

now is
the future



the year in review 2007-08



now is the future

april 1, 2007 - march 31, 2008

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Now is the future

GO Transit had a banner year. Framed by the 40th anniversary celebrations, GO commemorated not only the company's history and accomplishments to date, but also the groundwork that's being laid for the future.

We live in a fast-paced, ever-changing world, and as GO Transit's needs continue to evolve, so do the demands from customers. Increasing awareness about the environment, societal and economic pressures, and changing values are all playing a greater role in people's decisions to use transit. By understanding these factors and making strategic decisions about growth, GO is leading the way in the transportation industry.

Several key elements helped shape the 2007-08 fiscal year, notably:

- a bigger focus on going green while making greater strides towards more environmentally friendly business initiatives;
- a strong and sustained growth strategy highlighting new and improved infrastructure projects, service enhancements, and increased capacity;
- steadily improving GO's reliability with new, better equipment, like the MP40 locomotives and the double decker buses; modernizing major operational elements, such as the signal system at Union Station; and increasing GO's equipment layover and storage facilities;
- and finally, a continued commitment to customers, including community outreach events, new fare options for children, and enhanced safety education initiatives.

These four key elements – green, growth, reliability, customer service – are the cornerstones of GO's current success and the foundation for tomorrow's progress. What was once a single-line commuter service is continually evolving. New services, including a rapidly growing bus network, new stations on existing lines, and the extension of train service into communities such as Barrie, are attracting other markets, like students and travellers, and changing the way people get around.

More than 50 million passengers chose to ride GO Transit in this past fiscal year, and the need for transit remains a vital component of this region's future success. The commitment from passengers, stakeholders, and staff continues to send a strong message that now is the right time for transit. GO is building and improving the transit landscape – for today's riders and tomorrow's. Now really is the future.

Photographs:

1. Celebrating GO Transit's 40th anniversary.
2. Recognizing GO's 50 millionth rider in a single calendar year.



What is GO Transit and why is it essential?

GO Transit's commuter rail and bus network is one of the most successful transit systems in Canada. For more than 40 years, GO has been providing safe, reliable, comfortable, convenient, and environmentally friendly transportation for the many communities it serves.

GO Transit started in May 1967 as a single rail line along Lake Ontario, and carried 2.5 million riders in its first year. Created by the Province of Ontario to relieve traffic congestion on the highways, GO has become a comprehensive network of seven train lines and numerous bus routes linking towns and cities across southern Ontario's Greater Toronto Area (GTA), the Hamilton region, and surrounding communities.¹

GO plays a vital supporting role in the regional economy of the areas it serves – often described as the economic engine of Ontario, and of Canada. Getting more commuters onto transit greatly reduces congestion on the roads – if all of GO's passengers drove their car to work every day, they would collectively be driving over 1.7 billion kilometres a year. By making room on the roads for those who need to drive, such as those involved in the movement of goods, GO optimizes the area's transportation infrastructure.

Downtown Toronto, the heart of this regional metropolis, has grown dramatically in the past few decades. This growth, so evident in the city's skyline of office towers, was supported by GO Transit's transportation service. GO made it possible for so many people to work in Toronto without the need to drive. Employment in the city centre has almost doubled over the past 25 years, and GO services have carried most of this new workforce.

The suburbs around Toronto have also grown substantially over the years, and GO has helped address some of the transportation needs of new commercial and residential growth in these suburban areas. With the average GO commute at 33.5 kilometres, residents in these communities depend on GO and, in turn, take a large number of long-distance car trips off the roads, freeing up space for those with no real alternative to driving. GO has also become an attractive transportation option for many college and university students, saving them time and money.

During rush hour, GO moves as many people into and out of downtown Toronto as eight congested expressways (the equivalent of 48 highway lanes). Every day, more GO passengers travel through Union Station, the downtown hub of the GO network, than all the passengers travelling through Toronto's busy Lester B. Pearson International Airport. Without GO Transit, the number of people commuting by car would surge, traffic gridlock would worsen, and air quality would significantly decline.

