



INNOVATION IMPROVING PASSENGER FLOW



2012 ANNUAL REPORT





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Consolidated financial statements as at December 31, 2012 are published under separate cover and are available on request, at admtl.com or by scanning this QR code with your smartphone

2012 HIGHLIGHTS

FINANCIAL RETROSPECTIVE⁽¹⁾

(In thousands of dollars)

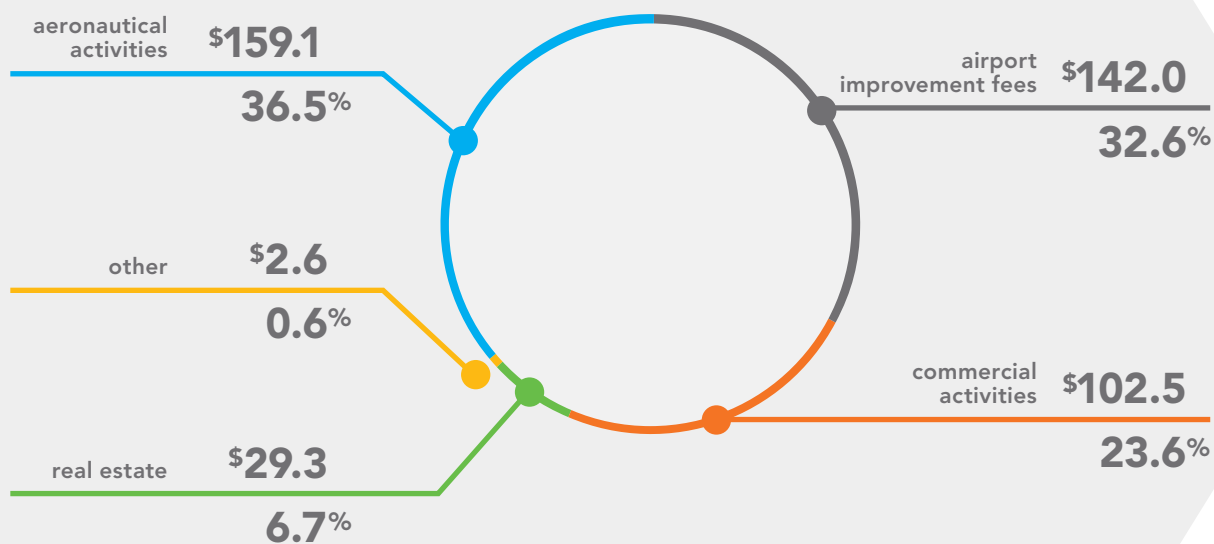
	2012	2011	2010	2009	2008
Revenues	\$ 435,461	\$ 426,968	\$ 389,314	\$ 350,968	\$ 362,244
Excess (deficiency) of revenues over expenses	8,061	5,423	(9,040)	(8,989)	15,885
EBITDA	190,723	183,978 ⁽²⁾	163,974 ⁽²⁾	151,466	173,125 ⁽²⁾
Investments	\$ 194,722	\$ 113,685	\$ 64,601	\$ 186,414	\$ 234,877

⁽¹⁾ The Corporation adopted International Financial Reporting Standards (IFRS) as of its fiscal year beginning January 1, 2010.

⁽²⁾ Excluding the write-down in 2008 (or gain in 2010 and 2011) on investments in floating rate notes (originally ABCP).

REVENUE SOURCES

(In millions of dollars)



ADM

OPERATIONS 2010-2012

passenger traffic

2010	12,971,339
2011	13,668,829
2012	13,809,820

cargo volume (metric tons)

2010	180,844
2011	189,318
2012	185,028

aircraft movements

2010	236,975
2011	253,298
2012	243,436

REAL ESTATE AND COMMERCIAL DEVELOPMENT 2012

new leases

(In square metres)

land	26,747
buildings and space	10,355

REAL ESTATE DEVELOPMENT 2010-2012

investments generated

(In millions of dollars)

ESTIMATES

2010	51
2011	36
2012	1.8

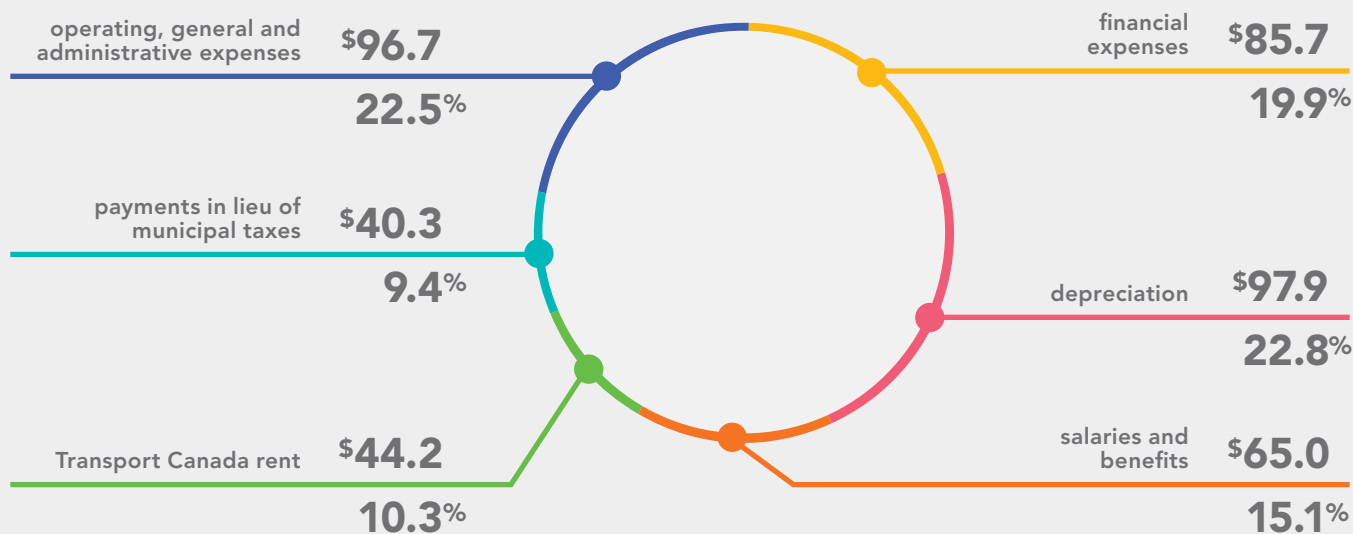
jobs created

ESTIMATES

2010	148
2011	105
2012	64

TYPES OF EXPENSES

(In millions of dollars)



CORPORATE PROFILE

Aéroports de Montréal (ADM), which marked its 20th anniversary in 2012, is a not-for-profit corporation without share capital and is responsible for the management, operation and development of the Montréal-Pierre Elliott Trudeau and Montréal-Mirabel international airports under a lease entered into with Transport Canada in 1992 and that expires in 2072.

AÉROPORTS DE MONTRÉAL'S MISSION IS THREEFOLD

Provide quality airport services that are safe, secure, efficient and consistent with the specific needs of the community.

Foster economic development in the Greater Montréal Area, especially through the development of facilities for which it is responsible.

Coexist in harmony with the surrounding environment, particularly in matters of environmental protection.

Aéroports de Montréal is committed to succeeding in each of its sectors – airport, aeronautical, real estate and commercial services – and to developing its airport complexes to their full potential. From this perspective, Montréal-Trudeau acts as a hub for domestic, transborder and international passenger traffic, while Montréal-Mirabel continues to develop as an industrial and all-cargo airport.

The Montréal-Trudeau and Montréal-Mirabel airports are major centres of economic activity and help drive the development of Greater Montréal. 30 passenger carriers and 24 all-cargo companies connect Montréal to many airports around the world. In 2012, about 13.8 million passengers and 185,000 metric tons of cargo transited through the airport facilities of Montréal-Trudeau and Montréal-Mirabel. Some 250 businesses active on the airport sites generated a total of 60,000 jobs (including 31,600 direct jobs) and added value of \$5.5 billion a year.



Réal Raymond
Chairman of the Board

James C. Cherry
President and Chief Executive Officer

MESSAGE FROM MANAGEMENT

ECONOMIC CONDITIONS

2012 proved to be a year of consolidation following two years of solid growth. Passenger traffic grew by 1% in 2012, reaching 13.8 million passengers enplaned/deplaned. European traffic, which is very important for Montréal-Trudeau, was particularly affected by the economic and financial difficulties still facing several countries on that continent. In North America, economic conditions also remained challenging, although the U.S. economy saw some improvement in the second half of the year. Locally, the economy of the Greater Montréal Area was anemic. As long as such uncertainty lingers, caution will be exercised.

FINANCIAL RESULTS

Demand began to wane early in the year and our carriers quickly adjusted their offering accordingly, particularly for the summer season. We responded just as quickly by prompting our managers to curtail operating expenses, which helped Aéroports de Montréal present generally satisfactory financial results for 2012.

- Revenues totalled \$435.5 million, 2% higher than in 2011 but below our projections as traffic growth was less than expected.
- At \$190.7 million, EBITDA (excess of revenues over expenses before interest, taxes, depreciation and gain on other financial assets), which is considered the best indicator of our financial performance, rose 3.6% from 2011.
- The excess of revenues over expenses stood at \$8.1 million, about \$10 million more than budgeted, owing essentially to our cost-cutting efforts.

We would like to thank the entire ADM team for this more than acceptable performance and we remain optimistic that market conditions will improve in 2013.

INVESTMENTS AND FINANCING

In 2012, the Corporation's investments totalled \$194.7 million compared to \$113.7 million in 2011. The work consisted mainly of expanding the international jetty, including the west apron, redeveloping the domestic and international departures hall and completing the road network and outdoor parking facilities in front of the Montréal-Trudeau air terminal.

As mentioned last year, ADM has begun a new phase in the development of the Montréal-Trudeau terminal. In the coming years, we plan on adding six boarding gates for wide-body aircraft in the international area, expanding and redeveloping the international arrivals area, upgrading connection facilities, and completing the redevelopment of the domestic and international departures hall. From 2013 to 2017, our investments will amount to approximately \$800 million and include many maintenance and improvement projects at both Trudeau and Mirabel.

In preparation for this new investment cycle, ADM completed a new long-term bond issuance. Privately placed with institutional investors, the issuance consisted of \$250 million in Series K bonds bearing 3.92% interest and maturing in September 2042 – exceptionally attractive terms. Demand for our securities was very strong, testament to their quality and to our sound financial management. With this issuance, the Corporation's debt is now \$1,600 million.

INNOVATION IMPROVING PASSENGER FLOW

The theme of our 2012 annual report – Innovation Improving Passenger Flow – refers to the many technology initiatives that we have deployed at Montréal-Trudeau to facilitate the processing of passengers and baggage, including self-service check-in terminals, self-service baggage tagging, self-service baggage drop-off, the Canpass and Nexus kiosks, and other such advancements. In this regard, ADM is a clear leader.

In 2012, we again showed our innovative spirit when resolving an issue in the Canadian customs hall. Given growth in the number of international travellers, we needed to add capacity at the primary inspection line in order to prevent increasingly frequent bottlenecks. Since increasing the number of customs officers was not an option, we turned to a technology solution in the form of automated border clearance kiosks. Although the software was developed by the Canada Border Services Agency, ADM assumed the full \$4 million in implementation and testing costs. From a customer service standpoint, this investment has proven extremely successful.

In keeping with the goal of improving fluidity, ADM is considering using technology to automate the U.S. customs and secondary Canadian customs services. What's more, we are paying close attention to technology developments for preboarding security checkpoints.

GROUND ACCESS TO MONTRÉAL-TRUDEAU

In our view, fluidity is the key to a satisfying customer experience: frustration stems from any obstacles to smooth passenger flow. This explains why ground access to Montréal-Trudeau airport remains a major irritant, as shown in our customer satisfaction surveys.

After years of studies and consultations, the Ministère des Transports du Québec officially began redeveloping the Dorval interchange in February 2009. Four years later, the direct links between the airport and Highways 20 and 520 are still under construction. The links to and from downtown, which were to be prioritized, will not be delivered before 2015. Final project completion has now been delayed to 2019.

For us, the situation is all the more disappointing given that we completed the reconfiguration of our own road network on time and within budget. The main roadways were delivered at the end of 2011. Unfortunately, they can only be connected to the new highway access links once these are completed. We want to thank our passengers for their continued patience.

Although essential, this project alone will not solve the issue of airport accessibility: traffic on Highway 20 will be no less congested. That is why we have been calling for rail service to Montréal-Trudeau airport for years as a fast and reliable solution at all times of day – rain, sleet, snow or shine – as is the case in a steadily growing number of airports around the world. At stake is our airport's competitiveness.

In recent years, together with the Société de transport de Montréal and Infrastructure Québec, we have explored a resolutely modern alternative based on a light rail transit (LRT) system that could accommodate the needs of both airport and metropolitan customers. Such a flexible approach would connect the West Island, the airport and downtown Montréal, and provide two distinct services with a single, shared

infrastructure. We have taken this initiative to accelerate the process, as we are convinced that a solution based on existing heavy rail routes is inappropriate.

That said, we applaud the creation of the Bureau des Partenaires - Plan de Mobilité de l'Ouest, whose objective is to reach a consensus on the best public transit solution for the airport and communities concerned; 2013 will be a decisive year. We fully hope that this objective will be attained and look forward to continuing to collaborate with the Bureau des Partenaires to implement this urgent and essential project. Remember, Montréal-Trudeau airport is the second largest employment hub on the Island of Montréal after the downtown area.

