MISSION
We are a North American ocean port at the heart of the continent and a hub for world trade that contributes to the prosperity of our clients and partners and to the economic development of Greater Montreal, Quebec and Canada, all while respecting the environment.

VISION
To be a successful, innovative port that exercises inspiring leadership and provides competitive value-added services, making it a partner of choice in the logistics chain.

VALUES
Commitment: We seek and value passion and employee excellence in order to create the best experience possible for our clientele.

Innovation: We constantly reinvent our practices and encourage agility to assert our leadership in the industry.

Responsibility: The Montreal Port Authority (MPA) is a sustainable organization that places great importance on the environment, on its neighbouring communities and on its contribution to the economy, and acts in accordance with rules of conduct dictated by honesty, transparency and accountability.

An autonomous federal agency, the MPA is required to be financially self-sufficient. The MPA builds and maintains infrastructures that it leases to private stevedoring companies.
HIGHLIGHTS

RECORD

32 MT
OF CARGO HANDLED

Traffic

The Port of Montreal handled more than 32 million tonnes of cargo in 2015, an increase of 5.2% over the previous year. It was a record high for the Port of Montreal.

The most significant growth in terms of volume was in the containerized cargo sector. The Port of Montreal handled 13.1 million tonnes of containerized cargo in 2015, an increase of 4.1% over 2014.

The federal government announced an investment of $43.7 million in the Port of Montreal through the National Infrastructure Component of the New Building Canada Fund. This is part of a $132-million project to increase the Port’s cargo-handling capacity.

The Port launched a project to develop a container terminal in the Viau sector to add a further 450,000 TEUs (twenty-foot equivalent units) to the Port of Montreal’s handling capacity. The total capacity at Viau will increase to 600,000 TEUs. The work is progressing and the terminal will be operational at the end of 2016.

MSC strengthened its presence in the Port of Montreal with the new Med-Canada Express 2 (MCE2) service that connects Montreal to the Mediterranean ports of Valencia, Spain, and Sines, Portugal.

The first Quebec Maritime Strategy was unveiled by Quebec Premier Philippe Couillard at our Iberville Passenger Terminal, and applauded by the Port of Montreal. This initiative calls for investments of $1.5 billion in the first action plan, notably for the creation of logistics hubs.

The installation of shore power for cruise ships at the passenger terminal and for vessels wintering in the Port of Montreal was announced. The federal and provincial governments contributed to the project funding: $5 million from Ottawa and $3 million from Quebec.
The Port of Montreal hosted the annual conference of the Association of Canadian Port Authorities (ACPA). Notable participants included Quebec Premier Philippe Couillard, Jean D’Amour, Quebec’s Minister for Transport and the Implementation of the Maritime Strategy, and Montreal Mayor Denis Coderre.

Jean D’Amour, the Minister for Transport and the Implementation of the Maritime Strategy, led a mission to the Netherlands and Belgium, with the Port of Montreal’s participation, to present the Quebec Maritime Strategy.

Hapag-Lloyd announced the integration of an additional vessel on its AT2 service to Northern Europe, the Quebec Express.

Quebec Premier Philippe Couillard attended the Port of Montreal’s commercial reception in Chicago.

The Port submitted its project description to launch the environmental process for development of a container terminal at Contrecoeur.

The cruise industry once again set a new cruise traffic record. Montreal welcomed close to 91,000 domestic and international passengers and crew members in 2015, up almost 28% over the previous year. The Montreal Cruise Committee’s efforts are paying off significantly. Since its creation in 2011, the overall increase in the number of cruise passengers and crew members is a remarkable 91%!

Haimark Line chose Montreal as its home port for the 2015 season. It offers cruises on the St. Lawrence and the Great Lakes aboard the MS Saint-Laurent.

<table>
<thead>
<tr>
<th>Summary of financial results (in thousands of $)</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUE FROM OPERATIONS</td>
<td>102,637</td>
<td>94,079</td>
</tr>
<tr>
<td>EXPENSES</td>
<td>83,303</td>
<td>81,232</td>
</tr>
<tr>
<td>Operating earnings before other items</td>
<td>19,334</td>
<td>12,847</td>
</tr>
<tr>
<td>Other items*</td>
<td>22,948</td>
<td>1,687</td>
</tr>
<tr>
<td>NET EARNINGS</td>
<td>42,282</td>
<td>14,534</td>
</tr>
</tbody>
</table>

*Modifications to past service cost of other plans employee benefit (Non-recurring items of no cash flow effect ($21,808,000) and investment income ($1,140,000))
The Port of Montreal is growing on the international stage, in an ever-changing marine transportation industry. By the very nature of its operations, it has set itself apart as an undeniable economic force. It is estimated that the Port generates $2.1 billion in added value to the Canadian economy.

