



BRADLEY
INTERNATIONAL

NOON BDL
ANNUAL REPORT
GOING PLACES TOGETHER





Bradley International Airport saw many long-awaited plans come to fruition in 2007, and no one can better appreciate the Airport's success than the people who make it all possible. Over 5,000 employees comprise the Bradley Airport Community – the smiling faces that greet each customer, the tireless maintenance crews who keep the

runways free of snow in the winter and safe in the summer, baggage handlers, security personnel – each and every one helping travelers reach their destinations. Bradley Airport's dedicated employees are the backbone of the organization, and for that reason, the 2007 Annual Report is a tribute to them.



Safe, efficient and convenient travel through Bradley International Airport would not be possible without the hard work, commitment and enthusiasm of the entire Airport Community. As such, the Bradley Board of Directors would like to take this opportunity to thank all the employees who assisted in making 2007 an exceptional and exciting year.

On July 1, 2007, we welcomed the Airport's first transatlantic nonstop service to Amsterdam, connecting our customers to a great destination and to cities throughout the world. This ended the need for travelers to endure the hassle and expense of international travel via Boston or New York. Additionally, in September, ground was broken for the new \$10 million Embraer Aircraft Maintenance facility. When completed in 2008, the facility will no doubt please the business community.

However, we understand that simply offering travelers greater flight options is not enough, which is why a Customer Enhancement Program was put into effect. Monthly live entertainment, comfortable seating areas, flat screen televisions and several rocking chairs all contribute to a pleasant atmosphere while spending time at the Airport. Behind the scenes, Bradley Airport Administration has worked closely with the Transportation Security Administration to shorten security wait times at the checkpoints, allowing our customers a more relaxed experience before boarding. On a daily basis, Bradley employees strive to serve the public in every possible way.

Bradley International Airport remains financially healthy with an underlying rating of A2 from Moody's and A from Standard and Poor's and Fitch Ratings. As the U.S. faces a slowing economy, we will continue to take a proactive approach by reducing the operating budget, lowering rates and charges, refocusing the Capital Plan, expanding the service area and aggressively marketing the Airport's services. From an economic development perspective, the Airport continues to support \$4 billion in activity in the State of Connecticut and the surrounding region, representing \$1.2 billion in wages and 18,000 full-time jobs.

Together we've made 2007 a great year, and we look forward to the challenges and successes of 2008, and beyond.

Sincerely,

L. Scott Frantz
Chairman



Board members (left to right): Ralph J. Carpenter (Commissioner DOT), Kevin Kelleher, Joan McDonald (Commissioner DECD) David Kilbon, Richard Crane, L. Scott Frantz (Chairman Bradley Board), Michael Long (Vice Chairman Bradley Board)







Reaching across the Pond. On July 1, 2007, the Bradley Board of Directors, the Connecticut Department of Transportation and the Bradley Marketing Team accomplished a feat never before seen at Bradley Airport – the launch of the airport’s first-ever transatlantic flight. The Northwest Airlines/KLM nonstop flight to Amsterdam departed Bradley amid a vibrant international press party that celebrated Connecticut’s new connection not only to the Netherlands, but to 79 cities throughout Europe, the Middle East and Africa.

Being recognized. Perhaps the finest tribute to the Bradley Airport Community this year was a distinctive ranking awarded by JD Power and Associates. The organization voted Bradley a Top Five Airport for Customer Service. JD Power and Associates’ top rating solidified Bradley Airport’s reputation for customer service excellence. To announce Bradley’s high rating, and in appreciation of the Community, a whimsical customer service guide entitled “The Bradley International Airport Book of Helpful Tips” was produced by the Marketing Team and distributed to all employees. The guide thanked all for their hard work and dedication, and encouraged employees to “keep on shining.”

Breaking new ground. In early Fall, Embraer broke ground on a new executive jet service center, located on the west side of Bradley Airport. The new facility, scheduled for completion in 2008, will be dedicated to full-service maintenance for Embraer’s Phenom 100, Phenom 300 and Legacy 600 Executive Jets. The \$10 million facility will be 45,000 square feet and is expected to create approximately 60 jobs over the next five years.

