



AIR CANADA

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Air Canada Announces Closing of Private Offering of Enhanced Equipment Trust Certificates

MONTREAL, May 9, 2013 /CNW Telbec/ - Air Canada announced today the closing of its previously announced private offering of three tranches of enhanced equipment trust certificates, in the aggregate face amount of U.S. \$714,534,000. The private offering is comprised of Class A certificates, Class B certificates and Class C certificates. The Class A certificates have an interest rate of 4.125% per annum and a final expected distribution date of May 15, 2025. The Class B certificates have an interest rate of 5.375% per annum and a final expected distribution date of May 15, 2021. The Class C certificates have an interest rate of 6.625% per annum and a final expected distribution date of May 15, 2018.

"Our EETC offering was very well received by the institutional investors to whom it was directed, with the Class A tranche rated "Investment Grade" by the rating agencies," said Calin Rovinescu, President and Chief Executive Officer. "Our participation in this market is an important development for us as it represents new opportunities for future aircraft financings at internationally competitive levels. We are pleased with the offering's reception which reflects positively on Air Canada and the continued progress being made to achieve a sustainable transformation."

As previously announced, each class of certificates represents an interest in its respective pass through trust. The trusts will use the proceeds from the offering to acquire equipment notes that will be issued to finance the acquisition of five new Boeing 777-300ER aircraft, which will be added to Air Canada's fleet and which are currently scheduled for delivery during the period from June 2013 to February 2014.

The equipment notes will be secured by the five Boeing 777-300ER aircraft being acquired, and the security interest in each of the aircraft will benefit from the protections of the Cape Town Convention on International Interests in Mobile Equipment and the Protocol thereto on Matters Specific to Aircraft Equipment, as enacted in Canada.

The certificates were offered and sold only to qualified institutional buyers in reliance on Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and to certain non-U.S. persons in transactions outside the United States in reliance on Regulation S under the Securities Act. In Canada, the certificates were offered and sold on a private placement basis to accredited investors in certain provinces.

The certificates have not been and will not be registered under the Securities Act or the securities laws of any other jurisdiction and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and state securities laws. The certificates have not been and will not be qualified for sale to the public under applicable Canadian securities laws and, accordingly, any offer and sale of the certificates in Canada will be made on a basis that is exempt from the prospectus requirement of such securities laws. This press release shall not constitute an offer to sell the certificates or the solicitation of an offer to buy the certificates, nor shall there be any sale of the certificates in any state or jurisdiction where such offer, solicitation or sale is not permitted.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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. Any forward-looking statements contained in this news release represent Air Canada's expectations as of the 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.

SOURCE: Air Canada

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