

Defence, Security & Aerospace

NOVA SCOTIA

CANADA



Pratt & Whitney Canada manufactures jet engines in Halifax



Premier Rodney MacDonald with Benoit Brossoit, Senior Vice President, Service Centres & Operations, P&WC

Global companies choose Nova Scotia as a location for growth

International defence, security and aerospace companies are recognizing Nova Scotia as a strategic place to do business. The province, located on Canada's East Coast, is home to over 40 per cent of all of Canada's military assets.

Positioned as the gateway to North America and a global shipping centre, Nova Scotia has unparalleled access to US and European markets. But it's not just the geographical location that makes this province a logical choice for some of the most competitive companies in the world. Nova Scotia offers access to markets without the International Trade in Arms Regulations

(ITARs) issues of US production.

Combined with a highly skilled workforce and an abundance of academic institutions, the best in infrastructure and research facilities, competitive operating costs and an unbeatable quality of life, it's clear why companies like Lockheed Martin, L-3 Communications, General Dynamics and Pratt & Whitney have set up operations in Nova Scotia.

"Nova Scotia has many strategic assets that make it the ideal location to grow our operations," says Anthony Caputo, president, L-3 Communications Canada. "With its skilled workforce, un-

rivalled infrastructure, competitive costs, and advantageous geographical location, Nova Scotia is uniquely suited to provide all the required conditions for a highly effective operation."

"Great work is being done in Nova Scotia, from the manufacturing of advanced composites materials to the development of weapon sighting systems," says Stephen Lund, president and CEO of Nova Scotia Business Inc. "With a diverse and thriving industry in place, it's no surprise that some of the biggest names in defence and aerospace have chosen this province as a location for growth."

Pratt & Whitney Canada (P&WC) is transforming its Halifax, Nova Scotia, facility into a world-class, high-technology aerospace centre. This is part of the second phase of a \$45-million investment program to develop an engine assembly line and testing facility.

Since 2006, P&WC has invested \$21 million in its Halifax facility to install state-of-the-art manufacturing equipment and to begin sub-assembly of engine components. P&WC will now build a modern engine assembly line and test cell at the facility for an additional investment of \$24 million. Starting in the fall of 2009, the new engine centre will have the capability of assembling and testing small to medium-sized turbofan engines. These engines embody the latest materials, fuel efficiency and environmental technologies available.

"This investment to give the Halifax facility an advanced technology mandate reaffirms our commitment to Nova Scotia for years to come," said Benoit Brossoit, Senior Vice President, Service Centres & Operations, P&WC. "It will also bring important new technologies and skill sets to the province and create exciting opportunities for the local aerospace sector. It will position our Halifax facility as a centre of excellence in aerospace engine manufacturing while strengthening Nova Scotia's positioning in the global aerospace industry."

The Government of Nova Scotia and P&WC will share the new assembly and test line investment. The provincial portion totals a maximum of \$12 million and is

payable from the Nova Scotia Industrial Expansion Fund.

"This joint investment with the Nova Scotia government will play an instrumental role in providing highly skilled employment opportunities, while increasing the high-technology content of the work we perform in Nova Scotia," said Brossoit. "We also intend to step up our collaboration efforts with local universities, such as Dalhousie University, on targeted research projects that will help prepare the next generation of highly skilled aerospace workers here in this province."

"This investment to give the Halifax facility an advanced technology mandate reaffirms our commitment to Nova Scotia for years to come"

The first engine to be assembled and tested, when production begins, will be the PW617 engine. By incorporating the latest innovations in design technology, the PW600 family is opening new possibilities in business travel with the goal of saving time and money, while minimizing the impact on the environment.

Industry, academia and government coordinate efforts

An important aspect of Nova Scotia's business value proposition is the coordination between industry, academia and government.

"We've made it a priority to keep our academic institutions informed about the types of companies we're bringing to the province and the resulting career opportunities for Nova Scotia's graduates," says Mark James, director, defence, security & aerospace – investment attraction division, Nova Scotia Business Inc.

