

Exhibit A
Air Canada
Consolidated Cash Flow Forecast
For the Period April 1, 2003 - June 18, 2004
(in Can \$ millions)
(Unaudited)

	Notes	ACTUAL				FORECAST														
		W/E 27-Feb	W/E 5-Mar	W/E 12-Mar	W/E 19-Mar	ACTUAL 1-Apr to 19-Mar	W/E 26-Mar	W/E 2-Apr	W/E 9-Apr	W/E 16-Apr	W/E 23-Apr	W/E 30-Apr	W/E 7-May	W/E 14-May	W/E 21-May	W/E 28-May	W/E 4-Jun	W/E 11-Jun	W/E 18-Jun	13 Weeks Ending June 18
RECEIPTS:																				
Credit Card and Direct Passenger Receipts	1	114.3	121.3	127.2	120.8	5,208.1	119.0	114.0	93.4	129.5	122.9	120.5	120.5	118.5	117.5	115.5	113.5	119.5	119.5	1,524.8
Airline and Travel Agent Settlement	1	24.9	18.8	43.0	36.7	1,542.8	48.2	41.5	46.5	31.3	53.6	21.4	40.5	56.2	27.4	33.1	40.4	44.7	53.1	535.1
Cargo/Freight	2	5.2	0.5	1.2	4.6	173.5	1.5	5.0	1.5	5.0	1.5	5.0	5.0	1.5	5.0	1.5	5.0	1.5	1.5	40.5
Accounts Receivable	3	4.1	4.3	7.3	8.8	292.8	5.5	8.0	5.5	5.5	5.5	8.0	5.5	5.5	8.0	5.5	5.5	5.5	5.5	79.0
Miscellaneous	4	0.6	9.1	8.9	4.0	250.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit Facilities	4	-	-	8.6	-	699.2	-	-	-	8.6	-	-	-	-	-	-	-	-	-	25.8
Funding From Pension Plan Re: Retiree Pmts	5	-	-	-	-	126.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL RECEIPTS		149.1	154.0	196.2	174.9	8,393.5	174.2	168.5	146.9	179.9	183.5	154.9	177.8	180.1	181.7	157.9	155.6	173.0	171.2	2,205.2
DISBURSEMENTS:																				
Payroll & Benefits	6	(58.3)	(34.9)	(47.6)	(52.2)	(2,371.8)	(47.5)	(24.3)	(46.2)	(54.5)	(43.4)	(48.3)	(47.5)	(36.4)	(63.8)	(41.3)	(27.3)	(62.3)	(39.3)	(582.1)
Retiree Payments	7	-	-	(9.0)	(0.1)	(158.4)	-	-	(1.7)	(7.2)	-	-	(1.7)	(7.2)	-	(1.7)	(7.2)	-	-	(26.7)
Pension Contributions	8	-	-	-	-	(118.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel	9	(27.2)	(30.5)	(27.6)	(25.4)	(1,234.8)	(41.4)	(21.9)	(27.4)	(21.9)	(28.4)	(21.9)	(33.9)	(21.9)	(27.9)	(21.9)	(27.9)	(21.9)	(27.9)	(346.2)
Airport Related Charges	10	(8.9)	(14.5)	(33.2)	(8.2)	(742.8)	(11.2)	(14.3)	(10.0)	(33.2)	(10.8)	(10.8)	(15.1)	(31.6)	(9.6)	(8.6)	(18.7)	(11.2)	(33.0)	(218.1)
Aircraft Maintenance	11	(7.4)	(14.4)	(4.4)	(8.4)	(319.7)	(7.3)	(9.3)	(6.8)	(6.8)	(6.8)	(9.3)	(6.8)	(6.8)	(6.8)	(6.8)	(9.3)	(6.8)	(6.8)	(96.4)
Food, Beverage & Supplies	12	(3.7)	(4.2)	(4.8)	(4.5)	(218.6)	(4.5)	(4.9)	(5.5)	(5.5)	(5.5)	(5.5)	(5.2)	(5.2)	(5.2)	(5.5)	(5.5)	(5.5)	(5.5)	(88.7)
IBM Advantis (Computer Support)	13	(2.8)	(11.1)	(0.2)	(1.1)	(195.5)	-	(14.0)	(1.0)	(1.0)	(1.0)	(15.6)	(1.0)	-	-	(13.5)	(1.0)	(1.0)	(1.0)	(46.1)
Marketing	14	(2.0)	(4.6)	(0.2)	(1.1)	(43.7)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(13.0)
Travel Agent Incentive Commission	15	(4.6)	(0.7)	(4.5)	-	(111.9)	(0.2)	(0.2)	(27.8)	(0.2)	(0.2)	(7.0)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(43.8)
Insurance	16	-	(0.1)	(0.6)	(10.7)	(75.1)	-	(2.5)	-	-	(0.5)	(0.5)	-	-	-	(0.2)	-	(10.7)	(13.9)	(54.0)
