

CAE to issue US\$550 million of senior unsecured notes in private placement and concludes monetization of future royalty obligations with Bombardier

Montreal, Canada, December 21, 2018 – (NYSE: CAE; TSX: CAE) – CAE today announced that it has entered into an agreement to issue a series of unsecured senior notes through a private placement. The company also announced the conclusion of its previously disclosed transaction to monetize its existing future royalty obligations to Bombardier.

Issuance of US\$550 million senior unsecured notes

The notes issuance is subject to customary closing conditions and proceeds will be used to fund CAE's acquisition of Bombardier's Business Aircraft Training Business and to refinance some of CAE's existing debt and recent term loans announced on November 8, 2018. The notes will be issued in several US dollar denominated tranches with fixed interest rates ranging from 4.45 to 4.90 percent annually and maturities ranging from 10 to 15 years. Note holders include 19 large institutional investors in the United States and Canada.

"We are pleased with the market's response to our notes offering and to have secured CAE's borrowing costs at attractive interest rates for up to fifteen years," said Sonya Branco, CAE's Vice President, Finance and Chief Financial Officer. "The private placement includes several new institutional investors in addition to long-time note holders, reflecting the high degree of confidence in CAE. The financing aligns well with CAE's capital allocation strategy, which balances growth investments, current shareholder returns, and the maintenance of a solid financial position. CAE's debt structure and strong free cash flow profile provide good flexibility to continue funding profitable growth while further strengthening our balance sheet. "

TD Securities is acting as agent on this transaction.

Conclusion of monetization transaction

CAE also announced that it has concluded its previously disclosed monetization of existing future royalty obligations to Bombardier for US\$155 million, which was financed separately using a combination of cash and its existing credit facility. CAE's acquisition of Bombardier's Business Aircraft Training (BAT) for an enterprise value of US\$645 million is subject to regulatory approvals and is expected to close by the second half of calendar year 2019 (please refer to our cautionary note regarding forward-looking statements included in the November 8, 2018 press release announcing the transaction).

About CAE

CAE is a global leader in training for the civil aviation, defence and security, and healthcare markets. Backed by a record of more than 70 years of industry firsts, we continue to help define global training standards with our innovative virtual-to-live training solutions to make flying safer, maintain defence force readiness and enhance patient safety. We have the broadest global presence in the industry, with over 9,000 employees, 160 sites and training locations in over 35 countries. Each year, we train more than 220,000 civil and defence crewmembers, including more than 135,000 pilots, and thousands of healthcare professionals worldwide. www.cae.com

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