

## **CAE and EADS CASA establish strategic cooperation agreement**

- **CAE awarded contracts worth C\$22 million to build two C-295 full flight simulators**

**Montreal, March 30, 2006** – (NYSE: CGT; TSX: CAE) – EADS CASA, Spain's leading aerospace company, has selected CAE as its preferred provider of simulation and training systems for C-295 aircraft programs worldwide. The two companies have signed a memorandum of understanding whereby CAE will partner with EADS CASA on those global C-295 aircraft programs requiring a training solution.

As part of this strategic cooperation, EADS CASA has awarded CAE contracts valued at more than C\$22 million to design and manufacture two C-295 full-flight simulators. One C-295 simulator will go to the Brazilian Air Force, which is procuring twelve C-295 aircraft. The other C-295 simulator will go to the EADS-CASA training centre in Seville, Spain. Both simulators will be delivered in late 2007.

"We are pleased to partner with CAE, which has an excellent global reputation as a technology leader and premier provider of training systems," said Ignacio Alonso, EADS CASA Senior Vice President Commercial. "We are confident that customers will see tremendous value in the simulation and training solutions we can offer as part of a comprehensive C-295 aircraft program."

The multi-mission C-295 is a twin-engine, medium-size military transport that offers the lowest acquisition and direct operating costs of any airlifter in its category. Recent customers for the C-295 include Spain, Poland, Jordan, and Brazil. In addition, EADS CASA is pursuing the U.S. Army/U.S. Air Force Future Cargo Aircraft (FCA) program as part of the Raytheon-led team offering the C-295 aircraft and Canada's Fixed-Wing Search and Rescue aircraft program. CAE will be the preferred bidder of simulation and training systems for the C-295 aircraft being offered on these programs.

"One of CAE's strategic priorities in our Military business is to establish close relationships with key prime contractors and original equipment manufacturers," said Donald W. Campbell, CAE's Group President, Military Simulation and Training. "This agreement with EADS CASA is a perfect example and we are excited about the global opportunities that will result from this relationship with EADS CASA."

EADS is a global leader in aerospace, defence and related services. In 2005, EADS generated revenues of €34,2 billion and employed a workforce of about 113,000. The EADS Group includes the aircraft manufacturer Airbus, the world's largest helicopter supplier Eurocopter and the joint venture MBDA, the international leader in missile systems. EADS is the major partner in the Eurofighter consortium, is the prime contractor for the Ariane launcher, develops the A400M

military transport aircraft and is the largest industrial partner for the European satellite navigation system Galileo.

CAE is a world-leading provider of simulation and modelling technologies for civil aviation and military customers. With annual revenues of approximately C\$1 billion, the company operates in 18 countries around the world. CAE has sold nearly 700 simulators and training devices to airlines, aircraft manufacturers, training centres and defence forces for air and ground purposes in more than 40 countries. With over 100 full-flight simulators in more than 20 aviation training centres serving approximately 3,500 airlines, aircraft operators and manufacturers across the globe, CAE is a world leader in aviation, maintenance and crew training services. CAE licences its simulation software to various market segments and has a professional services division assisting customers with wide-ranging simulation-based needs.