

Air Canada Partners with Manitoba Government to Help Establish Centre of Excellence for Maintenance in Province

- Agreement will create 150 high-skill positions with potential for more
- Litigation with Manitoba Government to be settled

MONTREAL, March 14, 2016 /CNW Telbec/ - Air Canada today announced that it has entered into an agreement with the Manitoba Government to help establish a Western Canada Centre of Excellence for certain aircraft maintenance activities in the Province. Under the agreement, Air Canada will bring to Manitoba three of its aviation suppliers and partners with unique expertise and capabilities. The Centre is expected to create 150 jobs starting in 2017 with the possibility of further expansion and job creation in the future.

"Air Canada is very pleased to have reached an agreement with the Manitoba Government to work cooperatively to further support the Province's aviation sector and to help develop a Western Canada Center of Excellence. By bringing some of our suppliers and partners to Manitoba and facilitating their establishment there, Air Canada is strengthening the foundation for future growth of the industry in the Province. We are already one of the Province's largest employers with more than 725 jobs and this agreement should further develop and diversify Manitoba's aviation expertise and help create quality jobs in a highly competitive and dynamic industry," said Calin Rovinescu, President and Chief Executive of Air Canada.

Under the agreement announced today, Air Canada will facilitate and support the establishment in Manitoba by three of its longstanding suppliers and partners:

- Hope Aero Propeller & Components Inc., one of Air Canada's suppliers, which specializes in propellers, wheels, brakes and batteries;
- Airbase Services Inc., one of Air Canada's suppliers, which specializes in aircraft interior equipment maintenance; and
- Cargojet Airways Ltd., one of Air Canada's cargo partners, to whom Air Canada has agreed to lease one of its Winnipeg hangars on favourable terms to enable it to establish its own maintenance activities.

Start up for all three is expected to commence in 2017.

Air Canada has also agreed to encourage bidding by Manitoba suppliers for other services, including components work on future aircraft to enter the airline's fleet, subject to certification, price and quality considerations.

Subject to completion of final agreements, the Government of Manitoba has agreed to discontinue participation in litigation related to Air Canada's obligations under the Air Canada Public Participation Act.

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 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.

SOURCE Air Canada

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