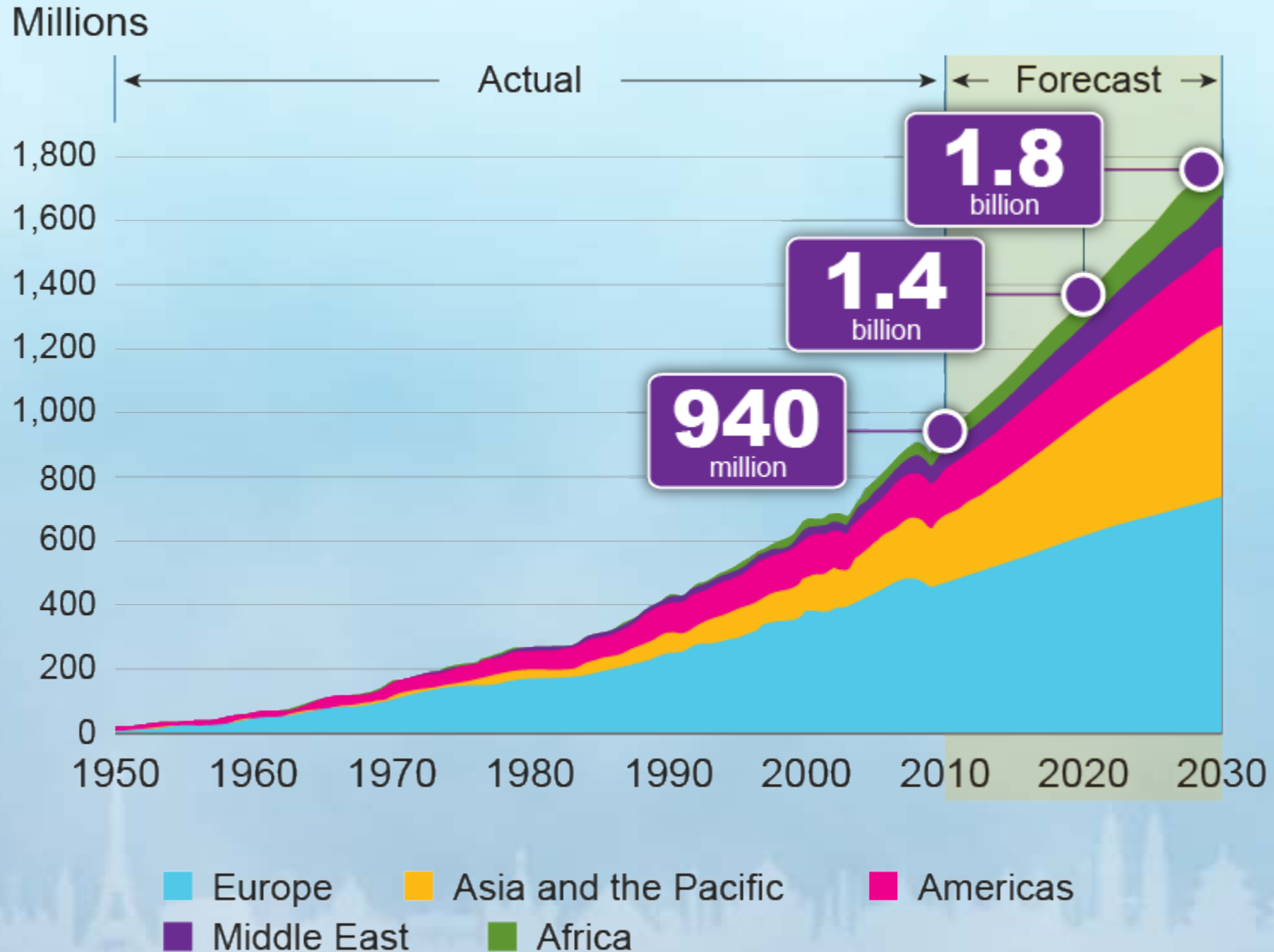




Winning the Heart
of the Leisure Traveller:
the Transat perspective

Canadian Airline Investment Forum
November 8, 2012

International Tourist Arrivals



In the top-5
international,
vertically-integrated
tour operators

More than
\$3.5 billion
in sales in 2012

Key source-
markets:
Canada, France,
UK, Italy, Spain,
Belgium, etc.

