

**CAE awarded contract options by Lockheed Martin for additional C-130J simulators**

Montreal - 22 FEB 2006 - Lockheed Martin Corporation has exercised contract options valued at approximately US\$30 million (C\$35 million) for CAE to design and manufacture three additional C-130J/KC-130J weapon systems trainers for the United States Air Force (USAF) and United States Marine Corps (USMC).

In November 2003, CAE announced a series of subcontracts from Lockheed Martin as part of the C-130J Maintenance and Aircrew Training System program. The contract options for these three additional simulators are being exercised ahead of the original schedule.

Under terms of these contract options, CAE will design and manufacture two C-130J weapon systems trainers (WSTs) for the USAF and one KC-130J WST for the USMC. Once delivered, CAE will have provided five C-130J WSTs to the USAF and three KC-130J WSTs to the USMC.

As prime contractor for the training systems, Lockheed Martin Simulation, Training & Support has overall responsibility for program management, training equipment, spares procurement, and integration of training services. The C-130J Maintenance and Aircrew Training System program will provide new training devices as well as training instruction and support to qualify and sustain USAF C-130J aircrews through the year 2010.

<sup>3</sup>The Weapons Systems Trainer is part of a total training program that graduates mission-qualified C-130 aircrews,<sup>2</sup> said Lorraine Martin, Vice President of flight solutions at Lockheed Martin Simulation, Training & Support. <sup>3</sup>These simulators prepare aircrews for a variety of missions without actually flying the aircraft, reducing costs, and delivering a safe, effective training solution to our customers.<sup>2</sup>

<sup>3</sup>The newest Hercules is proving itself in combat operations and we're proud to play a role in helping train the aircrews flying the C-130J,<sup>2</sup> said Donald W. Campbell, CAE's Group President, Military Simulation and Training. <sup>3</sup>Over the past two decades, CAE has delivered more training systems for the C-130 than any company so we're pleased to continue building on this experience and look forward to continuing our relationship with Lockheed Martin in providing training systems to the U.S. and any other military flying the C-130J.<sup>2</sup>

CAE is already under contract from Lockheed Martin to design the following C-130J training devices for the USAF: three C-130J WSTs, one C-130J avionics systems management trainer (ASMT), two C-130J integrated crew systems trainer (ICST), one C-130J cockpit procedures trainer (CPT), one C-130J flight controls trainer (FCT), one C-130J engine propeller trainer (EPT), and one C-130J fuselage trainer (FuT). Three WSTs have already been delivered to Keesler AFB and Little Rock AFB. The other devices are currently undergoing final manufacturing, test and evaluation at CAE's facility in Tampa, Florida.