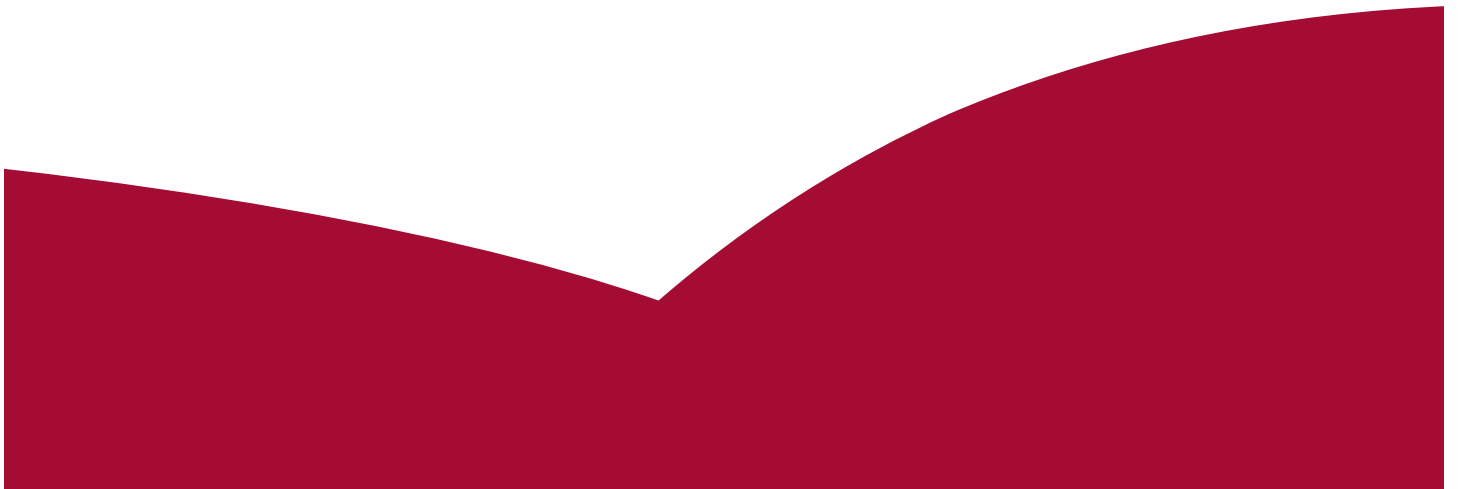




Prince Edward Island, Canada

The Aerospace Sector in Summerside





Summerside's Aerospace Sector

Summerside's aerospace industry continues to reach new heights in just a short ten years since the industry was established in Prince Edward Island. Aerospace is now Prince Edward Island's fourth largest industry and it accounts for 25 per cent of international exports.

Some of the best-known names in aerospace have chosen Prince Edward Island. Honeywell Engines, Systems and Services; Vector Aerospace Engine Services Atlantic; Wiebel Aerospace; Testori Americas Corp.; MDS-PRAD Technologies; and Tronos Canada Inc. all have operations in Summerside.

There are over 700 employees in the aerospace industry in Summerside, representing roughly 10% of the total labour force. Over 24% of our business enterprise are engaged in the aerospace sector. Summerside's investment in the sector is also evident with Slemon Park, a 1,500 acre business park which includes a fully serviced airport and numerous well-maintained hangars ranging in size from 25,000 to 300,000 square feet. It is also the only aerospace business park in Canada that offers on-site training.

Holland College's Aerospace Technology Centre has been an asset in the development of the aerospace industry with its ability to tailor training programs to meet existing tenants' needs or the specific requirements of new tenants.

A Tax Rebate Incentive Program for all eligible aviation-related companies provides a full rebate annually on all corporate income tax paid to the province for operations conducted at Slemon Park. There's also a full rebate annually of all sales tax paid to the government attributed to the purchase of goods and services, and a full rebate annually of all real property tax attributable to ownership or rental of facilities at Slemon Park.

The vibrant aerospace industry in Prince Edward Island holds promise for creating new employment opportunities and wealth for the province well into the future.

Slemon Park Aerospace

Summerside boasts the unique offering of Slemon Aerospace Park - a premier business centre which features 600 hectares of prime industrial property, more than 50,000 square metres of state-of-the-art manufacturing and hangar facilities, and its own privately operated airport with an 8,000 foot runway.