3 million
customers,
including
50% flying on
Air Transat

- ◆ All-Airbus fleet (A310s & A330s)
- ◆ Excellent on-time performance
- ◆ Voted best leisure airline in the world (SkyTrax)
- ◆ Most climate-efficient airline in North America (Atmosfair)



AIR TRANSAT
NAMED WORLD'S BEST
LEISURE AIRLINE

NOMMÉE MEILLEURE LIGNE AÉRIENNE
VACANCES AU MONDE

atmosfair

The Atmosfair logo features the word 'atmosfair' in a bold, blue, sans-serif font. Below the text is a stylized graphic consisting of a green swoosh that curves upwards and ends in a green airplane silhouette flying to the right.

Growing importance of CSR



◆ Two thirds of travellers prefer to do business with a responsible company

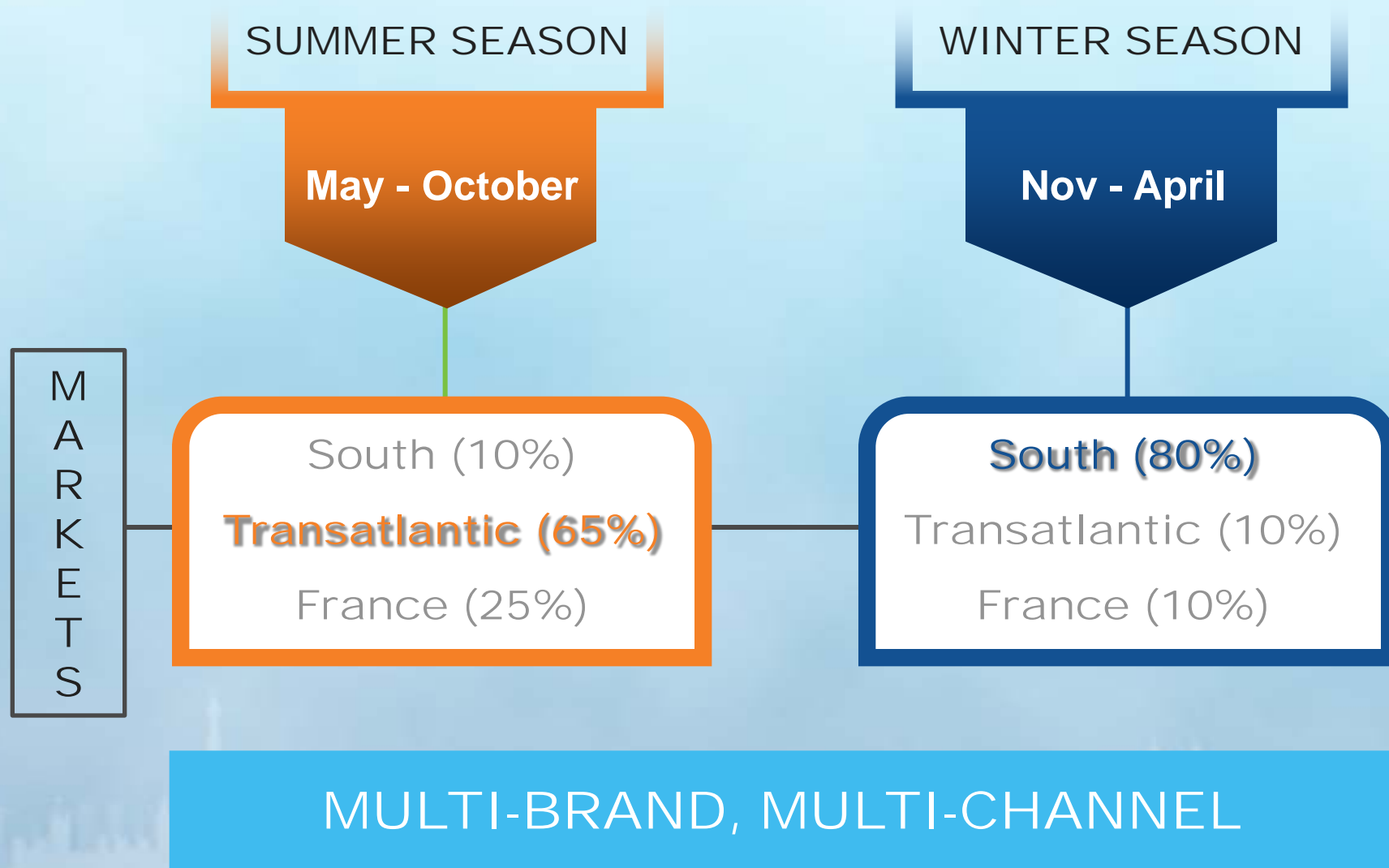
◆ Growing sensitivity of investors

◆ Transat: now a CSR leader

- Program covering environmental, economic and social issues implemented in 2007
- Policy approved by Board in 2008
- World Travel Market Award in 2010



2 seasons and 3 main markets





- ◆ Emphasis on transatlantic routes (1 million seats)



- ◆ Air Transat well-established and selling in all markets



- ◆ Unique offering of 30+ destinations in 14 countries, flying direct, frequencies



- ◆ Open-Jaw: Landing in Nice, flying back from Rome
- ◆ Challenge: Intensifying competition

