



WESTJET 

J.P. Morgan

Aviation, Transportation and Industrials Conference

March 3, 2015

Caution regarding forward-looking information

Certain statements set forth in this presentation and statements made during this presentation, including, without limitation, information respecting WestJet's ROIC goal of a sustainable 12%; the anticipated timing of the 737 MAX deliveries and the associated benefits of this type of aircraft and the LEAP-1B engine; our 737 and Q400 fleet commitments and future delivery dates; our expectation that upgrades to Plus seating will generate significant incremental revenue; our plans to introduce wide-body service with initial flights planned between Alberta and Hawaii in late 2015; our expectations of further expansion through WestJet Vacations, additional flights and new airline partnerships; the installation timing and features of our new in-flight entertainment system; WestJet Encore's network growth plans; and our expectations to retain a strong cash balance are forward-looking statements within the meaning of applicable Canadian securities laws.

By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond WestJet's control. Readers are cautioned that undue reliance should not be placed on forward-looking statements as actual results may vary materially from the forward-looking statements due to a number of factors including, without limitation, changes in consumer demand, energy prices, aircraft deliveries, general economic conditions, competitive environment, regulatory developments, environment factors, ability to effectively implement and maintain critical systems and other factors and risks described in WestJet's public reports and filings which are available under WestJet's profile at www.sedar.com.

Any forward-looking statements contained in this presentation and statements made during this presentation represent WestJet's expectations as of the date of this presentation and are subject to change after such date. WestJet does not undertake to update, correct or revise any forward-looking statements as a result of any new information, future events or otherwise, except as may be required by law.

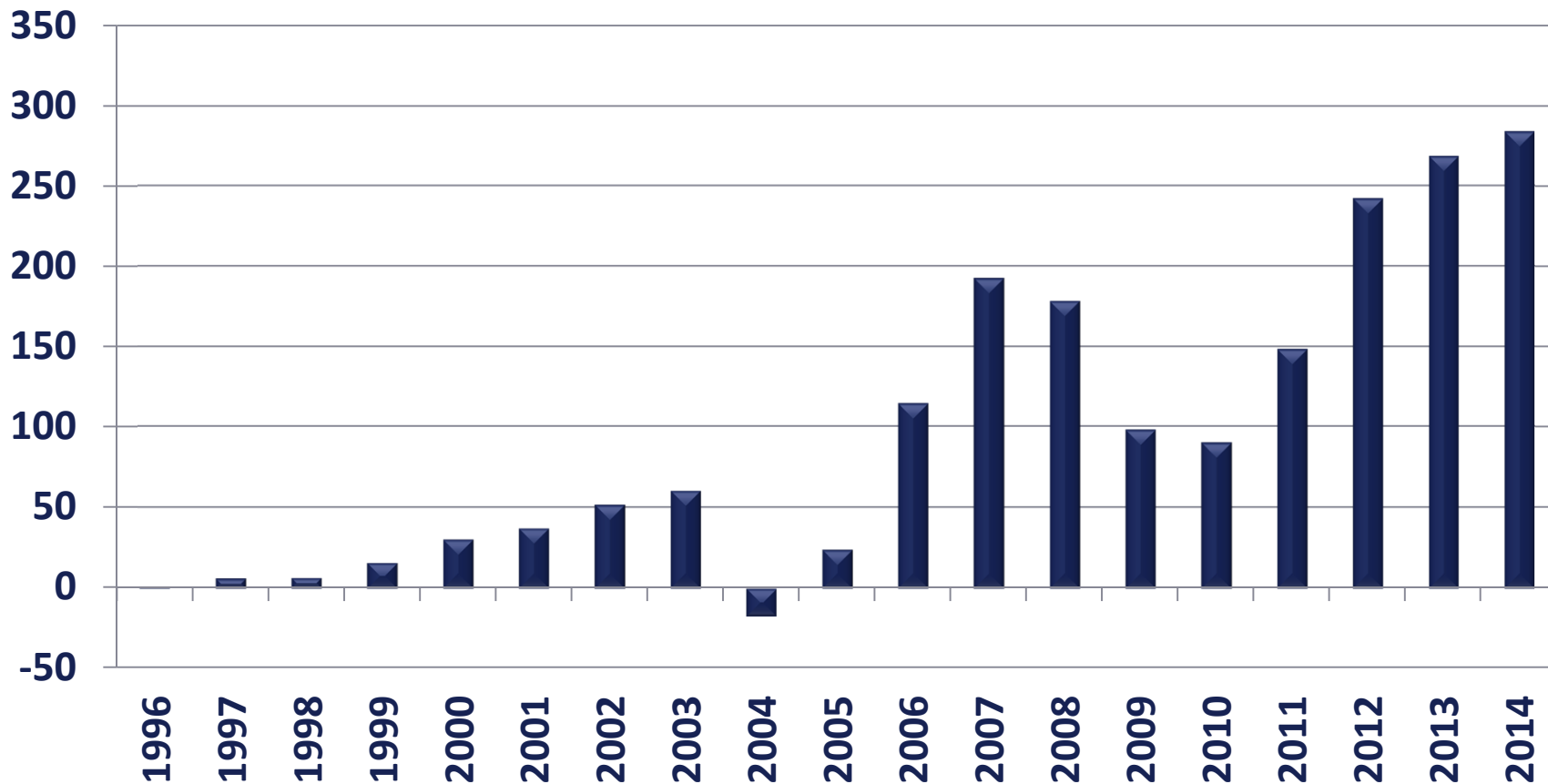
March 2015

Non-GAAP measures

This presentation contains disclosure respecting non-GAAP financial measures including, without limitation, return on invested capital (ROIC); CASM, excluding fuel and employee profit share; adjusted net earnings; adjusted diluted earnings per share; adjusted net debt to adjusted earnings before interest, taxes, depreciation, amortization and rent (EBITDAR); and cash to last twelve months revenue. These measures are included to enhance the overall understanding of WestJet's financial performance and to provide an alternative method for assessing WestJet's operating results in a manner that is focused on the performance of WestJet's ongoing operations, and to provide a more consistent basis for comparison between reporting periods. These measures are not calculated in accordance with, or an alternative to, GAAP and do not have standardized meanings. Therefore, they may not be comparable to similar measures provided by other entities. Readers are urged to review the section entitled "Reconciliation of non-GAAP and additional GAAP measures" in WestJet's management's discussion and analysis of financial results for the year ended December 31, 2014, which is available under WestJet's profile at www.sedar.com, for a further discussion of such non-GAAP measures.

