WINNIPEG
AIRPORTS AUTHORITY

Leading
Transportation
Innovation & Growth

2011 ANNUAL REPORT

Our Strategic Directions

Enhance customer service and value

We will understand our customer needs and assure value through measurements 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

To improve Manitoba's link to the world, we will build on our 24 hour access and our intermodal connectivity.

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 streams.

Gerry Kopelow

Our Vision

To lead transportation innovation and growth

Our Mission

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

Our Values

Respect | Integrity | Service | Excellence

A Message from the Board Chair

Mr. Thomas Bryk, Board Chair

In drawing to the end of my first year as Chair, I reflect upon your airport authority's accomplishments for 2011; the most notable being the successful opening of our community's new air terminal on October 30. This modern and efficient infrastructure ushers in a new era for air travel to and from our region.

The opening of the facility marked the culmination of years of research, planning and development. I extend my sincere thanks to the Board for their strategic advice and support, the executive team for their leadership, the dedicated staff for their hard work and all airport stakeholders in fulfilling the mission to provide excellent airport services and facilities in a fiscally prudent manner.

When looking around the Board table, I realize how fortunate we have been to have such capable and committed individuals serving our community and the corporation. The results bear witness to their ability to govern with integrity the management of the Winnipeg Airports Authority and its affiliated subsidiaries in the best interest of the community.

During this year, three members concluded their terms: Jim Carr, Geoff Elliott and Warren Thompson. Committed to our collective success, they have provided some 28 years of service. We thank them for their contributions to the important work of the Board.

Joining us this year are City of Winnipeg nominee Greg Doyle, Assiniboia Chamber of Commerce nominee Gerry Glatz and Government of Canada nominee Ross Robinson. We welcome these new members and look forward to their contributions.

Continuing to serve on the Board are Doneta Brotchie, Janice Filmon, David Friesen, Kerry Hawkins, Eugene Kostyra, Tom Payne Jr., Shirley Render, H. Sanford Riley, Paul Soubry, and Garth Smorang.

The airport campus continues to grow as more businesses understand the vision of Winnipeg as an Airport City and join with us in benefiting from our strategic location within minutes of our city's transportation corridor, providing connectivity to the world for trade, tourism and commerce. The Winnipeg James Armstrong Richardson International Airport is truly an engine of the regional economy – generating employment in sectors such as air services, facilities, hospitality, manufacturing, ground transportation and construction. The economic health and viability of our region is directly linked to the strength of our community's airport.

The Board will continue to champion initiatives that drive economic prosperity, connectivity and cement our community as a leader in transportation innovation and growth.

A Message from the President & CEO

Mr. Barry Rempel, President & CEO

Winnipeg Airports Authority (WAA) assumed operation of our community's airport in 1997, making a commitment to Manitobans to provide excellent, commercially viable airport services and facilities. 2011 marked our fifteenth year of operation and was particularly memorable as Winnipeg is now home to a new, state-of-the-art, environmentally friendly air terminal.

With this new "front door" to our community open we look beyond the physical structure and recall a quote by Calvin Coolidge …"No enterprise can exist for itself alone. It ministers to some great need, it performs some great service, not for itself for but others; or failing therein it ceases to exist."

This quote clearly articulates the responsibility we have as an enterprise in looking beyond ourselves to what the facilities enable and it begins with serving others. That message can be found within WAA's corporate mission and values; a commitment to serving the community, stakeholders and employees. Moving forward with those thoughts and our vision of leading transportation innovation and growth, the WAA is a proud participant in working with the community towards a future that includes growth and opportunity at and around the airport.

Our focus is on building for the future. We have indeed built new facilities, concrete and steel, but structures themselves are not the end goal. They are but one of the tools through which we generate economic opportunity and serve the needs of stakeholders.

Ultimately our goal is in working with partners to have Winnipeg recognized as an Airport City; connecting development planning between the City and the airport in a way that leverages our assets to create linked corridors of economic activity for that future growth. It is about connectivity and ensuring the efficient movement of people and goods in a manner conducive to growth in a global environment. Around the world, airports are becoming new dynamic centres of economic activity. They have incorporated commercial services and businesses, inside the terminals and adjacent lands.

In this process, they have taken on many features of metropolitan central business districts and established themselves as new nodes of regional development. As theorists talk of "airport corridors" or "aerotropoli", the airport city model is becoming the norm for strategic development of major hub airports in the 21st century.

Rather than looking only at what's inside the airport boundaries, it's important to collaborate

with stakeholders "outside the fence". In order for the airport and its host region to succeed, we need to have connectivity with all other modes of transportation and to plan collaboratively. Coordinated plans are required so roads, railways, and the airport, are working together to provide processes which enable/attract more business.

Continuing the collaborative processes which resulted in the development and delivery of today's airport services and facilities will ensure the success of an integrated planning approach benefitting our community.

This vision of an exciting future for the WAA was part of the development plans affirmed at our Board of Directors' planning session in June. I thank them for their direction and their genuine commitment to meeting the needs of all our stakeholders.

In closing the page on 2011, I would like to acknowledge our dedicated employees who went above in the process of activating our new facilities. A commemorative plaque hangs in the arrivals hall noting employee and Board of Directors names and serves as a proud reminder of the tremendous team effort with the opening of the new air terminal building.

As we look ahead to 2012, we will continue to work closely with stakeholders as we build on our strengths and promote the vision of Winnipeg as an Airport City.

Management's Responsibility for Financial Statements

Year ended December 31, 2011

The accompanying consolidated financial statements of Winnipeg Airports Authority Inc. have been prepared by management and approved by the Board of Directors and the Members of Winnipeg Airports Authority Inc.

Management is responsible for the preparation and representations contained in these financial statements and other sections of this Annual Report. The Board of Directors is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities. An Audit Committee comprised entirely of directors who are neither officers nor employees of the Company reviews the financial statements, the adequacy of internal controls, the audit process and financial reporting with management and the external auditors. The Audit Committee reports to the Board of Directors prior to the approval of the audited financial statements.

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.

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

March 21, 2012

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, 2011

Dated March 17, 2011

Introduction

The following is a discussion of the consolidated financial position and results of operations of Winnipeg Airports Authority Inc. (the "Company") for the years ended December 31, 2011 and 2010 ("MD&A"). 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 the Company moving forward. This MD&A should be read together with the consolidated financial statements and the notes thereto. The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

The Company 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. The Company is a non-share capital, community based corporation. The Company is responsible for financing its capital investments and net income is re-invested in airport infrastructure.

Key Performance Measures

Key performance measures used by management to monitor the performance of the Company include passenger volume, cargo tonnage landed, the landed weight of aircraft, the number of aircraft landings, car parking transactions, etc. In addition, the Company 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.

Forward–Looking Statements

The Company's MD&A may contain 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.

Operating Environment

Airport Terminal Opened on October 30, 2011

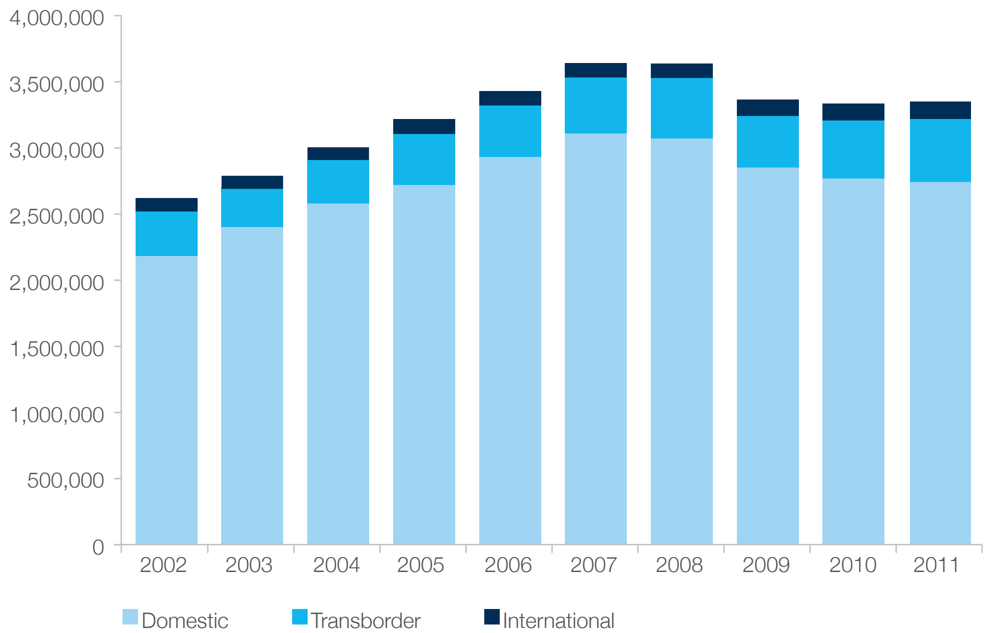
Winnipeg Airports Authority Inc. officially welcomed travellers through Canada's newest and greenest airport on October 30, 2011. Consultation was key throughout the entire project, and October 30th marked a significant milestone for all stakeholders. The new air terminal building has been specifically designed and constructed as a common use facility. This means manpower and capital investments previously incurred directly by each air carrier are now shared amongst all carriers in the building, with the Company providing these resources. The air terminal building is the culmination of a long-term Airport Site Redevelopment Program ("ASR") project which included new taxiways, aprons, roadways, a four storey parking garage and a retrofitted power plant.

