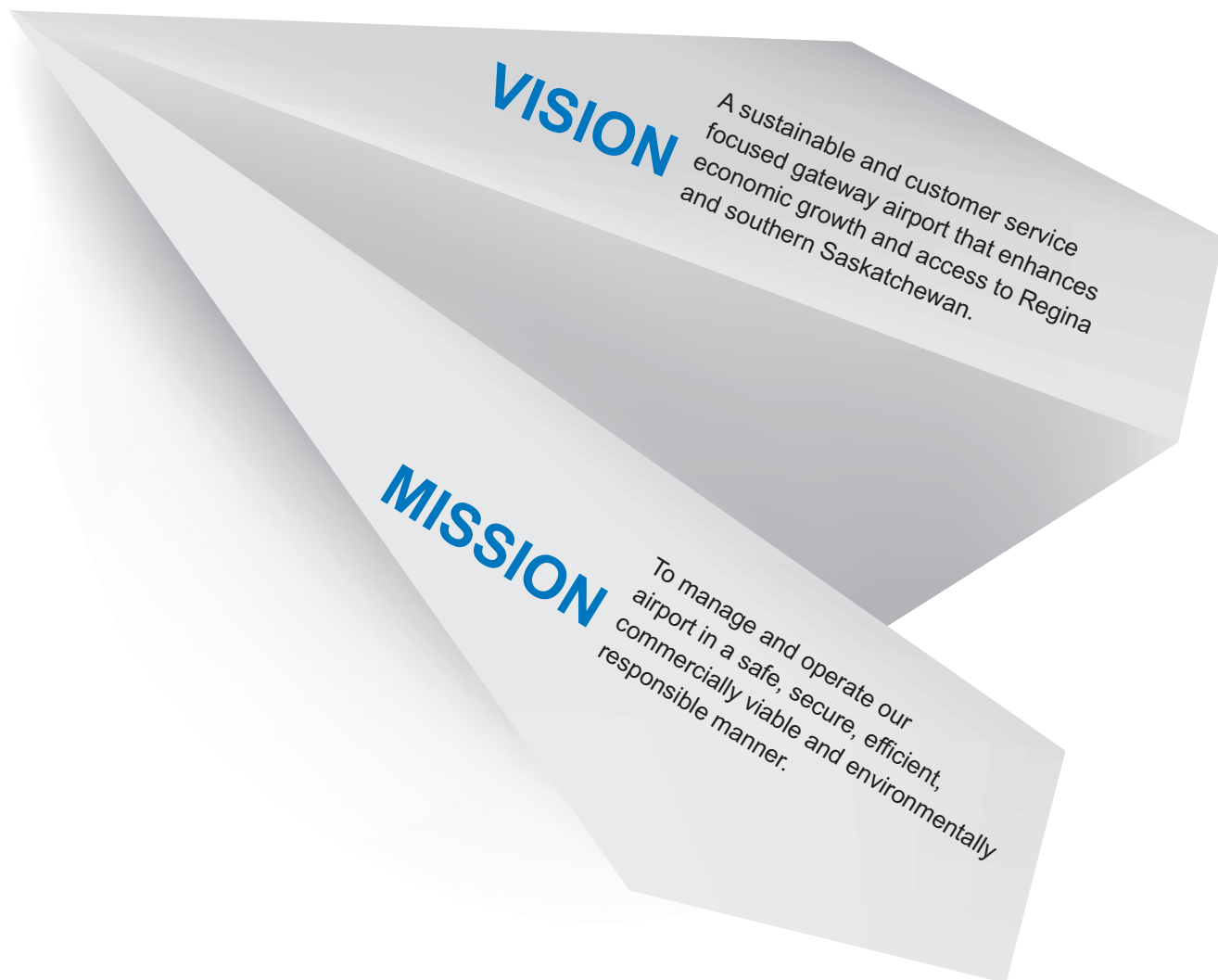


2014 | YQR ANNUAL REPORT



FUNDAMENTAL BELIEFS AND VALUES

Act with integrity and ethically.

Meet or exceed all applicable safety, security and environmental regulations.

Be fiscally responsible.

Develop effective communications programs.

Consistently excel at meeting customer and stakeholder expectations.

Promote positive and respectful labour relations.