Furthermore, the growing globalization of trade has made logistics chains more sophisticated, including that of Greater Montreal. The Port of Montreal is one of its strongest links.

Its strategic geographic location makes it a veritable link between Europe and North America and an international force. In addition to its traditional European markets, its trade with Asian markets grows a little stronger each year. In 2015, 17% of the freight traffic moving through the Port of Montreal came from or moved to an Asian port, compared to 15% in 2014 and 14% in 2012.

The Port is developing its economic, logistics and international forces with commitment to community service and respect for the environment. This makes the Port of Montreal a sustainable force as well.

The Port of Montreal’s strengths served it well in 2015. It boosted its volume of cargo handled and improved its financial results despite the uncertain economic situation. We can safely say that we managed to succeed thanks to our positioning, our diversity and the quality of service provided to our clients.

Moreover, we do all that we can to get feedback from our clients and find out what services they expect from us. A survey conducted with some of our clients in 2015 revealed that they were satisfied with the overall quality of services at the Port of Montreal (98% satisfied, including 54% who were very satisfied).

The year 2015 was also marked by the launch of the first Quebec Maritime Strategy, an initiative hailed by the entire marine transportation industry. The Port of Montreal will continue to work with the Government of Quebec to successfully carry out this major collaborative project.
This strategy will shape the future of our industry, much like the many projects we set in motion that are now being implemented.

The first project that comes to mind is the creation of a new container terminal in the Viau sector. The federal government is providing up to $43.7 million toward this project, and we thank the government for its support. The new terminal will begin operations this year.

Likewise, there is the long-term project for a container terminal at Contrecœur, which is moving ahead step by step through the stages of its development.

Another major project is also in the works to restore the more than century-old infrastructures of Alexandra Pier and Iberville Passenger Terminal. The new terminal is expected to be welcoming cruise passengers in 2017, to mark the 375th anniversary of Montreal and the 150th anniversary of Confederation.

The fact that our projects are going so well and our port activities are enjoying such solid growth can be attributed to the work of each and every one of our employees and partners. We thank them for their professionalism and their commitment.

Thank you, also, to the members of the Board of Directors for the productive insights they bring to management’s decision-making process.

Sylvie Vachon
President and
Chief Executive Officer

Michel M. Lessard
Chairman of the Board of Directors
AN ECONOMIC FORCE

The Port of Montreal plays a leading role in the economies of Quebec and Canada.
The Port of Montreal is part of the massive international network of marine transportation that delivers 80 to 90% of all goods shipped around the world. Its operations give it a prime economic role.

EVERY YEAR, $41B WORTH OF GOODS MOVE THROUGH THE PORT OF MONTREAL.

The Port of Montreal is the largest container port in Eastern Canada and the only container port in Quebec and Ontario. Every year, $41 billion worth of goods move through the Port. Port activities in Montreal create 16,000 direct and indirect jobs and generate $2.1 billion in added value to the Canadian economy.

Several international shipping lines, including the largest carriers, serve the Port of Montreal: Atlantic Ro-Ro Carriers (ARRC), Canada States Africa Line (CSAL), CMA CGM, Federal Atlantic Lakes Line, Hapag-Lloyd, Maersk Line, MSC, Nirint Shipping and OOCL.

Canadian shipping companies also serve the Port of Montreal: Algoma, Canada Steamship Lines, Canfornav, Fednav International, CTMA Group, Oceanex, Petro-Nav, Rigel Shipping Canada and Transport Desgagnés.

Moreover, Montreal is increasingly a destination of choice for cruise passengers. The number of passengers keeps growing from year to year.
Summary of traffic handled in 2015

In 2015, more than 32 million tonnes of cargo moved through the Port of Montreal, another record. This volume represents an increase of 5.2% over the previous year. These results are extremely satisfying given the weak economic growth worldwide.

<table>
<thead>
<tr>
<th>TYPE OF CARGO</th>
<th>2015</th>
<th>2014</th>
<th>VARIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>GENERAL CARGO</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Containerized</td>
<td>13,093</td>
<td>12,575</td>
<td>4.1%</td>
</tr>
<tr>
<td>Non-containerized</td>
<td>225</td>
<td>191</td>
<td>18.1%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>13,318</td>
<td>12,766</td>
<td>4.3%</td>
</tr>
<tr>
<td>LIQUID BULK</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Petroleum products</td>
<td>9,418</td>
<td>8,516</td>
<td>10.6%</td>
</tr>
<tr>
<td>Other</td>
<td>553</td>
<td>731</td>
<td>-24.4%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>9,971</td>
<td>9,247</td>
<td>7.8%</td>
</tr>
<tr>
<td>DRY BULK</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grains</td>
<td>3,905</td>
<td>4,076</td>
<td>-4.2%</td>
</tr>
<tr>
<td>Other</td>
<td>4,835</td>
<td>4,357</td>
<td>11%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>8,740</td>
<td>8,433</td>
<td>3.6%</td>
</tr>
<tr>
<td>TOTAL TONNAGE</td>
<td>32,029</td>
<td>30,446</td>
<td>5.2%</td>
</tr>
</tbody>
</table>

