EDMONTON AIRPORTS ANNUAL REPORT 2015

BUCKET L15T

A PIN IS WORTH A THOUSAND MEMORIES

You may have noticed your 2015 EIA Annual Report is accompanied by a pack of pushpins. When plotted on the enclosed map, those simple pins become a visual journal of your amazing journeys, a log of unforgettable adventures and a smile-inducing souvenir of destinations crossed off your bucket list. Please use them and let the memories live on.

Bucket

L15T

06 Board Chair's Message
08 President and CEO's Message
12 Air Service
24 Community
26 Passenger Experience
34 Sustainability
38 Villeneuve Airport
39 Awards
41 Safety
42 Employee Engagement
44 EIA's Great Jetaway
48 Board Governance
59 Strategic Reporting
67 Management Discussion and Analysis
85 Financials

CROSS ANOTHER

~~DESTINATION~~

~~MILESTONE~~

~~REUNION~~

~~COMMUNITY PROJECT~~

~~DREAM VACATION~~

~~HALLMARK YEAR~~

OFF THE LIST.

VISION

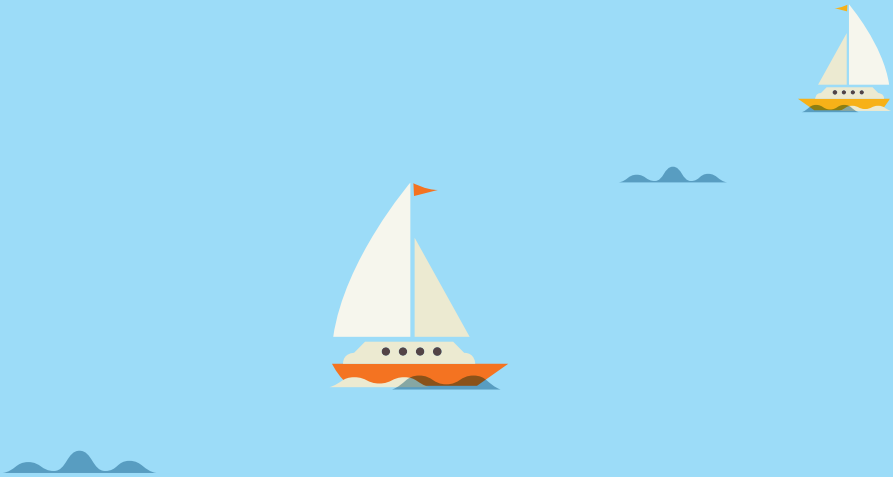
More flights to more places

MISSION

Driving our region's economic prosperity through aviation and commercial development

GOAL

10 million annual enplaned and deplaned passengers by 2020



Our core values

Safety and security first: be safe and secure

Own the outcome: deliver quality service and products

Doing the right things right: show individual and organizational integrity

Invested in our talent: be people-focused in respect, teamwork and collaboration

Dedicated to sustainability: consider social, environmental and financial impacts

Strategic objectives

Improve financial sustainability

Enhance passenger experience

Improve social and environmental sustainability

Enhance airline productivity

Exemplify exceptional leadership

Strategies 2015-2020

Retain and grow passenger market demand

Grow non-aeronautical revenue and development

Create exceptional customer experiences

Deliver positive community impact through sustainability

Engage employees

Board chair's message

As I look back at all of Edmonton Airports' accomplishments in 2015, I am reminded that airports aren't just transportation hubs. The measure of a great airport is what it gives back to the community it serves.

EIA plays a critical role driving our region's economy, supporting our businesses, connecting us to our family and friends and showcasing and supporting our culture. When it comes to bucket lists, there's no denying that we play an essential role in helping people fulfill their personal and professional dreams.

At EIA, we have a bucket list of our own, and fulfilling our mandate of driving economic prosperity for our region is definitely high on our list. In 2015, EIA received the results of an economic impact study commissioned to evaluate how well we are achieving that goal. The study found that EIA contributed $1.2 billion in total Gross Domestic Product (GDP) for the region in 2014, up 47 per cent from the previous assessment in 2008. Additionally, between 2008 and 2014, there was a 40 per cent increase in total employment generated by EIA's operations and off-site aviation industries, representing a total of 12,600 person-years of employment. EIA's total economic output increased by 43 per cent to more than $2.2 billion.

In 2015, we also finalized an agreement with Ivanhoé Cambridge to develop the Premium Outlet Collection – EIA, which will open in fall 2017. Through a partnership with Simon Property Group, Ivanhoé Cambridge has recently announced an expansion to their original design, increasing the Outlet Centre to over 580,000 square feet. This is a significant investment at EIA which will create an additional 1,000 to 1,500 jobs for our region.

Overall, EIA packs a mighty economic wallop, and through 2015, we continued to work to maximize our impacts by building stronger air service, growing our cargo opportunities, and attracting new businesses and services such as Rosenau Transport Ltd., Patrik's Water Hauling and Aeroterm. These are all steps toward another big bucket list item – building an Aerotropolis, an Airport City – to support sustainable long-term growth and prosperity for our region.

Great leadership is essential to fulfilling these goals, and I congratulate Tom Redl, our previous Board Chair, who completed his term in December 2015. Tom's contributions to the many accomplishments achieved during his eight years of service on the Board, first as Director and ultimately as Board Chair, are truly impressive. His vision and his insights have left a strong legacy of success.

I also offer my sincere thanks to the Honourable Anne McLellan, Q.C., who completed her service on the Board in 2015. Anne has served the region, province and our country selflessly, and EIA has benefitted greatly from her wisdom and guidance. To both of these colleagues, I offer my best wishes as they move on to new endeavours. It has been my pleasure to work with them, and with all of my fellow Directors, whose experience and input are so integral to moving EIA forward.

I would like to welcome two new leaders to our Board who began their terms in January, 2016. Suromitra Sanatani has been appointed by the City of Edmonton. She has served as Chair of the Royal BC Museum, Director of Canadian Blood Services and of the Victoria Airport Authority, and is the former Vice President of Corporate and Government Relations with Partnerships BC. Joan Hertz, Q.C., appointed by the City of Edmonton, is currently Vice President of External Affairs and Corporate Counsel for NorQuest College. She serves as Chair of the Governance and Conduct Review Committee and Member of the Risk Committee of ATB Financial, and has served as a public member of the Institute of Chartered Accountants of Alberta Council, the Alberta Accountants Unification Agency and the Provincial Judicial Council.

With my fellow Board colleagues, we look forward to a continued collaboration with EIA's outstanding management team and skilled and dedicated employees, who together make this company great.

In 2015, we achieved some major milestones, but one of the best things about bucket lists is there are always new opportunities, new dreams and new horizons to explore. We have big dreams and big plans for helping our community achieve a great destiny. What's on your bucket list? Whatever your aspirations, and no matter what captures your imagination, we invite you to join us in following your dreams.

Maureen McCaw
Board Chair

MAUREEN'S BUCKET LIST:

Sea kayaking the Norwegian Fjords.

President and CEO's message

The theme of this year's Annual Report is bucket lists. On some level, we all have them – goals large and small that can take you far afield or just into your backyard. As Canada's overall fastest-growing major airport over the past decade, we too set goals and then work with our passengers, partners and businesses – internationally and across our region – to help them cross things off their own lists.

As we look back over 2015, we see a year of successes in the face of challenges. Our regional economy has been affected by the current global economic downturn and is feeling the effects of falling oil prices and a low Canadian dollar. The year closed with WTI crude oil prices at $36 US per barrel and the dollar sitting at $0.73 US, a significant economic shift. Even facing this shift, EIA's financial ratings with Standard and Poor's increased, compared to 2014.

Like our fellow Albertans and the people of the Edmonton Metro Region, we have sought to be nimble, flexible and resilient, making course corrections to respond to our environment while still keeping us on track towards achieving our bucket list goals. As a not-for profit, community-based regional asset, we serve as an economic driver across our region – touching virtually every business and every community. Keeping our eye on our long-term vision, we have sought opportunities for innovation and improvements, continued to implement our long-term strategies and focused on fulfilling our mandate as an effective steward of one of the region's most significant assets.

Our efforts have brought many rewards and benefits for our community. Nearly eight million passengers made their way through the airport in 2015, our second-highest performance ever, to conduct business, begin adventures and reunite with loved ones. We remain confident of achieving our goal of serving 10 million enplaned and deplaned passengers by 2020.

EIA continues its steady march forward, delivering on our vision of 'more flights to more places' and constantly working to bring the next opportunities home to our region. We know the region's success relates to our ability to remain competitive and nimble in the airline industry – and in a tougher economy, this means working closely with our customers to ensure we are more efficient and effective at every turn.

We celebrated a major air service achievement this year, with the launch of KLM Royal Dutch Airlines' first non-stop flight between Amsterdam and Edmonton in May. This is a significant addition to our non-stop offerings, connecting customers to KLM's vast worldwide network. When added to the service provided by the popular Icelandair service to Reykjavik and the announcement of upcoming WestJet service to London-Gatwick, the Edmonton region has better international access than ever before. Our community has demonstrated its support and appreciation, with international passenger numbers up 14.5 per cent this year, the best performance of any major Canadian airport.

This continuing investment is a significant demonstration of confidence and commitment by our partner airlines, and with strong support from our community, we look forward to continuing to build our non-stop network of 60 non-stop destinations in Canada, the US, Mexico, the Caribbean and Europe.

When it came to US travel, airlines took different approaches in responding to the slower economy's reduced oil prices and a lower Canadian dollar. Delta Air Lines introduced daily non-stop service to Seattle and beyond, with

impressive international connections out of Seattle-Tacoma International Airport. Meanwhile, American Airlines suspended its service to Dallas/Fort Worth.

2015 was another banner year for air cargo with volumes increasing steadily. In fact, 2015 marked the sixth consecutive year of cargo volume growth at EIA, bringing the six-year volume growth to 32 per cent.

Our new relationship with Air France-KLM Cargo, which began in the spring, further bolstered cargo volumes from EIA. EIA's reputation as a cargo hub solidified in 2015 when we welcomed Air China Cargo. In September, the carrier began operating its first scheduled freighter operation between Canada and mainland China, serving Shanghai-Edmonton-Dallas on a Boeing 777-200 freighter. Since starting the route, Air China Cargo has added a stop in Tianjin, the heart of China's oil and gas industry, on the way to Shanghai. The Air China Cargo freighter carries products from the energy, manufacturing, agriculture and other sectors. This service alone will generate an estimated $31 million GDP gain per year for the region. With these additions to both our trans-Pacific and trans-Atlantic cargo offerings, EIA now has direct air cargo delivery from Europe, the US and Asia and truck connections to anywhere in Western Canada within 24 hours. With air cargo being two per cent of the volume of goods shipped worldwide but 35 per cent of the value, this means great news for regional business in accessing international markets.

Non-aeronautical revenue is essential to maintaining airport operations and keeping airline landing fees low, and as a testament to our success in this area, we were once again named the top-performing airport in North America for revenue per enplaned passenger (excluding duty free).

Another important strategic regional asset that EIA manages is Villeneuve Airport (VA). VA is a strong economic driver of its own, contributing about 100 direct jobs and delivering an economic output of $19 million for the region. Villeneuve hosted the first annual Edmonton Airshow in 2015, and attendance was more than impressive; tickets sold out both days! Please mark your calendars for this year's Airshow, August 6 and 7, 2016.

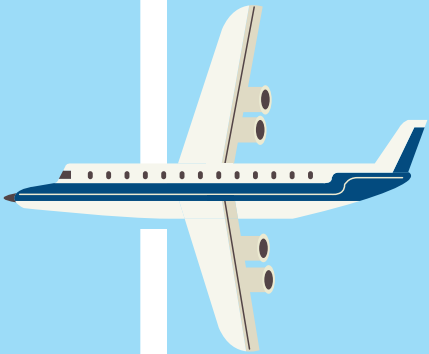
None of these achievements, or the many others you'll read about in this annual report, are possible without the commitment and enthusiasm of Edmonton Airports' employees and the 6,000 plus who work at and around our airport. To say they make all things possible would be a tremendous understatement. Their skill is matched only by their dedication to the people and the region we serve, and to making each customer's experience in the airport exceptional.

So, as much as EIA is an economic enabler, I like to think we are also a 'bucket list enabler.' It's why we exist: to help the region realize its economic and cultural aspirations. We're the gateway to where you want life to take you. And that may be the most important non-stop destination of all.

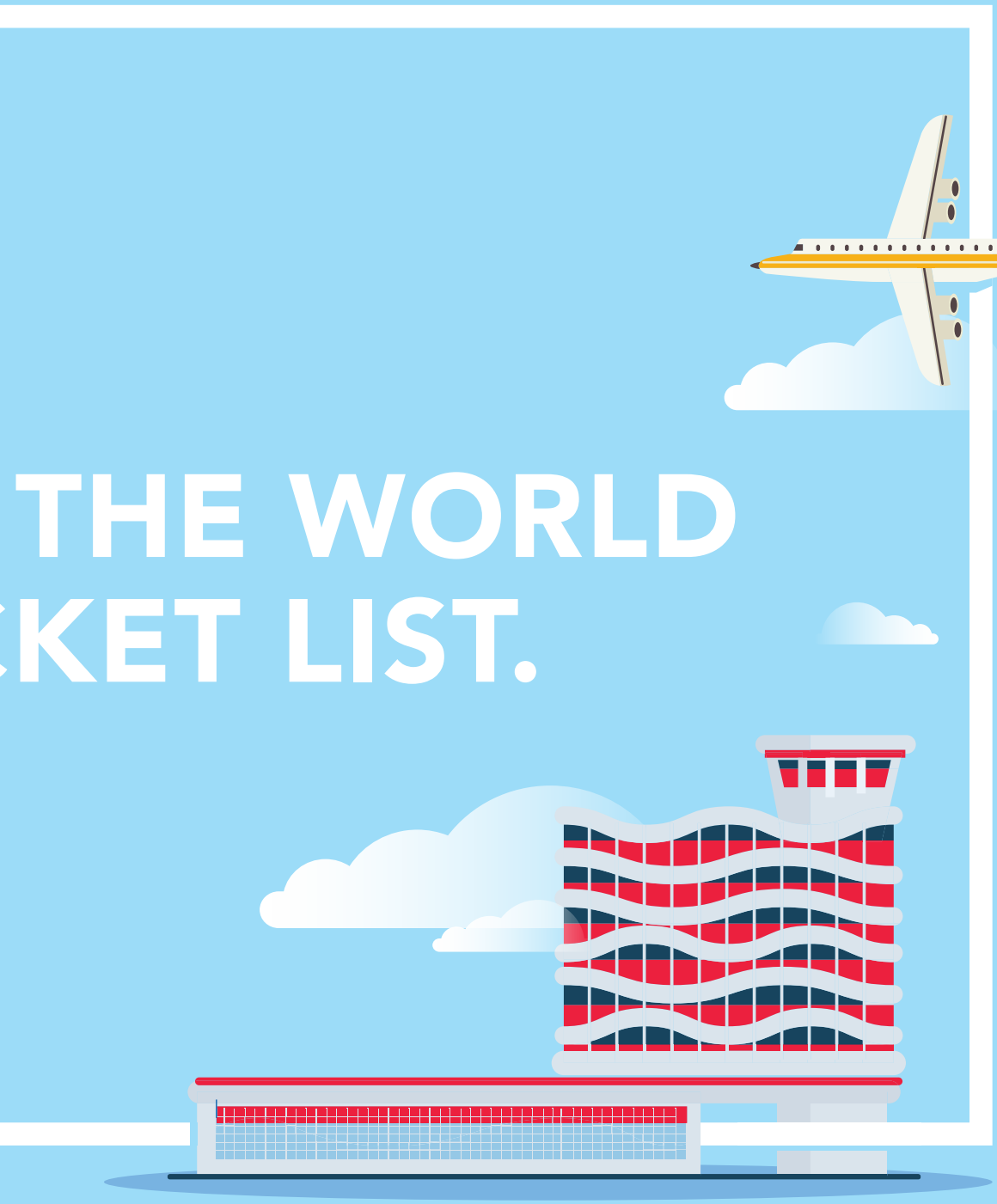
Tom Ruth
President and CEO

TOM'S BUCKET LIST:

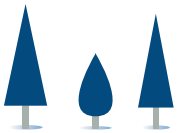
Climb inside a volcano in Iceland.



LET'S MAKE
OUR BUC


THE WORLD
CKET LIST.


Fill your bucket with goals, dreams, whims and adventures.



What's on your bucket list? See the pyramids? Climb Everest? Visit your long lost Dutch cousin twice removed? See Adele in concert in Vancouver? See if elves really do live in Iceland... they do!

Poet Mary Oliver asked, "What will you do with your one wild and precious life?" Time matters. How we spend it matters more. A bucket list is a way of making sure we pack as much into the time we have – all the wishes, dreams, goals, must-sees and must-dos. On some level, doing that thing we always wanted to do makes us new again. It makes everything possible again.

We're in the bucket list business

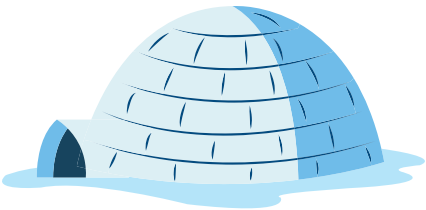
At EIA, we see ourselves in the bucket list business. We're here to get you there and bring you back again. We want to be the friend who's easy and fun to travel with. The one you can count on to have great places to eat, plenty of shopping options and well, whatever! We want to be the place where you can chill before your flight, recharge yourself and your 10 electronic devices! We want to be where your bucket list adventure begins, where pre-vacation selfies are taken and post-trip toasts are made.

As your airport, EIA always wants to be the place where hope starts its journey and accomplishment calls home.

We've got a list of our own

We're able to help our customers fulfill their bucket lists because we keep a list of our own. We understand what it means to reach farther and aim higher. Our bucket list is filled with those things we must achieve to feel fully in service to our community and the people we serve.

This is how we did with our bucket list in 2015.



Take non-stops to new hot spots

We know the key ingredient to anyone's bucket list is getting there, whether it's a business looking to sell into a new market, a team hoping to make it to a tournament across the border or someone branching out for new experiences. Non-stop air service is essential to our competitiveness as a region and as an airport.

Despite a challenging year, EIA continued to attract new and expanded air service to our region in 2015. Access to Europe and beyond got a little easier in May with the launch of KLM Royal Dutch Airlines' non-stop service between Amsterdam Schiphol Airport and EIA. For passengers across Western Canada, this new year-round service opens another door not only to beautiful Amsterdam, but also to KLM's vast global destination network of more than 120 destinations in Europe, Asia, Africa and the Middle East. The service began with three fights per week and expanded to four to accommodate the summer tourist season.

Edmonton became KLM's fifth Canadian gateway and links passengers from Amsterdam to the Capital Region, the Rockies and the Canadian north. The KLM Royal Dutch Airlines brand also comes with a reputation for stellar customer service that spans almost a century.

A significant benefit to this new wide-body passenger service to Europe and beyond is the new cargo opportunity it creates. This has been a huge benefit to Alberta and northern Canada's resource and energy sectors that need to ship cargo globally.

Choices for travel to Europe will soon be even greater for passengers travelling from EIA, thanks to WestJet's fall announcement of new non-stop service between Edmonton and London Gatwick. The new service takes flight in May 2016. This Alberta-grown airline deserves a big congratulations for their impressive international growth in 2015. In addition to the London Gatwick service, EIA also started seeing an ungauged 767 on WestJet's Maui route.

These new air service options have helped EIA become the fastest-growing Canadian airport in terms of international travel, with 14.5 per cent growth year over year. They have also made it easier for international travellers to fly into Edmonton and surrounding areas for tourism, business or to visit family and friends.

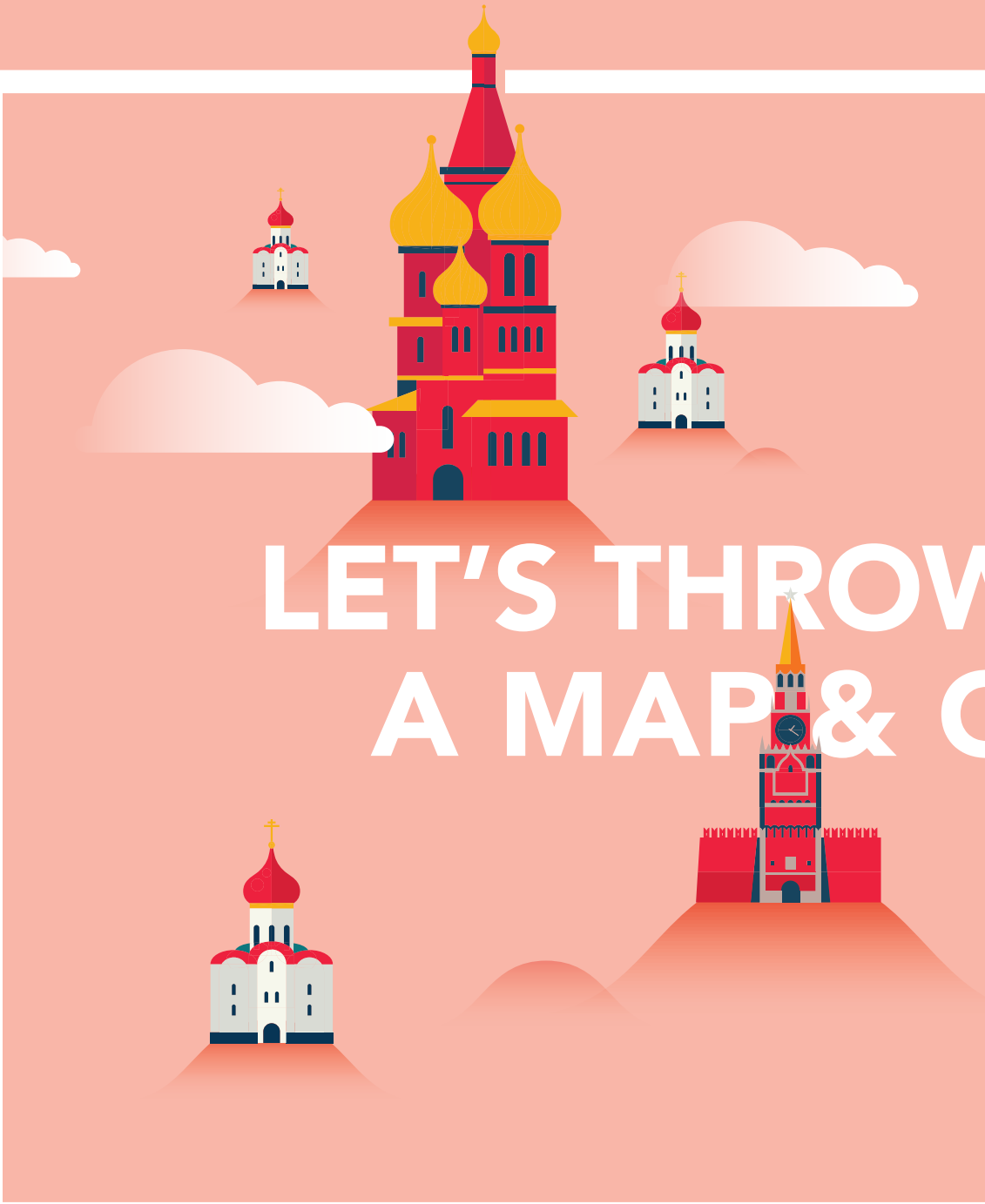
Rounding out a banner year for new air service at EIA was Delta Air Lines' September announcement of new non-stop service to Seattle. The service, which began in December, operates daily between Edmonton and Sea-Tac Airport. Seattle is an important link to more than 40 destinations worldwide, including many Asian locations.

