

SOARING TO NEW HEIGHTS



2012 ANNUAL REPORT
OF THE QUÉBEC
PORT AUTHORITY



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THE PORT OF QUÉBEC BY NUMBERS

HANDLED TONNAGE

33.1 MILLION TONNES

of dry and liquid bulk—up 14.3% over 2011

Dry bulk: 51% (16,859,543 tonnes)

Liquid bulk: 49% (16,150,410 tonnes)

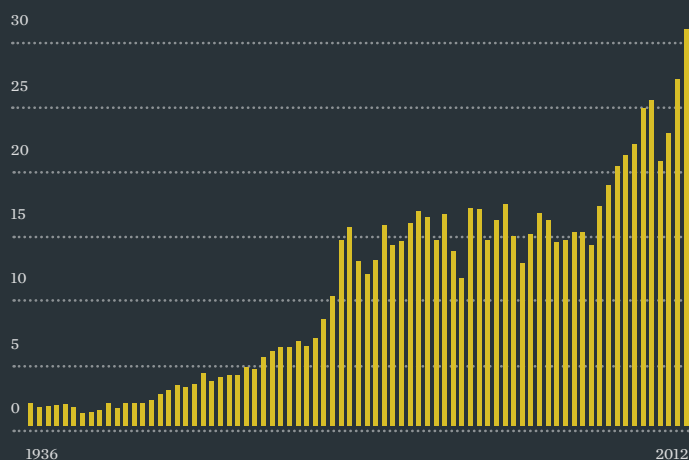
▲ 80.5 %

Ten-year tonnage growth rate: 80.5%

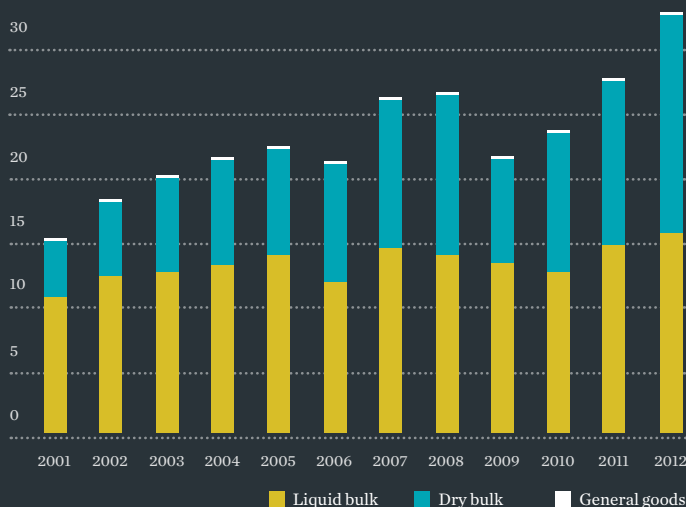
Total value of transhipped cargo:

OVER \$20 BILLION

TONNAGE HANDLED AT THE PORT OF QUÉBEC (MILLION TONNES)



TONNAGE HANDLED (2001-2012)



#2

#2 Canada Port Authority (CPA) by size (handled tonnage), behind Port Metro Vancouver.

Tier 1	2012 tonnage
Vancouver	123.9 million

#1

#1 port on the St. Lawrence by tonnage handled for a second straight year.

Tier 2 2012 tonnage

▶ Québec	33.1 million
Montréal	28.4 million
Sept-Îles	27.9 million
Saint John, NB	27.7 million

Tiers 3 2012 tonnage

Prince Rupert	22.3 million
Halifax	9.5 million
Trois-Rivières	3.3 million

CRUISES

 **28 DIFFERENT**
CRUISE SHIPS

^18%

162,000

Nearly 162,000 visitors (passengers and crew), up 18% over the previous record year

104 SHIP
VISITS

23 DIFFERENT
CRUISE LINES


NEW RECORD
25,000

CRUISE PASSENGERS
IN LESS THAN 48 HOURS

Record 25,000 cruise passengers in less than 48 hours on September 28, 2012, when five cruise ships were anchored in Québec City and two were loading/unloading at the same time

INVESTMENTS

\$53 MILLION

The QPA made a record \$53 million in private investments in 2012 in cooperation with its partners and operators.

