Embraer + CAE, Dassault + CAE, China Southern Airlines + CAE, Bombardier + CAE, Emirates + CAE, Cebu Pacific + CAE, Honeywell + CAE, CHC Helicopter + CAE, ATR + CAE, Líder Aviação + CAE, Mitsubishi Aircraft Corporation + CAE, Virgin Atlantic + CAE, GE Capital + CAE, JetBlue + CAE, Ryanair + CAE, Bell Helicopter + CAE, Alitalia + CAE, easyJet + CAE, AirAsia + CAE, Air Canada + CAE, Interglobe + CAE, US Airways + CAE, Norwegian + CAE, Virgin America + CAE, LAN + CAE, TAM + CAE, Flydubai + CAE, Thomas Cook + CAE, SAS + CAE, Iberia + CAE, Elsevier + CAE, Devex + CAE, BAE Systems + CAE, General Atomics + CAE, Rossell India + CAE, Russian Helicopters + CAE, Havelsan + CAE, Mubadala Aerospace + CAE, Abu Dhabi Aviation + CAE, Indra + CAE, Royal Air Force + CAE, Alenia Aermacchi + CAE, AgustaWestland + CAE, Airbus Military + CAE, Hindustan Aeronautics Limited + CAE, Lockheed Martin + CAE, German Armed Forces + CAE, Royal Canadian Air Force + CAE, Royal Australian Air Force + CAE, Royal Navy + CAE, U.S. Navy + CAE, U.S. Air Force + CAE, Government of Brunei + CAE, Beechcraft + CAE, Aeronautics + CAE, Air Wisconsin + CAE, Air Transat + CAE, CSA Czech Airlines + CAE, Garuda + CAE, Jazz Air + CAE, Ryanair + CAE, SilkAir + CAE, South African Airlines + CAE, Sunwing + CAE, Turkish Airlines + CAE, Vueling + CAE, Embraer + CAE, Dassault + CAE, China Southern Airlines + CAE, Bombardier + CAE, Emirates + CAE, Cebu Pacific + CAE, Honeywell + CAE, CHC Helicopter + CAE, ATR + CAE, Líder Aviação + CAE, Mitsubishi Aircraft Corporation + CAE, Virgin Atlantic + CAE, GE Capital + CAE, JetBlue + CAE, Ryanair + CAE, Bell Helicopter + CAE, Alitalia + CAE, easyJet + CAE, AirAsia + CAE, Air Canada + CAE, Interglobe + CAE, US Airways + CAE, Norwegian + CAE, Virgin America + CAE, LAN + CAE, TAM + CAE, Flydubai + CAE, Thomas Cook + CAE, SAS + CAE, Iberia + CAE, Elsevier + CAE, Devex + CAE, BAE Systems + CAE, General Atomics + CAE, Rossell India + CAE, Russian Helicopters + CAE, Havelsan + CAE, Mubadala Aerospace + CAE, Abu Dhabi Aviation + CAE, Indra + CAE, Royal Air Force + CAE, Alenia Aermacchi + CAE, AgustaWestland + CAE, Airbus Military + CAE,