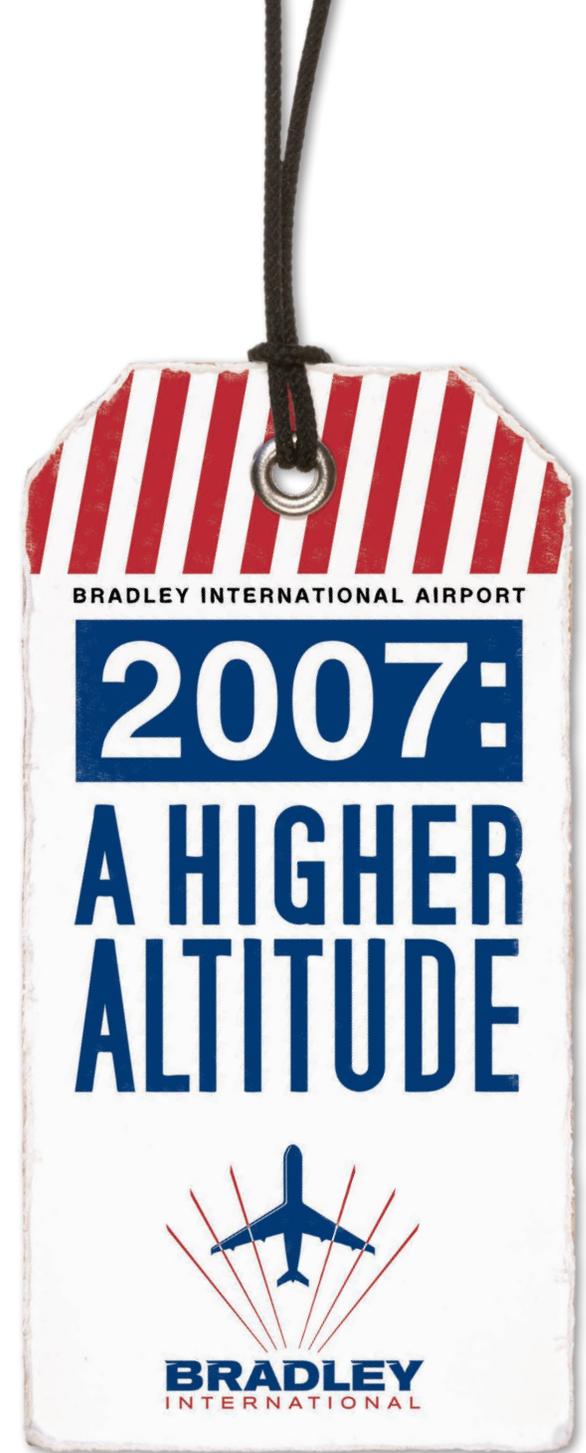
Welcoming a special tourist. In October, the Bradley Airport Community welcomed the Airbus A380, the world’s largest passenger airplane. The 239-foot-long A380 spent the night at Bradley as part of a U.S. tour designed to prepare the craft for integration into U.S. service. Tours were given to invited guests to view the aircraft.



