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May 12, 2015

His Worship Mayor Malcolm Brodie
and Members of City Council
The City of Richmond
6911 No. 3 Road
Richmond, BC V6Y 2C1

Delivered via e-mail to: mayorandcouncillors@richmond.ca

Your Worship and Members of Council:

I am looking forward to my second annual presentation to Richmond City Council on behalf of the Vancouver Airport Authority on May 19, 2015. Joining me will be Howard Jampolsky, Richmond's appointee to our Board of Directors, and Anne Murray, Vice President Marketing and Communications.

Attached is a summary of our Annual Report with highlights of YVR activities over the past year. I hope that providing this information in advance will facilitate our discussion. My presentation will provide additional details and also describe upcoming consultations on the airport's long term development plan, our Master Plan 2037. We will be pleased to answer questions from Council; should you wish you are welcome to send questions in advance to the e-mail below.

I would also like to use this occasion to extend a standing offer to members of Council for a tour of YVR. You are welcome to get in touch with me directly at 604-276-6501 or craig_richmond@yvr.ca.

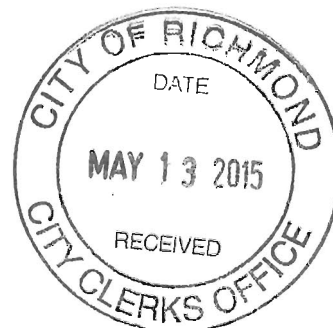
Again, I look forward to seeing all of you.

Sincerely,

[Handwritten signature of Craig Richmond]

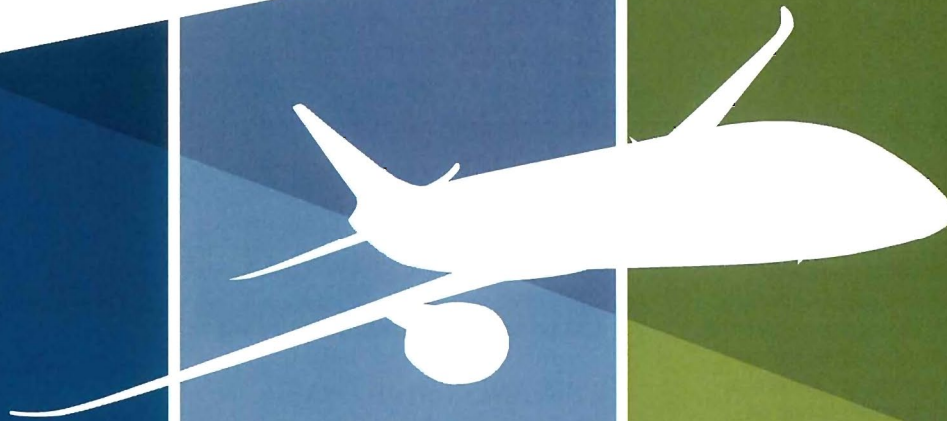
Craig Richmond
President & Chief Executive Officer

Attachment



THE YEAR OF THE DREAMLINER

2014 YVR ANNUAL REPORT HIGHLIGHTS



A MESSAGE FROM MARY JORDAN CHAIR, BOARD OF DIRECTORS VANCOUVER AIRPORT AUTHORITY

2014 was a year of great ideas and big achievements by the team on behalf of our customers, our communities, our province and our country.

More people than ever chose to fly through YVR in 2014 and many did this with the help of our incredible Green Coats. We were proud to honour these individuals on the 25th anniversary of YVR's award-winning volunteer program. Our Green Coats speak the language of welcome and help—and over 30 other languages. This is one of the reasons YVR once again achieved a high customer satisfaction rating in 2014 and received the Skytrax World Airport Award for best airport in North America—for the sixth year in a row.

We continued to build on our strong community relationships in 2014, with generous donations

and expanded programs. We introduced the Explorer Tour, a formalized, year-round guided program for groups including seniors, children with disabilities and students. Through our Speakers' Bureau, we shared YVR's gateway airport story with communities across the province. We also continued popular initiatives such as the Great Canadian Shoreline Cleanup, the YVR School Tour Program and the annual Quest Holiday Hamper Drive.

To meet the ever increasing competition, we crafted a new Strategic Plan to deliver on our mission of connecting British Columbia proudly to the world. As a foundation for YVR's diverse objectives and initiatives, the new plan sets an ambitious goal of 25 million passengers by 2020, within a vision that sees YVR as a world class, sustainable gateway between Asia and the Americas.

On behalf of the Board of Directors, I would like to thank the employees of the Airport

Authority for their outstanding work and all of the businesses and agencies on Sea Island for their commitment to excellence. And, most of all, I would like to thank the people of British Columbia for giving us their support and our reason for striving to go beyond, every day.

Mary Jordan
CHAIR, BOARD OF DIRECTORS
VANCOUVER AIRPORT AUTHORITY



Beyond, Every Day.

Vancouver Airport Authority is a community-based, not-for-profit organization that manages Vancouver International Airport (YVR). As a sustainable gateway, we provide social and economic benefits to the communities we serve, while protecting the environment.

