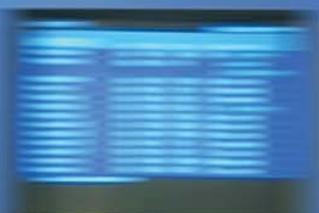




METROPOLITAN WASHINGTON AIRPORTS AUTHORITY



2004 ANNUAL REPORT





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MESSAGE FROM THE CHAIRMAN



IT HAS BEEN A GREAT OPPORTUNITY...

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to take office at the end of an excellent year for the Metropolitan Washington Airports Authority, which in 2004 experienced steady and substantial growth in passengers and even greater growth in revenue. Whatever the issues, any elected official

or corporate officer could tell you the job is much easier

when all the indicators are on the upswing. Those indicators include our financial ratings, two of which were upgraded in March 2005, based on the sound performance in 2004 of the Board, the management and the Authority's finance team.

The Authority's favorable economics are not the principal concern of the Directors. We care more about the Authority's ability to manage airline challenges to the benefit of our passengers. The Authority has two distinct advantages in that regard: a feisty and involved Board and an outstanding management team. In fact, the Authority's mission statement is that Washington Dulles International and Ronald Reagan Washington National will be the best managed airports in the United States.

These two advantages serve the Authority well, and are especially important today, as the future of the air carriers is no clearer than it was a year ago. We have now become accustomed to working with carriers in bankruptcy reorganization, knowing that they will someday emerge quite different from the way they are today. The legacy carriers have been restructuring and cost-cutting to enable them to compete with the newer low-cost carriers, but lately the cost of fuel is setting all carriers back. Competition has kept the fares low, great for the customers, but too low for the airlines to operate profitably. We will encounter all kinds of changes in fares and services, perhaps even in the companies providing them.

I am confident that the Authority can deal with whatever conditions may develop. The underlying strength of the greater Washington market, together with intelligent leadership, will carry us through. Management has developed plans to deal with many alternative outcomes, to assure that the airports, in the words of our statement of purpose, will continue to provide and actively manage world-class access to the global aviation system in a way that serves the needs of the National Capital area.

I would also like to focus a bit on Washington Dulles. As a lifelong Virginian, I can remember what seemed an interminable ride through farmland on the Dulles Access Road, and parking at meters on the ramp at the

front doors to the Terminal. At the time, we marveled at the nearly empty monument. But I also learned early to recognize what I now consider the extraordinary vision our predecessors had in designing Washington Dulles the way they did and building it where they did. In addition to stunning architecture, they provided dedicated access and room for expansion to assure that Washington Dulles would be able to provide full services far into the future. The Authority still follows their guidance as we expand to keep up with the traffic. We have already doubled the size of the Main Terminal, built most of the first of three midfield concourses, and are building an underground train to connect them.

As 2005 gets under way, two more major elements of the original plans are coming closer to reality. Once the Federal Aviation Administration (FAA) is satisfied with the environmental and safety aspects, we will be ready to start construction on the first of two additional runways, not a moment too soon. A federal decision is expected before the year is out.

We are also seeing steady progress on the rail transit line that was long ago envisioned to go down the center of the Access Highway. It has made the Federal Transit Administration recommended list, and preliminary engineering is already under way. The Commonwealth of Virginia is carrying the ball, and local funding is being developed.

Finally, I must note some changes to the Board of Directors and thank those who will be leaving us for their dedicated service. In 2004 our outgoing Chairman, Chip Glasgow, completed two six-year terms on the Board, the first Member to do so. Unflappable and professional, Chip has chaired the organization for the last three years.

We must also say farewell to our longstanding friend, John Paul Hammerschmidt, who has been with the Authority from its creation, and Jeff Thompson, the very able first chair of our Audit Committee.

We are grateful for the contributions of these three, and sorry to see them go.

Mame Reiley
Chairman



MESSAGE FROM THE PRESIDENT AND EXECUTIVE VICE PRESIDENT

CONSIDERABLE PROGRESS WAS MADE...

by the Authority in 2004 on many fronts. A strong local and stable national economy, combined with significant competition in the airline industry, pushed passenger volume to an all-time record at Washington Dulles and yielded substantial growth at Reagan National Airport. For 2004, our two airports served 38.8 million passengers, an increase of nearly 25% over 2003; aircraft operations rose by 25% over the previous year, to 737,920, and cargo tonnage increased nearly 8%.

Significant elements of the **d2** Capital Construction Program at Washington Dulles were completed, namely two important customer service initiatives: a passenger walkway that connects the Main Terminal with Concourse B, and a covered pedestrian bridge between Daily Garage 2 and the Main Terminal. Construction continued on other elements of the program, including the new airport traffic control tower – now visible from nearby points – and the Automated People Mover train system that will link the Main Terminal and the various concourses. These projects – both those completed and those underway – give passengers and visitors a glimpse into the exciting future of Washington Dulles.

Even with a rebound in traffic and other positive signs of progress, our enthusiasm is tempered by the uncertainty facing the aviation industry. The air transportation industry continues to experience difficult economic times because of rising fuel costs, increased competition and other factors. As a group, U.S. airlines lost more than \$9 billion in 2004, nearly four times the loss of the previous year. Some carriers are operating in bankruptcy, and others could be forced into bankruptcy in the near future. The Authority is keenly aware of the relationship between a healthy airline industry and the growth at our airports.

In this challenging environment, the Authority must work especially hard to maintain the right balance of optimism and caution. Since 2001, we have adjusted the pace and scope of **d2** development to assure a sound financial footing. Our current capital construction efforts are vital to support long-term growth of passengers and operations, even as we recognize that the tremendous growth rate experienced in 2004 will not be sustainable in the future.

A positive passenger experience at our airports is important to the Authority. We addressed passenger concerns at both Washington Dulles and Reagan National by redesigning gates, checkpoints and ticket counters for better traffic flow and by working closely with the Transportation Security Administration (TSA) to revise processes and security procedures. In addition, we introduced our Student Ambassadors program at both airports, hiring college and high school students to assist passengers in getting through the security checkpoints as quickly as possible during the peak summer travel season. Additionally, the Pay & Go pre-paid parking system, introduced at Washington Dulles in 2002, now accounts for nearly half of all parking payments, reducing wait times at the parking lot exits.

We are grateful for a strong network of support that helps the Authority to progress even in the midst of uncertainty. The dedication and professionalism of our staff, the guidance and counsel of our Board of Directors, the cooperation of the airlines and the support of the community are all vital in continuing our mission.

