

Press Release

BAE Systems awards CAE contract to develop three Hawk full-mission simulators for the Royal Australian Air Force

Montreal, August 8, 2013 – (NYSE: CAE; TSX: CAE) – CAE today announced that it was awarded a contract by BAE Systems to provide three Hawk Mk127 full-mission simulators for the Royal Australian Air Force (RAAF).

The Hawk Mk127 full-mission simulators are part of a comprehensive upgrade and training systems support package that BAE Systems will be providing to the RAAF under the Project AIR5438 program. The contract was awarded during CAE's first quarter of fiscal 2014.

"Upgrading the Hawk aircraft and support systems is key to assuring the ongoing effectiveness of the training capability to prepare our fast jet aircrews for future generations of fighter aircraft," said Daniel Reid, Group Captain and Officer Commanding, Tactical Fighter Systems Program Office, Royal Australian Air Force. "With increasing dependency on simulation in this environment, it is essential that students are exposed to state-of-the-art simulation from the time they commence flying fast jet aircraft."

Reid continued, "The new Hawk simulators will have the latest visual technology and will be qualified for use, lessening the reliance on airborne training events and providing additional training capacity for the Hawk fleet. We look forward to working with BAE Systems and CAE, utilising both companies' respective expertise to deliver a leading edge simulation capability."

CAE will design and manufacture three Hawk Mk127 full-mission simulators that will each include a high-fidelity replica of the Hawk cockpit surrounded by an 11-foot projection dome display featuring the CAE Medallion-6000 image generator and Boeing's Constant Resolution Visual System. The Hawk Mk127 full-mission simulators will also feature the CAE-developed common database (CDB), an open database architecture that enhances the ability to correlate and rapidly update databases to support training and mission rehearsal requirements. The simulators will be delivered to RAAF Base Williamtown and RAAF Base Pearce in 2016 and 2017.

"We are pleased CAE has been selected to support the lead-in fighter aircrew training for the RAAF," said Peter Redman, Managing Director of CAE Australia Pty Ltd. "The Australian Defence Forces fully understand the benefits of simulation-based training, and the increased use of high-fidelity training devices such as these Hawk simulators will deliver excellent value and enhanced training capabilities."

CAE is a global leader in modelling, simulation and training for civil aviation and defence. The company employs approximately 8,000 people at more than 100 sites and training locations in approximately 30 countries. CAE offers civil aviation, military and helicopter training services in more than 45 locations worldwide and trains approximately 100,000 crew members yearly. In addition, the CAE Oxford Aviation Academy offers training to aspiring pilot cadets in 11 CAE-operated flight schools. CAE's business is diversified, ranging from the sale of simulation products to providing comprehensive services such as training and aviation services, integrated enterprise solutions, in-service support and crew sourcing. The company applies 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. More information can be found at www.cae.com.

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- 30 -

A high resolution photo is available for download at www.cae.com/photos. Caption: CAE will design and manufacture three Hawk full-mission simulators for the Royal Australian Air Force, similar to the Hawk FMS shown here that CAE delivered to the RAF in 2010.

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