



AIR CANADA

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Air Canada concludes additional financing for US\$37 million with Norddeutsche Landesbank Girozentrale; Completes financing with GE Capital Corporation for US\$75 million

MONTREAL, Jan. 30 /CNW Telbec/ - Air Canada today announced that it has concluded a secured financing transaction valued at US\$37 million (approximately C\$46 million) with Norddeutsche Landesbank Girozentrale. This transaction increases a previously announced facility for US\$78 million with Callyon New York Branch and Norddeutsche Landesbank Girozentrale announced December 22, 2008, providing for a five-year loan that matures in December 2013.

Completes Second Tranche of Financing with GE Capital Corporation

In addition, Air Canada today announced that it has concluded a secured financing transaction valued at US\$75 million (C\$92 million) that completes the second tranche of a series of agreements for secured financings with General Electric Capital Corporation (GECC) and its affiliates announced December 23, 2008.

Under these agreements, US\$80 million (approximately C\$98 million) was funded December 23, 2008 as the first of two tranches of the loan agreement which, with the funding of the second tranche of US\$75 million today, has provided Air Canada with US\$155 million (approximately C\$190 million). The loan matures in 2014.

The conclusion of the sale leaseback of one Boeing 777-300ER aircraft with GE Commercial Aviation Services (GECAS), a division of GECC, has been deferred and is expected to be concluded in February 2009 but is no longer a condition to funding of the second tranche. This 12 year sale leaseback transaction, which remains subject to certain conditions, would provide Air Canada with at least US\$40 million (approximately C\$48 million) of additional financing.

Full funding under all the agreements with GECC and its affiliates would provide Air Canada with financing of approximately US\$195 million (approximately C\$238 million).

Seabury Group LLC acted as financial advisor to Air Canada with respect to the GE Capital transaction as part of a broader mandate to assist Air Canada in securing long-term capital funds for general working capital purposes.

These agreements represent additional steps in the implementation of Air Canada's strategy of improving its short term and longer term liquidity through both traditional and non-traditional means.

Financing Agreements Concluded in December 2008 and January 2009

In the months of December and January, Air Canada concluded financing arrangements providing funding of up to C\$549 million. In addition to the financings disclosed above, Air Canada concluded financings consisting of: a secured revolving credit facility of up to C\$100 million with the Canadian Imperial Bank of Commerce (CIBC) with draw downs being subject to certain conditions; and an agreement with Aeroplan under which it accelerated approximately C\$70 million in payments to Air Canada to December 31, 2008 as well as provided commercial terms that are beneficial to both parties.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This disclosure may include forward-looking statements within the meaning of applicable securities laws. Forward-looking statements are based on assumptions, are subject to important risks and uncertainties and cannot be relied upon due to, amongst other things, changing external factors and general uncertainties of the business. Results indicated in forward-looking statements may differ materially from actual results due to a number of factors, including without limitation, energy prices, general industry, market, credit and economic conditions, currency exchange and interest rates, competition, war, terrorist acts, epidemic diseases, insurance issues and costs, changes in demand due to the seasonal nature of the business, the ability to reduce operating costs, employee and labour relations, pension issues, supply issues, changes in laws, regulatory developments or proceedings, pending and future litigation and actions by third parties, as well as the factors (including assumptions) identified in Air Canada's public disclosure file and accessible through SEDAR at www.sedar.com. Any forward-looking statements contained in this disclosure represent Air Canada's expectations as of the date of this disclosure and are subject to change after such date. 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.

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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

A STAR ALLIANCE MEMBER 