



safe



reliable



efficient



engaging

Jazz Air Income Fund

presented by

Allan Rowe, Senior Vice President and Chief Financial Officer

BMO Capital Markets 2007 Income Trust Conference

Toronto, November 20, 2007

Hello.

Forward Looking Statement



CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain statements in this presentation may contain forward-looking statements. These forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would", and similar terms and phrases, including references to assumptions. Such statements may involve but are not limited to comments with respect to strategies, expectations, planned operations or future actions. Forward-looking statements, by their nature, are based on assumptions and are subject to important risks and uncertainties. Any forecasts or forward-looking predictions or statements cannot be relied upon due to, amongst other things, changing external events and general uncertainties of the business. Such statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements to differ materially from those expressed in the forward-looking statements. Results indicated in forward-looking statements may differ materially from actual results for a number of reasons, including without limitation, general industry, market and economic conditions, war, terrorist attacks, changes in demand due to the seasonal nature of the business, the ability to reduce operating costs and employee counts, employee relations, labour negotiations or disputes, restructuring, pension issues, energy prices, currency exchange and interest rates, changes in laws, adverse regulatory developments or proceedings, pending and future litigation and actions by third parties, as well as the factors identified throughout Air Canada Jazz's filings with securities regulators in Canada and in particular those identified in the Risk Factors section of Jazz Air Income Fund and Jazz Air LP's MD&A dated November 7, 2007. The forward-looking statements contained herein represent Air Canada Jazz's expectations as of November 7, 2007, and are subject to change after such date. However, Air Canada Jazz disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise expect as required under applicable laws.

2

You will note on the opening slide the usual disclaimers apply in respect to forward looking statements.

Agenda



- Jazz today
- An attractive industry
- A different kind of airline
- Performance highlights
- Growth opportunities



3

Jazz is Canada's largest regional carrier and one of the largest regionals in the world.

We play an integral role in Air Canada's network strategy.

We took Jazz public in February, 2006 and have exceeded our distributable cash targets from day one.

Our operating agreement, the Capacity Purchase Agreement - or CPA, makes Jazz very well suited to an Income Fund structure as it isolates us from much of the volatility that is typical within our industry.

Our strategy is to capitalize on our strengths and to leverage our business model. Today, I'm going to give an overview of Jazz, the regional industry we operate in and tell you why Jazz is not a typical airline.

I'll also touch on our operational and financial performance, as well as our growth opportunities, and tell you how this all comes together to provide value for our investors.

Jazz Today:
One of the World's Largest Regional Carriers



• Destinations in N. America	84
• Fleet of aircraft	135
• Daily departures	848
• Employees	4,700
• Revenues	\$1.4B

4

Headquartered in Halifax.

Employ over 4,700 employees

Fly to 84 destinations in North America – 56 in Canada and 28 here in the United States.

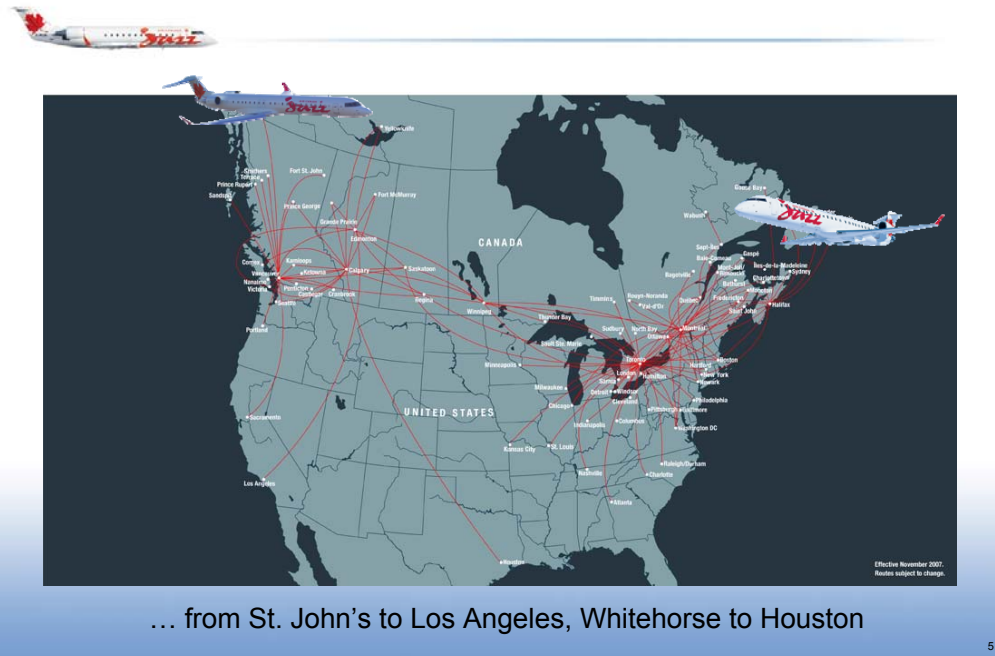
Fleet of 135 aircraft comprised of Canadian-made Bombardier Dash 8s and Canadair Regional Jets – or CRJs.