CRUISE TRAFFIC (number of domestic and international visitors)

| Passengers and crew | 90,989 | 71,044 | 28%     |

CONTAINER MARKETS

41% Northern Europe
21% Mediterranean
17% Asia
9% Middle East
5% Latin America
4% Africa/Oceania
3% Canada

DRY BULK PRODUCTS

43% grain
26% iron ore
8% salt
5% raw sugar
5% fertilizer
4% gravel
2% gypsum
1% cement
6% other

LIQUID BULK PRODUCTS

44% gasoline
18% fuel oil
15% crude petroleum oils
9% diesel oil
8% jet fuel
6% other

CRUISE TRAFFIC

70% international passengers
21% crew members
9% domestic passengers
Containerized cargo

In 2015, containerized cargo posted the strongest growth in terms of volume: 517,538 tonnes. This is a gain of 4.1% compared to the previous year, for a total of 13.1 million tonnes, or 1,446,075 TEUs.

The container sector benefited from MSC’s addition of a new service on the Mediterranean in April 2015, as well as Hapag-Lloyd’s addition of a vessel on its Northern Europe service in October.

The emerging markets of Asia and the Middle East continue to show the strongest growth, along with the Mediterranean. One of every three containers handled at the Port of Montreal is now linked to international transshipment.

The Port of Montreal made the most of the challenges related to congestion at West Coast ports that led to traffic being diverted to East Coast ports.

Products shipped by container are extremely diversified: all the consumer products in our daily lives, food products including fresh produce such as fruits and vegetables, electronic equipment, medications ... the list is long.

Dry bulk

Dry bulk traffic increased by 3.6% in 2015 to reach 8.7 million tonnes. Two non-recurrent projects mainly accounted for growth in this sector. One led to an increase in the domestic movement of gravel for repair work on the Champlain Bridge, and the other to increased cement exports to the United States.

Liquid bulk

Liquid bulk traffic was up 7.8%, the second highest increase after non-containerized general cargo. This growth is partly explained by the dramatic drop in the price of oil. While this drop led to a decrease in crude exports, it favoured imports in 2015.

Cruises

Once again, the cruise industry set a new record for passenger traffic. In 2015, Montreal welcomed 72 cruise ships carrying close to 91,000 passengers and crew members, up almost 28% over the previous year.

Non-containerized cargo

Non-containerized cargo recorded a volume increase of 18.1%, to reach a total of 225,000 tonnes. This type of cargo includes vehicles, copper anodes, and even over-dimensional cargo such as structural components and railway tracks.

More
A LOGISTICS FORCE

The Port is modernizing its equipment and facilities to increase its capacity and efficiency.
New container terminal in the Viau sector

In 2015, the Port of Montreal continued to redevelop the Viau sector. The first stage was to increase the container storage space available in the Viau and Maisonneuve sectors to bring capacity to 200,000 TEUs: 50,000 at Maisonneuve and 150,000 at Viau.

In January 2015, the Port of Montreal announced the development of a container terminal in the Viau sector. Work is ongoing to increase storage capacity and bring it to 600,000 TEUs.

Work crews have also started to install the infrastructures needed to handle containers. This project to optimize port capacity has been made possible through a major investment by Infrastructure Canada, the MPA and Termont, the operator of the future terminal. The first phase to create a new terminal has been underway since June 2015, and this work will continue until the end of 2016. A second phase has been planned; it will be carried out when the need to increase capacity to store and handle containers arises, in line with market growth. Ultimately, the Port of Montreal’s total capacity on the Island of Montreal will reach 2.1 million TEUs.

More
Alexandra Pier and Iberville Passenger Terminal

The MPA began preparatory work in November 2015 to restore Alexandra Pier and Iberville Passenger Terminal. Despite major investments over the past 10 years to maintain these facilities, built more than a century ago in the heart of Old Montreal, they were showing signs of deterioration and operational obsolescence, which was compromising their ability to continue to provide the services expected of them.

The final concept was designed after open houses were held and following several meetings with key partners from the economic, tourism and political sectors, as well as with stakeholders committed to Montreal’s harmonious development. It will allow this site to be dedicated to cruise passengers, who are visiting Montreal in ever increasing numbers through maritime tourism on the St. Lawrence, and improve the welcome they receive. This new concept will also contribute to better integrating the terminal and the pier into the urban fabric of Old Montreal and respond to the wishes of citizens who would like to have better access to the river. This will occur through the inclusion of a green roof and by lowering the end of the pier toward the river.

