“Creating the Airport
OF THE FUTURE
for OUR FUTURE”

Philadelphia 2013 Investor Conference

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Please see http://www.emma.msrb.org/ or http://www.phila.gov/ for more information on the City.
Agenda

- **About Philadelphia International Airport ("Airport" or "PHL")**
- **Air Service Region**
- **Air Service & Passenger Trends**
- **Financial Metrics and Debt Profile**
- **Capital Plan & Capacity Enhancement Program ("CEP")**
- **Questions & Answers**
About
Philadelphia International Airport
ABOUT THE AIRPORT

✈️ 27 Carriers – 600+ Daily Departures to 125 Cities
✈️ 59 International Flights to 37 International Destinations
✈️ 55% Origin and Destination Traffic
✈️ Travelers - 50% Leisure/50% Business
✈️ Employees
  • Approximately 22,000 Airport Employees
  • Supports 141,000 Jobs/200+ Employers
✈️ $14 Billion (USD) Regional Economic Impact Annually
✈️ 2012 Total Passengers - 30.3 Million
✈️ 2012 Total Operations - 443,236
✈️ 2012 Total Air Cargo - 399,822 Tons
✈️ Experienced Management Team

Source: Philadelphia International Airport, Activity Reports
Air Service Region
5.1M people live within just 30 miles of PHL

Source: Philadelphia International Airport
13 Fortune 500 Companies Are Headquartered in the Region

<table>
<thead>
<tr>
<th>Sector</th>
<th>Number of Jobs</th>
<th>% Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational &amp; Health Services</td>
<td>618,259</td>
<td>20.9%</td>
</tr>
<tr>
<td>Transportation, Trade, &amp; Utilities</td>
<td>533,083</td>
<td>18.0%</td>
</tr>
<tr>
<td>Professional &amp; Business Services</td>
<td>461,560</td>
<td>15.6%</td>
</tr>
<tr>
<td>State &amp; Local Government</td>
<td>335,701</td>
<td>11.4%</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>239,497</td>
<td>8.1%</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>218,209</td>
<td>7.4%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>189,612</td>
<td>6.4%</td>
</tr>
<tr>
<td>Other Services</td>
<td>133,614</td>
<td>4.5%</td>
</tr>
<tr>
<td>Construction, Natural Resources &amp; Mining</td>
<td>115,010</td>
<td>3.9%</td>
</tr>
<tr>
<td>Information</td>
<td>56,522</td>
<td>1.9%</td>
</tr>
<tr>
<td>Federal Government</td>
<td>53,680</td>
<td>1.8%</td>
</tr>
</tbody>
</table>

Source: Select Greater Philadelphia
Region’s Leading Employers Demonstrate a Diverse Economy