On a typical weekday at the end of the 2007-08 fiscal year, GO operated 181 train trips and 1,814 bus trips, carrying about 205,000 passengers per day – 170,000 on the trains* and 35,000 by bus. GO set a ridership record for the 11th year in a row, with more than 50 million passengers in 2007.

Getting people off roads and onto transit has a direct impact on the environment. Emissions from passenger road transportation are a major contributor to air pollution and climate change. Air pollution affects people's health, their quality of life, the economy, and the environment. By providing commuters with a viable alternative to driving, GO is helping to reduce emissions and improve air quality.

To help commuters get onto transit, GO connects with every municipal transit service in the GTA and Hamilton region, and funds a fare integration program to provide passengers with significant discounts on local transit for travel to or from their GO station. While GO Transit compensated local transit systems \$5.8 million for this program in 2007-08, those fare integration customers generated about \$18 million in fare revenue for GO.

¹ The GTA consists of the City of Toronto and the surrounding Regions of Halton, Peel, York, and Durham. GO also provides service to the City of Hamilton and the communities of Simcoe, Dufferin, and Wellington Counties.



Info to GO

GO TRAIN SERVICE	Lines	7
	Stations	58
	Route kilometres	390
	Weekday train trips	181
	Fleet size (number of trainsets)	38
	Locomotives	50
	Bi-level railcoaches	429

GO BUS SERVICE	Terminals *	15
	Route kilometres	2,429
	Weekday Union Station bus trips **	424
	Weekday bus trips, total system	1,814
	Buses	316

* Plus numerous stops and ticket agencies.

**In lieu of off-peak train services on most of its rail lines, GO runs express bus trips between Union Station and various train stations.



Who governs and funds GO Transit?

GO Transit is legislatively known as the Greater Toronto Transit Authority (GTTA) and is a Crown Agency of the Province of Ontario, reporting to the Minister of Transportation.

The Province is responsible for funding the portion of GO's operating costs that are not recovered through fares and other revenue. The Province also covers the replacement and rehabilitation costs that are needed to ensure GO can continue to provide safe and reliable service.

For growth and expansion capital costs, the Province provides at least one-third of GO's capital funding needs, with the understanding that the federal and municipal governments should contribute most of the remaining two-thirds.

GO Transit consistently recovers 85% to 90% of its operating costs from the farebox and sundry revenues – the highest financial performance for any transit system in North America, and among the best in the world. In the 2007-08 fiscal year, GO recovered 88.4% of its operating costs, with the Province subsidizing the remaining 11.6%.

Board of Directors

The GO Transit Board of Directors is appointed by the Province of Ontario. It has a diverse representation from both the public and private sectors, including municipal governments, private business, and non-profit organizations. The Minister of Transportation sets the direction and policy framework for GO, and the Board provides strategic direction to GO management.

The Chairman is Peter Smith from Mississauga, President and co-owner of Andrin Limited, former Chair of Canada Mortgage and Housing Corporation, and a Member of the Order of Canada.

GO staff who are Officers of the Board are the Managing Director & Chief Executive Officer, Gary W. McNeil; the Director of Financial Services, Frances Chung, who is the Board's Treasurer; and Senior Legal Counsel, Heather Platt, who serves as Secretary to the Board.



The remaining Board Members are:



From left to right:

- **Dave Ryan**, Mayor of the City of Pickering
- **Lee Parsons**, Partner, Malone Given Parsons Ltd., Markham
- **Rob Burton**, Mayor of the Town of Oakville
- **Ellen Malcolmson**, President and CEO, Canadian Diabetes Association, Toronto
- **Bob Bratina**, City of Hamilton Councillor
- **Lynda Palazzi**, former senior executive in the public, private, and self-regulatory education sector, Toronto
- **Vice-Chairman Stephen Smith**, Chairman and President, First National Financial LP, Toronto



From left to right:

- **Duncan MacIntyre**, former sales executive, Toronto
- **Lorna Marsden**, President Emerita and Professor at York University, and a Member of the Order of Canada
- **Susan Fennell**, Mayor of the City of Brampton
- **John Matheson**, retired senior partner, KPMG LLP, Toronto
- **Joe Mihevc**, City of Toronto Councillor
- **Jennifer Babe**, Partner, Miller Thomson LLP, Toronto
- **Dave Barrow**, Mayor of the Town of Richmond Hill



Who operates GO's services?

