



# Mike Pyle President & CEO

Exchange Income Corp.  
Annual General Meeting



# Forward Looking Statements

*The statements contained in today's 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 the 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, competitive pressures (including price competition), changes in market activity, the cyclicity 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 the Corporation with the securities regulatory authorities, available at [www.sedar.com](http://www.sedar.com).*



# Agenda

1. Year in Review
2. Reasons for Success
3. Q1 Summary
4. Spotlight on Recent Acquisitions
5. Q&A



# 2010 Milestones



Introduced ATR 72 platform

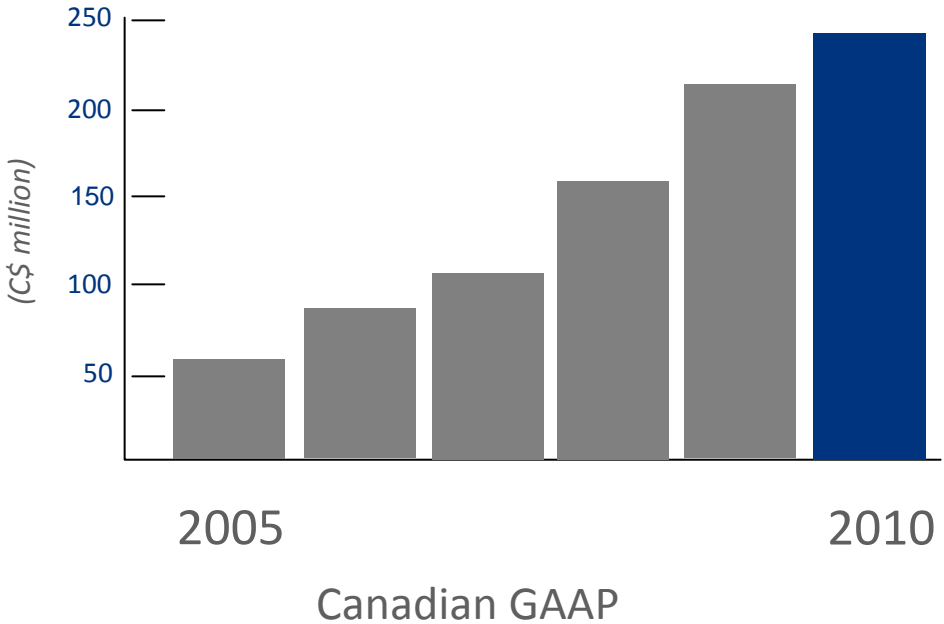
Bearskin acquisition

3-year Hydro One contract

5-year Nunavut Government contract valued at \$50M

\$41 million growth initiative investments

# 2010 Revenue



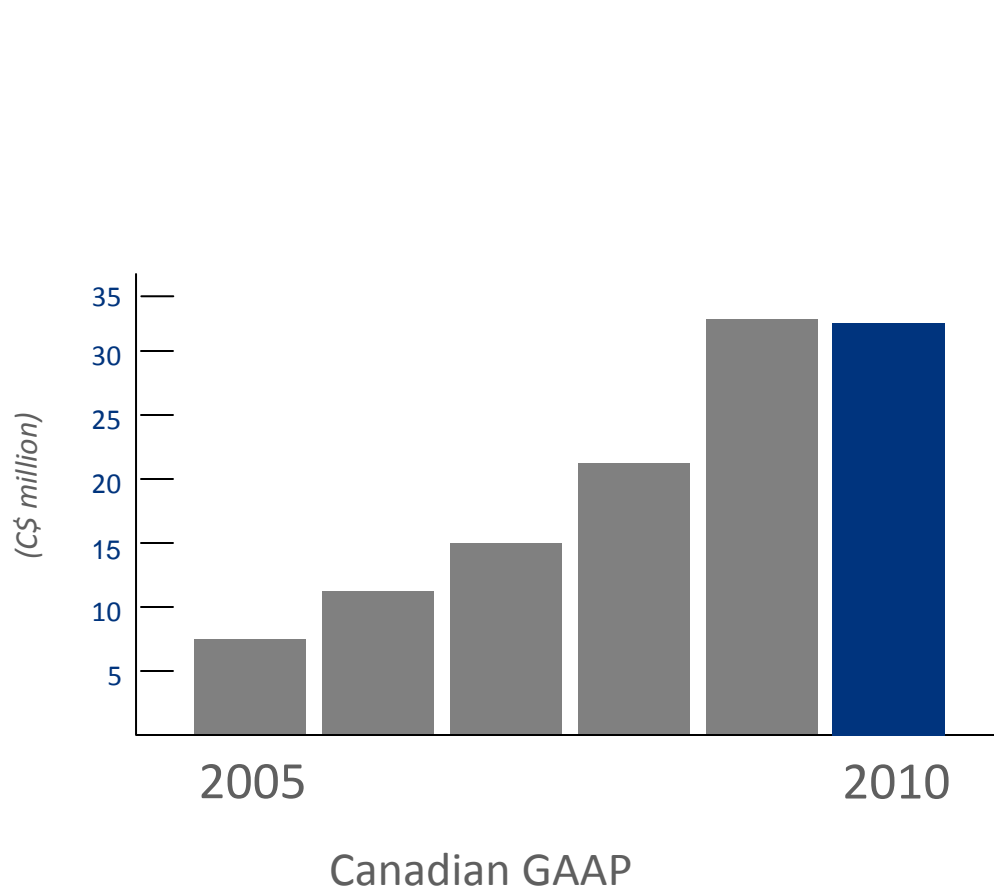
CAGR

# 27.4%

Growth to \$244.7 Million



# 2010 EBITDA



CAGR

# 29.1%

Growth to \$32.4 Million

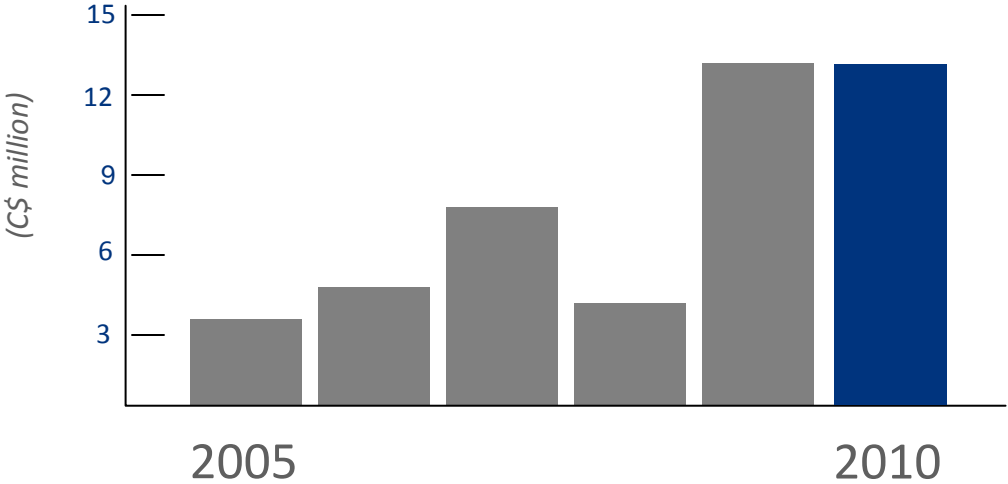
# 2010 Net Earnings



CAGR

# 26.8%

Growth to \$12.9 Million



Canadian GAAP

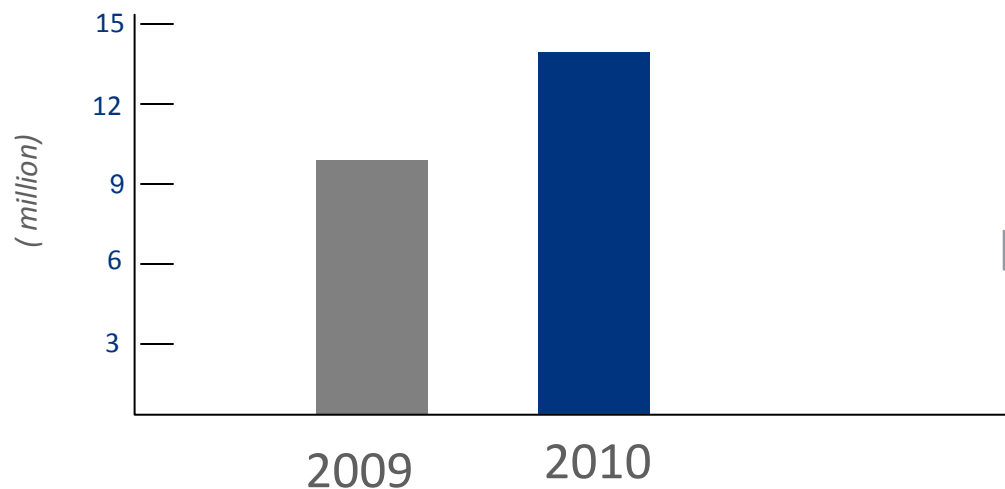
# 2010 Shares Outstanding



# +34.2%

Growth to 14.5 Million

Impacts EPS and Distributions





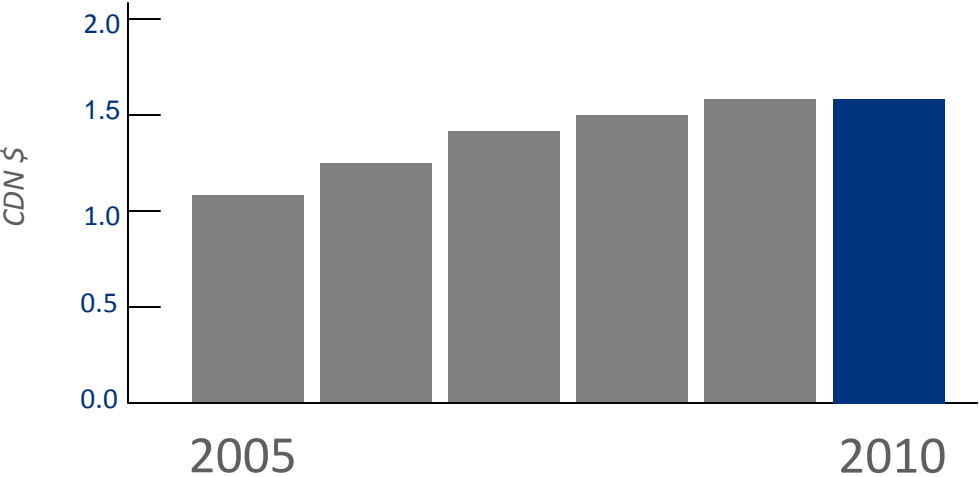
