

Welcome  
ήρθατε Bienvenido Bienvenue  
-vindo Welcome Willkommen  
Willkommen Bienvenido Benvenuto  
geldiniz Bienvenue Welkom  
Benvenuto



**IMPROVEMENT DURING SECOND QUARTER  
LEADS TO WINTER RESULTS SIMILAR THAN PREVIOUS YEAR**

INVESTORS PRESENTATION

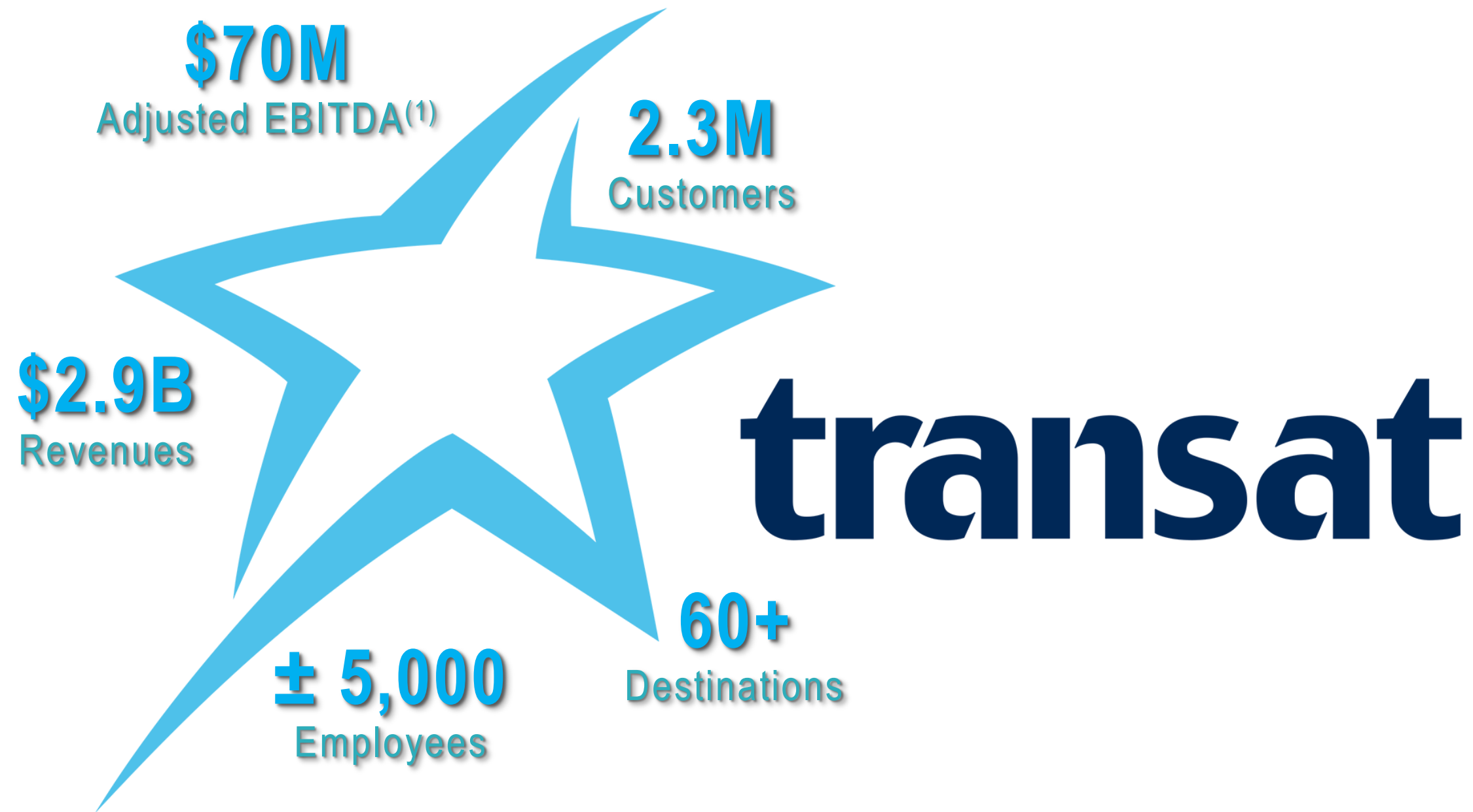
JUNE 2017



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.

		Page
<b>Section 1</b>	<b>Introduction</b>	<b>4</b>
Section 2	Sun Destinations Market Overview	10
Section 3	Transatlantic Market Overview	17
Section 4	Distribution & Transformation Strategy	22
Section 5	Financial Profile	25
Appendix		28

# One Of The Largest Tour Operator In North America



<sup>(1)</sup> 2014-2016 average adjusted EBITDA; Refer to Non-IFRS Financial Measures in the Appendix

# Vertically-integrated Travel Provider



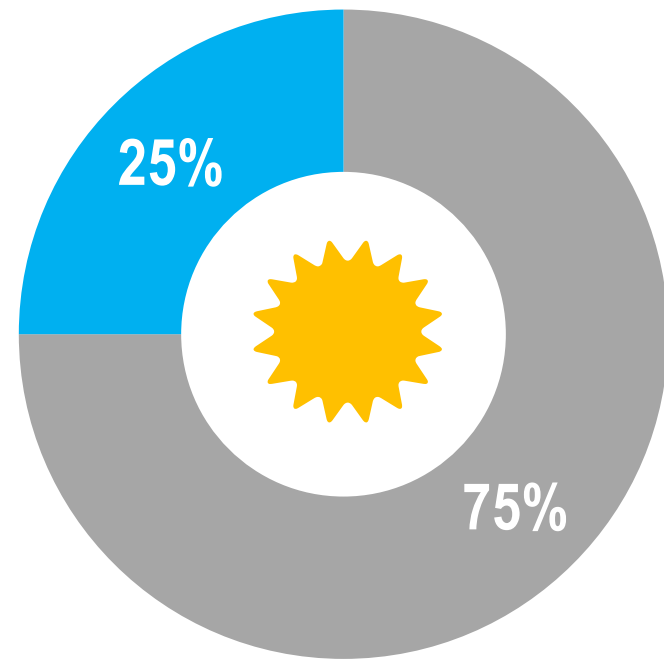
<p><b>Distributor</b></p>	<ul style="list-style-type: none"> <li>➤ Develops holiday travel packages for sun destinations and Europe</li> <li>➤ Served 1.5M travelers from Canada and 0.6M from Europe in 2016</li> <li>➤ Largest retail holiday travel distributor in Canada with 455 outlets</li> <li>➤ Comprehensive online distribution platform</li> </ul>	
<p><b>Airline</b></p>	<ul style="list-style-type: none"> <li>➤ Operates direct flights to 35 sun and 27 European destinations with departures from 19 Canadian airports</li> <li>➤ Served 2.1M passengers in 2016</li> </ul>	
<p><b>Hotels</b></p>	<ul style="list-style-type: none"> <li>➤ Ocean Hotels (since December 2007) <ul style="list-style-type: none"> <li>✓ 35% interest (65% held by H10)</li> <li>✓ 4,600 rooms currently under management (1,600 owned &amp; 3,000 managed-only) in Mexico, Dominican Republic and Cuba</li> <li>✓ 5,600 rooms expected by 2019</li> </ul> </li> <li>➤ Rancho Banderas All Suites Resort (since April 2017) <ul style="list-style-type: none"> <li>✓ 50% interest (50% held by Gesmex, owner of Marival Hotel Group)</li> <li>✓ New acquisition in Puerto Vallarta for an amount of US\$ 10M (C\$ 13.4M)</li> <li>✓ 49 rooms currently operated and will grow up to 263 room by 2018</li> </ul> </li> </ul>	<p><b>Ocean</b> By H10 Hotels</p>
<p><b>Destination Management Company</b></p>	<ul style="list-style-type: none"> <li>➤ Provides onsite services, such as excursions, sightseeing tours and logistical support services</li> </ul>	

# Distinct Summer And Winter Markets



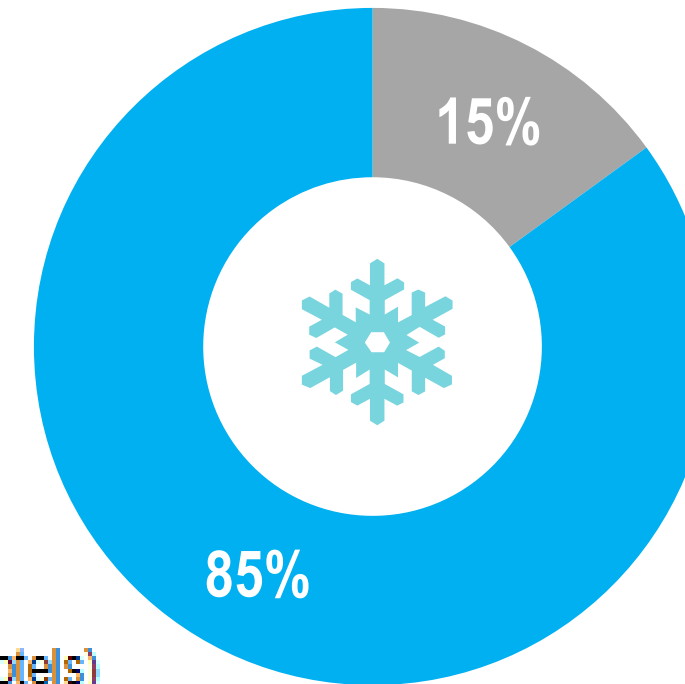
PAX Distribution (FY2016)

### Summer (May to October)

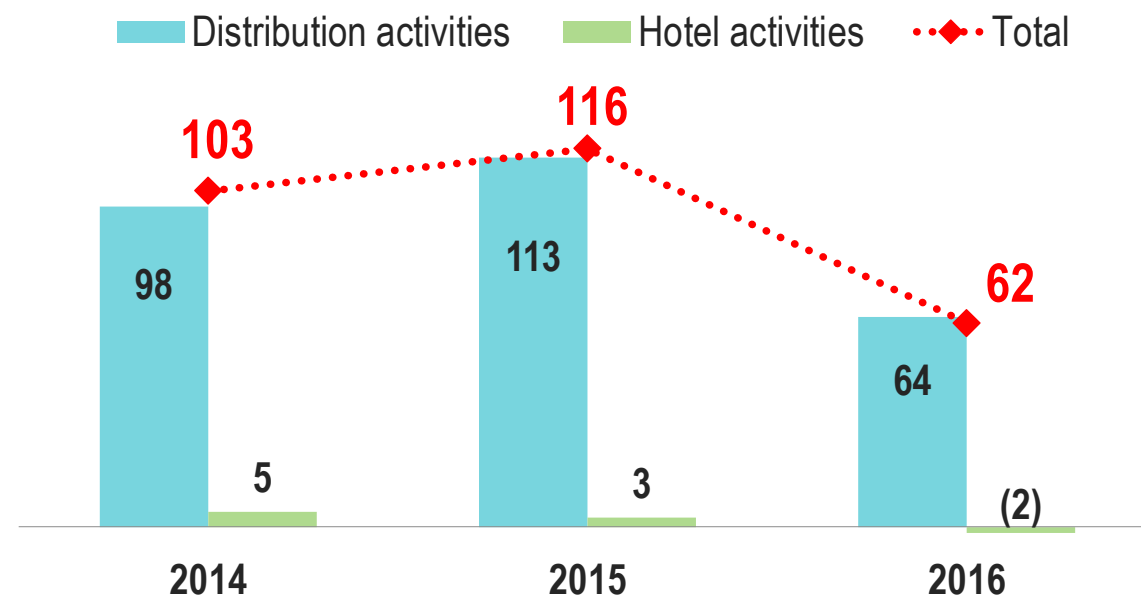


■ Transatlantic ■ South (incl. Ocean Hotels)

