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Air Canada offers \$15 million Emergency Financing to Aveos through its Monitor

MONTREAL, March 19, 2012 /CNW Telbec/ - Following the filing by Aveos Fleet Performance for insolvency protection before the Superior Court of Quebec under the CCAA earlier today, Air Canada has extended to Aveos, through its Court appointed Monitor, FTI Consulting Canada, a \$15 million Debtor-in-Possession (DIP) financing, which it will also file on the court record before the presiding judge. The DIP financing, which is substantially similar to an offer extended by Air Canada over the weekend, is intended to assist in stabilizing Aveos for the benefit of its stakeholders and employees, so that it can proceed with a more orderly restructuring. This stabilization should permit Aveos to reopen certain of its facilities and recall certain of its employees, which should in turn allow Air Canada to induct some additional maintenance work with greater confidence over the coming days and weeks. In addition to approval by Aveos, the DIP financing is subject to the approval of the Court.

About Air Canada and Aveos

Air Canada and Aveos are two separate entities. Air Canada sold its technical services division in 2004. This company was then sold to a consortium of private investors in 2007 and subsequently changed its name to Aveos in 2008.

The Aveos workforce is independent from Air Canada and is covered by a separate collective agreement.

Visit aircanada.com for more information about Air Canada's maintenance operations:

<http://www.aircanada.com/en/about/media/facts/industry/maintenance.html>

Air Canada is Canada's largest domestic and international airline serving more than 180 destinations on five continents. Canada's flag carrier is the 15th largest commercial airline in the world and in 2011 served more than 33 million customers. Air Canada provides scheduled passenger service directly to 60 Canadian cities, 57 destinations in the United States and 63 cities in Europe, the Middle East, Asia, Australia, the Caribbean, Mexico and South America. Air Canada is a founding member of Star Alliance, the world's most comprehensive air transportation network serving 1,290 destinations in 189 countries. In 2011, Air Canada was ranked Best International Airline in North America in a worldwide survey of more than 18 million airline passengers conducted by independent research firm Skytrax.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Air Canada's public communications may include forward-looking statements within the meaning of applicable securities laws. Forward-looking statements, by their nature, are based on assumptions 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, industry, market, credit and economic conditions, the ability to reduce operating costs and secure financing, pension issues, energy prices, employee and labour relations, currency exchange and interest rates, competition, war, terrorist acts, epidemic diseases, environmental factors (including weather systems and other natural phenomena and factors arising from man-made sources), insurance issues and costs, changes in demand due to the seasonal nature of the business, supply issues, changes in laws, regulatory developments or proceedings, pending and future litigation and actions by third parties as well as the factors identified throughout Air Canada's public disclosure file available at www.sedar.com. Any forward-looking statements contained in this news release represent Air Canada's expectations as of date of this news release 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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