Air Canada remains a valued airline partner, helping connect Canadians to the people and places they love. We saw a roughly two per cent increase in our Toronto, Montreal and Vancouver capacity in 2015.

Cross that off the old bucket list.


Vancouver, Canada


Cruise through the
canals in Amsterdam.


LET'S THROW
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V A DART AT
GO THERE.

Welcome a game changer to the region

ABOUT AIR CHINA CARGO

- One of the top cargo carriers in the world
- 175 global destinations
- Based in Shanghai's Pudong Airport, the world's third largest cargo hub
- 1,285 global truck routes supplementing its air freighter network and airliner bellyhold network

In September, Air China Cargo (ACC), China's flagship air cargo carrier, began serving local, national and international companies that move products to and from Western Canada. EIA is the carrier's first scheduled freighter route between Canada and mainland China, and is a vital new link to China and the Asia-Pacific region. Since launching, Air China Cargo has added a stop in Tianjin, making the route Shanghai-Edmonton-Dallas-Edmonton-Tianjin-Shanghai, which significantly increases cargo capacity between Alberta and Texas as well. That's particularly good news for the Canadian and American energy sectors that now have ACC to help move tools, equipment and products between the two key centres.

The carrier uses a fuel-efficient, high-capacity Boeing 777F aircraft, flying into Edmonton from Shanghai three times a week and from Dallas three times a week. This means the region's energy, manufacturing, agriculture and other industries can ship goods more efficiently to China and other areas of the Asia-Pacific region.

The return trip brings the goods customers in the region are eager to get their hands on: smart phones, tablets, audio/visual components and other goodies, providing strength to the regional retail economy.

We estimate that the new Air China Cargo service will generate a $31 million GDP gain per year for the region. In addition, EIA will now have direct air cargo delivery from Europe, the US, Asia and truck connections anywhere in Western Canada within 24 hours. For businesses, this means reaching suppliers and customers in hours, not days.

Bucket list item two: scratched!

Grow cargo for sixth year running

Check! In 2015, EIA delivered our sixth consecutive year of cargo growth, with total volume growing by 32 per cent over six years (5.2 per cent year-over-year).

On top of the trans-Pacific cargo powerhouse that is Air China Cargo, we saw a lot of trans-Atlantic cargo volume growth thanks to the freight capacity on KLM's passenger service to Schiphol Airport, one of the biggest cargo hubs in the world. Local and regional shippers and manufacturers are using Amsterdam as a gateway to and from the EU and the world.

Braden-Burry Expediting (BBE), one of Canada's leading full service logistics companies, doubled the size of its international operations at EIA's Cargo Village, with international air cargo, multi-modal cargo and support to northern Canada's development sector. BBE's new 40,000 sq. ft. warehouse provides increased cooler and freezer capacity, expanded office space and a larger customer service area. Other new amenities include a six metre drive-over scale for weighing loaded cargo and an electric car charging station (a first at EIA). The facility also gives BBE convenient access to customs processing with CBSA located right next door, helping to expedite the movement of goods in and out of the region.

As a hub in the northern Canadian supply chain and international air cargo, this facility is key to BBE's continued growth and success. BBE's expansion supports the northern Alberta economy and emerging Arctic industries and provides air carriers with a great service option.

Another big cargo growth story for EIA was the announcement of and start of construction on Rosenau Transport Ltd.'s new 211,000 sq. ft. custom-built distribution centre and warehouse. The new Rosenau facility at EIA will give their company a strategic operating base with immediate access to air cargo carriers, the Queen Elizabeth II Highway (CANAMEX trade corridor) and the Leduc-Nisku Industrial Park, which is the largest energy park in Canada and the second largest in North America. Western shippers will now be able to send cargo to Edmonton and then have that cargo on a plane to any destination within 24 hours.

Det'on Cho Logistics, headquartered in Yellowknife, NWT, expanded its operations to EIA, providing new warehousing options for the region.

Expair Cargo, the sales agent for Air China Cargo, WestJet Cargo and Icelandair cargo has opened an office on-site at EIA.

Yup. Strike that off this year's bucket list.


ICELANDAIR
AIR CANADA
jetz
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52

Become a foreign trade zone


London, England

In June, Western Economic Diversification named Port Alberta, located at EIA, a Foreign Trade Zone (FTZ), which enables companies involved in handling or moving goods to reduce and eliminate normal trade barriers, such as tariffs, quotas and compliance costs.

It's a strategic location named for international and foreign direct investment. It's supported by the federal government and acts as a single point of access to information about relevant government policies and programs. FTZs are used by investors around the world and are important drivers of international trade.

What does it mean for our region? Businesses in the Edmonton Metro Region, Western Canada and the Canadian North benefit from reduced trade barriers and access to a dedicated task force to assist in international shipping.

Because Edmonton is the key transportation and supply chain hub for the energy, manufacturing and industrial sectors in Western Canada, the FTZ designation gives Port Alberta the leverage to attract new business and foreign investment, strengthening the local and regional economy.

Ultimately, this will help the region become more globally competitive and drive new trade opportunities.

Become an FTZ: Done!

Ultimately, this will help the region become more globally competitive and drive new trade opportunities.

Unveil plans for the mother of all outlet malls

We kick-started 2015 with the announcement of Premium Outlet Collection – Edmonton International Airport, a joint development between Ivanhoé Cambridge and Simon Property Group. This project alone will drive ~$200 million in new investment in the region and create between 1,000 and 1,500 jobs.

Premium Outlet Collection – Edmonton International Airport will be located just south of Airport Road, right beside Queen Elizabeth II Highway, and feature 428,000 sq. ft. of leasable retail outlet space (over 580,000 sq. ft. of gross building area) from more than 100 renowned brands, many of which will be making their debut in the region. It will be a shopping experience for all budgets and tastes. Suffice to say this bucket list item may spawn some bucket lists of its own. (Can you ever have too many pairs of shoes?)

Like all non-aeronautical revenue at the airport, revenue generated from the land lease of Premium Outlet Collection – Edmonton International Airport is re-invested back into EIA to maintain operations, improve facilities and attract more air service. It's good for business, good for the region and good for style!

Knock another one off the list. Happy shopping!

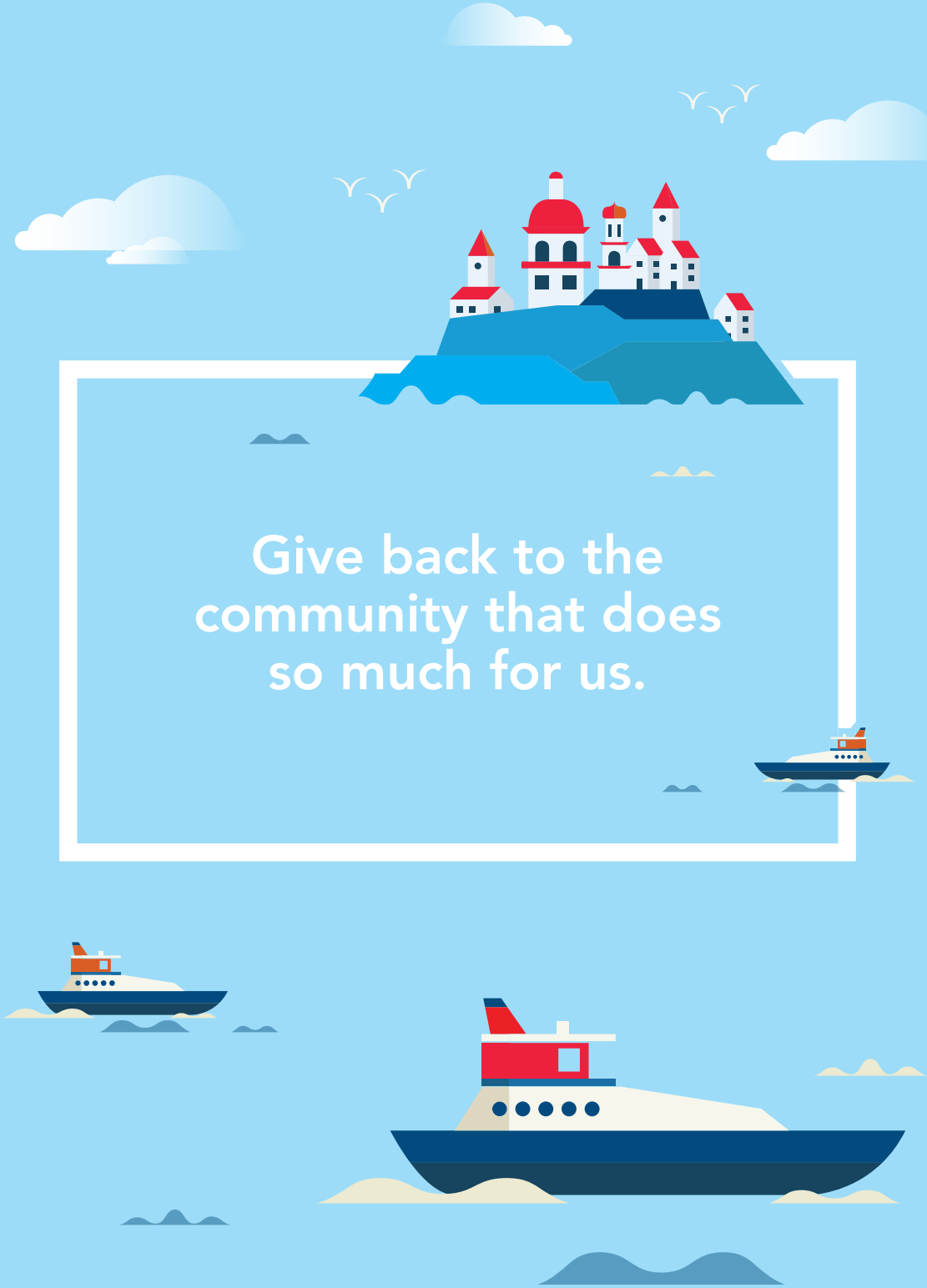
Take 737 flight-training simulation to new heights

That's not something you hear every day. In June, Canadian North's new flight-training simulator for Boeing 737 series aircraft opened its cabin doors for business at the Alberta Aerospace and Technology Centre (AATC) at EIA. The AATC and flight simulator have come online thanks to a partnership between EIA, Canadian North, Canadian Helicopters, Edmonton Economic Development Corporation (EEDC) and the Government of Alberta to build a cluster of activity in aerospace and technology. The simulator lets regional and international pilots learn the flight operations and characteristics of the world's most popular airliner, the Boeing 737. It can also be used for refresher courses or advanced training in a controlled, cost-effective setting.

The flight simulator is housed at EIA's Cargo Village and is the latest component in the Port Alberta strategy to boost the region's competitiveness and trade volume. The launch of the flight simulator will be followed in 2016 by the installation of Canadian Helicopters' helicopter simulator, which will be housed in EIA's main passenger terminal building. Space for simulator training worldwide is at a premium. These new facilities will add much needed capacity for formal flight training and will attract students from all over the world. This activity will, in turn, stimulate more economic investment in the region.

Both of these world-class training facilities will position the Alberta Aerospace and Technology Centre at EIA as an emerging hub of aerospace and technology activity, and continue to move the needle on EIA's progress to becoming a diverse aerotropolis.

2015 bucket list item: Cleared for scratch off.


Give back to the community that does so much for us.

We partnered with over 100 groups and causes, from charitable organizations and public services to tourist draws and cultural exhibits.

EIA exists to serve this amazing, beautiful community. In committing to our core value of 'Dedicated to Sustainability,' social sustainability is a priority that means always giving back to the community and helping to make it an even better place to live, work and play.

The region came together to show strong community spirit by supporting the fifth annual EIA Charity Golf Classic, which raised $200,000 for Youth Empowerment and Support Services (YESS), Riseup House and the Leduc and District Food Bank.

This year, 77 sponsors joined the fun, including 22 first-timers. In total, 180 people golfed (or did something that sort of looked like it), and 400 guests attended the dinner. Thanks to everyone who participated and, more importantly, donated to these worthy causes. Over the last five years, the EIA Charity Golf Classic has raised more than $600,000 for families, women and youth in our region.

The generosity of our employees was demonstrated again in our annual United Way campaign — as part of the broader Pathways out of Poverty theme — which raised over $30,000 for local charities thanks to direct donations, corporate donation matching and various fundraising events (including a human chuckwagon race). Our employees were also generous with their time, with 39 per cent of them logging volunteer hours in an employee volunteering project.

Another way we give back to our community is by highlighting all the great things our region has to offer right here in the terminal, creating an amazing airport experience for passengers. Our terminal is home to local art, sport, culture, special events and music. Our music program showcases local musicians throughout the airport, providing travellers with the wonderful ambiance of live music before their next flight. The program gives profile to some of the region's up-and-coming musical talent (and we've got a lot of it). In 2015 alone, there were more than 1,400 performances in the airport, providing travellers and airport staff alike with 4,330 hours of musical entertainment. Special performances take place during the holiday season and during Canadian Finals Rodeo Week.

We're also hard at work in our community. In 2015, we partnered with over 100 groups and causes, from charitable organizations and public services to tourist draws and cultural exhibits, including:

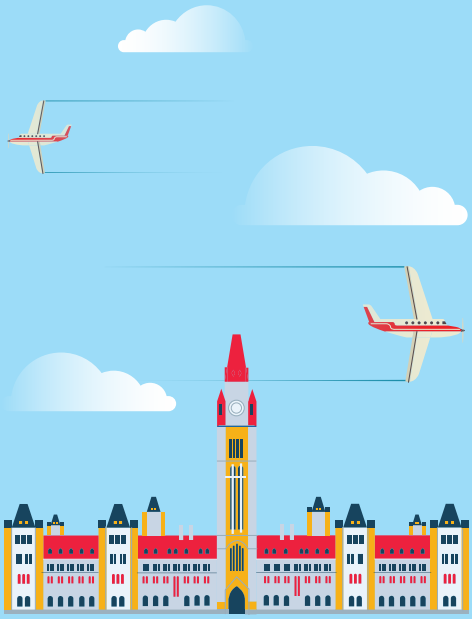
Alberta Aviation Museum
Alberta Cancer Foundation
Canadian Aviation Hall of Fame
Community Foundation of NW Alberta
Dreams take Flight
Edmonton Public Library
Folk Fest
Habitat for Humanity
Hope Air
Leduc and District Food Bank
Philip J. Currie Dinosaur Museum
Riseup House
Servus Heritage Festival
Telus World of Science Edmonton
United Way of the Capital Region
Youth Empowerment Support Services

Cross it off? Yes and no (we're never finished giving back).

Make Tim Hortons even more popular

It's possible! This year, our Arrivals-level Tim Hortons got a makeover to enhance service speed for customers. The new Tims now has a 'Grab n' Go' cooler for customers looking for something fast and nutritious as they wait for their luggage, loved ones or limos. For those with more time, the new Tims concept has plenty of soft seating, so you can sit back and relax while you savour the quintessentially Canadian Tims experience.

Double double strike that off the bucket list.



Treat passengers to even more retail therapy

We believe a passenger's dream trip begins the moment they step foot in our airport. That's why we're always working to bring retail, food and beverage options that will make time spent at EIA memorable for all the right reasons. Whether it's Gate to Escape Massage and Wellness, a newly opened service where passengers can relax and minimize the effects of travel on the old muscles, or our retail offerings like Lolë and Outdoor Edmonton, we're not satisfied until… well, actually, we're never satisfied! There's always more we can do to make passengers happy, and we're all over that.

In 2015, for the second year in a row, EIA was ranked number one in North America by Airport Revenue News for greatest per passenger spending (excluding duty free). That means our customers have access to the services and amenities that interest them, and they love to shop in our airport!

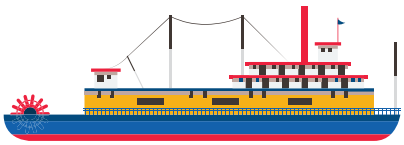
Bucket list: Ah-chieved!

Add the Boston Brute to our menu

That's right, EIA brought 2015 to a close with the opening of hometown classic Boston Pizza, which joined our growing number of restaurant choices. Founded 50 years ago right here in Edmonton, Boston Pizza was about eating local before eating local was a thing.

Located in EIA's Central Hall, past Domestic-International Security, EIA's Boston Pizza is the first ever in an airport. Here, guests are able to choose from a variety of Boston Pizza's delicious menu items, including its famous gourmet pizzas made with its signature, fresh dough, mouth-watering pasta dishes and a wide variety of appetizers, salads, entrées and desserts. Boston Pizza is open 5 am to midnight, seven days a week.

Welcome home, BP. (Oh… and cross this one off the list, too.)



Reward more than 50,000 people

Our EIA *rewards* efforts this year have focused on providing a customer experience targeted to the unique needs of our members, including premium Wi-Fi and enhanced offers for our connecting and corporate customers. In addition to automatic entries to win monthly flights to one of our non-stop destinations, members continued to receive parking discounts, offers from our travel partners, opportunities for exclusive savings at the Renaissance Edmonton Airport Hotel and new ways to save when dining and shopping in the terminal. EIA *rewards* creates a unique experience, as the offers are exclusive, the program is managed completely online and you don't have to collect points to redeem offers or benefits.

Photo by Merle Prosofsky

All EIA *rewards* members now have the opportunity to benefit from premium Wi-Fi at EIA, a new service that launched in July, featuring five times the speed of regular Wi-Fi and unlimited-use. In addition to the enhanced service, *rewards* members can also access the current monthly offers online while in the airport, and non-members can join through our Wi-Fi access.

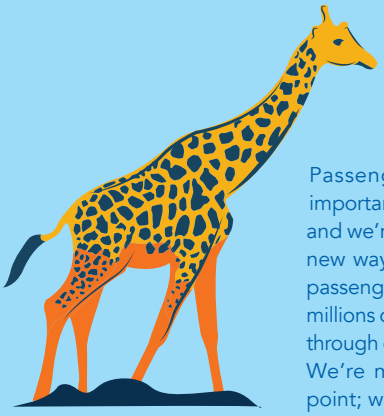
In June, EIA launched our enhanced *rewards* benefits for our connecting passengers (passengers who fly through Edmonton enroute to another destination). Benefits included the introduction of complimentary Plaza Premium Lounge passes as well as exclusive offers for the Edmonton Renaissance Airport Hotel. In 2015, more than 5,000 people became regional EIA *rewards* members.

We're very proud of the interest EIA *rewards* is receiving from both the local market and connecting passengers. By the end of 2015, our overall program membership had more than doubled to over 56,000 members. By strengthening our passengers' choice to fly through Edmonton with our *rewards* program, we continue to strengthen and grow the flight options from Edmonton.

Bucket list: Crossed off (50,000 times over).

By the end of 2015, our overall program membership had more than doubled to over 56,000 members.

Create an unforgettable passenger experience



Passengers are the most important part of airport life, and we're always looking for new ways to bring the best passenger experience to the millions of travellers who pass through our doors every year. We're more than a transit point; we're a destination.

This year, we officially cemented our pet therapy program as a permanent fixture. We led the way as the first airport in Canada to spread some pet cheer with our passengers, and we've since advised on multiple other airports' pilot projects. We now have nine teams from the Pet Therapy Society of Northern Alberta who come into EIA on a rotating schedule. We've even gotten them snazzy matching outfits (for both the dogs and handlers) and trading cards with pictures and stats (just for the pups).

Our furry friends aren't the only ones walking through the terminal with a new wardrobe. Our wonderful team of airport volunteers saw some big change this year, as they were fitted with brand new uniforms (in brand cyan, of course) and a new name – Say hello to an Airport Volunteer Ambassador next time you're around EIA. These men and women always have a smile on their faces and are more than happy to help our passengers find their gate, a car rental service or even the closest Tim Hortons.

Happy passengers, happy life. Done.

> We're more than a transit point; we're a destination.

Reimagine parking & ground transportation

We know that a big part of flying involves life on the ground: things like parking and ground transportation. That's why we're constantly making improvements to our parking products and ground transportation service. For example, our jetSet Parking partner welcomed two new providers to the family – Vancouver International Airport and John Diefenbaker Airport in Saskatoon. Innovation must be contagious.

Our passengers deserve and expect safety and courtesy as they make their way to and from the airport. We continue to lead the way in delivering on those expectations, and it's why we make sure that all our drivers participate in a comprehensive customer service training program. In addition, all bus drivers and valets at the airport must participate in an Alberta certified driver training program to reinforce their knowledge of safe vehicle operation.

In spring 2015, we introduced a complimentary shuttle program to provide service to and from our general aviation facilities at EIA. Now, mobile workers, business charters and other general aviation passengers have another convenient and safe ground transportation option.

To help keep our ground transportation traffic moving, we added a second exit lane on the Arrivals level to allow taxis, buses, limousines and shuttles to exit the airport twice as fast. That means our passengers can get where they're going even sooner!

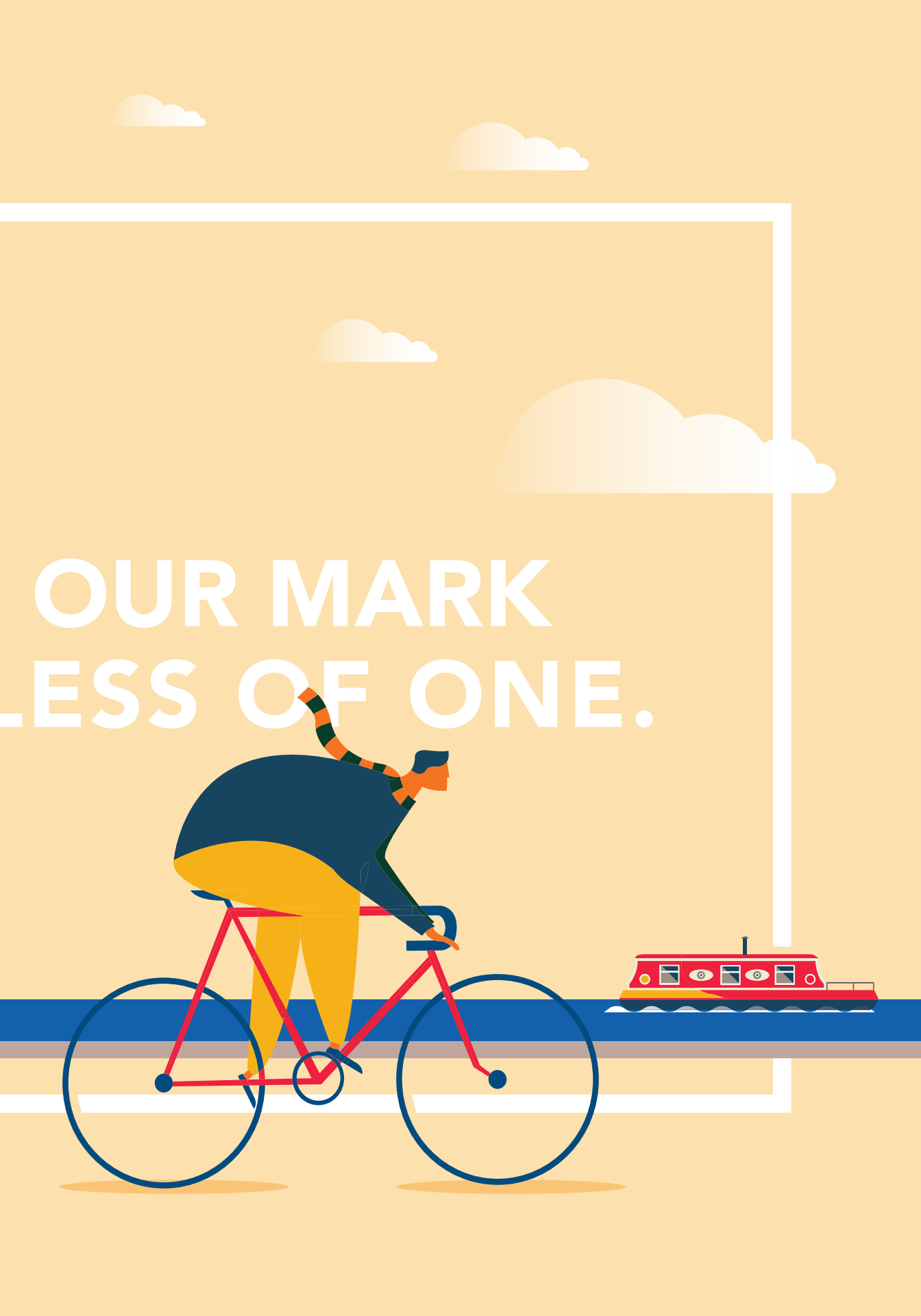
Our Taxi Ambassador Program, which we operate in partnership with the City of Edmonton, expanded in 2015. The program is guided by a steering committee of industry professionals, tourism and stakeholder businesses working with city administration, taxi brokers, plate owners and drivers. Together, they advocated for the expansion of the current program to include more advanced training in customer service, defensive driving and familiarity with the region.