MISSION: CONNECTING BRITISH COLUMBIA PROUDLY TO THE WORLD

VISION: A WORLD CLASS SUSTAINABLE GATEWAY BETWEEN ASIA AND THE AMERICAS

VALUES: SAFETY, TEAMWORK, ACCOUNTABILITY, INNOVATION



#1 AIRPORT HOTEL IN NORTH AMERICA

FAIRMONT VANCOUVER AIRPORT—CONDÉ NAST

"LEAST FRUSTRATING AIRPORT IN NORTH AMERICA"

— BLOOMBERG NEWS

91%

CUSTOMER SATISFACTION RATING— TWO YEARS IN A ROW



25 YEARS OF GREEN COAT VOLUNTEERS

470 GREEN COAT VOLUNTEERS, WORKING IN 33 DIFFERENT LANGUAGES FOR OUR PASSENGERS



BEST AIRPORT IN NORTH AMERICA FOR A HISTORIC 6 YEARS IN A ROW

YVR WAS NAMED BEST AIRPORT IN NORTH AMERICA BY THE PRESTIGIOUS SKYTRAX WORLD AIRPORT AWARDS, WHICH RANK AIRPORTS BASED ON VOLUNTARY SURVEY RESULTS OF OVER 13 MILLION GLOBAL PASSENGERS.

Our Business

YVR welcomed a record 19.4 million passengers in 2014, thanks to strong domestic travel and Asia-Pacific traffic. To keep pace with this record growth, we continued key projects, expanding our presence in Asia, starting construction on the McArthurGlen Designer Outlet Centre and finalizing work on the A-B Connector, part of our expansion of the Domestic Terminal.

110 NON-STOP DESTINATIONS

AVAILABLE TO TRAVELLERS FROM YVR



4 DREAMLINER AIRCRAFT

INTRODUCED AT YVR IN 2014

53 AIRLINES

SERVE YVR EVERY DAY

19.4 MILLION

PASSENGERS SERVED IN 2014



Our Leadership

The Airport Authority is governed by a community-based Board of Directors. A seven-member Executive Committee, led by President & CEO Craig Richmond, oversees daily operations at YVR.

7 MEMBER

EXECUTIVE TEAM

14 DIRECTORS

ON OUR BOARD

| YEAR | 2014 | 2013 | 2012 |
|---|---------|---------|---------|
| Revenue (Millions) | 464.9 | 433.3 | 403.6 |
| Operating Expenses (Millions) | 320.4 | 291.1 | 280.2 |
| Ground Lease (Millions) paid to the Federal Govt. | 46.6 | 42.3 | 39.1 |
| Excess Of Revenue Over Expenses (Millions) | 101.7 | 98.3 | 84.9 |
| Net Assets (Millions) | 1,377.8 | 1,273.6 | 1,162.8 |
| Capital Expenditures For The Year (Millions) | 277.6 | 186.0 | 106.0 |
| Passengers (Millions) | 19.4 | 18.0 | 17.6 |
| Aircraft Runway Take-Offs / Landings (Thousands) | 273 | 263 | 261 |
| Cargo Handled (Thousands Of Tonnes) | 256.9 | 228.3 | 227.9 |



Our Environment

YVR is committed to sound environmental management, which we demonstrate through a range of initiatives. These include upgrading light fixtures and buildings to reduce energy use, monitoring water quality to protect ecosystems, improving cycling infrastructure to reduce emissions and recycling materials to reduce waste.



93% WASTE REDUCTION

93% OF SOLID CONSTRUCTION WASTE MATERIALS DIVERTED FROM LANDFILLS IN 2014

76% HYBRID TAXI FLEET

RUNNING ON HYBRID-ELECTRIC ENGINES, OPERATING AT YVR IN 2014

1.3 MILLION KG

OF MATERIAL FROM THE TERMINAL WAS RECYCLED IN 2014

2014 POWERSMART AWARDS

LEADERSHIP EXCELLENCE DESIGNATION FOR ACHIEVING GREAT LEVELS OF ENERGY SAVINGS YEAR-OVER-YEAR



Our People

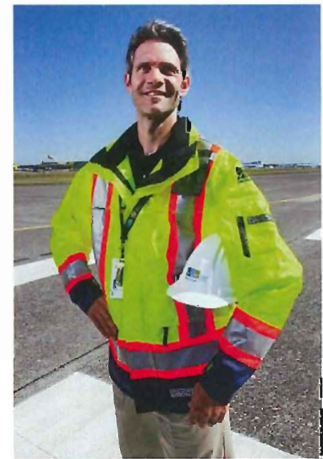
Over 24,000 people call YVR their workplace. At the core of this community is the YVR team, a group of 416 employees who go beyond, every day for our customers.



BC'S TOP EMPLOYER—NINE YEARS IN A ROW

Safety

The safety and security of YVR's passengers and employees is the Airport Authority's primary responsibility, during regular operations and in times of crisis. We regularly test our emergency response through exercises, drills and discussions. In 2014, we had zero health and safety non-compliances.



Our Community

YVR is a dedicated community partner. In 2014, we donated more than \$900,000 to local not-for-profit organizations, charities and sponsorships. We hosted a diverse range of community engagement programs, including the Great Canadian Shoreline Cleanup, and our new YVR Explorer Tour—a year-round guided tour for diverse community groups.



PARTICIPATED IN 19 COMMUNITY FESTIVALS ACROSS B.C.



