

SETTING
OUR
SIGHTS
HIGHER



LEADING TRANSPORTATION INNOVATION AND GROWTH

VISION

To lead transportation innovation and growth

MISSION

With our community, we provide excellent airport services and facilities in a fiscally prudent manner

VALUES

RISE — Respect, Integrity, Service Excellence

STRATEGIC DIRECTIONS

Enhance customer service and value

We will understand our customer needs and assure value through measurements relevant to them.

Deliver and operate excellent facilities and services

We will deliver safe, secure and environmentally sound facilities and services incorporating universal design principles.

Expand air service to and from Winnipeg

We will build on our 24-hour access and our intermodal connectivity to improve Manitoba's link to the world.

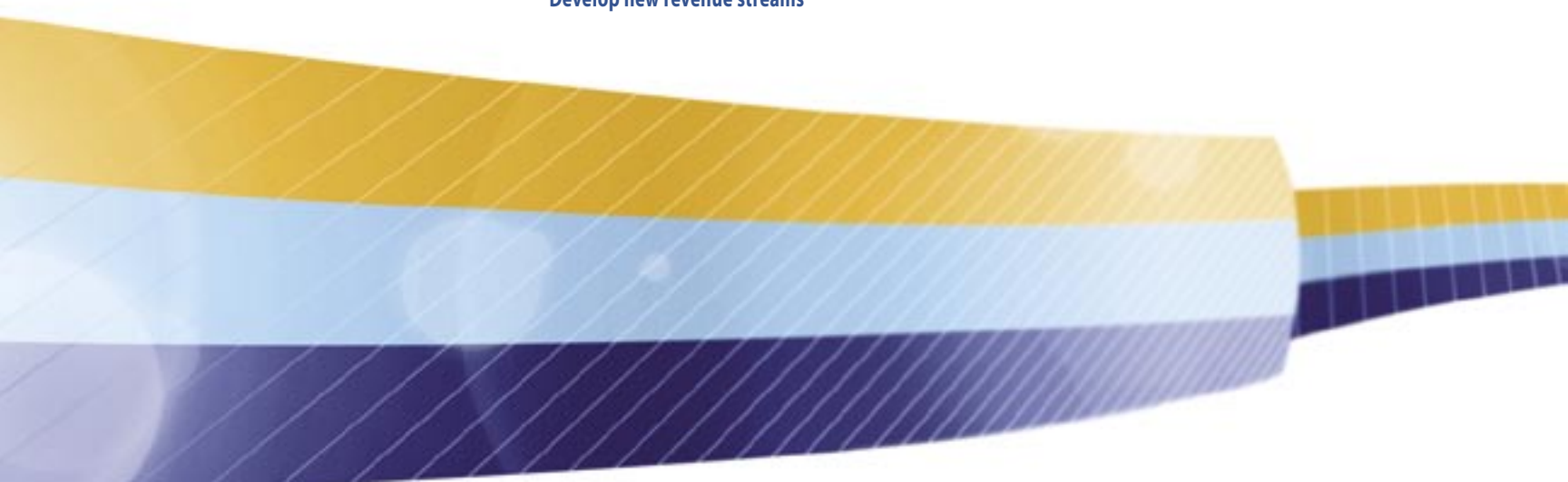
Be an effective community partner

We will be a source of pride for our community and a leader in its growth and development.

Develop and realize employee potential

Our team attracts and inspires excellence. We have the right people in the right place with the right training.

Develop new revenue streams



SETTING
OUR
SIGHTS
HIGHER





Arthur Mauro, Chairman and Barry Rempel, President and CEO

CHAIRMAN AND PRESIDENT'S MESSAGE

Like the community we serve, Winnipeg Airports Authority is poised for an exciting and dynamic future.

A robust and diversified economy requires efficient, effective movement of people and material. As a community grows, its airports must address transportation requirements to ensure economic opportunities are not limited. Winnipeg Airports Authority serves a region experiencing significant growth. The evidence is all around us — the new MTS Centre sports and entertainment complex, the new Manitoba Hydro head office and the floodway enhancement project are just a few examples of major developments.

