

NEWS RELEASE

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Large M&S Training Firm Opens Office in Suffolk

CAE (NYSE: CGT; TSX: CAE), one of the world's largest modeling, simulation and training companies, has opened a field office in the VMASC building located at 1030 University Blvd. in northern Suffolk. Headquartered in Montreal, Canada, CAE is a world leader in providing simulation and modeling technologies and integrated training solutions for the civil aviation industry and defense forces around the globe. With annual revenues exceeding C\$1 billion, CAE employs over 6,000 people at more than 75 sites and training locations in 20 countries and possesses the largest installed base of civil and military full-flight simulators and training devices.

CAE's office in Hampton Roads is part of the CAE Professional Services organization, which is responsible for helping clients optimize the use of simulation for analysis, design and experimentation to support the entire capability lifecycle - from initial research and concept development through design, implementation, test, and evaluation. CAE's professional service consultants specialize in supporting solutions for defense, homeland security, mission critical applications, critical infrastructure, control centers, and civilian emergency management markets.

"CAE USA wanted a presence in Hampton Roads because of the area's concentration of defense and homeland security departments, as well as the significant focus and support for modeling and simulation in the region," said John Lenyo, President and General Manager of CAE USA.

HREDA made initial contact with CAE during a marketing mission to Florida in May 2004. After subsequent visits by HREDA staff and local representatives to their offices in Florida and Montreal, Canada, HREDA, along with the Virginia Economic Development Partnership (VEDP), hosted a senior CAE official on a site visit to the region in February 2007. In February 2008, both HREDA and VEDP hosted five senior representatives from the company as they considered their decision about establishing a presence in Virginia. "CAE is recognized internationally as a leader in modeling and simulation, so we are excited and appreciative of

CAE's decision to establish an office in Hampton Roads," said Mike McGinnis, Executive Director of VMASC. CAE's decision helps to reaffirm that the region "is emerging nationally as a key location for modeling and simulation research and applications across a very diverse spectrum, from defense and emergency management to medical and transportation to name a few."

Suffolk Mayor Linda T. Johnson noted "CAE's decision to expand their operations in Suffolk is a true testament of how our City and region are becoming a national hub for high-tech, defense-related businesses. We believe that locating within the VMASC facility is a perfect fit for CAE's expansion, and we will work hard to support them as they grow."

More information about CAE can be found at www.cae.com

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