Since 1967, GO Transit has worked with the private sector to effectively outsource many services, such as train operation; train maintenance; track and signal operations and maintenance; design; and construction. By going to the marketplace, GO ensures the best competitive prices for quality work.

GO Transit operates GO Bus service and maintains its own bus fleet. Major bus work is contracted out, such as refurbishing, engine and transmission rebuilds, and major body repairs.

GO Trains are operated under contract by CN and CP personnel. The railways own two-thirds of the rail corridors and tracks that GO operates on; the remaining one-third is owned by GO Transit. Although GO benefits from using railway-owned track (also shared with freight and intercity passenger trains) by receiving a lower track access cost, GO does not have complete control over the movement of its trains. However, the railways have a long-standing relationship with GO and a good understanding of the need to provide quality customer service.

The needs of GO Transit continue to grow and change. In November 2007, GO awarded a contract for the train crew services currently being provided by CN to Bombardier Transportation. Since then, GO has established a working relationship to transition to the new train crews, which will provide enhanced customer service. In the next fiscal year, Bombardier will help GO meet customer expectations by supplying both train operators and customer service ambassadors – a new element to the GO Transit customer experience.



Ridership – passenger trips January to December 2007

GO Train service ***	2007	2006	% CHANGE
Lakeshore West line	14,052,900	13,561,100	+ 3.6
Milton line	6,319,700	6,049,400	+ 4.5
Georgetown line	3,965,700	3,821,300	+ 3.8
Barrie line (formerly Bradford)	2,603,600	2,310,200	+ 12.7
Richmond Hill line	2,119,800	2,042,100	+ 3.8
Stouffville line	2,987,500	2,675,000	+ 11.7
Lakeshore East line	11,380,100	10,767,200	+ 5.7
Total	43,429,300	41,226,300	+ 5.3

GO Bus service

Total	7,556,900	7,065,700	+ 7.0
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GO system total

Total	50,986,200	48,292,000	+ 5.6
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***Train service consists of trains and their related bus services – buses that meet the trains at terminus stations, and buses that connect Union Station with other train stations.



1



2



3



4



6



5



7



*Going Places
1967 - 2007*

1. Going for a test ride, 1967
2. Special GO hostesses
3. Single-level GO Train, 1967
4. Downtown Toronto skyline in 1967
5. Ontario Premier John Robarts unveils the first GO locomotive
6. Hostess welcomes guests on a special demo run
7. GO Train on Lakeshore West line

another year
another level



GO Transit's growing bus fleet

The Year in Review

GO Green

GO recognizes that the decisions we make today will have a major impact on the world we'll live in tomorrow. Changing attitudes and shifting mindsets are putting the environment at the forefront of GO's plans – both today and in the future.

Transit is a clean, sustainable transportation option and GO believes the environment should be a key consideration for future growth strategies and development. Going green is just one of the many ways GO Transit is leading the way, both in the transportation industry and in the eyes of its customers.

