



Investor Presentation

August 2016



CAUTION REGARDING FORWARD-LOOKING INFORMATION

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Certain information in this presentation, may contain 'forward-looking information' as defined under applicable Canadian securities legislation. Forward-looking information typically contains words such as "anticipate", "believe", "could", "should", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would", and similar words and phrases, including references to assumptions. Such information may involve but is not limited to comments with respect to strategies, expectations, planned operations or future actions.

Forward-looking information related to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and other uncertain events. Forward-looking information, by its nature, is based on assumptions, including those described below, and is 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 information may differ materially from actual results for a number of reasons, including without limitation, risks relating to Chorus' economic dependence on and relationship with Air Canada, the airline industry including international operation of airlines in developing countries and areas of unrest, airline leasing, energy prices, general industry, market, credit, and economic conditions (including a severe and prolonged economic downturn which could result in reduced payments under the amended CPA), competition affecting Chorus and/or Air Canada, insurance issues and costs, supply issues and costs, the risk of war, terrorist attacks, aircraft incidents and accidents, epidemic diseases, environmental factors, acts of God, changes in demand due to the seasonal nature of the business, the ability of Chorus to reduce operating costs and employee counts, the ability of Chorus to secure financing, the ability of Chorus to remain in good standing under and to renew and/or replace the CPA and other important contracts, employee relations, labour negotiations or disputes, pension issues, currency exchange and interest rates, leverage and restructure covenants in future indebtedness, uncertainty of dividend payments, managing growth, changes in laws, adverse regulatory developments or proceedings in countries in which Chorus and its subsidiaries operate or will operate, pending and future litigation and actions by third parties. For a discussion of certain risks, please refer to Section 20 – Risk Factors in the second quarter 2016 MD&A. The statements containing forward-looking information in this discussion represent Chorus' expectations as of August 10, 2016, and are subject to change after such date. However, Chorus disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities regulations.