Our passengers deserve and expect safety and courtesy as they make their way to and from the airport.

We also improved our online booking system to allow passengers to automatically upgrade their parking choice when making a new booking.

Bucket list: Keep our eyes in the air *and* on the ground. Done.

LET'S MAKE
BY LEAVING L


OUR MARK
LESS OF ONE.

Be a sustainable community steward.

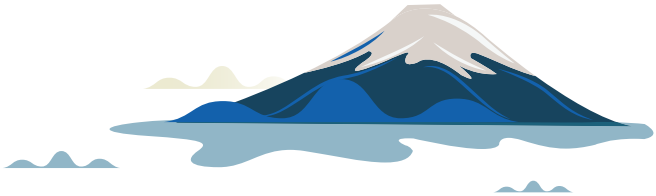
One of the most important goals on our bucket list is to make sure what we do at the airport is financially, environmentally and socially sustainable. In other words, we want to increase our positive impact on the world around us and be a leader in the Canadian airport community. It's actually more than just a goal; it's our duty to you.

So, as we fulfill our corporate vision, mission and goals, we stick – like Gorilla Glue – to our core corporate values. Dedicated to Sustainability is one of these values, and you'll see it showing up everywhere at EIA. We developed our sustainability strategy by talking and working with employees, external stakeholders and the executive team. We also looked at what other folks were doing – municipal, provincial and federal goals and commitments – related to sustainability to make sure we were on top of what all the other smart kids are doing in this area.

Our corporate mission is clear: We drive our region's economic prosperity through aviation and commercial development. As a community-based, financially independent, non-share corporation, the money we earn gets invested back into our business, and we want our success to help our community be more successful. It really is that straightforward. We care about our region and, in line with our mission, we aim to have a positive community impact by focusing on economic, environmental and social commitments. That's called the triple-bottom-line of sustainability. Catchy, no?

Wondering how we've done so far? Well, we found out in 2015 that we received dual LEED® Gold certification for our central tower and terminal expansion, making us the first airport in Canada to receive the honour.

But we're not stopping there. We set new corporate goals for 2016 and beyond (2020). We're pretty serious about reaching the goals we set for ourselves, so buckle up.



Environmental management plan

The environmental management plan (EMP) for our airport was substantially updated in 2015, both in approach and content, to reflect the new airport structure, strategic plan objectives, stakeholder engagement, planned sustainability efforts and changes to our corporate targets. The direction of this particular planning document influenced our decision to produce a corporate Carbon Management Strategy.

Emissions are a core issue in the discussion of aviation sustainability. In our EMP, we recognize this is of interest to internal and external stakeholders. Emissions impact climate change and, no matter the source, are both a local and global concern. Aviation contributes over two per cent of total human-created carbon emissions into the atmosphere. At the same time, the world relies on aviation. It is central to our global economy, and vital for connecting family and friends.

Sustainability: Crossed off.

The 2015 sustainability report

In our 2015 Sustainability Report, we use stakeholder feedback from the 2015 Environmental Management Plan update. In the update process, we talked to our stakeholders and used their feedback to decide which strategic environmental areas were most important to address. The 2015 Sustainability Report focuses on the significant changes in our sustainability indicators and make reference to the 2014 Sustainability Report for context and process-based insights. We're proud to be the second airport in Canada to report on sustainability following the internationally recognized Global Reporting Initiative (GRI) framework.

Sustainability targets to 2020

As our sustainability journey gains clearer direction and definition, we choose those issues that matter the most to us. We take detailed measurements and set ambitious, yet achievable, targets that will make a difference. There's no sense in being ambitious and missing impossible and/or meaningless targets.

When our sustainability objective was first set, we aimed to complete a sustainability report to Global Reporting Initiative (GRI) standards. In 2015, we worked on clarifying a corporate measure around energy intensity on our property. That insight resulted in a new corporate sustainability target that uses energy knowledge to drive action with positive impacts. We made an ambitious commitment: keep our annual controlled emissions constant between 2014 and 2020. To quote Keanu Reeves: "Whoa." It's a big deal for an airport.

EIA continues to drive developments, such as our highway commercial and distribution and logistics projects to drive employment and financial growth in the community. We aim to see total EIA connected employment to account for 2.1 per cent of employment in the Edmonton Metro Region in 2020.

Continue Villeneuve Airport's upward trajectory

Villeneuve continues its development as an essential regional airport, serving a range of general aviation needs, including flight training, recreational flying and corporate flights. The airport is home to 21 businesses, covering activities such as aircraft flight training, fixed-wing aircraft maintenance, helicopter maintenance and aviation operations. Villeneuve Airport's total economic impact is $19 million, and it is responsible for about 100 direct jobs.

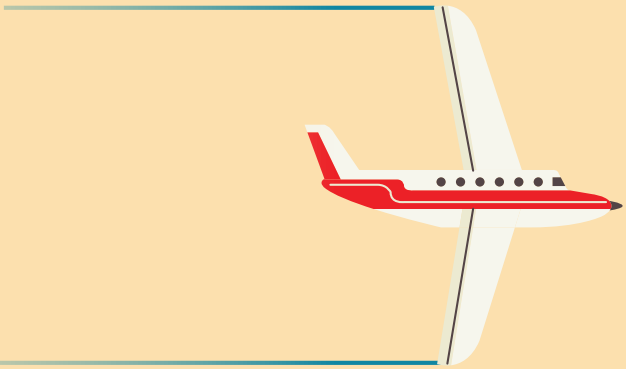
In 2015, Villeneuve Airport remained busy with 60,786 aircraft movements (landings or takeoffs).

Early in the year, The Canada Border Services Agency granted Villeneuve Airport status as a CANPASS Airport of Entry. This major milestone means that business and general aviation travellers flying into the Edmonton Area from the United States can now fly directly into Villeneuve, clearing customs and immigration on location.

Five new facilities were completed in 2015: Sky Dynamics (second facility), Rotorcraft Garage Inc., Sarasota Developments Inc., Villeneuve Aero Services and Hangar Holdings Inc. BDK Air's new 4,000 sq. ft. hangar is currently under construction, and Energy Efficient Homes Inc. is nearing completion of a 16,500 sq. ft. expansion, which will include the installation of an all new Rotating Aircraft Carrier storage system. Villeneuve Aviation is also in the process of expansion.

Villeneuve hosted its first annual airshow, a perennial favourite for aviation enthusiasts in the region. With more than 25,000 spectators enjoying the show over two days in August, the event was a resounding success, and the 2016 show looks to be even bigger and better!

Bucket list: Yup, yup and yup.



Keep on winning awards

It was another banner year for EIA in the awards department, bringing home a number of awards and recognition.

EIA was awarded LEED® Gold certification for both Expansion 2012 and the Combined Office Tower, making us the first Canadian airport to receive this recognition.

We were named the best workplace in Alberta for health and safety by Alberta Venture magazine, and we were also named one of Alberta's top employers by Postmedia and Mediacorp.

For the second year in a row, EIA was listed as the best performing airport in terms of concession sales, not including duty free, by Airport Revenue News.

EIA proudly achieved a Certificate of Recognition (COR) from the Government of Alberta for excellence in OH&S.

We also won first place in Annual Reports and took home an honourable mention in Unscheduled Communications in the Airports Council International – North America marketing and communications awards.

EIA won an ACE (Advertising Club of Edmonton) Award for our 2014 Annual Report – First Place in Design and in Art Direction and Distinction in printing. We also received an Award of Merit from IABC Edmonton on our internal book created for our employees – EIA Brand Pride Book.

Awards: You got 'em, we'll win 'em!


Take a Thórsmörk
trek in Iceland.

Keep everyone safe and secure

In everything we do, we never lose sight of our primary core value: Safety and Security First. We work with a variety of regional and aviation partners to meet safety protocols and best practices.

The Canadian Air Transport Security Authority (CATSA) screens all passengers and their belongings at the airport to ensure aircraft depart safely and securely. Transport Canada governs the safety and security of travellers on the ground and in the air, setting and enforcing the standards for airport and airline operations.

EIA's Royal Canadian Mounted Police (RCMP) detachment is trained in airport emergency preparedness, and our Emergency Response Services team provides service 24 hours a day, 365 days a year.

We work co-operatively with Canada Border Services Agency, US Customs and Border Protection, airport security personnel, local police and other agencies to provide safe and secure facilities and air travel. We continued to conduct regular live emergency preparedness simulations and tabletop exercises, collaborating and sharing information to ensure we continue to work effectively together.

This year, we also received a very special gift from one of our airline partners. Canadian North donated one of its retired 737 aircraft to our emergency response team for use in training and emergency exercises. This will ensure our employees and partners are trained and ready for anything that might come our way.

In 2015, we achieved our Certificate of Recognition (COR) for our occupational health and safety (OH&S) program from the provincial government. This recognition reinforces our corporate commitment to safety and helps us celebrate our success.

EIA's security coordinator, in partnership with two Airport RCMP members, delivered 15 lunchbox active shooter awareness sessions in 2015, informing and preparing airport employees in case an active shooter situation arises. Over 500 employees from EIA and on-site tenants attended these sessions.

In June, we held a full-scale emergency response exercise at Villeneuve Airport. Participants included EIA Emergency Response, Sturgeon County, Alberta Health Services and NAV CANADA. This exercise was both a regulatory requirement and a due diligence event in preparation for the airshow in August.

In August, we had a little fun with our safety and security program, raising awareness by celebrating Canadian Airports Safety Week. Twenty-three Canadian airports took part in the event to highlight the people and work that goes into making the aviation industry safe and secure. We held a vehicle roadeo, where employees and media were invited to drive snow removal equipment and baggage carts through an obstacle course. The result? Our skilled teams may make it look easy, but it's clearly much harder than that! We also had an open house, security agency footrace and FOD walk (Foreign Object Debris) around the exterior of the airport, among many other events.

Always be committed to safety and security. Done.

Our employees are the lifeblood of EIA. The team keeps the airport running smoothly, and they do it because they're engaged with their jobs – and it shows.

Engage our employees

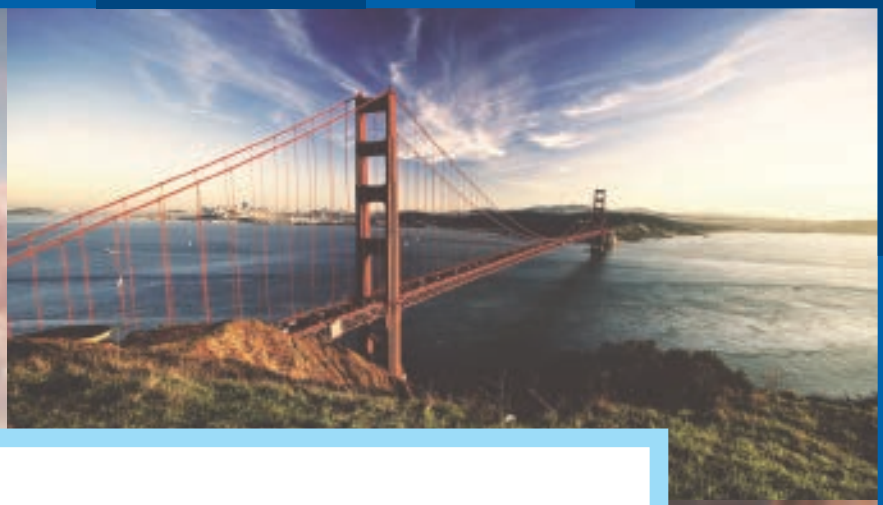
Our employees are the lifeblood of EIA. The team keeps the airport running smoothly, and they do it because they're engaged with their jobs – and it shows. We were named one of the top employers in the province again in 2015.

In addition to the external recognition, the results of our 2015 employee engagement survey paint a pretty picture of life inside the airport. Ninety-six per cent of employees completed the survey this year, compared to 84 per cent in 2014. Our engagement scores increased 10 per cent to 74 per cent in 2015.

We have a number of employee-run committees at EIA that promote healthy living, social activities and employee engagement. These committees accomplished a whole lot in 2015, including the creation of the employee idea repository (a forum for all employees to submit ideas to make EIA a better place to work and fly through).

We have also focused on priorities and programs that are important to all of us as employees. We created a volunteer program that gives employees the opportunity to take a paid half-day off to volunteer for a charity of their choice.

Engagement? Engaged.



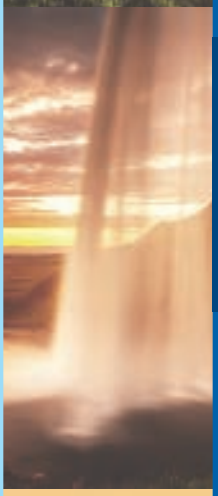
EIA Great Jetaway

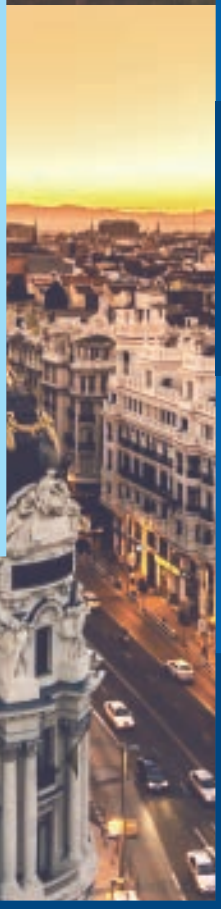
When we chose the theme of "Bucket List" for this year's Annual Report, we thought it would be fun to find out what was on our passengers' bucket lists. What were their hopes, dreams and aspirations? Then we thought… hey, we're in the bucket list business, why don't we make one of those bucket list dreams come true? And so EIA's Great Jetaway contest was born.

We asked people to submit a video or photo nominating someone they cared about to win the bucket list trip of their dreams. After receiving more than 250 amazing entries, we had the very difficult task of narrowing the field down to three finalists. From there, we let viewers on social media vote for the grand prize winner of a flight to the destination of their choice paid for by EIA. The videos received thousands of votes and, ultimately, David and Esther Maludzinski's story struck a chord with viewers.

Our two runners up, Katie Mah and Sacha Barona, also shared very compelling stories. We couldn't let them walk away without recognizing their effort and helping them achieve their dream. We awarded them each a $1,000 travel voucher to help them scratch their dream destinations off their bucket lists. To see their videos, make sure to visit flyeia.com/greatjetaway.

Now... let us introduce you to David and Esther, a very special couple.





David & Esther's big bucket list adventure.


PORTU-
GAL

Ever wonder how far it is from Roblin, Manitoba to Lisbon, Portugal? As it happens, it's about 30 years.

For David and Esther Maludzinski, the winners of EIA's Great Jetaway contest, Portugal is a bucket list dream whose seeds sprouted from a career focused on service to others. And, although David's interest in Portugal is relatively recent, its seeds were planted in the most unlikely of places… a little town in Manitoba where David and Esther first met.

David and Esther have experienced many joys in the three decades since, building a life and raising a family together. Through the years, however, David's work as an RCMP officer in some of Canada's most remote and challenging communities exposed him to sights and experiences most of us could never bear to imagine.

It's no wonder that, after suffering a heart attack, David was diagnosed with Post-Traumatic Stress Disorder (PTSD).

David's infatuation with Portugal began when he was recovering from his heart attack. He wanted to learn a language and had read about Portugal. He talked about it with Sarah, one of his daughters, who told him the Portuguese people were amazing and friendly.

So, David started learning Portuguese through an online language instruction program. And he was determined! He studied every day, and researched the culture and people of Portugal so much he felt he already lived there.

Then, Esther heard about EIA's Great Jetaway contest and thought, "Why not?!"

They never expected what would happen when they submitted their video entry. Esther gets emotional when she talks about the outpouring of support the contest generated for David.

"We realized that no matter what the outcome of the contest," Esther said, choking back tears, "we'd already won."

They were both completely shocked by the number of likes and comments their video received on Facebook.

"You know, people complain a lot about the RCMP, so I just thought no one would care," said David. "I couldn't have been more wrong."

Among the comments they received was one from a man David had charged with impaired driving 25 years before. He voted for David and wished him well. Another person recounted in a comment a bit of encouragement David had given her years ago.

"You never know the difference you make in people's lives. This contest has made me realize that my career mattered. That I did make a difference. Winning is just the icing on the cake."

Thanks to EIA's many non-stop options, David and Esther have lots of choices of where to begin their dream trip to Portugal: via Reykjavik? Amsterdam? London? They also have lots of time to plan for their anniversary trip in the fall of 2016.

When David and Esther look at their bucket list, we hope they'll remember to cross off a couple of other important things they've accomplished…

~~Marry the love of your life.~~

~~Turn the love of your life into your best friend.~~

From everyone at EIA, congratulations, David and Esther, and thank you for your service.

BOARD GOVERNANCE

BOARD CHANGES IN 2015

Robert Petryk (Federal Government) was re-appointed to the Board effective January 1, 2015

Darrell Jones (City of Edmonton) was appointed to the Board effective January 1, 2015

Jay Ramotar (Strathcona County) was appointed to the Board effective January 1, 2015

Murray Hales (City of Leduc) was appointed to the Board effective January 1, 2015

Tom Redl (City of Edmonton) retired from the Board effective December 31, 2015*

Anne McLellan (City of Edmonton) retired from the Board effective December 31, 2015*

Ralph Young (City of Edmonton) was re-appointed to the Board effective January 1, 2016

Joan Hertz (City of Edmonton) was appointed to the Board effective January 1, 2016

Suromitra Sanatani (City of Edmonton) was appointed to the Board effective January 1, 2016

** Retired after serving maximum permitted term for a Director (two terms of four years each)*

Leading us forward

Maureen McCaw, Chair
Sea kayaking the Norwegian Fjords.

Board Composition

The Board of Directors of Edmonton Airports consists of a maximum of fifteen (15) members. Six (6) Directors are appointed by the City of Edmonton, two (2) Directors are appointed by the Government of Canada, and one (1) Director each is appointed by Leduc County, the City of Leduc, Parkland County, Strathcona County and Sturgeon County. The Board has two at-large appointments that are used to fill any gaps in skills, experience or background. Currently, the desired skills, experience and background are represented on the Board and the Board has elected not to fill the two at-large positions.

Board Governance

The Board is responsible for the stewardship, strategic direction and oversight of the business and affairs of Edmonton Airports. In carrying out these responsibilities, the Board endeavours to maintain and seek continuous improvement in high standards of Board governance. Some of the key governance functions of the Board include adopting and monitoring compliance with an ethics code, reviewing and approving Edmonton Airports' strategic plan, annual business plan and report on sustainability, Chief Executive Officer (CEO) succession planning, and satisfying itself that management has identified the principal risks of the business and implemented appropriate systems to manage those risks.

In 2014, the Board undertook a review of corporate sustainability best practices, following which oversight for sustainability was recognized and affirmed as a responsibility of the full Board. The Board approved Edmonton Airports' first report on the sustainability plans, practices and performance of the organization in 2014 and continues to focus on good governance practices regarding sustainability as reflected in the organization's 2015 report on sustainability.

Pursuant to a thorough review and discussion of emerging good governance trends, the Board decided that commencing January 1, 2016, the position of Board Vice Chair will be eliminated and the associated duties of the Vice Chair be amalgamated into the duties, responsibilities and position description of the Chair of the Governance and Human Resources Committee.

Suromitra Sanatani
Travel to Galapagos, Patagonia and Antarctica.

Gail Stepanik-Keber
Visit the wild animals in Africa.

Dale Klein
Visit relatives in Reykjavik, Iceland.

Mary Cameron
Join a Habitat for Humanity build in Thailand.

Ralph Young
Tracing family roots in England and Ireland.

Jay Ramotar
Travel to Guyana to expand charitable programs.

Joan Hertz
Immerse myself in the amazing history of Greece.

Murray Hales
Boating to BC's Broughtons and Desolation Sound.

Naseem Bashir
Excited to be travelling to Amsterdam this summer.

Bob Petryk
Visit all seven wonders of the world.

Leonard Blumenthal
Get a car and drive around South Africa.

Darrell Jones
Paris to Rome and everything in between.

BOARD MANDATE

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, Canadian Coalition for Good Governance and Institute of Corporate Directors.

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 an ethics code and monitoring compliance with the Board approved Ethics Code, and satisfying itself that executive management of Edmonton Airports practice and create an ethical corporate culture;

(c) following a strategic planning process which takes into account among other things, the opportunities and risks of the business and sustainability, 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 contingency/emergency replacement plans in place for executive management and essential operational positions and 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; and

(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, 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 audited financial statements;

(j) approve corporate goals and objectives and assess corporate performance;

(k) select, evaluate and establish compensation for 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 *Regional Airports Authorities 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 and Human Resources 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; and

(e) the Real Estate Development Oversight Committee to establish guidelines for Board oversight of non-AIF funded income-generating real estate development opportunities on Edmonton Airports' lands to support Edmonton Airports' Vision and Mission and review and make recommendations to the Board with respect to any investment or income-generating real estate development opportunities that fall outside of the approved guidelines.

1.5 Board Effectiveness

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, Governance and Human Resources Committee and Real Estate Development Oversight 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 regular assessments of the Board, Board Committees, Board Chair, Board Committee Chairs and individual directors;

(f) annually review the Board Mandate and Workplan, Board Committee Mandates and Workplans, Terms of Reference for a Director, Director's Confirmation, Acknowledgement and Declaration, and position descriptions for the Board Chair, Board Committee Chairs, President and CEO, Corporate Secretary and Board 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"* with the President and CEO at each meeting and as the Board at the beginning and end of each meeting to ensure independence from management; and

(k) require directors to annually sign a Directors' Confirmation, Acknowledgement and Declaration.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

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. Although not subject to governance rules that apply to public companies, Edmonton Airports is committed to implementing corporate governance practices that are in alignment with practices required of public companies, adapting them to Edmonton Airports' status as a non-share corporation. The following is Edmonton Airports' disclosure of its Corporate Governance Practices.

Composition of the Board

Independence of Directors	All Edmonton Airports Directors are independent.
Independence of Board Chair	The Board Chair is an independent director. The Board Chair's role and responsibilities are described in the Board Chair's Position Description.

Attendance Record of Each Director for 2015

Attendance – Board & Committee Meetings 2015

	Board*	Audit Committee	Governance & Compensation Committee	Real Estate Development Oversight Committee
Naseem Bashir	6/6	3/4		4/4
Leonard Blumenthal	6/6	4/4		1/1**
Mary Cameron	6/6	1/1**		4/4
Murray Hales	5/6	4/4	1/1**	1/1**
Darrell Jones	6/6	4/4	1/1**	3/4
Dale Klein	6/6	4/4		4/4*****
Maureen McCaw	3/6	1/1**	1/1**	3/4
Anne McLellan	4/6	1/1****	1/1****	1/1****
Robert Petryk	6/6	0	3/3	1/1**
Jay Ramotar	6/6	1/1**	3/3	2/2**
Tom Redl	6/6	4/4***	2/3	3/4*****
Gail Stepanik-Keber	5/6	4/4	3/3	
Ralph Young	6/6	0	1/3	1/1**

*Includes one non-scheduled Board meeting (Notice waived)
**Non-member – attended at request of Committee Chair
***Non-member – attended as Board Chair
****Non-member – attended as Vice Chair
*****Ex-officio Member

Director Independence

In Camera Meetings	In camera sessions are held at the beginning and end of every Board and Board Committee meeting in accordance with the Board and Board Committee Mandates.