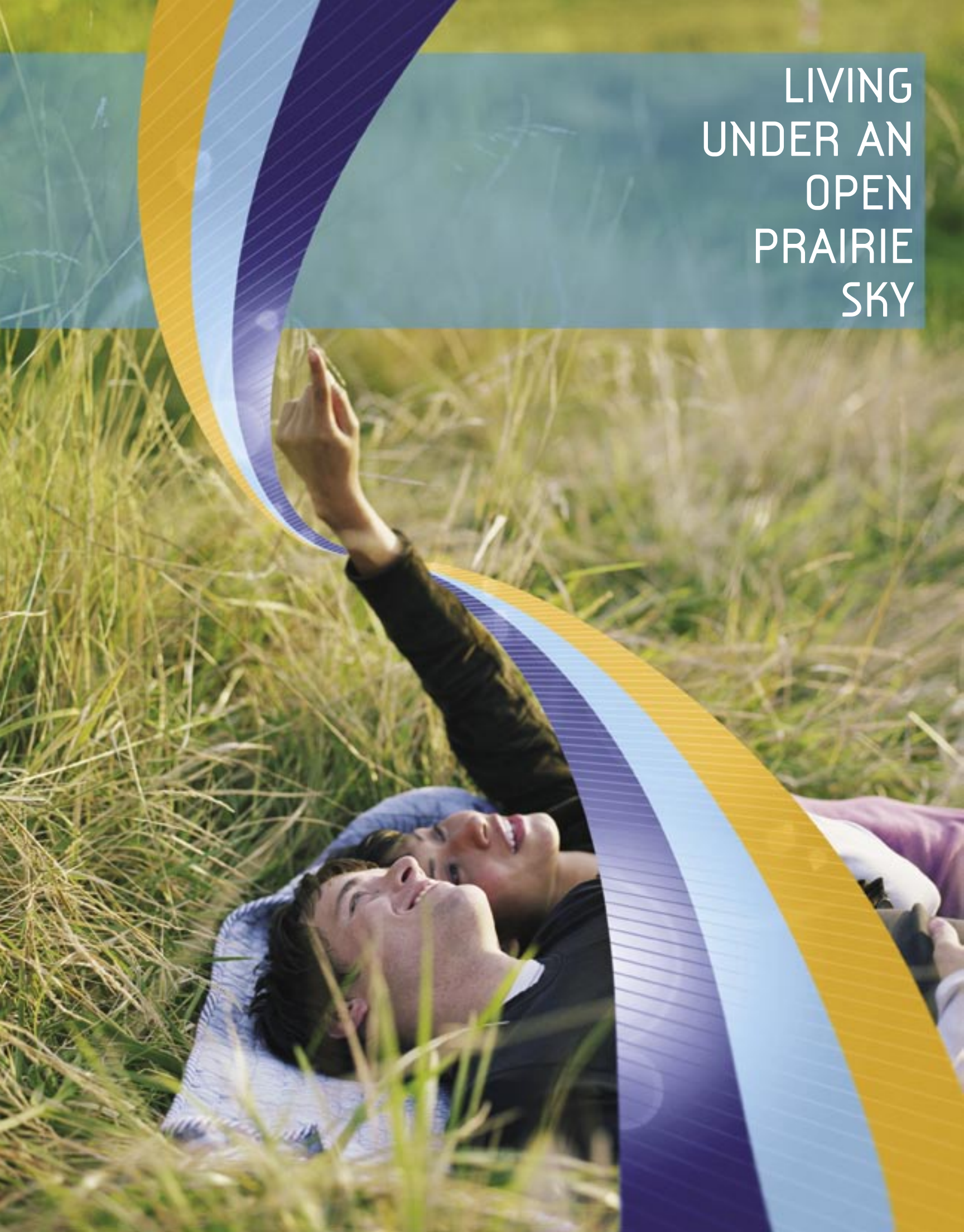
The Airport Site Redevelopment Program began in 2004 with the announcement of the conceptual plan for the construction of a new 60,000 square metre air terminal building, multi-level parkade, roadway system and airside infrastructure.

