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Dear Customer,

On August 24, 2011, CAE announced the acquisition of Medical Education Technologies, Inc. (METI), a worldwide leader in medical simulation technologies and educational software.

As a result of merging both companies, the Owl product is being discontinued and all delivered Owl products will be gradually replaced with LearningSpace, a full-featured center management solution including performance evaluation and AV capture/debrief. The integration plan to replace the Owl to LearningSpace is currently underway and we will be communicating with all customers once all details have been ironed out. We are working diligently to ensure all factors and details have been thoroughly evaluated to eliminate any risks and to ultimately ensure we complete a seamless and successful integration to LearningSpace.

I apologize for not having a more definitive timeline for the integration to share with you at this time. However, I can tell you that we are all very excited about this new acquisition and see this as a great opportunity. This new partnership will help bring the medical simulation industry to a whole new level and ultimately continue to improve the safety of all patients. We want to assure customers that this is a win-win partnership for all affected, including all of CAE Healthcare and all of our customers.

In the interim, I wanted to assure you that we will continue to support the Owl product until the transition to LearningSpace has been completed. Also, LearningSpace is a continuously evolving product driven by end-user feedback and we truly believe that in the coming months and years, LearningSpace is going to greatly benefit from the ideas and feedback of all current Owl customers as well as from the lessons learned in the Owl project in general. We are committed to provide you the most feature-complete and flexible simulation center management product as a result of ongoing innovation and development. As a very first step, work is well underway to produce a localized French version of LearningSpace – as we know that is critical for the operations of many of you.

We at CAE have always prided ourselves on providing customers with the best solutions and ultimate customer support. I want to reassure you that we remain very, very committed to all our customers and will be very forthcoming with information as it becomes available. We will work closely with you to ensure a smooth transition to LearningSpace is carried out and that all of your concerns are addressed.

Please do not hesitate to contact me directly should you have any immediate concerns.

Best regards,

A handwritten signature in black ink, appearing to read "Balazs Moldovanyi".

Balazs Moldovanyi
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