2009 ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

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Thank you Jean-Marc,

I will now briefly go over our 2008 and first quarter 2009 financial results.

For the first half of 2008, that is the winter season, we recorded total revenues of $1.8 billion, resulting from very significant increases in both Canada (+13.5%) and Europe (+21.6%). The number of travellers increased by 29.2%.

Our margin did not follow apace, because of higher aircraft fuel prices, and competition and the resulting pressure on selling prices. Our margin was 4.6% in the winter of 2008, compared with 5.6% in the previous winter.

For the summer, revenues surpassed $1.6 billion, including approximately $977 million in Canada (an increase of 8.2%) and nearly $674 million in Europe (an increase of nearly 30%)

For the summer, our margin decreased in Canada, again due to fuel prices and competition. In Europe, we had an excellent performance in France and the United Kingdom, not only in dollars, but also in percentage points. It went from $18 million and 3.6% of revenues in 2007 to $53 million and 7.9% of revenues in 2008.

Globally, Transat recorded an increase in revenues of $467 million, or 15.3%. Our margin stood at $127.3 million, compared with $138.1 million the previous year. Note that the 2007 numbers have been slightly restated to reflect a change in accounting standards related to aircraft maintenance.

For the year, we record a loss of $50 million, which is largely attributable to a non-cash, non-operating after-tax loss of $107.6 million, including $71.5 million attributable to the accounting of fuel hedging. From a purely operational standpoint, we did not record a loss.

On a per share basis, the loss is $1.51, compared with earnings of $2.30 per share in 2007. Excluding non-operating items like fuel hedging and ABCP, earnings were $1.74 per share, compared with $2.06 in 2007.

Let's now turn to the first quarter of 2009, ended last January 31.

Revenues reached $877 million, up 11.4% from the first quarter of 2008.

We record an operating loss of $8.5 million, compared with a margin of $19.3 million in 2008; and a net loss of $29.4 million, or $0.90 per share, compared with a net loss of $7.9 million, or $0.23 per share in the previous year.

The loss was reduced by approximately $3.1 million after-tax following the revaluation of our ABCP, as well as funds recovered.

The unfavourable variance in margin and the larger net loss stem largely from pressures on selling prices on sun packages solid in Canada, due to excess capacity in the marketplace.

On March 11, 2009, Transat's Board of Directors has suspended until further notice the quarterly dividend to holders of Class B Voting Shares and Class A Variable Voting Shares, so as to conserve cash during this period of uncertain and challenging economic circumstances.

Total assets were nearly $1.5 billion as of January 31, 2009 and we had cash and cash equivalents of 184 million.

During the quarter, Transat entered into a credit facility agreement with National Bank of Canada, paving the way for an increase in credit facilities available to us of $263 million following the inclusion in the banking syndicate of the Caisse centrale Desjardins, and in the wake of the restructuring of the commercial paper market, now completed.

During the quarter, Transat entered into an unsecured subordinated financing agreement with one of its shareholders for a $60 million facility that further increases the amount of credit facilities available for corporate purposes.

Thank you.