



AIR CANADA

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Groupe Aeroplan Announces Participation in Air Canada Credit Facility

MONTREAL, July 29 /CNW Telbec/ - As announced today by Air Canada, Aeroplan Canada Inc. ("Aeroplan") has entered into an agreement for financing with Air Canada and other parties pursuant to which it has committed to advance \$150 million to the airline upon satisfaction of certain conditions, including the repayment in full and termination of the revolving loan and security agreement entered into by Aeroplan and Air Canada on June 29, 2009.

GE Canada Finance Holding Company, Export Development Canada and ACE Aviation Holdings Inc. were also named as lenders. An aggregate of \$600 million has been committed and will be available to Air Canada upon satisfaction of certain conditions by no later than the close of business on July 31, 2009. The credit facility may be increased by \$100 million at Air Canada's request. Aeroplan's maximum commitment is, however, limited to \$150 million. Amounts drawn under the credit agreement will bear interest at a minimum annual rate of 12.75 percent.

Air Canada's obligations under the credit agreement are secured by a security interest and hypothec over substantially all of the present and after-acquired property of Air Canada and its subsidiaries. The credit agreement is subject to customary commercial terms and conditions, including certain financial covenants requiring Air Canada to maintain minimum liquidity and a fixed charge coverage test.

Upon funding of the loan, Aeroplan will receive its pro rata share of warrants to be issued to the lenders for the purchase of Air Canada common stock representing an aggregate amount equal to five percent of the total issued common stock of Air Canada and will be entitled to its pro rata share of additional warrants representing up to an aggregate five percent of the total issued common stock of Air Canada, in the event that Air Canada does not grant additional security over certain assets within 90 days of closing.

In consideration of the foregoing, Aeroplan and Air Canada have agreed to certain commercial arrangements to their mutual benefit, none of which relate to the pricing applicable to the purchase of Aeroplan Miles or reward travel seats.

This announcement has no impact on the Aeroplan program or its members.

About Groupe Aeroplan Inc.

Groupe Aeroplan Inc. is a leading international loyalty management corporation. Groupe Aeroplan owns Aeroplan, Canada's premier loyalty program and Nectar, the United Kingdom's leading coalition loyalty program. In the Gulf Region, Groupe Aeroplan owns 60 percent of Rewards Management Middle East, the operator of Air Miles programs in the United Arab Emirates, Qatar and Bahrain. Groupe Aeroplan also operates LMG Insight & Communication, a customer-driven insight and data analytics business offering international services to retailers and their suppliers.

For more information about Groupe Aeroplan, please visit

www.groupeaeroplan.com.

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