



# DESPITE A SIGNIFICANT CAPACITY INCREASE IN THE TRANSATLANTIC MARKET: 2014 SECOND BEST SUMMER EVER

TRANSAT INVESTORS' PRESENTATION  
DECEMBER 2014



# FORWARD-LOOKING STATEMENTS

THIS PRESENTATION CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS WITH RESPECT TO THE CORPORATION. THESE FORWARD-LOOKING STATEMENTS, BY THEIR NATURE, NECESSARILY INVOLVE RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED BY THESE FORWARD-LOOKING STATEMENTS. WE CONSIDER THE ASSUMPTIONS ON WHICH THESE FORWARD-LOOKING STATEMENTS ARE BASED TO BE REASONABLE, BUT CAUTION THE READER THAT THESE ASSUMPTIONS REGARDING FUTURE EVENTS, MANY OF WHICH ARE BEYOND OUR CONTROL, MAY ULTIMATELY PROVE TO BE INCORRECT SINCE THEY ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT AFFECT US. THE CORPORATION DISCLAIMS ANY INTENTION OR OBLIGATION TO UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE, OTHER THAN AS REQUIRED BY LAW.



# AGENDA

1. TRANSAT MARKET p. 4
2. KEY FINANCIAL INFORMATION
  - ANNUAL 2014 p. 6
  - FOURTH QUARTER 2014 p. 8
  - WINTER 2015 p. 15
3. FINANCIAL POSITION p. 22
4. COST REDUCTION AND MARGIN IMPROVEMENT INITIATIVES p. 23
5. FLEET STRATEGY p. 24
6. UP-SELLING STRATEGY p. 26
7. OUR INVESTMENT PROPOSITION p. 27

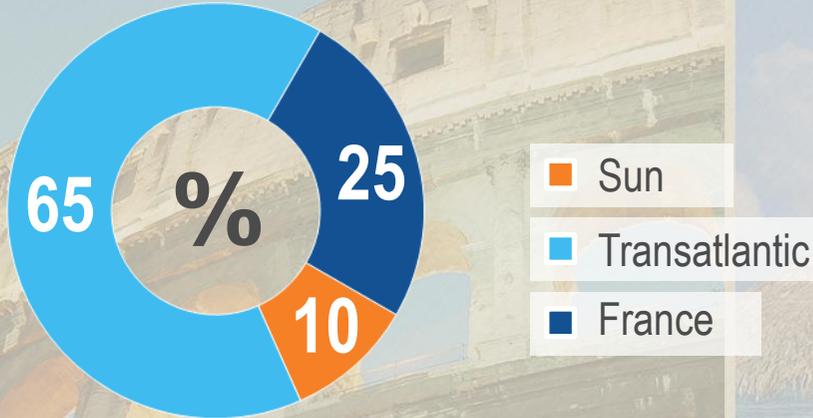


# TRANSAT MARKETS

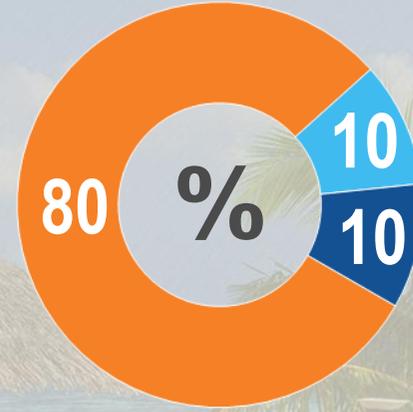
## 3 MARKETS AND 2 DISTINCT SEASONS



### May–October



### November–April



# KEY FINANCIAL INFORMATION - ANNUAL



Welcome  
ἔρθατε  
-vindo  
Welkom  
Willkommen  
Hoş geldiniz  
Benvenuto  
Bienvenido  
Bienvenido  
Welcome  
Willkommen  
Bienvenido  
Bienvenue  
Welkom  
Benvenuto

# KEY FINANCIAL INFORMATION – ANNUAL



## 2014 RESULTS

### HIGHLIGHTS (vs. 2013)

#### ▣ Profitability maintained

- Range of 80-120M EBITDA

#### ▣ 5 record summers in last 6 years

- France profitable
- Very good results across the board on transatlantic during summer

#### ▣ Vision for 2015

- Improve profitability in winter
- Protect profitability in summer

#### ▣ Cost & Margin program

- Will release our 2015-2017 strategic plan in March

	12-month ended October 31			
	2014	2013	2014 vs. 2013	
	Actual	Actual	\$	%
(in thousands of C\$)				
REVENUES	3,752,198	3,648,158	104,040	2.9%
EBITDAR <sup>(1)</sup>	179,064	197,916	(18,852)	-9.5%
EBITDA <sup>(1)</sup>	91,835	116,646	(24,811)	-21.3%
As % of revenues	2.4%	3.2%		
Adjusted net income (loss) <sup>(2)</sup>	45,242	62,566	(17,324)	-27.7%
As % of revenues	1.2%	1.7%		
Per share	1.16	1.63		

1) Before restructuring charges

2) Net income (loss) excluding change in fair value of derivative financial instruments used for aircraft fuel purchases, non-monetary gain on investments in ABCP, goodwill impairment and restructuring charges

# KEY FINANCIAL INFORMATION – SUMMER



Welcome  
Καλώς ήρθατε  
Bem-vindo  
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Welcome  
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Bienvenido  
Bienvenue  
Welkom  
Benvenuto

# KEY FINANCIAL INFORMATION - SUMMER



## FOURTH QUARTER RESULTS

### HIGHLIGHTS (vs. 2013)

- ▣ **Significant increase in global capacity (+10%)**
- ▣ **Transatlantic**
  - Capacity similar
  - Load factor down by 0.7%
  - Prices up by 0.2%
  - Costs up by 3.7%
- ▣ **Currency Exposure**
  - Depreciation of CAD against other currencies to impact costs and revenues
- ▣ **Efficiency gains coming from our cost reduction program and other initiatives**