Overall Operating Activity

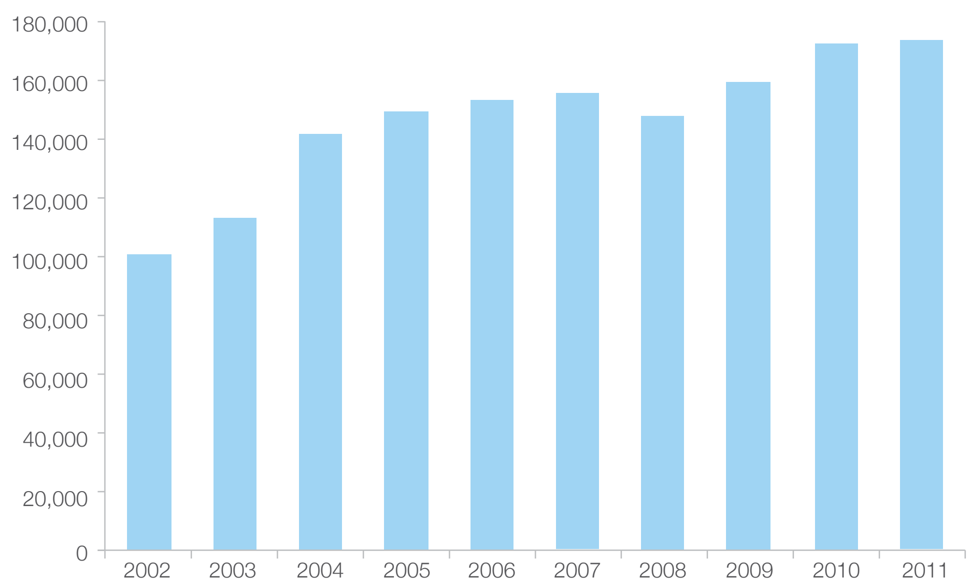
Passenger traffic in Winnipeg remained stable in 2011 at 3,389,237, a slight increase of 0.6% compared to 2010 levels. Overall seat capacity decreased by 2.1%, in large part due to the United States carriers' capacity reductions throughout their networks.

Cargo tonnage, measured as actual volume of freight moved, was up in 2011 and grew by approximately 0.8% from 2010 levels.

YWG Total Enplaned & Deplaned Passengers, by Sector (000's)



YWG Cargo Traffic Progression (Tonnes)



Total aircraft movements increased marginally in 2011 versus 2010. While cargo related movements increased by 1.9%, passenger aircraft movements were virtually the same as the prior year with a slight increase of 0.3%. Throughout the year, air carriers continued to focus on finding their ideal capacity level by using various aircraft gauge and frequency in an effort to optimize their operational performance in a high fuel cost environment.

Passenger Activity

The year was punctuated by several regional crises, including North Africa and Europe while in the meantime, the United States of America (US) began its slow recovery and signs are encouraging as demand for air travel remained robust. The high fuel prices have placed even more pressure on carriers to offset this cost. The carriers opted for capacity discipline in 2011 which led to fare increases along with capacity reductions. AMR Corp, the last US carrier to resist bankruptcy protection and its parent and affiliates, filed for Chapter 11 in November 2011. In the meantime, United and Continental completed their merger to form the world's largest carrier.

Canada was somewhat sheltered from the economic woes in Europe and the US and saw its overall traffic rise, as a result of a stronger economy nationwide. Major hub airports in Canada performed quite well.

In Winnipeg, the year started slowly but gained momentum half way through to finish with a slight increase in passenger traffic versus the year before. Winnipeg originating domestic travel was very robust which lifted the overall numbers. On the transborder front, the effect of the US carriers' capacity reduction and discipline triggered a decrease in available seats, thus a lower number of passengers for the year. On the international side, new capacity and destinations were added, as well as longer winter (Caribbean & Mexico) operations, which have led to an overall increase in volume.

Cargo Activity

Air cargo has been declining worldwide as China's economic growth slowed and combined with the ongoing European Union issues. As a result, air freight operators have seen demand decline and have tried to adjust their operations to minimize losses. This has driven some carriers to cease operations while others have delayed plans for expansion or fleet rejuvenation.

In Winnipeg, the airport is a hub for Canada's overnight cargo operators who have continued to perform well for the year, with a slight increase versus the prior year.

Results of Operations

Net Operating Results

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

(in thousands of Canadian dollars)	2011	2010
Revenue	$ 81,230	$ 79,727
Operating expenses	51,834	42,419
Income before the undernoted	29,396	37,308
Gain on sale of subsidiary	-	(1,499)
Equity investment income	(131)	(94)
Finance expense	11,605	5,487
Finance income	(28)	(24)
Income taxes of subsidiaries	13	710
Net income	17,937	32,728

Revenue

Total revenue increased to $81.2 million in 2011, compared to $79.7 million in 2010: an increase of $1.5 million or 2.0%. Revenues are derived from aeronautical charges (airfield fees and passenger processing 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: airfield landing fees are based on the Maximum Take-Off Weight and passenger processing charges are based on the number of passenger seats on each aircraft. The airport improvement fee is charged per originating enplaned passenger and a significant portion of non-aeronautical revenue is correlated to passenger activity.

Aeronautical revenue totalled $31.2 million in 2011, which represents an increase of $1.3 million or 5.0% over 2010. Airfield revenue increased by 1.0% overall in part due to rate adjustments. Passenger processing fees increased by 8% because rates were aligned with the new shared use facilities at the end of October 2011. The Company now provides additional passenger processing services to airline customers that were previously conducted by the airlines individually. This increased service level has directly impacted the passenger processing fees.

Concessions revenue grew in 2011 by 6% for a total of $2.3 million. Within this revenue category, concession revenues from restaurants and flight kitchens performed well with growth of 14% while retailers had less robust sales.

Groundside revenue of $11.8 million increased from $11.1 million in 2010, an increase of 6%. Car parking is the largest component in this revenue category with the 2011 revenue being $6.9 million – up 0.6% over 2010. The utilization of the four storey parking garage has improved with the number of long term parking transactions increasing.

Airport Improvement Fee ("AIF") revenue is consistent with 2010: a reflection of the stable passenger traffic. Airport Improvement Fees are $20 per enplaned passenger, less a 6% processing fee paid to the passenger airlines, and are directed to funding the Airport Site Redevelopment Program ("ASR").

Revenue from leasing was $5.7 million in 2011, an increase of $0.4 million over 2010's revenue of $5.4 million or 7%. In addition to some new land leases starting in 2011, such as infield developments, market value adjustments to existing land leases positively impacted overall real estate revenue.

Other revenue decreased by $0.7 million compared to 2010. This reduction is a result of the sale of a wholly owned subsidiary, Avion Services Corp. ("Avion"), on March 1, 2010 and the resulting reduction in consolidated sales to third parties.

Operating Expenses

Total operating expenses increased by $9.4 million compared to 2010, or 22.0%, for a total of $51.8 million. Operating expenses are comprised of the costs to operate and maintain the Airport including depreciation of property and equipment.

Salaries and benefits are the largest component of operating expenses totalling $14.0 million in 2011: an increase of $0.3 million or 2% compared to 2010. Collective agreements with the Company's workforce contain provisions for wage increases ranging from 3.0% to 3.5% annually. These agreements expire in 2012.

Costs incurred for services and repairs increased to $10.3 million, an increase of $1.3 million over 2010. The primary driver of this cost increase for the Company relates to the sale of its wholly owned subsidiary, Avion Services Corp. mid 2010. The costs incurred for security services are therefore no longer eliminated on consolidation thereby increasing this cost item for the Company.

Supplies and equipment costs in 2011 were in line with the prior year with an increase of $0.2 million. These expenses for fuel, runway chemicals and other supplies are tied to commodity prices and the volume of the usage depends primarily on weather.

Utilities expense includes natural gas, electricity and water consumption. During 2011 the favourable weather conditions allowed for less use of natural gas resulting in an overall decrease in utilities costs for 2011 of $0.1 million.

Insurance expense for airport operator's liability insurance, property insurance and other related policies has remained stable over the period with an overall slight increase from 2010 of $0.05 million.

Ground Lease payments are based on a percentage of revenue formula as established within the Ground Lease between Winnipeg Airports Authority Inc. and the Government of Canada. For 2011, this expense increased to $5.5 million compared to $5.3 million in 2010.

Property tax expense is consistent with 2010, with the 2011 expense being $1.7 million. 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.

Depreciation expense is the second largest expense and this increased by $7.4 million in 2011 to a total of $13.4 million. The main driver for this increase is the achievement of substantial performance and occupancy of the new air terminal building.

Finance expense

For 2011, interest was incurred on all three series of bonds. However, as the proceeds of these bonds were expended on the Airport Site Redevelopment, part of the associated interest cost was capitalized to the construction-in-progress. Once construction is completed, all interest is expensed. For 2011, net finance expense was $11.6 million compared to $5.5 million in 2010. The increase is due to the substantial performance and occupancy of the new air terminal building. Also included in finance expense is a standby fee for the $100 million line of credit which was not used at all throughout 2011.

Airport Site Redevelopment and Capital Programs

Airport Site Redevelopment Program expenditures in 2011 totalled $65.0 million (compared to $120.3 million in 2010).

The redevelopment program comprises several major component projects, including a four level parking garage, road works, apron and taxi-ways, an upgrade of the Central Utilities Building (CUB) and an Air Terminal Building (ATB). Construction was completed in 2011 with the opening of the 51,000 square metre ATB on October 30, 2011.

The Company has budgeted, has paid and will pay for agreed upon change orders to the program. As with any project of this nature, disputes that arise regarding the value of or liability for subsequent changes will be resolved through the arbitration process contained in the contracts. The Company is aware of several construction related claims. The program remains on budget and the Company is confident that it has secured sufficient financial resources to fulfill construction related obligations.

Other capital program expenditures in 2011 totalled $4.7 million compared to $3.7 million in 2010. These expenditures were primarily related to equipment acquisitions for both airside and groundside operations.

Assets and Liabilities

Assets

Current assets, excluding cash and cash equivalents, totalled $9.8 million compared to $8.7 million in 2010, an increase of $1.1 million. The increase is due to an increase in accounts receivable and inventory. With the new air terminal building equipment, additional inventory is required for the shared use systems (common use).

Restricted cash of $25.3 million (2010 - $32.8 million) has two components: construction holdback cash balances and the Master Trust Indenture reserve account of $17.5 million.

The net change of $56.4 million in property and equipment to a total of $716.7 million is an increase over the 2010 balance of $660.3 million. Of this increase, $65.0 million was incurred for the ASR project. As components of the ASR project were substantially completed they were transferred to the appropriate asset category. The remainder of the change in the balance is due to other property and equipment dispositions and depreciation.

Investments in SRG Security Resource Group Inc. value at December 31, 2011 is $2.2 million, an increase from the 2010 value of $2.1 million. The Company uses the equity basis of accounting for such investments in affiliates where it has significant influence.

Liabilities

Current liabilities have decreased to $29.7 million for 2011, compared to $41.3 million in the prior year. Because the ASR project was completed, there was a significant reduction in construction payables and holdback accounts, the largest component of the current liabilities.

The accrued pension liability totalled $5.3 million at the end of 2011 compared to $8.7 million in 2010. This represents a decrease of $3.4 million. The Company continues to make additional funding payments as a result of the pension plans' deficits.

