EDMONTON AIRPORTS'

2015 FIRST QUARTER REPORT

FOR THE THREE MONTHS ENDED MARCH 31, 2015

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MANAGEMENT DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis of Financial Results (MD&A) should be read in conjunction with the unaudited condensed interim financial statements and note disclosures of the Edmonton Regional Airports Authority (Edmonton Airports) for the three months ended March 31, 2015 and the audited financial statements, as well as the MD&A, for the year ended December 31, 2014. The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS). All amounts in the following MD&A are in Canadian dollars unless otherwise stated.

Edmonton Airports' financial statements reflect the combined results of operations of the Edmonton International Airport (EIA) and Villeneuve Airports (VA).

1. OPERATIONS

Passenger volume, comprised of the total number of enplaned and deplaned passengers, is the main driver of certain Edmonton Airports revenue streams. These include airside and general terminal, airport improvement fees (AIF), and police and security revenues. The following table outlines the components of passenger traffic at the EIA and compares the 2015 actual results for the three months ended March 31, 2015 to the same period last year.

Enplaned and Deplaned Passenger Traffic by Sector*

	Three Months Ended March 31			
	2015	2014	Variance	%
Domestic	1,200,494	1,228,467	(27,973)	(2.3)
Transborder	367,085	382,140	(15,055)	(3.9)
International	189,869	165,547	24,322	14.7
	1,757,448	1,776,154	(18,706)	(1.1)
General/Business aviation	210,228	211,448	(1,220)	(0.6)
Total	**1,967,676**	**1,987,602**	(19,926)	(1.0)

**The figures in the above table may change due to adjustments to reflect actual results which are dependent on timing and amendments filed by the airlines.*

2. FINANCIAL PERFORMANCE

Net Operating Results

(in thousands)	Three Months Ended March 31			
	2015	2014	Variance	Variance
	$	$	$	%
Revenue	52,951	47,913	5,038	10.5
Expenses	28,263	26,645	1,618	6.1
EBITDA*	24,688	21,268	3,420	16.1
EBITDA margin %	46.6%	44.4%	2.2%	5.0
Depreciation and amortization	16,350	16,113	237	1.5
Interest expense	11,291	11,154	137	1.2
Other gain	(47)	(125)	78	(62.4)
Net loss	(2,906)	(5,874)	2,968	(50.5)

**EBITDA is defined as earnings before interest, taxes and depreciation and amortization. Edmonton Airports' earnings are exempt from federal and provincial income tax.*

For the three months ended March 31, 2015, we experienced net loss of $2.9 million, which was $2.9 million lower than the comparative period for the prior year. Lower net loss was primarily due to higher EBITDA of $3.4 million compared to the prior year.

Revenue

(in thousands)	Three Months Ended March 31			
	2015	2014	Variance	Variance
	$	$	$	%
Airport improvement fee (AIF)	22,833	19,204	3,629	18.9
Parking and concessions	14,896	13,810	1,086	7.9
Airside and general terminal	11,545	11,268	277	2.5
Police and security	2,507	2,456	51	2.1
Real estate leases	1,128	1,146	(18)	(1.6)
Other revenue	42	29	13	44.8
	52,951	47,913	5,038	10.5

For the three months ended March 31, 2015, we earned revenue of $53.0 million which was an increase of 11% over the prior year. The increase in revenue is primarily due to an increase in the AIF rate effective July 1, 2014 for tickets sold on or after February 1, 2014 and parking and concessions were also major contributors of revenue growth in the first quarter.

Airport Improvement Fee (AIF)
For the three months ended March 31, 2015, AIF revenue was $22.8 million, an increase of $3.6 million (19%), year over year. AIF is the primary source of funding Edmonton Airports uses to pay interest and principal on the bonds and debentures issued for Edmonton Airports' redevelopment and expansion. Although passengers volume was consistent compared to prior year, the primary factor for increase was an increase in per passenger fee of 20% which occurred in the third quarter of 2014.

Airside and general terminal (AGT)
For the three months ended March 31, 2015, AGT revenue was $11.5 million, an increase of $0.3 million (3%), year over year. Airside and general terminal revenue is derived from airline activity. The increase was primarily driven by increase in rates effective in the current period.

Police and Security
For the three months ended March 31, 2015, police and security fee revenue was $2.5 million, an increase of $0.1 million (2%), year over year. Edmonton Airports recovers some police and security expenses through a per departing passenger charge to airlines.

