

ACE Aviation Holdings Inc.

Consolidated

HIGHLIGHTS (1)

	Periods ended June 30			
	Three months		Six months	
	Successor Company - ACE	Predecessor Company - Air Canada	Successor Company - ACE	Predecessor Company - Air Canada
	2005	2004	2005	2004
Financial (CDN dollars in millions except per share figures)				
Operating revenues	2,458	2,221	4,635	4,342
Operating income (loss) before reorganization and restructuring items	177	22	167	(123)
Reorganization and restructuring items	-	(426)	-	(558)
Non-operating income (expense)	100	(72)	34	(115)
Income (loss) before foreign exchange on non-compromised long-term monetary items and income taxes	277	(476)	201	(796)
Income (loss) for the period	168	(510)	91	(814)
Operating margin before reorganization and restructuring items	7.2%	1.0%	3.6%	(2.8)%
EBITDAR before reorganization and restructuring items (2)	394	295	594	439
EBITDAR margin before reorganization and restructuring items	16.0%	13.3%	12.8%	10.1%
Cash, cash equivalents and short-term investments	2,782	850	2,782	850
Cash flows from (used for) operations	339	114	653	177
Weighted average common shares used for computation - basic	101	120	95	120
Weighted average common shares used for computation - diluted	118	120	106	120
Earnings (loss) per share - basic	\$ 1.67	\$ (4.24)	\$ 0.96	\$ (6.77)
Earnings (loss) per share - diluted	\$ 1.49	\$ (4.24)	\$ 0.92	\$ (6.77)

Operating Statistics	% Change			% Change		
Revenue passenger miles (millions) (RPM)	11,613	10,836	7	22,199	20,893	6
Available seat miles (millions) (ASM)	14,487	13,931	4	28,053	27,729	1
Passenger load factor	80.2%	77.8%	2.4 pts	79.1%	75.3%	3.8 pts
Passenger revenue yield per RPM (excluding Aeroplan) (cents) (3)	17.4	17.0	3	16.7	16.7	0
Passenger revenue yield per RPM (including Aeroplan) (cents) (3)	18.1	17.0	6	17.3	16.7	3
Passenger revenue per ASM (excluding Aeroplan) (cents) (3)	14.0	13.2	6	13.2	12.6	5
Passenger revenue per ASM (including Aeroplan) (cents) (3)	14.5	13.2	10	13.7	12.6	8
Operating revenue per available seat mile (cents)	17.0	15.9	6	16.5	15.7	6
Operating expense per available seat mile (cents)	15.7	15.8	0	15.9	16.1	(1)
Operating expense per available seat mile, excluding fuel expense	12.1	13.1	(8)	12.6	13.5	(7)
Average number of full-time equivalent (FTE) employees (thousands)	32.4	32.8	(1)	32.0	32.9	(3)
Available seat miles per FTE employee (thousands)	448	424	5	877	843	4
Operating revenue per FTE employee (thousands)	\$76	\$68	12	\$145	\$132	10
Aircraft in operating fleet at period end	295	303	(3)	295	303	(3)
Average aircraft utilization (hours per day) (4)(5)	10.6	10.1	5	10.5	10.2	3
Average aircraft flight length (miles)(5)	857	828	4	860	825	4
Fuel price per litre (cents) (6)	59.6	43.6	37	54.6	41.6	31
Fuel litres (millions)	884	851	4	1,721	1,698	1

(1) References to "Successor Company" refer to ACE and its subsidiaries' results for the three months and six months ended June 30, 2005. References to "Predecessor Company" refer to Air Canada and its subsidiaries' results for the three months and six months ended June 30, 2004. Refer to Note 1 of Interim Unaudited Second Quarter 2005 Consolidated Financial Statements for more information.

(2) 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:

	Three months ended June 30		Six months ended June 30	
	2005	2004	2005	2004
Operating income (loss) before reorganization and restructuring items	177	22	167	(123)
Add back:				
Aircraft rent	98	170	188	364
Depreciation, amortization & obsolescence	119	103	239	198
EBITDAR before reorganization and restructuring items	394	295	594	439

(3) Beginning in October 2004, Aeroplan redemption revenues related to points redeemed for air travel on Air Canada and Jazz 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 more information.

(4) Excludes maintenance down-time.

(5) Excludes third party carriers operating under capacity purchase arrangements.

(6) Includes all fuel handling expense.

ACE Aviation Holdings Inc.

Mainline-related (1)

HIGHLIGHTS (2)

Periods ended June 30

Three months		Six months	
Successor Company - ACE	Predecessor Company - Air Canada	Successor Company - ACE	Predecessor Company - Air Canada
2005	2004	2005	2004

Operating Statistics

	% Change			% Change		
Revenue passenger miles (millions) (RPM)	11,033	10,382	6	21,149	20,031	6
Available seat miles (millions) (ASM)	13,686	13,215	4	26,576	26,311	1
Passenger load factor	80.6%	78.6%	2.0 pts	79.6%	76.1%	3.5 pts
Passenger revenue yield per RPM (excluding Aeroplan) (cents) (3)	15.9	15.6	2	15.3	15.4	0
Passenger revenue yield per RPM (including Aeroplan) (cents) (3)	16.6	15.6	6	15.9	15.4	4
Passenger revenue per ASM (excluding Aeroplan) (cents) (3)	12.9	12.2	5	12.2	11.7	4
Passenger revenue per ASM (including Aeroplan) (cents) (3)	13.4	12.2	9	12.7	11.7	8
Operating revenue per available seat mile (cents)	15.9	14.8	7	15.1	14.3	6
Operating expense per available seat mile (cents)	14.7	14.6	0	14.6	14.7	(1)
Operating expense per available seat mile, excluding fuel expense	11.1	12.0	(8)	11.3	12.2	(8)
Average number of full-time equivalent (FTE) employees (thousands)	28.4	29.0	(2)	28.1	29.1	(3)
Available seat miles per FTE employee (thousands)	481	455	6	945	905	4
Operating revenue per FTE employee (thousands)	\$76	\$67	13	\$143	\$130	11
Aircraft in operating fleet at period end	198	212	(7)	198	212	(7)
Average aircraft utilization (hours per day) (4)(5)	11.6	10.7	8	11.5	10.9	6
Average aircraft flight length (miles)(5)	1,332	1,291	3	1,319	1,269	4
Fuel price per litre (cents) (6)	59.3	43.3	37	54.3	41.4	31
Fuel litres (millions)	826	794	4	1,611	1,584	2

(1) Includes the operations of Air Canada, Aeroplan, Air Canada Technical Services, ACGHS, AC Cargo, Air Canada Capital, Destina, AC Online and SIMCO. Exclude Jazz operations, capacity purchase arrangements with third party carriers, Air Canada Vacations and other non-airline subsidiaries of ACE.

(2) References to "Successor Company" refer to ACE and its subsidiaries' results for the three months and six months ended June 30, 2005.

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Refer to Note 1 of Interim Unaudited Second Quarter 2005 Consolidated Financial Statements for more information.

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