

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	CLUB VILLAS	ON TIME
ORLANDO	NOLITOURS	ON TIME
ISTANBUL	révatoours	ON TIME
VANCOUVER	JONVIEW CANADA	LAST CALL



**transat**



## Forward-looking Statements

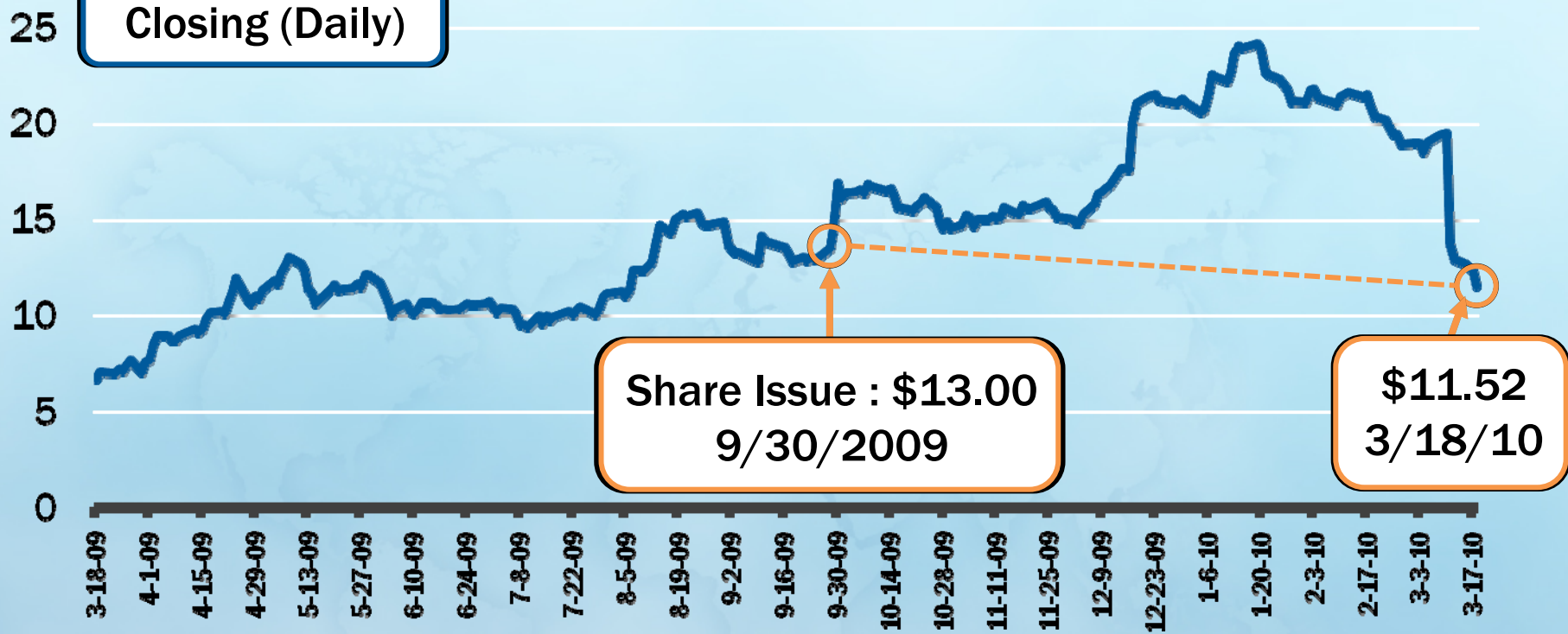
**This presentation contains certain forward-looking statements with respect to the Corporation. These forward-looking statements, by their nature, necessarily involve risks and uncertainties that could cause actual results to differ materially from those contemplated by these forward-looking statements. 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.**





# stock quote (LTM)

Closing (Daily)



