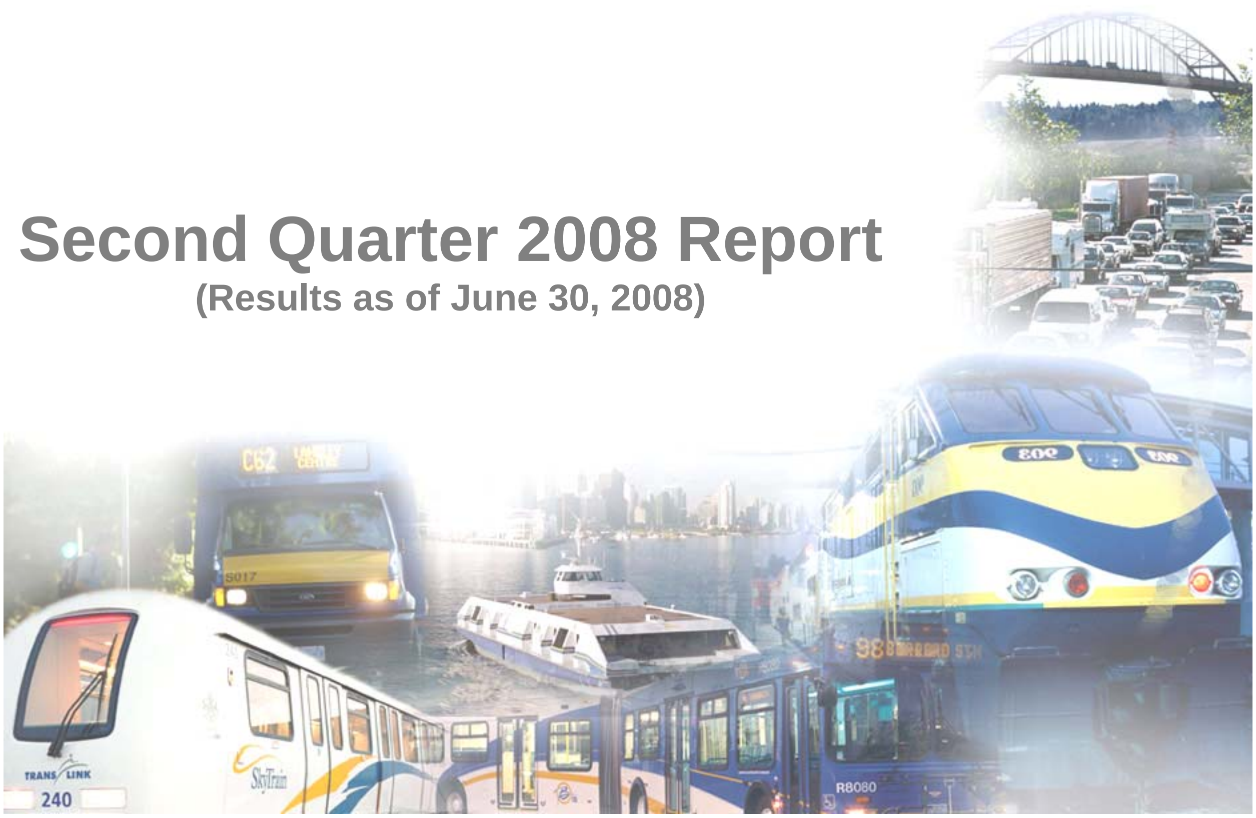
TRANSLINK

Second Quarter 2008 Report

(Results as of June 30, 2008)



Financial and Performance Report

EXECUTIVE SUMMARY

Transit ridership is growing faster than forecast in response to high gas prices and TransLink's service expansion. Despite cost pressures related to high fuel costs, financial results are forecast to be within 1.6 % of budget.

There were 4.3 percent more transit service hours in the second quarter of 2008, compared to the same period last year. That capacity increase, coupled with rising gas prices, drove up transit ridership by 2.6 per cent, almost a full percentage point higher than the 2008 target.

Financial results to the end of June are forecasting a $3.1 million deficit by year's end compared with an $11.4 million surplus that was predicted when the 2008 budget was set in December of last year. There are two factors behind this change. The spike in the cost of diesel fuel is expected to result in an increase of $9.5 million in transit operation costs. In addition, the decision to collect only $9 million of the $18 million in property taxes that was to replace the Parking Site Tax that was cancelled at the end of 2007 resulted in a $9 million decline in revenue. Costs for support services and 'service quality' costs associated with transit service expansion, including policing and security, also increased. Management intends to eliminate the forecasted deficit and, if possible, to add to TransLink's surplus by the end of the year.

The efficiency and customer service results in the second quarter of 2008 show the nature of the pressures on the transit system. Cost efficiency and effectiveness scores declined because of the usual lag between the addition of new capacity and the uptake of that capacity through increased ridership. Customer service ratings slipped over the same period last year, in part as a result of more people looking to transit for relief from high gas prices.

Overall customer performance rating of service is down slightly from the same period last year. To the end of June, the 'good to excellent' scores for the individual services ranged from 56 per cent on the buses to 88 per cent on the West Coast Express and the average ratings out of 10 varied from 7.4 to 8.8. However, all of these scores represented a drop over the same period in 2007. For the whole system, 48 per cent of customers gave the services high ratings with an average score of 7.0.

The main issues raised by customers were the convenience of transit operating hours, the quality of connections and the length of wait times for service, the adequacy of information at stops and stations and a lack of shelters at bus stops. Operating hours, connections and wait times are being addressed as TransLink expands services where demand is growing, particularly in the South of Fraser area. TransLink brought in its biggest service increase ever just after Labour Day and an even bigger one will take place in December.

