



Washington D.C.'s Airports Secure Cost-Effective Financing with Insured Bond Issue

Metropolitan Washington Airports Authority Taps Market for \$509 Million



▶ Daniel A. Weinberg
Vice President
212 208 3459
dweinberg@ambac.com

\$509,000,000 Metropolitan Washington Airports Authority Airport System Revenue Bonds

Washington, D.C. is primarily served by two major airports- Ronald Reagan Washington National Airport and Washington Dulles International Airport. The Metropolitan Washington Airports Authority (MWAA), operator of both facilities, began a massive capital construction project in 1988 that has proceeded through the years with numerous improvements and modernization projects. Over the years, MWAA has modified its capital construction program to reflect the current and projected aviation industry. The terrorist attacks of September 11, 2001 brought unprecedented changes to air travel and transport and shifted the focus of the MWAA's capital construction program. As MWAA continues to move forward with needed facilities improvements, it sought to access long-term and cost-effective funding through the bond market.

Ambac supported MWAA's most recent capital construction program financing and worked with MWAA and its financing team to enable them to access the capital markets with traditional fixed-rate debt at prevailing interest rates and also secure such relatively low rates over the next several years by amending forward-starting swaps and insurance commitments. This debt strategy allowed MWAA to optimally structure the financings and ensure a low cost of capital now and in the future.

Ambac's comfort with taking on additional exposure to MWAA comes from the Authority's demonstrated resiliency, having rebounded well from the downturn of the airline industry earlier in the decade and, more recently, the cessation of service by Independence Air. A strong management team and the strength of the air trade area, benefiting from its location in the affluent DC metropolitan region, are key factors supporting the strength of the MWAA credit.

The Series 2007B Bonds are secured by a pledge of net revenues of MWAA and are rated "Aa3", "AA-", and "AA" by Moody's, S&P, and Fitch, respectively. The finance team included P.G. Corbin & Company, Inc. and DEPFA First Albany Securities LLC, financial advisors to MWAA, and Bear, Stearns & Co. Inc., senior managing underwriter of the Series 2007B Bonds.

▶ Financial Peace of Mind.®

This report has been prepared by Ambac Assurance Corporation ("Ambac Assurance"). It is distributed solely to assist issuers and their underwriters and financial advisors in gaining a better understanding of Ambac Assurance's experience as a financial guarantee insurance company. The report was written by personnel of Ambac Assurance based on information available and believed to be accurate and complete as of September 27, 2007, the date on which the obligations described above were issued (the "Issuance Date"), which information was obtained from sources believed to be reliable. However, because of the possibility of human or mechanical error by our sources and the occurrence of subsequent events, Ambac Assurance does not guarantee the accuracy or completeness of this report as of the Issuance Date or its continued accuracy as of any date subsequent thereto. This report is distributed for information purposes only and nothing contained herein should be viewed as investment advice or as constituting a recommendation to buy, hold or sell the obligations described herein. Ambac Assurance has insured the obligations described above and received fees for the issuance of a financial guarantee insurance policy covering such obligations. In addition, Ambac Assurance (or its affiliates) may from time to time provide investment or financial products or other services for, or solicit other business from, or invest in securities of, the issuer of the obligations described in this report. Bear, Stearns & Co. Inc. was the underwriter on this transaction.

© 2007 Ambac Assurance Corporation, One State Street Plaza, New York, New York 10004
All Rights Reserved | 800-221-1854 | www.ambac.com



London
Mexico City
Milan
New York
Sydney
Tokyo