



Monthly Statistics Report

To: Russell J. Handy, Aviation Director
From: Brian Pratte, Air Service Administrator
Copies: San Antonio Regional Stakeholders
Subject: December 2017 Monthly Statistics
Date: January 26, 2018

AIRPORT SURPASSES NINE MILLION PASSENGERS IN 2017

SUMMARY

For the first time in history, San Antonio International Airport (SAT) handled over nine million passengers during 2017. This record, a total of 9,063,542 passengers, exceeds the annual record set in 2016 by 5.2% when 8,618,105 passengers flew through SAT. In December, the airport recorded 784,230 passengers, a notable 7.3% increase over December 2016. This brings to close a full year of record setting months and represents the highest level of traffic for any December on record. Finally, the December increase represents an ongoing trend of growth at SAT with the last 18 consecutive months experiencing record passengers, as well as 19 of the past 20 months.

Domestic traffic increased 7.7% for the month of December when compared to 2016 primarily due to capacity increases by most of the domestic carriers as well as new routes on Frontier. For the year, domestic traffic grew by 5.8% in 2017 also due to significant capacity investments made by multiple carriers.

Additionally, international traffic increased 1.2% in December as a result of new service added to Toronto and Mexico City earlier in 2017. For the year, International traffic decreased by 7.9% largely to macro-level political and economic challenges that currently exist between the United States and Mexico.

Continuing the growth, a total of 24,677,098 pounds of air cargo moved through SAT in December 2017 representing a 3.5% increase YOY, 5.3% YTD.

Please see Exhibit A for a detailed breakdown.

Since the spring of 2016, 20 new flights have either been added or announced at SAT contributing to the recent growth in passengers at the airport. As part of our expanded efforts towards air service development, SAT has developed a robust, broad air service marketing and advertising program. This program is intended to heighten awareness of options, including carriers and destinations, throughout San Antonio and the surrounding region.

SAN ANTONIO INTERNATIONAL AIRPORT

9800 AIRPORT BOULEVARD | SAN ANTONIO, TX 78216 | T: 210.207.SAIA (7242) | F: 210.207.3500



DOMESTIC PASSENGERS

Scheduled domestic capacity, or seats, increased 7.4% or 31,404 seats in December 2017 and 5.7% or 283,853 seats annually compared to 2016 with a total of 456,073 and 5,304,332 monthly and annual departure seats respectively. Airlines routinely make monthly or seasonal adjustments to the number of flights and seats available to match market demand trends.

In fall 2017, Frontier Airlines launched new non-stop service to five markets which contributed to a 201% surge in capacity for the airline in December. American Airlines increased their capacity by 11.2% by deploying larger aircraft to Charlotte, Chicago O'Hare and Phoenix while Delta grew capacity 3.4% by utilizing larger aircraft to Detroit, Minneapolis and New York-JFK. United Airlines increased capacity by 2.8% with added seats to Houston-Intercontinental, San Francisco and Washington-Dulles while Southwest Airlines grew capacity by 1.6% with additional seats to Baltimore, Houston-Hobby, Las Vegas and Nashville. Seasonal adjustments were made on Allegiant with reduced capacity to Las Vegas and Orlando-Sanford.

Airline	DEC 2017 Seat Capacity Change	DEC 2017 Passenger Change	YE 2017 Seat Capacity Change	YE 2017 Passenger Change
Alaska Airlines	1.6%	5.8%	0.0%	2.2%
Allegiant Air	(12.0%)	(7.6%)	(14.4%)	(11.6%)
American Airlines	11.2%	14.2%	3.8%	6.3%
Delta Air Lines	3.4%	3.4%	2.0%	2.3%
Frontier Airlines	201.1%	198.4%	77.7%	72.0%
Southwest Airlines	1.6%	1.1%	7.5%	6.7%
United Airlines	2.8%	1.0%	0.7%	0.3%

When comparing year-over-year domestic capacity changes, the results were based on the following:

- American Airlines: increased Miami service back to near daily in March 2017 during peak times and increased aircraft gauge to Charlotte, Chicago O'Hare and Phoenix in September, March and April 2017 respectively.
- Frontier Airlines: added service to New Orleans, Ontario, CA, Phoenix, San Diego and Washington-Dulles in fall 2017 and suspended seasonal service to Atlanta and Philadelphia in September 2017, a month earlier than last year. Atlanta resumed in November and Philadelphia will resume next April.
- Southwest Airlines: Added capacity to several markets.
- United Airlines: increased aircraft gauge on Washington-Dulles and San Francisco flights in November and December 2017 respectively while reducing aircraft gauge on Chicago O'Hare flights in September 2017.





INTERNATIONAL PASSENGERS

Scheduled international capacity grew 11.1% or 2,610 seats in December 2017 while remaining flat at (0.3%) for the year compared to 2016 with a total of 26,201 and 260,347 monthly and annual departure seats respectively. December's increase was primarily due to Volaris' new daily service to Mexico City which began September 15th as well as to Air Canada's inaugural service to Toronto which began May 1st collectively adding over 35,000 seats to the international market in 2017.

Total international passengers continued to increase in December at 1.2% YOY. As noted earlier, this increase is primarily due to new flights to Toronto and Mexico City in 2017. Interjet also experienced a 10.3% increase in passengers in December. While SAT experienced an increase in international passengers Q4 2017, total annual international passengers was down 7.9% for the year.

