Presentation to the Regional Municipality of York

March 26, 2009

Overview

- GTAA Overview
- Update on GTAA Strategic Plan
- Economic Issues and GTAA response
- Buttonville Airport
- Pickering Airport
- Transportation Opportunities

GTAA Overview

- Not-for-profit corporation paying $150M per year in rent
- No subsidy to fund operations and airport development
- We handle 33 per cent of total air traffic within Canada
- On an average day, we handle 85,000 passengers
  - Existing facilities have a current available capacity for 38 million passengers
- Toronto Pearson handles more than half a million tonnes of cargo annually, representing 45 per cent of all air cargo in Canada

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Update on GTAA Strategic Plan

- Global Competitiveness
  - Lowered landing fees & terminal charges in 2008 & 2009
    - Cargo landing fees decreased 25%

- Gateway Development
  - Marketing for new service
  - Continued efforts to liberalized bilateral agreements

- Corporate Sustainability
  - Environmental, social and fiscal

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Ongoing Economic Challenges

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British Airways puts on the brakes as profits plunge

By Alistair Osborne, Business Editor
Last Updated: 2:50pm BST 01/08/2008

British Airways has announced plans to cut winter flights, reduce costs and put the brakes on planned growth for next summer after first-quarter profits dived 88pc amid soaring fuel costs.

"We are in the worst trading environment the industry has ever faced," said Willie Walsh, the BA chief executive who on Tuesday unveiled plans for an all-share merger with Spain's Iberia.

"The combination of unprecedented oil prices, economic slowdown and weaker consumer confidence has led to substantially lower first quarter profits."

- The US can help solve BA's woes

BA today warned customers that fares will rise

Profits plunged from £298m to just £37m pre-tax for the three months to June 30 as fuel costs jumped by £233m, compared to the same quarter in 2007, to reach £706m.

TRANSPORT

Airlines' fare hikes can't cover fuel costs

TRANSPORT

WestJet's profit slips on waning travel

Airline reports $30.2M profit, or 23¢ a share

BUSINESS

Stagnant economy could mean increased unemployment, declining wages

Canadian Dollar May Fall As Labor Market Weakens

FRIDAY, 28 NOVEMBER 2008 23:22:59 GMT

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Written by John Rivera, Currency Analyst

EDITORIAL

PM needs to fix economy

AirCan staff are stewing

Airline to cut 600 flight attendants

WHY AIR TRAVEL IS HELL

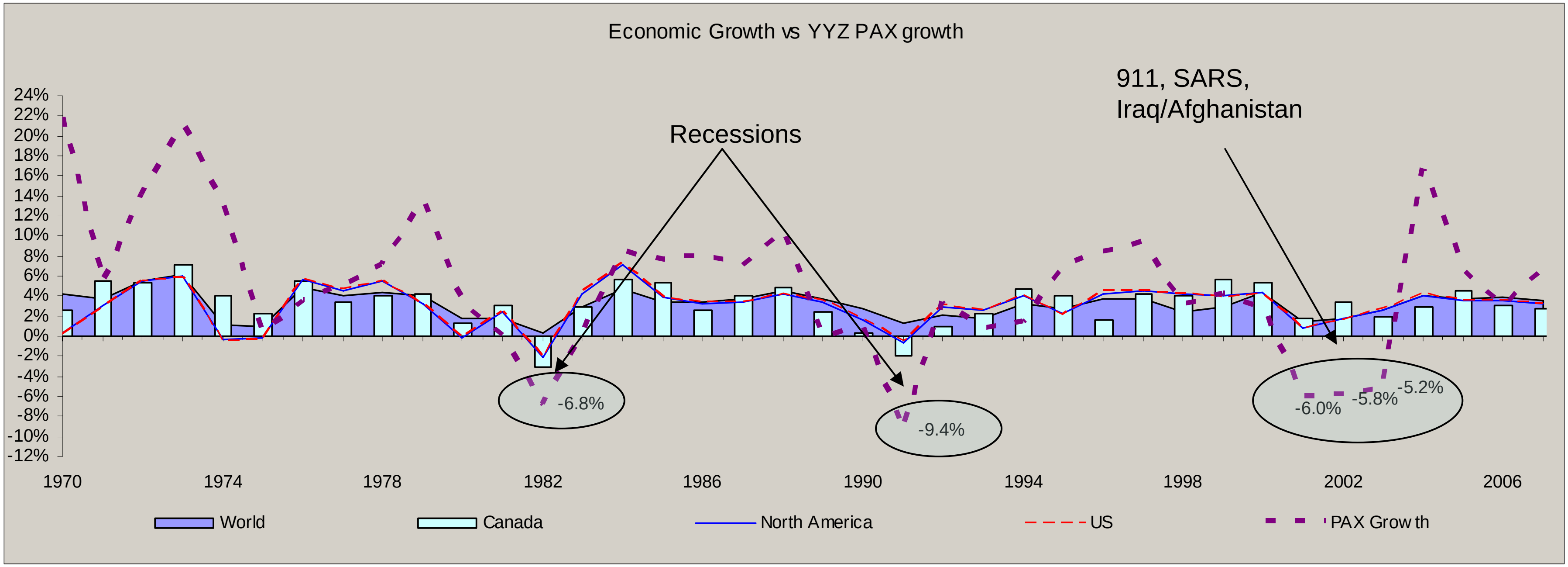
Delays, cancellations, miserable service, soaring prices....and it's only getting worse. The golden age of travel is over. BY JASON KIRBY