The timeliness and quality of information for transit customers will improve dramatically when the installation of a new $40 million communications system on the bus fleet is completed in the coming months. This system will allow Transit Control to track the exact location of every bus in the fleet and provide real-time information on arrivals or service delays to customers' cell phones or on bus stop reader boards.

In addition to shelter improvements at major transit loops and stations, TransLink will continue to work with municipalities, which manage all of the other bus shelters in the region.

Current capital projects approved and underway total $2.04 billion and our current forecast is that the program will complete within budget.

1. OPERATING ACTIVITY

TransLink evaluates the performance of its operations using key performance measures that are linked to its goals, objectives and strategies. Selected operating results and key performance indicators are shown in the table below, with the full set of operating and performance indicators provided in Appendix 2.

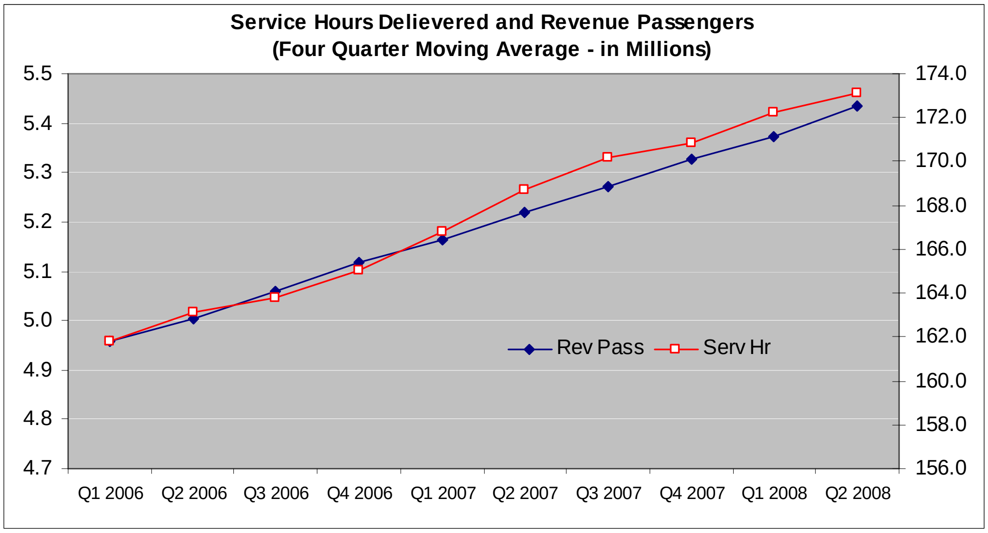
			Variance	
Scheduled Transit Service	2007 Q2 YTD	2008 Q2 YTD	Amount	%
Service hours	2,633,982	2,748,184	114,202	4.3%
Revenue passengers	85,922,621	88,164,476	2,241,856	2.6%
Average fare per revenue passenger	$1.79	$1.90	$0.10	5.7%
Operating cost per passenger kilometre	$0.286	$0.310	$0.023	8.2%
Bus - Average operating cost per service hour	$103.77	$109.06	$5.29	5.1%
Rail - Average operating cost per train kilometre	$8.34	$8.67	$0.33	4.0%
Overall performance Rating - Average out of 10	7.15	7.00	-0.2	-2.1%
Overall performance Rating - Percentage who rated 8-10	50%	48%	-2%	-4.0%
Passenger Injuries per 1 million boarded passengers	2.25	2.73	0.48	21.3%
Employee Injuries per 200,000 hours worked	1.34	1.64	0.30	22.1%
Voluntary Resignations per 100 employees	1.29	1.36	0.07	5.7%
Access Transit				
Service hours	274,995	299,731	24,736	9.0%
Revenue passengers	664,783	695,033	30,250	4.6%
Operating cost per revenue passenger (just HandyDART)	$23.59	$26.73	$3.14	13.3%
Operating cost per service hour (just HandyDART)	$48.97	$53.00	$4.03	8.2%
Passenger Injuries per 1 million boarded passengers	9.7	9.2	-0.5	-5.2%

Note: Scheduled service includes bus, SeaBus, SkyTrain and West Coast Express service.

The primary measures of transit operating activity are service hours and revenue passengers. Annualized service hours have been increasing by approximately one percent per quarter over the last few years. Ridership has grown slightly slower than service hours since 2007, which is to be expected in a time of significant expansion as it takes time to build ridership on new service routes.

Ridership levels are 2.6 percent higher than 2007. Fares increased in January slowing the growth in ridership relative to the previous year and this elasticity was built into the target. High fuel costs have made transit a more attractive option and ridership has performed better than expected, currently 0.7 percent above target.

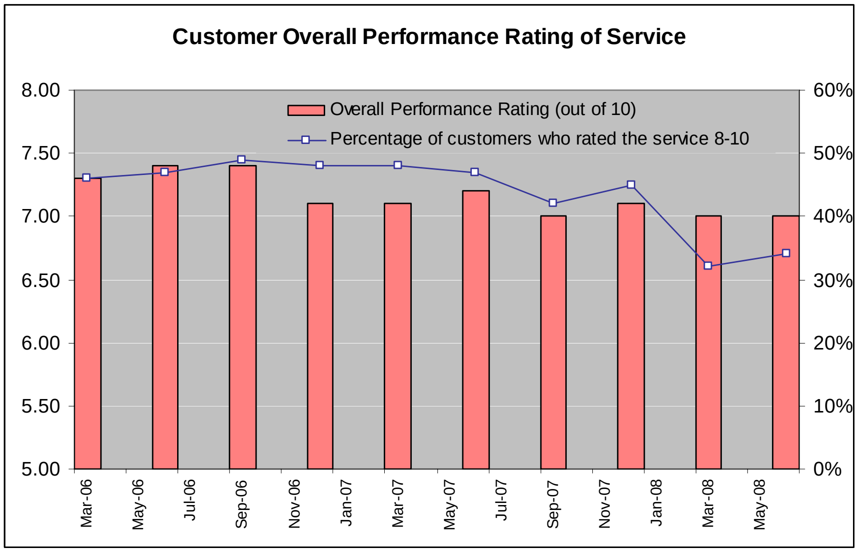
The cost to transport one passenger one kilometre increased 8.2 percent over last year and is approximately 3.5 percent favourable to the target. Operating costs increased $32.3 million over the same period in 2007. Additional service hour's account for $12.7 million of the increase while inflation and wage increases account for approximately $7.5 million. The remaining $12 million represents investment in additional security, information technology, maintenance support, planning resources required to support service expansion and to improve the quality of service.