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, 2011 has increased to $3.0 million from the 2010 balance of $2.6 million: an increase of $0.4 million.

The Company has three debt issues outstanding in the form of revenue bonds. The balance of these Revenue Bonds totals $537.4 million which has declined from the 2010 balance of $542.8 million. Principal repayments began in 2010 on Series A, and in 2011 on Series D. No principal payments are required on Series C until maturity in 2020.

5388946 Manitoba Ltd., a wholly owned subsidiary, entered into an agreement with the Province of Manitoba under the Manitoba Industrial Opportunity Program ("MIOP"), 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 2011, $18.1 million had been borrowed under this facility, an increase of $2.4 million over the 2010 balance of $15.7 million.

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 by $76,000 represents the current year's repayment.

Capital lease obligations have increased during 2011 with the addition of more airside equipment to the program. Total lease obligation is now $2.9 million compared to $0.4 million in 2010. The program includes emergency response vehicles and snow clearing equipment.

Cash Flows

Operating Activities

Cash flow generated from operations for the year was $19.7 million compared to $26.7 million in 2010. There are three key drivers of this figure: a decrease in non-cash working capital of $12.7 million, primarily due to decreases in accounts payable and accrued liabilities; the reduction in net income by $14.8 million compared to 2010; and the increase of $7.4 million in depreciation expense in 2011. All of these changes were anticipated with the opening of the new air terminal building in October of 2011.

Investing Activities

The net cash outflow on investing activities during 2011 was $64.6 million versus $134.3 million in 2010. The majority of this cash outflow was for additions to property and equipment as part of the ASR project of $65.0 million.

Financing Activities

The Company had a net outflow of cash in 2011 from financing activities of $1.2 million. This is a decrease compared to 2010's cash inflow of $3.1 million. During 2011, additional borrowing occurred on the MIOP loan as well as long term leases totalling $5.8 million while repayments were made on the deferred lease payments and on the Revenue Bonds totalling $7.0 million.

Liquidity and Capital Resources

As a non-share corporation the Company is funded through operating revenues, AIF revenue, the Revenue Bonds and a bank credit facility. A Master Trust Indenture was established in 2005, setting out the terms of all debt, including bank facilities and revenue bonds. At December 31, 2011, $537.4 million of debt is outstanding in the form of revenue bonds. The bank credit facility is for $100 million and the Company has not drawn on the credit facility at December 31, 2011.

In addition to the above noted debts, the Company is party to a capital lease financing arrangement for the purpose of acquiring airside vehicles and related equipment. During 2011 additional leasing obligations were incurred totalling $2.9 million. It is the Company's intention to seek out financing arrangements which allow for flexibility while complying with existing terms and conditions of the Master Trust Indenture.

In 2008, the Company entered into a loan agreement with the Province of Manitoba (MIOP) in order to invest in direct financing lease arrangements on a long-term basis with a tenant. This loan has Provincial guarantees to minimize the Company's exposure to default. During 2011 additional advances of $2.9 were added to this loan.

The Company 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 Stable and Standard & Poors: A Negative Outlook), the Company has ready access to sufficient long-term funds as well as a committed line of credit through credit facilities with a Canadian Chartered bank.

Significant Accounting Policies and Estimates

Effective January 1, 2010, the Company adopted International Financial Reporting Standards ("IFRS"). The significant accounting policies adopted by the Company are detailed in note 3 to the consolidated financial statements. In preparing financial statements, management is required to make certain critical accounting judgments and estimates including: estimates for depreciation of property and equipment, provisions, accruals for legal and other disputes, assumptions related to post-employment benefit obligations and leases. Actual results may differ from these estimates.

Property and equipment includes improvements to leased land, runways, air terminal and other buildings, equipment and roadways. These assets are recorded at cost and each asset type is depreciated over their estimated useful lives. Depreciation of such assets begins when the asset is completed and brought into service.

Provisions for litigation and claims are recognized in cases where legal actions, proceedings and other claims are pending or may be instituted or asserted in the future against the Company which are a result of past events, where it is probable that a cash outflow will be required for the settlement and a reliable estimate of the obligation amount can be made.

Actuarial valuations are used to estimate post-employment benefit obligations. These valuations rely on assumptions relating to discount rates, expected return on plan assets and mortality rates.

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.

The Company's cash, restricted cash and bank indebtedness are classified as held-for-trading; 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 Company recognizes changes in the fair value of loans and receivables only if realized or if impairment in the value of an asset occurs.

Investments:

The Company 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.

Accounting Changes for 2012

Numerous changes are expected in IFRS throughout 2012 and these items are detailed in note 3 to the consolidated financial statements.

Risks and Uncertainties

The Company 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 airfares, all contribute to traffic demand. The continued uncertainty over the health of the US economy and European Union issues contribute to the risk that passenger demand and cargo volumes could decrease, having a potential negative impact on revenue.

The financial stability of the airline industry globally, and more particularly in the US, could have an impact on the Company's ability to generate revenue. General demand risk is mitigated by the 94% origin and destination characteristics of Winnipeg's passenger traffic. In addition, the Company's rights under the Airport Transfer (Miscellaneous Matters) Act to seize and detain aircraft until outstanding aeronautical fees are paid mitigates the risk of credit losses. The Company's unfettered ability to increase its rates and charges mitigates the impact of these risks.

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

The availability of adequate insurance coverage is subject to the conditions of the overall insurance market and the Company's claims and performance record. The Company participates with an insurance buying group and insurance reciprocal that 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 December 31, 2013, which is renewable for further periods at the option of the Minister of Transport.

The Company sponsors defined benefit pension plans and other post-employment benefits for all its employees. These plans have associated risks because the cost of pensions and other post-employment benefits (which includes separation, health care and insurance benefits) earned by employees is actuarially determined. This actuarial estimate is based on management's best estimate of expected plan investment performance, salary escalation, mortality and expected health care costs.

Financial Outlook for 2012

Consumer demand for air travel is expected to increase moderately through 2012 in the Winnipeg marketplace. The 2012 business plan projects non-consolidated revenues to be $88.9 million with projected growth in passenger traffic of 2.4%.

With the opening the new Air Terminal Building during 2011, net income declined as expected due to the impact of increased depreciation and interest expense. Despite continuing efforts to control operating expenses, the Company continues to experience increases in ongoing costs for items such as utilities and commodities plus negotiated increases for salaries and benefits ranging from 3.0 to 3.5%. Collective agreements for both of the Company's bargaining units expire June 30, 2012 so pay scales are under negotiation. The ground lease payments for 2012 are estimated to be $5.9 million, an increase over 2011 of $0.5 million. With projected operating costs estimated to be $46.1 million in 2012, excluding depreciation, the planned EBITDA for 2012 is $42.8 million.

Despite the opening of the new air terminal building in 2011, the ASR project continues into 2012 with tie-in of apron paving as well as deconstruction of the old air terminal building. ASR expenditures for 2012 are estimated to be $15.1 million while other property and equipment expenditures are expected to be an additional $18.8 million for airside equipment, improvements to existing structures and other technology upgrades.

Caution Regarding Forward-Looking Statements

This Management's Discussion and Analysis ("MD&A") contains certain statements about the Company and its future expectations. By their nature, forward-looking statements require the Company 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 the Company's assumptions may be not correct and that actual results may differ materially from such predictions, forecasts, conclusions and projections. The Company 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 world economic growth expectation in the near term; the growth and sustainability of low fare and other air carriers' contribution to aviation demand; continued trans-border and international travel growth; the cost of enhancing aviation security will not overly burden air carriers or the Company; 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 the Company, including information obtained 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 the Company's expectations as of the date of this report and are subject to change. Except as required by applicable law, the Company disclaims any intention or obligation to update or revise any forward-looking statements included in this MD&A whether as a result of new information, future events, or for any other reason.

Financial and Operating Highlights

(In thousands of Canadian dollars)	2007	2008	2009	2010	2011
Revenue	$ 66,136	$ 80,106	$ 81,963	$ 79,727	$ 81,230
Operating expenses[1]	29,786	34,525	34,775	31,182	32,995
Ground lease rent	3,999	4,088	4,264	5,268	5,483
Earnings before interest, taxes, depreciation and amortization	32,351	41,493	42,924	43,277	42,752
Amortization	6,651	7,397	6,346	5,969	13,356
Earnings[2]	25,700	34,096	36,578	37,308	29,396
Capital expenditures, including other assets	95,989	139,605	142,277	118,858	72,115
Total passengers	3,571	3,570	3,379	3,370	3,389
Total aircraft movements	152	144	140	136	141
Major revenue movements	45	44	44	44	44
Cargo handled (tonnes)	156	148	159	173	174

[1] – Operating expenses excluding ground lease rent and amortization

[2] – Earnings before finance interest, finance expense, gain on sale of subsidiary, and share of profit of associate

Consolidated Financial Statements of Winnipeg Airports Authority Inc.

Year ended December 31, 2011

March 21, 2012

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Winnipeg Airports Authority Inc.

