



AIR CANADA

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/CORRECTION from Source -- Air Canada/

In the news release, Air Canada Strengthens Liquidity Position by \$345 Million with Completion of Two Financial Transactions, issued 21-Dec-2018 by Air Canada over CNW, we are advised by the company that the third paragraph was inadvertently dropped from the release. The complete, corrected release follows:

Air Canada Strengthens Liquidity Position by \$345 Million with Completion of Two Financial Transactions

MONTREAL, Dec. 21, 2018 /CNW Telbec/ - Air Canada announced today that it has completed two separate banking transactions in December 2018 which together have increased Air Canada's revolving lines of credit by approximately \$600 million and overall liquidity by approximately \$345 million.

In the first transaction, led by JPMorgan Chase Bank, National Association, the existing secured revolving credit facility was increased from US\$300 million to US\$600 million with the existing group of banks and the maturity date extended from 2021 to 2023. As part of this transaction, the US\$800 million secured term loan (US\$792 million outstanding) was reduced to US\$600 million following a US\$192 million cash repayment.

In the second transaction, led by The Toronto-Dominion Bank and involving other financial institutions including major Canadian banks, a new syndicated \$200 million revolving credit facility was completed. The facility is available for three years and, if drawn, would be secured by certain designated aircraft.

"These transactions were concluded to further our de-leveraging strategy and to move away from holding excess amounts of cash and favoring lines of credit as we progress our efforts towards achieving an investment grade credit rating," said Pierre Houle, Managing Director and Treasurer of Air Canada.

There are no current plans to draw on these revolving lines of credit. As of Sept. 30, 2018, Air Canada had record unrestricted liquidity of \$5.309 billion (\$4.181 billion at Dec. 31, 2017).

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, which also named Air Canada the 2018 Best Airline in North America. For more information, please visit: aircanada.com/media, follow @AirCanada on Twitter and join Air Canada on Facebook.

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 using 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 any described herein and are subject to important risks and uncertainties. Forward-looking statements cannot be relied upon due to, among 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, our ability to successfully achieve or sustain positive net profitability or to realize our initiatives and objectives, industry, market, credit, economic and geopolitical conditions, energy prices, currency exchange, competition, our dependence on technology, cybersecurity risks, our ability to pay our indebtedness and secure financing, our ability to successfully implement appropriate strategic initiatives or reduce operating costs, war, terrorist acts, epidemic diseases, airport user and related fees, high levels of fixed costs, liquidity, our dependence on key suppliers including regional carriers, the successful conclusion of the acquisition of Aimia Inc.'s Aeroplan loyalty business, our

success in transitioning from the Aeroplan program and launching our new loyalty program, casualty losses, employee and labour relations and costs, our ability to preserve and grow our brand, pension issues, environmental factors (including weather systems and other natural phenomena and factors arising from man-made sources), limitations due to restrictive covenants, insurance issues and costs, our dependence on Star Alliance, interruptions of service, changes in laws, regulatory developments or proceedings, pending and future litigation and actions by third parties and our ability to attract and retain required personnel, as well as the factors identified in Air Canada's public disclosure file available at www.sedar.com and, in particular, those identified in section 18 "Risk Factors" of Air Canada's 2017 MD&A. The forward-looking statements contained or incorporated by reference 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. However, Air Canada disclaims any intention or obligation to update or revise any forward-looking statements whether because of new information, future events or otherwise, except as required under applicable securities regulations.

SOURCE Air Canada

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