Cost per bus service hour is up 5.1 percent over last year and is approximately one percent lower than the target year-to-date. Direct labour costs account for approximately 60% of the cost (adding salaried staff increases the percentage to 75%) fuel accounts for about 10% of the operating cost. Fuel costs have risen by approximately 20 percent and when factored out the increase over last year is reduced to 3.7 percent.

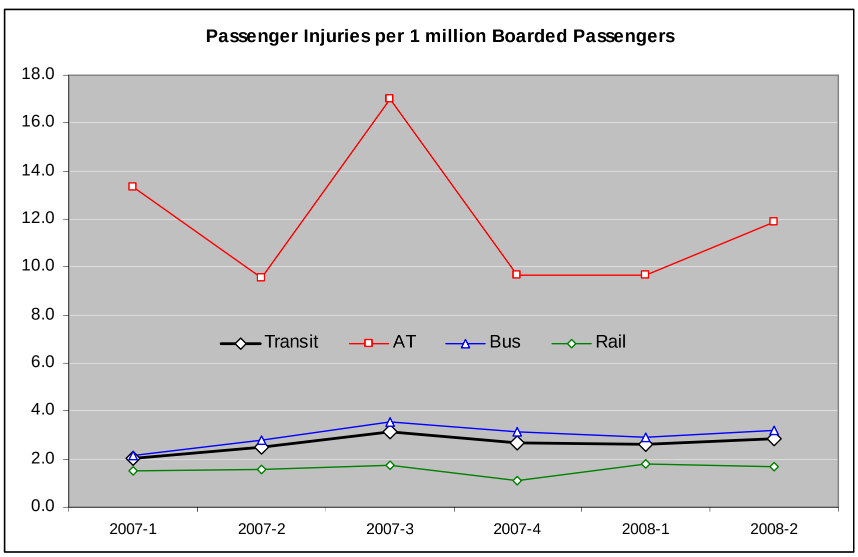
Rail service efficiency is measured by operating cost per train kilometre. The **average cost per train kilometre** increased by 4 percent over the same period last year and is 0.6 above the year-to-date target. The variance to the target is a result of 0.5 percent fewer train kilometres being delivered in the first half of the year relative to the target. The increase relative to 2007 comprises cost increases related to the new rail structure, security and salary and wage costs.

Operating cost per service hour for Access Transit grew by 8.2 percent in the first half of 2008 relative to the same period in 2007 and is 1.5 percent below the target. In 2008, Access Transit services were moved from TransLink to CMBC. With the reorganization some costs previously not allocated are now included as operating costs. Without the allocated costs the increase relative the first half of 2007 is 4.5 percent.



The above chart shows that average **overall performance ratings** has stabilized this quarter, however ratings are still low with four service attributes falling below the acceptable level. An average rating of 7 out of 10 or 50 percent good-to-excellent is the cut-off point below which remedial action is recommended. The attributes impacted are:

- Convenient hours of operation (6.9/10)
- Good connections with reasonable wait times (6.7/10)
- Having adequate information at stops and stations (6.6/10)
- Having enough shelters at stops (6.3/10)



Passenger injuries per one million boarded passengers were higher than the same period last year but in line with historical trends as shown in the above chart.

Employee injuries per 200,000 hours worked are 1.57 year-to-date and are in line with historical trends.

Voluntary resignations per 100 employees have increased relative to the same period in 2007. There has been an upward trend over the last four quarters for TransLink and Police services.

2. REVENUES AND EXPENDITURES

The following provides a projection of revenues and expenditures for the 2008 fiscal year based on actual results to June 30. Appendix 1 provides a more detailed revenue and expenditure forecast with year-to-date second quarter results.

Revenue and Expenditure Summary

$ millions

	2007 Actual	2008 Forecast	2008 Budget	Better/ (Worse)
Revenues				
Transit	327.6	355.2	354.0	1.2
Taxation	568.8	564.4	570.7	(6.3)
Total	896.4	919.6	924.7	(5.1)
Operating Expenditures	682.0	780.7	771.3	(9.4)
Surplus Before Debt Service Costs	214.4	138.9	153.4	(14.5)
Debt Service Costs	126.5	142.0	142.0	-
Annual Surplus/(Deficit)	87.9	(3.1)	11.4	(14.5)
Cumulative Surplus	408.8	405.7	420.2	(14.5)

<u>Revenues</u>

Total revenues are estimated to be $5.1 million (0.5%) lower than budget. Transit revenues are anticipated to be slightly higher than budget and taxation revenues are projected to be $6.3 million (1.1%) below budget.

Transit Revenue - $1.2 million (0.4%) Favourable

The most significant component of the favourable variance is adverting revenue, which is forecast to end the year $1 million above budget. Transit revenue is tracking close to budget, with the .3% June year-to-date under-run moving to a .5% positive variance by July. The on-budget annual forecast may be slightly conservative. July year-to-date ridership is 1.7% above target. These results are subject to revision based on fare audit data.

