On November 14, 2011, Mayor Julián Castro hosted a joint press conference with Mexican-based Interjet Airline executives to announce the air carrier’s start of non-stop flights between San Antonio and Mexico City and between San Antonio and Toluca. In attendance were many city officials and community leaders, some of which are pictured above with Interjet executives in the following order (L to R): José Luis Garza, CEO, Interjet, Armando Ortiz Rocha, Consul General of Mexico, Sheryl Sculley, City Manager, Miguel Alemán Magnani, Executive President, Interjet, and Mayor Julián Castro.

Interjet’s twice-daily Mexico City service started December 1st and its three weekly Toluca flights with continuing service to Guadalajara began on December 6th. “Interjet flights are a great addition to our commercial service to Mexico and reinforce San Antonio as the South and Central Texas Gateway to Mexico,” said Mayor Julián Castro.

On December 5, 2011, Southwest Airlines and its wholly-owned subsidiary AirTran Airways announced that the carriers received route authority approval from the U.S. Department of Transportation (DOT) for AirTran to operate international flights from SAT to new destinations in Mexico beginning as early as May 24, 2012. AirTran’s new international flights will include one daily roundtrip between San Antonio and Mexico City and four

(Continued Pg.2)
weekly roundtrip flights between San Antonio and Cancun, Mexico.

“With the DOT’s approval, we are excited to now make these destinations available for sale to both AirTran and Southwest’s customers,” said Bob Jordan, Southwest Airlines’ Executive Vice President and Chief Commercial Officer and AirTran Airways President. “The new service is another direct benefit of Southwest’s acquisition of AirTran as we take low fares farther by expanding our route maps to more places customers want to go.”

“With this announcement, Southwest-AirTran will expand its network from SAT to San Antonio’s largest international market and thus ensure San Antonio as a preferred global destination for business, educational and cultural activity with Mexico,” said Mayor Julián Castro. “We eagerly anticipate that South Texas communities will continue to take advantage of SAT’s gateway to multiple Mexico destinations with more customer-friendly options at competitive pricing.”

Flight schedules and reservations can be secured by going to www.airtran.com, or by calling AirTran reservations at (800) 247-8726, or through a travel agent. Southwest Airline customers can see AirTran’s nonstop international routes on www.southwest.com through its new web referral tool, which links customers directly to www.airtran.com where they can complete the booking process.

After Southwest receives a single-operating certificate from the Federal Aviation Administration, which it expects in the first quarter of 2012, it can begin converting AirTran aircraft into Southwest planes. Eventually, AirTran’s international routes will become Southwest routes.

Critical work began at Stinson Municipal Airport on September 14, 2011 with the first meeting held for the purpose of beginning an update to the Stinson Master Plan. The Master Plan serves as the blueprint for development of the airport and was last updated in 2002. The update to the Master Plan, overseen by the Planning Advisory Committee, which includes representatives from the City of San Antonio Aviation staff, community leaders, tenants and major stakeholders. Councilwoman Jennifer Ramos and Councilman Reed Williams are serving as co-Chairpersons. Aviation Assistant Director Loyce Clark is serving as project manager for the Stinson Master Plan.

The Committee has explored objectives, including, but not limited to: extending a runway to 7,500 feet and adding an instrument landing system; acquiring additional property for future development; and working to attract more corporate aircraft to Stinson. The Master Plan update is expected to take 12 months and the public will have two opportunities to review the plan and ask questions. Information on the Master Plan and the meetings can be found at www.sanantonio.gov/Aviation/stinsonmasterplan.asp.
On October 26, 2011, SAT conducted its Triennial Airport Emergency Exercise in a collaborative effort with the Southwest Texas Regional Advisory Council for Trauma (STRAC), San Antonio Fire Department, San Antonio Police Department and the Office of Emergency Management. The two-hour exercise, which involved a simulated plane crash with fire and smoke, included participation by Aviation Department employees, as well as several city, county and state mutual aid agencies. Approximately 600 professionals provided their expertise toward this unique event in order to support the mutual goal of ensuring emergency preparedness for the San Antonio International Airport and the surrounding community. Over 20 local hospitals treated the 200 “injured” volunteers.