Develop our employees to realize their potential.

Be adaptive.

FROM THE CHAIR

For the Regina International Airport, 2014 marked the tenth consecutive year of passenger growth, as Saskatchewan's economic performance and population figures both continued on upward trend lines. In the past year, and over the past decade, your airport continued to be faced with numerous challenges, amid a complex, ever-changing growth industry, in fulfilling our primary mission, to manage and operate our airport in a safe, secure, efficient, commercially viable and environmentally responsible manner.

Airport operations are extremely capital intensive as our customers have readily observed in recent years, from the major refurbishment of both runways to the construction of new buildings on airport grounds, a redesigned check-in area, major concrete apron work adjacent to the terminal building, a new long-term economy parking lot and much more to come. We will remain ever vigilant as we move forward with meticulous long term financial planning and properly scheduled capital projects to meet the future growth demands and service expectations of our customers across the region.

In 2015, further steps toward the eventual expansion of the terminal building itself will proceed. Among others, they will include improvement and expansion of the Hold Baggage Screening System area, the construction of two multi-tenant buildings and the relocation of Taxiway C, which will allow a number of commercial lots to come available for long term lease, both airside and groundside. There will also be other visible internal improvements including a refresh of our concessions in the terminal building. As always, these renovations will be made with a view to minimal disruption or inconvenience for our customers.

The current year will bring major personnel change to the Regina Airport Authority Inc. (RAA). After seven years in the pilot's seat, Jim Hunter will be retiring as our Chief Executive Officer at the end of April 2015. On behalf of the Board of Directors and the entire RAA organization, I would like to acknowledge and thank Jim immensely for the stable leadership and guidance he has provided throughout his tenure of service to the RAA. I would also like to thank three Directors who will be retiring from the Board in 2015, Bob Linner, David Walsh and Nigel Harris, for their many years of dedication and contribution to the RAA. As well, I would like to acknowledge the work of the CEO Task Force and the support from the Board as a whole in the recruitment of our new CEO, Dick Graham. We are delighted to have Dick on board and look forward to a long and successful relationship.

On behalf of the Regina Airport Authority, I am pleased to present our Annual Report for 2014.



Respectfully submitted,
"Ken Waschuk"
Ken Waschuk
Board Chair

FROM THE CEO

I am very pleased to be able, in cooperation with our Board, to present this Annual Report for 2014, reflecting as it does, the Regina International Airport's (YQR) continuing success and growth. Indeed, we achieved a passenger throughput growth of 2.9% over a very healthy 2013, resulting in passenger numbers of 1,262,577 for 2014, our 10th record year of passenger growth. The Regina Airport Authority Inc. (RAA) thus continues to provide the traveling public of Regina and southern Saskatchewan with first class modern facilities and the service that the public has come to expect over the years.

This Report holds a special significance for me, as it will be the last I deliver as the Regina Airport Authority's President and Chief Executive Officer. I will be retiring on 30 April 2015, and it is with a great deal of pride and sense of accomplishment that I move on, passing the reins to a most capable and qualified successor, Mr. Dick Graham. I would like to take this opportunity to thank all members of the RAA Board of Directors, past and present, for the confidence they placed in me for this most challenging and fulfilling position, and the continued support they gave me over the course of my more than seven years here. I would be remiss if I did not also express my most profound gratitude to the employees of the RAA, who work so hard and diligently not only to keep the aerodrome open and operational year round, often in the face of the worst that Mother Nature can throw at us, but who also maintain and operate one of Canada's most popular airports. Not only this, but their contributions to the future development of "Your Airport" are profound and result in the RIA's comprehensive anticipation of the demands that our success imposes upon us. To our Board and our employees, thank you so much for your contributions to the success of the RAA over the years of my tenure as CEO; any success I may have enjoyed is due to your efforts on my behalf.

Success was the watchword for the RAA during 2014. More major projects were undertaken and successfully completed, the largest being the Apron 1 rehabilitation project that saw the replacement of much of the concrete and asphalt surrounding our aircraft loading bridges such that we are now positioned for operations there for many years to come. Of a non-capital nature in 2014, but no less important to the future successful operation of the airport, were numerous design projects that included the expansion and upgrade of our Hold Baggage Screening System (HBS), the design of both the airside and groundside components of our Multi-tenant Facility (MTF), and the initial phases of the Taxiway C relocation project.

