

ACE Aviation Holdings Inc.

Periods ended December 31

HIGHLIGHTS

	Periods ended December 31			
	Successor Company (1)	Predecessor Company - Air Canada		Predecessor Company - Air Canada
	ACE	Three months ended		Twelve months
	2004	2003	2004	2003
Financial (CDN dollars in millions except per share figures)				
Operating revenues	2,062	1,977	8,900	8,373
Operating income (loss) before reorganization and restructuring items	(3)	(77)	117	(684)
Reorganization and restructuring items	-	(560)	(871)	(1,050)
Non-operating expense	(67)	(132)	(315)	(282)
Loss before foreign exchange on non-compromised long-term monetary items and income taxes	(70)	(769)	(1,069)	(2,016)
Income (loss) for the period	15	(768)	(880)	(1,867)
Operating margin before reorganization and restructuring items	(0.1)%	(3.9)%	1.3%	(8.2)%
EBITDAR before reorganization and restructuring items (3)	193	227	1,146	690
EBITDAR margin before reorganization and restructuring items	9.4%	11.5%	12.9%	8.2%
Cash and cash equivalents (unrestricted)	1,632	670	1,632	670
Cash flows from (used for) operations	(426)	(20)	(66)	139
Weighted average common shares used for computation - basic and diluted (4)	90	120	nm	120
Earnings (loss) per share - basic and diluted (4)	\$ 0.17	\$ (6.39)	nm	\$ (15.53)

Operating Statistics (mainline-related) (5) (6)	% Change			% Change		
	2004	2003	2004	2003	2004	2003
Revenue passenger miles (millions) (RPM)	9,252	8,878	4	41,653	37,888	10
Available seat miles (millions) (ASM)	12,189	12,409	(2)	53,767	51,340	5
Passenger load factor	75.9%	71.5%	4.4 pts	77.5%	73.8%	3.7 pts
Passenger revenue yield per RPM (excluding Aeroplan) (cents) (7)	15.6	15.8	(2)	15.4	15.9	(3)
Passenger revenue yield per RPM (including Aeroplan) (cents) (7)	16.0	15.8	1	15.5	15.9	(2)
Passenger revenue per ASM (excluding Aeroplan) (cents) (7)	11.8	11.3	4	11.9	11.7	2
Passenger revenue per ASM (including Aeroplan) (cents) (7)	12.1	11.3	7	12.0	11.7	3
Operating revenue per available seat mile (cents)	14.9	13.9	7	14.6	14.3	2
Operating expense per available seat mile (cents) (8)	15.0	14.5	3	14.3	15.4	(7)
Operating expense (net of cargo and other non-ASM revenue) per available seat mile (cents) (8) (9)	12.2	11.9	2	11.8	12.9	(9)
Average number of employees (thousands)	28.2	29.2	(3)	28.7	31.5	(9)
Available seat miles per employee (thousands)	432	425	2	1,873	1,628	15
Operating revenue per employee (thousands)	\$64	\$59	9	\$273	\$232	18
Aircraft in operating fleet at period end	199	214	(7)	199	214	(7)
Average aircraft utilization (hours per day) (10)	10.6	10.4	1	11.0	10.3	7
Average aircraft flight length (miles)	1,284	1,212	6	1,308	1,218	7
Fuel price per litre (cents) (11)	54.3	35.2	54	45.9	37.1	24
Fuel litres (millions)	738	754	(2)	3,240	3,101	4

Operating Statistics (consolidated)	% Change			% Change		
	2004	2003	2004	2003	2004	2003
Revenue passenger miles (millions)	9,681	9,289	4	43,427	39,565	10
Available seat miles (millions)	12,815	13,115	(2)	56,536	54,160	4
Passenger load factor	75.5%	70.8%	4.7 pts	76.8%	73.1%	3.7 pts
Passenger revenue yield per RPM (excluding Aeroplan) (cents) (7)	16.9	17.3	(3)	16.7	17.3	(3)
Passenger revenue yield per RPM (including Aeroplan) (cents) (7)	17.3	17.3	(0)	16.8	17.3	(3)

(1) References to "Successor Company" refer to ACE and its subsidiaries' results for the period ended December 31, 2004, which represents three months of operations. Refer to page 2 of the MD&A for additional information.

(2) Annual Supplementary Non-GAAP Combined Information (Combined) which is the combination of Air Canada's (Predecessor Company) operations and financial results for the nine months ended September 30, 2004 added to ACE Aviation Holdings Inc.'s (ACE) (Successor Company) operations and financial results for the period ended December 31, 2004.

(3) 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 a 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:

	Period ended December 31		Twelve months ended December 31	
	Successor Company	Predecessor Company	Combined (2)	Predecessor Company
	ACE (1)	Air Canada	Combined (2)	Air Canada
	2004	2003	2004	2003
	(\$ millions)	(\$ millions)	(\$ millions)	(\$ millions)
Operating income (loss) before reorganization and restructuring items	(3)	(77)	117	(684)
Add back:				
Aircraft rent	111	210	632	1,008
Depreciation, amortization & obsolescence	85	94	397	366
EBITDAR before reorganization and restructuring items	193	227	1,146	690

(4) Refer to Note 20 of the 2004 Annual Consolidated Financial Statements for additional information on Earnings Per Share.

(5) Includes the operations of Air Canada, Aeroplan, Air Canada Technical Services, ACGHS, AC Cargo, Air Canada Capital, Destina, AC Online and SIMCO.

(6) Mainline-related operating statistics exclude Jazz operations and capacity purchase arrangements with third party carriers.

(7) Beginning in October 2004, Aeroplan redemption revenues related to points redeemed for air travel on Air Canada are reflected in passenger revenues.

Prior to October 2004, these revenues were recorded in "other" revenues. Refer to page 7 of the MD&A for additional information on the Loyalty Program.

(8) Before reorganization and restructuring items.

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

(10) Excludes maintenance down-time.

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