We have audited the accompanying consolidated financial statements of Winnipeg Airports Authority Inc. and its subsidiaries, which comprise the consolidated balance sheet as at December 31, 2011 and December 31, 2010 and January 1, 2010 and the consolidated statements of operations, comprehensive income, changes in equity and cash flows for the years ended December 31, 2011 and December 31, 2010, and the related notes which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Winnipeg Airports Authority Inc. and its subsidiaries as at December 31, 2011 and December 31, 2010 and January 1, 2010 and the results of its operations and its cash flows for the years ended December 31, 2011 and December 31, 2010 in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP

Chartered Accountants
Winnipeg, Manitoba

Consolidated Balance Sheets

December 31, 2011 with comparative figures for 2010

(In thousands of Canadian dollars)

	Dec 31, 2011	Dec 31, 2010	Jan 1, 2010 [note 4]
Assets			
Current assets:			
Cash and cash equivalents	$ 25,489	$ 71,567	$ 176,129
Accounts receivable [note 7]	8,582	7,555	8,598
Prepaid expenses	428	501	583
Current portion of financing lease receivable [note 9]	21	23	31
Inventory	820	686	550
	35,340	80,332	185,891
Non-current			
Property and equipment [note 8]	716,682	660,282	543,874
Restricted cash [note 6]	25,310	32,797	18,171
Investments [note 10]	2,200	2,069	–
Financing lease receivable [note 9]	7,082	7,121	7,131
Deferred income taxes	–	–	152
Other assets	18,084	15,740	10,595
	$ 804,698	$ 798,341	$ 765,814
Liabilities and Equity			
Current			
Accounts payable and accrued liabilities	$ 28,786	$ 40,663	$ 44,471
Income taxes payable	–	–	153
Deferred revenue	910	640	1,299
Current portion of long-term debt [note 13]	7,211	6,301	1,876
	36,907	47,604	47,799
Non-current			
Deferred income tax [note 16]	704	691	–
Post employment benefits [note 15]	8,309	11,276	13,743
Long-term debt [note 13]	551,487	553,067	554,504
	560,500	565,034	568,247
Equity:			
Retained earnings	250,501	230,989	197,196
Accumulated other comprehensive loss	(43,210)	(45,286)	(47,428)
	207,291	185,703	149,768
	$ 804,698	$ 798,341	$ 765,814

Contingencies, commitments & guarantees [note 14]
The accompanying notes are an integral part of these financial statements

On behalf of the Board:

Director

Director

Consolidated Statements of Operations

Year ended December 31, 2011 with comparative figures for 2010

(In thousands of Canadian dollars)

	2011	2010 [note 4]
Revenue:		
Airport improvement fees [note 11]	$ 29,520	$ 29,721
Airfield	15,035	14,874
Passenger processing	16,188	15,000
Concessions	2,264	2,138
Groundside	11,764	11,114
Leasing	5,677	5,366
Other	782	1,514
	81,230	79,727
Operating expenses:		
Salaries and benefits	13,981	13,653
Services and repairs	10,300	9,023
Supplies and equipment	2,536	2,272
Other	2,104	2,112
Utilities	1,833	1,910
Insurance	560	512
Ground lease rent [note 9]	5,483	5,268
Property taxes	1,681	1,700
Depreciation	13,356	5,969
	51,834	42,419
Income before the undernoted	29,396	37,308
Share of profit of associate	(131)	(94)
Finance income	(28)	(24)
Finance expense [note 13]	11,605	5,487
Gain on sale of subsidiary [note 20]	–	(1,499)
Income before income taxes	17,950	33,438
Income tax expense of subsidiaries:		
Current	–	19
Deferred	13	691
	13	710
Net income	$ 17,937	$ 32,728

The accompanying notes are an integral part of these financial statements

Consolidated Statements of Comprehensive Income

Year ended December 31, 2011 with comparative figures for 2010

(In thousands of Canadian dollars)

	2011	2010
Net income	$ 17,937	$ 32,728
Other comprehensive income:		
Recognition of loss on previously settled cash flow hedges	2,066	2,004
Unrealized gain on available-for-sale investments	10	138
Actuarial gain on defined benefits obligations	1,575	1,065
Comprehensive income	$ 21,588	$ 35,935

Consolidated Statements of Changes in Equity

Year ended December 31, 2011 with comparative figures for 2010

(In thousands of Canadian dollars)

	Accumulated other comprehensive income	Retained earnings	Total equity
Balance - January 1, 2010	$ (47,428)	$ 197,196	$ 149,768
Net income	–	32,728	32,728
Other comprehensive income			
Available for sale securities	138	–	138
Actuarial gain on defined benefit obligations	–	1,065	1,065
Recognition of loss on previously settled cash flow hedges	2,004	–	2,004
Balance - December 31, 2010	$ (45,286)	$ 230,989	$ 185,703
Net income	$ –	$ 17,937	$ 17,937
Other comprehensive income			
Unrealized gain on available for sale securities	10	–	10
Actuarial gain on defined benefit obligations	–	1,575	1,575
Recognition of loss on previously settled cash flow hedges	2,066	–	2,066
Balance - December 31, 2011	$ (43,210)	$ 250,501	$ 207,291

The accompanying notes are an integral part of the financial statements

Consolidated Statements of Cash Flows

Year ended December 31, 2011 with comparative figures for 2010

(In thousands of Canadian dollars)

	2011	2010
Operating activities		
Net income	$ 17,937	$ 32,728
Adjustments for:		
Depreciation	13,356	5,969
Deferred income taxes	13	691
Gain on sale of subsidiary	–	(1,499)
Non cash interest expense [note 13]	1,004	780
(Decrease) increase in benefit liabilities	183	2,829
Share of profit of association	(131)	(94)
Change in non-cash operating working capital [note 21]	(12,695)	(14,731)
	19,667	26,673
Investing activities:		
Additions to property and equipment	(69,771)	(114,493)
Additions to other assets	(2,344)	(5,145)
Decrease in direct financing lease	41	10
Decrease (increase) in restricted cash	7,487	(14,626)
Disposal of subsidiary cash	–	(91)
	(64,587)	(134,345)
Financing activities:		
Increase in long-term debt	5,808	5,145
Repayment of long-term debt	(6,966)	(2,035)
	(1,158)	3,110
Decrease in cash and cash equivalents	(46,078)	(104,562)
Cash and cash equivalents, beginning of year	71,567	176,129
Cash and cash equivalents, end of year	$ 25,489	$ 71,567
Cash and cash equivalents:		
Cash on hand	$ 5,167	$ 3,555
Cash equivalents	20,322	68,012
Interest paid	29,321	21,331

The accompanying notes are an integral part of these financial statements

Notes to Consolidated Financial Statements

Year ended December 31, 2011
(In thousands of Canadian dollars)

1. Governing statutes and nature of operations:

Winnipeg Airports Authority Inc. (the "Company") is incorporated under Part II of the Canada Business Corporations Act as a corporation without share capital. The address of the Company and its principal place of business is 249 – 2000 Wellington Avenue, Winnipeg, Manitoba, Canada R3H 1C2.

The Company operates the Winnipeg James Armstrong Richardson International Airport (the "Airport"), and associated businesses 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 Company is governed by a maximum fifteen member Board of Directors of whom eleven members are nominated by the City of Winnipeg, the Rural Municipality of Rosser, Economic Development 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.

2. Basis of presentation and adoption of IFRS:

The Company prepares its annual financial statements in accordance with Canadian generally accepted accounting principles as set out in Part I of the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards ("IFRS"), and require publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011. Accordingly, the Company has commenced reporting using IFRS in these consolidated financial statements. In the financial statements, the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS.

Subject to certain transition elections disclosed in note 3, the Company has consistently applied the same accounting policies in its opening IFRS statement of financial position at January 1, 2010 and throughout all periods presented, as if these policies had always been in effect. Note 4 discloses the impact of the transition to IFRS on the Company's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company's Canadian GAAP consolidated financial statements for the year ended December 31, 2010.

The consolidated financial statements of the Company have been prepared in accordance with IFRS as issued by the IASB and IFRS 1. The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of March 21, 2012, the date the Board of Directors approved the statements. These financial statements are presented in Canadian dollars ($) which is the Company's functional and presentation currency.

3. Significant accounting policies:

The significant accounting policies used in the preparation of the consolidated financial statements are described below:

(a) Basis of measurement:

These consolidated financial statements are prepared using the historical cost method, except for certain financial instruments measured at fair value, including available-for-sale investments. The historical cost is usually the fair value of the consideration given to acquire the assets.

(b) Principles of consolidation:

The financial statements include the accounts of Winnipeg Airports Authority Inc. and its wholly-owned subsidiaries, Winnipeg Airport Services Corporation and 5388946 Manitoba Ltd. A subsidiary is an entity over which the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities.

All inter-company balances and transactions have been eliminated on consolidation.

(c) Cash and cash equivalents:

Cash and cash equivalents include cash on hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

(d) Restricted cash:

Restricted cash represents funds held by banks which are restricted to the payment of builder lien holdbacks. Payment of these holdbacks occurs upon substantial completion of the specific project.

(e) Inventory:

Inventory is valued at the lower of cost and net realizable value. Cost is determined according to the average cost method for replacement parts and according to the first in, first out method for bulk inventories.

(f) Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognized as assets at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included on the balance sheet as a finance lease obligation.

Finance lease payments are apportioned between financing costs and a reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Financing costs are recognized immediately in the statement of operations, unless they are directly attributable to qualifying assets, in which case they are capitalized.

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

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

The Ground Lease is accounted for as an operating lease.

(g) Property and equipment:

Property and equipment are measured at cost less accumulated depreciation and impairment losses. Property and equipment include items such as improvements to leased land, runways, building and roadways. These assets will revert to Transport Canada upon the expiration or termination of the Ground Lease. No amounts are amortized longer than the lease term plus one renewal option.

The Company allocates the amount initially recognized in respect of an item of property and equipment to its significant parts and amortizes each part separately. Residual values, the method of depreciation and estimated useful lives of the assets are reviewed annually and adjusted if appropriate. Property and equipment are depreciated 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

Assets under construction are transferred to property and equipment when the asset is available for use.

Normal repairs and maintenance are expensed as incurred. Expenditures constituting enhancements to the assets by way of change in capacity or extension of useful lives are capitalized.

(h) Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized in financing costs in the period in which they are incurred.

(i) Investment in associates:

The Company uses the equity method of accounting for investments in associates over which it has significant influence. The original investment is initially recorded at cost, and is subsequently increased or decreased to account for the Company's share of comprehensive income or loss of the investee company and is reduced by dividends received.

(j) Impairment:

Property and equipment are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or 'CGUs'). Recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU, as determined by management).

The Company assesses at each year-end whether there is any objective evidence that its interests in associates are impaired. If so, the carrying value of the Company's share of the underlying assets of associates is written down to its net recoverable amount (being the higher of fair value less cost to sell and value in use) and the loss is charged to the consolidated statement of income.

Financial assets, other than those at fair value through profit or loss, are assessed for indicators for impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

With the exception of available-for-sale equity instruments, if, in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the profit or loss in the period it arises to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(k) Revenue recognition:

Revenue is recognized when it is probable that the economic benefits will flow to the Company and the related service has occurred, the sales price is fixed or determinable, and collectability is reasonably assured.

The Company's principal sources of revenues are comprised of revenue from the rendering of aeronautical activities, commercial activities, airport improvement fees, real estate and other activities.

Airfield, passenger processing and groundside revenue are recognized as the airport facilities are used. Airport improvement fees are accrued based on the enplanement of passengers and are subject to reconciliation with the air carriers. Concession revenue is earned on a monthly basis and is recognized based on a percentage of sales or specified minimum rent guarantees. Leasing revenue is recognized straight-line over the duration of the respective agreements.