Non-Aeronautical Commercial Operations
Edmonton Airports also earns revenue from non-aeronautical commercial operations, such as parking, car rentals, concessions, ground transportation, and real estate. For the three months ended March 31, 2015, non-aeronautical commercial operations revenue was $16.0 million, an increase of $1.1 million (7%), year over year.

Parking and Concessions
Revenues from parking and concessions totaled $14.9 million for the three months ended March 31, 2015. This was an increase of $1.1 million (8%), year over year. The change was primarily driven by increased revenues from parking due to rate increases and increased car rental and concessions revenue.

Expenses

(in thousands)	Three Months Ended March 31			
	2015	2014	Variance	Variance
	$	$	$	%
Salaries and employee benefits	8,383	7,467	916	12.3
Services, maintenance, supplies and administration	8,693	8,315	378	4.5
Canada lease rent	4,589	4,145	444	10.7
Utilities, insurance and property taxes	3,281	3,489	(208)	(6.0)
Police and security	2,157	2,098	59	2.8
Airport improvement collection costs	1,160	1,131	29	2.6
	28,263	26,645	1,618	6.1

For the three months ended March 31, 2015, expenses were $28.3 million which was $1.6 million (6%) higher, year over year. This increase was primarily driven by an increase in salaries and employee benefits, services, maintenance, supplies and administration expenses and Canada lease rent. This was partly offset by lower utilities, insurance and property taxes.

Salaries and employee benefits
For the three months ended March 31, 2015, salaries and benefits expenses were $8.4 million, an increase of $0.9 million (12%), year over year. The increase is mainly due to merit increases, compensation increases under the collective bargaining agreement and increased overtime related to operations.

Services, maintenance, supplies and administration
For the three months ended March 31, 2015, services, maintenance, supplies and administration expenses were $8.7 million which was $0.4 million (5%) higher, year over year. The increase is mainly due to increases in administration expenses which was the result of higher maintenance and repairs of elevators and equipment, higher legal and professional expenses partly offset by lower advertising and marketing initiatives.

Canada lease rent
Canada lease rent expense is based on a percentage, on a progressive scale of "Airport Revenue" at Edmonton Airports, as defined in the Ground Lease. Rent expense was $4.6 million which was $0.4 million (11%) higher, year over year. This was primarily driven by higher year over year revenues.

Utilities, insurance and property taxes
For the three months ended March 31, 2015, utilities, insurance and property taxes expenses were $3.3 million which was $0.2 million (6%) lower, year over year. This decrease was driven by lower utilities as a result of lower consumption of electricity and natural gas.

Remaining expenses were consistent with the prior year including AIF collection costs which are now 5% of AIF revenue compared to 6% in the first quarter of 2014.

Other Expenses

(in thousands)	Three Months Ended March 31			
	2015 $	2014 $	Variance $	Variance %
Depreciation and amortization	16,350	16,113	237	1.5
Interest expense	11,291	11,154	137	1.2
Other (gain) loss	(47)	(125)	78	(62.4)
	27,594	27,142	452	1.7

For the three months ended March 31, 2015, other expenses were $27.6 million which was $0.5 million (2%) higher, year over year. This was driven primarily by an increase in depreciation expense as a result of capital projects becoming available for use during the last three quarters of 2014 and the first quarter of 2015 net of assets becoming fully depreciated in the same periods. Additionally, interest expense was higher, year over year, for the three month period as a result of increase in Series C bond interest and interest related to the current service cost for post-retirement benefit, partly offset by decrease in Series A bond interest. Increase in Series C bond interest is primarily driven by increase in number of draws in 2014 compared to 2013 resulting in higher interest in first quarter of 2015.

3. CAPITAL PROJECTS

Edmonton Airports' capital projects are identified by airport and are broken into three main categories as follows:

Commercial Real Estate

Projects in this category include those that build the revenue capacity for Edmonton Airports, the funding for which will be approved as operating earnings grow, and cash flow becomes available. During the first quarter of 2015, the highway commercial development project continued as Edmonton Airports continues to prepare land for commercial development including land that is leased to Ivanhoé Cambridge for the retail outlet destination.