Overall, we are very optimistic about the long-term potential for our industry, and for our two airports. The projects that have been completed, the work now underway and our plans for the future will ensure that passengers and shippers can enjoy safe, reliable and convenient air transportation, now and in the years ahead. We are confident that the Authority can overcome the challenges of today in order to meet the promise of tomorrow.

James E. Bennett
President and Chief Executive Officer

Margaret E. McKeough
Executive Vice President and Chief Operating Officer



BORDERS



STAND

Events

New Releases

Washington Dulles and Reagan National saw substantial growth in passengers, flight operations and concessions in 2004. Washington Dulles set an all-time record in passenger volume, serving 22,868,882 travelers – a 35% increase over 2003 – and eclipsing the previous passenger record set in 2000. Cargo (freight) at Washington Dulles also increased to 293,186 metric tonnes, up 10% over 2003. Reagan National posted solid passenger growth, up 12% over 2003 with a total passenger volume of 15,943,859 – a remarkable comeback since its abrupt closure and lengthy, phased reopening after September 11, 2001.

BUSINESS AND OPERATIONS SHOW STRENGTH

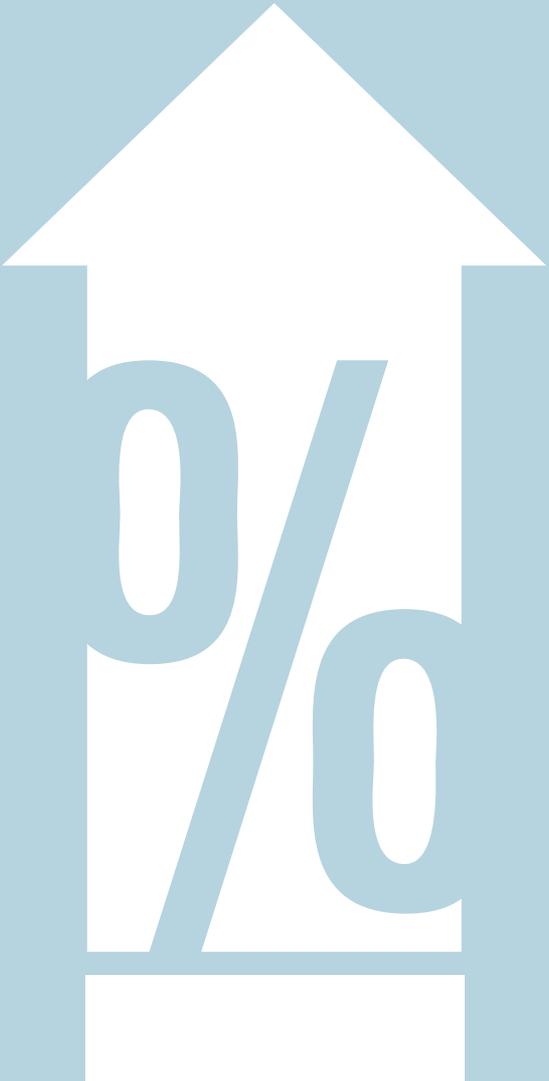
Aircraft operations at Washington Dulles totaled 469,634, a 40% increase over 2003, while Reagan National supported 268,556 operations, up 7%. Authority personnel met the challenge of increased passenger volumes amid tighter security with creative initiatives such as the Student Ambassadors program at both airports. In time for the peak summer travel season, the Authority recruited 79 students to work with staff and the TSA personnel. Wearing distinctive yellow shirts, these ambassadors helped passengers navigate lines and move through security checkpoints as quickly as possible. Many of the students spoke other languages, enhancing their ability to assist foreign travelers. This initiative was so successful that it is now a year-round program. Also assisting passengers through security at Washington Dulles are nine state-of-the-art overhead monitors that were installed to provide tips to passengers on preparing for screening.

Retail sales rose 17% over the previous year at Washington Dulles, and went up 12% at Reagan National. Food and Beverage sales climbed 23% at Washington Dulles and 17% at Reagan National, while Duty-Free sales at Washington Dulles soared 40%, reflecting the dramatic growth in passengers.

To promote international tourism, staff made presentations to the tourism, air carrier and cargo communities in more than 15 countries in 2004.

IAD Passenger Volume

35%





January - March

- At Washington Dulles, United Airlines began construction of a new facility, Concourse G, for its regional carrier, United Express. This concourse opened in June.
- To ensure clear, safe runways at Washington Dulles, the amount of airfield snow removal equipment was increased by 30%, and the snow removal workforce was also increased to enable faster response to snow conditions.
- Reagan National earned the "Terminal with the Most Unique Services" award for 2004 from *Airport Revenue News*, in the magazine's annual Best Concessions Poll.
- Two service providers also won awards in the Best Concessions Poll. At Washington Dulles, the Paradies Shops won First Place for Design of its CNBC News store, while Anton Airfood won first place for Restaurant Design for its Maui Tacos eatery at Reagan National.
- A new revenue control system for taxi operators at Reagan National improved security and traffic flow, and saved time by eliminating the paper tickets used previously. The result was a more efficient system and better service for airport patrons.

At Washington Dulles:

- Lloyd Aereo Boliviano began scheduled service to Santa Cruz, Bolivia.
- United Airlines began service to San José, Costa Rica and restored service to Austin, Texas.
- Alitalia began service to Milan, Italy.

At Reagan National:

- The Department of Transportation awarded 22 new slots for service to be started in June, with 12 of the flights beyond the 1,250-mile perimeter.

April - June

- Westfield Concession Management was awarded a contract to re-lease and redevelop all food and beverage facilities at Washington Dulles.
- Fox News started airing in April, and in June the News Connection/Starbucks opened in Concourse B at Washington Dulles.
- In April, Independence Air began modifications to its Concourse A gate fingers to accommodate 35 regional jets.

At Washington Dulles:

- TED (United Airlines' low-fare carrier) inaugurated service to Ft. Lauderdale, Las Vegas, Orlando and Tampa.
- Northwest Airlines began nonstop service to Memphis.
- United Airlines started service to Minneapolis, Sacramento and Zurich, Switzerland.
- Frontier Airlines began service to Denver.
- America West Airlines began two daily flights to Los Angeles.
- JetBlue began service to Sacramento and increased service to Long Beach and Oakland.
- Independence Air began operations to its first five destinations with plans to grow to 35 destinations and 300 daily departures by September 1. The new carrier's schedule makes Washington Dulles the largest low-fare hub in America.