# 2010 Dividend Distributions



CAGR

# 5.4%

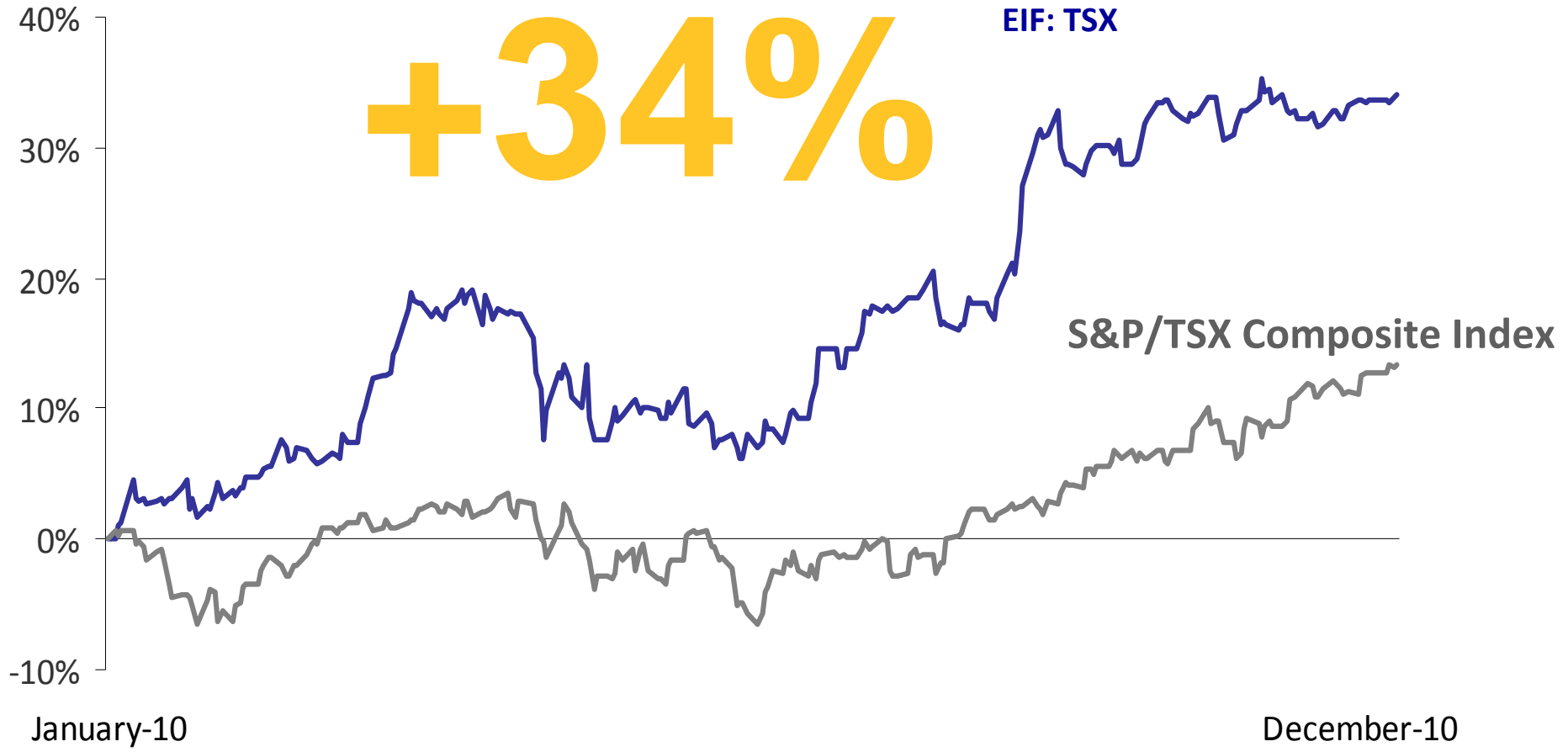
Growth to \$1.56 per share



# 2010 Share Price Performance



**+34%**





Reasons for Success

# Effective business model



- Diversified
- Acquisition oriented
- Niche market focus

High yield

Disciplined approach

High growth



# 2

Operating  
segments

Limits exposure  
Provides stability

Separate but  
complementary



## Essential

passenger and freight services  
to isolated communities



# Aviation Segment



72 total aircraft

Cargo +  
Scheduled passenger +  
Medevac services

Manitoba  
Nunavut  
Ontario



# Manufacturing Segment



**Specialty**  
manufacturing for  
multiple markets



# Manufacturing Segment



220,000 Sq. Ft of  
manufacturing space

Locations in Alberta,  
BC and Missouri

Customers in food, oil &  
gas, chemical & dairy  
markets



- Private companies
- Defensible markets
- Strong cashflows
- Management retention
- 5X EBITDA
- Immediately accretive

# Discipline

**PERIMETER**

**WESTOWER  
COMMUNICATIONS**

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**KIVALLIQ AIR**  **NUNAVUT  
LIFELINE**  
**KEEWATIN AIR**

*Calm Air*

2004

2005

2006

2007

2008

2009

2011

*Jasper* **STARK**

**OMI**

**SFI**

 **WATER BLAST**

 *Bearskin Airlines*  
Let the Bear take you there!