Taxation Revenues - $6.3 million (1.1%) Unfavourable

Fuel Tax – On Budget

Year-to-date June results have been received and the resulting net tax revenues match budget estimates. Gasoline sales are slightly ahead of budget, mitigating the impact of flat (net of refunds) diesel sales. The budget assumed 7.5% growth.

There has been a significant increase in diesel sales refunds compared to 2007($1.9 million vs. $600,000). This reflects changes in the Motor Fuel Tax Act, with a broader range of business activities being eligible for refunds and backdated claims to April 2007 being permitted. TransLink was not advised or consulted on this legislative change.

Property Tax – On Budget

Revised roll property values indicate budget revenue will be reached. Payments-in-lieu of taxes (PILT) are being substantiated against data requested from the Assessment Authority. This review is nearing completion and any revenue change is expected to be positive.

Parking Sales Tax - $2.8 million (24.3%) Favourable

The Province has increased their fiscal year annual remittance to $14.5 million. The nine-month impact for TransLink is $2.8 million.

Replacement Tax - $9 million (50.2%) Unfavourable

In March 2008 the Board reduced the amount collected in 2008 from the allowable $18 million to $9.0 million. This decision responded to a number of equity issues and gives the same impact to business owners as had been consulted on in the development of the 2008 Transportation and Financial Plan. This one-time revenue loss is being funded from strong 2007 results and increased parking sales tax revenues.

Mission Subsidy - $40,000 (20.2%) Unfavourable

The budget is based on receiving additional revenue from Mission due to increased Train/Bus service. The agreement has not yet been finalized and the forecast remains at the current agreement level.

Expenditures

Total expenditures are forecast to be $9.5 million (1.0%) above budget for the year.

Transit - $9.6 million – 1.5% Unfavourable

Subsidiaries - $10.2 million – 1.7% Unfavourable

CMBC's forecast average blended rate per litre of diesel fuel is approximately $0.264 per litre higher than budget. The fuel variance is projected at $9.6 million, $500,000 of which is due to the July 1 implementation of the 2.76 cents/litre Carbon Tax. Overtime in the maintenance area, required to cover vacant trade positions and new vehicle training time has increased costs by $1.8 million. These and other cost increases have been offset in part by savings form vacancies and a larger than anticipated hiring of lower entry wage operators. Also, service hours are anticipated to be 0.5% under-budget due to changes in the timing of service expansion.

There are no significant variances forecast for the Rail Division entities.

Contractors - $0.6 million – 1.3% Favourable

Delays in planned expansion offset by higher fuel and maintenance costs account for the favourable variance.

TransLink Program Costs - $353,000 - .5% Unfavourable

TransLink Corporate - $452,000 – 1% Unfavourable

The most significant factors to the projected over-expenditure are higher public consultation costs, Wayfinding project costs not eligible for capitalization, the City of Vancouver initiated Waterfront Hub study, and the new Municipal Affairs department being created after the budget was finalized.

Delays in filling new and vacant positions have resulted in significant savings in salaries, with the $550,000 vacancy savings target being exceed. There are currently 43 positions vacant.

The TransLink executive team is meeting to determine what measures can be taken to ensure that TransLink costs do not exceed budget at year-end.

Transit Police – $99,000 - .4% Favourable

Other Programs - $605,000 – 5.6% Favourable

Regional screen line survey & trip diary planning projects will not be completed until 2009. The $900,000 savings have been partially offset by Transit Secure project management fees ($300,000) not being provided for in either the operating or capital project budgets. The potential for 75% recovery of this cost from the federal government is still being negotiated.

Surplus and Reserves

Expenditures are projected to exceed revenues by $3.1 million, compared to the budgeted $11.4 million annual surplus. If realized, this will be drawn from operating reserves.

Pacific Vehicle Testing Technologies Ltd. (AirCare)

AirCare is forecasting to end 2008 with a surplus slightly ($360,000) under the budgeted $1.4 million surplus. Under the SCBCTA act, the AirCare program must recover all of its costs, including annualized capital costs over the five-year contract period. Surpluses and deficits may occur in any one-year.

3. CAPITAL PROJECTS

TransLink is a capital-intensive business that requires continued investment in fleet and infrastructure to increase the capacity of the transportation network, and to maintain and improve service, reliability, safety and environmental performance. TransLink has been successful in leveraging additional funding to undertake projects totalling more than $4 billion of which TransLink's portion is $2.0 billion. A summary of capital project activity can be found in Appendix 3. Notable activities this quarter for the two major construction projects (Canada Line and Golden Ears Bridge), vehicle, facilities and roads capital programs include:

Canada Line

- The Line is on schedule for completion in November 2009. Testing and commissioning of the Airport Connector began in April 2008.
- The Engineer, Procure, Construct (EPC) Contractor reported an accident frequency rate of 2.15 to date - well below the industry average of 4.0 - 6.0 for similar types of work. A tragic and fatal accident occurred on January 21, 2008 when an ironworker apprentice was killed as a result of an overturned crane on the North Arm Bridge. Formal accident investigations related to the fatal accident, which occurred in January 2008, by both the employer (RSL, SNC-Lavalin) and WorkSafeBC are complete and reports are expected to be issued in July 2008.

Golden Ears Bridge

- The GCCJV continues to project achievement of Substantial Completion for the project on or before June 2009.
- The accident frequency rate reported by GCCJV for the project to date is 5.3 claims per 200,000 person-hours. A final report is still pending regarding the fatal accident that occurred on May 9, 2008.