Through roundtable discussions and one-on-one meetings, companies have access to representatives from the province's universities and community colleges to generate awareness for employment opportunities or to discuss such things as the development of specialized training programs.

These partnerships have significantly influenced the curriculum

at the Nova Scotia Community College (NSCC). For one, NSCC is expanding its Aviation Institute to a new location in order to accommodate growth. "This is an exciting move for the college," says Graham MacDermott, Principal responsible for the Aviation Institute and NSCC Akerley Campus. "It will help the college meet the aerospace industry's growing demand for skilled graduates."

Another example of the partnership between NSCC and industry is the creation of the Composites Fabrication Technician Program. With a curriculum developed in partnership with EADS Composites Atlantic Limited, the Nova Scotia Boatbuilders Association, and A.F. Theriault Ltd., students interested in the aerospace industry learn fabrication processes, composites assembly, finishing and repair skills.

"My clients are impressed that we've proactively aligned ourselves within the province to address the labour needs of companies," says James. "Talent is a global issue and this is one of the ways we're work-

"High concentrations of education facilities creates ideal conditions for employers"

ing to ensure our companies have access to the right people with the right skills."

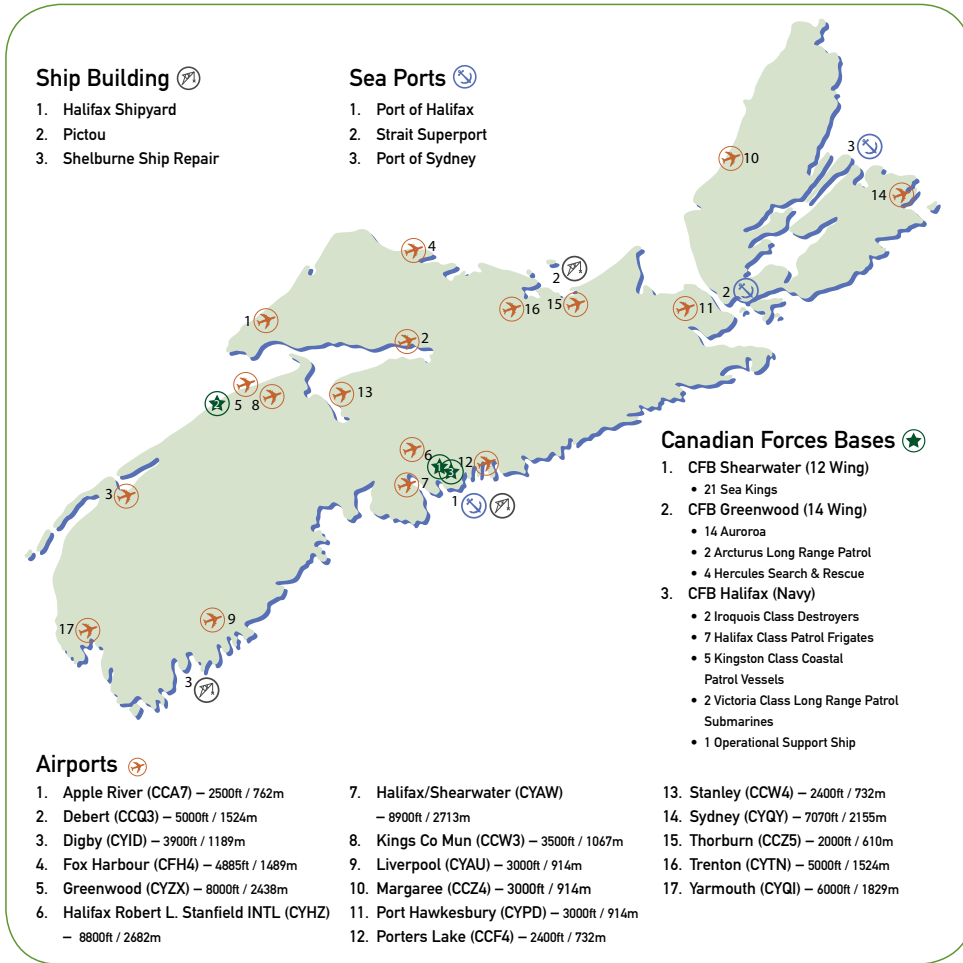
Nova Scotia's 11 universities and 13 community college campuses provide value to companies inter-