OVER 550 FOOD HAMPERS COLLECTED AT ANNUAL QUEST HOLIDAY HAMPER DRIVE



1,485 STUDENTS PARTICIPATED IN OUR SCHOOL TOUR PROGRAM



OVER \$900,000 IN COMMUNITY INVESTMENT



Innovation

We constantly innovate to improve the customer experience. We made history with the debut of our BORDERXPRESS™ Automated Passport Control (APC) kiosks in Aruba in 2014—the first time a self-service border control technology has been available to travelers at an international airport with U.S. preclearance.

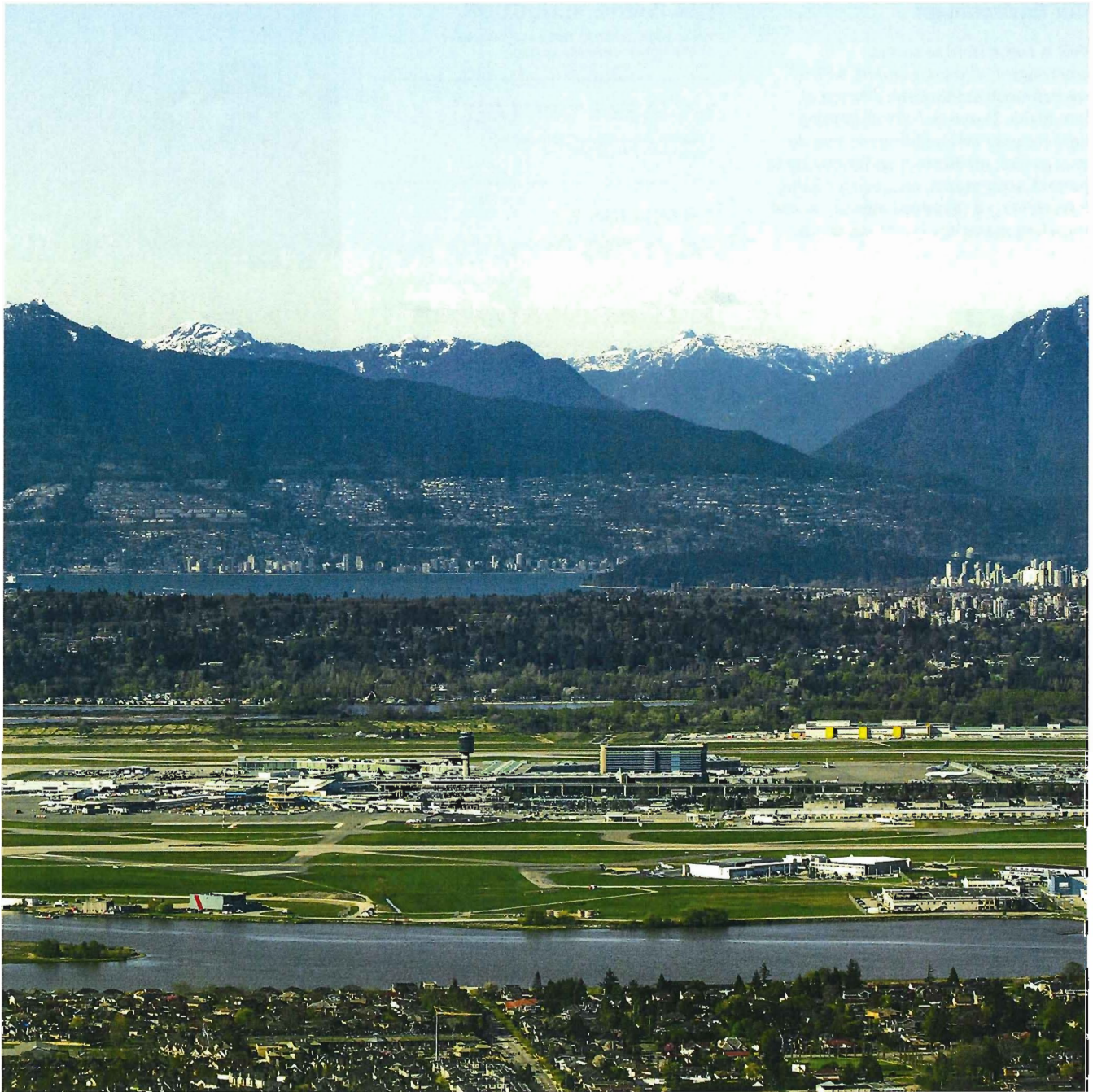
OVER 16.8 MILLION

PASSENGERS SERVED

338 BORDERXPRESS™ KIOSKS

SOLD IN 2014





We strive to be accountable to you, our customers, neighbours and business partners.

