Québec City Jean Lesage
International Airport

ANNUAL REPORT 2009

PASSENGER FIRST

Message from the Chair of the Board and President and Chief Executive Officer

From left to right:
Gaëtan Gagné, President and CEO and Chair of the Board in 2009 and Guy Vachon, Chair of the Board

Despite the challenging world economic situation, Aéroport de Quebec Inc. (hereafter the Quebec City Airport) continued its growth and development in 2009.

While there was a slowdown in domestic traffic, the remarkable growth in transborder and international flights helped us reach an all-time record of 1,035,000 passengers.

New connecting routes have been added, including a daily United Airlines flight to Chicago, six weekly connections to sun destinations (Sunwing, Transat, and Canjet), three new Porter Airlines flights to Toronto City Center, and new Transat flights to Bordeaux and Marseille, which will be available in 2010. Furthermore, in early 2010 United Airlines announced a daily flight to Washington starting June 10, 2010.

The steady increase in passenger traffic clearly attests to the success of our development initiatives. It speaks to the attractiveness of our new airport terminal—an extremely promising investment—and confirms the foresight of the governments of Canada and Quebec and the local business community, who all supported the modernization project. This was indeed an excellent opportunity to create value, drive growth, and support economic development throughout the region.

Today our modern, efficient, and state-of-the-art facilities help attract and retain carriers, to the great benefit of our clientele. More than ever, Quebec City Jean Lesage International Airport has become a major gateway and a center of vitality and growth.

While there was a slowdown in domestic traffic, the remarkable growth in transborder and international flights helped us reach an all-time record of 1,035,000 passengers.

The 2009 year ended with an excess of revenues over expenses of $4,328,171.

This team success is the result of the unwavering trust of an ever-increasing number of passengers. We would like to take this opportunity to sincerely thank you: You are the reason we strive so hard day in and day out, and it is truly a privilege to serve you.

Our success is a reflection of the commitment, professionalism, and thoroughness of our staff, who translate this promise every day into a unique airport experience. It is also driven by the motto that underlies our team's every action: "Passenger first." In the coming years we plan to respond to increased traffic, satisfy higher expectations, and continue to build the future of our organization for the benefit of the community.

This success is also the result of the vision, hard work, and commitment of our board of directors, and we would like to acknowledge their important contribution.

We have our sights set on a number of promising projects for the next five years, notably the expansion of the international arrivals area, the addition of a pre-clearance facility for U.S. flights, improvements to taxiways, construction of a maintenance center and a multi-story parking lot, installation of a de-icing center, and construction of a hotel. The entire team is already hard at work to ensure the success of these projects.

Our growth prospects look promising, with traffic expected to reach 1.5 million passengers by 2015, and nearly 2 million by 2020.

All of these factors have justified our efforts to enhance the corporation's management, including talented new resources who will ensure the future development and growth of the Quebec City Airport. We are not content simply to expand our team; we want to make sure it has the skills required to position us effectively to take on the challenges that await us further down the road.

Our target objectives:

- Maintain and develop sound governance programs
- Adapt our structures to keep up with growth
- Establish and implement a succession plan
- Draw up human resources development programs to enhance skill quality and diversity
- Secure the means to carry out our capitalization plan to maintain capacity, ensure service quality, and be able to meet demand and expectations

In 2010 we will mark the 10th anniversary of the Quebec City Airport's privatization. It will be a perfect opportunity to take stock of and celebrate our achievements, and to look to the future. It will also be a chance to renew our commitment to our passengers and our region.

Gaëtan Gagné
President and Chief Executive Officer

Guy Vachon
Chair of the Board of Directors

CONTINUING TO GROW AND FLOURISH: A TEAM SUCCESS

1 **Gaëtan Gagné**, LLIF, C. Dir., ASC
Chair of the Board and CEO
Entraide Assurance, Mutual Company
Chair of the Board
Executive Committee Chair and Ex-officio
Member of all Committees
Appointed by Chambre de commerce de Québec
Board Member since 2000

2 **André Lemieux**, FCA [1]
Managing Partner
Lemieux Nolet Comptables agrees
Vice Chair of the Board and Executive Committee
Appointed by the City of Levis
Board Member since 2000

3 **Louise Gingras** [1-2-3-4-5-6]
Manager, Groupe Autobus Auger
Secretary of the Board and Treasurer
Appointed by Chambre de commerce de Levis
Board Member since 2000

4 **Michel Cadrin** [1-5]
President, Groupe Michel Cadrin
Appointed by Transport Canada
Board Member since 2006

5 **Jacques Champagne**, CA [6]
Corporate Director
Chair of Audit & Risk Management Committee
Appointed by Transport Quebec
Board Member since 2004

6 **Yvan-Miville Des Chênes** [3]
Chair of Environment, Security, and Safety Committee
Appointed by Chambre de commerce de Québec
Board Member since 2004

7 **Roger Gravel** [4]
CUPE
Chair of Nominating, Governance,
and Human Resources Committee
Appointed by Aéroport de Québec Inc. Board of Directors
Board Member since 2004

8 **Marcel Jobin**, CM, CQ, CD [2-6]
Corporate Director
Chair of Construction Committee
Appointed by the City of Levis
Board Member since 2000

9 **Alexandre Matte** [3]
Coordinator, Police Science Department
Campus Notre-Dame-De-Foy
Appointed by the City of Quebec
Board Member since 2007

10 **André C. Sarasin**, P. Eng.
Strategic Planning and Management Consultant
Appointed by Transport Canada
Board Member since 2009

11 **M^{e} Carl Tremblay** [4]
Managing Partner, Quebec City Office
Ogilvy Renault
Appointed by the City of Quebec
Board Member since 2008

12 **Guy Vachon**, P. Eng. [2-5]
Chair of Planning and Development Committee
Appointed by the City of Quebec
Board Member since 2008

13 **Alain Vaillancourt** [4]
President, V Stratégies Inc.
Appointed by Chambre de commerce
des entrepreneurs de Québec
Board Member since 2007

MANAGEMENT TEAM

14 **François Bilodeau**, CA
Advisor to the President, Strategy & Planning

15 **Alain Bureau**, CA
Director, Finance and Administration

16 **Jimmy Gagné**
Director, Operations

17 **M^{e} Sophie Lefrançois**
Corporate Secretary

18 **Line Magnan**
Executive Assistant

19 **Jean-Nil Proulx**, Adm. A., Imm.
Director, Real Estate Management & Project Director

1 Executive Committee
2 Construction Committee
3 Environment, Security, and Safety Committee
4 Nominating, Governance, and Human Resources Committee
5 Planning and Development Committee
6 Audit & Risk Management Committee

OUR MISSION

Since November 1, 2000, the Quebec City Airport has been responsible for the management, operation, maintenance, and development of the Quebec City Jean Lesage International Airport. Its mission is to

- Promote the growth of air travel
- Offer customers high quality, secure, and efficient airport facilities and services in our role as a socioeconomic driver for Quebec City and the surrounding regions
- Oversee the corporation's sound financial and environmental management to ensure its growth and long term development

OUR VISION

Be recognized as a leader in airport services by aiming for excellence in everything we do, day in and day out.

OUR VALUES

Quality

Be mindful of even the smallest details to ensure our services meet the highest standards of satisfaction and reliability

Excellence

Perform our work with determination, consistency, promptness, and openness, while fulfilling our role as a responsible corporate citizen

Efficiency

Employ efficient and innovative systems and processes to redefine the notions of time and space for passenger processing

Leadership

Consolidate our leadership role within the community by positioning the Quebec City Airport as one of the region's socioeconomic levers

2009 HIGHLIGHTS

- Despite the global economic crisis, which hit the air travel industry hard, the Quebec City Airport experienced a 1.2% increase in traffic and a 14% increase in revenues across the board.