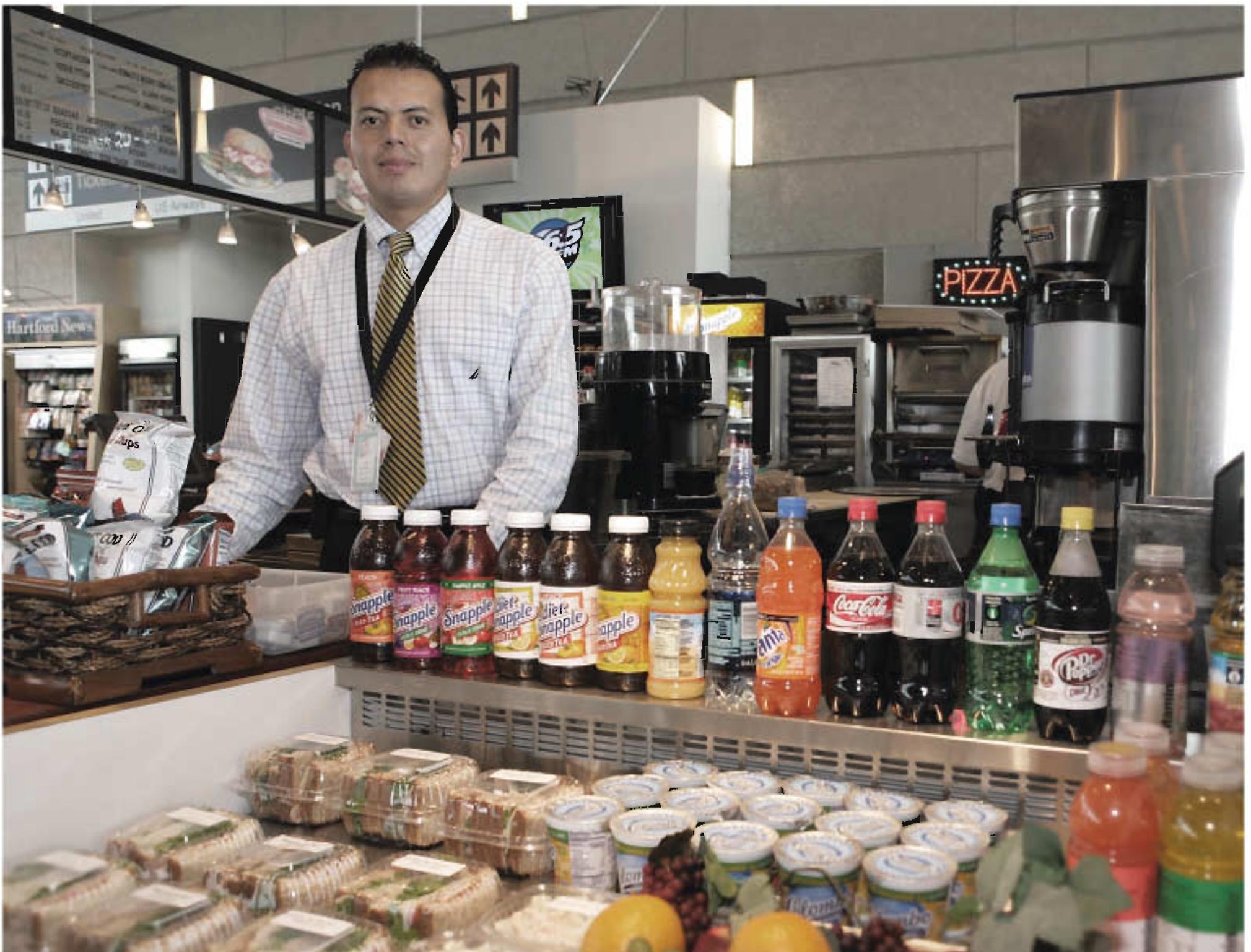
Making changes – the green way. In 2007, Bradley entered into a five-year contract with Inland Technologies. Inland Technologies processes spent deicing fluid from aircraft during the winter season. The procedure of capturing the spent deicing liquid is required by law. After Bradley Airport's collection system captures the spent fluid, the wastewater portion is processed and filtered and is sent to the Connecticut Metropolitan District (MDC) by Inland Technologies. The product derived from the processed fluid is then sold to companies that manufacture windshield wiper fluid, deicing fluid and other products. For the deicing recovery program, Bradley Airport received a Green Circle Award from the Connecticut DEP for environmental excellence.

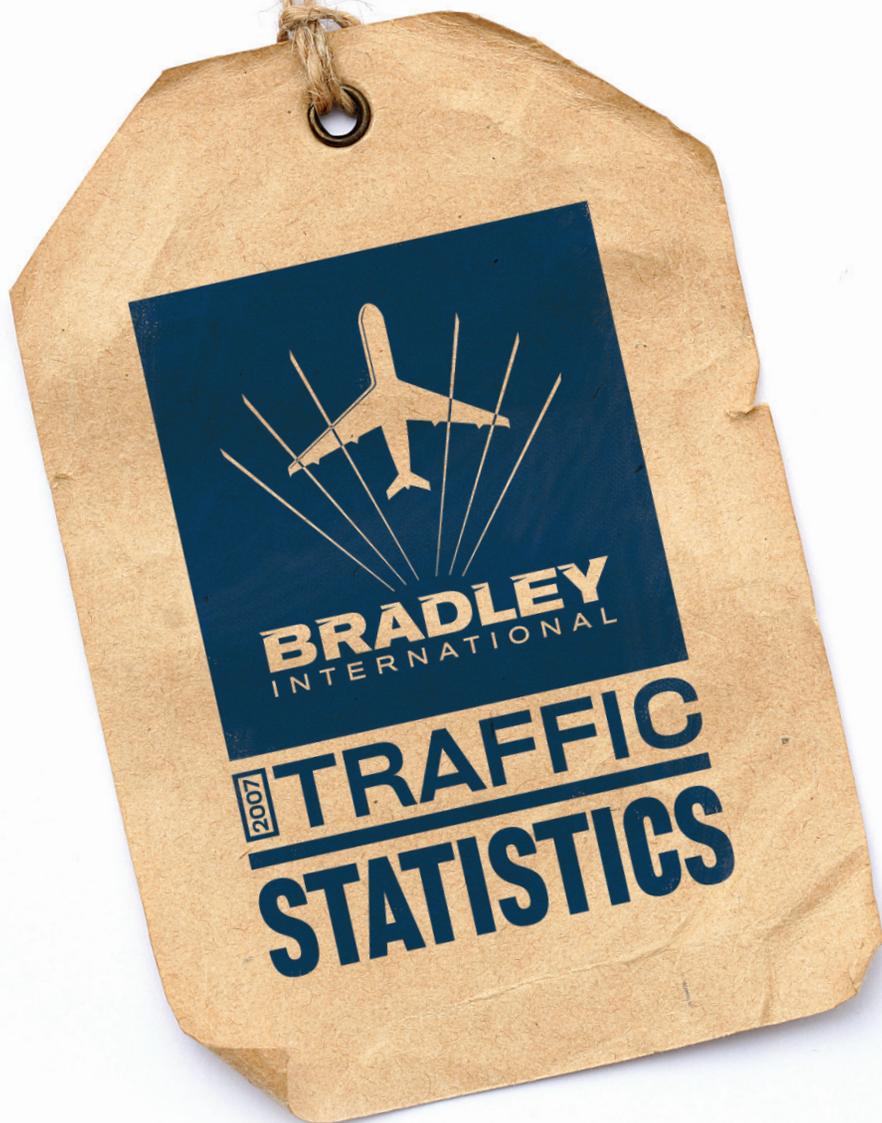
Working for the community. Each year, Bradley gets involved in local projects and events to demonstrate its support for the community.

