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United Unveils New Non-stops to SFO & LAX

United Airlines just brought San Antonio and the West Coast closer together. Daily non-stop flights started connecting the Alamo City to United's hub airports in San Francisco and Los Angeles on April 3, 2005. The service to San Francisco is San Antonio's only non-stop flight between the two cities.



to all of our west coast, Hawaii and Asia-Pacific destinations," says Sean Donohue, vice president of Ted and United Express. "We currently offer our customers flights from San Antonio to Chicago O'Hare and Denver, and we are pleased to expand service between this popular destination city and our West Coast hubs."

"Our new United Express service increases options for customers traveling from San Antonio to the West Coast, and both flights provide key access

United Express carrier SkyWest Airlines will operate the new service with two-class regional jets with six First Class seats, and 28 Economy Plus seats (extra legroom) and 32 Economy seats.

SAT Concessions Earn 1st Place...Again!

Airport Revenue News, the industry's leading trade magazine, announced the results of its 2005 Best Concessions Poll this month and once again San Antonio International Airport led the way in the small airports category. Aviation Director Kevin Dolliole accepted the award at an A.R.N. banquet for "Best Overall Concessions Program." "It's a tremendous honor to accept this award for the second year in a row" Dolliole said. "Over the past several years we've worked very hard to build positive momentum when it comes to our concessions program and this award reinforces the idea that we're on the right track."

Dolliole says that the judges take a number of things into consideration when deciding on the "Best Overall" winner. The award is given to the airport with a program that

best incorporates a convenient, customer-friendly layout, good visibility, attractive storefronts, unique and interesting store mix and distinctive themes. Of course, all of these items were part of SAT's own checklist when it finished the Terminal Renovations and Concession Redevelopment Program in 2003. That program added 10,000 square feet of concession space, brought in a new food court area and did it all while incorporating a distinct South Texas flavor.

"Best Overall" wasn't the only category where SAT had an opportunity to shine. Second place awards were also brought home in the following concessions areas:

- Best Program Design
- Best Management Team
- Most Unique Services

"If you look at those three categories as a whole it's very telling" Dolliole said. "We have the right design upfront, which allows us to offer our customers the type of services they're requesting and then finally we've got the right team to pull it all together."

A.R.N. uses a panel of industry experts to decide the results of its "Best Concessions Poll." Those experts choose from stores, restaurants and airport programs that have been nominated in an earlier process.



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Tenant Spotlight: International Duty Free



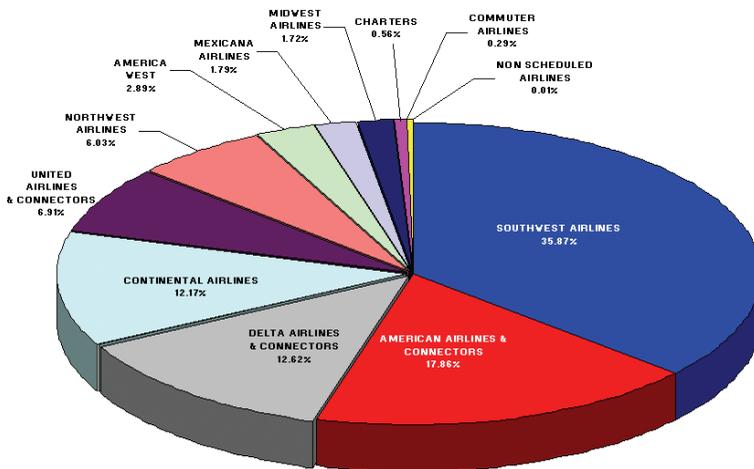
International Duty Free Stores Company, a subsidiary of UETA, Inc., which itself is a subsidiary of Duty Free Americas, Inc. (DFA), recently opened its new, renovated store at San Antonio International Airport (SAT), Terminal 1. This company has been operating the duty free stores at SAT for more than thirty years.

High quality brand items such as fragrances, tobacco products, liquor and wines, cosmetics, edibles, watches and gifts are offered by International Duty Free to SAT international passengers and duty paid items to domestic passengers.