The future is both bright and exciting for Your Airport as we have developed our carefully deliberated strategic objectives and long range plans with the establishment of a major works Programme Definition Report required for the initial implementation steps for terminal redevelopment to keep up with the demands of our traveling public. I think you will agree we have met these demands with success in the past, and I have no doubt as I leave this wonderful organization that the RAA will continue this record of success into the future.

Respectfully submitted,
"James D. Hunter"
James D. Hunter
President and CEO



EMPLOYEES AND STRUCTURE

Regina Airport Authority Inc. (RAA) continues to strengthen connections with its employees — and the airport community as whole — as part of our commitment to the responsible growth of the airport.

The employees of the Regina Airport Authority —and the broader airport community— are dedicated to the 24/7 seamless operation of the Regina International Airport. RAA employees have a multitude of roles from keeping the runways operational, to administering contracts, to ensuring the airport's safety, security and environmental responsibilities are met and everything in between.

The RAA team was comprised of dedicated individuals in the areas of Administration, Operations, Environment, Maintenance and Fire Hall, and were led and supported by RAA's Executive Team:

- Jim Hunter, President and Chief Executive Officer
- Derrick Thue, Vice President of Administration and Chief Financial Officer
- Steve Burchi, Vice President of Operations

2014 | CORE OPERATIONS

SAFETY ACHIEVEMENTS

- Full compliance with regulated airport operational safety and occupational health standards.
- Safety Management System (SMS) Program Validation Audit completed by Transport Canada (TC).
- Conducted a self-evaluation assessment of the effectiveness of Regina International Airport (YQR) SMS program.
- Continued to refine SMS automated reporting and the establishment of key safety performance indicators.
- Reviewed and re-drafted airport operational circular documentation.
- Bird and wildlife control programs continued as a priority — current practices were statistically very effective.

SECURITY ACHIEVEMENTS

- Demonstrated compliance in meeting all airport security legislative standards through feedback from regulatory agencies, airport inspections and internal programming.
- Implemented an on-line Security Awareness program for airport employees, tenants and service providers.
- Implementation and utilization of our new Closed Circuit Television (CCTV) and Access Control system with over 100 safety and security related events recorded and retained.
- Established, in coordination with TC and the Canadian Air Transport Security Authority (CATSA), the Non-Passenger Screening — Terminal (NPS-T) program.
- Continued participation with industry security stakeholders (TC, air carriers, CATSA, Canada Border Services Agency (CBSA), and Transportation Security Administration (TSA)) with a focus on security enhancements and best practices.

ENVIRONMENTAL ACHIEVEMENTS

- Demonstrate regulatory compliance with environmental standards and the RAA environmental policy including key performance indicators.
- Establishment of an internal Environmental Committee to provide oversight on environmental initiatives.
- Completion of 2014 risk based tenant inspections.
- Completion of in-house environmental employee training requirements as outlined in the environment management system (EMS) program.
- Implement improvements identified in the Regina Airport Authority Inc. (RAA) Environmental Compliance Audit and recent self-assessment criteria.
- Participate in the implementation of capital programming programs providing oversight for environmental requirements including environmental screening assessments.



MARKETING, COMMUNICATIONS AND CUSTOMER SERVICE

Regina Airport Authority Inc. (RAA) remains focused on how to reach and make an impression on our customers through marketing, communications and customer service - all in an effort to meet our customers' needs. We meet our passengers' expectations by listening and responding to them by sharing information through various means of communication. We are committed to ensuring our guests and passengers have a positive customer experience.

In 2014, we used the following to establish effective receipt and delivery of communications: Airport Service Quality (ASQ) surveys; communication and feedback through email, our Facebook page, our website and comment cards; YQReview, our quarterly newsletter; and by partnering with key members and stakeholders of our community. Through all of these means we were able to reach out to our community on a municipal, provincial, national and international level and review, monitor and make adjustments to our services based on the feedback we received.

We will continue to focus our efforts in 2015 on improved communications while maintaining our engagement in activities and initiatives that continue to centre on the needs of our customers.

Regina International Airport (YQR) is online at yqr.ca and on Facebook at www.facebook.com/YQRAirport. All of our YQReview newsletters are available for viewing on our website at yqr.ca.

