

## MARITIME CONTAINER SECURITIZATION ACHIEVES TOP RATINGS WITH AMBAC FINANCIAL GUARANTEE



Fortunes of the maritime container industry are subject to a range of outside influences, particularly the pace of world trade, the supply/demand balance of containers; shipping industry health; interest rates; global security concerns and the price of steel (used in the manufacture of the containers). GE SeaCo, a joint venture of GE Capital Corporation (GECC) and Sea Container, Ltd., is one of the world's leading maritime container lessors. The company leases maritime container assets to end-users, primarily shipping companies. To help maintain a healthy balance sheet, GE SeaCo created a Master Trust in 2002, enabling the company to improve liquidity through the securitization of its maritime container assets. Following a successful securitization issue in late 2002, GE SeaCo sought to bring an additional transaction to the market in early 2004. Because of the number of credit variables and the complexity of the analysis required, GE SeaCo sought a financial guarantee for the note issue to ensure efficient execution. Ambac Assurance, with extensive experience in the maritime container sector, including a wrap for the first transaction in this Master Trust agreement, was asked to review the deal for a possible guarantee.

Already familiar with the asset owner and asset type, Ambac quickly embarked on a range of in-depth analyses of the assets to be included in the pool and the factors likely to impact the leasing and utilization rates of the selected containers. Good diversification of container types, strong management, the young average age of the equipment and increasing prices for new containers all helped Ambac get comfortable with the deal. In addition, the Ambac team analyzed the corporate credits involved, world trade trends and other variables, including the multitude of credit issues surrounding types of shipping companies leasing the assets.

By working closely with the GE SeaCo financing team and Wachovia Securities, Ambac was able to wrap the notes and help the issuer (GE SeaCo Finance SRL) bring the transaction to the 144A market quickly. The team's efficient execution enabled the \$275 million note issue to carry a benchmark low spread for the industry. Most importantly, Ambac's participation in the deal gave the 10-year notes a triple-A rating, the highest available.

For additional information, please contact:

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