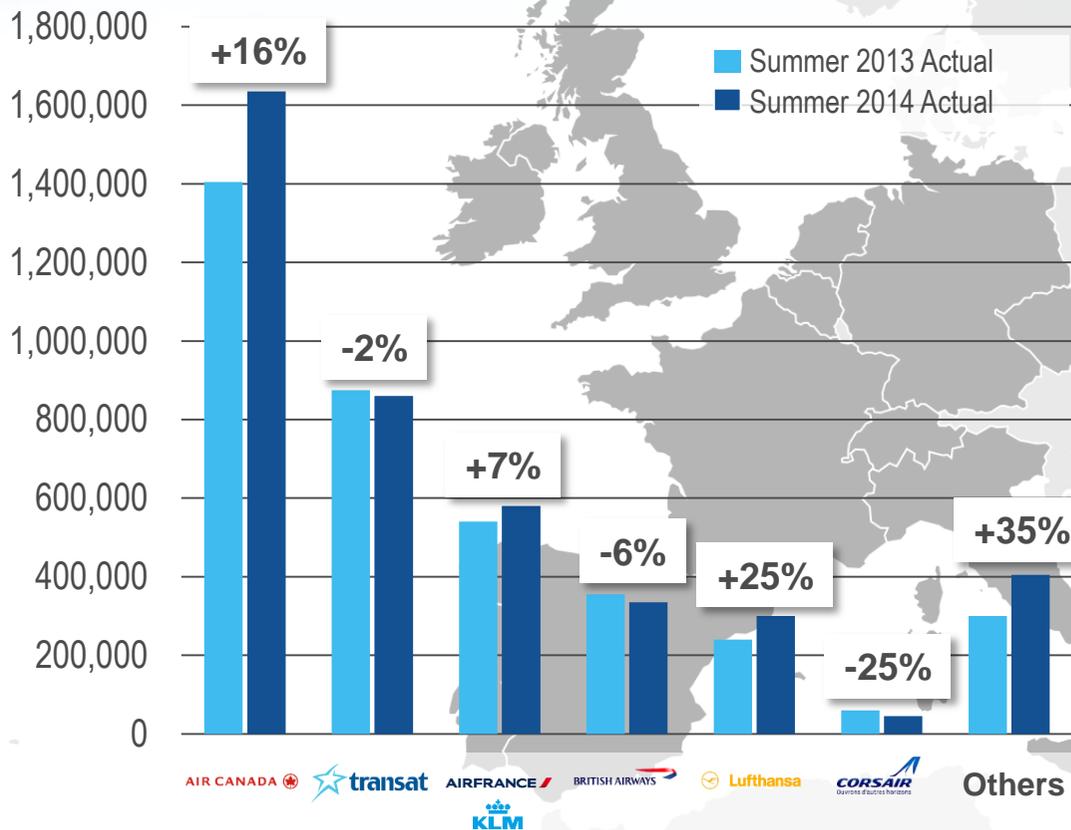
<i>(in thousands of C\$)</i>	3-month ended October 31			
	2014	2013	2014 vs. 2013	
	Actual	Actual	\$	%
REVENUES	844,655	808,616	36,039	4.5%
EBITDAR <sup>(1)</sup>	97,719	100,327	(2,607)	-2.6%
EBITDA <sup>(1)</sup>	72,863	80,562	(7,699)	-9.6%
As % of revenues	8.6%	10.0%		
Adjusted net income (loss) <sup>(2)</sup>	49,353	54,804	(5,451)	-9.9%
As % of revenues	5.8%	6.8%		
Per share	1.27	1.40		

1) Before restructuring charges

2) Net income (loss) excluding change in fair value of derivative financial instruments used for aircraft fuel purchases, non-monetary gain on investments in ABCP, goodwill impairment and restructuring charges

