

we'll move you

EDMONTON AIRPORTS

TREND-DEFYING GROWTH

Edmonton was once again the Canadian leader in passenger growth.

EXPANSION 2012

Building value, service and community.

¡BIENVENIDOS MEXICANA!

Direct scheduled service to Mexico City launched in June.

US QUICK CONNECT

EIA makes connecting hassle-free for northern passengers travelling to the US.



EDMONTON AIRPORTS GUIDING PRINCIPLES

Vision

To be the North's preferred gateway to the World, and the World's preferred gateway to the North.

Mission

We manage commercially focused airports and facilities, striving to exceed customer and community expectations.

Core Values

- **Safety.** We ensure that the safety and security of our customers, staff, facilities and environment is a primary concern in all aspects of doing business.
- **Quality.** We are motivated by customer expectations in providing quality facilities and services in a customer-sensitive and service-driven manner.
- **Integrity.** We are accountable for all our actions including financial management and act honestly and respectfully in our business relations, usage of our resources, treatment of our customers and each other, and in the general conduct of our business.
- **Teamwork.** People are our most important resource; we work together to foster an open and cooperative environment that encourages teamwork, communication and mutual respect.
- **Innovation.** We champion innovation and drive efficiencies to create new value for our stakeholders.
- **Sustainability.** We are committed to responsibly managing all of our assets to advance our region's environmental stewardship, social well-being and economic prosperity.



EIA BRAND SOARS TO NEW HEIGHTS

A powerful new brand and a punchy marketing campaign propelled Edmonton International Airport (EIA) to top spot at Airports Council International-North America's (ACI-NA) "Excellence in Marketing and Communications Contest."

EIA proudly secured the highest honour of the contest, the Peggy G. Hereford Award. This award is given to honour overall creativity and excellence in marketing and public relations among airports across North America. "To be recognized as the best amongst such a group demonstrates that our brand, and our EIA team behind it, are truly outstanding," says Reg Milley, President and CEO.

EA BOARD OF DIRECTORS

MEMBERSHIP

The Edmonton Airports (EA) Board of Directors comprises 15 members, 13 of whom are appointed by seven governmental bodies. The Board appoints two members at-large. Board appointments are as follows: The City of Edmonton (6), Leduc County (1), The City of Leduc (1), Strathcona County (1), Sturgeon County (1), Parkland County (1), Government of Canada (2), Board (2). One at-large Board position is currently vacant.

The EA Board is made up of some of the region's most successful and respected business and community leaders, with a broad range of expertise. Their collective experience, insight and guidance are an invaluable contribution to fulfilling EA's regional mandate.

CORPORATE GOVERNANCE

The Board is responsible for the stewardship, strategic direction and supervision of the business and affairs of EA. Some of the key governance functions of the Board include adopting and monitoring compliance with an ethics code, reviewing and approving EA's five-year strategic plan and annual business plan, planning CEO succession, and satisfying itself that management has identified the principal risks of the business and implemented appropriate systems to manage those risks. The Board ensures that EA is accountable to the public in the region it serves through appropriate transparency processes, disclosure practices and effective communications plans and policies.

Over the past few years, the Board has taken steps to adopt a governance and accountability framework that has been recommended by the federal government in draft legislation governing airport authorities.



BOARD MEMBERS (left to right)

Standing: James Funk, Rolly Owens, John Friesen, Leonard Blumenthal, Bryan Bailey, Tom Redl, Al Thompson, Evan Cameron, Maureen McCaw
Seated: David Margolus (Vice Chair), Gordon Clanachan (Chair), Anne McLellan, Shelley Miller, Bob Carwell

The Board has approved in principle revised Articles of Incorporation that would improve governance of EA by bringing about changes in the director appointment process to ensure recruitment and selection of the best directors to act in the interests of EA and its stakeholders. The Board has discussed the new governance and accountability framework with our appointer representatives on a number of occasions and work continues on moving this initiative forward.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

Although not subject to governance rules that apply to public companies, EA is committed to implementing corporate governance practices that are in alignment with practices required of public companies, adapting them to EA's status as a non-share corporation.

Under National Policy 58-201 Corporate Governance Guidelines and the accompanying National Instrument

58-101 Disclosure of Corporate Governance Practices published by the Canadian Securities Administrators, public companies are required to disclose their corporate governance practices. Among the disclosure requirements are the attendance record of each director and the text of the Board Mandate. The attendance record of each EA director for all Board and Committee meetings he or she was scheduled to attend in 2008 and the Board Mandate follow. Additional documents can be found on EA's website at flyeia.com.

BOARD CHANGES IN 2008

Robert Walker (City of Edmonton) resigned from the Board on April 2, 2008

Dennis Foley (Leduc County) retired from the Board on December 31, 2008

Maureen McCaw was appointed to the Board effective October 30, 2008 (replaced Robert Walker).

Leonard Blumenthal was appointed to the Board effective January 1, 2009 (replaced Dennis Foley).

Gordon Clanachan (Federal Government), Shelley Miller (City of Edmonton) and Evan Cameron (Sturgeon County) were all re-appointed to the Board for a further term effective January 1, 2009.



ATTENDANCE [BOARD & COMMITTEE MEETINGS 2008]

<u>Member</u>	<u>Total</u>	<u>Member</u>	<u>Total</u>
Gordon		David Margolus	13/13
Clanachan	21/22	Maureen McCaw*	1/1
Bryan Bailey	11/11	Anne McLellan	11/13
Evan Cameron	11/11	Shelley Miller	13/13
Bob Carwell	11/11	Rolly Owens	11/11
Dennis Foley	12/12	Tom Redl	12/12
John Friesen	13/13	Al Thompson	12/12
Jim Funk	9/11		

*Maureen McCaw appointed October 30/08

BOARD MANDATE



1.0 [VISION STATEMENT]

To maintain and seek continuous improvement in high standards of Board governance.

1.1 [GOVERNANCE PRINCIPLES AND GUIDELINES]

The Board will perform its overall stewardship responsibilities as a governance board rather than a management board and will have regard to:

- (a) Edmonton Airports' guiding principles of vision, mission and core values;
- (b) accountability to stakeholders and the community through appropriate transparent processes, disclosure practices and effective communication including feedback mechanisms;
- (c) national and international airport best practices; and
- (d) Corporate Governance Guidelines as recommended by the Canadian Securities Administrators and the Canadian Coalition for Good Governance.

1.2 [BOARD STEWARDSHIP]

The Board is responsible for the stewardship, strategic direction and supervision of the business and affairs of Edmonton Airports, including:

- (a) satisfying itself that executive management of Edmonton Airports practice and create a culture

throughout the organization that includes the core values approved by the Board and articulated in the strategic plan;

- (b) adopting and monitoring compliance with an ethics code and satisfying itself that executive management of Edmonton Airports practices and creates an ethical corporate culture;
- (c) following a strategic planning process which takes into account among other things, the opportunities and risks of the business through the adoption and monitoring of the strategic plan and annual business plan;
- (d) satisfying itself that executive management has identified the principal risks of the business, and implemented appropriate systems to manage these risks;
- (e) satisfying itself that executive management has succession plans in place for management;
- (f) satisfying itself that executive management has adopted a communication policy for the stakeholders and community, which policy shall ensure effective measures for receiving feedback from the stakeholders and the community;
- (g) satisfying itself that executive management is monitoring internal controls and management information systems.

1.3 [BOARD RESPONSIBILITIES]

Only the Board will:

- (a) appoint or remove at large directors;
- (b) appoint or remove officers;
- (c) appoint or remove the auditor;

- (d) approve the responsibilities and compensation of the Board, Board Chair, Vice Chair and Board Committees;
- (e) review environmental, safety and security programs established by management including, standards, insurance coverage, and regulatory compliance;
- (f) authorize the issuing of securities;
- (g) authorize the raising of money by Edmonton Airports;
- (h) approve the giving of financial assistance, directly or indirectly, by means of a loan, guarantee or otherwise;
- (i) approve annual financial statements;
- (j) approve corporate goals and objectives and assess corporate performance;
- (k) select, evaluate and compensate the President and CEO;
- (l) plan President and CEO succession;
- (m) approve Special Resolution matters, including:
 - (i) amendment of Articles,
 - (ii) sale, lease or exchange of all or substantially all of the assets of Edmonton Airports,
 - (iii) the appointment of a Director as a director or officer of an Affiliate,
 - (iv) the appointment of a Subsidiary director as a director or officer of an Affiliate,
 - (v) requests of the Board to the reviewer appointed under section 29 of the Act,
 - (vi) amendment, replacement or repeal of Bylaws,
 - (vii) entering into an agreement to manage and operate an airport not previously managed and operated by Edmonton Airports,
 - (viii) participation with Affiliates, and
 - (ix) any material change to any Airport Master Plan.

1.4 [BOARD AUTHORIZATIONS]

The Board authorizes:

- (a) the Audit Committee to approve quarterly unaudited financial statements and the annual audit plan.
- (b) the President and CEO to manage all aspects of Edmonton Airports, consistent with all Board approved plans which authority includes the right of the President and CEO to delegate authority to other employees.

- (c) the Board Chair to appoint ad hoc Committees to act on matters between Board meetings.
- (d) the Governance Committee to make determinations respecting disclosures made pursuant to the Conflict of Interest Rules that the disclosed interest would not materially or detrimentally conflict with the interests of Edmonton Airports or give rise to an appearance of a conflict of interest, or give direction respecting actions or processes to manage the disclosed interest.

1.5 [BOARD EFFECTIVENESS]

Consistent with the Board Vision Statement, the Board, with support from Board Committees as required, will:

- (a) meet at least four times per year;
- (b) review appropriate and timely management reports;
- (c) appoint an Audit Committee and a Governance Committee with Board approved mandates;
- (d) appoint a Special Committee with a Board approved mandate for a capital project or series of capital projects that could materially affect the credit or reputation of Edmonton Airports, as determined by the Board;
- (e) conduct periodic evaluation of the Board, Board Committees, Board Chair, Vice Chair, Board Committee Chairs and individual directors;
- (f) annually review the Board Mandate, Board Committee Mandates, Terms of Reference for a Director and position descriptions for the Board Chair, Vice Chair, Board Committee Chairs, President and CEO and Corporate Secretary to ensure clear delineation of responsibilities and expectations;
- (g) establish a comprehensive director development program for directors consisting of director selection, orientation and continuing education;
- (h) review size and makeup of the Board and participate in filling Board vacancies;
- (i) directly engage advisors as required;
- (j) meet “in camera” at every meeting to ensure independence from management; and
- (k) require directors to periodically sign a Directors’ Confirmation, Acknowledgement and Declaration.

Message from the Chair

[GORDON CLANACHAN, CHAIR]





SUSTAINED ACTIVITY

After two years of leading major airports across the nation with record passenger growth, the Board of Directors set Edmonton Airports on a bold course for 2008, with high expectations for air service enhancement, customer service excellence, terminal expansion and revenue diversification to ensure our financial stability.

The Board's primary driver in growing aviation services is to enable and support the region's economic growth. We must match air service to meet the needs and expectations of a region still brimming with potential. Our service area includes the world's second-largest oil reserves and third-largest supply of diamonds. Alberta is also diversifying its economy through world-class educational institutes and research, health care and biotechnology, nanotechnology, agriculture and forestry. As a result, we remain focused on positioning EIA as the preferred gateway to and from the North, ensuring the efficient movement of people and cargo, delivered with a committed focus on customer service.

DELIVERING NON-STOP. EARNING CUSTOMERS.

We recognize that for EIA to support northwestern Canada's emerging global importance, its air service centre must offer non-stop services to major markets. At the end of the reporting year, EIA offered non-stop service to London-Heathrow, Mexico City, 10 US destinations and many additional leisure charter destinations. These services are critical not just for Edmontonians, needing easy access to and from Edmonton, but for the one million connecting leisure and business travellers using EIA annually to connect them efficiently through to our 50-plus non-stop destinations.

EIA will continue to advocate for reform to create liberalized air policy and is encouraged by the recent 'Open Skies' air agreement signed between Canada and the European Union. Within a few years, the deal is expected to increase the number of travellers across the Atlantic by nearly 40 per cent, in addition to creating new jobs and generating about \$120-million in economic activity.

We support this growing air service with an unparalleled commitment to customer service, which is aptly summed up in EIA's brand promise: *we'll move you*. In the pages that follow, you'll read about improvements EIA is making to ensure that passenger experience in the airport is second to none.

THE ECONOMY AND TERMINAL EXPANSION

Given the connection between the region's growth and enhanced air service, it comes as no surprise that the current airport design has reached its limits – and then some. We are now operating at 20 per cent or one million passengers per year over capacity. With the \$1-billion Expansion 2012 project, we will reposition Edmonton and our customer service levels to effectively serve the sustained growth we've experienced. Even with our expansion program, however, we do not get new terminal capacity until 2012.

We have examined our plans against current economic realities. We looked at a variety of scenarios, including a delay. However, being at 20 per cent over capacity now, and with no further capacity until Expansion 2012, delay would prevent the airport from keeping pace with the economic growth and service expectations

“We must match air service to meet the needs and expectations of a region still brimming with potential.”

of the region we serve. We must continue to move forward and complete this vital expansion.

We have also examined the current economic climate to consider what advantages there may be in this economy. From a construction perspective, the timing provides significant opportunities for cost reduction. Our procurement strategies include locking in materials and supplies now, recognizing that the economy will shift again, and prices will follow. We are also undertaking value engineering exercises to identify cost savings. Our financing also delivers important advantages. Expansion 2012 is financed through the Alberta Capital Finance Authority, which allows EIA to leverage the Province’s excellent credit rating, and borrow only as required, thus minimizing interest payments.

PORT ALBERTA

Edmonton Airports, along with our community partners, continues to make progress on Port Alberta – our long-term strategy for cargo and the integration of all major modes of transportation at EIA. Port Alberta, when fully realized, has the potential to transform and sustain our region’s economy and provide economic opportunities for decades to come. This strategy also aligns with Canada’s Asia-Pacific Gateway Corridor Initiative to make the most of global trade opportunities. A steering committee was established in 2008 to develop an integrated regional transportation strategy focused on making Port Alberta a transportation hub. In support of the concept, Western Economic Diversification announced a \$1.5 million investment in Port Alberta, the Province contributed \$250,000, and the City of Edmonton brought leadership to the table.

Looking forward, EIA will continue to advocate for the establishment of Foreign Trade Zones (FTZ), which would improve Edmonton’s international positioning. The primary benefits of FTZs are the deferral of import

duties on raw materials or products. Canadian value, using local labour and components, can be added to the imports within the FTZ and the value-added products can then be re-exported free of any import duties. This results in local industry growth and, in turn, job creation. With an FTZ, Port Alberta would have the potential to further diversify Alberta’s economy.

LEADERSHIP

As you read this Annual Report, I hope you’ll share the Board’s enthusiasm in the year’s achievements. On a personal note, I thank my fellow directors on the Board, each of whom brings unique and essential skills and perspectives to the table. Their commitment and contributions are so important in fulfilling our mandate to represent the best interests of our airports and the region. As well, I would like to thank our regional appointers for their continued support and guidance. Appointers have played a vital role in providing the Board with exceptional business and community leaders; they have worked with executive search firms, for example, to ensure new directors offer the Board with a wide breadth of skill and experience.

Finally, I would like to offer my appreciation to Robert Walker and Dennis Foley, who left the Board in 2008, and welcome Leonard Blumenthal and Maureen McCaw, who have joined us this year.

My hope is that when you read this Annual Report you see what I see: aviation services that reflect our bold, global community, driven by great people who are devoted to delivering excellent customer service. I hope you feel proud of our airports. I hope you’re moved.



[GORDON CLANACHAN, CHAIR]

President's Message

[REG MILLEY, PRESIDENT & CEO]





“Every Edmonton business, government office and household must be a champion for the fly Edmonton first philosophy.”

BUILDING WITH OUR REGION

The growth and development at Edmonton International Airport is a reflection of and response to the region’s demand for increased air service, top-notch customer service and operational efficiency. We must keep pace with the region we serve.

There’s no doubt that the demands on EIA have increased dramatically over the last few years. Consider these remarkable numbers:

- Over the last four years, passenger traffic has increased by 50 per cent.
- In the last two years alone, passenger volume has increased by 1.5 million.
- In 2008, a record-breaking 6.4 million people flew into and out of EIA.
- International passenger traffic has increased by a staggering 85 per cent.
- US and International non-stop air services have experienced double-digit growth for six consecutive years.

That growth has been fuelled by a robust economy and the support of our region. As well, EIA has been able to provide passengers with greater ability to connect through Edmonton to 50-plus non-stop Canadian, US and international destinations. In fact, over the last four years, EIA has added close to 20 new destinations, a significant increase by any airport’s standards.

BUILDING NON-STOPS

With our expanded list of non-stops, more and more travellers now fly Edmonton first and support our own local airport. And we have opportunities to grow this further.

If we look at tickets sold by travel agents, 750,000 people from in and around Edmonton drive to Calgary annually to catch a flight. This not only limits Edmonton’s chances at acquiring new air service, but it also hurts our regional economic prosperity. Every Edmonton business, government office and household must be a champion for the fly Edmonton first philosophy. Adding hundreds of thousands of flyers a year to Edmonton’s non-stop passenger base will make new markets viable sooner.

BUILDING OUR REGIONAL HUB

These expanded air services are not only critical for our Edmonton region; it has also attracted a new group of travellers. Now, one million of our 6.4 million annual travellers are choosing EIA as their connection on to one of our growing list of non-stop destinations. This connecting market is critical to our air service development because it allows us to grow our market and our business. Ultimately, by attracting more passengers through better connecting services, there is more demand for larger aircraft and new routes.

BUILDING SMART

Our growth has put pressures on our building and customer service levels for both travellers and airlines; and we have been focused on increasing EIA's capacity. But we did not simply look to build bricks and mortar. Instead, we drove technology and modified processes to ensure that we expanded the capacity of our current terminal to the greatest degree possible – before investing dollars to build new space.

We expanded common use check-in kiosks so that travellers can get their boarding pass anywhere in the terminal regardless of which airline they are flying on. We developed new monitoring protocols to get ahead of potential equipment failures that could cause our passengers and airlines delays. We also promoted time-saving programs like NEXUS, US Quick Connect, and online website check in, all of which make travelling quicker and easier. Ultimately, we have reached the limits of what this process optimization can deliver. It is now critical to invest in additional space through an expanded terminal to ensure EIA's continued evolution as a first-class regional hub, staying on course with our region's emergence on the global stage.

BUILDING EXPANSION 2012 WITH TERMINAL EXPRESS

Expansion 2012 will not only add airline gates and apron space, it will enhance your experience in our terminal by providing more amenities, allowing room for growth, and offering airlines efficient terminal facilities.

Currently, airline space is particularly busy during peaks. For example, in the morning there is an aircraft at every bridge, with a second wave waiting, and often a third. To construct the expansion from the south end of the existing building, the six aircraft gates on its end will be removed. However, because we are already over capacity, we can't afford to lose six gates during construction. Terminal Express, opening in late 2009, will provide those six temporary gates to enable continued airline operation, while expanding our terminal south. This temporary solution will mean some longer walks, and admittedly

it will not deliver the high customer service standards that we have set for our community or that you expect and deserve. But it is the technical solution that is required to allow us to build Expansion 2012.

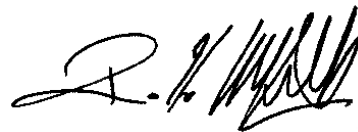
BUILDING THE RIGHT SERVICES

As a not-for-profit non-share corporation, our responsibility is to be an economic enabler by delivering air services and aviation infrastructure for our region. This means we have many different customers, and we continue to evolve our services to support the changing needs of our changing customer base. This is why we invested \$1 million to develop new partnerships with US Customs and Border Protection, Canadian agencies and airlines to create new services like US Quick Connect. This program allows EIA to better serve the new customer base of connecting passengers who need quick, efficient connections to our 10 US non-stops services.