ested in locating in Nova Scotia. The province has the highest ratio of educational facilities to population in North America, and the capital city, Halifax, has the highest percentage of employees with a degree, diploma or certificate in the country.

Through well-respected co-operative education programs, employers have the opportunity to groom students for positions within their companies, and students have the opportunity to learn more about the careers that exist for them in the province.

Year after year, Nova Scotia's universities are awarded top honours by MacLean's Guide to Canadian Universities. Two universities – Acadia and St. Francis Xavier ranked 1st and 2nd respectively as the top undergraduate universities in Canada in 2007





Fast Facts

Nova Scotia is home to approximately 40% of all Canadian military assets

Nova Scotia's aerospace industry generates \$600 million in revenues annually, and when combined with defence spending, the industry contributes about \$1.5 billion to the provincial economy.

More than 6,000 Nova Scotians work in the province's commercial defence, security and aerospace sector.

Nova Scotia has been at the forefront of the aerospace sector, beginning in 1909 when Alexander Graham Bell's wooden aircraft, the Silver Dart, successfully took to the air.

The Aerospace & Defence Industries Association of Nova Scotia (ADIANS) has over 60 members providing everything from aircraft parts to IT services.

Halifax Stanfield International Airport is Atlantic Canada's principal full-service airport, providing passengers with access to markets across the country and strategic locations in the United States and Europe. The airport welcomes more than three million passengers each year, making it Canada's seventh busiest airport.

The Aerotech Business Park - a specialty park targeting the aerospace industry and manufacturing businesses - is located on 2400 acres of land adjacent to the Halifax Stanfield International Airport. Businesses in the Aerotech Business Park include:

- Aerotech Engines Ltd.
- L-3 Electronic Systems
- Pratt & Whitney Canada
- IMP
- CHC Helicopters International
- Air Canada Jazz

Industry association goes above and beyond

Nova Scotia's defence, security and aerospace companies are experiencing great success and achieving recognition on the international stage – due in large part to the support of the Aerospace and Defence Industries Association of Nova Scotia (ADIANS). The Association assists over 60 members to expand and position themselves globally to access both

military and commercial markets and to develop industrial partnerships and lasting relationships. ADIANS members are world-class aerospace and defence firms, driven by innovation, and demonstrating competence in a wide range of products, services and innovative technologies. Beyond providing networking and business development oppor-




tunities, ADIANS represents its members at premier events around the globe, including the Farnborough International Airshow and the Paris Air Show. "I think principally the association has played a role in developing a partnership between government and industry and in helping the industry grow internationally to ensure that we're securing long-

lasting, high-quality jobs within our region," says Derek Kinsmen, ADIANS president and vice-president and chief operating officer of Lunenburg-based Composites Atlantic. "Our industry successes have been based upon demonstrated capabilities for the delivery of cost-competitive goods and services, offering innovative technology, high quality and schedule performance."

Halifax residential real-estate costs

Data sourced from MLS search, October 17, 2007

There are many reasons why residents of Halifax enjoy an unparalleled quality of life. Halifax retains all the advantages of a fortunate city – reasonable housing costs, safe streets, pleasant neighbourhoods, short commuting times, clean air, beautiful surroundings and an abundance of recreational activities. The illustration to the right demonstrates the real-estate buying power of \$300,000 when comparing homes in New York, Toronto and Halifax.

