



Trade Press Release

CAE submits bid for Canada's Contracted Airborne Training Services (CATS) program

Ottawa, Canada, February 16, 2016 – (NYSE: CAE; TSX: CAE) – CAE today announced that it has submitted its bid for the Contracted Airborne Training Services (CATS) program to the Government of Canada.

CAE has teamed with Draken International, operator of the world's largest fleet of privately-owned fighter aircraft, to offer Canada's Department of National Defence (DND) a comprehensive and world-class service for adversary and threat training, electronic warfare and target towing operations.

CAE and Draken have formed a Canada-based joint venture company that would operate the fleet of aircraft and have responsibility for delivering the combat support training services to the Royal Canadian Air Force, Royal Canadian Navy, and Canadian Army.

"Our solution leverages CAE's training systems integration capabilities and NATO Flying Training in Canada experience, and combines this with Draken's world-leading fleet of adversary fighter aircraft and unmatched aggressor training practices," said Mike Greenley, Vice President and General Manager, CAE Canada. "The Canadian Forces need to train against future threat aircraft that cannot be replicated without combining actual live-flying fighter aircraft with simulated enhancements. Our comprehensive solution will provide a better and more challenging overall training experience for Canada's fighter pilots by providing actual fighter jet adversaries that will look and act like real-world threats."

The CAE and Draken team have proposed a fleet of Douglas A-4 Skyhawk fighter aircraft to support the CATS program. The fleet has had extensive upgrades and now delivers capabilities similar to Canada's CF-18 fighter aircraft they would be training against. CAE and Draken have also proposed a comprehensive research and development program aimed at developing the next-generation live-virtual-constructive (LVC) training capabilities for adversary and aggressor air training services.

"CAE is a company with world-class expertise for both simulation-based and live flying training, and we are thrilled to be partnering with them to offer a solution for the Contracted Airborne Training Services program," said Jared Isaacman, Chief Executive Officer of Draken International. "Draken has unmatched experience and capabilities for live aggressor training as evidenced by our role in providing similar services to the U.S. Air Force, Navy and Marine Corps. We fully understand that future fighter combat training will involve an integrated live-virtual-constructive training environment, and this is an area where CAE is one of the global leaders."

Isaacman continued, "We believe our combined offering with CAE has the ability to revolutionize the combat support provided under the Contracted Airborne Training Services program in Canada, as well as advance adversary and aggressor air training support globally."

The Contracted Airborne Training Services for Canada's DND are delivered in locations across Canada, primarily Victoria, British Columbia; Cold Lake, Alberta; Bagotville, Quebec; and Halifax, Nova Scotia. The Government of Canada expects to award a 10-year contract to the successful bidder by the end of calendar year 2016.

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 delivery of training for the civil aviation, defence and security, and healthcare markets. We design and integrate the industry's most comprehensive training solutions, anchored by the knowledge and expertise of our 8,000 employees, our world-leading simulation technologies and a track record of service and technology innovation spanning seven decades. Our global presence is the broadest in the industry, with 160 sites and training locations in 35 countries, including our joint venture operations, and the world's largest installed base of flight simulators. Each year, we train more than 120,000 civil and defence crewmembers, as well as thousands of healthcare professionals. www.cae.com

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About Draken International

Based in Lakeland, Florida, Draken International has set a new standard in tactical flight support. With over 70 fighter aircraft, the company operates the largest privately-owned fleet of ex-military aircraft in the world. Draken aircraft are unique in their ability to replicate capabilities often found on modern 4th generation fighter jets, but at considerably lower cost. The Draken aircraft are used in various types of military training objectives around the globe to include support for the U.S Air Force, U.S Navy, U.S Marine Corps and other International partners. Draken service represents tremendous cost savings over the use of traditional military fighter assets. For additional information, visit www.drakenintl.com.

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