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MOODY'S AFFIRMS STRONG BOND RATING FOR PORT OF LOS ANGELES

*Excellent Competitive Position Cited as Factor in the Continued Status
as the Highest Bond-Rated of Any Port in the Nation*



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SAN PEDRO, CA – Moody's Investors Service has affirmed the Port of Los Angeles' bond rating at Aa2 with a stable outlook, the highest bond rating assigned to any U.S. port, affecting \$748 million in outstanding port revenue bonds. The Port's dominant position as the busiest container port in the Americas, a large regional metropolitan service area, manageable debt levels and a diverse revenue stream anchored by long-term contracts with minimum annual guarantees all contribute to Moody's rating.

This affirmation of the Port's Aa2 rating comes one year after Moody's upgraded the rating from Aa3 to the current rating.

"Our management team works very hard to ensure that the Port is not only number one in cargo movement, but also number one in financial stability," stated Bruce E. Seaton, Port Interim Executive Director. "Moody's recognition of the Port's successful operations is very gratifying."

Moody's statement points out, "The Port is at a favorable point in its contract cycle, having (re)negotiated a large number of 25- to 30-year leases in recent years. Healthy profit margins are expected to allow for continued

Port of Los Angeles Bond Rating

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investment in infrastructure and state-of-the-art equipment, both of which are critical to maintaining a competitive position.”

Other factors taken into consideration in the bond rating include moderated cargo volumes, major terminal infrastructure projects, a diverse mix of revenue sources, timely tariff increases and a strong diversity of import and export products limiting volatility in specific areas. Each of these factors contributed to a profitability level with comfortable coverage of debt service with net revenues.

The Port of Los Angeles is America’s premier port. As the leading containerport in the nation and a critical hub in the international supply chain, the Port generates thousands of stable, well paying jobs. It has also placed a high priority on smart growth initiatives combined with high security, environmental stewardship and community outreach. The Port of Los Angeles is a proprietary, self-supporting department of the City of Los Angeles and is not tax-payer supported. The Port of Los Angeles. . .Anchoring a bright future.

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