At Reagan National:

- Alaska Airlines began service to Los Angeles and added a second daily nonstop to Seattle.
- Delta Connection (Comair) started regional service to Lexington, Kentucky.
- Spirit Airlines began service to Ft. Lauderdale and Detroit.

QUARTERLY HIGHLIGHTS

July - September

- Women Rock, a specialty store, and Airport Wireless/Palm One opened for business at Reagan National, while Washington Dulles welcomed the Massage Bar and Altitudes in Concourse B, Taxco Sterling in Concourse C, Luciano's Café in Concourse D and the Capital News Café in Concourse G.
- Washington Dulles set a new monthly passenger volume record in July of 2.2 million and then exceeded that record in August with 2.4 million passengers.
- United Express began regional service in Concourse G at Washington Dulles. The 65,000 square-foot facility has three piers and 26 parking positions for regional aircraft.

At Reagan National:

- United Airlines started service to Denver.
- US Airways began service to Columbus, Ohio.
- US Airways Express started service to Chattanooga.
- Northwest Airlines added an additional flight to Milwaukee.

October - December

- During the busy Thanksgiving holiday period, the parking facilities at Washington Dulles, totaling 25,000 spaces, achieved a near 100% occupancy. At Reagan National, where parking is at a premium, tight parking conditions required creative solutions, generating 200 additional parking spaces in the Economy Parking lot.
- The daily garages at Washington Dulles attracted a growing clientele. Daily Garage 2, which opened in March 2002, averaged a 55% occupancy rate, while the newer Daily Garage 1, opened in April 2003, logged an average occupancy rate of 42%.
- Chevy Chase Bank opened full-service banks at both airports. The bank also operates ATMs in every terminal and concourse. Borders Books opened at Reagan National and in Concourse C at Washington Dulles. Mindworks Toys and Games opened in Concourse D at Washington Dulles.
- Customer service at Washington Dulles was enhanced by ReturnKey Systems, a mail-back service for items that cannot go through security.

At Washington Dulles:

- United Airlines began service to Milwaukee, Memphis, Wilkes-Barre and Houston.
- United Airlines began service to Grand Cayman.

At Reagan National:

- AirTran Airways began service to Atlanta.
- Midwest Airlines initiated service to Kansas City, Missouri.
- America West Airlines added a third roundtrip to Phoenix.

↑   Gates C,D,G,H
Baggage Claim, Ground Transportation

 ↑   Gates C,D,G,H
Baggage Claim
Ground Transportation

Do Not Enter

 ↑   Gates C,D,G,H
Baggage Claim
Ground Transportation

CAUTION
Please walk on the left

EXIT

At Washington Dulles, the signs of progress are everywhere as a result of the Authority's \$3 billion **d2** capital construction program. An underground passenger connector with moving walkways opened in time for the Thanksgiving holiday. The \$81 million project connects the Main Terminal with Concourse B, providing more convenient access for many passengers who continue to express their delight with the walkway option. Construction of the new airport traffic control tower made significant progress in 2004. The new tower, which will be completed in 2006, will be 325 feet high, nearly twice as high as the existing tower. Less visible but equally important is the work being done on the Automated People Mover (APM) system, an underground train network that will connect the Main Terminal and the concourses and provide passengers with faster, more convenient transportation to their gates. Work also continued on the train station and a new security area located at the Main Terminal.

d2 AND REAGAN NATIONAL CONSTRUCTION MAKE PROGRESS

Eight major designs were completed for facilities at Washington Dulles, and contracts valued at more than \$450 million were awarded. These projects include major components of the APM system under development. At the end of 2004, more than 20 construction projects totaling approximately \$1 billion were under construction.

At Washington Dulles, work continued toward a 2005 completion date on upgrades to the central heating and cooling plant and widening of and other improvements to the North Area Roads, Phase 2. The east-west runway (Runway 12/30), after more than 40 years in service, was completely reconstructed in a record four months. This fast-tracked program minimized the impact on flight operations and was completed in time for Independence Air's ramp-up of service. Planning continued for two additional runways at Washington Dulles as the FAA, supported by the Authority, completed a Draft Environmental Impact Statement and scheduled public meetings to present the findings and construction alternatives. The first new runway could be completed as early as 2008, with the construction schedule for the second runway determined by passenger growth. When the work is completed, the Authority will achieve its long-term plan of five runways at Washington Dulles.

Reflecting the goal of managing risk by keeping injuries to a minimum, the Authority's construction projects posted a lost-time injury rate of just 0.64% in 2004, well under the national average of 4.1%. This favorable rate was attributable to a variety of safety measures that included safety training programs conducted in both English and Spanish. In 2004, more than 1,000 contractors participated in nearly 200 **d2** projects, employing a workforce that is 65% Spanish-speaking.

1200
Runway 12/30
DAYS



January - March

- Taxiway F, a major east-west taxiway construction project at Washington Dulles, was completed in February. This project also included a section of the APM tunnels and a utility tunnel.
- Connector A construction at the Washington Dulles Main Terminal was completed, facilitating passenger movement from the Main Terminal to the Concourse B passenger walkway and to new mobile lounge docks.
- Z Gate Mechanical Basement construction was completed at Washington Dulles. This facility is primarily required to provide utilities for Z Gates under construction and to support the Airport Traffic Control Tower and concession facilities at the Main Terminal.
- At Washington Dulles, Tier 3 Aircraft Parking Apron construction was completed. This facility will be part of a future concourse but will be used in the interim for narrow- and wide-body aircraft hard-stand operations.
- Physical security enhancements in Terminal B/C at Reagan National were completed.

April - June

- East-west runway 12/30 at Washington Dulles closed for reconstruction on April 19th.
- A new canopy was installed over the 600-foot walkway connecting Daily Garage 2 with the Main Terminal at Washington Dulles, protecting passengers from the elements.
- Public workshops were held in Loudoun and Fairfax counties to gather comments regarding the proposed new runways at Washington Dulles.



QUARTERLY HIGHLIGHTS



July - September

- East-west runway 12/30 reopened on August 18th. The project included demolishing and removing concrete and rock in a runway that measures 10,000 feet long, 150 feet wide and is 25 inches thick. Nearly 400 runway lights were installed.
- At Reagan National, Alaska Airlines operations were relocated from Terminal A to Terminal B. Space for new check-in kiosks was created by removing a bank of telephones on the south end of Terminal B.

