

	AC.b SHARES ON THE TSX		
	May 17:	\$1.98	↓ \$0.11
	OTP RESULTS	TARGET	MONTH-TO-DATE
	83%	86%	↓ 78%
	CSI MONTH-TO-DATE	TARGET	VARIANCE
2.5	2.3	↑ 0.2	
WTI CRUDE OIL ON THE NYMEX (US)			
\$70.08	↓	\$1.53	

May 18, 2010

## AIR CANADA NEWS

**Air Canada becomes first airline to track cargo and mail shipments at piece level associated to ULD; testing RFID for cargo shipments on YUL-LHR route.** Air Canada Cargo has developed a partnership with RFID solution provider Franwell Inc. and Motorola to use RFID to help track shipments real-time and at the piece level. Beginning June, the RFID team will launch a pilot project that will track cargo and mail shipments between Air Canada's Montreal and London operations real-time.

Radio Frequency Identification (RFID) is a generic term that is used to describe a system that transmits the identity (in the form of a unique serial number) of an object wirelessly, using radio waves. RFID is designed to enable readers to capture and transmit data directly to a computer system.

"We are the first airline to have designed workable software that will track cargo and mail shipments at the piece level associated to a ULD," said **Barb Johnston**, General Manager of Postal Affairs for Air Canada Cargo. "The data we will be able to capture with RFID will be invaluable to helping us improve cargo documents and mail tracking. There is no other technology that will let us capture this level of detailed data with minimal disruption to our normal workflow and processes."

How it works will be simple: Motorola forklift readers and Franwell hands-free wearable scanners will be utilized by Cargo employees during the export container build-up phase, and this build-up status information will be captured in the system. When the pallets are built, Motorola overhead readers will then automatically send messages to the system regarding pallet build-up status, while door portals will automatically detect and send messages regarding movement to and from the ramp. Cargo employees will utilize hands-free wearables during pallet breakdown, once again automatically sending breakdown messages to the system.

"We fully expect to improve our processes throughout our operation by tracking real time down to the piece level. This will also increase accuracy and improve shipment visibility and information collection through automated processes. Future possibilities include further automation of cargo messaging which would result in improved service, enhanced billing integrity and improved communication to customers," concluded Barb.



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