Virginia Port Authority

Market Update

$123,565,000*

Port Facilities Revenue Refunding Bonds,
Series 2013

(*Preliminary, Subject to Change)

May 28, 2013

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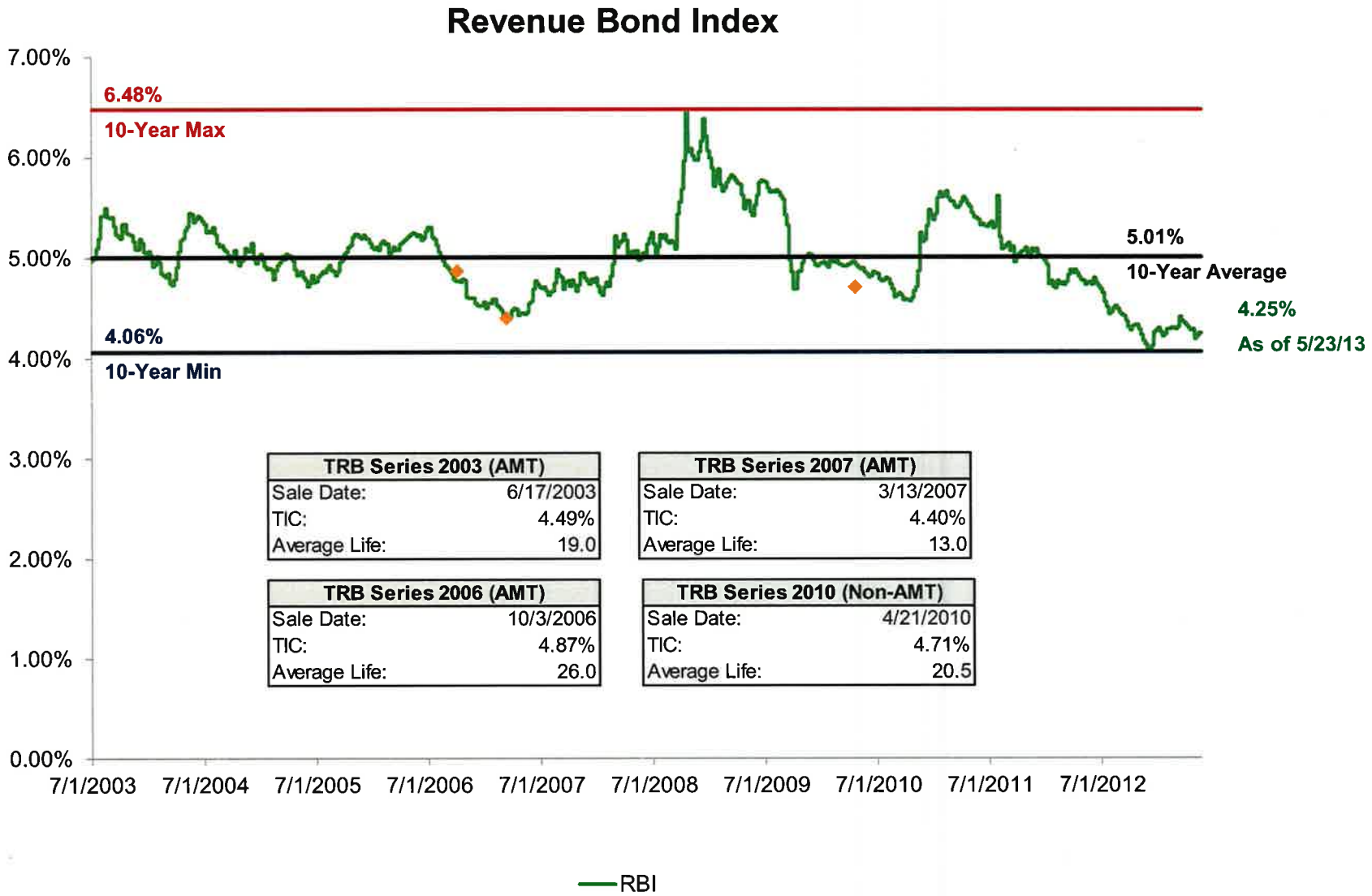
Tax-Exempt Interest Rates

