



Welcome
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-vindo Welcome Willkommen
Willkommen Bienvenido Benvenuto
geldiniz Bienvenue Welkom
Benvenuto

2ND BEST SUMMER EVER
READY FOR GROWTH IN 2016

Investors Presentation
December 2015

FORWARD-LOOKING STATEMENTS



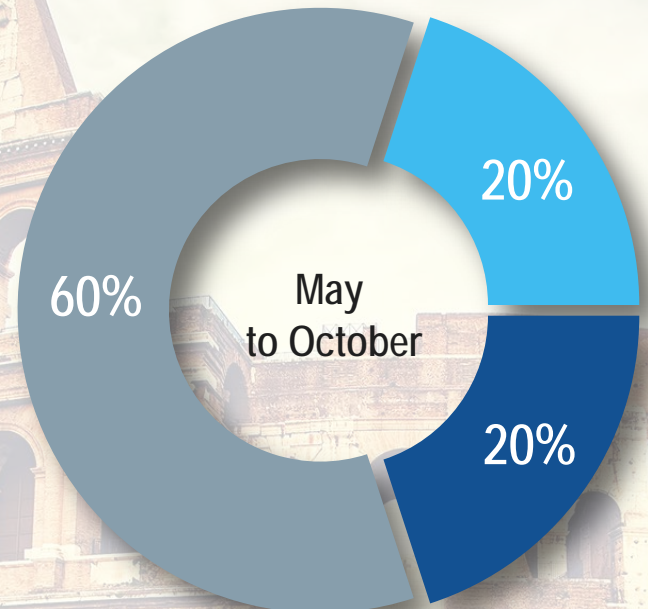
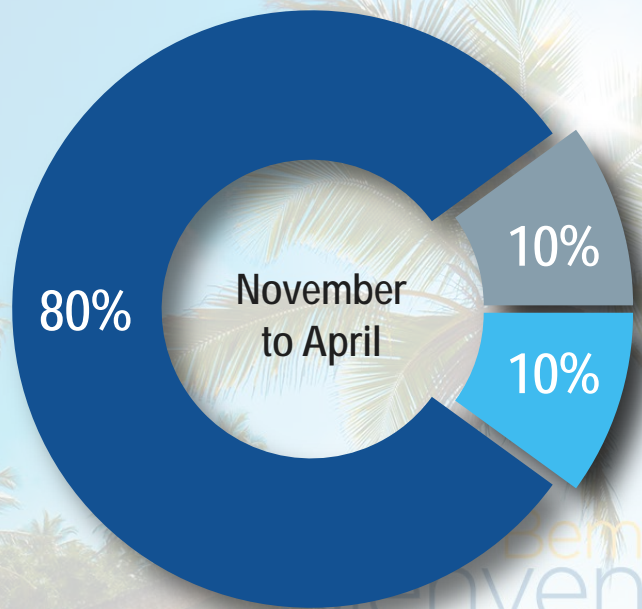
THIS PRESENTATION CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS WITH RESPECT TO THE CORPORATION. THESE FORWARD-LOOKING STATEMENTS, BY THEIR NATURE, NECESSARILY INVOLVE RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED BY THESE FORWARD-LOOKING STATEMENTS. 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 & Ocean Hotels ■ France⁽¹⁾ ■ Transatlantic

ANNUAL

RESULTS

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KEY FINANCIAL RESULTS

ANNUAL RESULTS 2015



HIGHLIGHTS (vs. 2014)

- **Profitability maintained**
 - Range of 100-120M EBITDA
- **5 record summers in last 6 years**
 - Very good results across the board on transatlantic during summer despite global capacity increase
- **Vision for 2016**
 - Ready for growth
 - Improve profitability in winter
 - Protect profitability in summer
- **Continue cost- and margin- initiatives**

(in thousands of C\$)

	12-month ended October 31			
	2015	2014	2015 vs. 2014	
	Actual	Actual	\$	%
REVENUES	3,566,368	3,752,198	(185,830)	-5.0%
EBITDAR incl. hotels JV	199,680	187,158	12,522	6.7%
EBITDA incl. hotels JV	100,821	99,929	892	0.9%
As % of revenues	2.8%	2.7%		
Adjusted net income ⁽¹⁾	42,943	45,242	(2,299)	-5.1%
As % of revenues	1.20%	1.21%		
Per share	1.11	1.16		
Net income as per F/S	42,565	22,875	19,690 ⁽²⁾	86.1%

⁽¹⁾ Net income attributable to shareholders before change in fair value of derivative financial instruments used mainly for aircraft fuel purchases, restructuring charges, impairment of goodwill and other significant unusual items, net of related taxes

⁽²⁾ Positive impact due mainly to the mark-to-market on fuel derivatives contract

