WINNIPEG
AIRPORTS AUTHORITY

Ready

2009 Annual Report

Preparation. Commitment. Innovation. Focus. Teamwork.

Winnipeg Airports Authority is at peak performance, successfully balancing completion of the new terminal with current airport operations. In the final year of preparations, we are now ready to launch the new world-class airport and community into the future.

Vision:

to lead transportation innovation and growth

Mission:

with our community, we provide excellent airport services and facilities in a fiscally prudent manner

Values:

RISE – respect, integrity, service excellence

Chairman and President's Message

The past year was difficult for the international aviation industry. After successive years of growth in both passenger and cargo activity, many participants in the supply chain experienced a significant reduction in market demand. While not experiencing the extreme highs and lows of other regions, Manitoba was not immune to these trends. The Winnipeg Airports Authority was required to manage its affairs within the context of this changing environment.

A focus on our 2009 plan resulted in corporate performance meeting both financial expectations and broader commitments to our stakeholders. That focus is also reflected in the on-site developments, none more important than the New Air Terminal Building and related infrastructure.

Incorporated in our Business Plan were objectives which, along with Airport Site Redevelopment, resulted in a diversified revenue base generating community economic benefits and ongoing employment opportunities. Our campus now includes: a new Canada Post mail processing facility, an Inter-City bus terminal, Standard Aero Ltd's new engine maintenance facility and the Four Points by Sheraton hotel expansion, indicators of our strategic objectives.

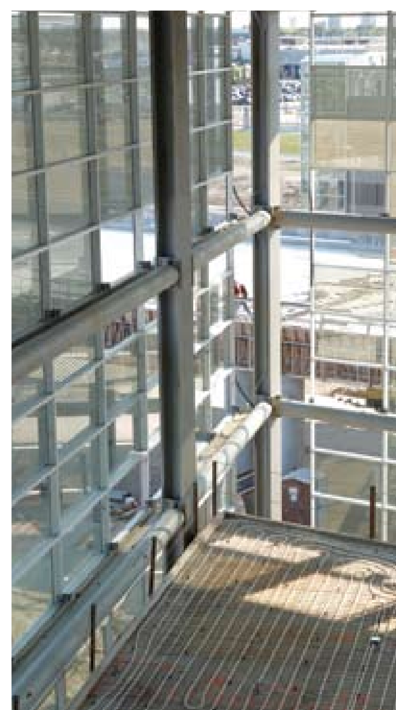
Balancing financial and human resource requirements of Manitoba's largest private sector construction project, while meeting the challenges of growing the business, regulatory changes and increasing value to the broader community, was crucial to meeting our objectives. Within this context we were proud to be named one of Manitoba's Top 25 Employers. This is reflective of our employees' culture of commitment to leadership.

We are confident that the commitment of the Board, staff and management will continue to contribute to the welfare of this community.

Arthur V. Mauro
Chairman of the Board of Directors

Barry W. Rempel
President and Chief Executive Officer

Managing our Performance
– 2009 Operational Highlights



While the New Air Terminal Building is under construction, Winnipeg Airports Authority continues to balance this major project with a focus on meeting the needs outlined in the Business Plan. That focus realized achievements spanning from airport redevelopment, the airport campus to the development of an inland port.

Our Employees

It was announced in 2009 that Winnipeg Airports Authority would be recognized as one of Manitoba's Top 25 Employers for 2010. Based on seven criteria, each of the 25 companies were compared to similar organizations.

Our Customers

Improvements to the Existing Air Terminal Building included the relocation of the transborder Duty Free Store, televisions in the holdrooms, and customer self-tagging kiosks for Air Canada.

Two locally based businesses were added to the retail mix in 2009, opening new stores on the Mezzanine level of Winnipeg James Armstrong Richardson International Airport. Hilary Druxman and the Bothwell Cheese Store offer unique products and both are Manitoba businesses with customers around the world.

With ongoing road changes, a summer marketing campaign directed airport visitors to 'Follow the Blue Line to Parking.' To assist in navigating the new road system, a painted blue line led drivers directly to the new parkade.

We continue to strengthen our presence in the community. Winnipeg Airports Authority supported United Way, Winnipeg Harvest (including the launch of their Hunger for Hope program), the Firefighters' Burn Fund, and the 220 Air Cadet Squadron, among many other community organizations.

New Routes

WestJet began seasonal flights to Orlando, Florida in February. This popular non-stop service returned in November for the winter season. A marketing campaign highlighted Orlando and 12 other sun destinations available for direct flights from Winnipeg James Armstrong Richardson International Airport.

Northwest Airlines was the airline that made Winnipeg into Canada's first international airport in 1928. After consolidating with Delta Air Lines, Delta became the world's largest airline.

Cargo

In April, the Province of Manitoba announced a reduction in aviation fuel tax for cargo flights to stimulate economic activity and competitiveness. Cargo volumes saw a 7.5% growth in 2009 despite volumes for North American airports falling 14% as a whole.

Toward the Finish Line

– 2009 Airport Site Redevelopment Highlights

New Air Terminal Building

The construction of the New Air Terminal Building is considered to be the largest project of its kind in Winnipeg's history. As the opening draws near, Winnipeg Airports Authority is checking off items on a long list of to-do's.

The concessions contracts for food and beverage and retail have been awarded to SSP Canada and The Paradies Shops, respectively. Each tenant was named at an event in July and outlet designs are underway for Gondola Pizza, Rice Tales, Salisbury House, Starbucks, Stella's Café and Bakery, TGI Friday's, Tim Hortons, Upper Crust Bakery, Rocky Mountain Chocolate Factory, CNBC News, PGA Tour Shop, Toad Hall Toys, and four other news and gift stores.

WiFi, telecommunications, Airport Information Systems, amenities and car rental contracts were all awarded this year.

The New Air Terminal Building will have 11 passenger boarding bridges. One bridge was brought in early for training and climate testing and has been successfully used throughout the year. Additional training and development plans are underway for all airport employees.

By year end, the Airport Site Redevelopment project had logged 2,282,540 construction hours with approximately 500 workers onsite daily.

Airport Campus

With Winnipeg James Armstrong Richardson International Airport at the hub, the campus is growing. Greyhound's passenger and courier services became operational in August, increasing onsite passenger and cargo throughput.

Construction of Canada Post's 27-acre facility continued throughout 2009 and is scheduled to be operational by the summer of 2010.

Lakeview Management continued expansion of its Four Points by Sheraton Hotel and is pursuing plans to develop Winnipeg's first five-star luxury hotel onsite.

Standard Aero broke ground in September to further expand its maintenance repair and overhaul facilities. This 27,000 square foot expansion will accommodate the servicing of the engines used on WestJet's Boeing 737 fleet.

With the ongoing development of the airport campus, Winnipeg Airports Authority worked with Winnipeg Transit to add a second route for employees and passengers. The new service will begin in April 2010.

Inland Port

Prime Minister Stephen Harper came to Winnipeg in April and from the airport announced $212 million in federal and provincial funding for infrastructure developments. This includes CentrePort Canada Way, a four-lane expressway connecting the lands of the inland port with the Perimeter Highway.

CentrePort Canada Inc.'s Board of Directors hired its founding President and Chief Executive Officer to lead its future growth and development. Established as a single service window providing companies access to Foreign Trade Zone-like benefits, this 20,000 acre parcel of land designated as the inland port area will encourage companies to invest in and develop our region and its growth. Having worked diligently with the community toward this initiative for five to six years, we continue to work with CentrePort Canada Inc.'s Board of Directors to realize the optimal potential.

Staying Focused
– Strategic Directions

Enhance customer service and value
We will understand our customer needs and assure value through measurement relevant to them.

Deliver and operate excellent facilities and services
We will deliver safe, secure and environmentally sound facilities and services incorporating universal design principles.

Expand air service to and from Winnipeg
We will build on our 24-hour access and our intermodal connectivity to improve Manitoba's link to the world.

Be an effective community partner
We will be a source of pride for our community and a leader in its growth and development.

Develop and realize employee potential
Our team attracts and inspires excellence. We have engaged employees with the right skills, in the right place, at the right time.

Develop new revenue streams
Through business development initiatives, we will seek opportunities that will enhance and diversify our revenue sources.

In 2009, Winnipeg Airports Authority engaged a third party to conduct an Economic Impact Study of Winnipeg James Armstrong Richardson International Airport. The results reflect the airport's considerable contribution to local employment and the provincial economy. Airport operations support over 20,000 person years of employment province-wide, including over 9,700 direct jobs in the Winnipeg region.

Management's Responsibility for Financial Statements

Year ended December 31, 2009

The consolidated financial statements of Winnipeg Airports Authority Inc. have been prepared by management and approved by the Board of Directors and the Members of the Winnipeg Airports Authority Inc. Management is responsible for the preparation and presentation of the information contained in the consolidated financial statements and other sections of this Annual Report. The Winnipeg Airports Authority Inc. maintains appropriate systems of internal control, policies and procedures which provide management with reasonable assurance that assets are safeguarded and that financial records are reliable and form a proper basis for the preparation of financial statements.

The Winnipeg Airports Authority Inc.'s independent auditors, KPMG LLP, have been appointed by the Members of the Authority to express their professional opinion on the fairness of these consolidated financial statements.

The Board of Directors ensures that management fulfills their responsibilities for financial reporting and internal controls through an Audit Committee which is comprised solely of directors who are neither officers nor employees of the Authority. This committee reviews the consolidated financial statements and reports to the Board of Directors. The auditors have full and direct access to the Audit Committee.

March 18, 2010

Barry W. Rempel
President and Chief Executive Officer

Catherine J. Kloepfer, CGA, FCA
Senior Vice President, Corporate Services and Chief Financial Officer

Management Discussion and Analysis

For the year ended December 31, 2009
Dated March 18, 2010

Forward – Looking Statements

This Management Discussion and Analysis ("MD&A") contains certain forward-looking statements. By their nature, forward-looking statements require assumptions and are subject to inherent risks and uncertainties. Please refer to the section titled "Caution Regarding Forward-Looking Statements" contained at the end of this MD&A for a discussion of such risks and uncertainties and the material factors and assumptions related to forward-looking statements.

