ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

March 14, 2013

NOTES FOR A PRESENTATION BY DENIS PÉTRIN
VICE-PRESIDENT FINANCE AND ADMINISTRATION AND
CHIEF FINANCIAL OFFICER

Check against delivery

Thank you, Jean-Marc.

I would now like to briefly review our 2012 results, as well as provide you with the results for the first quarter of 2013, which we announced this morning.

For the first two quarters of fiscal 2012—the winter season—we posted total revenues of $2 billion, representing an increase of 7% over the previous year.

We recorded an operating loss of $58 million before depreciation and amortization for the winter season, compared with $5 million the year before.

We had a very good summer on the transatlantic market, our revenues were $1.7 billion, a decrease of 70 million over the previous year, due to our decision to reduce capacity. The margin stood at $75 million before before depreciation and amortization and restructuring charges, compared with $38 million in 2011.

Looking at consolidated results, then, for fiscal 2012, Transat posted revenues of $3.7 billion and a margin before depreciation and amortization of $17 million…revenues slightly higher than those of 2011, and a margin that was at $33 million before restructuring charges and depreciation and amortization.

As seen in the financial statements, the net loss for the year was $16.7 million, versus $14.7 million for the previous year. These figures include non-operating items, and so it is important to also consider our adjusted after-tax loss, which stood at $15.3 million for 2012, as compared to $9.7 million in 2011.

The loss per share on a diluted basis was $0.44, compared to $0.39 in 2011. With non-operating items excluded, however, this works out to $0.40 a share in 2012, versus $0.26 in 2011.

Let us now turn to the results for the first quarter of 2013, ended January 31.

Our revenues are $806 million, down 2.8% compared with the first quarter of 2012, due to our decision to reduce capacity.

The operating loss before depreciation and amortization is $21 million, compared to a loss of $32 million last year.

The net loss is $15 million, compared to $29.5 in 2012.

Excluding non-operating items, the adjusted after-tax loss is $22 million, compared to $30 million in 2012.

On all markets, average selling prices were higher compared to 2012.

As at January 31, we had cash and cash equivalents of $248 million and our credit facility was unused. We have no balance sheet debt. Total assets stood at approximately $1.4 billion.

Now a word on what's ahead for our second quarter, which ends on April 30.

The Canadian sun destinations market accounts for a very significant portion of Transat's business in the winter. For that market, Transat's capacity in the second quarter is approximately 10% lower than the capacity offered at the same date last year. Load factors are lower; selling prices are higher.

Taking into account the transatlantic market in France, and if the trend holds, our results for the second quarter could be better than in 2012.

For the summer, the transatlantic market from Canada and Europe is the main market. Transat's capacity is 11% lower than last year's. Load factors are similar and selling prices are higher.

Thank you for your attention.