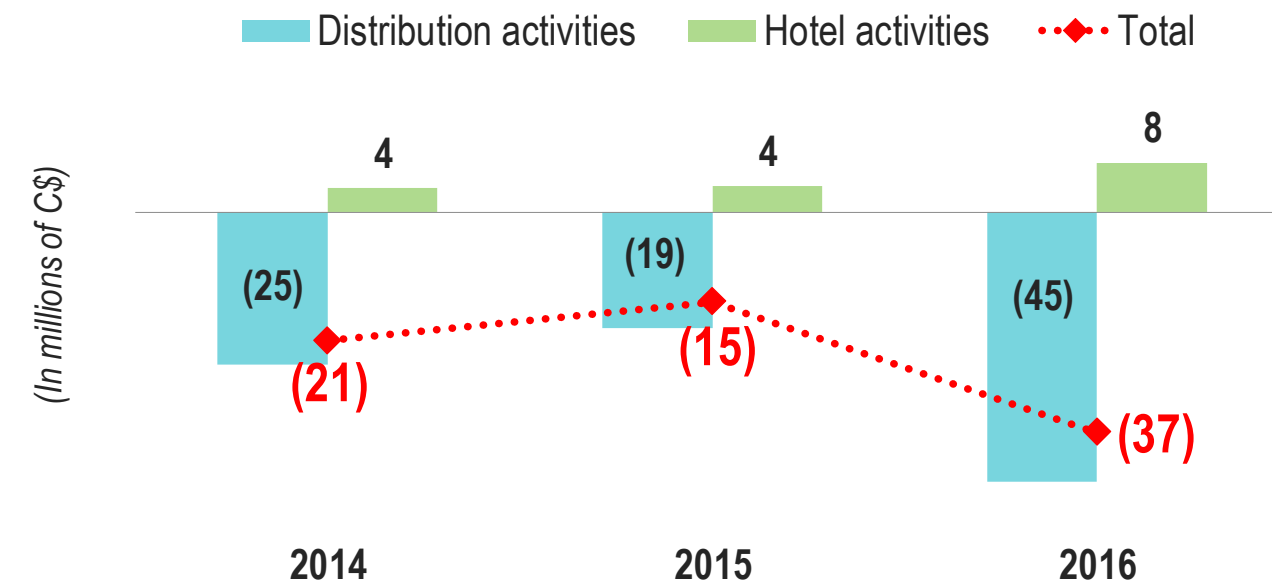
### Winter (November to April)



Historical EBITDA <sup>(1)</sup>



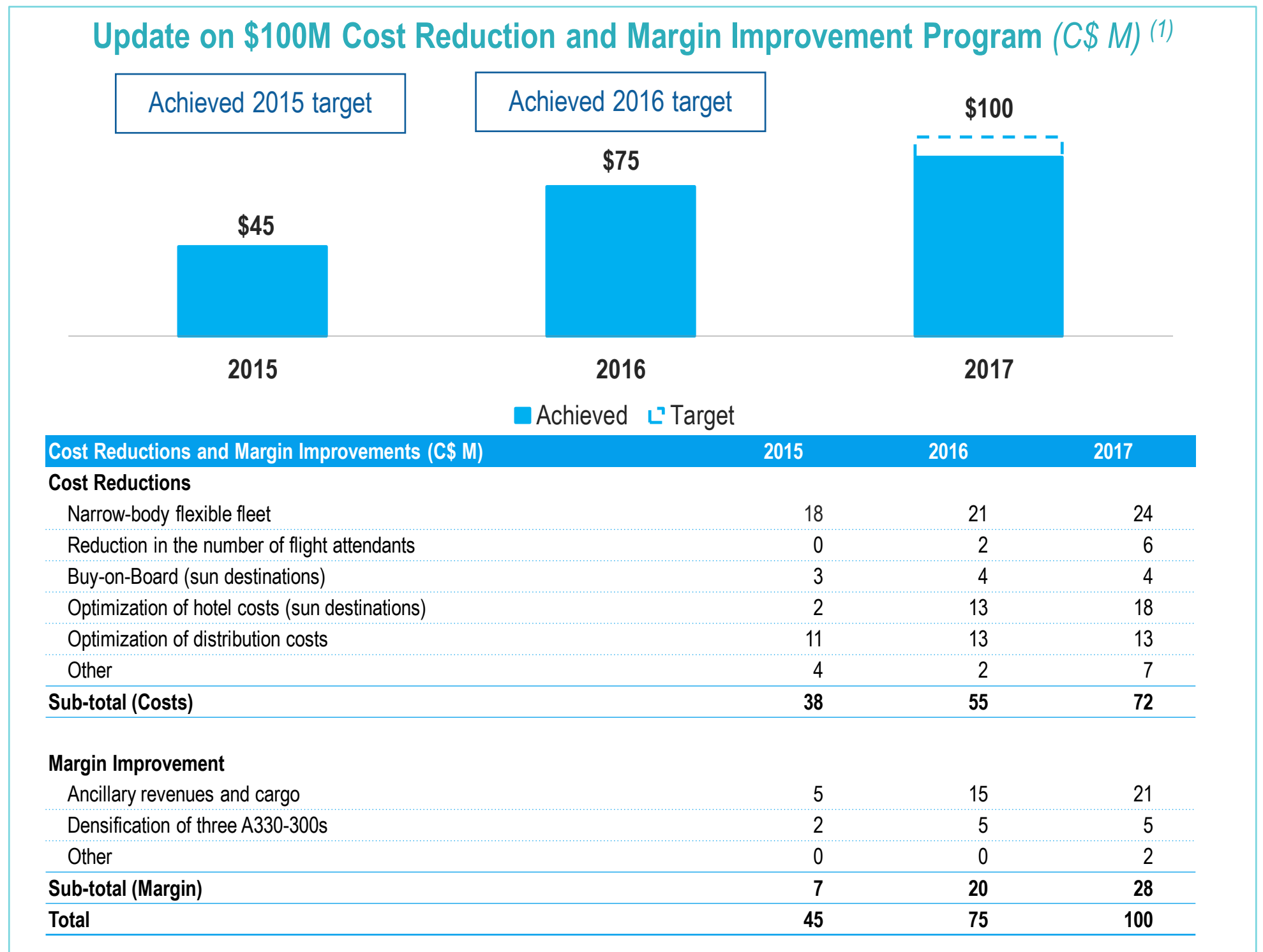
**Protect Performance in Summer**



**Focus on Returning to Profitability in Winter**

<sup>(1)</sup> Adjusted EBITDA from continuing operations only and distribution activities included distributors, airline, destination management company

- ✓ **\$100M Cost Reduction and Margin Improvement Program**
- ✓ **Improve Product Offering**
  - Introduce new European destinations
  - Optimize sun destination offering
- ✓ **Transform Distribution Strategy**
  - Develop Transat Travel brand
  - Improved new distribution website
- ✓ **Market Development and Integration**
  - Develop and grow Hotels
  - Expand in the United States
  - Enhance incoming tour operator presence in sun destinations



<sup>(1)</sup> Table amended



## In the past 3 years:

- Transat became more efficient through all the cost reduction and margin improvement initiatives taken but the effect has been masked mainly by the depreciation of C\$ and increase of global capacity

## FY2017:

- Winter (Sun destinations)
  - USD/Fuel impact on costs (+40M vs Y-1)
  - Selling price higher: Offset the cost increase due to the depreciation of Canadian dollar and appreciation of fuel price occurred during the season
- Summer (Transatlantic)
  - Significant capacity increased since 2015, but a deceleration in 2017 (+4%)
  - Nevertheless, results expected to be in line with 2016
  - Positive trends in bookings and prices since February

1

Vertically-integrated travel producer with flexible cost structure

2

Very strong position in sun destinations and transatlantic markets with exceptional brand recognition

3

Significant unrecognized asset value at current trading level

4

Long-term strategic and transformation plan driving profitability expansion

5

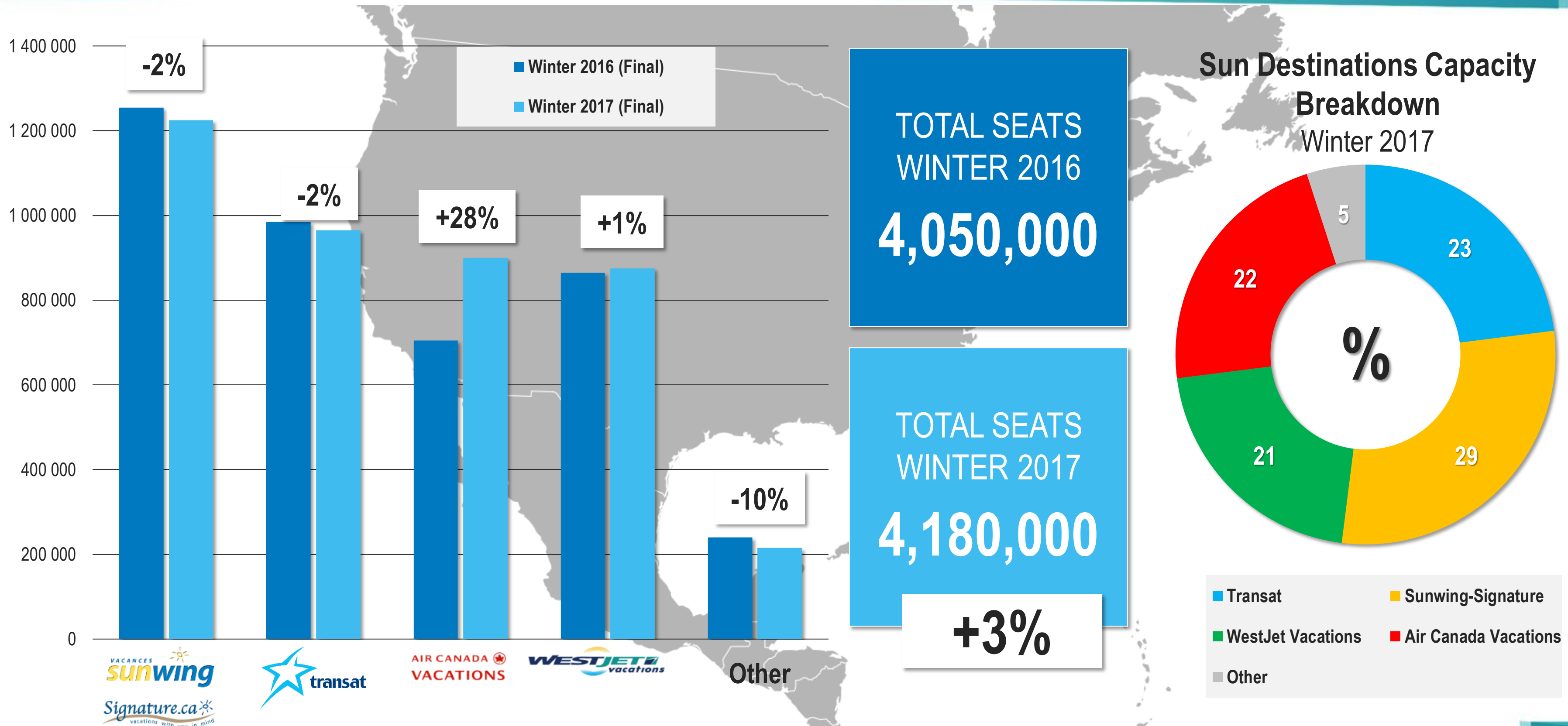
Strong balance sheet providing financial capacity to execute on strategic opportunities