Volume



# 1<sup>st</sup> Quarter 2010 (November 1 to January 31)

In millions of dollars, except per-share amounts

	2010	2009
<b>REVENUES</b>	<b>792.6</b>	<b>877.3</b>
<b>MARGIN (OPERATING LOSS)</b>	<b>(12.4)</b>	<b>(8.5)</b>
<b>NET LOSS</b>	<b>(13.9)</b>	<b>(29.4)</b>
<b>ADJUSTED AFTER-TAX LOSS</b>	<b>(18.2)</b>	<b>(11.8)</b>
<b>DILUTED LOSS, PER SHARE</b>	<b>(0.37)</b>	<b>(0.90)</b>

## 1<sup>st</sup> Quarter 2010 highlights

- **10% capacity cut in Q1, offset mainly by scheduled carriers**
- **Excess capacity and downward pressure on selling prices for sun destinations**
- **Reduction of structure, fuel, hotel and other costs insufficient to entirely offset lower selling prices**
- **Margin down \$3.9 million**
- **\$17 million hit due to hedging positions (fuel, FX)**

- **Could record a loss in Q2:  
demanding market conditions**
- **Capacity similar to last year**
- **Bookings coming in**
- **Load factors slightly inferior**
- **Excess capacity and low selling  
prices**
- **Impact of hedging**



## 1 Multi-market international tour operator

Leader in the Canadian holiday travel market



Leading tour operator in the Canada-UK market



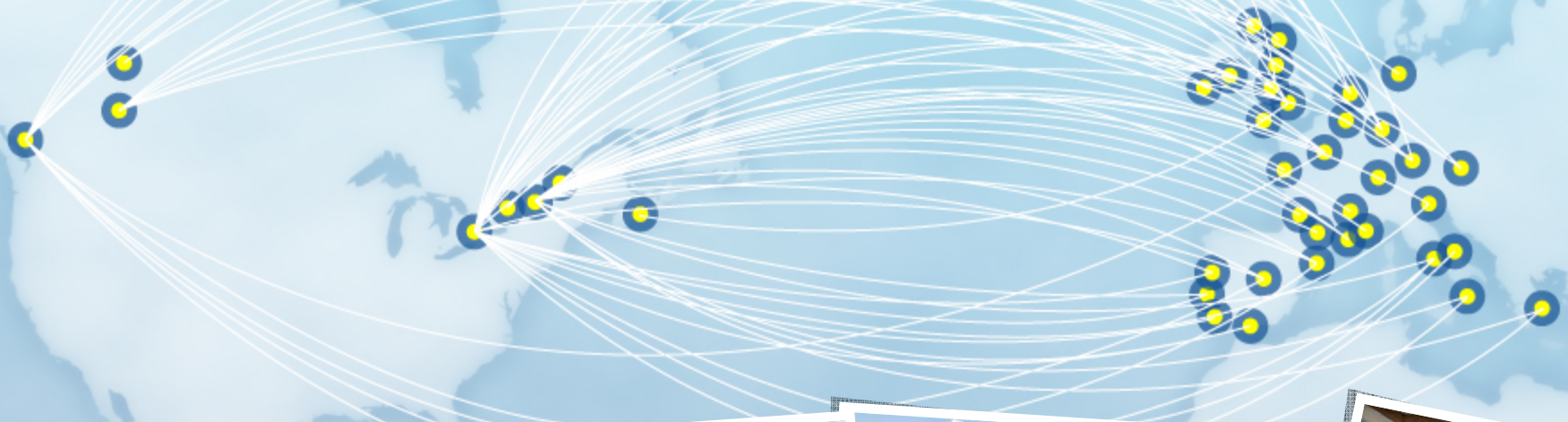
Fourth largest tour operator in France





## 2 Unique point-to-point approach to transatlantic market

- 34 European, 8 Canadian destinations, 70 city-pairs
- Affordable car rentals, hotels, tours, etc.