Introduction

This Management Discussion and Analysis complements and supplements the audited consolidated financial statements of Winnipeg Airports Authority Inc. ("WAA") for the year ended December 31, 2009. It is provided to explain management's view of the conditions and events that shaped the information contained in the financial statements and help in understanding how these conditions and events are expected to affect the business of WAA moving forward. This MD&A should be read in conjunction with the financial statements.

WAA is responsible for the management, operation and development of Winnipeg James Armstrong Richardson International Airport (the "airport") under a 60 year lease beginning in 1997 with Transport Canada. WAA is a non-share capital, community based corporation. WAA is responsible for financing its capital investments and net income is re-invested in Airport infrastructure. WAA considers Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") to be an appropriate indicator of its ability to service its debt. EBITDA is a measure of the ability to generate cash flow and is used by other airports in Canada, investors and analysts for comparison purposes.

WAA uses measures other than Generally Accepted Accounting Principles ("GAAP"), including EBITDA to provide users with an alternate method for assessing performance and to provide a consistent basis for comparison. These measures are not in accordance with nor are they an alternative to GAAP and may be different from measures used by other companies.

Operating Activity

2009 was a challenging year for airports both in Canada and throughout the world due to the beginning of the global recession, and in particular due to the difficulties faced by airlines because of the volatility in fuel prices and the drop in passenger and cargo traffic levels. WAA's revenue is subject to market forces, passenger and cargo activity levels, driven indirectly by overall economic activities and consumer confidence.

Passenger traffic through the airport has yet to return to recent year levels, with totals marginally lower than 2006. The 2009 total count was 3,379,440, a decline of 5.3% over 2008. Cargo tonnage, however, grew by approximately 7.5% from 2008 levels.

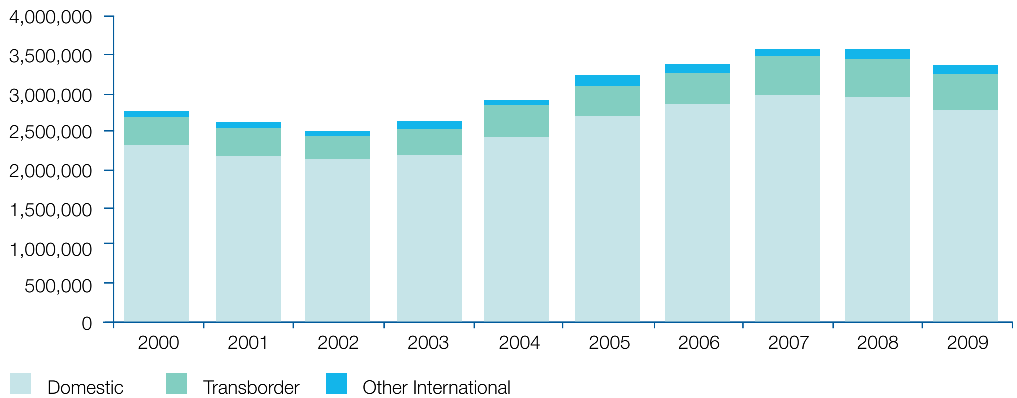
Aircraft movements decreased by an average of 10 per day or 5.4% in 2009 versus 2008. Throughout the year, air carriers continued to focus on fleet mix and capacity in an effort to manage fuel and other costs.

Passenger

Traffic volumes at YWG dropped versus 2008 but not to the extent of trends seen in the broader airport industry. Globally in the passenger airline business there was a slow start to the year with a steady upward trend that began in May. In Winnipeg our monthly year over year results were quite a bit higher than global results during the first few months. The summer remained rather weak in Winnipeg with improvements starting in the fall season. This variation from global trends was partly driven by the unexpected withdrawal of nearly three flights per day to two Saskatchewan destinations. Further, the merger of Delta Air Lines and Northwest had a profound impact on this market with year over year seat reductions reaching as high as 40%, resulting in an overall loss of traffic.

The resilience of the Manitoba economy played a large role in mitigating the general decline in traffic. The steady flow of origin and destination travellers provided a base. This was supplemented by a winter charter season that resulted in one of the best years on record and the highest in five years.

YWG Total Enplaned & Deplaned Passengers, by Sector



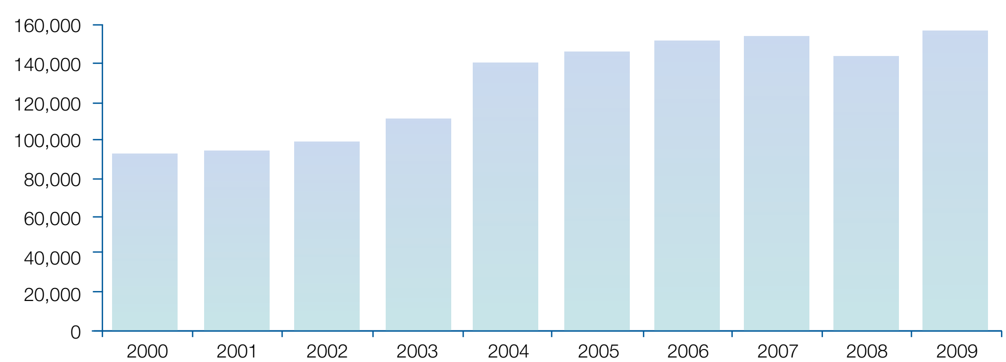
Cargo

Due to the on-going effects of the economic downturn, overall North American air cargo volumes declined in 2009. Cargo volume in Winnipeg ran counter to the negative trend in air trade and recorded a throughput tonnage increase of 7.5% to approximately 159,400 tonnes.

The positive results can be attributed to the airport's cargo profile. Core business is express and postal traffic which has been less affected by unfavourable economic conditions than general cargo. Although there were moderately diminished volumes among several industries which use fast-cycle distribution extensively, such as the automotive and computer sectors, the gap was filled by a greater concentration of courier postal traffic through YWG than in the past.

Revenue generated by cargo operations (freighter landing fees and cargo stand fees) improved by more than 16% in 2009 from the prior year. Several carriers consolidated volumes onto larger, more fuel efficient aircraft. Although the number of freighter landings declined, the greater landing fees from heavier airplanes were sufficient to bring about the revenue increase from 2008.

YWG Cargo Traffic Progression 2000-2009 (Tonnes)



Results of Operations

Net Operating Results

The WAA's operating results for the years ended December 31 are summarized in the following table:

(In thousands of dollars)	2009	2008
Revenue	$ 81,963	$ 80,106
Operating expenses	39,039	38,613
Income before the undernoted[1]	42,924	41,493
Amortization	6,346	7,397
Interest expense	1,155	880
Loss on cash flow hedges	1,419	4,491
Income taxes of subsidiaries	(66)	(18)
Net income	34,070	28,743

Note 1: Revenue over expenses before interest, income taxes, depreciation and amortization of capital assets (EBITDA).

The above table demonstrates that for both years, the revenues generated by the WAA were more than sufficient to cover operating expenses, amortization and interest expense.

Revenue

Total revenue increased to $81.9 million in 2009, compared to $80.1 million in 2008: an increase of $1.8 million or 2.2%. Revenues are derived from aeronautical charges (landing fees and terminal charges), airport improvement fees, and non-aeronautical sources such as car parking and ground transportation, concessions, rentals, and other sources. The primary driver for aeronautical revenue is aircraft movements: landing fees are based on the Maximum Take Off Weight and terminal charges are based on the number of seats of an arriving aircraft. The airport improvement fee is charged per departing passenger and a significant portion of non-aeronautical revenues is correlated to passenger activity.

Landing and terminal fee revenue totaled $21.6 million in 2009, which represents an increase of $1.7 million or 8.4% over 2008. Landing and terminal fee revenue increased in part due to rate adjustments implemented in November 2008 and required as a result of carrier shifts in frequency and gauge.

Concessions revenue showed a moderate decrease in 2009 of 3.0% for a total of $5.7 million. Within this revenue category, restaurant and retail concessions suffered from the decline in passenger throughput.

Parking revenue decreased by $0.7 million for a total value of $7.8 million for 2009. This represents a decrease of 9.0% compared to 2008. Parking is the third largest revenue source behind aeronautical revenue. The decrease in parking revenue for 2009 can be attributed primarily to reduced passenger volumes.

Airport Improvement Fees ("AIF") decreased by $0.5 million during 2009, or 1.6%. This reduction is directly related to reduced passenger traffic levels compared to 2008, offset by a change in the percentage of enplaned versus connecting passengers.

Revenue from real estate leases was $5.9 million in 2009, an increase of $0.7 million over 2008's revenue of $5.2 million or 13.5%. Significant new property development projects were started in 2008 which contributed to diversification of corporate revenue. These include the construction of three new facilities on airport lands: an inter-city bus terminal, a manufacturing facility and a mail processing plant.

WAA is focused on increasing the non-aeronautical revenues generated on the airport campus, which include lease revenues and development opportunities.

Operating Expenses

Total operating expenses have increased by $0.4 million over 2008, or 1.1%, for a total of $39.0 million. Operating expenses include the costs to operate and maintain the Airport.

Salaries and benefits are the largest component of operating expenses totaling $20.0 million in 2009: an increase of $0.8 million or 4.0%. Collective agreements with WAA's workforce contain provisions for wage increases ranging from 3.0% to 3.5% annually.

Other operating expenses were managed effectively to realize a decrease of $0.3 million or 2.1%. Some of the larger components in this expense category include utilities, fuel and airfield supplies.

Property taxes decreased by $0.2 million or 13.7%, primarily resulting from the removal of parcels of land from the WAA tax roll as these parcels are leased out to third parties. Property taxes are paid to the City of Winnipeg and the Rural Municipality of Rosser based on valuations of real property using an income based approach.

Ground Lease rent payments are established within the Ground Lease between WAA and the Government of Canada and increased in 2009 to $4.3 million.

Amortization

Amortization expense decreased by $1.1 million in 2009 to a total of $6.3 million. This is a result of changes in the asset mix and the associated expected useful lives of those assets.

