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**BETTER RESULTS THAN ANTICIPATED
GOOD START FOR SUMMER**

Investors Presentation
June 2015

FORWARD-LOOKING STATEMENTS



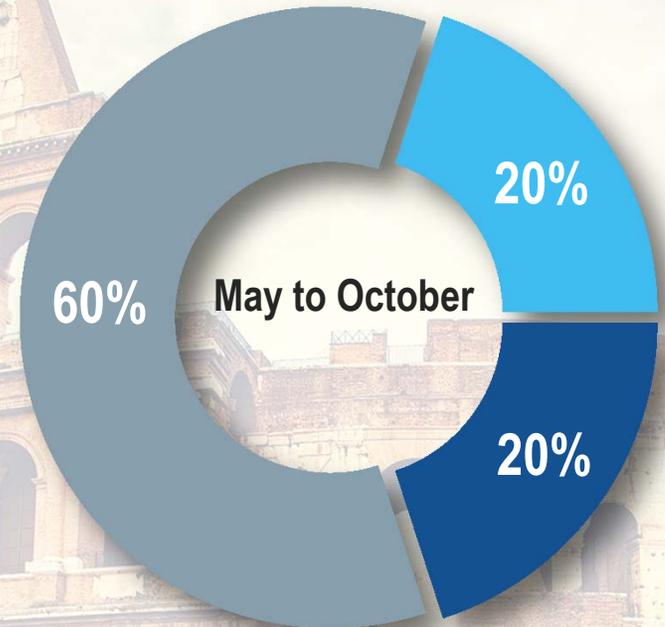
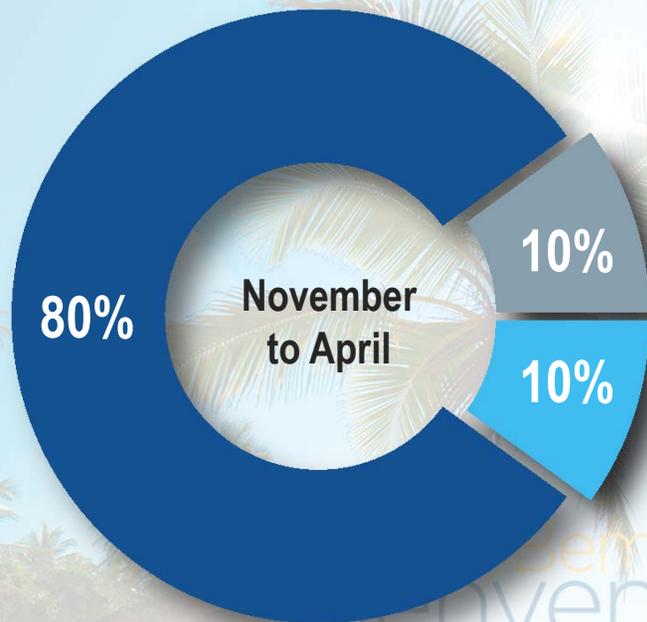
THIS PRESENTATION CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS WITH RESPECT TO THE CORPORATION. THESE FORWARD-LOOKING STATEMENTS, BY THEIR NATURE, NECESSARILY INVOLVE RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED BY THESE FORWARD-LOOKING STATEMENTS. 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.

AGENDA



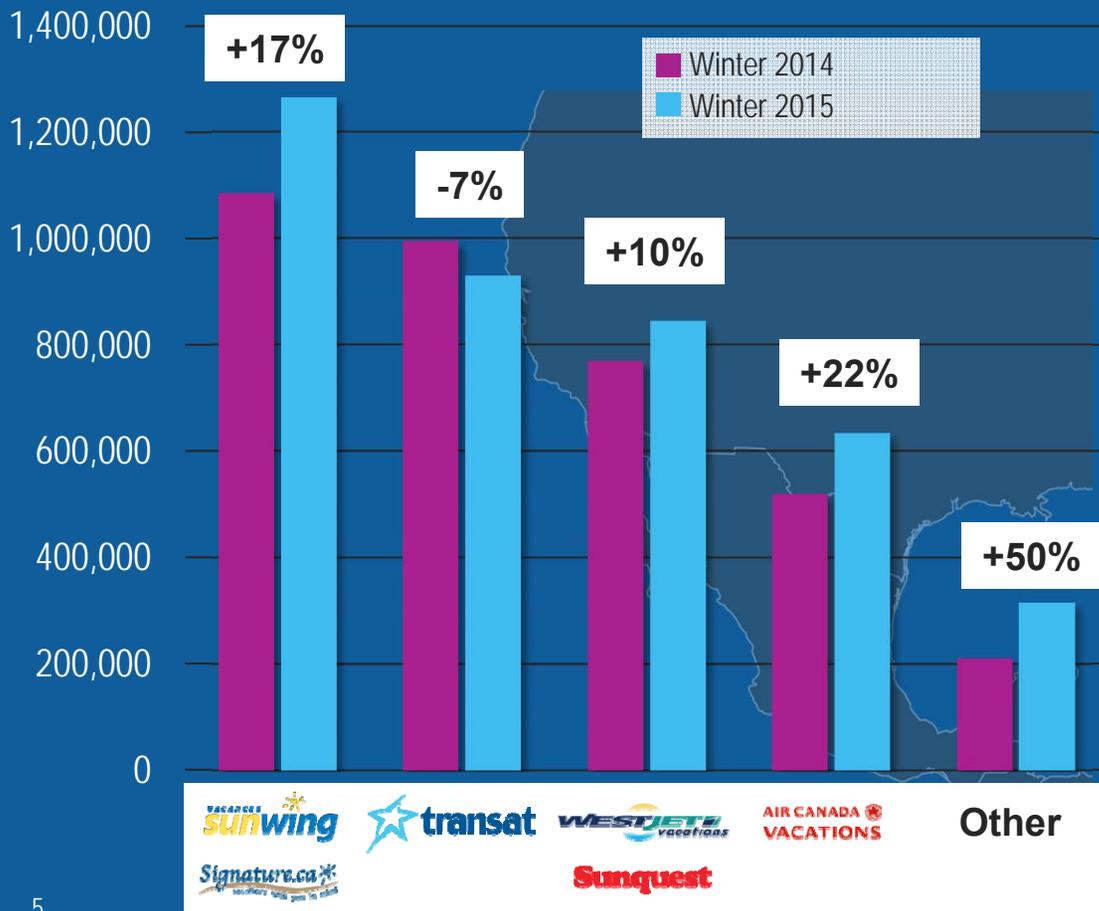
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DISTINCT WINTER AND SUMMER MARKETS



■ South ■ France ■ Transatlantic

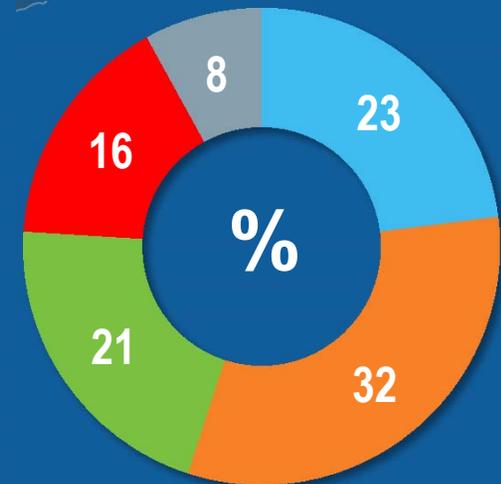
SUN DESTINATIONS MARKET CAPACITY AND MARKET SHARE (TRANSAT MARKETS)