The continued low value of the Peso and macro-level economic and political challenges continue to suppress demand between United States and Mexico. While the valuation of the Peso to the U.S. Dollar has improved in 2017, with an increase of over 7% in December YOY, the Peso still remained over 10% less in value than it did in December 2015 and nearly 24% less than it did in December 2014. As the Peso continues to regain value, leisure and visiting friends & relatives (VFR) traffic between Mexico and the U.S. is expected to continue to improve.

Airline	DEC 2017 Seat Capacity Change	DEC 2017 Passenger Change	YE 2017 Seat Capacity Change	YE 2017 Passenger Change
Air Canada	100%	100%	100%	100%
Aeromexico*	(44.1%)	(46.5%)	(37.4%)	(39.4%)
Interjet	2.4%	10.3%	0.9%	(2.9%)
Southwest**	0.0%	(3.5%)	(34.9%)	(28.1%)
United***	N/A	N/A	(6.9%)	(19.6%)
Volaris	111.8%	55.0%	54.2%	10.1%

*Aeromexico ceased service from SAT to MTY in January 2017 **Southwest ended service to Mexico City Q1 2016 ***Southwest and United offer seasonal service to Cancun, Mexico.

When comparing year-over-year international capacity changes, the results were based on the following:

- Aeromexico: ceased service to MTY in January 2017
- Air Canada: new daily service to Toronto began May 2017
- Southwest: discontinued Mexico City service in March 2016
- Southwest & United: offers service to Cancun on a seasonal basis
- Volaris: launched daily service to Mexico City in September 2017 and decreased seasonal capacity to Guadalajara in June 2017





RECENT SCHEDULE CHANGES

In November 2017, Southwest Airlines announced **NEW** daily, year-round, non-stop service to Oakland and Fort Lauderdale beginning July 8, 2018. Prior to this announcement, Oakland was an unserved market and Fort Lauderdale was only served on a seasonal basis. Both markets will bring much needed capacity to the Bay Area and Southeast Florida and will be flown on 143-seat Boeing 737 aircraft. These new flights come after Southwest added **NEW** daily non-stop service to Kansas City, MO in November 2016 while adding a fifth daily flight to Houston-Hobby that same month. Southwest has also recently added additional frequencies to Baltimore, Chicago-Midway, Denver, Orlando and Tampa, mostly during the peak summer season.

Frontier Airlines recently added nine **NEW** markets from SAT. Less than daily service to New Orleans, Ontario, CA, Phoenix, San Diego and Washington-Dulles began in fall 2017 and service to Cincinnati, Colorado Springs, Orlando and San José, CA is scheduled to begin in April 2018. Prior to these announcements, Cincinnati, Colorado Springs, Ontario and San José were all unserved markets with Cincinnati and San José being on the airport's list of top target markets. In total, these new additions bring the total number of Frontier destinations either announced or served from SAT to 13 with all to be flown on 150-180 seat Airbus A319/A320 aircraft.

In February 2018, American Airlines will launch **NEW** daily, year-round, non-stop service to Philadelphia, a market currently served seasonally by Frontier. The new service will be operated on a 128-seat Airbus A319 aircraft and will provide convenient access to American's transatlantic gateway.

Volaris recently launched **NEW** daily non-stop service to Mexico City on September 15th flown on a 179-seat Airbus A320 aircraft. With this added service, SAT now offers four daily non-stop flights to Mexico's capital city.

In November 2017, Southwest launched seasonal Saturday service to New York's La Guardia Airport. Overall, the airline operated four total flights on November 18th and 25th and December 23rd and 30th.

On May 1, 2017, SAT welcomed a **NEW** international carrier with Air Canada's daily non-stop service to Toronto, Ontario, Canada- the airport's first non-stop to Canada.

In 2018, Southwest Airlines will begin daily, direct (one-stop, no plane change) service to Ronald Reagan Washington National Airport (DCA). Though the layover city will fluctuate, the schedule will remain consistent each day.





EXHIBIT A

San Antonio International Airport Passenger & Air Cargo Activity Summary Report

	December			Calendar Year-to-Date		
	2017	2016	% Change	2017	2016	% Change
Passengers						
Domestic Enplanements	376,035	349,264	7.7%	4,335,919	4,108,045	5.5%
Domestic Deplanements	370,098	343,650	7.7%	4,359,242	4,109,999	6.1%
Total Domestic Passengers	746,133	692,914	7.7%	8,695,161	8,218,044	5.8%
Intl Enplanements	19,506	19,899	-2.0%	185,692	201,716	-7.9%
Intl Deplanements	18,591	17,738	4.8%	182,689	198,345	-7.9%
Total Intl Passengers	38,097	37,637	1.2%	368,381	400,061	-7.9%
Grand Total All Passengers	784,230	730,551	7.3%	9,063,542	8,618,105	5.2%
Air Cargo (in Pounds)						
Total Freight	18,663,083	17,712,824	5.4%	177,522,106	167,571,245	5.9%
Total Mail	6,014,015	6,125,241	-1.8%	73,169,590	70,485,144	3.8%
Grand Total All Air Cargo	24,677,098	23,838,065	3.5%	250,691,696	238,056,389	5.3%

San Antonio International Airport Total Operations

	December			Calendar Year-to-Date		
	2017	2016	% Change	2017	2016	% Change
Air Carrier	7,583	7,598	-0.2%	89,746	87,058	3.1%
Air Taxi	1,759	1,692	4.0%	20,215	21,768	-7.1%
General Aviation	3,561	3,522	1.1%	46,012	50,028	-8.0%
Military	288	347	-17.0%	4,803	5,357	-10.3%
Total Itinerant	13,191	13,159	0.2%	160,776	164,211	-2.1%