10 Year History



TRB Series 2003 (AMT)	
Sale Date:	6/17/2003
TIC:	4.49%
Average Life:	19.0

TRB Series 2007 (AMT)	
Sale Date:	3/13/2007
TIC:	4.40%
Average Life:	13.0

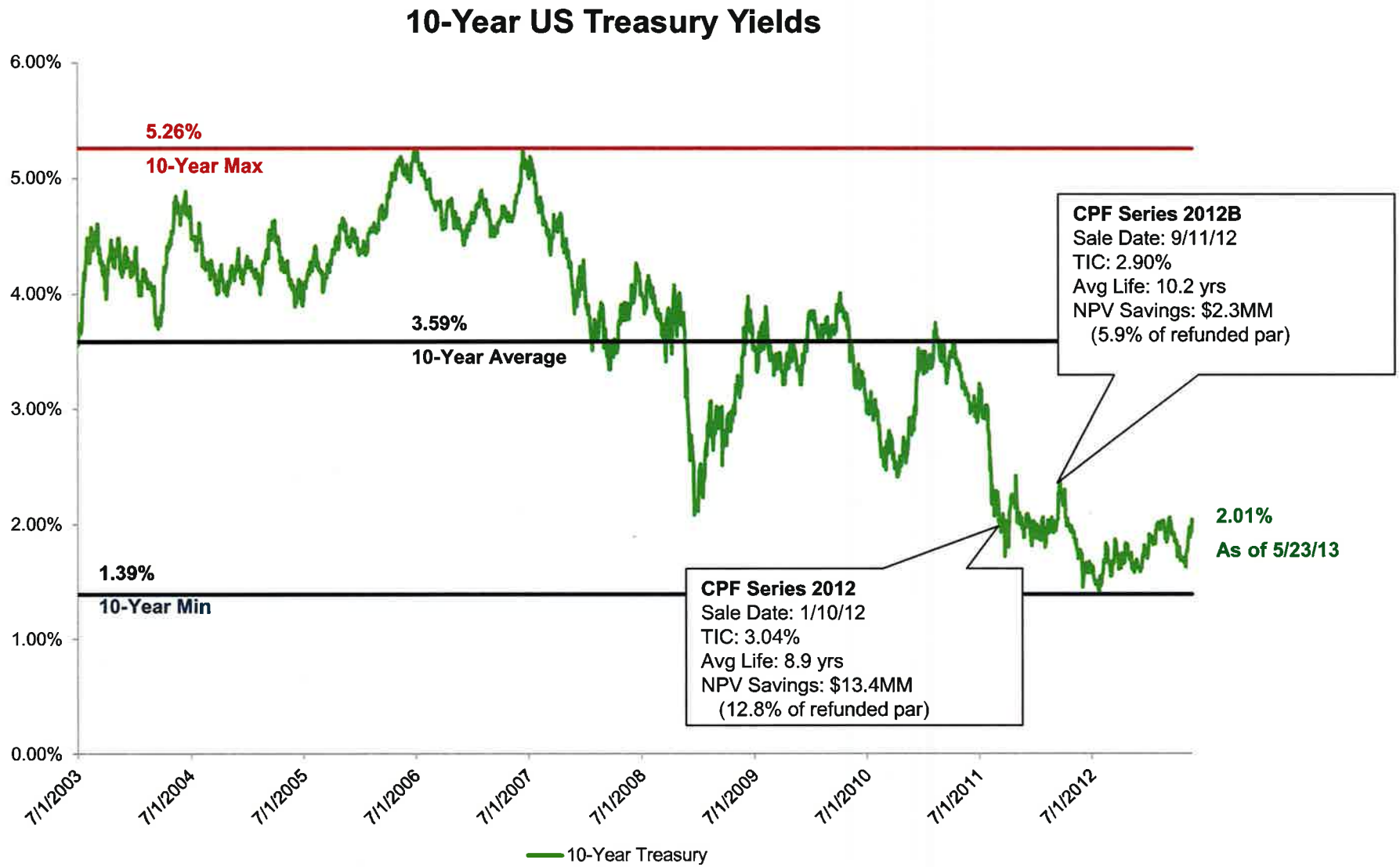
TRB Series 2006 (AMT)	
Sale Date:	10/3/2006
TIC:	4.87%
Average Life:	26.0

