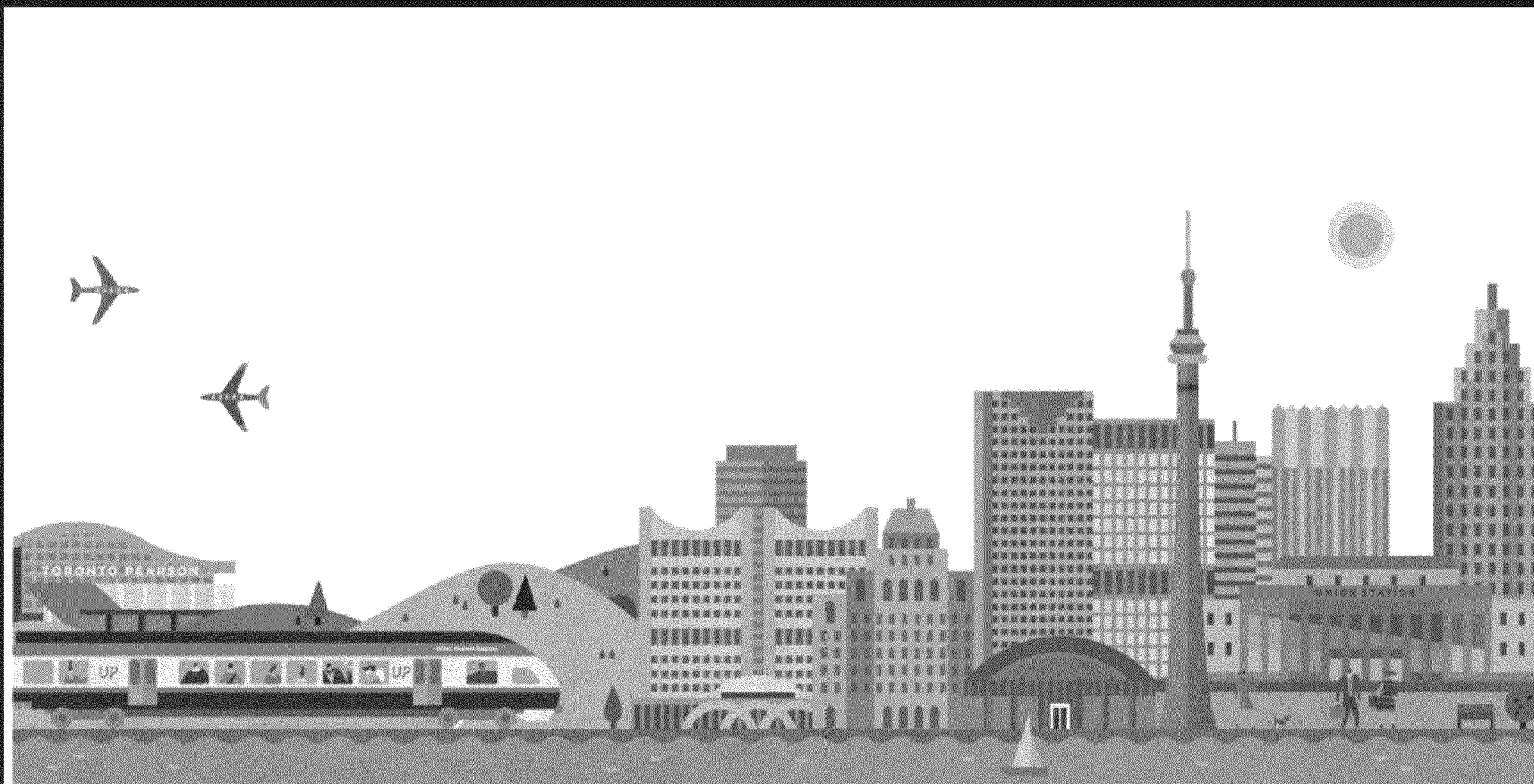


UP Express 2013 Ridership Forecast Update
October 21, 2013

CONFIDENTIAL



Executive Summary

- Results of the 2013 forecast are largely consistent with previous forecasts
- As part of this 2013 forecast, key assumptions were updated:
 - Air traffic forecasts revised to account for updated passenger forecasts at Pearson Airport and impacts of Billy Bishop Airport forecasts
 - Adjustments to the costs of competing modes: Airport Express Bus fare increase from \$23.95 to \$26.95, and more recently to \$27.95 in July
 - No change to ramp-up assumptions (65%/80%/90%) over the first 3 years
 - The central forecast aligns with the current UP Express Business Plan and our Revenue/Cost Operating Model

