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## **Air Canada Comments on Aveos closures and its contingency planning**

MONTREAL, March 19, 2012 /CNW Telbec/ - Air Canada today provided the following comments concerning Aveos Fleet Performance Inc. (Aveos), a separate and independently owned and managed supplier to Air Canada, that provides maintenance, repair and overhaul (MRO) services to airlines, including Air Canada.

Air Canada has been advised that Aveos has filed for insolvency protection under the Companies' Creditors Arrangement Act (CCAA).

These events at Aveos, while disappointing, have no impact on Air Canada's day-to-day aircraft maintenance and repair activities, referred to as "line maintenance." The airline's line maintenance has always been performed directly by Air Canada, at the airline's own facilities by Air Canada's 2,300 maintenance employees. The airline typically performs its line maintenance activities overnight or between flights, as necessary.

Aveos has been providing Air Canada with airframe, engine and component work which, in the case of scheduled maintenance checks, is pre-planned. The airline is prepared with a contingency plan to ensure continuity of this work and that it will continue to be performed in compliance with all regulatory and legal requirements. Should Aveos not be in a position to perform work, the airline is prepared to make arrangements with a number of other service providers, located primarily in the United States and Canada, with whom Air Canada has longstanding relationships.

Air Canada has been supportive of Aveos through various means and has been meeting all of its financial and legal obligations of its contractual arrangements with Aveos according to the terms of its commercial agreements.

### **About Air Canada and Aveos**

Air Canada and Aveos are two separate entities. Air Canada sold its technical services division in 2004. This company was then sold to a consortium of private investors in 2007 and subsequently changed its name to Aveos in 2008.

The Aveos workforce is independent from Air Canada and is covered by a separate collective agreement.

Air Canada is Canada's largest domestic and international airline serving more than 180 destinations on five continents. Canada's flag carrier is the 15th largest commercial airline in the world and in 2011 served more than 33 million customers. Air Canada provides scheduled passenger service directly to 60 Canadian cities, 57 destinations in the United States and 63 cities in Europe, the Middle East, Asia, Australia, the Caribbean, Mexico and South America. Air Canada is a founding member of Star Alliance, the world's most comprehensive air transportation network serving 1,290 destinations in 189 countries. In 2011, Air Canada was ranked Best International Airline in North America in a worldwide survey of more than 18 million airline passengers conducted by independent research firm Skytrax.

### **CAUTION REGARDING FORWARD-LOOKING INFORMATION**

Air Canada's public communications may include forward-looking statements within the meaning of applicable securities laws. Forward-looking statements, by their nature, are based on assumptions and are subject to important risks and uncertainties. Forward-looking statements cannot be relied

upon due to, amongst other things, changing external events and general uncertainties of the business. Actual results may differ materially from results indicated in forward-looking statements due to a number of factors, including without limitation, industry, market, credit and economic conditions, the ability to reduce operating costs and secure financing, pension issues, energy prices, employee and labour relations, currency exchange and interest rates, competition, war, terrorist acts, epidemic diseases, environmental factors (including weather systems and other natural phenomena and factors arising from man-made sources), insurance issues and costs, changes in demand due to the seasonal nature of the business, supply issues, changes in laws, regulatory developments or proceedings, pending and future litigation and actions by third parties as well as the factors identified throughout Air Canada's public disclosure file available at [www.sedar.com](http://www.sedar.com). Any forward-looking statements contained in this news release represent Air Canada's expectations as of date of this news release and are subject to change after such date. However, Air Canada disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required under applicable securities regulations.