



AIR CANADA

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Air Canada Comments on Competition Bureau Agreement

MONTREAL, Oct. 24, 2012 /CNW Telbec/ - Air Canada said today that it, together with United Continental Holdings Inc., United Air Lines Inc. and Continental Airlines Inc. have reached an agreement with Canada's Commissioner of Competition (the "Commissioner") which settles the Notice of Application filed by the Commissioner opposing a proposed Canada-U.S. transborder joint venture by the airlines as well as aspects of the airlines' existing transborder cooperation arrangements. The conclusion of this agreement preserves, subject to agreed conditions, the airlines' existing commercial arrangements and their ability to create a transborder joint venture.

"Air Canada is pleased this matter has been settled and that an agreement has been reached that preserves our longstanding commercial relationship with our alliance partner, United Airlines, while providing the flexibility to continue building on this relationship for the benefit of both airlines and our customers," said Ben Smith, Air Canada's Executive Vice President and Chief Commercial Officer. "Air Canada has cooperated extensively with the Commissioner throughout this process, and will continue to comply with all applicable regulatory requirements of the jurisdictions in which we operate.

"This agreement re-confirms that the long-standing alliance relationship between Air Canada and United which has provided more efficient and convenient service to customers will continue to be conducted in accordance with all applicable laws.

"In addition, this agreement provides the flexibility to implement a Canada-U.S. transborder joint venture, an increasingly common practice in the global aviation industry, and one that is an important competitive consideration as the industry continues to evolve."

Air Canada is Canada's largest domestic and international airline serving more than 175 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 59 Canadian cities, 56 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 1,356 destinations in 193 countries. In 2012, 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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