Loss on Cash Flow Hedges

The market value of the $275 million (notional amount) cash flow hedges was reflected in the balance sheet while these contracts were outstanding, with any ineffective portion of the hedge relationship being recorded as a loss or gain in the income statement. These contracts were settled during 2009, and therefore a total of $1.4 million was included in net income and the unrealized change in the value of $9.7 million was included in comprehensive income.

Interest Expense

The amount of interest paid on the Revenue Bonds is unchanged from that paid in 2008. In November 2009, an additional $300 million of Revenue Bonds were issued. This new debt incurs interest expense for the period it is outstanding during 2009. However, as the proceeds of these bonds are being expended on the redevelopment, part of the associated interest cost is capitalized to the construction-in-progress. For 2009, net interest expense was $1.2 million compared to $0.9 million in 2008.

Airport Site Redevelopment and Capital Programs

Airport Site Redevelopment program ("ASR") expenditures in 2009 totaled $137.7 million. Total redevelopment effort to date exceeded the 2.2 million hour mark during the last quarter of the year, with approximately one million hours occurring throughout the 2009 calendar year. Over 500 workers were involved on the site on daily basis by year end, a 60% increase from the comparable total in 2008.

While all airport redevelopment construction components were highly active, the most visible progress occurred on the site of the new 51,000 square metre air terminal building, (ATB) which was more than 60% completed during 2009. Completion is scheduled for 2010.

Ninety five percent (95%) of the ATB's structural steel superstructure and concrete foundation were built by year end. Approximately 2,800 square metres of glass were placed during 2009, which will be instrumental in creating the sense of openness and transparency that will characterize the completed building. Installation of mechanical and electrical systems on all levels of the new terminal represented another major activity throughout the year, which at many points occupied over 40% of the entire ATB labour force. Development of the baggage handling system also progressed, with most activity directed toward construction of the conveyor component in the basement and on level one. Other major developments included the passenger boarding bridge system, which featured the successful installation of all fixed passenger walkways, as well as commencement of a variety of IT components, including telecom, security, airport information and ground transportation systems.

The second phase of airside construction was completed by the third quarter of 2009, requiring placement of more than 250,000 square metres of taxiway pavement at a thickness of approximately 150 mm. Airside redevelopment was approximately 80% finished by the end of the year, with final apron paving scheduled for 2010.

In addition to the ATB, work on connecting roadways and other pavement was also an area of major activity throughout the year. The upper level roadway was 90% complete by year end. Improvements to roadways exiting the parkade and surface parking was completed as planned by the end of November. An additional highlight was commencement of the pedestrian link bridge between the parkade and new ATB, including completion of foundation construction and development of structural steel installation.

The final major component of airport redevelopment is rehabilitation of the Central Utilities Building, which will be linked to the new ATB by an underground utility tunnel. These projects were close to finalization by the end of 2009. Improvements to the Central Utilities Building will result in the facility operating at 97% energy efficiency, a significant enhancement to current standards of operation.

Other capital program expenditures in 2009 totaled $0.7 million primarily related to equipment acquisitions for both airside and groundside operations.

Assets and Liabilities

Assets

Current assets, excluding cash, totaled $9.8 million compared to $11.1 million in 2008, a decrease of $1.3 million. The decrease is due to a decrease in accounts receivable with other current assets remaining at similar levels to 2008.

The balance in property, plant and equipment has increased by $136.9 million to a total of $543.9 million from the 2008 balance of $407.0 million. The majority of this increase, or $131.2 million, is due to the ASR project reflected in the construction in progress total of $448.5 million. As components of the ASR project are substantially completed they are transferred to the appropriate asset category.

The market value of investments at December 31, 2009 totaled $189.7 million compared with $29.4 at the end of 2008. These investments are the result of the proceeds of bond issues and are used to fund the ASR expenditures. Investments are held and managed by an independent party and are invested in short term debt instruments with maturities less than one year, in accordance with WAA's investment policy.

The accrued pension asset totaled $9.7 million at the end of 2009 compared to $7.2 million in 2008. This represents an increase of $2.5 million or 34.7% over 2008. The combined surplus of the benefit plans is $1.0 million at December 31, 2009: this is an improvement from 2008's combined plans' deficit of $0.2 million.

Liabilities

Current liabilities are $47.8 million for 2009, an increase of $10.8 million over 2008's balance. The primary reason for this increase is construction hold-back amounts for the ASR project which total $19.4 million at December 31, 2009, plus an increase in the current portion of long-term debt principal payments.

Long-term employee benefits relate to separation and post-employment benefits for employees. This liability is determined actuarially, based upon current employee and pensioner data. The balance at December 31, 2009 has increased to $4.4 million from the 2008 balance of $4.1 million: an increase of 7.1%.

In order to protect WAA from adverse changes in interest rates on bond issues, WAA entered into cash flow hedges in mid-2005. The cash flow hedges were recorded at their fair value as a liability of $70.8 million at December 31, 2008. During 2009, these cash flow hedges were settled upon issuance of the Revenue Bonds.

Total long-term debt has increased to $554.5 million from the 2008 balance of $256.3 million. The face value of the Revenue Bonds series A issued in 2005 is unchanged at December 31, 2009 at $250.0 million. Principal payments on these bonds begin in 2010.

During 2009, two additional series of Revenue Bonds were issued: Series C with a face value of $125 million and Series D with a face value of $175 million. Principal payments begin on Series D in 2011. Series C is due in its entirety in 2019.

During 2008, a wholly owned subsidiary entered into an agreement with the Province of Manitoba, under the Manitoba Industrial Opportunity Program, to borrow up to $20.0 million for the purposes of building a manufacturing facility, which in turn is being leased to a third party over a 32 year period. At the end of 2009, $10.6 million had been borrowed under this facility.

Through an amendment to the Ground Lease in 2005, the Government of Canada agreed to defer lease payments of $762,000 to be repaid over a 10 year period beginning in 2006. The reduction in the balance to $457,000 represents the repayment for four years (2006 to 2009).

The capital lease obligation which began in 2007, has declined in value to $0.7 million due to payments made during the year.

Notes payable with an outstanding value of $350,000 relate to transactions in a wholly-owned subsidiary for asset acquisitions in prior years.

Cash Flows

Operations

The cash flow generated from operations for the year was $50.2 million compared to $52.4 million in 2008. The decrease of $2.2 million relates primarily to the change in value to the accrued pension asset.

Financing

WAA had a net inflow of cash in 2009 from financing activities of $251.8 million. This is an increase over 2008 by $244.6 million. This is a result of the issuance of the Revenue Bonds Series C and Series D during the year for net proceeds of $252.1 million.

Investing

The net cash outflow on investing activities during 2009 was $308.1 million versus $55.5 million in 2008. The ongoing investment into the ASR and other capital programs combined with the investment in the direct financing lease totaled $149.4 million. Investments were increased by $160.4 million to fund these expenditures.

Liquidity and Capital Resources

As a non-share corporation WAA is funded through operating revenues, AIF revenue, reserve funds, the debt capital markets and its syndicated bank credit facility. An overall Capital Markets Platform was established in 2005 by the WAA with a Master Trust Indenture setting out the terms of all debt, including bank facilities and revenue bonds. The Platform is being used to fund the ASR. At December 31, 2009, $550 million of debt is outstanding in the form of Revenue Bonds. The syndicated bank credit facility is for $200 million related to the ASR plus an operating line of credit for $20.5 million. WAA has not drawn on these credit facilities at December 31, 2009.

In addition to the above noted debts, WAA is party to a capital lease financing arrangement for the purpose of acquiring an airside emergency response vehicle for a total price of $1.2 million. It is WAA's intention to seek out financing arrangements which allow for flexibility while complying with existing terms and conditions of the Capital Markets Platform.

In 2008, WAA entered into a loan agreement with the Province of Manitoba in order to invest in direct financing lease arrangements on a long-term basis with a tenant. This loan has Provincial guarantees to minimize WAA's exposure to default.

WAA manages its liquidity risks by maintaining adequate cash and credit facilities, by updating and reviewing multi-year cash flow projections on a regular and as-needed basis, and by matching its long-term financing arrangements with its cash flow needs. In view of its credit ratings (Moody's: A1 and Standard & Poors: A Stable), the Authority has ready access to sufficient long-term funds as well as committed lines of credit through credit facilities with three Canadian banks.

Significant Accounting Policies and Estimates

The significant accounting policies adopted by WAA are detailed in note 1 to the consolidated financial statements. In preparing financial statements, management is required to make certain estimates or assumptions, including estimates for amortization of capital assets, revenue recognition and the fair value of financial instruments. Actual results could differ from estimates.

Property, plant and equipment of WAA includes improvements to leased land, runways, terminal and other buildings, equipment and roadways.

These assets are recorded at cost and each asset type is amortized over their estimated useful lives. Amortization of such assets begins when the asset is completed and brought into service.

The timing of revenue recognition depends on the type of revenue and the specific arrangements in place. Landing fees, terminal charges and car parking are recognized as the facilities are used. Airport improvement fees, net of 6% airline administration fee, are recorded based upon the estimated enplanement of passengers. Revenues from concessions, ground transportation, and space or property rentals are recognized in accordance with their respective agreements. At each month end there are certain estimates for the number of passengers, aircraft movements, sales and other criteria to determine the revenue earned for each of these respective revenue types.

Financial Instruments and Other Instruments

Financial instruments are classified into one of five categories: held-for-trading, loans and receivables, held-to-maturity, available-for-sale or other liabilities. Initial measurement of financial instruments is at fair value, subsequent measurement and recognition of changes in fair value of financial instruments depends on their initial classification. Transaction costs are expensed as incurred for financial instruments classified as held-for-trading.

WAA's cash and bank indebtedness are classified as held-for-trading and accounts receivable and direct financing lease are classified as loans and receivables. Accounts payable and accrued liabilities and long term debt are classified as other liabilities.

Financial assets and liabilities classified as held-for-trading are measured at fair value at each reporting period with changes in fair value in subsequent periods included in net income. Financial assets and liabilities classified as loans and receivables and other liabilities are measured at amortized cost. WAA recognizes changes in the fair value of loans and receivables only if realized or if impairment in the value of an asset occurs.