In October 2004, the selection of the internationally-renowned design team, Cesar Pelli and Associates and Stantec Architecture Ltd. was announced. From now until 2009, Winnipeg International Airport will be transformed — not only in the physical sense — but also in the way we serve our community.

The airport is more than just a place to move people and products. It reflects the social, cultural and economic spirit of the community we serve. It's a dynamic retail environment that showcases what makes our region unique and provides the personal service and quality that exemplifies 'Friendly Manitoba.' It must be adaptable to changing markets, regulatory and security environments. We do our best to fulfill these requirements today — our redevelopment will ensure we meet our customer, carrier and tenant needs well into the future.

In spite of the many challenges faced by the air industry, your airport has much to celebrate: a revenue increase of 8.8%; record growth in passenger traffic topping three million passenger movements; a 25% increase in cargo tonnage shipped through Winnipeg; the development of a new environmentally friendly de-icing facility; an increase in valet service; and the implementation of a state-of-the-art runway surface monitoring system, to name a few.

Our employees work hard to provide exemplary service to our customers and diligently fulfill our vision — to Lead Transportation Innovation and Growth — not only for our airport, but also for our community. This Annual Report is testimony to those achievements.



LIVING
UNDER AN
OPEN
PRAIRIE
SKY



WELCOME TO WINNIPEG

At the heart of the prairies lies the vibrant capital city of Manitoba. Winnipeg's skyline peaks at the famous intersection of Portage and Main. Its remarkably diverse population of over 698,000 people gives the city its multicultural character and lends distinction to its communities.

At the geographic centre of North America and within its central time zone, Winnipeg is ideally situated to do business internationally. And with outstanding amenities, such as its new, state-of-the-art downtown sports and entertainment facility, Winnipeg is ready to welcome the world.

Manitoba's diversified and stable economic structure supports a solid industrial base that includes aerospace, finance, transportation and distribution, insurance, biotechnology, textiles, leather, apparel, agri-business and new media businesses. Overall, Manitoba's economy yields a dedicated, highly trained workforce, low unemployment rates and a diversity of industries that cushion against major economic fluctuations.

Economic Impact of Winnipeg International Airport

Winnipeg Airports Authority is an economic facilitator, partner and driver in this community. Winnipeg International Airport moves much of the goods and services that flow through the region and enables businesses to capitalize on the speed and efficiency of air transportation services.

Winnipeg International Airport is one of Manitoba's most significant economic engines, generating about \$2.6 billion in economic output, and close to \$800 million in total labour income annually.



Photo by Mike Grandmaison, courtesy of MTS Centre

ELEVATING
SERVICE,
SAFETY
AND VALUE



GOLDWING AMBASSADORS ARE AT THE AIRPORT SEVEN DAYS A WEEK AND VOLUNTEERED 9,576 HOURS IN 2004



CUSTOMER FOCUS

In 2004, Winnipeg Airports Authority established a customer-driven benchmark for ongoing service delivery measurement. This direct survey process provides insight into the needs of all customer groups, including airlines, tenants, passengers, meeters and greeters and employees.

Visitors to Winnipeg International Airport are welcomed with ready access to information about the community, its events and attractions at the Information Centre on the main floor. Goldwing Ambassadors are always ready to lend a helping hand to anyone needing directions or advice. In fact, Winnipeg International Airport's Goldwing Ambassadors Program, with its over 100 volunteers, was recognized with an Ambassador Volunteer Award for its promotion of Winnipeg and Manitoba.

Working with Canadian Air Transport Security Authority in efforts to ensure safe travel, Winnipeg International Airport added a fourth Central Security passenger line in September. The benefits of this expansion were quickly realized, improving the passenger experience during the busy holiday season in December.

