



AIR CANADA

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Air Canada comments on discussions with unions regarding funding of its pension plans

MONTREAL, May 4 /CNW Telbec/ - Air Canada said today that the Company is in ongoing discussions with its Canadian-based unions to find a funding solution which would allow the airline to maintain its defined benefit pension plans.

The discussions have focused on seeking support from its unions for a moratorium and other conditions on funding its pension deficit so as to establish financial certainty over the next several years.

The Company stated in its discussions with the unions that its objective is to maintain its current defined benefit plans without restructuring the pension benefit formula. The Company's proposal does not contemplate a transition of its plans to a defined contribution plan design.

There can be no assurance that an agreement will be reached between the company and the unions on this matter.

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