To view the complete Annual Report and learn about how we report on our four sustainability pillars—Economic, Environment, Social and Governance—please visit

WWW.YVR.CA

We welcome your comments and questions. Please email us at: community_relations@yvr.ca

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 @YVRAIRPORT

 @YVRAIRPORT

 VANCOUVERAIRPORT

 VANCOUVERINTERNATIONALAIRPORT

Join us at the Vancouver Airport Authority's **Annual Public Meeting**

to find out more about 2014 and our future plans. May 14 at YVR. Registration begins at 4:00pm. The meeting begins at 5:00pm. Details available at yvr.ca



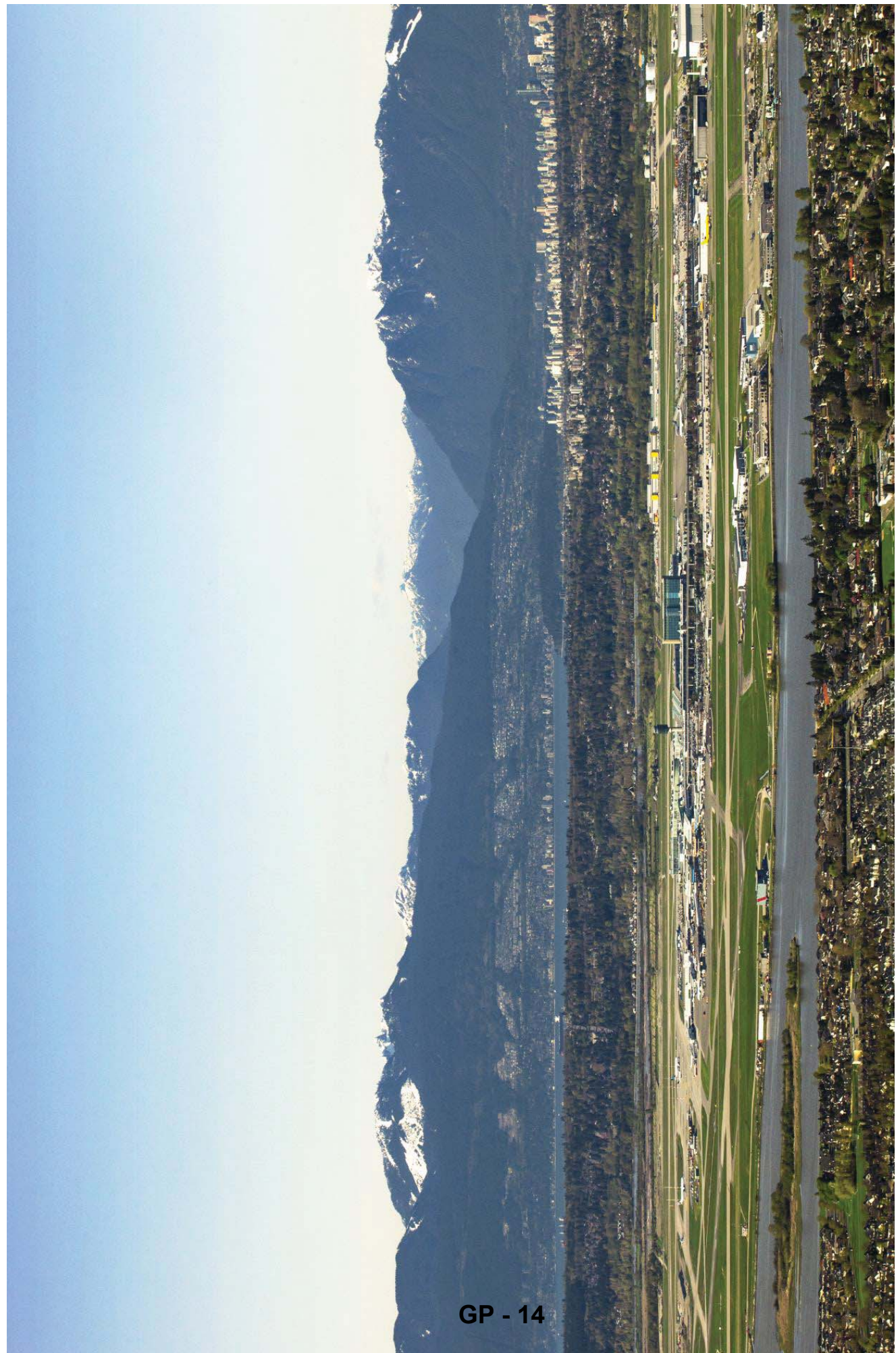
RICHMOND CITY COUNCIL PRESENTATION

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Howard Jampolsky
Director

Craig Richmond
President & CEO

Anne Murray
Vice President,
Marketing & Communications



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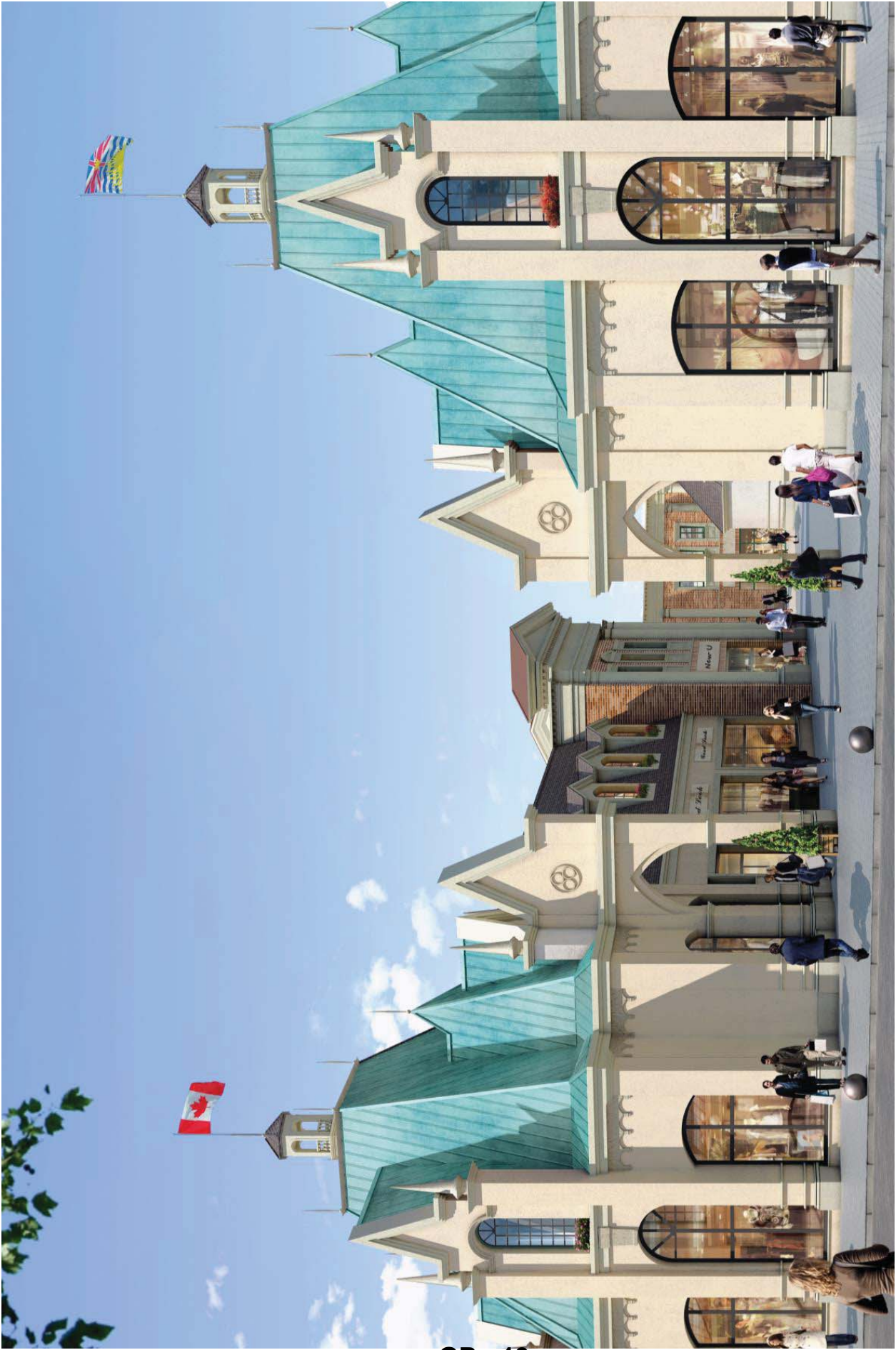
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AWARDED BEST
AIRPORT IN
NORTH AMERICA
6 YEARS IN A ROW

