

Air Canada Comments on Bill to Amend the Air Canada Public Participation Act

MONTREAL, March 24, 2016 /CNW Telbec/ - Air Canada said that it welcomed the greater flexibility contained in the bill tabled today by the Government of Canada to amend and modernize the *Air Canada Public Participation Act* with respect to its aircraft maintenance obligations. Air Canada is studying the proposed amendments and will make submissions to the Minister of Transport after completing its review.

"It is indeed time that the *Air Canada Public Participation Act*, dating from the company's privatization nearly 30 years ago, be modernized to recognize the reality that Air Canada is a private sector company, owned by private sector interests, which operates in a highly competitive global industry that has undergone dramatic transformation over the past three decades," said Calin Rovinescu, President and Chief Executive Officer, Air Canada. "No other airline in Canada is subject to restrictions such as those imposed on Air Canada. Fundamentally, to continue to succeed and thrive in the global marketplace and to create high-skill job opportunities in Canada beyond those held by our 26,000 employees based across the country, we need a level playing field and the same ability to manage our business and affairs as our competitors.

"Our airline industry today is very different from what it was in the 1980s, with greater domestic competition, many more foreign carriers and maintenance dynamics that have dramatically changed on a global basis. We therefore welcome any modernization of the *Air Canada Public Participation Act* that would help to level the playing field with the rest of the industry and provide us with increased flexibility," concluded Mr. Rovinescu.

Subject to concluding final arrangements, the Government of Quebec has agreed to discontinue the litigation related to Air Canada's obligations regarding the maintenance of an overhaul and operational centre following Air Canada's agreement to collaborate with the Province to establish a Centre of Excellence for C Series airframe heavy maintenance work in Quebec. The Government of Manitoba has also agreed, subject again to concluding final arrangements, to discontinue litigation following Air Canada's agreement with that Province to further support Manitoba's aviation sector by bringing three of its suppliers and partners to Manitoba and helping to develop a Western Canada Center of Excellence.

The Minister of Transport has also indicated that these proposed legislative changes should help to avoid future litigation over the interpretation of the maintenance provisions of the Act and Air Canada welcomes this clarity.

About Air Canada

Air Canada is Canada's largest domestic and international airline serving more than 200 airports on six continents. Canada's flag carrier is among the 20 largest airlines in the world and in 2015 served more than 41 million customers. Air Canada provides scheduled passenger service directly to 63 airports in Canada, 56 in the United States and 86 in Europe, the Middle East, Africa, Asia, Australia, the Caribbean, Mexico, Central America and South America. Air Canada is a founding member of Star Alliance, the world's most comprehensive air transportation network serving 1,330 airports in 192 countries. Air Canada is the only international network carrier in North America to receive a Four-Star ranking according to independent U.K. research firm Skytrax. For more information, please visit: www.aircanada.com, follow @AirCanada on Twitter and join Air Canada on Facebook.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This news release includes forward-looking statements within the meaning of applicable securities laws. Forward-looking statements relate to analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These statements may involve, but are not limited to, comments relating to preliminary results, guidance, strategies, expectations, planned operations or future actions. Forward-looking statements are identified by the use of terms and phrases such as "preliminary", "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would", and similar terms and phrases, including references to assumptions.

Forward-looking statements, by their nature, are based on assumptions, including those described herein 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, our ability to successfully achieve or sustain positive net profitability or to realize our initiatives and objectives, our ability to pay our indebtedness, reduce operating costs and secure financing, currency exchange, industry, market, credit, economic and geopolitical conditions, energy prices, competition, our ability to successfully implement strategic initiatives and our dependence on technology, war, terrorist acts, epidemic diseases, casualty losses, employee and labour relations, pension issues, environmental factors (including weather systems and other natural phenomena and factors arising from man-made sources), limitations due to restrictive covenants, insurance issues and costs, changes in demand due to the seasonal nature of the business, dependence on suppliers and third parties, including regional carriers, Aeroplan and the Star Alliance, changes in laws, regulatory developments or proceedings, pending and future litigation and actions by third parties and the ability to attract and retain required personnel, as well as the factors identified throughout this news release and those identified in section 17 "Risk Factors" of Air Canada's 2015 MD&A dated February 17, 2016. The final outcome of the Federal government's proposed legislation, including whether or not such legislation is enacted, or enacted as drafted, and therefore, its impact on Air Canada, cannot be determined at this time. The forward-looking statements contained in this news release represent Air Canada's expectations as of the date of this news release (or as of the date they are otherwise stated to be made), 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.

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For further information: Isabelle Arthur (Montréal), Isabelle.arthur@aircanada.ca, 514 422-5788; Peter Fitzpatrick (Toronto), peter.fitzpatrick@aircanada.ca, 416 263-5576; Angela Mah (Vancouver), angela.mah@aircanada.ca, 604 270-5741; Internet: aircanada.com

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