# TRANSATLANTIC MARKET

CAPACITY AND MARKET SHARE ON TRANSAT ROUTES (2013-2014) <sup>(1)</sup>

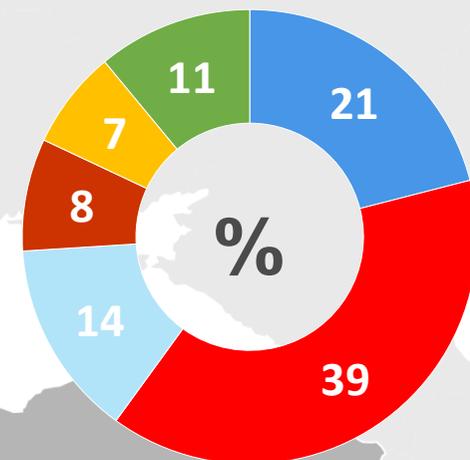


TOTAL SEATS  
SUMMER 2013  
**3,775,000**

TOTAL SEATS  
SUMMER 2014  
**4,160,000**

**+10%**

Market share –  
Transatlantic routes  
Summer 2014



- Transat
- Air Canada
- Air France/KLM
- British Airways
- Lufthansa
- Others

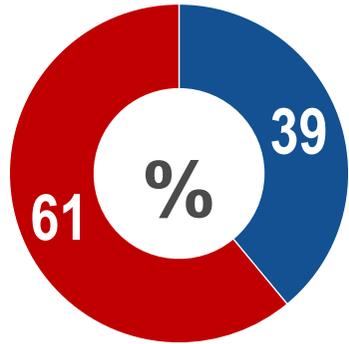
(1) Based on April to October

# TRANSATLANTIC MARKET – SUMMER

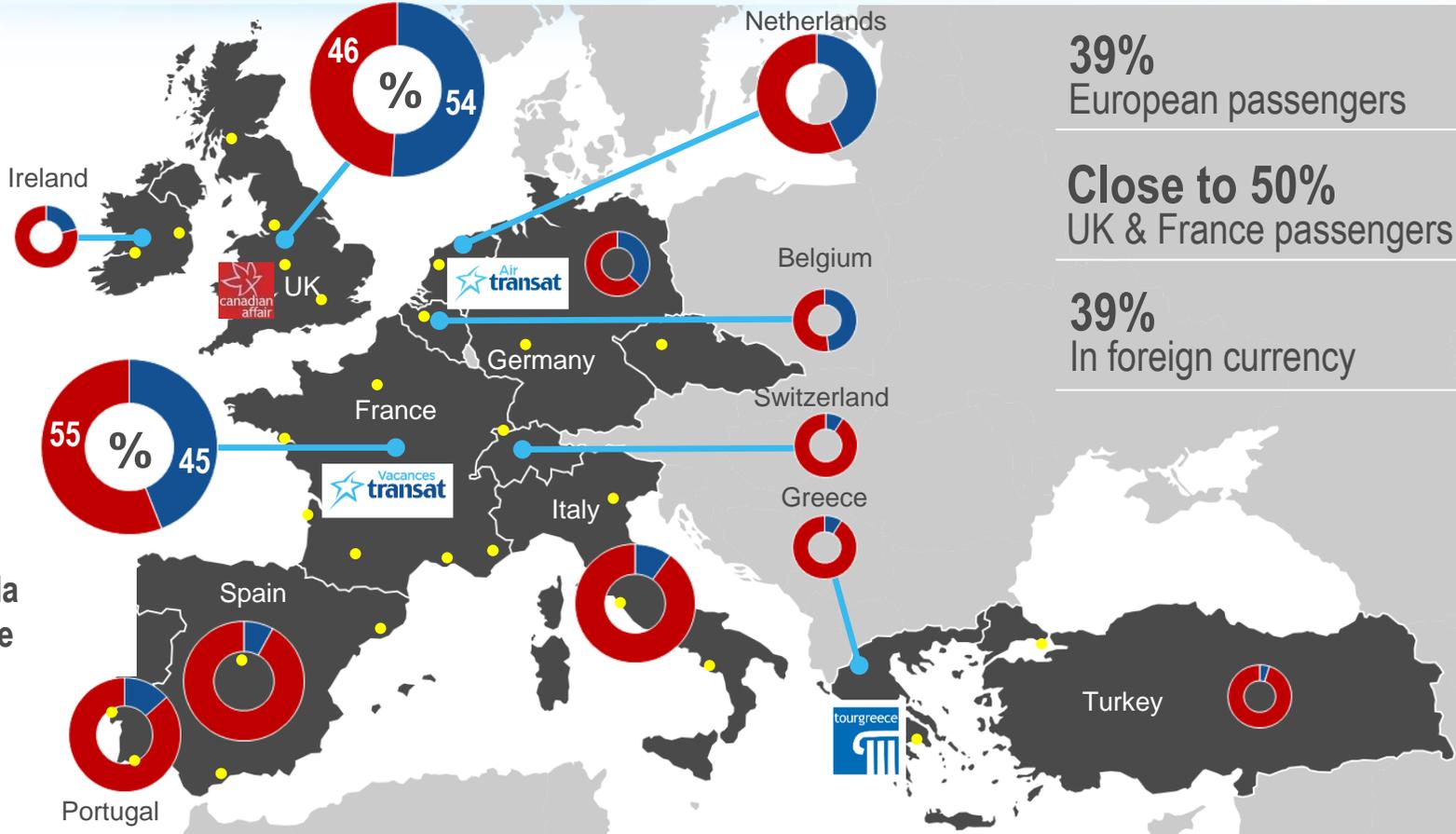
(TRANSAT ROUTES, SUMMER 2014)



Total sales:  
860,000 seat



■ Sales in Canada  
■ Sales in Europe



39%  
European passengers

Close to 50%  
UK & France passengers

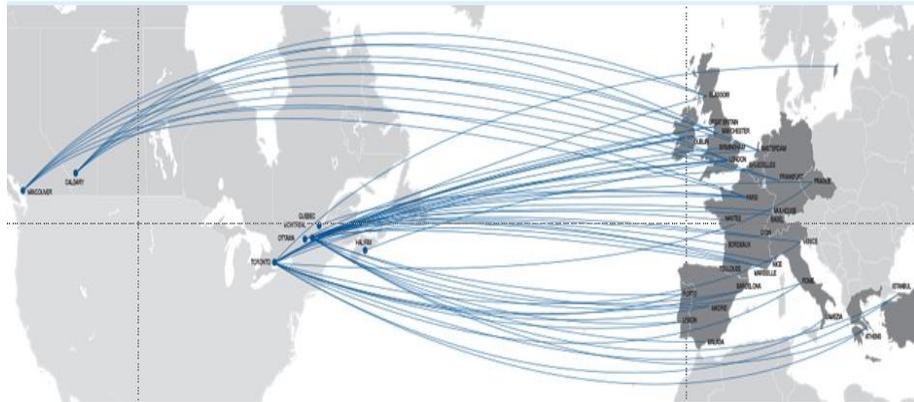
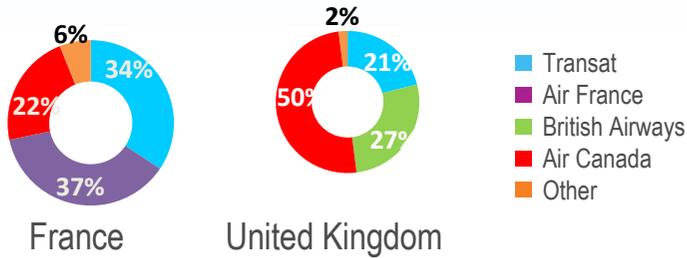
39%  
In foreign currency

# TRANSATLANTIC MARKET: AIR AND LAND

## PRODUCT AND CUSTOMER EXPERIENCE



### SUMMER CAPACITY 2014



- Europe: largest tourism market in the world (more than 50% of travellers inbound & outbound)
- 4.1M seats in summer 2014 between Canada and Europe

### TRANSAT STRATEGY AND MARKET POSITION

- Unique portfolio of direct destinations
- Strong airline brand and enhanced customer experience (refurbished cabin, excellent on-time performance, excellent customer service)
- Lowest-cost producer with aggregate 21% market share
- Sells on both sides of the Atlantic through our own business units, distribution networks and the Web
- Attractive offering of packages including accommodations and transfers, cruises, tours, rental cars and excursions



**75% OF CANADIAN TRAVELLERS SAY THEY ARE VERY OR EXTREMELY INTERESTED IN VISITING OR REVISITING EUROPE**

*(TravelStyles Canada, 2013)*

# TRANSATLANTIC MARKET: AIR AND LAND

## PRODUCT AND CUSTOMER EXPERIENCE



### EACH YEAR, TRANSAT SELLS:

- More than 100,000 tours to destinations around the world (40% in Canada or Europe), with an average margin of over 10%
- More than 200,000 room nights in Europe, to Canadian travellers
- More than 325,000 room nights in Canada, to European travellers



### TOURS, PACKAGES AND FLIGHTS TO CANADA SOLD IN EUROPE

- Jonview Canada: Nearly 200,000 customers from Western Europe in 2014
- Air Transat: 39% of transatlantic capacity sold through Transat France, Canadian Affair (UK), ACE (Neth., Belgium etc.), Tourgreece, plus GSAs and B2C websites (12-country footprint)

### TOURS, PACKAGES AND FLIGHTS TO EUROPE SOLD IN CANADA

- More than 75,000 customers purchase some form of land portion from Transat (accommodations, etc.)
- 12,000 tours sold each year in Canada (in-house or through partnership with Trafalgar)
- Direct flights to Barcelona, Venice and Athens: 20,000 European cruises sold each year



## MARKET CONDITIONS AND TRANSAT POSITION

- ▣ Demand still weak due to economic conditions
- ▣ Greece, Spain and Italy performed well by replacing North African destinations
- ▣ Transat doing better than its peers
- ▣ Profitable in 2013 and 2014

## VACANCES TRANSAT

- ▣ Nearly 80,000 tours sold each year, mainly long-haul, including 20,000 to Canada
- ▣ No. 1 tour operator in France on Canada
- ▣ Sells Air Transat products and works closely with Jonview Canada

