

# ACE Aviation Holdings Inc.

## HIGHLIGHTS

	Periods ended September 30			
	Three months		Nine months	
	2004	2003	2004	2003
<b>Financial</b> (CDN dollars in millions except per share figures)				
Operating revenues	2,496	2,228	6,838	6,391
Operating income (loss) before reorganization and restructuring items	243	17	120	(607)
Reorganization and restructuring items	(313)	(273)	(871)	(490)
Non-operating expense	(133)	(20)	(248)	(150)
Loss before foreign exchange on non-compromised long-term monetary items and income taxes	(203)	(276)	(999)	(1,247)
Loss for the period	(81)	(263)	(895)	(1,099)
Operating margin before reorganization and restructuring items	9.7%	0.8%	1.8%	(9.5)%
EBITDAR before reorganization and restructuring items (1)	514	363	953	464
EBITDAR margin before reorganization and restructuring items	20.6%	16.3%	13.9%	7.3%
Cash and cash equivalents (unrestricted)	1,939	810	1,939	810
Cash flows from operations	183	27	360	159
Weighted average common shares used for computation - basic and diluted	120	120	120	120
Loss per share - basic and diluted	\$ (0.67)	\$ (2.18)	\$ (7.45)	\$ (9.14)

Operating Statistics (mainline-related) (2) (3)	% Change			% Change		
	2004	2003		2004	2003	
Revenue passenger miles (millions)	12,371	11,171	11	32,402	29,010	12
Available seat miles (millions)	15,267	14,416	6	41,578	38,931	7
Passenger load factor	81.0%	77.5%	3.5 pts	77.9%	74.5%	3.4 pts
Passenger revenue yield per revenue passenger mile (cents)	15.4	15.1	1	15.4	15.9	(3)
Passenger revenue per available seat mile (cents)	12.5	11.7	6	12.0	11.8	1
Operating revenue per available seat mile (cents)	14.7	13.9	6	14.5	14.4	1
Operating expense per available seat mile (cents) (4)	13.2	13.7	(4)	14.1	15.7	(10)
Operating expense (net of cargo and other non-ASM revenue) per available seat mile (cents) (4) (5)	10.9	11.6	(6)	11.7	13.2	(12)
Average number of employees (thousands)	28.5	29.7	(4)	28.9	32.3	(11)
Available seat miles per employee (thousands)	536	486	10	1,440	1,205	20
Operating revenue per employee (thousands)	\$79	\$67	17	\$208	\$173	20
Aircraft in operating fleet at period end	201	221	(9)	201	221	(9)
Average aircraft utilization (hours per day) (6)	11.6	10.8	7	11.1	10.3	8
Average aircraft flight length (miles)	1,406	1,270	11	1,316	1,220	8
Fuel price per litre (cents) (7)	47.0	34.6	36	43.5	37.7	15
Fuel litres (millions)	917	867	6	2,501	2,347	7

Operating Statistics (consolidated)	% Change			% Change		
	2004	2003		2004	2003	
Revenue passenger miles (millions)	12,853	11,617	11	33,746	30,277	11
Available seat miles (millions)	15,993	15,156	6	43,722	41,044	7
Passenger load factor	80.4%	76.6%	3.8 pts	77.2%	73.8%	3.4 pts
Passenger revenue yield per revenue passenger mile (cents)	16.5	16.3	1	16.6	17.3	(4)

- (1) EBITDAR (earnings before interest, taxes, depreciation, amortization and obsolescence and aircraft rent) is a non-GAAP financial measure commonly used in the airline industry to view operating results before aircraft rent and ownership costs as these costs can vary significantly among airlines due to differences in the way airlines finance their aircraft and asset acquisitions. EBITDAR is not a recognized measure for financial statement presentation under GAAP and does not have any standardized meaning and is therefore not likely to be comparable to similar measures presented by other public companies.

EBITDAR before reorganization and restructuring items is reconciled to operating income (loss) before reorganization and restructuring items as follows:

	Three months ended September 30		Nine months ended September 30	
	2004	2003	2004	2003
	(\$ millions)		(\$ millions)	
Operating income (loss) before reorganization and restructuring items	243	17	120	(607)
Add back:				
Aircraft rent	157	257	521	799
Depreciation, amortization & obsolescence	114	89	312	272
EBITDAR	514	363	953	464

- (2) Includes the operations of Air Canada (incl. Tango), ZIP, Aeroplan, Air Canada Capital, Simco, Acetek and Destina.

- (3) Mainline-related operating statistics exclude capacity purchase arrangements with third party carriers.

- (4) Before reorganization and restructuring items.

- (5) Represents the net cost of the passenger transportation business after deducting the revenue impact of cargo and other non-ASM producing businesses.

- (6) Excludes maintenance down-time.

- (7) Net of fuel hedging and includes all fuel handling expense.