

CONSULTATIVE COMMITTEE UPDATE

MARCH 2018

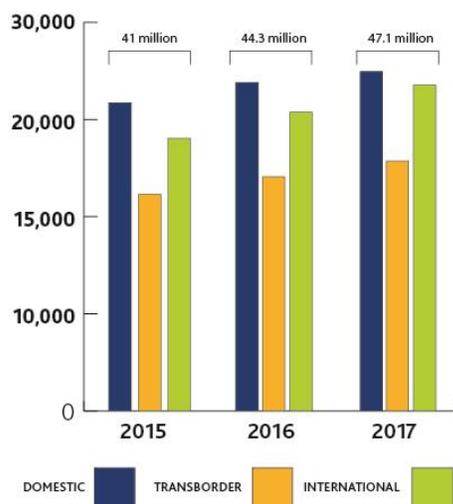


Toronto Pearson

Key Statistics

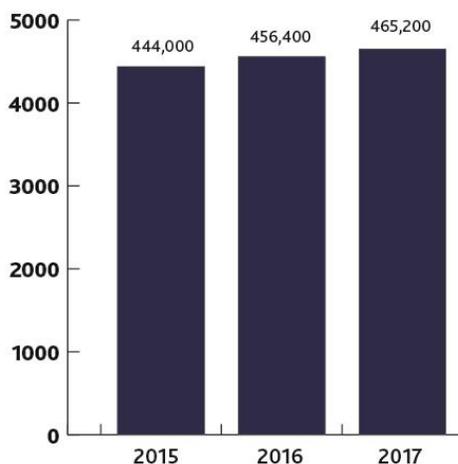
Passenger Traffic at Toronto Pearson by sector:

(in thousands)



Runway Movements at Toronto Pearson

(in thousands)



Toronto Pearson reports 2017 results: continued strong passenger and earnings growth

The Greater Toronto Airports Authority (“GTAA”) has reported its financial and operating results for the fiscal year ended December 31, 2017. A total of 47.1 million passengers travelled through Toronto Pearson International Airport during 2017, an increase of 2.8 million passengers over 2016. Toronto Pearson has 63 air carriers providing flights to 184 international cities, up from 176 in 2016. In addition, its cargo tonnage transported increased from 472,300 metric tonnes in 2016 to 538,900 metric tonnes in 2017, an increase of 14.1 per cent.

During 2017, the GTAA reported total revenues of \$1.4 billion, representing an increase of \$84.6 million over 2016. During 2017, the GTAA’s non-aeronautical revenues increased \$38 million compared to 2016 to \$450.5 million. The increase was due to the high passenger growth, the opening of 28 new retail stores, restaurant, and beverage establishments and to the revenues generated by the Airway Centre Inc.

The GTAA’s 2017 financial results are discussed in detail in the GTAA’s Consolidated Financial Statements for the years ended December 31, 2017 and 2016 and Management’s Discussion and Analysis for the year ended December 31, 2017,

which are available at www.torontopearson.com and on the Canadian Securities Administrators' website at www.sedar.com.

Toronto Pearson named best large airport in North America

Earlier in March, Toronto Pearson was awarded the [Airport Service Quality \(ASQ\) Award for best large airport in North America](#). The ASQ Awards are administered by Airports Council International, the global organization that represents the world's airports. Results are determined based on a survey of passengers at the airport that includes questions about elements of their airport experience including check-in, wayfinding, security, food and beverage, airport facilities and passport control.

In 2017, Toronto Pearson saw significant improvement in several survey categories contributing to this result:

- Courtesy and helpfulness of airport staff/customer service—including improvements like our passenger information zones.
- Airport ambiance—terminal improvement projects, especially those in Terminal 3 (Pier A, Node C, Pier B food market) have been strong drivers in our dining and retail scores.
- Improvements in cleanliness—both terminal and washrooms.

This award is due in large part to the contributions of the 49,000 employees who keep Toronto Pearson running every day who plan and build facilities, operate the airport and serve our passengers every day. While we're thrilled to be honoured, we recognize

that this is only one milestone on our quest to be the best airport in the world.

A Quieter Operations Roadmap: Six Ideas to reduce noise impacts for communities around Toronto Pearson

In March, the GTAA and NAV CANADA launched a public consultation on proposals aimed at reducing noise impacts for residents around the Greater Toronto Area. The new proposals include: new flight paths for overnight flights, changes to the preferential runway system and a summer weekend runway alternation program.

The first of two Community Briefings was hosted in March, which featured technical briefings and analysis, as well as a discussion period with GTAA and NAV CANADA representatives. The second briefing will take place on April 7 in Mississauga.