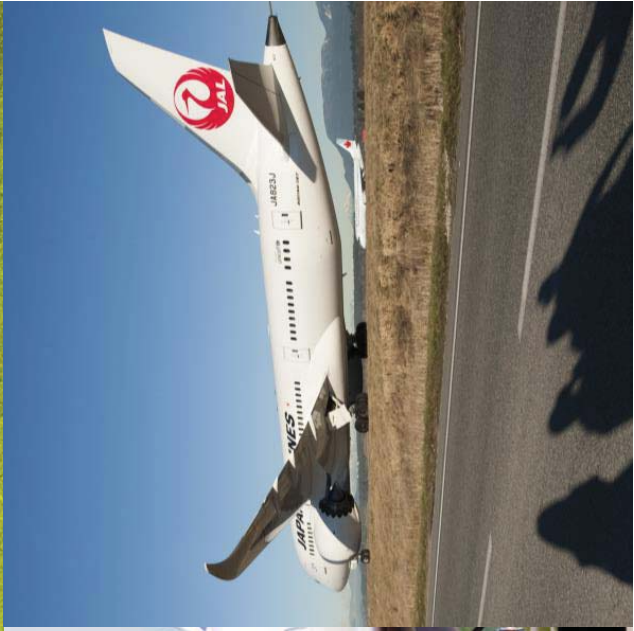








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ECONOMIC IMPACT

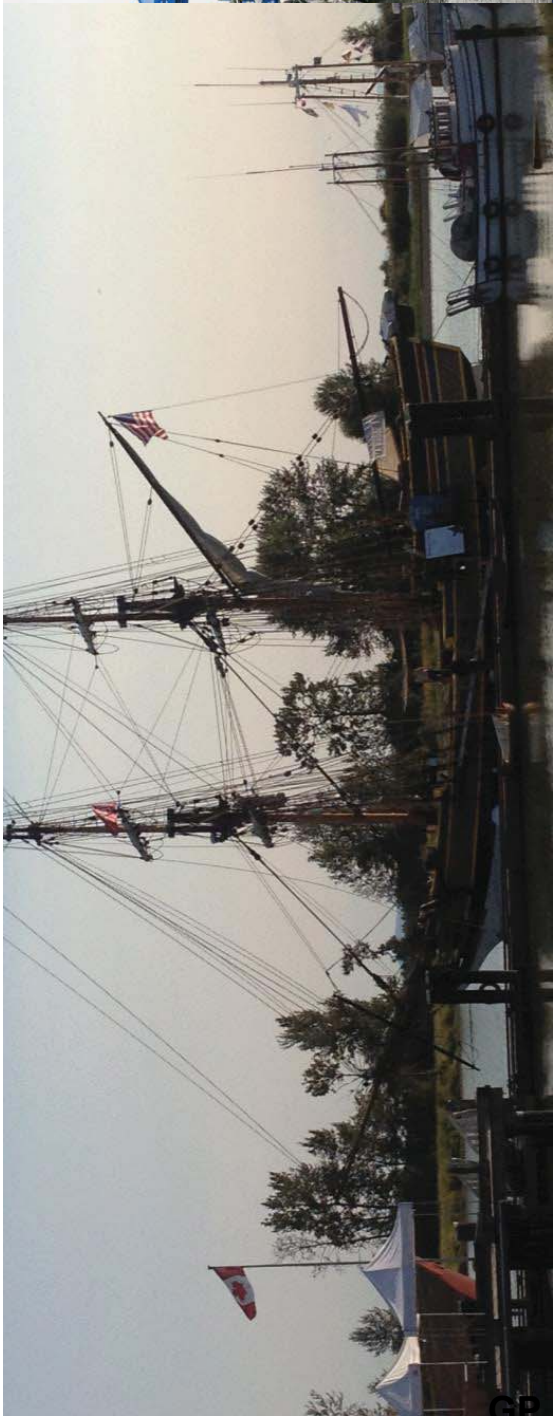


ECONOMIC IMPACT





