

2018

YEAR IN REVIEW

John C. Munro Hamilton International Airport
9300 Airport Road, Suite 2206
Mount Hope, Ontario L0R 1W0
flyhamilton.ca

A member of
VANTAGE
AIRPORT GROUP





Photo: Entrance to the Terminal Building
John C. Munro Hamilton International Airport 2018 Year in Review

TABLE OF CONTENTS

Letter from Chairman of the Board & President and CEO	1
Corporate Goals & Governance	4
About Vantage Airport Group	6
2018 Highlights	8
Passenger Operations	10
Cargo Operations	12
Passenger Experience	14
Giving Back	16
Airport Operations	18
Financial Highlights	19

LETTER from Chairman of the Board & President and CEO

John C. Munro Hamilton International Airport celebrated several achievements in 2018. Building on the momentum in 2017 when the Airport was named North America's Fastest Growing Airport, passenger traffic is continuing to grow as more customers choose to fly from Hamilton. Last year 725,630 passengers travelled through Hamilton International representing a 21% growth in passenger traffic compared to 2017 and more than doubled passenger traffic with 118% growth compared to 2016.

In June, Swoop officially took to the skies and celebrated the debut of its ultra-low-cost service in Canada from its eastern base in Hamilton. Swoop's very first flight was from Hamilton to Abbotsford essentially providing Canadians a transcontinental route connecting Greater Toronto to Greater Vancouver with affordable fare options. Following the success of its domestic program, Swoop added flights from Hamilton to Fort Lauderdale, Las Vegas, Orlando and Tampa Bay. Swoop continued to expand service offerings from Hamilton to include Montego Bay, Jamaica and Cancun and Puerto Vallarta in Mexico.

WestJet continued its daily service to Calgary and Air Canada provided double daily service to Montreal, meaning customers had the ability to fly coast to coast in Canada from Hamilton. Seasonal carriers Air Transat and Sunwing returned to Hamilton for their winter programs with services to various points in Cuba, Jamaica, Mexico and the Dominican Republic. These popular sun destinations offer a much-needed escape from the cold winter weather with the ease and convenience of travelling Hamilton International.

In addition to the growth being enjoyed on the passenger side of the business, Hamilton International is also able to celebrate continued growth in its cargo business. In 2018, the Airport saw cargo activity increase by 5% compared to 2017 and 20% compared to 2016. This steady growth is thanks to great partners like Cargojet, DHL, Purolator, UPS and Canada Post and allows the Airport to maintain its position as Canada's largest overnight express cargo airport. The Airport continues to be a global gateway for facilitating goods movements across Canada and the world.

Ontario is home to a thriving e-commerce industry and Hamilton International is well positioned to support this booming industry thanks to its large cargo facility, uncongested operations and its 24/7 operating capabilities.

In the last two years, the Airport has enjoyed unprecedented growth in both the passenger and cargo segments of the business. This is leading to commercial land development opportunities and aviation related services for existing partners and new customers who have chosen Hamilton for expansion. Specifically, partners like KF Aerospace specializing in MRO (Maintenance, Repair and Overhaul) operations continue to play a key role in servicing the needs of various passenger and cargo carriers. The support received by our partners, customers, community and employees is key to growth being felt at the Airport and for that we are extremely grateful. With new services on the horizon including seasonal non-stop service to Dublin with Norwegian Air, 2019 looks to be a third straight year of exciting growth at Hamilton International and will enable the Airport to continue its focus on being a global gateway in Canada for affordable travel and goods movement.

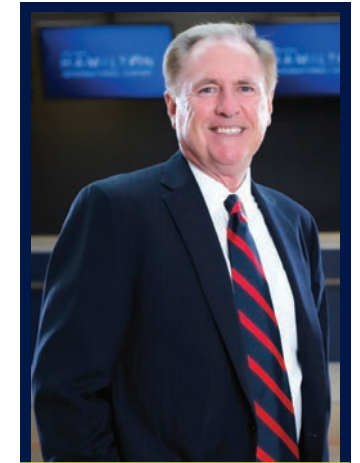
Sincerely,



Ron Foxcroft
Chairman of the Board



Cathie Puckering
President and CEO



Ron Foxcroft
Chairman of the Board



Cathie Puckering
President and CEO



Photo: Hamilton International staff

CORPORATE GOALS & GOVERNANCE

Mission

As an international gateway in Southern Ontario facilitating the efficient movement of people and goods, we are an economic engine and a responsible community partner.

