Comprehensive Annual Financial Report

Year Ended December 31, 2008

Washington Dulles International Airport

Metropolitan Washington Airports Authority

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METROPOLITAN WASHINGTON AIRPORTS AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2008

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1 Appointed December 24, 2008

2 Term Expired November 30, 2008; served until December 24, 2008

Prepared by the Office of Finance

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METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Comprehensive Annual Financial Report

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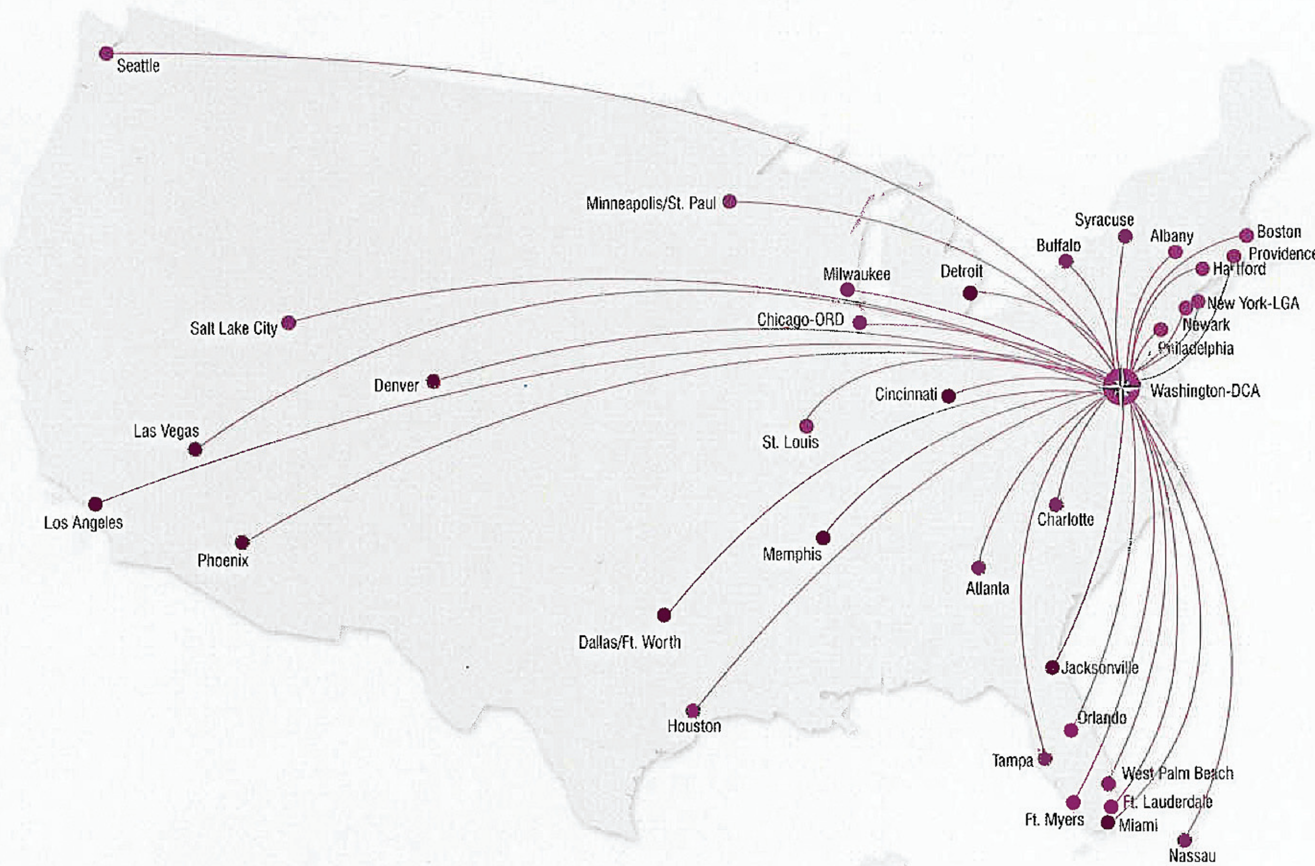

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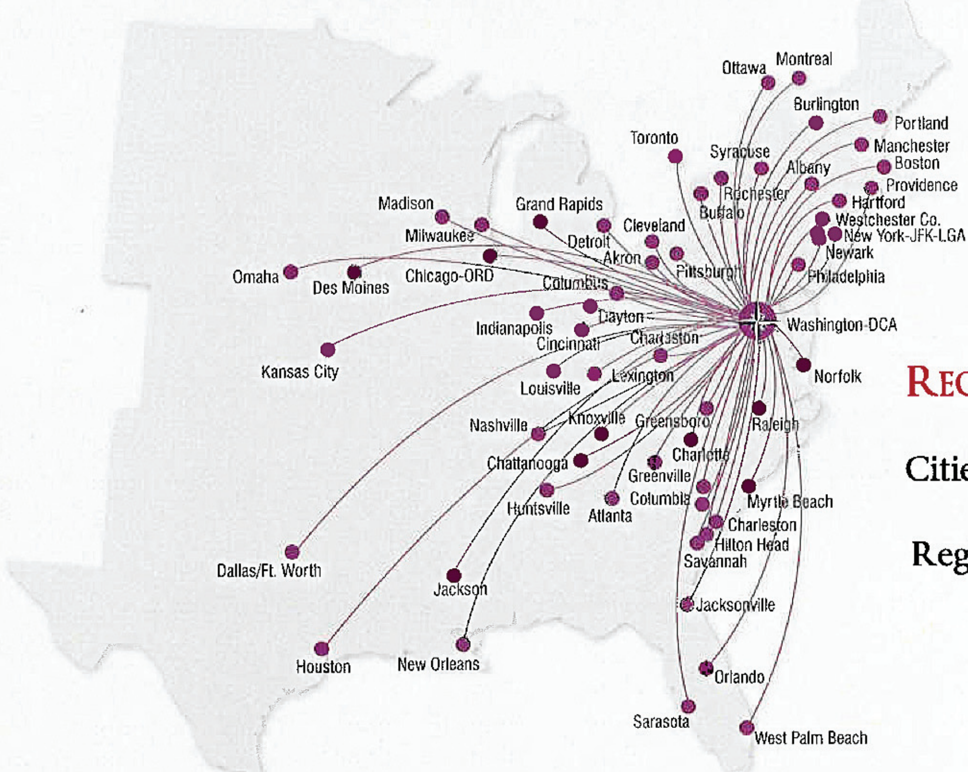
Cities Served Nonstop to/from Reagan National by Regional Jets and Turboprops



Source: OAG, March 25-31, 2009

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

April 20, 2009

To the Board of Directors and
The President and Chief Executive Officer of the
Metropolitan Washington Airports Authority

The Comprehensive Annual Financial Report (CAFR) of the Metropolitan Washington Airports Authority (the Airports Authority) for the year ended December 31, 2008 is submitted herewith. The Office of Finance prepared this report. Responsibility for both the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures, rests with the Airports Authority. To the best of our knowledge and belief, this report fairly presents and fully discloses the Airports Authority's financial position, results of operations, and cash flows in accordance with accounting principles generally accepted in the United States of America. It includes disclosures necessary to enable the reader to gain an understanding of the Airports Authority's financial activities included within the CAFR. The report of the independent auditors on the financial statements is included on page 13.

This report was prepared following the guidelines recommended by the Government Finance Officer's Association of the United States and Canada (GFOA). The GFOA awards Certificates of Achievement to those governments whose annual financial reports are judged to conform substantially with the high standards of public financial reporting, including accounting principles generally accepted in the United States of America, promulgated by the Governmental Accounting Standards Board (GASB).

The management of the Airports Authority is responsible for establishing and maintaining an internal control structure that is designed to ensure that the assets of the Airports Authority are safeguarded. In addition, as a recipient of federal financial assistance, the Airports Authority is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with general and specific laws and regulations related to the Airport Improvement Program (AIP), the Aviation Safety and Capacity Expansion Act and the Federal Transit Administration provisions of the Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users (SAFETEA-LU) for the Dulles Corridor Metrorail Project (Metrorail Project).

The objectives of an internal control structure are to provide management with reasonable assurance that the resources are safeguarded against waste, loss, and misuse, and reliable data are recorded, maintained, and fairly disclosed in reports. The Airports Authority's current internal controls provide a solid base of reliable financial records from which the financial statements are prepared. These accounting controls ensure that accounting data are reliable and available to facilitate the preparation of financial statements on a timely basis. Inherent limitations should be recognized in considering the potential effectiveness of any system of internal control. The concept of reasonable assurance is based on the recognition that the cost of a system of internal control should not exceed the benefits derived and that the evaluation of those factors requires estimates and judgment by management.

The Airports Authority's Office of Audit functions include coordination of the annual financial statements audit performed by external auditors as well as internal audits of internal controls. The Office of Audit conducts internal audits to provide the Airports Authority's management and the Board of Directors (the

Board) with reasonable assurance that, 1) risks are being managed; 2) management and delivery capacity are being maintained; 3) adequate control is being exercised; and, 4) appropriate results are being achieved. The Office of Audit operates under the direction of Valerie Holt, CPA, Vice President for Audit. This position has dual reporting responsibilities to the President and Chief Executive Officer and the Audit Committee of the Board. The Audit Committee of the Board has an important role in the oversight of the financial reporting to ensure the Airports Authority's financial reports are reliable, consistent and of high quality.

As required by the Acts of the District of Columbia and the Commonwealth of Virginia (the Commonwealth), a firm of independent certified public accountants is retained each year to conduct an audit of the financial statements of the Airports Authority in accordance with auditing standards generally accepted in the United States of America and to meet the requirements of the Federal Single Audit Act of 1984 (pursuant to OMB Circular A-133). The Airports Authority selected the firms of PricewaterhouseCoopers LLP and Bert Smith and Company to perform these audit services. The opinion of PricewaterhouseCoopers LLP on the financial statements is presented in the financial section of this report. The Single Audit Report and its opinion from Bert Smith and Company are presented under separate cover. Each year, the firms meet with the Audit Committee of the Board to review the results of the audit.

The Management Discussion and Analysis (MD&A) on page 15 provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this Transmittal Letter and should be read in conjunction with it.

REPORTING ENTITY AND ITS SERVICES

The Airports Authority is a public body politic and corporate, created with the consent of the Congress of the United States by an Act of the District of Columbia and an Act of the Commonwealth for the purpose of operating, maintaining, and improving Ronald Reagan Washington National Airport (Reagan National) and Washington Dulles International Airport (Dulles International), (collectively, the Airports). The Airports had historically been managed by the Federal Aviation Administration (FAA) of the United States Department of Transportation. Pursuant to an agreement and Deed of Lease, effective June 7, 1987, the Airports were transferred by the U. S. Government to the Airports Authority for an initial term of 50 years. On June 17, 2003, the Agreement and the Deed of Lease were extended 30 years to June 6, 2067. The Airports are reported in the Airports Authority Aviation Enterprise Fund. On November 1, 2008, the Virginia Department of Transportation (VDOT) transferred responsibility for the operation and maintenance of the Dulles Toll Road (DTR) to the Airports Authority for an initial term of 50 years. As part of the agreement with the Commonwealth, the Airports Authority will construct the Metrorail Project from the vicinity of West Falls Church to Route 772 in Loudoun County and will make other improvements in the Dulles corridor consistent with VDOT and regional plans. The DTR and the Metrorail Project construction projects operate as a single Business-Type Activity and are reported in the Dulles Corridor Enterprise (DCE) Fund.

The Airports Authority is an independent interstate agency. A 13-member Board presently governs the Airports Authority. Five members are appointed by the Governor of Virginia, three are appointed by the Mayor of the District of Columbia subject to confirmation by the Council of the District of Columbia, two are appointed by the Governor of Maryland, and three are appointed by the President of the United States with the advice and consent of the Senate. Directors serve staggered, six-year overlapping terms without compensation. They establish the Airports Authority's policy and appoint the Chief Executive Officer. The Board annually elects a Chairman, Vice Chairman, and Secretary.

James E. Bennett became the President and Chief Executive Officer of the Airports Authority on May 3, 2003. In this position, Mr. Bennett plans and directs all programs and activities of the Airports Authority, focusing on the future and the development of long-term business strategies. Mr. Bennett was formerly the Executive Vice President and Chief Operating Officer of the Airports Authority.

Margaret McKeough became the Executive Vice President and Chief Operating Officer of the Airports Authority on April 1, 2004. In this position, Ms. McKeough plans and directs the operations of the Airports Authority, including airport management. Ms. McKeough was formerly the Vice President for Business Administration of the Airports Authority.

Aviation Enterprise Fund

The Airports Authority Aviation Enterprise Fund operates a two-airport system that provides domestic and international air service for the mid-Atlantic region. The Aviation Enterprise Fund is self-supporting, using aircraft landing fees, fees from terminal and other rentals, and revenue from concessions to fund operating expenses. The Aviation Enterprise Fund is not taxpayer-funded. The organization consists of 1,368 full and part-time employees in a structure that includes central administration, airports' management and operations, and public safety.

In February 1990, the Airports Authority entered into a long-term agreement with the major airlines serving Reagan National and Dulles International, the Airport Use Agreement and Premises Lease (the Agreement). The Agreement provides the financial stability necessary for the Airports Authority to operate the Airports and access the capital markets to fund the Capital Construction Program (CCP). The Agreement is for a term of 25 years, subject to annual cancellation rights by the Airports Authority starting in 2004. In 2003, the Airports Authority began a review of the Agreement and entered into discussions with the Airlines to determine if changes could be made to improve the operations of the Airports. These discussions continue. The Agreement continues a long history of a close working relationship between the Airlines and the Airports Authority. The Agreement gives the Airlines interest in the positive financial performance of the Airports Authority by sharing in the net remaining revenues (NRR) (see Note L).

Christopher U. Browne became the Vice President and Airport Manager of Dulles International on April 2, 2005. He was the former Vice President and Airport Manager of Reagan National. Dulles International, which opened in 1962, is situated on 11,830 acres in Fairfax and Loudoun Counties, Virginia. Dulles International is 26 miles from downtown Washington, D.C., and is accessible via a 17-mile dedicated dual-laned Access Road and Interstate Route 66. Dulles International is the Airports Authority's international airport, served by 54 domestic and international airlines, providing a full range of domestic services with international service to Europe, Asia, South America, and Africa.

J. Paul Malandrino, Jr. assumed the position of Vice President and Airport Manager of Reagan National on July 24, 2006. Before joining the Airports Authority, he served as the Federal Security Director for the Baltimore-Washington International Thurgood Marshall Airport (BWI) for four years. Prior to that time he served as the Manager of the Operations Department for Dulles International. Reagan National, which opened in 1941, is the oldest commercial airport serving the Washington, D.C. area and is located on 860 acres along the Potomac River in Arlington County, Virginia. Approximately three miles from downtown Washington, D.C., Reagan National is the Airports Authority's principal domestic airport served by 33 airlines.

The Airports Authority's mission to develop the Airports is the driving force behind its continuing aggressive efforts of air service development. While the facility and service enhancement improvements at Reagan National and Dulles International are notable, the Airports Authority's goal to prepare the dual airport system for the world of tomorrow would not be fulfilled without a concentrated effort to attract airline service for new domestic and international destinations.

The Air Trade Area for the Airports Authority is a subset of the Washington-Baltimore Consolidated Metropolitan Statistical Area and is comprised of the District of Columbia, five Maryland counties, nine Virginia counties, six independent Virginia cities, and the West Virginia county of Jefferson. There are over 85 airlines serving the Airports providing 277,298 flights per year at Reagan National and 317,320 domestic flights per year and 42,972 international flights per year at Dulles International.

In addition to passenger traffic, Dulles International provides facilities for cargo transport. There are 542,942 square feet of cargo buildings at Dulles International, leased by twelve airlines and other aviation support companies. The occupancy of the cargo facilities decreased slightly to 94% in 2008, with only 31,653 square feet of vacancy. In 2008, total cargo weight at Dulles International decreased by 6.9% to 333,845 tons of cargo. The cargo facilities at Dulles International are a major economic engine for the Washington Region. There is no significant cargo transportation at Reagan National.

Dulles Corridor Enterprise Fund

The DCE Fund is comprised of the Omer L. Hirst-Adelard L. Brault Expressway, also known as the DTR and the Metrorail Project, a large CCP extending the existing Metrorail system to Dulles International and beyond into Loudoun County. The DCE Fund is self-supporting using the collected tolls to support the road's general operations, finance the road's ongoing capital program and finance the construction of the Metrorail Project.

On November 1, 2008, the VDOT transferred operating and maintenance responsibility of the DTR to the Airports Authority through an operating permit for a period of 50 years. The DTR is an eight lane (4 lanes in each direction) limited access highway 13.4 miles in length. It was built in 1984 by VDOT and until the transfer on November 1, 2008 has been maintained and operated solely by VDOT. It begins just inside the Capital Beltway near Falls Church at the Interstate 66 connector to Washington, D.C. The DTR then travels westward through Fairfax County past Dulles International and terminates at the entrance to the Dulles Greenway, a privately owned toll road. The DTR has 10 exit and entrance ramps with tolls of 75¢ at the main toll plaza west of the Beltway and 50¢ at other exit and entrance locations for 2 axle vehicles. It has 59 collection lanes, 33 toll booths and eight E-ZPass dedicated only lanes. All tollbooths are equipped with Smart Tag (Virginia) and E-ZPass (Virginia to Maine) electronic toll collection systems.

The DTR processed an average of 9.2 million toll transactions per month in 2008. This is a decrease from 2007 of 40.5 thousand transactions per month or a 0.4% drop in transactions for the year.

Capital Construction Program

Aviation Enterprise Fund

The Aviation Enterprise Fund initiated its CCP in 1988 to expand, modernize and maintain the Airports. Under the CCP, the Airports Authority has constructed and will continue to construct many of the principal elements of the Reagan National and Dulles International Master Plans. Major projects completed under the Master plan at Reagan National include, among others, two new main terminals connected to a metrorail station, three parking garages and an airport traffic control tower. Major capital projects completed under the CCP at Dulles International include, among others, expansion and rehabilitation of the Main Terminal, construction of Concourse A and B, the International Arrivals Building (IAB), runway and road improvements, daily parking garages 1 and 2, the air traffic control tower and the addition of a fourth runway.

In 2000, the Airports Authority approved an expansion of the CCP for Dulles International referred to as the Washington Dulles Development (d^2) program that was expected to be completed in 2006. In the aftermath of the events of September 11, 2001 the Airports Authority reexamined the CCP and revised the expected completion date to 2011, delayed the start dates of several projects and deferred others. However, on account of the growth in passenger enplanements at Dulles International in recent years, an additional $2.1 billion of projects were added to the CCP in 2006 and the program had been rescheduled to be completed in 2016. At that time, the CCP was expected to cost $7.1 billion.

Due to a number of factors, including the current economic conditions and the unprecedented increases in the cost of aviation fuel and their impact on the financial conditions of the airlines, in September 2008, the Airports Authority revised the scope, timing and size of certain 2001-2016 CCP projects, including deferring the construction of the Tier 2 Concourse and related facilities, the construction of the consolidated rental car facility and the expansion of the south utility service complex, resulting in a $2.3 billion reduction in the cost of the 2001-2016 CCP. The Airport Authority currently estimates the cost of the 2008-2016 CCP to be approximately $4.8 billion (in inflated dollars).

The projects currently in the program at Dulles International include the AeroTrain (formerly known as the Automated People Mover (APM) System) to replace the existing mobile lounges which will move passengers between the Main Terminal and Concourses A, B and C, completion of the construction of the IAB expansion, site preparation for the fifth runway, preservation of the historic air traffic control tower in the Main Terminal, concourse modifications to support the Airbus A380 aircraft and Main Terminal restroom upgrades. At Reagan National, projects include a consolidated communications center, runway and taxiway area improvements, replacement of the parking revenue control system, additional decks on Garages A, B and C, and Terminal B/C restroom upgrades.

Dulles Corridor Enterprise Fund

With the transfer of the DTR from the VDOT, the Airports Authority committed to constructing the Metrorail Project. This is a 23 mile extension of the existing Metrorail system from the East Falls Church station to Dulles International west to Ashburn in Loudoun County, Virginia. The project will be operated by the Washington Metropolitan Area Transit Authority (WMATA) and serve Tyson's Corner, the Reston Herndon area and provide a one-seat ride from Dulles International to downtown Washington, D.C.

Phase 1 of the Metrorail Project will extend 11.7 miles from near East Falls Church station to Wiehle Avenue in Reston. It includes 5 new stations and improvements to the existing WMATA Service and Inspection Yard at the West Falls Church station. Construction began in March 2009 with full revenue operations to begin in December 2013. Utility relocation activities began in spring 2008. The total project cost is estimated to be $2.8 billion.

Phase 2 of the Metrorail Project will extend the metrorail system 11.3 miles from Wiehle Avenue in Reston to Dulles International and into Loudoun County. Preliminary engineering for Phase 2 has been completed to approximately the 65% level and is expected to resume in 2009. Phase 2 construction is scheduled to begin in 2010 and be completed in 2015.

The Airports Authority expects to fund the cost of Phase One of the Metrorail Project with a combination of toll road revenue bonds secured by a pledge of DTR revenues, state and federal grants and contributions from local jurisdictions. The Airports Authority executed a Full Funding Grant Agreement with the Federal Transit Administration (FTA) for $900.0 million on March 10, 2009. The Airports Authority has also executed a design-build contract with Dulles Transit Partners LLC for construction of Phase One of the Metrorail Project and issued a notice to proceed with construction on March 11, 2009.

The Airports Authority's Internet Web Page

The Airports Authority has an Internet web site offering a wide array of information to users, including financial information and operational statistics. Users can obtain direct access to the Airlines serving the Airports, and flight arrival and departure information. The Airports Authority's CAFR, Budget, Master Indenture, Debt Service Review, airline rates and charges and aviation statistics are posted on the web site. Since September 11, 2001, the Airports Authority has posted monthly unaudited financial statements to include discussion of results, and other information for the Airports Authority's bondholders and other interested parties. The financial information for the Airports Authority is available on their website at the following address: **http://www.mwaa.com/about_the_authority/financial**.

The Aviation Enterprise Fund Budget

The Aviation Enterprise Fund annual budget is a financial planning tool outlining the estimated revenues and expenses for the Airports at certain passenger levels. The Budget is not prepared according to generally accepted accounting principles (GAAP). The President and Chief Executive Officer submits the Airports Authority's annual budget to the Board for approval. Budgetary controls and evaluations are affected by comparing actual interim and annual results with the budget, noting the actual level of passenger activities. The Airports Authority conducts quarterly reviews to ensure compliance with the provisions of the annual operating budget approved by the Board. In keeping with the requirements of a proprietary fund, budgetary comparisons have not been included in the financial section of this report.

Operating revenues reached 96.3% of budget expectations in 2008, while in 2007, operating revenues, reached 95.2% of budget expectations. Operating expenses reached 91.5% of budget authorization in 2008, while in 2007; expenses reached 94.6% of budget authorization. The Airports Authority's 2008 budget reflected a 3.4% increase in revenues and a 5.2% increase in expenses.

	Budget	Actual[1]	As a Percentage of Budget
2008 Revenues	$499,640,000	$481,394,629	96.3%
2008 Expenses	$281,389,100	$257,435,300	91.5%
2007 Revenues	$483,010,000	$459,777,849	95.2%
2007 Expenses	$267,599,300	$253,027,045	94.6%

[1] As defined in The Airport Use Agreement and Premises Lease, revenues do not include transfers and expenses include debt service but exclude depreciation.

The Dulles Corridor Enterprise Fund Budget

The 2008 Budget for the DCE Fund was adopted in anticipation that the transfer of responsibility for the operation and maintenance of the DTR might occur in early 2008. Accordingly, a full year's budget for operation and maintenance costs was approved. The actual date of the transfer of the DTR, however, did not occur until November 1, 2008, resulting in only two months of actual operation and maintenance costs. The actual costs closely approximated a pro-rata share of the approved budget.

AIRPORTS AUTHORITY'S ECONOMIC CONDITION

In 2008, the U.S. economy experienced uncertainty and instability beginning with the banking crisis and spreading to the major industrial sectors including aviation. This has translated into a severe dislocation of the world credit market. The recently approved American Recovery and Reinvestment Act will hopefully provide some stability but the actual impact to the U.S. economy and specifically the Washington, D.C. region is still relatively unknown.

Like other areas around the country, the Washington, D.C. region is facing tougher times. As home to the federal government and the fourth largest economy in the nation, the area, however, is somewhat insulated from national downturns. In reaction to the economic turmoil, the Airports Authority took measures in mid-2008 to safeguard itself. In response to a realized decrease in air traffic, the Airports Authority scaled back its budgeted expenditures in mid-2008, coming in at 91.9% of budgeted expenditures at the end of the year.

Reagan National had total passenger traffic in 2008 of 18.0 million people. This is a decline from 2007 by 651,100 total passengers or a decrease of 3.5% decrease. The drop, however, was less than the U.S. industry average decrease of 4.7%. Total aircraft operations, either a take-off or a landing, at the airport actually increased from 275,400 operations in 2007 to 277,300 in 2008, which was an increase of 0.7%.

Dulles International also experienced a decline in passenger traffic dropping 860,700 passengers to 23.9 million for 2008. As with Reagan National, this was a 3.5% decrease for the year but was lower than the U.S. industry average decrease of 4.7%. International passenger traffic at Dulles International increased in 2008 by 292,300 passengers or 4.9%, far exceeding the North America industry average international rate decrease of 2.6%. Total aircraft operations at Dulles International declined 5.9% in 2008 to 360,300 operations from 382,900 operations in 2007.

The DTR's activity for the final two months of 2008 was 17.4 million toll road transactions in mainline or ramp toll plaza. This is 239,000 transactions lower than November and December of 2007. On an annual basis, the DTR processed 110.9 million transactions in 2008 dropping 486,700 transactions from 2007. The DTR activity was only in the Airports Authority's total Business-Type Activities since November 1, 2008.

The Greater Washington area is home to the Nation's capital and more importantly the federal government and the activity it generates. This activity provides a solid foundation for the area's economy and provides economic stimulus and stability to the metropolitan area in both up cycles and down cycles. Statistics from the 2001 recession show that when the national economy lost 1.8 million jobs from 2001 – 2003 the Greater Washington region added 66,000 jobs. The national jobless rate peaked in 2003 at 6.0% while the Greater Washington area peaked at a low rate of 3.0%.

The Greater Washington area continues to be the fourth largest regional economy. Although once dominated by the federal government, which employed over 30% of the workforce, the region has diversified itself and the federal government's share of workforce has dropped to 11%. The area now includes diverse industries such as BP Solar, one of the largest solar-energy companies in the world and Volkswagen of America which moved its headquarters to the region in 2007. A large high-tech corridor stretches along the DTR to Dulles International and is one of the largest employers of technology workers.

The capital region's economy is looking forward to a "green" economy. The Greater Washington region leads all other metro areas in "green" building and is also the leader in construction of "green" schools and higher education facilities. More hybrid cars have been purchased in the region per capita than Boston, Chicago or New York. The Environmental Protection Agency, the Nature Conservancy and National Geographic are all home in the region. Twenty percent of the area's residents take public transit, work from home or bike or walk to the office making the Greater Washington area rank second in non-driving commuting as compared to major U.S. metro areas. The Metrorail Project, when completed, will complement this.

The region's resilience is strengthened by the federal government's purchase of goods and services from area businesses. Purchasing from the area companies amounted to $58.6 billion in 2007, up $28.1 billion from 2000. A significant portion of these purchases are in technology-intensive services.

Population in the Metropolitan Washington area has consistently outpaced population growth in the United States. Over the last 12 years, the population grew at an annual compounded rate of 1.5% compared to 1.0% for the United States. Within the region, the largest concentration of population is in the combined jurisdictions of Fairfax County, the cities of Fairfax and Falls Church, Virginia (19.7%); Montgomery County, Maryland (17.6%); Prince George's County, Maryland (15.7%); and the District of Columbia (11.2%).

Average Annual Unemployment Rate

Year	Air Trade Area	United States	Year	Air Trade Area	United States
1999	2.6%	4.2%	2004	3.6%	5.5%
2000	2.7%	4.0%	2005	3.4%	5.1%
2001	3.4%	4.7%	2006	3.1%	4.6%
2002	4.0%	5.8%	2007	3.0%	4.6%
2003	3.8%	6.0%			

Source: United States Department of Labor Bureau of Labor Statistics.

Long-Term Financial Planning

Aviation Enterprise Fund

The Airports Authority's long term financial planning includes the completion of certain approved capital expenditures, the accumulation of sufficient resources required to service the debt issued to finance these expenditures and to operate and maintain the Airports. Under terms of the Agreement, fees and charges paid by the Airlines are used along with other income from the Airports to service the debt issued to finance the construction program. The Airlines pay operating and maintenance expenses, and debt service coverage equal to 125.0% of debt service (by airline cost center).

The Airports Authority's CCP is planned to be $4.8 billion in years 2008-2016 with $2.6 billion currently unscheduled. It is anticipated that the major portion of the facilities development will be financed with the proceeds of bonds issued under the Master Indenture. For the scheduled program the Airports Authority expects to issue a total of $1.1 billion in bonds during this time frame. The Airports Authority also expects to use approximately $368.0 million of Passenger Facility Charge (PFC) revenues, $293.0 million of federal and state grants, and the Airports Authority's portion of NRR to finance a portion of these costs. Because of constraints at Reagan National, much of the future growth in aviation activity for the Washington Metropolitan area will occur at Dulles International.

In 2009, airline activity at both Airports is expected to decrease as compared to 2008. Enplanements at Reagan National are projected to decrease 3.3%. Dulles International domestic enplanements are projected to decrease 7.1%. Dulles International's international enplanements are projected to grow 2.1% based on new and expanded international service. The combined enplanements for Dulles International are projected to decrease in 2009 by 4.7%.

Since 1988, the Airports Authority has participated in the AIP, the federal government's airport grant program. The AIP provides funding for airport development, airport planning and noise compatibility programs from the Airport and Airway Trust Fund. The AIP also provides both entitlement and discretionary grants for eligible projects. The Airports Authority also receives grants from the Commonwealth.

In 1990, Congress approved the Aviation Safety and Capacity Expansion Act, which authorized domestic airports to impose a PFC on enplaning passengers. In May 1991, the FAA issued the regulations for the use and reporting of PFC's. PFC's may be used for airport projects which meet at least one of the following criteria: preserve or enhance safety, security, or capacity of the national air transportation system; reduce noise or mitigate noise impacts resulting from an airport; or furnish opportunities for enhanced competition between or among carriers.

The Airports Authority applied for, and was granted, permission to begin collecting a $3.00 PFC effective November 1993 at Reagan National and January 1994 at Dulles International. The Airports Authority applied for, and received in February 2001, the approval to increase the PFC collection from $3.00 to $4.50, effective May 2001. In accordance with the regulations, based on the approval date from the FAA and continuing through the PFC collection period, the Airports Authority's share of AIP entitlement grants was reduced by 75.0%.

The Airports Authority has submitted and gained approval of four series of PFC applications, with amendments, covering both Airports in the amount of $1.5 billion. In March 2007, the Airports Authority filed a fifth PFC application for approximately $125.0 million. This application would allow the PFC's collected at Reagan National to provide funds for the expansion of the IAB at Dulles International. On February 9, 2009, the Airports Authority also submitted a request for approval of an Amendment to Application No. 05-05-C-01-IAD, which was originally approved August 15, 2005 and subsequently approved on March 6, 2009. The Airports Authority is proposing a restructuring of the PFC Financing Plan to include $87.7 million from the Pay-As-You-Go program, $1.4 billion in new Bond Capital, and $603.0 million in financing and interest cost. Additionally, $821.3 million of the interest cost will be paid by the Airlines through airline rates and charges. All other funding remains the same. In 2009, the Airports Authority expects to collect a total of $82.1 million in PFC's.

Dulles Corridor Enterprise Fund

The DCE Fund's long term planning includes the completion of Phase 1 and Phase 2 of the Metrorail Project and certain approved capital expenditures on the DTR. The Airports Authority anticipates that the funding for the capital expenditures on the DTR and Phase 1 of the Metrorail Project will include fees and charges collected on the DTR, the issuance of $1.1 billion in DTR bonds, $900 million in Federal Transit Administration (FTA) funding and $651.7 million in state and local grants.

OTHER INFORMATION

Recognition of Awards and Achievement

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the Airports Authority for its CAFR for the fiscal year ended December 31, 2007. This was the nineteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

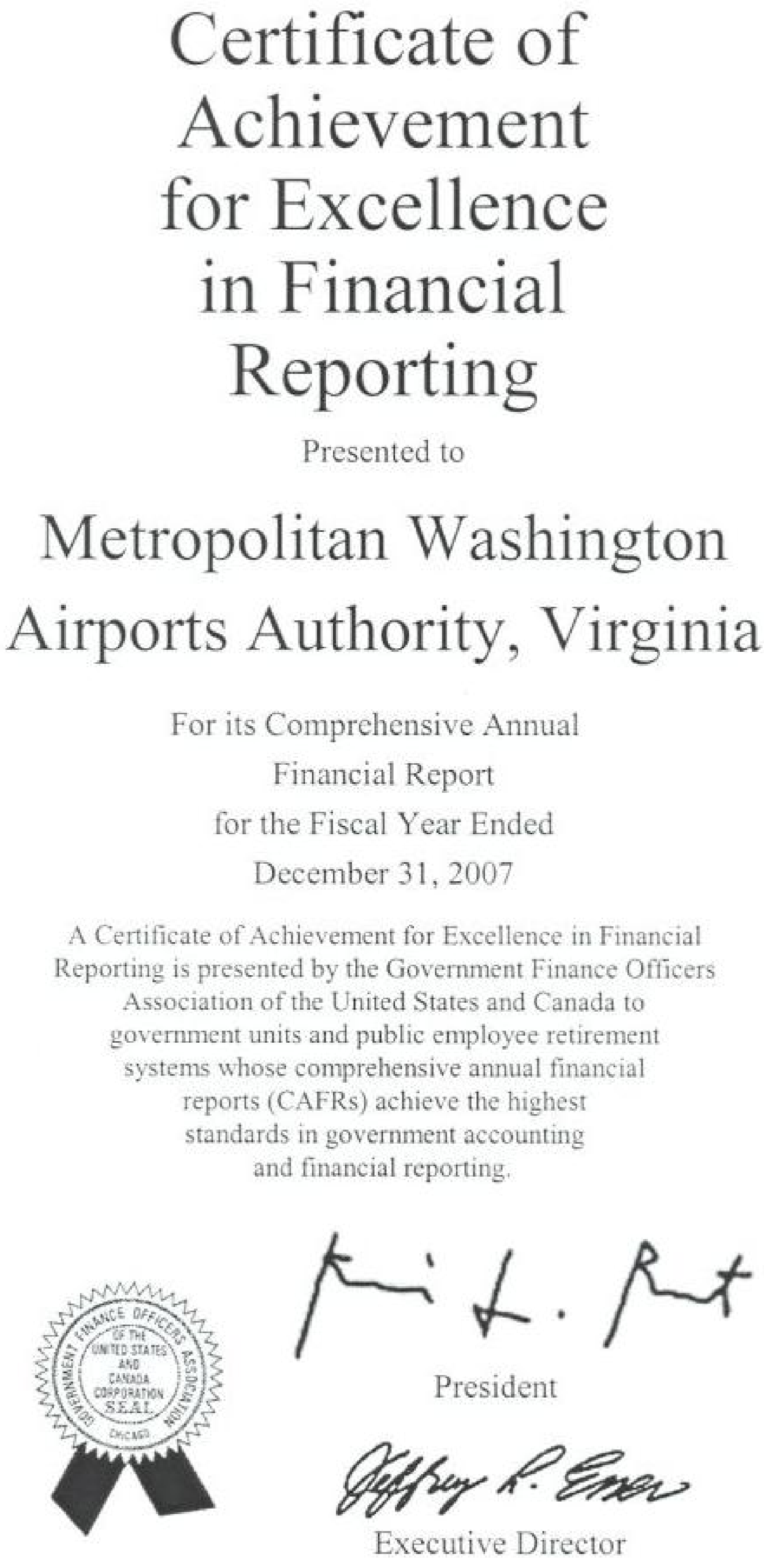
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Airports Authority has also received the GFOA's Award for Distinguished Budget Presentation for many years since 1991 and the GFOA's Popular Annual Financial Reporting (PAFR) Award for the last two years.

Acknowledgments

In closing, I would like to thank the President and Chief Executive Officer and the Board for their leadership and support in planning and conducting the financial operations of the Airports Authority. Special thanks are directed to Anne M. Field, the former Controller for the Airports Authority, and to Mark Tune and William Bailey, acting co-Controllers, for the preparation of the CAFR. Additional staff that deserve recognition for their efforts in completing the CAFR are Andrew Rountree, Nicole Andrew, Teri Arnold, Nancy Edwards, David Tucker, Paula Simms, Kris Wenneson, Susan Abeles and Diane Lary as well as all personnel within the Office of Finance.

Lynn Hampton, CPA
Vice President and Chief Financial Officer



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Metropolitan Washington Airports Authority, Virginia

For its Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

President

Executive Director

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Metropolitan Washington Airports Authority for its comprehensive annual financial report for the year ended December 31, 2007.

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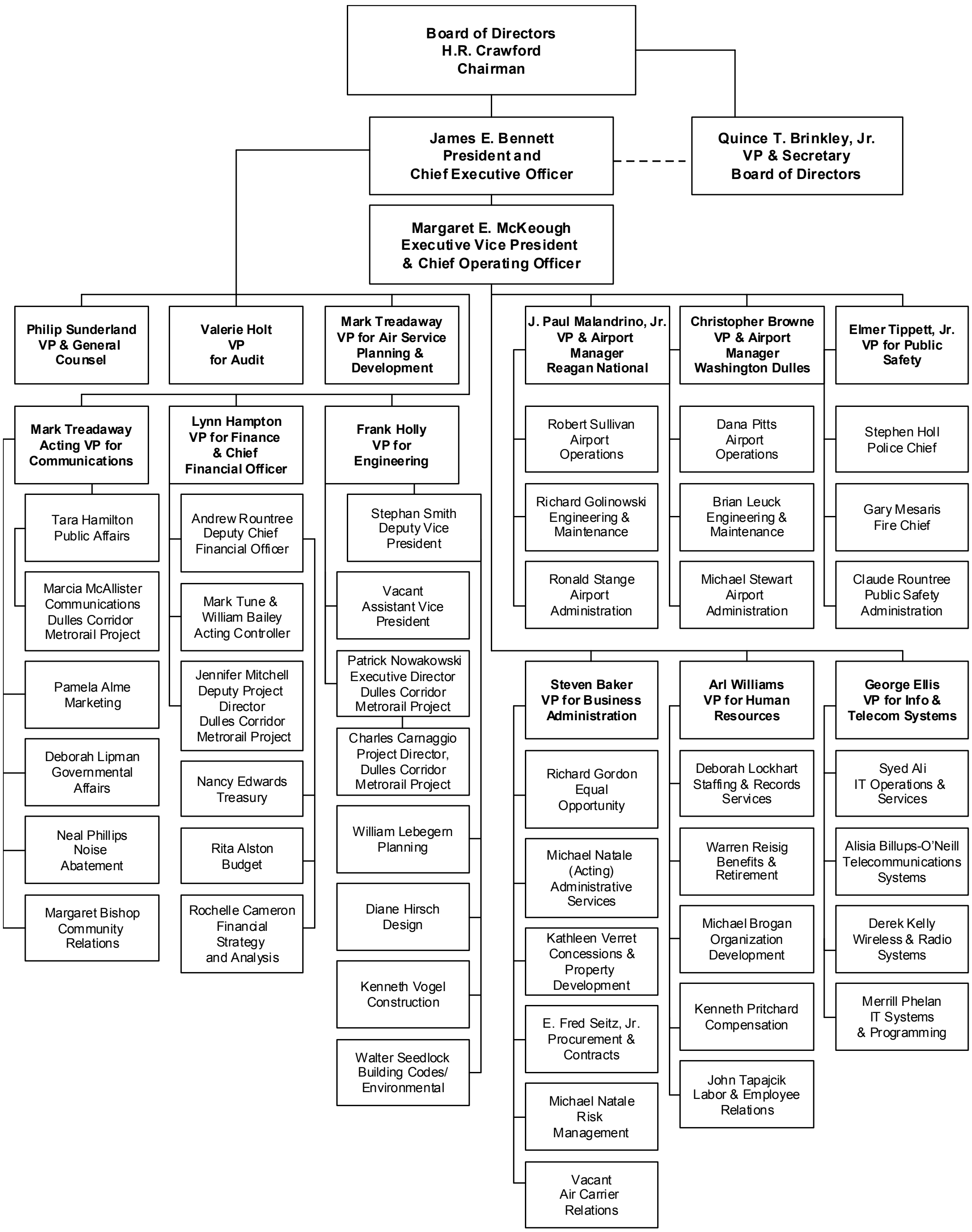
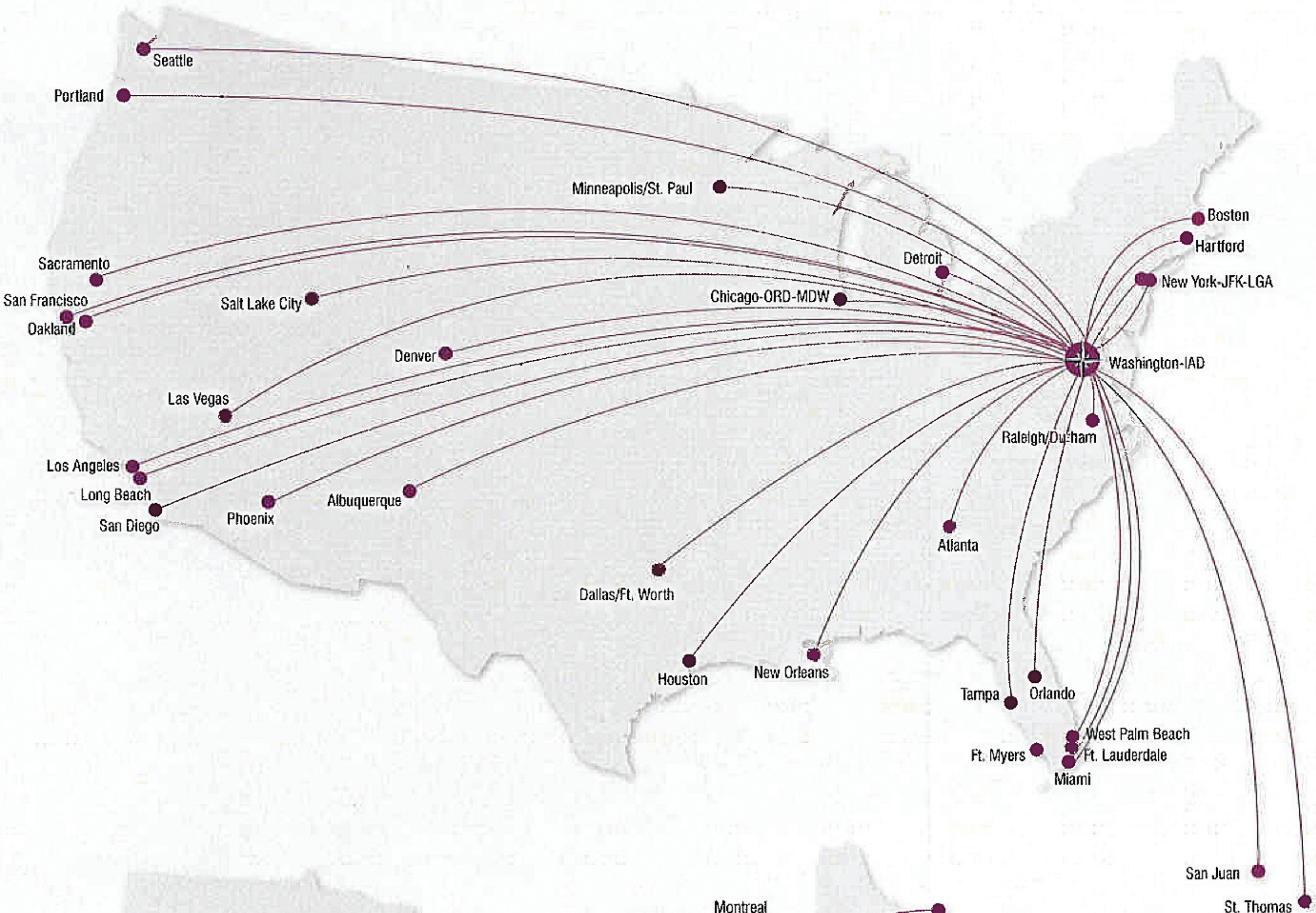
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

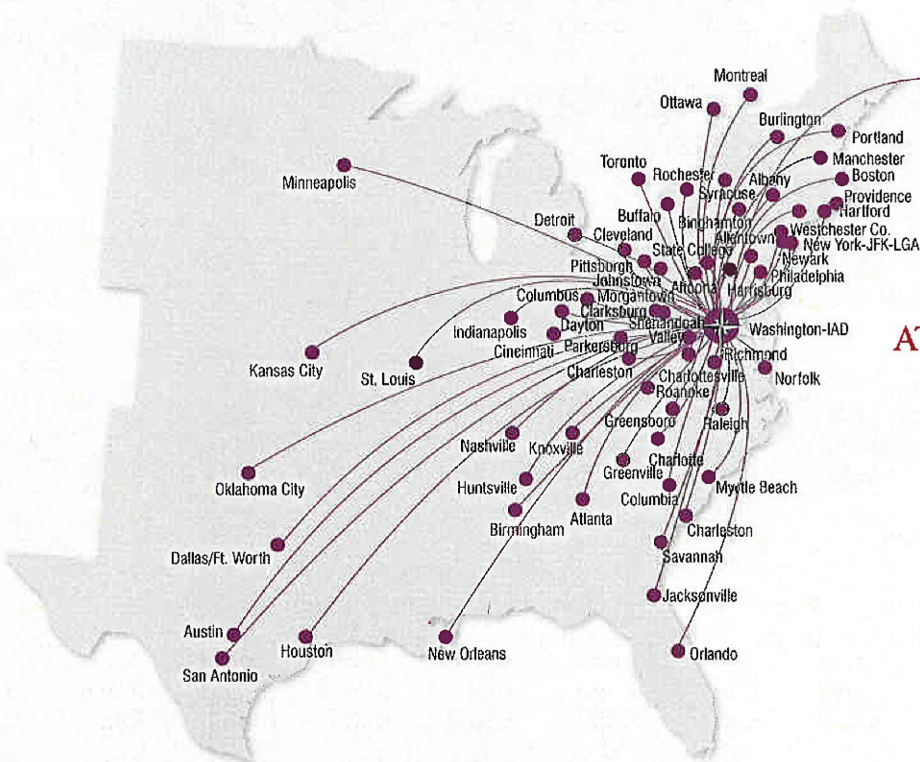
Metropolitan Washington Airports Authority
Organization Chart



North American Jet Air Service at Dulles International

North American Cities Served Nonstop by Large Jets to/from Dulles International





North American Regional Air Service at Dulles International

North American Cities Served Nonstop by Regional Jets and Turboprops to/from Dulles International

Source: OAG, March 25-31, 2009

Metropolitan Washington Airports Authority

PRICEWATERHOUSECOOPERS

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Report of Independent Auditors

To the Board of Directors
of the Metropolitan Washington Airports Authority:

In our opinion, the financial statements of the business-type activities and each major fund of the Metropolitan Washington Airports Authority (the "Airports Authority"), which collectively comprise the Airports Authority's basic financial statements as listed in the table of contents, present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Airports Authority as of December 31, 2008 and December 31, 2007, and the respective changes in financial position and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Airports Authority's management. Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Notes D and G to the basic financial statements, in 2008 the Airports Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* and GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*.

The Management's Discussion and Analysis (MD&A) on pages 15 through 35 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Airports Authority's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we express no opinion on it.

PricewaterhouseCoopers LLP

April 20, 2009

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MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

INTRODUCTION

The following discussion and analysis of the financial performance and activity of the Metropolitan Washington Airports Authority (the Airports Authority) is to provide an introduction and understanding of the basic financial statements of the Airports Authority for the year ended December 31, 2008 with selected comparative information for the years ended December 31, 2007 and December 31, 2006. This discussion has been prepared by management, is unaudited and should be read in conjunction with the financial statements, and the notes thereto, which follow this section.

