



Press Release

CAE acquires Oxford Aviation Academy for C\$314 million strengthening its global leadership position and footprint and extending its offering with a complete end-to-end solution

- **Adds seven new civil aviation training centres to its global network for a total of 42 civil training locations worldwide**
- **Adds 40 full-flight simulators for a total of 211**
- **Adds four flight school locations under the esteemed Oxford brand, bringing the number of CAE-operated flight schools to 12 and cadet capacity to 1,500 annually**
- **Broadens portfolio by extending into pilot and maintenance crew sourcing via Parc Aviation which has more than 1,200 aviation personnel on assignment with 50 airlines and leasing companies**
- **Accretive to CAE's earnings in fiscal year 2014**

Montreal, Canada, May 16, 2012 – (NYSE: CAE; TSX: CAE) – CAE has acquired Oxford Aviation Academy (OAA), an industry-leading provider of aviation training and crew sourcing services for C\$314 million. This acquisition strengthens CAE's leadership and global reach in civil aviation training by increasing its training centre footprint, growing its Ab-Initio flight training network and extending its portfolio by adding OAA's Parc Aviation, the global leader in pilot and maintenance crew sourcing for airlines and leasing companies.

"We are very excited about this acquisition as it enables us to offer our customers more locations and additional training capacity as well as a new service for pilot and maintenance crew sourcing. We have greatly enhanced CAE's industry-leading position with the addition of two of the industry's strongest brands in Ab-Initio aviation training and crew sourcing: Oxford Aviation Academy and Parc Aviation," said Marc Parent, CAE's President and CEO. "Civil aerospace market fundamentals are strong and we are increasing our position at an opportune time. With this acquisition, CAE responds to market demand with an increased footprint and a complete end-to-end solution for commercial aviation."

The acquisition strengthens CAE's position in capturing the long-term and growing market demand for aviation professionals:

- Adds seven new civil aviation training centres offering pilot, maintenance and cabin crew training to its global network for a total of 42 civil training locations worldwide
- Adds 40 full-flight simulators for a total of 211 full-flight simulators
- Adds four of the industry's most renowned flight academies (Ab-Initio flight training organizations) with a capacity to train over 600 cadets annually, for a total CAE-operated network of 12 flight schools with a capacity to train 1,500 cadets annually. The Oxford Aviation Academy has enjoyed a 50-year pedigree of excellence, and the CAE-operated flight schools will now be branded CAE Oxford Aviation Academy.
- Broadens portfolio by extending into pilot and maintenance crew sourcing through Parc Aviation, which currently provides 1,200 aviation personnel on assignment to 50 airlines

and leasing companies in 40 countries, primarily in Asia. Parc Aviation will now be branded CAE Parc Aviation Personnel.

Oxford Aviation Academy (OAA) had revenues of approximately C\$280 million during CAE's fiscal year 2012 and the purchase price represents approximately 9 times OAA's EBITDA during the same period. The acquisition will be accretive to CAE's earnings in fiscal year 2014.

CAE has financed the acquisition with a new senior unsecured credit facility.

Conference call for financial analysts

CAE will host a conference call and live webcast (the webcast will be accompanied with slides) to discuss the acquisition today at 13:00 p.m. ET. The call is intended for financial analysts and institutional investors. Participants can listen to the conference by dialling 1-877-586-3392 or + 1-416-981-9024. The webcast will be accessible on www.cae.com and www.gowebcasting.com/3346.

About CAE

CAE is a global leader in modelling, simulation and training for civil aviation and defence. The company employs close to 8,000 people at more than 100 sites and training locations in approximately 30 countries. CAE offers civil aviation, military, and helicopter training services in more than 45 locations worldwide and trains approximately 100,000 crewmembers yearly. In addition, the CAE Oxford Aviation Academy offers training to aspiring pilot cadets in 12 CAE-operated flight schools. CAE's business is diversified, ranging from the sale of simulation products to providing comprehensive services such as training and aviation services, professional services, in-service support and crew sourcing. The company applies simulation expertise and operational experience to help customers enhance safety, improve efficiency, maintain readiness and solve challenging problems. CAE is now leveraging its simulation capabilities in new markets such as healthcare and mining. www.cae.com

FACT SHEET ABOUT OXFORD AVIATION ACADEMY:

- Seven type-rating training facilities in Denmark, Norway, Sweden, the United Kingdom and Hong Kong, equipped with 40 full-flight simulators and 27 cabin crew trainers. OAA offers approved flight crew, cabin crew and aircraft maintenance training on a range of aircraft types including Airbus, Boeing, Bombardier, BAE Systems, Embraer and Saab.
- Four ab-initio flight academies in the United Kingdom, the United States, Australia and Hong Kong, equipped with 88 airplanes. OAA's Ab-Initio flight academies have trained 26,000 pilots during the past 50 years.
- Parc Aviation is the global market leader in providing aviation personnel on lease to the aviation industry, currently providing 1,200 aviation personnel on assignments to over 50 airlines and leasing companies in 40 countries. Parc Aviation is headquartered in Dublin, Ireland, with offices in China and Japan.
- OAA employees: More than 600 in nine countries
- OAA was acquired from STAR Capital Partners and the GE Corporation
www.oaa.com

Cautionary note regarding forward-looking statements

Certain statements made in this news release, including, but not limited to, statements that are not historical facts, 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.

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, 2011. These documents have been filed with the Canadian securities commissions 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 May 16, 2012 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.

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