CAE wins military contracts valued at more than C$140 million

- CAE to design and manufacture C-130J training devices for Lockheed Martin
- CAE to develop M-346 full-mission simulators for Boeing
- CAE to build C-130H simulator for IGTEC
- CAE to design and manufacture A400M maintenance trainers
- CAE's MAD system selected by Boeing for Indian Navy P-8I
- CAE to continue providing training support services for Royal Navy

Montreal, Canada, January 20, 2011 – (NYSE: CAE; TSX: CAE) – CAE today announced it has been awarded a series of military contracts for the defence forces of more than 12 countries valued at more than C$140 million. Among the contracts are: the design and manufacture of a C-130J weapon systems trainer and other training devices for Lockheed Martin; a contract from Boeing Training Systems and Services to build two M-346 full-mission simulators; an agreement with IGTEC to design and manufacture a C-130H full-mission simulator; a contract from Airbus Military to develop A400M maintenance trainers; a contract from Boeing to provide CAE's magnetic anomaly detection (MAD) system for the Indian Navy's P-8I Poseidon aircraft; and a contract from the United Kingdom Ministry of Defence to continue providing training support services for Royal Navy helicopter training systems.

"We are continuing to see opportunities and solid order activity around the world for CAE's comprehensive suite of military simulation products and services," said Martin Gagné, CAE's Group President, Military Products, Training and Services. "We have made it a strategic priority to position the company on key military aircraft that have a long life ahead, such as the C-130, M-346, A400M and P-8."

Lockheed Martin

CAE has been awarded a contract by Lockheed Martin to design and manufacture a suite of C-130J transport aircraft training devices. CAE will be providing a C-130J weapon systems trainer used for aircrew training, a C-130J fuselage trainer (FuT) for training loadmasters and a C-130J loadmaster part-task trainer used to train loadmasters on the computer-controlled cargo handling system.

Boeing Training Systems and Services

CAE was recently awarded a contract by Boeing Training Systems and Services to design and manufacture two M-346 advanced lead-in fighter trainer full-mission simulators as part of the M-346 ground-based training system for an international customer. The two M-346 full-mission simulators developed by CAE will be delivered in 2012 and will feature a cockpit configuration to train the pilot and weapon systems officer (WSO), as well as the capability to network the simulators for joint training. Boeing's Constant Resolution Visual System (CRVS) will be powered by CAE Medallion-6000 image generators running databases based on the CAE-developed Common Database (CDB) standard.

IGTEC

CAE has signed an agreement with IGTEC, a Malaysia-based aerospace technology company, to design and manufacture a C-130H full-mission simulator. IGTEC will be establishing a regional simulation centre near the Subang International Airport in Malaysia to support training for regional operators of the C-130 Hercules aircraft. CAE will deliver the C-130H simulator to the new training centre at the end of 2012.

Airbus Military

CAE was recently awarded a contract by Airbus Military to design and manufacture an A400M cockpit maintenance operation simulator (CMOS) to support maintenance technician training for the new A400M versatile airlifter. The A400M CMOS will be based on CAE Simfinity™ virtual maintenance trainer (VMT) technology and will be delivered to the Airbus Military training centre in Seville, Spain in 2012. The training device will feature virtual displays of the A400M aircraft, cockpit and maintenance accessible areas to provide familiarization, troubleshooting and procedural training for maintenance technicians. The base contract includes options for CAE to develop additional A400M CMOS devices as well as other A400M training systems for maintenance technicians.

Boeing Company and Indian Navy

CAE has been awarded a subcontract by The Boeing Company to provide CAE's AN/ASQ-508A Advanced Integrated Magnetic Magnetic Anomaly Detection (MAD) System for eight P-8I Poseidon aircraft to be operated by the Indian Navy. The P-8I aircraft is a new long-range anti-submarine warfare, anti-surface warfare, intelligence, surveillance, and reconnaissance platform based on the Boeing Next-Generation 737 airplane. CAE's AN/ASQ-508A MAD system, which is one of the most advanced MAD system in the market, will be integrated with the P-8I's mission system and will be used operationally during anti-submarine warfare missions.

CAE's MAD system is being delivered and is widely used on maritime patrol aircraft for a range of global defence forces, including the Turkish Navy's CN235 and ATR72, Canada's CP-140 Aurora, South Korea's P-3 Orion, Brazil's P-3BR, Chile's C-295 and the Japanese Defence Agency's indigenously developed XP-1 maritime patrol aircraft. The MAD system provides the capability to detect, locate, and confirm subsurface targets by identifying magnetic variations or anomalies, such as those caused by a submarine, in the Earth's magnetic field.

Royal Navy

The UK Ministry of Defence has awarded CAE UK plc a five-year contract to continue providing training support services for the Royal Navy's Lynx helicopter training systems at Royal Navy Air Station (RNAS) Yeovilton as well as the Sea King Mk6 training systems at RNAS Culdrose. CAE will provide on-site contractor logistics support services such as simulator maintenance, preventative maintenance and other support services. In addition, as aircraft modifications are introduced, CAE will provide post design services to update the Lynx Mk8 training devices to replicate the 'as flown' configuration of the operational helicopters.

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 30 civil aviation and military training centres, we train more than 75,000 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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