The project’s total cost is estimated at $78 million. The MPA would like to thank its financial partners, the Government of Quebec for announcing its contribution of $20 million, and the City of Montreal for providing $15 million toward the project through its 2015-2017 three-year capital works program. Work at this major site is expected to continue in order to inaugurate a new passenger terminal for the 2017 cruise season and to coincide with celebrations marking the 375th anniversary of Montreal and the 150th anniversary of Confederation.

More
Shore power for cruise ships and wintering vessels

In 2015, the Port of Montreal launched a project to implement shore power.

Two types of systems will be installed at the Port of Montreal through this project. One is a shore power connection for cruise ships at Alexandra Pier and the other is a four-connection shore power system for wintering ships.

Shore power is a highly effective way to reduce marine diesel air emissions. It improves local air quality by enabling ships to shut down their engines and connect to the electrical grid in order to provide necessary power while docked.

Total greenhouse gas (GHG) emission reductions resulting from this project are expected to reach 2,800 tonnes annually: 1,300 tonnes from cruise ship connections and 1,500 tonnes from wintering ships.

The total cost of the project is $11 million. The Government of Canada is providing up to $5 million under its Shore Power Technology for Ports Program. The Government of Quebec is providing $3 million and the MPA is providing the remaining $3 million.

SHORE POWER IS A HIGHLY EFFICIENT WAY TO REDUCE MARINE DIESEL AIR EMISSIONS.

TOTAL COST OF THE SHORE POWER PROJECT: $11M
Contrecoeur

In December 2015, the Contrecoeur Port Terminal Expansion Project reached a new stage when the MPA submitted its project description to the Canadian Environmental Assessment Agency. Guidelines were issued and the MPA is proceeding with impact studies.

It is estimated that this project will take about 10 years in total to complete, and that the terminal could be operational at the start of the next decade, conditional to obtaining the required authorizations and continued market growth.

More

Renovation work at the Cité-du-Havre building

In 2015, the MPA embarked on a full restoration of the Port of Montreal Building on Cité-du-Havre. This building is part of the city’s history as it was constructed during Montreal’s Universal Exposition, Expo 67, for its administrative offices.

The reconstruction plans integrate healthy and friendly environmental criteria, energy savings, efficient water management and eco-responsible selection of materials. The MPA is reducing the amount of space that it occupies, which will free up more space for leasing opportunities.
Technological innovations

- Development of a new dashboard has begun in order to more efficiently manage the Port of Montreal’s electrical grid. This tool will provide the status of facilities in real time and it will also turn on certain equipment such as blowers and switches.

- The first phase of the Greenhouse Gas Emissions Management project was implemented to reduce GHG emissions from trucks on Port territory. In 2015, our access control systems were updated and licence plate readers were installed in a number of strategic locations on Port territory to record passing trucks. Processing this data provides a snapshot in real time of traffic flows and congestion points.

- Subsequently, in 2016, this information will be sent to truck drivers via electronic communication channels. Based on this information, they will be able to choose the easiest and fastest route to take and avoid traffic jams. The result: reduced greenhouse gas emissions and greater fluidity. The Port of Montreal will be the first port in Canada and the second in the world, after the Port of Hamburg, to provide truckers with this type of advanced road information service. The project is benefiting from a federal government subsidy of up to $1.375 million through its program of initiatives to reduce pollutant emissions.
AN INTERNATIONAL FORCE

The Port of Montreal ships and receives goods to and from every continent.
The Port of Montreal welcomes vessels from Northern Europe and the Mediterranean, Asia, the Middle East and Africa, Oceania and Latin America. Its geographic location makes it the closest international port to the markets of Eastern Canada but also the huge market of the U.S. Midwest.

**Increased marine services**

In 2015, the Port of Montreal continued to strengthen its connections with Asia, which now accounts for 17% of its container market, compared to 15% in 2014. More and more shipping companies are adopting a strategy that includes transshipment ports, and this strongly benefits trade between Montreal and Asia.

The Port of Montreal’s international trade grew in scope in April when global container shipping company MSC launched a new Med-Canada Express 2 (MCE2) service that connects Montreal to the ports of Valencia, Spain, and Sines, Portugal, in the Mediterranean.

For its part, Hapag-Lloyd added a fourth vessel, the Quebec Express, on its AT2 service from Montreal to Southampton, United Kingdom; Antwerp, Belgium; and Hamburg, Germany.

**TRANSSHIPMENT PORTS STRONGLY BENEFIT TRADE BETWEEN MONTREAL AND ASIA.**
International partners

In 2015, the Port of Montreal held more meetings with international shipping companies thanks in large part to the active presence of its representatives in Hong Kong, Western Europe and the United States.

