



Trade Press Release

CAE and Draken International expand partnership beyond Canada

-- New global agreement envisions comprehensive live, virtual and constructive offering for adversary and aggressor air training --

RAF Fairford, UK, July 8, 2016 – (NYSE: CAE; TSX: CAE) – Today at the Royal International Air Tattoo (RIAT), CAE and Draken International announced the companies have signed a Memorandum of Understanding (MOU) to pursue global opportunities related to the provision of advanced adversary and aggressor air training services.

This new MOU expands on an existing teaming agreement between CAE and Draken already established in Canada, where the two companies are currently pursuing the Contracted Airborne Training Services (CATS) program.

“We are pleased to expand our partnership with Draken to focus on next-generation training solutions for the aggressor air training domain,” said Chuck Morant, CAE’s Vice President of Global Strategy and Business Development, Defence & Security. “There is a growing market for third-party adversary training, and we believe the integration of virtual and constructive capabilities will be critical to providing realistic and high-quality training for pilots flying fifth-generation fighters. The combination of Draken’s fighter aircraft with CAE’s virtual and constructive simulation technologies will create an integrated and immersive red air training capability.”

Specifically, CAE and Draken will explore collaborative development and pursuit of integrated live-virtual-constructive (LVC) training in areas such as air combat support, contracted adversary and aggressor air training, embedded simulation, tactical training, threat simulation, and joint terminal attack controller (JTAC) training. The two companies anticipate pursuing global opportunities in markets including the United Kingdom and other parts of Europe; Australia and other parts of Asia/Pacific; and North America.

“Draken has unmatched experience and capabilities for live adversary and aggressor air training as evidenced by our role providing similar services to the United States Air Force, Navy and Marine Corps,” said Sean “Stroker” Gustafson, Vice President of Business Development for Draken International. “We are firm believers that the future of fighter training will involve an integrated mix of live-virtual-constructive training capabilities, and there is no better global partner than CAE to bring world-class virtual and constructive simulation technologies to our world-leading fleet of privately-owned fighter aircraft.”

“The expansion of our partnership with Draken is yet another example of CAE developing its capabilities as a full-service training systems integrator,” said Gene Colabattisto, CAE’s Group President, Defence & Security. “Over the past year we have acquired the NATO Flying Training in Canada (NFTC) program and won the U.S. Army Fixed-Wing Flight Training program, both of which involve the provision of classroom, simulator and live-flying training. We will continue to look for opportunities to deliver full-spectrum solutions across the training enterprise for our global defence customers.”

About CAE

CAE’s Defence & 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 centres, training services and simulation products across the air, land, sea and public safety market segments. We serve our global defence 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 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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About Draken International

Based in Lakeland, Florida, Draken International has set a new standard in tactical flight support. With over 70 fighter aircraft, the company operates the largest privately-owned fleet of ex-military aircraft in the world. Draken aircraft are unique in their ability to replicate capabilities often found on modern 4th generation fighter jets to include radar, but at considerably lower cost. The Draken aircraft are used in various types of military training objectives around the globe to include support for the U.S Air Force, U.S Navy, U.S. Marine Corps, French Navy and other International partners. Draken service represents tremendous cost savings over the use of traditional military fighter assets. For additional information, visit www.drakenintl.com.

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