<p>LOCATION: New York</p>  <p>DESCRIPTION: 440 Interior Sq. Feet, 1 Bath</p>	<p>LOCATION: Toronto</p>  <p>DESCRIPTION: 680 Interior Sq. Feet, 1 Bed, 1 Bath</p>	<p>LOCATION: Halifax</p>  <p>DESCRIPTION: 2016 Interior Sq. Feet, 4 Bed, 2 Bath</p>
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Company Announcements Business opportunities take off at DEFSEC Atlantic

L-3 Communications

L-3 Communications Canada, an industry-leading defence and aerospace company, expanded its operations to Halifax, Nova Scotia, creating up to 210 positions for Nova Scotians over the next five years. Nova Scotia Business Inc. (NSBI) is supporting this growth with a payroll rebate of up to \$2,480,000 over a five-year period.

"Nova Scotia has many strategic assets that make it the ideal location to grow our operations," said Anthony Caputo, president of L-3 Communications Canada. "With its skilled workforce, unrivaled infrastructure, competitive costs, and advantageous geographical location, Nova Scotia is uniquely suited to provide all the required conditions for a highly effective operation."

xwave

Xwave will grow its defence and aerospace operation in Nova Scotia with the assistance of a payroll rebate to a maximum of \$4,515,000 over a five-year period to create up to 250 incremental full-time jobs.

"Nova Scotia recognizes and values the importance of its local defence and aerospace industry," said Mr. McClure. "Investing in a province that not only supports the industry, but has the skilled workforce to build on, makes good business sense. It helps make Nova Scotians more marketable within their own province, across Canada and around the globe."

IMP

Nova Scotia's IMP Aerospace Components, a division of IMP Group Ltd., is celebrating a new contract with the world's leading manufacturer of private and business aircraft. IMP Aerospace Components will produce flight control components for Cessna's new CJ-4 corporate jet from its Amherst facility.

As a result, the company will expand with help from the province through Nova Scotia Business Inc. (NSBI). IMP Aerospace Components has signed a payroll rebate set at a maximum of \$3,082,380 over the next five years.

"We have secured several long-term contracts over the last two years and already created more

than 100 new jobs," said David Pearson, vice president and general manager of IMP Aerospace Components. "With the addition of Cessna to our customer list, I am very confident the organization's future has never looked so good."

General Dynamics

The province of Nova Scotia, through Nova Scotia Business Inc., authorized a payroll rebate to assist the growth of General Dynamics Canada. The company is a leading developer of electronic systems for military command and control. A new facility is being built in Nova Scotia to house systems integration and software support for its various programs.

MDA Corporation

From its Nova Scotia office, MDA delivers leading-edge systems for earth observation, space and defence applications and airspace management to clients around the world. Their capabilities are backed up with ISO 9000 and AQAP-13 certification.

EADS Composites Atlantic

EADS Composites Atlantic is a leader in the design, testing, certification and manufacturing of advanced composites for the aerospace, space, defence, and commercial industries. With two Nova Scotia locations, EADS Composites Atlantic uses the most advanced equipment and expertise on projects like the design and development of a new technology for Boeing that will revolutionize aircraft windows.

C-Vision

C-Vision Limited, an Amherst, Nova Scotia-based electronics manufacturing company serves Nova Scotia's defence and aerospace industry through electronics assembly, cable assembly, design services, prototyping and complete systems integration.

C-Vision was awarded a contract from Rockwell Collins, a leader in the design, production, and support of communications and aviation electronics, to provide turn-key manufacturing services for its Software Defined Communications Platform (SDCP) product.

Defence, security and aerospace companies looking for an opportunity to network, display goods or services, or learn about the latest in industry technologies should plan to attend the Canadian Defence Aerospace and Security Exhibition Atlantic (DEFSEC).

DEFSEC Atlantic, Canada's major exhibition for the defence, security and aerospace sector, is held each September in Halifax, Nova Scotia. The province's historic ties to the industry make for an ideal backdrop for this annual exhibition – attracting the who's who in defence and aerospace to Halifax each year.