## 3 Very competitive in the all-inclusive package market

Highly experienced team  
(product, sales & marketing,  
revenue management)



Multi-channel distribution  
system (brick-and-mortar, web)



Largest travel agency network  
in Canada  
(2,300 advisors, 453 outlets,  
248 communities)



## 4 Dynamic approach to managing air capacity

5-year agreement for narrow-body aircraft



Clear fleet strategy for Air Transat (A330), leading to lower costs



Improved customer experience



- **Revision of our approach to hedging for the sun market**
- **Brand and product differentiation strategy**





**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...**

# Strategies for the 2009-2011 period

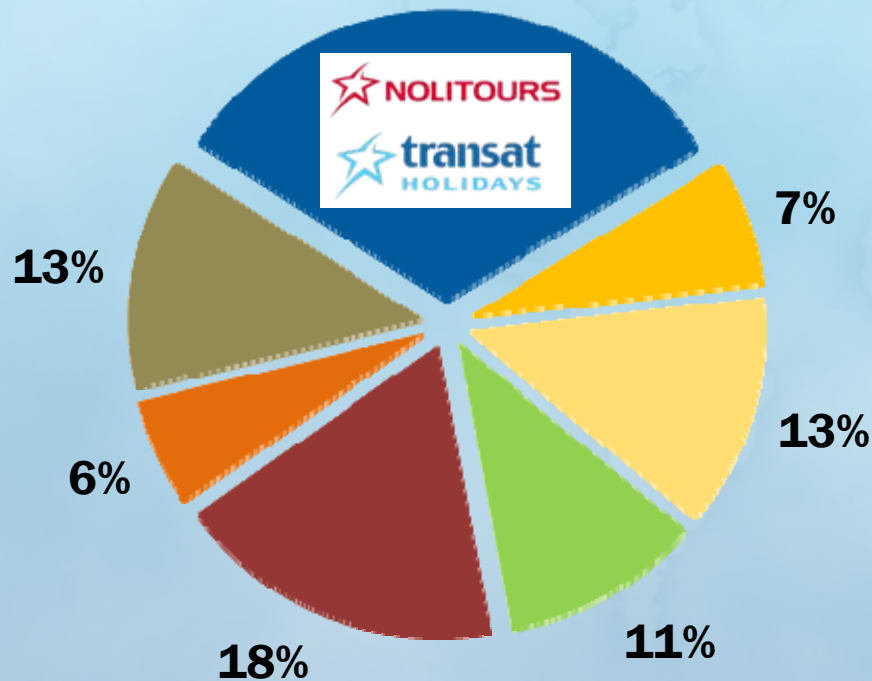
- 1 Focus on product differentiation**
- 2 Optimize input costs (airlift, hotels, ...)**
- 3 Increase control over distribution of our sales**
- 4 Open new outgoing markets (Americas and south-Europe)**
- 5 Invest in technologies (inventory & yield, distribution)**
- 6 Capitalize on our people**