- A number of new routes were added in 2009: a daily United Airlines flight to Chicago, six weekly flights to sun destinations (Sunwing, Transat, and Canjet), three daily Porter Airlines flights to Toronto City Center, and direct Transat flights to Bordeaux and Marseille, which will be available in 2010. In early 2010 United Airlines announced it would begin offering a daily flight to Washington, D.C. starting June 10, 2010.

- The first expansion phase of the Quebec City Jean Lesage International Airport was completed in late 2008, ringing in a new era of airport operations.

- 2009 saw an excess of revenues over expenses of $4,328,171, compared to $9,589,317 in 2008. The charging of financial expenses and the amortization of the new facilities over 12 months altered the weighting of our operating expenses. Our operating expenses increased by 19%, excluding taxes and non-recurring provisions, while payroll was up 26%. Payment in lieu of taxes increased 76% to $2,308,006. All of these factors, despite the increase in revenues, explain the drop in the excess of revenues over expenses.

- The Quebec City Airport's security services continued to expand, with an increase in personnel and new, 24/7 firefighting services.

- A strategic reorganization has led the Quebec City Airport to a more effective governance structure with better definitions of the roles and responsibilities of the board of directors, the various committees, and the management team.

- The board members have opted to apply the new International Financial Reporting Standards (IFRS), and the Corporation is currently assessing the impact of this decision on its operations, information systems, and financial statements.

- The updating of the Quebec City Airport's capital expenditure master plan, which got underway in 2009, will help determine our infrastructure needs for the next 25 years in order to prepare the Airport to meet the anticipated increase in traffic and identify the development potential of all its sectors.

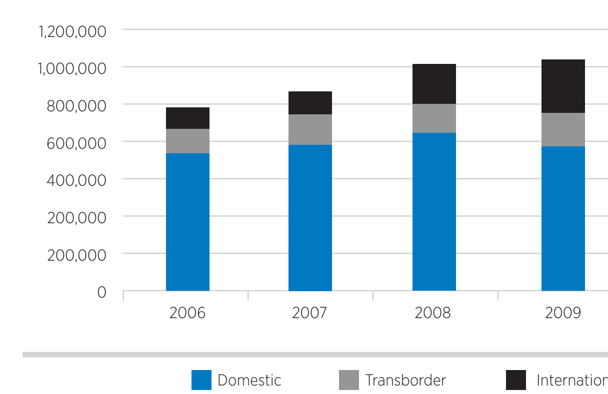
Development

Through its modernization project, the Quebec City Airport has become an inviting gateway and an economic lever for eastern Quebec. The terminal's new features—more attractive than ever for its foreign partners—are helping attract and retain new carriers, enhance our services, and give travelers another reason to choose Quebec City as their departure or arrival point.

The Quebec City Airport is committed to putting passengers first to offer them outstanding service and the opportunity to go where they want, when they want.

This year again, despite the economic slowdown, passengers continued to travel to and from Quebec City Airport, helping us reach a historic milestone with 1,035,000 passengers, compared to 1,022,900 in 2008, an increase of 1.2%.

Passengers by destination



The number of arriving passengers is estimated by applying a conservative adjustment factor to the number of departing passengers every year based on the most recent Statistics Canada data.

Due to the economic crisis, domestic traffic dropped this year by 11.4% compared to a 13% increase in 2008, which was attributable in part to Quebec City's 400th anniversary celebrations.

Transborder and international traffic, on the other hand, experienced remarkable growth, with increases of 14.5% and 29.3%, respectively.

International traffic has more than doubled since 2006, while transborder traffic continues on its recent upswing, with a jump of 33%. These results reflect our efforts to continually upgrade our services to meet the needs of the community.

Passenger traffic is broken down into three categories: domestic, for passengers flying within Canada; transborder, for passengers heading to the United States; and international, for all other destinations. The following table illustrates the breakdown of passenger traffic since 2006.

Property development

The past year provided an opportunity to demonstrate the efficiency of the new facilities put in place as part of the extensive modernization project. At the same time, a significant increase in traffic led the Quebec City Airport to begin updating its capital expenses master plan. This plan anticipates infrastructure needs for the next 25 years and proposes a sequence of capital projects.

The airport services building opened in early January 2009. It houses vehicle rental companies, security services, meeting rooms, and administrative offices.

In the spring of 2009, the commuter pier and the final exterior work were completed.

Under the careful review and ongoing support of the construction committee to ensure the fair value of the projects costs, the overall development project was completed slightly under the authorized budget.

Customer experience

The Quebec City Airport does its utmost to meet the highest passenger expectations. The Customer Experience Department—a twenty-person team—is available round the clock to respond to traveler inquiries, provide information, and make traveling easier. Since the opening of the new air terminal, our motto "Passenger first" has led to the addition of fantastic new services for our customers:

- In the pre-security area, travelers and visitors can enjoy a food court overlooking the runways as well as bar services near the security checkpoint.
- Our passengers can now take advantage of a coatcheck service available year round.
- In the secure area, travelers can now enjoy a multiservice boutique and a new duty-free shop, a bar, and a 300 seat restaurant serving hot meals.
- Business travelers can work in peace and quiet in the new business center and take advantage of free wireless Internet service throughout the terminal.
- The VIP lounge is known for its welcoming atmosphere and topnotch service.
- A kids' play area is available, and moms can use our new, specially designed nursing room.

For the last three quarters the Quebec City Airport has been part of the Airport Service Quality program comparing the quality of service provided at 140 participating airports around the world. The Quebec City Airport performed brilliantly in 2009, earning 4.44 out of 5 for overall customer satisfaction. These outstanding results position us with the best in the world. They clearly attest to the vision that drives us and to the success of a team committed to meeting the highest expectations while providing our passengers with exceptional services.

The Quebec City Airport's security services continued to expand, with an increase in personnel and new, 24/7 firefighting services.

Environment

As part of our vision for sustainable development, the Quebec City Airport is proud of its rigorous environmental management system that ensures compliance with mandatory standards. We play a leadership role in acting as a responsible, proactive citizen. Again this year, our organization set itself apart with a series of measures aimed at creating a hospitable world for future generations. These measures include

- New, environmentally friendly work procedures
- A water quality monitoring program
- Additional recycling bins and islands, and a recovery compactor (increasing our waste recovery rate from 15% in 2007 to 30% in 2009)
- New faucets and toilets with infrared sensors, reducing water consumption by more than half
- An awareness campaign aimed at preventing vehicle idling
- Sound climate control by the noise management committee

Security, safety, and emergency measures

Our security and safety policies and regulations are regularly monitored by specially mandated bodies. Thanks to our desire to excel, we have met all standards in effect and improved our various security and safety parameters.

The year 2009 was also marked by implementation of the safety management system in accordance with the *Canadian Aviation Regulations*. With this improved system, the Quebec City Airport aims to make prevention a part of its daily activities and set up a process to identify and correct potential risks with a view to optimal aircraft and passenger safety. This safety management system was successfully implemented thanks to teamwork, shared information, and the active participation of all employees and managers.

Safety remains a priority for the Quebec City Airport, which introduced a number of measures in 2009, including

- Enhanced firefighting services, now available on site 24 hours a day
- Procedures manual for ensuring safe operations in restricted areas
- Influenza A (H1N1) prevention measures

Administration, finances, and human resources

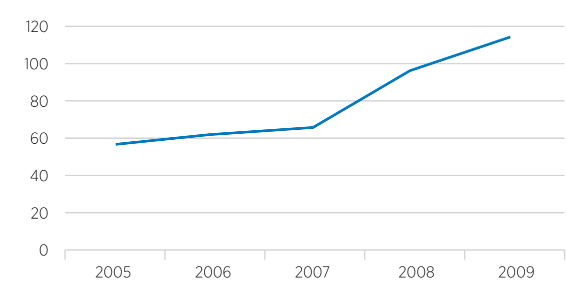
The Finance Department carefully and responsibly manages the organization's finances in order to support the performance of all divisions, provide the resources they need, and anticipate future requirements. It ensures that the various projects fit within the company's financial framework.

