

Trade Press Release

CAE authorized to proceed on U.S. Navy MH-60 Tech Refresh program

Tampa, Florida, USA, February 10, 2016 – (NYSE: CAE; TSX: CAE) – CAE today announced that CAE USA is authorized to proceed on the United States Navy MH-60R/S Tech Refresh program. Under terms of the contract, which was awarded as a base contract plus exercised options, CAE USA will perform a technology refresh on a range of U.S. Navy MH-60 Seahawk helicopter simulators and training systems.

The initial base contract plus exercised options was included as part of CAE's second quarter fiscal year 2016 order intake. The contract was protested and recently the United States Government Accountability Office (GAO) denied the protest of the unsuccessful bidder, thus allowing the program to proceed. The contract also includes additional options over the next several years.

The MH-60 Tech Refresh program will see CAE perform major updates and upgrades to the U.S. Navy's suite of MH-60S Sierra and MH-60R Romeo training systems, including tactical operational flight trainers and weapons tactics trainers located at Naval Air Station (NAS) Jacksonville, Naval Station (NS) Mayport, NAS North Island, and NS Norfolk. Some of the updates and upgrades to be developed include delivering a common hardware/software baseline for more than 20 MH-60 Seahawk training devices, extending the visual field-of-view on existing MH-60S Sierra operational flight trainers, and converting an existing SH-60B helicopter simulator to an MH-60R tactical operational flight trainer. CAE will also have responsibility for the networking, interoperability and integration of the Navy's comprehensive suite of MH-60 training systems, including training devices used for door gunnery training and hoist operations.

"We are pleased to continue our long-standing relationship with the U.S. Navy on the MH-60 Seahawk platform following a competitive win on the MH-60 Tech Refresh program," said Ray Duquette, President and General Manager, CAE USA. "The Navy has a definitive plan in place to increasingly use more simulation-based training throughout its overall training program, and the enhancements we make to the MH-60 Seahawk training systems will ultimately help the Navy provide higher fidelity and more cost-effective training to its MH-60 fleet squadrons."

In addition to significant updates and upgrades to existing MH-60 Seahawk training systems, the contract awarded to CAE includes the acquisition of two new MH-60R tactical operational flight trainers (TOFTs).

About CAE

CAE's Defense & 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 centers, training services and simulation products across the air, land, sea and public safety market segments. We serve our global defense 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, defense 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 defense crewmembers, as well as thousands of healthcare professionals. www.cae.com

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