



## Press Release

### CAE USA wins U.S. Air Force KC-135 Aircrew Training System contract

- **Expected program value, including options, of more than US\$250 million over ten years**
- **CAE USA to provide aircrew training services for USAF's KC-135 tanker aircraft**

*Tampa, Florida, USA, December 13, 2010* – (NYSE: CAE; TSX: CAE) – CAE today announced that CAE USA has been awarded a United States Air Force (USAF) contract to provide comprehensive KC-135 aircrew training services. Under terms of the contract, which was awarded as a nine-month base contract for approximately US\$20 million with nine one-year options, CAE USA will provide aircrew training services at 13 USAF bases in the United States and internationally where more than 3,500 KC-135 pilots, co-pilots, and boom operators train annually.

Over ten years, the contract, including the base contract and nine one-year options, is expected to produce revenues of more than US\$250 million.

“Winning the U.S. Air Force KC-135 Aircrew Training System program as a prime contractor is an important milestone for CAE USA,” said John Lenyo President and General Manager, CAE USA. “We are honored and proud the USAF recognized CAE’s focus, experience and expertise in providing world-class training services for tanker aircraft, and we look forward to helping KC-135 aircrews stay well-prepared and mission ready.”

The KC-135 Aircrew Training System (ATS) program delivers initial qualification, requalification, continuation and upgrade training for KC-135 aircrews, including pilots, co-pilots, and boom operators. As part of the KC-135 ATS program, CAE USA will now be the prime contractor responsible for providing program management, academic and simulator instruction, maintenance and logistics services, training device upgrades, relocation services, and a Training Systems Support Center. Currently, there are 19 KC-135 operational flight trainers (OFTs), two KC-135 boom operator part-task trainers, one KC-135 cargo load trainer, and a range of lower-level training devices that are used as part of the KC-135 ATS program.

CAE USA will provide on-site aircrew training services at the following USAF bases: Altus Air Force Base (AFB), Oklahoma, which is the formal training unit for the KC-135; McConnell AFB, Kansas; Scott AFB, Illinois; Fairchild AFB, Washington; Grand Forks AFB, North Dakota; Grissom Air Reserve Base (ARB), Indiana; MacDill AFB, Florida; March ARB, California; General Mitchell International Airport, Wisconsin; Pease Air National Guard Base (ANGB), New Hampshire; Seymour Johnson AFB, North Carolina; RAF Mildenhall, United Kingdom; and Kadena Air Base, Japan. Under the KC-135 ATS contract, CAE USA will relocate the KC-135 training currently conducted at Grand Forks AFB to Hickam AFB, Hawaii.

The KC-135 Stratotanker is the USAF’s primary aerial refuelling aircraft and first entered service in 1956. Originally designed and manufactured by the Boeing Company, the USAF currently operates a fleet of more than 400 KC-135 aircraft. Currently the USAF is conducting a competition for a new tanker aircraft that will eventually replace older models in the fleet of KC-135 aircraft.

CAE is a world leader in providing simulation and modeling technologies and integrated training solutions for the civil aviation industry and defense forces around the globe. With

annual revenues exceeding US\$1.5 billion, CAE employs more than 7,500 people at more than 100 sites and training locations in more than 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 centers, we train more than 75,000 crewmembers yearly. We also offer modeling 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](http://www.cae.com)

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