RELATIONSHIP WITH TRANSPORT CANADA AND GOVERNANCE

Two decades have passed since the first major Canadian airports were transferred to local airport authorities such as Aéroports de Montréal. Still, the nature of our business and relationship with Transport Canada remains misunderstood to a certain extent, even among groups that are generally well informed.

ADM's mission is to manage, operate and develop the Trudeau and Mirabel airports under a lease entered into with Transport Canada in 1992. Recently, Transport Minister Denis Lebel approved our request to extend the lease by 20 years, until 2072, thereby giving us greater leeway to enter into very long-term agreements.

ADM is a not-for-profit corporation, managed by a board of directors, which acts in the interests of the Montréal community. As a financially self-sustaining corporation, ADM conducts business like a private company: it invests, borrows, takes calculated risks and innovates.

Our Board of Directors is comprised of the President and Chief Executive Officer and of 14 independent members designated or proposed by the Government of Canada (2), the Government of Québec (1), the Communauté Métropolitaine de Montréal (5), the Board of Trade of Metropolitan Montréal (3), the carriers operating at Montréal-Trudeau (2) and, at its discretion, the Board itself (1). Each director must meet certain criteria, and the Board as a whole must possess a set of key competencies.

ADM practices transparency and is accountable to these nominating entities and specifically to Transport Canada as the owner/landlord. Every year, under the airport lease monitoring program, ADM is subject to a compliance audit by Transport Canada. Every five years, ADM is also subject to a performance review conducted by an independent accounting firm that reports to Transport Canada. Moreover, every 10 years, ADM must submit a 20-year master plan to Transport Canada for each of its airports. The new master plans for 2013-2033 will be submitted to Transport Canada before the end of the current year, following consultations with our stakeholders.

In addition, in 2012, the Senate Committee on Transport and Communications released a comprehensive report on Canada's airports. Of note, the Committee concluded that the governance of our major airports is working well but that Canada would benefit if airport rents and the taxes imposed on airlines were scaled back or eliminated.

Though perfectible, the Canadian model has proven successful and has resulted in a world-class national airport network. As for ADM's governance, it has been praised by the bodies tasked with its oversight and is often cited as a model by experts on the subject.



Réal Raymond
Chairman of the Board

ADM SERVICES

Our recently created ADM Services division, which specializes in providing advisory services to other airports, has already obtained several mandates. Of note, at the request of IATA, ADM Services has been mandated to review the functional design of the Port-au-Prince airport in Haiti. The London-Heathrow and Geneva airports called on our snow-removal expertise. ADM Services has also carried out planning mandates for the Sherbrooke and Bagotville airports.

Furthermore, ADM Services, together with financial partners or as a consortium member, is pursuing several airport concession opportunities at the international level. It should be noted that our subsidiary's aim is to generate positive cash flows while minimizing financial risk.

BOARD OF DIRECTORS

In closing, we would like to welcome Maud Cohen, who joined our Board of Directors on November 29, 2012. Appointed by the Government of Canada, Ms. Cohen is an engineer and an IT expert. We would also like to acknowledge Laurent Benarrous for his contributions as a Board member.



James C. Cherry
President and Chief Executive Officer

2012 HIGHLIGHTS



A NEW SYSTEM TO ACCELERATE CANADIAN CUSTOMS CLEARANCE

June 2012 saw the deployment of an automated border clearance system in the international arrivals hall of Montréal-Trudeau airport. This \$4 million project was designed to enhance customer service by reducing wait times for Canadian citizens and permanent residents returning to the country. The continued growth in international traffic since 2003 has made it necessary to raise processing capacity in the customs hall that was opened in November 2004.

\$250 MILLION LONG-TERM BOND ISSUANCE

In September, Aéroports de Montréal issued \$250 million in Series K bonds bearing 3.92% interest and maturing in September 2042. The net proceeds will be allocated to the capital investment program for the coming years, particularly to expand the Montréal-Trudeau international jetty. The success of this issuance by way of private placement is a sign of institutional investor confidence in ADM.



NEW FLIGHTS TO LA GUARDIA AND WASHINGTON

Two new flights to the U.S. were introduced simultaneously on July 11, 2012. US Airways now connects Montréal-Trudeau to Washington-National three times a day, while Delta operates five daily flights between Montréal and New York-La Guardia.

This added capacity contributed significantly to the rebound in transborder traffic in 2012.



REDEVELOPMENT OF THE INTERNATIONAL DEPARTURES HALL

As part of the redevelopment of the main departures hall, a first check-in island was set up in the space made available by the relocation of the transborder (U.S.) departures area. As a result, the positions that used to be located behind the commercial area were brought forward and preboarding checkpoints A and B for domestic and international flights were unified. This rearrangement has resulted in better fluidity. Other work is planned in the hall over the next few years, including a second check-in island and a new commercial area.



COMPLETION OF THE ROAD NETWORK IN FRONT OF THE AIR TERMINAL

Aéroports de Montréal has put the finishing touches on the road network in front of the Montréal-Trudeau terminal. During the past three years, roadways, overpasses and parking areas were built or reconfigured in order to improve traffic flow and align the network with the new Dorval interchange under construction. Plus, some 18,000 m² of landscaping has helped restore a green and welcoming entrance to the airport.



AIRPORT OPERATIONS

PASSENGER TRAFFIC

In 2012, passenger traffic at Montréal-Trudeau totalled 13.8 million passengers enplaned/deplaned, about 140,000 more than in 2011. This modest 1% increase contrasts with the two years of strong growth that followed the last recession.

The softening demand is mainly attributable to weakness and uncertainty in global economic conditions, particularly in Europe. Carriers responded by reducing their offering on several European routes. However, as for flights to the United States, an enhanced offering stimulated demand and helped traffic rebound in the second half of the year. Furthermore, southern destinations continued to attract Quebecers in both winter and summer.

After nine years of consecutive growth, international traffic levelled off in 2012, posting zero growth. The domestic sector, sustained by the Montréal-Toronto route, rose 2.1%. Transborder traffic increased by 0.9% owing to an excellent fourth quarter.

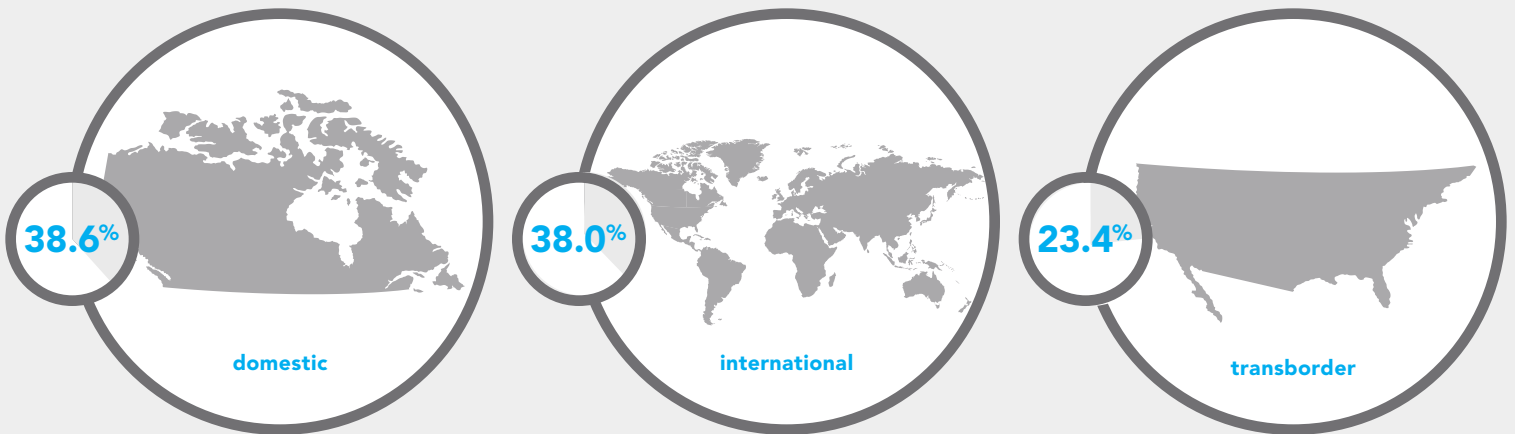
At year-end, Montréal traffic can be broken down as follows: the domestic sector regained the top spot with 38.6%, the international sector followed closely with 38.0%, and the transborder sector remained stable at 23.4%.

CARRIERS AND AIR SERVICES

In terms of air services, the European segment was the hardest hit by the economic uncertainty. Air Canada reduced the number of flights to Paris and London as well as to Rome, Barcelona and Athens (summer). In November, Air France stopped operating the Airbus A380 on the Montréal-Paris route while maintaining the same number of flights. As for Air Transat, it withdrew Vienna from its summer schedule.

Slight enhancements were made to sun destination offerings. This past winter, Sunwing began offering flights to Huatulco, WestJet proposed new services to Turks & Caicos and to St-Marteen, and Air Transat added Roatan (Honduras) to its long list of winter destinations.

2012 AIRPORT TRAFFIC Breakdown by sector





Montréal-Trudeau

In the transborder sector, Delta and US Airways launched new routes to New York-La Guardia and Washington-National, respectively. Air Canada stopped its service to Houston.

Service has remained generally stable in the domestic sector. It should be noted that regional carrier Bearskin Airlines, which had been serving Ottawa and Waterloo for less than a year, ceased operations.

ADM has continued to call on airlines for new air services that meet the needs of the Montréal community. These efforts are accompanied by a financial incentive program. In particular, the Corporation wishes to establish direct links with Asia and South America.

Montréal has the greatest potential among North American cities that have yet to offer service to China, with traffic estimated at 200 passengers per day. Air Canada as well as certain Chinese carriers have shown an interest; however, while ADM can count on the support of many stakeholders, including Tourisme Montréal and Tourisme Québec, several conditions must be met before such a project can move forward.

For example, the Beijing airport is one of the busiest in the world, and it is very difficult to obtain suitable landing slots.

For other countries, such as Lebanon, Panama and Turkey, development efforts face regulatory constraints.

AIR CARGO

In total, approximately 185,000 metric tons of cargo transited through Montréal's international airports in 2012, down approximately 2.3% from 2011. Of this amount, Montréal-Trudeau airport handled 92,000 metric tons, a 1.9% decrease. Cargo processed at Montréal-Mirabel decreased 2.6% to total 93,000 metric tons.

MOVEMENTS

In total, aircraft movements at Montréal-Trudeau and Montréal-Mirabel reached 243,436 in 2012 compared to 253,298 in 2011. This 3.9% decrease is partly due to the decision by NAV Canada to stop accounting for certain types of local movements at Montréal-Mirabel.

CUSTOMER EXPERIENCE

Aéroports de Montréal is committed to providing its customers with a memorable – typically Montréal – airport experience, supported by staff members who are dedicated to service excellence.

Over the years, the Corporation has integrated various tools to manage the customer experience, including quarterly customer satisfaction surveys, an airport recognition program, a mystery customer program, and complaint monitoring. A recently added tool is the ASQ Assured certification, which is a stringent customer service quality management program designed specifically for airports by Airports Council International. The ASQ Assured program is a means for constantly improving the quality of passenger airport services.

In 2012, ADM also created a governance committee mandated to develop a continuous improvement strategy for service quality, coordinate the resulting plans, and achieve synergies among the various departments involved. Comprising the President and CEO, three vice presidents and 12 directors, the governance committee is supported by subcommittees with specific responsibilities: ambience and services, analysis and trends, and training and awareness.

NEW DEVELOPMENTS

In terms of customer experience, this past year's main innovation was the installation of a new automated border clearance system in the international arrivals hall at Montréal-Trudeau airport.

Given sustained growth in international traffic since 2003, we had to expand the processing capacity of the arrivals facilities that had been opened in November 2004. Rather than adding traditional customs stations, as initially planned, introducing a new self-service technology was deemed more advantageous. Completed in partnership with the Canada Border Services Agency and representing an ADM investment of \$4 million, the new system includes 18 new automated border clearance kiosks, which

complement the 26 conventional customs inspection stations and 5 Nexus kiosks (for pre-approved passengers who are Nexus members).

With a utilization rate of over 65% among Canadian citizens and residents, the new system has achieved its goal since wait times are generally below the Canadian standard of 20 minutes.

Already recognized as a world leader in self-service check-in, Montréal-Trudeau airport recently became the first airport in North America to also introduce self-service baggage drop-off, meaning passengers can now go through the entire check-in process without staff assistance. This project was carried out with WestJet.

Another initiative taken to improve service and fluidity was the implementation of a plan to manage wait lines at U.S. customs. In addition, recently installed screens in the U.S. transit corridor inform passengers whether they must wait for their luggage or proceed towards U.S. customs. Finally, systems that measure and display wait times at different points along the passenger route will be implemented in the air terminal in 2013.





MONTRÉAL-MIRABEL

Montréal-Mirabel received four new plow-brooms and a new Striker fire truck. The equipment was officially presented to all airport employees during a ceremony that also marked the start of the winter season and the arrival of seasonal employees. The acquisition of these cutting-edge vehicles is part of a program to equip Montréal-Mirabel with more effective, higher performance equipment such that it can continue to exceed runway maintenance requirements.

SAFETY AND SECURITY

On October 30, 2012, Montréal-Trudeau airport conducted a major emergency drill that involved some one hundred representatives from various public safety agencies. An environmental incident scenario was added to the drill, requiring participation from the Ministère du Développement Durable, de l'Environnement, de la Faune et des Parcs; the Direction de l'Environnement of the City of Montréal; and CAFAS.



ADM continued implementing an airport security program in compliance with the new provisions of the 2012 Canadian Aviation Security Regulations.

