AIR CANADA

News Releases

Air Canada and AAR Conclude $500M CAD Agreement for Airframe Maintenance in Québec, Canada

- Work on 125 Airbus and Embraer aircraft to be performed in Trois-Rivières, Québec
- Further strengthens airframe maintenance, repair and overhaul expertise in Canada

TROIS-RIVIÈRES, QC, Sept. 19, 2017 /CNW Telbec/ - Global aviation services leader AAR CORP. (NYSE: AIR) and Air Canada (TSX: AC) today announced they have signed a 10-year agreement to provide airframe maintenance for the airline's Airbus narrow-body fleet of A319, A320 and A321 aircraft, as well as a new five-year agreement for Air Canada's Embraer E190 fleet. AAR will perform the work at its Maintenance, Repair and Overhaul (MRO) facility at Trois-Rivières Airport in Québec, previously known as Premier Aviation.

The work to be performed on Air Canada's fleet of 125 narrow bodies will require approximately 350 aircraft mechanics at AAR's Trois-Rivières facility. The total value of the contract over its term is estimated to be approximately $500 million CAD.

"We have been very pleased with the quality and turnaround time of AAR and the Trois-Rivières facility for the work performed on our narrow-body fleet over the past five years and are especially delighted that additional work can now be performed in Trois-Rivières Québec," said Richard Steer, Senior Vice President, Operations at Air Canada. "This contract further supports the development of Québec's aviation sector by encouraging industry expertise and job growth in the coming years, and Air Canada is proud to be a significant contributor to the economy of the region."

"We are honored by Air Canada's confidence in AAR's airframe heavy maintenance expertise, and look forward to continuing our long-term relationship," said Chris Jessup, Chief Commercial Officer, AAR.

About AAR

In addition to those in Canada, AAR's award-winning MRO network includes facilities in Indianapolis, Indiana; Miami, Florida; Oklahoma City, Oklahoma; Duluth, Minnesota; and Rockford, Illinois. Across these sites, AAR provides industry-leading maintenance, repair and overhaul for regional, narrow-body and wide-body aircraft operators. AAR is the largest MRO services provider in the Americas and third worldwide.

AAR is a global aftermarket solutions company that employs more than 5,000 people in over 20 countries. Based in Wood Dale, Illinois, AAR provides aviation services to commercial and government customers in over 100 countries through two operating segments: Aviation Services and Expeditionary Services. AAR's Aviation Services include inventory management; parts supply; OEM parts distribution; aircraft maintenance, repair and overhaul; and component repair. AAR's Expeditionary Services include airlift operations; mobility systems; and command and control centers in support of military and humanitarian missions. More information can be found at www.aarcorp.com.

About Air Canada

Air Canada is Canada's largest domestic and international airline serving more than 200 airports on six continents. Canada's flag carrier is among the 20 largest airlines in the world and in 2016 served close to 45 million customers. Air Canada provides scheduled passenger service directly to 64 airports in Canada, 57 in the United States and 96 in Europe, the Middle East, Africa, Asia, Australia, the Caribbean, Mexico, Central America and South America. Air Canada is a founding member of Star Alliance, the world's most comprehensive air transportation network serving 1,300 airports in 191 countries. Air Canada is the only international network carrier in North America to receive a Four-Star ranking according to independent U.K. research firm Skytrax, which also named Air Canada the 2017 Best Airline in North America. For more information, please visit: www.aircanada.com, follow @AirCanada on Twitter and join Air Canada on Facebook.

This press release contains certain statements relating to future results, which are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on beliefs of Company management, as well as assumptions and estimates based on information currently available to the Company, and are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or those anticipated, including those factors discussed under Item 1A, entitled "Risk Factors", included in the Company's Form 10-K for the fiscal year ended May 31, 2017. Should one or more of these risks or uncertainties materialize adversely, or should

underlying assumptions or estimates prove incorrect, actual results may vary materially from those described. These events and uncertainties are difficult or impossible to predict accurately and many are beyond the Company's control. The Company assumes no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events. For additional information, see the comments included in AAR's filings with the Securities and Exchange Commission.

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