Serve more domestic destinations and have more flights than any other carrier in Canada

Approximately 848 daily departures.

In 2006, we generated \$1.4 billion in revenue

We Cover North America...



The scope of our network allows us to shift capacity across regions as demand dictates.

We cover the continent.

Only carrier serving all of the top 30 airports in Canada.

Fly to all ten provinces and two territories.

Only scheduled service provider on many routes and the sole operator of aircraft of 37 seats or greater at 18 Canadian airports.

Aircraft Fleet Ideally Suited to Route Network



- Only operator of regional jets in Canada
 - ten times larger than the second-largest regional carrier in Canada
- Second largest fleet in Canada
 - all Canadian –made regional jets (RJs) and Dash 8s
- Lower trip costs
 - regional aircraft better suited for many Canadian routes
 - ability to serve light and high-density markets with RJs and Dash 8s
- Only 2 cockpit standards → efficiencies
 - lower pilot training costs
 - lower maintenance, inventory costs



6

Second largest fleet in Canada.

Only regional carrier flying regional jets.

Approximately 10 times larger than the second-largest regional carrier in Canada.

Simple fleet of regional jets and Dash 8s is well-suited to serve Jazz's extensive North American route network and provides lower trip costs and better matching of capacity with demand.

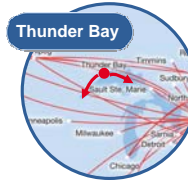
Two cockpit standards - achieve significant efficiencies through lower pilot training costs and better crew deployment, as well as lower maintenance and inventory costs.

Important Role in Air Canada's Strategy



- 1 Services routes with smaller aircraft
- that cannot support Air Canada's larger aircraft

Example:



- 2 Provides efficient higher frequency service
- to mass markets

Example:
off peak
service to



- 3 Point-to-point services on lower density routes
- bypass hubs

Example:



7

Jazz is core to Air Canada's commercial strategy. We fulfill 3 important roles:

- serve markets that do not have enough passenger traffic to support Air Canada's larger aircraft.
- greater flight frequency in high-density mass transit markets through our smaller aircraft and lower costs.
- point-to-point service on lower density routes, allowing customers to bypass hubs.

Agenda



- Jazz today
- An attractive industry
- A different kind of airline
- Performance highlights
- Growth opportunities

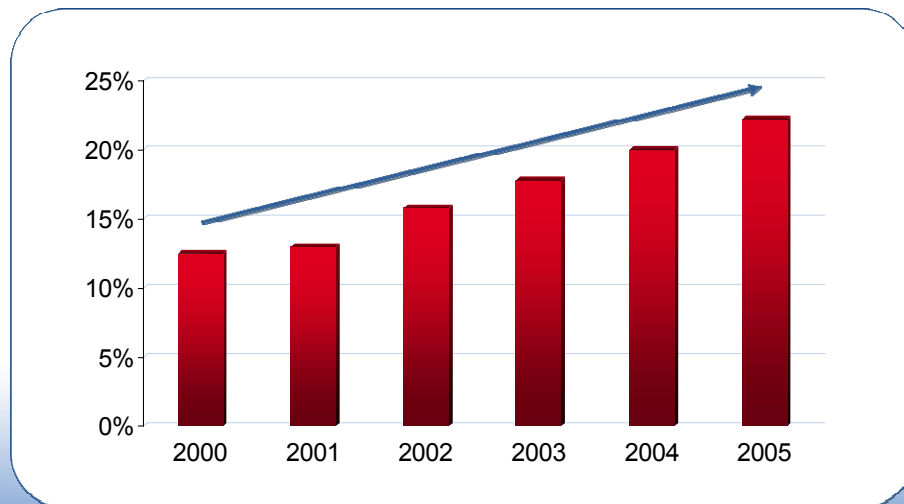


As I mentioned, regional airlines have been the fastest growing sector of the aviation industry in North America.