Acquisition timeline

Latest acquisition



# WesTower Communications

\$79 million purchase price  
\$200 million revenue  
4.8 X EBITDA (3 year average)  
Grows Manufacturing segment 3X



# Impact of Recent Acquisitions

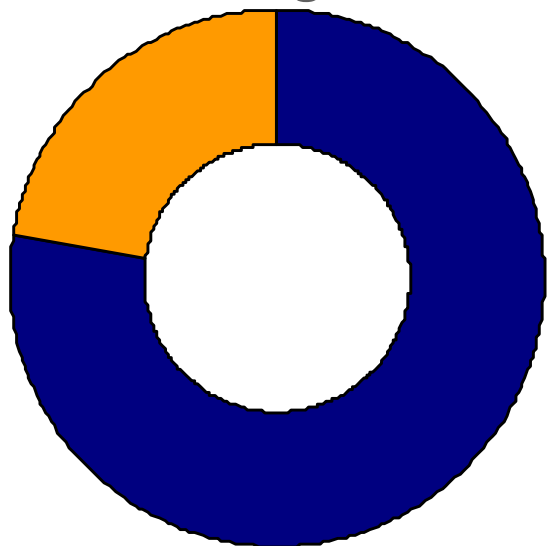


Total 2010 Revenue \$245 M

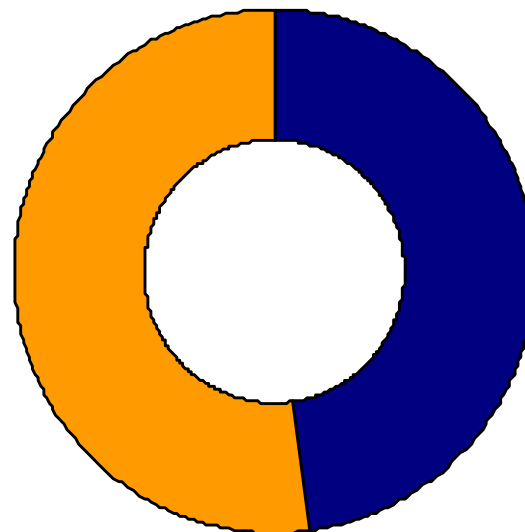
Pro forma\*  
2010 Revenue \$495 M

Manufacturing 23%

Manufacturing 48%



Aviation 77%



Aviation 52%

\*Includes estimated annual revenue from Bearskin and WestTower acquisitions





# Q1 Results



- New accounting rules
- Effective January 1 for all public companies
- “Principles-based” accounting
- Expenses recorded as incurred
- Create “lumpy” scenarios

