



ANNUAL FINANCIAL INFORMATION
for the Fiscal Year Ended June 30, 2010

Relating to:

DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES
(LOS ANGELES INTERNATIONAL AIRPORT)

\$32,450,000 Revenue Bonds 2002 Series A

\$103,625,000 Refunding Revenue Bonds 2003 Series B

\$602,075,000 Senior Revenue Bonds 2008 Series A (AMT)

\$7,875,000 Senior Refunding Revenue Bonds 2008 Series B (AMT)

\$243,350,000 Subordinate Revenue Bonds 2008 Series C (Non-AMT)

\$310,410,000 Senior Revenue Bonds 2009 Series A

\$307,350,000 Subordinate Revenue Bonds 2009 Series C (Federally Taxable – Build America Bonds – Direct
Payment to Issuer)

\$31,815,000 Subordinate Revenue Bonds 2009 Series D

\$39,750,000 Subordinate Refunding Revenue Bonds 2009 Series E

\$930,155,000 Senior Revenue Bonds 2010 Series A (Non-AMT)

\$134,680,000 Subordinate Revenue Bonds 2010 Series B (Non-AMT)

\$59,360,000 Subordinate Revenue Bonds 2010 Series C (Federally Taxable – Build America Bonds – Direct
Payment to Issuer)

\$875,805,000 Senior Revenue Bonds 2010 Series D (Non-AMT)

Dated as of:

December 27, 2010

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INTRODUCTION

This Annual Financial Information (this “Report”), including the cover page, is being furnished by the Department of Airports of the City of Los Angeles (the “Department”) to provide updated financial and operating information of the Department of the type included in the final official statements for the:

- \$32,450,000 aggregate principal amount of Los Angeles International Airport Revenue Bonds 2002 Series A (the “2002A Bonds”);
- \$103,625,000 aggregate principal amount of Los Angeles International Airport Refunding Revenue Bonds 2003 Series B (the “2003B Bonds”);
- \$602,075,000 aggregate principal amount of Los Angeles International Airport Senior Revenue Bonds 2008 Series A (AMT) (the “2008A Bonds”);
- \$7,875,000 aggregate principal amount of Los Angeles International Airport Senior Refunding Revenue Bonds 2008 Series B (AMT) (the “2008B Bonds”);
- \$243,350,000 aggregate principal amount of Los Angeles International Airport Subordinate Revenue Bonds 2008 Series C (Non-AMT) (the “2008C Bonds”);
- \$310,410,000 aggregate principal amount of Los Angeles International Airport Senior Revenue Bonds 2009 Series A (the “2009A Bonds”);
- \$307,350,000 aggregate principal amount of Los Angeles International Airport Subordinate Revenue Bonds 2009 Series C (Federally Taxable – Build America Bonds – Direct Payment to Issuer) (the “2009C Bonds”);
- \$31,815,000 aggregate principal amount of Los Angeles International Airport Subordinate Revenue Bonds 2009 Series D (the “2009D Bonds”);
- \$39,750,000 aggregate principal amount of Los Angeles International Airport Subordinate Refunding Revenue Bonds 2009 Series E (the “2009E Bonds”);
- \$930,155,000 aggregate principal amount of Los Angeles International Airport Senior Revenue Bonds 2010 Series A (Non-AMT) (the “2010A Bonds”);
- \$134,680,000 aggregate principal amount of Los Angeles International Airport Subordinate Revenue Bonds 2010 Series B (Non-AMT) (the “2010B Bonds”);
- \$59,360,000 aggregate principal amount of Los Angeles International Airport Subordinate Revenue Bonds 2010 Series C (Federally Taxable – Build America Bonds – Direct Payment to Issuer) (the “2010C Bonds” and, together with the 2010B Bonds, the “2010BC Bonds”);
- \$875,805,000 aggregate principal amount of Los Angeles International Airport Senior Revenue Bonds 2010 Series D (Non-AMT) (the “2010D Bonds” and, together with the 2002A Bonds, the 2003B Bonds, the 2008A Bonds, the 2008B Bonds, the 2009A Bonds, the 2009C Bonds, the 2009D Bonds, the 2009E Bonds, the 2010A Bonds and the 2010BC Bonds, the “Bonds”).

