

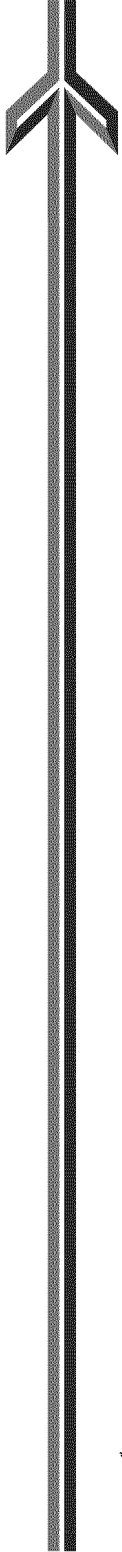
Ridership Forecasts Background

February 20, 2013



A Division of METROLINX





The Air Rail Link has been in planning and implementation over the past 15 years

Transport Canada

- 1999 by IBI Group
- 2002 by Halcrow Group Ltd

SNC-Lavalin

- 2004 by Steer Davies Gleave*
- 2009 by Steer Davies Gleave*
- *2010 Ridership Due Diligence Audit by Jacobs Consultancy**

Metrolinx

- 2011 by Steer Davies Gleave

* Some commercial elements of these documents are confidential (SNC-Lavalin Capital)

Ridership forecasts have been largely consistent over the years

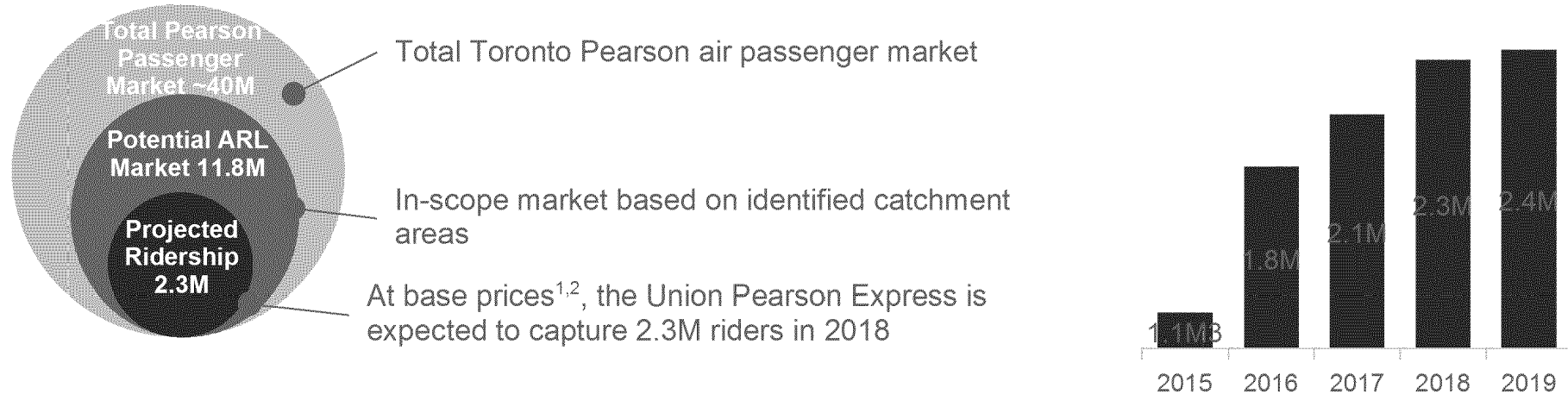
Forecasts		Ridership (Opening Year)	Ridership (Maturity)	Total Airport Traffic (Excluding Connections)
2002 Halcrow	Exclusion per Committee Direction	1.57M (2005)	3.15M (2010)	33.6M (2010) 10.6% Market Share
2004 SDG		2.21M (2008)	2.73M (2013) 3.13M (2018)	31.0M (2013) 8.8% Market Share
2009 SDG		1.49M (2015)	2.63M (2020) 2.56M (2018)	33.5M (2020) 7.9% Market Share
2011 SDG		1.35M (2015)	3.08M (2020) 2.97M (2018)	29.9M (2020) 10.3% Market Share