WestJet's track record of profitability since inception

Net Earnings (\$ millions)¹

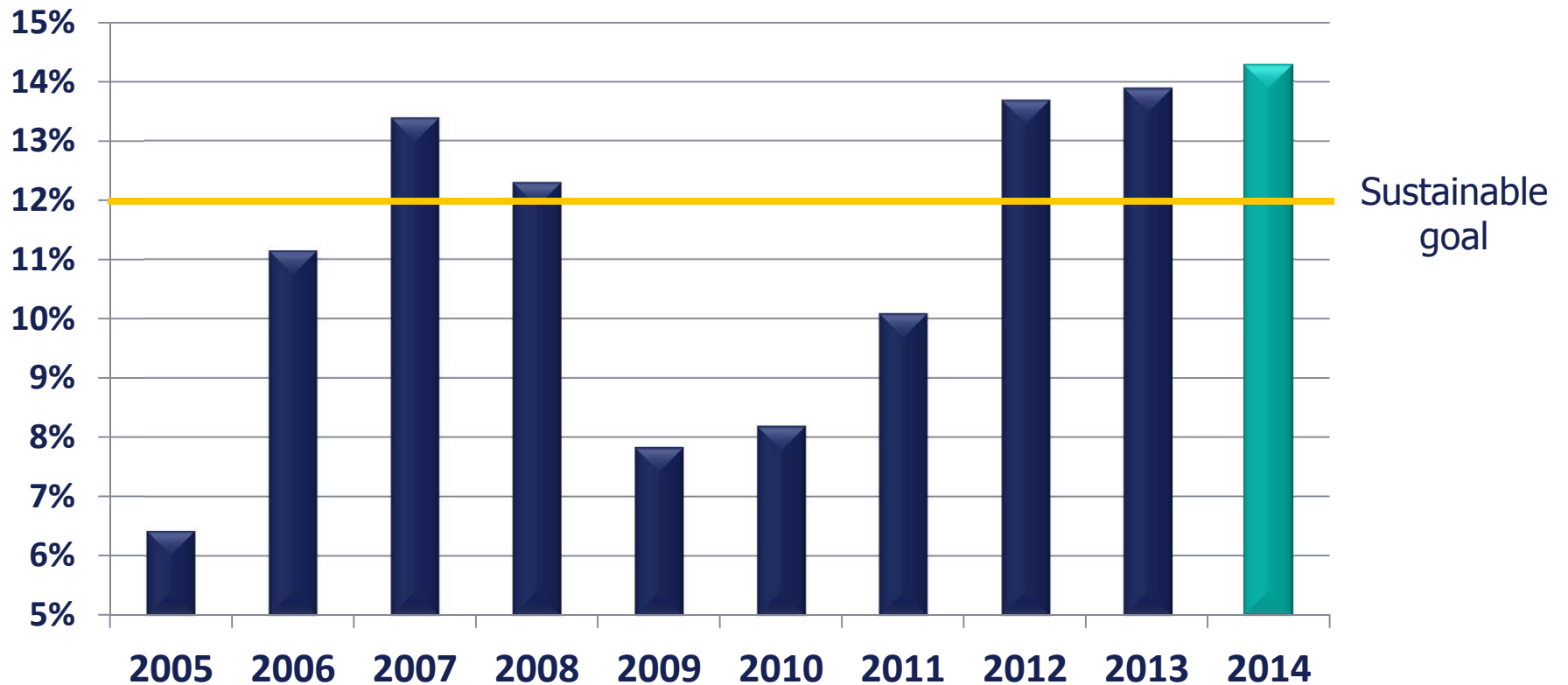


Notes:

(1) 2010-14 presented under IFRS; 2009 and prior presented under previous Canadian GAAP.

WestJet's goal to generate 12% return on invested capital

Return on Invested Capital ¹



Notes:

(1) 2010-14 presented under IFRS; 2009 and prior presented under previous Canadian GAAP; on a trailing 12 month basis before tax.

The WestJetter culture

- Our corporate culture is one of our foundational elements and we strongly believe it to be a tremendous capability and competitive advantage
- We strive to maintain a culture where WestJetters **act as leaders and owners** and are committed to, and passionately pursue, our mission and vision, while living by our values

EMPLOYEE DEVELOPMENT

WestJet's Altitude Leadership Development Program was launched in 2007, focused on developing a community of leaders

CULTURE OF EMPOWERMENT

WestJetters are encouraged to find solutions and make decisions to ensure each guest has an outstanding experience when flying with us

**We
take care
of our
people**

SAFETY PRIORITY

As WestJetters, our mission is to provide safe travel to everyone in WestJet's world and safely deliver our guests to their final destination

COMPENSATION PROGRAMS

Profit sharing, the Employee Share Purchase Plan and the Owner's Performance Award reward WestJetters for taking care of our guests

Consistently recognized by the industry and our guests

Aon Hewitt

Interbrand

Leger
MARKETING

ATW
Air Transport World



harrisdecima
A NIELSEN COMPANY

**THE AMERICAN
BUSINESS AWARDS™**

**U.S. Consumer Product
Safety Commission**

MoneySense

Rewards Canada



CANADIAN BUSINESS

- **Aon Hewitt Best Employers in Canada (2015)**
- **Interbrand Canada's Best Canadian Brands, rank #20 (2014)**
- **Canada's Most Preferred Airline (2014)**
- **Value Airline of the Year (2014)**
- **Canada's Most Attractive Employer (2014/2013/2012)**
- **Highest equity score: airline, vacation package supplier brands (2013)**
- **Gold Stevie Award Best Transportation Company (2013)**
- **Chairman's Circle Award: WestJet Vacations (2013)**
- **WestJet RBC MasterCard ranked #1 in Canada (2014/2013)**
- **WestJet RBC MasterCard Named Canada's Top Travel Rewards Credit Card (2013)**
- **Gregg Saretsky Named Top New CEO (2013)**



- WestJet operated / Opérés par WestJet
- WestJet Encore operated / Opérés par WestJet Encore
- Seasonal service / Services saisonniers
- Partner operated / Opérés par des partenaires



Laying the groundwork for long-term growth

FLEXIBLE INVESTMENT IN FLEET

- Order for 65 Boeing 737 MAX aircraft with delivery dates of September 2017 through 2027
- Converting 15 Next Generation 737 deliveries to 737 MAX for a net increase of 50 firm commitments for 737 MAX aircraft
- Fleet plan offers significant growth potential and flexibility in the form of lease extension options and 10 737 MAX purchase options in 2020 / 2021

FARE BUNDLES & "PLUS" SEATING

- Fare bundles – Econo, Flex and Plus – focus on incremental revenue
- Upgrades to Plus seating are expected to generate significant incremental revenue

INVESTMENT IN WESTJET ENCORE

- Taken delivery of 15 Bombardier Q400 NextGen aircraft as of the end of 2014
- Firm commitments to purchase 15 additional aircraft through 2016
- Options to take on an additional 15 aircraft between 2016 and 2018

CALCULATED INTERNATIONAL EXPANSION

- In November 2013, WestJet announced Dublin, Ireland its first transatlantic destination, followed by Glasgow, UK in October 2014
- In July 2014, WestJet announced its entry into wide-body service, with initial flights planned between Alberta and Hawaii in late 2015
- Further expansion expected to occur through WestJet Vacations, additional flights and new airline partnerships

Growth and strong financial performance continues



Operating highlights – Q4 2014

39th consecutive quarter of profitability and record fourth quarter earnings

	Q4 2014	Q4 2013	Change
Total revenue (millions)	\$994.4	\$926.4	7.3%
Net earnings (millions)	\$90.7	\$67.8	33.8%
Diluted earnings per share	\$0.70	\$0.52	34.6%
Operating margin	14.0%	11.0%	3.0 pts
RASM (revenue per available seat mile) (cents)	15.59	15.59	0.0%
Yield (revenue per revenue passenger mile) (cents)	19.57	19.43	0.7%
Load Factor	79.7%	80.3%	(0.6 pts)
CASM, excl. fuel and employee profit share (cents)	9.21	9.29	(0.9%)
Fuel costs per litre (cents)	81	92	(12.0%)