Using the Financial Statements

The Airports Authority's financial report includes three financial statements: the Statements of Net Assets; the Statements of Revenues, Expenses and Changes in Net Assets; and the Statements of Cash Flows. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by Governmental Accounting Standards Board (GASB) principles. In 2008, the Airports Authority implemented GASB Statement No. 49*, Accounting and Financial Reporting for Pollution Remediation Obligations* (GASB 49) and GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB 53). No prior year restatements were required in the year of implementation for either Statement, however, the Airports Authority expensed $1.9 million of expenditures previously capitalized as construction in progress in relation to GASB 49.

The financial statements presentation, beginning with year ended December 31, 2008, will include for the first time two Enterprise Funds. The Aviation Enterprise Fund encompasses the two Airports, Ronald Reagan Washington National Airport (Reagan National) and Washington Dulles International Airport (Dulles International), collectively, the Airports. The Dulles Corridor Enterprise Fund (DCE), which commenced November 1, 2008, encompasses the Dulles Toll Road (DTR) and the Dulles Corridor Metrorail Project (Metrorail Project).

The Statements of Net Assets depict the Airports Authority's financial position as of a point in time, December 31, and include all assets and liabilities of the Airports Authority. The Statements of Net Assets demonstrate that the Airports Authority's assets equal liabilities plus net assets. Net assets represent the residual interest in the Airports Authority's assets after liabilities are deducted. Net assets are displayed in three components: invested in capital assets, net of related debt, restricted and unrestricted.

The Statements of Revenues, Expenses and Changes in Net Assets report total operating revenues, operating expenses, non-operating revenues and expenses, and other changes in net assets as of the end of a fiscal period, normally the year ended December 31. Revenues and expenses are categorized as either operating or non-operating based upon management's policy as established in accordance with definitions set forth by GASB. Significant recurring sources of the Airports Authority's revenues, including Passenger Facility Charges (PFC's), investment income and federal, state and local grants are reported as non-operating revenues. The Airports Authority's interest expense is reported as non-operating expense.

The Statements of Cash Flows present information showing how the Airports Authority's cash and cash equivalents position changed during the fiscal year. The Statements of Cash Flows classify cash receipts and cash payments resulting from operating activities, capital and related financing activities, and investing activities.

The Airports Authority's Activity Highlights

Aviation Enterprise Fund

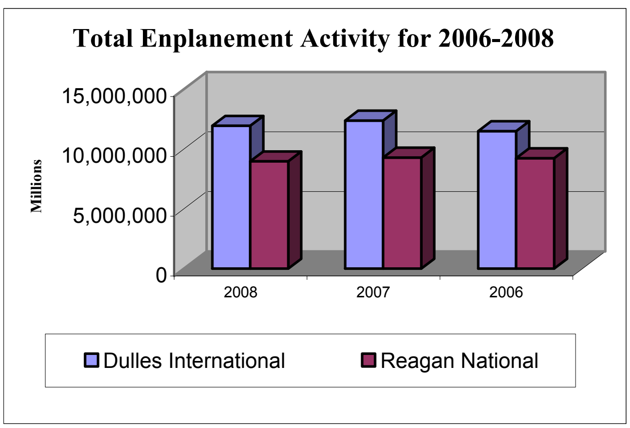
The Airports Authority has activity-based revenues which include non-airline fees such as parking and rental car and airline based fees such as landing fees, international arrival fees and passenger conveyance fees. There have been many factors and events that have negatively affected the air transportation industry in the past year such as the general economic downturn in the latter part of 2008 and the resulting contraction in the economy. In response to this, the Airports Authority has continued its effort to diversify its revenues, increase the carriers using its airports and adhere to the principles of fiscal restraint. After two years of reduced enplanement activity beginning in 2001, the monthly activity levels at Reagan National and Dulles International began rebounding by year-end 2003. In 2008, the U.S. economy experienced uncertainty and instability beginning with the banking crisis and spreading to the major industrial sectors including aviation. This has translated into a severe dislocation of the world credit market and a contraction in the economy with a resulting decrease in air travel. The recently approved American Recovery and Reinvestment Act will hopefully provide some stability but the actual impact to the U.S. economy and specifically the Washington D.C. region is still relatively unknown.

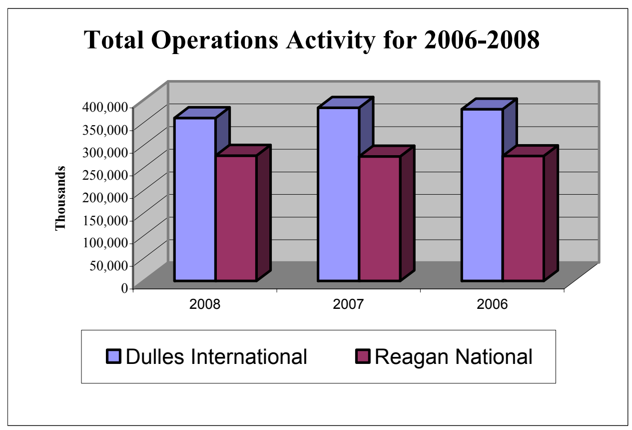
In 2007, Reagan National experienced record passenger levels and reported record high revenues from other sources such as concessions. Enplanements at Reagan National for the 12 months of 2008 were 9.0 million, compared to 9.3 million for the year 2007, resulting in a decrease of 3.4%. General Aviation operations in 2008 were 4,914; a decrease of 358 from 2007.

Dulles International, after experiencing reduced passenger traffic in 2006, was growing rapidly and in 2007 surpassed all previous years and closed the year 2007 with growth in total passengers and increased revenues in all areas. Total enplanements at Dulles International for the 12 months of 2008 were 11.9 million compared to 12.4 million in 2007, resulting in a 3.5% decrease. International enplanements for the 12 months of 2008 were 3.1 million compared to 3.0 million in 2007, a 5.2% increase.

Enplanements and Operations Activity for 2006 to 2008

	2008	2007	2006
Dulles International			
Dulles International (Domestic)	8,742,530	9,313,161	8,797,384
Dulles International (International)	3,115,417	2,960,345	2,594,862
Dulles International (Non-Commercial)	86,914	109,310	105,084
Total Dulles International Enplanements	11,944,861	12,382,816	11,497,330
Reagan National			
Reagan National (Domestic)	8,836,467	9,145,554	9,054,485
Reagan National (Transborder)	141,364	148,523	185,333
Total Reagan National Enplanements	8,977,831	9,294,077	9,239,818
Operations			
Dulles International	360,292	382,943	379,571
Reagan National	277,298	275,433	276,419





The North American aviation industry growth rate was (4.7%) for 2008. Both Airports exceeded this rate by at least 1.2% while experiencing a reduction in passengers. Dulles International's international passenger growth rate was 5.2%. This growth rate far exceeded the North American industry average international growth rate of 2.6%.

Enplanements Growth	MWAA	North America	Difference
Dulles International (Domestic)	(3.5)%	(4.7)%	1.2%
Dulles International (International)	5.2%	2.6%	2.6%
Reagan National	(3.4)%	(4.7)%	1.3%

Dulles Corridor Enterprise Fund

On November 1, 2008, the Virginia Department of Transportation (VDOT) transferred responsibility for the operation and maintenance of the DTR to the Airports Authority for an initial term of 50 years. As part of the agreement with the Commonwealth of Virginia (the Commonwealth), the Airports Authority will construct the

Metrorail Project from the vicinity of West Falls Church to Route 772 in Loudoun County and will make other improvements in the Dulles corridor consistent with VDOT and regional plans.

The DTR is an eight lane (4 lanes in each direction) limited access highway 13.4 miles in length. The DTR has 10 exit and entrance ramps with tolls of 75¢ at the main toll plaza west of the Beltway and 50¢ at other exit and entrance locations.

The DTR's activity for the final two months of 2008, while under the operation of the Airports Authority, was 17,527,707 toll road transactions. This is 259,231 transactions lower than November and December of 2007. On an annual basis, the DTR processed 110.8 million transactions in 2008 dropping 486,700 transactions from 2007. The DTR processed an average of 9.2 million transactions per month in 2008. This is a decrease from 2007 of 40,500 transactions per month or a 0.4% drop in transactions for the year.

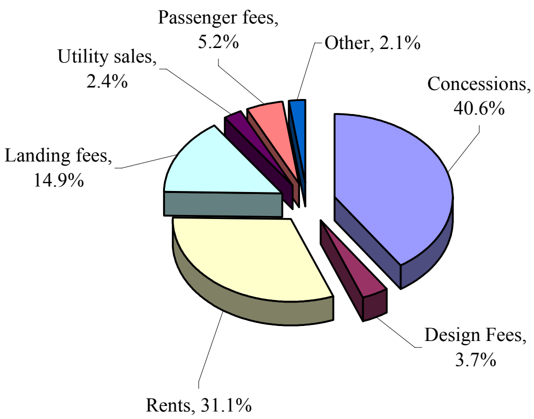
Financial Highlights - Aviation Enterprise Fund

The overall activity results of 2008 reflect the general slowdown experienced this year in the economy. The Airports recorded $550.9 million in operating revenues for 2008. This was a total increase from 2007 of $40.5 million and from 2006 of $79.8 million. The Airports Authority's revenues are primarily derived from rents and charges for the use of the Airport's facilities, including landing fees received from both Signatory and non-Signatory Airlines using the Airports, and concession contracts at the Airports, including off-airport rental car operations. Concessions historically have accounted for a substantial portion of the Airports Authority's revenues. The Airport Use Agreement and Premises Lease (the Agreement) requires the Signatory Airlines to pay actual costs while the majority of concessionaires pay a percentage of revenue or a minimum annual guarantee (MAG) payment.

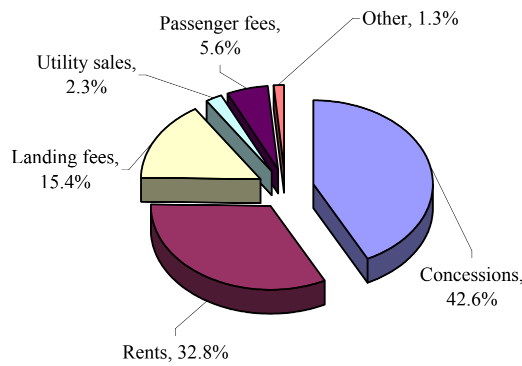
Aviation Enterprise Operating Revenues

Classifications	2008 Revenue	2007 Revenue	Increase (Decrease) from 2007	Percent of Increase (Decrease) from 2007
Concessions	$ 223,710,732	$ 217,486,823	$ 6,223,909	2.86%
Rents	171,331,285	167,301,027	4,030,258	2.41%
Design fees	20,363,189	-	20,363,189	100.00%
Landing fees	82,289,545	78,682,496	3,607,049	4.58%
Utility sales	13,348,545	11,778,736	1,569,809	13.33%
Passenger fees	28,354,142	28,684,113	(329,971)	-1.15%
Other	11,547,405	6,542,935	5,004,470	76.49%
Total	$ 550,944,843	$ 510,476,130	$ 40,468,713	7.93%

2008 Revenues



2007 Revenues



Airline Revenue

In 2008, airline revenues, which consist of landing fees, terminal rents, and passenger fees, increased $4.6 million from 2007, principally related to the increase in some of the rates at the Airports, the addition of new space in Concourse B at Dulles International and some additional Airlines. Landing fees increased $3.6 million to $82.3 million or 4.6%. Rent revenue increased $4.0 million, a 2.4% increase from 2007. Passenger fees, including fees paid by the Transportation Security Administration (TSA) decreased $0.3 million or 1.2%, as a result of the decreased passenger traffic at Dulles International offset by a increase in airline rates. As part of it's emergence from bankruptcy in 2006, United Airlines (United) agreed to reimburse the Airports Authority over a 10-year period for the expenses incurred by the Airports Authority in designing the Tier 2 Concourse and related facilities. In June 2008, the Airports Authority ceased all design work on the Tier 2 Concourse and related facilities. In conjunction with the cessation of the work on Tier 2 Concourse and related facilities, the Airports Authority recognized the $20.4 million as design fees revenue in the Airports Authority's Statement of Revenue, Expenses and Changes in Net Assets.

The following is a graphic illustration of operating revenues by source for the years ended December 31, 2008 and 2007:

Other Revenue

In 2008, other revenues increased $5.0 million from 2007 principally related to $1.8 million received for construction right of way and $3.2 million received from the Greenway Toll Road for the construction of an entrance ramp.

Concession Revenue

In 2008, the Airports Authority's concession revenues increased $6.2 million or 2.9% from 2007. Concession revenues account for 40.6% of total operating revenues, down from 2007 by 2.0%. Parking revenues still rank as the Airports Authority largest concession providing $115.1 million in total revenues for the year. This is a decrease of $1.4 million from last year and reflects the general decrease in passenger traffic. Rental car revenue of $35.9 million increased $1.5 million from 2007 supplemented by the new MAG amounts as negotiated in new contracts for both Reagan National and Dulles International in recent years. Ground transportation revenues of $6.4 million increased by $1.6 million primarily at Dulles International and reflect the new taxi contract in place at the Airport. New revenues in 2008 of $0.5 million were earned at the Airports for the new registered traveler program. Other areas of concession revenue such as food & beverage, retail, in-flight caterers, newsstand and retail, duty free and others increased $4.0 million with moderate changes in each area.

Concession revenue at Reagan National increased in total by $1.8 million. Parking revenues decreased $0.6 million from 2007 at Reagan National. The parking garages at Reagan National experienced a slight drop in average occupancy from 87.8% in 2006 to 83.8% in 2007 to 82.9% in 2008. Parking rates were increased in June 2008. Reagan National added a cell phone parking lot in 2006, which offers roughly 30 spaces of "no charge parking" while waiting for passengers arriving at the terminal. Construction on an additional level to Parking Garages A, B and C began in 2008. This additional area will provide approximately 1,424 new public parking spaces. When complete there will be 9,829 parking (including handicap) spaces at Reagan National: 475 hourly, 6,243 daily, 2996 economy, and 115 overflow spaces. In 2008, four new food outlets opened in several venues throughout the Airport. In January 2008, a new full-service restaurant opened in the connector called National Airport Grill, offering a full menu of food and drink items including a full service bar. In July 2008, another location of Einstein Bagel opened in Terminal A. In August 2008, a second location of Mayorga Coffee opened on the north end of National Hall in the Main Terminal and in December 2008, an additional location of Auntie Anne's opened on the South Pier. These four concessions produced $2.2 million in gross sales for 2008. There were no new retail openings in 2008.

Concession revenue at Dulles International increased $4.4 million from 2007. In 2008, parking revenues were $71.1 million, a decrease of $0.8 million from 2007. In 2008, there were 27,433 public parking spaces at Dulles International, an increase of 1,308 spaces from 2007. The increase in public parking spaces was the result of an increase in the cell phone lot due to additional milling, paving and restriping and an increase in the overflow lot when construction returned the lot to public use after occupying the lot in 2007. Public parking is comprised of 1,923 spaces in hourly, 8,325 daily, 830 valet, 12,378 economy, 3,733 in overflow and 224 in the cell phone lot. Overall activity for public parking decreased 7.6% in 2008 compared to 2007. Total exits for 2008 were 3.1 million compared to 3.4 million in 2007. Total parking revenue decreased only 1.2% due to rate increases and changes to the rate structure that went into effect June 1, 2008. Food and beverage revenue increased 6.8% over 2007 to $8.7 million, resulting from the addition of several food and beverage facilities in the expansion of midfield Concourse B. New tenants included Five Guys, Auntie Anne's Pretzels, Greenleaf's Grille and Bananas, Capitol Grounds, and Max & Erma's.

The following table details concession revenues by major category for years ended December 31, 2008 and December 31, 2007:

Concession Revenues

	2008	2007	Increase (Decrease) from 2007	Percent of Increase (Decrease) from 2007
Parking	$ 115,105,856	$ 116,528,833	$ (1,422,977)	-1.22%
Rental cars	35,949,215	34,418,480	1,530,735	4.45%
Food and beverage	15,860,110	14,985,742	874,368	5.83%
Newsstand and retail	11,921,105	11,354,093	567,012	4.99%
Duty free	3,810,294	3,422,389	387,905	11.33%
Display advertising	7,737,054	7,356,054	381,000	5.18%
Inflight caterers	6,872,934	6,242,548	630,386	10.10%
Fixed base operator	12,712,051	11,985,065	726,986	6.07%
Ground transportation	6,368,761	4,784,097	1,584,664	33.12%
All other	7,373,352	6,409,522	963,830	15.04%
Total	$ 223,710,732	$ 217,486,823	$ 6,223,909	2.86%

Operating Expense

Operating expenses for the Aviation Enterprise Fund, for fiscal year ended December 31, 2008 were $555.5 million, an increase of $77.0 million or 16.1% over 2007.

In 2008, the Airports Authority recognized a one-time transaction to record a write off of design costs incurred on the Tier 2 Concourse and related facilities. In 2008, the Airports Authority ceased all design work on the Tier 2 Concourse and related facilities. If the Airports Authority was to proceed with the project in the future, the Tier 2 Concourse and related facilities are likely to be substantially different from what is reflected in the designs and plans developed to date. Consistent with GASB Statement No. 42 *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries* (GASB 42), the Airports Authority recorded $66.2 million in impairment losses as period expenses in 2008.

In the spring of 2008, the Airports Authority put in place budget constraints reducing the authorization for the annual budget expenditures to 95.0% of non-personnel expenses for Reagan National, 97.0% of non-personnel expenses for Dulles International and 90.0% of non-personnel expenses for all other offices. In addition, the current alignment of office workforce and workload was reviewed and alternative approaches to fulfilling the requirements of vacant positions were enacted. Overtime was reduced by a minimum of 10.0%, additional capital equipment purchases were curtailed for the parking operations, the use of temporary services were limited and advertising expenses were reviewed to identify reductions for 2008. The Office of Engineering began the development of an energy conservation plan and it was ordered that all future fleet purchases should be hybrid technology.

As a result of these cost containment measures, materials, equipment, supplies, contract services and other is the largest expenditure area, closed the year $19.8 million less than 2007 and $11.2 million higher than

2006. The 2008 expenses reflect the one-time reduction of $7.2 million in previously recorded expenses to be repaid to the Aviation Enterprise Fund from the DCE Fund for costs incurred to-date associated with the pursuit and transfer of the DTR and Metrorail Project.

The Airports Authority continued its process of implementing a new Enterprise Resource Planning (ERP) system and expended $2.0 million towards this system in 2008. According to accounting principles as promulgated in GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* (GASB 51), the Airports Authority was in the developmental state of the implementation program in 2008 and expensed the costs through the Statements of Revenues, Expenses and Changes in Net Assets. In 2007 the Airports Authority expended $4.4 million for this program and in 2006 expended $2.4 million.

The Airports Authority saw relatively few snow events in the last quarter of 2008 and saw a $1.0 million drop in the cost of snow supplies in 2008. Expenditures for the maintenance of parking lots, buildings and other general areas were reduced 17.3% in the budget constraints and dropped $2.4 million from 2007. In 2007, the Airports Authority sponsored the American Association of Airport Executives (AAAE) convention which cost approximately $675.0 thousand. And the Airports Authority scaled back its advertising program, reducing costs from 2007 by $1.2 million.

In 2008, the Airports Authority implemented GASB 49 and GASB 53. No prior year restatements were required in the year of implementation for GASB 49, however, expenditures residing in the Airports Authority's construction in progress accounts were expensed in 2008. The 2008 expenses of $2.6 million reflect the implementation expenses, as well as other current year pollution remediation work, which were expensed consistent with GASB 49.

The Airports Authority's utility expenditures for 2008 were $25.4 million, an increase of $4.3 million from 2007 and an increase of $5.0 million from 2006. Escalating costs of fuel prices throughout the world increased the cost of utilities purchased by the Airports Authority. The Airports Authority opened additional facilities in 2008 with the completion of the expansion of Concourse B which added to the general overhead utility requirements.

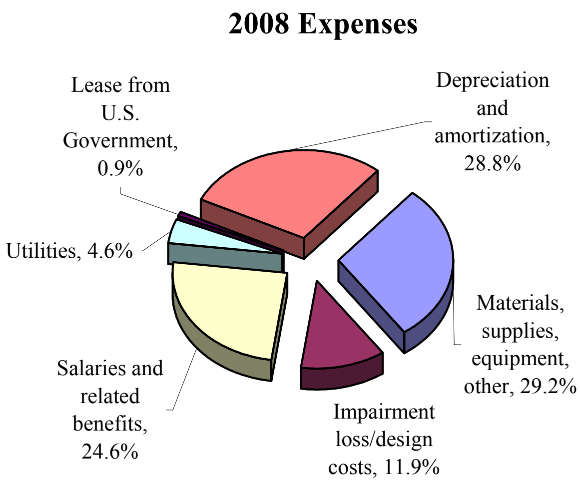
Salaries and related benefits expenses of $136.5 million resulted in an increase of $8.0 million from 2007 and $22.6 million from 2006. Health insurance expenses increased $3.0 million from last year and regular salaries increased $7.6 million from 2007. Overtime was reduced in 2008 by $2.5 million and special program employee expenses were reduced by $1.0 million. The Airports Authority continues its funding of the Other Post-Employment Benefits (OPEB) program and recorded $5.9 million in expenses for 2008, $5.9 million for 2007 and $3.0 million for 2006. The contributions percentages to the Airport Authority's retirement plans were increased to 6.8% in 2008 from 6.6% of eligible earnings in 2007 for the general plan and to 12.4% in 2008 from 11.8% of eligible earnings in 2007 for the police and fire fighter plan.

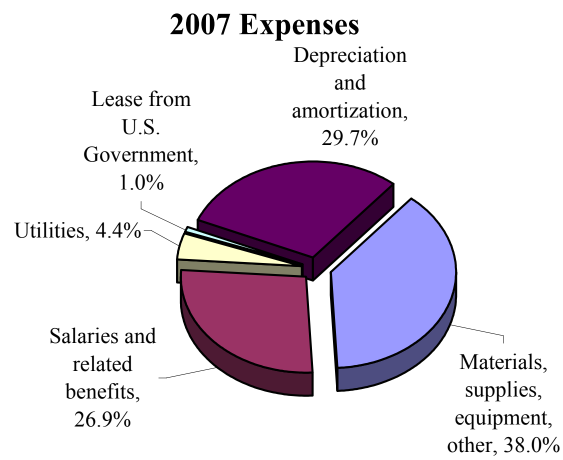
Depreciation and amortization expense in 2008 was $160.3 million. This is an increase of $18.2 million from last year and $27.2 million from 2006. In 2008 the Airports Authority completed and put into service the 12-gate extension of Concourse B and the fourth runway at Dulles International.

Aviation Enterprise Operating Expenses

Expense Classification	2008	2007	Increase (Decrease) from 2007	Percent of Increase (Decrease) from 2007
Materials, equipment, supplies, contract services and other	$ 162,254,215	$ 182,096,091	$ (19,841,876)	(9.58)%
Impairment loss/design costs	66,170,165	-	66,170,165	100.00%
Salaries and related benefits	136,508,033	128,465,267	8,042,766	6.26%
Utilities	25,402,257	21,134,317	4,267,940	20.19%
Lease from U.S. Government	4,958,280	4,830,121	128,159	2.65%
Depreciation and amortization	160,256,762	142,030,354	18,226,408	12.83%
Total	$ 555,549,712	$ 478,556,150	$ 76,993,562	16.09%

The following is a graphic illustration of the total operating expenses by source for the years ended December 31, 2008 and 2007:





Changes in Net Assets

The 2008 operating loss was $4.6 million, a decrease of $36.5 million from 2007 and $52.7 million from 2006. The results reflect the decrease in activity at the airports and the reduction in materials, supplies, and services and non-capital project expenses realized from the budget constraints applied during the year.

Non-operating revenues of $38.0 million, primarily investment income, are down from the results of 2007 and 2006 by $17.6 million and $7.1 million, respectively. The continued reduction in interest rates, as seen in 2008, has had a direct effect on investment income.

Non-operating expenses, primarily interest expense, financing charges and realized and unrealized swap losses, were $304.1 million for the year. The unrealized swap losses for the year 2008 were $158.4 million and the realized swap losses for the year were $20.4 million. This is far greater than the swap losses recognized in either 2007 of $24.6 million or 2006 of $14.6 million. During fiscal year 2008 the traditional relationship of London International Bank Offered Rate (LIBOR) and variable municipal bond interest rates moved in opposite directions where LIBOR interest rates were lower and municipal interest rates increased resulting in an increased unrealized loss on the swaps. Interest expenses and finance charges were $125.3 million for 2008 which is an increase from 2007 of $9.8 million and from 2006 of $26.3 million.

For the year ended December 31, 2008, the Airports Authority implemented GASB 53. Before GASB 53, the Airports Authority followed the Financial Accounting Standards Board Statement No. 133, *Accounting for Derivative Instruments and Hedging Activities* (FASB 133), in reporting its derivative transactions. FASB 133 required the swap transactions to be recognized at fair value. According to GASB 53, all of the Airports Authority's forward-starting swap transactions and those swap transactions associated with issued debt should be recognized at fair value on the Statements of Net Assets. As a result, the implementation of GASB 53 had no impact on the reporting of the Airports Authority's swaps.

In 2001, the Airports Authority began a risk management program to assist in managing the interest cost on outstanding and future debt. The Airports Authority's derivatives subject to GASB 53 consist of interest rate swaps used to modify interest rates on outstanding and future debt. Based on the Airports Authority's International Swaps and Derivatives Association Agreement (Swap Agreement), the Airports Authority owes interest calculated at a notional amount multiplied by a fixed rate to the counter parties. In return, the counter parties owe the Airports Authority interest based on the notional amount multiplied by a variable rate equal to 72.0% of LIBOR. Only the net difference in interest payments is actually exchanged with the counter parties. The Airports Authority continues to pay interest to the bondholders at the variable rate provided by the bonds associated with the swap. During the term of the Swap Agreement, the Airports Authority pays, or receives, the difference between the fixed rate on the swaps and 72.0% of LIBOR.

The GASB 53 states that if LIBOR, or a percentage of LIBOR, is employed as a hedge of tax-exempt debt, hedge effectiveness should be evaluated using one of the quantitative methods. The Airports Authority has applied the synthetic instrument method to determine swap effectiveness.

At December 31, 2008, the Airports Authority had eight outstanding Swap Agreements. The 2001 Merrill Lynch Swap Agreement, with an effective date of October 1, 2002, is associated with the Series 2002C Variable Rate Demand Obligations (VRDO). The remaining swaps have effective dates from 2009 to 2011. They are expected to be associated with bonds issued in the future.

In 2008, subsequent to the bankruptcy of Lehman Brothers, the 2001 and 2006 Lehman Brothers Swaps were terminated. The Airports Authority paid Lehman Brothers the calculated value of $10.6 million and $5.9 million, respectively. In 2008, three 2005 Swaps, with an effective date of October 1, 2008, were amended to extend the effective date to January 15, 2009, and increase the fixed-payor rate.

The actual synthetic rate of the 2001 Merrill Lynch Swap was 5.9381% for the reporting period and did not closely correlate to the fixed rate of 4.445%. Therefore, the 2001 Merrill Lynch Swap is considered ineffective and its fair value of $(11.6) million is reported on the Statements of Net Assets. The net change in the 2001 Merrill Lynch Swap from 2007 was a loss of $6.2 million. The GASB 53 requires that if a derivative instrument is found to be ineffective in the first reporting period, evaluation of effectiveness in subsequent reporting periods should not be performed. Therefore, since this derivative is found to be ineffective at the end of December 31, 2008, its first reporting period, then hedge accounting will cease permanently and the changes in the value of this instrument will be reported in the Statements of Revenues, Expenses and Changes in Net Assets as "Unrealized Swap (Loss) Gain."

According to GASB 53, all of the Airports Authority's forward-starting swap transactions should be recognized on the Statements of Net Assets at fair value until the related bonds are issued and hedge accounting can determine if the swaps are effective. In reporting its derivative transactions, the Airports Authority had previously followed FASB 133 where the change in fair value of derivatives were reported on the Statements of Revenues, Expenses and Changes in Net Assets and the value of the derivatives were reported on the Statements of Net Assets. The fair value of the Airports Authority swaps on December 31 2008 and 2007 is \$(208.7) million and \$(50.3) million respectively. The change in fair value of the Airports Authority's swaps in 2008 is a unrealized loss of \$158.4 million.

The following table provides information on the Airports Authority's Swaps as of December 31, 2007, and December 31, 2008.

Trade Date	Effective Date/Termination Date (Final Maturity)	Counterparty	Notional Amount ($millions)	Fixed Rate	Fair Market Value at 12/31/07	Fair Market Value at 12/31/08	Change in Fair Market Value
07/31/2001	8/29/02 - 10/01/21	Merrill Lynch	$66.12	4.460%	$ (5,342,451)	$ (11,587,964)	$ (6,245,513)
		Lehman Brothers			(10,807,736)	Terminated	10,807,736
05/13/2005	1/15/09 - 10/1/31	Wachovia	65	3.966%	(2,315,640)	(14,517,184)	(12,201,544)
		Bank of Montreal	35	4.059%	(1,300,943)	(7,880,152)	(6,579,209)
	1/15/09 - 10/1/36	Bank of Montreal	75	3.911%	(1,860,878)	(17,008,939)	(15,148,061)
06/15/2006	10/1/09 - 10/1/39	JP Morgan Chase	190	4.100%	(10,235,171)	(54,400,169)	(44,164,998)
		Bank of America	110		(5,955,903)	(31,903,537)	(25,947,634)
06/15/2006	10/1/10 - 10/1/40	Wachovia	170	4.112%	(7,512,264)	(46,433,048)	(38,920,784)
		Lehman Brothers			(3,557,340)	Terminated	3,557,340
05/13/2005	10/1/11 - 10/1/39	Wachovia	125	3.862%	(1,409,153)	(24,940,948)	(23,531,795)
			$836.12		$(50,297,479)	$ (208,671,941)	$(158,374,462)

Capital contributions include PFC's, federal and state grants and other capital property acquired. PFC revenue for 2008 was \$78.5 million, \$4.4 million less than 2007 and \$3.0 million less than 2006. This reduction in receipts reflects the general downturn in air travel predicated by the overall general economic conditions in 2008.

Federal and state grants were \$52.1 million in 2008, \$32.3 million in 2007 and \$54.2 million in 2006. In 2008, the Airports Authority received \$46.8 million in Airport Improvement Program (AIP) primarily for the construction of the fourth runway at Dulles International.

The change in net assets is an indicator of the overall fiscal condition of the Airports Authority. Net assets declined in 2008 by $140.2 million. This decline includes the effects of certain unusual transactions such as: recognition of United's payment of design costs of $20.4 million, the GASB 42 impairment loss of $66.2 million and the realized and unrealized swap losses of $178.8 million.

The following represents a summary of the Statements of Revenues, Expenses and Changes in Net Assets for the Aviation Enterprise:

	Aviation Enterprise		
	2008	2007	2006
Operating revenues			
Concessions	$ 223,710,732	$ 217,486,823	$ 199,011,305
Rents	171,331,285	167,301,027	156,164,079
Design fees	20,363,189	-	-
Landing fees	82,289,545	78,682,496	73,375,458
Utility sales	13,348,545	11,778,736	11,248,988
Passenger fees	28,354,142	28,684,113	25,474,908
Other	11,547,405	6,542,935	5,893,899
Total operating revenues	550,944,843	510,476,130	471,168,637
Operating expenses			
Material, equipment, supplies contract services, and other	162,254,215	182,096,091	151,009,792
Impairment loss/design costs	66,170,165	-	-
Salaries and related benefits	136,508,033	128,465,267	113,870,907
Utilities	25,402,257	21,134,317	20,359,248
Lease from U.S. Government	4,958,280	4,830,121	4,689,858
Depreciation and amortization	160,256,762	142,030,354	133,106,378
Total operating expenses	555,549,712	478,556,150	423,036,183
Operating income (loss)	(4,604,869)	31,919,980	48,132,454
Non-operating revenues			
Investment income	37,965,692	55,557,746	45,035,158
Total non-operating revenues	37,965,692	55,557,746	45,035,158
Non-operating expenses			
Interest expense	(122,984,332)	(111,534,092)	(96,999,795)
Passenger facility charges, financing costs	(2,330,507)	(3,968,842)	(2,026,385)
Swap payments	(20,436,237)	(1,353,696)	(1,854,177)
Unrealized swap loss	(158,374,462)	(23,223,957)	(12,718,126)
Total non-operating expenses	(304,125,538)	(140,080,587)	(113,598,483)
Loss before capital contributions	(270,764,715)	(52,602,861)	(20,430,871)
Capital contributions	130,592,529	118,674,180	136,960,753
Increase (decrease) in net assets	$ (140,172,186)	$ 66,071,319	$ 116,529,882

Financial Highlights - Dulles Corridor Enterprise Fund

Operating Revenue

On November 1, 2008, the VDOT transferred responsibility for the operation and maintenance of the DTR to the Airports Authority for an initial term of 50 years. As part of its agreement with the Commonwealth, the Airports Authority will construct the Metrorail Project from the vicinity of West Falls Church to Route 772 in Loudoun County and will make other improvements in the Dulles corridor consistent with VDOT and regional plans. These two functions operate as a single Business-Type Activity and are reported in the DCE Fund.

The DTR is an eight lane (4 lanes in each direction) limited access highway 13.4 miles in length. The DTR has 10 exit and entrance ramps with tolls of 75¢ at the main toll plaza west of the Beltway and 50¢ at other exit and entrance locations for 2 axle vehicles. It has 59 collection lanes, 33 toll booths and 8 E-ZPass dedicated only lanes. All toll booths are equipped with Smart Tag (Virginia) and E-ZPass (Virginia to Maine) electronic toll collection systems.

For November and December 2008 the Airports Authority recorded Automated Vehicle Identification (AVI) or electronic toll collections of $7.1 million, cash collections of $3.2 million and violations revenues of $108,800. AVI collections as a percent of total operating revenues were 68.6%.

DCE Operating Revenues		2008
Cash revenues	$	3,166,176
Automated vehicle identification revenues		7,141,495
Violation revenues		108,827
Total tolls and other	$	10,416,498

Operating Expenses

The DCE Fund recorded $10.2 million in operating expenses from the date of transfer, November 1, 2008 to the end of the reporting period. Materials, equipment, supplies, contract services and other includes $7.2 million in expenses to be repaid to the Aviation Enterprise Fund from the DCE Fund for costs incurred to-date associated with the pursuit and transfer of the DTR and metro rail project. Operating expenses also include $788,496 in electronic toll collection fees paid to the processor of the AVI transactions. In addition, the Airports Authority has contracted with VDOT to continue to operate the DTR for an extended period. These costs of $1.5 million are included in materials, equipment, supplies, contract services and other for 2008.

Salaries and related benefits reflect an allocation of payroll and benefits costs of Aviation Enterprise Fund employees who expended time on the operations of the DTR and the Metrorail Project. These generally include employees assigned to the Airports Authority-wide functions such as finance, human resources, procurement and engineering.

DCE Operating Expenses	2008
Materials, supplies, equipment, contract services and other	$ 10,028,145
Salaries and related benefits	212,627
Depreciation and amortization	8,204
Total	$ 10,248,976

The DCE Fund closes 2008 with total net assets of $309.4 million. The following represents a summary of the Statements of Revenues, Expenses and Changes in Net Assets of the Dulles Corridor Enterprise Fund:

	Dulles Corridor Enterprise 2008
Operating revenues	
Tolls and other	$ 10,416,498
Total operating revenues	10,416,498
Operating expenses	
Materials, equipment, supplies contract services, and other	10,028,145
Salaries and related benefits	212,627
Depreciation and amortization	8,204
Total operating expenses	10,248,976
Operating income	167,522
Non-operating revenues	
Investment income	26,126
Total non-operating revenues	26,126
Gain before capital contributions	193,648
Capital contributions	309,241,103
Increase in net assets	$ 309,434,751

Changes in Net Assets

Fiscal year 2008 operating income for the two-month period ended December 31, 2008 was $167,500. The operating results reflect a shortened operating period and the one time addition of $7.2 million in expenses to be repaid to the Aviation Enterprise Fund from the DCE Fund for costs incurred to-date associated with the pursuit and transfer of the DTR and Metrorail Project.

With the transfer on November 1, 2008, a number of one-time accounting entries were necessary. The Airports Authority received and recognized at fair value DTR related assets and liabilities transferred from the VDOT on November 1, 2008. These included cash, accounts receivable, liabilities, and personal property. The transfer of these items resulted in the recognition, in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions* (GASB 33), of capital contributions in the amount of $17.3 million. Upon transfer of the DTR, the Airports Authority also received from the Virginia Department of Rail and Public Transportation (VDRPT) a one-time transfer of existing construction in progress for the Metrorail Project. This resulted in capital contributions in the amount of $254.8 million, for a total of capital contributions for the DCE for the year of $272.1 million.

Federal grant revenue received from the Federal Transit Administration (FTA) for 2008 was $37.2 million.

Statements of Net Assets – Aviation Enterprise Fund and Dulles Corridor Enterprise Fund

The Statements of Net Assets present the financial position of the Airports Authority at the end of the fiscal year. The Statements include all assets and liabilities of the Airports Authority. Net assets are the difference between total assets and total liabilities and are an indicator of the current fiscal health of the Airports Authority. A summarized comparison of the Airports Authority's assets, liabilities and net assets on December 31, 2008, 2007, and 2006 is as follows:

	2008	2007	2006
Current assets	$ 662,511,761	$ 849,502,892	$ 810,642,733
Non-current assets			
Capital assets, net	5,307,658,368	4,616,109,321	4,018,568,661
Other non-current assets	347,748,889	441,617,047	353,687,873
Total Assets	6,317,919,018	5,907,229,260	5,182,899,267
Liabilities			
Current liabilities	455,590,321	315,593,920	235,084,309
Non-current liabilities			
Long-term debt outstanding and other restricted	4,690,097,308	4,588,666,516	4,010,917,453
Total Liabilities	5,145,687,629	4,904,260,436	4,246,001,762
Net Assets			
Invested in capital assets, net of debt	695,245,174	555,206,611	598,949,358
Restricted	123,146,061	114,983,454	46,083,312
Unrestricted	353,840,154	332,778,759	291,864,835
Total Net Assets	$ 1,172,231,389	$ 1,002,968,824	$ 936,897,505

Statements of Net Assets

Current assets dropped $187.0 million from 2007 and $148.1 million from 2006. Current assets for the Aviation Enterprise Fund decreased $333.2 million primarily as a result of the decrease in restricted investments of $325.4 million. Of this decrease, $158.4 million is an unrealized loss on the value of the Airports Authority's swaps which are reflected at fair value on the Statements of Net Assets. The remaining drop in investments is caused by continued spending on the Aviation Enterprise Fund Capital Construction Program (CCP). Current assets for the DCE Fund increased $146.2 million. The Airports Authority issued $150.0 million in short term bond anticipation notes of which $91.5 million were unspent as of December 31, 2008. In addition, the DCE Fund had $11.0 million in unspent operating cash and $11.2 million in unspent federal grant proceeds.

Capital assets increased $691.5 million. The Airports Authority received at the transfer of the DTR, $254.8 million in construction in progress from the VDRPT for the Metrorail Project and paid $107.5 million in construction in progress for the Metrorail Project for the period November 1, 2008 through December 31, 2008. The Aviation Enterprise Fund continued its construction program in 2008 recording an increase, net of depreciation, of $329.1 million in capital assets.

Current liabilities increased $140.0 million from 2007 and $220.5 million from 2006. The DCE Fund had $150.0 million in short-term bond anticipation notes outstanding at December 31, 2008 and provided $41.4 million in accounts payable and accrued expenses primarily for the Metrorail Project. The Aviation Enterprise Fund saw a decrease in accounts payable and accrued expenses, restricted and unrestricted of $53.8 million from 2007 in response to reduced spending for both the operational budget and the CCP.

Long-term liabilities increased $101.4 million. Bonds payable increased $161.2 million as a result of the issuance of $250.0 million in Series 2008A Airport System Revenue Bonds less a principal payment on the outstanding bonds of $86.6 million. The Airports Authority reduced other liabilities by $20.4 million with the recognition of deferred revenue as income in the Statements of Revenues, Expense and Change in Net Assets of the design fees United agreed to reimburse the Airports Authority for the expenses incurred by the Aviation Enterprise Fund in designing the Tier 2 Concourse and related facilities. The Airports Authority also paid down its outstanding commercial paper by $42.5 million in 2008. The DCE Fund did not have any long-term debt at the end of the year.

Total net assets which represent the residual interest in the Airports Authority assets after liabilities are deducted increased $169.3 million from 2007 and $235.3 million from 2006. The DCE Fund provided a $309.4 million increase in total net assets for 2008 and the Aviation Enterprise Fund recorded a reduction of $140.2 million in total net assets for 2008.

The account "Invested in Capital Assets, Net of Related Debt" increased $140.0 million from 2007 and $96.3 million from 2006. For the Aviation Enterprise Fund, capital assets, net of depreciation, increased $329.1 million. This was offset by a net increase in debt related to capital expenditures of $466.6 million, resulting in an overall decrease for the Aviation Enterprise Fund of $137.5 million. For the DCE Fund, capital assets increased $362.4 million and were offset by $84.9 million in bond anticipation notes which were spent as of the end of the reporting period.

Total restricted net assets of $123.1 million consist of unspent debt proceeds, including debt service reserve funds, unspent PFC funds, and unspent grant proceeds. This was an overall increase from 2007 of $8.2 million. The Aviation Enterprise Fund's restricted net assets decreased $17.6 million. Restricted assets and restricted liabilities decreased $396.0 million and $378.3 million, respectively. Current restricted investments decreased $325.4 million reflecting the decrease in the value of the Airports Authority's swaps and continued construction spending. Restricted debt related to unspent bond proceeds decreased $340.9 million. A reduction of accounts payable and accrued expenses of $35.4 million also occurred in 2008.

The DCE Fund restricted net assets of $25.8 million had $114.3 million in unspent grant and debt proceeds and $15.7 million in grants receivables at year end. These were offset by $39.6 million in restricted accounts payable and accrued expense and $65.1 million in debt related to unspent debt proceeds.

Total unrestricted net assets at the end of the reporting period for the Airports Authority were $353.8 million. This is an overall increase of $21.1 million from 2007. These net assets may be used to meet any of the Airports Authority's ongoing operational needs for both the Aviation Fund and DCE Fund, subject to approval by the Airports Authority's Board of Directors (Board). Unrestricted net assets for the Aviation Enterprise Fund increased $15.0 million. Current and long term assets decreased $31.1 million from 2007 with a drop in accounts receivables of $20.7 million and a drop in long term investments of $8.7 million. This decrease was offset by larger decreases in accounts payables and accrued expenses of $18.3 million and other liabilities of $27.8 million.

The DCE Fund unrestricted net assets were $6.1 million as of December 31, 2008. This was primarily operational cash derived from the DTR activities and prepaid expenses of $14.8 million offset by unrestricted accounts payable and accrued expenses of $9.3 million.

Capital Financing and Debt Management

Aviation Enterprise Fund

During 2008, the Airports Authority issued the Series 2008A Airport System Revenue Bonds which refunded $60.0 million of Series One Commercial Paper (CP) Notes and $161.5 million in Series Two CP Notes and provided $6.1 million in construction funding. The Airports Authority also converted the Series 2003D Airport System Revenue Variable Rate Bonds from the Auction Mode to the Weekly Mode.

In October 2008, the Aviation Enterprise Fund issued $100.0 million in Series One CP Notes and in November 2008 issued $50.0 million in Series One CP Notes. In October 2008, the Airports Authority also issued $28.5 million in Series Two CP Notes and an additional $475,000 in Series Two CP Notes in December.

At December 31, 2008, the Aviation Enterprise Fund had $150.0 million outstanding in Series One CP Notes and $67.5 million outstanding in Series Two CP Notes. The Airports Authority has authorized but not issued $202.5 million CP available for construction needs.

The Airports Authority's Aviation Enterprise Fund's long-term uninsured bonds are rated "AA" by Fitch, "Aa3 " by Moody's, and "AA-" by Standard & Poor's Rating Services (S&P). Moody's affirmed the Airports Authority's rating with a "Positive" outlook on August 24, 2007. On November 3, 2006, S&P upgraded the rating to "AA-" rating with a "Stable" outlook and affirmed this rating on August 24, 2007. Fitch upgraded the Airports Authority's rating on August 27, 2007, to an "AA" rating with "Stable" outlook.

As of December 31, 2008, the Airports Authority Aviation Enterprise Fund had $4.1 billion outstanding Airport System Revenue Bonds, $217.5 million in outstanding CP Series One and Two, and $432 million in PFC notes (see Note J). Of the $4.1 billion in outstanding Senior Bonds, $3.8 billion is insured and $283.9

million is uninsured. S&P assigned the Airports Authority an overall Debt Derivative Profile rating of "1.5" on a scale of "1" to "4", with "1" representing the lowest risk and "4" representing the highest risk.

The Airports Authority is financing its Aviation Enterprise Fund CCP through a combination of revenues, entitlement, and discretionary grants received from the Federal Aviation Administration (FAA), state grants, PFC's, and revenue bonds. Long-term debt is the principal source of funding for the CCP. The Airports Authority, through its Master Indenture, has agreed to maintain a debt service coverage of not less than 1.25x. Debt service coverage is calculated based on a formula included in the Master Indenture and the Agreement with the Airlines. Historically, the Airports Authority has maintained a coverage ratio significantly higher than its requirement. During 2008 and 2007, the Airports Authority's debt service coverage was 1.57x and 1.72x, respectively.

Dulles Corridor Enterprise Fund

The Airports Authority DCE Fund on November 1, 2008 issued bond anticipation notes for $150.0 million to provide short-term financing for the Metrorail Project. No other debt financings occurred in 2008.

Federal and State Grant Activity – Aviation Enterprise Fund and Dulles Corridor Enterprise Fund

During 2005, the Airports Authority applied for approval to impose and use $146.6 million in PFC's at Reagan National. The PFC Application is funding the 12-gate expansion at Dulles International and projects associated with the fourth runway. FAA approval of the application was received in March 2006. In March 2007, the Airports Authority submitted a PFC application for the International Arrivals Building (IAB) at Dulles International. This application was approved in 2008. On February 9, 2009, the Airports Authority also submitted a request for approval of an Amendment to Application No. 05-05-C-01-IAD, which was originally approved August 15, 2005 and subsequently approved on March 6, 2009. The Airports Authority is proposing a restructuring of the PFC Financing Plan to include $87,685,303 from the Pay-As-You-Go program, $1,398,680,825 in new Bond Capital, and $602,959,785 in financing and interest cost for funding of the AeroTrain at Dulles International. Additionally, $821,301,705 of the interest cost will be paid by the Airlines through Airline Rates and Charges. All other funding remains the same. In 2009, the Airports Authority expects to collect a total of $82.1 million in PFC's, based on estimated enplanement numbers for 2009.

As of December 31, 2008 the Airports Authority has drawn down a total of $110 million out of the $200 million award under the 2006 FAA Letter of Intent (LOI) funding for the fourth runway project at Dulles International. The TSA has allocated an additional $9.0 million to the South Baggage Basement In-Line Screening Explosive Detection System at Dulles International. The additional funding brings the total federal share to $42 million. As of December 31, 2008, the Airports Authority received a total of $3.3 million from TSA as 100% reimbursement for the design phase of the project. The Reagan National In-Line Screening Baggage application and the East and West Baggage In-Line Screening System application at Dulles International to TSA were not funded in Fiscal Year 2009. The application will be resubmitted to TSA for the Fiscal Year 2010 funding opportunity in March 2009 for a total project cost of $365.0 million. The Airports Authority received the fully executed agreement from TSA pertaining to the new National Explosives Detection Canine Team Program (NEDCTP). The agreement with an estimated federal share of $3.0 million will have a project period of five years effective April 1, 2008. The revised Survey, Appraisal Report and Appraisal Review Report were submitted to FAA on December 10, 2008. The subject document was in response to the outstanding requirements by FAA to meet the AIP eligibility for reimbursement of the acquisition cost of the land purchased for the fourth runway at Dulles International.