KEY INFORMATION – SUMMER

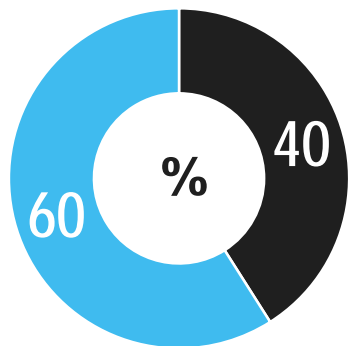
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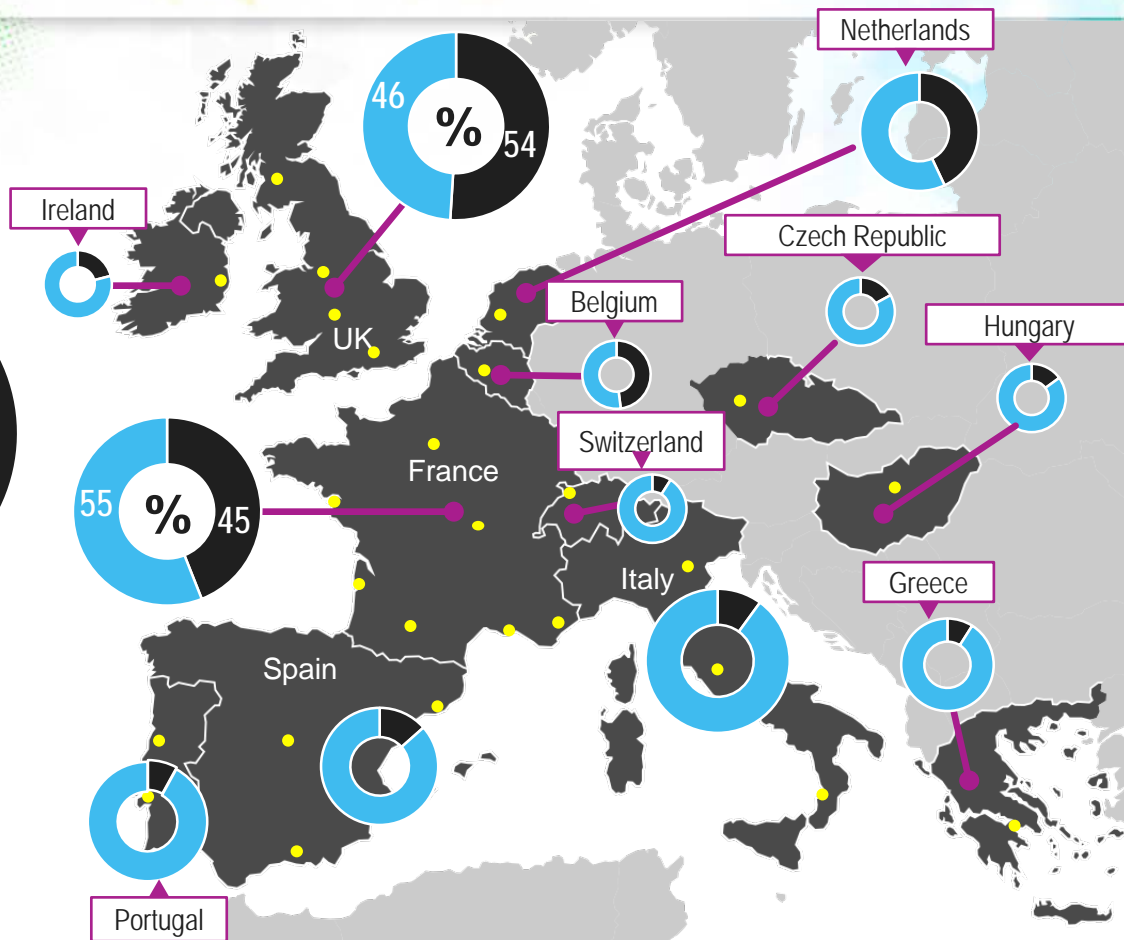
TRANSATLANTIC MARKET (TRANSAT ROUTES, SUMMER 2015)



Total sales:
830,000 seats



■ Sales in Canada
■ Sales in Europe



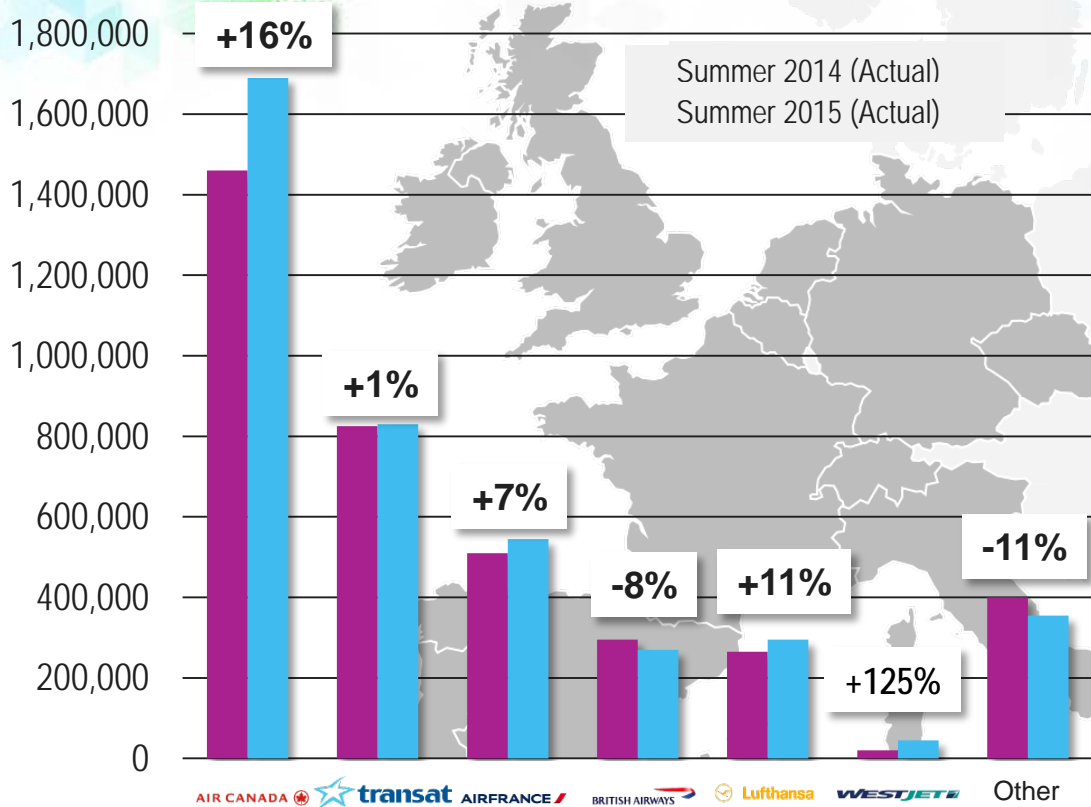
40%
European passengers

France and UK:
50% of passengers

40% of sales
In foreign currency

TRANSATLANTIC MARKET

CAPACITY AND MARKET SHARE (TRANSAT MARKETS)