Vision

Recognized by the world as the best global gateway in Canada for affordable travel and goods movement.

Values

To our passengers, partners and people we value:

Safety and Security. Taking immediate action to ensure we achieve the highest standards.

Quality and Operational Excellence. Constantly striving to exceed expectations by providing high quality airport services and infrastructure.

Respect and Integrity. Embracing a culture of integrity and accountability for our actions.

Improvement and Innovation. Committing to grow our business through continuous learning to achieve cost leadership and to deliver winning results.

Teamwork and Recognition. Creating a positive experience everyday by being friendly, having fun and recognizing achievements.

Governance

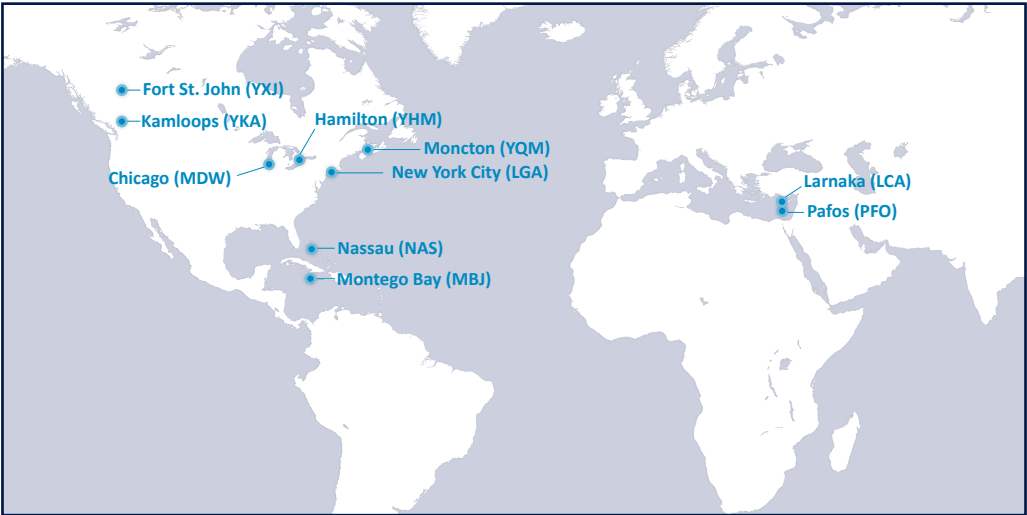
John C. Munro Hamilton International Airport's Board of Directors is a team of professionals connected to the local community and with Vantage Airport Group to the aviation industry. The Board of Directors meet four times a year providing governance for the Airport. Hamilton International Airport's Executive Management Team reports directly to the Board of Directors.



Photo: Domestic Arrivals Hall

ABOUT VANTAGE AIRPORT GROUP

Passionate about people, performance and place, Vantage Airport Group is a leading investor, developer and manager of airports around the world. Since 1994, Vantage has been making airports more efficient, profitable, sustainable and connected to the communities they serve. Vantage has lent its expertise to more than 30 airports in its 25-year history, taking 20 from public to private management. Its current network is composed of 10 airports, including LaGuardia Terminal B in New York and Midway International Airport in Chicago. Vantage is also JetBlue Airways’ preferred development partner for the airline’s international terminal redevelopment project at New York’s John F. Kennedy International. Together, Vantage airports served more than 57.7 million passengers in 2018, travelling on 150 different airlines.



DO NOT FOLLOW WHERE THE PATH MAY LEAD. GO INSTEAD WHERE THERE IS NO PATH AND LEAVE A TRAIL.

BENJAMIN DISRAELI

Photo: Departures Lounge

John C. Munro Hamilton International Airport 2018 Year in Review

2018 HIGHLIGHTS



725,630

passengers flying to and
from Hamilton International



525,161,000kg

in total landed cargo aircraft billable weight



\$270.6M

in direct financial benefit to
the City of Hamilton since 1996



**NEARLY
3,500**

total jobs created through
Airport activity at Hamilton
International, creating \$243
million in salaries and wages,
\$386 million in GDP, \$1.2
billion in total economic
output for the region



**OVER
90%**

of passengers
reported a positive
Airport experience

**OVER
95 hours**

contributed by Airport staff to
community organizations and events



TO TRAVEL IS
TO TAKE A JOURNEY
INTO YOURSELF.