Partner of Choice

Company Profile

Bombardier + CAE, Emirates + CAE, Cebu Pacific + CAE, Honeywell + CAE, CHC Helicopter + CAE, ATR + CAE, Líder Aviação + CAE, Mitsubishi Aircraft Corporation + CAE, Virgin Atlantic + CAE, GE Capital + CAE, JetBlue + CAE, Ryanair + CAE, Bell Helicopter + CAE, Alitalia + CAE, easyJet + CAE, AirAsia + CAE, Air Canada + CAE, Interglobe + CAE, US Airways + CAE, Norwegian + CAE, Virgin America + CAE, LAN + CAE, TAM + CAE, Flydubai + CAE, Thomas Cook + CAE, SAS + CAE, Iberia + CAE, Elsevier + CAE, Devex + CAE, BAE Systems + CAE, General Atomics + CAE, Rossell India + CAE, Russian Helicopters + CAE, Havelsan + CAE, Mubadala Aerospace + CAE, Abu Dhabi Aviation + CAE, Indra + CAE, Royal Air Force + CAE, Alenia Aermacchi + CAE, AgustaWestland + CAE, Airbus Military + CAE, Hindustan Aeronautics Limited + CAE, Lockheed Martin + CAE, German Armed Forces + CAE, Royal Canadian Air Force + CAE, Royal Australian Air Force + CAE, Royal Navy + CAE, U.S. Navy + CAE, U.S. Air Force + CAE, Government of Brunei + CAE, Beechcraft + CAE, Aeronautics + CAE, Air Wisconsin + CAE, Air Transat + CAE, CSA Czech Airlines + CAE, Garuda + CAE, Jazz Air + CAE, Ryanair + CAE, SilkAir + CAE, South African Airlines + CAE, Sunwing + CAE, Turkish Airlines + CAE, Vueling + CAE, Embraer + CAE, Dassault + CAE, China Southern Airlines + CAE, Bombardier + CAE, Emirates + CAE, Cebu Pacific + CAE, Honeywell + CAE, CHC Helicopter + CAE, ATR + CAE, Líder Aviação + CAE, Mitsubishi Aircraft Corporation + CAE, Virgin Atlantic + CAE, GE Capital + CAE, JetBlue + CAE, Ryanair + CAE, Bell Helicopter + CAE, Alitalia + CAE, easyJet + CAE, AirAsia + CAE, Air Canada + CAE, Hindustan Aeronautics Limited + CAE, Lockheed Martin + CAE, German Armed Forces + CAE, Aviation royale canadienne + CAE, Royal Australian Air Force + CAE, Royal Navy + CAE, U.S. Navy + CAE, U.S. Air Force + CAE, Government of Brunei + CAE, Beechcraft + CAE, Aeronautics + CAE, Air Wisconsin + CAE, Air Transat + CAE, CSA Czech Airlines + CAE, Garuda + CAE, Jazz Air + CAE, Ryanair + CAE, SilkAir + CAE, South African Airlines + CAE, Sunwing + CAE, Turkish Airlines + CAE, Vueling + CAE, Embraer + CAE, Dassault + CAE, China Southern Airlines + CAE,

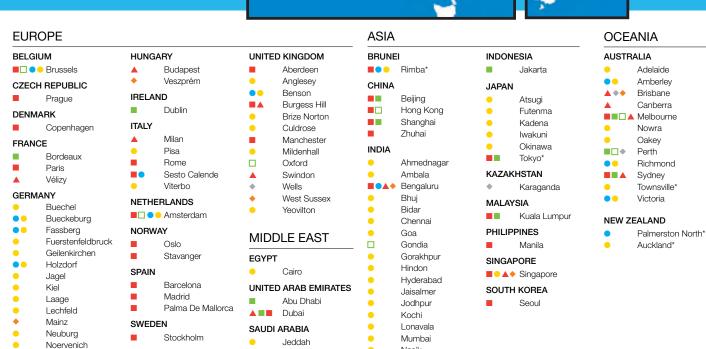












Nordholz

Stolberg

Wittmund

Wunstorf

Nasik

Palam

New Delhi*

Rae Bareli

Visakhapatnam

Partner of Choice



Our VISION is to be the partner of choice for customers operating in complex, mission-critical environments by providing the most innovative modeling and simulation-based solutions to enhance safety, improve efficiency and help solve challenging problems.

ABOUT CAE

CAE was founded in 1947 and is headquartered in Canada. With customers in more than 190 countries, CAE has the broadest global reach of any simulation and training equipment and services company on the market.

Ninety per cent of CAE's annual revenues are derived from international activities and worldwide exports. CAE's shares are traded on the Toronto and New York Stock Exchanges (TSX: CAE; NYSE: CAE).









Civil Aviation

Defence and Security

Healthcare and Mining

CAE is a global leader in modeling, simulation and training for civil aviation and defence. The company employs approximately 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 50 locations worldwide and trains approximately 100,000 crewmembers yearly. In addition, the CAE Oxford Aviation Academy offers training to aspiring pilot cadets in 10 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, integrated enterprise solutions, 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 leveraging its simulation capabilities in new markets such as healthcare and mining.

GLOBAL LEADER



INNOVATION + TECHNOLOGY LEADERSHIP

Over the past 65 years CAE has consistently led the evolution of flight training and simulation systems technology with a number of industry firsts. Our relentless focus on simulation-based training has made CAE the global benchmark for simulator fidelity and performance, and an industry leader in the development of innovative training devices, tools and courseware that accelerate learning and mission rehearsal.

There is more to come. With about 10% of our annual revenues invested in R&D each year, we aim to remain one step ahead in delivering training products and services to customers that enhance safety, mission readiness and operational efficiency.

CAE is consistently ranked as one of the top 20 Canadian companies in research and development investments (source: Research Infosource).

