



# AIR CANADA

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## Air Canada Renews Normal Course Issuer Bid

MONTREAL, May 26, 2017 /CNW Telbec/ - Air Canada today announced that it has renewed its normal course issuer bid for its Class A variable voting shares and Class B voting shares (collectively the "Shares"), authorizing, between May 31, 2017 and May 30, 2018, the purchase of up to 22,364,183 Shares, representing 10 per cent of the public float of 223,641,836 Shares as at May 17, 2017. Air Canada received approval from the Toronto Stock Exchange ("TSX") for the renewal of its normal course issuer bid.

The renewal will follow on the conclusion of Air Canada's current normal course issuer bid expiring May 29, 2017 and pursuant to which Air Canada has purchased and cancelled since May 30, 2016 a total of 6,849,600 Shares, representing approximately 3 per cent of the public float as at May 16, 2016, at a volume-weighted average Share price of approximately \$10.89 for an aggregate consideration of \$74,580,072. As at May 17, 2017, a total of 271,297,556 Shares were issued and outstanding.

"Our continued success provides compelling evidence of our transformation to achieve long-term, sustainable profitability, and also provides us with the foundation to renew a normal course issuer bid. In line with our capital allocation strategy, the share repurchase program will be employed opportunistically and will serve as a useful tool for increasing shareholder value," said Michael Rousseau, Executive Vice President and Chief Financial Officer.

Air Canada believes that, from time to time, the market price of its Shares may not fully reflect the underlying value of its business and future prospects. In such circumstances, Air Canada may purchase for cancellation outstanding Shares, thereby benefitting all shareholders by increasing the underlying value of the remaining Shares.

Air Canada is authorized to make purchases under its renewed normal course issuer bid during the period from May 31, 2017 to May 30, 2018 in accordance with the requirements of the TSX. Purchases will be made by means of open market transactions on the TSX or alternative trading systems, if eligible, or such other means as the TSX or securities regulatory authorities may permit, including pre-arranged crosses, exempt offers and private agreements under an issuer bid exemption order issued by a securities regulatory authority. The price to be paid by Air Canada for any Share will be the market price at the time of acquisition, plus brokerage fees, or such other price as the TSX may permit. Any purchases made under an issuer bid exemption order would be at a discount to the prevailing market price of the Shares in accordance with the terms of the order.

The average daily trading volume of Air Canada's Shares was 1,190,613 Shares over the period between November 1, 2016 and April 30, 2017. Consequently, under TSX rules, Air Canada is allowed under its renewed normal course issuer bid to purchase daily, through the facilities of the TSX, a maximum of 297,653 Shares representing 25 per cent of the average daily trading volume, as calculated per the TSX rules. In addition, Air Canada may make, once per week, a block purchase of Shares not directly or indirectly owned by insiders of Air Canada, in accordance with TSX rules. All Shares purchased pursuant to the normal course issuer bid are cancelled.

### 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 63 airports in Canada, 57 in the United States and 93 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](http://www.aircanada.com), 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 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, those identified throughout this news release and those identified in section 17 "Risk Factors" of Air Canada's 2016 MD&A dated February 17, 2017 and section 12 of Air Canada's First Quarter 2017 MD&A dated May 5, 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.

#### SOURCE Air Canada

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