



Trade Press Release

Upgraded CAE GESI constructive simulation system now ready-for-training for Austrian Army

Stolberg, Germany, December 20, 2016 – (NYSE: CAE; TSX: CAE) – CAE today announced that an upgraded version of its CAE GESI constructive simulation system for command and staff training has been installed and is now ready-for-training for the Austrian Army.

The latest generation CAE GESI command and staff training system, known as FúSim within the Austrian Army, is now installed at Landesverteidigungsakademie (LVAK) in Weitra, Austria. In addition, CAE provided a third-party communications system to the Austrian Army's Theresian Military Academy (TherMilAk) in Wiener Neustadt, Austria, to be integrated with GESI. The Austrian Army can now conduct civil-military cooperation exercises at the two locations in Austria as well as traditional command and staff training exercises for brigade and battalion commanders.

"For almost 20 years we have been using the CAE GESI constructive simulation software that allows us to train our commanders for complex scenarios in a realistic and efficient simulation environment," said Colonel Wolfgang Kralicek, head of section training equipment and simulation for the Austrian Ministry of Defense. "With the next-generation GESI system, we will be able to simulate more complex scenarios in urban terrain with more entities connected with our command and control system."

Enhancements to the next-generation CAE GESI constructive simulation software include an easy-to-use exercise editor, comprehensive after-action-review capability, and interoperability with a range of command and control (C2) systems. CAE will deliver additional upgrades to the Austrian Army for the Theresian Military Academy in 2017.

"We are pleased to have delivered the next-generation CAE GESI system to the Austrian Army less than four months after contract award and ahead of schedule," said Ian Bell, CAE's Vice President and General Manager, Europe/Middle East/Africa. "Austria along with other European armies trusts in CAE GESI for high-quality command and staff training, and we continue to make significant investments to GESI to bring additional features and capabilities."

CAE GESI is the primary constructive simulation training tool used for command and staff training in Europe. In addition to Austria, the armies of Germany, Italy, Ireland, Finland, Poland and Norway are all using the CAE GESI system for a range of command and staff training requirements, including classroom training at schools and academies.

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 8,000 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 -

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