

**June 2, 2015 | Allan Baydala, Chief Financial Officer | Annual General Meeting**

I am pleased to present Port Metro Vancouver's 2014 Financial Report. It combines our audited financial statements with our Management Discussion and Analysis. The report highlights our capability to deliver results, providing an overview and analysis of our business operations and financial results.

Further to both Craig's and Robin's reference to our mandate, I'll show how, through our financials, we are meeting requirements to support trade in a sustainable way with regard for local communities.

Supporting Canada's growing trade means, among other things, making sure related infrastructure is in place to accommodate it. Our financial report and capital plan demonstrate our intention to do just that - and to ensure future generations continue to enjoy the benefits of trade, a healthy environment and thriving communities. Before I share the results, I'll give some general context on how the port authority generates revenues and how revenues are spent and reinvested.

Unlike many port authorities around the world, Canadian port authorities do not collect taxes or receive any tax dollars. Canadian port authorities manage terminal and tenant leases, collecting rents, and charge ship and cargo owners various fees, such as harbour dues, berthage and wharfage. To demonstrate our commitment to sustainability, we charge terminals a fee for their use of older diesel equipment and provide a rebate when they upgrade to newer, lower emission vehicles. And, last year, we rebated \$1 million in harbor dues to vessels going beyond regulatory requirements to reduce emissions.

Port Metro Vancouver revenues are spent on port-related activities such as: security and safety, reliability and efficiency initiatives, Fraser River dredging, environmental reviews, community engagement and consultation and many other activities carried out to fulfill our mandate.

We also need and plan for surplus revenues, which are reinvested in infrastructure and other capital projects – overpasses, road improvements and so on – to support our responsibility to facilitate Canada's trade in a sustainable way.

And so, I am pleased to report on a number of project milestones for Port Metro Vancouver in 2014:

- Our total capital expenditures have increased 2 per cent to \$97 million from \$95 million in 2013 (excluding the \$56 million Fraser Wharves property acquisition in that year).

- ✧ We substantially completed on schedule and within budget, five major capital projects, including:

- ✧ the new Low Level Road and Spirit Trail in North Vancouver,

- ✧ the South Shore trade area projects which, among other things, directly addressed public road access and noise,

- ✧ the Powell Street overpass, a joint project with the City of Vancouver,

- ✧ 232nd Street overpass in Langley, and
- ✧ the Deltaport overpass to allow the free movement of trucks and trains.
- ✧ We continue to lead various projects to accommodate expected increases in container, breakbulk, and bulk trade.
- ✧ These projects include:
  - ✧ the Deltaport Terminal, Road and Rail Improvement Project, and
  - ✧ the proposed Roberts Bank Terminal 2 project, as well as
  - ✧ additional projects on the north and south shores.

We are ensuring we are ready as Canada takes advantage of continuing and growing global trade opportunities.

Now, turning to our financial results...

Much of the strength of our financials is due to having very diverse trading partners and cargo sectors, as well as an excellent balance between imports and exports.

2014 was another record year for cargo through the port.

Volumes through port terminals have grown continuously since 2009, experiencing three consecutive record-breaking years. Last year, 140 million tonnes of cargo, up by 3 per cent over the prior year moved through terminals in our port.

To put it in context, imagine a typical one-tonne pick-up truck, like a Ford F-350, that can carry one tonne of cargo. If you lined up the trucks, bumper-to-bumper, with 140 million tonnes, they would go around the earth about 23 times. That's a lot of volume, and it's a good thing it's moving in ships!

I want to acknowledge and congratulate all our tenants and terminals for another record year. Your confidence in this port and your work to ensure efficient operations are so critical to Vancouver's international reputation as a reliable place in which to do business.

So, this increase in cargo volume resulted in a 6 per cent increase in revenues to \$223 million and a similar increase in total comprehensive income to \$98 million in 2014 from \$93 million in 2013.

We are proud to announce that our Standard & Poor's AA credit rating has been re-affirmed.

With the future and long-term planning in mind, our five-year capital plan identifies \$1 billion of spending to support our strategic priorities, which include:

- our ability to handle growing demand
- efficient use of our existing lands, and
- efficient operations

A full overview of our financials is available in the Management Discussion and

Analysis portion of our 2014 Financial Report – available on our website.

The consolidated financial statements in our report were audited externally by Ernst & Young. The auditors are of the opinion that the consolidated financial statements present fairly, in all material respects, the financial position of the port authority as at December 31, 2014 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Earlier this afternoon our board of directors reappointed Ernst & Young as auditors for the port authority.

I would like to take this opportunity to thank our customers and stakeholders for their continued support, our board of directors for their guidance, and our employees who work hard to deliver solid results and ensure the port authority maintains its strong financial position.

We look forward to achieving many more milestones in 2015, in all areas of our mandate, and continuing to invest in support of sustainable growth for future generations.

Thank you.