

# AN EXPANDING AIR SERVICE



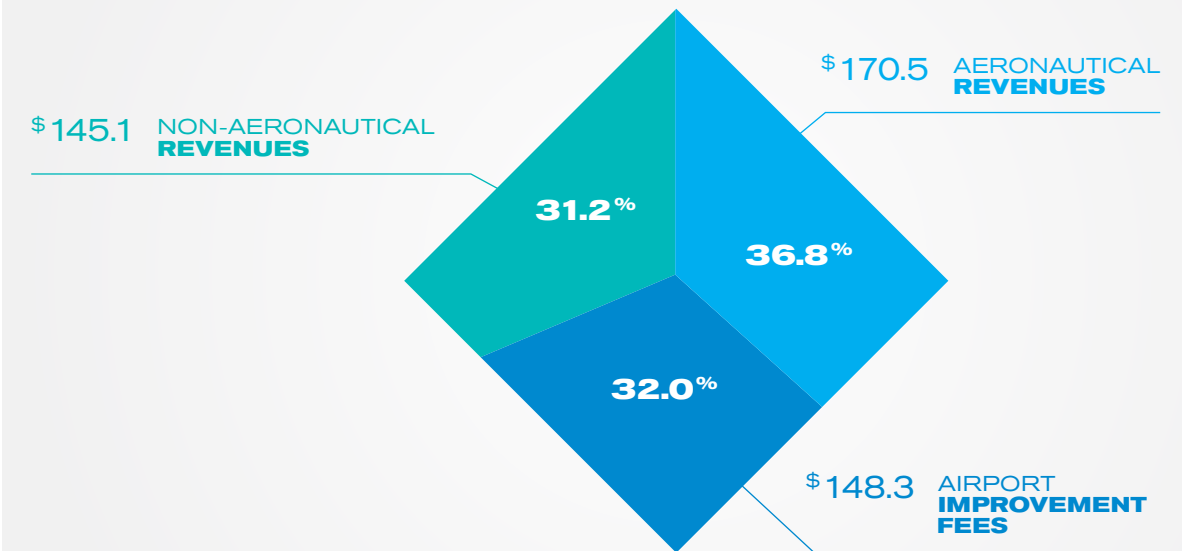
# 2014 Financial Facts

## FINANCIAL RETROSPECTIVE (IN THOUSANDS OF DOLLARS)

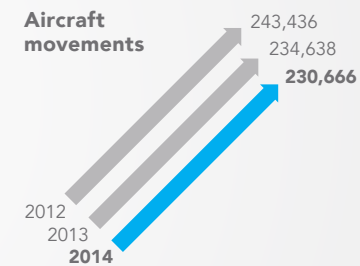
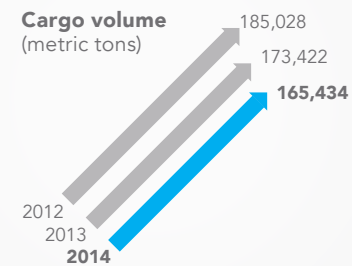
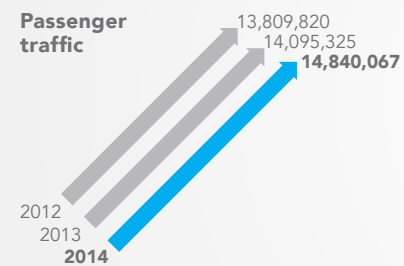
	2014	2013	2012	2011	2010
Revenues	\$ 463,888	\$ 446,501	\$ 435,375	\$ 426,844	\$ 389,325
Excess (deficiency) of revenues over expenses	(4,434)	13,625	6,941	5,423	(9,040)
EBITDA	208,704	197,835	189,603	183,978 <sup>1</sup>	163,974 <sup>1</sup>
Investments	180,045	177,353	194,722	113,685	64,601

1. Excluding the gain on investments in floating rate notes (originally ABCP).

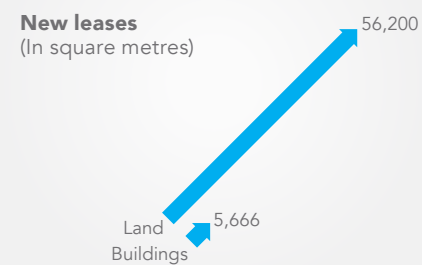
## REVENUE SOURCES (IN MILLIONS OF DOLLARS)



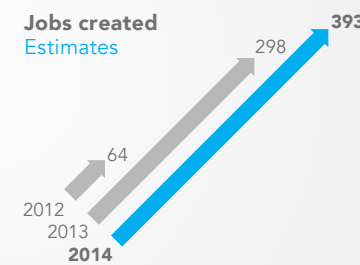
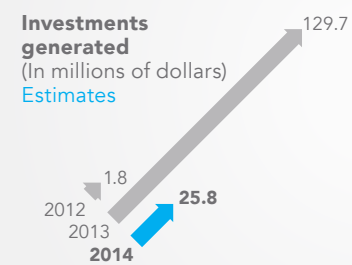
## OPERATIONS 2012-2014



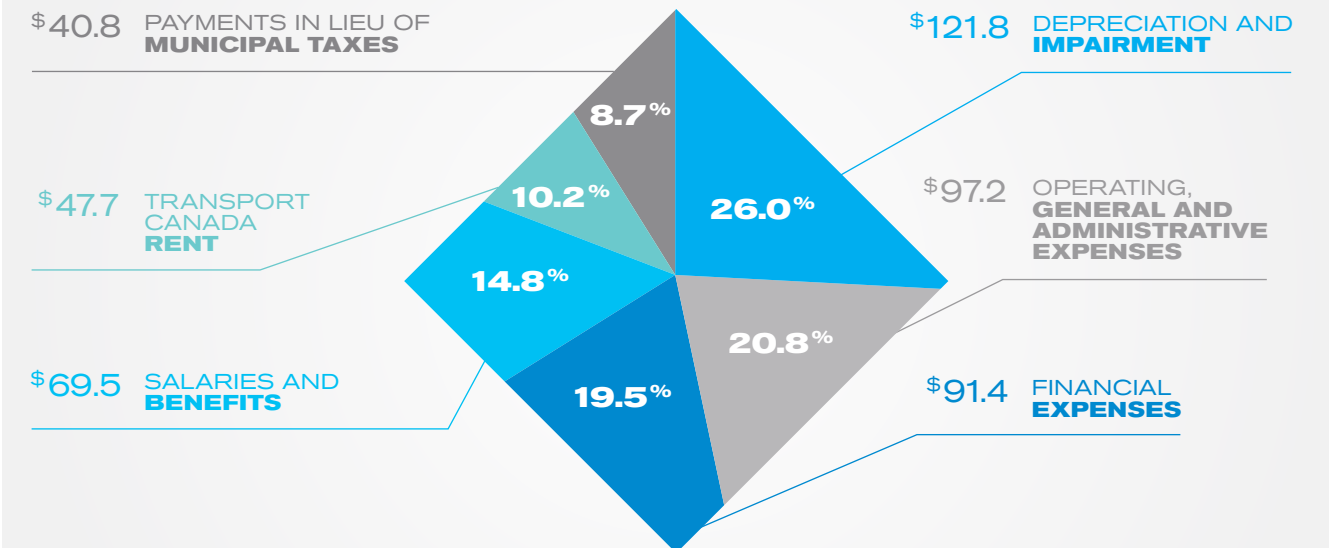
## REAL ESTATE AND COMMERCIAL DEVELOPMENT 2014



## REAL ESTATE DEVELOPMENT 2012-2014



## TYPES OF EXPENSES (IN MILLIONS OF DOLLARS)



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# Corporate Profile

Aéroports de Montréal (ADM) is a private, not-for-profit corporation without share capital that is responsible for the management, operation and development of the Montréal-Pierre Elliott Trudeau and Montréal-Mirabel international airports under the terms of a lease signed with Transport Canada in 1992 and expiring in 2072.

Aéroports de Montréal is committed to succeeding in each of its sectors – airport, aeronautical, real estate and commercial services – and to developing its two airport complexes to their full potential. With this in mind, Montréal-Trudeau acts as a hub for domestic, transborder and international passenger traffic, while Montréal-Mirabel is a world-class aerospace centre and all-cargo airport.

Montréal-Trudeau and Montréal-Mirabel international airports are important centres of economic activity and help drive the development of Greater Montréal. 31 passenger carriers and 20 all-cargo carriers connect Montréal to many airports, worldwide. In 2014, 14.8 million passengers and 165,400 metric tons of goods passed through Montréal-Trudeau and Montréal-Mirabel airports. The 250 institutions active on the airport sites provide a grand total of 60,000 jobs, including 31,600 direct employment positions, and generate an added value of \$5.5 billion per year.

**THE MISSION OF  
AÉROPORTS DE MONTRÉAL  
IS THREEFOLD.**

# 1

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

# 2

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

# 3

**CO-EXIST** in harmony with the surrounding environment, particularly in matters of environmental protection.

# Message from Management

## TRAFFIC RESULTS

2014 was a great year for civil aviation, and the sharp drop in oil prices bodes well for 2015. The Canadian economy has done better than expected, mainly due to the accelerated recovery of the American economy, and passenger traffic has seen strong growth overall in the country's main airports. In 2014, the number of enplaned/deplaned passengers at Montréal-Trudeau reached a new milestone of 14.8 million, or 5.3% more than in 2013. We have seen good performance across our three sectors (domestic, transborder and international) and connecting traffic has continued to climb, showing that Montréal-Trudeau is increasingly being used as a hub.

## FINANCIAL AND OPERATING RESULTS

Given this favourable context, Aéroports de Montréal delivered strong financial results for the 2014 financial year.

- ◆ Revenue amounted to \$463.9 million, an increase of 3.9% compared with 2013, with our retail activities contributing to half of this increase.
- ◆ Considered as the best indicator of our financial performance, EBITDA (excess [shortfall] of revenues over expenses before financial expenses, income taxes, depreciation and impairment) increased by 5.5%, to \$208.7 million, largely due to our efforts to reduce expenditures. As a percentage of revenue, it stood at 45.0% compared to 44.3% in 2013.
- ◆ The balance between revenues and expenses showed a deficit of \$4.4 million. But, had it not been for the non-recurring charge linked to the impairment of the former Montréal-Mirabel terminal building, we would have declared a surplus of \$11.6 million.

We congratulate the entire ADM team for this excellent performance which demonstrates strong mobilization geared towards the business goals.

In addition, customer satisfaction, as measured by our quarterly surveys, reached new heights in 2014: 97.9% of passengers on departure, and as many passengers on arrival, said they were satisfied (extremely satisfied, very satisfied or satisfied) with their visit to the airport. These results are not due to chance but to concerted efforts made by the entire airport community to improve the facilities, processes, services and the way in which these are provided. We would like to thank our operational partners for their constant commitment to customer service.

## INVESTMENT AND FINANCING

The Corporation invested \$180 million in 2014, compared to \$177.4 million in 2013. The work focused mainly on the expansion of the international jetty and on the construction of new retail space in the central part of the existing international jetty. The investments were financed through cash flows from operations, including airport improvement fees.

The expansion of the international jetty, made necessary by the sustained growth of international traffic, represents a major project in the order of \$270 million. The work is progressing well: by the end of the year, the project was over 60% complete. The opening of the new section, which will add six boarding gates for large aircraft, is now planned for June 2016, three months before the initial target. Note that the four-storey building will comply with the stringent environmental and energy standards required for LEED certification, while the interior will provide a welcoming and friendly atmosphere.

Over the period 2015 to 2019, our investments will amount to about \$800 million, including a large number of maintenance and improvement projects, both at Montréal-Trudeau and Montréal-Mirabel. In 2016, our plans include investing some \$40 million to completely rebuild the main runway at Montréal-Mirabel in order to continue to meet the needs of all-cargo carriers, general aviation and our aerospace industry customers. This investment is justified by the fact that the Montréal-Mirabel airport provides approximately 3,700 jobs, including 86% in aeronautics.



JAMES C. CHERRY  
PRESIDENT AND CHIEF EXECUTIVE OFFICER

RÉAL RAYMOND  
CHAIRMAN OF THE BOARD

### DISMANTLING THE OLD MIRABEL TERMINAL BUILDING

A significant event in 2014 was the start of work to dismantle the old Mirabel passenger terminal building, which had been idle for 10 years. Studies by experts showed, beyond any doubt, that the building had become entirely obsolete and unsalvageable. It would have required urgent and costly repairs. In addition to maintenance cost savings, dismantling the building will allow 200,000 m<sup>2</sup> of land to be developed. This will generate additional revenue for Aéroports de Montréal as well as jobs and tax revenue for the community.

We already plan to use a portion of the land for activities related to air cargo, and other projects are under discussion. Industrial and commercial development experts from Aéroports de Montréal and the City of Mirabel continue to coordinate their promotion and prospecting efforts. The main target sectors are aerospace and high technology.

### AN EXPANDING AIR SERVICE

This year, the theme of our annual report covers Montréal's air connectivity, a subject which appears increasingly important in the context of globalization and the emergence of new economic powers such as China and Brazil. Aéroports de Montréal has concentrated on this issue for a number of years, as evidenced by the continuous efforts and the significant financial resources that we dedicate to the development of Montréal-Trudeau's air service.

To ensure that Montréalers have access to the air service they need, Aéroports de Montréal asked a renowned firm of economists to produce a study on the quality of air service, in particular by comparing the international connectivity of Montréal to that of other North American cities of similar size. The main findings and conclusions of this study are shown in a special section at the end of this annual report. You can also consult the study in full on our website.

All major cities or regions around the world want to have more direct flights to important destinations for business, trade and tourism. Competition to attract direct flights is fierce, especially to some very popular destinations such as China. A large number of geographic, demographic, economic, commercial, regulatory and other factors act as differentiators. However, as we have always maintained, the study clearly shows that Montréal has a desirable air service considering its size and its specific market considerations. Furthermore, it is continually improving.

### DIRECT CONNECTION WITH CHINA

We were delighted to hear that Air China has decided to launch a direct flight between Beijing and Montréal this coming September, in partnership with Air Canada. This eagerly awaited decision is the culmination of efforts over several years to attract a carrier to serve this strategic market. We would like to sincerely thank our key allies and partners in this project, including the Board of Trade of Metropolitan Montréal and its president Michel Leblanc, Tourisme Montréal and the Québec government. We are certain that the Montréal community, particularly the business community, will welcome this flight enthusiastically.

### PERFORMANCE PLAN 2016–2018

As mentioned in our message last year, Aéroports de Montréal has undertaken a broad plan to enhance its organizational performance, particularly in terms of team productivity and the generation of non-aeronautical income, while continuing to improve the customer experience. Cost-reduction and income-generation initiatives will be in place by the end of 2016 and by the end of 2018, respectively.