TOTAL SEATS
WINTER 2014
3,580,000

TOTAL SEATS
WINTER 2015
3,990,000
+11%

Market share –
Sun, Winter 2015

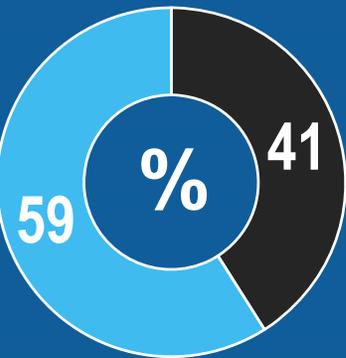


- Transat
- Sunwing-Signature
- WestJet Vacations
- Air Canada Vacations
- Other

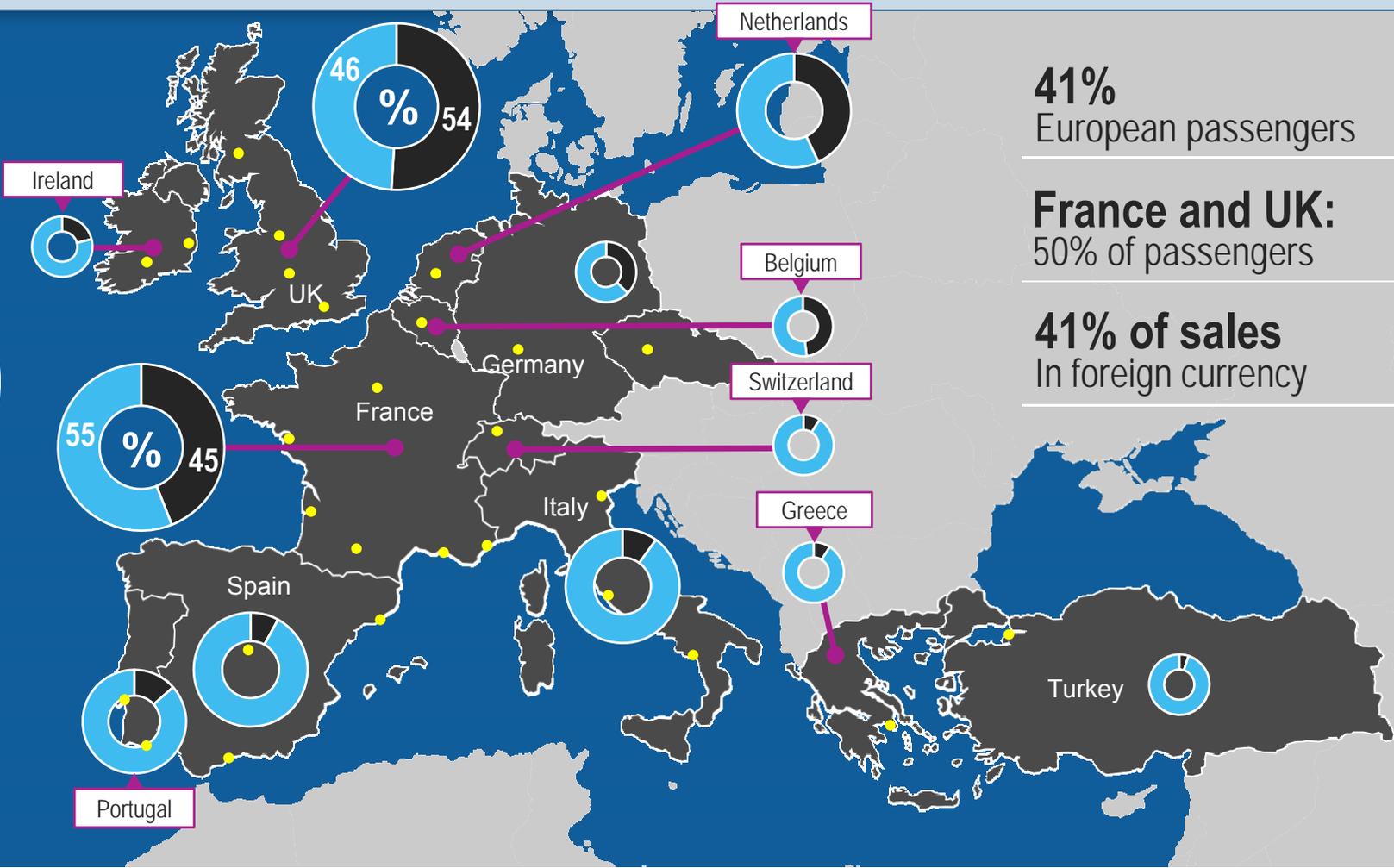
TRANSATLANTIC MARKET (TRANSAT ROUTES, SUMMER 2015)



Total sales:
830,000 seat



■ Sales in Canada
■ Sales in Europe



41%
European passengers

France and UK:
50% of passengers

41% of sales
In foreign currency

KEY FINANCIAL INFORMATION – WINTER



KEY FINANCIAL INFORMATION – WINTER SECOND QUARTER RESULTS 2015



HIGHLIGHTS (vs. 2014)

▣ Results improved due to :

- Cost and margin initiatives
- Slight increase of selling prices
- Partially offset by the negative combined impact of fuel-cost and currency fluctuations on sun destinations packages (lion's share of our revenue)

▣ Sun destinations

- Capacity decreased by 6.2%
- Prices up by 1.2% (vs. 1.0%⁽²⁾)
- Load factor down by 0.4% (vs. 0.0%⁽²⁾)
- FX impact of 2.2% (vs. 2.2%⁽²⁾)

▣ France

- Passengers decreased by 9.2%
- Prices up by 0.5%
- USD costs important in winter (long-haul) and EUR/USD decreased by 11% (1.19 vs. 1.34)

(in thousands of C.\$)

	2 ND quarter ended April 30			
	2015	2014	2015 vs. 2014	
	Actual	Actual	\$	%
REVENUES	1,018,498	1,118,824	(100,326)	-9.0%
EBITDAR incl. hotels JV	28,079	19,857	8,222	41.4%
EBITDA incl. hotels JV	3,395	4	3,391	84,775%
As % of revenues	0.3%	0.0%		
Adjusted net loss⁽¹⁾	(6,623)	(7,553)	930	12.3%
As % of revenues	-0.7%	-0.7%		
Per share	(0.17)	(0.19)		
Net income (loss) as per F/S	24,704	(7,903)	32,607	412.6%

1) Net loss attributable to shareholders before change in fair value of derivative financial instruments used for aircraft fuel purchases, gain on disposal of a subsidiary, restructuring charge, impairment of goodwill and other significant unusual items, net of related taxes

2) As of Mar 9 2015

KEY FINANCIAL INFORMATION – WINTER

USD & FUEL IMPACT ON COSTS (2015 VS. 2014)



▣ HIGHLIGHTS – Q2

▣ Fuel exposure

- 15% of our costs on a sun destination package
- Mainly paid in USD

▣ USD exposure (excluding fuel)

- 50% of our costs on a sun destination package (35% of our consolidated winter operating expenses)

▣ Globally vs winter 2014, increase our cost by 2.6%

	<i>Sun destinations (per passenger)</i>		
	<i>Q1</i>	<i>Q2</i>	<i>Winter</i>
Average selling price 2014⁽¹⁾	\$1,370	\$1,370	\$1,370
% Fuel expenses	15%	15%	15%
% Other expenses in foreign currency (USD)	50%	50%	50%
2015 average			
- FX Blended Rate	1.12	1.16	1.14
- Fuel Blended Price per gallon	CAD 3.00	CAD 2.67	CAD 2.86
2014 average			
- FX Blended Rate	1.05	1.07	1.06
- Fuel Blended Price per gallon	CAD 3.05	CAD 3.10	CAD 3.07
FX/Fuel impact on costs (per pax)	\$42	\$30	\$36
FX/Fuel impact in % (per pax)	3.1%	2.2%	2.6%