As regards human resources, labor-management relations are outstanding, and work sessions to renew the collective agreement have been carried out constructively, in a spirit of cooperation.

We understand the importance of putting together a group of qualified and dedicated people. In 2009 we strengthened our teams and began implementing a new organizational structure aimed at increasing our capacity and ensuring our continued growth. Eighteen new positions were created in 2009.

The number of employees working at the Quebec City Airport site has risen by 70% from 2007 to 2009.

Number of employees



Strategic planning and vision 2015

"Passenger first" is the motto that inspires our entire team, and that has guided us in our objectives and the directions we have taken over the years.

The modernization of the airport terminal has breathed new life into our organization and our region. Once again in 2009 the Quebec City Airport demonstrated its ability to manage its operations carefully and efficiently and to continue developing for the benefit of its passengers and the entire region. In the next few years, our entire team will implement the projects that will allow us to continue to drive Quebec City's prosperity.

The Quebec City Jean Lesage International Airport is now a welcoming and inviting gateway for visitors and business people alike.

Our modern, efficient facilities combined with the Quebec City area's continued economic vitality allowed us to meet the challenges of a difficult world economic situation in 2009.

In spite of decreases at most other airports, the growth in traffic at the Quebec City Airport in 2009 is expected to continue and will require the airport to prepare now to effectively meet this future challenge. This means the Quebec City Airport must put in place the necessary airport facilities and services to meet rising demand, and must continue to develop skills and attract talented resources at all levels of the organization.

Traffic forecasts indicate that the Quebec City Airport will welcome 1.5 million passengers in 2015, and nearly 2 million passengers in 2020. It is essential, therefore, for the airport to ensure the necessary conditions for meeting the challenges of rising customer demand, while continuing to put "Passenger first."

In its 2010–2015 strategic plan, the Quebec City Airport set itself precise objectives to guide and spur its development in keeping with its mission, vision, and values.

Corporate objectives:

- Maintain and develop sound governance programs
- Adapt our structures to keep up with growth
- Develop and implement a succession plan
- Adopt human resources development programs in order to enhance the quality and diversity of skills
- Secure the means to carry out our capitalization plan to maintain capacity, ensure service quality, and be able to meet demand and fulfill expectations

Guidelines:

- Emphasize "Passenger first" in order to become one of the world's most preferred airports
- Expand our facilities to meet rising demand
- Enhance and expand our air services by adding new destinations
- Maintain passenger satisfaction through outstanding service quality
- Develop airport facilities and services over the short, medium, and long term

Targeted interventions for the short and medium term:

- Expand international arrivals and Canadian transborder services
- Upgrade the high voltage electrical distribution network
- Build a new maintenance and technical support center
- Add parking spaces on the ground and new traffic lanes
- Enlarge terminal apron 1
- Build a multi-story parking lot
- Extend taxiway parallel to runway 06-24
- Install an aircraft de-icing center
- Renovate runway 12-30 and taxiways B and C
- Renovate and enlarge terminal apron II
- Build U.S. pre-clearance facilities
- Upgrade pavement of runway 06-24
- Build a hotel at the airport
- Extend commuter pier to terminal apron II

Traffic forecasts indicate that the Quebec City Airport will welcome 1.5 million passengers in 2015 and nearly 2 million passengers in 2020.

Means

- Continue canvassing air carriers
- Develop partnerships with the travel industry
- Emphasize total customer satisfaction
- Conduct internal customer surveys
- Continue efforts to diversify revenue sources
- Maintain government and community support
- Implement facility improvement and development programs

As an unprecedented wave of energy and pride sweeps the region, the Airport intends to play a proactive role in helping Quebec City to position itself as a key destination and a region that can host major international events. The governments of Canada and Quebec, together with the business community, have been firm partners in this major modernization project. As we embark on the next investment phase designed to ready our organization for strong growth, we trust they will join us in seeing this as an outstanding opportunity to support the economic development and vitality of the Quebec City region.

Financial results: highlights

Operating results

Revenues

Our overall income rose nearly 13.8% compared to 2008.

The arrival of new carriers, the general increase in traffic, and higher fees as of January 1, 2009, boosted landing and airport revenues by $1,295 857 or 14.4%. Revenues coming from domestic flights decreased by 1.1%, while revenues from transborder and international flights increased by 26.7% and 26.3% respectively. Total airport improvement fees rose by $818,782 or 8.4%.

Concession and rental income increased 6.2% and parking revenue jumped 10.9% due to the greater number of users.

Since the opening of the new airport terminal in June 2008, airlines have used common-use counters and automatic terminals to register passengers. The Quebec City Airport is responsible for all technological facilities and communications and also operates the VIP lounge, which is available to airlines' privileged customers. The baggage area is equipped with Destination Coded Vehicles (DCV) for automatic baggage handling and sorting. The income generated by these services amounted to $2,024,928, compared to $743,343 for part of 2008, in addition to fees charged for other airport services.

Safety and security fees charged to airlines rose from $1.77 to $2.66 per embarked passenger after January 1, 2009, to cover the cost of these services. The $623,181 jump in revenues is due to increases in fees and passengers.

Investment income fell due the drop in interest rates and a smaller portfolio. The Quebec City Airport's policy is to invest excess funds only in guaranteed investment certificates or in savings accounts.

Expenses

The results for 2008 do not include the new airport terminal's operating expenses except for the latter half of the year, namely after the terminal's opening. Financing charges and depreciation were included in the last quarter, after the trial period.

Salaries and employee benefits increased by $1,299,452. The fourteen new customer service and IT employees hired in summer 2008 stayed through 2009. The number of firefighters increased from 12 to 20 during 2009 in order to provide improved, round-the-clock service to large planes. Some administrative and IT positions were also created.

Operating costs also include payment in lieu of taxes, which amounted to $2,308,006 in 2009 compared to $1,313,434 in 2008. In 2009 rent paid to Transport Canada totaled $1,392,129, a 26.8% increase over 2008.

During the period of finalizing and testing the new facilities, which opened in June 2008, certain expenses continued to be added to the capital cost of the modernization project, including interest on loans. In 2009, they were counted as expenses over the entire year, leading to an increase in expenses of $1,703,185.

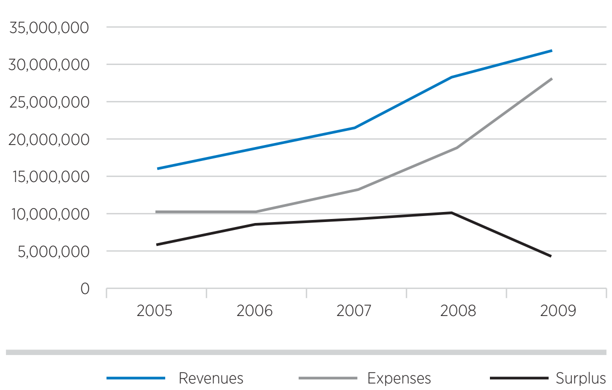
The depreciation of new investments related to the airport terminal project began after the above-mentioned testing period. The $3,768,570 increase is essentially due to the depreciation of the modernization project for the entire year compared to a single quarter in 2008.

Excess of revenues over expenses

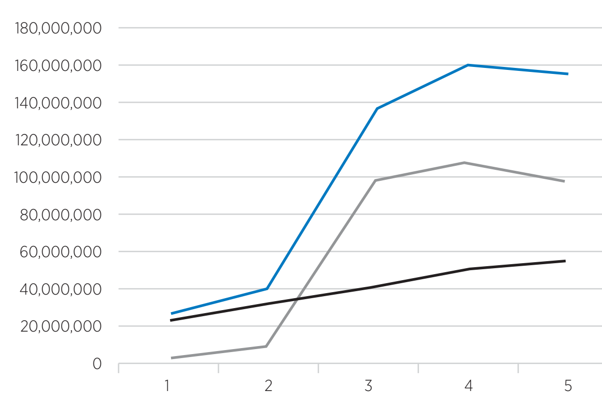
In 2009, losses on fixed assets disposals totaled $20,296 compared to $546,520 in 2008 due to lease cancellation and asset write off.

