

ANDREW ARNOVITZ (Director, Investor Relations, CAE Inc.): Thanks. Operator, we would now be pleased to take questions from analysts and institutional investors and following that, from the media. Before we open the line, let me first ask in the interest of fairness, since I know that we have quite a few participants today, that you limit yourself to one question. If you have additional questions and time permits, please feel free to re-enter the queue.

OPERATOR: Thank you, Mr. Arnovitz. We will now take questions from the analysts. If you do have a question, please press *1 on your telephone keypad. If you are using a speakerphone, please lift the handset and then press * 1. If at any time you wish to cancel your question, please press the # sign. Please press *1 at this time is you have a question. There will be a brief pause while the participants register for questions. Thank you for your patience.

The first question is from Ben Cherniavski, from Raymond James. Please go ahead.

BEN CHERNIAVSKY: Good morning. My question is about your outlook for simulator orders. You're talking about 33 simulator orders by the end of this year. You've got 29 so far. But correct me if I'm wrong, but the last quarter you were talking, you were still talking about 25 for this year. And of course I recognize the market has been very strong but I'm just wondering what's changed in your outlook in that relatively short period of time to result in that substantial of an increase in simulator sales for this year?

ROBERT E. BROWN (President and Chief Executive Officer, CAE Inc.): Ben, I think what we've had here some things have come together quickly, more quickly than we anticipated. You know, you can never control the rate at which the orders are going to come and you know, we've been very pleased with the way that the market has developed.

And you know, I think that, as people have seen some of the order activity that Boeing and Airbus have been having, I think it's really encouraged people to accelerate and move forward on some of their decisions.

And you know, I think that the ongoing discussions that we have related to finalizing the 33 and moving forward into next year, the level of activity is quite good.

BEN CHERNIAVSKY: Just as a follow up on that point, would you venture to comment yet on what you think next year you'll have for sales?

ROBERT E. BROWN: Yes, we're not quite ready to do that. I would say the activity level is good. Let's finalize the year and meet the target that we've laid out and then as we've done in previous years, we'll be giving you a target. But I really don't want to do that yet until I see exactly where we're going to end this year.

BEN CHERNIAVSKY: Okay, fair enough. Thanks a lot and congratulations on good results.

ROBERT E. BROWN: Thank you.

OPERATOR: Thank you. The next question is from James David, from Scotia Capital. Please go ahead.

JAMES DAVID: Thank you. Good afternoon, all. Bob, hypothetically, if you sort of kept your military output out of Montreal somewhat static, not to say it would be that, but just hypothetically, I'm curious, what is your sort of capacity for the production of civil units? Where can go without having to really invest in further capacity?

ROBERT E. BROWN: This is not a concern, James. I think that we have the capacity to move up substantially because you've got the orders that we're taking in, in the competed market. You've got some that are coming from military. You're assuming they're static and you see we've made some comments of what we're adding into our network. All of that is being done without any additional investment from what we've done in the restructuring and we feel that we still have capacity to increase the throughput in the plant if we had to.

We're basically right now working at about a shift and a half, something like that. I think we've really sort of streamlined the process. We've cleared out the facility so that we can put the units through more efficiently. So I don't think this would be a concern.

JAMES DAVID: Okay. You might just have some variable in the form of rehiring but outside of that, no major investment?

ROBERT E. BROWN: I don't even see that we'd have a whole bunch of rehiring. Maybe a little bit, but not much. We continue to make progress in our cycle times and I think we're well positioned.

JAMES DAVID: Okay. Second question, on your long-term training plan objectives of growing your RS use at 10 per cent a year, can you maybe provide some idea of the number of builds you might be looking at over the next one, two, three years, three, four years? And I noticed you said your capex would remain the same, so presumably in that capex number, you're easing off on

maybe some of the military spending you had to do for the NH90.

ROBERT E. BROWN: Yes, that's exactly right. We have some capital expenditure, I think, on the military, Alain, this year is maybe around 60 million, something like that?

ALAIN RAQUEPAS (Vice-President, Finance and Chief Financial Officer, CAE Inc.): A bit less than that.

ROBERT E. BROWN: Maybe a little less than that. Going forward, I think we're very encouraged at even predicting where we are on the capex. As you've seen, we're at \$142 million at the end of the third quarter and we've been able to generate free cash flow. I think we'll be in the same position at the yearend.