For the first time, the annual certification of ADM's firefighters took place at the Pittsburgh airport training centre, where they conducted a firefighting exercise inside an aircraft using a propane simulator.

Lastly, ADM's Airport Patrol once again obtained recertification from CALEA (Commission on Accreditation for Law Enforcement Agencies, Inc.), although this time it also received the highly coveted *With Excellence* accreditation.

CUSTOMER SATISFACTION

Aéroports de Montréal measures the satisfaction of Montréal-Trudeau customers through quarterly surveys of some 1,500 departing passengers and 800 arriving passengers. These surveys constitute a key customer service improvement tool. The rating scale has seven levels ranging from extremely satisfied, through neither satisfied nor dissatisfied, to extremely dissatisfied.

For 2012, overall departing passenger satisfaction was 5.79 out of 7, seven hundredths of a point less than in 2011. The percentage of passengers who expressed overall satisfaction (extremely satisfied, very satisfied or satisfied) was 98.0% versus 97.9% in 2011.

Check-in is considered the most important step in the passenger process. Together, the check-in indicators scored an average of 6.0 out of 7, the highest of the eight indicator groups. Regardless of the importance

rating given by passengers, the highest-scoring indicators were sense of security, the courtesy of airport staff in general, availability of seating in the boarding area and ease in locating the boarding gates. Overall, the level of satisfaction is consistent with the importance given to the indicator, except for airport access: it can be assumed that the roadway redevelopment work had an impact on satisfaction.

Overall arriving passenger satisfaction was 5.88 out of 7, down one-tenth of a point. The percentage of passengers claiming to be satisfied overall was 96.5% compared to 97.2% in 2011. The highest-scoring indicators were availability of luggage carts, customs officers who can communicate in English or French, and the signage from the airplane to the customs hall.

CUSTOMER SATISFACTION IN 2012

*% of satisfied, very satisfied and extremely satisfied passengers

departing



arriving



REAL ESTATE AND COMMERCIAL SERVICES

REAL ESTATE MONTRÉAL-MIRABEL

Bombardier Aerospace's project to build the new CSeries family of aircraft is undoubtedly one of the most significant developments in Québec's aerospace industry. Mirabel airport will serve as the production site for these aircraft, which are revolutionary in several respects, and boast a fully automated assembly line that will use the most recent value-added production principles.

The project moved forward in 2012. Bombardier completed the refitting of some of its existing CRJ facilities for assembly of the first CSeries aircraft. Temporary facilities for the certification team were also under construction at year-end. Progress was also made on the plans for the CSeries production plant, which will be built on a 300,000 m² lot.

The CSeries project will create significant spinoff for other companies operating at Mirabel. L-3 MAS is manufacturing various components in support of the flight-testing program and CSeries aircraft certification. Pratt & Whitney Canada will assemble and test the PurePower® PW1524G engine for the CSeries at its Mirabel Aerospace Centre. Other suppliers and subcontractors could also set up operations on site once production gets underway.

Furthermore, a major order received at year-end for CRJ900 NextGen twin-engine regional aircraft will further consolidate the workforce at Bombardier Aerospace's existing facilities in Mirabel.

Syscomax Immobilier developed its sports centre project near the hotel. The concept now includes three ice rinks, one of which will double as a 3,000-seat performance hall. Construction is expected to start in autumn 2013, at the same time as the refurbishment of the hotel. Robert Transport also rented additional warehouse space.

As for the former passenger air terminal, ADM continued discussions with a group of investors seeking to use the building for a commercial venture. In the meantime, the building is occasionally being rented out as a movie set for films such as *Warm Bodies*.

Lastly, ICAR, which operates a motor sports complex on part of the former tarmac, hosted events such as the NASCAR Canadian Tire Series.





U-bar, a new restaurant

REAL ESTATE MONTREAL-TRUDEAU

In May 2012, Air Inuit completed construction of its new complex on Côte-Vertu Boulevard. It includes two aircraft hangars, workshops, an administrative building and a private flight lounge. In September, Air Creebec inaugurated a new operating base on Ryan Street that meets all its needs. It should be noted that these two relocation projects arose from the need to extend the west tarmac as part of the expansion of the international jetty.

Bombardier Aerospace expanded its Global Express finishing centre on approximately 35,000 m² of land, to which an extra parcel of 26,700 m² was added in 2012.

Lastly, in the general aviation sector, Propair and Innotech-Execaire expanded their facilities on Ryan Street.



General aviation



Les Délices de l'Érable boutique

COMMERCIAL SERVICES

Several new businesses opened at Montréal-Trudeau in 2012, including an innovative restaurant concept called U-bar and an express duty-free shop in the international area, a Starbucks in the public area on the departures level, and a Java U in the domestic area. In the transborder area, a Second Cup was refurbished and a Les Délices de l'Érable boutique was relocated. In all, approximately 90 retail businesses can be found in the terminal.

Planning continued to develop a new commercial space in the public area on the departures level and to redesign the primary international commercial area, including the main duty-free shop.

As for the rental of advertising space, National Bank World MasterCard became the new sponsor of the Aéroports de Montréal lounge in the international jetty.

Furthermore, a promotional campaign invited passengers to use ICE Canada's online service to reserve their foreign currency. Aer Rianta, which operates the duty-free shops, promoted a selection of products during the holidays.



National Bank World MasterCard® lounge

TRANSPORTATION AND PARKING

In 2012, given the work on the road network and on certain parking lots, various measures had to be taken to minimize the impact on customers and to manage parking lot closures and the loss of parking spaces during certain periods. ADM also worked to simplify the naming system used for its lots and to clarify road signage. A parking pre-purchase and reservation system is being examined, while a car wash pilot project in the HotelParc underground parking lot proved successful.

A call for tenders was completed to renew the leases of the car rental agencies operating at the airport. The new agreements pave the way for a reorganization of the car rental office, enhancing safety along walkways, and the recovery of areas for the creation of new parking spaces.

ENGINEERING AND CONSTRUCTION

AIRPORT IMPROVEMENTS

2012 marked the beginning of a new, multi-year development cycle at the Montréal-Trudeau air terminal.

An extension to the international jetty is the main component of this program, estimated at several hundred millions of dollars. During phase 1 (now completed), a boarding gate for aircraft parked at remote stands was built at the far end of the existing jetty. The new Gate 62 is now available to accommodate extra traffic during the very busy periods such as March Break. Phase 2 will add six new boarding gates for wide-body aircraft as well as a large commercial area and a VIP lounge. This second phase will begin in 2014 once the expansion of the west apron is completed so that aircraft can navigate around the site. Some 57,500 m² of apron and aircraft parking stands were built during the year, leaving another 105,000 m² to be laid out in 2013.

The redevelopment of the domestic and international departures hall also continued. A first check-in island was built in the space made available by the relocation

of the transborder departures area, and a second one is planned there for summer 2013. Preboarding checkpoints A and B, respectively for domestic and international flights, are currently being unified to provide for greater operational efficiency.



Another key project in 2012 was the expansion of the aircraft de-icing centre. The work was carried out during the summer season to add 32,500 m² of apron area to accommodate another three narrow-body or two wide-body aircraft. The taxiway to the centre was also extended for better flow at the exit.

Several other improvement and maintenance projects were carried out at Montréal-Trudeau during the year.

- Demolition of three hangars on Stuart Graham Boulevard
- Rehabilitation of the east apron and holding bay 06L
- Re-surfacing of runway 06L-24R
- Rehabilitation of the multi-level parking lot

At Montréal-Mirabel, work continued on the pavement maintenance program for runways and taxiways as well as on the rehabilitation program for airside electrical facilities.

ROAD WORK

In 2012, ADM completed the road network in front of the Montréal-Trudeau terminal. As the main network was delivered at the end of 2011, the 2012 work consisted of redeveloping the InterParc parking lot and taxi area, creating a new parking lot and completing secondary roads. Moreover, landscaping reminiscent of typical Québec scenery was laid out along the roadways and parking lots.

All that remains is to connect the network to the new Dorval interchange highway access roads once they are completed by the Ministère des Transports du Québec, the project manager. The roads linking the airport to Highway 520 are now expected to be delivered in 2013. As for the links to Highway 20, we will have to wait until 2015 for the eastbound (downtown) link and until 2019 for the westbound link.



Check-in island



Road work



De-icing centre

PLANNING

Planning work consisted mainly of preparing the 20-year master plans for both of our airports. These plans, which must be updated every 10 years pursuant to the lease provisions, set out major developmental directions for the various airport facilities from 2013 to 2033, and more particularly for the next 10 years. Based on forecasts, sectoral studies and analyses of specific investment projects, the master plans constitute a framework for the long-term development, improvement and modernization of the facilities at Montréal-Trudeau and Montréal-Mirabel.

In 2013, the 20-year master plans will be the subject of consultations with ADM's stakeholders, including the Community Advisory Committee, before being submitted to Transport Canada.

Functional studies and phasing plans were also completed on planned short- and medium-term development projects, including the expansion of the international arrivals area and reorganization of the outbound baggage sorting rooms for international flights.

RAIL SHUTTLE

In 2012, Aéroports de Montréal, together with its partners and in collaboration with the Société de Transport de Montréal, continued to develop design studies related to the light rail transit (LRT) system for public transit service to Montréal-Trudeau airport and the western part of the island. A preliminary design is expected to be completed in spring 2013.

There are many LRT systems in use around the world. In Canada, Vancouver is already operating three lines, with a fourth one in the planning stage, and other agglomerations, including Calgary, Toronto and Ottawa, have advanced projects for LRT service.

This mode of transit is also being considered to link the South Shore to downtown Montréal. LRT is today's best choice for a fast and frequent municipal public transit service. LRT rolling stock is at once lightweight, electric-powered and fully automated and can travel on tracks that are elevated, at or below street level, or underground.

Aside from the fact that both metropolitan and airport services could share the same infrastructures, the primary advantage of using an LRT system to serve the western part of Montréal is its flexibility in terms of route and station location. With its own dedicated right-of-way, the LRT is completely independent from the constraints inherent in the existing rail corridors. By providing an optimal geographic coverage and service level, the LRT has the potential of attracting a maximum number of passengers.

Concurrently, ADM also participated in work related to the Plan de Mobilité de l'Ouest (PMO) implemented by the Government of Québec. Co-chaired by the Ministère des Transports du Québec and the Agence Métropolitaine de Transport and comprising a dozen other members, the Bureau des Partenaires PMO is an office whose mandate is to find consensus on the best solution for public transit service to the West Island and Montréal-Trudeau airport. In accordance with the Secrétariat du Conseil du Trésor's framework policy on the governance of major public infrastructure projects, a Strategic Presentation File (Dossier de présentation stratégique, or DPS) must be filed with respect to the project. Several meetings were held in 2012, and the members agreed on how the Bureau and its committees would function while recognizing the sense of urgency shared by all stakeholders. A consensus on the best solution is expected before late spring 2013, and the DPS should be completed by the end of 2013.

ENVIRONMENTAL PROTECTION AND SUSTAINABLE DEVELOPMENT

CLEAR COMMITMENT

An important aspect of Aéroports de Montréal's mission is to coexist in harmony with the surrounding environment, particularly in matters of environmental protection.

The Corporation's environmental policy, which can be found at admtl.com, identifies the following avenues for improvement.

- Improve energy efficiency and reduce greenhouse gas (GHG) emissions.
- Apply the principle of the 4Rs (reduce, reuse, recycle and recover).
- Reduce consumption of drinking water.
- Protect areas of high ecological value on airport lands and mitigate the environmental impacts of airport projects.

In addition, ADM has made a sustainable development commitment and developed an action plan.

Furthermore, ADM has agreed to carry out 17 actions set out in the City of Montréal's 2010-2015 Strategic Plan for Sustainable Development.

CERTIFICATIONS AND AWARDS

Aéroports de Montréal has been ISO 14001 certified since 2000 for its integrated environmental management system. In 2012, the system underwent a maintenance audit. Based on specific procedures and work instructions and on continuous improvement programs, the system sets out a thorough and consistent framework for activities, products and services likely to have an impact on the environment.

The Montréal-Trudeau terminal was awarded BOMA BEST certification, which recognizes the building's energy efficiency and environmental performance.

ENERGY EFFICIENCY AND GREENHOUSE GAS EMISSIONS

For ADM, improving energy efficiency and reducing greenhouse gas emissions are critical issues. In 2012, a committee with members from various departments was created to propose innovative energy and emissions solutions.

To meet its heating and air conditioning needs, the Montréal-Trudeau terminal has, since 2003, been using a high-performance electricity and natural gas thermal plant designed to recover energy. In 2012, ADM completed the installation of an additional electric boiler for use during off-peak periods, in a bid to further reduce GHG emissions.

The new buildings are fitted with a high-efficiency envelope that reduces the heat and air conditioning needs; certain parts of the terminal also have an innovative system of automated shades that helps maintain an optimal level of natural light. Energy is also saved using other devices, such as sealed revolving doors, speed regulators on escalators and moving walkways, and high-efficiency lighting and ventilation systems.

As for its administrative offices, ADM continued installing motion detectors and light sensors to optimize the use of natural lighting and reduce energy consumption. The project is receiving financial assistance from Hydro-Québec under its Building Initiatives Program – Major Customers.

The Corporation is promoting the use of LED street lamps, which generate an annual saving of over 50,000 kWh compared to traditional lamps, while improving the quality of lighting. LED is also the standard for runway lights and other airside lighting.

