

An internationally-recognized model of excellence, the Greater Montréal region is one of the world's three aerospace capitals along with Seattle and Toulouse. This concentration of key players results in an exceptional industrial and research capacity.

- Some 212 companies;
- More than 42,000 workers;
- Montréal, the second capital of the world in terms of density of aerospace jobs with 1 person in 95 whose work is related to the sector;
- Sales of \$11.7 billion, of which 80% come from exports;
- 6th place worldwide in terms of aerospace workforce after the United States, France, Germany, the UK and Italy;
- 55% of Canadian aerospace sales;
- 70% of total spending on research and development (R&D) performed in Canada

Aéro Montréal
Think tank of the aerospace cluster

Greater Montréal is part of the aerospace global elite and industry members have established a unique tool for consultation and mobilization: the Aéro Montréal cluster. Comprising companies, educational and research institutions, associations and unions, Aéro Montréal has for over 5 years contributed to accelerating productivity in the aerospace sector, a source of pride and wealth for Québec.

By encouraging the mobilization of industry players around common goals, Aéro Montréal is a catalyst that promotes the competitiveness, growth and influence of the aerospace industry both in Canada and abroad, making the city a major international hub.

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Québec

Canada



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Aéro Montréal

5 years of shaping aerospace

2011 marks the 5th anniversary of Aéro Montréal, the think tank of Québec's aerospace cluster. Since its inception, Aéro Montréal has rallied industry stakeholders around a common mission: to establish an environment that enhances the productivity and growth of the aerospace sector so that it remains a source of wealth creation and pride for Greater Montréal, Québec and Canada.

Aéro Montréal: 5 years of successful accomplishments

- Launch of 5 working groups critical to the development of the sector;
- Mobilization of 220 volunteer professionals from the industry, academia, the scientific community and associations to participate in various cluster committees and groups;
- Organization of 3 Aerospace Innovation Forums with a total participation of over 1,500 people;
- Creation, implementation and management of the MACH initiative;
- Design and deployment of "The sky is the limit!" activity, which was presented to over 5,000 students;
- Organization of the Summit on Training of Engineers and Specialists;
- Creation and coordination of Aerospace Days held in several regions and aimed at promoting the sector among elected officials and the general public;
- Partnership in connection with the holding of 2 Aéromart international exhibitions;
- Participation in the Paris-Le Bourget and Farnborough international airshows;
- Signing of 8 collaboration agreements with other aerospace clusters in Europe and the United States;
- Organization of 2 Québec-France Symposiums, which resulted in the signing of 5 partnership agreements between companies;
- Organization of the first Global Supply Chain Summit bringing together 325 participants;
- Partnership in the greener aircraft catalyst project launched by the Québec government in collaboration with the industry;
- Production of a video promoting the sector;
- Host to 50 business delegations from around the world;
- High level of visibility in the Canadian and international media and participation in several special editorial supplements on aerospace;
- Partnership in promoting school retention and aerospace careers among students;
- 2 surveys conducted on the perception of Québec's aerospace sector;
- Organization of an Aerospace Day in Québec City with aerospace industry CEOs.

Chairman's message

Since the 2008-2009 recession, the aerospace industry has worked hard to stay the course. The debt crisis in several European countries and the prolonged weakness of the American economy meant that 2011 did not bring about the anticipated recovery in the sector. We have all been affected by this economic turbulence and remain vigilant about a possible recession. This slowdown has especially affected the production of small aircraft as well as the entire defence sector, with reduced investments in the United States and Europe. The strength of the Canadian dollar has also hampered exports of our products worldwide and the high cost of fuel has eroded profits.

A brightening horizon

However, certain factors indicate that we will begin seeing some recovery in the coming year. Analysts concur that after three years of decline, the industry should resume growth in 2012. According to IATA, the passenger market held up well in 2011, with an increase of 5.9% over the previous year, which is a reliable indicator. What's more, according to the Conference Board of Canada, as the number of orders for aircraft and other components is increasing, production is expected to pick up, and company revenues should increase by 5%.

Another positive sign is the rising level of confidence within the business community in several countries that could have an impact on air traffic and aircraft demand. This demand is growing particularly in Asia-Pacific, the Middle East and Latin America and could provide great opportunities for our industry. But in addition to boosting the industry, emerging countries such as China, Russia and India will also pose significant challenges to our companies in terms of competitiveness. They are investing heavily in innovation and in their manufacturing sectors and increasingly positioning themselves as major players, becoming serious competitors.

Let's join forces

All members of our industry need to work together more than ever through partnerships among companies, educational institutions, governments, research centres and associations. We must continue to focus our efforts on what sets us apart and position ourselves in innovation to stay one step ahead of the competition.

Today's global landscape is dominated by environmental protection and requires the development of aircraft that consume less energy and emit less pollution. Québec's aerospace sector has won the confidence of major aerospace manufacturers and its capacity for innovation is recognized worldwide. Despite these strengths, the industry must increase its efforts to maintain its leadership and put forward initiatives that meet all the expectations of society as well as the needs of prime contractors.

With a growing demand for labour, we also need to ensure that we are training a new generation of skilled and available workers.

Innovation, succession, supply chain, visibility, spinoffs from military contracts: these are just a few issues among the priorities being tackled by Aéro Montréal to allow our industry to remain competitive. For over five years, Aéro Montréal, led by its president, has been an industry catalyst through its professionalism and creativity. This team is developing initiatives to address the major strategic challenges we are all facing. It's an honour to be working with them to ensure that aerospace remains a flagship industry in Québec and Canada.



Gilles Labbé

Chairman of the Board of Aéro Montréal
President and CEO of Héroux-Devtek

“Analysts concur that after three years of decline, the industry should resume growth in 2012.”



Photo : Jean-François Desgagnés

President's message

With a recovery starting later than anticipated, 2011 once again confirmed Aéro Montréal's important role as a strategic think tank. For five years now, our organization has been helping to advance the Québec aerospace industry and better equip companies to face many challenges.

In 2011, Aéro Montréal was able to count on an unprecedented mobilization. Through its working groups, committees, board of directors and executive committee, men and women from all sectors of the industry helped optimize the competitiveness, growth and influence of the aerospace cluster.

Innovation at the forefront

In 2011, Aéro Montréal established strategies and activities to tackle global issues and emphasized innovation so as to maintain Québec's position as a leader on the international stage. In December, the 2011 Aerospace Innovation Forum brought together nearly 700 professionals from 12 countries – double the participation level since its first edition in 2007. This activity is quickly becoming an international benchmark.

The launch in December of the greener aircraft catalyst project highlighted efforts being made to advance the innovation process. This ambitious project, born of a partnership between the Québec government and industry, will enable the development of future technologies for the manufacturing of greener, quieter and more fuel efficient aircraft. These technologies will generate significant economic benefits for Québec.

Developing at MACH speed

To increase the competitiveness of Québec SMEs and enhance their performance, Aéro Montréal has developed the MACH initiative, a public-private collaboration of \$15 million over a period of five years. In 2011, Aéro Montréal officially launched the initiative and welcomed the arrival of the first cohort of companies supported by eight OEMs and equipment manufacturers acting as corporate mentors.

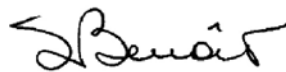
I want to acknowledge the tremendous work being done by members of the Supply Chain Development Working Group aimed at finding possible solutions to various challenges faced by the supply chain.

Throughout the year, Aéro Montréal continued its mission to respond to the many challenges related to succession and the workforce. Initiated in 2010, "The sky is the limit!" program enjoyed a significant increase in popularity. Thousands of elementary school students learned about the basic concepts of aerospace and used that knowledge to build gliders. The Human Resources Working Group continued its efforts to expand this activity to a larger territory.

In March, Aéro Montréal organized an Aerospace Day day in Québec City that brought together CEOs from the sector, members of our board of directors, and several key stakeholders. Initiated by the Branding and Promotion Working Group, this innovative activity enabled the aerospace cluster to highlight the extent of the economic impacts of this industry and show how it contributes to enhancing Québec's reputation on the international stage.

The day brought together participants from diverse backgrounds around a common mission: to advance the sector and ensure its recognition. It wrapped up with the adoption of a motion recognizing “the aerospace sector as a symbol of national pride.” A first in Québec!

In conclusion, I would like to thank all members of Aéro Montréal, our board of directors and our partners for their constant support. I also want to acknowledge the invaluable contribution of my team members who, day after day, meet the challenges and work hard to create impactful projects. As head of Aéro Montréal since its inception five years ago, I can say that everyone's involvement and dedication is a constant source of inspiration and motivation.



Suzanne M. Benoit
President

“In 2011, Aéro Montréal was able to count on an unprecedented mobilization. Through its working groups, committees, board of directors and executive committee, men and women from all sectors of the industry helped to optimize the competitiveness, growth and influence of the aerospace cluster.”



