FSA

NEWS RELEASE

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FSA's Statement on Transport for London's Announcement To Pay the Put Option Price on Senior Debt of Metronet Rail BCV & Metronet Rail SSL

New York, New York, February 7, 2008---Transport for London (TfL) yesterday announced the intention of its subsidiary, London Underground Ltd (LUL), to pay the put option price on senior debt of Metronet Rail BCV (BCV) and Metronet Rail SSL (SSL), including index-linked and fixed-rate senior secured bonds insured by Financial Security Assurance (FSA).

Triple-A rated FSA insures £185 million gross (£90 million net) of the BCV notes and £350 million gross (£170 million net) of the SSL notes. The debt was issued under Public Private Partnership (PPP) contracts to finance the operation, maintenance and the initial phase of asset upgrades for part of the London Underground.

Under the applicable PPP contracts, insured debt holders and other senior creditors benefit from an "Underpinned Amount" providing support from LUL. TfL announced yesterday that approximately £1.74 billion will be paid on account of this obligation.

The portion of LUL's payment relating to the FSA-insured bond financing will be deposited in a segregated account with a trustee bank while FSA explores options permitted by the transaction documents to apply put option proceeds against obligations due to bondholders. In the meantime, the segregated amount will be available to meet debt service guaranteed by FSA and other amounts in accordance with the documentation. FSA's unconditional and irrevocable Triple-A guaranty remains in full force and effect.

THE COMPANY

Financial Security Assurance Holdings Ltd. (the Company), headquartered in New York City, is a holding company whose affiliates provide financial guarantees and financial products to clients in both the public and private sectors around the world. The principal operating subsidiary, Financial Security Assurance Inc. (FSA), a leading guarantor of public finance and asset-backed obligations, has been assigned Triple-A ratings, the highest ratings available, from Fitch Ratings, Moody's Investors Service, Inc., Standard & Poor's Ratings Services and Rating and Investment Information, Inc. Through other subsidiaries, the Company provides FSA-insured financial products, such as guaranteed investment contracts, to obtain funds at Triple-A cost and then invests those funds in high-quality, liquid securities. The Company is a member of the Dexia group.

FORWARD-LOOKING STATEMENTS

The Company relies on the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995. This safe harbor requires that the Company specify important factors that could cause actual results to differ materially from those contained in forward-looking statements made by or on behalf of the Company. Accordingly, forward-looking statements by the Company and its affiliates are qualified by reference to the following cautionary statements.

In its filings with the SEC, reports to shareholders, press releases and other written and oral communications, the Company from time to time makes forward-looking statements. Such forward-looking statements include, but are not limited to:

- projections of revenues, income (or loss), earnings (or loss) per share, dividends, market share or other financial forecasts;
- statements of plans, objectives or goals of the Company or its management, including those related to growth in adjusted book value or return on equity; and
- expected losses on, and adequacy of loss reserves for, insured transactions.

Words such as "believes," "anticipates," "expects," "intends" and "plans" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

The Company cautions that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in forward-looking statements made by the Company. These factors include:

- changes in capital requirements or other criteria of securities rating agencies applicable to FSA;
- competitive forces, including the conduct of other financial guaranty insurers;
- changes in domestic or foreign laws or regulations applicable to the Company, its competitors or its clients;

- changes in accounting principles or practices that may result in a decline in securitization transactions or affect the Company's reported financial results;
- an economic downturn or other economic conditions (such as a rising interest rate environment) adversely affecting transactions insured by FSA or its investment portfolio;
- inadequacy of reserves established by the Company for losses and loss adjustment expenses;
- disruptions in cash flow on FSA-insured structured transactions attributable to legal challenges to such structures;
- downgrade or default of one or more of FSA's reinsurers;
- market conditions, including the credit quality and market pricing of securities issued;
- capacity limitations that may impair investor appetite for FSA-insured obligations;
- market spreads and pricing on insured CDS exposures, which may result in gain or loss due to mark-to-market accounting requirements;
- prepayment speeds on FSA-insured asset-backed securities and other factors that may influence the amount of installment premiums paid to FSA; and
- other factors, most of which are beyond the Company's control.

The Company cautions that the foregoing list of important factors is not exhaustive. In any event, such forward-looking statements made by the Company speak only as of the date on which they are made, and the Company does not undertake any obligation to update or revise such statements as a result of new information, future events or otherwise.