		Page
Section 1	Introduction	4
<b>Section 2</b>	<b>Sun Destinations Market Overview</b>	<b>10</b>
Section 3	Transatlantic Market Overview	17
Section 4	Distribution & Transformation Strategy	22
Section 5	Financial Profile	25
Appendix		28

# Sun Destinations Capacity Breakdown (1)

(Based on Winter 2016-17 scheduled and chartered flight deployed)

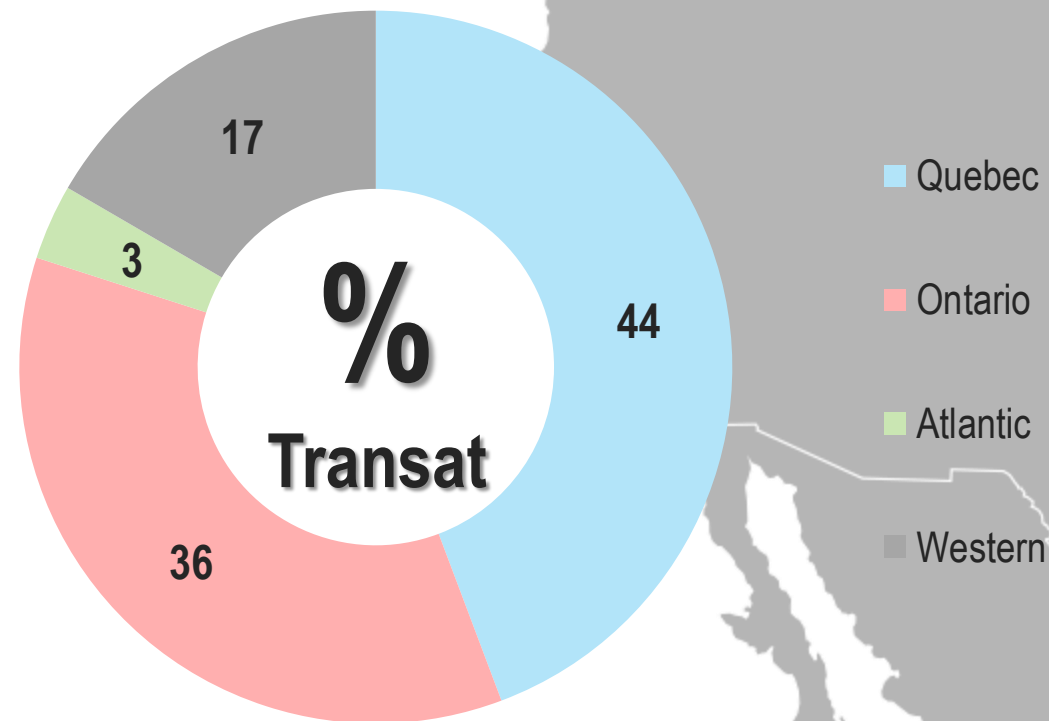


(1) Capacity between Canada and sun destinations as : Mexico, Dominican Republic, Cuba, Caribbean, Jamaica and Central America

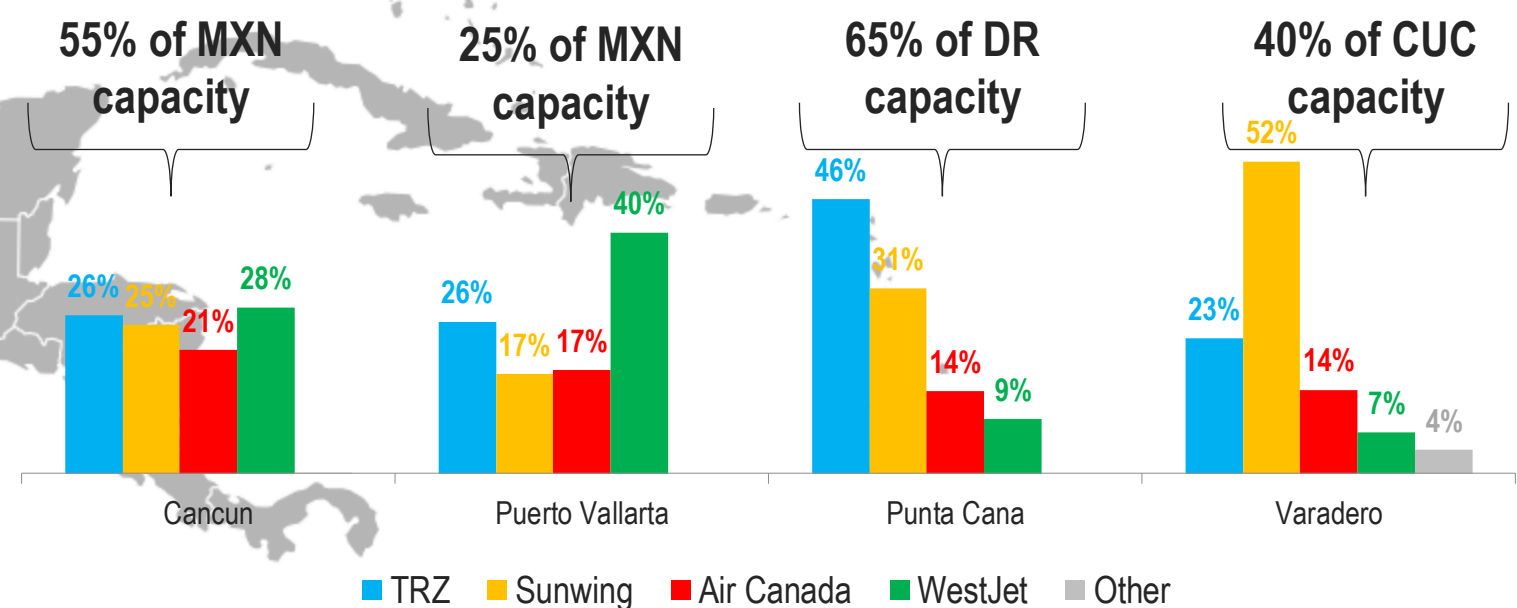
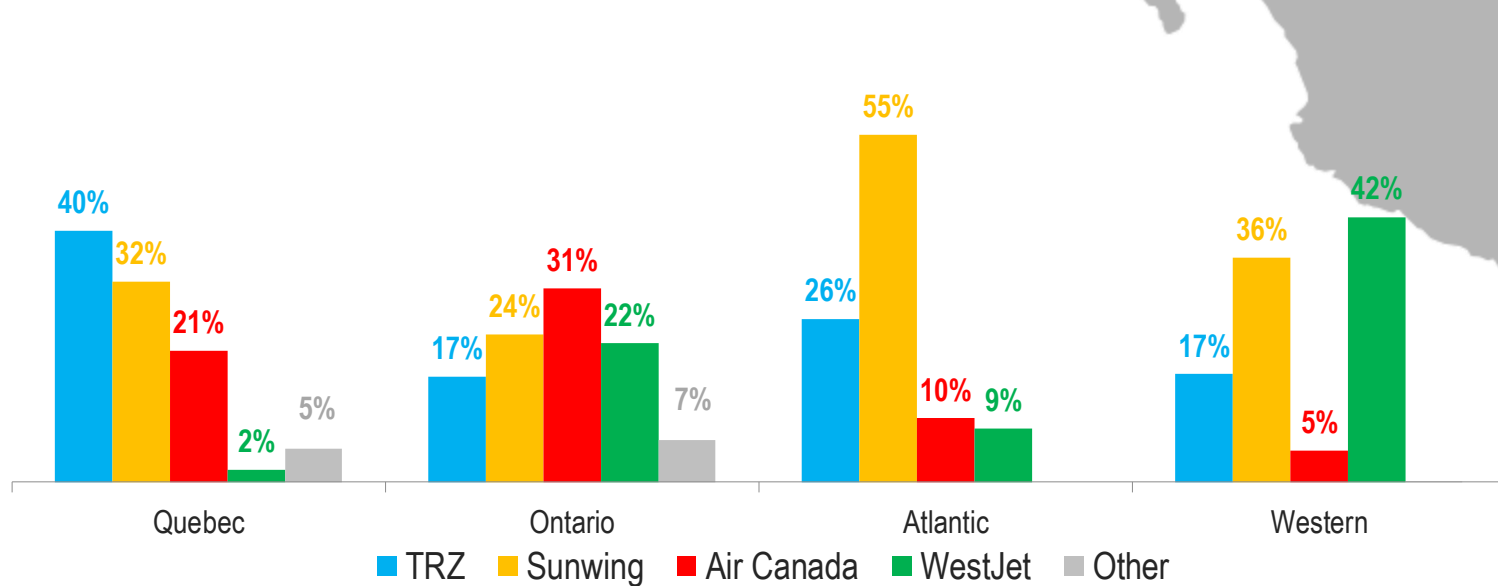
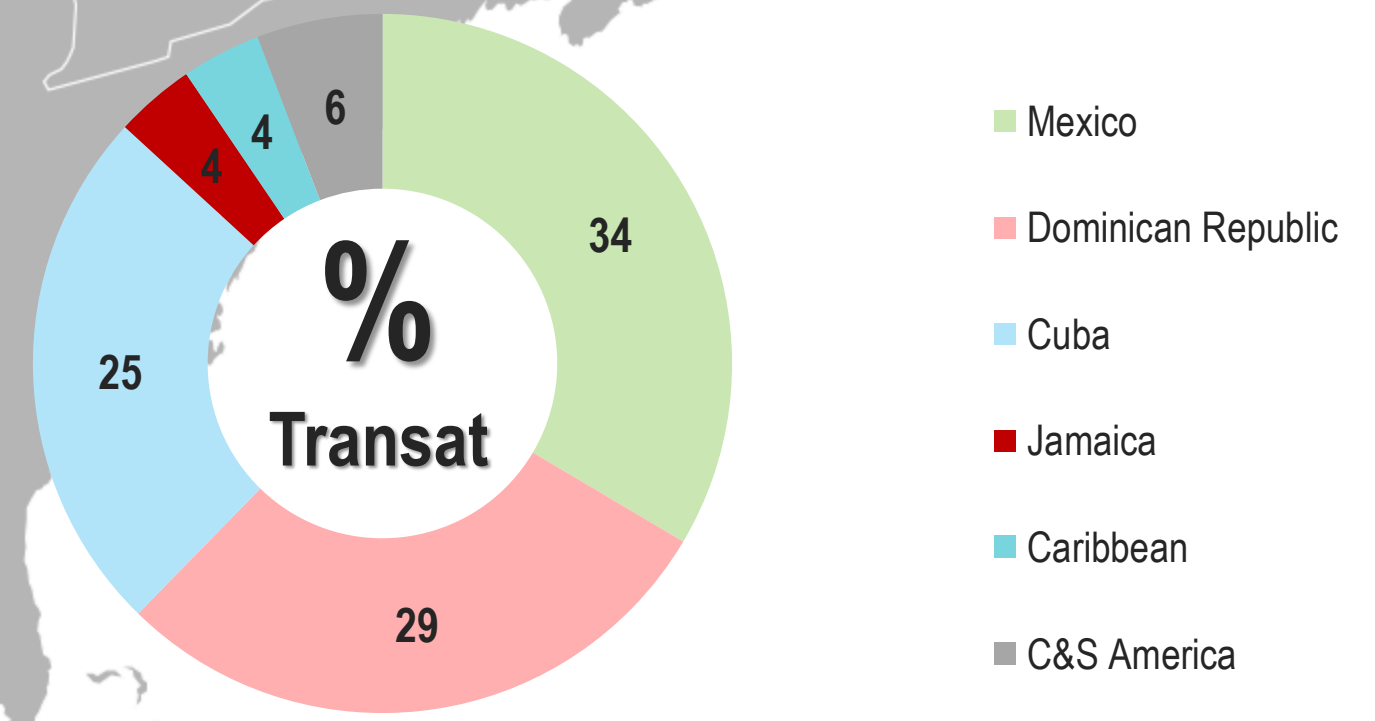
## Winter 2016-17 : 965,000 Travellers (Excluding USA)