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MX_UPE0000354.0002

New Ridership Baseline

- UP Express has adjusted its central ridership forecast at 2.35m in 2018 to stay conservative in its expectations
- In 2015, up to 5,000 passengers a day will use UP Express traveling to/from Pearson Airport, climbing to approximately 8,000 a day in 2020
- These ridership figures do not include additional potential passengers and new markets which were excluded from the base ridership forecasts, including:
 - Meeters and greeters
 - Long layover passengers
 - First/last mile partnerships
 - Non-airport travelers (e.g. Bloor to Union Station riders)
 - Airport employees incl. airline crews

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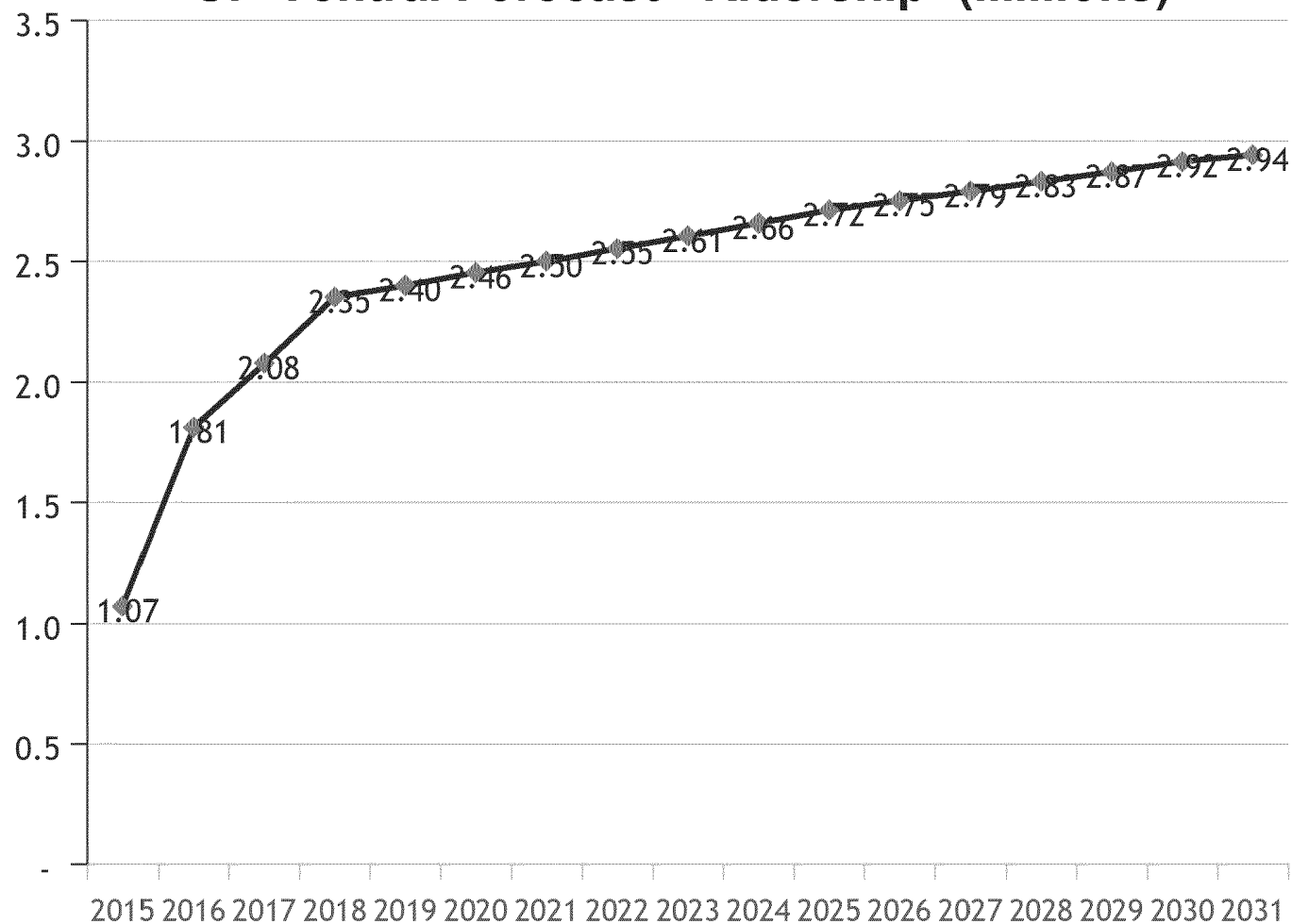