Board Mandate

Board Mandate	The Board has a written mandate that sets out its role and responsibilities. The text of the Board Mandate is set out herein.

Position Descriptions

Position Descriptions	The Board has written position descriptions for the Board Chair, the Governance and Human Resources Committee ("Governance Committee") Chair, the Audit Committee Chair, the Real Estate Development Oversight Committee ("REDOC") Chair, the President and CEO, the Corporate Secretary and the Board Secretary.

Orientation and Continuing Education

New Director Orientation	The Director Development Program sets out an orientation program for new directors, which is designed to provide a comprehensive introduction to Edmonton Airports and the Board's governance policies and practices. The program includes, inter alia, orientation sessions with the Board Chair and the Governance Committee Chair (as requested), Corporate Secretary, President and CEO and Executive Management, as well as attendance at one meeting of each Board Committee in the new director's first year, and tours of the facilities operated by Edmonton Airports.
Director Continuing Education	The Policy for Director Development provides for funding for director development. The Director Development Program sets out a program for Continuing Education to expand a director's knowledge of the aviation industry, government policy, business risk, competition and governance.

Code of Business Conduct and Ethics

Written Code of Business Conduct and Ethics	The Board has adopted a written Ethics Code applicable to Edmonton Airports' Directors, Officers, Executive Management and Employees. The Board monitors compliance of Directors by requiring Directors to annually sign the Director's Confirmation, Acknowledgment and Declaration Form.
Conflict of Interest Rules	The Conflict of Interest Rules that form part of the Ethics Code requires completion of a Personal Information Form and disclosure of all interests, activities, investments, memberships and appointments that Directors, Officers, Executive Management and Employees have become involved with that may materially or detrimentally conflict with the interests of Edmonton Airports or any interests that may reasonably be perceived as giving rise to an appearance of a conflict of interest. The Board implements appropriate processes to manage disclosed interests, such as requiring Directors who have a material interest in a transaction to recuse themselves from discussions concerning those transactions.

Nomination of Directors

Nomination and Appointment of Directors	The Director Selection Process, which is a component of the Director Development Program, provides for a strategic, disciplined and transparent process to bring the skill sets and competencies required on the Board. The process consists of: 1. Gap analysis conducted by the Governance Committee to identify anticipated gaps in the skill sets and competencies set out in the skills matrix maintained by the Board; 2. Communication of selection criteria to the Appointer for the Appointer's consideration in designating candidates, and where appropriate, the Board encourages the Appointer to utilize a search firm to assist in identifying candidates; 3. Meeting of the Governance Committee Chair and Board Chair, and where possible other Governance Committee members and with the candidate to communicate the skill set and competencies required, expectations of time commitment, and application of Conflicts of Interest rules. Meetings with the Board Chair and other Directors are arranged to get to know the candidate and determine if there is a cultural fit; and 4. Communication with the Appointer as to the suitability of candidates interviewed.
Nominating Committee	The Governance Committee Mandate includes responsibility for reviewing the size and makeup of the Board and filling Board vacancies.
Nominating Committee Responsibilities, Powers and Operation	The Governance Committee's annual Workplan includes reviewing director skill sets and identifying gaps, reviewing size and makeup of Board, and recommending competencies and skill sets to Appointers for Board vacancies.

Compensation

Compensation Committee	The Governance Committee has responsibilities with respect to compensation.
Compensation Committee Responsibilities, Powers and Operation	The Governance Committee Mandate includes responsibility for reviewing and recommending for Board approval the CEO evaluation process and compensation, Edmonton Airports' Compensation Philosophy, the Directors' Compensation Philosophy and Director compensation.

Other Board Committees

Other Standing Committees	The Board's standing committees are the Audit Committee, Governance and Human Resources Committee and Real Estate Development Oversight Committee (meets on an ad-hoc basis). The Board has the ability to appoint special committees with Board approved mandates as required.

Board Assessments

Assessments of the Board, Board Committees and Individual Directors	Assessments of the Board, Board Committees, the Board Chair, Board Committee Chairs and individual Directors (both self and peer) are conducted regularly. Assessment information may be collected and compiled through questionnaires or interviews or a combination of the two techniques and may be conducted with the assistance of external consultants. All assessment results are reviewed by the Governance and Compensation Committee and the Board Chair. The Governance and Compensation Committee is responsible for recommending and monitoring improvement based on assessment results.

STRATEGIC REPORTING

CORPORATE SCORECARD 2015-2020

Rock our Corporate Scorecard 2015-2020

EIA uses a balanced scorecard to keep an eye on our corporate performance in five key business areas that also respond to the needs of stakeholders (sort of like our internal official bucket list):

- Employees
- Airport productivity
- Social and environmental sustainability
- Passengers
- Financial performance

In 2015, we set nine corporate-level performance targets across these five categories. The targets were set to track how well we were doing against our five key strategic objectives and, ultimately, track the success of the associated strategic initiatives.

The sharp decline in energy prices resulted in a dip in revenues by $16.3 million below target and passenger volumes of 800,000 below target. Nonetheless, we *still* met or exceeded our targets on six of our nine corporate performance targets in 2015! (Huzzah!)

How'd we do it? We worked together to find (even) more operational efficiencies, improved customer service levels (even more!), scored industry-leading on-time performance for North American airports with winter operations, increased employee engagement and improved EBITDA margins *without* laying off a single employee. We're super proud of that.

High five worthy or what?

Big bucket list check mark

The following sections highlight Edmonton Airports' performance against our 2015 corporate targets. The financial targets and management details are included in the audited MD&A (pg 69-86).

FINANCIAL

STRATEGIC OBJECTIVE	2020 TARGET	2015 TARGET	2015 RESULTS
Improve Financial Sustainability	Total revenue $290 million	Total revenue $226.7 million	$210.4 million
	EBITDA margin 56.1%	EBITDA margin 48.0%	49.7%
	10 million passengers	8.79 million passengers	7.98 million
	Operating expense of $15.95 per enplaned passenger	Operating expense of $17.33 per enplaned passenger	$17.44

PASSENGER

STRATEGIC OBJECTIVE	2020 TARGET	2015 TARGET	2015 RESULTS
Enhance Passenger Experience	ASQ overall satisfaction score of 4.40	4.26	4.35

COMMUNITY

STRATEGIC OBJECTIVE	2020 TARGET	2015 TARGET	2015 RESULTS
Improve Social and Environmental Sustainability	Report in accordance with GRI comprehensive guidelines	Establish methodology and establish baseline for and Energy Consumption Intensity measure	Completed and finalized methodology, focusing on ekwh/m2 of the terminal building complex.
	n/a	30% employee participation in volunteer program	39.3%
	Total Edmonton Airports employment 2.1% of the Capital region employment	n/a	n/a
	Carbon-neutral growth for airport-owned and –controlled emissions by 2020	n/a	n/a

OPERATIONS

STRATEGIC OBJECTIVE	2020 TARGET	2015 TARGET	2015 RESULTS
Enhance Airline Productivity	On-time departure rate of 89%	85.5%	89.7%

LEARNING & GROWTH

STRATEGIC OBJECTIVE	2020 TARGET	2015 TARGET	2015 RESULTS
Exemplify Exceptional Leadership	Employee engagement survey score of 82%	69%	74%
	Reduction of number of employee Occupational Health and Safety incidents of 15% from 2015 baseline	n/a	n/a
	Proactive safety score of 95% (Certificate of Recognition)	n/a	n/a

* "n/a" is used when a corporate target has not been set.

LONG-TERM STRATEGIC OBJECTIVES 2020

Improve Financial Sustainability

EIA set four long-term targets in relation to our financial sustainability. By 2020, we aim to have a total revenue of $290 million. We have the potential to meet our target due in large part to our commercial development on airport land. Land lease makes up a growing portion of our non-aeronautical revenue.

With a year-end EBITDA margin of 49.7 per cent we aim to have an EBITDA margin of 56.1 per cent by 2020. We are also targeting an operating expense of $15.95 per enplaned passenger by 2020. Our 2015 operating expense per passenger was $17.44.

We served 7.98 passengers in 2015, leading us towards our goal of 10 million annual enplaned and deplaned passengers by 2020. We focus on attracting new airline services and new destinations to support the attractiveness of EIA as a hub for our travelling community and our national and international guests.

Enhance Passenger Experience

EIA uses Airport Service Quality (ASQ) surveys to understand passenger satisfaction in a variety of areas. We implement many strategies to improve the passenger experience, including technology solutions for key services such as airline check-in and bag delivery as well as customer-friendly programs, such as our Airport Volunteer Ambassadors and Pet Therapy. We work closely to support our airline partners, who are responsible for baggage delivery, and our security partners who are responsible for security screening. Our 2020 ASQ target is an overall satisfaction of 4.40/5.00.

Improve Social and Environmental Sustainability

Our long-term, 2020 objective is to report our sustainability journey in accordance with Global Report Initiative (GRI) standards. In 2015 we published our first Sustainability Report, and became the second airport in Canada to report using the GRI framework. Driven by the results of our economic impact study, we established a new target connected to driving employment growth in the region. We also aim to be responsible for 2.1 per cent of the Edmonton Metro Region's total employment by 2020. As well, we aim to have carbon-neutral growth for airport-owned and –controlled emissions by 2020.

Enhance Airline Productivity

On-time performance (OTP) is a key priority for our airline partners and passengers. EIA has strong OTP numbers, and we work diligently with our airline partners to maintain focus and efforts for a long term capabilities in OTP. Our 2020 goal is an on-time departure rate of 89 per cent. In 2015, we managed to surpass this rate with an annual average of 89.7 per cent. With this success, reflecting both the dedication of our internal and external stakeholders, we aim to continue to maintain this high standard.

Exemplify Exceptional Leadership

Our target for our employee-based long-term objective is to achieve an overall employee engagement score of 82 per cent for 2020. The reasons for our corporate success and fulfillment of our corporate targets are our employees. To support exceptional work, we need to develop exceptional leadership. By measuring the engagement of our employee teams and the numerous dimensions that impact the score, we will identify strengths, address challenges and improve leadership and the employee experience accordingly. In 2015 we achieved a 74 per cent engagement score.

2015 PERFORMANCE ON STRATEGIC OBJECTIVES

Financial Sustainability

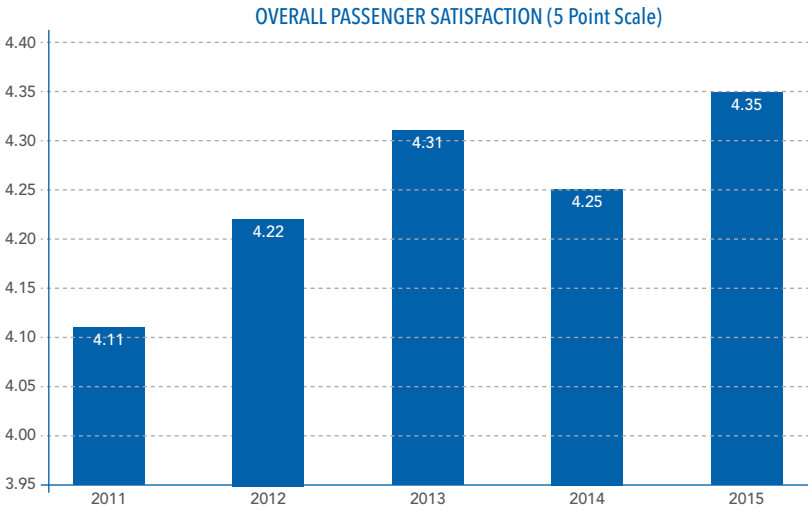
Please see pages 70 to 73 in this annual report.

Passenger Experience

Passenger experience is a core focus of the airport and plays a key role in executing our regional hub strategy. Passengers often have a choice in which airport they connect through, and the amenities, ambiance and personal interactions they receive influence their decision. One key measure is the Airport Service Quality (ASQ) program led by Airports Council International. The ASQ program allows participating airports to benchmark their performance against approximately 200 airports around the world and provides insight into areas where service levels might be improved.

In 2015, EIA focused efforts in key areas that presented the best opportunities to improve overall passenger experience. These efforts included participating in a pilot program in partnership with the Canadian Air Transportation Security Authority and featuring a new electronic gate system at central pre-board screening. This initiative improved throughput at pre-board screening and was met by positive passenger reviews leading to direct improvements in overall passenger satisfaction scores. The other key focus area in 2015 was improving the layout and comfort of the seating areas around the busiest gate areas at EIA. These efforts led to a nearly three per cent increase in satisfaction levels at these targeted gate areas.

Overall satisfaction scores reached an all-time high in 2015 at 4.35 out of 5. By targeting resources to priority areas, EIA improved overall satisfaction scores well above our 2015 target of 4.26, without increasing operating expenses emphasizing the productivity gains made in 2015.

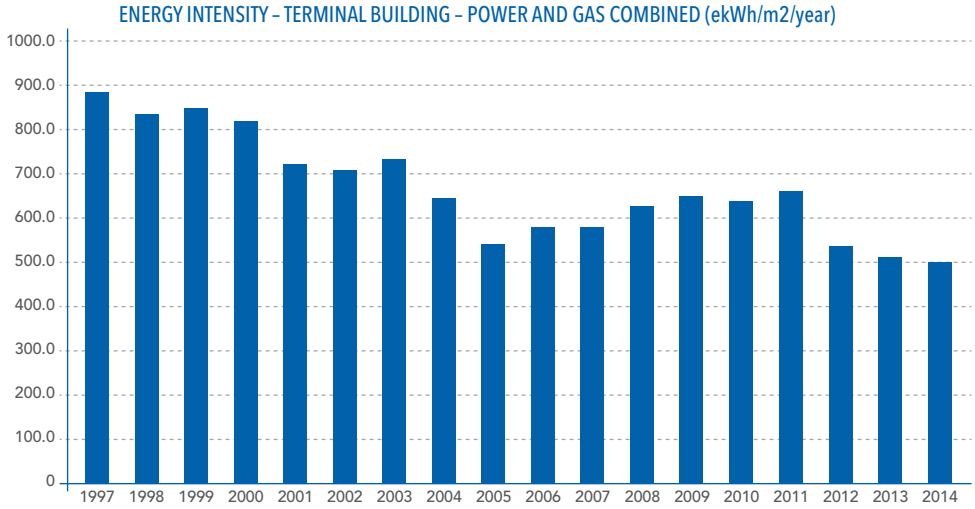


Social and Environmental Sustainability

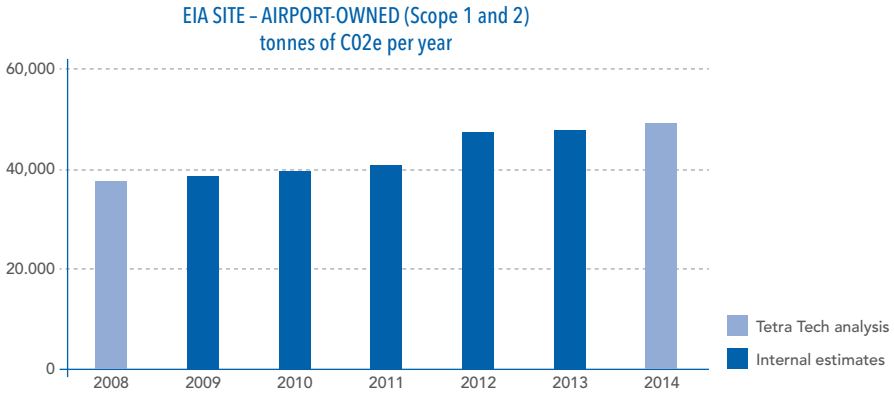
In 2013, EIA added social and environmental sustainability to its performance management objectives in order to give prominence to the critical role that EIA plays as an economic driver and environmental and social steward for the region. The targets established in this category aim to fulfill the strategic objective of 'improving social and environmental sustainability.' Initially, when sustainability was set as a category for the balanced scorecard, we aimed for the completion of a sustainability report that follows the Global Reporting Initiative framework, which supported the guidance of our strategy. Due to the alignment with stakeholders on cost savings and the reduction of waste, as well as an understanding of community interests, two corporate targets were selected: energy intensity and volunteering.

Energy Intensity and New Targets

The review of different airports, in addition to input from an airport benchmarking study, defined airport energy efficiency as we would measure it (including natural gas used for both heating and electricity). We refined and formalized a methodology and then used it to review our historical data, shifting the goal of energy intensity to our infrastructure and operations teams, paving the way for a new corporate goal: carbon emissions. Moving forward, we aim to keep our emissions output consistent between 2014 and 2020, achieving carbon-neutral growth.



The growth of the airport's emissions since 2008 were calculated through both Tetra Tech, as well as internal estimate (shown below).



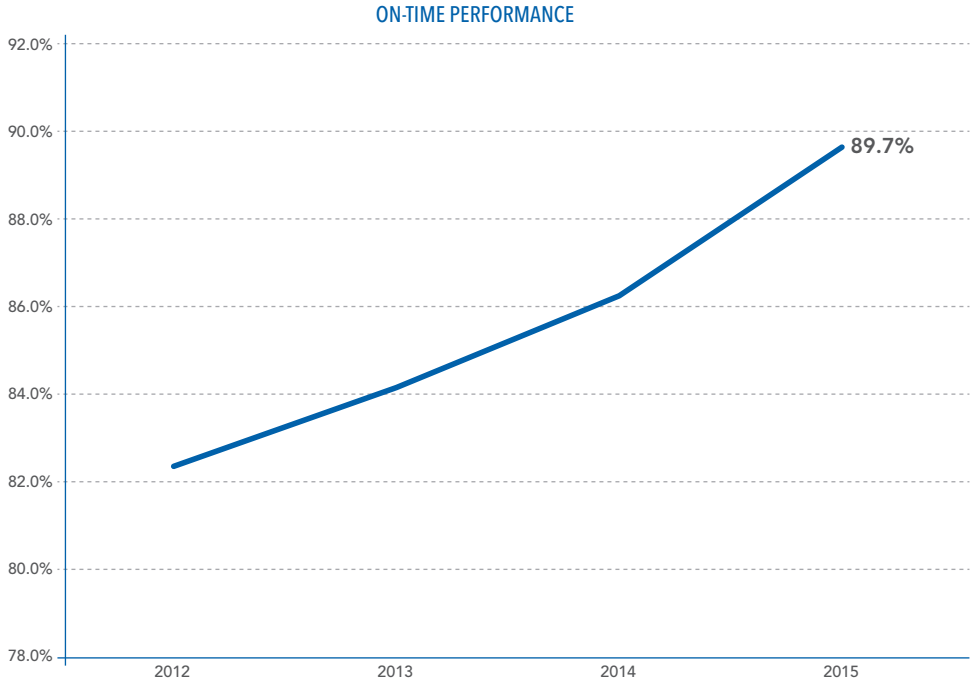
Volunteering

Driven by our new target to enable and celebrate volunteerism, we launched a corporate volunteering program in 2015. Our goals for the program were to capture information on employee volunteering, drive increased community investment and recognize those employees who participate. In 2015, over 39 per cent of airport staff participated in community volunteer opportunities, exceeding the 30 per cent target set for the volunteer pilot program.

Airline Productivity

EIA strives to make airport operations as efficient as possible for both our passengers and airline partners. One of the most important measures of airport operational efficiency is the on-time departure rate. This metric is important to both passengers and airlines. Travellers want to get to their final destination in a timely manner, so on-time departure contributes to their overall travel experience. Airlines want to avoid the significant costs and operational impacts that delays have on their network operations. EIA introduced on-time performance as a performance objective in the 2014 Business Plan with the objective of reaching 89 per cent on-time performance by 2020. This figure represented the best performance in North America for airports with regular winter operations.

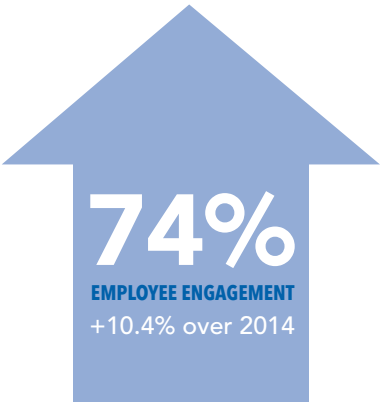
In only two years, through various airport-led initiatives, EIA has surpassed its 2020 goal and achieved an on-time performance rate of 89.7 per cent in 2015. What makes this achievement even more impressive is that it happened at the same time that initiatives were being implemented to reduce operational expenses in response to declining passenger volumes.



Employees

Our employee team is the foundation of our business and plays a critical role ensuring EIA provides world class service to our passengers, airlines, airport tenants and all other various stakeholder groups. An engaged workforce is critical in driving organizational success, and the results of a 10.4 per cent improvement in employee engagement can be seen across all the other corporate performance objectives. The entire employee team exhibited commitment and resiliency during trying economic times, which directly contributed to success in air service development, financial performance and the implementation of a new financial system, which will help drive further productivity improvements.

The considerable successes achieved across the organization would not have been possible with the commitment and engagement of our world-class employee group.



Performance Objective	2014 Result	2015 Target	2015 Result
Employee Engagement	67%	69%	74%

MD&A

2015 MANAGEMENT DISCUSSION AND ANALYSIS

Advisories

The following Management Discussion and Analysis of Financial Results (MD&A) should be read in conjunction with the Financial Statements and note disclosures for the year ended December 31, 2015. 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. References to Edmonton Airports mean Edmonton Regional Airports Authority.

Cautionary Statement Regarding Forward-looking Information

The disclosure found under the heading "Outlook" in this MD&A may contain forward-looking information that constitutes a financial outlook. Our actual results, performance or achievements could differ materially from those expressed in, or implied by, this forward-looking information.

Please refer to the Outlook section of this MD&A for further information on our forward looking information including assumptions and estimates used in its development.

Non-GAAP and Additional GAAP Measures

Certain measures in this MD&A do not have any standardized meaning as prescribed by generally accepted accounting principles (GAAP), therefore, are considered non-GAAP measures. These measures are provided to enhance the reader's overall understanding of our financial performance or financial condition. They are included to provide readers with an alternative method for assessing our operating results in a manner that is focused on the performance of our ongoing operations and to provide a more consistent basis for the comparison between periods. These measures are not in accordance with, or an alternative to, GAAP and do not have standardized meanings. Therefore, they may not be comparable to similar measures presented by other entities.

Corporate Profile

In 2015, Edmonton Regional Airports Authority (Edmonton Airports) operated Edmonton International Airport (the Airport) and Villeneuve Airport.

Our mandate, as defined in the *Regional Airport Authorities Act (Alberta)*, is to manage these airports to ensure they are safe, secure and efficient. As well, we are required to foster economic and community development by improving airline and transportation service and expanding the aviation industry. As a no-share, not-for-profit entity, the net earnings we earn are re-invested in the airports under our control so we can fulfill this mandate.

Recent Events

Certain events transpired in 2015 that impacted Edmonton Airports' operations or financial results or that may impact future results.

