

Trade Press Release

Naval Warfare Training System arrives in Sweden to begin installation and integration

-- Swedish Navy to begin using CAE-provided NWTS this summer -

London, UK, May 17, 2016 – (NYSE: CAE; TSX: CAE) – Today at the International Training and Education Conference (ITEC), Europe's largest show for military training and simulation, CAE announced that the Naval Warfare Training System for the Swedish Navy has arrived in Sweden and installation has begun at the Naval Warfare Centre in Karlskrona.

CAE has delivered a comprehensive Naval Tactical Mission Trainer (TMT) suite comprising a total of 52 student stations along with 13 instructor operator stations to equip the Swedish Navy's Naval Warfare Training System (NWTS). Following installation and integration testing, the NWTS is expected to be ready-for-training later this summer.

This week at ITEC, CAE is demonstrating its Naval TMT suite using a student console and an instructor operator station at the CAE booth (C-140).

"The Swedish Naval Warfare Training System will be used to train and educate Swedish Navy sailors and officers in naval tactics, procedures and doctrine," said Ian Bell, CAE's Vice President and General Manager, Europe/Middle East, Africa. "The NWTS is a great example of CAE leveraging its training systems integration capabilities to provide an integrated, cost-effective training solution that combines products, core simulation technologies and post-delivery support services."

The Swedish Navy NWTS will be used for training in a range of disciplines, including sensor operations; command, control, communications and computers (C4), and weapon systems. The NWTS will allow the Swedish Navy to train and rehearse for operations in anti-air warfare (AAW), anti-surface warfare (ASuW), anti-submarine warfare (ASW), mine warfare (MW) and search and rescue (SAR).

The 52 student consoles and other parts of the NWTS are now being installed at the Naval Warfare Centre in Karlskrona as four classroom training systems. Each classroom will include student consoles and instructor operator stations for creating, managing and monitoring training exercises. The student consoles include a range of core CAE simulation technologies, such as simulation systems for sonar, radar, communications and computer-generated forces. The synthetic maritime environment has been built to the CAE-developed Common Database (CDB) standard. The CDB is an open database architecture that is rapidly updateable, interoperable and enables correlated distributed mission training.

Once the NWTS is accepted as ready-for-training during the summer, CAE will commence with providing on-site instructor and technician training as well as helpdesk support services and technical assistance.

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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Note to editors: a photo of the training system is available at www.cae.com/photos

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