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Air Canada and IAMAW Proceed to Final Offer Arbitration

MONTREAL, May 22, 2012 /CNW Telbec/ - Air Canada said today that the negotiation phase preceding the arbitration with the International Association of Machinists and Aerospace Workers (IAMAW) has been completed. The IAMAW represents 8,600 mechanics, baggage handlers and cargo agents employed by Air Canada, and its collective agreement expired on March 31, 2011.

While talks were constructive and progress was made in a number of areas, the parties will now proceed to prepare their final offers for the arbitrator, Mr. Michel Picher, to consider.

The parties had agreed to a 10-day negotiation period in conjunction with the 90-day final offer arbitration process legislated by the federal government in the *Protecting Air Service Act*.

The negotiation phase preceding the arbitration with ACPA, the union representing the airline's pilots, has also been completed and the parties will proceed to prepare their final offers for the arbitrator, Mr. Douglas Stanley, to consider.

Air Canada will have no further comments relating to either arbitration process until its conclusion.

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.

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