

Press Release

CAE USA wins U.S. Army contract to provide comprehensive training for fixed-wing pilots

- Expected program value, including options, of approximately US\$200 million over next eight years
- CAE to build company-owned and operated training center at Dothan Regional Airport in Alabama
- Turnkey training program will include academic, simulator, and live flying training on both U.S. Army and CAE-owned aircraft

Tampa, Florida, USA, June 4, 2015 – (NYSE: CAE; TSX: CAE) – CAE today announced that CAE USA has been awarded a United States Army contract to provide comprehensive initial and recurrent training for more than 600 U.S. Army and U.S. Air Force fixed-wing pilots annually. Under terms of the contract, which was awarded as a firm-fixed-price contract for over US\$29 million for the base period and six one-year options through September 30, 2023, CAE USA will provide turnkey training services at a new company-owned, company-operated training center to be built at Dothan Regional Airport in Alabama, close to the U.S. Army's Aviation Center of Excellence (USAACE) at Fort Rucker.

The total value of the contract over the next eight years is expected to be approximately US\$200 million.

The Army Fixed-Wing training program is responsible for providing all the training required for experienced Army rotary wing aviators transitioning to fly the Army's fleet of more than 350 fixedwing aircraft. The Army and CAE will also be implementing a new initial-entry fixed-wing (IEFW) training program so that entry-level Army students can begin their career track to fixed-wing aircraft much sooner. The Army Fixed-Wing training program also serves as the formal training unit for Army C-12/RC-12 King Air recurrent training, as well as providing annual training to U.S. Air Force C-12 King Air pilots.

"We are honoured and proud that the U.S. Army has selected CAE as its training systems integration partner of choice for fixed-wing training," said Gene Colabatistto, Group President, Defense & Security, CAE. "We will be bringing together live, virtual and constructive training by providing the U.S. Army with a modern and flexible training program that will help ensure safe, high-quality training for Army fixed-wing aviators. This is another great example of CAE leveraging its training systems integration expertise to provide a comprehensive, turnkey training solution."

CAE will begin construction immediately on a new training center at Dothan Regional Airport featuring state-of-the-art classrooms; training system integrated learning environment and other modern facilities. CAE is leveraging existing designs and is currently manufacturing a suite of training devices, including two CAE 7000XR Series C-12 King Air full-flight simulators (FFSs) and two reconfigurable CAE Simfinity C-12 King Air integrated procedures trainers (IPTs). In addition, CAE will be developing two other CAE 7000XR Series FFSs, referred to as motherships, featuring CAE's revolutionary roll-on/roll-off (RORO) cockpit design, which will enable cockpits representing various aircraft types to be used in the full-flight simulator. CAE will develop four

RORO cockpits representing various configurations of the C-12 King Air aircraft used by the Army and U.S. Air Force. When two of the cockpits are installed on the full-flight simulator mothership, the other two can be connected to a docking station and be used as Level 6-equivalent flight training devices.

The comprehensive Army Fixed-Wing training program will also feature live-flying training provided by CAE. The transition of Army rotary-wing aviators and training of Army initial-entry fixed-wing students will use six new Grob G120TP aircraft that will be acquired by CAE. In addition, CAE will design and manufacture two Grob G120 TP flight training devices and a suite of desktop trainers and courseware to support the training program. A fleet of 10 C-12U King Air aircraft owned and maintained by the U.S. Army will also be operated by CAE instructors to deliver live flying C-12 King Air training.

"The Army Fixed-Wing training program we are developing will be a truly world-class military training program that balances ground-based training with live flying," said Ray Duquette, President and General Manager, CAE USA. "We will be leveraging our latest training capabilities, such as upset recovery training and CAE Flightscape brief/debrief systems, to deliver scenario-based training specific to the Army's fixed-wing requirements. This will also enable us to grow our offering of providing a comprehensive, military-specific ab-initio training program that other U.S. government agencies as well as international militaries will be able to use."

About CAE

CAE is a global leader in the delivery of training for the civil aviation, defence and security, and healthcare markets. We design and integrate the industry's most comprehensive training solutions, anchored by the knowledge and expertise of our 8,000 employees, our world-leading simulation technologies and a track record of service and technology innovation spanning seven decades. Our global presence is the broadest in the industry, with 160 sites and training locations in 35 countries, including our joint venture operations, and the world's largest installed base of flight simulators. Each year, we train more than 120,000 civil and defence crewmembers, as well as thousands of healthcare professionals. www.cae.com

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