Photo : olivier PontBriand



**Communicating
our expertise**

25

interviews

3

special supplements

136

articles

2

**international
agreements**



Branding and Promotion Working Group



Hélène V. Gagnon
Chair of the Branding and Promotion Working Group

Vice President, Public Affairs, Communications and Corporate Social Responsibility, Bombardier Aerospace

For over five years, the Branding and Promotion Working Group has dedicated itself to promoting and raising awareness about Québec's aerospace sector. The aerospace industry enjoys an enviable reputation in Québec and Canada and is recognized internationally as a world leader. This is the result of the efforts of the men and women working in the industry and of strategies developed to successfully increase the visibility of this sector.

The 11 members of the working group meet periodically to ensure the cohesion of communication and recommend actions to better position the industry. The Aerospace Day, held in Québec City in March, is a prime example of the activities that are being developed by members of the working group. Reaching the economic and political community as well as the general population, this event demonstrated that the activities of the aerospace sector have an impact on society as a whole.

The annual achievements of the Branding and Promotion Working Group reaffirm the importance of Aéro Montréal's mission as the cluster's think tank. I want to thank all members of the working group who, by combining their knowledge and expertise and offering winning communication strategies, are raising the visibility of our industry and contributing to its success.

Members of the Branding and Promotion Working Group

Champion: Hélène V. Gagnon

Vice President, Public Affairs, Communications and Corporate Social Responsibility, Bombardier Aerospace

Nathalie Bourque

Vice President, Public Affairs and Global Communications, CAE Inc.

François Chagnon

General Manager - Interim, AQA

Cynthia Garneau

Senior Director, Corporate Affairs, Bell Helicopter Textron Canada

Josée Gaulin

Senior Specialist, Marketing and Communications, L-3 MAS

Nancy German

Vice President, Communications, Pratt & Whitney Canada

Alain Legault

Director, Communications, Public Affairs and Government Relations, ÉNA

Joe Marcheschi

Director, Export Sales, Avior Integrated Products

Hélène Séguinotte

President and CEO, Morpho Canada, and Country Delegate, SAFRAN

Serge Tremblay

General Manager, CAMAQ

Martin Aubé

Director, Transport Equipment Division, MDEIE (Observer)

Achievements of the Working Group

Aerospace Day in Québec City



Québec Aerospace Day, March 16, 2011. André Martel, President and CEO of Aluminerie Alouette, in the presence of Gilles Labbé, Chairman of the Board of Aéro Montréal and President & CEO of Héroux-Devtek, and members of the business community of Québec City.

In March, Aéro Montréal held an Aerospace Day in Québec City to rally all actors around a common mission: the advancement and recognition of Québec's aerospace sector. Several speakers took part in this day of meetings and conferences which was a great success. The chief executives of the aerospace sector in Québec highlighted the extent of the industry's economic impacts. Although heavily concentrated in the Montréal area, it creates wealth for all Quebecers and helps to bolster the influence of Québec internationally.

Gilles Labbé, Chairman of the Board of Aéro Montréal and President and CEO of Héroux-Devtek, took advantage of a meeting of the Québec City Chamber of Commerce and Industry to underscore the expertise of technology companies in the national capital region and the potential they have to become links in the supply chain of the global aerospace industry. He notably praised their world-class skills in the areas of optical networks and photonics as well as plastics.

The day also featured a symposium on "Québec technology companies serving the aerospace industry" organized in collaboration with Québec International.

During this event, global industry giants involved in the greener aircraft catalyst project met with technology companies in Québec City to identify potential partners for providing Québec content on new aircraft platforms. In attendance were major OEMs such as Bombardier Aerospace, Bell Helicopter Textron Canada, Pratt & Whitney Canada, Esterline CMC Electronics, Thales Canada and Héroux-Devtek.

This activity also provided an opportunity to meet the caucuses of the various parties represented in the National Assembly as well as elected officials and senior bureaucrats in economic ministries. Their comments were also echoed in the National Assembly where elected members of all political parties unanimously adopted a motion recognizing the aerospace sector as a symbol of national pride.

To end the day, Québec Premier Jean Charest and Ministers Clément Gignac, Raymond Bachand, Laurent Lessard, Pierre Arcand, Sam Hamad and Alain Paquet took part in an activity with the many industry representatives present in Québec City for this major event, a first in the provincial capital.



2012 Cluster Directory

In December, Aéro Montréal launched the second edition of the Québec aerospace cluster directory. With over 300 entries, this reference tool ensures the reputation and visibility of the cluster at the national and international levels.

This directory is an indispensable tool that supports the representation efforts of Québec companies among potential customers during local and international trade missions. This directory also allows companies to promote Québec's industrial capabilities in addition to showcasing the many actors in the cluster such as associations, institutions, schools and research centres. It is a reference tool that enhances cohesion within the industry and helps to highlight the expertise of all sector stakeholders. The directory, produced with the support and expertise of Sous-Traitance Industrielle Québec (STIQ), is available in print form and online on the cluster's website. It is distributed by Québec delegations abroad, at Canadian embassies and during major events.



Québec Aerospace Day, March 16, 2011. Luc Paradis, Chairman of the Board of the Chambre de commerce et d'industrie de Québec; Gilles Labbé, Chairman of the Board of Aéro Montréal and President & CEO of Héroux-Devtek.

Annual General Meeting

In April, Aéro Montréal held its annual meeting at HEC Montréal in the presence of the Minister for Finance, Alain Paquet, and CEOs of Québec's aerospace sector. Gilles Labbé, Chairman of the cluster, and Suzanne M. Benoît, President, presented the cluster's achievements for 2010 and talked about the issues that marked the year. Aéro Montréal took advantage of the annual general meeting to highlight its fifth anniversary, since it was founded in 2006.

Signing of collaborative agreements

The year 2011 saw the signing of two cooperation agreements. In June, at the International Paris Air Show Le Bourget, Aéro Montréal signed a strategic collaboration agreement with the Aerospace & Defense Research Collaboratory of Arizona in the presence of the President and CEO of the Arizona Commerce Authority and Minister Clément Gignac. Also, at the 3rd Aerospace Innovation Forum 2011, the cluster endorsed a collaborative agreement with ASIS Saxony, the aerospace cluster of Saxony, Germany in the presence of Minister Sam Hamad.

“The Aerospace Day, held in Québec City in March, is a prime example of the activities that are being developed by members of the working group. Reaching the economic and political community as well as the general population, this event demonstrated that the activities of the aerospace sector have an impact on society as a whole.”

Hélène V. Gagnon

Vice-President, Public Affairs, Communications and Corporate Social Responsibility, Bombardier Aerospace



Québec Aerospace Day, March 16, 2011. Luncheon hosted by the Chambre de commerce et d'industrie de Québec.

These agreements aim to establish a special relationship between the parties, to increase collaboration on business opportunities, and to facilitate the exchange of comparative data on the sector. These agreements also allow for the identification and support of innovative projects from companies and research centres of the two partners in the regions concerned.

Since its inception in 2006, Aéro Montréal has established a collaboration network of clusters by signing similar agreements with Aerospace Valley, the World Competitiveness Cluster in Midi-Pyrénées & Aquitaine, SKYWIN, the aerospace cluster of Wallonia, BavAIRia, the aerospace cluster of Bavaria, “Hamburg—The place for aviation” the aerospace cluster of Greater Hamburg, and Poland’s Aviation Valley Association.



Signing of the collaboration agreement with ASIS Saxony, December 5, 2011.

Major Events Committee - Aerospace

Aéro Montréal participated in the creation of the new Major Aerospace Events Committee established by the Société du Palais des congrès de Montréal. Bringing together leaders of the aerospace industry in Montréal, the expert group, which enjoys an extensive network of contacts, is working to create and attract international events in the aerospace sector. The committee’s work will draw new conventions and major events to the city over the coming years and will help strengthen Montréal’s position as the world capital of aerospace.

Significant Events

Throughout the year, Aéro Montréal focused its energies on ensuring the promotion, both nationally and internationally, of its main activities. That is why the cluster’s time and resources were in large part dedicated to “The sky is the limit!” program, the MACH initiative, and the 2011 Aerospace Innovation Forum in order to ensure their visibility. Aéro Montréal also participated in three special supplements published in *La Presse* and *Les Affaires*.

Signing of the strategic partnership agreement with Aluminerie Alouette, June 21, 2011. Gilles Labbé, Chairman of the Board, Aéro Montréal and President & CEO. Héroux-Devtek; Clément Gignac, Minister of Economic Development, Innovation and Export Trade; Philippe Hoste, CEO, Sonaca Montréal; Suzanne M. Benoît, President, Aéro Montréal; Michel Gagnon, Vice President, Finances and Business Development, Aluminerie Alouette.





Palais des Congrès Major Events Committee - Aerospace

Devoted to the major issues being tackled by its working groups, these editorial supplements drew up an accurate and powerful portrait of important subjects such as company succession, innovation, the supply chain and the MACH initiative.

In addition, the president assumed the role of spokesperson for the industry. She gave about 30 interviews to both local and international media. In total, 100 media reports helped to position Aéro Montréal and the aerospace sector.

