

Air Canada Completes Acquisition of Aeroplan Loyalty Business

Aeroplan Miles will be Honoured on One-to-One Basis in Air Canada's New Loyalty Program when it Launches in 2020

- *Customers can continue to earn and redeem Aeroplan Miles with confidence*
- *Altitude Status and privileges remain unchanged for customers*
- *Credit card loyalty program and network agreements finalized with TD, CIBC and Visa Canada for future participation in Air Canada's loyalty program*
- *Agreement in principle entered into with American Express for its continued participation in Air Canada's loyalty program post 2020.*

MONTREAL, Jan. 10, 2019 /CNW Telbec/ - Air Canada announced today the successful closing of its purchase of Aimia Canada Inc., owner and operator of the Aeroplan loyalty business, from Aimia Inc. Air Canada also confirmed that Aeroplan Members' Miles will be honoured on a one-to-one basis in Air Canada's new loyalty program when it launches next year, in 2020.

"Air Canada is creating an industry-leading loyalty program that aims to provide unmatched flexibility, choice and convenience for customers when it debuts in 2020. With today's purchase of Aeroplan, we are taking a major step forward on this transformational initiative by acquiring one of Canada's most popular loyalty programs. For many Canadians, given Aeroplan's privileged access to Air Canada, it is the next best currency to the Canadian dollar," said Calin Rovinescu, President and Chief Executive Officer of Air Canada.

"We are also now able to provide confirmation to Aeroplan members that their existing Aeroplan Miles will be honoured on a one-to-one basis in our new program. Finally, with today's transaction, customers will have certainty that they can continue to earn and redeem Aeroplan Miles confident that their existing Air Canada Altitude status and privileges are secure."

Since announcing in May 2017 that it would launch its own, new loyalty program starting in 2020, Air Canada has undertaken extensive consultations with more than 30,000 customers to identify key program attributes. Customers expressed their strong preference to use their Aeroplan Miles in the new Air Canada loyalty program, expected to be the best loyalty program in the country and, based on their feedback, they can look forward to other features including:

- The best reward value for Air Canada flights, plus, unparalleled access to travel on over 40 partner airlines, including the Star Alliance global network;
- Canada's best travel rewards credit cards, offered by TD, CIBC and American Express;
- More ways to earn and redeem points for travel, upgrades, experiences, on-board product and everyday indulgences;
- An improved experience when traveling with friends and family;
- Everything Air Canada has to offer in one place, with a new digital experience.

For more information, Air Canada customers and Aeroplan members can consult www.aircanada.com/loyalty.

Concurrently with the conclusion of the Aeroplan purchase, Air Canada, The Toronto-Dominion Bank ("TD"), Canadian Imperial Bank of Commerce ("CIBC"), and Visa Canada Corporation ("Visa") finalized 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. In addition, Air Canada has entered into an agreement in principle with American Express Canada, which also issues Aeroplan co-branded products, to secure its continued participation in Air

Canada's loyalty program after 2020.

The aggregate purchase price for the acquisition consists of \$450 million in cash plus \$47 million in cash for pre-closing adjustments. The pre-closing adjustments relate to lower net liabilities assumed than projected. The purchase price is subject to post-closing adjustments and the acquisition also includes the assumption of the Aeroplan Miles liability. Air Canada received payments from TD and CIBC in the aggregate amount of \$822 million. Visa also made a payment to Air Canada and assuming completion of the American Express agreement, AMEX will do likewise. In addition, TD and CIBC made payments to Aimia Canada Inc., now Air Canada's subsidiary, in the aggregate amount of \$400 million as prepayments to be applied towards future monthly payments in respect of Aeroplan Miles.

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. 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 210 airports on six continents. Canada's flag carrier is among the 20 largest airlines in the world and in 2018 served more than 52 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. It is also the owner of Aeroplan, Canada's premier travel loyalty program, with more than five million active members. For more information, please visit: aircanada.com/media, follow @AirCanada on Twitter and join Air Canada on Facebook.

Internet: aircanada.com

SOURCE Air Canada

View original content: <http://www.newswire.ca/en/releases/archive/January2019/10/c4928.html>

%SEDAR: 00001324E

For further information: Isabelle Arthur (Montréal), Isabelle.arthur@aircanada.ca, 514 422-5788; Peter Fitzpatrick (Toronto), peter.fitzpatrick@aircanada.ca, 416 263-5576; Angela Mah (Vancouver), angela.mah@aircanada.ca, 604 270-5741

CO: Air Canada

