






Getting As Good As New



Fiscal Year 2005 Annual Report
Metropolitan Atlanta Rapid Transit Authority
Atlanta, Georgia



marta 
Rail System Map

- LEGEND**
-  North-South Rail Line
 -  East-West Rail Line
 -  Interstate Highways
 -  Half-Fare Offices
 -  RideStores
 -  Stations with free parking
 -  Stations with long-term and free parking



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BOARD OF DIRECTORS



Top row left to right: Harold Buckley, Sr. *DeKalb County*; Michael Walls, *City of Atlanta* (Chairman); Gloria Leonard, *City of Atlanta* (Secretary); Steve Stancil, *Ex-Officio State Representative*; Pat Upshaw-Monteith, *DeKalb County*; Bruce E. Le’Vell, *Gwinnett County*

Bottom row left to right: Edmund J. Wall, *DeKalb County* (Vice Chair); Clara H. Aham, *City of Atlanta*; Juanita Jones Abernathy, *City of Atlanta*; Marie R. Metze, *Fulton County*; George Glaze, *Clayton County*

Not pictured: Walter L. Kimbrough, *Fulton County* (Treasurer); J. Thomas Kilpatrick, *DeKalb County*; Mukesh “Mike” Patel, *DeKalb County*; *Ex-Officio State Representatives*: J. Ray Crawford, Jr., Bart L. Graham, Harold Linnenkohl

GENERAL OPERATING STATISTICS

Fiscal Year 2005 Ridership

Bus and Paratransit	71,401,846
Rail	70,984,053
Total Average Weekday	461,600

(as reported to Federal Transit Administration)

Service

- 9th Largest Transit System in the United States
- Service area comprised of Fulton County, DeKalb County and City of Atlanta
- Service population of 1,541,500
- 120 bus routes, including 5 Blue Flyer routes
- 25.38 million miles of Fixed Bus Service
- 22.77 million miles of Rail Car Service
- 38 rail stations
- 48 miles of track
- 9 major facilities
- 4,355 employees
(65% represented by ATU Local 732)

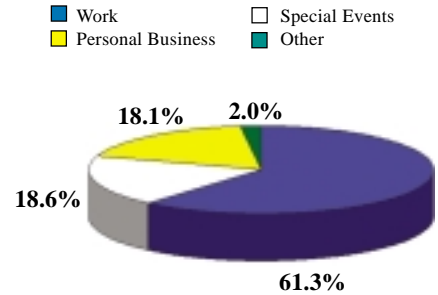
Revenue Fleet

- 556 Buses
(Compressed Natural Gas-441, Clean Diesel-145)
- 338 Rail Cars
- 110 Lift-Vans for Paratransit Service

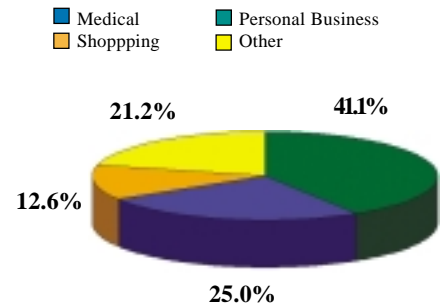
Assets and Budgets

Total Assets	\$4.7 billion
FY05 Operating Expenses	\$306.33 million
FY05 Capital Budget	\$445.8 million

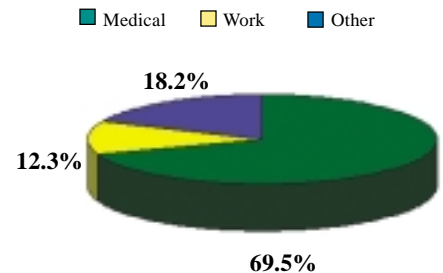
Trip Purpose of General Rider



Trip Purpose of Half-Fare Rider



Trip Purpose of Paratransit Rider





Letter from the General Manager/CEO

MARTA is “Getting as Good as New” for our customers, our employees, and our community. Aggressive, comprehensive projects are underway in every area of the Authority that will improve our service delivery, day-to-day business operations, and our customer’s overall experience. When complete, we will have built the MARTA of the future—one that will proudly provide quality, reliable, public transportation for decades to come.

In MARTA’s short history, we have become a way of life for thousands of metro Atlantans and an added attraction for visitors from throughout the world. Our system is an important economic development tool, a critical asset in the fight against congestion, and an essential component to the preservation of this region’s quality of life.

As General Manager and CEO of MARTA, I could not be prouder of all that we have accomplished over the last five years. While we still face considerable financial challenges, the steps we have taken to increase revenue and contain costs have allowed us to build up reserves while continuing to deliver service that meets the needs of our community.

An important key to that success has been the dedication and hard work of our employees. Their contribution to this region cannot be overlooked. Not only do they work around the clock to ensure that buses hit the streets and rail cars are running, they contribute financially through our Employees Charity Club, which raised over \$625,000 for various metro area charities, fed Thanksgiving dinner to 50 needy families, and provided toys to more than 1,200 children during the holidays last year.

I hope that after reviewing this report, you will agree that MARTA is well on its way to “Getting as Good as New” and I look forward to celebrating each phase of this process with you over the months and years to come.

Sincerely,

A handwritten signature in black ink, appearing to read "Nathaniel P. Ford, Sr.", written in a cursive style.