1. Price for a sun destinations package before commission was \$1,470

2. Price based on the Jet Fuel US Golf Coast Pipeline Index in CAD

KEY FINANCIAL INFORMATION – WINTER USD AND FUEL VARIANCE ON COSTS YEAR-OVER-YEAR SINCE MARCH



Since March (Average Market Price)

- ▣ CAD vs USD : +0.2%
- ▣ Fuel (in USD) : -0.3%⁽²⁾

Since March for Q2 (including hedging)

- ▣ No impact on the cost for sun destination package

	<i>Sun destinations (per passenger)</i>		
	<i>Q1</i>	<i>Q2</i>	<i>Winter</i>
Average selling price 2014⁽¹⁾	\$1,370	\$1,370	\$1,370
As of June 9, 2015			
Fuel / FX Impact in \$ (per pax)	\$42	\$30	\$36
Fuel / FX Impact in % (per pax)	3.1%	2.2%	2.6%
As of March 9, 2015			
Fuel / FX Impact in \$ (per pax)	\$42	\$30	\$36
Fuel / FX Impact in % (per pax)	3.1%	2.2%	2.6%
Variance SINCE March			
Fuel / FX Impact in \$ (per pax)	\$0	\$0	\$0
Fuel / FX Impact in % (per pax)	0.0%	0.0%	0.0%

1. Price for a sun destinations package before commission was \$1,470

2. Price based on the Jet Fuel US Golf Coast Pipeline Index

KEY FINANCIAL INFORMATION – WINTER IMPACT ON Q2 ADJUSTED EBITDA INCL. HOTELS JV



▣ Sun destinations (Q2)

- Measures taken more than offset the increase in costs due to:
 - USD & Fuel variance
 - Annual indexation

▣ Other (Q2)

- France:
 - Sales decreased to Africa
 - Travellers decreased by 9.2%
 - Margins down

	Q1	Q2	Winter
Adj. EBITDA 2014 incl. hotels JV	(24M)	0M	(24M)
Δ FX / Fuel on costs for sun destination packages	(15M)	(15M) ⁽¹⁾	(30M)
Adj. EBITDA incl. FX / Fuel impact	(39M)	(15M)	(54M)
Yield management (price, load factor), cost initiatives on sun destination packages	14M	25M	39M
France, aircraft sub-lease, ...	(11M)	(7M)	(18M)
Adj. EBITDA 2015 incl. hotels JV	(36M)	3	(33M)

1. Negative Impact for the entire activities of Transat was 6M

KEY FINANCIAL INFORMATION – SUMMER



KEY FINANCIAL INFORMATION – SUMMER

SUMMER RESULTS 2015 (AS OF JUNE 9, 2015)



- ▣ **Good start for summer**
- ▣ **Transatlantic destinations**
 - Capacity similar
 - 65% of inventory sold
 - Load factor similar
 - Prices down by 2.6%
 - Costs down by 4.4% (Fuel / FX / Indexation)
- ▣ **Sun destinations**
 - Capacity up by 14.0%
 - Costs up by 2.0% (Fuel / FX / Indexation impact)
- ▣ **France**
 - Bookings up:
 - Medium-haul +10%
 - Long-haul +13.0%
 - Average price down by 3.6%

(in thousands of C\$)

	Summer season ended October 31			
	2015	2014	2013	Avg. 2009-2014
	Outlook	Actual	Actual	Actual
REVENUES		1,786,356	1,735,620	1,687,053
EBITDAR⁽¹⁾ incl. hotels JV		172,023	175,280	132,144
EBITDA⁽¹⁾ incl. hotels JV		123,817	134,985	93,550
As % of revenues		6.9%	7.8%	5.5%
Adjusted net income (loss)⁽²⁾		76,083	85,563	51,741
As % of revenues		4.3%	4.9%	3.0%
Per share		1.95	2.22	1.36
Net income (loss) as per FS		56,427	95,852	48,438

1) Before restructuring charge

2) Net income (loss) excluding change in fair value of derivative financial instruments used for aircraft fuel purchases, non-monetary gain on investments in ABCP, goodwill impairment and restructuring charge

KEY FINANCIAL INFORMATION – SUMMER

ANTICIPATED CURRENCIES & FUEL IMPACT ON COSTS (2015 VS. 2014)



	<i>Transatlantic (per passenger)</i>		
	<i>Q3</i>	<i>Q4</i>	<i>Summer</i>
Average selling price 2014 ⁽¹⁾	\$870	\$930	\$900
% Fuel expense	31%	29%	30%
% Other expenses in foreign currencies	24%	26%	25%
2015 average	USD / EUR / GBP	USD / EUR / GBP	USD / EUR / GBP
- FX Blended Rate	1.18 / 1.39 / 1.87	1.20 / 1.38 / 1.87	1.19 / 1.38 / 1.87
- Fuel Blended Price per gallon ⁽²⁾	CAD 2.55	CAD 2.49	CAD 2.52
2014 average	USD / EUR / GBP	USD / EUR / GBP	USD / EUR / GBP
- FX Blended Rate	1.09 / 1.47 / 1.75	1.09 / 1.48 / 1.77	1.09 / 1.48 / 1.76
- Fuel Blended Price per gallon ⁽²⁾	CAD 3.13	CAD 3.11	CAD 3.12
FX/Fuel impact on costs	(\$52)	(\$56)	(\$54)
<i>FX/Fuel impact in %</i> ⁽³⁾	<i>(5.9%)</i>	<i>(5.9%)</i>	<i>(5.9%)</i>

1. Price before commission was \$1,000

2. Price based on the Jet Fuel US Gulf Coast Pipeline Index in CAD

3. Impact on costs before indexation of 1.5% and only on Transatlantic market

KEY FINANCIAL INFORMATION – SUMMER

IMPACT ON ADJUSTED EBITDA INCL. HOTELS JV (AS OF JUNE 9, 2015)



▣ Fuel prices decrease

- Fuel represents 30% of our costs on a flight to Europe (paid mainly in USD)
- Fuel drop will have a positive impact on our costs on transatlantic

▣ Currencies Exposure

- 25% of our costs on a flight to Europe are in foreign currencies (USD, EUR, GBP)⁽¹⁾
- Depreciation of CAD against other currencies will have a negative impact on our costs but positive impact on revenues because we are selling in both sides

▣ Transatlantic destinations

- Costs down by 4.4% (fuel, currencies and indexation impact (or \$40M)
- Prices down by 2.6%⁽²⁾

	Q3	Q4	Summer
Adj. EBITDA 2014 incl. hotels JV	48M	76M	124M
Δ FX / Fuel on costs on transatlantic market (flight only)⁽³⁾	+20M	+ 20M	+ 40M
Adj. EBITDA incl. FX / Fuel impact	68M	96M	164M
Yield management (price and load factor) on transatlantic market (flight only)			
France, aircraft sub-lease, ...			
Adj. EBITDA 2015 incl. hotels JV			

1. 30% of our consolidated summer operating expenses is in USD (incl. fuel)

2. Including the positive impact of currencies variance on revenues

3. Including indexation of cost around 1.5%

FINANCIAL POSITION

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FINANCIAL POSITION AS OF APRIL 30, 2015



