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OPERATOR: Good afternoon, ladies and gentlemen. Thank you for standing by. Welcome to the Jazz Air Income Fund Fourth Quarter 2005 Results conference call. At this time all participants are in a listen-only mode. Following the presentation we will conduct a question and answer session. If anyone has any difficulties hearing the conference please press star, zero for operator assistance at any time.

I would like to remind everyone that this conference call is being recorded on Friday, February 10th, 2006 at 12:00 p.m. Eastern time. I will now turn the conference over to Ms. Nathalie Megann, Director of Corporate Reputation and Communications. Please go ahead, Ma'am.

NATHALIE MEGANN (Director, Corporate Reputation and Communications, Jazz Air): Thank you, Operator. Good afternoon and thank you for joining us in our Fourth Quarter 2005 conference call. With me today, from Jazz, are Joe Randell, President and Chief Executive Officer and Allan Rowe, Senior Vice President and Chief Financial Officer. We're going to start by giving a brief overview of the results and then go on to questions from the analyst community. Because some of the discussion in this call will be forward-looking, I'm going to read some standard Safe Harbour Text in that certain statements made in this call may be forward-looking and subject to important risks and uncertainties. The results predicted in these statements may differ materially from actual results for a number of reasons. Including risk factors and uncertainties outlined in prospectus documents. Any forward-looking statements made in this call represent expectations of Air Canada Jazz as of this current date and are subject to change. Air Canada Jazz disclaims any intention or obligation to update or revise forward-looking statements, whether as a result of new information, future events, or otherwise.

I'm now going to turn over this call to Mr. Joe Randell.

JOSEPH RANDELL (President and Chief Executive Officer, Jazz Air): Thank you, Nathalie and good afternoon everyone. Jazz is the largest regional airline and the second largest airline in Canada after Air Canada, based on fleet size and number of routes operated. We currently operate approximately 738 weekday departures to 56 destinations in Canada and 22 destinations in the United States with a fleet of 127 aircraft. By July of 2006, we will operate a fleet or 135 aircraft.

I'd like to begin by stating that we are very pleased to be conducting our first quarterly call with analysts today. As you know, the Jazz Air Income Fund IPO closed on February 2nd and the first distribution of cash to unit holders is expected to be paid on or about March 15th, 2006. We understand that most of you are familiar with the contents of our prospectus so with this said; we have a limited update for you since we conducted our IPO road-show last month. In those presentations and discussions we examined our financials up to September 30th, 2005.

The most significant development I'd like to highlight is the fact that we are now operating under a new Capacity Purchase Agreement, or CPA, with Air Canada that became effective January 1st, 2006. This is important to note as our financials for the Fourth Quarter of 2005 represent our operation under the old CPA with different rates. The details of the last quarter are provided in our news release and MD&A that were issued this morning. Under the CPA, we operate flights on behalf of Air Canada and provide all crews, airframe maintenance and, in some cases, airport operations.

In turn, Air Canada determines routes and controls scheduling, ticket prices, product distribution, seat inventories, marketing and advertising. Jazz is also entitled to repayment by Air Canada of certain pass-through costs including fuel and navigation, landing and terminal fees. We remain on track with our fleet plan to achieve our target of 135 aircraft by July 2006. In the last quarter of 2005 we took delivery of nine CRJ 100's that were transferred from Air Canada and four CRJ 200's that were leased by Air Canada Capital from a third party.

We ended 2005 on a solid note having posted a net income of $117.9 million; an operating income of $129.4 million; EBITDAR up $227.5 million on an operating revenue of 1 billion and 23.2 million, and excluding fuel expense, a unit cost of $0.205 per available seat mile. Maintaining strong performance under the CPA is key to our success and overall, I am pleased with our performance for the last quarter of 2005.

In 2006, as we continue to build upon our strong results, we will further improve the teamwork already achieved through the introduction of our employee incentive programs. This helps insure the best interest of Jazz, employees and unit holders are aligned.

I'd now like to turn the call over to Allan Rowe, our Senior Vice President and Chief Financial Officer to review the financials for the fourth quarter of 2005. Allan.

ALLAN ROWE (Senior Vice President and Chief Financial Officer, Jazz Air): Thank you, Joe and good afternoon everyone. Our story is about growth. Our expanding fleet of jet aircraft is translating into growth and revenues achieved from increased contract flying and block hours. Our costs per available seat mile, or CASM, are decreased due to longer flight stage lengths as we continue to grow our domestic and transporter route networks under our CPA with Air Canada and good cost control. We also continue to gain efficiencies since we operate two aircraft types, Dash 8's and Bombardier regional jets. Specifically, we have two cockpit standards; allows us to achieve significant efficiencies through lower pilot training costs and better proved deployment. We also benefit from lower maintenance and inventory costs. As a result, our unit costs have declined as we maintain solid management of our controllable costs. We reported an operating income of $33.8 million in the quarter, which is an improvement of 12.1 million compared to the operating income of 21.7 million recorded in the same quarter prior year.

