



Port de Montréal  
Port of Montreal

**ADDRESS BY MR. DOMINIC J. TADDEO  
PRESIDENT AND CHIEF EXECUTIVE OFFICER  
MONTREAL PORT AUTHORITY**

**ANNUAL PUBLIC MEETING**

**APRIL 24, 2007**

*CHECK AGAINST DELIVERY*

## PORT OF MONTREAL'S ANNUAL MEETING

MR. BRUNEAU,  
MEMBERS OF THE BOARD,  
DISTINGUISHED GUESTS,  
LADIES AND GENTLEMEN:

ON BEHALF OF MYSELF, THE MONTREAL PORT AUTHORITY'S EXECUTIVE, ITS MANAGEMENT AND ALL OF ITS PERSONNEL, I WELCOME YOU TO OUR ANNUAL MEETING.

THIS ANNUAL MEETING IS A VALUABLE OPPORTUNITY TO REVIEW THE PORT OF MONTREAL'S PROGRESS IN 2006 AND TO SHARE OUR CONSIDERABLE ACHIEVEMENTS.

AND WHAT A YEAR IT HAS BEEN!

2006 WAS FOR THE MPA, AND THE PORT OF MONTREAL AN EXCEPTIONAL YEAR, ACHIEVING A RECORD PERFORMANCE.

IT WAS ALSO IN 2006 THAT WE HAVE:

- MADE ENHANCEMENTS TO OUR CONTAINER TERMINALS;
- RECORDED OUR 5TH CONSECUTIVE YEAR OF GROWTH IN THE CONTAINER SECTOR;
- INTRODUCED A NEW ENVIRONMENTAL MANAGEMENT SYSTEM (EMS); AND

- INTENSIFIED OUR BUSINESS DEVELOPMENT EFFORTS IN THE MIDWEST AND WEST OF MICHIGAN MARKETS.

WE HAVE ALSO PURSUED OUR STRATEGIC PLANNING EXERCISE, WHICH BEGAN IN FALL 2005, WITH THE CONSULTING FIRM MOFFATT & NICHOL. THE FIRM HAS BEEN MANDATED TO STUDY CAPACITY ISSUES AT THE PORT.

THE STUDY WILL:

- VALIDATE CONTAINER GROWTH POTENTIAL FOR THE NORTH ATLANTIC MARKET AND AT THE PORT OF MONTREAL FOR THE NEXT 15 YEARS;
- EVALUATE THE CONTAINER HANDLING AND THE TRANSSHIPMENT CAPACITY ON THE ISLAND OF MONTREAL;
- PROPOSE STRATEGIES TO OPTIMIZE AND INCREASE THE EFFICIENCY OF OUR TERMINALS;
- IDENTIFY THE CAPITAL INVESTMENTS NEEDED FOR 2007-2015 HORIZON AND BEYOND TO ACCOMMODATE GROWTH.

CONTAINER GROWTH HAS NOT SLOWED SINCE THE ARRIVAL OF THE FIRST CONTAINER IN 1967.

WE ANTICIPATE THAT THE PORT OF MONTREAL WILL ATTAIN THE 2 MILLION TEU MARK BY 2020, ALMOST DOUBLE OUR CURRENT ANNUAL CAPACITY.

SO EFFECTIVELY, THIS STUDY WILL ALLOW US TO PREPARE A MASTER PLAN AND AN ACTION PLAN FOR OUR CONTAINER INFRASTRUCTURES FOR THE NEXT TEN TO 15 YEARS.

THE RESULTS OF THE STUDY WILL BE PRESENTED TO THE BOARD OF DIRECTORS IN THE COMING WEEKS.

OUR POSITION AS THE “GATEWAY TO NORTH AMERICA” ENSURES MONTREAL’S POSITION AMONG THE LEADING PORTS IN NORTH AMERICA.

IN FACT, THE PORT OF MONTREAL IS:

- A LEADER IN THE NORTH ATLANTIC CONTAINER MARKET;
- THE MOST IMPORTANT PORT IN EASTERN CANADA;
- THE ONLY CONTAINER PORT ON THE ST. LAWRENCE; AND
- A FULLY INTEGRATED INTERMODAL, SAFE AND **SECURE**, SEAMLESS GATEWAY.

THESE ACCOMPLISHMENTS ARE ALL IN FACT A REFLECTION OF THE REMARKABLE WORK WE HAVE ACHIEVED.

IN ADDITION, THE BUSINESS RELATIONSHIPS THAT WE HAVE DEVELOPED DURING THE YEARS HAVE HELPED REINFORCE AND EXTEND MONTREAL’S REACH EVEN IN ASIA AND INDIA THROUGH TRANSSHIPMENT PORTS IN NORTHERN EUROPE, ITALY AND THE BAHAMAS.