GLOBAL FOOTPRINT

Since the initial export sale of a flight simulator in the early 1950s, global market penetration has been at the core of CAE's business strategy. Over 65 years later, CAE is the only simulation and training company with a truly global presence. With operations and training centres in 30 countries, customers in 190 and half of our workforce on the ground in international markets, our global reach is unmatched.

We are solidly established in the mature economies of North America and Europe, which represent approximately 75% of our annual revenues. In the emerging markets of China, Southeast Asia, India, the Middle East and Latin America, demand for simulation and training services is expanding at an accelerated pace.

CAE's Emerging Markets Footprint

	India	Middle East	Latin America	Southeast Asia	China
CAE	-		(8)	(X)	
Annual growth in passenger air travel	8.4%	6.4%	6.6%	6.5%	7.0%
FFS installed base market position	#1	#1	#1	#1	#1
Share of FFS installed base ²	68%	62%	43%	49%	69%
Sales of defence simulators	11	21	2	25	-
First sale	1970	1974	1978	1979	1988
Training and services	CommercialHelicopterAb initioDefence	CommercialBusinessHelicopterDefence	Commercial Business Helicopter Defence	Commercial Business Defence	CommercialBusinessHelicopterAb initio
JVs / Long-term agreements	Gov't of IndiaHALInterGlobeRossell India	Emirates Airlines	LATAM Líder Aviação	AirAsia Cebu Pacific Brunei Ministry of Finance	China Southern Airlines

LEGEND: FFS – full-flight simulator JV – joint venture * – Upcoming

^{1 -} Expected annual growth in passenger air travel 2012-2031 (Source: Boeing Forecast 2013).

^{2 –} CAE's share of FFS installed base takes into account FFSs sold to third parties and located in its training centres.



Civil Training and Services

With more than 235 full-flight simulators in more than 50 aviation training locations serving over 3,000 airlines, aircraft operators and manufacturers globally, CAE is a world leader in aviation, maintenance and crew training services. CAE offers tailored training services ranging from integrated training programs to deployable ground school capabilities and crew sourcing services. With CAE Oxford Aviation Academy and CAE Parc Aviation, the Company has the broadest portfolio of capabilities with an end-to-end training and crew sourcing solutions.

Joint-ventures, alliances and partnerships

CAE has teamed with airlines and original equipment manufacturers to offer better services to customers, and now offers training solutions for every segment on the market.

Relationships with original equipment manufacturers



















Relationships with major airlines and aircraft operators































CIVIL AVIATION

CAE Parc Aviation

CAE Parc Aviation is the global market leader in providing aviation personnel on lease to airlines and aviation support organisations, currently providing over 1,400 flight crew and technical personnel on assignment with 70 clients, operating 20 different aircraft types in over 40 countries.

CAE Oxford Aviation Academy

CAE Oxford Aviation Academy is the largest ab initio flight training network in the world with the capacity to train more than 2,000 cadets per year across 10 flight schools on five continents. Drawing upon over 85 years of pilot training expertise, CAE Oxford Aviation Academy cadet pilot training programs provide high quality, focused ab initio training to aspiring pilots across the globe. The range of programs includes CPL, ATPL and MPL training routes, all of which combine premier ground school courses with high quality flying instruction delivered in accordance with national aviation authority requirements. Training locations include Australia, Belgium, Cameroon, Hong Kong, India, the Netherlands, the United Kingdom and the United States.

Civil simulation products

CAE is the world's leading supplier of civil full-flight simulators, with over 1,000 simulators and flight training devices sold to more than 130 airlines, aircraft manufacturers and training centres. CAE has simulated almost every modern airliner, regional jet, and many business jets.

CAE applies its many leading-edge technology across the industry's broadest range of training solutions, from desktop trainers and three-dimensional training devices to CAE 5000 Series and CAE 7000 Series full-flight simulators.

Leader in developing the world's first simulators

CAE has recently developed or is currently under contract to develop the first simulators for many of the world's newest aircraft platforms, including the Airbus A350 XWB, AVIC Medium-Sized Transport, Mitsubishi Regional Jet (MRJ), ATR42-600 and ATR72-600, Bombardier CSeries, Global 5000/6000, Global 7000/8000 and Learjet 85 and the Commercial Aircraft Corporation of China, Ltd (COMAC) ARJ21 and C919.



