



## Press Release

### **CAE expands CAE Global Academy with joint venture acquisition of China Southern Airlines pilot training school in Australia**

**Perth, Australia, June 2, 2010** – (NYSE: CAE; TSX: CAE) – CAE announced today that it has acquired an equity interest in the China Southern West Australian Flying College (CSWAFC) near Perth, Australia and will manage the pilot training school as part of the CAE Global Academy network. Effective immediately, CSWAFC will operate as a joint venture owned 53 per cent by China Southern Airlines and 47 per cent by CAE.

Established in 1993, the school specializes in training ab initio students to become multi-engine instrument-rated airline first officers. Graduates then earn aircraft type ratings at the Zhuhai Flight Training Centre, a joint venture between China Southern Airlines and CAE in Zhuhai, Guangdong province, China.

"This joint venture acquisition is another step towards developing our training network in order to better address the global pilot shortage. As many as 18,000 new pilots will be needed per year over the next 20 years globally and one of the highest demands is expected to be in China," said Marc Parent, CAE's President and CEO. "We are very pleased that our long-time partner, China Southern Airlines, has chosen CAE to meet its growing need for the highest-quality entry-level pilots. Our plan in Australia is to grow the flight school and leverage the best practices in training we apply throughout the CAE Global Academy network."

The China Southern West Australian Flying College is the 11<sup>th</sup> location for the CAE Global Academy, the world's largest network of ab initio flight training organizations with a capacity of training more than 1,800 pilot cadets annually. The CAE Global Academy also provides training in North America, Europe, Africa and Asia.

"Our extremely positive relationship with CAE for training world-class pilots in Zhuhai and our evaluation of the CAE Global Academy operations led us to conclude that CAE is the clear choice to help train cadet pilots for our airline," said Si Xian Min, Chairman of China Southern Airlines.

The CSWAFC operates from two training bases, Jandakot Airport just south of Perth and Merredin Airport about 250 km east of the Western Australia capital. The facilities have capacity for more than 280 cadets and include 45 single-engine and twin-engine turboprop aircraft and high-performance jets, onsite aircraft maintenance, flight simulation training devices, classrooms, and living accommodations.

#### **About China Southern Airlines**

The newest member of SkyTeam – [www.skyteam.com](http://www.skyteam.com) – and the largest airline in The People's Republic of China for the past 31 years, China Southern Airlines - [www.csair.com/global](http://www.csair.com/global) - connects more than 80 cities around the globe. Through 2009, the airline has achieved 122 months of consecutively safe flights, 6.53 million safe flight hours, and was granted the "Customer Satisfaction Award" by the Civil Aviation Administration of China (CAAC) and the "Best Airline of China in 2009" from Skytrax.

#### **About CAE**

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 7,000 people at more than 100 sites and training locations in more than 20 countries. The company has the largest

installed base of civil and military full-flight simulators and training devices. Through its global network of 29 civil aviation and military training centres, it trains more than 75,000 crew members yearly. CAE also offers modelling and simulation software to various market segments and, through CAE's professional services division, assists customers with a wide range of simulation-based needs. [www.cae.com](http://www.cae.com)

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