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Air Canada and ACPA Receive Arbitrator's Final Offer Selection

MONTREAL, July 30, 2012 /CNW Telbec/ - Air Canada said today that it along with the Air Canada Pilots Association (ACPA) have received the decision of the arbitrator, Mr. Douglas Stanley, in the final offer selection arbitration conducted in accordance with the *Protecting Air Service Act*.

The arbitrator's selection of Air Canada's final offer concludes a new collective agreement with ACPA following negotiations and mediated talks that took place over a period of 19 months. The five-year collective agreement is in effect until April 1, 2016.

"Today's decision by the arbitrator, Mr. Douglas Stanley, brings closure to the process for a new collective agreement with our pilots after many months of talks and mediated negotiations," said Calin Rovinescu, President and Chief Executive Officer. "This agreement preserves our pilots' compensation and benefits in the top quartile of the North American industry and will help ensure the sustainability of the company's defined benefit pension plans. At the same time, it provides the company with the necessary flexibility to compete effectively in the current industry environment. The conclusion of this, the last outstanding agreement with our main labour groups in Canada, brings closure to a long and difficult round of labour negotiations. Our focus can now turn to moving forward with our employees to complete Air Canada's transformation into a solidly profitable airline for the benefit of all stakeholders."

The airline will not have further comment as details of the new collective agreement are being communicated to its employees.

ACPA represents 3,000 pilots employed by Air Canada.

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.

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