



Press Release

CAE awarded approximately \$140 million in military contracts, including \$85 million for CAE USA

Montreal, Canada, October 9, 2013 – (NYSE: CAE; TSX: CAE) – CAE today announced that it was awarded approximately \$140 million in military contracts, including approximately \$85 million to CAE USA alone. The US contracts also include options valued at an additional \$50 million over the next five years. The contracts are part of CAE's second quarter order intake and are in addition to contracts already announced.

The contracts include an option exercise by the United States Air Force (USAF) for the fourth year of KC-135 tanker aircrew training services, numerous KC-135 simulator upgrades, a new contract from the USAF to provide operations and maintenance support for new KC-135 boom operator weapon systems trainers (BOWST), a contract to develop a military helicopter full-mission simulator for an undisclosed customer and a contract to perform a range of upgrades on the German Air Force Tornado simulators.

"Our position on enduring platforms like the KC-135 tanker, and various military transport aircraft and helicopters continues to yield opportunities for CAE in the United States and abroad, particularly as our defence and security customers look to leverage simulation for an increasing portion of their training curriculum," said Gene Colabattisto, CAE Group President, Military Products and Training and Services. "These contracts with multi-year options enhance our visibility in an otherwise hard to predict defence environment. We have been increasingly focused on long-term training services contracts in the United States and around the world, which give our business greater predictability, and we see a solid pipeline of opportunities globally."

U.S. Air Force KC-135 Aircrew Training System

The U.S. Air Force has exercised the option for the fourth year of aircrew training services provided by CAE USA as the prime contractor on the KC-135 ATS program. CAE USA will continue to provide classroom and simulator instruction as well as provide additional training support services as new KC-135 boom operator weapon systems trainers (BOWST) are incorporated into the overall KC-135 training program. The U.S. Air Force has also awarded a range of modification contracts for CAE USA to upgrade and enhance KC-135 operational flight trainers and courseware.

Undisclosed customer

CAE was awarded a contract to design and manufacture a military helicopter full-mission simulator for an undisclosed customer.

German Air Force

CAE Elektronik GmbH was awarded contracts to perform several upgrades to the German Air Force Tornado full-mission simulators. CAE will upgrade the Tornado simulators to ensure concurrency with the avionics software system Tornado (ASSTA) combat efficiency improvement program that is currently being performed on the German Air Force's fleet of Tornado combat aircraft. In addition, CAE will upgrade and enhance the simulator interface system as well as address obsolescence issues.

CAE is a global leader in modelling, simulation and training for civil aviation and defense. The company employs approximately 8,000 people at more than 100 sites and training locations in

approximately 30 countries. CAE offers civil aviation, military and helicopter training services in more than 45 locations worldwide and trains approximately 100,000 crew members yearly. In addition, the CAE Oxford Aviation Academy offers training to aspiring pilot cadets in 11 CAE-operated flight schools. CAE's business is diversified, ranging from the sale of simulation products to providing comprehensive services such as training and aviation services, integrated enterprise solutions, in-service support and crew sourcing. The company applies simulation expertise and operational experience to help customers enhance safety, improve efficiency, maintain readiness and solve challenging problems. CAE is now leveraging its simulation capabilities in new markets such as healthcare and mining. More information can be found at www.cae.com.

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