fly hamilton fly easy

more

Canadian, UK and sun destinations than ever before.

2006 Annual Report to Council

April 10, 2007 – Committee of the Whole
Richard Koroscil, President & CEO

John C. Munro Hamilton International Airport
Who We Are...

The John C. Munro Hamilton International Airport (hi)

- Located in the heart of the vibrant Golden Horseshoe region
- Gateway to convenient business and leisure travel for Southwestern Ontario
- Serve a population of 2.5 million people within a 50 minute drive and 8.4 million people within a 90 minute drive.
Who We Are...

The John C. Munro Hamilton International Airport (hi)

- Offers passengers an attractive alternative to Toronto's Pearson International Airport

- Is the country's largest inter-modal freighter airport, with runway services that accommodate fully loaded wide-body international aircraft
More...

- Canadian, UK and sun destinations than ever before
- Passengers
- Cargo
- Amenities
- Expansion
Connected to the World
More destinations than ever before...

hamilton international airport

John C. Munro Hamilton International Airport
# Destinations

## Passenger Routes (operating or announced as of December 31st)

New service since last report in orange.

<table>
<thead>
<tr>
<th>Origin</th>
<th>Charter</th>
<th>Announced as of December 31st</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ottawa</td>
<td>Cancun, Mexico</td>
<td>London-Stansted</td>
</tr>
<tr>
<td>Calgary</td>
<td>Puerto Plata, DR</td>
<td>London-Gatwick</td>
</tr>
<tr>
<td>Halifax</td>
<td>Punta Cana, DR</td>
<td>Manchester</td>
</tr>
<tr>
<td>Edmonton</td>
<td>Mexico City, Mexico</td>
<td>Glasgow</td>
</tr>
<tr>
<td>Winnipeg</td>
<td></td>
<td>Birmingham</td>
</tr>
<tr>
<td>Moncton</td>
<td></td>
<td>Liverpool</td>
</tr>
<tr>
<td>Montreal</td>
<td></td>
<td>Edinburgh</td>
</tr>
<tr>
<td>Orlando (seasonal)</td>
<td></td>
<td>Newcastle</td>
</tr>
<tr>
<td>Vancouver</td>
<td></td>
<td>Doncaster</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Exeter</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Belfast</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Dublin</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Shannon</td>
</tr>
</tbody>
</table>
## Destinations

### Passenger Routes Cont. (operating or announced as of December 31st)

<table>
<thead>
<tr>
<th>Scheduled</th>
<th>Connecting</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Vancouver</td>
<td>St. Johns</td>
<td>Quebec City</td>
<td></td>
</tr>
<tr>
<td>Regina</td>
<td>Charlottetown</td>
<td>Bagotville</td>
<td></td>
</tr>
<tr>
<td>Saskatoon</td>
<td>Franklin</td>
<td>Ft. McMurray</td>
<td></td>
</tr>
<tr>
<td>Grand Prairie</td>
<td>Paris</td>
<td>Los Angeles</td>
<td></td>
</tr>
<tr>
<td>Kelowna</td>
<td>London Heathrow</td>
<td>Phoenix</td>
<td></td>
</tr>
<tr>
<td>Victoria</td>
<td>Honolulu</td>
<td>Prince George</td>
<td></td>
</tr>
<tr>
<td>Comox</td>
<td>Maui</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Abbotsford</td>
<td>Las Vegas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>St. John</td>
<td>Palm Springs</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
New Services Provided

Cargo Network

- UPS commencement of additional daily cargo service in June
- Cargojet started new daily service to Montreal and Toledo for BAX Global
CARGO TONNAGE

Cargo Tonnes (000's)

Hamilton International Airport

John C. Munro Hamilton International Airport
Aircraft Movements

2001 2002 2003 2004 2005 2006

Hamilton International Airport

John C. Munro Hamilton International Airport
New Clients/Customers/Services Provided

Tenants:

- New ground handling license with Swissport Canada Handling Inc. commencing June 2006

- Hamilton Limo commenced service September 2006
hi-Lights

- **WestJet Airlines** - enhanced schedule with Orlando as a new destination and Vancouver as a direct flight from hi. WestJet increased its summer flying from hi to more than 50 percent over the summer of 2005.