## LOOK VOYAGES AND DISTRIBUTION

- ▣ Nearly 200,000 pax in clubs with new openings scheduled for 2015 (Cuba, Panama, Canary Islands)
- ▣ Quick realignment of the Club Lookea portfolio from North African to Southern European destinations, while keeping an eye on Tunisia
- ▣ Strong brand as a club specialist, a travel agency network and now an OTA (selling third party products)

# KEY FINANCIAL INFORMATION – WINTER



Welcome  
Καλώς ήρθατε  
Bem-vindo  
Willkommen  
Hoş geldiniz  
Benvenuto  
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Welkom  
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Bienvenue  
Welkom  
Benvenuto

# KEY FINANCIAL INFORMATION – WINTER



## FUEL PRICE DEPRECIATION (IN CAD)



# KEY FINANCIAL INFORMATION - WINTER

## CURRENCY & FUEL IMPACT ON COSTS (2015 VS. 2014)



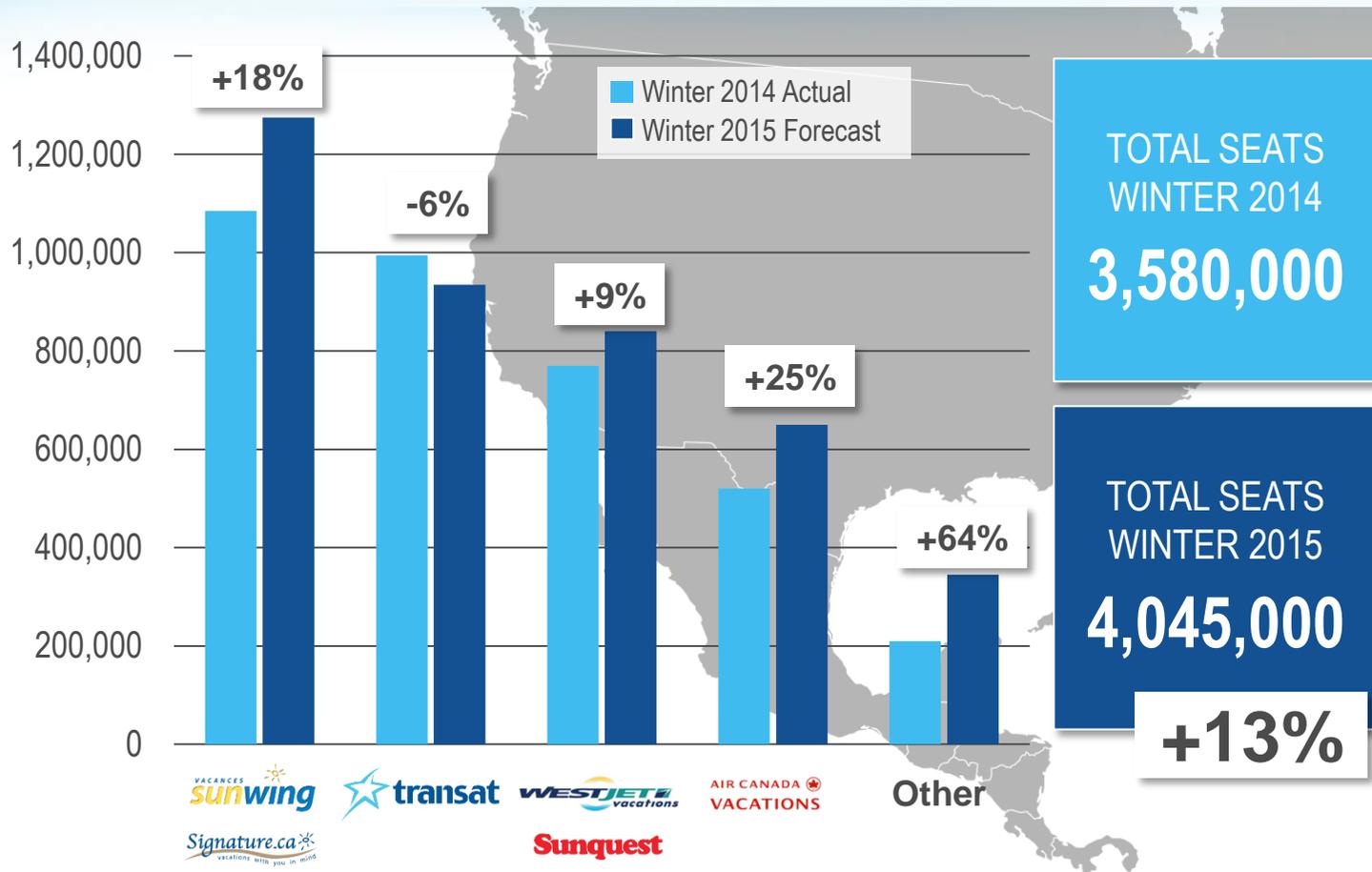
	Sun destinations		
	Q1	Q2	Winter
Average selling price 2014 <sup>(1)</sup>	\$1,370	\$1,370	\$1,370
% Fuel expenses in USD	15%	15%	15%
% Other expenses in USD	50%	50%	50%
<b>2015 average</b>			
- FX Blended Rate	1.11	1.12	1.12
- Fuel Blended Price <sup>(2)</sup>	CAD2.85/gallon	CAD2.75/gallon	CAD2.80/gallon
<b>2014 average</b>			
- FX Blended Rate	1.05	1.07	1.06
- Fuel Blended Price <sup>(2)</sup>	CAD3.05/gallon	CAD3.10/gallon	CAD3.07/gallon
<b>FX/Fuel impact on costs</b>	<b>\$33</b>	<b>\$1</b>	<b>\$16</b>
<b>FX/Fuel impact in %</b>	<b>2.4%</b>	<b>0.1%</b>	<b>1.2%</b>

1. Price before commission was \$1,470

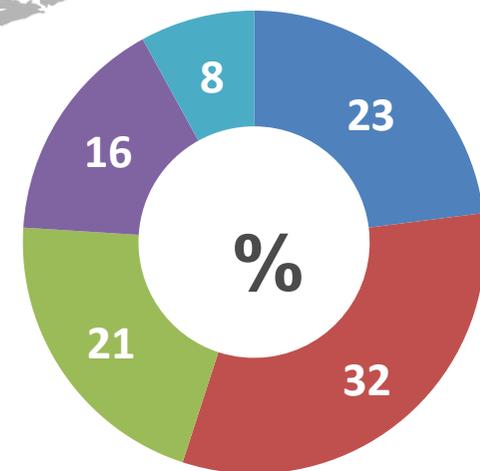
2. Price based on the Jet Fuel US Golf Coast Pipeline Index in CAD

