



# Jazz Air Income Fund

**Beacon Securities Investment Seminar 2009**

**Joe Randell - President & CEO**

**September 2009 | Halifax**



## → Disclaimer

### CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain statements in this presentation may contain statements which are 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 relate 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 statements, by their nature, are based on assumptions, including those described below, 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, energy prices, general industry, market credit and economic conditions, competition, insurance issues and costs, supply issues, war, terrorist attacks, epidemic diseases, acts of God, changes in demand due to the seasonal nature of the business, the ability to reduce operating costs and employee counts, secure financing, employee relations, labour negotiations or disputes, restructuring, pension issues, 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 in the Risk Factors section of the Fund’s MD&A dated August 5, 2009. The forward-looking statements contained in this discussion represent the expectations of the Fund and Jazz as of June 30, 2009, and are subject to change after such date. However, the Fund and Jazz disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required under applicable securities regulations.



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## → Agenda



The current environment

A different kind of airline

Jazz today

Performance highlights

Growth opportunities



## → Regional Airline Sector



<input checked="" type="checkbox"/> Mainline industry consolidation	<input checked="" type="checkbox"/> No prospect of consolidation
<input checked="" type="checkbox"/> Regional carrier consolidations predicted	<input checked="" type="checkbox"/> Jazz is Canada's largest regional carrier
<input checked="" type="checkbox"/> Significant duplication of services	<input checked="" type="checkbox"/> Very limited duplication of services



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# → The CPA Defines Our Relationship

## Responsibilities

**AIR CANADA** 

- Purchases capacity
- Determines routes
- Flight schedules
- Ticket prices
- Marketing



**AIR CANADA**   
**Jazz**

- Provides crews
- Airframe maintenance
- Flight operations
- Some airport operations





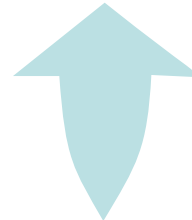
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## → Relationship with Air Canada

Serve  
low density markets

Serve high density  
markets  
– off peak

Point-to-point  
– by-pass hubs



**Jazz is integral to Air Canada's strategy**





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## → The CPA Benefits Both Carriers

**AIR CANADA** 

**Flexibility**

**Cost advantages**

**Major competitive advantage**



**AIR CANADA**   
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**Protection from cost volatility**

**Guarantees**

**Long-term agreement**







## → Highlights of the amended CPA:

- **Five-year extension of CPA term to 2020**
- **Air Canada will target annual minimum of 375,000 block hours**
- **Minimum utilization guarantee unchanged at 339,000 block hours**
- **125 covered aircraft and 8 swing aircraft**
- **Minimum fleet guarantee reduced from 133 to 125 covered aircraft**
- **Commitment to commence fleet renewal in 2011**
- **Markup reduced from 16.72% to 12.50% on first 375,000 block hours, and 5% markup on additional block hours**



## → Jazz Air Income Fund

### Cash Distributions

- 40% reduction starting in September
- \$0.60/unit annually
- Reflected amended CPA/term extension
- Improve liquidity

### Federal tax laws

- Review of options
- Board approval





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## → Agenda



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# → Jazz is Canada's Largest Regional Airline





## → We're on solid ground

### Canada's largest regional carrier

- Covers Canada and the US
- More than 4,900 employees
- 84 destinations
- More than 820+ daily departures
- 9.7M passengers carried



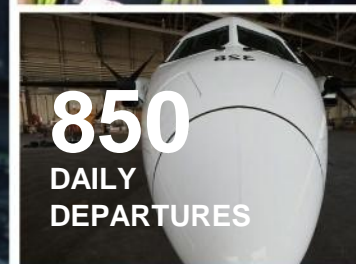
**9.7M**  
PASSENGERS  
CARRIED



**4,900**  
EMPLOYEES



**850**  
DAILY  
DEPARTURES



**85**  
DESTINATIONS





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## → Canadian-made Fleet

- Only Canadian regional airline flying regional jets in Canada
- 137 Dash 8 and Canadair Regional Jets
- Efficient aircraft
- Two types = cost effectiveness



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## → Agenda



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→ Strong Operating Results – Q2 2009

Controllable  
on-time  
performance

89.0%

Controllable  
flight completion

99.3%

Performance  
Incentive  
Payments

\$4.7 M





## → Results in Q2 2009

### **Jazz Air Income Fund**

Period ended June 30, 2009

(\$000's)

**Q2 2009**

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Operating Revenue	373.6
Performance Incentives	4.7
Distributable Cash	40.6
Net Income	25.4
Adjusted earning per unit	\$0.29

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## → Growth Opportunities

CPA



Charter programs



Employee expertise



New strategic partnerships





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