But it's not all about the public terminal and commercially scheduled services. In 2008, we continued to work with our Apron 2 northern resource charters to customize cost effective, customer friendly services from Apron 2 at EIA. The oil and gas, diamonds and natural resources of northwestern Canada are serviced with goods and labour through EIA.

This is also why we invest in other general aviation (GA) infrastructure that enables flight training, private flying and other GA activity at EIA, and our three GA airports: Edmonton City Centre, Villeneuve, and Cooking Lake airports. We are also immensely proud that our Canadian Forces deploy from EIA, and we have been present to welcome back each of the 15 military flights returning from Afghanistan in 2008.

The EIA of 2009 will continue to be a mirror of our region's growth and success – and a product of the excellent people who work at our airports.



[REG MILLEY, PRESIDENT & CEO]

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The Best of 2008 [TOP 10 STORIES OF THE YEAR]

1

TREND-DEFYING GROWTH

Bucking a downward trend that hit other major airports, Edmonton was a Canadian leader with just over four per cent growth in seat capacity in 2008. That includes a remarkable 11 per cent expansion in US seats.



2

ANOTHER PASSENGER MILESTONE

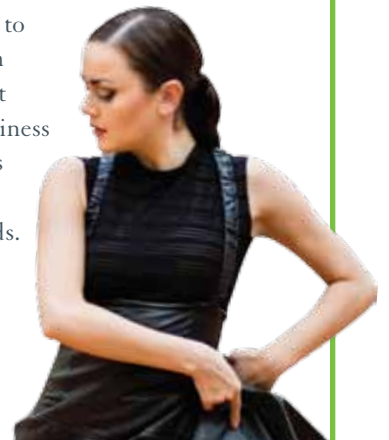
With a record-setting count of over 6.4 million travellers and a 6.1 per cent increase for the year, EIA chalks up significant major airport passenger growth for the third year running.



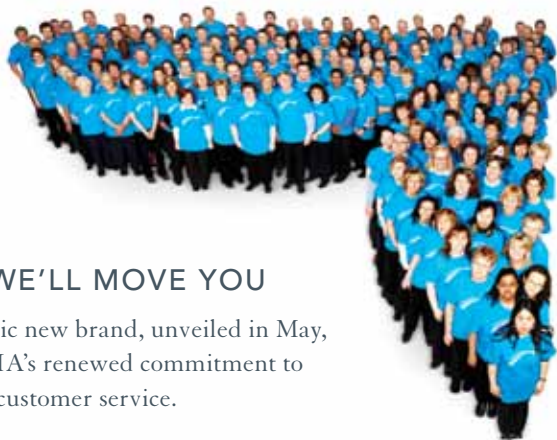
3

¡BIENVENIDOS MEXICANA!

Direct scheduled service to Mexico City, launched in June, quickly attracts not only sun-seekers but business travellers, cargo shippers and people living apart from relatives and friends.



4



EIA – WE’LL MOVE YOU

A dynamic new brand, unveiled in May, signals EIA’s renewed commitment to superior customer service.

5

STALLS FOR ALL

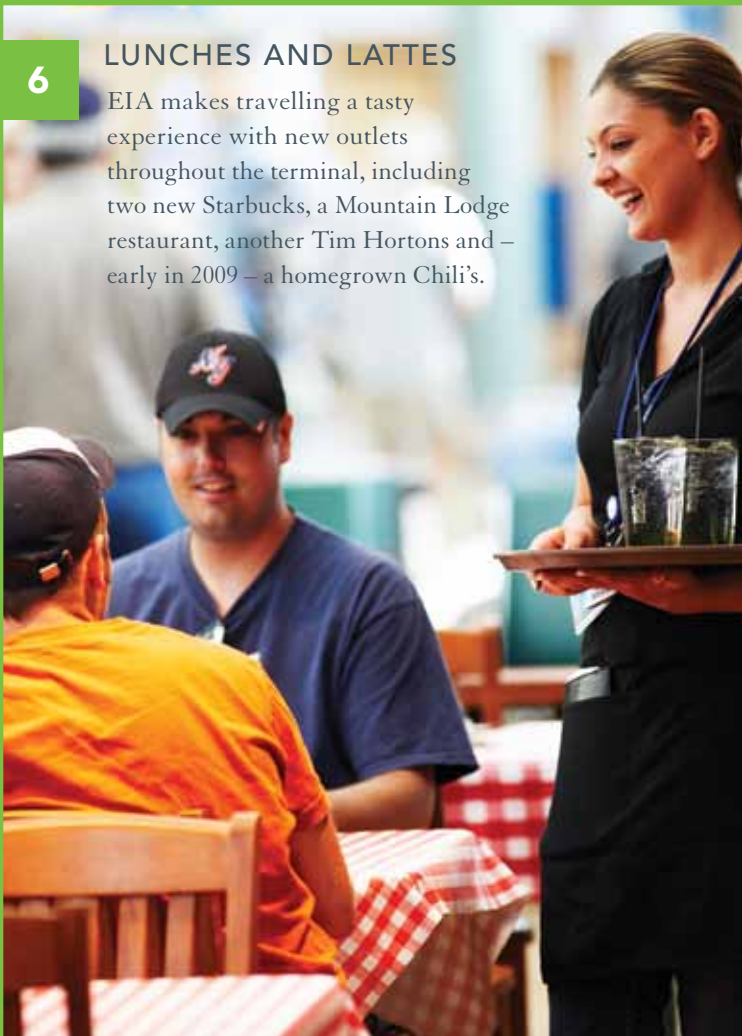
With 1,000 new stalls in the expanded parkade and another 2,700 in a popular new remote lot, parking at the airport becomes a sure thing.



6

LUNCHES AND LATTES

EIA makes travelling a tasty experience with new outlets throughout the terminal, including two new Starbucks, a Mountain Lodge restaurant, another Tim Hortons and – early in 2009 – a homegrown Chili’s.



7

US QUICK CONNECT

Having quickly evolved into the connecting airport for crucial northern development, EIA makes the connection hassle-free for passengers en route to the United States by expediting baggage through customs. No need to collect and recheck luggage.



9

port alberta edmonton international airport

The vision of an all-in-one cargo hub connecting air, road, rail and sea gains crucial allies as local leaders sign a memorandum of understanding and Western Economic Diversification Canada awards EIA with a major development grant.

8

Expansion 2012

BUILDING value choice service community

efficiency ease shops excitement non-stops

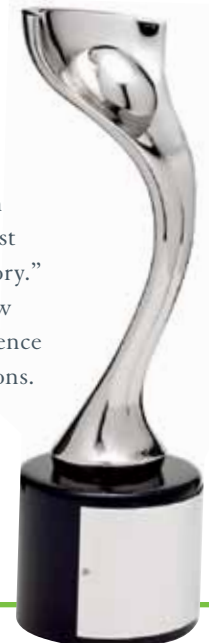
EXPANSION 2012

With one million travellers per year over capacity, EIA expansion plans roll forward to double the number of aircraft gates and add customer services.

10

TOPS IN MARKETING

EIA takes home the North American Marketing and Communications Excellence Award from Airports Council International-North America in what one observer calls “the most decisive win in the award’s history.” The award recognizes EIA’s new we’ll move you brand for excellence in marketing and communications.





Kirstin Brown [MANAGER, PASSENGER EXPERIENCE]



WE'LL MOVE YOU

IT'S A PEOPLE THING

“Beaming” best describes Kirstin Brown, Manager of Passenger Experience for EIA. For almost two years, Kirstin has led the team dedicated to listening to the customer, advocating for new services and turning our new *we'll move you* brand promise into a reality for the millions of travellers who take a journey with EIA.

She describes our new brand promise this way: “We’ve all met him in one airport or another – some of us are him – the poor fellow who’s scrambling to catch a tight connection to the States, misses his flight, and loses the Big Deal. The other day, I saw a man strolling up to US Quick Connect and I asked him, ‘Have you been waiting long?’ He said, ‘No, actually. I’ve been reading in the lounge.’ And I thought, ‘Imagine, a relaxed day in business travel. We did get this right.’”

“We know that while speed and ease matter, so too does the human touch.”

We'll move you. It’s a bold new promise, one that represents a re-energized focus on service, speed and satisfaction. Kirstin deserves to beam. Her team listens to passenger needs and champions the improvements you’ve seen grow before your eyes at EIA.

“2008 was a banner year for the cause,” she says. “While technology has greatly improved the ease and simplicity of getting you to your destination, some of the really important improvements we’ve made over the last year came through the human touch. People can best understand what people need. No technology can do that for us.”

She goes on to mention new support for families with little ones, improvements that came directly from seeing, first-hand, what families faced during our Christmas peak season this year. She describes the relaxing additions to airport ambience, more helpful volunteers, unprecedented growth and more non-stop flights than ever. The list continues – all improvements that came from relating directly to our customers.

In this annual report, you won’t just read hard facts and static statistics. You’ll read the stories of the people who live our brand promise every day through their work at EIA. As a team, we are committed to you, our customer – passengers, tenants and our community – and to providing the absolute best in service, person to person.

Kirstin Brown is the Manager of EIA’s Passenger Experience department. Her team is living proof of the airport’s commitment to putting the customer first. Passenger Experience takes corporate goals and operational needs and uses them to create customer-focused programs and services. This team also acts as the customer’s advocate in corporate planning and plays a key role in developing Expansion 2012 around customer needs.



Carol Hutchins

[DIRECTOR, AIR SERVICE DEVELOPMENT]

WE'RE GROWING PLACES

HOW WE GROW AIR SERVICE FOR A GROWING REGION, A GROWING AIRPORT

Typical of the careful recruitment that has built an entrepreneurial and energetic team, EIA hired Torontonian Carol Hutchins in early 2007 for her intimate knowledge of the airline industry. Carol's location positions EIA with an advance guard in the East. There, and in airline headquarters and conferences around the globe, Carol Hutchins tells Edmonton's story – and enjoys a unique perspective of our region and its airport.

Q Your role in selling Edmonton opportunities to global airlines puts you in touch with airports around the world. How does EIA look in comparison?

A We're still serving the hottest economy in Canada, in a province where resource projects continue to draw foreign labour and grow traffic. In contrast to declines across the industry, we're enjoying passenger growth in many sectors. True, we've seen some reduction in the number of seats airlines are assigning to Edmonton, but we haven't taken the hit other airports have. There is economic

uncertainty everywhere, but northwest Canada has such strong fundamentals that we're still a bright spot.

Q In 2008, you said that people representing other airports were envious of you for being able to sell a story as positive as Edmonton's, with 50 per cent passenger growth in three years. What were you hearing as the year rolled on?

A To be honest, there's some skepticism when people outside Alberta look at our numbers. How can this be happening when the rest of North America is declining? That skepticism is my chance to let them know what's happening in Alberta and educate them about all the uniqueness of our region.

Q What do you think is EIA's biggest air service success story for 2008?

A Probably our biggest success story since I started with EIA is the introduction of Mexico City service

from Mexicana. The oil sands contributed hugely to the addition of this service because of the number of workers from Mexico who are employed up north. Northern traffic helps even out seasonal traffic flows, since a lot of the work happens in winter when numbers slump at most airports. Even before I came aboard, the success of a northbound Mexican tour program that ran for three years showcased what Western Canada offers and helped establish traffic potential. We also treat our carriers well. We haven't raised landing fees for years, making us one of the more affordable airports in Canada. Mexicana certainly gave us kudos for making the Edmonton startup one of their easiest ever – that reputation coupled with success in filling seats helps make the case to other airlines.

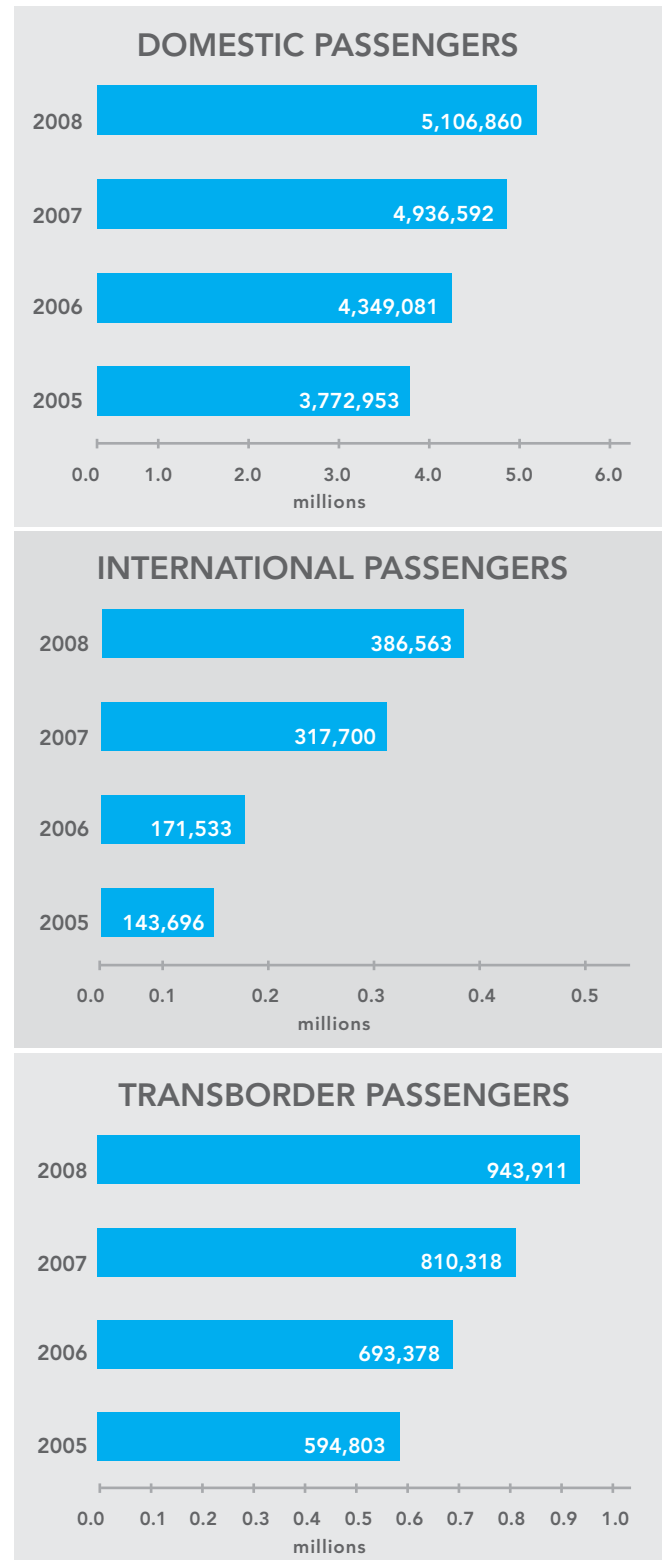
Q What do you think is one of the biggest challenges for EIA air service development in the coming year?

A We've invested in some good databases that allow us to look at airline tickets issued in our catchment area. We now know, for example, that almost 20 per cent of Edmonton customers who purchase tickets from travel agents are still driving to Calgary to catch flights. There are two jobs that the airport has to take on to fix this. The team at home in Edmonton needs to convince those travellers to use our own non-stops. My job is to go out and sell that traffic potential to the airlines to develop new routes.

Q Which non-stop flights is EIA looking to attract now?

A We're aggressively seeking out continental Europe, and we have a list of US targets. We're also looking to Eastern Europe, and places in Asia like the Philippines – again to support the movement of workers. Landing those flights is a challenge, because historically carriers send traffic through their designated hubs. One key to selling ourselves as a community is using the services we have – nothing will sell Edmonton faster than filling those non-stops with customers day after day.

EIA PASSENGER GROWTH





WE'RE CONNECTED

MORE ROUTES, MORE OFTEN

Amid this period of global economic uncertainty, EIA escaped the capacity declines that swept through airports across Canada, clearly differentiating itself from competitors.

EIA led the country with four per cent seat capacity growth across all destinations. Remarkably, we saw 11 per cent growth in US seat capacity for the entire year with growth averaging 30 per cent since September. Airports outside Alberta saw a five per cent decline. Growth in international flights was headlined by Mexicana's June launch of scheduled service to Mexico City.

"The big story for us in the winter is the sun flights," says Peter McCart, Vice President, Marketing and Business Development. "Economists have been telling us that consumers are reining in their spending.

We haven't seen evidence of this when it comes to air travel at EIA. In fact, leisure travel is still growing. That wouldn't be possible without the airlines bringing on new flights and more capacity, so the airlines have really stepped up."

WestJet alone added 14 new flights to US destinations in 2008. Air Canada, Air Canada Jazz and Star Alliance partner United Airlines also increased their service to the United States significantly, adding 32 per cent more seats year over year to Chicago, Denver, San Francisco, Los Angeles and Las Vegas. Between September and the end of December, seat capacity to those destinations increased an astonishing 40 per cent!

In 2008, EIA offered nonstop service to up to 52 destinations, including 10 in the United States, and other international hubs like London and Mexico City.



“On the passenger side, we’ve had tremendous growth in the last three years. In fact, for six consecutive years we’ve experienced double digit growth in both our US and international markets.”

[PETER MCCART, VICE PRESIDENT
MARKETING & BUSINESS DEVELOPMENT]





“The airport is so incredible in how they support us in our work. They take care of us, so we can take care of passengers.”

[FERNANDO GARCIA HERNÁNDEZ
AIRPORT MANAGER, MEXICANA]

NOSOTROS TE MOVEREMOS

EIA WELCOMES MEXICANA

Fernando Garcia Hernández greets his customers in true *we'll move you* spirit. As Airport Manager for Mexicana's new Edmonton operation, he's clearly pleased with how the thrice weekly non-stop flights linking Edmonton with Mexico City have taken off since launching in June. Even in slow periods, Mexicana regularly fills 60 to 70 per cent of an Airbus 319. Some days, he even needs to phone south for a larger plane to accommodate everyone.

The many benefits of Mexicana's service are already apparent. The direct scheduled flights expand opportunities for business development as well as tourism – and, on both fronts, the flow is two-way. Northbound, the flights carry tourists en route to the Rocky Mountains, workers en route to the oil sands and diamond mines, and families reuniting with loved ones. Southbound, vacationing and working travellers enjoy same-day access to Mexico City and numerous points beyond, including Guadalajara, Monterrey and Tijuana as well as Cancun, Los Cabos and Puerto Vallarta. What's more, the flights ensure dependable cargo links between two countries that have remarkable similarities in oil and other expertise.

You wouldn't know it from that non-stop smile, but Fernando has his eye firmly set on a bigger target. “We want EIA to be Mexicana's most important airport in Canada,” he says proudly. “That's my goal, and we're working together to do that.”

As Fernando is quick to point out, his team is taking it one passenger at a time, giving the personal attention that brings people back. He recalls a passenger who appeared 10 minutes before a flight was due to leave, desperate to board so that she could attend a funeral. Mexicana's EIA team made it happen, earning hugs all around from the tearful passenger. “We all felt good that day because we had helped somebody,” Fernando says. “And everybody arrived on time to Mexico.”



WE'LL MOVE YOU

EL AEROPUERTO INTERNACIONAL DE EDMONTON (EIA) LE DA LA BIENVENIDA A MEXICANA DE AVIACIÓN.

Fernando García Hernández saluda a sus clientes con el genuino espíritu nosotros te moveremos. Como Gerente de aeropuerto para la nueva operación de Mexicana en Edmonton, está evidentemente complacido con el hecho de que el vuelo directo que conecta Edmonton con la Ciudad de México haya despegado las tres veces por semana programadas desde que se inició la ruta en el mes de junio. Aun en temporadas bajas, Mexicana regularmente llena de un 60 a un 70 por ciento de un Airbus 319. En algunas ocasiones, el Sr. García ha tenido que hacer una llamada al sur para solicitar un avión más grande para así poder acomodar a todas las personas.