## Montréal's air connectivity

Aéroports de Montréal has concentrated on this issue for a number of years

### ORGANIZATIONAL CHANGES

In 2014, several reorganizations were undertaken and new roles were created. In order to ensure integrated management of both landside and airside infrastructure, all functions relating to the life cycle of each type of infrastructure have been regrouped under the same division. Philippe Rainville has been appointed to head the Airport Planning, Engineering and Terminal Maintenance division, and is also responsible for the new Project Office. The division led by Pierre-Paul Pharand has been renamed Airport Operations, Infrastructures and Air Services Development to reflect its new responsibilities. Property Management has been entrusted to Pierre Gagnon, Vice President, Legal Affairs and Corporate Secretary. Finally, Albert Caponi joined the management team as Vice President, Finance and Administration, and Chief Financial Officer.

### GROUND ACCESS TO MONTRÉAL-TRUDEAU

The redevelopment of the Dorval interchange is an issue which keeps surfacing year after year. The Ministry of Transport of Québec is currently working on a new design for the segment spanning the CN/CP railway corridor. We are confident that the links between the airport and Highway 20 East will be operational by the end of 2017.

In terms of the Light Rail Transit (LRT) to the West Island, which includes the shuttle between Montréal-Trudeau airport and the city centre, we were delighted to learn at the beginning of 2015 that this project will be carried out by the CDPQ (Caisse de Dépôt et Placement du Québec) under an innovative partnership with the Québec government. This new approach for large-scale infrastructure projects will accelerate two projects identified as high priority by the government: the establishment of the LRT to the West Island and of the LRT on the new Champlain Bridge. We look forward to continuing the work under the new leadership of the CDPQ, with whom we share the same vision. CDPQ's expertise in terms of funding and carrying out major infrastructure projects, in particular for airport shuttle service projects, as well as in terms of property development, will be key to the project's success.

We reiterate that access to high quality highways and fast and reliable rail services is essential to the operation and development of any international airport. At a time when many stakeholders are aware of the importance of a high quality air transport service for Montréal, it is also essential to ensure that Montréal-Trudeau offers world-class access. We compliment the Government of Philippe Couillard for its sensitivity regarding this file.

### BOARD OF DIRECTORS

We welcomed Hélène V. Gagnon to our Board of Directors last November. Directly appointed by the Government of Canada to replace Maud Cohen, Ms. Gagnon has a thorough knowledge of the aerospace industry and its workings. We also wish to thank Ms. Cohen for her contribution over the last few years.



Réal Raymond  
Chairman of the Board



James C. Cherry  
President and Chief Executive Officer

# 2014 Highlights

## 1 MIRABEL AIRPORT, A SIGNIFICANT ECONOMIC ENGINE

Montréal-Mirabel's transition into an industrial and all-cargo airport has been very successful. This is demonstrated by the economic impact study published in 2014. As proof, 86% of the 3,700 direct jobs are related to the high value-added sector of aeronautics, including the manufacture and repair of aircraft, engines and other aircraft components. On the whole, the companies on site contribute \$1.1 billion to the GDP of Québec and \$200 million in tax revenue.



## 2 AÉROPORTS DE MONTRÉAL INVOLVEMENT IN I SEE MONTRÉAL

ADM presented two projects as part of the I See Montréal initiative: the interior design of the new section of the international jetty, which reflects Montréal's ambiance, and the establishment of a direct air link with China. In addition, ADM is a partner in other projects, including the Montréal vous accueille initiative from Tourisme Montréal and the Route-Relay of National Bank under which a column of light named Between Earth and Air will be installed at the entrance of Montréal-Trudeau.



## 3 NEW FACILITIES FOR GLYCOL RECYCLING

In October, ADM and Aero Mag inaugurated leading-edge technology facilities for ethylene glycol recycling. Representing an investment of \$10 million, the new facilities use a sophisticated process to concentrate the glycol collected and to restore its level of purity to at least 99.5% so that it can be re-used for aircraft de-icing. This is a world first. The facilities also enable to reduce the use of potable water while lowering the costs of ethylene glycol for customer carriers.

## 4



## 5



## 6



## 4 WORK ON THE EXPANSION OF THE INTERNATIONAL JETTY

At the end of the year, expansion work on the Montréal-Trudeau international jetty was ahead of schedule. The glass shell around the four-storey building was closed before the holidays. In 2015, work will mainly concern the interior finishing. The new facility will be differentiated by its open plan layout, reminiscent of Montréal's public squares and terraces. In addition, the ceiling light art will create a striking impact. The opening has been brought forward to summer 2016.

## 5 NEW WEBSITE AT THE CUTTING EDGE OF TECHNOLOGY

In June, Aéroports de Montréal launched its new website with cutting-edge technology and fully reviewed and enriched content. The new website, admtl.com, stands out with its responsive design, providing an optimal user experience regardless of the type of device used to browse it. Modern and user-friendly navigation allows users to easily find all the information and tools necessary to plan a visit to the airport. The new ADM website won the Boomerang 2014 Grand Prix award in the General Public category.

## 6 NEW CARRIERS AT MONTRÉAL-TRUDEAU

In June, Montréal-Trudeau welcomed two new air carriers, members of Star Alliance: Turkish Airlines (Istanbul) and Copa Airlines (Panama City). Thanks to their highly developed networks, these carriers have considerably increased the connectivity of Montréal with many regions around the world, including Eastern Europe, Central Asia and Latin America.

# Airport Operations

## PASSENGER TRAFFIC AND MOVEMENT

In 2014, Montréal-Trudeau saw 14.8 million enplaned/deplaned passengers, an increase of 5.3% from the previous year. This performance, more solid than predicted, is mainly explained by a generally positive economic context, enhanced air services and a strong increase in connecting traffic.

With a growth of 5.5%, domestic sector performance has been better than expected, thanks to favourable market conditions across Canada. International traffic grew by 4.9%, having benefited from the addition of new destinations and increased frequencies on several existing destinations. For its part, the traffic between Canada and the United States experienced an increase of 5.6% and routes to the American West have been particularly busy.

At the end of the year, Montréal traffic was divided as follows: 38.5% domestic, 37.4% international, 24.1% transborder, i.e., very similar proportions to the previous year since all traffic sectors saw growth in 2014.

The proportion of connecting or transit traffic increased by 2 percentage points in 2014, to reach 17.7%. It is estimated that the latter even exceeded 20% during the summer high season, clearly demonstrating that Montréal-Trudeau is increasingly used as a hub between North America and Europe. Maintaining solid connecting traffic allows the airport to improve its air service and to make some links profitable.

Aircraft movements (take-offs and landings) registered at Montréal-Trudeau and Montréal-Mirabel airports have continued to decrease, passing from 234,638 in 2013 to 230,666 in 2014. This trend is explained by occupancy optimization and the use of larger or more densely seated aircraft.

## CARRIERS AND AIR SERVICE

Air service in Montréal was further enhanced in 2014 with the arrival, among others, of two major carriers, both of which are Star Alliance members: Turkish Airlines (Istanbul) and Copa Airlines (Panama City). Thanks to their highly developed networks, these two new regular carriers have considerably increased the connectivity of Montréal with many regions of the world, including Eastern Europe, Central Asia and Latin America. Furthermore, Montréal-Trudeau welcomed Syphax, an independent carrier connecting Tunis and Montréal for the first time on a seasonal basis.

During the summer, no fewer than 28 European cities were accessible by direct flights from Montréal, including Prague (Air Transat) for the first time in several years. The Montréal-Paris connection has remained the best-served international route leaving from Canada, with up to seven flights a day to Charles de Gaulle or Orly. Lufthansa launched a new service to Frankfurt with five flights per week, in addition to its daily flight to Munich. Air Canada rouge, Air Canada's leisure airline, has added Barcelona, Nice and Rome to its summer schedule.

## 2014 AIRPORT TRAFFIC BREAKDOWN BY SECTOR



Montréal-Trudeau saw **14.8 million enplaned/deplaned passengers**, an increase of 5.3% from the previous year



For the 2014-2015 winter season, Air Canada announced a new weekly flight between Montréal and Curacao, while Sunwing became the first airline to serve the new airport of Rio Hato on the Pacific coast of Panama.

As is the case each year, ADM continues its efforts to develop its air service. Air China has already stated its intention to launch a regular link between Beijing and Montréal and a new Greek carrier, SkyGreece, will begin to operate in Montréal in May 2015.

## AIR FREIGHT

In total, some 165,434 tons of cargo passed through Montréal's international airports in 2014, a decrease of approximately 4.6% compared to 2013. Of this figure, Montréal-Trudeau dealt with 82,463 tons, down 2.3%. The cargo handled at Montréal-Mirabel decreased by 6.8%, to 82,971 tons.



# I'M ON BOARD. MONTRÉAL-TRUDEAU

SERVING THE WORLD

NEW CAMPAIGN SIGNATURE: I'M ON BOARD

## CUSTOMER EXPERIENCE

ADM is committed to offering its customers a memorable airport experience, with a Montréal flavour, supported by staff who aim for excellence. Over the years, the Corporation has acquired various customer experience management tools, including quarterly satisfaction polls (see page 12), an airport recognition program, a mystery client program, complaint management as well as a customer experience steering committee. This was recently enhanced by achieving ASQ Assured Certification, a rigorous program of customer service quality management, specifically designed for airports by Airports Council International. In 2014, ADM's total score improved further, rising from 79.1% to 83.7%.

Improving customer experience is not just ADM's responsibility, it falls on the entire airport community, especially as the passenger perceives the airport as an indivisible whole. This is why ADM and a large number of business partners have developed a program together, based on four aspects of service: friendliness, fluidity, security and innovation. This initiative, called I'm on board, officially starts in 2015. It will include joint training and a mystery passenger program. The airport recognition program that is already in place will also be part of I'm on board.

## INNOVATIONS

ADM is known for its innovation and leadership in using technologies designed to facilitate, accelerate and improve the home-to-plane passenger journey, and vice-versa.

In 2014, the main initiative in this regard was the launch of a new, high-tech website. The new website admtl.com stands out with its responsive design that provides an optimal user experience on all devices: including desktop computers, tablets and smart phones. A single platform therefore replaces the former website and its smaller mobile version. With modern, user-friendly navigation, enhanced content and new or improved features, users can easily find all the information and tools needed to plan their visit to the airport or their next trip by plane. In addition to consulting the schedules in real-time, they can also book a parking space, shop for duty-free goods and register for SMS alerts and SecurXpress services.

Once in the terminal, passengers also benefit from a large number of electronic display boards, media walls and interactive screens where they can find information such as flight schedules, the expected waiting time at checkpoints, the time needed to walk to the boarding gates, terminal maps and various other useful information. Since 2014, airlines have also been able to display the scheduled boarding time of the next flight on each boarding gate, enabling passengers to manage their time better. Similarly, the screens installed above the carousels display the scheduled time for baggage delivery as well as the arrival of the last baggage delivery.



REST AREA



SECTOR CHIEF - SECURITY



INFORMATION KIOSK

Following the unification of pre-boarding checkpoints for both domestic and international flights, the regulated domestic and international areas have also been unified, at least on a pilot project basis. Domestic and international passengers can now access both areas and therefore have access to a wider range of commercial services. ADM sees this as entirely beneficial, particularly in terms of operational flexibility, and now wishes to convince the authorities to make this unified area permanent.

Other initiatives put forward in 2014 include the creation of new rest areas in the international jetty, the installation of a heated smoking area outside arrivals as well as the development of rest areas in domestic arrivals.

## OPERATIONS AND SAFETY

Operations Management has reviewed its business practices in order to increase its efficiency. Notably, the role of Chief of Operations was created as part of an administrative reorganization. A team of six experienced managers, super coordinators at the heart of all airport activity, ensure round-the-clock management presence, seven days a week, allowing quick decision-making in the event of any unforeseen or unusual situations.

ADM's Airport Patrol has also been restructured with a view to greater productivity and closer integration with the other ADM services. This restructuring included creating 17 new Sector Chief positions to replace the old constable function, hiring a new human resources service provider to fill the positions of agents and creating a new service called Centre of Expertise. The Sector Chiefs who patrol the terminal inside and out were recently given electronic tablets to assist them in speeding up report compilation.

Airport Patrol was given a perfect score by the Commission on Accreditation for Law Enforcement Agencies (CALEA) auditors following their recent visit. Airport Patrol was certified for the first time in 2003 and has, once again, been recognized by CALEA for its commitment to operational and administrative excellence.

Furthermore, ADM and its partners have worked on various projects related to air transport safety, including opening the new pre-boarding checkpoint for both domestic and international flights as well as developing checkpoints for non-passengers and vehicles entering the outdoor restricted area.



## Real Estate and Commercial Services

### CUSTOMER SATISFACTION

Aéroports de Montréal measures the satisfaction of Montréal-Trudeau customers through quarterly surveys carried out with 1,500 passengers on departure and 800 passengers on arrival. These surveys are a crucial management tool for improving customer service. The measuring scale has seven levels, from extremely satisfied to extremely dissatisfied, including a neutral level (neither satisfied nor dissatisfied).

In 2014, the overall satisfaction score for passengers on departure was 5.69 out of 7, essentially similar to the previous year. The proportion of passengers who expressed overall satisfaction (extremely satisfied, very satisfied or satisfied) was 97.9%, compared to 97.3% in 2013.

Check-in is considered to be the most important stage of the passenger's journey. The set of indicators related to check-in received an average score of 5.84 out of 7 – the highest rating among the eight groups of indicators. Among the indicators showing improvement during the course of the year, access to the airport, shops and restaurants as well as parking (helped by the new online reservation system) deserve a mention.

In terms of passengers on arrival, the overall satisfaction score was 5.98 out of 7, a slight increase compared to last year. The proportion of passengers saying they were satisfied overall reached 97.9% compared to 96.4% in 2013. The indicators receiving the highest satisfaction rates were baggage cart availability, the ability of Canadian customs officials to speak the passenger's preferred official language (English or French), and interior and exterior signage.



### CUSTOMER SATISFACTION IN 2014

\*% OF SATISFIED, VERY SATISFIED AND EXTREMELY SATISFIED PASSENGERS



### COMMERCIAL DEVELOPMENT

The network of restaurants and shops in the Montréal-Trudeau airport terminal, a significant source of non-aeronautical income, welcomed several new retail outlets in 2014. In order to increase the share of its non-aeronautical revenue, ADM also plans to increase its commercial development efforts in the coming years to achieve the highest standards in the industry.

In early 2014, the new commercial area created in the public zone near the domestic/international safety checkpoint welcomed Café Vasco da Gama, managed by Carlos Ferreira, as well as a Jugo Juice/Sushi Shop counter. Tristan, Cirque du Soleil/Découvrir Montréal, La Source and Relay stores opened their doors at the end of 2013. Passengers and visitors can now access these new spacious, comfortable and bright shops.



ARCHIBALD MICROBREWERY

The Archibald Microbrewery, which was first set up in the public zone, is now accessible from the international jetty, where it benefits from a much larger client base. There is now a far wider range of services available with completely new or refurbished shops including Relay, Pronto, Cirque du Soleil, ICE and Lolè. The expansion of the commercial area between gates 52 and 53 required the relocation of several businesses.

