

SFO

San Francisco
International
Airport

San Francisco International Airport

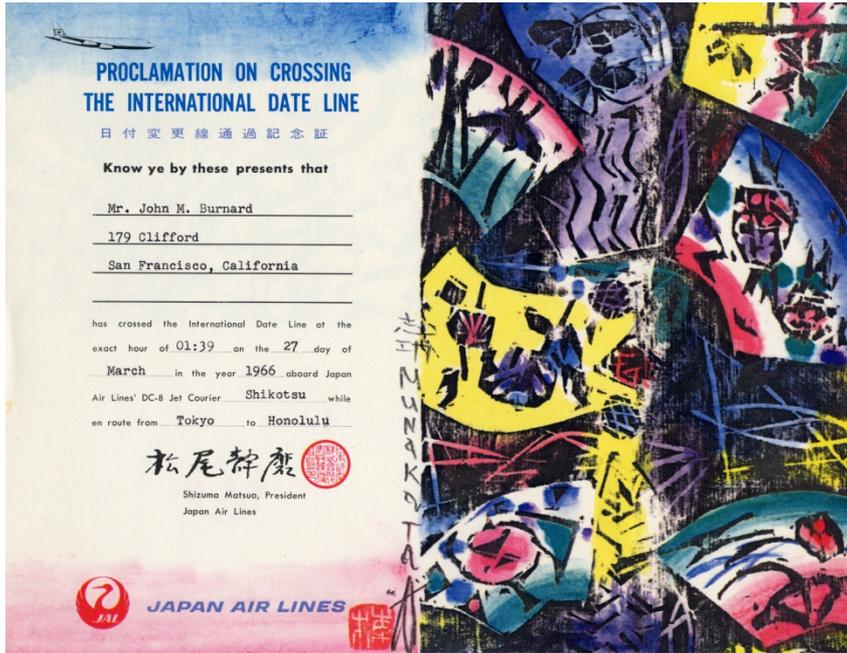


Japan International Transport Institute, Enhancing Airport
Value

June 12, 2014



SFO and Japan, a long history



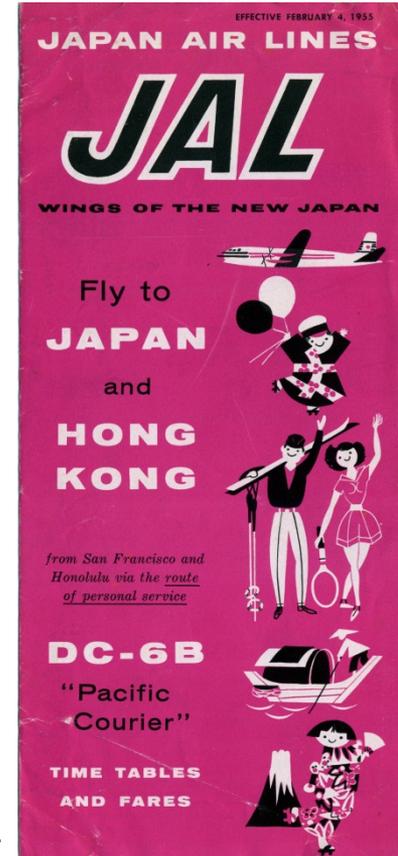
1.



2.



3.



4.