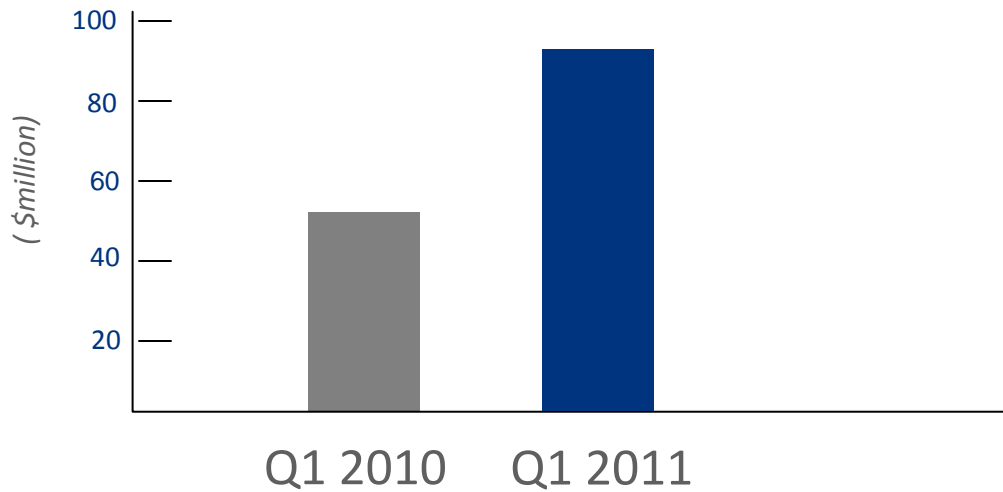


# Q1 Revenue



# +72.5%

Growth to \$92.9 Million

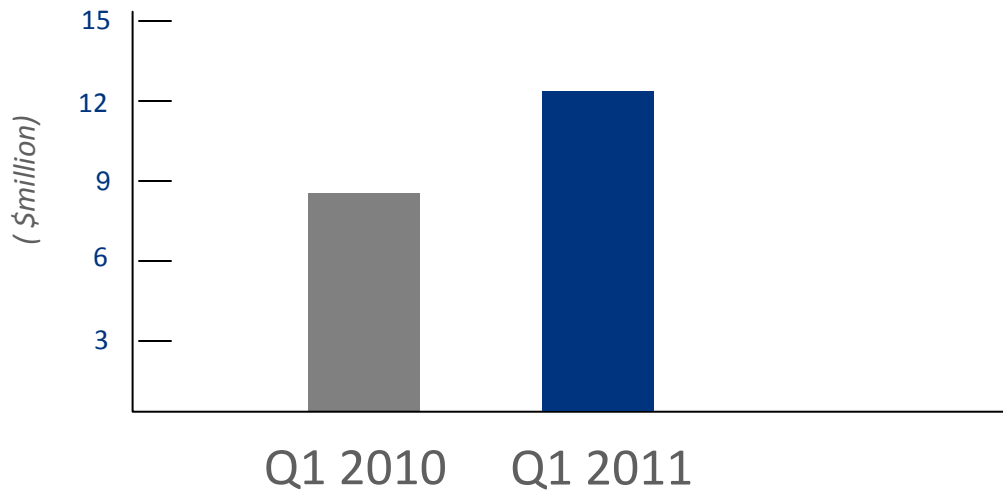


# Q1 EBITDA



# +41.2%

Growth to \$12.2 Million

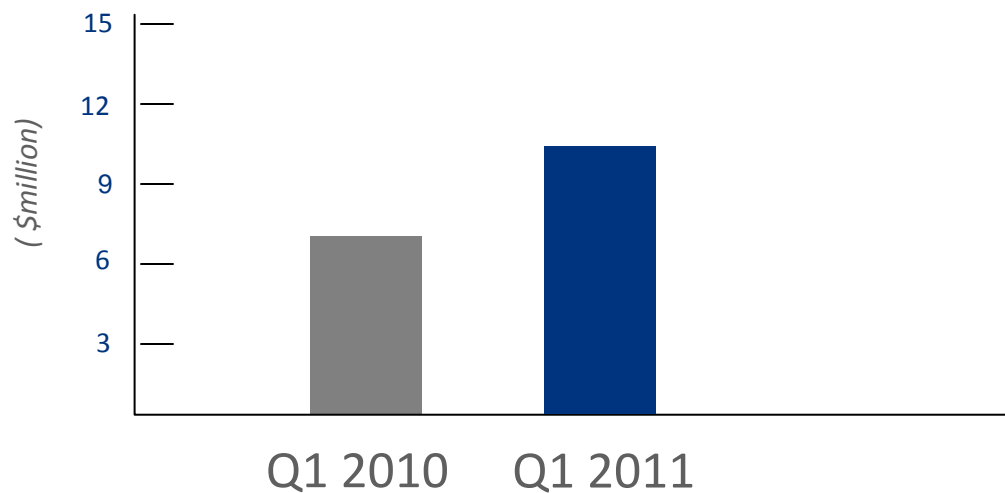


# Q1 Free Cash Flows

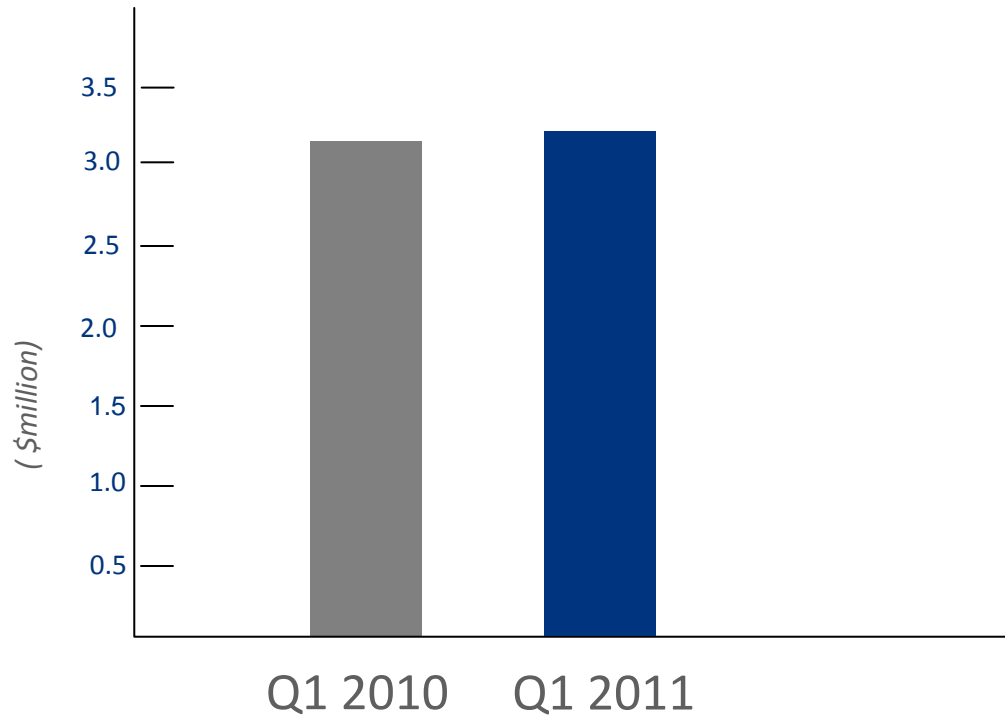


# +47.6%

Growth to \$10.5 Million