The newly refurbished Duty Free shop, officially opened in April and boasting a contemporary style with a local touch, has been a great success. The shop was in fact awarded the commercial category reward (for stores measuring over 5,400 ft<sup>2</sup>) at the 8<sup>th</sup> edition of Québec's Grands Prix du Design contest.

The luggage carrier services were awarded to a new operator, OPSIS Airport Services. Accessories and shoe shining services, which are now available in all jetties, were allocated to E. F. Walter. In the transborder sector, the ICE counter was relocated and redeveloped.

Moreover, every year Montréal-Trudeau airport is the platform for several major advertising campaigns and 2014 was no exception. One such campaign, the Diesel campaign, used the entire 140-metre window display across the domestic/international screening checkpoint.

#### PARKING AND GROUND TRANSPORT

Parking services at Montréal-Trudeau saw a significant increase in income in 2014. At the same time, the customer satisfaction index increased from 79% in 2013 to 92% in 2014. This healthy performance is due to various initiatives such as advertising campaigns and pricing changes, as well as an increase in the number of people using the online booking system. This system benefited from the launch of the new admtd.com website.

ADM future plans include a review of the commercial transport business model.



ONLINE PARKING RESERVATIONS

#### REAL ESTATE DEVELOPMENT: MONTRÉAL-TRUDEAU

In 2014, in anticipation of its future needs, ADM acquired some properties located on the edge of the airport territory, including a lot measuring 18,000 m<sup>2</sup> close to the Kingsway terminal. Furthermore, a lease agreement was concluded with Broccolini Construction for a lot measuring 48,300 m<sup>2</sup> located on Chemin de l'Aviation.

As mentioned in the Montréal-Trudeau master plan, which was recently the subject of consultations, ADM will resume possession of the lot currently occupied by a 9-hole golf course and will use this land to relocate some activities. This land has always been part of Montréal-Trudeau airport territory. It has been leased to the City of Dorval since the 1960s, but it has always been clear that ADM reserved the right to resume possession at the right time, depending on the needs of the airport.

In addition, with the aim of increasing its non-aeronautical income, ADM issued a call for expression of interest for a commercial development along Boulevard des Sources.

#### REAL ESTATE DEVELOPMENT: MONTRÉAL-MIRABEL

At the start of 2014, Aerolia, the leading French aerospace company, recently renamed Stelia Aerospace, moved into its new building that ADM custom-built at a cost of \$9.5 million. Aerolia, a member of the EADS Group, uses the facility to produce the equipped centre fuselage for Bombardier's Global 7000\* and 8000\* business jets. Covering an area of 7,300 m<sup>2</sup>, the building can be enlarged in accordance with the growth of Aerolia's activities in North America. ADM and Syscomax were jointly given the award for Best Industrial Partner during Aerolia's Best Supplier Awards.

For its part, Bombardier Aerospace has completed the construction of its new facility for the final assembly of the new CSeries family of aircraft. The CSeries aircraft development program continued in 2014; this is of paramount importance to Québec's aerospace industry and to Montréal-Mirabel in particular.

\*Trademarks

A large number of rental agreements were concluded in 2014 for land or space inside existing buildings. For instance, Les Entreprises K. L. Mainville leased a building measuring 1,100 m<sup>2</sup> and a lot measuring 3,720 m<sup>2</sup> for its truck centre, as well as an additional 3,716 m<sup>2</sup> of land for the development of a parking facility. Various areas in the Cargo D building were leased to C&D Aerospace (Zodiac Aerospace), Hitek Logistic and Aerolia.

Furthermore, the work to dismantle the old Mirabel terminal building, which began in the fall, will free up 200,000 m<sup>2</sup> of first choice land, some of which has direct access to the runways. ADM and the City of Mirabel committed to continue working together, with a view to redevelop this land, mainly by setting up a group responsible for coordinating promotion and prospecting efforts.



STELIA (AEROLIA) AEROSPACE BUILDING

# Engineering and Construction



INTERNATIONAL JETTY EXTENSION

## MONTRÉAL-TRUDEAU

The extension of the international jetty has been the main ongoing project at Montréal-Trudeau. This project will add six boarding gates for wide-body aircraft as well as commercial areas and a VIP lounge. It is valued at approximately \$270 million. At the end of 2014, the work had progressed by almost 60%. The foundation, structure and shell of the four-storey building as well as the interfaces were essentially completed, and the focus will now be the installation of boarding bridges, electromechanical systems and the interior finishing. As the work is progressing well, the opening has been brought forward three months, from September to June 2016.

The development concept of the vast departures level area was also crystallized during the course of the year. The innovative open-plan area, where shops, restaurants, services and rest areas will be interlinked, will create a friendly and welcoming atmosphere that reflects Montréal.

The project to expand the international jetty between gates 52 and 53 was also launched in 2014. A cantilever structure above the airside service road, this annex will house various additional commercial spaces including new Air Canada and ADM VIP lounges with an exceptional view over the apron. Located in the operational area, this project requires meticulous phasing. The first phase will be completed by spring 2015.

On the city side, we have also started the construction and/or expansion of delivery bays and warehousing space for the growing needs of Montréal-Trudeau businesses. These are essential support spaces for the supply of food and products as well as for waste management. In addition, another floor is being built above to create a commercial space that is accessible from the inside, in front of gate 1 of the domestic jetty.

A large number of other development, improvement and maintenance projects have been completed at Montréal-Trudeau during the year. These smaller projects include the following:

- ◆ rehabilitation of the multi-storey parking lot
- ◆ expansion of the corridor leading to the domestic jetty
- ◆ rehabilitation of taxiways A, A4 and D
- ◆ creation of new road signs.

## MONTRÉAL-MIRABEL

In terms of airport facilities, the work required prior to resurfacing the main runway 06-24 – scheduled for 2016 – continued during the year. As runway 11-29 will be the only operational runway during the work, it must be equipped with navigation tools.

The dismantling of the old Mirabel terminal building and adjacent multi-level parking lot began in November. The first step is the demolition of the concrete parking lot structure as well as removing asbestos and interior furniture from the airport terminal building. The dismantling of the glass and steel shell will follow this coming summer.

Furthermore, the building to accommodate Aerolia activities was completed in February. Owned by ADM, it was custom-built using a turnkey formula.

## PLANNING

As discussed in the 2013-2033 Montréal-Trudeau master plan, ADM's next great challenge will consist of the redevelopment of the city side, namely the drop-off areas, the multi-level parking lot and the central building of the terminal, including the 1960s facade and offices. The drop-off areas are currently at full capacity and must be redesigned and enlarged. We have an existing shortage of parking spots close to the terminal that needs to be addressed. This vast project must also take into account the route of the eventual rail shuttle system, as well as existing and potential businesses, including car rental services.

In 2014, four basic development concepts, some including variants, were developed and analyzed, and the most promising shall be developed in greater detail. Given the complexity of this project and its impacts, a working committee including Board members and management committee members will be set up to ensure that the final decision is as informed as possible.

The airport planning team has also worked on the design of several other short- and medium-term projects, including improvements to the interior layout of the new section of the international jetty; connectivity between the transborder and international sectors (to facilitate transit passenger routes); and international to domestic transfers. Studies were also carried out on the future refurbishment of the luggage room and the renovation of the east area of the domestic and international departures hall.



DISMANTLING TERMINAL BUILDING



OPEN-PLAN RETAIL CONCEPT

The projects discussed for Montréal-Mirabel were those focusing on the development of the cargo sector, the redevelopment of road access (in consultation with the Ministry of Transport of Québec) as well as the redevelopment of the old terminal building area.

### RAIL SHUTTLE

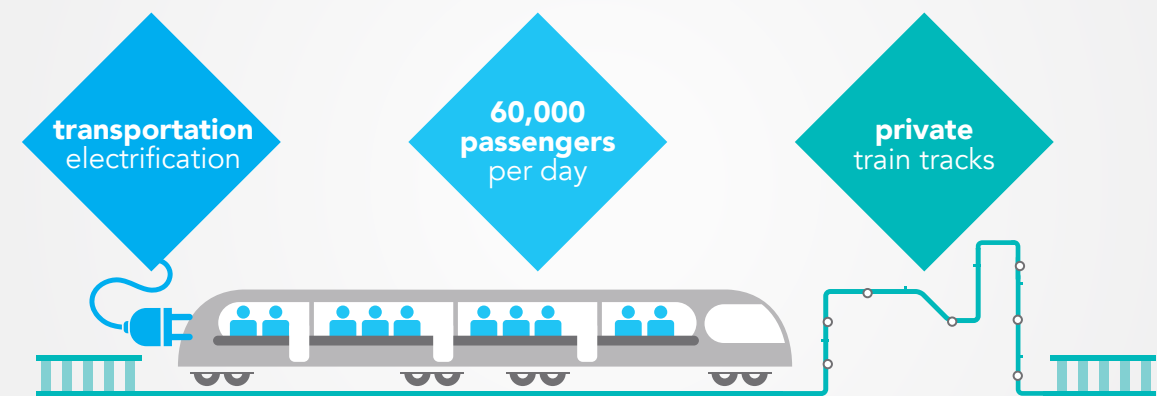
The West Island Light Rail Transit (LRT) project, which will cover both the airport and the West Island, was reignited in early 2015 by the announcement of the partnership between the Québec government and the CDPQ for the completion of major infrastructure projects in Québec. The government has indeed specified this public transit system as one of two priority projects to be completed under the new partnership, the other being the South Shore LRT.

Note that the LRT to the West Island was identified as the option which "best meets the needs of the metropolitan and airport customer base" after the evaluation process of the West Island Mobility Plan. This system will be built on a dedicated site and not on the premises of any private railway company. In addition, although the exact technology remains to be specified, a light, electric train will be the only solution able to offer a fast, frequent and reliable service likely to generate high traffic. The flexibility offered in terms of line routes and station locations will also ensure maximum territory coverage. Finally, significant synergies and savings are possible if the West Island and South Shore LRTs are carried out in an integrated manner using the same vehicles.

The LRT to the West Island and the South Shore LRT may also qualify for land value capture for project financing purposes. In 2014, we explored this potential with our financial and property partners. According to an expert study carried out at the request of National Bank, the increase in land value could reach a substantial share of the project cost.

ADM has been calling for a rail service for a number of years as this would meet an ever-growing demand for public transit to the airport and would alleviate the problem of a lack of parking close to the terminal.

### THE WEST ISLAND LRT PROJECT



## Sustainable Development

Aéroports de Montréal aims to become one of the best airport managers, distinguished by its rigour, efficiency and innovation, while respecting the environment. In that sense, the Corporation manages, operates and develops its airports by taking into account all of the social, economic and environmental impacts and by developing good relationships with its partners and stakeholders.

Following its commitment to sustainable development, ADM set out a 2013-2017 action plan and 75% of the planned activities had been completed or were in progress by the end of 2014. Here are the major challenges.

### SOCIAL

- ◆ Developing talents and skills
- ◆ Maintaining environmental harmony and supporting communities

### ENVIRONMENTAL

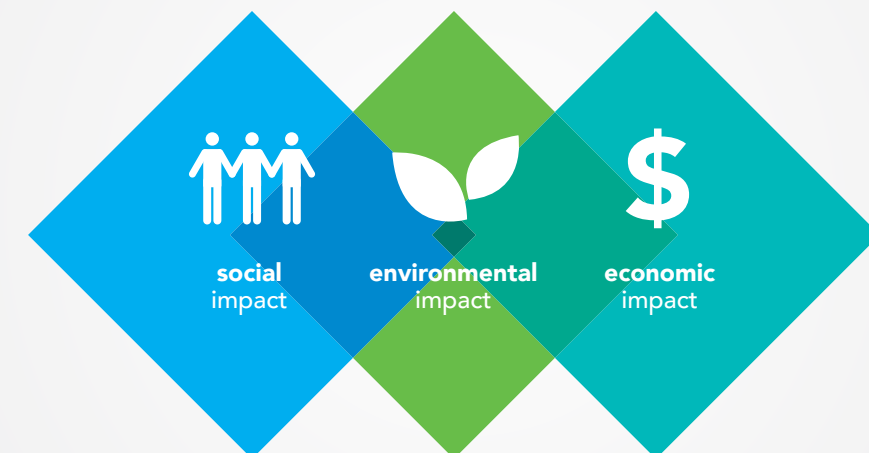
- ◆ Increasing energy efficiency and reducing GHG emissions
- ◆ Managing residual materials
- ◆ Protecting bodies of water and reducing drinking water consumption

### ECONOMIC

- ◆ Improving ground access to the airport
- ◆ Contributing to the economic development of Greater Montréal

The Sustainable Development Committee, consisting of managers of various ADM departments, monitors ADM's commitment to sustainable development. Training is offered to a number of managers and employees so that they may take ownership of the sustainable development objectives and are equipped to apply them in practice in their respective spheres. Approximately half of the targeted employees had taken part in the training by the end of the year.

### SUSTAINABLE DEVELOPMENT



# Protection of the Environment



## PROTECTION OF THE ENVIRONMENT

Aéroports de Montréal aims to maintain harmonious coexistence with its surroundings, particularly with regard to protecting the environment. The Corporation's environmental policy, available on the [admtl.com](http://admtl.com) website, identifies the main areas of improvement in terms of protecting the environment. ADM is also committed to achieving 17 actions from the 2010-2015 Montréal Community Sustainable Development Plan.

In 2014, ADM maintained its efforts to improve its environmental performance and minimize the environmental impact of its activities. Approximately \$14.5 million has been invested in capital projects related to the environment, including the installation of equipment to recycle used de-icing fluids, the installation of hose retractors to ease the connection of ancillary services to aircraft, the replacement and installation of hydrocarbon interceptors, ensuring compliance of the petroleum equipment and various energy-saving projects linked to the heating, ventilation and air conditioning systems (HVAC).

## CERTIFICATIONS AND RECOGNITION

Since 2000, ADM has held ISO 14001 certification for its environmental management system. This system allows operational processes and environmental performance to be improved from a variety of perspectives.

The Montréal-Trudeau terminal holds BOMA BEST certification attesting to the good energy and environmental performance of the building. Recertification was successful in 2014. Montréal-Pierre Elliott Trudeau International Airport also became the first Canadian airport to receive Airport Carbon Accreditation (Reduction) which demonstrates ADM's commitment to protecting the environment and reducing its greenhouse gas emissions.



## ENERGY EFFICIENCY AND GREENHOUSE GAS EMISSIONS

Reducing greenhouse gases has been a priority for several years. The many initiatives put forward in this regard have helped save 43,984 tons of CO<sub>2</sub> equivalent during the period 2004 to 2012. This exceptional performance is largely explained by the replacement of the old oil-fired unit with an ultra-high performance installation geared toward energy recovery and running on electricity and gas.

