



# AIR CANADA

[News Releases](#)

## **Air Canada Receives Shareholder Approval of Proposed Amendments to Shareholder Rights Plan**

MONTREAL, June 4, 2012 /CNW Telbec/ - Air Canada (TSX: AC.B AC.A) announced today that it has received approval from its shareholders voting in favour of the proposed amendments to Air Canada's shareholder rights plan agreement (the "Rights Plan") at the annual and special meeting of its shareholders held earlier today. The proposed amendments were previously announced on May 4 and are described in the management proxy circular sent to Air Canada's shareholders prior to the meeting.

Subject to certain exceptions identified in the Rights Plan, the Rights Plan, as currently amended, would be triggered in the event of an offer to acquire 20% or more of the outstanding Class A variable voting shares and Class B voting shares of Air Canada calculated on a combined basis, instead of 20% or more of the outstanding Class A variable voting shares or Class B voting shares calculated on a per class basis as was the case under the Rights Plan prior to the amendments that came into effect today. A copy of the amended Rights Plan is available on SEDAR at [www.sedar.com](http://www.sedar.com).

As announced in Air Canada's news release of May 4, 2012, the amendments to the Rights Plan were proposed in order to render effective a decision (the "Decision") issued by Canadian securities regulatory authorities (pursuant to an application of Air Canada) that effectively treats Air Canada's Class A variable voting shares and Class B voting shares as a single class for the purposes of applicable take-over bid requirements and early warning reporting requirements contained under Canadian securities laws.

The Decision grants exemptive relief from: (i) applicable take-over bid requirements, as contained under Canadian securities laws, such that those requirements would only apply to an offer to acquire 20% or more of the outstanding Class A variable voting shares and Class B voting shares of Air Canada on a combined basis, and (ii) applicable early warning reporting requirements, as contained under Canadian securities laws, such that those requirements would only apply to an acquirer who acquires or holds beneficial ownership of, or control or direction over 10% or more of the outstanding Class A variable voting shares and Class B voting shares of Air Canada on a combined basis (or 5% in the case of acquisitions during a take-over bid). A copy of the Decision is available on SEDAR at [www.sedar.com](http://www.sedar.com). The Decision was conditional upon shareholder approval of the proposed amendments to the Rights Plan, which modified the Rights Plan to render it consistent with the Decision.

The Rights Plan, originally approved at Air Canada's 2011 annual and special shareholders meeting, is designed to provide Air Canada's shareholders and the Board of Directors additional time to assess an unsolicited take-over bid for the company and, where appropriate, to give the Board of Directors additional time to pursue alternatives for maximizing shareholder value. It also encourages fair treatment of all shareholders by providing them with an equal opportunity to participate in a take-over bid.

### **About Air Canada**

Air Canada is Canada's largest domestic and international airline serving more than 180 destinations on five continents. Canada's flag carrier is the 15th largest commercial airline in the world and in 2011 served more than 33 million customers. Air Canada provides scheduled passenger service directly to 60 Canadian cities, 57 destinations in the United States and 63 cities in Europe, the Middle East, Asia, Australia, the Caribbean, Mexico and South America. Air Canada is a founding member of Star Alliance, the world's most comprehensive air transportation network serving 1,290 destinations in 189 countries. In 2011, Air Canada was ranked Best International Airline in North America in a worldwide survey of more than 18 million airline passengers conducted by independent research firm Skytrax.

### **CAUTION REGARDING FORWARD-LOOKING INFORMATION**

*Air Canada's public communications may include 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, including without limitation, industry, market, credit and economic conditions, the ability to reduce operating costs and secure financing, pension issues, energy prices, employee and labour relations, currency exchange and interest rates, competition, war, terrorist acts, epidemic diseases, environmental factors (including weather systems and other natural phenomena and factors arising from man-made sources), insurance issues and costs, changes in demand due to the seasonal*

*nature of the business, supply issues, changes in laws, regulatory developments or proceedings, pending and future litigation and actions by third parties as well as the factors identified throughout Air Canada's public disclosure file available at [www.sedar.com](http://www.sedar.com). Any forward-looking statements contained in this news release represent Air Canada's expectations as of date of this news release 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.*

For further information:

**Contacts:**

Isabelle Arthur (Montréal) (514) 422-5788

Peter Fitzpatrick (Toronto) (416) 263-5576

Angela Mah (Vancouver) (604) 270-5741

**Internet:**

[aircanada.com](http://aircanada.com)

---

A STAR ALLIANCE MEMBER

