

## **Air Canada Provides Update in Response to Covid-19**

MONTREAL, March 30, 2020 /CNW Telbec/ - Air Canada said today that due to the unprecedented impact of Covid-19 upon its business, the airline will reduce capacity for the Second Quarter of 2020 by 85%-90% compared to last year's Q2 and will place 15,200 members of its unionized workforce on Off Duty Status and furlough about 1,300 managers. The workplace reductions will be effective on or about April 3 and are intended to be temporary.

"The unpredictable extent and duration of the Covid-19 pandemic requires a significant overall response. To furlough such a large proportion of our employees is an extremely painful decision but one we are required to take given our dramatically smaller operations for the next while. It will help ensure that Air Canada can manage through this crisis that is affecting airlines everywhere. We believe that the temporary nature of these reductions, many achieved through voluntary programs, combined with other mitigation measures, will position us to restore regular operations as soon as the situation improves," said Calin Rovinescu, President and Chief Executive.

"I understand and regret the impact this will have upon our employees and their families. I thank all of our employees, as well as union leaders, for working with us constructively to quickly implement these measures".

In addition to the temporary workforce reductions, other measures implemented by Air Canada include:

- A company-wide cost reduction and capital deferral program, targeting at least \$500 million.
- Drawing down operating lines of credit of approximately \$1 billion, to provide additional liquidity.
- Mr. Rovinescu, Air Canada's President & Chief Executive Officer, and Michael Rousseau, Air Canada's Deputy Chief Executive and Chief Financial Officer, have agreed to forgo 100% of their salary. Senior Executives will forgo between 25% - 50% of their salary while members of Air Canada's Board of Directors have agreed to a 25% reduction. All other Air Canada managers will have their salaries reduced 10% for the entire Second Quarter.
- Air Canada suspended its share repurchase program effective March 2, 2020.

Earlier today, the Prime Minister of Canada announced a new wage subsidy program the details of which will be communicated later in the week and Air Canada will assess the impact of this on its mitigation plans. In addition, the Prime Minister also publicly acknowledged that the crisis faced by industries such as airlines will need additional help beyond wage subsidy and loan credit measures already announced by the federal government.

Subject to further government restrictions, while the crisis is ongoing Air Canada intends to continue to serve a small number of international and U.S. trans-border destinations from select Canadian cities after April 1, 2020 in addition to a reduced network in Canada. In addition, Air Canada will also continue to operate special international flights in collaboration with the Government of Canada to repatriate Canadians abroad as well as cargo-only flights to ensure the

continued movement of essential goods, including medical supplies.

Information about Air Canada's Covid-19 response including all schedule changes can be found at [www.aircanada.com](http://www.aircanada.com).

## About Air Canada

Air Canada is Canada's largest domestic and international airline serving nearly 220 airports on six continents. Canada's flag carrier is among the 20 largest airlines in the world and in 2019 served over 51 million customers. Air Canada provides scheduled passenger service directly to 62 airports in Canada, 53 in the United States and 101 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 1,250 airports in 195 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 2019 Best Airline in North America. For more information, please visit: [aircanada.com/media](http://aircanada.com/media), follow @AirCanada on [Twitter](https://twitter.com/AirCanada) and join Air Canada on [Facebook](https://www.facebook.com/AirCanada).

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