Operating highlights – Full-year 2014

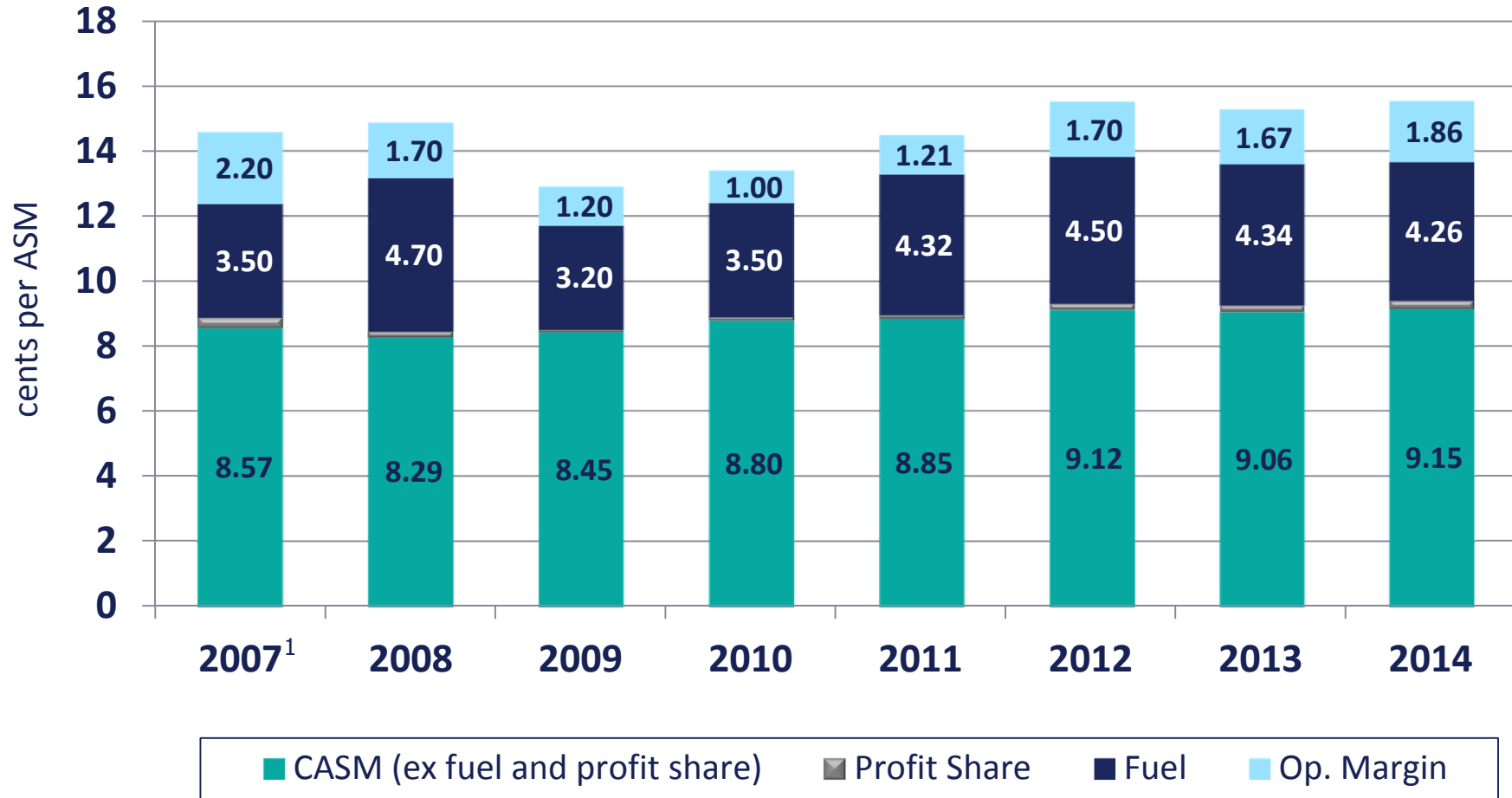
10th consecutive year of profitability and record adjusted net earnings

	Full-year 2014	Full-year 2013	Change
Total revenue (millions)	\$3,976.6	\$3,662.2	8.6%
Adjusted net earnings (millions) ¹	\$317.2	\$268.7	18.0%
Adjusted diluted earnings per share ¹	\$2.46	\$2.03	21.2%
Operating margin	12.0%	10.9%	1.1 pts
RASM (revenue per available seat mile) (cents)	15.54	15.28	1.7%
Yield (revenue per revenue passenger mile) (cents)	19.09	18.69	2.1%
Load Factor	81.4%	81.7%	(0.3 pts)
CASM, excl. fuel and employee profit share (cents)	9.15	9.06	1.0%
Fuel costs per litre (cents)	90	91	(1.1%)

Notes:

(1) Full-year 2014 adjusted results exclude a pre-tax non-cash loss of \$45.5 million associated with the sale of 10 of WestJet's oldest Boeing 737 aircraft. No adjustments made to full-year 2013

Costs remain under control



Notes:

(1) Excludes reservation system impairment of \$31.9 million.

Modernizing our fleet – sale to Southwest

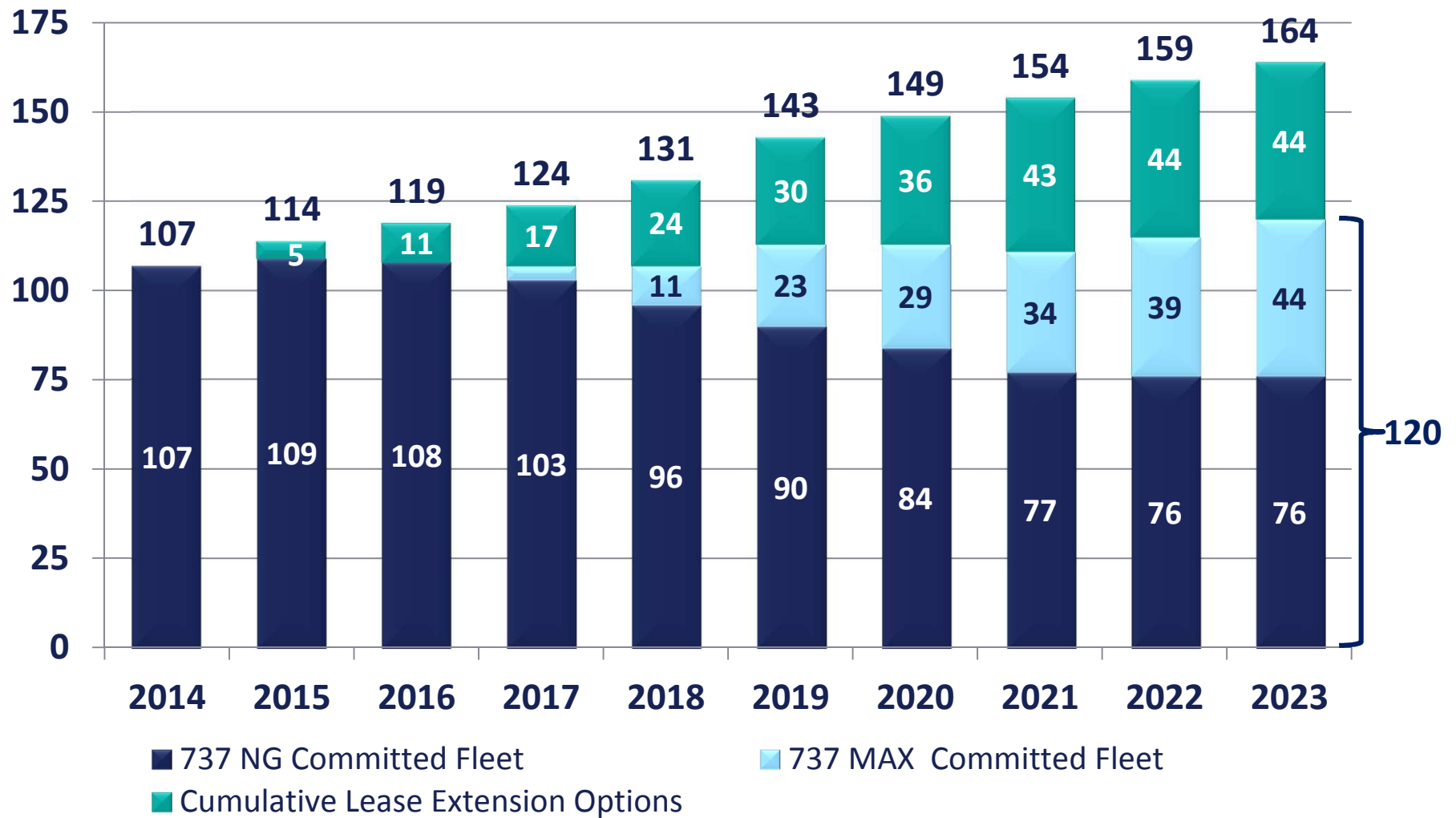
- Selling 10 of our oldest Boeing 737-**700s** in 2014-15
- Buying 10 new Boeing 737-**800s** in 2014-15
- In Q3 2014 we recognized a pre-tax non-cash loss of \$45.5 million, calculated using a foreign exchange rate of 1.12 associated with the 10 aircraft
- Transaction creates value:
 - Lowers CASM by effectively adding incremental capacity
 - Benefits associated with a younger fleet
 - Accelerates our move towards more optimal fleet mix
 - Allows new planes to be financed in a low interest rate environment
 - Assists transition to our long-term in-flight entertainment connectivity strategy once finalized
 - Maintains Fleet flexibility