The FTA has awarded the Final Design Grant for the Metrorail Project in September 2008 with a total cost of $159.0 million. As of December 2008 the Airports Authority drew a total of $37.2 million from the grant. The Full Funding Grant Agreement (FFGA) application was finalized and submitted to FTA on January 23, 2009.

Cash and Investment Management – Aviation Enterprise Fund and Dulles Corridor Enterprise Fund

The Airports Authority's cash and cash equivalents increased $110.7 million to $335.7 million as of December 31, 2008, as a result of the available cash both restricted and unrestricted in the DCE Fund. Cash and cash equivalents with an original maturity of three months or less are considered highly liquid investments. Unrestricted investments decreased by $4.2 million from 2007 and restricted investments decreased by $411.1 million from 2007 primarily as a result of the reduction in fair value of the Airports Authority's outstanding swaps.

The following summary shows the major sources and use of cash:

	2008	2007
Cash received from operations	$ 560,453,406	$ 493,501,754
Cash expended from operations	(358,051,337)	(296,533,078)
Net cash provided by operations	202,402,069	196,968,676
Net cash from noncapital financing activities	15,108,417	1,759,792
Net cash used in capital and related financing activities	(416,124,468)	(164,956,261)
Net cash provided (used) by investing activities	309,352,703	(68,866,260)
Net cash used by capital financing and investing activities	(91,663,348)	(232,062,729)
Net increase(decrease) in cash and cash equivalents	110,738,721	(35,094,053)
Cash and cash equivalents, beginning of year	224,927,684	260,021,737
Cash and cash equivalents, end of year	$ 335,666,405	$ 224,927,684

Cash temporarily idle during 2008 was invested in demand deposits, certificates of deposit, commercial paper, United States Government and agency obligations, mutual funds, repurchase agreements collateralized by the United States Government or agency obligations, and other permitted investments as listed in the Master Indenture for the Airports Authority's outstanding bonds. During 2008, the Airports Authority's Aviation Enterprise Fund operating account average portfolio balance was $272.0 million and the average yield on investments was 3.2%. The capital funds are held by an agent for the Trustee, but managed by the Airports Authority. For 2008, the capital funds had an average portfolio balance of $505.6 million and an average yield of 4.4%. During 2008, the Airports Authority's DCE Fund operating account average portfolio balance was $7.3 million and the average yield on investments was .077%. The capital funds are held by an agent for the Trustee, but the Airports Authority directs the investments. For 2008, the capital funds had an average portfolio balance of $111.9 million and an average yield of .093%.

Certain Airports Authority funds that will be used for bond requirements (see Note F) and capital projects are invested in long-term instruments. An annual cash flow projection for capital projects is developed for all bond proceeds and investments are matched to maximize investment income while ensuring cash is available for capital project expenses. All investments must be made following the investment policy that was adopted by the Airports Authority's Board. An investment committee meets quarterly to review the portfolios for compliance with the investment policy (see Note C).

Capital Construction

During 2008, the Aviation Enterprise expended $452.6 million in its ongoing CCP compared to an amended budget of $672.8 million. The Aviation Enterprise capitalized $617.1 million in projects in 2008, including the fuel settling tank farm, the 12-gate expansion of Concourse B and the fourth runway which opened in November 2008. Projects that are continuing in 2008, and scheduled for completion in 2009, or beyond, include the AeroTrain system, the IAB and the additional decks on the parking garages at Reagan National. Average monthly capital construction spending in 2008 was approximately $37.7 million.

Contacting the Airports Authority's Financial Management

The financial report is designed to provide the Airports Authority's Board, management, investors, creditors and customers with a general view of the Airports Authority's finances and to demonstrate the Airports Authority's accountability for the funds it receives and expends. For additional information about this report, or for additional financial information, please contact Lynn Hampton, Vice President and Chief Financial Officer, at the following address: 1 Aviation Circle, Washington, DC, 20001-6000, or e-mail BondholdersInformation@mwaa.com.

STATEMENTS OF NET ASSETS (continued)

As of December 31, 2008

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
ASSETS			
Current assets			
Unrestricted assets:			
Cash and cash equivalents	$ 26,982,791	$ 11,011,856	$ 37,994,647
Investments	235,399,596	-	235,399,596
Accounts receivables, net	22,541,480	544,287	23,085,767
Inventory	6,796,319	-	6,796,319
Prepaid expenses and other current assets	7,812,490	3,821,244	11,633,734
Total unrestricted assets	299,532,676	15,377,387	314,910,063
Restricted assets:			
Cash and cash equivalents, restricted	170,767,057	114,300,144	285,067,201
Passenger facility charges, restricted cash	12,604,557	-	12,604,557
Passenger facility charges and interest receivable, restricted	5,581,130	1,710	5,582,840
Grants receivable, restricted	23,906,251	15,690,443	39,596,694
Prepaid expenses and other current assets, restricted	-	848,277	848,277
Investments, restricted	3,902,129	-	3,902,129
Total restricted assets	216,761,124	130,840,574	347,601,698
Total current assets	516,293,800	146,217,961	662,511,761
Non-current assets			
Capital assets:			
Land and other non-depreciable assets	121,734,710	-	121,734,710
Construction in progress	1,776,370,046	-	1,776,370,046
Construction in progress, Metrorail project	-	362,322,546	362,322,546
Buildings, systems and equipment	4,508,943,236	166,963	4,509,110,199
Less: accumulated depreciation	(1,461,796,180)	(82,953)	(1,461,879,133)
Capital assets, net	4,945,251,812	362,406,556	5,307,658,368
Long-term investments	71,747,636	-	71,747,636
Long-term investments, restricted	192,315,421	-	192,315,421
Other long-term assets	18,192,128	-	18,192,128
Net pension asset and other post-employment benefits asset	4,755,914	-	4,755,914
Bond issuance costs, net, restricted	60,712,709	25,081	60,737,790
Total non-current assets	5,292,975,620	362,431,637	5,655,407,257
Total assets	$ 5,809,269,420	$ 508,649,598	$ 6,317,919,018

STATEMENTS OF NET ASSETS

As of December 31, 2008

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
LIABILITIES AND NET ASSETS			
Current liabilities			
Payable from unrestricted:			
Accounts payable and accrued expenses	$ 53,560,971	$ 1,863,476	$ 55,424,447
Due to/due from other funds	(7,413,995)	7,413,995	-
Operating lease obligations	341,140	-	341,140
Total unrestricted	46,488,116	9,277,471	55,765,587
Payable from restricted assets:			
Accounts payable and accrued expenses	65,398,716	39,550,490	104,949,206
Accrued interest payable	54,013,642	386,886	54,400,528
Bonds payable	90,475,000	-	90,475,000
Bond anticipation notes	-	150,000,000	150,000,000
Total restricted	209,887,358	189,937,376	399,824,734
Total current liabilities	256,375,474	199,214,847	455,590,321
Non-current liabilities			
Payable from restricted:			
Other liabilities	3,106,529	-	3,106,529
Passenger facility charge bank participation notes	432,000,000	-	432,000,000
Commercial paper notes	217,500,000	-	217,500,000
Bonds payable, net	4,037,490,779	-	4,037,490,779
Total restricted	4,690,097,308	-	4,690,097,308
Total non-current liabilities	4,690,097,308	-	4,690,097,308
Total liabilities	4,946,472,782	199,214,847	5,145,687,629
NET ASSETS			
Invested in capital assets, net of related debt	417,707,634	277,537,540	695,245,174
Restricted:			
Bond/debt funds	45,838,451	(11,245,689)	34,592,762
Passenger facility charges	19,506,449	-	19,506,449
Grants	32,003,866	37,042,984	69,046,850
Total restricted	97,348,766	25,797,295	123,146,061
Unrestricted	347,740,238	6,099,916	353,840,154
Total net assets	862,796,638	309,434,751	1,172,231,389
Total net assets and liabilities	$ 5,809,269,420	$ 508,649,598	$ 6,317,919,018

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF NET ASSETS (continued)

As of December 31, 2007

	Aviation Enterprise and Total Business-Type Activities
ASSETS	
Current assets	
Unrestricted assets:	
Cash and cash equivalents	$ 36,128,525
Investments	230,873,451
Accounts receivables, net	43,199,310
Inventory	5,033,697
Prepaid expenses and other current assets	6,810,182
Total unrestricted assets	322,045,165
Restricted assets:	
Cash and cash equivalents, restricted	173,596,934
Passenger facility charges, restricted cash	15,202,225
Passenger facility charges receivable, restricted	8,258,296
Grants receivable, restricted	1,096,237
Investments, restricted	329,304,035
Total restricted assets	527,457,727
Total current assets	849,502,892
Non-current assets	
Capital assets:	
Land and other non-depreciable assets	121,534,710
Construction in progress	1,915,881,901
Buildings, systems and equipment	3,908,323,105
Less: accumulated depreciation	(1,329,630,395)
Capital assets, net	4,616,109,321
Long-term investments	80,463,199
Long-term investments, restricted	278,008,136
Other long-term assets	18,333,264
Net pension asset and other post-employment benefits asset	4,509,918
Bond issuance costs, net, restricted	60,302,530
Total non-current assets	5,057,726,368
Total assets	$ 5,907,229,260

STATEMENTS OF NET ASSETS

As of December 31, 2007

	Aviation Enterprise and Total Business-Type Activities
LIABILITIES AND NET ASSETS	
Current liabilities	
Payable from unrestricted:	
Accounts payable and accrued expenses	$ 71,868,458
Operating lease obligations	341,140
Total unrestricted	72,209,598
Payable from restricted assets:	
Accounts payable and accrued expenses	100,843,888
Accrued interest payable	55,970,434
Bonds payable	86,570,000
Total restricted	243,384,322
Total current liabilities	315,593,920
Non-current liabilities	
Payable from unrestricted:	
Deferred revenue	20,363,189
Payable from restricted:	
Passenger facility charge bank participation notes	432,000,000
Commercial paper notes	260,000,000
Bonds payable, net	3,876,303,327
Total restricted	4,568,303,327
Total non-current liabilities	4,588,666,516
Total liabilities	4,904,260,436
NET ASSETS	
Invested in capital assets, net of related debt	555,206,611
Restricted:	
Bond funds	94,274,698
Passenger facility charges	19,612,520
Grants	1,096,236
Total restricted	114,983,454
Unrestricted	332,778,759
Total net assets	1,002,968,824
Total net assets and liabilities	$ 5,907,229,260

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the year ended December 31, 2008

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
OPERATING REVENUES			
Concessions	$ 223,710,732	$ -	$ 223,710,732
Tolls and other	-	10,416,498	10,416,498
Rents	171,331,285	-	171,331,285
Design fees	20,363,189	-	20,363,189
Landing fees	82,289,545	-	82,289,545
Utility sales	13,348,545	-	13,348,545
Passenger fees	28,354,142	-	28,354,142
Other	11,547,405	-	11,547,405
Total operating revenues	550,944,843	10,416,498	561,361,341
OPERATING EXPENSES			
Materials, equipment, supplies, contract services, and other	162,254,215	10,028,145	172,282,360
Impairment loss/design costs	66,170,165	-	66,170,165
Salaries and related benefits	136,508,033	212,627	136,720,660
Utilities	25,402,257	-	25,402,257
Lease from U. S. Government	4,958,280	-	4,958,280
Depreciation and amortization	160,256,762	8,204	160,264,966
Total operating expenses	555,549,712	10,248,976	565,798,688
OPERATING INCOME (LOSS)	(4,604,869)	167,522	(4,437,347)
NON-OPERATING REVENUES (EXPENSES)			
Passenger facility charges, financing costs	(2,330,507)	-	(2,330,507)
Investment income	37,965,692	26,126	37,991,818
Interest expense	(122,984,332)	-	(122,984,332)
Swap payments	(20,436,237)	-	(20,436,237)
Unrealized swap loss	(158,374,462)	-	(158,374,462)
Total non-operating revenues (expenses)	(266,159,846)	26,126	(266,133,720)
GAIN (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(270,764,715)	193,648	(270,571,067)
CAPITAL CONTRIBUTIONS			
Passenger facility charges	78,455,218	-	78,455,218
Federal and state grants	52,137,311	37,168,479	89,305,790
Other capital property contributed	-	272,072,624	272,072,624
Total capital contributions	130,592,529	309,241,103	439,833,632
NET ASSETS			
Increase (decrease) in net assets	(140,172,186)	309,434,751	169,262,565
Total net assets, beginning of year	1,002,968,824	-	1,002,968,824
Total net assets, end of year	$ 862,796,638	$ 309,434,751	$ 1,172,231,389

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the year ended December 31, 2007

	Aviation Enterprise and Total Business-Type Activities
OPERATING REVENUES	
Concessions	$ 217,486,823
Rents	167,301,027
Landing fees	78,682,496
Utility sales	11,778,736
Passenger fees	28,684,113
Other	6,542,935
Total operating revenues	510,476,130
OPERATING EXPENSES	
Materials, equipment, supplies, contract services, and other	182,096,091
Salaries and related benefits	128,465,267
Utilities	21,134,317
Lease from U. S. Government	4,830,121
Depreciation and amortization	142,030,354
Total operating expenses	478,556,150
OPERATING INCOME	31,919,980
NON-OPERATING REVENUES (EXPENSES)	
Passenger facility charges, financing costs	(3,968,842)
Investment income	55,557,746
Interest expense	(111,534,092)
Swap payments	(1,353,696)
Unrealized swap loss	(23,223,957)
Total non-operating revenues (expenses)	(84,522,841)
LOSS BEFORE CAPITAL CONTRIBUTIONS	(52,602,861)
CAPITAL CONTRIBUTIONS	
Passenger facility charges	82,858,846
Federal and state grants	32,317,161
Other capital property contributed	3,498,173
Total capital contributions	118,674,180
NET ASSETS	
Increase in net assets	66,071,319
Total net assets, beginning of year	936,897,505
Total net assets, end of year	$ 1,002,968,824

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS (continued)

For the year ended December 31, 2008

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
NET CASH FROM OPERATING ACTIVITIES:			
Operating cash receipts from customers	$ 550,034,022	$ 10,419,384	$ 560,453,406
Cash payments to suppliers for goods and services	(217,889,584)	(2,127,013)	(220,016,597)
Cash payments to employees for services	(137,957,996)	(76,744)	(138,034,740)
NET CASH PROVIDED BY OPERATING ACTIVITIES	194,186,442	8,215,627	202,402,069
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES			
Cash received (provided) from state agency	-	13,740,869	13,740,869
Government grants	1,367,548	-	1,367,548
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	1,367,548	13,740,869	15,108,417
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from issuance of bonds/notes	253,074,886	150,000,000	403,074,886
Principal payments on commercial paper	(42,500,000)	-	(42,500,000)
Principal payments on bonds	(86,570,000)	-	(86,570,000)
Payments for capital expenditures and construction in progress	(512,917,416)	(68,116,851)	(581,034,267)
Proceeds from sale of capital assets	337,261	-	337,261
Payments of bond issuance costs	(3,757,913)	(30,097)	(3,788,010)
Interest paid on bonds and commercial paper	(222,556,489)	-	(222,556,489)
Government grants in aid of construction	27,959,748	21,478,036	49,437,784
Passenger facility charge receipts	81,132,857	-	81,132,857
Passenger facility charge expenses and interest	(13,658,490)	-	(13,658,490)
NET CASH PROVIDED(USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(519,455,556)	103,331,088	(416,124,468)
NET CASH FROM INVESTING ACTIVITIES:			
Interest received on investments	38,205,965	24,416	38,230,381
Decrease in short term investments, net	320,875,762	-	320,875,762
Proceeds from long-term investment maturities	493,505,823	-	493,505,823
Purchase of long-term investments	(543,259,263)	-	(543,259,263)
NET CASH PROVIDED BY INVESTING ACTIVITIES	309,328,287	24,416	309,352,703
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(14,573,279)	125,312,000	110,738,721
CASH AND CASH EQUIVALENTS, Beginning of year	224,927,684	-	224,927,684
CASH AND CASH EQUIVALENTS, End of year	$ 210,354,405	$125,312,000	$ 335,666,405

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
For the year ended December 31, 2008

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	$ (4,604,869)	$ 167,522	$ (4,437,347)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Impairment loss, design costs	66,170,165	-	66,170,165
Depreciation and amortization	160,256,762	8,204	160,264,966
Decrease in allowance for doubtful accounts	(40,829)	-	(40,829)
Loss on disposal of assets	2,981,105	-	2,981,105
Decrease (increase) in accounts receivable	18,011,863	(538,554)	17,473,309
Increase in inventory	(1,762,622)	-	(1,762,622)
Increase in prepaid expenses and other current assets	(1,002,308)	(1,375,013)	(2,377,321)
Increase in other long-term assets	(104,860)	-	(104,860)
Decrease in long-term liabilities	(20,363,189)	-	(20,363,189)
Increase (decrease) in accounts payable and accrued			-
expenses	(17,940,781)	2,539,473	(15,401,308)
(Decrease) increase in due to/due from other funds	(7,413,995)	7,413,995	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 194,186,442	$ 8,215,627	$ 202,402,069
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Unrealized gain	$ 14,213,721	$ -	$ 14,213,721
Other capital property acquired			
Construction in progress and non-cash working capital transferred from state agency	$ -	$ 258,201,628	$ 258,201,628
Capital construction costs payable	$ 65,398,716	$ 38,968,796	$ 104,367,512
Unrealized loss on swaps	$ (158,374,462)	$ -	$ (158,374,462)

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS (continued)

For the year ended December 31, 2007

	Aviation Enterprise and Total Business-Type Activities
NET CASH FROM OPERATING ACTIVITIES:	
Operating cash receipts from customers	$ 493,501,754
Cash payments to suppliers for goods and services	(170,705,122)
Cash payments to employees for services	(125,827,956)
NET CASH PROVIDED BY OPERATING ACTIVITIES	196,968,676
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	
Government grants	1,759,792
NET CASH PROVIDED(USED) BY NONCAPITAL FINANCING ACTIVITIES	1,759,792
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Proceeds from issuance of bonds	722,216,279
Proceeds from the issuance of commercial paper	60,000,000
Principal payments on bonds	(235,575,000)
Payments for capital expenditures and construction in progress	(654,182,938)
Proceeds from sale of capital assets	170,558
Payments of bond issuance costs	(7,981,001)
Interest paid on bonds and commercial paper	(182,537,019)
Government grants in aid of construction	30,890,405
Passenger facility charge receipts	84,430,990
Borrowing on passenger facility charge bank participation notes	32,000,000
Passenger facility charge expenses, interest, and other	(14,388,535)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(164,956,261)
NET CASH FROM INVESTING ACTIVITIES:	
Interest received on investments	52,011,628
Decrease in short term investments, net	(54,828,848)
Proceeds from long-term investment maturities	404,796,376
Purchase of long-term investments	(470,845,416)
NET CASH USED BY INVESTING ACTIVITIES	(68,866,260)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(35,094,053)
CASH AND CASH EQUIVALENTS, Beginning of year	260,021,737
CASH AND CASH EQUIVALENTS, End of year	$ 224,927,684

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the year ended December 31, 2007

		Aviation Enterprise and Total Business-Type Activities
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	$	31,919,980
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization		142,030,354
Decrease in allowance for doubtful accounts		(178,868)
Gain on sale of assets		12,707,987
Increase in accounts receivable		(18,344,893)
Increase in inventory		(1,396,360)
Increase in prepaid expenses and other current assets		(340,121)
Increase in other long-term assets		(17,271,446)
Increase in long-term liabilities		20,363,189
Increase in accounts payable and accrued expenses		27,478,854
NET CASH PROVIDED BY OPERATING ACTIVITIES	$	196,968,676
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Unrealized gain on investments	$	22,276,840
Other capital property acquired, Equipment received by tenant and improvements	$	3,498,173
Capital construction costs payable	$	100,843,888
Unrealized loss on swaps	$	(23,223,957)

The accompanying notes are an integral part of these financial statements.

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NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Metropolitan Washington Airports Authority (the Airports Authority) is an independent interstate agency created by the Commonwealth of Virginia (the Commonwealth) and the District of Columbia with the consent of the United States Congress. The Commonwealth and the District of Columbia enacted essentially identical legislation creating the Airports Authority for the purpose of operating Ronald Reagan Washington National Airport (Reagan National) and Washington Dulles International Airport (Dulles International), collectively, the Airports. The Airports Authority is governed by a Board of Directors (the Board) with members from the Commonwealth, the District of Columbia, the State of Maryland, and three members appointed by the President of the United States.

On June 7, 1987, Reagan National's and Dulles International's properties were transferred to the Airports Authority under a long-term lease authorized by the Metropolitan Washington Airports Act of 1986, Title VI of Public Law 99-500. All personal property was transferred to the Airports Authority without condition. Prior to the transfer, the Airports were operated by the Federal Aviation Administration (FAA) of the United States Department of Transportation.

On November 1, 2008, the Virginia Department of Transportation (VDOT) transferred responsibility for the operation and maintenance of the Dulles Toll Road (DTR) to the Airports Authority for an initial term of 50 years. In connection with the transfer, the Airports Authority will construct the Dulles Corridor Metrorail Project (Metrorail Project) and will make other improvements in the Dulles Corridor consistent with VDOT and regional plans. These two functions operate as a single Business-Type Activity and are reported in the Dulles Corridor Enterprise (DCE) Fund (see Notes B and G).

Only the accounts of the Airports Authority are included in the reporting entity. There are no U.S. or state government agency finances that should be considered for inclusion in the Airports Authority's financial reporting entity.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis. The Airports Authority reports as two Business-Type Activities, as defined by the Governmental Accounting Standards Board (GASB). Business-Type Activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

The Airports Authority's activities are accounted for similar to those often found in the private sector using the flow of an economic resources measurement focus and the accrual basis of accounting. All assets, liabilities, net assets, revenues, and expenses are accounted for through two enterprise funds with revenues recorded when earned and expenses recorded at the time liabilities are incurred. Current assets include cash and amounts convertible to cash during the next normal operating cycle, or one year. Current liabilities include those obligations to be liquidated with current assets.

Revenues from airlines, concessions, rental cars, parking and toll collections are reported as operating revenues. Capital, grants, financing or investing related transactions are reported as non-operating revenues. All expenses related to operating the Airports Authority are reported as operating expenses. Interest expense and financing costs are reported as non-operating expenses.

Net Assets

Net assets represent the residual interest in the Aviation Enterprise Fund and the DCE Fund assets after the liabilities are deducted and they consist of three sections: Invested in capital assets, net of related debt; restricted; and unrestricted. Net assets invested in capital assets, net of related debt includes capital assets, restricted and unrestricted, net of accumulated depreciation, reduced by outstanding debt attributable to acquisition. Net assets are reported as restricted when constraints are imposed by third parties or enabling legislation. The Airports Authority's restricted assets are expendable. All other net assets are unrestricted.

Proprietary Accounting and Financial Reporting

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting* (GASB 20), the Airports Authority follows all GASB pronouncements issued on, before, or after November 30, 1989, as well as all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principal Board Opinions and Accounting Research Bulletins issued on, before, or after November 30, 1989, unless they contradict GASB guidance.

Budgeting Requirements

The Airports Authority's annual budgeting process is a financial planning tool used to establish the estimated revenues and expenditures for both Airports and the DTR. The Airports Authority's annual budget is not prepared in accordance with generally accepted accounting principles (GAAP). In keeping with the requirements of a proprietary fund, budget comparisons have not been included in the financial section of this report.

Revenue Recognition

Aviation Enterprise Fund

Rentals and concession fees are generated from airlines, parking structures and lots, food, rental cars, fixed base operators, and other commercial tenants. Leases with the airlines are based on full cost recovery, through rates and charges as described below. Other leases are for terms from one to 15 years and generally require rentals based on the volume of business, with specified minimum rentals. Rental revenue is recognized over the life of the respective leases, and concession revenue is recognized partially based on reported concession revenue and partially based on minimum rental guarantee. Rental revenue and concession revenue are recognized as operating revenues on the Statements of Revenues, Expenses and Changes in Net Assets.

Landing fees are principally generated from scheduled airlines and non-scheduled commercial aviation and are based on the landed weight of aircraft. The scheduled airline fee structure is determined annually based on full cost recovery pursuant to an agreement between the Airports Authority and the Signatory Airlines. Landing fees are recognized as part of operating revenues when airline related facilities are utilized.

Several airlines represent concentrations of revenues for the Airports Authority. At Reagan National, US Airways, Delta Air Lines (Delta), and American Airlines (American) comprise approximately 70.4% of annual airline revenues. At Dulles International, United Airlines (United), Delta and American comprise approximately 63.0% of annual airline revenues. These airlines combined represent approximately 70.1% of the total annual airline revenues for the Airports Authority. Actual airline revenues for 2008 represent approximately 46.0% of the Airports Authority's total operating revenues.

Dulles Corridor Enterprise Fund

Tolls and other revenues represent tolls collected from vehicles on the DTR. The DTR has 10 exit and entrance ramps with tolls of 75¢ at the main toll plaza west of the Beltway and 50¢ at other exit and entrance locations for two-axle vehicles. Tolls and other revenue include Automated Vehicle Identification (AVI) or electronic toll collections, cash collections and violations revenues. Tolls and other revenue are recognized in the period in which the toll road transaction occurred.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, demand deposits, certificates of deposit, commercial paper (CP), United States Government and agency obligations, mutual funds, and repurchase agreements collateralized by United States Government or agency obligations with an original maturity of three months or less, including restricted assets.

Investments

Investments with an original maturity greater than one year are recorded at their fair value with all investment income, including changes in the fair value of investments, reported as investment income in the financial statements. Investments with an original maturity of less than one year are carried at amortized cost which approximates fair value. Fair value equals quoted market prices if available. If a quoted market value is not available fair value is estimated based upon quoted market prices for securities with similar characteristics.

Investments consist of certificates of deposit, commercial paper, United States Government and agency obligations, interest rate swaps, and repurchase agreements collateralized by United States Government or agency obligations, with an original maturity greater than three months.

Swaps

The Airports Authority enters into interest rate swap agreements to modify interest rates on outstanding debt. In 2008, the Airports Authority implemented GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB 53). Whereby, all of the Airports Authority's forward starting swap transactions and those swap transactions associated with issued debt are recognized at fair value on the Statements of Net Assets. As a result, the implementation of GASB 53 had no impact on the reporting of the Airports Authority's swaps. The Airports Authority reports the changes in fair value of derivative instruments that are used for investment purposes or that are reported as investment derivative instruments because of ineffectiveness within the investment revenue classification. The changes in fair values of derivative instruments that are classified as hedging derivative instruments are reported in the Statements of Net Assets as deferred inflows or deferred outflows in investments.

Inventory and Prepaid Items

Inventory consists of spare parts and some bulk items, such as sand and salt stored at the Airports, and is stated at the lower of cost or market value, using the first-in, first-out method. Inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

Capital Assets

Personal property, the ownership of which was transferred from the United States Government to the Airports Authority on June 7, 1987 and the ownership of which transferred from the VDOT to the Airports Authority on November 1, 2008, is recorded at fair value at the date of transfer. Assets acquired subsequent to the transfer are stated at historical cost and include the expense of federal grants to construct and improve the facilities of the Airports Authority. The costs for property and facilities include net interest expense incurred from the date of issuance of the debt to finance construction until the completion of the capital project (see Note G). Tenants have funded construction and improvements of airport facilities from their own working capital. Under agreements with the Airports Authority, the property reverts to the Airports Authority upon termination or expiration of the Airport Use Agreement and Premises Lease (the Agreement). Terms range from 15 to 40 years. These assets obtained by the Airports Authority are recorded at fair market value as of date of transfer. Major improvements and replacements of property are capitalized. Maintenance, repairs, and minor improvements and replacements are expensed as incurred.

Provision for depreciation has been calculated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives and corresponding capitalization thresholds are as follows:

		Threshold
Equipment	5-7 years	$10,000
Motor vehicles	3-5 years	10,000
Buildings	20-40 years	25,000
Systems and structures	10-40 years	25,000

Impaired Capital Assets

In accordance with GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries* (GASB 42), capital assets that have potential for meeting the definition of impairment are identified and tested for impairment. Permanently impaired capital assets that will continue to be used by the Airports Authority are written down to the measured impaired value. The carrying amount of impaired capital assets that are idle are disclosed in the notes to the financial statements and impaired capital assets that are no longer used by the Airports Authority are reported at the lower of carrying value or fair value.

Intangible Assets

In accordance with GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* (GASB 51), intangible assets are recognized as capital assets in the Statements of Net Assets if they are identifiable. The amortization of capital assets is determined by legal or contractual provisions. If there are no factors that limit the useful life of an intangible asset, these assets may be considered to have indefinite lives and no amortization of the costs occurs. Intangible assets with indefinite lives are presented in the Statements of Net Assets as a component of "Land and non-depreciable assets."

The Airports Authority is in the practice of amortizing the cost of internally developed software and other assets as required in GASB 51, and identifying certain assets such as easements as having indefinite lives.

Pollution Remediation and Control Obligations

In 2008, the Airports Authority implemented GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* (GASB 49). In compliance with GASB 49, the Airports Authority capitalizes pollution remediation outlays only if the outlays are incurred to prepare property for sale in anticipation of a sale, prepare property for use when the property was acquired with known or suspected pollution that was expected to be remediated, to perform pollution remediation that restores a pollution-caused decline in service utility that was recognized as an asset impairment, or to acquire property, plant and equipment that have a future alternative use other than remediation efforts.

Pollution remediation outlays that do not qualify for capitalization are accrued as liabilities and expensed when a range of expected outlays is reasonably estimable or as an expenditure upon receipt of goods and services (see Note G).

Bond Issuance Costs

Bond issuance costs represent expenses incurred in the process of issuing bonds and are amortized over the life of the related bond issue, using the interest method.

Long-Term Debt Refundings

The Airports Authority periodically refunds its debt. The difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense over the life of the old or new debt, whichever is shorter. The amount deferred is reported as a deduction from the new debt liability.

Compensated Absences

The Airports Authority employees are granted paid vacation at rates of 13 to 30 days per year, depending on their length of employment. General employees may accumulate up to a maximum of 30 days or 240 hours. Employees exceeding a specified pay scale, executive type employees, are entitled to accumulate up to 480 hours or 60 days. Upon termination, employees are paid for any unused accumulated vacation. The accumulated vacation is recorded as a liability when earned and is reflected in accrued expenses. The calculation of the liability is based on the pay or salary rates in effect as of the end of the fiscal period, normally the year ended December 31. An additional amount has been accrued for the liability of salary related payments. Such salary related payments include the employer's share of social security, medicare and unemployment taxes and the employer's contributions to the Airports Authority retirement and pension plans.

Balance as of December 31, 2007	$ 6,317,572
Vacation used during the year	(6,898,094)
Vacation earned during the year	7,582,574
Balance as of December 31, 2008	$ 7,002,052

The Airports Authority employees earn 13 days of sick leave per year. Unused sick leave for employees enrolled in the Airports Authority's retirement plan is counted at retirement as additional time worked for calculation of the pension benefit. Liabilities for compensated absences are included in accounts payable and accrued liabilities in the Statements of Net Assets.

Capital Contributions - Passenger Facility Charges (PFC's)

In 1990, Congress approved the Aviation Safety and Capacity Expansion Act which authorized domestic airports to impose a Passenger Facility Charge (PFC) on enplaning passengers. In May 1991, the FAA issued the regulations for the use and reporting of PFC's. PFC's may be used for airport projects that meet at least one of the following criteria: preserve or enhance safety, security, or capacity of the national air transportation system; reduce noise or mitigate noise impacts resulting from an airport; or furnish opportunities for enhanced competition between or among carriers.

The Airports Authority was granted permission to begin collecting a $3.00 PFC effective November 1, 1993, at Reagan National and January 1, 1994, at Dulles International. The charges, less an administrative fee charged by the airlines for processing, are collected by the airlines and remitted on a monthly basis to the Airports Authority. Due to their restricted use, PFC's are categorized as non-operating revenues and are accounted for on the accrual basis. The Airports Authority applied for and received approval in February 2001, to increase the PFC collection from $3.00 to $4.50, effective May 2001.

Capital Contributions - Federal and State Grants

The Airports Authority receives federal and state grants in support of its Capital Construction Program (CCP) and in support of the Metrorail Project. The federal program provides funding for airport development, airport planning and noise compatibility programs from the Airport and Airways Trust Fund in the form of both entitlement and discretionary grants for eligible projects. The Commonwealth also provides discretionary funds for capital programs. Grant revenues are recognized as related expenditures are made.

Grants for capital asset acquisition, facility development, rehabilitation of facilities and long-term planning are reported as capital contributions in the Statements of Revenues, Expenses and Changes in Net Assets, after non-operating revenues and expenses.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management, where necessary, to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain amounts in the 2007 financial statements have been reclassified to conform to the current year's presentation.

B. TRANSFER OF THE DULLES TOLL ROAD AND CONSTRUCTION OF THE DULLES CORRIDOR METRORAIL PROJECT TO DULLES INTERNATIONAL

On November 1, 2008, the VDOT transferred operational and financial control of the DTR from VDOT to the Airports Authority for an initial term of 50 years, upon the terms and conditions set forth by the Master Transfer Agreement dated December 29, 2006, the Permit and Operating Agreement dated December 29, 2006, (collectively, the VDOT Agreements) each entered into by and between VDOT and the Airports Authority. In exchange for the rights to the revenues from operation of the DTR and certain other revenues described in the VDOT Agreements, the Airports Authority agreed to (i) operate and maintain the DTR, (ii) cause the design and construction of the extension of the Metrorail from the West Falls Church station in Fairfax County, along the Dulles corridor to Dulles International and beyond into Loudoun County, the Metrorail Project and (iii) make other improvements in the Dulles corridor consistent with VDOT and regional plans. The Airports Authority is responsible for setting toll rates and collecting tolls following its process for issuing regulations and in consultation with the Dulles Corridor Advisory Committee. Effective upon transfer, the Airports Authority has adopted the existing toll structure established by the Commonwealth and has contracted with VDOT for the interim operation of the DTR. Concurrent with this transfer of responsibility, VDOT contributed to the Airports Authority approximately $272.1 million of capital property consisting of $254.8 million of construction in progress for the Metrorail Extension Project and cash, accounts receivable, current liabilities and personal property related to the DTR having a net fair value of $17.3 million. The Airports Authority accounted for the transfer of these assets and liabilities in accordance with GASB 33, *Accounting and Financial Reporting for Non-Exchange Transactions*. The Airports Authority established a DCE Fund, which accounts for the activity of the DTR and the Metrorail Project separately from the Airports.

Pursuant to the Airline Agreement, the Airports Authority is limited to $10 million of airport revenue that can be used for construction of the Metrorail at Dulles International. Further, the Airline

Agreement prohibits the payment of Metrorail operating and maintenance costs from funds other than the capital fund without written agreement from a majority-in-interest (MII) of the Signatory Airlines at Dulles International. The Airports Authority also has no claim on the DTR revenues to support the activities of the Airports. To this end, the Airports Authority amended the Airport System Revenue Bonds Master Trust Indenture (the Indenture) to treat DTR revenues as “Released Revenues” under the Indenture, thereby excluding the DTR revenues from the revenues and the pledge and lien on the Net Revenues securing the Bonds. The Airports Authority also amended the Agreement with each of the Airlines serving the Airports to exclude the DTR revenues from the definition of “Revenues” under the Agreement.

C. DEPOSITS AND INVESTMENTS

Deposits

The Airports Authority’s investment policy as approved by the Board of Directors (Board) requires that deposits in excess of the federally insured amount be held at institutions with a Liquidity, Asset Quality, Capital and Earnings (LACE) Financial Institutions Rating Service of B or above. In the event a financial institution’s rating falls below this level, the deposits are reduced to the federally insured amount. The Airports Authority’s practice is to sweep all demand deposits at the close of each business day into overnight repurchase agreements.

As of December 31, 2008 and 2007, the Airports Authority had various certificates of deposit in the amount of $5.3 million and $6.3 million, respectively, that were not covered by insurance and were not collateralized with securities held by the pledging financial institutions. These certificates of deposit are held at institutions with a LACE Financial Institutions Rating Service of B or above. These certificates of deposit are part of the Airports Authority’s Link Deposit Program whereby a portion of the reserves funds are deposited with banks that have an “outstanding” Community Reinvestment Act rating.

The Airports Authority maintains multiple imprest cash funds in certain departments at each Airport. These amounts are not covered by insurance and are not collateralized. These funds totaled $234,120 and $126,910 as of December 31, 2008 and 2007, respectively. Small deposits in the Airports Authority’s flexible spending account as of December 31, 2007, were not covered by insurance and not collateralized. These totaled $23,306.

Investments

The Airports Authority had the following investments in its portfolio as of December 31, 2008:

2008 Investments	Credit Rating[1]		Carrying Value	Weighted Average Maturity (years)	% of Portfolio
Treasury	-	$	53,432,937	2.1298	7.10%
Fannie Mae	Aaa/AAA		103,728,082	1.4567	13.79%
Freddie Mac	Aaa/AAA		54,594,884	1.1720	7.26%
Farmer Mac	Aaa/AAA		34,645,696	0.6870	4.60%
Farm Credit	Aaa		10,000,000	1.9643	1.33%
Federal Home Loan Bank	Aaa		149,238,988	0.9291	19.83%
Commercial Paper	A-1/P-1		17,500,000	0.0192	2.33%
MBIA Guaranteed Invest Contract[2]	A-/Ba1		36,274,390	30.2290	4.82%
FSA Guaranteed Invest Contract[2]	A+/A3		67,075,427	28.8151	8.91%
Bank of America-Forward Purchase Agreement	A+/A1		7,716,000	9.6193	1.03%
Overnight Repurchase Agreements[3]	A-1/P-1		129,499,060	0.0055	17.21%
Debt Service Reserve Repurchase Agreements:					
Bank of America Repo	A+/A1		16,333,690	16.2944	2.17%
Morgan Stanley Repo	A/A2		72,406,627	29.7017	9.62%
		$	752,445,781	9.4879	100.00%

1 The ratings in this table are from Moody’s and S&P, respectively.

2 Underlying rating of the counterparties.

3 Collateralized by Federal Agency Notes

The Airports Authority had the following investments in its portfolio as of December 31, 2007:

2007 Investments	Credit Rating[1]	Carrying Value	Weighted Average Maturity (years)	% of Portfolio
Treasury	-	$ 34,988,938	0.4994	3.76%
Fannie Mae	Aaa/AAA	219,239,000	0.4040	23.87%
Freddie Mac	Aaa/AAA	135,404,685	0.4282	14.74%
Farmer Mac	Aaa/AAA	15,433,993	0.5782	1.67%
Federal Home Loan Bank	Aaa	215,170,604	0.3264	23.39%
Commercial Paper	A-1/P-1	87,101,353	0.2869	9.53%
MBIA Guaranteed Invest Contract[2]	Aa2/AA	36,274,390	26.4388	3.91%
FSA Guaranteed Invest Contract[2]	Aaa/AAA	67,075,427	27.7700	7.24%
Bank of America-Forward Purchase Agreement	AA2/AA-	7,716,000	5.6740	0.83%
Overnight Repurchase Agreements[3]	A-1/P-1	13,771,189	0.0055	1.49%
Debt Service Reserve Repurchase Agreements:				
Bank of America Repo	AA2/AA-	16,333,690	15.7535	1.76%
Morgan Stanley Repo	Aa3/AA-	72,406,627	28.3592	7.81%
		$ 920,915,896	5.8768	100.00%

1 The ratings in this table are from Moody's and S&P, respectively.

2 Underlying rating of the counterparties.

3 Collateralized by Federal Agency Notes

Credit Risk

Credit Risk is the risk that the Airports Authority will lose money because of the default of the security of the issuer or investment counterparty.

The primary objectives of the Airports Authority's investment policy are the safety of capital, the liquidity of the portfolio and the yield of investments. Bond proceeds (see Note F) may be invested in securities as permitted in the bond indentures, otherwise, assets of the Airports Authority may be invested in United States Treasury securities; short-term obligations of the United States Government agencies; short-term obligations of the Commonwealth, the State of Maryland, and the District of Columbia; certificates of deposit with banks that have a LACE rating of "B" or better, or that are fully insured or collateralized; prime CP rated "A1" and "P1" by Standard & Poor's Rating Services (S&P) and Moody's Investors Service Inc. (Moody's), respectively; prime bankers' acceptance notes; repurchase agreements whose underlying collateral consists of the foregoing; money market or mutual funds or other such securities or obligations that may be approved by the Finance Committee by modification of the Airports Authority's policy.

The table above shows the fair value and the credit quality of the Airports Authority's investment portfolio, by investment type as of December 31, 2008 and 2007.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the Airports Authority would not be able to recover the value of its deposits, investments or collateral securities that were in the possession of an outside party. Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Investment securities are exposed to custodial credit risk if they are uninsured or not registered in the name of the Airports Authority and are held by either the counterparty or the counterparty's trust department or agent but not in the Airports Authority's name.

The Airports Authority's investment policy requires securities be insured or registered investments, or securities held by the Airports Authority or its agent in the Airports Authority's name. As of December 31, 2008 and 2007, all the Airports Authority's securities are held by the Airports Authority or its agent in the Airports Authority's name and are fully insured or registered investments.

Repurchase agreements and guaranteed investment contracts are required to be collateralized at 103.0% and require the collateral to be Authorized Investments as described in the Investment Policy and the Master Bond Indenture.

The Airports Authority's forward purchase agreement is collateralized at 100.0% with securities delivered monthly. The collateral is required to be approved Airports Authority investments as described in the Master Bond Indenture.

The fair value of the collateral for overnight repurchase agreements was $129.7 million on December 31, 2008. The fair value of the collateral for the guaranteed investment contracts was $118.9 million on December 31, 2008. The fair value of the collateral for the forward purchase agreements was $7.7 million on December 31, 2008. The fair value of the collateral for the Debt Service Reserve repurchase agreements was $92.5 million as of December 31, 2008. All the collateral for these contracts was held by the Airports Authority's agent in the Airports Authority's name.

Interest Rate Risk

The Airports Authority's investment policy as approved by the Board is designed to maximize investment earnings, while protecting the security of the principal and providing adequate liquidity. The overriding policy for investment decisions is to have funds available as needed for construction and general operating expenses. The Airports Authority's investment committee meets quarterly and determines the investment horizon for each fund based on the current construction or operating needs and the prevailing market conditions. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they are from securities defaults or erosion of market value. The Airports Authority manages interest rate risk by managing the weighted average maturity of each portfolio type to best meet liquidity needs.

The Bank of America Forward Purchase Agreement pays a variable interest rate of 75.5 basis points over the BMA Municipal Swap Index yield and is reset weekly. The collateral is comprised of Federal Agency notes maturing monthly on the variable rate (Series 2003D Bonds) interest payment date.

Concentration of Credit Risk

The Airports Authority as detailed above is limited to investments allowed by the bond indentures and the authorized Investment Policy. However, the Investment Policy does not limit the aggregation of investments in any one type of security. There are providers of securities in which the Airports Authority has invested individually more than 5.0% of the total portfolio.

In accordance with the provisions of GASB Statement No. 31, *Accounting and Reporting For Certain Investments and For External Investments Pools* (GASB 31), investments with an original maturity greater than one year are recorded at their fair value with all investment income, including changes in the fair value of investments, reported as investment income in the financial statements. As permitted by GASB 31, investments with an original maturity of less than one year are carried at amortized cost. Fair values are determined through quoted market prices.

The tables below present the Airports Authority's investments in accordance with GASB 31:

	December 31, 2008	
	Cost	Carrying Value
Securities with original maturity 1 year and over	$ 356,006,134	$ 360,135,141
Securities with original maturity less than 1 year	394,194,060	392,310,640
	$ 750,200,194	$ 752,445,781

	December 31, 2007	
	Cost	Carrying Value
Securities with original maturity 1 year and over	$ 289,056,134	$ 289,289,904
Securities with original maturity less than 1 year	637,740,189	631,625,992
	$ 926,796,323	$ 920,915,896

Change in carrying value from December 31, 2007 to December 31, 2008:

Carrying value at December 31, 2008	$ 752,445,781
Add: Proceeds from investments sold in 2008	1,330,987,756
Less: Cost of investments purchased in 2008	(1,148,303,920)
Less: Carrying value at December 31, 2007	(920,915,896)
Change in carrying value of investments	$ 14,213,721

Change in carrying value from December 31, 2006 to December 31, 2007:

Carrying value at December 31, 2007	$ 920,915,896
Add: Proceeds from investments sold in 2007	1,523,983,618
Less: Cost of investments purchased in 2007	(1,619,571,459)
Less: Carrying value at December 31, 2006	(803,051,215)
Change in carrying value of investments	$ 22,276,840

Reconciliation to Comparative Statements of Net Assets

A reconciliation of deposits and investments to the comparative Statements of Net Assets is as follows:

	December 31, 2008	December 31, 2007
Deposits	$ 71,462,478	$ 66,355,696
Money market	216,794,869	199,602,392
Certificates of Deposit	7,000,000	7,000,000
Securities	752,445,781	920,915,896
Swaps	(208,671,941)	(50,297,479)
	$ 839,031,187	$ 1,143,576,505
Cash and cash equivalents	37,994,647	$ 36,128,525
Cash and cash equivalents, restricted	285,067,201	173,596,934
Passenger facility charges, restricted cash	12,604,557	15,202,225
Investments, restricted	3,902,129	329,304,035
Investments	235,399,596	230,873,451
Long-term investments	71,747,636	80,463,199
Long-term investments, restricted	192,315,421	278,008,136
	$ 839,031,187	$ 1,143,576,505

D. INTEREST RATE SWAPS

For the year ended December 31, 2008, the Airports Authority implemented GASB 53. The Airports Authority's derivatives to which GASB 53 is applicable consist of interest rate swaps used to modify interest rates on outstanding and future debt. Based on the Airports Authority's International Swaps and Derivatives Association Agreement (Swap Agreement), the Airports Authority owes interest calculated at a notional amount multiplied by a fixed rate, to the counter parties. In return, the counterparties owe the Airports Authority interest based on the notional amount multiplied by a variable rate equal to 72 percent of London International Bank Offered Rate (LIBOR). Only the net difference in interest payments is actually exchanged with the counter parties. The Airports Authority continues to pay interest to the bondholders at the variable rate provided by the bonds associated with the swap. During the term of the Swap Agreement, the Airports Authority pays or receives the difference between the fixed rate on the Swaps and 72.0% of LIBOR.

Hedging Derivative Instruments

In 2001, the Airports Authority began a risk management program to assist in managing the interest cost on outstanding and future debt. During the year ended December 31, 2001, the Airports Authority entered into two forward-starting interest rate Swap Agreements (collectively, the 2001 Swaps) to modify interest rates on future outstanding debt. In October 2002, the 2001 Swaps were used to hedge $241.8 million of the Series 2002C Bonds. Based on the 2001 Swaps, the Airports Authority contracted to pay interest calculated at a fixed rate of 4.46% and 4.45% to the counterparties to the 2001 Swaps-- Lehman Brothers and Merrill Lynch. In return, the counterparties owed the Airports Authority interest based on the notional amount multiplied by a variable rate equal to 72.0% of LIBOR. In 2008, subsequent to the bankruptcy of Lehman Brothers, the 2001 Swap with Lehman Brothers was terminated. The Airports Authority paid Lehman Brothers the calculated value of $10.6 million.

The 2001 Swap with Merrill Lynch, with a notional amount of $66,120,000, was evaluated in 2008 to determine its effectiveness in hedging the Airports Authority interest rates on its debt. The Airports Authority is paid interest based on the notional amount multiplied by a variable rate equal to 72.0% of LIBOR. The GASB 53 states that if LIBOR, or a percentage of LIBOR, is employed as a hedge of tax-exempt debt, hedge effectiveness should be evaluated using one of the quantitative methods. The Airports Authority has applied the synthetic instrument method to determine swap effectiveness.