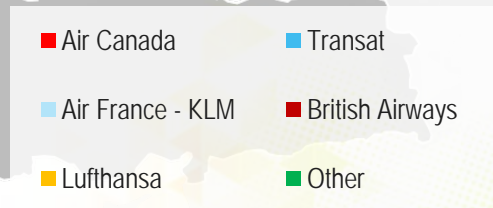
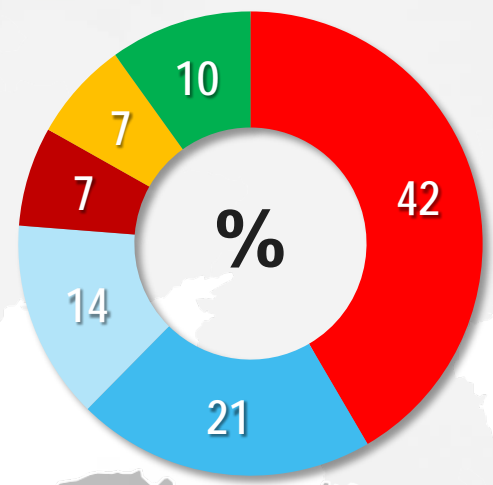


TOTAL SEATS
SUMMER 2014
3,770,000

TOTAL SEATS
SUMMER 2015
4,030,000

+7%⁽¹⁾

Market share –
Transatlantic routes,
Summer 2015



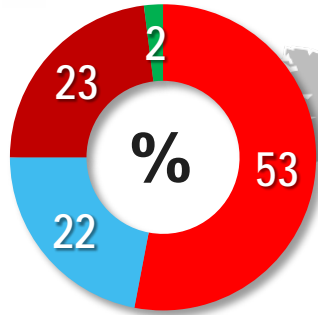
(1) 3-year avg.: +5%

TRANSATLANTIC MARKET

MARKET SHARE BY DESTINATIONS (SUMMER 2015)

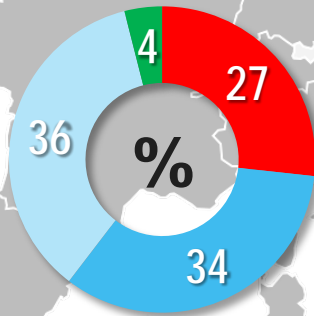


Market share
United Kingdom



■ Air Canada ■ Transat
■ British Airways ■ Other

Market share
France



■ Air Canada ■ Transat
■ Air France - KLM ■ Other

- Europe: largest tourism market in the world (more than 50% of travellers inbound & outbound)
- 4 M seats in summer 2015 between Canada and Europe

TRANSAT STRATEGY AND MARKET POSITION

- Unique portfolio of direct destinations
- Strong airline brand and enhanced customer experience (refurbished cabin, excellent on-time performance & customer service)
- Lowest-cost producer with aggregate 21% market share
- Sells on both sides of the Atlantic through our own business units, distribution networks and the Web
- Attractive offering of packages including accommodations and transfers, cruises, tours, rental cars and excursions

KEY FINANCIAL RESULTS – SUMMER

FOURTH QUARTER RESULTS 2015



HIGHLIGHTS (vs. 2014)

▣ Improved global results

- Better margins on our transatlantic routes (lion's share of our revenue) despite global capacity increase
- Lower unit revenues attributable to lower fuel costs

▣ Transatlantic

- Capacity up by 3.6% (vs. 3.0%⁽¹⁾)
- Prices down by 1.7% (vs. 3.2%⁽¹⁾)
- Load factor down by 1.6% (vs. 1.2%⁽¹⁾)
- Cost down by 4.4% (Fuel / FX / Indexation)

▣ France

- Very difficult market conditions for the first 3 quarters (external factors, euro depreciation vs. USD, ...)
- Similar results in Q4 vs. 2014

(in thousands of C\$)

	4 th quarter ended October 31			
	2015	2014	2015 vs. 2014	
	Actual	Actual	\$	%
REVENUES	839,166	844,655	(5,489)	-0.7%
EBITDAR incl. hotels JV	113,012	100,884	12,128	10.7%
EBITDA incl. hotels JV	86,706	76,028	10,678	12.3%
As % of revenues	10.3%	9.0%		
Adjusted net income ⁽¹⁾	54,796	49,353	5,443	9.9%
As % of revenues	6.5%	5.8%		
Per share	1.44	1.27		
Net income as per F/S	69,107	30,607	38,500 ⁽²⁾	55.7%

⁽¹⁾ Net income attributable to shareholders before change in fair value of derivative financial instruments used mainly for aircraft fuel purchases, restructuring charges, impairment of goodwill and other significant unusual items, net of related taxes

⁽²⁾ Positive impact due mainly to the mark-to-market on fuel derivatives contract

KEY FINANCIAL RESULTS – SUMMER

SUMMER RESULTS 2015



HIGHLIGHTS (vs. 2014)

- ▣ 2nd best summer ever
 - Higher margin on transatlantic routes despite global capacity increase
 - Managed to minimize the decrease in selling prices so as to benefit from lower fuel costs (brand strength)
 - Difficult market conditions in France due to a weaker euro and international crises
 - Did not benefit from additional revenues from third-party contract as in 2014
- ▣ Efficiency gains coming from our cost reduction program, yield management, marketing and product initiatives

	Q3	Q4	Summer
Adj. EBITDA 2014 incl. hotels	48M	76M	124M
Δ FX / Fuel on costs on transatlantic market (flight only)	+18M	+ 22M	+ 40M
Adj. EBITDA incl. FX / Fuel impact	66M	98M	164M
Yield management (price and load factor) on transatlantic market (flight only) ⁽¹⁾	(12M)	(2M)	(14M)
France, sun market, impact on revenue of 2014 sub-contracts	(7M)	(10M)	(17M)
Adj. EBITDA 2015 incl. hotels	47M	86M	133M

