

CAE concludes acquisition of Bombardier's Business Aircraft Training business

- **Expands CAE's addressable market of customers operating one of the largest and most valuable in-service fleets of business aircraft in the world**
- **Enhances CAE's position in the largest and fastest growing segment of business aviation training, involving medium and large-cabin business jets**
- **Bombardier business aircraft customers to have access to a global network of training centres, comprehensive training solutions and investment in innovation**

Montreal, Canada, March 14, 2019 – (NYSE: CAE; TSX: CAE) – CAE confirmed today that it has concluded the previously announced acquisition of Bombardier's Business Aircraft Training (BAT) business for an enterprise value of US\$645 million. All the required conditions for closing have been met.

The acquisition of Bombardier's flight and technical training operations expands CAE's ability to address the training market for customers operating Bombardier business jets, which at more than 4,800 aircraft, is one of the largest and most valuable in-service fleets of business aircraft in the world. The acquisition also serves to expand CAE's position in the largest and fastest growing segment of the business aviation training market, involving medium- and large-cabin business jets. It provides CAE with talented people, a loyal customer base, and an established recurring training business which is highly complementary to CAE's network. The Bombardier BAT business includes a modern fleet of full-flight simulators and training devices covering the Bombardier Learjet, Challenger and Global product lines, including the latest large cabin Global 5500, 6500 and 7500 business jets.

"We are pleased to welcome Bombardier customers and employees to CAE," said Marc Parent, CAE's President and CEO. "Bombardier business jet customers will have access to a seamless training experience in our global network of training centres, providing the most advanced training solutions on the market by leveraging our continued investments in training."

With this agreement, CAE will be adding 12 Bombardier business aviation full-flight simulators located in Dallas and Montreal to its training network (including one deployment already planned for CAE's fiscal year 2021), for a total of 29 Bombardier business aviation full-flight simulators available for training worldwide, with further growth planned in the near- to mid-term.

The acquisition, which was first announced on November 8, 2018, is expected to provide high single-digit EPS accretion for CAE within its first full year and to be free cash flow⁽¹⁾ accretive as well.

CAE also concluded the issuance of term loans and US\$450 million of the US\$550 million of senior unsecured notes that were announced on December 21, 2018. The remaining balance of US\$100 million of senior unsecured notes will be drawn for the refinancing of existing debt in December 2019.

TD Securities acted as exclusive financial advisor to CAE.

About CAE

CAE is a global leader in training for the civil aviation, defence and security, and healthcare markets. Backed by a record of more than 70 years 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 9,000 employees, 160 sites and training locations in

over 35 countries. Each year, we train more than 220,000 civil and defence crewmembers, including more than 135,000 pilots, and thousands of healthcare professionals worldwide. www.cae.com
Follow us on Twitter: CAE_Inc

**Bombardier, Learjet, Challenger, Global, Global 5500, Global 6500 and Global 7500 are registered or unregistered trademarks of Bombardier Inc. or its subsidiaries.*

Cautionary note regarding forward-looking statements

This news release may contain forward-looking statements and information within the meaning of applicable Canadian securities laws and of the United States Private Securities Litigation Reform Act of 1995, including, without limitation, as it relates to the acquired Bombardier BAT business as referenced herein as well as certain expectations with respect to the same. Forward-looking statements describe future expectations, plans, results or strategies and can often be identified by the use of words such as “may,” “will,” “intend,” “believe,” “expect,” “anticipate,” and similar references which are intended to identify forward-looking statements. Statements in this news release, other than statements of historical fact, are forward-looking and are subject to important risks, uncertainties and assumptions. The results or events predicted in these forward-looking statements may differ materially from actual results or events. These statements do not reflect the potential impact of any non-recurring or other special items or events that are announced or completed after the date of this news release, including mergers, acquisitions, or other business combinations and divestitures.

Specific risks and uncertainties relating to the transaction described in this news release include, but are not limited to: potential adverse reactions or changes to business relationships resulting from the completion of the announced acquisition; the potential impact of unforeseen liabilities on the future prospects, business and management strategies for the management, expansion and growth of our operations after the consummation of the announced acquisition; the risks relating to long-term contracts; the risks and costs associated with, and our ability to, integrate Bombardier’s BAT business successfully and to realize revenue and achieve anticipated synergies; and management’s response to any of the aforementioned factors.

You will find more information about the risks and uncertainties associated with our business in the MD&A section of our annual report and annual information form for the year ended March 31, 2018. These documents have been filed with the Canadian securities regulatory authorities and are available on our website (www.cae.com), on SEDAR (www.sedar.com) and a free copy is available upon request to CAE. They have also been filed with the U.S. Securities and Exchange Commission under Form 40-F and are available on EDGAR (www.sec.gov). The forward-looking statements contained in this news release represent our expectations as of the date of this news release and, accordingly, are subject to change after this date. We do not update or revise forward-looking information even if new information becomes available unless legislation requires us to do so. You should not place undue reliance on forward-looking statements.

Non-GAAP and Other Financial Measures

This news release references certain non-GAAP and other financial measures. Management believes these non-GAAP financial measures will provide investors with useful supplemental information about the financial performance of our business and the acquired business. Non-GAAP measures are useful supplemental information but may not have a standardized meaning according to GAAP. These measures should not be confused with, or used as an alternative for, performance measures calculated according to GAAP. They should also not be used to compare with similar measures from other companies. Management believes that providing certain non-GAAP measures provides users with a better understanding of our results and trends and provides additional information on our financial and operating performance.

(1) Free cash flow: Free cash flow is a non-GAAP measure we use as an indicator of our financial strength and liquidity. We calculate it by taking the net cash generated by continuing operating activities, less maintenance capital expenditures, investment in other assets not related to growth and dividends paid, plus proceeds from the disposal of property, plant and equipment, dividends received from equity accounted investees and proceeds, net of payments, from equity accounted investees.

CAE contacts:

General Media:

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

Investor relations:

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

Trade Media:

Frédéric Morais, Director, Marketing & Strategy, Civil Aviation Training Solutions,
+1-514-506-8331, frederic.morais@cae.com