Growth

Projects in this category include those that expand capacity, create new services and/or improve the passenger experience. This includes terminal leasehold improvements for new concessions, expanded apron and taxiway to serve airside developments, parking lot expansions and projects related to enhancing the passenger experience. No significant projects were completed as part of the first quarter.

Maintenance

Projects in this category include the maintenance of existing airport facilities and infrastructure. This includes system lifecycle replacements, paving programs, fleet replacement and capital restoration. In line with the objective of improving airport infrastructure, the most significant project in this category was the vehicle replacement program under which a firehall vehicle was replaced for $1.1 million.

EDMONTON AIRPORTS'

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2015

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Condensed Interim Statements of Financial Position
As at March 31, 2015 and December 31, 2014
(unaudited, in thousands of dollars)

	March 31, 2015 $	December 31, 2014 $
Assets		
Current Assets		
Cash and cash equivalents	39,243	35,289
Accounts Receivable	17,988	19,729
Prepaid expenses and other	4,945	4,657
	62,176	59,675
Non-current assets		
Restricted deposits	32,999	32,910
Prepaid expense and lessee receivable	394	404
Property, plant and equipment (note 3)	989,839	999,203
Intangible assets (note 4)	2,233	1,850
	1,087,641	**1,094,042**
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 3(b))	31,338	32,997
Deferred revenue	2,611	803
Current portion of long-term debt (note 5)	20,886	20,726
	54,835	54,526
Non-current liabilites		
Tenants' security deposit	1,658	1,658
Post-employment benefit	8,419	8,578
Long-term debt (note 5)	961,452	965,097
	1,026,364	1,029,859
Contingencies (note 6)		
Commitments (note 6)		
Net Assets	61,277	64,183
	1,087,641	**1,094,042**

See accompanying notes to interim financial statements.

Condensed Interim Statements of Comprehensive Loss
For the three months ended March 31, 2015 and 2014
(unaudited, in thousands of dollars)

	Three Months Ended March 31 2015 $	2014 $
Revenues		
Airport improvement fee	22,833	19,204
Parking and concessions	14,896	13,810
Airside and general terminal	11,545	11,268
Police and security	2,507	2,456
Real estate leases	1,128	1,146
Other revenue	42	29
	52,951	47,913
Expenses		
Salaries and employee benefits	8,383	7,467
Services, maintenance, supplies and administration	8,693	8,315
Canada lease rent	4,589	4,145
Utilities, insurance and property taxes	3,281	3,489
Police and security	2,157	2,098
Airport improvement collection costs	1,160	1,131
	28,263	26,645
EBITDA	24,688	21,268
Other expenses		
Depreciation and amortization	16,350	16,113
Interest expense (note 5 (c))	11,291	11,154
Other gain	(47)	(125)
	27,594	27,142
Net loss and total comprehensive loss for the period	(2,906)	(5,874)

See accompanying notes to interim financial statements.

Condensed Interim Statements of Changes in Net Assets
As at March 31, 2015 and 2014
(unaudited, in thousands of dollars)

	Three Months Ended March 31	
	2015	2014
	$	$
Net assets - Beginning of period	64,183	87,075
Total comprehensive loss for the period	(2,906)	(5,874)
Net assets - End of period	61,277	81,201

See accompanying notes to interim financial statements.

Condensed Interim Statements of Cash Flows
For the three months ended March 31, 2015 and 2014
(unaudited, in thousands of dollars)

	Three Months Ended March 31 2015 $	2014 $
Operating activities		
Net loss for the period	(2,906)	(5,874)
Adjustments for:		
Depreciation and amortization	16,350	16,113
Amortization of borrowing costs	70	68
Gain on foreign exchange	(48)	(95)
Loss /(gain) on disposal of property, plant and equipment and intangibles	2	(30)
Post employment benefit expense	956	980
Finance costs - net	11,079	10,954
Post employment benefit contributions	(1,115)	(1,620)
Changes in working capital:		
Accounts receivable	967	(1,552)
Prepaid expenses and other	(288)	(555)
Accounts payable and accrued liabilities	(3,744)	(3,036)
Deferred revenue	1,808	24
Tenants' security deposits	-	121
	23,131	15,498
Interest paid	(6,367)	(5,889)
Interest received	212	200
Net cash flows from operating activities	16,976	9,809
Cash flows from investing activities		
Lessee receivable	10	10
Purchase of restricted deposits	(89)	(96)
Purchase of property, plant and equipment	(8,412)	(8,288)
Purchase of intangible assets	(669)	(86)
Proceeds on disposal of property, plant and equipment	-	30
Interest paid capitalized to property, plant and equipment	(355)	(354)
Net cash flows used in investing activities	(9,515)	(8,784)
Cash flows from financing activities		
Repayment of long-term debt	(3,555)	(3,126)
Proceeds from long-term debt	-	20,000
Net cash (used in) from financing activities	(3,555)	16,874
Effect of exchange rate on cash and cash equivalents at the end of the period	48	250
Net increase in cash and cash equivalents	3,954	18,149
Cash and cash equivalents - beginning of period	35,289	28,259
Cash and cash equivalents - end of period	39,243	46,408