JOB CREATION

9,800 JOBS

Some 9,800 jobs created and maintained in Canada.

EVENTS

^24%
56,500

Espaces dalhousie welcomed some 56,500 conference goers and guests, up about 24% over last year.

Photo courtesy: Sophie Grenier



ÉRIC DUPONT
CHAIRMAN OF THE BOARD

A WORD FROM THE CHAIRMAN OF THE BOARD

IN THE HEART OF THE GLOBAL ECONOMY

As a member of the QPA Board of Directors, and a citizen of Québec City, I am proud to approve my first annual report as Chairman. There can be no doubt that the Port of Québec is one of our region's most important historic, social, and economic institution.

Québec City's international sector

What sets the Port of Québec apart from other major institutions and organizations in our region is its global dimension. The Port maintains trade relations with about 60 countries each year, providing the region—and all of Canada—an unrivalled link to the world.

In terms of business opportunities, the upcoming years look very promising. The Port's strategic North American location allows it to showcase its qualities and full potential to the entire world. As the last deep-water port before the Great Lakes, the Port of Québec is a key driver of Canada's international trade, an import/export hub for our neighbours to the south and in Europe. The Port is a one-of-a-kind link between the city and the rest of the world, making Québec City a strategic staging area for industrial and agricultural products on the international market.

Mindful of this global dimension, I agreed to join this team of outstanding directors and help govern this international trade institution that is so strategically important to Québec City. And as you can imagine, I was honoured to accept the chairmanship of the board.

Unprecedented commercial success

In today's global economy, where uncertainty prevails across Europe and in the United States, the QPA has recorded a remarkable achievement: its best financial year ever. 2012 was indeed a year of soaring to new heights, and we should all be very proud of our success. With Europe struggling to emerge from its sovereign debt crisis, China seeing slower growth, and our southern neighbour still feeling the aftereffects of its real estate bust, the Port of Québec posted its best tonnage and international cruise passenger numbers ever. And for a third time in five years, the QPA was ranked the number two Canadian Port Authority in terms of tonnage handled. That's an amazing achievement given the circumstances.

The many records set by the Port are indisputable evidence of the directors' adherence to the principles of sound, effective management.

These successes are largely the result of the action plan implemented by the Québec Port Authority management team and directors—an action plan inspired by the Port's clear philosophy and values. Recruiting and mobilizing talent, instituting management best practices, and instilling them in the QPA's tightly knit team—these are the foundations on which we hope to build the Port's development. The organization's major development decisions must be rooted in sound governance. QPA directors have kept a close eye on the economic, social, and environmental issues central to the Port's daily operations and future success. Board committees have been very active and have worked closely with the management team throughout the past year. The many records set by the Port are indisputable evidence of the directors' adherence to the principles of sound, effective management. The Port of Québec is a strategic economic catalyst for the region and

for all of Canada. Its guiding principles are therefore critical to the organization's ability to meet its short, mid, and long-term goals.

In closing, the directors and I would like to reaffirm the importance of the QPA in continuing to mobilize the means and resources needed to sustainably weave Port activities into the city's urban fabric. In our view, this is the best way to ensure the Port of Québec's future commercial success. The QPA board of directors is pleased to play a role in the development of the Port of Québec, a vital economic driver and unique social gathering place.



Éric Dupont



Photo courtesy: Sophie Grenier



MARIO GIRARD
PRESIDENT AND CEO

A WORD FROM THE PRESIDENT AND CEO

SOARING TO NEW HEIGHTS

I am very excited to join the Chairman of the Board in presenting this annual report on my second year as president and CEO of the Québec Port Authority. This year will undoubtedly go down in the Port's history as one for the record books, as we set new marks for tonnage and cruise traffic, thanks to the amazing teamwork of our operators, partners, and of course QPA employees. Each and every one of them is committed to the Port of Québec's development, as evidenced by our results over the past few years. For me, the energy and expertise of everyone involved in the Port's continued development are a forerunner of the success we will enjoy the year to come.

2012 was a banner year for the Port of Québec in many respects. From cruise traffic and tonnage handled to investments in facility upgrades and improvements, we went from one all-time record to the next.