DANNY KAYE

Photo: Departures Lounge

PASSENGER OPERATIONS

Hamilton International Airport saw tremendous growth for the second year in a row. Last year 725,630 passengers travelled through Hamilton International representing a 21% growth compared to 2017 and a 118% growth in just two years compared to 333,368 passengers in 2016.

WestJet continues to offer daily service from Hamilton to its hub in Calgary, offering fantastic connection options for travellers from Hamilton to destinations such as California, Asia and Hawaii.

Air Canada continued flying twice daily from Hamilton to Montreal, increased to three times daily frequency during the fall. This service catered to the needs of business and leisure travel to Montreal and beyond.

In June, Swoop Airlines took to the skies with domestic destinations from coast to coast. From Hamilton travellers can fly direct to Halifax, Winnipeg, Edmonton and Abbotsford. Swoop's early success led the airline to expand its routes from Hamilton to include: Fort Lauderdale, Las Vegas, Orlando, Tampa Bay and Montego Bay. This successful start-up contributed greatly to the growth experienced in 2018 at Hamilton International.

Air Transat continued its winter seasonal flights from Hamilton to Cayo Coco, Cancun, Puerto Plata, Punta Cana and Varadero from December to April.

Sunwing continued to build its vacation offerings from Hamilton International to Montego Bay, Punta Cana and Varadero on a seasonal basis.

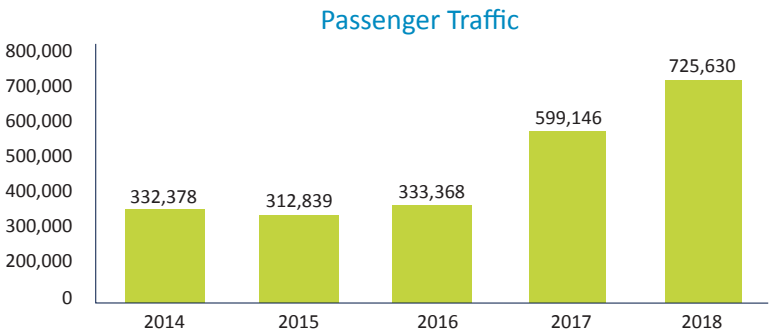




Photo: Front of the Hamilton International Airport Cargo Centre

CARGO OPERATIONS

Hamilton International remains Canada’s largest overnight express cargo airport with 5% growth in 2018 compared to 2017 and 20% growth compared to 2016. This steady growth confirms that Hamilton is a global gateway for facilitating goods movements across Canada and around the globe, thanks to solid partnerships with Cargojet, DHL, UPS, Canada Post and Purolator.

A significant amount of air cargo activity arriving at the Airport originates at or is destined for the Hamilton and Southern Ontario region. Hamilton International is also a critical waypoint facilitating the movement of goods across the country and into remote northern communities, across the border and to global markets. The Airport’s cargo operations are largely supporting local manufacturers, suppliers and businesses that rely on air cargo transportation services, particularly for commodities that are higher value or time sensitive, such as medical devices, pharmaceuticals or perishables.

Ontario, as well as the rest of Canada, is the home of a strong and rapidly growing e-commerce industry. E-commerce retail spending in the country is predicted to represent 10% of total retail spending by 2019, resulting in \$50 billion spent annually. Hamilton International is well positioned to support this booming industry with its large cargo facilities that operate 24/7, enabling companies to meet the tight deadlines that e-commerce demands.

Cargo Aircraft Billable Weight (000’s kg)

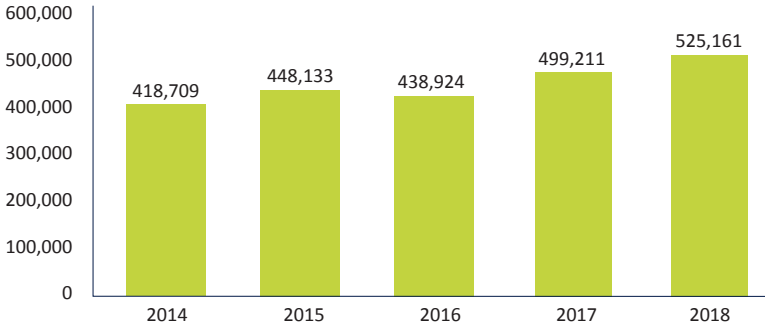




Photo: Retail shopping available in the Departures Lounge

PASSENGER EXPERIENCE

Hamilton International continues to make improvements to its facilities in order to deliver the excellent experience that passengers have come to expect from the Airport.