Ya se pueden apreciar los numerosos beneficios del servicio de Mexicana. Sus vuelos directos programados amplían las oportunidades para el desarrollo comercial, así como también para el turismo, en ambos frentes, el flujo es de dos vías. Rumbo al norte, los vuelos llevan turistas que van hacia las Montañas Rocallosas, trabajadores que van hacia las minas de de arena bituminosa o de diamantes y familias que se reúnen con sus seres queridos. En dirección al sur, los viajeros que van de vacaciones o a trabajar disfrutan de acceso el mismo día a la Ciudad de México y numerosos puntos más allá de la misma, inclusive Guadalajara, Monterrey y Tijuana, así como Cancún, Los Cabos y Puerto Vallarta. Es más, los vuelos garantizan conexiones confiables de carga entre dos países que tienen similitudes notables en cuanto al petróleo y otros aspectos.

Usted no lo adivinaría al observar esa sonrisa permanente, pero Fernando tiene puesto el ojo firmemente en un objetivo más grande. “Queremos que el EIA sea el aeropuerto más importante

“Es increíble cómo el aeropuerto nos ha apoyado en nuestro trabajo. Ellos nos consideran y eso nos permite poder cuidar de los pasajeros.”

[FERNANDO GARCÍA HERNÁNDEZ
GERENTE DE AEROPUERTO, MEXICANA]

de Mexicana en Canadá”, dice con mucho orgullo. “Ése es mi objetivo y estamos trabajando juntos para lograrlo.”

Mientras que Fernando es rápido en resaltar lo anterior, su equipo se encarga de un pasajero a la vez, brindándole a cada uno la atención personalizada que hace que los clientes regresen. Él recuerda a una pasajera que apareció diez minutos antes de que el avión estuviera listo para despegar, desesperada por abordar para poder asistir a un funeral. El equipo de Mexicana del EIA logró que ella abordara, con lo que se ganó abrazos por doquier por parte de la acongojada pasajera. “Ese día todos nos sentimos bien por haber ayudado a alguien”, dijo Fernando. “Y todos llegaron a México a tiempo.”



WE PUT PASSENGERS FIRST

CUSTOMER FEEDBACK FUELS IMPROVEMENT

A friendly security attendant corrals a four-year-old so his mother can tend to her toddler's sore arm. A quick-acting maintenance worker extracts an ID card that's fallen down an air vent by taking down a ceiling tile in the floor below. Ticket agents, volunteers, airlines and a cab driver who speaks Russian work minor miracles to send a man who speaks little English to Tel Aviv in time for his mother's funeral.

It's all in a day's work for the 80 companies and more than 3,500 employees at EIA, as customer feedback cards, e-mails and questionnaires attest. Because passenger experience is top priority, the EIA Team pays close attention to that feedback, from the thank you note describing a mother's relief at having the driver's licence she left behind brought right to her car, to suggestions for new shops and services.

Besides paying careful attention to unsolicited comments, EIA participates in Airports Council International's Airport Service Quality (ASQ) program, in which departing passengers are invited to rate their experiences with parking, transportation, security, airport facilities, cleanliness, waiting times, frontline staff and more.

The surveys inform a new cross-functional team whose sole purpose is to find ways to improve passenger experience in response to customer comments.

"ASQ tells us where our strengths and weaknesses are," says Passenger Experience Manager Kirstin Brown. "It helps everybody get a grip on how and what to improve."

EIA's aim is to be in the top 25 per cent in customer satisfaction among major airports of our size. Despite an increasingly crowded facility, EIA is moving steadily in that direction. In 2008, 77 per cent of passengers surveyed rated their overall satisfaction "very good" or "excellent," putting EIA's overall customer satisfaction rating in the top 30 per cent of participating airports around the world.

Now, every EIA department's annual performance measures include customer experience goals, says Traci Bednard, Vice President, Communications and Passenger Experience. "Customer feedback and the data we get from ASQ surveys help drive all the decisions we make as a company, from what retailers we try to attract to how often we clean the washrooms. It's a goal that every department has embraced and made their own."





FLIGHTS + FAMILIES = FUN

If waiting for a plane with little ones, especially at peak season, sounds like a challenge you'd rather avoid, listen up. You'll be pleased to hear that in 2008 we smoothed out some of the bumps.

Welcome to Kidzworld, EIA's enhanced family service program. Offering parents and kids great entertainment and support while waiting for flights and connections, Kidzworld helps make even the toughest journey a memorable family experience.

This year, Kidzworld experienced a major growth spurt. Liz Dwernychuk, EIA's Kidzworld champion (and mom!) explains: "It was Christmas, and I watched families struggle to cope with the same problem – flight delays. Waiting is really tough for kids. So I thought, 'If we could help kids, we could help the whole family!'"

The ideas started to flow. First came Santa's sleigh, driven by Mrs. Clause and one of Santa's little helpers, to spread cheer and transport families safely across the busy airport. Next came the development of two new Santa's Storyland play areas, to complement our two existing jungle-gym style play areas. To help families respond to unplanned emergencies over the holidays, we even provided new family survival packs, available through volunteers or the Information Booth, with extra diapers and necessities families might need if flights were delayed.

Because of the positive response to our new programs at Christmas, our family services program has expanded. Today, families can enjoy the Kidzworld storyland play areas all year. "With new family-friendly restaurants opened in 2008, including Chili's and Mountain Lodge Bar and Grill, and Jasper Bar and Grill, family travel at EIA has definitely improved," Liz beams.

Ask Karin, mom of two-year-old Kiana, travelling together to California, if our enhanced family services help. "We flew in to Edmonton at 8 p.m., already past Kiana's bedtime, and she was dead tired, with two hours to wait. But she played in the play area, and she was happy the entire time."

“At EIA, we listen to our customers and take their feedback seriously. We have a willingness to do things differently, a willingness to do them better. We truly want to move you.”

[LIZ DWERNYCHUK, BRAND ADVISOR]

LIVE ALL YEAR



When local ukulele cover band The Be Arthurs wander the airport, you're guaranteed to see relaxed smiles. That's just one of the many acts improving the airport's ambiance through EIA's Live All Year program, which is funded in part by TransAlta and arranged by Edmonton Tourism to promote Edmonton as a Festival City.

Travellers were treated to stilt walkers and jugglers during the Street Performers Festival, singers during the Folk Music Festival, and a harpist during the holiday season. The performances created an environment that reduced the stress that some people may have when they travel.

“EIA’s Live All Year program has been a boon to our airport. The live performers splash the inside of the airport with colour and seem to inflate the community atmosphere as small groups can be seen watching or interacting with them. It appears as though passenger activity is more leisurely during these performances. I’m sure that the entertainment reduces stress from travel and provides a positive ambiance that moves people.”

[STEVE RAUSCH
MARKETING AND EVENTS COORDINATOR]

THE SPIRIT OF SERVICE

Volunteer Sue Luchak recalls a woman on a flight from Toronto who got off in Edmonton, thinking she was in Abbotsford, BC. The passenger couldn't speak English, but Sue was able to converse with her in Ukrainian. The passenger's airline willingly took the lead in booking her next flight, holding a nearby hotel room, finding a taxi driver the passenger understood and ensuring someone would pick her up in Abbotsford. Yet Sue remained in touch until a call came in from Abbotsford advising that the passenger had arrived safely. "It was rewarding to help somebody who was really stranded," she says.

"Northern Lights volunteers really are EIA's frontline to customers," says Community and Corporate Relations Co-ordinator Barbara McGee. "They go above and beyond, recognizing that people have all kinds of needs."

INFORMATION BOOTH AND THE NORTHERN LIGHTS AIRPORT VOLUNTEERS

- Customer Service Representatives at the Information Booth assist EIA's guests with wayfinding, flight information, lost and found and local tourism information
- Info Booth responds to e-mails, acts as corporate reception and works with volunteers
- 85 volunteers gave over 8,000 hours in 2008
- Ties to translators in 80 languages through partnership with the Information Booth

"I noticed one couple dancing a few steps to a couple of musicians," recounts Northern Lights Airport Volunteer Diana Seemann.

"This volunteer certainly appreciates what she hears!"



MORE OF EVERYTHING

EASY, ENJOYABLE, EDIBLE EIA

EIA: a shopping and dining destination? That's the goal fuelling the Marketing and Business Development team. They envision a place where passengers have more and better choices for what to do while waiting for their next flight. A place where arriving passengers enjoy a premium valet service that not only parks your vehicle, but returns it washed with groceries inside!

"The evolution of airports, following Europe's lead, is a shopping mall with airplanes," says Peter McCart, Vice President of Marketing and Business Development.

While the full "shopping mall" concept is part of future airport expansion, the team is also determined to provide significantly more choice and convenience today. Besides enhancing the passenger experience, expanded non-aeronautical services generate revenue that otherwise would come from increased airline fees, which can be a barrier when pursuing enhanced air service.

Parking improvements were dramatic in 2008 as EIA gained 5,000 stalls and began revamping all parking products to enhance customer service. A 1,000-stall Parkade expansion opened in August and a new remote parking lot with 2,700 spots opened in December. New Pay and Go stations in the airport terminal allow customers to prepay their parking and use one of five express lanes for a fast exit; on the way out, drivers can now stop at the Esso On The Run gas station which opened in the summer.

Food and beverage options doubled in 2008, and continue to grow in 2009. Two new Starbucks joined a second Tim Hortons location, which opened in December 2007. The Jasper Mountain restaurant split into two, with one-third devoted to a Jasper Bar and Grill pre-security and two-thirds becoming Mountain Lodge Bar and Grill for passengers in the domestic/international lounge.

The existing Montana's Front Porch expanded from 66 to 94 seats. Agreements made in 2008 also led up to the February 2009 opening of a Chili's restaurant, as well as the March opening of a Wok Box in the north domestic passenger lounge.

Establishing food and beverage outlets at EIA is not just good for passengers, it's good for business. "The average amount of time people spend in a mall is 18 minutes. Here, it's 108," Peter says. "Passengers place a considerable value on their time so while they are in our airport we want to ensure they have access to all the amenities, services, products and entertainment choices found in a modern shopping mall. Add to that the many meeters and greeters, and thousands who work at the airport every day, and you've got a strong recipe for success."

"If we can get you to park here, buy your sandwich here, buy your book here, that's all money we don't have to charge to airlines. It makes good business sense."

[PETER MCCART, VICE PRESIDENT,
MARKETING & BUSINESS DEVELOPMENT]



Peter McCart, Vice President of Marketing and Business Development, and Myron Keehn, Director, Concessions, Land and Parking Development, are enhancing passenger experiences.





Dave Fritz [AREA DIRECTOR,
CHILI'S RESTAURANTS]



“In life, people are the difference. And the people here are fantastic. They’ve welcomed us into the airport family in a very supportive way.”

[DAVE FRITZ,
AREA DIRECTOR, CHILI’S]

CHILI’S PEPPERS IN THE FUN AT EIA

The sharp new Chili’s at EIA is barely open a week when Area Director Dave Fritz takes a moment to reflect on the reasons why he and business partner Gerry Inglis chose to open their tenth Chili’s outlet in their hometown airport.


“The EIA folks are great to work with – open-minded, very service oriented and passionate about hospitality. That’s our business, so we thought it would be a great match,” Dave says.

“Now we see the excitement surrounding EIA and its growth. Both of us are based in Edmonton, and we love being a part of what’s happening here. It’s a huge opportunity to create a healthy business.”

For passengers, Chili’s adds a new and respected brand complete with hands-on ownership. “Gerry and Dave are here every morning at 5 a.m., serving breakfast, waiting tables,” says Peter McCart, Vice President of Marketing and Business Development. “They’re involved to the nth degree. That’s how they run their business.”

Fully equipped with scaled-down versions of everything you’d find in a streetside restaurant, Chili’s serves the domestic/international passenger lounge. Its open layout allows passengers to watch the activity at their gate as they enjoy a meal or put in a takeaway order. Tyndall stone and other touches hint of Edmonton’s river valley, drawing from a thematic master plan that will spread to other areas of the airport as renovation and expansion occur, echoing signature aspects of Edmonton.

SMART, SPEEDY SYSTEMS



Tim Sak [MANAGER, AIRPORT IT]

US QUICK CONNECT SPEEDS YOU ON YOUR WAY

With one million travellers a year connecting through EIA, we set our sights on delivering a moving experience for our guests who are just stopping through.

One of the stresses of connecting at an airport is baggage: wondering if your bag will make it, standing in line to collect a bag, then walking a few feet to stand in line to check it in again. For thousands of connecting passengers bound for the US through the International, EIA's own US Quick Connect eliminates a step that eats up valuable time and worry for passengers and airlines alike.

Since the program's December 2008 launch, passengers connecting to the United States do not need to leave and re-enter the secure area. Instead, they reach their US departure gates via a new quick transfer station at US Customs and Border Protection, while airline crews transfer their checked luggage directly to the US-bound baggage room.

"The fact that we manage the bags through security not only makes the transfer easier for passengers, but means they don't have to take on the worry of transferring their own bag; instead, they can stay longer in the larger lounge where we offer more services," says Traci Bednard, Vice President of Communications

Tim Sak is the Manager of Airport IT. Tim and his team helped ensure technology was in place when the airport introduced self-serve kiosks to help passengers check in for their flights more quickly and efficiently.

and Passenger Experience. As so often happens, improved passenger service has the double benefit of easing congestion elsewhere in the airport by avoiding redundant processes.

This time-saving customer service program is another selling point for routing passengers through the Edmonton gateway. Passengers now connect on to up to 25 daily US flights from northern centres like Grande Prairie and Fort McMurray, as well as cities such as Saskatoon, Winnipeg, Calgary, and Vancouver.

"One of the successes of US Quick Connect is that it strengthened relationships within our airport. We don't set regulations and we don't run airlines, so we had to work very closely with them to earn their support and make the program happen."

[TRACI BEDNARD, VICE PRESIDENT
COMMUNICATIONS & PASSENGER EXPERIENCE]

CHECKING IN WHILE CHECKING OUT

Airline passengers staying at the Varscona Hotel in Edmonton's historic Old Strathcona neighbourhood can check in for their flight even before leaving their hotel by using a new web-based service that mirrors the airport's self-serve kiosks.

"Guests appreciate the convenience," says Varscona General Manager Donica Wilkie-Morrow, who welcomed the addition of a web-based check-in portal on the homepage of Varscona's business centre computers. Airport staff took the lead in adding the service. "For a hotelier, it's great not to have to spend lots of time setting this up," she adds.

For EIA, web-based check-in offers a cost-effective way to fulfill passengers' desire to check in before reaching the airport. "The self-serve kiosks cost as much as \$40,000 each, so we can't put one in every hotel," says Passenger Experience Manager Kirstin Brown. "This gives us the same outcome, and the hotels that have bought in love it."

Web check-in is available at Varscona, sister hotels Metterra and Matrix and a growing list of other locations including the Fairmont Hotel Macdonald and the Westin Edmonton. More than 20 per cent of the guests at the 89-suite Varscona access the service each day.



Donica Wilkie-Morrow

[GENERAL MANAGER, VARSCONA HOTEL]

NEXUS TAKES OFF

Introduced at EIA in mid-2007, NEXUS attracted triple the expected applicants in its first year and a half. A joint program between Canada Border Services Agency and US Customs and Border Protection, NEXUS uses retina scanners to give pre-approved passengers automatic clearance to enter the US and Canada. This saves lining up to speak with a customs agent. Nearly 2,000 travellers signed up in Edmonton in 2008, at a cost of only \$50 for a five-year enrollment.

"We tie systems together to make passenger experiences at EIA seamless. NEXUS, along with US Quick Connect is a great example. NEXUS members can stay in the passenger lounge and get faster US Customs and Border Protection processing – a double benefit."

[TIM SAK,
MANAGER, AIRPORT IT]

HOW DID EIA IMPROVE YOUR AIRPORT EXPERIENCE IN 2008?

- US Quick Connect
- New self-serve kiosks in the parkade and the car rental lobby, raising the total number of kiosks to 28
- Web-based check-in at hotels
- Streamlined Fly Thru queuing area for same-day frequent flyers to Alberta destinations
- Desks for US-bound passengers to fill out customs declaration forms



BEYOND FULL

WHEN YOU'RE OVER CAPACITY, NEW RULES APPLY

Running an airport that's 20 per cent beyond capacity is no mean feat. "The old rules and the old way of operating no longer work when the terminal is 120 per cent full," says Diane Trenn, Vice President of Airport Operations. "Things start to burst at the seams and we have to really ratchet up our planning."

The winter charter season offers an excellent case in point. Airport planners remembered the juggling acts they pulled off in 2007 when approached by airlines for extra space, and braced for more of the same in 2008. But with the support of airlines, some of which agreed to shift departure times to optimize the use of gates, every charter flew and another record was set.

"We were able to fit everybody in, and the airlines were happy as well as the customers – it was a model of making a plan and coming together as a team to work it out," Diane says. "I tip my hat to everyone involved."

"In the past, we had a lot of redundancy built into the facility. If one gate or bridge was not working, a plane could move to another. Now we don't have that luxury. When something breaks down, we have to address it right away."

[DIANE TRENN,
VICE PRESIDENT, AIRPORT OPERATIONS]

ROUND THE CLOCK MAINTENANCE FOR A ROUND THE CLOCK AIRPORT

Operating any airport is no simple task. Operating an airport that serves over one million passengers per year more than it was designed to? That's where real ingenuity comes into play. EIA met this challenge by creating a 24-hour maintenance crew focused specifically on planning and prevention.

Recruited as Facilities Maintenance Manager in 2007, Nick Jensen is clearly proud of the difference constant coverage makes to the life of the airport. Now urgent calls get immediate attention while routine work can be done at slow times to avoid disturbing passengers.

"Customers are the most important people," Nick says. "Ensuring elevators open, aircraft bridges work, escalators move – all that leads to happy customers."

A new Critical Equipment Team, dedicated to maintaining the most essential systems, has already proven its worth. First, the team focused on the bridges that carry passengers from the terminal to their aircraft. Certain bridges were always getting stuck or leaving passengers in the cold. So, the team launched into a rigorous quality improvement project that resulted in every bridge operating nearly glitch-free.

The baggage system was next. Like clockwork, the system would back up during peak seasons, forcing hundreds of bags to be manually sorted and moved. Craig Mathewson, EIA's Critical Systems Superintendent, refused to give up until the problem was solved. With the help of an outside consultant, he discovered the culprit: an intermittent fault on a communication card, which is tough to find, but easy to fix. During the 2008 holiday rush, the baggage happily ran through the sorting system nearly hands-free.

With these kinds of successes, the maintenance team is attracting fans, both at home and farther afield. The same day we interviewed him for this annual report, Nick was on his way to speak at an IBM conference about scheduling software that confirms whether maintenance crews have received their trouble call, but checks in again when the work is complete.

"My vision is that we'll get to a point where we know there are problems way before anybody else does," Nick says. "And we'll have a plan of action for everything."



Nick Jensen

[FACILITIES MAINTENANCE MANAGER]

“We take great pride in our airport, and we want customers to take pride in it as well. We’re striving to be best in class.”

[NICK JENSEN,
FACILITIES MAINTENANCE MANAGER]



Steve Rumley [DIRECTOR, PROJECTS]

Paul Garbiar [VICE PRESIDENT,
INFRASTRUCTURE & TECHNOLOGY]

EXPANSION 2012

BUILDING VALUE, SERVICE, AND COMMUNITY

The Edmonton area has seen tremendous growth in the past decade, and EIA has been growing right alongside the community we're proud to serve. During those 10 years, EIA has evolved from a small regional airport to a service hub for northwestern Canada. As Canada's fastest-growing major airport for three years in a row, EIA is continuing its \$1-billion expansion to ensure the airport can keep pace with Edmonton and northwestern Canada's economic development.

Expansion 2012 will do more than make EIA bigger; it will add value to the community and help local business thrive in the Edmonton region. Ours will be an airport

that's technologically advanced, passenger-friendly, efficient for airlines and a showcase for the community.

