



Press Release

CAE wins defence contracts valued at approximately \$110 million

- **T-6C ground-based training system for Royal New Zealand Air Force**
- **Visual system upgrade on German Air Force Eurofighter simulators**
- **CAE Medallion-6000 image generator for T-50IQ simulator**
- **KC-135 boom operator weapon systems trainer for undisclosed international customer**

Montreal, Canada, July 2, 2014 – (NYSE: CAE; TSX: CAE) – CAE today announced that it has won a series of contracts valued at approximately C\$110 million to provide a range of training systems and services for global defence customers. These include contracts to provide the T-6C ground-based training system and services for the Royal New Zealand Air Force (RNZAF), a contract to upgrade the visual systems on the German Air Force's Eurofighter simulators, a contract from Korea Aerospace Industries to provide the visual system for a T-50IQ full-mission simulator, and a contract to provide a KC-135 boom operator weapon systems trainer for an undisclosed international customer.

"We are well positioned across a range of opportunities around the world, involving defence and security forces that increasingly recognize the benefits of simulation-based training," said Gene Colabatistto, Group President, Defence and Security, CAE. "CAE is a skilled and experienced training systems integrator, and we are focused on pursuing long-term, integrated training solutions."

Beechcraft Defense Company/Royal New Zealand Air Force

CAE was awarded contracts from the Beechcraft Defense Company LLC to develop and support a comprehensive T-6C ground-based training system (GBTS) for the Royal New Zealand Air Force (RNZAF). The T-6C GBTS will be an integrated training system that includes two T-6C operational flight trainers, computer-based classroom training systems, and courseware customized for RNZAF pilot training. CAE has established CAE New Zealand Pty Ltd to provide long-term training support and maintenance services at RNZAF Base Ohakea. The T-6C GBTS is part of an overall training solution Beechcraft is providing to the RNZAF that includes 11 T-6C Texan II military trainer aircraft and 30 years of logistics support.

"We are pleased to be partnering with Beechcraft to deliver the Royal New Zealand Air Force with a proven, low-risk and comprehensive integrated pilot training solution that cost-effectively meets their current and future pilot training requirements," said Colabatistto.

The two CAE-built T-6C operational flight trainers (OFTs) will include a high-fidelity replica of the T-6C cockpit with a fully-enclosed 270 degree by 70 degree field-of-view display system driven by the CAE Medallion-6000 image generator. The T-6C OFT will also feature the CAE-developed common database (CDB), an open database architecture that enhances the ability to correlate and rapidly update databases to support training and mission rehearsal requirements. The comprehensive T-6C GBTS will be delivered to RNZAF Base Ohakea in 2015 and CAE will then provide on-site training support services.

German Air Force

Germany's Federal Office of Bundeswehr Equipment, Information Technology and In-Service Support (BAAINBw) has contracted CAE to replace obsolete components and upgrade the visual systems on the German Air Force's Eurofighter simulators. The visual system upgrade will include the addition of CAE's latest generation CAE Medallion-6000 image generator along with new high-resolution projectors and dome display systems for the Eurofighter full-mission simulators and Eurofighter cockpit trainers located in Laage, Norvenich, Wittmund and Neuburg, which are the four main Eurofighter operating bases in Germany.

Korea Aerospace Industries (KAI)

Korea Aerospace Industries Ltd (KAI) has contracted CAE to provide its CAE Medallion-6000 image generator for a T-50IQ full-mission simulator that KAI is developing for the Iraqi Air Force. In late 2013, KAI signed a contract with the Government of Iraq to provide its T-50IQ supersonic advanced jet trainer and light attack aircraft, including a ground-based training system. In addition to providing the CAE Medallion-6000 image generator for the T-50IQ full-mission simulator, CAE will provide a database modeling station and support KAI with integration and training services.

The CAE Medallion-6000 image generator combines a proven, industry-leading feature set and image quality with the power and capabilities of the latest commercial-off-the-shelf graphics processors. The CAE Medallion-6000 image generator provides training benefits such as:

- Extremely detailed virtual environments and realistic night scenes;
- Smooth dynamic shadows correlated to sun/moon positions;
- High resolution imagery and textures for enhanced fidelity;
- Highest scene density on the market;
- High-end sensor simulation capabilities.

Undisclosed

CAE has been awarded a contract to provide an undisclosed international customer with a KC-135 boom operator weapon systems trainer (BOWST). The KC-135 BOWST will provide tanker boom operators with enhanced synthetic training capabilities.

CAE is a global leader in providing comprehensive training solutions based on world-leading simulation technology and integrated training services. The company employs 8,000 people at more than 160 sites and training locations in 35 countries. Our vision is to be our customers' Partner of Choice and we take a long-term approach to customer relationships. We offer our civil aviation and defence and security customers a complete range of highly innovative product, service and training centre solutions designed to help them meet their mission critical needs for safety, efficiency and readiness. We provide similar solutions to customers in healthcare and mining. CAE has the largest installed base of civil and military flight simulators, supported by a range of after-sales services, and has been serving the needs of its customers for nearly 70 years. We have the broadest training services network in the world and offer civil aviation, military and helicopter training services in 67 locations worldwide and train more than 120,000 civil and military crewmembers annually. www.cae.com

Follow us on Twitter [@CAE_Inc](https://twitter.com/CAE_Inc) and [@CAE_Defence](https://twitter.com/CAE_Defence)

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 – Defence and Security, (813) 887-1242, chris.stellwag@cae.com

Investor relations: Andrew Arnovitz, Vice President, Strategy and Investor Relations, (514) 734-5760, andrew.arnovitz@cae.com