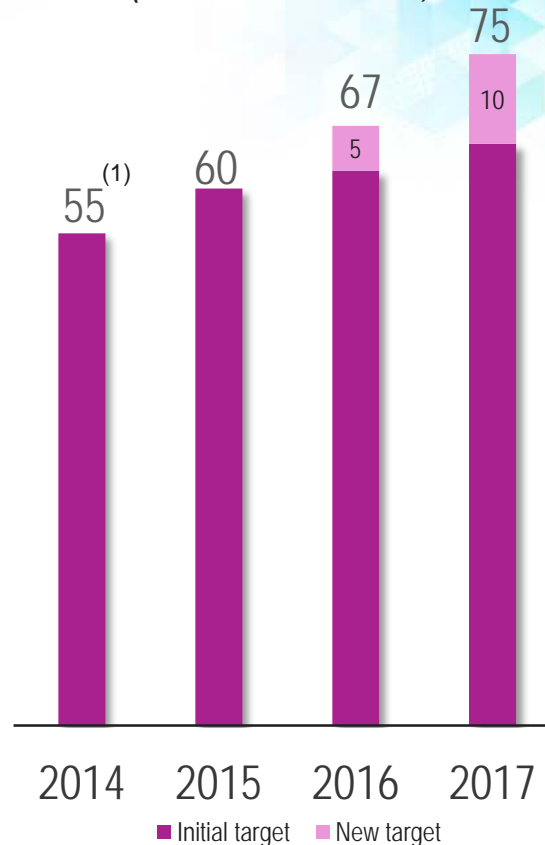
⁽¹⁾ Including indexation of cost around 1.5%

STRATEGY AND GROWTH – SUMMER

ANCILLARY REVENUES



(In millions of dollars)



- Grow ancillary revenues to \$75M by 2017
- Introduction of the Datalex software to facilitate the sale of optional services
- New cargo agreement

⁽¹⁾ Including third party contribution

STRATEGY AND GROWTH – SUMMER

CONNECTING FLIGHTS



- Expansion of destinations offered in Toronto, Montreal, Vancouver and Quebec City through connecting flights to our Toronto or Montreal hubs, synchronized with a wide range of European destinations with return direct or open jaw



STRATEGY AND GROWTH – SUMMER

DENSIFICATION OF 3 AIRBUS A330-300



- 30 additional seats in eco on three A330-300 (345 to 375 seats)
- No compromise on customer experience (same pitch)
- Dedicated to London and Paris from Toronto and Montreal on a yearly basis
- Implemented in June (full impact next year)



STRATEGY AND GROWTH – SUMMER

PRODUCT AND CUSTOMER EXPERIENCE



EACH YEAR, TRANSAT SELLS:

- More than 100,000 tours to destinations around the world (40% in Canada or Europe), with an average margin of over 10%
- More than 230,000 room nights in Europe, to Canadian travellers
- More than 325,000 room nights in Canada, to European travellers



TOURS, PACKAGES AND FLIGHTS TO CANADA SOLD IN EUROPE

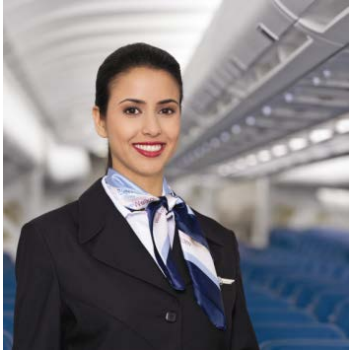
- Jonview Canada: Nearly 245,000 customers from Western Europe in 2015
- Air Transat: 40% of transatlantic capacity sold through Transat France, Canadian Affair (UK), ACE (Neth., Belgium etc.), Tourgreece, plus GSAs and B2C websites (12-country footprint)

TOURS, PACKAGES AND FLIGHTS TO EUROPE SOLD IN CANADA

- More than 105,000 customers purchase some form of land portion from Transat (accommodations, etc.)
- 8,250 tours sold each year in Canada (in-house or through partnership with Trafalgar)
- Direct flights to Barcelona, Venice and Athens: 20,000 European cruises sold each year

STRATEGY AND GROWTH – SUMMER

FLEET STRATEGY



WIDE-BODY	S13	S14	S15	S16	S17
Air Transat Base Fleet	21	21	21	21	21
- Seasonally withdrawn	-	-	-	-	-
+ Different options considered	-	-	-	2	2
Total	21	21	21	23	23

NARROW-BODY	S13	S14	S15	S16	S17
Air Transat Base Fleet	-	4	4	6	6
+ CanJet	5	1	1	-	-
+ Seasonal Lease	-	-	-	-	-
Total	5	5	5	6	6

KEY INFORMATION – WINTER



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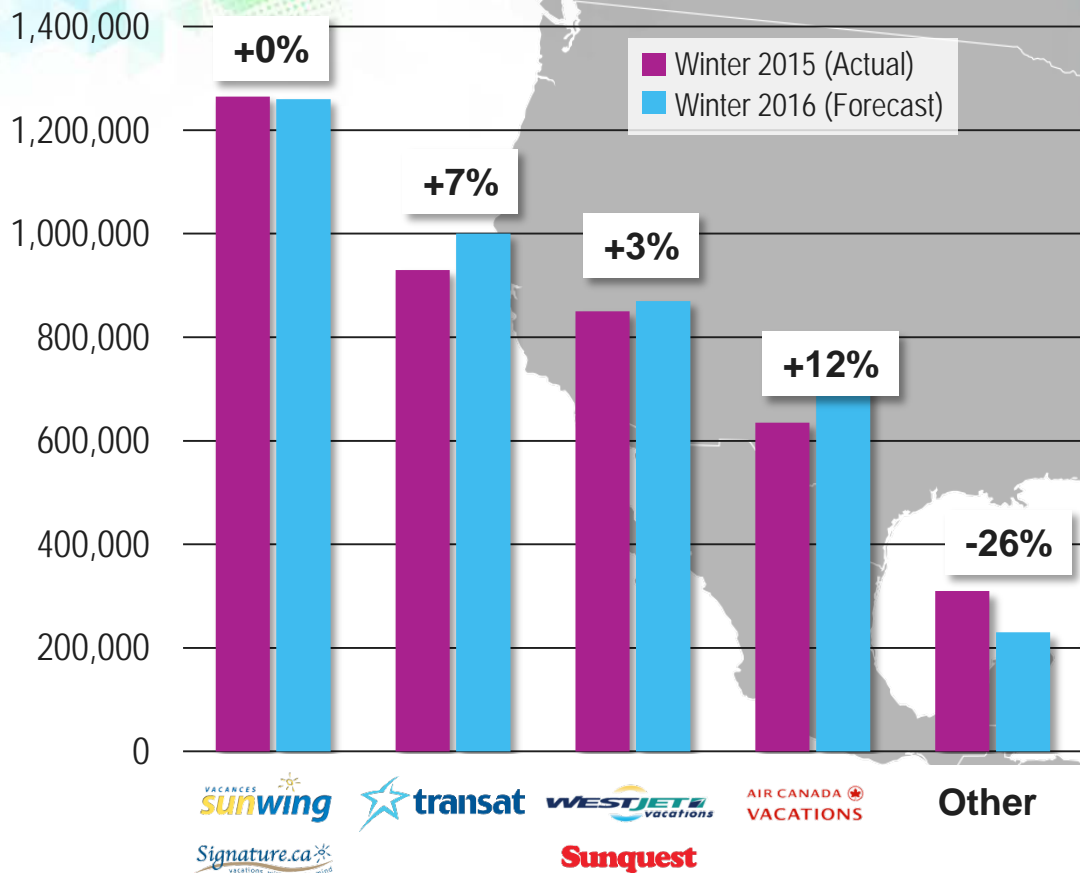
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SUN DESTINATIONS MARKET

