

TRANSFORMING

2008 ANNUAL REPORT



WINNIPEG
AIRPORTS AUTHORITY



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*

WE ARE FOCUSED

PREPARING FOR A NEW ENVIRONMENT

A MESSAGE FROM THE BOARD CHAIR AND CEO



2008 marked 80 years of aviation history at Winnipeg James Armstrong Richardson International Airport, a year which reflects a proud past and an exciting future.



The major construction projects that dot the campus reflect the expanding role that the airport continues to play in our community. Less visible is the critical planning and efficiency measures that were fundamental to the success experienced in 2008, and which will continue in 2009.

While remaining prudent, we are focused on the future. It is a future that will see this campus transform into a leading “airport city” that serves the community and Canada as a major entry port for global trade and economic development.

ON THE FUTURE

TEAMING UP FOR TRANSFORMATION



IN 2008: 700,000 construction hours on airport site redevelopment project

New air terminal building's boilers

It takes an entire crew to reach new goals. All members of Winnipeg Airports Authority's team contributed to the many accomplishments of 2008, with much focus on the transformation of our airport campus. From the airport site redevelopment project to the construction of new tenant facilities to laying a foundation for even bigger goals, Winnipeg Airports Authority emerged from the economic uneasiness of the fourth quarter in a strong position with many proud achievements.

AIRPORT SITE REDEVELOPMENT

In 2004, Winnipeg Airports Authority announced plans to proceed with an exciting multi-phased airport site redevelopment project, in response to a variety of carrier and passenger service issues and capacity requirements. Today, this project is entirely funded through our Airport Improvement Fees. Physical transformation became evident in 2008, with the project logging over 1.3 million construction hours since its onset.

The new air terminal building will present exciting new business opportunities for retail, financial and other service industries, while contributing to municipal and provincial economic development. Following an extensive public tender process, Winnipeg Airports Authority awarded the master concessions contracts in September 2008, as well as the contracts for telephone, security and activation support. SSP Canada and The Paradies Shops will lease, develop and manage concessions in the new air terminal building.

SSP Canada's commitment to providing differentiated culinary options, with local and world-class brands, will offer airport visitors an inviting atmosphere and unique dining experiences.

KEY AIRPORT SITE REDEVELOPMENT PROJECT ACCOMPLISHMENTS TO DATE:

- With virtually all the structural steel in place and the basement foundation nearly complete, work continues on the interiors, window installation, floors and roof of the new air terminal building.
- The central utilities building houses the new boilers which are projected to achieve 97% efficiency.
- The elevated roadway project is 90% complete and will be used in the coming year to facilitate the completion of the new air terminal building.
- Airside construction is 80% complete with 156,961 square metres (38.8 acres) of concrete in place for a new taxiway and apron construction.

projected to achieve 97% efficiency

Airside construction 80% complete

Elevated roadway project 90% complete





MAJOR CAMPUS CONSTRUCTION PROJECT HIGHLIGHTS OF 2008:

The decision by **Greyhound Canada** to locate its multi-million dollar bus and cargo terminal at Winnipeg James Armstrong Richardson International Airport has truly transformed the site into an intermodal campus, benefiting passengers and cargo customers, providing cost-effective logistics solutions and contributing to Winnipeg's global reputation as a centre of transportation excellence.

Canada Post began construction on a \$50-million prototype plant for future Canada Post developments across the country. Situated on a 27-acre parcel of land chosen for its proximity to transportation services that accommodate the intermodal delivery and distribution of mail, it is Canada Post's most significant investment in an all-new mail processing plant built in over 20 years.

Working collaboratively with our partners in the aviation sector, Winnipeg Airports Authority helped secure the 80,000-square-foot expansion of the **Standard Aero** plant, resulting in increased economic opportunity and jobs in our community.

Boasting the highest occupancy rate of all Winnipeg hotels and anticipating future demand, Lakeview Management has begun construction of an expansion of the **Four Points by Sheraton** and announced plans for the new five-star Winnipeg Grand Airport Hotel. With seven floors and 100 rooms, this new \$20-million five-star hotel will be the first of its class in our city.



The Paradies Shops was chosen for the first-class shopping experience it brings to the airport travelling public. Named "Best Airport Retailer" for the past 13 consecutive years by *Airport Revenue News*, they will offer beautifully designed stores to complement the new airport design and celebrate both local and national brands.

Approximately 1,747 square metres (18,868 square feet) have been allocated for retail and food and beverage service in the new air terminal building. Based on current travel trends, 70% of the stores and restaurants will be post-security.