TRB Series 2010 (Non-AMT)	
Sale Date:	4/21/2010
TIC:	4.71%
Average Life:	20.5

Source: Bond Buyer. The Revenue Bond Index consists of 25 municipal revenue bonds that mature in 30 years with a rating of Moody's A1 or S&P A+.
Note: AMT = Alternative Minimum Tax

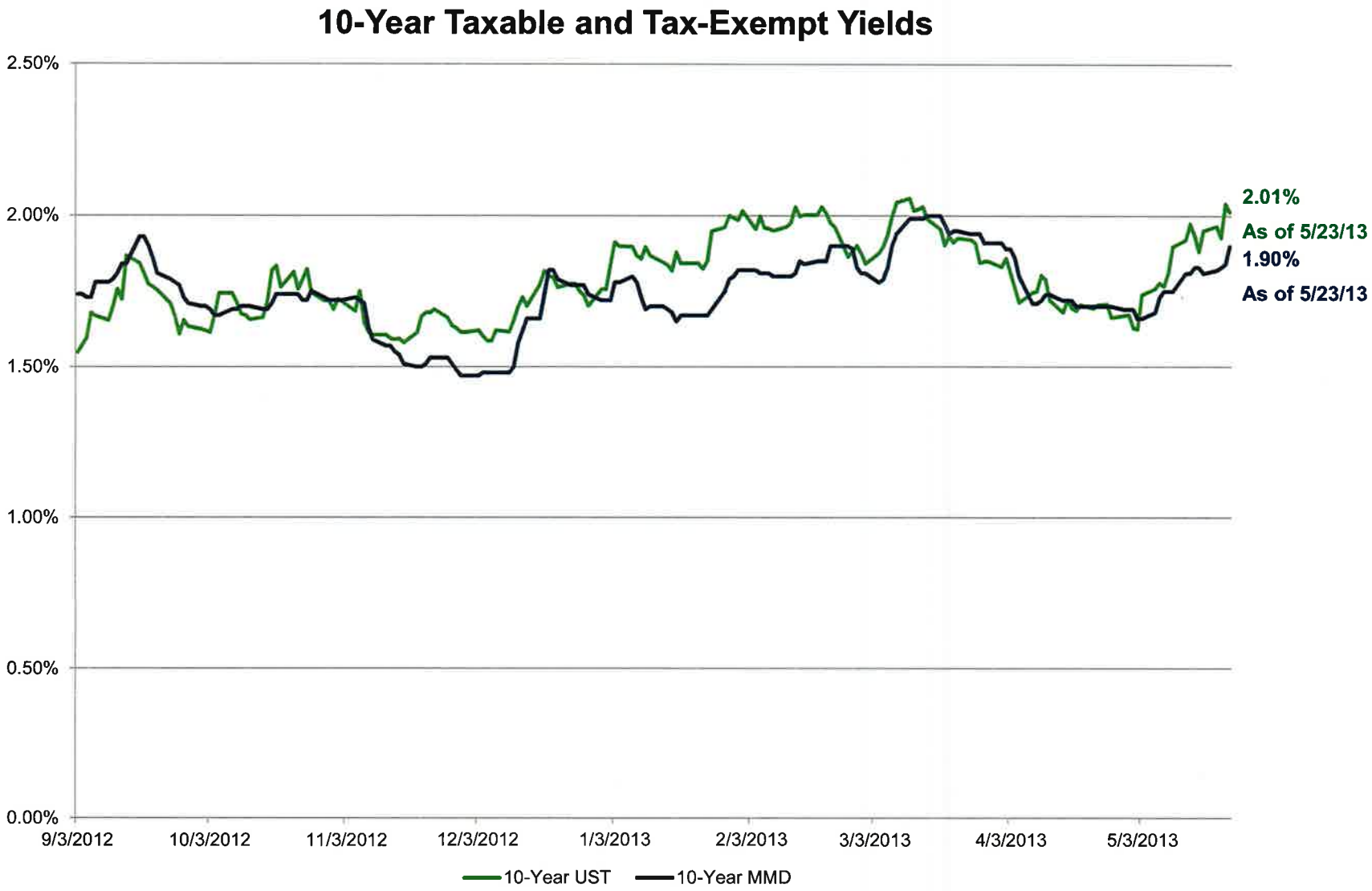
Taxable Interest Rates

10 Year History



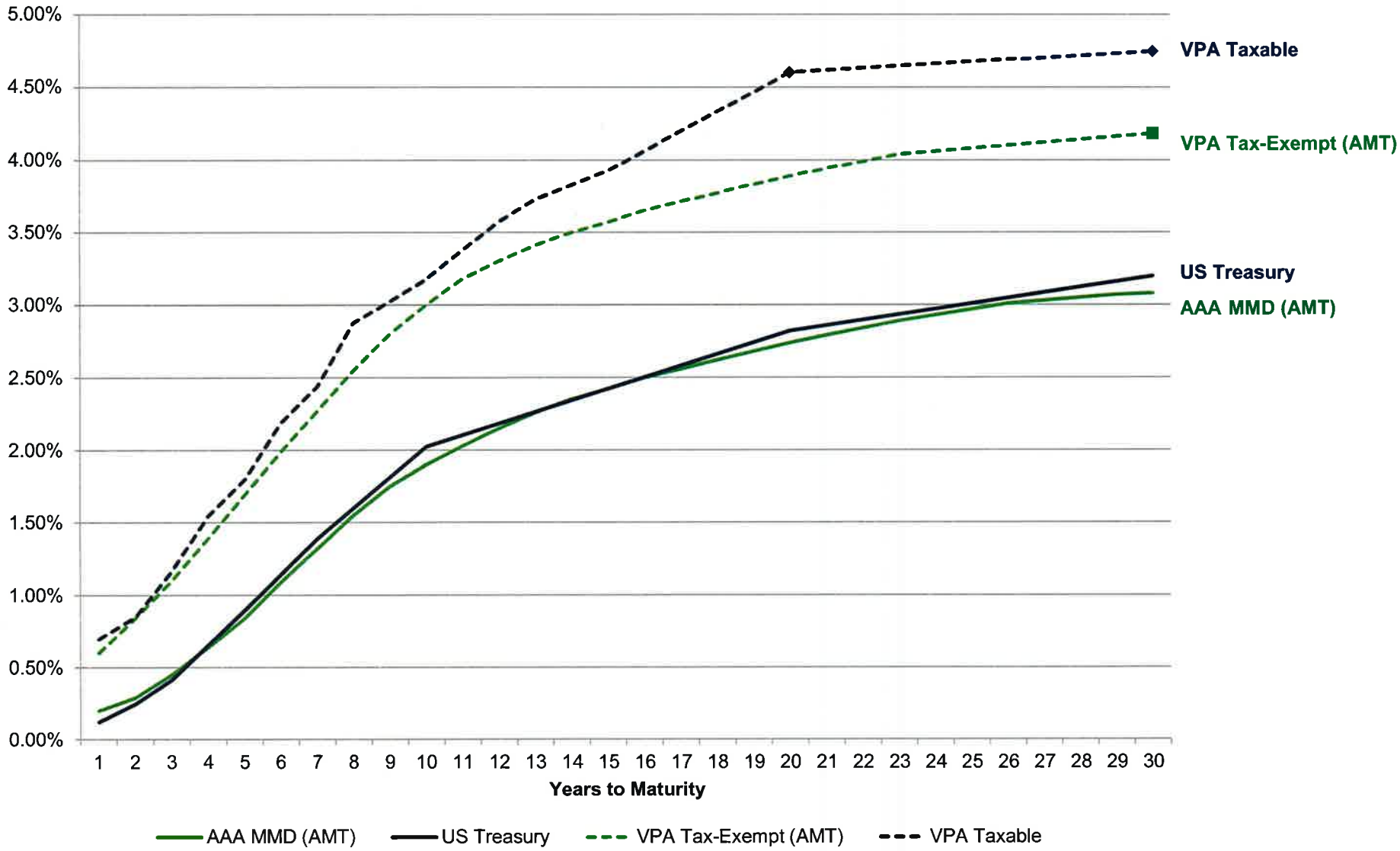
Source: US Department of the Treasury.

