



AIR CANADA

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Air Canada Provides Update on Exclusive Agreement with Transat A.T. Inc. to Pursue a Combination of the two Companies

Due diligence on binding agreement due to be completed by end of June

MONTREAL, June 4, 2019 /CNW Telbec/ - Air Canada today said that it is in the process of finalizing its binding agreement to purchase all of the issued and outstanding shares of Transat AT Inc. and its combination with Air Canada to create an industry leading, Quebec-based leader in the global leisure travel industry. AirCanada announced on May 16, 2019 that it had entered into an exclusive agreement with Transat regarding the proposed transaction and that the agreement was subject to Air Canada completing a 30-day due diligence period now expected to be complete towards the end of June.

Air Canada's acquisition will result in job creation and economic growth in Quebec, given the travel and tourism opportunities. Moreover, Air Canada has all necessary funding to complete the transaction and therefore it is not subject to financing conditions and does not require government or taxpayer assistance.

The transaction, valued at \$520 million, remains subject to the finalization of definitive agreements, confirmatory due diligence, regulatory and shareholder approvals and other closing conditions usual in this type of transaction. There is no assurance that the transaction will be completed as described in this news release or at all.

Air Canada presence and investment in Montreal and the Province of Quebec.

Air Canada is proud to have been named one of Montreal's top employers for each of the last six years. Headquartered in Montreal since 1949, Air Canada maintains one of the largest global head offices in Quebec. Air Canada employs 36,000 employees globally, with close to 10,000 of those in the province of Quebec where it has created over 2,600 new jobs over the last five years.

Air Canada's Executive Committee members (President and Chief Executive Officer, Chief Financial Officer, Chief Commercial Officer and Executive Vice-President, Operations) in addition to many other key members of the Executive Management team are all based in the Montreal Headquarters.

Air Canada serves 11 airports across Quebec. The international reach of Air Canada's network makes Quebec a gateway to the world and is an important tool for economic development, including tourism.

Montréal-Trudeau Airport is a strategic hub for Air Canada connecting its Quebec and Atlantic Canada domestic network, with its U.S. transborder, Caribbean, European, North African, Asian and South American flights. To the U.S. alone, Air Canada connects Montreal-Trudeau to some 24 cities.

Since 2012, Air Canada has launched 35 new routes from Montréal-Trudeau to global markets including Shanghai, Beijing, Tokyo, Tel Aviv, Lima, Sao Paulo, and Casablanca. This growth has allowed Montreal to rank amongst the top 50 most internationally connected cities in the world and to become one of the largest North American hubs.

Air Canada served more than 10 million passengers in Montreal in 2018.

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. The acquisition of Transat A.T. Inc. is subject to the satisfactory negotiation of transaction documents, Transat A.T. Inc. shareholder approval, court approval, regulatory approvals, and certain customary and other conditions and there are no assurances that the acquisition will be completed as described in this news release or at all. Any forward-looking statements contained in this news release represent expectations as of the date of this news release and are subject to change after such date. However, except as required under applicable securities regulations, any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, is disclaimed.

About Air Canada

Air Canada is Canada's largest domestic and international airline serving nearly 220 airports on six continents. Canada's flag carrier is among the 20 largest airlines in the world and in 2018 served nearly 51 million customers. Air Canada provides scheduled passenger service directly to 62 airports in Canada, 54 in the United States and 100 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. For more information, please visit: aircanada.com/media, follow [@AirCanada on Twitter](https://twitter.com/AirCanada) and join Air Canada on [Facebook](https://facebook.com/AirCanada).

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