- The 2011 SDG study showed a meaningful demand for the service under the current business model, consistent with ridership studies to date (e.g. Halcrow, previous SDG)
- Conservative assumptions were used to address ridership forecasts:
 - Only air travellers included in the ridership forecast
 - 65% - 95% ramp-up assumed for the first three years of operation
 - Elements of differentiated services not included in customer surveys

Exclusion per Committee Direction

Exclusion per Committee Direction

Market Size



Ridership studies confirmed a strong demand for a dedicated rail service

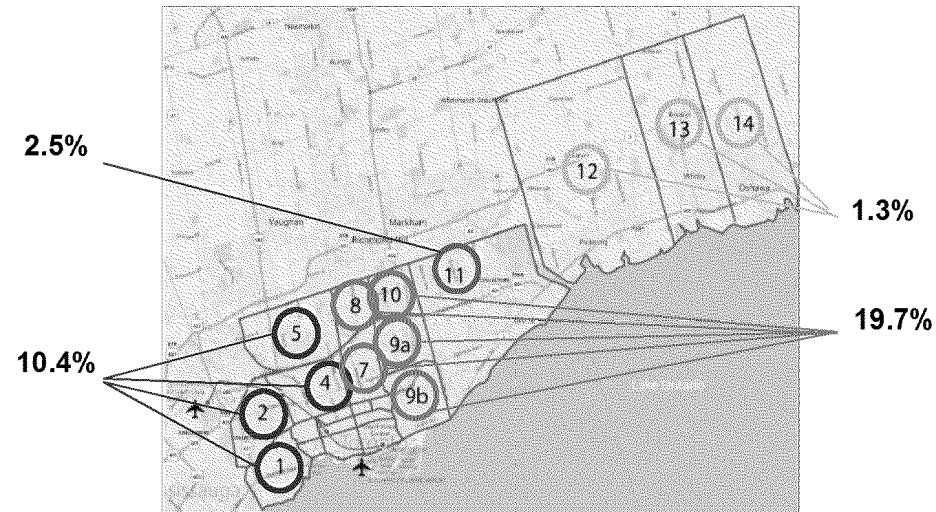
- The 2011 SDG ridership forecast was used as a base model in the development of the business plan and financial model in 2012
- A discreet choice study was undertaken as part of this work to test the value proposition and price sensitivity of potential UP Express customers

