



AIR CANADA

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Air Canada Comments on Proposed Transportation Modernization Act

MONTREAL, May 16, 2017 /CNW Telbec/ - In response to the announcement today by the Canadian Government of its proposed Transportation Modernization Act, Air Canada provided the following statement:

Air Canada welcomes the Government's desire to establish air passenger rights that are clear, consistent, transparent and fair for passengers and air carriers industry-wide. We believe it is in the interest of all parties to create a more predictable and fair system that applies to all airlines operating in Canada, which is not currently the case. Air Canada looks forward to participating in the consultation process relating to the new regulations over the coming months.

The increase of foreign ownership limits to 49 per cent (from 25 per cent) should provide improved access to international investors and global capital markets for Air Canada.

The proposed amendments to the legislative provisions governing joint ventures in the airline industry should facilitate the opening up of new markets by Air Canada and its joint venture partners and accelerate projects that are currently under consideration.

Regarding the CATSA proposed amendments, we would have hoped that the Government would have addressed shortfalls in CATSA funding and other shortcomings in a more comprehensive fashion so as to improve the overall air traveller experience. In addition, we continue to encourage the Government to address aviation industry infrastructure, rates, taxes and charges.

Air Canada constantly strives for customer service excellence, and is committed to doing so within a cost competitive framework. The airline is recognized as the only international network carrier in North America to receive a Four-Star ranking according to independent U.K. research firm Skytrax. According to the 2015 Canadian Business Travel Survey conducted by Ipsos Reid, Air Canada was the preferred airline for more than 80 percent of frequent business travellers in Canada. In 2016, readers of *Global Traveler* magazine again voted Air Canada "Best Airline in North America," and the readers of *Business Traveler* magazine voted Air Canada "Best North American Airline for International Travel" and "Best North American Airline for Inflight Experience."

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 2016 served close to 45 million customers. Air Canada provides scheduled passenger service directly to 63 airports in Canada, 57 in the United States and 93 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 1,300 airports in 191 countries. 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, the outcome and impact of the proposed *Transportation Modernization Act*, including in relation to passenger rights, foreign ownership rules and joint ventures, 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, the outcome of any legislative or regulatory initiatives relating to the proposed *Transportation Modernization Act*, as well as those identified throughout this news release and those identified in section 17 "Risk Factors" of Air Canada's 2016 MD&A dated February 17, 2017 and section 12 of Air Canada's First Quarter 2017 MD&A dated May 5, 2017. 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

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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