Appendix 1: Financial Results

TransLink
2008 Revenue and Expenditure - Q2 Forecast
$000's

	2008 YTD June Actual	2008 YTD June Budget	Better/(Worse) $	Better/(Worse) %	2008 Q2 Forecast	2008 Budget	Better/(Worse) $	Better/(Worse) %
TransLink Excluding AirCare								
Revenues :								
Transit	**172,056**	**172,624**	**(569)**	**-0.3%**	**355,244**	**354,000**	**1,244**	**0.4%**
Taxation								
Fuel	132,661	132,600	61	0.0%	267,601	267,600	1	0.0%
Property	127,564	127,752	(188)	-0.1%	255,512	255,500	12	0.0%
Hydro Levy	8,893	8,940	(47)	-0.5%	17,853	17,900	(47)	-0.3%
Parking Sales	7,050	5,750	1,300	22.6%	14,300	11,500	2,800	24.3%
Replacement Tax	4,471	9,000	(4,529)	-50.3%	8,971	18,000	(9,029)	-50.2%
Mission Subsidy	81	99	(18)	-17.9%	160	200	(40)	-20.2%
	280,720	**284,141**	**(3,421)**	**-1.2%**	**564,397**	**570,700**	**(6,303)**	**-1.1%**
Total Revenues	**452,776**	**456,766**	**(3,990)**	**-0.9%**	**919,641**	**924,700**	**(5,059)**	**-0.5%**
Expenditures :								
Total Roads & Bridges	**18,709**	**19,050**	**341**	**1.8%**	**38,122**	**37,980**	**(141)**	**-0.4%**
Transit								
Subsidiaries:-								
Coast Mountain Bus Co.	235,498	237,890	2,393	1.0%	491,580	481,738	(9,842)	-2.0%
SkyTrain	39,465	39,383	(83)	-0.2%	81,924	81,937	13	0.0%
West Coast Express	7,921	8,491	569	6.7%	17,119	16,967	(152)	-0.9%
Allocated Costs	11,918	11,569	(349)	-3.0%	24,059	23,793	(265)	-1.1%
Total Subsidiaries	**294,803**	**297,333**	**2,530**	**0.9%**	**614,682**	**604,435**	**(10,246)**	**-1.7%**
Contractors	**24,126**	**25,169**	**1,043**	**4.1%**	**50,165**	**50,812**	**647**	**1.3%**
Total Transit	**318,929**	**322,502**	**3,573**	**1.1%**	**664,847**	**655,247**	**(9,600)**	**-1.5%**
TransLink Programs								
TransLink Corporate	18,099	21,044	2,945	14.0%	44,196	43,744	(452)	-1.0%
Transit Police Service	9,675	11,118	1,444	13.0%	23,360	23,459	99	0.4%
Total TransLink Programs	**27,774**	**32,162**	**4,388**	**13.6%**	**67,556**	**67,203**	**(353)**	**-0.5%**
Other Programs	**1,500**	**3,300**	**1,800**	**54.6%**	**10,218**	**10,823**	**605**	**5.6%**
Total Program Costs	**366,911**	**377,014**	**10,102**	**2.7%**	**780,742**	**771,254**	**(9,488)**	**-1.2%**
Debt Service Costs	**68,417**	**67,530**	**(887)**	**-1.3%**	**142,000**	**142,000**	**-**	**-**
Total Expenditures	**435,328**	**444,544**	**9,216**	**2.1%**	**922,742**	**913,254**	**(9,488)**	**-1.0%**
(Gain) / Loss on Disposal	**(161)**	**-**	**161**	**-**	**-**	**-**	**-**	**-**
Contribution to Reserve	**17,609**	**12,222**	**5,387**	**44.1%**	**(3,101)**	**11,446**	**(14,547)**	**-127.1%**
Cumulative Operating & Capital Reserves	**426,396**	**421,009**	**5,387**	**1.3%**	**405,686**	**420,233**	**(14,547)**	**-3.5%**
AirCare Program (self funding):								
Revenue	**9,952**	**10,695**	**(744)**	**-7.0%**	**19,334**	**20,078**	**(744)**	**-3.7%**
Expenditures	**8,835**	**9,281**	**446**	**4.8%**	**18,249**	**18,630**	**382**	**2.0%**
Surplus / (Deficit)	**1,116**	**1,414**	**(298)**	**-21.1%**	**1,086**	**1,448**	**(362)**	**-25.0%**

Appendix 1: Financial Results (continued)

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Unaudited Consolidated Statement of Financial Position
(in thousands of dollars)

June 30, 2008, with comparative figures for 2007

	General Fund	Restricted Funds: AirCare	Restricted Funds: Capital Fund	2008	2007
Assets					
Current assets					
Cash	$ 87,204	$ -	$ 97,896	$ 185,100	$ 114,441
Short-term investments	937	-	-	937	44,026
Accounts receivable	172,993	227	-	173,220	193,423
Supplies inventory	37,017	-	-	37,017	30,956
Prepaid expenses	4,268	-	-	4,268	5,112
	302,419	227	97,896	400,542	387,958
Long-term investments	21,965	-	49,300	71,265	22,311
Debt reserve deposits	-	-	38,345	38,345	35,017
Debt sinking funds	-	-	312,439	312,439	271,255
Capital assets	-	1,171	3,479,966	3,481,137	2,518,734
	$ 682,477	$ (394)	$ 3,621,645	$ 4,303,728	$ 3,235,275
Liabilities and Fund Balances					
Current liabilities					
Cheques issued in excess of funds on deposit	$ -	$ 9	$ -	$ 9	$ 9
Accounts payable and accrued liabilities	127,627	201	-	127,828	140,761
Short-term loan	116,000	-	-	116,000	155,000
Current portion of long-term debt	-	-	65,368	65,368	51,007
Current portion of obligation under capital lease	-	-	-	-	7,640
	243,627	210	65,368	309,205	354,417
Employee future benefits	40,028	-	-	40,028	37,138
Deferred concessionaire credits	356,301	-	-	356,301	101,899
Golden Ears Bridge contractor liability	-	-	671,925	671,925	405,386
Long-term debt	-	-	1,610,276	1,610,276	1,350,683
Non-controlling interest in Transportation Property and Casualty Company Inc.	1,742	-	-	1,742	1,756
	641,698	210	2,347,569	2,989,477	2,251,279
Fund balances (deficit)					
Invested in capital assets	-	1,171	1,176,180	1,177,351	908,391
Externally restricted	-	-	97,896	97,896	-
Unrestricted	40,779	(1,775)	-	39,004	75,605
	40,779	(604)	1,274,076	1,314,251	983,996
	$ 682,477	$ (394)	$ 3,621,645	$ 4,303,728	$ 3,235,275