Investments

WAA classifies its investments as available-for-sale and measures them at fair value. Subsequent changes in fair value are recorded in other comprehensive income (loss) until the investments are derecognized or impaired, at which time the amounts would be recorded in net income.

Effective Interest Method

Financing costs are included in the related long-term debt balances and recognized as an adjustment to interest expense over the life of the related long-term debt. In addition, the effective interest method is used to recognize interest expense, where the amount recognized varies over the life of the long-term debt based on the principal outstanding.

Comprehensive Income

Comprehensive income is defined as the change in equity from transaction and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income that are excluded from net income calculated in accordance with generally accepted accounting principles.

Change in Accounting Policy in 2009

During 2009, WAA adopted the requirements under EIC-173 with respect to including the credit risk of the counter-party when determining the value of derivative instruments.

Accounting Changes for 2010

WAA plans to adopt International Financial Reporting Standards ("IFRS") for the year commencing January 1, 2011. WAA is evaluating the impacts and implications of the conversion to IFRS.

Risks and Uncertainties

WAA faces certain risks beyond its control which may or may not have a significant impact on its financial condition.

Airport revenues are affected by carriers' changes in aircraft size and frequency of flights, based on the carriers' view of passenger demand. Over the past years several significant events have demonstrated the fragile nature of air travel demand. In addition, economic conditions, global health epidemics, political unrest, government regulations, the price of oil and consequently airfares, all contribute to traffic demand. The continued uncertainty over the health of the United States economy contributes to the risk that passenger demand and cargo volumes could decrease, having a potential negative impact on WAA's landing and terminal fees.

The financial instability of the airline industry globally, and more particularly in the United States, could have an impact on WAA's ability to generate revenue. However, the risk to the WAA is mitigated by the 90% origin and destination characteristics of WAA's passenger traffic. WAA's right under the *Airport Transfer (Miscellaneous Matters) Act* to seize and detain aircraft until outstanding aeronautical fees are paid mitigates the risk of credit losses. In addition, WAA's unfettered ability to increase its rates and charges mitigates the impact of these risks.

Another potential impact to the stability of WAA's earnings is the air carriers' continued trend to use smaller gauge aircraft for shorter routes. Such changes in the mix of aircraft impact WAA's ability to project aircraft landing fees and to plan for adequate capacity on the airfield and in the terminal. Aeronautical revenue may therefore be lower than expected if projected aircraft activity is not realized.

Large scale construction projects such as the ASR are subject to cost escalation risks. However, as over 90% of the total project cost is already incurred or under fixed-price contract arrangements, limited escalation risk remains.

The availability of adequate insurance coverage is subject to the conditions of the overall insurance market and WAA's claims and performance record. WAA participates with an insurance buying group that also includes airports in Halifax, Montreal, Ottawa, Calgary, Edmonton and Vancouver. This group has been successful in placing all of its insurance needs. The Government of Canada has issued an Order in Council to provide indemnity for "war risk and allied perils" up to April 30, 2010, which is renewable for further periods of 120 days at the option of the Minister of Transport.

Financial Outlook for 2010

Consumer demand for air travel is expected to increase moderately through 2010 in the Winnipeg marketplace. The 2010 business plan projects non-consolidated revenues to be $81.2 million with projected growth in passenger traffic for 2010 of 1.5%.

Despite continuing efforts to control operating expenses, WAA continues to experience increases in ongoing costs for items such as utilities and commodities plus negotiated increases for salaries and benefits. Ground lease rent has been fixed to the end of 2009 but will increase in 2010 based on the amended formula. The ground lease rent for 2010 is estimated to be $5.3 million, an increase of 24.1%. With projected operating costs estimated to be $42.1 million in 2010, an increase of 7.8%, the planned EBITDA for 2010 is $39.1 million, a decrease from 2009 of $3.8 million or 8.9%.

ASR expenditures for 2010 are estimated to be $140.1 million while other capital expenditures are expected to be an additional $10.4 million.

Caution Regarding Forward-Looking Statements

This Management Discussion and Analysis ("MD&A") contains certain statements about WAA and its future expectations. By their nature, forward-looking statements require WAA to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions, forecasts, conclusions and projections will not prove to be accurate, that WAA's assumptions may be not correct and that actual results may differ materially from such predictions, forecasts, conclusions and projections. WAA cautions readers of this MD&A not to place undue reliance on the forward-looking statements as a number of factors could cause actual results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements.

Words such as "believe", "expect", "plan", "intend", "estimate", "anticipate" and similar expressions, as well as future or conditional verbs such as "will", "should", "would" and "could" often identify forward-looking statements. Specific forward-looking statements in this MD&A include, among others, statements regarding: future demand for air travel, budgets and expenditures relating to capital programs; insurance; liquidity; and annual debt requirements.

These forward-looking statements are based on a variety of factors and assumptions including but, not limited to: long-term growth in population; employment and personal income as the basis for increased aviation demand; the Canadian and U.S. economies growth expectation in the near term; the growth and sustainability of low fare and other air carriers contribution to aviation demand; continued transborder and international travel growth; the cost of enhancing aviation security will not overly burden air carriers or WAA; the commercial aviation industry will not be directly affected by terrorism; and no significant event will occur which impacts the ordinary course of business such as a natural disaster or other calamity. These assumptions are based on information currently available to WAA, including information obtained by WAA from third party experts and analysts.

Factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking statements include, among other things; levels of aviation activity; air carrier instability; aviation liability insurance; construction risk; geographical unrest; terrorist attacks; war; health epidemics; labour disruptions; capital market and economic conditions; changes in laws; adverse regulatory developments or proceedings; lawsuits; and other risks from time to time.

The forward-looking statements contained in this MD&A represent WAA's expectations as of the date of this report and are subject to change. Except as required by applicable law, the WAA disclaims any intention or obligation to update or revise any forward-looking statements included in this MD&A whether as a results of new information, future events, or for any other reason.

Financial and Operating Highlights

(In thousands)	2005	2006	2007	2008	2009
Revenue	$ 56,707	$ 60,364	$ 66,136	$ 80,106	$ 81,963
Operating expenses (other than ground lease)	26,586	27,908	29,786	34,525	34,775
Ground lease rent	3,911	3,941	3,999	4,088	4,264
Earnings before interest & depreciation	26,210	28,515	32,351	41,493	42,924
Capital expenditures	32,753	98,436	95,989	139,605	142,277
Total passengers	3,227	3,387	3,571	3,570	3,379
Total aircraft movements	138	145	152	144	140
Major revenue movements	42	43	45	44	44
Cargo handled (tonnes)	150	155	156	148	159

Five Year Forecast

(In thousands)	2010	2011	2012	2013	2014
Revenue	$ 81,155	$ 84,876	$ 86,427	$ 88,008	$ 89,616
Operating expenses (other than ground lease)	36,781	38,354	39,279	40,229	41,203
Ground lease rent	5,292	5,590	5,714	5,841	5,969
Earnings before interest & depreciation	39,082	40,933	41,434	41,938	42,444
Interest	11,794	29,518	28,918	28,576	28,217
Depreciation	11,578	23,001	23,794	24,592	24,992
Net income (loss)	$ 15,709	$ (11,587)	$ (11,278)	$ (11,231)	$ (10,765)

Consolidated Financial Statements

OF WINNIPEG AIRPORTS AUTHORITY INC.
For the year ended December 31, 2009

Auditors' Report

To the Directors of Winnipeg Airports Authority Inc.

We have audited the consolidated balance sheet of Winnipeg Airports Authority Inc. as at December 31, 2009 and the consolidated statements of operations, comprehensive income, changes in equity and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. In accordance with the Canada Corporations Act, we report that, in our opinion, these principles have been applied, except for the change in accounting policy as explained in note 1(b) to the consolidated financial statements, on a basis consistent with that of the preceding year.

KPMG LLP

Chartered Accountants

Winnipeg, Canada
February 19, 2010

Consolidated Balance Sheet

December 31, 2009 with comparative figures for 2008
(In thousands of dollars)

	2009	2008
Assets		
Current assets:		
Cash	$ 4,623	$ 10,755
Accounts receivable (note 2)	8,598	10,128
Prepaid expenses	583	450
Current portion of direct financing lease	31	–
Inventory	550	544
	14,385	21,877
Property, plant and equipment (note 3)	543,874	406,989
Investments (note 4)	189,677	29,436
Direct financing lease (note 5)	7,131	–
Future income taxes	152	80
Accrued pension asset (note 12)	9,710	7,174
Other assets	10,595	12,671
	$ 775,524	$ 478,227
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 44,471	$ 35,101
Income taxes payable	153	184
Deferred revenue	1,299	1,368
Current portion of long-term debt	1,876	315
	47,799	36,968
Long-term liabilities:		
Long-term employee benefits (note 12)	4,387	4,097
Cash flow hedges (note 8)	–	70,823
Long-term debt (note 9)	554,504	256,267
	558,891	331,187
Equity:		
Retained earnings	216,262	182,192
Accumulated other comprehensive income (loss)	(47,428)	(72,120)
	168,834	110,072
Commitments (note 10)		
Contingent liabilities (note 11)		
Subsequent event (note 15)		
	$ 775,524	$ 478,227

See accompanying notes to consolidated financial statements

On behalf of the Board:

Director Director

Consolidated Statement of Operations

Year ended December 31, 2009, with comparative figures for 2008
(In thousands of dollars)

		2009		2008
Revenue:				
Airport improvement fees (note 6)	$	**28,954**	$	29,416
Aircraft landing fees		**13,988**		13,138
General terminal fees		**7,673**		6,839
Concessions		**5,676**		5,856
Parking		**7,759**		8,525
Real estate leases		**5,877**		5,176
Passenger security fees		**4,369**		4,210
Other revenue		**7,667**		6,946
		81,963		80,106
Operating expenses:				
Salaries and benefits		**20,002**		19,225
Other operating expenses		**13,217**		13,497
Property taxes		**1,556**		1,803
Ground lease rent [note 10(a)]		**4,264**		4,088
		39,039		38,613
Income before the undernoted		**42,924**		41,493
Amortization		**6,346**		7,397
Loss on cash flow hedges		**1,419**		4,491
Interest expense [note 9(g)]		**1,155**		880
Income before income taxes		**34,004**		28,725
Income taxes of subsidiaries:				
Current		**6**		61
Future recovery		**(72)**		(79)
		(66)		(18)
Net income	$	**34,070**	$	28,743

