

# News Release

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## ACE AVIATION REPORTS FIRST QUARTER RESULTS

MONTREAL, May 29, 2013 – ACE Aviation Holdings Inc. (ACE) announced today its first quarter results for 2013.

In the first quarter of 2013, ACE recorded an increase in net assets in liquidation of \$0.4 million due to interest income earned during the quarter.

As at May 28, 2013, ACE's only remaining assets consist of cash and short-term investments in an aggregate amount of \$132 million.

In March 2010, ACE applied for Certificates of Discharge from the Canada Revenue Agency ("**CRA**") and Revenu Quebec. On March 7, 2012, a tax clearance certificate was issued by the CRA in connection with all taxation years ended on or prior to December 31, 2010. On March 12, 2012, Revenu Québec issued an equivalent certificate.

ACE has agreed to indemnify and hold harmless Air Canada and Aveos from loss should Input Tax Credit claims by Air Canada and Aveos amounting to \$40 million and \$1 million respectively, be reassessed in the future. These agreements follow related tax reassessments received and paid by ACE as part of the tax audits referred to above.

On June 28, 2012, further to the approval by ACE shareholders on April 25, 2012 of a special resolution providing for the voluntary liquidation of ACE, the Superior Court of Québec (Commercial Division) (the "**Court**") issued an order appointing Ernst & Young Inc. as liquidator of ACE (the "**Liquidator**"). Effective as of June 28, 2012, all of the directors and officers of ACE have resigned from their positions and the Liquidator was vested with the powers of the directors of ACE.

Pursuant to an order issued by the Court on February 25, 2013, the Liquidator established a process for the identification, resolution and barring of claims and other contingent liabilities against ACE. Creditors had until May 13, 2013 to file their proof of claims, failing which their claims will be barred and extinguished. A copy of the Court order is available on the Liquidator's website at [www.ey.com/ca/aceaviation](http://www.ey.com/ca/aceaviation).

Following the completion of such process, the review of any claims and the provision for or settlement of any contingencies, the Liquidator will proceed with the distribution of ACE's remaining net cash to its shareholders. The final distribution to shareholders and the cancellation of the shares of ACE will not occur until all remaining contingent liabilities are settled or otherwise provided for.

For additional information with respect to the liquidation of ACE, refer to the management proxy circular dated March 9, 2012 and the other public filings of ACE which are available at [www.sedar.com](http://www.sedar.com) and [www.aceaviation.com](http://www.aceaviation.com).

### **CAUTION REGARDING FORWARD-LOOKING INFORMATION**

*Certain statements in this news release may contain forward-looking statements. Forward-looking statements may relate to analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These statements may involve, but are not limited to, comments relating to strategies, expectations, planned operations, future actions, the timing of the liquidation, the final distribution to shareholders and the cancellation of the shares of ACE. These forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would", and similar terms and phrases, including references to assumptions. Forward-looking statements, by their nature, are based on assumptions and are subject to important risks and uncertainties. Any forecasts or forward-looking predictions or statements cannot be relied upon due to, amongst other things, changing external events and general uncertainties of the business. Actual results may differ materially from results indicated in forward-looking statements due to a number of factors, including without limitation, market, regulatory developments or proceedings, and actions by third parties as well as the factors identified throughout ACE's filings with securities regulators in Canada and, in particular, those identified in the Risk Factors section of ACE's 2012 Annual MD&A and First Quarter 2013 MD&A. If ACE does not proceed with the winding-up in a timely manner, ACE will continue to incur operating costs and fees. The forward-looking statements contained in this news release represent ACE's expectations as of the date they are made, and are subject to change after such date. However, ACE disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required under applicable securities regulations.*

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