

EXCHANGE INCOME CORPORATION

—
PROVEN



**ANNUAL AND
SPECIAL MEETING
OF SHAREHOLDERS**

MAY 11, 2016

FORMAL MEETING OF SHAREHOLDERS

- Call to order
- Chairman, Secretary, Scrutineer
- Registration of Proxies
- Notice of Meeting
- Scrutineer's Report
- Declaration that Meeting is Duly Constituted

FORMAL MEETING OF SHAREHOLDERS (CONT'D)

1. FINANCIAL STATEMENTS
 2. APPOINTMENT OF AUDITORS
 3. ELECTION OF DIRECTORS OF EIC
 4. TO APPROVE CERTAIN AMENDMENTS TO THE SECOND AMENDED AND RESTATED GENERAL BY-LAW NO. 1 OF THE CORPORATION
 5. TO APPROVE THE SECOND AMENDED AND RESTATED EMPLOYEE SHARE PURCHASE PLAN OF THE CORPORATION
- Other Business
 - Termination of Meeting

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2016 ANNUAL GENERAL MEETING
MIKE PYLE, CEO

FORWARD-LOOKING STATEMENTS

The statements contained in this presentation that are forward-looking are based on current expectations and are subject to a number of uncertainties and risks, and actual results may differ materially.

These uncertainties and risks include, but are not limited to, the dependence of Exchange Income Corporation on the operations and assets currently owned by it, the degree to which its subsidiaries are leveraged, the fact that cash distributions are not guaranteed and will fluctuate with the Corporation's financial performance, dilution, restrictions on potential future growth, the risk of shareholder liability, competitive pressures (including price competition), changes in market activity, the cyclical nature of the industries, seasonality of the businesses, poor weather conditions, and foreign currency fluctuations, legal proceedings, commodity prices and raw material exposure, dependence on key personnel, and environmental, health and safety and other regulatory requirements.

Further information about these and other risks and uncertainties can be found in the disclosure documents filed by Exchange Income Corporation with the securities regulatory authorities, available at www.sedar.com