See accompanying notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

Year ended December 31, 2009 with comparative figures for 2008
(In thousands of dollars)

		2009		2008
Net income	$	**34,070**	$	28,743
Other comprehensive income (loss):				
Amortization of loss on settlement of cash flow hedges		**466**		221
Unrealized gain (loss) on cash flow hedges		**24,348**		(55,480)
Credit value adjustment on cash flow hedges		**(14,663)**		–
Unrealized gain on available-for-sale investments		**–**		136
Reclassification to income for realized losses (gains)		**(122)**		85
Comprehensive income (loss)	$	**44,099**	$	(26,295)

Consolidated Statement of Changes in Equity

Year ended December 31, 2009 with comparative figures for 2008
(In thousands of dollars)

		2009		2008
Retained earnings balance, beginning of year	$	**182,192**		153,449
Net income		**34,070**		28,743
Retained earnings, end of year		**216,262**		182,192
Accumulated other comprehensive income (loss) on available-for-sale securities:				
Balance, beginning of year		**122**		(99)
Unrealized gain		**–**		136
Reclassification to income for realized losses (gains)		**(122)**		85
Balance, end of year		**–**		122
Accumulated other comprehensive income (loss) on cash flow hedges:				
Balance, beginning of year		**(72,242)**		(16,983)
Adjustment to opening balance for implementation of credit value adjustment [note 1(b)]		**14,663**		–
Adjusted opening balance		**(57,579)**		(16,983)
Credit value adjustment		**(14,663)**		–
Unrealized gain (loss)		**24,348**		(55,480)
Amortization of loss on settlement		**466**		221
Balance, end of year		**(47,428)**		(72,242)
Total accumulated other comprehensive income (loss)	$	**(47,428)**	$	(72,120)
Total equity	$	**168,834**	$	110,072

See accompanying notes to consolidated financial statements.

Consolidated Statement of Cash Flows

Year ended December 31, 2009 with comparative figures for 2008
(In thousands of dollars)

	2009	2008
Cash provided by (used in):		
Operations:		
Net income	$ 34,070	$ 28,743
Adjustments for:		
Amortization	6,346	7,397
Future income taxes	(72)	(79)
Loss on cash flow hedges	1,419	4,491
Loss (gain) on sale of property, plant and equipment	1	(4)
Increase in long-term employee benefits	290	547
Increase in accrued pension asset	(2,536)	(87)
Change in non-cash operating working capital	10,661	11,374
	50,179	52,382
Financing:		
Increase in long-term debt	300,000	7,518
Settlement of cash flow hedges	(47,899)	–
Repayment of long-term debt	(76)	(126)
Reduction in capital lease obligation	(229)	(216)
	251,796	7,176
Investing:		
Decrease (increase) in investments	(160,362)	96,553
Additions to property, plant and equipment	(142,277)	(139,605)
Reductions (additions) to other assets	1,675	(12,495)
Increase in direct financing lease	(7,162)	–
Proceeds on disposal of property, plant and equipment	19	20
	(308,107)	(55,527)
Increase (decrease) in cash	(6,132)	4,031
Cash, beginning of year	10,755	6,724
Cash, end of year	$ 4,623	$ 10,755
Supplementary cash flow information:		
Income taxes paid	$ 37	$ 50
Interest expense paid	13,061	12,940
Interest income received	478	4,115

The portion of the purchase price of property, plant and equipment and other assets satisfied by the assumption of debt in the amount of nil (2008 - $250) has been excluded from financing and investing activities on the statement of cash flows.

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Year ended December 31, 2009

Nature of operations:

Winnipeg Airports Authority Inc. (the Authority) is incorporated under Part II of the *Canada Corporations Act* as a corporation without share capital. The Authority operates the Winnipeg James Armstrong Richardson International Airport (the Airport), in Winnipeg, Manitoba under a long-term lease with the Government of Canada for the benefit of the community. Net income is used to fund airport capital improvements.

The Authority is governed by a fifteen member Board of Directors of whom eleven members are nominated by the City of Winnipeg, the Rural Municipality of Rosser, Destination Winnipeg, the Winnipeg Chamber of Commerce, The Assiniboia Chamber of Commerce and the Federal and Provincial governments, with the remaining members appointed by the Board from the community at large.

1. Significant accounting policies:

(a) Presentation and basis of accounting:

The Authority's financial statements are prepared on a consolidated basis in accordance with Canadian generally accepted accounting principles (GAAP) and include the accounts of its subsidiaries, Winnipeg Airport Services Corporation, Avion Services Corp. and 5388946 Manitoba Ltd. All inter-company balances and transactions have been eliminated.

(b) Change in accounting policy:

In January 2009, the EIC issued Abstract No. 173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities (EIC-173). EIC-173 requires an entity to take into account its own credit risk and that of the relevant counter-party when determining the fair value of financial assets and financial liabilities, including derivative instruments. The impact of implementation was an increase of $14,663,000 in the opening balance of accumulated other comprehensive income (loss).

(c) Inventory:

Inventory of consumable supplies is valued at the lower of cost and net realizable value

(d) Property, plant and equipment:

Property, plant and equipment are recorded at cost and amortized on a straight-line basis as follows:

Assets	Term
Airfield infrastructure	10 to 40 years
Buildings and other structures	5 to 40 years
Leasehold improvements	3 to 40 years
Vehicles, machinery and equipment	3 to 20 years

Construction in progress is transferred to the appropriate property, plant and equipment category when the capital project is completed and the asset is placed in service. Interest incurred during the construction of an asset is capitalized and included in the cost of the asset.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

(e) Revenue recognition:

Revenues from aeronautical activities include landing and terminal fees which are recognized as the airport facilities are utilized. Revenues from commercial activities include car parking and concession revenues. Car parking revenue is recognized as the parking facilities are utilized. Concession revenues are recognized on the accrual basis and calculated using agreed percentages of reported concessionaire sales, with specified minimum guarantees where applicable. Real estate rental revenue is recognized over the term of respective operating leases, licenses and permits.

Deferred revenue consists primarily of rental and other revenues received in advance.

(f) Employee future benefits:

The Authority sponsors defined benefit pension plans on behalf of its employees. The benefits are based on years of service and the employee's compensation during the five best consecutive years' earnings.

The Authority accrues its obligation under the employee defined benefit plans as the employees render the services necessary to earn the pension and other employee future benefits.

The cost of pensions and other post-employment benefits (which includes separation, health care and insurance benefits) earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of expected plan investment performance, salary escalation, retirement ages and expected health care costs. The cost of providing other post-employment benefits is accrued as long-term employee benefits and charged to expense based on yearly service entitlements.

For the purpose of calculating expected return on plan assets, those assets are valued at fair value.

The net actuarial gain or loss in excess of 10 percent of the greater of, the benefit obligation and the market value of plan assets, is amortized over the average remaining service period of active employees.

(g) Financial instruments:

During 2009, the Canadian Institute of Chartered Accountants issued additional accounting recommendations to enhance disclosures of fair value measurements and the liquidity risk of financial instruments. Under these recommendations, all financial instruments measured at fair value are to be classified according to the following hierarchy:

- Level 1 valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 valuation techniques with significant observable market parameters
- Level 3 valuation techniques with significant unobservable market parameters

All financial instruments are classified into one of the following five categories: held-for trading, loans and receivables, held-to-maturity, available-for-sale and other liabilities. Initial measurement of financial instruments is at fair value, subsequent measurement and recognition of changes in fair value of financial instruments depends on their initial classification. Fair values reflect quoted prices in active markets for identical assets or liabilities (level 2). Transaction costs are expensed as incurred for financial instruments classified as held-for-trading.

The Authority's cash and bank indebtedness are classified as held-for-trading and accounts receivable and direct financing lease are classified as loans and receivables. Accounts payable and accrued liabilities and long-term debt are classified as other liabilities.

Financial assets and liabilities classified as held-for-trading are measured at fair value at each reporting period with changes in fair value in subsequent periods included in net income. Financial assets and liabilities classified as loans and receivables and other liabilities are measured at amortized cost. The Authority recognizes changes in fair value of loans and receivables only if realized or if impairment in the value of an asset occurs.

Investments are classified as available-for-sale and are measured at fair value. Changes in fair value are recorded in other comprehensive income (loss) until the investments are derecognized or impaired, at which time the amounts are recorded in net income.

Cash flow hedges are recorded at their fair value determined through reference to current market rates. The Authority is applying hedge accounting to these derivative instruments and as such the change in the fair value is recorded through other comprehensive income for the effective portion of the hedge. Any ineffectiveness is recorded directly to net income.

Financing costs are included in the related long-term debt balances and recognized as an adjustment to interest expense over the life of the related long-term debt. The effective interest method is used to recognize interest expense.

(h) Direct financing lease:

Finance income related to the direct financing lease is recognized in a manner that produces a constant rate of return on the investment in the lease. The investment in the lease for purposes of income recognition is composed of net minimum lease payments and unearned finance income.

(i) Other assets:

Other assets consist of investments in real property development projects, franchise fees and start-up costs, as well as revenue contracts purchased and are stated at cost less accumulated amortization. Amortization of the real property development projects will begin once occupancy is achieved. Amortization of retail operations assets began upon commencement of operations and is provided on a straight-line basis over ten years for franchise fees and over four years for start-up costs. Amortization of revenue contracts purchased is provided on a straight-line basis over the term of the contracts.

(j) Income taxes:

The Authority is exempt from income taxes under Government of Canada legislation. The subsidiaries are taxable corporations and follow the asset and liability method of accounting for income taxes. Under this method, future tax assets and liabilities are recognized based on expected future tax consequences of differences between the carrying amount of the balance sheet items and their corresponding tax basis, using the substantively enacted income tax rates for the years in which the differences are expected to reverse. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment.