Our record-setting 117,000 cruise passengers and 33.1 million tonnes of handled cargo were unprecedented, making the QPA the #1 port on the St. Lawrence in terms of tonnage handled and cruise passenger traffic.

On the investment side, the organization needs to be able to turn new business opportunities into feasible projects for the Port of Québec. New projects are important to our long-term viability and will allow us to continue upgrading our facilities. This in turn will generate new revenue streams so we can continue to develop the Port of Québec. The QPA along with its partners and operators made a record \$53 million private investment to help the Port remain competitive and attractive in the international bulk trade.

Our success drives us forward and compels us to aim even higher. To continue moving forward, we must challenge and question our methods and decisions, even those that worked in the past. Success is not a destination, but rather a step along the path to growth.

At the same time, we must carefully weave the Port's activities into Québec City's urban fabric. These are the two keys to the Port of Québec's development.

Our success drives us forward and compels us to aim even higher. To continue moving forward, we must challenge and question our methods and decisions, even those that worked in the past.

Stimulating highs and challenges

With new highs and successes come challenges of equal magnitude. Reaching the top is an accomplishment surely, but staying on top is a much greater triumph.

One of the main challenges facing the QPA and its partners is continuing to stay on course while following the principles of sustainable development. I am convinced that combining these two goals is not only a good idea, but key to the Port of Québec's long-term viability. Since I became president and CEO, we have taken this challenge to all stakeholders involved in any way with Port operations in order to get them on board. Together we are laying the foundations of the Port's future. Starting in 2013, the Port's appearance and operations will be undergoing major environmental, social, and economic changes. This process began when I took the helm, and will be ongoing for years to come. Our concerted effort will make the Port of Québec a role model for sustainable development and urban integration.

This is a challenge we are ready to meet as a forward-looking organization, a respectful corporate citizen, and a major asset to Québec City's development. Together with our valued partners, we are currently developing a continuous improvement system. The new income generated by this system will enable us to move forward and incorporate best practices so we can continue making the social and environmental changes that are critical to the Port's development.

City-Port Relations

In my first year as president and CEO, I made a commitment to personally meet with a number of groups and organizations with an interest in the Port of Québec's everyday operations. I have spoken with over 75 groups to date and held over 200 meetings since the first annual public meeting after I took the reins of the QPA. The goal was simple: tell these audiences about the Port and share my vision for its development.

As QPA president and CEO, I have been guided from day one by a clear vision—that we must forge lasting bonds with the community. That is precisely why we formed the *community relations committee* at the May 31, 2012 annual public meeting. The committee is composed of 15 members representing all groups with an interest in the Port of Québec. It has already met four times, discussing a range of topics that includes current and future projects and comments and complaints received. Though still in its early stages, the committee has already demonstrated its worth and importance.

Though it was a resounding success, 2012 was overshadowed by a dust emission incident outside the geographic boundaries of the Port. A neighbourhood near the Port's facilities was affected by dust from a port activity. I simply cannot leave this regrettable incident out of my year-in review. The QPA and the entire marine community took the situation very seriously. Since the incident, all parties involved have stepped up their mitigation and response efforts considerably. The QPA has made sure that the necessary measures and corrective actions are taken to minimize the risk of recurrence.

The Québec Port Authority firmly believes in the importance of creating strong, lasting ties with the community. An institution like ours cannot succeed without a healthy community relationship. The values advocated by the Port of Québec are simple and consistent with the harmonious relationship we seek: commitment, respect, transparency, and leadership.

The city and the Port should not be considered as two separate entities that happen to operate in the same space. To be successful and beneficial, the city-port relationship must be embedded in shared objectives encouraging mutual development that is good for the entire community. I believe in a healthy, harmonious city-port relationship that benefits everyone.

The Québec Port Authority firmly believes in the importance of creating strong, lasting ties with the community.



Mario Girard



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CHIN SHAN
PANAMA



THE PORT OF QUÉBEC, A GATEWAY TO THE WORLD

The Port, with its exceptional harbour, is ideally situated on the St. Lawrence River. Located inland—nearly 1,400 km from the Atlantic Ocean but less than 250 km from the Great Lakes—the Port links North America’s industrial nerve centres and agricultural heartland to the rest of the world, providing the quickest way to transport cargo between various international markets and the Great Lakes. Clearly the Port of Québec is positioned as a strategic connector to international markets.