The 2009 year ended with a total excess of revenues over expenses of $4,328,171 compared to $9,589,317 in 2008.

Evolution results



Balance evolution



Auditor's report and 2009 audited financial statements

To the Directors of **Aéroport de Québec inc.**

We have audited the balance sheet of Aéroport de Québec inc. as at December 31, 2009 and the statements of revenues and expenses, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Raymond Chabot Grant Thornton S.E.N.C.R.L.[1]

Québec, February 12, 2010

[1] Chartered accountant auditor permit no. 7461

Revenues and expenses

Year ended December 31, 2009

	2009	2008
	$	$
Revenues		
Landing and terminal	10,290,251	8,994,394
Airport improvement fees	10,541,765	9,722,983
Concessions and rentals	3,536,021	3,328,052
Parking	2,899,048	2,615,779
Services and recoveries	2,695,165	1,447,566
Safety and security	1,594,357	971,176
Net investment income (Note 5)	823,201	1,373,111
Other	15,966	12,039
	32,395,774	28,465,100
Expenses		
Salaries and employee benefits	6,411,639	5,112,187
Operating expenses	14,375,654	10,279,806
Financial expenses, net (Note 6)	2,283,919	580,734
Amortization of property, plant and equipment	6,509,947	2,741,377
Amortization of deferred expenses	30,108	14,250
Amortization of deferred contributions relating to property, plant and equipment	(1,563,960)	(399,091)
	28,047,307	18,329,263
Excess of revenues over expenses before other revenues (expenses)	4,348,467	10,135,837
Other revenues (expenses)		
Gain (loss) on disposal of property, plant and equipment	(20,296)	12,050
Loss on write-off of property, plant and equipment and cancellation of lease		(558,570)
	(20,296)	(546,520)
Excess of revenues over expenses	4,328,171	9,589,317

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

Changes in Net Assets

Year ended December 31, 2009

	2009			2008
	Internally restricted (Note 17)	Unrestricted	Total	Total
	$	$	$	$
Balance, beginning of year	8,484,246	42,266,063	50,750,309	41,160,992
Excess of revenues over expenses		4,328,171	4,328,171	9,589,317
Balance, end of year	8,484,246	46,594,234	55,078,480	50,750,309

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

Cash Flows

Year ended December 31, 2009

	2009	2008
	$	$
Operating activities		
Excess of revenues over expenses	4,328,171	9,589,317
Non-cash items		
Loss (gain) on disposal of property, plant and equipment	20,296	(12,050)
Loss on write-off of property, plant and equipment		388,191
Amortization of property, plant and equipment	6,509,947	2,741,377
Amortization of deferred expenses	30,108	14,250
Amortization of deferred contributions relating to property, plant and equipment	(1,563,960)	(399,091)
Accrued benefit asset	(62,400)	(20,100)
Changes in working capital items (Note 7)	1,416,845	596,029
Net cash generated	10,679,007	12,897,923
Investing activities		
Term deposits	(17,347,786)	(20,207,238)
Receipt of term deposits	17,427,762	41,844,107
Notes receivable		(20,736)
Receipt of notes receivable	122,185	119,245
Property, plant and equipment	(22,009,816)	(51,078,347)
Disposal of property, plant and equipment	10,100	12,050
Deferred expenses	(283,578)	(122,140)
Net cash used	(22,081,133)	(29,453,059)
Financing activities		
Receipt of grants receivable	1,750,000	1,000,000
Deferred contributions relating to property, plant and equipment	1,431,242	8,182,635
Repayment of long-term debt	(2,125,000)	(1,000,000)
Net cash generated	1,056,242	8,182,635
Net decrease in cash and cash equivalents	(10,345,884)	(8,372,501)
Cash and savings account, beginning of year	12,886,144	21 258 645
Cash and savings account, end of year	2,540,260	12,886,144

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

Balance Sheet

December 31, 2009

	2009	2008
	$	$
Assets		
Current assets		
Cash	2,540,260	4,251,133
Savings account, at a variable rate		8,635,011
Term deposits (Note 8)	15,586,071	12,866,047
Accounts receivable (Note 9)	4,502,341	6,141,807
Supplies in inventory, at cost	209,129	287,776
Prepaid expenses	205,867	90,369
	23,043,668	32,272,143
Term deposits (Note 8)	4,100,000	6,900,000
Notes receivable (Note 10 and Note 22)	2,699,989	2,705,694
Grant receivable (Note 11)	11,500,000	12,500,000
Property, plant and equipment (Note 12)	112,023,280	104,836,859
Deferred expenses	361,360	107,890
Accrued benefit asset (Note 18)	209,200	146,800
	153,937,497	159,469,386
Liabilities		
Current liabilities		
Accounts payable (Note 14)	7,665,977	15,251,962
Deferred revenues	70,156	65,725
Customer deposits	575,772	596,560
Instalments on long-term debt (Note 15)	3,250,000	2,125,000
	11,561,905	18,039,247
Long-term debt (Note 15)	53,125,000	56,375,000
Deferred contributions relating to property, plant and equipment (Note 16)	34,172,112	34,304,830
	98,859,017	108,719,077
Net assets		
Restricted under internal restrictions (Note 17)	8,484,246	8,484,246
Unrestricted	46,594,234	42,266,063
	55,078,480	50,750,309
	153,937,497	159,469,386

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

On behalf of the Board,

(s) signed:

Gaëtan Gagné

President and Chief Executive Officer

(s) signed:

Jacques Champagne

Chair of Audit and Risk Management Committee

Notes to Financial Statements

December 31, 2009

1- GOVERNING STATUTES AND NATURE OF OPERATIONS

The Company, incorporated under Part II of the Canada Business Corporations Act, manages the Jean-Lesage International Airport. Its mandate is to provide high-quality airport services which meet the community's specific needs while striving to ensure efficiency, viability and safety as well as the economic development of Quebec metropolitan area. The Company is exempted under the Income Tax Act.

2- CHANGES IN ACCOUNTING POLICIES

Recently adopted standards

Not-for-profit Organizations

On January 1, 2009, in accordance with the applicable transitional provisions, the Company applied the new changes of the Canadian Institute of Chartered Accountants (CICA) to the introduction to accounting standards that apply only to not-for-profit organizations and several sections in the 4400 series as well as consequential changes to other sections of the CICA Handbook. The main changes, effective for fiscal years beginning on or after January 1, 2009, affect the following, in particular:

- Inclusion of not-for-profit organizations within the scope of Sections 1540, "Cash Flow Statements", and 1751, "Interim Financial Statements";
- Elimination of the requirement to treat net assets invested in capital assets as a separate component of net assets;
- Amendments to clarify that revenues and expenses must be recognized and presented on a gross basis when the not-for-profit organization is acting as a principal in the transactions in question;
- Inclusion of additional guidance with respect to the appropriate use of the scope exemption in Section 4430, "Capital Assets Held by Not-for-profit Organizations", for smaller entities;
- Inclusion of disclosure standards for the not-for-profit organization that classifies its expenses by function and allocates expenses to a number of functions to which the expenses relate.

The adoption of these sections has had no impact on the Company's financial results, only on the presentation of the statement of changes in net assets. The column of net assets invested in property, plant and equipment has been removed and presented with unrestricted assets as allowed by the new standards.

Future accounting standards

The Accounting Standards Board of the CICA has approved the adoption of International Financial Reporting Standards (IFRS) for the recognition and presentation of financial information for publicly accountable enterprises. These international standards will replace Canadian generally accepted accounting standards actually in use and will be applied starting on January 1, 2011.

The Company has decided to apply those standards and is presently assessing their impact on its operations, computer systems and financial statements.