The 2011 Aerospace Innovation Forum generated the most coverage and gained high visibility, notably in the foreign trade press. Representatives from *Aviation Week*, *Flight International* and *AeroWeb* came to Montréal at the invitation of Aéro Montréal. They covered the event and conducted many interviews with key industry players during a program of company visits set up by the cluster. Several articles were published after the visit of the journalists in December which have helped position Aéro Montréal and Québec as a world leader. Also, for the first time, Aéro Montréal produced a video recording the highlights of the 2011 Innovation Forum which was sent to its clientele and is available on the cluster's website and on YouTube.

In May, Aéro Montréal participated in a conference on the state of the aerospace industry on five continents and challenges posed by emerging industries in the BRICS. This event, organized by Jorge Niosi, who holds the Canada Research Chair in the Management of Technology at Université du Québec à Montréal, brought together speakers from Europe, the United States, Russia, Brazil, China and India. Aéro Montréal represented Canada.



Communication actions

Aéro Montréal worked to promote succession planning and school retention in the media. At the beginning of the year, the cluster announced, in the presence of the mayor of Longueuil, Caroline St-Hilaire, the deployment of "The sky is the limit!" series of science presentations that aims to demystify the world of aerospace and promote exciting careers in the sector among Grade 5 and 6 students.

Also, as part of National Aviation Day, Aéro Montréal partnered with École nationale d'aérotechnique (ÉNA) to encourage students who were registering for post-secondary education to consider a career in aerospace. Finally, Aéro Montréal took part in the *Eureka! Festival*, a science fair held in the Quays of the Old Port and the Montréal Science Centre. This fair, attended by 62,000 visitors in June, was an opportunity to promote careers related to aerospace.

During the year, the cluster developed a communication plan and coordinated the design of a brand image as part of the MACH excellence framework, for use as an advertising and promotional tool.

Aéro Montréal also oversaw the improvement of its website by developing applications for the 2011 Aerospace Innovation Forum and developing a social media strategy that integrates the use of tools such as LinkedIn, Facebook and Twitter.



Growing
through innovation

64

speakers

53

exhibitors

700

professionals

12

countries

The Innovation Working Group



François Caza
Chair of the Innovation Working Group

Vice President and Chief Engineer,
Bombardier Aerospace

While already a world leader in aerospace, Québec must continue its efforts to maintain its position, especially given increasing competition from emerging economies. Aware of this issue, members of the Innovation Working Group are championing collaboration to develop strategies and activities that will allow our industry to maintain its competitive position.

In operation since the inception of Aéro Montréal, the working group has 25 members from the research community, education and companies. It is a dedicated team which aims to increase the innovation capacity of all links in the supply chain. Everyone's involvement helped make the 3rd edition of the Aerospace Innovation Forum a clear success with nearly 700 participants, representing more than double the turnout of the first Forum in 2007. Bringing together internationally recognized experts and researchers, the Forum has become a benchmark for all members of our industry.

The working group also aims to put forward strategies to encourage the implementation and commercialization of competitive products that will influence our environment and our economy for decades to come. These encompass, among others strategic elements, environmental protection, the development of more energy efficient components and complete subassemblies, and the greener management of aircraft at end of life. The result of this work will better position the industry in Québec on the platforms of the future.

Members of the Innovation Working Group

Champion: François Caza
Vice President and Chief Engineer,
Bombardier Aerospace

Nadia Bhuiyan
Associate Professor, Director of the Graduate
Program in Aerospace Engineering,
Concordia University

Marius Paraschivoiu
Associate Professor, Concordia University

MarieChantal Chassé
President and CEO, JMJ Aéronautique

Patrick Champagne
Vice President, Cockpits and Systems
Integration, Esterline CMC Electronics

Alain Bolduc
Director, Engineering Services,
Esterline CMC Electronics

Pascal Désilets
General Director, CTA

Pierre Dicaire
Director, AMTC-NRC

Clément Fortin
President and CEO, CRIAQ

Patrice Gauvin
Vice President, Business Development,
Héroux-Devtek

Melissa Després
Director, R&D Program, Landing Gear
Division, Héroux-Devtek

Fassi Kafyeke
Director, Strategic Technologies,
Senior Advisor, Engineering,
Bombardier Aerospace

Denis Lacroix
Director IRAP-Québec, NRC

John Maris
President, Marinvent

Stéphane Blais
Project Engineer, Flight Operations,
Marinvent

Mario Modafferi
Executive Director, Engineering Research
& Technology, Pratt & Whitney Canada

Philippe Molaret
CTO and Vice President, Engineering
and Avionics, Thales Canada, Aerospace

Hany Moustapha
Director AERO-ETS and Senior Technology
Advisor, Pratt & Whitney Canada

Pierre Rioux
Director, Research Canada,
Bell Helicopter Textron Canada

Sylvain Savard
President, Avianor

Marc St-Hilaire
Vice-President, Global Engineering and
Technology, CAE Inc.

Stephen Yue
Professor, Director, Lorne Trottier Chair
in Aerospace Engineering, James McGill
Professor, McGill University

Carlos Trindade
Aerospace Consultant, ACE Consulting

Dominique Leroy
Sector Advisor, Aerospace, Marine and
Defence, Industry Canada (Observer)

Normand Raymond
Industrial Development Advisor,
MDEIE (Observer)



Aerospace Innovation Forum 2011. Sam Hamad, Minister of Economic Development, Innovation and Export Trade.

Achievements of the Working Group

The 3rd edition of the Aerospace Innovation Forum: A Resounding Success

Nearly 700 professionals from the aerospace sector gathered together on December 5 and 6 for the third edition of the Aerospace Innovation Forum, organized by Aéro Montréal in collaboration with CRIAQ.

Covering the theme *Innovation in a sustainable supply chain: a global challenge*, the largest event of its kind in Canada brought together engineers, researchers and procurement professionals from the industry, research centres, associations and government agencies from 12 different countries.

With 64 speakers, including the Minister of Economic Development, Innovation and Export Trade, the Minister of Industry, and Minister of State (Agriculture) of Canada, participants shared their knowledge on topics such as the challenges of innovation among OEMs and integrators, harmonization initiatives in innovation, and management of end of life aircraft.

Representatives from major companies gave presentations, including Boeing, Airbus, Bombardier Aerospace, Aerolia, Hamilton Sundstrand, Héroux-Devtek, Esterline CMC Electronics, Pratt & Whitney Canada, Finmeccanica, Elbit Systems and SAFRAN. The Forum also attracted 23 foreign delegations, among them other aerospace clusters from the United States, Europe and Canada.

In addition to plenary sessions and workshops over two days, participants could also visit a trade show where 53 companies exhibited their latest innovations. Many also took advantage of the networking opportunities created by technological B2B meetings and the Trade Commissioners Service Business Lounge (DFAIT). The Forum held over 460 meetings during these two days.

This unique meeting of innovation specialists attracted substantial media attention, both nationally and internationally. The Forum received a great deal of press coverage and was attended by representatives of the two most important international aerospace media: *Aviation Week* and *Flight International*. Throughout the Forum, a film crew was on hand to capture the highlights of the event. A video is available on the website of Aéro Montréal.

The white paper summarizing the presentations will be released during the AGM of Aéro Montréal in April 2012. The next edition of the Aerospace Innovation Forum will be held on December 2, 3 and 4, 2013, at the Palais des congrès de Montréal.

Launch of the greener aircraft catalyst project

December, as part of the Aerospace Innovation Forum 2011, the Minister of Economic Development, Innovation and Export Trade, Mr. Sam Hamad, officially launched the greener aircraft catalyst project.

With this ambitious project, which is part of the *2010-2013 Québec Research and Innovation Strategy*, the Québec aerospace industry has given itself the mission of laying the groundwork for the aircraft of the future. The aerospace industry is seeking to develop aircraft that, by incorporating several new technologies, will be lighter, more efficient, quieter and more environmentally friendly.

The partnership of six companies from Québec's aerospace industry, comprising Bombardier Aerospace, Bell Helicopter Textron Canada, Pratt & Whitney Canada, Héroux-Devtek, Esterline CMC Electronics and Thales Canada, has resulted in the creation of an organization known as SA²GE (Systèmes Aéronautiques d'Avant-Garde pour l'Environnement) whose members will manage the progress of various projects. As a member of the board of SA²GE, Aéro Montréal is actively involved in order to facilitate the networking of companies within this project.



The Honourable Christian Paradis,
Minister of Industry and Minister of State
(Agriculture).

Jenkins Report

After a year of work, the report of an independent panel charged with reviewing all federal programs that support research and development (R&D) in Canada was tabled in October. This group, led by Tom Jenkins, recommended ways to maximize the impact of federal government investments.

During regional consultations, Aéro Montréal defended its brief before the panel of experts, proposing possible solutions through six recommendations:

1. Support a 5% to 15% increase in R&D spending while revising the terms of existing programs and launching new programs;
2. Increase support and launch new programs for SMEs and suppliers;
3. Streamline the number of funding programs in R&D and harmonize priorities and federal and provincial programs to eliminate duplication and waste;
4. Facilitate adherence to international R&D programs through the provision of matching funds;
5. Redirect current university funding programs to better meet the needs of industry;
6. Enhance scientific research and experimental development and innovation.

