



# Trade Press Release

## CAE to support NATO Flying Training in Canada through 2023

**-- Contract modification valued at more than C\$300 million --**

**Montreal, Canada, January 12, 2017** – (NYSE: CAE; TSX: CAE) – CAE today announced that the Government of Canada has formally modified the contract for the NATO Flying Training in Canada (NFTC) program and will now utilize the NFTC program through at least 2023.

The original NFTC 20-year contract was scheduled to expire in 2021. As the Government of Canada announced in 2015, it decided to modify the operating period of the NFTC to at least 2023 to allow the Government to begin evaluating its future aircrew training requirements. The modified operating period of the NFTC contract has resulted in CAE booking an order valued at more than C\$300 million during the company's third quarter of fiscal 2017. In addition, the modified operating period of the NFTC contract includes a one-year option to extend the contract through 2024.

“Since acquiring the NFTC program in October 2015, CAE has worked closely with the Royal Canadian Air Force on a range of initiatives to help improve the quality and efficiency of training,” said Joe Armstrong, Vice President and General Manager, CAE Canada. “As the training systems integrator on the NFTC program, we will now continue to make enhancements and improvements that will sustain NATO Flying Training in Canada well into the next decade. The men and women of CAE supporting the NFTC program are honoured to continue supporting one of the world's premiere military pilot training programs.”

In addition to modifying the operating period and extending the NFTC contract through 2023, CAE will also add new capabilities and perform a range of upgrades and updates to the overall NFTC training system and aircraft over the next several years. Some of the new capabilities as well as upgrades and updates include:

- Upgrades to the two existing CT-155 Hawk flight training devices (FTDs);
- Upgrades to the three existing CT-156 Harvard FTDs;
- Minor upgrades, ongoing maintenance and obsolescence management for the fleet of CT-155 Hawk aircraft;
- Minor upgrades, ongoing maintenance and obsolescence management for the fleet of CT-156 Harvard aircraft.

As the prime contractor for the NFTC program, CAE operates the NFTC base facilities, delivers the ground-school classroom and simulator training, and supports the live flying training on a fleet of Beechcraft T-6 (CT-156 Harvard) and BAE Systems Hawk (CT-155 Hawk) aircraft. CAE operates the NFTC program out of 15 Wing Moose Jaw and 4 Wing Cold Lake, and the program is designed and delivered in cooperation with the Government of Canada. The NFTC program combines basic, advanced, and lead-in fighter training as part of the comprehensive military pilot training program.

### 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 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](http://www.cae.com)

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