

ACE AVIATION 

ACE History and Background

January, 2011

ACE history

- Created in 2004 to hold business units of Air Canada
- Strategy: Illuminate unrecognized value and realize shareholder value from:
 - separation of business units
 - separate management teams
 - unlocking hidden value
- Publicly traded on Toronto Stock Exchange (ACE.A and ACE.B)



- Emergence of AC from CCAA on September 30, 2004
- ACE IPO and issuance of convertible notes April 2005
- IPOs of Aeroplan (June 2005), Jazz (February 2006) and Air Canada (November 2006)
- Four distributions (units of AER and JAZ) to shareholders totaling \$2.25 billion in 2006 and 2007
- Sale of ACTS (October 2007) – cash proceeds of \$763 million
- Sale of units of AER and JAZ in six transactions in 2007 and 2008 raising \$1.6 billion
- Two substantial issuer bids for common shares totaling \$2 billion in 2008
- Three issuer bids for notes and preferred shares in 2009 at discounts of 10% and 20% - \$419m returned
- Participation (\$150 million) in Air Canada club loan in mid 2009
- Remainder of notes and preferred shares redeemed/ repurchased in late 2009
- \$20 million issuer bid for common shares in January 2010
- Air Canada repaid the \$150 million loan in August 2010 to ACE
- Sale of 44 million AC shares in December 2010 for cash proceeds of \$156 million with a remaining interest of 31 million shares (11% of Air Canada)