In 2014, the Corporation continued to improve its ventilation systems by installing speed controllers, thereby reducing the energy consumption of the fan motors. In addition, the configuration of the HVAC system was reviewed in order to increase its efficiency.

Both new buildings and buildings under construction, such as the expansion of the international jetty, are equipped with a high-performance shell which reduces the need for heating or air conditioning; in addition, in some parts of the terminal, an ingenious system of automated blinds maintains the natural lighting at an optimal level. Other devices are geared toward the same goal of energy efficiency, such as airtight revolving doors, speed regulators on escalators and moving walkways.

ADM also helps airlines reduce the GHG emissions of their aircraft when they are parked at the boarding gate, by providing them with electrical current and heated or cooled air. Air supply hose retractors have been installed in order to facilitate their use.

ADM promotes the use of LED lights, including for runway lights and other airside lamps as well as street lighting. In 2014, ADM continued the LED technology conversion program and the optimization of lighting in the airport terminal. Airside lighting is now reduced at night during inactive periods.

Motion detectors have been installed in the administrative offices to reduce lighting consumption. This project, which received a grant from Hydro-Québec as part of its Industrial Initiatives Program for major customers, has been expanded to some areas of the terminal building.

In 2014, ADM built a free parking lot (CellParc) for people accompanying passengers, in order to reduce drop-off area traffic and reduce vehicle idling. Charging stations in the Montréal-Trudeau parking lot are available for electrical vehicle users. The Écono-Écolo-Pratique program, which aims to encourage the use of sustainable transport modes, was further enhanced in 2014; some 34% of ADM employees carpool or use public transportation thanks to this program.

Finally, a campaign to increase airport partners' awareness of the importance of saving energy was promoted under the "Turn Off Before Leaving" initiative.

## HABITAT PROTECTION

Any development project at Montréal-Trudeau or Montréal-Mirabel must be subject to an environmental assessment to identify its potential impact on the environment and suggest mitigation measures. In 2014, no project was deemed likely to cause any significant environmental effects. In addition, ADM runs an environmental inspection program for building sites to ensure compliance with the environmental regulations and requirements of the contract.

ADM continuously monitors the quality of rain water, sanitary water and ground water at its airport locations. These sampling and analysis programs are entrusted to external firms with the necessary credentials. More than 500 analyses are carried out annually on samples of rain water collected for the different outlets of Montréal-Trudeau and Montréal-Mirabel airports. In addition, the City of Montréal has an air quality measuring station at Montréal-Trudeau, and the data is available on the City's website.

### RECYCLING AND REDUCTION PROGRAMS

The highlight of 2014 was, without doubt, the completion of the facilities for the recycling, recertification and reuse of ethylene glycol used for aircraft de-icing at Montréal-Trudeau. This is a world first. Montréal-Trudeau has indeed become the first airport in the world to bring glycol to a minimum concentration of 99.5% and to reuse it as a certified product for aircraft de-icing. The new facilities deploy a sophisticated process and distillation tower at the cutting edge of technology. ADM has invested \$7.1 million in the project and the operator Aero Mag contributed \$2.9 million. In addition, work will be carried out to confine glycol to the outskirts of the de-icing centre and expand the storage area for waste snow.

Adhering to the 4R principle (reduction, reuse, recycling and recovery), ADM aims to recover 50% of its residual materials by 2017. Paper, cardboard, plastic, glass and metal are collected in multi-material collection bins throughout the airport and offices. ADM also ensures the

collection of organic materials in the terminal building restaurants. Some 135 metric tons were sent to compost and 18 metric tons of food were given to Moisson Montréal by the restaurants owned by HMS Host. The recycling rate is now at 24%.

In 2014, ADM also made water bottle filling stations available across the terminal.

ADM has also maintained its efforts to reduce its paper consumption and use more environmentally friendly paper. The measures put forward, including the increase in the use of digital documents and online services, have resulted in reducing paper consumption by 40% or 8.8 metric tons in 2014 compared to 2009.

Another long-term program is aimed at recovering debris from repair or demolition work. The objective for recovering materials from the dismantling of the old Mirabel terminal building is 80%.

### KEY ENVIRONMENTAL INDICATORS

Aéroports de Montréal publishes a number of key environmental indicators that determines the ecological footprint of its airports and that attest to its efforts to manage the environmental impact of its activities. It is important to note that energy consumption and the use of de-icing fluid, for example, are greatly influenced by climatic conditions.

	2014		2013	
	YUL	YMX	YUL	YMX
Energy consumption (GJ)	515,364	186,996	523,229	188,502
GHG emissions (t CO <sub>2</sub> equiv.)	7,360	6,526 <sup>1</sup>	7,960	6,530
Residual materials generated, ADM terminal and buildings (t)	2,789	n.av	3,009	n.av
Residual materials recycled and composted (%)	24	n.av	23	n.av
<b>DE-ICING FLUIDS</b>				
Quantity of sodium formate applied (t) <sup>2</sup>	820	0	1,275	13
Quantity of potassium acetate applied (L) <sup>2</sup>	78,660	n.av	25,223	n.av
Quantity of urea applied (t) <sup>2</sup>	0	470	0	350
Quantity of salts applied on the parking lots and the road network (t)	1,566	586	2,098	543

1. Emissions for the terminal building are 4,624 t CO<sub>2</sub>equiv.

2. Applied on runways and taxiways (eq. to 500 highway km)

Number of days with snow fall: 93 in 2013-2014 and 89 in 2012-2013.

Number of days with freezing rain: 8 in 2013-2014 and 3 in 2012-2013. Potassium acetate is used in freezing rainfalls.



SNOWY OWL



HONEY PRODUCTION

### GREENING AND PROMOTING NATURAL HABITATS

As part of the redevelopment of its cityside road network to Montréal-Trudeau, ADM carried out an extensive program to make the surrounding traffic lanes greener and prettier, and to contribute to the reduction of heat islands as well as to the improvement of air quality.

Two new planting projects were developed in 2014 as part of the ADM Tree Policy. The first was carried out at Vanguard School in the Saint-Laurent Borough and the second at the Dorval CHSLD (Centre d'hébergement et de soins de longue durée). Some 100 trees were planted in total.

Efforts are underway by the wildlife services to capture and relocate the many snowy owls who venture on the Montréal-Trudeau airport site and who represent a risk to aviation safety. In the last few years, these beautiful animals have been landing further south in search of food.

In addition, five beehives totalling 300,000 bees were installed at Montréal-Mirabel in collaboration with the honey cooperative Miel Montréal. A total of 85 kg of honey was harvested in the fall, 34 kg of which were given to Miel Montréal, 17 kg to Moisson Laurentides and 18 kg sold for the benefit of Centraide.

# Soundscape Management

## A SHARED RESPONSIBILITY

Soundscape management around the Montréal-Trudeau airport is a shared responsibility. Transport Canada is the regulatory body responsible for ensuring compliance with the application of procedures and rules for mitigation of the noise generated by the air traffic, and has the power to impose sanctions on pilots and carriers who contravene these rules. Under the terms of its lease with Transport Canada, Aéroports de Montréal is responsible for developing a soundscape management plan, establishing a consultative committee and dealing with any noise-related complaints. As part of this, the Corporation uses an ANOMS system to monitor all flights operating at Montréal-Trudeau in order to ensure compliance with the current regulations. When a suspected irregularity is observed, Aéroports de Montréal informs Transport Canada which then looks to take appropriate action. In 2014, 68 cases were submitted to Transport Canada for investigation, compared to 24 during the previous year.

## 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 land, and particularly the nearby residential development projects. The Airport Soundscape Advisory Committee held four regular meetings in 2014. In addition, Aéroports de Montréal continued to periodically meet with the council representatives of cities and boroughs affected by soundscape matters.

ADM also holds meetings with representatives from the city or borough councils affected by soundscape issues. As of spring 2015, ADM will participate, on request, at public council meetings in order to inform citizens regarding any runway work planned during the next summer season.

## SOUNDSCAPE MANAGEMENT PLAN

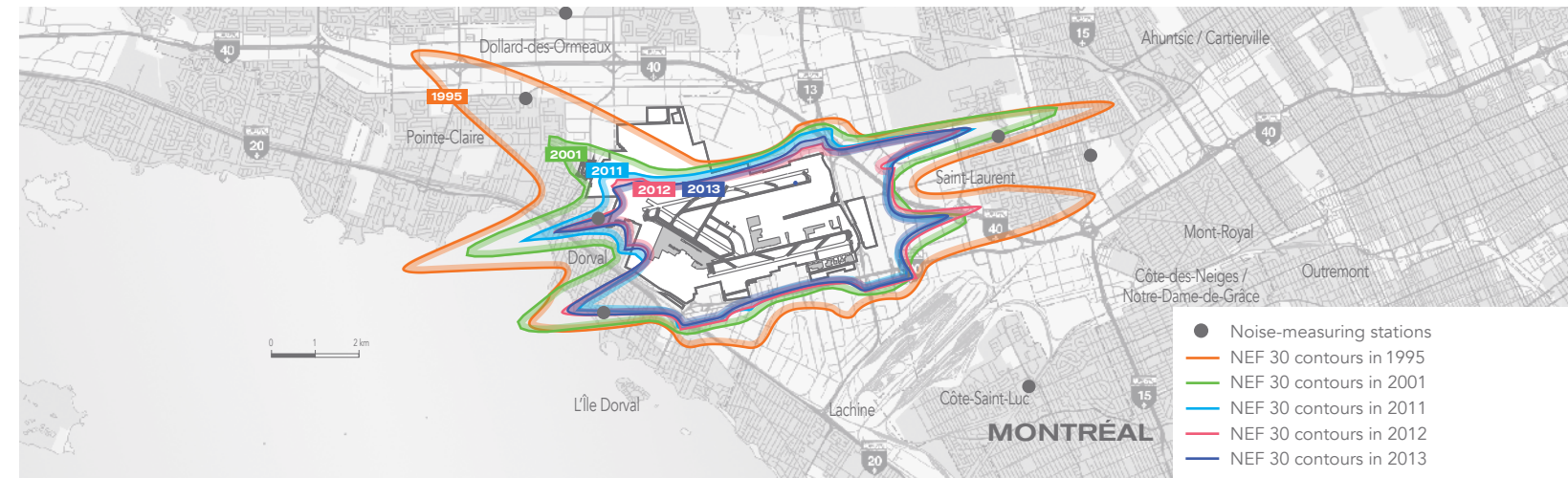
Montréal-Trudeau's soundscape management plan covers the operating hours, flight restrictions for large aircraft, engine tests, the system of preferential runways, take-off and landing procedures, and other such factors. More information is available on the [admtl.com](http://admtl.com) website.

Using soundscape management best practices, the Corporation focuses its efforts on night flights, particularly between 1 a.m. and 6 a.m. during the winter and between 1 a.m. and 7 a.m. during the summer. There are noise-mitigating procedures for operations during these restricted hours in order to minimize the impact of aircraft noise. In addition, night flights are subject to close monitoring using the ANOMS system and rigorous monitoring of the criteria for granting exemptions, as evidenced by the growth of the files submitted to Transport Canada in 2014.

With the exception of the period between 6 a.m. and 7 a.m. during the winter season, the number of flights falling within the hours of restricted operation is stable or declining. The vast majority of these flights are operated by aircraft weighing less than 45,000 kg; these do not require any exemption.

## PUBLIC HEALTH DIRECTORATE

Over the past few years, ADM has been closely following the work of the Public Health Directorate of Montréal that led to the publication of two public health notices related to noise in 2014. ADM has offered to collaborate with the Public Health Directorate and provide expert insight. The first notice states that although there are homes located in the NEF 30 (Canadian methodology) area, no housing unit is located in an area where the American (Ldn 65 dB(A)) and European (Lden 65 dB(A)) criteria are exceeded. The second notice, covering all air, road and rail transport-related noise and its potential impact on the health of Montréalers, states that aircraft noise is not the most significant source of noise on the island of Montréal.



## ANGLE OF APPROACH TO MONTRÉAL-TRUDEAU

At the annual general meeting in 2013, residents asked whether it was possible to change the angle of approach of aircraft landing at Montréal-Trudeau. Nav Canada certifies that "the glide path standard in Canada is 3°; if this angle were significantly increased, some aircraft would no longer be able to operate at Montréal-Trudeau; in addition, a glide path greater than 3° may increase the noise because pilots would need to use the flaps and the reverse thrust more."

## INFORMATION FOR CITIZENS

In order to better inform citizens of activities that may affect the soundscape around the airport, ADM publishes an electronic newsletter which is also available on the [admtl.com](http://admtl.com) website. Notices were also published in neighbourhood newspapers when major work resulted in the closure of a runway. During the summer of 2014, work on taxiway A along runway 06R-24L led to a significant increase in the number of take-offs from runway 24R and the number of landings on runway 24L. Runway 10-28 was also closed between May and mid-October.

Finally, a dedicated telephone line (514 633-3351) provides pre-recorded information messages, and allows a communication adviser to speak with citizens. Citizens can also communicate with ADM by email ([yulcliente@admtl.com](mailto:yulcliente@admtl.com)) or consult the website. The latter contains frequently asked questions on soundscape and other information tools.

## NEF CONTOURS

The assessment of the perceived noise in the vicinity of the airport is performed based on NEF (Noise Exposure Forecast) methodology, developed by Transport Canada. The results of the calculations are presented as contours.

Like other Canadian airports, ADM uses NEF 30 to report soundscape evolution at Montréal-Trudeau and to serve as a guide for urban planning around the airport. Transport Canada recommends that new residential projects are not built in the sectors where the sound atmosphere forecast coefficient exceeds 30. If such

projects are implemented despite this warning, the municipality should request that a detailed analysis of the noise be carried out and soundproofing measures implemented. In such a situation, the developer must inform potential purchasers of the potential problems.

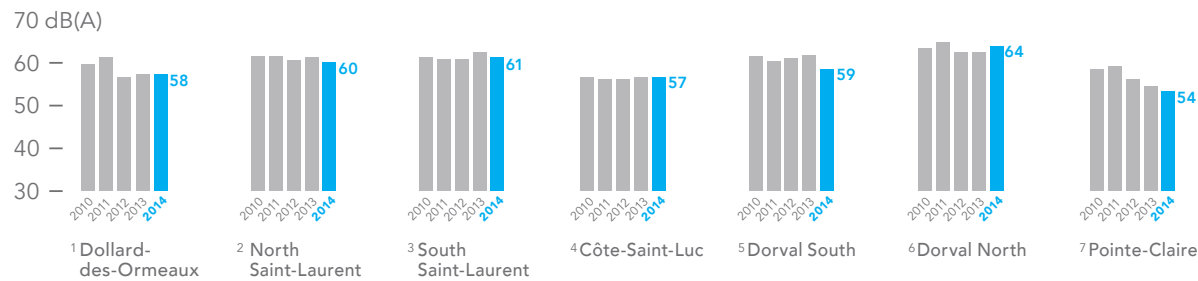
The NEF 30 contours for 2013 (the last year for which data is available) indicate that the sound footprint of Montréal-Trudeau covered an area of 17.9 km<sup>2</sup>, a decrease of 58% compared to the 42.2 km<sup>2</sup> recorded in 1995 (the reference year). The number of people living under the noise footprint has declined by 93% during this same period, from 39,421 in 1995 to 2,881 in 2013.

