

CAE and Boeing Agree To Collaborate on Missile Defense

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The Boeing Company [NYSE:BA] and CAE [TSE: CAE; NYSE: CGT] today announced a partnership to develop solutions in ballistic missile defense.

Through this agreement, the two companies will collaboratively evaluate and develop opportunities in missile defense drawing on their existing skills and capabilities. Boeing plans to use CAE's suite of modeling and simulation software tools such as STRIVE™ to evaluate and develop systems related to air and missile threats, sensors, interceptors, and battle management/command, control, and communications systems.

"We're proud to partner with Boeing at the early stage of developing missile defense technology that will ultimately benefit the people of many nations around the world," said Donald W. Campbell, group president, Military Simulation and Training, CAE. "This agreement is also representative of our strategy to use CAE's modeling and simulation expertise throughout the development cycle of large defense programs."

The announcement follows similar agreements that were signed this past summer at the Farnborough Air Show between Boeing, Alenia Spazio, a Finmeccanica Company of Italy, European Aeronautics and Defense Systems (EADS) and BAE SYSTEMS of the UK.

Jim Evatt, president of Missile Defense Systems, a business unit of Boeing Integrated Defense Systems, said: "Boeing's presence in Canada spans many years and we believe this partnership, with such a key company as CAE, strengthens our relationship and highlights our continued commitment in Canada. This agreement also represents another important step in global cooperation that is critical for the future security of our nations, military forces, and allies."

Boeing Integrated Defense Systems, currently a prime contractor for the U.S. government on integrated missile defense systems, established the technical assistance agreement with CAE as an open framework for long-term cooperation. Boeing is responsible for the development and integration of the ground-based mid-course defense elements, including the ground-based interceptor, early warning radars, and interfaces to the space-based infrared system satellites.

CAE's STRIVE is a modeling and simulation framework that gives software developers the ability to easily design complex, interoperable systems. STRIVE will give software developers, designing a range of ballistic missile defense technology, the ability to model systems and how these systems interact and interoperate. Boeing also intends to use CAE's Interactive Tactical Environment Management System (ITEMS™) and Real-Time Advanced Visualization Environment (RAVE™) software tools in developing ballistic missile defense systems. ITEMS is a software development tool used to create and represent computer-generated weapons, sensors, and other systems in a synthetic environment. RAVE is used to create, modify, and test sophisticated real-time graphical displays.

CAE is a global leader in providing advanced simulation and controls equipment and integrated training solutions for customers in the military, civil aviation, and marine markets. With annual revenues in excess of \$1 billion, CAE employs more than 6,000 people in Canada, the United States and around the globe.

A unit of The Boeing Company, Boeing Integrated Defense Systems is one of the world's largest space and defense businesses. Headquartered in St. Louis, Integrated Defense Systems is a \$23 billion business. It provides systems solutions to its global military, government and commercial customers. It is a leading provider of intelligence, surveillance and reconnaissance; the world's largest military aircraft manufacturer; the world's largest satellite manufacturer and a leading provider of space-based communications; the primary systems integrator for U.S. missile defense; NASA's largest contractor; and a global leader in satellite launch services. In terms of sales, Boeing is also the largest U.S. exporter.

For more information about CAE, visit our web site

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