



# AIR CANADA

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## Air Canada announces the launch of a normal course issuer bid

MONTREAL, Dec. 7, 2011 /CNW Telbec/ - Air Canada announced today that it has received approval from the Toronto Stock Exchange ("TSX") to implement a normal course issuer bid to purchase, for cancellation, up to 24,737,753 Class A variable voting shares and/or Class B voting shares (the "**Shares**"), representing 10% of the total public float of the Shares. Air Canada currently has 279,148,009 Shares issued and outstanding, of which 247,377,536 Shares constitute the total public float of the Shares.

The repurchase program — starting on December 12, 2011 and ending no later than December 11, 2012 — will be conducted through the facilities of the TSX, or alternative trading systems, if eligible, and will conform to their regulations.

The average daily trading volume of Air Canada's Class A variable voting shares and Class B voting shares, taken together, was 958,098 Shares over the period between June 1, 2011 and November 30, 2011. Consequently, under TSX rules, Air Canada will be allowed to purchase daily, through the TSX's facilities, a maximum of 239,524 Shares representing 25% of such average daily trading volume. In addition, Air Canada may make, once per week, a block purchase (as such term is defined in the TSX Company Manual) of Shares not directly or indirectly owned by insiders of Air Canada, in accordance with TSX rules. The Shares purchased pursuant to the normal course issuer bid will be cancelled.

Purchases under the normal course issuer bid will be made by means of open market transactions or such other means as the TSX or a securities regulatory authorities may permit, including pre-arranged crosses, exempt offers and private agreements under an issuer bid exemption order issued by a securities regulatory authority. In the event that Air Canada purchases Shares by pre-arranged crosses, exempt offers or private agreements, the purchase price of the Shares may be at a discount to the market price of the Shares at the time of the acquisition.

The price to be paid by Air Canada for any Share will be the market price at the time of acquisition, plus brokerage fees, or such other price as the TSX may permit. Within the past 12 months, Air Canada has not purchased any of its Shares.

The Board of Directors of Air Canada believes that the purchase by Air Canada of its Shares represents an appropriate use of funds to increase shareholder value.

### CAUTION REGARDING FORWARD-LOOKING INFORMATION

This press release includes forward-looking statements within the meaning of applicable securities laws. Forward-looking statements relate to analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These statements may involve, but are not limited to, comments relating to preliminary results, guidance, strategies, expectations, planned operations or future actions, including potential purchases of Shares for cancellation under a normal course issuer bid. Forward-looking statements are identified by the use of terms and phrases such as "preliminary", "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would", and similar terms and phrases, including references to assumptions.

Forward-looking statements, by their nature, are based on assumptions, including those described herein 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, currency exchange and interest rates, employee and labour relations, 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 this news release and those identified in section 18 "Risk Factors" of Air Canada's 2010 MD&A and section 14 "Risk Factors" of Air Canada's Third Quarter 2011 MD&A. The forward-looking statements contained in this news release represent Air Canada's expectations as of the date of this news release (or as of the date they are otherwise stated to be made), 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.

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