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Air Canada announces establishment of Airframe Maintenance Centres of Excellence with AAR in Trois-Rivières and Avianor in Mirabel

MONTREAL, Feb. 24, 2020 /CNW Telbec/ - Air Canada has entered into letters of intent with each of AAR Aircraft Services Trois-Rivières ULC ("AAR") and Avianor Inc ("Avianor") regarding long-term agreements for airframe maintenance, subject to completion of its planned merger with Transat, A.T. These long-term agreements would enable each of AAR and Avianor to develop Airframe Maintenance Centres of Excellence in Quebec for the aircraft types within their areas of expertise, both stimulating new investment in aerospace in Quebec and creating more high-quality aircraft maintenance jobs.

The larger combined Airbus A330 fleet of Air Canada and Air Transat would enable Air Canada to move wide-body A330 maintenance work for both airlines from abroad to AAR in Trois-Rivières, in addition to maintaining and expanding AAR's airframe maintenance work in Quebec on the A320 family, including all new A321 neo aircraft.

In addition, Avianor would establish a new Centre of Excellence for Air Canada's new Airbus A220 fleet (formerly the Bombardier C-Series) in Mirabel, adjacent to Airbus' manufacturing facilities.

The letters of intent are subject to completion of final agreements which will include terms generally applicable to airframe maintenance agreements of this scale.

AAR Aircraft Services - Trois-Rivières, Quebec

AAR currently performs airframe maintenance work in Trois-Rivières on Air Canada's existing Airbus A320 fleet and Embraer E190 fleet (which is being phased out).

Air Canada and AAR have entered into a letter of intent that, subject to completion of the Transat merger by Air Canada, requisite Board of Directors' approvals and completion of final agreements, evidences the parties' intent to enter into a 10-year renewable agreement for airframe maintenance of both Air Canada's and Air Transat's fleet of Airbus A330 and A320 family of aircraft (including the new A321neo) in Trois-Rivières, Quebec.

AAR intends to make the necessary facility infrastructure investments in Trois-Rivières to accommodate the new wide-body A330 work of the combined Air Canada and Air Transat fleets, given that there would be sufficient volumes of heavy maintenance work to support such an investment and to develop a Centre of Excellence. Through this agreement, it is expected that incremental aerospace jobs will be created in Trois-Rivières and AAR's new capabilities should enable it to attract airframe maintenance work from other operators of the A330.

"From our very first project in Trois-Rivières, we've seen a strong commitment to quality, safety and operational performance," said Rich Steer, Senior Vice-President, Operations at Air Canada. "With our largest hub a short distance away, we're excited to have a trusted partner like AAR with a similar commitment to excellence, and also proud to be increasing heavy maintenance work in Quebec, especially on wide-body aircraft. This contract for additional work in Trois-Rivières represents a long-term investment in increased airframe maintenance in Quebec."

"We are honoured to work closely with a highly regarded carrier like Air Canada for so many years and to be chosen as their maintenance provider for the A330 and A320 family fleet types," said Chris Jessup, Chief Commercial Officer, AAR Corp. "AAR is proud to support the Canadian economy and to grow our overall footprint in Trois-Rivières, especially for the A330."

AAR Aircraft Services is a full-service aircraft maintenance, repair and overhaul (MRO) provider, wholly-owned and operated by AAR Corp. with over 290,000 sf of facilities in Trois-Rivières, Quebec and Windsor, Ontario, along with facilities in the United States. AAR took over Premier Aviation's facilities in Trois-Rivières and Windsor in 2017. Since inception in 2002, the Trois-Rivières facility has experienced a steady growth of clients and services in general maintenance overhaul, modifications, refurbishment and paint requirements. In 2012, the Trois-Rivières facility started to perform MRO services for some of Air Canada's Embraer fleet, including painting and supporting backshops. AAR expanded Trois-Rivières MRO competencies in 2017 by performing all MRO services on Air Canada's Airbus A319, A320 and A321 aircraft. In September 2017, Air Canada awarded a 10-year contract to AAR for the maintenance of its 125 Airbus A320 and Embraer E190 single-aisle aircraft at the AAR facilities in Trois-Rivières, contributing to the continuance of 350 specialized jobs. This work was transferred to Quebec from AAR's Duluth,

Minnesota facility.

Avianor Inc. - Mirabel, Quebec

Air Canada and Avianor have entered into a letter of intent that provides for a 10-year agreement for airframe maintenance of Air Canada's new fleet of Airbus A220 aircraft in Mirabel, Quebec. The agreement is subject to completion of Air Canada's planned merger with Transat, A.T., and completion of final agreements. Air Canada has a firm order of 45 A220s with options for an additional 30 aircraft. Its initial aircraft entered into service in January 2020.

Avianor is well progressing in its study phase to construct a new 250,000-square-foot hangar in Mirabel in close proximity to the A220 manufacturing facilities of Airbus Canada (formerly the Bombardier facilities) in order to strategically position itself in the heavy maintenance, modification and completion of narrow-body aircraft and other key aircraft programs. The Air Canada work will position Avianor to attract airframe maintenance work from other A220 operators, as well to encourage other suppliers of the A220 to consider establishing operations nearby, thereby contributing to the establishment of a North American centre of excellence in Mirabel.

Air Canada's Senior Vice-President, Operations, Rich Steer, stated, "We have been very pleased with the work performed in Quebec by Avianor on Air Canada's fleet over the last years. This contract assures Air Canada of a quality solution for our Airbus A220 heavy maintenance needs in Quebec through Avianor's extensive and proven capabilities in this field."

"This extended relationship with Air Canada shows the scale of technical support that Avianor offers in this competitive marketplace. To build great projects we always need to be surrounded by key players such as Air Canada and it goes without saying that we are extremely proud of today's strategic announcement. We are thrilled to be working with Air Canada, in support of their expanded fleet and are grateful for their confidence. With years in the industry, we are confident in our ability to provide world-class quality, genuine partnerships and proven customer support while allowing ourselves to envision an enviable Centre of Excellence which could eventually regroup a variety of services such as maintenance, engineering, certification, education and training capabilities under one roof," said Benoit Hudon, President & CEO, Aerospace & Ground Transportation Division of DRAKKAR, majority owner of Avianor.

Avianor was recently acquired by the Drakkar & Partner's Aerospace & Ground Transportation Division. Avianor specializes in maintenance, modifications and aircraft completion, including a highly skilled internal engineering support team. Avianor has positioned itself as a vertical integrator in the marketplace. The company occupies over 200,000 square feet of hangars, repair shops, fabrication facilities and warehouse space at Mirabel Airport (YMX) and employs more than 350 people.

In November 2019, Avianor reached a highly important milestone and has received Transport Canada (TCCA) approval to add the Airbus A220-100 and A220-300 to its maintenance capability list.

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 2019 served over 51 million customers. Air Canada provides scheduled passenger service directly to 62 airports in Canada, 53 in the United States and 101 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 1,250 airports in 195 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 2019 Best Airline in North America. For more information, please visit: aircanada.com/media, follow @AirCanada on [Twitter](https://twitter.com/AirCanada) and join Air Canada on [Facebook](https://www.facebook.com/AirCanada).

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