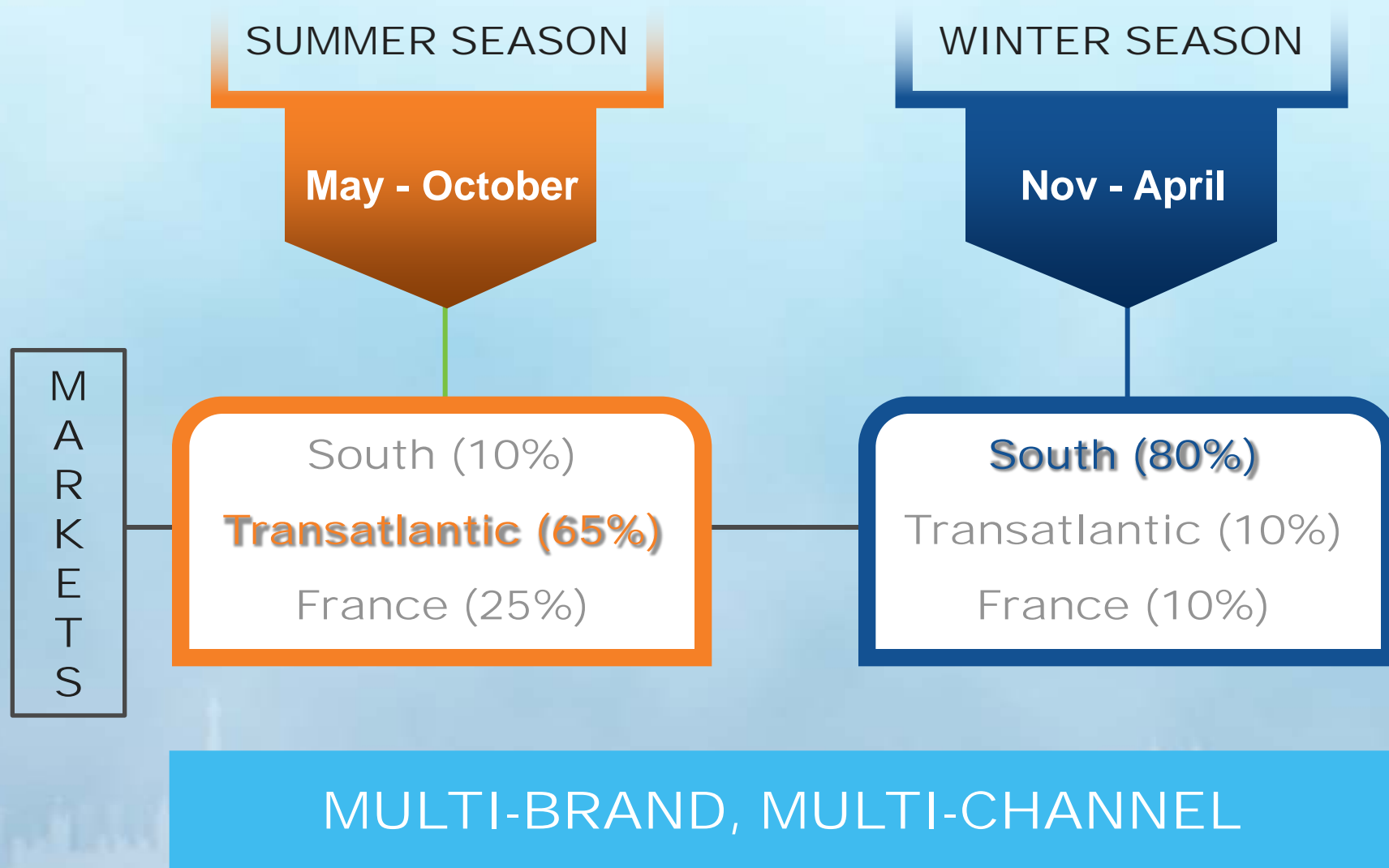
Summer market Response to Challenges



- ◆ New A330 cabin (\$4M/aircraft investment)
- ◆ Mixed fleet:
low variable costs A330 | low-fixed cost A310
- ◆ Great on-board service, excellent cabin crew performance
- ◆ Value-added through land portion



2 seasons and 3 main markets



- ◆ Emphasis on Caribbean from Canada (1 million seats)
- ◆ Mixed fleet: wide-body Air Transat aircraft, narrow-body CanJet Airlines
- ◆ Challenges:
 - Firm demand, but intense competition due to high supply
 - Reestablish profitability



Winter market Response to Challenges



- ◆ Reduced structure and operational costs by \$20M
- ◆ Implemented new inventory-management software
- ◆ Enhanced yield management
- ◆ Growing customer loyalty...



Investing in the product and customer experience



New product lines by market segments

Wedding packages

Joy \$400*

Includes: Wedding cake, champagne, flowers, and more.

Wedding Collection

Bliss

How to get the most out of your vacation...

Family Collection

New this year

Golf Collection Properties

| Property | Location | Price |
|---------------------------------------|----------------------|---------|
| 101 COOLIDGE BAY RESORT AND SPA ***** | St. John's, Barbados | \$1,200 |
| 102 BARRACUDA COASTAL RESORT ***** | St. John's, Barbados | \$1,200 |
