

A Decade of
Growth


Québec City Jean Lesage
International Airport

PASSENGER FIRST®

2012 ANNUAL REPORT

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Message from the Chair of the Board

Aéroport de Québec inc. (AQI) is a not-for-profit private corporation mandated to manage, operate, and develop Québec City Jean Lesage International Airport (YQB).

A Decade of Growth

It is with great pride that we present our 2012 Annual Report. For the tenth year running AQI has registered growth. This year we saw a 2.2% increase in traffic and a record number of passengers—1,342,840—pass through our gates.

In the past five years, passenger traffic has grown by an impressive 53%. And over a ten-year period, the growth rate is 121%.

Results like this are no accident. Rather, they reflect AQI's concerted efforts to update our facilities. In 2008 we invested over \$100 million to modernize our airport. What was once viewed as an architectural embarrassment has become a source of pride for local residents and a leading driver of regional economic development.

How did we achieve growth on this scale? It's no great secret. Our airport lacked adequate facilities to meet passenger demand. By boosting our passenger capacity we put ourselves in a position to forge new partnerships, which led to more flights from Québec City and fostered healthy competition—all in the name of offering our passengers more choice and better prices.

and the President and Chief Executive Officer

Our efforts have paid dividends. In a few short years the number of passengers using our terminal has doubled. Our performance has been exceptional: between 2002 and 2011 YQB achieved the best passenger traffic growth rate in Canada, with an average yearly increase of 9.3%.

Today our clients can set off from YQB for any destination in the world, between the 190 countries served by Star Alliance (through Air Canada, United Airlines, and US Airways) and the 173 served by Skyteam (via Delta Airlines). And that's not all—passengers can also opt for Air Inuit, Air Transat, CanJet, Porter Airlines, Sunwing, and Westjet, bringing the total number of carriers who fly out of YQB to ten. This means that any day of the week, our passengers have access to no fewer than six major North American hubs: Chicago, Philadelphia, Montréal, Newark, Toronto, and starting in May 2013, JFK.

And let's not forget our ever-growing list of flights to sun destinations. In 2012 we added a new one, Panama City, and enhanced our offerings to the destinations we already serve.



Much-needed Development

In today's world, airport development requires a long-term vision. Looking beyond our immediate needs is critical. More than ever before, the choice is between leading the pack or getting left behind. With aircraft manufacturers like Airbus and Boeing anticipating that global air traffic will double within 15 years to over 10 billion passengers per year, we must be ready to rise to the challenge. Some people will invoke factors beyond our control to claim that growth on this scale isn't possible. But the air travel industry has seen its share of turbulence since 1970—the oil crisis, the Gulf War, September 11, the SARS scare, and several financial crises—and has responded with remarkably steady growth. In fact, since September 11, 2001, global airline traffic has leaped 45%.

YQB still has tremendous potential for growth. The average passenger/population ratio for Canadian airports is 5.6; ours is 1.4. With that gap in mind it seems entirely conceivable that we will achieve our goal of joining the ranks of Canada's ten busiest airports by 2020, with 2 million passengers annually.

To get there we need to ensure we have the means to sustain our growth. In 2011 we began Phase II of our expansion. This Capital Improvement Plan (CIP) will total \$225 million in investments by 2016, with \$125 million coming from AQi and the federal and provincial governments contributing the remaining \$100 million. The expansion will enable Aéroport de Québec to continue soaring to new heights and fulfilling its vital role of driving socio-economic development in the region.

In 2012 we invested \$24.7 million as part of this project. The extension of the Delta Taxiway was one significant step forward: it will improve aircraft traffic flow and further enhance safety. We also did preparatory work for our future multi-story parking facility. With close to 1,150 spots, the facility will make life significantly easier for our passengers, especially in winter. The year 2012 also saw the start of construction on a combined services complex to house our fire station, vehicle maintenance facility, and more. In addition, we completed a series of studies, comparative analyses, and a comprehensive planning process for the new section of our terminal we will begin building in 2014 and plan to complete in the Fall of 2016, just in time for YQB's 75th birthday.

Of course, new projects are only one part of our job. We must also maintain and operate our existing infrastructure (runways, taxiways, fire department, snow removal equipment, lighting systems, and more).

Noteworthy Financial Results

Our financial results for 2012 were a reflection of our excellent traffic numbers. We ended the year with a \$9.6 million net surplus, up 6.8% from 2011. Revenues were up 7.4% (\$42.8 million) while expenses increased by 8.7% (\$32.1 million). AQi has set a long term objective of diversifying revenue streams so that 70% comes from non-aeronautical sources, leaving 30% from aeronautical fees. To achieve this we will continue to focus on real estate development and concession revenues.

AQi works unrelentingly to optimize risk management. Our work in this area has earned kudos in the industry, where AQi is held up as a model.



Teamwork: Driving AQi Forward

The AQi Board of Directors is a group of men and women dedicated to achieving our objectives and fostering economic development in the region. The Board delegates to several committees—Nominating, Governance, and Human Resources; Audit and Risk Management; Environment, Security, and Safety; and Planning and Development—whose efficiency throughout the year was instrumental in achieving Board–management cooperation. We extend our thanks to all Board members for their outstanding work in 2012. We would also like to take this opportunity to acknowledge the contribution of those members who gave up their seats in 2012, and welcome our new members who will bring a wide range of new expertise to the table.

We also want to tip our cap to all airport employees, whose dedication day-after-day reflects the pride they feel to be part of the AQi family. Our employees' contribution cannot be overestimated, and we want to take this opportunity to thank them once again for the central role they play in our success. Together we can make our dreams for Québec City Jean Lesage International Airport come true.

