



Press Release

CAE Healthcare acquires METI and becomes a leader in simulation-based technology for healthcare

Montreal, Canada and Sarasota, USA, August 24, 2011 – CAE Healthcare, a division of CAE, and Medical Education Technologies, Inc. (METI), a worldwide leader in medical simulation technologies and educational software, today announced that CAE Healthcare has acquired METI for US\$130 million. With this acquisition, CAE Healthcare gains important global market access, significantly expands its product and services offering and becomes a leader in simulation-based technology for healthcare. CAE Healthcare acquired 100% of the shares of METI, whose main operations are located in a state-of-the-art 76,000 square foot facility in Sarasota, Florida, USA, as well as in Hungary and Germany.

“The acquisition of METI is an important step in the advancement of our healthcare strategy because it expands CAE Healthcare’s product portfolio and gives it much greater market access,” said Marc Parent, CAE’s President and Chief Executive Officer. “With this acquisition, our New Core Markets segment, comprised of CAE Healthcare and CAE Mining, achieves greater critical mass. We expect this segment to achieve more than C\$120 million of revenue and to be profitable in fiscal 2013. METI is a premier organization with a global customer footprint and distribution channels, an extensive portfolio of products and services, a solid management team and a proven track-record of profitability and customer service. We welcome Michael Bernstein, CEO of METI, who becomes President of CAE Healthcare, we welcome the METI team and look forward to providing our new and existing customers with the most innovative, best-in-class training solutions and continuous service support.”

“The opportunity to become part of CAE, the de facto standard in the world of simulation, is great for our employees, our customers and for the healthcare community as a whole,” said Michael Bernstein, CEO of METI. “By joining a world-leading company with CAE’s credibility and a track record of improving quality, safety and efficiency with simulation-based training, we will be able to take the healthcare simulation industry to an entirely new level.”

METI (www.meti.com) has over 200 employees and works with a team of 50 clinical educators. The company’s revenues currently exceed US\$60 million. The entire family of METI simulators, including baby, pediatric and adult, are designed to mimic human medical scenarios including trauma, heart attack, drug overdose and effects of bioterrorism. Today, approximately 6,000 METI simulators are in use worldwide by medical schools, nursing schools, hospitals, defence forces and other entities involved in healthcare education and training. The company has a network of more than 40 distributors in 40 countries.

CAE has issued US\$150 million of senior notes in a private placement to fund the METI acquisition and to replace other existing obligations at lower interest costs. The average maturity is 11.7 years with an average interest rate of approximately 4.5%.

Conference call for financial analysts

CAE will host a conference call and webcast (the webcast will be accompanied with slides) to discuss the acquisition today at 10:30 a.m. ET. The call is intended for financial analysts and institutional investors. Participants can listen to the conference by dialling + 1-877-577-9983 or + 1-416-981-9024. The webcast accompanied with slides will be live and accessible via www.cae.com.

About CAE Healthcare

CAE Healthcare offers cutting-edge learning tools and innovative simulation solutions to healthcare professionals, allowing them to develop practical experience on multiple simulation platforms before testing their skills on patients. The ultimate goal is to improve clinical competence and expertise and enhance the quality and safety of patient care and the efficiency of healthcare systems. www.cae.com/healthcare

About CAE

CAE (NYSE: CAE; TSX: CAE), is a global leader in modeling, simulation and training for civil aviation and defence. The company employs more than 7,500 people at more than 100 sites and training locations in more than 20 countries. Through CAE’s global network of 32 civil aviation, military and helicopter training centres, the company trains more than 80,000 crewmembers yearly. CAE’s business is diversified, ranging from the sale of simulation products to providing comprehensive services such as training and aviation services, professional services and in-service support. The company aims to apply its simulation expertise and operational experience to help customers enhance safety, improve efficiency, maintain readiness and solve challenging problems. CAE is now leveraging its simulation capabilities in new markets such as healthcare and mining. www.cae.com

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Contacts:

Nathalie Bourque, Vice President, Public Affairs and Global Communications,
+1-514-734-5788, nathalie.bourque@cae.com

Pascale Alpha, Director, Global Communications, +1-514-340-5475, pascale.alpha@cae.com

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