SHIPS ORIGINATING IN ASIA AND PASSING THROUGH THE PANAMA CANAL ALSO CONNECT THROUGH THE TRANSSHIPMENT PORT OF FREEPORT, IN THE BAHAMAS, WHERE **MSC** OPERATES DIRECT SERVICES TO MONTREAL AND TO NORTHERN EUROPE.

WHEREAS SHIPS THAT ORIGINATE IN INDIA AND PASS THROUGH THE SUEZ CANAL CONNECT THROUGH THE PORT OF GIOIA TAURO, IN ITALY, AND THROUGH NORTH EUROPEAN PORTS LIKE ANTWERP AND HAMBURG, SERVED BY SOME OF THE SHIPPING LINES THAT CALL MONTREAL DIRECTLY.

2006 ALSO SAW THE ARRIVAL OF NEW SERVICES TO MONTREAL, DEMONSTRATING THAT OUR PORT CONTINUES TO GROW.

ONE OF THESE NEW SERVICES, THE JAPANESE SHIPPING LINE MOL, ARRIVED IN MONTREAL ON APRIL 2006 FOR THE FIRST TIME.

WITH THE ARRIVAL OF THIS NEW SHIPPING LINE, THE PORT OF MONTREAL IS NOW HOME TO NINE OUT OF THE 12 MOST IMPORTANT CONTAINER SHIPPING LINES IN THE WORLD.

SOME OF THESE LINES ARE:

- MAERSK LINE: THE NUMBER ONE;
- MSC: THE SECOND MOST IMPORTANT LINE;
- CMA CGML: THE THIRD;
- HAPAG-LLOYD, THE FIFTH MOST IMPORTANT; AND
- OOCL, RANKING 10<sup>TH</sup>.

AMONG OUR DOMESTIC SHIPPING LINES IN THE CONTAINER SECTOR IS OCÉANEX, WHICH OPERATES A BIWEEKLY RO-RO SERVICE BETWEEN MONTREAL AND ST. JOHN'S, NEWFOUNDLAND, USING TWO SHIPS.

IT IS INTERESTING TO NOTE THAT ALL OCÉANEX CONTAINERS HANDLED AT BICKERDIKE TERMINAL ARRIVE AND LEAVE FROM THE TERMINAL BY TRUCK. OCÉANEX HAS BEEN A LOYAL CUSTOMER, HAVING SIGNED A LONG-TERM LEASE AT THE BICKERDIKE TERMINAL.

IT REPRESENTS A VITAL LINK FOR THE ECONOMY OF NEWFOUNDLAND, AND CONSEQUENTLY, FOR THE CANADIAN ECONOMY.

MONTREAL IS ALSO PORT OF CALL TO A DOZEN OTHER DOMESTIC AND INTERNATIONAL SHIP OWNERS WHO SPECIALIZE IN THE TRANSPORT OF NON-CONTAINERIZED GENERAL CARGO, AND IN LIQUID AND DRY BULK.

AMONG THESE LINES ARE:

- FEDNAV INTERNATIONAL;
- SEAWAY MARINE TRANSPORT;
- CANADA STEAMSHIP LINES;
- CANFORNAV; AND
- DESGAGNÉS.

TO NAME A FEW.

THE ONGOING COMMITMENT OF THESE IMPORTANT SHIPPING LINES THAT CONNECT MONTREAL TO MORE THAN 80 COUNTRIES AROUND THE WORLD IS REFLECTED IN OUR RESULTS.

THESE RESULTS ALSO DEMONSTRATE THE VITAL ROLE THAT MONTREAL PLAYS IN FACILITATING INTERNATIONAL TRADE AMONG CANADA, THE UNITED STATES AND THE EUROPEAN UNION.

#### TRAFFIC RESULTS

FOR THE PERIOD ENDING DECEMBER 31, THE PORT OF MONTREAL RECORDED ITS STRONGEST PERFORMANCE EVER. FOR THE FIRST TIME IN ITS HISTORY, THE PORT HANDLED MORE THAN 25 MILLION TONNES OF MERCHANDISE.

THIS EXCELLENT PERFORMANCE IS DIRECTLY TIED TO TRAFFIC INCREASE IN THE PORT'S THREE SECTORS OF ACTIVITY:

- GENERAL CARGO (CONTAINERIZED AND NON-CONTAINERIZED),
- LIQUID BULK, AND
- DRY BULK.

FOR THE PERIOD ENDED DECEMBER 31, THE ENTIRE GENERAL CARGO SECTOR, INCLUDING BOTH CONTAINERIZED AND NON-CONTAINERIZED GOODS, GREW BY 1.5% PER CENT, REACHING SLIGHTLY MORE THAN 11.8 MILLION TONNES.

CONTAINERIZED GENERAL CARGO, WHICH ACCOUNTS FOR NEARLY HALF OF THE PORT OF MONTREAL'S TOTAL TRAFFIC, IS THE ENGINE OF OUR GROWTH.