The airport's year-round valet parking service was very successful again in 2004 — increasing 57% over 2003. To accommodate passengers traveling to sun destinations, valet parking operates 24 hours per day from December 1 to March 1.



RAISING
THE
BAR



AIRPORT FACILITIES AND OPERATIONS

Winnipeg Airports Authority is dedicated to easing the stress of air travel. To support the convenience of its valet parking service and to ensure ample parking for customers, an overflow parking lot was added in 2004. This lot was constructed with recycled asphalt reclaimed from Taxiway H resurfacing.

Supported by local conservation groups, Winnipeg Airports Authority opened its \$6.9 million central de-icing facility in December. The new, environmentally friendly facility is capable of simultaneously handling four mid-sized aircraft (A320 or B727s) or two large aircraft (B747s).

As part of its ongoing commitment to safety and community, Winnipeg Airports Authority was a lead participant in a mock emergency exercise designed in cooperation with its own fire department, Winnipeg Fire Paramedic Service, 17 Wing, Winnipeg Regional Health Authority, Winnipeg Police Service, Emergency Measures Organization, Avion Services Corp. and St. John Ambulance to test the collaborative emergency response effort of these groups. The media-covered event will serve as a long-term learning experience for the emergency services that participated.

Winnipeg Airports Authority's continuing pursuit of excellence in Manitoba aviation includes working cooperatively with key partners such as St. Andrews Airport Inc. A formal agreement with St. Andrews Airport was formed to collaborate in seeking efficiencies in areas of common interest such as engineering, environment, marketing, operations, services and equipment. Together the two airports are working to ensure the effective delivery of services within a sustainable regional airport system.

Airport Site Redevelopment 2004 to 2020

Winnipeg Airports Authority is undertaking an exciting multi-phase site redevelopment. The ambitious program includes building a new 60,000 square metre terminal building targeted for completion in 2009. The \$350 million construction program (at 2003 prices) also consists of a new 1,600 space parking structure to be completed in 2006, groundside site services and an additional aircraft parking apron.

Winnipeg Airports Authority is working closely with Cesar Pelli and Associates and Stantec Architecture Ltd., who were selected for the airport site redevelopment program. This teaming of local professionals with international aviation design experts ensures the highest standards and provides opportunities for local business to participate.

85% OF THE REDEVELOPMENT WORK WILL BE CONTRIBUTED BY CANADIANS, MAINLY BASED IN WINNIPEG.

"The redevelopment represents a significant contribution to the future of Winnipeg and the region, and will further build Manitoba's reputation as a major centre of economic, cultural and community activity."

— The Honourable Gary Doer,
Premier of Manitoba

"We fully understand how important this facility is for Winnipeg and for Manitoba. This is why our team includes not only our top design talent, but our most experienced airport terminal planning staff."

— Cesar Pelli,
Project Design Principal and Lead Designer,
Cesar Pelli and Associates

SEEKING
TO GO
EVEN
FURTHER



EXPANDING AIR SERVICE

Winnipeg Airports Authority reached a significant milestone with over three million passenger movements in 2004. This 8% growth over 2003 represents a positive trend in domestic, transborder and international markets.

In 2004, challenges associated with airline capacity and aircraft size reductions were met as other carriers expanded service from Winnipeg. WestJet, for example, introduced new service to Montreal and expanded service to Vancouver, Ottawa and Toronto. Other low-cost airlines added service to Vancouver, Edmonton and Toronto.

Northwest Airlines expanded its summer service out of Winnipeg by adding a weekly flight to Detroit. The route was well-received locally and by American visitors who could now connect through Winnipeg International Airport to Manitoba's many fly-in hunting and fishing lodges. United Express also expanded its Winnipeg – Chicago O'Hare service by adding a fourth daily flight in 2004.

Winnipeg Airports Authority's success in selling the unique attributes of our market was demonstrated in July, when CanJet announced its plan to provide non-stop winter service to Orlando, Florida beginning February 2005. As well, Zoom Airlines will be providing May to October non-stop service to London, England.