Exclusion per Committee Direction

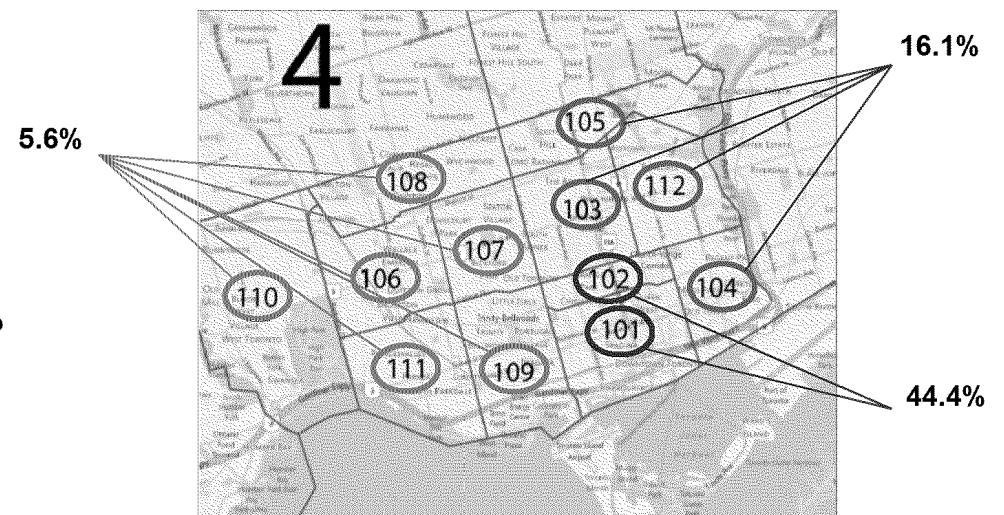
Exclusion per Committee Direction

Downtown Core is the primary catchment zone for UP Express ridership

All Catchment Areas



Downtown Catchment Areas

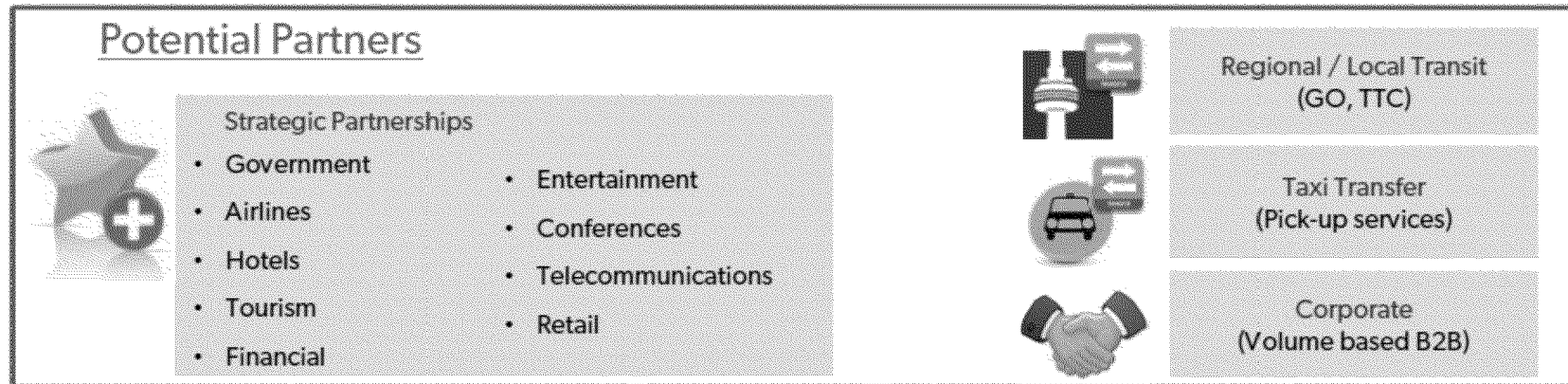


Area	Definition	Area	Definition
1	Etobicoke South	9B	Central Area – Danforth/Beaches
2	Etobicoke Central – Humber Valley	10	Central Area – Steeles
4	Central Area/Weston – Eglinton West/York	11	Scarborough
5	Central Area – Downsview/Jane & Finch	12	Pickering/Ajax
7	Central Area – Forest Hill	13	Whitby
8	Central Area – Thornhill	14	Oshawa
9A	Central Area – Ellesmere/Eglinton East		

Area	Definition	Area	Definition
101	Core – South of Dundas	108	West – Wychwood Park
102	Core – North of Dundas	109	West – Little Italy/Trinity-Bellwoods/King West/Liberty Village
103	East – The Annex	110	West – Bloor West Village/High Park/The Junction
104	East – Corktown/Distillery/Moss Park	111	West – Roncesvalles/Parkdale
105	East – Casa Loma/Moore Park/Leaside	112	East – Summerhill/Rosedale/Regent Park
106	West – Brockton Village		
107	West – Dovercourt/Bickford Park		

Opportunities Exist to Leverage New Markets and Increase Demand

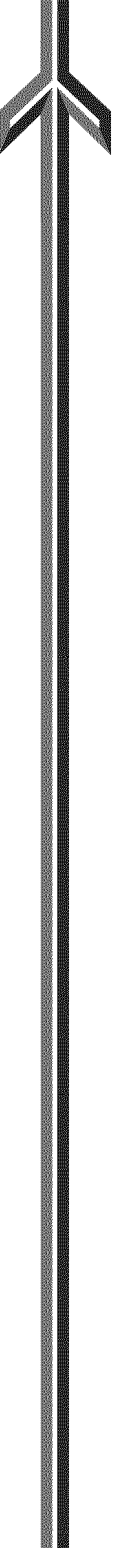
Exclusion per Committee Direction



We are exploring additional opportunities to extend market share through:

- Identifying potential partnerships;

Exclusion per Committee Direction



Next Steps

- A comprehensive update to the ridership forecast will be underway in late 2013
- Additional market research will be undertaken to better understand, size, and determine price sensitivity for new markets excluded from the ridership forecasts:
 - Airport Employees
 - Meeters and Greeters
 - Long Layover Passengers
- Finalize business model:

Exclusion per Committee Direction