IN 2006, CARGO TRAFFIC REACHED 11.3 MILLION TONNES, AN INCREASE OF 1.8% PER CENT FROM THE PREVIOUS YEAR.

BE MINDFUL THAT APPROXIMATELY HALF OF OUR CONTAINER TRAFFIC IS DESTINED FOR THE AMERICAN MARKET, PARTICULARLY THE MIDWEST, AND ONE QUARTER DESTINED MOSTLY FOR ONTARIO AND THE REST OF CANADA.

THE NUMBER OF TEU (TWENTY-FOOT-EQUIVALENT UNIT) CONTAINERS TRANSPORTING THIS CARGO AMOUNTED TO 1,288,910, REPRESENTING 2.7% GROWTH OVER 2005.

FOR ITS PART, NON-CONTAINERIZED GENERAL CARGO TOTALLED 470,000 TONNES, SOFTENING SLIGHTLY SINCE 2005 AS A RESULT OF CANADIAN PROVISIONING OVER INTERNATIONAL MARKETS.

LIQUID BULK TRAFFIC, THE SECOND MOST IMPORTANT SECTOR OF ACTIVITY AT THE PORT OF MONTREAL, ROSE 4.3% PER CENT TO 7.7 MILLION TONNES.

THE INCREASE IN THE VOLUME OF PETROLEUM PRODUCTS, PARTICULARLY NATURAL GAS, DIESEL OIL, HEAVY OIL AND NAPHTA, EXPLAINS THE GROWTH IN THIS SECTOR.

THE GROWTH IS ATTRIBUTABLE TO THE INCREASE IN DEMAND FOR PETROLEUM PRODUCTS FROM EASTERN ONTARIO.

THIS CATEGORY GREW BY 11.4% SINCE 2005 TO APPROXIMATELY 6.9 MILLION TONNES.

OTHER LIQUID BULK TRAFFIC—NAMELY LIQUID ASPHALT AND WINE AND SPIRITS—FINISHED THE YEAR AT 870, 000 TONNES, A WEAKENING OF 30.6% FROM THE PREVIOUS YEAR.

WEAKER ASPHALT VOLUMES DUE TO REDUCED PRODUCTION FOR EXPORT CONTRIBUTED DIRECTLY TO LOWER TRAFFIC IN THIS CATEGORY.

IN THE DIVERSE DRY BULK CATEGORY, VOLUME TOTALLED 5.6 MILLION TONNES IN 2006, AN INCREASE OF 5% SINCE 2005.

GRAIN TRAFFIC GREW TO AN IMPRESSIVE 28.8% SINCE 2006 TO APPROXIMATELY 1.4 MILLION TONNES, ITS HIGHEST LEVEL SINCE 2001.

BETTER QUALITY OF CANADIAN WESTERN WHEAT AND BETTER CROPS IN EASTERN CANADA FOR CORN AND SOJA EXPLAIN THIS INCREASE.

HOWEVER, VOLUME IN OTHER DRY BULK SOFTENED BY 1% COMPARED WITH 2005 TO ALMOST 4.1 MILLION TONNES.

FINALLY, ON THE CRUISE TRAFFIC SIDE, THE PORT OF MONTREAL WELCOMED 40,565 PASSENGERS, GROWING APPROXIMATELY 13% SINCE 2005.

THIS INCREASE IS ATTRIBUTED TO THE GREATER NUMBER OF PORTS OF CALL FROM THE HOLLAND AMERICA LINE IN 2006.

THE PORT OF MONTREAL TAKES AN ACTIVE ROLE IN DEVELOPING THIS RECREATIONAL AND SEASONAL ACTIVITY SECTOR, WHICH TAKES PLACE MOSTLY BETWEEN JUNE-OCTOBER.

IN ORDER TO CONTINUE TO FOSTER GROWTH IN THIS SECTOR OF ACTIVITY, WE HAVE SIGNED A COOPERATION AGREEMENT WITH TOURISM MONTREAL TO PROMOTE MONTREAL AS A CRUISE SHIP DESTINATION IN CANADA AND AROUND THE WORLD.

WE HAVE ALS INTENSIFIED OUR MARKETING EFFORTS, PARTICULARLY IN EUROPE, BY PARTICIPATING IN INTERNATIONAL TRADE SHOWS.

AS A RESULT OF THESE EFFORTS, MONTREAL WILL WELCOME GERMANY'S TOP CRUISE LINE -- AIDA CRUISES -- IN 2008, SEE THE RETURN OF AMERICAN

PRINCESS CRUISES, ALSO IN 2008, AND, HOPEFULLY, THE ARRIVAL OF MSC IN 2009.

## FINANCIAL RESULTS

THE PORT OF MONTREAL'S EXCELLENT PERFORMANCE IN 2006 IS REFLECTED IN OUR FINANCIAL RESULTS.

