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Trade Press Release

National Defence University to collaborate with Armour Sentral and CAE on developing land simulation solutions in Malaysia

London, UK, May 21, 2012 – (NYSE: CAE; TSX: CAE) – Armour Sentral, a Malaysia-based technology management and services firm, and CAE today announced on the eve of the International Training and Education Conference (ITEC) that the two companies have signed a collaboration agreement with the National Defence University of Malaysia to develop simulation-based training solutions for the land systems market in Malaysia and the surrounding Asia region.

The National Defence University of Malaysia, which focuses on education and leadership development, is also aiming to enhance its education and training capabilities through increased use of simulation.

"Simulation is poised to have a transformational effect on how militaries prepare for operations," said Dato Jesbil Singh, Deputy Vice Chancellor of the National Defence University of Malaysia. "We are excited to cooperate with Armour Sentral and CAE to explore how education and training can be enhanced with simulation throughout the leadership development process at the university, as well as to offer our subject matter expertise in the development of land simulation solutions for military forces in Asia."

Armour Sentral, CAE, and the National Defence University of Malaysia are collaborating to define and develop simulation-based solutions for the land systems market, including synthetic training equipment such as driver and crew gunnery simulators; region-specific dynamic terrain synthetic databases; and training needs and training delivery analysis professional services.

"Balancing live field training with the increased use of high-fidelity constructive and virtual training will be more cost-effective, and also contribute to better trained and more confident soldiers," said Maj Sheikh Mohd Mustaffa (Rtd), Managing Director, Armour Sentral.

"We are excited to be working in partnership with Armour Sentral and the National Defence University of Malaysia to develop world-class training solutions for the land market in Malaysia," said Kevin Speed, CAE's Vice President and Business Leader – Asia. "We strongly believe that defence customers, including those in Asia, will increasingly turn to simulation-based training as they seek ways to maintain readiness at a lower cost."

CAE is a global leader in modelling, simulation and training for civil aviation and defence. The company employs more than 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 now leveraging its simulation capabilities in new markets such as healthcare and mining. www.cae.com

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CAE contacts:

Nathalie Bourque, Vice President, Public Affairs and Global Communications, (514) 734-5788, nathalie.bourque@cae.com

Trade media: Chris Stellwag, Director, Marketing Communications – Military, (813) 887-1242, chris.stellwag@caemilusa.com

Investor relations: Andrew Arnovitz, Vice President, Investor Relations and Strategy, (514) 734-5760, andrew.arnovitz@cae.com