A strategic hub for international trade

The Port of Québec is a genuine global crossroads, connecting Québec City with the rest of the world and providing an essential international business link for many of the world’s leading multinationals, especially in the mining, energy, and iron or steel sectors. The roster of international players includes names like Arcelor Mittal, Rio Tinto Alcan, Xstrata, Glencore, and Bunge Canada, many of which are among the top five in the world in their own particular sectors.

Each year the Port maintains business relationships with over 300 other ports and 60 countries. The value of cargo that passes through Québec exceeds 20 billion dollars per year and includes a wide range of products from Canadian and American companies in the mining, metals, iron and steel, agrifood, energy, oil, and transportation sectors. Québec City is also the only port with water deep enough to accommodate the large bulk carriers

The Port links North America’s industrial nerve centres and agricultural heartland to the rest of the world, providing the quickest way to transport cargo between various international markets and the Great Lakes.

and tankers used by the international bulk logistics industry. The Port relies on rail lines and its geographic location to fulfill its international mission, linking markets in the Atlantic region and Western Canada with the rest of the world. The Port of Québec represents the primary transit point for international cargo moving to or from the Great Lakes region which, with a population of over 100 million, is considered North America’s industrial lynchpin and the heart of the Ontario Québec Continental Gateway, the country’s most important trade corridor.

The importance of Canada’s maritime sector is growing non-stop, and economic conditions are right for a dramatic rise in oil prices. As a result, shipping activity is expected to increase in the near future. Excluding Canadian trade with its neighbour to the south, maritime transport accounts for 96% of the tonnage shipped and just over 66% of its monetary value.

THE PORT OF QUÉBEC MAINTAINS BUSINESS RELATIONSHIPS WITH OVER 300 OTHER PORTS AND 60 COUNTRIES



MARITIME TRADE ROUTES AT A GLANCE

Jet fuel: from Atlantic markets supplies the Star Alliance network at Toronto Pearson International Airport.

Grain: arrives from Western Canada by train or lake freighter and is exported to markets on the Atlantic by ocean-going vessels.

Nickel: matte from Sudbury arrives by train and is shipped to Norway.

Fertilizer: from Egypt is shipped by rail or truck to markets in Québec, Ontario, and New Brunswick.

North American iron pellets: arrive by lake freighter and are exported to China on large ocean-going vessels.



THE VALUE OF CARGO THAT PASSES
THROUGH QUÉBEC EXCEEDS

20
BILLION DOLLARS
PER YEAR

18



A FAVOURITE PORT OF CALL FOR CRUISE PASSENGERS

The cruise industry has discovered Québec City's singular charm. Each year, thanks to its tourist appeal, the city attracts a steadily growing number of visitors. The Port of Québec's world-class facilities contribute to this popularity and allow us to compete with the world's leading cruise destinations.

Unprecedented passenger traffic

Nearly 162,000 visitors enjoyed the splendours of our city in 2012 as the Port of Québec welcomed a record number of cruise passengers, up 18% and 15% respectively from 2010 and 2011.

Port passenger traffic peaked over the weekend of October 5, when over 25,000 travelers set foot in the city within a 48 hour period. To handle this volume, considerable logistics and outstanding coordination were needed from the many players in the cruise business.

Over 200 safety officers were present to ensure that operations went well. They were joined by customs and maritime agents as well as a squad of suppliers, guides, pilots, tugboat operators, linesmen, dockworkers, tour operators, QPA staff, and maritime traffic personnel, which brought the total number on hand to nearly 400. With everything brought off without a hitch, Québec City emerged a strong leader.

The Port's popularity with cruise passengers is clearly helping to drive the city's economic prosperity. According to the most recent study of the international cruise industry's effect on the Canadian economy, per-visit spending in the port averages \$113 per passenger and \$44 per crew member. *Tourisme Québec* estimates that the cruise industry generates province-wide direct economic spinoffs of \$85.9 million.

The Port of Québec's world-class facilities contribute to this popularity and allow us to compete with the world's leading cruise destinations.



