

CAE acquires Alpha-Omega Change Engineering (AOCE)

Tampa, Florida, USA, August 1, 2018 – (NYSE: CAE; TSX: CAE) – CAE today announced that CAE USA Mission Solutions Inc., a subsidiary of CAE USA, has acquired Alpha-Omega Change Engineering (AOCE) for approximately US\$29 million, excluding post-closing adjustments.

The acquisition will enhance CAE USA's core capabilities as a training systems integrator (TSI), grow CAE's position on enduring platforms such as fighter aircraft, and expand the ability for CAE USA to pursue higher-level security programs in the United States.

AOCE, based in Williamsburg, Virginia, provides a range of aircrew training services, operational test and evaluation, and engineering support services to the U.S. Department of Defense and U.S. intelligence services.

"This acquisition aligns directly with CAE's strategic priorities to grow and expand our capabilities in the world's largest defense market," said Marc Parent, CAE's President and Chief Executive Officer.

"AOCE brings existing contracts as well as past performance in unmanned systems, aircrew training and courseware development for fighter and special operations aircraft, and space and missile defense," said Ray Duquette, President and General Manager, CAE USA. "This will significantly enhance CAE USA's training systems integration capabilities and allow us to address broader market opportunities in the United States."

AOCE was founded in 1997, employs approximately 600 people, and has been a successful, rapidly growing business focused on providing training, engineering and consulting services. The company is currently the prime contractor on a range of programs for the U.S. Department of Defense, including: Maintenance and Aircrew Training at Kirtland/Davis-Monthan/Joint Base Andrews/Moody (KDAM) in support of the Air Force Special Operations Command Aircrew Training and Rehearsal Support (ATARS) program; U.S. Army Space & Missile Defense Command indefinite delivery/indefinite quantity contract to provide engineering and operational support services; and U.S. Air Force contract aircrew training and courseware development for F-15, F-16, and F-22 aircrews.

"CAE is a recognized global leader in training and we have first-hand knowledge of the type of company CAE is through the excellent working relationship we developed on programs such as the U.S. Air Force MQ-9 Reaper remotely piloted aircraft aircrew training," said Jim Hartney, AOCE's Chairman of the Board. "This acquisition and being part of CAE will open new growth opportunities for AOCE and our employees."

CAE USA also announced it has established CAE USA Mission Solutions Inc, a subsidiary of CAE USA which operates under a Proxy Agreement with the United States government. The Proxy Agreement enables Mission Solutions to pursue and execute higher-level security programs.

About CAE

CAE's Defense & 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 centers, training services and simulation products across the air, land, sea and public safety market segments. We serve our global defense and security customers through regional operations in the United States/Latin America; Canada; 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, defense 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 defense 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 defense crewmembers and thousands of healthcare professionals worldwide. www.cae.com

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