Some of the most recognizable names and leaders in the industry today have chosen Summerside and call Slemon Aerospace Park home:

- Honeywell Engines Systems and Services
- Vector Aerospace Engine Services Atlantic
- Wiebel Aerospace
- Testori Americas Corp.
- MDS-PRAD Technologies
- Tronos Canada Inc.

Slemon Park has also incorporated facilities and amenities to lower your total operating costs, increase access to training, and foster productivity in an inviting and convenient environment.

Amenities

There is also a restaurant and full service conference centre, offering the best in local cuisine with catering options, and comfortable accommodations available on-site.

Location & Accessibility

- East Coast of Canada, well positioned for North American and European markets
- 30 minute flight/3 hour drive to Halifax International Airport
- 45 minutes to Charlottetown Airport
- 5 minutes to TransCanada Highway
- 10 minutes to Summerside Port (ice free April-December)

Aerospace is PEI's fourth largest industry and second largest exporter, which accounts for 25% of international exports. Aviation related companies operating in Slemon Park receive a full annual rebate on all provincial corporate income taxes.

Provincial Marketplace

The aerospace industry is Prince Edward Island's second largest source of exports and fourth largest economic sector. The majority of provincial industrial operations are focused on the regional aircraft market. However, Prince Edward Island based companies are involved in other industry sub-sectors including space, defense, and mass-transit machine production.

Export values, workforce, and overall industry growth have experienced a dramatic rise despite periods of decline experienced in other markets across the sector since 2001. This represents PEI's strength in the aerospace industry and value placed on a collaborative business model. Current economic indicators show that aerospace on PEI is strong and growing.

KPMG identified Canada as one of the lowest cost countries for Aerospace manufacturing – with labour savings of up to 32% over the US. In Summerside overall operating costs are 10% lower than Ottawa, and the lowest in the Atlantic provinces for maintenance and repair of aircraft parts.

All levels of government have recognized the importance of business and human resource investment. They have collaborated to offer tax incentives and tailored financial solutions to our business and industry partner's needs.



Training

Holland College's Aerospace and Industrial Technology Centre in Slemon Park ensures the industry has the personnel to meet their future growth. Our stable labour force and excellent training ensure the best value in the industry.

Prince Edward Island has created an attractive environment for the aerospace cluster focusing primarily on the regional aircraft market, but also the helicopter, mass-transit and other related industries. The concentration of leaders at Slemon Park Aerospace Centre are leading the way in growing this sector.

An incentive program includes an annual 100% rebate of Provincial Sales, Income Tax and Property Tax until the year 2012. Other attractive site selection advantages include:

- Low operating costs
- Workforce
- Very competitive and flexible lease rates
- Private operational airport
- Hangar facilities for repair and overhaul, aircraft modification or research and development activities

Holland College's courses are directed to meeting both the current and future needs of the aerospace industry. Its aircraft gas turbine engine repair and overhaul course is accredited by the Canadian Aviation Maintenance Council and its aircraft maintenance technology course has received Transport Canada approval.

By strategically locating this facility in Slemon Park, students receive on-the-job training as well as classroom instruction and have access to both full-time and part-time employment opportunities. Some of the courses offered through the school include Aircraft Maintenance Technician, Aircraft Gas Turbine Engine Repair and Overhaul Technology, Aircraft Gas Turbine Engine Repair and Overhaul Technician, Aircraft Structural Repair Technician, Industrial Electrical Technician (IET) or Electrical Construction Wiring, Electromechanical Technician, and HVAC.

The creation of an attractive business climate by the Federal and Provincial governments through the formation of a tax free zone for aerospace companies who locate to Slemon Park is one key site selection advantage of Slemon Park.

Tax Rebate Incentive Program

A 20 year tax rebate incentive program took effect on January 1, 1993 and applies to eligible companies which establish operations at Slemon Park, Prince Edward Island. Eligible companies are defined as those engaged in aviation or aerospace-related businesses, which may include, but is certainly not limited to, original equipment manufacturers, strip and paint shops, repair and overhaul operations, training and various aviation support businesses. The tax rebate incentive program includes the following three taxes:

- Corporate Income Tax - A full rebate annually on all Corporate Income Tax paid to the government of Prince Edward Island by aviation-related businesses for operations conducted at Slemon Park, Prince Edward Island.
- Sales Tax - A full rebate annually of all sales tax paid to the Government of Prince Edward Island attributed to the purchase of goods and services related to aviation-related activities at Slemon Park, Prince Edward Island.
- Real Property Tax - A full rebate annually of all real property tax attributable to ownership or rental of facilities at Slemon Park, Prince Edward Island.