737 Boeing MAX purchase agreement

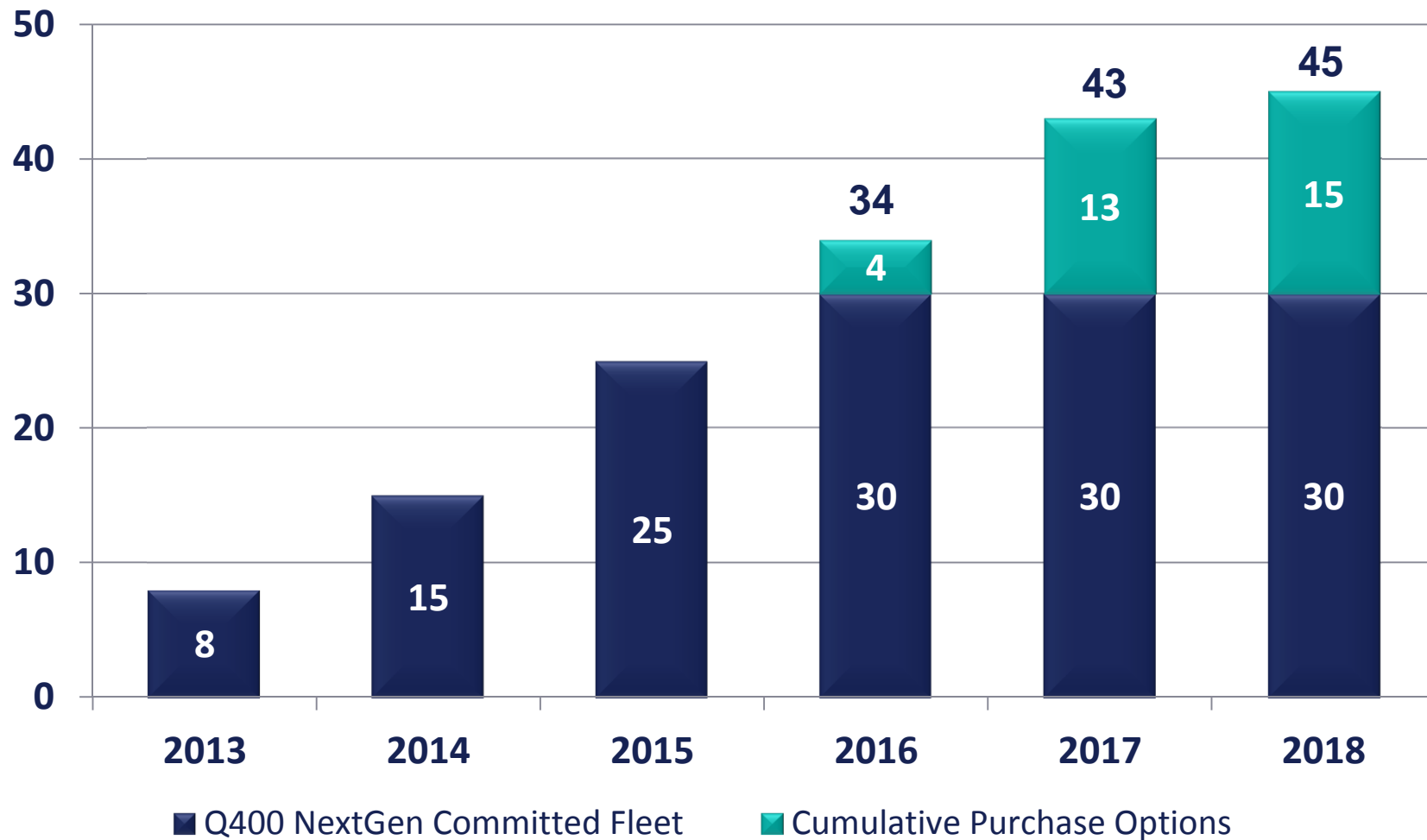
Growing our fleet and improving costs

- WestJet announced in August 2013 an order for 65 Boeing 737 MAX aircraft with delivery dates of Sep 2017 through 2027
- Key benefits of this order:
 - Maintains the flexibility we have built into our fleet plan, including future lease renewal options
 - Boeing 737 fleet size between 120 and 164 aircraft by 2023
 - Improved operational costs: CFM International LEAP-1B engines expected to reduce fuel burn and CO2 emissions by 13% compared with today's most efficient single-aisle airplanes
 - New Boeing Sky Interior will contribute to an enhanced guest experience

