Agenda

• In The Community
• Activity at hi
• Operational Overview
• Financial Overview
• What’s New in 2008
In The Community
In The Community

• Participated in Hamilton and Stoney Creek Santa Claus Parades

• Won “Best Commercial Entry” at Ancaster Heritage Days Parade
In The Community

• *hi* sponsored 20 community organizations in 2007

• Hamilton and Burlington United Way
  → CityQuest, Mayor’s Gala

• As well as:
  Good Shepherd • Children’s Aid Society of Hamilton
  City Kidz Hamilton • Rotary Club of Oakville

...over $100,000 invested in the community!
Chambers of Commerce
Brantford-Brant • Burlington
Cambridge • Oakville
Flamborough • Hamilton
Kitchener-Waterloo • Niagara Falls
St. Catharine's • Stoney Creek

Over 20 presentations
McMaster Institute for Transportation and Logistics

- Founding member
- Working with industrial and government partners to identify opportunities for economic growth in Hamilton and its surrounding region
Activity at hi
Marketing Initiatives: Passengers

• Market research and analysis
• Product presentations to carriers and travel agents
• Direct sales at conferences:
  – Routes World
  – Airports Council International Marketing and Communications Conference
• Co-operative programs:
  – Ontario Tourism and Mexican Tour Operators
  – Travel trade mission to UK with Tourism Hamilton
  – Flyglobespan and WestJet advertising programs
Passenger Traffic

<table>
<thead>
<tr>
<th>Year</th>
<th>Passengers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>438,900</td>
</tr>
<tr>
<td>2006</td>
<td>527,133</td>
</tr>
<tr>
<td>2007</td>
<td>662,855</td>
</tr>
</tbody>
</table>

↑ 20%  
↑ 26%
Passenger Carriers/Tour Operators

AIR CANADA
Jazz
Sunquest
transat
WEST JET
AEROMEXICO
flyglobespan
fly hamilton fly easy
Destinations

Scheduled Year-Round Non-Stop
Halifax • Montreal • Ottawa • Moncton
Winnipeg • Calgary • Edmonton
Destinations

Scheduled Seasonal

Ft. Lauderdale • Orlando • Tampa • Dublin
Belfast • Glasgow • Bristol • Edinburgh
Manchester • London Stanstead
• London Gatwick • Doncaster
• Exeter • Liverpool
• Birmingham • Shannon
• Newcastle
Destinations

Scheduled Connecting
Vancouver • Kelowna • Saskatoon • Grande Prairie • Regina
Victoria • Comox • St. John's • Saint John • Abbotsford
Charlottetown • Quebec City • Bagotville • Fort McMurray
Prince George • Phoenix • Frankfurt • Paris • Maui • Las Vegas
Palm Springs • Honolulu • Los Angeles • London Heathrow
Destinations

Seasonal Charters

Outbound:
Punta Cana • Puerto Plata • Cancun

Inbound:
Mexico City (Aeromexico)
Marketing Initiatives: Cargo

- Canadian Airports Council Cargo Air Policy forum
- Direct sales with 7 international cargo carriers
- Co-operative programs:
  - With Canadian Airports Council – promote Hamilton at Cargo Americas
  - CISP 2007 – focus group with freight forwarders in GTA
Cargo Tonnage

Year | Cargo Tonnage | Change
--- | --- | ---
2005 | 82,000 | 3%
2006 | 84,500 | 20%
2007 | 101,400 | 20%
Operational Overview
Key Achievements

- International Arrivals hall expansion
  - Doubled in size
  - $3 million investment
  - Increased number of Customs Primary Inspection Lines from 4 to 8
  - Introduced “Sense of Place” theme
Key Achievements

• Departure Lounge expansion
  – To be completed July 2008
  – $3 million investment
  – Expand Departure Lounge area
  – Extension of current retail services
  – New kids corner
Key Achievements

• New retail and food services in terminal
  – Tim Horton’s (pre- and post-security)
  – Coyote Jack’s Bar and Grill
  – Escarpment Lounge
  – Duty Free
  – On the Fly Retail and Convenience
  – International Currency Exchange
Key Achievements

*hi* Shuttle now in service!
Safety and Security

- Aircraft rescue and firefighting services upgraded from Category 5 to Category 7
- Working closely with government agencies to ensure that all safety and security regulations are met or exceeded
Great Customer Service

*hi* Ambassadors celebrated their 1\textsuperscript{st} anniversary!
Great Customer Service

- Hosted 1st Customer Appreciation Week
- Passenger traffic at Tourist Information Centre increased 108% in 2007
An Award-Winning Year!

2007 Tourism Hamilton Awards

• Tourism Business of the Year
• Customer Service Story of the Year
• Corporate Partner of the Year (WestJet)
• Rookie of the Year (Flyglobespan)
Environment

- Purchased new noise monitoring system
- Noise Management Advisory Committee
- Permission from Ministry of Environment to safely dispose of waste generated from international operations
- Monthly water sampling to monitor storm water quality
- Earth Day
## 2007 Investing Activities

($000’s)

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>International arrivals hall expansion</td>
<td>$2,753</td>
</tr>
<tr>
<td>Airport terminal building departure lounge</td>
<td>469</td>
</tr>
<tr>
<td>Airfield and equipment projects (blower, crack sealing,</td>
<td>327</td>
</tr>
<tr>
<td>sweeper, noise monitoring equipment, etc.)</td>
<td></td>
</tr>
<tr>
<td>Airport terminal building projects</td>
<td>142</td>
</tr>
<tr>
<td>Vehicle replacements</td>
<td>53</td>
</tr>
<tr>
<td>Ticket counter flow through project</td>
<td>45</td>
</tr>
<tr>
<td>Various other projects (including capital lease payments)</td>
<td>220</td>
</tr>
<tr>
<td><strong>TOTAL INVESTING ACTIVITIES</strong></td>
<td>$4,009</td>
</tr>
</tbody>
</table>
## Benefit To Hamilton