The Triennial Airport Emergency Exercise is required every three years by the FAA for all U.S. airports that have commercial air carrier service. The purpose is to educate, train and prepare the first responders and the community for major aviation disasters, as well as evaluate the Airport Emergency Plan. Evaluators of this exercise included staff from SAT and other airports outside of San Antonio.

Fitch Ratings – New York affirmed the ‘A+’ rating on the City of San Antonio, Texas’ $240.4 million General Airport Revenue Bonds (GARBs) and the ‘A’ rating on the $165.9 million Passenger Facility Charge (PFC) subordinate lien bonds. The Rating Outlook on the outstanding GARBs and PFC bonds is Stable. Standard & Poor’s Rating Services affirmed its ‘A+’ rating for the airport GARBs and ‘A-’ rating on the PFC and subordinate-lien airport parity bonds, also maintaining a stable outlook.

The Key Rating Drivers for the ratings were cited as:

- Strong Origin and Destination (O&D) market (92% in 2011) and diverse carrier mix supported by strong, growing and diversifying local economy;
- New Airline Use and Lease Agreement that provides stability to the airport;
- Conservative debt structure with 100% fixed rate debt along with declining amortization requirements;
- Historically stable but improving financial performance substantiated by 3% growth in Fiscal Year 2010 operating revenues that are consistent with the increase in enplanements; and a limited capital program with no future GARB or PFC borrowing planned.

“These solid financial ratings are due to a wide range of concerted efforts to control our expenses and keep the costs to airlines as low as possible,” said Aviation Director Frank R. Miller. “The outstanding support that the Airport System receives from City of San Antonio officials, federal and state agencies, the local neighborhoods and business community and the Airport Advisory Commission will continue to ensure solid economic performances and viable economic engines fueling the Airport System growth into the future.”
**San Antonio Conventions & Events**

*During the second quarter of 2012, the City of San Antonio will host more than 98 conventions with over 83,500 delegates. Among the visitors to San Antonio will be:*

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<tr>
<th>DATES</th>
<th>ORGANIZATIONS</th>
<th>DELEGATES</th>
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<tbody>
<tr>
<td>April 1-3</td>
<td>National Petrochemical &amp; Refiners Association</td>
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<tr>
<td>April 17-18</td>
<td>Ben E Keith Company</td>
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<td>April 22-24</td>
<td>Industrial Supply Association</td>
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<td>May 3-6</td>
<td>Texas Dental Association</td>
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<td>May 15-17</td>
<td>US General Services Administration</td>
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<td>May 22-25</td>
<td>National Petrochemical &amp; Refiners Association</td>
<td>2,000</td>
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<tr>
<td>June 4-6</td>
<td>Association for Professionals in Infection Control &amp; Epidemiology</td>
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<tr>
<td>June 10-13</td>
<td>American Society for Engineering Education</td>
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<tr>
<td>June 18-20</td>
<td>The Texas Education Service Center Curriculum Collaborative</td>
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**SAT CALENDAR YEAR-TO-DATE STATS**

Through Sept. ’10 | Through Sept. ’11 | Change %
---------- | ----------------- | ----
Domestic Boardings | 2,948,974 | 2,983,935 | 1.2
International Boardings | 56,524 | 56,770 | .44
Charter Boardings | 7,877 | 7,429 | -5.7
Total Boardings | 3,005,498 | 3,040,705 | 1.2
Total All Passengers | 6,000,278 | 6,099,403 | 1.7
Total Freight (lbs) | 156,560,699 | 149,357,789 | -4.6
Total Mail (lbs) | 46,950,159 | 50,275,281 | 7.1