

Press Release

CAE wins defence contracts on key platforms valued at more than C\$175 million

- French Air Force ground-based training system for Babcock France
- C295 full-flight simulator for Airbus Defence & Space
- MH-60 Seahawk simulator upgrades and training support services for U.S. Navy and Royal Australian Navy

Montreal, Canada, January **17**, **2017** – (NYSE: CAE; TSX: CAE) – CAE today announced that it has won defence contracts on a range of customer platforms valued at more than C\$175 million to provide new simulation products, simulator upgrades and training support services for global military customers.

Key contracts awarded during the third quarter of CAE's fiscal year 2017 include Babcock France to support pilot training for the French Air Force; Airbus Defence & Space ordering a new C295 full-flight simulator for its training centre in Seville, Spain, and continuing simulator upgrades as well as training support services on the MH-60 Seahawk for both the United States Navy and Royal Australian Navy.

"The contract with Babcock France is a strategic win in Europe that will provide the French Air Force with a modernised training solution for future fighter pilots," said Gene Colabatistto, CAE's Group President, Defence & Security. "We have been Airbus' long-time training partner on the C295 program and are pleased we will continue to support the training required on this platform, which now will also include the Royal Canadian Air Force following Canada's selection of the C295 for its Fixed-Wing Search and Rescue program. Global militaries and original equipment manufacturers continue to recognize CAE's expertise and experience as a training systems integrator on enduring platforms, and this continues to provide us a healthy pipeline of opportunities around the world."

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. <u>www.cae.com</u>. Follow us on Twitter @CAE_Inc and @CAE_Defence

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Fact sheet for defence trade media

Babcock France FOMEDEC program

Babcock France has awarded CAE a contract to support pilot training for the French Air Force (Armée de l'Air). Under a program called the Formation Modernisée et Entrainement Différencié des Equipages de Chasse (FOMEDEC), Babcock France will partner with Dassault Aviation to be responsible for providing the French Air Force with a comprehensive pilot training solution, including Pilatus PC-21 aircraft, ground-based training system, and long-term training support services. FOMEDEC is the French training program designed to train future French Air Force fighter pilots and weapon systems officers.

CAE has been subcontracted to provide the comprehensive ground-based training system for the first time on the PC-21 platform, including full-mission simulators, part-task trainers, and instructor operator stations. CAE will use Pilatus-provided PC-21 cockpits for the two full-mission simulators and part-task trainers, and integrate a range of CAE simulation and synthetic environment technologies, including CAE Medallion-6000XR image generator, OGC CDB architecture, and computer-generated forces software. CAE will also provide long-term maintenance and support services for the ground-based training system.

Airbus Defence & Space

Airbus Defence & Space has awarded CAE a contract to design and manufacture a C295 fullflight simulator (FFS) for the C295 medium transport and surveillance aircraft. The simulator will be located at the Airbus Defence & Space International Training Centre in Seville, Spain and will be the second CAE-built C295 FFS at the training centre. This C295 FFS will be delivered to the Seville training centre in 2018.

CAE is also part of the Airbus Defence & Space team that was recently selected to provide the C295 aircraft for the Fixed-Wing Search and Rescue (FWSAR) in Canada.

United States Navy and Royal Australian Navy

The United States Navy has exercised additional contract options as part of the MH-60R/S Tech Refresh and Procurement of Simulators (TRPS) program. Under the MH-60 TPRS program, CAE USA is performing major updates and upgrades to the U.S. Navy's suite of MH-60S Sierra and MH-60R Romeo training systems, including tactical operational flight trainers and weapons tactics trainers. The U.S. Navy has also contracted CAE to continue providing maintenance and support services for the Royal Australian Navy's MH-60R training systems located at HMAS Albatross near Nowra in New South Wales.

About CAE's Defence & Security business

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.

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