CAE Simfinity



CAE Simfinity Integrated
Procedures
Trainers



CAE Simfinity Flight Training Devices



CAE 3000 Series Full-Flight Simulators



CAE 5000 Series

Full-Flight Simulator



CAE 7000 Series
Full-Flight Simulators



DEFENCE AND SECURITY

The Company has contracts with all branches of the U.S. military. CAE's experience covers a variety of aircraft platforms, including helicopters such as the CH-47 Chinook and MH-60S/R Seahawk, and transports such as the C-130 Hercules.

CAE offers a range of simulation-based solutions for land forces such as driver and crew gunnery trainers for armoured vehicles, artillery and forward air control trainers, maintenance trainers for tanks and command and staff training systems.

Comprehensive training facilities

CAE's Medium Support Helicopter Aircrew training Facility (MSHATF) at RAF Benson in the U.K. represents the company's full range of capabilities. Owned and operated by CAE, the centre offers a fully integrated training environment to train Royal Air Force and other operators of the Puma, Chinook and Merlin helicopters.

CAE operates a C-130 training centre in Tampa, Florida and has a long-term teaming agreement with Lockheed Martin to be the training provider of choice for the C-130J Hercules aircraft.

CAE partnered with AgustaWestland to form the Rotorsim consortium, a helicopter training centre based in Sesto Calende in Italy that provides integrated training solutions for AgustaWestland helicopters.

An industry consortium consisting of CAE, Eurocopter, Rheinmetall Defence Electronics, and Thales offers NH90 helicopter training in three centres in Germany. CAE operates a helicopter training centre in Bangalore, India. The facility—Helicopter Academy to train by Simulation of Flying (HATSOFF)—is an equally-owned joint venture between HAL and CAE.

CAE and the Government of Brunei established a joint venture company that is constructing the CAE Brunei Multi-Purpose Training Centre (MPTC) in Brunei Darussalam. The CAE Brunei MPTC is scheduled to open in 2014 and will offer simulation-based training programs for the Sikorsky S-92 and Sikorsky S-70i Black Hawk helicopters and Pilatus PC-7 trainer aircraft. The CAE Brunei MPTC will also offer comprehensive emergency and disaster management training to Brunei's Ministry of Home Affairs and other ASEAN customers.

Integrated Enterprise Solutions

CAE's Integrated Enterprise Solutions (IES) group is a trusted advisor and solutions provider to three primary market segments: governments and defense forces; medical and healthcare institutions; and critical infrastructure/emergency management organizations. The professionals charged with serving the public in these segments have one thing in common – the requirement to effectively and efficiently deal with complex, high-risk challenges. CAE's IES group includes expert integrators with a deep knowledge and understanding of applying cost-effective simulation solutions to a range of mission-critical environments. We offer our clients professional and engineering services; enabling technology and software tools; and integrated simulation centres. By combining products and software tools with service delivery capabilities into a comprehensive, integrated solutions offering, CAE's IES group can help customers improve operational efficiency, develop and maintain mission critical systems, and provide software-based decision support and training solutions.





CAE MINING

CAE Mining is at the forefront of the industry in developing and providing innovative technology and services to plan, manage and optimize mining operations. With operations in 12 countries, CAE Mining offers enhanced solutions ranging from exploration data management and ore-body modelling, to mine planning and operations management. We have a technical consulting team of over 100 experienced geologists and mining engineers servicing customers in close to 100 countries.

Through our simulators, software, courseware and training service, CAE Mining is developing the industry's most compelling technology and services to advance the efficiency and safety of mine operations. By leveraging CAE's expertise in simulation-based training, we offer comprehensive training solutions that feature student management systems, lesson planning tools and simulation products ranging from desktop trainers and e-learning to part-task trainers and high fidelity-simulators with visuals based on the aviation standard.

In an industry where safety is crucial and the cost of training on real equipment is very high, CAE's simulation solutions allow operators to rehearse more often and prepare for the most complex tasks, thereby improving the safety and efficiency of mining operations as well as helping reduce costs.

CAE Terra™ mining simulators

The CAE Terra range of mining equipment simulators includes underground and surface trucks, loaders, drills and ancillary equipment. CAE Mining incorporates highly realistic simulation into learning programs that are linked to operational key performance indicators and focused on achieving tangible improvements in safety and productivity. The blended learning system available with CAE Terra simulators includes self-paced e-learning, instructor-led classroom and on-the-job training. Complex scenarios and team training are conducted in the full-motion high-fidelity CAE Terra simulators and then validated and reinforced in the real-world operations.