3- ACCOUNTING POLICIES

Basis of presentation

The financial statements are prepared using the historical cost method, except for the revaluation of certain financial instruments. In this respect, consult accounting policy *Basis of measurement of financial assets and liabilities and disclosure.*

Accounting estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's best knowledge of current events and actions that the Organization may undertake in the future. Actual results may differ from these estimates.

Basis of measurement of financial assets and liabilities and disclosure

Initial measurement

Upon initial recognition, all financial assets and liabilities are measured and recorded at their fair value.

Subsequent measurement

Subsequent to their initial recognition, the financial assets and liabilities are measured as follows:

Cash and savings account are classified as held-for-trading assets and are measured at their fair value.

The trade accounts receivable, term deposits, accrued interest, notes receivable and the grant receivable are classified as loans and receivables and are measured at amortized cost, which is generally the initially recognized amount, less any allowance for doubtful accounts or capital loss.

The bank loan, accounts payable, customer deposits and the long-term debt are classified as other financial liabilities. They are measured at amortized cost using the effective interest method.

Disclosure

The Company has chosen to apply the recommendations of Section 3861, "Financial Instruments – Disclosure and Presentation", of the CICA Handbook with respect to the presentation and disclosure of financial instruments.

Inventory valuation

Supplies in inventory are valued at the lower of cost and net realizable value.

Cost is determined using the first in, first out method.

3- ACCOUNTING POLICIES (continued)

Amortization

Property, plant and equipment are amortized over their estimated useful lives according to the straightline method over the following periods:

	Periods
Buildings	10, 25 and 40 years
Leasehold improvements	5, 15 and 25 years
Machinery and equipment	
Airport terminal	5 and 15 years
Bag room	5, 10 and 15 years
Other	5 years
Computer equipment	3 and 5 years
Automotive equipment, furniture and fixtures	5 and 10 years

Deferred contributions relating to property, plant and equipment are amortized on the same basis as the related property, plant and equipment.

Deferred expenses

Deferred expenses include leasehold improvements paid for certain tenants and required expenses under the terms of the lease. They are amortized on a straight-line basis over 5 years.

Revenue recognition

Revenue from aeronautic activities, consisting primarily of landing fees and general terminal charges, is earned primarily from air carriers and recognized according to the use of airport facilities.

Revenue from airport improvement fees is recognized when departing passengers board their aircraft.

Concession rent is recorded over the term of the leases and calculated as a percentage of concession sales, subject to minimum guaranteed rents.

Rent from office and land leases is recognized monthly based on the corresponding leases.

Parking revenue is recognized according to the use of the space.

Proceeds from recovery, safety and security are recognized as soon as the service is rendered.

Interest income is recognized when earned, based on the number of days the investment is held.

3- ACCOUNTING POLICIES (continued)

Employee future benefits

The Company records its obligations under employee defined benefit plans and the related costs, net of plan assets. The Company has adopted the following policies:

- The cost of pensions and other retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service years and management's best estimate of expected performance of plans' investments, salary escalation, retirement ages of employees and expected health care costs. For the purpose of calculating the expected return on plan assets, those assets are valued at fair value;
- The excess of the net actuarial gain (loss) over 10% of the greater of the benefit obligation at the beginning of the year or 10% of the fair value of plan assets at the beginning of the year is amortized over the average remaining service period of active employees. The average remaining service period of the active employees covered by the pension plan is six years.

4- GRANTS

The Company obtained $36,245,589 in grants to complete construction of the airport terminal. Of this amount, $21,245,589 are receivable on presentation of claims based on the percentage of completion; a total amount of $20,564,954 was received as at December 31, 2009 ($18,383,712 in 2008). An amount of $15,000,000 is used to repay class "B" bonds and an amount of $2,500,000 was received as at December 31, 2009 ($1,500,000 in 2008). The grants received and receivable are recorded under Deferred contributions relating to property, plant and equipment.

Under these grants, the Company is required to respect the following conditions, failing which the agreements could be terminated:

- Remain the owner of property for which it received a grant;
- Respect laws and decisions applicable to the project and the resulting activities.

5- NET INVESTMENT INCOME

	2009	2008
	$	$
Interest income		
Assets held for trading	**11,971**	181,916
Loans and receivables	**811,230**	1,191,195
	823,201	1,373,111

6- FINANCIAL EXPENSES, NET

	2009	2008
	$	$
Other financial liabilities		
Interest on long-term debt	**2,899,202**	1,242,018
Loans and receivables		
Interest income on grant receivable	**615,283**	661,284
	2,283,919	580,734

7 - INFORMATION INCLUDED IN THE STATEMENT OF CASH FLOWS

The changes in working capital items are detailed as follows:

	2009	2008
	$	$
Accounts receivable, excluding the grant receivable and the current portions of the notes and grant receivable	**772,986**	(1,311,116)
Supplies in inventory	**78,647**	(100,541)
Prepaid expenses	**(115,498)**	43,594
Accounts payable, excluding accounts payable related to property, plant and equipment	**697,067**	1,939,943
Deferred revenues	**4,431**	(48,682)
Customer deposits	**(20,788)**	72,831
	1,416,845	596,029

8- TERM DEPOSITS

	2009	2008
	$	$
Current		
Weighted average rate of 1.65% (2.47% in 2008), maturing on different dates until December 2010	**15,586,071**	12,866,047
Long-term		
Weighted average rate of 3.67% (3.95% in 2008), maturing on different dates until January 2014	**4,100,000**	6,900,000
	19,686,071	19,766,047

9- ACCOUNTS RECEIVABLE

	2009	2008
	$	$
Trade accounts	**3,168,289**	3,356,303
Grant receivable		750,000
Indirect taxes		452,699
Accrued interest	**328,347**	460,620
Current portion of notes receivable	**5,705**	122,185
Current portion of grant receivable	**1,000,000**	1,000,000
	4,502,341	6,141,807

10- NOTES RECEIVABLE

	2009	2008
	$	$
Note receivable under an emphyteutic agreement, secured by a building, bearing interest at the rate of a 5-year residential mortgage loan, plus 5.25% (9.95%; 10.70% in 2008), receivable until January 2033 in monthly payments of $9,722, followed by 333 monthly payments of $1, maturing on October 30, 2060 (note 22)	**2,693,056**	2,809,722
Note receivable, 9% receivable in monthly payments of $577, maturing in December 2011	**12,638**	18,157
	2,705,694	2,827,879
Current portion	**5,705**	122,185
	2,699,989	2,705,694

11- GRANT RECEIVABLE

	2009	2008
	$	$
Grant receivable, 4.77%, receivable by quarterly instalments of $250,000, until April 2022	**12,500,000**	13,500,000
Current portion receivable	**1,000,000**	1,000,000
	11,500,000	12,500,000

12- PROPERTY, PLANT AND EQUIPMENT

			2009
	Cost	Accumulated amortization	Net
	$	$	$
Buildings	65,517,126	2,247,444	63,269,682
Leasehold improvements	12,904,066	2,404,022	10,500,044
Machinery and equipment	31,987,890	3,827,784	28,160,106
Computer equipment	6,989,693	2,022,392	4,967,301
Automotive equipment	4,383,506	2,687,291	1,696,215
Furniture and fixtures	3,173,702	419,246	2,754,456
Projects in process – other	675,476		675,476
	125,631,459	13,608,179	112,023,280

			2008
	Cost	Accumulated amortization	Net
	$	$	$
Buildings	59,982,875	464,399	59,518,476
Leasehold improvements	8,853,455	1,649,814	7,203,641
Machinery and equipment	30,037,913	1,802,895	28,235,018
Computer equipment	6,418,619	841,338	5,577,281
Automotive equipment	4,282,834	2,324,963	1,957,871
Furniture and fixtures	2,356,069	101,133	2,254,936
Projects in process – other	89,636		89,636
	112,021,401	7,184,542	104,836,859

During the year, the Company did not capitalized any interest ($1,238,069 in 2008).