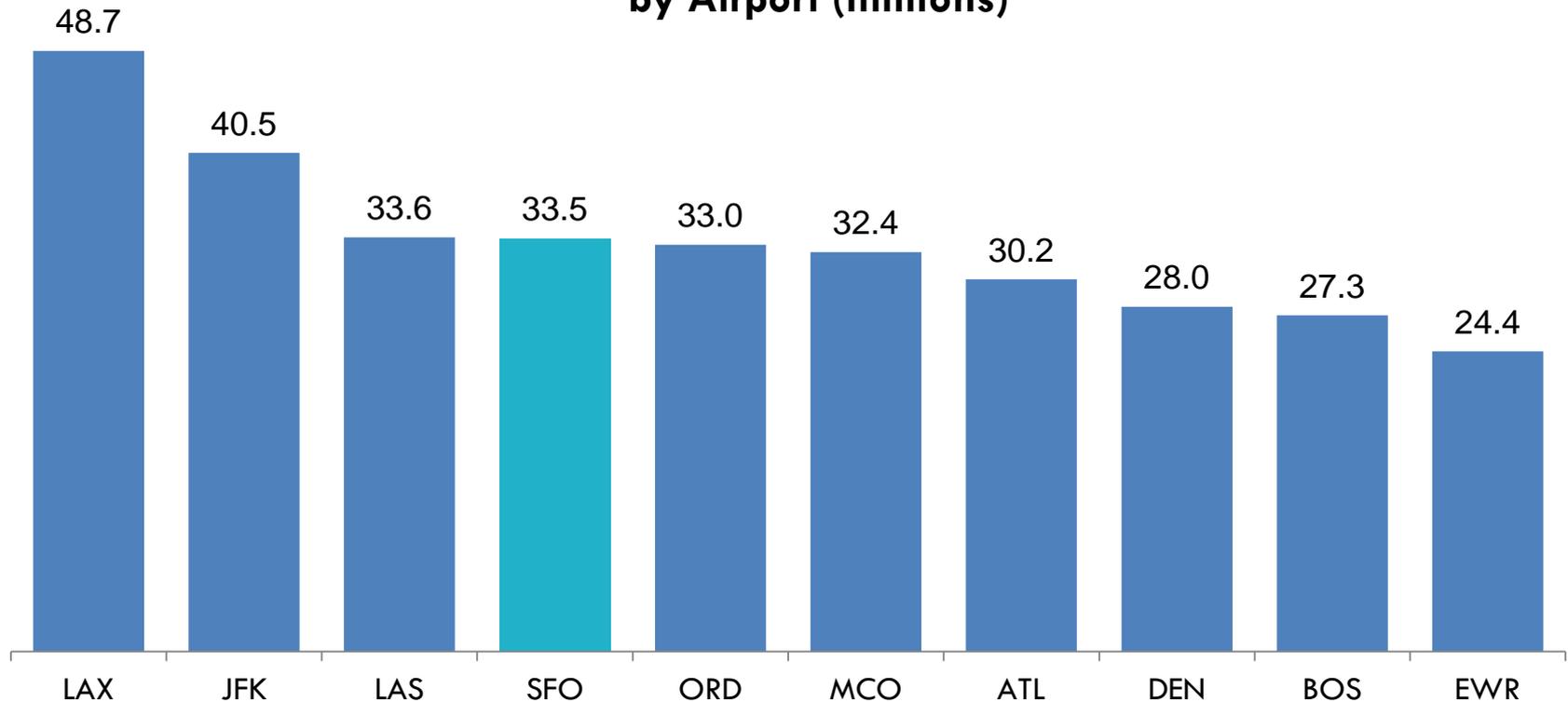
1. Souvenir certificate: Japan Air Lines (JAL), International dateline crossing for John M. Burnard at the exact hour of 01:39 on March 27, 1966.
2. Produced by JAL as publicity stills for marketing. August 12, 1960 – Passengers on staircase in front of airplane entry door
3. Produced by JAL as publicity stills for marketing. August 12, 1960 – Group of people on tarmac in front of airplane with Japanese torii and flying carp banners.
4. Timetable issued by JAL, effective February 4, 1955



