



Press Release

CAE issues approximately US\$350 million of senior unsecured notes

Montreal, Canada, December 27, 2012 – (NYSE: CAE; TSX: CAE) – CAE today announced that it has issued approximately US\$350 million in a series of unsecured senior notes in a private placement.

The notes are issued in several US and Canadian dollar denominated tranches with floating and fixed interest rates, the latter ranging from approximately 3.6 to 4.2 percent annually with maturities ranging from seven to 15 years.

The offering includes 11 large institutional investors in both the United States and Canada with an aggregate of approximately US\$350 million in a series of notes being issued to mainly refinance existing debt.

"We are very pleased to have entered into this notes offering, which locks in our interest costs at attractive rates for up to fifteen years," said Stéphane Lefebvre, CAE's Vice President, Finance and Chief Financial Officer. "The refinancing enhances CAE's capital structure with a mix of currencies, terms and interest rates that align well with our long-term strategy and allow flexibility to further strengthen our balance sheet in the periods ahead. The private placement includes some of our long-time institutional investors and several new investors, which is a good reflection of the market's confidence in CAE."

RBC Capital Markets, Scotiabank and TD Securities are acting as joint bookrunners on this transaction.

About CAE

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 now leveraging its simulation capabilities in new markets such as healthcare and mining. www.cae.com

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CAE contacts:

Nathalie Bourque, Vice President, Public Affairs and Global Communications,
+1-514-734-5788, nathalie.bourque@cae.com

Investor relations: Andrew Arnovitz, Vice President, Investor Relations and Strategy,
+1-514-734-5760, andrew.arnovitz@cae.com