Net income for the fourth quarter of 2005 was 31.5 million compared to 18.4 million recorded in the fourth quarter of 2004, an improvement of $13.1 million. EBITDAR was 66.6 million in the last quarter of 2005 compared to 35.4 million for the same period prior year. This increase of $31.2 million or 88 percent was the result of fleet additions, as Joe mentioned earlier, increased block hours of contract flying, cost control, and performance incentives earned in the last quarter. I'll expand on these elements a bit further.

The net increase in our fleet of 30 aircraft versus the fourth quarter last year also resulted in an increase in our block hours in contract flying of 32.6 percent and an increase in the pass-through costs charged to Air

Canada under the CPA of $52.4 million. For the three month period ended December 31, 2005, performance incentives payable by Air Canada to Jazz under the initial CPA, amounted to 4.5 million or 2.2 percent of Jazz's scheduled flight revenue for the quarter. It was agreed between Jazz and Air Canada that Jazz would not receive incentive payments for the period from October 1, 2004 to December 31, 2004.

Operating expenses increased by $104.4 million or 63 percent compared to the fourth quarter prior year, including an increase in fuel expense of $32.9 million or 113 percent. Fuel expense is a pass-through charged to Air Canada under the CPA. Capacity, as measured by available seat miles, increased by 81.5 percent.

Unit costs for the fourth quarter of 2005 decreased by 10.2 percent from the fourth quarter prior year. Unit cost reductions were achieved in all cap (phon) cost categories excepting fuel, aircraft rents and terminal handling services. Unit aircraft rental costs increased quarter-over-quarter reflecting the 43 new aircraft deliveries throughout 2005, less the return of seven leased Dash 8 100's during the year, and the retirement of the last two BAe 146 aircraft as of December 31, 2004. Aircraft rental costs are reimbursed by Air Canada under the contract.

Salaries, wages and benefits increased by $18.8 million due to increased salaries of 11 million related to the 2005 profit sharing and annual incentive plans recorded in the fourth quarter 2005. Increased salaries of $6.3 million, related to increased full-time equivalent employees in all operating branches and increased overtime of $1.5 million related to the growth in the fleet. In the fourth quarter 2005, Jazz had an average of 3,800 fulltime equivalent employees compared to an average of 3,363 FTEs in the fourth quarter prior year; an increase of 13 percent.

In the fourth quarter of 2005, non operating expense amounted to $2.3 million. This is essentially unchanged from the fourth quarter prior year. Gain on the disposal of property and equipment in the fourth quarter 2005 was 1 million versus nil in the fourth quarter prior year.

Looking ahead to the year 2006, our new CPA rates set as of January 1st, are more reflective of our latest cost structure and designed to earn a targeted 14.09 percent margin on controllable costs. We remain fully committed to delivering the 2006 business plan and continued improvements in financial and operational results in the future.

At this point, I'll ask the operator to open the lines for questions from the analyst community. Thank you.

OPERATOR: Thank you. Ladies and gentlemen, we will now conduct the question and answer session. Please ensure you lift the hand set, if you're using a speaker phone, before pressing any keys.

Your first question comes from Michael Linenverg from Merrill Lynch, please go ahead.

MICHAEL LINENVERG: Yes, just I guess a quick question on capacity. When we look out over the next four quarters, I think Air Canada indicated that your capacity would be up something like 55 percent for the year and I think block hours were going to 30 percent, can you, you know, give us what that is maybe by quarter for 2006?

JOSEPH RANDELL: Michael thanks for the question. I don't have the information in front of me by quarter, however, our block hours for this year will be up, as you say, between 32 and 35 percent is the increase that we're looking at. The increase in block hours will probably be a little greater in the first couple of quarters of the year, as we did have a substantial ramp-up in fleet numbers, especially in the second half of 2005. So the relative increase would most definitely be higher in the first half than in the latter half of the year.

MICHAEL LINENVERG: Okay. Then just my second question, Joe. I know you've talked about, I think in this quarter you ended, you picked up nine CRJ 100's from Air Canada as they moved the airplanes out of main line into Jazz's fleet. Are we done with the movement of CRJ 100's, or are there just a few more that we see moving from main line to Jazz in the first half of 2006? If you can just update us on that.

JOSEPH RANDELL: Sure. There are eight remaining aircrafts to be transferred from Air Canada to Jazz.

MICHAEL LINENVERG: And that will be done by the summer of '06?

JOSEPH RANDELL: That will be completed by July; we presently have 17 of them on property with eight more to come and they're on schedule as we have planned and put forward in the prospectus to be transferred by July.

MICHAEL LINENVERG: Okay great, thank you.

JOSEPH RANDELL: You're welcome.

OPERATOR: Your next question comes from Nick Morton from RBC Capital Markets. Please go ahead.

NICK MORTON: Hi, I heard that JetBlue might be interested in starting to serve Canada with their new Embraer planes. I wondered how, what you've heard on that front and what other new competitors might enter the Canadian market. There's also an operator out of Toronto Island Airport apparently, that plans to fly 10 to 20 turboprops.