This Report is provided pursuant to covenants made by the Department in connection with the issuance of the Bonds pursuant to (i) that certain continuing disclosure certificate dated December 19, 2002 executed in connection with the issuance of the 2002A Bonds, (ii) that certain continuing disclosure certificate dated May 7, 2003 executed in connection with the issuance of the 2003B Bonds, (iii) that certain continuing disclosure certificate dated August 6, 2008 executed in connection with the issuance of the 2008 Bonds, (iv) that certain continuing disclosure certificate dated December 3, 2009 executed in connection with the issuance of the 2009 Bonds, (v) that certain continuing disclosure certificate dated April 8, 2010 executed in connection with the issuance of the 2010A Bonds, (vi) that certain continuing disclosure certificate dated November 4, 2010 executed in connection with the issuance of the 2010BC Bonds and (vii) that certain continuing disclosure certificate dated November 30, 2010 executed in connection with the issuance of the 2010D Bonds (collectively, the “Continuing Disclosure Certificates”).

Official Statements and Prior Reports

For further information and a more complete description of the Department, the City of Los Angeles (the “City”) and the Bonds, reference is made to (i) the Official Statement for the 2002A Bonds dated December 12, 2002 (the “2002A Official Statement”), (ii) the Official Statement for the 2003B Bonds dated April 22, 2003 (the “2003B Official Statement”), (iii) the Official Statement for the 2008 Bonds dated July 23, 2008 (the “2008 Official Statement”), (iv) the Official Statement for the 2009 Bonds dated November 18, 2009 (the “2009 Official Statement”), (v) the Official Statement for the 2010A Bonds dated March 24, 2010 (the “2010A Official Statement”), (vi) the Official Statement for the 2010BC Bonds dated October 28, 2010 (the “2010BC Official Statement”), (vii) the Official Statement for the 2010D Bonds dated November 10, 2010 (the “2010D Official Statement” and, together with the 2002A Official Statement, 2003B Official Statement, 2008 Official Statement, 2009 Official Statement, 2010A Official Statement and 2010BC Official Statement, the “Official Statements”) and (viii) the Department’s previous reports of annual financial information, beginning with the report for the Fiscal Year ended June 30, 2003 (the “Prior Reports”), all of which speak only as of their respective dates. Capitalized terms used but not defined in this Report have the meanings given to them in the Official Statements.

Disclaimers

To the extent the Department provides information in this Report that the Department is not obligated to present or update, the Department is not obligated to present or update such information in future reports of annual financial information. Except as set forth in this Report, the Department has not updated any information contained in the Prior Reports.

Investors are advised to refer to the Official Statements for information concerning the initial issuance of and security for the Bonds. THE BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OF THE CITY, THE STATE OF CALIFORNIA (THE “STATE”) OR ANY POLITICAL SUBDIVISION OF THE STATE WITHIN THE MEANING OF ANY CONSTITUTION, CHARTER OR STATUTORY LIMITATION OF THE CITY OR THE STATE. NEITHER THE FAITH AND THE CREDIT NOR THE TAXING POWER OF THE CITY, THE STATE OR ANY PUBLIC AGENCY, OTHER THAN THE DEPARTMENT, TO THE EXTENT DESCRIBED IN THE OFFICIAL STATEMENTS, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. THE DEPARTMENT HAS NO POWER OF TAXATION. NO OBLIGATION ISSUED OR INCURRED BY THE DEPARTMENT UNDER THE INDENTURE SHALL CONSTITUTE OR EVIDENCE AN INDEBTEDNESS OF THE CITY OR A LIEN OR CHARGE ON ANY PROPERTY OR THE GENERAL REVENUES OF THE CITY, BUT SHALL CONSTITUTE AND EVIDENCE AN OBLIGATION OF THE DEPARTMENT PAYABLE ONLY AS DESCRIBED IN THE OFFICIAL STATEMENTS. NONE OF THE PROPERTIES OF THE AIRPORT SYSTEM IS SUBJECT TO ANY MORTGAGE OR OTHER LIEN FOR THE BENEFIT OF THE OWNERS OF THE BONDS. THE DEPARTMENT IS UNDER NO OBLIGATION TO PAY THE BONDS, EXCEPT AS DESCRIBED IN THE OFFICIAL STATEMENTS.

By providing the information in this Report, the Department does not imply or represent (a) that all information provided in this Report is material to investors’ decisions regarding investment in the Bonds, (b) the completeness or accuracy of any financial, operational, or other information not included in this Report or in the Official Statements (except as such material may be incorporated in this Report), (c) that no changes, circumstances or events have occurred since the dated date of the information provided or incorporated in this Report (other than as contained in this Report) or (d) that no other information exists which may have a bearing on the Department’s financial condition, the security for the Bonds or an investor’s decision to buy, sell or hold the Bonds.

The information set forth in this Report and incorporated hereby has been furnished by the Department and is believed to be accurate and reliable but is not guaranteed as to accuracy or completeness. Statements contained in or incorporated by this Report which involve estimates, forecasts or other matters of opinion, whether or not expressly so described in this Report, are intended solely as such and are not to be construed as representations of fact. Further, expressions of opinion contained in this Report or incorporated hereby are subject to change without notice and the delivery of this Report will not, under any circumstances, create any implication that there has been no change in the affairs of the Department.

