



AIR CANADA

[News Releases](#)

Air Canada comments on appointment of mediators in CUPE labour stability negotiations

MONTREAL, June 17 /CNW Telbec/ - Air Canada provided the following comment in response to Federal Labour Minister Rona Ambrose's appointment of the Honourable James Farley, Q.C and Mr. Jacques Lessard as mediators in its labour stability negotiations with CUPE:

"We welcome the appointment of Messrs. Farley and Lessard as mediators in our labour contract negotiations with CUPE," said Calin Rovinescu, President and CEO of Air Canada. "Mr. Farley has made an important contribution in facilitating agreements with our four other unions and we look forward to working with him and Mr. Lessard in their role as mediators. Time is of the essence as a successful outcome to negotiations with CUPE is needed in the very near term to allow us to move forward on obtaining the necessary governmental approvals for the pension funding arrangement and raising new financing."

Air Canada has thus far failed to reach agreement with CUPE, representing approximately 6,700 flight attendants on a collective agreement extension which it has been negotiating on a similar cost neutral basis to agreements reached with its four other Canadian-based unions.

CUPE yesterday declined Air Canada's final cost neutral offer, as well as other non-concessionary options proposed by Mr. Farley who was appointed by the Minister of Finance on June 4, 2009 to facilitate the negotiation of pension and labour stability agreements at Air Canada.

The Company has reached a pension moratorium agreement with each of its Canadian based unions and collective agreement extensions on a cost neutral basis for a period of 21 months with ACPA, the IAMAW, the CAW Local 2002 and CALDA.

The pension agreements agreed to by the five unions remain conditional upon Air Canada and CUPE concluding a collective agreement extension.

Forward Looking Information

Air Canada's public communications may include written or oral 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. Any forecasts or forward-looking predictions or 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, currency exchange and interest rates, employee and labour relations, competition, war, terrorist acts, epidemic diseases, 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. The forward-looking statements contained in this news release represent Air Canada's expectations as of the 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.

For further information:

For further information: Isabelle Arthur (Montréal), (514) 422-5788;
Peter Fitzpatrick (Toronto), (416) 263-5576; Angela Mah (Vancouver), (604) 270-5741; Internet: aircanada.com

A STAR ALLIANCE MEMBER