Appendix 1: Financial Results (continued)

Reconciliation: Unaudited Consolidated Financial Statements with Revenue and Expenditure Report June 30, 2008

	($000)
Fund Balance per Unaudited Consolidated Financial Statement	1,314,251
Capital contributions	(1,035,088)
MRN capital funding	152,612
Sub-total	431,775
AirCare accumulated loss	604
90% of Transportation Property & Casualty Company (TPCC) retained earnings	(13,801)
Debt Service Costs in excess of Amortization	(49,367)
Employee future benefits	40,027
Net expenditures on FCM loans	(580)
Realized & unrealized foreign exchange loss	10,538
Fair Value adjustment on financial instruments	7,200
Cumulative Reserve Balance per Revenue and Expenditure Report	426,396

	($000)
Operating reserve	266,896
Capital reserve	159,500
Cumulative Reserve Balance per Revenue and expenditure Report	426,396

Appendix 1: Financial Results (continued)

2008 Q2 Cash Flow Forecast

$ Thousands	Q2 Actual	Q3 Forecast	Q4 Forecast
UNRESTRICTED CASH:			
Opening Cash Balance	**170,187**	**87,204**	**81,083**
Operating Cash Flows			
REVENUES			
Transit & AirCare Fees	100,332	90,773	85,888
Taxation	73,988	334,225	77,701
	174,320	**424,999**	**163,588**
OPERATING COSTS (Note 1)	**(180,116)**	**(211,574)**	**(203,028)**
DEBT SERVICE COSTS			
LT Debt - Interest	(42,399)	(3,910)	(41,042)
LT Debt - Principal	(22,925)	(3,570)	(38,823)
ST Interest Income	1,723	753	1,557
CP Interest Paid	(69)	(289)	(144)
	(63,670)	**(7,016)**	**(78,453)**
Capital Cash Flows			
PROJECTS	**(99,258)**	**(134,916)**	**(207,671)**
CAPITAL CONTRIBUTION TRANSFERS (FEDERAL & PROVINCIAL)	**4,741**	**30,387**	**16,200**
CLCO LOANS			
Advances	(30,000)	(8,000)	(12,000)
Repayments	11,000	-	-
	(19,000)	**(8,000)**	**(12,000)**
LT DEBT MATURITIES	**-**	**-**	**-**
LT DEBT ISSUES (NET DRF & FEES)			
Gross New Issue	-	-	150,000
DRF & Fees	-	-	(2,625)
Refinancing	-	-	-
	-	**-**	**147,375**
MFA FACILITY (CP PROGRAM)			
Issues	100,000	-	100,000
Repayments	-	(100,000)	-
	100,000	**(100,000)**	**100,000**
Closing Cash Balance	**87,204**	**81,083**	**7,094**
RESTRICTED CASH (FEDERAL & PROVINCIAL CONTRIBUTIONS):			
Opening Cash Balance	**101,796**	**97,896**	**98,997**
Receipts	-	30,699	30,699
Interest Earned	841	789	888
Transfers to Unrestricted	(4,741)	(30,387)	(16,200)
Closing Cash Balance	**97,896**	**98,997**	**114,385**

Notes

1) Includes AirCare Program Expenditures

Appendix 1: Financial Results (continued)

Reconcilation of Cash Debt Service Costs (DSC) to Q2 Forecasted DSC

$ Thousands

	Cash	Non-Cash	Total
Long Term Debt Interest	91,262	562	91,824
Amortization Debt Issue Costs		1,324	1,324
Debt Sinking Fund Payments	65,319	934	66,253
Short Term Interest Income	(6,210)		(6,210)
Short Term Interest Paid	502		502
Amortization of 5 Year Assets ***(Note 1)***		13,193	13,193
Debt Reserve Fund Interest		(1,519)	(1,519)
Interest Capitalized During Construction		(25,143)	(25,143)
Amortize Capital Lease Buyouts ***(Note 2)***		2,076	2,076
Federation of Canadian Municipalities (FCM) Loan Funding Adjustment ***(Note 3)***		(300)	(300)
Q2 DSC Forecast	**150,873**	**(8,873)**	**142,000**

Note 1 : Provision, over 5 years, made for the principal repayment of the cost of assets with useful lives of 5 years and less funded out of working capital

Note 2 : Provision, over 5 years, made for the principal repayment of the cost of buying out capital leases on the MK1 SkyTrain Vehicles which were funded out of working capital

Note 3 : Under the agreement with the FCM TransLink is required to set aside funds for environmental projects. This adjustment is the net of what is being set aside less actual expenditures made.