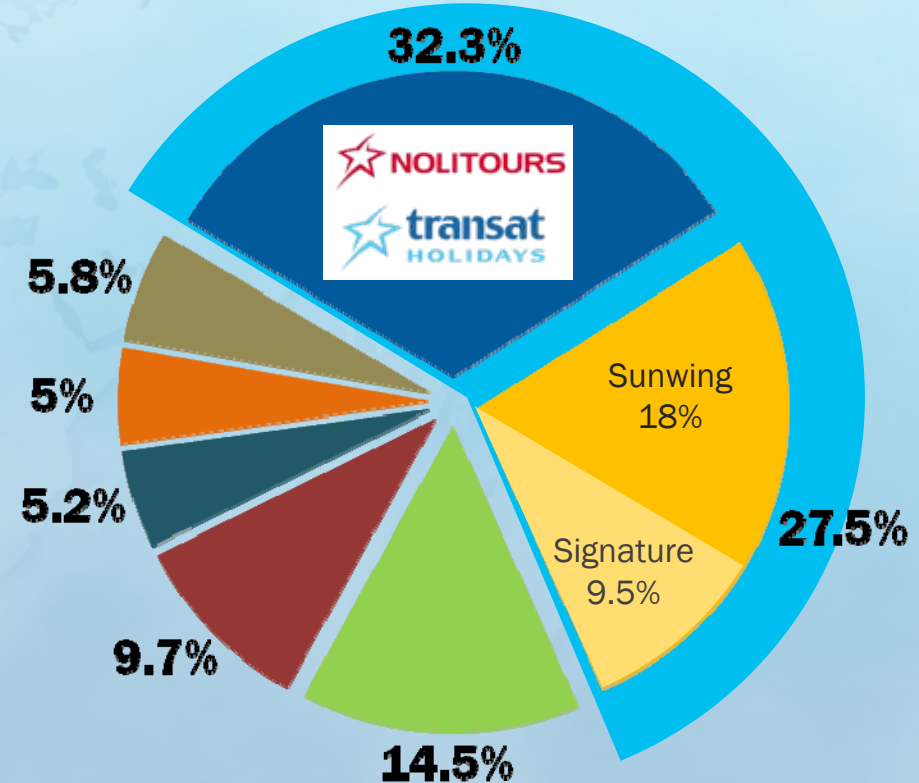
# Sun market from Canada

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

2004 - 2005  
32%



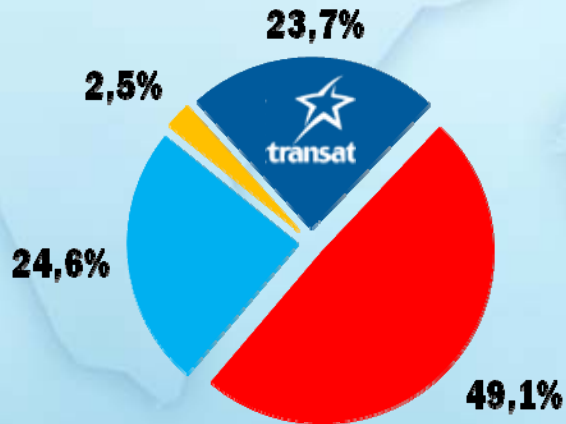
2008 - 2009  
32.3%





# Transatlantic market

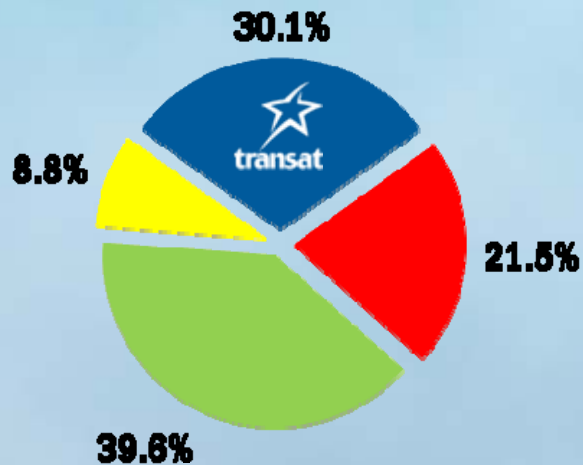
## UK



- Transat
- Air Canada
- British Airways
- Other

## 2009

## FRANCE



- Transat
- Air Canada
- Air France
- Corsair

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



