

EETC/EPTC Exposure

As of March 31, 2010

Enhanced Equipment Trust Certificates ("EETCs"), or Equipment Pass Through Certificates ("EPTC") are forms of secured debt frequently used by the airlines to finance aircraft. The financings are tranching to create a tiering of interests in the aircraft collateral. Ambac issued a financial guarantee on the most senior tranche called the "G tranche" (for guaranteed). Typically, Junior C-class certificates are issued to finance the remaining portion of the equipment value. The airline itself, or a third party equipment lessor, may retain ownership interests.

Ambac is the guarantor of the most senior class of secured debt in every transaction, and in most cases is also the control party. The transactions are enhanced via (i) the setting of a relatively low loan to value ("LTV") at the time of issuance and (ii) an amortization schedule designed to address declining aircraft market values over time.

<i>Airline</i>	<i>Net Par (\$ Millions)</i>	<i>Aircraft Type</i>	<i>Final Maturity Date</i>
America West Airlines, Series 1999-1 ⁽¹⁾	\$143.6	Airbus 319-100s and 320-200s	July 2020
America West Airlines, Series 2000-1 ⁽¹⁾	121.6	Airbus 319-100s and 320-200s	January 2022
America West Airlines, Series 2001-1 ⁽¹⁾	207.1	Airbus 319-100s and 320-200s	October 2022
American Airlines, Series 2003-1	119.1	Boeing 737-800s, 767-300ERs and 777-200ERs	January 2012
American Airlines, Series 2001-2	12.5	Boeing 737-800s, 757-200ERs, 757-200s and 777-200ERs	April 2013
Continental Airlines, Series 2002-1	203.4	Boeing 757-300s, 767-400ERs and 777-200ERs	August 2013
Continental Airlines, Series 1999-2	56.0	Boeing 737-700s, 737-800s, 757-200ERs and 777-200ERs	September 2021
Total Portfolio	<u>\$863.3</u>		

(1) America West Airlines merged with US Airways in September 2005 and now operates under the US Airways name.