



AIR CANADA

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Air Canada successfully concludes consultation process for pension funding arrangements with retirees and non-unionized employees

MONTREAL, July 19 /CNW Telbec/ - Air Canada said today that it has successfully concluded a consultation process with its retirees, managers and administrative, technical and support employees (AT&S) for pension funding arrangements that call for a moratorium on past service contributions for a 21-month period and fixed payments thereafter for the 2011-2013 period. This follows on the ratification of identical pension funding agreements by all five of Air Canada's Canadian based unions.

Under an established protocol, affected Air Canada managers, retirees and AT&S employees were given until July 18, 2009 to express opposition to the pension funding agreement with the understanding that as long as no more than one-third expressed opposition to the proposal, it would be deemed to be accepted. As of the deadline, less than one per cent of affected individuals had expressed disagreement.

The Company has concluded comprehensive labour agreements on a cost neutral basis for 21 months with its entire unionized workforce in Canada, in addition to a pension funding moratorium. The agreements remain subject to the adoption by the Federal Government of an Order-in-Council amending Air Canada's pension funding rules and Air Canada entering into agreements to raise a minimum of \$600 million in new financing.

Forward Looking Information

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