Along the same lines, the Port of Montreal participated in several trade shows and economic missions. The year 2015 was marked by more active involvement from all three levels of government, along with the Port of Montreal, at shipping and cruise industry events:

- In January, Quebec Premier Philippe Couillard led a mission that included a tour of the Port of Antwerp, a leading partner of the Port of Montreal;
- In March, Montreal Mayor Denis Coderre attended the cruise industry’s Seatrade Miami convention and trade show;
- In September, Jean D’Amour, Quebec’s Minister for Transport and the Implementation of the Maritime Strategy, led a mission to the Netherlands and Belgium as part of the Quebec Maritime Strategy;
- In October, Quebec Premier Philippe Couillard participated in a mission to Chicago to promote the Quebec Maritime Strategy;
- In November, Montreal Mayor Denis Coderre took part in a mission to China, and most notably Hong Kong.
To enhance its international networking system, the Port of Montreal created in 2015 a Showcase page entitled “Trading with the World” and its counterpart “Commercer avec le monde” on LinkedIn. The international community of trade and logistics experts enthusiastically welcomed both. In fact, less than a year after their launch, the sites had more than 3,400 subscribers. The Port plans to use this tool to reach the industry with targeted messages adapted to geographic realities.

The Port of Montreal conducted a satisfaction survey with some of its clients, specifically freight forwarders, exporters and importers in Montreal, Toronto, Detroit and Chicago, to identify and maintain the most appreciated features of its services, and to transform and enhance its global service offering to continuously meet the needs expressed by these clients. The survey revealed that 98% of respondents are satisfied with the services provided by the Port in general, including 54% who are very satisfied.

ONE YEAR AFTER ITS LAUNCH, THE “TRADING WITH THE WORLD” SITE HAS MORE THAN 3,400 SUBSCRIBERS THROUGHOUT THE WORLD.

98% OF CLIENTS SURVEYED ARE SATISFIED AND 54% ARE VERY SATISFIED WITH THE SERVICES PROVIDED BY THE PORT OF MONTREAL.
A SUSTAINABLE FORCE

The Port of Montreal strives for excellence with regard to environmental responsibility and its role as a responsible citizen and economic leader. Environmental, social and economic sustainability are the three pillars of sustainable development.
The Port is pursuing its objective to constantly reduce its environmental footprint.

Management of greenhouse gases

Over the past three years, the MPA has reduced by more than 11% its GHG emissions per tonne of cargo handled. This reduction is the result of several concrete efforts.

• In 2015, Phase I of the Greenhouse Gas Emissions Management project was implemented. This project consists of reducing GHG emissions from trucks on Port territory. How? Through improved truck fluidity on and near the Port. This project is continuing in 2016. It benefits from a subsidy from the Government of Canada that reimburses 50% of eligible expenses, up to $1.375 million, under a program of initiatives to reduce pollutant emissions.

11% REDUCTION IN GHG EMISSIONS PER TONNE OF CARGO HANDLED OVER THE PAST THREE YEARS.
• Five railway department vehicles were equipped with a timer to cut power to the engine after it has been idling for a fixed period of time.

• Improving the Port’s electrical grid streamlines energy consumption. Furthermore, having the ability to remotely control equipment reduces the amount of vehicle trips.

• Also in 2015, the MPA continued its program to plant 150 trees and shrubs along the banks of the St. Lawrence River to offset GHG emissions resulting from MPA activities.

• The shore power project for cruise ships and wintering vessels also enables the Port to reduce GHG emissions. These vessels will be powered by electricity instead of marine diesel engines. The total reduction of GHG emissions resulting from this project is expected to reach 2,800 tonnes per year.

**Infrastructure adaptation**

• During renovations to its Cité-du-Havre building, the Port of Montreal made it a priority to select materials containing no volatile organic compounds (VOCs), and it chose fixtures for supplying drinking water that reduce water consumption.

• As part of the renovations of the Cité-du-Havre headquarters and the offices at Section 42, energy savings were achieved through improved insulation and lighting.

• For the new terminal project in the Viau sector, 2,000 tonnes of granular material and 1,500 tonnes of concrete were reused as a sub-base to replace soil that was in place but had poor load-bearing capacity.

• A shelter was built over the recovery containers for oily materials, soiled absorbents, oil filters, etc., so that snow or rain would not dilute the residues. Not having to treat such waste results in approximately $8,000 in savings per year.

• The residual materials recovery system was finalized with the addition of four new collection points on Port territory.

• A cast iron water main was rehabilitated by cladding the pipe, eliminating the need to dig and move soil.

• The water system’s flushing time was shortened, which also reduced water use.
Member of the strategic advisory board of the Upper St. Lawrence/Greater Montreal Round Table

The MPA has become a member of the strategic advisory board of the Regional Round Table for the Upper St. Lawrence and Greater Montreal Area. This organization’s objective is to provide a forum for discussion about the respectful use and greater protection of the St. Lawrence River’s water resources. It also seeks to contribute to the development, adoption and monitoring of the implementation of a regional integrated management plan.

