



Trade Press Release

CAE to develop Naval Training Centre for UAE Navy

- **Comprehensive Naval Training Centre (NTC) to provide individual, team, whole ship, and joint/collective mission training capabilities**

Montreal, Canada, June 15, 2016 – (NYSE: CAE; TSX: CAE) As announced today in a contract bundle press release, CAE was awarded contracts by the General Headquarters (GHQ) of the United Arab Emirates (UAE) Armed Forces. One of the programs awarded is to design and develop a comprehensive Naval Training Centre (NTC) for the UAE Navy.

The purpose-built NTC facility will feature a range of integrated ship simulation-based training suites as well as maritime aircraft sensor stations that will be used to deliver training for individuals, command teams, and whole ship crews. In addition, the overall naval training system for the UAE Navy is being designed for networking and interoperability to enable distributed multi-platform and joint mission training.

With potential phases, the UAE NTC program could be worth approximately C\$450 million over the next 15 years.

CAE has established CAE Maritime Middle East LLC to serve as the prime contractor and program management company in Abu Dhabi, UAE. CAE will be supported on the program by Babcock International, one of the United Kingdom's leading engineering support organizations, as well as other local UAE companies.

"This is a major strategic win for CAE and clearly demonstrates our capabilities to serve as a training systems integrator across all defence domains," said Gene Colabattisto, CAE's Group President, Defence & Security. "The UAE Navy selected CAE as its training partner because of our focus and expertise in training, and the result will be a comprehensive naval training enterprise that helps the UAE Navy achieve a high level of fleet operational readiness."

The UAE NTC will include whole ship simulation suites for the bridge, combat information centre (CIC), and machinery control room (MCR). CAE's naval tactical mission trainers (TMTs) will be provided and can be reconfigured for a variety of vessel types, and used to deliver individual training across a range of ship systems and subsystems, including Combat Management Systems, sensor, and weapons systems. The naval tactical mission trainers will be networked and used as part of a whole ship configuration for team and multi-ship training. CAE will also provide airborne tactical mission trainers to represent both fixed-wing and rotary-wing maritime aircraft that can be included as part of joint and collective mission training exercises.

The UAE NTC will feature a tactical control centre that will be used to coordinate and conduct comprehensive joint training and mission rehearsal exercises. The training facility will include all the requisite functionality and capability to perform naval exercise planning, execution, analysis, debrief, and evaluation. The whole ship simulation suites of various vessels combined with a high-fidelity synthetic environment based on the Common Database (CDB) will also enable development and evaluation of naval tactics, procedures and doctrine.

The UAE Naval Training Centre will be located in Taweelah with connectivity to several other naval and air bases throughout the UAE. The UAE NTC is expected to be complete and ready-for-training by early 2019.

About CAE

CAE's Defence & Security business unit focuses on helping prepare our customers to develop and maintain the highest levels of mission readiness. We are a world-class training systems integrator offering a comprehensive portfolio of training centres, training services and simulation products across the air, land, sea and public safety market segments. We serve our global defence and security customers through regional operations in Canada; the United States/Latin America; Europe/Middle East/Africa; and Asia/Pacific, all of which leverage the full breadth of CAE's capabilities, technologies and solutions.

CAE is a global leader in delivery of training for the civil aviation, defence and security, and healthcare markets. We design and integrate the industry's most comprehensive training solutions, anchored by the knowledge and expertise of our 8,000 employees, our world-leading simulation technologies and a track record of service and technology innovation spanning seven decades. Our global presence is the broadest in the industry, with 160 sites and training locations in 35 countries, including our joint venture operations, and the world's largest installed base of flight simulators. Each year, we train more than 120,000 civil and defence crewmembers, as well as thousands of healthcare professionals. www.cae.com

Follow us on Twitter @CAE_Inc and @CAE_Defence

- 30 -

CAE contacts:

Hélène V. Gagnon, Vice President, Public Affairs and Global Communications,
+1-514-340-5536, helene.v.gagnon@cae.com

Trade media:

Chris Stellwag, Director, Marketing Communications – Defence and Security,
+1-813-887-1242, chris.stellwag@cae.com

Investor relations:

Andrew Arnovitz, Vice President, Strategy and Investor Relations,
+1-514-734-5760, andrew.arnovitz@cae.com