BEFORE PRESENTING OUR RESULTS, I WOULD LIKE TO POINT OUT THAT OUR FINANCIAL RESULTS HAVE BEEN AUDITED BY THE FIRM SAMSON BÉLAIR/DELOITTE & TOUCHE, AND I QUOTE FROM THE AUDITORS' REPORT, DATE FEBRUARY 9, 2007:

“IN OUR OPINION, THESE FINANCIAL STATEMENTS PRESENT FAIRLY, IN ALL MATERIAL RESPECTS, THE FINANCIAL POSITION OF THE PORT AUTHORITY AS AT DECEMBER 31, 2006, AND THE RESULTS OF ITS OPERATIONS AND ITS CASH FLOWS FOR THE YEAR THEN ENDED IN ACCORDANCE WITH CANADIAN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.”

IT IS NOW MY PLEASURE TO PRESENT TO YOU OUR FINANCIAL RESULTS. FOR THE PERIOD ENDED DECEMBER 31, THE MPA REGISTERED NET EARNINGS—FOR THE 27<sup>TH</sup> CONSECUTIVE YEAR—OF CAD 10.5 MILLION.

REVENUE ROSE TO CAD 82.6 MILLION, UP BY CAD 3.7 MILLION, AN INCREASE OF 4.8% SINCE 2005.

THESE REVENUES INCLUDE CAD 77.9 MILLION IN OPERATING REVENUES, AND INCREASE OF CAD 3.5 MILLION FROM THE PREVIOUS YEAR, AND FINANCIAL REVENUES OF CAD 4.7 MILLION.

EXPENSES AMOUNTED TO CAD 69.5 MILLION, AND INCREASE OF CAD 4.8 MILLION COMPARED WITH CAD 64.7 MILLION FOR THE PREVIOUS PERIOD, AN INCREASE OF 7.4 %.

THE INCREASE IN EXPENSES IS A RESULT OF:

- THE UPDATED ACTUARIAL EVALUATIONS;
- SALARY INCREASES OF 3% AND OF EMPLOYEE BENEFITS.

EARNINGS BEFORE THE SETTLEMENT OF AN ENVIRONMENTAL LAWSUIT IN FAVOUR OF THE MPA AND GROSS REVENUE CHARGES TOTALLED CAD 13.1 MILLION.

THE ENVIRONMENTAL LAWSUIT WILL RESULT IN THE CONSTRUCTION OF A WALL FOR PRECAUTIONARY PURPOSES ON THE SITE CONCERNED IN ORDER TO AVOID ANY DISPERSION OF PETROLEUM PRODUCTS.

### CAPITAL INVESTMENTS 2006

AS CONCERNS OUR CAPITAL INVESTMENTS, THEY TOTALLED MORE THAN CAD 26 MILLION IN 2006.

INVESTMENTS WERE MADE IN THE FOLLOWING PROJECTS:

- THE COMPLETION OF THE FIRST PHASE OF A CONVERSION PROJECT OF A BULK HANDLING AREA INTO CONTAINER HANDLING AREAS AT SECTIONS 71 AND 72 (CAD 7.2 MILLION IN 2006, CAD 5 MILLION IN 2007, FOR A TOTAL OF CAD 12 MILLION);
  - THE SECOND PHASE OF A RESURFACING PROJECT OF THE ENTRANCE AT RACINE TERMINAL (ABOUT CAD3.6 MILLION);
  - REINFORCEMENT OF THE PERIMETER WALLS OF 5 BERTHS IN SECTION M, AND AT BERTHS 9 AND 10, AND AT SECTIONS 96 TO 100. (MORE THAN CAD 6.2 MILLION);
- AND ALSO
- WE FINALIZED THE INSTALLATION OF AN ULTRAMODERN ROTARY SCREEN GRAIN CLEANER (SOME CAD 1.7 MILLION).

THIS ROTARY SCREEN GRAIN CLEANER ALLOWS THE TERMINAL, WHICH TREATS WHEAT FROM WESTERN CANADA AND CORN AND SOYA FROM QUEBEC AND ONTARIO, TO BE MORE COMPETITIVE AS IT OFFERS A SERVICE THAT ADDS VALUE BY ENHANCING GRAIN QUALITY AND PROVIDING GREATER FLEXIBILITY FOR OUR CLIENTS, INCLUDING THE CANADIAN WHEAT BOARD.

## **2006 HIGHLIGHTS**

THROUGHOUT 2006, SEVERAL EVENTS MARKED THE PORT'S ACTIVITY CALENDAR. IN FEBRUARY 2006, MSC AND TERMONT MONTREAL, AN AFFILIATE OF LOGISTEC, SIGNED A LONG-TERM AGREEMENT.

TERMONT MONTREAL OPERATES THE MAISONNEUVE TERMINAL.

IN APRIL, THE JAPANESE SHIPPING LINE, MOL, MADE ITS MONTREAL DEBUT BY LAUNCHING THE MONTREAL ATLANTIC EXPRESS.

