

Press Release

CAE awarded four full-flight simulators sales by Korean Air and Air China valued at C\$65 million

Montreal, October 4, 2010 – (NYSE: CAE; TSX: CAE) – CAE today announced the sale of four CAE 7000 Series full-flight simulators and related CAE Simfinity™ training devices valued at approximately C\$65 million: an Airbus A380 FFS and a Boeing 777-300ER (extended range) FFS to Korean Air, the national flag carrier of the Republic of Korea, as well as an Airbus A330 FFS and a Boeing 737-800 FFS to Air China, the national flag carrier of The People's Republic of China. These contracts bring the total FFS sales that CAE has announced so far during fiscal year 2011 to 13.

"Korean Air and Air China have been valued CAE customers for more than 25 and 15 years respectively. Our longstanding relationships as well as the quality and reliability of our simulation technology have been key to our continued success in the Asian market," said Jeff Roberts, CAE's Group President, Civil Simulation Products, Training and Services. "By listening to our customers' needs and providing them with tailored solutions, we continue to enhance pilot proficiency, safety and operational efficiency."

Korean Air

The Boeing 777-300ER simulator will be delivered to Korean Air's pilot training centre at Incheon in 2011. The A380 FFS will be delivered to the centre in early 2012. The new FFSs will be qualified by Korea's civil aviation authority to Level D, the highest qualification for flight simulators. The order also includes a CAE Simfinity Airbus pilot transition (APT) trainer and a CAE Simfinity A380 flight management system trainer (FMST).

The CAE Simfinity APT provides a fully simulated Airbus aircraft cockpit using the same Level D simulation model as the FFS. Touch-sensitive screens in a 3D spatial orientation display the cockpit environment in a 1:1 ratio. The CAE Simfinity FMST integrates complete flight management capabilities, including navigation display, rendering routes and navigation aids. The FMST will also be used for maintenance training.

Since 1985, Korean Air has ordered 11 CAE flight simulation training devices, including eight FFSs.

Air China

The Airbus A330 and Boeing 737-800 FFSs will be delivered to the Air China training centre in Beijing in early 2012.

The simulators will incorporate full six-degree-of-freedom CAE True $^{\text{TM}}$ electric motion systems and new-generation CAE Tropos $^{\text{TM}}$ -6000 visual systems, including liquid crystal on silicon (LCoS) projectors and 200- by 40-degree field-of-view visual displays. The simulators will be certified to Level D, the highest qualification for flight simulators, by the Civil Aviation Administration of China (CAAC).

Since 1994, Air China ordered 27 CAE flight simulation training devices, including twelve FFSs.

<u>CAE</u> 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

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CAE contacts:

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@caemilusa.com

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