Measured growth - 737 flexible fleet plan including fleet modernization



Q400 NextGen fleet plan also builds in flexibility

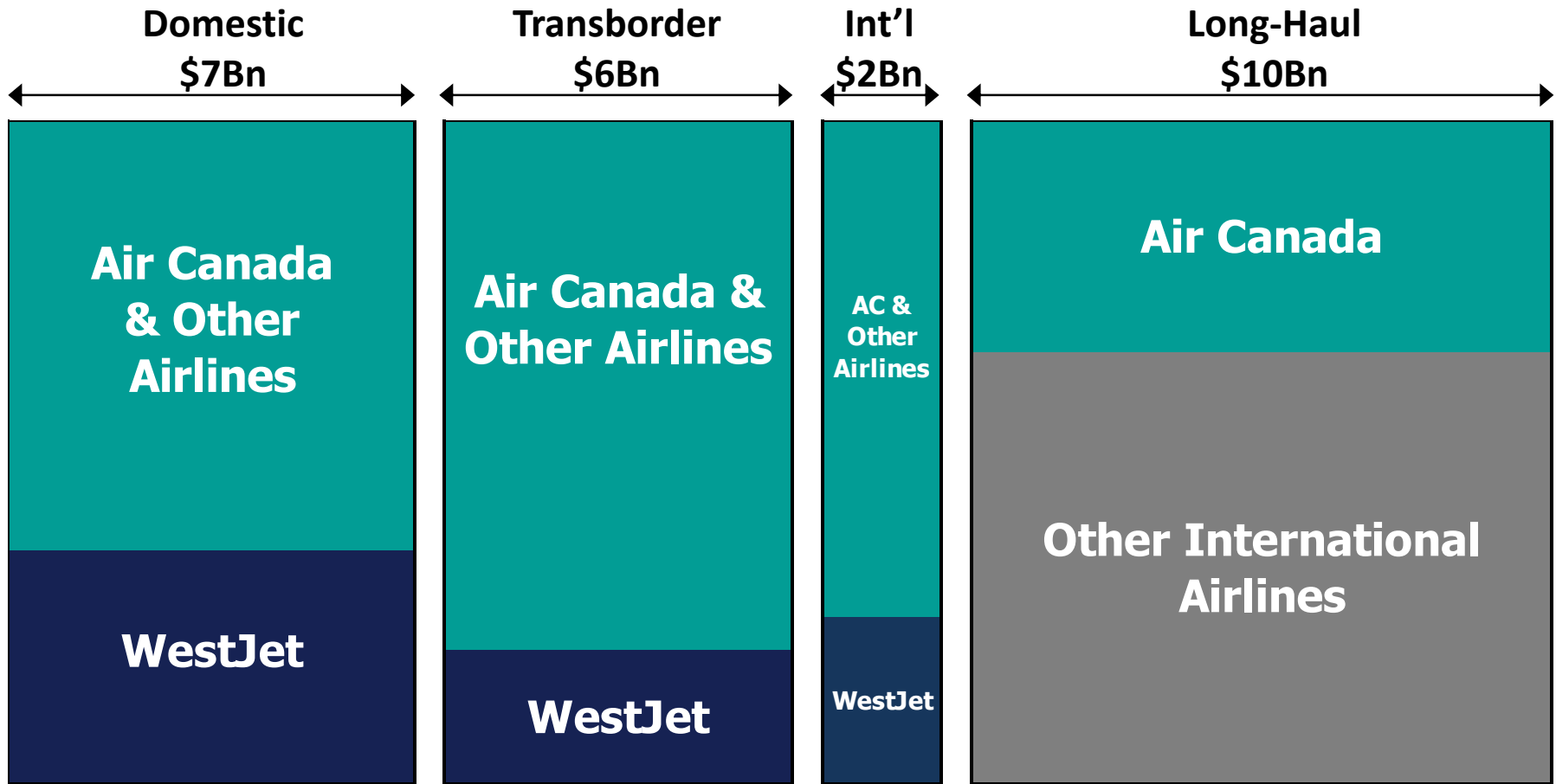


Building on our capabilities



Market opportunities

Significant market opportunities exist For WestJet both domestically and abroad



Source: Internal estimates using public capacity and traffic information

Airline partnerships: Expanding our network reach

- Access to destinations & demand beyond WestJet's network
- Strategically selecting partners from all major world regions
- Creating international travel options for the business traveler

Codeshares - 13	Interlines – 33	
Air France American Airlines British Airways Cathay Pacific Airways Delta Air Lines China Airlines China Eastern Airlines China Southern Airlines Japan Air Lines KLM Korean Air Philippine Airlines, Inc. Qantas Airways	Aeromexico S.A Air China Limited Air New Zealand Air Pacific Limited Alaska Airlines Alitalia Compagnia Aerea Italiana Asiana Airlines Inc. Canadian North Inc Central Mountain Air Condor Flugdienst GmbH EL AL Israel Airlines Emirates Etihad Airways Finnair Oyj	First Air Hainan Airlines Co. Limited Hong Kong Dragon Airlines Icelandair Jet Airways LATAM Airlines Group ¹ Pakistan International Airlines Qatar Airways Royal Air Maroc SATA Transaero Airlines US Airways Virgin Australia

Notes:

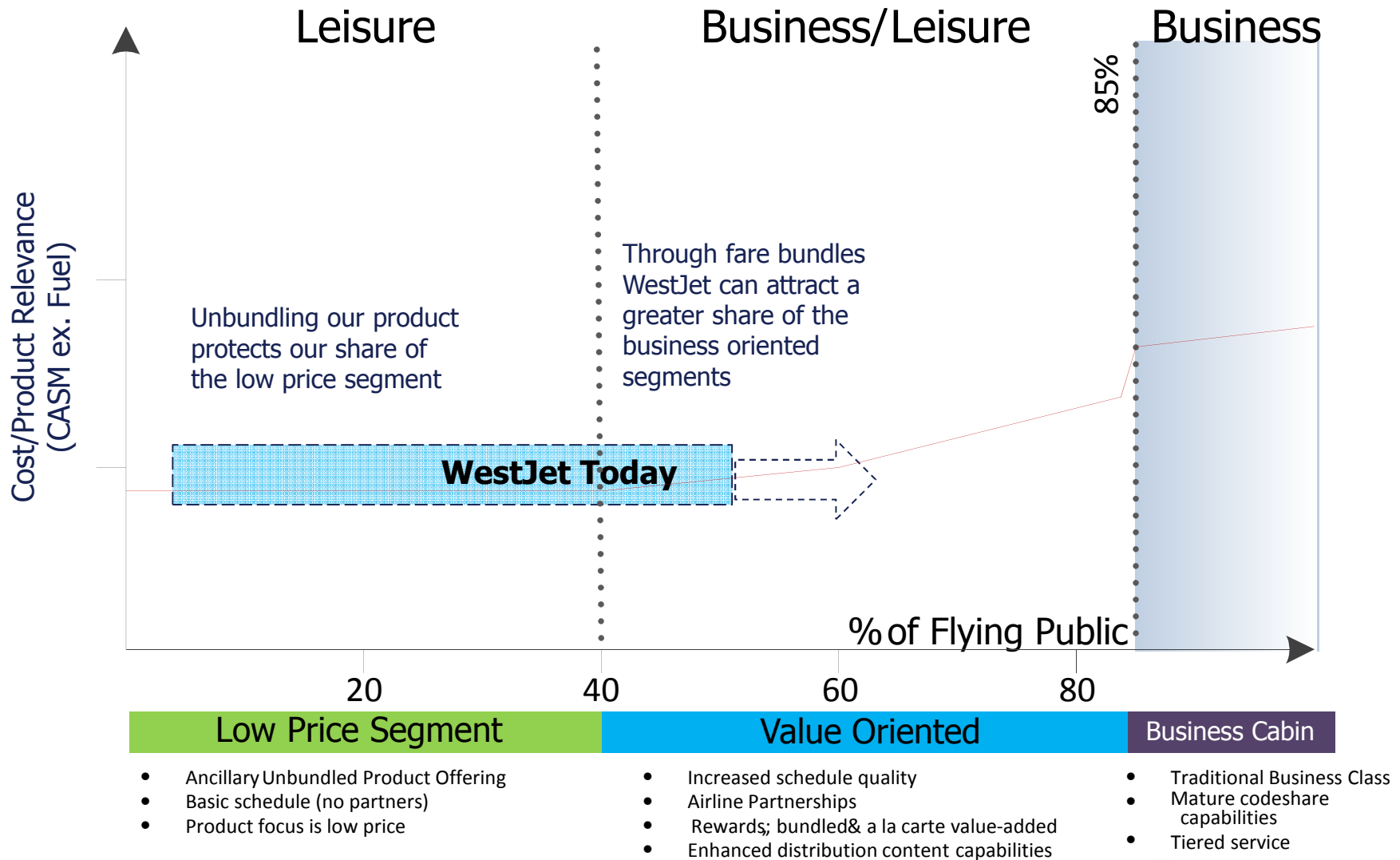
(1) LATAM Airlines Group includes seven individual partner airlines