Nathaniel P. Ford, Sr.
General Manager/ CEO



Letter from the Board Chairman

As Chairman of the MARTA Board of Directors, I am proud to report that the Authority ended Fiscal Year 2005 both financially and operationally stronger. No doubt, a number of significant challenges still lie ahead—the good news is that our infrastructure and rolling stock are currently receiving mid-life overhauls and leaders from throughout the region are at the table discussing how public transportation in metro Atlanta should be funded in the future.

I am excited about the role that MARTA continues to play as a transportation leader. The system serves as the backbone for a burgeoning regional transit system. Cobb Community Transit, Gwinnett County Transit, C-TRAN and GRTA Xpress all link into our rail system, as do circulator systems such as the Buckhead shuttle and the Georgia Tech Trolley. The opening of our new Rail Services Facility at Armour Yard will allow for even greater regional cooperation as we work together to implement new technologies such as bus rapid transit, streetcar or light rail.

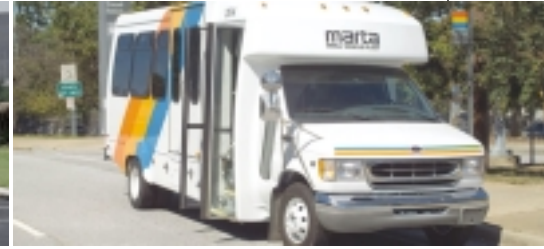
As you can see, MARTA's impact goes far beyond the borders of the City of Atlanta, Fulton and DeKalb Counties—and new initiatives like the Breeze smart card fare collection system will make traveling throughout the region much easier for commuters. In addition, MARTA continues to serve as a planning resource for future transportation projects such as bringing new transit investments to Atlanta's Inner Core.

On behalf of the Board of Directors, I would like to thank you for your support of the MARTA system and of public transportation. We look forward to the opportunity to provide even greater service to this community for years to come.

Sincerely,

A handwritten signature in black ink that reads "Michael Walls". The signature is written in a cursive, flowing style.

Michael Walls
Board Chairman



CLEAN FUEL BUS PROGRAM

MARTA is proud of the contribution we make to improving the region's air quality. An important part of that effort is our clean fuel bus program. With the purchase of 40 clean diesel buses in FY05, the Authority is well on its way to having one of the largest

clean fuel bus fleets in the industry. To date, the Perry and Laredo garages together house 411 Compressed Natural Gas (CNG) buses, and 145 clean diesel buses operate out of our Hamilton facility, which currently does not have CNG fueling capability.

SMALL BUS PROGRAM

In FY05, MARTA introduced small bus delivery on four selected routes—24 (Belvedere), 28 (East Lake Village), 64 (Beecher), and 76 (Fort McPherson). These 14-passenger vehicles allow the Authority to deliver service in areas that due to either levels of demand or street conditions large bus service is not fea-

sible. In addition, these community-friendly vehicles operate at a lower cost than standard bus service. MARTA is planning to expand this program as we continue to redesign our bus service to better meet the needs of MARTA customers and the community.



An extensive program is underway that will rebuild over 200 of MARTA's oldest rail cars inside and out. Many of these cars have exceeded their useful design life, and parts have become increasingly difficult to find. To lower operating costs, increase reliability, and continue to provide quality customer service, these cars are being completely rebuilt from the ground up using new components and incorporating new designs. Each of the cars will receive new propulsion

This \$80 million capital project will renovate all 48 miles of MARTA track by early 2007. Work is being performed on track turnouts, direct fixation fasteners, emergency trip stations, expansion joint replacements, and interlockings on both the North/South and East/West lines. This

systems, upgraded auxiliary electrical systems, new communications equipment, and a redesigned ergonomically enhanced operator's cab. In the interior, existing carpet will be replaced with easier to clean rubberized flooring, climate control systems are being upgraded, light fixtures have been redesigned, and door systems are being replaced. All modifications will enhance both safety and the MARTA customer experience.

project will provide higher reliability of rail service and ensure that the rail system continues to operate with the highest level of safety.

Combined, these two programs will provide MARTA customers with a virtually new rail system when complete.

RAIL CAR REHABILITATION

TRACK RENOVATION



PLANNING STUDIES

I-20 East Corridor

To achieve the objectives of improved mobility and access in the South DeKalb area, increased economic development, and an environmentally friendly transportation alternative, a Bus Rapid Transit (BRT) line, operating in a dedicated busway from downtown Atlanta to the Mall at Stonecrest via I-20 was recommended as the Locally Preferred Alternative (LPA) for this corridor. The MARTA Board of Directors approved the recommendation in December 2004. The next step for the project will be the development of the Draft Environmental Impact Statement (DEIS).

Inner Core

In February 2003, MARTA initiated the Inner Core Transit Feasibility Study, principally evaluating two concepts, the Beltline and C-Loop. Feasibility was determined through evaluation of four concepts based on their ability to meet mobility needs, land use development and redevelopment plans, environmental impacts, and cost effectiveness. In FY05, the MARTA Board approved the Feasibility Study and the initiation of the Alternatives Analysis which will further evaluate and refine the identified concepts, continue coordination with project stakeholders, and incorporate extensive public involvement to build consensus for the selection of a locally preferred alternative (LPA). The LPA will define a specific alignment, order of construction, and mode for the proposed project.



