SHAREHOLDERS' MEETING 2010

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VICE-PRESIDENT FINANCE AND ADMINISTRATION
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TRANSAT A.T. INC.

Check against delivery

Thank you Jean-Marc,

I will now briefly review our 2009 results, as well as those for the first quarter of 2010, which we released this morning.

For the first half, or winter season 2008-2009, we recorded total revenues of more than $2 billion, stemming from revenue increases of 6.0% in Canada and nearly 17% in Europe. The number of travellers increased, including a remarkable 17.7% increase from Canada to sun destinations, resulting in a record winter in volume.

Economic uncertainty and excess capacity resulted in an extremely competitive market. Prices were driven downward to stimulate demand. For the winter, the margin stood at 1.5%, compared with 4.8% for the previous winter.

The summer started with the eclosion of the A(H1N1) virus in Mexico, in the midst of the economic crisis, since the recession seems to have reached its apex by mid-2009. We quickly took action, implementing plans to reduce spending and an overhaul of commercial programmes.

For the summer, revenues diminished to $1.6 billion, when compared to the previous year. Number of travellers were similar, year over year.

In Canada, the margin stood at $29.4 million, thanks to our various initiatives and excellent load factors. In Europe, our margin decreased, but as we said earlier, given the depressed state of the French market, we consider this an honourable performance. In percentage points, our margin for the summer (4.1%) was higher in 2009 than in 2008.

For the year, we have reported a 1% increase in revenues. Our margin was $93.4 million, compared with $127.8 million the previous year.

For the year 2009, we recorded net income of $61.8 million, compared with a net loss of $49.4 million in 2008. Again, one has to keep in mind that both the net income of 2009 and the net loss of 2008 are attributable in part to non-cash, non operating items, and that from an operational perspective we did not record a loss in 2008.

These non-cash and non operating items are mainly the application of hedge accounting standards and the revaluation of our investments in asset-backed commercial paper for the two fiscal years, as well as restructuring costs and repurchase of preferred shares in 2009.

On a per-share basis, on net income stood at $1.86, compared with a loss of $1.49 in 2008. Excluding the non-cash and non-operating items, net income was $1.01 in 2009 and $1.67 in 2008.

In summary, if we compare 2008 and 2009:

- Starting in the summer, we have reduced our direct costs, thanks to our 5-year agreement with CanJet Airlines and lower fuel prices. However, in percentage of revenues, direct costs have increased because of lower selling prices.

- Our fleet maintenance costs have decreased. We renegotiated certain contracts and we extended certain leases.

- We have reduced our overhead, marketing and technology costs.

- And finally, we recorded lower interest income, because of the lower interest rates.

Let’s now look into the results of the first quarter of 2010, ended January 31.

Revenues were $792.6 million, a decrease of 9.7% compared with 2009.

We record an operating loss of $12.4 million, a reduction of $3.9 million, compared with 2009, and a net loss of $13.9 million.

Excluding non-cash and non-operating items, the adjusted after-tax loss stands at $18.2 million, or $6.4 million more than in 2009.

The reduction in margin stems in part from our decision to contract our sun destination capacity in the first quarter, and from lower selling prices, offset in part by lower costs. Competition remained fierce.

Because of our hedging positions, we could not benefit fully from the strength of the Canadian dollar, as a significant portion of our expenses is paid in US currency.

As of January 31, we had cash and cash equivalents of $148 million and we had drawn $77 million from our credit facility. Total assets stood at more than $1.3 billion.

Thank You.