Positioned in a Growth Sector



Market share of regional airlines in U.S. (Passengers)



Source: Desjardins Securities

9

This slide shows the trend for the period from 2000 to 2005.

While we don't have the data for 2006, industry analysts expect the growth to continue, but at a more modest pace.

A recent Raymond James report did state that the regional airline sector in the US is not yet fully mature and opportunities exist.

Regionals account for an increasing percentage of the US domestic market.

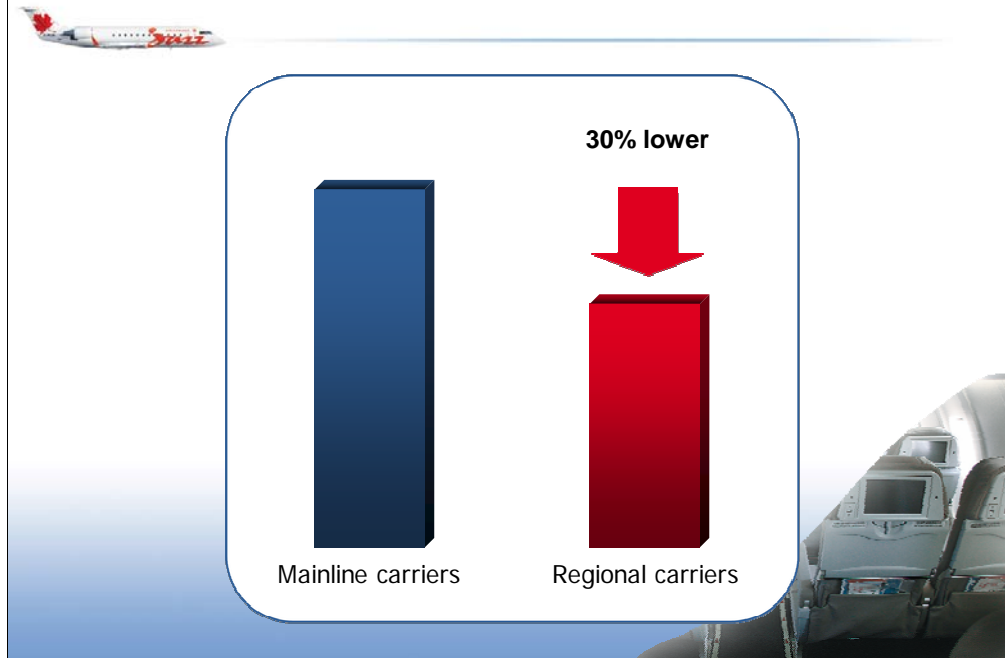
This would imply that there is still room in the regional airline sector for growth.

For example, mainline carriers continue to divest their share of the domestic market to the regionals to lower their costs.

Sustained growth of the low cost airlines is forcing some mainline carriers to downsize domestic operations and focus on international routes. Example - Air Canada bringing new Boeing 777s into their fleet and expanding their international route network.

This is good news for Jazz as we provide feed traffic to these larger aircraft.

Low Costs and Flexibility – Key Drivers



And we see here that on average, labour costs for regional carriers are significantly less than that of mainline carriers.

As an example, Jazz pilot labour costs come in approximately 30 percent less than Air Canada's.