CHORUS AT A GLANCE



TSX: CHR

Ticker symbol

~ 122 million

Outstanding shares ⁽¹⁾

~ \$735 million

Market capitalization ⁽²⁾

~ \$1.5 billion

Operating revenue - 2015

~ \$209 million

Adjusted EBITDA - 2015

~ \$220 million

Unencumbered fixed assets

Consistently profitable since becoming publicly traded in 2006

Focused on building additional shareholder value

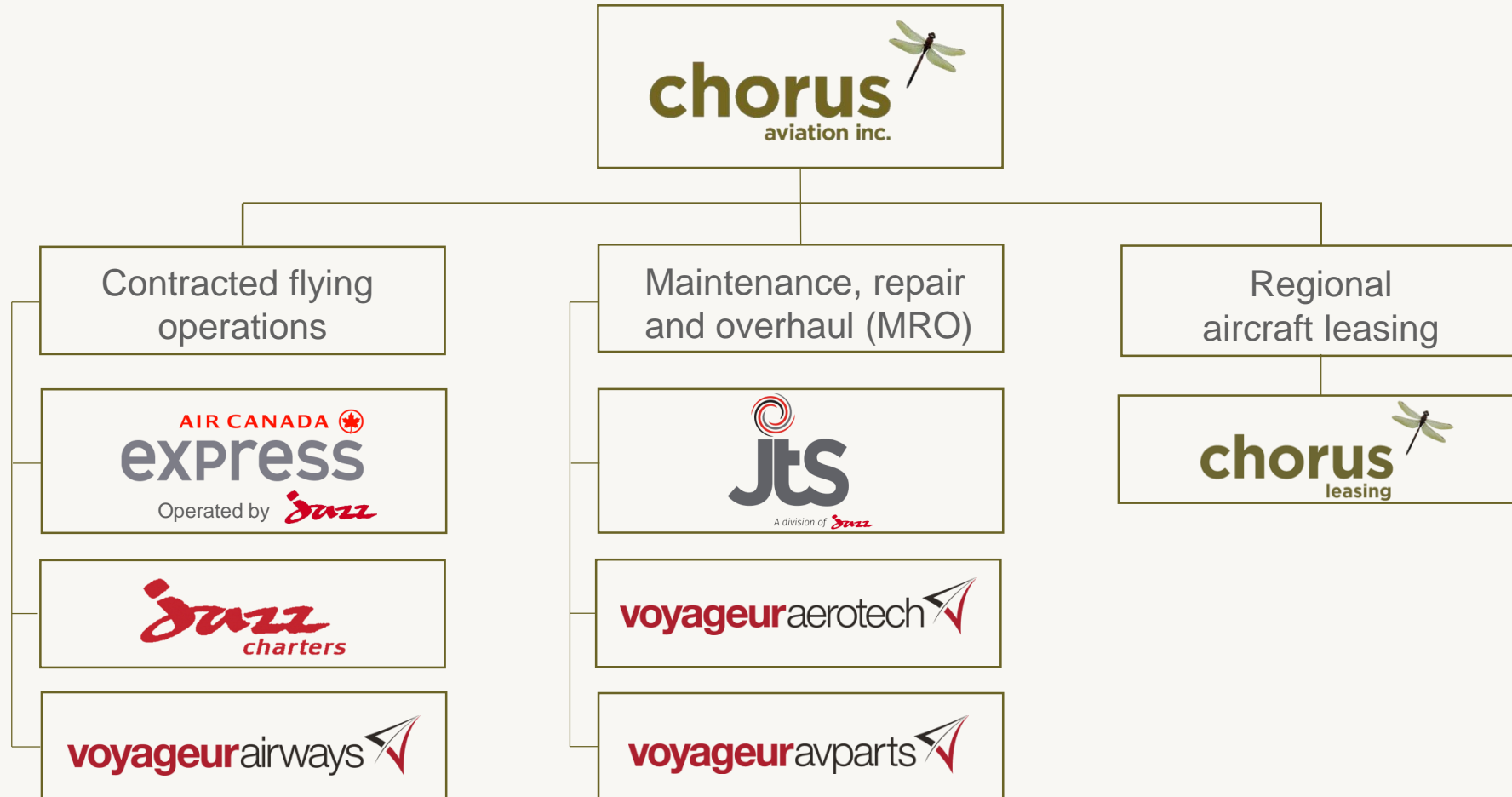
Current monthly dividend of \$0.04 per share

(1) Outstanding Chorus shares as of July 31, 2016 was 122,232,397.

(2) Calculated using closing price of Chorus shares of \$6.01 on the TSX on August 12, 2016.

GROWTH STRATEGY – CHORUS LINES OF BUSINESS

- Focused on providing a suite of regional airline services to customers around the world



CONTRACTED FLYING OPERATIONS

	<ul style="list-style-type: none">■ CPA – foundation of our business■ Operates fleet of regional aircraft on behalf of Air Canada■ CPA in place until 2025■ ~ 95% of Chorus' total revenue	
	<ul style="list-style-type: none">■ Ad hoc flying■ Various customers<ul style="list-style-type: none">• sport teams• corporate clients■ Stand alone fleet of three aircraft	
	<ul style="list-style-type: none">■ Based in North Bay, ON■ Specialized contract flying operations■ International customers■ Air ambulance service for New Brunswick government	

AIR CANADA EXPRESS

Air Canada

- Purchases capacity
- Manages routes
- Sets flight schedules
- Sets ticket pricing
- Conducts marketing
- Assumes commercial risk
- Retains revenue from passenger and cargo sales
- Pays Jazz for aircraft capacity

Air Canada Express – operated by Jazz

- Provides crews, airframe maintenance, flight operations, some airport operations, and general administration
- Scope of operation
 - Over 720 daily flights
 - 70 destinations in North America
 - Fleet of 111 aircraft
- ~ 70% of Air Canada's regional seat capacity
- Three types of missions
 - Smaller markets with less demand
 - High density markets at off-peak times
 - Point-to-point services on lower density routes
- Safe, reliable and customer-friendly operation