Net Income Before Taxes	Slemon Park, Prince Edward Island	Canada (excluding PEI) ¹	USA ²
Net Income Before Taxes	\$1,000,000	\$1,000,000	\$1,000,000
Federal Corporate Tax	\$221,200	\$221,200	\$340,000
Provincial/State Corporate Tax	\$75,000	\$139,300	\$62,200
Total Taxes	\$296,200	\$360,500	\$402,200
Net Income After Tax ³	\$703,800	\$639,500	\$597,800
Rebate - Provincial/State Corporate Tax	\$75,000	\$0	\$0
Rebate - Provincial/State Sales Tax ⁴	\$142,000	\$0	\$0
Rebate - Provincial/State Property Tax ⁵	\$15,000	\$0	\$0
Total Rebate	\$232,000	\$0	\$0
Net Income After Tax (3)	\$703,800	\$639,500	\$597,800
Percentage Increase In Net Income From Rebates	33%	0%	0%

Note 1 - 1996 Canadian Average excluding PEI

Note 2 - Average 8 US States (TX,WA,OH,MA,NC,CA,AR,FL) selected due to significant presence of aerospace industry.

Note 3 - Corporate capital taxes, franchise tax and business taxes for both Canada and US as well as Canadian Investment Tax Credits have been excluded.

Note 4 - Sales tax rebate based on operations of \$10 million in sales and employing 100 people.

Note 5 - Property tax rebate based upon 50,000 sq. ft. building

Selected Company Profiles



Vector Aerospace

Hanger # 8, 800 Aerospace Blvd.,
PO Box 150
Summerside, PE, C1N 4P6
Phone 902.888.4785
Fax 902.888.4779
Web Site www.atlanticturbines.com
E-mail bthompson@atlanticturbines.com

Contact

Brian Thompson
President

**Year Company Established
in Community:** 1991

Export Percent: 99% outside PEI,
85% outside Canada

Number of employees: 354

Company Description

Vector Aerospace prides itself on its aircraft engine service expertise. They go the extra mile to make sure customers always receive the highest quality repairs, as quickly as possible and at a fair price. And throughout the process Vector keeps in close touch with its customers, so that they have the facts they need to make informed decisions about how their engine is repaired.

Vector's experience with JT15D, PT6A, and PW100 series engines has earned the company recognitions as a Pratt & Whitney Canada Designated Overhaul Facility with multiple certifications from the world's aviation regulatory agencies. Their ISO 9001-2000 certified, 140,000 sq.-ft. primary repair facility is fully equipped to handle the most complex overhauls

and features an in-house parts refurbishment department.

Over the years, Vector has earned a loyal customer following and a reputation for superior build quality and exceptional customer service, and they stand behind their work with one of the best engine warranties in the industry.

Company Strengths

- Designated Overhaul Facility Certification with Pratt and Whitney
- Strongest DOF for Customer Service
- Excellent quality and committed workforce
- Investment in R & D for new repair technologies
- Effective cost control and process improvement methods
- Personalized workscopes
- Fast turnaround times
- Personalized customer service
- Standup warranty
- Flexible, competitive pricing

Areas of Expertise

- Engineering
- Inspection
- Material Process
- Machining
- Parts Distribution

Type of Alliances Sought

- Joint Venture



Honeywell

Honeywell Aftermarket Aviation

800 Aerospace Boulevard, Hangar 8
Slemon Park, PE C0B 2A0
Telephone: 902.436.1760
Fax: 902.436.0570
Email: keith.wheeler2@honeywell.com
Web: www.honeywell.com

Contact

Jason Wilson

Jason.wilson@honeywell.com

Year Company Established
in Community: 1991

Number of employees: 140

Company Description

Honeywell ES&S PEI provides the worldwide aerospace marketplace with a wide range of products and services, including, the repair and overhaul of fuel controls, hydraulic pumps and overspeed governors, and fuel nozzles. The PEI manufacturing division includes a dedicated team of skilled, cross-functional technicians, who are certified to soldering IPC-A-610 standards.

Bernd Kessler, a vice-president with the international company says the local workforce has gained an exemplary reputation at Honeywell because of its level of expertise and fast turnaround times. "Despite turbulence in the aerospace industry, following 9/11 and the SARS crisis, the plant in Slemon Park is on solid ground," Kessler noted.