This improved soundscape stems mainly from the modernization of the air fleet, including the phasing out of the noisiest aircraft in 2002 (chapter 2). Variations in soundscape since then are attributable to essentially operational factors.

Compared to the previous year, the NEF 30 contour has remained rather stable. Note however a lengthening of the contour around Saint-Laurent North is offset by a shrinking around Saint-Laurent South. These changes are attributable to work carried out on runway 10-28 and taxiway A during which arrivals were displaced onto runway 24R and departures onto runway 24L when the winds came from the south-west.

Notably, compared to 2012, the total number of take-offs/landings decreased by 3.3% and the number of movements between 10 p.m. and 7 a.m. decreased by 5.3%. For noise contour calculations, according to the methodology of Transport Canada, each take-off/landing between 10 p.m. and 7 a.m. is equivalent to 17 take-offs/landings made during the day.

**AVERAGE ANNUAL NOISE LEVEL RECORDED AT THE NOISE-MONITORING STATIONS IN DB(A)**



**Total noise**

The noise indicator called total LEQ, expressed in decibels (dB), is based on actual noise data collected by noise-monitoring stations. It reflects cumulative changing noise levels during a given period. It provides a good representation of the amount of noise experienced during the year.

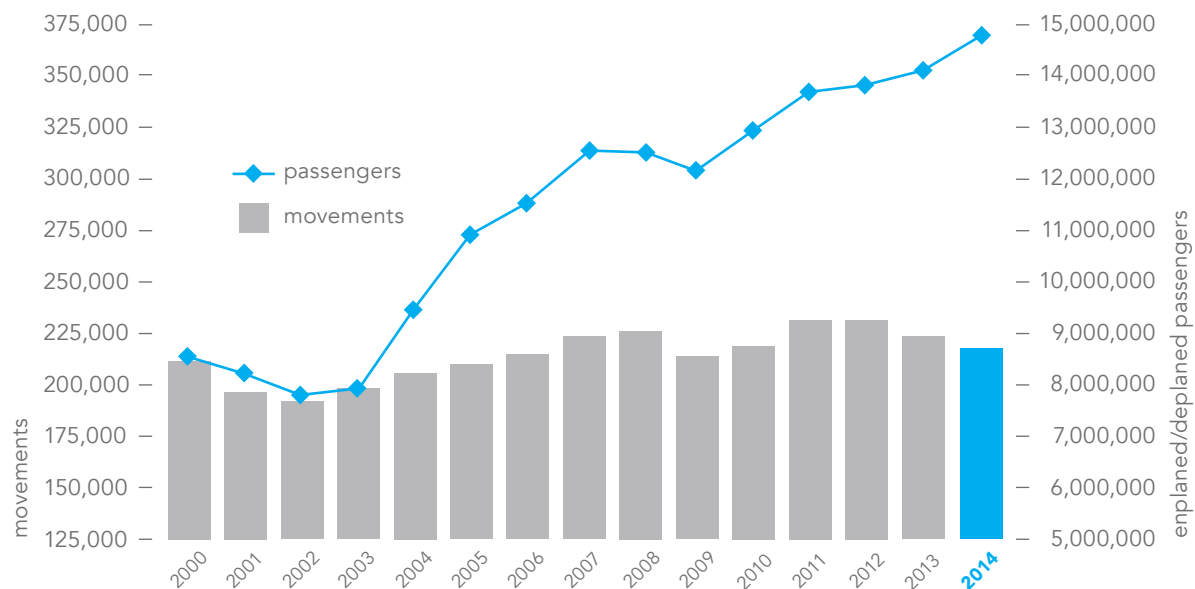
It encompasses all sources of noise measured by the noise-monitoring station, not only aircraft noise. ADM has eight noise-monitoring stations (including one mobile station) located around the airport. This sophisticated equipment is calibrated by professionals and the noise measurements are also analyzed by professionals. Three types of reports are generated: aircraft noise, community noise and all noise sources combined.

Aircraft noise levels are: 1- 41 dB(A), 2- 58 dB(A), 3- 56 dB(A), 4- 38 dB(A), 5- 58 dB(A), 6- 64 dB(A), 7- 42 dB(A).

Average noise levels from aircraft movement measured in Dollard-des-Ormeaux, Côte-Saint-Luc and Pointe-Claire are significantly lower than the level of noise originating solely from the community.

For the noise-monitoring stations located in South Dorval and Saint-Laurent, the average noise levels of aircraft are similar to those of the community. As the North Dorval station is very close to the runway (1 km), the noise levels from aircraft are higher.

**AIR TRAFFIC DEVELOPMENT ACROSS 15 YEARS**



**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 take-offs) per year, by their distribution during the day as well as by the type of aircraft used. Even with tremendous growth in the number of passengers at Montréal-Trudeau airport between 2000 and 2014, the number of aircraft movements has remained rather stable during the same period. This is largely explained by an increase in the relative share of international traffic, which uses aircraft carrying a greater number of passengers per movement, as well as by higher 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.

In 2014, following the survey carried out the previous year, the committee developed an action plan around the main drivers that will enhance mobilization, namely career advancement opportunities, recognition, communication and overall health. Among the actions to be implemented across the Corporation, let us mention a mechanism to enable employees to communicate their innovative ideas. Furthermore, each team within the various divisions of ADM has prepared its own action plan according to specific challenges.

**HR MANAGEMENT SYSTEM**

With the aim of constant improvement, ADM has started implementing a new cloud-based human resources management system. As talent acquisition is one of the key processes in any organization, the first module implemented was recruitment. Applications can now be submitted online, making their analysis easier and improving efficiency. The performance management module, which will be implemented in 2015, is designed to ease the performance assessment process and to allow employees and managers to focus more on their communications while dispensing with paper.



SCHOLARSHIP PROGRAM RECIPIENTS

**POLICIES AND PROGRAMS**

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.

For the last few years, children and grandchildren of ADM employees have benefited from a scholarship program. Three \$3,000 university-level scholarships and one \$1,000 scholarship for technical, college-level studies are granted annually as part of the Pierre-Martin Scholarship Program. A fourth university-level scholarship was created in memory of the late Henri-Paul Martel, Vice President of Planning, Engineering and Construction.

In 2014, in light of a comparative analysis, ADM carried out a review of the incentive program for non-unionized employees. The adjustments required to ensure competitiveness will be made at the start of 2015 in order to increase employee mobilization and to encourage them to excel.

Regarding the defined benefit pension plan, strategic analysis has enabled measures to be identified that will allow ADM to capitalize on the improvement of the plan’s financial situation to further reduce the interest rate risk, to gradually eliminate the deficit and to therefore stabilize employer contributions.



Ethics were on the agenda in 2014 with a new code of ethics distributed to all employees. Small-group training workshops will allow employees to gain the most from them. The triennial program for diversity within the Corporation, including employee training, has been successful and a new plan has been approved.

#### STAFFING

In total 124 positions were filled in 2014. The candidate referral program has led to filling 14 positions, nearly 7% of the total recruitment. The turnover rate for 2014 amounted to 9.0%.

#### LABOUR RELATIONS

A new collective agreement for a six-year period has been concluded with the white-collar worker unit affiliated with the Public Service Alliance of Canada. The latter will expire in December 2019.

Negotiations continued for the renewal of the collective agreement with the blue-collar worker unit affiliated with the CSD (Centrale des syndicats démocratiques), which expired on March 31, 2013. An agreement was reached at the start of 2015.

In October 2014, negotiations also began for the renewal of the collective agreement for the fire department unit, which expired on December 31, 2014.

#### COMMUNITY INVOLVEMENT

Aéroports de Montréal is striving to be a good corporate citizen and is involved in the community in various ways, including as a partner of the Chamber of Commerce of Metropolitan Montréal, Montréal International, Tourisme Montréal, the Chamber of Commerce of the West Island of Montréal and the Chamber of Commerce of Mirabel.

In 2014, ADM submitted two projects as part of the I See Montréal initiative: the interior design of the new section of the international jetty and the establishment of a direct air link with China. In addition, a project put forward by the Chamber of Commerce of Metropolitan Montréal aims to support existing efforts to sustain the current direct air links and to develop new destinations. Furthermore, ADM is a partner in the Montréal vous accueille project from Tourisme Montréal, aimed at centralizing the welcome strategies of the main places of arrival in Montréal, including Montréal-Trudeau airport. Finally, ADM has undertaken to erect a column of light called Between Earth and Air at the entrance to the airport; this column will be the starting point of National Bank's pathway of art.

#### MAIN HUMAN RESOURCES INDICATORS

INDICATORS	2014	2013
Regular employees	589	600
Training (hours)	11,764	19,316
Positions filled	124	91
Retirements	12	17
Turnover rate <sup>1</sup>	9.0	8.5
Absenteeism rate	5.36	5.76
Injury frequency <sup>2</sup>	2.9	3.3
Injury severity rate <sup>3</sup>	64.9	84.9

Notes  
1. Percentage of the workforce who left the Corporation during the course of 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



Following the successful event in 2013, ADM organized another day for children with autism spectrum disorder (ASD) or functional limitations so that they can familiarize themselves with airport processes, in partnership with Autisme Montréal, À Pas de Géant, Special Olympics, Air Transat, Transport Canada as well as many members of the airport community. Over 500 people took part in the event.

Donations from employees to the annual Centraide fundraiser, along with income from various activities and a contribution from the Corporation, amounted to \$228,000 in 2014, compared to \$190,000 in 2013. ADM employees also took part in various volunteer activities and community or fundraising projects, including the 48-hour bike ride for the Make-A-Wish Foundation.



ADM also donated airport equipment to the National Airport Authority of the Republic of Haïti: 100 desks, mechanical scales, approximately 2,000 baggage carts and more than 500 seats, all from the old Mirabel terminal building, to be used in the new Cap-Haïtien airport.

In addition, the Corporation continues to support Kéroul (collecting foreign currency at the airport), as well as contributing to Ste. Anne's Hospital Foundation, among others.

Finally, ADM's Airport Patrol is the only organization not belonging to the police service which takes part in the organ transportation program. In 2014, 43 organs were transported between the airport and a hospital in Montréal. Two Airport Patrol representatives have been recognized as Good Samaritans for their commitment over the last few years.



## CULTURAL PROGRAM

The cultural program for Aéroports de Montréal, better known as L'Aérogalerie, offers passengers and visitors to Montréal-Trudeau a variety of exhibitions focusing mainly on Montréal and aviation, spread out across different areas of the terminal.

In addition, a new exhibition area called Place Montréal, located in the international arrivals hall, promotes major cultural, arts, sports and other significant events in Montréal's calendar such as Montréal en Lumière, the Festival International de Jazz de Montréal and the Just for Laughs Festival. In 2014, Place Montréal promoted 15 events, in various forms: posters, animation, installations, exhibitions, musical performances, to name but a few.

A new photo exhibition – Termacadam – was inaugurated in the international and transborder arrivals corridors. The latter brings together the works of several artists from Shootstudio who have visited the four corners of Montréal to find quirky, emblematic images that represent our city.



Another exhibition in the transborder departures hall celebrated the 50<sup>th</sup> anniversary of MACM (Musée d'art contemporain de Montréal). True to its mission to collect, preserve and share contemporary art, MACM presents, among other activities, a dozen works from its collection, created by Québec and international artists, which enhance Montréal's public spaces.

Finally, a new, welcoming rest area has been developed in the domestic arrivals area in partnership with Space for Life, which manages the Planetarium, the Botanical Garden and the Biodôme in Montréal.



## AWARDS OF EXCELLENCE

The Awards of Excellence, a well-established tradition at ADM, recognizes individuals or teams who particularly distinguished themselves over the course of the previous year. Winners are chosen from proposals submitted by the employees themselves. Here are the recipients of the 2014 Awards of Excellence.

### TEAM SPIRIT

#### First prize

Roger Abdo, Denis Arsenault, Luc Bédard, Alexandre Bonneville, Martin Brochu, Donald Campeau, Michel Crête, Mario Forget, Jonathan Gingras, Serge Lapierre, Manon Libersan-Laniel, André Picard, Dave Roy, Patrick St-Amand, Nasreddine Tissaoui

**Upgrade of heating and air conditioning systems:** Mobilization of a multidisciplinary team to provide a better environment in 18 work areas following complaints about temperature problems in the domestic jetty both in winter and in summer.

#### Second prize (joint)

François Cousineau, Élie Elhindy, Aminata Fofana, Éric Lalonde, Guy Landry, Jocelyne Leroux, André Morin, Nathalie Neiderer, Gilles Rivard

**Aerolia building at Montréal-Mirabel:** Concerted efforts for the development, negotiation, implementation, construction and turnkey delivery (not a traditional model for ADM) of a building for Aerolia.

Pierre Audette, Christian Bergeron, Marc-André Bleau, Pierre-Marc Boulanger, Benoit Patrick Huneault, Ronald Leduc, Martin LeJossec, Paul Mongeau, Nicolas-F. Simard, Sylvain Yelle

**Relocation of the Electric Air group:** As part of Plan Perform, regrouping an entire team under the same roof, including the transfer of operational systems and installation of the photometry laboratory, all without affecting operations or maintenance.

### ENGAGEMENT AND MOTIVATION

#### First prize

Ferdinando Colavita, Marie-Claude Desgagnés, Anne Marcotte

**Premium Kids:** In collaboration with numerous partners, organization of days for children with autism spectrum disorders (ASD) or functional limitations, to help them familiarize themselves with airport processes.

### Second prize (joint)

Réal Brien, Karl Brochu, Amélie Côté, Charles A Gratton, Yanick Lajeunesse, Guy Landry, Karine La Salle, Diane Lussier, Benoît Marcil, Johanne Nadeau, Claude Vallée, Philippe Rainville (honorary member)

**48-hour Ride (Make a Wish Foundation):** Mobilization of two teams consisting of members from different ADM departments, whose participation raised \$16,500 for this cause to help make the wish of a sick child come true.

### Line Lanthier

**Training Program for the six new Operations Managers:** Design, implementation, coordination and monitoring of an intensive theoretical and practical training course, totalling over 200 hours, for the new Operations Managers.

### INNOVATION AND CREATIVITY

#### First prize

Ivan Chouinard, Pierre-Luc Dupré, Marc De La Sablonnière, Jean-Guy Girard, Richard Tétrault, Marc-André Turcotte

**Paint gun extension for paint truck:** Design, manufacture and installation of an extension for two paint guns on existing equipment so as to be able to draw five lines with a single blow and avoid having to repeat the same process twice.

