

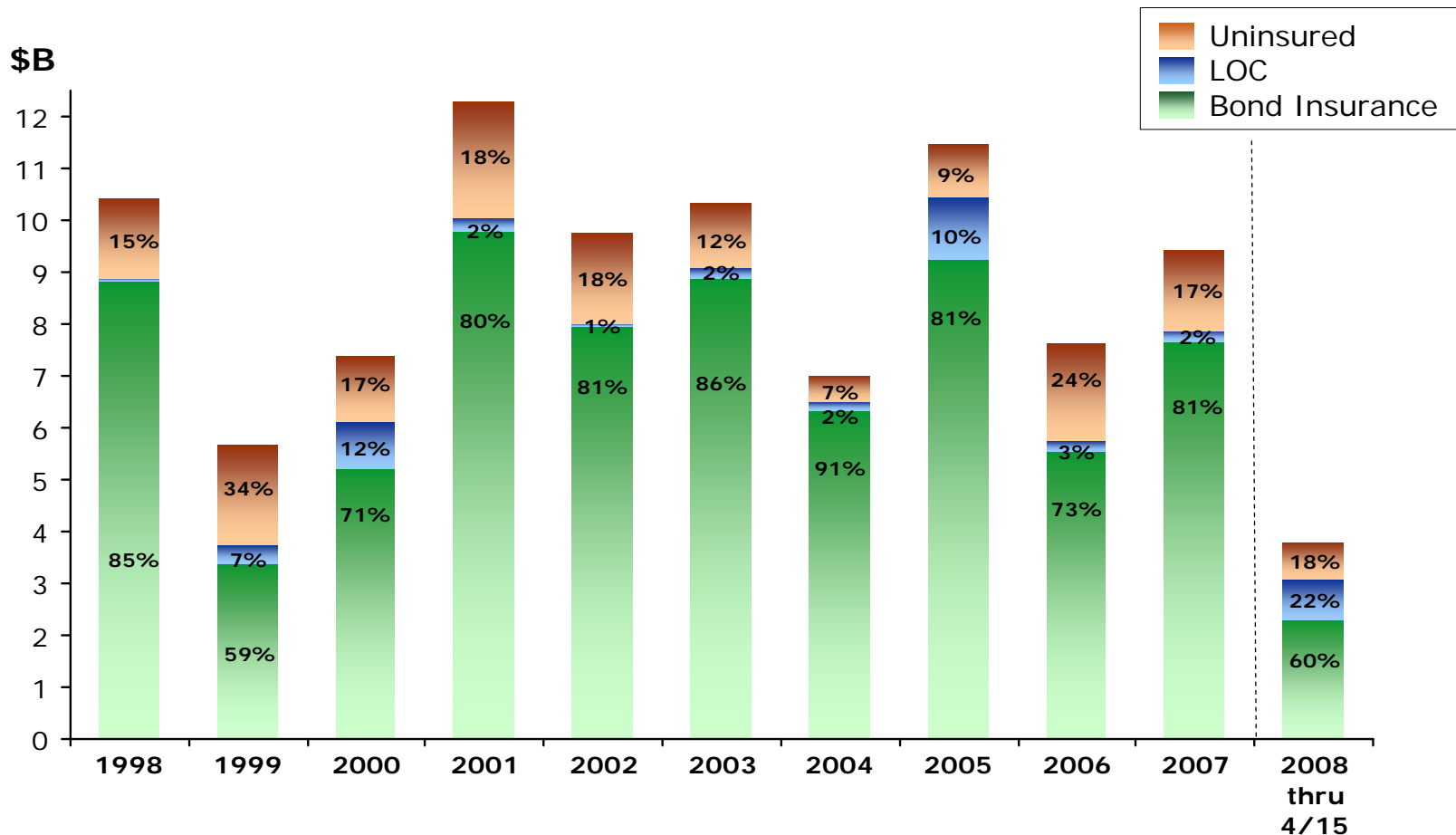
Airport Sector – Current Credit Outlook

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Airport Transactions Are Usually Insured

New Issues 1998-2007



Source: Thomson Financial

- Regional economic data
- Enplanement levels
- Airline mix
- Competing facilities
- Financial performance
- Liquidity levels
- Debt profile
- Airline agreements
- Airport infrastructure
- Hubbing vs O&D
- Destinations served
- Costs per enplanement
- Revenue sources
- Stress scenarios
- Capital programs
- Management

- **Solid legal underpinning for debt**
- **Satisfactory rate covenant**
- **Reasonable additional bonds test – historic & projected**
- **Limitations on variable rate and balloon obligations**

- **Most airports will still qualify for bond insurance**
- **Stringent analysis of traffic and revenues**
- **Heightened focus on floating rate debt (hedged or unhedged), acceleration terms will be reviewed**
- **Rigorous cash flow simulations based on debt structure and traffic mix required**
- **Airports with stronger liquidity ratios are preferred**
- **More detailed review of airline role at facility and in the airline network**
- **Pricing will be tied to available credit spreads**