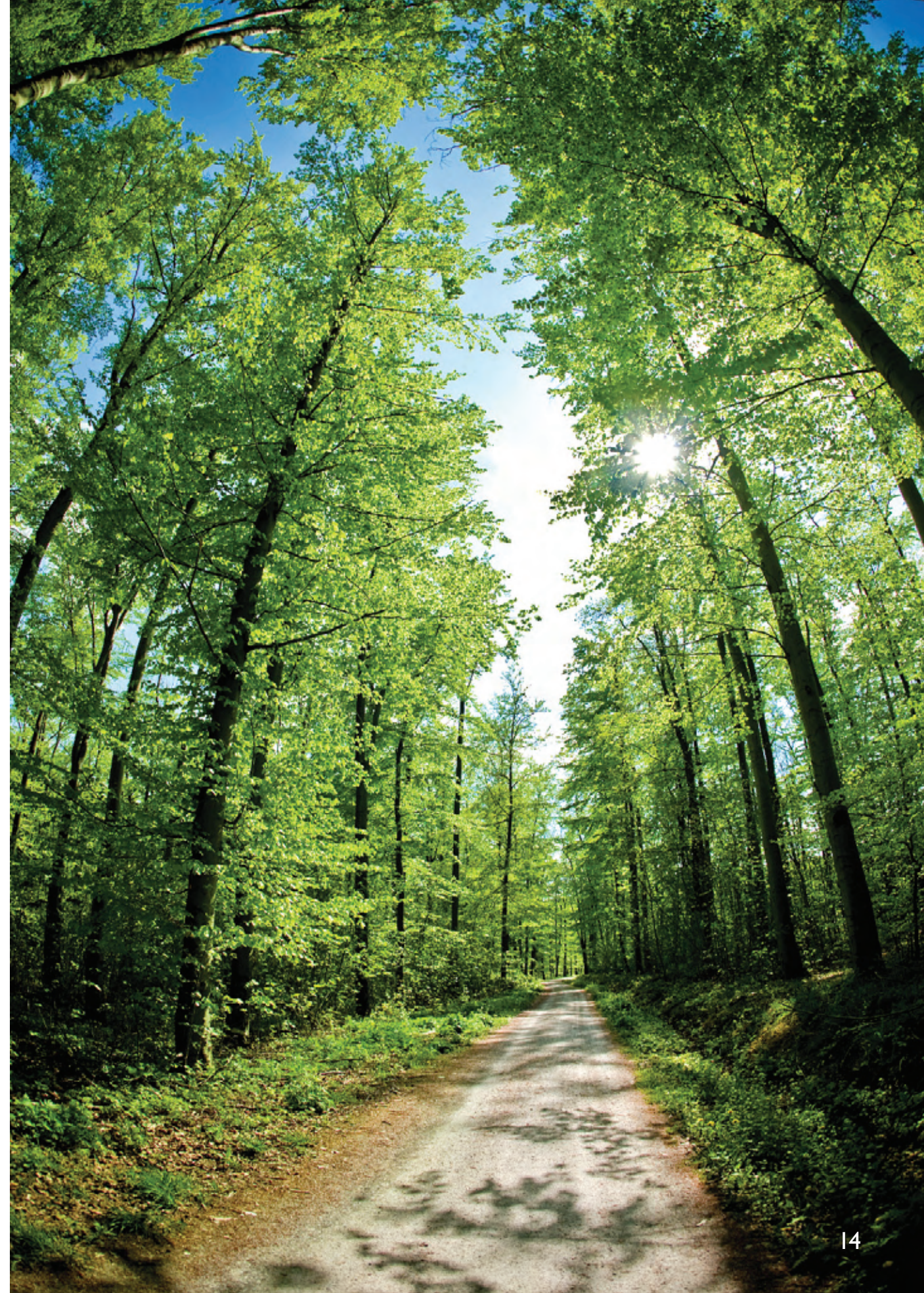
Throughout this fiscal year, GO acquired many new environmentally friendly vehicles. On January 15, 2008, the new MP40 locomotives were officially welcomed into GO service. Specific to GO's needs, the MP40 is not only more fuel-efficient, but it is also more powerful. The increased power means two more passenger coaches can be added to each train, accommodating an additional 300 passengers. GO's old locomotives were designed to pull eight railcoaches but had to pull 10 due to passenger demands. The MP40 also meets the latest environmental protection standards for emissions.