<table>
<thead>
<tr>
<th>Company</th>
<th>Employees</th>
<th>Company</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jefferson Health System</td>
<td>19,100</td>
<td>SEPTA</td>
<td>8,800</td>
</tr>
<tr>
<td>University of Pennsylvania</td>
<td>16,160</td>
<td>Wawa, Inc.</td>
<td>8,333</td>
</tr>
<tr>
<td>University of Penn Health System</td>
<td>14,941</td>
<td>Temple University</td>
<td>7,804</td>
</tr>
<tr>
<td>Merck &amp; Company, Inc.</td>
<td>12,000</td>
<td>Siemens Medical Solutions</td>
<td>7,546</td>
</tr>
<tr>
<td>Wal-Mart</td>
<td>11,445</td>
<td>Temple University Health System</td>
<td>7,500</td>
</tr>
<tr>
<td>Catholic Health East</td>
<td>11,339</td>
<td>CVS Caremark Corp.</td>
<td>7,097</td>
</tr>
<tr>
<td>UPS</td>
<td>10,261</td>
<td>Thomas Jefferson University Hospital</td>
<td>6,830</td>
</tr>
<tr>
<td>Comcast Corporation</td>
<td>10,200</td>
<td>Crozer - Keystone Health System</td>
<td>6,650</td>
</tr>
<tr>
<td>Main Line Health</td>
<td>10,100</td>
<td>U.S. Postal Service</td>
<td>6,410</td>
</tr>
<tr>
<td>Aramark Corp.</td>
<td>10,026</td>
<td>Abington Health System</td>
<td>6,390</td>
</tr>
<tr>
<td>Bank of America Corp.</td>
<td>10,000</td>
<td>Genesis Healthcare Corp.</td>
<td>6,328</td>
</tr>
<tr>
<td>Christiana Care Health System</td>
<td>10,000</td>
<td>Johnson &amp; Johnson</td>
<td>6,247</td>
</tr>
<tr>
<td>Supervalu Inc. (Acme)</td>
<td>10,000</td>
<td>Bristol-Myers Squibb</td>
<td>6,300</td>
</tr>
<tr>
<td>Children's Hospital of Phil (CHOP)</td>
<td>9,800</td>
<td>Mercy Health Sys of Southeastern Penn</td>
<td>6,250</td>
</tr>
<tr>
<td>El Du Pont de Nemours &amp; Co</td>
<td>9,500</td>
<td>U.S. Airways</td>
<td>6,247</td>
</tr>
<tr>
<td>Vanguard Group</td>
<td>9,210</td>
<td>Home Depot USA Inc.</td>
<td>6,113</td>
</tr>
<tr>
<td>Verizon Communications Inc.</td>
<td>9,054</td>
<td>Princeton University</td>
<td>6,011</td>
</tr>
<tr>
<td>Lockheed Martin Corporation</td>
<td>9,000</td>
<td>TD Banknorth</td>
<td>5,900</td>
</tr>
<tr>
<td>Virtua Health</td>
<td>8,900</td>
<td>FedEx Corp.</td>
<td>5,900</td>
</tr>
<tr>
<td>Wells Fargo</td>
<td>8,870</td>
<td>Sodexho</td>
<td>5,777</td>
</tr>
</tbody>
</table>

Source: Select Greater Philadelphia
15% of all economic activity and more than one in six jobs in the region is attributable to the Life Sciences sector and related to health care activity

Leader in education with over 100 degree granting institutions enrolling about 400,000 students

Extensive higher education system provides the region with a highly educated workforce

Source: Select Greater Philadelphia
Air Service & Passenger Trends
PASSENGER LEVELS STABLE SINCE 2005

Enplaned Domestic & International Passengers (millions)

Fiscal Year (FY) ending June 30

Source: Philadelphia International Airport
In CY2012, PHL was the 18th busiest passenger airport in the U.S.*

Approximately 55% of PHL’s traffic is Origin & Destination (“O&D”), with 45% connecting

50% Business / 50% Leisure traffic

Sources: Airports Council International North America for FY2012 U.S. traffic data and Philadelphia International Airport for all other data

*Preliminary
PHL HAS NONSTOP SERVICE TO 89 U.S. AIRPORTS; 25 AIRPORTS ARE SERVED BY MORE THAN ONE AIRLINE

Source: OAG Schedules for July 2013
Note: Domestic destinations not reflected on map include San Juan, and St. Thomas
PHL HAS EXTENSIVE INTERNATIONAL SERVICE TO EUROPE, THE CARIBBEAN, AND THE MIDDLE EAST

International destinations are served by US Airways, British Airways, Air Canada, Delta Air Lines, Lufthansa, and Frontier

As of Summer 2013 non-stop service provided to:

- 17 European destinations
- 12 Latin American and Caribbean destinations* (including winter service)
- 5 Canadian destinations
- Tel Aviv
- Bermuda

* Excludes San Juan & St. Thomas

Source: OAG Schedules for July 2013
PHL NEW AIRLINES & NEW SERVICE

✈ Boston Logan (05/23/13)
✈ Dallas-Ft Worth (04/03/13)
✈ Las Vegas (04/25/13)
✈ Myrtle Beach (04/25/13)
✈ LAX (04/04/12)
✈ San Francisco (04/10/12)
✈ Seattle-Tacoma (06/11/12)
✈ Austin (09/05/12)
✈ San Antonio (09/05/12)
The Airport’s Perspectives on the US Airways’ PHL Hub & Potential Impacts of the Merger
“Philadelphia is extremely important to US Airways and will be extremely important to the new American Airlines”
– Doug Parker, March 28, 2013