Expanding our reach across segments

← Unbundled ————— Bundled →

	Low Price Segment <u>Econo</u>	Mid-Value Oriented <u>Flex</u>	High-Value Oriented <u>Plus</u>
Guest Mix	Low fare bundle Leisure	Mid fare bundle Business/Leisure	High fare bundle Business traveller primarily
Price	Lowest fare plus optional services	Low fare plus optional services	Higher fare with included flexibility, conveniences, comfort
Product	Basic service from A to B, extras for a fee	More value, some extras for a fee	Fully inclusive and fully flexible
Guest proposition	Shop for the lowest price for VFR or a low-cost vacation. Pay for what you need.	You need some flexibility but are still looking to save.	You don't want to sweat the small stuff. You need maximum flexibility and a bit more room to get the work done.

WestJet market evolution



Plus fare product is a win-win for WestJet and its guests

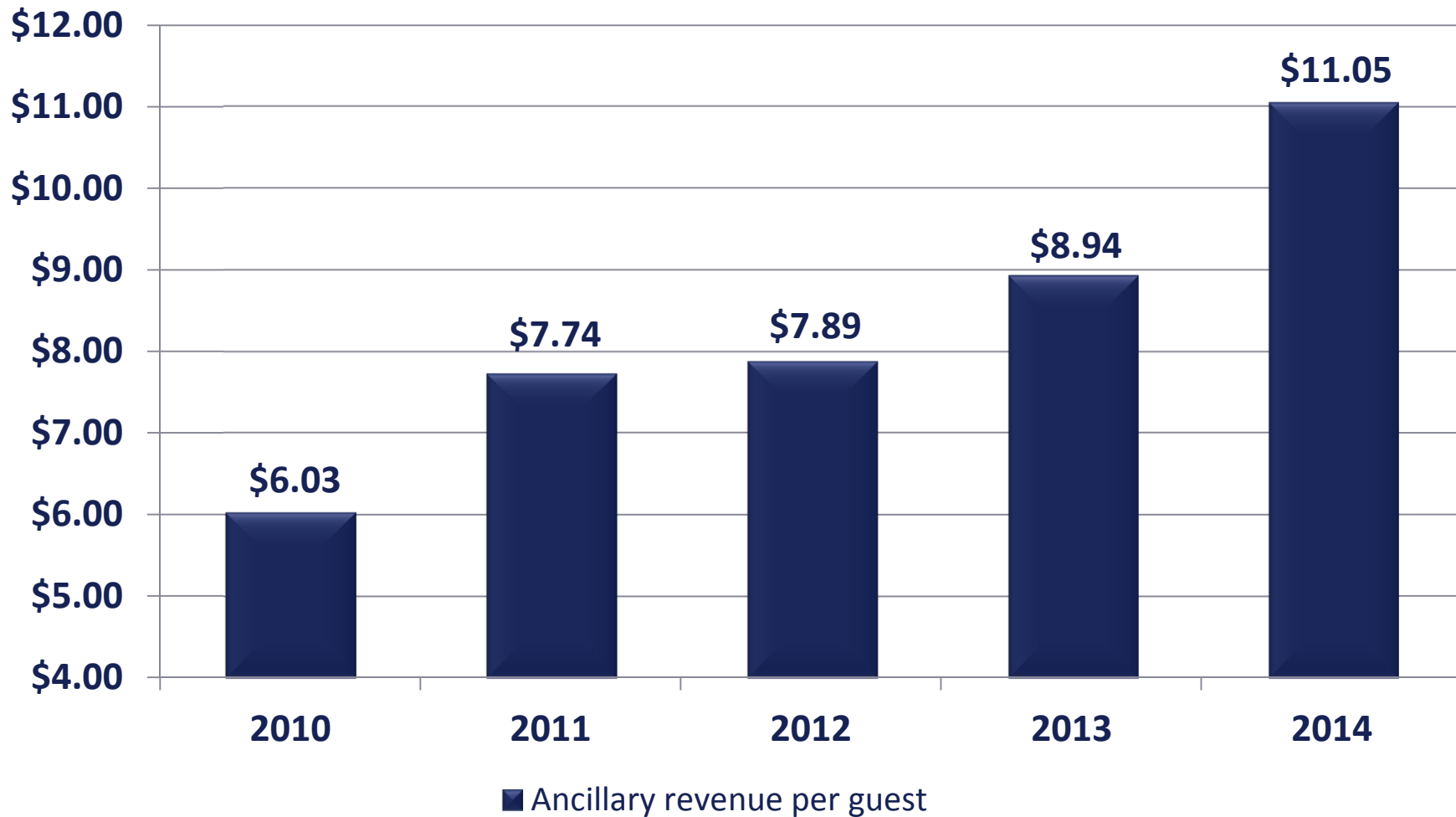


WestJet Rewards Tiers provides greater benefits for our loyal guests

	Teal		Silver	Gold
12 month qualifying spend	Up to \$1,499	\$1,500 to \$3,999	\$4,000 to \$5,999	\$6,000 and beyond
WestJet dollar earn rates				
WestJet flights	1%	3%	5%	5%
WestJet Vacation packages	0.5%	1%	1%	1%
WestJet dollar earn rates				
Up to 1.5% on everyday purchases and up to 2% on WestJet flight and Vacations purchases with the WestJet RBC Mastercard				
1% on car rentals and hotels booked at westjet.com				
All tiers earn WestJet dollars on partner-marketed flights				

- Companion flights, lounge vouchers, seat selection vouchers and free checked bags are just some of the benefits of silver and gold tiers

