

## OUR ORGANIZATION

### Outgoing tour operators

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

### Retail distribution

- Transat Distribution Canada (Canada)

### Air transportation

- Air Transat

### Accommodation

- Ocean Hotels

### Incoming tour operators

#### Destination services

- Jonview Canada
- Traffic 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 an integrated international tour operator that specializes in holiday travel. It offers some 25 destination countries and distributes products in over 50 countries. Transat owns an air carrier, offers accommodation and destination services and operates an extensive distribution network. The Company has a dedicated team of thorough and efficient people who deliver quality vacation travel services at affordable prices to a broad customer base.

### From continuing operations for the fourth quarter:

- Revenues of \$612.1 million, compared with \$634.0 million in 2015.
- Adjusted operating income<sup>1</sup> of \$46.5 million, compared with \$70.8 million in 2015.
- Adjusted net income<sup>3</sup> of \$24.2 million, compared with \$44.6 million in 2015.
- Sale of business units Transat France and Tourgreece for €63.4 million (\$93.3 million).

### Results for fiscal 2016:

- Revenues of \$2.9 billion, compared with \$2.9 billion in 2015.
- Adjusted operating income<sup>1</sup> of \$25.8 million, compared with \$100.6 million in 2015.
- Adjusted net loss<sup>3</sup> of \$15.5 million, compared with adjusted net income<sup>3</sup> of \$45.9 million in 2015.

### Quick Facts

Symbol: TRZ

Year end: October 31

Listings: Toronto Stock Exchange (TSX)

Employees: approximately 5,000

“At the end of the previous quarter, we forecasted that we would have difficulty achieving another record summer in 2016, given the drastic increase in overall supply compared with the year before. Our prediction proved to be correct. We’ve had a satisfactory summer season per se, but it was not enough to offset the especially challenging winter, with the end result that we are finishing the year with a slight adjusted net loss, equivalent to about 0.5% of sales.”

**Jean-Marc Eustache**

President and Chief Executive Officer of Transat



## Financial highlights for the quarters ended October 31

(In thousands of dollars, except per share amounts)

	2016 \$	2015 \$	Variance \$	Variance %
<b>Consolidated Statements of Income</b>				
Revenues	612,111	634,004	(21,893)	(3.5)
Adjusted operating income <sup>1</sup>	46,497	70,805	(24,308)	(34.3)
Net income attributable to shareholders	34,920	69,108	(34,188)	(49.5)
Basic earnings per share	0.95	1.82	(0.87)	(47.8)
Diluted earnings per share	0.95	1.82	(0.87)	(47.8)
Adjusted net income <sup>1</sup>	24,183	44,648	(20,465)	(45.8)
Adjusted net income per share <sup>1</sup>	0.66	1.18	(0.52)	(44.1)

## Financial highlights for the year ended October 31

(In thousands of dollars, except per share amounts)

	2016 \$	2015 \$	Variance \$	Variance %
<b>Consolidated Statements of Income</b>				
Revenues	2,889,646	2,897,950	(8,304)	(0.3)
Adjusted operating income <sup>1</sup>	25,776	100,608	(74,832)	(74.4)
Net income (loss) attributable to shareholders	(41,748)	42,565	(84,313)	(198.1)
Basic earnings (loss) per share	(1.13)	1.11	(2.24)	(201.8)
Diluted earnings (loss) per share	(1.13)	1.10	(2.23)	(202.7)
Adjusted net income (loss) <sup>1</sup>	(15,542)	45,914	(61,456)	(133.9)
Adjusted net income (loss) per share <sup>1</sup>	(0.42)	1.19	(1.61)	(135.3)

## Consolidated statements of financial position

	As at October 31 2016 \$	As at October 31 2015 \$	Variance \$	Variance %
<b>Consolidated statements of financial position</b>				
Cash and cash equivalents	363,664	336,423	27,241	8.1
Cash and cash equivalents in trust or otherwise reserved (current and noncurrent)	338,581	412,099	(73,518)	(17.8)
	702,245	748,522	(46,277)	(6.2)
Total Assets	1,277,420	1,513,764	(236,344)	(15.6)
Long-term debt	-	-	-	-
Total debt <sup>1</sup>	679,065	494,295	184,770	37.4
Total net debt <sup>1</sup>	315,401	157,872	157,529	99.8

## **<sup>1</sup>Non-IFRS financial measures**

The terms “adjusted operating income,” “adjusted operating loss”, “adjusted net income”, “adjusted net loss”, “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 furnished 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.

Adjusted operating income and adjusted operating loss are used by management to assess Transat's ongoing and recurring operational 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.

Adjusted net income (adjusted net loss) is used by management to assess Transat's ongoing and recurring operational performance. 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 disposal of a subsidiary, restructuring charge, impairment of assets, 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, net of related taxes.

<sup>2</sup>On October 31, 2016, the Corporation completed the sale of its tour operating business in France (Transat France) and Greece (Tourgreece) to TUI AG. Accordingly, for the periods ended on October 31, 2016, Transat France and Tourgreece's results have been reported as discontinued operations in the consolidated statements of income (loss) and comprehensive income (loss).

For more detailed information, please refer to the 2016 Management's discussion & analysis by [clicking here](#).

## **Senior management**

### **Jean-Marc Eustache**

Chairman of the Board  
President and Chief Executive Officer

### **André De Montigny**

President, Transat International  
Vice-President, Corporate Development

### **Jean-François Lemay**

General Manager, Air Transat

### **Joseph Adamo**

General Manager, Transat Distribution Canada

### **Annick Guérard**

General Manager, Transat Tours Canada

### **Daniel Godbout**

Senior VicePresident, Transport and Yield Management, Transat  
Tours Canada

### **Christophe Hennebelle**

Vice-President, Human Resources  
and Corporate Affairs

### **Michel Bellefeuille**

Vice-President and Chief Information Officer

### **Bernard Bussièrès**

Vice-President, General Counsel  
and Corporate Secretary

### **Denis Pétrin**

Vice-President, Finance and Administration  
Chief Financial Officer

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## **Investor Relations**

### **Denis Pétrin**

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## **Information**

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