The 2001 Swaps actual synthetic rate was 5.1989% for the reporting period 2008 and was 133.6% of the fixed rate of 4.445%. Therefore, the 2001 Swaps are considered ineffective and the fair value of the 2001 Swaps of ($11.6) million is reported on the Statements of Net Assets. The net change in the fair value of the 2001 Swaps from 2007 was a loss of $6.2 million. Further, GASB 53 requires that if a derivative instrument is found to be ineffective in the first reporting period, evaluation of effectiveness in subsequent reporting periods should not be performed. Since this derivative is found to be ineffective at the end of the first reporting period, hedge accounting will cease permanently and the changes in the value of this instrument will be reported in the Statements of Revenues, Expenses and Changes in Net Assets as unrealized swap loss/gain.

Investment Derivative Instruments

At December 31, 2008, the Airports Authority had six outstanding Swap Agreements serving as Investment Derivative Instruments. These Swap Agreements are future-starting swaps and are reported as investment derivative instruments with the changes in the fair values reported within investment income on the Statements of Revenues, Expenses and Changes in Net Assets. When the underlying bonds are issued, the swaps will be evaluated for effectiveness.

On May 13, 2005, the Airports Authority entered into four forward floating-to-fixed interest rate Swap Agreements (collectively, the 2005 Swaps) with Wachovia Bank, N.A. and Bank of Montreal. Two of the 2005 Swaps had an effective date of October 1, 2006 and notional amounts of $65.0 million (Wachovia) and $35.0 million (Bank of Montreal). These were amended on August 30, 2006, to provide a hedge against rising interest rates for a portion of the financings the Airports Authority expected to undertake in 2008. The two remaining 2005 Swaps were amended effective October 1, 2007. The start date for the $75.0 million 2005 Swap with the Bank of Montreal was extended to October 1, 2008. The start date for the $125.0 million 2005 Swap with Wachovia was extended to October 1, 2011. In conjunction with this amendment, the Airports Authority monetized the then unrealized increase in the market value of this swap in September 2007, which resulted in the recognition of a realized gain of $2.1 million. In 2008, three of the 2005 Swap Agreements with notional amounts of $65.0 million (Wachovia Bank, N.A.), $35.0 million (Bank of Montreal), and $75.0 million (Bank of Montreal) scheduled to become effective October 1, 2008, were amended to extend the effective date to July 15, 2009, and increase the fixed-payor rate to 3.966%, 4.059%, and 3.911%, respectively. In return, the counterparties owe the Airports Authority interest based on the notional amount multiplied by a variable rate equal to 72.0% of LIBOR.

On July 11, 2006, the Airports Authority entered into forward floating-to-fixed interest rate Swap Agreements (collectively, the 2006 Swaps) with Bear Sterns Companies, Inc., Lehman Brothers, Wachovia Bank, and Bank of America to provide protection against rising interest rates for a portion of the financings the Airports Authority expects to undertake in 2009 and 2010 to fund ongoing capital needs. The 2006 Swaps that have an effective date of October 1, 2009, have notional amounts of

$190.0 million and $110.0 million with Bear Sterns and Bank of America, respectively. Based on the 2006 Swaps, the Airports Authority owes interest calculated at a fixed rate of 4.099% to the counterparties of the Bears Stearns and Bank America. The 2006 Swaps that have an effective date of October 1, 2010, have notional amounts of $170.0 million and $80.0 million with Wachovia Bank and Lehman Brothers, respectively. Based on the 2006 Swaps, the Airports Authority owes interest calculated at a fixed rate of 4.112% to Wachovia Bank, the counterparty of the 2006 Swaps. In return, the counterparties owe the Airports Authority interest based on the notional amount multiplied by a variable rate equal to 72.0% of LIBOR.

In 2008, subsequent to the bankruptcy of Lehman Brothers, the 2006 Swap with Lehman Brothers, with an effective date of October 1, 2010, was terminated. The Airports Authority paid Lehman Brothers the calculated value of $5.9 million.

As of the year ended December 31, 2008, all of the Airports Authority's forward-starting interest rate Swaps are recognized on the Statements of Net Assets in investments at fair value. The fair value of the Airports Authority Swaps on December 31, 2008 and 2007 is $(208.7) million and $(50.3) million, respectively. The change in fair value of the Airports Authority's Swaps in 2008 is a loss of $158.4 million. Changes in the fair value of the Airports Authority's Swaps are recorded as unrealized gains or losses on the Statements of Revenue, Expenses and Changes in Net Assets. In addition, net interest payments to the counterparties are recorded in the financial statements. This represents the maximum loss that would be recognized if all counterparties failed to perform as contracted.

The fair value of the Airports Authority's Swaps as of December 31, 2008, and 2007 are as follows:

	Notional Amount	Maturity	Value as of 12/31/2008	Value as of 12/31/2007	Change in value
Hedging Derivative Instruments					
2001					
Lehman (Terminated in 2008)	$ -		$ -	$ (10,807,736)	$ 10,807,736
Merrill Lynch	66,120,000	2021	(11,587,964)	(5,342,451)	(6,245,513)
Total Live Swaps	66,120,000		(11,587,964)	(16,150,187)	4,562,223
Investment Derivative Instruments					
July 2009					
Wachovia	65,000,000	2031	(14,517,184)	(2,315,640)	(12,201,544)
Bank of Montreal	35,000,000	2031	(7,880,152)	(1,300,943)	(6,579,209)
Bank of Montreal	75,000,000	2036	(17,008,939)	(1,860,878)	(15,148,061)
Total	175,000,000		(39,406,275)	(5,477,461)	(33,928,814)
October 2009					
J.P. Morgan Chase	190,000,000	2039	(54,400,169)	(10,235,171)	(44,164,998)
Bank of America	110,000,000	2039	(31,903,537)	(5,955,903)	(25,947,634)
Total	300,000,000		(86,303,706)	(16,191,074)	(70,112,632)
October 2010					
Wachovia	170,000,000	2040	(46,433,048)	(7,512,264)	(38,920,784)
Lehman (Terminated in 2008)	-		-	(3,557,340)	3,557,340
Total	170,000,000		(46,433,048)	(11,069,604)	(35,363,444)
October 2011					
Wachovia	125,000,000	2039	(24,940,948)	(1,409,153)	(23,531,795)
Total	125,000,000		(24,940,948)	(1,409,153)	(23,531,795)
Total Forward Settling	770,000,000		(197,083,977)	(34,147,292)	(162,936,685)
Grand Total	$836,120,000		$ (208,671,941)	$ (50,297,479)	$ (158,374,462)

Risks

Credit Risk – Each of the Airports Authority's Swaps is held with a counterparty as indicated in the following table. The credit ratings for each of the counterparties are as follows:

Counterparty	Credit Ratings[1]	Notional Amount
Merrill Lynch	A1/A/A+	$ 66,120,000
Wachovia	Aa1/AA+/AA	360,000,000
Bank of Montreal	Aa1/A+/AA-	110,000,000
JP Morgan Chase	Aa1/AA-/AA-	190,000,000
Bank of America	Aa2/A+/A+	110,000,000
		$ 836,120,000

[1] The ratings in this table are from Moody's, S&P and Fitch, respectively

Although the Airports Authority executes swaps with various counterparties, three contracts, comprising approximately 43.0% of the net exposure to credit risk, are held with one counterparty. That counterparty is rated Aa1, AA+, AA from Moody's, S&P and Fitch, respectively.

The Airports Authority's Swaps do not require the Airports Authority to post collateral for any reason. The counterparties to the Swaps are required to post collateral if their credit ratings fall below Aa3/AA- but only if the Swaps are positive in the Airports Authority's favor. As of December 31, 2008, all outstanding swap values are in the counterparties favor so no collateral has been posted.

The Airports Authority does not enter into any master netting agreements.

Interest Rate Risk - The Airports Authority is exposed to interest rate risk on its interest rate swaps. On its pay-fixed, received-variable interest rate swaps, as LIBOR decreases, the Airports Authority's net payment on the swap increases.

Basis Risk - The Airports Authority is exposed to basis risk on its pay-fixed interest rate swap because the variable-rate payments received by the Airports Authority on these hedging derivative instruments are based on a rate or index other than the interest rates the Airports Authority pays on its hedged variable-rate debt on which the interest rate resets every week. As of December 31, 2008, the weighted average interest rate on the Airports Authority's hedged variable-rate debt is 3.9682%, and 72% of LIBOR on December 31, 2008 was 0.3141%.

Termination Risk - The Airports Authority or its counterparties may terminate a swap if the other party fails to perform under the terms of the contract. In addition, the Airports Authority is exposed to termination risk on its swaps with October 2009 effective dates. In accordance with the agreement with the counterparties to extend the effective date of these swaps to July 2009, the Airports Authority will be required to terminate the swaps rather than attaching them to a debt obligation. These swaps will be terminated per a formula that approximates the then fair market value of the swaps.

E. ACCOUNTS RECEIVABLE

Trade accounts receivable consists of the following:

	December 31,	
	2008	2007
Trade accounts receivable	$ 24,033,741	$ 44,188,113
Less: allowance for doubtful accounts	(947,974)	(988,803)
	$ 23,085,767	$ 43,199,310

In 2008, Frontier Airlines, Gemini Air Cargo, MN Airlines (dba Sun Country Airlines) and ATA Holdings, Inc. filed for bankruptcy. The Airports Authority's accounts receivable for this pre-petition debt totaled $168,660. The Airports Authority has sufficient reserves to cover these potentially uncollectable receivables. In addition, Maxjet, who filed for bankruptcy in 2007, still remains in bankruptcy. As of December 31, 2007, the Airports Authority's pre-petition debt for this airline was $141,953. This amount was collected in full during 2008.

The Airports Authority's accounts receivables are 62.3% trade receivables due from concessionaires and airlines. The remaining 37.7% are notes and other receivables such as interest receivable. The allowance for doubtful accounts is specific to the Aviation Enterprise Fund.

F. RESTRICTED ASSETS

The Master Indenture securing the Revenue Bonds of the Airports Authority, requires segregation of certain assets into restricted accounts. The Airports Authority has also included PFC assets in restricted assets. Restricted assets consist of the following:

	December 31,	
	2008	2007
Construction	$ 205,045,601	$ 425,887,269
Debt service reserve accounts	400,987,362	328,305,615
Fair value of swaps	(208,671,941)	(50,297,479)
Interest accounts	53,254,984	54,345,763
Sinking fund accounts	23,776,457	22,667,937
DTR extraordinary maintenance and repair fund	7,740,565	-
Passenger facility charge accounts	12,604,557	15,202,225
Passenger facility charges and grant receivables	45,179,534	9,354,533
Bond issuance costs	60,737,790	60,302,530
	$ 600,654,909	$ 865,768,393

The construction accounts include the funds available for the design and construction of capital improvements for the Airports and for the Metrorail Project. The debt service reserve accounts contain the maximum amount of required principal payments for the bonds scheduled to come due in one year. The debt service reserve accounts are revalued each year in October. Any amounts in excess of the debt service requirements are transferred to the applicable construction fund or taken into the revenue funds of the Airports Authority if the construction funds have been expended. If the debt service reserve is undervalued, the Airports Authority transfers funds into the accounts. The debt service reserve accounts were over funded by $6.8 million as of December 31, 2008 and $2.9 million as of December 31, 2007. The interest account contains the interest amounts required for the semi-annual interest payments. The sinking fund accounts represent the principal for the annual October bond payments. The PFC and grant receivables represent amounts collectable as of December 31, 2008 and 2007. The bond issuance costs are costs incurred and paid by bond funds to complete the bond deal. They are amortized over the life of the related bond issue.

G. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the years ended December 31, 2008 and 2007 are as follows:

	Beginning Balance January 1, 2008	Transfers and Additions	Transfers and Deletions	Ending Balance December 31, 2008
Capital assets not being depreciated:				
Construction in progress	$1,915,881,901	$ 290,681,788	$ (430,193,643)	$ 1,776,370,046
Construction in progress, Metrorail project	-	362,322,546	-	362,322,546
Land and other non-depreciable assets	121,534,710	200,000	-	121,734,710
Total capital assets not being depreciated	2,037,416,611	653,204,334	(430,193,643)	2,260,427,302
Other capital assets:				
Equipment	59,460,093	8,229,458	(3,021,012)	64,668,539
Motor vehicles	92,275,530	704,243	(2,603,487)	90,376,286
Buildings	2,315,713,763	222,577,655	(22,482,600)	2,515,808,818
Systems and structures	1,440,873,719	397,382,837	-	1,838,256,556
Total other capital assets	3,908,323,105	628,894,193	(28,107,099)	4,509,110,199
Less accumulated depreciation:				
A/D equipment	43,617,182	4,764,315	(2,876,222)	45,505,275
A/D motor vehicles	75,458,102	3,215,918	(2,604,762)	76,069,258
A/D buildings	588,730,005	71,107,861	(19,182,494)	640,655,372
A/D systems and structures	621,825,106	77,824,122	-	699,649,228
Total accumulated depreciation	1,329,630,395	156,912,216	(24,663,478)	1,461,879,133
Other capital assets, net	2,578,692,710	471,981,977	(3,443,621)	3,047,231,066
Totals	$4,616,109,321	$1,125,186,311	$ (433,637,264)	$ 5,307,658,368

	Beginning Balance January 1, 2007	Transfers and Additions	Transfers and Deletions	Ending Balance December 31, 2007
Capital assets not being depreciated				
Construction in progress	$1,389,283,792	$ 736,046,481	$ (209,448,372)	$ 1,915,881,901
Land and other non-depreciable assets	118,144,707	3,390,003	-	121,534,710
Total capital assets not being depreciated	1,507,428,499	739,436,484	(209,448,372)	2,037,416,611
Other capital assets				
Equipment	52,482,671	9,037,417	(2,059,995)	59,460,093
Motor vehicles	89,677,779	2,701,208	(103,457)	92,275,530
Buildings	2,282,922,260	47,073,837	(14,282,334)	2,315,713,763
Systems and structures	1,280,266,050	160,607,669	-	1,440,873,719
Total other capital assets	3,705,348,760	219,420,131	(16,445,786)	3,908,323,105
Less accumulated depreciation:				
A/D equipment	41,793,631	3,825,832	(2,002,281)	43,617,182
A/D motor vehicles	72,308,759	3,273,681	(124,338)	75,458,102
A/D buildings	524,406,317	65,764,309	(1,440,621)	588,730,005
A/D systems & structures	555,699,891	66,125,215	-	621,825,106
Total accumulated depreciation	1,194,208,598	138,989,037	(3,567,240)	1,329,630,395
Other capital assets, net	2,511,140,162	80,431,094	(12,878,546)	2,578,692,710
Totals	$4,018,568,661	$ 819,867,578	$ (222,326,918)	$ 4,616,109,321

For the year ended December 31, 2008, interest costs of $87.2 million less interest earned of $11.8 million were capitalized as part of the cost of construction in progress. For the year ended December 31, 2007 interest costs of $87.8 million less interest earned of $20.1 million were capitalized as part of the cost of construction in progress. Depreciation expense for the years ended December 31, 2008 and 2007 was $156.9 million and $139.0 million, respectively.

As of December 31, 2008, the Airports Authority's construction in progress account includes only costs expended on work for projects that are in an active status. Other capital assets, buildings includes an Automated People Mover Maintenance Facility that was completed in 2006, but not put into service as of the end of 2008. This asset for $36.9 million is available to the train operator for fit-out but is not in use for its intended purpose and is therefore idle as of December 31, 2008. No depreciation expense has been recognized for this asset during the years ended December 31, 2008 and 2007.

The Airports Authority Aviation Enterprise Fund initiated its CCP in 1988 to expand, modernize and maintain the Airports. Under the CCP, the Airports Authority has constructed and will continue to construct many of the principal elements of the Reagan National and Dulles International Master Plans. Major projects completed under the Master plan at Reagan National include, among others, two new main terminals connected to a Metrorail station, three parking garages and an airport traffic control tower. Major capital projects completed under the CCP at Dulles International include, among others, expansion and rehabilitation of the Main Terminal, construction of Concourse A and B, the International Arrivals Building (IAB), runway and road improvements, two daily parking garages and an air traffic control tower.

In 2000, the Airports Authority approved an expansion of the CCP for Dulles International referred to as the Washington Dulles Development (d^2) program expected to be completed in 2006. In the aftermath of the events of September 11, 2001 the Airports Authority reexamined the CCP program and revised the expected completion date to 2011 and delayed the start dates of several projects and deferred some other projects. However, due to the growth in passenger enplanements at Dulles International in recent years the CCP program has been rescheduled to 2016 and an additional $2.1 billion of projects were added. In total, the CCP program was expected to cost $7.1 billion.

The Airports Authority's approved capital budget for the 2008-2016 CCP is $4.8 billion. The projects currently in the program at Dulles International include the AeroTrain system to replace the existing mobile lounges which will move passengers between the Main Terminal and Concourses A, B and C, completion of the construction of the IAB expansion, site preparation for the fifth runway, preservation of the historic air traffic control tower in the Main Terminal, concourse modifications to support the Airbus A380 aircraft and Main Terminal restroom upgrades. At Reagan National, projects include a consolidated communications center, runway and taxiway area improvements, replacement of the parking revenue control system, additional decks on Garages A, B, and C, and Terminal B/D restroom upgrades.

With the transfer of the DTR from the VDOT, the Airports Authority committed to constructing the Metrorail Project. This is a 23-mile extension of the existing metrorail system from the East Falls Church station to Dulles International west to Ashburn in Loudoun County, Virginia. This system will be operated by the Washington Metropolitan Area Transit Authority (WMATA) and serve Tyson's Corner, the Reston Herndon area, and provide a one-seat ride from Dulles International to downtown Washington, D.C.

Phase 1 of the Metrorail Project will extend 11.7 miles from near East Falls Church to Wiehle Avenue in Reston. It includes 5 new stations and improvements to the existing WMATA Service and Inspection Yard at the West Falls Church station. Construction began in March 2009. Utility relocation activities began in spring 2008. The total project cost is budgeted at $2.8 billion.

Design plans and costs in the Airports Authority's construction program are evaluated on a periodic basis and should it be determined that the projects will not go forward or the designs are no longer usable, the associated costs will be written off.

In 2008, the Airports Authority recognized a one-time transaction to write off design costs incurred on the Tier 2 Concourse and related facilities. In 2008 the Airports Authority ceased all design work on the Tier 2 Concourse and related facilities. If the Airports Authority were to proceed with the project in the future, the Tier 2 Concourse and related facilities are likely to be substantially different from what is reflected in the designs and plans developed to date. Consistent with GASB 42, in 2008, the Airports Authority recorded $66.2 million in impairment loss, which is included in transfers and deletions in the preceding 2008 table summarizing the changes in capital assets for the year.

Pollution Remediation Obligations

In 2008, the Airports Authority implemented GASB 49. Prior year financial statements were not restated since there were no material previously unrecorded liabilities; however, the Airports Authority expensed $1.9 million of expenditures previously capitalized as construction in progress. As of

December 31, 2008 and 2007, the Airports Authority had one site which requires further evaluation of potential contamination.

Due to the burning of waste containing hazardous material at a former fire training area in 1989, Dulles International is subject to Resource Conservation and Recovery Act (RCRA) corrective action regulatory requirements. RCRA corrective action activities are being conducted under the direction of Environmental Protection Agency (EPA) Region 3 with assistance from the Virginia Department of Environmental Quality. On March 19, 2007, the EPA requested the Airports Authority to submit a workplan to address Phase I Environmental Indicator Information Needs. The Airports Authority submitted a workplan on April 30, 2007 and implemented the workplan in May of 2007, subsequently submitting reports of investigation in August, October and November of that year. On November 27, 2007, the Airports Authority submitted a workplan for additional investigations. The EPA is reviewing that workplan. Thus far, only one investigated area has contained contamination that requires further evaluation for the environmental indicators. Acetone has been found in groundwater north of the Shop 2 maintenance complex. Further evaluation of the concentration of acetone is needed to determine necessary pollution remediation efforts, if any. At present, it is unknown what additional studies and/or site work, if any, will be required. Therefore, no liabilities have been established as of December 31, 2008.

H. ACCOUNTS PAYABLE

The accounts payable and accrued expenses balance as of December 31, 2008, is 65.4% payable from restricted funds and 34.6% payable from the general operating fund. The restricted fund payables are primarily trade accounts payable related to the Airports Authority’s ongoing construction program. Building construction costs payable are $101.2 million as of December 31, 2008 and $118.5 million as of December 31, 2007. The unrestricted accounts payables and accrued expenses are 19.1% accrued salaries and benefits, 49.5% payables to vendors, 21.9% deferred revenue and expenses, with the remaining 9.4% reserves for insurance claims.

For the year ended December 31, 2008, the Aviation Enterprise financial statements reflect the one-time reduction of $7.2 million in previously recorded expenses for costs incurred in connection with the transfer of the Dulles Toll Road to the Airports Authority and the reduction of $200,000 in operating expense, primarily payroll, both which are to be repaid from the Dulles Corridor Enterprise Fund. At year ended December 31, 2008, the entire $7.4 million is due to the Aviation Enterprise from the Dulles Corridor Enterprise. It is expected that the funds will be repaid in 2009.

I. PENSION PLANS AND DEFERRED COMPENSATION PLAN

The Airports Authority participates in two United States Government pension plans: the Civil Service Retirement System (CSRS) and the Federal Employees’ Retirement System (FERS). Each is considered a cost-sharing multiple employer public employee retirement system. Employees hired before December 31, 1983 are members of the CSRS unless they elected to transfer to FERS either before December 31, 1987 or during the special enrollment period from July 1, 1998 through December 31, 1998. In addition, the Airports Authority maintains single employer-defined benefit pension plans that cover all of its police and fire employees and its regular employees hired on or after June 7, 1987, excluding employees working less than 20 hours a week and other temporary employees.

Government Pension Plans

Under the CSRS, employees contribute 7.0% of their base pay (7.5% for firefighters) and the Airports Authority matches the employees' contributions. Retirement benefits are based on length of service and the average of the employee's three highest years of base pay. Employees can retire at age 55 with 30 years of service; age 60 with 20 years of service; or age 62 with five years of service. Firefighters can retire at age 50 with 20 years of firefighting service. Retirement annuities range from 7.5% of the average high three-year base pay to a maximum of 80.0% depending on years of service. Effective April 1, 1987, the CSRS added a Thrift Savings Plan. CSRS participants can contribute a percentage of their salary on a tax-deferred basis up to the statutory limit of $15,500 in 2008. There are 42 regular employees and 5 police and firefighter employees currently enrolled in CSRS as of December 31, 2008.

The FERS provides benefits from three different sources: a Basic Benefit Plan, Social Security, and the Thrift Savings Plan. The Basic Benefit Plan employees' deduction ranges from 0.8% of base pay for regular employees to 1.3% for firefighters. The Airports Authority contributes from 10.7% for regular employees to 23.3% for firefighters. There are 42 regular employees and 23 police and firefighter employees currently enrolled in the FERS as of December 31, 2008.

Employees retiring under the FERS are entitled to annual maximum retirement benefits equal to 1.1% of the employee's highest three-year average salary for every year of service. Regular employees are eligible for retirement when they have 10 years of service and have reached the minimum retirement age (ranging from 55 to 57 years old), based on a birth date. Firefighters can retire at age 50 with 20 years of firefighting service or at any age with 25 years of service. These employees are entitled to an annual retirement benefit of 1.7% of the employee's highest three-year average salary for every year of service up to 20 years and 1.0% for years of service over 20. FERS participants enrolled in the Thrift Savings Plan can now contribute up to 15.0% of their salary on a tax-deferred basis.

The Airports Authority's base payroll for employees covered by the CSRS and the FERS for the year ended December 31, 2008 was $9.2 million. The Airports Authority's total base payroll for all employees was $90.0 million in 2008. Employee contributions for these federal pension plans were $336,959 for 2008, $352,401 for 2007, and $408,849 for 2006.

The employer contributions for these plans were $1.1 million for 2008, $1.1 million for 2007, and $1.2 million for 2006. These contributions represent 100.0% of required contributions for each of the respective years.

The Airports Authority Pension Plans

Effective January 1, 1989, the Airports Authority established a retirement benefits program for employees hired on or after June 7, 1987, which provides income in the event of retirement or death where a surviving spouse remains. Employee coverage and service credit was retroactive to June 7, 1987. The program includes the Airports Authority General Employee Retirement Plan (covering regular employees) and the Airports Authority Retirement Plan for Police Officers and Firefighters (the Plans), both single employer defined benefit plans. Any amendment to these plans must be approved by the Airports Authority's Board. As of December 31, 2008, the number of employees participating in the Plans was:

Current participants	Regular	Police/Fire	Total
Vested	639	206	845
Non-vested	342	121	463
Retirees/disabled employees currently receiving benefits	156	11	167
Terminated vested participants	188	58	246
Total	1,325	396	1,721

The Airports Authority contributed 6.8% to the Regular Plan and 12.4% to the Police and Fire Plan in 2008. The Airports Authority's base payroll in 2008 for the Regular Plan was approximately \$60.5 million and \$20.2 million for the Police and Fire Plan. The Airports Authority's base payroll in 2007 for the Regular Plan was approximately \$52.5 million and \$17.4 million for the Police and Fire Plan. In 2008, the Airports Authority contributed \$4.1 million to the Regular Plan and \$2.5 million to the Police and Fire Plan. In 2007, the Airports Authority contributed \$3.5 million to the Regular Plan and \$2.1 million to the Police and Fire Plan. Employees do not contribute to the Regular Plan.

The Plans provide retirement benefits as well as death benefits. Regular employees who retire at or after age 60 with five years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.2% of final-average salary up to covered compensation and 1.6% of final-average salary which is above covered compensation for each year of credited service (maximum 30 years).

Final-average salary is the average of the employee's highest consecutive 78 pay periods in the most recent 260 pay periods, while covered compensation is the 35-year average of the Social Security Wage Bases ending with the year in which the participant attains Social Security normal retirement age. A pre-retirement surviving spouse benefit is payable in the event of death, equal to 50.0% of the benefit which would have been payable had the participant retired, provided the participant had at least five years of service. Benefits can be received as early as age 55 with five years of service with a 5.0% reduction for each year the participant is younger than age 60. Benefits are also adjusted to the lesser of one-half of the CPI or 4.0%.

The benefits to police officers and firefighters become payable at age 55 with five years of service or at any age with 25 years of service. Benefits are not reduced if retirement is at or after age 50. The benefit is 2.0% of the final average earnings for service up to 25 years, and 1.0% of the final average earnings for service between 25 and 30 years. Withdrawal, death, and cost of living benefits are similar to those available to regular employees. Police officers and firefighters are required to contribute 1.5% of base pay per year of participation, which is accumulated with a 5.0% interest rate and returned when a benefit is forfeited.

The Airports Authority contributes the remaining amounts necessary to fund the Plans using the entry age normal actuarial method in addition to an amount to amortize any unfunded liability.

Contributions Required and Made

The Airports Authority's funding policy is to provide for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. Employer contributions are determined in accordance with the plan provisions and approved by the Airports Authority's Board. Level percentages of payroll employer contribution rates are determined using the entry age actuarial funding method shown in dollars in the following table. Unfunded actuarial accrued liabilities are being amortized over a period of 30 years on an open basis.

Annual Pension Cost and Net Pension Obligation

The Airports Authority's pension obligation (asset) for its General Employees and Police and Firefighters pension plans as of December 31, 2008, 2007, 2006 and for the years then ended, which are based on the then latest actuarial valuations available, are as follows:

	2008	
	General Employees	Police and Firefighters
Annual required contribution	$ 4,117,347	$ 2,508,523
Interest on net pension obligation (asset)	(126,206)	(39,219)
Adjustment to annual required contribution	132,539	41,187
Annual pension cost	4,123,680	2,510,491
Contributions made	4,117,347	2,508,523
Change in net pension obligation (asset)	6,333	1,968
Net pension obligation (asset) beginning of year	(1,682,741)	(522,917)
Net pension obligation (asset) end of year	$ (1,676,408)	$ (520,949)

	2007	
	General Employees	Police and Firefighters
Annual required contribution	$ 3,433,086	$ 2,084,003
Interest on net pension obligation (asset)	(123,248)	(39,367)
Adjustment to annual required contribution	129,433	41,343
Annual pension cost	3,439,271	2,085,979
Contributions made	3,508,663	2,050,272
Change in net pension obligation (asset)	(69,392)	35,707
Net pension obligation (asset) beginning of year	(1,613,349)	(558,624)
Net pension obligation (asset) end of year	$ (1,682,741)	$ (522,917)

	2006	
	General Employees	Police and Firefighters
Annual required contribution	$ 3,204,841	$ 1,821,394
Interest on net pension obligation (asset)	(138,467)	(4,229)
Adjustment to annual required contribution	145,417	4,441
Annual pension cost	3,211,791	1,821,606
Contributions made	2,978,907	1,803,848
Change in net pension obligation (asset)	232,884	17,758
Net pension obligation (asset) beginning of year	(1,846,233)	(576,382)
Net pension obligation (asset) end of year	$ (1,613,349)	$ (558,624)

Three year trend information is as follows:

	General Employees Retirement Plan			Police Officers and Firefighters Plan		
Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligations (Assets)	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligations (Assets)
2006	$3,211,791	92.70%	($1,613,349)	$1,821,606	99.00%	($558,624)
2007	$3,439,271	102.00%	($1,682,741)	$2,085,979	98.30%	($522,917)
2008	$4,123,680	99.80%	($1,676,408)	$2,510,491	99.90%	($520,949)

Funding Status

The actuarial accrued liability (AAL) was determined from the then most recently available actuarial valuation of the Plans. Significant actuarial assumptions used in determining the AAL include: (a) a rate of return on the investment of the present and future assets of 7.5% per year compounded annually, (b) projected salary increases ranging from 5.5% to 9.5% based on years of service and anticipated inflation, (c) post-retirement benefit increases of 1.75% per year, (d) for inflation rate, CPI increases of 3.5% per year (e) amortization method of percentage of projected payroll, and (f) amortization period of 30 years, open. The actuarial value of assets is determined using fair market values with changes smoothed over a five-year period. A copy of the actuarial valuations, plan financial statements and plan documents may be obtained by written request to: MWAA, Benefits Department, 1 Aviation Circle, Washington, DC 20001-6000.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
General Employees Retirement Plan						
12/31/2001	$ 44,776,250	$ 33,126,203	$ (11,650,047)	135.20%	$ 37,458,710	(31.10)%
12/31/2002	48,332,275	37,975,594	(10,356,681)	127.30%	39,377,221	(26.30)%
12/31/2003	53,164,834	43,202,420	(9,962,414)	123.10%	41,524,933	(24.00)%
12/31/2004	58,126,517	46,229,931	(11,896,586)	125.70%	43,199,684	(27.50)%
12/31/2005	64,087,361	53,833,003	(10,254,358)	119.00%	48,218,773	(21.30)%
12/31/2006	72,341,671	62,195,419	(10,146,252)	116.30%	52,985,414	(19.10)%
12/31/2007	82,372,511	68,958,757	(13,413,754)	119.50%	54,751,207	(24.50)%

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Police Officers and Firefighters Retirement Plan						
12/31/2001	$ 19,772,489	$ 16,145,289	$ (3,627,200)	122.50%	$ 9,705,378	(37.40)%
12/31/2002	21,744,019	19,020,653	(2,723,366)	114.30%	11,487,047	(23.70)%
12/31/2003	24,294,170	21,873,198	(2,420,972)	111.10%	12,679,387	(19.10)%
12/31/2004	27,168,047	24,474,697	(2,693,350)	111.00%	14,298,016	(18.80)%
12/31/2005	30,730,808	28,546,385	(2,184,423)	107.70%	15,462,439	(14.10)%
12/31/2006	35,464,226	34,134,852	(1,329,374)	103.90%	17,799,707	(7.50)%
12/31/2007	41,245,955	39,293,637	(1,952,318)	105.00%	18,799,993	(10.40)%

Annual Pension Percentage of ARC

	General Employees Retirement Plan			Police Officers and Firefighters Retirement Plan		
Calendar Year	Annual Required Contribution	Actual Contribution	Percentage Contribution	Annual Required Contribution	Actual Contribution	Percentage Contribution
2002	$ 2,084,956	$ 2,410,730	115.60%	$ 1,280,205	$ 1,356,150	105.90%
2003	2,593,255	2,370,976	91.40%	1,577,901	1,443,352	91.50%
2004	2,755,413	2,678,873	97.20%	1,723,233	1,684,069	97.70%
2005	2,525,154	3,030,185	119.70%	1,654,845	1,950,353	117.80%
2006	3,233,610	3,037,634	93.90%	1,939,938	1,890,618	97.50%
2007	3,463,046	3,508,663	101.30%	2,050,272	2,050,272	100.00%
2008	4,117,347	4,117,347	100.00%	2,508,523	2,508,523	100.00%

Expressing the actuarial value of assets available for benefits as a percentage of the AAL provides an indication of the Plan's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the Plan is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the retirement plan. Trends in assets in excess of AAL and annual covered payroll are both affected by inflation. Expressing the AAL in excess of assets as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of progress made in accumulating sufficient assets to pay benefits when due. Generally, the lower this percentage, the stronger the retirement plan.

The comparability of trend information is affected by changes in actuarial assumptions, benefit provisions, actuarial funding methods, accounting policies, the size or composition of the population covered by the Plan, and other changes. Those changes usually affect trends in contribution requirements and in ratios that use the AAL as a factor.

All assets of the Airports Authority pension plans are held in trust at the Bank of New York Mellon. The assets were transferred to the Bank of New York Mellon on July 2, 2007 from Manufacturers and Traders Trust Company (M&T).

The contribution rates for any given year for the Airports Authority General Plan and Police and Firefighter Plan are calculated based on the actuarial valuation done for the year two years prior to the current year. That is, the contribution rates for the 2008 year were calculated using the actuarial valuation done for year ended December 31, 2006. For this reason, the Airports Authority contribution rates will not see the activity in the current financial markets reflected in the rates for years 2008 or 2009. The contribution rate for the calendar year 2010 will incorporate the changes that took place in the current market in 2008 and any corresponding economic assumptions.

Deferred Compensation Plan

Effective July 2, 1989, the Airports Authority offered its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time employees, permits employees to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is available to employees at termination, retirement, death, or an unforeseeable emergency.

Effective July 17, 2008, the Airports Authority changed its trust agent for the Deferred Compensation Plan to the Vantage Trust Company. Prior to this date the assets were held in trust by M&T.

Investments are managed for participants by the International City/County Management Association Retirement Corporation (ICMA-RC) under one of several investment options, or a combination thereof. The choice of the investment option(s) is made by the participant.

Money Purchase Pension Plan

Effective December 18, 2007, the Airports Authority established a Money Purchase Pension Plan (MPPP) in accordance with Internal Revenue Code 401 (a) (17). The MPPP is available to all full-time employees. Under the terms of the MPPP, the Airports Authority makes contributions on behalf of eligible employees. The amount of contributions made on behalf of eligible employees depends on whether the employee's pension benefit under the Airports Authority's General Employees Retirement Plan or the Airports Authority's Retirement Plan for Police Officers and Firefighters is limited due to compensation limitations imposed by section 401 (a) (17). Eligible employees may not defer a portion of their salary into the MPPP. The Airports Authority serves as trustee of the MPPP. The Airports Authority has entered into an agreement with the ICMA-RC to act as an investment advisor to the

MPPP and to provide record keeping services. In 2008, the Airports Authority paid $34,136 into the MPPP. In 2007, the Airports Authority paid $44,113 into the MPPP.

J. POSTEMPLOYMENT BENEFITS

The Airports Authority Plans

In addition to pension benefits, the Airports Authority provides post employment benefits of health, dental and life insurance. The Airports Authority's Retired Employees Healthcare Plan (the Healthcare Plan) is a single-employer defined benefit healthcare, dental and life insurance plan administered by the Airports Authority. The Healthcare Plan provides medical, dental and life insurance benefits to eligible retirees and their spouses.

The Airports Authority's Board initially provided the benefits package to meet requirements of the federal enabling legislation which created the Airports Authority in 1987. Through the budget approval process, the Airports Authority has continued to provide these benefits of insurance to retired employees under the Airports Authority's group plans for health, dental and life insurance. The Airports Authority can establish and amend benefit provisions of the Healthcare Plan. As of December 31, 2008, 339 retired employees were receiving life insurance benefits and 337 retired employees were receiving health insurance benefits under these Airports Authority programs.

In accordance with GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* (GASB 43) and GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASB 45), the Airports Authority created in February 2005 an Employee Welfare Benefits Trust. This Trust provides a funding mechanism for retiree health, dental and life insurance coverage and other post employment benefits other than pensions. The Airports Authority began funding the trust and fully implemented GASB 43 and GASB 45 in 2005.

The contribution requirements of the Plan's members and the Airports Authority for the health and dental insurance are established and may be amended by the management of the Airports Authority. The required contribution is based upon projected pay-as-you-go financing requirements and funding for future benefits. The Airports Authority pays 80.0% of the total health insurance premiums costs with the remainder paid by the retired employee. For the years ended December 31, 2008 and December 31, 2007 the Airports Authority's health insurance costs for retired employees totaled $3.3 million and $3.2 million, respectively.

Plan participants contributed $633,330 for fiscal year 2008 and $626,215 for fiscal year 2007, or 20.0% of the total premiums, through their required monthly contributions:

Monthly Contributions for Retirees Under 65 for 2008

Provider Choices	Retiree Only	Retiree Plus Spouse	Retiree Plus Child(ren)	Family
Aetna - HMO	$86.00	$178.00	$160.00	$252.00
Aetna – PPO	$93.00	$194.00	$176.00	$276.00
Kaiser Permanente Select HMO	$74.00	$153.00	$140.00	$221.00
MetLife Dental	$11.00	$23.00	$23.00	$43.00

Monthly Contributions for Retirees Over 65 for 2008

Provider Choices	Retiree Only	One > 65 One < 65	Two Party Medicare	Family Medicare
Aetna - HMO	$68.00	$194.00	$135.00	$241.00
Aetna – PPO	$75.00	$216.00	$148.00	$268.00
Kaiser HMO	$51.00	$134.00	$103.00	$185.00
MetLife Dental	$11.00	$23.00	$23.00	$43.00

The Airports Authority offers two retiree life insurance options. Under option 1, the Airports Authority pays 100.0% of the retired employee's basic and supplemental life insurance cost. Basic life insurance coverage is reduced to 25.0% of the employee's life insurance in force at the time of retirement. Supplemental life insurance is a multiple of the basic life insurance (1 to 5 times) that the employee had selected prior to retirement. Supplemental life insurance is reduced at a rate of 2.0% each month so that at the end of 50 months, no supplemental life insurance coverage remains in force.

Option 2 is available to employees who retire from the Airports Authority on or after May 1, 2007. Under option 2, basic life insurance is reduced to 25.0% of the retired employee's basic life insurance in force at the time of retirement. The Airports Authority pays 100.0% of the cost of the basic life insurance. The amount of supplemental life insurance in force remains at the amount the retired employee had at the time of retirement. The amount of supplemental life insurance is reduced by 50.0% at age 70 and another 50.0% at age 75. Retirees pay the entire cost of supplemental life insurance under this option.

Of the 340 retired employees, 40 had supplemental insurance coverage as of December 31, 2008. For the year ended December 31, 2008, the life insurance costs for retired employees totaled $158,489. Of the 326 retired employees, 54 had supplemental insurance coverage as of December 31, 2007. For the year ended December 31, 2007, the life insurance costs for retired employees totaled $210,025.

Annual Other Post Employment Cost and Obligation

The Airports Authority's obligations (assets) for its post employment benefit plans as of December 31, 2008, 2007, 2006 and for the years then ended, which are based on the then latest actuarial valuations available, are as follows:

2008	Medical and Dental	Life Insurance
Annual required contribution	$ 7,980,000	$ 746,600
Interest on net OPEB obligation (asset)	-	-
Adjustment to annual required contribution	-	-
Annual OPEB cost	7,980,000	746,600
Contributions made	8,262,070	718,827
Change in net OPEB obligation (asset)	(282,070)	27,773
Net OPEB obligation (asset) beginning of year	(2,210,000)	(94,260)
Net OPEB obligation (asset) end of year	$ (2,492,070)	$ (66,487)

2007	Medical and Dental	Life Insurance
Annual required contribution	$ 7,904,439	$ 754,384
Interest on net OPEB obligation (asset)	-	-
Adjustment to annual required contribution	-	-
Annual OPEB cost	7,904,439	754,384
Contributions made	7,754,439	753,962
Change in net OPEB obligation (asset)	150,000	422
Net OPEB obligation (asset) beginning of year	(2,360,000)	(94,682)
Net OPEB obligation (asset) end of year	$ (2,210,000)	$ (94,260)

2006	Medical and Dental	Life Insurance
Annual required contribution	$ 7,400,000	$ 709,500
Interest on net OPEB obligation (asset)	-	-
Adjustment to annual required contribution	-	-
Annual OPEB cost	7,400,000	709,500
Contributions made	7,400,000	631,182
Change in net OPEB obligation (asset)	-	78,318
Net OPEB obligation (asset) beginning of year	(2,360,000)	(173,000)
Net OPEB obligation (asset) end of year	$ (2,360,000)	$ (94,682)

Funding Status

The Airports Authority began funding the Plan in 2005 and, in addition to funding insurance costs for retired employees (see above), contributed $5.4 million, $5.2 million and $6.5 million for the years ended December 31, 2008, 2007, and 2006, respectively, to the Trust for medical and dental insurance. The Airports Authority also contributed approximately $570,000, $550,000 and $544,000 for the years ended December 31, 2008, 2007, and 2006, respectively, to the Trust for life insurance.

Schedule of Funding Progress for Medical Insurance

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
01/01/2005	-	$65,790,000	$65,790,000	0.00%	$58,820,000	111.90%
01/01/2006	$6,500,000	$76,080,000	$69,580,000	8.50%	$64,100,000	108.60%
01/01/2007	$13,090,000	$81,930,000	$68,840,000	15.97%	$69,770,000	98.67%
01/01/2008	$19,450,000	$85,170,000	$65,720,000	22.83%	$68,620,000	95.80%

Schedule of Funding Progress for Life Insurance

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
01/01/2005	-	$5,380,500	$5,380,500	0.00%	$59,739,100	9.00%
01/01/2006	$554,100	$5,941,900	$5,387,800	9.30%	$64,148,900	8.40%
01/01/2007	$1,152,000	$6,722,000	$5,570,000	17.20%	$69,770,800	7.90%
01/01/2008	$1,711,700	$6,822,000	$5,110,300	25.10%	$68,616,300	7.50%

Annual Percentage of ARC – Medical Insurance

Calendar Year	Annual Required Contribution	Actual Contribution	Percentage Contribution
2005	$6,390,000	$8,750,000	136.90%
2006	$7,400,000	$7,400,000	100.00%
2007	$7,904,439	$7,754,439	98.10%
2008	$7,980,000	$8,262,070	103.50%

Annual Percentage of ARC – Life Insurance

Calendar Year	Annual Required Contribution	Actual Contribution	Percentage Contribution
2005	$680,000	$853,000	125.40%
2006	$709,500	$631,182	89.00%
2007	$754,384	$753,962	99.90%
2008	$746,600	$718,827	96.30%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing the benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in AAL and the actuarial value of assets, consistent with the long-term perspective of the calculations. The actuarial value of future assets will be determined using fair market values.

In the January 1, 2008 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 7.5% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 11.0% initially, reduced by decrements to an ultimate rate of 5.0% after seven years. The Life Insurance rate includes a 3.5% inflation assumption. The initial unfunded AAL is being amortized as a level dollar amount over a period of 30 years. A copy of the actuarial valuation and plan document may be obtained by written request to: Metropolitan Washington Airports Authority, Benefits Department, 1 Aviation Circle, Washington, DC 20001-6000. There are no separate stand alone financial reports issued.

K. CAPITAL DEBT

Commercial Paper Notes

The Airports Authority's Board adopted Resolution No. 00-1 on April 2, 2000, allowing the issuance of $250.0 million in CP Notes. The principal amount was to pay or provide for certain capital improvements at the airports or refunding other forms of indebtedness principal and interest thereof. On May 2, 2001, the Airports Authority Board adopted Resolution No. 01-6 allowing the issuance of CP Notes not to exceed $500.0 million. The Airports Authority currently has in place credit facilities allowing it to draw up to $420.0 million in CP Notes at any given time.

Series One CP Notes are authorized pursuant to the Amended and Restated Eleventh Supplemental Indenture dated as of November 1, 2004 and further amended on March 1, 2005 between the Airports Authority and the Trustee. The Series One CP Notes are structured as Short-term/Demand Obligations under the Indenture and collateralized by certain pledged funds including Net Revenues on parity with the Bonds. They are further collateralized by an irrevocable direct pay letter of credit issued by JP Morgan Chase Bank, which expires in March 2011. The Airports Authority's obligation to repay amounts drawn under such letter of credit is collateralized by a promissory note issued by the Airports Authority to JP Morgan Chase Bank and is collateralized by and payable from Net Revenues and other pledged funds on a parity with the Series One CP Notes and the Bonds. As of December 31, 2008 $150.0 million of the Series One CP Notes were outstanding. They were issued in October and November 2008. The proceeds are being used to provide interim financing for authorized projects at Reagan National and Dulles International airports. The weighted average interest rate on the Series One CP Notes was 1.5%.

Series Two CP Notes are authorized pursuant to the Twenty-second Supplemental Indenture dated as of January 1, 2005, between the Airports Authority and the Trustee. The Series Two CP Notes are structured as Short-term/Demand Obligations under the Indenture and are collateralized by certain pledged funds including Net Revenues on parity with the Bonds. They are further collateralized by an irrevocable direct pay letter of credit issued on a several but not joint basis by WestLB AG acting through its New York Branch, individually and as an agent, and Landesbank Baden-Wurttemberg, acting through its New York Branch (collectively, the Banks), which expires in December 2015, but allows the Banks under certain circumstances to terminate the facility every five years beginning on January 12, 2010. The Airports Authority's obligation to repay amounts drawn under such letter of credit is collateralized by a promissory note issued by the Airports Authority to the Banks and is collateralized by and payable from Net Revenues and other pledged funds on parity with the Series Two CP Notes and the Bonds. As of December 31, 2008, the Airports Authority has $67.5 million in Series Two CP Notes outstanding. The proceeds are used to provide interim financing for authorized projects at Reagan National and Dulles International. The weighted average interest rate on the Series Two CP Notes at December 31, 2008 was 2.0% on sub-series A and 2.5% on sub-series C.

All of the Airports Authority's CP Notes are rated "P-1" short-term by Moody's, "A-1+" short-term by S&P, and "F1+" short term by Fitch.

Changes in Commercial Paper Notes Balances

	Series One	Series Two	Total
Balance as of December 31, 2007	$ 60,000,000	$ 200,000,000	$ 260,000,000
Commercial Paper Notes Refunded	(60,000,000)	(161,500,000)	(221,500,000)
Commercial Paper Notes Issued	150,000,000	29,000,000	179,000,000
Balance as of December 31, 2008	$ 150,000,000	$ 67,500,000	$ 217,500,000

PFC Bank Participation Notes

The Airports Authority issued Flexible Term PFC Revenue Notes (bank participation notes) of $495.9 million to finance PFC approved projects. The bank participation notes have various maturity dates and interest rates that vary from 0.95% to 1.70%. The bank participation notes required the Airports Authority to maintain a reserve account. The reserve account at December 31, 2008 and December 31, 2007, was $3.6 million and $5.7 million, respectively, and is included in PFC's, restricted cash on the Statements of Net Assets. The bank participation notes are backed by a Bank of America, N.A. letter of credit that expires on November 16, 2010. Bank participation notes outstanding at December 31, 2008 and 2007 were $432.0 million. Total interest cost for the years ended December 31, 2008 and December 31, 2007 were $11.5 million and $17.0 million, respectively.

Changes in PFC Bank Participation Notes

Balance as of December 31, 2007	$ 432,000,000
PFC Bank Participation Notes Issued	-
PFC Bank Participation Notes Refunded	-
Balance as of December 31, 2008	$ 432,000,000

Bond Anticipation Notes

On November 1, 2008, the Airports Authority received the proceeds of $150.0 million for a Bond Anticipation Note with the Bank of America. The proceeds will be used to fund the ongoing Metrorail Project. The notes are due to expire on November 1, 2009.