# SUN DESTINATIONS MARKET

## CAPACITY AND MARKET SHARE (TRANSAT MARKETS)



Market share – Sun, Winter 2015



- Transat
- Sunwing-Signature
- WestJet Vacations
- Air Canada Vacations
- Other

# KEY FINANCIAL INFORMATION – WINTER

IMPACT ON ADJUSTED EBITDA (AS AT DECEMBER 3, 2014)



▣ **Significant increase in global capacity (+13%)**

▣ **Sun destinations**

- Capacity decreased by 6%
- 41% of inventory sold
- Load factor up by 1.2%
- Prices up by 1.4%
- Costs up by 1.2%

▣ **Currency/Fuel Exposure**

- Depreciation of CAD against USD offset partially by the depreciation of fuel price

▣ **Measures taken**

- Cost reduction program & margin initiatives
- More flexible fleet
- Worked on hotel offering (exclusivities and collections)
- Up-selling strategy

	Q1	Q2	Winter
<b>Adj. EBITDA 2014</b>	(24M)	(4M)	(28M)
<b>Δ FX / Fuel on costs</b>	(14M)	(2M)	(16M)
<b>Adj. EBITDA incl. FX / Fuel impact</b>	(38M)	(6M)	(43M)
<b>Yield management (price, load factor) and others (cost initiatives, etc.)</b>			
<b>Adj. EBITDA 2015</b>			

# TRANSAT SUN DESTINATIONS

OUTBOUND FROM CANADA



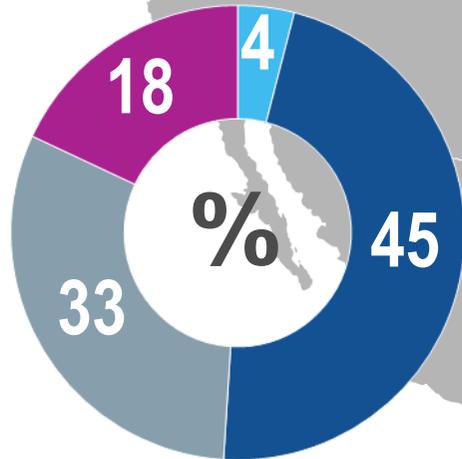
## Winter 2014: 990,000 travellers

(excluding Florida)



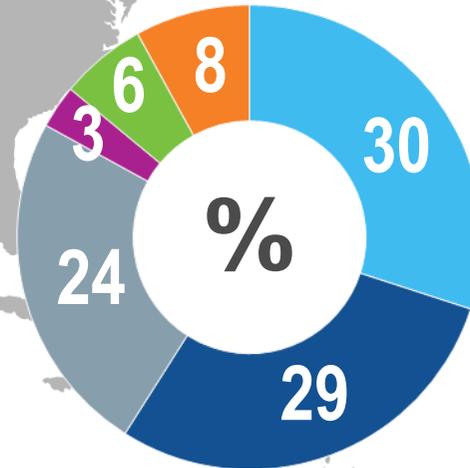
### Origin of travellers

- Atlantic
- Quebec
- Ontario
- West



### Destination of travellers

- Mexico
- Dom. Rep.
- Cuba
- Caribbean
- Jamaica
- Central America



# SUN DESTINATIONS

A DISTINCTIVE EXPERIENCE



## Exclusive hotels



### TRANSAT HOLIDAYS

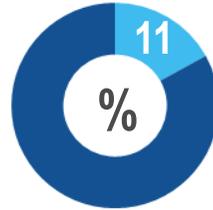
- Relaxation, discovery and peace of mind
- 19 exclusive hotels



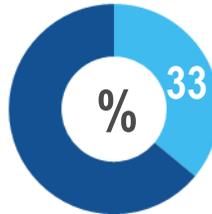
### NOLITOURS

- Exciting packages at unbeatable prices
- 32 exclusive hotels

### EXCLUSIVE HOTELS



### ROOM NIGHTS



## Transat Holidays Collections



### DISTINCTION

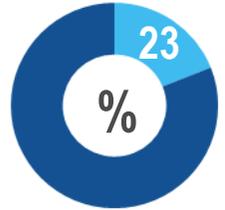
27 resorts in 2014



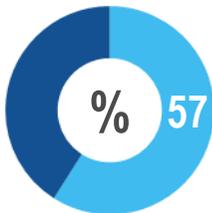
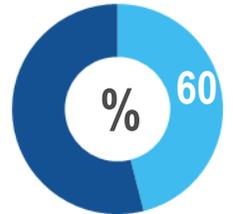
### LUXURY

15 resorts in 2014

### ROOM NIGHTS



### MARGIN



**57% OF ROOM NIGHTS WITH TRANSAT HOLIDAYS AND NOLITOURS ARE SOLD IN EXCLUSIVE HOTELS OR THROUGH OUR COLLECTIONS**

# KEY FINANCIAL INFORMATION – OTHERS



A word cloud featuring the word "Welcome" in various languages and colors. The words are arranged in a cluster, with some appearing larger than others. The colors include shades of blue, yellow, green, purple, pink, and orange. The languages represented include English, Greek, Spanish, Portuguese, Dutch, German, Turkish, and Italian.

Welcome  
Καλώς ήρθατε  
Bienvenido  
Bem-vindo  
Willkommen  
Hoş geldiniz  
Benvenuto  
Bienvenue  
Welkom  
Willkommen  
Bienvenido  
Bem-vindo  
Willkommen  
Welkom  
Benvenuto

# FINANCIAL POSITION

AS AT OCTOBER 31, 2014



## HIGHLIGHTS

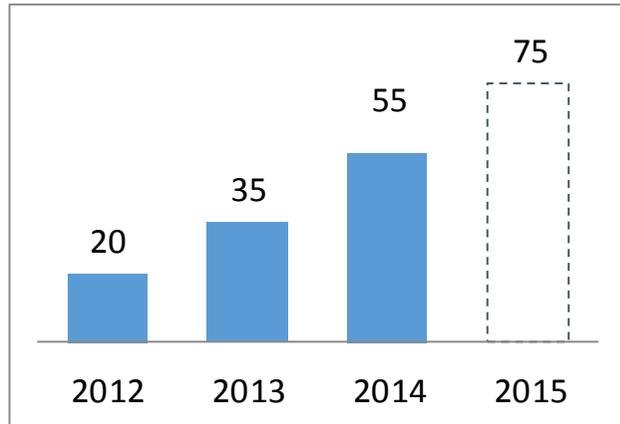
- ▣ **Free cash of \$309M (\$43M increase YoY)**
  - Due to profitability higher than CAPEX
  - Improved conditions from card processors in Europe
- ▣ **Cash in-trust decreased by \$21M**
- ▣ **Working capital ratio improved**
- ▣ **Unused credit facilities of \$66M**
- ▣ **2015E CAPEX: \$55M**