“Everyone’s involvement helped make the 3rd edition of the Aerospace Innovation Forum a clear success with nearly 700 participants, representing more than double the turnout of the first Forum in 2007.”

François Caza

Chair of Aéro Montréal’s Innovation Working Group
Vice President and Chief Engineer, Bombardier Aerospace



Aerospace Innovation Forum 2011, December 5 and 6, 2011. Ofer Klein, Director R&D, Aerospace Division, Elbit Systems; Suzanne M. Benoit, President, Aéro Montréal; Alain Coutrot, Deputy director, Research and Technology, SAFRAN; Maria Della Posta, Senior Vice President, Sales & Marketing, Pratt & Whitney Canada; Giovanni Bertolone, Executive Vice President, Operations, Finmeccanica; François Caza, Vice President and Chief Engineer, Bombardier Aerospace.



Acting together
to improve our
performance

15

million dollars

3

axes

20

suppliers

8

sponsors

Supply Chain Development Working Group



Philippe Hoste
Chair of the Supply Chain Development
Working Group

CEO, Sonaca Montréal

In 2011, our industry experienced significant economic shocks. We had to deal with many issues such as competition from emerging countries and the transformation of the supply chain. We need to constantly adapt to the needs of prime contractors who are promoting the emergence of integrators, and to ever-changing market rules. The only way to stay competitive is to improve our business practices and stay attuned to the expectations of the sector.

The Québec supply chain has undeniable advantages, such as the quality of its manufacturing methods and products that are recognized worldwide. But companies must find new ways to reduce costs and lead times to maintain their position. They also need to internationalize in order to diversify their customer base and, in some cases, move closer to strategic customers.

Consisting of 21 representatives from various sectors, the Supply Chain Development Working Group focused all year on its mandate to oversee the planning, coordination and implementation of strategies and actions that will enhance the competitiveness of Québec aerospace suppliers and ensure the long-term development of the supply chain. By bringing together stakeholders specialized in procurement, Aéro Montréal offers its industrial and institutional members a rich and varied expertise.

The MACH initiative is a prime example of the added value created by Aéro Montréal. Initiated two years ago by the Supply Chain Development Working Group, the project took flight in 2011 with its first cohort of companies. Some 20 Québec suppliers are benefiting from the expertise and support of nine prime contractors or equipment manufacturers. The initiative also makes available to participating companies services, tools and methodologies for assessing and improving their performance and market position, as well as developing new business opportunities.

Members of the Supply Chain Development Working Group

Champion: Philippe Hoste
CEO,
Sonaca Montréal

Sam Abdelmalek
Vice President, Supply Management,
Pratt & Whitney Canada

Claire Auroi
Director, Supply Chain and Business
Development, Bombardier Aerospace

Anne-Marie Bertrand
Vice President, Supply Chain,
MECAER America

Louis Bouchard
Senior Business Analyst - Industry Relations
and Corporate Social Responsibility,
Bombardier Aerospace

Marc Bourret
Vice President, Commercial Value Stream,
Bell Helicopter Textron Canada

Martin Brassard
Vice President and General Manager,
Landing Gear Division, Héroux-Devtek

François Chagnon
General Manager - Interim, AQA

MarieChantal Chassé
President and CEO, JMJ Aéronautique

Jacynthe Curotte
Director, Supply Chain,
Bell Helicopter Textron Canada

François Cyr
President, Techfab

Janice Davis
Vice President and Chief Procurement
Officer, Bombardier Aerospace

Marc-André Duranceau
Vice President, Aerostructure,
L-3 MAS

Éric Faucher
President, Marquez Transtech

André Lavigne
Co-Chairman of the Board, CAMAQ

Sylvain Larochelle
Director, Strategic Sourcing and Supplier
Development - Procurement,
Pratt & Whitney Canada

Robert Leclerc
Vice President, Civil Products and Regional
Division Head - Canada, CAE Inc.

Frédéric Loiselle
Director, Strategic Projects - Supply
and Logistics, Pratt & Whitney Canada

Martin Richard
Director, Supply Chain, Héroux-Devtek

Gérald Tremblay
Grand Lodge Representative, IAMAW

Normand Voyer
Executive Vice President, Sous-traitance
industrielle Québec

The MACH initiative takes flight



Launch of the MACH initiative, June 6, 2011.

In June, Aéro Montréal launched the operations of the MACH initiative, which is designed to mentor and support Québec aerospace companies in their efforts to improve their performance. Attending this important step in the implementation of the MACH initiative were Québec Ministers Clément Gignac and Alain Paquet, Gilles Labbé, Chairman of the Board of Aéro Montréal and President and CEO of Héroux-Devtek, Philippe Hoste, Chair of the Supply Chain Development Working Group and CEO of Sonaca Montréal, and Janice L. Davis, Vice President and Chief Procurement Officer of Bombardier Aerospace and mentor of the MACH initiative. The industry representatives and strategic partners of the initiative commended the groundwork performed by members of the Supply Chain Development Working Group in order to find possible solutions to various challenges faced by the supply chain.

With a budget of \$15 million over five years, this collaborative program targets 70 suppliers, divided into five annual cohorts. Besides financial support, it provides a framework for excellence composed of methodologies, tools and training that will enable participants to enhance their capabilities in key areas and business processes. Bombardier Aerospace, in addition to participating actively in the formulation and implementation of the program, is acting as a sponsor for three companies.

During the 49th International Paris Air Show, held in Paris-Le Bourget in June, Aluminerie Alouette announced a strategic partnership with Aéro Montréal. Eager to play an active role in the aerospace cluster, Aluminerie Alouette is contributing \$1.5 million over five years to help foster projects such as the MACH initiative designed to strengthen Québec's aerospace supply chain.

“By bringing together stakeholders specialized in procurement, Aéro Montréal offers its industrial and institutional members a rich and varied expertise.”

Philippe Hoste

Chair of the Supply Chain Development Working Group
CEO, Sonaca Montréal



Launch of the MACH initiative, June 6, 2011. Clockwise: Clément Gignac, Minister of Economic Development, Innovation and Export Trade; Gilles Labbé, Chairman of the Board of Aéro Montréal and President & CEO of Héroux-Devtek; Alain Paquet, Minister for Finance; Claire Auroi, Director, Supply Chain, Bombardier Aerospace.



**MACH initiative
First cohort**

**Bombardier Aerospace
is the sponsor of:**

- Delastek
- DCM Aerospace
- RTI Claro

**Pratt & Whitney Canada
is the sponsor of:**

- Mesotec inc.
- Meloche Group
- Mitchell Aerospace inc.
- Sido Ltd.

CAE Inc.

is the sponsor of:

- VCI Composites
- Marquez Transtech
- Société d'outillage M.R.

Bell Helicopter Textron Canada

is the sponsor of:

- Industrie Trident
- Techniprodec
- Avior

Héroux-Devtek

is the sponsor of:

- Precision SF Tech
- Electro-Kut

L-3 MAS

is the sponsor of:

- NSE-Automatech
- Aviation Lemex

Sonaca Montréal

is the sponsor of:

- Abipa

Mecachrome

is the sponsor of:

- TechFab

Mecaer

is the sponsor of:

- LEGO plating

The MACH framework for excellence: an indispensable tool

The SMEs participating in the initiative are supported in their activities by a prime contractor or equipment manufacturer that acts as sponsor of the SME. The goal is to obtain a certification, providing them with better visibility and more business opportunities. The initiative also aims to develop strategies and projects that will help fill the gaps in integration capabilities in Québec and to foster the development of a world-class supply chain.

After extensive work on the implementation process, the working group validated the elements constituting the MACH framework for excellence. This framework is at the heart of the initiative. It is a tool to encourage suppliers to evaluate their performance and identify performance gaps.

It prioritizes three fundamental pillars aimed at improving the competitiveness of a supplier: excellence in leadership, excellence in operations, and excellence in planning and developing the workforce. The MACH framework for excellence has a five level maturity scale, ranging from MACH 1 to MACH 5, as an evaluative basis for each of the framework's 15 business processes as well as for awarding the supplier a global performance label.

First class announced

In June, the first cohort of suppliers was announced by Aéro Montréal. Nine prime contractors or equipment manufacturers are participating in Phase 1 of the MACH initiative as sponsors, along with 20 suppliers that make up the first group. By July, the audits had started in the companies and continued until January 2012.



Engaging
young people

35

ambassadors

62 000

visitors

4 500

students

150

presentations

Human Resources Working Group



John Saabas
Chair of the Human Resources
Working Group

President
Pratt & Whitney Canada

Despite the economic turmoil of recent years, the aerospace industry has continued to invest in research and development and in its efforts to prepare the next generation and position itself for the future. In fact, according to a 2010 study by Deloitte & Touche conducted on behalf of the Aerospace Industries Association of Canada (AIAC), the Canadian aerospace industry is on track to double the number of high-quality jobs within 10 years.