The future airport technologies that have helped EIA stretch current capacity are being fully deployed in the new building. Every process and interaction is being examined with an eye to making the airport as simple to use as possible; automated systems will make it more efficient for airlines to process customers and amenities like moving sidewalks and new shops will please everyone.

EIA is committed to continued development in our region, and Expansion 2012 will enable future growth.

Expansion 2012



2008 PROGRESS ON EXPANSION 2012

Apron Expansion

- 800,000 cubic yards of clay excavated
- 63,000 sq. m. of concrete poured
- 4,500 sq. m. of asphalt laid down
- 520,000 tonnes of gravel hauled and stockpiled

Parking Expansion

- 1,000 stalls added in August 2008
- 2,700 additional stalls added to remote Park and Ride lot in December 2008

Contracts Awarded

- Project Management Office: MMM Group
- Apron expansion: EBA, Dufferin
- Airport Terminal Building: Stantec, PCL
- Control & Office Tower: Cohos Evamy, Ellis Don

Value-engineering, smart scheduling, conservative financing, and a forward-thinking procurement strategy were all used in developing the expansion plan. While technology and process improvements have stretched the capacity of the current terminal, there's no doubt expansion is necessary to keep pace with current demand let alone any future growth. The new addition will add another 484,000 square feet to the terminal and enable the stellar growth in US traffic to continue.

Expansion 2012 is being financed through the Alberta Capital Finance Authority (ACFA). This allows EIA to leverage the Province's excellent credit rating and minimize interest costs by only drawing funds when required. The new terminal is also packed with the shops, restaurants and services that delight passengers and supply non-aeronautical revenue to the airport – all of which helps keep fees for our airline partners competitive.

“There's no doubt Expansion 2012 will allow us to keep up with our growing air service. Maybe even more importantly, it will let us catch up to the passenger numbers we have right now.”

[PAUL GARBIAR, VICE PRESIDENT
INFRASTRUCTURE AND TECHNOLOGY]

EXPANSION 2012 TERMINAL





ENABLING EXPANSION

“When the last expansion was built, some people thought we were overbuilding. We weren’t supposed to hit capacity until 2015, but we hit it a year and a half ago.”

[PAUL GARBIAR, VICE-PRESIDENT
INFRASTRUCTURE AND TECHNOLOGY]

TERMINAL EXPRESS MEANS EIA STAYS OPEN FOR BUSINESS

How do you renovate an airport that’s already beyond capacity? Build a “Terminal Express.”

Six key gates leading to international destinations must be relocated to make way for the coming terminal expansion. Passengers will reach those relocated gates via Terminal Express, a double-decker walkway due to open in October 2009.

Careful design also means much of Terminal Express can be reused. The modular walkway units will be dismantled and stored for the next terminal expansion. The gate rotundas and their supporting piers will morph into new terminal gates when the expansion is complete.



Phyllis Clark

[UNIVERSITY OF ALBERTA CHIEF FINANCIAL OFFICER]

FUELLING ALBERTA'S ACADEMIC PIPELINE

Connecting Edmonton to the rest of the world is not only important to grow our vibrant economy, but it is critical to the development of our academic capital, says University of Alberta Chief Financial Officer Phyllis Clark.

“Attracting a broad base of international students is an important hallmark of a strong university operation,” Phyllis explains. “Parents need to know their sons and daughters can get home easily and quickly before choosing Edmonton for study.”

Building a strong teaching and research faculty also relies on global connectivity. “To be effective, researchers need ready access to meet with colleagues around the world. Our ability to attract a healthy flow of research investment dollars and ideas to Edmonton is directly tied to our ability to move the people behind them.”

And move them we did. “Faculty fly mostly out of Calgary and Edmonton,” she says. “Edmonton is more efficient, faster, cleaner looking, the lines are really well organized, staff are efficient and really friendly.”

By expanding international access to offer non-stop service to London-Heathrow, Mexico City, 10 US destinations including Los Angeles, Chicago, San Francisco, Minneapolis-St. Paul and Denver, and many more charter destinations by the end of 2008, EIA is opening Edmonton's doors and minds to a greater share of the world's academic currency and growth.





EMERGENCY
RESPONSE



EMERGENCY RESPONSE SERVICES

EIA's Emergency Response Services (ERS) was called out a record-setting 910 times in 2008, both onsite and in Leduc County. ERS provides around-the-clock emergency medical and fire service to EIA. ERS members also conduct fire prevention inspections of all buildings and fire suppression systems at EIA.

The 26-person unit is equipped with three specialized crash trucks, one multi-purpose truck for rescues and medical emergencies, one pumper truck for off-site fires, and two mass casualty trailers. The team is also equipped with hydraulic extraction equipment and a Forward Looking Infra-Red (FLIR) device that allows ERS members to fight fires more effectively in low visibility conditions.

The airport's ERS unit responds to nearby motor vehicle accidents under an agreement with Leduc County that was renewed in 2008. ERS also provides training to other airports and communities, a service that has the added benefit of generating revenue for EIA. A Mobile Aircraft Fire Trainer (MAFT) ordered in 2008 promises to expand the scope of that training while enhancing the readiness of EIA's own crews.

In 2008, ERS took a lead role in getting 25 Automated External Defibrillators (AEDs) installed at EIA. The AEDs are portable electronic devices that can automatically diagnose potentially life-threatening heart conditions and treat a patient through electrical therapy (defibrillation). These life-saving devices, which are located at convenient intervals throughout the airport terminal, do not require special medical training and can be operated by members of the public. The AEDs at EIA are networked into the City of Edmonton's "Heart Safe" program, which allows 911 operators to guide callers to the device nearest them.

“For more than a dozen years, we have been doing our crash fire rescue training offsite. Bringing the training back onsite not only reduces costs and improves competencies among our crews but opens up business opportunities to generate additional revenue in training other airports and communities.”

[BURL HAMM, MANAGER,
EMERGENCY RESPONSE SERVICES]

OTHER SAFETY AND SECURITY ACCOMPLISHMENTS IN 2008

- More than 70 EIA Team managers and supervisors received threat assessment training from Edmonton Airports, RCMP, CATSA and Garda Airport Security. The training proved a huge success, resulting in improved teamwork and an increase in the number of decision makers responding to security calls.
- Two Transport Canada security audits were completed in 2008.



GENERAL AVIATION

ONE OF OUR CORE BUSINESSES

Charters, military transports, corporate fleets, government flights, surveying and crop spraying, sightseeing, pilot training, medevac transfers and more – General Aviation (GA) is one of Edmonton Airports’ core businesses. We continue to support this broad range of activity at all four of our airports. Cooking Lake, Villeneuve, Edmonton City Centre and Apron II at EIA all serve the diverse GA scene in the Edmonton area. Besides meeting specialized needs, GA generates business for private industries ranging from warehousing and maintenance to fuelling, catering and aircraft grooming.

[Edmonton City Centre Airport \(ECCA\) is a GA centre serving government, corporate aviation, hobbyists, medevac and flight training activity.](#)

In 2008, The City of Edmonton, owner of Edmonton City Centre Airport, commenced a review of land use for the ECCA lands. For as long as the City determines that ECCA will remain an airport, Edmonton Airports intends and wishes to continue to manage it as a GA airport under the terms of the lease. If the owner, the City of Edmonton, decides to redevelop ECCA lands, Edmonton Airports will respect its decision.

EA supports a timely decision on the airport’s future to provide the certainty ECCA tenants need to conduct their businesses and to ensure required capital investments are not squandered.

[EIA’s Apron II serves GA at the International Airport including northern resource crew charters, military activity and private aircraft.](#)

GA activity on Apron II was steady throughout 2008. Many of the customers who fly from Apron II appreciate the convenience and service provided by EIA’s Fixed Base Operators (FBOs) and air charter companies. 2008 saw continued investment in FBOs and air charter businesses. The Executive Flight Centre opened a new aircraft hangar in February 2008, which can accommodate up to five Dash 8 aircraft. Alta Flight Services modernized its aircraft, replacing its Dornier 228s with King Air 350s, and expanded its car parking lot by 290 stalls.

[Cooking Lake is the only airport in the region equipped for both floatplane and wheeled aircraft.](#)

Cooking Lake is the only facility in Alberta with both a floatplane base and a conventional runway. It’s also

the only airport in Canada with a condominium ownership structure. Historic Cooking Lake is primarily a recreational flying facility that offers flight training, charter air service, maintenance and repair, and a card lock fuel facility. In 2008, Edmonton Airports started discussions with stakeholders to consider a new ownership and operating model.

[Villeneuve Airport, located in Sturgeon County, is the primary flight-training facility in the Edmonton Capital Region.](#)

Over the last few years, the majority of surfaces, including both runways, have been repaved at Villeneuve. Another pavement project scheduled for 2009 will complete this major investment. Villeneuve will also have non-precision GPS approaches in place by the end of 2009. Looking ahead, the airport plan consists of both larger hangars and affordable T-hangar development. Upgraded water and sewage services are needed for further expansion and development to occur at Villeneuve. Recent meetings between Edmonton Airports and the mayors of Sturgeon, Parkland, Morinville and Edmonton regarding future development have been positive, and we will continue working to improve our GA business at Villeneuve.



REXALL EDMONTON INDY AT ECCA

For the fourth year running, tenants at ECCA put their shoulders to the wheel to help host the Rexall Edmonton Indy, the 14th round of the 2008 IndyCar series season. Edmonton Airports was a platinum sponsor for the July 26 race, which ran at a temporary circuit on ECCA grounds.





Diane Trenn [VICE PRESIDENT, OPERATIONS]

A HERO'S WELCOME AT EIA

A hush falls over the expectant crowd as a huge military transport plane appears on the horizon, flanked by two CF-18 fighter aircraft. It's October 8, 2008, and the last of 17 return flights from Rotation 5 of Canada's military operations in Afghanistan is about to arrive. EIA's Apron II is abuzz with anticipation. "It's just the most amazing feeling," says Vice President of Operations Diane Trenn, who participates in the homecomings both on behalf of EIA and as a member Edmonton Salutes, a committee that promotes and celebrates the local military community. "The airport has a role to play in the smooth and efficient movement of troops who are eager to see their families. But we go beyond that. We really take pride in doing all we can to mark the return of these very brave young men and women."

As the aircraft touches down, the CF-18s perform a moving flypast or aerial salute. Days after leaving Kandahar, and after at least 20 hours of air travel, the weary soldiers are welcomed by fire and police sirens, feted with Tim Hortons coffee and donuts, and even loaned cell phones to send family and friends the good news that they're back on Canadian soil. The returning soldiers enter a hangar for redeployment administration, so that upon return to the base they can reunite with their families without distractions.

By year-end, EIA had assisted with 142 Department of National Defence flights. "It's a huge team effort," Trenn says. "And it truly is an honour to be involved." The next large deployment from Edmonton Garrison is expected in fall 2009.

MARKING A MILESTONE IN THE SKY

The Alberta Aviation Museum, located next to ECCA just off Kingsway, is taking a lead role in celebrating 2009 as the centennial of flight in Canada. Throughout the year, the museum is re-enacting four historic flights that distinguish Edmonton as one of Canada's most important aviation centres. All four recreations will use a 1930s-style homebuilt biplane that closely resembles an Avro Avian. The aircraft has been named 'The Spirit of Edmonton' in honour of the city's remarkable aviation heritage. "It's a reminder of a really important part of our history," says Museum President Rod Macleod, who is providing ground support for the flights. "Edmonton was a great centre of the aviation industry in Canada for most of the 20th century, and it still is." The four flights will celebrate:

- 80th anniversary of first airmail from Winnipeg to Edmonton
- 80th anniversary of Fort Vermilion Mercy flight
- 90th anniversary of the first Western Canadian commercial flight
- 90th anniversary of the first use of aircraft in police pursuit

Museum Executive Director Tom Hinderks and Curtis Peters, President and CEO of Aviation.ca, braved weather and other hardships to pilot the first two flights early in the year.

2008 GENERAL AVIATION HIGHLIGHTS

- Contracted Ilyushin IL-76 and Antonov AN-124 air freighters made several trips from EIA Apron II, flying helicopters, tanks and other cargo to Kandahar to support ongoing Canadian Forces ground and helicopter operations in Southern Afghanistan.
- Airco Aircraft Charters was awarded the licence to provide scheduled service to Grande Prairie from ECCA. Other northern communities served by scheduled flights from ECCA are Fort McMurray and Peace River.
- Cooking Lake Airport Open House/Fly-In, August 23, attracted a record-setting crowd of 500 aviation enthusiasts and 50 aircraft from across Alberta.
- Villeneuve Airport Open House/Fly-In, June 7, promoted investment opportunities and services to more than 300 visitors.
- Edmonton Airports sponsored and participated in the Northern Air Transport Association Conference, the Canadian Owners and Pilots Association event and the Canadian Business Aviation Association (CBAA) annual conference.
- Other 2008 sponsorships included Aviation Alberta's annual Conference and General Meeting, Airfest honouring Edmonton's proud aviation history; Wetaskiwin Air Show featuring the Snowbirds.

“If you ever need to feel small, try flying into an international airport in an eight-metre wingspan biplane in high winds with communication issues.”

[TOM HINDERKS, EXECUTIVE DIRECTOR, ALBERTA AVIATION MUSEUM ASSOCIATION AND EDMONTON AVIATION HERITAGE SOCIETY]



WORKING SMARTER

COMPLETE AND EFFECTIVE SERVICE FOR EIA'S INTERNAL CUSTOMERS

Edmonton Airports is proud of its talented, dedicated and determined employees who are working hard to build Edmonton's future airport system while living the *we'll move you* brand. The Human Resources department, in partnership with our operational teams, is responsible for ensuring support to the 260-plus women and men of Edmonton Airports so they're all ready and able to tackle the challenge of managing one of Canada's fastest growing airports while building the future with Expansion 2012.

EIA has set its sights on becoming one of Canada's top 100 employers and is working hard to offer staff a progressive, professional and engaging work environment in pursuit of that goal. Some of the achievements in 2008 included revamping the Employment Equity Committee, automating corporate payroll for accuracy and ease, offering a new flexible benefits structure and offering wellness programs.

In 2008, Edmonton Airports bargained a new collective agreement with the General Bargaining Unit (GBU) representing 59 per cent of employees. This five-year settlement delivers stability for our employees and our company.

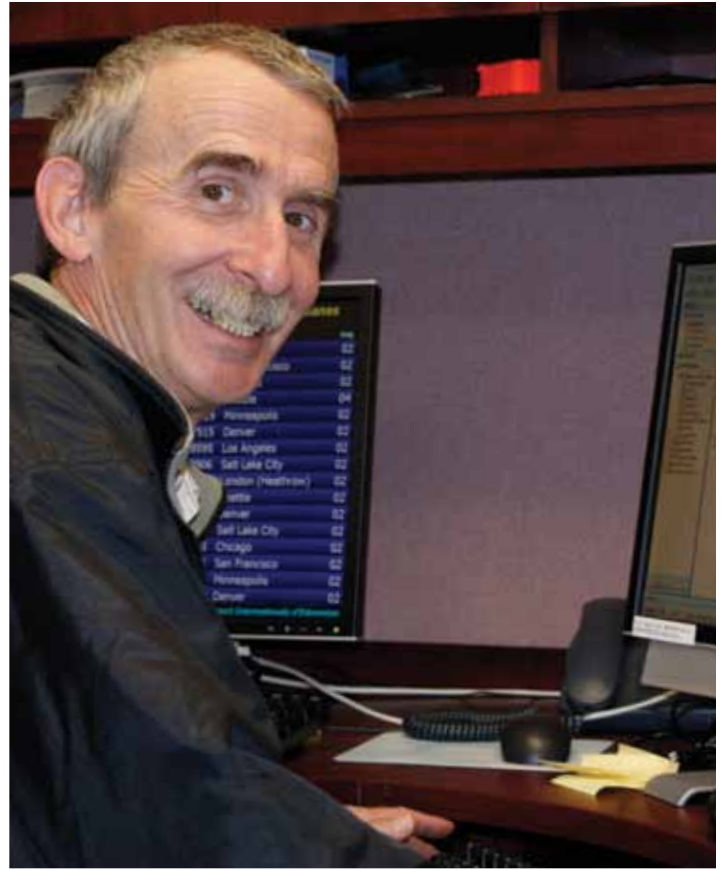
COMPENSATION PHILOSOPHY FOR GBU-EXCLUDED EMPLOYEES

Edmonton Airports' compensation philosophy has three primary objectives: attract a qualified, diverse workforce through a competitive compensation program; retain and motivate a qualified, diverse workforce by recognizing and rewarding individual and team achievement, contributions and excellence; and provide a non-discriminatory merit-based compensation program.

To accomplish these objectives, Edmonton Airports provides a competitive compensation program encompassing base and variable pay, employee benefits and reward programs that references relevant markets and available resources, and maintains internal equity.

Edmonton Airports' compensation philosophy ensures pay equality through the use of a classification system that employs a point system to rank exempt positions based on the factors of know-how; problem solving; accountability; and working conditions. The pay-level policy is at the sixty (60) percentile for base salary and seventy-five (75) percentile for total compensation, of relevant and comparable markets. Each year, salary bands are reviewed and adjusted based on comparable market data and corporate performance.

Edmonton Airports' benefit program is competitive within relevant markets and available resources. Variable (bonus) pay is based on the annual achievement of established strategic corporate, Strategic Business Unit, departmental and individual stretch goals and targets.





FUTURE-FOCUSED LAND DEVELOPMENT

port alberta
edmonton international airport

PORT ALBERTA GAINS MOMENTUM

Though Edmonton's proximity to The North means the region endures some challenging weather, its location also puts EIA that much closer to important international markets on the 'great circle' polar air routes. The Port Alberta concept takes our location, and the huge amount of developable land at EIA, and combines it to create a new global cargo hub. The multi-modal inland port will use 1400 acres on the airport property and transform EIA into a cargo powerhouse.

“From Port Alberta, with the runways we have here, you will be able to access customers and buy products from anywhere in the world, and have them at your doorstep in a matter of hours.”

[PETER MCCART, VICE PRESIDENT
MARKETING AND BUSINESS DEVELOPMENT]

“Port Alberta is about combining air, road, rail and sea into a seamless, efficient, cost-effective system,” says Glen Vanstone, Director of Cargo and Business Innovation. “It has to be large – much larger than people had initially thought. And it has to keep commodities moving. Moving freight is happy freight; when the box stops, costs go up.”

As Canada's largest airport in land mass, Edmonton has the space to make huge happen. As Canada's most northerly major airport, on the front doorstep of Asia and Europe via the North Pole, we're at the crossroads of air, road and even sea traffic thanks to rail links. In short, we're perfectly

positioned to capitalize on the tidal wave of goods predicted to flow from developing markets overseas.

In 2008, years of planning bore fruit in a groundswell of support for Port Alberta. A Memorandum of Understanding supported by the Edmonton Chamber of Commerce, Edmonton Economic Development Corporation, the City and County of Leduc, the City of Edmonton and Edmonton Airports set in motion a steering committee of stakeholders. Western Economic Diversification Canada funded two studies into the logistics and tracking technology needed to keep large volumes of cargo moving and safe. The Province lit the Queen Elizabeth II highway corridor along the site.

“Port Alberta is not an end in itself, but a means to allow the region to compete,” Vanstone says. “Businesses will start to cluster around the airport for access to the global supply chain. Port Alberta will become a large driver of economic development in the region – a key hub under Canada’s national corridor strategy.”

“To meet the future needs of our economy, we are going to require a significant expansion and improvement in the region’s transportation infrastructure. This is where Port Alberta comes in – it is focused on developing a modern and fully integrated transportation centre that fully meets the long-term needs of business and industry in the region.”

[RON GILBERTSON, PRESIDENT & CEO
EDMONTON ECONOMIC DEVELOPMENT CORPORATION]



SUSTAINABILITY



LEAVING A POSITIVE FOOTPRINT

In 2008, the Board of Directors enthusiastically adopted sustainability as a core value for the organization. While sustainability is a new value for the company, its three pillars – environmental, social and financial – have long been among the organization’s priorities.

