



# AIR CANADA

[News Releases](#)

## **Air Canada Provides Update on Aveos Contingency Plans; RFP process for new maintenance, repair and overhaul services to favour Montreal, Winnipeg, Vancouver and Toronto**

MONTREAL, March 22, 2012 /CNW Telbec/ - Air Canada today provided the following update concerning its plans following the closure by Aveos Fleet Performance Inc. of its maintenance, repair and overhaul (MRO) facilities in Canada this week.

The closure of Aveos's facilities will not have an impact on Air Canada's day-to-day aircraft maintenance and repair activities or on its scheduled operation. This day-to-day maintenance work is performed directly by Air Canada at its own facilities across Canada - including Montreal, Winnipeg, Vancouver and Toronto - by Air Canada's 2,300 maintenance employees.

### **Transitional Arrangements**

On a transitional basis, the airline has identified qualified and government-approved maintenance facilities in Canada and the U.S. to undertake work that was scheduled to be performed by Aveos consistent with the high standards of Air Canada's maintenance programs. The transition to new service providers is already underway and will have no impact on customers. For example, three aircraft scheduled for maintenance this week will go to a Quebec-based maintenance provider currently used by other Canadian and international airlines. In addition, arrangements are being made to complete the maintenance of the three aircraft remaining at Aveos facilities. The airline will continue to source new transitional providers through industry-standard RFP processes.

### **Long-Term Arrangements**

"Given the insolvency and unexpected closure of Aveos, we encourage MRO companies from across Canada and around the world to conduct due diligence and assess which of the former Aveos businesses may be viable in Canada under new ownership," said Alan Butterfield, Vice President, Maintenance and Engineering. "Air Canada has a strong preference for working with a Global MRO which has an interest and ability to provide component, repair and overhaul services in Canada, with particular emphasis given to Montreal, Winnipeg, Vancouver and Toronto. There exists a pool of well-trained, qualified and talented people available in these cities. Air Canada will favour MROs with globally competitive cost structures that have or will establish some portion of their operation in one or more of these cities employing the skills of Canadian aviation technicians. The company expects to work collaboratively with governments and other stakeholders towards viable long-term arrangements that are cost competitive."

### **About Air Canada and Aveos**

Air Canada and Aveos are two separate entities. AirCanada 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.

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](http://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.

For further information:

Isabelle Arthur (Montréal) 514 422-5788  
Peter Fitzpatrick (Toronto) 416 263-5576  
Angela Mah (Vancouver) 604 270-5741

**Internet :** [aircanada.com](http://aircanada.com)

---

A STAR ALLIANCE MEMBER 