#### Second prize

Jonathan Bathurst, Michel Duval, Mario Forget, Serge Lapierre, Dietmar Scharnitz, Donald Thibodeau, Nasreddine Tissaoui

**Recovery and drainage system for water infiltration in the international arrivals area:** Design and implementation of an ingenious system of gutters adapted to the configuration of the premises to check for leaks during heavy rain or melting snow.

### CUSTOMER EXPERIENCE

#### First prize

Marc-André Allaire, Luc Charbonneau, Ferdinando Colavita, Ellen Gaudet, Claude Hurtubise, Karine La Salle, Danie Lemay, Louise Ouellet, Jean-Sébastien Pard, Eugénie Takla

**Online parking booking system:** Establishment of a system allowing customers to reserve parking space at the airport in advance, which eases their travel preparations while helping improve our range of services.

### ENVIRONMENTAL MERIT

#### First prize

Julie Boissonneau

**Hives at Montréal-Mirabel:** Installation and operation of five beehives at Montréal-Mirabel (in partnership with Miel Montréal) in order to increase biodiversity on the site, contribute to the safeguarding of the honeybee and manufacture honey, some of which was given to Moisson Laurentides.

#### Second prize

#### Michel Benoit

**Support system for paint reservoirs at CIRCIC:** Creation and installation of a tank support system to collect polluting substances, eliminate contamination in the area, including residue in drains, and to protect the environment by containing potential spills should a tank be pierced.

### WORKPLACE HEALTH AND SAFETY – SAFETY OF OPERATIONS

#### First prize

Patrice Fortin, François Primeau

**Training of students assigned to land maintenance:** Creation of a training program aimed at summer students who work on land maintenance at the airport, to explain the job, its tasks, associated risks and safety practices.

#### Honourable Mention

#### Steve Parenteau

**Acetate hose lifting system:** Installation of a mechanical system to facilitate the safe handling of the acetate hose, eliminating the risk of injuries caused by a restricted position and the dangers of acetate contamination.

### VOLUNTEERING AND COMMENDABLE ACTION

#### First prize

François-Nicolas Asselin

**Bouffe-Action in Rosemont and Compagnons de Montréal:** For his involvement with Bouffe-Action as both a buyer from persons with reduced mobility and as the Chair of its Board of Directors. Also for his commitment to Compagnons de Montréal acting as a communication specialist and strategic adviser.

# Management's Discussion and Analysis of Financial Results

for the year ended December 31, 2014

## FINANCIAL SUMMARY

(IN MILLIONS OF DOLLARS)	2014	2013	Variance %
Revenues	\$ 463.9	\$ 446.5	3.9
Operating expenses	166.7	162.6	2.5
Payments in lieu of municipal taxes (PILT)	40.8	40.5	0.7
Transport Canada rent	47.7	45.6	4.6
Depreciation of property and equipment	105.8	101.5	4.2
Impairment of property and equipment	16.0	—	100.0
Financial expenses (net)	91.4	90.9	0.6
<b>Total expenses (before taxes)</b>	<b>468.4</b>	<b>441.1</b>	<b>6.2</b>
Income taxes recovered	0.1	8.2	(98.8)
<b>Excess (deficiency) of revenues over expenses</b>	<b>\$ (4.4)</b>	<b>\$ 13.6</b>	<b>(132.4)</b>
<b>EBITDA</b>	<b>\$ 208.7</b>	<b>\$ 197.8</b>	<b>5.5%</b>

EBITDA is defined by the Corporation as the excess (deficiency) of revenues over expenses before financial expenses, income taxes, depreciation and impairment. EBITDA is used by Management as an indicator to evaluate ongoing operating performance. The consolidated financial statements of the Corporation are 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 used by other corporations. EBITDA provides additional information and should not be used as a substitute for other performance measures prepared in accordance with IFRS.

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

(IN MILLIONS OF DOLLARS)	2014	2013
Excess (deficiency) of revenues over expenses	\$ (4.4)	\$ 13.6
Depreciation of property and equipment	105.8	101.5
Impairment of property and equipment	16.0	—
Financial expenses (net)	91.4	90.9
Income taxes recovered	(0.1)	(8.2)
<b>EBITDA</b>	<b>\$ 208.7</b>	<b>\$ 197.8</b>

### Overview

Aéroports de Montréal (ADM) is responsible for the management, operation, and development of Montréal-Trudeau and Montréal-Mirabel international airports, under a lease signed with Transport Canada in 1992 with a term ending on July 31, 2072. 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 (\$47.7 million in 2014) 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 \$180 million in 2014 (\$177.4 million in 2013). Work focused mainly on the expansion of the international jetty and of the commercial area between gates 52 and 53, as well as the development of new delivery bays.

Over the course of 2014, investments in the airport facilities were financed using cash flows from airport operations, including \$148.3 million from airport improvement fees (AIFs).

### EBITDA

EBITDA stood at \$208.7 million for the year ended December 31, 2014, an increase of \$10.9 million or 5.5% from 2013.

## REVENUES

(IN MILLIONS OF DOLLARS)	2014	2013	Variance %
Aeronautical activities	\$ 170.5	\$ 165.7	2.9
Airport improvement fees (AIFs)	148.3	144.1	2.9
Commercial activities	113.4	104.3	8.7
Real estate	30.8	30.2	2.0
Other	0.9	2.2	(59.1)
<b>Total</b>	<b>\$ 463.9</b>	<b>\$ 446.5</b>	<b>3.9%</b>

Revenues rose to \$463.9 million in 2014, an increase of \$17.4 million or 3.9%, compared with 2013.

### Aeronautical activities

Revenues from aeronautical activities totalled \$170.5 million in 2014, up \$4.8 million or 2.9%, from 2013. Consisting mainly of landing and general terminal fees paid by airlines, these revenues accounted for 36.8% of total ADM revenues (37.1% in 2013). This increase was largely attributable to rate increases for general terminal fees and landing fees of 2%, and to growth in passenger traffic.

### Airport improvement fees (AIF)

AIF revenues totalled \$148.3 million in 2014, up 2.9% from last year. AIF revenues accounted for 32% of total ADM revenues (32.3% in 2013) and were used solely to fund airport improvements, including capital and interest payments on long-term debt. An AIF of \$25 is paid by all passengers departing from Montréal-Trudeau.

### Commercial activities

Revenues from commercial activities rose to \$113.4 million in 2014, up 8.7% from 2013. Consisting mainly of rent and fees from concessionaires, revenues from parking facilities and revenues generated from the leasing of spaces, commercial revenues accounted for 24.4% of total ADM revenues (23.4% in 2013). Growth from these revenues was due to fee increases and ridership of parking facilities, rising sales from certain concessionaires and increased commercial offering.

### Real estate

Revenues from real estate totalled \$30.8 million in 2014, up 2% from 2013, and accounted for 6.6% of total ADM revenues (6.8% in 2013). This growth in real estate revenues from land leasing reflects the signing of new lease agreements and agreements renewed at market rates.

## TOTAL EXPENSES

(IN MILLIONS OF DOLLARS)	2014	2013	Variance %
Operating expenses	\$ 166.7	\$ 162.6	2.5
Payments in lieu of municipal taxes (PILT)	40.8	40.5	0.7
Transport Canada rent	47.7	45.6	4.6
<b>Total</b>	<b>\$ 255.2</b>	<b>\$ 248.7</b>	<b>2.6%</b>

Total expenses stood at \$255.2 million in 2014, an increase of \$6.5 million or 2.6% from 2013.

### Operating expenses

Operating expenses went from \$162.6 million in 2013 to \$166.7 million in 2014, an increase of \$4.1 million or 2.5%. This variation was due, among other factors, to higher costs for information technology service contracts, higher operating expenses for parking facilities following the December 2013 acquisition of the AeroParc, as well as wage increases. These increases were, however, partially offset by the decrease in AIF collection rate from 5% to 4%.

### Transport Canada rent

Rent to Transport Canada totalled \$47.7 million, up \$2.1 million or 4.6% from 2013. This increase was directly related to the Corporation's higher revenues, as rent is calculated as a percentage of the latter.

### Depreciation of property and equipment

Depreciation of property and equipment stood at \$105.8 million in 2014, which represents an increase of \$4.3 million or 4.2% from the previous year. This increase was primarily a result of projects completed during 2013 and 2014.

### Impairment of property and equipment

Following the decision to dismantle the former Montréal-Mirabel terminal building and multi-level parking facility, an impairment charge of \$16.0 million was recorded as at December 31, 2014, representing the total estimated cost of the site restoration work.

### Financial expenses (net)

Financial expenses are presented net of financial income. Financial expenses were \$91.4 million for 2014, up \$0.5 million or 0.6% from 2013. This variance was mainly due to a decrease in financial income generated by surplus cash, which was partially offset by higher capitalized interest.

### Excess (deficiency) of revenues over expenses

The year ended December 31, 2014 resulted in a deficiency of revenues over expenses of \$4.4 million, compared with an excess of \$13.6 million for 2013. Were it not for the impairment charge of \$16.0 million related to the former Mirabel terminal and multi-level parking facility, the excess would have totalled \$11.6 million. Transfers to governments in 2014, including rent paid to Transport Canada and municipal taxes, totalled \$88.5 million (\$86.1 million in 2013), still representing nearly 20% of total revenues.

## FINANCIAL OUTLOOK FOR 2015

Passenger traffic, the Corporation's main driver of revenues, is expected to increase by 2.6% in 2015, mainly due to increased capacity for existing destinations and potentially due to the addition of new international destinations. International traffic is therefore projected to rise by 3.6%. The healthy state of the U.S. economy is expected to help maintain the transborder traffic growth rate at about 2%, despite a more restricted offering of seats for certain markets. Lastly, the good state of the Canadian economy and the continued growth in connecting traffic are expected to bring growth of approximately 2.3% in the domestic sector.

Meanwhile, the Corporation plans to invest \$259 million in airport infrastructures, in particular to pursue the expansion of the international jetty and commercial areas, as well as to rehabilitate the apron in the eastern sector of Montréal-Trudeau. Among other projects at Montréal-Mirabel, ADM will extend the cargo apron and taxiway F.

The Corporation has or has access to sufficient sources of liquidity to meet its financial obligations and to carry out its foreseen investments. As at December 31, 2014, remaining liquidity totalled over \$97 million.

The Corporation also forecasts EBITDA to rise to \$213.5 million in 2015, an increase of \$4.8 million or 2.3% from 2014. This will represent 45.2% of projected 2015 revenues, despite transfers to governments that represent nearly 20% of total revenues.

## INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The Corporation has adopted IFRIC 21, Levies, which came into effect January 1, 2014. It provides guidance on accounting for levies in accordance with the requirements of IAS 37, Provisions, Contingent Liabilities and Contingent Assets. The adoption of IFRIC 21 had no impact on the Corporation's consolidated financial statements, as described in note 1(v) of the financial statements as at December 31, 2014.

The International Accounting Standards Board continues to propose changes to IFRS. Note 1(w) of the financial statements describes standards, amendments and interpretations that were not yet in effect as at December 31, 2014. Management has not yet determined the impact of adopting these modifications.

# Board Members



**RÉAL RAYMOND<sup>1</sup>**  
Chairman of the Board  
Company Director



**ROBERT BOUCHARD<sup>2,3</sup>**  
Director  
Chairman of the Pension Plans  
Governance Committee  
Company Director



**JEAN-JACQUES BOURGEOULT<sup>2,3</sup>**  
Director  
Company Director  
Executive Coach  
Groupe Pauzé



**JAMES C. CHERRY**  
Director  
President and Chief  
Executive Officer  
Aéroports de Montréal



**JEAN PIERRE DESROSIERS<sup>2,3</sup>**  
Director  
Chairman of the Audit and  
Capital Investment Committee  
Partner/Strategic Adviser  
Fasken Martineau DuMoulin



**YVES FILION<sup>2</sup>**  
Director  
President  
Consultation Yves Filion Inc.



**HÉLÈNE V. GAGNON<sup>4</sup>**  
Director  
Vice President  
Public Affairs and  
Global Communications  
CAE



**MÉLANIE KAUF**  
Director  
Co-President  
Le Naturiste



**DANIELLE LABERGE<sup>1</sup>**  
Director  
Tenured Professor  
Université du Québec à  
Montréal



**NORMAND LEGAULT<sup>2</sup>**  
Director  
Company Director



**MARIO MESSIER<sup>1</sup>**  
Director  
Co-Chair  
Thibault, Messier,  
Savard et Associés Inc.



**PIERRE PILOTE<sup>1</sup>**  
Director  
Chairman of the Corporate  
Governance and Human  
Resources Committee  
Partner  
Gowling Lafleur Henderson



**DANIELLE POUDRETTE<sup>1</sup>**  
Director  
Company Director



**RAYMOND REID<sup>2</sup>**  
Director  
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. Appointment of Hélène V. Gagnon on November 29, 2014

# 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](http://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 and its By-laws, unless the law or By-laws do not require that they be exercised only by the Corporation's assembly of members. The Board of Directors assumes responsibility for corporate governance and accountability to the Corporation's governing bodies.

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 By-laws, 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 2014, the Board of Directors convened nine (9) times. Among other activities, the Board supervised the Corporation's transition according to the Canadian Not-for-profit Corporations Act, approved the dismantling of the former Montréal-Mirabel airport terminal, and addressed the most important aspects of the Corporation's strategic plan. The Board also renewed the mandate of five (5) directors whose terms were to expire during the year and appointed one (1) new director.

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

## AUDIT AND CAPITAL INVESTMENT COMMITTEE

Comprised exclusively of independent 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 2014, the Committee supervised the investment program made necessary by the growth in passenger traffic and the dismantling process of the former Montréal-Mirabel airport terminal. The Committee also monitored the Corporation's financial results throughout the year, awarded numerous contracts following a bidding process, and conducted a detailed review of the 2014 capital expenditures and operating budgets.

### CORPORATE GOVERNANCE AND HUMAN RESOURCES COMMITTEE

The mandate of the Corporate Governance and Human Resources Committee (comprised exclusively of independent 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 2014, the Corporate Governance Committee supervised the transition process in accordance with the Canadian Not-for-profit Corporations Act and recommended the renewal of five (5) 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 independent directors and an external 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 2014, the Committee assessed and managed the risks related to the plan's inflation provisions and reviewed the pension plans' governance plan.

### 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 9 of the Corporation's 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 2014, 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 on road access at Montréal-Trudeau and to examine the Corporation's major capital projects, including the dismantling of the former Montréal-Mirabel airport terminal.