IT IS A WEEKLY SERVICE BETWEEN MONTREAL AND THE NORTHERN EUROPEAN PORTS OF LE HAVRE, BREMERHAVEN AND ROTTERDAM THROUGH A SLOT CHARTERING AGREEMENT WITH MAERSK LINE, WHICH NOW OPERATES THE SERVICE WITH ITS OWN SHIPS.

IN JUNE, DUTCH NIRINT SHIPPING BEGAN OFFERING TRANSPORT SERVICES OF NON-CONTAINERIZED GENERAL CARGO TO SUCH DESTINATIONS AS THE DOMINICAN REPUBLIC AND CUBA.

THESE ARE SOME OF THE ACTIVITIES WHICH DEMONSTRATE THE PORT OF MONTREAL'S VITALITY AND DYNAMISM.

### **MILESTONES**

SEVERAL OF THE PORT'S MOST LOYAL CLIENTS AND USERS ALSO ACHIEVED IMPORTANT MILESTONES OF THEIR OWN IN 2006.

THESE ACHIEVEMENTS ARE PROOF OF THEIR COMMITTEMENT TO THE PORT OF MONTREAL, WHICH CONTINUES TO OFFER THEM UNDENIABLE COMPETITIVE ADVANTAGES.

EMPIRE STEVEDORING, WHICH OPERATES THE BICKERDIKE TERMINAL, CELEBRATED ITS 75<sup>TH</sup> ANNIVERSARY.

CANFORNAV, WHOSE HEAD OFFICE IS IN MONTREAL, CELEBRATED 30 YEARS OF SERVICE AT THE PORT OF MONTREAL.

THE GERMAN SENATOR LINES MARKED ITS 15<sup>TH</sup> ANNIVERSARY.

THE JOINT CANADA MEDITERRANEAN (JCMS) SERVICE, OPERATED JOINTLY BY THE GERMAN LINES HAPAG-LLOYD AND SENATOR LINES, MARKED ITS 20<sup>TH</sup> ANNIVERSARY OF OPERATION OFFERING DIRECT AND REGULAR SERVICE BETWEEN MONTREAL AND THE MEDITERRANEAN MARKETS.

I SHOULD ALSO NOTE THAT THE ORIENT OVERSEAS CONTAINER LINE, BETTER KNOWN AS OOCL, MARKED OVER 40 YEARS OF SERVICE IN MONTREAL IN 2006.

FINALLY, THE INDUSTRY PUBLICATION *CANADIAN SAILINGS* CELEBRATED ITS 25<sup>TH</sup> OF PUBLICATION.

## **SECURITY**

WHICH BRINGS ME NOW TO THE SECURITY OF OUR FACILITIES, WHICH IS, AND ALWAYS HAS BEEN, A PRIORITY.

THE MPA HAS ALWAYS TAKEN A PROACTIVE APPROACH TO THE ISSUE OF SECURITY.

IN FACT, AN AUDIT CONDUCTED JOINTLY BY THE UNITED STATES COAST GUARD AND TRANSPORT CANADA INDICATED THAT FIVE SECURITY PRACTISES ESTABLISHED AT THE PORT OF MONTREAL SHOULD SERVE AS INDUSTRY STANDARDS: MOST NOTABLY,

- THE JOINT TRAINING OF OFFICERS AND SECURITY AGENTS;
- INTEGRATING COMMUNICATION SYSTEMS;
- SHARING OF SURVEILLANCE CAMERA IMAGES;

-REINFORCING FENCES IN STRATEGIC AREAS;  
-AND ENHANCING THE DETECTION AND INTERVENTION CAPACITY OF THE SECURITY AGENTS.

IT IS ALSO IMPORTANT TO NOTE THE PRESENCE OF THE NATIONAL PORT ENFORCEMENT TEAM (NPET) A FEDERAL INITIATIVE UNDER THE JURISDICTION OF THE ROYAL CANADIAN MOUNTED POLICE, THE CANADIAN BORDER SERVICES AGENCY, IMMIGRATION CANADA AND THE VARIOUS POLICE FORCES OF THE CITY OF MONTREAL AND THE SÛRETÉ DU QUEBEC (SQ).

THE NPET IS LOCATED IN WING No.2 AT THE PORT OF MONTREAL'S HEAD OFFICE.

THIS TEAM HAS AROUND THE CLOCK, YEAR ROUND ACCESS TO THE PORT'S INSTALLATIONS, SURVEILLANCE CAMERAS AND TO ALL THE INFORMATION IT NEEDS.

DURING THE SUMMMER 2006, TRANSPORT CANADA ALSO RENEWED THE CERTIFICATION OF THE MPA'S SECURITY PLANS FOR THE NEXT FIVE YEARS.

YOU ARE UNDOUBTEDLY AWARE THAT WE INVEST HEAVILY IN SECURITY. SINCE THE LATE 1990S, WE HAVE INVESTED OVER 8 MILLION DOLLARS.

