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FOR IMMEDIATE RELEASE

LARGEST PPP TRANSACTION IN AUSTRALIA INCLUDES FGIC GUARANTY

January 10, 2007 – New York, NY – FGIC Corporation, the parent company of Financial Guaranty Insurance Company, announced today that FGIC has guaranteed 50% of both the senior and junior debt issued by Reliance Rail Finance Pty Limited (Reliance Rail) for the design, manufacturing and maintenance of railway cars to be used in Sydney and New South Wales. The Reliance Rail deal is believed to be the largest public/private partnership (PPP) transaction undertaken yet in Australia, as well as the largest passenger train order in Australia. The deal closed on December 7, 2006.

The total transaction size was A\$ 2.4 billion, with the FGIC-insured portion equaling A\$ 1.13 billion. ABN Amro Australia Pty Limited and Babcock & Brown Australia Pty Limited acted as joint financial advisors to Reliance Rail.

“Reliance Rail’s winning solution was characterised by the highest levels of technical compliance, a proven train design of world-class standards, a well-developed delivery strategy and a strong track record of working with RailCorp to provide unrivalled train reliability for the network,” Reliance Rail Project Director Greg Pauline said.

“For the debt markets in general, this transaction proves both the wide applicability of the PPP model, as well as the vibrancy of the Australian market,” said Robert Velins, Managing Director for Structured Finance in FGIC’s London office. “We were pleased to help facilitate the rapid execution of such a landmark deal.”

Company Profile

FGIC Corporation is an insurance holding company whose wholly owned subsidiary, Financial Guaranty Insurance Company, provides credit enhancement on public finance and structured finance securities in the U.S. and internationally. Established in 1983, FGIC is one of the four leading monoline financial guarantors. FGIC typically guarantees the scheduled payments of principal and interest on an issuer’s obligation. FGIC’s financial strength is rated triple-A by Moody’s Investors Service, Standard & Poor’s and Fitch Ratings.

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