



Press Release

CAE USA wins USAF contract to upgrade C-5 training devices

Tampa, Fla., August 31, 2010 – (NYSE: CAE; TSX: CAE) – CAE USA today announced it has been awarded a contract from the United States Air Force (USAF) initially valued at more than US\$10 million to upgrade two C-5 Galaxy weapon systems trainers (WSTs). The contract includes options to upgrade additional C-5 WSTs as well as C-5 cockpit procedures trainers that could bring the value to more than US\$50 million.

As the prime contractor, CAE USA will have responsibility for upgrading the C-5 training devices to ensure concurrency with current aircraft upgrades being performed as part of the C-5 Avionics Modernization Program (AMP) as well as C-5 Reliability Enhancement Re-engineing Program (RERP). Initially, CAE will upgrade a C-5 WST currently located at Stewart Air National Guard Base (ANGB) to the new C-5 AMP configuration. The other C-5 WST, located at Dover Air Force Base and already upgraded by CAE to the AMP configuration several years ago, will now be upgraded to the RERP configuration, which includes new engine performance simulation software as well as a new aerodynamics model simulating the improved engine performance.

“Following a highly competitive evaluation, we are pleased the U.S. Air Force recognized CAE’s expertise and experience in selecting us to perform major upgrades to a range of C-5 training devices,” said John Lenyo, President and General Manager, CAE USA. “As the prime contractor, we are committed to delivering these upgrades on-schedule with minimal disruption to current training requirements. By doing so, we will hopefully be well-positioned for future C-5 training device upgrades as well as training services.”

The Lockheed Martin-built C-5 Galaxy is the U.S. Air Force’s largest transport aircraft designed to provide strategic airlift of outsize and oversized cargo. The USAF currently plans to have Lockheed Martin upgrade 52 legacy C-5 aircraft to the new C-5M configuration, which includes both the AMP and RERP upgrades. To support aircrew training from initial qualification through continuation, refresher, differences and transition training, the USAF plans to upgrade up to seven C-5 training devices to the AMP configuration and five C-5 training devices to the RERP configuration to accurately reflect the new C-5M aircraft. CAE is now under contract to upgrade the first two C-5 WSTs, with the USAF expected to exercise contract options to upgrade additional devices over the next several years.

CAE is a world leader in providing simulation and modelling technologies and integrated training solutions for the civil aviation industry and defence forces around the globe. With annual revenues exceeding C\$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 centres, we train more than 75,000 crewmembers yearly. We also offer modelling 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

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