# Q1 Pre-tax Earnings



# 4.6%

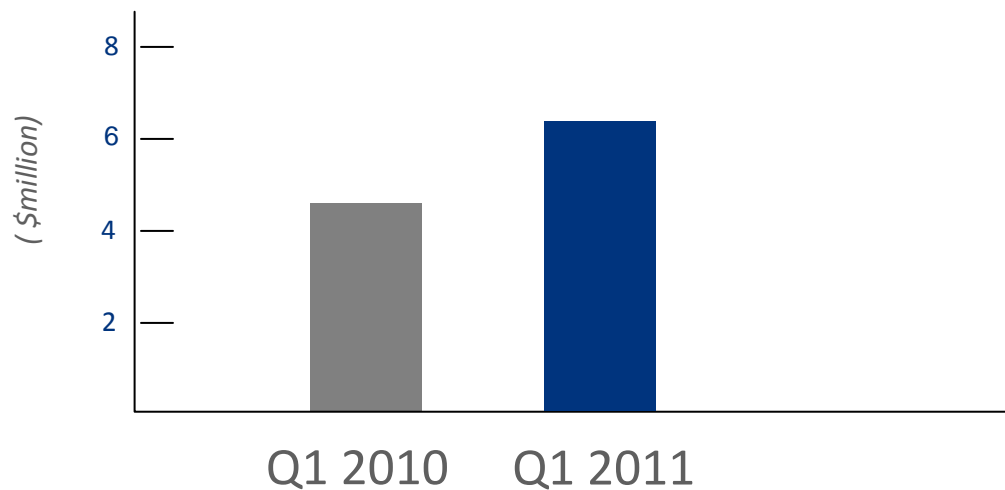
\$3.2 million, up from \$3.1 million

# Dividends Declared



# +37.5%

Growth to \$6.1 Million



# Summary



- Cash flow diversification
- Disciplined acquisition strategy
- Niche market focused
- Dependable dividend distributions
- WesTower and Bearskin
- \$200 million in deployable capital

# Breakout in 2011