



## Press Release

### AirAsia and CAE extend business relationship

- **CAE to acquire AirAsia's shares of the Asian Aviation Centre of Excellence**
- **AirAsia to fully outsource its training to CAE**

**Montreal, Canada, August 24, 2017** - AirAsia and CAE (NYSE: CAE; TSX: CAE) have concluded a sale and purchase agreement concerning the Asian Aviation Centre of Excellence (AACE), which is currently a 50:50 CAE-AirAsia joint venture. The transaction of US\$100 million (including earn-out) will give CAE full control over AACE's three training centres – located in Sepang, Malaysia; Singapore; and Ho Chi Minh City, Vietnam – as well as its share of the Philippine Academy of Aviation Training (PAAT), a joint-venture training centre between AACE and Cebu Pacific, located in Manila, Philippines.

"CAE and AirAsia have been close partners since 2004, and we created AACE together in 2011. This new agreement is a natural evolution of our relationship and a win-win for both organizations," said **Marc Parent, CAE President and Chief Executive Officer**. "It allows AirAsia to concentrate on its core business by completely outsourcing its training needs to CAE, and it allows CAE to expand its footprint in Asia Pacific, the fastest-growing aviation market."

CAE will remain AirAsia Group's exclusive training partner. The largest low-cost carrier in Asia has extended its existing contract for all training requirements for AirAsia and for that of its affiliates in support of all aircraft types it operates up until 2036.

"We've had CAE as our training partner of choice for many years now and it has been a great success. Our first MPL cadets trained by CAE are now flying as captains, and we put our full trust in CAE to fulfill our training needs at the highest quality level, as we continue to grow," said **Tony Fernandes, Group Chief Executive Officer of AirAsia**. "AirAsia is rich in assets but our core business is passenger service and ancillary, and we will continue to regularly dispose of non-core investments and dividend most of it out, subject to board approval. This stake sale is just part of our long-term plan to monetize all our assets. We are also working on several other divestments of valuable assets including our leasing arm, which is imminent."

Marc Parent added: "We are very proud of what we have accomplished with AirAsia in creating AACE. We'd like to thank AACE employees for setting the standard and creating a great training experience, and we welcome them to CAE. Together we will continue to shape the future of training."

AACE offers training for pilots, cabin crew, maintenance engineers, technicians, and ground services personnel on the Airbus A320, A330, and Boeing B737NG platforms.

The closing of the transaction is subject to customary closing conditions, including regulatory approvals. TD Securities acted as financial advisor to CAE.

#### About CAE

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 more than 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](http://www.cae.com)

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**About AirAsia**

AirAsia, the world's leading low-cost carrier, services an extensive network of over 120 destinations across Asia Pacific. Since starting operations in 2001, AirAsia has carried more than 400 million guests and grown its fleet from just two aircraft to over 200. The airline is proud to be a truly Asean (Association of Southeast Asian Nations) airline with established operations based in Malaysia, Indonesia, Thailand and the Philippines as well as India and Japan, servicing a network stretching across Asia, Australia and New Zealand, the Middle East and the US. AirAsia has been named the World's Best Low-Cost Airline at the annual Skytrax World Airline Awards nine times in a row from 2009 to 2017. AirAsia was also awarded World's Leading Low-Cost Airline for the fourth consecutive year at the 2016 World Travel Awards, where it beat a field of full-service carriers to become the first ever low-cost carrier to win World's Leading Inflight Service.

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**Photos of an event held at CAE in Montreal to celebrate the partnership will be available for download later today at [www.cae.com/photos](http://www.cae.com/photos)**

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