Agenda



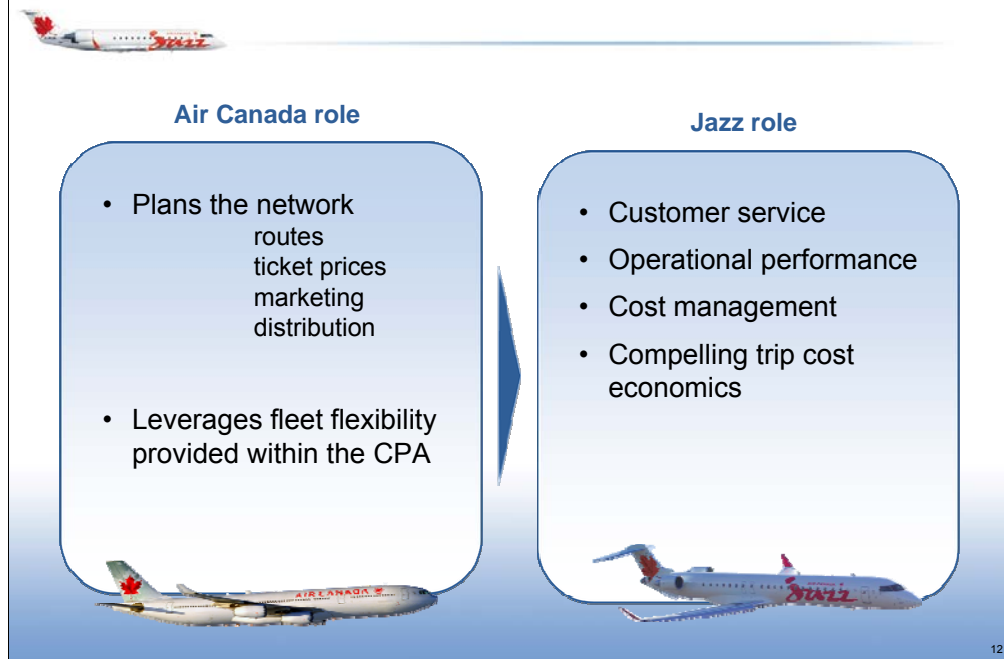
- Jazz today
- An attractive industry
- A different kind of airline
- Performance highlights – our first year
- Breadth of growth opportunities



So that gives you an overview of the regional sector of the aviation industry in North America.

I'll now explain why Jazz is not your typical airline and why this is a great advantage for us.

A Mutually Beneficial Partnership



What is a Capacity Purchase Agreement or CPA?

Air Canada purchases substantially all of our aircraft capacity at predetermined unit rates which are based on various activity levels. We are a contract carrier for Air Canada - we operate our flights on their behalf.

Provide all crews, airframe maintenance and, in some cases, airport operations. Responsible for providing a safe, reliable, efficient operation with excellence in customer service while exercising good cost control.

Air Canada is responsible for determining the commercial aspects of our business - setting the schedules and airfares, determining the routes we'll fly, marketing and advertising and product distribution.

The benefit for Air Canada is the ability to leverage one combined fleet to ensure that the right aircraft type flies the right routes at the right times and frequency.

The benefit for Jazz is that we're protected from traditionally highly volatile costs such as fuel and airport fees, because they are passed through and are fully recovered by Jazz.

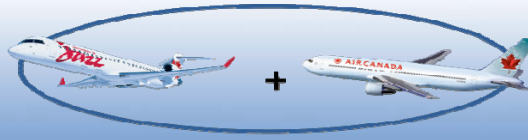
CPA protects our cash flows from many of the industry's day-to-day business risks.

The Capacity Purchase Agreement (CPA) with Air Canada Sets Us Apart



Highlights

- Long term agreement to 2015 extendable for two 5-year periods
- Minimum daily utilization guarantee per aircraft type
- Minimum fleet of 133 aircraft
- Guarantee level of 95% of block hours per seasonal schedule
- No Most Favoured Nations clause
- Margin protected from cost volatility
- Ability to grow via contracts with other carriers, charter flying and MRO work
- Split out-performance on controllable operating margin 50/50 with Air Canada – provides incentive to both parties to control costs



13

Our CPA provides even more protection:

- contract is in place until 2015 and is extendable for two five-year periods.
- Jazz paid for daily minimum levels of utilization for each aircraft type
- minimum fleet count of 133 aircraft.
- 95 % of the hours for each seasonal schedule are guaranteed - and we have visibility on this five months in advance.
- No Most Favoured Nations Clause - our margins are protected from cost volatility.
- We can further grow our revenues by developing partnerships with other carriers and by increasing our charter and maintenance, repair and overhaul work.
- Incentive for both parties to keep a solid handle on cost controls. If we exceed our target margin we share the value of the out-performance 50/50 with Air Canada.