CAPACITY AND MARKET SHARE (TRANSAT MARKETS EXCLUDING USA)



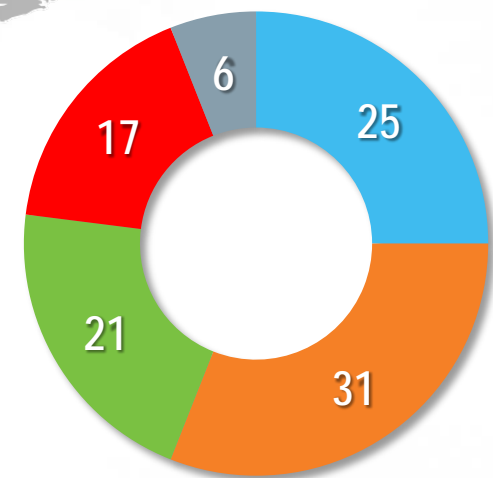
TOTAL SEATS
WINTER 2015
3,990,000

TOTAL SEATS
WINTER 2016
4,070,000

+2%⁽¹⁾

(1) 5-year avg.: +6%

Market share –
Sun destinations,
Winter 2016



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

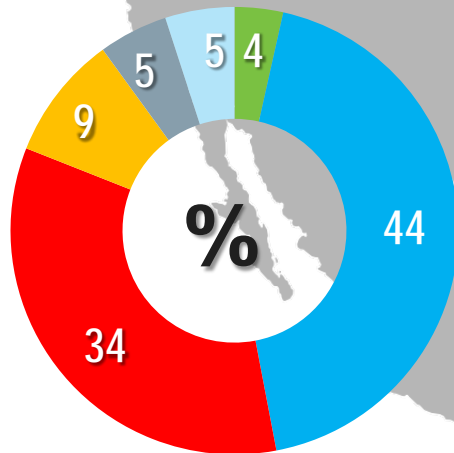
WINTER 2016: 1,000,000 TRAVELLERS

(excluding USA)



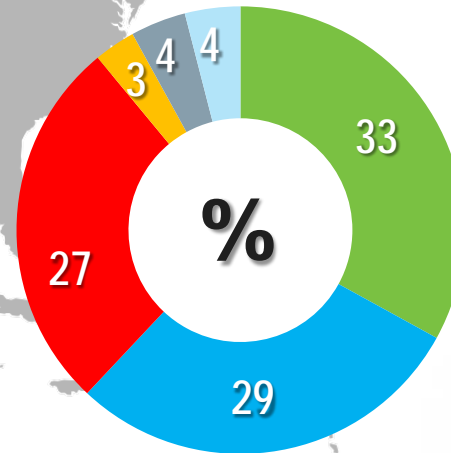
Origin of travellers

- Atlantic
- Quebec
- Ontario
- Alberta
- British Columbia
- Rest of Canada



Destination of travellers

- Mexico
- Dom. Rep.
- Cuba
- Caribbean
- Jamaica
- Central America



KEY FINANCIAL RESULTS – WINTER

CURRENCIES & FUEL IMPACT ON COSTS (2016 VS. 2015)



	Sun destinations (per passenger)		
	Q1	Q2	Winter
Average selling price 2015 ⁽¹⁾	\$1,400	\$1,400	\$1,400
% Fuel expense in USD	10%	10%	10%
% Other expenses in USD	55%	55%	55%
2016 average			
- FX Blended Rate	1.29	1.32	1.30
- Fuel Blended Price per gallon ⁽²⁾	CAD 1.92	CAD 1.88	CAD 1.90
2015 average			
- FX Blended Rate	1.12	1.16	1.14
- Fuel Blended Price per gallon ⁽²⁾	CAD 3.00	CAD 2.67	CAD 2.86
FX/Fuel impact on costs	\$55	\$55	\$55
FX/Fuel impact in %	4.0%	4.0%	4.0%

⁽¹⁾ Price before commission was \$1,500

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

KEY FINANCIAL RESULTS – WINTER

WINTER RESULTS 2016 (AS OF DECEMBER 10, 2015)



▣ Highlights

- Sales ahead in all markets (+ 15%)
- Organic growth in all markets
- More flexible fleet :
 - More seasonal B737
 - More A330 sub-leased
- Improve our exclusive collection hotels (higher margins)
- France: 2015 was a difficult year due to external factors

▣ Sun destinations

- 45% of inventory sold
- Capacity up by 7%
- Booking up by 12%
- Load factor up by 2%
- Similar margin despite USD impact

