safe

reliable

efficient

engaging

Jazz Air Income Fund

presented by

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Scotia Capital Inc.

Transportation and Aerospace Conference

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Welcome and thank you.

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 February 7, 2007. The forward-looking statements contained herein represent Air Canada Jazz’s expectations as of May 9, 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.

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

The Jazz Story

The Setting
- Regional airline sector continues to grow
  - mainline airlines reducing costs, outsourcing selected flying to regionals

The Lead Player
- Jazz is Canada's #1 regional carrier
  - an integral part of Air Canada's strategy

Our Goal
- To deliver a stable cash flow as an income trust
  - in a typically volatile industry

The Strategy
- Capitalize on our strengths and leverage our business model

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The regional airline industry in North America has been the fastest growing sector for the last several years. This trend is continuing at a more moderate pace as mainline carriers look to reduce costs by contracting domestic and transborder flying to regional carriers.

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 because we have the right costs and the flexibility to help them maximize their network efficiency.

We took Jazz public in February, 2006 as the Jazz Air Income Fund 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.

Agenda

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

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Today, I'm going to give an overview of Jazz, the industry we operate in and tell you why Jazz is not a typical airline. I'll also review our performance to date and talk about our growth opportunities.

Jazz Today:

One of the World's Largest Regional Carriers

- Destinations in N. America — **84**
- Fleet of aircraft — **135**
- Daily departures — **861**
- Employees — **4,500**
- Revenues — **$1.4B**

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With our headquarters in Halifax, Nova Scotia, we employ over 4,500 employees and fly to 84 destinations in North America – 56 in Canada and 28 here in the United States.

We operate a fleet of 135 aircraft comprised of Canadian-made Bombardier Dash 8s and Canadair Regional Jets – or CRJs.

We serve more domestic destinations and have more flights than any other carrier in Canada, providing approximately 861 daily departures.

In 2006, we generated $1.4 billion in revenue, and 99 percent of which was earned as operated as a contract carrier for Air Canada under a Capacity Purchase Agreement.

We Cover North America…

… from St. John's to San Diego, Whitehorse to Houston

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As you can see, the scope of our network allows us to shift capacity across regions as demand dictates.

It's interesting that we are called regional carriers when you look at our 'region' – it's North America! We cover the continent. We fly from St. John's, Newfoundland to San Diego, California, and from Whitehorse in the Yukon down to Houston Texas.

We serve more domestic destinations and have more flights than any other carrier in Canada.

We are the only carrier serving all of the top 30 airports in Canada, and as you can see, we fly to all ten provinces and two territories.

We are also the 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

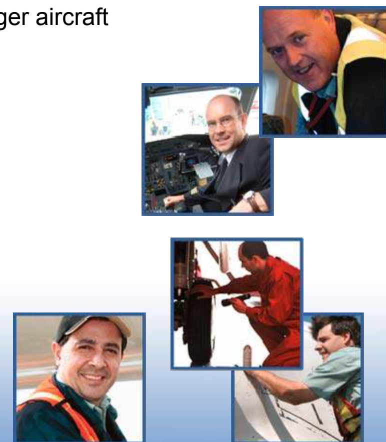
With 135 aircraft, we have the second largest fleet in Canada, and we are the only regional carrier flying regional jets. In fact, we're approximately 10 times larger than the second-largest regional carrier in Canada.

Our 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.

With only two cockpit standards, we achieve significant efficiencies through lower pilot training costs and better crew deployment, as well as lower maintenance and inventory costs.

Stable, Motivated Employees

- All collective agreements in place to 2009
- Unique status pay system
  - eliminates need for pilots to move to larger aircraft or change bases
- Interest of employees aligned with unitholders – three incentive programs
  1. Jazz Ensemble
  2. Profit Share Program
  3. Employee Unit Purchase Program



We're fortunate to have a great group of employees who are focused on safety, operational performance and customer service. All our collective agreements are in place until 2009 and we are competitive from a labour cost point of view.

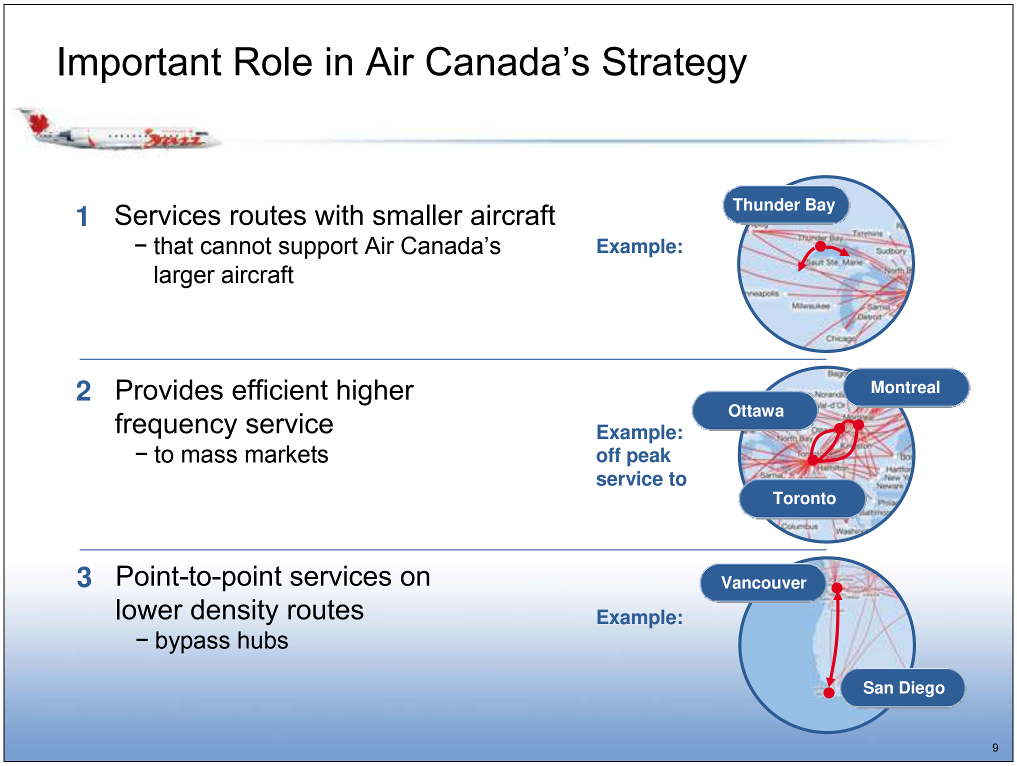
We have a status pay system with our pilots that helps us stay competitive. By having one pay scale for all aircraft, the need for pilots to jump to larger aircraft or change bases to obtain pay increases is eliminated – thus reducing training and relocation costs.