Charter service to sun destinations increased in 2004, with more flights, a new destination in Cayo Coco, Cuba, and the return of wide body service to Winnipeg via Air Transat's A310.

Cargo Service

Setting a new record, over 140 million kilograms of cargo passed through Winnipeg International Airport in 2004 — a 25% increase over 2003. The recent designation of Winnipeg International Airport as a transshipment hub provides significant opportunities for Winnipeg transport carriers and other logistics facilitators to capitalize on the province's central geographic location. Winnipeg Airports Authority is confident it can continue to increase its cargo shipments in the coming years.



"On a ratio basis, cargo is more important to Winnipeg than to any of the other eight major airports in Canada."
— Barry Rempel, *Winnipeg Free Press*, September 28, 2004

IN APRIL, ONE ANTONOV AN-124 — ONE OF THE LARGEST CARGO AIRCRAFT IN THE WORLD — BROUGHT ENOUGH CARGO TO WINNIPEG TO FILL SIX BISON TRANSPORT SEMI-TRAILERS!

GOING ABOVE AND BEYOND



WINNIPEG AIRPORTS AUTHORITY'S SUPPORT FOR THE COMMUNITY INCLUDED DONATING \$38,908 TO UNITED WAY AND RAISING \$12,000 FOR THE FIREFIGHTERS' BURN FUND.

COMMUNITY PARTNERSHIPS

Winnipeg Airports Authority is proud to partner with the community it serves. Paddling down the Red River or parading up Portage Avenue, Winnipeg Airports Authority employees are enthusiastic participants in community events. This year's community support calendar was full with the Canadian Cancer Society's Dragon Boat Races, the Power Smart/Winnipeg Jaycees Santa Claus Parade, the United Way Plane Pull, the Annual Charity Golf Tournament in support of the Firefighters' Burn Fund, the Harvest Garden, Snowman City, the North Pole Express, Coats for Kids, United Way's Days of Caring, the hamper drive for the Christmas Cheer Board and much, much more.

Once again Winnipeg Airports Authority teamed up with Signature Vacations and Skyservice Airlines to give a group of Winnipeg children the flight of their lives. Variety, the Children's Charity arranged for 128 children from William Whyte Community School to take a half-hour flight over Winnipeg to see the Christmas lights from above. The children received gift bags and were thrilled to meet Santa Claus and two of his reindeer.

Winnipeg Airports Authority is a proud supporter of United Way. Employees held a pancake breakfast, a chili cook-off and various raffles to raise funds. Through these events, annual employee contributions and the corporate matching program, Winnipeg Airports Authority increased its donation to United Way by 29% over 2003. The increase earned employees a Quantum Leap Award from United Way for the sixth time.

Winnipeg Airports Authority participated in the Grow-A-Row program again in 2004, providing 2,150 pounds of potatoes, onions, beets and carrots to Winnipeg Harvest. Each year the garden is planted on Greening Day, when employees plant, paint and beautify airport property.



"I'm overwhelmed with the generosity. It's such a gift."

— Kim Midford,
William Whyte Community School Principal

"Your staff always go above and beyond to accommodate our requests, no matter how big they may be, and it is appreciated."