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Ridership Summary – By Station, Trip Purpose

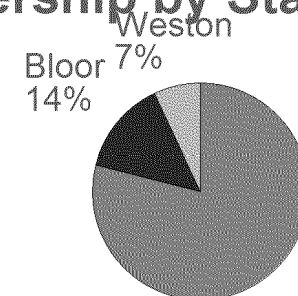
- The majority of UP Express riders will access our service at Union Station (79%)
- In 2015 we would expect at least 150,000 passengers (an average of 500-600/day) through Bloor Station alone

UP Central Forecast - Ridership¹ (Millions)

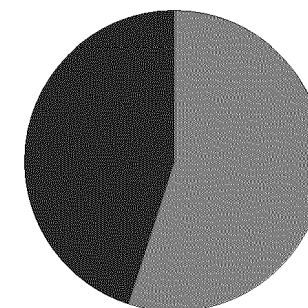


¹ Steer Davies Gleave, 2013

Estimated Ridership by Station¹



UP Passenger Trip Purpose¹



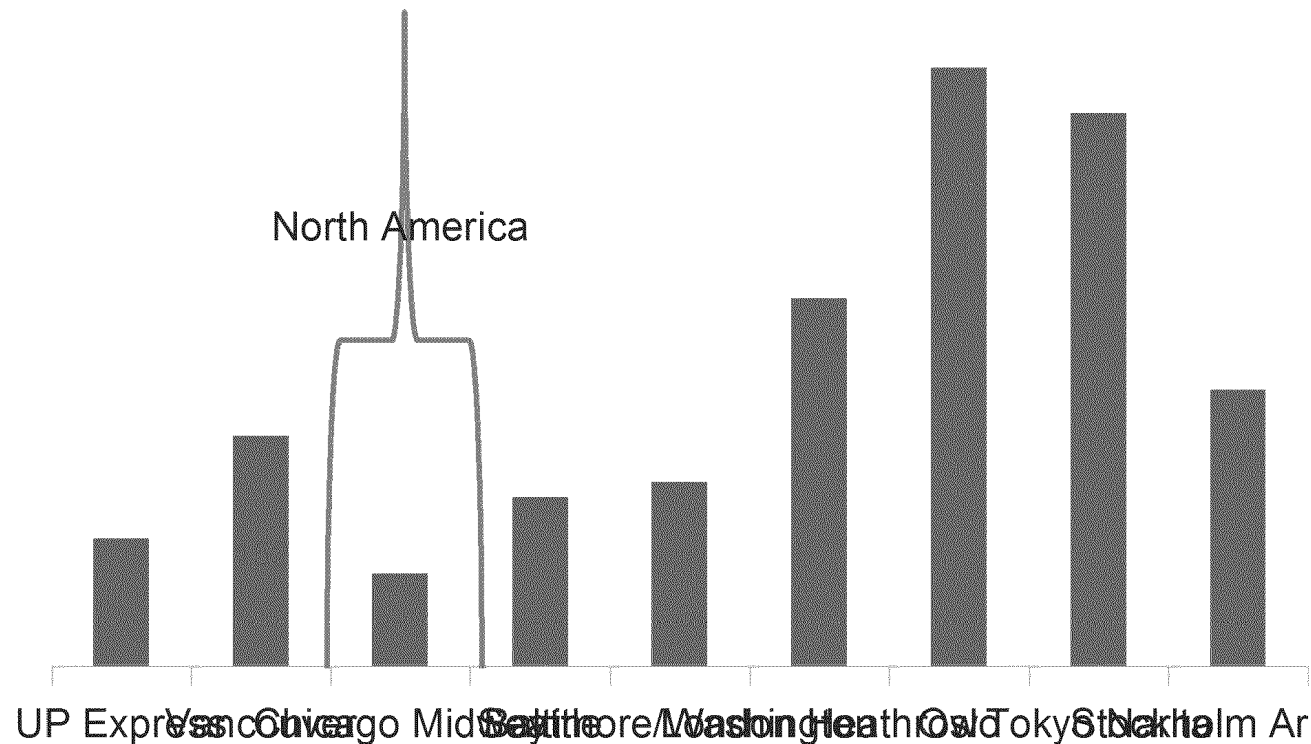
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UP Union
Pearson
Express
A Division of METROLINX