Honeywell ES&S PEI provides services to many satisfied customers from all corners of the globe, and is proud to be the Honeywell leader in the repair and overhaul of other OEM's products.

Company Strengths

- Skilled cross-functional technicians
- Fast turnaround times
- Global reach

Areas of Expertise

Repair and overhaul of:

- Fuel controls
- Hydraulic pumps
- Overspeed governors
- Fuel nozzles





Testori Americas Corporation

PO Box 40, Summerside,
50 Aerospace Blvd.
Slemon Park, PE C1N 4P6
Telephone: 902.888.3200
Fax: 902.436.4456
Email: operations@testori.pe.ca
Web: www.testori.pe.ca

Contact

Lindo Lapegna

President
lapegna@testori.pe.ca

**Year Company Established
in Community:** 1994
Number of employees: 160

Company Description

Testori Americas Corporation is a manufacturer of hard and soft interiors for the aerospace and mass transit industries. It has continuously grown since establishing on PEI in 1994 and today employs 160 people at its Slemon Park facility.

Capabilities include design, engineering, and production of interior kits and related components such as lavatories, partitions, doors, cabin linings, and luggage racks. Employees have experience in dealing with a wide range of materials such as fiberglass, plywood and plymetal, prepregs, aerospace composites, polyester and phenolic resins.

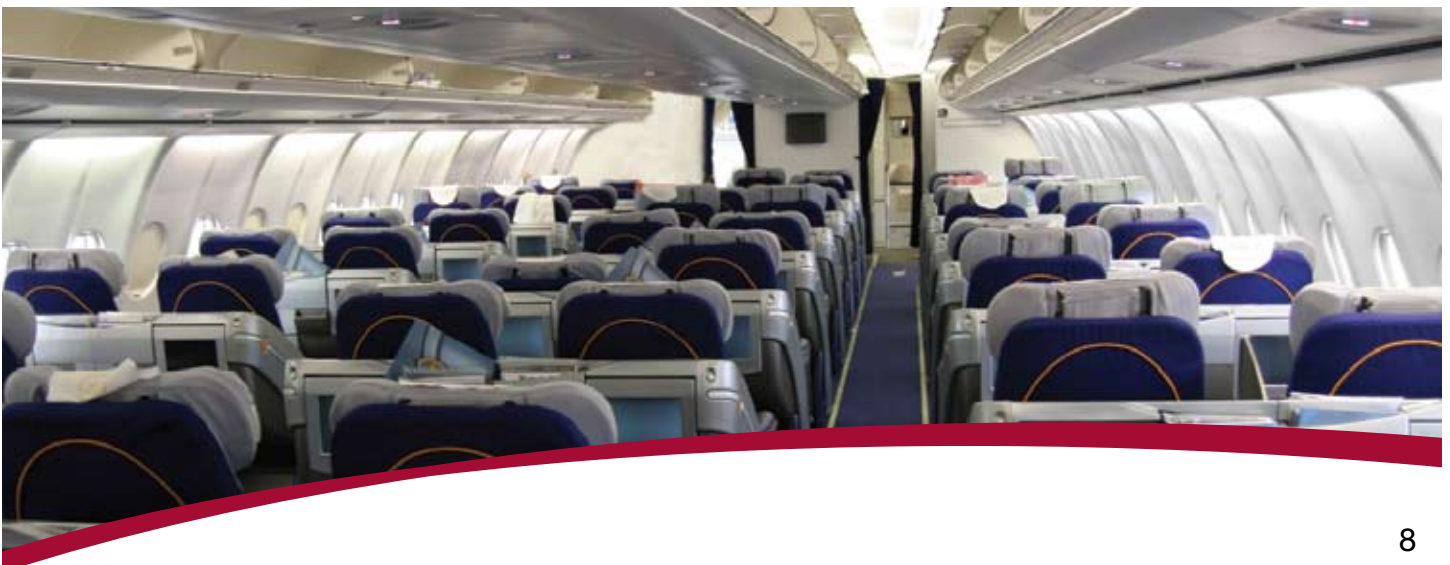
The Canadian facility located in Slemon Park, has 50,000 square feet of hangar space and their subsidiary Testori Interiors Inc. located in Hornell, New York has 20,000 square feet of hangar space.