“There are a lot of definitions about what ‘sustainability’ means, but one of our initial objectives is to determine what it means to us,” says Rob Hough, Manager of Environment, Safety and Operational Compliance with Edmonton Airports. “We recognize that there is a clear business case for adopting and embracing sustainability as a strategy, and that it is integral to our vision of a future airport.”

Environmental

To help define a vision of sustainability, Hough recently created the Future Airport Sustainability Team (FAST), a committee comprising representatives from EIA’s various business units. The team will have input on all kinds of sustainability projects – from major projects like LEED certification for the terminal expansion, to smaller initiatives like installing new waterfowl-friendly soap and paperless hand dryers which were completed over 2008.

FAST will also build on baseline indicators to track performance and establish mechanisms for recognition

for employees who contribute to sustainability. According to Hough, the ultimate strength of the sustainability vision will depend on education and collaboration.

Social

Collaboration is at the heart of EIA’s ongoing commitment to contributing to the community. Our Community Investment Program, for example, supports organizations that build community spirit, provide long-term benefits and enhance the region’s quality of life. EIA’s aim when assessing partnership opportunities is to support projects, groups and events that focus on aviation education and heritage, and tourism and trade promotion.

In 2008, we expanded our partnership with Edmonton Festival City in a Box, an Edmonton Tourism initiative supported by TransAlta and Travel Alberta. Together, we featured Live All Year at Edmonton International Airport, a program that brought live performances, interactive activities, and artistic displays to the airport terminal to promote Edmonton’s many festivals and special events.

As part of our work to contribute to the region’s quality of life, EIA provided STARS with financial support for their air ambulance service’s annual gala fundraiser. EIA is also proud to sponsor Air Canada’s Dreams Take

Flight program, which takes children from mentally, physically and socially disadvantaged backgrounds to Disneyland for a day.

“We also offered financial support to Dreams Take Flight above and beyond our regular contribution so that kids from Fort McMurray, Grande Prairie and Peace River have a chance to attend,” notes Barbara McGee, Community and Corporate Relations Advisor with EIA. “It’s a great cause and providing the opportunity to children in those communities emphasizes the importance of our northern partnerships.”

Financial

The third pillar of sustainability is sound, long-term financial planning. As a non-share, not-for-profit corporation, Edmonton Airports is mandated to manage the region’s aviation assets to support and advance the region’s economic development. Central to that goal is striking a balance between providing high-value services and sound financial stewardship.

“We work hard to run a highly efficient operation. In order to minimize costs to our partners and customers, we are focused on developing non-aeronautical revenue,” says Ralph Peterson, VP Finance & CFO. “This strategy allows us to keep fees charged to airlines and travellers as low as possible, which positions us competitively when pursuing new air services that benefit our region.”

These kinds of synergies will continue to drive sustainability at EIA and position the company as an airport of the future, recognizing and strengthening the vital links between community, the environment and economic growth.

COMMUNITY INVOLVEMENT

Edmonton’s world-renowned festivals are a great source of pride for our community and attract visitors from around the world. Showcasing our status as a Festival City, Live All Year welcomes live performances, interactive activities, and artistic displays to the airport terminal to promote Edmonton’s many special events. Live All Year represents just one of many sponsorship opportunities identified by EIA’s Community Investment Program.

Sponsorship program highlights for 2008 include:

- TELUS World of Science (Bodyworlds)
- Dreams Take Flight
- STARS
- Edmonton Sun’s Big Brothers/Big Sisters Climb for Kids
- Rexall Edmonton Indy
- Edmonton Tourism’s Live All Year
- Heritage Days
- Parade Program (EIA Team and Volunteers)
- The United Way
- You’re Welcome Edmonton Awards
- University of Alberta Centenary
- Western Canadian Music Awards
- 2008 World Junior AAA Baseball Championships

2008 DOMESTIC SCHEDULED SERVICE

Abbotsford	Montreal
Calgary	Norman Wells
Comox	Ottawa
Fort McMurray	Peace River
Fort Smith	Rainbow Lake
Fort St. John	Regina
Grande Prairie	Saskatoon
Halifax	Toronto
Hamilton	Vancouver
Hay River	Victoria
High Level	Whitehorse
Inuvik	Winnipeg
Kelowna	Yellowknife
Lethbridge	

**US/INTERNATIONAL
SCHEDULED SERVICE**

Cabo San Lucas	Phoenix
Cancun	Puerto Vallarta
Chicago	Mexico City
Denver	Mazatlan
Las Vegas	Manzanillo
London (Heathrow)	Salt Lake City
Los Angeles	San Francisco
Minneapolis	Seattle
Palm Springs	

CHARTER SERVICE

- Holguin
- London (Gatwick)
- Montego Bay
- Puerto Plata
- Punta Cana
- Varadero

FIVE-YEAR CORPORATE GOALS

THE FIVE-YEAR STRATEGIC GOALS ARE EXAMINED EACH YEAR AND ADJUSTED AS NECESSARY TO REFLECT THE RAPIDLY CHANGING COMMERCIAL AVIATION ENVIRONMENT

EMPLOYEES

By the end of 2013, Edmonton Airports will be recognized as a Top 100 Employer in Canada.

EFFICIENT GROWTH

By 2012, increase per enplaned passenger non-aeronautical revenue by exceeding the five-year average Alberta CPI. Achieve EBITDA (Earnings Before Interest Taxes Depreciation and Amortization) of not less than 55% of revenue.

CARGO AND LAND

By the end of 2012, complete phased land and aviation infrastructure development planning and financing, as well as the construction of at least three cargo-related facilities, to initiate the development of a large scale, integrated cargo village, on AirLINKS West lands in support of Port Alberta.

AIRLINE RELATIONSHIPS

By 2012, Edmonton Airports will be recognized for superior partnerships with airline customers by receiving the International Air Transport Association (IATA) Eagle Award.

CUSTOMER EXPERIENCE

Improve customer experience, resulting in a top 10 percent placing for overall customer satisfaction in the ASQ survey by 2012, evaluated for airports with 5-15 million passengers.

TERMINAL EFFICIENCY

Achieve a commercial passenger terminal capacity of 9 million annual passengers by 2013 that is 100% common use.

2008 ANNUAL REPORT

FINANCIALS

MANAGEMENT DISCUSSION & ANALYSIS

The following comments should be read in conjunction with the financial statements included in this report which have been prepared in accordance with Canadian generally accepted accounting principles.

Edmonton Regional Airports Authority (Edmonton Airports) operates the Edmonton International Airport (EIA), Edmonton City Centre Airport (ECCA), Cooking Lake Airport (CLA) and Villeneuve Airport (VA).

Edmonton Airports' intended purposes, as defined in the Regional Airport Authorities Act (Alberta), are to manage the airports for which it is responsible, in a safe, secure and efficient manner, and to advance economic and community development by promoting improved airline and transportation service and an expanded aviation industry. As a no-share, not-for-profit entity, the net earnings generated by Edmonton Airports must be applied toward these intended purposes.

In May, Edmonton Airports renewed its customer-focused commitment, when we launched the "EIA—we'll move you brand". The new brand ties together a fresh commitment to customer service, the implementation of time-saving technology and a five-year, \$1.1 billion capital expansion and development program.

The major undertaking contained within the five year, \$1.1 billion expansion and development is the \$1.0 billion airport expansion program at EIA called Expansion 2012. This expansion reflects EIA's shift from a small, regional airport to a medium-sized international airport serving northwestern Canada. EIA has been Canada's fastest-growing major airport for three years in a row and now serves over six million passengers annually, a nearly 50% increase in just three years. The expansion will almost double the number of aircraft gates and add some of the most modern air travel infrastructure in the world. By 2012, EIA will deliver one of the most innovative,

hassle-free airport experiences anywhere. While we work to build EIA's airport of the future, we are also equally focused on our customers' needs now. EIA will continue to offer new speed-enhancing technologies during construction: the online web check-in portal at flyeia.com, hotel web check-in areas, more check-in kiosks at more locations, and our north terminal flow-through check-in desks, which greatly speed up passenger flow.

Port Alberta, envisioned as an all-in-one cargo transportation system, is a broad regional springboard that will connect air, road, rail and even sea links to offer an integrated value-added shipping system for our region. During 2008, Western Economic Diversification Canada demonstrated its support for Port Alberta initiative by announcing a major development grant to drive the project forward. The Port Alberta partnership with development agencies, municipalities and others is anticipated to give this region one of the most crucial inland transportation hubs in North America.

In August, 1,000 stalls were opened in the new parkade expansion, followed by 2,700 new surface stalls in a remote lot that was built to handle peak-season demand throughout the year. Edmonton Airports also opened several new food and beverage operations such as Mountain Lodge restaurant, two new Starbucks and a Tim Hortons post-security in the domestic passenger lounge.

As an airport authority, the level of aviation activity at our airports is the primary driver of our revenue. In particular, activity at EIA has a large impact on the financial performance of Edmonton Airports. In 2008, EIA lead the country in seat capacity growth with 4%, bucking the trend of declines across Canada. Another strong performance indicator was EIA's 11% US growth compared to the 0.2% average decline across Canada (excluding Alberta). WestJet alone added 16 new flights to their Edmonton/US schedule. Air Canada, Jazz and Star Alliance partner

United Airlines also increased their Edmonton/US service, including 32% more seats than the previous year to their five key US hubs of Chicago, Denver, San Francisco, Los Angeles and Las Vegas.

Finally, strong international growth helped fuel EIA's biggest passenger count in the airport's history: almost 6.5 million travellers journeyed through EIA in 2008.

EDMONTON INTERNATIONAL AIRPORT PASSENGER STATISTICS 2006 – 2008

	2006	2007*	% increase	2008	% increase
Domestic	4,349,081	4,936,592	13.5	5,106,860	3.4
Transborder	693,378	810,318	16.8	943,911	16.5
International	171,533	317,700	85.2	386,563	21.7
Total	5,213,992	6,064,610	16.3	6,437,334	6.1

* 2007 has been restated.

As a northern gateway, EIA serves 11 northern communities, and is growing as a regional hub. Passengers from Grande Prairie, Fort McMurray, Yellowknife and Saskatoon using EIA to connect to other destinations increased by 7% over 2007. Overall, passenger levels (EIA as final destination and connections through EIA combined) from these four important markets was up by 6% over 2007. Passenger traffic from Fort McMurray led the way with 17% more connections and 10% growth.

During 2008, 4 new non-stop destinations were announced, bringing the total non-stop destinations served by EIA to 52, including 10 non-stop destinations to the United States.

US Quick Connect which opened in early December has quickly evolved EIA into the connecting airport for the significant northern development. When connecting in Edmonton to one of our 10 non-stop US destinations, EIA's US Quick Connect now offers easy, convenient connections. Connecting passengers can proceed from their arriving domestic flight

straight to US Preclearance, without having to collect, and then re-check luggage. It also allows connecting passengers to enjoy the wide range of amenities in the domestic passenger lounge.

In 2008, total reported cargo volumes at EIA increased by approximately 1.6% from 2007.

As a consequence of the continuing robust growth in passenger and air traffic, and in recognition of the continued cost pressures facing the airline industry, Edmonton Airports has for the fourth year in a row frozen all significant aeronautical rates. Aircraft landing fees, aircraft loading bridge fees, common use counter fees, aircraft terminal fees and aircraft parking fees will remain at 2005 levels for airlines using EIA in 2009.

2008 FINANCIAL PERFORMANCE

In 2008, Edmonton Airports had net earnings of \$19.9 million compared to net earnings of \$24.4 million in 2007, a decrease of \$4.5 million (-18.4%). Positive operating cash flows were maintained and all debt covenants were achieved.

REVENUE

Edmonton Airports' revenue increased by \$11.6 million (10.0%) for the year to \$127.3 million.

The Airport Improvement Fee (AIF) is the primary source of funding used to pay interest and principal on the revenue bond and debentures issued for the redevelopment and expansion of EIA airport facilities. This source of revenue is derived from a fee levied on passengers departing EIA. Revenue from this fee increased by \$1.2 million (3.1%) over 2007 to \$40.5 million. The increase resulted from higher passenger volumes in 2008. In 2007, additional revenue of \$1.1 million was received from two airlines based on reviews of their AIF remittances for 2006 and 2007.

Revenue from airline activity (airside and general terminal revenue) increased by \$2.1 million (6.0%) over 2007. The increase results from an increase in billable commercial airline activity at EIA.

Edmonton Airports also earns revenue from commercial operations that include parking, concession, ground transportation, and real estate activities. Growth in these areas generates additional revenue contributing to a lower cost operating environment for airlines. Concession revenue at \$39.0 million was \$7.6 million (24.2%) higher than earned in 2007. The largest component of this increase was in car parking (\$6.9 million). This increase results from an increase in passenger volumes and the full year impact of two rate increases (20% in June and 10% in December) in 2007. The increase in passenger volumes also resulted in increased revenues (\$0.7 million) derived from food and beverage outlets as well as other terminal

concessions. Real estate revenue at \$3.7 million was \$0.5 (15.6%) million higher than 2007. This change results from negotiated increases in land lease rates and the full year impact of leases concluded in 2007.

Edmonton Airports recovers certain police and security expenses through a per passenger charge to airlines. Police and security fee revenue increased by \$0.3 million (5.6%) to \$5.7 million in 2008. This increase represents the recovery of increased costs to provide the service.

EXPENSES

In 2008, Edmonton Airports incurred expenses of \$107.3 million, an increase of \$16.1 million (17.7%) from 2007.

As a result of on-going capital investment, amortization costs for 2008 increased by \$5.5 million (27.0%) to \$25.9 million. This increase reflects the full-year impact of additional capital assets placed into service during 2007, and the partial-year impacts of new assets placed into service during 2008.

Salaries and employee benefits increased in 2008 by \$3.3 million (17.7%) over 2007. This increase is the result of a full year's impact of positions added during 2007 in response to the significant increases in activity over the last several years and to deliver Edmonton Airports' annual and expansion capital plans. On April 10, 2008 the General Bargaining Unit ratified a new 5-year collective agreement. The agreement includes wage escalation increases of 4% in each of the first 3 years, 4.5% in the 4th year and 5.0% in the 5th year. The fire-fighters increase was approximately 5% in 2008. Employee benefit costs increases were in line with the increases in salaries.

Services, maintenance, supplies and administration expenses for 2008 totalled \$20.5 million, an increase of \$3.6 million (21.3%) over 2007. Material and supply costs were \$0.6 million higher than 2007 primarily as a result of higher usage of electrical and mechanical

maintenance supplies and higher fuel costs due to increased prices. Repair and maintenance costs were \$1.3 million higher than in 2007 primarily due to an increase in janitorial, electrical, and mechanical service contract rates. This was necessary to match increased labour costs in the region in order to retain qualified personnel. Also the level of government contributions to baggage systems maintenance costs were below those of 2007 as last year's amount included contributions for the years 2005 and 2006. Office and administration costs were \$0.3 million higher primarily due to the increased credit card services charges related to parking operations. Professional fees were \$0.6 million higher in 2008 due to increased concession lease negotiation costs and increased engineering studies that did not result in capital projects. Advertising and promotion costs were \$1.7 million higher in 2008 due to a one-time contribution to a tenant's capital costs for construction of new aviation related facilities and for costs to develop and launch the new EIA brand. Public relation costs increased due to increased community sponsorships.

In 2008, interest expense was \$19.0 million, an increase of \$2.4 million (14.5%) from 2007. Edmonton Airports' interest costs represent the interest on the \$250 million revenue bond issued in October 2000 and the \$190 million in fixed rate debentures issued to the Alberta Capital Finance Authority (ACFA) since 2006 offset by any interest earned on cash balances and any capitalized interest associated with construction in progress. The increase in 2008 results from additional interest paid on new ACFA borrowings in 2008, reduced interest income from lower average cash balances and is partially offset by an increase in the amount of interest capitalized.

Utilities, property taxes and insurance expenses for 2008 totalled \$7.2 million, an increase of \$1.0 million (16.1%) over 2007. Utility costs were \$0.6 million higher in 2008 due to higher electricity consumption from increased activity and higher natural gas unit

rates in 2008. The increase in property taxes of \$0.5 million resulted from an increase in the market value assessment of the EIA. This increase was partially offset from lower insurance premiums of \$0.1 million.

Police and security expenses for 2008 totalled \$5.5 million, an increase of \$0.4 million (7.8%). The change was the result of a planned increase in contract labour costs.

The previous Canada Lease for EIA required Edmonton Airports to calculate and pay rent utilizing formulas which took into account annual airport revenues and operating costs and an estimate of passenger traffic. In December 2005, Edmonton Airports finalized amendments to its ground lease with the Government of Canada. The amended Canada Lease requires Edmonton Airports to pay predetermined escalating Canada Lease Rent amounts during the transition period 2006 through 2009. Since these amounts are known for the transition period, the aggregate of the payments for the transition period are allocated to expense on a straight line basis, consistent with the accounting requirements for an operating lease. Therefore, Canada Lease Rent expense was unchanged from 2006. Actual Canada Lease Rent paid during 2008 was \$4.9 million (2007 - \$4.8 million). Effective 2010, Canada Lease Rent will be based on a percentage of gross revenues at EIA, including AIF revenues, on a progressive scale as follows:

<u>Gross Revenues</u>	<u>Rent Paid</u>
On the first \$5 million	0%
On the next \$5 million	1%
On the first \$15 million	5%
On the first \$75 million	8%
On the first \$150 million	10%
On the any amount over \$250 million	12%

AIF collection costs for 2008 totalled \$2.5 million, an increase of \$0.1 million (4.2%) over 2007. This expense category includes the fees paid to the airlines for collecting the AIF on Edmonton Airports' behalf. The increase in collection costs results from higher passenger traffic and the resulting increase in AIF revenues.

In 2008, there was a small gain on the disposal of assets related to the sale of equipment and from insurance proceeds related to a vehicle accident. There was also an exchange gain of \$0.1 million related to the US dollar bank account. This account is used to pay US dollar purchases and to hold US dollar remittances from aeronautical and AIF fees received from several US air carriers.

EDMONTON CITY CENTRE AIRPORT

Included in the revenue and expenses reviewed above are revenues of \$4.5 million (2007 - \$4.3 million) and expenses of \$3.5 million (2007 - \$3.8 million) for ECCA.

Total revenue was up \$0.2 million when compared to 2007 levels. Aeronautical revenue was down \$0.2 million. Landing fee revenue was higher due to an increase in landing fee rates but this was more than offset as a consequence of a reduction in the landed seat fee from \$15.00 to \$12.00 per landed seat effective April 1, 2008. Concession revenue was higher due to an increase in the utilization of the parking structure during 2008. Real estate revenue also increased as a result of new leases with two tenants.

The decrease in expenses in 2008 of \$0.3 million resulted partially from savings associated with the termination of the airport operations contract. Salaries and benefits were higher as 2008 reflects a full year's impact of using Edmonton Airports' personnel instead of contracted services for the operation of the airport. This increase was more

than offset by a reduction in contracted services.

CAPITAL ASSET MANAGEMENT

In 2008, Edmonton Airports invested \$91.7 million in capital assets (2007 - \$90.9 million), of which \$91.3 million applies to EIA.

EXPANSION CAPITAL PLAN (ECP)

On December 7, 2006 the Board of Directors approved as part of the 2007 – 2011 Strategic Plan an ECP totalling \$200 million. The major elements of this plan included construction of the parkade expansion, air terminal building expansion, building systems rehabilitation and replacement, control tower rehabilitation, storm water system enhancement, land development and major apron and de-icing facility expansions.

On June 23, 2007, the Board of Directors approved an additional \$25.3 million to the ECP to fund an expansion of surface parking, development of a new park and ride lot, acquisition of fire training equipment, and additional funding to upgrade the storm water system.

On September 27, 2007, Edmonton Airports Board of Directors approved, as part of the 2008 -2012 Strategic Plan, a significantly expanded capital program the major component of which was subsequently called "Expansion 2012".