As a publicly traded entity it's important that the interests of our employees are aligned with that of unitholders of Jazz Air Income Fund. Our employees understand that our performance is critical to our future success, and they understand their role and how we must bring value to our unitholders.

We've established three incentive programs that recognize the contribution of our employees and provide opportunities to share our success.

We have a standard profit sharing program, and within this is a second program called Jazz Ensemble, which is designed to reward employees on a monthly basis for achieving targets that generate our incentive revenue under our CPA.

We also have an Employee Unit Purchase Program that assists our employees to become unitholders and there's a company contribution component to this program as well.

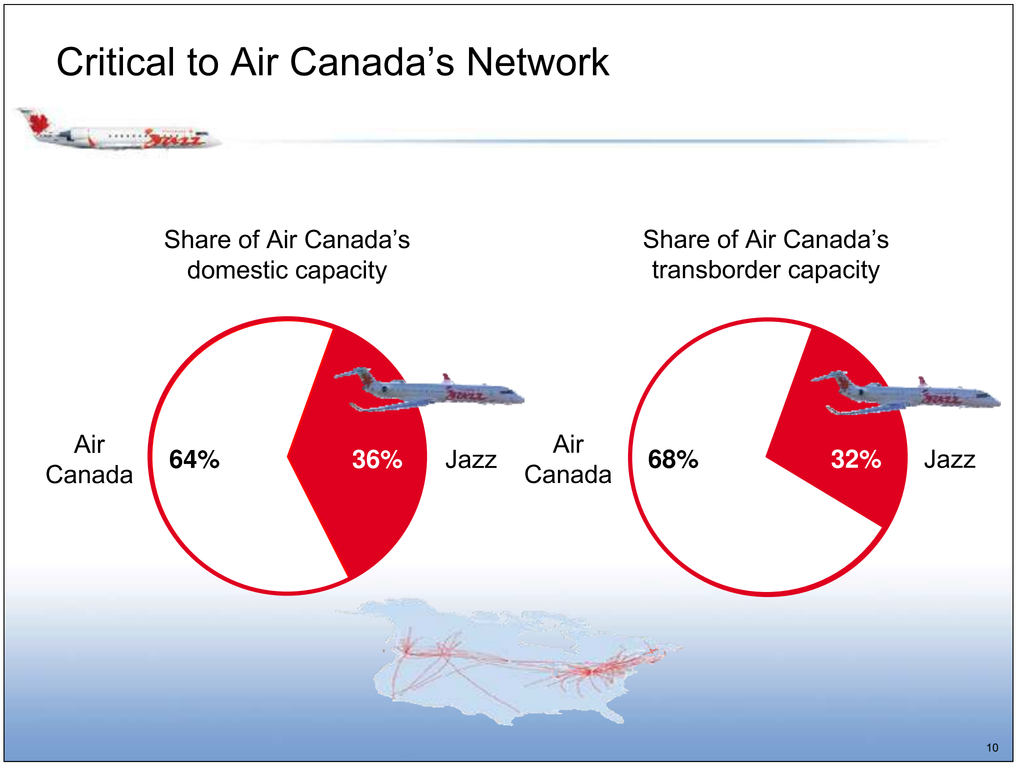


Jazz is core to Air Canada's commercial strategy. We fulfill three important roles:

•First, we enable Air Canada to profitably serve markets that do not have enough passenger traffic to support Air Canada's larger aircraft. Due to small population density, many Canadian routes have passenger traffic levels that are best suited to regional aircraft. You simply can't beat the economics of the Dash 8 turboprops on routes of 300 miles or less.

•Second, our efficient fleet of aircraft enables Air Canada to offer greater flight frequency in high-density mass transit markets through our smaller aircraft and lower costs.