HIGHLIGHTS

- **Free Cash: + \$37M vs. April 2014**
 - Results of the last 12 months, working cap, net of Capex
 - Improved conditions from card processors in Europe
- **Debt**
 - Unused credit facilities of \$67M
 - Off balanced sheet (mainly commitments on aircraft leases) decrease during the quarter due to repayment and USD depreciation
- **2015 CAPEX: \$50M**
- **NCIB program active since April 15**
- **Net investment in hotels JV⁽¹⁾**
 - Held 35% (65% held by H10 Hotels)
 - 3 hotels owned, 2 hotels managed
 - Manage 2,200 rooms
 - \$95M on balanced sheet as of Apr 30

(in thousands of C\$, except ratios)

	As at			
	Apr. 30, 2015	Apr. 30, 2014	2015 vs. 2014	
	Actual	Actual	\$	%
Free cash	441,536	404,554	36,982	9.1%
Cash in trust or otherwise reserved	291,300	300,848	(9,548)	-3.2%
Trade and other payables	380,712	373,840	6,872	1.8%
Customer deposits	578,449	540,293	38,156	7.1%
Working capital ratio	1.01	1.04	(0.03)	-3.0%
Balance sheet debt	0	0	0	0.0%
Obligations under operating leases	624,156	626,816	(2,660)	-0.4%
Net investment (Ocean hotels)	94,532	77,510	17,022	22.0%
Capital expenditures (TTM)	62,822	63,239	417	-0.7%
Free cash Flow (TTM)	52,527	54,745	(2,218)	-4.1%

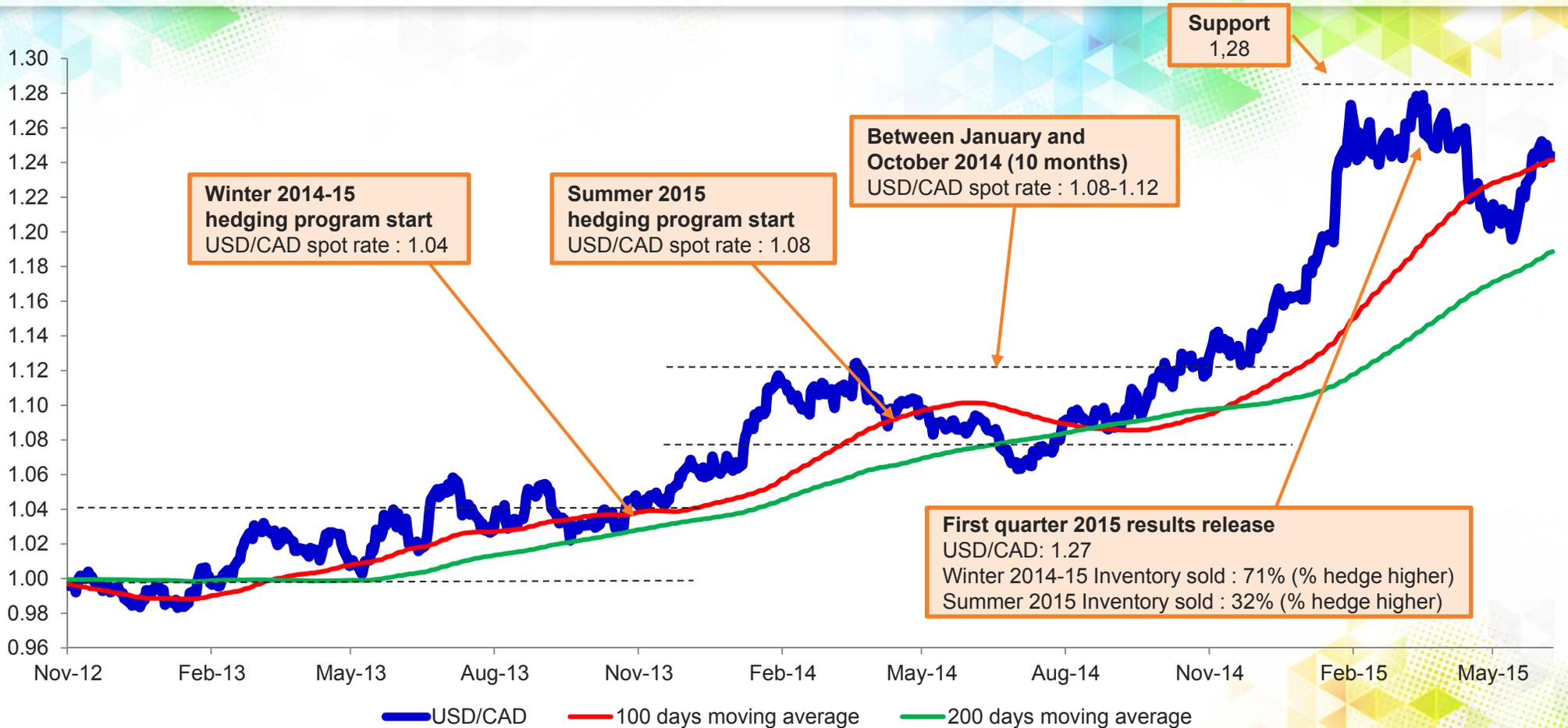
ANNEX – FINANCIAL MARKET HIGHLIGHTS



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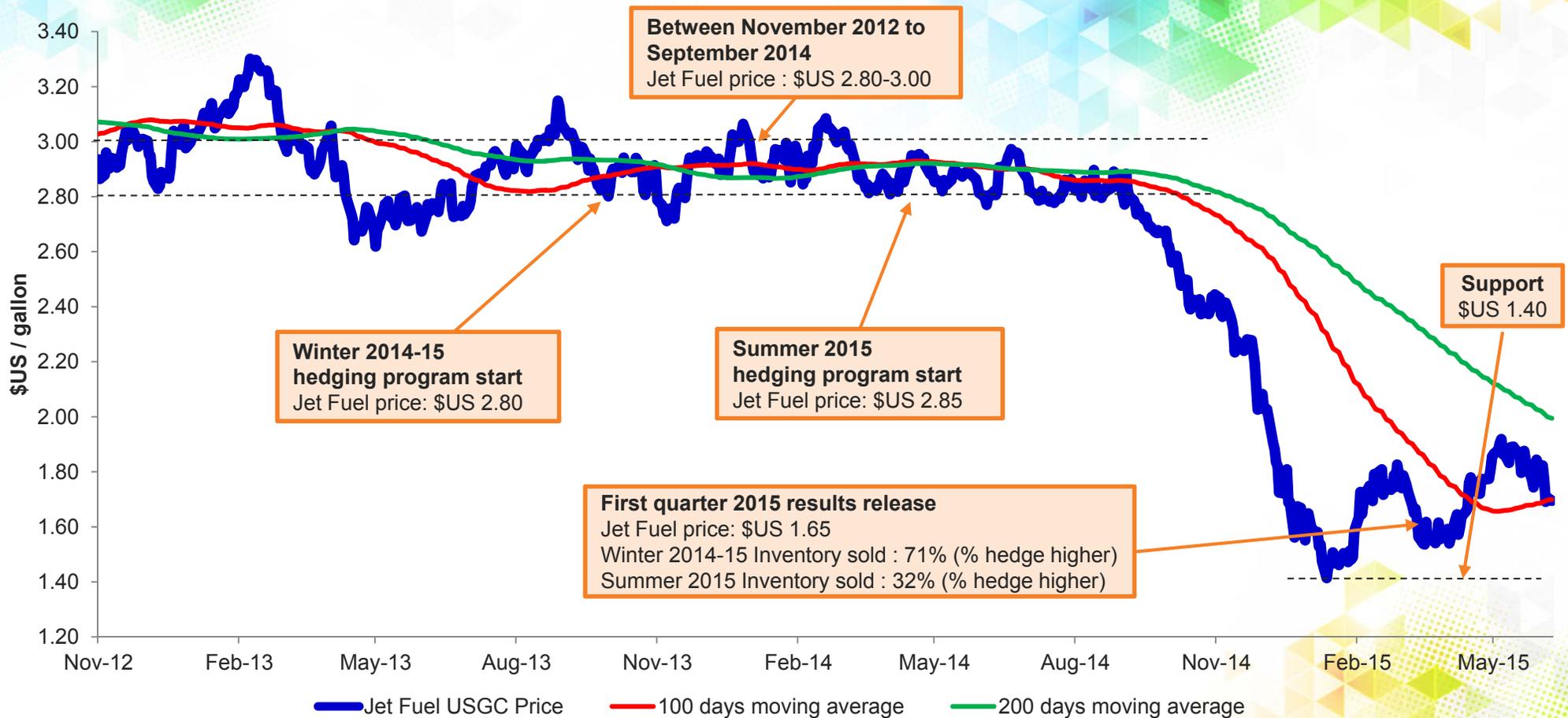
ANNEX: USD/CAD SPOT RATE