Bonds Payable

A Master Indenture was created in 1990 for the Airports Authority. The Master Indenture was amended effective September 1, 2001, to in part, change the definition of Annual Debt Service to accommodate the issuance of secured commercial paper, to permit the Airports Authority to release certain revenues from the definition of revenues, and to expand the list of permitted investments to include new, safe investment vehicles designed to increase the return on the Airports Authority investments. Under this amended Master Indenture, all bonds are collateralized by a pledge of Net Revenues of the Airports Authority which is "senior" to the "subordinated" pledge given by the Airports Authority in connection with the issuance of its bonds prior to 1990.

Bonds Payable

The Airports Authority's long-term bonds issued and outstanding as of December 31, 2008 and 2007 were as follows:

Airport System Senior Debt	Issue Date	Interest Rates	Maturing On October 1	Amount	Outstanding at December 31, 2008	Outstanding at December 31, 2007
Series 1998A Revenue Bonds	06/15/1998					
Serial				$ -		
					$ -	$ 495,000
Series 1998B						
Revenue & Refunding Bonds	06/15/1998					
Serial		4.600%-5.500%	2009-2014	$ 65,980,000		
Term		5.000%	2018	56,040,000		
Term		5.000%	2028	85,660,000		
					$ 207,680,000	$ 216,865,000
Series 1999A						
Revenue Refunding Bonds	04/15/1999					
Serial		4.400%-4.500%	2009-2010	$ 3,200,000		
Term		5.250%	2012	3,510,000		
Term		5.250%	2014	3,885,000		
Term		5.250%	2016	4,300,000		
Serial		5.000%	2017-2019	7,320,000		
Term		5.000%	2027	66,180,000		
					$ 88,395,000	$ 89,895,000
Series 2001A Revenue Bonds	04/01/2001					
Serial		4.200%-5.200%	2009-2022	$117,000,000		
Term		5.500%	2027	67,190,000		
Term		5.000%	2031	67,820,000		
					$ 252,010,000	$ 257,630,000
Series 2001B Revenue Bonds	04/01/2001					
Serial		4.000%-4.750%	2009-2017	$ 3,235,000		
Term		5.000%	2021	1,920,000		
Term		5.000%	2026	3,005,000		
Term		5.000%	2031	3,830,000		
					$ 11,990,000	$ 12,280,000
Series 2002A Revenue Bonds	06/04/2002					
Serial		4.125%-5.750%	2008-2022	$ 86,405,000		
Term		5.125%	2026	38,780,000		
Term		5.250%	2032	75,075,000		
					$ 200,260,000	$ 204,330,000
Series 2002B Revenue Bonds	06/04/2002					
Serial		4.000%-4.300%	2009-2012	$ 2,450,000		
					$ 2,450,000	$ 3,005,000
Series 2002C Refunding Bonds	08/28/2002					
Term		Variable	2009-2021	$ 206,460,000		
					$ 206,460,000	$ 217,730,000

Bonds Payable (continued)

Airport System Senior Debt	Issue Date	Interest Rates	Maturing On October 1	Amount	Outstanding at December 31, 2008	Outstanding at December 31, 2007
Series 2002D Refunding Bonds	08/28/2002					
Serial		3.500%-5.375%	2009-2020	$ 34,095,000		
Term		5.000%	2023	12,270,000		
Term		5.000%	2032	49,685,000		
					$ 96,050,000	$ 98,185,000
Series 2003A Revenue & Refunding Bonds	10/01/2003					
Serial		3.375%-5.500%	2009-2025	$ 91,210,000		
Term		5.125%	2029	34,935,000		
Term		5.000%	2033	42,590,000		
					$ 168,735,000	$ 172,185,000
Series 2003B Refunding Bonds	10/01/2003					
Serial		3.100%-5.250%	2009-2019	$ 34,230,000		
					$ 34,230,000	$ 36,705,000
Series 2003C Revenue & Refunding Bonds	10/01/2003					
Serial		4.150%-5.390%	2009-2015	$ 17,105,000		
Term		5.740%	2019	12,935,000		
Term		6.000%	2023	12,880,000		
					$ 42,920,000	$ 44,965,000
Series 2003D Revenue Bonds	10/01/2003					
Term		Variable	2009-2033	$ 138,175,000		
					$ 138,175,000	$ 140,775,000
Series 2004A Refunding Bonds	08/26/2004					
Term		3.750%	2014	$ 60,000		
Serial		4.50%-5.000%	2015-2022	13,510,000		
					$ 13,570,000	$ 13,580,000
Series 2004B Revenue Bonds	05/18/2004					
Serial		5.000%	2027	$ 25,000,000		
Serial		5.050%	2028	7,330,000		
Term		5.000%	2034	217,670,000		
					$ 250,000,000	$ 250,000,000
Series 2004C-1 Refunding Bonds	07/07/2004					
Serial		5.000%	2020-2021	$ 56,900,000		
					$ 56,900,000	$ 71,175,000
Series 2004C-2 Revenue Bonds	08/12/2004					
Term		5.000%	2022	$ 32,700,000		
Serial		5.000%	2023-2024	66,690,000		
					$ 99,390,000	$ 99,485,000

Bonds Payable (continued)

Airport System Senior Debt	Issue Date	Interest Rates	Maturing On October 1	Amount	Outstanding at December 31, 2008	2007
Series 2004D Refunding Bonds	08/26/2004					
Serial		4.100%-5.250%	2009-2019	$ 217,120,000		
					$ 217,120,000	$ 217,570,000
Series 2005A Revenue Bonds	04/12/2005					
Serial		3.500%-5.250%	2009-2020	$ 126,335,000		
Term		4.750%	2035	22,290,000		
Term		5.000%	2035	149,740,000		
					$ 298,365,000	$ 305,920,000
Series 2005B Refunding Bonds	04/12/2005					
Serial		3.500%-5.250%	2011-2020	$ 19,775,000		
					$ 19,775,000	$ 19,775,000
Series 2005C Revenue Bonds	04/12/2005					
Serial		5.590%	2025	$ 8,315,000		
Serial		5.690%	2030	9,350,000		
Serial		5.730%	2035	12,335,000		
					$ 30,000,000	$ 30,000,000
Series 2005D Revenue Bonds	10/12/2005					
Serial		5.000%	2009-2010	$ 2,595,000		
Serial		5.000%	2021-2023	7,650,000		
					$ 10,245,000	$ 11,450,000
Series 2006A Revenue Bonds	01/25/2006					
Serial		4.750%	2030	$ 12,500,000		
Term		5.000%	2032	126,555,000		
Term		5.000%	2035	160,945,000		
					$ 300,000,000	$ 300,000,000
Series 2006B Revenue Bonds	12/06/2006					
Serial		4.550%	2031	$ 59,020,000		
Serial		5.000%	2032	61,710,000		
Term		5.000%	2036	279,270,000		
					$ 400,000,000	$ 400,000,000
Series 2006C Refunding Bonds	12/06/2006					
Serial		3.750%-5.000%	2009-2026	$ 26,270,000		
Term		4.375%	2032	11,595,000		
					$ 37,865,000	$ 37,865,000
Series 2007A Refunding Bonds	07/03/2007					
Serial		4.750%-5.000%	2009-2023	$ 157,505,000		
					$ 157,505,000	$ 164,460,000

Bonds Payable (continued)

Airport System Senior Debt	Issue Date	Interest Rates	Maturing On October 1	Amount	Outstanding at December 31, 2008	2007
Series 2007B Revenue Bonds	09/27/2007					
Serial		4.000%-5.000%	2009-2027	$ 428,930,000		
Serial		4.750%	2032	1,150,000		
Term		5.000%	2032	67,225,000		
Term		5.000%	2035	22,360,000		
					$ 519,665,000	$ 530,000,000
Series 2008A Revenue Bonds	06/24/2008	4.100%-5.750%	2012-2029	$ 250,000,000		
					$ 250,000,000	$ -
					$ 4,109,755,000	$ 3,946,325,000
Plus unamortized discount/premium, net					$ 18,210,779	$ 16,548,327
					$ 4,127,965,779	$ 3,962,873,327

* Portions of Series 1998A and 2002B Revenue Bonds were refunded on December 6, 2006, with fixed rate debt.

Changes in Bonds Payable Balances

Balance as of December 31, 2007			$ 3,962,873,327
Bonds issued			
Series 2008A	Revenue Bonds	$ 250,000,000	
			250,000,000
Principal payments			(86,570,000)
Change in unamortized discount/premium, net			1,662,452
Balance as of December 31, 2008			$ 4,127,965,779
Balance as of December 31, 2008 - short-term			90,475,000
Balance as of December 31, 2008 - long-term			4,037,490,779
			$ 4,127,965,779

Recent Bond Issues

On July 3, 2007, the Airports Authority received the proceeds of $164.5 million from the Series 2007A Airport System Revenue Refunding Bonds. These proceeds together with other available funds (the Debt Service Interest Account and the Debt Service Principal Account of the refunded Bonds) were used to refund all of the Airports Authority's outstanding Series 1997B Airport System Revenue Bonds. The outstanding bonds maturing 2007 through 2023 of the Series 1997B Bonds of $169.4 million were refunded on October 1, 2007. The Airports Authority's present value savings of this refunding was $6.9 million. The Airports Authority will realize cash flow savings of $10.1 million with this transaction. The refunded Series 1997B Bonds were scheduled to mature on October 1, 2007 through 2023 and were subject to optional redemption on October 1, 2007. The Bonds were redeemed at a price of 101.0% plus accrued interest.

On September 27, 2007, the Airports Authority issued Series 2007B Airport System Revenue Bonds for $530.0 million. The proceeds from these bonds will be used to finance capital improvements at Reagan National and Dulles International.

In 2008, the Airports Authority converted $140.8 million of the Series 2003D Airport System Revenue Variable Rate Bonds from the Auction Mode to the Weekly Mode. Of the Subseries 2003D-1 Bonds, $70.5 million were converted and of the Subseries 2003D-2 Bonds, $70.3 million were converted.

During 2008, the Airports Authority issued the Series 2008A Airport System Revenue Bonds for $250.0 million which refunded $60.0 million of Series One CP Notes and $161.5 million in Series Two CP Notes and provided $6.1 million in construction funding.

The Airports Authority reviews each bond sale to determine if there is value in providing investors municipal bond insurance. Insurance is provided in part by Financial Guaranty Insurance Company (FGIC), Municipal Bond Investors Assurance Corporation (MBIA), Financial Security Assurance (FSA), and XL Capital Assurance (XL).

The following table details the Airports Authority's outstanding debt noting insured and uninsured bonds.

Bond Series	Principal Outstanding	Uninsured Bonds	Insured Bonds	Insurance Provider
1998B	$ 207,680,000	$ -	$ 207,680,000	MBIA
1999A	88,395,000	-	88,395,000	FGIC
2001A	252,010,000	-	252,010,000	MBIA
2001B	11,990,000	-	11,990,000	MBIA
2002A	200,260,000	-	200,260,000	FGIC
2002B	2,450,000	-	2,450,000	FGIC
2002C	206,460,000	-	206,460,000	FSA
2002D	96,050,000	-	96,050,000	FSA
2003A	168,735,000	-	168,735,000	FGIC
2003B	34,230,000	2,535,000	31,695,000	FGIC
2003C	42,920,000	-	42,920,000	FGIC
2003D	138,175,000	-	138,175,000	XL
2004A	13,570,000	-	13,570,000	MBIA
2004B	250,000,000	-	250,000,000	FSA
2004C-1	56,900,000	-	56,900,000	FSA
2004C-2	99,390,000	-	99,390,000	FSA
2004D	217,120,000	20,570,000	196,550,000	MBIA
2005A	298,365,000	-	298,365,000	MBIA
2005B	19,775,000	-	19,775,000	MBIA
2005C	30,000,000	-	30,000,000	MBIA
2005D	10,245,000	-	10,245,000	Ambac
2006A	300,000,000	-	300,000,000	FSA
2006B	400,000,000	-	400,000,000	FGIC
2006C	37,865,000	-	37,865,000	FGIC
2007A	157,505,000	-	157,505,000	Ambac
2007B	519,665,000	10,795,000	508,870,000	Ambac
2008A	250,000,000	250,000,000	-	N/A
	$ 4,109,755,000	$ 283,900,000	$ 3,825,855,000	

The following is a summary of the maturities and sinking fund requirements, not including any unamortized discount or premium. Scheduled principal payments on long term bonds are due annually on October 1.

Year Ending December 31	Principal	Interest	Total Debt Service
2009	$ 90,475,000	$ 204,600,605	$ 295,075,605
2010	94,830,000	200,344,725	295,174,725
2011	99,735,000	195,782,783	295,517,783
2012	114,015,000	191,093,899	305,108,899
2013	119,850,000	185,532,257	305,382,257
2014-2018	697,740,000	831,628,317	1,529,368,317
2019-2023	805,685,000	641,877,837	1,447,562,837
2024-2028	673,495,000	450,664,361	1,124,159,361
2029-2033	967,965,000	265,406,561	1,233,371,561
Thereafter	445,965,000	38,453,018	484,418,018
	$4,109,755,000	$3,205,384,363	$ 7,315,139,363

Total interest costs for the years ended December 31, 2008 and 2007 were $201.8 million and $180.4 million, respectively. The current portion of the Airports Authority's bond payable, in the amount of $90.5 million, is due on October 1, 2009.

Special Facility Revenue Bonds

In March 1991, the Airports Authority issued $14.2 million of Special Facility Revenue Bonds on behalf of Caterair International Corporation (Caterair). The bonds were issued to finance the construction of an In-flight Kitchen Facility at Reagan National.

The Special Facility Revenue Bonds and related costs are payable only with funds from Caterair. Since these bonds do not represent a claim on the Airports Authority's assets, nor do they require the Airports Authority to incur future obligations, they have not been recorded in the Airports Authority's financial statements.

Arbitrage - Rebate Liability

The United States Treasury has issued regulations on calculating the rebate due to the United States Government on arbitrage profits and determining compliance with the arbitrage rebate provisions of the Tax Reform Act of 1986. Arbitrage profits arise when the Airports Authority temporarily invests the proceeds of tax exempt debt in securities with higher yields. The Airports Authority had an estimated liability on December 31, 2008 of $3.1 million and no estimated liability on December 31, 2007.

L. AIRPORT USE AGREEMENT AND PREMISES LEASE

In February 1990, the Airports Authority entered into a long-term agreement with the major Airlines serving the Airports. The Agreement is for a term of 25 years, subject to cancellation rights by the Airports Authority after 15 years, and annually thereafter, at the option of the Airports Authority. The Agreement provides for the calculation of annual rates and charges, with rate adjustments at midyear, or any time revenues fall 5% or more below projections. The Agreement also provides for an annual "settlement" whereby the rates and charges are recalculated using audited financial data to determine any airline over/underpayment. For the year ended December 31, 2008, the settlement resulted in a credit to the Airlines of $3.4 million which was reflected as an increase in accounts payable and accrued expenses. For the year ended December 31, 2007, the settlement resulted in a charge to the Airlines of $1.2 million which was reflected as a reduction in accounts payable and accrued expenses.

Rates and charges are established to provide net revenues of at least 125.0% of debt service. Net remaining revenues (NRR) are defined as revenues less all operating and maintenance expenses, debt service, specified reserves, and other requirements. Subsequent to the final determination, NRR is allocated between the Airports Authority and the Airlines in accordance with the Agreement which shares NRR approximately 50/50 between the Airports Authority and the Airlines. The Airports Authority's share of NRR is reflected in the Airports Authority's Capital Fund as a reservation of retained earnings in the subsequent year, and is available for repair and rehabilitation projects or any other lawful purpose. The Airlines' share of NRR is recorded prospectively and reduces the subsequent year's rates and charges. All calculations are done in accordance with the Agreement.

In addition, the Agreement establishes an index amount at each Airport. When the transfer amount to the airlines reaches this level, the amount over the plateau is allocated 75.0% to the Airlines and 25.0% to the Airports Authority. For the years ended December 31, 2008 and 2007, at Dulles International, the transfer amount exceeded the plateau amount by $45.2 and $46.7 million, respectively. For the year ended December 31, 2008, at Reagan National, the transfer amount did not exceed the plateau amount by $2.4 and exceeded the plateau amount for the year ended December 31, 2007 by $2.5 million. These amounts were allocated accordingly and are included in the Airlines' and the Airports Authority's share. For the years ended December 31, 2008 and 2007, the Airlines' share of NRR was $72.4 and $78.0 million, respectively, and the Airports Authority's share was $37.9 and $46.7 million, respectively.

M. NET ASSETS

Net assets consists of the following:

Invested in Capital Assets Net of Related Debt consists of the following:

	2008 Aviation Enterprise	2008 DCE Enterprise	2008 Total Business-Type Activities
Long-term assets			
Land and other non-depreciable assets	$ 121,734,710	$ -	$ 121,734,710
Construction in progress	1,776,370,046	-	1,776,370,046
Construction in progress, Metrorail project	-	362,322,546	362,322,546
Buildings, systems and equipment	4,508,943,236	166,963	4,509,110,199
Less: accumulated depreciation	(1,461,796,180)	(82,953)	(1,461,879,133)
Total capital assets	4,945,251,812	362,406,556	5,307,658,368
Less: related liabilities			
Other liabilities	3,106,529	-	3,106,529
Current portion bonds payable	90,475,000	-	90,475,000
Bank participation notes/bond anticipation notes	432,000,000	84,869,016	516,869,016
Commercial paper notes	217,500,000	-	217,500,000
Bonds payable, net	3,784,462,649	-	3,784,462,649
Total liabilities	4,527,544,178	84,869,016	4,612,413,194
Invested in capital assets,net of related debt	$ 417,707,634	$277,537,540	$ 695,245,174

Restricted assets consists of the following:

	2008 Aviation Enterprise	2008 DCE Enterprise	2008 Total Business-Type Activities
Restricted assets			
Cash and cash equivalents, restricted	$ 170,767,057	$114,300,144	$ 285,067,201
Passenger facility charges, restricted	12,604,557	-	12,604,557
Accounts receivables, passenger facility charges and other, restricted	5,581,130	1,710	5,582,840
Grants receivable, restricted	23,906,251	15,690,443	39,596,694
Long-term investments, restricted	192,315,421	-	192,315,421
Bond issuance costs	60,712,709	25,081	60,737,790
Prepaid expenses and other current assets, restricted	-	848,277	848,277
Investments, restricted	3,902,129	-	3,902,129
Total assets	469,789,254	130,865,655	600,654,909
Less: liabilities payable from restricted assets			
Accounts payable and accrued expenses	65,398,716	39,550,490	104,949,206
Debt related to unspent bond proceeds	253,028,130	65,130,984	318,159,114
Accrued interest payable	54,013,642	386,886	54,400,528
Total liabilities	372,440,488	105,068,360	477,508,848
Restricted net assets	$ 97,348,766	$ 25,797,295	$ 123,146,061

Unrestricted assets consists of the following:

	2008 Aviation Enterprise	2008 DCE Enterprise	2008 Total Business-Type Activities
Current assets			
Cash and cash equivalents	$ 26,982,791	$ 11,011,856	$ 37,994,647
Investments	235,399,596	-	235,399,596
Accounts receivables, net	22,541,480	544,287	23,085,767
Inventory	6,796,319	-	6,796,319
Prepaid expenses and other current assets	7,812,490	3,821,244	11,633,734
Total current assets	299,532,676	15,377,387	314,910,063
Long-term assets			
Long-term investments	71,747,636	-	71,747,636
Net pension assets and other post-employment benefits asset	4,755,914	-	4,755,914
Other long-term assets	18,192,128	-	18,192,128
Total unrestricted assets	394,228,354	15,377,387	409,605,741
Less: current liabilities			
Accounts payable and accrued expenses	53,560,971	1,863,476	55,424,447
Due to/due from other funds	(7,413,995)	7,413,995	-
Operating lease obligations	341,140	-	341,140
Total current liabilities	46,488,116	9,277,471	55,765,587
Unrestricted net assets	$ 347,740,238	$ 6,099,916	$ 353,840,154

Invested in Capital Assets Net of Related Debt consists of the following:

	2007 Aviation Enterprise and Total Business-Type Activities
Long-term assets	
Land and other non-depreciable assets	$ 121,534,710
Construction in progress	1,915,881,901
Buildings, systems and equipment	3,908,323,105
Less: accumulated depreciation	(1,329,630,395)
Total capital assets	4,616,109,321
Less: related liabilities	
Current portion bonds payable	86,570,000
Bank participation notes/bond anticipation notes	432,000,000
Commercial paper notes	260,000,000
Bonds payable, net	3,282,332,710
Total liabilities	4,060,902,710
Invested in capital assets,net of related debt	$ 555,206,611

	2007 Aviation Enterprise and Total Business-Type Activities
Restricted assets consists of the following:	
Restricted assets	
Cash and cash equivalents, restricted	$ 173,596,934
Passenger facility charges, restricted	15,202,225
Accounts receivables, passenger facility charges and other, restricted	8,258,295
Grants receivable, restricted	1,096,237
Long-term investments, restricted	278,008,136
Bond issuance costs	60,302,530
Investments, restricted	329,304,035
Total assets	865,768,392
Less: liabilities from restricted assets	
Accounts payable and accrued expenses	100,843,888
Debt related to unspent bond proceeds	593,970,617
Accrued interest payable	55,970,434
Total liabilities	750,784,939
Restricted net assets	$ 114,983,453
Unrestricted assets consists of the following:	
Current assets	
Cash and cash equivalents	$ 36,128,525
Investments	230,873,451
Accounts receivables, net	43,199,310
Inventory	5,033,697
Prepaid expenses and other current assets	6,810,182
Total current assets	322,045,165
Long-term assets	
Long-term investments	80,463,199
Net pension assets and other post-employment benefits assets	4,509,918
Other long-term assets	18,333,264
Total unrestricted assets	425,351,546
Less: current liabilities	
Accounts payable and accrued expenses	71,868,458
Operating lease obligations	341,140
Total current liabilities	72,209,598
Less: deferred revenue	20,363,189
Total liabilities payable from unrestricted assets	92,572,787
Unrestricted net assets	$ 332,778,759

N. LEASE COMMITMENTS

Property Held for Lease

The Airports Authority has entered into various operating leases with tenants for the use of space at the Airports Authority's facilities including buildings, terminals, and customer service areas. The lease terms include a minimum fixed fee as well as contingent fees based on the tenants' volume of business. All the leases provide for a periodic review and redetermination of the rental amounts. Minimum future rentals scheduled to be received on operating leases that have initial or remaining non-cancelable terms in excess of one year are:

Year ending December 31,	
2009	$ 342,933,436
2010	375,091,688
2011	362,839,972
2012	371,508,369
2013	403,715,851
2014 and thereafter	1,919,524,424
Total minimum future rentals	$ 3,775,613,740

The above amounts do not include contingent rentals and fees in excess of minimums, which amounted to $13.3 million for the year ended December 31, 2008. The portion of property associated with minimum rentals derived from operating leases was capitalized prior to June 7, 1987, and ownership was retained by the United States Government. Use of this property is provided to the Airports Authority under its operating lease with the United States Government. Accordingly, the cost of this property is not reflected in the financial statements of the Airports Authority.

On December 15, 2003, the operating period of the lease of land and provision for services to the Stephen F. Udvar-Hazy Center (the Center) began. The lease agreement grants the Smithsonian Institute the right to occupy, develop, operate, control and use the Center premises located on land at Dulles International and obtain services from the Airports Authority for police, fire, emergency, and ambulance needs. This lease expires in 2054. The operating period was preceded by a construction period. Commencing with the operating period the Smithsonian Institute will pay the Airports Authority for the services provided. The lease provides for periodic reconciliation payments and updated payments for services provided.

Property Leased from Others

On June 7, 1987, the United States Government transferred Reagan National's and Dulles International's real properties to the Airports Authority under a 50-year lease, with extensions negotiable. The lease was amended effective June 17, 2003, to extend the term from 50 to 80 years, with an expiration date of June 6, 2067. Upon expiration of the lease, the Airports and facilities, including improvements, will be returned to the United States Government. The lease requires annual rental payments of $3.0 million, with subsequent annual rental payments adjusted for inflation. The Airports Authority invests the monthly lease payments in repurchase agreements or certificates of deposit and makes semi-annual payments, including interest, to the United States Government. The 2008 payment to the United States Government, including the interest was $4,973,788.

Minimum future rentals scheduled to be paid on the operating leases in effect on December 31, 2008, as calculated in 2008 dollars are:

Year ending December 31,	
2009	$ 4,958,280
2010	4,958,280
2011	4,958,280
2012	4,958,280
2013	4,958,280
2014 and thereafter	267,747,136
Total minimum future rentals	$292,538,536

Total rental expense for the years ended December 31, 2008 and 2007 were $5.0 million and $4.8 million, respectively.

O. OTHER COMMITMENTS AND CONTINGENCIES

At December 31, 2008, the Airports Authority Aviation Enterprise Fund had outstanding commitments for capital expenditures in connection with its CCP in the amount of $360.2 million. However, services have not been provided as of December 31, 2008, and accordingly no liability has been recorded in the accompanying financial statements. In connection with the CCP and Capital, Operating and Maintenance Investment Programs (COMIP), and normal operations of Reagan National and Dulles International, the Airports Authority recognizes the need to address environmental concerns and currently oversees a number of ongoing environmental projects. Management has estimated that the cost to continuously monitor and inspect these environmental concerns ranges between $20.0 million and $25.0 million, of which a portion is expected to be funded by the FAA. The Airports Authority has budgeted and expects to fund any remaining costs principally through the CCP.

At December 31, 2008, the Airports Authority DCE Fund had $249.1 million in outstanding commitments for capital expenditures associated with its Metrorail Project. However, services have not been provided as of December 31, 2008, and accordingly no liability has been recorded in the accompanying financial statements.

P. GOVERNMENT GRANTS

The Airports Authority receives, on a cost-reimbursement basis, grants from the United States government and the Commonwealth for certain operating and capital construction programs. As a recipient of federal and state financial assistance, the Airports Authority is responsible for maintaining an internal control structure that ensures compliance with all laws and regulations related to these programs. Total federal and state grant expenditures for years ended December 31, 2008 and 2007 were $90.6 million and $33.9 million, respectively. All grant expenditures are subject to financial and compliance audits by the grantors as well as during the Airports Authority's annual Office of Management and Budget (OMB) A-133 Single Audit process. The Airports Authority estimates that no material disallowances will result from any such audits.

In fiscal years 2008 and 2007, the Airports Authority received federal and state grants for operating and capital programs as summarized below:

Operating Programs

	2008	2007
Law Enforcement Officer Reimbursement Program	$ 1,278,646	$ 1,289,520
Reagan National Explosives Detection Canine Team Program	600,500	500,695
State Homeland Security Program	-	554,781
Disaster Relief and Emergency Assistance	22,377	15,703
Homeland Security Grant Program	1,281	853,885
Drug Seizure Program (ICE)	75,052	34,195
Drug Seizure Program (DEA)	132,902	219,325
Arlington County Grant	14,254	15,356
Contract Baggage Handler Demonstration Program	309,263	247,218
Drug Seizure Program (Drug Funds)	614	15,682
Bureau of Justice (Bulletproof Vest Partnership Program)	983	924
In-line Baggage EDS Project	2,844,568	1,389,297

The Law Enforcement Officer Reimbursement Program offsets expenses incurred by the Airports Authority's Public Safety personnel serving a support role to the Transportation Security Administration (TSA). Explosives detection funds are used to offset the expense of training and caring for canines used in explosives detection. Funds received from the Homeland Security Grant Program allow the Airports Authority to procure equipment and participate in training programs to prepare for and more effectively respond to events which may threaten public safety. The Drug Enforcement Agency (DEA) Drug Seizures Program, and the U.S. Customs Drug Seizures Program are collaborative efforts between the Agencies and the Airports Authority's police department wherein both entities share in the proceeds from the sale of confiscated items. The Airports Authority's proceeds may only be used for certain types of expenses defined by the DEA and Customs. The Airports Authority also participated in a pilot program with the TSA designed to improve the effectiveness of the TSA's baggage screening process.

Capital Program

	2008	2007
Federal grants for construction	$ 84,155,512	$ 26,739,300
State grants for construction	1,358,333	2,000,020

The Airports Authority Aviation Enterprise Fund receives federal and state grants in support of its CCP. The federal programs, primarily through the FAA's Airport Improvement Program (AIP), provide funding for airport development, airport planning and noise compatibility programs from the Airports and Airways Trust Funds in the form of entitlement and discretionary grants for eligible projects. The Commonwealth also provides discretionary funds for capital programs.

The DCE Fund receives federal and state grants in support of its Metrorail Project. The federal program is primarily through the FTA and the state program is funded by the Commonwealth.

Grants for capital asset acquisition, facility development, rehabilitation of facilities and long-term planning are reported as capital contributions in the accompanying Statements of Revenues, Expenses and Changes in Net Assets.

Q. LITIGATION

The Airports Authority was a defendant in two suits arising from the September 11, 2001, terrorist hijacking and crash of an airplane into the Pentagon. All of September 11, 2001 lawsuits that had been brought against the Airports Authority have now been dismissed. Four other suits arising from Flight 77 remained pending. Settlements in those cases were reached by the parties and approved by the district court. All settlements in cases arising from Flight 77, have been made without any recourse against or contribution by the Airports Authority.

Legal counsel has advised that, while a number of claims in the normal course of business are outstanding, there were no matters outstanding which could have a material adverse effect on the financial statements of the Airports Authority.

R. PASSENGER FACILITY CHARGES

As described in Note A, PFC's are collected in accordance with the FAA regulations allowing airports to impose a $4.50 PFC. For the years ended December 31, 2008 and 2007, the Airports Authority earned PFC's of $35.0 million and $36.8 million for Reagan National, respectively, and $43.4 million and $46.0 million for Dulles International, respectively. In accordance with the regulations, based on the approval date from the FAA and continuing through the PFC collection period, the Airports Authority's share of entitlement grants will be reduced 75.0%.

S. RISK MANAGEMENT

The Airports Authority is exposed to a variety of risks or losses related to operations (i.e., injuries to employees, injuries to members of the public or damage to their property, and damage to the Airports Authority's property). Since 2002, the Airports Authority has maintained accruals to finance its self-insured risk of loss. The Airports Authority purchases commercial insurance for claims in excess of amounts provided by these accounts.

All offices within the Airports Authority are covered under these accounts. The accruals are determined by the Risk Management Department based on insurance claim practices and actuarial estimates for prior and current-year claims. The overall accrual for losses was $5.2 million and $5.3 million as of December 31, 2008 and 2007, respectively, and is included in accounts payable and accrued expenses in the Statements of Net Assets. This is based on the requirements of GASB Statement No. 30, *Risk Financing Omnibus* (GASB 30), which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the claim liability accounts in fiscal years 2008 and 2007 and 2006 were:

Fiscal Year	Beginning Balance	Claims and Changes in Estimates	Claim Payments	Ending Balance
2006	$4,114,449	$2,563,518	$2,199,034	$4,478,933
2007	4,478,933	2,475,680	1,682,027	5,272,586
2008	5,272,586	2,624,925	2,682,772	5,214,739

Settlements did not exceed insurance coverages for the past three years.

T. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and Short Term Investments

The carrying amount approximates the fair value because of the short maturity of those instruments (see Note B).

Long-Term Investments

For securities held as long-term investments, fair value equals quoted market prices, if available. If a quoted market price is not available, fair value is estimated based upon quoted market prices for securities with similar characteristics (see Note C).

Long-Term Debt

The fair value of the Airports Authority's long-term debt is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to the Airports Authority for debt of the same remaining maturities. The carrying value of the Airports Authority's Bonds payable and CP Notes payable as of December 31, 2008, is $4.3 billion with an estimated market value of $3.7 billion.

Interest Rate SWAP

The fair value of interest rate swaps is the estimated amount that the Airports Authority would pay (or receive) to terminate the Swap Agreements at the reporting date, taking into account current interest rates and the current creditworthiness of the swap counterparties (see Note D).

U. SUBSEQUENT EVENTS

Aviation Enterprise Fund

On January 15, 2009, the Airports Authority issued $70.0 million of Series One CP Notes.

On January 7, 2009, the Board of the Airports Authority issued Resolution No. 09-2 authorizing the issuance of a Series of Airport System Revenue Bonds in an amount not to exceed $300,000,000 to finance or refinance certain capital improvements at Reagan National and Dulles International with the proceeds from tax-exempt bonds. On March 4, 2009, the Board of the Airports Authority issued Resolution No. 09-10 increasing the authorization of the issuance of the bonds by $100,000,000 for a total of $400,000,000.

On April 1, 2009, the Airports Authority closed on Series 2009A Airport System Revenue Variable Rated Bonds in the amount of $163,175,000. A majority of the proceeds will be used to refund the Authority's outstanding CP.

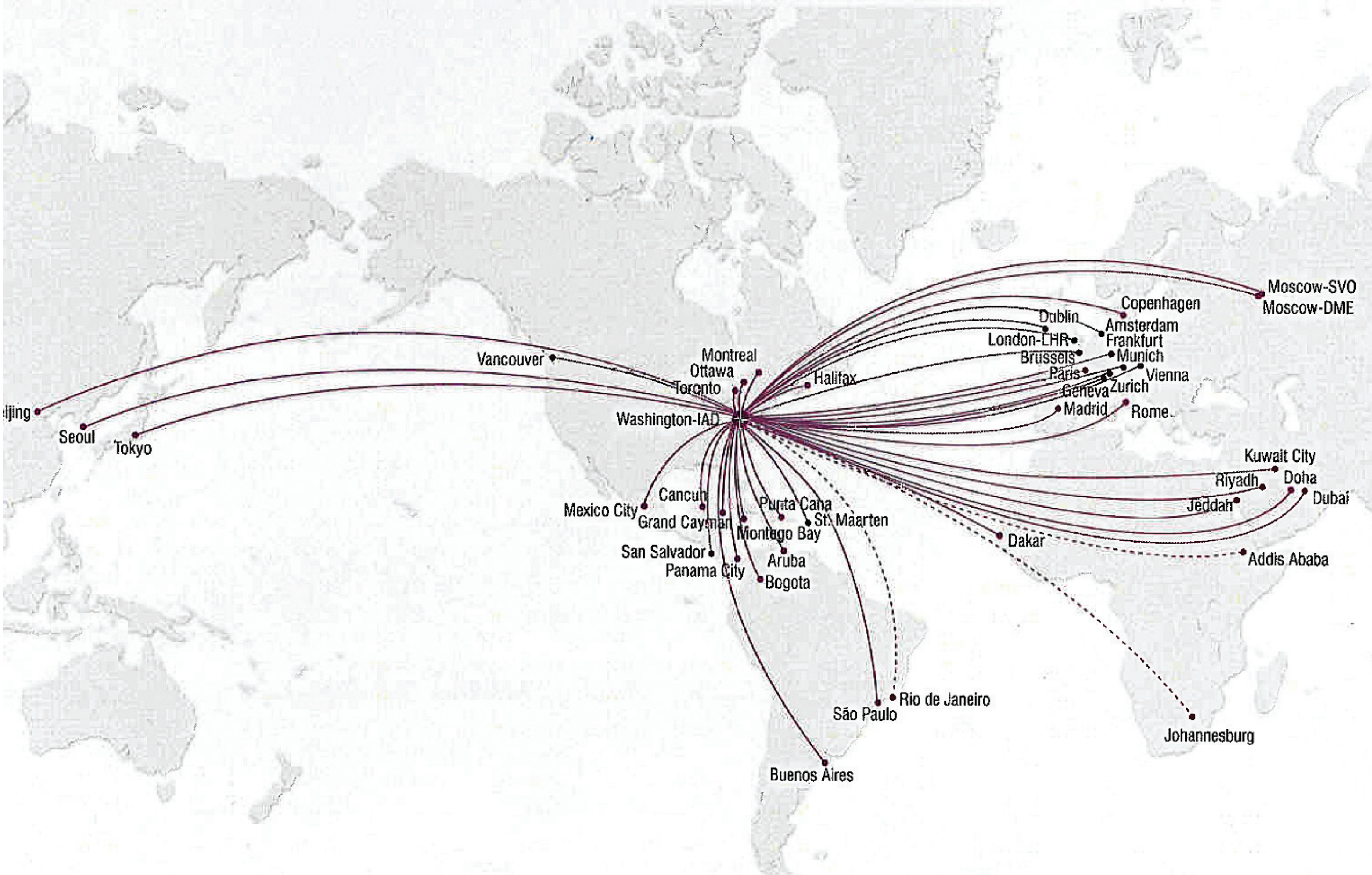
On April 1, 2009, the Airports Authority closed on Series 2009B Airport System Revenue Bonds in the amount of $236,825,000. The majority of this series will be used to finance the Airports Authority's ongoing CCP for the airports. In connection with the issue of the Series 2009B Airport System Revenue Bonds, on April 1, 2009, the Airports Authority terminated three outstanding Swaps with a total notional amount of $175.0 million for a total termination payout of $35.0 million: Bank of Montreal with a notional amount of $35.0 million, Bank of Montreal with a notional amount of $75.0 million and Wachovia with a notional amount of $65.0 million. Bond proceeds from the Series 2009B were used to fund this payout.

Dulles Corridor Enterprise Fund

On January 23, 2009, the Airports Authority submitted the Full Funding Grant Agreement (FFGA) to the FTA for the Metrorail Project. On March 10, 2009, the FTA approved the FFGA for $900.0 million. On that same day, the Airports Authority signed a Notice to Proceed with construction of the Metrorail Project.

INTERNATIONAL JET AIR SERVICE AT DULLES INTERNATIONAL

Nonstop and Single Plane Cities Served to/from Dulles International



Note: Montego Bay, Puerto Rico, and Vancouver are seasonal; service to Geneva begins April 2009.

Source: OAG, March 25-31, 2009.

Statistical

This part of the Airports Authority's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the Airports Authority's overall financial health.

Contents Page

Financial Trends: *These schedules contain trend information to help the reader understand how the Airports Authority's financial performance and well being have changed over time.*

Revenue Capacity: *These schedules contain information to help the reader assess the factors affecting the Airports Authority's ability to generate airline and non-airline revenues.*

Debt Capacity: *These schedules present information to help the reader assess the affordability of the Airports Authority's current levels of outstanding debt and the Airports Authority's ability to issue additional debt in the future.*

Demographic and Economic Information: *These schedules offer demographic and economic indicators to help the reader understand the environment within which the Airports Authority's financial activities take place and to help make comparisons over time and with other airports.*

Operating Information: *These schedules contain information about the Airports Authority's operations and resources to help the reader understand how the Airports Authority's financial information relates to the services the Airports Authority provides and the activities it performs.*

ANNUAL REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Exhibit S-1

	2008	2007	2006	2005	2004	2003
TOTAL REVENUES						
OPERATING REVENUES						
Concessions	$ 223,710,732	$ 217,486,823	$ 199,011,305	$ 198,691,232	$ 173,962,671	$ 146,095,903
Tolls and other	10,416,498					
Rents	171,331,285	167,301,027	156,164,079	153,865,079	143,389,783	130,802,693
Design fees	20,363,189					
Landing fees	82,289,545	78,682,496	73,375,458	76,359,090	76,274,293	67,637,206
Utility sales	13,348,545	11,778,736	11,248,988	10,934,616	12,035,206	11,867,943
Passenger fees	28,354,142	28,684,113	25,474,908	26,973,143	29,474,743	27,878,919
Other	11,547,405	6,542,935	5,893,899	10,398,536	7,149,375	5,355,589
TOTAL OPERATING REVENUES	561,361,341	510,476,130	471,168,637	477,221,696	442,286,071	389,638,253
NON-OPERATING REVENUES						
Investment income	37,991,818	55,557,746	45,035,158	20,194,481	10,385,775	5,896,185
Unrealized swap income	0	0	0	6,062,129	1,601,347	5,572,334
TOTAL NON-OPERATING REVENUES	37,991,818	55,557,746	45,035,158	26,256,610	11,987,122	11,468,519
TOTAL REVENUES	599,353,159	566,033,876	516,203,795	503,478,306	454,273,193	401,106,772
TOTAL EXPENSES						
OPERATING EXPENSES						
Materials, equipment, supplies, contract services and other	172,282,360	182,096,091	151,009,792	142,107,372	130,127,540	134,105,363
Impairment loss/design costs	66,170,165					
Salaries and related benefits	136,720,660	128,465,267	113,870,907	113,878,086	98,858,597	95,192,233
Utilities	25,402,257	21,134,317	20,359,248	21,493,887	18,754,511	16,754,386
Lease from U.S. Government	4,958,280	4,830,121	4,689,858	4,505,435	4,375,347	4,303,764
Depreciation and amortization	160,264,966	142,030,354	133,106,378	132,424,537	126,177,767	114,950,487
TOTAL OPERATING EXPENSES	565,798,688	478,556,150	423,036,183	414,409,317	378,293,762	365,306,233
NON-OPERATING EXPENSES						
Passenger facility charges, financing costs	2,330,507	3,968,842	2,026,385	1,497,097	1,525,026	1,137,715
Interest expense	122,984,332	111,534,092	96,999,795	103,561,330	89,368,779	95,610,127
Swap payments	20,436,237	1,353,696	1,854,177	4,856,288	3,662,018	0
Unrealized swap loss	158,374,462	23,223,957	12,718,126	0	0	0
TOTAL NON-OPERATING EXPENSES	304,125,538	140,080,587	113,598,483	109,914,715	94,555,823	96,747,842
TOTAL EXPENSES	869,924,226	618,636,737	536,634,666	524,324,032	472,849,585	462,054,075
CAPITAL CONTRIBUTIONS						
Passenger facility charges	78,455,218	82,858,846	81,489,704	88,315,311	76,060,174	58,438,038
Federal and state grants	89,305,790	32,317,161	54,239,498	11,738,765	28,727,167	14,378,325
Other capital property acquired	272,072,624	3,498,173	1,231,551	0	0	6,044,900
TOTAL CAPITAL CONTRIBUTIONS	439,833,632	118,674,180	136,960,753	100,054,076	104,787,341	78,861,263
INCREASE IN NET ASSETS	169,262,565	66,071,319	116,529,882	79,208,350	86,210,949	17,913,960
NET ASSETS AT YEAR END COMPOSED OF:						
Invested in capital assets, net of related debt	695,245,174	555,206,611	598,949,358	492,384,514	344,583,615	428,497,669
Restricted	123,146,061	114,983,454	46,083,312	65,337,686	170,526,342	36,158,318
Unrestricted	353,840,154	332,778,759	291,864,835	262,645,423	226,049,316	190,292,337
TOTAL NET ASSETS	$ 1,172,231,389	$ 1,002,968,824	$ 936,897,505	$ 820,367,623	$ 741,159,273	$ 654,948,324

Source: Authority's audited financial statements.

OPERATING EXPENSES BY FUNCTION

Exhibit S-2

(Expressed in Thousands)

	CY 2008	CY 2007	CY 2006	CY 2005	CY 2004	CY 2003*	CY 2002*	CY 2001*	CY 2000*	CY 1999*	CY 1998
NATIONAL											
Materials, equipment, supplies, contract services, and other	$ 49,004.0	$ 58,393.0	$49,285.6	$44,273.9	$43,028.1	$42,379.1	$41,932.7	$38,775.9	$39,825.9	$39,163.7	$23,498.0
Salaries and related benefits	56,184.0	53,294.8	47,818.9	47,660.8	41,725.6	40,221.7	38,727.9	35,314.3	33,439.0	32,105.9	30,302.1
Utilities	8,679.3	7,623.1	7,083.2	6,977.5	6,042.5	5,801.8	5,402.1	5,490.5	5,417.3	4,552.0	4,797.6
Travel	524.8	629.2	598.1	521.5	518.3	407.3	369.9	536.3	415.9	309.5	429.2
Insurance	4,116.5	4,448.7	3,463.5	3,715.0	3,790.6	3,936.5	2,718.5	1,558.8	1,550.1	1,860.3	1,961.3
Non-Cash expenses	(132.0)	(45.1)	(67.8)	65.6	78.0	50.3	(321.6)	646.0	(269.6)	193.7	(228.5)
Non-Capitalized facility projects	635.1	1,926.3	1,535.9	1,699.9	1,054.6	222.8	794.5	710.1	1,077.3	680.3	278.2
Lease from U.S. Government	2,479.1	2,415.1	2,344.9	2,252.7	2,187.7	2,151.9	2,119.1	2,084.6	2,029.2	2,039.1	2,040.6
Depreciation and amortization	13,705.0	11,571.8	10,584.6	10,894.5	13,154.6	11,110.8	11,080.6	10,710.3	9,349.4	8,323.8	7,345.9
Total National Expenses	**$135,195.8**	**$140,256.9**	**$122,646.9**	**$118,061.4**	**$111,580.0**	**$106,282.2**	**$102,823.7**	**$95,826.8**	**$92,834.5**	**$89,228.3**	**$70,424.4**
DULLES											
Materials, equipment, supplies, contract services, and other	$ 82,344.3	$ 87,758.6	$82,318.7	$76,630.2	$70,323.6	$68,998.1	$65,348.7	$56,719.3	$55,616.5	$52,689.2	$26,748.6
Salaries and related benefits	80,164.6	75,067.2	65,992.3	66,090.0	57,018.3	54,749.8	52,802.3	48,619.6	44,981.1	41,444.7	37,879.9
Utilities	16,483.0	13,301.3	13,091.7	14,321.1	12,223.2	10,756.8	10,061.6	11,895.2	10,734.9	7,938.1	8,390.9
Travel	583.2	670.1	647.8	517.0	485.8	371.3	316.1	523.0	385.8	313.8	402.3
Insurance	4,116.4	4,448.7	3,463.5	3,715.5	3,790.6	3,936.5	2,718.5	1,558.8	1,550.1	1,860.3	1,961.3
Non-Cash expenses	84.4	78.4	(24.2)	129.0	122.2	109.1	717.6	1,054.4	(333.4)	225.6	300.3
Non-Capitalized facility projects	900.0	1,583.4	740.6	601.5	556.0	630.1	102.8	182.5	302.6	321.5	122.1
Lease from U.S. Government	2,479.1	2,415.1	2,344.9	2,252.7	2,187.7	2,151.9	2,119.1	2,084.6	2,029.2	2,039.1	2,040.6
Depreciation and amortization	30,623.1	27,277.5	26,310.0	26,408.4	25,855.4	22,390.7	20,433.3	20,458.8	18,925.2	18,872.0	16,335.8
Total Dulles Expenses	**$217,778.1**	**$212,600.3**	**$194,885.3**	**$190,665.4**	**$172,562.8**	**$164,094.3**	**$154,620.0**	**$143,096.2**	**$134,192.0**	**$125,704.3**	**$94,181.8**
DULLES CORRIDOR ENTERPRISE FUND											
Materials, equipment, supplies, contract services, and other	$10,028.1	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Salaries and related benefits	212.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation and amortization	8.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Dulles Corridor Enterprise Fund	**$10,248.9**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
WASHINGTON FLYER											
Washington Flyer Expenses	0.0	0.0	176.5	1,428.6	1,359.7	1,477.1	1,897.9	4,682.8	5,420.6	5,720.6	5,401.1
Total Washington Flyer Expenses	**$0.0**	**$0.0**	**$176.5**	**$1,428.6**	**$1,359.7**	**$1,477.1**	**$1,897.9**	**$4,682.8**	**$5,420.6**	**$5,720.6**	**$5,401.1**
WASHINGTON FLYER MAGAZINE[1]											
Washington Flyer Magazine Expenses											
Total Washington Flyer Magazine Expenses	0.0	0.0	0.0	0.0	352.0	905.8	728.5	1,506.8	1,982.2	2,079.6	1,554.4
Magazine Expenses	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$352.0**	**$905.8**	**$728.5**	**$1,506.8**	**$1,982.2**	**$2,079.6**	**$1,554.4**
BOND FUNDS											
Financing expenses	$0.0	$0.0	$0.0	$0.0	$0.0	$13.1	$37.5	$75.0	$0.0	$0.0	$0.0
Legal Fees	0.0	0.0	0.0	0.0	0.0	1,434.0	0.0	0.0	0.0	0.0	0.0
Materials, Equipment, Supplies Contract services, and other	74,913.7	3,400.9	2,425.6	1,469.5	(568.0)	2,712.5	0.0	0.0	0.0	0.0	0.0
Non-Cash expenses	3,057.2	12,708.7	0.0	0.0	0.0	0.0	43.5	178.9	(1.0)	0.0	2,272.7
Non-Capitalized facility projects	1,960.3	242.4	652.2	1,606.9	190.8	269.6	0.0	0.0	0.0	0.0	0.0
Depreciation and amortization	115,291.0	102,538.1	95,543.0	94,316.9	86,345.2	80,628.8	72,613.9	66,895.3	64,398.7	60,794.3	57,688.6
Total Bond Expenses	**$195,222.2**	**$118,890.1**	**$98,620.8**	**$97,393.3**	**$85,968.0**	**$85,058.0**	**$72,694.9**	**$67,149.2**	**$64,397.7**	**$60,794.3**	**$59,961.3**
TELECOMMUNICATIONS											
Telephone Expenses	$5,606.8	$5,361.9	$5,441.5	$5,558.6	$5,324.8	$6,257.8	$6,213.1	$5,917.2	$5,039.3	$4,306.6	$5,069.3
Total Telecommunication Exp	**$5,606.8**	**$5,361.9**	**$5,441.5**	**$5,558.6**	**$5,324.8**	**$6,257.8**	**$6,213.1**	**$5,917.2**	**$5,039.3**	**$4,306.6**	**$5,069.3**
FAA AIR TRAFFIC CONTROL TOWER[3]											
Air Traffic Control Tower Expenses	$340.7	$213.2	$30.6	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Total Air Traffic Control Tower Exp.	**$340.7**	**$213.2**	**$30.6**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
JP MORGAN CHASE BUILDING[2]											
JP Morgan Chase Building Expenses	$1,406.1	$1,233.7	$1,234.6	$1,302.0	$1,146.5	$1,231.1	$1,671.5	$1,288.8	$871.3	$0.0	$0.0
Total JP Morgan Chase Building Exp	**$1,406.1**	**$1,233.7**	**$1,234.6**	**$1,302.0**	**$1,146.5**	**$1,231.1**	**$1,671.5**	**$1,288.8**	**$871.3**	**$0.0**	**$0.0**
TOTAL EXPENSES	**$565,798.7**	**$478,556.1**	**$423,036.2**	**$414,409.3**	**$378,293.8**	**$365,306.3**	**$340,649.6**	**$319,467.8**	**$304,737.6**	**$287,833.7**	**$236,592.3**

[1] The Authority converted the Washington Flyer Magazine Program to a management contract in 2005. Separate reporting has been discontinued.

