

CAESOURCE

Summer 2013

CAE Parc Aviation
The global leader in
Aviation Personnel Solutions





Marc Parent
President and Chief
Executive Officer

A message from **Marc Parent**

A key tenet of our strategy, in this increasingly globally competitive world, is to be the Partner of choice of our customers. This edition of CAE Source highlights the hard work and dedication of our employees as well as some of the reasons that make us the Partner of Choice.

Innovation and technology leadership - The article on Innovation Challenges program (page 3) presents the first round of winning ideas. I am very proud of the quality of ideas shared by our employees from around the world. The innovation and technology leadership of our workforce has allowed us to offer our customers solutions tailored to their needs, such as the Dynamic Synthetic Environment (page 11), CAE Healthcare's products (pages 12-13) or the solutions offered by our Integrated Enterprise Solutions team (pages 8-9).

Service and commitment - CAE's culture of service and commitment is what allows us to develop great relationships and trust with our customers. We have more than 70 partnerships and long-term agreements with our customers in all our markets. On page 8 you can read about two 10-year anniversaries we celebrated this year with leading airlines.

Global reach - With operations and training centres in more than 30 countries and customers in 190 countries, our global reach is unmatched and it provides our customers with the flexibility and proximity they need to run their business. We continued to expand our reach in all our businesses, for example helicopter training (page 7), defence and security (page 10) and mining in Mexico (page 14).

People and experience - We have 8,000 men and women around the world, with diverse experiences. These experiences have allowed us

to offer the broadest expertise in our field and to develop the largest array of solutions. The article on CAE Parc Aviation (page 5) showcases some of the latest additions of our portfolio.

Reputation and brand - Finally, our reputation and brand are key components of being the Partner of Choice. Wherever you go in the world, the name CAE is regarded as the gold standard. We are the company that the aviation industry turns to to help ensure that everyone flying gets home safely. And CAE's benefit to society is not limited to helping make air travel safer, our employees contribute regularly to the communities they work in. Some of those stories are on page 16.

While we had a challenging first quarter of fiscal year 2014, we continued to lead in our markets. The next quarters will be critical as we have to bring our margins back up. I would like to thank our employees for paying close attention to our costs and I ask everyone to continue keeping them down.

Looking forward, the fundamentals of CAE's business are strong. In civil, the growth in global air travel continues to drive demand for our products and services. In defence, we have demonstrated resiliency in the face of US sequestration and widespread delays in procurement and we continue to see evidence of militaries increasing their use of simulation-based training to reduce costs. In Healthcare and Mining we are also continuing to see increased use of simulation.

We have excellent products and services, great people around the world and lots of opportunity to grow. By keeping our costs down, executing flawlessly and focusing on serving our customers to the best of our abilities -by being their Partner of Choice- we will be successful.

Tell us your news!

We'd like to hear from you so send us your news, suggestions and feedback to communications@cae.com.

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Congratulations to the first round of winning ideas from CAE's Innovation Challenges

The winning ideas from the first round of CAE's Innovation Challenges have been selected! "These ideas really showed out-of-the-box thinking," says Marc St-Hilaire, Vice President, Advance Technology and Innovation. "We needed our employees to step up to the plate and find a solution and they did," he continues.

Seven winning ideas were selected:

- **Expert System for the Closed Loop Training**
Innovator: Dac Toan Ho, Montreal, Canada
- **Smart Phone and Tablet Apps**
Innovator: Jesus Martin Sanchez, Madrid, Spain
- **Kinect Device as Principle Interface in a Flight Deck Officer Trainer**
Innovator: Mate Koch, Budapest, Hungary
- **Google Glass and Augmented Reality**
Innovator: Michael Abdow, Silverwater, Australia
- **Fully Automated Training Guided by Self-Learning Pilot Skills and Behaviour System**
Innovator: Michel Galibois, Montreal, Canada
Significant Contributor: Daniel Spira, Montreal, Canada
- **Oculus Rift and Next Gen Kinect/Leap Motion for Low Cost Interactive Immersive 3D Training Simulation**
Innovator: Patrick McDade, Halifax, Canada
- **Add-on to the SPL: Update Management and Service Portal**
Innovator: Yves Riel, Montreal, Canada

"Our first round of Innovation Challenges has been a real success," states St-Hilaire. "Employees from around the world, including from Australia, Canada, India, Spain, the U.K. and the U.S., submitted 112 ideas and 129 comments, as well as 490 "likes", he continues. "My expectations are met and I am confident we can keep up this momentum for our second round."

