



# AIR CANADA

## [News Releases](#)

# Air Canada concludes \$100 million revolving loan agreement with Aeroplan

Loan agreement replaces November 2008 prepayment arrangement for air travel rewards purchased from Air Canada

MONTREAL, June 29 /CNW Telbec/ - Air Canada said today that it has concluded a secured revolving loan agreement with Aeroplan Canada Inc. ("Aeroplan") which will provide the airline with up to CAD \$100 million and assist with its liquidity requirements.

Subject to the terms of the agreement, amounts are available for drawdown until June 30, 2010 and are equal to the aggregate of the previous 60 days accumulated purchases of reward seats by Aeroplan from Air Canada, up to a maximum of \$100 million. Concurrently with the loan, Air Canada remitted to Aeroplan approximately CAD \$40 million to reverse amounts remaining on accelerated payments previously disbursed to Air Canada under the November 2008 prepayment agreement with Aeroplan. The effect of this arrangement would have reversed by the end of the third quarter of 2009.

The loan is secured by Air Canada's interest in Air Canada Vacations (ACV). As long as any amount is outstanding under this loan, Air Canada's interest in ACV will also secure Air Canada's obligations to Aeroplan under the commercial participation services agreement. ACV may continue to pay cash dividends to Air Canada and the airline is entitled to prepay any amount of the loan, at any time, without penalty.

Under the terms of the tentative pension funding agreements reached with its Canadian based unions this month, Air Canada is required to raise at least \$600 million as a condition precedent for the pension funding arrangements. If such liquidity becomes available, Air Canada would terminate its loan agreement with Aeroplan and use its interest in ACV as security for this other facility.

Air Canada has made an initial draw-down under the loan of \$79M.

## CAUTION REGARDING FORWARD-LOOKING INFORMATION

Air Canada's public communications may include written or oral 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. 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. 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, currency exchange and interest rates, employee and labour relations, competition, war, terrorist acts, epidemic diseases, 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). The 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.

%SEDAR: 00001324EF

For further information:

For further information: 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