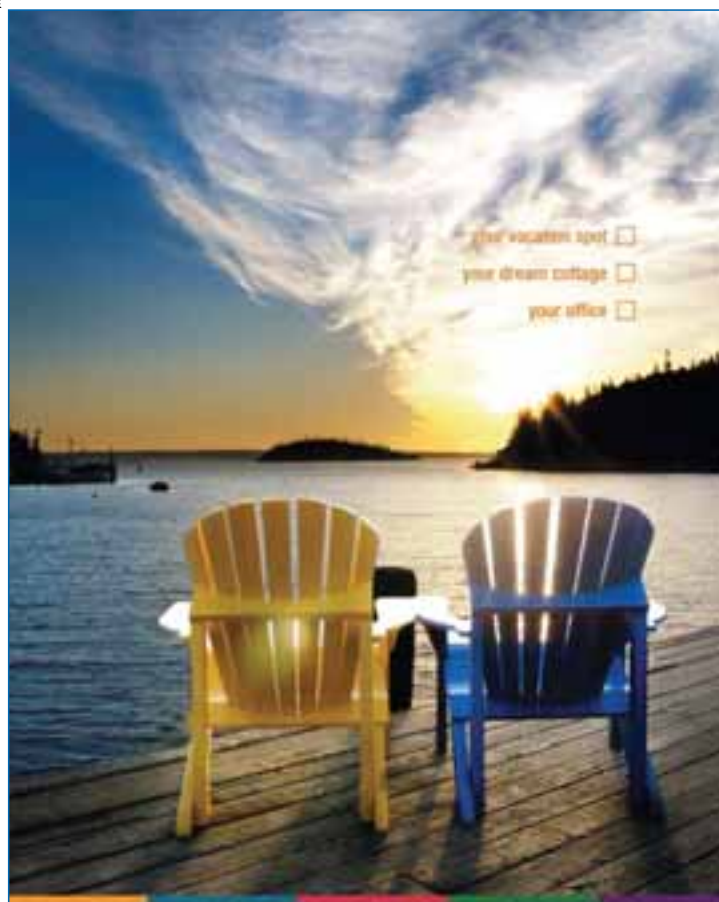
"DEFSEC Atlantic is a showcase to the growing business opportunities this sector is experiencing in Nova Scotia," said Mark James, director of defence, security and

"The province's historic ties to the industry make for an ideal backdrop for this annual Exhibition"



A world-class display in aviation has been exciting crowds at the Nova Scotia International Airshow (NSIA) for the past 25 years. Held in conjunction with the Canadian Defence Aerospace and Security Exhibition Atlantic (DEFSEC), the airshow is a celebration of flight and a salute to Nova Scotia's military.

aerospace – investment attraction division, Nova Scotia Business Inc. "Each year, great partnerships are formed and deals are made as a result of this premier exhibition."



Research & Development has bottom line benefits

Companies operating in Nova Scotia, Canada and conducting research to advance skills, knowledge or technological capabilities may qualify for federal and provincial tax credit programs.

Depending on the size and nature of the business, a company may be able to claim either 20% or 35% of eligible expenditures on their income tax return under the federal government's Scientific Research and Experimental Development (SR&ED) tax credit program. Qualifying companies can also claim 15% of their eligible expenditures under the provincial government's R&D tax credit program.

Both programs encourage and support private sector R&D projects resulting in cost-saving benefits to companies.

Further support exists for companies operating in the defence, security and aerospace sector. Defence R&D Canada – Atlantic (DRDC Atlantic), located in Dartmouth, Nova Scotia, is a research centre belonging to the Department of National Defence. DRDC Atlantic offers R&D programs in collaboration with industry, academia, government departments and international partners. The centre both supports the Department of National Defence and provides external organizations with new technologies and functional systems.