Green Marine

In 2015, the Port of Montreal earned the second best result among the North American member ports of Green Marine. Here is its detailed report card, with 5 being the highest rating:

- Greenhouse gases: 4
- Water and land pollution prevention: 4
- Conflicts of use: 5
- Environmental leadership: 5

For more information, consult the Port of Montreal’s Summary Report of Achievements in Sustainable Development online.

1,500 TONNES OF CONCRETE REUSED AS A SUB-BASE.
The Port cares about its stakeholders and maintains an active presence in its community.

COMMUNITIES

Closer ties with the neighbouring community

The Good Neighbour Committee, formed in 2014 and comprising 17 members representing citizens and various organizations active near Port territory, held three meetings. The Port presented its current projects and was able to answer questions and collect comments from the members at these meetings.

The community nearby the Port extends the length of Port territory in the boroughs of Ville-Marie, Mercier-Hochelaga-Maisonneuve and Rivière-des-Prairies Pointe-aux-Trembles, and the cities of Montreal East and Contrecoeur.

Open houses

The Port of Montreal also held two open houses, organized to present the new Viau container terminal project to the residents of that sector, gather their comments and answer their questions. A third open house session was held in Montreal to present the Port’s new Land-Use Plan.

At Contrecoeur, the project description of a future container port was the subject of a public consultation. This document was also submitted to the Canadian Environmental Assessment Agency.

Community investment

The Port of Montreal continued to give back to the community through its Community Investment Policy, which supports three sectors: socioeconomic development, education related to marine careers, and the environment.

Special attention was given to the districts bordering port operations in Montreal and Contrecoeur. The main projects are in the neighbouring community: Vélopousse pedicabs, the ÉcoMaris sailboat training course, Samajam school retention, and the seasonal Village Au Pied-du-Courant are good examples.

Special invitation to Port in the City

As part of its commitment to get closer to its neighbours, the Port of Montreal sent out a special invitation for them to participate in Port in the City Day. They came out by the thousands for an hour-long cruise aboard AML’s Cavalier Maxim to discover port facilities.
Social media and publications
The Port of Montreal consolidated its position on social media: Twitter, Facebook, LinkedIn, Instagram and YouTube. More than 7,000 new subscribers registered on one or more of these platforms in 2015.

Three issues of the PortInfo and Logbook electronic magazines were published. PortInfo is written for the maritime transportation industry while Logbook appeals to the general public.

Stronger team
Because communicating with its stakeholders is so important, the Port of Montreal created the new position of Vice-President of Public Affairs, and two new positions on this team, including one dedicated to community relations.

HUMAN RESOURCES
Redesigned Intranet
The Port of Montreal launched a project to redesign its Intranet. The new version is easier to use. It will integrate collaborative spaces for each of its business units to enable information sharing and strengthen teamwork. In addition, the new Intranet will engage employees and provide them with a framework to express themselves. Employees have been consulted on the new Intranet and it has been put online in 2016.

Training
Every year, the employees and executives of the Port of Montreal take training to enhance their skills. In 2015, they received 6,682 hours of training. These training sessions are quite diversified, reflecting the wide range of trades and professions of the Port of Montreal’s 235 employees: engineers and computer specialists, fire prevention, hazardous materials and building mechanics technicians, administrative staff, specialists in economics, finance and accounting, business intelligence and geomatics, communications and human resources, directors and managers, evaluation experts, and navigation officers.

“Mobilization and Engagement” Survey
In order to create the best work experience for the entire Port of Montreal team, an employee engagement survey was conducted. The results will enable us to measure ourselves and incorporate a comprehensive approach to continuous improvement.
MANAGEMENT COMMITTEE

Sylvie Vachon
President and
Chief Executive Officer

Serge Auclair
Vice-President, Strategy
and Human Resources

Daniel Dagenais
Vice-President, Operations

Tony Boemi
Vice-President, Growth
and Development

Marie-Claude Leroux
Vice-President, Legal
Affairs and Real Estate,
and Corporate Secretary

Réal Couture
Vice-President, Finance
and Administration

Sophie Roux
Vice-President, Public Affairs
GOVERNANCE
On July 9, 2015, Michel M. Lessard was reappointed Chairman of the Board of Directors of the MPA for a period of two years. Anik Trudel was reappointed Vice-Chair of the Board of Directors, also for a two-year term.

BOARD COMMITTEES
The Board of Directors relies on four committees to guide its decisions.

Audit Committee
This committee recommended the approval of the MPA’s audited financial statements as well as the report of the five-year special examination set out under Article 41 of the Canada Marine Act, examined the recommendations of the external auditor and ensured monitoring. It monitored the MPA’s financial results on a quarterly basis. It kept track of the capital budget. It analyzed the annual and interim reports on risk management and ensured that proper measures were in place to manage any potential risks. It closely monitored the performance of the MPA’s investment portfolio as well as legal requirements, regulations and contracts that could impact the MPA.