Finally, a special thanks goes out to our faithful passengers and the entire community. A recent survey showed that 93% of people stand behind the ambitious development projects we have planned, and we appreciate your support.

So to all 1,342,840 of you: Thanks!

André Fortin, CPA, CA, ASC, Lawyer
Chair of the Board

Gaëtan Gagné, LLIF, C. Dir. ASC
President and CEO



Members of the Board of Directors



André Fortin, CPA, CA, ASC, lawyer
President
Imafa inc.
Chair of the Board
Ex officio member
of all committees
Appointed by Ville de Lévis
Board member since 2010



Jean-Claude L'Abbée
Vice Chair of the Board
Ex officio member
of all committees
Appointed by
the Government of Québec
Board member since 2011



Alain April, ASC, ADM.A
General Manager
Château Bonne Entente
and Hôtel Georgeville
Member of Audit and Risk
Management Committee
Appointed by Ville de Québec
Board member since 2012



Michel Cadrin
President
Financière Micadco inc.
Member of Planning and
Development Committee
Appointed by
the Government of Canada
Board member since 2006



Yvan-Miville Des Chênes
Chair of Environment, Security
and Safety Committee
Appointed by Chambre
de commerce et d'industrie
de Québec
Board member since 2004



Roger Gravel
SCFP
Member of Nominating,
Governance and Human
Resources Committee
Appointed by Aéroport de
Québec inc. Board of Directors
Board member since 2004



Lise Lapierre, CPA, CA, ASC
Associate director
Accès Capital Québec
Appointed by Chambre
de commerce de Lévis
Board member since 2012

Management team



Gaëtan Gagné, LLJF, C. Dir. ASC
President and CEO



Serge St-Laurent
Senior Vice President,
Strategy, Development and
Operations



François Bilodeau, CPA, CA
Vice President, Finance
and Administration
and Chief Financial Officer



Daniel Perreault, Eng
Vice President
Engineering and Construction



Sophie Lefrançois
Corporate Secretary



Liliane Laverdière
 Vice President,
 Business Development
 (Eastern Québec) and
 Specialized Services
 Business Services
 Mouvement Desjardins
 Chair of Nominating,
 Governance and Human
 Resources Committee
*Appointed by Chambre
 de Commerce et d'industrie
 de Québec
 Board member since 2010*



Alexandre Matte
 Coordinator, Police
 Technology Department
 Campus Notre-Dame-de-Foy
 Member of Environment,
 Security and Safety
 Committee
*Appointed by Ville de Québec
 Board member since 2007*



Jean-Guy Paquet, C.C., G.O.Q., ASC, Eng
 Chair of the Board
 Institut national d'optique
 Member of Planning and
 Development Committee
*Appointed by Ville de Québec
 Board member since 2012*



Nathaly Riverin, DEA, MSC
 CEO
 École d'entrepreneurship
 de Beauce
*Appointed by Government
 of Canada
 Board Member since 2012*



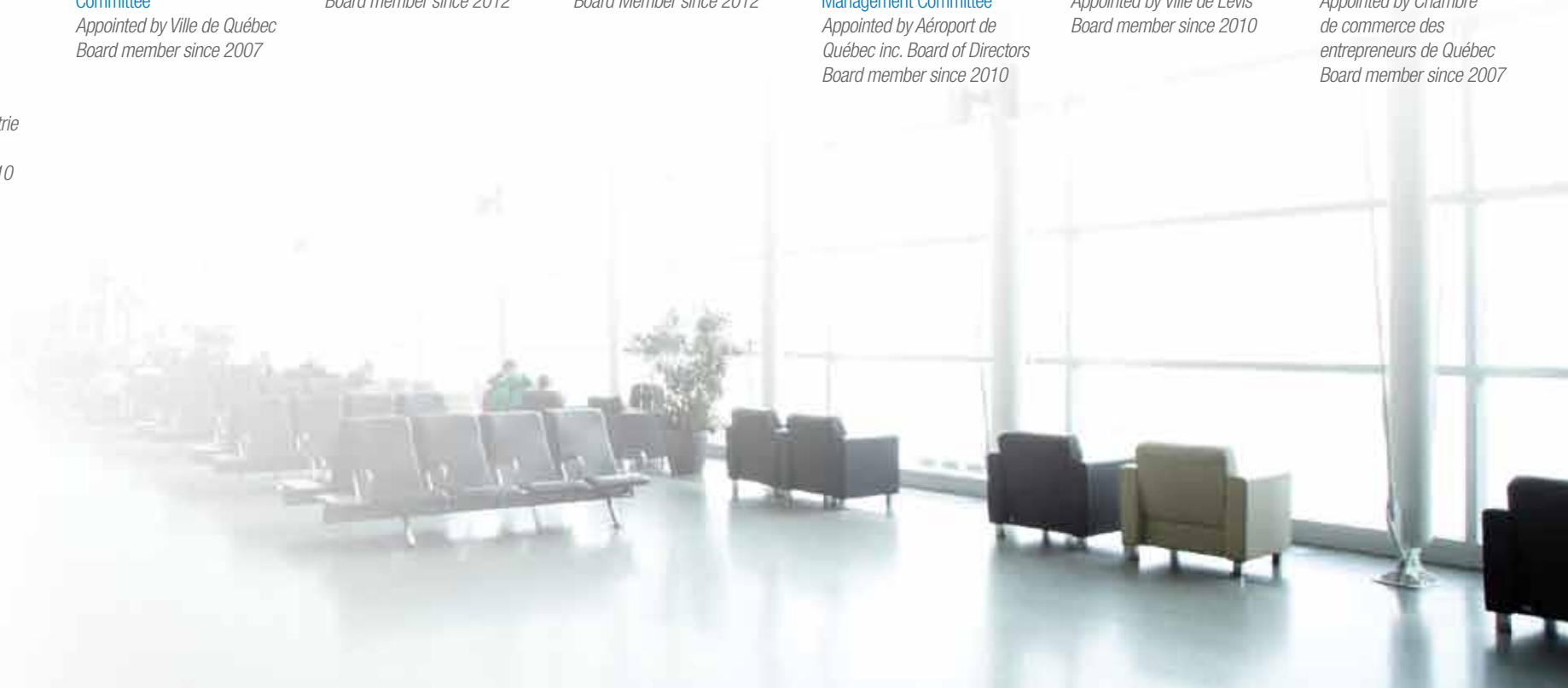
Jean Royer, CFA, CPA, CMA
 Vice President, Finance
 Desjardins Société financière
 et chef des finances
 des secteurs d'affaires
 Chair of Audit and Risk
 Management Committee
*Appointed by Aéroport de
 Québec inc. Board of Directors
 Board member since 2010*