### ORIGIN OF TRAVELERS



### DESTINATION OF TRAVELERS





## Q2 HIGHLIGHTS (vs. 2016)

- ▲ **Overall industry capacity up by +4%**
  - Air Canada Vacations aggressively adding seats (+29%)
- ▲ **Sun destination Market**
  - Net impact (FX & Fuel) on costs of 3.0%
  - Yield management (price & load factor) offset totally the net FX & Fuel impact on costs
  - Impact on Revenue: Higher proportion of flight-only sold compared to packages vs 2016 (20% vs 15%)
- ▲ **Transatlantic Market (low season)**
  - Lower results compared to previous year
- ▲ **Hotels investment**
  - Share of net income stand at C\$ 5.9M (similar to previous year)

(in thousands of C\$)

	2 <sup>nd</sup> quarter results ended April 30			
	2017	2016 <sup>(2)</sup>	2017 vs. 2016	
			\$	%
<b>REVENUES</b>	<b>884,310</b>	<b>888,221</b>	<b>(3,911)</b>	<b>(0.4%)</b>
Adjusted EBITDAR <sup>(1)</sup>	38,869	33,747	5,122	15.2%
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>1,508</b>	<b>(5,002)</b>	<b>6,510</b>	<b>130.1%</b>
<i>As % of revenues</i>	<i>0.2%</i>	<i>(0.6%)</i>	<i>0.8%</i>	<i>130.3%</i>
<b>Adjusted net income (loss) <sup>(1)</sup></b>	<b>(8,100)</b>	<b>(11,868)</b>	<b>3,768</b>	<b>31.7%</b>
<i>As % of revenues</i>	<i>(0.9%)</i>	<i>(1.3%)</i>	<i>0.4%</i>	<i>31.4%</i>
<i>Per share</i>	<i>(\$0.22)</i>	<i>(\$0.32)</i>	<i>\$0.10</i>	<i>32.1%</i>
<b>Net income (loss) attributable to shareholders</b>	<b>(8,354)</b>	<b>(25,333)</b>	<b>16,979</b>	<b>67.0%</b>

(1) Refer to Non-IFRS Financial Measures in the Appendix

(2) Results related to continuing operations

## WINTER HIGHLIGHTS (vs. 2016)

- ▲ **Results improvement prevented by one specific factor :**
  - Net impact Y/Y of FX and Fuel price on sun destinations packages of ~C\$ 33M
  
- ▲ **Sun destinations Market**
  - Selling price higher: Offset the cost increase due to the depreciation of Canadian dollar and fuel price increase during the season
  - Result coming from Hotels JV improved by C\$ 1.3M during the season
  
- ▲ **Transatlantic Market (low season)**
  - Lower results than previous year
  
- ▲ **Global Industry (Sun destinations Market)**
  - Total industry seat capacity up by +3%
  - Majority of the increase done by Air Canada Vacations (+27%)

	Q1	Q2	Winter
<b>Adj. EBITDA 2016 <sup>(1)</sup></b>	<b>(32M)</b>	<b>(5M)</b>	<b>(37M)</b>
$\Delta$ FX / Fuel on costs on sun destinations packages	(17M)	(16M)	(33M)
<b>Adj. EBITDA incl. FX / Fuel impact <sup>(1)</sup></b>	<b>(49M)</b>	<b>(21M)</b>	<b>(70M)</b>
Sun Destinations Yield Management <sup>(2)</sup>	13M	26M	39M
Others (Transatlantic, Ocean hotels, other subs, ...)	(1M)	(4M)	(5M)
<b>Adj. EBITDA 2017 <sup>(1)</sup></b>	<b>(37M)</b>	<b>1M)</b>	<b>(36M)</b>

(1) Refer to Non-IFRS Financial Measures in the Appendix

(2) Revenue drivers: Price, Load Factor and Volume / Cost drivers: Aircraft and Hotel costs

# Transat Aircraft Fleet



## A330/A310

	2014		2015		2016		2017		2018	
<b>Wide-Body Base Fleet</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>23</b>	<b>23</b>	<b>25</b>	<b>24</b>	<b>24</b>
A330	12	12	12	12	12	14	14	16	18	18
A310	9	9	9	9	9	9	9	9	6	6
- Seasonally withdrawn <sup>(1)</sup>	(4)	-	(6)	-	(6)	-	(8)	-	(9)	-
- Sublease	(1)	-	(1)	-	(3)	-	(3)	-	(3)	-
<b>Total</b>	<b>16</b>	<b>21</b>	<b>14</b>	<b>21</b>	<b>12</b>	<b>23</b>	<b>12</b>	<b>25</b>	<b>12</b>	<b>24</b>

<sup>(1)</sup> As a result to improved leasing terms, Transat has the flexibility on few A330s to be withdrawn from the fleet in winter with no fixed costs. In addition, Transat has flexibility also on the A310s it owns (less utilization overtime). Introduction of new A330 in Summer and Fall 2017 with no fixed costs during winter season



## B737

	2014		2015		2016		2017		2018	
<b>Narrow-Body Base Fleet</b>	-	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
+ CanJet	11	1	2	1	-	-	-	-	-	-
+ Seasonal Lease	1	-	8	-	15	-	13	-	15	-
<b>Total</b>	<b>12</b>	<b>5</b>	<b>14</b>	<b>5</b>	<b>19</b>	<b>7</b>	<b>20</b>	<b>7</b>	<b>22</b>	<b>7</b>
<b>% passengers</b>	<b>39%</b>		<b>42%</b>		<b>50%</b>		<b>50%</b>		<b>50%</b>	



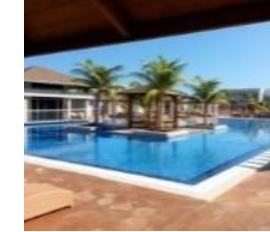



## CURRENT OCEAN JV ASSETS

**Hotels Owned and Managed including Time Share**  
(Now: 1,618 rooms ► Projected: 2,900 rooms)

Mexico	Mexico	Dom. Rep.
		
Ocean Coral & Turquesa ***** 590 rooms	Ocean Maya Royale ***** 320 rooms	Ocean Blue & Sand ***** 708 rooms

**Hotels Managed Only**  
(2,982 rooms)


Cuba	Cuba	Cuba	Cuba	Mexico
				
Ocean Varadero El Patriarca ***** 420 rooms	HIO habana panorama **** 317 rooms	Ocean Casa del Mar ***** 800 rooms	Ocean Vista Azul ***** 470 rooms	Ocean Riviera Paradise ***** 975 rooms

## HIGHLIGHTS

- ▲ **35% Interest (65% held by H10 Hotels)**
  - C\$ 109.1M on balance sheet as of Apr 30 vs C\$ 101.9M (Y-1)
- ▲ **Grow Ocean Hotels from 4,600 as of today over 5,600 rooms by 2019**
  - Through a combination of owned and managed hotels
  - 2 new managed hotels opened Winter 2015-16 in Cuba (Casa Del Mar: Number of rooms increased from 400 to 800 rooms at the end of September 2016)
  - 1 new hotel built only by H10 but managed by Ocean in Mexico of 975 rooms
  - 2 projects underway (Dominican Republic and Jamaica)
- ▲ **Continuous growth in terms of operational contribution since 2010**
  - Positive free cash flow<sup>(1)</sup> used to reimburse debt (loan to value < 10%) and begin additional hotel investment
  - Dividends of C\$ 6.7M and C\$ 9.1M received respectively in 2015 and 2016 at Transat Level

## NEW JV ASSETS (OUTSIDE OCEAN JV)

**Hotels Owned and Managed including Time Share**  
(Now: 49 rooms ► Projected: 263 rooms by 2018)

Mexico (Puerto Vallarta)