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OIL PRICE COLLAPSE

DOW JONES
RECORD HIGH

\$CDN @ \$0.71

PEAK OIL PRICE

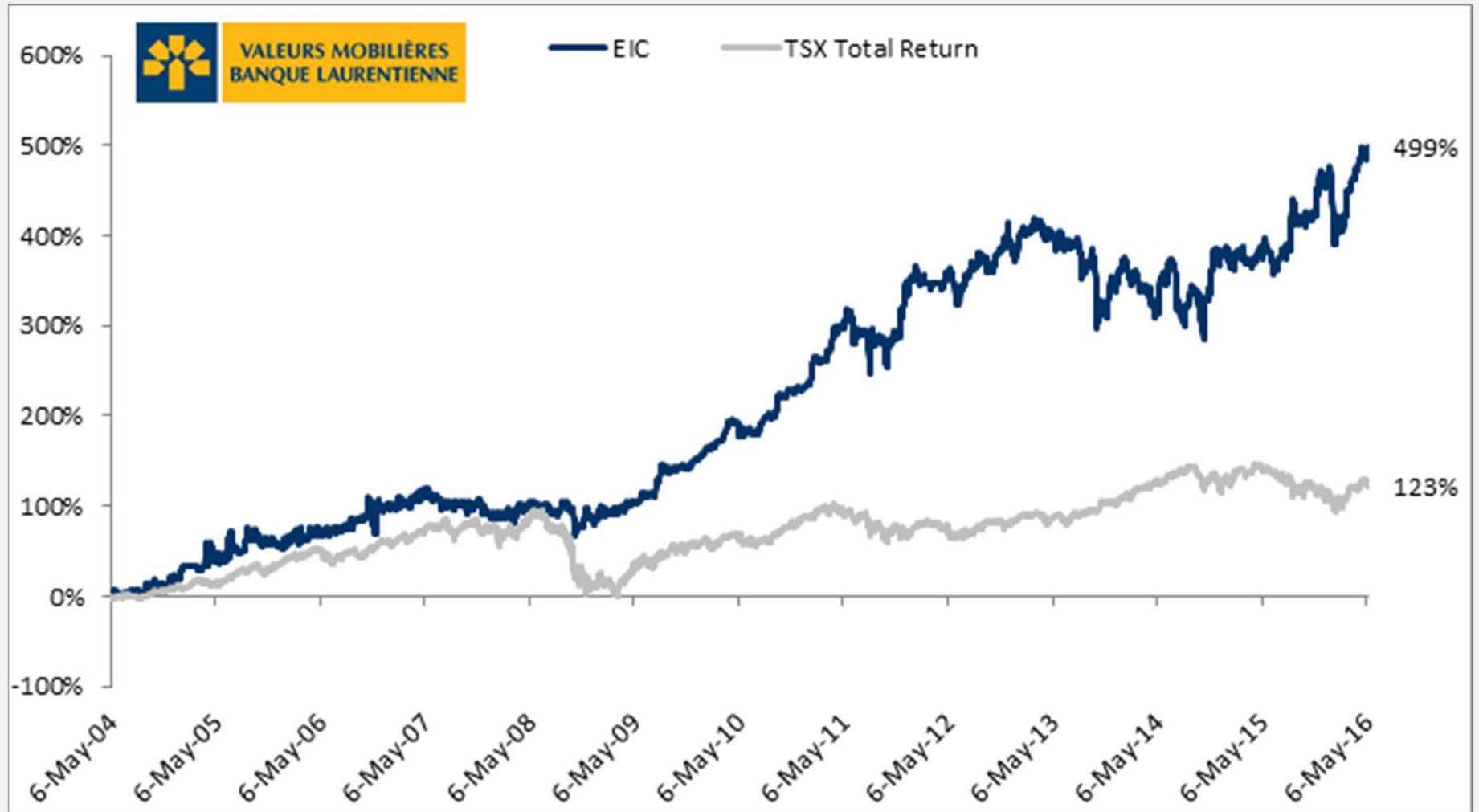
GLOBAL FINANCIAL CRISIS

\$CDN @ \$1.10

END OF BUSINESS TRUSTS



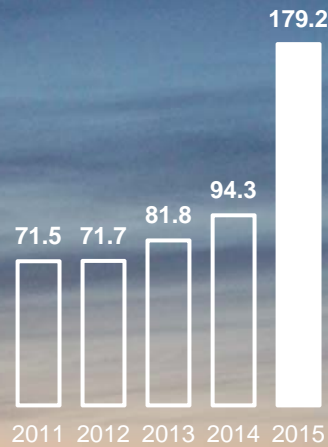
OUR PERFORMANCE IN PERSPECTIVE



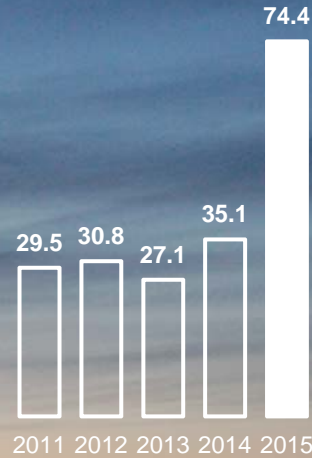
REVENUE
(\$MILLIONS)



EBITDA
(\$MILLIONS)