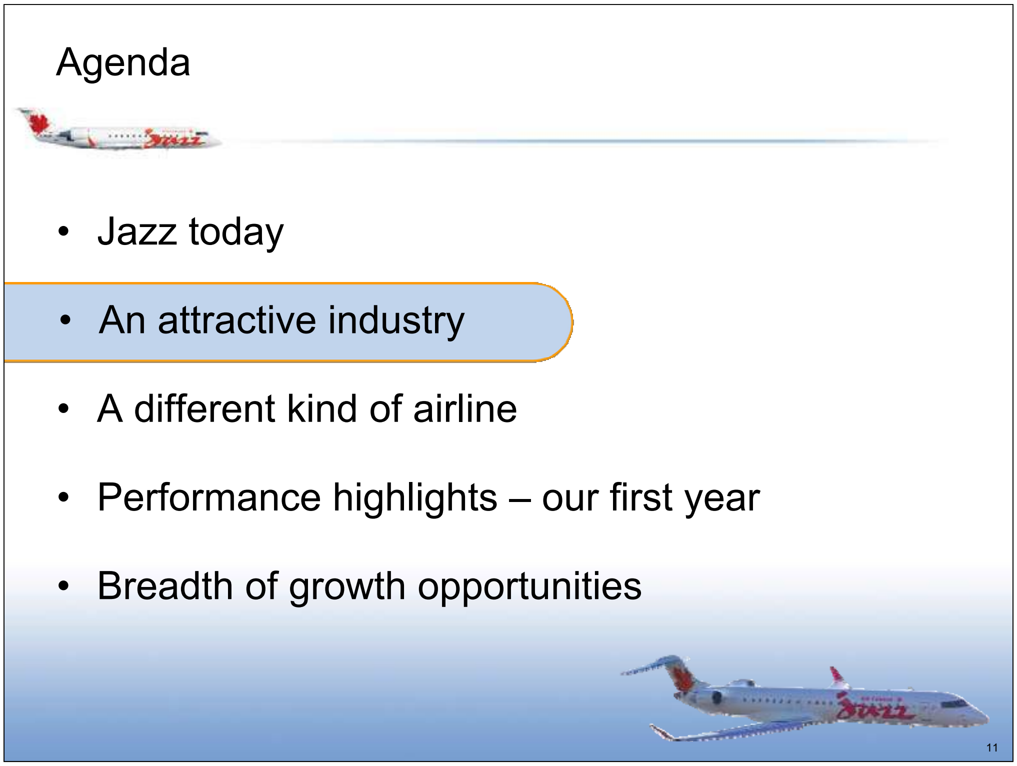
•And finally, Jazz provides Air Canada with the option to offer point-to-point service on lower density routes, allowing customers to bypass hubs. This service is done primarily with our regional jets which give us the ability to serve longer routes more efficiently.



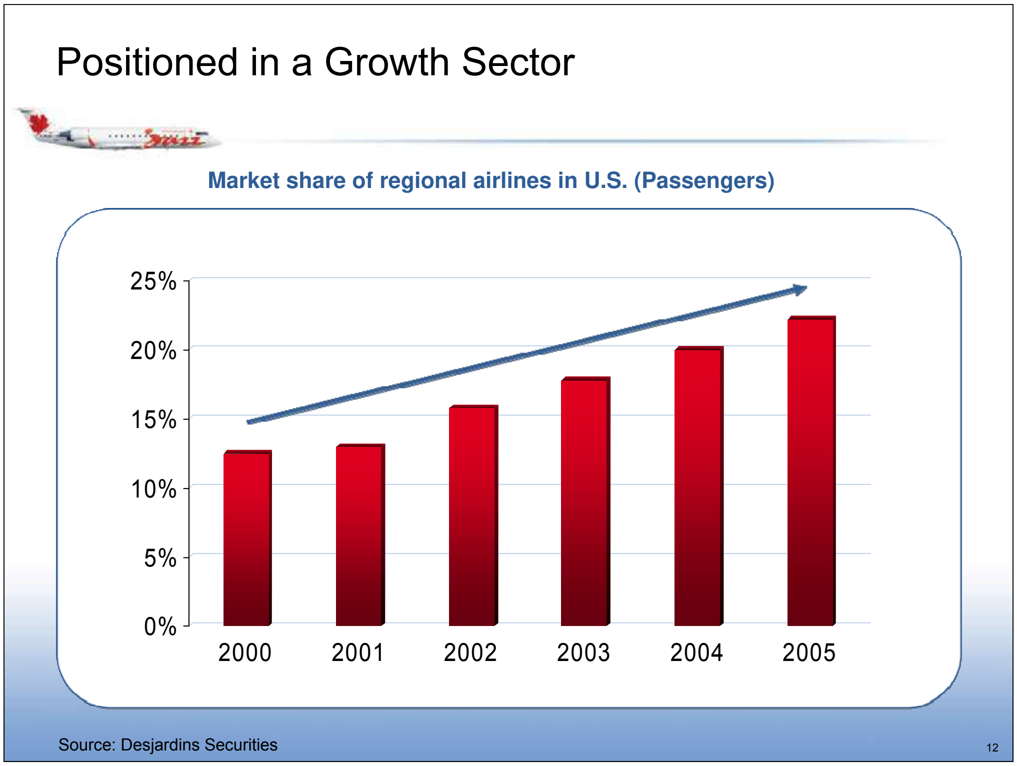
In short, we help Air Canada optimize its network by providing them with the ability to match capacity with demand.

We represent a lower cost deployment option on routes best served by our fleet of aircraft.

We provide almost 94% of Air Canada's regional capacity – when broken down that translates to 36% of Air Canada's overall domestic capacity and approximately 32% of its overall transborder capacity.