As part of the mandate of the Human Resources Working Group, we have implemented a strategy to meet future needs for skilled labor in our industry within trade schools, technical colleges and universities. We have focused on initiatives to encourage student retention and increase industry awareness among young people through initiatives such as “The sky is the limit!” project which allows us to reach elementary school students.

I want to recognize the remarkable involvement of members of the working group who are working to develop innovative proposals to address this major challenge. I am confident that our concerted efforts will allow our industry to remain a world leader while contributing to the economic development of Québec.

Members of the Human Resources Working Group

Champion: John Saabas
President,
Pratt & Whitney Canada

Francine Bourget
Senior Director, Human Resources
and Business Partner,
Bell Helicopter Textron Canada

Marc Bourret
Vice President, Operations,
Bell Helicopter Textron Canada

Serge Brasslet
General Manager, ÉNA

Jacques Cabana
President, FDC Composites

Stéphane Croteau
Supervisor, Training, Human Resources
Systems and Processes, Six Sigma Black
Belt certified, Bell Helicopter Textron Canada

Louis-Marie Dussault
Deputy Director of Studies, Studies
Branch, ÉNA

Clément Fortin
President and CEO, CRIAQ

Gilbert Guérin
Corporate Director, Human Resources,
Héroux-Devtek

Jean-François Hamel
President, PCM Innovation

Pierre Laberge
National Representative,
CAW Québec

François Lemire
Director, Human Resources,
L-3 MAS

Claude Lessard
President, Delastek

André Marcil
Director, Business Services and
Continuing Education Centre, ÉNA

Hany Moustapha
Professor and Director, AÉRO-ÉTS,
Senior Technology Advisor,
Pratt & Whitney Canada

Josée Péroquin
Director, ÉMAM

Anouk Rivard
Director, Human Resources,
Messier-Bugatti-Dowty, SAFRAN Group

Jean-Denis Roy
Vice President, Human Resources,
Esterline CMC Electronics

Kevin P. Smith
Vice President, Human Resources,
Pratt & Whitney Canada

Serge Tremblay
General Manager, CAMAQ

Réjean Charbonneau
Director, Business Services and Training
Measures, Emploi Québec (Observer)

Jean-Marc Rochon
Industrial Development Advisor,
MDEIE (Observer)

Achievements of the Working Group

“The sky is the limit!”

Aéro Montréal, in association with the Conseil du Loisir Scientifique de la région Métropolitaine (CLSM) and the Foundation of the Society of Automotive Engineers of Canada (SAE) launched “The sky is the limit!” initiative in January 2011. This unprecedented series of scientific presentations is designed to demystify the world of aerospace and promote exciting careers in the sector among Grade 5 and 6 students. This activity has resulted in 100 workshops.

This initiative, proposed by the working group, enables young people, through an educational, entertaining and organized activity, to put themselves in the shoes of an aerospace engineer for the duration of the presentation in class. This innovative and interactive program goes beyond the scope of traditional academic training. By emphasizing three components of learning - science notions, a practical approach and experimentation - the presentations expose young elementary school students to concrete activities and experiences.

Children are first introduced to the forces acting on an airplane in flight, notions which are intrinsic to the construction of an aircraft. Then, technicians and engineers from the aerospace industry visit schools and share their career experiences with the students. Some 35 “ambassadors” from companies such as Bombardier Aerospace, Bell Helicopter Textron Canada, L-3 MAS, Messier-Bugatti-Dowty, Sonaca Montréal and Pratt & Whitney Canada have participated in the activity and will continue to do so in 2012.

Finally, the budding engineers enter a team competition where they build gliders respecting the four previously learned principles of physics.

This initiative was received with great enthusiasm in the Longueuil agglomeration where 29 events were presented to nearly 750 Grade 5 and 6 students.

Building on the success of this pilot project, the working group has deployed the program in the Laurentians where 4,500 elementary school students learned how to build a glider and became familiar with the basic concepts of aerospace.

The working group is negotiating with the Commission scolaire de Montréal (CSDM) to offer the presentations in its schools in 2012. “The sky is the limit!” could then be presented to 7,800 children on the Island of Montréal and in Montérégie-Est, in regular elementary school classes and in immersion classes, as well as for students with learning difficulties.



Launch of “The sky is the limit!” activity in Longueuil, January 12, 2011. Left to right: Monique Brisson, President of the CRÉ de Longueuil; Caroline St-Hilaire, Mayor of Longueuil; Benoît Brossoit, Senior Vice President, Global Operations, Pratt & Whitney Canada; Suzanne M. Benoît, President, Aéro Montréal; Hugo Camato, Facilitator, CLSM.





Eureka! Festival. Young science enthusiasts build gliders which respect the laws of physics and aerodynamics.

National Aviation Day

On February 23, Aéro Montréal and the École nationale d'aérotechnique (ÉNA) of Édouard-Montpetit College took part in National Aviation Day to encourage young people in the process of enrolling for postsecondary education to choose a career in the aerospace sector.

Eureka! Festival

For the third consecutive year, Aéro Montréal took part in the Eureka! Festival, a large science fair held in the Quays of the Old Port and the Montréal Science Centre. This fair was attended by 62,000 visitors in June, helping to promote careers related to aerospace and present scientific demonstrations.

Student Business Program

The Human Resources Working Group is mobilizing aerospace companies to the Student Business Program. Organized by the non-profit organization MR3 Montréal Relève, this initiative places secondary 3 and 4 students in internships that allow them to learn about different trades and professions related to the sector. Several companies opened their doors to students including the École des métiers de l'aérospatiale de Montréal (EMAM), the International Air Transport Association (IATA), the International Civil Aviation Organization (ICAO), the Airports Council International (ACI), NAV Canada, Aéroports de Montréal, the Society of International Aeronautical Telecommunications (SITA), Pratt & Whitney Canada and Bombardier Aerospace.

“It is essential to have a long-term strategy to ensure that the human resources needs of the industry will be met.”

John Saabas

Chair of the Human Resources Working Group
President, Pratt & Whitney Canada





Joining forces pour
for better action

14

members

7

recommendations

50

meetings

1

action plan

National Security and Defence Working Group



Martin Gagné
Chair of the National Security and Defence Working Group

Group President, Products and Training & Associated Services - Military, CAE Inc.

Economic analysts agree that the defence and security sector contributes to job creation, innovation and to the country's overall wealth. The industry accounts for 4,750 jobs and sales of \$1.2 billion in Québec. However, in 2011 the sector suffered from the headwind of significant cutbacks in military budgets in several countries. The growth of many companies is directly dependent on government military procurement. The good news is that the weakness of European and American markets may be offset by the emergence of new markets such as India, Saudi Arabia, Brazil and the United Arab Emirates, which announced major acquisition projects in the field of defence in 2011.

The slowdown in investments in the sector has had a direct effect on the willingness of industry members to seek new avenues, including joining forces and strengthening their collaboration to better position themselves with major suppliers. They are also assessing the possibility of diversifying their activities to maintain a competitive advantage. Strategic intelligence, the fight against terrorism, and national security are all areas that present opportunities for companies. But it is important for local companies to effectively coordinate their actions to fully enjoy the benefits that these opportunities could offer.

This is what the National Security and Defence Working Group, composed of 22 members from various levels of the industry, is trying to do. Our mission is to provide planning, coordination and implementation of a concerted action plan to respond to the major issues of defence and civil security and promote the industrial capacity of the Québec aerospace cluster in matters of national security. In 2011, members of the working group studied the situation and submit the first strategic plan prepared by Aéro Montréal for the defence industry in Québec. This exercise will enable the cluster to properly meet current and future challenges.

Members of the National Security and Defence Working Group

Champion: Martin Gagné

Group President, Products and Training & Associated Services - Military, CAE Inc.

Benoît Arcand

Senior Director, Customer Services and Support, Bell Helicopter Textron Canada

Claude Baril

President, Engineering, EADS Composites Atlantic

Richard Bastien

Vice President, Business Development, L-3 MAS

Giovanni Bevilacqua

Vice President, Business Development, Alta Precision

Stéphane Blais

Project Engineer, Flight Operations, Marinvent

François Chagnon

General Manager - Interim, AQA

Jean Michel Comtois

Vice President, Marketing and Sales, Public and Government Affairs, Esterline CMC Electronics

James Crone

First Product Director, Business Development, Military Programs, Pratt & Whitney Canada

Martin Daigle

Director, Strategy and Business Development, Military Training & Services, CAE Inc.

Daniel Guertin

Director, Government Affairs, Esterline CMC Electronics

Jean Gravel

Vice President, Sales and Marketing, Héroux-Devtek

David Jurkowski

Vice President, Canadian Government Relations, Specialized and Amphibious Aircraft, Bombardier Aerospace

Bou Keosavang

Analyst, Strategy and Market Analysis, CAE Inc.