13- BANK LOANS

The authorized bank loans with two institutions, of authorized amounts of $2,000,000 and $5,000,000, bear interest respectively at prime rate plus 0.5% and prime rate (2.75% and 2.25%; 3.5% in 2008) and are renegotiable in 2010. As at December 31, 2009, the bank loans were unused.

14- ACCOUNTS PAYABLE

	2009	2008
	$	$
Trade accounts payable and accrued liabilities	4,089,404	3,572,060
Trade accounts relating to property, plant and equipment	2,425,448	10,708,500
Salaries, vacation and employee benefits	373,875	314,770
Indirect taxes	144,157	
Accrued interest	633,093	656,632
	7,665,977	15,251,962

15- LONG-TERM DEBT

	2009	2008
	$	$
Series “A” bonds, 5.12%, interest payable quarterly and principal payable in quarterly instalments of $562,500, maturing in April 2029	43,875,000	45,000,000
Series “B” bonds, 4.77%, payable from the grant receivable in quarterly instalments of $250,000 plus interest, maturing in April 2022	12,500,000	13,500,000
	56,375,000	58,500,000
Instalments due within one year	3,250,000	2,125,000
	53,125,000	56,375,000

Under the credit agreement, the Company is subject to certain conditions. As at December 31, 2009, these conditions were met.

The instalments on long-term debt for the next five years are $3,250,000 in 2010 until 2014.

16- DEFERRED CONTRIBUTIONS RELATING TO PROPERTY, PLANT AND EQUIPMENT

			2009
	Cost	Accumulated amortization	Net
	$	$	$
Airport terminal	35,564,954	1,910,850	33,654,104
Buildings	652,910	134,902	518,008
	36,217,864	2,045,752	34,172,112

			2008
	Cost	Accumulated amortization	Net
	$	$	$
Airport terminal	34,133,712	372,990	33,760,722
Buildings	652,910	108,802	544,108
	34,786,622	481,792	34,304,830

17- INTERNALLY RESTRICTED NET ASSETS

The internally restricted net assets were obtained with a grant from Transport Canada of $5,167,336 and a gain on disposal of property, plant and equipment of $3,316,910 in 2003.

18- EMPLOYEE FUTURE BENEFITS

The Company maintains a defined benefit pension plan for the employees who, upon the assumption of the airport management, were employed by the Government of Canada – Transport Canada, and a defined contribution pension plan for the employees who have been hired from that date. The employees who were employed by the Government of Canada may transfer to the Company's pension plan the entitlements related to their last employer's plan.

The Company's net benefit plan expenses are as follows:

	2009	2008
	$	$
Defined benefit plan	53,000	141,500
Defined contribution plan	154,300	111,300
	207,300	252,800

18- EMPLOYEE FUTURE BENEFITS (continued)

The actuarial value of accrued benefits was determined using the projected benefit method prorated on service years and management's best estimate of the expected performance of plans' investments, salary escalation, levels, retirement ages of employees and the expected health care costs. An actuarial valuation was made as of December 31, 2007 by Morneau Sobeco and this valuation has been actualized by projection.

The defined benefit plan disclosure is detailed as follows:

	2009	2008
	$	$
Fair value of plans' assets	4,756,100	4,067,400
Accrued benefit obligations	3,834,000	3,083,700
Funded status – excess	922,100	983,700
Unamortized actuarial gains	(712,900)	(836,900)
Accrued benefit asset	209,200	146,800

The plan's assets are comprised of mutual funds investments.

The significant actuarial assumptions used by the Company to measure its accrued benefit obligations are the following:

	2009	2008
	%	%
Discount rate	6.75	7.5
Expected long-term rate of return on plan's assets	6.5	6.5
Increase rate of compensation	3.5	3.5

The other information regarding the defined benefit plan are as follows:

	2009	2008
	$	$
Employer's contributions	115,400	161,600
Employees' contributions	50,400	54,300
Benefits paid	46,800	31,700

19- COMMITMENTS

The Company has leased airport facilities under a lease agreement with Transport Canada since November 1, 2000. The lease term is 60 years with a renewal option of 20 years. Under the lease agreement, the Company is responsible for the management of the Jean-Lesage International Airport, including the maintenance and renewal of assets in order for the airport system to be maintained in accordance with the standards applicable to a "major international airport". A new rent formula became effective on January 1, 2006 and provides for a transition period from 2006 to 2009 for which rent is determined according to set parameters. Starting in 2010, rent will be determined as an escalating percentage that varies according to different income levels. Based on management's estimates, minimum lease payments for the next five years are $1,438,802 in 2010, $1,769,576 in 2011, $2,015,739 in 2012, $2,282,331 in 2013 and $2,578,512 in 2014.

The Company has also entered into long-term leases and service contracts expiring on various dates until January 2014 which call for payments totalling $10,942,547. Minimum payments for the next five years are $3,263,379 in 2010, $2,640,057 in 2011, $1,654,705 in 2012, $1,659,228 in 2013 and $1,675,178 in 2014.

The Company has carried out major rebuilding of the airport terminal and other projects. As at December 31, 2009, the Company has commitments relating to this work for a total of $215,662.

The Company committed in 2010 to acquire automotive equipment for $3,341,264 from a supplier.

20- FAIR VALUE OF FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

Fair value of financial instruments

The following methods and assumptions were used to determine the estimated fair value of each class of financial instruments.

Short-term financial instruments

Cash, savings account, trade accounts receivable, accrued interests receivable, accounts payable and customer deposits are financial instruments whose fair value approximates their carrying amount given that they will mature shortly.

Notes receivable

The fair value of the note receivable under an emphyteutic agreement is not easily determinable taking into account the subsequent event presented in Note 22.

The fair value of the fixed rate note receivable approximates its carrying amount. The fair value is determined using discounted cash flows at interest rates of similar notes receivable at the balance sheet date.

Term deposits, grant receivable and long-term debt

The fair value of the term deposits, grant receivable and long-term debt was determined by discounting the expected cash flows using market interest rates for similar debt securities having the same term to maturity and approximates its carrying amount.

Financial risks

The Company is exposed to various financial risks resulting from both its operations and its investment activities. The Company's management manages financial risks. The Company's main financial risk exposures are as follows.

20- FAIR VALUE OF FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (Continued)

Credit risk

Credit risk is the risk that a debtor of the Company is unable to fulfil its obligations. The financial instruments that potentially expose the Company to credit risk are primarily cash, savings account, term deposits, trade accounts receivable, accrued interests receivable, notes receivable and grant receivable.

Credit risk relating to accounts receivable is generally diversified since the Company negotiates with a large number of establishments. The Company undertakes credit investigations of its customers' financial situation.

The Company is exposed to credit risk because its cash, savings account and term deposits are held with only two financial institutions.

Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument fluctuate and result in a loss due to changes in interest rates.

The term deposits, note receivable, grant receivable and long-term debt bear interest at fixed rates and the Company is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations.

The note receivable under an emphyteutic agreement and the bank loan bear interest at variable rates and the Company is, therefore, exposed to the cash flow risks resulting from interest rate fluctuations.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its commitments. Liquidity risk management serves to maintain a sufficient amount of cash and cash equivalents and to ensure that the Company has financing sources sufficient to pursue its activities. At this effect, the Company establishes budget and cash estimates.

21- CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's capital management objectives are:

- Ensuring it has the necessary capital for developing and improving air and airport services to guarantee quality service to passengers;
- Maintaining a flexible capital structure enabling the Company to obtain financing to develop its infrastructures and real estate;
- Maintaining the necessary cash flows to address the risks most likely to affect its financial situation.

The Company's capital includes net assets and long-term debt.

To ensure it attains its objectives, the Company's management:

- Produces and presents to the Board of Directors short-term and long-term financial forecasts;
- Produces and presents to the Board of Directors quarterly financial statements as well as the management discussion and analysis and follows up on financial forecasts;
- Periodically reviews service prices.