ADM is also increasingly using energy-efficient vehicles, in particular hybrid vehicles. Furthermore, to encourage the use of electric vehicles among passengers, charging stations were installed in the multi-level parking lot at Montréal-Trudeau. To help reduce traffic in the drop-off area and limit vehicle idling, ADM also provides one hour of free parking in the outdoor parking lots to people coming to meet someone at the airport. Lastly, through its Écono-Écolo-Pratique program, ADM encourages its employees to choose sustainable modes of transportation to and from work.

mitigation measures. In 2012, no development project was deemed likely to cause a significant environmental impact. ADM also runs an environmental inspection program applicable to work sites to ensure compliance with regulations and the environmental requirements of the project's specifications.

ADM ensures ongoing monitoring of the quality of rainwater, wastewater and groundwater at its airport sites. External firms with the necessary accreditation have been entrusted with these sampling and analysis programs. For example, over 500 analyses are



Charging station



Planting shrubs

PROTECTING THE ENVIRONMENT

The Corporation has made continuous effort to improve its environmental performance and minimize the environmental impact of its operations.

To that effect, all development projects, at both Montréal-Trudeau and Montréal-Mirabel, are subject to an environmental assessment that identifies potential impact on the environment, and proposes

performed annually on rainwater samples collected at different outfalls at Montréal-Trudeau and Montréal-Mirabel airports.

Furthermore, the City of Montréal operates a station for measuring air quality at Montréal-Trudeau, and the data collected is available on the City's website.



Landscaping the access routes

RECYCLING AND REDUCTION PROGRAMS

Adhering to the principle of the 4Rs (reduce, reuse, recycle, recover), ADM deployed multi-material recycling bins for paper, cardboard, plastic, glass and metal, and a coordinating committee was created for the purpose of increasing recycling rates within the terminal. In 2012, we also reconfigured the waste storage rooms and installed liquid collectors at checkpoints. Moreover, we began collecting organic waste in certain restaurants.

Thanks to these initiatives, Montréal-Trudeau was awarded the ICI ON RECYCLE! Level 2 (Implementation) certification, which recognizes organizations that have implemented the 4Rs as well as information and awareness-raising activities.

ADM continued its efforts to reduce paper consumption and promote the use of more eco-responsible paper. The measures that were introduced, including the use of digital forms, virtual files, electronic pay stubs and software tools for holding paperless meetings, resulted in a 35% decline in the volume of paper used compared to 2009. This reduction translates into nearly eight tons of paper.

Another well-established program aims to recover construction debris such as bricks, concrete, wood, iron and steel during demolition and rehabilitation of airport facilities. An average recovery rate of 92% was reached during the demolition of the hangars on Stuart Graham Boulevard.

ADM also has policies with respect to organizing eco-responsible events and acquiring eco-responsible products and services.

Lastly, various measures were implemented to reduce consumption of drinking water at Montréal-Trudeau. For example, all faucets in the airport's public washrooms were equipped with aerators that reduce water flow from 8.33 L/min to 1.89 L/min. We also reduced the amount of water used to de-ice runway maintenance vehicles by installing high-performance water heaters.

GREENING AND PROMOTING NATURAL ENVIRONMENTS

As part of the project to redevelop the cityside road network at Montréal-Trudeau, ADM completed a major greening project that enhances the road side scenery, reduces heat islands and improves air quality. All in all, some 418 deciduous trees, 170 coniferous trees and 95,000 plants and shrubs were planted.

ADM resumed discussions for the creation of a conservation park at the north end of Montréal-Trudeau airport with the borough of Saint-Laurent and the City of Montréal.

Lastly, under ADM's tree policy, two new planting projects were completed in 2012. The first took place in the Hodge-Place Benoît neighbourhood in Saint-Laurent, and the second helped improve the visual setting of a sculpture at the entrance to Terra-Cotta Park in Pointe-Claire.

SOUNDSCAPE MANAGEMENT

A SHARED RESPONSIBILITY

Soundscape management around Montréal-Trudeau airport is a shared responsibility. Transport Canada is the regulatory body responsible for ensuring compliance with procedures and with air traffic noise abatement regulations and is empowered to sanction both pilots and carriers who violate them. Under its lease with Transport Canada, Aéroports de Montréal is responsible for developing a soundscape management plan, creating an advisory committee, and processing complaints about noise. Among other measures, the Corporation uses the ANOMS system to monitor all flights operating at Montréal-Trudeau and to ensure compliance with current regulations. Whenever a presumed irregularity is observed, Aéroports de Montréal informs Transport Canada, which in turn takes the appropriate measures. In 2012, about 22 reports were filed with Transport Canada for investigation.

ADVISORY COMMITTEE

The Airport Soundscape Advisory Committee is chaired by ADM and has representatives from the City of Montréal, the borough of Saint-Laurent, the cities of Dorval and Pointe-Claire, NAV Canada (the agency in charge of air navigation services), the airlines, Transport Canada, the Government of Québec, and airport management staff. This committee, which relies on the work of a technical committee made up of specialists, is an effective forum for exchanging information and discussing and studying all soundscape-related issues, including the projected and effective use of the surrounding airport area, and particularly the nearby residential development projects. The Airport Soundscape Advisory Committee held three regular meetings in 2012. In addition, Aéroports de Montréal continued to periodically meet with the council representatives of cities and boroughs affected by soundscape matters, including Ahuntsic and Town of Mount Royal.

SOUNDSCAPE MANAGEMENT PLAN

Montréal-Trudeau's soundscape management plan addresses operating hours, flight restrictions for wide-body aircraft, engine testing, the priority runway system, takeoff and landing procedures, and other such factors. More information can be found on ADM's website at admtl.com.

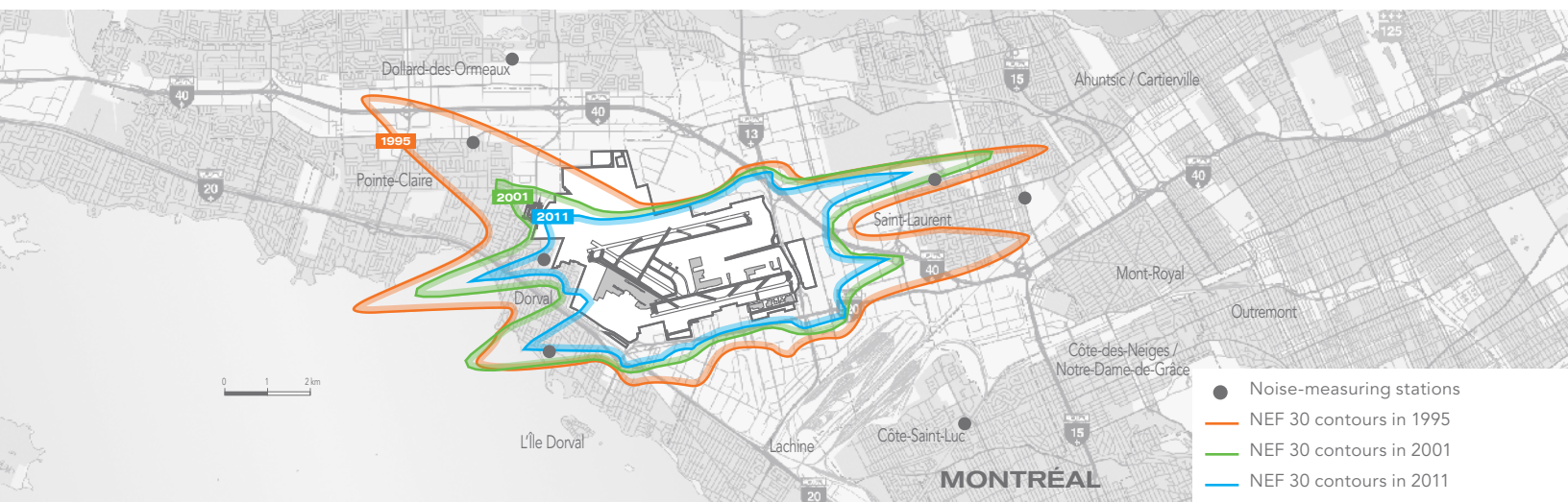
After compiling an inventory of best soundscape management practices in 2010, the Corporation sensitized carriers and general aviation operators to the importance of reducing the number of night flights, particularly between 1 am and 6 am.

The procedure for granting exemptions was reviewed in order to tighten the criteria. As a result, fewer exemptions were granted during the summer season.

Moreover, ADM began talks with Nolinor to have its general aviation flights transferred from Montréal-Trudeau to Montréal-Mirabel. Transferring these flights, which are operated mostly at night and on noisier propeller aircraft (Convairs), will help improve the soundscape at Montréal-Trudeau and is possible because these flights do not use the air terminal services.



Learn more about the soundscape management at www.admtl.com or scan this QR code with your smartphone.



INFORMATION FOR CITIZENS

To keep citizens better informed about activities that influence the soundscape around the airport, ADM publishes a newsletter distributed via email and on admtl.com. Notices are also published in community newspapers whenever there is major repair work requiring a runway closure. In 2012, two runways were closed for varying lengths of time due to work on the runways and taxiways.

In addition, a dedicated telephone line (514-633-3351) plays pre-recorded messages and lets callers speak directly to a communications officer. Citizens can also contact us via email (yulcliente@admtl.com) or visit our website, which provides a Frequently Asked Questions section on soundscape matters.

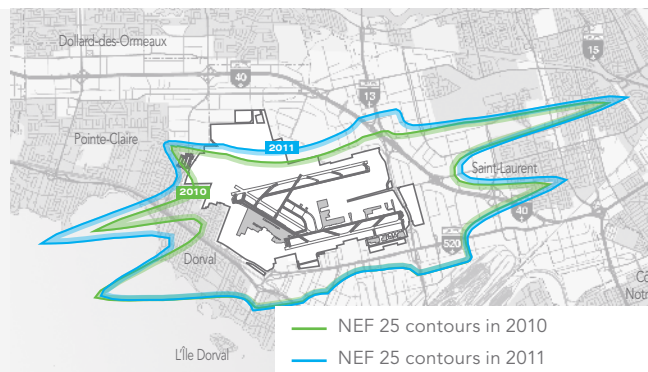
NEF CONTOURS

Perceived noise in the surrounding airport area is measured using the NEF (Noise Exposure Forecast) model developed by Transport Canada, which presents results as contours.

Because Transport Canada's land use restrictions apply as of NEF 30, ADM now uses NEF 30 contours to track soundscape changes at Montréal-Trudeau and for urban planning purposes around the airport.

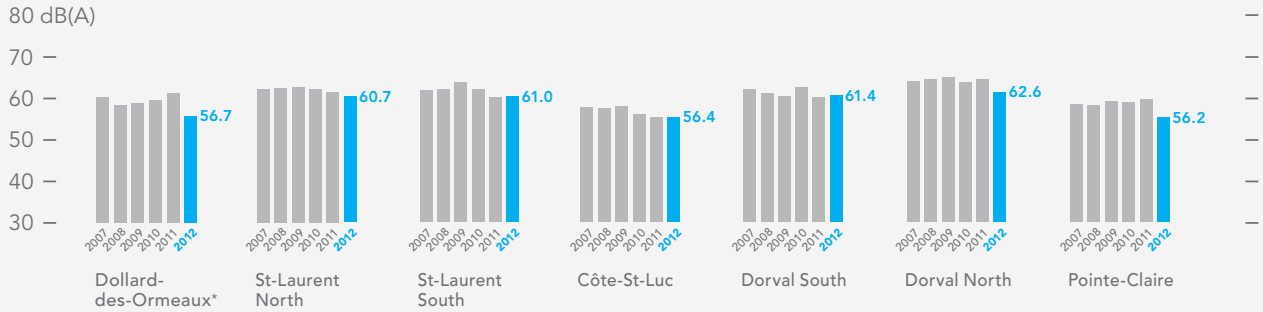
The most recent NEF 30 contours show that Montréal-Trudeau's noise footprint covered an area of 18.6 km² in 2011, down 56% from 42.2 km² recorded in the 1995 reference year. The population living within the noise footprint has shrunk by 91% since 1995, from 39,421 to 3,626 residents. The improved soundscape stems mainly from the modernization of the air fleet, particularly the phasing out of noisier (Chapter 2) aircraft in 2002, and from ADM's implementation of noise abatement measures.

For comparison purposes, this year ADM is also publishing the NEF 25 contour for 2010 and 2011. The surface area of the NEF 25 contour in 2011 was 35.7 km² compared to 30.5 km² in 2010. This increase in surface area, primarily above Lac St-Louis, is particularly attributable to the work that led to a three-month closure of runway 06R-24L (from August to October 2011), thereby increasing traffic on runway 06L-24R.



AVERAGE ANNUAL NOISE LEVEL MEASURED AT NOISE-MONITORING STATIONS IN dB(A)

Total LEQ considers all sources of noise measured at the monitoring station, not only aircraft noise.