So we're able to support the growth through basically internally generated cash that we have in the non-recourse financing that we have access to. I think that you can basically just do the math and see that we're going to be adding the more units in at approximately the rate that I've laid out to you.

JAMES DAVID: Okay, Perfect. Thank you.

ROBERT E. BROWN: Welcome.

OPERATOR: Thank you. The next question is from Daniel Kim, from Paradigm Capital. Please go ahead.

DANIEL KIM: Afternoon. Thank you. Bob, I was wondering if you can address, please, with regards to the fact that your order rate for full flight simulators is ramping, at what rate can CAE ramp its delivery schedule of your full flight simulators?

ROBERT E. BROWN: I think that it depends on, the way I describe this, it would depend on the model of simulator we were taking in and it would depend on the progress we've made on the cycle time with that particular model and whether or not we were doing a few of the models together.

But I think one of the things we see as being a real competitive advantage is the shortening of the cycle times that we have and therefore the ability for us to be able to ramp up more quickly.

I'm sorry, I'm not giving you a precise answer here, but I hope that gives you an idea of where we're trying to head to.

DANIEL KIM: Can you give a sense, then, in what your current capacity throughput would be in your facilities today?

ROBERT E. BROWN: Well, I think if you look at where we're getting to, you'd see that we're probably putting in the mid 30s through the plant right now, something of that order of magnitude.

And there's no reason why – again, I would go back to what I told James David – this is really not a constraint in terms of what we can do either in ramping up or in meeting the market requirements.

DANIEL KIM: Okay. Thank you. Just in a related area, can you hazard a guess what your market share is today in full flight simulators? Do you know what the industry order rate is for the year?

ROBERT E. BROWN: Yes. I don't think we have that right now. We'll come back to you on that. We're doing very well but we haven't tracked it precisely. We'll have a look at that.

DANIEL KIM: Thank you very much.

ROBERT E. BROWN: You're welcome.

OPERATOR: Thank you. The next question is from Cameron Jefferies, from Credit Suisse. Please go ahead.

CAMERON JEFFREYS: Thanks very much. Just a couple of housekeeping items, if I could. Number one, in one of your charts, I can't remember which table it is but it says about the income received from the project Phoenix, but I know you guys offset that against R&D. Is that a clean offset in the quarter or was there any... I think it was \$14 million a quarter in income. Is the R&D the exact same amount or was there any kind of differential there?

ROBERT E. BROWN: No. Well, I think the way it works is it accounts for about 30 per cent of the R&D as a number, I think.

CAMERON JEFFREYS: Right.

ROBERT E. BROWN: And also, there's adjustments in the investment tax credit as well, when you do that. So you can't do a straight calculation on that. Alain, do you have that?

ALAIN RAQUEPAS: Yes, maybe if I can help here, Cameron. We do accrue the grant as we spend the

R&D dollars. So there's a proper matching in the period, if it was the sense of your question?

CAMERON JEFFREYS: Right. I know the last quarter I think there was \$1 million of benefit or something. It was just a small number. I was wondering if it was a similar thing this quarter or whether it was pretty much a match.

ALAIN RAQUEPAS: We're almost in sync.

CAMERON JEFFREYS: You're almost in sync? Okay.

ALAIN RAQUEPAS: Yes.

CAMERON JEFFREYS: And the second question would just be utilization rate for the civil training.

ROBERT E. BROWN: Yes, the utilization I think, it's around 72 per cent.

CAMERON JEFFREYS: Okay, great. Thanks very much.

ROBERT E. BROWN: You're welcome.

OPERATOR: Thank you. The next question is from Richard Stillman, from Dundee Securities. Please go ahead.

RICHARD STILLMAN: Good morning, Bob. Question is, where do you expect the RSE use to be at yearend?

ROBERT E. BROWN: At the end of this year?

RICHARD STILLMAN: Yes, at the end of fiscal 07.

ROBERT E. BROWN: Yes. Richard, we have to add back in a couple of... We're doing the redeployments. We've got a couple of more of these to do, so I assume it's going to be around 100, just under 100, something like that.

RICHARD STILLMAN: And how many would you expect to add next fiscal year, Bob?

ROBERT E. BROWN: I think the way I would approach it is just to use the percentages that I've given you.

RICHARD STILLMAN: Thank you very much.

ROBERT E. BROWN: You're welcome.

