



## Press Release

### CAE wins defence contracts valued at more than C\$110 million

- **U.S. Navy T-44C aircrew training contract**
- **MH-60R simulator for Royal Danish Navy**
- **T-6C ground-based training system for Mexican Air Force**

**Montreal, Canada, January 8, 2014** – (NYSE: CAE; TSX: CAE) – CAE today announced that it has won contracts valued at more than C\$110 million, not including options, to provide a range of training systems and services for defence customers. The contracts, which add to CAE’s third quarter fiscal year 2014 order intake, include a new program to provide Beechcraft T-44C aircrew training for the United States Navy, a foreign military sale contract to provide an MH-60R Seahawk helicopter simulator for the Royal Danish Navy, and a contract from Beechcraft to provide a T-6C ground-based training system (GBTS) for the Mexican Air Force.

“CAE is a skilled and experienced training systems integrator with the proven capability to deliver comprehensive, integrated training solutions,” said Gene Colabatistto, Group President, Defence and Security, CAE. “We are continuing to be successful with platforms where we have a strong position such as the MH-60R as well as pursue and win a range of turnkey training programs, such as the U.S. Navy T-44C. We are encouraged by the pipeline of global opportunities we have in front of us in both the traditional defence market as well as adjacencies such as public safety and security.”

#### **U.S. Navy T-44C**

CAE USA will provide comprehensive T-44C aircrew training services at Naval Air Station (NAS) Corpus Christi in Texas. Under terms of the contract, which was awarded as a nine-month base contract for US\$3.5 million with an additional six one-year options valued at a total of more than US\$30 million, CAE USA will provide T-44C aircrew training services under a contractor-owned, contractor-operated training program. CAE will be providing classroom and simulator training for more than 500 students annually to support the Navy’s T-44C aircraft, which is used for multi-engine intermediate and advanced flight training. As part of the T-44C aircrew training program, CAE will be providing a suite of new T-44C training devices to ensure concurrency with the digital, glass cockpit avionics suite in the T-44C aircraft.

“This is a new program for CAE USA, and we are honored the U.S. Navy has selected us following a competitive acquisition process,” said Ray Duquette, President and General Manager, CAE USA. “We are also encouraged by the Navy taking an innovative approach to procuring aircrew training services under a contractor-owned and contractor-operated training program. We will provide the required T-44C training devices, and then put these new training devices into service to support the overall T-44C training program. We believe this approach to training service delivery can help our military customers save money, decrease risk, secure investment and contribute to enhanced training effectiveness.”

#### **U.S. Navy/Royal Danish Navy**

CAE was awarded a contract by the U.S. Navy to develop an MH-60R mission operational flight trainer (MOFT) for the Royal Danish Navy under the United States foreign military sale (FMS) program. CAE USA will be the prime contractor responsible for the design and manufacture of an MH-60R MOFT that will be delivered in 2016 to Karup Air Base in Denmark.

The MH-60R MOFT is a full-motion simulator with crew positions for the pilot, tactics officer, and sensor operator. The MH-60R MOFT will also include an onboard flight instructor station, as well as off-board stations for the tactics instructor, debriefing, and database development. The simulator will feature the CAE Medallion-6000 image generator and common database (CDB) architecture.

The Royal Danish Navy selected the U.S. Navy's MH-60R Seahawk helicopter in late 2012 as their new naval helicopter for search and rescue and anti-surface warfare operations, including defending Danish interests in the North Atlantic, executing anti-piracy operations, and conducting other missions during international deployments. Denmark is the second foreign military sale customer for the U.S. Navy's MH-60R helicopter, following Australia's selection of the MH-60R. The U.S. Navy is supported by Team Seahawk, which consists of MH-60R airframe manufacturer Sikorsky Aircraft, mission systems integrator Lockheed Martin, engine manufacturer GE, sensor supplier Raytheon Corp., and training supplier CAE.

### **Beechcraft/Mexican Air Force**

CAE was awarded a contract from Beechcraft Corporation to develop a comprehensive T-6C GBTS for the Mexican Air Force (FAM). The T-6C GBTS will include a T-6C operational flight trainer (OFT), computer-based classroom training systems, and courseware. The T-6C GBTS is part of an overall training solution Beechcraft is providing to the Mexican Air Force that includes 12 T-6C+ military trainer aircraft.

The CAE-built T-6C OFT 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 support night-vision goggle training, and 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 T-6C OFT is designed with the latest technologies to support training that progresses to fourth and fifth generation lead-in trainer and fighter platforms. The comprehensive T-6C GBTS will be delivered to the Zopapan Air Base near Guadalajara in 2015.

CAE is a global leader in modelling, simulation and training for civil aviation and defence. The company employs approximately 8,000 people at more than 100 sites and training locations in approximately 30 countries. CAE offers civil aviation, military and helicopter training services in more than 50 locations worldwide and trains approximately 100,000 crew members yearly. In addition, the CAE Oxford Aviation Academy offers training to aspiring pilot cadets in 10 CAE-operated flight schools. CAE's business is diversified, ranging from the sale of simulation products to providing comprehensive services such as training and aviation services, integrated enterprise solutions, in-service support and crew sourcing. The company applies simulation expertise and operational experience to help customers enhance safety, improve efficiency, maintain readiness and solve challenging problems. CAE is now leveraging its simulation capabilities in new markets such as healthcare and mining. More information can be found at [www.cae.com](http://www.cae.com). Follow us on Twitter @CAE\_Inc and @CAE\_Defence.

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### **CAE contacts:**

Nathalie Bourque, Vice President, Public Affairs and Global Communications, (514) 734-5788, [nathalie.bourque@cae.com](mailto:nathalie.bourque@cae.com)

**Trade media:** Chris Stellwag, Director, Marketing Communications – Defence and Security, (813) 887-1242, [chris.stellwag@cae.com](mailto:chris.stellwag@cae.com)

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