



Press release

CAE awarded defence contracts valued at more than C\$175 million

- **KC-130J/C-130J fuselage trainers for U.S. Marine Corps and U.S. Air Force Special Operations Command**
- **In-service support for RCAF CF-18 fighters**
- **In-service support for RCAF C295W Fixed-Wing Search and Rescue training program**

Montreal, Canada, July 18, 2017 – (NYSE: CAE; TSX: CAE) – CAE today announced that it has been awarded defence contracts on a range of platforms valued at more than C\$175 million to provide simulation products, training services and in-service support for global military customers.

These contracts, awarded during CAE's first quarter of fiscal year 2018, involve programs that highlight CAE's position on major platforms and its Training Systems Integrator strategy. They include Lockheed Martin to support development of five C-130J fuselage trainers for the U.S. Marine Corps and U.S. Air Force Special Operations Command; L3 MAS to continue providing CF-18 in-service support services for the Royal Canadian Air Force's CF-18 fleet; and Airbus Defence and Space to provide in-service support for the C295W Fixed-Wing Search and Rescue training program for the Royal Canadian Air Force.

"These orders augment the long-term, recurring revenue profile of our defence business," said Gene Colabatistto, CAE's Group President, Defence & Security. "Original equipment manufacturers and global militaries continue to recognize our training and simulation experience on enduring platforms, such as the C-130J, which combined with a positive defence environment continues to provide us a healthy pipeline of opportunities around the world."

Fact Sheet for Defence Trade Media

Lockheed Martin/USMC/AFSOC

CAE USA has been awarded a subcontract from Lockheed Martin to support the development of four KC-130J fuselage trainers (FuT) for the United States Marine Corps (USMC). CAE will leverage the design of the CC-130J FuT delivered to the Royal Canadian Air Force and provide a range of simulation systems for the USMC KC-130J FuTs, including instructor operator station (IOS), aircraft interface monitor, virtual cargo compartment and virtual simulator. The KC-130J FuTs will be delivered to Marine Corps Air Stations (MCAS) in Cherry Point, Miramar, and Iwakuni, Japan during 2020 and 2021, as well as to Naval Air Station Fort Worth, Texas in 2022. The KC-130J FuTs will be co-located with existing KC-130J weapon systems trainers (WSTs) so they can be networked to provide comprehensive full-crew mission training.

In addition, CAE USA has been subcontracted by Lockheed Martin to support the development of an HC/MC-130J enhanced fuselage trainer (eFuT) for the United States Air Force Special

Operations Command. The HC/MC-130J eFuT will provide comprehensive loadmaster training and will be delivered to Kirtland AFB in 2020.

L3 MAS/Royal Canadian Air Force

L3 MAS, a subsidiary of L3 Technologies, has issued an order for CAE to continue providing a range of in-service support solutions for the Royal Canadian Air Force's CF-18 aircraft. CAE will provide avionics software upgrades, integrated logistics support and data management services. L3 MAS has been the prime contractor on the CF-18 in-service support program since 1986, and CAE has been performing systems engineering support services for the CF-18 fleet for over 30 years.

Airbus Defence and Space

CAE has booked orders from Airbus Defence & Space related to in-service support (ISS) for the C295W Fixed-Wing Search and Rescue (FWSAR) training program for the Royal Canadian Air Force. During the in-service support phases, CAE will be responsible for providing a range of training services, including training device upgrades and maintenance, hardware and software engineering, courseware updates, technology insertion and obsolescence management, and other in-service support services.

About CAE

CAE's Defence & Security business unit focuses on helping prepare our customers to develop and maintain the highest levels of mission readiness. We are a world-class training systems integrator offering a comprehensive portfolio of training centres, training services and simulation products across the air, land, sea and public safety market segments. We serve our global defence and security customers through regional operations in Canada; the United States/Latin America; Europe/Middle East/Africa; and Asia/Pacific, all of which leverage the full breadth of CAE's capabilities, technologies and solutions.

CAE is a global leader in training for the civil aviation, defence and security, and healthcare markets. Backed by a 70-year record of industry firsts, we continue to help define global training standards with our innovative virtual-to-live training solutions to make flying safer, maintain defence force readiness and enhance patient safety. We have the broadest global presence in the industry, with over 8,500 employees, 160 sites and training locations in over 35 countries. Each year, we train more than 120,000 civil and defence crewmembers and thousands of healthcare professionals worldwide. www.cae.com

Follow us on Twitter @CAE_Inc and @CAE_Defence

- 30 -

CAE contacts:

Hélène V. Gagnon, Vice President, Public Affairs and Global Communications,
+1-514-340-5536, helene.v.gagnon@cae.com

Trade media:

Chris Stellwag, Director, Marketing Communications – Defence and Security,
+1-813-887-1242, chris.stellwag@cae.com

Investor relations:

Andrew Arnovitz, Vice President, Strategy and Investor Relations,
+1-514-734-5760, andrew.arnovitz@cae.com

