



Press Release

CAE wins defence contracts valued at approximately C\$220 million

- **C-130J training systems for U.S. Air Force and Royal Australian Air Force**
- **Simulator upgrades and training services for the Royal Air Force**
- **M-346 simulators for Italian Air Force**
- **Support services for British Army Warrior infantry fighting vehicle training systems**
- **Support services for NATO Joint Lynx Simulator Training Establishment**

Montreal, Canada, April 8, 2015 – (NYSE: CAE; TSX: CAE) – CAE today announced that it has won approximately C\$220 million worth of Defence and Security contracts during its fourth quarter to provide simulation products and upgrades as well as training services for global military customers.

Some of the key contracts include providing a C-130J simulator to the United States Air Force; a range of C-130J training systems and upgrades for the Royal Australian Air Force; simulator upgrades and training services for the Royal Air Force; M-346 simulators for the Italian Air Force; in-service support for the British Army's Warrior infantry fighting vehicle training systems; and support services for the NATO Joint Lynx helicopter simulator.

"As a world-class training systems integrator, we offer customers the experience and expertise to help them accomplish their training objectives in the most efficient and effective manner possible," said Gene Colabatistto, CAE's Group President, Defence & Security. "The contracts announced today are examples of customers leveraging the advantages of CAE's full suite of simulation-based training media, ranging from classroom training systems to full-mission simulators."

Lockheed Martin/USAF

Under subcontract from Lockheed Martin, CAE will design and manufacture a C-130J weapon systems trainer (WST) for the United States Air Force (USAF) Air Mobility Command. The C-130J WST will be the ninth developed by Lockheed Martin and CAE for the USAF's Air Mobility Command and will be delivered in 2018 to Yokota Air Force Base in Japan.

Royal Australian Air Force

In support of the Royal Australian Air Force's (RAAF) tactical role enhancement program for the C-130J, CAE has been awarded a series of contracts from Australia's Defence Material Organisation (DMO) and Lockheed Martin to upgrade and enhance elements of the C-130J training system at RAAF Base Richmond.

CAE is upgrading the tactical environment software in the CAE-built C-130J full-flight and mission simulator (FFMS) to enable the RAAF to create more realistic training scenarios and leverage the Common Database (CDB) capabilities for mission training and rehearsal. In addition, CAE is updating the mission brief/debrief system on the C-130J FFMS using CAE Flightscape software to enhance training system effectiveness.

CAE is providing CAE Simfinity desktop trainers and instructor tools to bring high-fidelity virtual training to the RAAF's C-130J groundschool. CAE Simfinity Virtual Simulators (VSIM) and simulation-based courseware will support additional virtual training in the classroom for both pilots and loadmasters.

Finally, under a subcontract from Lockheed Martin, CAE will provide CAE Simfinity Virtual Maintenance Trainers (VMT) as part of a modern electronic learning environment for RAAF C-130J maintainers.

"We rely on our C-130J Hercules to fly in some of the toughest flying environments on earth, and deliver effective results when they arrive," said Air Commodore Warren McDonald, Commander Air Mobility Group, RAAF. "To provide this service, it's essential for our Air Force to have training systems that are flexible, intuitive, and can recreate a wide range of scenarios accurately. New and updated training systems at No. 285 Squadron have significant potential to capitalise on the learning skills of new student aircrew and technicians, who are already heavily exposed to computer-based courseware and simulation devices. Quality training for our C-130J personnel will produce personnel who can continue to meet the high-standards that have been accomplished by RAAF Hercules since 1958."

UK Ministry of Defence/Royal Air Force

The United Kingdom Ministry of Defence (MOD) has awarded CAE several upgrade and modification contract amendments for simulator training services at CAE's Medium Support Helicopter Aircrew Training Facility (MSHATF).

The first contract amendment involves enhancements to the existing ground school training capabilities for both the Chinook and Puma 2 helicopters operated by the Royal Air Force (RAF). CAE is introducing its CAE Simfinity desktop trainers and instructor tools to bring additional virtual training to the classroom during the Puma 2 ground school phase of training. The use of CAE Simfinity and its high-fidelity simulation in the classroom will enable the RAF to more effectively utilize the Puma 2 dynamic mission simulator for advanced tactical and mission training.

Two additional contract amendments involve CAE performing major upgrades on two of the CH-47 Chinook dynamic mission simulators to ensure concurrency with the RAF's CH-47 Mk4 helicopter variants. These simulator upgrades are a continuation of the JULIUS programme.

Alenia Aermacchi

Alenia Aermacchi has awarded CAE a contract to provide an M-346 full-mission simulator (FMS) and M-346 part-task trainer (PTT) to support the Italian Air Force. This contract follows an earlier agreement signed in 2009 for Alenia Aermacchi and CAE to provide a comprehensive M-346 ground-based training system in support of Alenia Aermacchi's sale of the M-346 advanced trainer aircraft (called the T-346A by the Italian Air Force).

Alenia Aermacchi and CAE have already delivered one M-346 FMS and one M-346 PTT to Galatina Air Force Base near Lecce, Italy. This contract will see Alenia Aermacchi deliver a second M-346 FMS and PTT to Lecce as part of the T-346A Integrated Training System. The M-346 FMS will include a full-dome display system and next-generation CAE Medallion-6000 image generator. Alenia Aermacchi and CAE will also perform updates on the initial M-346 simulators delivered to the Italian Air Force and add new functionalities to support networked training as well as integrated live-virtual-constructive (LVC) training.

UK Ministry of Defence/British Army

The United Kingdom Ministry of Defence has awarded CAE a four-year contract to provide logistics support and maintenance services on the British Army's suite of Warrior infantry fighting vehicle direct and indirect fire trainers. The British Army uses a comprehensive suite of training devices for artillery fire control, crew gunnery and turret skills training, and CAE will now provide in-service support on these training systems at British Army bases in the UK and Germany. In addition, CAE will provide configuration management of the British Army's Common Instructor Operating Station for Precision Gunnery, which is used to assess overall performance when training precision gunnery tasks.

Joint Lynx Simulator Training Establishment (JLSTE)

The NATO Support Agency (NSPA) has contracted CAE to provide maintenance and support services on the CAE-built Lynx full-mission flight trainer (FMFT) based at Naval Air Station (NAS) Nordholz in

Germany. Under terms of the three-year contract, which includes an additional two option years, CAE will provide on-site maintenance services as well as logistics support and visual database development services.

“For more than 25 years, CAE has been our training partner on the Lynx helicopter and has done an excellent job providing the on-site maintenance and support required for our Lynx simulator,” said Lieutenant Torsten Junker, Simulator Officer for the Joint Lynx Simulator Training Establishment. “The simulator is used extensively to train Lynx aircrews from several nations so the ongoing maintenance and support is critical to its high availability and helping our aircrews maintain mission readiness.”

The Joint Lynx Simulator Training Establishment, originally located at Naval Air Station de Kooy in the Netherlands and relocated to NAS Nordholz in 2013, currently provides training support to Lynx aircrews from Germany, Denmark, and Portugal. The Lynx FMFT originally entered service in 1988 and has been upgraded by CAE numerous times over more than 25 years of service. The simulator has delivered more than 100,000 hours of training to Lynx aircrews in Europe.

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

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