West Line Expansion

In October 2002, MARTA initiated the West Line Alternatives Analysis/Draft Environmental Impact Statement (AA/DEIS) for Fulton Industrial Boulevard—the first step in the FTA New Starts funding process. In August 2003, the MARTA Board approved a Locally Preferred Alternative, which features a heavy rail extension to the interchange of Martin Luther King, Jr. Drive and I-285 and a Bus Rapid Transit (BRT) segment along I-20 to Fulton Industrial Boulevard. Currently, assessments of environmental impacts, required mitigation, and cost reduction options are being conducted and explored. The DEIS was submitted to the FTA for review in March 2005.

North Line

In July 2002, the MARTA Board of Directors asked staff to initiate the Alternatives Analysis for the North Line Corridor from the North Springs Station to Windward Parkway. The study will build on work done by the Georgia Regional Transportation Authority during its GA 400/Northern Sub-Area Study. Public involvement will be an important part of the process. Near term activities include entering into the Atlanta Regional Commission's Livable Centers Initiative (LCI) and identifying points along the corridor suitable for transit oriented development in advance of major investment.

Memorial Drive Bus Rapid Transit (BRT)

This study was initiated in the Spring of 2003 with the purpose of identifying strategies to implement BRT-type service in the Memorial Drive corridor from the former Avondale Mall location to the park and ride lot at Stone Mountain. The Implementation Plan is complete for this corridor and features both express and limited stop BRT service in the corridor. The Project Definition Report has been finalized and will be advanced to engineering design by early 2006. The coordinating efforts with stakeholders are ongoing and, the timeline for implementation of the Memorial Drive BRT is early 2008.



SYSTEM SECURITY

The Metropolitan Atlanta Rapid Transit Authority Police Department (MPD) is a unique law enforcement agency whose mission is to protect MARTA assets and serve the riders who utilize the system. The Department, which consists of 295 sworn officers is a professional, dedicated, community oriented, nationally accredited agency that is committed to the safety of both internal and external customers.

Throughout FY05, the MPD made significant contributions both locally and nationally, providing officers for the Presidential Inauguration, Democratic and Republican National Con-

ventions and the international G8 Summit. In addition, the Emergency Preparedness Unit conducted a full scale weapons of mass destruction exercise and obtained and trained an additional Transit Security Administration funded explosive detection canine team.

During the year, the MPD also sponsored its first community Safety Expo at the Lakewood Station, which provided back to school supplies to children, offered free health screenings, gave free bicycle safety courses and offered safety seminars.



MARTA's Transit Oriented Development (TOD) program, which is rapidly turning a number of the Authority's 38 rail stations into live/work/play communities, offers a unique opportunity for Atlantans to use less fuel, reduce traffic congestion, and improve air quality. The program began at the Arts Center station in 1983 and gained national recognition through an award winning plan for development at Lindbergh station in 1999. Currently, TOD projects are in various stages at Lenox, North Avenue, Medical Center, Chamblee, Sandy Springs, Avondale, King Memorial and Lakewood/Ft. McPherson stations.

In FY05, the program achieved a number of significant accomplishments:

At Lindbergh City Center, construction started on Uptown Square, a 362 multifamily apartment development,

as well as 208,893 feet of retail space. Combined, the two projects are forecast to eventually generate over \$200 million in lease revenue for the Authority.

At Lakewood/Ft. McPherson station, nearly 6 acres of land was sold for \$982,000 to the Urban Residential Finance Authority to build 192 apartments.

Both Lakewood /Ft. McPherson and Oakland City Stations were part of a Livable Centers Initiative study funded by the Federal Transit Administration completed in FY05 that established a master plan for both station areas and recommended ways to increase density in order to better utilize existing transit infrastructure.

TRANSIT ORIENTED DEVELOPMENT



ARMOUR YARD RAIL SERVICES FACILITY

The Armour Yard Rail Services Facility opened for service in May 2005—on schedule and under budget. This new state-of-the-art facility has storage capacity for 108 rail cars and will allow MARTA to expand its current ability to perform routine and heavy maintenance, implement a life cycle maintenance program, and provide better rail service. In addition, by virtue of its size and location at the heart of the MARTA rail system, Armour Yard could easily support future regional transit projects such as bus rapid transit, light-rail or streetcar.

Armour Yard was built using sustainable design and construction practices that reduced cost, preserved land, and minimized environmental

impact on the surrounding area. The 33-acre footprint includes a Maintenance & Overhaul Building, Control Tower, Cleaner Building and Exterior Train Wash, Maintenance of Way Shed, Sub-Station Building, Gap Breaker Building, Petroleum Oils & Lubricants Building, Blow Down Pit, and Bypass Track.

This new facility will generate millions in operating cost savings for MARTA by streamlining maintenance procedures through ergonomically designed work layouts, by reducing “deadhead miles” for rail cars, and by making train dispatching more efficient.





BREEZE

One of the most exciting projects underway at MARTA is the installation of a new Automated Fare Collection System that will not only transform the way MARTA does business, but will also provide numerous regional partnership opportunities. Rail, bus and paratransit fare collection is being converted to a smart card based system called "Breeze" that will replace tokens, transcards and paper transfers. MARTA will be the first transit sys-

tem in the nation and among the first in the world to completely convert to this cutting edge technology.

