



Trade Press Release

U.S. Air Force Chooses CAE Healthcare's LearningSpace for Medical Simulation Centers Worldwide

Telos Corporation Assures Network Security and Compliance

Montreal, Canada, and Ashburn, Va., USA, December 14, 2012 — CAE Healthcare and Telos Corporation announced on the eve of the Special Operations Medical Association conference (SOMA) that the United States Air Force has chosen CAE Healthcare's LearningSpace as its center management solution in 25 medical simulation centers worldwide. Prime contractor Telos Corporation will provide program management services, as well as information assurance and accreditation required for connection to the Air Force network under the NETCENTS task order.

"For the first time, the U.S. Air Force has chosen one learning management system to be used as a standard in its medical simulation centers," said Michael Bernstein, president of CAE Healthcare. "We are excited to provide the U.S. Air Force this opportunity to manage, share and further develop medical simulation training on a global scale." The contract was included in CAE Healthcare's fiscal year 2013 second quarter order intake results.

Telos Corporation CEO John B. Wood added his enthusiasm, "In these times of belt tightening and heightened security, we have the opportunity to help the Air Force better train medical personnel safely and efficiently."

The U.S. Air Force will install LearningSpace in Tier 1 and Tier 2 medical simulation centers in the United States, the United Kingdom, South Korea and Japan. LearningSpace is a Webbased learning management system that captures simulations and patient data on video for learner debrief and assessment.

Tier 1 medical simulation centers are the largest in the Air Force Medical Support Agency, responsible for curriculum development, mentoring and training instructors. Tier one sites that will be the first to install LearningSpace include U.S. Air Force Bases (AFB) Keesler in Biloxi, Mississippi; Travis in Fairfield, California; Elmendorf in Anchorage, Alaska and Lakenheath AFB near Suffolk, England. Additional centers slated for the first phase of the LearningSpace installation include Lackland AFB in San Antonio, Texas, USA; Wright Patterson AFB in Dayton, Ohio, USA; Yakota AB outside Tokyo, Japan, and Osan AB in Osan, South Korea.

Telos serves as a prime contractor on the five-year <u>NETCENTS</u> contract vehicle, which was recently extended by the government for an additional two years. NETCENTS is an indefinite-delivery, indefinite-quantity contract that provides the Air Force, the Department of Defense and other federal agencies with a single vehicle through which to buy network-centric information technologies, networking equipment, and services, as well as voice, video and data communications hardware and software and telephony solutions from preferred contractors. NETCENTS provides a proven competitive edge for the federal government by reducing the time-to-market for critical networking and communications equipment and services.

CAE Healthcare's LearningSpace is currently undergoing the Department of Defense Information Assurance Certification and Accreditation Process (DIACAP) for security compliance, which is expected be completed by July 2013.

About Telos Corporation

Telos Corporation has provided innovative IT solutions and services to the federal government for more than 30 years. Telos solutions ensure that the government's most security-conscious organizations comply with demanding federal and DoD information security mandates. Offerings include Xacta® IA Manager and other solutions for cybersecurity and information assurance, secure networks, network management and defense, mission applications and development, secure communications, and identity assurance and access. Solutions are represented to the federal government on Telos' GSA schedule. For more information, visit www.telos.com.

About CAE Healthcare

CAE Healthcare offers cutting-edge learning tools to healthcare students and professionals, allowing them to develop practical experience through risk-free simulation training before treating real patients. CAE Healthcare's full spectrum of simulation solutions includes surgical and imaging simulation, curriculum, center management and highly realistic adult, pediatric and baby patient simulators. Today, approximately 7,000 CAE Healthcare simulators are in use worldwide by medical schools, nursing schools, hospitals, defense forces and other entities. www.caehealthcare.com

About CAE

CAE (NYSE: CAE; TSX: CAE) is a global leader in modeling, simulation and training for civil aviation and defense. 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 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 leveraging its simulation capabilities in new markets such as healthcare and mining. www.cae.com

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