(l) Defined benefit obligations:

The Company sponsors defined benefit pension plans and other post-employment benefit plans on behalf of its employees. The benefits are based on years of service and indexed to the employee's compensation during the five best consecutive years' earnings.

The Company 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 providing benefits is actuarially determined using the projected unit credit method.

Actuarial valuations for defined benefit plans are carried out at each balance sheet date. Where a deep market for high quality corporate bonds exists, the discount rate applied in arriving at the present value of the pension liability represents yields on high quality corporate bonds that have terms to maturity approximating the terms of the related pension liability. In the absence of a deep market for such corporate bonds, a government bond yield is used.

Actuarial gains and losses are recognized in full in the period in which they occur in other comprehensive income and retained earnings without recycling to the statement of operations in subsequent periods. Current service cost, the recognized element of any past service cost, the expected return on plan assets and the interest arising on the pension liability are included in Salaries and Benefits in the statement of operations as the related compensation cost. Likewise, the expected return on employee benefit plan assets is presented in the statements of operations as finance income.

Past service costs are recognized immediately to the extent the benefits are vested, and otherwise are amortized straight-line over the average period until the benefits become vested.

The amount recognized in the balance sheet at each year end reporting date represents the present value of the defined benefit obligation, adjusted for unrecognized past service costs, and reduced by the fair value of plan assets. Any recognized asset or surplus is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions. To the extent that there is uncertainty regarding entitlement to the surplus, no asset is recorded. The Company's funding policy is in compliance with statutory regulations.

(m) Financial instruments:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial assets and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expired.

All financial instruments measured at fair value are 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 financial liabilities. Initial measurement of financial instruments is at fair value, subsequent measurement of financial instruments depends on their initial classification. Transaction costs are expensed as incurred for financial instruments classified as held-for-trading.

The Company's cash and cash equivalents, restricted cash, accounts receivable and direct financing lease receivable 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 Company recognizes changes in fair value of loans and receivables only if realized or if impairment in the value of the financial asset occurs.

Investments are classified as available-for-sale and are measured at fair value. Dividend and interest income on available-for-sale investments are recorded in net income when receivable. 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.

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

Losses incurred upon the settlement of derivative contracts recognized as part of an effective hedging relationship are recorded in accumulated other comprehensive income (loss). These losses are recognized into income over the life of the previously hedged item. During the year, $2,066 (2010 - $2,004) of losses recorded in accumulated other comprehensive income were recognized in income as finance expense.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of operations within finance expense.

(n) Direct financing lease receivable:

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.

(o) Other assets:

Other assets consist of investments in real property development projects and are carried at cost.

(p) Income taxes:

The Company 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, deferred 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 deferred 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.

(q) Provisions:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is managements' best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When the effect of the time value of money is material, provisions are measured at the present value of the expenditure expected to settle the Company's present obligation.

Provisions for litigation and claims are recognized in cases where legal actions, proceedings and other claims are pending or may be instituted or asserted in the future against the Company which are a result of past events, where it is probable that an outflow of resources embodying economic benefits will be required for the settlement and a reliable estimate of the obligation amount can be made.

(r) 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 IFRS.

(s) Future changes in accounting policies:

Unless otherwise noted, the following revised standards and amendments are effective for annual periods beginning on or after January 1, 2013 with earlier application permitted. The Company has not yet assessed the impact of these standards and amendments or determined whether it will early adopt them.

IFRS 10 – Consolidation replaces SIC-12 Consolidation—Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements and requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

IFRS 11 – Joint Arrangements requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas joint operations, the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. IFRS 11 supersedes IAS 31 Interests in Joint Ventures, and SIC-13 Jointly Controlled Entities — Non-monetary Contributions by Venturers.

IFRS 12 – Disclosure of Interest in Other Entities establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, and special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces additional disclosures addressing the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13 – Fair Value Measurement is a comprehensive standard that defines fair value, requires disclosure about fair value measurement and provides a framework for measuring fair value when it is required or permitted within the IFRS standards.

IAS 27 – Separate Financial Statement addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements.

IAS 28 – Investments in Associates and Joint Ventures has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

IAS 1 – Presentation of Financial Statements amendment requires components of other comprehensive income ("OCI") to be separately presented between those that may be reclassified to income and those that will not. The amendments are effective for annual periods beginning on or after July 1, 2012.

IAS 19 – Employee Benefits, has been amended to make changes to the recognition and measurement of defined benefit pension expense and termination benefits and to enhance the disclosure of all employee benefits. The amended standard requires immediate recognition of actuarial gains and losses in other comprehensive income as they arise, without subsequent recycling to net income. This is consistent with the Company's current accounting policy.

IFRS 7 – Financial Instruments: Disclosures, has been amended to include additional disclosure requirements in the reporting of transfer transactions and risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitization of financial assets. The amendment is applicable for annual periods beginning on or after July 1, 2011, with earlier application permitted.

In December 2011 the IASB issued an amendment to the guidance in IAS 32, 'Financial instruments: Presentation', to clarify requirements for offsetting financial assets and financial liabilities. The IASB also published an amendment to IFRS 7, 'Financial instruments: Disclosures'. The amendments clarify that the right of set-off must not be contingent on a future event. It also must be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendments clarify that gross settlement mechanisms with features that both (i) eliminate credit and liquidity risk and (ii) process receivables and payables in a single settlement process, are effectively equivalent to net settlement. The disclosures in IFRS 7 are to be retrospectively applied, with an effective date of annual periods beginning on or after 1 January 2013.

IFRS 9 – Financial Instruments, issued in November 2009, addresses classification and measurement of financial assets. It replaces the category and measurement models in IAS 39 for debt instruments with a new model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent that they do not clearly represent a return of investment; however, other gains and losses remain in accumulated comprehensive income indefinitely. In December 2011, the effective date of IFRS 9 was deferred to years beginning on or after January 1, 2015.

4. First time adoption of IFRS

The effect of the Company's transition to IFRS is summarized as follows:

(a) Transition elections at January 1, 2010

(b) Reconciliation of equity as previously reported under Canadian GAAP to IFRS at January 1, 2010 and December 31, 2010

(c) Reconciliation of comprehensive income as previously reported under Canadian GAAP to IFRS for the year ended December 31, 2010

(a) Transition Elections:

The requirements for first time adoption of IFRS are set out in IFRS 1. In general, the Company is required to determine its IFRS accounting policies and to apply these retrospectively in order to determine its opening balance sheet under IFRS. However, due to cost and/or practical considerations, retrospective application is not always possible. Accordingly, IFRS 1 permits companies adopting IFRS for the first time to take certain optional exemptions from the full requirements of IFRS in the transition period.

The optional exemptions most relevant to the Company are as follows:

Business Combinations

An exemption is available within IFRS 1 that allows a company to carry forward its previous Canadian GAAP accounting for business combinations prior to the transition date. The exemption is optional and can be applied to any business combination transaction prior to the transition date. However, should a company choose to adjust a prior business combination to comply with IFRS, all business combinations subsequent to the date of the adjusted transaction must also be retrospectively adjusted. The Company has elected to apply this exemption and as a result, acquisitions prior to January 1, 2010 have not been restated to comply with IFRS 3 "Business Combinations".

Borrowing Costs

This exemption allows an entity to adopt IAS 23 "Borrowing Costs" prospectively on qualifying assets for which the capitalization commencement date is after the transition date. The Company applied this exemption.

Employee Benefit Plans

IFRS 1 allows a company to recognize all cumulative actuarial gains and losses at the date of transition. The Company has applied this exemption and all unrecognized actuarial gains and losses have been recognized in opening retained earnings at January 1, 2010. In addition, employee benefit plan historical disclosures required under IAS 19 may be provided only for fiscal years subsequent to the transition to IFRS. The Company has applied this exemption.

Fair Value or Revaluation as Deemed Cost

This exemption allows a company to revalue property and equipment at fair value at its transition date and use this fair value as the deemed transition. The Company did not apply this exemption

The following mandatory exceptions are relevant to the Company as follows:

Estimates

IFRS 1 stipulates a mandatory exception from full retrospective application of IFRS as it relates to the use of estimates. It requires that a company's estimates in accordance with IFRS at the date of transition to IFRS must be consistent with estimates made for the same date in accordance with previous Canadian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. The Company did not use hindsight in its estimates upon transition to IFRS, nor did it find any evidence that any of its previously made estimates were in error.

Hedging

IFRS 1 stipulates a mandatory exception from full retrospective application of IFRS as it relates to hedge accounting. In order for a hedging relationship to qualify for hedge accounting at the transition date, the relationship must have been fully designated and documented as effective at the transaction date in accordance with Canadian GAAP, and that designation and documentation must be updated in accordance with IAS 39 at the transition to IFRS. The Company's hedging relationships were fully documented and designated at the transaction dates under Canadian GAAP and satisfy the hedge accounting criteria under IFRS at the transition date.

IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for prior periods. The Company's first time adoption of IFRS did not have an impact on the total operating, investing or financing cash flows previously discussed.

Reconciliations of Canadian GAAP to IFRS

b) Reconciliation of equity as previously reported under Canadian GAAP to IFRS at January 1, 2010 and December 31, 2010

Reconciliation of Equity	December 31 2010	January 1 2010
Equity under Canadian GAAP	$ 203,223	$ 168,834
Differences decreasing reported equity:		
Employee benefit plans	17,520	19,066
Equity under IFRS	$ 185,703	$ 149,768

c) Reconciliation of comprehensive income as previously reported under Canadian GAAP to IFRS for the year ended December 31, 2010

Reconciliation of Comprehensive Income	December 31 2010
Comprehensive income under Canadian GAAP	$ 34,389
Differences relating to changes in employee future benefits on:	
Net income	481
Other comprehensive income	1,065
Comprehensive income under IFRS	$ 35,935

Change in accounting policies:

In addition to the optional exemptions discussed above, the following narrative explains the significant differences between the previous historical Canadian GAAP accounting policies and the current IFRS policies applied by the Company. Only the differences having an impact on the Company are described below. The following is not a complete summary of all of the differences between Canadian GAAP and IFRS. Unless a quantitative impact was noted below the impact from the change was not material to the Company.