The new system will reduce operating costs, decrease fare evasion, and provide real-time ridership data. MARTA is working with other regional transit providers to use the technology to develop a system that is truly seamless for our customers.





NEW BUSINESS STRATEGIES

Business Transformation Program

MARTA's Business Transformation Program made great progress throughout FY05 including the award of both software and systems implementation service contracts. The program will increase automation of the Authority's business processes, improve productivity, and make financial systems more flexible. As a result, MARTA's customers will experience improved service reliability through improved maintenance capabilities and fleet management. Many of our current business applications are over fifteen years old and include processes that are both manually intensive and time consuming. Systems are not integrated, and in many cases redundant. Ultimately, the Business Transformation Program will reduce operating expenses in the areas of finance, maintenance, materials and human resources.

Enterprise Data Warehouse

Once fully implemented, MARTA's Enterprise Data Warehouse will provide critical real-time performance information that will allow management to make well-informed decisions both quickly and with a full understanding of any potential impacts to customers or employees. The system will provide easy access to historical data, current trends, and monthly performance reviews. In addition, it will help to ensure both consistency and accuracy in reporting through automated processes. The program will benefit MARTA customers by increasing system flexibility and reducing overall operating costs.



New Advertising Strategies

During FY05, MARTA launched three new electronic advertising programs. Each of which will bring in additional advertising revenue while providing exciting new avenues for customer communication. All are installed and maintained at no cost to the Authority.

Transit Television Network (TTN)

Over 1,300 LCD displays have been installed on MARTA's bus fleet that provide local and national news, sports, and weather as well as games and entertainment. MARTA service messages and other important customer information scrolls across the bottom of every screen. The program will provide a minimum of \$1 million in new revenue over the ten year contract.

The Rail Network (TRN)

LCD displays are being installed on MARTA rail cars that will provide local news programming through a partnership with Atlanta ABC affiliate WSB-TV. Customers are able to listen to the news in either English or Spanish via FM radio signal received through a customer's portable FM radio headphones or FM enabled mobile phone. Additionally, the system is closed captioned to allow all viewers to watch regardless of whether they have a radio available. Also available by audio are three separate music channels and a MARTA information channel, which can be regularly updated to keep customers informed. MARTA is the first transit system in the nation to install such a program—which is guaranteed to generate a minimum of \$20 million over the next ten years.

SignPost Networks

Customers can see when the next train is due to arrive, catch up on news, sports and weather, keep track of the time, and receive important customer information on MARTA's new LED station signs—located on rail platforms, station plazas, and in bus bays throughout the system. This partnership with SignPost Networks will provide a minimum of \$2 million in new revenue over the next ten years.

FINANCIAL REVIEW AND PERFORMANCE MEASURES

General economic conditions grew in strength within Georgia through much of the year, but steadied toward the end of MARTA's Fiscal Year 2005. Unemployment rates in the Atlanta region have risen to 5% and are expected to remain at that general level through 2007. Other economic indicators such as building permits and tax collections also have slowed as several major construction projects in Atlanta are winding down, and as the effect of energy prices begins to cut into discretionary consumer spending. For most of the year, MARTA experienced enhanced sales tax collections which put Fiscal Year 2005 revenues 6.2%, or \$27.5 million, above the projected budget level.

The budget for Fiscal Year 2005 represented a 2.8% increase in revenue and a 5.0% increase in expense from the previous year. These projections took into account the cost savings anticipated from the trimming of bus route hours and the elimination of non-productive bus routes which took effect in June 2004. Additional savings were anticipated from a continued partial hiring freeze, no salary increases for non-union administrative employees and a restructuring of health benefits for non-union employees that nudged more participants to lower cost plans. The budget also factored in the known increases from the union's contractual wage increase and the opening of the new rail maintenance facility at Armour Yard. MARTA intends to maintain its focus on the "Back to Basics" principle of providing safe, reliable, on-time and clean services to the customer, while being a trusted steward of public monies by ensuring that activities are performed in the most cost effective manner possible. By actively addressing financial realities, strengthening emphasis on service, and enhancing technical capabilities, MARTA will maintain its position as the core asset to regional mobility and to improved environmental quality.

The charts on the following pages depict a historical perspective of key financial and operational performance measures. The measures are those which impact daily operations, but also have a bearing on the overall success of the goals and objectives outlined in MARTA's Five Year Strategic Plan. The performance measure charts reveal four-year trends while the financial charts portray ten-year trend information.

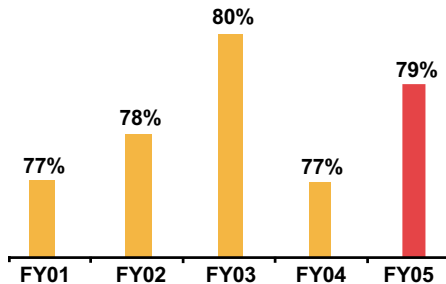
PERFORMANCE MEASURES

Overall customer satisfaction for the general rider increased to 79% in FY05 compared to 77% in FY04. This increase correlates to the reduction of general rider On-Time Performance (OTP) complaints by 36%, from 626 in July 2004 to 398 in June 2005, and of a 2.5% reduction in Paratransit service complaints. This positive trend stems from enhancements in scheduling, communication and technology emanating from a comprehensive customer complaint assessment of primary OTP drivers and resulting in improved schedule adherence. General rider loyalty—defined by the number of customers who