(k) Comprehensive income:

Comprehensive income is defined as the change in equity from transaction and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income that are excluded from net income calculated in accordance with generally accepted accounting principles.

(l) Significant accounting judgments, estimates and assumptions:

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant areas requiring the use of management estimates relate to the determination of net recoverable value of property, plant and equipment, useful lives for amortization, provision for contingencies and actuarial assumptions. Actual results could differ from those estimates.

(m) Future changes in accounting policies:

In February 2008, the Canadian Accounting Standards Board (AcSB) confirmed that publicly accountable enterprises will be required to adopt International Financial Reporting Standards (IFRS). IFRS will replace Canadian GAAP for those enterprises. The Authority will adopt IFRS commencing January 1, 2011 including the reporting of one year of comparative figures. The Authority is currently in the process of evaluating the impacts and implications of its conversion to IFRS.

In January 2009, the Canadian Institute of Chartered Accountants (CICA) issued new accounting standards on Business Combinations, Consolidated Financial Statements and Non-controlling Interests. The Business Combinations standard provides clarification as to what an acquirer must measure when it obtains control of a business, the basis of valuation and the date at which the valuation should be determined. Most acquisition-related costs must be accounted for as expenses in the periods they are incurred. This new standard will be applicable January 1, 2011 although adoption in 2010 is permitted to facilitate the transition to International Financial Reporting Standards in 2011. The Consolidated Financial Statements standard establishes guidance for preparing consolidated financial statements after the acquisition date. The Non-controlling Interests standard provides guidance on the accounting and presentation of Non-controlling Interest. These new standards must be adopted concurrently.

2. Accounts receivable:

(In thousands of dollars)		2009		2008
Trade accounts receivable	$	6,833	$	6,641
Less: allowance for doubtful accounts		(175)		(131)
Trade accounts receivable, net		6,658		6,510
Other receivables		1,940		3,618
Total accounts receivable	$	8,598	$	10,128

As of December 31, 2009, accounts receivable of $850 (2008 - $71) were considered past due but not considered impaired. These amounts relate to a number of customers with no recent history of default. The aging of these receivables past due is as follows:

(In thousands of dollars)		2009		2008
1 - 120 days	$	5,808	$	6,439
121+ days		850		71
Total balance	$	6,658	$	6,510

Changes in the allowance for doubtful accounts are as follows:

(In thousands of dollars)		2009		2008
Balance, beginning of year	$	131	$	147
Provision for new doubtful accounts		44		7
Amounts written off during the year		–		(16)
Amounts recovered during the year		–		(7)
Balance, end of year	$	175	$	131

3. Property, plant and equipment:

	Vehicles Machinery and Equipment	Airfield Infrastructure	Structures	Leasehold improvements	Construction in progress	2009 Total
Gross value						
Balance, January 1, 2009	$ 15,038	$ 41,070	$ 52,337	$ 26,149	$ 309,009	$ **443,603**
Additions	692	15	–	–	128,784	**129,491**
Capitalized interest	–	–	–	–	13,448	**13,448**
Transfers	1,327	767	–	611	(2,705)	**–**
Disposals	(25)	–	–	–	–	(25)
Other	–	(42)	(47)	–	–	**(89)**
At December 31, 2009	$ 17,032	$ 41,810	$ 52,290	$ 26,760	$ 448,536	$ **586,428**
Accumulated amortization						
Balance, January 1, 2009	$ 7,216	$ 8,905	$ 3,526	$ 16,967	$ –	$ **36,614**
Amortization	999	1,522	1,352	2,072	–	**5,945**
Disposals	(5)	–	–	–	–	**(5)**
Other	–	–	–	–	–	**–**
At December 31, 2009	$ 8,210	$ 10,427	$ 4,878	$ 19,039	$ –	$ **42,554**
Net value at						
December 31, 2009	$ 8,822	$ 31,383	$ 47,412	$ 7,721	$ 448,536	$ **543,874**

	Vehicles Machinery and Equipment	Airfield Infrastructure	Structures	Leasehold improvements	Construction in progress	2008 Total
Gross value						
Balance, January 1, 2008	$ 13,382	$ 40,862	$ 43,239	$ 25,394	$ 179,390	$ **302,267**
Additions	1,673	208	65	755	129,713	**132,414**
Capitalized interest	–	–	–	–	8,939	**8,939**
Transfers	–	–	9,033	–	(9,033)	**–**
Disposals	(17)	–	–	–	–	**(17)**
At December 31, 2008	$ 15,038	$ 41,070	$ 52,337	$ 26,149	$ 309,009	$ **443,603**
Accumulated amortization						
Balance, January 1, 2008	$ 6,226	$ 7,339	$ 2,197	$ 13,958	$ –	$ **29,720**
Amortization	990	1,566	1,329	3,009	–	**6,894**
Disposals	–	–	–	–	–	**–**
At December 31, 2008	$ 7,216	$ 8,905	$ 3,526	$ 16,967	$ –	$ **36,614**
Net value at						
December 31, 2008	$ 7,822	$ 32,165	$ 48,811	$ 9,182	$ 309,009	$ **406,989**

4. Investments:

(In thousands of dollars)		2009		2008
Revenue bond proceeds	$	174,093	$	22,835
Restricted investments held in trust for debt service reserve [note 9(a)]		15,584		6,601
	$	189,677	$	29,436

Investments are held in short term notes and other debt instruments with a maturity of less than one year, with interest rates ranging from 0.5 percent to 1.5 percent (2008 - 1.5 percent to 3.6 percent).

5. Direct financing lease:

The Authority's net investment in the direct financing lease is:

(In thousands of dollars)		2009		2008
Total minimum lease payments receivable	$	25,346	$	–
Unearned income		18,184		–
		7,162		–
Current portion		31		–
	$	7,131	$	–

6. Airport improvement fees:

The Authority charges Airport Improvement Fees (AIF) on the basis of $20 per local boarded passenger through an agreement with the Air Transport Association of Canada and major air carriers serving the Airport. AIF revenue is collected by the airlines for the benefit of the Authority and is recorded net of a 6 percent handling fee. AIF revenues can only be used to pay for airport infrastructure development and related financing costs as jointly agreed with air carriers operating at the airport.

7. Credit facilities:

The Authority has authorized credit facilities with three Canadian banks. Under these credit facilities the Authority is provided with a revolving operating facility in the amount of $20.5 million plus a revolving term credit facility in the amount of $200 million for the financing of construction costs related to the Authority's capital investment plan. These facilities are secured under the Master Trust Indenture [note 9(a)]. They are available by way of overdraft, prime rate loans, or bankers' acceptances. As at December 31, 2009, the Authority has not drawn on these facilities.

8. Cash flow hedges:

In 2005, the Authority entered into forward swap derivative contracts in the notional amount of $200 million, with expiry dates in January 2040, to fix the benchmark interest rate on 2009 planned bond issues. In May 2008, the Authority revised its hedge program to increase the total notional amount to $275 million. On November 20, 2009, the hedge contracts were settled for $48 million upon issuance of revenue bonds Series C and D (note 9). During the year, ineffectiveness on the hedge program totaled $1,419,000 (2008 - $4,155,000) and was recorded as a loss on cash flow hedges in the statement of operations.

The estimated amount of losses reported in accumulated other comprehensive income which are expected to be reclassified to net income in the next fiscal year is $2,289,000 (2008 - $227,000).

9. Long-term debt:

(In thousands of dollars)	2009	2008
Revenue bonds series A, 5.205%, face value $250,000, net of financing costs of $2,722 (2008 - $2,812), due September 28, 2040, interest payable semi-annually on March 28 and September 28 of each year until maturity, semi-annual blended principal and interest payments of $8,221 commence September 28, 2010	$ 247,278	$ 247,188
Revenue bonds series C, 4.569%, face value $125,000, net of financing costs of $1,120, due November 20, 2019, interest payable semi-annually on May 20 and November 20 of each year until maturity	123,880	–
Revenue bonds series D, 6.102%, face value $175,000, net of financing costs of $1,843, due November 20, 2040, interest payable semi-annually on May 20 and November 20 of each year until maturity, semi-annual blended principal and interest payments of $6,393 commence November 20, 2011	173,157	–
Manitoba Industrial Opportunity Program loan	10,595	7,518
Capital lease obligation	663	892
Deferred lease payments	457	534
Notes payable	350	450
	556,380	256,582
Current portion	1,876	315
	$ 554,504	$ 256,267

(a) **Revenue bonds:**

The revenue bonds are direct obligations of the Authority ranking pari passu with all other indebtedness issued under a Master Trust Indenture (MTI). All indebtedness, including indebtedness under bank credit facilities are secured under the MTI by assignment of revenue and related accounts receivable, a security interest in money in the investment of debt service reserve and certain accounts of the Authority, and an unregistered mortgage of the Authority's leasehold interest in the Airport.

Pursuant to the terms of the MTI, the Authority is required to establish and maintain with a trustee a debt service reserve with a balance at least equal to 50 percent of annual debt service costs. These trust funds are held for the benefit of the bond holders for use and application in accordance with the terms of the MTI. In addition the Authority is required to maintain an operating and maintenance reserve of approximately $5.8 million. The operating and maintenance reserve may be satisfied by cash, letter of credit or the availability under a committed credit facility.

(b) **Capital lease obligation:**

The Authority leases certain equipment with an effective interest rate of 6.2 percent over a five year term ending in 2012.

(c) **Deferred lease payments:**

In accordance with an amendment to the Ground Lease Agreement (note 10), the Government of Canada has deferred lease payments of $762,000. These deferred lease payments are repayable without interest on a straight line basis over a ten year period ending January 1, 2015.

(d) **Notes payable:**

Notes payable are unsecured, bear interest at 7 percent and are repayable in annual installments of $100,000 over five years.

(e) **Manitoba Industrial Opportunity Program (MIOP) loan:**

The MIOP loan is unsecured, and repayable to the Province of Manitoba in equal monthly installments over 32 years, beginning on February 1, 2011 at 5.875 percent interest based on the principal outstanding on that date.

