



ST. JOHN'S
International Airport Authority

News Release

Airport Authority Reports Strong Performance in 2018

Airport Terminal Building Expansion (Phase 1) has been well-received by passengers, and is contributing to non-aeronautical revenue sources

- **88% passenger satisfaction rating following the opening of the Airport's expanded Departures**
- **Phase 1 of the expansion completed on time and on budget**
- **54% of revenue received from non-aeronautical revenue sources**
- **\$24 million invested in infrastructure improvements in 2018**
- **21 destinations served directly**
- **Over 1.5 million passengers annually**

ST. JOHN'S, NL, Wednesday, May 8, 2019 – St. John's International Airport Authority outlined the significant progress made in achieving its business objectives in 2018, and reported a strong financial performance at its Annual Public Meeting last evening. The most notable achievement last year was the opening of the expanded Departures area of the Airport Terminal Building, the first phase of the overall Terminal Building Expansion Project that resulted in an overall passenger satisfaction rating of 88 per cent. Operating earnings reported were approximately \$1.5 million, and as a not-for-profit organization they will be reinvested back into the operations and infrastructure of the Airport.

"2018 was a milestone year with the completion of the first phase of the Airport Terminal Building Expansion project," said Art Cheeseman, Chair of the St. John's International Airport Authority's Board of Directors. "This was the largest capital project in the Airport Authority's 20-year history, and I'm proud to say it was completed on time and on budget," said Cheeseman.

St. John's International Airport has over 1.5 million passengers travelling through its gates annually to 21 destinations, with over 80 daily arriving and departing flights. Developing air services by adding new destinations and increasing frequency on existing routes is a strong focus for the Airport Authority. "Attracting new and expanded airline services to the region is a core function of our business and we continue to pursue airlines to provide direct air services to key destinations where a strong business case exists, including Dublin and New York. While there have been challenges this past year, air service development remains a priority for the Airport Authority," said Cheeseman.

The Airport Authority stated that it is also focused on diversifying its revenue stream, and has placed significant effort on increasing revenue from non-aeronautical sources. In addition to land development and advertising sales, the expanded Terminal Building that opened in July 2018 has allowed the Airport

Authority to expand its Concessions Program and further diversify its revenue. This Program has a strong focus on local products, and the response to the new concession offerings has exceeded expectations with an overall increase in sales revenue by 23 per cent. Non-aeronautical revenue now represents 54 per cent of all revenue received.

Phase Two of the expansion will commence later this year with a substantial completion date of 2022, and will focus on the Arrivals process that is still operating below the capacity required for the existing passenger volume travelling through it. Sized at approximately 100,000 square feet, this expansion will feature additional space for international customs operations; more baggage carousels; space for baggage handling operations; an expanded Ground Transportation area to assist with taxi and shuttle bus queuing, and two additional gates and passenger loading bridges.

As a private, not-for-profit, non-share capital corporation, St. John's International Airport is responsible for generating its own revenue and raising its own capital funds to support the Airport's operations and its infrastructure improvement plans. In 2018, \$24 million was invested for infrastructure improvements and the total investment in the Airport's facilities will be \$191 million between 2018 and 2027. The Airport's primary source of revenue to finance expenditures associated with capital projects that has a positive impact on passenger experience is the Airport Improvement Fee (AIF). In order to invest in the infrastructure improvements so that passengers could experience the new services and amenities sooner rather than later, a \$60 million private placement bond was secured (2014) and a \$25 million line of credit was increased to \$40 million (2016). To date, the Airport has collected 63 per cent of the total invested through AIF, and has maintained a positive A1 bond credit rating, which has been reaffirmed each year by Moody's Investors Service. St. John's International Airport has an \$822 million economic output from airport operations.

To obtain copies of its 2018 Annual Report, please visit ytannualreport.com.

St. John's International Airport Authority is a private, not-for-profit, non-share organization with the mandate to provide the region with a safe, cost-efficient transportation facility that is a catalyst for economic growth. Under the provisions of a long-term Ground Lease with the Federal Government of Canada, the Airport Authority is responsible for the airport's operations on behalf of the community it serves.

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