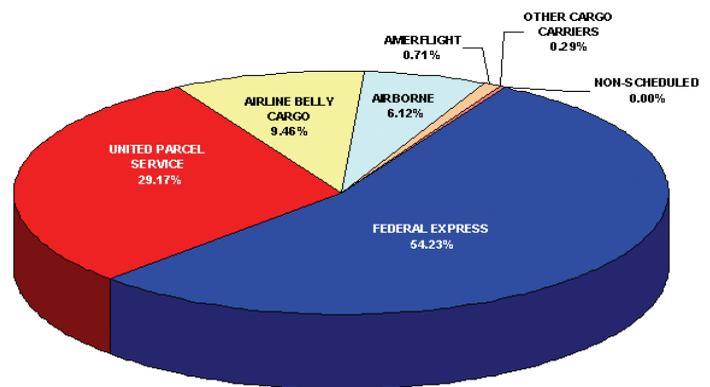
DFA employs over 1,200 workers, has a total of over 200,000 square feet of retail space, and operates more than 90 duty free, news and gift stores in U.S. airports and also at the U.S. borders with Canada and Mexico. With a vast product assortment, DFA reaches nearly one million travelers from around the world every day. They specialize in providing the best possible customer service and high-quality, brand name merchandise free of all duties, as well as sales and excise taxes.

SAT 2004 Stats

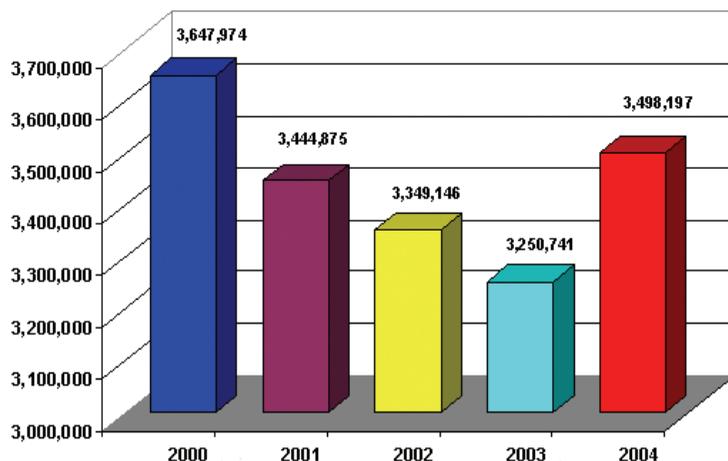
2004 Passenger Totals



2004 Air Cargo

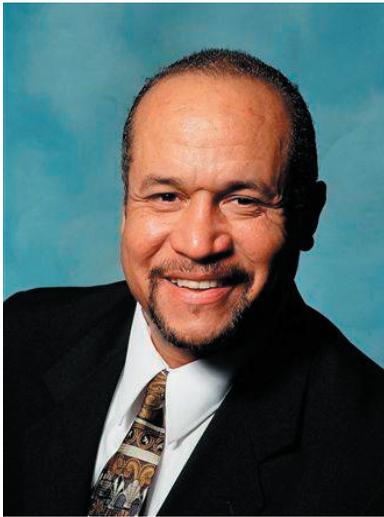


Enplanements 2000 - 2004



San Antonio finished the year with 3,498,189 enplanements, up 7.6 percent over 2003. Total enplaned and deplaned passengers came in at 6,997,659, an increase of 7.1 percent when compared to 2003. In 2004, Southwest Airlines controlled a 35.9 percent market share, while American had 17.9 percent, Delta and Delta Connectors came in with 12.6 percent and Continental 12.2 percent. United Airlines and United Connectors held a market share of 6.9 percent, Northwest 6 percent, American West 2.9 percent, Mexicana 1.8 percent and Midwest 1.7 percent. Total air cargo in 2004, 264 million pounds, increased 2.9 percent compared to 2003.

Aviation Director Kevin Dolliole Leaves SAT



For six years he's helped millions of people conveniently pass through San Antonio International Airport on their way to a business or pleasure trip, but now it's his turn to take off on a new journey. Aviation Director Kevin Dolliole has announced that he'll soon be leaving SAT and taking on the same leadership role in St. Louis, Missouri. "It's truly a bittersweet time for me," Dolliole said of his decision. "I'm excited about facing new challenges, but the people I've met here in San Antonio really make it tough to leave."