JOSEPH RANDELL: Right. Well first of all, there's always some degree of speculation on carriers expansion. There's expansion plans for sure, Nick and as you know, under the CPA we're, although we're very interested and we monitor very closely what's happening in that regard, where we sell our capacity to Air Canada we're a little less concerned about who operates what route because we deploy our airplanes where it makes most sense for Air Canada.

With respect to the Toronto City Center operation, as you may be aware, upon the recent announcement of the improved transportation between the mainland and the island, Air Canada itself has expressed an interest in expanding it's service at the island airport and if that were the case, and if that were to proceed, then those services would be operated by Jazz. So in fact, that would be a positive development for us in that it would actually lead to an increased requirement for our services under the CPA with Air Canada.

NICK MORTON: Oh, it's good news; easy to travel from there. And I guess, has there been any management change in the last little while that's worth bringing out in your company?

JOSEPH RANDELL: No, there has not really been any management change. We have the same team, senior team, that's been in place since - there's been no change really since the middle of last year, so no changes in that regard.

NICK MORTON: Okay, great. Thanks very much.

JOSEPH RANDELL: You're welcome.

OPERATOR: Your next question comes from Cameron Doerksen from Versant Partners. Please go ahead.

CAMERON DOERKSEN: Hello. Just I guess, a follow-up question on the, I guess, the potential opportunity with regards to this new competitor at Toronto Island Airport; they're also going to be flying Q 400's. Is there an opportunity there that you think that perhaps if Air Canada wants to remain competitive out of the Island that they'd want to have Q 400's as well, and to be operated by yourself?

JOSEPH RANDELL: Well, under our relationship with Air Canada, if there was an interest in operating the Q 400's and we'd certainly be the operator to operate those airplanes, there's a commonality with the Dash 8 fleet that we have. There are presently no plans or commitments with respect to the Q 400, however, you know, as we did mention in our road-show and in the prospectus, the Q 400 is a very interesting aircraft for us.

There are a lot of synergies in operating that aircraft with the existing fleet that we have. And of course, we've been operating into the Island Airport for the past 16 years and have operated successfully at that airport. And moving ahead, and if there are improvements at the airport, would be quite interested in, as Air Canada has mentioned, in expanding the service. So that could be a combination of various types of Dash 8's, but presently of course, we just operate the 100's and the 300's.

CAMERON DOERKSEN: Is there, if you were to eventually add Q 400's do they fit in with your existing, I guess, wage rates for the pilots?

JOSEPH RANDELL: Yes they do, as we mentioned earlier in our road-show and in the prospectus, we have a very favourable relationship with the pilots in terms of operating at the same cost for any aircraft type, so our operation of the Q 400, I think would be very attractive in terms of our cost of operating that aircraft. So, that aircraft, if the decision was made to introduce the aircraft into the Jazz fleet, would be operated very efficiently and seamlessly.

CAMERON DOERKSEN: Okay. Just a question on block hours; you mentioned the 32 to 35 percent increase for '06. Do you have an early view on 2007, just for modeling purposes?

JOSEPH RANDELL: Our early view on 2007 is approximately a six percent increase over 2005.

CAMERON DOERKSEN: Okay.

ALLAN ROWE: Yes, it's Allan Rowe, if I could add to that response. We've been pretty clear in the prospectus and our road-show disclosure that, you know, we're planning on operating at the level of about 385,000 block hours in 2006 and anticipate growing that to about 410,000 block hours in '07.

CAMERON DOERKSEN: Okay. Just a final question on the, I guess, on the heavy maintenance that you do for your, I guess, for your own fleet. I guess the third party work that you do is relatively small right now. I'm just wondering if there's, if you're seeing more opportunities there and, you know, I just wonder if there's something, a similar situation to what ACE is doing with ACTS, potentially is spinning that off. Is that something that would be of interest to you if you could get good value for that and maybe allow it to grow its third party revenues more as an independent company?

JOSEPH RANDELL: Well first of all, it's not a very large part of our revenue and has not been. We have two heavy maintenance facilities with four heavy maintenance lines located in London and in Halifax. Up to this point, we've merely been making available any down-time in those lines for other operators. Generally we found that we have more demand than we have availability. The feed-back on the work that we've done has been very positive both in terms of quality, the turn times and the cost. So, we see potential there to, as we go forward, to continue to approach the business in that manner. We see potential to further increase our activities in that business; we've made no decision to do so, but it's certainly of interest and at this time we have no plans to do as ACTS has done. And we do actually work cooperatively with ACTS in that the work that we do, which is specifically related to airframe maintenance on Dash 8's and CRJ's is actually very complimentary to the work that ACTS does. So, there are opportunities there, but we've certainly not made any decisions one way or another other than to continue to ensure that our maintenance lines are fully utilized.

CAMERON DOERKSEN: Okay, that's all for me. Thanks.

JOSEPH RANDELL: Thanks.

OPERATOR: There are no further questions at this time. Please continue.

NATHALIE MEGANN: All righty, well then thank you, Operator and thank you everyone for being present at our conference call. We look forward to speaking with you again. Have a great weekend.

OPERATOR: Ladies and gentlemen, this concludes the conference call for today. Thank you for participating. Please disconnect your lines.

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