



Press Release

CAE awarded military contracts valued at more than \$100 million

- **M-346 training devices for Israeli Air Force**
- **Services and upgrades for UK MSHATF**
- **Maintenance and support services for NATO E-3A training devices**

Montreal, Canada, February 5, 2013 – (NYSE: CAE; TSX: CAE) – CAE today announced it has won more than C\$100 million in military contracts for the defence forces of 15 countries. They include a contract from Elbit Systems to provide M-346 training devices for the Israeli Air Force, contracts from the UK Ministry of Defence to support CAE's Medium Support Helicopter Aircrew Training Facility (MSHATF), and a contract to provide maintenance and support services for the NATO E-3A training devices.

The majority of these contracts were awarded during CAE's fiscal year 2013 third quarter and partially at the start of its current fourth quarter.

"We are pleased to partner with Elbit Systems and Alenia Aermacchi to add the Israeli Air Force to the growing list of M-346 customers globally who will train their next-generation pilots using CAE's world-class simulation technology," said Gene Colabatistto, Group President, Military Products, Training and Services, CAE. "The cost benefits of simulation-based training are becoming increasingly relevant for defence forces and we continue to focus on a large pipeline of opportunities in both the emerging and established markets."

Elbit Systems/Israeli Air Force

CAE was awarded a contract from Elbit Systems to design and manufacture segments of a suite of Alenia Aermacchi M-346 simulators to support the Israeli Air Force (IAF) future trainer aircraft program. Under terms of the contract with Elbit Systems, CAE USA will provide segments of the M-346 full-mission simulators and the operational flight simulators. The simulators will be delivered to Israel and ready for training in the second half of 2014.

Elbit Systems has the responsibility for the M-346 ground-based training system (GBTS) and will integrate the M-346 simulators into the overall M-346 GBTS in support of preparing the IAF's pilots for operating next-generation combat aircraft. The M-346 GBTS is developed within an industrial team composed by Elbit Systems, Alenia Aermacchi, CAE and Selex Galileo.

UK Ministry of Defence

The United Kingdom Ministry of Defence (MoD) has recently awarded CAE two contracts for simulator upgrades and training services at CAE's Medium Support Helicopter Aircrew Training Facility (MSHATF).

A contract to provide both ground school and simulator aircrew training services at MSHATF for the Royal Air Force (RAF) on the Puma HC2 helicopter has been extended through 2017. CAE is currently upgrading the Puma dynamic mission simulator at MSHATF to the new Puma HC2 configuration. The upgraded Puma simulator is expected to be ready-for-training during the summer of 2013.

In addition, CAE will perform a major upgrade to one of the CH-47 Chinook dynamic mission simulators to ensure concurrency with the RAF CH-47 Mk4 standard, which is also known as

the JULIUS program. CAE had previously upgraded one of the other CH-47 Chinook simulators at MSHATF to the Mk4 configuration.

CAE's MSHATF, owned and operated by CAE Aircrew Training Services, is a purpose-built facility that provides training to the RAF and third-party operators of Boeing CH-47 Chinook, AgustaWestland AW101 Merlin, and Eurocopter Puma helicopters. The MSHATF is equipped with six CAE-built dynamic mission simulators (three Chinook, two Merlin, and one Puma), four computer-based ground school training classrooms, and a state-of-the-art tactical control centre.

NATO E-3A Maintenance Services

CAE was awarded a contract to continue providing a range of maintenance and support services for the NATO E-3A training devices located at NATO Airbase Geilenkirchen in Germany. Under terms of the three-year frame contract, NATO will order from CAE maintenance services for the CAE-built E-3A flight deck simulator as well as the recently delivered CAE-built E-3A flight training device. The NATO E-3A flight deck simulator has been in operation for more than 30 years and has provided more than 100,000 hours of training to NATO E-3A Airborne Warning and Control System (AWACS) aircrews.

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 45 locations worldwide and trains approximately 100,000 crewmembers yearly. In addition, the CAE Oxford Aviation Academy offers training to aspiring pilot cadets in 11 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 leveraging its simulation capabilities in new markets such as healthcare and mining. www.cae.com

- 30 -

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 – Military,
(813) 887-1242, chris.stellwag@caemilusa.com

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