COMMUNITY

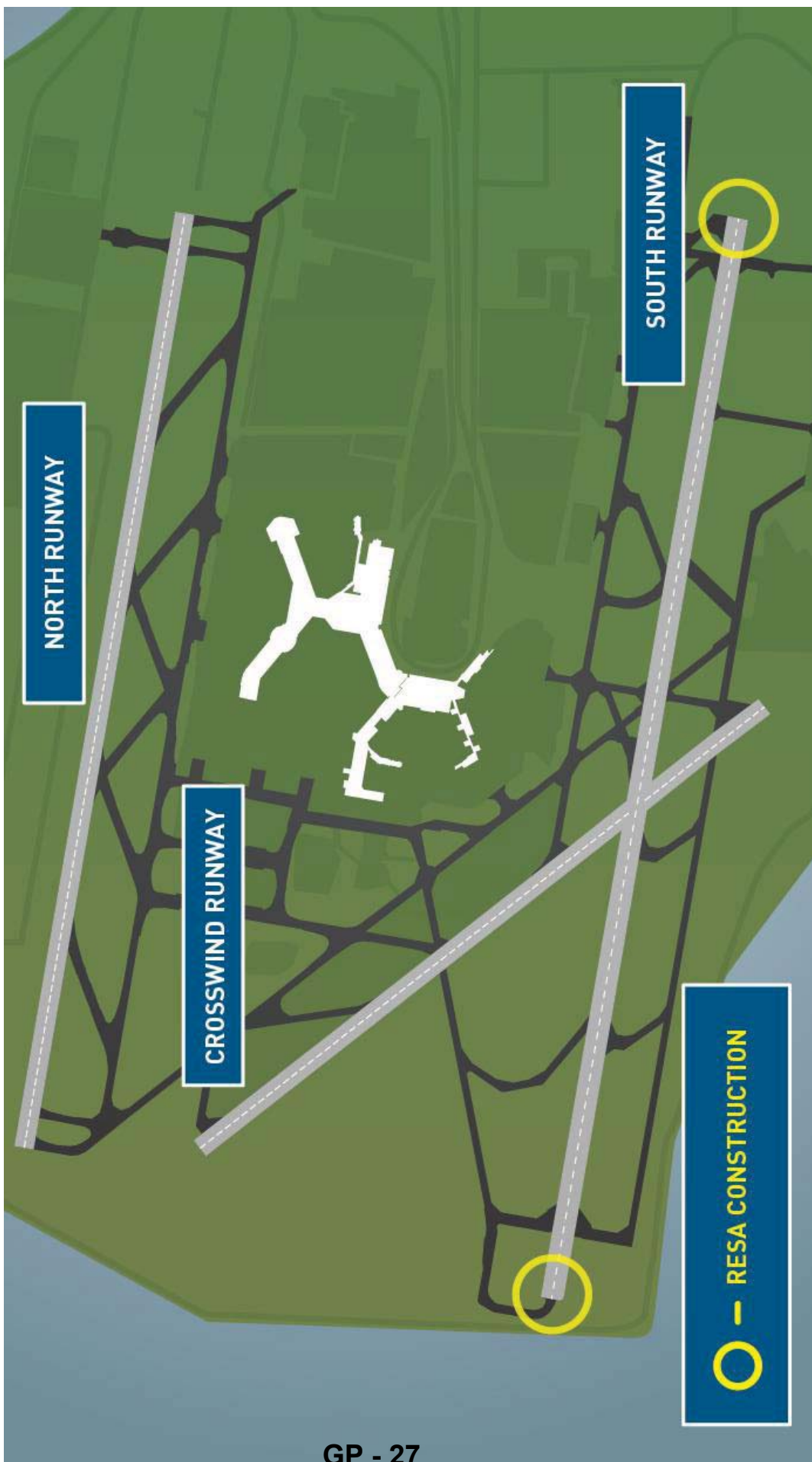


SUSTAINABILITY



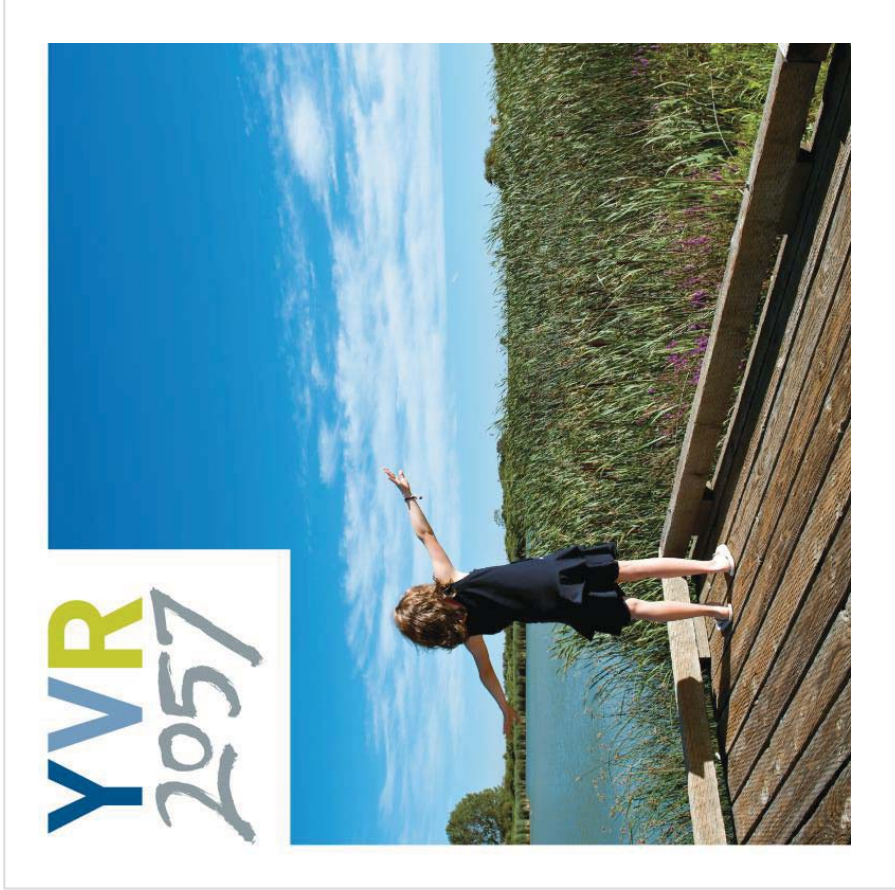
RUNWAY END SAFETY AREA

YVR.CA/RESA

