



Press Release

CAE signs a series of commercial and business aviation training solution contracts valued at more than C\$250 million

Montreal, Canada, January 19, 2017 (NYSE: CAE; TSX: CAE) – CAE announced today a series of aviation training contracts valued at more than C\$250 million with airlines and business aircraft operators worldwide. The contracts include cadet-to-captain training programs, crew resourcing services, and the sale of 12 full-flight simulators (FFS), bringing the total number of FFS sales announced to date this fiscal year to 38.

The contracts highlight the span of CAE's commercial and business aviation training solutions. They include:

Ab-initio pilot training and resourcing agreements, illustrating CAE's support to the growing need for airline pilots

- Jetstar Airways Australia: New ab-initio pilot training contract, in partnership with Swinburne University of Technology
- Jetstar Airways Japan: A new 5-year crew resourcing services agreement

Airline and business aviation pilot training contracts, demonstrating the recurring nature of CAE's offering

- Jet Airways in Asia: An exclusive 5-year training contract for Boeing 737NG pilot training
- Smart Aviation in the Middle-East: A business aviation pilot and maintenance training program
- Redstar Aviation in Europe: A business aviation training agreement for Learjet 45 pilot training
- Undisclosed customers: An exclusive 2-year training contract for Airbus A320/A330 pilot training with an airline in South America, and business aviation training agreements for various aircraft platforms to customers in Asia and North America

The sale of 12 full-flight simulators, highlighting CAE's continued market leadership in training equipment

- Shanghai Eastern Flight Training Co. (SEFTC) in China: Five full-flight simulators, including two Boeing 737MAX, one Boeing 787, one Airbus A350, one Airbus A320NEO and four flight training devices to SEFTC, the training centre subsidiary of China Eastern Airlines
- Xiamen Airlines in China Three full-flight simulators, including two Boeing 737-800/8MAX and one Boeing 787-9
- Korean Air in South Korea One Boeing 787 full-flight simulator
- Sriwijaya Air in Indonesia One Boeing 737NG full-flight simulator
- Southwest Airlines in the United States: One Boeing 737 full-flight simulator, as well as 14 CAE 550XR training devices
- Undisclosed customer in North America: One Airbus A320 full-flight simulator

“CAE places great importance on supporting the growing training needs of airline and aircraft operators around the world with cadet-to-captain training solutions,” said Nick Leontidis, CAE's Group President, Civil Aviation Training Solutions. “We are privileged to continue to be selected as their training partner of choice, building on our longstanding reputation for customer focus and ability to deliver quality training programs and equipment. We are committed to supporting their training needs long into the future.”

The FFSs are at list prices, which include the value of OEM aircraft-specific data, parts and equipment (DP&E). In the case of these contracts, some customers are providing part of the OEM content.

More detail about the contracts is available in the trade media fact sheet below.

About CAE

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

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Trade Media Fact sheet

Jetstar Airways Australia: ab-initio pilot training program

Jetstar Airways Australia, in partnership with Swinburne University of Technology, relaunched its Cadet Pilot Training program and, once again, chose CAE as the training partner of choice for the selection, assessment and delivery of Jetstar's Cadetship program. Starting in the first half of 2017, twelve cadets will undertake an intensive 18-month program consisting of full-time academic studies in the Swinburne Associate Degree of Aviation, and pilot licence theory and flight training at CAE's flight academy in Melbourne. The training program will allow students to receive a Commercial Pilot Licence (CPL) with a Multi Engine Command Instrument Rating and a frozen Air Transport Pilot's Licence. Upon completion of the training program the selected candidates will be employed by Jetstar Airways.

CAE has delivered Jetstar's Cadetship since 2010 through its Melbourne academy, with over 80 cadets completing the program and now flying with Jetstar. The CAE Melbourne academy also provides flight training to Swinburne University of Technology students undertaking the Bachelor of Aviation, as well as international cadets from China Eastern Airlines.

Jetstar Airways Japan: new crew resourcing contract

Jetstar Airways Japan selected CAE for the provision of pilot resourcing services under a 5-year agreement. CAE will provide crew resourcing services through CAE Parc Aviation to support the airline's growing need for experienced pilots in the region. The Jetstar Group and CAE share a relationship that spans over 14 years, with the provision of cadet-to-captain training and crew resourcing services to the airline's subsidiaries in the Asia Pacific region, including in Australia, Vietnam and Japan.

