



# AIR CANADA

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## Groupe Aeroplan Inc. Announces \$150 Million Senior Secured Notes Offering

MONTREAL, Aug. 27 /CNW Telbec/ - Groupe Aeroplan Inc. (TSX: AER) (the "Corporation") announced today that it has entered into an underwriting agreement with a syndicate of underwriters under which the Corporation will issue \$150 million principal amount of 7.9% Senior Secured Notes Series 2 maturing on September 2, 2014 (the "Notes"). The offering of the Notes is expected to close on September 2, 2009, subject to customary closing conditions.

The syndicate of underwriters is led by CIBC World Markets Inc. and TD Securities Inc. and includes RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., Scotia Capital Inc. and Dundee Securities Corporation.

The Notes will bear interest at the rate of 7.9% per annum and the interest on the Notes will be payable semi-annually in arrears on March 2 and September 2 of each year, commencing on March 2, 2010. The Notes will be secured by certain present and future undertakings, property and assets of the Corporation and certain of its subsidiaries, and will be direct secured debt obligations of the Corporation ranking equally and *pari passu*, including with respect to security interests, with all other present and future unsubordinated indebtedness for borrowed money of the Corporation or Aeroplan Canada Inc., as the case may be.

The Notes have been assigned credit ratings of BBB with a stable trend by DBRS Limited and BBB- by Standard & Poors Ratings Services.

Net proceeds from the offering will be used as follows: \$100,000,000 for the prepayment of the bank bridge facility entered into on June 12, 2009 and which matures (prior to the exercise of any extension options) on December 19, 2009; \$25,000,000 for the repayment of a portion of the amount outstanding under the bank term facility entered into on June 12, 2009; and the balance for general corporate purposes.

The Notes are being offered publicly in Canada pursuant to the Amended and Restated Short Form Base Shelf Prospectus dated March 26, 2009 and a Prospectus Supplement relating to the Notes which will be filed by the Corporation with the securities regulatory authorities in all provinces and territories in Canada.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, and any state securities laws, and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except in transactions exempt from the registration requirements of the United States Securities Act of 1933 and applicable state securities laws. This news release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Additional Notes in any state in which such offer, solicitation or sale would be unlawful.

### Caution Concerning Forward-Looking Statements

Certain statements in this news release may contain forward-looking statements. Forward-looking statements, by their nature, are based on assumptions and are subject to important risks and uncertainties. Any forecasts or forward-looking predictions or statements cannot be relied upon due to, amongst other things, changing external events and general uncertainties of the business and its corporate structure. Results indicated in forward-looking statements may differ materially from actual results for a number of reasons, including without limitation, risks related to the business and the industry, Air Canada liquidity issues, dependency on top four commercial partners that purchase loyalty marketing services, including Aeroplan Miles, Air Canada or travel industry disruptions, airlines industry changes and increased airline costs, reduction in activity, usage and accumulation of Aeroplan Miles, retail market/economic downturn, greater than expected redemptions for rewards, industry competition, supply and capacity costs, unfunded future redemption costs, failure to safeguard databases and consumer privacy, consumer privacy legislation, changes to the Aeroplan and Nectar Programs, seasonal nature of the business, other factors and prior performance, regulatory matters, VAT appeal, reliance on key personnel, labour relations and pension liability, technological disruptions and inability to use third party software, failure to protect intellectual property rights, currency fluctuations, interest rate and currency fluctuations, leverage and restrictive covenants in current and future indebtedness, dilution of the Corporation's shareholders, uncertainty of dividend payments, level of indebtedness-refinancing risk, managing growth, as well as the other factors identified throughout the Management Discussion & Analysis on file with the Canadian Securities regulatory authorities. The forward-looking statements contained in this discussion represent the Corporation's expectations as of August 27, 2009, and are subject to change after such date. However, the Corporation 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 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 per cent 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](http://www.groupeaeroplan.com).

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