October - December

- The underground passenger walkway opened in November, giving passengers a new connection between the Main Terminal and Concourse B at Washington Dulles. Moving walkways make the trip even faster.
- Taxiway E rehabilitation at Washington Dulles was completed in November.
- Work to restore the exterior concrete façade of Historic Terminal A at Reagan National was completed.
- A \$200,000 Art Glass restoration project was completed in Terminal C at Reagan National.
- At Reagan National, a new roof was installed on the south end of Terminal B.



TRUCK 338

METROPOLITAN WASHINGTON
FIRE DEPARTMENT
FIREFIIGHTER

FIRE SAFETY DIVISION
DEPARTMENT

TRUCK
338

SAFETY AND SECURITY MEASURES

EXPAND & DIVERSIFY

Maintaining a safe and secure environment requires planning, training, practice, good internal communications and close coordination with federal, state and local authorities. From working with the TSA on overall airport security to ensuring that all airport employees are trained in safety procedures, the goal of the Authority is to protect the lives, property and health of all who visit Reagan National or Washington Dulles. The Authority's Public Safety personnel are supported not only by the latest technologies, but also by time-proven resources such as the K-9 Explosive Detection Teams. Trained to detect explosives in vehicles, aircraft, buildings, luggage and cargo, the K-9 teams undergo rigorous annual testing and, in 2004, received 100% certification for the fourth consecutive year.

As required by the FAA on a triennial basis, both airports successfully conducted separate full-scale Airport Emergency Plan Exercises in 2004. The exercises tested disaster preparedness and emergency response to a simulated aircraft accident at Washington Dulles and a simulated collision between two aircraft at Reagan National. Airports Authority operations, fire & rescue and police personnel were joined by local fire & rescue units, law enforcement agencies and hospitals in responding to these incidents. Volunteers from the American Red Cross and Travelers Aid served as injured victims for an added dimension of realism.

The Police Department of the Authority works closely with national and local governments on security issues. The Authority's Deputy Chief of Police was appointed co-chair of the TSA Committee for Airports Security Design Guidelines Working Group, which is responsible for developing security and design guidelines for new and old airports nationwide. The Authority's Chief of Police continued to serve as Chairman for the Executive Committee, Northern Virginia Criminal Justice Academy, whose representatives from local, state and federal agencies meet regularly to discuss law enforcement issues.

Since 2000, the Fire & Rescue Department's Customer Service Program has trained more than 2,000 airport employees in Cardiopulmonary Resuscitation (CPR), the use of portable Automatic External Defibrillators (AEDs), first aid and the proper use of fire extinguishers. Department staff also conducted blood pressure screenings for airport employees and passengers. Five lives have been saved by people trained in the use of AEDs.

Working with the Authority's Office of Human Resources, the Fire & Rescue Department has embarked on an aggressive campaign to recruit females and minorities. The face of the department now reflects diversity. Once an all-male force, the department hired two females in 2004, a Firefighter and a Firefighter Medic, increasing the number of female firefighters from one to a record three, with more in the coming year.

Certification of K-9 Teams

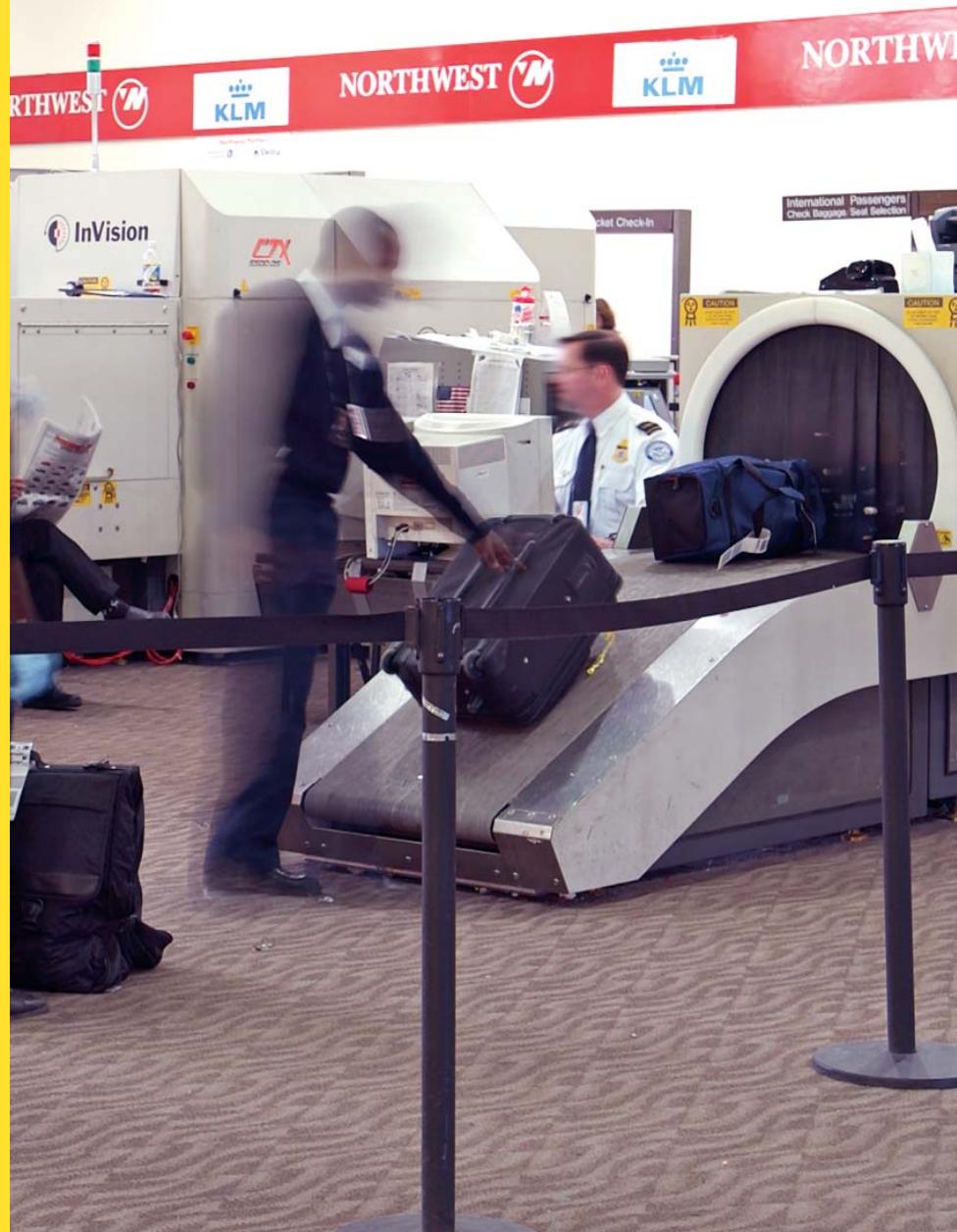
100%

January - March

- The Authority's Police Department received a grant from the Virginia Department of Motor Vehicles to purchase equipment for testing motor vehicle operators suspected of driving under the influence of alcohol. The Northern Virginia Chapter of Mothers Against Drunk Driving also contributed to the purchase.