On March 20, 2008, GO unveiled its first double decker bus to the public, one of 12 new double decker buses added to the fleet. These fully accessible buses have one of the most environmentally friendly bus engines on the market, use the latest technology, and meet environmental protection standards for lower emission output. Each double decker bus can seat 78 passengers, increasing the number of passengers GO can transport per bus by 37% (21 more riders). This reduces the level of emissions per passenger carried. These new buses will relieve congestion on some of GO's busiest routes, and will operate on Hwy. 403 and GO's Bus Rapid Transit (BRT) service on Hwy. 407.

In June 2007, GO Transit proudly co-hosted the American Public Transportation Association (APTA) Rail Conference, inviting North America's leading transit companies to share best practices and explore new development and growth options for the transportation industry. Energy, environment, and sustainability were this year's central themes, and renowned scientist and environmentalist David Suzuki's keynote address reinforced the important role of transit in conquering environmental challenges. Dr. Suzuki energized the audience with his statement that using public transit is one concrete way an individual can help to preserve the earth.

Supporting environmental groups and initiatives is another way GO is helping to promote the benefits of transit. Participating annually in events such as International Car Free Day and the City of Toronto's 20-Minute Makeover, GO promotes the responsibility that we each have in protecting the environment.

In the next fiscal year, GO Transit will open an environmentally friendly, state-of-the-art bus facility in Streetsville, housing and servicing over 200 buses. With architectural plans and construction timelines well underway, this new facility will be the first silver LEED (Leadership in Energy and Environmental Design) certified building at GO, as recognized by the Canada Green Building Council, and will act as a benchmark for future GO construction projects.



GO Growth

GO Transit is continually expanding service to meet customers' growing needs. In the 2007-08 fiscal year, GO welcomed more than 50 million passengers in a single calendar year. Reaching this new milestone reinforced the increasing demand for GO's services.

This year, GO Transit opened new stations, bus terminals, and park & ride lots, and also expanded service. GO understands its customers' needs and continues to work to improve transit connections.

Two new GO stations opened this fiscal year, providing more travel options for the communities they serve. The fast-growing Mississauga communities of Lisgar and Churchill Meadows readily embraced the new Lisgar GO Station on the Milton line. Located in one of the densest parts of Mississauga, this station is fully accessible and has a bus loop and kiss & ride area for passenger convenience. This unique station, made of many recycled materials and housing energy-efficient lighting and heating, opened for service on September 4, 2007.

GO Trains began serving the city of Barrie on December 17, 2007, at the new Barrie South GO Station. The ridership demands from this community welcomed the extension of GO rail service. This fully accessible station is the end point for the Barrie line (formerly the Bradford line).

Following a central theme of construction and growth, GO opened a new bus terminal at the busy McMaster University (25,000 students, plus staff and faculty). The accessible terminal opened on April 5, 2007 and includes five bus bays, three heated shelters, and large platforms to handle the more than 2,000 riders per day.

To improve GO's train operational flexibility, on-time performance, and the ability to add future trains, construction began on a third track along portions of the Lakeshore East and Lakeshore West lines. Trains will begin using the new Lakeshore East track in early fall of 2008. The final portion of the Lakeshore West line will be complete in 2009.

On the Lakeshore East, Lakeshore West, and Milton lines, GO continued to extend and lengthen platforms to accommodate more passenger railcoaches on each train – good for GO's customers, as well as the environment. New 12-car trains on these lines can carry more passengers, but require longer platforms to accommodate the extra cars.

The portion of the third track laid on the Lakeshore West line between Burlington GO Station to the Bayview Junction, near the Royal Botanical Gardens, was completed in 2007 and allowed for midday and late-night service to be added to Aldershot GO Station. On September 4, 2007, this extended service came into operation, providing GO's west-end customers with more commuting options. As well, weekend trains on the Lakeshore West line from Oakville to Aldershot GO Station began running on October 28, 2007, making stops at Bronte, Appleby, Burlington, and Aldershot stations.

