



Press Release

CAE wins defence contracts valued at more than C\$120 million

- **MQ-1 Predator/MQ-9 Reaper aircrew training services for U.S. Air Force, including significant increase for additional instructors**
- **Magnetic anomaly detection systems for Japan**
- **C-130J simulator for Lockheed Martin**

Montreal, Canada, September 9, 2015 – (NYSE: CAE; TSX: CAE) – CAE today announced that it has won defence contracts valued at more than C\$120 million to provide simulation products, operational systems and training services for global military customers.

Some of the key contracts include providing MQ-1 Predator/MQ-9 Reaper remotely piloted aircraft (RPA) aircrew training services for the U.S. Air Force; magnetic anomaly detection systems for Japan; and a C-130J simulator for Lockheed Martin.

“We are continuing to see increased opportunities globally for the delivery of training services, and we are well positioned to capitalize on this trend,” said Gene Colabatistto, CAE’s Group President, Defence & Security. “I am particularly pleased with how we have been able to expand our support to the U.S. Air Force on the MQ-1 Predator/MQ-9 Reaper unmanned aerial system training program, which is an area of significant growth across the global defence market.”

U.S. Air Force MQ-1 Predator/MQ-9 Reaper

The United States Air Force (USAF) has awarded CAE USA a contract option for MQ-1 Predator and MQ-9 Reaper RPA aircrew training services and courseware development.

Included in the recently exercised contract option is a contract modification that calls for CAE USA to significantly increase the number of training instructors it employs to support the USAF’s MQ-1 Predator and MQ-9 Reaper training programs. The majority of the new instructors will be based at Holloman Air Force Base (AFB) in New Mexico, which is the site of the formal training units for both the MQ-1 Predator and MQ-9 Reaper.

“Unmanned aerial system pilot training in the U.S. Department of Defense has received significant attention since the release of a Government Accountability Office (GAO) report several months ago, and the Air Force is taking a number of initiatives to improve UAS pilot training,” said Ray Duquette, President and General Manager, CAE USA. “One of these initiatives is to address the shortage of instructors at the formal training units at Holloman. The comprehensive training for aircrews is delivered by both active-duty and contract instructors who work as an integrated team, and CAE is pleased to be able to provide additional instructors to help improve the training throughput for the MQ-1 Predator and MQ-9 Reaper.”

CAE USA is the prime contractor providing MQ-1 Predator and MQ-9 Reaper aircrew training services and courseware development to the USAF. CAE USA works closely with active-duty USAF personnel to provide classroom, simulator and live flying instruction for more than 1,500 pilots and sensor operators who train annually at Holloman AFB, New Mexico; Creech AFB, Nevada; March Air Reserve Base, California; and Hancock Air National Guard Base, New York.

Mitsubishi Electric/Japan Ministry of Defense

CAE has received a purchase order from Mitsubishi Electric United States (MEUS) to provide critical components of CAE's AN/ASQ-508 Advanced Integrated Magnetic Anomaly Detection (MAD) system for twenty P-1 maritime patrol aircraft operated by the Japanese Ministry of Defence. The P-1 aircraft is Japan's indigenously developed long-range anti-submarine warfare, anti-surface warfare, intelligence, surveillance, and reconnaissance (ISR) platform. Complete AN/ASQ-508 MAD systems for the P-1 are manufactured by Mitsubishi Electric Corporation Kumakura Works under license to CAE. The CAE AN/ASQ 508 is one of the most advanced MAD systems in the market and will be integrated with the P-1's mission system to be used operationally during anti-submarine warfare missions.

CAE's MAD system is being delivered and is widely used on maritime patrol aircraft for a range of global defence forces, including the Turkish Navy's CN235 and ATR72, Canada's CP-140 Aurora, India's P-8I Poseidon, Brazil's P-3BR, and Chile's C-295. The MAD system provides the capability to detect, locate, and confirm subsurface targets by identifying magnetic variations or anomalies, such as those caused by a submarine, in the Earth's magnetic field.

Lockheed Martin

CAE will design and manufacture a C-130J/LM-130J weapon systems trainer for Lockheed Martin's new international training centre to be built in Marietta, Georgia.

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 delivery of training for the civil aviation, defence and security, and healthcare markets. We design and integrate the industry's most comprehensive training solutions, anchored by the knowledge and expertise of our 8,000 employees, our world-leading simulation technologies and a track record of service and technology innovation spanning seven decades. Our global presence is the broadest in the industry, with 160 sites and training locations in 35 countries, including our joint venture operations, and the world's largest installed base of flight simulators. Each year, we train more than 120,000 civil and defence crewmembers, as well as thousands of healthcare professionals. www.cae.com

Follow us on Twitter @CAE_Inc and @CAE_Defence

- 30 -

CAE contacts:

Hélène V. Gagnon, Vice President, Public Affairs and Global Communications,
+1-514-340-5536, helene.v.gagnon@cae.com

Trade media:

Chris Stellwag, Director, Marketing Communications – Defence and Security,
+1-813-887-1242, chris.stellwag@cae.com

Investor relations:

Andrew Arnovitz, Vice President, Strategy and Investor Relations,
+1-514-734-5760, andrew.arnovitz@cae.com