Growing ancillary revenue per guest



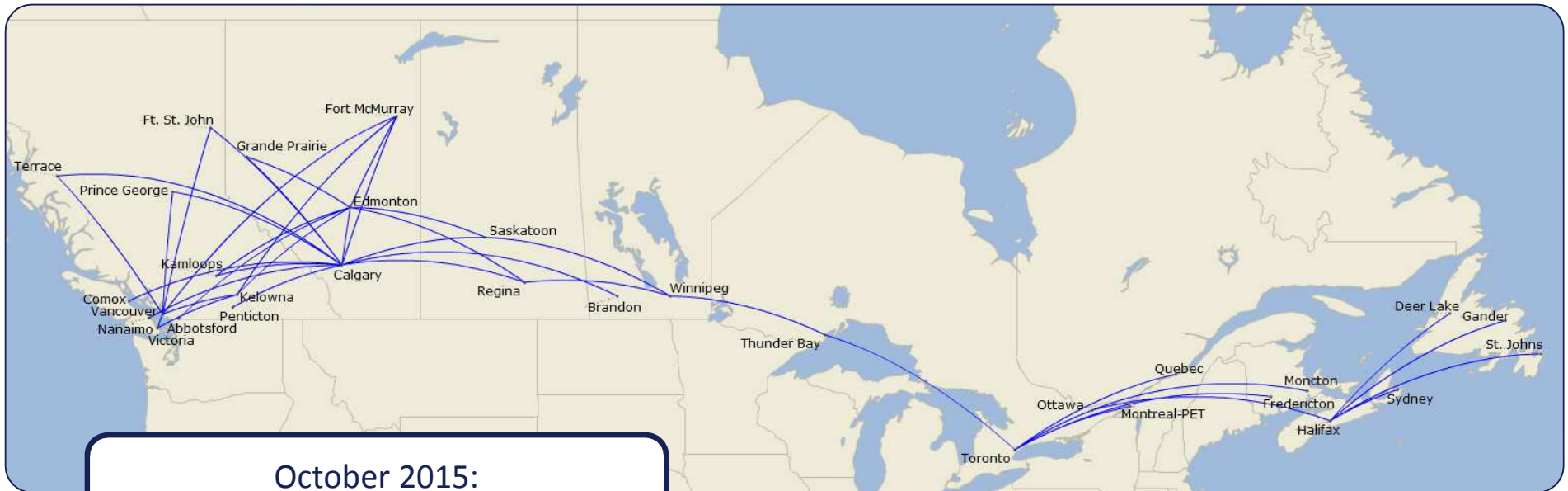
The evolution of inflight entertainment

- February 2014: WestJet signed multi-year agreement with Panasonic for new inflight entertainment & connectivity (IFEC) system
- New IFEC will feature wireless internet connectivity, streaming video, and other robust content
- Installation has begun and expect to complete on WestJet's fleet over next two years
- Key benefits include:
 - Increased value proposition for business travellers – addition of Wi-Fi enables guests to make their time in the air as productive as possible
 - Increased efficiency – removing seatback monitors reduces aircraft weight and increases fuel efficiency
 - Guests can use their personal devices to access content, and purchase vacation packages or other merchandise online

WestJet Encore



WestJet Encore: significant network growth

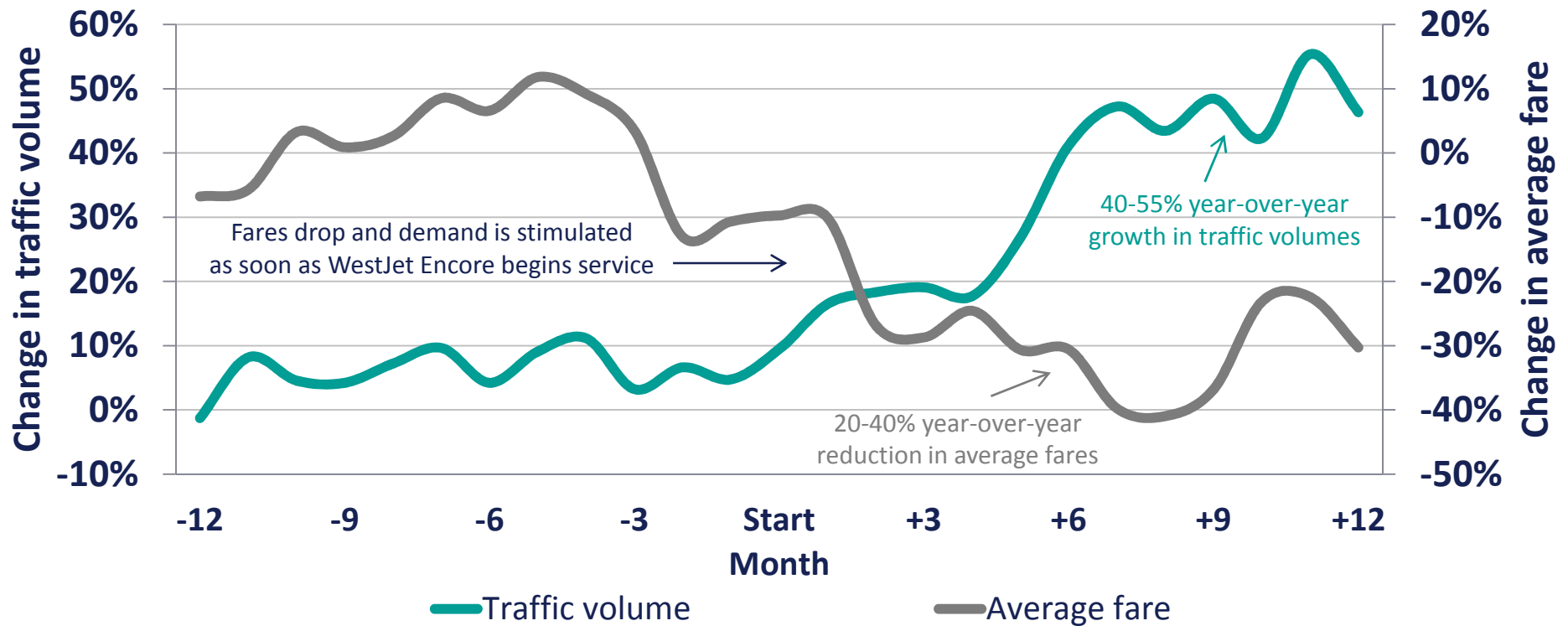


October 2015:
146 departs at 31 stations

Note: 146 departures is based on a typical Wednesday in March

WestJet Encore has lowered fares and stimulated demand

Impact of WestJet Encore on traffic volumes on new routes



Source: IATA PaxIS database, December 23, 2014

- Total traffic at new Encore airports increased between 40%-55% after WestJet Encore entered and lowered fares

WestJet Encore at maturity

- Organizational structure: wholly owned subsidiary
- Fleet size: up to 45 x 78-seat Q400 turboprop aircraft
- Network and schedule
 - National operation (Eastern and Western)
 - Domestic and transborder operations

Type of flying	Description
New destinations	Flights to/from new destinations not currently served by the WestJet network
Join the dots	Flights between existing destinations not currently flown by WestJet
Schedule improvements	Flights on some existing short-haul routes that benefit from increased frequency and higher load factors; B737 flying will be redeployed to maximize the network

Critical success factors remain the same
for WestJet Encore

Guest experience and low cost

Guest experience and culture

- Consistent WestJet guest experience
- Consistent WestJet values
- Maintain caring culture
- Engaged workforce

Low cost

- Obtain meaningful and sustainable cost advantage vs. regional competitors
- Low fares to stimulate demand and steal traffic
- Expand low-fare high-value proposition to new markets

We have the financial strength
to put our strategy into action



Financial strength supports growth

WestJet assigned an investment grade credit rating by S&P in February 2014

Capital Structure

- Committed to maintaining a strong and flexible balance sheet
- Guidelines of:
 - $\leq 2.5x$ Adjusted Net Debt / EBITDAR
 - Approximately 30% Cash / LTM Revenue
- Preserve financial flexibility to support future growth