	As at			
	October 31, 2014	October 31, 2013	2014 vs. 2013	
	Actual	Actual	\$	%
<i>(in thousands of CAD, except ratios)</i>				
<b>Free cash</b>	<b>308,887</b>	<b>265,818</b>	<b>43,069</b>	<b>16.2%</b>
Cash in trust or otherwise reserved	340,704	361,743	(21,039)	-5.8%
Trade and other payables	338,633	326,687	11,946	3.7%
Customer deposits	424,468	410,340	14,128	3.4%
<b>Working capital ratio</b>	<b>1.12</b>	<b>1.10</b>	<b>0.02</b>	<b>1.8%</b>
Balance sheet debt	0	0	0	0.0%
Commitments on aircraft leases	690,267	655,791	34,476	5.3%
Net investment (Ocean Hotels)	83,949	70,041	13,908	19.9%
Capital expenditures (TTM)	64,769	55,457	9,312	16.8%
Free cash flow (TTM)	41,265	67,582	(26,317)	-38.9%

# INITIATIVES – COSTS & MARGINS



## TARGETS



 TARGET REACHED  
 NEW TARGET

**2012:** Achieved targeted costs reduction of \$20M, mainly through headcount and general expenses.

**2013:** Achieved targeted costs reduction of \$15M, stemming in part from new operational processes at Air Transat, including the removal of one flight attendant on A330s.

**2014:** Achieved targeted costs reduction of \$20M from several initiatives, including the internalization of narrow-body aircraft and the first phase of a more flexible wide-body fleet.

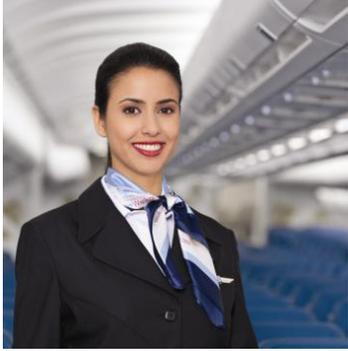
**2015:** Impact of the internalization of the narrow-body fleet and changes made to the wide-body fleet will be fully felt and will generate another \$20M.

**2012-2015: Cumulative impact of \$75M**

**2015-2017: Additional initiatives (in March)**

# FLEET STRATEGY

## AIR TRANSAT



<b>WIDE-BODY</b>	<b>W13</b>	<b>S13</b>	<b>W14</b>	<b>S14</b>	<b>W15</b>	<b>S15</b>
Air Transat Base Fleet	21	21	21	21	21	21
Less: Temporarily withdrawn <sup>(1)</sup>	-	-	(4)	-	(6)	-
Less: Sub-Lease	(1)	-	(1)	-	(1)	-
<b>Total</b>	<b>20</b>	<b>21</b>	<b>16</b>	<b>21</b>	<b>14</b>	<b>21</b>

1) As announced in July, we signed an agreement for the renewal of six A330 with improved terms that will enable us to achieve our objective of reducing costs in a more advantageous way than the seasonal subcontracting arrangement originally envisioned

<b>NARROW-BODY</b>	<b>W13</b>	<b>S13</b>	<b>W14</b>	<b>S14</b>	<b>W15</b>	<b>S15</b>
Air Transat Base Fleet <sup>(2)</sup>	-	-	-	4	4	4
Plus: CanJet	11	5	11	1	2	1
Plus: Seasonal Lease <sup>(3)</sup>	-	-	1	-	8	-
<b>Total</b>	<b>11</b>	<b>5</b>	<b>12</b>	<b>5</b>	<b>14</b>	<b>5</b>

2) Already secured 4 narrow-body starting in Summer 2014 with ILFC

3) Already secured 6 of 8 seasonal narrow-body aircraft starting in winter 2015 (with one additional aircraft for the subsequent year until 2019)

# FLEET STRATEGY

## AIR TRANSAT



nachdenken • klimabewusst reisen



## BEFORE

Transat used a mix of wide-body aircraft (operated by Air Transat) and depending on the season, a variable number of narrow-body aircraft (operated by CanJet Airlines)

## WIDE-BODY

Sun capacity on wide-body aircraft will be reduced during the winter season

### Benefits:

- Reduced fixed costs and pressure to deploy wide-body capacity in winter season
- Increased flexibility and yield

## IN WINTER 2015

Transat will migrate towards a fleet of variable size for both wide-body and narrow-body in order to adjust the mix of aircraft type according to seasonal needs

## NARROW-BODY

Started in Summer 2014, Transat had internalized the operation of narrow-body aircraft (mix of permanent and seasonal)

### Benefits:

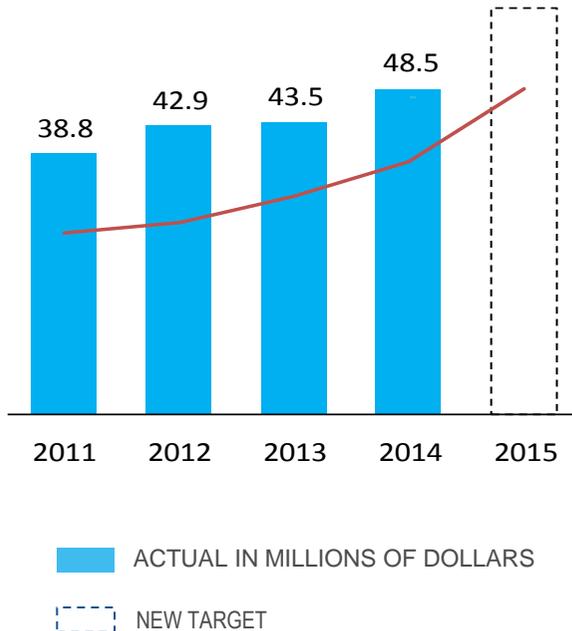
- Maintain and adjust capacity at will on sun destinations
- Favorable impact on costs and margins
- Controlled customer experience

# UP-SELLING STRATEGY

## AIR TRANSAT



### Airline Ancillary Revenues\*



\*The chart captures only the blue description on the right

- ▣ Revised terms and conditions: more flexibility for a fee (2012)
- ▣ Increase in the selling price of Club seats (new configuration)
- ▣ New search engine for selling tours on airtransat.ca
- ▣ Core business ancillary revenues in 2014: \$48.5M/year
  - Seat selection
  - Option Flex introduced in winter 2013
  - Option Plus (premium eco)
  - Excess baggage, onboard sales, etc.
- ▣ Selling accommodation: Air Transat site connected to bed banks Expedia and HotelBeds
- ▣ Food: Buy-on-board on sun destinations (since summer 2014)
- ▣ Introduced our new Eco Fares by offering flexibility to Economy Class passengers (Q4-2014)

