

 **THE PORT OF
LONG BEACH** NEWS RELEASE

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LONG BEACH BONDS TOP RATED
Port Issuing \$122.6 million in Refunding Bonds

Feb. 10, 2004

Three leading bond rating firms -- Fitch Ratings, Moody's and Standard & Poor's Rating Services – have awarded some of their highest ratings to the Port of Long Beach for the issuance of two revenue bonds: its \$35.1 million series 2004A and \$87.5 million series 2004B.

The bonds sale is scheduled for the week of Feb. 16 via a syndicate led by Citigroup. The proceeds will be used to pay off a series of harbor revenue bonds issued in 1993 at a higher interest rate. The refunding will save the Port more than \$600,000 a year for the remaining 14-year life of the bonds.

Fitch assigned its 'AA' rating to the two new revenue bonds; Moody's assigned a Aa3 rating; and Standard & Poor's assigned its 'AA-' long-term rating.

Both Fitch and Moody's affirmed a "stable" outlook for the Port's \$1 billion-plus in outstanding debt. Standard & Poor's upgraded its outlook to "positive" from stable because of the "expectation that the Port will continue to maintain strong debt service coverage, as well as the Port's strong revenue growth despite the loss of a top tenant." Maersk Sealand left in 2002.

The Port of Long Beach is the nation's second busiest seaport. Moody's noted that Long Beach's "strategic advantages include a deep harbor, advantageous location for capturing Pacific Rim trade, large local service area, and excellent intermodal transportation links to regional and inland markets. In fact, despite the loss of ... Maersk Sealand...Long Beach nonetheless managed to increase both operating revenues and container flows in 2003. Moody's believes this demonstrates the central role that the Port of Long Beach plays in the U.S. transportation system."

Fitch said Long Beach's "experienced proactive management has positioned the Port well so that it can meet the needs of cargo operators as they continue expanding their operations while the shipping industry further consolidates."

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