COST MANAGEMENT UNDER THE CPA

Controllable Revenue (controllable costs)

Type of costs

- General overhead, salaries, wages and benefits
- Depreciation and amortization on aircraft and parts
- Aircraft maintenance
- Materials and supplies

Rate setting

- Majority of costs, excluding crew rates, set annually, based on projected annual block hours, flying hours, cycles, passengers carried
- Associated costs determined by Chorus and resulting rates mutually agreed upon with Air Canada
- Annual rate setting decreases Chorus' risk profile and increases accuracy of rates

Crew rates

- Set for the term of the CPA and reflect projected crew unit costs
- Underpinned by collective agreements set for same term as CPA
- Can be adjusted based on certain criteria

COST MANAGEMENT UNDER THE CPA

Pass-through costs

Pass-through costs

- Incurred by Chorus under the CPA
- Passed through to Air Canada and fully reimbursed

Type of costs

- Airport fees
- Navigational fees
- Terminal handling fees

Exclusions

- Services provided by Air Canada at no cost to Chorus include:
- Aircraft fuel
 - Air Canada ground handling



COMPENSATION UNDER THE CPA

Fixed Fees

- Minimum fleet established for term of CPA
- Fixed margin per covered aircraft
- Fixed infrastructure fee per covered aircraft
- Combined fixed fees set at \$111.7 million until 2020 once incremental aircraft are in CPA fleet



Performance Incentives

- Achieving established targets:
 - Controllable on-time performance
 - Controllable flight completion
 - Passengers arriving with luggage
 - Customer service
- Maximum available annually (2016-2020): \$23.4 million



Aircraft Leasing

- Chorus-owned Q400 aircraft leased into Jazz's Air Canada Express operation (5 CRJ900s in 2017)
- Q2 2016 earned leasing revenue on 31 Q400 aircraft and 5 Q400 engines
- Generates cash margin of ~ 20% (after debt servicing charges)

COMPENSATION UNDER THE CPA - OUTLOOK

Compensation under the CPA (unaudited) (expressed in millions of Canadian dollars)	For the calendar year ended December 31, 2015	For the twelve months ended June 30, 2016	Average for calendar years 2016-2020	Average for calendar years 2021-2025
CPA Fixed Fee Compensation ⁽¹⁾	109.7	109.8	111.3	64.9
CPA Compensating Mark-up	N/A	N/A	N/A	N/A
CPA Performance Incentives – Earned ⁽²⁾	21.7	21.8	TBD	TBD
CPA Performance Incentives – Maximum available	23.3	23.5	23.4	12.2
Total CPA Compensation Earned	131.4	131.6	TBD	TBD
Total CPA Compensation Available	133.0	133.3	134.7	77.1
Aircraft Leasing Revenue Under CPA ⁽³⁾	68.8	83.1	118.2	121.3
Total CPA Compensation & Aircraft Leasing Revenue Earned under CPA	200.2	214.7	TBD	TBD
Total CPA Compensation & Aircraft Leasing available under CPA	201.8	216.5	252.9	198.4
# Aircraft Under Lease in CPA				
- Bombardier Q400	26	27	34	34
- De Havilland Dash 8-300	—	—	10	19
- CRJ 900	—	—	4	5
- Engines	4	5	5	5

(1) CPA Compensation for 2016-2020 is not contingent upon fleet size while 2021-2025 has a portion adjusted downward as the remaining Dash 8 100 aircraft reach their retirement dates. The compensation amounts shown for 2015-2025 are not impacted by block hours flown and assume no material events of default or force majeure by either party to the CPA.