Governance and Human Resources Committee
This committee fulfilled its mandate with respect to the remuneration of senior management and non-unionized employees. It closely monitored the performance of MPA employee pension fund portfolio investments. It ensured that declarations of conflict of interest or perceived conflict of interest were filed in conformity with the MPA’s Code of Conduct set out in its Letters Patent. It coordinated self-evaluations for the Board of Directors and Board committees.

Sustainable Development and Safety Committee
This committee conducted its annual review of the activities of the Environment and Security departments. It also examined measures related to health and safety. It monitored priorities related to the MPA’s Sustainable Development Policy and its implementation.

Infrastructure Committee
This committee helped the Board fulfill its mandate pertaining to infrastructure management and the MPA’s investments in its building infrastructures, particularly with regard to monitoring major capital projects.
## STATEMENTS OF EARNINGS

**year ended December 31, 2015**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue from operations</strong></td>
<td>102,637</td>
<td>94,079</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>34,596</td>
<td>31,790</td>
</tr>
<tr>
<td>Maintenance and repairs</td>
<td>9,857</td>
<td>9,953</td>
</tr>
<tr>
<td>Professional services</td>
<td>3,529</td>
<td>4,212</td>
</tr>
<tr>
<td>Payments in lieu of property taxes</td>
<td>2,424</td>
<td>2,557</td>
</tr>
<tr>
<td>Other expenses</td>
<td>6,699</td>
<td>7,786</td>
</tr>
<tr>
<td>Gross revenue expenses</td>
<td>4,073</td>
<td>3,912</td>
</tr>
<tr>
<td>Amortization of fixed assets</td>
<td>22,125</td>
<td>21,022</td>
</tr>
<tr>
<td><strong>Operating earnings before the following items</strong></td>
<td>19,334</td>
<td>12,847</td>
</tr>
<tr>
<td>Investment income</td>
<td>1,140</td>
<td>1,687</td>
</tr>
<tr>
<td>Modifications to past service costs related to other employee benefit plans</td>
<td>21,808</td>
<td>–</td>
</tr>
<tr>
<td><strong>NET EARNINGS</strong></td>
<td>42,282</td>
<td>14,534</td>
</tr>
</tbody>
</table>

## STATEMENT OF COMPREHENSIVE LOSS

**year ended December 31, 2015**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net earnings</strong></td>
<td>42,282</td>
<td>14,534</td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items that will be reclassified subsequently to net earnings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Available-for-sale financial asset</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain for the year</td>
<td>–</td>
<td>1,089</td>
</tr>
<tr>
<td>Reclassification in net earnings</td>
<td>–</td>
<td>(213)</td>
</tr>
<tr>
<td>Items that will not be reclassified subsequently to net earnings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remeasurement of defined benefit obligation</td>
<td>(2,487)</td>
<td>(3,050)</td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td>(2,487)</td>
<td>(2,174)</td>
</tr>
<tr>
<td><strong>TOTAL COMPREHENSIVE INCOME</strong></td>
<td>39,795</td>
<td>12,360</td>
</tr>
</tbody>
</table>
### STATEMENTS OF CHANGES IN THE EQUITY OF THE GOVERNMENT OF CANADA

year ended December 31, 2015

(in thousands of Canadian dollars)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contributed capital</strong></td>
<td><strong>$</strong></td>
<td><strong>$</strong></td>
</tr>
<tr>
<td><strong>Retained earnings</strong></td>
<td><strong>$</strong></td>
<td><strong>$</strong></td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td><strong>$</strong></td>
<td><strong>$</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Balance, beginning of year</strong></th>
<th><strong>235,199</strong></th>
<th><strong>28,056</strong></th>
<th><strong>263,255</strong></th>
<th><strong>250,895</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net earnings of the year</strong></td>
<td>–</td>
<td><strong>42,282</strong></td>
<td><strong>42,282</strong></td>
<td><strong>14,534</strong></td>
</tr>
</tbody>
</table>

**Other comprehensive income**

| **Gain for the year** | – | – | – | **1,089** |
| **Reclassification in net earnings** | – | – | – | **(213)** |

| **Total comprehensive income of the year** | – | **39,795** | **39,795** | **12,360** |

