CAE wins military contracts valued at more than $70 million

- **Two MH-60R Seahawk helicopter simulators for Royal Australian Navy**
- **King Air 350 simulator services for Royal Australian Air Force**
- **C-130 training for Royal New Zealand Air Force**

Orlando, Fla., USA, December 4, 2012 – (NYSE: CAE; TSX: CAE) – Today at the Interservice/Industry Training, Simulation, and Education Conference (I/ITSEC), CAE announced it has won a series of military contracts valued at more than C$70 million. They include a contract from the United States Navy to develop two MH-60R tactical operational flight trainers (TOFTs) for the Royal Australian Navy under a foreign military sale program, a contract from the Australian Defence Force to provide King Air 350 simulator services, and a contract from the Royal New Zealand Air Force to provide C-130 training.

"CAE has a long history of providing the Australian Defence Forces with world-class flight simulators and training services, and we are pleased our MH-60R training systems will play a role in preparing the aircrews who will operate Australia's next-generation multi-role naval helicopter," said Gene Colabatistto, Group President, Military Products, Training and Services, CAE. "Our strong position on programs that have long-service lives ahead of them, such as the MH-60R helicopter, will continue to drive opportunities for CAE's comprehensive portfolio of simulation-based products and services. In addition, our established presence in Asia and the Pacific will provide for growth opportunities as these regions become more important to defence customers worldwide."

US Navy/Royal Australian Navy

CAE was awarded a contract to develop two MH-60R tactical operational flight trainers (TOFTs) for the Royal Australian Navy under the United States foreign military sale (FMS) program. CAE USA will be the prime contractor responsible for the design and manufacture of two MH-60R TOFTs that will be delivered in 2015 to HMAS Albatross, located near Nowra in New South Wales and home of the Royal Australian Navy's Fleet Air Arm.

The MH-60R TOFTs include both a full-motion operational flight trainer (OFT) that will be used to train Royal Australian Navy MH-60R pilots and co-pilots as well as a weapons tactics trainer (WTT) to be used for training rear-crew sensor operators in the MH-60R Seahawk helicopter. The MH-60R operational flight trainers for the Royal Australian Navy will include the CAE True electric motion system, motion seats, 220-degree by 60-degree Barco visual display, and the CAE Medallion-6000 image generator. The MH-60R OFT and WTT can be operated as standalone training devices, or networked to become an MH-60R tactical operational flight trainer to provide a total aircrew mission training system. The MH-60R TOFTs for the Royal Australian Navy are based on the MH-60R TOFTs that CAE is delivering to the U.S. Navy.

CAE Australia will support CAE USA in the development of the Royal Australian Navy's MH-60R TOFTs by customizing and leveraging Australian-specific common databases (CDB) already developed by CAE Australia for other programs in Australia.

The Commonwealth of Australia selected the U.S. Navy's MH-60R Seahawk helicopter as their new multi-role naval combat helicopter last year to fulfill the Australian Defence Force's AIR 9000 Phase 8 requirement. Australia is acquiring a fleet of 24 MH-60R Seahawk helicopters via the

U.S. Government's FMS program. This is the first-ever procurement of the U.S. Navy's most advanced anti-submarine and anti-surface warfare helicopter outside the United States. The U.S. Navy is supported by Team Seahawk, which consists of MH-60R airframe manufacturer Sikorsky Aircraft, mission systems integrator Lockheed Martin, engine manufacturer GE, sensor supplier Raytheon Corp., and training supplier CAE.

Royal Australian Air Force

CAE has signed a contract with the Australian Defence Force (ADF) to provide Hawker Beechcraft King Air 350 training until 2018. CAE will deploy a CAE 5000 Series full-flight simulator (FFS) representing the King Air 350 with Proline II configuration to a training facility in Sale, Victoria. Under terms of the contract, CAE will provide simulator services for Royal Australian Air Force (RAAF) and Royal Australian Navy (RAN) King Air 350 aircrew who train on the aircraft for a range of missions, including tactical support, maritime surveillance and light transport.

"The simulator services provided by CAE will play a key role in the cost-effective training of RAAF pilots, air combat officers and RAN aviation warfare officers," said GPCAPT Gregory Hoffmann, Officer Commanding Training Aircraft Systems Program Office (TASPO).

The CAE 5000 Series King Air 350 FFS will be qualified to Level D, the highest certification for flight simulators, by Australia's Civil Aviation Safety Authority (CASA). The King Air 350 simulator services will support the RAAF's No. 32 Squadron at RAAF Base East Sale, as well as the School of Aviation Warfare (SAW). This will be the second King Air 350 FFS that CAE has deployed in Australia, following the inauguration in July this year of a King Air 350 ProLine 21 FFS in Melbourne. CAE has commenced delivery of training services to the RAAF's No. 38 Squadron using this simulator.

RNLAF/RNZAF

CAE has signed an agreement with the Netherlands Ministry of Defence (NLMoD) to market and sell third-party training services on a CAE-built C-130 Level D full-mission simulator. The C-130 full-mission simulator, which CAE delivered for the Royal Netherlands Air Force (RNLAF) in 2010, is currently housed at CAE's Amsterdam Training Centre in Hoofdorp. In addition, CAE has signed a contract with the Royal New Zealand Air Force (RNZAF) to provide comprehensive C-130 training. The RNZAF C-130 aircrews will receive simulator instruction from CAE at the Amsterdam Training Centre, including training on the RNLAF C-130 simulator that closely matches the configuration of the RNZAF's upgraded fleet of C-130H aircraft. The RNZAF also trains in-country on a CAE-built C-130H flight training device, which CAE delivered to the RNZAF base in Auckland under the C-130 Life Extension Program (LEP) and is currently upgrading for the RNZAF.

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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