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

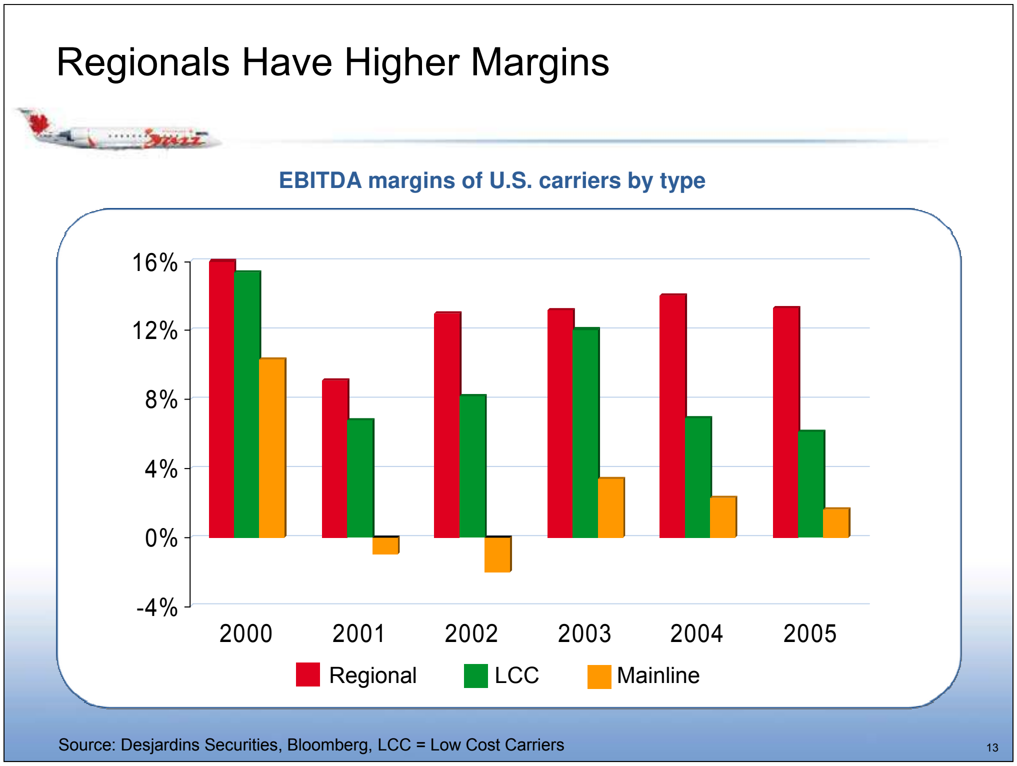


This slide shows the trend for the period from 2000 to 2005. While we don't have the data for 2006, industry analysts expect the growth to continue, but at a more modest pace.

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 , however, European regionals account for a much more significant marketshare by comparison.

This would imply that there is still room in the regional airline sector for growth. For example, mainline carriers will likely continue to divest their share of the domestic market to the regionals to lower their costs. Jazz's rapid growth over the last two years is due primarily to this kind of activity by Air Canada.

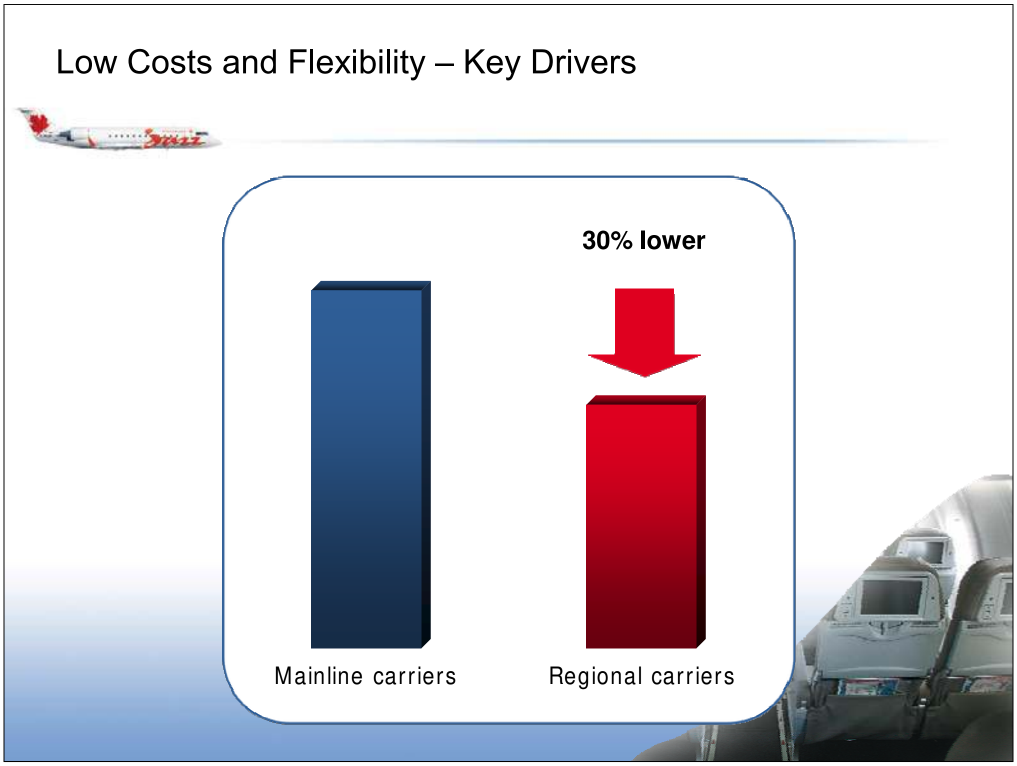
In addition to this, the sustained growth of the low cost airlines is forcing some mainline carriers to downsize domestic operations and focus on international routes. This is partly the case in Canada as we see Air Canada bringing new Boeing 777s into their fleet and expanding their international route network. This is good news for Jazz as we provide feed traffic to these larger aircraft.



