



September 23, 2010

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.

A vertically-integrated holiday travel tour operator

AIRLINES

ACCOMODATION

CRUISE COMPANIES

DESTINATION SERVICES

TRANSAT OUTGOING & INCOMING TOUR OPERATORS

WIDE RANGE OF PACKAGED PRODUCTS, AIRLINE SEATS, FIT TRAVEL

INTERNATIONAL MULTI-CHANNEL DISTRIBUTION NETWORK

TRAVEL AGENCIES • INTERNET & CALL CENTERS



CONSUMERS

A vertically-integrated holiday travel tour operator

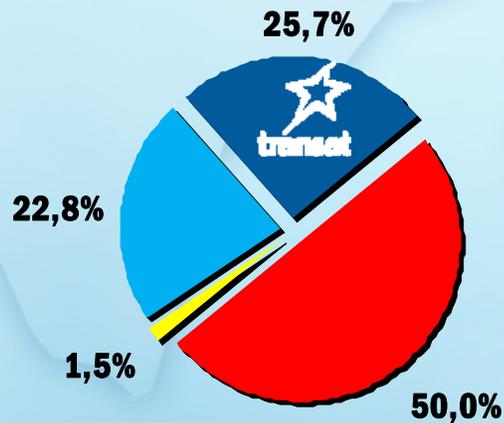


Transatlantic market

Leadership position on the two largest transatlantic holiday markets, and selling seats and products in 12 European countries

UK

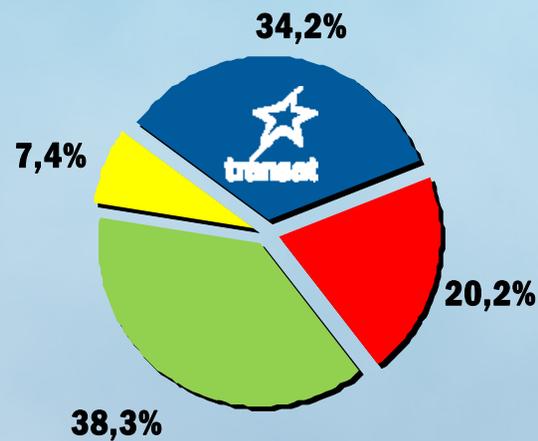
- Transat
- Air Canada
- British Airways
- Other



2010

FRANCE

- Transat
- Air Canada
- Air France
- Other



Transat: competitive advantages on transatlantic market

Unique value proposition for leisure travelers

- **34 European & 8 Canadian destinations (70 city-pairs)**
- **Affordable car rentals, hotels, coach tours, etc.**
- **Sell from Canada and Europe**
- **Multi-channel distribution***



*Travel agents, web and call centers



> **Transatlantic (65 %)**

- Increased capacity
- More passengers from Canada and Europe
- Better load factor and prices

> **France (25 %)**

- Soft demand to be stimulated
- Competitive for all tour operators
- 2011 - New agreement with Transavia
- 2011 - Will adjust yield strategy

3rd Quarter 2010 (May 1st to July 31st)

In millions of dollars, except per-share amounts

	2010	2009
Revenues	867	819
Margin (EBITDA)	53.9	27.2
Net income (financial statements)	20.9	31.0
Net income (adjusted)	26.8	7.0
EPS (adjusted)	0.70	0.21

4th Quarter 2010 outlook

- **Same trends than Q3 2010**
- **Better margins than Q4 2009**



As of July 31 2010 (Nov 1st to July 31st)

In millions of dollars, except per-share amounts	2010	2009
Revenues	2 720	2 826
Margin (EBITDA)	49.7	57.8
Net income (financial statements)	13.3	43.7
Net income (adjusted)	5.9	15.9
EPS (adjusted)	0.16	0.48

Cash and Balance Sheet (at July 31)

	July 2010		July 2009	
	Cash	ABCP	Cash	ABCP
\$ and investments	217	70	215	70
Drawn credit line	0	0	0	(60)
Other debt	(21)		(41)	
Sous-total	196	70	175	10
Net \$	266		185	

Cash flow from operations	56
Shares issue	62
Capital expenditures	(22)
Investments	(1)
Others	(13)
	+ 81

Highlights

- > Proceeds from shares issue improved net cash levels
- > Appropriate level of cash in hand for high season
- > Cash outflows minimized in 2010

Total credit line	268	275
Credit line available	268	215
Balance sheet debt	(21)	(101)
Off balance sheet debt	(543)	(352)
Total debt	(564)	(453)

