Air Canada is among the 20 largest airlines in the world and employs 30,000 people. Its Air Canada shares are traded on the Toronto Stock Exchange (TSX:AC), and effective July 29, Air Canada’s predecessor, Trans-Canada Air Lines (TCA) inaugurated its first flight on September 1, 1937. The 50-minute flight aboard a Lockheed L-10A carried two passengers and mail between Vancouver and Seattle. By 1964, TCA had grown to become Canada’s national airline; it changed its name to Air Canada. The airline became fully privatized in 1989. Air Canada has a large network of destinations and is a member of Star Alliance.

Global network
Air Canada has major hubs in four Canadian cities: Toronto, Montreal, Vancouver and Calgary. Its extensive global network provides service to over 1,580 destinations in 192 countries. Air Canada has four major hubs: Toronto Pearson International Airport, Montreal Trumforth International Airport, Vancouver International Airport, and Calgary International Airport. These hubs are connected by a network of domestic and international flights.

WHAT’S NEW
Global network expands
Air Canada’s circles the world with the announcement of new destinations launching in summer 2017:
• Toronto to Mumbai and Berlin
• Montreal to Algiers, Marseille and Shanghai
• Vancouver to Taipei and Nagoya
• In 2016, Air Canada launched 10 new international routes for summer 2016:
  • Toronto to Seoul, London-Catwick, Prague, Budapest, Glasgow and Warsaw
  • Vancouver to Brisbane, Dublin, and in Oct. 2016, to Delhi in time for Diwali festivities
  • Montreal to Lyon and Casablanca

Everything you dreamed of...
Air Canada continues renewing its international fleet with state-of-the-art and fuel efficient Boeing 787 Dreamliners. Air Canada plans to operate 21 Boeing 787 Dreamliners by the end of 2016, including 13 larger 787-9 versions, with all 37 scheduled to be delivered by the end of 2019. The Dreamliner currently serves a growing number of routes from Toronto, Vancouver and Calgary. See 787.aircanada.com for the latest Dreamliner destinations.

Wi-Fi connectivity, International Business Class & Premium Economy
Air Canada is proud to be the first Canadian airline to offer Wi-Fi access on select North American flights and across all of its 129 narrow-body aircraft. Installation of Gogo’s 2Ku satellite technology on the wide-body fleet will begin in Fall 2016, starting with the Boeing 777-77.

Wi-Fi service is the latest product enhancement following the airline’s introduction of its new Boeing 787 Dreamliner International Business Class and Premium Economy seating across its Boeing 777-300ER and Boeing 777-200LR fleet. Air Canada’s Premium Economy cabin featuring enhanced comfort and amenities is offered on all wide-body aircraft on international flights: Boeing 787 Dreamliners, Boeing 777-300ERs and -200LRs, and Airbus A330-300s.

More Concierge service worldwide
Altitude Super Elite 100K members and International Business Class customers now enjoy exclusive personalized Air Canada Concierge services at 42 airports worldwide. Concierges are an immediate resource for these customers in person during regular business hours and by phone 24/7 for all travel and airport related matters, special requests and personalized services such as hotel, restaurant and ticket reservations. New Concierge offices located at Toronto Pearson and Vancouver International Airports offer the Concierge experience in a professional, refined space.

Air Canada also offers Business Class Check-in within a lounge setting at its Toronto Pearson global hub, featuring an enhanced level of care in a dedicated concourse for Business Class customers and customers holding select Premium status.

Air Canada Altitude
Air Canada’s top tier program, Altitude, recognizes and rewards the airline’s most frequent flyers with exclusive travel privileges including complimentary upgrades, complimentary checked baggage, exclusive partner offers, Maple Leaf Lounge access and Star Alliance recognition with Air Canada’s partners worldwide. (altitude.aircanada.com)

Altitude members are recognized through their Aeroplan membership and benefit from Air Canada’s partnership with Aeroplan (aeroplan.com) offering numerous ways to earn and redeem Aeroplan Miles with over 150 partners.

Mobile & online services
smart phone users can book flights and manage their travel experience on mobile.aircanada.com, or download the Air Canada app for Apple, Android, or BlackBerry.
• Purchase upgrades, pay for services, check in, check flight status, select seats, modify itinerary, and share flight plans.
• Access Air Canada Vacations, Air Canada Rouge and Air Canada Cargo services.

World-wide aircanada.com is available in 24 countries, seven languages, local currencies, offering customers convenient self-service tools:
• Online booking for flights, flight passes, car rental and hotel stays;
• Flight status verification and check-in within 24 hours of departure;
• Purchase Air Canada gift cards or make an extra bag fee payment;
• “Manage My Bookings” provides customers access to manage and rebook their flight bookings, e-upgrades, car rental and hotel bookings.

The Daily Travel Outlook on aircanada.com/operationaloutlook provides information on airports and flights that may be impacted by severe weather or irregular operations. The section includes:
• Travel Alerts to advise of flight delays or cancellations;
• Self Service Rebooking Tool for immediate online rebooking.

Kiosks at most airports also provide self-service options ranging from check-in and stand-by for earlier flights to seat selection, e-upgrades and extra bag fee payment.