A port like no other

In 2012, the Port of Québec had the honour of welcoming 28 of the world's most beautiful cruise ships from all over the globe. Passengers hailed from far and wide too—from Italy to the Netherlands, and the U.S. to Bermuda. Québec City is clearly a destination of choice for the cruise industry. The city founded by Samuel de Champlain has become one of the most popular destinations for such prestigious lines as:

- › Holland America Line
- › Celebrity Cruises
- › MSC Cruises
- › Norwegian Cruise Line
- › Princess Cruises
- › Royal Caribbean International
- › Crystal Cruises
- › Seaborn Cruise Line

Casting its seductive charm

Every major port in the world wants a share of the cruise market. Today the Port of Québec has captured a special place in this highly competitive international industry. In 2012, Holland America Line named Québec City the most popular cruise destination out of the 400 ports it serves, and Royal Caribbean International passengers also ranked it among their top ten favourite destinations.

It goes without saying that our popularity as a destination will create exciting challenges for the QPA in the years ahead. The QPA is struggling with space constraints as the number of cruise passengers increases each year, which is no small logistics issue.

The steady growth in cruise departures and arrivals is also exerting strong pressure on other port activities. In an extremely competitive environment, the QPA must work hand in hand with regional and provincial tourism partners to continually enhance the city's hospitality infrastructure and the quality of related activities. With an eye to attaining future objectives, the QPA is already holding discussions with various players in the tourism field. This partnership will result in specific measures to benefit the regional tourist industry.




Photo courtesy: Louis Rhéaume, pilot for CLSLP



IN 2012, THE PORT OF QUÉBEC HAD
THE HONOUR OF WELCOMING

28

OF THE WORLD'S MOST BEAUTIFUL CRUISE
SHIPS FROM ALL OVER THE GLOBE

An aerial photograph of a port terminal. In the foreground, a large teal arrow graphic points towards the center of the image, with the number '22' written inside it. The port area includes a large concrete pier extending into the water, several docked ships (including a large red and white cargo ship and a blue and white ferry), and a modern, multi-story building with a curved facade and glass windows. The building has a white roof with solar panels. In the background, there are more buildings, a parking lot, and a green area with trees. The water is visible in the foreground and background.

22

A ONE-OF-A-KIND

URBAN SPACE

The Port of Québec also proudly serves as a Québec City event space, welcoming festivals and other popular functions to its facilities. Located in the heart of our vibrant city, the Port's unique urban spaces help bolster the city's reputation as a gathering place.

A marina in the heart of town

The Marina Port of Québec enjoyed an outstanding season this year. In addition to its 425 regular members, it welcomed 1,019 pleasure crafts, almost 100 more than the previous year. This increase represents a 10% growth.

QPA has purchased new floating docks with a total length of 120m in the external basin. This section of docks serves various purposes, such as renting during nautical events, commercial activities, or rental during mega yachts or boats stopovers and/or short-term visitors. Major maintenance work has been done early in the season, especially anchors and solidification of several sections of docks. In addition, the QPA has formed an advisory committee to seek input on specific enhancement projects that are part of the marina redesign process. It intends to bring the facility's various users together around the same table to openly discuss the needs of pleasure boaters, the QPA situation, and certain operational issues. The committee will also serve as a forum for discussing the marina's future developments.

The Port of Québec also proudly serves as a Québec City event space, welcoming festivals and other popular functions to its facilities. Located in the heart of our vibrant city, the Port's unique urban spaces help bolster the city's reputation as a gathering place.



Photo courtesy: Québec Port Authority

The unique espaces dalhousie

With its commanding view of the river, espaces dalhousie is the new gold standard in Québec City event spaces. Event management professionals from Québec City and beyond have lauded the potential of the facility, which is located inside the Ross Gaudreault Cruise Terminal.

A record 122 events were held at espaces dalhousie last year, and 56,500 visitors were welcomed by the facility team that reports to the QPA. An impressive number of cruise passengers also used the terminal in 2012.

Each year, espaces dalhousie hosts countless events, including some very high profile happenings. In 2012, it was the venue for numerous press conferences, benefits for various foundations and organizations, private corporate events, consumer shows, and even official public and government events. The venue also attracted major functions like the Red Bull After Burner Party, which drew an impressive crowd of 2,000 participants. The success of espaces dalhousie aptly illustrates the diversity of QPA operations, which go well beyond port and maritime responsibilities.

