

TO: EXECUTIVE AND SUPERVISORY STAFF

BULLETIN BOARDS

THE FOLLOWING STATEMENT WAS ISSUED TODAY BY CRAWFORD GORDON,
PRESIDENT AND GENERAL MANAGER OF A. V. ROE CANADA LIMITED:

Following the Prime Minister's statement, we have received wires from the Government, instructing us to immediately cease all work on the Arrow and Iroquois programs at Malton and by all Suppliers and sub-contractors.

As a result, notice of termination of employment is being given to all employees of Avro Aircraft and Orenda Engines, pending a full assessment of the impact of the Prime Minister's statement on our aeronautical operations.

We profoundly regret this action but we have no alternative since the company received no prior notice of the decision and therefore we are unable to plan any orderly adjustment.

The whole situation is and will be under constant review and when the full impact is determined a formal statement will be made by myself as soon as possible.

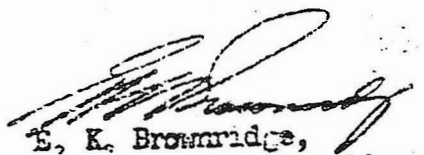
As a result of the above, all monthly, weekly, and hourly-paid employees are hereby given notice of layoff as of this date and under the terms of the applicable agreements.

Tools must be returned to the Tool Cribs for clearance before final separation pay is made up. As all work on these projects is terminated, there will be no work for you to perform after this date. You may remove your tool boxes and your personal belongings on Monday, Tuesday and Wednesday, February 23, 24, and 25, during the regular day-shift working hours. Your separation pay, separation notice, vacation pay books, etc. will be mailed as soon as possible.

Some employees will be required to perform termination functions and to maintain essential services. These employees will be notified by their supervisors and will report to work accordingly.

In the meantime, the company will assess the work available and the employees required. These employees will be recalled or retained under the seniority provisions of the collective agreements where applicable.

EKB/h


E. K. Brownridge,
Executive Vice-President
and General Manager