



UNITAR



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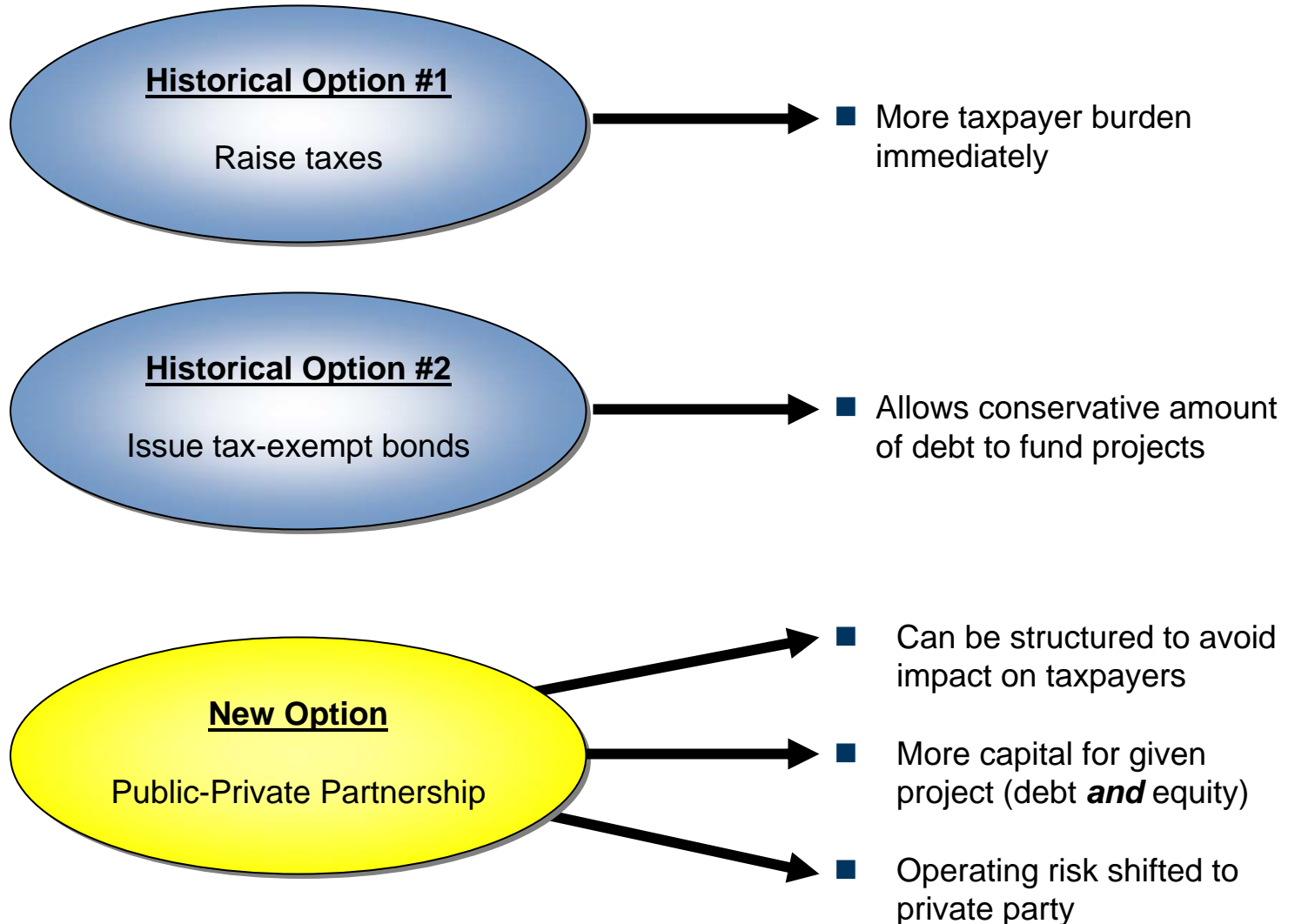
Mega-City Water Forum

Hosted by:

City of Atlanta



Public-Private Partnerships provide a new source of capital for state and local governments.



Indiana Toll Road Case Study

Description of the ITR

- Critical transportation link between major East Coast cities, the City of Chicago, and the western United States
- 46 year operating history
- Approximately 157 miles in length
- The Toll Road is designated as Interstate 90 (I-90) from the Illinois State Line (where it connects to the Chicago Skyway) to the Ohio State Line (where it connects to the Ohio Turnpike)
- FY05 AADT of 46,000 on Barrier System, and 25,000 on Ticket System
- Unchanged toll rates since 1985 – Among lowest \$/mile in US
 - State mandated increase to become effective on 3/1/2006

The Road Network



Financial Overview^(a)

(in millions)	2004A	2005A	2006E ^(b)	2007E ^(b)
Commercial Revenue	\$49.6	\$53.3	NA	NA
Passenger Revenue	35.3	34.4	NA	NA
Total Toll Revenue	<u>\$84.9</u>	<u>\$87.7</u>	<u>\$90.3</u>	<u>\$126.0</u>
% Growth	3.5	3.3	2.6	39.5
EBITDA ^(c)	59.7	60.6	63.9	98.0
% Margin	65.0	63.3	63.5	71.8
CAGR	5 Yr Hist.	3 Yr Hist.	5 Yr Proj.	10 Yr Proj.
Revenue	1.7%	3.4%	8.2%	10.3%
EBITDA	4.2%	9.3%	10.0%	13.0%

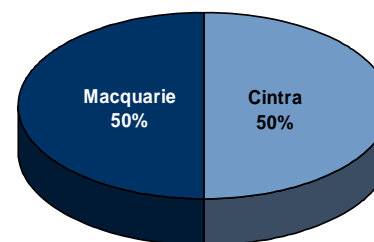
(a) Source: Wilbur Smith/State of Indiana

(b) Pro Forma 2006 and 2007 estimates based on Goldman Sachs and Wilbur Smith internal projections

(c) Includes historical concession revenues, which were included as part of the Concession Agreement

Ownership and Financing Structure

Ownership Structure



Financing Structure

Bank Debt	\$3,278.5	81%
Equity	770.1	19
Total	\$4,048.6	100%

Acquisition bank debt

- Tenor is 9 years
- Step up in margins
- Partial cash sweep

Hedging

- Fully hedged debt profile for 20 yrs
- Swap rates step up gradually from 2006 to 2026, starting at 3% p.a.



