

**May 31, 2016 | Allan Baydala, Chief Financial Officer |
Annual General Meeting**

Today I am pleased to announce the release of Vancouver Fraser Port Authority's 2015 Financial Report. The report combines our audited financial statements with our Management Discussion and Analysis of those results. The report also provides an overview of the port authority and our strategic planning framework.

Further to Craig's reference to our mandate, I'm going to give some examples of how, through our financials, we are meeting the requirement to support Canada's trade objectives in a sustainable way.

Supporting Canada's growing trade means, among other things, making sure the related infrastructure is in place to accommodate that growth. 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 ports around the world, Canadian port authorities do not collect taxes or receive any tax dollars. Canadian port authorities manage terminal and tenant leases, collect rents, and charge ship and cargo owners various fees, such as harbour dues, berthage and wharfage.

As part of our work to ensure environmental sustainability, we provide financial incentives to terminals to reduce their use of older diesel equipment and upgrade to newer, lower emission equipment and vehicles. We also offer shipping lines rebates for the use of lower-emissions fuels. Last year, we rebated \$850,000 in harbour dues to vessels going beyond regulatory requirements to reduce emissions.

The port authority's 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.

In addition, we need, and plan for, surplus revenues, which are reinvested in infrastructure and other capital projects to support our responsibility to facilitate Canada's trade in a sustainable way.

Overpasses and road improvements reduce congestion and air emissions.

Our ECHO program is providing valuable information on marine mammals.

Shore power using clean hydro power is being successfully used at our cruise terminal and is now being implemented at two of our container terminals.

And noise and air monitoring stations are helping us lessen the impact of our operations on local communities.

These are just a few of the ways we are addressing sustainable operations.

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 a balance between imports and exports.

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 critical to the Port of Vancouver's international reputation as a reliable place to do business.

Despite a challenging year for the Canadian economy, 2015 was a record-breaking year in a number of sectors, such as our container, potash, and grain and agri-product sectors.

In 2015, the Vancouver Fraser Port Authority generated \$239 million in revenues, which included a one-time accounting adjustment of \$10 million to recognize additional revenue related to long term leases. Before the adjustment, revenues increased three per cent over 2014.

Operating expenses increased 3.5 per cent to \$118 million, and net income was \$107 million in 2015, up from \$97 million in 2014.

We are proud to announce that our Standard & Poor's AA credit rating has been re-affirmed, a testament to the strength of the gateway, and the terminal operators and tenants that form the port.

A full overview of our financials is available in the Management Discussion and Analysis portion of our 2015 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, 2015 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Earlier today 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 2016, in all areas of our mandate, and continuing to invest in support of sustainable growth for future generations.

Thank you.