

NEWS RELEASE

For Immediate Release

Statement from the Board of Directors of LIAT (1974) LTD on the current industrial action by pilots

ST. JOHN'S, Antigua, June 17, 2010 – The Board of Directors of LIAT (1974) LTD met today to discuss the current industrial action taken by the Company's pilots who are represented by the Leeward Islands Airline Pilots Association (LIALPA).

The focus of the meeting was to put measures in place to restore service and to deal with the severe distress that this action has caused the Caribbean public. Thousands of passengers have been left stranded throughout the region over the past two days as a result of the pilots' action.

LIALPA's latest media release listed four areas of contention and the Board of Directors at today's meeting agreed on the respective issues as follows:

ISSUE # 1: Pay all monies that are owed due to illegal deductions made from salaries

BOARD DECISION: This issue is in connection with deductions relating to Medical Benefits and Education Levy. Any refund is a matter between the Government of Antigua and the two (2) pilots affected. In no way is this matter between LIAT and the pilots. LIAT will liaise with the Government of Antigua and Barbuda to ensure a speedy resolution of this matter.

ISSUE # 2: Settle all retroactive public holiday payments

BOARD DECISION: LIAT followed the former existing law which exempted from holiday pay pilots, cabin crews and management employees when working on public holidays. The matter was subsequently reviewed at a meeting with the Attorney General of Antigua and Barbuda in May 2009. In the light of issues raised about ambiguities in the then existing law, LIAT's management agreed to make the payments to those categories of employees even in advance of the revised ministerial order which is now in place. The payments began in July 2009. The pilots are contesting the date from which back payments should be made. The Board, in consultation with the Attorney General of Antigua and Barbuda has decided that this matter should be referred to the Industrial Court for resolution.

ISSUE # 3: Address concerns about the status of current pension deductions

BOARD DECISION: The LIAT Pension Fund is administered by CLICO, and LIAT along with many persons and institutions across the region await a resolution of this matter. This issue is on the agenda of the three major shareholder Prime Ministers and is being given the highest priority. LIAT looks forward to a satisfactory solution to the matter. LIAT has been keeping all staff, including pilots, abreast of developments.

ISSUE # 4: Sign off on a new contract immediately following the arbitration judgment

BOARD DECISION: LIAT's Management, like LIALPA, looks forward to the report of the Arbitration Panel which is expected in the near future. We are fully committed to complying with its findings.

Given the issues highlighted by LIALPA as the basis for the industrial action the Board expressed surprise that the Caribbean public is being held to ransom in this manner.

There has been a total failure by LIALPA to respect normal industrial relations processes. All the issues raised were the subject of on-going discussions between LIALPA and LIAT's Management.

The Board has instructed the Management to take definitive steps to end the intermittent unwarranted industrial action by pilots.

The Board views the action by the pilots as irresponsible and urges that they return to work immediately in order to provide the services critical to the socio-economic wellbeing of the region.

-ENDS-

About LIAT

LIAT is one of the leading Caribbean airlines. It is owned by regional shareholders, with the major shareholders being the Governments of Barbados, Antigua and Barbuda and St. Vincent and the Grenadines. More information about LIAT may be found at www.liat.com.

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