RANCHO BANDERAS ALL SUITE RESORT PUNTA DE MITA 49 rooms

## HIGHLIGHTS

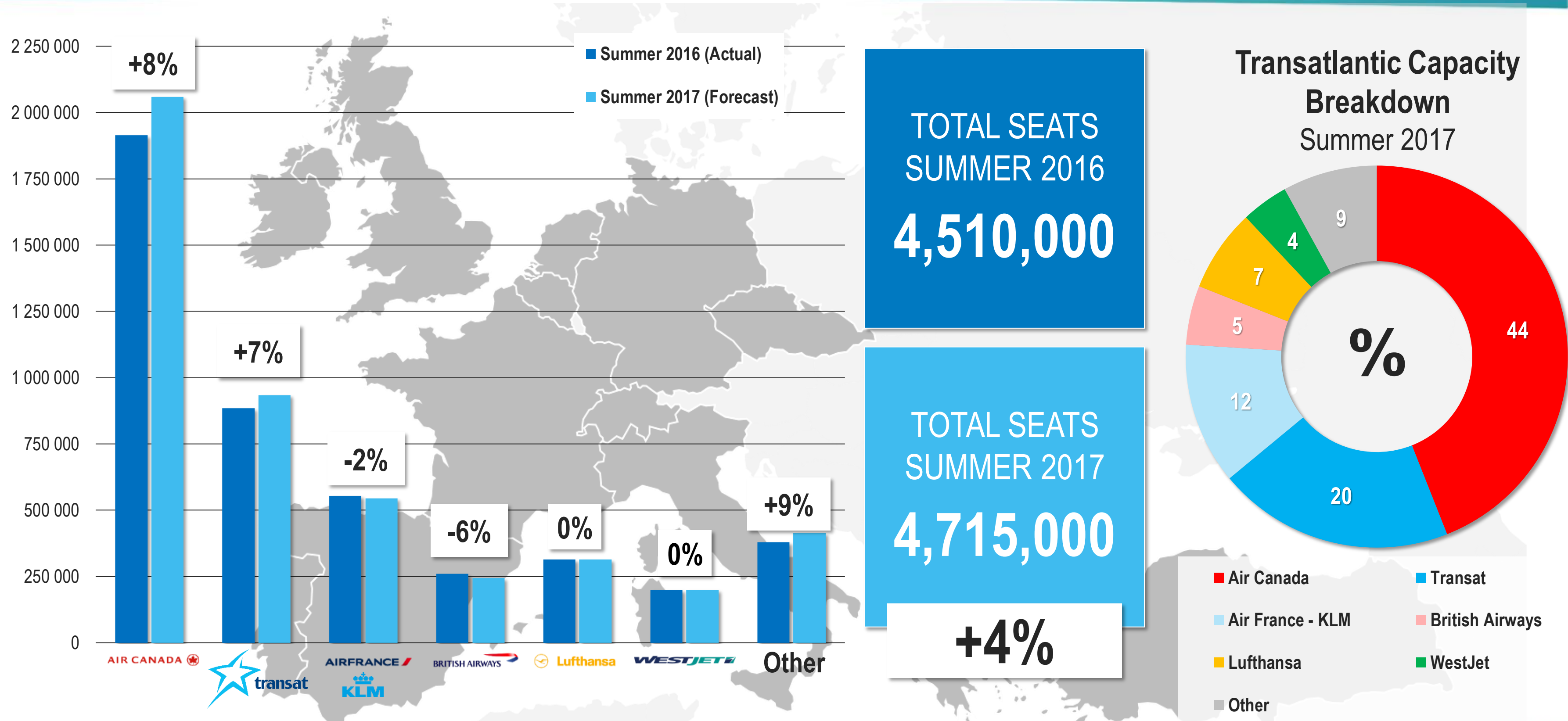
- ▲ **50% Interest (50% held by Gesmex, owner of Marival Hotel Group) into an hotel in Puerto Vallarta who operates under the name of Rancho Banderas All Suites Resort**
  - Cash consideration paid was US\$10M (C\$13.4M) and C\$ 13.8M on balance sheet as at April 30
  - As of now, the hotel operates 49 rooms and will grow up to 263 rooms by 2018 financed through local debt with no significant additional capital increase from Transat
  - Hotel will be managed by our partner Marival Group who also owns a 30% interest in our incoming tour operator in the south, Traffic Tours
  - This transaction constitutes an additional step for Transat in the hotel sector

Transat still look either into acquiring 100% of Ocean Hotels or selling its 35% share to his partner (H10) and redeploy the cash towards another hotel investment as announced previously

		Page
Section 1	Introduction	4
Section 2	Sun Destinations Market Overview	10
<b>Section 3</b>	<b>Transatlantic Market Overview</b>	<b>17</b>
Section 4	Distribution & Transformation Strategy	22
Section 5	Financial Profile	25
Appendix		28

# Transatlantic Capacity Breakdown (1)

## (Summer 2017)



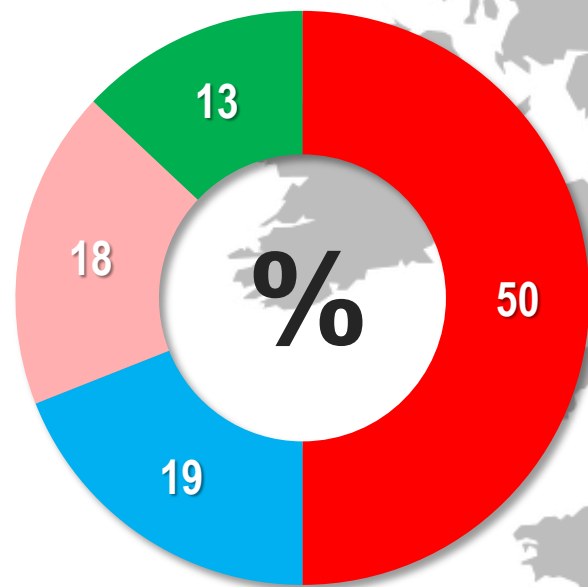
(1) Capacity between Canada and European countries as : France, United Kingdom, Italy, Spain, Portugal, Greece, Netherlands, Germany, Belgium, Ireland, Switzerland, Austria, Czech Republic, Hungary and Croatia



# Transatlantic Capacity Breakdown by Destinations (Summer 2017)

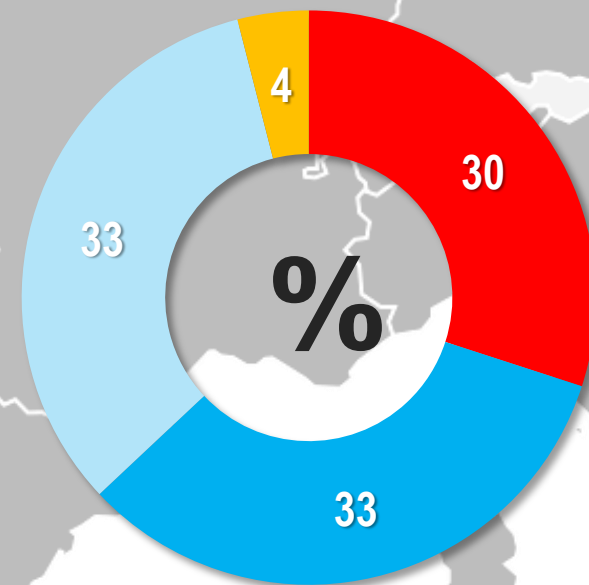


**Capacity Breakdown  
United Kingdom**



■ Air Canada    ■ Transat  
■ British Airways    ■ WestJet

**Capacity Breakdown  
France**



■ Air Canada    ■ Transat  
■ Air France - KLM    ■ Corsair

## GLOBAL MARKET OVERVIEW

- ▣ Europe: largest tourism market in the world
- ▣ 4.7M seats in summer 2017 between Canada and Europe

## TRANSAT STRATEGY AND MARKET POSITION

- ▣ Lowest-cost producer
- ▣ Wide portfolio of direct flights (27 destinations including Tel-Aviv as new destination)
- ▣ Strong airline brand and enhanced customer experience
- ▣ Solid distribution networks on both sides of the Atlantic
- ▣ 40% of European passengers = sales in foreign currency
- ▣ Attractive offering of packages including accommodations, transfers, cruises, tours, rental cars and excursions

## HIGHLIGHTS (vs. 2016)

### ▲ Transatlantic Market

- Sale of French and Greek operations had no impact on our transatlantic program
- 64% of inventory sold
- Capacity increased by 7.0%
- Load factor up by 1.4%
- Price similar
- To date, no FX & Fuel impact on costs
- Since February, the bookings and prices have improved continuously

### ▲ Sun destination Market (low season)

- 53% of inventory sold
- Similar capacity (250k seats)
- Load factor up by 8.0%
- Price up by 5.9%

### ▲ Global Industry (Transatlantic Market)

- Total industry seat capacity between Canada and Europe will be up +4%, a significant deceleration in growth from the +14% seen in summer 2016
- Majority of the increase done by Air Canada (+140k seats) and Transat (+50k seats)

	Q3	Q4	Summer
<b>Adj. EBITDA 2016 <sup>(1)</sup></b>	<b>16M</b>	<b>46M</b>	<b>62M</b>
<b>Δ FX / Fuel on costs on transatlantic flight</b>	<b>(1M)</b>	<b>0M</b>	<b>(1M)</b>
<b>Adj. EBITDA incl. FX / Fuel impact <sup>(1)</sup></b>	<b>15M</b>	<b>46M</b>	<b>61M</b>
Transatlantic Yield Management <sup>(2)</sup> Others (sun destinations, Ocean hotels, other subs, ...)			
<b>Adj. EBITDA 2017 <sup>(1)</sup></b>			

<sup>(1)</sup> Refer to Non-IFRS Financial Measures in the Appendix

<sup>(2)</sup> Price, Load Factor and Volume Impact on Operating Margin

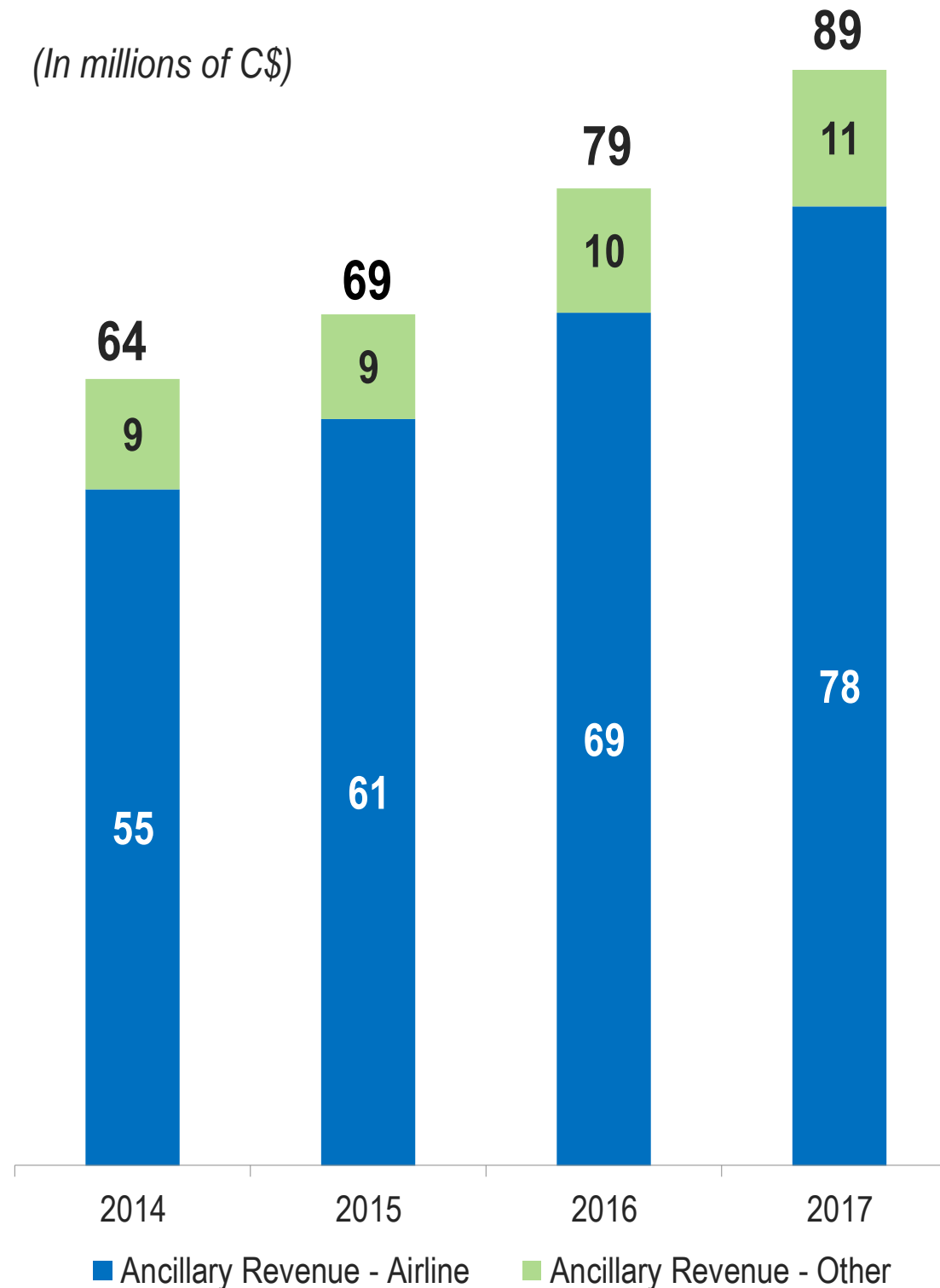
Considering the cost of the feeders program, we are expecting our results to be similar than previous year if the bookings and prices trend continue





