



Press Release

CAE announces civil aviation training centre development and simulator contracts valued at approximately C\$45 million

- China Southern Airlines and CAE expand Zhuhai training joint venture to provide **civil helicopter training in Asia**
- CAE concludes fiscal year 2011 with **29 civil full-flight simulator sales**
- Virgin America and CAE to establish new A320 pilot training centre in San Francisco

Montreal, Canada, March 29, 2011 – (NYSE: CAE; TSX: CAE) – CAE today announced contracts with airlines in Asia and North America for training centre development, the sale of two full-flight simulators (FFS) and CAE Simfinity™ training devices, with a combined value of approximately C\$45 million at list and contract prices.

China Southern Airlines and CAE are expanding their joint venture aviation training centre in Zhuhai, China to include two additional Level D FFSs purchased from CAE – a CAE 5000 Series for the Boeing 737NG and a CAE 3000 Series for the Sikorsky S-76C++ helicopter. This will mark the first CAE 3000 Series civil helicopter full-flight and mission simulator in Asia. With this contract, CAE concludes fiscal year 2011 with 29 civil full-flight simulator sales.

CAE has also signed a multi-year agreement with Virgin America to develop and support a new pilot training centre near the airline's home base in San Francisco, USA. As part of this agreement, CAE will install an existing CAE-owned Airbus A320 Level D full-flight simulator (FFS), which will be updated to the latest Airbus configuration.

"This expansion in Zhuhai further strengthens our position in Asia and demonstrates CAE's commitment to provide the highest-quality aviation training solutions for our customers around the globe, including commercial aircraft, business aircraft and civil helicopter operators," said Jeff Roberts, CAE Group President, Civil Simulation Products, Training and Services. "Our tailored, turnkey solution for Virgin America brings together CAE's capabilities in simulation technology, regulatory liaison, facilities design, simulator support, and training centre management in a total package that only CAE can effectively deliver."

China Southern Airlines

"Civil aviation traffic continues to grow rapidly in China and throughout the region. Therefore, it is important that we continue to grow training capacity to meet the increasing demand," said Mr. Tan Wan'geng, President and CEO of China Southern Airlines "Our partnership with CAE has been very successful, and the quality of the pilot training has met all expectations."

Also included in the Zhuhai expansion are CAE Simfinity integrated procedures trainers (IPTs) for the B737NG and S-76C++ and a helicopter CAE Simfinity Virtual Simulator (VSIM). The S-76C++ FFS, IPT and VSIM will enable training for common S-76 variants including S-76A, S-76A++, S 76C+ and S-76C++.

Virgin America

"We selected CAE as our partner because of their leadership in training centre management and advanced flight simulation technology," said Bob Weatherly, Senior Vice President of Operations at Virgin America. "They designed a training solution that addresses our unique requirements as a new and growing airline."

The A320 FFS will be ready for training later this year. CAE will also provide training centre operations support for the simulator, including regulatory support and all simulator maintenance and engineering activities.

Virgin America will have access to additional A320 FFSs at other CAE training centres in North America and the Airbus Training Centre in Miami, USA. These training facilities are part of the Airbus-CAE Training Cooperation global network.

CAE will market available simulator time at the new Virgin America San Francisco facility to other A320 operators. This will be the 33rd location in CAE's global training network of professional aviation training centres.

About CAE

CAE is a world leader in providing simulation and modelling technologies and integrated training solutions for the civil aviation industry and defence forces around the globe. With annual revenues exceeding C\$1.5 billion, CAE employs more than 7,500 people at more than 100 sites and training locations in more than 20 countries. We have the largest installed base of civil and military full-flight simulators and training devices. Through our global network of 33 civil aviation, military and helicopter training centres, we train more than 80,000 crewmembers yearly. We also offer modelling and simulation software to various market segments, and through CAE's professional services division we assist customers with a wide range of simulation-based needs.

www.cae.com

– 30 –

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

Trade media: Chris Stellwag, Director, Marketing Communications, Military and Civil, (813) 887-1242,
chris.stellwag@cae.com

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

EDITOR NOTES:

China Southern Airlines

With this expansion, Zhuhai will become CAE's 11th location globally featuring civil helicopter training. Current locations include: Dubai, UAE; Stavanger, Norway; Aberdeen, Scotland, UK; as well as Morristown and Phoenix, USA. Two CAE joint venture military training centres also offer civil helicopter training: Bangalore, India and Sesto Calende, Italy. New locations announced recently include: Mexico; Sao Paulo, Brazil; and a helicopter ab initio program at CAE Global Academy, Gondia, India.

More than 12,000 pilots train annually at the Zhuhai Flight Training Centre, located in Guangdong province. This order will bring the total number of CAE-built simulators that the facility operates to 17, maintaining its position as the largest independent flight training centre in China. The centre also features FFSs for the Airbus A320 family, A330, Boeing 737 Classic, Boeing 757, Boeing 777, and Embraer ERJ 145. Customers include Air China, China Eastern Airlines, China Sichuan Airlines, and others. The joint venture company was established in 2002.

Virgin America

CAE also provides Airbus A340 and Boeing 747 pilot training for Virgin Atlantic Airways at the CAE Training Centre in Burgess Hill, UK, and provides training support services for V Australia's CAE-built Boeing 777 FFS installed at CAE's facility in Silverwater, New South Wales, Australia.

Virgin America is a low fare airline that has created 1,900 jobs and welcomed more than 11 million guests since its August 2007 launch. The airline's Airbus A320 Family aircraft feature custom-designed mood-lit cabins, touch-screen in-flight entertainment and standard power outlets at every seat and fleetwide WiFi. In January 2011, Virgin America announced plans to triple its fleet size by 2019 with a firm order for 60 new Airbus A320 Family aircraft – including the first commercial order for the new eco-efficient Airbus A320neo engine option. Virgin America flies to San Francisco, Los Angeles, New York, Washington D.C., Seattle, Las Vegas, San Diego, Boston, Fort Lauderdale, Orlando, Dallas-Fort Worth, Los Cabos, Cancun and Chicago (starting May 25, 2011). In only three years of flying, Virgin America has won numerous awards for customer service and their environmentally friendly fleet and sustainability commitment. <http://www.virginamerica.com/>.