April - June

- The Police Department celebrated an Authority officer's graduation from the prestigious Federal Bureau of Investigation (FBI) National Academy in Quantico, Virginia, bringing the total number of academy graduates on the force to ten.
- In May, Authority police assisted the U.S. Park Police with the dedication of the World War II Memorial on the Mall in Washington, D.C. by providing police services and crowd control. The department provided similar services in June during the funeral services in Washington, D.C. for former President Ronald Reagan.
- The west security screening checkpoint at Washington Dulles was closed in June to facilitate the construction of the Main Terminal Station for the APM. New security screening lanes opened in the center of the terminal. Washington Dulles now has 22 security screening lanes.



QUARTERLY HIGHLIGHTS



July - September

- All ten K-9 explosive detection teams were certified. The teams respond to as many as 4,000 calls per year at both airports, checking suspicious bags and vehicles with a minimum of disruption to passengers.
- Seven officers graduated from the Metro Transit Police Bicycle School, increasing the number of officers available for bicycle patrol duty at both airports.

October - December

- The Authority's Fire & Rescue Department received hazardous materials (haz mat) Level "A" protective suits funded through the Urban Area Security Initiative (UASI).
- The Fire & Rescue Department assisted with the 23rd Annual National Fallen Firefighters Memorial Weekend event held in Emmitsburg, Maryland. Sponsored by the National Firefighters Foundation and the U.S. Department of Homeland Security's U.S. Fire Administration, the ceremony honored some 110 firefighters who were killed in the line of duty in 2003. The event attracted more than 2,000 friends and family members. Public Safety staff arranged ground transportation to and from our airports, assisted people through the security screening process and expedited baggage handling.
- The Commonwealth of Virginia's Department of Emergency Management announced the allocation of a \$1.5 million grant through the U.S. Department of Homeland Security to be used at Washington Dulles and Reagan National for equipment, training, planning and exercises to develop better preparedness to prevent, respond and recover from potential acts of terrorism.



COMMUNITY PARTNERSHIPS GROW

In addition to maintaining the highest standards of service for our customers and our region, the Authority strives to serve the public in other ways:

- Providing opportunities for small and local businesses
- Being a conscientious and cooperative neighbor and a strong economic partner
- Exposing today's youth to the aviation industry by partnering with local schools
- Actively supporting civic and charitable programs
- Protecting the environment and the quality of life for those who live or work near Washington Dulles and Reagan National

The business community and local economy benefited from a significant increase in contracts. In 2004, the Authority awarded more than \$644 million in contracts for construction, goods and services – a healthy increase of nearly 40% over 2003. Local Disadvantaged Business Enterprises (LDBE) received approximately \$191 million or 32% of the total. Minority- and Woman-Owned Businesses also benefited, accounting for \$87 million in contracts and representing 14% of the total. Of the \$395.7 million in gross receipts from airport concessions, disadvantaged, Minority- and Woman-Owned Businesses were notable stakeholders, accounting for 13% of the total. That group's share of the retail, food and beverage and in-terminal service concessions was even higher, accounting for 34% of \$145 million in gross receipts.

The Authority's United Way Campaign generated more than \$48,000, while the Dulles Day family festival contributed \$90,000 to Virginia Special Olympics. Other events, projects and programs conducted by Authority employees at both airports raised thousands of dollars more for local causes, including Children's Hospital and Kids' Konnection. In addition, employees contributed toys to the Salvation Army and school supplies for homeless children at Good Shepherd Housing Foundation. The Authority's involvement in local arts programs ranged from student art exhibits in the terminals to hosting four of the famous PandaMania statues at Reagan National.

Throughout the year, the Authority kept lines of communication with the public open by issuing press releases and posting information on its Web site on a wide variety of issues. In July, the Authority hosted a special Media Day to familiarize the local media with ongoing programs, attracting a high number of regional print and broadcast media.

Construction, goods
and services

40%

US Airways

C US Airways

C US Airways

C US Airways

NO PARKING
IMMEDIATE
UNLOADING/
LOADING ONLY
NO WAITING



January - March

- A technical assistance seminar to increase the successful participation of Local Disadvantaged Business Enterprises in airport construction projects was held in February at Washington Dulles. Topics included job estimating, scheduling and safety issues.
- An Outreach Exhibit Hall for small businesses (first of two) was held in March at a hotel near Washington Dulles. The event, which attracted 110 small business participants, focused on the West APM tunnels and excavation project.

April - June

- The Authority and the Metropolitan Washington Council of Governments (COG) held three public meetings on an updated noise study for Reagan National.
- Reagan National celebrated its fifth-year sponsorship of the Washington, D.C. Public Schools Art Exhibition. More than 300 works of art from students in some 150 D.C. schools, pre-kindergarten through 12th grade, were on display in Terminal B/C.
- During the summer of 2004, Reagan National was home to four Panda statues as part of the region-wide PandaMania exhibit. Sponsored by the D.C. Commission on the Arts and Humanities, PandaMania included the works of 150 artists. The pandas were sold at auction in October to raise funds for the Arts and Grants Education programs for the District of Columbia.