[2] JP Morgan Chase Building is inclusive of all expense classifications.

[3] FAA Air Traffic Control Tower completed in 2006.

* Concession management expenses included in Materials, equipment, supplies and contract services for years 2004, 2003, 2002, 2001, 2000 and 1999. (See Note T). All other years remain unchanged.

Source: Office of Finance

REVENUES BY SOURCE

(Expressed in Thousands)

Exhibit S-3

	CY 2008	CY 2007	CY 2006	CY 2005	CY 2004	CY 2003*	CY 2002*	CY 2001*	CY 2000*	CY 1999*	CY 1998
NATIONAL											
Airline:											
Rents	$ 66,111.6	$ 67,234.2	$63,938.0	$63,568.0	$62,236.9	$53,802.5	$60,453.8	$62,948.2	$60,659.8	$54,567.9	$57,865.6
Landing fees	32,290.2	30,149.2	32,057.9	29,445.5	31,328.2	26,455.0	27,527.4	25,548.0	28,392.1	25,533.6	24,417.4
Passenger fees/Security	0.0	0.0	0.0	0.0	0.0	0.0	597.0	2,496.4	1,943.4	1,890.7	1,729.4
Total Airline Revenues	**$98,401.8**	**$97,383.4**	**$95,995.9**	**$93,013.5**	**$93,565.1**	**$80,257.5**	**$88,578.2**	**$90,992.6**	**$90,995.3**	**$81,992.2**	**$84,012.4**
Non-Airline:											
Concessions:											
Parking	$ 43,980.2	$ 44,569.9	$40,459.6	$37,647.4	$35,285.0	$32,381.8	$26,236.4	$27,289.8	$32,954.1	$26,250.6	$17,269.0
Rental cars	20,736.1	19,432.8	16,411.3	16,065.9	14,566.0	15,189.2	14,239.8	9,627.4	13,232.6	13,335.0	14,672.2
Terminal concessions											
Food and beverage	7,117.4	6,801.0	6,359.5	4,906.5	3,185.5	3,213.8	2,677.0	1,582.3	2,645.9	2,581.0	2,103.1
News stands	2,731.8	2,558.1	2,228.8	1,951.2	1,736.4	1,653.8	1,653.1	726.2	1,514.7	1,371.6	987.8
Retail	2,531.5	2,564.3	2,601.7	2,763.8	2,493.4	1,894.1	1,640.7	1,465.7	2,115.6	2,478.7	2,180.8
Display advertising	3,617.3	3,715.3	3,072.0	3,150.0	3,150.0	3,170.5	2,229.0	2,194.6	855.0	835.6	641.2
Ground transportation[2]	3,183.1	3,373.4									
Services	576.7	239.9	219.3	201.9	192.3	208.9	216.5	53.4	337.4	259.2	120.1
Inflight catering	752.0	766.5	784.3	785.5	787.6	735.4	1,149.1	1,811.6	1,907.0	1,768.3	1,578.0
Fixed base operator	282.1	205.5	134.9	0.0	0.0	0.0	473.4	1,591.7	2,433.3	2,316.7	1,178.3
Duty free	52.8	40.9	36.3	33.3	19.7	0.0	0.1	2.8	6.2	7.2	36.0
All other	808.2	321.5	3,521.6	3,720.1	3,330.4	2,734.2	2,858.0	2,135.9	3,117.1	2,161.1	506.9
Total Concessions	**$86,369.2**	**$84,589.1**	**$75,829.3**	**$71,225.6**	**$64,746.3**	**$61,181.7**	**$53,373.1**	**$48,481.4**	**$61,118.9**	**$53,365.0**	**$41,273.4**
Rents	7,541.2	7,254.0	7,267.2	8,424.7	9,055.5	6,570.7	4,588.1	3,308.4	7,219.3	11,700.5	6,816.5
Security	878.3	888.3	898.1	854.8	843.3	1,083.0	1,197.0	0.0	0.0	0.0	0.0
Utility sales	2,240.1	1,990.1	1,886.5	1,939.9	1,744.7	1,731.4	1,516.1	2,216.8	3,175.6	2,715.2	3,296.6
Other	2,651.3	1,695.5	1,553.5	4,083.1	1,650.5	694.1	1,273.1	1,235.0	1,679.9	1,717.3	541.1
Total Non-Airline Revenue	**$99,680.1**	**$96,417.0**	**$87,434.6**	**$86,528.1**	**$78,040.3**	**$71,260.9**	**$61,947.4**	**$55,241.6**	**$73,193.7**	**$69,498.0**	**$51,927.6**
Total National Revenues	**$198,081.9**	**$193,800.4**	**$183,430.5**	**$179,541.6**	**$171,605.4**	**$151,518.4**	**$150,525.6**	**$146,234.2**	**$164,189.0**	**$151,490.2**	**$135,940.0**
DULLES											
Airline:											
Rents	$ 78,287.5	$ 74,974.8	$71,961.8	$69,886.1	$62,372.3	$62,281.5	$55,332.7	$48,685.3	$46,686.0	$45,596.7	$38,674.3
Landing fees	49,999.3	48,533.3	41,317.6	46,913.6	44,946.1	41,182.2	36,440.0	30,232.4	30,365.4	20,418.5	22,764.4
International Arrival Building fees	9,372.0	9,100.2	9,394.9	8,849.9	12,295.1	12,768.8	10,526.6	10,107.2	9,274.6	9,988.4	7,465.5
Passenger Fees	17,703.5	18,294.4	14,777.1	16,874.0	15,950.3	12,477.8	13,256.1	11,842.3	13,680.0	13,495.3	12,989.7
Design Fees	20,361.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Airline Revenues	**$175,723.5**	**$150,902.7**	**$137,451.4**	**$142,523.6**	**$135,563.8**	**$128,710.3**	**$115,555.4**	**$100,867.2**	**$100,006.0**	**$89,498.9**	**$81,893.9**
Non-Airline:											
Concessions:											
Parking	$ 71,125.6	$ 71,958.9	$ 68,608.0	$ 75,769.0	$64,396.8	$47,408.0	$42,923.2	$39,942.8	$46,411.9	$46,331.4	$23,584.2
Rental cars	15,213.1	14,985.7	13,790.7	14,484.9	13,458.5	11,313.6	11,410.8	11,686.7	13,177.5	13,013.2	10,621.2
Terminal concessions											
Food and beverage	8,742.7	8,184.7	6,396.0	5,719.5	4,677.3	3,724.1	3,563.1	3,557.6	3,751.0	3,666.3	2,348.2
News stands	4,081.0	3,555.7	3,259.8	3,328.1	2,772.5	1,551.6	1,441.5	1,431.6	1,442.1	1,330.6	1,103.5
Retail	2,576.8	2,676.1	2,429.6	2,539.7	2,195.2	1,537.8	1,384.1	1,802.8	1,477.8	1,488.0	668.2
Display advertising	4,119.8	3,640.7	3,228.0	3,150.0	3,150.0	3,171.9	3,203.2	3,350.0	645.0	645.0	645.0
Ground transportation[2]	3,185.6	1,410.6									
Services	5,515.2	5,374.0	5,372.2	5,293.9	4,682.8	4,195.0	3,867.1	4,073.3	4,058.9	4,249.7	2,325.5
Inflight catering	6,120.9	5,476.0	4,882.3	4,682.9	4,761.3	4,470.3	5,079.0	5,268.6	5,499.3	4,886.9	4,144.2
Fixed base operator	12,430.0	11,779.6	10,448.7	7,602.8	4,802.7	4,381.6	3,546.9	2,646.6	2,414.5	2,635.3	2,488.6
Duty free	3,757.5	3,381.5	2,892.4	3,133.1	2,700.0	2,016.9	1,732.3	1,916.6	2,455.2	2,830.9	2,534.0
All other	473.3	474.2	1,843.5	1,464.1	1,373.4	926.4	1,166.1	100.1	1,101.5	387.6	40.3
Total Concessions	**$137,341.5**	**$132,897.7**	**$123,151.2**	**$127,168.0**	**$108,970.5**	**$84,697.2**	**$79,317.3**	**$75,776.7**	**$82,434.7**	**$81,464.9**	**$50,502.9**
Rents	$17,948.5	$15,346.8	$11,396.1	$10,358.8	8,066.0	6,117.7	4,888.4	4,943.6	3,987.5	5,772.4	4,393.6
Security	400.4	401.2	404.8	394.4	386.0	1,549.3	1,944.7	0.0	0.0	0.0	0.0
Utility sales	6,776.1	5,526.7	5,462.4	5,322.2	4,950.1	4,775.5	4,586.8	4,261.6	4,305.0	4,040.2	4,335.7
Other	9,048.5	4,694.7	4,254.1	4,668.6	3,884.3	2,980.6	3,058.9	2,606.0	3,299.5	854.7	1,434.7
Total Non-Airline Revenues	**$171,515.0**	**$158,867.1**	**$144,668.6**	**$147,912.0**	**$126,256.9**	**$100,120.3**	**$93,796.1**	**$87,587.9**	**$94,026.7**	**$92,132.2**	**$60,666.9**
Total Dulles Revenues	**$347,238.5**	**$309,769.8**	**$282,120.0**	**$290,435.6**	**$261,820.7**	**$228,830.6**	**$209,351.5**	**$188,455.1**	**$194,032.7**	**$181,631.1**	**$142,560.8**
DULLES CORRIDOR ENTERPRISE FUND[2]											
Tolls and other	**$10,416.5**	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Total Dulles Corridor Enterprise Fund	**$10,416.5**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
WASHINGTON FLYER											
Ground Transportation:											
Rents	$0.0	$0.0	$5.6	$67.2	$67.2	$67.2	$67.2	$67.2	$63.3	$71.5	$84.3
Concessions	0.0	0.0	30.8	297.6	245.9	217.0	127.5	383.3	500.0	478.9	281.7
Ground Transportation - other	0.0	0.0	82.1	1,642.2	1,262.6	958.8	1,081.6	2,250.4	3,431.8	3,788.2	4,464.4
Total Ground Transportation	**$0.0**	**$0.0**	**$118.5**	**$2,007.0**	**$1,575.7**	**$1,243.0**	**$1,276.3**	**$2,700.9**	**$3,995.1**	**$4,338.6**	**$4,830.4**
Magazine											
Advertising - other	$0.0	$0.0	$0.0	$4.7	$352.0	$722.1	$974.1	$1,151.0	**$1,576.1**	$1,509.8	$1,041.7
Total Magazine Revenues	**$0.0**	**$0.0**	**$0.0**	**$4.7**	**$352.0**	**$722.1**	**$974.1**	**$1,151.0**	**$1,576.1**	**$1,509.8**	**$1,041.7**
TELECOMMUNICATIONS											
Total Telephone Revenues	**$4,179.9**	**$4,414.7**	**$3,900.0**	**$3,673.6**	**$5,345.7**	**$5,361.0**	**$4,485.5**	**$5,835.7**	**$5,632.7**	**$3,710.8**	**$3,171.7**
VASTERA BUILDING											
Total Vastera Bldg. Revenues[1]	**$1,444.5**	**$2,491.2**	**$1,599.6**	**$1,559.2**	**$1,586.6**	**$1,963.1**	**$2,225.0**	**$2,438.1**	**$1,062.9**	**$0.0**	**$0.0**
TOTAL REVENUES	**$561,361.3**	**$510,476.1**	**$471,168.6**	**$477,221.7**	**$442,286.1**	**$389,638.2**	**$368,838.0**	**$346,815.0**	**$370,488.5**	**$342,680.5**	**$287,544.6**

* Concession Management expenses included as operating expenses for years 2003, 2002, 2001, 2000 and 1999. (See Note T)
All other years remain unchanged.

[1] Vastera Building revenues include rents and utilities.

[2] Ground transportation was reported as other revenue in years prior to 2007

Exhibit S-4

2008 RONALD REAGAN WASHINGTON NATIONAL AIRPORT REVENUES

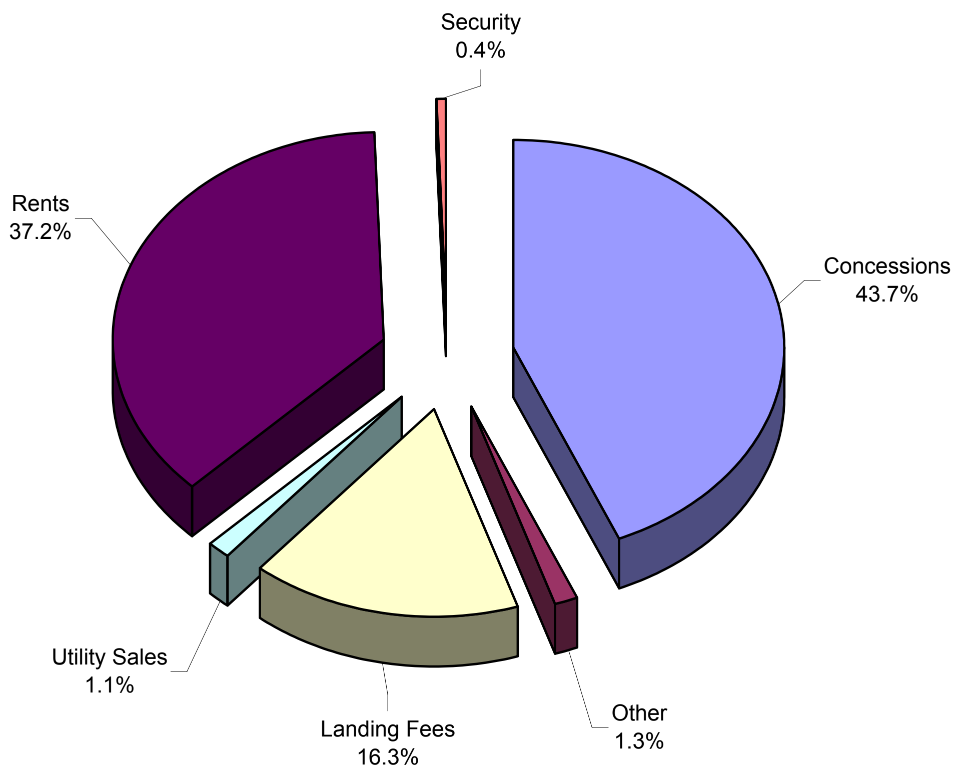
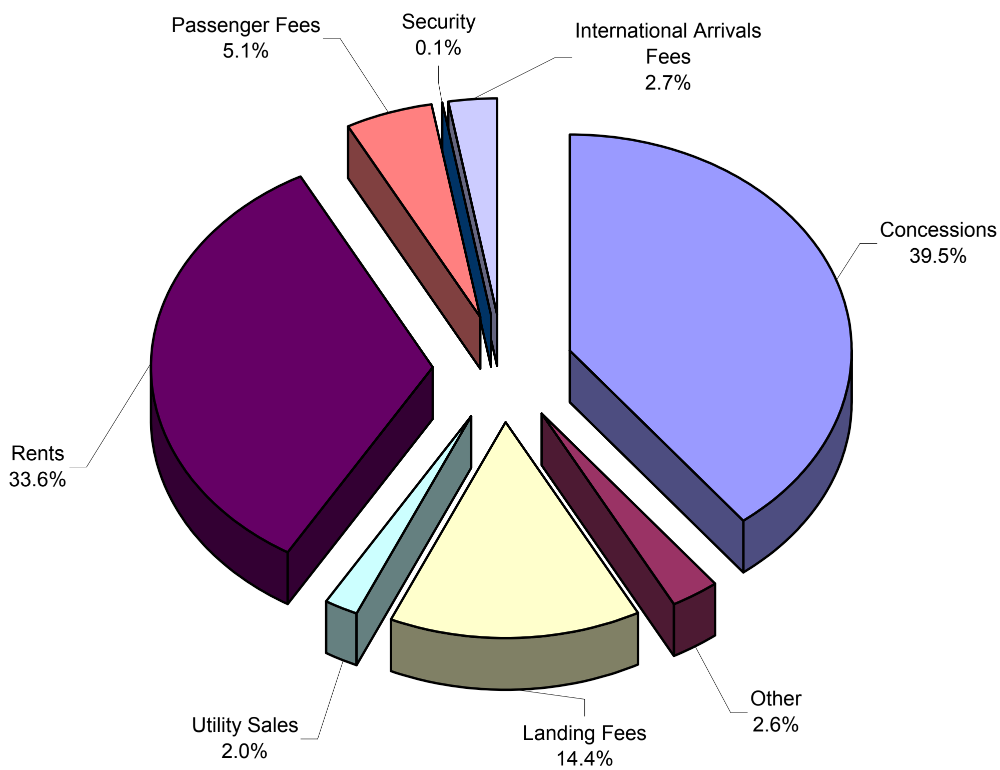


Exhibit S-5

2008 WASHINGTON DULLES INTERNATIONAL AIRPORT REVENUES



SCHEDULED AIRLINES RATES AND CHARGES

Exhibit S-6

Ronald Reagan Washington National Airport

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Signatory Airline Rates										
Landing Fee	$ 2.55	$ 2.34	$ 2.26	$ 2.16	$ 2.41	$ 2.34	$ 2.65	$ 2.68	$ 2.12	$ 2.13
Signatory Airline Cost Per Enplanement	$ 10.95	$ 10.51	$ 10.02	$ 10.22	$ 11.84	$ 11.29	$ 12.12	$ 14.16	$ 11.65	$ 11.21
Terminal A - Average Rate	$ 103.47	$ 100.73	$ 84.22	$ 68.76	$ 69.46	$ 57.10	$ 65.53	$ 85.07	$ 102.63	$ 86.07
Terminal B & C - Average Rate	$ 162.87	$ 169.51	$ 156.22	$ 150.16	$ 150.44	$ 125.49	$ 116.43	$ 121.14	$ 138.54	$ 135.90
Type 6 - Covered/Unenclosed	$ 6.00	$ 5.85	$ 5.68	$ 5.49	$ 5.21	$ 5.09	$ 5.32	$ 5.28	$ 5.15	$ 5.02
Type 7 - Uncovered/Unenclosed	$ 1.50	$ 1.46	$ 1.42	$ 1.37	$ 1.30	$ 1.27	$ 1.33	$ 1.32	$ 1.29	$ 1.26
NonSignatory Airline Rates										
General Aviation Landing Fees	$ 2.89	$ 2.82	$ 2.66	$ 2.40	$ 2.80	$ 2.45	$ 3.01	$ 2.94	$ 2.34	N/A
Landing Fees	$ 3.61	$ 3.52	$ 3.33	$ 3.00	$ 2.80	$ 2.45	$ 3.01	$ 2.94	$ 2.34	$ 2.48
Terminal A	$ 106.40	$ 115.79	$ 92.79	$ 84.81	$ 92.93	$ 76.79	$ 95.00	$ 96.47	$ 85.20	$ 100.18
Terminal B & C	$ 185.11	$ 193.36	$ 172.31	$ 169.93	$ 167.07	$ 154.56	$ 162.83	$ 158.83	$ 155.67	$ 150.35

Washington Dulles International Airport

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Signatory Airline Rates										
Landing Fee	$ 2.60	$ 2.37	$ 2.06	$ 2.00	$ 2.52	$ 2.82	$ 2.39	$ 1.78	$ 1.45	$ 1.00
Signatory Airline Cost Per Enplanement	$ 13.11	$ 12.11	$ 11.57	$ 10.40	$ 12.34	$ 13.30	$ 12.81	$ 11.30	$ 8.48	$ 8.83
Concourse C&D	$ 29.14	$ 31.43	$ 29.48	$ 29.32	$ 35.39	$ 33.27	$ 31.01	$ 30.93	$ 22.61	$ 20.98
Concourse B	$ 55.94	$ 70.48	$ 61.39	$ 69.94	$ 65.24	$ 62.53	$ 60.32	$ 61.04	$ 45.23	$ 49.37
Main Terminal	$ 131.84	$ 129.23	$ 125.19	$ 128.72	$ 120.69	$ 103.97	$ 93.32	$ 94.44	$ 85.49	$ 80.65
Concourse A	$ 142.05	$ 144.59	$ 80.36	$ 54.22	$ 65.53	$ 52.56	$ 46.35	$ 44.85	$ 46.93	$ 25.82
Z-Gates	$ 81.33	$ 258.65	$ 177.24	$ 173.82	N/A	N/A	N/A	N/A	N/A	N/A
Type 6 - Covered/Unenclosed	$ 6.00	$ 5.85	$ 5.68	$ 5.49	$ 5.21	$ 5.09	$ 5.32	$ 5.28	$ 5.15	$ 5.02
Type 7 - Uncovered/Unenclosed	$ 1.50	$ 1.46	$ 1.42	$ 1.37	$ 1.30	$ 1.27	$ 1.33	$ 1.32	$ 1.29	$ 1.26
Airside Operations Building	$ 19.97	$ 21.52	$ 20.89	$ 12.60	$ 10.11	$ 14.34	$ 14.16	$ 16.62	$ 12.37	$ 8.31
International Arrivals Building	$ 3.53	$ 3.61	$ 4.09	$ 4.50	$ 5.57	$ 5.68	$ 5.49	$ 5.80	$ 3.82	$ 4.47
Apron Operations Building	N/A	N/A	N/A	N/A	$ 15.25	$ 10.90	$ 14.39	$ (1.66)	$ 9.66	$ 9.06
Concourse C International Arrival Building	$ 1.78	$ 2.04	$ 2.33	$ 1.73	$ 6.53	$ 6.79	$ 6.30	$ 5.55	$ 5.69	$ 4.35
Passenger Conveyance	$ 1.26	$ 1.34	$ 1.37	$ 1.34	$ 1.32	$ 1.29	$ 1.38	$ 1.39	$ 1.39	$ 1.44
NonSignatory Airline Rates										
General Aviation Landing Fees	$ 3.54	$ 3.20	$ 2.90	$ 2.71	$ 2.43	$ 3.05	$ 2.53	$ 2.16	$ 1.90	N/A
Landing Fees	$ 4.66	$ 4.21	$ 3.81	$ 3.57	$ 2.43	$ 3.05	$ 2.53	$ 2.16	$ 1.90	$ 1.52
Concourse C&D	$ 46.74	$ 47.65	$ 45.32	$ 42.08	$ 37.96	$ 38.43	$ 43.65	$ 38.33	$ 40.10	$ 36.86
Concourse B	$ 67.80	$ 83.61	$ 75.21	$ 74.24	$ 54.12	$ 63.32	$ 69.96	$ 67.16	$ 55.92	$ 52.94
Main Terminal	$ 202.98	$ 193.65	$ 179.29	$ 174.62	$ 138.24	$ 128.58	$ 128.72	$ 121.67	$ 113.54	$ 111.14
International Arrivals Building	$ 4.74	$ 4.72	$ 5.25	$ 5.86	$ 5.65	$ 6.75	$ 6.57	$ 7.45	$ 5.68	$ 8.19
Concourse C International Arrival Building	$ 3.43	$ 3.81	$ 4.31	$ 4.31	$ 7.33	$ 9.05	$ 6.64	$ 6.53	$ 6.91	$ 5.95
Concourse A	$ 185.13	$ 145.13	$ 103.08	$ 72.46	$ 73.69	$ 64.23	$ 47.68	$ 44.89	$ 44.18	$ 25.82
Z-Gates	$ 178.91	$ 282.72	$ 226.76	$ 173.82	N/A	N/A	N/A	N/A	N/A	N/A
Passenger Conveyance	$ 2.02	$ 1.92	$ 1.74	$ 1.61	$ 1.54	$ 1.73	$ 1.86	$ 1.61	$ 1.63	$ 1.63

Note* Rates and Charges are calculated pursuant to the formulas set forth in the Airport Use Agreement and Premises Lease. The agreement provides the calculation of the annual rates and charges, with rate adjustments at midyear, or any time revenues fall 5% or more below projections.

Note* Rates as presented are average rates as calculated at settlement.

Source: Authority's rates and charges reports.

RATIOS OF OUTSTANDING DEBT (continued)

	2008	2007	2006	2005
Outstanding Debt per Enplaned Passenger				
Outstanding debt by type:				
General Airport Revenue Bonds (GARB)	$ 4,127,965,779	$ 3,962,873,327	$ 3,483,377,453	$ 2,828,462,510
Commercial Paper	217,500,000	260,000,000	200,000,000	186,000,000
Bond Anticipation Commercial Paper Notes	-	-	-	-
PFC Bank Participation Notes	432,000,000	432,000,000	400,000,000	400,000,000
Total Outstanding Debt	4,777,465,779	4,654,873,327	4,083,377,453	3,414,462,510
Enplaned Passengers	20,927,041	21,681,123	20,739,630	22,415,046
Outstanding Debt per Enplaned Passenger	$ 228.29	$ 214.70	$ 196.89	$ 152.33
Debt Service Per Enplaned Passenger				
Net Debt Service (1)	$ 206,726,464	$ 185,377,198	$ 163,354,637	$ 164,667,568
Enplaned Passengers	20,927,041	21,681,123	20,739,630	22,415,046
Debt Service per Enplaned Passenger	$ 9.88	$ 8.55	$ 7.88	$ 7.35
Pledged Revenue Coverage - Flexible Term PFC Notes (Bank Participation Notes) (2)				
Passenger Facility Revenues	$ 78,455,218	$ 82,858,846	$ 81,489,704	$ 88,315,311
Passenger Facility Interest Earnings	129,913	632,066	1,902,938	743,458
Net Available Revenues	$ 78,585,131	$ 83,490,912	$ 83,392,642	$ 89,058,769
Outstanding Bank Participation Notes	432,000,000	432,000,000	400,000,000	400,000,000
Total Available	495,900,000	495,900,000	495,900,000	495,900,000
10% of Outstanding	43,200,000	43,200,000	40,000,000	40,000,000
Loan Fees & Interest Expense	11,491,243	16,999,845	15,245,780	4,834,032
Total Debt Coverage Requirements	$ 54,691,243	$ 60,199,845	$ 55,245,780	$ 44,834,032
Debt Service Coverage	1.44	1.39	1.51	1.99
Less Passenger Facility Expenditures	$ 81,034,757	$ 114,367,332	$ 181,693,023	$ 241,850,339

(1) Debt Service paid from operating accounts. Net Debt Service does not include debt service paid from bond funds for capitalized interest and debt service paid from interest earnings.

(2)The Airports Authority issued Flexible Term PFC Revenue Notes to finance PFC approved projects. The bank participation notes have various maturity dates and interest rates that vary from 1.39% to 2.10%.

Source: Office of Finance

Exhibit S-7

2004	2003	2002	2001	2000	1999
$ 2,528,738,687	$ 2,327,168,578	$ 2,016,923,324	$ 1,695,065,930	$ 1,439,881,951	$ 1,668,553,357
-	-	-	-	-	-
150,000,000	150,000,000	250,000,000	206,000,000	190,000,000	-
187,700,000	187,700,000	170,200,000	170,200,000	170,200,000	162,600,000
2,866,438,687	2,664,868,578	2,437,123,324	2,071,265,930	1,800,081,951	1,831,153,357
19,385,904	15,565,042	15,061,353	15,599,674	17,973,986	17,459,321
$ 147.86	$ 171.21	$ 161.81	$ 132.78	$ 100.15	$ 104.88
$ 140,079,210	$ 141,828,530	$ 135,250,234	$ 122,585,407	$ 123,179,914	$ 115,181,177
19,385,904	15,565,042	15,061,353	15,599,674	17,973,986	17,459,321
$ 7.23	$ 9.11	$ 8.98	$ 7.86	$ 6.85	$ 6.60
$ 76,060,174	$ 58,438,038	$ 59,071,341	$ 47,233,127	$ 48,367,121	$ 42,609,759
198,989	48,075	215,471	378,474	458,998	152,481
$ 76,259,163	$ 58,486,113	$ 59,286,812	$ 47,611,601	$ 48,826,119	$ 42,762,240
187,700,000	187,700,000	170,200,000	170,200,000	170,200,000	162,600,000
252,900,000	252,900,000	252,900,000	252,900,000	252,900,000	252,900,000
18,770,000	18,770,000	17,020,000	17,020,000	17,020,000	16,260,000
3,571,826	2,316,822	3,186,897	6,167,172	7,933,004	6,800,065
$ 22,341,826	$ 21,086,822	$ 20,206,897	$ 23,187,172	$ 24,953,004	$ 23,060,065
3.41	2.77	2.93	2.05	1.96	1.85
$ 33,883,482	$ 67,871,550	$ 68,222,443	$ 41,949,627	$ 42,228,527	$ 19,227,303

REVENUE BOND DEBT SERVICE COVERAGE (continued)

	2008	2007	2006
NET REVENUES			
Airline Revenue	$ 250,286,235	$ 245,708,513	$ 230,537,986
Non-Airline Revenue	227,056,802	217,338,644	199,896,655
Interest Income	23,574,302	32,510,098	27,735,256
Other Revenues & Prior Year Transfers	86,220,757	81,178,387	66,929,387
Total Revenues	587,138,096	576,735,642	525,099,284
LESS: Operating Expenses	(265,135,432)	(260,303,941)	(234,849,253)
Net Revenues	$ 322,002,664	$ 316,431,701	$ 290,250,031
DEBT SERVICE			
1990A Airport System Revenue Bonds	-	-	-
1992A Airport System Revenue Bonds	-	-	-
1993A Airport System Revenue & Refunding Bonds	-	-	-
1993B Airport System Revenue & Refunding Bonds	-	-	-
1994A Airport System Revenue Bonds	-	-	-
1997A Airport System Revenue Bonds	-	971,072	1,257,695
1997B Airport System Revenue Bonds	-	8,556,063	14,484,458
1997C Airport System Revenue & Refunding Bonds	-	-	-
1998A Airport System Revenue Bonds	381,282	468,826	1,287,357
1998B Airport System Revenue & Refunding Bonds	18,762,102	17,942,588	18,369,760
1999A Airport System Revenue & Refunding Bonds	5,934,291	5,891,335	5,855,002
2001A Airport System Revenue Bonds	15,183,505	14,291,817	13,623,715
2001B Airport System Revenue Bonds	741,309	651,072	316,128
2002A Airport System Revenue Bonds	7,647,018	8,556,496	7,794,227
2002B Airport System Revenue Bonds	555,736	477,883	611,720
2002C Airport System Revenue Variable Rate Refunding Bonds	19,909,292	19,857,135	19,442,226
2002D Airport System Revenue Refunding Bonds	5,138,941	5,267,806	4,884,026
2003A Airport System Revenue Refunding Bonds	9,432,168	7,490,702	5,886,411
2003B Airport System Revenue Refunding Bonds	4,044,855	4,000,040	4,012,211
2003C Taxable Airport System Revenue Refunding Bonds	3,304,686	3,266,384	3,275,036
2003D Airport System Revenue Variable Rate Bonds	4,610,424	4,754,407	3,366,517
2004A Airport System Revenue Refunding Bonds	658,543	654,853	629,037
2004B Airport System Revenue Bonds	2,687,609	5,104,256	1,482,108
2004C-1 Airport System Revenue Refunding Bonds	13,086,451	16,369,182	16,156,121
2004C-2 Airport System Revenue Refunding Bonds	4,951,434	4,924,855	4,992,470
2004D Airport System Revenue Refunding Bonds	14,950,296	11,187,696	11,219,448
2005A Airport System Revenue Bonds	18,734,984	16,966,776	12,701,790
2005B Airport System Revenue Bonds	855,406	850,174	852,675
2005C Taxable Airport System Revenue Bonds	1,085,993	289,964	1,677,884
2005D Airport System Revenue Bonds	1,758,877	864,492	553,486
2006A Airport System Revenue Bonds	5,604,803	5,810,728	-
2006B Airport System Revenue Bonds	5,746,532	7,854,839	-
2006C Airport System Revenue Refunding Bonds	1,485,981	1,732,719	-
2007A Airport System Revenue Bonds	13,816,874	5,557,044	-
2007B Airport System Revenue Bonds	14,659,468	3,194,582	-
2008A Airport System Revenue Bonds	6,964,179		
Series A Bond Anticipation Commercial Paper Notes	-	-	6,910,355
Series B Bond Anticipation Commercial Paper Notes	-	-	-
Series One Airport System Revenue Commercial Paper Notes	1,401,056	75,000	-
Series Two Airport System Revenue Commercial Paper Notes	402,269	365,833	1,712,774
Net Debt Service	$ 204,496,362	$ 184,246,617	$ 163,354,637
DEBT SERVICE COVERAGE	1.57	1.72	1.78

Note: Net Revenues are calculated in accordance with Authority Airport Use Agreement and Premises Lease. Debt Service does not include debt paid from bond funds for capitalized interest or debt service paid from interest earnings.

Source: Office of Finance

Exhibit S-8

2005	2004	2003	2002	2001	2000	1999
$ 233,326,267	$ 225,134,652	$ 202,331,669	$ 195,780,109	$ 181,891,097	$ 184,187,568	$ 169,033,644
200,409,975	178,783,727	148,840,418	135,030,371	128,871,384	146,143,142	137,290,816
14,337,950	8,356,729	8,727,243	9,642,956	15,472,164	16,161,118	13,202,961
60,358,771	33,211,382	36,138,404	53,132,972	65,104,145	44,655,603	46,904,252
508,432,963	445,486,490	396,037,734	393,586,408	391,338,790	391,147,431	366,431,673
(234,702,564)	(210,630,721)	(196,433,452)	(194,629,440)	(187,047,571)	(180,595,115)	(171,979,528)
$ 273,730,399	$ 234,855,769	$ 199,604,282	$ 198,956,968	$ 204,291,219	$ 210,552,316	$ 194,452,145
-	-	-	-	275,787	15,069,038	19,108,263
-	-	-	15,729,503	22,856,951	22,655,731	21,120,185
-	1,993,757	4,350,565	4,903,913	4,794,599	4,903,808	4,850,857
-	-	2,565,300	3,402,230	3,345,168	3,383,814	3,362,031
-	23,257,594	35,119,965	35,289,120	34,485,341	34,776,289	33,727,975
2,142,909	2,952,191	2,945,565	2,655,447	2,213,032	2,580,111	1,384,999
15,248,622	12,842,186	14,370,024	14,741,589	14,241,097	14,198,177	12,630,866
-	-	-	-	-	-	219,723
1,322,236	1,318,158	1,330,610	1,297,815	1,086,168	1,123,553	391,923
19,710,594	18,124,292	18,603,575	18,568,291	17,552,433	16,759,523	15,172,783
5,946,837	5,841,298	5,874,163	5,833,633	5,631,732	5,912,982	3,211,571
13,976,834	6,905,090	11,718,857	13,619,313	5,754,121	-	-
366,495	451,143	672,953	650,327	182,684	-	-
6,320,872	5,615,081	6,173,644	3,022,077	-	-	-
789,395	1,085,449	1,515,875	257,284	-	-	-
19,758,330	19,934,028	19,158,357	5,037,925	-	-	-
2,596,248	2,994,667	5,739,300	1,807,184	-	-	-
10,185,205	9,433,874	2,841,304	-	-	-	-
4,050,272	2,603,708	528,739	-	-	-	-
3,295,935	3,330,846	1,114,077	-	-	-	-
3,230,574	2,656,903	1,227,443	-	-	-	-
561,894	223,643	-	-	-	-	-
4,819,952	2,535,517	-	-	-	-	-
8,049,634	2,353,789	-	-	-	-	-
14,346,612	5,161,229	-	-	-	-	-
11,183,139	3,885,524	-	-	-	-	-
9,863,398	-	-	-	-	-	-
618,617	-	-	-	-	-	-
1,647,078	-	-	-	-	-	-
138,752	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
427,742	4,579,243	4,044,030	3,994,287	7,005,927	1,527,800	-
-	-	1,934,188	2,595,462	3,160,367	289,087	-
764,384	-	-	1,844,833	-	-	-
3,305,008	-	-	-	-	-	-
$ 164,667,568	$ 140,079,210	$ 141,828,530	$ 135,250,234	$ 122,585,407	$ 123,179,914	$ 115,181,177
1.66	1.68	1.41	1.47	1.67	1.71	1.69

REVENUE BOND COVERAGE

Exhibit S-9

For Years 1999 - 2008

(Dollars in Thousands)

YEAR	TOTAL REVENUES 1/	DIRECT OPERATING EXPENSES 2/	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			
				Principal	Interest	Total	Coverage
CY 2008	$ 587,138	$ 265,135	$ 322,003	$ 83,360	$ 121,136	$ 204,496	1.57
CY 2007	576,736	260,304	316,432	110,322	73,925	184,247	1.72
CY 2006	525,099	234,849	290,250	68,137	95,218	163,355	1.78
CY 2005	508,433	234,703	273,730	61,384	103,284	164,668	1.66
CY 2004	445,486	210,630	234,856	58,893	81,187	140,080	1.68
CY 2003	396,038	196,434	199,604	51,875	89,953	141,829	1.41
CY 2002	393,586	194,629	198,957	43,478	91,772	135,250	1.47
CY 2001	391,339	187,048	204,291	35,202	87,383	122,585	1.67
CY 2000	391,147	180,595	210,552	34,839	88,341	123,180	1.71
CY 1999	366,432	171,979	194,453	83,238	31,943	115,181	1.69

1/ Total Revenues including transfers

2/ Operating expenses include Telecommunications, Washington Flyer Ground Transportation Subsidy, and Washington Flyer Magazine Subsidy.

Note: Calculated based on Authority Agreed Upon Procedures, not in accordance with generally accepted accounting principles (GAAP).

Source: Office of Finance

AIRPORT INFORMATION

Exhibit S-10

Ronald Reagan Washington National Airport

As of December 31, 2008

Location:	3 miles south from downtown Washington D.C. along the Potomac River in Arlington County, VA		
Acres:	860 +/- acres		
		Data as of February 18, 2009	
Airport Code:	DCA		
Runways:	1/19	1,030,350	sq ft
	15/33	780,600	sq ft
	4/22	736,650	sq ft
Terminal:	Terminal A	55,567	sq ft
	Terminal B/C	365,743	sq ft
	Tenants	115,329	sq ft
	Public/Common	445,914	sq ft
	Mechanical	153,539	sq ft
	Total Terminal Sq. Ft.	**1,136,092**	sq ft
	Number of Passenger Gates:	44	
	Number of Loading Bridges:	44	
	Number of Concessionaires in Terminal:	93	
	Number of Rental Car Agencies in Garage A:	5	
Apron:	Commercial Airlines	2,972,637	sq ft
	Cargo Airlines	N/A	sq ft
	FBO	62,900	sq ft
	Exclusive Ramp Space	0	
	Common Use Ramp Space	253,700	
	Total Apron Sq. Ft.	**3,289,237**	
Parking:			
	Spaces Assigned:		
	Garage A	872	
	Valet	115	
	Garage B & C Daily	3,877	
	Garage B & C Hourly	455	
	Economy Lot	2,956	
	Total Spaces	**8,275**	
Cargo:	Air Cargo Building	47,752	sq ft
International:	N/A		
Tower(s):	TRACON 24 / 7 365		
FBO's	Signature Flight Support in Hanger 7		

Source: Office of Finance

AIRPORT INFORMATION

Exhibit S-11

Washington Dulles International Airport

As of December 31, 2008

		Data as of February 18, 2009	
Location:	26 miles west from downtown Washington D.C., Located in Fairfax and Loudoun Counties, VA		
Acres:	11,830 +/- Acres		
Airport Code:	IAD		
Runways:	12/30		
	1L/19R		
	1R/19L		
Terminal:	Signatory Airlines	976,371	sq ft
	Tenants / Concessions	157,619	sq ft
	Public/Common	1,075,135	sq ft
	Mechanical	310,143	sq ft
	Total Terminal Sq. Ft.	**2,519,268**	sq ft
	Number of Passenger Gates:	145	
	Number of Loading Bridges:	58	
	Number of Concessionaires in Terminal:	112	
	Number of Rental Car Agencies on Airport:	8	
Airfield	Runways	6,435,000	sq ft
	Taxiways	15,288,143	sq ft
	Ramps/Aprons	13,683,142	sq ft
	Shoulders & Blast Pads	10,945,422	sq ft
	Total Airfield Sq. Ft.	**46,351,707**	
Parking:	Spaces Assigned		
	Daily Garage 1	4,680	
	Daily Garage 2	3,645	
	Hourly Parking Lot	1,923	
	Economy	12,398	
	Valet	830	
	Overflow	3,733	
	Cell Phone Lot	224	
	Total Parking Spaces	**27,433**	spaces
Roadways	Lane mileage	235	miles
Cargo:	Cargo 1 & 2	54,000	sq ft
	Cargo 3 & 4	61,534	sq ft
	Cargo 5	277,370	sq ft
	Cargo 6	148,167	sq ft
	Total Cargo Sq. Ft.	**541,071**	
International:	Customs/Immigration F.I.S. Facility		
Tower(s):	TRACON 24 / 7/ 365		
FBO's	Landmark Aviation		
	Signature Flight Support		

Source: Office of Finance

MAJOR PRIVATE EMPLOYERS IN PRIMARY AIR TRADE AREA

Exhibit S-12

Employer	Fortune 1000 Rating	State	Revenues ($ millions)	Industry
Fannie Mae	53	DC	$ 43,355	Diversified Financials
Freddie Mac	54	VA	43,104	Diversified Financials
Lockheed Martin Corp.	57	MD	41,862	Aerospace and Defense
General Dynamics	87	VA	27,294	Defense
Capital One Financial	130	VA	18,966	Financial
Computer Sciences Corporation	170	VA	14,857	Information Technology
AES	183	VA	13,896	Utilities
Marriott International Inc.	197	MD	13,342	Hospitality
Danaher	239	DC	11,107	Scientific, Photographic and Control Equipment
Coventry Health Care	266	MD	9,880	Health Care, Insurance and Managed Care
Pepco Holdings	279	DC	9,366	Utilities
SLM	286	VA	9,171	Diversified Financials
Gannett	332	VA	7,481	Publishing
Host Hotels & Resorts	440	MD	5,461	Hospitality
NVR	464	VA	5,156	Construction
The Washington Post Co.	540	DC	4,180	Publishing
Harman International Industries	595	DC	3,551	Audio & Electronics
Bearing Point	604	VA	3,456	Information Technology
NII Holdings	624	VA	3,296	Mobile Communication Services
WGL Holdings	742	DC	2,646	Utilities
DynCorp International	874	VA	2,082	Aerospace and Defense
CACI International	908	VA	1,938	Information Technology
USEC	912	MD	1,928	Energy
Catalyst Health Solutions	926	MD	1,858	Health Care, Pharmacy and Others
Total			**$ 299,233**	

Note: Ten years of data not presented as the rapidly changing company community makes older year information obsolete and non-comparative.

Source: Post 200, Washington Post Publisher, May 14, 2007.