COMMUNITY INVESTMENT

With our growing number of passengers, Regina Airport Authority Inc. (RAA)'s commitment and involvement with community and charitable organizations continues to increase.

In 2014, we made a difference with many community organizations throughout Regina and southern Saskatchewan as we understand and appreciate the importance of charitable and community events and activities. Some of the organizations RAA assisted include:

- 34 Roland J. Groome Air Cadet Squadron — an annual \$4,000 sponsorship was donated by RAA (www.34rcac.ca)
- Regina Flying Club — an annual \$2,000 RAA Flight Scholarship Award (recipient Matthew Skwara) (www.reginaflyingclub.ca)
- Saskatchewan Aviation Council — \$2,000 toward the Saskatchewan Aviation Council annual conference (www.saskaviationcouncil.ca)
- STARS (Shock Trauma Air Rescue Society) — raised \$3,500 at the annual RAA Golf Tournament with proceeds matched by RAA for a total donation of \$7,000 (www.stars.ca)
- Teddy Bears Anonymous — \$930 donation from our BBQ fundraiser with proceeds matched by RAA for a total donation of \$1,860 (www.erinsgift.ca)

We also welcomed the opportunity in addition to the monetary commitment we make to our community, to provide: advertising in support of charitable organizations; support to Air Cadet Squadrons throughout Saskatchewan; in-kind donations and support to various golf tournaments and charitable events; assistance and support within our facility to community and charitable organizations; and support of the many member-initiated charitable activities that took place in our airport community.

As we maintain our support of Regina and southern Saskatchewan's community and charitable events, we plan to continue our participation and support of our airport community's social efforts as well as our investment in our social responsibility program.

FLIGHT SERVICES

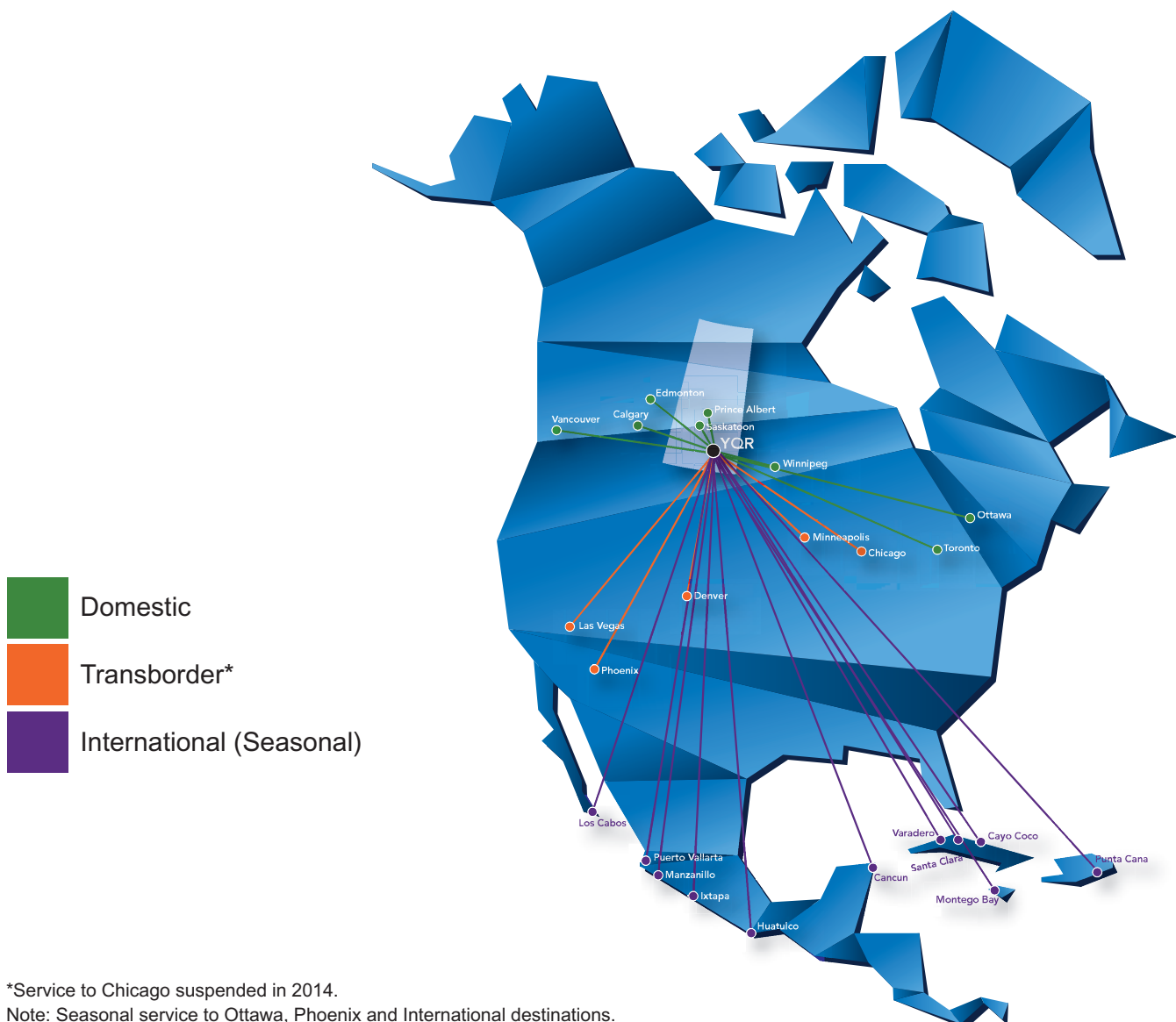
With a tenth straight year of passenger growth at Regina International Airport (YQR) we continue to increase our capacity and frequency on many of our flight service options. In 2014, YQR continued to offer passengers a wide variety of domestic service with added service to Winnipeg at the start of the year; transborder success on the Denver and Minneapolis routes; seasonal service to Las Vegas became an annual service (two times per week; three times per week seasonally); continued seasonal service to Phoenix; and new additions to the international sun and tourist destinations during the winter period. In late 2014, the transborder Chicago route was suspended at both Saskatchewan airports.