### MEMBERS OF THE COMMUNITY ADVISORY COMMITTEE

**FRANÇOIS ALEPIN**  
Alepin Gauthier, Lawyers

**YVES BEAUCHAMP**  
Université de Montréal

**PIERRE BELLEROSE**  
Tourisme Montréal

**SYLVAIN BERTHIAUME**  
RCM and Local Centre of Development for Marguerite d'Youville (Lajemmerais) region

**JEAN BERTRAND**  
City of Montréal

**MARIO BOILY**  
City of Mirabel

**DIANE BOUCHARD**  
Local Centre of Development for the Pierre-de Saurel region

**ROBERT M. BOURBEAU**  
City of Dorval

**DANIELLE CASARA**  
FTQ Regional Council, Metropolitan Montréal

**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

**RAYMOND LARIVÉE**  
Palais des Congrès de Montréal

**ANDRÉ LECLERC**  
Kéroul

**DENIS LECLERC**  
Ecotech Québec

**LOUISE MILLETTE**  
École Polytechnique de Montréal

**EVE PARÉ**  
Hotel Association of Greater Montréal

**SIMON PRÉVOST**  
Québec Manufacturers and Exporters

**JEAN-LUC TRAHAN**  
Commission des partenaires du marché du travail (C.P.M.T.)

**RICHARD VÉZINA**  
Raymond Chabot Grant Thornton

# Compensation of Directors in 2014

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
Robert Bouchard Chairman, Pension Plans Governance Committee	9		5	5	20,000	27,000	47,000
Jean-Jacques Bourgeault	9		5	4	15,000	25,500	40,500
James C. Cherry	9				—	—	—
Maud Cohen <sup>1</sup>	8				15,000	12,000	27,000
Jean-Pierre Desrosiers Chairman of the Audit and Capital Investment Committee	8		5	5	20,000	25,500	45,500
Yves Filion	9		5		15,000	19,500	34,500
Hélène V. Gagnon <sup>2,3</sup>	1				1,250	1,500	2,750
Mélanie Kau <sup>3</sup>	8		1		16,250	12,750	29,000
Danielle Laberge <sup>3</sup>	9	5	1		15,000	21,000	36,000
Normand Legault	8		3		15,000	15,000	30,000
Mario Messier	9	5			15,000	19,500	34,500
Pierre Pilote <sup>3</sup> Chairman of the Corporate Governance and Human Resources Committee	9	5	1		20,000	21,000	41,000
Danielle Poudrette <sup>3</sup>	9	5	1		15,000	21,000	36,000
Réal Raymond Chairman of the Board	8	5	5		100,000	—	100,000
Raymond Reid	8		5		15,000	18,000	33,000
<b>Total</b>					<b>\$297,500</b>	<b>\$239,250</b>	<b>\$536,750</b>

1. Mandate expired: Novembre 29, 2014

2. Hélène V. Gagnon was appointed on November 29, 2014

3. Participation in an "expanded" Audit and Capital Investment Committee to present the 2015 budget

## EXECUTIVE COMPENSATION

The annual salaries of the President and Chief Executive Officer and other members of the executive ranged from \$200,000 to \$444,000. In addition, performance bonuses paid to executives totalled \$831,000.

## DIRECTORS WHO ARE BOARD MEMBERS OF A "REPORTING ISSUER"

**James C. Cherry**, Logistec Corporation, **Mélanie Kau**, Alimentation Couche-Tard Inc., **Normand Legault**, Cogeco Inc., **Réal Raymond**, Metro Inc., Héroux Devteck Inc., Financière SunLife

# Five-year Strategic Plan (2015-2019)

## A VISION FOR THE NEXT DECADE

ADM's vision defines what it wants to be and what it seeks to accomplish.

ADM aims to become an airport manager that ranks 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 worldclass aerospace and logistics platform.

## 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 follow-up on the 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 contributing non-aeronautical revenues.

Additionally there are the new priorities that aim to improve the organizational performance of Aéroports de Montréal in the context of increased competition between airports. Over the next 3 to 5 years, ADM intends to increase its non-aeronautical income, increase team productivity and raise the level of customer service.

## AIRPORT SERVICES

Our raison d'être is to provide high-quality airport services that meet the specific needs of the Montréal community. The main challenges include improving the fluidity of passenger and aircraft movement, enhancing the air service with direct flights to popular destinations and adjusting airport facilities to market and regulatory requirements.

In addition to being efficient, safe and secure, it is becoming increasingly important that airport processes are fluid. The air transport industry, which must deal with many regulatory constraints, works together to simplify and expedite processing of passengers and baggage. Montréal-Trudeau airport must therefore sustain its efforts to remain a leader in this field, notably by the integration of new technologies. The recent introduction of automated passport control at customs is a fine example.

Furthermore, Aéroports de Montréal continually works to attract new carriers to Montréal-Trudeau and stimulate the development of the air service in Montréal. In addition to the major achievements over the last few years, including direct flights throughout the year to Istanbul, Panama City, San Francisco, Houston, Doha, Geneva and Brussels, there are opportunities for new, direct connections in the short or medium term, particularly with Asia and South America. With competition between airports becoming more intense, ADM is taking appropriate measures to retain its competitive advantage and improve its facilities.

Over the last few years, there has been a sharp rise in international traffic, which actually continued during the last recession, while cross-border and domestic traffic slowed down. International traffic now represents about 38% of the total traffic, compared to 32% in 2005. Work is planned or underway to address this trend, including the extension of the international jetty, the extension of the apron and addition of aircraft parking spaces, the refurbishment of the main departures hall and the international arrivals hall, the improvement of passenger flow, particularly in order to facilitate connections between international, domestic and cross-border sectors.

More generally, the Corporation ensures that the development of its airport facilities complies with the evolving needs of air carriers and of the Montréal community. In this context, Aéroports de Montréal has developed master plans for the Montréal-Trudeau and Montréal-Mirabel airports over the period 2013-2033.

### REAL ESTATE, COMMERCIAL AND OTHER SERVICES

In order to contribute to the economic development of the region of Montréal, Aéroports de Montréal intends to continue to stimulate real estate and commercial development at its two airport locations. There are opportunities, specifically in the aerospace and logistics sector, and the sites have unique characteristics. However, the development of Lot 20 (18-hole golf course) at Montréal-Trudeau relies on the development of municipal infrastructures such as aqueducts, sewers, storm water systems and access roads. The development of Lots 5 and 6 and the last phase of Lot 12 also require road construction.

In terms of commercial services, ADM is examining various means of income maximization from its various commercial activities (restaurants, shops, lounges, advertising), including the development of additional commercial premises. Working in partnership with the retailers, Aéroports de Montréal continues its efforts to diversify supply and improve customer service.

Due to the reconfiguration of the road network in front of the terminal, including access to parking lots, ADM has started to simplify and boost its range of parking products. The car rental sector and the drop-off areas are or will be redeveloped and extended. In addition, ADM is analyzing the various options for the creation of additional parking, which may be required in the future.

Montréal-Mirabel's self-financing partly involves the redevelopment of former passenger transport areas and buildings. The income and savings in terms of operating costs and property taxes would eliminate the deficit in the not so distant future. This strategy is already well under way and the dismantling of the old terminal building will make 200,000 m<sup>2</sup> of first choice land available. This land may eventually accommodate projects that will create more jobs.

### HUMAN AND MATERIAL RESOURCES

In line with its vision, Aéroports de Montréal will implement various programs and action plans designed to increase the mobilization of its employees, attract and retain the best possible candidates, while continuing to cultivate excellence. Similarly, the Corporation intends to ensure the development of talent and succession in a context of an ageing workforce and manpower scarcity.

To become a high-performance leader, the Corporation has undertaken an in-depth review of its organization and its work processes in order to increase team productivity and further empower employees. With this in mind, Aéroports de Montréal aims to provide its employees with information technologies, business solutions and hardware best suited for optimal management of airport operations.

### ENVIRONMENT AND COMMUNITIES

As part of its environmental policy and commitment to sustainable development, Aéroports de Montréal intends to continue taking measures to reduce the environmental impact of activities under its direct control. In particular, different programs aimed at reducing energy consumption and greenhouse gas emissions are underway. In addition, in collaboration with relevant communities, Aéroports de Montréal's policy is to develop natural habitats and mitigate the impact of its projects with tree-planting programs.

Together with its partners, the Corporation will also continue to manage the soundscape in a responsible manner, especially at night, by working towards a balance between maintaining harmonious cohabitation with riverside communities and providing relevant and competitive air services.



Access to Montréal-Trudeau is a crucial challenge for the competitiveness of the airport and of the city. Although the refurbishment of the Dorval interchange carried out by the Ministry of Transport of Québec is suffering from major delays, ADM's work in reconfiguring the road network in front of the terminal building was completed in 2011.

Furthermore, the development of a Light Rail Transit (LRT) between the West Island, Montréal-Trudeau airport and the city centre remains a priority. Aéroports de Montréal fully intends to collaborate with CDPQ, newly mandated in this sense, to develop an LRT for the airport and the West of Montréal.

Finally, an important element of the mission is to maximize job creation and added-value by developing the full potential of the Corporation's assets, as well as contributing to the tourism and international development of Montréal.

### MANAGEMENT COMMITTEE

**Charles A Gratton**, Vice President, Real Estate and Commercial Services

**Pierre Gagnon**, Vice President, Legal Affairs and Corporate Secretary

**Pierre-Paul Pharand**, Vice President, Airport Operations, Infrastructures and Air Services Development

**James C. Cherry, FCPA, FCA**, President and Chief Executive Officer

**Christiane Beaulieu**, Vice President, Public Affairs and Communications

**Albert Caponi, CPA, CA**, Vice President, Finance and Administration, and Chief Financial Officer

**Joanne Bergeron**, Vice President, Human Resources

**Philippe Rainville, CPA, CA**, Vice President, Airport Planning, Engineering and Terminal Maintenance



# Transparency

## ACCOUNTABILITY

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, including the following.

- ◆ 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.
- ◆ Issuing press releases similar to those issued by publicly listed companies.
- ◆ Holding an annual public meeting.
- ◆ Holding an annual meeting with each of the nominating entities.
- ◆ 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 Saint-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 Saint-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 develop air 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 municipalities of Montréal and Mirabel and, 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. Montréal-Trudeau and Montréal-Mirabel airports' master plans were the subject of consultations in 2013 and were filed with the Transport Minister of Canada. 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](http://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](mailto: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

In accordance with the accountability principles issued by Transport Canada, general by-laws and Aéroports de Montréal's policy for the acquisition of goods and services, all contracts exceeding \$100,000 must be the subject of a public call for tenders, 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 EXEMPTION

**A** – When Aéroports de Montréal considers that it is more efficient to award a new contract to an existing supplier, when service providers have gained specific experience related to the previous contract, or when there is an urgent need to undertake work to avoid compromising the safety of the people or premises. In most cases, these contracts were awarded following an invitation to tender.

**B** – When the acquired technology remains the property of the supplier, is under patent or license, or when the specialized experience and expertise of the supplier are quasi-exclusive, or when the maintenance of a source of supply is essential in view of substantial investment already made to establish a standard.

## CONTRACTS OF \$1 MILLION AND MORE

THE FOLLOWING TABLE IDENTIFIES THE FIVE (5) CASES OF EXEMPTION FROM 2014 OF \$1 MILLION AND MORE.

Contract value	Company	Nature of the contract	Reason
US \$7,782,690	ThyssenKrupp Airport Systems	Acquisition of gateways for the international jetty	A
US \$1,061,469	ThyssenKrupp Airport Systems	Gateway modernization	A
\$2,949,276	ARINC International of Canada, ULC	Common use system support (check-in terminals)	A
\$2,422,767	Microsoft	Corporate licence acquisition	B
\$1,245,900	Bell Mobility	Radio communication on P25 shared network	B

## CONTRACTS OF UNDER \$1 MILLION

### Reason for exemption A

Artopex Plus, restoration of benches in the jetties — Asselin Mécanique Industrielle Inc., work on relocating a passenger boarding bridge — Demix Construction Inc., work for adding a passenger boarding bridge — Cofomo Inc., IT consulting services — TechSolCom IT Group, IT consulting services — ESI Information Technologies Inc., IT consulting services — LGS Group Consulting Corp., IT consulting services — Atelya, SharePoint establishment — Chartel Construction Inc., construction of the Air Canada VIP lounge — Gardium Sécurité Inc., parking lot surveillance — Lessard Group, curtain walls in the commercial sector — Hypertec Systems, acquisition of enhanced mobile tablets — Ingenia Technologies Inc., acquisition of a roof unit — KPMG LLP, study of the air service — Le Groupe Vespo Inc., construction of two temporary control posts for non-passenger vehicles — Les Constructions Serbec Inc., redevelopment of the connections sector in international arrivals — Les Grands Travaux Soter Inc., civil works for the construction of a temporary control post for non-passenger vehicles — Nurun Inc., Internet and mobile sites — Otis Canada Inc., acquisition of a lift for delivery docks — Prud'homme Mercier & Associates, evaluation of the market and real estate land value — Roxboro Excavation Inc., displacement of water line for the construction of a shipping dock — SEA 2000 International, management of cloakroom facilities in the terminal — Synergie Electrique Inc., electrical work for the construction of a temporary control post for non-passenger vehicles — The Createch Group, installation of SAP Success Factor, SRMS and R/3 System support — Fibre noire internet Inc., high availability and internet link to the server rooms — National Bank Financial, strategic analysis — Barich Inc., airport management system professional service solutions.

### Reason for exemption B

Safegate Airport Systems Inc., acquisition of radar guidance systems — Aviation Ground Equipment Corp., acquisition of ground power units — Global Payments, credit card processing for parking lots — Solotech Inc., works on the public address system on the international jetty — Jaquith Industries Inc., acquisition of electronic equipment for taxiways — ADB Airfield Solutions, rehabilitation of taxiways and acquisition of electrical equipment for VRF — Team Eagle Ltd., acquisition of tractors with front brushes — Alstef Canada Inc./Alstef Automation, automation and redevelopment of the crossing points in the cross-border departures hall — Twist Inc., acquisition of automatic air hose systems for aircraft — City of Montreal (BTM), issuance of airport permits and collection of costs of registration and associated rights — ERA, acquisition of vehicle tracking units for radars — Vidtronix LLC, acquisition of MAP printers for boarding cards and luggage tags — Precise Parklink Inc., Skidata parking software migration — Regulvar, securing of systems and replacement of controllers — DFI Technologies Inc., acquisition of workstations for self-service terminals — GrayMatter, business intelligence solution — Cofely Services S.E.C, Baggage Reconciliation System application support — Honeywell Ltd., upgrade of the Enterprise Buildings Integrator system — Société de Contrôle Johnson Canada S.E.C, cooler maintenance — Bell Canada, acquisition of equipment for server rooms, telephone call centre consoles, Cisco equipment and Network Operation Center equipment — Bell Canada/EMC Corporation, licences for backup server solutions — Bell Mobility, cellular telephony — Nanolumens, acquisition of billboards and digital signage screens.



# Enviably Air Connectivity

Aéroports de Montréal has entrusted KPMG-SECOR with carrying out an objective study on air service quality in Montréal. Here are the main findings.