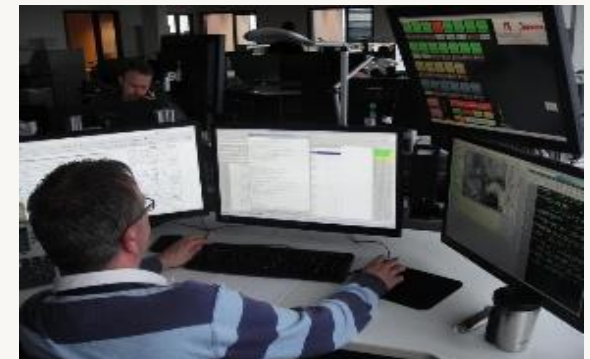
(2) There can be no assurance that the 90% historical level of performance under the CPA Performance Incentives Earned will be achieved in the future.

(3) Aircraft Leasing contains forward-looking information based on certain assumptions and estimates including: estimated purchase price; foreign exchange rates; and interest rates for purchase of the incremental 13 Q400 aircraft, and market lease rates post retirement of current 21 Q400 debt financing based on the fleet plan. These projections may differ from actual numbers if there are material changes in any and all of these assumptions or estimates. Foreign exchange rates used in the calculation of aircraft leasing revenue under the CPA were US\$:CAD\$ 1.31 and US\$:CAD\$ 1.25 for the years 2016 and 2017-2025, respectively.

JAZZ'S COMPETITIVENESS UNDER THE CPA

Focused on increasing market competitiveness and growing services provided to Air Canada

- Industry-leading collective agreements
 - Pilots, Flight Attendants, Maintenance, Dispatchers
 - Pilots' DB pension replaced by DC pension (new hires)
 - Agreements expire in 2025 providing strong labour stability and cost visibility
- Pilot Mobility Program with Air Canada
 - Over 280 pilots exited Jazz since January 2015
 - Replacement pilots hired at industry competitive rates
- Modernization of Jazz fleet
 - Focused on larger, newer technology regional aircraft
 - Majority of fleet changes to be completed by 2020
 - Lower cost per available seat mile
 - Increased network flexibility and competitiveness
 - Investing in Dash 8-300 Extended Service Program



VOYAGEUR AIRWAYS

- ~ 70% of revenue generated through specialized flight operations.
- Fleet of 17 owned aircraft (15 Bombardier manufactured)
- Contract flying services
 - Flight and cabin crew
 - Maintenance personnel
 - On-site manager
- Missions
 - Medical, logistical and humanitarian
 - Canada and Africa
- Flight operations
 - Voyageur's operating certificate
 - Transport Canada approved licences and personnel



CONTRACTED FLYING OPERATIONS - SUMMARY

Long history in flying operations with strong industry relationships – competitive advantage



Jazz Aviation

- Jazz is Air Canada's primary regional partner, providing 70% of their regional capacity
- Minimum of 96 aircraft under the CPA in 2025 with the objective to grow
- Larger Q400s and CRJ-900s decrease per-seat costs
- Air Canada's Q400 fleet consolidated into Jazz by early 2017
- Jazz owns majority of CPA aircraft – unique in Canadian regional industry
- Provides Air Canada with flexibility to respond quickly and efficiently to change
- Solidify Air Canada's brand presence at 36 airports across Canada



Voyageur Airways

- Voyageur provides specialized contracted flying services
- Flying missions around the world for over 10 years
- Blue-chip customers such as United Nations
- World-renowned reputation for superior safety standards and operational integrity
- Contracted services done with Canadian licenses, certification and designations

MAINTENANCE REPAIR AND OVERHAUL (MRO) AND PARTS



- New division under Jazz
- Separate profit centre
- Focused on traditional heavy maintenance on Bombardier aircraft



- Operating in North Bay, ON
- 200,000 square foot facility
- Highly specialized and custom MRO
- International clients



- Regional aircraft part sales and service
- Focused on Bombardier products



JAZZ TECHNICAL SERVICES

- Traditional heavy maintenance on Bombardier regional aircraft
- Five-year contract with another Air Canada Express partner
 - Heavy maintenance checks on 14 regional jets
- Efficiencies gained through economies of scale



VOYAGEUR AEROTECH

- Design engineering
- Aircraft modifications
- Maintenance, repair and overhaul (MRO)
 - All models of Bombardier regional aircraft
 - Worldwide customer base
 - Highly specialized MRO work
- ~ 25% of revenue generated from Aerotech with opportunities to grow