“We plan on maintaining all the existing hubs and service to all the destinations we serve.”
– Doug Parker, March 28, 2013

“Philadelphia will continue to be a connecting international gateway that will provide nonstop service to all the places we fly today.”
– Doug Parker, March 29, 2013

“For Philadelphia, the opportunities for growth internationally have now expanded because we are part of a bigger network.”
– Doug Parker, March 29, 2013
The new American Airlines has an extensive route network from PHL

US Airways generated a direct operating profit of $248 million at PHL in CY 2011

Source: Strategic Partners & Associates
PHL PROVIDES US AIRWAYS IS STRONGEST O&D BASE

✈ PHL is part of a system of hubs operated by US Airways, all with their own unique and valuable characteristics

✈ PHL is the #1 O&D passenger and revenue generator in the US Airways system

✈ US Airways acknowledged PHL’s strengths as it battled Southwest

✈ PHL is US Airways’ largest European gateway, due to its location and large local market

Source: Strategic Partners & Associates
US Airways at PHL serves 59 points with 277 daily flights not served by AA from JFK

Source: Strategic Partners & Associates
AA serves 9 trans-Atlantic destinations from JFK — 8 of which are served by US Airways from PHL

Source: Strategic Partners & Associates
AMERICAN’S NARROW BODY FLEET EXPANSION PLAN

AA will replace its 191 MD-80 aircraft with 241 narrow-body aircraft which has greater seat capacity and superior range. AA has an additional 220 planes on order post-2017.

This creates more opportunities for additional international flights out of PHL.

AA Narrow-Body Jet Orders (2013 to 2017)

Source: AMR Corp. 10-K Annual Report, February 20, 2013
Financial Metrics & Debt Profile
FY 2012 Actuals & 2013 Budget show healthy debt service coverage levels and a continued competitive airline Cost Per Enplanement (“CPE”)

<table>
<thead>
<tr>
<th></th>
<th>Actual FY 2011</th>
<th>Actual FY 2012</th>
<th>Budget FY 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Amounts Available for Debt Service ($M)</td>
<td>$272.4</td>
<td>$267.6</td>
<td>$302.1</td>
</tr>
<tr>
<td>Debt Service Requirements ($M)</td>
<td>$102.4</td>
<td>$103.0</td>
<td>$107.8</td>
</tr>
<tr>
<td><strong>Debt Service Coverage</strong></td>
<td><strong>2.66x</strong></td>
<td><strong>2.60x</strong></td>
<td><strong>2.80x</strong></td>
</tr>
<tr>
<td>(Test #1: 1.50x Requirement)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Airline Cost per Enplanement</td>
<td>$10.23</td>
<td>$9.65</td>
<td>$10.48</td>
</tr>
</tbody>
</table>

Unrestricted cash balance is $115 million, or approximately 210 days cash on hand.

Source: Philadelphia International Airport
EXTENSION OF THE AIRLINE AGREEMENT

✈ The City and US Airways have announced a two year extension of the airline agreement that runs through June 30, 2015

✈ The agreement works well for the City and the airlines
  • Flexibility to manage facilities
  • Improved discretionary cash flow and reserves
  • Simplified rate-making procedures
  • Reasonable airlines rates and charges under a residual rate making methodology to ensure full cost recovery

✈ The agreement gives new project authority totaling $734.8 million
  • Extension of runway 9R-27L
  • Redesign and enhancement of Terminal B and C
  • New consolidated rental car facility
  • Airside improvements
  • Continued rehabilitation of other airport infrastructure projects