Global network
Air Canada has major hubs in four Canadian cities: Toronto, Montreal, Vancouver and Calgary. Its extensive global network provides scheduled passenger service directly to 64 Canadian destinations, 54 destinations in the United States and 90 in Europe, Africa, the Middle East, Asia, Australia, the Caribbean, Mexico, Central America and South America. Air Canada, Air Canada Rouge and its Air Canada Express regional partners operate on average 1,580 scheduled flights each day. Together with its Star Alliance™ partner airlines, staralliance.com, Air Canada offers service to 1,321 airports in 192 countries and provides reciprocal top tier frequent flyer benefits.
Efficient & convenient gateways
Air Canada’s four hubs, Toronto (YYZ), Montreal (YUL), Vancouver (YVR) and Calgary (YYC), offer Air Canada customers a simple, customer-friendly experience providing easy security clearance and smooth connections. With Toronto Pearson as the primary global hub, Vancouver as the airline’s premier gateway to Asia Pacific, and Montreal as the gateway to French international markets, Air Canada’s global networks connect easily to its extensive domestic and US transborder networks to offer convenient travel all under one roof at each hub.

Air Canada Rouge
Air Canada’s vacation airline, Air Canada Rouge, celebrated its third birthday on July 1, 2016, having grown into an international vacation carrier with 1,600 employees, 44 aircraft and a network of over 100 routes touching five continents. Air Canada Rouge is an integral component of Air Canada’s international growth strategy, as its popularity with leisure travellers and the efficiencies of its innovative business model enables Air Canada to effectively compete for vacation traffic and open new markets around the world.

Air Canada Express
Air Canada enhances its North American domestic and transborder network through capacity purchase agreements with a number of Canadian regional airlines that operate flights on behalf of Air Canada under the Air Canada Express banner. The airlines operating Air Canada Express flights on behalf of Air Canada are: Jazz Aviation LP, Sky Regional Airlines Inc., Air Georgian Ltd. and Exploits Valley Air Services (EVAS).

Specialized services
Air Canada Vacations is a leading Canadian tour operator, offering inclusive packages featuring accommodation, roundtrip airfare on board Air Canada, Air Canada Rouge, and its Star Alliance partners, Aeroplan flight rewards, as well as a wide assortment of cruises, tours and excursions. A repeat recipient of the Travel Media Agents’ Choice Award for Favourite Tour Operator, Air Canada Vacations offers hundreds of destinations in the Caribbean, Mexico, Central & South America, Asia, Europe, and the U.S. (aircanadavacations.com)

Air Canada Cargo provides direct cargo service worldwide. Air Canada Cargo’s team of industry-leading experts offers customers a unique set of business solutions tailored to meet the shipping community’s needs efficiently and cost-effectively. (aircanadacargo.com)

In The community
the Air Canada Foundation, a not-for-profit organization focused on the health and wellbeing of children and youth, launched in 2012. The Foundation’s fifth annual golf tournament in 2016 netted $1 Million in support of organizations focused on health and wellbeing of children in Canada. The Foundation offers financial and in-kind support through travel assistance, to Canadian registered charities. Core programs include the Hospital Transportation Program which donates Aeropon Miles to pediatric hospitals across Canada enabling children to access medical care unavailable locally and the Volunteer Involvement Program which recognizes the involvement of employees in their local community by providing airline tickets to the registered charities in support of their fundraising activities. The Foundation in collaboration with Air Canada also encourages customers to donate loose change of all denominations onboard flights or through airport collection containers. The Foundation offers continued support to major health-related causes that benefit Canadians and is an active participant in international humanitarian relief activity as the need arises. (aircanada.com/foundation)

Awards
Air Canada is the only international network carrier in North America to receive a Four-Star rating according to independent U.K. research firm Skytrax. In 2016, Air Canada’s brand value soared 88 per cent to $1.8 billion over last year, placing it among the Top 50 most valuable Canadian brands, the fastest growing Canadian brand among Canada’s largest corporations, and the only Canadian airline to rank among the Top 50, according to Brand Finance. Also in 2016, Air Canada was named one of Canada’s Top 100 Employers for the third consecutive year by MediaCorp; one of Montreal’s Top Employers, also for the third consecutive year by MediaCorp; one of Canada’s Best Diversity Employers by Mediacoar; one of the 50 Most Engaged Workplaces in North America by employee social recognition company Achievers; and was also named Canada’s third “Most Attractive Employer” by Randstad Canada. Air Canada Cargo received the industry’s Air Cargo Excellence Diamond Award recognizing in its carrier category, the best in customer service and timeliness of delivery, by Air Cargo World Magazine.

KEY FINANCIAL & TRAFFIC DATA
Year ended December 31, 2015. Figures in Canadian dollars.

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<thead>
<tr>
<th>Operating revenue</th>
<th>$13,868 million</th>
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<tbody>
<tr>
<td>Net income</td>
<td>$308 million</td>
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<tr>
<td>Revenue passenger miles (RPMs)</td>
<td>67,545 million</td>
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<tr>
<td>Available seat miles (ASMs)</td>
<td>80,871 million</td>
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<tr>
<td>Passenger load factor (PLF)</td>
<td>83.5 per cent</td>
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FLEET
As of September 30, 2016

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<tr>
<th>AIR CANADA EXPRESS</th>
<th>On order</th>
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<tr>
<td>Embraer 175</td>
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<tr>
<td>Bombardier CRJ-705</td>
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<tr>
<td>Bombardier CRJ-100 / 200</td>
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<tr>
<td>Bombardier Dash 8-400</td>
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<td>Bombardier Dash 8-300</td>
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<tr>
<td>Bombardier Dash 8-100</td>
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<tr>
<td>TOTAL</td>
<td>152*</td>
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<td>Airbus A319</td>
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<td>Airbus A321</td>
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<tr>
<td>TOTAL</td>
<td>44</td>
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*In addition, Air Georgian and EVAS operate a total of 17 18-passenger aircraft on behalf of Air Canada pursuant to capacity purchase agreements with Air Canada.