



Press Release

CAE wins military contracts valued at more than \$55 million

- **C295 full-flight simulator for Royal Air Force of Oman**
- **Maintenance services for Indian Air Force Hawk training devices**
- **Visual system upgrades to RAF C-130J and Royal Navy Lynx simulators**

Montreal, Canada, August 22, 2012 – (NYSE: CAE; TSX: CAE) – CAE today announced that it has won a series of military contracts valued at more than C\$55 million. They include a contract from Airbus Military to develop a C295 full-flight simulator (FFS) for the Royal Air Force of Oman (RAFO), a contract from BAE Systems to provide maintenance and support services for the Indian Air Force's Hawk training devices, and contracts from the UK Ministry of Defence to upgrade C-130J and Lynx simulators.

"These orders are indicative of the types of opportunities we see as a result of CAE's global footprint, position on key platforms, and the fundamental value of simulation-based training solutions," said Gene Colabattisto, Group President, Military Products, Training and Services, CAE. "In growth markets such as the Middle East and India, we continue to see a solid pipeline of opportunities for our product and services. In addition, as militaries consider the increased use of synthetic training, there will be requirements to increase the level of fidelity and capability in existing training devices, as evidenced by this visual system upgrade program for the United Kingdom."

Airbus Military

CAE will design and manufacture a C295 FFS for the Royal Air Force of Oman. This will be the third C295 FFS to be developed by CAE through a strategic cooperation agreement with Airbus Military under which CAE is the preferred provider of simulation and training systems for C295 aircraft programs worldwide. The C295 FFS will support the training requirements of the RAFO, which recently ordered eight C295 aircraft for tactical transport and maritime patrol, and will be delivered in 2014.

The RAFO's C295 FFS will be designed to meet the standards of Level D, the highest qualification for flight simulators. The C295 FFS will feature the CAE True™ electric motion system, CAE Medallion-6000™ image generator, and the common database (CDB) architecture, which enables real-time mission training capabilities.

BAE Systems/Indian Air Force

BAE Systems has awarded CAE a five-year contract to provide maintenance and support services for India's Hawk synthetic training equipment. CAE India will provide on-site maintenance and support services at Indian Air Force Base Bidar where the Indian Air Force operates a Hawk flight training device, two Hawk cockpit procedures trainers, and a Hawk avionics part-task trainer. CAE India will provide a range of training support services, including hardware and software engineering, troubleshooting, and logistics support.

UK Ministry of Defence

The UK Ministry of Defence has awarded CAE contracts to perform major visual system and additional upgrades on the Royal Navy's Lynx Mk8 full-mission simulator as well as the Royal Air Force's C-130J dynamic mission simulators.

As part of the RAF C-130J Hercules Synthetic Training Equipment upgrade program, CAE will replace the current visual systems on two C-130J dynamic mission simulators with the CAE Medallion-6000 image generator. The two CAE-built C-130J simulators, which CAE recently moved from RAF Lyneham to RAF Brize Norton, were originally delivered in the late 1990's. In addition to the visual upgrade on the C-130J simulators, CAE will add a visual system to the RAF's C-130J fixed-base flight training device, and perform database updates. The visual system and related upgrades will be completed at RAF Brize Norton during 2013.

CAE will also upgrade the visual system on the Royal Navy's Lynx Mk8 full-mission simulator located at Royal Navy Air Station Yeovilton with the CAE Medallion-6000 visual system. As part of the upgrade program, CAE will replace the legacy image generator as well as update the visual display system. In addition, CAE will provide new databases to be used by the Royal Navy for training. The Royal Navy Lynx Mk8 visual upgrade program will be complete by March 2013.

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

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