

John C. Munro Hamilton International Airport  
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**VANTAGE**  
AIRPORT GROUP

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# 20 15

YEAR IN REVIEW

John C. Munro  
**HAMILTON**  
INTERNATIONAL AIRPORT

CELEBRATING  
**75**  
YEARS

# LETTER FROM CHAIRMAN OF THE BOARD & PRESIDENT AND CEO



**Ron Foxcroft**  
Chairman of the Board

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.



**Frank Scremin**  
President and CEO

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,

A handwritten signature in black ink, appearing to read 'Ron Foxcroft', written over a white background.

Ron Foxcroft  
Chairman of the Board

A handwritten signature in black ink, appearing to read 'Frank Scremin', written over a white background.

Frank Scremin  
President and CEO



Photo: Entrance to the Terminal Building

**\$245.8** million in direct financial benefit to the City of Hamilton since 1996

## 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.



Photo: Members of the Vantage and Hamilton International executive teams

The Vantage Network includes **8 airports**  
on 2 continents

## ABOUT VANTAGE AIRPORT GROUP

Vantage Airport Group is a leading investor, developer and operator of airports around the world, and one of the first to be involved in the global trend of airport privatization, investment and management.

TradePort International Corporation, the company that manages John C. Munro Hamilton International Airport, is wholly-owned by Vantage, making it part of the company's worldwide network.

Vantage is passionate about people, performance and place. Formed in 1994 by multi-award winning Vancouver International Airport (YVR), Vantage was founded to share the management principles and best practices honed at YVR with airports around the world.

Vantage's approach of implementing best-in-class airport operations that consider local customs and culture results in airports that are financially stronger, more sustainable, and better economic generators for the communities and businesses they serve.

Vantage's network currently includes eight airports on two continents.





Photo: Preparing for passengers to deplane

**312,839** passengers flying to and from Hamilton International

## PASSENGER OPERATIONS

In 2015, Hamilton International Airport saw the return of passenger flights from partners WestJet, Air Transat, Sunwing Airlines and Celebrity Cruises, which served over 312,000 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.





Photo: Front of the Hamilton International Airport Cargo Centre

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

# CARGO OPERATIONS

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)

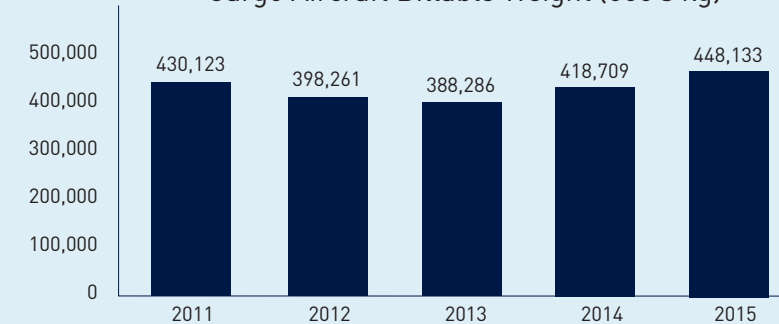




Photo: Passengers awaiting their flight in the Boarding Lounge

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: Airport Fire Services at the 75th Anniversary Open House  
Credit: Gustavo Corujo (gusair.com)

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

## GIVING BACK

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)





Photo: Winter operations at the Airport

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 160 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

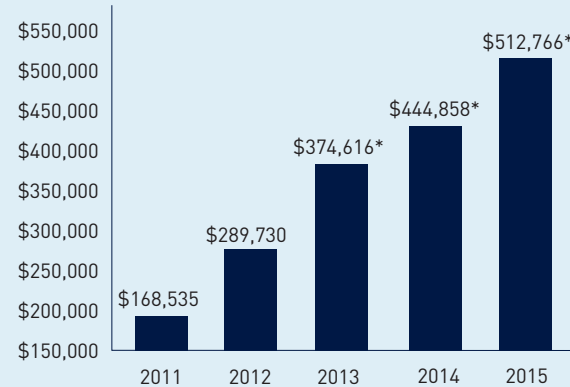
An upgraded parking system enhanced customer service with the installation of new exit and entry lanes and terminals equipped with leading edge technology. Hamilton International remained committed to growth in operations through heightened training of frontline staff and continued participation in a number of committees hosted by the Canadian Airports Council.

# FINANCIAL HIGHLIGHTS

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.

Payments to the City



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.

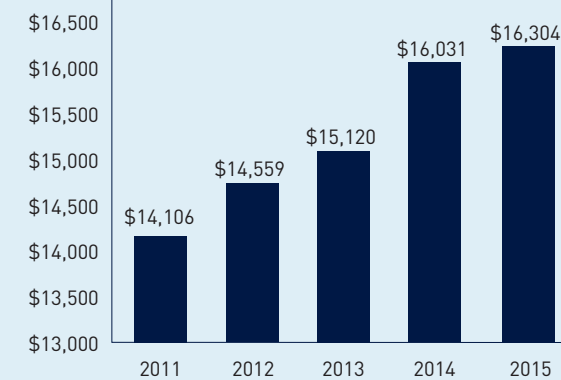
Capital Investment (000's)\*\*



\$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.

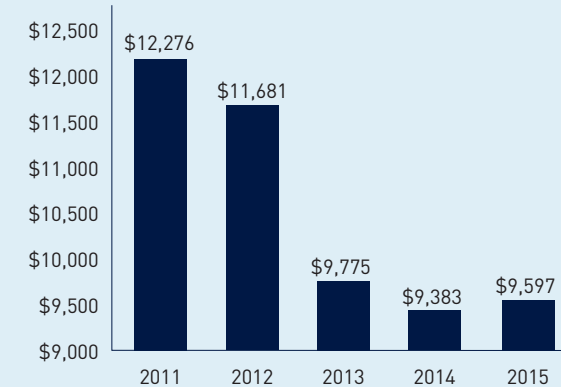
\*Inclusive of Rent Paid to the City and Assessment Tax Fee \*\*Additional investment of \$7.9 million contributed by provincial and federal governments

Revenue (000's)



The Airport's three main revenue sources are passenger operations, cargo operations and commercial property rents. Revenues were 2% higher in 2015 due to increased cargo operations.

Expenses (000's)



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.

Revenue Over Expenses (000's)



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