

THE GLOBE AND MAIL
REPORT ON BUSINESS
MAGAZINE

Interview opportunities from the June Report on Business magazine

Robert Milton Has Lots of Baggage

ROB Magazine checks in with Air Canada's former CEO

TORONTO, ON (May 27, 2009) – Here we go again. As Air Canada steers towards a possible second trip into CCAA protection, ROB columnist Derek DeCloet checks in with Robert Milton, the most powerful -- and the most divisive -- man in Canadian aviation. Milton, now living in London, England, is no longer leading the airline's operations, but he is not out of the picture. As Chairman and CEO of ACE Aviation Holdings, Air Canada's controlling shareholder, he continues to play a critical role in the airline's future.

Milton is considered by some to be a visionary and by others as the man responsible for flying Air Canada into the ground. It certainly hasn't been an easy ride. In 1990, two weeks after Milton became CEO of the airline, Onex Corp. launched a hostile takeover bid. Then a costly merger with Canadian Airlines, a weakening economy, 9/11, SARS, debt load and other factors forced the hard decision to take Air Canada into creditor protection. Milton later described the move as "the most liberating thing to happen to the airline." In its wake, ACE was established, airline operating costs were cut, and Milton spun off Aeroplan and Jazz making billions of dollars for investors and himself. But critics argue the core airline business was left naked and today Air Canada is again struggling.

DeCloet profiles the most important man in Canadian aviation as he faces the next hurdle in the June issue of *Report on Business* magazine, available Friday, May 29.

Also in this issue,

Legends of the Fall – Writer Steve Bearton traces the legacy of some of Canada's most shrewd entrepreneurs who see opportunity in devastation and dare to go against the grain. In 1977, the Reichmann brothers bought eight New York City office towers for \$320 million (U.S.) and became the second largest landlords in New York. In the early '90s, Gerry Schwartz of Onex Corp won big by looking south and adjusting holdings until nearly 80 per cent of revenues were coming from the United States. And in the most recent downturn, Prem Watsa of Fairfax Financial bet against almost every other money manager in the world and won. His hedges against losses at U.S. and European banks and insurance companies earned his shareholders \$2 billion.

Bust begets boom – Commodity prices have been surging lately turned around by mammoth stimulus packages in the U.S. and China. Much of the stimulus is ear-marked for infrastructure spending, which in turn creates demand for commodities like copper, steel and zinc. And this bodes well for Canada. Recent prices for copper were 44 per cent higher than their December lows. Zinc was up 24 percent. Oil has recovered. Writer Fabrice Taylor predicts the next great bull market in commodities will be here.

Ideas and Innovations – Technology is touching every sector, impacting how and what we use. In the current economy innovation seems to be the only way industries can rise above the recession. From the cutting edge of technology to the micromanufacturing revolution in our living rooms, the Report on Business team examines what the world needs now.

Report on Business magazine is Canada's most-read business publication. Published on the last Friday of every month in *The Globe and Mail*, *Report on Business* magazine offers readers insightful, award-winning coverage of Canadian and global business and economics and is available with copies of *The Globe and Mail* and online at www.reportonbusiness.com/magazine. *The Globe and Mail* is a division of CTVglobemedia, a dynamic multimedia company that also owns CTV, Canada's leading private broadcaster.

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