

For Immediate Release: November 10, 2014

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Fitch Assigns 'A' Rating to Philadelphia International Airport Bonds

Stable outlook accompanies high rating for Airport Revenue Bonds

PHILADELPHIA – Fitch Ratings, one of the world's leading financial ratings agencies, has affirmed its 'A' rating of Philadelphia International Airport's (PHL) Revenue Bonds worth \$1.3 billion and assigned a stable outlook to the Airport.

In its ratings report issued in October, Fitch cited the Airport's role in providing air service to a "stable and large service area that generates a solid base of origin and destination traffic offset by a high degree of carrier concentration in American Airlines / US Airways and low debt service coverage from current cash flows."

Fitch noted that PHL's comparatively lower costs and less congestion compared to the New York City-area airports and strong domestic route network support a hub operation for American Airlines / US Airways, which accounts for 77% of the Airport's passenger traffic. The entry of JetBlue, Spirit Airlines, Alaska Airlines, and Qatar Airways, which have started service at PHL in the past two years, has helped to mitigate a reduction in service by Southwest Airlines, Fitch noted.

Qatar Airways, which launched service to Doha in April 2014, became the first foreign flag carrier to enter PHL in more than a decade. Fitch noted that in fiscal 2014, enplanements at PHL rose 0.7% to 15.32 million following a 0.8% decline in fiscal 2013. Fitch also noted that "given the amount of new service offerings since the American / US Airways merger closed, the airport expects enplanements to rise by 1.8% in fiscal 2015 to 15.59 million."

"The 'A' rating and the stable outlook speaks to the Airport's strong position in the marketplace and success in managing the dynamics of the aviation industry," said Airport CEO Mark Gale.

The full ratings report can be found on www.fitchratings.com

Philadelphia International Airport is owned and operated by the City of Philadelphia. The Airport is a self-sustaining entity that operates without the use of local tax dollars. It is one of the largest economic engines in Pennsylvania, generating an estimated \$14.4 billion in spending to the regional economy and accounting for more than 141,000 jobs.