



Trade Press Release

UK MOD and CAE agree to future aircrew training services at the Medium Support Helicopter Aircrew Training Facility

RAF Benson, Oxfordshire, UK, October 23, 2017 – (NYSE: CAE; TSX: CAE) – CAE today announced that it has agreed to a contract amendment with the United Kingdom Ministry of Defence (UK MOD) on the aircrew training services provided at CAE's Medium Support Helicopter Aircrew Training Facility (MSHATF).

The agreement and contract amendment continues the 20-year partnership that CAE and the UK MOD have established under a private finance initiative in October 1997 for another eight years. The contract amendment defines the level of synthetic training for the Royal Air Force's (RAF) Support Helicopter Force and Royal Navy Commando Helicopter Force involving the CH-47 Chinook, Puma and AW101 Merlin Mk3 fleets. Training hours for Chinook aircrews will continue at the MSHATF as the RAF expands its Chinook fleet; Puma training will continue to at least 2025 (the planned out-of-service date for the Puma fleet); and Merlin Mk3 training for the Royal Navy will continue at the MSHATF for at least two more years as the Royal Navy transitions the Merlin fleet from the Mk3 to the Mk4.

"For almost 20 years now, CAE's Medium Support Helicopter Aircrew Training Facility has been providing world-class training and it has been a showcase for how a true public-private partnership can work effectively to deliver cost-effective, realistic and relevant aircrew training," said Andrew Naismith, Managing Director, CAE Aircrew Training Services plc. "As we approach nearly 20 years of operation, we can reflect on how the ground school and simulator training has always transformed and adapted to meet the operational needs of the UK military. CAE is pleased to continue our long-standing relationship with the UK Ministry of Defence and we will continue to work with the Joint Helicopter Command to be agile and innovative in adapting the delivery of synthetic training at the Medium Support Helicopter Aircrew Training Facility to meet the needs of the front line."

CAE's MSHATF, owned and operated by CAE Aircrew Training Services at RAF Benson, is a purpose-built facility that provides training to RAF and Royal Navy crews of the UK Joint Helicopter Command. CAE also provides training to third-party operators of the Boeing CH-47 Chinook, Leonardo Helicopters AW101 Merlin, and Airbus Helicopters Puma. The MSHATF is equipped with six CAE-built dynamic mission simulators (three Chinook, two Merlin, and one Puma), four computer-based ground school training classrooms, and a world-leading Tactical Control Centre that facilitates the delivery of highly complex operational mission training.

"The importance of effective synthetic training cannot be underestimated, and continues to play an increasingly important role in our overall training curriculum," said Adrian Baguley, Director Air Support at the MOD's Defence Equipment and Support. "The Medium Support Helicopter Aircrew Training Facility has consistently delivered a high standard of quality to the operators of our front line helicopter capabilities. This agreement continues to maintain the world leading ground school and simulator training facility for our helicopter aircrews."

About CAE

CAE's Defence & Security business unit focuses on helping prepare our customers to develop and maintain the highest levels of mission readiness. We are a world-class training systems integrator offering a comprehensive portfolio of training centres, training services and simulation

products across the air, land, sea and public safety market segments. We serve our global defence and security customers through regional operations in Canada; the United States/Latin America; Europe/Middle East/Africa; and Asia/Pacific, all of which leverage the full breadth of CAE's capabilities, technologies and solutions.

CAE is a global leader in training for the civil aviation, defence and security, and healthcare markets. Backed by a 70-year record of industry firsts, we continue to help define global training standards with our innovative virtual-to-live training solutions to make flying safer, maintain defence force readiness and enhance patient safety. We have the broadest global presence in the industry, with over 8,500 employees, 160 sites and training locations in over 35 countries. Each year, we train more than 120,000 civil and defence crewmembers and thousands of healthcare professionals worldwide. www.cae.com

Follow us on Twitter @CAE_Inc and @CAE_Defence

- 30 -

Photos accompanying this release are available at www.cae.com/photos

CAE contacts:

Hélène V. Gagnon, Vice President, Public Affairs and Global Communications,
+1-514-340-5536, helene.v.gagnon@cae.com

Trade media:

Chris Stellwag, Director, Marketing Communications – Defence and Security,
+1-813-887-1242, chris.stellwag@cae.com

Investor relations:

Andrew Arnovitz, Vice President, Strategy and Investor Relations,
+1-514-734-5760, andrew.arnovitz@cae.com