

Trade Press Release

CAE supports Royal Australian Air Force participation in Coalition Virtual Flag exercise

-- Coalition forces train together in distributed, integrated live-virtual-constructive (LVC) exercise --

Sydney, Australia, September 8, 2015 – (NYSE: CAE; TSX: CAE) – CAE recently supported the Royal Australian Air Force's (RAAF) participation in Coalition Virtual Flag 15, one of the world's largest virtual air combat exercises.

Hosted by the United States Air Force, Coalition Virtual Flag was conducted in parallel with Exercise Red Flag 15-4 so that live-flying and simulated aircraft could participate in the joint, multi-national air combat training exercise. Aircrews from the United States, United Kingdom, Australia, and Canada participated.

The RAAF's C-130J Full-Flight Mission Simulator (FFMS), located at RAAF Base Richmond in New South Wales, was the first Australian Defence Force (ADF) FFMS networked to the Coalition Virtual Flag exercise that included live, virtual and constructive assets and entities. CAE supported the development, integration and testing of connecting the RAAF C-130J FFMS to the exercise through the Australian Defence Simulation and Training Centre (ADSTC) network, including support for security accreditation of the training centre facility. CAE also integrated and tested the Common Database (CDB) virtual gaming area of southern Nevada in the United States used in the C-130J FFMS.

"Being able to virtually participate in Coalition Virtual Flag is a great example of the RAAF receiving training benefits that otherwise would have required significantly more time for overseas travel, as well as additional training that may not have been achievable using live aircraft," said Wing Commander Nicholas Hogan, Commanding Officer No. 285 Squadron, Royal Australian Air Force. "Using our C-130J simulator, we were in a virtual equivalent of southern Nevada and participating in the exercise with other real and simulated aircraft as if we were there. The support and technical capability provided by CAE played a key role in the success of this training exercise for the RAAF, and provides the foundation for continuing to expand our live-virtual-constructive training opportunities."

CAE prepared the RAAF's C-130J FFMS for participation in Coalition Virtual Flag under an extremely tight deadline while also respecting the RAAF's requirement to continue conducting its normal training that typically utilizes the C-130J simulator for up to 16 hours each day. CAE was able to address and overcome technical challenges related to networking and security accreditation, synthetic/tactical environment data volume, and database optimization for distributed mission training.

Under "Plan Jericho", the Australian Defence Force is outlining its plans and goals to increase the amount of live-virtual-constructive training it uses to recreate more complex mission training scenarios.

"Our participation in Coalition Virtual Flag 15 is a great demonstration of our intent with Plan Jericho and a good illustration of how the RAAF plans to train in the future," said Wing Commander Tracy Douglas, Plan Jericho Team at RAAF Headquarters.

"A complex and integrated live-virtual-constructive training exercise involving networking and interoperability is not without its technical challenges," said Peter Redman, Vice President and General Manager, CAE Asia/Pacific, Defence & Security. "As a company specializing in simulation and focused on training systems integration, CAE brings a great deal of experience and expertise to supporting distributed mission training and operations, such as the implementation of the Common Database as a key enabler. I am proud that our team in Australia was able to help provide the guidance, expertise and support required by the RAAF for its successful participation in Coalition Virtual Flag 15."

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Photos of this exercise are available at <u>http://images.defence.gov.au/S20152376</u> Video is available at <u>http://video.airforce.gov.au/play/lkcm1idzqll6LkJ78Vf20DHL6wkCEvSJ</u>

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