Employee Benefits

Under Canadian GAAP, unrecognized actuarial gains and losses in excess of 10% of the greater of the benefit obligation or the fair value of plan assets at the beginning of the year were amortized to the statement of income on a straight-line basis over the expected average remaining service lives of active plan members. Under IFRS, the Company's accounting policy is to recognize all actuarial gains and losses immediately in other comprehensive income and retained earnings. Actuarial gains of $1,065 were recorded during 2010. In addition, the unrecognized actuarial gains (net) that were amortized to the statement of income of $481 under Canadian GAAP during 2010 were reversed.

At the date of transition, all previously unrecognized cumulative actuarial gains and losses were recognized in retained earnings. At January 1, 2010 employee benefit plan assets were reduced by $8,731 and employee benefit plan liabilities were decreased by $73. Retained earnings were reduced by $8,658.

At December 31, 2010, the cumulative adjustment pertaining to actuarial gains and losses reduced employee benefit plan assets and retained earnings by $9,936.

The Company is not able to report an employee benefit plan asset in excess of the economic benefit it can expect to receive in the form of a refund of an employee benefit plan surplus and/or a reduction in future contributions. This differs from Canadian GAAP and as a result, at January 1, 2010 both employee benefit plan assets and retained earnings were decreased by $1,412.

The Company has determined that it must record an additional liability associated with the minimum funding requirements in its registered pension plans which was not addressed by Canadian GAAP. This liability is computed by discounting the minimum funding requirements from the actuarial funding valuations by the discount rate as defined by IAS 19. At January 1, 2010, and December 31, 2010, employee benefit plan assets were decreased by $8,996 and $8,065 respectively, with off-setting reductions to retained earnings at those same dates.

5. Critical accounting judgments and estimates:

In applying the Company's accounting policies, which are described in note 3, management is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

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

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

(a) Depreciation of property and equipment:

Critical judgments are utilized in determining depreciation rates and useful lives of property and equipment. Depreciation is calculated to write off the cost, less estimated residual value, of property and equipment on a straight-line basis over expected useful lives. Estimates of residual value and useful lives are based on data and information from various sources including vendors, industry practice and Company-specific history. A change in any of the significant assumptions or estimates could result in a material change in the depreciation amount.

(b) Provisions:

The determination of a provision is based on the best available information. Such estimates are subject to change based on new information. The Company provides for anticipated settlement costs where an outflow of resources is considered probable and an estimate can be made of the likely outcome of the dispute, and legal and other expenses arising from claims against the Company. Provisions, if required, take into account the relevant facts and circumstances of each matter and the consideration of any legal advice obtained. For further information on outstanding claims and litigation matters see note 14.

(c) Post-employment benefit obligations:

The Company accounts for pension and other post-employment benefits in accordance with actuarial valuations. These valuations rely on statistical and other factors in order to anticipate future events. These factors include key actuarial assumptions including discount rates, expected return on plan assets, expected salary increases and mortality rates. Actual results may differ from results which are estimated based on assumptions.

(d) Leases:

The Company accounts for its Ground Lease Agreement as an operating lease. In consideration of the terms of the lease, the Company has concluded that the agreement does not transfer substantially all of the risks and rewards of the leased item to the Company. The agreement shows that the risks and rewards are substantially retained by the Lessor.

6. Restricted cash:

	December 31 2011	December 31 2010	January 1 2010
Debt service reserve	$ 17,505	$ 17,482	$ 15,584
Construction holdback	7,805	15,315	2,587
Total restricted cash	$ 25,310	$ 32,797	$ 18,171

Under the terms of the trust indenture, the Company is required to maintain a debt services reserve to cover principal and interest payments to be made on the long-term bonds (note 13).

7. Accounts receivable:

	December 31 2011	December 31 2010	January 1 2010
Trade accounts	$ 7,433	$ 6,604	$ 6,833
Allowance for doubtful accounts	–	(243)	(175)
	7,433	6,361	6,658
Other receivables	1,149	1,194	1,940
Total accounts receivable	$ 8,582	$ 7,555	$ 8,598

As of December 31, 2011, accounts receivable of $1,222 (December 31, 2010 - $1,659; January 1, 2010 - $850) 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 the trade accounts receivables is as follows:

	December 31 2011	December 31 2010	January 1 2010
1 - 120 days	$ 6,211	$ 4,702	$ 5,808
121+ days	1,222	1,659	850
Total balance	$ 7,433	$ 6,361	$ 6,658

Changes in the allowance for doubtful accounts are as follows:

	December 31 2011	December 31 2010
Balance, beginning of year	$ 243	$ 175
Provision for new doubtful accounts	–	288
Amounts written off during the year	–	(199)
Amounts recovered during the year	(243)	(21)
Balance, end of year	$ –	$ 243

8. Property and equipment:

	Vehicles, machinery and equipment	Airfield infrastructure	Buildings and other structures	Leasehold improvements	Construction in progress	2011 Total
Gross value						
Balance, January 1, 2011	$ 19,627	$ 42,802	$ 52,756	$ 35,556	$ 557,698	$ 708,439
Additions	4,190	124	37	2	47,888	52,241
Capitalized interest	–	–	–	–	17,515	17,515
Transfers	–	43,551	492,004	83,231	(618,786)	–
Disposals	(83)	–	–	–	–	(83)
At December 31, 2011	$ 23,734	$ 86,477	$ 544,797	$ 118,789	$ 4,315	$ 778,112
Accumulated depreciation						
Balance, January 1, 2011	$ 9,029	$ 12,288	$ 6,296	$ 20,544	$ –	$ 48,157
Depreciation	1,285	1,665	9,648	758	–	13,356
Disposals	(83)	–	–	–	–	(83)
At December 31, 2011	$ 10,231	$ 13,953	$ 15,944	$ 21,302	$ –	$ 61,430
Net value at December 31, 2011	$ 13,503	$ 72,524	$ 528,853	$ 97,487	$ 4,315	$ 716,682

	Vehicles, machinery and equipment	Airfield infrastructure	Buildings and other structures	Leasehold improvements	Construction in progress	2010 Total
Gross value						
Balance, January 1, 2010	$ 17,032	$ 41,810	$ 52,290	$ 26,760	$ 448,536	$ 586,428
Additions	1,738	186	126	2	97,278	99,330
Capitalized interest	–	–	–	–	23,324	23,324
Transfers	1,285	806	340	9,009	(11,440)	–
Disposals	(428)	–	–	(215)	–	(643)
At December 31, 2010	$ 19,627	$ 42,802	$ 52,756	$ 35,556	$ 557,698	$ 708,439
Accumulated depreciation						
Balance, January 1, 2010	$ 8,210	$ 10,427	$ 4,878	$ 19,039	$ –	$ 42,554
Depreciation	1,039	1,861	1,418	1,640	–	5,958
Disposals	(220)	–	–	(135)	–	(355)
At December 31, 2010	$ 9,029	$ 12,288	$ 6,296	$ 20,544	$ –	$ 48,157
Net value at December 31, 2010	$ 10,598	$ 30,514	$ 46,460	$ 15,012	$ 557,698	$ 660,282

9. Leases:

Operating leases:

The Company as lessee: The airport facilities are rented under a long-term lease entered into on December 31, 1996 with Transport Canada. On January 1, 1997, the Company assumed the expenditure contracts and became the beneficiary of the revenue contracts in effect at that time. The lease is for a fixed term of 60 years and can be terminated only in the event of default. The Company has exercised an option to renew the lease for a further period of 20 years. The lease is on an "absolute net" basis allowing the Company peaceful possession of the leased premises. The associated rent expense relating to this lease is subject to a calculation based on actual revenues of the Company each year.

The estimated ground lease rent payments for the next five years are as follows:

2012	$ 5,889
2013	5,912
2014	6,053
2015	6,236
2016	6,459

The Company as lessor: The Company leases out, under operating leases, land and certain assets that are included in property and equipment. Many leases include renewal options, in which case they are subject to market price revision. The lessee does not have the possibility to acquire the leased assets at the end of the lease.

The estimated lease revenue for the next five years is approximately as follows:

2012	$ 5,890
2013	5,949
2014	6,008
2015	6,568
2016	6,634

Finance leases:

The Company as a lessee: Finance lease obligations which the Company has entered into are described in note 13. The net book value of those assets included in property and equipment and associated with finance lease obligations is $4,008 (2010 - $1,018).

The Company as a lessor: The Company's net investment in the direct financing lease is:

	December 31 2011	December 31 2010	January 1 2010
Total minimum lease payments receivable	$ 24,624	$ 24,100	$ 25,346
Unearned income	17,521	16,956	18,184
	7,103	7,144	7,162
Current portion	21	23	31
	$ 7,082	$ 7,121	$ 7,131

10. Investments:

	December 31 2011	December 31 2010
Investment in an affiliated company:		
Equity accounted investment	$ 1,632	$ 1,501
Preference shares	568	568
	$ 2,200	$ 2,069

Preference shares have a 5% per annum cumulative dividend rate calculated on the issue price of the 568,092 preference shares of $568,092. The Company holds a put option to require the affiliated company to purchase the shares which is exercisable at any time on or after March 1, 2015. The option expires and terminates upon the date of completion of an initial public offering of the shares of the affiliated company. The price to be paid for the common shares is generally equal to the fair market value at that time. The price to be paid for the preference shares is equal to the redemption value of $1 per share.

The Company has 35% ownership of SRG Security Resource Group Inc., a company that provides security services in Canada.

Summarized financial information in respect of the Company's associate is set out below:

	2011	2010
Financial Position:		
Total assets	$ 4,931	$ 5,016
Total liabilities	1,586	2,061
Company's share of associates' net assets	1,170	1,034
Financial Performance:		
Total sales and other revenue	9,794	10,736
Total profit (loss) for the year	373	267

During the year, the Company received $28 dividends (2010 - $24) from its associates.

During the year the Company's share of profits was $131 (2010 - $94)

11. Airport improvement fees:

The Company 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 Company 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.