Funding of Foreign Operations	17	(1.3)	(1.1)	(4.6)	(0.5)	(150.5)	(8.0)	(1.0)	(4.0)	(1.0)	(8.0)	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)	(107.7)
Other Operating Costs	18	(20.7)	(18.6)	(13.6)	(14.7)	(673.3)	(16.0)	(19.0)	(15.0)	(15.0)	(15.0)	(19.0)	(15.0)	(15.0)	(15.0)	(19.0)	(15.0)	(15.0)	(15.0)	(208.0)
US Immigration Tax Remittances	19	-	-	-	-	(32.1)	-	-	-	-	-	(9.0)	-	-	-	-	-	-	-	(8.0)
Airport Improvement Fees	19	(6.1)	(6.4)	-	-	(161.9)	-	(13.0)	-	-	-	(13.0)	-	-	-	(13.0)	-	-	-	(39.0)
GST Remittances	19	(11.1)	-	-	-	(165.4)	-	(15.0)	-	-	(15.0)	(15.0)	-	-	-	(15.0)	-	-	-	(45.0)
Transportation Tax	19	(5.2)	-	(4.8)	-	(107.4)	(5.2)	-	-	(5.2)	-	(5.2)	-	-	-	(5.2)	-	-	-	(31.2)
Security Tax Remittances	19	(15.8)	(1.4)	-	-	(196.6)	-	(16.5)	-	-	(16.5)	(16.5)	-	-	-	(16.5)	-	-	-	(49.5)
Professional Fees	20	(3.4)	(0.1)	(0.5)	(3.0)	(83.1)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(13.0)
OPERATING DISBURSEMENTS		(178.5)	(142.6)	(155.6)	(130.0)	(7,150.6)	(143.3)	(157.9)	(147.4)	(152.5)	(120.1)	(202.6)	(132.4)	(135.5)	(134.5)	(121.0)	(159.8)	(142.3)	(144.4)	(1,903.7)
Capital Expenditures	21	(0.7)	-	(0.4)	(18.9)	(30.4)	(0.5)	(0.1)	(66.2)	(0.5)	(0.5)	(0.5)	(1.3)	(0.5)	(0.5)	(1.3)	(0.5)	(0.5)	(0.5)	(73.4)
Repayment of Credit Facilities	22	(32.0)	-	-	(2.6)	(279.1)	-	(35.3)	-	-	-	(12.4)	-	-	-	(5.2)	-	-	-	(52.9)
Interest Payments and Fees re: Credit Facilities	22	-	-	-	(2.6)	(16.5)	-	(0.5)	(2.6)	-	-	(0.4)	-	-	(2.6)	(0.3)	-	-	(2.6)	(9.0)
Other	22	-	(2.5)	-	(3.9)	(99.3)	(0.5)	(0.5)	-	-	-	(0.5)	-	-	-	(0.5)	-	-	-	(1.5)
NON-OPERATING DISBURSEMENTS		(32.7)	(2.5)	(0.4)	(25.4)	(455.3)	(0.5)	(36.4)	(66.2)	(3.1)	(0.5)	(12.9)	(2.2)	(0.5)	(3.1)	(0.5)	(7.3)	(0.5)	(3.1)	(136.8)
Net Aeroplan Cashflows	23	27.2	(0.4)	(1.5)	0.1	273.7	(1.5)	35.3	(1.0)	-	(1.5)	36.1	(1.0)	-	(1.0)	2.0	43.5	(1.0)	-	105.9
Net Air Canada Vacations Cashflows	23	(9.5)	70.6	(5.9)	(7.0)	51.1	(5.0)	54.0	(7.0)	(7.0)	(6.0)	(6.0)	36.0	(4.0)	(4.0)	6.0	5.0	(3.0)	(2.0)	48.0
CASH FLOWS RE: NON-CCAA APPLICANTS		17.7	70.2	(7.4)	(6.9)	324.8	(6.5)	89.3	(8.0)	(7.0)	(7.5)	30.1	35.0	(4.0)	(5.0)	(6.0)	49.5	(4.0)	(2.0)	153.9
AIRCRAFT LEASE PAYMENTS	24	(19.0)	(7.9)	(19.3)	(22.6)	(664.3)	(23.6)	(29.9)	(2.9)	(9.3)	(20.9)	(12.3)	(13.4)	(8.9)	(13.7)	(15.9)	(14.1)	(7.2)	(19.9)	(193.0)
NET CASH INFLOW / (OUTFLOW)		(63.4)	71.2	13.5	(10.0)	478.1	0.3	33.6	(77.6)	8.0	34.5	(42.9)	64.8	30.2	25.4	14.5	13.9	19.0	1.8	125.7
OPENING CASH BALANCE		890.7	827.3	898.5	912.0	423.9	902.0	902.2	935.8	858.3	866.3	900.8	858.0	922.8	953.0	978.4	992.9	1,006.8	1,025.8	902.0
ENDING CASH BALANCE	25	827.3	898.5	912.0	902.0	902.0	902.2	935.8	858.3	866.3	900.8	858.0	922.8	953.0	978.4	992.9	1,006.8	1,025.8	1,027.6	1,027.6
Potential Deferred / Unpaid Aircraft Lease Payments	26	176.3	176.3	111.6	111.6	111.6	112.3	112.3	112.7	114.0	137.9	138.6	138.6	140.3	140.3	141.0	154.4	161.2	161.2	161.2