Company Strengths

- Experience in dealing with a wide range of materials
- State-of-the-art equipment yielding optimal efficiency and tight tolerances
- Employee training and a customer-first attitude
- Testori's design and engineering has the mix of creativity and experience necessary for practical and cost effective solutions
- Has been involved around the world

Areas of Expertise

- Design, engineering, and production of interior kits and related components such as lavatories, partitions, doors, cabin linings, and luggage racks.



Tronosjet Maintenance Inc.

Tronos Canada Inc.
PO Box 7, Slemon Park
Summerside, PE, C0B 2A0
Phone 902.436.5318
Fax 902.436.5319
Web Site www.tronosjet.com
E-mail arogers@tronosjet.ca

Contact

Mark Coffin
mcoffin@tronosjet.com

**Year Company Established
in Community:** 2004
Export Percent: 100%
Number of employees: 20



Company Description

Founded in 2001, Tronos is an aircraft leasing, asset management, aircraft maintenance and aviation services provider.

Tronos owns or manages, on behalf of third parties, a fleet of approximately 20 BAe 146 aircraft, as well as engines and spare parts.

It has an EASA and Transport Canada approved Aircraft Maintenance organization (AMO), located in Prince Edward Island, Canada. The company's facility handles both routine and heavy maintenance on its own fleet and for third parties and is able to carry out specialist conversion and modification work.

In addition to its core business of aircraft leasing and maintenance, Tronos works with a range of industry partners to offer a wide variety of related added-value services such as aircraft valuation & surveys, aircrew sourcing, aircraft wet-leasing as well as aviation consultancy.

Tronos constantly seeks opportunities to further develop and diversify its business interests, through investing in and managing a wide range of different products and projects

worldwide. As true innovators in aviation, its business knows no boundaries – Tronos is willing and able to consider opportunities at any time, anywhere.

Company Strengths

- Product knowledge (particularly BAe 146)
- Regional aircraft market globally
- Developing knowledge base around Aerial water bombing (STC program with the FAA)

Areas of Expertise

Tronos' business activities cover a wide range of aviation fields:

- Aircraft Leasing (finance and operating)
- Maintenance, repair and overhaul
- Special purpose aircraft conversion and development

In addition to the core business, Tronos and its network of worldwide business partners can offer a wide range of other value-added aviation related services:

- Aircraft surveys and valuations
- Aircraft wet-leasing and charters
- Flight-deck and cabin-crew sourcing
- Consultancy



Wiebel Aerospace Inc.

175 Greenwood Drive, PO Box 70
Summerside, PE C1N 5X6
Telephone: 902.888.1615
Fax: 902.888.2008
Email: fvega@wiebel.ca
Web: www.wiebel.ca

Contact

Mike Hall

mhall@wiebel.ca

Year Company Established
in Community: 1995

Number of employees: 42

Company Description

Wiebel Aerospace was incorporated in 1995, following the acquisition of the assets of Wiebel Tool Co., including machines, technical data, proprietary designs and an extensive inventory of finished parts.

For over 30 years, Wiebel Tool Co. designed and manufactured a wide variety of high quality hydraulic assemblies and precision machined components for virtually every major commercial and military aircraft manufacturer.

Wiebel Aerospace (1995) Inc. has proudly continued this tradition. Its commitment to quality and service has allowed the company to grow consistently over the years. This growth combined with the latest in manufacturing technology gives Wiebel Aerospace the ability to serve a wide.

Wiebel currently employs 42 people at its Summerside facility.

From the Summerside facility, Wiebel supplies customers around the globe. Using high strength steels, and a variety of aluminum alloys, Wiebel Aerospace produces precision machined components and sub assemblies. All our work is custom made to meet the specific needs and exacting standards of customers in the aerospace, military and related industries.

Company Strengths

- Commitment to quality and service
- Latest in manufacturing technology
- Customized products
- In-house engineering expertise and strict compliance to ISO 9001 standards
- Best quality products, on time and at competitive prices

Areas of Expertise

- Precision machined components and sub assemblies





MDS PRAD Technologies Corporation

60 Aerospace Blvd., PO Box 312
Slemon Park, PE, C0B 2A5
Phone 902.888.3900
Fax 902.888.3901
E-mail hr@mdsprad.ca
Web Site www.mdsprad.ca

Contact

Phil Rodger

President and COO
phil.rodger@mdsprad.ca

Marketing Enquiries

pr@mdsprad.ca

HR Enquiries

hr@mdsprad.ca

Number of employees: 120

Company Description

MDS-PRAD Technologies Corporation (MPT) develops and manufactures coatings for gas turbine engines used in the aerospace, commercial and defense industries. MPT has a dynamic work force located in its facilities in Slemon Park, Prince Edward Island and Montreal, Canada.