Denis Therrien, CPA, CA
 President and CEO
 Marathon des Deux Rives
 Member of Environment,
 Security and Safety
 Committee
*Appointed by Ville de Lévis
 Board member since 2010*



Alain Vaillancourt
 President
 V Stratégies inc.
 Member of Nominating,
 Governance and Human
 Resources Committee
*Appointed by Chambre
 de commerce des
 entrepreneurs de Québec
 Board member since 2007*



YQB by the Numbers

9,000^{feet}

The length of runway 06-24

244^{feet}

The airport's elevation
above sea level

1,342,840

Passengers in 2012

5,700^{feet}

The length of runway 12-30

16

Aircraft positions

128,000

Aircraft movements per year

2,800

Number of employees
on the site

150

Employees working for AQi

10

Number of consecutive years
of increased passenger traffic

121%

The increase in passenger traffic
in the last decade



Mission

Offer high quality, efficient, secure facilities to handle increasing air traffic and strengthen our position as a leading driver of economic development in the region.

Vision

Join the ranks of Canada's ten busiest airports by 2020.

Mission - Vis



Values

Passenger First®

In conjunction with our partners, orient our actions and decisions to ensure that the passenger remains our #1 priority and offer the highest quality and the most secure airport experience possible.

Attention to Detail

Strive to always do better in order to offer our customers a one-of-a-kind airport experience.

"Winning is the science of being totally prepared".

- George Allen, Sr.

Human Resources

Offer a stimulating work environment with a focus on performance, personal and professional development, and respect.

sion – Values

OVERWHELMING SUPPORT...

It is essential for AQi's management to be able to count on the community's support because the fruit of our efforts remains the passengers' satisfaction. In order to evaluate the year 2012, AQi had a survey done in January 2013 to determine the community's degree of satisfaction with our projects. The results speak for themselves.

Methodology

From January 18th to January 21st, Som surveyed 502 people residing in the census metropolitan area of Québec.*

* The maximum margin of error for all respondents is 5.6% (with a level of confidence of 95%).

92%

of the people surveyed have a **very good** or **good** opinion of YQB



94%

of the people surveyed consider the airport's development **very** or **somewhat important** for the region's economic development



93%

of the population is **totally** or **somewhat in agreement** with the investment of \$225 million between now and 2016 in order to continue to develop our infrastructure and increase capacity at YQB.



2012 Highlights



Security, Safety, and Emergency Measures

Safety and security remain an abiding priority for Aéroport de Québec inc., and our efforts in 2012 helped consolidate our leadership in this area. Our new Safety Management System (SMS) was approved by Transport Canada this year, the culmination of a major undertaking launched upon completion of our 2008 terminal upgrade. In June 2011 we embarked on Phase IV of the project: implementing a quality assurance system and improving emergency measures procedures.

In 2012 we formed a Security Intelligence Committee in partnership with various federal, provincial, and municipal agencies—another major advance on the security front. The committee will enable us to better share information on risks and threats at the local level.

AQi also acquired a new system specially designed to safely remove suspicious luggage flagged by our luggage processing system. The vehicle was custom-built to our specifications by a Canadian firm. YQB is the first airport in North America to acquire this entirely remote-controlled, state-of-the-art-technology. It will enable us to swiftly remove any suspicious luggage from the

terminal, eliminating the need to evacuate passengers and keeping everything running smoothly.

In November 2012 we conducted a major emergency drill. Such simulations are held every two years, in accordance with regulations, to test our procedures in the event of an emergency such as a plane crash. This year, AQi focused on managing families and gave our procedures a thorough test with the help of our partners—police forces, Québec's health and social services ministry, and students in the policing program at Notre-Dame-de-Foy college.

Development

The number of flights offered out of YQB grew yet again in 2012, testament to our steadily growing popularity among both carriers and passengers and the unstinting efforts of our team to put passengers first. Our new routes included a winter flight to Panama from groupe Transat, operated by Canjet.

Sunwing has boosted its capacity by 38%, adding more options for sun-seeking vacationers. Florida is more popular than ever, with a record-breaking number of flights from Air Transat, Canjet, Sunwing, and WestJet. In 2012 passengers could choose from up to 7 weekly flights to Fort Lauderdale. Our service to sun destinations didn't end with winter this year, thanks to more direct summer flights and two new destinations: Cancun (Air Transat) and Puerto Plata (Sunwing).

The Québec City–Montréal route remains one of our busiest, with up to 16 flights daily. One change in 2012 came from Air Canada Jazz, which began phasing in the new Bombardier Q400s to replace the older generation of Dash 100s and Dash 300s.