| 103 BARRACUDA COASTAL RESORT ***** | St. John's, Barbados | \$1,200 |
| 104 BARRACUDA COASTAL RESORT ***** | St. John's, Barbados | \$1,200 |
| 105 BARRACUDA COASTAL RESORT ***** | St. John's, Barbados | \$1,200 |
| 106 BARRACUDA COASTAL RESORT ***** | St. John's, Barbados | \$1,200 |
| 107 BARRACUDA COASTAL RESORT ***** | St. John's, Barbados | \$1,200 |
| 108 BARRACUDA COASTAL RESORT ***** | St. John's, Barbados | \$1,200 |
| 109 BARRACUDA COASTAL RESORT ***** | St. John's, Barbados | \$1,200 |
| 110 BARRACUDA COASTAL RESORT ***** | St. John's, Barbados | \$1,200 |
| 111 BARRACUDA COASTAL RESORT ***** | St. John's, Barbados | \$1,200 |
| 112 BARRACUDA COASTAL RESORT ***** | St. John's, Barbados | \$1,200 |
| 113 BARRACUDA COASTAL RESORT ***** | St. John's, Barbados | \$1,200 |
| 114 BARRACUDA COASTAL RESORT ***** | St. John's, Barbados | \$1,200 |
| 115 BARRACUDA COASTAL RESORT ***** | St. John's, Barbados | \$1,200 |
| 116 BARRACUDA COASTAL RESORT ***** | St. John's, Barbados | \$1,200 |
| 117 BARRACUDA COASTAL RESORT ***** | St. John's, Barbados | \$1,200 |
| 118 BARRACUDA COASTAL RESORT ***** | St. John's, Barbados | \$1,200 |
| 119 BARRACUDA COASTAL RESORT ***** | St. John's, Barbados | \$1,200 |
| 120 BARRACUDA COASTAL RESORT ***** | St. John's, Barbados | \$1,200 |