12. Credit facilities:

The Company has authorized credit facilities with a Canadian chartered bank. Under the credit facilities the Company is provided with a revolving credit facility in the amount of $100 million. These facilities are secured under the Master Trust Indenture (note 13). They are available by way of overdraft, prime rate loans, or bankers' acceptances. As at December 31, 2011, the Company has not drawn on these facilities (December 31, 2010 - $ nil January 1, 2010 - $ nil)

13. Long-term debt:

	December 31 2011	December 31 2010	January 1 2010
Revenue bonds series A, 5.205%, face value $250,000, net of financing costs of $2,488 (December 31, 2010 - $2,631; January 1, 2010 - $2,722), due September 28, 2040, semi-annual blended principal and interest payments of $8,221 payable March 28 and September 28 of each year until maturity	$ 242,231	$ 245,654	$ 247,278
Revenue bonds series C, 4.569%, face value $125,000, net of financing costs of $971 (December 31, 2010 - $1,038; January 1, 2010 - $1,120) due November 20, 2019, interest payable semi-annually on May 20 and November 20 of each year until maturity	124,029	123,962	123,880
Revenue bonds series D, 6.102%, face value $175,000, net of financing costs of $1,754 (December 31, 2010 - $1,788; January 1, 2010 - $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 May 20, 2011	171,107	173,212	173,157
Manitoba Industrial Opportunity Program	18,084	15,740	10,595
Finance lease obligation	2,942	419	663
Deferred lease payments	305	381	457
Notes payable	–	–	350
	558,698	559,368	556,380
Current portion	7,211	6,301	1,876
	$ 551,487	$ 553,067	$ 554,504

(a) Revenue bonds:

The revenue bonds are direct obligations of the Company 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 Company, and an unregistered mortgage of the Company's leasehold interest in the Airport.

Pursuant to the terms of the MTI, the Company is required to establish and maintain with a trustee a debt service reserve (note 6) 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 Company is required to maintain an operating and maintenance reserve of approximately $17.5 million. The operating and maintenance reserve may be satisfied by cash, letter of credit or the availability under a committed credit facility.

(b) Finance lease obligation:

The Company leases certain equipment with an effective interest rate of 3.8 percent over a five year term ending in 2017.

(c) Deferred lease payments:

In accordance with an amendment to the Ground Lease Agreement (note 9), the Government of Canada deferred lease payments of $762. These deferred lease payments are repayable without interest on a straight line basis over a ten year period ending January 1, 2015.

(d) Manitoba Industrial Opportunity Program loan:

The loan, up to a maximum of $20 million is unsecured, and repayable to the Province of Manitoba in equal monthly principal and interest payments of $140 over 32 years, at 5.875 percent interest.

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

2012	$	7,211
2013		7,411
2014		7,789
2015		9,147
2016		8,097
Total thereafter		519,043

(f) Net financing expense:

		2011		2010
Revenue bonds interest	$	29,147	$	28,931
Amortization of deferred financing costs		1,004		780
Other interest and financing costs		115		798
Interest income		(1,146)		(1,698)
		29,120		28,811
Less capitalized interest		17,515		23,324
	$	11,605	$	5,487

14. Contingencies, commitments and guarantees:

(a) Ground Lease Agreement:

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

(b) Development:

At December 31, 2011, the Company had outstanding contractual construction commitments amounting to approximately $12 million (December 31, 2010 - $33.3 million; January 1, 2010 - $154.3 million).

(c) Contingencies:

There are claims and disputes which the Company is involved with, arising from the construction of the new air terminal building, the potential impact of which could be material. For cost associated with those claims which the Company believes are valid and the likelihood is determinable, accruals have been made in the financial statements representing the Company's estimate of the probable outcome. For other claims the likelihood is not determinable and no accrual has been made in these financial statements.

(d) Director and officer indemnity:

The Company has agreed to indemnify its directors and officers to the extent permitted by law against any and all charges, costs, expenses, amounts paid in settlement and damages incurred by them as a result of any lawsuit or any other judicial administrative or investigative proceeding in which they are sued as a result of their service as long as they have acted honestly and in good faith. These indemnification claims will be subject to any statutory or other legal limitation period.

15. Post employment benefit plans:

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

	Defined Benefit Pension Plans		Other Post Employment Plans	
	2011	2010	2011	2010
Change in accrued benefit obligation:				
Balance, beginning of year	$ 38,603	$ 31,667	$ 2,620	$ 4,493
Current service cost	1,818	1,291	181	263
Interest cost	2,090	1,997	134	278
Past service cost	–	–	(26)	(26)
Actuarial loss (gain) recognized in other comprehensive income	3,610	5,511	144	(2,306)
Benefits paid	(1,235)	(1,863)	(57)	(82)
Balance, end of year	$ 44,886	$ 38,603	$ 2,996	$ 2,620
Change in plan assets:				
Fair value, beginning of year	$ 38,018	$ 32,647	$ –	$ –
Expected return on plan assets	2,716	2,318	–	–
Actuarial gain (loss) recognized in other comprehensive income	(2,736)	2,105	–	–
Contributions	2,810	2,811	–	–
Benefits paid	(1,235)	(1,863)	–	–
Fair value, end of year	$ 39,573	$ 38,018	$ –	$ –
Funded status:				
Plan deficit	$ 5,313	$ 585	$ 2,996	$ 2,620
Additional minimum funding liability	–	8,071	–	–
Accrued pension liability	$ 5,313	$ 8,656	$ 2,996	$ 2,620

The Company's net benefit plan (income) expense is as follows:

	Defined Benefit Pension Plans		Other Post Employment Plans	
	2011	2010	2011	2010
Net benefit plan cost:				
Current service cost - net employer contributions	$ 1,468	$ 955	$ 181	263
Interest cost	2,090	1,997	134	278
Expected return on plan assets	(2,716)	(2,318)	–	–
Past service cost	–	–	(26)	(26)
Net benefit plan expense recognized in the year	$ 842	$ 634	$ 289	$ 515
Actual return on plan assets	$ (20)	$ 4,423	$ –	$ –
Amounts recognized in other comprehensive income:				
Actuarial losses	$ (6,346)	$ (3,406)	$ (144)	$ 2,306
Assets not recognized due to pension plan asset ceiling limit	–	1,412	–	–
Minimum funding liability	8,065	753	–	–
	$ 1,719	$ (1,241)	$ (144)	$ 2,306
Cumulative actuarial gains (losses) recognized in other comprehensive income:				
Cumulative amount beginning of year	$ 3,432	$ 26	$ 2,306	$ –
Recognized during the year	6,346	3,406	(144)	2,306
Cumulative amount, end of year	$ 9,778	$ 3,432	$ 2,162	$ 2,306

The significant weighted average assumptions used are as follows:

	December 31 2011	December 31 2010
Accrued benefit obligation:		
Discount rate	5.0%	5.5%
Long-term average rate of compensation increase	3.5%	3.5%
Long-term average rate of health benefit cost increases:		
Initial trend rate	13%	13%
Annual decrease	1%	1%
Ultimate trend rate	3%	3%
Year of ultimate trend rate	2016	2016
Benefit costs:		
Discount rate	5.0%	6.5%
Expected long-term rate of return on plan assets	6.0%	7.0%
Long-term average rate of compensation increase	3.5%	3.5%

The plan assets consist of the following asset mix:

	December 31 2011	December 31 2010	January 1 2010
Equity funds	56%	50%	62%
Debt and mortgage funds	39%	46%	34%
Real estate funds	5%	4%	4%

The effective date of the most recent actuarial valuation for funding purposes was December 31, 2011 and the next required valuation will be as of December 31, 2012. The expected rate of return on plan assets is based on historical and projected rates of return for each asset category measured over a 30 year term. Based on most recent actuarial valuations, during 2012 the Company expects to contribute $3.1 million in cash to the defined benefit pension plans and $57 in cash to the other post employment plans.

16. Deferred income taxes:

Deferred income taxes of $13 (2010 - $691) have been recognized in respect of the temporary difference associated with the Company's investments in associates. The change in the Company's deferred tax balance has been recognized in income.

17. Financial instruments:

Fair value:

The fair value of cash and cash equivalents, restricted 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:

	December 31 2011	December 31 2010	January 1 2010
Direct finance lease	$ 7,123	$ 7,144	$ 7,166
Revenue bonds Series A	266,897	249,752	229,117
Revenue bonds Series C	138,706	130,553	123,374
Revenue bonds Series D	206,168	191,385	173,787
MIOP loan	25,977	15,740	10,595
Capital lease	2,364	538	794
Notes payable	–	–	318

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 Company 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 Company's financial instruments are not subject to foreign exchange risk or other price risk.

Liquidity risk:

The Company 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 Stable and Standard & Poors: A Negative Outlook), the Company 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 Company's obligations under its long-term debt are described in note 13.

Credit and concentration risks:

The Company is subject to credit risk through its cash and cash equivalents, restricted cash, accounts receivable and investments. The Company is exposed to credit losses on cash and restricted cash in the event that the counterparty defaults. The Company manages this exposure by contracting only with financial institutions that maintain a very high credit rating, and therefore considers the exposure to be low.

The Company 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 Company 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 Company'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 94 percent origin and destination traffic, and although there is concentration of service with three air carriers, the Company believes that any change in the airline industry will not have a significant impact on revenues or operations. In addition, the Company'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:

		December 31 2011		December 31 2010		January 1 2010
Trade accounts receivable:						
Customers with external credit rating:						
AAA	$	–	$	1,486	$	222
BBB		–		81		98
Baa1		14		-		-
B		2,643		529		408
B-		–		1,931		–
CCC+		–		–		1,462
		2,657		4,027		2,190
Customers without external credit ratings:		5,925		3,528		6,408
Total	$	8,582	$	7,555	$	8,598
Existing customers with no history of default	$	6,096	$	4,430	$	5,196
Investment ratings (in thousands of dollars):						
AAA	$	3,615	$	–	$	–
A-1+		16,687		–		131,583
A-1		–		85,468		58,073
Cash		20		26		21
	$	20,322	$	85,494	$	189,677

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 Company’s cash equivalents and restricted cash (debt service reserve) are subject to floating interest rates. Management has oversight over interest rates that apply to its cash equivalents and restricted cash. 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 Company’s capital programs.

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

	2011		2010	
	Carrying value	Effective year end interest rate	Carrying value	Effective year end interest rate
Cash equivalents	$ 20,322	1.0%	$ 68,012	1.0%
Restricted cash	17,505	1.0%	17,482	1.0%

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 Company's capital expenditure programs, the Company's earnings for the year would have increased/decreased by $189 as a result of the Company's exposure to interest rates on its floating rate assets.

The Company 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.

18. Related party transactions:

The Company's related party transactions include key management personnel and post-employment benefit plan for the Company's employees. None of the transactions incorporate special terms and conditions and no guarantees were given or received.