This initiative is important to CAE. This company has always had innovation in its DNA, but the world is changing at a rate we have never seen before. "Both our customers and our competitors have access to new ideas and technologies via social media, the Internet, and their local Best Buy or Future Shop," explains St-Hilaire. "If we don't continue to meet and surpass their expectations, we will lose our edge."

"Social media provides a great opportunity as well," continues St-Hilaire. "It allows us to easily involve all our employees in the innovation process." He encourages people to delve deep into the ideas and really collaborate to find a workable solution.

"Our entire management team is very pleased with the level of engagement our employees have shown worldwide in this initiative. It's great to see the collaboration."

Marc's behind the scenes diary

"Admittedly, shooting videos for the website was not my idea," laughs St-Hilaire. "My team suggested it and I was ready to give it a try. It wasn't as easy as it looked!"

These winning ideas will move to the prototype phase and innovators will be invited to participate in development activities.



1. Getting a last-minute makeup touch-up before shooting another scene in the R&D lab at Montreal headquarters;
2. The video crew shares a laugh, likely at my expense!
3. The steady-cam operator and the rest of the crew wait as I rehearse for take 5 of this segment!



CAE Parc Aviation

The global leader in Aviation Personnel Solutions

In May 2012, CAE acquired Parc Aviation as part of the Oxford Aviation Academy transaction, broadening our comprehensive portfolio of capabilities. CAE Parc Aviation strengthens our leadership and global reach in Commercial Aviation Training (CAT) by increasing our training centre footprint, growing our ab initio flight training network, and extending our portfolio.

"We offer a one-stop-shop for aspiring pilots as they progress from ab initio training, to type-rating as well as to the possibility of getting a job with us by being leased or recruited by various airlines," says Sean Butler, Business Leader, CAE Parc Aviation.

CAE Parc Aviation does not only source pilots. We offer flight crew sourcing, technical support services, executive search and selection, and ferry flight services. We are the global market leader in providing aviation personnel on lease to airlines (as well as to aviation support organizations, maintenance organizations, aircraft manufacturers and aircraft leasing organizations). We currently provide over 1,400 flight crew and technical personnel who are on assignment with 70 customers, operating 20 different aircraft types, in over 40 countries.

Flight crew sourcing

We manage the sourcing, contracting and recruitment of flight crew for airlines and aviation clients. Our customers often come to us when they are expanding an existing airline fleet, entering new aircraft types into service and periods of higher demand. "We offer airlines flexibility, cost-efficiency, and global reach for sources of pilots that many airlines don't have the ability to tap into," explains Butler. "We also support airlines that have extra pilots in their fleets during some periods and assign them to other airlines that have a demand – it is a "win-win" solution for airlines and pilots."

Technical support services

We provide a range of technical specialists worldwide who support, among other things, aircraft leasing companies throughout the delivery and redelivery process.

Ferry flight services

CAE Parc Aviation is the world leader in ferry flight services (delivering an aircraft to another location, for example, for repairs), with over 300 flights annually. We provide the necessary crew to ensure that aircraft are delivered efficiently and cost-effectively to a maintenance facility or to the next destination and offer 24/7 customer support.

Executive search and selection

CAE Parc Aviation also has over 35 years of international aviation recruitment and selection experience. We are ideally positioned to assist airlines and aviation companies locate and attract the best talent for their organizations. We offer recruiting services for senior management executives, including at the CEO level within the aviation industry.