▣ If trends hold, the adjusted net income would be higher than last year

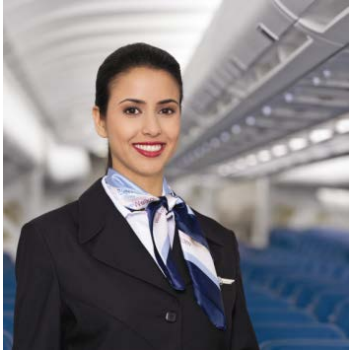
(in thousands of C\$)

	Winter season ended April 30			
	2016	2015	2014	Avg. 2011-2015
	Outlook	Actual	Actual	Actual
REVENUES		1,807,079	1,965,841	1,927,689
EBITDAR⁽¹⁾ incl. hotels JV		15,494	15,135	12,785
EBITDA⁽¹⁾ incl. hotels JV		(32,357)	(23,888)	(26,039)
As % of revenues		-1.8%	-1.2%	-1.4%
Adjusted net income (loss)⁽²⁾		(39,069)	(30,841)	(33,455)
As % of revenues		-2.2%	-1.6%	-1.7%
Per share		(1.01)	(0.80)	(0.87)
Net income (loss) as per FS		(39,609)	(33,552)	(31,682)
Impact FX/Fuel on costs		(30,000)	(36,000)	

⁽¹⁾ Before restructuring charge

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

STRATEGY AND GROWTH – WINTER FLEET STRATEGY



WIDE-BODY	W13	W14	W15	W16	W17
Air Transat Base Fleet	21	21	21	21	21
- Seasonally withdrawn ⁽¹⁾	-	(4)	(6)	(6)	(6)
- Sub-Lease	(1)	(1)	(1)	(3)	(3)
Total	20	16	14	12	12

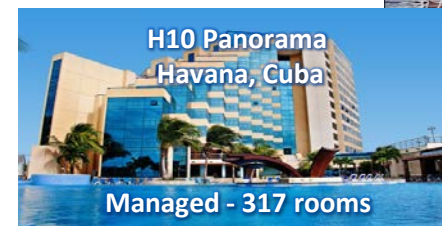
⁽¹⁾ Thanks to improved leasing terms, three A330s are withdrawn from the fleet in winter. In addition, Transat has flexibility on the A310s it owns.

NARROW-BODY	W13	W14	W15	W16	W17
Air Transat Base Fleet	-	-	4	4	6
+ CanJet	11	11	2	-	-
+ Seasonal Lease	-	1	8	15	14
Total	11	12	14	19	20
% pax	30%	39%	42%	50%	51%

STRATEGY AND GROWTH – WINTER OCEAN HOTEL JOINT VENTURE

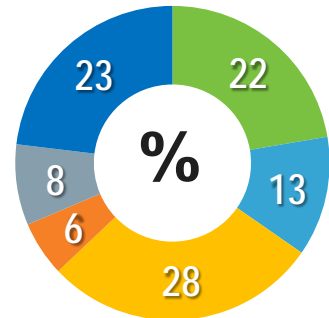


- ▣ Hold 35% (65% held by H10 Hotels)
 - \$98M on balanced sheet as of Oct 31
- ▣ Grow Ocean Hotels from 2,350 to at least 5,000 rooms by 2017
 - Through a combination of owned and managed hotels
 - 2 new managed hotels to open Dec 2015 in Cuba
 - 3 projects underway
- ▣ Continuous growth in terms of operational contribution since 2010
 - Positive free cash flow used to reimburse debt
 - Debt to value lower than 20%
 - Dividends of CA\$6.7M received in 2015



Origin of travelers

- Europe
- Canada
- United States
- Local
- Latin America & Caribbean
- E-business, time share and other



STRATEGY AND GROWTH – WINTER EXCLUSIVITIES AND COLLECTIONS



- ▣ Strategy of securing rooms and differentiating product through exclusive deals
- ▣ Improved collections, in-sync with customer expectations
- ▣ Target of 60% of room nights sold in exclusive hotels or through our collections



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

FINANCIAL

POSITION

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FINANCIAL POSITION

AS AT OCTOBER 31, 2015



HIGHLIGHTS

- **Free Cash: + \$28M vs. 2014**
 - Results of the last 12 months, working cap, net of Capex
 - ABCP tax assessments (\$15M)
 - Share buyback (\$9M)
- **Cash during the fall season**
 - \$250M expected at lowest point
- **Customer deposits (bookings for 2016)**
 - 15% ahead vs. last year
- **Debt**
 - Unused credit facilities of \$65M
 - Off balanced sheet debt (aircraft leases) increase in the last 12-month period due to USD appreciation and new seasonal contract
- **2016 CAPEX: \$60M**
- **NCIB program active since April 15**
- **Net investment in hotels JV⁽¹⁾**
 - Held 35% (65% held by H10 Hotels)
 - \$98M on balanced sheet as of Oct 31

(in thousands of C\$, except ratios)

	As at			
	Oct. 31, 2015	Oct. 31, 2014	2015 vs. 2014	
	Actual	Actual	\$	%
Free cash	336,423	308,887	27,536	8.9%
Cash in trust or otherwise reserved	367,199	340,704	26,495	7.8%
Trade and other payables	355,656	338,633	17,023	5.0%
Customer deposits	489,622	424,468	65,154	15.3%
Working capital ratio	1.09	1.12	(0.03)	-2.6%
Balance sheet debt	0	0	0	0.0%
Obligations under operating leases	675,385	657,639	17,746	2.7%
Net investment (Ocean hotels)	97,897	83,949	13,948	16.6%
Capital expenditures (TTM)	59,295	64,976	(5,681)	-8.7%
Free cash Flow (TTM)	39,658	41,265	(1,607)	-3.9%

