

News Releases

Air Canada Updates Schedule Through July in Response to Ongoing Grounding of Boeing 737 MAX Aircraft

- Mitigation plans include aircraft substitutions, consolidating schedule frequencies, finalizing arrangements for additional capacity through new and extended aircraft leases, accelerating intake of aircraft
- 737 MAX removed until August 1 for planning certainty

MONTREAL, April 25, 2019 /CNW Telbec/ - Air Canada said today that to provide customers greater certainty for their summer travel plans it has further adjusted its schedule through to August 1 and taken other measures, including obtaining additional capacity, so that customers can book with full confidence. The changes are in response to the continued grounding by Transport Canada of the Boeing 737 MAX aircraft, which has now been removed from Air Canada's schedule until August 1.

"With the continued grounding of the Boeing 737 MAX aircraft, Air Canada is prudently adjusting its schedule and is finalizing arrangements for additional aircraft to transport customers to their destinations. Through these measures, we are giving customers certainty to book their summer travel plans on Air Canada with full confidence. We understand the importance our customers attach to their summer travel and through the actions we are announcing today, Air Canada now has in place a schedule and the capacity to meet travellers' needs," said Lucie Guillemette, Executive Vice President and Chief Commercial Officer at Air Canada.

"Since the Boeing 737 MAX fleet was grounded onMarch 13, Air Canada has successfully protected 96 per cent of planned flying through strategic commercial adjustments. This includes optimizing the current fleet, consolidating flights on larger aircraft and extending leases on aircraft planned to exit the fleet. By leveraging our deep, global network and through arrangements with Star Alliance partner Lufthansa and other airlines to provide capacity, we now have secured sufficient additional capacity to meet our customers' travel needs this summer," said Ms. Guillemette.

In compliance with a safety notice closing Canadian airspace issued by Transport Canada on March 13, 2019, Air Canada grounded its fleet of 24 Boeing 737 MAX aircraft. Boeing has advised that deliveries of its 737 MAX are currently suspended. Air Canada was expecting to receive another 12 aircraft for a total fleet of 36 Boeing 737 MAX aircraft in July.

As the timeline for the return to service of the 737 MAX is unknown, for planning purposes and to provide customers certainty for booking and travel, Air Canada has now removed 737 MAX flying from its schedule until at least August 1, 2019. Final decisions on returning the 737 MAX to service will be based on Air Canada's safety assessment following the lifting of government safety notices and approval by international regulatory authorities.

A full summary of schedule adjustments is posted on <u>aircanada.com</u> . Highlights of measures taken by Air Canada include:

Mitigations

To mitigate the impact, Air Canada has substituted different aircraft on 737 MAX routes, including flying routes with similar-sized or larger aircraft. To help provide this replacement flying, the carrier has extended leases for three Airbus A320 and three Embraer 190 aircraft which were scheduled to exit the fleet.

Air Canada is also accelerating the in-take of six Airbus A321 aircraft from WOW Air into its fleet. For customer comfort, the first four of these aircraft, despite being less than three years old, are being reconfigured, equipped with Wi-Fi and repainted in Air Canada Rouge livery and will begin entering the fleet in May, a month earlier than scheduled. The remaining two will enter service later.

Working with Other Airlines

The carrier is working with other airlines to provide immediate extra capacity and provide alternative options to customers. Air Canada's Montreal-Frankfurt flight for the month of May will be operated by Star Alliance partner Lufthansa.

Air Canada is now finalizing capacity agreements with other airlines to temporarily operate flights on its behalf, subject to government approvals and conclusion of final documentation. Beginning June 15, Qatar Airways will operate one Airbus A330-200 on daily flights between Montreal and Barcelona and one Airbus A330-200 daily flight betweenMontreal and Paris.

Beginning June 2, Omni Air International will operate flights with one Boeing 767-200ER aircraft betweenVancouver and

Honolulu and Maui.

Schedule Changes until July 31

The airline has implemented a number of route changes to date, either adjusting operating days and times, substituting larger aircraft with fewer frequencies, or re-deploying Air Canada Rouge aircraft on additional routes. For example, Air Canada's Montreal-Bordeaux flights will be operated three times weekly with Air Canada Rouge Boeing 767-300ER aircraft, Montreal-Los Angeles will operate once daily with larger Airbus A330 aircraft, Toronto and Montreal flights to Keflavik will operate with Air Canada Rouge A319s, and one of two daily flights between Toronto-Charlottetown will be operated with an all-Economy Air Canada Rouge Airbus A321, among other adjustments.

Some seasonal route launches have been delayed. This includes the newMontreal-Bordeaux seasonal route that will beginJuly 1 instead of June 15, and the seasonal Vancouver-Boston route which will commence June 20 instead of June 1.

Route Suspensions

In a small number of cases, Air Canada has temporarily suspended service on certain 737 MAX routes where alternative aircraft are not presently available. This includes flights from Halifax and St. John's to London Heathrow, for which it is reaccommodating customers over its Toronto and Montreal hubs. While these flights are suspended to July 31, Air Canada remains fully committed to these routes.

Other seasonal non-stop routes such as Toronto-Shannon, Toronto-Abbotsford and Calgary-London, ON are being suspended for the 2019 summer season to optimize Air Canada's entire fleet throughout the schedule. Customers will be re-accommodated on alternate flights. Air Canada plans to resume these routes in the 2020 summer season.

Customer Information

As changes are finalized in the flight schedule, customers whose flight times or flight numbers have changed can expect to receive an email detailing their updated itinerary. This information is also available in My Bookings on the Air Canada app or Air Canada website. Customers are advised, whether they have booked directly through Air Canada or not, to ensure their contact information is on their booking to facilitate communication of any flight changes.

Air Canada has put in place a flexible rebooking policy with full fee waiver and a refund option for affected customers. Customers originally scheduled to travel on a 737 MAX can call Air Canada at 1-833-354-5963 for information within 72 hours of their planned flight. Customers who have booked flights through a Travel Agent should contact them for immediate assistance.

Customers are further advised to check the status of their flight using the Flight Status function on the Air Canada app or on <u>aircanada.com</u> prior to going to the airport.

Additional information is on aircanada.com

Additional information, including specific route changes for the July schedule as a result of the 737 MAX operation is provided at the special page, <u>Update on flights operated by the Boeing 737 MAX</u> available on <u>aircanada.com</u> that will be updated as warranted. The current summary of schedule changes is available under the first question, "What is Air Canada doing to reschedule customers".

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 events or results. 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 using 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 any described in this news release and are subject to important risks and uncertainties. Forward-looking statements cannot be relied upon due to, among 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 the factors identified in Air Canada's public disclosure file available at www.sedar.com and those identified in section 18 "Risk Factors" of Air Canada's 2018 MD&A. The forward-looking statements contained or incorporated by reference 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 because of new information, future events or otherwise, except as required under applicable securities regulations.

About Air Canada

Air Canada is Canada's largest domestic and international airline serving nearly 220 airports on six continents. Canada's flag carrier is among the 20 largest airlines in the world and in 2018 served nearly 51 million customers. Air Canada provides scheduled passenger service directly to 63 airports in Canada, 56 in the United States and 100 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 1,317 airports in 193 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, which also named Air Canada the 2018 Best Airline in North America. For more information, please visit: aircanada.com/media, follow @AirCanada on Twitter and join Air Canada on Facebook.

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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