Passenger Experience

The Passenger Experience team works hard to make the “*Passenger First*®” commitment a reality on the ground, 365 days a year. Beyond attending to the needs, questions, and other concerns of our valued clients, our team never stops pushing the envelope and coming up with innovative new ways to offer passengers an unparalleled airport experience.



Environment

As part of our vision for sustainable development, AQi meets the highest environmental management and compliance standards, year after year. 2012 was no exception, with successful efforts to

- Maintain, develop, and update our environmental management system
- Develop new, environmentally friendly work procedures
- Pursue our groundwater and surface water quality monitoring program
- Attain a 32% glycol recovery rate
- Recycle close to 9 tons of hazardous waste materials—up over 20% from 2011
- Complete soil characterization in accordance with the Québec government’s Land Protection and Rehabilitation Regulation, a necessary step to prepare for future work
- Operate a Noise Management Committee in touch with the needs of local residents

In 2011 AQi also stepped up efforts to reduce its environmental footprint and be a good corporate citizen and model community member. In 2013 an internal Sustainable Development Policy as well as a Sustainable Development Manual should come into effect to help us make all our operations and projects as green as possible.





Human Resources

Our Human Resources Department is responsible for translating AQi's mission, vision, and values into action. This role includes both strategic planning and advising management.

The HR team draws on balanced principles of sound management to motivate staff to achieve AQi's objectives and satisfy our clients by listening, working together, communicating effectively, and turning our philosophy of excellence into a day-to-day reality.

Of the year's many human resources initiatives, we are especially proud of our communication plan. Its purpose is to foster dialogue, staff recognition, and motivation. The plan grew out of a satisfaction survey completed by all employees and our deep-seated desire to build a culture of pride and belonging. We have added a range of new programs and tools, including a new group insurance plan, a recognition program, training initiatives, in-house second language training, and a host of workplace health and safety measures. Work on a new centralized, computerized HR management system is ongoing. In 2012 AQi boasted some 119 full-time, 12 part-time employees and 19 contract workers.

Of course, the Human Resource Department is not solely responsible for fostering effective communication, putting ideas into action, developing policy, and overseeing cultural and behavioral change. Management from every department is called on to show leadership when managing staff. The HR Department is there to provide proactive support by developing the tools needed to boost organizational efficiency and continually push AQi to new heights of excellence through leadership development programs, professional development planning, performance and competency development, and other initiatives.



IT and Communications

In 2012 we performed a major overhaul of our IT infrastructure (phone network, virtual, and wireless) to enable us to support the new operating systems needed for the upcoming phases of our expansion and modernization. The goal is to boost the airport's operational efficiency, increase passenger satisfaction, optimize use of new infrastructure, and lower operating costs.

Our team also labored to optimize the airport management system, which helps AQi make the most out of existing infrastructure capacity in the face of growing traffic. The plan contains strategic information vital to planning major projects like the terminal expansion slated for 2016.



NextGen: The Way of the Future

The world is evolving. The worlds of aeronautics and airports, intimately linked, are no exception. Over the past years, a new concept has emerged: **NextGen**.



NextGen is a comprehensive overhaul of our National Airspace System to make air travel more convenient and dependable, while ensuring your flight is as safe, secure and hassle-free as possible. In a continuous roll-out of improvements and upgrades, the FAA is building the capability to guide and track air traffic more precisely and efficiently to save fuel and reduce noise and pollution. NextGen is better for our environment, and better for our economy.

In the long term, these new methods will most likely have an impact on the entire planet, more particularly in Canada. Our airports will therefore operate more efficiently, more rapidly and more safely.

- NextGen will reduce aviation's impact on the environment. Flying will be quieter, cleaner and more fuel-efficient. We'll use alternative fuels, new equipment and operational procedures, lessening our impact on the climate. More precise flight paths help us limit the amount of noise that communities experience.
- NextGen will be a better way of doing business. Travel will be more predictable because there will be fewer delays, less time sitting on the ground and holding in the air, with more flexibility to get around weather problems.
- NextGen will help us be even more proactive about preventing accidents with advanced safety management to enable us, with other government agencies and aviation partners, to better predict risks and then identify and resolve hazards.
- NextGen boils down to getting the right information to the right person at the right time. It will help controllers and operators make better decisions. This data will assist operators in keeping employees and passengers better informed.
- Our nation's economy depends on aviation. NextGen lays a foundation that will continually improve and accommodate future needs of air travel while strengthening the economy with one seamless global sky.
- NextGen will help communities make better use of their airports. More robust airports can help communities attract new jobs, and help current employers expand their businesses. By doing this the U.S. will strengthen its economy and help communities realize all the benefits that aviation can bring.
- NextGen will allow us to meet our increasing national security needs and ensure that travelers benefit from the highest levels of safety.

Aa  YQB

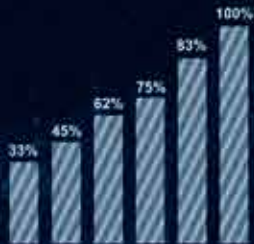
2012 Projects

Delta

Taxiway Extension

Construction from spring to fall 2012 extended the Delta Taxiway to the Golf Taxiway. The extension will improve the flow of aircraft traffic around the main runway and make it easier to build the planned de-icing center.