22- SUBSEQUENT EVENT AND MEASUREMENT UNCERTAINTY

On February 4, 2010, the Company received from another company a notice to creditors for a proposal in accordance with the Bankruptcy and Insolvency Act (BIA section 69). As at December 31, 2009, the amount receivable from this company totalls $2,693,056 and is presented under Notes receivable in the balance sheet.

The Company holds some guarantees related to this amount receivable on a building built on a land belonging to the Company. Negotiations between parties and legal proceedings are actually under way in order to settle the matter.

At the date of preparation of the financial statements, the Company's management is unable to determine the outcome of this matter. An allowance has been recorded in the Company's books.

Board of Directors

Aeroport de Quebec Inc., incorporated by virtue of Part II of the *Canada Corporations Act*, is a not-for-profit corporation without capital shares that is exempted under the *Income Tax Act*. It is responsible for managing and developing the Quebec City Jean Lesage International Airport and holds a 60 year lease effective November 1, 2000, with the Government of Canada, with an option to renew for a 20-year period.

Any excess of revenues over expenses is reinvested in airport facilities to improve passenger services.

The Quebec City Airport subscribes to all lease's accountability and transparency principles as well as its own general bylaws.

According to the framework of the lease, general bylaws, and letters patent, the Quebec City Airport is subject to other rules enabling it to meet its accountability and transparency obligations toward the public. The Quebec City Airport is evaluated every year under Transport Canada's lease monitoring program.

The Quebec City Airport has complied with this evaluation in recent years. All of Transport Canada's remarks have been properly followed up on without exception.

The following are the designating bodies*:

- Government of Canada (2 members)
- Government of Quebec (1 member)
- City of Quebec (3 members)
- City of Levis (2 members)
- Chambre de commerce de Quebec (2 members)
- Chambre de commerce des entrepreneurs de Quebec (1 member)
- Chambre de commerce de Levis (1 member)
- Quebec City Airport board of directors (3 members)

* Definition of designating bodies: In compliance with Canadian airport administrations' public accountability principles and with Bylaw No. 1, the Quebec City Airport has a number of designating bodies. These bodies are invited to propose candidates for membership on the board of directors based on profiles submitted by the nominating, governance, and human resources committee.

In all, the board of directors is composed of 15 members, who together represent the region's business community and are known for their individual expertise in air transportation, aviation, business, trade, finance, administration, law, management, engineering, labor organization, and consumer advocacy.

The board outlines organizational guidelines and ensures their implementation in conjunction with the management team.

In 2009, the Quebec City Airport was supported by a team of 15 directors, whose varied expertise and skills helped to actively support management in their work. For four of them—Louise Gingras, Gaëtan Gagné, Marcel Jobin, and André Lemieux—this annual report marks the end of their mandate, which started when the Quebec City Airport was privatized in 2000. We should also mention the departure in 2009 of Paul Pelletier, who had served since 2004.

With their outstanding sense of duty, these experienced professionals have made an invaluable contribution through their positive influence on the Quebec City Airport's future. The success of our numerous achievements depended on their commitment and, above all, their vision. Their wide-ranging knowledge of the issues helped us plan for, guide, and effectively manage the development of the Quebec City Airport's facilities in recent years. There is no doubt that their contribution will be felt long after they leave the board. We take this opportunity to highlight their important contribution and thank them on behalf of all members of the board for their unfailing cooperation.

Committees

In 2009 six committees helped lay the groundwork for the board of directors' decisions:

- Executive Committee
- Environment, Security, and Safety Committee
- Nominating, Governance, and Human Resources Committee
- Planning and Development Committee
- Construction Committee
- Audit & Risk Management Committee

The committees act according to the guidelines set out by the board of directors and ensure that the organization meets its legal obligations in the day-to-day management of its operations. The board of directors is also supported by the Community Consultative Committee, which contributes to various issues related to the improvement of air services and airport facilities.

Conflict of interest rules

In accordance with its lease with Transport Canada, the Quebec City Airport incorporated conflict of interest rules into its general bylaws that are applicable to its directors, managers, and employees and are designed to avoid any real or apparent conflicts of interest. The Quebec City Airport complied with these rules in 2009, notably by means of an annual declaration of interest signed by each director.

Contracts exceeding $98,000

All contracts in excess of $98,000 granted in 2009 were awarded through a public call for tenders process, in compliance with the Quebec City Airport's accountability principles, except for the $212,500 contract, which was awarded for the preparation of a master plan to Arup Canada Inc. because of this firm's special expertise, and for which the board of directors authorized a dispensation.

Compensation of directors and managers

Directors' compensation

On June 26, 2009, the members of the board adopted a new bylaw regarding annual fees, setting the compensation of directors as follows:

Annual fees	
Chair of the board and chair of the executive committee	$60,000
Vice chair of the board	$10,000
Secretary-treasurer	$10,000
Committee chairs	$10,000
Directors (except the chair)	$8,000
Committee members*	$2,000

(*except the chair, vice chair, and secretary-treasurer)

Meeting fees

$500 per board or committee meeting or per half-day for special activities

Number of meetings	
Board of Directors	11
Executive Committee	8
Audit & Risk Management Committee	9
Environment, Security, and Safety Committee	4
Nominating, Governance and Human Resources Committee	10
Planning and Development Committee	6
Construction Committee	21
Others	15

Managers

The Quebec City Airport's four-member management team was paid $560,497 for the year ending on December 31, 2009.

Directors' compensation in 2009

	REGULAR COMPENSATION		PROJECT-RELATED COMPENSATION	
Name	Fees	Meeting fees	Fees	Meeting fees
Mr. Michel Cadrin	$12,500	$12,500	-	-
Mr. Jacques Champagne*	$14,000	$18,050	-	$500
Mr. Yvan-Miville Deschênes*	$11,500	$10,750	-	-
Mr. Gaétan Gagné*	$45,000	$43,250	-	$12,375
Mrs. Louise Gingras	$16,500	$15,500	-	$2,000
Mr. Roger Gravel*	$11,500	$17,500	-	-
Mr. Marcel Jobin*	$5,000	$12,250	$13,500	$13,375
Mr. André Lemieux	$16,500	$5,000	-	$1,250
Mr. Alexandre Matte	$5,000	$10,000	-	-
Mr. Paul Pelletier (1)*	$10,000	$13,750	-	-
Mr. André C. Sarasin (2)	$1,333	$1,500	-	-
Me Carl Tremblay	$4,500	$12,000	-	-
Mr. Guy Vachon*	$6,000	$16,000	$1,000	$10,250
Mr. Alain Vaillancourt	$5,000	$15,000	-	-

(1) – Resigned on October 22, 2009
(2) – Appointed on November 1, 2009
*Committee chair