## ❑ **Summer (Transatlantic market):**

- Lowest cost producer among market leaders
- Strong brand and award-winning products and services
- Selling well on both sides of the Atlantic and offering a large array of leisure products (minimize our market exposure)

## ❑ **Winter (Sun market):**

- Work on hotel offering (exclusivities and collections)
- Good profitability on our hotel investment (Ocean)
- Favorable impact of internalized narrow-body fleet

## ❑ **Cost reduction and margin improvement:**

- Introducing an innovative software to merchandise our ancillary products in 2015
- Additional costs reduction of \$20M expected in 2015 for a cumulative of \$75M (2011-2015)
- 2015-2017 strategic plan to be announced in March (including further cost reduction and margin improvement initiatives)

## ❑ **Strong financial performance and sound financial position**

Welcome  
Καλώς ήρθατε Bienvenido Bienvenu Bem-v  
Bem-vindo Welcome Willkommen  
Welkom Willkommen Bienvenido B  
Hoş geldiniz Bienvenue Welkor  
Benvenuto

# MARK-TO-MARKET

## FOURTH QUARTER 2014



### HIGHLIGHTS

- Fuel and USD hedging – In line with our bookings for Winter 2015
- Fuel MtM variation impacted negatively our Q4 financial results due to a decrease of the fuel price by -25%
- Actual Global MtM at -\$25M because the sudden fuel price decrease is not completely offset by CAD depreciation (-3.5%)
- The negative Fuel MtM variation who impacted our Q4 financial results will be mostly reversed over the next two quarters (Winter 2015)

	Fuel (P&L impact)		Currency (B/S impact)		TOTAL	
	MtM	Quarterly variation	MtM	Quarterly variation	MtM	Quarterly variation
<i>(in thousands of C\$)</i>						
October 31, 2013	(574)	585	3,613	1,273	3,039	1,858
November 30, 2013	2,986	3,560	8,142	4,529	11,128	8,089
December 31, 2013	(2,194)	(1,620)	7,003	3,390	4,809	1,770
January 31, 2014	(3,801)	(3,227)	16,228	12,615	12,427	9,388
February 28, 2014	3,278	7,079	12,908	(3,320)	16,186	3,759
March 31, 2014	(3,318)	483	9,862	(6,366)	6,544	(5,883)
April 30, 2014	(2,064)	1,737	(4,062)	(20,290)	(6,126)	(18,553)
May 31, 2014	(4,112)	(2,048)	(6,537)	(2,475)	(10,649)	(4,523)
June 30, 2014	(2,531)	(467)	(18,790)	(14,728)	(21,321)	(15,195)
July 31, 2014	(3,296)	(1,232)	(3,415)	647	(6,711)	(585)
August 31, 2014	(6,074)	(2,778)	(3,662)	(247)	(9,736)	(3,025)
September 30, 2014	(18,672)	(15,376)	16,136	19,551	(2,536)	4,175
October 31, 2014	(24,386)	(21,090)	16,295	19,710	(8,091)	(1,380)
Actual	(45,486)	(21,100)	20,525	4,230	(24,961)	(16,870)

# ANNEX: WINTER FINANCIAL RESULTS

(5-YEAR HISTORICAL)



<i>(in thousands of CAD)</i>	Winter					
	2014	2013	2012	2011	2010	Avg. 2004-2008
<b>REVENUES</b>	<b>1,965,842</b>	1,912,538	2,041,722	1,911,263	1,852,948	1,482,107
<b>EBITDAR<sup>(1)</sup></b>	<b>11,197</b>	22,688	(16,594)	26,440	23,386	110,072
<b>EBITDA<sup>(1)</sup></b>	<b>(27,826)</b>	(18,287)	(58,065)	(5,470)	(4,211)	84,462
As % of revenues	<b>-1.4%</b>	-1.0%	-2.8%	-0.3%	-0.2%	5.7%
<b>Adjusted net income (loss)<sup>(2)</sup></b>	<b>(30,841)</b>	(22,996)	(54,477)	(20,084)	(20,892)	45,173
As % of revenues	<b>-1.6%</b>	-1.2%	-2.7%	-1.1%	-1.1%	3.0%
<b>Net income (loss) as per F/S</b>	<b>(33,552)</b>	(37,897)	(42,688)	(4,853)	(7,674)	43,907
<b>Adjustments net of tax :</b>	<b>(2,711)</b>	(14,901)	<b>11,789</b>	<b>15,231</b>	<b>13,218</b>	<b>(1,266)</b>
Change in fair value of derivative financial instruments used for aircraft fuel purchases	<b>(1,480)</b>	(16,440)	6,025	11,993	10,318	5,603
Non-monetary gain on investments in ABCP	-	-	8,032	6,637	5,394	(6,427)
Gain on disposal of a subsidiary	-	-	-	-	-	-
Goodwill impairment	-	-	-	-	-	-
Restructuring (Charge) / Gain	<b>(2,226)</b>	(3,915)	-	-	960	-
Tax Impact	<b>995</b>	5,454	(2,268)	(3,399)	(3,454)	(442)

1) Before restructuring charges

2) Net income (loss) excluding change in fair value of derivative financial instruments used for aircraft fuel purchases, non-monetary gain on investments in ABCP, goodwill impairment and restructuring charges

# ANNEX: SUMMER FINANCIAL RESULTS

(5-YEAR HISTORICAL)



<i>(in thousands of CAD)</i>	Summer					
	2014	2013	2012	2011	2010	Avg. 2009-2014
<b>REVENUES</b>	<b>1,786,357</b>	1,735,620	1,672,497	1,746,901	1,645,929	1,687,719
<b>EBITDAR<sup>(1)</sup></b>	<b>167,867</b>	175,228	121,910	78,907	157,145	131,864
<b>EBITDA<sup>(1)</sup></b>	<b>119,661</b>	134,933	75,020	41,967	131,793	93,271
As % of revenues	<b>6.7%</b>	7.8%	4.5%	2.4%	8.0%	5.5%
<b>Adjusted net income (loss) <sup>(2)</sup></b>	<b>76,083</b>	85,563	39,205	12,880	74,554	52,189
As % of revenues	<b>4.3%</b>	4.9%	2.3%	0.7%	4.5%	3.1%
<b>Net income (loss) as per F/S</b>	<b>56,427</b>	95,852	26,019	(7,360)	73,281	48,886
<b>Adjustments net of tax :</b>	<b>(19,656)</b>	10,289	<b>(13,186)</b>	<b>(20,240)</b>	<b>(1,273)</b>	<b>(3,303)</b>
Change in fair value of derivative financial instruments used for aircraft fuel purchases	<b>(22,342)</b>	15,947	(5,324)	(13,271)	(977)	5,564
Non-monetary gain on investments in ABCP	-	-	(96)	1,476	(746)	(715)
Gain on disposal of a subsidiary	-	-	5,655	-	-	943
Goodwill impairment	<b>(369)</b>	-	(15,000)	(10,030)	-	(5,645)
Restructuring (Charge) / Gain	<b>(4,161)</b>	(1,825)	-	(6,513)	197	(2,633)
Tax Impact	<b>7,216</b>	(3,833)	1,579	8,098	252	(816)

