Trade Press Release

CAE launches dynamic synthetic environment capability

- **Dynamic, persistent, scalable and open synthetic environment enhances realism for virtual mission rehearsal and decision support**
- **Leverages common database (CDB) architecture**

Orlando, Fla., USA, December 3, 2012 – (NYSE: CAE; TSX: CAE) – Today at the Interservice/Industry Training, Simulation, and Education Conference (I/ITSEC), CAE introduced a next-generation capability and solution called the CAE Dynamic Synthetic Environment™.

The CAE Dynamic Synthetic Environment is an integrated solution combining an architecture based on the shared, public CDB specification; content creation software tools from both Presagis and CAE; core DSE simulation software; and DSE-enabled products such as image generators and computer-generated forces software. This seamless, integrated solution is designed to create a virtual synthetic environment that more accurately and realistically simulates the real world.

"We are introducing a capability that we believe represents the future of how synthetic environments will need to serve defence forces in an integrated live, virtual and constructive environment over the next decade and beyond," said Marc St. Hilaire, Vice President, Technology and Innovation, CAE. "There is no doubt defence forces must increasingly leverage simulation for mission training, rehearsal and decision-support because of its flexibility and inherent cost advantages. Extending the use of simulation requires a synthetic environment that lives, breathes and changes just like the real world and that's what the CAE Dynamic Synthetic Environment delivers."

CAE continues to develop the fundamental architecture and framework for a dynamic synthetic environment, which began more than two years ago as part of an internal research and development (IRAD) program. The company has established several objectives that the CAE Dynamic Synthetic Environment needs to address, including:

- Dynamic – the synthetic environment database must have the ability to change anywhere in the world in real-time without advance preparation;
- Persistence – once the synthetic environment changes as a result of any interaction with simulations such as weather or a weapons detonation, those changes must be able to "persist";
- Scalable – the synthetic environment needs to support single users on a mobile or laptop-based system all the way up to large, distributed live-virtual-constructive federations;
- Open – the underlying database architecture must be based on an open specification such as the CDB to enforce correlation and interoperability.

"The fact is that synthetic environment databases today are static, and to change them requires significant time, effort and money," said St. Hilaire. "With the CAE Dynamic Synthetic Environment capability, whether it is weapons, combat engineers, weather or the latest intelligence from the real world, all of this can be reflected in a dynamic synthetic environment."

CAE will be demonstrating the CAE Dynamic Synthetic Environment capability and solution at its booth (#1433) during I/ITSEC 2012.

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 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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High resolution downloadable photos of the CAE Dynamic Synthetic Environment are available at www.cae.com/photos.

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