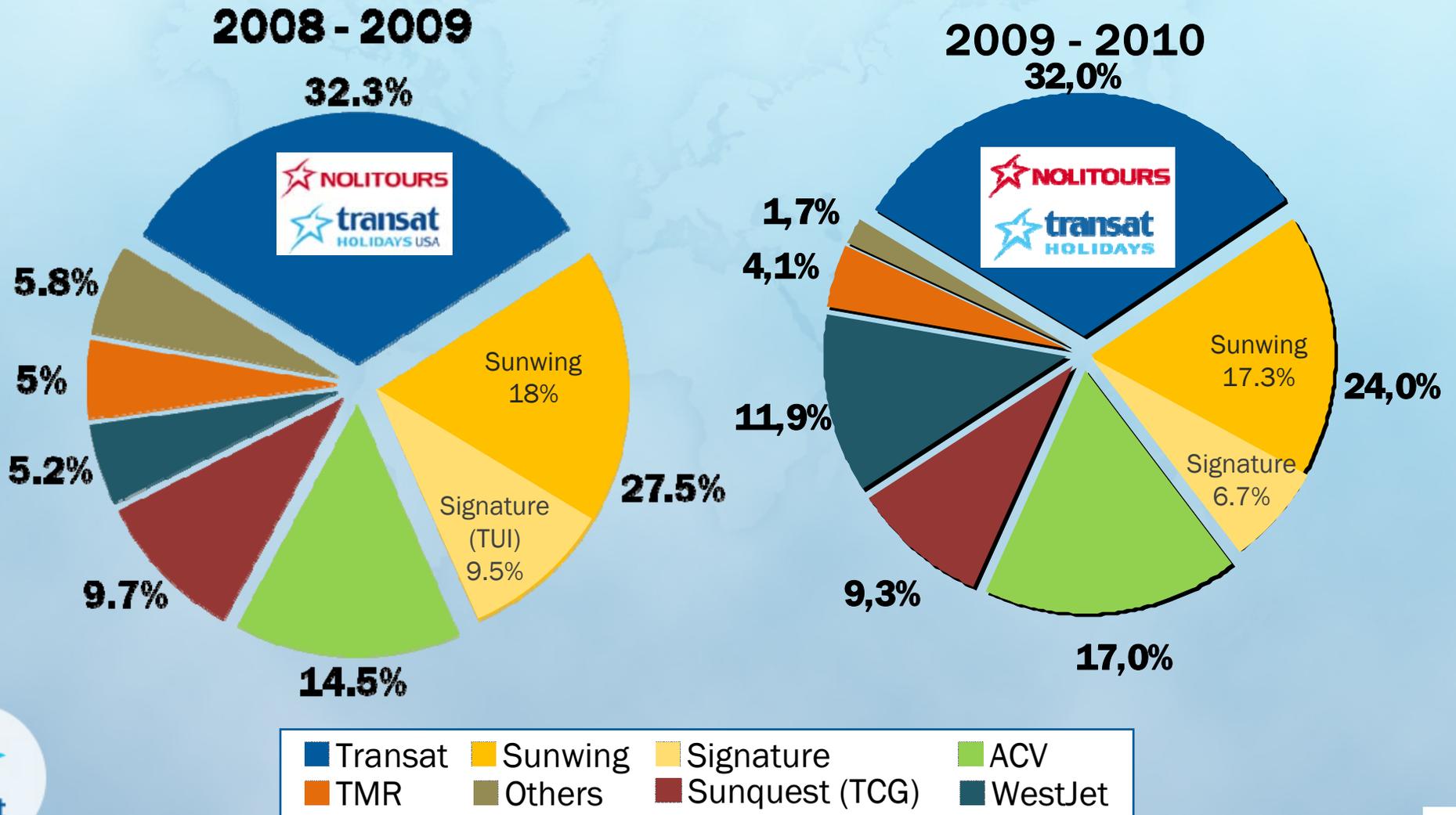
Sun market - Last winter highlights (2010)

- **Operating loss of \$4 million**
- **Last winter issues**
 - Hedging (\$33M)
 - Late on the market
 - Offer too rigid
 - Pricing too high at the beginning
 - Reduced capacity in Q1
 - Poor utilization of aircraft



Canada to Sun Destinations: Market

Market share based on deployed capacity at end of season
(all inclusive packages, Mexico/Caribbean, winter)



➤ Actions taken

- ✓ No hedging
- ✓ Products made available June 1
- ✓ Added seat-only capacity
- ✓ Line up of products*
- ✓ Yield (groups, approach & price guarantee)
- ✓ Increased capacity (+15%)
- ✓ Improved aircraft utilization
- ✓ Incentive program for travel agents

➔ **Bookings ahead**



Dynamic approach to managing air capacity

Competitive & ability to expand or contract

Narrow-body aircraft (5-year agreement with Canjet and Transavia)



Air Transat - Moving to an all A330 fleet (leading to lower costs)



Improved customer experience



Vision 2014

**Our vision is to be a leader in the Americas
with a solid competitive position in
several European countries.
And we are committed to achieve this...**



PARIS	transat HOLIDAYS	ON TIME
FRANKFURT	transat HOLIDAYS	BOARDING
TUNIS	LOOK VOYAGES	ON TIME
LA PAZ	VACANCES transat	ON TIME
ATHENS	TOURGREECE	LAST CALL
CANCUN	NOLITOURS	BOARDING
TORONTO	FLYDELL	ON TIME
ORLANDO	NOLITOURS	ON TIME
ISTANBUL	révatoours	ON TIME
VANCOUVER	JONVIEW CANADA	LAST CALL



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