Keeping in line with the theme of growth – this slide illustrates the healthy margins regional carriers enjoy in comparison to the mainline and low cost carriers.

In the last five years the average regional carrier has performed on par with, if not better than, the average low-cost carrier.

I'll have more to say about this in just a few minutes.

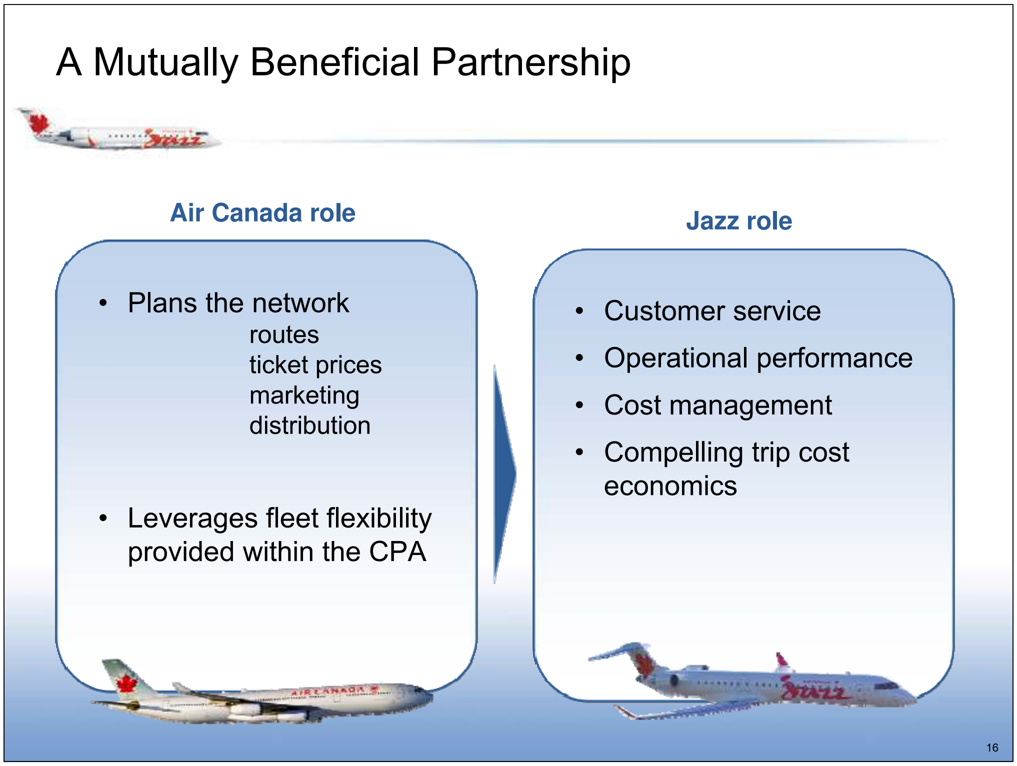


And we see here that on average, labour costs for regional carriers are significantly less than that of mainline carriers.

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

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.



You've heard me say that we operate under a commercial agreement with Air Canada called a Capacity Purchase Agreement or CPA. You're probably asking what is the agreement.

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

We provide all crews, airframe maintenance and, in some cases, airport operations. We are 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 like 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. The CPA protects our cash flows from many of the industry's day-to-day business risks such as ticket prices, passenger load factors, fuel cost increases and flight cancellations due to weather.

Jazz CPA Compared to U.S. Regional CPA's

Protected from volatility in…	Typical mainline	Typical U.S. regional	Jazz
Passenger traffic	No	Yes	Yes
Ticket prices	No	Yes	Yes
Fuel costs	No	Varied	Yes
Weather, cancellations	No	Varied	Yes
Airport fees	No	Varied	Yes

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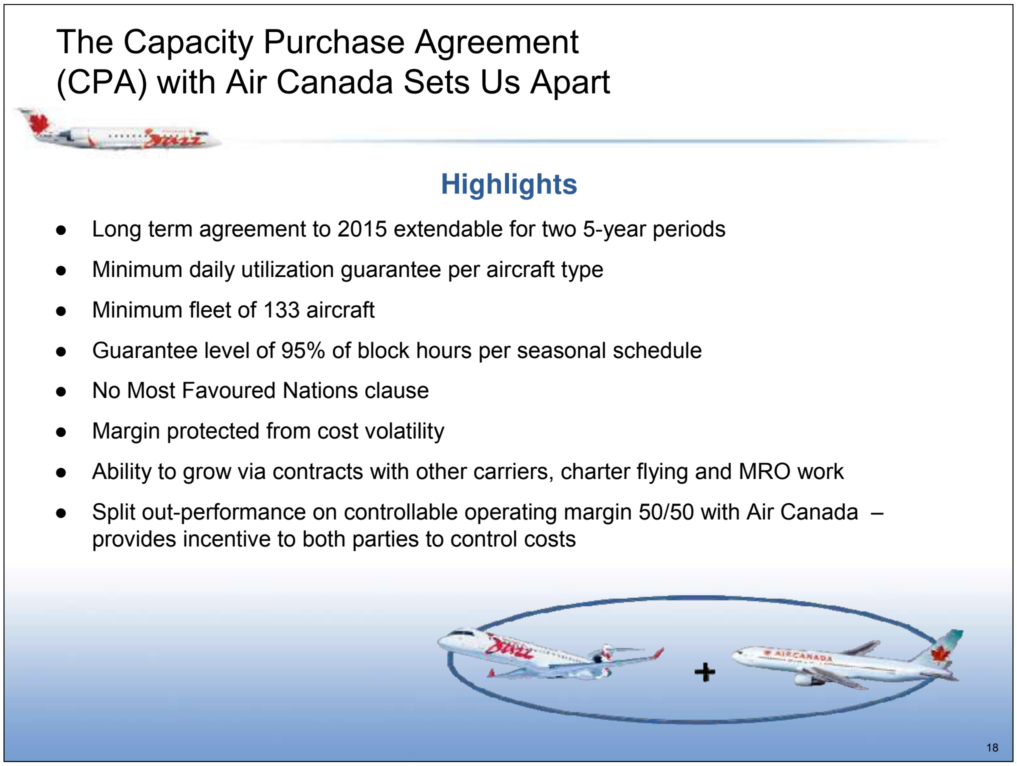
When you compare our CPA with most US regional carriers, you can see that our agreement provides for significantly reduced financial and operating risks, and therefore gives us an enviable foundation.