QUARTERLY HIGHLIGHTS

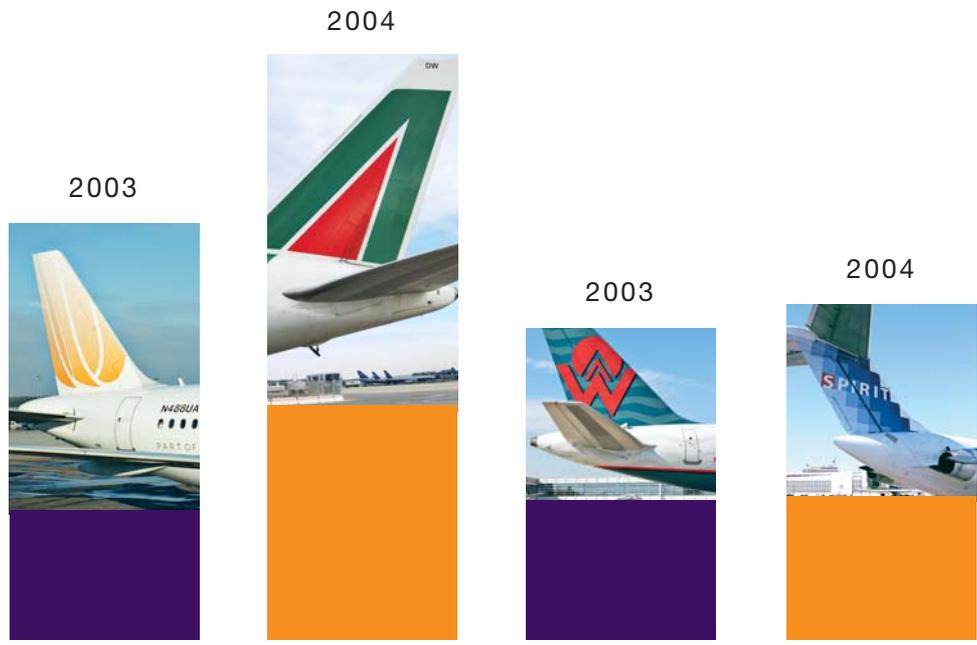
July - September

- A second Outreach Exhibit Hall at a hotel near Washington Dulles attracted approximately 150 small business participants interested in learning about construction opportunities for the East APM stations and tunnels.
- Braving rain and wind, thousands of visitors turned out for the 12th Annual Dulles Day family festival. Participants enjoyed displays, food and activities, and watched more than 50 teams compete in the highlight of the day, the annual Plane Pull competition. The 2004 Dulles Day celebration raised \$90,000 for Special Olympics Virginia, increasing the total amount raised during the 12-year history of the event to more than \$800,000.

October - December

- The Reagan National Noise Compatibility Study had its final public presentation in October before being submitted to the FAA. The study examined possible abatement and mitigation actions to reduce the impact of aircraft noise on surrounding communities. In conclusion, the study recommended eight noise abatement measures, primarily focused on using state-of-the-art technology to allow aircraft to fly more precise routes. In addition, six mitigation measures were recommended to help local governments better plan land-use in the vicinity of the airport. These recommendations were forwarded to the FAA for review and approval.
- The Authority held its 14th Annual Business Opportunity Seminar for Local Disadvantaged Business Enterprises (LDBE), Disadvantaged Business Enterprises (DBE), and Minority- and Woman-Owned Business Enterprises (MBE/WBE) at a hotel in Washington, D.C. Some 700 attendees learned about airport contracting opportunities in construction, goods and services, either as direct contractors or as subcontractors. More than 50 exhibitors participated.
- Student choirs and musicians from the Authority's partner schools entertained passengers at both Reagan National and Washington Dulles over the holidays. Participants included Potomac High School Concert Choir from Prince George's County, Maryland; Carl Sandburg Middle School Orchestra and Choir from Fairfax County, Virginia; and Stone Bridge High School Jazz Band and Jazz Choir from Loudoun County, Virginia.
- Students from Carl Sandburg Middle School in Fairfax County assisted the Authority in publicizing energy conservation goals with a poster art competition at Reagan National. More than 100 students participated and were recognized at an airport reception. This project was so successful in raising awareness of the need to conserve energy that it will be repeated in 2005.

OPERATIONS



Source: Metropolitan Washington Airports Authority
 Note: Regional includes General Aviation and Military Traffic

	DULLES		NATIONAL	
AIR CARRIER	232,112	281,662	139,343	154,432
REGIONAL	103,285	187,972	111,459	114,124
	335,397	469,634	250,802	268,556

STATISTICAL HIGHLIGHTS

PASSENGERS



	DULLES		NATIONAL	
DOMESTIC	12,928,047	18,213,886	13,960,612	15,630,430
INTERNATIONAL / TRANSBORDER	4,022,334	4,654,996	262,511	313,429
	16,950,381	22,868,882	14,223,123	15,943,859

CARGO AT DULLES (metric tonnes)

	2003	2004
DOMESTIC FREIGHT	149,424	154,061
INTERNATIONAL / TRANSBORDER FREIGHT	118,093	139,125
	267,517	293,186

BOARD OF DIRECTORS



Norman M. Glasgow, Jr., Chairman during 2004, is a Partner in the law firm of Holland & Knight LLP, specializing in general real estate, particularly zoning, land use, building code and historic preservation law. He served previously as Vice Chairman, Chairman of the Planning Committee, and Chairman of the Finance Committee. He is a member of the Executive Committee of the Federal City Council and the Greater Washington Board of Trade. (Maryland)

Mame Reiley, Chairman since January 2005 and Vice Chairman during 2004, serves as Governor Mark Warner's political advisor and heads OneVirginia, the Governor's political action committee. Previously she headed PGI Washington, an events and communications agency. She has also served as Chief of Staff to Representative Jim Moran (D-VA) and a staff member of the House Committee on Appropriations. (Virginia)

The Honorable H.R. Crawford, Vice Chairman since January 2005, and Chairman of the Business Administration Committee, is the President of Crawford Edgewood Managers, Inc., a real estate firm that develops and manages residential properties throughout the District of Columbia. He was an Assistant Secretary of Housing and Urban Development from 1973 to 1976, and a member of the Greater Washington Council of Governments for three terms, serving as both President and Chairman. From 1980 to 1992, he represented Ward 7 as a Member of the Council of the District of Columbia, where he chaired several Committees. He is a member of the Executive Committee of the Federal City Council, and currently serves on the boards of Gilda's Club Greater Washington and the national Alzheimer's Association. (District of Columbia)

Robert Clarke Brown is a consultant and capital markets advisor to the U.S. Department of Transportation. From June 2000 through October 2003 he served as Chairman of the Finance Committee. He was previously the Managing Director of Public Finance at Key Capital Markets, the investment banking subsidiary of KeyCorp, a bank holding company based in Cleveland, Ohio, and a senior investment banker at Lehman Brothers. He has served as Ohio's Assistant Director of Transportation and as counsel to two Congressional investigating committees. (United States)

Anne Crossman is the President of Completed Systems, Inc., a software development firm she founded in 1996. She serves on the boards of the Leukemia and Lymphoma Society, the Northern Virginia Technology Council, and the Fairfax Chamber of Commerce. She was named 1998 Bloomingdale's Woman of the Year, and co-founded MindShare, the NVTC Anti-Establishment Awards, and the Board of Trade's CIO Forum. (Virginia)