U.S. dragging Canada down, forecasters warn

Canada's best customer is going under, and taking Canada with it

Eric Beauchesne, Canwest News Service
Published: Wednesday, November 26, 2008

Historical Background



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GTAA

Financial Impact on Revenues

- 2009 budget was developed assuming a 2.5% reduction in passenger traffic, and 3.5% growth in 2010
- The revenue impact of the new TC forecast (-5.8%), compared to the 2009 budget, is $30 million
- The forecast for recovery in 2010 is 1.6%

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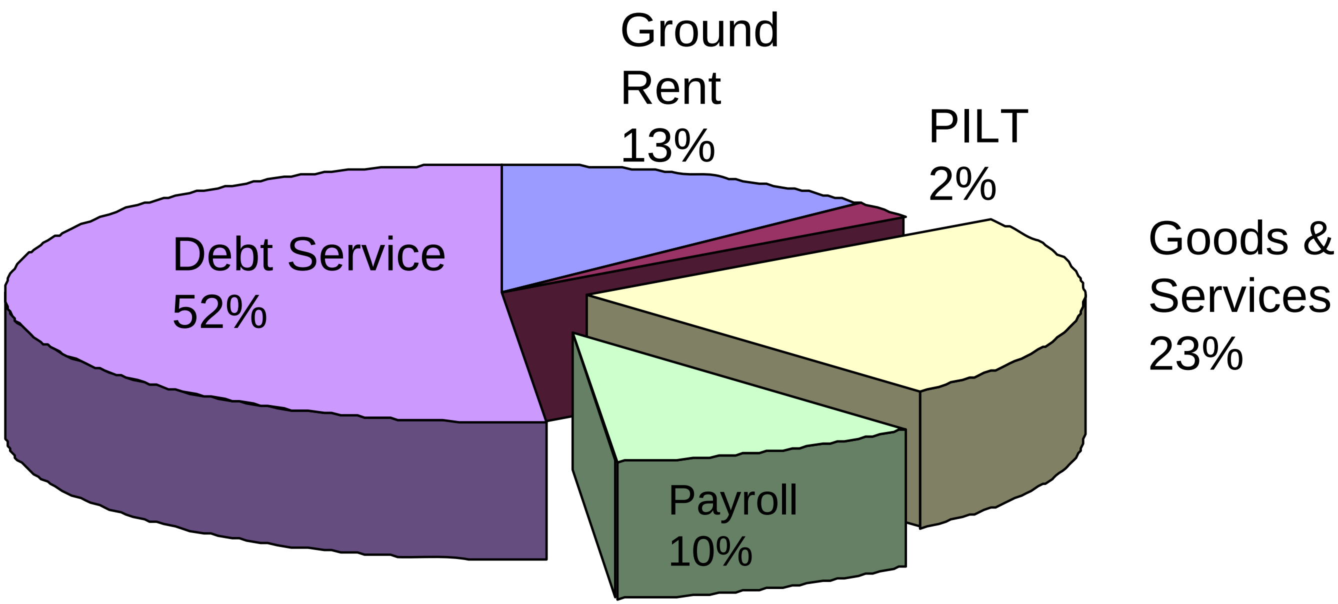
Expenditure Distribution



- Controllable costs (Goods and Services and Payroll) represent 33% or $376 million of the $1,120 million 2009 total Rates & Charges expense budget
- Significant reductions to controllable costs have been achieved since 2006

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GTAA's Four Step Plan

1. Cost Containment Measures
   - Hiring freeze
   - Closure of certain facilities
   - Operating expenditures
   - Management salary freeze
   - Major cost reductions in all GTAA departments

GTAA's Four Step Plan

2. Deferral of Capital Program Spending

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GTAA's Four Step Plan

3. Incentive Program

- Landing fee rebate program for air carriers on net new services offered
  - Emirates Airlines

GTAA's Four Step Plan

4. Airport Improvement Fee Increase
   - Effective June 1, $5 increase to departing passengers (No increase to connecting passengers)

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No Change to Landing Fees

- In 2008 and 2009 the GTAA lowered landing fees and reduced fees for cargo airlines
- A healthy, stable and effective air carrier industry is important to the competitiveness of this Region, Ontario and Canada
- Increasing landing fees would run counter to Strategic Plan and airline incentive program

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Buttonville Airport

- 2001: GTAA, at the request of Transport Canada entered into a 10-year funding arrangement with Buttonville Airport. This arrangement expires December 31, 2010 and includes a six month termination clause

- Current business environment has led GTAA to review all expenditures through our budget process, and make tough and significant cuts to provide relief through further fee reductions for air carriers

- October 2008: As part of the budget review process, GTAA served formal termination notification to Buttonville, that this subsidy would be ending in April 2009

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Pickering Airport

- Draft Plan – completed in November 2004
- Needs Assessment Study
  - GTAA was retained by Transport Canada in 2007
  - Work is currently underway
- Until Transport Canada makes a decision, the GTAA supports retaining and protecting the lands in Pickering for an airport
- A decision on an airport (what and when) in Pickering is Transport Canada's to make

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Transportation Opportunities

- The GTAA is supportive of transit initiatives that will serve the airport from all directions
  - Goal: make Toronto Pearson a real multi-modal hub
    - Employees, PAX and Cargo
- GTAA is working with all levels of government to see a rail link to downtown core become a reality
- GTAA recognizes the need to aggressively develop transportation strategies to improve the accessibility to Toronto-Pearson
  - Ontario Quebec Continental Gateway

Any questions?