



<input type="checkbox"/>	Trading – Interest Rate Derivatives	<input checked="" type="checkbox"/>	Back-office - Options
<input checked="" type="checkbox"/>	Trading – Equity and Index Derivatives	<input checked="" type="checkbox"/>	Technology
<input type="checkbox"/>	Back-office – Futures	<input checked="" type="checkbox"/>	Regulation

CIRCULAR
January 4, 2007

FINAL CONTRACT ADJUSTMENT
ACE Aviation Holdings Inc. (ACE)
Special distribution

THE FOLLOWING INFORMATION IS PREPARED FOR THE CONVENIENCE OF CANADIAN DERIVATIVES CLEARING CORPORATION (CDCC) MEMBERS AND BOURSE DE MONTRÉAL INC. (THE BOURSE) APPROVED PARTICIPANTS. THIS DOCUMENT IS AN UNOFFICIAL SUMMARY OF CERTAIN TERMS OF THE AFOREMENTIONED ADJUSTMENT. CDCC AND THE BOURSE ACCEPT NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE SUMMARY.

The Bourse and CDCC hereby inform you that ACE Aviation Holdings Inc. (ACE) announced on December 28, 2006, the terms of the initial distribution of units of Aeroplan Income Fund (Aeroplan) to its shareholders under the statutory arrangement approved by ACE's shareholders at the special meeting held on October 5, 2006.

As of the close of business on January 10, 2007, ACE shareholders will be entitled to receive a non-cash distribution of approximately 0.442 units of Aeroplan per Class A variable voting share which represent approximately 20% of ACE closing price on December 27, 2006.

The adjusted deliverable of ACE options will be composed as follows:

- 100 ACE Class A variable voting shares
- 44 Aeroplan units
- Cdn \$3.42 in cash in lieu of 0.20 Aeroplan units.

Special distribution - adjustment details:

- **EX-DATE:** **January 8, 2007**
- **RECORD DATE:** **January 10, 2007**
- **PAYABLE DATE:** **On or about January 25, 2007**

Circular no.: 001-2007

CDCC - adjustment details:

Pursuant to Terms of Adjustment provided in Section A-902, of the Rules of CDCC, all ACE options will be adjusted as follows:

- **EFFECTIVE DATE:** **January 8, 2007**
- **NEW OPTION SYMBOL:** **ACH**
- **NUMBER OF** **No change**
- **CONTRACTS:**
- **MULTIPLIER:** **100**
- **NEW DELIVERABLE** **1- 100 ACE Class A variable voting shares**
PER CONTRACT: **2- 44.2 Aeroplan units***
* Cash amount will be paid in lieu of 0.20 Aeroplan units, equivalent to Cdn \$3.42 corresponding to the Aeroplan closing price as of December 27, 2006 X 0.20).

*Cash portion of the deliverable remains permanently fixed as part of the option deliverable, and does not vary with price changes of securities also included in the deliverable.

- **POSITION AND** **Position and Exercise Limits will remain unchanged at**
EXERCISE LIMITS: **22 500 contracts**
- **CUSIP:** **NOTACUSIP**

The Bourse - adjustment details:

It is important to note that on the effective date mentioned above, all open orders on this options class **will not be automatically modified** to reflect the plan of arrangement and will therefore have to **be re-entered** into the Montreal Automated System (SAM) by the approved participants.

The existing series of the ACE options class with open interest will be transferred to the ACH class representing the new deliverable. Please note that only closing transactions will be permitted on the adjusted class.

At the opening on business on the effective date, the Bourse will list the new options class ACH as indicated below:

ACE Aviation Holdings Inc.		
Actual Strike Prices	Actual Class Symbol	New Class Symbol after the distribution
\$ 22.00	ACE	ACH
\$ 24.00	ACE	ACH
\$ 26.00	ACE	ACH
\$ 28.00	ACE	ACH
\$ 30.00	ACE	ACH
\$ 32.00	ACE	ACH
\$ 34.00	ACE	ACH
\$ 36.00	ACE	ACH
\$ 38.00	ACE	ACH
\$ 40.00	ACE	ACH
\$ 42.00	ACE	ACH
\$ 44.00	ACE	ACH

PLEASE ENSURE THAT ALL CLIENTS WHO HAVE EITHER LONG OR SHORT POSITIONS IN THIS OPTION CLASS ARE ADVISED OF THIS NOTICE.

For further information, please contact Louise Leclair, Trading Systems Analyst Market Operations, Bourse de Montréal Inc. at (514) 871-3526. CDCC Clearing Members may contact the CDCC Operations Department.

Caroline Bilodeau
Legal Counsel