OPERATOR: Thank you. The next question is from Steven Riccio, from Landmark Capital. Please go ahead.

STEVEN RICCIO: Hey, guys. Good job. A question regarding the possibility or maybe the likelihood of the average age of pilots, retirement age of pilots going up. Do you think that will impose a sort of higher standard of training for those older pilots and what will it possibly due to demand for your training network?

ROBERT E. BROWN: Well, the first comment I would make is I think it's an indication that there really is a pilot shortage and that something has to be done.

The second thing is that with the pilots going from 60 to 65, I don't really think there will be a change in the regime related to recurrent training for those people. I think they're all well qualified people and I don't see any change there or variation.

But with these pilots remaining perhaps in their jobs, it's going to require the people that are at the lower levels to go and be redeployed, perhaps into some of the growing markets. I think there's all kinds of opportunities here and so we see this that it could possibly have a positive impact for us as well because most of the shortage that's occurring is not really in the North American market. It's outside of North America. I don't think it's going to change things much for us in terms of what we have planned on the pilot provisioning side.

STEVEN RICCIO: Okay. Can I ask one other question regarding your first orders here for simulators in the VLJ category and the LJ category? What's your view of that and have you sort of baked that into your thinking for simulator demand going forward?

ROBERT E. BROWN: You mean the building of the simulators or the actual training?

STEVEN RICCIO: Both.

ROBERT E. BROWN: Yes. I think that we started to see some deliveries. I think that Cessna proceeded from a certification point of view, the same we've seen from Eclipse and these simulators are going to have a lot lower value on them. I think we'll participate in some fashion there but I don't think it's going to be significant for us.

I think it's much more the joint venture that we have, for instance, with Embraer, where we're actually involved in the training and provisioning of the pilots for these aircraft where there's going to be more of a benefit for us.

STEVEN RICCIO: Great. Thanks, guys.

ROBERT E. BROWN: Thank you.

OPERATOR: Thank you. The next question is from Cameron Doerksen, from Versant Partners. Please go ahead.

CAMERON DOERKSEN: Good afternoon. My question's just on the military side, specifically with the Canadian going ahead with buying new aircraft. I guess they just recently announced that their C-17s are going to be coming into the fleet and I understand that Boeing is now parcelling out some dollars to Canadian industry. I'm just wondering if you can maybe comment on whether you've started to have discussions with Boeing and what kind of contracts would you expect to win as a result of the offset programs?

ROBERT E. BROWN: Yes, I think that what you've seen with the C-17s, I think it's four airplanes, it's about \$1.2 billion. That's out of a total procurement plan that the federal government has of \$15 billion, \$16 billion. We're just at the first stages and we're dealing with the C-17, which is a pretty mature product. I think it's going to be difficult for Canadian companies to have a lot of direct involvement in that.

What I can say is that we're in discussions with Boeing and we expect to get some contracts from them over the next period of time. But the other thing that we're looking at, a couple of weeks ago the government issued to industry what's called a letter of interest and that's related to the training of pilots. This is a normal process they have to see if there's a way that training could be handled in a way for the CH-47 and the C-130 in a way that could involve Canadian companies and Canadian companies that have leading positions in the training area.

This is a very similar process that has been used on the broader procurements for, I believe, the 130 which the letter of interest leads to what they called an SOIQ, which I think is a solicitation of offer of interest in qualification. That's a process that's playing itself out in the month of February and we'll see where we go in that.

Our interests here are to get specific work related to any offsets which might apply but more strategically, we're looking for how we can improve our technological and market leadership position as it relates to the training of military personnel for aircraft. We're hopeful that we're going to be able to do something in that way.

CAMERON DOERKSEN: Do you think there's a possibility that CAE would be running a simulator centre for the Canadian military and I guess for other foreign pilots, similar to what you do in the U.K.? Is that something you think that the Canadian government wants to do?

ROBERT E. BROWN: That, I think, relates more to... There's two things. I think they're doing in the U.K. one. There's actually the training of the pilots and then our centre at Benson where we have the integrated centre.

CAMERON DOERKSEN: Yes, it's sort of what I was referring to.

ROBERT E. BROWN: Yes, the second one, yes. And I don't know yet. I think we have to wait and see where things are going to go.

I doubt if it will go as far as the U.K. has gone, but we're hopeful that something can develop here that will have broader applications to a number of platforms as opposed to a single platform.