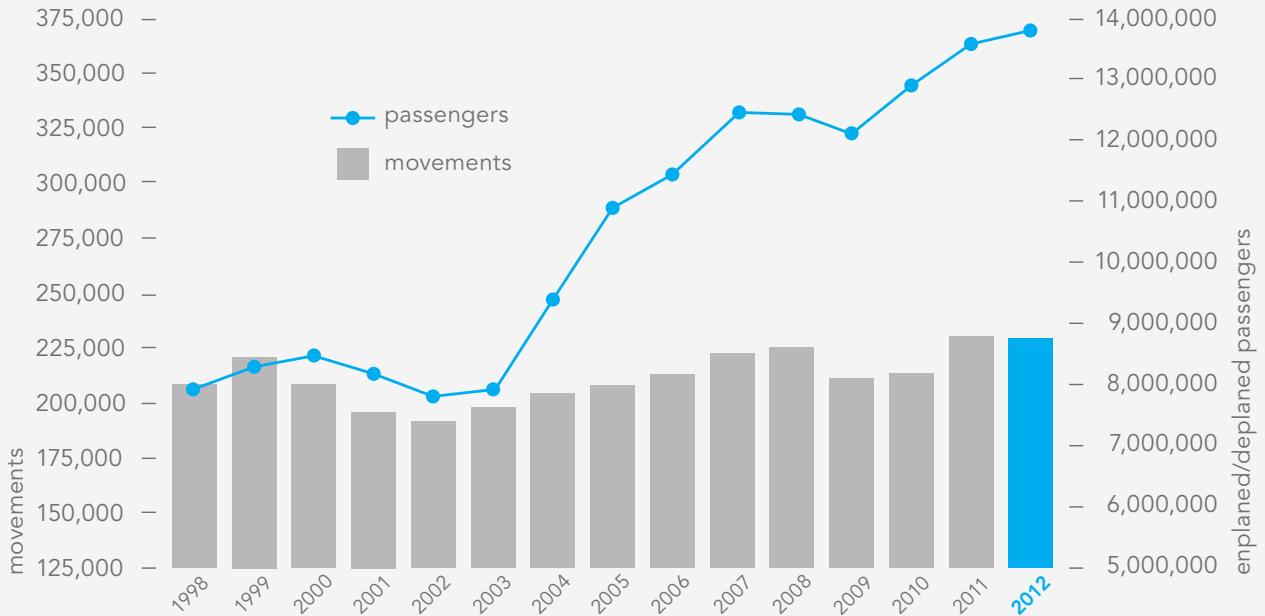


Note*

Data from May 1 to December 31, 2012 due to construction work on the roof of the building where the microphone is located from January to April.

The noise indicator called total LEQ, expressed in decibels dB(A), is based on actual noise data collected using noise-monitoring stations located in nearby neighbourhoods. It reflects cumulative changing noise levels over a given period and provides a good description of the amount of noise experienced during the year.

15 YEARS OF CHANGES IN AIR TRAFFIC



Note

As of 2007, passenger statistics include both paying and non-paying passengers to reflect the new data compilation method.

Air traffic is mainly characterized by the number of movements (landings and takeoffs) per year, how they are distributed throughout the day, and the types of aircraft used. Despite considerable growth in the number of passengers served at the Montréal-Trudeau airport from 1998 to 2012,

the number of aircraft movements has remained relatively stable. This was essentially due to an increase in the relative share of international traffic, which uses larger aircraft that carry more passengers per movement, and to higher passenger occupancy rates.

HUMAN RESOURCES AND SOCIAL INVOLVEMENT

EMPLOYER OF CHOICE

Aéroports de Montréal is committed to becoming an employer of choice – particularly by distinguishing itself through innovative management practices for attracting, retaining and motivating human resources – and, moreover, to becoming recognized as such by its employees. After consulting employees and members of management, a shared vision of what it means to be an employer of choice was developed.

ADM aspires to be an employer that is open to the world, relies on its employees' talents, promotes their autonomy, and recognizes their contribution while communicating with authenticity.

A steering committee comprised of employees from different sectors and different hierarchical levels of the Corporation was formed to move the project forward and assist in identifying priorities and developing action plans.

Following an initial survey in 2011, an action plan involving improvement and strengthening measures was deployed in 2012 to support the priorities identified: recognition, performance management, talent/career development and middle management. Destination Réussite initiatives included the development of recognition tools, a review of performance management processes, the implementation of a new onboarding/integration process for new employees, and the launch of President's breakfasts.

PROGRAMS AND POLICIES

In 2012, the new office of the Vice President, Human Resources, reviewed its strategic plan for the next few years. The plan focuses on a business partnership approach with the administrative units. In addition to pursuing the Destination Réussite initiative and ensuring ongoing improvement of existing programs and policies, Human Resources wants to gradually integrate the concept of talent management into its systems and practices and, update ADM's positioning in terms of total compensation.



An important achievement consisted of preparing succession plans for senior executive positions. This project, which aims to ensure the future of the Corporation by identifying high potential managers and promoting the development of internal talent, resulted in the preparation of individual development plans for many managers and assistant managers.

The leadership skills development program known as LeadAIR also continued in 2012. This two-year program, which was designed for about 150 managers, will conclude in 2013.

ADM provides competitive compensation and benefits and an incentive plan for non-unionized employees. Other programs and policies in effect include an employment equity policy, a harassment prevention policy, a training and professional development program, an employee assistance program, as well as a recognition and awards of excellence program. Also available to all employees are several internal information tools such as a company magazine, newsletters, and an intranet.

A bursaries program was created a few years ago for the children and grandchildren of ADM employees. Three bursaries of \$3,000 each for university studies and one \$1,000 bursary for technical college studies are granted each year as part of the Pierre-Martin bursaries program.

STAFFING

A total of 135 positions were filled in 2012, including 45 blue-collar positions, 43 white-collar positions and 35 positions for non-unionized employees. The employee referral program generated 174 applications and 23 of these people were selected, representing 13% of total hirings. At year-end, ADM had a total staff of 609 regular employees, including eight executives, 175 non-unionized employees, 175 blue-collar employees, 168 white-collar employees, 44 fire fighters and 39 first-level managers.

LABOUR RELATIONS

Since the collective agreement for the blue-collar unit expires on March 31, 2013, the parties took an innovative approach and held a preparatory meeting that helped assess the quality of labour relations in 2012. Negotiation sessions to renew the collective agreement for first-level managers unit were also held; however, no agreement has yet been reached.

Further to the renewal of the collective agreement for the white-collar unit in January 2012, positions were assessed, as agreed, and a new job classification was adopted to the satisfaction of both parties.

Generally speaking, ADM seeks to modernize and optimize its approaches to labour relations while continuing to employ current practices that promote harmony with the four unionized personnel units.

OCCUPATIONAL HEALTH AND SAFETY

In 2012, ADM introduced the "Take Care of Your Health" program, which promotes overall health. Employees attended lifestyle habit conferences presented by a specialized firm. They were also asked to complete a questionnaire and in turn received a health report with a variety of recommendations. Workshops will be held in 2013.

MAIN HUMAN RESOURCES INDICATORS

Indicators	2012	2011
Regular employees	609	596
Training (hours)	19,314	24,152
Positions filled	135	154
Retirements	19	21
Turnover rate ¹	6.29	9.03
Absenteeism rate	6.75	5.73
Injury frequency ²	2.9	5.3
Injury severity rate ³	105.0	50.6

Notes

1. Percentage of workforce that leaves the Corporation in a year
2. Number of claims submitted to the CSST per 200,000 hours worked
3. Number of days lost per 200,000 hours worked



Environment Award



Team Spirit



Client experience

AWARDS OF EXCELLENCE

ADM's Awards of Excellence program, which was created 10 years ago, recognizes individuals or teams whose achievements stood out during the year. The winners are selected among entries submitted by the employees themselves. Here are the 2012 Awards of Excellence winners.

TEAM SPIRIT

Denis Boucher, Marie-Claude Desgagnés, Yves Guérin, Éric Lalonde, Yves Pépin, Denis Piché

For having responded, for over two months, to the many demands related to the filming of *Warm Bodies* at Montréal-Mirabel, without hindering operations or damaging facilities.

2nd Prize

Martin Blais, Michel Brault, Jean-Marc Debon, Nadia de Champlain, Paul-André Langlais

For implementing new security measures (2012 CASR Regulations) for the purpose of regulatory compliance, leading to the creation of ADM's own security program, which is unique in Canada.

Honourable Mention

Patrick Gendreau, Line Lanthier, Danielle Lapierre, Martine Lapointe, Jean-Pierre Lecot, Christine Meloche

For simulating scenarios involving a gunman and a containment strategy at the Montréal-Trudeau passenger terminal, which involved several internal and external partners as part of joint training operations for Airport Patrol and the SPVM.

COMMITMENT AND PREPAREDNESS

Diane Gosselin, Josée Piédaloue

For organizing the *Love at First Flight* flash mob to celebrate our 20th anniversary and for mobilizing some 60 ADM employees and partners during two months of preparation.

2nd Prize

François Berthiaume, Karl Brochu, Luce Bureau, Michel Desjardins, Dan Claudiu Fratean, Diane Gosselin, Pierre Goupil, Lyne Michaud, Louise Ouellet, Mathieu Sallier

For developing and presenting the UQAC airport administration and management course to provide students with leading-edge expertise and to maximize the attainment of educational objectives.

Honourable Mention

Sylvain Coron, Marie-Claude Desgagnés, Sylvain Fauteux, Robert Masse, Roger Warren

For organizing every aspect of the *Courir à notre santé* run held at Montréal-Mirabel for the benefit of the St-Jérôme Hospital Foundation. The event attracted more than 1,000 participants.

INNOVATION AND CREATIVITY

Robert Arcand, Michel Bégin, Jean-Marie Bélanger, Benoît Bibeau, Gaétan Brousseau, Omar Djadir, Daniel Lacroix, Jean-Pierre Larochelle, Éric Legault, Alexander Léonard, Michel Proulx

For modifying the snow plow braking system, resulting in increased efficiency, much improved reliability and substantial savings.

2nd Prize

Yvon Labelle, François Villeneuve

For installing a booster to protect taxiway light relays and controls against lightning strikes, reduce the cost of replacing expensive materials and make the taxiways safer at night.

CLIENT EXPERIENCE

Two winners (tie)

Sylvain Lainesse, Éric Lalonde, Renée Lebel, Anne Marcotte, Éric Montplaisir, Étienne Therrien

For implementing the ABC interactive terminal system, a technology that lets travellers complete part of the customs declaration process by themselves, thereby reducing wait times for international arrivals.

and

Yves Bénard, Daniel Blanchette, Carole Chèvrefils, Sylvain Lainesse, Pierre Martineau, Michel Vermette

For implementing a passenger handling process during peak periods in the transborder area, with priority being established according to operating hours.

ENVIRONMENTAL MERIT

Two winners (tie)

Michel Benoit, Robert Masse

For finding and using less polluting, less toxic and more durable technology for permanent road-marking at Montréal-Mirabel.

and

Julie Boissonneau, Nirmal Canniah, Yannick Cartier, Annie Girard, Harold Keegan, Karine La Salle

For a pilot project that gathered organic waste from Casey's restaurant and sent over 2 tons of it per month to a composting centre.



Interactive National Film Board of Canada Exhibition



Montréal en couleurs Exhibition

SOCIAL INVOLVEMENT

Aéroports de Montréal strives to be a good corporate citizen and contributes to the community in a variety of ways, particularly by partnering with such organizations as the Board of Trade of Metropolitan Montréal, Montréal International and Tourisme Montréal.

The Jacques-de-Lesseps observation park built near runway 06R/24L officially opened in May in the presence of ADM employees and of representatives from the Airport Watch association and from Bell, proud partner of the park. Named after the first pilot to have flown over Montréal, in 1910, the park has a bleacher stand for aviation enthusiasts, many of whom came to enjoy the view throughout the summer period.

The Corporation continued to support Kéroul (foreign currency collection at the airport) and contributed to the Ste-Anne's Hospital Foundation, among other organizations.

The Airport Patrol continued its involvement as transport unit for the Canadian Organ Donors Association. Since 2005, the Airport Patrol has transported more than 500 organs or medical teams between the airport and a Montréal hospital.

As it does every year, ADM again participated in the annual Centraide fundraising campaign. In 2012, employee donations, proceeds from activities, and the Corporation's contribution totalled \$193,000 – a new record.

ADM employees also participated in various community projects. A team of employees gave their time for a tree-planting project organized by Les Jardins éco-culturels de Saint-Laurent, in the Hodge-Place Benoît neighbourhood, while groups of managers volunteered at Harvest Montréal and the Old Brewery Mission.

ARTS AND CULTURE

In 2012, Aéroports de Montréal's art and culture program, known as Aérogalerie, continued to provide passengers and visitors at Montréal-Trudeau with a variety of exhibitions that have a typical Montréal flavour.

Montréal en couleurs, a new exhibition by photographer Caroline Bergeron, showcases details of architectural features, sculptures and stained-glass windows found throughout the city. These photographs of works of art radiate fully in the illuminated columns located in the middle of the Rue Montréal commercial area and extend into the public area of the international arrivals hall.

While continuing its successful collaboration with the National Film Board of Canada, ADM began a new collaboration with the Quartier des Spectacles, presenting a photography exhibition by artist Marie-Reine Mattera. Shown in the corridor connecting the domestic and transborder jetties, this series of 10 wall panels promotes Montréal's Quartier des Spectacles, which is recognized as a cultural destination of international calibre.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

For the year ended December 31, 2012

FINANCIAL SUMMARY

(In millions of dollars)	2012	2011	Variance %
Revenues	\$ 435.5	\$ 427.0	2.0
Operating expenses (excluding PILT)	161.7	161.5	0.1
Payments in lieu of municipal taxes (PILT)	40.3	40.3	—
Transport Canada rent	44.2	43.4	1.8
Depreciation of property and equipment	97.9	87.0	12.5
Financial expenses	85.7	89.5	(4.2)
Gain on other financial assets	—	(0.1)	(100.0)
Total expenses (before taxes)	429.8	421.6	1.9
Income taxes recovered	(2.4)	—	100.0
Excess of revenues over expenses	8.1	5.4	50.0
EBITDA (excluding the gain on other financial assets)	\$ 190.7	\$ 184.0	3.6%

The Corporation's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The Corporation presents EBITDA, which is a financial measure with no standardized meaning under IFRS and therefore unlikely to be comparable to similar measures reported by other corporations. EBITDA provides additional information and should not be used as a substitute for other performance measures prepared in accordance with IFRS. Management uses EBITDA as an indicator to assess ongoing operational performance. The Corporation defines EBITDA as the excess of revenues over expenses before financial expenses, taxes, depreciation and gain on other financial assets.