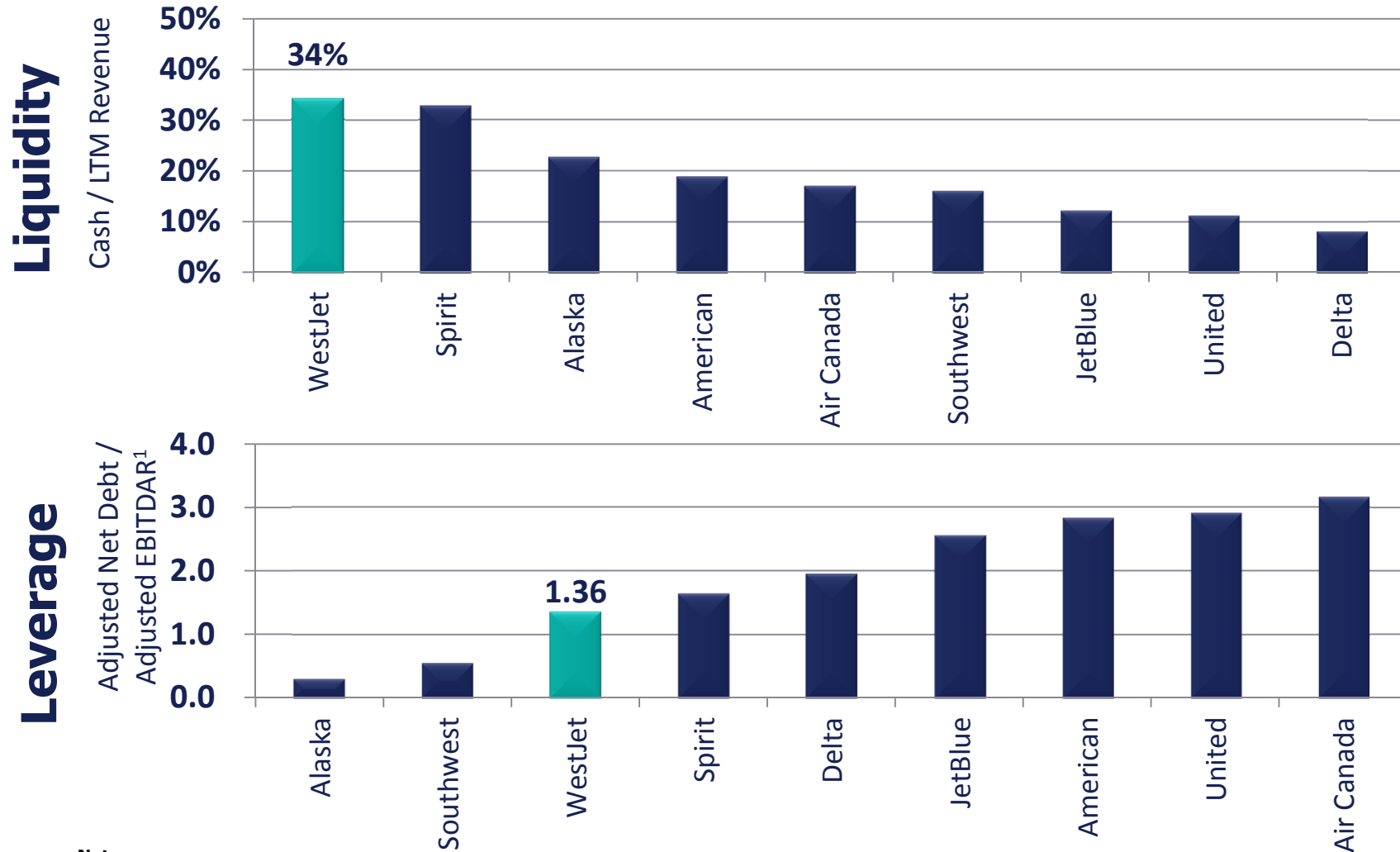
Liquidity

- Expect to retain strong cash balance position
- Strong free cash flow supplements balance sheet liquidity
- Incremental liquidity provided by new unsecured Revolving Credit Facility
- WestJet's focus on maintaining access to diverse sources of capital supports liquidity

Capital Allocation

- Committed to our goal of a sustainable 12% ROIC target
- Disciplined return of capital to shareholders via both our dividend and share buyback programs
- Dividend reviewed on a quarterly basis

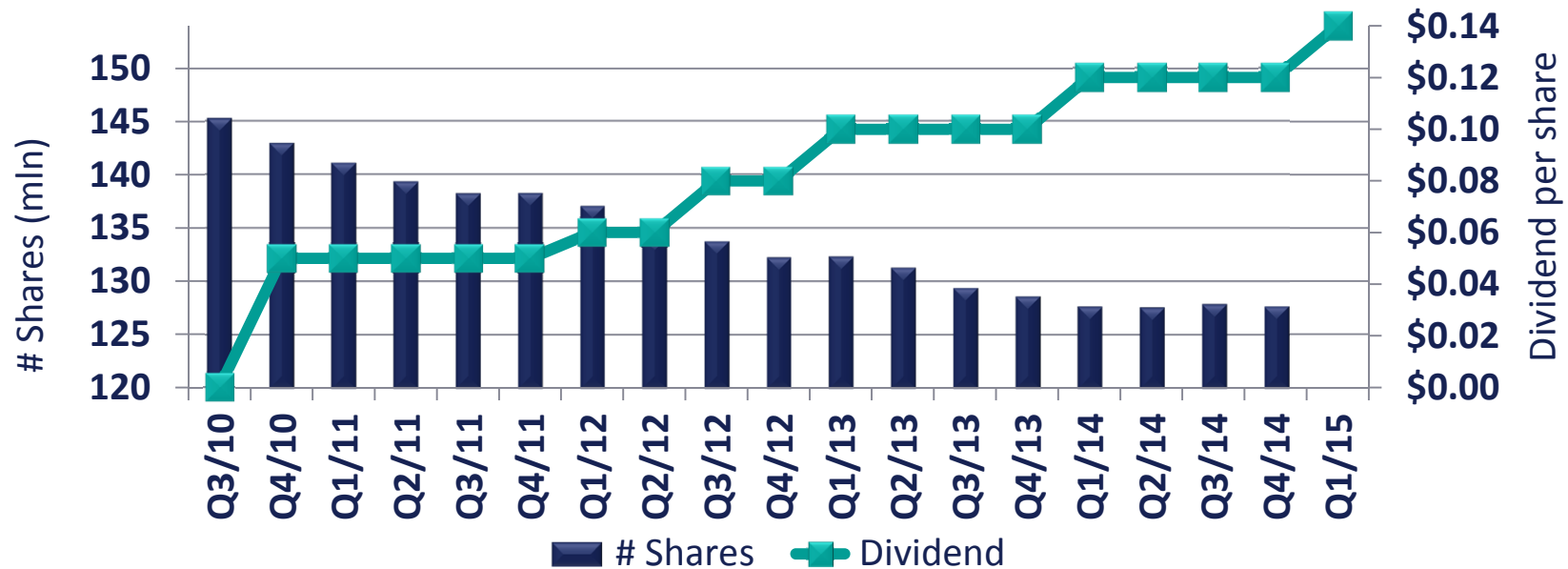
Relative liquidity & leverage ratios – December 31, 2014



Notes:

(1) Trailing 12 month basis; adjusted EBITDAR exclude a pre-tax non-cash loss of \$45.5 million associated with the sale of 10 of WestJet's oldest Boeing 737 aircraft.

Returning value to shareholders – Dividend & NCIB



Initiated a \$0.05 quarterly dividend, November 2010; increased to:

- \$0.06 in February 2012
- \$0.08 in August 2012
- \$0.10 in February 2013
- \$0.12 in February 2014
- \$0.14 in February 2015

Normal Course Issuer Bid

- Completed first NCIB August 2011 for \$106 million
- Completed second NCIB November 2012 for \$112 million
- Third bid expired February 2014 –repurchased 86% of the 6.6 million shares under the bid for \$137 million
- TSX approved fourth NCIB up to 2 million shares or 1.6%, announced on May 6, 2014

Summary – why invest in WestJet

- Proven track record of profitably, low cost structure and ROIC focus
- Award-winning culture and highly engaged workforce
- Pursuing profitable growth opportunities
- Strong brand in the marketplace and expanding airline partnerships
- Investment grade credit rating, strong balance sheet and liquidity
- **Committed to generating and returning value to shareholders**





WESTJET 