GOVERNANCE

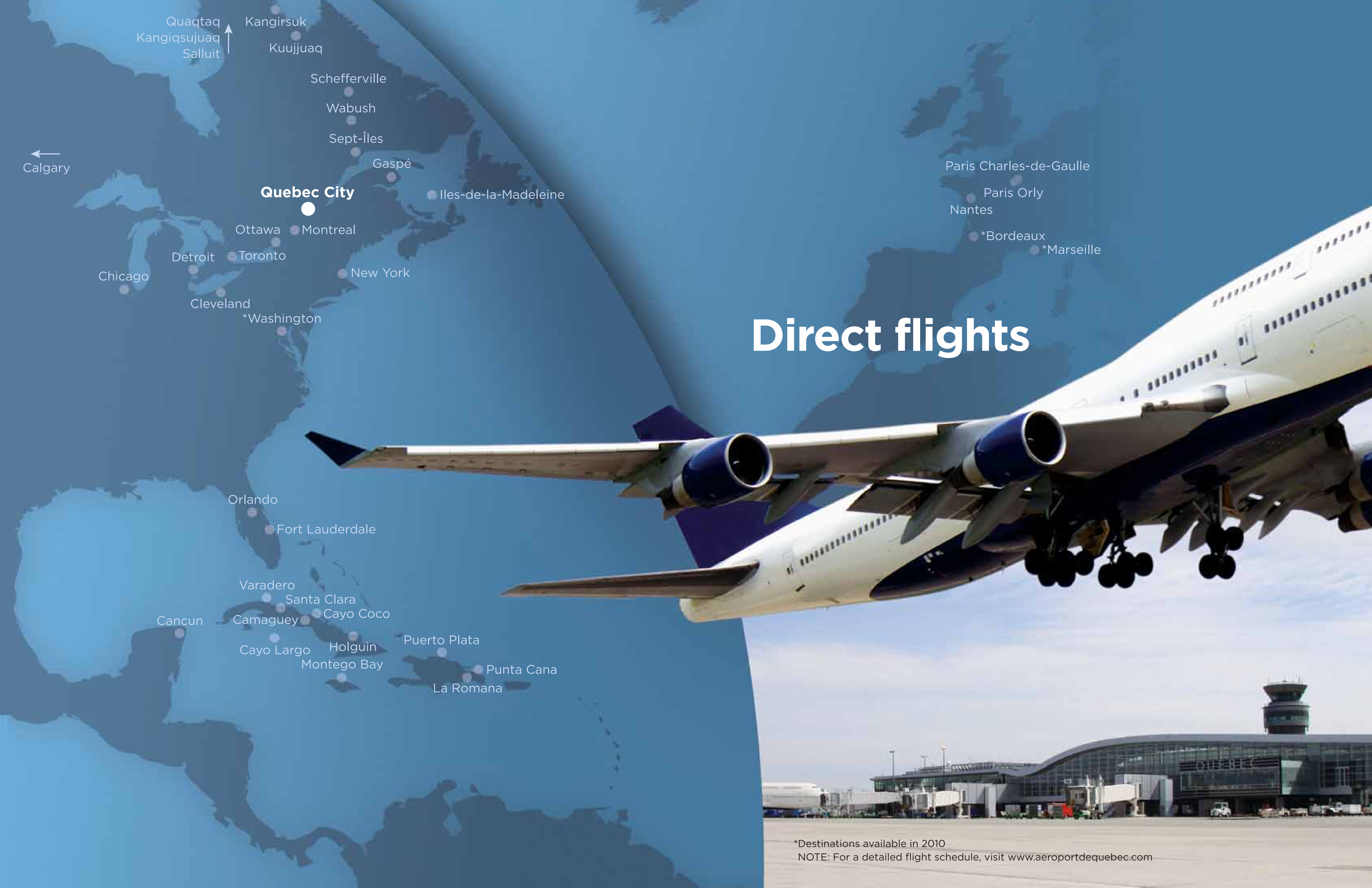
In 2009 the board of directors conducted a strategic planning exercise designed notably to revise its governance structure. During this process, the roles of the chair of the board and chair of the executive committee were clarified in order to diminish the involvement of the executive committee and transfer most administrative powers and responsibilities from the executive committee to the president and CEO, a new position created to lead and supervise the management team.

The directors also worked on revising the organizational structure in order to foster better synergy between the board of directors and company management. From now on the board will be supported by the five following committees:

- Audit and Risk Management Committee
- Nominating, Governance, and Human Resources Committee
- Planning and Development Committee
- Environment, Security, and Safety Committee
- Executive Committee

A process to define managers' roles is currently underway, and new positions will be added to support the Quebec City Airport's growth and development. The role filled by the executive committee is now largely under the responsibility of the president and CEO, thus freeing members of the board from tasks that will now be handled by the management committee.

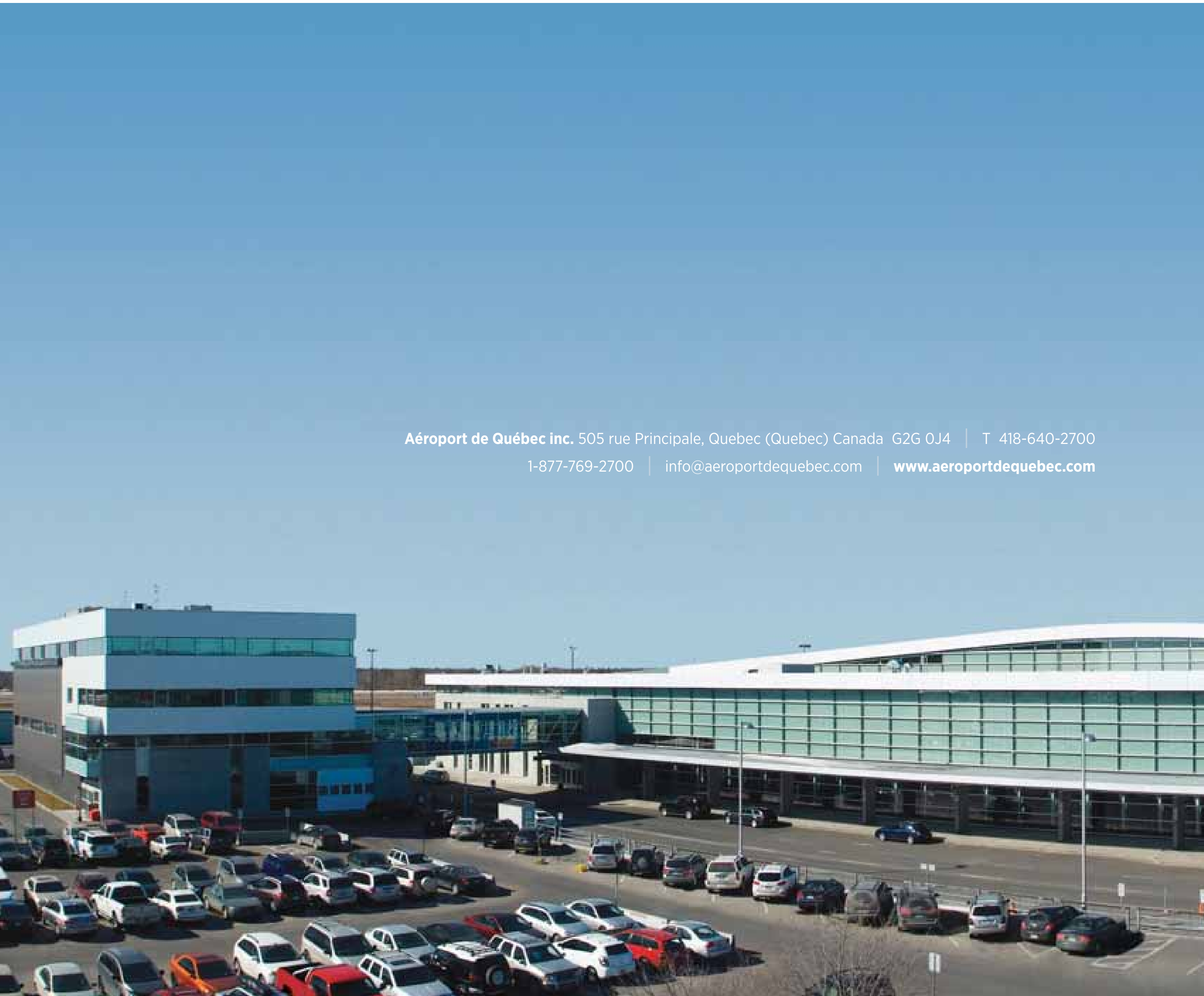
Direct flights



*Destinations available in 2010
NOTE: For a detailed flight schedule, visit www.aeroportdequebec.com

Québec City Jean Lesage
International Airport

PASSENGER FIRST



Aéroport de Québec inc. 505 rue Principale, Quebec (Quebec) Canada G2G 0J4 | T 418-640-2700
1-877-769-2700 | info@aeroportdequebec.com | **www.aeroportdequebec.com**