Marcel Landry

Vice President, Regional Aircraft Sales, Thales Canada, Aerospace

Sylvain Lefrançois

Operations Director, Optronics Division, Sagem Canada

John Maris

President, Marinvent

Christophe Piquet

Assistant to the National Delegate, SAFRAN

Yves Plourde

Industrial Technology Advisor, National Research Council Canada

Gérald Tremblay

Grand Lodge Representative, AIMAW

Daniel Verreault

Vice President, Government Relations and Business Development, GE Aviation

Jean-Marc Rochon

Industrial Advisor, MDEIE (Observer)

Achievements of the Working Group

Strategic Plan on Defence and Security

In accordance with its mandate to ensure the planning, coordination and implementation of a concerted action plan to respond to the major issues of defence and security, and to promote the industrial capacity of the Québec aerospace cluster in matters of national defence security, in 2011 the working group submitted a strategic plan that was presented to provincial and federal agencies.

The plan includes seven recommendations:

- Establish a Canadian military procurement policy;
- Define a participation plan for the NGF (Program Next Generation Fighter);
- Develop a defence oriented strategy for research, development and commercialization;
- Develop the export market;
- Bridge the gaps in industrial capacity;
- Encourage SMEs to come together and collaborate on joint projects;
- Improve the perception of Quebecers towards the defence industry.

An action plan is being prepared to ensure the implementation of the recommendations and determine the next steps.



Positioning on the F-35 fighter jet

In March, Aéro Montréal took a position on the acquisition of the 5th generation Joint Strike Fighter (JSF) jet, reiterating its support for the F-35 and supporting the selection and acquisition of this aircraft by the Department of National Defence of Canada. The F-35 program provides opportunities and significant benefits for the entire Québec aerospace industry. In view of uncertainties that have surrounded this purchase program, Aéro Montréal has embraced its role as spokesperson for the Québec aerospace industry and called for a stop to delays and hesitations so that companies can position themselves and take advantage of related business opportunities.

Directory of Québec companies in defence and security

In 2011, Aéro Montréal compiled the first inventory of Québec aerospace companies involved in the field of defence and security. This business directory is a reference tool leading to the promotion of this industry, both nationally and internationally.

Lockheed Martin Mission

As part of the Lockheed Martin mission which took place in Québec in May, Aéro Montréal worked with Canada Economic Development (CED) to organize various meetings between the supply chain managers of the F-35 Lockheed Martin program and several aerospace companies in Québec.

The F-35 program maintenance team, led by Keith Knotts, held some 50 B2B meetings and took site tours of several key players shortlisted from Québec.

Following up on a mission in December 2010 to Lockheed Martin's plant in Fort Worth, Texas, in which Aéro Montréal participated, these meetings were designed to position new potential suppliers in the global supply chain for the F-35 Joint Strike Fighter jet. At the crucial stage of the selection process of suppliers, Aéro Montréal and its National Security and Defence working group are playing an active role to promote networking between Québec firms and Lockheed Martin.

“The slowdown in investments in the sector has had a direct effect on the willingness of industry members to seek new avenues, including joining forces and strengthening their collaboration to better position themselves with major suppliers.”

Martin Gagné

Chair of the National Security and Defence Working Group
Group President, Products and Training & Associated Services - Military, CAE Inc.



Lockheed Martin Mission, May 19, 2011.
Gilles Labbé, Chairman of the Board of Aéro Montréal and President & CEO of Héroux-Devtek; Guillermo Alonso, President, Alta Précision; Bill Dalson, President, The Americas, Lockheed Martin.

Board of directors



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- | | |
|--|---|
| <p>1 Gilles Labbé* Chairman of the Board President & CEO Héroux-Devtek</p> | <p>7 Patrick Champagne Vice President, Cockpits and Systems Integration Esterline CMC Electronics</p> |
| <p>2 Sylvain Bédard* Vice Chairman of the Board President L-3 MAS</p> | <p>8 Clément Fortin President and CEO CRIAQ</p> |
| <p>3 Guillermo Alonso* President Alta Précision Chairman of the Board AQA</p> | <p>9 Hélène V. Gagnon Vice President, Public Affairs, Communications and Corporate Social Responsibility Bombardier Aerospace</p> |
| <p>4 Heather Munroe-Blum Principal and Vice-Chancellor McGill University</p> | <p>10 Denis Giangi Vice President, Finance and Administration Rolls-Royce Canada</p> |
| <p>5 Marc Donato Vice President and General Manager MDA Satellite Systems</p> | <p>11 Michel Grenier Senior Vice President, General Manager, Regional and Business Aircraft, Aerospace Division Thales Canada, Aerospace</p> |
| <p>6 Serge Brasset General Manager École nationale d'aérotechnique</p> | <p>12 Philippe Hoste* Chief Executive Officer Sonaca Montréal</p> |



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13 **Barry Kohler**
President
Bell Helicopter Textron Canada

14 **Jerzy Komorowski**
Director General,
Institute for Aerospace NRC

15 **MarieChantal Chassé**
President & CEO
JMJ Aéronautique

16 **John Maris**
President
Marinvent Corporation

17 **Marc Parent**
President & CEO
CAE Inc.

18 **Josée Pélouquin**
Director
École des métiers de l'aérospatiale
de Montréal

19 **John Saabas**
President
Pratt & Whitney Canada

20 **Hélène Séguinotte***
President & CEO, Morpho Canada
Country Delegate, SAFRAN

21 **Gérald Tremblay**
Grand Lodge Representative, IAMAW

22 **Serge Tremblay**
General Manager, CAMAQ

23 **Mario Bouchard****
Assistant Deputy Minister, Direction générale
des secteurs stratégiques et des projets
économiques, MDEIE

24 **François Delorme****
Executive Director, Québec Region
Regional Operations Sector
Industry Canada

Communauté**
Métropolitaine de Montréal

* Executive Committee members

** Permanent government observers

Governance

An increased mobilization

By being involved in its various committees and working groups, more than 220 aerospace executives and specialists contributed to the advancement of Aéro Montréal in 2011, a progression which, year after year, continues unabated.

The administrators and members of the working groups shared their knowledge and expertise to optimize the performance, growth and influence of the cluster. Through their involvement and their many interventions in the field, they are shaping an environment conducive to the development of the sector. For the past five years, Aéro Montréal has capitalized on the vigor of its mobilization as an impetus for decisive action and change, setting up structural and strategic projects designed to enhance the industry's competitiveness.

Board of Directors

The Board of Directors of Aéro Montréal manages the affairs of the Corporation. It is composed of leading aerospace companies and institutional executives or their designated representatives who fully represent the diversity of Québec's aerospace sector: prime contractors, OEMs, integrators and MROs, subcontractors and institutions (associations, education and research institutions, research centres, trade unions).

In fiscal 2011, Gilles Labbé, President and CEO of Héroux-Devtek, was Chairman of the Board for a second consecutive year. Sylvain Bédard, President of L-3 MAS, served as Vice-Chairman for a fifth consecutive year. Hélène Séguinotte, President & CEO of Morpho Canada, served as Treasurer, and Suzanne M. Benoît, President of Aéro Montréal, served as Corporate Secretary.

The Human Resources Committee, chaired by Sylvain Bédard, and the Audit and Policies Committee, chaired by Philippe Hoste, contributed to the good governance of the organization. During the year, new members joined the Board of Directors, including two new SME representatives: MarieChantal Chassé, President & CEO of JMJ Aéronautique, and John Maris, President of Marinvent.

Government observers include François Delorme, Executive Director, Québec region, Industry Canada, and Martin Aubé, Director, Transport Equipment Division, replacing, on an interim basis, Mario Bouchard, Assistant Deputy Minister at the Ministry of Economic Development, Innovation and Export Trade (MDEIE).

In 2011, the cluster's Board of Directors held three meetings (Appendix B – Chart of contributions in kind per sector, 2011).

Executive Committee

The Executive Committee exercises all the powers of the Board of Directors for the ongoing administration of affairs of the Corporation. The Executive Committee's specific mandate is to report on its activities at board meetings and to formulate advice and recommendations for board policies and decisions. It is composed of five members and is chaired by Guillermo Alonso, President of Alta Precision. The Executive Committee met five times in fiscal 2011 (Appendix B – Chart of contributions in kind per sector, 2011).

Distribution of public and industry contributions

2010

| | | | |
|--------------|--------------------------|--------------------|-------------|
| ■ Public | In-kind contributions | \$786,334 | 50.7% |
| ■ Public | Contributions in dollars | \$108,150 | 7.0% |
| ■ Industry | In-kind contributions | \$421,292 | 27.1% |
| ■ Industry | Contributions in dollars | \$235,600 | 15.2% |
| Total | | \$1,551,376 | 100% |



Distribution of public and industry contributions

2011

| | | | |
|--------------|--------------------------|--------------------|-------------|
| Public | In-kind contributions | \$ 994,941 | 39.1% |
| Public | Contributions in dollars | \$ 211,803 | 6.5% |
| Industry | In-kind contributions | \$1,140,827 | 43.1% |
| Industry | Contributions in dollars | \$ 379,317 | 11.3% |
| Total | | \$2,726,888 | 100% |



Working Groups

- Branding and Promotion
- Innovation
- Supply Chain Development
- Human Resources
- National Security and Defence

General Management

In 2011, Suzanne M. Benoît was promoted President of Aéro Montréal. As such, she oversees the implementation of decisions and directions taken by the Board of Directors and Executive Committee. She ensures the management and coordination of the cluster's various working groups and work committees and reports to administrative organizations.