Cost:
\$15 million





90,000 m³

of soil excavated, the equivalent
of 36 Olympic-sized pools



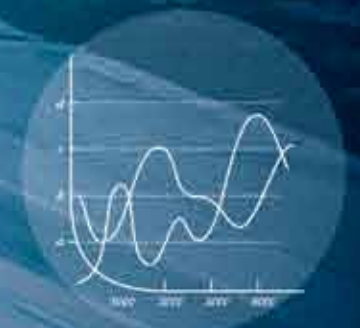
5 power shovels
and 5 pavers working
simultaneously

Over
200

truckloads of soil per day

3.7 km

of storm drains



30,000
tons

of pavement, the equivalent
of 17.5 km of residential street





Pre-Construction Work for Multi-story Parking Facility

In 2012 we took the first step in preparing for the construction of our planned multi-story parking facility. Relocating water mains, storm and wastewater drains, and electrical and communications cables on the site was a major undertaking that kept us busy from August to November 2012. Construction of the new 1,150 space parking facility will begin in spring 2013.

A New Combined Services Complex

Our plans to redo the international arrivals and transborder departures areas meant first relocating a number of AQi departments and tenants, including the fire station and vehicle maintenance facility. We are meeting this logistical challenge by building a new combined services complex to house a fire station, vehicle maintenance facility, and airport building services center. Pre-project planning, drawings, and technical specifications were all completed in 2012. Construction began in fall 2012 and will continue through December 2013.

Building Relocation to Make Way for a New International Arrivals Terminal

Certain existing leased buildings stand in the way of the new international arrivals area. Pre-demolition work has begun with a view to freeing up space for the planned building.

Reconfiguration of the International Arrivals and Transborder Departures

This project is designed to increase aircraft handling capacity, meet the needs of our growing passenger traffic, and accelerate luggage handling. In 2012 we completed multiple studies and comparative analyses and carried out strategic planning to prepare for the next phase, drafting plans and technical specifications. Construction of the new terminal will begin in January 2014 and it is slated for completion in the Fall of 2016.



Financial Results: Highlights

Aéroport de Québec inc. (AQi) generated net revenues and expenses of \$9.6 million. Revenues were \$42.8 million while operating expenses totaled \$32.1 million.

Revenues

Revenues from AIFs totaled \$15.6 million. AIFs are entirely reinvested in airport improvement initiatives, including paying interest on AQi's long-term debt.

Revenues from landing fees totaled \$5.8 million.

Terminal operations totaled \$5.4 million.

Public parking, concession, rental, and services income totaled \$12.2 million.

Revenues from safety and security totaled \$2.9 million.

Overall, increase in income totaled 7.4%.

Expenses

Salaries and employee benefits totaled \$10 million.

Rent paid to Transport Canada totaled \$2.3 million.

AQi purchased goods and services totaling \$10.8 million.

Service and maintenance expenses totaled \$5.8 million.

Expenses for equipment, supplies, and utilities totaled \$2.4 million.

Payments in lieu of taxes totaled \$2.7 million.



INVESTMENTS 2012 (all figures in \$1,000s)

	Forecast	Actual	Reason
Investments	34,015	24,659	Savings incurred on projected investment projects.

AQI's main investments in 2012 were the following:

- Construction of a taxiway connecting Delta and Golf
- Preparatory work for the construction of a multi-story parking facility – diversion of the underground services
- Combined services complex (beginning of the construction work)
- Relocation of tenants for terminal expansion (international arrivals sector) and lease termination

PLANNED INVESTMENTS (2013-2017)

The following are the main investments under consideration for 2013-2017:

- Apron 1 expansion and addition of services for the de-icing center
- Combined services complex
- Terminal expansion – international arrivals area
- Construction of Apron I for international I arrivals
- Multi-story parking facility
- Straightening of curbside and reconfiguration of taxi waiting area

The preliminary budget for all projects has been established at \$225 million.

FORECAST REVENUES AND EXPENSES (2013-2017)

(in \$1000s)

	2013	2014	2015	2016	2017
Revenues	47,366	50,943	54,691	59,240	64,156
Expenses*	32,899	43,178	44,462	46,406	47,836

*Expenses do not include depreciation of fixed assets and deferred income on tangible fixed assets.