Interest Rate Volatility



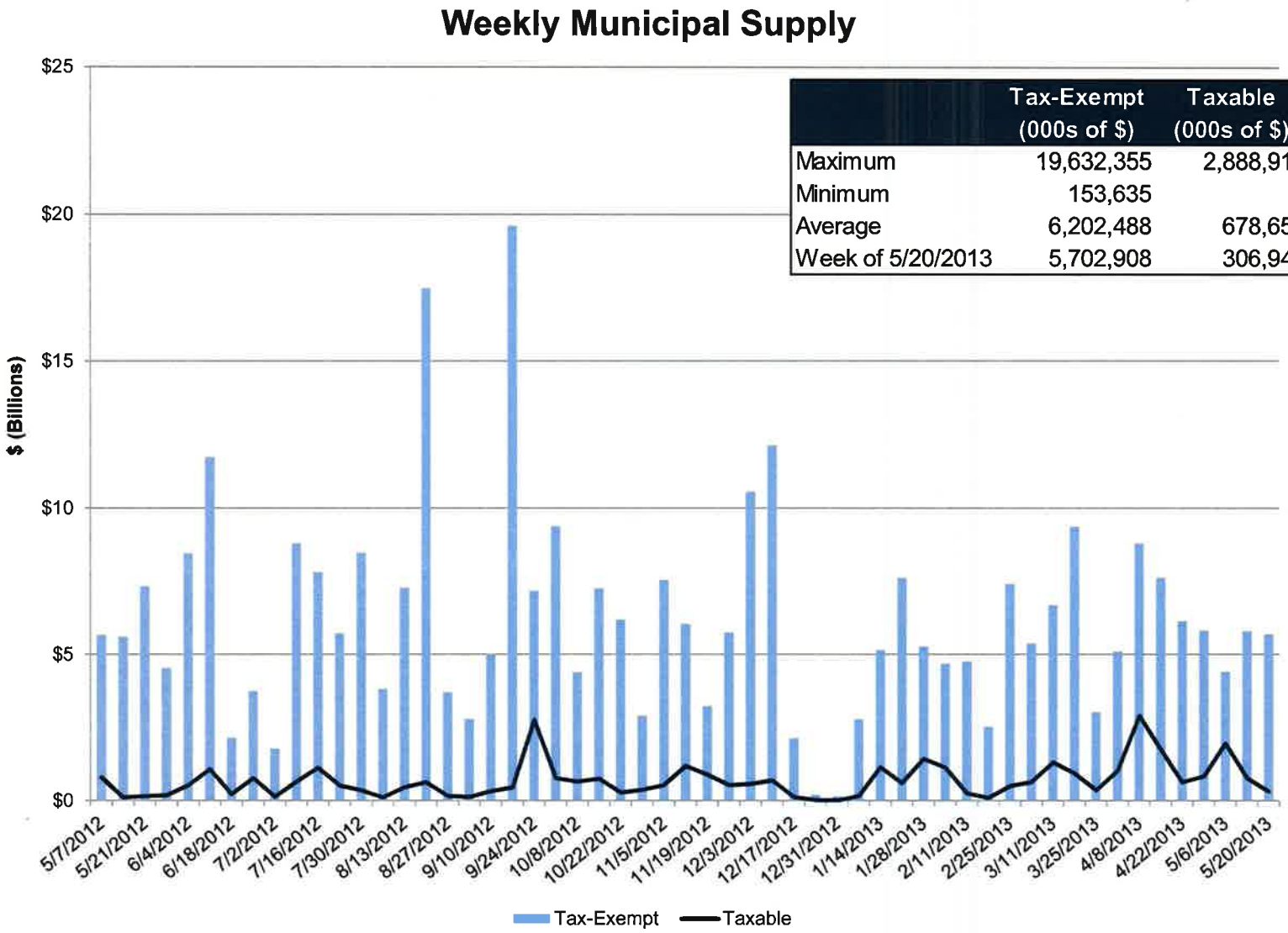
Source: US Department of the Treasury and TM3.

