



Trade Press Release

CAE USA wins US\$450 million Army contract to provide rotary-wing flight training instructor support services

- **Expected program value, including options, of more than US\$450 million over next nine years**
- **CAE instructors to deliver academic, simulator, and live flying training to U.S. Army helicopter pilots**

Tampa, Florida, USA, January 12, 2017 – (NYSE: CAE; TSX: CAE) – CAE today announced that CAE USA has been awarded a United States Army contract to provide rotary-wing flight training instructor support services. Under terms of the contract, which was awarded as a cost-plus-fixed-fee contract for over US\$50 million for the transition and base one-year period, CAE USA will provide classroom, simulator, and live flying instructor support services for the U.S. Army's Aviation Center of Excellence (USAACE) at Fort Rucker, Alabama.

The total value of the contract, including the one-year base contract and then eight one-year options through March 31, 2026, is expected to be more than US\$450 million.

"We are honored the U.S. Army selected CAE once again as its training partner to support the instruction required for its new helicopter pilots," said Ray Duquette, President and General Manager, CAE USA. "This contract for rotary-wing training instruction follows a major contract awarded by the U.S. Army to CAE for fixed-wing flight training that will see us open a new training center in Dothan, Alabama in March. This is yet another example of CAE's strategy to focus on long-term training services that leverage our training systems integration expertise."

The U.S. Army's Initial Entry Rotary-Wing (IERW) training program is responsible for providing the training required to qualify new Army helicopter pilots. Approximately 900 students annually receive academic (classroom), simulator, and live flying training on TH-67 Creek and UH-72 Lakota helicopters. Following graduation from the IERW training program, aviators are assigned to continue helicopter training on one of the Army's frontline combat helicopters (UH-60 Black Hawk, AH-64 Apache, or CH-47 Chinook) or transition to the Army fixed-wing flight training program that is also run by CAE. The Army's IERW program also supports initial helicopter training for the U.S. Air Force.

Approximately 300 people will become CAE employees and will be based at Fort Rucker. CAE will be supported on the program by small business subcontract partners, including Navigator Development Group and Cardinal Point.

About CAE

CAE's Defense & Security business unit focuses on helping prepare our customers to develop and maintain the highest levels of mission readiness. We are a world-class training systems integrator offering a comprehensive portfolio of training centers, training services and simulation products across the air, land, naval and public safety market segments. We serve our global defense and security customers through regional operations in Canada; the United States/Latin America; Europe/Middle East/Africa; and Asia/Pacific, all of which leverage the full breadth of CAE's capabilities, technologies and solutions.

CAE is a global leader in training for the civil aviation, defense 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 defense force readiness and enhance patient safety. We have the broadest global presence in the industry, with 8,000 employees, 160 sites and training locations in over 35 countries. Each year, we train more than 120,000 civil and defense crewmembers and thousands of healthcare professionals worldwide. www.cae.com

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