In the next slide you'll see that this business model makes Jazz very well suited to an Income Fund structure and that we're delivering very strong performance.

Agenda



- Jazz today
- An attractive industry
- A different kind of airline
- Performance highlights
- Breadth of growth opportunities



14

In our first year as a public entity we enjoyed steady growth and success in all areas of our business.

Strong Results Continued into Q3, 2007



(\$M)	Q3 2007	Change	YTD Ended 9/30/07	Change
Operating Revenue	\$383.8	+3.9%	\$1,123.3	+9.1%
Operating expenses	\$342.9	+3.9%	\$1,006.1	+9.6%
Operating income	\$40.9	+4.2%	\$117.1	+5.5%
Net income	\$39.7	+1.5%	\$115.6	+6.9%
Distributable cash	\$43.5	+26.5%	\$118.2	+11.3%



15

Our financial performance has been strong every quarter since we became a public entity.

In the third quarter we experienced a:

- 3.9 % increase in revenue
- 4.2% increase in operating income
- 1.5% increase in net income
- And 26.5% increase in distributable cash

Looking at year-to-date, we have posted a:

- 9.1 % increase in revenue
- 5.5% increase in operating income
- And a 6.9% increase in net income

The CPA provides clarity and predictability for our costs and our revenue. We've continued to deliver on our cash distribution commitment and investors recognize the security and benefits of our business. We are meeting their expectations.

Summer 2007: An Operational Success Story



Raising the bar from 2006

- On-time Performance (+ 3.3%)
 - 5283 more departures
 - 3625 fewer delays
- Flight Completion (+ 1.6%)
 - Up 1.6% over 2006 to 99.4%
 - 1384 fewer flights cancelled



16

This past summer, airlines posted record load factors, increases flight frequencies, and dealt with challenges like severe weather and busier-than-ever hub airports. We've made significant improvements in our operation.

Some of the highlights when we compare the period of June 1-Sept 10 from 2006 to 2007 include:

- Our on-time performance at 5 minutes increased 3.3%. This is significant because we operated over 5000 more flights in this period and incurred over 3500 fewer delays.
- The completed number of flights improved by 1.6% bringing us to the enviable completion rate of just 100%.

A closer look at flight completion:

- 50% of this improvement has come from improved aircraft performance
- 10% of the improvement from crew related cancellations
- 11% weather

Our focus is now on our winter operations.

Agenda



- Jazz today
- An attractive industry
- A different kind of airline
- Performance highlights – our first year
- Growth opportunities



Turning more to the future – we do enjoy a healthy range of options to grow and diversify our revenue base.

Broad Range of Growth Opportunities

- Expand charter business
- Increase CPA flying with Air Canada
 - new routes
 - additional aircraft
- Strategic partnerships with other carriers
- MRO services

18

These opportunities include:

- Expanding our charter operations –two Dash 8 - 100s dedicated to charter work and we'll soon be adding a Dash 8-300. We see the area of charters and corporate shuttle programs as a growth segment.

- Increase the contract flying for Air Canada = new routes and need more aircraft.

- Working to develop strategic partnerships with other carriers. This may range from consultation to operational services. We've recently appointed a member of our Executive Team to focus on business development, and for competitive reasons I'm not at liberty to say much more. However, I want to stress that there is nothing imminent at this time as we're at the preliminary discussion stage on a number of initiatives.

- Continue to look at our third party maintenance work.

Jazz Delivers Value to Investors



- Cash distribution commitment of \$1.006 per unit
- Current approximate yield of 13%
- Continue to deliver strong customer satisfaction, operational performance
 - maximize incentive revenues
- Pursue opportunities to grow, diversify
- Business model provides stability and predictability



19

We believe we deliver strong results to our unitholders.

We continue to deliver on our cash distribution commitment of just over \$1.00.

Our business model provides for a stable and predictable environment. While we're not entirely pleased with the market value of our units, we believe this will improve as the market begins to better understand that we're not a typical airline and we diversify our business.

However, when you look at the yield our unitholders are earning – it's a positive story.

Thank you.



safe
reliable
efficient
engaging

Jazz Air Income Fund
presented by
Allan Rowe, Senior Vice President and Chief Financial Officer

I'm pleased to answer your questions.