

Acquisition of Aeroplan Loyalty Business by Air Canada Clears Regulatory Requirements

MONTREAL, Dec. 24, 2018 /CNW Telbec/ - Air Canada today announced that the acquisition of Aimia Inc.'s ("Aimia") Aeroplan loyalty business has cleared regulatory requirements, following the receipt of the required confirmation under the *Canada Transportation Act* and a "no action letter" issued by the Canadian Competition Bureau. This follows the conclusion of the definitive share purchase agreement with Aimia for the acquisition of Aimia Canada Inc. ("Aimia Canada"), owner and operator of the Aeroplan loyalty business.

Concurrently with the signing of the share purchase agreement announced Nov. 26, 2018, Air Canada, The Toronto-Dominion Bank ("TD"), Canadian Imperial Bank of Commerce ("CIBC"), and Visa Canada Corporation ("Visa") signed various commercial agreements relating to and in support of the acquisition, including credit card loyalty program and network agreements for future participation in Air Canada's new loyalty program, all of which are conditional upon closing of the acquisition of Aimia Canada. Additionally, Air Canada remains in negotiations with American Express, which also issues Aeroplan co-branded products, to secure its continued participation in the Aeroplan program after 2020.

The aggregate purchase price for the acquisition of Aimia Canada consists of \$450 million in cash subject to post-closing adjustments and includes the assumption of approximately \$1.9 billion of Aeroplan Miles liability. Air Canada will receive payments from TD and CIBC in the aggregate amount of \$822 million. Visa will also be making a payment to Air Canada. In addition, TD and CIBC will make payments to Air Canada, at closing, in the aggregate amount of \$400 million as prepayments to be applied towards future monthly payments in respect of Aeroplan miles.

The closing of the acquisition, expected to occur in January 2019, remains subject to the satisfaction of customary conditions as well as Aimia shareholder approval which will be sought by Aimia at its special meeting of shareholders scheduled for January 8, 2019.

Caution Regarding Forward-Looking Information

This news release includes forward-looking statements within the meaning of applicable securities laws. Forward-looking statements, by their nature, are based on assumptions and are subject to important risks and uncertainties. Forward-looking statements cannot be relied upon due to, amongst other things, changing external events and general uncertainties of the business. Actual results may differ materially from results indicated in forward-looking statements due to a number of factors. The acquisition of the Aeroplan loyalty business is subject to Aimia shareholder approval and certain customary conditions and there are no assurances that the acquisition will be completed as described in this news release or at all. Any forward-looking statements contained in this news release represent Air Canada's expectations as of the date of this news release and are subject to change after such date. Air Canada disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required under applicable securities regulations.

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 2017 served more than 48 million customers. Air Canada provides scheduled passenger service directly to 63 airports in Canada, 56 in the United States and 98 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 1,317 airports in 193 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. In 2018 Canada was voted the Best Airline in North America in the Skytrax World Airline Awards and it was also named the Eco-Airline of the Year by Air Transport World. For more information, please visit: aircanada.com/media, follow @AirCanada on Twitter and join Air Canada on Facebook.

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