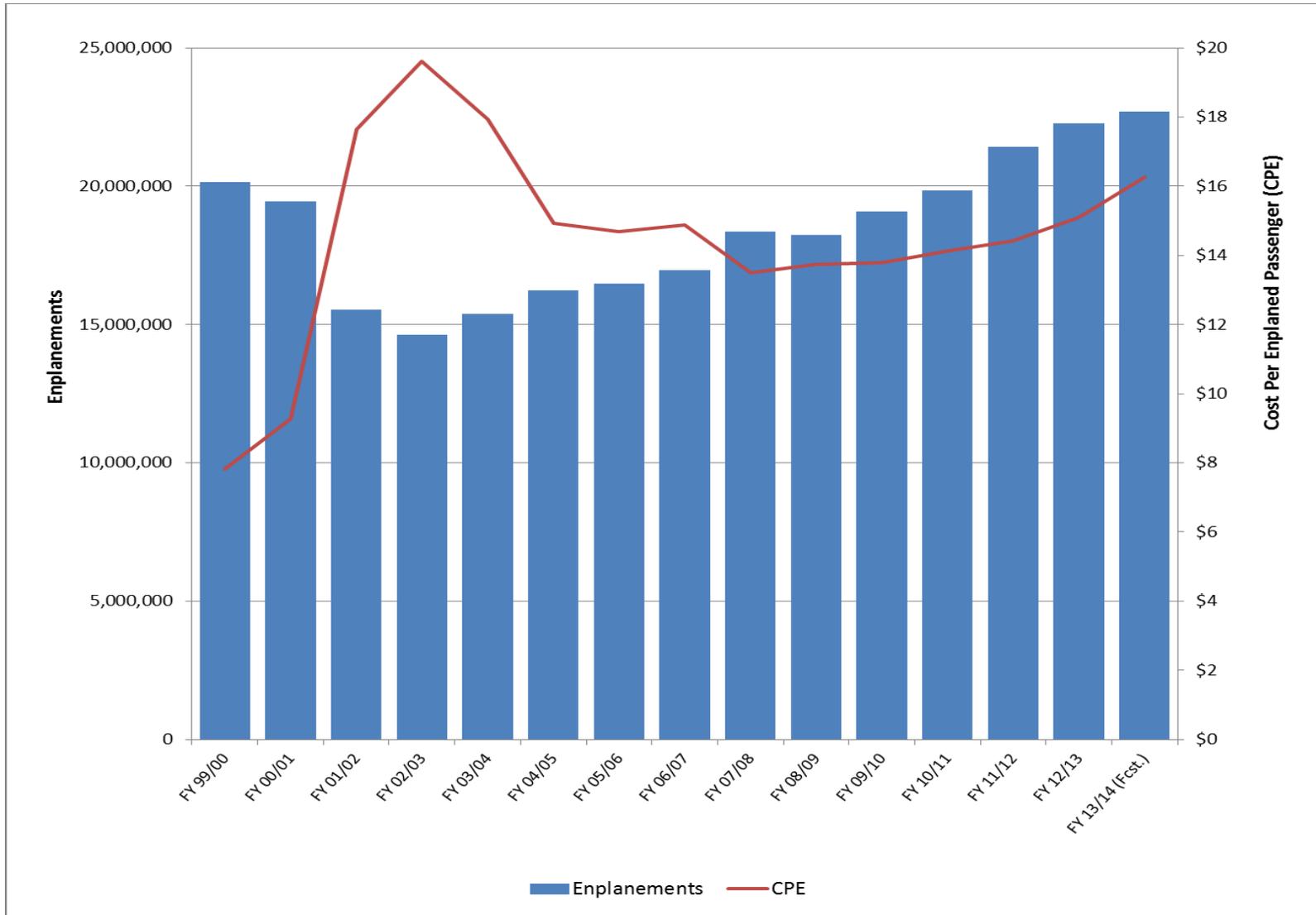
Domestic and International O&D Passengers

- SFO is the 7th busiest airport in the nation in total passengers (according to 2012 ACI rankings, and preliminary 2013 data shows SFO as 6th) but SFO is 4th in the U.S. in terms of O&D passengers
- Approximately 78% of SFO travelers in 2014 are O&D passengers, while only 22% are connecting passengers

Origination & Destination (O&D) Passengers by Airport (millions)



CPE vs Enplanement





Deliberate Management, The Kindness of Time & The Vitality of the Bay Area

- Cost Cutting and Control
- Debt Refundings
- CPE Management
- Partnering and Visioning

- The Power of the Low Cost Carriers
- Non-Aeronautical Revenue Growth
- Environmental Stewardship