Expansion 2012 consists of four major projects: an Apron Expansion to be completed in 2010 which consists of approximately 240,000 square metres of aircraft parking and loading space, including de-icing areas adjacent to the terminal; Terminal Expansion to be completed in 2012 which through the delivery of efficient common use platforms and new technologies will add 13 new aircraft gates, allow for new food and beverage retail outlets, and enable efficient airline operations; a new Office and Control Tower complex that will

also include expanded retail and office space, a new NavCanada control tower and an integrated baggage facility to allow baggage drop-off at any designated location in the terminal; and finally a Central Utilities Plant Expansion to provide for the additional heating and cooling required for the new terminal and office control tower developments. Expansion 2012, when combined with the recently completed parkade expansion, will result in the investment of approximately \$1.0 billion at the International Airport. This increased investment is required to support the passenger growth that is expected to occur over this period. On March 19, 2008 Edmonton Airports finalized a new financing arrangement with ACFA to finance this expansion. The new arrangement increases by \$800 million the existing \$200 million Credit Facility 1. The existing covenants and collateral contained and pledged in Credit Facility 1 did not change as a result of this increase.

During 2008 \$79.7 million (2007 - \$73.8 million) was invested in the construction of projects in the ECP.

SUSTAINING CAPITAL PROGRAM (SCP)

In addition to the investment in the ECP in 2008, a further \$11.6 million (2007 - \$16.9 million) was invested in ongoing capital expenditures at all four airports. The most significant projects included various parking and roadways paving and existing apron rehabilitation projects for \$3.4 million, common use terminal equipment for \$0.4 million, terminal and building systems rehabilitation for \$4.6 million, vehicle and maintenance equipment purchases for \$1.0 million and various other smaller projects totalling \$2.1 million.

Edmonton Airports' credit ratings of A1 (Moody's), A+ (Standard & Poor's) and A High (Dominion Bond Rating Service) have been affirmed.

Principal and interest on the revenue bond and ACFA debentures are paid through revenues from

the AIF that was implemented on April 12, 1997. To December 31, 2008, Edmonton Airports has incurred capital expenditures and related financing costs of \$594.7 million (2007 - \$495.7 million) compared to AIF revenue of \$267.1 million (2007 - \$229.1 million) as shown in the table following.

AIF Reconciliation – As at December 31, 2008

(in thousands of dollars)

AIF revenue (net):	
AIF revenue	286,048
AIF collection costs	(18,933)
	<hr/>
	267,115
Expenditures:	
Qualifying capital expenditures	(457,880)
Related financing costs	(136,831)
	<hr/>
	(594,711)
Excess of expenditures over AIF revenue (net)	<u>(327,596)</u>

The deficit will be eliminated through continued collection of AIF fees.

OUTLOOK

The global credit crunch and sharp rise in commodity prices led to a marked slowdown in global economic growth in 2008. Since then the global, Canadian and Alberta economies have seen significant challenges, and financial and commodity markets for gas and oil continue to be under stress. This has continued for a much longer period than most economists originally envisaged when the turmoil escalated in the fall of 2008. The global airline industry has been impacted like other industries and is expected to see weaker demand into 2009 and profitability is expected to be challenging for many airlines. This could potentially result in continued adjustments to seat and flight capacity as airlines focus on cost reduction.

Alberta, and in particular northern Alberta, including Edmonton, is expected to do better than most industrialized economies during this economic downturn, however there will be challenges. The gross domestic product for the region is expected to contract slightly in 2009 but return to more normal growth starting in 2010. Attracting employees has been a challenge in the past, this is expected to moderate somewhat with unemployment rates in the 5-6% range over the next 1-2 years. Inflation, both consumer and construction, are expected to moderate to more normal levels in 2009, down significantly from pre-2009 levels. This will have an impact on passenger and cargo traffic with more modest growth over the next 5 years in comparison to the double digit growth that has been experienced in the past 5 years.

The current economic conditions may also have an impact on the pension plan of Edmonton Airports. Given current market conditions there can be no assurance that the pension plan will be able to earn the assumed rate of returns on the plan's assets. These conditions may also result in changes in the discount rates and other variables which may require Edmonton Airports to make cash contributions in the future that differ significantly from those currently

being made. The current conditions could also result in changes to the assumptions used in the actuarial valuation process.

PASSENGER TRENDS

Passenger demand continues to be driven by global economic growth, the liberalization of trade and the emergence of new routes and services. As the world economy recovers and grows over the next five to ten years, the focus of global airline alliances will be towards the Asia-Pacific, Indian Subcontinent and Middle East regions. As well, the recent expansion of the European Union and growth of low-cost carriers (LCC) is expected to drive European domestic airline traffic to overtake the North American domestic market in the near term. The North American market is expected to experience the reverse of the European phenomenon, with constrained domestic growth in the short-term and capacity transfers to stronger international routes. Domestic markets are expected to then recover in the medium to long term.

The global economy is diversifying, with developing regions and new business sectors bringing more balance to the world. In the near future, it is anticipated that many markets will receive a strong boost as governments ease regulations that have previously restricted market access. New Open Skies agreements between the European Union and the United States and Canada further improve the market conditions. Further liberalization is expected in Asian and North African markets, with a continuing long-term trend toward opening up markets worldwide.

In Canada, both WestJet and Air Canada continue to experience record load factors as they rationalize capacity to maintain passenger yields. Both have additional aircraft on order to be delivered over the coming years. Based on the projected fleet growth of both Canadian majors, by 2013 there are expected

to be over 50 additional aircraft operating in Canada, and depending on the number of aircraft retired over this time, a 10% increase in fleet size could be achieved.

As commodity prices stabilize growth in the resource sector can be expected to continue to drive new passenger demand into northern Alberta and north western Canada. WestJet and Air Canada have had good success in Grande Prairie and Fort McMurray, with Fort McMurray being one of the fastest-growing airports in Canada for the last few years. Air Canada and WestJet have added new flights from both these communities to Edmonton and Calgary over the past few years, and with their success in northern Alberta they have looked at selectively entering other northern markets with new flights and seat capacity. Overall this drives solid growth in connecting passengers through EIA.

The airline industry saw a challenging 2008 with very volatile fuel prices and weakening demand as two of the key elements. Canada, and most of the world, is expected to see continued challenges in 2009 as demand weakens with the economic downturn. Fuel prices are expected to provide some relief as previously arranged future contracts expire during the year. In addition, most carriers undertook various capacity adjustments in late 2008 and early 2009 which should also provide some easing for the air carriers' financial situation. Some air carriers are expected to seek improved contractual arrangements with their employees as they enter into various labour negotiations during 2009. Finally, carriers that need to seek new financing or arrange for replacement financing will continue to see some challenges as the credit markets remain constrained.

CARGO

On a global perspective, air cargo currently accounts for 40% of the total value of global trade, but less than 3% of the total volume. Led by the emergence of the

Asian economy, air cargo is growing at a rate that exceeds passenger demand.

Independent forecasts prepared by the major aircraft manufacturers (Airbus and Boeing) indicated long-term growth rates of 5.8% per year for the cargo industry, based primarily on anticipated underlying worldwide economic growth. Each of these forecasts also calls for an expansion in the use of freighter activity through their forecast period. With the most significant increases attributed to Asian carriers to accommodate both cargo activity and freighter aircraft operation increases, airport cargo facilities will require proper development plans and timing of execution. Boeing estimates that the number of freighter aircraft will double by 2027 with the number of large freighters increasing from 26-35% of the fleet.

Canada lags the global cargo markets in trade liberalization. Despite recent announcements of Open Skies agreements, unilateral air cargo liberalization restricts Canadian markets from capitalizing on global opportunities, while other nations pursue significant changes in trade access to improve market opportunities. The Federal Blue Sky air policy framework will contribute to growth in this area as it is implemented.

AIRCRAFT MOVEMENTS

Aircraft movements at EIA are dependent on the aircraft size serving the passenger market. With an increase in regional jets and frequency of service, movements have increased in recent years. As passenger service develops at EIA and carriers match capacity to demand, the passenger will typically be absorbed through increased load factors resulting in commercial passenger movements growing at lower rates than passengers. Aircraft movements at EIA were up 1.9% from 130,704 in 2007 to 133,243 in 2008.

Aircraft movements at ECCA were down 5.1% from 86,574 in 2007 to 82,192 in 2008. The majority of

movements at ECCA are general aviation related to a wide variety of activity including: non-scheduled commercial activity (charters), corporate aviation, government activity, surveying, flight training, personal business flying, recreational activity and medevac.

All aircraft activity at Villeneuve and Cooking Lake is general aviation with the significant portion at Villeneuve, 70-80%, consisting of local movements related primarily to flight training activity.

Aircraft Movement Statistics 2007-2008

Airport	2007	2008	% Change
EIA	130,704	133,243	1.9
ECCA	86,574	82,192	-5.1
VA	69,003	65,461	-5.1
Total	286,281	280,896	-1.9

FIVE-YEAR FINANCIAL INFORMATION

The following five-year outlook is based on realistic but current conservative assumptions that are considered most likely given the economic climate expected to occur over the forecast period. Critical supporting assumptions relate to passenger volumes, passenger utilization of parking, concession and retail services, new revenues from land leases and capital investment.

(in thousands of dollars)	2009	2010	2011	2012	2013
Revenue					
Airport Improvement Fee (net of collection costs)	42,609	52,947	55,067	72,284	76,708
Airside and General Terminal	37,307	38,186	38,977	41,164	45,056
Concessions and Other	52,309	57,607	61,907	68,259	75,794
Total Revenue	132,225	148,740	155,951	181,707	197,558
Expenses					
Operating Expenses	61,220	64,515	67,715	70,750	72,145
Canada Lease Rent	4,903	11,529	12,271	14,965	16,497
Total Expenses	66,123	76,044	79,986	85,715	88,642
Earnings before Interest and Amortization	A 66,102	72,696	75,965	95,992	108,916
Interest (net)	B 21,069	27,710	39,316	50,245	55,489
Available Cash Flow (A-B)	45,033	44,986	36,649	45,747	53,427
Amortization	26,137	23,197	26,809	35,528	51,944
Net Earnings	18,896	21,789	9,840	10,219	1,483
Maintenance Capital Expenditures	C 16,744	14,225	15,056	13,510	13,700
Debt Service Amount					
Principle Payments	10,106	18,014	27,481	33,601	37,162
Interest Payments	26,256	29,955	41,247	52,192	57,535
Debt Service Amount	D 36,362	47,969	68,728	85,793	94,697
Debt Service Coverage Ratio (A/D) Required >1.00	1.82	1.52	1.11	1.12	1.15
Interest Coverage Ratio ((A-C) /B) Required >1.25	2.34	2.11	1.55	1.64	1.72

CAPITAL EXPENDITURES

ECP projects related to Expansion 2012 have been identified to meet our future capacity requirements. The following table summarizes the projected expansionary infrastructure investment that is required for the next five years at EIA.

(in millions of dollars)	2009	2010	2011	2012	2013	Total
Estimated aggregate capital	134.2	251.0	283.2	148.5	50.1	867.0

The following table summarizes the projected sustaining infrastructure investment for the next five years.

(in millions of dollars)	2009	2010	2011	2012	2013	Total
Estimated aggregate capital	16.7	14.2	15.1	13.5	13.7	73.2

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

On February 13, 2008, the Canadian Accounting Standards Board (AcSB) published a press release confirming the mandatory transition date to IFRS which will replace Canadian Generally Accepted Accounting Principles (GAAP) for Publicly Accountable Enterprises (PAEs). The current definition of publicly accountable enterprises include those that issue debt or equity instruments in a public market or those that hold assets in a fiduciary capacity for a broad group of stakeholders. Edmonton Airports has considered the nature of its operations along with the fact that it has obtained access to public funds for infrastructure development and that it holds assets in a fiduciary capacity for a broad spectrum of stakeholders in the community. Edmonton Airports has concluded that it does have public accountability and will therefore be adopting IFRS.

Edmonton Airports has adopted a three phase approach to the IFRS conversion process. Phase I, completed in 2008, included an analysis of the existing financial reporting environment and identified the key areas that will be impacted by the conversion to IFRS. Phase II, to be completed in quarters two and three of 2009, consists of project

set-up, component evaluation and issue resolution activities which include a review and evaluation of the different accounting policy differences under IFRS and their impacts when selecting from appropriate IFRS accounting policy alternatives. Based upon the accounting policy decisions any new or additional date requirements will be identified and sourced and any accounting treatment issues will be resolved. The last component of Phase II, initial conversion, results in the preparation of the IFRS GAAP adjustments to the financial statements, the preparation and review of the IFRS compliant financial statements and the required changes to documents and controls over financial reporting. Finally Phase III, change integration, to be completed in the fourth quarter of 2009, is the conversion process to fully compliant IFRS financial statements.

PUBLIC COMPETITIVE TENDERING

Edmonton Airports, in accordance with its lease with the Government of Canada, is required to report on all contracts in excess of \$110,980 (\$75,000 in 1992 dollars) that were entered into during the year and were not awarded on the basis of a public competitive tendering process. Such reporting shall identify the parties, amount and nature and circumstances of the

contract, and the reasons for not awarding the contract on the basis of a public competitive tendering process. Edmonton Airports entered into 8 contracts in excess of \$110,980 (\$75,000 in 1992 dollars) that, for the reasons outlined below, were not awarded on the basis of a public competitive tendering process.

2008 Sole Source Contracts Over \$110,980 (based on 2008 CPI Index)

Vendor	Description	Value	Basis for Selection
Noyen Construction	Earthworks South Apron Expansion	\$5,681,889	D,G
Donovan Creative	Advertising and production	\$2,057,000	D, F
Cobus Industries	Purchase of apron loading buses	\$1,191,400	E
Eagle Airfield	Sweeper Replacement	\$768,900	A, D
ARINC Managed Services	Purchase and installation of common use (CUSS) kiosks	\$728,651	A,D,F
ARINC Managed Services	Purchase and installation of common use (CUSS) kiosks	\$277,341	A,D,F
Trihedral Engineering	Supply and installation of Baggage Image Weight Information System for the Nexus Flow Through	\$254,602	B
TELUS	High Speed 30MBPS Business Internet Service (3 Years)	\$146,160	A

SOLE SOURCE CODE (BASIS FOR SELECTION)

A - Introduction of products from other vendors would cause operational impacts and incur additional maintenance cost or affects the equipment standardization program.

B - A vendor has a monopoly on the technology or service because of a patent, licensing rights or proprietary system.

C - The goods and services are required due to an emergency in which delay would be injurious to Edmonton Airports. An emergency is described when unforeseen circumstances arise where goods and services are needed to prevent loss of life or property or continuation of essential services or any event that is deemed to compromise the health, safety and security of Edmonton Airports' employees, tenants or customers.

D - The vendor was awarded a contract for goods or services as a result of previous competitive process and has no prior performance issues.

E - There is only one qualified vendor available when all factors are considered. Factors must be clearly specified as to why they have the specific skills, experience, and any special expertise.

F - A strategic alliance/partnership can be formed with one vendor in order to take advantage of current technology and expertise.

G - Consistent with sound business practices and our guiding principles an alliance/partnership can be formed with one supplier in order to significantly promote the strategic objectives of Edmonton Airports.

ACCOUNTABILITY

Edmonton Airports' public accountability requirements with respect to planning, reporting, conduct and operational effectiveness are documented in its leases with the Government of Canada and the City of Edmonton, and the appropriate Provincial Legislation, including the Regional Airports Authorities Act. These agreements and legislation set out specific requirements with respect to such matters as business ethics, conflict of interest, audit, periodic performance reviews and disclosure. In addition to information included in the 2008 Management Discussion and Analysis above, the following items require disclosure.

BUSINESS AND STRATEGIC PLANS

The Executive Summary of Edmonton Airports' 2009 Business Plan and 2009-2013 Strategic Plan are available at www.flyeia.com.

CONFLICT OF INTEREST

In accordance with the lease agreement with the Government of Canada and the Regional Airport Authorities Act, Edmonton Airports confirms that it has an appropriate Conflict of Interest Policy and that it is in compliance with that policy.

CONCLUSION

Edmonton Airports confirms its compliance, in all material respects, with the public accountability requirements documented in airport leases with the Government of Canada and the City of Edmonton as well as with Provincial Legislation, including the Regional Airports Authorities Act.

Edmonton Regional Airports Authority

FINANCIAL STATEMENTS

December 31, 2008 and 2007

REPORT OF MANAGEMENT

The financial statements of the Edmonton Regional Airports Authority (“Edmonton Airports”) are the responsibility of management and have been approved by the Board of Directors. These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles, and include disclosures otherwise required by laws, regulations and agreements to which Edmonton Airports is subject. These financial statements also include amounts that are based on estimates and judgments, which reflect currently available information. Edmonton Airports has developed and maintains accounting procedures and related systems of internal controls that are designed to provide reasonable assurance that its assets are safeguarded and that its financial records are reliable.

PricewaterhouseCoopers LLP, an independent firm of chartered accountants, has been appointed by the Board of Directors as external auditors of Edmonton Airports. The Auditors’ Report to the Board of Directors, which describes the scope of their examination and expresses their opinion, is presented herein.

The Board of Directors has appointed an Audit Committee, whose members are not employees of Edmonton Airports. The Audit Committee meets with management and external auditors at least four times a year to review any significant accounting, internal control and auditing matters. They also review and recommend the annual financial statements of Edmonton Airports to the Board of Directors for approval.



REG MILLEY
[PRESIDENT & CHIEF EXECUTIVE OFFICER]



RALPH W. PETERSON, CA
[VICE PRESIDENT, FINANCE, CHIEF FINANCIAL
OFFICER & CORPORATE SECRETARY]

Edmonton, Canada
March 16, 2009

AUDITORS' REPORT

To the Board of Directors of Edmonton Regional Airports Authority

We have audited the statement of financial position of Edmonton Regional Airports Authority as at December 31, 2008 and the statements of operations and equity in property, plant and equipment, comprehensive income and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

CHARTERED ACCOUNTANTS

Edmonton, Canada

March 16, 2009

STATEMENTS OF FINANCIAL POSITION

As at December 31, 2008 and 2007

(in thousands of dollars)

	2008	2007
	\$	\$
ASSETS		
Current assets		
Cash in interest bearing accounts	20,832	17,255
Short-term investments	102,163	34,118
Accounts receivable (note 5)	14,148	12,164
Prepaid expenses and other	3,726	2,276
	140,869	65,813
Interest bearing deposits (note 7(a))	11,747	11,417
Deferred pension asset (note 8)	5,597	4,196
Lessee receivable	368	490
Property, plant and equipment (note 6)	438,622	373,173
	597,203	455,089
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 6(b))	29,834	22,101
Current portion of long-term debt	8,837	4,529
Current portion of deferred revenue	1,248	1,186
Current portion of obligations under capital leases	-	25
	39,919	27,841
Tenants' security deposits	998	996
Deferred revenue (note 10(a))	13,183	14,108
Long-term benefits payable (note 8)	2,896	2,345
Long-term debt (note 7)	418,128	307,579
	475,124	352,869
Contingencies (note 11)		
Commitments (note 12)		
EQUITY IN PROPERTY, PLANT AND EQUIPMENT		
Contributed capital (note 3(b))	3,805	3,805
Equity in property, plant and equipment	118,274	98,415
	122,079	102,220
	597,203	455,089

See accompanying notes to financial statements.