E-COMMERCE &

DISTRIBUTION
STRATEGY

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OTHER STRATEGY AND GROWTH

E-COMMERCE B2C RESULTS – CANADA



B2C

Web + Call Center

WEB Only

WWW



\$\$\$



\$\$\$

12-MONTH 2014

34.6 M
visits

316 K
pax

326 M\$
sales

211 K
pax

209 M\$
sales

2014 vs. 2013

- 2%

+ 2%

+ 5%

+ 1%

+ 4%

12-MONTH 2015

38.4 M
visits

405 K
pax

374 M\$
sales

275 K
pax

248 M\$
sales

2015 vs. 2014

+ 8%

+ 30%

+ 15%

+ 22%

+ 20%

OTHER STRATEGY AND GROWTH

RENEWED DISTRIBUTION AND E-COMMERCE STRATEGY



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)

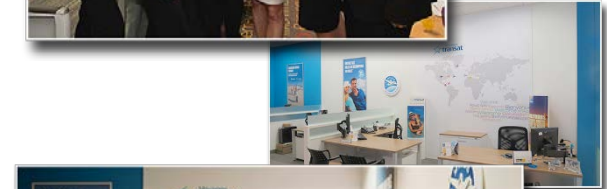
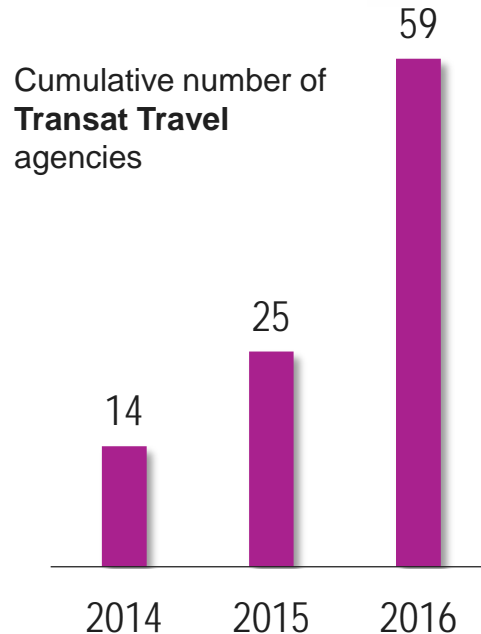


OTHER STRATEGY AND GROWTH

TRAVEL TRAVEL AGENCIES



- By 2016, we will have migrated our corporate travel agencies to 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



INVESTMENT

PROPOSITION

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TRANSAT: THE GLOBAL INVESTMENT PROPOSITION



- **SUMMER: TRANSATLANTIC MARKET**
 - Lowest-cost producer with strong brand and award-winning service
 - Invested in our fleet to improve customer experience and expanded our offering through connecting flights strategy (new destinations)
 - Solid distribution network in Canada and Europe
- **WINTER: SUN DESTINATIONS**
 - Increased flexibility of the Air Transat fleet, leading to lower costs
 - Ongoing work on hotel offering and market segmentation (collections)
 - Hotels: profitable investment in Ocean & growth strategy
- \$100 million cost-reduction and margin improvement program over 3 years (2015-2017)
- Sound balance sheet providing the foundation to execute the plan (profitability and growth)

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ANNEX

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ANNEX: WINTER FINANCIAL RESULTS

(5-YEAR HISTORICAL)



(in thousands of CAD)	Winter					
	2015	2014	2013	2012	2011	Avg. 2011-2015
REVENUES	1,807,079	1,965,842	1,912,538	2,041,722	1,911,263	1,927,689
EBITDAR incl. hotels JV ⁽¹⁾	15,494	15,135	26,312	(14,255)	21,238	12,785
EBITDA incl. hotels JV ⁽¹⁾	(32,357)	(23,888)	(14,663)	(55,726)	(4,159)	(26,159)
As % of revenues	-1.8%	-1.2%	-0.8%	-2.7%	-0.,%	-1.4%
Adjusted net income (loss) ⁽²⁾	(39,069)	(30,841)	(22,996)	(54,477)	(19,894)	(33,455)
As % of revenues	-2.2%	-1.6%	-1.2%	-2.7%	-1.0%	-1.7%
Net income (loss) as per F/S	(39,609)	(33,552)	(37,897)	(42,688)	(4,663)	(31,682)
Adjustments net of tax :	(540)	(2,711)	(14,901)	11,789	15,231	1,774
Change in fair value of derivative financial instruments	(665)	(1,480)	(16,440)	6,025	11,993	(113)
Non-monetary gain on investments in ABCP	-	-	-	8,032	6,637	2,934
Gain on disposal of a subsidiary	-	-	-	-	-	-
Goodwill impairment	-	-	-	-	-	-
Restructuring (Charge) / Gain	-	(2,226)	(3,915)	-	-	(1,228)
Tax Impact	125	995	5,454	(2,268)	(3,399)	181

⁽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)



(in thousands of CAD)	Summer					
	2015	2014	2013	2012	2011	Avg. 2011-2015
REVENUES	1,759,289	1,786,357	1,735,620	1,672,497	1,742,904	1,739,333
EBITDAR incl. hotels JV ⁽¹⁾	184,186	172,023	175,280	123,066	81,465	147,204
EBITDA incl. hotels JV⁽¹⁾	133,178	123,817	134,985	76,176	38,012	101,234
As % of revenues	7.6%	6.9%	7.8%	4.6%	2.2%	5.8%
Adjusted net income (loss)⁽²⁾	82,012	76,083	85,563	39,205	10,192	58,611
As % of revenues	4.7%	4.3%	4.9%	2.3%	0.6%	3.4%
Net income (loss) as per F/S	82,174	56,427	95,852	26,019	(10,048)	50,085
Adjustments net of tax :	162	(19,656)	10,289	(13,186)	(20,240)	(8,526)
Change in fair value of derivative financial instruments	137	(22,342)	15,947	(5,324)	(13,271)	(4,971)
Non-monetary gain on investments in ABCP	-	-	-	(96)	1,476	276
Gain on disposal of a subsidiary	-	-	-	5,655	-	1,131
Goodwill impairment	-	(369)	-	(15,000)	-	(3,074)
Restructuring (charge) / gain	-	(4,161)	(1,825)	-	(16,543)	(4,506)
Tax impact	25	7,216	(3,833)	1,579	8,098	2,617

⁽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)