Mamadi Diané is the President/Chief Executive Officer and founder of AMEX International. He is active in the planning, promotion, development and management of several business enterprises in the U.S., Europe and Africa, as well as worldwide import and export trade of agricultural and manufactured goods. He is currently a member of the U.S. Industry Policy Board and serves on the boards of a number of international finance, insurance and export/import companies. (District of Columbia)

The Honorable John Paul Hammerschmidt represented the Third District of Arkansas in the House of Representatives from 1967 to 1993, and retired from the Congress as the ranking Republican Member of the Committee on Public Works and Transportation. He is active in public and private enterprises in Arkansas, currently serving on the boards of several corporations, as well as Arkansas State University and the University of the Ozarks at Clarksville. He was a decorated combat pilot in World War II, awarded the Distinguished Flying Cross four times, and has been awarded the highest honors by eight national veterans service organizations. (United States)

William A. Hazel, Chairman of the Planning Committee, is the Chairman of the Board of William A. Hazel, Inc., a total site development contractor. He currently serves on several Boards of Directors including the Virginia Literacy Foundation and the Washington Airports Task Force. He is a past member of the Board of Visitors for the Virginia Military Institute and a former Trustee of the Virginia Foundation for Independent Colleges. (Virginia)

Weldon H. Latham, Chairman of the Legal Committee, is a Partner in the law firm of Davis Wright Tremaine LLP and Chair of the firm's Corporate Diversity Counseling Group advising Fortune 200 CEOs, General Counsel and other senior executives faced with various diversity issues and disputes. He served as Assistant General Counsel, Office of Management and Budget during the Ford Administration, and as General Deputy Assistant Secretary of the Department of Housing and Urban Development during the Carter Administration. He chairs the Deloitte & Touche Diversity Advisory Board, serves on the Corporate Advisory Council of the Congressional Black Caucus Foundation, is a member of the Economic Club of Washington, and adjunct Professor at the Georgetown University Law Center. (Maryland)

David T. Ralston, Jr., Chairman of the Finance Committee during 2004, was Chairman of the Authority from 1997 through 2000, and Vice Chairman in 2003. He is a Partner in the law firm of Foley & Lardner, LLP, where he is co-chair of the firm's Washington litigation department. He specializes in government contracts, civil and aviation litigation. He is a member of the Greater Washington Board of Trade, and served on the Virginia Debt Capacity Advisory Committee. (Virginia)

Charles D. Snelling is an inventor, the holder of 18 patents, a venture capitalist, a real estate developer and an independent businessman. He has founded a number of businesses, most of them hi-tech. He now serves on the boards of Cedar Crest College and the Athenaeum of Philadelphia, is a member of the Council and Past President of the Pennsylvania Society, is a member of the Board and Past President of the Antique Boat Museum, and is a member of the Republican State Committee of Pennsylvania. He has served on many boards, including the Allentown, [Pennsylvania] City Council (President), the Allentown Art Museum, the Lehigh Valley Hospital, the Lehigh Valley International Airport, and the Lehigh Valley United Way. (United States)

The Honorable David G. Speck is a Managing Director for Investments at Wachovia Securities. He served as a member of the Alexandria City Council from 1991-1994 and 1996-2003, and as a member of the Virginia House of Delegates from 1980-1982. Mr. Speck serves as Regional Chairman of the Sorensen Institute for Political Leadership at the University of Virginia, is a founding trustee of the Robert S. Rixse Foundation, and is a director of Carpenter's Shelter and the Northern Virginia Conservation Trust. (Virginia)

Jeffrey Earl Thompson, Chairman of the Audit Committee during 2004, is the Founder, President and CEO of Thompson, Cobb, Bazilio & Associates, P.C., one of the largest minority-owned accounting, management, information technology and financial consulting firms with headquarters in Washington, D.C. The firm has a major specialization in asset securitization, financial management systems and management accounting services. Mr. Thompson is also Owner, Chairman and CEO of DC Healthcare Systems, Inc., and DC Chartered Health Plan, Inc., the largest minority-owned HMO in the D.C. area. (District of Columbia)



Norman M. Glasgow, Jr.



Mame Reiley



The Honorable
H.R. Crawford



Robert Clarke Brown



Anne Crossman



Mamadi Diané



The Honorable John
Paul Hammerschmidt



William A. Hazel



Weldon H. Latham



David T. Ralston, Jr.



