

News Releases

## AIR CANADA REPORTS DECEMBER TRAFFIC

MONTREAL, Jan. 6 /CNW Telbec/ - For the month of December, Air Canada reported a system load factor of 80.8 per cent versus 81.2 per cent in December 2009, a decrease of 0.4 percentage points. System traffic increased 7.2 per cent on a system wide capacity increase of 7.6 per cent. Air Canada reports traffic results on a system basis, including regional airlines from which Air Canada purchases capacity.

"For the month of December and full year 2010, Air Canada recorded load factors of 80.8 and 81.7 per cent, respectively," said Calin Rovinescu, President and Chief Executive Officer. "These strong results, including an all-time record for the full year 2010, were achieved as we continued to increase utilization of our existing fleet and deploy capacity to pursue strategic opportunities in international markets. In December, led by 23.8 per cent traffic growth in the Pacific, we recorded a system wide traffic increase of 7.2 per cent, the twelfth consecutive month of traffic increases.

"I am proud of our employees who demonstrated their professionalism and care for our customers while maintaining a safe operation during the peak holiday travel period impacted by significant weather-related issues in Europe, the United States and Canada. I want to thank them for achieving both Customer Satisfaction and On-Time Performance objectives for the month despite these challenges. It is especially rewarding that our customers have recognized these efforts and have ranked Air Canada as the Best North American airline in recent readership surveys conducted by two international business magazines for the second consecutive year."

In 2010 readership surveys, Global Traveler magazine readers voted Air Canada Best Airline in North America, and Business Traveler magazine readers voted Air Canada as the top airline in North America for Best Flight Attendants, Best In-Flight Services, Best Business Class Service, Best North American Airline for International Travel, as well as for Best Airline Web Site.

## 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. 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, environmental factors (including weather systems and other natural phenomena, such as volcanic eruptions, 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 <a href="https://www.sedar.com">www.sedar.com</a>. 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.

	December			Q4			Year-To-Date		
	2010	2009	Change	2010	2009	Change	2010	2009	Change
Traffic (RPMs mln)		3,855	+7.2%	11,756	10,885	+8.0%	51,875	47,884	+8.3%
Capacity (ASMs mln)		4,748	+7.6%	14,917	13,841	+7.8%	63,496	59,343	+7.0%
Load Factor		81.2%	-0.4 pts	78.8%	78.6%	+0.2 pts	81.7%	80.7%	+1.0 pts
RPMs	1,250	1,229	+1.7%	3,630	3,560	+2.0%	15,834	15,544	+1.9%
ASMs	1,529	1,537	-0.5%	4,492	4,481	+0.2%	19,606	19,451	+0.8%
LF	81.8%	80.0%	+1.8 pts	80.8%	79.4%	+1.4 pts	80.8%	79.9%	+0.9 pts
		RPMS 1,250 ASMS	2010         2009           4,132         3,855           5,111         4,748           80.8%         81.2%           RPMS         1,250         1,229           1,529         1,537           ASMS         1,529         1,537	2010         2009         Change           4,132         3,855         +7.2%           5,111         4,748         +7.6%           80.8%         81.2%         -0.4 pts           RPMS         1,250         1,229         +1.7%           1,529         1,537         -0.5%           ASMS         80.0%         +1.8	2010         2009         Change         2010           4,132         3,855         +7.2%         11,756           5,111         4,748         +7.6%         14,917           80.8%         81.2%         -0.4 pts         78.8%           RPMs         1,250         1,229         +1.7%         3,630           1,529         1,537         -0.5%         4,492           ASMs         81.8%         80.0%         +1.8         80.8%	2010         2009         Change         2010         2009           4,132         3,855         +7.2%         11,756         10,885           5,111         4,748         +7.6%         14,917         13,841           80.8%         81.2%         -0.4 pts         78.8%         78.6%           RPMs         1,250         1,229         +1.7%         3,630         3,560           1,529         1,537         -0.5%         4,492         4,481           ASMs         81.8%         80.0%         +1.8         80.8%         79.4%	2010   2009   Change   2010   2009   Change   4,132   3,855   +7.2%   11,756   10,885   +8.0%   5,111   4,748   +7.6%   14,917   13,841   +7.8%   80.8%   81.2%   -0.4 pts   78.8%   78.6%   +0.2 pts   78.8%   1,250   1,229   +1.7%   3,630   3,560   +2.0%   4,492   4,481   +0.2%   ASMs   LF   81.8%   80.0%   +1.8   80.8%   79.4%   +1.4	2010         2009         Change         2010         2009         Change         2010           4,132         3,855         +7.2%         11,756         10,885         +8.0%         51,875           5,111         4,748         +7.6%         14,917         13,841         +7.8%         63,496           80.8%         81.2%         -0.4 pts         78.8%         78.6%         +0.2 pts         81.7% pts           RPMS 1,250         1,229         +1.7%         3,630         3,560         +2.0%         15,834           ASMS         1,529         1,537         -0.5%         4,492         4,481         +0.2%         19,606           LF         81.8%         80.0%         +1.8         80.8%         79.4%         +1.4         80.8%	2010         2009         Change         2010         2009         Change         2010         2009           4,132         3,855         +7.2%         11,756         10,885         +8.0%         51,875         47,884           5,111         4,748         +7.6%         14,917         13,841         +7.8%         63,496         59,343           80.8%         81.2%         -0.4 pts         78.8%         78.6%         +0.2 pts         81.7%         80.7%           RPMs         1,250         1,229         +1.7%         3,630         3,560         +2.0%         15,834         15,544           ASMs         1,529         1,537         -0.5%         4,492         4,481         +0.2%         19,606         19,451           LF         81.8%         80.0%         +1.8         80.8%         79.4%         +1.4         80.8%         79.9%

US Transborder	RPMs	704	627	+12.3%	1,881	1,680	+12.0%	7,879	7,206	+9.3%
	4614	934	818	+14.2%	2,543	2,277	+11.7%	10,396	9,579	+8.5%
	ASMs									
	LF	75.4%	76.7%	-1.3 pts	74.0%	73.8%	+0.2pts	75.8%	75.2%	+0.6 pts
Atlantic	RPMs	848	863	-1.7%	2,656	2,590	+2.5%	13,177	12,353	+6.7%
	ASMs	1,036	1,024	+1.2%	3,502	3,318	+5.5%	15,897	14,845	+7.1%
	LF	81.9%	84.3%	-2.4 pts	75.8%	78.1%	- 2.3 pts	82.9%	83.2%	-0.3 pts
Pacific	RPMs	759	613	+23.8%	2,252	1,833	+22.9%	9,187	7,513	+22.3%
	ASMs	891	712	+25.1%	2,679	2,178	+23.0%	10,438	8,812	+18.5%
	LF	85.2%	86.1%	- 0.9 pts	84.1%	84.2%	- 0.1 pts	88.0%	85.3%	+2.7 pts
Latin Amer & Other	RPMs	571	523		1,337	1,222	+9.4%	-,		+10.1%
Other	ASMs	721	657	+9.7%	1,701	1,587	+7.2%	7,159	6,656	+7.6%
	LF	79.2%	79.6%	-0.4pts	78.6%	77.0%	+1.6pts	81.0%	79.1%	+1.9 pts

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