With its commanding view of the river,
espaces dalhousie is the new gold standard
in Québec City event spaces.





Major event partners help Québec City shine internationally

Our city centre location clearly makes the Port one of the most sought-after places to hold large-scale functions. We are proud to partner with presenters that help garner international attention for the quality events they stage.



Ice canoe races: This signature event is hosted annually by the Port during the Québec Winter Carnival.



The Image Mill: A technological tour de force, this architectural projection first created by Robert Lepage and Ex Machina in 2008 tells the story of Québec City on a 600 m x 30 m “screen” made up of 81 Bunge terminal grain silos.

CIRQUE DU SOLEIL



Cirque du Soleil: The Port welcomed Cirque’s enormous touring tent for its Amaluna production.



Festibière: The third edition of this brew-inspired event drew some 50 exhibitors and introduced thousands of attendees to beers from Québec and beyond.



Festival d’été de Québec: The Port welcomed a number of international stars to the Agora as part of Québec City’s famed summer entertainment extravaganza.



The Bordeaux Wine Festival in Québec City: Tens of thousands of foodies eager to experience the best of Bordeaux turned out for this celebration marking the 50th anniversary of the twinning of our two cities.

These events are part of Québec City’s exciting cultural calendar, cherished by those who live here, and they embody the dynamic image we strive to acquire internationally. Here are some of the events held at the Port of Québec in 2012:



Grands Feux Loto-Québec: This fabulous fireworks show is now presented on the St. Lawrence River, just across the city. The Port of Québec was one of the first partners of this dazzling event.



Grand Rire de Québec: The city’s comedy fest staged several shows at the Agora, giving comedy lovers plenty to laugh about.



Transat Québec Saint-Malo: This prestigious international event drew large crowds to Bassin Louise to ogle its mono and multi-hull contenders as they prepared to sail the Atlantic.



Rendez-vous naval de Québec: Foreign and Canadian sailors joined with the public for a one-of-a-kind gathering that has attracted over 200,000 participants during its three editions, including 2012.



ESPACES DALHOUSIE WELCOMED

56,500

**GUESTS AND DELEGATES,
WHICH MAKES IT A RECORD
YEAR FOR THE TERMINAL**

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GOOD NEIGHBOURS

The Port and Québec City are a leading couple where municipal urban and commercial space are concerned. Maintaining a solid city–port relationship is essential, as both entities—as well as the community as a whole—benefit from this shared development. These good relations are the bedrock of all port-related growth, which is based on sustainable development. The Port of Québec cares about the effect that its activities have on neighbouring populations.



For that reason, in 2012 Port management completed an initiative, launched the previous year, which aimed to hold meetings with the maximum number of stakeholders interested in the impact of Port operations and development. In the course of over 50 such sessions, the QPA sat down with 75 groups representing diverse interests, including economic groups, facility users, recreation and tourism partners, environmental groups, citizens' groups, and municipal and governmental entities. Several hundred individuals were invited to exchange views, primarily on visions for the future, as expressed by the president and CEO of the Québec Port Authority, and on day-to-day issues affecting the Port. All participating groups were shown the same presentation. In a spirit of total transparency and mutual openness, the QPA CEO delivered his message to participants, who were also able to ask questions and express their opinions.

Taking our commitment seriously

As a good corporate and urban citizen, the Québec Port Authority takes a partnership-oriented approach with the community. To do so, and to ensure that the effects of the outreach initiative described above are long-lasting, QPA management decided to implement a permanent community relations committee on May 31, 2012. For our many stakeholders, who come from diverse backgrounds and perspectives, the committee represents the opportunity to discuss and further the following objectives:

- › Establish and maintain an official communications channel between the Port of Québec and community actors concerned about its activities
- › Improve the way Port projects are carried out, to make them more socially acceptable
- › Consolidate all suggestions and comments from various interest groups involved with the Port

The committee has met four times since its official launch. (A goal of four meetings per year was established to begin with.) While still in its formative stages, based on what has been achieved to date, we are confident that the committee will be successful.