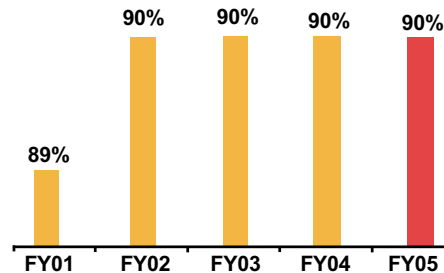
are very satisfied with MARTA, who would definitely recommend it to others, and who expect to ride more often or with the same frequency in the future—rose to 14% in FY05 compared to 13.2% in FY04. One of the Authority’s initiatives aimed at increasing customer loyalty was the implementation of a comprehensive service delivery plan to improve customer service in the Hispanic community, as well as the establishment of direct communication channels to Hispanic leadership. Overall customer satisfaction for the Paratransit rider remained at a 90% level, meeting the target for the fourth straight year.

CUSTOMER FOCUS

Overall Satisfaction (General)



Overall Satisfaction (Paratransit)

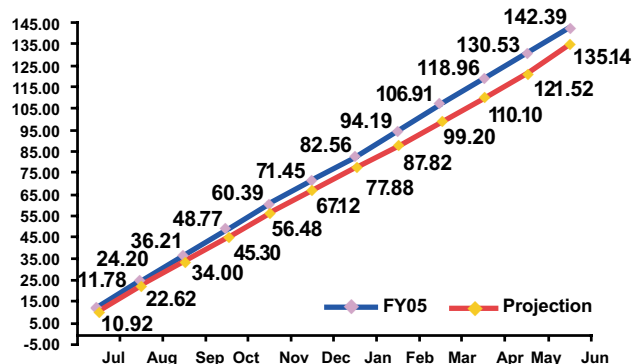


During FY05 system ridership numbers surpassed projections, with year-end unlinked trips of 142.39M compared to the projected 135.14M and those of 136.16M in FY04. Unlinked passenger trips are total passenger boardings and comprise the official ridership statistics reportable to the FTA and to the American Public Transportation Association. MARTA achieved this ridership increase while meeting the challenges of a significant Service Modifications Plan implemented in June 2004. The plan emphasized enhanced customer mobility and connectivity, as well as improved customer travel time, by eliminating excessive bus stops and changing

the frequency of service delivery to increase bus ridership, while simultaneously reducing service levels by 15%.

RIDERSHIP

Total Cumulative Ridership



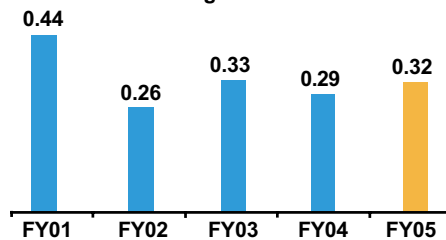
PERFORMANCE MEASURES

SAFETY & SECURITY

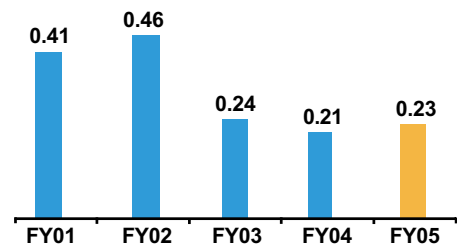
The bus collision rate per 100,000 miles matched the target of .32. In an effort to improve this indicator, MARTA continues to pursue a vigorous Bus Operator Training Program. The rail and infrastructure injury rate per 100,000 boardings was well under the target of .30, though it rose slightly from .21 in FY04 to .23 in FY05. Among the FY05 highlights were Safety and Security Certification for the Armour Yard Rail Services Fa-

cility, in preparation for its opening in July 2005, as well as continuous safety and quality assurance oversight of other major capital projects. These projects included the Automated Fare Collection System installation and Track Renovation. There were no fatalities or permanent disabling injuries, reducing MARTA's liability risks and increasing protection of its assets.

Bus Collision Rates Per 100,000 Miles
Target \leq 0.32



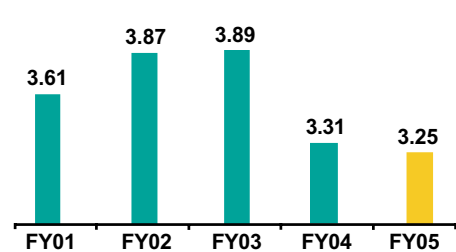
Rail & Infrastructure Injuries Per 100,000 Boardings
Target \leq 0.30



PART I CRIMES

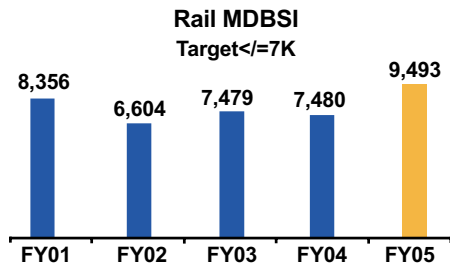
Part I Crimes include four violent crimes and four property crimes. Compared to the FY04 Part I Crime Rate of 3.31, this measure improved to 3.25 in FY05. The total number of Part I Crimes declined from 605 in FY04 to 573 in FY05. Of particular note were the decrease in aggravated assaults to 45 in FY05 from 65 in FY04, and in larcenies from 364 in FY04 to 257 in FY05.