Source: Greater Washington Initiative, 2007 Regional Report

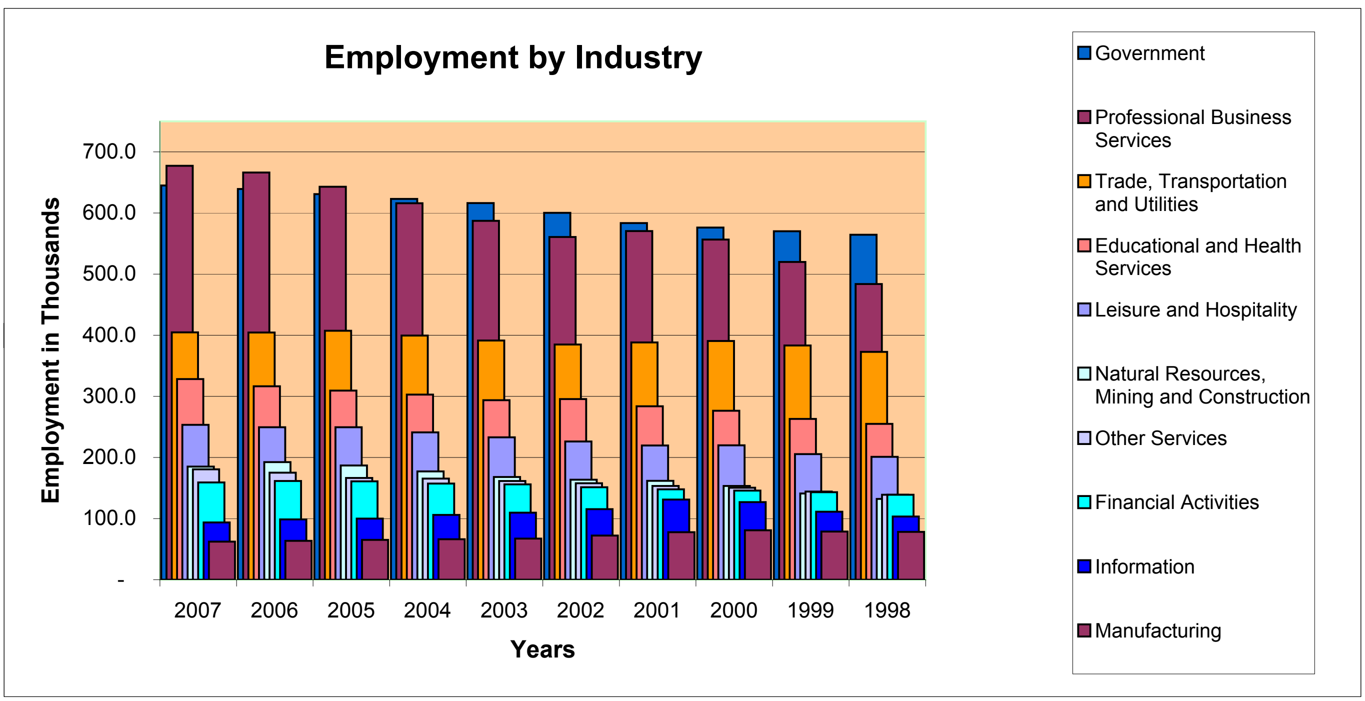
EMPLOYMENT BY INDUSTRY

Exhibit S-13

Metropolitan Statistical Area - Last Ten Years

	Yearly Annual Average Numbers of Employees (in thousands)									
Industry Type	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Government	645.0	639.2	631.0	623.1	616.2	600.2	583.5	576.2	570.1	564.5
Professional Business Services	677.2	666.3	642.9	616.0	587.1	560.7	570.5	556.5	519.9	483.8
Trade, Transportation and Utilities	404.8	404.5	407.3	399.6	391.3	384.9	388.1	390.6	383.3	372.8
Educational and Health Services	328.3	316.5	309.5	302.9	293.7	295.6	283.8	276.5	263.1	255.0
Leisure and Hospitality	253.4	249.5	249.4	241.1	232.9	226.1	219.7	220.0	205.6	201.1
Natural Resources, Mining and Construction	185.2	192.4	186.8	177.3	168.1	163.7	161.9	153.4	141.0	132.2
Other Services	180.7	175.1	166.6	165.5	161.4	157.8	153.5	150.4	144.3	139.1
Financial Activities	159.2	161.5	161.0	157.4	155.9	151.2	148.0	145.8	143.3	138.9
Information	93.7	98.7	99.9	106.0	109.6	115.5	131.2	127.0	111.3	103.5
Manufacturing	62.3	63.6	65.2	66.1	67.2	72.2	77.8	80.8	78.7	78.2
Washington-Arlington-Alexandria, D.C.-Md-Va W.Va - Metropolitan Statistical Area	**2989.8**	**2967.3**	**2919.6**	**2855.0**	**2783.4**	**2727.9**	**2718.0**	**2677.2**	**2560.6**	**2469.1**

Source: U.S. Department of Labor, Bureau of Labor Statistics



POPULATION TRENDS

Exhibit S-14

Metropolitan Statistical Area - Last Ten Years

(Expressed in Thousands)

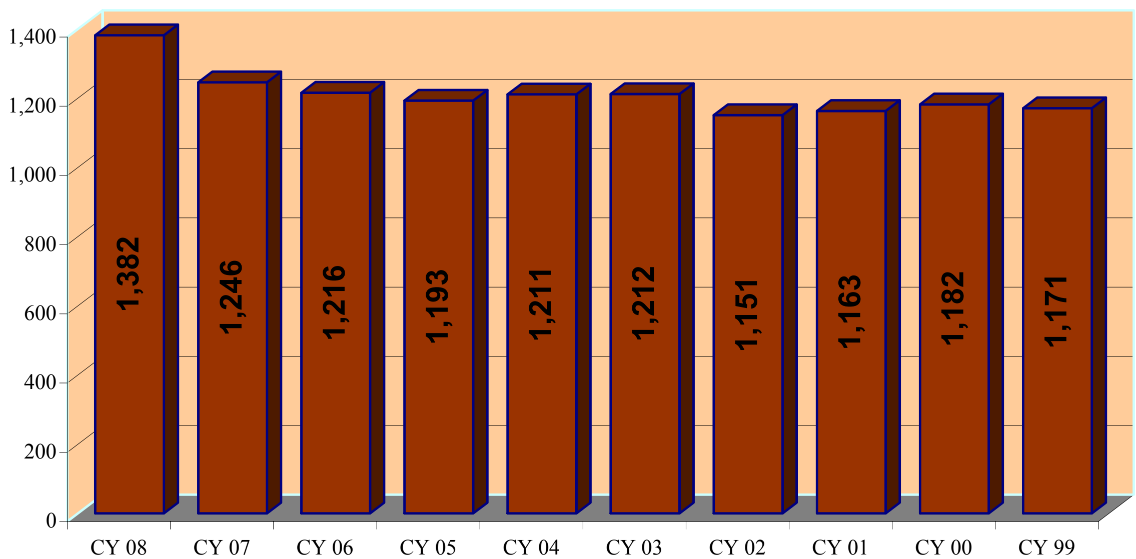
JURISDICTION	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
District of Columbia	591.8	581.5	581.5	553.5	528.8	570.9	571.8	572.1	570.2	565.2
Arlington County, VA	204.6	199.8	196.0	186.1	187.4	188.7	189.5	189.4	188.7	186.7
City of Alexandria, VA	140.0	136.9	135.3	128.2	128.7	129.8	130.4	128.3	125.7	122.1
Central Jurisdictions	**936.4**	**918.2**	**912.8**	**867.8**	**844.9**	**889.4**	**891.7**	**889.8**	**884.6**	**874.0**
Fairfax County, VA	1010.2	1010.4	1006.5	1003.2	996.8	992.4	986.3	969.7	955.6	936.9
Montgomery County, MD	930.8	932.1	927.6	921.7	915.1	906.0	893.1	873.3	862.4	847.6
Prince George's County, MD	828.8	841.3	846.1	843.0	836.4	827.7	817.3	801.5	795.1	789.0
City of Fairfax, VA	23.3	22.4	22.0	22.1	22.0	21.8	21.8	21.5	21.5	21.4
City of Falls Church, VA	10.9	10.8	10.8	11.0	10.6	10.6	10.5	10.4	10.2	9.9
Inner Suburbs	**2,804.0**	**2,817.0**	**2,813.0**	**2,801.0**	**2,780.9**	**2,758.5**	**2,729.0**	**2,676.4**	**2,644.8**	**2,604.8**
Prince William County, VA	360.4	357.5	348.6	336.6	323.9	310.8	297.6	280.8	272.7	263.9
Loudoun County, VA	278.8	268.8	255.5	239.2	221.1	203.8	190.1	169.6	158.1	146.1
Frederick County, MD	224.7	222.9	220.7	217.7	213.6	209.1	202.4	195.3	191.6	187.1
Charles County, MD	140.4	140.4	138.8	135.8	132.3	128.2	125.0	120.5	118.6	116.2
Stafford County, VA	120.7	120.2	117.9	114.8	110.2	104.3	98.4	92.4	89.4	86.3
Spotsylvania County, VA	119.2	119.5	116.5	111.9	107.7	102.6	96.7	90.4	87.2	83.6
Calvert County, MD	88.2	88.8	87.9	86.5	84.2	80.9	77.7	74.6	72.9	71.0
Fauquier County, VA	66.3	66.2	65.0	63.3	61.2	59.5	57.4	55.1	54.0	52.9
Manassas City, VA	35.4	36.6	37.6	37.6	37.1	36.6	35.9	35.1	34.6	33.7
Warren County, VA	36.3	36.1	35.6	34.4	33.8	33.1	32.2	31.6	31.1	30.5
Jefferson County, WVA	50.8	50.4	49.2	47.7	46.4	45.0	43.4	42.1	41.6	40.8
Fredericksburg City, VA	22.4	21.3	20.7	20.5	20.2	20.0	19.7	19.3	19.5	19.6
Clarke County, VA	14.4	14.6	14.2	13.9	13.4	13.2	13.1	12.7	12.5	12.4
Manassas Park City, VA	11.4	11.6	11.6	11.5	11.0	10.9	10.8	10.3	10.0	9.5
Outer Suburbs	**1,569.4**	**1,554.9**	**1,519.8**	**1,471.4**	**1,416.1**	**1,358.0**	**1,300.4**	**1,229.8**	**1,193.8**	**1,153.6**
DC-MD-VA-WVA Metropolitan Statistical Area	**5,309.8**	**5,290.1**	**5,245.6**	**5,140.2**	**5,041.9**	**5,005.9**	**4,921.1**	**4,796.0**	**4,723.2**	**4,632.4**

Prepared by the Office of Finance

Source: U.S. Census Bureau, American Factfinder

Exhibit S-15

AIRPORTS AUTHORITY EMPLOYEE STRENGTH



AIRCRAFT OPERATIONS BY AIRPORT

Exhibit S-16

Takeoff and Landing Operations

Ronald Reagan Washington National Airport

CALENDAR YEAR	MAJOR/ NATIONALS	REGIONAL/ COMMUTERS	GENERAL AVIATION	MILITARY	TOTAL
2008	140,564	130,541	4,914	1,279	277,298
2007	146,614	123,024	5,272	523	275,433
2006	157,536	115,087	3,172	624	276,419
2005	181,417	91,227	3,101	311	276,056
2004	154,432	111,333	2,546	245	268,556
2003	139,343	109,085	2,087	287	250,802
2002	139,259	73,078	2,255	1,099	215,691
2001	159,347	47,650	32,290	4,721	244,008
2000	188,285	59,695	44,592	5,307	297,879
1999	182,589	54,664	48,557	5,955	291,765

Washington Dulles International Airport

CALENDAR YEAR	MAJOR/ NATIONALS	REGIONAL/ COMMUTERS	GENERAL AVIATION	MILITARY	TOTAL
2008	136,052	168,608	54,808	824	360,292
2007	141,424	176,150	64,549	816	382,939
2006	132,265	178,372	67,954	980	379,571
2005	255,442	179,492	73,629	1,089	509,652
2004	281,663	111,669	74,689	1,614	469,635
2003	232,112	27,833	73,668	1,784	335,397
2002	262,063	26,957	81,732	1,884	372,636
2001	300,061	27,548	62,643	6,634	396,886
2000	336,467	52,847	59,417	7,705	456,436
1999	343,512	49,782	64,429	8,192	465,915

Prepared by the Office of Finance

Source: Office of Finance `

LANDED WEIGHTS

(Expressed in Thousands of Pounds)

Ronald Reagan Washington National Airport

AIRLINE[4]	CY 2008		CY 2007		CY 2006		CY 2005		CY 2004	
	Landed Weights	Share	Landed Weights	Share	Landed Weights	Share	Landed Weights	Share	Landed Weights[3]	Share[3]
US Airways	3,349,614	26.40%	3,429,981	26.97%	3,777,558	29.06%	4,437,393	34.66%	3,082,443	26.87%
Delta Airlines + Delta Shuttle	1,412,258	11.13%	1,380,212	10.85%	1,521,021	11.70%	1,510,590	11.80%	1,411,358	12.30%
American Airlines	1,316,961	10.38%	1,330,575	10.46%	1,288,058	9.91%	1,277,371	9.98%	1,156,215	10.08%
Air Wisconsin (US Airways Express)	951,797	7.50%	819,586	6.44%	724,223	5.57%	52,170	0.41%	-	-
Republic Airlines (US Airways Express)	886,321	6.99%	856,710	6.74%	692,821	5.33%	26,900	0.21%	-	-
Northwest Airlines	884,805	6.97%	872,401	6.86%	875,902	6.74%	846,247	6.61%	842,286	7.34%
United Airlines	702,636	5.54%	682,154	5.36%	685,035	5.27%	671,032	5.24%	846,889	7.38%
Continental Airlines	479,057	3.78%	534,727	4.20%	528,186	4.06%	506,448	3.96%	475,519	4.15%
American Eagle(Flagship)	420,394	3.31%	396,591	3.12%	425,382	3.27%	404,211	3.16%	361,779	3.15%
AirTran	305,608	2.41%	245,672	1.93%	199,552	1.53%	184,624	1.44%	182,535	1.59%
Comair	293,498	2.31%	262,815	2.07%	287,789	2.21%	291,534	2.28%	417,530	3.64%
Midwest Express	275,464	2.17%	302,760	2.38%	303,872	2.34%	305,028	2.38%	355,080	3.10%
PSA Airlines	222,845	1.76%	196,901	1.55%	208,700	1.61%	578,899	4.52%	302,035	2.63%
Alaska Airlines	157,074	1.24%	155,172	1.22%	148,008	1.14%	142,538	1.11%	94,224	0.82%
Frontier Airlines	153,061	1.21%	141,070	1.11%	137,573	1.06%	137,474	1.07%	128,394	1.12%
Spirit Airlines	130,622	1.03%	102,376	0.80%	143,724	1.11%	182,057	1.42%	125,013	1.09%
Air Canada	112,319	0.89%	109,403	0.86%	124,919	0.96%	159,966	1.25%	145,756	1.27%
Continental Express	88,674	0.70%	108,012	0.85%	123,207	0.95%	116,228	0.91%	189,110	1.65%
Chautauqua (US Airways Express)	88,233	0.70%	91,790	0.72%	119,937	0.92%	213,123	1.66%	292,133	2.55%
Pinnacle Airlines	84,271	0.66%	80,652	0.63%	80,464	0.62%	106,596	0.83%	37,404	0.33%
Air Canada Jazz	68,770	0.54%	64,479	0.51%	50,044	0.38%	-	-	-	-
Shuttle America (Delta Connection)	49,609	0.39%	51,703	0.41%	1,663	0.01%	-	-	-	-
Chautauqua (Continental Express)	39,940	0.31%	15,713	0.12%	-	-	-	-	-	-
Republic Airlines (Midwest Connect)	32,610	0.26%	-	-	-	-	-	-	-	-
Colgan Air	25,823	0.20%	24,935	0.20%	25,734	0.20%	31,379	0.25%	105,417	0.92%
Colgan Air (Continental Connection)	23,932	0.19%	-	-	-	-	-	-	-	-
Piedmont Aviation	19,578	0.15%	44,670	0.35%	20,192	0.16%	11,597	0.09%	95,502	0.83%
Federal Express FDX	16,830	0.13%	-	-	-	-	-	-	-	-
Chautauqua (Delta Connection)	15,071	0.12%	19,949	0.16%	3,147	0.02%	-	-	-	-
Signature Flight Support (FBO)	10,402	0.08%	12,702	0.10%	5,181	0.04%	46,982	0.37%	41,747	0.36%
Atlantic Southeast	10,045	0.08%	46,076	0.36%	43,851	0.34%	50,422	0.39%	89,497	0.78%
Mesaba Airlines	8,819	0.07%	15,396	0.12%	26,010	0.20%	50,065	0.39%	-	-
Trans States Airlines (US Airways Exp)	128	0.00%	8,284	0.07%	-	-	-	-	-	-
American Trans Air	-	-	164,658	1.29%	180,125	1.39%	204,921	1.60%	214,056	1.87%
America West Airlines	-	-	149,032	1.17%	215,496	1.66%	224,186	1.75%	285,361	2.49%
Trans States Airlines	-	-	-	-	20,338	0.16%	32,507	0.25%	100,843	0.88%
Allegheny Commuter	-	-	-	-	-	-	-	-	58,953	0.51%
Potomac Air, Inc.	-	-	-	-	-	-	-	-	-	-
Trans World Airlines	-	-	-	-	-	-	-	-	-	-
Other 1/	51,619	0.41%	1,573	0.01%	13,268	0.10%	-	-	34,720	0.30%
Total 2/	**12,688,688**	**100.00%**	**12,718,727**	**100.00%**	**13,000,978**	**100.00%**	**12,802,488**	**100.00%**	**11,471,799**	**100.00%**

1/ Includes airlines no longer serving National or carriers with insignificant activity.
2/ Percentage may not add to 100 percent due to individual rounding.
3/ Prior year amounts have been adjusted for corrections or additional information.
4/ Previous years' comparative information has been modified as necessary based on revisions from carriers.
Source: Office of Finance

Exhibit S-17

CY 2003		CY 2002		CY 2001		CY 2000		CY 1999	
Landed Weights[3]	Share[3]	Landed Weights[3]	Share[3]	Landed Weights[3]	Share[3]	Landed Weights[3]	Share[3]	Landed Weights[3]	Share[3]
3,059,815	28.24%	3,115,677	30.81%	3,615,979	33.36%	3,952,238	31.87%	3,257,041	28.54%
1,489,855	13.75%	1,713,594	16.94%	2,191,172	20.22%	2,415,506	19.48%	2,346,724	20.56%
1,362,246	12.57%	1,311,095	12.96%	1,187,911	10.96%	1,449,620	11.69%	1,487,965	13.04%
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
916,221	8.46%	779,922	7.71%	741,852	6.84%	901,926	7.27%	898,284	7.87%
615,931	5.69%	628,511	6.21%	598,303	5.52%	689,184	5.56%	727,179	6.37%
481,828	4.45%	534,108	5.28%	684,300	6.31%	852,278	6.87%	866,443	7.59%
363,734	3.36%	231,222	2.29%	127,751	1.18%	83,298	0.67%	71,832	0.63%
36,296	0.34%	-	-	-	-	-	-	-	-
473,666	4.37%	98,888	0.98%	-	-	-	-	-	-
272,663	2.52%	286,368	2.83%	-	-	215,212	1.74%	175,712	1.54%
232,511	2.15%	185,006	1.83%	58,305	0.54%	140,293	1.13%	141,752	1.24%
46,770	0.43%	-	-	4,642	0.04%	-	-	-	-
47,815	0.44%	43,199	0.43%	30,727	0.28%	10,260	0.08%	-	-
8,060	0.07%	-	-	56,651	0.52%	12,848	0.10%	-	-
129,872	1.20%	136,149	1.35%	122,533	1.13%	171,101	1.38%	174,237	1.53%
113,036	1.04%	67,618	0.67%	10,110	0.09%	1,809	0.01%	11,735	0.10%
156,538	1.44%	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	171,101	1.38%	174,237	1.53%
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
11,258	0.10%	-	-	432	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
177,332	1.64%	411,452	4.07%	160,547	1.48%	352,055	2.84%	368,258	3.23%
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
30,662	0.28%	21,578	0.21%	466,035	4.30%	199,255	1.61%	73,130	0.64%
87,245	0.81%	5,684	0.06%	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
158,894	1.47%	146,007	1.44%	138,567	1.28%	156,211	1.26%	-	-
172,147	1.59%	189,006	1.87%	213,416	1.97%	125,394	1.01%	95,195	0.83%
4,595	0.04%	-	-	-	-	85,704	0.69%	76,476	0.67%
152,042	1.40%	116,819	1.16%	13,153	0.12%	19,425	0.16%	25,832	0.23%
-	-	-	-	-	-	-	-	-	-
-	-	-	-	290,335	2.68%	395,454	3.19%	431,724	3.78%
233,075	2.15%	91,111	0.90%	125,735	1.16%	-	-	9,386	0.08%
10,834,104	**100.00%**	**10,113,018**	**100.00%**	**10,838,455**	**100.00%**	**12,400,172**	**100.00%**	**11,413,142**	**100.00%**

LANDED WEIGHTS

(Expressed in Thousands of Pounds)

Washington Dulles International Airport

AIRLINE[4]	2008		2007		2006		2005		2004	
	Landed Weights	Share	Landed Weights	Share	Landed Weights	Share	Landed Weights	Share	Landed Weights	Share
United Airlines	7,435,550	38.09%	7,606,298	38.08%	7,048,694	37.76%	6,392,517	31.32%	6,557,152	34.22%
Mesa Airlines	1,126,123	5.77%	1,520,846	7.61%	1,847,801	9.90%	893,675	4.38%	347,739	1.81%
JetBlue Airways	927,826	4.75%	952,941	4.77%	794,112	4.25%	523,980	2.57%	484,930	2.53%
Shuttle America	676,463	3.47%	629,476	3.15%	475,885	2.55%	370,263	1.81%	173,781	0.91%
Landmark Aviation (FBO)	501,128	2.57%	603,946	3.02%	701,682	3.76%	551,161	2.70%	297,868	1.55%
Trans States Airlines (United Express)	628,832	3.22%	603,260	3.02%	596,537	3.20%	678,031	3.32%	217,860	1.14%
American Airlines	535,928	2.75%	544,803	2.73%	557,241	2.98%	598,510	2.93%	587,805	3.07%
Southwest Airlines	475,884	2.44%	518,676	2.60%	130,534	0.70%	-	-	-	-
Signature Flight Support (FBO)	462,871	2.37%	487,810	2.44%	477,555	2.56%	-	-	419,380	2.19%
Delta Airlines	441,899	2.26%	481,132	2.41%	497,957	2.67%	530,760	2.60%	727,540	3.80%
Lufthansa	384,825	1.97%	443,982	2.22%	469,317	2.51%	409,835	2.01%	317,729	1.66%
British Airways	492,144	2.52%	438,467	2.20%	458,074	2.45%	28,512	0.14%	529,004	2.76%
Federal Express	411,650	2.11%	421,845	2.11%	403,651	2.16%	401,655	1.97%	371,733	1.94%
Air France	387,484	1.98%	398,061	1.99%	413,269	2.21%	384,546	1.88%	321,257	1.68%
Chautauqua Airlines (United Express)	401,533	2.06%	335,329	1.68%	200,743	1.08%	-	-	-	-
GoJet Airlines	343,308	1.76%	306,123	1.53%	111,153	0.60%	-	-		
Northwest Airlines	174,666	0.89%	283,572	1.42%	267,526	1.43%	289,410	1.42%	308,611	1.61%
AirTrans Airlines	222,712	1.14%	255,984	1.28%	267,592	1.43%	178,360	0.87%	184,808	0.96%
Virgin Atlantic	252,265	1.29%	245,771	1.23%	190,860	1.02%	165,869	0.81%	212,812	1.11%
Colgan Airways (United Express)	345,987	1.77%	210,455	1.05%	207,564	1.11%	-	-	-	-
South African Airways	197,826	1.01%	203,850	1.02%	169,210	0.91%	64,125	0.31%	-	-
All Nippon	202,764	1.04%	202,794	1.02%	187,630	1.01%	168,917	0.83%	168,360	0.88%
US Airways	126,347	0.65%	164,131	0.82%	159,723	0.86%	196,034	0.96%	185,961	0.97%
KLM Royal Dutch Airlines	147,041	0.75%	149,854	0.75%	132,227	0.71%	-	-	-	-
Taca International	118,736	0.61%	146,944	0.74%	115,978	0.62%	107,680	0.53%	94,172	0.49%
Continental Express	110,616	0.57%	145,612	0.73%	178,176	0.95%	197,711	0.97%	190,639	0.99%
Austrian Airlines	142,221	0.73%	137,908	0.69%	143,320	0.77%	28,800	0.14%	145,155	0.76%
Korean Air	118,508	0.61%	137,824	0.69%	119,136	0.64%	111,384	0.55%	108,756	0.57%
Scandinavian Airlines System	128,077	0.66%	126,229	0.63%	125,820	0.67%	105,126	0.51%	111,950	0.58%
Qatar Amiri Air	202,791	1.04%	96,778	0.48%	-	-	-	-	-	-
Air Canada + Jazz	84,857	0.43%	95,434	0.48%	95,203	0.51%	94,946	0.47%	150,749	0.79%
Comair, Inc.	52,429	0.27%	91,573	0.46%	80,395	0.43%	190,435	0.93%	101,050	0.53%
Colgan Airways (US Airways Express)	8,436	0.04%	90,290	0.45%	85,596	0.46%	31,736	0.16%	38,262	0.20%
United Parcel Service	86,359	0.44%	85,884	0.43%	83,528	0.45%	78,162	0.38%	79,916	0.42%
Ethiopian Airlines	76,639	0.39%	79,513	0.40%	59,714	0.32%	53,966	0.26%	45,664	0.24%
Saudi Arabian Airlines	68,455	0.35%	74,359	0.37%	84,109	0.45%	61,241	0.30%	73,470	0.38%
Airborne Express	70,006	0.36%	71,670	0.36%	71,887	0.39%	-	-	-	-
MN Airlines, LLC	30,700	0.16%	61,320	0.31%	28,470	0.15%	584	0.00%	146	0.00%
Iberia Airlines	81,074	0.42%	54,424	0.27%	-	-	-	-	-	-
Virgin America	257,399	1.32%	45,361	0.23%	-	-	-	-	-	-
Trans States Airlines (Amer. Conn)	30,678	0.16%	39,911	0.20%	-	-	-	-	-	-
Continental Airlines, Inc.	5,071	0.03%	36,415	0.18%	26,020	0.14%	37,391	0.18%	44,334	0.23%
Aer Lingus	81,417	0.42%	33,729	0.17%	-	-	-	-	-	-
Mesa Airlines, Inc. (US Airways Exp.)	62,622	0.32%	33,149	0.17%	16,137	0.09%	22,380	0.11%	23,623	0.12%
PSA Airlines	38,205	0.20%	27,732	0.14%	50,049	0.27%	30,738	0.15%	4,973	0.03%
American Eagle	84	0.00%	24,553	0.12%	66,712	0.36%	69,347	0.34%	69,164	0.36%
America West	-	-	50,737	0.25%	116,422	0.62%	146,936	0.72%	175,731	0.92%
MAXjet Airways	-	-	24,411	0.12%	41,662	0.22%	-	-	-	-
Independence Air + Atlantic Coast	-	-	-	-	34,476	0.18%	3,802,412	18.63%	3,403,084	17.76%
Air Wisconsin (United Express)	-	-	-	-	30,108	0.16%	896,072	4.39%	840,831	4.39%
Other /1	364,191	1.87%	153,930	0.77%	249,777	1.34%	1,520,072	7.45%	1,045,034	5.45%
TOTAL 2/	**19,522,621**	**100.00%**	**19,975,090**	**100.00%**	**18,669,231**	**100.00%**	**20,413,280**	**100.00%**	**19,161,031**	**100.00%**

1/ Includes airlines no longer serving National or carriers with insignificant activity.
2/ Percentage may not add to 100 percent due to individual rounding.
3/ FLYi includes both Atlantic Coast and Independence Air.
4/ Previous years' comparative information has been modified as necessary based on revisions from carriers.

Source: Office of Finance

Exhibit S-18

2003		2002		2001		2000		1999	
Landed Weights	Share	Landed Weights	Share	Landed Weights	Share	Landed Weights	Share	Landed Weights	Share
5,663,094	37.40%	6,127,511	36.96%	7,019,527	40.38%	7,384,117	42.02%	7,280,373	41.92%
-	-	-	-	-	-	106,597	0.61%	17,245	0.10%
361,958	2.39%	244,420	1.47%	10,082	0.06%	-	-	-	-
-	-	2,802	0.02%	-	-	-	-	-	-
352,416	2.33%	546,953	3.30%	347,870	2.00%	-	-	-	-
-	-	-	-	-	-	-	-	-	-
777,149	5.13%	1,017,507	6.14%	858,456	4.94%	805,479	4.58%	806,544	4.64%
-	-	-	-	-	-	-	-	-	-
375,348	2.48%	382,530	2.31%	246,438	1.42%	-	-	-	-
759,207	5.01%	985,854	5.95%	864,294	4.97%	838,037	4.77%	954,291	5.50%
310,526	2.05%	311,217	1.88%	375,212	2.16%	339,781	1.93%	224,334	1.29%
515,279	3.40%	564,804	3.41%	403,510	2.32%	426,999	2.43%	396,288	2.28%
410,858	2.71%	485,719	2.93%	465,973	2.68%	482,391	2.75%	517,919	2.98%
296,325	1.96%	268,292	1.62%	252,435	1.45%	298,118	1.70%	248,597	1.43%
-	-	-	-	-	-	12,262	0.07%	-	-
-	-	-	-	-	-	-	-	-	-
327,689	2.16%	479,618	2.89%	524,895	3.02%	474,675	2.70%	451,588	2.60%
211,560	1.40%	214,929	1.30%	235,026	1.35%	244,114	1.39%	334,026	1.92%
181,611	1.20%	189,107	1.14%	217,233	1.25%	222,620	1.27%	187,022	1.08%
-	-	-	-	-	-	58,181	0.33%	19,356	0.11%
-	-	-	-	-	-	-	-	-	-
169,440	1.12%	168,644	1.02%	197,512	1.14%	203,232	1.16%	197,392	1.14%
187,800	1.24%	249,267	1.50%	508,258	2.92%	1,446,769	8.23%	2,054,387	11.83%
-	-	-	-	-	-	-	-	-	-
88,868	0.59%	89,792	0.54%	70,489	0.41%	52,878	0.30%	56,041	0.32%
135,889	0.90%	118,366	0.71%	103,267	0.59%	100,403	0.57%	102,885	0.59%
143,237	0.95%	146,469	0.88%	120,737	0.69%	99,507	0.57%	81,022	0.47%
99,716	0.66%	96,944	0.58%	80,003	0.46%	104,536	0.59%	122,056	0.70%
114,283	0.75%	114,878	0.69%	68,159	0.39%	-	-	-	-
-	-	-	-	-	-	-	-	-	-
166,472	1.10%	180,561	1.09%	217,438	1.25%	189,526	1.08%	120,821	0.70%
120,943	0.80%	119,057	0.72%	76,563	0.44%	112,474	0.64%	-	-
33,716	0.22%	66,624	0.40%	109,330	0.63%	58,181	0.33%	19,356	0.11%
79,890	0.53%	76,392	0.46%	66,928	0.39%	58,705	0.33%	5,141	0.03%
40,874	0.27%	41,201	0.25%	42,492	0.24%	44,353	0.25%	34,727	0.20%
70,397	0.46%	77,214	0.47%	89,230	0.51%	85,632	0.49%	96,405	0.56%
-	-	-	-	-	-	-	-	-	-
438	0.00%	292	0.00%	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
60,142	0.40%	113,272	0.68%	143,190	0.82%	-	-	-	-
-	-	-	-	-	-	-	-	-	-
184,629	1.22%	165,325	1.00%	261,994	1.51%	-	-	-	-
-	-	-	-	2,188	0.01%	52,559	0.30%	58,538	0.34%
69,219	0.46%	54,241	0.33%	27,897	0.16%	-	-	14,165	0.08%
126,018	0.83%	8,813	0.05%	-	-	1,667	0.01%	41,109	0.24%
-	-	-	-	-	-	-	-	-	-
2,035,844	13.45%	2,217,292	13.37%	2,373,765	13.66%	2,251,159	12.81%	2,088,662	12.03%
227,378	1.50%	57,340	0.35%	-	-	-	-	-	-
442,577	2.92%	596,200	3.60%	1,001,858	5.76%	1,018,203	5.79%	835,967	4.81%
15,140,789	**100.00%**	**16,579,447**	**100.00%**	**17,382,247**	**100.00%**	**17,573,156**	**100.00%**	**17,366,257**	**100.00%**

ENPLANEMENTS

Exhibit S-19

Ronald Reagan Washington National Airport

Domestic

YEAR	NATIONAL COMMERCIAL PASSENGER ENPLANEMENTS	ANNUAL GROWTH	TOTAL U.S. COMMERCIAL PASSENGER ENPLANEMENTS 1/	ANNUAL GROWTH
CY 2008	8,836,467	-3.4%	679,239,488	-0.5%
CY 2007	9,145,554	1.0%	682,889,947 3/	3.2%
CY 2006	9,054,485	3.6%	661,984,208 3/	0.2%
CY 2005	8,736,725	12.0%	660,677,125	4.1%
CY 2004	7,797,382	11.9%	634,429,919	8.0%
CY 2003	6,970,957	9.7%	587,537,859	6.0%
CY 2002	6,356,238	-1.9%	554,048,767	-1.1%
CY 2001	6,480,154	-16.1%	560,381,846	-6.6%
CY 2000	7,726,093	4.6%	599,910,469	4.7%
CY 1999	7,388,163	-5.2%	573,211,943	3.5%

Transborder/International

YEAR	NATIONAL COMMERCIAL PASSENGER ENPLANEMENTS	ANNUAL GROWTH	TOTAL U.S. COMMERCIAL PASSENGER ENPLANEMENTS 2/	ANNUAL GROWTH
CY 2008	141,364	-4.8%	80,871,071	3.3%
CY 2007	148,523	-19.9%	78,310,782 4/	4.0%
CY 2006	185,333	7.4%	75,267,440 4/	5.2%
CY 2005	172,549	11.5%	71,514,726	6.7%
CY 2004	154,689	17.7%	66,994,192	8.8%
CY 2003	131,458	26.1%	61,551,268	-0.1%
CY 2002	104,213	25.0%	61,640,428	-3.3%
CY 2001	83,350	-35.5%	63,737,009	-9.3%
CY 2000	129,280	14.7%	70,247,880	7.5%
CY 1999	112,703	7.9%	65,341,137	6.0%

1/ Per Bureau of Transportation Statistics "Air Carriers: T-100 Domestic Market." This source replaces the FAA, which had been used as the source for this information in prior years.
2/ Per Bureau of Transportation Statistics "Air Carriers: T-100 International Market." This source replaces the FAA, which had been used as the source for this inforamtion in prior years.
3/ Based on January through November with estimate for December.
4/ Estimated based on actual information through August.

Prepared by the Office of Finance

Sources: Office of Finance, Bureau of Transportation Statistics

ENPLANEMENTS

Exhibit S-20

Washington Dulles International Airport

Domestic Activity

YEAR	DULLES DOMESTIC COMMERCIAL PASSENGER ENPLANEMENTS	ANNUAL GROWTH	TOTAL U.S. COMMERCIAL PASSENGER ENPLANEMENTS 1/	ANNUAL GROWTH
CY 2008	8,742,530	-6.1%	679,239,488	-0.5%
CY 2007	9,313,161	5.9%	682,889,947 3/	3.2%
CY 2006	8,797,384	-19.6%	661,984,208 3/	0.2%
CY 2005	10,947,383	21.4%	660,677,125	4.1%
CY 2004	9,014,584	41.5%	634,429,919	8.0%
CY 2003	6,371,646	-1.9%	587,537,859	6.0%
CY 2002	6,497,774	-6.6%	554,048,767	-1.1%
CY 2001	6,958,802	-11.8%	560,381,846	-6.6%
CY 2000	7,888,431	-1.0%	599,910,469	4.7%
CY 1999	7,967,779	28.7%	573,211,943	3.5%

International Activity

YEAR	DULLES DOMESTIC COMMERCIAL PASSENGER ENPLANEMENTS	ANNUAL GROWTH	TOTAL U.S. COMMERCIAL PASSENGER ENPLANEMENTS 2/	ANNUAL GROWTH
CY 2008	3,115,417	5.2%	80,871,071	3.3%
CY 2007	2,960,345	14.1%	78,310,782 4/	4.0%
CY 2006	2,594,861	6.0%	75,267,440 4/	5.2%
CY 2005	2,448,994	6.0%	71,514,726	6.7%
CY 2004	2,309,572	15.8%	66,994,192	8.8%
CY 2003	1,994,840	-1.1%	61,551,268	-0.1%
CY 2002	2,017,724	2.9%	61,640,428	-3.3%
CY 2001	1,961,394	-5.8%	63,737,009	-9.3%
CY 2000	2,083,201	13.1%	70,247,880	7.5%
CY 1999	1,841,705	14.0%	65,341,137	6.0%

1/ Per Bureau of Transportation Statistics "Air Carriers: T-100 Domestic Market." This source replaces the FAA, which had been used as the source for this information in prior years.

2/ Per Bureau of Transportation Statistics "Air Carriers: T-100 International Market." This source replaces the FAA, which had been used as the source for this information in prior years.

3/ Based on January through November with estimate for December.

4/ Estimated based on actual information through August.

Prepared by the Office of Finance

Sources: MWAA Office of Finance, Bureau of Transportation Statistics

ENPLANEMENT MARKET SHARE

Ronald Reagan Washington National Airport

	CY 2008		CY 2007		CY 2006		CY 2005		CY 2004	
AIRLINE	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share
DOMESTIC										
AIR CARRIERS										
US Airways+US Airways Shuttle	2,132,137	23.74%	2,255,033	24.25%	2,353,896	25.47%	2,715,964	30.48%	2,087,921	26.24%
American	1,158,855	12.90%	1,214,058	13.06%	1,132,839	12.26%	1,119,235	12.56%	921,936	11.59%
Delta+Delta Shuttle	933,025	10.39%	957,515	10.30%	1,073,406	11.61%	1,131,927	12.70%	1,095,415	13.77%
Northwest	669,821	7.46%	675,764	7.27%	666,028	7.21%	643,017	7.22%	622,144	7.82%
United	518,293	5.77%	519,311	5.59%	511,091	5.53%	462,300	5.19%	441,683	5.55%
Continental	325,851	3.63%	373,191	4.01%	378,298	4.09%	357,253	4.01%	309,128	3.88%
AirTran	249,030	2.77%	213,397	2.30%	172,293	1.86%	155,613	1.75%	138,707	1.74%
Midwest	174,737	1.95%	204,583	2.20%	207,345	2.24%	187,012	2.10%	166,059	2.09%
ATA	-	-	159,377	1.71%	151,274	1.64%	145,227	1.63%	165,032	2.07%
Alaska	146,589	1.63%	142,567	1.53%	130,596	1.41%	116,137	1.30%	77,325	0.97%
Frontier	156,669	1.74%	128,498	1.38%	123,223	1.33%	121,424	1.36%	72,757	0.91%
America West	-	-	125,095	1.35%	175,333	1.90%	172,484	1.94%	153,659	1.93%
Spirit	106,483	1.19%	86,636	0.93%	104,988	1.14%	135,878	1.52%	110,303	1.39%
Trans World	-	-	-	-	-	-	-	-	-	-
Other Air Carriers 1/	852	0.01%	-	-	-	-	-	-	409	0.01%
REGIONALS										
Republic (US Airways Express)	630,563	7.02%	594,411	6.39%	465,755	5.04%	14,032	0.16%	-	-
Air Wisconsin (US Airways Express)	670,067	7.46%	568,630	6.12%	460,008	4.98%	32,716	0.37%	-	-
American Eagle	268,652	2.99%	258,697	2.78%	280,129	3.03%	264,758	2.97%	215,408	2.71%
Comair (Delta Connection)	190,134	2.12%	179,534	1.93%	176,297	1.91%	158,060	1.77%	214,242	2.69%
PSA	147,013	1.64%	139,087	1.50%	152,515	1.65%	339,434	3.81%	191,904	2.41%
Continental Express	58,935	0.66%	80,791	0.87%	97,211	1.05%	90,506	1.02%	90,655	1.14%
Chautauqua (US Airways Express)	64,453	0.72%	70,677	0.76%	95,080	1.03%	150,719	1.69%	225,935	2.84%
Pinnacle	58,100	0.65%	59,895	0.64%	55,563	0.60%	62,386	0.70%	10,455	0.13%
Piedmont	12,856	0.14%	28,463	0.31%	11,584	0.13%	4,342	0.05%	47,334	0.59%
ASA (Delta Connection)	4,965	0.06%	26,268	0.28%	27,887	0.30%	35,904	0.40%	65,488	0.82%
Chautauqua (Continental Express)	34,546	0.38%	14,381	0.15%						
Colgan Airways (US Airways Exp.)	13,740	0.15%	13,867	0.15%	13,041	0.14%	-	-	-	-
Mesaba (Northwest Airlink)	4,658	0.05%	9,895	0.11%	14,734	0.16%	25,724	0.29%	-	-
Trans States (American Connection)	-	-	-	-	15,250	0.16%	25,230	0.28%	42,617	0.54%
Liberty Express	-	-	-	-	6,849	0.07%	58,990	0.66%	265,276	3.33%
Allegheny	-	-	-	-	-	-	-	-	24,344	0.31%
Other Regionals 1/	105,443	1.17%	45,933	0.49%	1,969	0.02%	10,453	0.12%	41,246	0.52%
AIR CARRIER -- CHARTERED										
Other Charters 1/	-	-	-	-	3	0.00%	-	-	-	-
GENERAL AVIATION										
Signature Flight Support	1,516	0.02%	1136	0.01%	536	0.01%	53	0.00%	-	-
MILITARY										
Other Military 1/	2,833	0.03%	3,094	0.03%	2,126	0.02%	1,906	0.02%	5,375	0.07%
TOTAL	**8,840,816**	**98.43%**	**9,149,784**	**98.40%**	**9,057,147**	**97.41%**	**8,738,684**	**98.06%**	**7,802,757**	**98.06%**
TRANSBORDER/INTERNATIONAL										
AIR CARRIERS										
Air Canada	65,031	0.72%	61,837	0.67%	76,107	0.82%	104,637	1.17%	94,135	1.18%
US Airways	38,020	0.42%	41,372	0.44%	48,559	0.53%	40,830	0.46%	37,625	0.47%
REGIONALS										
Other Regionals 1/	38,313	0.43%	45,314	0.49%	60,667	0.66%	27,082	0.30%	22,929	0.29%
GENERAL AVIATION										
Other General Aviation 1/	-	-	-	-	-	-	-	-	-	-
TOTAL	**141,364**	**1.57%**	**148,523**	**1.60%**	**185,333**	**2.01%**	**172,549**	**1.94%**	**154,689**	**1.94%**
GRAND TOTAL	**8,982,180**	**100.00%**	**9,298,307**	**100.00%**	**9,242,480**	**100.00%**	**8,911,233**	**100.00%**	**7,957,446**	**100.00%**

1/ Includes airlines no longer serving National or airlines with insignificant activity.

Note: Prior years' schedules have been adjusted to include charter, general aviation and military passengers.

Exhibit S-21

CY 2003		CY 2002		CY 2001		CY 2000		CY 1999	
Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share
1,895,630	27.10%	1,797,035	27.79%	2,049,010	30.99%	2,569,040	32.37%	2,435,988	32.13%
955,780	13.66%	921,433	14.25%	771,529	11.67%	1,013,424	12.77%	995,915	13.14%
1,050,133	15.01%	1,139,754	17.63%	1,247,114	18.86%	1,458,645	18.38%	1,381,439	18.22%
587,036	8.39%	522,216	8.08%	480,359	7.27%	580,364	7.31%	574,881	7.58%
398,713	5.70%	392,739	6.07%	372,984	5.64%	411,947	5.19%	462,826	6.10%
306,612	4.38%	326,253	5.05%	409,712	6.20%	544,747	6.86%	571,279	7.53%
26,303	0.38%	-	-	-	-	-	-	-	-
149,368	2.14%	142,933	2.21%	109,329	1.65%	105,799	1.33%	95,873	1.26%
126,474	1.81%	121,712	1.88%	105,944	1.60%	99,549	1.25%	-	-
33,895	0.48%	32,149	0.50%	3,019	0.05%	-	-	-	-
39,044	0.56%	36,058	0.56%	24,879	0.38%	10,511	0.13%	-	-
131,354	1.88%	122,745	1.90%	122,536	1.85%	55,432	0.70%	35,442	0.47%
8,854	0.13%	-	-	46,762	0.71%	10,161	0.13%	-	-
-	-	-	-	173,781	2.63%	252,161	3.18%	268,939	3.55%
-	-	19,798	0.31%	75,026	1.13%	71,088	0.90%	43,641	0.58%
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
198,460	2.84%	133,539	2.07%	66,060	1.00%	70,044	0.88%	70,084	0.92%
243,627	3.48%	46,716	0.72%	-	-	22,759	0.29%	10,998	0.15%
111,727	1.60%	128,069	1.98%	34,511	0.52%	95,775	1.21%	102,252	1.35%
90,836	1.30%	58,954	0.91%	10,735	0.16%	1,593	0.02%	6,695	0.09%
115,102	1.65%	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
100,245	1.43%	189,691	2.93%	70,872	1.07%	164,970	2.08%	184,440	2.43%
54,430	0.78%	5,423	0.08%	-	-	-	-	-	-
-	-	-	-						
-	-	-	-	-	-	-	-	-	-
3,622	0.05%	-	-	-	-	-	-	-	-
113,511	1.62%	122,977	1.90%	227,204	3.44%	126,588	1.59%	86,262	1.14%
86,410	1.24%	66,799	1.03%	2,933	0.04%	5,058	0.06%	9,528	0.13%
33,488	0.48%	29,245	0.45%	72,429	1.10%	53,627	0.68%	49,906	0.66%
-	-	-	-	3,426	0.04%	2,811	0.03%	1,775	0.02%
-	-	-	-	46,433	0.70%	81,183	1.02%	81,203	1.07%
3,940	0.06%	4,936	0.08%	849	0.01%	-	-	-	-
6,864,594	**98.12%**	**6,361,174**	**98.39%**	**6,527,436**	**98.74%**	**7,807,276**	**98.37%**	**7,469,366**	**98.51%**
79,436	1.14%	83,654	1.29%	78,937	1.19%	108,709	1.37%	111,794	1.47%
33,891	0.48%	11,481	0.18%	-	0.00%	-	-	-	-
18,131	0.26%	9,078	0.14%	4,413	0.07%	20,571	0.26%	909	0.01%
-	-	-	-	32	0.00%	-	-	-	-
131,458	**1.88%**	**104,213**	**1.61%**	**83,382**	**1.26%**	**129,280**	**1.63%**	**112,703**	**1.49%**
6,996,052	**100.00%**	**6,465,387**	**100.00%**	**6,610,818**	**100.00%**	**7,936,556**	**100.00%**	**7,582,069**	**100.00%**

ENPLANEMENT MARKET SHARE

Washington Dulles International Airport

AIRLINE	CY 2008 Passenger Enplanements	CY 2008 Market Share	CY 2007 Passenger Enplanements	CY 2007 Market Share	CY 2006 Passenger Enplanements	CY 2006 Market Share	CY 2005 Passenger Enplanements	CY 2005 Market Share	CY 2004 Passenger Enplanements	CY 2004 Market Share
DOMESTIC										
AIR CARRIERS										
United	3,312,845	27.73%	3,551,268	28.68%	3,430,537	29.84%	3,131,653	23.19%	3,064,079	26.81%
JetBlue	730,989	6.12%	776,980	6.27%	666,704	5.80%	475,282	3.52%	444,592	3.89%
American	435,623	3.65%	444,445	3.59%	450,718	3.92%	471,771	3.49%	410,792	3.59%
Southwest Airlines Co.	396,298	3.32%	368,977	2.98%	80,567	0.70%	-	-	-	-
Delta	333,445	2.79%	368,507	2.98%	384,682	3.35%	392,954	2.91%	474,913	4.16%
Virgin America	194,248	1.63%	27,247	0.22%	-	-	-	-	-	-
AirTran	179,892	1.51%	204,194	1.65%	199,898	1.74%	133,541	0.99%	129,738	1.14%
Northwest	114,489	0.96%	199,194	1.61%	196,249	1.71%	220,105	1.63%	204,563	1.79%
US Airways	96,997	0.81%	109,878	0.89%	101,772	0.89%	118,897	0.88%	97,310	0.85%
Continental	3,808	0.03%	20,415	0.16%	15,217	0.13%	26,260	0.19%	27,616	0.24%
America West	-	0.00%	39,222	0.32%	86,614	0.75%	98,160	0.73%	120,987	1.06%
Independence Air	-	0.00%	-	-	22,050	0.19%	2,690,638	19.93%	1,221,575	10.69%
Atlantic Coast	-	0.00%	-	-	-	-	-	-	817,453	7.15%
Other Air Carriers 1/	30,055	0.25%	39,487	0.32%	31,500	0.27%	58,883	0.44%	95,279	0.83%
REGIONALS		0.00%								
Mesa (United Express)	906,747	7.59%	1,279,241	10.33%	1,602,553	13.94%	730,191	5.41%	282,517	2.47%
Trans States (United Express)	545,487	4.57%	528,990	4.27%	498,796	4.34%	567,626	4.20%	288,287	2.52%
Shuttle America (United Express)	369,050	3.09%	375,942	3.04%	266,414	2.32%	239,948	1.78%	110,075	0.96%
Chautauqua (United Express)	239,421	2.00%	230,741	1.86%	127,799	1.11%	389,987	2.89%	154,760	1.35%
Colgan Air (United Express)	203,456	1.70%	156,967	1.27%	142,528	1.24%	22,075	0.16%	-	-
Continental Express	79,287	0.66%	103,954	0.84%	134,477	1.17%	166,745	1.23%	153,109	1.34%
Air Wisconsin (United Express)	-	0.00%	-	-	16,899	0.15%	681,692	5.05%	641,015	5.61%
Other Regionals 1/	569,889	4.77%	486,502	3.93%	340,604	2.96%	329,999	2.44%	272,562	2.38%
AIR CARRIER -- CHARTERED		0.00%								
Other Charters 1/	504	0.00%	1,010	0.01%	806	0.01%	976	0.01%	3,362	0.03%
GENERAL AVIATION		0.00%								
Landmark Aviation	24,598	0.21%	35,424	0.29%	36,105	0.31%	43,772	0.32%	39,817	0.35%
Signature Flight Support	60,399	0.51%	72,635	0.59%	66,673	0.58%	59,748	0.44%	60,106	0.53%
MILITARY		0.00%								
Other Military 1/	314	0.00%	-	-	173	0.00%	573	0.00%	698	0.01%
TOTAL	**8,827,841**	**73.90%**	**9,421,220**	**76.08%**	**8,900,335**	**77.41%**	**11,051,476**	**81.84%**	**9,115,205**	**79.76%**
TRANSBORDER/INTERNATIONAL										
AIR CARRIERS										
United	1,401,537	11.73%	1,350,797	10.91%	1,105,952	9.62%	1,004,913	7.44%	932,830	8.16%
British Airways	189,442	1.59%	173,361	1.40%	182,241	1.59%	189,991	1.41%	189,690	1.66%
Air France	176,064	1.47%	192,578	1.56%	201,577	1.75%	190,865	1.41%	156,142	1.37%
Lufthansa	173,440	1.45%	203,686	1.64%	215,272	1.87%	200,149	1.48%	163,817	1.43%
Taca International	101,867	0.85%	118,331	0.96%	98,628	0.86%	90,554	0.67%	81,316	0.71%
Virgin Atlantic	95,567	0.80%	104,319	0.84%	83,992	0.73%	75,626	0.56%	92,282	0.81%
South African Airways	82,084	0.69%	87,604	0.71%	58,492	0.51%	13,254	0.10%	-	-
Austrian	80,821	0.68%	80,054	0.65%	78,879	0.69%	81,580	0.60%	82,215	0.72%
KLM Royal Dutch	78,574	0.66%	83,033	0.67%	77,105	0.67%	73,253	0.54%	70,856	0.62%
SAS	71,112	0.60%	66,251	0.54%	66,272	0.58%	74,016	0.55%	68,727	0.60%
All Nippon	62,932	0.53%	65,852	0.53%	70,047	0.61%	68,507	0.51%	68,744	0.60%
Korean Air	57,850	0.48%	63,789	0.52%	56,776	0.49%	60,604	0.45%	58,695	0.51%
Northwest	5,496	0.05%	-	-	-	-	-	-	-	-
Air Canada	-	-	558	0.00%	4,388	0.04%	69,791	0.52%	95,776	0.84%
Atlantic Coast	-	-	-	-	-	-	-	-	41,414	0.36%
Other Air Carriers 1/	285,229	2.39%	159,576	1.29%	114,882	1.00%	155,970	1.16%	155,511	1.36%
REGIONALS							-	-	-	-
Air Canada Jazz	49,104	0.41%	66,344	0.54%	63,833	0.56%	-	-	-	-
Air Wisconsin (United Express)	-	-	-	-	6,953	0.06%	81,885	0.61%	51,557	0.45%
Other Regionals 1/	203,967	1.71%	143,916	1.16%	109,298	0.95%	17,593	0.13%	-	-
AIR CARRIER -- CHARTERED										
Other Charters 1/	331	0.00%	296	0.00%	274	0.00%	443	0.00%	-	-
GENERAL AVIATION										
Other General Aviation 1/	63	0.00%	448	0.00%	581	0.01%	1,696	0.01%	1,191	0.01%
MILITARY										
Other Military 1/	1,540	0.01%	803	0.01%	1,552	0.01%	1,647	0.01%	2,869	0.03%
TOTAL	**3,117,020**	**26.10%**	**2,961,596**	**23.92%**	**2,596,994**	**22.59%**	**2,452,337**	**18.16%**	**2,313,632**	**20.24%**
GRAND TOTAL	**11,944,861**	**100.00%**	**12,382,816**	**100.00%**	**11,497,329**	**100.00%**	**13,503,813**	**100.00%**	**11,428,837**	**100.00%**

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1/ Includes airlines no longer serving Dulles or airlines with insignificant activity.

