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Air Canada Announces Pricing Of \$1.4 Billion Refinancing Transaction

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Air Canada announced that it has priced its previously announced private offerings of senior secured first lien notes to be denominated in Canadian dollars and senior secured second lien notes to be denominated in U.S. dollars, as well as an additional private offering of senior secured first lien notes to be denominated in U.S. dollars. Air Canada has entered into purchase agreements with a syndicate of initial purchasers relating to \$400 million of 6.75% senior secured first lien notes due 2019 and CAD300 million of 7.625% senior secured first lien notes due 2019 and \$300 million of 8.75% senior secured second lien notes due 2020. Additionally, Air Canada has received commitments from lenders to provide \$300million under a new senior secured (first lien) term loan maturing in 2019 and \$100million under a new revolving credit facility. Air Canada intends to use a portion of the net proceeds from the sale of the New Senior Notes, together with borrowings under the term loan under the New Credit Facility, to purchase all of Air Canada's outstanding \$600 million aggregate principal amount of 9.250% Senior Secured Notes due 2015, its outstanding CAD300 million aggregate principal amount of 10.125% Senior Secured Notes due 2015 and its outstanding \$200 million aggregate principal amount of 12.000% Senior Second Lien Notes due 2016. Air Canada intends to use the remaining proceeds for working capital and general corporate purposes.

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