SECOND QUARTER 2015



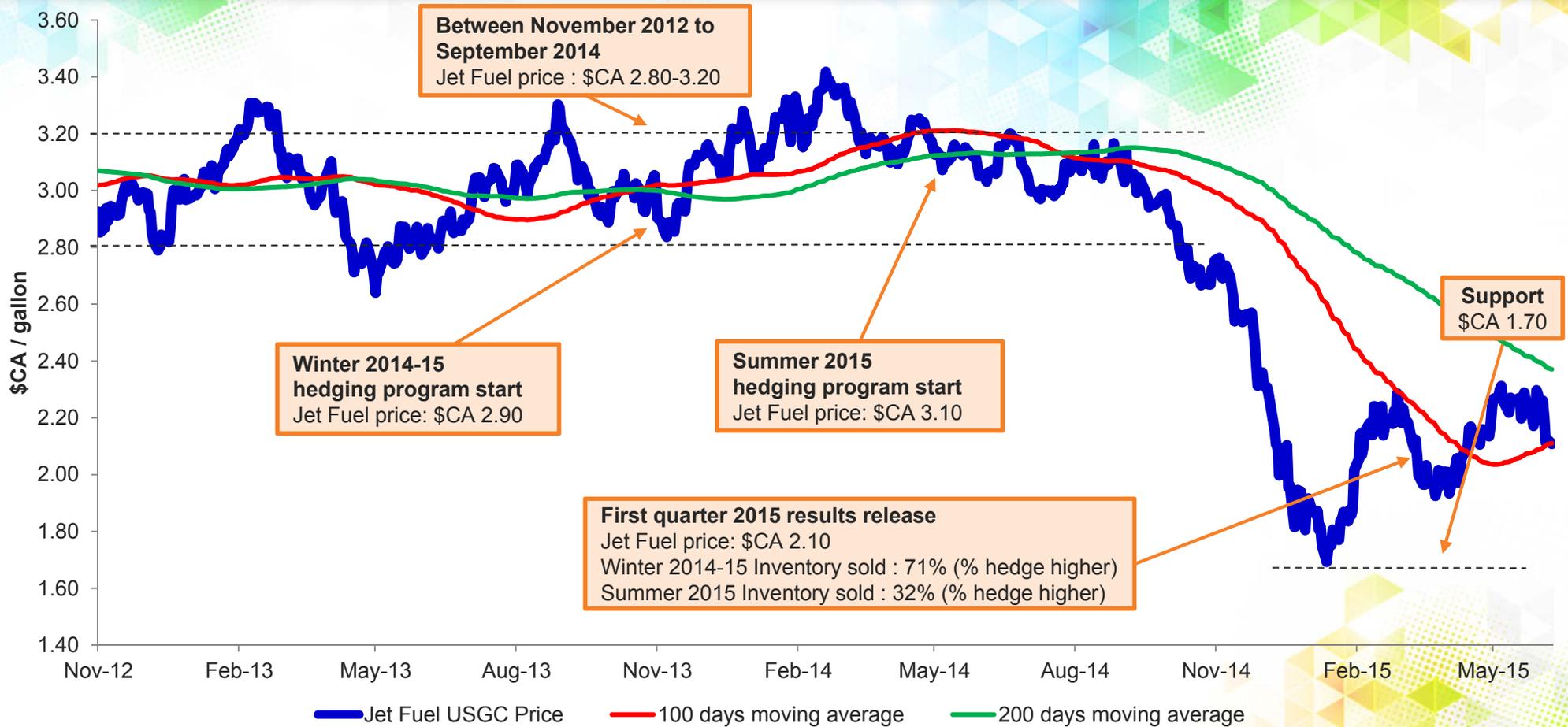
ANNEX: JET FUEL MARKET PRICE (IN USD)

SECOND QUARTER 2015



ANNEX: JET FUEL MARKET PRICE (IN CAD)

