

# ACE Aviation Holdings Inc.

## Consolidated

### HIGHLIGHTS <sup>(1)</sup>

	Three months		Twelve months	
	Three months ended	Three months ended	Twelve months ended	Combined (1)
	December 31	December 31	December 31	Period ended
	2005	2004	2005	2004
<b>Financial</b> (CDN dollars in millions except per share figures)				
Operating revenues	2,362	2,062	9,830	8,900
Operating income (loss) before reorganization and restructuring items	(35)	(3)	452	117
Reorganization and restructuring items	-	-	-	(871)
Non-operating expense	(88)	(47)	(85)	(293)
Income (loss) before non-controlling interest, foreign exchange gain and provision for income taxes	(123)	(50)	367	(1,047)
Income (loss) for the period	(103)	15	258	(880)
Operating margin before reorganization and restructuring items	(1.5)%	(0.1)%	4.6%	1.3%
EBITDAR before reorganization and restructuring items (2)	207	193	1,351	1,146
EBITDAR margin before reorganization and restructuring items	8.8%	9.4%	13.7%	12.9%
Cash, cash equivalents and short-term investments	2,181	1,632	2,181	1,632
Cash flows from (used for) operations	34	(426)	675	(66)
Weighted average common shares used for computation - basic	101	90	98	-
Weighted average common shares used for computation - diluted	101	90	109	-
Earnings (loss) per share - basic	(\$1.02)	\$0.17	\$2.63	nm
Earnings (loss) per share - diluted	(\$1.02)	\$0.17	\$2.46	nm

			% Change			% Change
Revenue passenger miles (millions) (RPM)	10,584	9,681	9	46,764	43,427	8
Available seat miles (millions) (ASM)	13,808	12,815	8	58,822	56,536	4
Passenger load factor	76.7%	75.5%	1.2 pp	79.5%	76.8%	2.7 pp
Passenger revenue yield per RPM (excluding Aeroplan) (cents) (3)	17.9	16.9	6	17.0	16.7	2
Passenger revenue yield per RPM (including Aeroplan) (cents) (3)	18.6	17.3	7	17.6	16.8	5
Passenger revenue per ASM (excluding Aeroplan) (cents) (3)	13.7	12.8	8	13.5	12.8	6
Passenger revenue per ASM (including Aeroplan) (cents) (3)	14.2	13.1	9	14.0	12.9	9
Operating revenue per available seat mile (cents)	17.1	16.1	6	16.7	15.7	6
Operating expense per available seat mile (cents)	17.4	16.1	8	15.9	15.5	3
Operating expense per available seat mile, excluding fuel expense	13.2	12.7	4	12.2	12.7	(4)
Average number of full-time equivalent (FTE) employees (thousands)	33.1	32.0	3	32.5	32.5	0
Available seat miles per FTE employee (thousands)	417	401	4	1,811	1,738	4
Operating revenue per FTE employee (thousands)	\$71	\$64	11	\$303	\$274	11
Aircraft in operating fleet at period end	322	290	11	322	290	11
Average aircraft utilization (hours per day) (4)(5)	10.0	9.8	2	10.6	10.2	4
Average aircraft flight length (miles)(5)	842	837	1	871	847	3
Fuel price per litre (cents) (6)	66.0	54.6	21	60.0	46.2	30
Fuel litres (millions)	870	786	11	3,641	3,460	5

(1) Reference to "Predecessor Company" refers to Air Canada and its subsidiaries prior to September 30, 2004.

Annual Supplementary Non-GAAP Combined information (Combined) is the combination of the Predecessor Company's operations and financial results for the nine months ended September 30, 2004 added to ACE's (Successor Company) operations and financial results for the three months ended December 31, 2004. Refer to the MD&A for a reconciliation of the 2004 Annual Supplementary Non-GAAP Combined information.

(2) EBITDAR (earnings before interest, taxes, depreciation, amortization and obsolescence and aircraft rent) is a non-GAAP financial measure commonly used in the airline industry to view operating results before aircraft rent and depreciation, amortization and obsolescence as these costs can vary significantly among airlines due to differences in the way airlines finance their aircraft and other assets. EBITDAR is not a recognized measure for financial statement presentation under GAAP and does not have a standardized meaning and is therefore not likely to be comparable to similar measures presented by other public companies.

EBITDAR, before reorganization and restructuring items, is reconciled to operating income (loss) before reorganization and restructuring items as follows:

	Three months ended December 31		Twelve months ended December 31	
	Successor Company	Combined (1)	Successor Company	Combined (1)
	2005	2004	2005	2004
	(\$ millions)		(\$ millions)	
Operating income (loss) before reorganization and restructuring items	(35)	(3)	452	117
Add back:				
Aircraft rent	117	111	417	632
Depreciation, amortization & obsolescence	125	85	482	397
EBITDAR before reorganization and restructuring items	207	193	1,351	1,146

(3) Beginning in October 2004, Aeroplan redemption revenues related to points redeemed for travel on Air Canada and Jazz are reflected in the Passenger revenue category.

Prior to October 2004, these revenues were recorded in the Other revenue category. Refer to the MD&A for more information.

(4) Excludes maintenance down-time.

(5) Excludes third party carriers operating under capacity purchase arrangements.

(6) Includes fuel handling and fuel hedging expenses.