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**FGIC GUARANTEES FIRST PRIVATE POWER PROJECT FINANCING**

**June 1, 2005 - New York, NY** –Financial Guaranty Insurance Company announced that it has insured its first project finance bond offering for a privately owned power plant since establishing its Global Utilities Group in 2004. The \$56 million bond refinancing issued for American Consumer Industries Inc.'s Piney Creek LP is secured by the assets of a power plant in Western Pennsylvania. The plant is fueled by waste from coal mining operations in the region and sells power to the local utility.

The offering closed on May 11, 2005. The insured bonds have been rated triple-A by both Moody's Investors Service and Standard & Poor's, based upon the FGIC guaranty.

"We are delighted with this transaction," said Timothy S. Travers, Senior Managing Director, International & Global Utilities. "We're proud that FGIC not only insured a quality financing, but that this project will result in environmental benefits for the local communities by cleaning up waste coal piles that have been a source of pollution in Pennsylvania for decades".

Rob McLeese, President of American Consumer Industries Inc., commented: "We enjoyed working with the FGIC team, as well as the folks from the Pennsylvania Energy Development Authority and the Clarion County Industrial Development Authority. We were pleased to have extended the maturity of the bond financing and anticipate that our local team will continue to maintain safe and efficient operations for many years to come."

**Company Profile**

Financial Guaranty Insurance Company (FGIC), 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.