Part 1 Crimes Rate
Target \leq 3.31



PERFORMANCE MEASURES

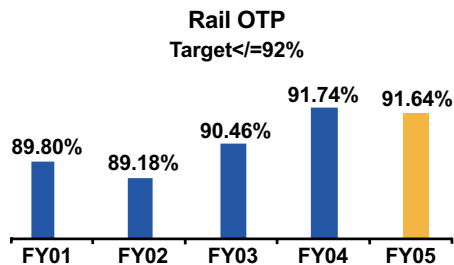
RAIL—The twelve month average of the rail Mean Distance Between Service Interruptions (MDBSI) in FY05 was 9,493 miles, a sizable improvement over the rates of 7,480 in FY04 and 7,479 in FY03. However, FY05 Rail On-Time Performance (OTP) of 91.54% fell slightly short of the



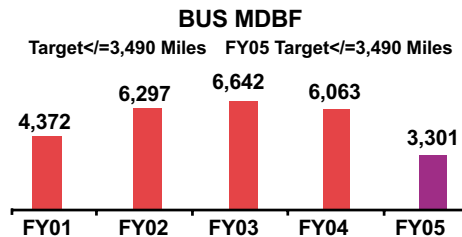
BUS—There was a change in the methodology for the Bus Mean Distance Between Failures (MDBF) measure in FY05. This was done to track a broader array of issues that include all impacts to service delivery, not only mechanical failure. At 3,301 miles between failures, MARTA fell short of the new target of 3,490 miles. A number of new maintenance programs have been implemented to help prevent failures including the pre-positioning of replacement buses throughout the system.

MARTA conducted an assessment of Bus On-Time Performance (OTP) data reported by current Automatic Vehicle Locator (AVL) technology, validating data through manual observations of selected routes where it was noted that manual observations reflected lower bus OTP percentages. To mitigate OTP reporting deficiencies, the Authority is in the process of installing the entire bus fleet with new Automatic Vehicle Locator and Automatic Passenger Counter equipment capable of producing more reliable OTP data. In addition, MARTA is in the process of

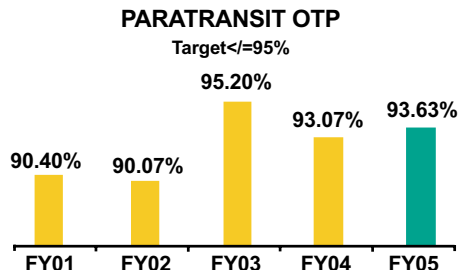
92% target. To improve Rail Service delivery, MARTA developed a Rail Service Disruption Plan and implemented such programs as the “Mainline” Fast Reaction Maintenance Crew, as well as the continuation of the Rail Car Procurement and Rail Car Rehabilitation programs.



reviewing and updating the procedures related to equipment maintenance, data collection and processing, scheduling, and bus operator training and performance.



PARATRANSIT—Paratransit On-Time Performance improved slightly from FY04 to FY05, and MARTA has implemented new programs, such as the decentralization of paratransit vehicle dispatching to help reach our OTP target.



SERVICE DELIVERY

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to MARTA for its Popular Annual Financial Report for the fiscal year ended June 30, 2004. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. MARTA has received a Popular Award for the last seven consecutive years (fiscal years ended June 30, 1998 through 2004). We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA.

This Annual Report contains summarized financial information taken from MARTA's Comprehensive Financial Report (CAFR), which is published separately. The CAFR includes detailed financial information including MARTA's audited financial statements. Copies of the CAFR and Annual Report are available at MARTA's Headquarters Building, the public libraries of DeKalb County, Fulton County, the City of Atlanta and at www.itsmarta.com.

In order to measure the costs of providing mass transportation services, the revenues from those services and required subsidies, MARTA has adopted accounting principles and methods appropriate for a governmental enterprise fund. Enterprise funds are used to account for specific operating activities. Enterprise funds are financed and operated similar to a private business entity where a fee is levied for the use of the product or service.

MARTA's financial statements are prepared on the accrual basis of accounting under which revenues are recognized when earned and measurable and expenses are recognized when incurred.

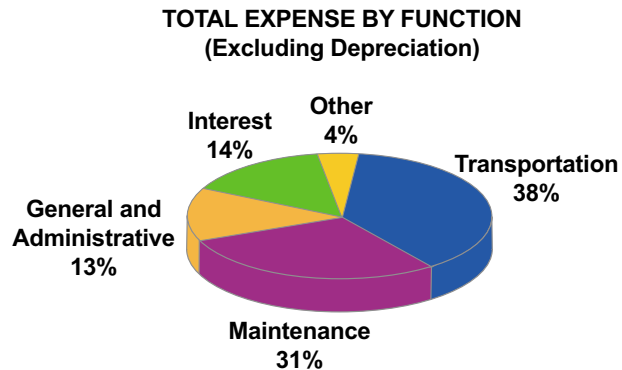
FINANCIAL HIGHLIGHTS

The pie chart shows total expenses by function, or type of activity engaged in which subsequently results in an expense. This chart shows that providing transportation and the associated maintenance represent 69% of MARTA's total expenses by function. Transportation and related maintenance include such expenses as salaries and benefits of bus and train drivers, electricity, and fuel. Interest payments, primarily on bonds, accounts for 14% or \$52 million of the total expenses by function. MARTA finances most of its capital equipment and rail construction with bond funds; thus, interest expense is expected to represent a significant portion of total expenses. General and