SECOND QUARTER 2015



ANNEX: MARK-TO-MARKET VALUATION

SECOND QUARTER 2015

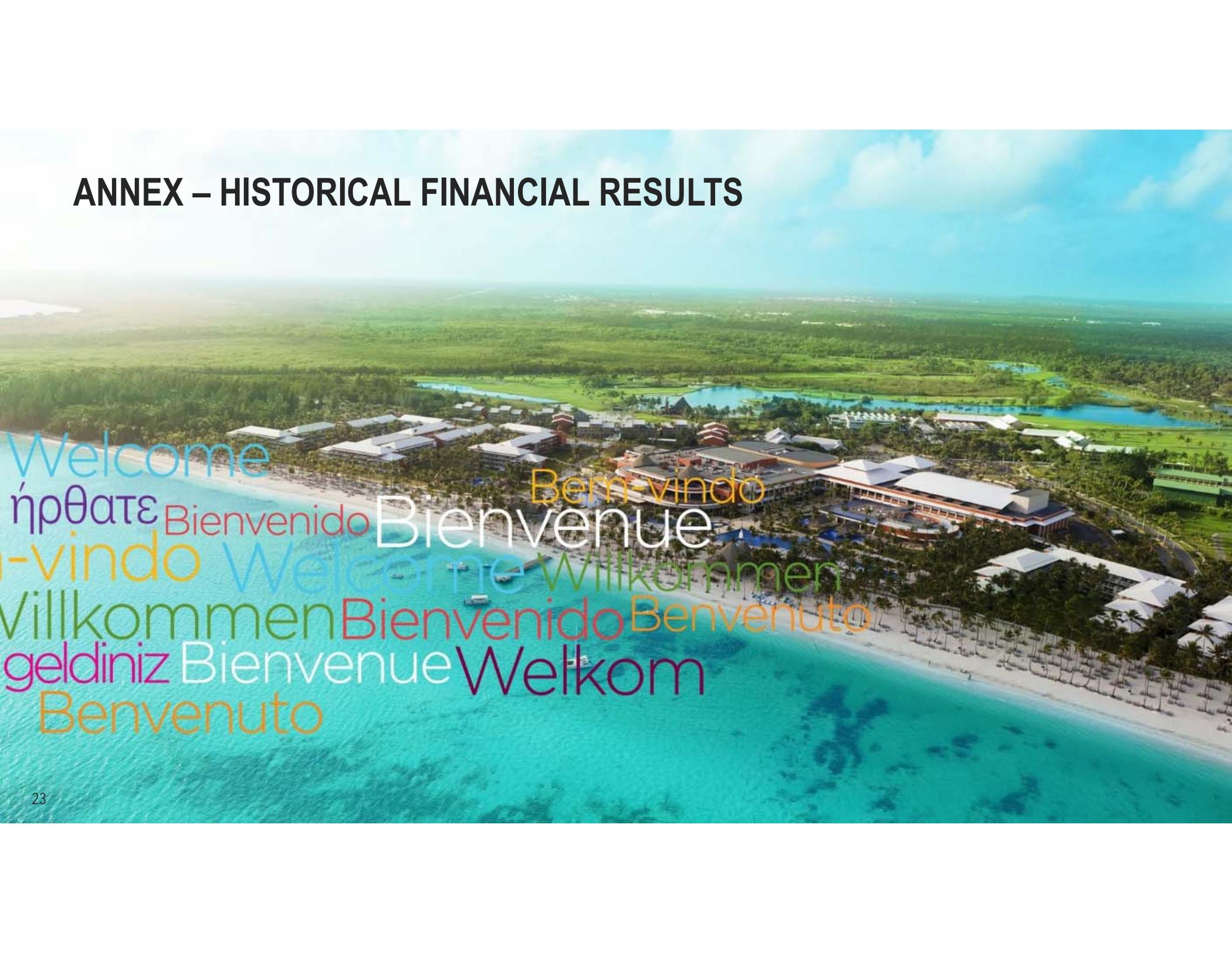


HIGHLIGHTS

- Fuel and USD hedging – In advance compared to our bookings for Summer 2015
- Fuel MtM variation impacted positively our Q2 financial results due to contract matured and an increase of the fuel price by +20%
- Actual Global MtM at +\$3M explained by the CAD depreciation and the depreciation of fuel price after touched the highest level since the beginning of the year
- The positive Fuel MtM variation who impacted our Q2 financial results will be mostly reversed over the next two quarters

	Fuel (P&L impact)		Currency (B/S impact)		TOTAL	
	MtM	Quarterly variation	MtM	Quarterly variation	MtM	Quarterly variation
<i>(in thousands of C\$)</i>						
April 30, 2014	(2,064)	1,737	(4,062)	(20,290)	(6,126)	(18,553)
May 31, 2014	(4,112)	(2,048)	(6,537)	(2,475)	(10,649)	(4,523)
June 30, 2014	(2,531)	(467)	(18,790)	(14,728)	(21,321)	(15,195)
July 31, 2014	(3,296)	(1,232)	(3,415)	647	(6,711)	(585)
August 31, 2014	(6,074)	(2,778)	(3,662)	(247)	(9,736)	(3,025)
September 30, 2014	(18,672)	(15,376)	16,136	19,551	(2,536)	4,175
October 31, 2014	(24,386)	(21,090)	16,295	19,710	(8,091)	(1,380)
November 30, 2014	(45,999)	(21,613)	18,945	2,650	(27,054)	(18,963)
December 31, 2014	(68,630)	(44,244)	34,514	18,219	(34,116)	(26,025)
January 31, 2015	(65,543)	(41,157)	79,164	62,869	13,621	21,712
February 28, 2015	(52,084)	13,459	59,913	(19,251)	7,829	(5,792)
March 31, 2015	(63,217)	2,329	72,150	(7,014)	8,933	(4,688)
April 30, 2015	(20,669)	44,874	6,122	(73,042)	(14,547)	(28,168)
Actual	(24,288)	(3,619)	27,333	21,211	3,045	17,592

ANNEX – HISTORICAL FINANCIAL RESULTS



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ANNEX: WINTER FINANCIAL RESULTS

(5-YEAR HISTORICAL)



<i>(in thousands of CAD)</i>	Winter					
	2015	2014	2013	2012	2011	Avg. 2004-2008
REVENUES	1,807,079	1,965,842	1,912,538	2,041,722	1,911,263	1,482,107
EBITDAR incl. hotels JV⁽¹⁾	15,494	15,135	26,312	(14,255)	21,238	112,871
EBITDA incl. hotels JV⁽¹⁾	(32,357)	(23,288)	(14,663)	(55,726)	(4,159)	87,262
As % of revenues	-1.8%	-1.2%	-0.8%	-2.7%	-0.1%	6.0%
Adjusted net income (loss)⁽²⁾	(39,069)	(30,841)	(22,996)	(54,477)	(19,894)	45,102
As % of revenues	-2.2%	-1.6%	-1.2%	-2.7%	-1.0%	3.1%
Net income (loss) as per F/S	(39,609)	(33,552)	(37,897)	(42,688)	(4,663)	43,836
Adjustments net of tax :	(540)	(2,711)	(14,901)	11,789	15,231	(1,266)
Change in fair value of derivative financial instruments used for aircraft fuel purchases	(665)	(1,480)	(16,440)	6,025	11,993	5,603
Non-monetary gain on investments in ABCP	-	-	-	8,032	6,637	(6,427)
Gain on disposal of a subsidiary	-	-	-	-	-	-
Goodwill impairment	-	-	-	-	-	-
Restructuring (Charge) / Gain	-	(2,226)	(3,915)	-	-	-
Tax Impact	125	995	5,454	(2,268)	(3,399)	(442)

1) Before restructuring charges

2) Net income (loss) excluding change in fair value of derivative financial instruments used for aircraft fuel purchases, non-monetary gain on investments in ABCP, goodwill impairment and restructuring charges

ANNEX: SUMMER FINANCIAL RESULTS

(5-YEAR HISTORICAL)



<i>(in thousands of CAD)</i>	Summer					
	2014	2013	2012	2011	2010	Avg. 2009-2014
REVENUES	1,786,357	1,735,620	1,672,497	1,742,904	1,645,929	1,687,053
EBITDAR incl. hotels JV⁽¹⁾	172,023	175,280	123,066	81,465	154,310	132,144
EBITDA incl. hotels JV⁽¹⁾	123,817	134,985	76,176	38,012	128,958	93,550
As % of revenues	6.9%	7.8%	4.6%	2.2%	7.8%	5.5%
Adjusted net income (loss) ⁽²⁾	76,083	85,563	39,205	10,192	74,555	51,741
As % of revenues	4.3%	4.9%	2.3%	0.6%	4.5%	3.0%
Net income (loss) as per F/S	56,427	95,852	26,019	(10,048)	73,281	48,438
Adjustments net of tax :	(19,656)	10,289	(13,186)	(20,240)	(1,274)	(3,303)
Change in fair value of derivative financial instruments used for aircraft fuel purchases	(22,342)	15,947	(5,324)	(13,271)	(977)	5,564
Non-monetary gain on investments in ABCP	-	-	(96)	1,476	(746)	(819)
Gain on disposal of a subsidiary	-	-	5,655	-	-	943
Goodwill impairment	(369)	-	(15,000)	-	-	(2,529)
Restructuring (Charge) / Gain	(4,161)	(1,825)	-	(16,543)	197	(5,749)
Tax Impact	7,216	(3,833)	1,579	8,098	252	(713)

1) Before restructuring charges

2) Net income (loss) excluding change in fair value of derivative financial instruments used for aircraft fuel purchases, non-monetary gain on investments in ABCP, goodwill impairment and restructuring charges