See accompanying notes to interim financial statements.

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. The Board of Directors of Edmonton Airports consists of a maximum of 15 members. Six Directors are appointed by the City of Edmonton, two by the Government of Canada (the Landlord) and one each by Leduc County, the City of Leduc, Parkland County, Strathcona County and Sturgeon County. The Board of Directors has the right to appoint two Directors which the Board of Directors has elected not to appoint. In accordance with the provisions of the Act, all of Edmonton Airports' surpluses are applied towards promoting its purposes and no dividends are paid out of the surpluses. Surpluses in these financial statements are described as net assets.

Edmonton Airports registered office and principal place of business is located at #1, 1000 Airport Road, Edmonton International Airport, T9E 0V3, Alberta, Canada.

Edmonton Airports' earnings are generated from airport-related operations and are exempt from federal and provincial income tax.

These unaudited condensed interim financial statements were authorized for issue by the Audit Committee of the Board of Directors on May 11, 2015.

1. BASIS OF PRESENTATION

These unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. The unaudited condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with Edmonton Airports' annual audited financial statements as at December 31, 2014. The accounting policies followed in these unaudited condensed interim financial statements are consistent with those of the previous year, except as described below.

2. SIGNIFICANT ACCOUNTING POLICIES ADOPTED JANUARY 1, 2015

a) Accounting standards issued but not yet applied

i) IFRS 9 Financial Instruments

IFRS 9, published in July 2014, replaces existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted. Edmonton Airports is yet to assess IFRS 9's full impact.

ii) IFRS 15 Revenue Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized, as well as requiring entities to provide more informative, relevant disclosures in respect of revenue recognition criteria. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programs. IFRS 15 is effective for annual reporting periods beginning on or after January 1, 2017, with early adoption permitted. Edmonton Airports is currently evaluating the impact of IFRS 15 on our financial statements.

iii) IAS 1 Presentation of Financial Statements

On December 18, 2014 the IASB published the Disclosure Initiative "Amendments to IAS 1". The amendments ensures the use of judgement by an entity when presenting their financial reports by clarifying the materiality guidance for the Statements of Financial Position and Profit or Loss and Other Comprehensive Income, and the notes to the financial statements. Edmonton Airports is currently assessing the impact of adopting this amendment, which is effective for annual periods beginning on or after January 1, 2016, with early adoption permitted.

(unaudited, in thousands of dollars)

3. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Roadway systems	Parking facilities and lots	Runway, taxiways and apron surfaces	Other facilities	Vehicles and maintenance equipment	Furniture and equipment	Computer hardware	Office equipment under finance lease	Land	Construction work in progress	Total
	$	$	$	$	$	$	$	$	$	$	$	$
Cost												
Balance at January 1, 2014	815,290	44,240	121,787	215,924	85,614	22,662	17,416	18,007	115	-	41,626	1,382,681
Additions/ transfers	10,119	1,296	5,899	22,724	424	1,665	(320)	1,665	-	4,080	8,947	56,499
Disposals	(4,573)	-	-	(330)	(56)	(421)	(20)	(786)	(115)	-	-	(6,301)
Balance at December 31, 2014	820,836	45,536	127,686	238,318	85,982	23,906	17,076	18,886	-	4,080	50,573	1,432,879
Balance at January 1, 2015	820,836	45,536	127,686	238,318	85,982	23,906	17,076	18,886	-	4,080	50,573	1,432,879
Additions/transfers	4,868	315	4,779	184	345	1,135	50	1,001	-	-	(5,975)	6,702
Disposals	-	-	-	-	(3)	-	-	-	-	-	-	(3)
Balance at March 31, 2015	**825,704**	**45,851**	**132,465**	**238,502**	**86,324**	**25,041**	**17,126**	**19,887**	**-**	**4,080**	**44,598**	**1,439,578**