In 2014, domestic passenger growth was 3.5% higher than 2013 with transborder and international traffic passenger counts increased slightly by 0.5% over 2013.

While we continue to focus on the maintenance of existing routes, we also worked on the development of additional routes that will enhance our flight offerings at YQR as a result of our community's aggressive marketing of the economic prosperity and growth of our region.

As in 2014, our main focus in 2015 is to continue securing and solidifying existing domestic and transborder services. We are aware of continued demand for more efficient flights to Asia and particularly Europe, and we will continue to explore these opportunities in partnership with our provincial and community stakeholders.

2014 | YQR DESTINATIONS



*Service to Chicago suspended in 2014.

Note: Seasonal service to Ottawa, Phoenix and International destinations.

2015 | BUSINESS PLAN HIGHLIGHTS

With many undertakings and project works beginning in 2015, combined with continued passenger growth at Regina International Airport (YQR) marks a coming of age as we move forward with development. The future terminal expansion, combined with airside land development and other pre-expansion activities present, offer Regina Airport Authority Inc. (RAA) an unprecedented opportunity to move the airport into the future well prepared to serve our community in a mature and well developed manner. Our ambitious plans for 2015 reflects this forward thinking of both Board and management in our efforts to continue to anticipate and meet the needs of the traveling public in Regina and southern Saskatchewan.

For all of our 2015 Business Plan Highlights please visit www.yqr.ca.

OPERATE A SAFE, SECURE AND ENVIRONMENTALLY SUSTAINABLE AIRPORT

SAFETY

- Completion of a full scale emergency response exercise in cooperation with local mutual aid organisations.
- Implementation of a new revised online Airside Vehicle Operator's Permit (AVOP) program.

SECURITY

- Continued focus and evolution of security awareness programs for airport employees, tenants and service providers in response to current events and operating environment.
- Demonstrate regulatory compliance with security standards and airport security programs.

ENVIRONMENTALLY RESPONSIBLE

- Complete sluice gate upgrades and improvements to support effective stormwater management.
- Provide hands on Spill Response and Transportation of Dangerous Goods training to select RAA staff.