# long-haul market from France

- > **No.1 on North America**
- > **Leader in coach tours**

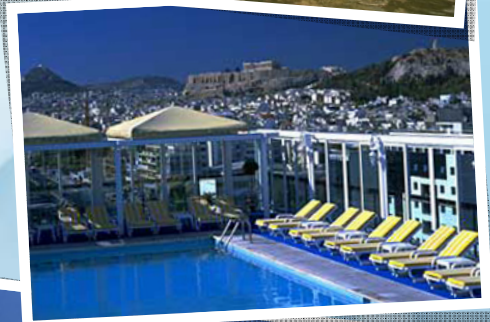


# Medium-and short-haul market from France

➤ More than 30 Lookéa Clubs

**LOOK  
VOYAGES**

**AMPLI TRAVEL**  
membre de  transat

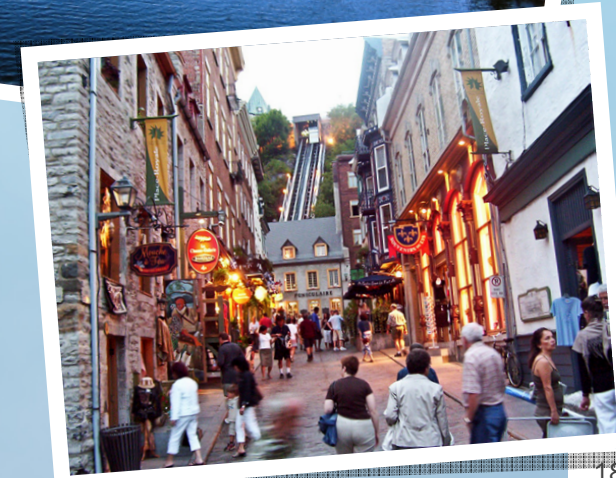
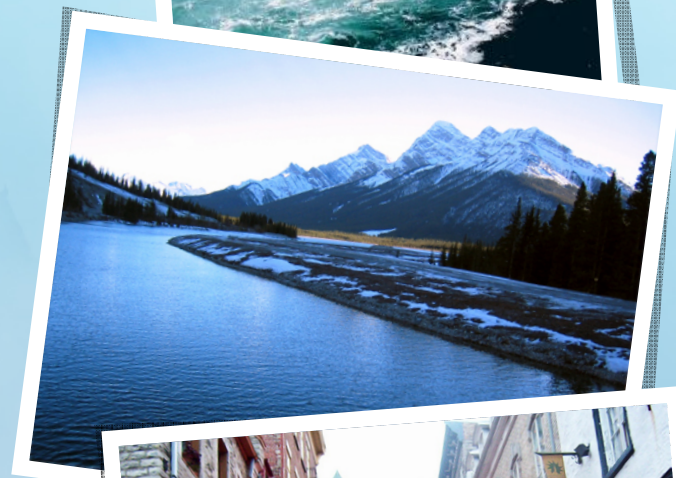




# Incoming to Canada

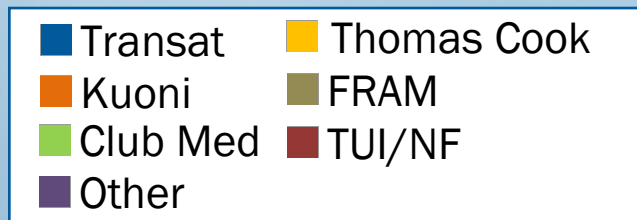
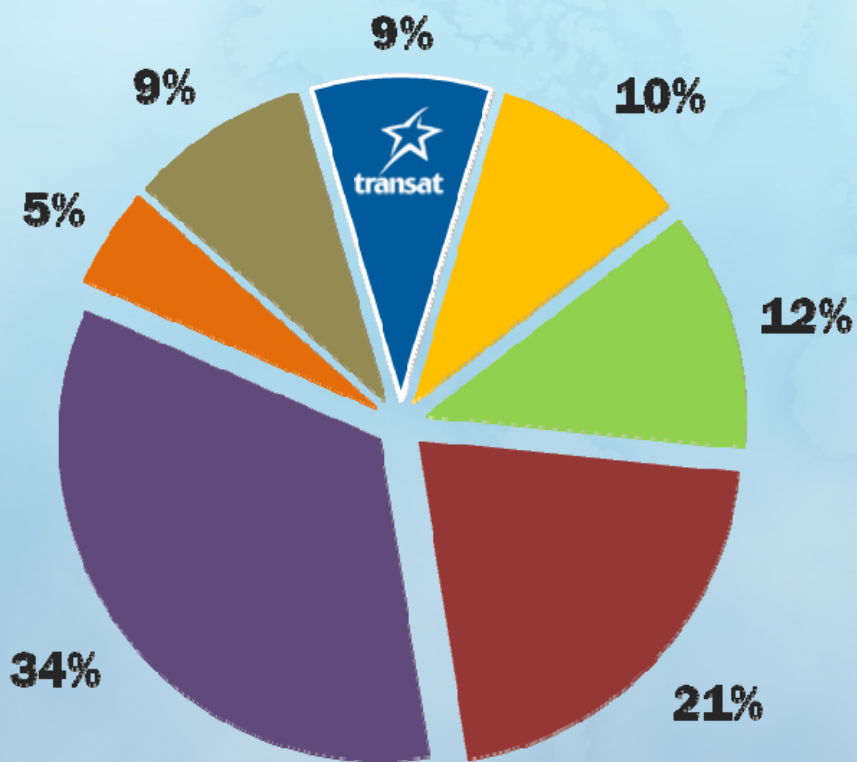
- Largest TO to Canada
- 206,000 travellers in 2009