(unaudited, in thousands of dollars)

	Buildings	Roadway systems	Parking facilities and lots	Runway, taxiways and apron surfaces	Other facilities	Vehicles and maintenance equipment	Furniture and equipment	Computer hardware	Office equipment under finance lease	Land	Construction work in progress	Total
	$	$	$	$	$	$	$	$	$	$	$	$
Depreciation												
Balance at January 1, 2014	184,522	13,112	37,581	70,139	34,728	15,200	10,176	6,944	94	-	-	372,496
Depreciation for the year	37,617	1,880	4,079	10,733	3,860	1,418	1,175	2,929	8	-	-	63,699
Disposals	(923)	-	-	(249)	(56)	(400)	(20)	(769)	(102)	-	-	(2,519)
Balance at December 31, 2014	221,216	14,992	41,660	80,623	38,532	16,218	11,331	9,104	-	-	-	433,676
Balance at January 1, 2015	221,216	14,992	41,660	80,623	38,532	16,218	11,331	9,104	-	-	-	433,676
Depreciation for the period	9,630	456	1,046	2,529	945	359	241	858	-	-	-	16,064
Disposals	-	-	-	-	(1)	-	-	-	-	-	-	(1)
Balance at March 31, 2015	230,846	15,448	42,706	83,152	39,476	16,577	11,572	9,962	-	-	-	449,739
Carrying amounts												
At December 31, 2014	599,620	30,544	86,026	157,695	47,450	7,688	5,745	9,782	-	4,080	50,573	999,203
At March 31, 2015	594,858	30,403	89,759	155,350	46,848	8,464	5,554	9,925	-	4,080	44,598	989,839

a) At March 31, 2015, $44,598 (December 31, 2014 - $50,573) of property, plant and equipment were under construction of which $42,975 (December 31, 2014 - $48,968) was for parking and roadway systems, land servicing, and runways taxiways and aprons, not yet subject to depreciation.

b) Included in accounts payable and accrued liabilities at March 31, 2015 is $8,328 (December 31, 2014 - $11,167) relating to unpaid capital expenditures.

c) At March 31, 2015, $16,064 (March 31, 2014 - $15,911) of property, plant and equipment depreciation was included in the statements of comprehensive loss.

d) Property, plant and equipment includes $355 (December 31, 2014 - $1,431) in borrowing costs capitalized during the period. Borrowing costs were capitalized at a weighted average rate of its general borrowing of 4.81% (December 31, 2014 – 4.81%).

e) Moving walkways with a net book value of $3,572, categorized as buildings, were derecognized in the prior year as they require replacement to restore operational capability of the walkways and it had been determined that the parts had no further future economic benefit. It is probable that the reimbursement of the costs to replace the assets will be recovered from a third party. Two moving walkways became operational during the period ended March 31, 2015 and total cost of $1,641 was recognized.

f) Assets with net book value of $2 (December 31, 2014 - $276) were disposed for proceeds of nil (December 31, 2014 - $46).

g) The Province of Alberta has committed to funding up to $14,000 for the runway extension at the Villeneuve Airport. To March 31, 2015, $13,190 has been received from the Province and $13,731 in costs have been incurred with remaining $541 received subsequent to the first quarter.

(unaudited, in thousands of dollars)

4. INTANGIBLE ASSETS

	Computer Software	Construction work in progress	Total
	$	$	$
Cost			
Balance at January 1, 2014	2,980	44	3,024
Additions/transfers	1,068	777	1,845
Disposals	(217)	-	(217)
Balance at December 31, 2014	3,831	821	4,652
Balance at January 1, 2015	3,831	821	4,652
Additions/transfers	841	(172)	669
Disposals	-	-	-
Balance at March 31, 2015	4,672	649	5,321

	Computer Software	Construction work in progress	Total
	$	$	$
Amortization			
Balance at January 1, 2014	2,218	-	2,218
Amortization for the year	801	-	801
Disposals	(217)	-	(217)
Balance at December 31, 2014	2,802	-	2,802
Balance at January 1, 2015	2,802	-	2,802
Amortization for the period	286	-	286
Disposals	-	-	-
Balance at March 31, 2015	3,088	-	3,088
Carrying amounts			
At December 31, 2014	**1,029**	**821**	**1,850**
At March 31, 2015	**1,584**	**649**	**2,233**

a) At March 31, 2015, $649 (December 31, 2014 - $ 821) of intangible assets were under development and not yet subject to amortization.

b) Intangible assets are purchased software and software licenses. During the period ended March 31, 2015, $286 (March 31, 2014 - $202) of intangible asset amortization was charged to the statements of comprehensive loss.

