



Press Release

CAE wins military contracts valued at approximately C\$100 million

- CAE USA to build P-3C training devices for Taiwan Navy
- CAE USA to upgrade MH-60S helicopter simulator for U.S. Navy
- CAE to provide a range of maintenance and support services for C-130J customers worldwide
- CAE to support Canada's DND and DRDC with professional services and e-Learning courseware

Montreal, Canada, March 23, 2011 – (NYSE: CAE; TSX: CAE) – CAE today announced it has been awarded a series of military contracts in more than 10 countries and valued at approximately C\$100 million, including: a contract with the United States Navy to build P-3C training devices for the Taiwan Navy; a contract with the United States Navy to perform a major upgrade on an MH-60S operational flight trainer; subcontracts from Lockheed Martin to provide maintenance and support services for several C-130J customers; and contracts with both Canada's Department of National Defence and Defence Research and Development Canada for a range of professional services and e-Learning courseware.

"The United States Navy continues to be one of CAE's largest customers, and we are pleased to have won contracts over the past couple months involving platforms such as the MH-60R, MH-60S and P-3C maritime patrol aircraft," said Martin Gagné, CAE's Group President, Military Products, Training and Services. "Simulation offers a number of advantages, including compelling cost benefits, which simply cannot be ignored in the economic environment facing most militaries globally. We look forward to continuing to help our military customers as they increase their use of synthetic training and apply modelling and simulation to areas such as analysis and operational decision-making."

United States Navy/Taiwan Navy

CAE USA has won a United States Navy contract to design and manufacture a suite of P-3C training devices for the Taiwan Navy. The contract was awarded to CAE USA under the United States foreign military sale (FMS) program. Under terms of the contract, CAE USA will design and manufacture a P-3C operational flight trainer (OFT) as well as a P-3C operational tactics trainer (OTT). The P-3C OFT will be a Level D equivalent flight simulator and used to train the pilots and co-pilots of Taiwan's P-3C Orion maritime patrol aircraft. The P-3C OTT will be used to train the sensor operators in the P-3C aircraft. Both training devices will be delivered to Taiwan in 2014.

United States Navy

The United States Navy has contracted CAE USA to perform a major upgrade on an MH-60S operational flight trainer located at Naval Air Station (NAS) North Island. This MH-60S OFT was designed and manufactured by another contractor, prior to CAE beginning work on the MH-60S program in 2004 following a competitive procurement. CAE will now provide a range of simulator upgrades to this MH-60S OFT, including software updates, new control loading, enhanced instructor operator station and addition of forward-looking infrared (FLIR) image generators. The MH-60S helicopter is used by the U.S. Navy for airborne mine countermeasures, combat search and rescue, anti-surface warfare, vertical replenishment and carrier plane guard.
Lockheed Martin

Under subcontract to Lockheed Martin, CAE will continue providing a range of maintenance and support services for several C-130J customers worldwide. In the United States, CAE will provide maintenance, logistics and engineering support services for the U.S. Air Force C-130J Maintenance and Aircrew Training System program. CAE will provide a range of support services including maintenance and integrated logistics support for the CAE-built C-130J training devices operated by the Aeronautica Militare Italiana (Italian Air Force) at the National Training Centre in Pisa, Italy. Finally, CAE will provide contractor run maintenance and support services for the Royal Air Force's C-130J training systems located at RAF Lyneham under a program called the UK RAF C-130J Hercules Integrated Operational Support.

Canada's Department of National Defence (DND) and Defence Research and Development Canada (DRDC)

CAE was recently awarded the Aircraft Technician Training Models contract by the Canadian DND. Under this contract, CAE will develop interactive, Shareable Content Object Reference Model (SCORM) compliant courseware in support of aircraft technician e-Learning programs.

CAE's professional services team was also awarded a contract to provide operational research and analysis support services to Canada's DRDC Centre for Operational Research and Analysis (CORA). Under this contract, CAE Professional Services will assist CORA in providing timely, expert and objective advice to the Canadian Forces and to DND on core issues of strategy and policy, force development, capability production and acquisition, force generation, force employment, and security science. DRDC's Centre for Operational Research and Analysis will leverage CAE's technical and management consulting expertise in the areas of concept development, experiment and exercise design and implementation, modelling and simulation, and operational research and analysis.

CAE is a world leader in providing simulation and modelling technologies and integrated training solutions for the civil aviation industry and defence forces around the globe. With annual revenues exceeding C\$1.5 billion, CAE employs more than 7,500 people at more than 100 sites and training locations in more than 20 countries. We have the largest installed base of civil and military full-flight simulators and training devices. Through our global network of 32 civil aviation, military and helicopter training centres, we train more than 80,000 crewmembers yearly. We also offer modelling and simulation software to various market segments and, through CAE's professional services division, we assist customers with a wide range of simulation-based needs. www.cae.com

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