We currently provide over 1,400 flight crew and technical personnel who are on assignment with 70 customers, operating 20 different aircraft types, in over 40 countries.

Customer first

"CAE Parc Aviation continues to be a business with strong customer relationships. Customer service is the driving force behind our success. We are committed to maintaining our good relationships and increasing our customer base."

Not only can we now say that CAE provides aviation companies operators the most complete portfolio of training solutions: from simulators, to training, to aviation personnel placement, but we also provide aspiring and experienced pilots with a career-long partner, offering end-to-end training and job placement solutions. "Our business is about people," adds Butler. "Our track record, breadth of offering, experience, and global reach make CAE Parc Aviation unique."

CAE Parc Aviation is headquartered in Dublin, Ireland. To learn more about CAE Parc Aviation visit www.caeparcaviation.com



ECFT simulator bay



Ron Murphy, Facilities and Special Projects Manager, ECFT along with his Highness Sheikh Ahmed bin Saeed Al Maktoum, Chairman and Chief Executive, Emirates Airline and Group at the inauguration of the ECFT centre in Dubai's Silicon Oasis.



ZHFTC employees



ZHFTC full building plan

Celebrating ten years of success!

Emirates CAE Flight Training Centre

CAE and Emirates Group celebrated 10 years of training excellence in the United Arab Emirates (UAE) on December 30, 2012. When our joint venture, Emirates CAE Flight Training (ECFT), first opened it was the only one of its kind in the Middle East to be approved by the European Aviation Safety Agency (EASA) and the UAE General Civil Aviation Authority (GCAA).

The centre has grown from operating two full-flight simulators in 2002 to housing 13 bays. ECFT provides training on many aircraft types: Airbus, Boeing, Bombardier, Dassault, Gulfstream, Hawker, and Beechcraft. The expansion over the last 10 years has increased the centre's training capacity, now welcoming 200 aviation clients and training more than 10,000 pilots and technicians every year.

ECFT has seen such success that a second centre, to train both pilots and technicians, has just opened in Dubai's Silicon Oasis. This new centre brings Emirates and CAE's joint investment in the region to over US\$260 million.

"During the past 10 years, the centre has achieved significant accomplishments in business operation, internal management, technology innovation, and team building,"

Zhuhai Flight Training Centre

The Zhuhai Flight Training Centre (ZHFTC), CAE's joint venture with China Southern Airlines, has grown to house 20 simulators in the past 10 years, a significant increase from the five it began with. By the end of this year, the number of simulators is expected to total 26. ZHFTC provides training to pilots both in China and overseas through high quality services and high standard management on full-flight simulators and ground school training. "During the past 10 years, the centre has achieved significant accomplishments in business operation, internal management, technology innovation, and team building," said Nick Leontidis, Group President, Civil.

In 2012, the centre received a S76 helicopter full-flight simulator. This was the first helicopter simulator in China and the first S76 in the Asia-Pacific region.



CAE's growing presence in Helicopter Aviation Training

The simulation training market for helicopter aviation has growth potential for CAE over the next five years. This is especially true in areas where CAE is well established such as North America, Europe and Latin America.

The helicopter aviation industry is increasingly recognizing the need to improve training as the benefits are tangible. In addition, the global demand for helicopters is expected to increase over the next five years according to Honeywell's forecast survey released last March. This increase is mainly due to aging aircraft fleets, changes in requirements and regulations requiring twin-engine helicopters.

Operators are also seeing the cost savings of simulation. Offshore oil and gas transport operators, amongst others, have increased their use of large civil helicopters. This has pushed training towards simulators as this has become more cost effective than training on the actual aircraft. Furthermore, operators who employ pilots trained on simulators save on insurance costs.

CAE is therefore leveraging its experience and expertise to support civil helicopter operators around the world with innovative, simulation-based training solutions. CAE currently offers civil helicopter training programs in 12 locations worldwide and on the largest variety of rotary wing platforms offered by any one company. Training on a variety of popular aircraft types is easily accessible in Asia, the Middle East, Europe, North America and South America.