As a communication tool, it has proved extremely valuable in a multitude of ways this year. We have gone to the committee to present and explain the benefits of various projects and measures prior to their implementation, and members have been forthcoming with comments.



Environment and port operations

QPA works each year to further integrate the principles of sustainable development in all its activities. The importance of increasing and improving from year to year environmental practices incorporated in the various operations taking place at the Port of Québec is fundamental for the QPA team. To do so, a close and efficient collaboration with port users is crucial. In that regard, the interest and openness demonstrated by our various tenants and employees have been very valuable. The journey we began with them a few years ago, to always strive towards a more responsible use of the Port of Québec, is progressing well. Several concrete steps have been taken in 2012.

Several projects were developed to improve our social and economic environmental approach. Some examples include in particular:

Raising the slope of the Beauport Bay

This project was undertaken to improve the botanical visual on the edge of the industrial land and recreational space found in the Beauport sector. Note that this visual screen also serves as a noise barrier for the benefit of the Beauport Bay users.

Armourstone shoreline structure

QPA has done work on the armourstone this year to alleviate the shoreline erosion caused by ice and storms in the platform 53 area, located east from the Beauport sector wharf line. These repairs will strengthen and ensure the stability of port infrastructures in this sector.

Treatment area of hydrocarbon contaminated soil

Remember that this treatment area is owned by the QPA and allows decontamination of soil polluted with hydrocarbons found on the territory of the Port of Québec. Since the introduction of this system, a total of 66,400 metric tonnes of soil has been treated. The presence of contaminated soil is mostly related to the presence of oil companies in the area of *l'Anse au Foulon* during the '40s, when they were tenants on the premises. It is to be noted that the economic reality and regulations governing environmental standards were very different back then. Result being environmental liabilities that QPA is committed to address today.

ASSESSMENT OF TREATED SOIL SINCE 2008

Year	Volume of treated soil (Tonnes)
2008	33,100
2009	N/A
2010	3,900
2011	23,000
2012	6,400
TOTAL	66,400



BOARD OF DIRECTORS AND MANAGEMENT PERSONNEL

Éric Dupont →

Chairman of the Board
Chairman of the Executive Committee
Nominated by the federal Minister
of Transport following the port
user's recommendation



BOARD OF DIRECTORS

Claude Rousseau →

Vice Chairman of the Board
Vice Chairman of the Executive Committee
Member of the Audit Committee
Nominated by the federal Minister
of Transport following the port
user's recommendation



← Denis Bernier

Member of the Board of Directors
Chairman of Environment, Safety
and Health & Safety Committee
Member of the Governance and Human
Resources Committee
Nominated by the federal Minister
of Transport following the port
user's recommendation



← Pierre Rivard

Member of the Board of Directors
Member of the Governance
and Human Resources
Committee
Member of Environment,
Safety and Health & Safety Committee
Nominated by the federal Minister
of Transport following the port
user's recommendation

← Bernard Généreux

Member of the Board of Directors
Member of the Executive Committee
Member of Environment, Safety
and Health & Safety Committee
Government of Canada representative



Serge Lebel →

Member of the Board of Directors
President of the Governance
and Human Resources Committee
Member of the Audit Committee
Government of Québec representative



← Marie-France Poulin

Member of the Board of Directors
Chairman of the Audit Committee
Member of the Governance
and Human Resources
Committee
City of Québec Representative





MANAGEMENT PERSONNEL

← **Mario Girard**
President and CEO



← **Marcel Labrecque**
Senior Vice President, Infrastructures and Port services

Photo courtesy: Sophie Grenier

Mario Bernard →
Vice President, Finance & Administration



Patrick Robitaille →
Vice President, Port Business Development



← **Pascal Raby**
Director, Legal Affairs and Corporate Secretary



← **Manon Bélanger**
Director, Organizational Development and Human Resources

Marc Drouin →
Director, IT and Telecommunications



Alain Sans Cartier →
Director, Communications and Public Relations



REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the Directors of Quebec Port Authority

The accompanying summary financial statements, which comprise the summary statement of financial position as at December 31, 2012, and the summary statements of comprehensive income and cash flows for the year then ended, are derived from the audited financial statements of the Quebec Port Authority for the year ended December 31, 2012. We expressed an unmodified audit opinion on those financial statements in our report dated April 24, 2013. Neither these financial statements nor the summary financial statements reflect the effect of events that occurred after the date of our report on these financial statements.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Quebec Port Authority.

