



AIR CANADA

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Air Canada Announces Renewal of Shareholder Rights Plan

MONTREAL, March 24, 2017 /CNW Telbec/ - Air Canada (TSX: AC) (OTCQX: ACDVF) announced today that its Board of Directors has approved a shareholder rights plan to renew Air Canada's existing rights plan.

The renewed rights plan includes amendments to take into consideration the changes to the take-over bid rules that came into force in Canada on May 9, 2016. It is not being adopted in response to any specific proposal to acquire control of Air Canada, nor is the Board of Directors aware of any pending or threatened take-over bid for Air Canada. The renewed rights plan is similar to plans recently adopted by other Canadian companies and approved by their shareholders.

The renewed rights plan will ensure that Air Canada and its shareholders continue to receive the benefits associated with Air Canada's current shareholder rights plan, which is due to expire at the close of business on the date immediately following Air Canada's 2017 annual meeting of shareholders. As with the current plan, the renewed rights plan is designed to ensure that all shareholders of Air Canada are treated fairly in connection with any take-over offer or other acquisition of control of Air Canada.

The renewed rights plan will be effective at the close of business on the date immediately following its confirmation and approval by shareholders at Air Canada's annual meeting of shareholders scheduled for May 5, 2017. If so approved, the renewed rights plan will remain in effect until the close of business on the date of Air Canada's annual meeting of shareholders in 2020 and would be renewed in accordance with its terms for an additional period of three years (from 2020 to 2023) provided that the shareholders ratify such renewal at or prior to the annual meeting of shareholders to be held in 2020.

A complete copy of the rights plan will be filed and available on SEDAR at www.sedar.com

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, our ability to successfully achieve or sustain positive net profitability or to realize our initiatives and objectives, currency exchange, industry, market, credit, economic and geopolitical conditions, energy prices, competition, our ability to successfully implement appropriate strategic initiatives or reduce operating costs, our dependence on technology, cybersecurity risks, our ability to pay our indebtedness and secure financing, war, terrorist acts, epidemic diseases, our dependence on key suppliers including regional carriers and Air Canada Inc., 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 the 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 throughout this news release and those identified in Air Canada's 2016 MD&A dated February 17, 2017 and Annual Information Form dated March 24, 2017. 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 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.

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 2016 served close to 45 million customers. Air Canada provides scheduled passenger service directly to 64 airports in Canada, 57 in the United States and 91 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 1,300 airports in 190 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. For more information, please visit: www.aircanada.com, follow @AirCanada on Twitter and join Air Canada on Facebook.

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