CAMERON DOERKSEN: Okay. Thanks very much.

ROBERT E. BROWN: You're welcome.

OPERATOR: Thank you. The next question is from Nick Morton, from RBC Capital Markets. Please go ahead.

NICK MORTON: Good afternoon. I wondered if you'd be good enough to talk about the competitive environment and what your competitors are doing and how you see the industry evolving?

ROBERT E. BROWN: Yes, well, I think you have to really look at each segment. If we started first perhaps with simulation products civil, here we have a good competitor, essentially Talis, that we're going against and I think that we've been doing very well in that particular area of the market. There continues to be some smaller players that are trying to get into the market space and we're working hard as it relates to technology, our product offering, our product support and cost to make sure that we can compete in all of the segments of the marketplace. I think everything is evolving in a way that you would expect it to in a growing market.

If I look at the civil training business, I think we're just coming out of our restructuring and the redeployments we've done, the strong position that we have outside of North America, in particular, is going to serve us well. Again here, we have very good competitors. FSI and for instance, Alteon(phon) and of course the airlines on the commercial side as well.

And but here again, I think that we're holding our own. It's a growing market and most of the commercial and the business aircraft side and I think everybody's

operating rationally here. I think pricing is stable. It's good. I think we're okay in this particular segment.

If you look at the military side of the business, I'll just make a general comment here. We're very broadly diversified in a whole series of markets where we have installations in Europe, in Germany, in the U.K., in Australia, in Tampa, United States, and of course, here in Canada. I think we're winning, again, our fair share of contracts and the technology that we have developed is very clearly in demand and through our project Phoenix, we're making sure that we keep our technology leadership program.

The one thing that sets up apart from everyone, I think, is that we have a very clear suite of products and services. We can offer everything from A to Z that is very, very helpful in terms of us being able to tailor solutions to people that are trying to work out solutions in different areas of the market.

NICK MORTON: So you don't see any upstart in your business disturbing things?

ROBERT E. BROWN: Well, I don't think, Nick, you can ever say never or whatever, but I feel quite good about the positioning that we have in the market and the way that we're positioned to be able to confront any challenges that we might have in our space.

NICK MORTON: Can you add just a little bit more on the training facility in India? I think you talked about, in your press release, about a partner perhaps.

ROBERT E. BROWN: Yes.

NICK MORTON: And the capital cost and how that might work out.

ROBERT E. BROWN: Yes, there's a lot of uncertainties in India and a lot of airplanes going in there. We know there's a shortage of pilots. We know there's infrastructure that has to be built. We know that there's a lot of young airlines that have started up.

With our partner Airbus here, in the training side, we have established a basis for going in there in what I think is a very good starting position, a first mover position, as we did in China before, at a relatively low capital cost, in a leased facility. We have great flexibility to adapt to any changing circumstances that will be there and we're poised to pounce on this market going forward and we're setting a solid foundation as it relates to being able to again provide the full suite of services in terms of providing pilots at the same time as training pilots. We

have lots of people that want to be partners with us in this area of the world.

It's partly to share capital cost risk but most of it is to increase our reach for customers, potential customers, and for people to help us that may perhaps know the region better than us and can complement the capabilities we have.

NICK MORTON: Great. Well, thanks very much.

ROBERT E. BROWN: You're welcome.

OPERATOR: Thank you. The next question is from Marko Pencak, from GMP Securities. Please go ahead.

MARKO PENCAK: Thanks. Good afternoon. I have a couple of questions relating to your civil training business. The first one is you were talking about relocating a total of 28 simulators. Where are you in that process now?

ROBERT E. BROWN: We've relocated 26.

MARKO PENCAK: So two to go?

ROBERT E. BROWN: Two to go. They should be done by the end of this quarter, so we should start seeing... We're finding that it takes a bit of time to get these ones done. The ramping up, you're probably not going to see much of that until second, third quarters of next year as we get everything stabilized, Marko.

ROBERT E. BROWN: Okay. And of the restructuring charge that you took, how much of that would be related to this, if you could maybe just allocate it other divisions?

ROBERT E. BROWN: You mean of the total charge that we had?

MARKO PENCAK: In the quarter, yes.

ROBERT E. BROWN: Oh, in the quarter.

ALAIN RAQUEPAS: Oh, almost all of it.

ROBERT E. BROWN: Almost entirely.