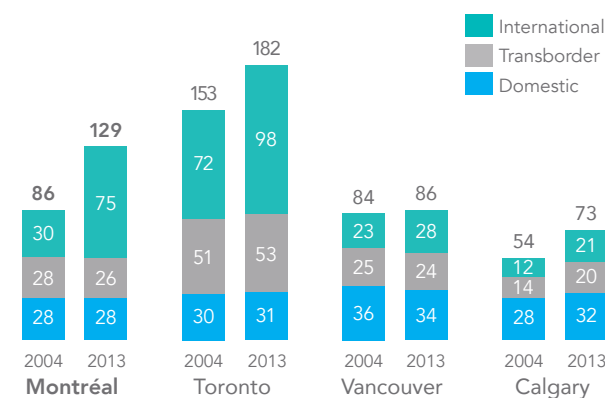
- ◆ Montréal's air service is consistent with the scope of its market: almost all the important destinations in the world, providing sufficient demand, are already directly linked with Montréal.
- ◆ Montréal's air connectivity compares favourably with that of other North American cities of similar size. If the economic wealth of the region is taken into account, Montréal's air service is even better in comparison to that of similar cities.
- ◆ Despite below-par economic growth, Montréal has the most improved air service over the last ten years.

## THE FACTS

During the period 2004-2013, the total number of passengers at Montréal-Trudeau experienced an average annual increase of 4.6%, i.e., a much greater growth than that of the GDP of the province of Québec. The number of international passengers has shown the greatest increase during this period, with an average annual growth rate of 9.8%.

## NUMBER OF DESTINATIONS SERVED BY DIRECT FLIGHTS

REGULAR AND SEASONAL FLIGHTS, 2004 AND 2013



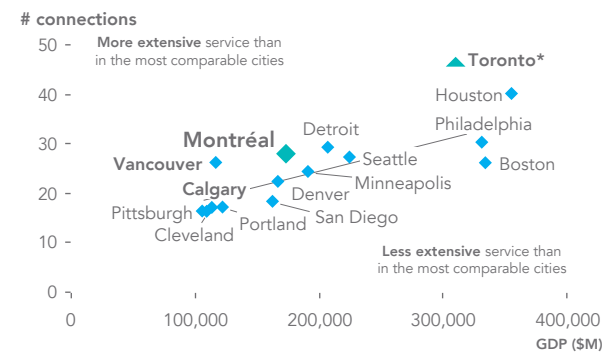
Montréal-Trudeau is the most "international" of all major Canadian airports, with the proportion of international passengers reaching 38% (62% if passengers travelling to the US are included).

The total number of direct destinations departing from Montréal oscillates at around 130, including more than 75 international destinations (compared to 30, ten years ago). In 2014 alone, four new destinations were added to the schedule: Istanbul, Panama City, Tunis and Prague. This trend continues with other important additions planned for 2015, including Beijing and Budapest.

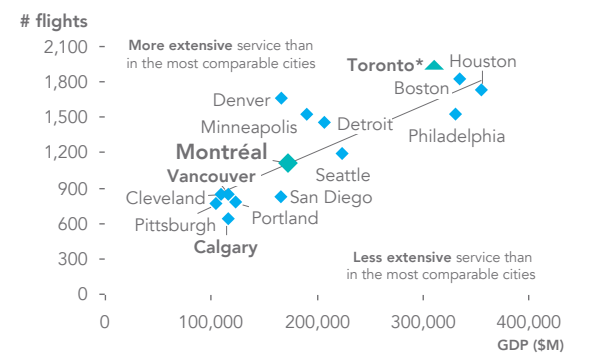
## NUMBER OF CONNECTIONS AND DIRECT FLIGHTS IN RELATION TO GDP

TO THE 123 MAJOR CITIES, FOR DESTINATIONS SERVED BY A MINIMUM OF 3 FLIGHTS PER WEEK THROUGHOUT THE YEAR

### Number of direct connections in relation to GDP



### Number of direct flights in relation to GDP



Note  
\* Toronto has been excluded from the calculation of regression lines, given its status as a major international hub

Significantly, Montréal is directly connected to 37 of the 123 most influential\* world cities, including 32 with a minimum of 3 flights per week. Of these 32 cities, 17 are among the largest international hubs. It is therefore possible to reach all of the world's 123 most influential cities, except one (Shenzhen in China), via a direct flight or a single connection.

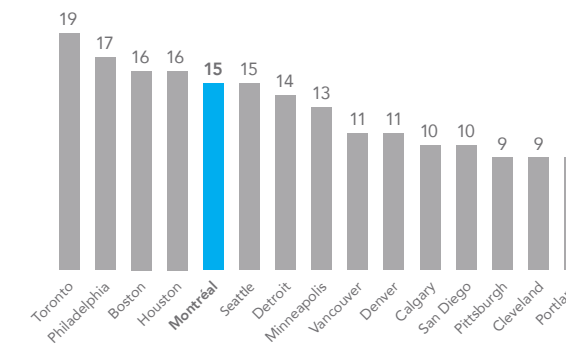
Montréal is ranked second in Canada for the total number of destinations and fifth out of 15 North American airports\*\* in terms of the number of connections to the most influential world cities and major international hubs.

Montréal has an enviable service to Europe and a growing service to the Middle East and North Africa, in addition to being ranked second in Canada for its number of sun destinations.

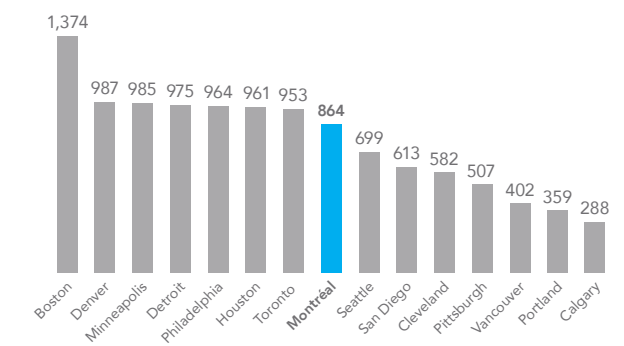
## NUMBER OF CONNECTIONS AND DIRECT FLIGHTS TO THE 25 MAJOR INTERNATIONAL HUBS

FOR DESTINATIONS SERVED BY A MINIMUM OF 3 FLIGHTS PER WEEK THROUGHOUT THE YEAR, FEBRUARY 2013 - FEBRUARY 2014

### Number of regular direct connections

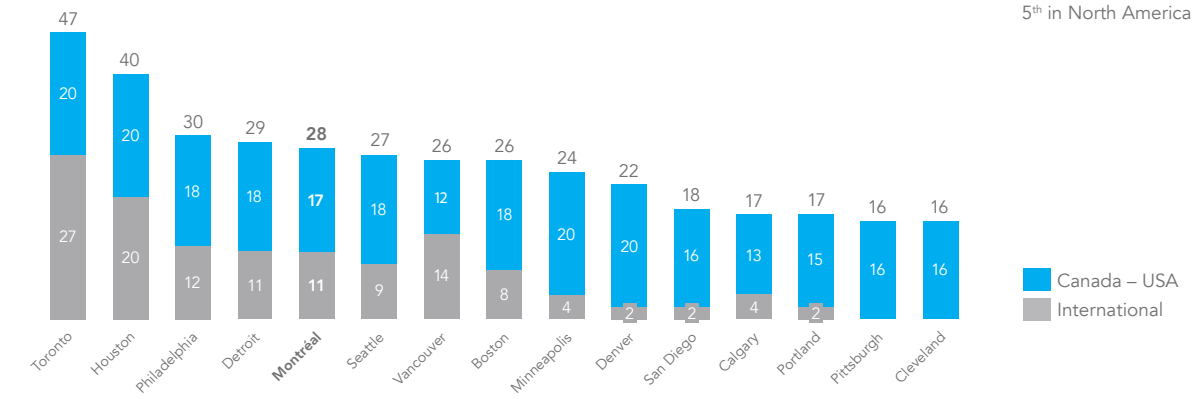


### Number of direct flights



## NUMBER OF DIRECT REGULAR CONNECTIONS TO MAJOR CITIES

DIRECT CONNECTIONS TO THE 123 MAJOR CITIES WITH A MINIMUM OF 3 FLIGHTS PER WEEK THROUGHOUT THE YEAR, FEBRUARY 2013 - FEBRUARY 2014



Notes  
\* The 123 most influential world cities according to the GaWC (Globalization and World Cities) research network classification  
\*\* 15 North American cities: Boston, Calgary, Cleveland, Denver, Detroit, Houston, Minneapolis, Montréal, Philadelphia, Pittsburgh, Portland, San Diego, Seattle, Toronto and Vancouver

### Montréal's Position

2<sup>nd</sup> in Canada  
5<sup>th</sup> in North America

# Carriers

In order to be profitable, an international connection must have a minimum origin-destination demand of 40,000 passengers a year. Montréal meets this threshold for 27 world cities. The cities that do not reach this threshold have little chance of being connected, unless they are a strategically located hub, as is the case for Amsterdam and Doha. In contrast, with only 10% of the minimum requirements met, the city of Helsinki, often cited as a prime example of a high-tech city, offers very little interest to a carrier.

The deployment of new smaller, long-haul aircraft (such as the Dreamliner) lowers the minimum customer base required for certain destinations. This means that it may be profitable to offer new routes to other major cities in the future.

Finally, according to the KPMG-SECOR study, major international alliances at Montréal-Trudeau can increase its attractiveness to foreign carriers.

For more information, the study is available at [admtl.com](http://admtl.com).

## THE FUTURE

In order to develop its connecting traffic, Montréal can build on its position as a hub between North America and Europe and also, increasingly, to the Middle East/North Africa.

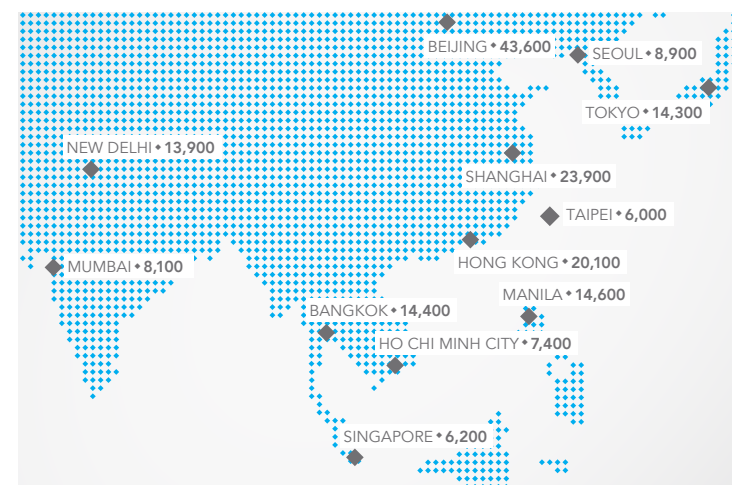
## POTENTIAL ORIGIN-DESTINATION DEMAND TO THE MOST POPULAR DESTINATIONS IN SOUTH AMERICA AND ASIA

POTENTIAL PASSENGER DEMAND BETWEEN MONTRÉAL AND THE MOST POPULAR DESTINATIONS IN THE REGIONS CONCERNED, 2013

### South America



### Asia



## 31 PASSENGER CARRIERS

### 10 CANADIAN CARRIERS

Air Canada – Air Creebec – Air Inuit – Air Transat – CanJet Airlines – First Air – Porter – Provincial Airlines  
Sunwing Airlines – WestJet

### 17 INTERNATIONAL CARRIERS

Aeromexico – Air Algérie – Air France – Air Saint-Pierre – British Airways – Copa Airlines – Corsair – Cubana de Aviación  
KLM – Lufthansa – Qatar Airways – Royal Air Maroc – Royal Jordanian – SATA Internacional – SWISS – Syphax  
Turkish Airlines

### 4 U.S. CARRIERS

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

## 20 ALL-CARGO CARRIERS

American Int'l Airways – Ameristar Jet Charter – Atlas Air Inc. – CargoJet – CargoLux – Castle Aviation  
Contract Air Cargo – Dubai Air Wing – FedEx – Kalitta Flying Service – Kelowna Flightcraft – Martinair  
McNeely Charter Services – Morningstar Air Express – Nippon Cargo Airlines – Nolinor Aviation  
Northern Air Cargo – Royal Air Freight – Skylink Express – UPS

◆ scheduled destinations  
◆ seasonal destinations

## AIR SERVICES

132 DESTINATIONS INCLUDING 87 SCHEDULED DESTINATIONS  
AND 45 SEASONAL DESTINATIONS

### 27 CANADIAN DESTINATIONS INCLUDING 13 IN QUÉBEC

**Scheduled (26)** – Bagotville, QC – Baie-Comeau, QC – Bathurst, NB – Calgary, AB – Charlottetown, PE – Chibougamau, QC – Edmonton, AB – Fredericton, NB – Halifax, NS – Kuujuaq, QC – Kuujuarapik, QC – La Grande, QC – Moncton, NB – Mont-Joli, QC – Ottawa, ON – Québec City, QC – Rouyn-Noranda, QC – St. John, NB – Sept-Îles, QC – St. John's, NL

Toronto (Billy Bishop), ON – Toronto (Pearson), ON – Val-d'Or, QC – Vancouver, BC – Wabush, NL – Winnipeg, MB

**Summer (1)** – Magdalen Islands, QC

### 26 DESTINATIONS IN THE UNITED STATES

**Scheduled (23)** – 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 – San Francisco, CA – Washington (Dulles), DC – Washington (Reagan), DC

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

### 79 DESTINATIONS IN THE WORLD (EXCLUDING CANADA AND THE UNITED STATES)

**Scheduled (38)** – 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 – Istanbul, Turkey – 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 – Roatan, Honduras – Samana, Dominican Republic – San Salvador, Bahamas – Santa Clara, Cuba – St. Marteen, Netherlands-Antilles – St-Pierre, St-Pierre-et-Miquelon – Tunis, Tunisia – Varadero, Cuba – Zurich, Switzerland

**Summer (19)** – Athens, Greece – Barcelona, Spain – Basel-Mulhouse, Switzerland – Bordeaux, France – Dublin, Ireland – Lisbon, Portugal – London (Gatwick), United Kingdom – Lyon, France – Madrid, Spain – Marseille, France – Nantes, France – Nice, France – Paris (Orly), France – Ponta Delgada, Portugal – Porto, Portugal – Prague, Czech Republic – Rome, Italy – Toulouse, France – Venice, Italy

**Winter (22)** – Acapulco, Mexico – Antigua, Antigua-and-Barbuda – Aruba, Aruba – Bridgetown, Barbados – Cartagena, Colombia – Freeport, Bahamas – Huatulco, Mexico – Ixtapa/Zihuatanejo, Mexico – La Ceiba, Honduras – La Romana, Dominican Republic – Liberia, Costa Rica – Los Cabos, Mexico – Managua, Nicaragua – Manzanillo, Cuba – Nassau, Bahamas – Providenciales, Turks & Caicos – Saint Lucia, Saint Lucia – San Andres Island, Colombia – San José, Costa Rica – San Juan, Puerto Rico (USA) – San Salvador, El Salvador – Santiago, Cuba

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