



March 28, 2014

Dear Chorus Shareholders:

We are pleased to provide you with the materials for Chorus Aviation's annual meeting of shareholders. Please review them. We are also pleased with the events and overall performance of Chorus in 2013, with a favourable benchmarking arbitration award and our strong financial and operational performance. We believe we are now in a position to significantly strengthen Chorus and to create additional value for all stakeholders.

In 2013 Chorus made significant progress in its efforts to reduce costs and increase efficiencies. The successful consolidation of heavy maintenance bases and the establishment of a modern, centralized operations centre at the Halifax Stanfield International Airport were substantial accomplishments. The sale of the former heavy maintenance facility in London, Ontario and a 20 percent increase in charter revenue over last year also contributed to our healthy bottom-line.

For the year ended December 31, 2013 Chorus reported operating revenue of \$1.7 billion, with operating income of \$124.3 million. Earnings before interest, tax, depreciation and amortization (EBITDA<sup>1</sup>) of \$186.9 million translated into an EBITDA margin of 11.2 percent. Adjusted net income<sup>1</sup> was \$84.7 which delivered earnings per basic share of \$0.69.

Chorus also had strong operational performance in 2013 maintaining the leading position amongst Canada's largest airlines for on-time flight arrivals consistently throughout the year. The operational expertise of our employees generated a record level of performance incentive revenue from Air Canada with approximately 88 percent of the available incentives earned. This is an improvement of \$1.3 million over the annual performance incentive earned in 2012.

With the benchmarking arbitration with Air Canada successfully concluded, Chorus can now move forward with clarity and increased financial flexibility. We sincerely appreciate the support received from all stakeholders; and especially our shareholders, throughout what we characterize as a challenging year.

We endeavoured to create value through a normal course issuer bid, the announcement of the dividend increase in the fourth quarter, and in early 2014, the early redemption of \$60 million of Chorus' convertible debentures. Business diversification remains a top corporate priority and we are beginning to make progress.

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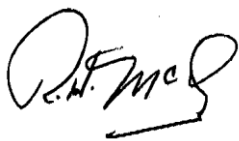
We will continue to leverage our strengths in the regional aviation sector. Chorus recently launched a new ground handling operation, Chorus Airport Services. We are hopeful this Halifax-based above-the-wing operation will grow locally and across Canada.

Our long-term partnership with Air Canada continues to be the core component of our business, and we are working toward establishing mutually-beneficial solutions to strengthen our respective competitive positions. We have a solid track record in working together and making us stronger.

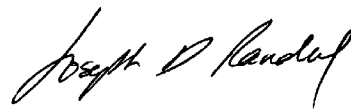
We look forward to the opportunities that 2014 will bring. The Chorus focus remains on safety, exceptional customer service, cost reduction, and growth opportunities.

Looking ahead, we are confident that we will continue to build on our successes in 2013 to strengthen our competitive position as we progress through our strategic plans. Our team delivered terrific performance, and we are confident their efforts will contribute to the increased value we strive to create for our shareholders.

Sincerely,



Richard H. McCoy  
Chairman



Joseph D. Randell  
President and Chief Executive Officer

<sup>1</sup>EBITDA and Adjusted Net Income are non-GAAP terms. We refer you to the full Management's Discussion and Analysis for 2013 found on [www.chorusaviation.ca](http://www.chorusaviation.ca) for a complete explanation of these terms and their reconciliation to GAAP terms.