



Results for the First Quarter of 2018

OUR ORGANIZATION

Outgoing Tour Operators

- Transat Tours Canada (Canada)
- Canadian Affair (United Kingdom)

Retail Distribution

- Transat Distribution Canada (Canada)

Air Transportation

- Air Transat

Incoming Tour Operators Destination Services

- Trafic Tours
- Transat Holidays USA
- Turissimo

- North America
- Europe

Transat A.T. Inc.: Integrated International Tour Operator Specializing in Holiday Travel

Transat A.T. Inc. is a leading integrated international tourism company specializing in holiday travel. It offers vacation packages, hotel stays and air travel under the Transat and Air Transat brands to some 60 destinations in 26 countries in the Americas, Europe and the Middle East. Based in Montreal, the company has 5,000 employees. Transat is firmly committed to sustainable tourism development, as reflected in its multiple corporate responsibility initiatives over the past 10 years, and was awarded Travelife Partner status in 2016.

For the First Quarter:

- Revenues of \$725.8 million (\$689.3 million for the first quarter of 2017).
- Operating loss of \$45.8 million (\$50.7 million).
- Adjusted operating loss¹ of \$31.0 million (\$37.1 million).
- Net loss attributable to shareholders of \$6.6 million (\$32.1 million).
- Adjusted net loss¹ of \$33.9 million (\$36.0 million).
- Sale of the subsidiary Jonview Canada Inc. for \$48.4 million on November 30, 2017.

Quick Facts

Symbol: TRZ

Year end: October 31

Listings: Toronto Stock Exchange (TSX)

Employees: approximately 5,000

"During this quarter, we continued the repositioning started last year by announcing the disposal of Jonview Canada for \$48.4 million and the appointment of Jordi Solé as President of our new hotels division. The disposals made during the past 18 months generated \$327 million in total for our hotel investments. We're also continuing our work on revenue management and the fleet. Our results improved by \$9.1 million from last year, on a comparable basis, and if the trends continue, we expect to maintain these gains at the end of winter."

Jean-Marc Eustache

President and Chief Executive Officer of Transat



Financial Highlights for the Quarters Ended January 31

(In thousands of dollars, except per share amounts)

| | 2018 \$ | 2017 \$ | Difference \$ | Difference % |
|---|------------|------------|------------------|-----------------|
| Consolidated Statements of Income | | | | |
| Revenues | 725,782 | 689,332 | 36,450 | 5.3 |
| Operating income (loss) | (45,795) | (50,671) | 4,876 | 9.6 |
| Net income (loss) attributable to shareholders | (6,588) | (32,073) | 25,485 | 79.5 |
| Basic earnings (loss) per share | (0.18) | (0.87) | 0.69 | 79.3 |
| Diluted earnings (loss) per share | (0.18) | (0.87) | 0.69 | 79.3 |
| Adjusted operating income (loss) ¹ | (31,026) | (37,079) | 6,053 | 16.3 |
| Adjusted net income (loss) ¹ | (33,868) | (36,039) | 2,171 | 6.0 |
| Adjusted net income (loss) per share ¹ | (0.91) | (0.98) | 0.07 | 7.1 |

Consolidated Statements of Financial Position

(In thousands of dollars)

| | As at January 31 2018 \$ | As at October 31 2017 \$ | Difference \$ | Difference % |
|---|-----------------------------------|-----------------------------------|------------------|-----------------|
| Consolidated Statements of Financial Position | | | | |
| Cash and cash equivalents | 749,342 | 593,582 | 155,760 | 26.2 |
| Cash and cash equivalents in trust or otherwise reserved (current and non-current) | 386,631 | 309,064 | 77,567 | 25.1 |
| | 1,135,973 | 902,646 | 233,327 | 25.8 |
| Total Assets | 1,677,137 | 1,453,216 | 223,921 | 15.4 |
| Debt (current and non-current) | - | - | - | - |
| Total debt ¹ | 631,025 | 660,695 | (29,670) | (4.5) |
| Total net debt (Cash and cash equivalents net of total debt) ¹ | (118,317) | 67,113 | (185,430) | (276.3) |

¹Non-IFRS Financial Measures

The terms “adjusted operating income,” “adjusted operating loss,” “adjusted net income,” “adjusted net loss,” “total debt,” “cash and cash equivalents net of total debt” and “total net debt” have no standard definition prescribed by IFRS and are therefore unlikely to be comparable to similar measures reported by other issuers or those used by financial analysts. They are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Management believes that these measures or some of these measures are used by the readers of our MD&A to analyze the Corporation's results, its financial performance and its financial position. These terms are presented on a consistent basis from year to year, as management uses them to measure the Corporation's financial performance.

The adjusted operating income (loss) is the 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 aforementioned items to ensure better comparability of financial results.

Adjusted net income (adjusted net loss) is the 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 business disposals, 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 aforementioned items to ensure better comparability of financial results. Adjusted net income (loss) is also used in calculating the variable compensation of employees and senior executives.

For more detailed information and for the reconciliations between the IFRS financial measures and the non-IFRS financial measures, please refer to the First Quarterly Report of 2018 by [clicking here](#).

Senior Management

Jean-Marc Eustache

Chairman of the Board
President and Chief Executive Officer

Annick Guérard

Chief Operating Officer, Transat

Jordi Solé

President, Hotel Division, Transat

Jean-François Lemay

President-General Manager, Air Transat

Joseph Adamo

President, Transat Distribution Canada
Vice-President and Chief Distribution Officer,
Transat Tours Canada

Bruno Leclaire

Vice-President and Chief Information Officer, Transat

Bernard Bussi res

Vice-President, General Counsel
and Corporate Secretary

Christophe Hennebelle

Vice-President, Human Resources
and Corporate Affairs

Daniel Godbout

Senior Vice-President, Transport and Yield Management

Denis P trin

Vice-President, Finance and Administration and
Chief Financial Officer

Investor Relations

Denis P trin

Chief Financial Officer
+1 514 987-1660
investorrelations@transat.com

Information

Transat A.T. inc.

Tour Transat
300 L o Pariseau Street
Suite 600
Montreal (Quebec) H2X 4C2
Tel: +1 514 987-1616
Fax: +1 514 987-8035

Transfer Agent and Registrar

AST Trust Company (Canada)
2001 Robert-Bourassa Blvd.
Suite 1600
Montreal (Quebec) H3A 2A6

Phone (toll free):

1 800 387-0825
inquires@astfinancial.com
www.astfinancial.com/ca-en