Partnerships

In 2011, we began to significantly grow our footprint by entering into two major partnerships. First, we acquired CHC Helicopter's training operations. As part of the acquisition, CAE became CHC's long-term training partner, responsible for training its more than 2,000 helicopter pilots and maintenance engineers.

We also announced a joint venture (JV) in 2011 with Líder Aviação, the largest helicopter operator in Brazil. The JV's centre at Congonhas in downtown São Paulo began training in November 2012 on a full-motion Level D 3000 series full-flight simulator (FFS), which replicates the Sikorsky S-76 aircraft.

"We're seeing more interest in partnerships," says Rob Lewis, Vice President, Business Aviation, Helicopter and Maintenance Training. "Large helicopter operators around the world are interested in such agreements because they have a significant incentive to outsource their training. A simulator for a helicopter can cost about as much as a small helicopter," explains Lewis. "Helicopter aviation training needs to focus on three strategic priorities going forward," continues Lewis. "Expand our network to capitalize on our international leadership position, cause a share shift in North America and maintain focus on developing partners in the oil and gas sector. This is how we'll continue to see CAE grow in this business."



In December 2011, CAE launched a helicopter training program for the Bell 412 in Mexico – the country's first helicopter training facility.



MILITARY



Introducing CAE's Integrated Enterprise Solutions group

The beginning of the new fiscal year at CAE ushered in the formal launch of CAE's Integrated Enterprise Solutions (IES) group. As part of CAE's Military business unit, IES combines what was known as CAE Professional Services along with Presagis, CAE's commercial-off-the-shelf (COTS) software products business. IES is charged with offering clients comprehensive and integrated simulation-based product and service solutions that ultimately help support decision making in mission critical environments.

Our markets include defence, homeland security, critical infrastructure and emergency management. We have, for example, used our modelling and simulation solutions to support emergency management teams in preparation for the Vancouver 2010 Olympics. We have also used our expertise to help the paramedics in Ottawa, Canada reduce their response times by two minutes, which can make a huge difference in saving someone's life.

"Imagine how valuable it is for our customers that we can provide a parallel virtual world to the real world so they can plan, prepare, and train for any kind of event," says Gene Colabatistto, Group President, Military. "We can provide them with the virtual environment to perform analysis and

experimentation, which they can use to train. Then when something happens, they can use the tools, processes and capabilities that CAE provided them to support operational decision-making. That's a powerful combination."

IES is focusing its efforts in three areas: government services and solutions, software products, and simulation centres.

Government services and solutions

This sector represents a much larger potential market than CAE's traditional military training services. Customers include government agencies, original equipment manufacturers, and lead systems integrators. "In more mature markets such as the United States, our aim is to partner with well-established organizations that may need to add modelling and simulation know-how and capabilities to enhance their overall offering," says Bev Seay, Vice President of CAE's Integrated Enterprise Solutions. "One example is our teaming with ManTech to pursue a U.S. Army program called Train, Educate and Coach, or TEACH." This program aims to train and instruct U.S. military combat troops, as well as foreign and coalition forces, in a variety of missions from the very fundamental tenets (literacy instruction) to war fighting skills.

Software products

Presagis will continue to lead the development of COTS software products and tools. The IES group will leverage these software products in putting together its comprehensive

integrated solutions. However, IES will not only use Presagis' software, as Seay points out. "We can integrate software products from other companies or software developed by governments if that is going to deliver value for the customer."

Simulation centres

A growing requirement globally is the establishment of integrated simulation centres for emergency and crisis management, disaster preparedness, and coordinated training and response. IES has taken the lead technical role in CAE's pursuit of these opportunities. The idea is to offer simulation centres across a range of disciplines – healthcare, emergency management, critical infrastructure, and more. This is the type of centre planned in Brunei.