MX_UPE0000354.0004

UP Express projected market share is aligned with other North American airports

Rail Market Share (%) at North American and Global Airports¹



Other Key Insights¹

- Most (63%) of the UP Express demand is abstracted from the taxi mode; 12% from Airport Express Bus and 25% from car travel (parking, drop-off)
- UP Express will capture 60% of the in-scope demand in the vicinity of Union Station; and 47% in the vicinity of Bloor Station
- 8.3% is well within range of other North American systems

¹ Steer Davies Gleave, 2013

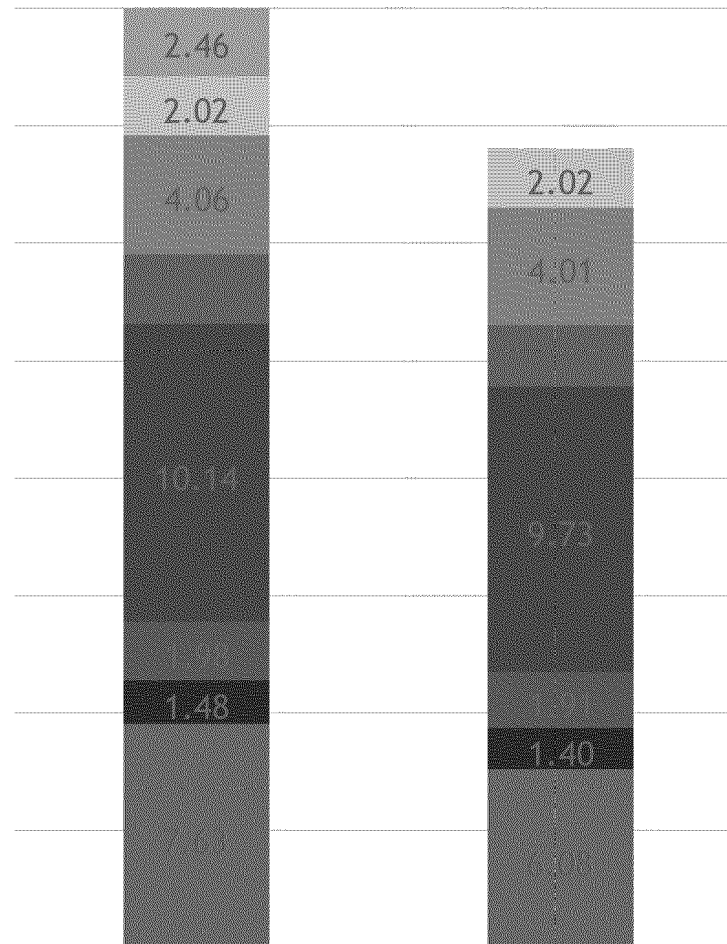
² Original estimates for Vancouver's Canada Line were between 8-10%