And the feeling is most definitely mutual. After all, it was Mr. Dolliole who helped guide the tenants, patrons and employees of San Antonio International Airport through the difficulties of 9/11. He minimized the growing pains and maximized the possibilities associated with the Terminal Renovations Project, oversaw the installation of an award-winning concessions program and he offered the foresight needed to initiate a 426 million dollar expansion project. During his time at SAT, the Airport received worldwide attention with a first-place finish in the J.D. Power & Associates 2004 Global Airport Satisfaction Index Study. Just a few weeks after the arrival of that customer-service award and Mr. Dolliole was taking even more hardware to City Hall.

The trade magazine "Airport Revenue News" awarded a first-place finish to SAT in its 2005 Best Concessions Poll. The Airport brought home the top award in the "Best Overall Concessions Program" category for the second year in a row. This recognition was in addition to the first place finish SAT had achieved in 2004 in the "Airport with the Most Unique Services" category and the 2003 first-place finish in the "Airport with the Most Innovative Services" category. "He's top-notch," said interim City Manager Rolando Bono when speaking of Dolliole. "We're not looking forward to replacing him."

Mr. Dolliole is scheduled to take over at Lambert Field on May 2. "I want to thank as many people as I possibly can before I finally catch that flight to St. Louis," Dolliole says. "I came here believing that a team-approach was the best way to do business. Thanks to the people at this airport, that belief is stronger than ever."

Acoustical Treatment Program Gets Underway

A contract with THC, Inc. to provide acoustical treatment consulting services in connection with implementing the San Antonio International Airport (SAT) Residential Acoustical Treatment Program (RATP) was approved by City Council on April 7, 2005.

This RATP is a derivative of the noise compatibility studies completed since 1991 and was developed through a pilot program in which protocol for construction implementation, administration, public relations and team organization were established. The purpose of the expanded Program is to acoustically treat qualifying residences proximate to SAT through the Federal Noise Program. THC, Inc. will be responsible for the design, construction, public relations, and legal services to fully implement the Program, which will be designed around the Single Parcel Method (SPM) of procurement.

Under the SPM, construction procurement is performed through a selection process using a database of approved contractors developed through a series of outreach, training conferences and seminars. Homeowners participate in the selection process and have an opportunity to review a contractor's portfolios and conduct interviews before selecting a minimum of three contractors. The selected contractors prepare and submit bids with the lowest of the

three bidders entering into a construction contract with THC, Inc. An individual contract for each participating home is deemed efficient, and THC, Inc., as homeowner liaison, would be directly accountable for the quality of construction.

The Program will commence during the second quarter in 2005 with a set-up phase including the establishment of the block prioritization and a product showroom, as well as development of a homeowner handbook and homeowner orientation material.

The contract with THC, Inc. is for approximately \$12.2 million and covers consulting, administrative and construction costs associated with partial implementation of the RATP. The federal government already has granted SAT \$10.3 million for the Program, for which the Airport will add matching, self-generated funds. "More federal funds are likely to become available as long we can show good results," said Aviation Director Kevin Dolliole. About 120 houses are expected to get multi-paned windows and doors and other treatments in 2005. Another 154 homes are slated for soundproofing in 2006. Up to 5,100 homes could be eligible for sound-proofing as the program is extended through the years and federal funds become available.

SAN ANTONIO CONVENTIONS & EVENTS

During the second quarter of 2005, the City of San Antonio will host more than 200 conventions with over 175,000 delegates. Among the visitors to San Antonio will be:

DATES	ORGANIZATIONS	DELEGATES
Apr 3-5	National Petrochemical & Refiners Association	3,645
Apr 7-9	International Carwash Association Inc.	9,000
Apr 24-25	Diversified Business Communications	2,500
May 1-5	International Reading Association	17,000
May 11-14	Texas Dental Association	12,335
May 21-26	American Urological Association	14,000
May 8-11	Institute for Supply Management	3,000
June 5-9	American Society for Mass Spectrometry	5,200
June 14-17	Society of Cable Telecommunications Engineers	9,500
June 19-28	US Taekwondo Union	5,000
June 26-29	Government Finance Officers Association	6,500

SAT YEAR-TO-DATE STATS

	Through Dec. '03	Through Dec. '04	Change
Domestic Enplanements	3,142,253	3,369,837	7.2%
International Enplanements	80,057	96,298	20.3%
Charter Enplanements	28,601	32,054	12.1%
Total Enplanements	3,250,911	3,498,189	7.6%
Total Freight (lbs)	174,773,913	187,382,537	7.2%
Total Mail (lbs)	81,960,299	76,730,970	-6.4%