Press Release







CAE and KF Aerospace join forces in SkyAlyne Canada joint venture

- Companies partner to cement leadership in military pilot and aircrew training in Canada -

Montreal and Kelowna, Canada, May 1, 2018 – CAE and KF Aerospace, two Canadian military pilot and aircrew training leaders, today announced that they have aligned to form SkyAlyne Canada Inc., a 50/50 joint venture that will focus on developing and delivering world-class military pilot and aircrew training in Canada.

By establishing the SkyAlyne joint venture, CAE and KF Aerospace are bringing together two Canadian companies with unmatched experience and capabilities in the delivery of pilot and aircrew training in Canada. Currently, CAE and KF Aerospace deliver all phases of pilot training to the Royal Canadian Air Force (RCAF) through the NATO Flying Training in Canada (NFTC) program managed by CAE, and the Contracted Flying Training and Support (CFTS) program managed by KF Aerospace. The two companies will continue to manage these programs as currently contracted, while SkyAlyne focuses on building synergies between the two programs and ensuring the RCAF has access to world-class training to meet current and future needs.

"The union of our two companies through the SkyAlyne Canada joint venture brings together proven expertise in all phases of pilot training, and helps ensure this key industrial capability can be developed and delivered by Canadian companies for Canada," said Marc Parent, President & CEO, CAE. "SkyAlyne Canada will draw on the resources and experience of both CAE and KF Aerospace, along with many industry partners in our supply chain across the country, to design and develop innovative pilot and aircrew training solutions that can meet the current and future training needs of Canada and our allies."

"The SkyAlyne Canada joint venture between two long-established Canadian aerospace leaders is a significant milestone," said Barry Lapointe, CEO, KF Aerospace. "SkyAlyne will build on Canada's proud heritage started during World War II as an international leader in military aircrew training, and we look forward to working with CAE through the SkyAlyne joint venture to develop next-generation pilot and aircrew training solutions in Canada."

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, naval and public safety market segments. We serve our global defence and security customers through regional operations in Canada; the United States/Latin America; Europe/Africa; and Asia-Pacific/Middle East, 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

About KF Aerospace

With over 1,000 employees, KF Aerospace is a multifaceted Canadian Aerospace company. KF is a pioneer in providing world-class maintenance, repair, overhaul and modification (MRO) services, with over 47 years of experience. In addition to its MRO expertise, KF provides first-class engineering and design services and has decades of experience as a commercial cargo carrier. Since 2005, as the Prime Contractor for the RCAF Contracted

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Flying Training and Support (CFTS) program, KF has provided services and support to the RCAF in training pilots and aircrew. www.kfaero.ca

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