VOYAGEUR AVPARTS



- Newly created business
- Part sales and service in support of future growth
- Primary focus
 - Bombardier products
- Services
 - Consignment inventories
 - Aircraft part-outs
 - Purchase and sale of bulk/surplus inventories from third parties
- Synergies with services provided by the Chorus group of companies

MAINTENANCE REPAIR AND OVERHAUL (MRO) AND PARTS – SUMMARY

Jazz Technical Services

- Jazz Technical Services provides opportunity to grow as separate profit centre
- New, industry-leading maintenance collective agreement
- 24/7 operation enabling quick aircraft turnaround times
- Facility has capacity for additional work
- Contract with Air Georgian reduces unit costs and improves cost competitiveness
- Opportunity to generate incremental revenue and strengthen bottom line



Voyageur Aerotech and Avparts

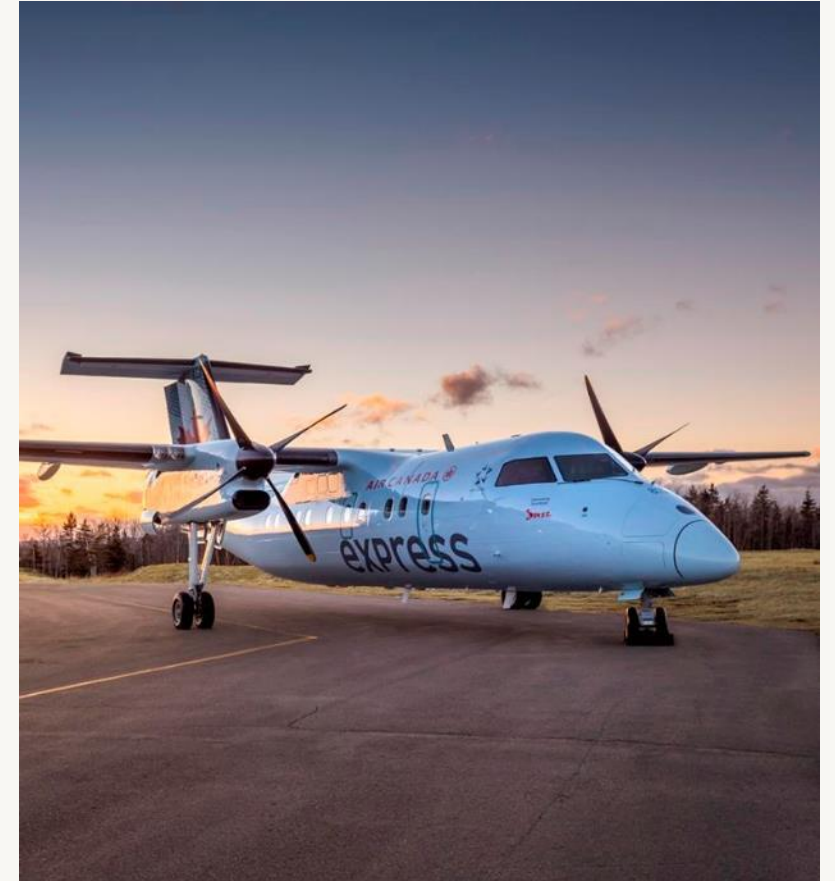
- Transport Canada, FAA and European Aviation Safety Agency approved
- Transport Canada certified Canadian Design Approval Organization
- Operating from a 200,000 square foot facility in North Bay, ON
- Supplemental Type Certificates for Dash 8-100/200/300s and Dash 7s
- Capability to conduct MRO work on Q400 aircraft
- Avparts division provides organic growth and synergies with Chorus companies
- Avparts complements MRO divisions at Voyageur and Jazz



AIRCRAFT LEASING AND TRADING

Regional aircraft leasing is an emerging business with few providers and growing demand