ADVANCE REGINA INTERNATIONAL AIRPORT AS A GATEWAY OF CHOICE

AIR SERVICES

- Identify and update 2015/2016 air services initiatives for ongoing dialogue focused on risks and opportunities in the YQR market including retention and exploration strategies for existing and potential new opportunities.
- Continue to engage business leaders and requisite associations on air service needs.

AIRPORT MARKETING

- Implement airport branding initiatives identified with RAA's communications plans focused on internal and external messaging of major stakeholders and users.
- Engage media, key stakeholders and requisite associations focused on the YQR Regina International brand and 2021 Vision.

CUSTOMER SERVICE / ENHANCEMENT OF IMAGE AND PROFILE

- Complete the customer service training and development offerings for employees and tenants in support of the airport wide customer service initiatives incorporating the YQR Regina International brand.
- Continue programming focused on enhancing communication of the airport's economic impact on the economy and promotion of the airport's presence in the Regina and southern Saskatchewan.

REMAIN FINANCIALLY VIABLE AND COST COMPETITIVE

- Evolve risk management programming for the top risks and related mitigation strategies with regular semi-annual reporting to the Board.
- Ongoing monitoring of established internal and external benchmarking parameters to evolve planning to stay cost competitive and financially viable.

ENSURE FACILITIES ADDRESS CURRENT AND FUTURE DEMANDS OF USERS

- Complete terminal renovations (adjusting operational activities) to accommodate retail strategy initiatives and finalize negotiations with affected tenants.
- Initiate Phase 1 Taxi C Relocation works and finalize general aviation strategies.

DEVELOP AND MAINTAIN A TALENTED AND MOTIVATED ORGANIZATION

- Evolve employee training and development initiatives and implement externally supported programming for online training curriculums including the areas of security, safety and environment.
- Develop updated Human Resources (HR) Strategy built around succession and strategic initiatives.

CORPORATE GOVERNANCE

Regina Airport Authority Inc. (RAA) is committed to implementing corporate governance practices that are aligned with those required for public companies as a non-share corporation under National Policy 58-201 Corporate Governance Guidelines, which requires disclosure of corporate governance practices.

Board membership is comprised of 11 — 13 members; currently there are 12 serving members appointed by the following governmental bodies and RAA: City of Regina, City of Moose Jaw, R.M. of Sherwood, Province of Saskatchewan and the Government of Canada .

RAA utilizes four primary Committees; each committee has its own charter and/or mandate. The four Committees include Audit and Finance, Community Consultative, Governance and Nominating, and Human Resources. Committee Chairs have provided a written summary of their activities within this annual report. A complete listing of the Community Consultative Committee membership will be provided upon request.



Ken Waschuk
BOARD CHAIR
Consultant, Tanka Resource
Group Inc.
Government of Canada (2009)



Bob Linner
VICE CHAIR
AUDIT AND FINANCE
COMMITTEE CHAIR
Retired City Manager, City of
Regina
Province of Saskatchewan (2006)



Alex Taylor
SECRETARY
Retired Minister of United
Church of Canada
City of Regina (2011)



Darlene Hincks
HUMAN RESOURCES
COMMITTEE CHAIR
President of Damara Day Spa
Franchises
Government of Canada (2011)



Nigel Harris
COMMUNITY CONSULTATIVE
COMMITTEE CHAIR
Network Director, Colt
International, LLC
City of Regina (2012)



Larry Smart
GOVERNANCE AND
NOMINATING COMMITTEE
CHAIR
Retired Director, Distribution
Utility Accounting, SaskEnergy
R.M. of Sherwood (2007)



David Walsh
PLANNING AND
DEVELOPMENT COMMITTEE
CHAIR
Principal, Virtus Group LLP,
Chartered Accountants and
Business Advisors
Regina Airport Authority (2006)



Paul Bourassa
General Counsel and Chief
Compliance Officer, Western
Surety
City of Regina (2012)



Sean McEachern
Director of Policy and
Communication,
Saskatchewan Urban
Municipalities Association
City of Regina (2012)



Trent Fraser
President, Fraser Strategy
City of Regina (2013)



Trish Martynook
Paralegal, Chow McLeod
Barristers & Solicitors
City of Moose Jaw (2014)



Jim Kilkenny
General Manager, Delta Hotel
Regina
City of Regina (2014)

THANK YOU

Regina Airport Authority's Board of Directors would like to thank the following Directors for their tenure on the Board up to and including April 24, 2014.