**Jonview**  
CANADA

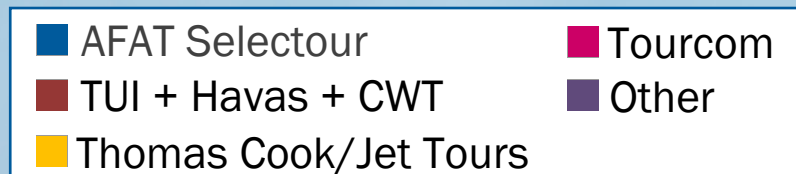
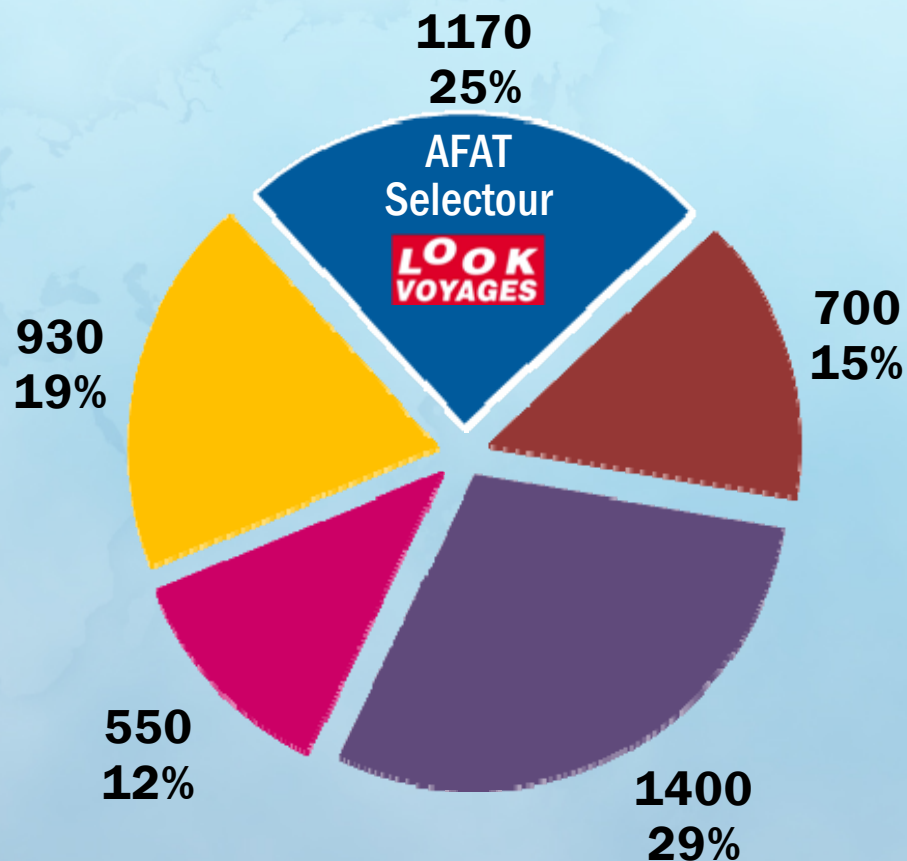


# Outgoing market from France

**Tour Operators:**  
\$5.7B



**Distribution:**  
4,750 travel agencies







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LA PAZ  
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