



Trade Press Release

CAE Healthcare acquires Immersion medical simulation product lines and licenses TouchSense technology

- Acquisition marks launch of CAE Healthcare in surgical simulation market
- Immersion focuses on licensing business model

Montreal, Canada and San Jose, CA, USA, March 30, 2010 – CAE Healthcare, a division of CAE (NYSE: CAE; TSX: CAE), and Immersion (NASDAQ: IMMR), a leading innovator of haptic (touch feedback) technology, today announced that CAE Healthcare has acquired part of Immersion's medical simulation business unit. Three product lines are part of the acquisition and will form the core offerings of CAE Healthcare's newly established surgical simulation division.

The acquisition of Immersion's assets supports CAE Healthcare's strategy to provide a full range of best-in-class medical education and simulation solutions across a worldwide market. The agreement includes Immersion's Endoscopy AccuTouch™, Laparoscopy Virtual Reality (VR), and Endovascular CathLab VR simulators. These surgical simulators allow surgeons to practice procedures and acquire skills to perform minimally invasive surgeries, including bronchoscopies, upper and lower gastrointestinal endoscopies and cardiac valve replacements. More than 500 of these systems have been installed worldwide. In addition, Immersion will grant CAE Healthcare a non-exclusive worldwide license for the TouchSense™ haptic technology in medical training applications.

"We are committed to delivering the best training solutions to improve patient safety, and the acquisition of Immersion's surgical training systems will accelerate our entry in the growing surgical simulation market," said Guillaume Hervé, President of CAE Healthcare. "We welcome the Immersion team, and look forward to providing our new customers with continuous service support. By combining the expertise of the Immersion team with CAE's more than six decades of modelling, simulation and training experience, we intend to offer a complete solution for surgical simulation."

Immersion's medical line of business designs, manufactures, and markets computer-based virtual reality simulation training systems with realistic touch feedback that allows clinicians and students to practice and improve minimally invasive surgical skills in an environment that poses no risk to patients. The advanced haptics are fundamental in providing an unequalled learning experience as they provide simulation on how a procedure or exercise actually feels. The medical business unit includes more than 30 employees in North America, a network of surgical subject matter experts, as well as 14 distributors and sales offices in Europe, Asia Pacific and South America.

"We are proud of the pioneering work that we have accomplished in the surgical simulation market," said Victor Viegas, Interim CEO of Immersion. "We believe that CAE Healthcare provides a great opportunity for our medical employees, customers, and distributors to take our

simulation business forward. At Immersion, we will focus our core strategy on what we do best – building reference designs and licensing TouchSense haptics solutions to all markets, including healthcare. We welcome CAE Healthcare as a new customer as we continue to capitalize on the medical market through our licensing model.”

About Immersion

Haptic (touch) technology is the future of user experience in digital devices. Founded in 1993, Immersion (NASDAQ: IMMR) harnesses human touch to create user experiences that deliver a more compelling sense of the digital world. Using one of Immersion's adaptable high fidelity haptic systems, partners can achieve a competitive advantage and greater revenue opportunities with products that are more intuitive, satisfying, efficient, and safe. With Immersion technology, world-class companies can deliver improved user experiences in products such as widely popular video games, leading video console gaming systems, advanced automotive driver controls, and award-winning mobile phones. With over 800 issued or pending patents in the U.S. and other countries, Immersion is the leading innovator in touch-enabled user experiences that bring the digital universe to life. (www.immersion.com)

About CAE Healthcare

CAE Healthcare is a wholly-owned subsidiary of CAE (NYSE: CAE; TSX: CAE), a world leader in providing simulation and modelling technologies and integrated training solutions for the civil aviation industry and defence forces around the globe. CAE Healthcare is applying CAE's training, simulation and modelling know-how from aviation to bring best practices to healthcare. It is developing cutting-edge learning tools and innovative simulation solutions for healthcare education with the objective of offering healthcare professionals the opportunity 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 is a world leader in providing simulation and modelling technologies and integrated training solutions for the civil aviation industry and defence forces around the globe. With annual revenues exceeding C\$1.6 billion, CAE employs more than 6,500 people at more than 90 sites and training locations in 20 countries. We have the largest installed base of civil and military full-flight simulators and training devices. Through our global network of 29 civil aviation and military training centres, we train more than 75,000 crewmembers yearly. We also offer modelling and simulation software to various market segments and, through CAE's professional services division, we assist customers with a wide range of simulation-based needs. www.cae.com

Immersion Forward-looking Statements

This press release contains “forward-looking statements” that involve risks and uncertainties, as well as assumptions that, if they never materialize or prove incorrect, could cause the results of Immersion Corporation and its consolidated subsidiaries to differ materially from those expressed or implied by such forward-looking statements. All statements, other than the statements of historical fact, are statements that may be deemed forward-looking statements, including, but not limited to, statements related to Immersion’s future business model.

Immersion’s actual results might differ materially from those stated or implied by such forward-looking statements due to risks and uncertainties associated with Immersion’s business, which include, but are not limited to, the effects of the current macroeconomic climate; delay in or failure to achieve commercial demand for Immersion’s products or technologies; the fact that products into which our technology is designed may never be developed into commercial products; potentially lengthy sales cycles in seeking design wins; lengthy product development cycles;

unanticipated difficulties and challenges encountered in product development efforts; the fact that the products into which Immersion's technology is designed may never achieve commercial acceptance; the reliance of third parties to sell products incorporating Immersion's technologies, and those third parties may not be able to achieve significant sales of the products; the potential for future IP litigation and the significant costs associated with any litigation; Immersion's ability to attract and retain key personnel; and other factors. Many of these risks and uncertainties are beyond the control of Immersion.

For a more detailed discussion of these factors, and other factors that could cause actual results to vary materially, interested parties should review the risk factors listed in Immersion's Form 10-K, which is on file with the U.S. Securities and Exchange Commission. The forward-looking statements in this press release reflect Immersion's beliefs and predictions as of the date of this release. Immersion disclaims any obligation to update these forward-looking statements as a result of financial, business, or any other developments occurring after the date of this release.

– 30 –

CAE contacts:

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

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

Immersion Investor Contact:

The Blueshirt Group

Alex Wellins

+1-415-217-5861

alex@blueshirtgroup.com