

# News Release

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## **ACE AVIATION REPORTS THIRD QUARTER RESULTS AND PROVIDES AN UPDATE ON ITS LIQUIDATION PROCESS**

MONTREAL, November 25, 2014 – ACE Aviation Holdings Inc. (ACE) announced today its results for the third quarter of 2014, and provided an update with respect to its liquidation process.

### **2014 Third Quarter Results**

In the third quarter of 2014, ACE recorded an increase in net assets in liquidation of \$0.3 million due to interest income earned during the quarter offset by administrative and other expenses.

As at November 25, 2014, ACE's only remaining assets consist of cash and short-term investments in an aggregate amount of approximately \$133 million.

### **Liquidation Process**

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**").

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 would be barred and extinguished. The interim unaudited consolidated financial statements of ACE for the three and nine months ended September 30, 2014 and the related management's discussion and analysis include a description of proofs of claim which were filed and the current status of such claims, including the claim filed by Air Canada with respect to certain tax indemnities.

The Liquidator will not proceed with any further distributions to shareholders until after presentation to the Court of the status of the liquidation matters described in the interim unaudited consolidated financial statements and eventual approval by the Court of any such further distributions. The reassessment periods for the large majority of the input tax credit claims covered by the indemnity in favour of Air Canada will expire by the end of 2014 and the Liquidator intends to commence a process in the first quarter of 2015 to seek the approval of the Court for a further distribution to shareholders.

Future distributions of ACE's remaining net cash to its shareholders are subject to the expiration or settlement of any contingencies and there is no certainty as to the timing or amount of such distributions. 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, the unaudited interim consolidated financial statements and related

management's discussion and analysis for the three and nine months ended September 30, 2014 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, further distributions to shareholders, 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 2013 Annual MD&A dated April 25, 2014. 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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