



Press Release

CAE awarded military contracts valued at more than C\$125 million

- Seven operational flight trainers
- Two multi-crew simulators for U.S. Navy student flight officers
- Upgrade of U.S. Air Force KC-135 simulators

Montreal, Canada, October 17, 2011 – (NYSE: CAE; TSX: CAE) – CAE today announced that it has been awarded a series of military contracts from the defence forces of seven countries valued at more than C\$125 million. They include a contract to develop two multi-crew simulators for a new undergraduate program of the United States Navy, additional work for the United States Air Force as part of the KC-135 Aircrew Training System (ATS) contract, and two contracts from undisclosed customers in the U.S. and the Middle East to design and manufacture a total of seven operational flight trainers.

“Our defence customers in the U.S. and internationally continue to invest in simulation-based training solutions to maintain readiness and lower costs,” said Martin Gagné, CAE’s Group President, Military Products, Training and Services. “CAE’s expertise across highly relevant defence platforms with long program lives will drive contract opportunities today and in the future. As well, our ability to serve our customers throughout the program lifecycle positions us well for upgrades and enhancements to existing training devices.”

U.S. Navy Undergraduate Military Flight Officer program

CAE USA has won a competitive contract to develop two Undergraduate Military Flight Officer (UMFO) Multi-Crew Simulators (MCS) for the U.S. Navy. These simulators, which will be based on CAE’s existing mission crew trainer and tactical mission trainer products, will be used by the Navy to provide student flight officers with the knowledge and skills required to function in a joint, network-centric warfare environment. The student flight officers will use the MCSs for a range of training tasks, including: command and control, electronic warfare, navigation, sensor operations and weapons employment. The UMFO MCS training devices will be delivered to Naval Air Station Pensacola, Florida, USA, in 2013.

“The multi-crew simulators will help naval flight officers improve communications, situational awareness, and mission commander skills,” said Gagné. “We are pleased the Navy recognized CAE’s experience in developing a training solution that will ultimately prepare these officers for the decision-making abilities they will need in a complex combat environment.”

U.S. Air Force KC-135 Aircrew Training System

The U.S. Air Force has awarded CAE USA a contract modification to provide a range of upgrades to KC-135 operational flight trainers (OFTs). CAE will update a total of 11 KC-135 OFTs to enhance simulator reliability and maintainability, as well as ensure concurrency with the actual aircraft. In addition, the U.S. Air Force has exercised the option for the second year of aircrew training services provided by CAE USA as the prime contractor on the KC-135 ATS program.

CAE is a global leader in modelling, simulation and training for civil aviation and defence. The company employs more than 7,500 people at more than 100 sites and training locations in more than 20 countries. Through CAE’s global network of 33 civil aviation, military and helicopter training centres, the company trains more than 80,000 crewmembers yearly. CAE’s business is diversified, ranging from the sale of simulation products to providing comprehensive services such as training and aviation services, professional services and in-service support. The company aims to apply its 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. www.cae.com

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