The following table presents the reconciliation of EBITDA, a non-IFRS financial measure, with the excess of revenues over expenses prepared in accordance with IFRS.

(In millions of dollars)	2012	2011
Excess of revenues over expenses	\$ 8.1	\$ 5.4
Financial expenses	85.7	89.5
Financial expenses included in operating expenses	1.4	2.2
Depreciation of property and equipment	97.9	87.0
Gain on other financial assets	—	(0.1)
Income taxes recovered	(2.4)	—
EBITDA	\$ 190.7	\$ 184.0

Overview

Aéroports de Montréal (ADM) is responsible for the management, operation, and development of Montréal-Trudeau and Montréal-Mirabel international airports under a 60-year lease entered into with Transport Canada in 1992 and extended by an additional 20-year period in 2012. As a not-for-profit organization without share capital, ADM does not pay dividends. ADM is fully responsible for financing its capital investment programs and pays rent to Transport Canada (\$44.2 million in 2012) based on a percentage of revenues generated by the Corporation. Like many other companies, ADM considers EBITDA to be the best indicator of its financial performance.

HIGHLIGHTS

Investments

The Corporation's investments totalled \$194.7 million in 2012 compared to \$113.7 million in 2011, with most of the work consisting of expanding the international jetty (phase 1) and west apron, redeveloping the public area of the domestic and international departures hall and completing the road network in front of the air terminal.

In 2012, investments made to airport facilities were financed using cash flows from airport operations, including airport improvement fees (AIFs), and long-term debt.

EBITDA

EBITDA stood at \$190.7 million for the year ended December 31, 2012, an increase of \$6.7 million or 3.6% from 2011.

REVENUES

(In millions of dollars)	2012	2011	Variance %
Aeronautical activities	\$ 159.1	\$ 152.0	4.7
Airport improvement fees (AIFs)	142.0	141.9	0.1
Commercial activities	102.5	101.9	0.6
Real estate	29.3	28.9	1.4
Other	2.6	2.3	13.0
Total	\$ 435.5	\$ 427.0	2.0%

Revenues for 2012 totalled \$435.5 million, a year-over-year increase of \$8.5 million or 2.0% owing to higher aeronautical fees and a slight increase in passenger traffic.

Aeronautical activities

For 2012, revenues from aeronautical activities totalled \$159.1 million, up \$7.1 million or 4.7% from 2011. These revenues consist mainly of landing fees and general terminal fees paid by airlines and, in 2012, accounted for 36.5% (35.6% in 2011) of total ADM revenues. This growth was due to rate increases for general terminal fees and landing fees, which rose 4.5% and 2.5%, respectively, and from modest growth in passenger traffic.

Airport improvement fees (AIFs)

For 2012, AIF revenues totalled \$142.0 million, remaining relatively unchanged from last year, and accounted for 32.6% (33.2% in 2011) of total ADM revenues. AIF revenues are used solely to fund airport improvements, including interest payments on long-term debt. An AIF of \$25 is paid by all passengers departing Montreal-Trudeau. The last AIF fee increase dates back to May 2010.

Commercial activities

At \$102.5 million in 2012, revenues from commercial activities increased \$0.6 million or 0.6% from 2011. Commercial activity revenues consist mainly of rent and fees from concessionaires, revenues from public parking facilities, and revenues generated from the leasing of various spaces. For 2012, they accounted for 23.6% (23.9% in 2011) of total ADM revenues. The 2012 revenue increase was attributable to higher revenues from operating licenses, vehicle rentals and the leasing of space, partly offset by lower fees received from certain concessionaires.

Real estate

Revenues from real estate totalled \$29.3 million in 2012, up \$0.4 million or 1.4% from 2011. In 2012, these revenues accounted for 6.7% (6.8% in 2011) of total ADM revenues. The increase in real estate revenues from land leasing reflects the signing of new lease agreements, agreements renewed at market rates, and the full-year impact of leases signed in 2011, partly offset by the decrease of revenues following the demolition of certain buildings to make way for the expansion of the international jetty which began in 2012.

OPERATING EXPENSES

(In millions of dollars)	2012	2011	Variance %
Salaries and benefits	\$ 65.0	\$ 56.6	14.8
Other operating expenses (excluding PILT)	96.7	104.9	(7.8)
Payments in lieu of municipal taxes (PILT)	40.3	40.3	—
Transport Canada rent	44.2	43.4	1.8
Total	\$ 246.2	\$ 245.2	0.4%

Operating expenses amounted to \$246.2 million in 2012, an increase of \$1 million or 0.4% from 2011.

Salaries and benefits

Salaries and benefits went from \$56.6 million in 2011 to \$65.0 million in 2012, a year-over-year increase of \$8.4 million or 14.8% which is namely attributable to an increase in the pension expense, to higher contracted rates and related benefit increases as well as to a slight growth in the workforce.

Other operating expenses

Other operating expenses stood at \$96.7 million in 2012, an \$8.2 million or 7.8% decrease from 2011 that was mainly attributable to a reduction in professional fees and optimization of operating expenses following a concerted effort by Management to reduce spending during 2012.

Depreciation of property and equipment

Depreciation of property and equipment amounted to \$97.9 million in 2012, up \$10.9 million or 12.5% from 2011 due mainly to the fact that projects completed during 2011 and 2012 became operational.

Financial expenses

Financial expenses are presented net of financial income. Financial expenses were \$85.7 million for the year, a year-over-year decrease of \$3.8 million or 4.2%. This decrease is attributable to a lower interest expense following the maturity, in April 2012, of Series A bonds totalling \$150 million and bearing 6.35% interest, partly offset by the issuance, in September 2012, of Series K bonds totalling \$250 million and bearing interest at 3.92%.

Excess of revenues over expenses

The year ended December 31, 2012 generated an excess of revenues over expenses of \$8.1 million compared to \$5.4 million in 2011. Transfers to governments in 2012, which include rent paid to Transport Canada and municipal taxes, totalled \$84.5 million and accounted for close to 20% of total revenues.

FINANCIAL OUTLOOK FOR 2013

Passenger traffic, the Corporation's main source of revenues, is expected to increase by approximately 1.4% in 2013, mainly due to growth in the transborder sector given the introduction of new flights to New York and Washington in the second half of 2012. Demand for flights to Europe and sun destinations will remain strong, despite the slowdown experienced in 2012.

The Corporation expects to invest an estimated \$200 million in airport infrastructures, in particular to expand the international jetty and reorganize the international and domestic departures hall and the international arrivals area. The Corporation has sufficient sources of cash to meet its financial obligations and carry out the required investments. As at December 31, 2012, ADM had nearly \$257 million in cash and short-term investments.

The Corporation also forecasts EBITDA of approximately \$184 million for 2013, or 41.5% of projected revenues. Transfers to governments in 2013 will total approximately 20% of the Corporation's revenues.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Several important standards are currently being reviewed, and the International Accounting Standards Board (IASB) is continuing to propose changes to IFRS. Note 1(v) to the financial statements describes the standards, amendments and interpretations that were not yet in effect as at December 31, 2012 but that are applicable as of January 1, 2013. In Management's opinion, the most significant change that will affect the financial statements as at December 31, 2013 is the application of the new IAS 19, Employee Benefits, in particular as it pertains to pension plans. Note 1(v) to the financial statements also describes how this new standard will impact the Corporation's 2012 consolidated financial statements once it is adopted in 2013.



Consolidated financial statements as at December 31, 2012 are published under separate cover and are available on request, at admtl.com or by scanning this QR code with your smartphone

BOARD MEMBERS



Réal Raymond¹
Chairman of the Board
Company Director



Robert Bibeau
Director
President
Schokbeton
Québec Inc.



Robert Bouchard^{2,3}
Director
Chairman of the
Pension Plans
Governance
Committee
Company Director



Jean-Jacques Bourgeault^{2,3}
Director
Company Director
Executive Coach
Groupe Pauzé



James C. Cherry
Director
President and Chief
Executive Officer
Aéroports de Montréal



Maud Cohen⁴
Director
Company Director



Jean-Pierre Desrosiers^{2,3}
Director
Partner/Strategic
Adviser
Fasken Martineau
DuMoulin



Yves Filion²
Director
President
Consultation
Yves Filion Inc.



Isabelle Hudon¹
Director
President
Sun Life Financial
Québec



Danielle Laberge
Director
Tenured Professor
Université du Québec
à Montréal



Normand Legault
Director
Company Director



Mario Messier¹
Director
Co-Chair
Thibault, Messier,
Savard et Associés Inc.



Pierre Pilote¹
Director
Chairman of the Corporate
Governance and Human
Resources Committee
Partner Gowling
Lafleur Henderson



Danielle Poudrette
Director
Company Director



Raymond Reid²
Director
Chairman of the Audit
and Capital Investment
Committee
Company Director

¹ Member of the Corporate Governance and Human Resources Committee

² Member of the Audit and Capital Investment Committee

³ Member of the Pension Plans Governance Committee

⁴ Maud Cohen was appointed in November 2012

GOVERNANCE

CORPORATE GOVERNANCE PRACTICES

Although not subject to the governance rules that regulate public companies, Aéroports de Montréal complies with the disclosure and governance practices required of public companies, adapting them to its status of corporation without share capital. For more information, visit www.admtl.com.

BOARD OF DIRECTORS

The Board of Directors assumes responsibility for managing the Corporation. It exercises full authority and power, and executes all actions that the Corporation is authorized to do according to the law, its letters patent and its supplementary letters patent, unless the law, letters patent, supplementary letters patent or regulations require that they be exercised only by the general assembly of members. The Board of Directors assumes responsibility for corporate governance and the accountability of the governing bodies to which the Corporation must report.

The Board is comprised of a maximum of fifteen (15) directors, thirteen (13) of whom are appointed by the Board and two (2) by the Government of Canada. Four (4) nominating entities are called upon to submit, at the Corporation's request, the names of three (3) candidates whose profiles match the qualifications being sought by the Board for each position that needs to be filled. These nominating entities, identified in the Corporation's letters patent, are the Government of Québec (1 position), the Communauté métropolitaine de Montréal (5 positions), the Board of Trade of Metropolitan Montréal (3 positions), and the main carriers operating at Montréal-Trudeau airport (2 positions). The President and Chief Executive Officer is a director of the Corporation, and the Board may appoint a fifteenth director. A director's term is a maximum of three (3) years and is renewable on the condition that the total duration of mandates entrusted to the director does not exceed nine (9) years or, by derogation to the above, does not exceed twelve (12) years.

In 2012, the Board of Directors convened 10 times and addressed the most important aspects of the Corporation's strategic plan. In addition, the Board

renewed the mandate of three (3) directors whose terms were to expire during the year and appointed one (1) new director.

The investments made in response to growing passenger traffic and the ground and rail access investments at Montréal-Trudeau remain major focal points and continue to receive special attention.

AUDIT AND CAPITAL INVESTMENT COMMITTEE

Comprised exclusively of external directors, the Audit and Capital Investment Committee provides support to the Board in several key areas of importance to the Corporation, particularly: business risks; financial affairs (including budgets, financial controls, audits and quarterly reports); capital investment programs and the environment. Apart from its responsibilities regarding financial statements and external audits, the Audit and Capital Investment Committee ensures that all programs are carried out in accordance with budgets and schedules and that the applicable corporate policies and procedures are followed, particularly in the procurement of goods and services.

During 2012, the Committee supervised the investment program made necessary by the growth in passenger traffic and the progress being made on the road and rail access projects, performed an internal audit and approved the pension plan investment policy. The Committee also monitored the Corporation's financial results throughout the year and conducted a detailed review of the 2013 capital expenditures and operating budgets.

CORPORATE GOVERNANCE AND HUMAN RESOURCES COMMITTEE

The mandate of the Corporate Governance and Human Resources Committee (comprised exclusively of external directors) is to support Board activities, particularly with respect to corporate strategy and its organization and structure. It makes recommendations to the Board regarding the employee compensation policy as well as the compensation, objectives and awarding of bonuses to the President and Chief Executive Officer; it determines the compensation, objectives and bonuses of those reporting to the President and Chief Executive Officer and

reports to the Board. The Committee also reviews the operations of the Board and its committees, relationships between the Board and management as well as relationships between the Corporation, the community and political authorities. It regularly reports to the Board about the execution of its work program and on any issue related to its mandate.

In carrying out its mandate in 2012, the Corporate Governance and Human Resources Committee recommended the renewal of three (3) director mandates that were to expire during the year as well as the appointment of one (1) new director. The Committee also ensured, as it does systematically, that the Corporation's ethics rules were stringently applied. It oversaw the performance evaluations of the Corporation's senior executives and helped set certain customer service objectives.

PENSION PLANS GOVERNANCE COMMITTEE

Made up solely of external directors and an expert, the Pension Plans Governance Committee supports the Aéroports de Montréal Board of Directors in fulfilling its role and obligations as the pension plan trustee. This support consists of setting and obtaining approval for the objectives and strategies that affect all pension plan activities from a risk management perspective and overseeing operational activities delegated to other relevant parties, including the Pension Committee that is comprised of Aéroports de Montréal employees and managers.

The Committee prepares decisions related to pension plan matters, more specifically, to the governance plan, pension plan rules, financial management (investments and funding) and compliance.

In 2012, the Committee obtained Board approval of a new funding policy for the Corporation's defined benefit pension plan. The objective of this policy is for the plan to achieve fully funded status by 2020. The Committee also obtained Board approval for an overhaul of the ADM employees' pension plan regulations.