CAE HEALTHCARE

Launched four years ago, CAE Healthcare has used acquisitions and innovation to rapidly establish itself as the global leader in technology designed to lower the risks inherent in the delivery of healthcare. CAE Healthcare is now leveraging the industry's broadest and most comprehensive solutions portfolio and CAE Healthcare's proprietary technologies to improve patient safety in professional clinical settings.

The acquisitions of Medical Education Technologies, Inc. (METI) and Blue Phantom significantly expanded our market reach, customer relationships, innovative marketing initiatives and worldwide distributor network.

CAE Healthcare offers a full spectrum of cuttingedge learning tools, including surgical and ultrasound simulation, curriculum, clinical skills management and highly realistic adult, pediatric and baby simulators that are designed to mimic human medical scenarios including trauma, heart attack, drug overdose and effects of bioterrorism. Today, more than 8,000 of our simulators are in use worldwide by medical and nursing schools, hospitals, defence forces and other entities.

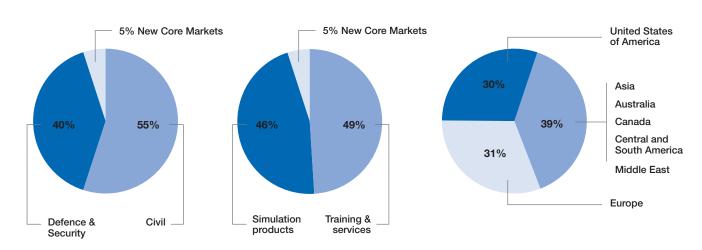
CAE is pursuing its growth objectives through a number of actions and initiatives:

- Continuous R&D investment to develop innovative technologies that will bring medical simulation to new levels of realism and training effectiveness.
- Accelerated delivery of new products across all product lines
- Expansion of our audio-visual and clinical skills management platform to enhance compliance, performance and patient safety in clinical settings
- Strategies to facilitate the adoption of simulation in professional clinical settings to improve patient safety

Financial Highlights

(amounts in millions, except per share amounts)	2013	2012
Operating results		
Revenue	2,104.5	1,821.2
Net income	142.4	182.0
Backlog	4,091.9	3,724.2
Financial position		
Net cash provided by operating activities	204.1	233.9
Capital expenditures	155.8	165.7
Total assets	3,878.7	3,183.7
Total long term debt, net of cash	916.8	534.3
Per share		
Basic earnings attributable to equity holders of the Company	0.54	0.70
Dividends	0.19	0.16
Equity	4.38	4.05

Revenue Distribution Fiscal 2013



Board of Directors and Officers

BOARD OF DIRECTORS

James F. Hankinson¹

Chairman of the Board CAE Inc.

Toronto, Ontario

Brian E. Barents^{2,4}

Corporate Director Andover, Kansas

Paul Gagné 1, 2, 3

Chairman Wajax Corporation Montreal, Québec

Gen. Peter J. Schoomaker U.S.A. (Ret.) 2, 4

Corporate Director Tampa, Florida

Katharine B. Stevenson³

Corporate Director Toronto, Ontario

Marc Parent¹

President and Chief Executive Officer CAE Inc. Lorraine, Québec

The Honourable Michael M. Fortier,

P.C.4

Vice Chairman **RBC** Capital Markets Montreal, Québec

The Honourable John Manley,

P.C., O.C.^{2, 4}

President and Chief Executive Officer Canadian Council of Chief Executives Ottawa, Ontario

Andrew J. Stevens^{2, 3}

Corporate Director Gloucestershire, UK

Kathleen E. Walsh³

President and Chief Executive Officer **Boston Medical Center** Boston, Massachusetts

OFFICERS

James F. Hankinson

Chairman of the Board

Nick Leontidis

Group President Civil Simulation Products, Training and Services

Stéphane Lefebvre

Vice President, Finance and Chief Financial Officer

Bernard Cormier

Vice President Human Resources

Sonya Branco

Vice President and Controller

Marc Parent

President and Chief Executive Officer

Gene Colabatistto

Group President Military Products and Training & Services

Hartland J. A. Paterson

Vice President, Legal, General Counsel & Corporate Secretary

Éric Bussières

Vice President Finance - Civil and Treasurer

Sonya Branco

Vice President and Controller

¹ Member of the Executive Committee

² Member of the Human Resources Committee

³ Member of the Audit Committee

⁴ Member of the Governance Committee



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