(f) The future annual principal payments of long-term debt are as follows:

(In thousands of dollars)	
2010	$ 1,876
2011	5,877
2012	6,093
2013	6,219
2014	6,523
Total thereafter	529,792

(g) Interest expense (income):

(In thousands of dollars)	2009	2008
Revenue bonds interest	$ 14,857	$ 13,013
Other interest and financing costs	83	962
Interest income	(337)	(4,156)
	14,603	9,819
Less capitalized interest	13,448	8,939
	$ 1,155	$ 880

10. Commitments:

(a) Ground Lease Agreement:

Effective December 31, 1996 the Authority signed the Ground Lease Agreement (the Agreement) with the Government of Canada (the Landlord) which provides that the Authority will lease the Airport facilities for an initial term of 60 years. A twenty year renewal option may be exercised. At the end of the renewal term, unless otherwise extended, the Authority is obligated to return control of the Airport to the Landlord.

The operating lease for the Airport requires the Authority to calculate rent payable to the Landlord utilizing a formula reflecting annual airport revenues.

The estimated lease obligations for the next five years are approximately as follows:

(In thousands of dollars)	
2010	$ 5,292
2011	5,590
2012	5,714
2013	5,841
2014	5,969

(b) Development:

At December 31, 2009, the Authority had outstanding contractual construction commitments amounting to approximately $154.3 million (2008 - $215.4 million). It is estimated that additional construction commitments will be contracted during 2010 of approximately $5 million.

11. Contingent liabilities:

(a) There are claims which the Authority is involved with, arising out of the ordinary course of business operations. The Authority does not consider the exposure to such litigation to be material, although this cannot be predicted with certainty.

There are also claims and disputes which the Authority is involved with, arising from the construction of the new air terminal building, the potential impact of which could be material. As the likelihood of a liability, if any, resulting from these matters is not determinable, no accrual has been made in these financial statements.

(b) At December 31, 2009, a subsidiary of the Authority has a letter of credit outstanding in the amount of $60,400 in connection with a service agreement.

12. Employee future benefits:

(a) Pension plans:

Information for the defined benefit pension plans, based on the latest actuarial reports, measured as of December 31 is as follows:

(In thousands of dollars)		2009		2008
Fair value of plan assets	$	32,809	$	25,931
Accrued benefit obligation		31,830		26,108
Funded status - plan surplus (deficit)		979		(177)
Unamortized net actuarial loss		8,528		7,151
Unamortized past service cost		105		104
Unamortized transitional obligation		98		96
Accrued pension asset	$	9,710	$	7,174

The significant weighted average assumptions used are as follows:

	2009	2008
Accrued benefit obligation:		
Discount rate	6.5%	7.5%
Long-term average rate of compensation increase	3.5%	3.5%
Benefit costs:		
Discount rate	7.5%	5.5%
Expected long-term rate of return on plan assets	7.0%	7.0%
Long-term average rate of compensation increase	3.5%	3.5%

Other information about the Authority's defined benefit plans is as follows:

(In thousands of dollars)		2009		2008
Employer contributions	$	3,846	$	1,429
Employee contributions		322		322
Benefits paid		1,580		1,270
Pension expense		1,165		1,366

The plan assets consist of the following asset mix:

	2009	2008
Equity funds	62%	59%
Debt and mortgage funds	34%	36%
Real estate funds	4%	5%

The effective date of the most recent actuarial valuation for funding purposes was December 31, 2008 and the next required valuation will be as of December 31, 2009.

(b) Post employment benefits:

Information for the post employment benefits (separation, health care and insurance benefits), based on the latest actuarial reports, measured as of December 31 is as follows:

(In thousands of dollars)		2009		2008
Accrued benefit obligation	$	**4,315**	$	3,460
Unamortized net actuarial gain (loss)		**(413)**		110
Unamortized past service cost		**542**		598
Unamortized transition asset		**(57)**		(71)
Accrued benefit liability	$	**4,387**	$	4,097

Other information about the Authority's post employment benefits (health care and insurance benefits) is as follows:

(In thousands of dollars)		2009		2008
Benefits expense	$	**124**	$	665
Benefits paid		**(124)**		(118)

The significant weighted average assumptions used are as follows:

	2009	2008
Accrued benefit obligation:		
Discount rate	**6.5%**	7.5%
Long-term average rate of benefit cost increases:		
Initial trend rate	**13.0%**	14.0%
Annual decrease	**1.0%**	1.0%
Ultimate trend rate	**3.0%**	3.0%
Year of ultimate trend rate	**2018**	2018
Benefit costs:		
Discount rate	**7.5%**	5.5%

13. Financial instruments:

Fair value:

The fair value of cash, accounts receivable, bank indebtedness, accounts payable and accrued liabilities approximates their carrying value due to their relatively short term to maturity. The fair value of other financial instruments is as follows:

(In thousands of dollars)		2009		2008
Direct finance lease	$	**7,166**	$	–
Revenue bonds series A		**229,117**		196,900
Revenue bonds series C		**123,374**		–
Revenue bonds series D		**173,787**		–
MIOP loan		**10,595**		7,518
Capital lease		**794**		1,000
Notes payable		**318**		469

The fair value of direct financing lease, revenue bonds, MIOP loan, capital lease obligation and notes payable is determined through current market rate yield calculations.

Risk management:

The Authority is exposed to a number of risks as a result of the financial instruments on its balance sheet that can affect its operating performance. These risks include liquidity risk, credit risk, interest rate risk and concentration risk. The Authority's financial instruments are not subject to foreign exchange risk or other price risk.

Liquidity risk:

The Authority manages its liquidity risks by maintaining adequate cash and credit facilities, by updating and reviewing multi-year cash flow projections on a regular and as-needed basis, and by matching its long-term financing arrangements with its cash flow needs. In view of its credit ratings (Moody's: A1 and Standard & Poors: A Stable), the Authority has ready access to sufficient long-term funds as well as committed lines of credit through credit facilities with three Canadian banks. The future annual principal payment requirements of the Authority's obligations under its long-term debt are described in note 9(f).

Credit and concentration risks:

The Authority is subject to credit risk through its accounts receivable and investments.

The Authority performs ongoing credit valuations of these accounts receivable balances and maintains valuation allowances for potential credit loss. The investments are limited to short term debt instruments with high quality credit ratings in order to minimize credit exposure.

The Authority derives a substantial portion of its revenues from air carriers through landing fees and terminal charges and through the airlines' collection of airport improvement fees on its behalf. The Authority's right under the Airport Transfer (Miscellaneous Matters) Act to seize and detain aircraft until outstanding aeronautical fees are paid mitigates the risk of credit losses.

Passenger activity at the airport is approximately 90 percent origin and destination traffic, and although there is concentration of service with three air carriers, the Authority believes that any change in the airline industry will not have a significant impact on revenues or operations. In addition, the Authority's unfettered ability to increase its rates and charges mitigates the impact of these risks.

The credit quality of financial assets can be assessed by reference to external credit ratings (if available) or to historical information about the customer:

(In thousands of dollars)		2009		2008
Trade accounts receivable (in thousands of dollars):				
Customers with external credit rating:				
AAA	$	**222**	$	1,122
BBB		**98**		23
B		**408**		–
B-		**–**		1,905
CCC+		**1,462**		–
		2,190		3,050
Customers without external credit ratings:		**4,468**		3,460
Total	$	**6,658**	$	6,510
Existing customers with no history of default	$	**5,196**	$	5,006
Investment ratings (in thousands of dollars):				
A-1+	$	**131,583**	$	15,564
A-1		**42,489**		7,248
Cash		**21**		23
	$	**174,093**	$	22,835

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The following financial instruments are subject to interest rate risk as at December 31:

(In thousands of dollars)		2009		2008
	Carrying value	Effective year end interest rate	Carrying value	Effective year end interest rate
Cash and investments	$ 174,093	0.32%	$ 22,835	2.03%
Debt service reserve fund	15,584	0.39%	6,601	2.86%

The Authority has entered into fixed rate long-term debt, and accordingly, the impact of interest rate fluctuations has no effect on interest payments. However, changes in prevailing benchmark interest rates and credit spreads may impact the fair value of this debt.

The Authority's cash and short-term investments, and its debt service reserve fund are subject to floating interest rates. Management has oversight over interest rates that apply to its cash and short-term investments, and its debt service reserve fund. These funds are invested from time to time in short term bankers' acceptances permitted by the Master Trust Indenture, while maintaining liquidity for purposes of investing in the Authority's capital programs.

If interest rates had been 50 basis points (0.50 percent) higher/lower and all other variables were held constant, including timing of expenditures related to the Authority's capital expenditure programs, the Authority's earnings for the year would have increased/decreased by $142,000 as a result of the Authority's exposure to interest rates on its floating rate assets.

14. Capital management:

The Authority is incorporated without share capital under Part II of the Canada Corporations Act and, as such, net income is retained and reinvested in airport operations and development. Accordingly, the Authority's only sources of capital for investing in airport operations and development are bank debt, long-term debt and accumulated earnings included on the Authority's balance sheet as Retained Earnings. The Authority incurs debt, including bank debt and long-term debt, to fund development. It does so on the basis of what it considers affordable based on revenues from airport improvement fees (AIF) and in order to maintain a minimum debt service coverage ratio. This provides for a self-imposed limit on what the Authority can spend on major development of the airport, such as the Airport Site Redevelopment Program.

The Authority manages its rates for aeronautical and other fees to safeguard the Authority's ability to continue as a going concern and to maintain a conservative capital structure. It makes adjustments to these rates in light of changes in economic conditions and events, and to maintain sufficient net income to meet ongoing debt coverage requirements. The Authority is not subject to capital requirements imposed by a regulator.

15. Subsequent event:

Subsequent to year end, the Authority entered into negotiations to sell the shares of one of its wholly-owned subsidiaries for non-cash consideration. The expected close date of the transaction is March 25, 2010.

16. Comparative figures:

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.

2010 Annual General Meeting

Winnipeg Airports Authority's Annual General Meeting will be held at 1:30 pm on Wednesday, May 5, 2010 at the Delta Hotel, Winnipeg, Manitoba. We invite the community to attend and meet the Officers and Directors of the company.