IN 2006 ALONE, WE DEVOTED MORE THAN TWO MILLION DOLLARS TOWARDS VARIOUS PROJECTS RELATED TO THE SECURITY OF OUR INFRASTRUCTURE AND FACILITIES.

WE INCREASED THE NUMBER OF SURVEILLANCE CAMERAS, OF WHICH WE NOW HAVE 150, NOW PROVIDING VIDEO COVERAGE OF THE PETROLEUM SECTIONS IN THE EASTERN PART OF THE CITY.

FINALLY, LAST DECEMBER, WE BECAME THE FIRST PORT IN CANADA AND IN NORTH AMERICA TO REQUIRE THAT EMPTY CONTAINERS ARRIVING AT OUR TERMINALS BY EITHER TRUCK OR BY TRAIN, BE SEALED.

## **ENVIRONMENT**

ENVIRONMENT REMAINS ONE OF FOREMOST PRIORITIES, AND WE WILL DEDICATE AN AVERAGE OF CAD 2 MILLION A YEAR FOR ALL OF OUR ACTIVITIES IN THIS AREA.

AS A MANAGER OF A STRATEGIC INFRASTRUCTURE, THE GROWTH OF OUR SITES AND OUR LANDS IS OF GREAT IMPORTANCE.

AS SUCH, WE HAVE UNDERTAKEN TO TEST 99% OF OUR SOIL THROUGHOUT THE INDUSTRIAL PARK AND SUBMITTED IT TO ENVIRONMENTAL ANALYSIS.

THE RESULTS SHOW THAT 96% OF OUR SITES MEET ENVIRONMENTAL STANDARDS.

ONLY 3% OF THESE SITES ARE STILL UNDERGOING RIGOROUS ENVIRONMENTAL TESTING.

WE ANTICIPATE THAT WE WILL HAVE COMPLETED THE REMAINING WORK NEEDED AT THESE SITES IN THE PETROLEUM SECTORS WITHIN THE NEXT TWO TO THREE MONTHS.

IN 2006, WE HAVE ALSO BROUGHT THE PETROLEUM PRODUCT RESERVOIRS LOCATED ON OUR PROPERTY INTO COMPLIANCE WITH RECOGNIZED STANDARDS, AND ELIMINATED ALL THE UNDERGROUND RESERVOIRS, WITH THE EXCEPTION OF ONE.

FINALLY, WE HAVE COMPLETED THE IMPLEMENTATION OF OUR ENVIRONMENTAL MANAGEMENT SYSTEM (EMS) IN THE FIRST QUARTER OF 2007.

BASED ON THE PRACTISES AND PROCEDURES OF THE ISO 14 000 STANDARD, THE EMS PROVIDES US WITH A FRAMEWORK ON HOW TO BETTER MANAGE ALL ASPECTS OF OUR DAILY ENVIRONMENTAL ACVITIES AS THE PORT OF MONTREAL.

## **2007 HIGHLIGHTS**

AND NOW, LET US TURN TO 2007.

WE ANTICIPATE ANOTHER YEAR OF GROWTH IN TOTAL TRAFFIC, SURPASSING EVEN 2006. WE EXPECT THAT GROWTH WILL BE DRIVEN BY THE INCREASE IN CONTAINER TRAFFIC AND PETROLEUM PRODUCTS.

## **CAPITAL INVESTMENTS**

TO MEET OUR CLIENTS' INCREASING NEEDS AND TO CONTINUE TO OFFER QUALITY AND EFFICIENT PORT INFRASTRUCTURES AND FACILITIES, THE MPA WILL CONTINUE TO INVEST ALMOST CAD 43 MILLION TOWARDS THE EXPANSION AND IMPROVEMENT OF ITS FACILITIES.

OF THIS AMOUNT, A LITTLE MORE THAN CAD 20 MILLION WILL BE DEDICATED TO THE UPKEEP OF THE CONTAINER TERMINALS.

MORE THAN CAD 8.6 MILLION WILL BE DEDICATED TO THE REPAIR OF THE PERIMETER WALLS OF THE BICKERDIKE TERMINAL AT BERTHS B2 AND B3, AND COPE WALL SCOURING PROTECTION AT BERTS B1, B2, B3 AND 12 NORTH.

WE WILL ALSO DEDICATE ALMOST CAD 6 MILLION FOR SAFETY MEASURES, FOR OUR ACCESS CONTROLS AND FOR OUR SUREILLANCE CAMERAS.

OUR 2007-2011 CORPORATE PLAN FORECASTS INVESTMENTS OF OVER CAD 175 MILLION IN THE ENLARGEMENT AND IMPROVEMENT OF OUR INSTALLATIONS, WHILE REMAINING FINANCIALLY SUSTAINABLE.

THE LION'S SHARE OF THE CAD 175 MILLION WILL BE INVESTED IN THE CONTAINER TERMINALS, AS TRAFFIC VOLUMES WILL SURPASS THE 13 MILLION TONNE MARK.