ANNEX: ANNUAL FINANCIAL RESULTS

(5-YEAR HISTORICAL)



<i>(in thousands of CAD)</i>	Annual					
	2014	2013	2012	2011	2010	Avg. 2004-2014
REVENUES	3,752,198	3,648,158	3,714,219	3,654,167	3,498,877	3,230,889
EBITDAR incl. hotels JV⁽¹⁾	187,158	201,592	108,811	102,703	180,041	169,190
EBITDA incl. hotels JV⁽¹⁾	99,929	120,322	20,450	33,853	127,092	106,369
As % of revenues	2.7%	3.3%	0.6%	0.9%	3.6%	3.6%
Adjusted net income (loss)⁽²⁾	45,242	62,567	(15,272)	(9,702)	56,663	45,155
As % of revenues	1.2%	1.7%	-0.4%	-0.3%	1.5%	1.4%
Net income (loss) as per F/S	22,875	57,955	(16,669)	(14,711)	65,607	36,258
Adjustments net of tax :	(22,367)	(4,612)	(1,397)	(5,009)	11,944	(8,276)
Change in fair value of derivative financial instruments used for aircraft fuel purchases	(23,822)	(493)	701	(1,278)	9,341	(2,467)
Non-monetary gain on investments in ABCP	-	-	7,936	8,113	4,648	(3,944)
Gain on disposal of a subsidiary	-	-	5,655	-	-	514
Goodwill impairment	(369)	-	(15,000)	-	-	(1,292)
Restructuring (Charge) / Gain	(6,387)	(5,740)	-	(16,543)	1,157	(3,964)
Tax Impact	8,211	1,621	(689)	4,699	(3,202)	2,620

1) Before restructuring charges

2) Net income (loss) excluding change in fair value of derivative financial instruments used for aircraft fuel purchases, non-monetary gain on investments in ABCP, goodwill impairment and restructuring charges

ANNEX: WINTER FINANCIAL POSITION

(5-YEAR HISTORICAL)



	As at January 31					As at April 30				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
<i>(in thousands of CAD)</i>										
Free cash + ABCP investment (fair value)	393,631	359,596	247,877	291,234	274,009	441,536	404,554	336,148	349,457	356,430
Cash in trust or otherwise reserved	394,896	418,504	407,153	426,671	474,661	291,300	300,848	296,747	289,806	337,487
Trade and other payables	402,516	421,172	351,866	352,040	358,539	380,712	373,840	372,094	366,742	333,477
Customer deposits	636,303	621,618	591,969	598,424	537,034	578,449	540,293	514,674	464,722	464,660
Working capital ratio	1.05	1.07	1.02	0.99	1.04	1.01	1.04	0.98	0.93	1.03
Balance sheet debt	0	0	0	0	13,762	0	0	0	0	6,867
Obligations under operating leases	684,551	633,475	504,374	612,374	602,241	624,156	626,816	480,199	576,346	614,888
Net investment (Ocean hotels)	85,322	74,579	64,011	60,689	59,173	94,532	77,510	68,300	62,651	58,665
Capital expenditures (TTM)	68,406	54,463	62,203	56,089	34,918	62,822	63,239	61,561	57,265	44,424
Free cash flow (TTM)	37,588	104,940	(42,695)	37,745	153,048	52,527	54,745	(5,778)	3,261	120,212

ANNEX: SUMMER FINANCIAL POSITION

(5-YEAR HISTORICAL)



<i>(in thousands of CAD)</i>	<i>As at July 31</i>					<i>As at October 31</i>				
	2014	2013	2012	2011	2010	2014	2013	2012	2011	2010
Free cash + ABCP investment (fair value)	497,072	389,337	318,692	385,777	286,960	308,887	265,818	198,525	260,327	252,973
Cash in trust or otherwise reserved	262,803	290,558	268,287	301,759	309,521	340,704	361,743	331,172	323,314	320,428
Trade and other payables	463,785	443,189	383,557	419,918	355,411	338,633	326,687	307,219	381,748	300,239
Customer deposits	485,867	456,215	395,862	386,703	387,158	424,468	410,340	382,823	347,957	326,589
Working capital ratio	1.06	1.02	0.99	1.02	1.01	1.12	1.10	1.00	0.97	1.07
Balance sheet debt	0	0	0	6,879	21,068	0	0	0	0	29,059
Obligations under operating leases	562,821	658,885	552,287	594,067	534,212	657,639	632,804	530,907	636,618	637,520
Net investment (Ocean hotels)	78,026	69,281	65,356	58,625	65,146	83,949	70,041	64,189	60,612	61,239
Capital expenditures (TTM)	58,436	62,029	65,416	51,042	22,325	64,976	55,457	64,639	54,194	26,122
Free cash flow (TTM)	103,581	68,221	(59,984)	110,804	33,217	41,264	67,582	(55,767)	36,479	93,009

ANNEX – STRATEGIC PLAN INITIATIVES

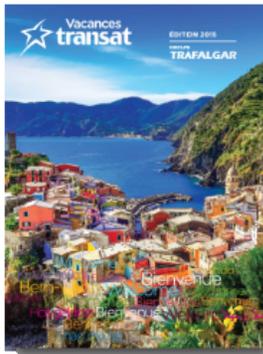


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2015-2017 STRATEGIC PLAN



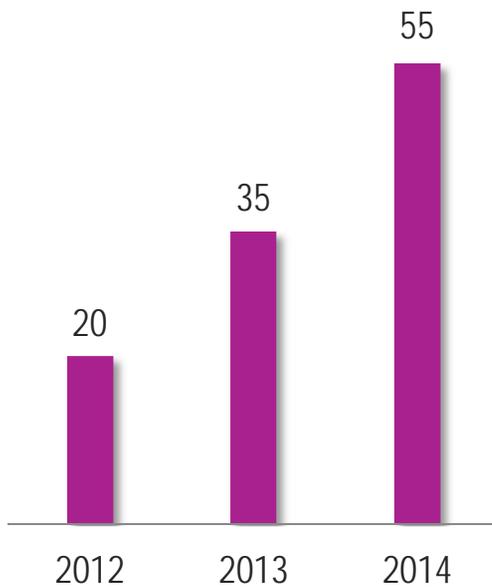
- ▣ \$100-million cost reduction and margin improvement program
- ▣ Improvement of the offering
- ▣ Evolution of our distribution strategy and ecosystem
- ▣ Market development and integration



RECAP OF THE 2012-2014 COST REDUCTION PLAN



(In millions of dollars)



2012: Achieved targeted costs reduction of \$20M, mainly through headcount adjustments and general expenses.

2013: Achieved targeted costs reduction of \$15M, stemming in part from new operational processes at Air Transat, including the removal of one flight attendant on A330s.

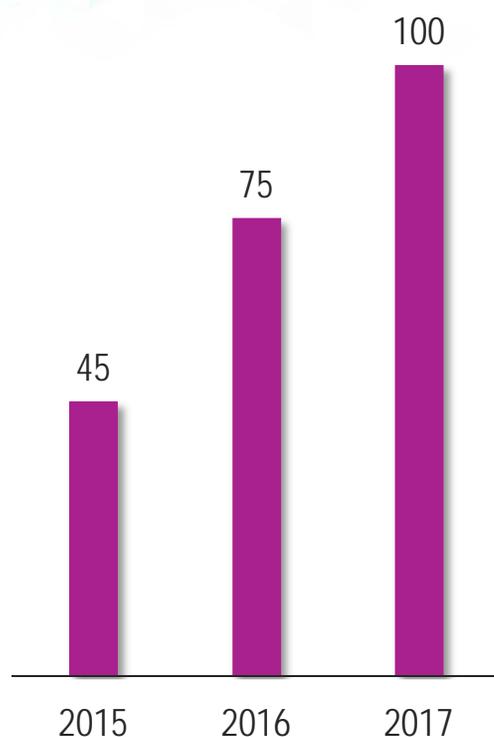
2014: Achieved targeted costs reduction of \$20M from several initiatives, including the first phase of the internalization of narrow-body aircraft and the first phase of a more flexible wide-body fleet.

