



FOR IMMEDIATE RELEASE May 25, 2011

GA-ASI and CAE Partner to Meet Canadian ISTAR and Strike Needs With Offer of Predator B UAS

Teaming to Pursue Canada's Joint UAV Surveillance and Target Acquisition System (JUSTAS) Program

SAN DIEGO and MONTREAL, CANADA – 25 May 2011 – General Atomics Aeronautical Systems, Inc. (GA–ASI), a leading manufacturer of Unmanned Aircraft Systems (UAS), tactical reconnaissance radars, and surveillance systems, and CAE today announced that the companies have signed an exclusive teaming agreement to offer the Predator® B UAS to meet Canada's Intelligence, Surveillance, Target Acquisition, and Reconnaissance (ISTAR) needs.

"GA-ASI's establishment of a formal partnership with CAE signifies a firm commitment by both companies to help Canada strengthen its security and sovereignty both at home and abroad," said Frank Pace, president, Aircraft Systems Group, GA-ASI. "CAE's expertise in the operation and maintenance of large fleets of manned aircraft, modelling and simulation technologies, and in-service support solutions is well matched by GA-ASI's proficiency in the design, development, production, and operational support of proven, affordable, and responsive unmanned aircraft systems with integrated reconnaissance payloads."

Under the program presently referred to as the JUSTAS program, the Canadian Government will establish a requirement to field and support interoperable, network-enabled UASs to provide ISTAR and all-weather precision-strike capabilities in support of its operations worldwide. GA-ASI and CAE will jointly compete for this program, with GA-ASI serving as the prime contractor supporting a U.S. Foreign Military Sale (FMS) procurement. The teaming arrangement between GA-ASI and CAE is designed to offer the best combination of experience and proven capability to meet program and Canadian-specific requirements while reducing technical, cost, and schedule risks.

As the first-tier Canadian subcontractor, CAE would have overall responsibility for a comprehensive In-Service Support (ISS) solution, including operator and mission training systems; integration with Canada's existing Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) infrastructure; systems engineering support; and lifecycle and integrated logistics support services. CAE would also have responsibility for assembling a pan-Canadian team of companies to develop and support any Canadian-specific requirements and content for Canada's national ISTAR capabilities.

"Just as unmanned systems are transforming today's military operations, CAE has transformed itself in recent years as much more than a flight simulation company," said Martin Gagne, CAE's group president, Military Products, Training and Services. "Our experience and expertise in operational and in-service support, as well as modelling and simulation for both manned and unmanned systems, makes CAE the ideal Canadian partner for GA-ASI, and well-positioned to support the Canadian Government as our country acquires a critical UAS capability."

Featuring an extensive payload capacity (850 lb/385 kg internally, 3,000 lb/1360 kg externally), the multi-mission Predator B is a long-endurance, medium-high-altitude UAS that can be used for surveillance, military reconnaissance, and targeting missions. The aircraft has a maximum gross takeoff weight of 10,500 lb/4763 kg, is powered by a Honeywell turboprop engine, has a maximum altitude of 50,000 feet/15240 meters, and can stay aloft for up to 30 hours. Currently operational as MQ-9 Reaper with the U.S. Air Force and Royal Air Force and as MQ-9 with the Italian Air Force, Predator B provides unparalleled close air support and persistent situational awareness to coalition forces, demonstrating proven NATO interoperability.

High-resolution photos of Predator B are available upon request from the GA-ASI media contact listed below.

About GA-ASI

General Atomics Aeronautical Systems, Inc., an affiliate of General Atomics, delivers situational awareness by providing unmanned aircraft, radar, and electro-optic solutions for military and commercial applications worldwide. The company's Aircraft Systems Group is a leading designer and manufacturer of proven, reliable unmanned aircraft systems, including Predator A, Predator B, Gray EagleTM, and the new Predator C Avenger®. It also manufactures a variety of solid-state digital Ground Control Stations (GCS), including the next-generation Advanced Cockpit GCS, and provides pilot training and support services for UAS field operations. The Reconnaissance Systems Group designs, manufactures, and integrates the Lynx® Multi-mode Radar and sophisticated Claw® sensor control and image analysis software into both manned and unmanned aircraft. It also integrates other sensor and communication equipment into manned ISR aircraft and develops emerging technologies in solid-state lasers, electro-optic sensors, and ultra-wideband data links for government applications. For more information, please visit www.ga-asi.com.

About CAE

CAE is a world leader in providing simulation and modelling technologies and integrated training solutions for the civil aviation industry and defence forces around the globe. With annual revenues exceeding C\$1.5 billion, CAE employs more than 7,500 people at more than 100 sites and training locations in more than 20 countries. We have the largest installed base of civil and military full-flight simulators and training devices. Through our global network of 33 civil aviation, military and helicopter training centres, we train more than 80,000 crewmembers yearly. We also offer modelling and simulation software to various market segments, and through CAE's professional services division, we assist customers with a wide range of simulation-based needs. www.cae.com Predator, Lynx, Avenger, and Claw are registered trademarks and Gray Eagle is a trademark of General Atomics Aeronautical Systems, Inc.

GA-ASI Contact:

Kimberly Kasitz, Public Relations and Communications Manager +1 (858) 312-2294 kimberly.kasitz@ga-asi.com

CAE Contacts:

Nathalie Bourque, Vice President, Public Affairs and Global Communications, (514) 734-5788, nathalie.bourque@cae.com

Trade Media: Chris Stellwag, Director, Marketing Communications - Military, (813) 887-1242, chris.stellwag@caemilusa.com

Investor Relations: Andrew Arnovitz, Vice President, Investor Relations and Strategy, (514) 734-5760, andrew.arnovitz@cae.com