

Trade Press Release

CAE King Air 350 full-flight simulator to support Royal Australian Air Force certified to Level D

Sydney, Australia, December 17, 2013 – (NYSE: CAE; TSX: CAE) – CAE today announced that the CAE 5000 Series King Air 350 full-flight simulator (FFS) now installed at a new training facility in Sale, Victoria in Australia has recently been certified by the Australian Civil Aviation Safety Authority (CASA) to Level D, the highest qualification for flight simulators.

The CAE 5000 Series FFS representing the Beechcraft King Air 350 aircraft with Proline II cockpit will be used by the Royal Australian Air Force (RAAF) for pilot training, as well as for undergraduate training for RAAF Air Combat Officer's (ACO) and Royal Australian Navy (RAN) Aviation Warfare Officer's (AvWO). Under the innovative contractor-owned, contractor-operated model, CAE will provide simulator services through 2018.

"Achieving this milestone represents a key step in the program and positions the RAAF to commence training from early 2014," said Peter Redman, Managing Director of CAE Australia. "We are honoured the Australian Defence Force has worked closely with CAE to take an innovative approach to long-term simulator services under a contractor-owned and contractor-operated model. We believe this approach to training service delivery can help our military customers save money, decrease risk, secure investment and contribute to enhanced training effectiveness."

The CAE 5000 Series FFS features the CAE Medallion-6000 image generator and includes highfidelity databases of the Sale, Victoria area as well as other ADF operating bases. In addition to basic flight and emergency procedures, the simulator will be used to train a variety of missions, including tactical navigation training, tactical support, maritime surveillance and light transport. CAE has worked closely with the ADF and local industry in Sale, Victoria to construct a turnkey training facility that can be expanded or reconfigured based on future needs and requirements.

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 50 locations worldwide and trains approximately 100,000 crew members yearly. In addition, the CAE Oxford Aviation Academy offers training to aspiring pilot cadets in 10 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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Note to editors: High resolution photos of CAE King Air 350 full-flight simulator as well as the new facility in Sale, Australia, are available at <u>www.cae.com/photos</u>

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