



Press Release

CAE awarded contract by Airbus for comprehensive C295W training solution for Canada's Fixed-Wing Search and Rescue program

- **Expected program value, including options, of more than C\$300 million over next 26 years**

Montreal, Canada, February 13, 2017 – (NYSE: CAE; TSX: CAE) – CAE today announced that Airbus Defence and Space has awarded CAE a contract for a comprehensive C295W aircrew and maintenance training solution to support the Royal Canadian Air Force's (RCAF) Fixed-Wing Search and Rescue (FWSAR) program. The contract is worth approximately C\$200 million over the next 11 years and includes options to extend an additional 15 years that would take the value to more than C\$300 million.

The Airbus C295W was selected by the Government of Canada as its new FWSAR platform in December 2016. As part of the FWSAR program, the RCAF will receive 16 C295W aircraft specifically modified for search and rescue.

"We are honoured to serve as the training systems integrator to lead the overall design and development of a comprehensive C295W training solution for aircrews and maintainers," said Joe Armstrong, Vice President and General Manager, CAE Canada. "The search and rescue mission in Canada is both critical and challenging, and we are proud that we will play a role in helping train and prepare the RCAF for this mission."

The contract related to the C295W training systems and services is divided into three phases. First, during the acquisition and development phase over the next three years, CAE will lead the design and building of a new training centre facility at 19 Wing in Comox, British Columbia. Housed in the training centre will be a suite of CAE-built training devices, including:

- One C295W full-flight simulator (FFS);
- One C295W cockpit procedures trainer (CPT);
- One C295W sensor station simulator used for rear-crew training;
- One C295W operational mission simulator to support networking of the sensor station simulator with FFS or CPT to provide full-crew mission training;
- Eight C295W mission procedures trainers;
- One C295W aircraft maintenance trainer;
- One C295W cockpit systems part-task trainer; and
- Ten classrooms featuring CAE Simfinity C295W virtual maintenance trainer (VMT) stations.

Following delivery of the training centre facility and C295W training suite in late 2019, phase two of the contract will commence with CAE leading a three-year in-service support (ISS) transition period for the C295W aircrew and maintenance training program. Following the transition period, phase three will begin with the 20-year in-service support phase, which is divided into a base five-year ISS contract with three additional five-year options. During the in-service support phases, 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 other in-service support services. CAE will also be responsible for providing academic and simulator instructors to deliver aircrew and maintenance training.

“CAE and Airbus’ partnership has a long history across many platforms, including the C295, said Simon Jacques, Head of Airbus Defence and Space in Canada. “CAE already provides C295 training systems to Airbus and other global operators of the C295, including at our International Training Centre in Seville, Spain. This relationship has continually expanded, including Airbus’ announcement of the purchase of two other C295 simulators from CAE in November, and we are pleased to extend this relationship with CAE to Canada for the Fixed-Wing Search and Rescue program.”

The C295W training program will maintain and create approximately 300 jobs in Canada over the three-year development phase and approximately 50 jobs, primarily in Comox, BC, over the in-service support phases. As part of the overall training program, CAE will sub-contract with a pan-Canadian team of small-to-medium-sized businesses.

An artist rendering of the new facility is available at cae.com/photos

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 training for the civil aviation, defence and security, and healthcare markets. Backed by a 70-year record of industry firsts, we continue to help define global training standards with our innovative virtual-to-live training solutions to make flying safer, maintain defence force readiness and enhance patient safety. We have the broadest global presence in the industry, with 8,000 employees, 160 sites and training locations in over 35 countries. Each year, we train more than 120,000 civil and defence crewmembers and thousands of healthcare professionals worldwide. www.cae.com

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