- Bradley Family Day, Inc. – an organization that partners with local businesses to raise money for Paul Newman's The Hole in the Wall Gang Camp, which provides a summer camping experience for seriously ill children.
- Residential Sound Insulation Program (RSIP) – an ongoing noise abatement project designed to evaluate what steps need to be taken for effective sound insulation in local residences.
- Connecticut Honor Flight – On September 15, the airport partnered with the non-profit organization American Warrior to honor Connecticut WWII veterans. Donations were collected by the American Warrior organization to provide funding for a special flight for the veterans to Washington, D.C. to view the WWII Memorial. Upon arrival in Washington, veterans were greeted by a cheering crowd with American flags and banners thanking them for their service.









2007 Total Passengers: 6,519,181

With over 20% excess capacity in the general domestic U.S. airline industry, Bradley International Airport was not spared the industry restructuring and carrier capacity reductions that were exercised by both the legacy and low cost carriers nationwide in 2007. Historically, in times of trouble, carriers withdraw to profitable core routes centered on hubs and large origin and destination markets and, at the same time, they tend to reduce frequencies in high frequency markets. Since fuel is a large component of most airlines' operating expenses, any spikes in fuel pricing usually end up impacting long-haul markets far worse than short-haul markets. In addition to all this, passenger demand in 2007 has been heavily impacted by economic uncertainty surrounding the industry.

At Bradley the number of available seats dropped by 8% in comparison to last year and fuel costs forced average domestic fares 6% higher. The combination of sharply higher fares and reduced capacity drove passenger numbers 5.6% lower than in 2006.

On the upside, this is also the year that Bradley commenced nonstop transatlantic service to Amsterdam and welcomed nonstop service to Denver. Even our legacy partners increased the frequency of flights to existing destinations, albeit on smaller aircraft. Bradley continues to serve 38 destinations nationwide with over 244 daily flights, including service to Puerto Rico and Canada.



The U.S. is confronting an uncertain economy, but at Bradley International Airport we are committed to collaborating with our airline and Airport partners in an effort to continue to facilitate joint successes moving forward. We are focused on positioning the Airport for the eventual industry upswing by our never ending pursuit of new airlines and new service, reducing our overall operating budget, refocusing our ongoing capital plan and by lowering our rates and charges. As the airport heads into 2008, it does so with a solid financial foundation and several promising projects and programs in place. Bradley's extensive modernization, including a sit down restaurant, retail stores, a consolidated security checkpoint and renovated gates, will be completed in 2008. The Bradley International Airport Community is primed and ready to rise to every challenge with renewed dedication to make New England's second largest airport the first choice for travelers.





Net Assets. The net assets of the Airport are summarized in Table 1. Net assets are a measurement of the financial condition of the Airport at one point in time. As indicated in Table 1, Airport net assets increased by \$8,860 in FY 2007. This is the result of an increase in total assets of \$7,902 and a reduction in total liabilities of \$958.