- Second-strongest year ever in terms of passenger volumes with nearly eight million passengers.
- Fastest growing international traffic of all major Canadian airports in 2015 with passenger volumes climbing by 14.5 per cent.
- Deep and sustained drop in energy prices put a strain on Alberta economy; impacts to continue to be felt through end of 2016.
- Total passenger volumes decreased by 2.7% driven by declines in the transborder sector (-10.5%) and in energy sector traffic passing through fixed based operators (FBOs) (-19.5%).
- Sixth consecutive year of growth in cargo volumes along with three times weekly service from Air China Cargo - Canada's only scheduled freighter service to mainland China.
- KLM Royal Dutch Airlines commenced service to Amsterdam in May, while Icelandair added an additional summer frequency to its year-round scheduled service to Reykjavik.
- WestJet added 60 new regional passenger flights and announced the commencement of service to London-Gatwick starting in May of 2016.
- Delta Air Lines began service to Seattle, adding EIA as a link to its growing trans-Pacific hub.
- Braden Burry Expediting commenced operations in their new Edmonton International Airport (EIA) facility, more than doubling the space of their old facility.
- Alberta Aerospace and Technology Centre created international flight training opportunities by opening a new facility at EIA featuring a 737 flight simulator.

Financial Sustainability

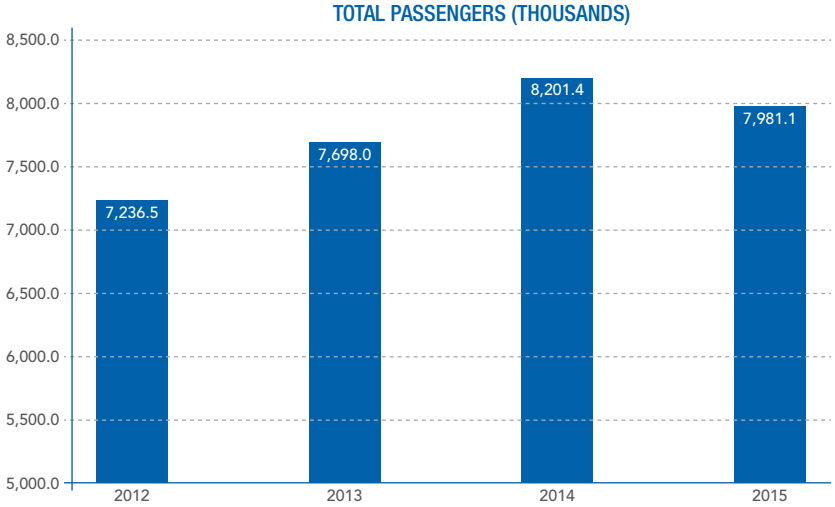
The following are the financial performance targets which Edmonton Airports has established to monitor its financial sustainability. As a result of downward pressures on revenues and passengers related to the sharp decline in energy prices, Edmonton Airports achieved results below the targets set for revenue, passengers and operating expenses per enplaned passengers. Management closely managed its earnings before interest, taxes, depreciation and amortization (EBITDA) margin and monitored its EBITDA margin target and exceeded it.

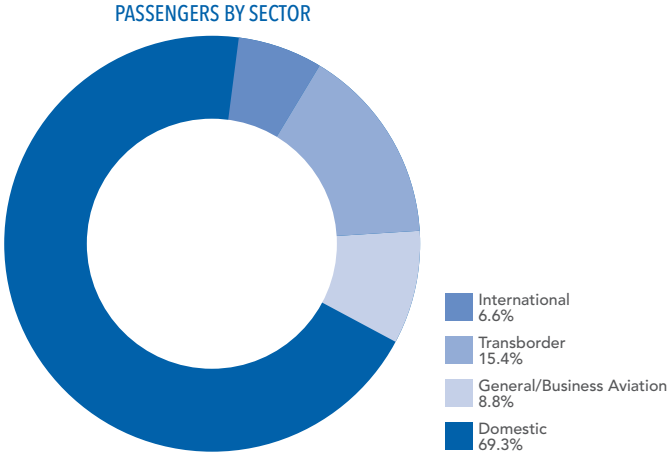
In addition to close management of EBITDA, management also achieved a net loss of $5.6 million, which despite the reduction in passengers and revenue, was within $0.3 million of its original target. Efforts to prioritize and strategically defer capital spending initiatives contributed to this result and resulted in self-sustaining cash operations in 2015 that did not require borrowing to fund investments.

The following table summarizes Edmonton Airports' Corporate Scorecard outlining the financial sustainability measures for 2015:

MEASURE	DECEMBER 31, 2015 RESULT	DECEMBER 31, 2014 RESULT
Revenue	$210.4 million	$205.8 million
EBITDA Margin	49.7%	47.4%
Passengers	7.981 million	8.201 million
Operating Expense/E-Pax	$17.44	$18.65

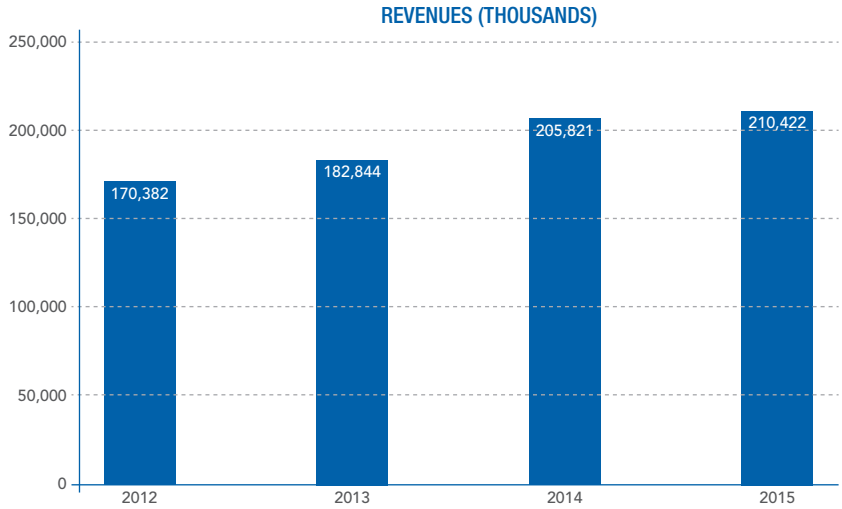
PASSENGERS:

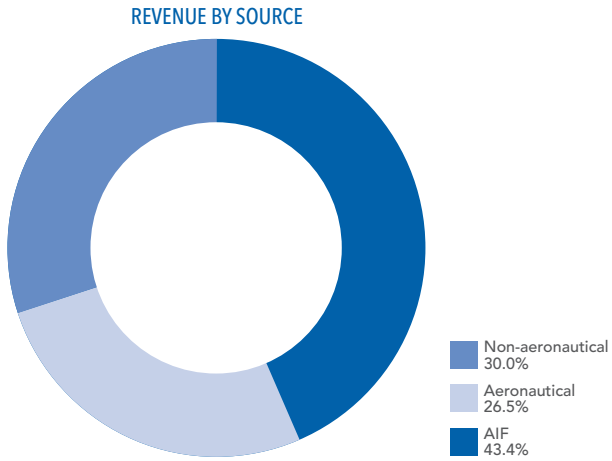




Passenger volumes are the key driver of the vast majority of revenue items at EIA. Airport Improvement Fees, parking, terminal concessions and several passenger related aeronautical fees are all directly correlated to passenger volumes.

Lower energy prices in 2015 led to decreased investment in major oil and gas projects in Alberta. This resulted in a reduction in employment in Alberta's north and negatively impacted passenger volumes at EIA. Our 2015 passenger target was set in the fall of 2014 before the collapse in oil prices, which so far have fallen to lower levels, for a longer period of time than most forecast. This resulted in a 2.7 per cent decrease in total passenger volumes and EIA falling about 800,000 passengers shy of the 2015 target. While a challenging year for sure, there were bright spots. EIA led all major Canadian airports in terms of international passenger growth, with volumes in this sector increasing by 14.5 per cent in 2015. This growth was driven by new direct service to Amsterdam and an increase in capacity offered by Icelandair. Other areas where EIA saw gains in passenger volumes were linked to the continued focus on earning passengers from regional target markets. Connecting passenger traffic from key regional markets such as Fort McMurray, Grande Prairie, Saskatoon and Regina grew in 2015 and the percentage share of local versus connecting traffic grew by approximately three percentage points to 17 per cent in 2015. Growth in regional connection traffic volume is essential to maintaining EIA operations and plays a critical role in attracting international air service to Edmonton.



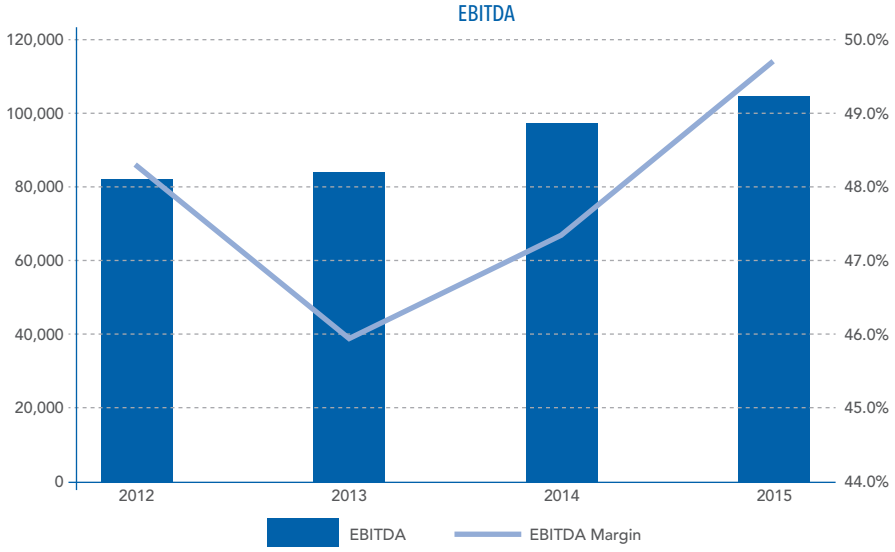


REVENUES:

Total revenues grew by nearly $5 million in 2015, a 2.2 per cent increase over 2014. On a per enplaned passenger basis, total airport revenues reach a new record level at $53.02, 5.5 per cent above 2014 levels.

As noted earlier, revenues were directly impacted by lower-than- planned passenger volumes, which led to full-year revenues falling $16.3 million short of the 2015 target. Growth in revenues was primarily related to the full-year impact of an increase in the Airport Improvement Fee that was implemented midway through 2014 and a small increase in commercial real estate and police and security revenues. Revenues in other areas remained relatively flat year-over-year, while passenger volumes were down by 2.7 per cent. The net effect of these items was a small increase in revenue per enplaned passenger.

EBITDA MARGIN:



EBITDA margin, also sometimes known as the efficiency margin, indicates how much operating profit the organization earns for each dollar in revenue generated. Edmonton Airports considers this an important performance target as it helps ensure that the organization is managing its facilities in a cost effective manner and that sufficient cash flow is being generated to execute on strategic priorities.

Lower-than-projected revenues resulted in Edmonton Airports undertaking a strategic review of organizational expenses to protect funding for key strategic initiatives and to ensure that the organization remained in a position to capitalize on future growth opportunities. As a result of this review, EBITDA growth exceeded total revenue growth and reached a new record level in 2015 at $104.6 million, exceeding $100 million for the first time in the organization's history. This represents growth of 7.3 per cent over 2014 and an improvement in the organization's EBITDA margin from 47.4 per cent in 2014 to 49.7 per cent in 2015, exceeding the corporate performance target of 48.0 per cent. This achievement leaves Edmonton Airports in a strong financial position heading into 2016 and provides capacity for the organization to continue to push forward on its strategies during a period of continued economic contraction.

EXPENSES PER ENPLANED PASSENGER:

As passenger volumes play a key role in driving airport revenues, it is important that the organization manages its operating expenses to account for changes in passenger volumes. With approximately 80 per cent of airport costs being of fixed nature, achieving this goal requires management decision and discretion. Through the activities and initiatives noted earlier, Edmonton Airports achieved above threshold level performance on the 2015 objective which called for operating expenses of $17.33 per enplaned passenger. Actual results came in at $17.44 per enplaned passenger, representing a 6.5 per cent improvement over 2014 results. This was an impressive achievement given the fixed cost nature of airport operations and the fact that passenger volumes declined over the course of the year.

2015 EXPENSES PER ENPLANED PASSENGER

$17.44

6.5% decrease over 2014

What makes it even more impressive is that Edmonton Airports was able to achieve at least target level performance on 6 of the 9 corporate performance objectives while generating significant cost efficiencies and productivity gains. This diligence in expense management and focus on efficiency also allowed Edmonton Airports to come within $0.3 million of our budget for net income in 2015 despite revenues falling $16.3 million short of the 2015 budget.

Edmonton Airports achieved many significant wins in 2015 in the face of a difficult economic climate. The organization moved forward on its key strategies and added to its international air service options, both for passengers and cargo, and continued to take a leadership role in driving the region's economic prosperity. Thanks to the hard work and dedication of the entire management and employee group, the organization also implemented substantial process improvements and efficiency gains that will help ensure the organization's success and competitiveness for years to come.

2015 Financial Performance

As our primary customers, passengers are the strongest influencers of airport success. The more passenger demand we have, the more opportunity we have to deliver our vision of more flights to more places. With this in mind, and with the capacity in place to support immediate growth, in 2015 Edmonton Airports continued to focus on attracting and retaining passengers.

NET OPERATING RESULTS

(in thousands)	2015 $	2014 $	Change $	Change %
Revenue	210,422	205,821	4,601	2.2%
Expenses	105,839	108,317	(2,478)	(2.3%)
EBITDA*	104,583	97,504	7,079	7.3%
EBITDA margin %	49.7%	47.4%	2.3%	4.9%
Depreciation and amortization	65,327	64,500	827	1.3%
Interest	44,869	45,020	(151)	(0.3%)
Gain on foreign exchange	(221)	(84)	(137)	163.1%
Loss on disposal of property, plant and equipment	201	276	(75)	(27.2%)
Loss on derecognition of property, plant and equipment	-	3,572	(3,572)	-
Net loss	(5,593)	(15,780)	10,187	(64.6%)

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

In 2015, we experienced a net loss of $5.6 million, which was a decrease of 64.6 per cent over the prior year's net loss. The reduced net loss was primarily a result of increased revenue by $4.6 million due to an increase in Airport Improvement fee. Additionally, continued focus on reducing discretionary expenditures as part of the strategic initiatives in response to current economic conditions resulted in $2.5 million in reduced expenses which further contributed to the reduction in net loss. Prior year's loss on de-recognition of property, plant and equipment relates to the de-recognition of moving walkways.

The table above illustrates that revenue generated by Edmonton Airports was sufficient to cover operating and interest expenses which are the cash expenses of operations. Consistent with prior years, the negative earnings is the result of expected increased interest and amortization expenses related to the major infrastructure spend in 2012, as well as other significant investments that will not generate positive return until the later years of the five-year plan.

REVENUE

(in thousands)	2015 $	2014 $	Variance $	Variance %
Airport improvement fee	91,387	86,178	5,209	6.0%
Parking and concessions	58,017	59,272	(1,255)	(2.1%)
Airside and general terminal	45,674	45,690	(16)	(0.0%)
Police and security	10,135	9,762	373	3.8%
Real estate leases	5,057	4,834	223	4.6%
Other revenue	152	85	67	78.8%
	210,422	205,821	4,601	2.2%

Revenue continued to grow year-over-year to $210.4 million, which was an increase of 2.2 per cent over the prior year. This was driven mainly by the increase in the airport improvement fee (AIF) totaling $5.2 million as a result of a fee increase. This increase in revenue was offset slightly by a decrease in parking and concessions revenue by $1.3 million.

AIRPORT IMPROVEMENT FEE

AIF is a major source of Edmonton Airports' revenue base, approximating 43.4 per cent ($91.4 million) in 2015. AIF is collected by the airlines on behalf of Edmonton Airports from all passengers originating from Edmonton International Airport (not including connecting and non-revenue passengers) for the purpose of funding capital programs for airport infrastructure and the related financing costs. During 2015, AIF revenue showed an increase of $5.2 million (6.0 per cent) over 2014. Although passenger volume was lower compared to prior year, the primary factor for the current year increased revenue was an increase in per passenger fee of $5 which occurred in the third quarter of 2014.

AERONAUTICAL REVENUE

Airside and general terminal revenue (AGT), represented by aircraft landing fees, terminal fees, US pre-clearance fees, user fees, bridge fees and fees for common-use terminal equipment, and is primarily driven by the number of aircraft movements as well as the size of the aircraft. AGT revenue was $45.7 million, which is slightly lower compared to the prior year, primarily due to reduced aircraft activity, particularly in the business aviation sector. This reduced activity is partly offset by a 3 per cent increase in landing fees effective January 1, 2015.

Police and security revenues, which are based on a cost-recovery methodology, have shown an increase of $0.4 million (3.8 per cent) over the prior year primarily due to a reduction in Canadian Air Transport Security Authority (CATSA) funding for baggage system maintenance as well as additional costs related to non-passenger vehicle screening which required an increased fee to maintain cost recovery.

NON-AERONAUTICAL REVENUE

Edmonton Airports also earns revenue from non-aeronautical commercial operations, such as parking, concessions, ground transportation, and real estate. Revenues from concessions and parking totaled $58.0 million in 2015, $1.3 million (2.1 per cent) lower than 2014. Decline in parking revenue is primarily due to declining passenger volumes impacting parkade and Value Park products. General aviation lots also showed decreased revenues consistent with reductions in resource workers.

During 2015, real estate revenues were $5.1 million, which was (4.6 per cent) higher than 2014. This increase is driven primarily by revenue from new real estate developments, resulting in increased industrial revenues as well as increases in terminal space rental revenues.

OPERATING EXPENSES

(in thousands)	2015 $	2014 $	Change $	Change %
Salaries and employee benefits	30,928	28,664	2,264	7.9%
Services, maintenance, supplies and administration	32,116	35,889	(3,773)	(10.5%)
Canada lease rent	17,971	17,591	380	2.2%
Utilities, insurance and property taxes	11,554	12,802	(1,248)	(9.7%)
Police and security	8,627	8,368	259	3.1%
Airport improvement collection costs	4,643	5,003	(360)	(7.2%)
	105,839	108,317	(2,478)	(2.3%)

Throughout 2015, operating expenses decreased by 2.3 per cent to $105.8 million as compared to $108.3 million in 2014. The reduction in expenses is primarily due to decrease in service, maintenance, supplies and administration related expenses by $3.8 million as a result of management's continued focus in reducing discretionary expenditures by holding less critical expenditures in alignment with the reduced passenger growth.

SALARIES AND EMPLOYEE BENEFITS

(in thousands)	2015 $	2014 $	Change $	Change %
Salaries and benefits	29,430	27,133	2,297	8.5%
Defined benefit pension plan	2,918	2,398	520	21.7%
Long-term benefit plan	29	49	(20)	(40.8%)
Defined contribution plan	351	245	106	43.3%
	32,728	29,825	2,903	-
Capitalized salaries	(1,800)	(1,161)	(639)	55.0%
	30,928	28,664	2,264	7.9%

Throughout 2015, salaries and employee benefits increased by 7.9 per cent to $30.9 million as compared to $28.7 million in 2014. The change was driven by an increase in salaries and benefits ($2.1 million), defined benefit pension plan costs ($0.5 million), offset by an increase in capitalized salaries ($0.6 million).

Salaries and employee benefits increased compared to prior year by 7.9% ($2.1 million) due to a $2.5 million in annual wage escalations related to increases in the collective bargaining agreement, merit increases and backfill for a core systems replacement project, which were partly offset by a decrease of $0.2 million in external staffing services due to reliance on internal resources and vacancy management.

Defined benefit pension plan expense (current service cost) is the increase in the present value of the defined benefit obligation resulting from employee service in the current period. This cost is driven by the rate used to discount the benefit obligation and is based on high quality fixed income investments with cash flows that match expected payments from the plan. Compared to 2014, current service cost was higher due to a lower discount rate used to calculate 2015 current service cost.

SERVICE, MAINTENANCE, SUPPLIES AND ADMINISTRATION

(in thousands)	2015 $	2014 $	Change $	Change %
Services	8,501	8,897	(396)	(4.5%)
Maintenance and supplies	10,282	10,329	(47)	(0.5%)
Administration and marketing	13,197	16,436	(3,239)	(19.7%)
	31,980	35,662	(3,682)	(10.3%)
Bad debt expense	136	227	(91)	(40.1%)
	32,116	35,889	(3,773)	(10.5%)

Services, maintenance, supplies and administration expense decreased 10.5 per cent to $32.1 million as compared to $35.9 million in 2014.

Services costs include the operational costs of operating our parking facilities and ground transportation services, contracted maintenance services and contracted Information Technology (IT) services. The decrease was driven by decreased labour required to support parking operations due to declining growth and decreased contracted maintenance costs.

Maintenance and supplies include the costs to maintain Edmonton Airports' facilities, equipment, aprons and runways. This includes janitorial costs, lighting replacement costs, fleet equipment and repair, and consumables including fuel, chemicals and equipment parts. These costs remained consistent, year over year.

Administration costs include the costs of marketing and communications, management consulting, travel and training, credit card service fees, legal expenses, director's fees and stationery supplies. The decrease was driven by a strategic decrease in expenses by holding less critical expenditures primarily in consulting, marketing and advertising initiatives as a result of declining passenger growth.

CANADA LEASE RENT

Canada Lease Rent expense is based on a percentage, on a progressive scale, of "Airport Revenues" at Edmonton Airports, as defined in the Ground Lease. "Airport Revenues" for 2015 were $210.4 million (2014 - $205.8 million), which resulted in a 2.2 per cent increase in rent expense of $17.9 million in comparison to $17.6 million in 2014.

Based on "Airport Revenues" (in thousands)	Rate %	Rent Payable $
On the first $5 million	0%	0
On the next $5 million	1%	50
On the next $15 million	5%	750
On the next $75 million	8%	6,000
On the next $150 million	10%	11,171
On any amount over $250 million*	12%	0
		17,971

** Nil as a result of year to date revenues below $250 million.*

UTILITIES, INSURANCE AND PROPERTY TAXES

Utilities, insurance and property tax expenses decreased 9.7 per cent to $11.6 million as compared to $12.8 million in 2014. This decrease is primarily related to a new power contract signed in 2015 which locked in electricity rates at some of the lowest levels since deregulation occurred in the province of Alberta. Also contributing to decreases in this is a reduction in property taxes as a result of a lower tax assessment.

POLICE AND SECURITY

During 2015, police and security expenses showed slight increase of 3.1 per cent to $8.6 million compared to $8.4 million in 2014. This increase is a result of reduction in funding from CATSA and an increased demand for non-passenger vehicle screening, which are then recovered through an increase in the police and security fee charged on a per passenger basis to airlines at Edmonton Airports.

AIF IMPROVEMENT FEE COLLECTION COSTS

AIF collection costs for 2015 decreased 7.2 per cent to $4.6 million as compared to $5.0 million in 2014. Although the AIF revenue has increased compared to prior year, the AIF collection costs have decreased due to a decrease in fee to 5 per cent of AIF revenue from 6 per cent effective October 1, 2014.

OTHER ITEMS

The decrease was primarily driven by the one-time loss for the de-recognition of the moving walkways recognized in 2014.

OTHER COMPREHENSIVE LOSS

Edmonton Airports experienced a net remeasurement gain on post-employment benefits of $0.3 million in 2015 as compared to a $7.1 million loss in 2014. These remeasurement adjustments are the result of the change, year-over-year, in actuarial assumptions used by Edmonton Airports' actuarial expert to estimate the pension obligation at the end of each period. The gain in 2015 was the net result of a $1.5 million loss from the change in mortality assumptions, a $1.8 million loss from the change in financial assumptions, offset by a $1.2 million experience gain and $2.4 million return on plan assets. The above impacted most significantly by the decrease in the discount rate to 3.8 per cent in 2015 from 4.1 per cent in 2014.