COMMUNITY ADVISORY COMMITTEE

The Community Advisory Committee supports the Board of Directors and the Management of Aéroports de Montréal. It has been given the mandate to submit, when required, relevant observations with respect to any proposed project or decision relating to items set out in Article 40 of the General By-laws.

The Committee, which reports to the President and Chief Executive Officer, is comprised of members from organizations who share an interest in airport development issues and who represent the various regions of the Greater Montréal Area. The Committee's operating budget is determined annually by the Board of Directors. Members are appointed for a renewable term of 3 years.

In 2012, the Community Advisory Committee met twice to address the Corporation's main initiatives. Specifically, the Committee reviewed the investments made in response to growing passenger traffic and continued to review the progress of the road and rail access programs at Montréal-Trudeau and to examine the Corporation's major capital projects.

MEMBERS OF THE COMMUNITY ADVISORY COMMITTEE

François Alepin, Alepin Gauthier, Lawyers

Yves Beauchamp, École de technologie supérieure

Pierre Bellerose, Tourisme Montréal

Sylvain Berthiaume, RCM and Local Centre of
Development for Marguerite d'Youville (Lajemmerais)

Jean Bertrand, City of Montréal

Diane Bouchard, Local Centre of Development for the
Pierre-de Saurel region

Robert M. Bourbeau, City of Dorval

William E. Brown, Hotel Association of
Greater Montréal

Pierre Desroches, Laval Technopole

Marie-Claire Dumas, Regional Conference of
the Elected Officials of Montréal

Sam Elkas, former Québec Minister of Transport,
Vice Chairman of the Committee

André Gamache, École de technologie supérieure,
Committee Chairman

Jacques Girard, International Financial Centre
of Montréal

Joseph Huza, West Island of Montréal Chamber
of Commerce

André Leclerc, Kéroul

Denis Leclerc, Ecotech Québec

Louise Millette, École Polytechnique de Montréal

Simon Prévost, Québec Manufacturers and Exporters

Louis Prud'homme, City of Mirabel

Guy Raynault, Regional Conference of the
Elected Officials of Lanaudière

Jean-Luc Trahan, Commission des partenaires du
marché du travail (C.P.M.T.)

Marc Tremblay, Palais des congrès de Montréal

Richard Vézina, Raymond Chabot Grant Thornton

COMPENSATION OF DIRECTORS IN 2012

Name	Attendance Board of Directors	Attendance Corporate Governance and Human Resources Committee	Attendance Audit and Capital Investment Committee	Attendance Pension Plans Governance Committee	Retainer	Fees	Total
Laurent Benarrous ¹	9				\$ 11,000	\$ 8,000	\$ 19,000
Robert Bibeau	9				12,000	7,500	19,500
Robert Bouchard Chairman, Pension Plans Governance Committee	10		8	5	16,000	20,500	36,500
Jean-Jacques Bourgeault ⁴	9		8	5	12,000	22,500	34,500
James C. Cherry	10				—	—	—
Maud Cohen ²	—				1,000	—	1,000
Jean-Pierre Desrosiers	8		8	5	12,000	19,500	31,500
Yves Filion	10		7		12,000	15,000	27,000
Isabelle Hudon	8	5			12,000	12,000	24,000
Danielle Laberge	10				12,000	8,000	20,000
Normand Legault	7				12,000	5,000	17,000
Mario Messier	9	4			12,000	11,000	23,000
Pierre Pilote Chairman of the Corporate Governance and Human Resources Committee	10	5			16,000	13,000	29,000
Danielle Poudrette ³	9		1		12,000	8,500	20,500
Réal Raymond Chairman of the Board	10	5	7		90,000	—	90,000
Raymond Reid ⁴ Chairman of the Audit and Capital Investment Committee	9		8		16,000	18,000	34,000
TOTAL					\$258,000	\$168,500	\$426,500

¹ Mandate expired: November 29, 2012

² Mandate began: November 29, 2012

³ Participation in an "expanded" Audit and Capital Investment Committee to present the 2013 budget.

⁴ Participation at 3 meetings of a special committee to select the Corporation's external auditors.

EXECUTIVE COMPENSATION

The annual salaries of the President and Chief Executive Officer and other members of the executive ranged from \$180,000 to \$420,000. In addition, performance bonuses paid to managers in 2012 totalled \$888,315

DIRECTORS WHO ARE BOARD MEMBERS OF A "REPORTING ISSUER"

James C. Cherry, Logistec Corporation, **Jean-Pierre Desrosiers**, Technologies D-Box Inc., **Yves Filion**, Innoventé Inc., **Isabelle Hudon**, Hydro-Québec, Turquoise Hill Resources Ltd., **Réal Raymond**, Metro Inc., Hérault Devteck Inc.

FIVE-YEAR STRATEGIC PLAN (2013-2017)

A VISION FOR THE COMING DECADE

The Corporation's vision, defining what it wants to be and what it seeks to accomplish, follows.

- ADM aims to become an airport manager ranking among the best in the world, distinguished by the quality of its customer service as well as its rigour, efficiency, and innovation.
- Montréal-Trudeau will expand its role as a continental gateway and a dynamic hub for passenger traffic between Europe and the Americas.
- Montréal-Mirabel will continue to develop so as to consolidate its status as a world-class aerospace and logistics platform.

Building on its experience and successes, a seasoned team, and a talent for commercial and technological innovation, ADM resumed its consulting activities with other airports.

CORPORATE OBJECTIVES

- In tandem with our government partners and service providers, maintain customer satisfaction at a high level by ensuring thorough monitoring and continually optimizing our systems and procedures.
- Preserve our reputation within the community as a financially sound administrator able to support its debt service and its capital investment program.
- Achieve self-financing for Montréal-Mirabel by pursuing industrial development and seeking a solution for repurposing currently unused real-estate assets.
- Become an employer of choice, encourage innovation, and equip our employees with high performance tools.
- Reduce the environmental impact of operations under our direct control and accelerate development of the express rail shuttle between the airport and downtown Montréal.
- Through our subsidiary, seize opportunities to export our airport management expertise with a view to developing skills and growing non-aeronautical revenues.

AIRPORT SERVICES

Our raison d'être is to provide quality airport services that meet the particular needs of Montréal's communities. Improving the fluidity of passenger and aircraft movements, enriching air services through direct flights to in-demand destinations, and adapting our airport facilities to market and regulatory requirements are some of the main challenges facing us.

In addition to being efficient, safe and secure, it is increasingly important that airport processes be fluid. The air transport industry, which faces a large number of regulatory constraints, is taking action to simplify and accelerate processing of passengers and baggage. Montréal-Trudeau airport must therefore continue with its efforts to remain a leader in this area through such means as new technology integration. A fine example of this is the recent installation of automated border clearance kiosks.

Furthermore, we will continue to attract new carriers to Montréal-Trudeau and to stimulate development of air services in Montréal. Opportunities exist for new direct flights, particularly to Asia and Latin America. Given the increasingly strong competition between airports, ADM is taking the appropriate measures to maintain its competitive advantage.

In the past few years, international traffic has enjoyed brisk growth – which, incidentally, continued during the recent recession even as transborder and domestic traffic declined.

As a result, international arrivals and departures now make up 38% of our total traffic compared with 32% in 2005. Construction work is planned to deal with this trend, including extending the international jetty, expanding the apron and adding aircraft parking stands, redeveloping the main departures hall and international arrivals hall, improving the passenger routes through the terminal (e.g., to facilitate connections between the international area and the domestic and transborder areas) and more.

More generally, we will ensure that our airport facilities are developed in step with the evolving needs of airlines and the Montréal community. With this in mind, ADM is preparing the 2013-2033 Master Plans for Montréal-Trudeau and Montréal-Mirabel.

Access to Montréal-Trudeau is a critical issue for the airport's and the city's competitiveness. The work to reconfigure the Dorval Interchange – being conducted by the Ministère du Transport du Québec – has fallen behind schedule, while our own work to reconfigure the road network in front of the terminal is essentially complete. Establishing light rail transit service between the airport and downtown remains a priority.

REAL ESTATE, COMMERCIAL AND OTHER SERVICES

In keeping with its mission of contributing to the economic development of the Montréal region, ADM intends to continue promoting industrial development at its two airport sites. Opportunities particularly exist in aerospace and logistics, and our sites offer unique characteristics. Development of Lot 20 (the large golf course) at Montréal-Trudeau, however, requires municipal infrastructures such as water mains, sewers, storm drains and access roads. Development of Lots 5 and 6 and the final phase of Lot 12 also require road construction.

With respect to commercial services, ADM plans on reorganizing some existing commercial areas and building new ones, particularly in the main departures hall and the international jetty. Jointly with our merchants, we will continue our efforts to diversify the product offerings and to improve customer service.

Following the reconfiguration of the road network in front of the air terminal, including access routes to the parking lots, ADM plans on simplifying and boosting its parking service offering. The car rental and drop-off areas will also be redeveloped and/or expanded, and ADM is also examining options to create additional parking spaces to meet potential future demand.

The self-financing of Montréal-Mirabel will be achieved in part from a repurposing and revitalization of the former passenger transportation facilities: the revenue and, moreover, the savings in operating expenses and property taxes would help eliminate the deficit in the not-so-distant future. Several components of this strategy are already well underway.

HUMAN AND MATERIAL RESOURCES

Consistent with the new vision, ADM will implement various programs designed to become an employer of choice and, in turn, attract and retain the best possible candidates, while continuing to cultivate excellence among existing employees. Likewise, given the context of an aging workforce and growing scarcity of labour, the Corporation will take steps to ensure talent development and succession planning.

To become an airport manager ranking among the world's best, ADM also intends to provide its employees with the best possible equipment and information systems so that they can perform their duties efficiently.

From this perspective, ADM has begun an in-depth review of its information technologies and business solutions, taking into consideration, among other things, the fact that IT has become extremely important to airport operations management.

ENVIRONMENT AND COMMUNITIES

Pursuant to its policy on the environment and sustainable development commitments, ADM intends to continue taking measures to reduce the environmental impact of the operations under its direct control. This includes a variety of programs currently underway that targets reductions to energy consumption and greenhouse gas emissions. In addition, in collaboration with the municipalities involved, ADM has a policy under which it ensures the protection of natural habitats and mitigates the impact of its projects via tree-planting programs.

Jointly with our partners, we also intend to continue our responsible soundscape management efforts at Montréal-Trudeau, particularly at nighttime, seeking a balance between coexisting in harmony with our neighbouring communities and providing appropriate and competitive air transport services.

Furthermore, ADM is pursuing its collaboration with the Plan de Mobilité de l'Ouest to identify and implement the best possible public transit solution for the airport and the West Island.

Lastly, an important aspect of our mission is to maximize the creation of jobs and added value by developing the assets under our responsibility to their full potential and contributing to the growth of Montréal tourism and to the city's international development.



MANAGEMENT COMMITTEE

› **Pierre Gagnon**, Vice President, Legal Affairs and Secretary › **Charles A Gratton**, Vice President, Real Estate and Commercial Services › **Christiane Beaulieu**, Vice President, Public Affairs and Communications › **Philippe Rainville**, Vice President, Finance and Administration and Chief Financial Officer › **Joanne Bergeron**, Vice President, Human Resources › **James C. Cherry**, President and Chief Executive Officer › **Pierre-Paul Pharand**, Vice President, Airport Operations and Air Services Development › **Henri-Paul Martel**, Vice President, Planning, Engineering and Construction

TRANSPARENCY

TRANSPARENCY

Aéroports de Montréal has a policy of holding itself accountable to the community, of practicing transparency in its relationships with its customers and various stakeholders, and of communicating openly with the public. The Corporation accounts for the actions of its administration in various ways.

- By publishing an annual report that contains, in addition to audited financial statements, specific information with respect to corporate governance, compensation of directors and officers, and exceptions to the procurement policy for goods and services.
- By issuing financial reports similar to those issued by publicly listed companies.
- By holding an annual public meeting.
- By holding an annual meeting with each of the nominating entities.
- By satisfying the financial requirements of the bond lenders and the syndicate of banks.

Every year, ADM tours the city or borough councils of neighbouring communities, including Dorval, Pointe-Claire and St-Laurent.

ADVISORY

In addition to its work with the Community Advisory Committee, Aéroports de Montréal consults its various stakeholders on relevant issues with respect to management, operations and airport development, either directly or by way of committees set up specifically for this purpose. The following are several examples.

Airport Soundscape Advisory Committee

Composed of 15 members appointed respectively by the City of Montréal (1), the cities of Dorval and Pointe-Claire, and the borough of St-Laurent (1 each), Transport Canada (1), the Government of Québec (1), NAV Canada (1), air carriers (3) and ADM (5), this committee holds regular meetings to discuss soundscape issues.

Airline Consultative Committee

This committee is an effective forum for discussing matters of common interest to carriers, particularly the development of the infrastructures needed to deliver airport services, and for officially representing their interests during consultations or formal presentations with ADM.

Airport Operators Committee

Bringing together members of ADM's management, station managers for the various carriers, service representatives from federal inspection agencies, from NAV Canada, handlers and other aviation service suppliers, this committee oversees the coordination of airport activities.

Master Plans

Updates to the Master Plans of both airports must be reviewed by the Community Advisory Committee in addition to various groups deemed appropriate by ADM. Once comments have been received, the updates must then be filed with the Transport Minister of Canada. ADM's Master Plans were updated in 2012 and will be the subject of consultations in 2013. These plans cover the period from 2013 to 2033.