Air Canada
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(in Cdn \$ millions)
(Unaudited)

1. Credit Card and Direct Passenger Receipts and Airline and Travel Agent Settlements - Represents receipts from ticket sales and other passenger incidentals received through credit card companies, BSP or IATA. Forecast receipts are estimated based on recent experience.
2. Cargo / Freight - Represents cash receipts from cargo division billings, excluding the portion collected through IATA settlements above.
3. Accounts Receivable - Represents collection of miscellaneous billings (i.e. to other airlines for services provided etc.)
4. Credit Facilities - Represents proceeds from A) the CIBC facility of \$319.2 million B) the Amex facility of \$80.0 million and C) the DIP facility of \$300.0 million.
5. Funding from Pension Plan re: Retiree Payments - On a monthly basis, funds are transferred in from the pension plan to fund the monthly payments related to retired employees (the corresponding payments are included in the Retiree Payments line item below). These transfers are included in the weeks ended March 12, April 16, May 14 and June 11, 2004.
6. Payroll & Benefits - Represents forecast payroll, benefits and employee pension contributions assuming no change in headcount. Current payroll estimates reflect negotiated salary reductions.
7. Retiree Payments - Represents payments to retired employees out of funds transferred in from pension plan (see above).
8. Pension Contributions - Represents employer contributions to certain of its pension plans pursuant to this Court's endorsement.
9. Fuel - Represents forecast fuel purchases based on discussions with fuel managers.
10. Airport Related Charges - Represents airport related charges such as NAV Canada fees and landing fees paid to airport authorities.
11. Aircraft Maintenance - Estimated amounts to be incurred based on current fleet complement.
12. Food Beverage & Supplies - Estimated amounts to be incurred based on current planned routes and passenger seat miles.
13. IBM Advantis (Computer Support) - Represents payments to IBM for providing IT services.
14. Marketing - Represents cost of normal advertising / promotion.
15. Travel Agent Incentive Commission - The majority of commissions earned by travel agents are deducted from the cash receipts submitted to Air Canada. This balance represents the portion that is not deducted (i.e. because the travel agent only accepts credit card sales and therefore, has no cash from which to deduct commissions) and therefore is paid at the end of each month. In addition, the amount included in the week ended April 9 includes certain volume based incentive commissions paid on an annual or semi-annual basis to specific travel agencies.
16. Insurance - Represents cost of premiums paid on various insurance policies.
17. Funding of Foreign Operations - Air Canada has various foreign offices throughout the world. These offices pay certain local expenses directly such as local payroll, smaller local costs etc. To the extent possible, these payments are funded out of cash receipts from tickets sold by these foreign offices. However, these ticket sales are generally insufficient to fund all costs (as most receipts from ticket sales are received directly in Canada) and therefore, funds are transferred from the Canadian bank accounts to these foreign offices on a regular basis to cover these costs.
18. Other Operating Costs - Represents various other costs such as crew expenses, terminal handling costs, telecommunications etc.
19. US Immigration Tax Remittances, Airport Improvement Fees, GST Remittances, Transportation Tax and Security Tax Remittances - Represents monthly or quarterly remittances of various tax-related amounts collected on ticket sales.
20. Professional Fees - Payments to various restructuring advisors and other professionals.
21. Capital Expenditures - Amounts may be significantly less as a result of fleet reductions or new capital spending guidelines imposed by management as a result of the Company's current financial circumstances. Included in the week ended April 9 are amounts related to deposits required for the purchase of new aircraft.
22. Repayment of Credit Facilities and Interest Payments and Fees re: Credit Facilities - Represents payoff of CIBC and Amex prepayment facilities to Air Canada through holdback of monthly payments under Aerogold contract. In addition, fees and interest for the CIBC, Amex and DIP Facilities have also been included.
23. Net Aeroplan Cashflows and Air Canada Vacations Cashflows - Represents cash flows attributable to these subsidiaries, which are Non-CCAA applicants.
24. Aircraft Lease Payments - Represents payments on account for post filing obligations to those lessors with whom restructured lease agreements have been executed.
25. Ending Cash Balance - Represents cash in the Company's Canadian and US bank accounts. Excludes cash held in overseas bank accounts for foreign operations (currently approximately \$14.0 million) and funds held in Air Canada Vacations' trust account (in accordance with provincial legislation) with respect to vacations sold but not taken.
26. Potential Deferred / Unpaid Aircraft Lease Payments - Represents total amount of aircraft lease payments due to lessors with whom restructured lease agreements have not been executed. This amount is based on the current contractual lease terms which came due during the CCAA period and were not paid, therefore remaining past due as at the week end date. It is anticipated that once restructured agreements have been reached, payments pursuant to restructured lease agreements will resume.