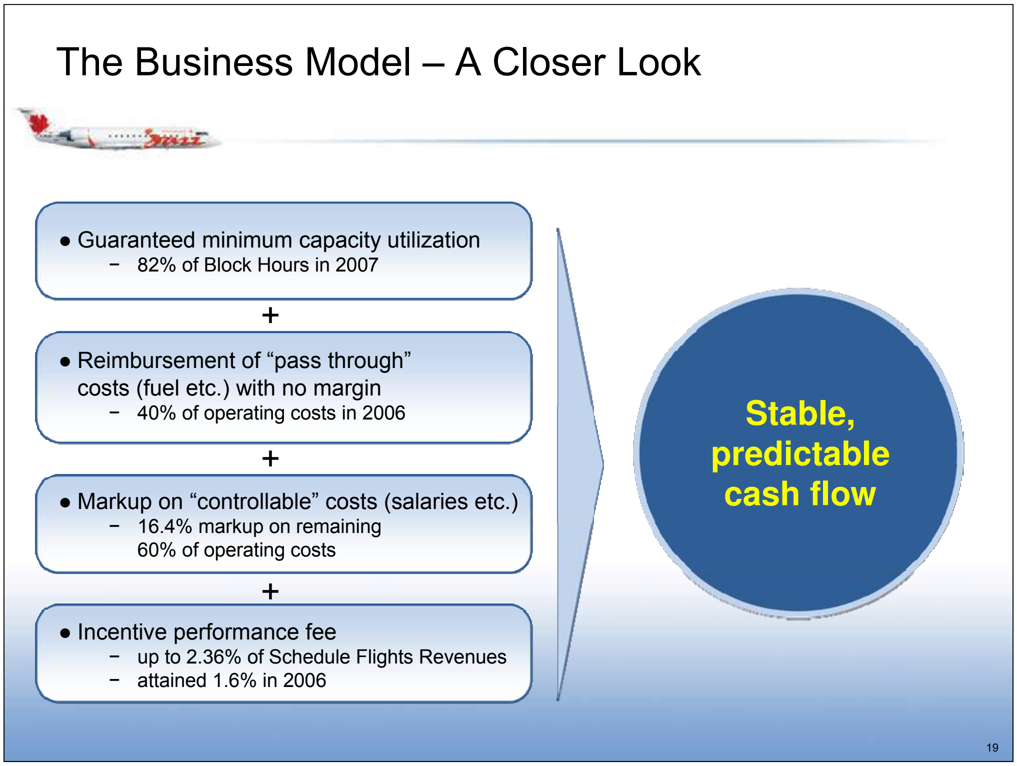


Our CPA provides even more protection. The contract is in place until 2015 and is extendable for two five-year periods. Air Canada has agreed to pay Jazz for daily minimum levels of utilization for each aircraft type, and for a minimum fleet count of 133 aircraft.

There is a further flying commitment provided on the receipt of each six month seasonal schedule whereby 95 percent of the hours are guaranteed - and we have visibility on this five months in advance.

We don’t have a Most Favoured Nations Clause and as discussed earlier, 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.

Our CPA also maintains an incentive for both parties to keep a solid handle on cost controls. This is because if we exceed our target margin of 14.09 percent, we share the value of the out-performance 50/50 with Air Canada. Let me explain how this business model works on a more detailed level.



Our CPA provides for stable and predictable cash flow for four main reasons:

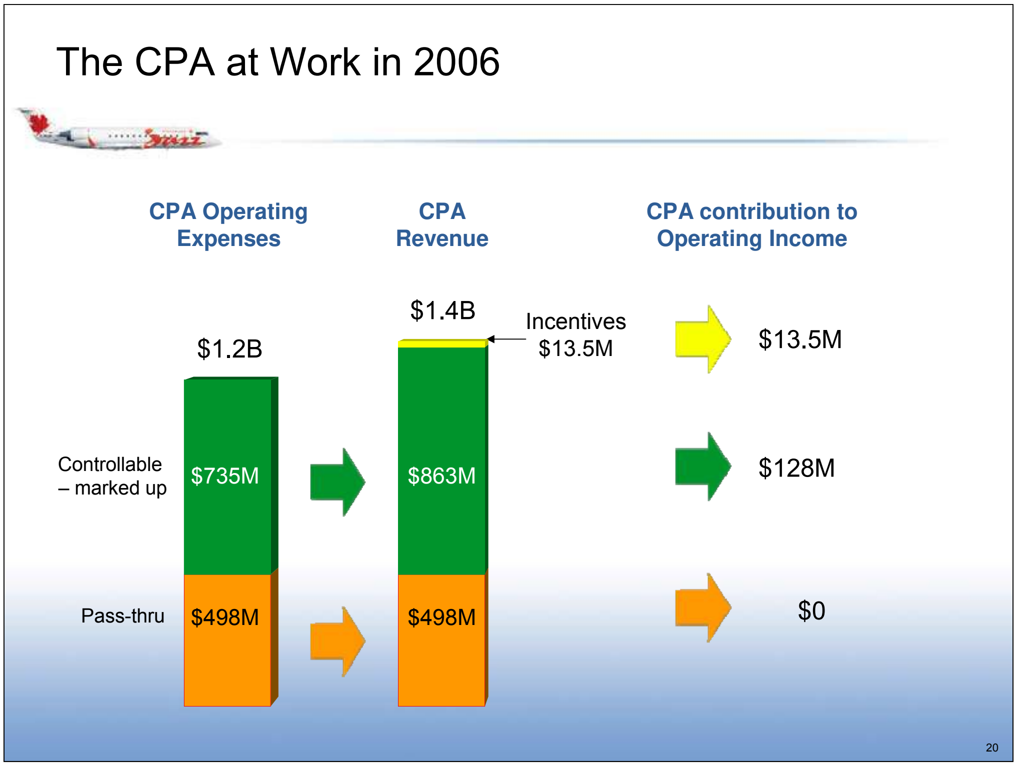
•First, we are guaranteed minimal levels of flying activity and aircraft utilization for each aircraft type in our fleet. In 2007, this activity equates to 82% of our Block Hours – meaning the number of hours our aircraft are operating on behalf of Air Canada.

•Second, the volatile costs such as fuel are passed through and reimbursed dollar for dollar to Jazz. Pass Through costs amounted to 40 percent of our operating costs in 2006.

•Third, the contract provides for a fixed mark-up of 16.4% on the negotiated level of controllable costs. An example of a controllable cost is salaries and wages. Controllable costs accounted for 60 percent of operating costs in 2006.

•And finally, Jazz can earn performance incentives for meeting and exceeding targets set in the CPA. These include controllable on-time performance, controllable flight completion, baggage handling and customer satisfaction. The maximum that can be earned is 2.36 percent of what we call Scheduled Flights Revenue – or simply the revenue generated from flying the commercial schedule required by Air Canada and any ground services revenue we generate from handling them at Jazz airports.

Let’s look at this a little closer using our financial performance in 2006 as an example.



We talked about our two cost categories:

$735 million in controllable costs which have a mark-up of 16.4 percent and $498 million in pass through costs.

Our revenues, as discussed on the previous slide, in 2006 comprised of:

•$13.5 million in incentive payments for achieving the performance targets set in the CPA. Incentive payments go directly to our bottom-line.

•$863 million in Scheduled Flights Revenue which provides for a $128 million contribution to our operating income.

•And of course, the reimbursement of pass-through costs has a zero affect.

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

In a nutshell, we accomplished what you see here on the slide:

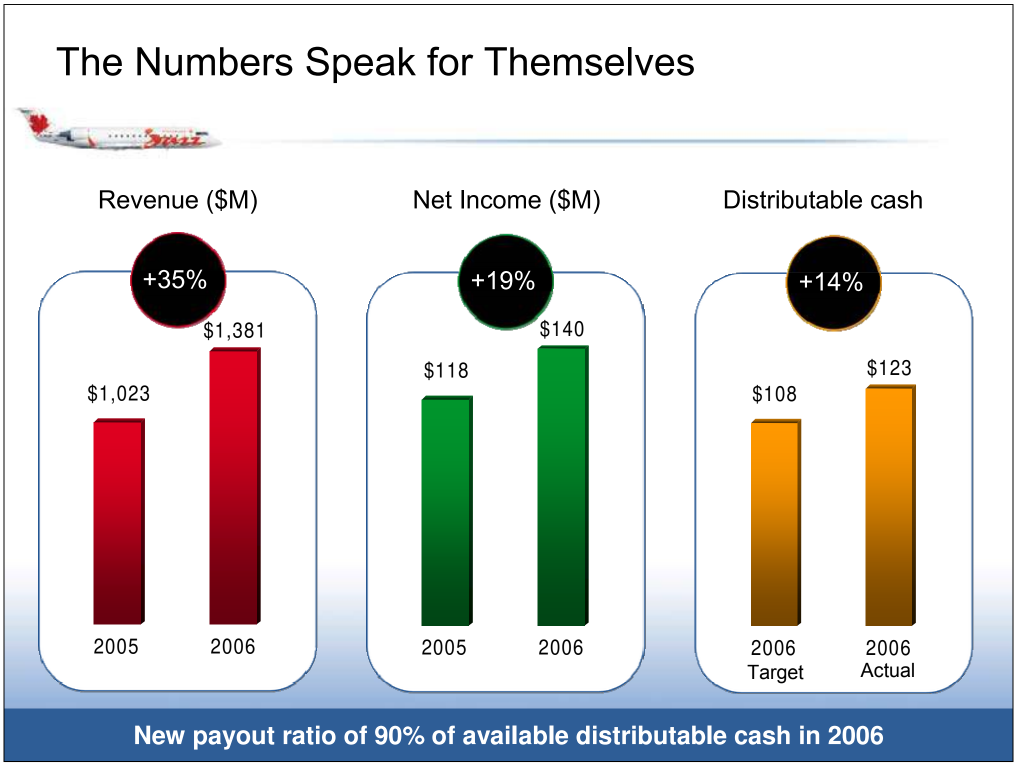
•We completed our fleet plan two months ahead of schedule and did so very safely. This was due to the hard work of our employees who accomplished the introduction of 63 regional jets into the fleet in a 19-month period.