"CAE really has a unique core competency in understanding and applying simulation to address a range of challenges," adds Seay. "We are finding more and more

clients globally who understand the value proposition of simulation-based solutions. IES intends to become a trusted advisor to these clients by leveraging our expertise, products and services."

"CAE really has a unique core competency in understanding and applying simulation to address a range of challenges"

While budget cuts and order delays have dominated much of the defence industry media spotlight recently, Colabatistto remains optimistic and has high

expectations for IES: "CAE's technologies, capabilities, and expertise are so relevant and highly valued, we absolutely must expand our opportunity pipeline and look at adjacent markets. Our new IES group will help us expand and grow into these markets."

CAE's growing presence in Brunei



The CAE Brunei MPTC
A training centre of
excellence for the entire
Southeast Asian region

The CAE Brunei Multi-Purpose Training Centre (MPTC) is a joint venture (JV) between CAE and the Government of Brunei established in 2012. Located in Rimba near the Brunei International Airport, the CAE Brunei MPTC will provide comprehensive simulation-based training solutions for energy, defence, aviation, and emergency/crisis management market segments.

The centre will serve customers in Brunei and the surrounding Southeast Asian region. At the initial announcement, Deputy Minister at the Brunei Prime Minister's office Dato Paduka Hj Ali bin Apong stated that the centre "is expected to be a catalyst for the development and expansion of the high-tech sector in Brunei while diversifying the economy into new knowledge-based industries and providing quality employment for local Bruneians."

The facility is expected to be completed by spring 2014. The first phase of operations will cater to helicopter simulation training and will be the region's largest such facility offering both civil and military helicopter training. The centre will provide training for the S-92 helicopter for Shell Brunei Petroleum and training for the Royal Brunei Armed Forces on the S-70i Black Hawk as well as Pilatus PC-7. Additional simulation-based training programs will be offered in the future based on market demand and requirements.

"We are proud to bring our expertise to Brunei," says Gene Colabattisto, Group President, Military. "This will be a state-of-the-art facility that will provide Bruneians with unparalleled training capabilities and we are confident this is the start of a prosperous long-term business partnership."

Brunei NMSC

CAE has also developed a state-of-the-art National Modelling and Simulation Centre in Brunei. Located in Anggerek Desa, the centre is used by the Royal Brunei Armed Forces and Ministry of Defence to analyze force structures, evaluate and validate capabilities, develop doctrine and tactics, and support training and mission rehearsal exercises.



On July 16, 2012, the Canadian Minister of Foreign Affairs, John Baird, attended the opening of CAE's temporary office in Brunei. The visit was part of Baird's Southeast Asia tour, which aimed at enhancing Canada-Brunei bilateral relations.



Brunei government officials and CAE executives at the ground breaking ceremony of the CAE Brunei Multi-Purpose Training Centre (MPTC).

Facts about Brunei

- Official name:** Brunei Darussalam
- Geographical location:** On the Island of Borneo (Southeast Asia)
- Capital city:** Bandar Seri Begawan
- Population:** 406,000
- Language:** Bahasa Melayu (Malay Language)



Making virtual worlds more like the real world



CAE employees who worked on the Dynamic Synthetic Environment.

CAE launches Dynamic Synthetic Environment capability

Defence customers with an appetite for state-of-the-art training solutions are faced with much smaller budgets as a result of fiscal austerity and the changing face of military operations. They must "do more with less." It's good news for our business as simulated training is often less expensive than training on real devices. This means a move towards more simulation and modelling. On the other hand, customers expect an increasingly realistic environment for training.

Our solution: "Dynamic Synthetic Environment" or DSE. What that translates to is enhanced realism, a higher fidelity virtual environment, and more effective training, mission rehearsal and decision-making.