Note: Prior years' schedules have been adjusted to include passengers from charters, general aviation and military.

Exhibit S-22

CY 2003		CY 2002		CY 2001		CY 2000		CY 1999	
Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share
2,459,604	29.08%	2,563,838	29.83%	3,065,872	34.11%	3,392,374	33.80%	3,262,281	33.03%
342,582	4.05%	219,135	2.55%	8,948	0.10%	-	-	-	-
438,793	5.19%	511,972	5.96%	433,586	4.82%	461,054	4.59%	449,534	4.55%
-	-	-	-	-	-	-	-	-	-
531,773	6.29%	665,661	7.74%	604,116	6.72%	639,591	6.37%	668,321	6.77%
-	-	-	-	-	-	-	-	-	-
166,607	1.97%	153,497	1.79%	190,661	2.12%	195,219	1.94%	204,057	2.07%
174,280	2.06%	189,204	2.20%	235,265	2.62%	207,152	2.06%	182,022	1.84%
118,315	1.40%	125,972	1.47%	303,648	3.38%	757,791	7.55%	1,164,790	11.79%
39,506	0.47%	71,950	0.84%	89,553	1.00%	66,623	0.66%	47,708	0.48%
85,113	1.01%	5,551	0.06%	-	-	321	0.00%	15,836	0.16%
-	-	-	-	-	-	-	-	-	-
1,500,700	17.74%	1,583,496	18.42%	1,602,357	17.83%	1,592,006	15.86%	1,493,213	15.12%
69,428	0.82%	94,664	1.10%	173,616	1.93%	187,787	1.87%	143,667	1.45%
-	-	-	-	-	-	-	-	-	-
2,707	0.03%	-	-	-	-	-	-	-	-
-	-	2,391	0.03%	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
92,012	1.09%	69,276	0.81%	66,287	0.74%	63,648	0.63%	67,391	0.68%
179,975	2.13%	49,376	0.57%	-	-	-	-	-	-
163,327	1.93%	182,859	2.13%	184,893	2.06%	324,865	3.24%	268,959	2.72%
6,924	0.08%	8,932	-	-	-	-	-	-	-
40,184	0.48%	35,567	0.41%	32,134	0.36%	25,293	0.25%	23,758	0.24%
48,106	0.57%	37,506	0.44%	19,840	0.22%	17,595	0.18%	16,099	0.16%
903	0.01%	637	0.01%	470	0.01%	370	0.00%	77	0.00%
6,460,839	**76.38%**	**6,571,484**	**76.45%**	**7,011,246**	**78.00%**	**7,931,689**	**79.02%**	**8,007,713**	**81.07%**
768,233	9.08%	801,230	9.32%	739,139	8.22%	850,389	8.47%	866,108	8.77%
187,934	2.22%	181,694	2.11%	155,961	1.74%	192,643	1.92%	186,970	1.89%
139,751	1.65%	127,684	1.49%	119,792	1.33%	124,421	1.24%	107,560	1.09%
149,399	1.77%	153,186	1.78%	174,875	1.95%	166,574	1.66%	122,189	1.24%
72,989	0.86%	71,528	0.83%	57,470	0.64%	42,694	0.43%	41,880	0.42%
82,415	0.97%	91,551	1.07%	105,259	1.17%	115,034	1.15%	96,554	0.98%
-	-	-	-	-	-	-	-	-	-
76,242	0.90%	74,721	0.87%	58,962	0.66%	47,454	0.47%	48,481	0.49%
39,718	0.47%	-	-	-	-	-	-	-	-
58,086	0.69%	60,007	0.70%	31,423	0.35%	-	-	-	-
62,181	0.74%	65,680	0.76%	59,254	0.66%	77,451	0.77%	66,969	0.68%
46,316	0.55%	45,177	0.53%	37,840	0.42%	50,041	0.50%	27,179	0.28%
25,068	0.30%	77,183	0.90%	72,763	0.81%	81,650	0.81%	84,592	0.86%
95,265	1.13%	110,409	1.28%	126,224	1.40%	114,982	1.15%	84,121	0.85%
73,145	0.86%	6,655	0.08%	-	-	-	-	-	-
118,098	1.40%	151,019	1.76%	222,432	2.47%	219,868	2.19%	109,102	1.10%
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
1,003	0.01%	816	0.01%	1,523	0.02%	1,024	0.01%	636	0.01%
2,005	0.02%	5,942	0.07%	14,693	0.16%	21,516	0.21%	27,198	0.28%
1,997,848	**23.62%**	**2,024,482**	**23.55%**	**1,977,610**	**22.00%**	**2,105,741**	**20.98%**	**1,869,539**	**18.93%**
8,458,687	**100.00%**	**8,595,966**	**100.00%**	**8,988,856**	**100.00%**	**10,037,430**	**100.00%**	**9,877,252**	**100.00%**

CARGO MARKET SHARE ENPLANED

(Expressed in Pounds)

Ronald Reagan Washington National Airport

AIRLINE	CY 2008 Cargo Weight	CY 2008 Market Share	CY 2007 Cargo Weight	CY 2007 Market Share	CY 2006 Cargo Weight	CY 2006 Market Share	CY 2005 Cargo Weight	CY 2005 Market Share	CY 2004 Cargo Weight	CY 2004 Market Share
DOMESTIC AIR CARRIERS										
US Airways + US Airways Shuttle	642,775	31.43%	1,661,112	60.57%	1,210,445	40.61%	1,037,946	34.03%	1,727,285	38.02%
American	357,360	17.47%	2,628	0.10%	4,457	0.15%	92,242	3.02%	744,151	16.38%
Federal Express FDX	313,462	15.33%	-	-	-	-	-	-	-	-
Continental	156,508	7.65%	163,807	5.97%	246,489	8.27%	300,118	9.84%	487,743	10.74%
Alaska	106,397	5.20%	106,366	3.88%	120,052	4.03%	43,616	1.43%	752	0.02%
Midwest	102,453	5.01%	146,642	5.35%	172,537	5.79%	143,100	4.69%	277,948	6.12%
Delta+Delta Shuttle	95,744	4.68%	107,764	3.93%	141,541	4.75%	264,623	8.68%	275,700	6.07%
Northwest	83,748	4.09%	69,039	2.52%	24,575	0.82%	24,992	0.82%	41,723	0.92%
Frontier	19,694	0.96%	2,856	-	-	-	-	-	1,371	0.03%
United	17,874	0.87%	17,631	0.64%	20,069	0.67%	76,329	2.50%	172,457	3.80%
Air Canada	152	0.01%	-	-	-	-	-	-	-	-
AirTran	-	-	7,500	0.27%	28,539	0.96%	21,234	0.70%	-	-
America West	-	-	86,448	3.15%	287,846	9.66%	284,665	9.33%	381,530	8.40%
ATA	-	-	215,872	7.87%	371,210	12.45%	589,871	19.34%	225,601	4.97%
Spirit	-	-	-	-	1,210	0.04%	8,791	0.29%	32,198	0.71%
Midway	-	-	-	-	-	-	-	-	-	-
National	-	-	-	-	-	-	-	-	-	-
Trans World	-	-	-	-	-	-	-	-	-	-
REGIONALS										
Air Wisconsin (US Airways Express)	43,548	2.13%	25,796	0.94%	138,487	4.65%	23,281	0.76%	-	-
PSA	23,795	1.16%	27,467	1.00%	56,658	1.90%	67,526	2.21%	30,539	0.67%
Continental Express	20,167	0.99%	35,974	1.31%	60,917	2.04%	43,763	1.43%	30,235	0.67%
Republic (Midwest Connect)	9,538	0.47%								
Chautauqua (Delta Connection)	7,191	0.35%	35	0.00%	2,000	0.07%	-	-	-	-
Pinnacle Airlines	4,445	0.22%	4,608	0.17%	1,298	0.04%	-	-	-	-
Piedmont	481	0.02%	2,032	0.07%	1,849	0.06%	1,089	0.04%	13,044	0.29%
Comair (Delta Connection)	64	0.00%	-	-	-	-	7,082	0.23%	32,909	0.72%
Mesaba Airlines	4	0.00%	154	0.01%	-	-	-	-	-	-
Chautauqua Airlines	-	-	3,333	-	-	-	-	-	-	-
Republic (US Airways Express)	-	-	2,222	0.08%	12,545	0.42%	901	0.03%	-	-
Chautauqua (US Airways Express)	-	-	-	-	126	0.00%	1,028	0.03%	16,677	0.37%
American Eagle	-	-	-	-	45,960	1.54%	52	0.00%	789	0.02%
ASA (Delta Connection)	-	-	-	-	-	-	1,530	0.05%	40,939	0.90%
Allegheny	-	-	-	-	-	-	-	-	6,021	0.13%
US Airways Express (Midway)	-	-	-	-	-	-	-	-	-	-
Skyway Airlines	-	-	-	-	-	-	-	-	-	-
Mesa (America West Express)	-	-	-	-	-	-	-	-	-	-
Potomac Air	-	-	-	-	-	-	-	-	-	-
Liberty Express	-	-	-	-	-	-	-	-	-	-
Business Express	-	-	-	-	-	-	-	-	-	-
TOTAL	**2,005,400**	**98.05%**	**2,689,286**	**98.06%**	**2,948,810**	**98.93%**	**3,033,779**	**99.46%**	**4,539,612**	**99.93%**
TRANSBORDER/INTERNATIONAL AIR CARRIERS										
US Airways	39,907	1.95%	52,526	1.92%	27,321	0.92%	12,198	0.40%	2,876	0.06%
Air Canada	-	-	751	0.03%	1,551	0.05%	3,558	0.12%	462	0.01%
REGIONALS										
Air Wisconsin (US Airways Express)	-	-	-	-	3,100	0.10%	-	-	-	-
PSA	-	-	-	-	41	0.00%	656	0.02%	64	0.00%
US Airways Express (Midway)	-	-	-	-	-	-	-	-	-	-
TOTAL	**39,907**	**1.95%**	**53,277**	**1.94%**	**32,013**	**1.07%**	**16,412**	**0.54%**	**3,402**	**0.07%**
GRAND TOTAL	**2,045,307**	**100.00%**	**2,742,563**	**100.00%**	**2,980,823**	**100.00%**	**3,050,191**	**100.00%**	**4,543,014**	**100.00%**

1/ Includes airlines no longer serving National or airlines with insignificant activity.

Note: Prior years' comparative information has been corrected for omitted and/or erroneous information.

Exhibit S-23

CY 2003		CY 2002		CY 2001		CY 2000		CY 1999	
Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share
1,832,745	39.64%	1,607,082	36.22%	8,306,573	24.78%	13,348,951	26.99%	13,900,674	28.40%
289,789	6.27%	399,616	9.01%	5,278,460	15.75%	7,621,476	15.41%	7,199,838	14.71%
-	-	-	-	-	-	-	-	-	-
437,175	9.46%	663,111	14.94%	3,054,482	9.11%	4,247,501	8.59%	4,626,236	9.45%
22,764	0.49%	20,476	0.46%	-	-	-	-	-	-
300,996	6.51%	426,727	9.62%	1,202,290	3.59%	1,326,932	2.68%	1,446,392	2.95%
379,496	8.21%	143,774	3.24%	3,905,915	11.65%	7,200,187	14.56%	8,100,191	16.55%
239,483	5.18%	331,498	7.47%	4,717,567	14.07%	7,312,454	14.79%	6,928,705	14.15%
36,318	0.79%	6,199	0.14%	37,684	0.11%	54,064	0.11%	-	-
221,887	4.80%	146,663	3.31%	2,559,076	7.63%	3,902,016	7.89%	3,759,316	7.68%
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
499,521	10.80%	443,313	9.99%	1,059,059	3.16%	571,123	1.15%	235,044	0.48%
87,735	1.90%	807	0.02%	561,322	1.67%	527,952	1.07%	-	-
3,052	0.07%	-	-	2,319	0.01%	2,454	0.00%	-	-
-	-	1,772	0.04%	16,331	0.05%	86,034	0.17%	113,819	0.23%
-	-	-	-	339,724	1.01%	153,174	0.31%	-	-
-	-	-	-	2,352,248	7.02%	2,861,483	5.79%	2,359,544	4.82%
-	-	-	-	-	-	-	-	-	-
20,245	0.44%	21,742	0.49%	12,634	0.04%	48,357	0.10%	38,543	0.08%
18,279	0.40%	22,775	0.51%	4,179	0.01%	1,868	0.00%	451	0.00%
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
54,940	1.19%	66,069	1.49%	51,767	0.15%	171,159	0.35%	205,141	0.42%
56,881	1.23%	87	0.00%	-	-	337	0.00%	78	0.00%
-	-	-	-	-	-	-	-	-	-
2,616	0.06%	8,850	0.20%	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
28,477	0.62%	-	-	-	-	-	-	-	-
2,800	0.06%	1,627	0.04%	-	-	2,725	0.01%	4,456	0.01%
38,554	0.83%	-	-	-	-	-	-	-	-
31,054	0.67%	8,927	0.20%	1,027	0.00%	1,704	0.00%	3,787	0.01%
11,004	0.24%	-	-	-	-	-	-	-	-
314	0.01%	465	0.01%	23,317	0.07%	3,326	0.01%	-	-
-	-	58,562	1.32%	4,693	0.01%	3,689	0.01%	23,673	0.05%
-	-	-	-	32,270	0.10%	-	-	-	-
-	-	-	-	-	-	-	-	5,097	0.01%
-	-	-	-	-	-	-	-	12	0.00%
4,616,125	**99.84%**	**4,380,142**	**98.71%**	**33,522,937**	**100.00%**	**49,448,966**	**100.00%**	**48,950,997**	**100.00%**
6,682	0.14%	55,983	1.26%	-	-	-	-	-	-
708	0.02%	1,326	0.03%	1,100	0.00%	771	0.00%	208	0.00%
-	-	-	-	-	-	-	-	-	-
1	0.00%	-	-	-	-	-	-	-	-
4	0.00%	-	-	-	-	-	-	-	-
7,395	**0.16%**	**57,309**	**1.29%**	**1,100**	**0.00%**	**771**	**0.00%**	**208**	**0.00%**
4,623,520	**100.00%**	**4,437,451**	**100.00%**	**33,524,037**	**100.00%**	**49,449,737**	**100.00%**	**48,951,205**	**100.00%**

CARGO MARKET SHARE ENPLANED

(Expressed in Pounds)

Washington Dulles International Airport

AIRLINE	CY 2008 Cargo Weight	CY 2008 Share	CY 2007 Cargo Weight	CY 2007 Share	CY 2006 Cargo Weight	CY 2006 Share	CY 2005 Cargo Weight	CY 2005 Share	CY 2004 Cargo Weight	CY 2004 Share
DOMESTIC										
AIR CARRIERS										
Federal Express	82,766,364	23.66%	90,637,340	25.37%	84,999,063	24.86%	89,954,132	29.61%	85,571,561	28.33%
United	40,833,059	11.67%	47,996,696	13.43%	44,757,206	13.09%	42,347,957	13.94%	55,671,032	18.43%
Airborne Express	11,811,662	3.38%	13,330,418	3.73%	11,161,815	3.26%	10,135,209	3.34%	10,007,380	3.31%
United Parcel Service	8,582,825	2.45%	9,522,514	2.67%	9,210,600	2.69%	8,522,281	2.81%	7,394,010	2.45%
American	2,264,649	0.65%	1,486,544	0.42%	1,709,804	0.50%	1,441,953	0.47%	2,677,255	0.89%
Continental	875,020	0.25%	2,296,733	0.64%	2,484,266	0.73%	2,893,214	0.95%	3,181,635	1.05%
JetBlue Airways	678,715	0.19%	138,833	0.04%						
Southwest Airlines	560,639	0.16%	585,535		100,030	0.03%				
Delta	420,072	0.12%	547,443	0.15%	732,947	0.21%	1,415,717	0.47%	2,514,816	0.83%
US Airways	274,354	0.08%	119,368	0.03%	99,377	0.03%	83,805	0.03%	128,821	0.04%
Northwest	75,020	0.02%	96,087	0.03%	139,315	0.04%	168,907	0.06%	184,783	0.06%
Murray Air Cargo	30,878	0.01%								
America West	-	-	218,379	0.06%	510,124	0.15%	390,576	0.13%	492,484	0.16%
Mountain Air Cargo	-	-	2,731	-	-	-	-	-	-	-
AirTran Airlines	-	-	-	-	6,705	0.00%	-	-	-	-
Emery Worldwide	-	-	-	-	-	-	-	-	-	-
Trans World	-	-	-	-	-	-	-	-	-	-
DHL Airways	-	-	-	-	-	-	1,738,533	0.57%	4,394,872	1.45%
Other 1/	757	0.00%	-	-	226,542	0.07%	161,704	0.05%	391,174	0.13%
ALL-CARGO CHARTERS										
Other 1/	-	-	-	-	-	-	-	-	95,280	0.03%
REGIONALS										
Other 1/	1,209,912	0.35%	55,269	0.02%	91,623	0.03%	244,563	0.08%	224,694	0.07%
MILITARY										
Other 1/	-		-	-	-	-	200	0.00%	1,050	0.00%
TOTAL	**150,383,926**	**43.00%**	**167,033,893**	**46.75%**	**156,229,417**	**45.69%**	**159,498,751**	**52.51%**	**172,930,847**	**57.25%**
TRANSBORDER/INTERNATIONAL										
AIR CARRIERS										
United	94,114,032	26.91%	96,960,774	27.14%	106,822,333	31.24%	64,727,512	21.31%	50,470,602	16.71%
Lufthansa	19,296,508	5.52%	21,636,118	6.06%	20,128,114	5.89%	17,550,693	5.78%	14,632,524	4.84%
British Airways	14,539,614	4.16%	12,824,088	3.59%	11,246,501	3.29%	11,563,749	3.81%	10,578,872	3.50%
Qatar Amiri Air	12,987,692	3.71%	5,196,251	1.45%						
All Nippon	10,093,321	2.89%	12,112,144	3.39%	9,251,189	2.71%	6,663,410	2.19%	6,707,108	2.22%
Virgin Atlantic	9,891,243	2.83%	8,941,718	2.50%	7,924,997	2.32%	6,585,176	2.17%	7,404,359	2.45%
Air France	8,659,903	2.48%	6,331,689	1.77%	5,570,291	1.63%	9,209,885	3.03%	8,210,094	2.72%
Austrian	7,344,158	2.10%	7,459,761	2.09%	4,930,035	1.44%	5,752,394	1.89%	7,593,452	2.51%
SAS	6,208,829	1.78%	7,262,647	2.03%	6,616,384	1.93%	7,375,992	2.43%	6,035,730	2.00%
KLM Royal Dutch	5,766,904	1.65%	5,498,164	1.54%	4,679,652	1.37%	4,137,455	1.36%	3,599,933	1.19%
South African	3,797,528	1.09%	1,156,830	0.32%	3,342,760	0.98%	612,131	0.20%	-	-
Iberia Airlines	1,388,761	0.40%	721,493	0.20%						
Aer Lingus	1,129,916	0.32%	442,914	0.12%						
Ethiopian Airlines	722,967	0.21%	316,427	0.09%	109,308	0.03%	121,825	0.04%	116,894	0.04%
Saudi Arabian	697,661	0.20%	680,012	0.19%	631,037	0.18%	648,639	0.21%	875,122	0.29%
Taca International	624,461	0.18%	644,573	0.18%	859,922	0.25%	669,909	0.22%	873,307	0.29%
Korean Air	348,966	0.10%	288,372	0.08%	315,087	0.09%	313,519	0.10%	208,699	0.07%
Aeroflot	77,707	0.02%	97,483	0.03%	180,476	0.05%	439,147	0.14%	1,027,717	0.34%
Other 1/	72,202	0.02%	57,774	0.02%	531,312	0.16%	508,389	0.17%	186,963	0.06%
Polet Cargo	50,000	0.01%	345,000	0.10%						
Swiss Air Transport	-	-	-	-	-	-	-	-	-	-
Sabena	-	-	-	-	-	-	-	-	-	-
Spanair	-	-	-	-	-	-	-	-	-	-
Swiss + Swiss Air	-	-	-	-	-	-	-	-	-	-
Northwest	-	-	-	-	-	-	-	-	-	-
bmi british midland	-	-	-	-	-	-	2,502,224	0.82%	6,395,026	2.12%
Alitalia	-	-	-	-	1,535,749	0.45%	3,552,226	1.17%	2,556,490	0.85%
Air Canada	-	-	-	-	-	-	25,385	0.01%	30,738	0.01%
REGIONALS										
Other 1/	-	-	-	-	-	-	38	0.00%	140	0.00%
MILITARY										
Other 1/	1,569,418	0.45%	1,304,371	0.37%	1,054,151	0.31%	1,318,272	0.43%	1,650,338	0.55%
TOTAL	**199,381,791**	**57.00%**	**190,278,603**	**53.25%**	**185,729,298**	**54.31%**	**144,277,970**	**47.49%**	**129,154,108**	**42.75%**
GRAND TOTAL	**349,765,717**	**100.00%**	**357,312,496**	**100.00%**	**341,958,715**	**100.00%**	**303,776,721**	**100.00%**	**302,084,955**	**100.00%**

1/ Includes airlines no longer serving National or carriers with insignificant activity.
Note: Prior years' comparative information may have been adjusted for revisions and/or corrections to previously reported enplanement information.

Prepared by the Office of Finance

Source: Office of Air Service Development

Exhibit S-24

CY 2003		CY 2002		CY 2001		CY 2000		CY 1999	
Cargo Weight	Share	Cargo Weight	Share	Cargo Weight	Share	Cargo Weight	Share	Cargo Weight	Share
72,467,555	26.61%	90,967,737	29.79%	88,358,150	26.80%	91,583,330	23.43%	90,136,461	23.70%
62,396,831	22.92%	72,840,463	23.85%	81,358,395	24.67%	109,265,864	27.95%	111,121,495	29.21%
8,749,084	3.21%	9,150,502	3.00%	9,941,637	3.01%	11,066,441	2.83%	12,033,717	3.16%
7,347,070	2.70%	6,192,586	2.03%	5,974,164	1.81%	7,401,171	1.89%	6,403,285	1.68%
4,106,286	1.51%	4,643,111	1.52%	6,992,499	2.12%	12,123,012	3.10%	13,606,248	3.58%
2,811,793	1.03%	3,498,512	1.15%	3,271,626	0.99%	4,597,958	1.18%	4,361,175	1.15%
2,557,510	0.94%	2,774,213	0.91%	2,577,754	0.78%	2,547,541	0.65%	3,255,877	0.86%
146,319	0.05%	159,500	0.05%	469,911	0.14%	877,779	0.22%	1,196,697	0.31%
641,324	0.24%	1,487,143	0.49%	1,483,469	0.45%	1,403,491	0.36%	2,254,044	0.59%
291,963	0.11%	10,674	0.00%	-	-	3,350	0.00%	85,452	0.02%
-	-	-	-	10,319,760	3.13%	16,957,159	4.34%	17,866,435	4.70%
-	-	-	-	-	-	50,161	0.01%	473,157	0.12%
-	-	1,600	0.00%	8,248	0.00%	76,844	0.02%	76,368	0.02%
-	-	-	-	666,631	0.20%	1,562,073	0.40%	1,398,551	0.37%
1,317,691	0.48%	-	-	-	-	-	-	-	-
513,319	0.19%	168,426	0.06%	355,031	0.11%	1,022,699	0.26%	131,958	0.03%
-	-	-	-	-	-	36,192	0.01%	44,454	0.01%
90,263	0.03%	93,862	0.03%	209,186	0.06%	383,186	0.10%	183,600	0.05%
-	-	1,500	0.00%	-	-	-	-	-	-
163,437,008	**60.02%**	**191,989,829**	**62.86%**	**211,986,461**	**64.29%**	**260,958,251**	**66.75%**	**264,628,974**	**69.57%**
39,940,381	14.67%	42,985,025	14.07%	42,534,428	12.90%	52,268,673	13.37%	50,440,079	13.26%
12,251,601	4.50%	10,364,929	3.39%	12,650,701	3.84%	12,760,821	3.26%	8,286,771	2.18%
10,758,490	3.95%	9,074,725	2.97%	10,258,786	3.11%	16,391,775	4.19%	12,596,636	3.31%
7,236,405	2.66%	8,318,691	2.72%	8,235,468	2.50%	9,533,827	2.44%	8,981,294	2.36%
6,485,883	2.38%	7,531,089	2.47%	8,130,042	2.47%	9,283,100	2.37%	10,319,735	2.71%
5,032,086	1.85%	5,552,156	1.82%	5,858,226	1.78%	5,187,814	1.33%	5,909,117	1.55%
6,593,887	2.42%	5,926,046	1.94%	4,704,800	1.43%	1,795,376	0.46%	-	-
4,338,814	1.59%	4,874,136	1.60%	2,397,403	0.73%	-	-	-	-
1,287,174	0.47%	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
112,949	0.04%	172,870	0.06%	226,948	0.07%	259,152	0.07%	204,779	0.05%
886,750	0.33%	1,225,157	0.40%	1,672,694	0.51%	954,181	0.24%	1,342,072	0.35%
913,388	0.34%	905,820	0.30%	940,378	0.29%	926,524	0.24%	847,477	0.22%
468,292	0.17%	672,406	0.22%	257,662	0.08%	386,414	0.10%	922,158	0.24%
874,555	0.32%	525,752	0.17%	546,684	0.17%	245,341	0.06%	150,249	0.04%
285,919	0.11%	19,258	0.01%	131,034	0.04%	53,687	0.01%	94,857	0.02%
-	-	-	-	-	-	-	-	-	-
-	-	-	-	3,477,123	1.05%	4,549,426	1.16%	568,829	0.15%
-	-	-	-	2,690,300	0.82%	5,056,162	1.29%	4,108,794	1.08%
5,889,946	2.16%	6,919,291	2.27%	5,230,183	1.59%	5,145,354	1.32%	5,309,308	1.40%
1,340,944	0.49%	3,042,907	1.00%	3,355,483	1.02%	2,835,503	0.73%	2,466,950	0.65%
1,949,612	0.72%	3,015,126	0.99%	1,377,792	0.42%	-	-	-	-
-	-	-	-	-	-	-	-	-	-
123,219	0.05%	79,789	0.03%	43,395	0.01%	76,599	0.02%	70,321	0.02%
-	-	-	-	-	0.00%	-	-	-	-
2,088,322	0.77%	2,213,341	0.72%	3,049,885	0.92%	2,269,449	0.58%	3,128,554	0.82%
108,858,617	**39.98%**	**113,418,514**	**37.14%**	**117,769,415**	**35.71%**	**129,979,178**	**33.25%**	**115,747,980**	**30.43%**
272,295,625	**100.00%**	**305,408,343**	**100.00%**	**329,755,876**	**100.00%**	**390,937,429**	**100.00%**	**380,376,954**	**100.00%**

PASSENGER FACILITY CHARGES

Exhibit S-25

Ronald Reagan Washington National Airport

AIRLINE[2]	CY 2008	Share	CY 2007	Share	CY 2006	Share	CY 2005	Share	CY 2004	Share
US Airways	$ 13,643,028	40.73%	$ 13,570,349	38.35%	$ 12,293,134	33.11%	$ 12,611,969	35.77%	$ 10,503,641	34.10%
American Airlines	4,879,778	14.57%	5,227,250	14.77%	5,387,724	14.51%	5,390,637	15.29%	4,375,254	14.20%
Delta Air Lines	4,328,428	12.92%	4,406,374	12.45%	4,967,730	13.38%	5,193,167	14.73%	5,209,141	16.91%
Northwest Airlines	2,775,098	8.29%	2,956,332	8.35%	2,923,558	7.88%	2,899,846	8.22%	2,465,069	8.00%
United Airlines	2,506,485	7.48%	2,573,881	7.27%	2,710,191	7.30%	2,677,538	7.59%	2,616,829	8.49%
Continental Airlines	1,646,732	4.92%	1,714,799	4.85%	1,858,115	5.01%	1,657,310	4.70%	1,464,417	4.75%
AirTran Airlines	1,048,948	3.13%	799,421	2.26%	816,632	2.20%	686,459	1.95%	615,315	2.00%
Midwest Airlines	763,793	2.28%	855,607	2.42%	891,378	2.40%	777,722	2.21%	685,642	2.23%
Frontier Airlines	587,803	1.75%	503,619	1.42%	516,187	1.39%	503,562	1.43%	303,045	0.98%
Spirit Airlines	451,732	1.35%	367,743	1.04%	454,959	1.23%	584,899	1.66%	481,408	1.56%
Alaska Airlines	437,198	1.31%	465,254	1.31%	427,518	1.15%	416,792	1.18%	296,442	0.96%
Air Canada	336,654	1.01%	334,925	0.95%	359,588	0.97%	354,922	1.01%	292,456	0.95%
ATA	238	0.00%	451,217	1.27%	555,053	1.50%	566,707	1.61%	427,487	1.39%
America West Airlines	-	-	854,244	2.41%	2,645,956	7.13%	720,901	2.04%	645,104	2.09%
American Trans Air	-	-	-	-	-	-	-	-	298,811	0.97%
Midwest Express Airlines	-	-	-	-	-	-	-	-	-	-
Other	88,766	0.27%	308,581	0.87%	316,736	0.85%	217,255	0.62%	124,826	0.41%
TOTAL 1/	**33,494,681**	**100.00%**	**35,389,596**	**100.00%**	**$ 37,124,459**	**100.00%**	**$ 35,259,686**	**100.00%**	**$ 30,804,888**	**100.00%**

Washington Dulles International Airport

AIRLINE[2]	CY 2008	Share	CY 2007	Share	CY 2006	Share	CY 2005	Share	CY 2004	Share
United Airlines	$ 24,105,856	56.35%	$ 27,004,434	58.31%	$ 25,928,103	58.53%	$ 24,225,971	45.48%	$ 24,953,913	57.33%
JetBlue Airways	2,868,872	6.71%	3,092,175	6.68%	2,773,837	6.26%	2,094,125	3.93%	1,949,480	4.48%
Delta Air Lines	1,784,455	4.17%	1,844,361	3.98%	1,923,784	4.34%	2,261,250	4.25%	2,473,274	5.68%
American Airlines	1,590,564	3.72%	1,844,129	3.98%	2,108,794	4.76%	2,372,139	4.45%	1,964,577	4.51%
Southwest Airlines	1,513,299	3.54%	1,601,269	3.46%	373,269	0.84%	-	-	-	-
Lufthansa Airlines	1,299,418	3.04%	973,447	2.10%	1,128,186	2.55%	1,174,349	2.20%	1,063,212	2.44%
US Airways	1,204,616	2.82%	1,457,175	3.15%	1,992,984	4.50%	1,639,190	3.08%	1,588,412	3.65%
Northwest Airlines	902,399	2.11%	1,093,729	2.36%	1,054,020	2.38%	1,121,238	2.11%	1,075,361	2.47%
Virgin America	797,882	1.87%	185,561	0.40%						
British Airways	794,545	1.86%	740,442	1.60%	772,562	1.74%	800,384	1.50%	811,730	1.86%
AirTran Airlines	734,529	1.72%	848,414	1.83%	958,097	2.16%	603,928	1.13%	586,399	1.35%
Air France	593,256	1.39%	640,047	1.38%	681,780	1.54%	587,189	1.10%	404,770	0.93%
South African Airways	490,495	1.15%	468,062	1.01%	346,705	0.78%	54,945	0.10%	5,315	0.01%
Continental Airlines	419,424	0.98%	588,241	1.27%	669,337	1.51%	837,364	1.57%	813,813	1.87%
Taca International	401,851	0.94%	511,945	1.11%	426,955	0.96%	412,371	0.77%	372,168	0.85%
Virgin Atlantic Airways	389,053	0.91%	345,685	0.75%	334,720	0.76%	253,470	0.48%	321,481	0.74%
Air Canada	349,942	0.82%	335,333	0.72%	326,301	0.74%	331,041	0.62%	344,102	0.79%
Scandinavian Airlines	287,319	0.67%	285,850	0.62%	271,546	0.61%	284,176	0.53%	308,706	0.71%
Austrian Airlines	258,781	0.60%	341,175	0.74%	421,037	0.95%	375,781	0.71%	384,484	0.88%
All Nippon Airways	246,599	0.58%	255,203	0.55%	269,619	0.61%	262,819	0.49%	282,924	0.65%
Korean Airlines	226,761	0.53%	246,580	0.53%	211,370	0.48%	223,794	0.42%	224,540	0.52%
Alaska Airlines	34,970	0.08%	21,156	0.05%	57,625	0.13%	167,628	0.31%	167,221	0.38%
America West Airlines	-	-	63,575	0.14%	362,324	0.82%	402,562	0.76%	522,655	1.20%
Independence Air	-	-	-	-	90,026	0.20%	11,769,490	22.10%	1,899,055	4.36%
Other	1,482,360	3.47%	1,520,165	3.28%	817,546	1.85%	1,009,178	1.89%	1,011,779	2.32%
TOTAL 1/	**$ 42,777,246**	**100.00%**	**$ 46,308,153**	**100.00%**	**$ 44,300,528**	**100.00%**	**$ 53,264,383**	**100.00%**	**$ 43,529,372**	**100.00%**

1/ Percentage may not add to 100 percent due to individual rounding.
2/ Previous years' comparative information has been modified as necessary based on revisions from carriers.
Prepared by the Office of Finance

Source: Office of Finance

PRIMARY ORIGINATION AND DESTINATION PASSENGER MARKETS

Exhibit S-26

Ronald Reagan Washington National Airport

	Trip Length*	Total O&D Passengers
New York (La Guardia)	MH	801,010
Atlanta	SH	792,690
Chicago - O'Hare	SH	790,550
Boston	SH	688,470
Dallas/Fort Worth	MH	462,940
Detroit	SH	399,980
Fort Lauderdale	MH	391,230
Miami	MH	350,540
Orlando	MH	340,920
Denver	MH	339,580
Houston	MH	295,560
Minneapolis-St. Paul	MH	292,010
Tampa	MH	256,910
Kansas City	MH	214,240
Chicago - Midway	MH	214,120
Seattle-Tacoma	LH	211,810
St. Louis	LH	206,820
Los Angeles	SH	176,480
Indianapolis	MH	172,790
Palm Beach	MH	161,550
Phoenix	LH	157,410
New Orleans	SH	152,860
Las Vegas	MH	144,720
Raleigh/Durham	LH	141,130
Milwaukee	LH	139,760
Jacksonville	MH	137,410
Ft. Myers	LH	133,640
Omaha	MH	127,780
San Diego	MH	122,970
Windsor Locks	MH	111,570
Total		**8,929,450**

Note*

SH Short Haul = 0 to 600 miles
MH Medium Haul = 601 - 1,800 miles
LH Long Haul = over 1,801 miles

Traffic Source: Year Ending 3q2008 U.S. DOT O&D Survey
Schedule Source: March 2009 OAG Schedule

PRIMARY ORIGINATION AND DESTINATION PASSENGER MARKETS

Exhibit S-27

Washington Dulles International Airport

	Trip Length*	Total O&D Passengers
Los Angeles	LH	851,000
San Francisco	LH	641,580
Orlando	MH	614,510
Boston	SH	494,650
Atlanta	SH	394,380
Denver	MH	369,980
Las Vegas	LH	349,160
San Diego	LH	304,290
Tampa	MH	268,510
Ft. Lauderdale	MH	268,070
Chicago, O'Hare	SH	251,300
Oakland	LH	243,890
Dallas/Ft Worth	MH	241,820
Chicago, Midway	SH	215,570
Minneapolis/St. Paul	MH	212,070
Long Beach	LH	195,590
Seattle/Tacoma	LH	188,190
New York, Kennedy	SH	185,000
San Juan	MH	140,800
Detroit	SH	122,620
St. Louis	MH	121,420
Salt Lake City	LH	111,930
Phoenix	LH	110,160
Houston	MH	110,110
Portland	LH	87,210
Austin	MH	79,850
New Orleans	MH	78,940
Miami	MH	78,890
Honolulu	LH	77,920
Sacramento	LH	75,800
Total		**7,485,210**

Note*
SH Short Haul = 0 to 600 miles
MH Medium Haul = 601 - 1,800 miles
LH Long Haul = over 1,801 miles

Traffic Source: Year Ending 3q2008 U.S. DOT O&D Survey
Schedule Source: March 2009 OAG Schedule

INSURANCE PROGRAM FOR AVIATION OPERATIONS

Exhibit S-28

POLICY 10/01/08 - 10/01/09	CARRIER	LIMITS	RETENTION/ UNDERLYING
Airport Liability	ACE USA Lloyd's of London	$750,000,000	$200,000/$2,000,000
War Risk	ACE USA	$150,000,000	$200,000/$2,000,000
Vehicle Liability (Excess Layer)	ACE USA	$50,000,000	$1,000,000
Public Officials Liability	ACE USA	$10,000,000	$1,000,000
Law Enforcement Liability	ACE USA	$10,000,000	$1,000,000
Employment Practices Liability (VACO)	Colony	$10,000,000	$1,000,000
Property (All Risk)	FM Global	$750,000,000	$100,000
Tunnel Collapse			$250,000
Flood		$250,000,000	$500,000
Earthquake		$250,000,000	$100,000
Boiler & Machinery			$100,000
Mycom Turbo System			$500,000
Terrorism (TRIA)	FM Global	$1,000,000,000	$100,000
Noncertified Terrorism	FM Global	$1,000,000,000	$100,000
Workers' Compensation	Insurance Co. PA (AIG)	VA Statutory	$250,000/$1,000,000
(Employer's Liability & Jones Act)		$1,000,000 (Acc./Dis.)	$250,000/$1,000,000
Business Travel Coverage (Including Foreign)	AIG	$5,000,000	$100
Fiduciary Liability	Chubb	$5,000,000	$0
Crime	National Union Fire	$10,000,000	$75,000
Special Coverage	Chubb	$10,000,000	$0
Long-Term Disability	Hartford	60% of Base Salary	N/A
Pollution (3-yr Term 10/30/08-10/01/11)	Greenwich Insurance Co. (XL)	$ 5,000,000	
Liability/Defense			$100,000
Remediation/Transportation			$250,000

Source: Office of Business Administration

INSURANCE PROGRAM FOR AVIATION CONSTRUCTION

Owner Controlled Wrap-up Insurance Program **Exhibit S-29**

Type of Coverage	Insurance Company/ Policy #	Policy Limit	Policy Deductible/ Coverages
Builders' Risk - not part of OCWIP	FM Global		$100,000
Includes Terrorism	Policy #LP706		Deductible
10/1/08-10/1/09	Policy Limit	$1,000,000,000	
	Earthquake	$250,000,000	
	Flood	$250,000,000	
Workers' Compensation and Employers' Liability	Liberty Mutual Insurance Company	VA Statutory	$1,000,000
	Policy # WA7-64D-438313-018		Deductible
6/1/08-6/1/09	Each Accident	$1,000,000	Per Occurrence
	Each Employee	$1,000,000	
	Policy Limit	$1,000,000	
Contractor's General Liability	Liberty Mutual Insurance Company	See Below	$1,000,000
6/1/08-6/1/13	Policy # TB2-641-438313-028		Deductible
	Each Occurrence	$2,000,000	Per Occurrence
	General Aggregate (Per Project)	$4,000,000	Subject to $100 million Lifetime cap
	Products & Completed Operations Aggregate	$4,000,000	
	Personal & Advertising Liability	$2,000,000	
	Medical Expense (any one person)	$10,000	
	Premises Damage Limit	$300,000	
Automobile Liability (On Site)	Liberty Mutual Insurance Company	$2,000,000	$1,000,000
6/1/08-6/1/13	Policy # TB2-641-438313-028		Deductible
			Per Occurrence
Primary Excess Liability	National Union Fire Insurance Company (AIG)		$0 Deductible
6/1/08-6/1/13	Policy # 8766478		Follow Form of Primary
Lead $25MM	Each Occurrence	$25,000,000	NOT Subject to $100 million Lifetime cap
	General Aggregate	$25,000,000	
	Products & Completed Operations Aggregate	$25,000,000	
Excess Liability	Lexington Insurance Company (AIG)		Follow Form of Lead Excess
6/1/08-6/1/13	Policy # 2979551		
$50MM xs $25MM	Each Occurrence	$50,000,000	
	Aggregate per Umbrella Liability	$50,000,000	
Excess Liability	Lexington Insurance Company - London (AIG)		Follow Form of Lead Excess
6/1/08-6/1/13	Policy #2213620		
$25MM xs $75MM	Each Occurrence	$25,000,000	
	Aggregate per Umbrella Liability	$25,000,000	
Excess Liability	AIG Cat Excess Liability (AIG)		Follow Form of Lead Excess
6/1/08-6/1/13	Policy # 9497224		
$150MM xs $100MM	Each Occurrence	$150,000,000	
	Aggregate per Umbrella Liability	$150,000,000	
Excess Liability	Endurance American Insurance Company	$50,000,000	Follow Form of Lead Excess
	Policy # EXC10000926400		
6/1/08-6/1/13	Great American Assurance Company	$25,000,000	Follow Form of Lead Excess
	Policy # EXC2194866		

INSURANCE PROGRAM FOR AVIATION CONSTRUCTION

Owner Controlled Wrap-up Insurance Program

Exhibit S-29

Type of Coverage	Insurance Company/ Policy #	Policy Limit	Policy Deductible/ Coverages
$150MM quota shared xs $250MM	St. Paul Fire and Marine Insurance Company (Travelers Group) Policy # QI01201531	$25,000,000	Follow Form of Lead Excess
	RSUI Indemnity Company Policy #NHA044605	$25,000,000	Follow Form of Lead Excess
	AXIS Surplus Insurance Company Policy # EAU739997/01/2008	$25,000,000	Follow Form of Lead Excess
	Quota Shared Each Occurrence	$150,000,000	Follow Form of Lead Excess
	Quota Shared Aggregate per Umbrella Liability	$150,000,000	
Pollution Liability - Contractors - not part of OCWIP	American Intl Specialty Lines Ins. Co. Policy #CPO 1302869		$250,000
06/01/08 - 06/01/13 includes 10 years completed operations	Each Occurrence Aggregate	$20,000,000 $20,000,000	Deductible

Source: Office of Business Administration

INSURANCE PROGRAM FOR DULLES CORRIDOR ENTERPRISE OPERATIONS **Exhibit S-30**

DULLES CORRIDOR ENTERPRISE -- TOLL ROAD

POLICY 11/01/08 - 11/01/09	CARRIER	LIMITS		RETENTION/ UNDERLYING
General Liability	Lexington (AIG)	$1,000,000		$25,000
Commercial Umbrella	Lexington (AIG)	$25,000,000		
Excess Liability	Axis Surplus	$25,000,000		
Property & Business Interruption	FM Global	$1,000,000,000		$100,000
Sublimit Bridges		$10,000,000		
Commercial Auto Liability	National Casualty	$1,000,000		$0
Uninsured Motorists		$100,000		

Source: Office of Business Administration

CONTRACTOR CONTROLLED WRAP UP INSURANCE PROGRAM
DULLES CORRIDOR ENTERPRISE -- RAIL

Exhibit S-31

POLICY 11/01/08 - 11/01/09	CARRIER		LIMITS	RETENTION
Excess Liability	AIG Excess Liability Ins. Co.		$43,000,000	
08/09/08 - 08/09/09		XS	$255,000,000	
Excess Liability	Endurance American		$10,000,000	
08/09/08 - 08/09/09	Specialty Ins. Co.	P/O	$155,000,000	
		XS	$100,000,000	
Excess Liability	Landmark American Ins. Co.		$10,000,000	
08/09/08 - 08/09/09		P/O	$155,000,000	
		XS	$100,000,000	
Excess Liability	St. Paul Fire & Marine Ins. Co.		$10,000,000	
08/09/08 - 08/09/09		P/O	$155,000,000	
		XS	$100,000,000	
Excess Liability	Lexington Ins. Co.		$20,000,000	
08/09/08 - 08/09/09		P/O	$155,000,000	
		XS	$100,000,000	
Excess Liability	General Security		$25,000,000	
08/09/08 - 08/09/09	Indemnity Co. of AZ	P/O	$155,000,000	
		XS	$100,000,000	
Excess Liability	Axis Surplus Ins. Co.		$25,000,000	
08/09/08 - 08/09/09		P/O	$155,000,000	
		XS	$100,000,000	
Excess Liability	ACE Westchester		$25,000,000	
08/09/08 - 08/09/09		P/O	$155,000,000	
		XS	$100,000,000	
Excess Liability	Gatlin Group Ltd.		$30,000,000	
08/09/08 - 08/09/09	Via Willis London	P/O	$155,000,000	
		XS	$100,000,000	
Excess Liability	Insurance Co. of the		$25,000,000	
08/09/08 - 08/09/09	State of PA	XS	$75,000,000	
Excess Liability	Great American Assurance Co.		$25,000,000	
08/09/08 - 08/09/09		XS	$50,000,000	
Excess Liability	Endurance American		$25,000,000	
08/09/08 - 08/09/09	Specialty Ins. Co.	XS	$25,000,000	
Excess Liability	ACE American Ins. Co.		$25,000,000	
08/09/08 - 08/09/09				
Primary General Liability	Zurich American Ins. Company		$2,000,000	$500,000
			$4,000,000	
Auto Liability	Zurich American Ins. Company		$1,000,000	$0
Worker's Compensation	Zurich American Ins. Company		$2,000,000	$500,000

Source: Office of Business Administration

RONALD REAGAN WASHINGTON NATIONAL AIRPORT