



Press Release

CAE and ATR sign master agreement

Farnborough, UK, July 20, 2010 – (NYSE: CAE; TSX: CAE) – CAE today announced at the Farnborough Air Show that it has signed a master agreement with aircraft manufacturer ATR as a framework for providing a range of products and support services to operators of ATR aircraft. As part of this master agreement, ATR and CAE will collaborate on deployment of simulation equipment and training programs in ATR, CAE or customer training centres worldwide.

Earlier this month, CAE and ATR announced that CAE is now under contract to provide the world's first ATR42/72-600 full-flight simulator (FFS) and associated training devices. ATR has also partnered with CAE Flightscope to offer flight data analysis (FDA) and flight data monitoring (FDM) services to all operators of ATR aircraft. The CAE Flightscope FDA and FDM services help monitor trends in flight operations to improve safety and efficiency.

"We are delighted with the expansion of the relationship between two global leaders – ATR in regional turboprop aircraft and CAE in comprehensive training solutions," said Jeff Roberts, CAE's Group President, Civil Simulation Products, Training and Services. "Both CAE and ATR are committed to offering high-quality training to ATR operators around the world, and CAE's global training footprint and comprehensive portfolio help make us unique in working with aircraft manufacturers to support their customers."

Under the terms of the master agreement, CAE and ATR will develop and deploy the latest in simulation-based training devices and training programs in a training network around the world. In addition to the provision of simulation equipment, CAE will provide support services that could include simulator upgrades and maintenance as well as leasing of simulation equipment and training centre space when required by ATR.

The CAE Flightscope FDM software will enable ATR operators to systematically perform all the major functions of the flight data analysis process. Flight data monitoring significantly enhances the evaluation of trends during flight operations and assists with identification of risk precursors. The service, offered jointly by ATR and CAE, is backed by a reliable state-of-the-art software tool that enables a graphical reconstruction of the flight to be replayed, highlighting the parameters which are the focus of attention for items such as abnormal events and deviations.

"ATR has successfully partnered with CAE on a range of training programs, and this master agreement making CAE our support services partner elevates our relationship to a new level on behalf of our mutual customers," said Jean-Pierre Cousserans, ATR's Senior Vice President of Customer Services. "The new flight data analysis and flight data monitoring service will assist our customers in further enhancing safety management when operating their ATR fleets."

About ATR

The regional aircraft constructor ATR, whose head office is in Toulouse, France, is the world leader in the 50 to 74-seat turboprop market. ATR is an equal partnership between Alenia Aeronautica (Finmeccanica Group) and EADS. In 2009, ATR recorded a record turnover of 1.4 billion dollars. ATR has sold more than 1,000 ATR 42 and ATR 72 aircraft, which are used by over 150 operators in 80 countries. These have accumulated a total of around 18 million cycles. ATR is certified ISO 14001, the worldwide standard for environment regulations.

About CAE

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 7,000 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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