MARKO PENCAK: Almost all of it? Okay. And just while we're on training here, is the formalization with the Emirates into a joint venture company, does that have any meaningful impact on your financials?

ROBERT E. BROWN: I think the only impact it has is we now, before it was a revenue sharing agreement.

MARKO PENCAK: Um-hmm.

ROBERT E. BROWN: Now it's a full joint venture. So there's P&L and a balance sheet and management of costs, which is something that I think both the parties really wanted to have so we can run this in a much more normal business-like fashion. And there's some incremental effect over time with regard to some benefits that will flow from the structure that we have set up. But we haven't taken them once. We're doing it over time.

MARKO PENCAK: But would that mean, for example, the margin that you record from that business... You might be sort of reporting it differently, from a technical accounting perspective but in terms of the actual P&L impact, would there be any material change?

ROBERT E. BROWN: Alain?

ALAIN RAQUEPAS: Not that much, Marko, until some of the potential cost synergy and operational benefit that Bob just talked about will crystallize.

MARKO PENCAK: Okay. No, I just want to make sure there isn't some sort of a mismatch between the cost and the revenues that you're getting from that today. But it sounds like that's still going to be the same.

ROBERT E. BROWN: Yes, about the same, I'd say.

MARKO PENCAK: Okay. And the last question that I had was you mentioned in your civil equipment side the sale of a capital lease-type sales.

ROBERT E. BROWN: Yes.

MARKO PENCAK: And you mentioned how it boosted revenue in the quarter because of the revenue recognition. Would it have had any impact on your margin or would that still be flowing through at a sort of a normal margin?

ROBERT E. BROWN: Normal margin.

MARKO PENCAK: Okay, great. Thanks very much.

OPERATOR: Thank you. The next question is from Ihor Danyliuk, from Merrill Lynch. Please go ahead.

IHOR DANYLIUK: Thank you. Bob, one question. With regards to the training and civil margins, as we go forward in the decade and the expansion consolidation and construction, it becomes a smaller percentage of your total operations, what kind of sustainable margin are you looking at for that business?

ROBERT E. BROWN: Yes, I think this is a business, because of seasonality, you've really got to look at it over a sort of a four-quarter annualised basis and we're trying to get to around or just below the 20-per-cent level.

IHOR DANYLIUK: On a sustainable annual basis?

ROBERT E. BROWN: Yes, I think so.

IHOR DANYLIUK: Okay. You were at 22 per cent in the first quarter. I realize it's seasonal. And although it wasn't under your stewardship, you know, when Derek first expanded into pilot training the goal was to more of a flight safety type of margins, which were, say in the high 20s, low 30 per cent. Are you low balling at 20 per cent? Are you being conservative?

ROBERT E. BROWN: No, we're not at all. I think that what you've got to look at is that with the sale in lease-back, you have to add maybe four, five points. If you compare that margin, adding the sale and leaseback, because the sale and leaseback occurs below the line, not above the line, you'll find that the margins are about the same as flight safety. I think that this is a competitive margin. It's a place I think where we should try and get to. The other thing I would add is we're doing this at very different exchange rates than existed at the time.

IHOR DANYLIUK: Okay, thank you very much.

ROBERT E. BROWN: Welcome.

OPERATOR: Thank you. The next question is from Brian Morrison, from TD Newcrest. Please go ahead.

BRIAN MORRISON: Yes good morning, Bob. Just with respect to the global training academy, back on CAE day you did mention that your initial concern with this platform was sign up airlines and not cadets but that the opposite had in fact occurred. I'm just wondering if you can give us an update how airline demand has progressed? How is the pursuit of cadets improved? And how quickly can you get up to 2,000 pilots and has this number moved up or moved forward?

ROBERT E. BROWN: Yes, I think we pretty well stay with what we said before. We're still looking at a couple of thousand cadets that we can do and with the cadets that we've got signed up right now, I think we've talked about 600, something like that, in the existing schools that we have.

We basically have a match as it relates to the demand side. I'm feeling pretty good that as we go forward and

we add on schools, that we're going to be able to match the demand with the people that we're going to produce. I'm feeling quite good about all of it.

BRIAN MORRISON: Has peak number of 2,000, has that changed at all with the heightened demand?

ROBERT E. BROWN: I don't think that's necessarily a peak. I think that again, we're taking a measured approach here, a conservative approach to make sure that we can go into this area and execute from a timing point of view and from a quality point of view. I think that's the best way to approach it. If there is some upside, it'll come. I think the 2,000 number we have is pretty solid.