Management's responsibility for the summary financial statements

Management is responsible for the preparation of a summary of the audited financial statements. Management presents the summary statement of financial position and the summary statements of comprehensive income and cash flows. The notes to financial statements are not reproduced.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of the Quebec Port Authority for the year ended December 31, 2012 are a fair summary of those financial statements, in accordance with the criteria stated in the paragraph on management's responsibility for the summary financial statements.

The financial statements of the Quebec Port Authority as at December 31, 2011 and December 31, 2010 and for the year ended December 31, 2011, before the restatement adjustments, were audited by another auditor who expressed an unmodified audit opinion on those statements of April 12, 2012. We audited the restatement adjustments.

PricewaterhouseCoopers LLP¹

PricewaterhouseCoopers LLP/s.r.l./s.en.c.r.l.
April 24, 2013
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Québec, Quebec Canada G1V 5C2

"PwC" refers to PricewaterhouseCoopers LLP/s.r.l./s.en.c.r.l., an Ontario limited liability partnership.

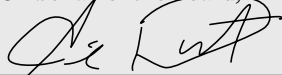
¹ CPA auditor, CA, public accountancy permit No. A118597

SUMMARY STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2012

	December 31, 2012	December 31, 2011 (restated)	January 1, 2011 (restated)
Current assets	\$ 14,526,273	\$ 15,277,689	\$ 12,954,019
Non-current assets			
Term loan	338,189	439,671	-
Trade incentive	7,065,625	-	-
Property, plant and equipment	138,426,782	133,514,937	138,470,040
Net investments in finance leases	13,174,476	15,921,528	18,530,380
Environmental costs recoverable	1,008,116	992,080	937,289
	160,013,188	150,868,216	157,937,709
	\$ 174,539,461	\$ 166,145,905	\$ 170,891,728
Current liabilities	\$ 15,356,761	\$ 11,051,119	\$ 10,634,752
Non-current liabilities			
Deferred contributions	56,359,029	59,324,541	62,411,344
Long-term debt	-	8,497,195	22,294,871
Derivative instruments - interest rate swap	-	677,403	719,981
Debt relating to a trade incentive	4,337,886	-	-
Environmental liabilities	3,291,838	4,092,209	3,087,613
Employee benefits	4,237,600	3,673,100	803,900
	68,226,353	76,264,448	89,317,709
Authority's equity	90,956,347	78,830,338	70,939,267
	\$ 174,539,461	\$ 166,145,905	\$ 170,891,728

On behalf of the Board,



, Chairman



, President and Chief Executive Officer

SUMMARY STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2012

	2012	2011 (restated)
Revenue from operations	\$ 32,049,259	\$ 27,430,058
Expenses	17,573,308	14,899,708
Income before depreciation and amortization and other items	14,475,951	12,530,350
Depreciation and amortization, net of amortization of deferred contributions	5,434,739	5,467,519
Income before other items	9,041,212	7,062,831
Other items	4,244,297	3,949,740
Net income	13,285,509	11,012,571
Other comprehensive loss	(1,159,500)	(3,121,500)
Comprehensive income	\$ 12,126,009	\$ 7,891,071

SUMMARY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2012

	2012	2011 (restated)
Operating activities	\$ 19,127,631	\$ 16,968,600
Investing activities		
Property, plant and equipment paid	(11,857,213)	(6,084,933)
Receipts from finance leases	2,603,699	2,478,333
Change in term loan	101,482	(536,000)
	(9,152,032)	(4,142,600)
Financing activities		
Repayment of long-term debt	(8,497,195)	(13,797,676)
Net change in cash	\$ 1,478,404	\$ (971,676)

**WE EXTEND OUR SINCERE APPRECIATION TO ALL
OF THE PORT'S VALUED PARTNERS, WHOSE SUPPORT
HAS HELPED MAKE THE ACCOMPLISHMENTS
OF THIS YEAR POSSIBLE.**



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