Brian Martynook
Executive Director,
Moose Jaw Chamber of Commerce
City of Moose Jaw (2004)



Catherine Roberts
Accountant, Consultant
City of Regina (2005)

FINANCIAL AND OPERATIONS OVERVIEW

FINANCIAL INFORMATION

(\$ thousands)

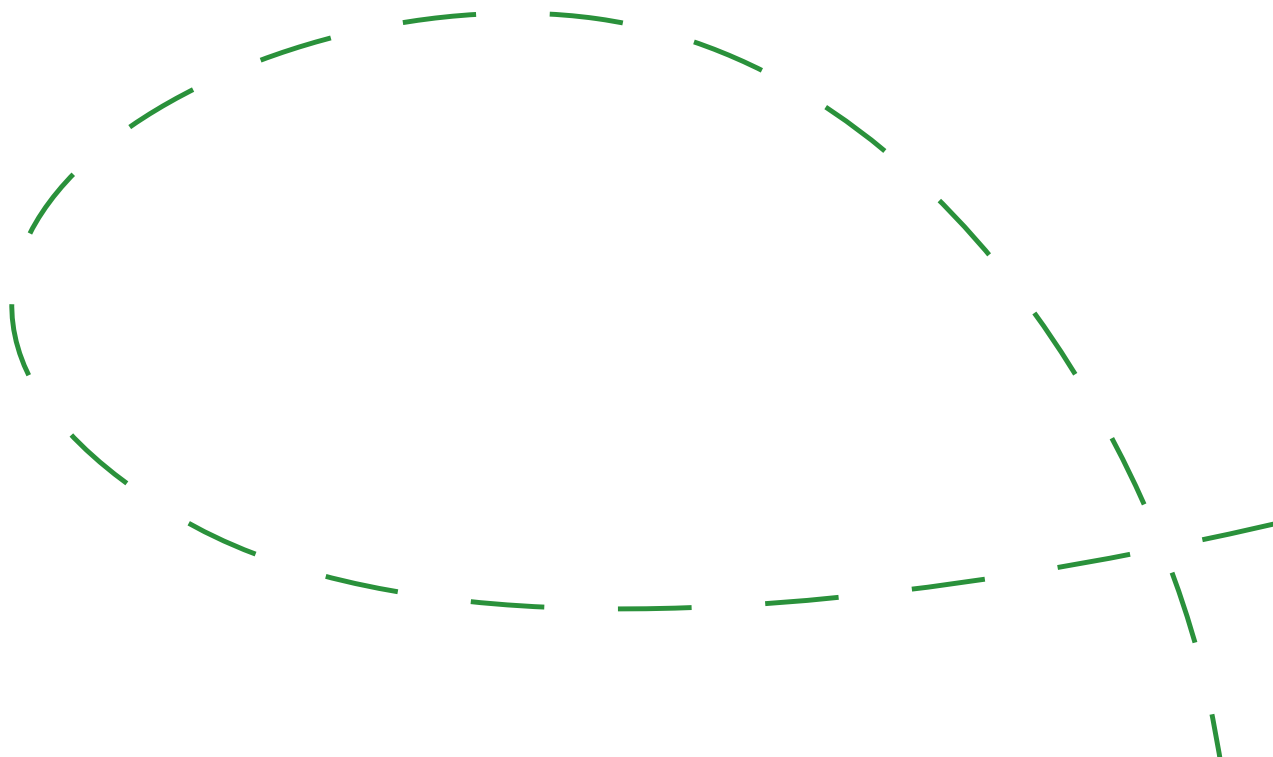
	2014	2013	2012	2011	2010
Revenue	26,933	26,800	24,784	20,472	18,981
Expenses	14,068	12,517	11,624	11,798	9,092
Ground Lease Rent	877	858	743	531	489
Amortization	5,908	5,870	4,902	4,068	3,719
Excess of Revenue over Expenses	6,080	7,555	7,515	4,075	5,681
Total Assets	94,825	85,665	82,081	67,377	51,953
Cash flow from operations	12,771	10,354	12,536	8,313	7,984
Capital Expenditures	16,042	5,554	17,407	23,020	8,067

OPERATING STATISTICS

Passenger Counts	1,262,577	1,227,224	1,185,715	1,141,177	1,120,134
Aircraft Movements	58,000	56,624	55,431	58,300	59,632

In 2014, the Regina Airport Authority Inc. (RAA) had a record number of 1,262,577 passengers, experiencing a total passenger growth of 2.9% compared with growth of 3.5% in 2013. The continued passenger growth is reflected in increased revenues, operating expenses and Transport Canada Rent. Also contributing to higher operating expenses are adjustments to current values of the pension plan and retirement allowance provisions.

