

News Releases

Air Canada reports December traffic; record load factors for December and full year 2008

MONTREAL, Jan. 7 /CNW Telbec/ - For the month of December, Air Canada today reported a record load factor of 81.7 per cent on a consolidated basis with Jazz, versus 78.8 per cent in December 2007, an increase of 2.9 percentage points. System traffic decreased 6.6 per cent on a capacity reduction of 9.9 per cent system wide.

For the full year 2008, load factor was 81.4 per cent on a consolidated basis with Jazz, a record for the fifth consecutive year, versus 80.6 percent in 2007, an increase of 0.8 percentage points.

Air Canada mainline reported a load factor of 82.7 per cent in December 2008 compared to 79.3 per cent in December 2007; an increase of 3.4 percentage points. The mainline carrier flew 6.2 per cent fewer revenue passenger miles (RPMs) in December 2008 than in December 2007 on a capacity decrease of 10.0 per cent.

Jazz, from which Air Canada purchases regional capacity, reported a load factor of 72.1 per cent, a decrease of 1.4 percentage points from 73.5 per cent in December 2007. Capacity decreased by 9.1 per cent from December 2007 and the carrier flew 10.8 per cent fewer RPMs than in the previous December.

"With an 81.4 per cent load factor for the full year, Air Canada and Jazz reported a fifth consecutive year of record load factors in 2008 and once again this December we surpassed previous years' records for the month," said Montie Brewer, President and Chief Executive Officer. "These traffic results reflect effective capacity management that, combined with the decline in fuel prices, positions Air Canada well to manage through these challenging economic times. In addition, in December we concluded financing arrangements that could provide funding of more than half a billion dollars. These agreements represent significant steps forward in the implementation of our strategy to improve short term and longer term liquidity during the current economic downturn."

Financing Agreements Concluded in December 2008

As previously announced, during the month of December Air Canada concluded financing arrangements providing funding of up to C\$503 million. The financing arrangements consist 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; a series of agreements for secured financings with General Electric Capital Corporation (GECC) and its affiliates providing up to US\$195 million (approximately C\$238) upon fulfillment of certain conditions and completion of certain documents; a secured financing transaction with Calyon New York Branch and Norddeutsche Landesbank Girozentrale for a US\$78 million (approximately C\$95 million) loan maturing in December 2013; 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.

AIR CANADA MAINLINE (Includes Jetz & Tier 3)

DECEMBER			YEAR-TO-DATE		
2008	2007	Change	2008	2007	Change

Traffic

(RPMs millions)	3,432	3,660	-6.2%	46,416	46,365	+0.1%
Capacity (ASMs millions)	4,152	4,614	-10.0%	56,418	57,076	-1.2%
Load Factor	82.7%	79.3%	+3.4 pts	82.3%	81.2%	+1.1 pts
RPMs	1,015	995	+2.0%	13,257	13,077	+1.4%
Canada ASMs	1,231	1,230	+0.1%	16,314	16,054	+1.6%
Load Factor	82.5%	80.9%	+1.6 pts	81.3%	81.5%	-0.2 pts
RPMs	550	649	-15.3%	6,827	7,561	-9.7%
U.S. Trans-border ASMs	687	873	-21.3%	8,616	9,652	-10.7%
Load Factor	80.1%	74.3%	+5.8 pts	79.2%	78.3%	+0.9 pts
RPMs	825	899	-8.2%	12,430	12,477	-0.4%
Atlantic ASMs	963	1,079	-10.8%	14,642	15,013	-2.5%
Load Factor	85.7%	83.3%	+2.4 pts	84.9%	83.1%	+1.8 pts
RPMs	530	630	-15.9%	8,509	8,688	-2.1%
Pacific ASMs	609	806	-24.4%	10,076	10,543	-4.4%
Load Factor	87.0%	78.2%	+8.8 pts	84.4%	82.4%	+2.0 pts
RPMs	512	487	+5.1%	5,393	4,562	+18.2%
Latin America & Other ASMs	662	626	+5.8%	6,770	5,814	+16.4%
Load Factor	77.3%	77.8%	-0.5 pts	79.7%	78.5%	+1.2 pts

AIR CANADA JAZZ

AIR CANADA'S REGIONAL CAPACITY PROVIDER (JAZZ)						
DECEMBER			YEAR-TO-DATE			
2008	2007	Change	2008	2007	Change	
Traffic (RPMs millions)	297	333	-10.8%	4,096	4,265	-4.0%
Capacity (ASMs millions)	412	453	-9.1%	5,644	5,739	-1.7%
Load Factor	72.1%	73.5%	-1.4 pts	72.6%	74.3%	-1.7pts
RPMs	202	254	-20.5%	2,954	3,208	-7.9%
Canada ASMs	270	335	-19.4%	3,885	4,184	-7.1%
Load Factor	74.8%	75.8%	-1.0 pts	76.0%	76.7%	-0.7 pts
RPMs	95	79	+20.3%	1,142	1,057	+8.0%
U.S. Trans-border ASMs	142	118	+20.3%	1,759	1,555	+13.1%
Load Factor	66.9%	66.9%	0.0 pts	64.9%	68.0%	-3.1 pts

AIR CANADA & AIR CANADA JAZZ

COMBINED (AIR CANADA MAINLINE AND JAZZ)						
DECEMBER			YEAR-TO-DATE			

	2008	2007	Change	2008	2007	Change
Traffic (RPMs millions)	3,279	3,993	-6.6%	50,512	50,630	-0.2%
Capacity (ASMs millions)	4,564	5,067	-9.9%	62,062	62,815	-1.2%
Load Factor	81.7%	78.8%	+2.9 pts	81.4%	80.6%	+0.8 pts
RPMs	1,217	1,249	-2.6%	16,211	16,285	-0.5%
Canada ASMs	1,501	1,565	-4.1%	20,199	20,238	-0.2%
Load Factor	81.1%	79.8%	+1.3 pts	80.3%	80.5%	-0.2 pts
RPMs	645	728	-11.4%	7,969	8,618	-7.5%
U.S. Trans- border ASMs	829	991	-16.3%	10,375	11,207	-7.4%
Load Factor	77.8%	73.5%	+4.3 pts	76.8%	76.9%	-0.1 pts
RPMs	1,867	2,016	-7.4%	26,332	25,727	+2.4%
International ASMs	2,234	2,511	-11.0%	31,488	31,370	+0.4%
Load Factor	83.6%	80.3%	+3.3 pts	83.6%	82.0%	+1.6 pts

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