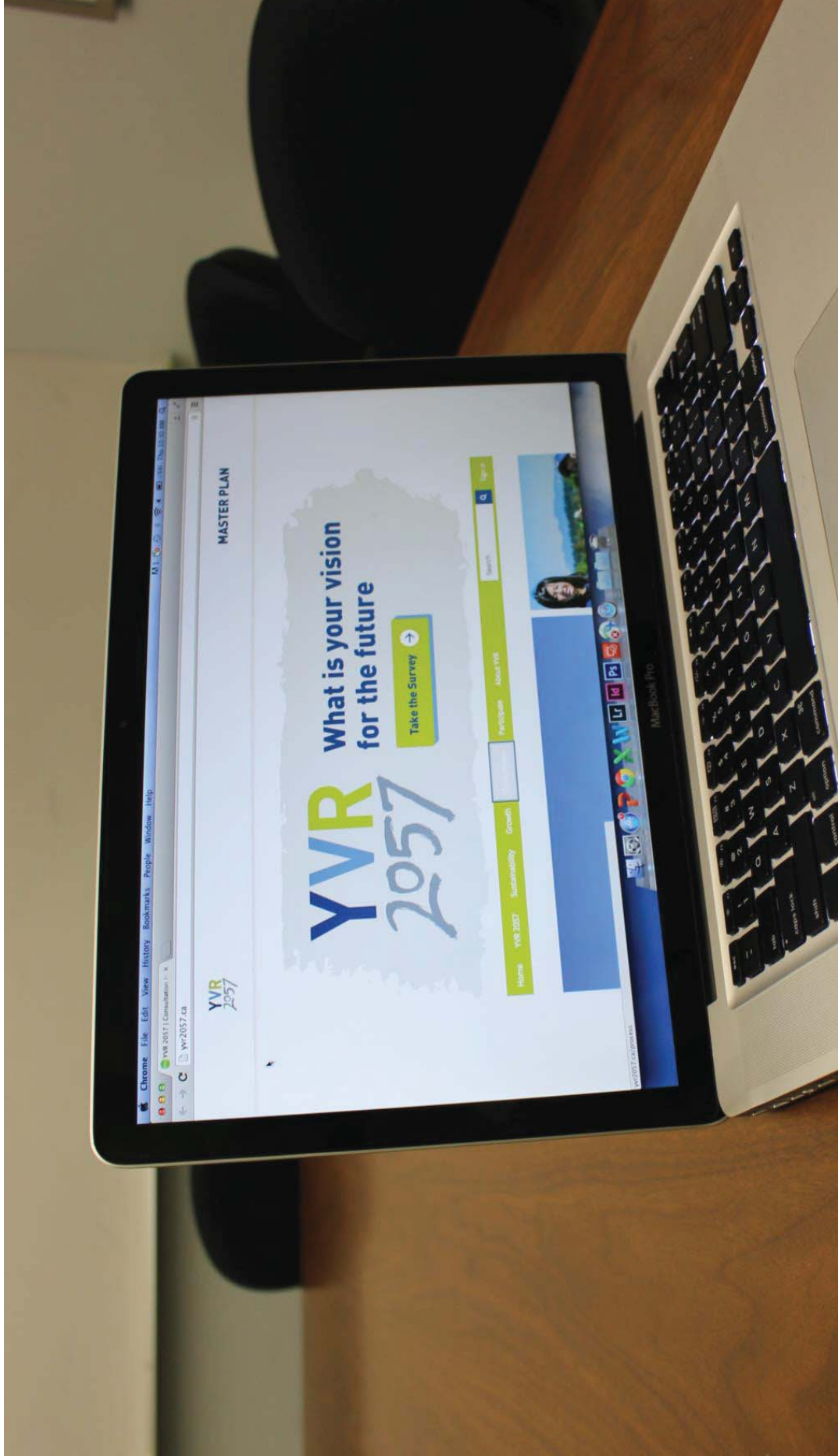


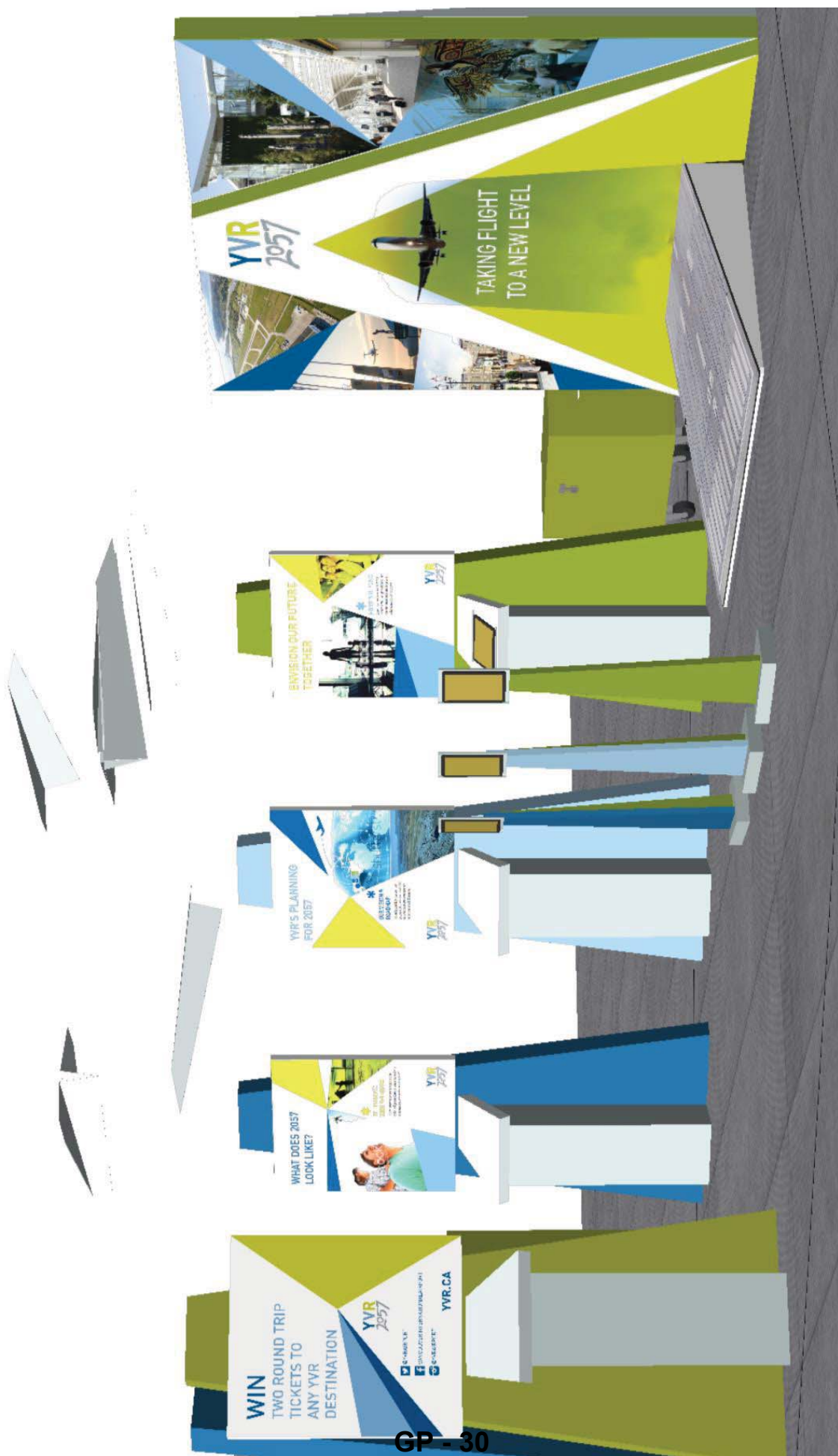
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MASTER PLAN



MASTER PLAN





Beyond, Every Day.