

Trade Press Release

CAE awarded contract to provide comprehensive RPA training solution to UAE Air Force & Air Defence

-- Total training solution will include academic, simulator and live flying training for remotely piloted aircraft --

Montreal, Canada, May 8, 2017 – (NYSE: CAE; TSX: CAE) – CAE today announced it was awarded a C\$56 million contract by the General Headquarters (GHQ) of the United Arab Emirates (UAE) to provide the UAE Air Force and Air Defence with a comprehensive training solution for remotely piloted aircraft (RPA).

Under terms of the five-year contract, CAE will deliver an integrated training solution that includes academic, simulator, and live flying training for the UAE Air Force's fleet of RPA systems. CAE's local UAE-based company, CAE Maritime Middle East LLC, will serve as the prime contractor and program management company in Abu Dhabi.

"Remotely piloted aircraft have been proven as an indispensable asset in modern combat operations, and like all platforms they require skilled and proficient aircrews who are prepared for a range of missions," said Ian Bell, CAE's Vice President and General Manager, Middle East/Asia-Pacific. "We are pleased the UAE has once again selected CAE as its training systems integrator, and look forward to working closely with the UAE Air Force as we develop and deliver a world-class turnkey training solution for these unmanned systems."

CAE will support the UAE Air Force and Air Defence in establishing a training centre where all RPA type conversion and mission training will be conducted. CAE will design and develop the courseware and comprehensive curriculum for academic and classroom training, including fundamentals courses for RPA pilots and sensor operators as well as courses specific to the UAE Air Force's medium-altitude long-endurance (MALE) RPA platforms such as the General Atomics Predator family of RPAs. To support the ground-based training system, CAE will deliver a full suite of synthetic training equipment, including desktop trainers, sensor operator trainers, Unmanned Aerial System (UAS) mission trainers and high-fidelity, type-specific mission trainers. In addition to delivering the classroom and simulator training, CAE instructors will provide the live flying instruction for UAE Air Force RPA aircrews.

CAE will also support the Khalifa Bin Zayed Air College in the development of an RPA Pilot Fundamentals training course as well as training instruction to be delivered as part of the cadet curriculum at the air college.

The UAS mission trainers and type-specific mission trainer will include the CAE Medallion-6000 image generator with Common Database (CDB) architecture, which was recently adopted by the Open Geospatial Consortium (OGC) as an international standard for the creation of synthetic environment databases. This common software and standardization, which are also being deployed on naval and helicopter training systems that CAE is currently developing for the UAE, will further enhance networked, interoperable mission training across the UAE Armed Forces.

"This is another strategic win for CAE that clearly demonstrates our capabilities to serve as a training systems integrator as well as our strong position on enduring platforms," said Gene

Colabatistto, CAE's Group President, Defence & Security. "Our support of delivering the training to the U.S. Air Force's MQ-1 Predator and MQ-9 Reaper aircrews gives us a wealth of intimate experience with creating a professional, well-trained cadre of RPA pilots and sensor operators."

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

Follow us on Twitter @CAE_Inc and @CAE_Defence

- 30 -

CAE contacts:

Hélène V. Gagnon, Vice President, Public Affairs and Global Communications, +1-514-340-5536, helene.v.gagnon@cae.com

Trade media:

Chris Stellwag, Director, Marketing Communications – Defence and Security, +1-813-887-1242, <u>chris.stellwag@cae.com</u>

Investor relations:

Andrew Arnovitz, Vice President, Strategy and Investor Relations, +1-514-734-5760, andrew.arnovitz@cae.com