(in thousands of CAD)	Annual					
	2015	2014	2013	2012	2011	Avg. 2011-2015
REVENUES	3,566,368	3,752,198	3,648,158	3,714,219	3,654,167	3,667,022
EBITDAR incl. hotels JV ⁽¹⁾	199,680	187,158	201,592	108,811	102,703	159,989
EBITDA incl. hotels JV⁽¹⁾	100,821	99,929	120,322	20,450	33,853	75,195
As % of revenues	2.8%	2.7%	3.3%	0.6%	0.9%	2.1%
Adjusted net income (loss)⁽²⁾	42,943	45,242	62,567	(15,272)	(9,702)	25,156
As % of revenues	1.2%	1.2%	1.7%	-0.4%	-0.3%	0.7%
Net income (loss) as per F/S	42,565	22,875	57,955	(16,669)	(14,711)	18,403
Adjustments net of tax :	(378)	(22,367)	(4,612)	(1,397)	(5,009)	(6,753)
Change in fair value of derivative financial instruments used for aircraft fuel purchases	(528)	(23,822)	(493)	701	(1,278)	(5,084)
Non-monetary gain on investments in ABCP	-	-	-	7,936	8,113	3,210
Gain on disposal of a subsidiary	-	-	-	5,655	-	1,131
Goodwill impairment	-	(369)	-	(15,000)	-	(3,074)
Restructuring (Charge) / Gain	-	(6,387)	(5,740)	-	(16,543)	(5,734)
Tax Impact	150	8,211	1,621	(689)	4,699	2,798

⁽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)



<i>(in thousands of CAD)</i>	As at January 31					As at April 30				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
Free cash + ABCP investment (<i>fair value</i>)	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>	As at July 31					As at October 31				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
Free cash + ABCP investment (<i>fair value</i>)	515,552	497,072	389,337	318,692	385,777	336,423	308,887	265,818	198,525	260,327
Cash in trust or otherwise reserved	266,700	262,803	290,558	268,287	301,759	367,199	340,704	361,743	331,172	323,314
Trade and other payables	466,644	463,785	443,189	383,557	419,918	355,656	338,633	326,687	307,219	381,748
Customer deposits	527,868	485,867	456,215	395,862	386,703	489,622	424,468	410,340	382,823	347,957
Working capital ratio	1.04	1.06	1.02	0.99	1.02	1.09	1.12	1.10	1.00	0.97
Balance sheet debt	0	0	0	0	6,879	0	0	0	0	0
Obligations under operating leases	624,047	562,821	658,885	552,287	594,067	675,385	657,639	632,804	530,907	636,618
Net investment (Ocean hotels)	96,453	78,026	69,281	65,356	58,625	97,897	83,949	70,041	64,189	60,612
Capital expenditures (TTM)	61,460	58,436	62,029	65,416	51,042	59,295	64,976	55,457	64,639	54,194
Free cash flow (TTM)	28,829	100,580	71,220	(59,984)	110,804	39,658	41,264	67,582	(55,767)	36,479

2015-2017 STRATEGIC PLAN



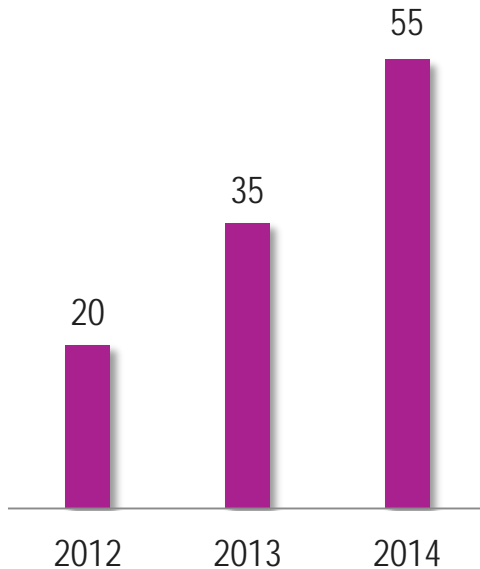
- ▣ \$100-million cost reduction and margin improvement program
- ▣ Improvement of the offering
- ▣ Evolution of our distribution strategy and ecosystem
- ▣ Market development and integration



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.

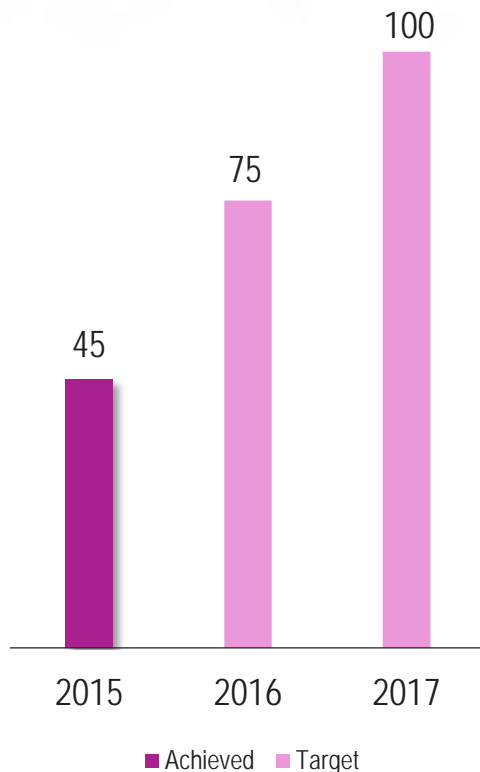
2014: Achieved targeted costs reduction of \$20M from several initiatives, including the first phase of the internalization of narrow-body aircraft and the first phase of a more flexible wide-body fleet.

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	3	9	11
Sub-total COSTS	39	59	68
MARGIN IMPROVEMENT (in millions)			
Ancillary Revenues and Cargo	6	10	20
Densification of three A330-300s	2	5	5
Online sales of third-party products	(2)	1	7
Sub-total MARGIN	6	16	32
TOTAL	45	75	100



Welcome
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THANK YOU

2ND BEST SUMMER EVER
READY FOR GROWTH IN 2016