This chart shows total expenses trended over the past ten years. The chart clearly depicts that on-going cost containment measures, first instituted in FY01, have flat-lined the expense growth and lowered average expense increases to just 4% per year over the full ten year period. MARTA had previously experienced a steady rise in operating expense beginning with the advent of the 1996 Olympics and continuing through the opening of our last new rail stations in FY01. Current year expenses increased 2% as MARTA offset a 3% contractual wage increase for its unionized employees against savings from a modification to service hours and schedules, and by adjusting the health plan choices for non-union employees. MARTA also controlled

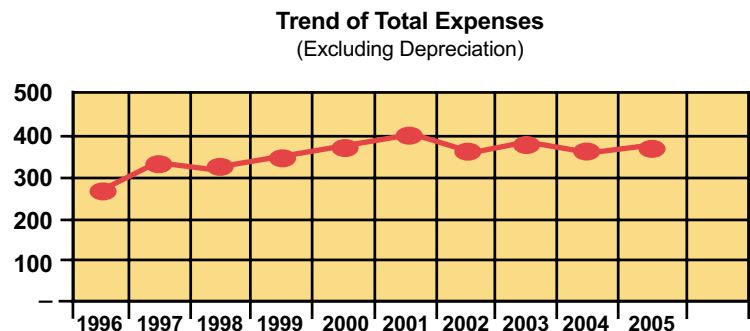
administrative expenses include, but are not limited to, salaries and benefits for the executive staff, attorneys, engineers and accountants, and other office materials and supplies. This expense accounts for 13% or \$50 million of total operating expenses.

TOTAL EXPENSES BY FUNCTION



its fuel cost by locking its price at a fixed rate. The prominent decrease in expenses that occurred in FY02 resulted from non-union furloughs and the early retirement of 200 non-union employees. MARTA's budget anticipates cautious growth in FY06 of 5% which includes increased fuel and electric cost and a full years operation of the new Armour Yard Rail Services Facility.

TREND OF TOTAL EXPENSES



FINANCIAL HIGHLIGHTS

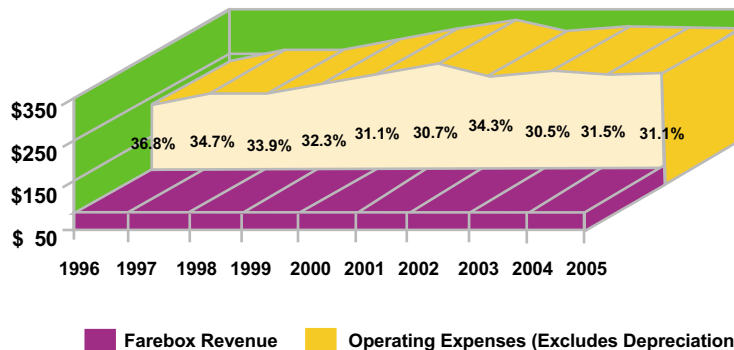
FAREBOX RECOVERY

This chart shows the percentage of MARTA's operating expenses paid by the revenue obtained from passenger fares. The chart provides ten years of data and along with the graph depicts a gradual upward trend for farebox revenue through FY02. The general trend over the ten years has been a lessening of the percentage of total expenses that fares supply. This is due to the fact that

the increases in operating expenses exceed the rate of increase of fare revenue collected. The recovery percentage, while still on a downward trend line, has fluctuated since 2002 as MARTA has sought the correct balance in cost reduction measures to match the current economic environment.

(Dollars In Thousands)

Fiscal Year	Farebox Revenue	Percent Change	Operating Expenses	Percent Change	Farebox Recovery
1995	75,466	0.4	209,972	7.9	35.9%
1996	84,665	12.2	230,047	9.6	36.8
1997	89,732	6.0	258,927	12.6	34.7
1998	88,042	(1.9)	259,352	0.2	33.9
1999	91,449	3.9	283,475	9.3	32.3
2000	95,095	4.0	305,915	7.9	31.1
2001	101,278	6.5	330,188	7.9	30.7
2002	102,207	0.9	297,991	(9.8)	34.3
2003	96,059	(6.0)	314,789	5.6	30.5
2004	95,082	(1.0)	302,117	(4.0)	31.5
2005	96,244	1.2	309,382	2.1	31.1



FINANCIAL HIGHLIGHTS

This chart shows MARTA's two primary sources of revenue trended over the past ten fiscal years. MARTA's two largest revenue sources are Sales Tax and Fare Revenue. The two combined make up 87% or \$403 million of total revenue. Sales Tax provides 66% of MARTA's total revenue and Fare Revenue provides 21% of the total.

MARTA's sales tax revenue comes from a 1% sales tax levied in the City of Atlanta and the Counties of Fulton and DeKalb. Under the law authorizing the levy of the sales and use tax, MARTA is restricted as to its use of the tax proceeds. Fare revenue is earned through user fees; currently, the full fare fee is \$1.75.

Fare revenue, which includes parking fees, continued to lag through FY05 when the recognition of \$2 million for tokens sold in the past but never used is taken into consideration.

