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- Operating Statistics
- Revenue Highlights
- Expense Highlights
### Q4 2006
Actual vs Prior Year

#### Consolidated

<table>
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<th>Region</th>
<th>ASMs</th>
<th>RPMs</th>
<th>PLF</th>
<th>Yield</th>
<th>RASM</th>
<th>Rev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>↑ 4.1%</td>
<td>↑ 6.5%</td>
<td>↑ 1.7 PP</td>
<td>---</td>
<td>↑ 2.2%</td>
<td>↑ 6.4%</td>
</tr>
<tr>
<td>US Transborder</td>
<td>↑ 11.4%</td>
<td>↑ 14.6%</td>
<td>↑ 2.0 PP</td>
<td>↓ 3.5%</td>
<td>↓ 0.7%</td>
<td>↑ 10.4%</td>
</tr>
<tr>
<td>Atlantic</td>
<td>↑ 2.0%</td>
<td>↑ 1.8%</td>
<td>---</td>
<td>↑ 2.3%</td>
<td>↑ 2.2%</td>
<td>↑ 4.2%</td>
</tr>
<tr>
<td>Pacific</td>
<td>↑ 0.2%</td>
<td>↑ 0.4%</td>
<td>↑ 0.1 PP</td>
<td>↑ 0.7%</td>
<td>↑ 0.9%</td>
<td>↑ 1.1%</td>
</tr>
<tr>
<td>Latin Amer. &amp; Other</td>
<td>↑ 0.6%</td>
<td>↑ 5.1%</td>
<td>↑ 3.0 PP</td>
<td>↑ 1.0%</td>
<td>↑ 5.5%</td>
<td>↑ 6.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>↑ 3.9%</td>
<td>↑ 5.4%</td>
<td>↑ 1.1 PP</td>
<td>↑ 0.7%</td>
<td>↑ 2.3%</td>
<td>↑ 6.3%</td>
</tr>
</tbody>
</table>

- **Total Expense**: ↑ 2.4%
- **Total CASM**: ↓ 1.4%
- **Total CASM excl. Fuel**: ↓ 1.0%
North American Growth is the Driver in 3.9% Overall Capacity Increase

(Y-O-Y Changes in Consolidated Capacity)

% Change in ASMs

-5% 0% 5% 10% 15% 20% 25%

Canada  U.S.  Oth. Int'l  Total

Strong Traffic Outpaces Capacity Growth in All Sectors

(Y-O-Y Changes in Consolidated Traffic)

% Change in RPMs
Flat Domestic Yield Slows Overall Yield Growth

(Y-O-Y Changes in Consolidated Passenger Yield)

% Change in Yield

Canada U.S. Oth. Int'l Total


-5% 0% 5% 10% 15%
System RASM Growth Strengthens on Higher LF

(Y-O-Y Changes in Consolidated Revenue per ASM)

% Change in RASM

Canada U.S. Oth. Int'l Total

System Revenue Growth Accelerates on Higher Int'l Revenues

(Y-O-Y Changes in Consolidated Passenger Revenue)
Canada* –
Q4 RASM Up 2.2% All on 1.7 PP LF Increase

Y-O-Y Change

Capacity (ASM)

Load Factor

Yield

P-RASM

*Consolidated
US Transborder* – RASM Declines Marginally as Strong Load Factor Almost Offsets Soft Yield

Y-O-Y Change

**Capacity (ASM)**

<table>
<thead>
<tr>
<th></th>
<th>Q4 2005</th>
<th>Q1 2006</th>
<th>Q2 2006</th>
<th>Q3 2006</th>
<th>Q4 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Change</td>
<td></td>
<td></td>
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</table>

**Load Factor**

<table>
<thead>
<tr>
<th></th>
<th>Q4 2005</th>
<th>Q1 2006</th>
<th>Q2 2006</th>
<th>Q3 2006</th>
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<tr>
<td>PP Change</td>
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**Yield**

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<tbody>
<tr>
<td>% Change</td>
<td></td>
<td></td>
<td></td>
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</table>

**P-RASM**

<table>
<thead>
<tr>
<th></th>
<th>Q4 2005</th>
<th>Q1 2006</th>
<th>Q2 2006</th>
<th>Q3 2006</th>
<th>Q4 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Change</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

*Consolidated
Atlantic –
Strong Yield Continues to Lift RASM

Y-O-Y Change

Capacity (ASM)

Load Factor

Yield

P-RASM
Pacific – RASM Regains Growth on Improved Yield

Y-O-Y Change

Capacity (ASM)

Load Factor

Yield

P-RASM
Caribbean, Latin America & Australia – RASM Growth Accelerates on Stronger Load Factor

Y-O-Y Change

Capacity (ASM)

Load Factor

Yield

P-RASM

AIR CANADA
Total* – System RASM Picks Up Speed as Strong Overall Demand Pushes Up Load Factor

Y-O-Y Change

Capacity (ASM)

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td></td>
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Load Factor

<table>
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<tr>
<th>Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
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<tbody>
<tr>
<td>2005</td>
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<td></td>
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<td></td>
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<td>2006</td>
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Yield

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<th>Q2</th>
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P-RASM

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<tr>
<th>Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
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<tbody>
<tr>
<td>2006</td>
<td></td>
<td></td>
<td></td>
<td></td>
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* Consolidated
** Excludes special labour charge

AIR CANADA
Average Salary Up 4.4%, Employee Levels Down 769 or 3.2%.

Air Canada Services

(Y-O-Y Change – Average Salaries & Employees)

% Change Y-O-Y
Cost/Litre Down 2.5% While Fuel Productivity is Unchanged

(Fuel Productivity & Unit Cost)

% Change Y-O-Y

-10% 0% 10% 20% 30%

Q4'05 Q1'06 Q2'06 Q3'06 Q4'06

Fuel Productivity (ASMs/Lt) Fuel Cost (Cdn cts/Lt)
Other Than Mtce., User Charges, Depreciation and Capacity Purchase, Most Cost Categories are Down

Air Canada Services

% Change Y-O-Y

Q4 2006/2005
Unit Cost Down 1.4% Due Lower Fuel, Improvements in SW&B, Food & Bar and "Other" Costs

Air Canada Services

(Cost Per ASM)

% Change Y-O-Y
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