2015 YEAR IN REVIEW
This past year was another filled with accomplishment and celebration at John C. Munro Hamilton International Airport.

In August, we celebrated the official Grand Opening of Hamilton International’s new 70,000 square foot Cargo Centre alongside Airport staff, partners and government representatives. Cargojet started operations as the anchor tenant in the facility and ACI Air Cargo Inc. was selected as operator for the common-use portion; both positioning Hamilton International for future growth in cargo operations. Cargo airline partners Cargojet, Purolator, Canada Post, DHL and UPS continued providing the highest level of global connectivity for express air cargo in Canada throughout 2015.

We were excited to celebrate the Airport’s 75th Anniversary this October with a successful community Open House. The Open House hosted by Hamilton International was held at the Canadian Warplane Heritage Museum and provided the community with a behind-the-scenes look at both the Airport’s history and current operations.

Hamilton International’s winter sun charter program continued to grow with Air Transat’s addition of service to Cayo Coco, an earlier seasonal start date provided by Sunwing, and a second weekly departure introduced by Celebrity Cruises.

Safety remained a top priority for our Operations team, supported by participation in a country-wide initiative to promote airside safety and healthy work practices among airport employees through Canadian Airports Safety Week. Facility and airfield upgrades as part of the Airport’s Sustainability Management Plan were accomplished to advance efficient operations.

Investments in and around the Terminal Building further enhanced overall passenger experience, including parking system upgrades, installation of check-in counter monitors, terminal seating reconfiguration, and improved signage and passenger flow areas.

We are extremely grateful to our partners, guests and community stakeholders for their ongoing support.

Finally, thank you to our dedicated and hard-working team at the Airport. We look forward to celebrating TradePort’s 20th Anniversary this coming year, and continuing our momentum into 2016.

Sincerely,

Ron Foxcroft
Chairman of the Board

Frank Scremin
President and CEO

Chairman of the Board
$245.8 million in direct financial benefit to the City of Hamilton since 1996

John C. Munro Hamilton International Airport 2015 Year in Review

COrPOrAte GOAlS & GOvernAnCe

Vision
To be the Airport of Choice in Southern Ontario for passengers, goods movement, airlines and service partners.

Mission
Hamilton International consistently provides its passengers, airlines and business partners with a high-value, hassle-free experience that maximizes stakeholder value.

Values
Take Action. Be responsive, take initiative, find timely solutions.
Be Innovative. Think creatively, be resourceful and flexible.
Act Safe. Understand risk, follow procedures, use common sense.
Show Respect. Be understanding and compassionate, act with integrity.
Be Friendly and Have Fun.

Governance
Hamilton International Airport’s Board of Directors is a team of professionals connected to the local community or aviation industry. The Board of Directors meet four times a year providing governance for the Airport. Hamilton International Airport’s Executive Management Team reports directly to the Board of Directors.
The Vantage Network includes **8 airports** on 2 continents.
In 2015, Hamilton International Airport saw the return of passenger flights from partners WestJet, Air Transat, Sunwing Airlines and Celebrity Cruises, which served over 312,080 passengers. Despite a slight year-over-year passenger decline resulting from an industry-wide approach toward stricter management of aircraft capacity and the effects of the Alberta economy, the Airport provided direct service to a number of domestic and international destinations.

WestJet continued year-round daily service to its Calgary hub, operated daily flights to Edmonton, Halifax and Moncton from May to October, and offered weekly sun service to Cancun, Orlando and Punta Cana from November to April.

Air Transat operated winter seasonal service to Cancun, Puerto Plata, Punta Cana and Varadero, and introduced new destination Cayo Coco from February to April.

Sunwing Airlines’ third season at Hamilton International saw an earlier start date in November and includes weekly flights to Varadero and to Punta Cana.

Celebrity Cruises offered its all-inclusive cruise program for a second season and introduced a second weekly departure, providing passengers with the option of either an eastern or western Caribbean cruise.

Passenger Traffic

312,839 passengers flying to and from Hamilton International
Hamilton International realized a 7% increase in cargo aircraft billable weight over 2014, as a result of increased express cargo, high speed logistics, growth of e-commerce, and a rise in the cargo charter segment.

Airport cargo airline partners at Hamilton International include Cargojet, Purolator, Canada Post, DHL and UPS, which operate a daily schedule that services every major North American market and provide the highest level of global connectivity for express cargo in Canada.

In 2015, Hamilton International completed construction of its Cargo Centre, which positions the Airport for growth by facilitating the efficient movement and handling of goods, supporting both ad hoc and regularly scheduled cargo operations. In June, anchor-tenant Cargojet took occupancy of approximately half of Hamilton International’s 70,000 square foot Cargo Centre, followed by the facility’s official Grand Opening shortly thereafter.

In October, Hamilton International named ACI Air Cargo Inc. as operator of the 30,000 square foot common-use portion of the Cargo Centre. ACI is an internationally recognized cargo service provider and will operate the Cargo Centre’s bonded, e-commerce and temperature controlled air cargo handling services, cross docking, and end of runway cargo services which allow companies to move critical items in time-sensitive situations.

Cargo Aircraft Billable Weight (000's kg)

<table>
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<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
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Photo: Front of the Hamilton International Airport Cargo Centre

448,133,000kg in total landed cargo aircraft billable weight

CARGO OPERATIONS
Over 90% of passengers reported a positive Airport experience

PASSENGER EXPERIENCE

Ongoing enhancement of its programs and services allows Hamilton International to deliver excellence in customer service. In 2015, the Airport received satisfaction scores in excess of 90% for overall Airport experience by its passengers.