(unaudited, in thousands of dollars)

5. LONG-TERM DEBT

Total long-term outstanding

	March 31, 2015 $	December 31, 2014 $
Series A Bond	217,636	217,636
Series C Bond	768,328	771,883
	985,964	989,519
Less: current portion Series A Bond	5,917	5,917
Less: current portion Series C Bond	14,969	14,809
Total current portion	20,886	20,726
Less unamortized transaction costs	3,626	3,696
	961,452	965,097

a) Series A Bond and restricted deposits

Interest Rate	Semi-annual Instalment	Maturity Date	March 31, 2015 $	December 31, 2014 $
7.21%	Varying	November 1, 2030	217,636	217,636
Less unamortized transaction costs			3,626	3,696
			214,010	213,940
Less current portion			5,917	5,917
			208,093	208,023

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.

(unaudited, in thousands of dollars)

b) Series C Bond

Fixed Rate Debentures, Series C Bonds payable in semi-annual instalments of principal and interest:

Interest Rate	Semi-annual Instalment	Maturity Date	March 31, 2015	December 31, 2014
	$		$	$
4.37%	755	December 15, 2026	13,984	13,984
4.50%	1,145	March 15, 2027	21,062	21,719
5.00%	398	June 15, 2027	7,340	7,340
4.89%	395	September 17, 2027	7,318	7,529
4.68%	1,552	June 16, 2028	30,789	30,789
4.55%	3,068	September 17, 2028	61,377	63,011
4.67%	1,245	December 15, 2039	36,529	36,529
4.54%	920	March 15, 2040	27,345	27,638
4.56%	1,845	June 15, 2040	55,292	55,292
4.00%	1,439	October 1, 2040	46,239	46,239
4.40%	2,112	December 15, 2040	65,050	65,050
4.41%	1,511	March 15, 2041	46,472	46,947
3.73%	557	March 17, 2044	19,629	19,816
3.36%	260	September 15, 2044	9,902	10,000
3.18%	266	December 15, 2044	10,000	10,000
4.16%	1,041	June 15, 2041	50,000	50,000
3.70%	926	September 15, 2041	50,000	50,000
3.35%	1,174	December 15, 2041	70,000	70,000
3.41%	512	March 15, 2042	30,000	30,000
3.25%	488	June 15, 2042	30,000	30,000
3.26%	651	September 17, 2042	40,000	40,000
3.24%	324	December 17, 2042	20,000	20,000
3.42%	343	March 15, 2043	20,000	20,000
			768,328	771,883
Less: Current Portion			14,969	14,809
			753,359	757,074

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.

(unaudited, in thousands of dollars)

c) Interest Expense

	Three Months Ended March 31	
	2015	2014
	$	$
Interest Expense (Income)		
Series A Bond interest	3,903	4,020
Series C Bond interest	7,760	7,590
Other interest and financing costs	195	98
Interest income and other	(212)	(200)
	11,646	11,508
Less: capitalized interest	(355)	(354)
	11,291	11,154

6. COMMITMENTS AND CONTINGENCIES

a) Commitments

At March 31, 2015, Edmonton Airports had outstanding capital commitments in the amount of $10,286 (December 31, 2014 - $10,736).

b) 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 material expense to Edmonton Airports. The cost of settlement, if any, will be accounted for in the period of settlement.

7. FAIR VALUE OF FINANCIAL INSTRUMENTS

Edmonton Airports does not record any assets at fair value in the statements of financial position. The only financial instrument that has a fair value that does not approximate the carrying value in the statements of financial position is long-term debt. The fair value of the long-term debt is categorized as Level 2 of the fair value hierarchy as it is 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. The fair value of long term debt is determined on an annual basis and the most recent valuation is disclosed in the December 31, 2014 financial statements.

8. COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform to the current year's presentation.