GO's student ridership continues to grow each year and remains a motivational component in larger expansion projects across the system. On September 3, 2007, at the beginning of a new school year, GO began offering more bus service to the University of Guelph. Two new bus routes were added to address the travel needs of student commuters, both making stops at the new Aberfoyle park & ride lot. GO provides commuter services, with better access and more travel choices, to a number of colleges and universities throughout the GTA and the Hamilton area.

GO recognizes its customers' need for more bus and train connections. With this in mind, GO began providing weekday and weekend Bus Rapid Transit (BRT) service between Mississauga's Square One, Richmond Hill Centre, and Pearson International Airport on April 26, 2007, increasing GO's existing airport connections.

With ridership peaking and service expanding in 2007-08, there was no better time to launch the trial of the PRESTO farecard. In August 2007, customers who signed up for the trial of the PRESTO farecard got to try a new way to tap onto transit. This simple-to-use card is loaded with a dollar value and allows the holder to simply tap a card reader on different transit services, making the transition from one service to the next effortless. GO Transit customers commuting from either Meadowvale or Cooksville GO Stations were included in the PRESTO farecard trial. Once this system is fully implemented in a few years time, commuters will be able to use it on several transit systems across the GTA, from Hamilton to Oshawa.

Photograph:

Community welcome at new Barrie South GO Station.



GO Reliability

Reliability includes on-time performance and customer satisfaction. The comprehensive improvement plans set today and for the future will increase GO's service reliability. These improvement projects include new equipment, train signals, and storage facilities.

Throughout the 2007-08 fiscal year, many projects that were underway to ensure improved reliability were completed. The Don Yard train storage facility is an excellent example of making short-term improvements that will also allow for future development. This new yard provides storage and maintenance space for 10 trains, which were previously put out of service and moved west against rush-hour train traffic. The yard relieves train congestion on the busy Lakeshore West tracks, where GO's other downtown Toronto train storage facility is located. The Don Yard also provides convenient access to Union Station, making it easier for trains to meet customers for their afternoon and evening rush-hour trips. The yard is also essential for future improvement projects, as it provides additional storage capacity so GO can continue to grow.

More equipment also means more options and greater reliability. The purchase of new equipment is just one step towards ensuring continued and improved reliability for GO's many services. In December 2007, GO ordered 35 more bi-level passenger railcoaches. These bi-levels, along with the new MP40 locomotives, will increase capacity and improve service for passengers. Delivery of the new bi-levels will begin in the fall of 2008.

To continue providing exceptional service and meeting customer expectations, the GO Bus fleet is also expanding. GO ordered 44 new highway buses – 20 to replace older buses and 24 for planned expansion and growth. As part of GO's environmental leadership, two of these buses will have hybrid engines, allowing GO to test this technology and determine its effectiveness for commuter needs. In December 2007, GO ordered 10 additional double decker buses to be delivered by the end of the next fiscal year. These purchases are in addition to the 12 double decker buses GO began receiving and adding to its bus fleet in March 2008.

The train signal system in the Union Station rail corridor is what guides trains onto the correct tracks to reach their designated platforms. The system dates back to the 1920s and was designed to handle train traffic from that period. It is no longer suitable for the demands of modern rail operations. GO Transit will replace the entire train control signal system with a more modern, efficient system. Although it may sound fairly simple, the sheer magnitude of this project, with over a hundred signal locations needing to be replaced, has a projected completion date of around 2014. Switches are replaced without shutting down GO's operations.

To cover GO's operating expenses and the introduction of new train and bus service, GO increased its fares on March 15, 2008. This much-needed increase, the first in two years, helps to ensure continued reliability and assists in covering the cost of new train and bus services recently introduced.

Reliability, on-time performance, and customer satisfaction are some of the goals for GO Transit's improvement projects – whether it's new equipment, signals, or storage facilities. Most of this year's improvement projects and contracts all held the future in mind.

Photograph:

Ready for the evening rush – GO Trains at the new Don Yard storage facility.