Appendix 2: Operational Highlights and Key Performance Indicators

	2008 Year To Date				
	Prior Yr	Current Yr	(1)	Target	(2)
Boarded Passengers (000's)					
Access	719	758	▲	756	▶
Bus	111,237	110,868	▶	112,790	▶
Rail	36,590	37,755	▲	37,313	▶
Total	148,546	149,382	▶	150,859	▶
Revenue Passengers (000's)					
Access	665	695	▲	735	▼
Bus	64,013	65,110	▶	65,632	▶
Rail	21,910	23,055	▲	21,928	▲
Total	86,587	88,860	▲	88,295	▶
Vehicle Service Hours (000's)					
Access	275	300	▲	293	▲
Bus	2,183	2,298	▲	2,297	▶
Rail	451	450	▶	447	▶
Total	2,909	3,048	▲	3,037	▶
Vehicle Service Kilometres (000's)					
Access	4,402	4,742	▲	4,907	▼
Bus	41,355	43,725	▲	43,528	▶
Rail	18,127	18,032	▶	17,922	▶
Total	63,884	66,499	▲	66,357	▶
Average Kms per Available Vehicle (000's)					
Access	14,348	14,472	▶		
Bus	30,724	31,870	▲		
Rail	73,587	73,401	▶		
Total	33,638	34,184	▶		
Boarded Passengers per Vehicle Km					
Access	0.16	0.16	▼	0.15	▲
Bus	2.69	2.54	▼	2.59	▼
Rail	2.02	2.09	▲	2.08	▶
Total	2.33	2.25	▼	2.27	▶
Operating Cost (000's)					
Access	13,951	16,299		16,734	▶
Bus	226,519	250,678		252,866	▶
Rail	45,611	47,930		47,919	▶
TransLink	20,796	26,610		33,797	▲
Total	306,878	341,517		351,317	▶
Fare Revenue (000's)					
Access	144	146		153	▼
Bus	108,055	115,989		121,255	▼
Rail	46,115	51,241		49,216	▲
Total	154,314	167,375		170,624	▶

(1) 2008 vs 2007 (2) 2008 Actual vs 2008 Target ▲ favourable, ▼ unfavourable, ▶ no change
Variances of 2% or -2% or more are shown respectively as favourable and unfavaourable

Appendix 2: Operational Highlights and Key Performance Indicators (continued)

		2008 Year To Date: Prior Yr	Current Yr (1)		TARGET (2)	
Improve the Movement of Goods and People						
Overall Performance rating from Customers						
Transit System	% rated good to excellent	50.0%	48.0%	▼		
	Average rating out of 10	7.2	7.0	▼		
Bus	% rated good to excellent	63.8%	56.0%	▼		
	Average rating out of 10	7.8	7.4	▼		
SeaBus	% rated good to excellent	82.5%	80.5%	▼		
	Average rating out of 10	8.6	8.5	►		
SkyTrain	% rated good to excellent	82.5%	66.0%	▼		
	Average rating out of 10	8.0	7.8	▼		
WCE	% rated good to excellent	93.0%	88.0%	▼		
	Average rating out of 10	9.0	8.8	▼		
On-time Performance						
Survey						
Bus	% rated good to excellent	58.2%	51.8%	▼		
	Average rating out of 10	7.5	7.2	▼		
SeaBus	% rated good to excellent	90.5%	89.0%	►		
	Average rating out of 10	9.0	9.0	►		
Actual						
SkyTrain		93.9%	95.0%	►	94.5%	►
West Coast Express		1.0	1.0	►	1.0	►
Complaints per 1 million Boarded Passengers						
Transit System		83.7	90.9	▼		
Bus		105.4	111.4	▼		
SeaBus		11.0	7.7	▲		
SkyTrain		7.7	23.2	▼		
WCE			106.3	↑↑		
Support Regional Sustainability						

Appendix 2: Operational Highlights and Key Performance Indicators (continued)

		2008 Year To Date				
		Prior Yr	Current Yr (1)		TARGET (2)	
Enhance Safety and Security						
Passenger Injuries per 1 million Boarded Passengers						
Transit System		2.29	2.77	▼		
Access transit		11.39	10.82	▲		
Bus		2.49	3.07	▼		
SkyTrain		1.47	1.81	▼		
WCE		3.12	0.00	▲		
Employee Injuries per 200,000 Hours Worked						
TransLink and Subsidiaries		1.36	1.61	▼		
CMBC		1.37	1.66	▼		
Albion		1.46	0.00	▲		
SkyTrain		1.24	1.59	▼		
WCE		0.00	0.00	↑↑		
TransLink		0.00	0.00	↑↑		
TransLink Police		3.57	2.84	▲		
AirCare		0.00	0.00	↑↑		
Contractor injuries per 200,000 hrs						
GEB		4.95	5.50	▼		
InTransit BC		2.24	2.20	►		
Envirotest Canada		5.23	3.77	▲		
Public perception of transit safety - % Rated Good						
Safe onboard - Bus	% rated good to excellent	79%	76%	▼		
	Average rating out of 10	8.5	8.4	►		
Safe onboard - SkyTrain	% rated good to excellent	58%	54%	▼		
	Average rating out of 10	7.5	7.3	▼		
Safe onboard & station - West Coast Expres	% rated good to excellent	97%	91%	▼		
	Average rating out of 10	9.3	9.0	▼		
Safe station, stop, exchange - Bus	% rated good to excellent	70%	66%	▼		
	Average rating out of 10	8.1	7.9	►		
Safe station, stop, exchange - SeaBus	% rated good to excellent	74%	79%	▲		
	Average rating out of 10	8.3	8.4	►		
Safe station, stop, exchange - SkyTrain	% rated good to excellent	49%	46%	▼		
	Average rating out of 10	7.2	7.0	▼		
Safe parking - West Coast Express	% rated good to excellent	75%	75%	►		
	Average rating out of 10	8.4	8.5	►		
Maintain Financial Strength						
Operating Cost per Passenger Km						
Scheduled Service (Actual $)		$0.286	$0.310	▼	$0.321	▲
Bus (Actual $)		$0.253	$0.280	▼		
SeaBus (Actual $)		$0.474	$0.490	▼		
SkyTrain (Actual $)		$0.105	$0.106	►		
WCE (Actual $)		$0.186	$0.192	▼		
Average Fare per Revenue Passenger						
Transit System		$1.782	$1.882	▲	$1.932	▼