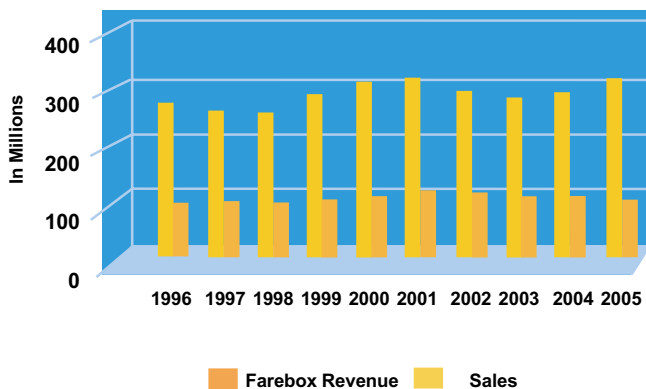
As indicated on the chart, Sales Tax Revenue continued on a steady rebound that began toward the end of the last fiscal year. In FY05 Sales Tax Revenue

increased 8% or \$24 million over the previous year, back to levels not seen since 2001. A portion of the increase can be attributed to an update in the accrual methodology. Our latest economic forecast projects growth at around 6% for FY06.

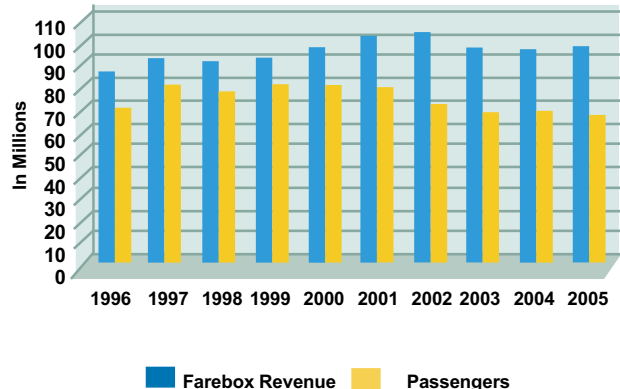
MARTA will recognize the remainder of unused tokens by the end of FY2007 as the new fare collection system makes all old fare media obsolete. In total, fiscal year 2005 saw a 1% or \$1 million increase in fare revenue. This improved over FY2004 which had recorded a drop of 1% or \$1 million. A January 2001 fare increase from \$1.50 to \$1.75 fueled the 7% increase in Fare Revenue for FY2001, but MARTA experienced large passenger count declines after the events of September 11, 2001, and the resulting economic decline. Fare evasion has also been a contributing factor to the reduced fare revenue and MARTA is scheduled to complete total replacement of its fare collection equipment which should virtually eliminate this problem by the end of calendar year 2006.

PRIMARY REVENUE SOURCE TREND

Primary Revenue Source Trend



Growth in Ridership and Fare Revenue



FINANCIAL HIGHLIGHTS

FARE STRUCTURE AND SINGLE FARE HISTORY

The chart below shows the history of MARTA's single cash fare from inception. MARTA's one-trip pass fare is currently \$1.75. MARTA gives various discounts, including bulk token purchases, TransCards, elderly and persons with disabilities.

FULL FARE

Cash or Single Token \$1.75

DISCOUNTED FARE

Ten Token Roll (10) \$17.50

Twenty Token Roll (20) \$30.00

SUPER DISCOUNTS

Weekly TransCard \$13.00

(Unlimited travel; 7-day week Monday through Sunday)

Monthly TransCard \$52.50

(Unlimited travel; one calendar month)

OTHER FARES AND DISCOUNTS

Half-Fare Permits \$.85

(Elderly / Disabled / Medicare)

Out-of-District Half-Fare Permits \$1.25

(For persons 65 and older or with disabilities)

Student TransCard \$10.00

(K-12 Students; unlimited travel 6 a.m. to 7 p.m. Monday through Friday)

Weekend TransCard \$9.00

(Unlimited travel on weekend, sold Friday through Sunday)

Convention/Visitors Pass

(For groups of 15 or more, ordered a minimum of 20 days in advance)

8 or more days available at an additional \$2.00 per day

7 day \$13.00

6 day \$12.00

5 day \$11.00

4 day \$10.00

3 day \$9.00

2 day \$8.00

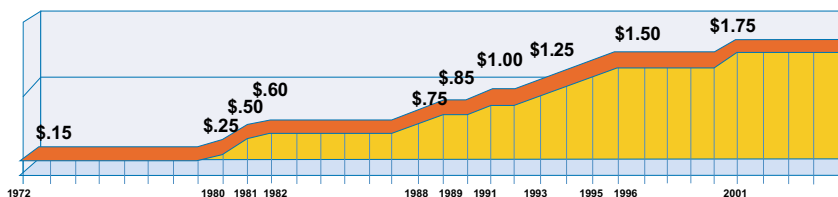
1 day \$7.00

Paratransit Lift-Van \$3.50

(Lift-equipped van; required attendants may ride free)

Out-of-District Routes \$2.50

Single Cash Fare History From Inception



Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO

**METROPOLITAN ATLANTA
RAPID TRANSIT
AUTHORITY, GEORGIA**

**for the Fiscal Year Ended
June 30, 2004**



Nancy L. Ziehl
President

Jeffrey L. Esser
Executive Director



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