Taxable vs. Tax-Exempt Yield Curves



Note: Rates as of May 23, 2013.

Weekly Municipal Bond Volume



	Tax-Exempt (000s of $)	Taxable (000s of $)	Total
Maximum	19,632,355	2,888,919	20,074,520
Minimum	153,635	0	153,635
Average	6,202,488	678,659	6,881,147
Week of 5/20/2013	5,702,908	306,941	6,009,849

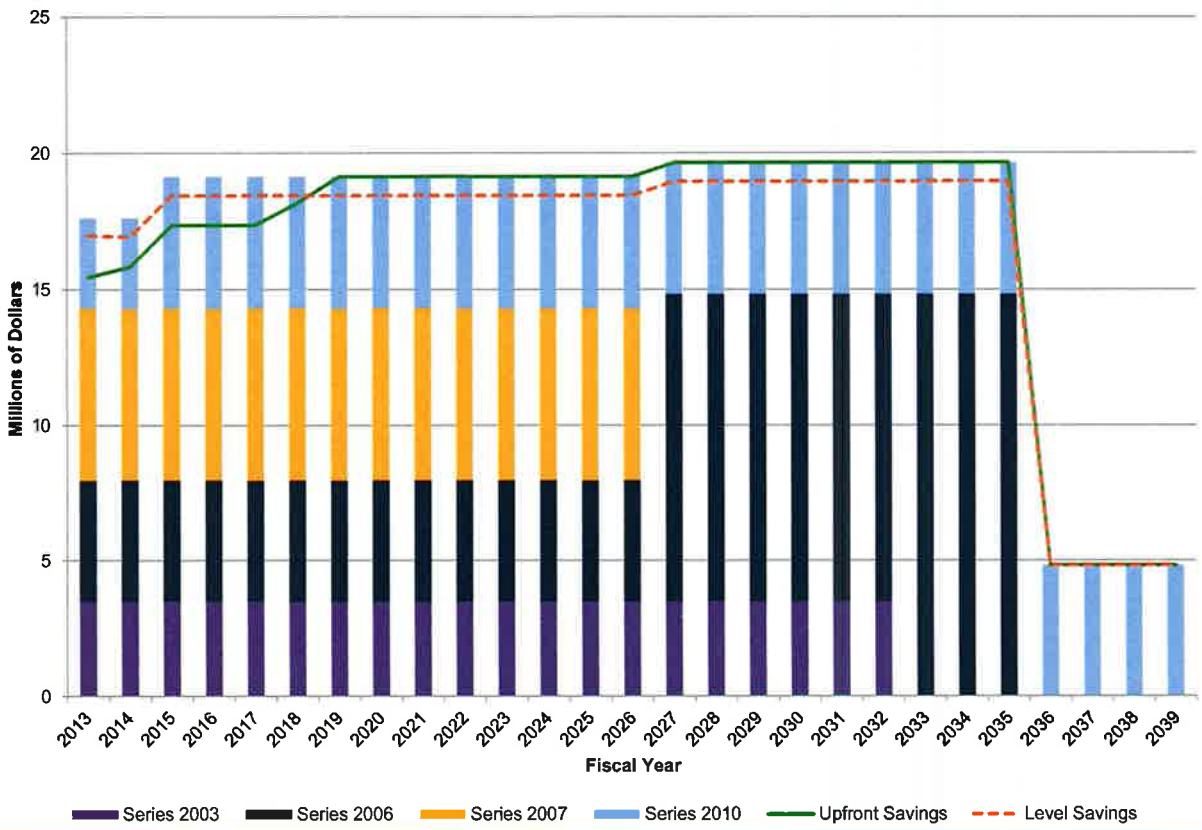
Source: Thomson Municipal Market Monitor, as of 5/24/2013.