**FREE CASHFLOW
LESS MAINTENANCE
CAPEX**
(\$MILLIONS)



13.6%

CAGR

20.2%

CAGR

20.3%

CAGR

YEAR OF RECORD RESULTS

SET NEW BENCHMARKS FOR EACH OF OUR KEY FINANCIAL METRICS

Payout ratio
60%

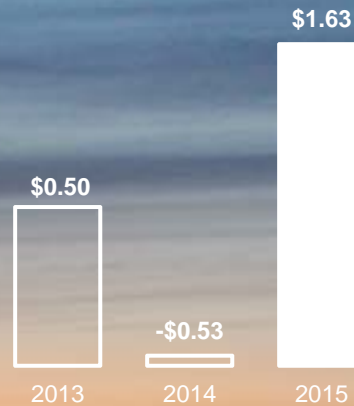
YEAR OF RECORD RESULTS

**FREE CASHFLOW
LESS MAINTENANCE
CAPEX**
(BASIC PER SHARE)



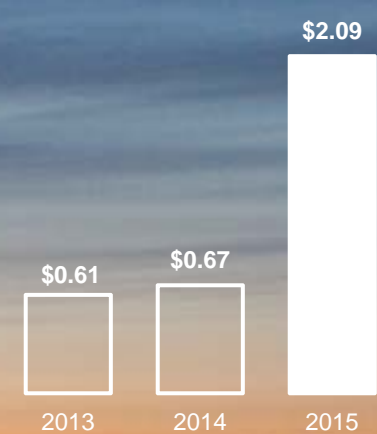
CAGR
+33.8%

NET EARNINGS
(BASIC PER SHARE)