Golf Collection

For holidays on and off the green

Experience the best golf the south has to offer, with packages, specials and exclusive rates.

Distinction Collection

Luxury Collection

For holidays at the height of luxury

Luxury inclusions*

- Free access to VIP lounge at airport
- Water service at pool and beach
- Unlimited à la carte gourmet dining with wine
- Luxurious accommodation with premium linens and bathrobes
- Limousine service to and from the airport and the resort at destination
- Unlimited premium brand drinks
- Access to the spa facilities
- Free mineral spring water (minimum 100oz)
- Private motorcade to and from the airport
- Complimentary upgrades to Club Level Cabana
- Complimentary upgrades to Club Level Cabana
- 24-hour room service
- and more!

Take luxury to a new level at only the finest resorts with the highest quality details

See the world's most exclusive luxury resorts, premier collection and unparalleled service, all in one place. Transat's Luxury Collection features an exceptional level of 5-star resort amenities, including ultimate in pampering, tranquility and pampering in its elite settings. Expert accommodations and world-class service, including service, gourmet cuisine and world-class spas are all part of the incredible experience at each one of our properties. Isn't it time you made them part of your reality?

Working on improving customer experience

Innovations: OptionPlus, OptionFlex

Option Flex

Enjoy total peace of mind and flexibility

Only \$49... at time of booking

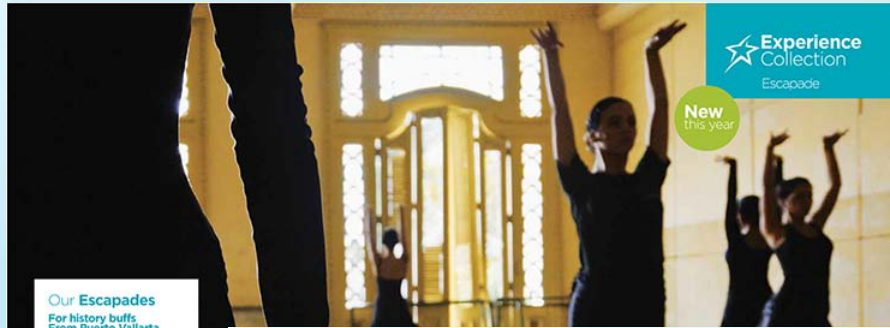
Life doesn't always go exactly according to plan. When you book your dream vacation, you want to make sure you enjoy the ultimate level of flexibility should something unexpected happen. Option Flex gives you just that.

Option Flex lets you:

- change your departure date, destination or hotel, with 30 days before departure
- shorten your vacation package to a 7-night, 7-day minimum, up to 7 days before departure
- cancel your trip and get a full refund!

and you won't be charged any additional fees or currency surcharges once you've booked.

