



AIR CANADA

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Air Canada and IAMAW Receive Arbitrator's Final Offer Selection

MONTREAL, June 17, 2012 /CNW Telbec/ - Air Canada said today that it along with the International Association of Machinists and Aerospace Workers (IAMAW) have received the decision of the arbitrator, Mr. Michel Picher, in the final offer selection arbitration conducted in accordance with the process legislated by the federal government in the *Protecting Air Service Act*.

The arbitrator's selection of Air Canada's final offer concludes a new collective agreement with the IAMAW following negotiations and mediated talks that took place over a period of 14 months. The five-year collective agreement is in effect until March 31, 2016.

The new collective agreement maintains the current defined benefit pension plan for current employees, introduces a new IAM multi-employer pension plan for new employees hired after today's date, contributes to the reduction of the pension deficit and, as required by the legislation, establishes a protocol for the sustainability of the pension plan taking into account any short term funding pressures on the company.

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

The IAMAW represents 8,600 mechanics, baggage handlers and cargo agents 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 1,290 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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