

News Release

Air Canada Renews Normal Course Issuer Bid and Automatic Share Purchase Plan

MONTREAL, May 29, 2019 – Air Canada today announced that it has renewed its normal course issuer bid for its Class A variable voting shares and Class B voting shares (collectively the "Shares"), authorizing, between May 31, 2019 and May 30, 2020, the purchase of up to 24,130,551 Shares, representing 10 per cent of the public float of 241,305,518 Shares as at May 17, 2019 (the "Issuer Bid"). Air Canada received approval from the Toronto Stock Exchange ("TSX") for the renewal of its Issuer Bid.

The renewal will follow on the conclusion of Air Canada's current normal course issuer bid expiring May 30, 2019 and pursuant to which Air Canada was authorized to purchase up to 24,040,243 Shares. From May 31, 2018 to May 17, 2019 Air Canada purchased and cancelled a total of 4,609,091 Shares through open market transactions on the TSX, representing approximately 1.9% per cent of the public float as at May 17, 2018, at a volume-weighted average Share price of approximately \$29.70 for an aggregate consideration of \$136,872,676. As at May 17, 2019, a total of 268,504,946 Shares were issued and outstanding.

In connection with the renewal of its Issuer Bid, Air Canada has renewed its automatic share purchase plan (the "Plan") with its designated broker to facilitate the purchase of Shares under the Issuer Bid at times when Air Canada would ordinarily not be permitted to purchase its Shares due to regulatory restrictions or self-imposed blackout periods. Air Canada self-imposes regular blackouts during the period commencing fifteen days prior to the end of each fiscal quarter to and including two trading days after the public announcement of Air Canada's quarterly or annual financial results. Pursuant to the Plan, before entering a blackout period, Air Canada may, but is not required to, instruct the designated broker to make purchases under the Issuer Bid based on parameters established by Air Canada. Such purchases will be determined by the designated broker based on Air Canada's parameters in accordance with the rules of the TSX, applicable securities laws and the terms of the Plan. The Plan has been pre-cleared by the TSX and will be implemented effective May 31, 2019.

Air Canada believes that, from time to time, the market price of its Shares may not fully reflect the underlying value of its business and future prospects. In such circumstances, Air Canada may purchase for cancellation outstanding Shares, thereby benefitting all shareholders by increasing the underlying value of the remaining Shares.

Air Canada is authorized to make purchases under its Issuer Bid during the period from May 31, 2019 to May 30, 2020 in accordance with the requirements of the TSX. Purchases will be made by means of open market transactions on the TSX or alternative trading systems, if eligible, or



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such other means as securities regulatory authorities may permit, including pre-arranged crosses, exempt offers and private agreements under an issuer bid exemption order issued by a securities regulatory authority. The price to be paid by Air Canada for any Share will be the market price at the time of acquisition, plus brokerage fees, or such other price as the TSX may permit. Any purchases made under an issuer bid exemption order would be at a discount to the prevailing market price of the Shares in accordance with the terms of the order.

The average daily trading volume of Air Canada's Shares was 1,178,446 Shares over the period between November 1, 2018 and April 30, 2019. Consequently, under TSX rules, Air Canada is allowed under its renewed Issuer Bid to purchase daily, through the facilities of the TSX, a maximum of 294,611 Shares representing 25 per cent of the average daily trading volume, as calculated per the TSX rules. In addition, Air Canada may make, once per week, a block purchase of Shares not directly or indirectly owned by insiders of Air Canada, in accordance with TSX rules. All Shares purchased pursuant to the Issuer Bid are cancelled.

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 2018 served nearly 51 million customers. Air Canada provides scheduled passenger service directly to 63 airports in Canada, 56 in the United States and 100 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, which also named Air Canada the 2018 Best Airline in North America. For more information, please visit: aircanada.com/media, follow [@AirCanada on Twitter](https://twitter.com/AirCanada) and join Air Canada on [Facebook](https://www.facebook.com/aircanada).

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This news release includes forward-looking statements within the meaning of applicable securities laws. Forward-looking statements relate to analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These statements may involve, but are not limited to, comments relating to preliminary results, guidance, strategies, expectations, planned operations or future actions. Forward-looking statements are identified by the use of terms and phrases such as "preliminary", "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would", and similar terms and phrases, including references to assumptions.

Forward-looking statements, by their nature, are based on assumptions, including those described herein 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, including without limitation, those identified throughout this news release and those identified in section 18 "Risk Factors" of Air Canada's 2018 MD&A dated February 15, 2019 and section 14 of Air Canada's First Quarter 2019 MD&A dated May 6, 2019. The forward-looking statements contained in this news release represent Air Canada's expectations as of the date of this news release (or as of the date they



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are otherwise stated to be made), and are subject to change after such date. However, 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.

- 30 -

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