CAGR
+48.3%

**ADJUSTED
NET EARNINGS**
(BASIC PER SHARE)



CAGR
+50.8%

Significant improvements even
with two dividend increases

2015 SHARE PRICE PERFORMANCE

MEMBER OF THE
S&P/TSX CANADIAN
DIVIDEND ARISTOCRATS
INDEX

COVERED BY
10 ANALYSTS

6.7%

YIELD

As at
December 31, 2015



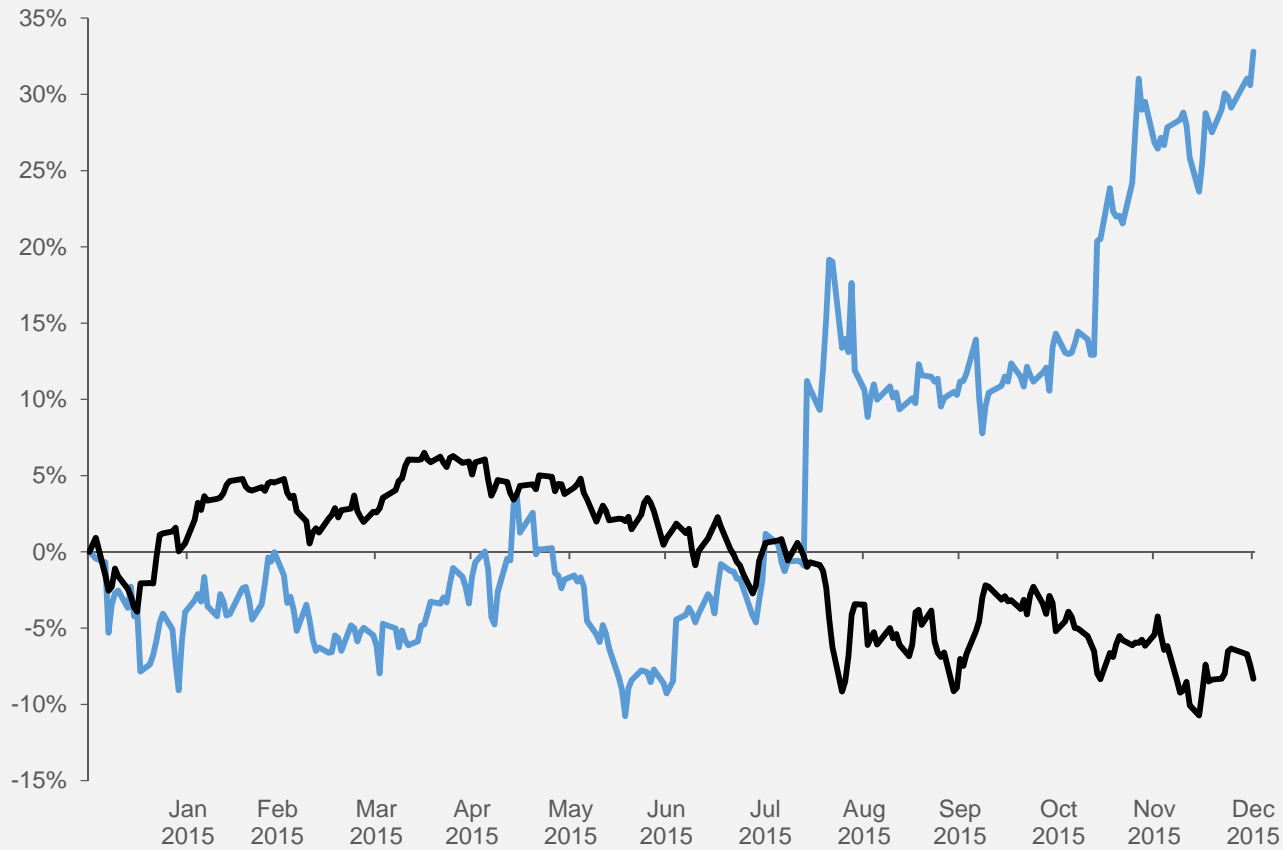
+23%

2015 SHARE
PRICE GAIN

+33%

2015 TOTAL
RETURN

OUR PERFORMANCE IN 2015



EIC +33%

**TSX Composite
Index -8%**

TOTAL RETURN TO SHAREHOLDERS IN 2015

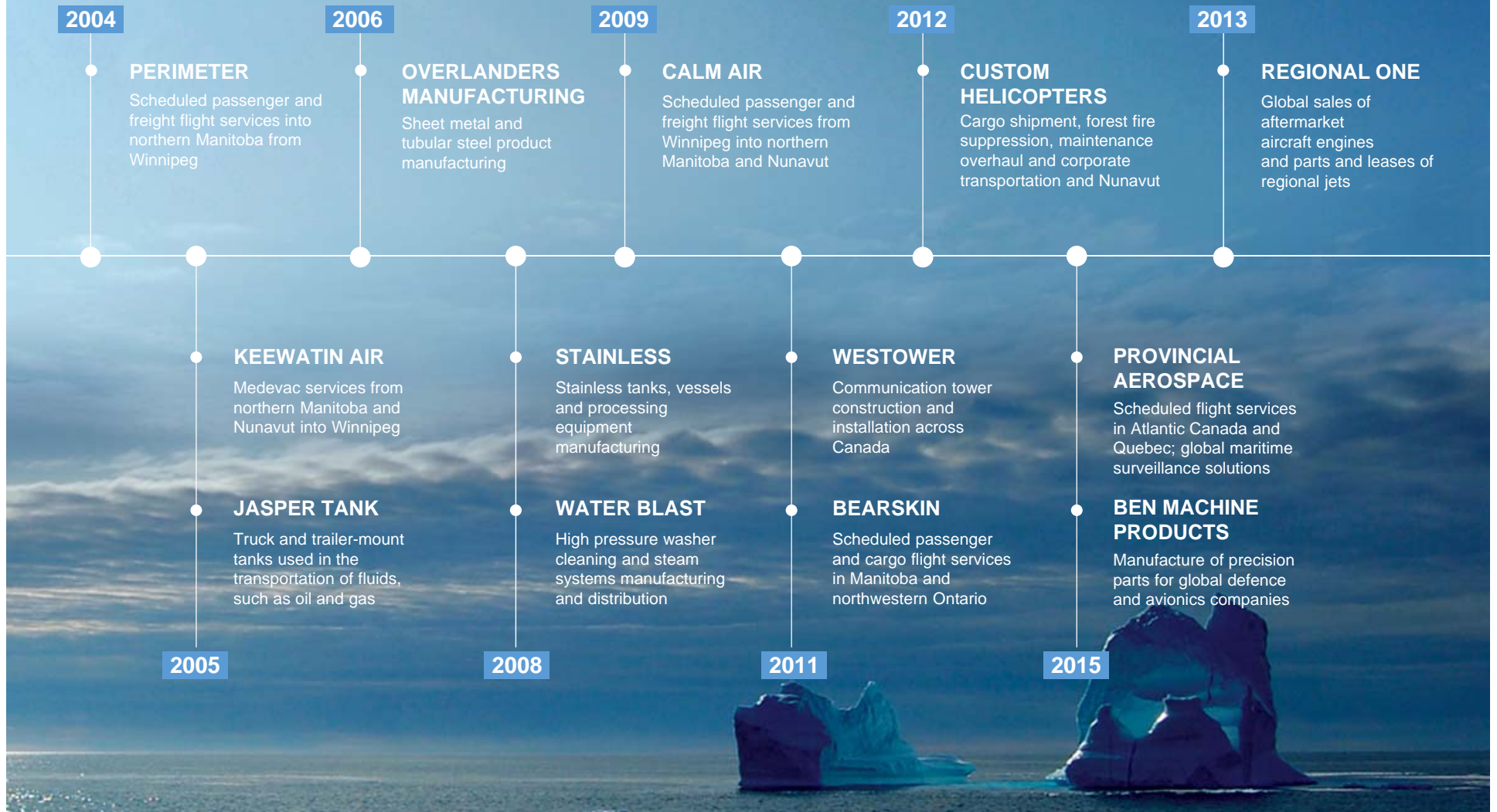
EXCHANGE INCOME CORPORATION

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OUR
STRATEGY

12 YEARS OF ACQUISITIONS & GROWTH





DIVERSIFICATION

IN GOOD TIMES AND BAD...

- Provides opportunities for growth
- Mitigates economic risks and fluctuations

A STRATEGY BUILT FOR
THE LONG TERM
AND PROVEN AGAIN

LIMITS RISKS AND EXPOSURE



DIVERSIFIED OPERATIONS

13

Number of companies in our portfolio

with multiple revenue streams

in markets and geographies around the globe