- 39 aircraft aircraft leased under CPA by Q2 2017 and expect a minimum of 58 aircraft by end of 2018
- Annual aircraft leasing revenues anticipated to be over \$118 million annually
- Current aircraft leasing generates ~ 20% cash margin after debt servicing
- Chorus' objective: increase leasing activity outside the CPA
- Will leverage value of Dash 8-100 as they exit the CPA – leasing, sale or salvage opportunities
- ~ 20% to 25% of regional aircraft manufactured are leased – solid platform for growth



CORPORATE GROWTH OPPORTUNITIES



Solid platform to profitably grow and diversity Chorus

- Our experience in regional business
 - Scope of operation
 - Technical knowledge
 - Industry relationships
 - Safety and operational record
- Our expertise in various disciplines
 - Contracted flying operations
 - MRO
 - Aircraft leasing

COMMITTED TO SHAREHOLDER VALUE

Strengthening
Jazz competitiveness



Growing aircraft
leasing revenues
inside/outside CPA



Pursuing growth
opportunities for
Voyageur in MRO and parts



Advancing business
diversification leveraging
our regional aviation expertise



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APPENDICES

- Q2 2016 Income Statement
- Q2 2016 Balance Sheet
- CPA fleet modernization plan by type and year
- Jazz fact sheet
- Jazz's network
- 2016 Jazz industry recognition
- Voyageur fleet

INCOME STATEMENT – Q2 2016

(expressed in thousands of Canadian dollars, except earnings per share)	Three months ended June 30.		Six months ended June 30.	
	2016	2015	2016	2015
	\$	\$	\$	\$
Revenue				
Controllable Revenue	182,450	200,003	372,043	397,973
Aircraft leasing revenue under the CPA	23,106	15,897	46,312	31,929
Fixed Margin and Infrastructure Fee per Covered Aircraft	27,508	27,417	54,926	54,822
Incentive revenue	5,700	5,644	11,400	11,287
CPA Pass-Through Revenue	53,578	134,262	110,445	257,624
Charter and other contract flying revenue	11,634	9,804	22,879	10,913
Passenger revenue	303,976	393,027	618,005	764,548
Other revenue	6,128	7,028	12,649	10,608
	310,104	400,055	630,654	775,156
Operating expenses				
Salaries, wages and benefits	106,613	106,595	222,584	224,653
Aircraft fuel	802	71,997	1,621	135,219
Depreciation and amortization	19,847	14,016	38,494	26,155
Food, beverage and supplies	2,846	3,087	5,903	5,872
Aircraft maintenance materials, supplies and services	43,044	51,021	90,013	101,045
Airport and navigation fees	39,090	43,688	78,522	83,666
Aircraft rent	22,095	25,343	45,803	51,052
Terminal handling services	7,996	12,567	19,512	30,122
Other	33,360	33,693	67,006	63,472
	275,693	362,007	569,458	721,256

INCOME STATEMENT – Q2 2016 (cont'd)

(expressed in thousands of Canadian dollars, except earnings per share)	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
	\$	\$	\$	\$
Operating income	34,411	38,048	61,196	53,900
Non-operating income (expenses)				
Interest revenue	115	274	241	611
Interest expense	(5,378)	(3,755)	(10,535)	(7,388)
Gain on disposal of property and equipment	333	157	370	160
Foreign exchange gain (loss)	1,808	5,671	40,562	(28,190)
Other	313	500	313	500
	(2,809)	2,847	30,951	(34,307)
Income before income taxes	31,602	40,895	92,147	19,593
Income tax expense (note 7)				
Current income tax	(1,848)	(2,379)	(3,431)	(5,593)
Deferred income tax	(6,097)	(7,105)	(9,661)	(7,345)
	(7,945)	(9,484)	(13,092)	(12,938)
Net income	23,657	31,411	79,055	6,655
Earnings per share, basic	0.19	0.26	0.65	0.05
Earnings per share, diluted	0.19	0.25	0.63	0.05