2012-2014: Cumulative impact of \$55M

COST AND MARGINS INITIATIVES 2015-2017



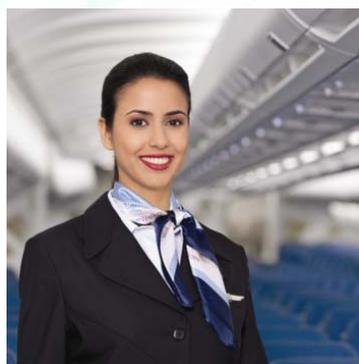
(In millions of dollars)



	2015	2016	2017
COST REDUCTIONS (in millions)			
Narrow-body flexible fleet	18	20	20
Reduction in the number of flight attendants	2	5	6
Buy-on-Board (sun destinations)	3	3	3
Optimization of hotel costs (sun destinations)	2	9	12
Optimization of distribution costs	11	13	16
Other projects and initiatives (identified)	3	4	5
To be identified and wide-body sub-leasing		6	15
Sub-total COSTS	39	60	77
MARGIN IMPROVEMENT (in millions)			
Ancillary Revenues and Cargo	6	9	11
Densification of three A330-300s	2	5	5
Online sales of third-party products	(2)	1	7
Sub-total MARGIN	6	15	23
TOTAL	45	75	100

FLEET STRATEGY

AIR TRANSAT PROJECTED FLEET BY SEASON



<i>WIDE-BODY</i>	<i>W15</i>	<i>S15</i>	<i>W16</i>	<i>S16</i>	<i>W17</i>	<i>S17</i>
Air Transat Base Fleet	21	21	21	21	21	21
Less: Temporarily withdrawn ⁽¹⁾	(6)	-	(6)	-	(6)	-
Less: Sub-Lease	(1)	-	(2)	-	(3)	-
Total	14	21	13	21	12	21

1) Thanks to improved leasing terms, three A330s are withdrawn from the fleet in winter. In addition, Transat has flexibility on the A310s it owns.

<i>NARROW-BODY</i>	<i>W15</i>	<i>S15</i>	<i>W16</i>	<i>S16</i>	<i>W17</i>	<i>S17</i>
Air Transat Base Fleet⁽²⁾	4	4	4	6	6	6
Plus: CanJet	2	1	2	-	-	-
Plus: Seasonal Lease	8	-	10	-	14	-
Total	14	5	16	6	20	6

2) Already secured 4 narrow-body starting in Summer 2014 with ILFC

CONNECTING FLIGHTS STRATEGY



- Summer 2015: one weekly flight from Vancouver, Halifax and Quebec City to our Toronto or Montreal hubs
- Synchronized with a number of European destinations with return direct or open jaw
- 2016: similar strategy eyed on the European side



DENSIFICATION OF 3 AIRBUS A330-300



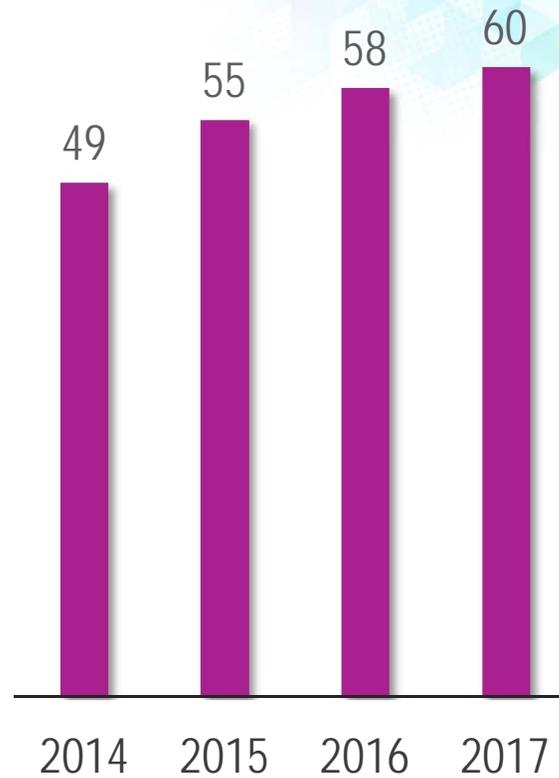
- 30 additional seats in eco on three A330-300
- From 345 to 375 seats
- No compromise on customer experience (same pitch)
- Dedicated to London and Paris from Toronto and Montreal on a yearly basis
- Investment of \$2M, expected annual margin of \$4.7M



ANCILLARY REVENUES



(In millions of dollars)



- Grow ancillary revenues to \$60M by 2017 (on same basis as today)
- Introduction of the Datalex software to facilitate the sale of optional services
- New cargo agreement signed in 2014

SUN DESTINATIONS: EXCLUSIVITIES AND COLLECTIONS



- ▣ Strategy of securing rooms and differentiating product through exclusive deals
- ▣ Improved collections, in-sync with customer expectations
- ▣ Grow Ocean Hotels from 2,200 to 5,000 rooms



LUXURY

21 resorts in 2015, **30** in 2017



DISTINCTION

27 resorts in 2015, **40** in 2017



SUN-SAVVY

23 resorts in 2015, **30** in 2017

A RENEWED DISTRIBUTION STRATEGY AND ECOSYSTEM



Create a fully-integrated distribution ecosystem comprised of a new Transat Travel website, connected to our call centers and travel agencies

Make online tools fully responsive to mobile devices

Enhance offering with third-party products so as to nurture repeat business and customer loyalty

Improved CRM (customer relationship management)



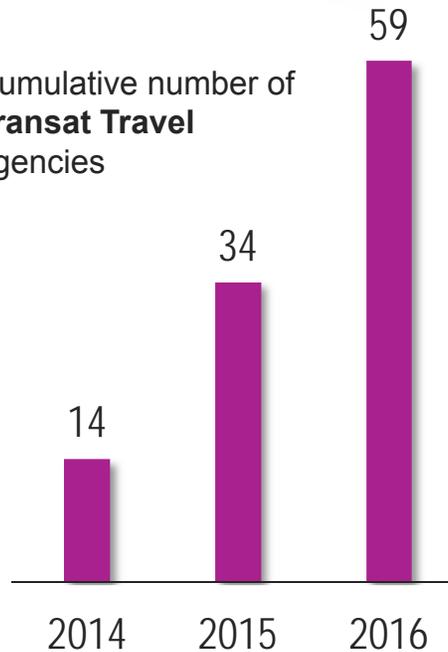
TRANSAT TRAVEL



- ▣ By 2017, we will have migrated our corporate travel agencies under the Transat Travel brand
- ▣ The brand change comes with a revamping of agencies
- ▣ Results so far are very positive:
 - More sales
 - More new customers
 - More sales of Transat products
 - Positive feedback from agents and customers



Cumulative number of **Transat Travel** agencies





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Benvenuto

THANK YOU

**BETTER RESULTS THAN ANTICIPATED
AND GOOD START FOR SUMMER**