DISCIPLINE

It's why our acquisitions work out

KEY CRITERIA:

- Must operate in niche markets with a defensible position
- Strong management team
- Generate steady cash flow
- Be immediately accretive

TOTAL VALUE OF TRANSACTION IN 2015

\$300 Million



REGIONAL ONE

- Sale and lease of after-market aircraft, engines and parts
- Offsets parts acquisition costs within Aviation segment
- Offsets \$U.S. currency impacts

\$100M+
in Growth Capital
Investments



PROVINCIAL

Diversified Operations

- Global leader in maritime surveillance
- Scheduled passenger service
- Aircraft overhaul & modification on design
- Fixed base operations
- Servicing customer / governments around the world

\$150M
5-YEAR
CONTRACT

EXCHANGE INCOME CORPORATION

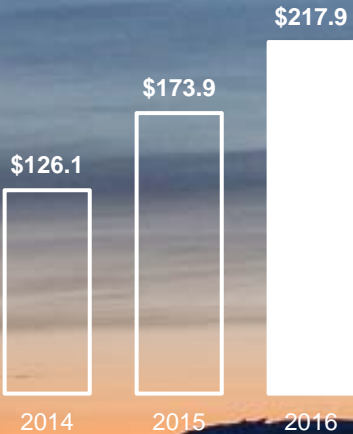
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Q1 2016
RESULTS

Q1 RECORD RESULTS

REVENUE
(\$MILLIONS)



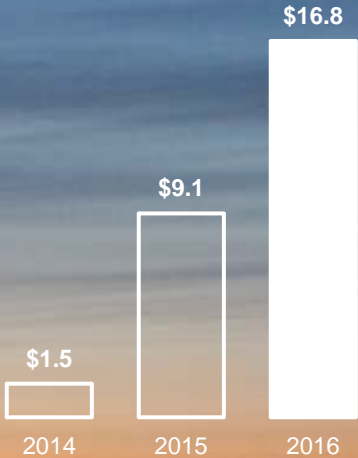
CAGR
+20%

EBITDA
(\$MILLIONS)