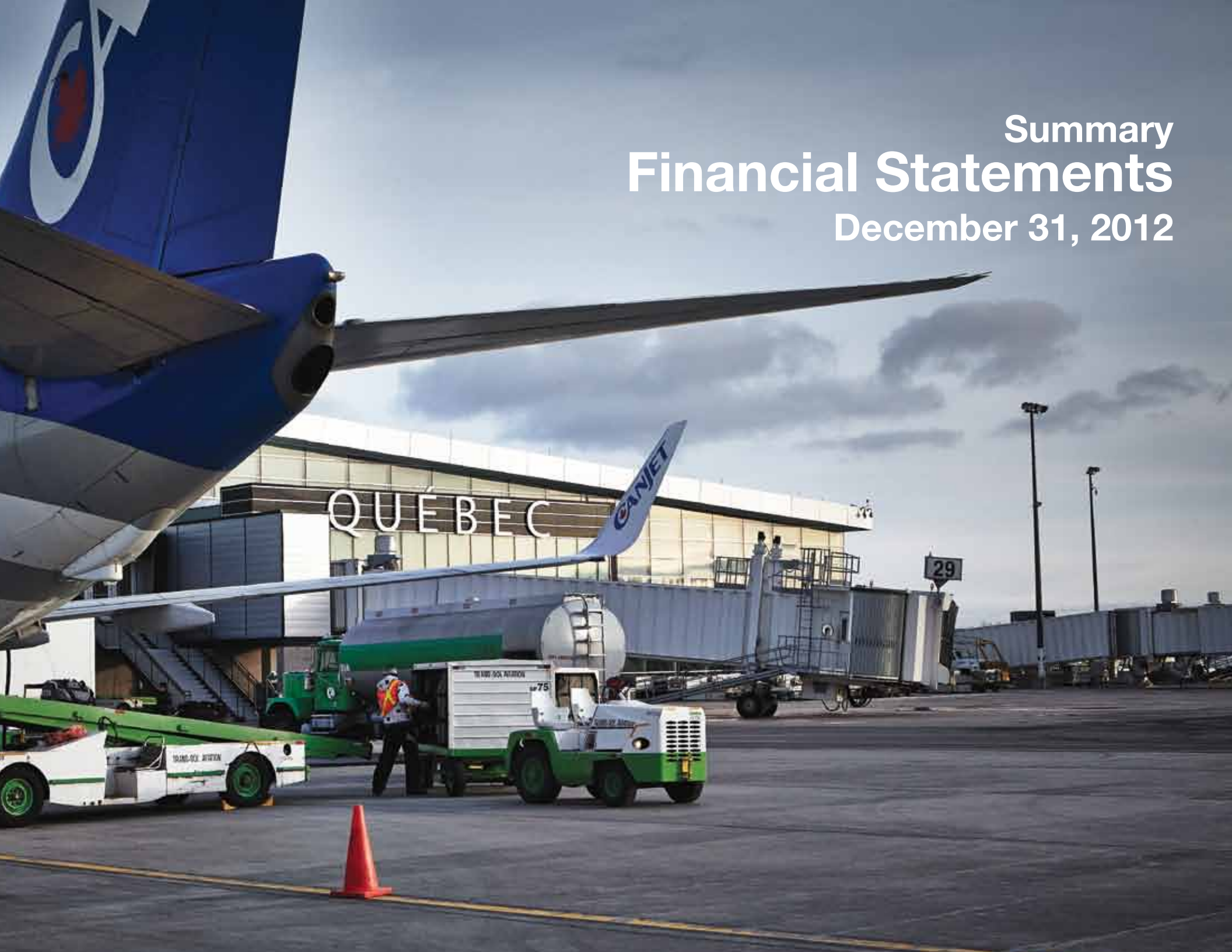
The above forecasts were established based on assumptions. Real results will differ from the estimates, perhaps significantly.





Summary Financial Statements

December 31, 2012



Independent Auditor's Report on Summary Financial Statements

To the Directors of
Aéroport de Québec inc.

The accompanying summary financial statements, which comprise the summary statement of financial position as at December 31, 2012, the summary statements of revenues and expenses, changes in net assets and cash flows for the year then ended and related notes, are derived from the audited financial statements of Aéroport de Québec inc. for the year ended December 31, 2012. We expressed an unmodified audit opinion on those financial statements in our report dated February 20, 2013.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards (IFRS). Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Aéroport de Québec inc.

Management's responsibility for the summary financial statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with the criteria described in Note 2.

Auditor's responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements".

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of Aéroport de Québec inc. for the year ended December 31, 2012 are a fair summary of those financial statements, in accordance with the criteria described in Note 2.

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

Québec
February 20, 2013

¹ CPA auditor, CA public accountancy permit no. A102607

Summary Statement of Revenues and Expenses

Year ended December 31, 2012

	2012 \$	2011 \$
Revenues		
Landing and terminal	12,086,377	11,593,220
Airport improvement fees	15,567,828	15,163,996
Concessions	2,657,178	2,613,584
Rentals	1,318,816	1,190,524
Parking	4,278,318	3,806,192
Services and recoveries	3,947,542	2,852,665
Safety and security	2,905,916	2,503,828
Other	39,809	140,045
	42,801,784	39,864,054
Expenses		
Salaries and employee benefits	10,035,769	8,722,195
Rent	2,307,100	2,047,387
Goods and services	10,808,877	10,338,776
In lieu of taxes	2,655,072	2,473,375
Amortization of property, plant and equipment	7,757,665	7,432,878
Amortization of deferred expenses	104,489	81,024
Amortization of deferred revenues relating to property, plant and equipment	(1,572,541)	(1,572,541)
	32,096,431	29,523,094
Operating results		
	10,705,353	10,340,960
Finance income	1,067,433	803,492
Finance costs	(2,215,495)	(2,195,389)
Net revenues and expenses	9,557,291	8,949,063

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

Summary Statement of Changes in Net Assets

Year ended December 31, 2012

	Accumulated revenues	Accumulated other comprehensive income	Total net assets
	\$	\$	\$
Balances as at January 1, 2012	71,554,575	(1,601,800)	69,952,775
Net revenues and expenses	9,557,291		9,557,291
Changes in actuarial losses		(971,100)	(971,100)
Comprehensive income			8,586,191
Balances as at December 31, 2012	81,111,866	(2,572,900)	78,538,966
Balances as at January 1, 2011	62,605,512	(450,600)	62,154,912
Net revenues and expenses	8,949,063		8,949,063
Changes in actuarial losses		(1,151,200)	(1,151,200)
Comprehensive income			7,797,863
Balances as at December 31, 2011	71,554,575	(1,601,800)	69,952,775

