



Trade Press Release

CAE to develop C-130J simulators and training devices for Lockheed Martin and U.S. Air Force

Tampa, Florida, USA, June 4, 2012 – (NYSE: CAE; TSX: CAE) – CAE today announced that Lockheed Martin Corporation has awarded the company contracts to design and manufacture four C-130J weapons systems trainers and a range of other C-130J training devices for the U.S. Air Force.

The order was booked in CAE's fourth quarter ending March 31, 2012 and included in the value of military contracts announced by CAE on April 16, 2012.

As part of the C-130J Maintenance and Aircrew Training System Phase II program, prime contractor Lockheed Martin and CAE will design 16 training devices including weapons systems, enhanced integrated cockpit systems, loadmaster fuselage and loadmaster part-task trainers.

CAE will manufacture the simulators and training devices at its Tampa, Fla., USA and Montreal, Canada facilities.

"The C-130J program in the United States is a great example of how the U.S. military is executing its plan to increase synthetic training as part of the overall aircrew training curriculum," said John Lenyo, President and General Manager, CAE USA. "The high-fidelity training devices we produce, including the Level D-equivalent weapons systems trainers, will enable C-130J aircrews to maintain proficiency and readiness at a significantly lower cost."

Lockheed Martin will integrate and deliver the trainers to the U.S. Air Force Air Combat Command, Air Mobility Command and Special Operations Command for C-130J initial qualification and refresher training. The trainers will be delivered by 2016 to Cannon Air Force Base, N.M.; Dyess Air Force Base, Texas; Hurlburt Field, Fla.; Kirtland Air Force Base, N.M.; Moody Air Force Base, Ga.; in the United States and Ramstein Air Base, Germany.

"The technology now available with our training devices offers incredible training flexibility, increased realism and a fully networked system capable of distributed mission operations," said Jim Weitzel, vice president of Training Solutions in Lockheed Martin's Global Training and Logistics business. "The new integrated cockpit systems trainers, for example, allow both aircrew and maintenance training on the same device, offering increased training capability to our customers while adding tremendous value."

CAE is a global leader in modelling, simulation and training for civil aviation and defence. The company employs close to 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 12 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, professional services, 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. www.cae.com

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Notes to Editors:

Following completion of the C-130J MATS Phase II program, Lockheed Martin and CAE will have designed and manufactured a total of 17 C-130J weapon systems trainers for the United States military:

- Seven C-130J WSTs for the USAF's Air Mobility Command
- Seven HC/MC-130J WSTs for AFSOC and the USAF's Air Combat Command
- Three KC-130J WSTs for the USMC

The first C-130J WST for the USAF was delivered in 2003 to Keesler AFB in Mississippi.