Customer Service
In its tenth consecutive year, the Hamilton International Airport Ambassador Program continued assisting passengers with Airport check-in and Terminal Building navigation, supported by the knowledge of its dedicated and friendly volunteers. Hamilton International’s Passenger Appreciation Program continued in 2015 with a ‘random giving’ approach that reached over 1,200 passengers on various days throughout the summer season.

Terminal Partners
Hamilton International continues to work closely with its existing terminal partners to provide a variety of services and amenities for its passengers, including: Tim Hortons, Hamilton International Duty Free, Departures retail store, and J&A’s Bar.

Terminal Updates
A number of improvements in the Terminal Building were completed, enhancing the overall Airport experience. Terminal improvements included: installation of check-in counter monitors, terminal seating reconfiguration, massage chairs in the Boarding Lounge, enhanced outdoor signage and improved passenger flow areas for ease of comfort and convenience.

Sense of Place
Hamilton International’s ‘Sense of Place’ theme links the Airport to its local surroundings by highlighting the work of local artists throughout the Terminal Building.

Photo: Passengers waiting in the Boarding Lounge
Hamilton International’s focus on building relationships and connecting with its community, passengers and business partners, allows the Airport to better serve the city and surrounding region.

**Direct Benefit to the City**
Investing in infrastructure and operations is essential to continuing Airport growth; since 1996 TradePort and its partners have invested $208.7 million, which in turn has created $245.8 million in direct financial benefit to the City of Hamilton.

**Growing the Economy**
Through Airport activity, Hamilton International and its partners contribute $284 million in gross domestic product (GDP), produce an economic output of $644 million, and create over 2,700 person years of employment for Hamilton and the surrounding region - approximately 70% of which can be attributed to cargo operations.*

**Community Investment**
Hamilton International is proud to support several community organizations and events through donations, sponsorships and gifts in kind, with a focus on the Airport’s Community Investment Pillars of: Aviation Education, Sense of Place and Employee-Driven Giving.

In October, Hamilton International celebrated the Airport’s 75th Anniversary by hosting an Open House at the Canadian Warplane Heritage Museum. The Open House provided the community with an opportunity to learn about Hamilton International’s roots in Canadian Aviation and gain insight into today’s day-to-day Airport operations. Over 1,000 participants and attendees were on hand to enjoy the day’s festivities.

*Source: Hamilton International Economic Impact Study, InterVISTAS (2013)

Over 500 hours contributed by Airport staff to community organizations and events

*Source: Hamilton International Economic Impact Study, InterVISTAS (2013)
Over 2,700 total jobs created through Airport activity at Hamilton International

AIRPORT OPERATIONS

Hamilton International Airport is committed to protecting the environment and to safeguarding the health of its employees, business partners and the general public.

Safety
Hamilton International, along with 23 other airports across Canada, participated in Canadian Airports Safety Week, a new airport-led initiative to promote healthy and safe work practices among airport employees; Safety Week activities and talks were attended by over 140 Hamilton International partners and staff. In 2015, the Airport also installed enhanced Lightning Detection software to help mitigate risk by providing its partners with real-time information on lightning in the surrounding area.

Community
In 2015, Airport partners continued the phasing out of older, louder aircraft to help minimize noise during overnight cargo operations. Hamilton International continues to work with the community to ensure active communication through participation in the Noise Management Advisory Committee and timely response to all noise reports.

Efficiency
Conclusion of the lighting retrofit project in the parking lots and aprons, as well as hangar heating and lighting upgrades were accomplished as part of the Airport’s Sustainability Management Plan. An apron reconfiguration was completed to accommodate larger aircraft in support of growing demand by cargo operators.

Quality
An upgraded parking system enhanced customer service with the installation of new exit and entry lanes and terminals equipped with leading edge technology. Hamilton International remained committed to growth in operations through heightened training of frontline staff and continued participation in a number of committees hosted by the Canadian Airports Council.
Growth in cargo operations and a continued focus on safety, security and compliance with regulations led Hamilton International to sure achievement of its performance targets in 2015. Financial results continue to be positive, with revenues exceeding operating expenses by $6.7 million. The Airport continues to reinvest in infrastructure through its sustaining and expansionary capital program to update, maintain and grow its onsite facilities.

Under the operating lease agreement with the City of Hamilton, TradePort is required to pay rent based on a formula of revenue and operating income for each fiscal year. For the year ending December 31, 2015, rent to the City and assessment tax fee was $512,766; a 15% increase over prior year.

$3.8 million was invested in both sustaining and expansionary capital. 2015 investments include: airside and groundside equipment purchases, parking lot electrical and system upgrades, airfield electrical and ground lighting upgrades, software enhancements, and completion of the Air Cargo Centre.

Expenses consist of amounts incurred in the normal course of operations and include amortization, interest cost associated with long-term debt and income tax. Expenses were $9.6 million in 2015, an increase of 2% over 2014.

Total excess of revenue over expenses increased by 1%, or $59,000 over 2014’s results of $6.6 million due to increased cargo operations.

Financial Highlights

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (000's)</th>
<th>Expenses (000's)</th>
<th>Capital Investment (000's)**</th>
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*Inclusive of Rent Paid to the City and Assessment Tax Fee  
**Additional investment of $7.9 million contributed by provincial and federal governments.