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

Summary Statement of Cash Flows

Year ended December 31, 2012

	2012 \$	2011 \$		2012 \$	2011 \$
Operating activities			Financing activities		
Net revenues and expenses	9,557,291	8,949,063	Receipt of grant receivable	1,000,000	1,000,000
Non-cash items			Loans	18,156,000	7,500,000
Gain on disposal of property, plant and equipment	(39,809)	(139,802)	Repayment of loans	(3,302,600)	(3,250,000)
Amortization of property, plant and equipment	7,757,665	7,432,878	Repayment of financing lease liability	(2,794,508)	(499,994)
Amortization of deferred expenses	104,489	81,024	Cash flows from financing activities	13,058,892	4,750,006
Amortization of deferred revenues relating to property, plant and equipment	(1,572,541)	(1,572,541)	Increase (decrease) in cash and cash equivalents	(945,854)	1,911,709
Defined benefit liability	(133,900)	(286,298)	Cash and cash equivalents, beginning of year	6,386,990	4,475,281
Net changes in working capital items	(1,793,717)	(1,517,117)	Cash and cash equivalents, end of year	5,441,136	6,386,990
Cash flows from operating activities	13,879,478	12,947,207			
Investing activities					
Term deposits	(5,337,607)	(3,592,787)			
Receipt of notes receivable	116,666	6,602			
Acquisition of property, plant and equipment	(22,621,649)	(12,246,696)			
Disposal of property, plant and equipment	7,666	165,702			
Deferred expenses	(49,300)	(118,325)			
Cash flows from investing activities	(27,884,224)	(15,785,504)			

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

Summary Statement of Financial Position

December 31, 2012

	2012 \$	2011 \$		2012 \$	2011 \$
Assets			Liabilities		
Current			Current		
Cash and cash equivalents	5,441,136	6,386,990	Accounts payable	9,604,408	7,343,589
Term deposits	12,000,000	9,740,784	Provisions	1,090,054	1,445,996
Accounts receivable	5,520,757	5,174,430	Deferred revenues	106,343	120,168
Grants receivable	7,221,315	1,000,000	Customer deposits	528,782	778,782
Note receivable	116,667	116,667	Loans	6,353,400	3,250,000
Supplies in inventory	625,064	296,885	Financing lease liability		2,794,508
Prepaid expenses	691,859	375,328		17,682,987	15,733,043
	31,616,798	23,091,084	Non-current		
Non-current			Accounts payable		445,828
Term deposits	20,754,337	17,675,946	Loans	65,875,000	54,125,000
Notes receivable	2,441,667	2,558,333	Deferred revenues relating to property, plant and equipment	35,924,327	31,715,261
Grants receivable	8,500,000	9,500,000	Defined benefit liability	1,199,200	362,000
Property, plant and equipment	135,645,350	119,191,027		102,998,527	86,648,089
Deferred expenses	262,328	317,517			
	167,603,682	149,242,823	Net assets		
	199,220,480	172,333,907	Accumulated revenues and accumulated other comprehensive income	78,538,966	69,952,775
				199,220,480	172,333,907

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

On behalf of the Board,

Signed:

André Fortin, CPA, CA, ASC, lawyer
Chair of the Board

Signed:

Jean Royer, CFA, CPA, CMA
Chair of Audit and Risk Management Committee

Notes to Summary Financial Statements

December 31, 2012

1 Governing statutes and nature of operations

Aéroport de Québec inc. (AQi) is a not-for-profit corporation without share capital incorporated on April 18, 1996 under Part II of the Canada Corporations Act (R.S.C. 1970, c. C-32). AQi is exempted under the Income Tax Act.

Since November 1, 2000, AQi has been responsible for the management, operation, maintenance and development of the Québec City Jean Lesage International Airport; under a 60-year lease with the Government of Canada with a renewal option for an additional 20-year period. Any excess of revenues over expenses is reinvested in the airport's infrastructure to improve passenger services.

AQi's head office is located at 505 Principale Street, Québec, Québec, Canada, G2G 0J4.

2 Criteria for the preparation of summary financial statements

AQi prepared financial statements in accordance with International Financial Reporting Standards (IFRS). The financial statements were approved by the Board of Directors on February 20, 2013. The independent auditor expressed an unmodified opinion on these financial statements in the independent auditor's report dated February 20, 2013.

AQi elected to prepare summary financial statements using the following criteria:

a) Presentation of one set of financial statements, except for the notes to financial statements;

b) Use of the same format in the summary financial statements as that used for the financial statements, except for the reference to the notes;

c) Exclusion of the notes to financial statements, unless their omission prevents users from obtaining a structured view of AQi's economic resources and obligations at a given time or of any changes during a period.

The financial statements are prepared in Canadian dollars, AQi's functional currency.

3 Availability of the financial statements

The audited financial statements are available on AQi's website (www.aeroportdequebec.com) after they have been presented at the annual public meeting.

Additionally, a paper copy of the financial statements may be obtained by contacting AQi.





Board of Directors

Aéroport de Québec inc., (AQi) governed by the Canada Not-for-Profit Corporations Act, is a not-for-profit corporation without capital shares that is exempted under the Income Tax Act. It is responsible for the management, maintenance and development of Québec City Jean Lesage International Airport (YQB) and holds a 60 year lease signed on October 27, 2000, with the Government of Canada, with an option to renew for a period of 20 years.

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

AQi subscribes to all the lease's accountability and transparency principles as well as its own general bylaws.

In addition to the regulatory framework provided by the lease, general bylaws, and its certificate of continuance, the Québec City Airport is subject to other rules enabling it to meet its accountability and transparency obligations toward the public. AQi is evaluated every year under Transport Canada's lease monitoring program.

AQi has proved to be in compliance 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 (two members)
- Government of Québec (one member)
- City of Québec (three members)
- City of Lévis (two members)
- Chambre de commerce et d'industrie de Québec (two members)
- Chambre de commerce des entrepreneurs de Québec (one member)

- Chambre de commerce de Lévis (one member)
- Airport board of directors (three members)

**Definition of designating bodies: In compliance with Canadian airport administrations' public accountability principles and with Bylaw No. 1, AQi 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 no more than 15 members, who together represent the region's community and are known for their individual expertise in air transportation, aviation, business, trade, finance, administration, law, management, engineering, labor organization, security and consumer advocacy. The board sets the organization's strategic orientation and oversees its implementation in conjunction with the management team. In 2012, AQi was supported by a team of 14 board members, whose varied expertise and skills helped to actively support management in their work.