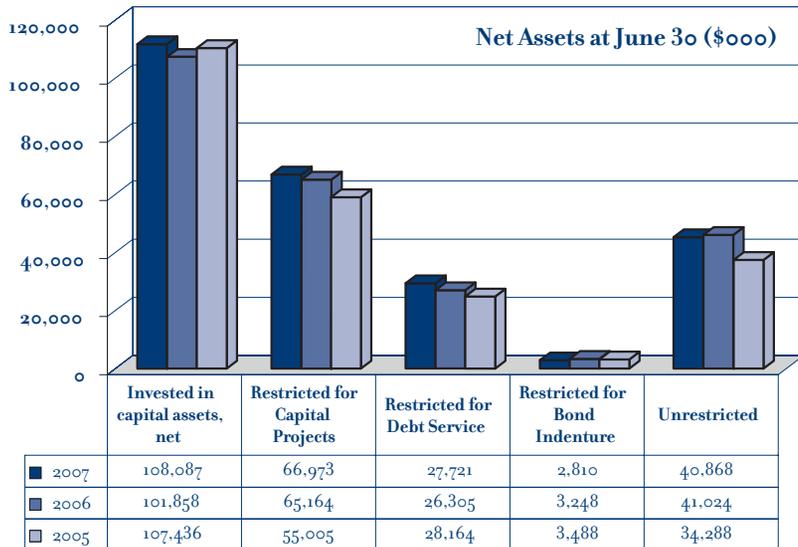
Table 1 also indicates that Bradley International Airport's assets exceeded its liabilities by \$246,459 as of June 30, 2007. These net assets include \$108,087 invested in capital assets net of related debt (an increase of 6.1%), unrestricted assets of \$40,868 (a decrease of 0.4%) and assets restricted for PFC and bond indenture purposes of \$97,504 (a 2.9% increase).

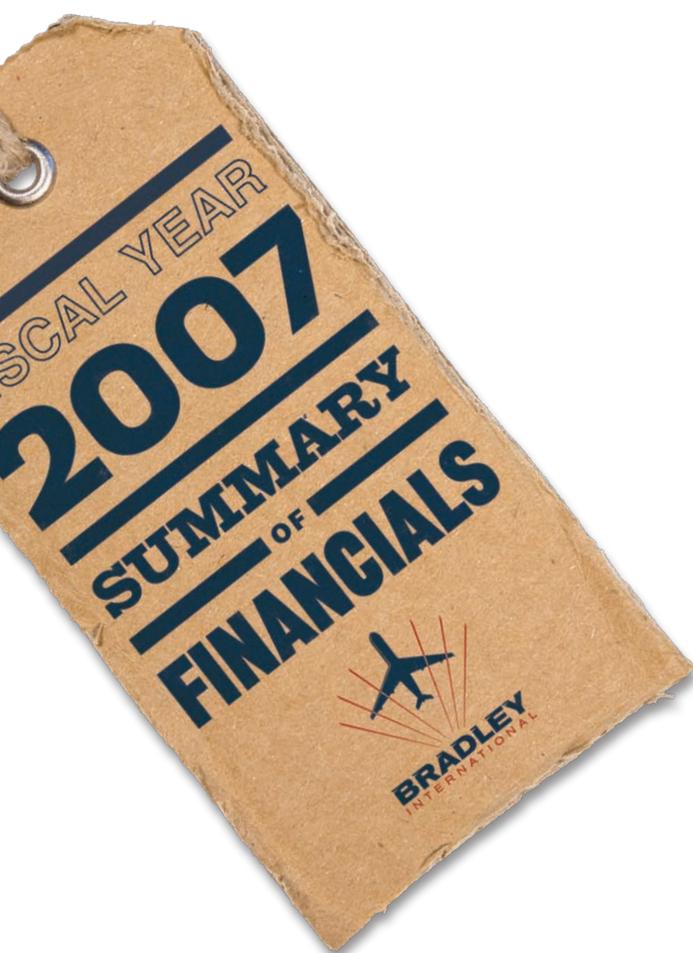
As of June 30, 2007, total revenue bonds payable less current maturities of \$208,402 equate to \$63.21 per enplaned passenger based on FY 2007 enplaned passengers of 3,297, a 5.4% increase from FY 2006 bonds payable of \$59.98 per enplaned passenger.