WHERE THE ENVIROMENT IS CONCERNED, WE WILL INVEST CAD 8 MILLION N DIFFERENT PRODUCTS.

FOR SAFETY MEASURES, WE ANTICIPATE AN INVESTMENT OF ALMOST CAD 10 MILLION.

-CAD 6.5 MILLION IN THE IMPLEMENTATION OF OUR ACCESS CONTROL PROGRAM;  
-AND IN PARTICULAR, ADDITIONAL SURVEILLANCE CAMERAS.

WHICH TAKES ME TO THE FIRST QUARTER RESULTS FOR 2007

DURING THIS QUARTER, SHIPPING TOTAL SHIPPING TRAFFIC REACHED 5.5 MILLION TONNES, ALMOST 201, 000 TONNES MORE THAN THE SAME PERIOD FOR 2006.

THIS REPRESENTS AN INCREASE OF 3.8%.

THE GENERAL CARGO SECTOR TRAFFIC TOTALLED 2.8 MILLION TONNES, AN INCREASE OF 1.2%.

CONTAINERIZED CARGO, WHICH REPRESENTS THE PRINCIPAL SECTOR OF ACTIVITY, ROSE BY 3.3% TOTALLING MORE THAN 2.7 MILLION TONNES DURING THE FIRST QUARTER.

THE NUMBER OF TEUS SURPASSED 294, 500, THE TOTAL FOR THE SAME QUARTER FOR 2006, TO 311, 432, AN INCREASE OF 5.7%.

AND FOR THE LIQUID BULK SECTOR, TRAFFIC SURPASSED 1.6 MILLION TONNES, AN INCREASE OF 8.7% FROM THE SAME QUARTER LAST YEAR.

IN LIGHT OF THESE FIRST QUARTER RESULTS, WE ARE CONFIDENT THAT WILL REACH, AND EVEN SURPASS PUR RECORD OF 25.1 MILLION TONNES ESTABLISHED IN 2006.

ADDITIONAL HIGHLIGHTS FOR 2007

IT WAS HAPAG-LLOYD THAT INAUGURATED THE NAVIGATION SEASON BY WINING THIS YEAR'S GOLD-HEADED CANE WITH THE ARRIVAL OF THE CONTAINER SHIP, GLORY, ON THE 1<sup>ST</sup> OF JANUARY.

HAPAG-LLOYD HAS BEEN A MAINSTAY IN THIS CITY SINCE 1892.

THE MPA CONCLUDED AN AGREEMENT WITH EMPLOYEES OF THE RAIL OPERATIONS BY RENEWING THEIR COLLECTIVE AGREEMENT, WHICH WILL REMAIN IN PLACE UNTIL 2012.

THIS AGREEMENT IS IN ADDITION TO OTHER COLLECTIVE AGREEMENTS THAT WERE SIGNED WITH OTHER EMPLOYEE GROUPS. TWO OF THE AGREEMENTS EXPIRE IN 2011 AND THE OTHER TWO IN 2012.

IN ADDITION, DURING THE SUMMER OF 2005 A NEW COLLECTIVE AGREEMENT WAS SIGNED BETWEEN THE MARTIME EMPLOYEES AND THE STEVEDORES.

THIS AGREEMENT, WHICH IS IN PLACE UNTIL 2008, PROLONGS THE PEACE THAT HAS CHARACTERIZED OUR QUAYS FOR DECADES.

IN 2007, WE TOOK POSSESSION OF A CAD 250, 000 MOBILE COMMAND POST—A THE ONLY ONE OF ITS KIND IN CANADA.

THE FEDERAL GOVERNMENT ALSO PLANS TO INSTALL PORTALS THAT DETECT RADIO ACTIVE MATERIALS AT OUR CONTAINER TERMINALS AT CERTAIN PORTS LIKE MONTREAL.

TRANSPORT CANADA WILL INTRODUCE THE FIRST PHASE OF THE MARINE TRANSPORTATION SECURITY CLEARANCE PROGRAM, WHICH WILL BECOME OPERATIONAL AT THE PORTS OF MONTREAL, VANCOUVER, AND HALIFAX BY THE 15<sup>TH</sup> OF DECEMBER 2007.

THIS PROGRAMME WILL REINFORCE MARITIME SECURITY BY REQUIRING MARITIME WORKERS WHO HOLD SPECIFIC FUNCTIONS AND THAT HAVE ACCESS TO RESTRICTED AREAS TO HAVE SECURITY AUTHORIZATION.

OTHER HIGHLIGHTS INCLUDE THE MOST RECENT ANNOUNCEMENT BY LAWRENCE CANNON, MINISTER OF TRANSPORT, INFRASTRUCTURE AND COMMUNITIES, AND MINISTER RESPONSIBLE FOR THE CANADA LANDS COMPANY (CLC), AND THE HONOURABLE MICHAEL FORTIER, MINISTER OF PUBLIC WORKS AND GOVERNMENT SERVICES INVOLVING THE “NOUVEAU HAVRE DE MONTRÉAL/MONTREAL’S NEW HARBOURFRONT” PROJECT.

