



Press Release

CAE awarded C\$250 million contract by Government of Canada for CH147F aircrew training

- **Program will create and sustain approximately 240 jobs for the first four years and 40 jobs per year for the next 20 years**

Montreal, March 23, 2010 – (NYSE: CAE; TSX: CAE) – CAE today announced that the Government of Canada has awarded CAE a contract valued at approximately C\$250 million for a comprehensive CH147F Chinook helicopter aircrew training solution.

The contract was awarded under the program called the Operational Training Systems Provider (OTSP) and is in support of Canada's new fleet of 15 CH147F Chinook medium-to-heavy lift helicopters.

"We are honored to lead the overall design and development of a CH147F aircrew training capability that will ultimately play a key role in helping prepare our Canadian Forces for mission success," said Marc Parent, CAE's President and CEO. "The Operational Training Systems Provider program is designed to provide numerous benefits to the Government of Canada, including state-of-the-art technologies delivered in an efficient, cost-effective and holistic approach to aircrew training. The OTSP program here in Canada is a model for the international defence market in demonstrating the benefits and efficiencies that a training systems integrator such as CAE can deliver."

The contract related to CH147F training systems and services is divided into two phases. First, during the acquisition phase, CAE will lead the design and development of a CH147F training suite. It will include one weapon system trainer (WST), one tactical flight training device (TFTD), one deployable TFTD, one integrated gunnery trainer, laptop and desktop-based CAE Simfinity virtual simulators (VSIM), and courseware. In addition, CAE will be leveraging technologies and capabilities such as the training management information system, tactical control centre, and common databases across both the C-130J and CH147F aircrew training programs.

Following delivery of the CH147F training suite in early 2014, phase two of the contract will commence with CAE leading the in-service support for the CH147F aircrew training program. During the 20-year in-service support phase, CAE will be responsible for providing a range of training services, including training device upgrades and maintenance, hardware and software engineering, courseware updates, technology insertion and obsolescence management, and database modelling and generation.

As part of the OTSP program, CAE leads a pan-Canadian team of simulation and training specialists based in Canada. Companies working on this program with CAE are based in Ontario, Quebec and Atlantic Canada.

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\$1.6 billion, CAE employs more than 6,500 people at more than 90 sites and training locations in 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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