



Armstrong International Issues \$144.4M in Bonds

FOR IMMEDIATE RELEASE – February 3, 2009, New Orleans – The New Orleans Aviation Board (NOAB) announced today that it had closed its \$144.4 million bond financing for Louis Armstrong New Orleans International Airport. The general airport revenue bonds, which were sold in mid-January, will refund all of NOAB's outstanding bonds. NOAB also terminated several interest rate swaps related to the old bonds in connection with this financing. The new bonds will mature from January 1, 2010 through January 1, 2023 and were sold at rates ranging from 3.50% to 6.04%. The new bonds are structured to reduce annual debt service by approximately \$4 million per year through 2016.

Armstrong International's Director of Aviation Sean Hunter noted that "We are very pleased with the success of this financing, particularly the strong response we received from investors and the rating agencies. I think the market has recognized and rewarded the very strong recovery that the Airport has made from Hurricane Katrina over the past several years."

New Orleans Aviation Board Chairman Dan Packer added "Replacing the old bonds with all new fixed-rate bonds will simplify the Aviation Board's debt structure and provide greater stability regarding the amount of future debt service. This makes planning for the future much easier for the Airport and the airlines which serve it. We are very excited to continue moving forward in a very positive direction."

In connection with this financing, NOAB obtained credit ratings from all three of the nationally-recognized rating agencies which are very comparable to the ratings for various other major airports throughout the country, an indication that the rating agencies feel the Airport has fully recovered from the effects of Hurricane Katrina. Moody's Investors Service and Fitch Ratings rated the bonds A3 and A-, respectively. Neither of those agencies had rated NOAB's general airport revenue bonds previously. Standard & Poor's increased its rating on the bonds to BBB+, which is two levels higher than the BBB- rating they had assigned to NOAB in late 2007 and only slightly below what they had rated NOAB's bonds prior to Hurricane Katrina.

The strong reception for NOAB's financing by both the rating agencies and investors was also due, in part, to NOAB's announcement that it has successfully negotiated a new five-year agreement with the airlines serving the Airport. The agreement will become effective in early 2009 and will assure that NOAB has returned to a fully self-supporting financial operation.

"The Airport's steady progress in terms of passenger growth and financial stability mirror the continuing increases in population and return of visitors to our region. The Airport is key to New Orleans' economic recovery and vitality, so the ratings increases and successful bond sales are good news indeed," stated Mayor C. Ray Nagin.

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