Approved by the Board of Directors



CHAIR



CHAIR—AUDIT COMMITTEE

STATEMENTS OF OPERATIONS AND EQUITY IN PROPERTY, PLANT AND EQUIPMENT

For the years ended December 31, 2008 and 2007

(in thousands of dollars)

	2008	2007
	\$	\$
REVENUE		
Airport improvement fee (note 9)	40,457	39,322
Concession and parking	38,981	31,420
Airside and general terminal	37,331	35,241
Police and security	5,714	5,375
Real estate leases	3,655	3,202
Other revenue (note 10(b))	1,137	1,110
	127,275	115,670
EXPENSES		
Amortization (note 6(c))	25,931	20,377
Salaries and employee benefits	21,864	18,605
Service, maintenance, supplies and administration	20,461	16,931
Interest (note 7(d))	18,988	16,622
Utilities, insurance and property taxes	7,224	6,230
Police and security	5,453	5,090
Canada Lease Rent (note 3(a)(iii))	4,903	4,903
Airport improvement fee collection costs (note 9)	2,481	2,398
	107,305	91,156
Earnings before the undernoted	19,970	24,514
Other (expenses) income		
Gain (loss) on foreign exchange	138	(132)
Gain on disposal of property, plant and equipment	23	45
Retirement of property, plant and equipment	(272)	(6)
	(111)	(93)
Net earnings for the year	19,859	24,421
Equity in property, plant and equipment – Beginning of year	98,415	73,994
Equity in property, plant and equipment – End of year	118,274	98,415

See accompanying notes to financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the years ended December 31, 2008 and 2007

(in thousands of dollars)

	2008	2007
	\$	\$
Net earnings for the year	19,859	24,421
Other comprehensive income	-	-
Comprehensive income	19,859	24,421

See accompanying notes to financial statements.

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2008 and 2007

(in thousands of dollars)

	2008	2007
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Cash receipts from customers	124,234	112,227
Cash paid to employees and suppliers	(55,593)	(49,310)
Cash paid to the landlord	(4,770)	(4,820)
Interest received	3,300	3,752
Interest paid	(22,288)	(20,374)
	44,883	41,475
FINANCING ACTIVITIES		
Deferred pension costs	(1,401)	(1,508)
Capital contributions	194	310
Increase in tenants' security deposits	2	110
Principal payment under capital lease obligation	(25)	(45)
Repayment of long-term debt	(5,143)	(3,157)
Proceeds from long-term debt	120,000	50,000
	113,627	45,710
INVESTING ACTIVITIES		
Net purchase of short-term investments	(68,045)	(17,471)
Net purchase of interest bearing deposits	(330)	(458)
Lessee loan repayments	122	117
Purchase of property, plant and equipment	(86,718)	(83,985)
Proceeds on sale of property, plant and equipment	38	45
	(154,933)	(101,752)
Increase (decrease) in cash	3,577	(14,567)
Cash in interest bearing accounts – Beginning of year	17,255	31,822
Cash in interest bearing accounts – End of year	20,832	17,255

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 2008 and 2007

(in thousands of dollars, unless otherwise noted)

1 Nature of operations

The Edmonton Regional Airports Authority (“Edmonton Airports”) was incorporated on July 26, 1990 under the provisions of the Regional Airports Authorities Act (Alberta) (the “Act”) for the purposes of managing the airports for which it is responsible in a safe, secure and efficient manner, and to advance economic and community development by promoting improved airline and transportation service and an expanded aviation industry. In accordance with the provisions of the Act, all of Edmonton Airports’ surpluses shall be applied towards promoting its purposes and no dividends may be paid out of the surpluses. Surpluses in these financial statements are described as equity in property, plant and equipment.

Edmonton Airports’ income is generated from airport-related operations and is exempt from income taxes.

Six Edmonton area municipalities are Appointers for Edmonton Airports. These Appointers have the right to appoint 11 of Edmonton Airports’ 15 directors. Pursuant to the Amended Canada Lease described in note 3(a)(i), the Government of Canada has the right to appoint two of the directors. In addition, the Board of Directors has the right to appoint two directors.

Edmonton Airports operates the Edmonton International Airport (“International Airport”), Edmonton City Centre Airport (“City Centre Airport”), Cooking Lake Airport and Villeneuve Airport.

2 Significant accounting policies

These financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada for commercial enterprises. Edmonton Airports is a going concern which assumes that it will be able to continue operation into the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of

business. Because the precise determination of many assets, liabilities, revenues and expenses are dependent on future events, the preparation of financial statements for a period necessarily includes the use of estimates and approximations which have been made using careful judgment. Actual results could differ from those estimates. Material estimates in the financial statements include amortization and long-term benefits payable. These financial statements have, in management’s opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

a) Short-term investments

Short-term investments comprised of pooled money-market funds are recorded at fair value.

b) Lease of airport facilities

The lease of the International Airport facilities from the Government of Canada (the “Landlord”) and the lease of the City Centre Airport facilities from the City of Edmonton (the “City”) are accounted for as operating leases.

NOTES TO FINANCIAL STATEMENTS

December 31, 2008 and 2007

(in thousands of dollars, unless otherwise noted)

c) Property, plant and equipment

Property, plant and equipment are recorded at cost and include only the amounts expended by Edmonton Airports. Property, plant and equipment do not include the cost of the facilities which are leased from the landlords. Incremental interest incurred during the construction of property, plant and equipment is included in cost. Amortization is provided using the straight-line method at the following annual rates:

Terminal and facilities (excluding leased facilities)	2.5 – 10.0%
Machinery and equipment	
Vehicles and maintenance equipment	12.5 – 20.0%
Furniture and equipment	20.0%
Computer hardware and software	25.0 – 50.0%
Shop tools and equipment	20.0%
Office equipment under capital lease	Over the term of the lease

d) Revenue recognition

Edmonton Airports recognizes revenues when received or receivable if the amount to be received can be reasonably estimated and if collection is reasonably assured. Edmonton Airports credits all funds received from government capital assistance to deferred revenue and amortizes that amount to revenue over the expected life of the underlying asset for which the contribution was received.

Revenue is recognized when the services are performed except as follows:

- Airport improvement fee (“AIF”) revenue is recognized based upon monthly remittances from air carriers.

- Concession revenue is recognized based upon the greater of agreed percentages of reported concession sales and specified minimum rentals over the terms of the respective leases.
- Real estate revenue is recognized on a straight-line basis over the terms of the respective leases.

e) Employee future benefits

Edmonton Airports, which accrues its obligations under employee benefit plans as the employees render the services necessary to earn the pension and other employee benefits, has adopted the following policies.

- The cost of pensions and other retirement benefits earned by employees is actuarially determined using the projected benefit method pro-rated on service and management’s best estimate of expected plan investment performance, salary adjustments and retirement ages.
- For the purpose of calculating expected return on plan assets, those assets are valued at fair value as reported by the Pension Plan trustee.
- Transitional surplus is amortized on a straight-line basis over the average remaining service period of employees.
- The excess of the net actuarial gain/loss over 10% of the greater of the benefit obligation and the fair value of plan assets is amortized over the average remaining service period of active employees which is 11 years (2007 – 11 years).

f) Financial instruments

All financial instruments are classified into one of the following categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities.

Financial instruments classified as held for trading are measured at fair value with changes in fair value recognized in earnings.

NOTES TO FINANCIAL STATEMENTS

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Financial instruments classified as available for sale are measured at fair value using quoted prices in an active market. Changes in fair value are recognized in other comprehensive income until the item is derecognized or determined to be impaired, at which time the cumulative gain or loss previously reported in other comprehensive income is recognized in earnings. When actively quoted prices are not available, fair value is determined using other valuation techniques. If fair value cannot be reliably estimated, the item is carried at cost.

Financial instruments classified as held to maturity investments, loans and receivable or other liabilities are measured at fair value upon initial recognition and subsequently measure at their amortized cost using the effective interest method.

Transaction costs on financial instruments are expensed when incurred. Purchases and sales of financial assets are accounted for at trade dates.

g) Impairment of long-lived assets

Edmonton Airports reviews the valuation of long-lived assets subject to amortization when events or changes in circumstances may indicate or cause its carrying value to exceed the total undiscounted cash flows expected from its use and eventual disposition. An impairment loss, if any, is recorded as the excess of the carrying value of the asset over its fair value, measured by either market value, if available, or estimated by calculating the present value of expected future cash flows related to the asset.

h) Accounting changes

i) Capital disclosures

On January 1, 2008, Edmonton Airports adopted CICA handbook Section 1535 – Capital Disclosures which specifies disclosure requirements concerning capital. This disclosure includes such information as: qualitative information about its objectives,

policies and processes for managing capital; quantitative data about what it regards as capital; whether it has complied with any externally imposed capital requirements and, if not, the consequences of such non-compliance. The adoption of this section did not have an impact on the financial statements other than the addition of note 4.

ii) Financial instruments disclosure and presentation

On January 1, 2008, Edmonton Airports adopted CICA handbook Sections 3862, Financial Instruments – Disclosures and Section 3863, Financial Instruments – Presentation which requires the disclosure of information with regards to the significance of financial instruments for Edmonton Airports financial position and performance, the nature and extent of risk arising from financial instruments revising and enhancing Edmonton Airports disclosure requirements, and carrying forward unchanged Edmonton Airports presentation requirements. The additional disclosures required as a result of adopting these standards are included in note 13.

iii) General Standards of Financial Statement Presentation

On January 1, 2008, Edmonton Airports adopted the CICA Section 1400 General Standards of Financial Statement Presentation, to include requirements to assess and disclose an entity's ability to continue as a going concern. The adoption of this section did not have an impact on the financial statements other than additional disclosure in note 2.

NOTES TO FINANCIAL STATEMENTS

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(in thousands of dollars, unless otherwise noted)

i) Recent accounting pronouncements issued but not adopted

i) Intangible assets

In February 2008 the CICA issued new accounting recommendations for goodwill and intangible assets which establish standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets (including internally developed intangible assets). These recommendations are effective for Edmonton Airports beginning January 1, 2009. Goodwill and intangible assets that are not assets as defined by GAAP will be derecognized and charged to the equity of Edmonton Airports at that date. Edmonton Airports is presently evaluating the impact of the standard, but does not expect the adoption of these standards to have a material impact on its financial position and net earnings.

ii) International financial reporting standards

In February 2008, the Canadian Accounting Standards Board (AcSB) confirmed that Canadian publicly accountable enterprises will need to adopt International Financial Reporting Standards (IFRS) effective for years beginning on or after January 1, 2011. Edmonton Airports has started an IFRS conversion project and is evaluating the impact of the initial application of these standards on the financial statements.

3 Lease agreements

a) International Airport

i) Amended Canada Lease

Effective December 31, 1997, Edmonton Airports and the Landlord agreed to amendments to some of the financial components of the original sixty-year lease agreement dated July 31, 1992 for the International Airport. The terms provided for

the adjustment of rent due for the years 1992 to 1995, required the accelerated repayment of the deferred rent payable and revised the calculation of rent for the ten-year period 1996 to 2005.

On May 9, 2005, the Government of Canada announced the adoption of a new rent policy for the years 2006 and beyond that results in a reduction of rent that would have otherwise been payable under the previous ground lease agreement. In December 2005, Edmonton Airports finalized the amendments to its ground lease with the Government of Canada ("Amended Canada Lease"). The new rent agreement has been phased in over four years beginning in 2006.

ii) Lease term

The Amended Canada Lease provides that Edmonton Airports will lease the International Airport for an initial term of sixty years ending in 2052. A twenty year renewal option may be exercised by Edmonton Airports. At the end of the term, unless otherwise extended, Edmonton Airports is obligated to return control of the International Airport to the Landlord.

iii) Payment of rent

The Amended Canada Lease requires Edmonton Airports to pay predetermined escalating Canada Lease Rent amounts during the four-year transition period beginning in 2006. Effective January 1, 2010, Canada Lease Rent will be based on a percentage of gross revenues on a progressive scale.

NOTES TO FINANCIAL STATEMENTS

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(in thousands of dollars, unless otherwise noted)

b) City Centre Airport

Edmonton Airports signed a lease agreement (the “City Lease”) with the City, which provides that Edmonton Airports has leased the City Centre Airport Facilities for a term of fifty-six years commencing April 1, 1996. At the end of the term in 2052, unless otherwise extended, Edmonton Airports is obligated to return control of the City Centre Airport to the City.

Pursuant to the City Lease, Edmonton Airports also received an “airport reserve fund” of \$3,805 from the City to fund capital expenditures at the City Centre Airport. The receipt of these funds was recorded as contributed capital.

4 Capital management

Edmonton Airports is incorporated without share capital under provisions of the Regional Airports Authority Act (Alberta) and, as such, all earnings are retained and reinvested in airport operations and development. Edmonton Airports manages contributed capital and equity in property, plant and equipment as capital. Edmonton Airports’ objective when managing capital is to safeguard the entity’s ability to operate and manage the airport in a safe and secure fashion.

Edmonton Airports sets the amount of capital in proportion to risk and its ability to operate the airport in conjunction with its stated purpose. Edmonton Airports manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, Edmonton Airports may adjust rates and fees related to airport operations or the airport improvement fee or by adjusting its capital project plans.

Edmonton Airports’ strategy, which was unchanged from 2007, was to comply with the covenants for Debt

Service Coverage Ratio, Gross Debt Service Coverage Ratio and Interest Coverage Ratio. Edmonton Airports maintains its credit rating in order to secure access to financing at a reasonable cost.

As at December 31, 2008, Edmonton Airports was in compliance with the restrictions imposed on capital.

5 Accounts receivable

	2008	2007
	\$	\$
Airlines	8,856	8,581
Concession operators	186	223
General aviation operators	1,352	1,250
Real estate customers	754	508
Canadian Air Transportation Security Authority (“CATSA”)	780	515
Other trade receivables and accrued receivables	2,363	2,017
	<u>14,291</u>	<u>13,094</u>
Less: Allowance for doubtful accounts	143	930
	<u>14,148</u>	<u>12,164</u>

Dominant customer risk

Edmonton Airports derives approximately 67% (2007 – 67%) of its airside and general terminal and AIF revenue from two airlines.

NOTES TO FINANCIAL STATEMENTS

December 31, 2008 and 2007

(in thousands of dollars, unless otherwise noted)

6 Property, plant and equipment

2008	Cost	Accumulated amortization	Net
	\$	\$	\$
Terminal and facilities			
Terminal building	264,894	68,178	196,716
Parking facilities and roadway systems	117,211	27,169	90,042
Runway and apron surfaces	128,070	25,948	102,122
Other terminal and facilities	58,903	20,510	38,393
	569,078	141,805	427,273
Machinery and equipment			
Vehicles and maintenance equipment	14,617	10,625	3,992
Furniture and equipment	915	737	178
Computer hardware and software	4,934	3,090	1,844
Shop tools and equipment	8,439	3,104	5,335
	28,905	17,556	11,349
Office equipment under capital lease	535	535	-
	598,518	159,896	438,622

2007	Cost	Accumulated amortization	Net
	\$	\$	\$
Terminal and facilities			
Terminal building	255,732	57,213	198,519
Parking facilities and roadway systems	90,842	21,758	69,084
Runway and apron surfaces	77,628	20,290	57,338
Other terminal and facilities	61,136	19,980	41,156
	485,338	119,241	366,097
Machinery and equipment			
Vehicles and maintenance equipment	13,832	9,904	3,928
Furniture and equipment	895	750	145
Computer hardware and software	3,662	2,582	1,080
Shop tools and equipment	4,923	3,004	1,919
	23,312	16,240	7,072
Office equipment under capital lease	535	531	4
	509,185	136,012	373,173

- a) At December 31, 2008, \$16,231 (2007 – \$43,426) of property, plant and equipment were under construction of which \$16,231 (2007 – \$40,847) was for terminal and facilities not yet subject to amortization.
- b) Included in accounts payable and accrued liabilities at December 31, 2008 is \$14,915 (2007 – \$9,965) relating to unpaid capital expenditures.
- c) During the year ended December 31, 2008, \$25,931 (2007 – \$20,377) of property, plant and equipment amortization was charged to the statement of operations and equity in property, plant and equipment.
- d) Property, plant and equipment includes \$963 (2007 – \$271) in interest capitalized during the year.

NOTES TO FINANCIAL STATEMENTS

December 31, 2008 and 2007

(in thousands of dollars, unless otherwise noted)

7 Long-term debt

	2008	2007
	\$	\$
7.21% Revenue Bond, Series A payable in semi-annual instalments with interest payable on May 1 and November 1 in 2001 and semi-annual payments of principal and interest at preset varying amounts each year commencing May 1, 2002 until November 1, 2030	241,097	243,370
4.37% Fixed Rate Debenture, Series C payable in semi-annual payments of principal and interest of \$755, maturing December 15, 2026	18,685	19,357
4.50% Fixed Rate Debenture, Series C payable in semi-annual payments of principal and interest of \$1,145, maturing March 15, 2027	28,557	29,530
5.00% Fixed Rate Debenture, Series C payable in semi-annual payments of principal and interest of \$398, maturing June 15, 2027	9,544	9,851
4.89% Fixed Rate Debenture, Series C payable in semi-annual payments of principal and interest of \$395, maturing September 17, 2027	9,696	10,000
4.68% Fixed Rate Debenture, Series C payable in semi-annual payments of principal and interest of \$1,552, maturing June 16, 2028	39,386	-
4.55% Fixed Rate Debenture, Series C payable in semi-annual payments of principal and interest of \$3,068, maturing September 17, 2028	80,000	-
	426,965	312,108
Less: Current portion	8,837	4,529
	418,128	307,579

a) Series A and B Bonds and revolving credit facility

Edmonton Airports completed a \$250 million Revenue Bond issue effective October 2000. The net proceeds from the offering were used to retire the existing bank syndicate credit facility arranged by Edmonton Airports in connection with Phase I and II of the Airport Terminal Redevelopment (“ATR”) project; to fund a \$9 million Debt Service Reserve Fund pursuant to the Master Trust Indenture (“Indenture”) and to fund the remaining construction of Phase III of the ATR project.

Pursuant to the terms of the Indenture, Edmonton Airports is required to maintain a Debt Service Reserve Fund equal to one-half of its annual debt service costs and an Operating and Maintenance Contingency Fund equal to one quarter of its annual operating and maintenance expenses. At December 31, 2008, Interest Bearing Deposits of \$11,747 (2007 – \$11,417) are restricted as a requirement of the Debt Service Reserve Fund. These deposits earned daily interest of between 2% and 3% (2007 – 4% and 5%). The Operating and Maintenance Contingency Fund can be satisfied by

NOTES TO FINANCIAL STATEMENTS

December 31, 2008 and 2007

(in thousands of dollars, unless otherwise noted)

cash, Letter of Credit or undrawn availability of the Royal Bank credit facilities described below.

Throughout the term when the bonds are outstanding, Edmonton Airports is required to maintain a Debt Service Coverage Ratio on a rolling 12 months basis of 1.00:1 and a Gross Debt Service Coverage Ratio of not less than 1.25:1. All covenants have been met.

In addition to the Revenue Bond issuance, Edmonton Airports maintains, with the Royal Bank of Canada, a three-year term, \$5 million revolving credit facility to support operations, and a \$40 million term revolving loan ("Series B Bonds") for general corporate purposes and to assist in the interim financing of construction projects. The credit facility was renewed in 2006 for another three-year term and no drawdowns on the credit facility were made in 2008 (2007 – \$nil). As at December 31, 2008, \$13,552 (2007 – \$11,670) of the term revolving loan had been set aside for the Operating and Maintenance Contingency Fund.

Pledged as collateral to the bonds are a first leasehold mortgage on the International Airport and related Amended Canada Lease; a security interest over all of the present and future personal property of Edmonton Airports including without limitation, all book debts, and all sources of revenue and all assets and any reserve funds, and a floating charge over all of the other present and future property and assets of Edmonton Airports.

b) Series C Bond

Edmonton Airports under its existing capital markets platform entered into a Credit Agreement ("Agreement") with the Alberta Capital Finance Authority ("ACFA") on December 6, 2006. On March 19, 2008 the Credit Agreement was amended ("Amended Agreement") in order for Edmonton Airports to finance a \$1.1 billion capital expansion

program at the International Airport. The Amended Agreement contains two Credit Facilities. During 2008 Credit Facility 1 increased by \$800 million to \$1.0 billion, by way of Fixed Rate Loans, and is to be used solely for the purposes of Airport Infrastructure Expenditures at the International Airport. Credit Facility 2, for \$300 million, by way of Fixed Rate Loans, is to be used firstly for the purposes of redeeming (or purchasing for cancellation pursuant to section 3.23 of the Indenture) the Series A Bonds and the Series B Bonds. The Amended Agreement restricts any drawdown of the final \$50 million of Credit Facility 2 until all the Series B Bonds are redeemed. Once Series A and Series B Bonds are fully redeemed any residual balance in Credit Facility 2 can be used for the same purposes as Credit Facility 1.