Imagine working in an office where 10 minutes from downtown, in any direction, you can be at the coast of tranquility. Imagine a lifestyle that is rapidly disappearing from much of the world. That's Nova Scotia. And it's welcoming entrepreneurs with a global vision - people like Jeremy Wexler who runs HP Studios, a software development company, in Lunenburg. His customers include EA Sports, Play Station, Xbox and Nintendo. "Why live in the middle of a concrete canyon when you can have it all?" asks Jeremy. Imagine achieving worldwide success and enjoying a lifestyle that's second to none. It's the kind of possibility that comes to life in Nova Scotia.



That's entertainment!

Sports fan or arts enthusiast, you'll find plenty to do in Nova Scotia – making this a great place to live and work.

Take for example, the 2008 IIHF World Men's Hockey Championship in May, which Halifax co-hosted with Quebec City — the first time the championship has come to Canada.

"We're very proud of the fact that we're able to get this for Canada and bring it to Halifax and Quebec City, and it will be a great celebration..." says Fred MacGillivray, President & CEO of Trade Centre Limited and Chair of the 2008 championship. "This is kind of the top of the hill when it comes to single sporting events in the world."

As MacGillivray points out, it's one in a long list of events hosted over the years, including everything from the World Theatre Festival to IIHF World Women's Hockey Championship to the Tall Ships.

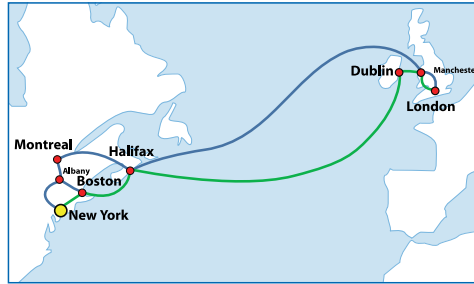
CTV Atlantic entertainment reporter Liz Rigney has a first-hand appreciation of the arts scene both as a journalist and a performer.

"I'm overwhelmed by the diversity and the level of talent that we are able to access in this part of the world," she says. "It's almost unbelievable: not only do we draw these incredible talents from away but we're also nurturing them ourselves in our own region."

So what might you do in a given weekend in Halifax? Ideas from MacGillivray and Rigney include taking in a concert by Symphony Nova Scotia, attending a Halifax Mooseheads hockey game, watching a performance by a contemporary dance troupe, supporting a charity fundraiser – the list goes on. Too many choices? Perhaps. Great entertainment? No question.



Nova Scotia boasts world-class telecommunications infrastructure



Hibernia Atlantic is a TransAtlantic submarine cable which provides "security through diversity" to North American and European customers. www.hiberniaatlantic.com

Nova Scotia has the infrastructure elements in place to support any business, including, a fully modern telecommunications system that is second to none in North America.

Hibernia Atlantic is a major interconnecting hub for Canadian telecommunication service providers linking Canada, the United States, Ireland and the UK telecom market exchanges. Situated just outside Halifax, this telecom connectivity serves to dramatically increase the strategic significance of operations located within the Nova Scotia region. With this advanced cost-effective communications capability, organizations can share and distribute information-based workloads from across the Atlantic or from major cities across North America.



The network is configured as a self-healing ring on diverse paths, with cable landing stations in Dublin; Boston (USA); Halifax, (Nova Scotia); and Liverpool (UK). The Hibernia Atlantic system also includes a fully protected terrestrial ring that links the Boston and Halifax stations via New York City in North America.

For more details, visit: <http://www.hiberniaatlantic.com>

Stability in Nova Scotia's power grid

Nova Scotia's self-sufficient power grid is attractive for investing companies. The province's power supply does not rely on external power sources which has proven advantageous over the years.

The importance of this self-sufficiency was perhaps most evident in August 2003 when a massive power outage occurred throughout parts of the Northeastern and Midwestern United States. It was the largest blackout in North American history, affecting an estimated 10 million people in the province of Ontario (about one-third of the population of Canada) and 40 million people in eight U.S. states (about one-seventh of the population of the U.S.).