- **Air Canada Jazz** - celebrated a successful first year with daily service to Ottawa and Montreal.

- **Sunquest/Skyservice Airlines** - returned to hi providing direct service to Cancun and Punta Cana.

- **Transat Holidays** - continued to offer service to Cancun, Punta Cana and Puerto Plata.
hi-Lights

- **Aeromexico** – 18 Mexican tourist charter flights from hi in 2006.
- **Flyglobespan** – In the fall of 2006, hi announced the May 2007 start-up for Flyglobespan with daily flights to 13 UK and Irish destinations.
- **Cargojet Airways** – With hi as their hub, Cargojet increased its flying by 30 percent.
- **BAX Global** – Selected Cargojet as their operator to serve Southwestern Ontario, Montreal and the BAX Global Inc. hub in Toledo, Ohio, via Hamilton International Airport.
hi-Lights

- **Destination hi** — this 3rd event is designed for the travel trade industry and welcomed over 200 travel agents, hi supporters and partners.

- **10th Anniversary** — celebrated ten years under the management of TradePort International Corporation.

- **Parade Float** — a 45 foot flatbed showcased Hamilton International and its airport partners. In 2006, the hi float participated in the 18th Annual Hamilton Santa Claus Parade and the 2nd Annual Stoney Creek Santa Claus Parade.
Community Outreach

In 2006, Hamilton International Airport made significant financial contributions to various communities throughout the Greater Golden Horseshoe totaling $114,747.

Including:

- Host Sponsor of United Way City Quest
- Art Gallery of Hamilton
- Hamilton Philharmonic Orchestra
- Burlington Sound of Music Festival
- Hamilton Port Authority Port Days
- Ontario Chamber of Commerce Convention
- Goodwill Dinner and Silent Auction
- Canadian Netherlands Friendship Association
- HAIDA
- United Way JetPull
- Theatre Aquarius
- Locke Street Festival
- Burlington Jazz & Blues Fest
- McMaster University
- Mohawk College
Community Outreach

- The team at Hamilton International represented the airport at over 50 speaking engagements throughout the Greater Golden Horseshoe in 2006.
Community Outreach

Public Awareness Marketing Research Study

- Hamilton International Airport invested in a Public Awareness Marketing Study
- 600 participants randomly surveyed by phone across Hamilton
- 92.5% either strongly agreed or somewhat agreed to the statement that Hamilton International is a ‘key economic driver’ for the City of Hamilton (63% having strongly agreed)
- 5.8% of participants disagreeing (1.7% undecided)
- There is little doubt that the community recognizes the significance of the airport with respect to the City’s financial development.
Community Outreach

Community Advisory Committee

- Community Advisory Committee structured in 2006
- Volunteer representatives from Hamilton and the surrounding areas will provide Hamilton International with advice on community issues and needs with respect to community engagement, perception, marketing impact and messaging
Operational Overview

A Positive Customer Experience

- hi Ambassador volunteer program introduced.
- 38,000 people were assisted by the Tourism Information Centre in 2006.
- 2006 Customer satisfaction and benchmarking survey indicated 94% were very satisfied or satisfied with the services and facilities at hi.

Hamilton International Airport

John C. Munro Hamilton International Airport
Operational Overview

Improving Reliability

- International Arrivals Hall Expansion -- Began construction to double size.
- 6 Common Use Self-Service Kiosks (CUSS) were installed and put into operation in the main terminal building in June 2006.
- Precision Approach Path Indicator System (PAPIS) navigational aids installed on both ends of Runway 12-30, replacing old technology, Visual Approach Slope Indicator Systems
- Hold Bag Screening Project - During 2005, TradePort entered into an agreement with the Canadian Aviation and Transportation Security Authority to fund certain security infrastructure upgrades. Project completed in the spring of 2006.
Operational Overview

Environment

- Noise Management Advisory Committee
- Monthly storm water monitoring program
- Recycling program – includes materials in administrative centres and terminal building, as well as operational items such as ground cables, asphalt and hazardous liquids.