OTHER EXPENSES

(in thousands)	2015 $	2014 $	Change $	Change %
Depreciation and amortization	65,327	64,500	827	1.3%
Interest	44,499	44,850	(351)	(0.8%)
Net interest cost and expected return on plan assets	370	170	200	117.6%
Gain on foreign exchange	(221)	(84)	(137)	163.1%
Loss on disposal of property, plant and equipment	201	276	(75)	(27.2%)
Loss on derecognition of property, plant and equipment	-	3,572	(3,572)	0.0%
	110,176	113,284	(3,108)	(2.7%)

DEPRECIATION AND AMORTIZATION

Depreciation and amortization expense is consistent with the prior year. The slight increase in the current year is mainly due to timing of the capital projects becoming available for use in the current year. This includes depreciation on the moving walkways that were capitalized during Q2 of the current year and amortization of the current financial system, which went live on November 2, 2015.

NET INTEREST EXPENSE

(in thousands)	2015 $	2014 $	Change $	Change %
Series A Bond interest	15,792	16,229	(437)	(2.7%)
Series C Bond interest	30,925	30,860	65	0.2%
Interest portion of current serice cost for post-employment benefits	370	170	200	117.6%
Other interst and financing costs	191	124	67	54.0%
Interest income and other	(777)	(932)	155	(16.6%)
	46,501	46,451	50	0.0%
Capitalized interest	(1,561)	(1,431)	(130)	9.1%
	44,940	45,020	(80)	(0.2%)

Edmonton Airports' interest costs represent interest on the outstanding balances of the revenue bond (Series A Bond) issued in October 2000 and the fixed rate debentures (Series C Bond) issued by the Alberta Capital Finance Authority (ACFA). The interest costs are consistent with the prior year. The decrease in Series A Bond interest is due to reductions in loan principal as a result of repayments of the existing balance. The increase in interest portion of the current service cost for post-employment benefits was a result of a decrease in the discount rate, which unfavorably impacted the interest income on plan assets, contributing to the overall high net interest expense.

Capital Projects

Edmonton Airports' capital projects are identified by the Airport and are broken into three main categories:

1. COMMERCIAL REAL ESTATE

Projects in this category include those that build revenue capacity for Edmonton Airports and are funded from operating earnings and cash flow that becomes available. $7.7 million was spent on all projects to December 31, 2015.

During 2015, the highway commercial development project continued with preparing land for commercial development, including land that has been leased to Ivanhoé Cambridge for the retail outlet destination.

Additionally, as part of the highway commercial project, Edmonton Airports is in the process of improving the existing primary access point (Airport Perimeter Road) for entering and exiting the airport. This improvement is required for the development of the highway commercial and airport support lands to south of the airport. Additionally, this infrastructure investment will help alleviate traffic congestion between Highway 2 and the Leduc-Nisku Industrial Park.

2. 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. $14.6 million was spent on growth projects to December 31, 2015.

The most significant projects in this category include:

- Storm system treatment and storage capacity upgrades. This project seeks to improve the wetland treatment system and expand the storage pond to meet the Alberta Environment standards. Edmonton Airports is in the process of completing a new storage pond, rehabilitating ditches and expanding the wetlands treatment system. Costs totalled $6.4 million in 2015.
- Non-passenger vehicle screening project. CATSA is implementing non-passenger vehicle screening requirements for personnel accessing the critical restricted area (commercial apron) via the airside service roads. Edmonton Airports is responsible for the construction of vehicle screening facilities at both of the commercial apron access points and ensuring facilities are built by April 2016. Costs totalled $1.9 million in 2015.
- Lot-18 site access and perimeter road extension. Edmonton Airports will construct two driveways to provide site access into lot 18 as per the request of the tenant. This project is substantially complete with $1.4 million invested in 2015.
- Runway 12-30 exit fillets. Edmonton Airports constructed an additional asphalt exit fillet in Taxiway A2 and relocated required airfield electrical lighting. With the increase in cargo traffic this provides an additional access for movement both to Apron I and new cargo aprons, as well as, north and south movement from Runway 12/30 to Taxiway A. Costs totalled $0.8 million in 2015.
- Public surface parking. This project included the construction of a gravel parking lot, placement of a concrete curb stops to delineate parking stalls, installation of additional way finding signage in the new areas to assist customers and installation of lighting per the standards and existing patterns. Costs totalled $0.8 million in 2015.
- Road and curb plan. This project was initiated in 2014 to reconfigure the commercial curb that allowed for better utilization of the curb resulting in improvements to customer service through reduced wait times for vehicles. Costs totalled $0.4 million 2015.

3. 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. $21.4 million was spent on all projects to December 31, 2015.

In line with the objective of improving airport infrastructure, the most significant projects in this category include:

- Pavement rehabilitation project. During 2015, Edmonton Airports repaired emergent areas of taxiways and runways. A major part of the project scope was the reconstruction of the Taxiway Alpha. This project was undertaken to improve airport infrastructure. Costs totalled $4.9 million in 2016.
- Core Business System Replacement. During 2015 Edmonton Airports implemented a new financial system (AX Dynamics). The project was undertaken to better integrate the financial system with the other business management systems. Costs totalled $2.4 million in 2015.
- Fire hall vehicle replacement. Under this program, an Aircraft Rescue Fire Fighting Vehicle was replaced under the vehicle replacement strategy to meet the regulatory and operating requirements. Costs totalled $1.1 million in 2015.
- Lift station #1 replacement. Edmonton Airports repaired lift station #1 due to its age. The repairs undertaken extend its life and prevent a major breakdown. Costs totalled $1.1 million in 2015.
- Groundside pavement project. Rehabilitation of Airport Road eastbound from east of the Value Park bus entrance to east of the Esso entrance improves airport infrastructure and provides accessibility to EIA passengers, cargo and the general public. Costs totalled $0.9 million in 2015.
- 2015 fleet replacements. Various vehicles within the operations fleet pool were replaced at the end of their expected useful life. Costs totalled $0.9 million in 2015.
- Parkade rehabilitation. During 2014 Edmonton Airports identified improvements that were required to the parkade, which included structural, signage and lighting improvements. The project was completed in 2015. Costs totalled $0.8 million in 2015.

Liquidity and Capital Resources

Edmonton Airports is an authority without share capital and accordingly, is funded through operating revenues, AIF revenues, reserve funds, its bank credit facility, and financing from the Alberta Capital Finance Authority (ACFA). Maintaining a strong financial position is imperative to Edmonton Airports' success as it allows the reinvestment of cash flows in supporting our strategic objectives.

We completed 2015 with a cash and equivalents balance of $39.1 million, compared to $35.3 million at December 31, 2014. The increase in our cash position was a result of positive cash flow from operations of $70.2 million, offset by $45.9 million spent on capital expenditures and $20.7 million in financing outflows. Our current ratio, defined as current assets over current liabilities, was 1.1 at December 31, 2015 and was consistent with 2014.

(in thousands)	2015 $	2014 $	Change $
Cash flows from operating activities	70,221	44,108	26,113
Cash flows used in investing activities	(45,932)	(58,321)	12,389
Cash flows (used in) from financing activities	(20,726)	21,107	(41,833)
	3,563	6,894	(3,331)
Effect of foreign exchange on cash and cash equivalents	221	136	85
Net increase in cash and cash equivalents	3,784	7,030	(3,246)
Cash and cash equivalents, beginning of year	35,289	28,259	7,030
Cash and cash equivalents, end of year	39,073	35,289	3,784

OPERATING CASH FLOWS

Edmonton Airports defines cash flows from operating activities as those that are primarily derived from our principal revenue producing activities and generally result from transactions and other events that enter into the determination of profit or loss. Therefore, this includes cash flows from AIF revenue and cash outflows for interest expense. We consider the cash flows arising from operating activities as a key indicator of the extent to which Edmonton Airports has generated sufficient cash flows to repay loans, maintain operating capability and make new investments.

For the year ended December 31, 2015, our cash flows from operating activities increased 19.2 per cent to $70.2 million compared to $44.1 million in the prior year. This year-over-year increase was mainly the result of increased EBITDA, a positive change in working capital, increase in deferred revenues due to rent prepayments by Ivanhoé Cambridge, and decreased payments required to fund the defined benefit pension plan and settle the long-term benefit plan. Cash inflows from operating activities were used to repay long-term debt, and invest in capital projects.

INVESTING CASH FLOWS

For the year ended December 31, 2015, cash flows used in investing activities totaled $45.9 million compared to $58.3 million in the prior year. The significant year-over-year decrease is mainly due to the decrease in capital expenditures as a result of our focus on utilizing capacity and maintaining existing structures and shifting less critical expenditures into future years.

FINANCING CASH FLOWS

For the year ended December 31, 2015, cash flows used in financing activities totaled $20.7 million compared to inflow of $21.1 million in the prior year. This outflow was a result of lower planned borrowings to align with our decreased capital spending as discussed above.

Debt Covenants

REVENUE BOND

Pursuant to the terms of Edmonton Airports' revenue bond, we are required to maintain a Debt Service Reserve Fund equal to one-half of our annual debt service costs and an Operating and Maintenance Contingency Fund equal to one quarter of our annual operation and maintenance expenses. At December 31, 2015, restricted deposits of $33,238 (2014 - $32,910) exist as a requirement of the Debt Service Reserve Fund. The Operating and Maintenance Contingency Fund is satisfied by a $40 million term revolving loan of which $20,460 (2014 - $21,115) has been set aside for the Fund.

We are required to maintain a Debt Service Coverage Ratio on a rolling twelve month basis of 1.00:1 and a Gross Debt Service Coverage Ratio of not less than 1.25:1. At December 31, 2015, ratios were 1.58:1 and 2.55:1, respectively.

ACFA FINANCING

Pursuant to the terms of Edmonton Airports' credit facility with ACFA, we must maintain an Interest Coverage Ratio (ICR) of not less than 1.25:1 and net cash flows greater than zero at the end of any fiscal quarter on a rolling four fiscal quarter basis. At December 31, 2015 the ICR was 1.77:1 and cash flows were greater than zero on a rolling four fiscal quarter basis.

CAPITAL FINANCING

The following is a summary of the most recent ratings issued for Edmonton Airports. Standards & Poor's (S&P) rating has increased compared with the previous year. The increase was driven by Edmonton Airports' strong business risk profile and S&P's expectation that Edmonton Airports' financial performance will remain strong in the next two years, despite ongoing global economic uncertainty.

Ratings from other rating agencies remains relatively consistent compared with the prior year.

Rating Agency	Date	2015 Rating	2014 Rating
S & P	June 2015	A+ Stable	A positive
Moody's	June 2015	A1 Stable	A1 Stable
DBRS	May 2014	A (High)	A (High)

Outlook

2015 presented some challenging economic times with oil prices at 12-year lows resulting in a slowdown in investment in Alberta's oil and gas sector. As the year progressed, job losses continued across Alberta. The City of Edmonton was somewhat sheltered from the brunt of the impact due to increases in government hiring and approximately $2 billion in construction investment tied to Edmonton's new downtown arena district. Despite these challenges, Edmonton Airports was still able to achieve many significant wins in 2015 with one of the most notable achievements being the launch of scheduled freighter service from Air China Cargo (ACC) in September, making EIA their only Canadian airport to have scheduled cargo service to mainland China. Other significant air service achievements in 2015 included KLM initiating scheduled service to Amsterdam and Delta Air Lines adding EIA as a connection to their growing West Coast hub in Seattle. Despite the trying economic conditions, EIA still served nearly eight million passengers, marking the second busiest year in its history. Total revenues grew by 2.2 per cent to reach record highs at just over $210 million.

The outlook for energy prices has changed materially from a year ago as US shale producers have been far more resilient to the drop in oil prices than most originally anticipated. This has resulted in a market where supply continues to outpace demand and inventories continue to grow. January 2016 prices for WTI Crude Oil averaged $31.68 per barrel, down nearly 67 per cent from January 2014. The US Energy Information Administration is now projecting that oil prices will only average $38 per barrel in 2016 and climb to $50 in 2017 while global production remains in a surplus position through the end of this period. At these levels it is likely that investment in new oil and gas projects will remain depressed until 2018. If these projections materialize, it is anticipated that EIA will see some further contraction in energy prices in 2016 and flat to moderate growth in 2017. Passenger traffic would then accelerate along with increased investment in the provinces energy sector in 2018.

Global economic growth is expected to gain moderate momentum in 2016 with the International Monetary Fund (IMF) projecting that the global economy will grow by 3.4 per cent in 2016, up from an estimated growth rate of 3.1 per cent in 2015. While positive in direction, these forecasts are still below the long-term average rate for global economic growth of around 4 per cent. Advanced economies are forecast to grow at a rate of 2.1 per cent driven primarily by projected growth of 2.6 per cent in the US and a moderate increase in growth in the Euro Area. Emerging and developing economies are expected to grow by 4.3 per cent in 2016. Growth in China is expected to decrease to 6.3 per cent as the country's economy transitions from manufacturing towards more of a consumer based economy.

The long-term outlook for global aviation remains quite favorable with Boeing forecasting passenger traffic to grow, on average, by 4.9 per cent per year over the next 20 years and air cargo volumes to grow at an average annual rate of 4.7 per cent. The largest growth opportunities for global aviation are in the Asia-Pacific market, China and developing economies. EIA's continued growth in non-stop services to key international markets like Amsterdam, London and Reykjavik provides Edmonton with improved connectivity into Asia, Africa and the Middle East and helps support our international growth strategies.

Alberta's economy was impacted by the decline in energy prices in 2015 and according to TD Economics, likely saw real GDP decrease by 1.2 per cent. This is in sharp contrast to the rapid growth rates of 5.1 per cent and 4.8 per cent experienced in 2013 and 2014 respectively. The outlook for 2016 is for another challenging year for the province with real GDP forecasted to decrease by 0.3 per cent before returning to growth in 2017. Employment is projected to decrease this year as energy companies continue to announce further layoffs and reductions in their capital investment plans along with disappointing earnings figures from 2015. Total provincial employment is expected to decline by 1.2 per cent with the unemployment rate climbing to 7.4 percent. The Alberta government has already reported unemployment rates as high as nine per cent in the Fort McMurray region. Increasing unemployment rates combined with reductions in capital spending will further slow the flow of mobile workers through Alberta, many of whom used EIA as their main connection point to their job sites. This will put continued downward pressure on domestic passenger traffic and has led to Canada's two major domestic carriers reducing capacity in the province. The drop in oil prices has also led to a fall in the value of the Canadian dollar against that of the US. This will continue to impact leisure traffic to the US for the foreseeable future as the exchange rate makes travel to the US relatively more expensive compared against domestic alternatives. Increased efforts will be made to attract visitors from the US and other international destinations for whom the low value of the Canadian dollar makes Canada a more cost effective destination.

The outlook for continued low energy prices will put pressure on archiving the objectives outlined in the EIA 2016 Business Plan and 2016-2020 Strategic Plan. Performance is now expected to track more closely to the low growth scenarios outlined in both of these documents.

Our financial outlook to 2020 is as follows:

(in thousands)	**2016**	**2017**	**2018**	**2019**	**2020**
Passengers	7,552.9	7,845.8	8,220.6	8,657.8	9,171.1
Revenue	$209,694	$223,313	$231,682	$246,320	$262,119
EBITDA margin	46.6%	48.4%	49.6%	51.2%	52.0%
Net Earnings/(loss)	($13,158)	($3,953)	$1,929	$14,081	$26,052
Capital expenditures	$47,651	$54,241	$36,103	$45,021	$55,538
Debt/Enplaned Passenger	$255	$239	$220	$200	$181
Debt Service Coverage Ratio	1.42	1.52	1.51	1.60	1.72
Interest Coverage Ratio	1.62	1.87	1.99	2.36	2.93

Accountability

Edmonton Airports' public accountability requirements with respect to planning, reporting, conduct and operational effectiveness are documented in the Airport ground lease and associated agreements with the Government of Canada and under the relevant provincial legislation, including the *Regional Airports Authorities Act (Alberta).* These agreements and incorporating legislation set out specific requirements for matters such as business ethics, conflict of interest, audit, periodic performance reviews and disclosure. In addition to information included in the 2015 Management Discussion and Analysis above, the following items require disclosure:

BUSINESS AND STRATEGIC PLANS

The Executive Summary of Edmonton Airports 2016 Business Plan and 2016 – 2020 Strategic Plan are available at www.flyeia.com.

CONFLICT OF INTEREST

In accordance with the Airport ground lease and the *Regional Airport Authorities Act (Alberta)*, Edmonton Airports confirms it has an appropriate Conflict of Interest Policy and is in compliance with that policy.

Edmonton Airports confirms its compliance, in all material respects, with the public accountability requirements documented in the Airport ground lease as well as with provincial legislation, including the *Regional Airports Authorities Act (Alberta)*.

PUBLIC COMPETITIVE TENDERING

Edmonton Airports, in accordance with the Airport ground lease with the Government of Canada, is required to report on all contracts in excess of $131,196 ($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, contract 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. We entered into nine contracts in excess of $131,196 ($75,000 in 1992 dollars) that, for the reasons outlined in the corresponding table, were not awarded on the basis of a public competitive tendering process.

2015 SOLE SOURCE CONTRACTS OVER $131,196
(based on 2015 Edmonton CPI Index)

Supplier	Project	Value	Code
Synced Media	Purchase of interactive Nebula Tables and lease of robots	$215,600	Single source provider
Siemens Canada Limited	Purchase of additional access control systems in critical areas to prevent unauthorized access and monitor critical infrastructure	$361,000	Long-term service provider / in compliance with a product or equipment standardization program
Nelson Environmental Inc.	Design, supply and installation of major components for the engineered wetlands upgrade	$2,100,000	Proprietary service provider
ARINC International of Canada, ULC	Provision of Level 2 and 3 support of Common Use Passenger Processing Systems (CUPPS)	$1,655,707	Proprietary service provider
Ultra Electronics	Upgrade of current Ultra application software to the latest releases	$270,000	Proprietary service provider
ARINC International of Canada, ULC	Upgrade of the CUTE Core and Software System	$600,000	Proprietary service provider
Dufferin Construction Company	Civil, electrical and utilities work for non-passenger vehicle screening access points, north and south	$2,000,000	In compliance with strategic alliance requirements
Target Inc.	Purchase or type 4 runway sand	$350,000	Single source provider

FINANCIALS

FINANCIAL STATEMENTS

December 31, 2015 (in thousands of dollars)

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 International Financial Reporting Standards, as issued by the International Accounting Standards Board, 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 Auditor's 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.

Tom Ruth

President and Chief Executive Officer

Rob Malli

Chief Financial Officer and Vice President Strategy and Corporate Services

Edmonton Canada
March 24, 2016

March 24, 2016

Independent Auditor's Report

To the Board of Directors of
Edmonton Regional Airports Authority

We have audited the accompanying financial statements of Edmonton Regional Airports Authority, which comprise the statement of financial position as at December 31, 2015 and the statements of comprehensive loss, changes in net assets and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Edmonton Regional Airports Authority as at December 31, 2015, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

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EDMONTON REGIONAL AIRPORTS AUTHORITY

STATEMENTS OF FINANCIAL POSITION

For the years ended December 31, 2015 and 2014

(in thousands)	2015 $	2014 $
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	39,073	35,289
Accounts receivable (note 5)	16,575	19,729
Prepaid expenses and other	5,421	4,657
	61,069	59,675
NON-CURRENT ASSETS		
Restricted deposits (note 6(b))	33,238	32,910
Prepaid expense and lessee receivable	366	404
Property, plant and equipment (note 8)	979,332	999,203
Intangible assets (note 9)	2,681	1,850
	1,076,686	1,094,042
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (notes 8(b) and 10)	31,938	32,997
Deferred revenue (note 11)	993	803
Current portion of long-term debt (note 6)	22,092	20,726
	55,023	54,526
NON-CURRENT LIABILITIES		
Tenants' security deposits	1,692	1,658
Deferred revenue (note 11)	11,230	-
Post-employment benefits (note 7)	6,577	8,578
Long-term debt (note 6)	943,288	965,097
	1,017,810	1,029,859
Contingencies (note 14)		
Commitments (note 15)		
NET ASSETS	58,876	64,183
	1,076,686	1,094,042

The accompanying notes are an integral part of these financial statements.

Approved by the Board of Directors:

Chair

Chair – Audit Committee

EDMONTON REGIONAL AIRPORTS AUTHORITY

STATEMENTS OF COMPREHENSIVE LOSS

For the years ended December 31, 2015 and 2014

(in thousands)	2015 $	2014 $
REVENUE		
Airport improvement fee (note 12)	91,387	86,178
Concessions and parking	58,017	59,272
Airside and general terminal	45,674	45,690
Police and security	10,135	9,762
Real estate leases	5,057	4,834
Other revenue	152	85
	210,422	205,821
EXPENSES		
Salaries and employee benefits	30,928	28,664
Service, maintenance, supplies and administration	32,116	35,889
Canada lease rent (notes 1 and 15(c))	17,971	17,591
Utilities, insurance and property taxes	11,554	12,802
Police and security	8,627	8,368
Airport improvement fee collection costs (note 12)	4,643	5,003
	105,839	108,317
EBITDA (note 16)	104,583	97,504
OTHER EXPENSES		
Depreciation and amortization (notes 8(c) and 9(b))	65,327	64,500
Interest (note 6(f))	44,869	45,020
Gain on foreign exchange	(221)	(84)
Loss on disposal of property, plant and equipment (note 8(f))	201	276
Derecognition of property, plant and equipment (note 8(e))	-	3,572
	110,176	113,284
NET LOSS FOR THE YEAR	(5,593)	(15,780)
Other comprehensive income (loss):		
Items that will not be reclassified to net loss		
Remeasurement gain (loss) on post-employment benefits (note 7)	286	(7,112)
COMPREHENSIVE LOSS FOR THE YEAR	(5,307)	(22,892)

The accompanying notes are an integral part of these financial statements.

EDMONTON REGIONAL AIRPORTS AUTHORITY

STATEMENTS OF CHANGES IN NET ASSETS

For the years ended December 31, 2015 and 2014

(in thousands)	2015 $	2014 $
NET ASSETS – BEGINNING OF YEAR	64,183	87,075
Remeasurement gain (loss) that will not be reclassified to net loss	286	(7,112)
Net loss for the year	(5,593)	(15,780)
Total comprehensive loss for the year	(5,307)	(22,892)
NET ASSETS – END OF YEAR	58,876	64,183

The accompanying notes are an integral part of these financial statements.

EDMONTON REGIONAL AIRPORTS AUTHORITY

STATEMENTS OF CASH FLOW

For the years ended December 31, 2015 and 2014

(in thousands)	2015 $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	(5,593)	(15,780)
Adjustments for:		
Depreciation and amortization	65,327	64,500
Amortization of borrowing costs	283	276
Gain on foreign exchange	(221)	(84)
Loss on disposal of property, plant and equipment	201	276
Derecognition of property, plant and equipment	-	3,572
Post-employment benefit expense	3,521	2,894
Finance costs – net	44,092	44,088
Changes in working capital:		
Accounts receivable	2,420	(3,353)
Prepaid expenses and other	(764)	(771)
Accounts payable and accrued liabilities	(968)	(1,199)
Deferred revenue	11,420	800
Tenants' security deposits	34	181
Post-employment benefit contributions	(5,236)	(7,388)
Interest paid	(45,072)	(44,835)
Interest received	777	931
NET CASH FLOWS FROM OPERATING ACTIVITIES	70,221	44,108
CASH FLOWS FROM INVESTING ACTIVITIES		
Lessee receivable	38	53
Purchase of restricted deposits	(328)	(392)
Purchase of property, plant and equipment	(41,633)	(54,752)
Purchase of intangible assets	(2,461)	(1,845)
Proceeds on disposal of property, plant and equipment	13	46
Interest paid capitalized to property, plant and equipment	(1,561)	(1,431)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(45,932)	(58,321)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of finance lease	-	(22)
Repayments of long-term debt	(20,726)	(18,871)
Proceeds from long-term debt	-	40,000
NET CASH FLOWS (USED IN) FROM FINANCING ACTIVITIES	(20,726)	21,107
Effect of exchange rate on cash and cash equivalents at the end of the year	221	136
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,784	7,030
Cash and cash equivalents – Beginning of year	35,289	28,259
CASH AND CASH EQUIVALENTS – END OF YEAR	39,073	35,289

The accompanying notes are an integral part of these financial statements.