BRIAN MORRISON: And what year do you think you could get there, ballpark?

ROBERT E. BROWN: I think that's going to take a couple of years.

BRIAN MORRISON: Thank you very much.

OPERATOR: Thank you. The next question is from Robert Fay, from Canaccord Adams. Please go ahead.

ROBERT FAY: Just a couple of questions. First of all, on your civil sim business that you're selling, what are you seeing other third-party providers on the training side? Are you seeing any demand from them other than flight simulation company?

ROBERT E. BROWN: Third party, that would people like, say, PanAm or others like that?

ROBERT FAY: That's correct.

ROBERT E. BROWN: Yes, we don't see much from them, no.

ROBERT FAY: So you're not seeing much growth in them, maybe other than maybe Alteon and then Flight Training.

ROBERT E. BROWN: Yes, I guess that Alteon, yes, that would be the only one, I guess, Bob.

ROBERT FAY: Okay. And one other question, I guess. How is CAE positioning themselves with the multi-crew licensing coming? We're hearing some comments from one of your competitors, at least, that level B simulators are starting to become more usage, if that starts to take hold.

ROBERT E. BROWN: Yes, I think that we listen to the customer. If that's what the customer wants, that's what they'll get. We think we're very well positioned to meet any situation that may arrive there coming forward in the next period of time. I think our record and our relationships with the customers are very, very good. The feedback we're getting from them is very good. We, quite frankly, don't see a huge demand in this area but it's clearly an area that we'll need to address and I think we'll be able to do it.

ROBERT FAY: You don't see multi-crew licensing being a big part of the market?

ROBERT E. BROWN: Yes, well I think there'll be something there but I don't see a lot.

ROBERT FAY: Okay, thank you.

OPERATOR: Thank you. The next question is from Horst Hueniken, from Westwind Partners. Please go ahead.

HORST HUENIKEN: Thank you. In your simulation products, civil segment, in the notes it's disclosed that you have started recording at least a portion of your sales using sale-type capital lease transactions, which helps explain the revenue growth in the latest quarter. I'm just trying to determine how much of that revenue growth was due to this accounting change?

ALAIN RAQUEPAS: Yes, in fact it's not necessarily an accounting change. We do not intend to use that method to recognize revenue. We were forced to do it on two simulators, so to one of our key strategic partners, and that sales contract included some special features that brought us into lease accounting. That's why we were unable to recognize the transaction as we do normally with the percentage of completion method. It's exceptional and it happened in the quarter.

HORST HUENIKEN: So you're inferring that it won't happen, or at least not materially so in future quarters. But I'm still trying to determine how much it did distort this particular quarter?

ALAIN RAQUEPAS: Yes, if you would normalize it because we would have had a portion of the POC if we would have POC'd it. I guess 15 million on the top line is probably the number to use.

HORST HUENIKEN: All right. Thank you very much. That's all for me.

ALAIN RAQUEPAS: You're welcome.

ANDREW ARNOVITZ: Operator, I think that's all the time we have for questions from investors. We need to save some time for media. I think we'll switch and open the line to the media now.

OPERATOR: Thank you. So we'll now take questions from the media. Please, if you have any questions, please press * 1 at this time.

The first question is from Robert Gibbons, from the Montreal Gazette. Please go ahead.

ROBERT GIBBONS: Could you just clarify the NH90 situation because the deliveries have been delayed quite a long time. I know it was a very important contract at the time you announced it. Could you clarify it, please?

ROBERT E. BROWN: Yes, I think that the NH90 is proceeding. There are a number of conversations or discussions that are underway, and I think that we're going to see, at the start of our new fiscal year, during next year, you're going to see the letting of some contracts and I think that we're well positioned to win our fair share.

ROBERT GIBBONS: Okay. Thanks.

OPERATOR: Thank you. Once again, do not hesitate to press * 1 for any questions or comments. We don't have any more questions from the media.

ANDREW ARNOVITZ: All right. I want to thank all participants for joining us this afternoon and remind you that a transcript of today's presentation can be found on our website, www.cae.com, as well as a replay on the (inaudible). Thank you very much.

OPERATOR: Thank you, Mr. Arnovitz. The conference has now ended. Please disconnect your line at this time. We thank you for your participation and have a great day.