John C. Munro Hamilton International Airport
Operational Overview

Safety and Security

- Work closely with government agencies to ensure safety and security regulations are met or exceeded. Accomplished through the new enhanced baggage screening systems, on-site police presence and ongoing efforts of the Security team.

Filming

- In 2006, the airport hosted 9 filming projects totaling approximately 17 film days, which provided a significant positive economic impact.
Operational Overview

Committees

Committees include:

- Noise Management Advisory Committee
- Airport Tenant Operators Committee (ATOC)
- Canadian Airports Council (CAC)
- The International Air Cargo Association (TIACA)
- Occupational Health & Safety Committee
## 2006 Capital Investment

<table>
<thead>
<tr>
<th>Capital Projects - Property, plant, &amp; equipment</th>
<th>Actual (in 000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATB renovations and Holdbag Screening</td>
<td>$1,827</td>
</tr>
<tr>
<td>International arrivals hall expansion</td>
<td>$417</td>
</tr>
<tr>
<td>Runway visual approach lighting and purchase of</td>
<td>$307</td>
</tr>
<tr>
<td>taxiway extension</td>
<td></td>
</tr>
<tr>
<td>Common Use Self-Service kiosks</td>
<td>$176</td>
</tr>
<tr>
<td>Groundside landscaping and airport signage</td>
<td>$147</td>
</tr>
<tr>
<td>Public Works Canada Federal Airport Zoning</td>
<td>$40</td>
</tr>
<tr>
<td>Various other projects</td>
<td>$232</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,146</strong></td>
</tr>
</tbody>
</table>

*partially funded through Canadian Air Transport Security*

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hamilton international airport

John C. Munro Hamilton International Airport
## Benefit to Hamilton

<table>
<thead>
<tr>
<th>Since Privatization</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>TradePort Infrastructure Investment</td>
<td>$45.0 million</td>
</tr>
<tr>
<td>TradePort Marketing Investment</td>
<td>$6.0 million</td>
</tr>
<tr>
<td>Total TradePort Investment</td>
<td>$51.0 million</td>
</tr>
<tr>
<td>Tenant Investments</td>
<td>$7.1 million</td>
</tr>
<tr>
<td>Government and Agency Investments (On Airport)</td>
<td>$4.5 million</td>
</tr>
<tr>
<td><strong>Total Investments</strong></td>
<td><strong>$126.5 million</strong></td>
</tr>
</tbody>
</table>
## Benefit to Hamilton

<table>
<thead>
<tr>
<th></th>
<th>Annual</th>
<th>Since Privatization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property taxes gained</td>
<td>$1.18 million</td>
<td>$6.18 million</td>
</tr>
<tr>
<td>Direct Operating deficit eliminated</td>
<td>$0.50 million</td>
<td>$5.50 million</td>
</tr>
<tr>
<td>Other city absorbed costs eliminated</td>
<td>$0.50 million</td>
<td>$5.50 million</td>
</tr>
<tr>
<td>Cash Flow Improvement</td>
<td>$2.00 million</td>
<td>$17.18 million</td>
</tr>
<tr>
<td>Revenue Sharing for 2006</td>
<td></td>
<td>$0.08 million</td>
</tr>
<tr>
<td>Total Investments</td>
<td></td>
<td>$126.50 million</td>
</tr>
<tr>
<td><strong>Total Financial Benefit</strong></td>
<td><strong>$143.76 million</strong></td>
<td></td>
</tr>
</tbody>
</table>
Benefit to the Community

Current Economic benefit

- 3,600 jobs (direct and indirect)
- $120 million employment income
- $410 million economic output

Potential future Economic benefit

- 21,000 jobs
- $800 million employment income
- $2.5 billion economic output
Partnership

Summary of 2006

• Great year

• 20% Growth

• Continued expansion of the airport services and destinations
Partnership

Moving forward:

- Continued expansion of flight services
- Continued increase in airport awareness among potential users
- Looking forward to working with the City on:
  - Airport Noise Protection program
  - Employment Lands
  - Discussions around land for long-term expansion

John C. Munro Hamilton International Airport
Questions

Thank you for your time today.