AS A RESULT OF THIS INITIATIVE, CERTAINS LANDS IN MONTREAL’S HARBOURFRONT BELONGING TO THE PORT OF MONTREAL THAT ARE NOT USED FOR EITHER PORT OR SHIPPING ACTIVITY —AND I INSIST, THAT ARE NOT USED FOR EITHER PORT OR SHIPPING ACTIVITY—WILL BE TRANSFERRED TO THE CANADA LANDS COMPANY, WHILE RESPECTING THE TENANT’S LEASE AGREEMENTS.

IN THE HARBOURFRONT SECTOR, THE LAND AREA TOTALS 687, 000M<sup>2</sup>.

ONLY 246, 000M<sup>2</sup> OR 36% OF THE LANDS THAT BELONG TO THE PORT OF MONTREAL IN THIS SECTOR WILL BE RETROCEDED.

THE GRAIN ELEVATOR N°5 IS LOCATED ON THESE LANDS. THE MPA ISSUED A PUBLIC TENDER DURING THE SUMMER OF 2005. THE CLC WILL NOW BE RESPONSIBLE FOR MANAGING THIS TENDER GOING FORWARD.

THIS “NEW HARBOURFRONT INITIATIVE” LOOKS TO RESTRUCTURE CROWN LANDS IN ORDER TO CREATE RESIDENTIAL AND COMMERCIAL AREAS , WHILE RECOGNIZING THE ROLE OF MONTREAL, WHICH REMAINS AN IMPORTANT PILLAR FOR THE ECONOMY OF THE CITY AND A FIRST CLASS MARITIME GATEWAY FOR NORTH AMERICA.

THIS INITIATIVE WILL ALSO PROTECT THE RAILWAY CORRIDOR AS ITS ACCESS IS LOCATED ON THE SITE OF THE MONTREAL HARBOURFRONT.

THE CORRIDOR IS MONTREAL’S COMPETITIVE ADVANTAGE WITH RESPECT TO ITS COMPETITORS.

UNDER THE NEW INITIATIVE, THE MPA RETAINS CONTROL OF THE ALEXANDRA AND BICKERDIKE QUAYS AND ALL THE WATER BASSINS IN THE AREA, INCLUDING THE ONE NEAR THE GRAIN ELEVATOR N°5.

IT ALSO PROTECTS THE MPA’S HEADOFFICE.

THIS GOVERNMENT INITIATIVE RECOGNIZES THE IMPORTANCE OF MARITIME AND PORT ACTIVITY, AND THE IMPORTANCE OF ENSURING ITS CONTINUITY.

AFTER ALL, THE PORT HAS AN IMPORTANT ROLE TO PLAY.

MONTREAL’S ECONOMY DEPENDS ON IT.

LADIES AND GENTLEMEN, WE ARE PROUD THAT OUR FINANCIAL RESULTS SPEAK FOR THEMSELVES.

AS FEDERAL AGENCY, INDEPENDENT AND PROFITABLE, WE OPERATE THE PORT OF MONTREAL'S INFRASTRUCTURE WITHOUT SUBSIDY FROM THE THREE LEVELS OF GOVERNMENT—FEDERAL, PROVINCIAL, AND MUNICIPAL. WE ARE DETERMINED TO CONTINUE TO PURSUE OUR MISSION AND TO REMAIN COMMITTED TO:

- THE DEVELOPMENT OF BUSINESS RELATIONS;
- THE CONTINUED IMPROVEMENT OF THE PORT'S COMPETITIVENESS;
- TO COMMUNICATE THE PORT'S IMPORTANCE WITH THE REST OF THE WORLD; AND
- TO REMAIN FINANCIAL INDEPENDENT.

THE PORT'S MANY SUCCESSES INCLUDE CREATING ECONOMIC SPINOFFS OF CAD 2 MILLION ANNUALLY AND ALMOST 18, 000 DIRECT AND INDIRECT JOBS.

WE ENTER 2007 WITH THE GOAL OF PROVIDING SERVICES AND INFRASTRUCTURE THAT IS WITHOUT EQUAL, WHILE ENSURING THAT WE CONTINUE TO HIGHLIGHT THE PORT'S ADVANTAGES.

THE PORT IS A PERPETUAL WORKSITE.

THE WORKSITE WILL NEVER COME TO AN END.

WE WILL CONTINUE OUR WORK ON A DAILY BASIS, AS WE WILL NEVER CEDE TO THE COMPETITION.

OTHERWISE, IT WILL TRULY BE THE END.

THANK YOU FOR YOUR ATTENTION.

IT WILL NOW BE MY PLEASURE TO RESPOND TO YOUR QUESTIONS.

THANK YOU.