Throughout the period when debentures are outstanding, Edmonton Airports is required to maintain an interest coverage ratio of not less than 1.25:1 and net cash flows greater than zero as of the end of any fiscal quarter on a rolling four fiscal quarter basis. All covenants have been met.

The collateral pledged under the Agreement ranks pari passu with the Series A and Series B Bonds.

NOTES TO FINANCIAL STATEMENTS

December 31, 2008 and 2007

(in thousands of dollars, unless otherwise noted)

c) The future annual principal and interest payments required to retire the Long-term Debt are as follows:

	Principal	Interest	Total
	\$	\$	\$
2009	8,837	25,816	34,653
2010	9,565	25,328	34,893
2011	10,341	24,795	35,136
2012	11,169	24,213	35,382
2013	12,052	23,579	35,631
Thereafter	375,001	232,634	607,635
	<u>426,965</u>	<u>356,365</u>	<u>783,330</u>

d) Interest expense (income)

	2008	2007
	\$	\$
Bond interest	17,489	17,648
Debenture interest	5,192	2,342
Interest on capital leases	-	8
Other interest and financing costs	234	216
Interest income and other	(2,964)	(3,321)
	19,951	16,893
Capitalized interest	(963)	(271)
	<u>18,988</u>	<u>16,622</u>

8 Employee future benefits**a) Plans overview**

Edmonton Airports has a defined benefit pension plan (“Pension Plan”) covering all of its eligible employees. The benefits are based on years of service and the employees’ highest three years’ earnings. The most recent funding recommendation for the Pension Plan was completed as at December 31, 2007 and contained in an actuarial report dated June 27, 2008. The next required actuarial valuation for funding

purposes must be effective no later than December 31, 2008. The financial statements were prepared using the actuarial valuation completed at December 31, 2007 with an extrapolation to December 31, 2008.

Edmonton Airports also has a defined Supplementary Executive Retirement Plan (“SERP”) with one member which became effective February 1, 2005. The benefits provided under the SERP constitute a non-funded liability of Edmonton Airports. All payments made to the member of the SERP will be made from general revenues of Edmonton Airports. The financial statements were prepared using an actuarial valuation completed at December 31, 2008.

Edmonton Airports also has a severance entitlement plan (“long-term benefit plan”) for eligible employees under the terms of the labour agreement. The plan provides a severance payment upon retirement, termination or death to eligible employees or their beneficiaries, under certain conditions. Edmonton Airports records the cost of this obligation based on an actuarial valuation. The financial statements were prepared using an actuarial valuation completed at December 31, 2008.

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	Pension plan	SERP	Long-term benefit plan	Total
	\$	\$	\$	\$
Accrued benefit obligation				
Balance – Beginning of year	21,857	622	1,571	24,050
Current service cost	1,560	213	257	2,030
Interest cost	1,270	47	100	1,417
Benefits paid	(1,614)	-	(69)	(1,683)
Employees' contributions	63	-	-	63
Actuarial gain	(6,123)	(284)	(666)	(7,073)
Balance – End of year	17,013	598	1,193	18,804
Plan assets				
Fair value – Beginning of year	21,671	-	-	21,671
Annual return of plan assets	(3,367)	-	-	(3,367)
Employers' contributions	2,889	-	-	2,889
Employees' contributions	63	-	-	63
Benefits paid	(1,614)	-	-	(1,614)
Fair value – End of year	19,642	-	-	19,642
Funded status – (surplus) deficit	(2,629)	598	1,193	(838)
Unamortized net actuarial gain (loss)	(3,638)	138	967	(2,533)
Unamortized transitional surplus	670	-	-	670
Accrued benefit (asset) liability 2008	(5,597)	736	2,160	(2,701)
Accrued benefit (asset) liability 2007	(4,196)	459	1,886	(1,851)

NOTES TO FINANCIAL STATEMENTS

December 31, 2008 and 2007

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The significant actuarial assumptions adopted in measuring Edmonton Airports accrued benefit obligations are as follows (weighted-average assumptions as of December 31, 2008):

	Pension plan	SERP	Long-term benefit plan
	%	%	%
Discount rate – Beginning of period	5.60	5.60	5.60
Discount rate – End of period	7.50	7.50	7.50
Expected long-term rate of return on plan assets	6.50	-	-
Rate of compensation increase – Beginning of period	3.75	3.75	3.75
Rate of compensation increase – End of period	3.75	3.75	3.75
Inflation rate – Beginning of period	2.75	2.75	2.75
Inflation rate – End of period	2.75	2.75	2.75
Average remaining service period (years)	11	5	11

b) Edmonton Airports net benefit plan expense is as follows:

	Pension plan	SERP	Long-term benefit plan	Total
	\$	\$	\$	\$
Current service cost	1,560	213	257	2,030
Interest cost	1,270	47	100	1,417
Expected return on plan assets	(1,452)	-	-	(1,452)
Amortization of transitional surplus	(166)	-	-	(166)
Amortization of net actuarial (gain) loss	276	17	(14)	279
Net benefit plan expense included in salaries and employee benefits expense 2008	<u>1,488</u>	<u>277</u>	<u>343</u>	<u>2,108</u>
Net benefit plan expense included in salaries and employee benefits expense 2007	<u>1,217</u>	<u>232</u>	<u>259</u>	<u>1,708</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2008 and 2007

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c) The distribution of the total fair value of assets of the Pension Plan by major asset category is as follows:

	2008	2007
	%	%
Equities	57.6	58.7
Debt securities	37.2	33.5
Cash and other	5.2	7.8
	100.0	100.0

9 Airport improvement fee

Effective April 12, 1997, Edmonton Airports implemented an Airport Improvement Fee ("AIF") to fund capital expenditures and the related financing costs, including the planned redevelopment and expansion of airport and terminal facilities (see note 12(a)) at the International Airport.

	2008	2007
	\$	\$
Cumulative revenues (net of collection costs) to December 31	267,115	229,140
Less: Cumulative expenditures to December 31	594,711	495,719
	(327,596)	(266,579)

10 Deferred revenue**a) Deferred revenue**

	2008	2007
	\$	\$
Prepaid lease rent	1,500	1,500
Deferred Capital Contributions	16,190	15,996
	17,690	17,496
Less: Accumulated amortization to earnings	3,259	2,202
	14,431	15,294
Less: Current portion	1,248	1,186
	13,183	14,108

Deferred revenue consists of a prepayment of rent for a long-term lease at the City Centre Airport which is amortized to earnings using the straight-line method over the tenant's lease term of 52 years. Government contributions for certain capital expenditures at the International Airport, City Centre and Villeneuve airports will be amortized to earnings using the straight-line method over the useful lives of the underlying assets as follows:

	Useful Life (Years)	2008 Contribution	2007 Contribution
		\$	\$
Airfield lighting system	15	167	-
Baggage conveyor systems	15	27	285
Runway rehabilitation	15	-	25
		194	310

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b) Other revenue

	2008	2007
	\$	\$
Amortization of capital contributions	1,079	1,049
International Airport fire training services	17	16
Villeneuve Airport maintenance and deficit reduction charge	39	42
Other	2	3
	<u>1,137</u>	<u>1,110</u>

11 Contingencies

Edmonton Airports has been named as a defendant in certain lawsuits. The outcome of these actions is currently not determinable. In Edmonton Airports' opinion, these actions will not result in any significant expense to Edmonton Airports. The cost of settlement, if any, will be accounted for in the period of settlement.

12 Commitments**a) Capital commitments**

In 2006, Edmonton Airports' Board of Directors approved an expansion of the existing parkade at the International Airport which was substantially completed in 2008. The total cost of this project was estimated to be approximately \$47 million. At December 31, 2008, there is approximately \$119 (2007 – \$10,951) in outstanding commitments related to this project.

On September 27, 2007, Edmonton Airports Board of Directors approved, as part of the 2008 -2012 Strategic Plan, a significantly expanded capital program the major component of which was subsequently called "Expansion 2012". Expansion 2012, when combined with the recently completed parkade expansion, will result in the investment of approximately \$1.0 billion at the International Airport.

At December 31, 2008, Edmonton Airports had outstanding commitments in the amount of \$132,007

(2007 – \$14,413) related to the expanded capital program, the major components of which are for pre-construction design consulting, project management services, apron construction, and construction management consulting.

Edmonton Airports also has outstanding commitments for its sustaining capital program of \$4,378 (2007 – \$1,557) primarily related to civil, mechanical, and electrical engineering consulting and design for future capital projects, sprinkler and boiler replacement, and aircraft loading bridge refurbishment.

b) Operating commitments

Edmonton Airports has operating contracts for the provision of management, security, janitorial services and electricity. These contracts have annual commitments as follows:

	\$
2009	8,676
2010	6,688
2011	3,709
2012	1,643
2013	987
Thereafter	-

The Amended Canada Lease includes predetermined rent amounts for the periods 2006 through 2009. The amounts for 2010 through 2013 are based upon a percentage of estimated gross revenues at the Edmonton International Airport on a progressive scale.

The future lease payments are as follows:

	Accounting expense	Lease payments
	\$	\$
2009	4,903	5,118
2010 (Estimated)	11,529	11,529
2011 (Estimated)	12,271	12,271
2012 (Estimated)	14,965	14,965
2013 (Estimated)	16,497	16,497

NOTES TO FINANCIAL STATEMENTS

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13 Financial instruments and risk management

Edmonton Airports has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies. Fair value of the long term debt has been calculated using the future cash flows (principal and interest) of the outstanding debt instruments, discounted at current market rates available to Edmonton Airports for the same or similar instruments.

	2008		2007	
	Book value \$	Fair value \$	Book value \$	Fair value \$
FINANCIAL ASSETS				
Held –for-trading				
Cash in interest bearing accounts	20,832	20,832	17,255	17,255
Short-term investments	102,163	102,163	34,118	34,118
Interest bearing deposits	11,747	11,747	11,417	11,417
Loan and receivables				
Accounts receivable	14,148	14,148	12,164	12,164
Lessee receivable	368	368	490	490
FINANCIAL LIABILITIES				
Other liabilities				
Accounts payable and accrued liabilities	29,834	29,834	22,101	22,101
Tenants' security deposits	998	998	996	996
Long-term debt including current portion	426,965	448,058	312,108	354,762

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Risk management

Edmonton Airports' Board of Directors ("Board") is responsible for understanding the principal risks of the business in which Edmonton Airports is engaged, achieving a proper balance between risks incurred and the purpose of Edmonton Airports, and confirming that there are systems in place to effectively monitor and manage those risks with a view to the long-term viability of Edmonton Airports. The Board has established the Audit Committee, which reviews significant financial risks associated with future performance, growth and lost opportunities identified by management that could materially affect Edmonton Airports' ability to achieve its strategic or operational targets. The Board is responsible for confirming that management has procedures in place to mitigate identified risks.

Credit risk

For cash in interest bearing accounts, short term investments and accounts receivable, credit risk represents the carrying amount on the balance sheet. Cash and short term investments credit risk is reduced by investing in instruments issued by credit worthy financial institutions and in federal and provincial government issued short term instruments. Accounts receivable credit risk is reduced by the requirement for letters of credit and customer credit evaluations.

The maximum exposure to credit risk is the carrying value of loans and receivables on the balance sheet. Edmonton Airports has a concentration of credit risk with two airlines.

Edmonton Airports mitigates credit risk by endeavouring to obtain security deposits, letters of credit and other credit enhancement methods.

Accounts receivable are non-interest bearing and are generally due in 30 to 90 days. At December 31, 2008, the provision for impairment of accounts receivable was

\$0.1 million; this provision has decreased by \$0.8 million from December 31, 2007. Edmonton Airports wrote off \$0.5 million of accounts receivable during the year.

At December 31, 2008, the aging analysis of trade receivables that are past due but not impaired is as follows:

	\$
30 to 90 days	5,742
Greater than 90 days	1,841
	<u>7,583</u>

No other impairments have been identified within accounts receivable.

Liquidity risk

Liquidity risk arises through excess obligations over available financial assets due at any point in time. Edmonton Airports' objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. Edmonton Airports achieves this through funds generated by operations and externally through bank borrowings and debenture issuances. Bank loans and debenture issuances are used under available credit lines to provide flexibility in the timing and amounts of long term financing. Edmonton Airports has a policy to invest its cash balances in short term pooled money market funds whose underlying investment policy restricts these investments to federal and provincial government issues and in issues of large highly rated Canadian financial institutions.

NOTES TO FINANCIAL STATEMENTS

December 31, 2008 and 2007

(in thousands of dollars, unless otherwise noted)

Market risk

Market risk is the risk that changes in market prices, such as foreign currency exchange rates and interest rates will affect Edmonton Airports' income or the value of the financial instruments held.

a) Foreign currency risk

Edmonton Airports' functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes that the foreign exchange risk from currency conversions is negligible.

b) Interest rate risk

Interest rate risk arises because of the fluctuations in the interest rates. Edmonton Airports' is exposed to interest rate risk on its cash in interest bearing accounts, short term investments, interest bearing deposits and long term debt.

Edmonton Airports' enters into fixed rate debentures and debt securities with the intention of holding to maturity. Fluctuations in interest rates will have an impact on the fair value of the long term debt. The fair value of the long term debt would increase by \$37.5 million if interest rates increased by 1 percent and decrease by \$42.8 million if interest rates decreased by 1 percent.

Edmonton Airports' cash in interest bearing accounts, short term investments and interest bearing deposits are invested at floating rates of interest, in order to maintain liquidity.

14 Directors' and officers' remuneration and expenses

This information is provided pursuant to the Regulations of the Act

a) Directors' compensation

	\$
Annual retainer	
Chair (does not collect meeting fees)	60
Vice-chair (does not collect committee chair or director retainers)	15
Committee chairs (does not collect director retainer)	15
Directors	11

NOTES TO FINANCIAL STATEMENTS

December 31, 2008 and 2007

(in thousands of dollars, unless otherwise noted)

Meeting fees

Board and Board Committee meeting fees ranged from \$200 to \$700 dollars per meeting depending on meeting duration.

Total compensation and expenses paid to each Director in 2008 was:

	Compensation	Expenses	Total
	\$	\$	\$
Bryan Bailey	17	-	17
Gordon Clanachan (Chair)	65*	3	68
Evan Cameron	17	1	18
Robert Carwell (Committee chair)	22	-	22
Dennis Foley	18	2	20
John Friesen	18	1	19
James Funk	17	-	17
David Margolus (Vice chair & Committee chair)	24	-	24
Shelley Miller	18	-	18
Anne McLellan	16	-	16
Rolly Owens	17	-	17
Tom Redl	16	-	16
Al Thompson (Committee chair)	29	6	35
Robert Walker	4	-	4
Allister MacPherson**	2	-	2

* Includes meeting fees for the last quarter of 2007 (when not Chair) paid in 2008

**Term was completed in December 2007. Remuneration paid in 2008 is for meetings attended in the last quarter of 2007.

Changes to Edmonton Airports' Board of Directors were as follows:

Resigned position	April 2008	Robert Walker
Term completed	December 2008	Dennis Foley
New Board members	October 2008	Maureen McCaw
Appointed Chair	January 2008	Gordon Clanachan
Appointed Vice-chair	January 2008	David Margolus

NOTES TO FINANCIAL STATEMENTS

December 31, 2008 and 2007

(in thousands of dollars, unless otherwise noted)

b) Officers' compensation

Total compensation for each officer in 2008
was as follows:

	Base salary ⁽¹⁾	Other cash benefits ⁽²⁾	Other non-cash benefits ⁽³⁾	Total
	\$	\$	\$	\$
President and CEO	350	191	303	844
VP Airport Operations and Services	210	69	25	304
VP Finance, Chief Financial Officer	210	85	6	301
VP Marketing	174	72	24	270
General Counsel and Corporate Secretary	165	51	22	238
	1,109	468	380	1,957

(1) Base Salary includes pensionable BASE pay.

(2) Other cash benefits include incentive pay (per footnote 4), management allowances, and cash payments in lieu of pension plan contributions.

(3) Other non-cash benefits include Edmonton Airports' share of all employee benefits and contributions or payments made on behalf of employees including pension plan, employee severance plan, health care plan, workers compensation plan, group life insurance plan, short-term disability plans, dental plans and supplementary executive retirement plan (SERP) (per footnote 5).

(4) All officers receive incentive pay that is tied to achieving significant and challenging organizational goals and objectives.

(5) As indicated in note 8 to these financial statements the President & CEO is entitled to receive supplemental retirement payments. The retirement arrangement costs are not a cash payment in the period but are period expenses for the right to future compensation. The SERP provides future pension benefits based upon years of service and earnings. The cost of these benefits is actuarially determined using the projected benefit method pro-rated on service, a market interest rate, and management's best estimate of expected cost and the period of benefit coverage. Net actuarial gains and losses of the benefit obligation are amortized over the average remaining service life of the member. Current service cost is the actuarial present value of the benefits earned in the current year. Other costs include the amortization of actuarial gains and losses and interest accruing on the actuarial liability.

c) Total remuneration for officers and directors:

During the year ended December 31, 2008, Edmonton Airports provided its officers and directors remuneration (base salary, incentives, and allowances) and reimbursement of expenses in the following amounts:

	2008		2007	
	Remuneration \$	Expenses \$	Remuneration \$	Expenses \$
To directors	300	13	288	44
To 5 officers who are not directors	1,957	150	1,659	202
	2,257	163	1,947	246

APPOINTERS

City of Edmonton

Stephen Mandel, Mayor
Al Maurer, City Manager

City of Leduc

Greg Krischke, Mayor
Paul Benedetto, City Manager

Leduc County

Marvin Molzan, Mayor
Doug Wright, County Manager

Parkland County

Rob Wiedeman, Mayor
Pat Vincent, Chief Commissioner

Strathcona County

Cathy Olesen, Mayor
Robyn Singleton, Q.C., Chief Commissioner

Sturgeon County

Don Rigney, Mayor
Chris Micek, County Commissioner

Transport Canada

Sylvain Giguère, Regional Director General,
Prairie & Northern Region
Harvey Nikkel, Regional Director, Programs,
Prairie & Northern Region

ALSO INVITED TO APPOINTERS MEETINGS

Alberta Transportation

Rod Thompson, Executive Director,
Transportation Policy & Economic Analysis
Sara Wong, Senior Policy Advisor,
Passenger Transportation

EXECUTIVE MANAGEMENT TEAM

Reg Milley, President & CEO
Ralph Peterson, VP, Finance & CFO
Annie Yee, General Counsel & Corporate Secretary
Diane Trenn, VP, Airport Operations
Paul Garbiar, VP, Infrastructure & Technology
Peter McCart, VP, Marketing & Business Development
Traci Bednard, VP, Communications &
Passenger Experience
Donna Poburan, Director, Human Resources
& Organizational Effectiveness

FORWARD-LOOKING INFORMATION

This document may contain information that is considered forward looking that inherently is subject to risk and uncertainty. Various words are used to identify forward looking information like “anticipate”, “believe”, “estimate”, “expect”, “forecast”, “may”, “project”, “outlook” and “should”, or similar words. Forward-looking information or statements are intended to provide Edmonton Airports stakeholders with information regarding Edmonton Airports and the airports that we operate, including future financial, operational plans, strategies, outlook, and goals for growth and expansion. Forward-looking information may include, among others, statements regarding the anticipated prospects and potential financial performance of Edmonton Airports. All forward-looking information and related statements reflect Edmonton Airports assumptions and expectations based on information available at the time the statements were made. Actual results, performance or events may differ from those anticipated in these forward-looking statements.

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