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Issue: Impact to other modes of travel

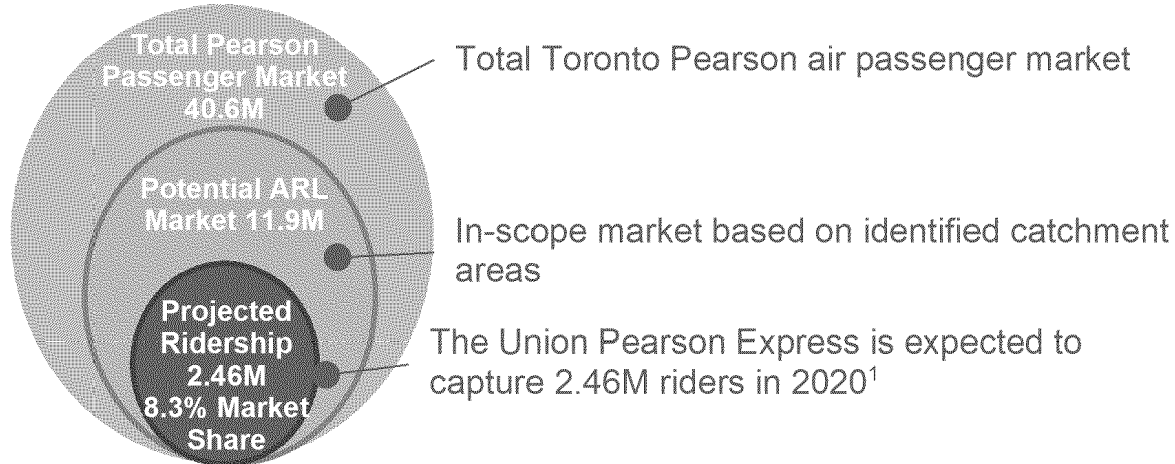
- As a result of UP Express, the largest impact to existing travel modes to Pearson will be to Taxis
- The forecast suggests that by 2020, the market share of total airport ground access will shift as follows:
 - Taxis will reduce from 25.7% to 20.5%
 - Drop-Offs from 34.1% to 32.8%
 - Bus from 8% to 7%
 - Parking at the airport from 11.7% to 11.2%



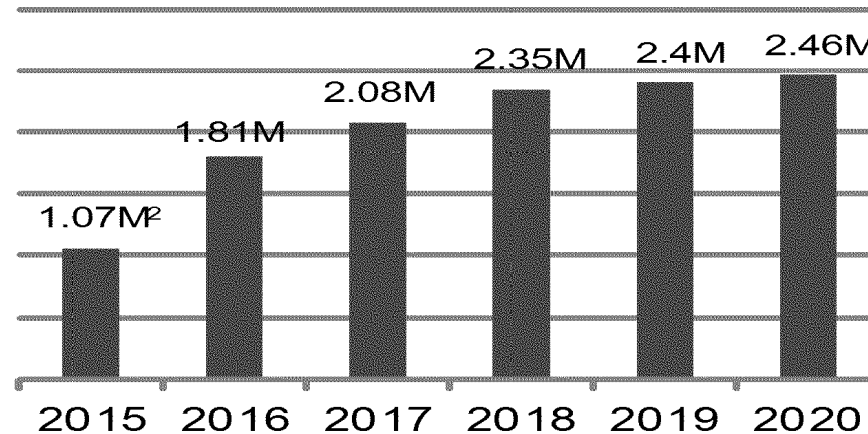
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Anticipated Market Share

Existing Anticipated Market Size in 2020



Projected Ridership by Calendar Year



¹ Source: Ridership and Revenue Forecast, Steer Davies Gleave, 2013

² 2015 ridership represents the first calendar year of UP Express service or the nine month period from April 2015 to December 2015