CEO. "We are very proud to support Boeing on new programs such as the 737 MAX and 777X, and look forward to continued growth providing better solutions to all our customers."

"We appreciate Avcorp's continued focus on quality, reliability and affordability to support our position in a competitive marketplace," said John Byrne, Vice President, Boeing Commercial Airplanes Supplier Management for Aircraft Materials & Structures. "Avcorp is a positive example of the strong ties between Canada's aviation industry and Boeing."

Avcorp has been manufacturing and supplying Boeing with various aircraft components supporting the 737, 757, 767, 777, 787, CH-47 programs for more than 20 years.

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About Avcorp

The Avcorp Group designs and builds major airframe structures for some of the world's leading aircraft companies, including BAE Systems, Boeing, Bombardier, Fuji Heavy Industries and Lockheed Martin. The Avcorp Group has more than 50 years of experience, over 750 skilled employees and 636,000 square feet of facilities. Avcorp Structures & Integration located in Delta British Columbia, Canada is dedicated to metallic and composite aerostructures assembly and integration; Avcorp Engineered Composites located in Burlington Ontario, Canada is dedicated to design and manufacture of composite aerostructures, and Avcorp Composite Fabrication located in Gardena California, USA has advanced composite aerostructures fabrication capabilities for composite aerostructures. The Avcorp Group offers integrated composite and metallic aircraft structures to aircraft manufacturers, a distinct advantage in the pursuit of contracts for new aircraft designs, which require lower-cost, light-weight, strong, reliable structures. Comtek Advanced Structures Ltd., at our Burlington Ontario, Canada location also provides operators and MRO's aircraft structural component repair services for commercial aircraft.

Avcorp Composite Fabrication Inc. is wholly owned by Avcorp US Holdings Inc. Both companies are incorporated in The State of Delaware, USA, and are wholly owned subsidiaries of Avcorp Industries Inc.

Comtek Advanced Structures Ltd., incorporated in the Province of Ontario, Canada, is a wholly owned subsidiary of Avcorp Industries Inc.

Avcorp Industries Inc. is a federally incorporated reporting company in Canada and traded on the Toronto Stock Exchange (TSX:AVP).

For further information about Avcorp Industries Inc. please visit our website.

www.avcorp.com



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Forward-Looking Statements

This release should be read in conjunction with the Company's unaudited financial statements contained in the Company's Annual Report and with the quarterly financial statements and accompanying notes filed with Sedar (www.sedar.com).

Certain statements in this release and other oral and written statements made by the Company from time to time are forward-looking statements, including those that discuss strategies, goals, outlook or other non-historical matters; or projected revenues, income, returns or other financial measures. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those contained in the statements, including the following: (a) changes in worldwide economic and political conditions that impact interest and foreign exchange rates; (b) the occurrence of work stoppages and strikes at key facilities of the Corporation or the Corporation's customers or suppliers; (c) government funding and program approvals affecting products being developed or sold under government programs; (d) cost and delivery performance under various program and development contracts; (e) the adequacy of cost estimates for various customer care programs including servicing warranties; (f) the ability to control costs and successful implementation of various cost reduction programs; (g) the timing of certifications of new aircraft products; (h) the occurrence of downturns in customer markets to which the Corporation products are sold or supplied or where the Corporation offers financing; (i) changes in aircraft delivery schedules or cancellation of orders; (j) the Corporation's ability to offset, through cost reductions, raw material price increases and pricing pressure brought by original equipment manufacturer customers; (k) the availability and cost of insurance; (l) the Corporation's ability to maintain portfolio credit quality; (m) the Corporation's access to debt financing at competitive rates; (n) uncertainty in estimating contingent liabilities and establishing reserves tailored to address such contingencies; and (o) integration of newly acquired operations and associated expenses may adversely affect profitability.