GO Customers

For over 40 years, the needs of customers have guided many of GO's decisions and propelled its growth. On May 23, 2007, GO Transit celebrated its 40th anniversary with a month-long customer appreciation campaign, including contests, giveaways, and thank yous. The 40th anniversary campaign – Going Places 1967-2007 – showcased GO's past accomplishments and forecasted its future achievements.

Putting the customer first has always been a primary focus for GO. During the 2007-08 fiscal year, the customer was instrumental in the design phase for future projects and initiatives, playing an integral role in future development and strategic planning. A new Customer Service Advisory Committee was established on March 14, 2008, as a compliment to GO's existing customer service initiatives.

Throughout the year, GO Transit partners with many local groups and activities, many of which benefit our customers. Each year, GO provides free transportation to veterans and their companions on Remembrance Day and Warrior's Day. GO also encourages its customers and the public not to drink and drive. With the safety of the public in mind, each New Year's Eve, GO offers free travel on all of its services after 7 p.m.

To show thanks to customers, GO Transit hosted a variety of customer appreciation days across its network. At these often early-morning events, GO staff thanked customers and provided them with a smile and some refreshments to start the day. GO Transit was also out in the community at many local festivals, events, university orientation days, and fundraising events.

As an incentive to GO's youngest commuters, GO began offering child 10-rides and monthly passes on November 9, 2007. Many parents who travel regularly on GO had requested this type of fare, and GO Transit was able to fulfill this need.

Safety and security messages are always top of mind for GO staff. One situation that highlights GO's commitment to safety education was the rail service extension to Barrie. The rail lines that GO Trains now use had been vacant for years, and the community was using these tracks for their own recreational purposes. To ensure safety, educate the public, and increase awareness of the new service, GO Transit partnered with Barrie and South Simcoe Police Services in an outreach campaign that ran for months before the start of service in December 2007.

Photographs:

- 1. Bill Howard, GO Transit's first Managing Director (left) at GO's 40th anniversary celebration.
- 2. GO in the community.
- 3. Safety education and awareness.



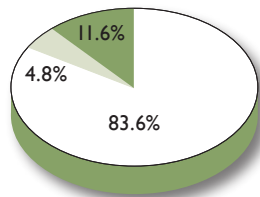
Financial performance in fiscal year 2007-08

Operating

Operating expenditures in fiscal year 2007-2008 totalled \$300.2 million. The major expenses were payments to CN and CP for access to their tracks and the provision of train crews; payments to Bombardier for GO Train maintenance; purchase of diesel fuel; maintenance of stations and facilities; maintenance of the GO Bus fleet; and labour costs. In fiscal year 2007-2008, \$250.8 million was collected from riders through the farebox. Another \$14.5 million came from sundry revenue, such as the proceeds from facility rentals, track fees, the sale of advertising space, and the sale of assets.

GO achieved an operating cost recovery of 88.4% for the year, among the highest in North America. The balance of GO's operating funding (\$34.9 million) was provided by the Province of Ontario.

Commuter revenue	\$250,794,000	83.6%
Sundry revenue	\$14,505,000	4.8%
Provincial contribution	\$34,885,000	11.6%
Operating expenditures	\$300,184,000	



Financial performance in fiscal year 2007-08

Capital

Capital expenditures for the fiscal year totalled \$605.4 million. The major expenses included: continued construction and design work on the rail infrastructure expansion program; parking lot expansions; additional railcars and buses; the replacement of locomotives; the replacement of buses; the refurbishment of trains and buses; the rehabilitation of facilities; and the purchase of property.

The majority of GO's rehabilitation and replacement capital is contributed by the Province of Ontario, with the federal government funding some of the projects at Union Station. Growth capital projects were funded by the Province, the federal government, and GO's municipal funding partners.

Provincial contribution	\$485,908,000
Municipal contribution	\$46,716,000
Federal contribution	\$72,777,000
Total capital funding	\$605,401,000

Photograph:
Ontario Premier Dalton McGuinty addresses media at the MP40 locomotive unveiling.

Financial statements

Audited financial statements are publicly available. Copies can be obtained from:

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Going up – The new double decker bus