MDS-PRAD Technologies is also working with partners, OEM's and users to respond to the additional challenges of corrosive and high temperature conditions using a fast shop concept.

With a commitment to excellence in everything they do, MDS-PRAD Technologies has rightly earned a reputation for delivering quality products on time. The company currently enjoys an OEM quality rating of 100%, and has earned entry into the Nadcap merit program.

Company Strengths

- Approved by General Electric Aircraft Engines (GEAE) and Rolls Royce PLC
- Safer and more fuel-efficient gas turbine engines
- New technology with tremendous application potential

Areas of Expertise

We have developed coating systems and solutions for:

- Particle Erosion
- Fluid Erosion (Water, Oil)
- Erosion and corrosion
- High Temperature Turbine Parts
- Leading Edge Curl



Summerside: A community poised for growth

Summerside is a community striding confidently into the future. Though in relative terms it may be small in size, it is home to big ideas, big opportunities, and big experiences.

As the Island's second largest and fastest growing city, Summerside offers diverse career and exciting business opportunities. Factor in world-class recreational facilities, affordable living in beautiful surroundings, and its abundance of services and you will begin to see why Summerside is a superior community in which to live, work, and play!

Opportunity Knocks

Summerside provides companies with a competitive business environment where key location sensitive costs such as real estate and labour are significantly lower than most North American markets.

Summerside's proposition for business development includes:

- Central PEI location with a trade area population of 45,000 – 35% of the Island marketshare
- Proximity to larger markets – Summerside's strong infrastructure network connects business to a market in excess of 22 million people all within a day's drive
- Transportation links – international airport, deep water port, and proximity to Confederation Bridge (20 minutes)
- Skilled, dedicated & available workforce – demonstrated capacity for attracting and retaining core talent
- Tax Free Zones, Tailored Incentive Packages, Research & Development Clusters for specific sectors
- High quality of life for employees

All levels of government have recognized the importance of business and human resource investment. They have collaborated to offer tax incentives and tailored financial solutions to our business and industry partner's needs.

A Less Taxing Environment:

- Federal Corporate Tax Rate 19%
- Federal Small Business Corporate Tax 11%
- Provincial Corporate Tax Rate (small Business) 2.1%
- Provincial Corporate Tax Rate (other Business) 16%
- Provincial Commercial Property Tax Rate \$1.50 per \$100 of Assessment
- Municipal Commercial Property Tax Rate \$1.92 per \$100 of Assessment
- Average Industrial Land Price \$12,000/acre
- A full annual rebate on all provincial taxes for aviation related business operating in Slemon Park
- 10 year tax rebate program for export-focused manufacturers or value added service providers
- 35% Scientific research and investment tax credit
- 10% Manufacturing equipment and machinery tax credit

Summerside by the Numbers

Population

City of Summerside 14,500

Prince County 44,499

Province 140,402 (Stats Canada: Published January 2009)

Labour Force (updated March 2009)

Summerside Labour Force – 11,700

Prince Edward Island Labour Force – 77,600

Unemployment Rate – 11.5%

Economic Development Services

How can we foster innovation? How can we help employees maximize their effectiveness? How can we collaborate to offer an investment and enterprise friendly environment? These are some of the key questions Summerside has asked itself in planning its economic development.

We have joined forces with our business leaders, government partners, and city visionaries to offer a variety of innovative industry practices, tax incentives AND customized business investment solutions. Consider the advantages of putting Summerside and a partnership to work for you!

The Economic Development Office is the information focal point for companies and organizations contemplating locating in Summerside, redevelopment or expansion of existing operations, or consolidation of their industrial/commercial activities. We offer our clients a one-stop environment and seek to be of service in any way we can.



Contact us and let us show you how this small city with big ideas,
big opportunities, and big experiences can work for you!



Prince Edward Island. Canada

Michael Thususka Ec.D.,
Director Economic Development

City of Summerside
275 Fitzroy Street Summerside PE C1N 1H9

Direct Line: 902.432.1255
Mobile: 902.432.0103
Facsimile: 902.436.9296
E-mail: miket@city.summerside.pe.ca
Web: www.city.summerside.pe.ca