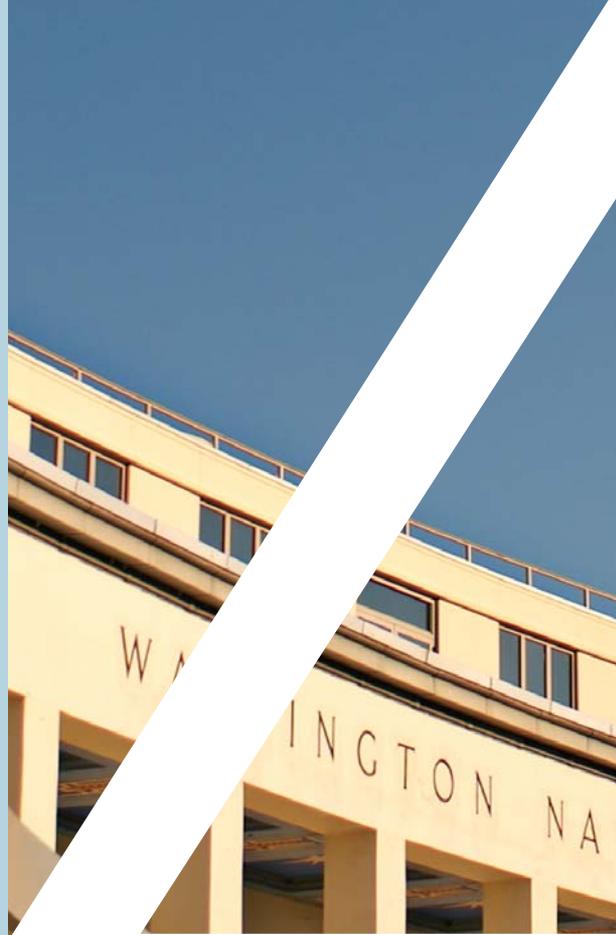
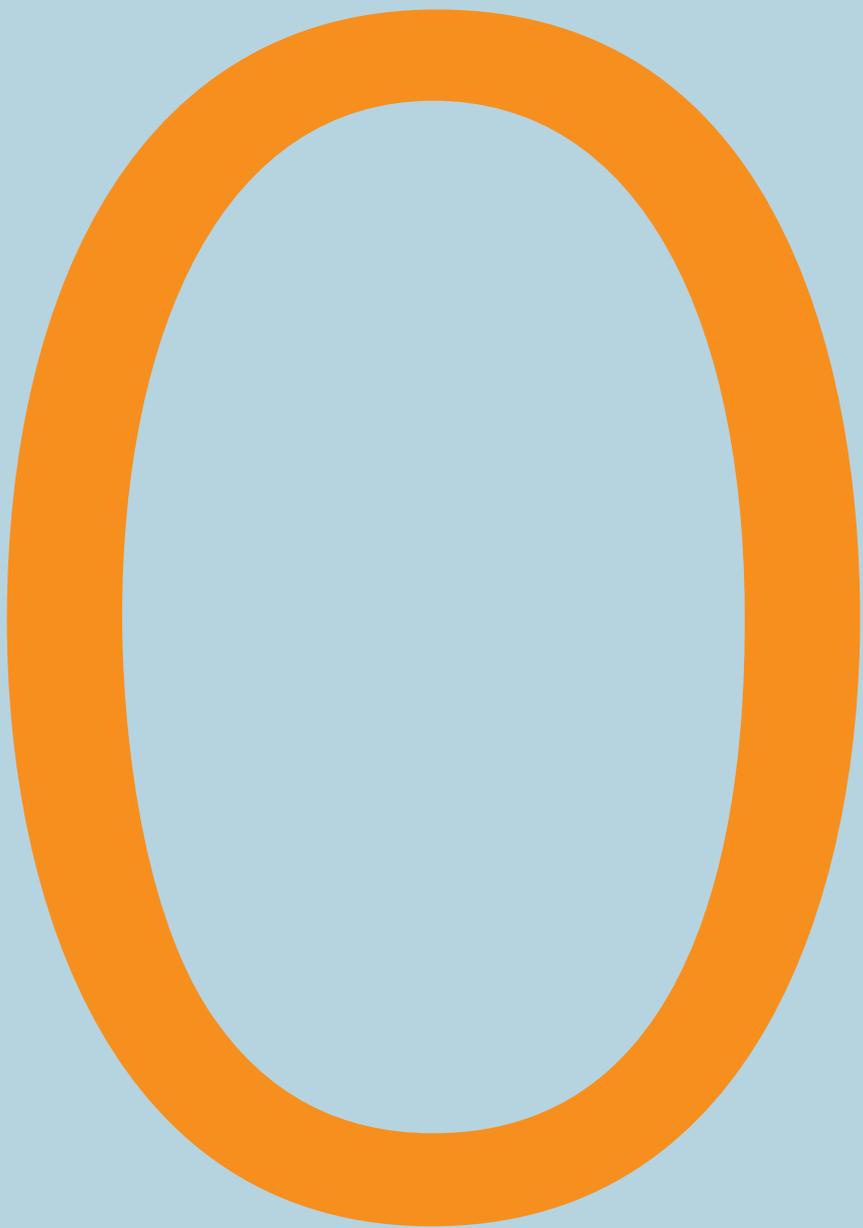
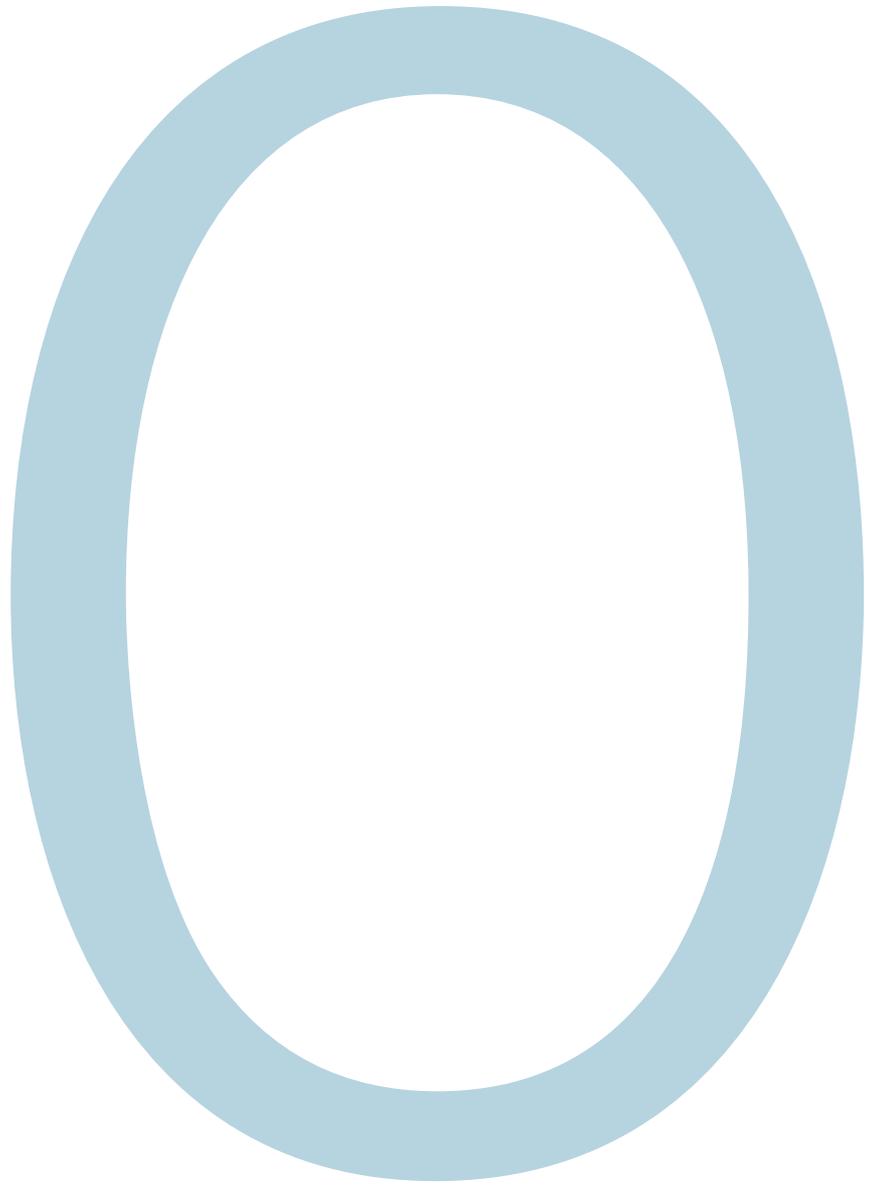
Charles D. Snelling



The Honorable
David G. Speck



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