



Trade Press Release

CAE signs five-year contract renewal with Flight Options for pilot training on multiple business aircraft types

Atlanta, Georgia, October 18, 2010 – (NYSE: CAE; TSX: CAE) CAE announced today at the National Business Aviation Association (NBAA) annual convention the signing of a five-year contract renewal with Flight Options for pilot training services covering six fleet aircraft types – including the Beechjet 400A, Cessna Citation X, Hawker Beechcraft 800XP and 800 XPi, and Embraer Legacy and Phenom 300. The contract has an expected value of US\$15 million.

“CAE's training technology innovation and flexibility are essential to Flight Options' need to adapt to dynamic market conditions,” said Michael Silvestro, Chief Executive Officer of Flight Options. “Flight Options pilots and maintenance technicians have been training with CAE for several years, and the quality of their simulation tools and instructional staff continues to set the market standards.”

The training will be conducted at CAE SimuFlite in Dallas, Texas and the CAE North East Training Center in Morristown, New Jersey. Embraer CAE Training Services (ECTS), a joint venture of Embraer and CAE, will provide the Phenom 300 training in Dallas.

“Flight Options has a well-deserved reputation for excellent customer service, and we are delighted that they appreciate the high level of service they receive from the entire CAE team,” said Jeff Roberts, CAE Group President, Civil Simulation Products, Training and Services. “Flight Options also has an unsurpassed commitment to safety and operational efficiency, and we look forward to helping them continue that commitment as their lead training provider.”

Flight Options has had an exclusive training agreement with CAE for its pilots since 2004 and for its maintenance technicians since 2007.

About Flight Options

Flight Options has earned a reputation as a leader and innovator within the private jet industry. For over 12 years, Flight Options has continued to offer the complete spectrum of programs from fractional ownership to leasing, aircraft management, and [JetPASS Select 25-hour card membership](#). The company is an industry leader in private aviation safety and provides personalized service to over 1,300 Owners and Members. Flight Options owns and operates a fleet of more than 100 aircraft consisting of the Phenom 300, Hawker 400XP, Hawker 800XP, Citation X, and Embraer Legacy 600. More information is available at www.flightoptions.com or by calling 877.703.2348.

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 7,500 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 –

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

Flight Options contact:

Flight Options Media Line, 216.797.8350, Corporate_Communications@FlightOptions.com