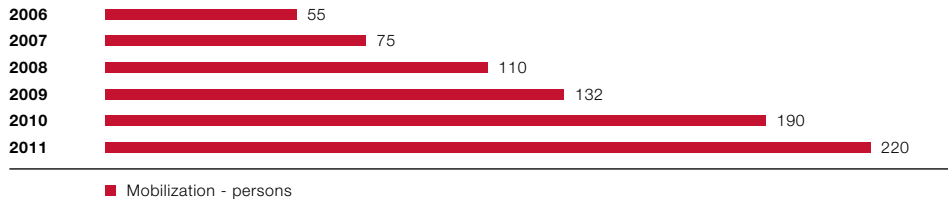
Throughout 2011, the President was supported by an experienced team composed of Martin Lafleur, Project Director, Pierrette Daigle, Executive Assistant and Project Coordinator, Amélie Hudon, Senior Communications Advisor, and Martin Hamel, External Consultant, Project Director of the MACH initiative.

Working Groups

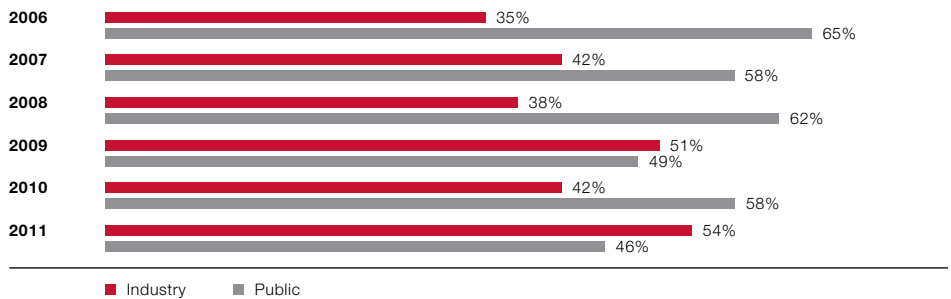
To fully meet the objectives of Aéro Montréal's strategic plan, five working groups are devoted to priority areas and issues affecting the aerospace industry. These groups are strategic think tanks composed of representatives from the Québec aerospace industry and the institutional sector including associations, unions and government. Their mission is to drive structuring projects that benefit the sector.

Each working group is created for a set period with specific goals. At the end of a mandate, it may be renewed by the Board if there is a need to continue for another term. The working groups are managed using a methodology adapted from Six Sigma and are equipped with a rigorous and accountable operating process. This process ensures sound management of the work being performed and regular accountability to the Board.

Evolution of the mobilization



Evolution of total contributions



Evolution of total contributions in absolute values

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|--------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Industry | \$340,675 | \$500,375 | \$428,700 | \$1,058,696 | \$656,892 | \$1,520,144 |
| Public | \$629,325 | \$712,625 | \$707,600 | \$1,024,398 | \$894,484 | \$1,206,744 |
| Total | \$970,000 | \$1,213,000 | \$1,136,300 | \$2,083,094 | \$1,551,376 | \$2,726,888 |



Appendix

Presentations and meetings 2011

| | |
|------------------|--|
| January | Secrétaire général de la Direction Générale de l'Aviation Civile (DGAC) LAER Aeronautical Manufacturing from Campania, Italy MR3 Montréal Relève UbiFrance Canada Global Development Forum Finance Montréal, Quebec's financial cluster |
| February | Agility-Toulouse Secrétaire générale, France Association de l'aluminium du Québec Société F. Iniciativas, France |
| March | Delegation of the Free Port Zone of Tianjin, China New delegate from the Delegation of Québec in Los Angeles European journalists EADS Sogerma, Aerostructure and Crew Seat Commission des partenaires du marché du travail Delegation of Japan - Press programme |
| April | Delegation of Europe - Press programme Delegation of Russia - United Aircraft Corporation Governor of the State of New Hampshire Delegation of Torino Piedmonte Aerospace |
| May | Delegation of Berlin-Brandenburg Aerospace Alliance E.V. Canada-EU Innovation Forum Annual meeting of the general delegations of Québec abroad - MDEIE MNA for Saint-Jean, official opposition critic for vocational training Delegate to Immigration from the Delegation of Quebec in New York Lockheed Martin delegation U.S. Aerospace Supplier Mission |
| June | Piedmont Regional Councillor for Economic Development and Innovation Italian delegation |
| July | Messier-Bugatti-Dowty, SAFRAN, IQ |
| August | Interim committee for a logistics and transportation industrial cluster in Montreal Journalist from Aviation Week |
| September | United States Consulate General Direction générale de la Commission scolaire de Montréal Delegation of the Texas Secretary of State |
| October | Forum of Héroux-Devtek suppliers Canadian Mission of German Aerospace Mission au Canada de German Aerospace HK AIA Mission West Monroe partners Indo-Canadian Business Chamber and Engineering Export Promotion Council Deputy Leader of the Government (Senator Claude Carignan) |
| November | General delegation of Québec in London DEMA Aéronautique Diamond Aircraft |
| December | UBIFRANCE, Mission American Aerospace Mission Delegation of Arizona, Connecticut, Virginia |

In-kind contributions 2011

| Committee | Duration (hours) | Total number of participants | Number of private participants | Cost (\$-hour-participant) | Room, food, phone | Other contributions | Total industry | Grand total |
|---|------------------|------------------------------|--------------------------------|----------------------------|-------------------|---------------------|-----------------|------------------|
| Executive Committee | | | | | | | | |
| Meeting February 8 | 1.5 | 5 | 5 | \$400 | \$150 | | \$3,000 | \$3,150 |
| Meeting March 10 | 2 | 5 | 5 | \$400 | \$200 | | \$4,000 | \$4,200 |
| Meeting June 14 | 2 | 4 | 4 | \$400 | \$200 | | \$3,200 | \$3,400 |
| Meeting September 21 | 2 | 4 | 4 | \$400 | \$200 | | \$3,200 | \$3,400 |
| Meeting October 31 | 3 | 5 | 5 | \$400 | \$300 | | \$6,000 | \$6,300 |
| | | | | | | | \$19,400 | \$20,450 |
| Board of Directors | | | | | | | | |
| Meeting March 10 | 3 | 21 | 17 | \$400 | \$1,000 | | \$20,400 | \$26,200 |
| Meeting July 5 | 3 | 14 | 10 | \$400 | \$1,000 | | \$12,000 | \$17,800 |
| Meeting November 8 | 3 | 26 | 20 | \$400 | \$1,000 | | \$24,000 | \$32,200 |
| | | | | | | | \$56,400 | \$76,200 |
| Quebec Aerospace Day | | | | | | | | |
| Meeting March 28 and 29 | 17 | 19 | 12 | \$400 | \$ - | | \$81,600 | \$129,200 |
| | | | | | | | \$81,600 | \$129,200 |
| Annual General Assembly | | | | | | | | |
| Meeting April 15 | 1.5 | 108 | 66 | \$200 | \$10,000 | | \$19,800 | \$42,400 |
| | | | | | | | \$19,800 | \$42,400 |
| Innovation Working Group | | | | | | | | |
| Meeting January 17 | 2 | 14 | 8 | \$200 | \$200 | | \$3,200 | \$5,800 |
| Meeting May 18 | 2.5 | 16 | 10 | \$200 | \$250 | | \$5,000 | \$8,250 |
| Meeting September 8 | 2.5 | 14 | 10 | \$200 | \$250 | | \$5,000 | \$7,250 |
| Meeting October 18 | 2.5 | 14 | 8 | \$200 | \$250 | | \$4,000 | \$7,250 |
| | | | | | | | \$17,200 | \$28,550 |
| Forum Organizing Committee | | | | | | | | |
| Meeting January 17 | 1 | 9 | 3 | \$200 | \$100 | | \$600 | \$1,900 |
| Meeting March 11 | 2 | 6 | 2 | \$200 | \$200 | | \$800 | \$2,600 |
| Meeting April 12 | 2 | 8 | 1 | \$200 | \$200 | | \$400 | \$3,400 |
| Meeting May 18 | 1 | 9 | 5 | \$200 | \$100 | | \$1,000 | \$1,900 |
| Meeting August 12 | 2 | 5 | 1 | \$200 | \$200 | | \$400 | \$2,200 |
| | | | | | | | \$3,200 | \$12,000 |
| PING Committee | | | | | | | | |
| Meeting August 23 | 2 | 5 | 2 | \$200 | \$200 | | \$800 | \$2,200 |
| Meeting September 6 | 1 | 1 | 1 | \$200 | \$100 | | \$200 | \$300 |
| Meeting September 23 | 2 | 12 | 4 | \$200 | \$200 | | \$1,600 | \$5,000 |
| Meeting October 6 | 2 | 13 | 5 | \$200 | \$200 | | \$2,000 | \$5,400 |
| | | | | | | | \$4,600 | \$12,900 |
| Supply Chain Development Working Group | | | | | | | | |
| Meeting January 20 | 2 | 11 | 10 | \$200 | \$200 | | \$4,000 | \$4,600 |
| Meeting March 17 | 3 | 13 | 10 | \$200 | \$300 | | \$6,000 | \$8,100 |
| Meeting March 22 - Teleconference | 1.5 | 13 | 11 | \$201 | \$150 | | \$3,300 | \$4,050 |
| Meeting April 11 | 2 | 11 | 10 | \$200 | \$200 | | \$4,000 | \$4,600 |
| Meeting May 19 | 1.5 | 14 | 13 | \$200 | \$150 | | \$3,900 | \$4,350 |
| Meeting October 17 | 2 | 7 | 5 | \$200 | \$200 | | \$2,000 | \$3,000 |
| | | | | | | | \$23,200 | \$28,700 |