Disclosure of Corporate Governance Systems

Governance Principles

The Board recognizes that it has stewardship responsibility of a valuable community resource. This has resulted in a governance system that rests on the following four principles:

1. Accountability
2. Clear delineation of responsibilities between the Board and Management
3. The full Board, not Board committees, is involved in decision making
4. Transparency

Board Committees

The Board has organized its affairs around three standing committees – Governance, Audit and AIRplan. They are complemented by the use of Task Forces on an as required basis to deal with particular matters. The full Board meets on a regular basis (at least six meetings annually).

The mandate of the Governance Committee is to assist the Board in effectively meeting its responsibilities.

The Audit Committee attends to matters that are financial and/or risk related.

The purpose of the AIRplan Committee is to provide guidance on the Airport Infrastructure Redevelopment Plan (AIRplan) on behalf of the Board. Board members are rotated through the standing committees and/or may serve on one or more Task Forces. All Task Forces have a sunset provision.

Public Accountability Principles

Incorporated into the By-laws of Winnipeg Airports Authority is a set of accountability principles that were accepted by the Board as part of the airport transfer conditions. Following is a summary of these principles.

Board Composition and Director Requirements

The Board is comprised of 15 members of which 11 are nominated by seven different public and private sector agencies:

City of Winnipeg (3)

The Assiniboia Chamber of Commerce (1)

Province of Manitoba (1)

R.M. of Rosser (1)

Government of Canada (2)

Destination Winnipeg (1)

Winnipeg Chamber of Commerce (2)

A maximum of four members may be nominated by the Board of Directors.

The Board cannot consist of fewer than seven or more than 15 members at any time.

The qualification and eligibility requirements of Board members prescribe that a Director may serve for a term not exceeding three years and that no more than three terms (or nine years) may be served. Directors can be neither elected to nor employed by any level of government. The Chairperson cannot be an elected official or government employee at any time during the two years prior to the appointment as Chairperson.

Community Consultative Committee

Winnipeg Airports Authority complies with its Ground Lease requirement to establish a Community Consultative Committee (CCC) to provide for effective dialogue and dissemination of information on various matters, including airport planning, operational aspects of the airport and municipal concerns. The CCC meets no less than twice each Lease Year, and is comprised of members who are generally representative of the community, including persons representing the interests of consumers, the traveling public and organized labour, aviation industry representatives and appropriate provincial and municipal government representatives.

Corporate Reporting & Disclosure Requirements

- Winnipeg Airports Authority has adopted a Code of Conduct and monitors its compliance to the ethical business practices outlined therein. Winnipeg Airports Authority confirms that it has complied with this Code of Conduct.
- Winnipeg Airports Authority discloses non-arm's length transactions.
- Any nominating entity may cause a meeting to be held on matters of public interest concerning the business of Winnipeg Airports Authority.
- Directors make a general report annually to their respective Nominator and the Board reports collectively to all Nominators.
- As a general practice, Winnipeg Airports Authority optimizes the use of Canadian resources and supplies and employs a competitive public tendering process for contracts in excess of $75,000 (1994 dollars).
- In the event Winnipeg Airports Authority increases airport user charges it provides 60 days advance public notice.
- Full audits in accordance with generally accepted auditing standards are conducted and Transport Canada has the right at any time to cause a complete audit to be conducted.
- Winnipeg Airports Authority publishes its Annual Report and includes specific performance comparisons and discloses the remuneration paid to Board members and to its senior officers. The Annual Report is distributed in advance of the Annual General Meeting to all Nominators and the Minister of Transportation.
- At least once every five years Winnipeg Airports Authority conducts a comprehensive independent review of Winnipeg Airports Authority's management operation and financial performance by a qualified independent person. The report is distributed on a timely basis to the Minister of Transportation and to each Nominator and is available to the public on request.
- Winnipeg Airports Authority provides for public access: its Airport Master Plan, its five-year business plan, its past five-year annual financial statements and business plans, its incorporation documents, and all signed airport transfer agreements.

Specific TSX Corporate Governance Criteria Disclosure

Winnipeg Airports Authority Governance Systems are fully aligned with the TSX Corporate Governance Guidelines.

Winnipeg Airports Authority Inc. Board of Directors 2009

Appointed by the City of Winnipeg

Arthur Mauro, Chair

Dr. Glenn Feltham,
Dean, I.H. Asper School of Business

Kerry Hawkins, Corporate Director

Appointed by The Assiniboia Chamber of Commerce

Warren Thompson,
President, Prairie Edge Management

Appointed by Destination Winnipeg

Doug Harvey, Vice Chair,
President and GM, Maxim Truck and Trailer

Appointed by the Government of Canada

Geoffrey Elliot,
Retired Former Diplomat and Corporate Executive

Shirley Render, Executive Director,
Western Canada Aviation Museum

Appointed by the Province of Manitoba

Eugene Kostyra, Corporate Director

Appointed by the Rural Municipality of Rosser

Carl Havixbeck, Farmer

Appointed by the Winnipeg Chamber of Commerce

Doneta Brotchie,
President, FUNdamentals Creative Ventures

Tom Bryk, FCA, President and CEO,
Cambrian Credit Union

Appointed by the Winnipeg Airports Authority Board

Jim Carr, President and CEO,
Business Council of Manitoba

David Friesen, Chairman, Friesens Corporation

Garth Smorang, Lawyer, Myers Weinberg

Janice Filmon, Corporate Director

2009 Board Committees

Audit

Tom Bryk (Chair)	Doneta Brotchie
Glenn Feltham	Eugene Kostyra
Shirley Render	Warren Thompson

Governance

Geoffrey Elliot (Chair)	Jim Carr
David Friesen	Doug Harvey
Arthur Mauro	Garth Smorang
Warren Thompson	

AIRplan

Doug Harvey (Chair)	Geoffrey Elliot
Janice Filmon	David Friesen
Carl Havixbeck	Kerry Hawkins
Arthur Mauro	

Board of Directors Compensation for 2009

Arthur Mauro	$ 41,000
Doneta Brotchie	19,150
Tom Bryk	26,150
Jim Carr	16,000
Elaine Cowan	833
Geoffrey Elliot	24,600
Glenn Feltham	19,150
Janice Filmon	19,000
David Friesen	17,800
Doug Harvey	23,400
Carl Havixbeck	19,000
Kerry Hawkins	15,550
Eugene Kostyra	15,692
Shirley Render	19,150
Garth Smorang	16,600
Warren Thompson	19,600
Total	$ 312,675

Executive Officers 2009

Barry Rempel,
President and Chief Executive Officer

Catherine Kloepfer,
Senior VP Corporate Services and Chief Financial Officer

Michael Rodyniuk,
Senior VP and Airport Chief Operating Officer

Executive Officers 2009 – Salaries

The salary range for the President of the Authority is $225,000 to $250,000.

The salary range for the Senior Vice Presidents is $150,000 to $180,000.

Public Competitive Tendering

Winnipeg Airports Authority Inc., under the terms of its lease agreement with the Government of Canada, reports all contracts in excess of $120,000 ($75,000 in 1994 dollars) entered into during the year that were not awarded on the basis of a public, competitive, tendering process. In 2009, Winnipeg Airports Authority Inc. entered into the following contract as described for the reasons indicated in the following table.

Sole Source Contracts over $120,000

Vendor name	Description	Value	Basis for Selection
And One	Airport Site Redevelopment	$313,000	B

Basis for Selection

A – Compatibility with existing products or services
B – Cost and/or time effectiveness benefits resulting from previous company or industry experience
C – Only supplier able to meet specific requirements
D – Extension of previously tendered contract or service

Community Consultative Committee and their Affiliations

Dave Angus – Winnipeg Chamber of Commerce
Hugh Eliasson – Province of Manitoba
Vic Gerden – Manitoba Aerospace Association
Marina James – Destination Winnipeg
Glen Laubenstein – City of Winnipeg
Hubert Mesman – Travel Manitoba
Robert Ziegler – United Food & Commercial Workers

Corporate Information

Auditors: KPMG LLP

Lead Bank: Canadian Imperial Bank of Commerce

Legal Counsel: Aikins, MacAulay & Thorvaldson and Duboff Edwards Haight & Schachter

Winnipeg James Armstrong Richardson International Airport Services

Operating as of December 31, 2009

Passenger Carriers

(serving Main Terminal Building)
Air Canada
Air Canada Jazz
Bearskin Airlines
Calm Air
Delta Air Lines operating as Northwest Airlines
First Air
Mesaba Aviation operating as Northwest Airlink
Pinnacle Airlines operating as Northwest Airlink
Skyservice
Sunwing
Skywest operating as United Express
Wasaya Airways
WestJet

Passenger Carriers

(Other)
Air Nunavut
Canadian North
Execaire
Fast Air
Flair Air
Keystone Air Service
Kivalliq Air (a division of Keewatin Air)
Missinippi Airways
Nolinor
Northway Aviation
Perimeter Aviation
Skynorth Air
Sunwest Aviation
Thunder Airlines
Voyageur Airways
West Wind Aviation

Air Cargo Carriers

(Scheduled)
Cargojet
DHL (operated by Ameriflight)
FedEx
Morningstar Air Express
Perimeter Aviation
Purolator (operated by Kelowna Flightcraft)
Transwest Air
UPS

Air Cargo Carriers

(Non-scheduled)
Antonov Design Bureau
Korean Air Cargo
LAN Cargo
Southern Air Transport

Restaurants/Bars

The Exchange Brew Works & Eatery
Express Deli
Four Points Sheraton Hotel: Restaurant and Local Heroes Sports Bar
Harvey's Swiss Chalet Chicken
Second Cup
Tim Hortons
Toast! Café and Bar

Retailers

$15 Boutique
Aer Rianta (Duty Free)
Bothwell Cheese Store
Front Page Sports
Hilary Druxman
Inter-City Leisure
Journeys Travel & Leisure
Relay (Newsstand)/ Canadian Scene
Showcase Manitoba
The UPS Store
Travelex Canada
Virgin Books and Music

Hotel

Four Points by Sheraton

Car Rentals

Avis Rent A Car
Budget Rent A Car
Enterprise Rent-A-Car
Hertz Rent A Car
National Car Rental

WINNIPEG
AIRPORTS AUTHORITY

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