Jet Airways: Boeing 737NG Pilot Training

Jet Airways, India's second largest airline, selected CAE for the provision of pilot training services to support the airline's growing training needs. Under the exclusive 5-year agreement, CAE will provide Boeing 737NG pilot training to the airline's pilots at CAE's training centre in Bengaluru, India. Pilots will begin training in the first half of 2017.

CAE already provides maintenance support services at its Bangalore training centre for the airlines' CAE-built full-flight simulators, including one Airbus A330 FFS, two Boeing 737NG and one Boeing 777-300ER FFS.

Smart Aviation: business aviation pilot and maintenance training

Smart Aviation has selected Emirates-CAE Flight Training (ECFT), the joint venture between Emirates and CAE, for the provision of pilot and maintenance technician training on various aircraft types. They will be training at CAE's training centres in Dubai, UAE; Dallas, Texas; and Morristown, New Jersey, USA for the next 12 months.

Redstar: 3-year business aviation pilot training

Redstar Aviation has selected CAE for the provision of a new Learjet 45 training program. Pilots will be training at CAE's training centres in Burgess Hill, UK; and Dallas, Texas for the next 3 years.

Shanghai Eastern Flight Training Centre: five full-flight simulators

Shanghai Eastern Flight Training Co. (SEFTC), the training centre subsidiary of China Eastern Airlines, has ordered five CAE 7000XR Series FFSs equipped with CAE Tropos-6000XR innovative visual systems – one Airbus A320NEO, one Airbus A350, two Boeing 737MAX and one Boeing 787 – as well as four CAE 400XR Series flight training devices (FTD). The training equipment suite will be delivered to SEFTC's facilities in Shanghai and Kunming, and the first FFS will be ready for training starting in the second half of 2017. SEFTC and CAE share a relationship that spans over a decade, with the first CAE-built simulator purchased in 2003. With this order, SEFTC will operate and have on order 32 CAE-built full-flight simulators. In 2015, CAE and China Eastern have also entered a joint venture agreement, sharing the ownership of CAE's flight academy in Melbourne, Australia. For the past two years, more than 175 China Eastern cadets have trained at the CAE Oxford Aviation Academy in Melbourne.

Xiamen Airlines: three full-flight simulators

Xiamen Airlines selected CAE for the provision of three CAE 7000XR Series full-flight simulators (FFS) – one Boeing 737-800, one Boeing 737-8MAX and one Boeing 787-9. The FFSs will be equipped with the latest innovative CAE Tropos 6000XR visual system, offering unprecedented realism. The training equipment suite will be delivered at Xiamen Airlines' training centre in Xiamen, and the first FFS will be ready for training starting in the Fall of 2017. Xiamen Airlines and CAE share a long-standing relationship that spans over 8 years, with the provision of cadet-to-captain training programs and the delivery of innovative training equipment. With this order, Xiamen Airlines will be operating 7 CAE-built full-flight simulators.

Korean Air: one full-flight simulator

Korean Air, the national flag carrier of the Republic of Korea, signed a new training equipment contract with CAE for the provision of one Boeing 787 full-flight simulator (FFS). The CAE 7000XR Series FFS will be delivered to the airline's training centre in Seoul, South Korea and will be ready-for-training in the second half of 2018. Korean Air and CAE share a long-standing relationship that spans over 30 years. With this order, the airline will be operating and have on order 9 CAE-built FFS.

Sriwijaya Air: one full-flight simulator

Sriwijaya Air, Indonesia's third largest carrier, selected CAE for the provision of a Boeing 737NG full-flight simulator (FFS). The CAE 7000XR FFS will be equipped with the innovative CAE Tropos 6000XR visual system, offering unprecedented realism. The FFS will be delivered to the airline's training centre in Jakarta and will be ready for training in the summer of 2017. This is the first CAE full-flight simulator purchased by Sriwijaya Air.

Southwest Airlines: Suite of Training Equipment

Southwest Airlines signed a new training equipment contract with CAE for the provision of one Boeing 737 full-flight simulator (FFS) as well as 14 cockpit procedures trainers, to support its growing training needs in the region. The CAE 550XR Series cockpit procedures trainers, the latest addition to CAE's XR Series suite of training equipment, offers an extended panel configuration with much of the cockpit using actual hardware controls and indicators, further enhancing the training experience. The complete training equipment suite will be delivered at Southwest Airlines' training centre in Dallas, Texas, USA, and will be ready for training in the second half of 2018. Southwest Airlines has been a customer of CAE since 2004 and with this order, the airline now has over 14 CAE-built full-flight simulators and over 25 flight training devices in training and on order.

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