Customer Service

The Hamilton International Airport Ambassador Program continued for its 13th consecutive year and continues to offer customer service and assistance throughout the Airport with a warm and cheerful smile. The Airport once again received a 90% satisfaction rating from passengers in 2018.

Terminal Partners

The Airport continued to provide passengers with food and beverage options both pre and post-security to provide passengers the opportunity to purchase grab'n'go selections prior to their flight. In 2018, the Airport welcomed a third car rental operator and introduced a vending machine stocked with the latest technology for travelers.

Terminal Updates

The Airport continued to invest in infrastructure both airside and groundside, which included major improvements to Runway 06-24 and reconfiguration of the Apron to accommodate additional aircraft. The Airport repaved and reconfigured the vehicle parking facilities which resulted in additional capacity. A new public address system, improved parking system and additional CCTV surveillance cameras were implemented to improve the customer experience while maintaining a safe and secure Airport.

Sense of Place

In 2018, the Airport refreshed the terminal both airside and groundside. This revitalized look reflects the exciting growth happening both at the Airport and throughout the City of Hamilton. The makeover reinforces the brand identity of the Airport and is designed to excite and inspire passengers as they embark on their journeys.



Photo: Hamilton International Airport staff at charity plane pull

GIVING BACK

Hamilton International is a responsible community partner and economic engine that continues to support its neighbours, passengers and partners to better serve the city and surrounding region.

Direct Benefit to the City

Hamilton International is committed to continually investing in operations and infrastructure to support Airport growth; since 1996 TradePort and its partners have invested \$224.2 million, which in turn has created \$ 270.6 million in direct financial benefit to the City of Hamilton.

Growing the Economy

Through Airport activity, Hamilton International and its partners contribute \$385.7 million in gross domestic product (GDP), produce an economic output of \$1.2 billion, and create nearly 3,500 jobs for Hamilton and the surrounding region.*

Community Investment

Hamilton International is proud to support several community organizations and events through donations, sponsorships and gifts in-kind. In 2018, Hamilton International contributed over \$100,000 to various community partners and charities. Some of the community organizations supported by the Airport in 2018 include:

McMaster Children’s Hospital • City Kidz • Epilepsy Canada • Liberty for Youth • Mohawk College • Supercrawl • Hamilton Tiger Cats • Collective Arts Brewery • Niagara Peninsula Conservation Authority • Hamilton Chamber of Commerce • United Way Hamilton & Halton • Hope Air • Mount Hope Community Fund • Great Canadian Shoreline Cleanup

*Source: 2017 Hamilton International Economic Impact Study, ICF (commissioned in 2018)

AIRPORT OPERATIONS

Hamilton International Airport is committed to providing a safe and efficient experience for all passengers, operators and staff while ensuring minimal environmental impact to the public.

Safety

In 2018, Hamilton International participated in several training activities and exercises. In September, Hamilton International participated in Canadian Airport Safety Week (CASW) alongside 29 other Canadian Airports. The Airport also added additional CCTV cameras and consistently participates in table-top training exercises with Hamilton Police, Fire and Paramedics.

Community

Hamilton International is a responsible community partner and remains focused on seeking opportunities for continuous improvement of the Airport's environmental stewardship, social engagement and contribution to the regional economy. Hamilton International remains committed to its Sustainability Plan and continues to work with Sustainable Hamilton Burlington (SHB).

Efficiency

The Operations team was very busy throughout 2018 with a number of capital projects including improved parking system, new airside equipment, major improvements to Runway 06-24, reconfiguration of the Apron to accommodate additional aircraft and reconfigured the vehicle parking facilities which resulted in additional capacity.

Quality

Many of the capital projects completed in 2018 were done to increase the quality of the passenger experience at Hamilton International. These projects included resurfacing of the main road in front of the terminal, repaving one of two runways and upgrades inside the boarding lounge to offer passengers an improved environment while they wait to board their aircraft, including a welcoming kids zone to entertain the Airport's younger passengers.



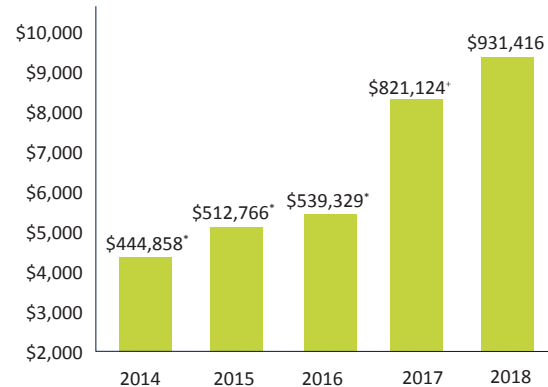
Photo: Hamilton International emergency response vehicles with a Volga-Dnepr Llyushin IL-76 cargo plane; photo credit Tom Podolec

FINANCIAL HIGHLIGHTS

Passenger and cargo growth, along with the continued focus on safety, security and compliance with regulations were key drivers in 2018 for the Airport in reaching its performance targets. Financial results continue to be positive, with revenues exceeding operating expenses by over \$8.9 million.

