

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

- 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 a leading integrated international tourism company specializing in holiday travel. It offers vacation packages, hotel stays and air travel 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. The vacation travel companion par excellence, Transat celebrates its 30th anniversary in 2017.

For the fourth quarter:

- Revenues of \$698.6 million, compared with \$612.1 million in 2016.
- Operating income of \$59.5 million, compared with \$26.9 million in 2016.
- Adjusted operating income¹ of \$78.5 million, compared with \$46.5 million in 2016.
- Net income attributable to shareholders of \$148.1 million, compared with \$34.9 million in 2016.
- Adjusted net income¹ of \$46.4 million, compared with \$24.2 million in 2016.
- Sale of the minority interest in Ocean Hotels for US\$149 million [\$185.6 million] on October 4, 2017.

For the year:

- Revenues of \$3.0 billion, compared with \$2.9 billion in 2016.
- Operating income of \$34.7 million, compared with an operating loss of \$30.3 million in 2016.
- Adjusted operating income¹ of \$102.0 million, compared with \$25.8 million in 2016.
- Net income attributable to shareholders of \$134.3 million, compared with a net loss attributable to shareholders of \$41.7 million in 2016.
- Adjusted net income¹ of \$29.1 million, compared with an adjusted net loss¹ of \$15.5 million in 2016.

Quick Facts

Symbol: TRZ

Listings: Toronto Stock Exchange (TSX)

Year end: October 31

Employees: approximately 5,000

"The fourth quarter, like the summer as a whole, was excellent. Financially, our summer results were among the best in our history and significantly improved our results for the year compared with last year. From a strategic standpoint, we made great strides towards establishing our hotel division and in several other major areas, including fleet composition, and corporate leadership succession."

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)

	2017 \$	2016 \$	Variance \$	Variance %
Consolidated Statements of Income				
Revenues	698,551	612,111	86,440	14.1
Operating income	59,500	26,898	32,602	121.2
Net income attributable to shareholders	148,147	34,920	113,227	324.2
Basic earnings per share	4.00	0.95	3.05	321.1
Diluted earnings per share	3.97	0.95	3.02	317.9
Adjusted operating income ¹	78,541	46,497	32,044	68.9
Adjusted net income ¹	46,381	24,183	22,198	91.8
Adjusted net income per share ¹	1.24	0.66	0.58	87.9

Financial highlights for the year ended October 31

(In thousands of dollars, except per share amounts)

	2017 \$	2016 \$	Variance \$	Variance %
Consolidated Statements of Income				
Revenues	3,005,345	2,889,646	115,699	4.0
Operating income (loss)	34,720	(30,335)	65,055	214.5
Net income (loss) attributable to shareholders	134,308	(41,748)	176,056	421.7
Basic earnings (loss) per share	3.63	(1.13)	4.76	421.2
Diluted earnings (loss) per share	3.63	(1.13)	4.76	421.2
Adjusted operating income ¹	102,025	25,776	76,249	295.8
Adjusted net income (loss) ¹	29,099	(15,542)	44,641	287.2
Adjusted net income (loss) per share ¹	0.79	(0.42)	1.21	288.1

Consolidated statements of financial position

(In thousands of dollars)

	As at October 31 2017 \$	As at October 31 2016 \$	Variance \$	Variance %
Consolidated statements of financial position				
Cash and cash equivalents	593,582	363,664	229,918	63.2
Cash and cash equivalents in trust or otherwise reserved (current and noncurrent)	309,064	338,581	(29,517)	(8.7)
	902,646	702,245	200,401	28.5
Total Assets	1,453,216	1,277,420	175,796	13.8
Long-term debt	-	-	-	-
Total debt ¹	660,695	679,065	(18,370)	(2.7)
Total net debt ¹	67,113	315,401	(248,288)	(78.7)

¹Non-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. 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 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, 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.

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 comparative period ended on July 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 and for the reconciliations between the IFRS financial measures and the non-IFRS financial measures, please refer to the Management's discussion & analysis 2017 by [clicking here](#).

Senior management

Jean-Marc Eustache

Chairman of the Board
President and Chief Executive Officer

Annick Guérard

Chief Operating Officer, 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

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Information

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