<table>
<thead>
<tr>
<th>(In Millions)</th>
<th>2007</th>
<th>Since Privatization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property taxes gained</td>
<td>$0.85</td>
<td>$6.70*</td>
</tr>
<tr>
<td>Direct operating deficit eliminated</td>
<td>$0.50</td>
<td>$6.00</td>
</tr>
<tr>
<td>Other city absorbed costs eliminated</td>
<td>$0.50</td>
<td>$6.00</td>
</tr>
<tr>
<td>Revenue sharing</td>
<td>$0.16</td>
<td>$0.24</td>
</tr>
<tr>
<td><strong>TOTAL CASH FLOW IMPROVEMENT</strong></td>
<td>$2.01</td>
<td>$18.94</td>
</tr>
<tr>
<td>TradePort Infrastructure Investment</td>
<td>$3.80</td>
<td>$53.70**</td>
</tr>
<tr>
<td>TradePort Marketing Investment</td>
<td>$1.48</td>
<td>$8.33***</td>
</tr>
<tr>
<td>Tenant Investments</td>
<td>-</td>
<td>$71.00</td>
</tr>
<tr>
<td>Government and Agency Investments (On Airport)</td>
<td>-</td>
<td>$4.50</td>
</tr>
<tr>
<td><strong>TOTAL INVESTMENTS</strong></td>
<td>$5.28</td>
<td>$137.53</td>
</tr>
<tr>
<td><strong>TOTAL FINANCIAL BENEFIT</strong></td>
<td>$7.29</td>
<td>$156.47</td>
</tr>
</tbody>
</table>

*2007 adjustment reflects change in prior year for only incremental additions.

**2007 change reflects opening balance increase to reflect gross asset value related to change in accounting policy for federal funding. See audited financial statements.

***Opening balance change reflects reconciled 2006 and 2007 year end spending for marketing and promotional incentives.
City Audit of 2007 Rent Statement

Objective:
- Audit business affairs, records and procedures relating to the calculation of Gross Revenue and Operating expenses for ‘07
- Report on accuracy in determining the percentage rent payment for 2007

Conclusion:
- Grant Thornton has concluded that the calculation of rent for the lease year 2007 is in accordance with the provisions of the airport lease agreement
City Audit of Certain Lease Terms

Objective:
- Audit business affairs, records and procedures relating to the compliance with certain terms of the lease agreement for the operation of the airport
- Report on the compliancy of certain lease terms during 2006 and 2007

Conclusion:
- Grant Thornton will conclude that TradePort has complied with certain terms of the lease agreement for the years 2006 and 2007
Strategic Plan 2020

• Developed in 2007
• Builds on previous strategic plan and draws upon information from strategic planning workshop attended by management team
Mission & Vision

Mission
• Hamilton International Airport provides customers and the community with a convenient, hassle-free high-value airport experience, which maximizes stakeholder value

Vision
• To be the low-cost, friendly gateway to the southern Ontario region and the #1 inter-modal air freighter gateway in Canada
Strategic Objectives for 2008

- Expand passenger air service
- Increase air cargo traffic
- Enhance revenue opportunities
- Promote regional tourism
- Strategic investment in infrastructure and facilities
- Maintain high customer satisfaction
- Maintain high standard of airport operation
- Foster environmentally sound airport operations
Air Canada Jazz

• Air Canada Jazz routes to Ottawa and Montreal end August 1
• These routes are in high demand
• Looking to replace these flights and increase frequency
• A number of potential partners didn’t want to expand their service from *hi* because of AC’s competitive pricing
  – We can now pursue these new opportunities!
• On same day as AC announcement, WestJet announced it will be increasing its fleet size by 16%
Community Advisory Board

• Engaging the community in helping hi shape its future

• 8 members drawing from:
  – Hamilton
  – Halton
  – Brantford
  – Niagara
  – Kitchener-Waterloo
Community Advisory Board Members

• Ruth Liebersbach, CFO, Hamilton Bulldogs
• Rebecca Wissenz, Private Practice Lawyer
• David Estok, Editor-in-Chief, Hamilton Spectator
• David Collie, President & CEO, Burlington Hydro Electric Inc.
• Jim Letwin, President & Co-Owner, JAN Kelley Marketing
• Jay Rosenblatt, Partner, Simpson Wigle LLP
• Dave Reilly, Performance Cars
• Terry Flynn, Assistant Professor, DeGroote School of Business
New Sunwing Partnership

• In December 2008, Sunwing commences its service from hi to:
  – Varadero, Cuba
  – Punta Cana, Dominican Republic
Cargo News

- Cargojet announced a $9 million hangar addition
  - To accommodate newly acquired 767's and 757 that will be based in Hamilton
  - Domestic overnight service through the weekdays
  - New international weekend routes to be announced shortly
Thank you!

• Thanks to Mayor Eisenberger and City Council for your continuous support of hi’s initiatives, including:
  – Land purchase
  – Driving the CLC process with airport development lands
  ➔ We encourage quick progress moving forward!
• 2007
  – Double digit growth across the board!
  – An award-winning year!
  – Plenty of expansion:
    • International Arrivals Hall and Departure Lounge area
    • Retail and food & beverage
    • Ground transportation
    • Cargo
Isn’t it **hi** time you flew Hamilton?

…and remember,

**Fly Hamilton, Fly Easy!**