

Air Canada rouge™: Introducing Canada's New Leisure Airline

Operations to start July 1, 2013

Special introductory air fares and vacation packages now on sale to the Caribbean and Europe

MONTREAL, December 18, 2012 – Air Canada today unveiled its new leisure airline, marking a milestone in the transformation of Canada's flag carrier to compete in the growing leisure travel sector. Special introductory fares are available for sale beginning today at aircanada.com and through travel agents. Along with details of the initial destinations it will fly to beginning in July 2013, the name of Canada's new leisure airline – Air Canada rouge – was announced following a contest launched on Facebook inviting customers, employees and travel industry professionals for their input. Details about the contest and prize winners have been posted on [facebook.com/aircanada](https://www.facebook.com/aircanada).

"With the introduction today of Air Canada rouge, Air Canada enters today's growing leisure travel market on a truly competitive basis," said Ben Smith, Air Canada's Executive Vice President and Chief Commercial Officer, at a news conference in Toronto to unveil the new leisure airline. "In partnership with Air Canada Vacations, part of our new leisure group, Air Canada rouge will leverage the strengths of Air Canada's extensive network, operational expertise and frequent flyer reward program in order to offer Canadians great value for their vacation travel."

Michael Friisdahl, President and Chief Executive Officer of Air Canada's Leisure Group, continued, "With leisure time at a premium, Air Canada rouge will combine affordable fares, great service and choice leisure destinations with those benefits offered by Air Canada and Air Canada Vacations that are valued most by vacation travellers. We look forward to giving them a warm welcome onboard Air Canada rouge, Canada's affordably stylish leisure airline."

Special introductory Air Canada rouge fares now on sale to: Venice, Edinburgh, Athens, Cuba, Dominican Republic, Jamaica and Costa Rica

For its inaugural 2013 season, Air Canada rouge will introduce new routes not currently operated by Air Canada to Venice, Italy and Edinburgh, Scotland. In addition, Air Canada seasonal services from Toronto and Montreal to Athens, Greece will be flown by the leisure carrier. Similarly, existing Air Canada flights operated in cooperation with Air Canada Vacations to Cuba, the Dominican Republic, Jamaica and Costa Rica will be operated by Air Canada rouge effective July 2013.

To celebrate the launch of Air Canada's new leisure airline, special introductory fares are now available for purchase until December 25, 2012, subject to availability, at aircanada.com and through travel agents, for travel on Air Canada rouge between July and October 26, 2013. Examples of special introductory fares based on Toronto departures:

- Venice, Edinburgh and Toronto/Montreal-Athens: starting as low as \$949 round-trip including all taxes, fees, charges and surcharges.
- Dominican Republic (Punta Cana, Puerto Plata and Samana) and Kingston, Jamaica: starting as low as \$269 each way including all taxes, fees, charges and surcharges.
- Costa Rica (San Jose and Liberia): starting as low as \$389 each way including all taxes, fees, charges and surcharges.
- Cuba (Varadero, Cayo Coco, Holguin and Santa Clara): starting as low as \$538 round-trip including all taxes, fees, charges and surcharges; available exclusively at aircanadavacations.com.

Visit aircanada.com or contact your travel agent for more information on applicable fare conditions.

Air Canada Vacations is also offering great introductory specials for bookings made by December 25, 2012 on air-inclusive vacation packages to select Caribbean and European destinations. Visit aircanadavacations.com for further information.

Air Canada rouge flights to all destinations to be served in the carrier's inaugural 2013 summer schedule will depart Air Canada's main hub at Toronto's Pearson International Airport offering customers seamless connections with Air Canada, Air Canada Express and its Star Alliance partner flights. Air Canada rouge will also operate non-stop flights to Athens from Montreal's Trudeau Airport, in addition to its Toronto-Athens flights. Air Canada rouge customers benefit from attractively priced through-fares from any point within Air Canada's extensive network on a single ticket as well as baggage checked through to final destination and Aeroplan mileage accumulation and redemption.

The Air Canada rouge fleet will initially be comprised of two Boeing 767-300ER aircraft to operate transatlantic flights in a two-cabin configuration offering a selection of rouge Plus™ seats with additional legroom and Premium rouge™ seats featuring additional seating comfort, space and enhanced meal and beverage service; and two Airbus A319 aircraft to operate North American flights in an all-economy configuration offering a selection of rouge Plus seats with additional legroom. These four aircraft will be released from Air Canada's existing fleet to Air Canada rouge as the mainline carrier takes delivery of two new Boeing 777-300ER aircraft in 2013, as announced October 1, 2012.

Air Canada rouge will expand to other popular holiday destinations as Air Canada starts to take delivery of new Boeing 787 Dreamliner aircraft in 2014, thereby freeing up aircraft for deployment in the Air Canada rouge fleet. As this occurs, and subject to commercial demand, Air Canada rouge may operate up to 20 Boeing 767-300ER aircraft and 30 Airbus A319 aircraft, for a total of 50 aircraft, to pursue opportunities in markets made viable by Air Canada rouge's lower operating cost structure. Flights operated by Air Canada rouge are subject to receiving all required regulatory approvals.

Two hundred new jobs will be created for flight attendants and pilots at Air Canada rouge, in addition to Air Canada hiring 900 employees to meet its own planned workforce requirements as part of its 2012-2013 recruitment program announced September 20, 2012.

About Air Canada Vacations

Air Canada Vacations is a leading Canadian tour operator offering a wide assortment of leisure travel packages. Repeat recipient of the Consumer's Choice Award for Best Travel Wholesaler, Air Canada Vacations services over 100 destinations in the Caribbean, Central & South America, Asia, Europe, and in the U.S. For more information, visit www.aircanadavacations.com

About Air Canada

Air Canada is Canada's largest domestic and international airline serving more than 175 destinations on five continents. Canada's flag carrier is the 15th largest commercial airline in the world and in 2011 served more than 33 million customers. Air Canada provides scheduled passenger service directly to 59 Canadian cities, 56 destinations in the United States and 63 cities in Europe, the Middle East, Asia, Australia, the Caribbean, Mexico and South America. Air Canada is a founding member of Star Alliance, the world's most comprehensive air transportation network serving 1,356 destinations in 193 countries. In 2012, Air Canada was ranked Best International Airline in North America in a worldwide survey of more than 18 million airline passengers conducted by independent research firm Skytrax.

Note to editors: Additional background information and visual materials are available for downloading from the Air Canada Media Centre at: aircanada.com/media/en/aircanadarouge

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