In-kind contributions 2011

| Committee | Duration (hours) | Total number of participants | Number of private participants | Cost (\$-hour-participant) | Room, food, phone | Other contributions | Total industry | Grand total |
|--|------------------|------------------------------|--------------------------------|----------------------------|-------------------|---------------------|------------------|------------------|
| MACH - PDF Working Group | | | | | | | | |
| Meeting January 11 | 2 | 6 | 5 | \$200 | \$200 | | \$2,000 | \$2,600 |
| Meeting January 21 | 5 | 2 | 1 | \$200 | \$500 | | \$1,000 | \$2,500 |
| Meeting February 15 | 2.5 | 14 | 11 | \$200 | \$250 | | \$5,500 | \$7,250 |
| Meeting February 24 | 4.5 | 4 | 3 | \$200 | \$450 | | \$2,700 | \$4,050 |
| Meeting February 28 | 4.5 | 6 | 4 | \$200 | \$450 | | \$3,600 | \$5,850 |
| Meeting March 4 | 4.5 | 4 | 3 | \$200 | \$450 | | \$2,700 | \$4,050 |
| Meeting March 7 | 4.5 | 4 | 2 | \$200 | \$450 | | \$1,800 | \$4,050 |
| Meeting March 10 | 4.5 | 11 | 8 | \$200 | \$450 | | \$7,200 | \$10,350 |
| Meeting March 14 | 4.5 | 11 | 8 | \$200 | \$450 | | \$7,200 | \$10,350 |
| Meeting March 22 | 1.5 | 13 | 11 | \$200 | \$150 | | \$3,300 | \$4,050 |
| Meeting April 5 | 1.5 | 13 | 11 | \$200 | \$150 | | \$3,300 | \$4,050 |
| Meeting April 8 | 3 | 2 | 1 | \$200 | \$300 | | \$600 | \$1,500 |
| Meeting April 21 | 3.5 | 11 | 9 | \$200 | \$350 | | \$6,300 | \$8,050 |
| Meeting April 29 | 3.5 | 11 | 9 | \$200 | \$350 | | \$6,300 | \$8,050 |
| Meeting May 5 | 3 | 4 | 3 | \$200 | \$300 | | \$1,800 | \$2,700 |
| Meeting May 6 | 6 | 5 | 3 | \$200 | \$600 | | \$3,600 | \$6,600 |
| Meeting May 12 | 6 | 5 | 3 | \$200 | \$600 | | \$3,600 | \$6,600 |
| Meeting May 13 | 7 | 4 | 3 | \$200 | \$700 | | \$4,200 | \$6,300 |
| Meeting May 20 | 7 | 4 | 3 | \$200 | \$700 | | \$4,200 | \$6,300 |
| Meeting May 26 | 8 | 12 | 9 | \$200 | \$800 | | \$14,400 | \$20,000 |
| Meeting May 27 | 8 | 12 | 9 | \$200 | \$800 | | \$14,400 | \$20,000 |
| Meeting June 8 | 3 | 2 | 1 | \$200 | \$300 | | \$600 | \$1,500 |
| Meeting June 9 | 3 | 3 | 2 | \$200 | \$300 | | \$1,200 | \$2,100 |
| Meeting June 10 | 3.5 | 4 | 3 | \$200 | \$350 | | \$2,100 | \$3,150 |
| Meeting June 21 | 6 | 4 | 2 | \$200 | \$600 | | \$2,400 | \$5,400 |
| Meeting November 4 | 4.5 | 2 | 1 | \$200 | \$450 | | \$900 | \$2,250 |
| | | | | | | | \$106,900 | \$159,650 |
| MACH - FIN Working Group | | | | | | | | |
| Meeting February 16 | 2 | 7 | 3 | \$200 | \$200 | | \$1,200 | \$3,000 |
| Meeting March 9 | 2 | 7 | 3 | \$200 | \$200 | | \$1,200 | \$3,000 |
| | | | | | | | \$2,400 | \$6,000 |
| MMACH - PDC Working Group | | | | | | | | |
| Meeting February 4 | 2 | 13 | 7 | \$200 | \$200 | | \$2,800 | \$5,400 |
| Meeting March 10 | 2 | 13 | 7 | \$200 | \$200 | | \$2,800 | \$5,400 |
| | | | | | | | \$5,600 | \$10,800 |
| Human Resources Working Group | | | | | | | | |
| Meeting February 1 | 2 | 11 | 5 | \$200 | \$200 | | \$2,000 | \$4,600 |
| Meeting March 21 | 1.5 | 11 | 5 | \$200 | \$150 | | \$1,500 | \$3,450 |
| Meeting May 31 | 2.5 | 14 | 8 | \$200 | \$250 | | \$4,000 | \$7,250 |
| Meeting September 7 | 2 | 13 | 6 | \$200 | \$200 | | \$2,400 | \$5,400 |
| | | | | | | | \$9,900 | \$20,700 |
| Mapping of Stakeholders and HR Development | | | | | | | | |
| Meeting August 23 | 2 | 6 | 2 | \$200 | \$200 | | \$800 | \$2,600 |
| | | | | | | | \$800 | \$2,600 |
| "The sky is the limit!" Ambassadors | | | | | | | | |
| Press conference in Longueuil in January | 1.5 | 25 | 10 | \$100 | \$ - | | \$1,500 | \$3,750 |
| Presentations in Mirabel from Sept. to December | 2 | 25 | 25 | \$100 | \$ - | | \$5,000 | \$5,000 |
| | | | | | | | \$6,500 | \$8,750 |
| Defence and National Security Working Group | | | | | | | | |
| Meeting February 22 | 3.5 | 10 | 8 | \$200 | \$350 | | \$5,600 | \$7,350 |
| Meeting March 7 | 3.5 | 9 | 6 | \$200 | \$350 | | \$4,200 | \$6,650 |
| Meeting June 3 | 3 | 12 | 9 | \$200 | \$300 | | \$5,400 | \$7,500 |
| | | | | | | | \$15,200 | \$21,500 |
| Governmental Sub-Committee | | | | | | | | |
| Meeting April 1 | 4 | 7 | 4 | \$200 | \$400 | | \$3,200 | \$6,000 |
| Meeting October 5 | 3 | 1 | 1 | \$200 | \$300 | | \$600 | \$900 |
| | | | | | | | \$3,800 | \$6,900 |
| Branding and Promotion Working Group | | | | | | | | |
| Meeting January 28 | 2 | 9 | 7 | \$200 | \$200 | | \$2,800 | \$3,800 |
| | | | | | | | \$2,800 | \$3,800 |
| Total hours | 229.5 | 772 | 511 | | | | \$379,300 | \$591,100 |
| Grand total | | | | | | | \$379,300 | \$591,100 |

Acronyms and abbreviations

| | |
|--|---|
| ACI Airports Council International | ICAO International Civil Aviation Organization |
| AIAC Aerospace Industry Association of Canada | MDEIE Ministère du Développement économique, de l'Innovation et de l'Exportation |
| IAMAW International Association of Machinists and Aerospace Workers | MRO Maintenance, Repair and Overhaul |
| AQA Quebec Aerospace Association | NPO Nonprofit organization |
| BRICS Brazil, Russia, India, China and South Africa | NRC National Research Council Canada |
| CAMAQ Comité sectoriel de main-d'œuvre en aérospatiale | SA²GE Systèmes aéronautiques d'avant-garde pour l'environnement |
| CLSM Conseil du Loisir Scientifique de la région Métropolitaine | SAE Société des Ingénieurs de l'Automobile du Canada |
| CSDM Commission scolaire de Montréal | SITA Société internationale de télécommunication aéronautique |
| CRIAQ Consortium for Research and Innovation in Aerospace in Québec | STIQ Sous-Traitance Industrielle Québec |
| CTA Centre Technologique en Aérospatiale | |
| DFAIT Foreign Affairs and International Trade Canada | |
| ÉMAM École des métiers de l'aérospatiale de Montréal | |
| ÉNA École nationale d'aérotechnique | |
| ÉTS École de technologie supérieure | |
| IATA International Air Transport Association | |