## TOTAL ANCILLARY REVENUES

(In millions of C\$)



## HIGHLIGHTS

- ▲ Grow total ancillary revenues ~ C\$ 89M by 2017
- ▲ Ancillary revenues allocation:
  - Seat selection
  - Different fares (Option flex, eco extra, eco max)
  - Airport revenues
  - Buy-on-board
  - Excess baggage
  - Duty-Free
  - Excursions
  - Travel insurance, etc.
- ▲ Datalex software facilitate the sale of optional services
  - First full year in operation on all Markets

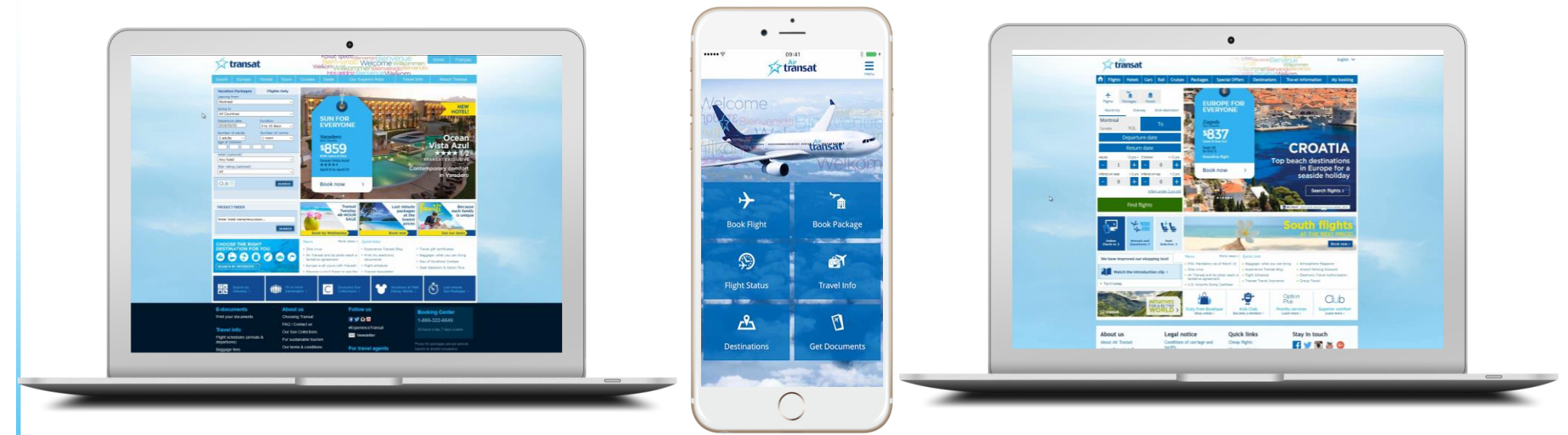


		Page
Section 1	Introduction	4
Section 2	Sun Destinations Market Overview	10
Section 3	Transatlantic Market Overview	17
<b>Section 4</b>	<b>Distribution &amp; Transformation Strategy</b>	<b>22</b>
Section 5	Financial Profile	25
Appendix		28

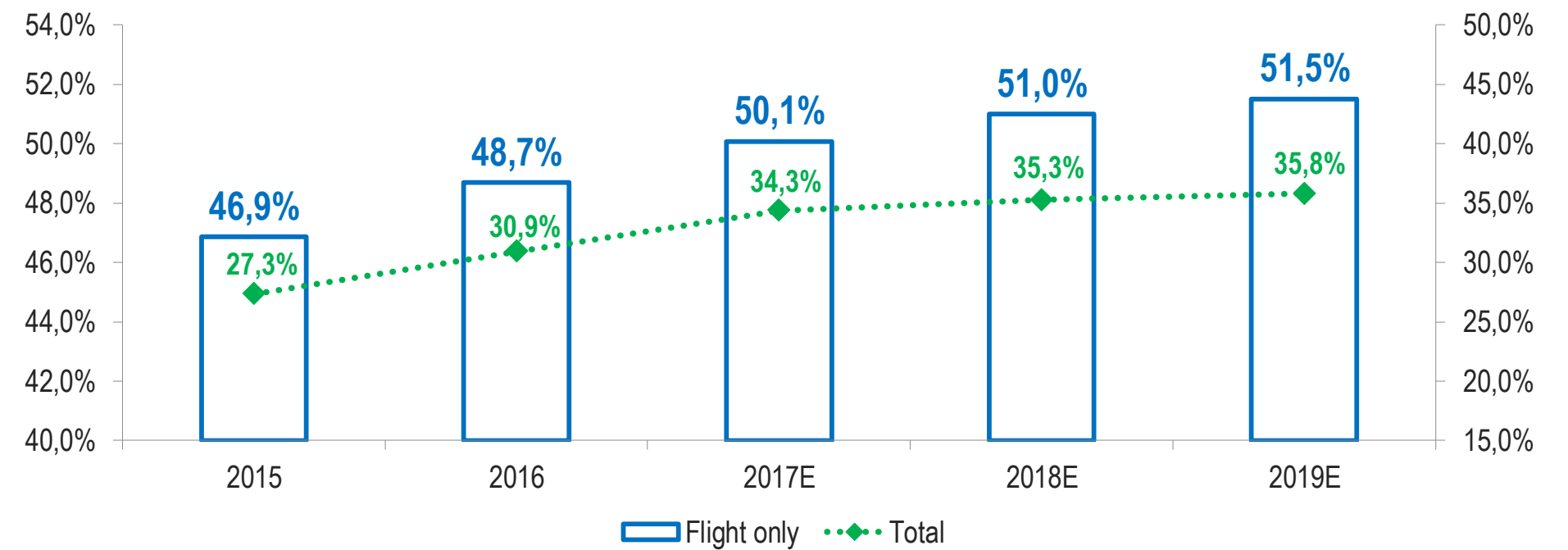
# Transat Distribution Strategy



- ✓ Enhance the customer experience by creating a fully integrated centralized customer file accessible to all our points of contacts
- ✓ Launch new and improved mobile friendly airline and vacation websites
- ✓ Improve mobile apps to accompany our customers during their trips
- ✓ Optimize our digital Marketing strategy



**% OF SALES IN B2C (WEB + CALL CENTER) <sup>(1)</sup>**



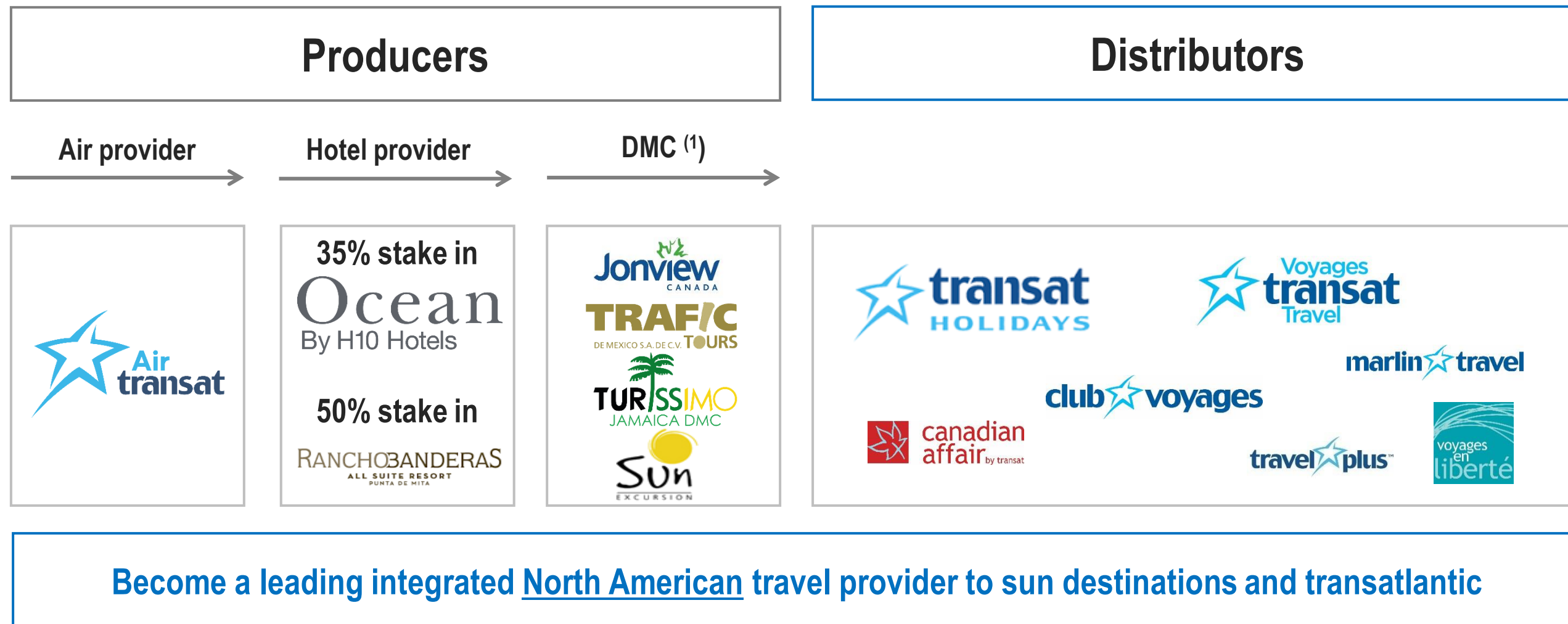
<sup>(1)</sup> Global Market figures

Continuously improving our website platform to enhance our customers online experience and increase our direct sales

# Transat Transformation Strategy



- To ensure long-term success, Transat is looking to own the product across the value chain and adapt its distribution model
  - Acquisition of hotel business in order to benefit from higher profitability, secure room capacity, provide differentiated products and reduce seasonality of **earnings**
  - Acquisition of (online) tour operator in new outbound Market (e.g. the U.S.) to realize economies of scale, secure access to end customers and reduce seasonality of **volumes**



Hotels investments would represent the first step in the realization of Transat's vision