CAGR
+35%

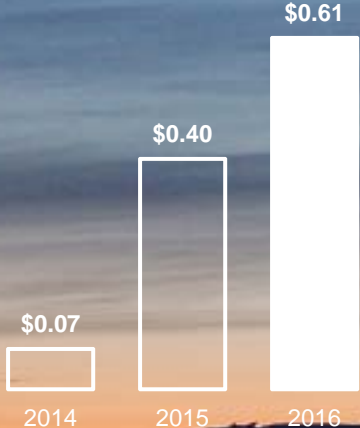
FREE CASHFLOW
LESS MAINTENANCE
CAPEX
(\$MILLIONS)



CAGR
+124%

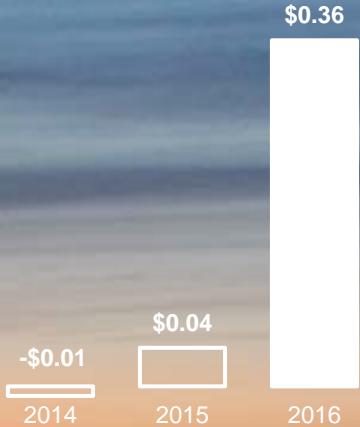
Q1 RECORD RESULTS

**FREE CASHFLOW
LESS MAINTENANCE
CAPEX**
(BASIC PER SHARE)



CAGR
+106%

NET EARNINGS
(BASIC PER SHARE)



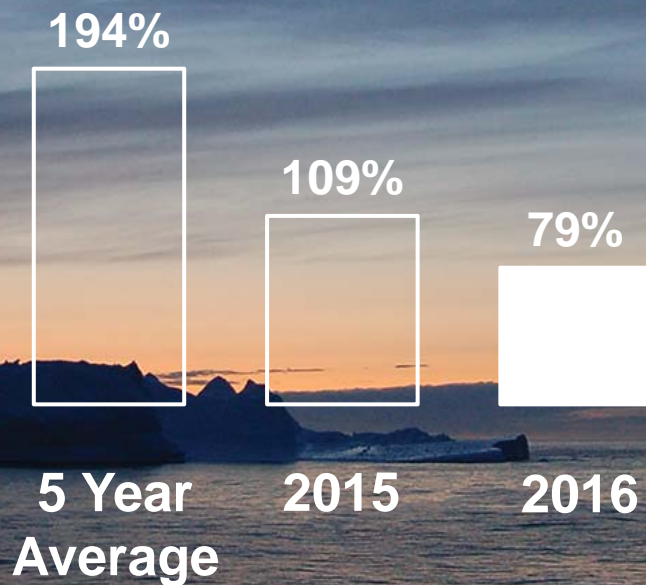
Growth of
\$0.37 / share

**ADJUSTED
NET EARNINGS**
(BASIC PER SHARE)



Growth of
\$0.44 / share

Q1 FREE CASH FLOW LESS MAINTENANCE CAPEX PAYOUT RATIO



PERFORMANCE IN PERSPECTIVE

- PAYOUT RATIO TYPICALLY HIGHEST IN Q1
- 5-YEAR Q1 PAYOUT RATIO AVERAGE OF 194% (2011-2015)

Lowest Q1
payout ratio in a
decade



DIVIDEND INCREASE

\$2.01

PER SHARE
(ANNUALIZED BUT PAID MONTHLY)

3RD DIVIDEND CHANGE IN
18 MONTHS TOTALING
20% INCREASE

11 DIVIDEND INCREASES
IN 12 YEARS

EXCHANGE INCOME CORPORATION

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QUESTIONS?

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