1. NATURE OF OPERATIONS

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 financial statements were authorized for issue by the Board of Directors on March 24, 2016.

EDMONTON INTERNATIONAL AIRPORT

On April 2, 1992, Edmonton Airports signed an agreement with the Landlord to transfer control of the Edmonton International Airport (the Airport) to Edmonton Airports. Effective July 31, 1992, Edmonton Airports signed the Ground Lease Agreement (Canada Lease) with the Landlord to lease the Airport facilities for an initial period of sixty years ending in 2052. On August 1, 1992, Edmonton Airports assumed control of the Airport. All revenue and expenditure contracts in effect on August 1, 1992, were assigned to Edmonton Airports and Edmonton Airports did not assume any liability with respect to claims against the Landlord prior to this date. Under the option granted to Edmonton Airports in the Canada Lease, Edmonton Airports provided notice to the Landlord that the option was being exercised to extend the term for an additional 20 years. The Landlord advised Edmonton Airports on August 13, 2012, that such notice was duly received and as such the term of the Canada Lease has been extended, on the same terms and conditions, for an additional 20 years expiring July 31, 2072. At the end of the renewal term, Edmonton Airports is obligated to return control of the Airport to the Landlord. The Airport must be returned in a state of good order, condition and repair. The Airport must also be free and clear of any Occupancy Agreement, Transfer, Leasehold Mortgage (as defined in the Canada Lease) or other encumbrances of any nature or kind except those for which the Landlord has granted rights of non-disturbance.

The Canada Lease is the principal document governing the relationship between Edmonton Airports and the Landlord at the Airport. It determines the rent (Canada Lease Rent) to be paid and generally allocates risk and responsibilities between Edmonton Airports and the Landlord for all matters related to the operation of the Airport. Under the terms of the Canada Lease, Edmonton Airports is fully responsible for the management, operation and development at the Airport. Edmonton Airports is free to operate the Airport on a commercial basis and has the authority to set rates and charges and to develop and improve facilities. The Landlord retains regulatory control over aeronautics and as such, will set safety and security standards for airports, license airports and regulate the aviation industry as a whole.

Canada Lease Rent is calculated as a percentage of Gross Revenue at the Airport as defined by the Canada Lease and related documents using escalating percentages with the following ranges: 0% for Gross Revenue below $5.0 million, 1% for Gross Revenue between $5.0 million and $10.0 million, 5% for Gross Revenue between $10.0 million and $25.0 million, 8% for Gross Revenue between $25.0 million and $100.0 million, 10% for Gross Revenue between $100.0 million and $250.0 million, and 12% for Gross Revenue in excess of $250.0 million. The calculation of Gross Revenue is subject to audit by the Landlord. The future lease payments due to the Landlord are based upon projected Gross Revenue in each year and are estimated in note 15(c).

The Airport operates on approximately 2,800 hectares of land in the County of Leduc adjacent to the City of Leduc in the Province of Alberta. The assets of the Airport include air-terminal, airside assets including two runways, multiple taxiways and aprons, loading bridges, groundside assets including parking lots, maintenance facilities and other ancillary structures necessary to execute its mandate. These assets will revert to the Landlord (Transport Canada) upon the expiration or termination of the Canada Lease. Assets owned by NAV CANADA, the operator of Canada's civil air navigation system, are excluded from Airport operations.

Edmonton Airports is committed to the continuing development of the Airport. This includes continued redevelopment of the terminals, increasing airside capacity, and increasing cargo and aircraft facilities.

VILLENEUVE AIRPORT

On March 30, 2000, Edmonton Airports acquired from the Landlord all lands, assets, chattels and equipment comprising the Villeneuve Airport for a nominal amount. Villeneuve Airport operates on approximately 579 hectares of land in Sturgeon County and is a certified general aviation airport. Villeneuve Airport's role is to serve the needs of small commercial, recreational flying and general aviation and it is a flight training facility with a flight control system owned and operated by NAV CANADA.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

BASIS OF PREPARATION

Edmonton Airports prepares its financial statements in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and Canadian Generally Accepted Accounting Principles (GAAP) as issued by the Chartered Professional Accountants of Canada. Edmonton Airports has consistently applied IFRS throughout these financial statements.

The financial statements have been prepared in Canadian dollars under the historical cost convention. The financial statements and notes are presented in thousands of Canadian dollars unless otherwise noted.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

JOINT ARRANGEMENTS

These arrangements are undivided interests in the assets, liabilities, revenues and expenses under arrangement and Edmonton Airports records its proportionate share in accordance with the agreements as joint operations, under IFRS 11 Joint Arrangements.

On December 19, 2014, Edmonton Airports entered into a Joint Venture Agreement with Edmonton Economic Development Corporation (EEDC) for purposes of establishing an initiative called Port Alberta to assist in expanding and enhancing the Edmonton region, economically, and to establish Port Alberta as a critical logistics service centre and energy hub for North America. The principal place of business will be Edmonton, Alberta, Canada.

Edmonton Airports and EEDC have joint control of the arrangement through the establishment of co-chairs with equal decision making authority. Edmonton Airports will share all liabilities, obligations, costs and expenses in proportion to the activities carried out through the arrangement. Net revenues generated will be reinvested to promote the goals of Port Alberta.

No significant expenditures or commitments were incurred to December 31, 2015.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash and other investments with an original term of 90 days or less.

LEASES

A lease is classified as a finance lease when it transfers to the lessee substantially all the risks and rewards related to ownership of the leased asset. All other leases are classified as operating leases.

Edmonton Airports as the lessee:

Operating lease payments made are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as deferred revenue. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The Canada Lease Agreement is accounted for as an operating lease.

Edmonton Airports as the lessor:

The amount receivable from the lessee in accordance with a finance lease is recognized at an amount equal to the net investment of Edmonton Airports in the lease. Lease income from finance leases is recognized over the term of the lease in order to reflect a constant periodic return on Edmonton Airports' net investment in the finance lease.

Rental income from operating leases is recognized on a straight-line basis over the lease term. Amounts not recognized as income in the current year are classified and recorded as deferred revenue. The respective leased assets are included in the balance sheet based on their nature.

In the event that lease incentives are provided to the lessee to enter into an operating lease, when the lease incentive adds future economic value to the space independent of the lease in place, such costs are capitalized to property, plant and equipment and recognized through depreciation expense over the useful life of the corresponding asset. If the costs incurred are specific to the lessee, and do not have stand-alone value, these costs are treated as tenant incentives and amortized on a straight-line basis to revenue over the lease term.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at cost, net of applicable government grants, less accumulated depreciation and accumulated impairment losses and include only the amounts expended by Edmonton Airports. Property, plant and equipment do not include the cost of the facilities that are leased from the Landlord (note 8). These assets will revert to Transport Canada upon the expiration or termination of the Canada Lease. No amounts are amortized longer than the lease term.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and interest capitalized during the construction of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of that property, plant and equipment, and are recognized net within other items in the statements of comprehensive loss.

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to Edmonton Airports and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. Repairs and maintenance costs are charged to the statements of comprehensive loss during the period in which they are incurred.

Depreciation is recognized in the statements of comprehensive loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are amortized over the shorter of the lease term and their useful lives unless it is reasonably certain that Edmonton Airports will obtain ownership by the end of the lease term.

The major categories of property, plant and equipment are amortized at the following annual rates:

TERMINAL AND FACILITIES (EXCLUDING LEASED FACILITIES)	
Buildings	1.67 - 50.00%
Roadways systems	2.50 - 20.00%
Parking facilities and lots	2.50 - 20.00%
Runway, taxiways and apron surfaces	1.67 - 33.33%
Other facilities	1.67 - 33.33%
Land	Straight-line over the remaining term of the Ground Lease

MACHINERY AND EQUIPMENT	
Vehicles and maintenance equipment	5.00 - 33.33%
Furniture and equipment	2.85 - 20.00%
Computer hardware	33.33 - 50.00%

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted as appropriate.

Edmonton Airports has previously purchased land for operational purposes and future development. The Canada Lease requires that at commencement of development the applicable land be transferred to the Government of Canada at which time Edmonton Airports reclassifies the land to leased land.

INTANGIBLE ASSETS

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses and include only the amounts expended by Edmonton Airports, offset by any contributions from government grants. Intangible assets do not include the cost of the facilities that are leased from the Landlord (note 9).

Intangible assets include purchased computer software and software licences with finite useful lives. These assets are capitalized and amortized on a straight-line basis in the statements of comprehensive loss at the following annual rates:

COMPUTER SOFTWARE

Purchased software and software licenses	10.00 – 50.00%

BORROWING COSTS

Borrowing costs attributable to the acquisition or construction of qualifying assets are added to the cost of those assets, until such time as the assets are available for use as intended by management. All other borrowing costs are recognized as interest expense in the statements of comprehensive loss in the year in which they are incurred. The amount of borrowing cost capitalized is determined by applying a weighted average cost of borrowings to qualifying assets included in the construction work in progress.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Property, plant and equipment and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash-generating units (CGUs). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGUs). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

Edmonton Airports evaluates impairment losses for potential reversals when events or circumstances may indicate such consideration is appropriate. The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

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 as follows:

- Airport improvement fee (AIF) revenue is recognized based upon monthly remittances from air carriers. Monthly remittances are estimated when necessary and adjusted to actual amounts received.
- 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.
- Airside and general terminal and parking revenues are recognized as the airport facilities are utilized.
- Police and security revenue is recognized as these services are provided.
- Real estate revenue net of incentives is recognized on a straight-line basis over the terms of the respective leases.

POST-EMPLOYMENT BENEFITS

Edmonton Airports operates various post-employment plans including a defined benefit (DB) pension plan, a defined contribution (DC) pension plan, a (DB) Supplementary Executive Retirement Plan (SERP) with one member that is a non-funded liability, and a non-funded long-term benefit plan for eligible employees under the terms of the collective bargaining agreements.

The DC plan is a pension plan under which Edmonton Airports pays fixed contributions into a separate entity. Edmonton Airports has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay employees the benefits relating to their contributions plus investment income. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction in the future payment is available. A DB plan is a pension plan that is not a DC plan.

The liability recognized in the balance sheet in respect of the DB pension plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the unit credit method. The present value of the post-employment benefit obligations is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that have duration to maturity approximating the duration of the related pension liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in full in the period in which they arise in other comprehensive income.

Past service costs are recognized immediately in net loss for the year.

The expected costs of the DB SERP are accrued over the period of employment using the same methodology as used for the DB pension plan. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in full in the period in which they arise in other comprehensive income. These obligations are valued annually by independent qualified actuaries.

FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party. Financial assets and liabilities are recognized when Edmonton Airports becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards have transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expired.

At initial recognition, all assets and liabilities are classified as follows depending on the purpose for which the instruments were acquired:

Financial assets and liabilities at fair value through profit or loss: A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. Financial instruments in this category are recognized initially and subsequently at fair value. Transaction costs are expensed in the statements of comprehensive loss. Gains and losses arising from changes in fair value are presented in the statements of comprehensive loss within other gains and losses in the period in which they arise. Financial assets and liabilities at fair value through profit or loss are classified as current except for the portion expected to be realized or paid beyond twelve months of the statements of financial position date, which is classified as non-current.

Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Edmonton Airports' loans and receivables comprise accounts receivable and cash and cash equivalents, which are included in current assets due to their short-term nature. Receivables are measured at amortized cost using the effective interest method less a provision for impairment.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized at the date the impairment is reversed. The amount of the reversal shall be recognized in net loss.

Financial liabilities at amortized cost: Financial liabilities at amortized cost include accounts payable and accrued liabilities and long-term debt. Trade payables are initially recognized at the amount required to be paid which approximates fair value. Subsequently, trade payables are measured at amortized cost using the effective interest method. Long-term debt are recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method. Financial liabilities are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

GOVERNMENT GRANTS

All government grants related to property, plant and equipment are recorded as reductions to the carrying value of the assets to which the grant applies. All government grants related to revenue and expense are recorded as reductions to the related expense in the period which the grant has met recognition criteria.

3. CHANGES IN ACCOUNTING STANDARDS AND DISCLOSURES

NEW AND AMENDED STANDARDS ADOPTED IN 2015

Edmonton Airports has adopted the following new and amended standard, along with any consequential amendments, effective January 1, 2015. These changes were made in accordance with the applicable transitional provisions.

- Defined Benefit Plans: Employee Contributions –Amendments to IAS 19

The adoption of this amendment did not have any impact on the current or prior year financial statements.

ACCOUNTING STANDARDS ISSUED BUT NOT YET APPLIED

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. Additional disclosures on transition from IAS 39 to IFRS 9 will be required under IFRS 7, the application of which is effective on adoption of IFRS 9. Edmonton Airports is yet to assess IFRS 9's full impact.

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, 2018, with early adoption permitted. Edmonton Airports is currently evaluating the impact of IFRS 15 on our financial statements.

IFRS 16 LEASES
IFRS 16, published in January 2016, will replace IAS 17. IFRS 16 will bring most leases on-balance sheet for leases under a single model, eliminating the distinction between operating and finance leases. Under IFRS 16, all leases are to be capitalized by recognizing the present value of lease payments as both a financial asset and financial liability. The new standard effective for annual periods beginning on or after January 1, 2019, with early adoption permitted if IFRS 15 has also been applied. Edmonton Airports is yet to assess IFRS 16's full impact.

The following amended standards effective for annual period beginning on or after January 1, 2016 are not expected to have a significant impact on Edmonton Airport's financial statements:

- Clarification of acceptable methods of depreciation and amortization (Amendments to IAS 16 and IAS 38).
- Disclosure Initiative: Amendments to IAS 1

4. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATION UNCERTAINTY

In applying Edmonton Airports' accounting policies, management is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Actual results may differ from these estimates.

Accounting estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

i) Critical judgments in applying accounting policies:

The following are the critical judgments that management has made in the process of applying Edmonton Airports' accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Lease incentives: Payments to tenants or tenant improvements are often provided when new leases are signed. When the payments or tenant improvements add future economic value to the space independent of the lease in place, such costs are capitalized to property, plant and equipment. If the costs incurred are specific to the lessee, and do not have stand-alone value, these costs are treated as tenant incentives and amortized on a straight-line basis to revenue over the lease term in accordance with SIC 15, Operating leases – Incentives. Edmonton Airports uses its judgment in determining whether the lease incentive should be recorded as property, plant and equipment or a lease incentive.

Property, plant and equipment and intangible assets: Critical judgments are utilized in determining when an item of property, plant and equipment and intangible assets are available for use as intended by management. This determination impacts the timing of cessation of capitalized interest and commencement of depreciation.

Leases:
Edmonton Airports evaluates agreement terms and conditions to determine whether they contain or are leases. Where a lease exists, Edmonton Airports determines whether substantially all of the significant risks and rewards of ownership are transferred to the customer, in which case it is accounted for as a finance lease, or remain with the Edmonton Airports, in which case it is accounted for as an operating lease.

ii) Key sources of estimation uncertainty:

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year.

Property, plant and equipment and intangible assets: Significant components of property, plant and equipment and intangible assets are depreciated and amortized over their estimated useful lives. Useful lives are determined based on current facts and past experience, and take into consideration the anticipated physical life of the asset. While these useful life estimates are reviewed on a regular basis and depreciation calculations are revised accordingly, actual lives may differ from the estimates.

Post-employment benefits: The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations. Key assumptions for pension obligations are included in note 7. Edmonton Airports considers the extrapolation of the December 31, 2014 figures of the DB pension plan to be an appropriate method to estimate Edmonton Airports' pension obligation and expense as at and for the year ended December 31, 2015 since the revised assumptions used in relation with this extrapolation were reviewed and found to be appropriate.

Fair value of long-term debt: Edmonton Airports uses valuation techniques in measuring fair value of long-term debt for disclosure purposes, where active market quotes are not available. Details of the assumptions are provided in note 16. In applying the valuation techniques, Edmonton Airports makes maximum use of market inputs, and uses estimates and assumptions that are, as much as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, Edmonton Airports uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's-length transaction at the reporting date.

5. ACCOUNTS RECEIVABLE

	2015 $	2014 $
Trade receivables	12,993	17,332
Less: Allowance for doubtful accounts	(367)	(277)
Trade receivables – net	12,626	17,055
Capital grants receivable	1,773	828
Other receivables and accrued receivables	2,176	1,846
	16,575	19,729

All of Edmonton Airports' trade and other receivables have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired and a provision for impairment of accounts receivable has been recorded (note 16).

6. LONG-TERM DEBT

A) TOTAL LONG-TERM DEBT OUTSTANDING

	2015 $	2014 $
Series A Bond	211,719	217,636
Series C Bond	757,074	771,883
	968,793	989,519
Less: Current portion Series A Bond	6,615	5,917
Less: Current portion Series C Bond	15,477	14,809
Total current portion	22,092	20,726
Less: Unamortized transaction costs	3,413	3,696
	943,288	965,097

B) SERIES A BOND AND RESTRICTED DEPOSITS

In October 2000, Edmonton Airports completed a $250 million revenue bond issue (Series A Bond) to fund the requirements of the Air Terminal Redevelopment project. Net proceeds of the issue were used to retire an existing credit facility and to complete the project's construction.

Pursuant to the terms of this bond, 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 operation and maintenance expenses. At December 31, 2015, Restricted deposits of $33,238 (2014 – $32,910) exist as a requirement of the Debt Service Reserve Fund. These deposits earned annual interest of 1.10% (2014 – 1.10%). The Operating and Maintenance Contingency Fund can be satisfied by cash, letter of credit or undrawn availability of the Series B Bond and revolving credit facility.

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.

Interest Rate	Semi-annual Installment $	Maturity Date	2015 $	2014 $
7.21%	Varying	November 1, 2030	211,719	217,636
Less: Unamortized transaction costs			3,413	3,696
			208,306	213,940
Less: Current portion			6,615	5,917
			201,691	208,023

C) SERIES B BOND AND REVOLVING CREDIT FACILITY

In addition, 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 Bond) for general corporate purposes and to assist in the interim financing of construction projects. The credit facility was renewed in 2015 for another three-year term and no drawdowns on the credit facility were made in 2015 or 2014. As at December 31, 2015 $20,460 (2014 – $21,115) of the term revolving loan had been set aside for the Operating and Maintenance Contingency Fund as required under the Series A Bond.

Pledged as collateral to the bonds are a first leasehold mortgage on the Edmonton International Airport and related 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 assets and any reserve funds; and a floating charge over all of the other present and future property and assets of Edmonton Airports.

D) SERIES C BOND

Under its existing capital markets platform, Edmonton Airports entered into a Credit Agreement (Agreement) with the Alberta Capital Finance Authority (ACFA) on December 6, 2006. On March 19, 2008 the Agreement was amended (First Amending Agreement) for Edmonton Airports to finance the capital expansion program at the Edmonton International Airport. On March 12, 2012, the First Amending Agreement was amended (Amended and Restated Credit Agreement) for Edmonton Airports to finance the construction of non-expansion related infrastructure at the Edmonton International Airport. The Amended and Restated Credit Agreement contains three Credit Facilities.

Credit Facility 1, for $1.0 billion, by way of fixed rate loans, is to be used solely for the purposes of airport infrastructure expenditures at the Edmonton 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 the Series A Bond and the Series B Bond. The First Amending Agreement restricts any drawdown of the final $50 million of Credit Facility 2 until all the Series B Bond is 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.

Credit Facility 3, for $100 million, by way of fixed rate loans, is to be used solely for the purposes of funding capital expenditure projects, the general purpose of which are to construct or improve infrastructure in respect to buildings, airfield, land, roads, navigational aids and other assets required for the operation of the Edmonton International Airport. The use of Credit Facility 3 reduces, dollar for dollar, the amount available to Edmonton Airports under 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 is the same as and ranks equally with the Series A and Series B Bonds.

FIXED RATE DEBENTURES, SERIES C BONDS PAYABLE IN SEMI-ANNUAL INSTALMENTS OF PRINCIPAL AND INTEREST:

Interest Rate	Semi-annual Installment $	Maturity Date	2015 $	2014 $
4.37%	755	December 15, 2026	13,075	13,984
4.50%	1,145	March 15, 2027	20,391	21,719
5.00%	3,98	June 15, 2027	6,904	7,340
4.89%	395	September 17, 2027	7,103	7,529
4.68%	1,552	June 16, 2028	29,109	30,789
4.55%	3,068	September 17, 2028	59,706	63,011
4.67%	1,245	December 15, 2039	35,734	36,529
4.54%	920	March 15, 2040	27,045	27,638
4.56%	1,845	June 15, 2040	54,110	55,292
4.00%	1,439	October 1, 2040	45,201	46,239
4.40%	2,112	December 15, 2040	63,672	65,050
4.41%	1,511	March 15, 2041	45,986	46,947
3.73%	557	March 17, 2044	19,439	19,816
3.36%	260	September 15, 2044	9,802	10,000
3.18%	266	December 15, 2044	9,797	10,000
			447,074	461,883

FIXED RATE DEBENTURES, SERIES C BONDS PAYABLE IN SEMI-ANNUAL INSTALMENTS OF INTEREST ONLY:

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
			310,000	310,000
			757,074	771,883
Less: current portion			15,477	14,809
			741,597	757,074

E) THE FUTURE ANNUAL PRINCIPAL AND INTEREST PAYMENTS REQUIRED TO RETIRE THE LONG-TERM DEBT ARE AS FOLLOWS:

	Principal $	Interest $	Total $
2016	22,091	45,530	67,621
2017	24,158	44,341	68,499
2018	30,440	42,998	73,438
2019	35,067	41,406	76,473
2020	37,378	39,638	77,016
Thereafter	819,659	351,679	1,171,338
	968,793	565,592	1,534,385

F) INTEREST EXPENSE (INCOME)

	2015 $	2014 $
Series A Bond interest	15,792	16,229
Series C Bond interest	30,925	30,860
Interest portion of current service cost for post-employment benefits	370	170
Other interest and financing costs	120	124
Interest income and other	(777)	(932)
	46,430	46,451
Capitalized interest (note 8(d))	(1,561)	(1,431)
	44,869	45,020

The table below outlines where Edmonton Airports' post-employment amounts and activity are included in the financial statements:

	2015 $	2014 $
LIABILITIES INCLUDED IN STATEMENTS OF FINANCIAL POSITION		
Defined benefit pension plan	2,708	4,762
Supplementary executive retirement plan	3,233	3,187
Long-term benefit plan	636	629
Liability in the statements of financial position	6,577	8,578
EXPENSE INCLUDED IN NET LOSS FOR THE YEAR		
Defined benefit pension plan	3,339	2,675
Supplementary executive retirement plan	127	133
Long-term benefit plan	55	86
	3,521	2,894
REMEASUREMENTS FOR:		
Defined benefit pension plan	407	(6,364)
Supplementary executive retirement plan	(111)	(424)
Long-term benefit plan	(10)	(324)
Remeasurement gain (loss) on post-employment benefits	286	(7,112)

	2015 $	2014 $
Present value of funded obligations	57,399	53,078
Fair value of plan assets	54,691	48,316
Deficit of funded plans	2,708	4,762
Present value of unfunded obligations	3,869	3,816
Liability in the statements of financial position	6,577	8,578

a) Defined benefit pension plan

Effective October 1, 2013, Edmonton Airports closed the existing DB pension plan to employees subject to collective bargaining and such employees are now included in the DC pension plan. The number of employees in the DB pension plan will diminish as time passes.