"Synthetic environment databases today are static," explains Marc St-Hilaire, Vice President, Technology and Innovation. "Weapons effects, falling trees, ruined buildings – all of these were done previously as special effects within the visual, but didn't leave behind a useful or lasting impact on operations within the scenario," he says. "DSE now allows run-time changes in the database, which are then independently written back to storage." An artillery strike on a major crossroads, for example, leaves craters that make

the area impassable to heavy armoured vehicles. An air strike on a bridge may mean a commander can no longer extricate his troops as planned, likely requiring a rapid shift to alternative tactical transport.

Effectively, this means that commanders and troops involved in a simulation now have an additional level of complexity to deal with – one that increases the 'fog of war' effects and adds realism to the decision-making processes that are a major component of the readiness and preparation objectives.

In order to deliver capability, however, DSE needs to be not only dynamic, providing real time changes to the database, but also persistent. It needs to ensure the impact of changes in the environment continue through the period of the simulation and beyond. Perhaps most importantly, it needs to be scalable so that many people can train as a team in the same environment at once, even in separate devices.

"The team's efforts on this project over the last two and a half years have really paid off," says St-Hilaire. "A group of about 30 engineering employees worldwide managed to create the leading technology in the field right now. This is a real accomplishment."



Valerie Melton
Manufacturing Group Leader

CAE Healthcare sells 1,000th iStan Patient Simulator

CAE Healthcare has hit an important milestone! In October, we sold our 1,000th iStan wireless patient simulator to the Paris Simulation Centre at the University of Louisville School of Medicine.

CAE Healthcare acquires Blue Phantom

In November, we acquired Blue Phantom™, a world leader in the ultrasound medical imaging simulation business. “Blue Phantom’s technology will become a cornerstone of future development for CAE Healthcare,” says Michael Bernstein, President of CAE Healthcare. The addition of Blue Phantom enables us to expand our healthcare simulation business by integrating tissue-based simulation into our product offerings. It will also allow us to enhance our world-class human patient simulators by incorporating its one-of-a-kind tissue technology into our other products.

Blue Phantom’s SimulexUS tissue is durable and self-sealing, and can withstand thousands of practice ultrasound-guided procedures, such as epidural or central line placement. It images like human tissue, and is designed for training with the user’s real ultrasound machine.

CAE Healthcare video shows “the making of” a patient simulator

CAE Healthcare opened its U.S. production facility to a film crew last fall. A number of employees - engineers, a test technician, an operations director and a manufacturing group leader - were interviewed about how they feel about producing quality simulators to train the next generation of physicians, nurses, medics and emergency responders. Visit iamcahealthcare.com and meet Valerie, John, Scott, Dan and Hugo in this first of a series of short videos titled “I am CAE Healthcare.” Go see it... it’s really interesting!

HPSN World 2013 moves to San Francisco

For the first time in a decade, CAE Healthcare has moved its HPSN World conference out of Florida, U.S.A. HPSN World takes place in the summer at the San Francisco Marriott Marquis in the heart of downtown San Francisco, U.S.A. The conference offers educational sessions, an opening day keynote speaker, free training courses and networking events for educators, clinicians and students interested in simulation. HPSN is the largest free medical simulation conference in North America. Visit hpsn.com to learn more.

CAE Healthcare launches VIMEDIX Women’s Health obstetrical ultrasound simulator



“The use of ultrasound in medicine is growing at a rapid pace, and we are continuing to develop simulation training tools to facilitate the widespread adoption of this technology,” says Dr. Robert Amyot, CAE Healthcare’s Chief Medical Officer. “CAE Healthcare’s VIMEDIX Women’s Health obstetrical ultrasound simulator will help speed the training of physicians and sonographers who perform prenatal ultrasound examinations to assess fetal health and diagnose abnormalities.”

The training simulator was launched on the eve of the International Meeting on Simulation in Healthcare (IMSH), the world’s largest annual conference dedicated to healthcare simulation. It allows users to gain proficiency in skills associated with obstetric ultrasonography, including fetal ultrasound imaging, gestational age assessment, and the evaluation of the maternal adnexa. VIMEDIX Women’s Health consists of a mannequin, a mock ultrasound probe, and a split-screen monitor that shows an ultrasound image on the right and a 3D anatomical image on the left. As learners scan the mannequin, they see images of a 20-week old fetus that they can measure and assess.