Appendix 2: Operational Highlights and Key Performance Indicators (continued)

	2008 Year To Date				
	Prior Yr	Current Yr	(1)	TARGET	(2)
Maximize Operational Effectiveness					
Operating Cost per Vehicle Kilometre					
Transit System (Actual $)	$4.80	$5.14	▼	$5.31	▲
HandyDart (Actual $)	$3.17	$3.44	▼		↑↑
Bus (Actual $)	$5.39	$5.69	▼		↑↑
SeaBus (Actual $)	$55.77	$58.97	▼		↑↑
SkyTrain (Actual $)	$2.18	$2.29	▼		↑↑
WCE (Actual $)	$11.92	$12.09	▶		↑↑
Operating cost per service hour					
Transit System (Actual $)	$91.64	$103.90	▼	$99.59	▼
HandyDart (Actual $)	$50.73	$54.38	▼		↑↑
Bus (Actual $)	$95.11	$103.32	▼		↑↑
- Conventional (Actual $)	$106.33	$114.83	▼		↑↑
- Community Shuttle (Actual $)	$45.15	$48.39	▼		↑↑
SeaBus (Actual $)	$753.87	$797.13	▼		↑↑
SkyTrain (Actual $)	$87.76	$92.39	▼		↑↑
WCE (Actual $)	$441.63	$429.73	▲		↑↑
Passengers per Service Hour					
Transit System	29.77	29.32	▶	29.08	▶
HandyDart	2.42	2.32	▼		↑↑
Bus	29.33	28.55	▼		↑↑
SkyTrain	47.83	50.69	▲		↑↑
WCE	67.29	64.46	▼		↑↑
Build an Engaged and Capable Team					
Voluntary Resignation per 100 Employees					
TransLink and Subsidiaries	1.29	1.38	▼		
CMBC	1.24	1.31	▼		
SkyTrain	1.26	0.00	▲		
WCE	0.00	0.00	↑↑		
TransLink	2.66	5.91	▼		
TransLink Police	1.37	2.27	▼		
AirCare	0.00	8.00	↑↑		
Percent of non-entry level positions filled internally					
TransLink and Subsidiaries	49%	54%	▲		
CMBC	54%	62%	▲		
SkyTrain	75%	73%	▼		
WCE			↑↑		
TransLink	27%	38%	▲		
TransLink Police	12%	52%	▲		

(1) 2007 vs 2006 ▲ favourable, ▼ unfavourable, ▶ no change

Positive variances of 2% or more are considered favourable; Negative variances of -2% or more are shown as unfavaourable

Appendix 3: Capital Projects Schedule

Active Projects by Classification in Q2 (Apr - Jun 2008)

Description	Active Projects	Original Budget	Current Budget	Forecast Final Cost	Expected Surplus (Deficit)	Expected Variance (%)
		(in thousands)				
PROJECTS WITH SPECIFIC PROJECT APPROVAL						
Vehicles - Conventional Revenue	21	819,807	708,664	691,258	17,407	2.5
Vehicles - Other Revenue	9	42,605	48,567	47,119	1,448	3.0
Infrastructure	49	429,778	440,561	435,762	4,799	1.1
Facilities	10	160,273	174,356	173,192	1,164	0.7
Equipment	12	73,622	78,720	77,103	1,617	2.1
Technology Applications	9	11,603	12,799	12,681	117	0.9
Minor Capital Account	42	7,721	9,702	10,378	(676)	(7.0)
Major Construction Projects	3	593,000	593,000	593,000	(0)	(0.0)
TOTAL	**155**	**2,138,407**	**2,066,368**	**2,040,492**	**25,876**	**1.3**

	Active Projects	Current Budget	Final Cost	Budget Before Change	Variance	Variance (%)
		(in thousands)				
Total at end of 1st Quarter 2008	143	1,864,290				
Projects initiated in Q2	15	184,451				
Projects completed in Q2	(2)	(69)	9		59	86.4
Projects cancelled in Q2	(1)	(24)	9		15	63.4
Budget changes approved in Q2	N/A	17,720		87,896		
Total at end of 2nd Quarter 2008	**155**	**2,066,368**	**18**	**87,896**	**75**	**150**

Description	Active Projects	Costs Prior to Current Year	Actual Cost to Date	Actual Cost Q2 see Note 2	Forecast Cost Q2	Forecast vs. Actual Variance Q2
		(in thousands)				
Vehicles - Conventional Revenue	21	292,882	328,191	28,325	19,083	(9,242)
Vehicles - Other Revenue	9	3,945	4,230	232	2,991	2,759
Infrastructure	49	134,365	164,191	15,362	61,552	46,191
Facilities	10	83,992	91,429	4,423	14,128	9,705
Equipment	12	27,670	35,069	8,313	17,782	9,469
Technology Applications	9	4,246	5,122	420	5,230	4,810
Minor Capital Account	42	1,665	2,485	(633)	2,944	3,577
Major Construction Projects	3	419,635	472,389	42,882	147,922	105,041
TOTAL	**155**	**968,401**	**1,103,106**	**99,323**	**271,633**	**172,310**

Note 1: Evaluations will be conducted on all projects with significant forecasted budget overruns and reported to the Board/Extended Executive Committee for approval with respect to budget or scope adjustments.

Note 2: Negative Actual Cost values reflect external recovery amounts applied to projects.

Note 3: Status updates reflect only those capital project approvals that have been processed in SmartStream during the current quarter.