No statement contained in this Report should be construed as a prediction or representation about future financial performance of the Department. Historical results presented in this Report may not be indicative of future operating results.

DISCUSSION OF EVENTS

Listed Events

Since the date of the 2010D Official Statement, the Department hereby reports no events with respect to the Bonds that are referred to in Section 3(a) of the Continuing Disclosure Certificates:

- principal and interest payment delinquencies;
- non-payment related defaults;
- modifications to rights of bond holders;
- bond calls;
- defeasances;
- rating changes;
- adverse tax opinions or events adversely affecting the tax exempt status of the Bonds;
- unscheduled draws on debt service reserves relating to financial difficulties;
- unscheduled draws on credit enhancements reflecting financial difficulties;
- substitution of credit or liquidity providers, or any failure by any credit or liquidity provider to perform; or
- release, substitution or sale of property securing repayment of the Bonds.

Recent Events

On December 2, 2010, Alan I. Rothenberg, the President of the Board of Airport Commissioners (the “Board”), tendered his resignation. The Charter of the City of Los Angeles (the “Charter”) requires that, within 45 days of a vacancy, the Mayor of the City (the “Mayor”) shall submit to the City Council for its approval the name of the Mayor’s appointee to serve for the remainder of the unexpired term created by the vacancy. The Charter provides that the Board elects one of its members as President.

FURTHER INFORMATION

For further information regarding this Report, please address your questions to:

City of Los Angeles
Department of Airports
P.O. Box 92216
Los Angeles, CA 90009-2216
Attn: Ryan Yakubik, Director of Capital Development
& Budget
(424) 646-5251

FINANCIAL AND OPERATING INFORMATION

The 2010D Official Statement has been filed with the Municipal Securities Rulemaking Board on its Electronic Municipal Market Access website and may be obtained at www.emma.msrb.org.

Except as provided in this Report, the financial and operating information required to be included in this Report pursuant to the Continuing Disclosure Certificates for the Fiscal Year ended June 30, 2010 may be found in the 2010D Official Statement. The following tables included in the 2010D Official Statement are incorporated in this Report by reference:

1. TABLE 1 – DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES - LOS ANGELES INTERNATIONAL AIRPORT - EXISTING SENIOR BONDS
2. TABLE 2 – DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES - LOS ANGELES INTERNATIONAL AIRPORT - EXISTING SUBORDINATE BONDS AND SUBORDINATE COMMERCIAL PAPER NOTES
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Cargo Traffic

The following chart provides information concerning cargo traffic data over the last ten Fiscal Years.

DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES
LOS ANGELES INTERNATIONAL AIRPORT
AIR CARGO ON AND OFF*
(TONS)

Fiscal Year	Total Freight	Total Mail	Total Cargo
2001	1,905,916	239,146	2,145,062
2002	1,761,336	121,055	1,882,391
2003	1,927,650	89,107	2,016,758
2004	1,969,879	91,960	2,061,840
2005	2,042,865	93,508	2,136,373
2006	2,033,124	84,040	2,117,164
2007	2,009,419	72,214	2,081,633
2008	1,900,589	72,139	1,972,728
2009	1,552,568	62,731	1,615,299
2010	1,789,725	69,528	1,859,253

* Shown as Table 11 in the Official Statement for the 2002A Bonds and Table 12 in the Official Statement for the 2003B Bonds.

Source: Department of Airports of the City of Los Angeles, California.

AUDITED FINANCIAL STATEMENTS

The Los Angeles World Airports (Department of Airports of The City of Los Angeles, California) Los Angeles International Airport Financial Statements for the Fiscal Year Ended June 30, 2010 and 2009 (With Independent Auditors' Report Thereon) are not complete as of the date of this Report and will be filed when complete.


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CERTIFICATION

The undersigned hereby states and certifies that:

1. I am the duly appointed, qualified, and acting Chief Operating Officer of the Department, familiar with the facts herein certified, and I am authorized to certify the same on behalf of the Department.
2. The execution and delivery of this Report to the Municipal Securities Rulemaking Board have been duly authorized by the Department.
3. This certification is being provided in connection with this Report being delivered by the Department pursuant to the Continuing Disclosure Certificates.
4. The statements and information contained in this Report are true, correct and complete in all material respects and, as of the date hereof, this Report does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

THE DEPARTMENT OF AIRPORTS OF THE CITY
OF LOS ANGELES

By: 
Name: Stephen C. Martin
Its: Chief Operating Officer