Investing in the product and customer experience



Experience Collection
Escapade

New this year

Our Escapades

For history buffs From Puerto Vallarta

Leave your resort behind and travel to San Sebastian, a former mining town nestled in the Sierra Madre Mountains, for a taste of the real Mexico. Far off the beaten track, this small village has retained its colorful heritage and is a living museum untouched by time. You'll see all the sights and spend the night in a traditional hacienda that has been converted into a hotel.

For outdoor lovers From Punta Cana

Spend the night in the Baracoa Caba Hondo in one of the most beautiful spots in the Dominican Republic, Los Haities National Park. Far from the hustle and bustle of your resort, it is a true escape where you can really kick back and enjoy the best of nature in untouched surroundings. Wake through the rainforest, explore caves, go bird-watching, zip line over the jungle canopy, ride a horse along beautiful country trails or simply relax and take in the sights.

TRANSATHOLIDAYS.COM

Experience Collection Duo

New this year

For holidays that take you even further

Properties

- # 208 BAKILO CAYO SANDOVAL BEACH RESORT ***** San Juan, Puerto Rico
- # 209 HOTEL SANGRE DE CARO VACATION RESORT ***** San Juan, Puerto Rico
- # 210 BEACHES SANDOVAL ***** San Juan, Puerto Rico
- # 211 BEACHES SANDOVAL ***** San Juan, Puerto Rico
- # 212 BEACHES SANDOVAL ***** San Juan, Puerto Rico
- # 213 BEACHES SANDOVAL ***** San Juan, Puerto Rico
- # 214 HOTEL SANGRE DE CARO ***** San Juan, Puerto Rico
- # 215 HOTEL SANGRE DE CARO ***** San Juan, Puerto Rico
- # 216 BEACHES SANDOVAL ***** San Juan, Puerto Rico
- # 217 BEACHES SANDOVAL ***** San Juan, Puerto Rico
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- # 249 BEACHES SANDOVAL ***** San Juan, Puerto Rico
- # 250 BEACHES SANDOVAL ***** San Juan, Puerto Rico

Experience Collection Duo

New this year

Samana 3 nights
Puerto Plata 4 nights

Enjoy the beautiful beaches, breathtaking scenery and exciting activities of two unique destinations!

Puerto Plata The lively Plaza Dorada complex is a haven for sun worshippers, golfers and anglers. And with Casaca and nightclubs at every corner, you can party the night away!

Samana Long sandy beaches, majestic mountains and lush vegetation make the Samana Peninsula the ideal destination for nature lovers and sports with wildlife alike.

TRANSATHOLIDAYS.COM

Experience Collection Duo

New this year

Santo Domingo 2 nights
Punta Cana 5 nights

Blend the colourful folkloric and colonial architecture of Santo Domingo with Punta Cana's famous beaches for the ultimate experience in the Dominican Republic!

Punta Cana With miles of white sandy beaches, turquoise waters, coconut groves and lush vegetation, Punta Cana is a paradise of hues and food for the senses!

Santo Domingo As the first Spanish settlement in America, Santo Domingo's landmarks and monuments each tell a story. The lively capital also boasts stunning beaches and a shopping megalopolis.

OPTION 1
PUNTA CANA
5 nights
SANTO DOMINGO
2 nights

OPTION 2
PUNTA CANA
5 nights
SANTO DOMINGO
2 nights

TRANSATHOLIDAYS.COM

New Experience Collection

- ◆ Duo (3 days on the beach, 4 days in town)
- ◆ Escapade (Exceptional, authentic one-day experience)

Investing in the product and customer experience

noliZONE
Even more fun in the sun

Get ready for a one-of-a-kind vacation where you take centre stage! NoliZone's lively noliZONE was specifically created for travellers who would like to step outside their resort, meet new people and really get to know their destination, with tons of fun activities throughout the day and night, your biggest dilemma will be deciding what to do next!