•As a result of our fleet growth, we increased ASMs by over 50 percent.

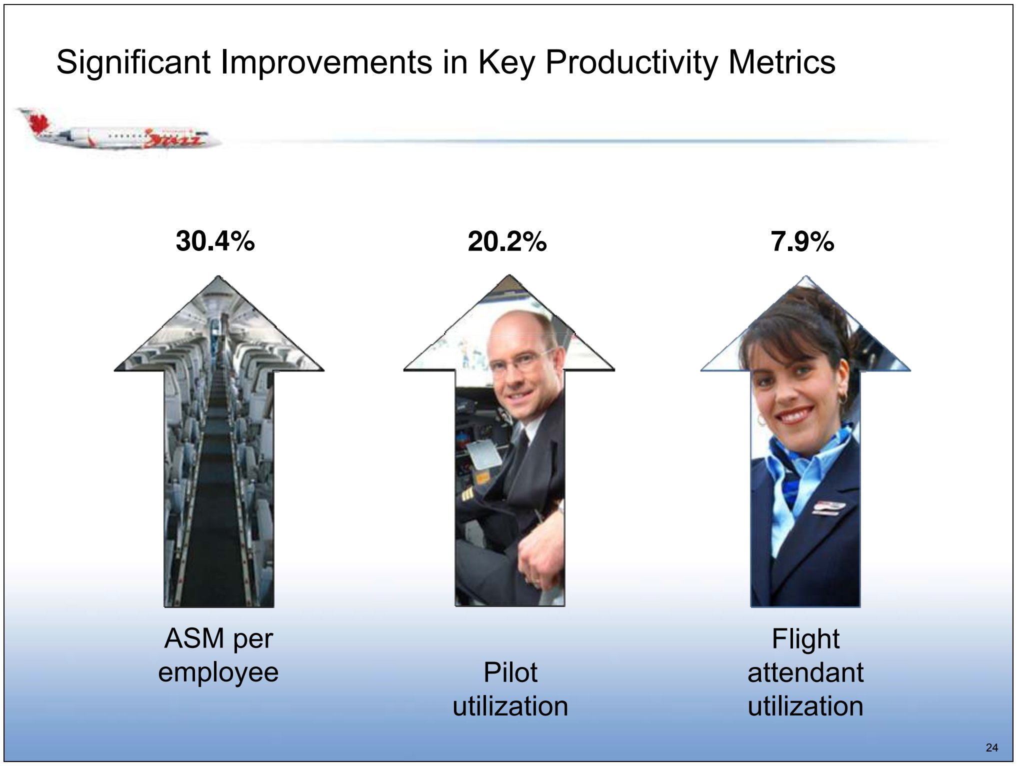
•We added 8 new destinations and reduced our CASM by over 11 percent.

•When measured against our peers in the United States, our on-time performance for arrivals within 15 minutes was 9.4 percentage points higher.

•We earned EBITDA and cash distributions ahead of our goals, and in fact, announced a 15 percent increase in cash distributions effective January 1st of this year.



Just to continue on this vein, this slide shows how we exceeded our targets for revenue, net income and distributable cash – providing a payout ratio of 90% of available distributable cash in 2006.



Our operation grew significantly in 2006 and as a result, the ASM ratio per employee improved by 30.4 percent.

Crew utilization for Jazz pilots representing approximately one-half of total labour cost, increased by 20.2 percent.

Similarly, flight attendant productivity improved by 7.9 percent.

Strong Results Continued into Q1, 2007

($M)	Q1 2007	Q1 2006	Change
Operating Revenue	$364.2	$320.0	+13.8%
Incentives	$3.1	$4.0	-22.5%
Operating expenses	$327.8	$284.6	+15.2%
Operating income	$36.3	$35.4	+2.8%
Net income	$35.3	$33.5	+5.5%
Distributable cash	$30.3	$30.8	-1.6%

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And I'm happy to say that the year 2007 is off to a good start.

As you can see we've experienced an increase in revenue and net income.

While this slide shows a decrease in distributable cash – we actually exceeded our target in the quarter. Our distributable cash declined slightly due to the timing of some capital expenditures.

Turning more to the future – we do enjoy a healthy range of options to grow.

These opportunities include:

•Expanding our charter operations – we currently have two Dash 8 - 100s dedicated to charter work and we'll soon be adding a Dash 8-300.

•We can also increase the contract flying we do for Air Canada and therefore would see new routes and need more aircraft.

•We may also endeavor to develop strategic partnerships with other carriers and could increase our third party maintenance work.

Look ahead to the rest of 2007, we'll continue to build upon the strong results achieved in our first year as a public entity and will continue to invest in our people and our business.

Specifically, our goals are to over achieve the new cash distribution commitment of over one dollar per unit and to create value for our unitholders.

We'll continue to outperform the CPA target margin of 14.09 percent. We will provide strong operational performance and high levels of customer satisfaction to maximize incentive revenues.

We will invest in technology and process improvements for better efficiency, and as mentioned, will identify and pursue opportunities to diversify and grow our business.

To conclude, we have a very positive story and are excited about our future.

Together with Air Canada we have a very strong market position in Canada and we are by far the only regional carrier option in the nation.

Our strategic partnership provides for a stable and predicable environment – and given our performance since we went public in February, 2006, we have the right business model and strategy to grow and diversify.

Thank you.

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I’m pleased to answer your questions.