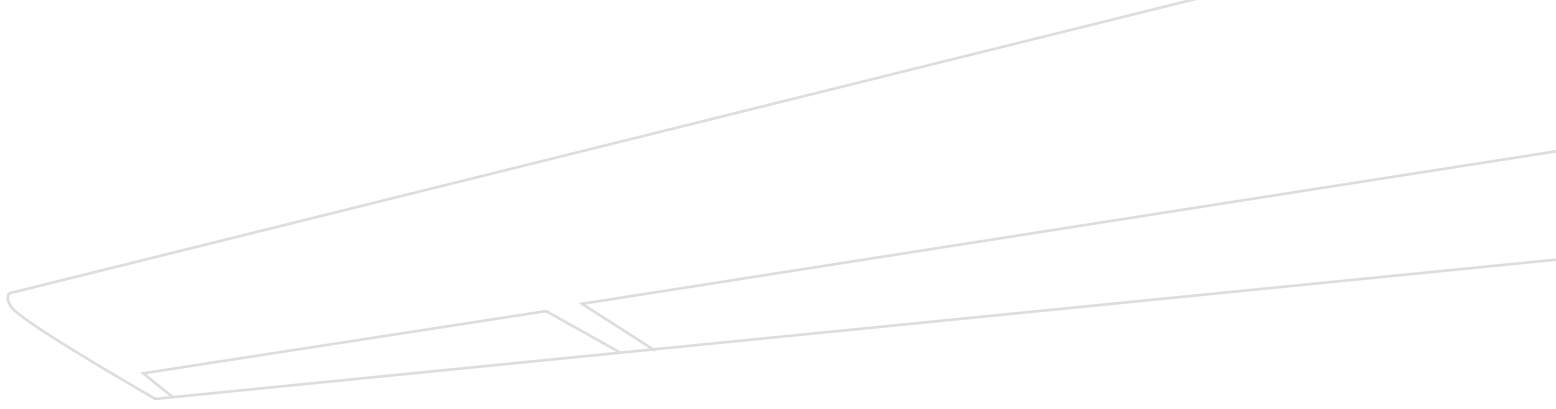
— Wanda McGorum,
Communication Specialist, United Way Winnipeg

"The airport is a key component of our annual Grow-A-Row program. Airport staff volunteer their time to tend and harvest the garden and over nine years have grown 12,842 pounds of vegetables."

— Carol Ellerbeck,
Executive Coordinator, Winnipeg Harvest

HELPING
POTENTIAL
TAKE
FLIGHT





EMPLOYEE SUPPORT AND DEVELOPMENT

As a leader in innovation and growth, one of Winnipeg Airports Authority's roles is to inspire its employees to bring innovation, knowledge and expertise to their airport, their industry and their community.

Internally, Winnipeg Airports Authority promotes skills development and professional growth through education and occupational training support. Employees are encouraged to enhance their knowledge or skills, or develop new abilities and Winnipeg Airports Authority ensures they have the resources they need to do so. In 2004, employees received more than 2,700 hours of training in various job-related and developmental courses.

To support personal and professional development, Winnipeg Airports Authority provides employer-initiated training, employee-requested training, tuition and prescribed texts for approved employee training, a computer purchase plan, as well as student employment opportunities. These positions support knowledge development of university and college students — the employees and customers of the future.

DEVELOPING NEW REVENUE STREAMS

By identifying new opportunities and acting upon them, Winnipeg Airports Authority met its 2004 target of \$500,000 in new revenue generation.

Winnipeg International Airport welcomed two new outlets to its retail mix. Mail Boxes Etc. is a full-service business and communication centre that even provides computer workstations for the busy traveler. All Aboard Manitoba's Airport Shop is building on its success at The Forks, selling locally-made crafts and other unique gifts.

Space at the airport was rented for kiosks, display units, signage and even a movie shoot. In May, scenes from the film, *The Big White*, starring Robin Williams, were filmed at the airport.

Two parcels of airport land consisting of over five acres were leased on the eastern perimeter of the airport to Bison Transport. While Bison plans to surface this land and create a secured compound, Winnipeg Airports Authority has an additional 800 acres available for further development opportunities.



CONTINUING TO CLIMB

2004 FINANCIAL HIGHLIGHTS

Consolidated revenues for the year, at \$50 million, represent an 8.8% increase over 2003. Decreases in aeronautical revenues, resulting from reductions in airline schedule and aircraft size, were offset by strong growth in passenger traffic and corresponding non-aeronautical revenues. An adjustment of the 2002 Transport Canada lease cost, that is reflected in the 2004 results, further reduced the expense growth rate to just 0.6%. Operating income of \$4.4 million will be used to fund capital projects in 2005.

As we proceed, Winnipeg Airports Authority will commit airport improvement fees for the sole purpose of funding the Airport Site Redevelopment project; other capital requirements will be funded from airport operating revenues.