It is also the only obstetrical ultrasound simulator with a 3D augmented reality view of fetal and maternal anatomy that can be observed during scanning next to a real-time, simulated ultrasound image.

The VIMEDIX simulator will allow learners to gain imaging proficiency and be exposed to a range of ultrasound scenarios and pathologies before they scan a real patient. “VIMEDIX Women’s Health is a perfect complement to our current product line because ultrasound is widely used in obstetrics, and along with our Blue Phantom OB/GYN ultrasound trainers, it gives us entry into the obstetrical education market,” says Michael Bernstein, President of CAE Healthcare. VIMEDIX Women’s Health can be purchased on its own or as an add-on to the VIMEDIX ultrasound simulator, offering value to multi-specialty simulation centres.

Visit caehealthcare.com/products to find out more about the VIMEDIX Women’s Health.

The 2012 CAE Mining International User Conference

The 10th CAE Mining International User Conference took place at the end of 2012, with a focus on “Mine Planning in a Risk-Conscious Environment.”

The conference, held at the historic Bishop’s Palace in Wells, U.K., provided customers from across Europe with the opportunity to discuss potential enhancements to CAE Mining software with our development teams and senior management. It also allowed us to introduce some of our newer products, such as CAE Ore Controller – our highly flexible solution for grade control needs, along with Hard Dollar, which allows the integration of detailed cost models with EPS (Enhanced Production Scheduler) schedules.

In keeping with tradition, customer presentations showcasing the application of CAE Mining software products were rated by the peer group with prizes awarded to the top three presenters.

Congratulations go to our winners for 2012:

- **First prize: Jesús Carrillo, MATSA. Datamine Planning at Aguas Teñidas Mine;**
- **Second prize: James Dendle, SRK. The practical application of QKNA Theory using Datamine Studio;**
- **Third prize: Jamal Keivanian, Clausthal University. Application of Scripting.**

Overall, the CAE Mining team was delighted to receive and share many positive responses and ideas on the best possible use of CAE Mining solutions for improving mining practices and we wish to thank all that helped to make this year’s conference a success.





CAE Mining celebrates the opening of its new office in Zacatecas, Mexico

CAE Mining officially opened its office in Zacatecas on February 17, 2013, providing CAE Mining with a permanent presence in Mexico and its surrounding regions. "This office extends our commitment to Mexico and the Latin market as a whole, where we are keen to invest to better serve our customers," says CAE Mining President Damian McKay.

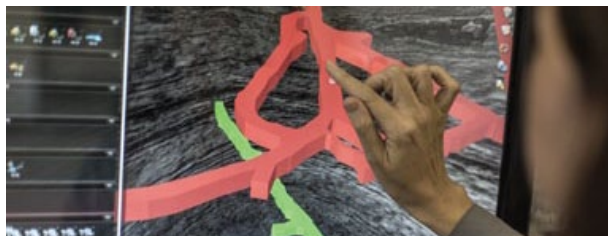
With a rich history in mining, Mexico continues to stand out as one of the world's largest producers of minerals. An increasing number of companies in Latin America are adopting new and innovative technologies to improve mine safety and significantly increase efficiency and productivity. This strong presence, teamed with CAE Mining's expanding customer base in Mexico, prompted us to further establish its presence in Zacatecas, with support staff also located in Torreon (400km north of Zacatecas).

To inaugurate the opening, the local team invited over 70 representatives from mining companies, consulting firms and government bodies to a small celebration. It was a great way to kickoff CAE Mining's operations in the region!

Did you know?

The Centre of Zacatecas is a United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Site! UNESCO states the Zacatecas cathedral is "notable for its harmonious design and the Baroque profusion of its facades, where European and indigenous decorative elements are found side by side."