- Strength of the Bay Area as an employment base and a travel destination

San Francisco & the Bay Area





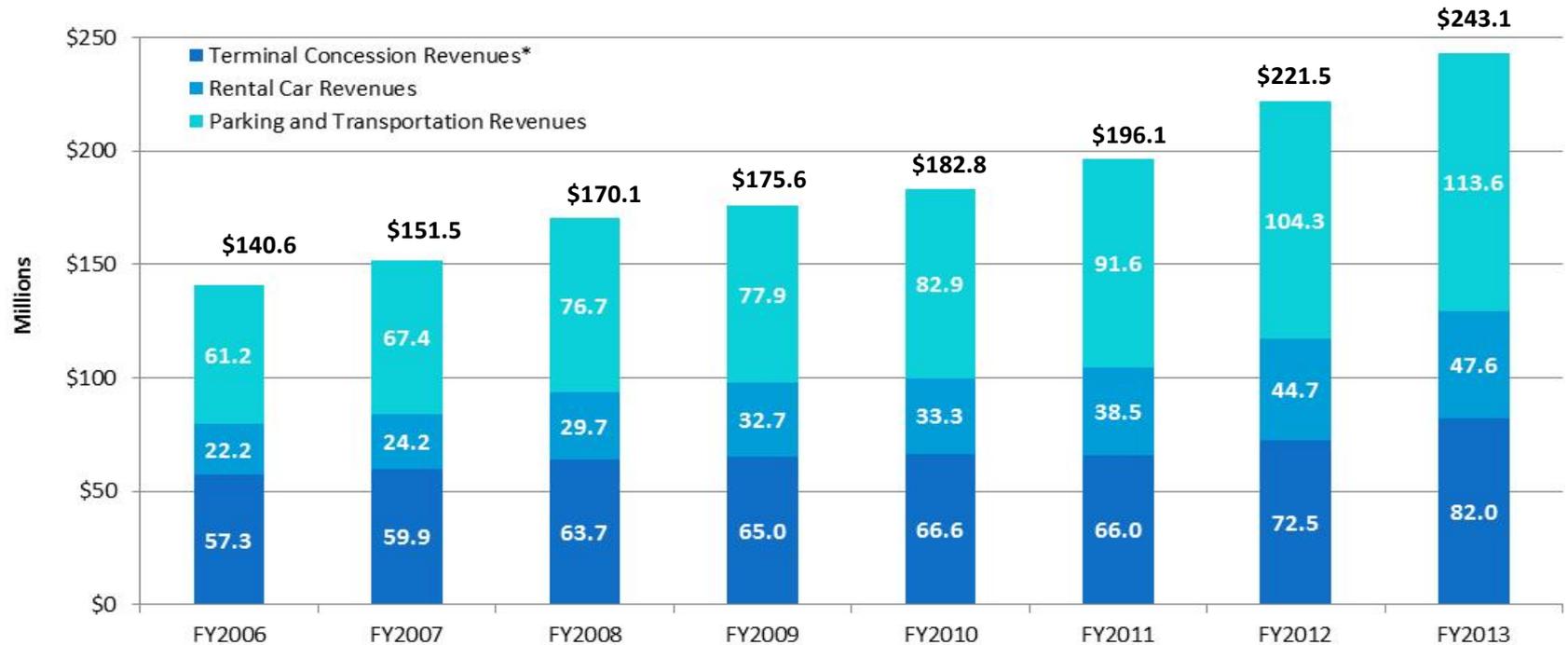
REACHING FOR
Number 1

Concession Revenues

Concession revenue continues to grow at a strong pace

- Since FY 2006, concession revenues have grown at a 8.1% CAGR
 - Rental car revenues and parking revenues grew at 11.5% and 9.2% CAGRs, respectively

**TERMINAL CONCESSION, RENTAL CAR, AND PARKING REVENUES (\$M)
FY2006 – FY2013**



*Terminal Concessions includes food and beverage, retail, duty free, and advertising



Historical Airport Performance

Metric	FY2003	FY2013
Enplanements	14.6 million	22.2 million
% International	23.0%	21.0%
United Share ¹	53.8%	46.2%
Low Cost Carrier Share ²	4.3%	24.8%
Bay Area Market Share	55.3%	70.6%
Non-Airline Revenues	\$157 million	\$238 million
Debt Outstanding	\$3.75 billion	\$4.37 billion
Cost Per Epax	\$19.62	\$15.09
Debt Per Epax	\$256.85	\$195.95
Debt Service Coverage	1.41x	1.38x
Liquidity (Unrestricted Cash)	\$235 million	\$358 million

Source: Airport Commission

(1) United data includes Continental

(2) LCCs include Virgin America, Southwest/AirTran, JetBlue, Frontier, Sun Country, Allegiant and ATA. Represents LCC share of domestic enplanements only

Redefining Exceptional

*If we made it any nicer,
people wouldn't get on the planes.*



The Terminal 2 Standard

- Terminal 2 Renovation
 - ▣ \$383 million
 - ▣ Design-build project
 - ▣ Opened in April 2011
- Completed on-time and on budget
 - ▣ Highest passenger spend rate
 - ▣ Highest ASQ* terminal score
- Concessions redevelopment plans through 2018
 - ▣ Intended to deliver a higher passenger spend rate Airport-wide



Terminal 3 Boarding Area E Renovation

- Opened January 28, 2014
- Completed on time and on budget
- Expands building footprint by 18,000 sq. ft.
- Improves passenger experience
- Adds concession space
- \$138 million project cost



Well Positioned for the Future

- Dominant competitive position in a premier market
- UAL has made long-term commitment to SFO
- Sustained and wide-spread traffic growth since 2008
- Demonstrated focus on enhancing non-airline revenues
- Proven track record constructing major capital programs