(1) Destination Management Company





		Page
Section 1	Introduction	4
Section 2	Sun Destinations Market Overview	10
Section 3	Transatlantic Market Overview	17
Section 4	Distribution & Transformation Strategy	22
<b>Section 5</b>	<b>Financial Profile</b>	<b>25</b>
Appendix		28

## HIGHLIGHTS (additional details in Appendix)

### Free Cash: \$566M vs \$441M<sup>(1)</sup> (2016)

- Variation of +\$125M explained by :
  - Net proceeds from the sale of French and Greek operations of +C\$ 88M
  - Dividend received from Ocean Hotel of +C\$ 9M
  - Change in net working capital of +C\$ 98M related to the complete implementation of Datalex compared to last year (Impact: less cash in trust and more free cash)
  - Offset by few items (see chart on right)
  - Jonview minority shareholder buyback (20%)
  - Acquisition of a participation in Rancho Banderas

### Excess cash

- Tax recovery of C\$25M expected in Q3
- Mid-December 2016 (lowest level) : C\$150M of excess cash which could be deployed towards an acquisition

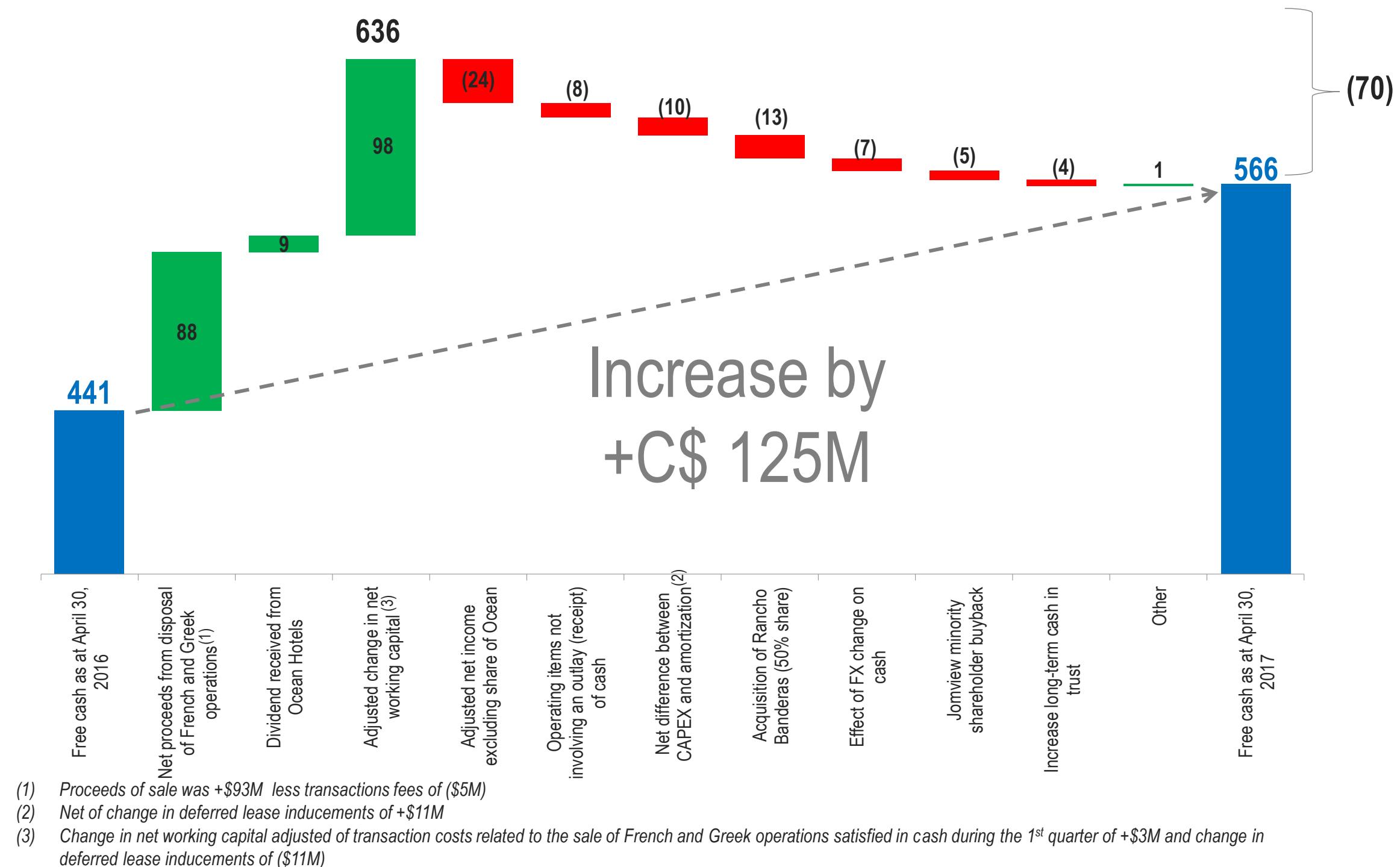
### Capital expenditures

- FY2017E : \$55-60M net of deferred lease inducements
- Deferred lease inducements from aircraft lessors for A330 refurbishment

### Hotels investment asset : \$123M

- Variation vs Y-1 explained by :
  - Ocean: Profitability net of dividend received of C\$ 9M during the last 12 months + FX conversion
  - Acquisition of a participation in a new hotel for C\$ 13M

## UNRESTRICTED CASH



(1) Cash and cash equivalents from continuing operations

Highest free cash level in the history of Transat; providing us financial capacity to execute transformation

# Transat Annual Financial Performance

(Results from continuing operations)



## HIGHLIGHTS

### Historical (2012-2016)

- Average profitability of C\$ 70M on an adjusted EBITDA basis
- 3 record summers in last 5 years despite capacity increases

### Vision for coming years

- **Sun destinations:** Transformation plan underway to reduce seasonality of (1) earnings and (2) volumes
- **Transatlantic:** Our strong airline brand and enhanced customer experience will allow us to go through the peak capacity period
- Sound balance sheet and our on-going cost-and-margin initiatives program give us tool to compete on

(in millions of C\$, except per share amounts)

	12-month period ended October 31				
	2016	2015	2014	2013	2012
<b>REVENUES</b>	<b>2,889.6</b>	<b>2,898.0</b>	<b>2,996.1</b>	<b>2,969.6</b>	<b>3,051.8</b>
Adjusted EBITDAR <sup>(1)</sup>	161.6	199.5	168.5	190.6	119.5
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>25.8</b>	<b>100.6</b>	<b>81.3</b>	<b>109.3</b>	<b>31.2</b>
<i>As % of revenues</i>	<i>0.9%</i>	<i>3.5%</i>	<i>2.7%</i>	<i>3.7%</i>	<i>1.0%</i>
<b>Adjusted net income (loss) <sup>(1)</sup></b>	<b>(15.5)</b>	<b>45.9</b>	<b>37.1</b>	<b>60.7</b>	<b>10.1</b>
<i>As % of revenues</i>	<i>(0.5%)</i>	<i>1.6%</i>	<i>1.2%</i>	<i>2.0%</i>	<i>0.3%</i>
<i>Per share</i>	<i>(\$0.42)</i>	<i>\$1.19</i>	<i>\$0.95</i>	<i>\$1.58</i>	<i>\$0.27</i>
<b>Net income (loss) attributable to shareholders</b>	<b>(91.5)</b>	<b>44.9</b>	<b>16.6</b>	<b>55.8</b>	<b>9.0</b>

(1) Refer to Non-IFRS Financial Measures in the Appendix



		Page
Section 1	Introduction	4
Section 2	Sun Destinations Market Overview	10
Section 3	Transatlantic Market Overview	17
Section 4	Distribution & Transformation Strategy	22
Section 5	Financial Profile	25
<b>Appendix</b>		<b>28</b>

# 5-Year Historical Winter Financial Results

(Results from continuing operations)



## 6-month period ended on April 30

(in thousands of C\$, except per share amounts)

	2017	2016	2015	2014	2013
<b>REVENUES</b>	<b>1,573,642</b>	<b>1,613,944</b>	<b>1,559,102</b>	<b>1,675,704</b>	<b>1,648,540</b>
Adjusted EBITDAR <sup>(1)</sup>	37,893	34,339	32,856	17,561	29,206
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>(35,571)</b>	<b>(36,685)</b>	<b>(14,995)</b>	<b>(21,462)</b>	<b>(11,769)</b>
<i>As % of revenues</i>	<i>(2.3%)</i>	<i>(2.3%)</i>	<i>(1.0%)</i>	<i>(1.3%)</i>	<i>(0.7%)</i>
<b>Adjusted net income (loss)<sup>(1)</sup></b>	<b>(44,139)</b>	<b>(42,246)</b>	<b>(25,620)</b>	<b>(27,543)</b>	<b>(19,279)</b>
<i>As % of revenues</i>	<i>(2.8%)</i>	<i>(2.6%)</i>	<i>(1.6%)</i>	<i>(1.6%)</i>	<i>(1.2%)</i>
<i>Per share</i>	<i>(\$1.20)</i>	<i>(\$1.14)</i>	<i>(\$0.66)</i>	<i>(\$0.71)</i>	<i>(\$0.50)</i>
<b>Net income (loss) attributable to shareholders</b>	<b>(40,427)</b>	<b>(78,726)</b>	<b>(27,173)</b>	<b>(30,259)</b>	<b>(33,692)</b>

<sup>(1)</sup> Refer to Non-IFRS Financial Measures in the Appendix

# 5-Year Historical Summer Financial Results

(Results from continuing operations)



	6-month period ended on October 31				
	2016	2015	2014	2013	2012
<i>(in thousands of C\$, except per share amounts)</i>					
<b>REVENUES</b>	<b>1,275,702</b>	<b>1,338,848</b>	<b>1,320,401</b>	<b>1,321,102</b>	<b>1,287,845</b>
Adjusted EBITDAR <sup>(1)</sup>	127,250	166,611	150,960	161,348	116,194
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>62,461</b>	<b>115,603</b>	<b>102,754</b>	<b>121,053</b>	<b>69,304</b>
<i>As % of revenues</i>	4.9%	8.6%	7.8%	9.2%	5.4%
<b>Adjusted net income (loss)<sup>(1)</sup></b>	<b>26,706</b>	<b>71,534</b>	<b>64,660</b>	<b>79,957</b>	<b>50,926</b>
<i>As % of revenues</i>	2.1%	5.3%	4.9%	6.1%	4.0%
<i>Per share</i>	\$0.72	\$1.86	\$1.67	\$2.06	\$1.34
<b>Net income (loss) attributable to shareholders</b>	<b>(12,793)</b>	<b>72,093</b>	<b>46,852</b>	<b>89,519</b>	<b>38,157</b>

