

Avcorp Industries and UBC agree to pursue innovative partnership

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Avcorp Industries and the University of British Columbia have agreed to explore the establishment of a Learning Factory for Advanced Composites at UBC's Okanagan campus.

The two parties, represented by Avcorp CEO Peter George and UBC Deputy Vice-Chancellor and Principal Deborah Buszard, signed an MOU today at the Farnborough International Airshow.

"Avcorp Industries is committed to exploring the establishment of an aerospace industry-first Learning Factory in a way which will push the boundaries of advanced composite manufacturing as well as provide a platform for a new level of research and training in British Columbia," says Peter George, CEO of the Avcorp Industries Group. "We are looking forward to working with the UBC-based Composites Research Network in an initial focus on aerospace applications of composite materials and optimized manufacturing processes."

Avcorp Industries is a leading supplier of integrated composite and metallic aerostructures and is based in Delta, BC.

"BC's economic success is due in part to our diversified economy — and this MOU will lead to the exploration of innovative opportunities for Kelowna and area," says Norm Letnick, MLA for Kelowna-Lake Country. "Congratulations to Avcorp Industries and UBC on this important partnership, which will provide great training opportunities for students as well."

"Composite manufacturing is a growth industry," says Stephen Fuhr, MP for Kelowna-Lake Country. "This learning factory concept provides a solid opportunity for employment, education and innovation. It would also further solidify Kelowna-Lake Country as one of Canada's premier aerospace clusters."

The Learning Factory will integrate industrial production with learning and research and provide UBC students and faculty with new opportunities for research, knowledge translation, and hands-on experiential learning. The Learning Factory will also provide technical and skills training opportunities for students from partner institutions, such as Okanagan College.

Through the development of a composites research and production facility at the UBC Okanagan Innovation Precinct, as well as an integrated digital simulation facility at UBC's Vancouver campus, the Learning Factory will provide Avcorp Industries enhanced ability to evaluate and improve manufacturing efficiency.

"UBC is committed to bold new types of partnerships that create unique research, learning, and job creation opportunities," says Dr. Deborah Buszard, UBC Deputy Vice-Chancellor and Principal. "We are excited to take our discussions with Avcorp to the next level. We see this project as key to our ambition to help transform and diversify the regional resource economy to one driven by innovation."

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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 (ASI) located in Delta BC is dedicated to metallic and composite aerostructures assembly and integration; Avcorp Engineered Composites (AEC) located in Burlington ON is dedicated to design and manufacture of small-sized composite aerostructures, and Avcorp Composite Fabrication (ACF) located in Gardena CA has advanced composite aerostructures fabrication capabilities for medium and large 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 location also offers 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 and are wholly owned subsidiaries of Avcorp Industries Inc.

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

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



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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.

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