Table 1 - Statement of Net Assests

June 30, 2007, 2006 and 2005 (in thousands)

	2007	2006	2005	2007-2006	
				Change (\$)	Change (%)
ASSETS					
Current and other assets	\$ 177,151	\$ 172,986	\$ 170,839	\$ 4,165	2.4%
Net capital assets	307,237	303,500	308,536	3,737	1.2%
Total assets	484,388	476,486	479,375	7,902	1.7%
LIABILITIES					
Long-term debt outstanding	208,402	217,720	226,057	(9,318)	-4.3%
Other liabilities	29,527	21,167	24,937	8,360	39.5%
Total liabilities	237,929	238,887	250,994	(958)	-0.4%
NET ASSETS					
Invested in capital assets, net of debt	108,087	101,858	107,436	6,229	6.1%
Restricted	97,504	94,717	86,657	2,787	2.9%
Unrestricted	40,868	41,024	34,288	(156)	-0.4%
Total net assets	\$ 246,459	\$ 237,599	\$ 228,381	\$ 8,860	3.7%
NET ASSETS AT JUNE 30					
Invested in capital assets, net	\$ 108,087	\$ 101,858	\$ 107,436	\$ 6,229	6.1%
Restricted for Capital Projects	66,973	65,164	55,005	1,809	2.8%
Restricted for Debt Service	27,721	26,305	28,164	1,416	5.4%
Restricted for Bond Indenture	2,810	3,248	3,488	(438)	-13.5%
Unrestricted	40,868	41,024	34,288	(156)	-0.4%
Total net assets	\$ 246,459	\$ 237,599	\$ 228,381	\$ 8,860	3.7%





Changes in Net Assets. The increase in net assets shown in Table 1 was generated from the change in net assets shown in Table 2, Statement of Changes in Net Assets for the Year Ended June 30, 2007. Changes in net assets represent the results of operations of the Airport. The change in net assets for FY 2007 of \$8,860 represents a 3.9% decline from the prior year. The decline reflects a \$2,467 decline in operating income before depreciation and a \$321 increase in depreciation expenses, partially offset by a combined increase in net non-operating revenue and capital contributions of \$2,430. Capital contributions represent federal grants for approved capital projects that totaled \$3,536 for FY 2007.

Table 2 - Statement of revenues, expenses and changes in fund net assets

For the years end June 30, 2007, 2006 and 2005 (in thousands)

	2007	2006	2005	2007-2006	
				Change (\$)	Change (%)
OPERATING REVENUES					
Landing fees	\$ 8,181	\$ 7,914	\$ 10,893	\$ 267	3.4%
Airline terminal rent	10,704	10,219	9,479	485	4.7%
Apron and remote aircraft parking	4,039	3,124	4,035	915	29.3%
Auto parking	9,254	9,064	8,877	190	2.1%
Rental cars	7,515	7,338	6,483	177	2.4%
Terminal concessions	3,372	3,062	3,044	310	10.1%
Other concessions and operating revenue	4,799	4,942	4,846	(143)	-2.9%
Land rent	3,033	2,935	2,838	98	3.3%
Total operating revenues	50,897	48,598	50,495	2,299	4.7%
OPERATING EXPENSES					
Salaries and related expenses	15,140	13,010	12,794	2,130	16.4%
Contractual services	15,095	12,576	13,332	2,519	20.0%
Energy and utilities	6,570	6,699	5,120	(129)	-1.9%
Other operating expenses	1,831	1,585	1,403	246	15.5%
Operating expenses before depreciation	38,636	33,870	32,649	4,766	14.1%
Operating income before depreciation	12,261	14,728	17,846	(2,467)	-16.8%
Depreciation and amortization	17,924	17,603	17,553	321	1.8%
Operating income	(5,663)	(2,875)	293	(2,788)	97.0%
NON-OPERATING REVENUES (EXPENSES)					
Passenger facility charge revenue	13,599	14,658	14,676	(1,059)	-7.2%
Investment income	8,072	6,547	4,324	1,525	23.3%
Revenue bond interest expense	(10,684)	(11,151)	(11,357)	467	-4.2%
Net non-operating revenues	10,987	10,054	7,643	933	9.3%
Income before capital contributions	5,324	7,179	7,936	(1,855)	-25.8%
CAPITAL CONTRIBUTIONS					
Change in net assets	8,860	9,218	8,604	(358)	-3.9%
Total net assets, beginning of year	237,599	228,381	219,777	9,218	4.0%
Total net assets, end of year	\$ 246,459	\$ 237,599	\$ 228,381	\$ 8,860	3.7%



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