Transactions with key management personnel

Key management includes the Board of Directors, the President and Vice Presidents. Compensation paid, payable or provided by the Company to key management personnel during the year ended were as follows:

	2011	2010
Salaries and short-term benefits	$ 1,278	$ 1,095
Post-employment benefits	77	62
Total (included in salaries and benefits)	$ 1,355	$ 1,157

Transactions with post-employment benefit plan

The defined benefit plan referred to in note 15 is a related party to the Company.

The Company's transactions with the pension plan include contributions paid to the plan, which are disclosed in note 15. The Company has not entered into other transactions with the pension plan, neither does it have any outstanding balances at the reporting periods under review.

19. Capital management:

The Company is incorporated without share capital under Part II of the Canada Business Corporations Act and, as such, net income is retained and reinvested in airport operations and development. Accordingly, the Company's only sources of capital for investing in airport operations and development are bank debt, long-term debt and accumulated earnings included on the Company's balance sheet as retained earnings. The Company 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 AIF and in order to maintain a minimum debt service coverage ratio. This provides for a self-imposed limit on what the Company can spend on major development of the Airport, such as the Airport Site Redevelopment Program.

The Company manages its rates for aeronautical and other fees to safeguard the Company'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 Company is not subject to capital requirements imposed by a regulator.

20. Sale of subsidiary:

On March 1, 2010, the Company disposed of the shares in a 100% owned subsidiary, Avion Services Corp., ("Avion") in exchange for a 35% interest in the common shares of SRG Security Resource Group Inc. and $568 preference shares. The fair value of the consideration received was $1,975.

On March 1, 2010, the following assets and liabilities were disposed of:

Assets		
Cash	$	90
Prepaid expenses		26
Accounts receivable and accrued revenue		1,084
Inventory		73
Property and equipment		284
Accrued pension asset		6
Future income taxes		152
Total assets	$	1,715
Liabilities		
Accounts payable and accrued liabilities	$	750
Deposits and deferred revenue		186
Notes payable		350
Total liabilities		1,286
Net assets		429
Consideration received		1,974
Disposition costs		(46)
Net gain on sale of Avion	$	1,499

Operations of Avion have been included in the consolidated financial statements up to the date of disposition, as the divestiture did not meet the criteria of a discontinued operation.

21. Working capital

	December 31 2011	December 31 2010	Increase (Decrease) in Cash
Accounts receivable	$ 8,582	$ 7,555	$ (1,027)
Prepaid expenses	428	501	73
Inventory	820	686	(134)
Accounts payable and accrued liabilities	28,786	40,663	(11,877)
Deferred revenue	910	640	270
			$ (12,695)

2012 Annual Meeting

Winnipeg Airports Authority's Annual Meeting will be held at 1:30 pm on Wednesday, May 2, 2012 at The Fairmont 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)

Economic Development 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

The Winnipeg Airports Authority Inc. 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 not 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 Airport Authority Inc. Board of Directors 2011

Nominated by the City of Winnipeg

D. Greg Doyle, Corporate Director
Kerry Hawkins, Corporate Director
H. Sanford Riley, President & CFO, Richardson Financial Group Limited

Nominated by The Assiniboia Chamber of Commerce

Warren Thompson, President, Prairie Edge Management

Nominated by Economic Development Winnipeg Inc.

Paul Soubry, President & CEO, New Flyer Industries Ltd.

Nominated by the Government of Canada

Geoffrey Elliot, Retired Former Diplomat and Corporate Executive
Shirley Render, Executive Director, Western Canada Aviation Museum

Nominated by the Province of Manitoba

Eugene Kostyra, Corporate Director

Nominated by the Rural Municipality of Rosser

Tom Payne Jr., President, Payne Transportation

Nominated by the Winnipeg Chamber of Commerce

Doneta Brotchie, President, FUNdamentals Creative Ventures
Tom Bryk, FCA, President and CEO, Cambrian Credit Union (Chair)

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 LLP
Janice Filmon, Corporate Director

2011 Board Committees

Audit

D. Greg Doyle (Chair)
Doneta Brotchie
Eugene Kostyra
H. Sanford Riley
Shirley Render
Warren Thompson

Governance

Geoffrey Elliot (Chair)
David Friesen
Garth Smorang
Tom Payne Jr.
Janice Filmon
Tom Bryk (ex-Officio)

AIRplan

Jim Carr (Chair)
David Friesen
Geoffrey Elliot
Kerry Hawkins
Tom Bryk
Tom Payne Jr.
Paul Soubry

Board of Directors Compensation for 2011

Tom Bryk	$	48,750
Doneta Brotchie		18,550
Jim Carr		24,200
D. Greg Doyle		19,200
Geoffrey Elliot		27,000
Glenn Feltham		3,850
Janice Filmon		17,200
David Friesen		22,000
Kerry Hawkins		17,800
Eugene Kostyra		19,400
Tom Payne Jr.		19,350
Shirley Render		18,400
H. Sanford Riley		15,600
Garth Smorang		19,750
Paul Soubry		13,950
Warren Thompson		19,750
Total	$	305,000

Executive Officers 2011

Barry Rempel, President and Chief Executive Officer
Catherine Kloepfer, Senior Vice President Corporate Services and Chief Financial Officer
Pascal Belanger, Vice President Business Development
Michael O'Gorman, Vice President Operations and Customer Experience

Executive Officers 2011 – Salaries

The salary range for the President & CEO is $250,000 to $300,000.

The salary range for Vice Presidents is $140,000 to $200,000.

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 $105,000 ($75,000 in 1994 dollars) entered into during the year that were not awarded on the basis of a public, competitive, tendering process. In 2011, Winnipeg Airports Authority Inc. entered into the following contracts as described for the reasons indicated in the following table.

Source Contracts over $100,000

	Vendor	Value	Basis for Selection
Air Transport IT Services	Kiosk stock	145,000	A
Airport Technologies Inc.	Equipment	260,000	A
Imperial Parking Canada	Info Desk Services	1,538,000	D
NavCanada	EXCDS data feed	168,000	A
Paquin Entertainment	Opening Celebration	155,000	B
Sanike	Airfield Lighting	114,000	A
Skidata	Parking Equipment	134,000	A
SM Industries	Airfield Crack Sealing	154,000	D
Team Eagle	Airfield Emergency Equipment	932,000	A
Tri Tech Fall Protection	Fall Protection	118,000	B
United Rotary Brush	Airfield Broom Bristles	156,000	B

Basis for Selection

A – Introduction of products from other vendors would cause operational impacts and incur additional maintenance cost or affects the equipment standardization program.

B – A vendor has a monopoly on the technology or service because of a patent, licensing rights or proprietary system.

C – The goods and services are required due to an emergency in which delay would be injurious to the Company. An emergency is described when unforeseen circumstances arise where goods and services are needed to prevent loss of life or property or continuation of essential services or any event that is deemed to compromise the health, safety and security of the Company's employees, tenants or customers.

D – The vendor was awarded a contract for goods or services as a result of previous competitive process and has no prior performance issues

E – There is only one qualified vendor available when all factors are considered. Factors must be clearly specified as to why they have the specific skills, experience, and any special expertise.

F – A strategic alliance/partnership can be formed with one vendor in order to take advantage of current technology and expertise.

G – Consistent with sound business practices and our guiding principles an alliance/partnership can be formed with one supplier in order to significantly promote the strategic objectives of the Company.

Community Consultative Committee and their Affiliations

Colin Ferguson – Travel Manitoba
Dave Angus – Winnipeg Chamber of Commerce
Grand Chief Derek Nepinak – Assembly of Manitoba Chiefs Secretariat Inc.
Doug McNeil – Transportation, Province of Manitoba
Hugh Eliasson – Finance, Province of Manitoba
Marina James – Economic Development Winnipeg
Phil Sheegl – City of Winnipeg
Robert Ziegler – United Food & Commercial Workers
Vic Gerden – Manitoba Aerospace Association

Corporate Information

Auditors: PricewaterhouseCoopers LLP
Lead Bank: Canadian Imperial Bank of Commerce
Legal Counsel: Aikins, MacAulay & Thorvaldson; Miller Thompson; and
Duboff Edwards Haight & Schachter

Winnipeg James Armstrong Richardson International Airport Services

Passenger Carriers (serving Main Terminal Building)

Air Canada

Air Canada Jazz

Air Transat

Bearskin Airlines

Calm Air

Delta Air Lines (flights also operated by Mesaba Aviation, Pinnacle Airlines, and Comair)

First Air

Iceland Express (flights operated by Astraeus Airlines)

Sunwing

United Airlines (flights also operated by Skywest)

Wasaya Airways

WestJet

Passenger Carriers (other)

Air Nunavut

Canadian North

Enerjet

Execaire

Fast Air

Flair Airlines

Keystone Air Service

Kivalliq Air (a division of Keewatin Air)

Miami Air

Missinippi Airways

Nolinor

Northway Aviation

Perimeter Aviation

Skynorth Air

Sunwest Home Aviation

Thunder Airlines

Voyageur Airways

West Wind Aviation

Air Cargo Carriers (Scheduled)

Cargojet

DHL (operated by Ameriflight)

Federal Express

Morningstar Air Express

Perimeter Aviation

Purolator (operated by Kelowna Flightcraft)

Transwest Air

UPS

Air Cargo Carriers (Non-scheduled)

Centurion Cargo

China Cargo Airlines

Korean Air Cargo

LAN Cargo

Polet Airlines

Singapore Airlines Cargo

Southern Air

Volga-Dnepr Airlines

Gerry Kopelow

Car Rentals

Avis/Budget Rent-A-Car

National/Alamo Rent-A-Car

Enterprise Rent-A-Car

Hertz Rent-A-Car

Hotel

Four Points Sheraton

Restaurants/Bars

Pre-Security

Tim Horton's

Stella's Café and Bakery

Domestic

- TGI Fridays
- Upper Crust
- Salisbury House
- Gondola Pizza
- Red Wok
- Tim Horton's
- Fuel Bar
- Starbucks

Trans-border

- Tim Horton's Express
- TGI Fridays

Retailers

Pre-Security

- Ice Currency Exchange
- Liquor Mart Express
- Red River News

Domestic

- Aer Rianta Duty Free Shop
- Ice Currency Exchange
- PGA Store
- The Exchange, News and Gifts
- The Exchange, News and Gifts
- Red River News Express
- Rocky Mountain Chocolate Factory
- Toad Hall Toys

Trans-border

- Aer Rianta Duty Free Shop
- CNBC News
- Ice Currency Exchange

WINNIPEG
AIRPORTS AUTHORITY

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Gerry Kopelow