**BALANCE, END OF YEAR**

| **235,199** | **67,851** | **303,050** | **263,255** |
### SUMMARIZED STATEMENTS OF CASH FLOWS

**year ended December 31, 2015**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(in thousands of Canadian dollars)</td>
<td></td>
</tr>
<tr>
<td><strong>Operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net earnings</td>
<td>42,282</td>
<td>14,534</td>
</tr>
<tr>
<td>Amortization</td>
<td>22,145</td>
<td>20,894</td>
</tr>
<tr>
<td>Difference between amounts paid on long-term benefits and current expenses of the year</td>
<td>(24,127)</td>
<td>(5,694)</td>
</tr>
<tr>
<td>Other elements</td>
<td>(2,862)</td>
<td>(5,482)</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td>37,438</td>
<td>24,252</td>
</tr>
<tr>
<td><strong>Investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition of fixed assets net of government grant</td>
<td>(34,581)</td>
<td>(23,347)</td>
</tr>
<tr>
<td>Disposal of fixed assets</td>
<td>–</td>
<td>374</td>
</tr>
<tr>
<td>Acquisition of investments</td>
<td>(56,900)</td>
<td>(21,419)</td>
</tr>
<tr>
<td>Disposal of investments</td>
<td>20,000</td>
<td>54,806</td>
</tr>
<tr>
<td>Interest received</td>
<td>1,054</td>
<td>1,607</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(70,427)</td>
<td>12,021</td>
</tr>
<tr>
<td><strong>Financing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments under finance lease contracts</td>
<td>(359)</td>
<td>(277)</td>
</tr>
<tr>
<td><strong>Net change in cash</strong></td>
<td>(33,348)</td>
<td>35,996</td>
</tr>
<tr>
<td>Cash, beginning of year</td>
<td>38,370</td>
<td>2,374</td>
</tr>
<tr>
<td><strong>CASH, END OF YEAR</strong></td>
<td>5,022</td>
<td>38,370</td>
</tr>
</tbody>
</table>
### Summarized statements of financial position

**year ended December 31, 2015**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td>92,705</td>
<td>75,244</td>
</tr>
<tr>
<td>Investments</td>
<td>–</td>
<td>10,000</td>
</tr>
<tr>
<td>Other assets</td>
<td>133</td>
<td>153</td>
</tr>
<tr>
<td>Fixed assets</td>
<td>282,586</td>
<td>265,009</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>375,424</td>
<td>350,406</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td>36,327</td>
<td>29,161</td>
</tr>
<tr>
<td>Expenses payable</td>
<td>–</td>
<td>135</td>
</tr>
<tr>
<td>Asset retirement obligations</td>
<td>692</td>
<td>692</td>
</tr>
<tr>
<td>Obligation under finance lease contracts</td>
<td>577</td>
<td>745</td>
</tr>
<tr>
<td>Employee benefit obligation</td>
<td>34,778</td>
<td>56,418</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>72,374</td>
<td>87,151</td>
</tr>
<tr>
<td><strong>Equity of the Government of Canada</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributed capital</td>
<td>235,199</td>
<td>235,199</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>67,851</td>
<td>28,056</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td>303,050</td>
<td>263,255</td>
</tr>
</tbody>
</table>

Montreal, Quebec  Canada  
February 25, 2016

Michel M. Lessard  
Chairman of the Board of Directors

Sylvie Vachon  
President and Chief Executive Officer
Three awards in marketing and communications

The Port of Montreal once again won three awards in the American Association of Port Authorities’ (AAPA) annual Communications Awards Program.

The Award of Distinction in the “Annual Report” category went to the Port of Montreal’s 2013 annual report. Entitled “The Port at the Heart of Daily Life,” it features Port clients who import products used daily by most people.

Two Awards of Merit round out this honour. The first, in the “Advertisements – Series” category, recognized the “Trading With The World” advertising campaign. This initiative is part of a strategic plan to promote the Port of Montreal internationally. Made available in print and electronic versions, it directs the reader to the Port of Montreal’s B2B platform.

This same campaign earned a second Award of Merit in the “Overall Campaign” category.

Environmental Excellence Award

The Port of Montreal won the Environmental Excellence Award for the Eastern Region presented by the Canadian International Freight Forwarders Association (CIFFA). The award recognized the project to reclaim contaminated soil by means of a solidification/stabilization (S/S) treatment during redevelopment of the Port of Montreal’s Viau sector.

Best Turnaround Destination award

The Port of Montreal’s cruise operations were singled out yet again by the prestigious Cruise Insight magazine. The Port received the Best Turnaround Destination award at an event held during the Seatrade Cruise Shipping Miami 2015 international convention.

Bronze Award from Summit Creative Awards

The Port of Montreal earned a Bronze award at the Summit Creative Awards, held in New York, recognizing the excellence of its B2B platform “Trading With the World.”
A COLLECTIVE FORCE

The Port of Montreal is a force for growth thanks to the continuous efforts of its employees and all of its clients and partners. Port services are a team effort. The Port of Montreal is renowned for the fluidity and speed of its cargo-handling services. They are the result of the concerted work of all players, far and wide, who participate in port operations. And they are many. The MPA would like to thank them for their professionalism and cooperation.

Thank you, everyone!

• Port of Montreal employees
• Shipping lines
• Trucking companies
• Railways
• Terminal operators
• Agents
• Associations
• Government departments
• Research institutions
• Educational institutions