AIRPORT CAMPUS

Winnipeg Airports Authority's vision for the airport campus continued to be realized throughout 2008 with visible construction of major tenant projects. Forward thinking and a strategic plan to diversify revenue helped Winnipeg Airports Authority weather the economic storm in 2008. This was made possible through effective land development research and an unmatched collaborative team effort.

INLAND PORT

CentrePort Canada Inc. continues to move closer to making Manitoba's inland port a reality. Established in Manitoba Legislation in the fall of 2008, this private sector-led corporation will develop and promote the port by building on the province's well-established network of air, rail, sea and trucking routes. Creation of the inland port aligns with *Plan Winnipeg*, the City's master planning document, ensuring Winnipeg James Armstrong Richardson International Airport continues to serve our community as an unrestricted, 24-hour operation.

Twenty thousand acres of land around Winnipeg James Armstrong Richardson International Airport has been designated for the inland port to serve as a transportation, trade, manufacturing, distribution, warehousing and logistics centre. This will lead to many new jobs. Winnipeg Airports Authority is closely linked to this continental trade hub both in terms of location and strategic intent.

IN 2008: Plans for the \$20-million Winnipeg Grand Airport Hotel were announced

Installation of a new fuel



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system

Secured 80,000-square-foot expansion of Standard Aero plant

Installation of the new entrance sign

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PILOTING AN EFFICIENT ROUTE

In 2008, Winnipeg Airports Authority team members worked diligently to monitor day-to-day operations while strategically planning for future efficiencies. Through focus on realizing operational productivity improvements, using limited capital spending to accommodate future efficiencies and diversifying our revenue stream, Winnipeg Airports Authority was able to continue its plan for transformation with effectiveness and real results.

IN 2008: Implementation of Safety Management Systems tool

Reconfigured several taxiways for

CURRENT OPERATIONS

An integral component of Winnipeg Airports Authority's mandate is to deliver and operate safe and secure facilities. The recent implementation of the Safety Management Systems tool helps us understand our organization's concerns for safety, and reduce risk using systematic procedures, practices and policies for the management of safety. Winnipeg Airports Authority also participates in mandatory tabletop exercises to ensure our team is prepared for events we hope never happen.

ACTIVATION

Preparing for a new facility is critical. With the support of an activation support contractor, Winnipeg Airports Authority's core activation group meets on a bi-weekly basis to coordinate and communicate operational planning inputs and activities. Such activities include check-in counters, passenger flow, baggage handling and the technology required to operate in the most efficient way. Successful activation requires continuous effective communication and participation with all airport stakeholders including airlines, agencies, concessionaires, transportation services and the public. It is by having a truly connected airport community that we will succeed in the opening of the new air terminal building.

As part of our activation plan, Winnipeg Airports Authority is preparing for the use of new passenger boarding bridges. To ensure these bridges will be functional in our dynamic Canadian climate, we have acquired one of the bridges for testing. Training on Bridge 18, which is installed on the existing terminal, has been coordinated with our airline partners in preparation for a smooth transition on opening day.

Winnipeg Airports Authority's activation group is an interdepartmental team of leaders currently developing the operational document to support the common use philosophy being adopted in the new air terminal building. Common use maximizes the efficiencies of both the shared equipment and the physical space of the new facilities. Upon completion, Winnipeg James Armstrong Richardson International Airport will be among the most operationally efficient airports in the world.

CAPITAL PROJECTS

As a non-share capital corporation, all Winnipeg Airports Authority surplus revenues are re-invested back into the community by way of capital improvement and restoration projects. We continue to prepare both our company and campus in a manner that recognizes the new economic realities of today's marketplace, while ensuring the provision of the infrastructure required to meet current and future needs of our community by way of capital improvement, restoration projects or reduced costs of services.

OPERATIONAL RECOGNITION:

- In recognition of our continued commitment to save energy while providing quality indoor air throughout our facilities, Winnipeg Airports Authority received an Energy Cost Index (ECI) Award. This prestigious five-star energy award recognizes facilities that conserve natural resources and put their visitors and employees first when improved indoor air quality is considered.
- Two employees received their Systems Maintenance Technician designations from the Building Owners and Managers Institute International. Attained through distance education, this certificate program is recognized as a mark of distinction throughout the commercial property industry.





RECENT CAPITAL PROJECTS INCLUDE:

- Procurement of new equipment to provide more efficient snow clearing service to our airport campus tenants.
- Reconfiguring several taxiways to provide efficient access for our airline partners to the new air terminal building.
- Construction of an 11-million litre retention pond to serve as temporary storage for excess fluids from the central de-icing facility. The pond provides better drainage for the airport campus and will be fully operational in spring 2009.
- Installation of a new system at the Combined Services Building to accurately and efficiently track fuel consumption and maintenance schedules of work vehicles.
- Installation of the new entrance sign that welcomes all visitors to the airport campus. In honour of officially being renamed Winnipeg James Armstrong Richardson International Airport, Winnipeg Airports Authority worked with local design and sign companies on creation and development of the new sign. Prior to its exterior installation, the sign was unveiled to the Richardson family and their guests at a private ceremony.