The most recent funding recommendation for the DB portion of the pension plan was completed as at December 31, 2014 and is contained in an actuarial report dated June 30, 2015. The next required actuarial valuation for funding purposes must be effective no later than December 31, 2015. The financial statements were prepared based on an actuarial valuation completed as at December 31, 2014 with an extrapolation to December 31, 2015.

The level of DB pension benefits provided depends on a member's length of service and their best average pensionable salary. Pensions paid are indexed with inflation and the benefit payments are from funds administered under an insurance contract. Responsibility for governance of the pension plan lies with Edmonton Airports.

Edmonton Airports has set up a pension administration committee to assist in the management of the pension plan and has also appointed experienced, independent professional experts such as investment managers, actuaries and fund holders.

The movement in the defined benefit obligation and fair value of plan assets of the pension plan over the years 2014 and 2015 is as follows:

	Present value of obligation $	Fair value of plan assets $	Total $
At January 1, 2014	40,942	(40,195)	747
Current service cost	2,398	-	2,398
Interest expense (income)	2,077	(2,040)	37
Impact on net loss for the year	4,475	(2,040)	2,435
Remeasurements			
Return on plan assets, excluding amounts included in interest expense (income)	-	(3,218)	(3,218)
Loss from change in mortality assumptions	7,179	-	7,179
Loss from change in financial assumptions	1,441	-	1,441
Experience loss	962	-	962
Impact of remeasurements on other comprehensive income (loss)	9,582	(3,218)	6,364
Contributions:			
Employer	-	(5,024)	(5,024)
Participants	-	(47)	(47)
Payments from plans:			
Benefit payments	(1,919)	1,919	-
Administration costs	-	287	287
At December 31, 2014	53,080	(48,318)	(4,762)
At January 1, 2015	53,080	(48,318)	4,762
Current service cost	2,918	-	2,918
Interest expense (income)	2,237	(2,020)	217
Impact on net loss for the year	5,155	(2,020)	3,135
Remeasurements			
Return on plan assets, excluding amounts included in interest expense (income)	-	(2,441)	(2,441)
Loss from change in mortality assumptions	1,478	-	1,478
Loss from change in financial assumptions	1,800	-	1,800
Experience gain	(1,244)	-	(1,244)
Impact of remeasurements on other comprehensive income (loss)	2,034	(2,441)	(407)
Contributions:			
Employer	-	(4,986)	(4,986)
Participants	-	(43)	(43)
Payments from plans:			
Benefit payments	(2,868)	2,868	-
Administration costs	-	247	247
At December 31, 2015	57,401	(54,693)	2,708

The significant actuarial assumptions are as follows:

	2015 %	2014 %
Discount rate	3.80	4.10
Rate of compensation increase	3.00	3.25

Assumptions regarding future mortality are set on actuarial advice in accordance with published statistics and experience of the pension plan. Recent experience has indicated actuarial gains or losses that are not material to the pension plan. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 60:

	2015 years	2014 years
Retiring at the end of reporting period:		
Male	26.0	25.6
Female	28.5	28.4
Retiring 20 years after end of reporting period:		
Male	27.2	27.2
Female	29.5	29.4

The sensitivity of the defined benefit obligation to changes in assumptions is set out below. The effects on the DB portion of the pension plan of a change in an assumption are weighted proportionately to the total plan obligations to determine the total impact for each assumption presented.

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.25%	Decrease by 2.6%	Increase by 2.8%
Rate of compensation increase	0.25%	Increase by 1.0%	Decrease by 1.0%
Mortality rates	0.8 years	Decrease by 2.2%	Increase by 2.4%

Through its defined benefit plans, Edmonton Airports is exposed to a number of risks, the most significant of which are detailed below:

ASSET VOLATILITY

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit. The plans hold a significant proportion of equities, which are expected to outperform corporate bonds in the long-term while contributing volatility and risk in the short-term. As the plans mature, Edmonton Airports intends to reduce the level of investment risk by investing more in assets that better match the liabilities. Edmonton Airports believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity investment is an appropriate element of Edmonton Airports' long-term strategy to manage the plan efficiently.

Plan assets are comprised as follows:

	2015 %	2014 %
Equities	59.70	59.50
Debt securities	40.30	40.50
Total	100.00	100.00

CHANGES IN BOND YIELDS

A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings.

INFLATION RISK

The majority of the plan's benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities. The majority of the plan's assets are loosely correlated with inflation, meaning that an increase in inflation will also increase the deficit.

LIFE EXPECTANCY

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in all Edmonton Airports' plans where inflationary increases result in higher sensitivity to changes in life expectancy.

Each sensitivity analysis disclosed in this note is based on changing one assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to variations in significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as for calculating the liability recognized in the statement of financial position.

In case of the funded plan, Edmonton Airports ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the pension plans. Within this framework, Edmonton Airports' ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency. Edmonton Airports does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets in 2015 consists of equities and bonds. Edmonton Airports believes that equities offer the best returns over the long-term with an acceptable level of risk. The plans are not exposed to significant foreign currency risk.

As at December 31, 2014, the aggregate solvency deficit in the defined benefit portion of the pension plan amounted to $8,696. Edmonton Airports will make special payments for past service of $1,739 to fund the pension plan deficit over five years. Edmonton Airports' current service contribution is equal to 16.4% of pensionable salaries. There are no contributions to the SERP or the long-term benefit plan. The next annual actuarial valuation for funding purposes for the pension plan is due to be completed as at December 31, 2015.

The weighted average duration of the defined benefit pension plan obligation is 11.1 years.

The expected maturity analysis of undiscounted pension and long-term benefits is summarized as follows:

	Less than 1 year $	Between 1-2 years $	Between 2-5 years $	Over 5 years $	Total $
Defined benefit pension plan	3,788	3,606	11,235	73,771	92,400
SERP	189	187	548	2,853	3,777
Long-term benefit plant	76	26	174	628	904
At December 31, 2015	4,053	3,819	11,957	77,252	97,081

b) Supplementary executive retirement plan

Edmonton Airports also has a DB Supplementary Executive Retirement Plan (SERP) with one member, 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 independent actuarial valuation completed at December 31, 2015.

The movement in the defined benefit obligation of the SERP over the years 2014 and 2015 is as follows:

	2015 $	2014 $
Balance – Beginning of year	3,187	2,806
Current service cost	-	-
Interest expense	127	133
Impact on net loss for the year	127	133
Impact of remeasurements on other comprehensive loss	111	424
Benefit payments	(192)	(176)
Balance – End of year	3,233	3,187

The methods and types of assumptions used in determining the defined benefit obligation of the SERP are the same used for the defined benefit pension plan. The effect of a 0.25% decrease in the discount rate assumption for the defined benefit obligation would result in an increased defined benefit obligation of the SERP of approximately $96.

c) Long-term benefit plan

Edmonton Airports also has a DB long-term benefit plan for eligible employees under the general bargaining unit collective agreement, excluding employees and management and firefighters under a separate collective bargaining agreement. The benefits provided under the long-term benefit plan constitute a non-funded liability of Edmonton Airports. The financial statements were prepared using an independent actuarial valuation completed at December 31, 2015.

For the year ended December 31, 2015, the long-term benefit plan recognized a remeasurement loss equal to $10 (2014 - $324) in other comprehensive loss. The loss was due to the accrued benefit obligation higher than expected as a result of change to the discount rate assumption. Current service costs of $29 (2014 - $49) and interest expense of $26 (2014 - $37) were reported in the current year. Benefit payments totaling $58 (2014 - $2,188) were made during the current year by the plan. The methods and types of assumptions used in determining the long-term benefit plan are the same used for the defined benefit pension plan. In April 2014 Edmonton Airports settled the liability related to the ratification of the general bargaining unit collection agreement in 2013.

d) Defined contribution pension plan

Edmonton Airports maintains a pension plan with defined contribution provisions providing pension benefits to employees who joined the plan after November 1, 2010, and whose employment conditions are not subject to collective bargaining. This same pension plan is maintained for employees who joined the plan after October 1, 2013 and whose employment conditions are subject to collective bargaining. Edmonton Airports' contribution to the defined contribution portion of the plan is a maximum of 5.5% of the employee's regular salary and wages.

The net expense for the defined contribution portion of the pension plan in 2015 was $351 (2014 – $245).

8. PROPERTY, PLANT AND EQUIPMENT

COST	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 $
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												
Additions/transfers	13,364	1,967	5,946	6,489	2,781	2,163	105	2,482	-	-	8,744	44,041
Disposals	-	-	-	(323)	(3)	(110)	(9)	(378)	-	-	-	(823)
Balance at December 31, 2015	834,200	47,503	133,632	244,484	88,760	25,959	17,172	20,990	-	4,080	59,317	1,476,097

DEPRECIATION	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 $
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												
Depreciation for the year	38,547	1,825	4,124	10,037	4,076	1,372	850	2,803	-	63	-	63,697
Disposals	-	-	-	(129)	-	(92)	(9)	(378)	-	-	-	(608)
Balance at December 31, 2015	259,763	16,817	45,784	90,531	42,608	17,498	12,172	11,529	-	63	-	496,765
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 December 31, 2015	574,437	30,686	87,848	153,953	46,152	8,461	5,000	9,461	-	4,017	59,317	979,332

a) At December 31, 2015, $59,317 (2014 – $50,573) of property, plant and equipment were under construction of which $57,256 (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 December 31, 2015 is $11,880 (2014 – $11,167) relating to unpaid capital expenditures (note 10).

c) At December 31, 2015, $63,697 (2014 – $63,699) of property, plant and equipment depreciation was included in the statements of comprehensive loss.

d) Property, plant and equipment includes $1,561 (2014 – $1,431) in borrowing costs capitalized during the year. Borrowing costs were capitalized at a weighted average rate of its general borrowing of 4.81% (2014 – 4.81%).

e) During the prior year, parts of moving walkways with a net book value of $3,572, categorized as buildings, were derecognized as they require replacement to restore operational capability of the walkways and it has been determined that the parts have no future economic benefit. It is probable that the reimbursement of the costs to replace the assets will be recovered from third party. All six moving walkways became operational during the current year with a cost of $4,931 recognized as buildings under property, plant and equipment.

f) Assets with a net book value of $214 (2014 – $276) were disposed of for proceeds of $13 (2014 – $46).

9. INTANGIBLE ASSETS

COST	Computer software $	Construction work in progress $	Total $
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	2,754	(293)	2,461
Disposals	(955)	-	(955)
Balance at December 31, 2015	5,630	528	6,158

AMORTIZATION	Computer software $	Construction work in progress $	Total $
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 year	1,630	-	1,630
Disposals	(955)	-	(955)
Balance at December 31, 2015	3,477	-	3,477
CARRYING AMOUNTS			
At December 31, 2014	1,029	821	1,850
At December 31, 2015	2,153	528	2,681

a) At December 31, 2015, $528 (2014 – $821) of intangible assets were under construction and not yet subject to amortization.

b) Intangible assets are purchased software and software licences. During the year ended December 31, 2015, $1,630 (2014 – $801) of intangible asset amortization was charged to the statements of comprehensive loss.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2015 $	2014 $
Trade payables	3,337	645
Construction payables (note 8 (b))	11,880	11,196
Payroll source deductions and other employee benefits payable	4,871	4,353
Accrued interest on long-term debt	7,530	7,733
Other accruals and payables	4,320	9,070
	31,938	32,997

11. DEFERRED REVENUE

	2015 $	2014 $
Deferred revenue	12,580	1,148
Less: amortized in the current year	(357)	(345)
	12,223	803
Less: current portion	(993)	(803)
	11,230	-

On January 5, 2015, Edmonton Airports entered into a lease agreement with Ivanhoe Cambridge for land as a site for the design, construction and operation of an outlet centre. Included in the deferred revenue, Edmonton Airports received $11,548 as a minimum rent during the current year which is based on the terms set out in the lease agreement. The lease is accounted for as an operating lease with amounts received in the current year included in deferred revenue and amortized over the remaining term of the lease.

12. AIRPORT IMPROVEMENT FEE (AIF)

Effective April 12, 1997, Edmonton Airports implemented an AIF to fund capital expenditures and the related financing costs, including the capital expenditure projects; the general purpose is to construct or improve airport infrastructure at Edmonton International Airport (see note 15(a)).

CUMULATIVE FROM PROGRAM INCEPTION

	2015 $	2014 $
AIF revenue	759,583	668,196
AIF collection costs, retained by airlines	(46,195)	(41,552)
	713,388	626,644
Less: Cumulative expenditures	(1,618,534)	(1,541,860)
	(905,146)	(915,216)

13. OPERATING LEASES

Edmonton Airports leases various retail spaces, hangars and industrial and agricultural lands which terminate between 2015 and 2072. The future minimum lease payments receivable under operating leases are:

	2015 $	2014 $
No later than a year	20,520	14,523
Later than 1 year and no later than 5 years	43,936	46,866
Later than 5 years	83,327	46,712
	147,783	108,101

Contingent-based rents recognized in the statements of comprehensive loss were $9,003 (2014 – $9,553).

14. 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.

15. COMMITMENTS

a) Capital commitments

Edmonton Airports' capital projects are identified by airport and are broken into three main categories which are Commercial Real Estate, Growth and Maintenance.

Commercial Real Estate includes projects that build the revenue capacity for Edmonton Airports, the funding for which will be approved as operating earnings grow, and cash flow becomes available. Projects in this category include highway commercial development, light industrial development, and other similar investments. The Growth category is made up of projects that expand capacity, create new services and/or improve the passenger experience. This category 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. The third group of projects is related to the maintenance of existing airport facilities and infrastructure. Projects in this category include system lifecycle replacements, paving programs, fleet replacement and capital restoration.

b) At December 31, 2015, Edmonton Airports had outstanding capital commitments in the amount of $12,596 (2014 – $10,736).

c) Operating commitments

Edmonton Airports has operating contracts for the provision of parking and information technology management, building maintenance and security, air service, marketing and janitorial services. These contracts have annual commitments as follows:

	$
2016	20,470
2017	16,412
2018	14,118
2019	9,728
2020	1,170

Certain operating contracts where the amounts cannot be reasonably estimated have been excluded from the above annual commitments.

The Amended Canada Lease is based upon a percentage of estimated gross revenues, including AIF revenues, at the Edmonton International Airport (see note 1). The future lease payments due to the Landlord are based upon projected Gross Revenue in each year and are estimated for the next five years as follows:

	$
2016	17,775
2017	19,148
2018	19,983
2019	21,447
2020	23,273

16. FINANCIAL INSTRUMENTS, RISK MANAGEMENT AND CAPITAL MANAGEMENT

FAIR VALUE MEASUREMENT

Financial instruments measured at fair value are categorized into levels by valuation method. The different levels have been defined as follows:

i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).

ii) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is prices) or indirectly (that is, derived from prices) (Level 2).

iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

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 at December 31, 2015 is $1,086,928 (2014 – $1,072,862).

There were no transfers between the levels of the fair value hierarchy during the period.

RISK MANAGEMENT

Edmonton Airports' Board of Directors 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 of Directors 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 the ability of Edmonton Airports to achieve its strategic or operational targets. The Board of Directors is responsible for confirming that management has procedures in place to mitigate identified risks.

i) Credit risk

For cash and cash equivalents, accounts receivable and restricted deposits, credit risk represents the carrying amount on the balance sheet. Cash and cash equivalents and restricted deposits credit risk is reduced by investing in instruments issued by financial institutions that management believes are creditworthy and in federal and provincial government issued short-term instruments.

The maximum exposure to credit risk is the carrying value of receivables on the balance sheet. Edmonton Airports derives approximately 78% (2014 – 71%) of its airside and general terminal and AIF revenue remitted from two airlines.

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

At each reporting date, Edmonton Airports assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, Edmonton Airports recognizes an impairment loss for its financial assets carried at amortized cost.

The loss is the difference between the amortized cost of the loan or receivable and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account.

Accounts receivable are non-interest bearing and are generally due in 30 to 90 days. At December 31, 2015, provision for impairment of accounts receivable was $367 (2014 – $277).

At December 31, 2015, the aging analysis of trade receivables that are past due, but not impaired, is as follows:

	2015 $	2014 $
30 to 90 days	5,909	3,807
Greater than 90 days	317	527
	6,226	4,334

No other impairments have been identified within trade or other receivables.

ii) 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 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 bonds that 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.

The following table sets out Edmonton Airports' financial liabilities, including interest payments, where applicable:

	Long-term debt $	Trade and other payables $	Total $
AS AT DECEMBER 31, 2015			
Within 1 year	67,621	31,938	99,483
1 to 5 years	372,717	-	372,717
After 5 years	1,094,047	-	1,094,047
AS AT DECEMBER 31, 2014			
Within 1 year	67,363	32,997	100,360
1 to 5 years	363,048	-	363,048
After 5 years	1,171,338	-	1,171,338

Given the available credit facilities, the amounts of cash and cash equivalents, and the timing of liability payments, Edmonton Airports' management assesses the liquidity risk as low.

iii) 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.

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.

INTEREST RATE RISK

Interest rate risk arises because of the fluctuations in interest rates. Edmonton Airports is exposed to interest rate risk on its cash and cash equivalents, restricted deposits, post-employment benefit liabilities and long-term debt.

Edmonton Airports enters into fixed rate debentures under the Series C Bond and other 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 $114,298 if interest rates decreased by 1 percent and decrease by $98,598 if interest rates increased by 1 percent.

CAPITAL MANAGEMENT

Edmonton Airports is incorporated without share capital under provisions of the Regional Airports Authority Act (Alberta) and, as such, all surpluses are retained and reinvested in airport operations and development. Edmonton Airports manages net assets as capital. Edmonton Airports' objective when managing capital is to safeguard the entity's ability to operate and manage its airports in a safe and secure fashion.

Edmonton Airports sets the amount of capital in proportion to risk and its ability to operate the airports 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. To maintain or adjust the capital structure, Edmonton Airports may adjust rates and fees related to airport operations, AIF or by adjusting its capital project plans. As of December 31, 2015, Edmonton Airports had net assets of $58,876 (2014 - $64,183).

Edmonton Airports' plan, which is unchanged from 2014, is to comply with the covenants for Debt Service Coverage Ratio, Gross Debt Service Coverage Ratio and Interest Coverage Ratio (notes 6(a) and 6(c)). Edmonton Airports maintains its credit rating in order to secure access to financing at a reasonable cost. As at December 31, 2015, Edmonton Airports was in compliance with the restrictions imposed on capital.

The primary measure Edmonton Airports uses to monitor its profitability and financial leverage is EBITDA (earnings before interest, taxes, depreciation and amortization). Edmonton Airports' earnings are exempt from federal and provincial income tax. EBITDA is an additional GAAP measure as contemplated by IFRS and has been presented in the manner in which the chief operating decision maker assesses performance.

17. DIRECTORS' AND OFFICERS' REMUNERATION AND EXPENSES

This information is provided pursuant to the Regulations of the Act.

a) Directors' compensation

	Annual retainer $
Chair	70
Vice-chair (does not collect director retainer)	16
Committee chairs (do not collect director retainer)	47
Directors	101

Meeting fees: Board and Board Committee meeting fees are $1,000 per meeting.

Total compensation paid and expenses reimbursed to each Director in 2015:

	Compensation $	Expenses $	Total $
Naseem Bashir	27	-	27
Leonard Blumenthal	25	1	26
Mary J. Cameron (Chair, Real Estate Development Oversight Committee)	27	-	27
Dale Klein (Chair, Audit Committee)	29	-	29
Maureen McCaw	20	-	20
Anne McLellan (Vice Chair)	25	-	25
Robert Petryk (Chair, Governance & Compensation Committee)	35	1	36
Tom Redl (Chair)	88	-	88
Gail Stepanik-Keber	24	1	25
Ralph Young	23	-	23
Jay Ramotar	21	-	21
Darrell Jones	22	-	22
Murray Hales	21	-	21
Bryan Bailey	7	-	7
Robert Carwell	8	1	9
Rolly Owens	6	-	6

Total compensation for each key member of management in 2015 was as follows:

	Base salary $	Other cash benefits(1) $	Other non-cash benefits(2) $	2015 Total $	2014 Total $
President and Chief Executive Officer* (effective January 27, 2014)	390	290	35	715	508
Vice President Infrastructure	221	96	55	372	413
Vice President Operations (effective August 4, 2014)	215	74	51	340	104
Chief Financial Officer and Vice President Strategy and Corporate Services*	276	114	34	424	438
Vice President Commercial Development	236	93	57	386	531
General Counsel and Corporate Secretary*	167	45	39	251	255
Vice President Passenger Market Development*	233	96	57	386	456
Key member of management no longer with Edmonton Airports at December 31, 2014	-	-	-	-	478
	1,738	808	328	2,874	3,183

*Denotes officer of Edmonton Airports at December 31, 2015

(1)Other cash benefits include incentive pay (per note 17(a)) and management allowances.

(2)Other non-cash benefits include Supplementary Executive Retirement Plan (SERP) (per note 7(b)) and Edmonton Airports' share of all taxable employee benefits and contributions or payments made on behalf of employees including the DB Plan and DC Plan and group life insurance plan.

b) Total remuneration for Directors and Officers:

During the year ended December 31, 2015, Edmonton Airports provided its Directors and Officers remuneration (base salary, incentives, and allowances) and reimbursement of expenses in the following amounts:

		2015
	Remuneration $	Expenses $
To directors	408	4
To 4 officers who are not directors	1,776	156
	2,184	160

		2014
	Remuneration $	Expenses $
To directors	381	13
To 4 officers who are not directors	1,657	169
	2,038	182

18. COMPARATIVE INFORMATION

Comparative figures for certain expenses (salaries and employee benefits, service, maintenance, supplies and administration and utilities, insurance and property taxes) have been reclassified to conform to the current year's presentation.

Leadership

Executive Management Team

and their bucket lists

Tom Ruth
President & CEO
Climb inside a volcano in Iceland.

Traci Bednard
Vice President, Passenger Market Development
Travel to India.

Kirstan Jewell
Director, Human Resources
Travel to Paris with my French hubby.

Myron Keehn
Vice President, Commercial Development
Hike up to Machu Picchu with my 10-year-old son and then see the Nazca Lines.

Rob Malli
Chief Financial Officer and Vice President, Strategy & Corporate Services
Travel to Barcelona for the art, culture, fun and wine tasting.

Steve Maybee
Vice President, Operations
Visit Europe and experience WWII history firsthand.

Steve Rumley
Vice President, Infrastructure
Take my two daughters on their first trip to Paris.

Bill Wright
General Counsel and Corporate Secretary
Explore the South Pacific at my own pace.

Karen Croll
Manager, Executive Office and Board Secretary
Visit New England in the fall.

Appointer Representatives

City of Edmonton
Don Iveson, Mayor
Linda Cochrane, City Manager

City of Leduc
Greg Krischke, Mayor
Paul Benedetto, City Manager

Leduc County
John Whaley, Mayor
Brian Bowles, County Manager

Parkland County
Rod Shaigec, Mayor
Rob McGowan, Interim Chief Administrative Officer

Strathcona County
Roxanne Carr, Mayor
Rob Coon, Chief Commissioner

Sturgeon County
Tom Flynn, Mayor
Peter Tarnawsky, Chief Administrative Officer

Transport Canada
Natalie Bossé, Director General, Air & Marine Programs
Jason Tom, Director, Authorities Stewardship, Air & Marine Programs

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What will you do with your one wild and precious life?

Mary Oliver, Poet

EIA
we'll move you.

EDMONTON
AIRPORTS