



Trade Press Release

CAE awarded contract to develop six additional P-8A operational flight trainers for Boeing and the U.S. Navy

Tampa, Fla., USA, March 20, 2014 – (NYSE: CAE; TSX: CAE) – CAE today announced that Boeing has ordered simulator hardware for six additional P-8A Poseidon operational flight trainers (OFTs) and five additional P-8A Aircraft equipment Desktop Environment (AeDTEs) trainers for the United States Navy.

CAE will manufacture the P-8A simulators and a suite of P-8A (AeDTE) trainers, which will be used as role playing stations during training of P-8A aircrews.

The order for two of the P-8A OFTs was booked during CAE's fiscal 2014 third quarter. The order for four of the P-8A OFTs was booked during CAE's fiscal 2014 fourth quarter and included in the total value of contracts CAE announced today.

"The P-8A program is a perfect example of the Navy's increasing use of synthetic training and we are pleased to be working with Boeing to deliver some of the high-fidelity training systems required for training P-8A aircrews," said Ray Duquette, President and General Manager, CAE USA.

CAE has previously been awarded contracts from Boeing to design and manufacture hardware for ten P-8A OFTs and 17 P-8A AeDTE trainers. This order brings the total number of P-8A OFTs that CAE will develop for the U.S. Navy to 16. CAE designs and manufactures the P-8A OFT hardware to Level D standards, the highest qualification for flight simulators. CAE also provides the 737-800 OFT software baseline and simulation-based software lab environment that is used for P-8A OFT development and integration tasks. CAE then delivers the simulators to Boeing, who installs and integrates software specific to the P-8A aircraft and completes delivery to the U.S. Navy.

The P-8A Poseidon is a new long-range anti-submarine and anti-surface warfare aircraft currently being developed for the U.S. Navy by prime contractor Boeing. The P-8A is a derivative of Boeing's next-generation 737-800 aircraft and will be used for maritime and littoral operations. The U.S. Navy plans to acquire 117 P-8A aircraft to replace its current fleet of P-3C Orion aircraft. The Indian Navy, the first international customer for the P-8, has ordered eight P-8I aircraft.

CAE is a global leader in modelling, simulation and training for civil aviation and defence. 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 50 locations worldwide and trains approximately 100,000 crew members yearly. In addition, the CAE Oxford Aviation Academy offers training to aspiring pilot cadets in 10 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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A high-resolution photo is available on our website at www.cae.com/photos.

Caption: CAE will design and manufacture simulator hardware for six additional P-8A operational flight trainers for the U.S. Navy. CAE has delivered or is now under contract to deliver 16 P-8A simulators to Boeing for use by the U.S. Navy.

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