Northwest Airlines celebrated 80 years of service between Winnipeg and Minneapolis. That weekly service in 1928 gave Winnipeg the honour of being home to the first international airport in Canada.

2008 marked the 80-year anniversary of the first international flight, making Winnipeg Canada's first international airport.

NETWORK EXPANSION AND CHARTERS

International non-stop summer flights to Gatwick continued with strong local support until the unexpected loss of Zoom in fall of 2008. WAA immediately launched a campaign to promote the value of a non-stop transatlantic service to appropriate carriers.

Flying direct from Winnipeg James Armstrong Richardson International Airport helps support the local economy and encourages airlines to expand and provide new routes and destinations to the users of our airport. Winnipeg Airports Authority developed a marketing campaign to support and showcase the non stop routes to sun destinations that are available direct from Winnipeg. The "We've Pulled Out All The Stops" campaign used web, outdoor, newspaper and dynamic digital media to highlight the 14 destinations to the sun which resulted in a 10,000 passenger increase over the previous year departing for Mexico and the Caribbean.

WestJet continued to operate non-stop flights to Phoenix and year-round flights to Las Vegas. Most recently, a new WestJet direct flight to Orlando was announced.

CARGO

There were notable cargo developments in 2008, including several charters and the introduction of wide-bodied aircraft by both Cargojet and Purolator. Overall annual throughput tonnage numbers declined due to the fall in domestic and international trade. Looking forward, Winnipeg Airports Authority will coordinate its cargo development efforts with plans for CentrePort Canada, as industries targeted for the inland port are significant users of air cargo and all modes of transport.



IN 2008: Ad campaign highlights 14 direct charter destinations

4,800 customer

BUILDING BETTER CONNECTIONS

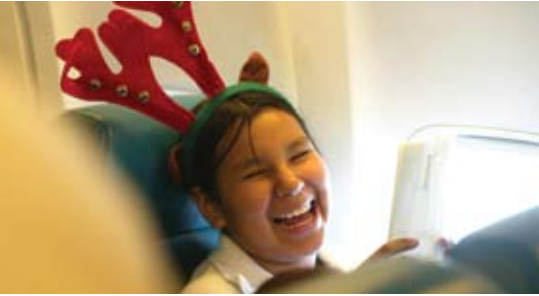
Our strength lies in our ability to build connections and work as a team. It is through Winnipeg Airports Authority's relationship with our staff, our customers, our airline and campus partners, our stakeholders, that we are truly able to build and transform into a vision of our full potential as a centre of excellence in service and community support.

surveys completed

Raised nearly \$23,000 for United Way Winnipeg

Donated \$25,000 to Firefighters' Burn Fund

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AWARDS AND RECOGNITION:

- Winnipeg Airports Authority was recognized by the Manitoba Chambers of Commerce in 2008, being honoured with the Outstanding Manitoba Ambassador Award.
- United Way of Winnipeg recognized Winnipeg Airports Authority at the silver-level of the Workplace Campaign Awards and with the Employee Quantum Leap Award.
- In 2008, three members of Winnipeg Airports Authority's fire department were individually awarded a Fire Services Exemplary Service Medal and accompanying certificate signed by the Governor General of Canada. The Medal honours members of a Canadian Fire Department who have completed 20 years of service, ten years of which have been served in the performance of duties involving potential risks. Exemplary service is characterized by good conduct, industry and efficiency.

ENHANCING CUSTOMER SERVICE

At the heart of Winnipeg Airports Authority's strategic planning is understanding our customer's needs and measuring ourselves according to their standards. In 2008, Winnipeg Airports Authority introduced Airport Service Quality (ASQ) surveys to our customer service plan. Based on a questionnaire completed by departing passengers, we are able to benchmark ourselves against other airports worldwide.

In addition to initiating the ASQ surveys, Winnipeg Airports Authority posted a survey for users to submit online or at one of the four customer comments kiosks installed in the existing air terminal building. During the first eight months of operation, 4,800 surveys were completed. Over 200 were submitted with specific comments; all of which were read and acknowledged. Winnipeg Airports Authority also facilitates an annual Tenant Survey to measure our performance and keep connected with their needs and expectations. All survey data collected is shared among our team first, then passed on to tenants and stakeholders in an effort to create the best experience possible for the travelling public and all airport users.