Exhibit B

ESTIMATED POST-FILING LIABILITIES AS AT FEBRUARY 29, 2004

(Excluding Ticket Related Obligations)

(in Cdn \$ millions)

	<u>Notes</u>	<u>Estimated Liability</u>
Trade Credit		
Fuel	1,2	(7.3)
Aircraft Maintenance	2	8.9
Airport Related Charges, Including Rent	2	49.7
Estimated Travel Agent Commissions	2	31.3
Jazz & Zip	2	30.8
Other Estimated Trade Liabilities	2	<u>209.6</u>
Total Estimated Trade Credit		<u>323.0</u>
Aircraft Leases	3	<u>177.2</u>
Unremitted Collections		
Jazz	4	0.0
GST	5	0.0
Estimated Foreign Taxes, Fuel Taxes and AIF not yet due	6	102.7
Airport Improvement Fees	7	12.8
Transportation Tax	8	10.4
Security Tax	9	14.7
US Immigration Tax	10	<u>5.2</u>
Total Unremitted Collections		<u>145.8</u>
Credit Facilities	11	<u>388.1</u>
Employee-Related Obligations	12	<u>485.3</u>
Total Estimated Post-Filing Liabilities as at February 29, 2004	13,14	<u><u>1,519.4</u></u>

Notes

1. Air Canada has continued its pre-filing practice of making pre-payments to certain of its fuel vendors.
2. Based on preliminary balance sheets as at February 29, 2004.
3. Based on amounts due and not paid for aircraft leases for the period April 1 2003 – February 29, 2004
4. Liability shown as \$nil as Jazz forecasts being in a GST refund position.
5. Liability shown as \$nil as Air Canada forecasts being in a GST refund position.
6. Represents the estimated liability as at February 29, 2004 in respect of foreign tax and air travel obligations, AIF obligations associated with unused tickets and estimated fuel taxes payable.
7. Represents unremitted Airport Improvement Fees for February 2004.
8. Liability includes amounts owing for February US Transportation tax and PFCs.
9. Liability includes amounts owing for Security Tax in Canada and the US.
10. Liability represents accrual for the month of February.
11. Represents amounts drawn on credit facilities post-filing, net of repayments accrued up to February 29, 2004.
12. Includes salaries & wages, severance obligations, vacation and holiday pay, payroll tax remittances and accrued pension expense liability (estimated at approximately \$246.6 million).
13. Excludes obligations to customers for advance ticket sales. This amount is estimated to be about \$503.6 million and it is estimated that approximately \$499.1 million relates to post-filing sales.
14. Does not account for post-filing receivables comprised of credit card receipts, BSP receipts, and BSP holdbacks/deposits and trade receivables.