



Aveos to begin asset liquidation under CCAA

Ceases all operations immediately

MONTREAL, March 20, 2012 — Aveos, an independent, full service maintenance, repair and overhaul (MRO) provider to the aviation industry, has ceased its Canadian operations immediately and has terminated the employment of approximately 1,300 employees across Canada.

As previously announced, Aveos was granted protection under the Companies' Creditors Arrangement Act (CCAA) by the Quebec Superior Court on March 19, 2012. The Company was forced to file for CCAA protection, in part, due to uncertain work volume across its business lines from Aveos' principal customer. Since the beginning of the year, its principal customer reduced, deferred, and cancelled maintenance work, which resulted in approximately \$16 million in lost revenue in less than two months. While Aveos remained ready, willing and able to perform such work, such work did not materialize. This was a devastating blow to Aveos.

An eleventh-hour offer submitted yesterday by Aveos' principal customer following months of protracted negotiations did not appropriately address Aveos' challenges, and it was clear that a restructuring under the CCAA would not be possible.

"For some time we have attempted to work for a consensual agreement with Aveos' principal customer. At this point, we have exhausted all measures. Their draft proposal received late yesterday evening did nothing to address the many issues previously discussed with them, and was unacceptable to us and our secured lenders," said Eugene I. Davis, Chairman of the Board, Aveos Fleet Performance Inc.

"The Company had no viable option but to cease operations. We deeply regret the job losses and the impact this decision has on our employees in Canada and extend our sincere gratitude to them for their dedication and service over the years," added Mr. Davis.

Members of the press should visit www.aveos.com for further information.