Committees

In 2012 four committees helped lay the groundwork for the board of directors' decisions:

- Nominating, Governance, and Human Resources Committee
- Audit and Risk Management Committee
- Environment, Security, and Safety Committee
- Planning and Development 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 Advisory Committee, which helps advance 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 Québec 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 Airport complied with these rules in 2012, notably by means of an annual declaration of interest signed by each board member.

AQi subscribes to all the lease's accountability and transparency principles as well as its own general bylaws.

Contracts Exceeding \$104,600 granted without a public call for tenders

- Renewal of a maintenance contract for the automated baggage system in the annual amount of \$990,302 plus taxes granted to Cofely Services Inc. following the exercise of a 1-year renewal option with indexed prices as per the original contract;
- Terminable cleaning contract granted to Les Entretien d'édifices de la Capitale inc., authorized by the Board of Directors on May 9, 2012, on an hourly rate basis, for an unspecified period. From June to December 2012, AQi paid \$484,330 plus taxes to this supplier;

- Construction management contract for the combined services complex (fire station and vehicle maintenance) in the maximum amount of \$684,316 plus taxes granted to Verreault inc. for which the Board of Directors authorized negotiation by mutual agreement at the July 26th, 2012 meeting. \$176,121 were allocated to this contract in 2012.

Governance

In 2009 the Board of Directors conducted a strategic planning exercise, in collaboration with the management consulting firm Hay Group, designed notably to revise its governance structure. It became apparent that there was a need to create a new position, president and CEO, to lead and supervise the management team.

The president and CEO is responsible for defining and implementing the organization's strategic orientations, objectives, and fundamental values. Strategic orientation is based on operating as an economic entity so as to maximize value for our partners (various governments) and stakeholders (clients, employees, the public). The president and CEO, working under the supervision of the Board of Directors, is also in charge of the financial performance of all the organization's operations and business, including revenues and expenses, financial statements, and monitoring of the chief indicators of customer value.

The President and CEO works closely with a Senior Vice President, Strategy, Development and Operations as well as a Vice President, Finance and Administration and a Vice President, Engineering and Construction.

Compensation of Directors and Managers

Since 2009, directors' compensation is comprised of annual fees and meeting fees as per bylaw.

Annual Fees

Chair of the board	\$60,000
Vice chair of the board	\$10,000
Committee chairs	\$10,000
Directors (except the chair)	\$8,000
Committee members*	\$2,000

*except the chair and vice chair

Meeting Fees

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

Number of Meetings

Board of Directors	7
Nominating, Governance, and Human Resources Committee	7
Audit and Risk Management Committee	6
Environment, Security, and Safety Committee	3
Planning and Development Committee	3
Community Advisory Committee	2
Annual general meeting (members only)	1
Annual general meeting (open to the public)	1
Annual meeting of nominating bodies	1

Management

AQI's upper management team, which in 2012 comprised 5 members received \$897,582 in total compensation for the financial year ending December 31, 2012, including annual bonuses based on performance objectives.

REGULAR COMPENSATION

Name	Fees	Meeting Fees	Total 2012
Mr. Alain April (5)	\$7,622	\$6,500	\$14,122
Mr. Michel Cadrin	\$12,000	\$5,000	\$17,000
Mr. Yvan-Miville Des Chênes *	\$20,000	\$8,000	\$28,000
Mr. André Fortin **	\$47,500	\$19,500	\$67,000
Mr. Jean Claude L'Abbée ***	\$17,500	\$14,500	\$32,000
Mr. Roger Gravel	\$15,000	\$8,500	\$23,500
Ms. Liliane Laverdière *	\$16,442	\$8,000	\$24,442
Mr. Jude Martineau (2)	\$11,000	\$4,500	\$15,500
Mr. Alexandre Matte	\$10,000	\$7,500	\$17,500
Mr. Jean-Guy Paquet (5)	\$7,622	\$6,500	\$14,122
Mr. Jean Royer *	\$20,000	\$6,500	\$26,500
Mr. André C. Sarasin (4)	\$14,346	\$8,000	\$22,346
Mr. Denis Therrien	\$10,000	\$6,000	\$16,000
Mr. Carl Tremblay (1)	\$4,500	\$1,000	\$5,500
Mr. Guy Vachon (3)	\$19,789	\$6,500	\$26,289
Mr. Alain Vaillancourt	\$14,288	\$9,500	\$23,788
Ms. Lise Lapierre (6)	\$1,699	\$1,500	\$3,199
Ms. Nathaly Riverin (7)	\$1,671	\$500	\$2,171

* Committee President

** Chair of the board

*** Vice chair of the board

(1) Departure March 15, 2012

(2) Departure May 24, 2012

(3) Departure July 23, 2012

(4) Departure October 21, 2012

(5) Appointed March 15, 2012

(6) Appointed October 30, 2012

(7) Appointed November 22, 2012





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Schefferville
Sableville
Sept-Îles
Gaspé
Îles-de-la-Madeleine
Montreal
Ottawa
Toronto
Chicago
New York
Philadelphia
Washington
Orlando

Fort
Lauderdale
Varadero
Santa Clara
Detroit
Cayo Coco
Cancun
Holguin
Puerto Plata
Punta Cabea
Montego Bay
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