In addition to the Community Briefings, we're hosting 13 open houses, taking place throughout March and April, where local residents can drop in to speak to representatives one-on-one and learn about the potential impacts and benefits of the proposed changes.

Results of the consultation will be posted in June on our website at torontopearson.com/Conversations

Modernizing Canadian Duty Free: Arrivals Duty Free and Dual Shop

The GTAA is working with airports across the country to advocate for changes to duty-free laws, so that Canadian airports can deliver what travellers have come to expect at major

international airports—Arrivals Duty Free (ADF) and Dual Shop stores.

About 60 countries around the world have already implemented ADF, allowing passengers to purchase duty-free products upon arrival at airports. If ADF was implemented in Canada, within five years, the estimated financial benefits would include:

- Repatriation of about \$350 million in annual sales currently being spent in foreign airports;
- creation of more than 800 new jobs across Canada; and
- deliver nearly \$18 million in new annual taxes and revenues for the federal government.

Dual Shop stores will allow domestic passengers to purchase products at duty free stores, and pay all the applicable duties and taxes. This shopping experience is already available in the United States and Europe.

The coalition of Canadian airports led by the GTAA is working to build stakeholder support and encourage changes to existing duty-free laws so these programs can be implemented.

Earlier this year the GTAA concluded a pilot for a “Cash and Carry” program, which allows passengers to carry their duty-free purchases to their gate, removing the need for delivery of purchases at time of boarding. The GTAA is working with the Canada Border Services Agency (CBSA) to make this a permanent program, which would be a prerequisite for Dual Shop stores.

Runway Resurfacing

Resurfacing work on one of Canada’s our busiest runways (06L/24R) is planned to begin as early as April 23, 2018. This project will consist of electrical work and the milling and resurfacing of the runway to keep the surface in top condition and ensure continued safe operations.

The project is **planned in two phases:**

Phase 1:

- **Start Date:** as early as April 23, 2018
- **Completion Date:** late June, 2018
- **Work plan:** electrical work, milling and resurfacing of runway 06L/24R to keep the surface in top condition and ensure continued safe operations.

Phase 2:

- As required in the Fall 2018

In comparison to spring 2017’s rehabilitation of the 05/23 runway, this work does not require a closure of the runway during peak hours.

Potential impacts:

- Possibility that the north/south runways may see increased traffic between 10p.m. and 12a.m.
- Runway assignment will still apply to the defined preferential runway hours which are 12:00 a.m. to 6:30 a.m.

The runway will be re-opened daily to enable normal operations between 06:30 a.m. and 10:00 p.m.

GTAA announces design firm for Regional Transit Centre

In February 2018, the GTAA [announced](#) that it engaged global architecture and design firm, HOK, to design a Regional Transit Centre and passenger processing facility at Toronto Pearson. HOK is a leader in sustainable, high-performance design and has led major aviation and transportation projects at some of the world's busiest international airports. The GTAA estimates the first phase of the new facility could be in place as early as the mid-2020s.

HOK's work on the passenger processing facility and Regional Transit Centre design will include all facets of phased development of future airport facilities to meet projected passenger growth. The development will provide appropriate passenger facilities, reduce road congestion in the region and provide greater access to jobs and customers for businesses in the Greater Golden Horseshoe.

Toronto Pearson is uniquely able to connect the region, due to its location between three municipalities, four major highways and a number of planned and existing transit lines, and the Airport Employment Zone, the second largest employment zone in Canada.

The GTAA continues to work with all levels of government to advance further study on connecting priority transit lines into the facility.

New routes and services

The GTAA is continuously working with carriers to develop new routes from Toronto Pearson to key markets that serve both business and leisure travelers.

Since our previous update to the Consultative Committee in November 2017, the following new routes and carriers have been added at Toronto Pearson:

- Air Canada - Cartagena, Colombia
- Air Canada - Belize City, Belize
- Air Canada winter seasonal service to St. Vincent (SVD) in the Caribbean
- Sunwing winter seasonal service to Cayo Largo del Sur, Cuba
- Air Transat winter seasonal service to Tampa, Florida
- Flair Airlines service to Edmonton – *new airline to Toronto Pearson*

Community Noise Impacts Report

As Toronto Pearson continues to grow to support our economy, the GTAA remains sensitive to the issue of aircraft noise and how it affects local communities. Since assuming responsibility for the airport in 1996, the GTAA has continued to work to balance safety and airport operations with the interests of area residents, while coordinating with the aviation community to manage and mitigate aircraft noise.

The following map shows complaints received from neighbouring communities for the last six months of 2017. During Q4, a total of 72,863 complaints from 544 callers. *Note: In Q4 2017, 59,815 complaints were submitted by one resident.*