The Airport continues to reinvest, maintain and grow its infrastructure through its sustaining capital program, and expand its facilities and capabilities through its expansionary capital program.

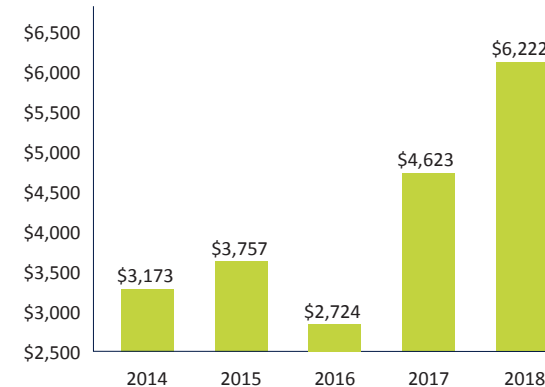
Payments to the City



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, 2018, rent to the City, assessment tax and other fees was \$931,416.

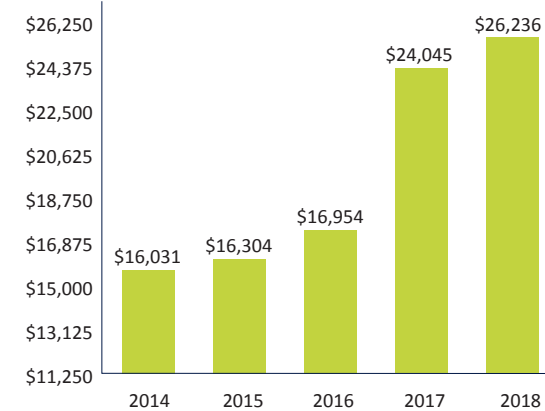
*Inclusive of Rent paid to the City and Assessment Tax Fee
+ Not included in this figure was a one-time additional payment of \$200,000.

Capital Investments (000's)



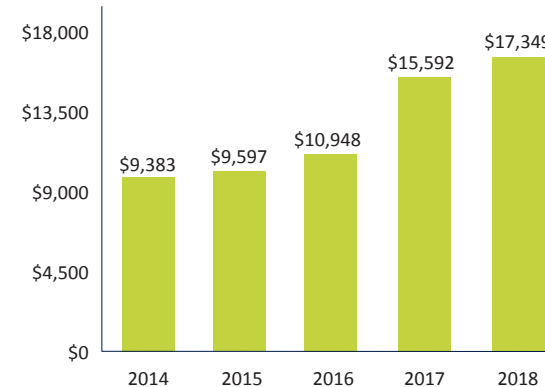
\$6.2 million was invested in sustaining capital. 2018 investments included: 06-24 runway rehabilitation, purchase of airside equipment, terminal equipment upgrades, parking lot enhancements, road resurfacings and terminal rehabilitation.

Revenue (000's)



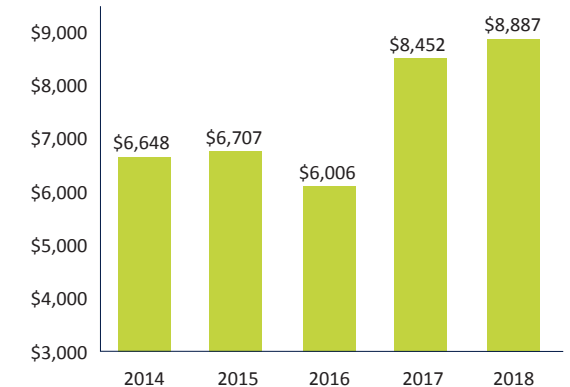
The Airport's three main revenue sources are passenger operations, cargo operations and commercial property rents. Revenues were 9% higher in 2018 due to increased cargo and passenger traffic.

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 increased of 11% over 2017.

Revenue Over Expenses (000's)



Total excess of revenue increased by 5%, or \$435,000 over 2017's results due to increased cargo and passenger traffic.