Outage-related financial losses were estimated at \$6 billion USD (\$6 billion CDN). Nova Scotia was completely unaffected by the blackout.

To illustrate the reliability of the power service in the province, the capital city of Halifax's System Average Interruption Duration Index is 0.98 which means that, on average, Nova Scotia Power Inc. (NSPI) customers are without service for less than one hour during planned or unplanned outages each year.

As a precaution, the power company works one-on-one with business customers who require a comprehensive disaster recovery plan to ensure their unique or specific reliability needs are met.

Nova Scotia recognized for competitiveness in attracting international investment

September 2007 — Site Selection magazine, a U.S. publication focused on corporate real estate strategy and area economic development, ranked Nova Scotia the second most competitive province in Canada for international investment. The assessment was based on projects per capita, project job creation per capita, 100-plus-jobs projects per capita and the number of new facilities and expansions in the province.

"People all over the world are discovering the advantages of doing business in Nova Scotia," said Rodney MacDonald, Premier of Nova Scotia. "Our success in attracting world leaders in IT, de-

"People all over the world are discovering the advantages of doing business in Nova Scotia"

fence and aerospace and financial services have put us on the map as a jurisdiction of choice – and we will continue to compete on the global stage."

Disclaimer: Report on Defence, Security & Aerospace is not a newspaper. This marketing publication is developed by Nova Scotia Business Inc. in partnership with Atlantic Canada Opportunities Agency.



Nova Scotia Business Inc. (NSBI) is Nova Scotia's private sector-led business development agency. NSBI is the investment attraction arm of the province and helps businesses in Nova Scotia meet growth potential through advisory services, trade development, business financing and venture capital.

The Atlantic Canada Opportunities Agency (ACOA) is the federal government department responsible for helping to build economic capacity in the Atlantic Provinces by working with the people of the region – in their communities, through their institutions and with their local and provincial governments and businesses – to create jobs and enhance earned incomes.

Your Horoscope

Aries March 21 – April 19

You will join some of the world's leading defence, security and aerospace companies who call Nova Scotia home.

Taurus April 20 – May 20

You're pleasantly surprised with the vibrant culture and friendly hospitality you receive when you make your first business trip to Nova Scotia. Luckily, you'll be back soon

Gemini May 21 – June 21

The skilled labour shortage you're currently facing will be alleviated when you open your Nova Scotia operations and are able to draw upon the highest-educated working population per capita in North America.

Cancer June 22 – July 22

Your business trip to Nova Scotia will be the first of many as you begin the process of opening your new operation in the province.

Leo July 23 – August 22

After repeat business trips to Nova Scotia, you want to share the experience and book a week-long vacation to Nova Scotia with your family.

Virgo August 23 – September 22

The opening of your new Nova Scotia based operations will lead to increased efficiencies and productivity.

Libra September 23 – October 22

There may be a payroll-rebate in your future.

Scorpio October 23 – November 21

The new year brings prosperity as you experience first-hand the competitive costs of doing business in Nova Scotia.

Sagittarius November 22 – December 21

You have your first taste of Alexander Keith's beer, brewed in Nova Scotia, and you like it a lot.

Capricorn December 22 – January 19

You attend DEFSEC Atlantic – the premier Canadian exhibition for defence, security and aerospace – and are pleased with the business opportunities that arise as a result.

Aquarius January 20 – February 18

The start of a new year provides the perfect opportunity to look to Nova Scotia as a strategic location for your business operations.

Pisces February 19 – March 20

After one year of doing business in Nova Scotia, you continue to be thrilled with the quality of your workforce and the loyalty of your staff. You are confident your expansion into Nova Scotia was the right choice for your company.

Contact Us

To learn more about the advantages of doing business in Nova Scotia, Canada, please visit www.novascotiabusiness.com or contact:

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