As a way to further enhance the travel experience of our community, Winnipeg Airports Authority coordinated customer service training for frontline airport staff at Winnipeg James Armstrong Richardson International Airport. Presented by the Manitoba Tourism Education Council (MTEC), 125 Goldwing Ambassadors, valet attendants, cleaners, retail concessionaires and Winnipeg Airports Authority employees participated in the program learning basic customer service skills and general airport information. A number of taxicab drivers servicing the airport also completed similar training through MTEC.

Winnipeg James Armstrong Richardson International Airport continues to attract new businesses in order to provide more options to the travelling public, with Journeys Travel & Leisure Supercentre and Bodhi Therapeutic Bodyworks opening in the existing air terminal building.

COMMUNITY PARTNERSHIPS

Winnipeg Airports Authority continues to develop innovative and cost-effective solutions in support of community initiatives. This includes providing in-kind sponsorship by offering space in the existing air terminal building for kiosks, banners and flight information display screens. We also make available the outdoor banners along the drive to promote city events and not-for-profit organizations.

Winnipeg Airports Authority's United Way Committee organized a number of fundraisers in 2008, including the Chili Cook-off and the Jail Break, where the Executive Team was taken away and asked to raise "bail" to get out of "jail."

IN 2008: Goldwing Ambassadors donated 15,000 hours of time

Silverwing Youth Volunteers donated 586 hours

With 41 other teams, Winnipeg Airports Authority participated in the fifth annual United Way Plane Pull kick off event – and stepped in with a snow blower for the Fun Pull. These events, together with our annual employee drive, raised nearly \$23,000 for United Way Winnipeg in 2008.

For the 11th year, our staff has contributed greatly to Winnipeg Harvest by growing 3,562 pounds of vegetables in the Winnipeg Airports Authority's garden, as part of the Grow-a-Row program.

The 6th annual North Pole Express was another great success thanks in part to the generosity of the many community sponsors. Hosted by Winnipeg Airports Authority along with key partners Skyservice Airlines and Signature Vacations, 160 students enjoyed the flight of a lifetime, sang carols with Santa and received a gift bag upon return.

Through the generosity of our annual golf tournament partners, Winnipeg Airports Authority donated \$25,000 in support of the Firefighters' Burn Fund.

Additionally, Winnipeg Airports Authority supported 220 Red River Squadron Air Cadets, Koats for Kids, the Siloam Mission, Christmas Cheer Board and other local schools and organizations.

As always, our Goldwing Ambassadors were on-hand to welcome all visitors to the city and airport and donated nearly 15,000 hours of their time in 2008. Our Silverwing Youth Volunteers also donated 586 hours between February and June.

OUR MILITARY TIES

Winnipeg Airports Authority maintains a close relationship with the military community. We are the only major airport in Canada to co-locate a military base on field. Canadian Forces Base Winnipeg/17 Wing Winnipeg is located on the southwest border of the airfield. We facilitate over 2,500 military aircraft movements each year. Our fire departments also work closely in joint training exercises, with each providing back-up emergency services on the airfield for the other.

Working with The Royal Military Institute of Manitoba and The Canadian Forces Liaison Council, Winnipeg Airports Authority created a committee to secure the financial support required to provide no charge access to the travel lounge by Palliser for serving members and families of the Canadian Forces. The first program of its kind in Canada, the Military Family Resource Centre facilitates and promotes the program within the Canadian Forces.

Winnipeg Airports Authority continues to be a prime sponsor for the 220 Red River Squadron, a unit within the Royal Canadian Air Cadet League of Canada. Through its core values of loyalty, professionalism, mutual respect and integrity, 220 Red River Squadron offers cadets training in areas such as effective speaking, citizenship and leadership, physical fitness, drill, principles of flight, navigation, meteorology, and aeronautical facilities. The cadets have been able to demonstrate their leadership skills at various onsite events organized by Winnipeg Airports Authority.

As part of Fire Prevention Week, Winnipeg Airports Authority's fire department held a colouring contest with the grand prize being Airport Fire Captain for a Day. Our two honorary Fire Captains spent a day at the airport fire hall touring an aircraft, viewing specialized equipment, learning fire safety and CPR, completing a family home fire escape plan, and enjoying lunch with the crew.



STRATEGIC DIRECTIONS

ENHANCE CUSTOMER SERVICE AND VALUE

We will understand our customer needs and assure value through measurement 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 engaged employees with the right skills, in the right place, at the right time.

DEVELOP NEW REVENUE STREAMS

Through business development initiatives, we will seek opportunities that will enhance and diversify our revenue sources.

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