Visit the ZONES and experience a world filled with fun activities

| Zone, Dominican Republic | # |
|--|--------|
| Barriles Puerto Plata | 21-223 |
| Cabo Vieco Bay Beach north side | 21-219 |
| Colonia Mar del Sol | 1-214 |
| Grand Chirillo Playa Grande | 4-218 |
| Playa Republica Langona | 4-217 |
| noliZONE, Cuba | # |
| White Sands Beach north side | 21-217 |
| Club Amigo Central | 2-219 |
| Club Amigo Riverside | 21-218 |
| noliZONE, Mexico | # |
| Playa Vallarta north side | 4-217 |
| Clayton Beach Club & Suites | 4-214 |
| Marina Vallarta | 4-214 |
| Playa Grande Hotel & Spa | 3-215 |
| Las Brisas by the Sea | 3-212 |
| Sanita Vallarta north side | 21-217 |
| Marina Vallarta at the Grand Arches & Beach Resort | 21-212 |

New this year!
THE ZONE IS EXPANDING. JOIN IN THE FUN AT 2 NEW noliZONES.
Puerto Vallarta & Riviera Nayarit, Mexico
This unique destination perfectly blends beautiful beaches with cultural and historical attractions in a decidedly hip and urban environment filled with bars, restaurants and shops. Let's say you'll find plenty to see and do outside of your resort! See page 133 for details.

Back by popular demand!
THE IT ZONE
Puerto Plata, Dominican Republic
The Dominican Republic's trendiest hotspot is back for another year. This time round, you can expect even more fun-filled activities, more parties and more opportunities to get up close and personal with your destination. See pages 28 and 215 for details.

Santa Lucia, Cuba
Ideal for nature lovers and sports enthusiasts alike, this little slice of paradise is custom-made for those who like a dash of culture and history mixed in with their outdoor activities and water sports. Throw in a pinch of local flare and you have the makings of a one-of-a-kind vacation! See page 116 for details.

Look for these symbols

noliZONE
it zone

Look for the symbols above in the hotel descriptions.

noliZONE.com

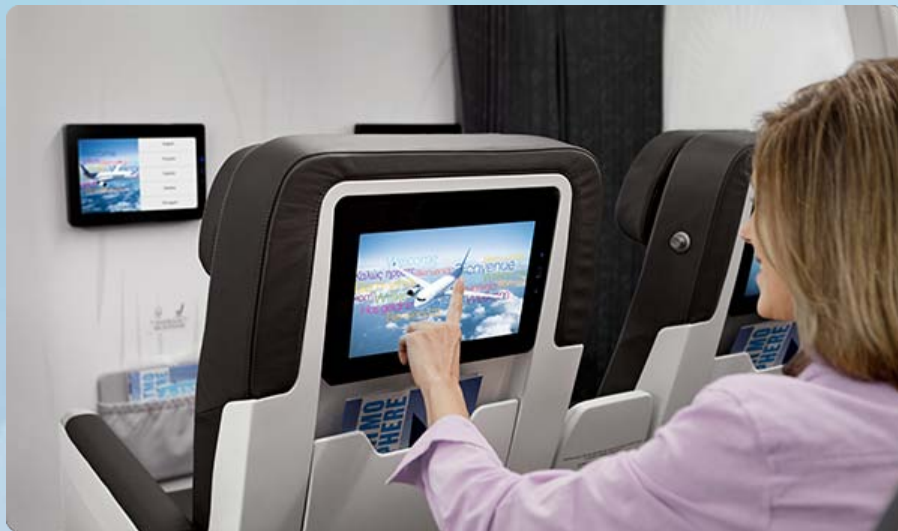
NoliZone
(Mexico, Rep
Dom and Cuba)

- ◆ Value-added promotional package
- ◆ Range of activities allowing for local contact with the community
- ◆ Weekly party on the beach mixing travellers and locals

Investing in the product and customer experience



New cabin puts **Air Transat** in a category of its own in Canada



- 1 Holiday travel: a value-added product
- 2 Focused on differentiation and customer satisfaction
- 3 Optimizing processes, adapting fleet strategy and adjusting capacity to improve financial performance.

Getting the full benefits will require 3 years.



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