BALANCE SHEET – Q2 2016

	As at	
	30-Jun-16	31-Dec-15
	\$	\$
Assets		
Current assets		
Cash	21,016	32,677
Restricted cash	2,287	1,829
Accounts receivable – trade and other	72,346	81,357
Inventories	48,058	45,942
Prepaid expenses and deposits	13,542	15,718
Total current assets	157,249	177,523
Property and equipment	974,367	863,992
Intangibles	2,851	3,004
Goodwill	7,150	7,150
Deferred income tax asset	35,838	19,644
Other long-term assets	40,040	36,026
	1,217,495	1,107,339

BALANCE SHEET – Q2 2016 (cont'd)

	As at	
	30-Jun-16	31-Dec-15
	\$	\$
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	166,375	177,313
Current portion of obligations under finance leases	5,543	5,432
Current portion of long-term incentive plan	5,267	5,159
Current portion of long-term debt	64,536	54,867
Current portion of consideration payable	6,500	11,319
Dividends payable	4,889	4,889
Income tax payable	2,521	7,270
Total current liabilities	255,631	266,249
Obligations under finance leases	10,130	14,052
Long-term debt	597,628	530,390
Consideration payable	11,717	18,849
Deferred income tax liability	116,235	103,202
Other long-term liabilities	98,451	63,801
Equity	127,703	110,796
	1,217,495	1,107,339

JAZZ FLEET MODERNIZATION PLAN

The Chorus fleet will transition to more efficient, larger aircraft with significant fleet simplification

- Jazz will transition to a mix of larger, newer technology regional jets (CRJ900s) and turboprops (Q400s)






Aircraft Type	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Q400	27	39	44	44	44	49	49	49	49	49	49
CRJ-200	16	13	10	10	10	0	0	0	0	0	0
CRJ-900	16	16	21	21	21	21	21	21	21	21	21
Total	59	68	75	75	75	70	70	70	70	70	70

- The addition of Q400s will replace older, less efficient Dash 8-100s that have a higher value in alternative uses

Aircraft Type	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Dash 8-100	28	19	16	15	15	15	12	12	4	1	0
Dash 8-300	26	26	26	26	26	26	26	26	26	26	26
Total	54	45	42	41	41	41	38	38	30	27	26

JAZZ FACT SHEET

Corporate Fact Sheet	
Head office:	Halifax
Regional offices:	Vancouver Calgary Toronto Montreal Halifax (Operations Centre)
Destinations served	70 destinations across Canada and the U.S.
Number of employees	4,220 total employees
Daily flights operated	720 (approx., based on weekday operation)
Daily passengers carried	30,000 (based on weekday operation)
Annual passengers carried	10.2 million (based on 2015 figures)

Aircraft type	Number	Capacity
 Bombardier Q400 NextGen	37	74
 Bombardier CRJ-705	16	75
 Bombardier CRJ-200	14	50
 Bombardier Dash 8-300	28	50
 Bombardier Dash 8-100	19	37

JAZZ – CANADA’S REGIONAL AIRLINE



Effective August 2016
Routes subject to change.



2016 JAZZ INDUSTRY RECOGNITION

- Jazz received top Airline Reliability Performance Awards for dispatch reliability:
 - Q400 Aircraft Programs for North America
 - CRJ100/200 Aircraft Programs for North America
 - CRJ700/900/1000 Aircraft Programs for North America
- Recognized in 2016 as one of North America’s top five on-time performing regional airlines
- Canada’s Top Employers for Young People 2016
- Canada’s Best Diversity Employers 2016
- Atlantic Canada’s Top 25 Employers 2016
- Nova Scotia’s Top 15 Employers 2016
- APEX award for “Excellence in Publication” recognizing “Focus on Safety”



VOYAGEUR FLEET

Aircraft	Number	Aircraft Type
 Bombardier CRJ-200LR	7	Passenger charter
 Bombardier Dash 8-300	6	Passenger charter
 Bombardier Dash 8-100	1	Passenger charter
 De Havilland Dash 7	1	Passenger charter
 Beechcraft King Air 200	2	Air ambulance