There was increased capital activity at the Regina International Airport in 2014. Major projects include the Apron 1 Rehabilitation, substantial completion of the Economy Parking Lot, and the initial stages of Multi-Tenant Facilities on both the groundside and airside of the airport. This increased activity is reflected in higher RAA total assets, capital expenditures and amortization.



FIVE YEAR OUTLOOK

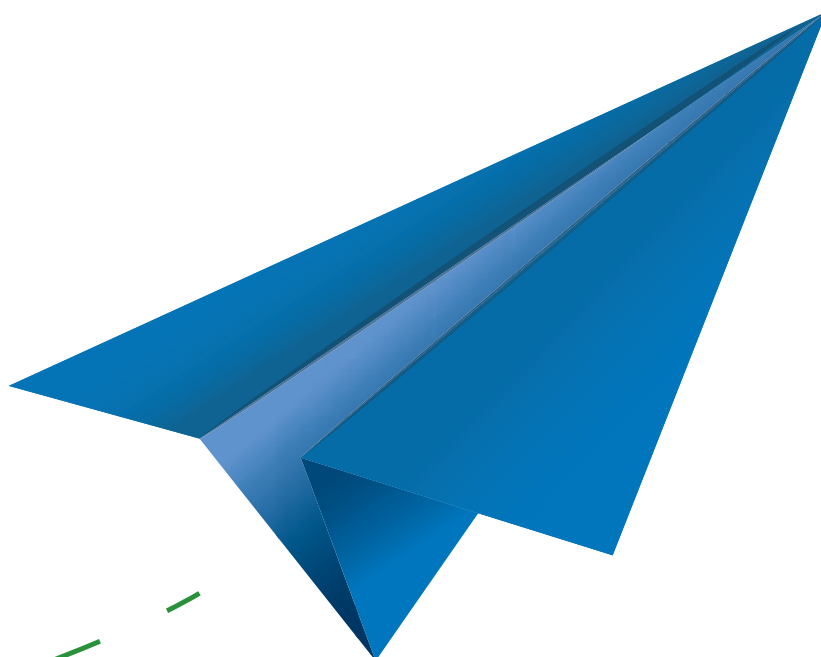
FINANCIAL INFORMATION

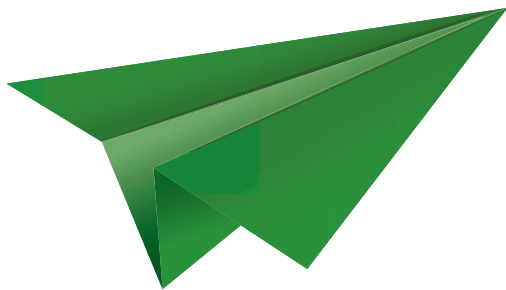
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	2015	2016	2017	2018	2019
Operating Revenue	15,599	16,005	16,421	16,848	17,286
Operating Expenses	14,183	14,511	14,848	15,192	15,547
Ground Lease Rent	1,081	1,149	1,220	1,293	1,367
Net Operations	335	345	353	363	372
Airport Improvement Fee Revenue	11,870	12,179	12,495	12,820	13,153
Net Revenue over Expenses	4,635	4,755	4,878	5,005	5,136
Total Assets	125,873	147,000	160,000	177,000	201,000
Capital Expenditures	34,506	31,632	19,961	25,368	35,893

OPERATING STATISTICS

Passenger Counts	1,300,700	1,334,518	1,369,216	1,404,815	1,441,340
Aircraft Movements	58,870	59,753	60,649	61,559	62,482





REGINA AIRPORT AUTHORITY INC.

#1 - 5201 REGINA AVENUE

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VIEW THE FULL REPORT ONLINE AT WWW.YQR.CA

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