

 **THE PORT OF
LONG BEACH** NEWS RELEASE

COMMUNICATIONS DIVISION * 925 HARBOR PLAZA * P.O. BOX 570 * LONG BEACH CA 90801

**PORT'S CREDIT RATING UPGRADED
Standard & Poor's Hikes Port Rating to 'AA'**

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Standard & Poor's Rating Services has raised the Port of Long Beach's credit rating to "AA" from "AA-minus," citing the Port's "impressive historic and forecast cargo growth along with very strong business and financial position." Two other leading bond rating firms -- Fitch Ratings and Moody's -- also awarded some of their highest ratings to the Port in connection with the issuance of two revenue bonds: its \$239.1 million series 2005A and \$26.5 million series 2005B.

The bonds sale is scheduled for the week of Feb. 10. The proceeds will be used to pay off a series of harbor revenue bonds issued in 1995 at a higher interest rate. Fitch assigned its 'AA' rating to the two new revenue bonds; and Moody's assigned an Aa3 rating. Both Standard & Poor's and Fitch affirmed a "stable" outlook for the Port's \$1.1 billion in outstanding debt.

S&P said its stable outlook reflects the "expectation that financial and operational trends will remain very strong at the port."

Moody's said it assigned its Aa3 rating and upgraded its outlook to "positive" from stable because of the Port's "significant size and strength among the competitive West Coast container ports, healthy financial margins, high levels of liquidity, and both a sizeable local market and key intermodal connections for transport across the United States. The positive outlook reflects the port's ability to not only maintain healthy financial margins despite the loss of its largest tenant in 2002."

Maersk Sealand, which accounted for a quarter of the Port's container cargo volume, left Long Beach in 2002. But with Hanjin moving to Total Terminal International's larger facility at Pier T, and increased business at the Port's other terminals, cargo volume declined slightly in fiscal 2003 and trade jumped 22 percent in fiscal 2004.

The Port of Long Beach is the nation's second busiest seaport. Moody's noted that Long Beach and the neighboring Port of Los Angeles generated more in cargo value than all of the other U.S. ports combined and consequently play a central role in the U.S. transportation system.

Fitch said Long Beach's "additional credit strengths include a solid financial position and proactive management."

Contact: Art Wong, Port of Long Beach Media Relations Manager, (562) 590-4123 or wong@polb.com