CAE Mining is an exclusive distributor of Devex's mining operations management and optimization solutions



Devex is the leading Brazilian company providing solutions for managing and optimizing operations of open-pit and underground mines.

CAE Mining and Devex will collaborate in a number of global markets and for the first time, provide mine operators with an opportunity to integrate CAE Mining's widely used mine planning systems.

The combined offering will enable customers to have a system that covers everything from optimizing strategic mine plans to operational execution. This will also give mine operators the capability to rapidly analyze and respond to changing conditions.

For more information visit CAE.com/mining

First-rate training for



Why miss out?

Hone your skills through the CrossKnowledge training portal

As CAE employees, you have access to a wide range of FREE courses on the CrossKnowledge training portal.

We just made even more courses available and added new functionalities, such as a quick search feature. You can now find over 140 interactive courses and videos from different domains with content developed and presented by experts from world-renowned business schools such as Harvard, Stanford, Cambridge and HEC.

Courses range from performance management, talent development, customer focus, adaptation to change, efficient decision-making, and much more!

They are offered in many languages and last on average between 30 and 45 minutes. When your training is complete, a record of it is transferred to your training history in Sigal.

For more information on CrossKnowledge, consult CAEvox (Employees' corner/Training and development). To register for a course, visit the Sigal site at cae.tmsigal.com.

Did you know?

- Over 3,000 CAE employees have taken courses on the CrossKnowledge portal so far;
- You can improve your skills relating to CAE's leadership attributes on this portal.

Team CAE rides again to conquer cancer

This year's Enbridge Ride to Conquer Cancer took place on July 6 and 7. "It's a two-day 220 km cycling event from Montreal to Quebec City that changes your life," said President and CEO Marc Parent, who participated in his third ride this summer.

In Canada, 40% of women and 45% of men will develop cancer during their lifetime. An estimated one out of every four Canadians is expected to die from cancer. The money raised for The Enbridge Ride to Conquer Cancer helps fund cancer research and care at the Segal Cancer Centre at the Jewish General Hospital and throughout the province of Quebec, Canada. Funds are used to support research and new technologies. In other words, this epic ride accelerates the fight against cancer.

For the second year in a row, CAE participated in the ride. This year, the team raised more than \$278,000. Combined with last year's donation, Team CAE has raised approximately \$600,000 for the fight against cancer! "I was deeply touched by our team's spirit, as well as our members' willingness to give of themselves. It was inspirational," affirmed Parent.

For more information about Team CAE, visit cae.com/TeamCAE

Thank you to everyone who has supported Team CAE's efforts!



The Heart Gallery of Tampa Bay thanks CAE employees

CAE employees in Tampa once again came together over the Holidays to donate gifts to the children of the Heart Gallery. This organization raises awareness about Tampa Bay's foster children, engaging the community in their welfare and securing them permanent, loving adoptive families.

"Christmas can certainly be a tenuous time for children in care, and the main thing we want to communicate to them is that they have not been forgotten, they are special and they are loved," the Heart gallery staff told CAE Tampa employees in a heartfelt letter of thanks. "We are so very grateful for your support over the years and your thoughtful attentiveness to fulfilling the specific wishes of each child," continued the letter, which was sent to the local media.

Congratulations to the CAE Tampa team!



The Heart Gallery of Tampa Bay employees with the gifts received.

Stephen Seddon runs 50km to raise money for children with cancer

Stephen Seddon, Quality Assurance Manager at CAE in Burgess Hill, U.K. recently raised over £3,000 (CA\$4,600) for CLIC Sargent, the UK's leading cancer charity for children and young people, as well as their families.

The fundraising was part of the 50km Ennerdale trail run in which he participated. He raised the money with the support of CAE staff in Burgess Hill, Montreal, and throughout the global CAE network, as well as with donations from customers and suppliers.

Stephen completed the race in 4 hours 25 minutes, finishing third; just seven minutes behind the winner! Congratulations to Stephen for this remarkable accomplishment.



Stephen Seddon with CAE employees who helped him raise funds.