

Press Release

CAE awarded contracts for two full-flight simulators valued at more than C\$25 million

Montreal, Canada, October 27, 2010 – (NYSE: CAE; TSX: CAE) – CAE today announced that it has sold two full-flight simulators (FFS): an A320 to Sichuan Airlines Group, a Chinese airline which operates an extensive network of domestic and international services, and another A320 to an undisclosed customer. The contracts are worth a total of more than C\$25 million at list prices and brings the total number of FFS sales that CAE has announced to date during fiscal year 2011 to 16.

This marks the first time that CAE has sold simulation equipment to Sichuan Airlines Group. The A320 FFS will be delivered to Sichuan Airlines Training Centre in Chengdu, in Southwestern China by the end of 2011. The FFS will be qualified to applicable Level D flight simulation training device standards by the Civil Aviation Administration of China.

"CAE is the recognized world leader in civil aviation flight simulation. Its technology solutions and global customer support network are superior in every respect," according to a senior officer of Sichuan Airlines Group. "Sichuan Airlines operates the largest Airbus fleet in Southwestern China, and CAE's close working relationship with Airbus will help keep our training program current in a timely manner."

Sichuan Airlines Group has opened more than 130 domestic and international routes that link over 50 cities.

"Sichuan Airlines was the first to launch the A320 aircraft assembled in China, and its unique customer service culture has earned it awards for passenger satisfaction as well as safety," said Jeff Roberts, CAE's Group President, Civil Simulation Products, Training and Services. "The spirit of Sichuan Airlines is similar to the type of innovation and exemplary quality that CAE endeavors to consistently provide to the aviation community, and we are sincerely pleased to welcome Sichuan as a new customer."

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\$1.5 billion, CAE employs more than 7,500 people at more than 100 sites and training locations in more than 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

- 30 -

Nathalie Bourque, Vice President, Public Affairs and Global Communications, (514) 734-5788, nathalie.bourque@cae.com

Trade media: Chris Stellwag, Director, Marketing Communications, Military and Civil, (813) 887-1242, chris.stellwag@cae.com

Investor relations: Andrew Arnovitz, Vice President, Investor Relations and Strategy, (514) 734-5760, andrew.arnovitz@cae.com