Overview of Port Facilities Revenue Bonds

THE PORT OF VIRGINIA

- Secured by net revenues generated by terminal operations
- Rated Aa3/A+/NR by Moody's/Standard & Poor's/Fitch
  - Moody's assigned a negative outlook to the Bonds in May 2009 reflecting concerns regarding global economic conditions, debt service coverage, and liquidity
- $265.7 million principal outstanding as of July 1, 2013

Port Facilities Revenue Bond Debt Service



Series 2013 Refinancing Options

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	Tax-Exempt (AMT) Approach	Taxable Approach
Principal*	$123.6 million	$120.8 million
Purpose	Refund all outstanding callable Series 2003 and Series 2006 Bonds generating positive savings	Refund all outstanding callable Series 2003 and Series 2006 Bonds generating positive savings
Refunded Principal*	$134,205,000	$118,910,000
Tax Status	Tax-Exempt (Subject to AMT)	Taxable
FY14 Cash flow Savings*	$2,180,000	$2,550,000
Cash flow Savings Thereafter*	$1,780,000 (FY15-FY18)	$2,230,000 (FY15) $1,000,000 (FY16)
NPV Savings*	$9.2 million	$5.5 million
NPV Savings as a % of Refunded Par*	6.9%	4.6%
Average Life*	18.0 years	16.9 years
True Interest Cost*	4.19%	4.41%

*Preliminary, subject to change. Market conditions as of May 23, 2013.

Financing Team and Schedule

THE PORT OF VIRGINIA

Participants	
Senior Managing Underwriter:	Morgan Stanley
Co-Senior Managing Underwriter:	Bank of America Merrill Lynch
Co-Managing Underwriters:	Raymond James
	Siebert Brandford Shank & Co.
	Wells Fargo
Underwriter's Counsel:	Christian & Barton LLP
Bond Counsel:	Williams Mullen PC
Financial Advisor:	Public Financial Management, Inc. (PFM)

Preliminary Schedule	
Consideration by VPA Board:	May 2013
Rating Meetings:	June 10th & June 17th
Ratings Expected:	Late June/ Early July
Preliminary Official Statement (POS) distributed:	Early July
Negotiated Pricing:	Mid-July 2013
Settlement:	Late July 2013

Master Equipment Lease Refinancing

THE PORT OF VIRGINIA

	Rate Re-Negotiation
Principal	$29.8 million
Purpose	Refinance 8 equipment leases to achieve savings
Tax Status	Tax-Exempt (Subject to AMT)
FY14 Cash flow Savings*	$164,000
NPV Savings*	$1.2 million
NPV Savings as a % of Refunded Par*	4.0%

*Estimated..

Questions?

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