

Trade Press Release

CAE Healthcare to expand surgical simulation portfolio through distributor agreement with VirtaMed

Montreal, Canada, January 9, 2015 - CAE Healthcare announced today that it will broaden its medical simulation product portfolio to include VirtaMed interventional simulators for arthroscopic, urologic and gynecologic procedures. CAE Healthcare and VirtaMed are showcasing the simulators at the International Meeting for Simulation in Healthcare (IMSH) in New Orleans, United States, the largest annual medical simulation conference in the world.

Swiss-based VirtaMed has developed a unique arthroscopic simulator, the VirtaMed ArthroS™, which allows orthopedic residents to practice knee and shoulder surgery with real instruments. The virtual reality system enables learners to gain experience with a breadth of patient cases and gain instant feedback within a safe environment. CAE Healthcare now has the rights to distribute VirtaMed's ArthroS™, HystSim™, PelvicSim™ and UroSim™ simulators in Canada and the United States.

"VirtaMed offers sophisticated products that will add depth to our surgical simulation solutions offering," said Dr. Robert Amyot, President of CAE Healthcare. "The Swiss Society for Orthopedics and Traumatology (SGOT) has used the VirtaMed ArthroS during the board exam for specialists in orthopedic surgery and traumatology since 2013. The orthopedic market is adopting simulation, and we look forward to providing the ArthroS to medical schools and residency programs in Canada and in the United States."

"I am excited about the collaboration agreement with CAE for North America. It is a great opportunity for us to work with such an experienced company in our quest to improve the quality of physician education and patient safety," stated Dr. Stefan Tuchschmid, CEO at VirtaMed. "Since all our simulators are complementary to the CAE product portfolio, this collaboration is a perfect fit!"

CAE Healthcare's line of interventional simulators includes the LapVR $^{\text{\tiny{TM}}}$ for the practice of general and Ob/Gyn laparoscopic procedures, the EndoVR $^{\text{\tiny{TM}}}$ for gastrointestinal and bronchial endoscopy, and the CathLabVR $^{\text{\tiny{TM}}}$, which simulates cardiac and peripheral vascular procedures.

High resolution photos of the VirtaMed ArthroS $^{\text{\tiny{TM}}}$ are available for download at www.cae.com/photos.

About CAE Healthcare

CAE Healthcare offers cutting-edge learning tools to healthcare students and professionals, allowing them to develop practical experience through risk-free simulation training before treating real patients. CAE Healthcare's full spectrum of simulation solutions includes surgical and imaging simulation, curriculum, the LearningSpace audiovisual and center management platform and highly realistic adult, pediatric and baby patient simulators. Today, approximately 9,000 CAE Healthcare simulators and audiovisual solutions are in use worldwide by medical schools, nursing schools, hospitals, defense forces and other entities, www.caehealthcare.com

About CAE (NYSE: CAE; TSX: CAE)

CAE is a global leader in providing comprehensive training solutions based on world-leading simulation technology and integrated training services. The company employs 8,000 people at more than 160 sites and training locations in 35 countries. Our vision is to be our customers'

Partner of Choice and we take a long-term approach to customer relationships. We offer our civil aviation and defense and security customers a complete range of highly innovative product, service and training center solutions designed to help them meet their mission critical needs for safety, efficiency and readiness. We provide similar solutions to customers in healthcare and mining. CAE has the largest installed base of civil and military flight simulators, supported by a range of after-sales services, and has been serving the needs of its customers for nearly 70 years. We have the broadest training services network in the world and offer civil aviation, military and helicopter training services in 67 locations worldwide and train more than 120,000 civil and military crewmembers annually. www.cae.com

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About VirtaMed AG

VirtaMed is a Swiss company with an interdisciplinary background in medicine and engineering. Our mission is to develop state-of-the-art training tools for endoscopic surgery of highest possible realism, all with the ultimate goal to improve the quality of patient care.

VirtaMed's virtual reality simulators provide instructional teaching and training of different diagnostic and therapeutic endoscopic interventions. The simulator family includes HystSim TM for hysteroscopic interventions, UroSim TM for prostate resection and bladder tumors, ArthroS TM for knee and shoulder arthroscopy and PelvicSim TM for IUD insertion and hysteroscopy.

Teaching institutions and medical device companies use VirtaMed's simulators globally for education and hands-on training. For more information on upcoming events and demo opportunities please visit www.virtamed.com

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CAE contacts:

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

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