<sup>(1)</sup> Refer to Non-IFRS Financial Measures in the Appendix



# 5-Year Historical Winter Financial Position



(in thousands of C\$)	As at January 31					As at April 30				
	2017 <sup>(1)</sup>	2016 <sup>(1)</sup>	2015	2014	2013	2017 <sup>(1)</sup>	2016 <sup>(1)</sup>	2015	2014	2013
<b>Free cash</b>	<b>454,827</b>	<b>427,541</b>	<b>393,631</b>	<b>359,596</b>	<b>247,877</b>	<b>566,288</b>	<b>440,559</b>	<b>441,536</b>	<b>404,554</b>	<b>336,148</b>
Cash in trust or otherwise reserved	332,646	391,582	394,896	418,504	407,153	174,416	247,321	291,300	300,848	296,747
Trade and other payables	297,682	463,298	402,516	421,172	351,866	287,316	314,683	380,712	373,840	372,094
Customer deposits	597,745	609,393	636,303	621,618	591,969	523,754	483,739	578,449	540,293	514,674
<b>Working capital ratio</b>	<b>1.15</b>	<b>1.08</b>	<b>1.05</b>	<b>1.07</b>	<b>1.02</b>	<b>1.14</b>	<b>1.02</b>	<b>1.01</b>	<b>1.04</b>	<b>0.98</b>
Balance sheet debt	0	0	0	0	0	0	0	0	0	0
Obligations under operating leases	703,121	672,066	684,551	633,475	504,374	742,667	713,606	624,156	626,816	480,199
Net hotels investment	99,133	107,317	85,322	74,579	64,011	122,866	101,909	94,532	77,510	68,300
LTM capital expenditures	74,271	60,007	68,406	54,463	62,203	79,260	51,926	62,822	63,239	61,561
<b>LTM free cash flow <sup>(2)</sup></b>	<b>(49,655)</b>	<b>69,148</b>	<b>37,588</b>	<b>104,940</b>	<b>(42,695)</b>	<b>52,327</b>	<b>23,597</b>	<b>52,527</b>	<b>54,745</b>	<b>(5,778)</b>

(1) Financial profile for continuing operations only

(2) Refer to Non-IFRS Financial Measures in the Appendix

# 5-Year Historical Summer Financial Position



(in thousands of C\$)	As at July 31					As at October 31				
	2016 <sup>(1)</sup>	2015	2014	2013	2012	2016 <sup>(1)</sup>	2015	2014	2013	2012
<b>Free cash</b>	<b>470,065</b>	<b>515,552</b>	<b>497,072</b>	<b>389,337</b>	<b>318,692</b>	<b>363,664</b>	<b>336,423</b>	<b>308,887</b>	<b>265,818</b>	<b>198,525</b>
Cash in trust or otherwise reserved	199,594	266,700	262,803	290,558	268,287	292,131	367,199	340,704	361,743	331,172
Trade and other payables	349,355	466,644	463,785	443,189	383,557	247,795	355,656	338,633	326,687	307,219
Customer deposits	440,418	527,868	485,867	456,215	395,862	409,045	489,622	424,468	410,340	382,823
<b>Working capital ratio</b>	<b>1.05</b>	<b>1.04</b>	<b>1.06</b>	<b>1.02</b>	<b>0.99</b>	<b>1.28</b>	<b>1.09</b>	<b>1.12</b>	<b>1.10</b>	<b>1.00</b>
Balance sheet debt	0	0	0	0	0	0	0	0	0	0
Obligations under operating leases	693,309	624,047	562,821	658,885	552,287	691,841	675,385	657,639	632,804	530,907
Net investment (Ocean hotels)	99,216	96,453	78,026	69,281	65,356	97,668	97,897	83,949	70,041	64,189
LTM capital expenditures	65,452	61,460	58,436	62,029	62,565	70,754	59,295	64,976	55,457	64,639
<b>Free cash flow (TTM) <sup>(1)</sup></b>	<b>(9,282)</b>	<b>28,829</b>	<b>100,580</b>	<b>71,220</b>	<b>(59,984)</b>	<b>(28,266)</b>	<b>39,658</b>	<b>41,264</b>	<b>67,582</b>	<b>(55,767)</b>

(1) Financial profile for continuing operations only

(2) Refer to Non-IFRS Financial Measures in the Appendix

# Experienced Management Team



**Jean-Marc Eustache**  
Chairman of the Board  
President and Chief Executive Officer  
Transat A.T. Inc

Jean-Marc Eustache was the principal architect of the 1987 creation of Transat A.T. Inc. His forward-thinking business vision — focused on vertical integration — combined with outstanding leadership skills have helped elevate Transat A.T. Inc. to the rank of Canada's tourism industry leader. With its subsidiaries and affiliates, the Company has also become international in scope and one of the world tourism industry's largest players.

He holds a Bachelor of Science degree in Economics (1974) from l'Université du Québec à Montréal. He began his career in the tourism industry in 1977 at Tourbec, a travel agency specializing in youth and student tourism, before founding Trafic Voyages — the foundation for the creation of Transat A.T. — in 1982.



**Denis Pétrin**  
Vice-President, Finance & Administration  
and Chief Financial Officer  
Transat A.T. Inc.

Denis Petrin, CPA has held the position of Vice-President, Finance and Administration and Chief Financial Officer for Transat A.T. Inc. since 2009.

He began his career with EY before joining Air Transat in 1990. In 1997, he was appointed Vice-President, Finance and Administration for Air Transat to which was added the equivalent position for Transat Tours Canada in 2003.

Mr. Petrin holds a bachelor's degree in Business Administration from Université du Québec à Trois-Rivières.



**André De Montigny**  
President, Transat International

Vice-President, Corporate Development,  
Transat A.T. Inc

André De Montigny is President of Transat International and Vice-President, Business Development of Transat. He joined the Transat team in 2000 as Vice-President, Business Development. He served previously as Vice-President, Telecommunications for Capital Communications CDPQ, a subsidiary of the Caisse de dépôt et placement du Québec. He also worked for Videotron Ltd and Teleglobe Canada as, respectively, Vice-President, Business Development and Director, Business Development. He also holds a Bachelor and Master degree in Economics from Université de Montréal. He also holds an MBA from HEC Montréal.

As President of Transat International, he is responsible for the strategy and financial results of Transat's entities at destination, namely the incoming operators in Greece, Mexico and Dominican Republic, as well as the hotel management joint venture with Ocean in the Caribbean. As Vice-President, Business Development, he is responsible for the development of Transat's Strategic Plan and for the identification of external growth opportunities and ensuing acquisition transactions.



**Jean-François Lemay**  
President  
Air Transat

Jean-François Lemay joined Transat's senior management team in October 2011. He has some 30 years of experience in the practice of law, including with the firms Desjardins Ducharme, then Bélanger Sauvé and finally Dunton Rainville, where he was a partner and member of the executive committee. A specialist in labor law, he has advised many clients on issues related to labor relations, human rights and freedoms, and occupational health and safety. He is invited regularly to speak to professional associations and is the author of numerous articles on labor relations. He has also served as a lecturer in labor law with the Law Faculty of Université de Montréal, where he obtained his law degree, and as a professor in labor law with the École du Barreau of the Quebec Bar.



**Annick Guérard**  
President and General  
Manager  
Transat Tours Canada

Annick Guérard began her professional career in the transportation industry as a Project Manager in engineering consulting, and then worked as a Senior Consultant in organizational management for the Deloitte management consulting firm.

Since 2002, Ms. Guérard has held a variety of management positions within different Transat A.T. Inc. business units, including working four years as Senior Director, Customer Service, for Air Transat. In 2006, she joined Transat Tours Canada's team as Director, Brands, then served as its Interim Director, Marketing. A year later, she took over the leadership of Jonview Canada in Toronto. In 2009, she was appointed Vice-President, Marketing and Web Commercialization, for Transat Tours Canada. Since October 2011, Annick has acted as Vice-President, South Market, and was then appointed to the position of General Manager of Transat Tours Canada, on the 3rd of December 2012.

Ms. Guérard holds an MBA from HEC Montréal and a Bachelor's degree in Engineering from l'école Polytechnique de Montréal.



**Joseph Adamo**  
President  
Transat Distribution Canada  
Vice-President and Chief  
Distribution Officer  
Transat Tours Canada

Joseph Adamo has served in the double role of President, Transat Distribution Canada (TDC) and Vice-President and Chief Distribution Officer, Transat Tours Canada (TTC) since April 2017. He joined Transat in 2011, as Senior Director, then Vice-President, Marketing and e-commerce, for Transat Tours Canada (TTC). Later, he was appointed TDC's General Manager, then President, his current position. With 30 years of sales, Marketing and customer service experience before joining Transat he held key positions in several large corporations, including Marketel/McCann-Erickson Ltd. advertising agency, TELUS Mobility, Bell Canada and the Yellow Pages Group. Mr. Adamo holds a Bachelor of Commerce degree and an MBA from McGill University.

Non-IFRS financial measures included in this presentation are not defined under IFRS. Therefore, It is likely that the non-IFRS financial measures used by the Corporation will not be comparable to similar measures reported by other issuers or those used by financial analysts as their measures may have different definitions. The non-IFRS measures used by the Corporation in this presentation are defined as follows:

**Adjusted net income (loss):**

Net income (loss) attributable to shareholders before net income (loss) from discontinued operations, change in fair value of fuel-related derivatives and other derivatives, gain (loss) on disposal of a subsidiary, restructuring charge, lump-sum payments related to collective agreements, asset impairment and other significant unusual items, and including premiums for fuel-related derivatives and other derivatives matured during the period, net of related taxes. The Corporation uses this measure to assess the financial performance of its activities before the items mentioned previously to ensure better comparability of financial results. Adjusted net income (loss) is also used in calculating the variable compensation of employees and senior executives.

**Adjusted EBITDA (Adjusted operating income (loss)) :**

Operating income (loss) before depreciation and amortization expense, restructuring charge, lump-sum payments related to collective agreements and other significant unusual items, and including premiums for fuel related derivatives and other derivatives matured during the period. The Corporation uses this measure to assess the operational performance of its activities before the items mentioned previously to ensure better comparability of financial results.

**Adjusted EBITDAR:**

Operating income (loss) before aircraft rent, depreciation and amortization expense, restructuring charge, lump-sum payments related to collective agreements and other significant unusual items, and including premiums for fuel related derivatives and other derivatives matured during the period. The Corporation uses this measure to assess the operational performance of its activities before the items mentioned previously to ensure better comparability of financial results.

**Free cash flow:**

Cash flows related to operating activities, net of capital expenditures. The Corporation uses this measure to assess the amount of cash that it is able to generate from its operations after accounting for all capital expenditures, mainly related to aircraft and IT

**Adjusted Net Debt:**

Long-term debt plus 7.5x the aircraft rent expense from the last 12 months, less cash and cash equivalents. Management uses adjusted net debt to assess the Corporation's debt level, future cash needs and financial leverage ratio. Management believes this measure is useful in assessing the Corporation's capacity to discharge its current and future financial obligations in comparison with other companies from its sector.

**Note:** The reconciliations between IFRS financial measures and non IFRS financial measures are available in our Second quarterly report by clicking on the following link: [Second Quarter 2017](#)



Welcome  
ήρθατε Bienvenido Bienvenue  
-vindo Welcome Willkommen  
Willkommen Bienvenido Benvenuto  
geldiniz Bienvenue Welkom  
Benvenuto



**IMPROVEMENT DURING SECOND QUARTER  
LEADS TO WINTER RESULTS SIMILAR THAN PREVIOUS YEAR**

THANK YOU !