Source: Philadelphia International Airport
OVERVIEW OF THE AIRPORT BONDS

- PHL has $1.37 billion of Airport Revenue Bonds outstanding as of April 1, 2013
- PHL has a $350 million Commercial Paper program with $13 million currently outstanding
- All City of Philadelphia Airport Revenue Bonds are secured by Project Revenues including Airline Revenues, Non-Airline Revenues, Outside Terminal Area Revenues and Airfield Area Revenues
- Certain Airport Revenue Bonds (Series 1998B, 2010D, 2011A) include the additional pledge of Passenger Facility Charges (“PFC”) Revenues, in addition to Project Revenues
- The parity sinking fund reserve requirement of $118 million is funded by a combination of cash and a $23.97 million Assured Guaranty surety policy
  - Due to the downgrade of AGM by Moody’s to A2, the City is diligently pursuing remedies to meet the requirements of GARBO
PHL DEBT PROFILE – DECLINING DEBT SERVICE STRUCTURE PROVIDES FUNDING CAPACITY

Source: Philadelphia International Airport
COMMERCIAL PAPER PROGRAM

Implemented a Commercial Paper Program to better manage cash needs for construction
- $350M program
- Draws will be a mixture of Taxable, AMT and Non-AMT
- $13 million of taxable CP currently outstanding
- Three LOC providers
- Four CP Dealers: Barclays, Loop, PNC, Wells Fargo

<table>
<thead>
<tr>
<th></th>
<th>Barclays LOC</th>
<th>PNC LOC</th>
<th>Wells Fargo LOC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of LOC</td>
<td>$125,000,000</td>
<td>$83,000,000</td>
<td>$142,000,000</td>
</tr>
<tr>
<td>Ratings</td>
<td>P-1/A-1/F1</td>
<td>P-1/A-1/F1</td>
<td>P-1/A-1+/F1+</td>
</tr>
<tr>
<td>Series A Tax Exempt</td>
<td>Series A-1</td>
<td>Series A-2</td>
<td>Series A-3</td>
</tr>
<tr>
<td>(Non-AMT)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series B Tax Exempt</td>
<td>Series B-1</td>
<td>Series B-2</td>
<td>Series B-3</td>
</tr>
<tr>
<td>(AMT)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series C Federally</td>
<td>Series C-1</td>
<td>Series C-2</td>
<td>Series C-3</td>
</tr>
<tr>
<td>Taxable</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Philadelphia International Airport
Capital Plan & Capacity Enhancement Program
CURRENT AIRPORT LAYOUT – “BOXED IN”

- **4 Runways**
  - **2 Primary**
    - 9L/27R
      - 9,500 ft.
    - 9R/27L
      - 10,506 ft.
  - **2 Secondary**
    - 8/26
      - 5,000 ft.
    - 17/35
      - 6,500 ft.

- **2,370 acres**
- **7 Terminals**
- **126 Gates**
- **3.1 sq. ft. (in millions)**
Existing Conditions and Proposed Improvements
Existing Conditions and Proposed Improvements
Stage I Airfield Development
Overall CEP is a $6.4 billion* program with multiple steps over a 13-year construction cycle

- Record of Decision published in January 2011
- FAA Letter of intent received in September 2011 for $466.5M

CEP includes airside, terminal and landside components:

- Airside work designed to reduce delay & enhance capacity
- Terminal development to maintain airside/landside capacity balance and to upgrade existing facilities
- Ground transportation facilities & an automated people mover system to reduce roadway congestion

In 2013, airlines approved $1.15 billion of new capital projects including initial components of CEP

* 2010 dollars
$1.15B of CIP and Phase 1 of the CEP approved and underway
- Land acquisition
- Environmental mitigation
- Significant planning and early design
- New Runway 9R-27L enabling projects
- Existing Runway 9R-27L extension
- Ground Transportation Center

Program Management Office and Owner’s Representative hired
- PMO is Global Program Partners, a tri-venture comprised of CH2M Hill, CMTS and Delon Hampton Associates
- Owner’s Rep is David Brush

$350M Commercial Paper program has been implemented
Conclusion
PHL’S STRONG CREDIT FUNDAMENTALS

✈ Large O&D passenger base
✈ Wide selection of domestic and international routes
✈ Strong local market supports continued operations in US Airways / American merger scenario
✈ Solid financial performance
✈ Manageable capital plan and plans to implement multi-year Capital Enhancement Program (CEP) in phases
✈ Extension of airline lease to advance Phase 1 projects in the CEP
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“Creating the Airport OF THE FUTURE FOR OUR FUTURE”

Thank You!