Land-Use Plan

A consultation plan must be filed with Transport Canada before any change is brought to the land-use plan. These consultations must be carried out with the Community Advisory Committee as well as with other organizations, bodies and government departments deemed appropriate by ADM. An approval request for the intended changes must then be filed with the Transport Minister of Canada.

INFORMATION

Furthermore, the public has access to different ways of contacting Aéroports de Montréal representatives or of accessing information on the Corporation's activities, including the following:

- Visiting the Aéroports de Montréal website at www.admtl.com.
- Calling the general information numbers (514 394-7377 or 1 800 465-1213).
- Completing a comment card available at different points in the terminal.
- The travelling public can also share comments, questions or suggestions by phone (514 633-3351), fax (514 394-7356) or email (yulclientele@admtl.com).
- Writing to the Public Affairs Department.

Aéroports de Montréal conducts surveys on a continuous basis to ensure that airport services adequately meet the needs of customers. Close to 2,300 passengers are interviewed each quarter on different aspects of customer service.

REPORT ON CONTRACTS NOT TENDERED

Pursuant to the public accountability principles for Canadian airport authorities, general by-laws, and Aéroports de Montréal's procurement policy for goods and services, all contracts valued at more than \$100,000 shall be awarded following a competitive public tendering process unless the Board of Directors, for reasons of efficiency and practicality, decides otherwise. In all cases, a price validation process is systematically applied.

REASONS FOR EXCEPTIONS

A Whenever Aéroports de Montréal determines it more efficient to award a new contract to an existing supplier, whenever service suppliers are deemed to have developed a specific skill set or knowledge base from a previous contract, or whenever exceptional circumstances of urgency require that work be undertaken in the immediate to avoid compromising the safety of people or premises. In most cases, these contracts were awarded following an invitation to tender process.

B Whenever a supplier is the owner, patentee or licensee of technology being acquired, whenever supplier experience and expertise are deemed to be quasiexclusive, or whenever the maintenance of a supply source is essential given the extent of investments already made to establish a standard.

CONTRACTS OF \$1 MILLION AND MORE

Contract Value	Supplier	Nature of the Contract	Reason
\$1,168,000	Team Eagle Ltd	Purchase of an Oshkosh fire truck	B
\$2,600,000	Sierra Systems	Purchase of self-service Automated Border Clearance kiosks	B
\$2,540,000	Cofely Services s.e.c.	Baggage conveyor – Reorganization of the domestic and international departures area	B
\$1,500,000	Bell Canada/EMC2	Availability enhancement of ADM's computer-data storage infrastructure	A

CONTRACTS OF UNDER \$1 MILLION

Reason for exception A

Cummins Eastern Canada, Purchase of a generator set for the FEC (Field Electrical Centre) – Cima+, Professional services for the expansion of the de-icing centre and extension of the taxiway leading to the de-icing centre – Gallant Leaman Group Communications, Advertising services – Ernst & Young Orenda Inc., Development of an initial business case for the Aérotrain project – Génératrice Drummond, Purchase of a generator and a transfer switch for the de-icing centre – Techni-Logique, Technical layout of conference rooms and offices – Arinc International of Canada, ULC, Maintenance of Automated Border Clearance self-service kiosks – Construction Rhema (2008) inc., Office construction – Solutions Technologies Enixum inc., Purchase and installation of a structured cabling system in the western island – Demix construction inc., Construction work on Gate 62 – Lainco inc., Metallic structure to expand the centralized passenger checkpoint and new commercial sector – Liberty Airport Systems Inc., Purchase of regulators for the FEC.

Reason for exception B

Artopex Plus, Purchase of seats and tables at Gate 62 and refurbishment of passenger benches in the transborder and international jetties – IER, Purchase of Mobi-Lite mobile check-in counters – SAP Canada Inc., SAP software application update – Solotech Inc., Advertising display in the western island area and upgrading of the public address system – Global Payments, Credit card processing in the parking areas – Bell Canada, Purchase of Cisco servers and switch software – Cofely Services s.e.c., Installation of ATR modules in baggage carousels – Canon Canada Inc., Rental of multifunction devices – Arinc International of Canada, ULC, Acquisition of CUSS (Common Use Self-Serve) kiosks and sets of passport readers – ADB Airfield Solutions, Purchase of runway lights – Siemens Building Technologies Ltd., Maintenance of the fire alarm system.

30 PASSENGER CARRIERS

12 CANADIAN CARRIERS

Air Canada › Air Creebec › Air Inuit › Air Transat › Bearskin Airlines (operations ceased July 2012) › CanJet Airlines
First Air › Porter Airlines › Provincial Airlines › Sunwing Airlines › Thomas Cook Canada (operations ceased April 2012)
WestJet

14 INTERNATIONAL CARRIERS

Aeromexico › Air Algérie › Air France › Air Saint-Pierre › British Airways › Corsair International › Cubana de Aviación › KLM
Lufthansa › Qatar Airways › Royal Air Maroc › Royal Jordanian › SATA Internacional › SWISS

4 U.S. CARRIERS

American Airlines › Delta Air Lines › United Airlines › US Airways

24 ALL-CARGO CARRIERS (scheduled and charter)

ACG Air Cargo Germany › Air Inuit, division of Hydro-Québec › Ameriflight LLC › Ameristar Jet Charter
Antonov Design Bureau › Atlas Air Inc. › Capital Cargo International Airlines › **CargoJet** › CargoLux
Castle Aviation › Dubai Air Wing › **FedEx** › Freight Runners Express › Kalitta Flying Service › **Kelowna Flightcraft**
Martinair › **Morning Star Express** › **Nolinor Aviation** › Royal Air Freight › **Skylink Express** › TNT Airways S.A.
UPS › USA Jet Airlines Inc. › Volga-Dnepr Airlines

- scheduled destinations
- seasonal destinations

AIR SERVICES

131 DESTINATIONS INCLUDING 86 SCHEDULED DESTINATIONS AND 45 SEASONAL DESTINATIONS

29 DOMESTIC DESTINATIONS (13 IN QUÉBEC)

Scheduled (28) › Bagotville, QC › Baie-Comeau, QC › Bathurst, NB › Calgary, AB › Charlottetown, PE › Chibougamau, QC › Edmonton, AB › Fredericton, NB › Halifax, NS › Kitchener/Waterloo, ON (Bearskin ceased operations in July 2012) › Kuujuaq, QC › Kuujuarapik, QC › La Grande, QC › Moncton, NB › Mont-Joli, QC › Mont-Tremblant, QC › Ottawa, ON › Québec City, QC › Rouyn-Noranda, QC › St. John, NB › Sept-Îles, QC › St. John's, NL › Toronto (Island), ON › Toronto (Pearson), ON › Val-d'Or, QC › Vancouver, BC › Wabush, NL › Winnipeg, MB

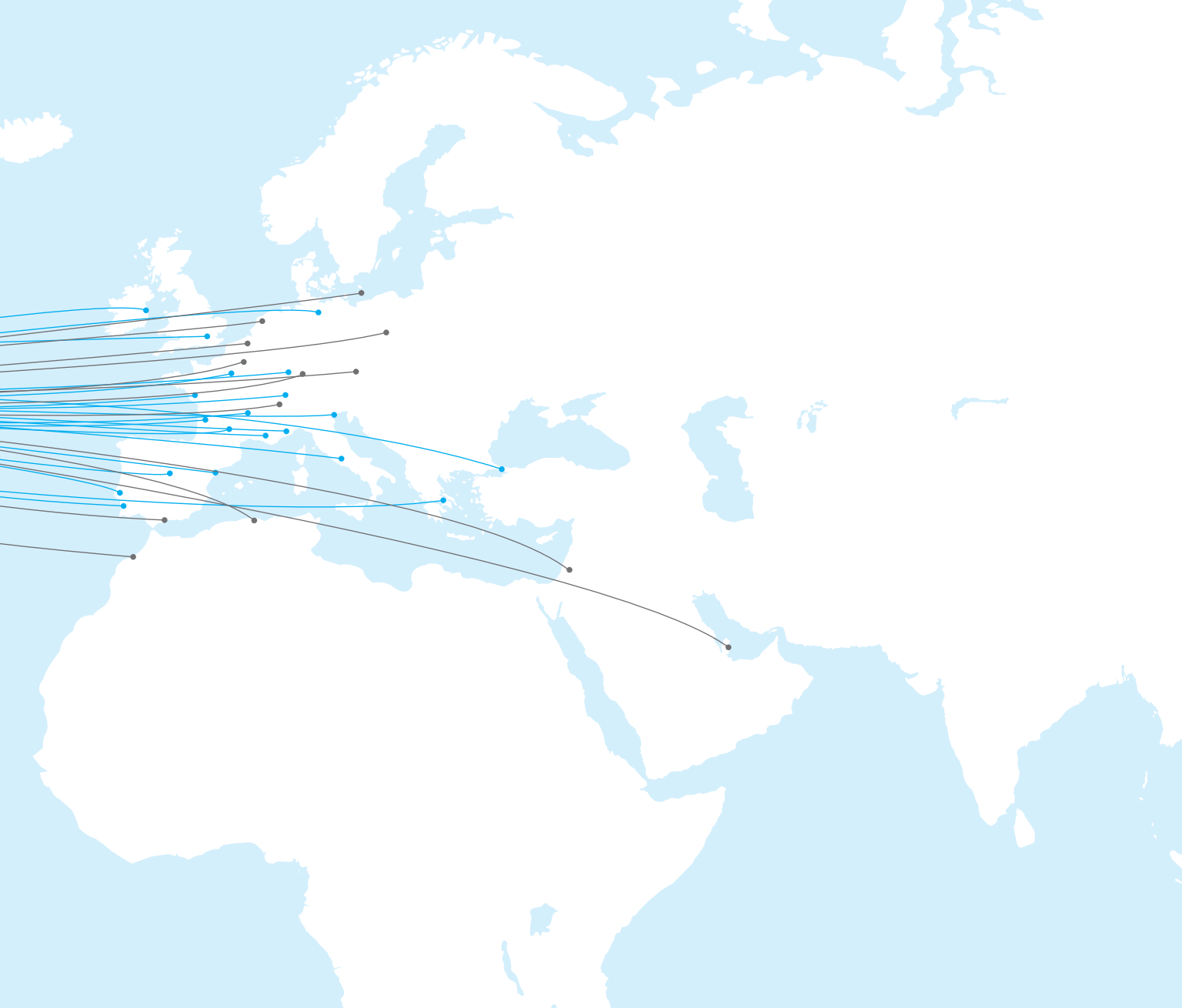
Summer (1) › Magdalen Islands, QC

26 TRANSBORDER DESTINATIONS IN 24 AMERICAN CITIES

Scheduled (22) › Atlanta, GA › Boston, MA › Charlotte, NC › Chicago, IL › Cleveland, OH › Dallas/Fort Worth, TX › Denver, CO › Detroit, MI › Fort Lauderdale, FL › Hartford, CT › Houston, TX › Las Vegas, NV › Los Angeles, CA › Miami, FL › Minneapolis/St. Paul, MN › New York (JFK), NY › New York (LGA), NY › Newark, NJ › Orlando (International), FL › Philadelphia, PA › Washington (Dulles), DC › Washington (Reagan), DC

Summer (1) › San Francisco, CA

Winter (3) › Tampa, FL › Fort Myers, FL › West Palm Beach, FL



76 INTERNATIONAL DESTINATIONS IN 76 CITIES

Scheduled (36) › Algiers, Algeria › Amman, Jordan › Amsterdam, Netherlands › Brussels, Belgium › Camagüey, Cuba
Cancun, Mexico › Casablanca, Morocco › Cayo Coco, Cuba › Cayo Largo, Cuba › Cienfuegos, Cuba › Cozumel, Mexico
Doha, Qatar › Fort-de-France, Martinique › Frankfurt, Germany › Geneva, Switzerland › Holguin, Cuba
Havana, Cuba › London (Heathrow), United Kingdom › Málaga, Spain › Mexico City, Mexico › Montego Bay, Jamaica
Munich, Germany › Panama City, Panama › Paris (CDG), France › Pointe-à-Pitre, Guadeloupe › Port-au-Prince, Haïti
Puerto Plata, Dominican Republic › Puerto Vallarta, Mexico › Punta Cana, Dominican Republic › Samana, Dominican Republic
St. Marteen, Netherlands-Antilles › San Salvador, Bahamas › Santa Clara, Cuba › St-Pierre, St-Pierre-et-Miquelon
Varadero, Cuba › Zurich, Switzerland

Summer (18) › Athens, Greece › Basel-Mulhouse, Switzerland › Barcelona, Spain › Bordeaux, France › Dublin, Ireland
Istanbul, Turkey › Lisbon, Portugal › London (Gatwick), United Kingdom › Lyon, France › Madrid, Spain › Marseille, France
Nantes, France › Nice, France › Paris (Orly), France › Ponta Delgada, Portugal › Rome, Italy › Toulouse, France › Venice, Italy

Winter (22) › Acapulco, Mexico › Antigua, Antigua-and-Barbuda › Bridgetown, Barbados › Cartagena, Colombia
Ixtapa/Zihuatanejo, Mexico › La Ceiba, Honduras › La Romana, Dominican Republic › Liberia, Costa Rica
Managua, Nicaragua › Manzanillo, Cuba › Manzanillo, Mexico › Nassau, Bahamas › Porlamar, Venezuela
Providenciales, Turks & Caicos › Roatan, Honduras › Saint Lucia, Saint Lucia › San Andres Island, Colombia
San José, Costa Rica › San Juan, Puerto Rico (USA) › San Salvador, El Salvador › Santiago, Cuba
Santo Domingo, Dominican Republic

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