1) Before restructuring charges

2) Net income (loss) excluding change in fair value of derivative financial instruments used for aircraft fuel purchases, non-monetary gain on investments in ABCP, goodwill impairment and restructuring charges

# ANNEX: ANNUAL FINANCIAL RESULTS

(5-YEAR HISTORICAL)



<i>(in thousands of CAD)</i>	Annual					
	2014	2013	2012	2011	2010	Avg. 2004-2014
<b>REVENUES</b>	<b>3,752,198</b>	3,648,158	3,714,219	3,568,164	3,498,877	3,231,252
<b>EBITDAR<sup>(1)</sup></b>	<b>179,064</b>	197,916	105,316	105,347	180,531	166,905
<b>EBITDA<sup>(1)</sup></b>	<b>91,835</b>	116,646	16,955	36,497	127,582	103,492
As % of revenues	<b>2.4%</b>	3.2%	0.5%	1.0%	3.6%	3.2%
<b>Adjusted net income (loss)<sup>(2)</sup></b>	<b>45,242</b>	62,567	(15,272)	(7,204)	56,662	45,492
As % of revenues	<b>1.2%</b>	1.7%	-0.4%	-0.2%	1.5%	1.4%
<b>Net income (loss) as per F/S</b>	<b>22,875</b>	57,955	(16,669)	(12,213)	65,607	36,683
<b>Adjustments net of tax :</b>	<b>(22,367)</b>	(4,612)	<b>(1,397)</b>	<b>(5,099)</b>	<b>11,945</b>	<b>(8,810)</b>
Change in fair value of derivative financial instruments used for aircraft fuel purchases	<b>(23,822)</b>	(493)	701	(1,278)	9,341	(2,467)
Non-monetary gain on investments in ABCP	-	-	7,936	8,113	4,648	(3,514)
Gain on disposal of a subsidiary	-	-	5,655	-	-	514
Goodwill impairment	<b>(369)</b>	-	(15,000)	(10,030)	-	(3,434)
Restructuring (Charge) / Gain	<b>(6,387)</b>	(5,740)	-	(6,513)	1,157	(1,907)
Tax Impact	<b>8,211</b>	1,621	(689)	4,699	(3,202)	1,999

1) Before restructuring charges

2) Net income (loss) excluding change in fair value of derivative financial instruments used for aircraft fuel purchases, non-monetary gain on investments in ABCP, goodwill impairment and restructuring charges

# ANNEX: FINANCIAL POSITION

(5-YEAR HISTORICAL)



<i>(in thousands of CAD)</i>	As at April 30					As at October 31				
	2014	2013	2012	2011	2010	2014	2013	2012	2011	2010
Free cash + ABCP investment ( <i>fair value</i> )	404,554	336,148	349,457	356,431	281,340	308,887	265,818	198,525	260,327	252,973
Cash in trust or otherwise reserved	300,848	296,747	289,806	337,487	315,966	340,704	361,743	331,172	323,314	320,428
Trade and other payables	373,840	372,094	366,742	333,477	306,241	338,633	326,687	308,069	355,246	300,355
Customer deposits	540,293	514,674	464,722	464,660	422,184	424,468	410,340	382,823	331,280	313,695
<b>Working capital ratio</b>	<b>1.04</b>	<b>0.98</b>	<b>0.93</b>	<b>1.03</b>	<b>1.01</b>	<b>1.12</b>	<b>1.10</b>	<b>1.00</b>	<b>1.02</b>	<b>1.10</b>
Balance sheet debt	0	0	0	6,867	55,332	0	0	0	0	29,059
Commitment on aircraft leases	648,600	508,961	595,755	618,752	397,462	690,300	655,791	557,133	653,663	643,750
Net investment (H10 hotels)	77,510	68,300	62,651	58,665	64,307	83,949	70,041	64,189	60,612	61,239
Capital expenditures (TTM)	63,239	61,562	57,265	44,424	23,336	64,769	55,457	67,491	54,194	26,122
Free cash flow (TTM)	54,774	(5,779)	389	116,016	8,949	41,265	67,582	(55,768)	32,282	93,009

# ANNEX: FINANCIAL POSITION

(5-YEAR HISTORICAL)



<i>(in thousands of CAD)</i>	As at January 31					As at July 31				
	2014	2013	2012	2011	2010	2014	2013	2012	2011	2010
Free cash + ABCP investment ( <i>fair value</i> )	359,596	247,877	291,234	274,009	220,880	497,072	389,337	318,692	385,778	286,960
Cash in trust or otherwise reserved	418,504	407,153	426,671	474,661	407,282	262,803	290,558	268,287	301,759	309,521
Trade and other payables	421,172	351,866	355,740	358,539	313,934	463,785	443,189	383,557	419,918	355,411
Customer deposits	621,618	591,969	598,424	537,034	466,908	485,867	456,215	395,862	386,703	387,158
<b>Working capital ratio</b>	<b>1.07</b>	<b>1.02</b>	<b>0.99</b>	<b>1.04</b>	<b>1.05</b>	<b>1.06</b>	<b>1.02</b>	<b>0.99</b>	<b>1.02</b>	<b>1.01</b>
Balance sheet debt	0	0	0	13,762	106,263	0	0	0	6,879	21,068
Commitment on aircraft leases	657,020	531,374	628,167	606,034	369,892	583,858	684,721	573,152	598,819	542,644
Net investment (H10 hotels)	74,579	64,011	60,689	59,173	65,303	78,026	69,281	65,356	58,625	65,146
Capital expenditures (TTM)	54,463	58,882	56,089	34,918	27,585	58,436	62,030	65,416	51,042	22,325
Free cash flow (TTM)	104,940	(45,567)	33,548	153,048	(33,052)	100,580	71,220	(59,984)	106,608	33,217



DESPITE A SIGNIFICANT CAPACITY INCREASE IN THE MARKET:  
2014 SECOND BEST SUMMER EVER

THANK YOU!