Concession leases provide an opportunity to capture the “growth wedge” in volume and revenue increases.

- Municipal bond investors rely on historical revenues to determine the leverage levels which constrains total value for the owner
- Equity investors look for future returns based on growth
- Debt + Equity = Greater Proceeds for Owner of Asset

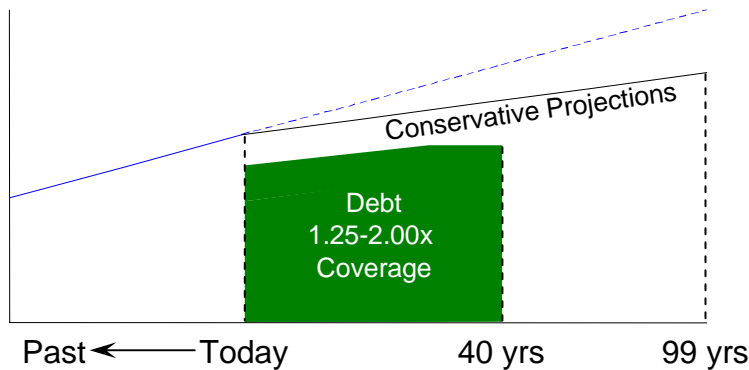
Chicago Skyway Example

Municipal Bond

Vs.

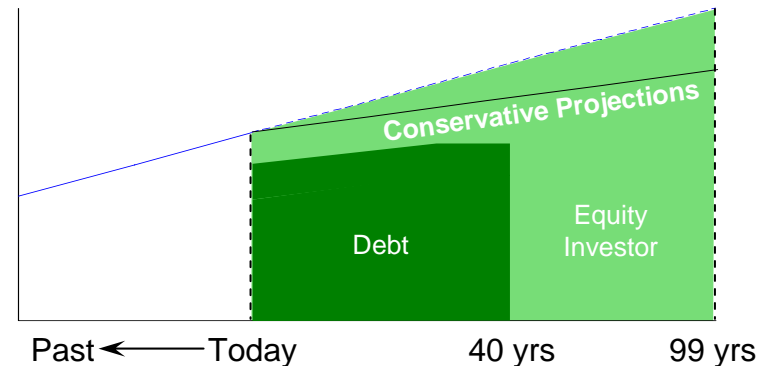
Concession Sale

Net Revenues



\$800 Million

Net Revenues



\$1.83 Billion

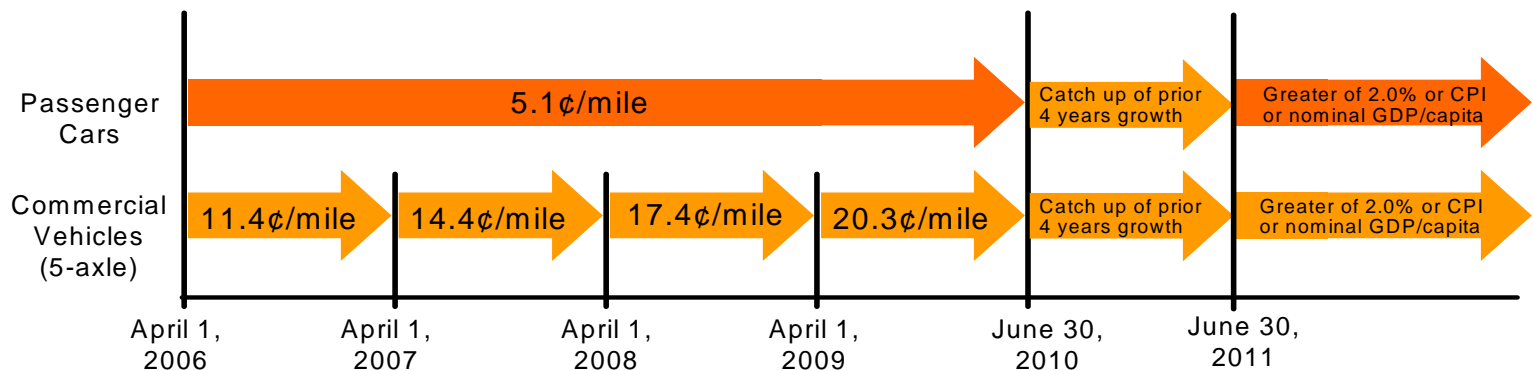


Goldman Sachs and the State of Indiana established key concession terms, including future tolling increases and operating standards.

■ **Term of Concession:** 99  years

■ **Toll Increases:**

- A state-mandated toll increase schedule will be implemented on April 1, 2006.
 - First toll increase since 1985
 - Passenger car tolls to increase to 5.1¢ / mile, and remain unchanged until 2010
 - Commercial vehicle tolls step up as shown below in April 2006, April 2007, April 2008, and April 2009
- Concessionaire's ability to set tolls begins in 2010 with a step up in 2010 to reflect the prior 4 years CPI or nominal GDP per capita growth
- Maximum annual toll increase from 2011-2080 (term of concession) will be the greater of 2%, CPI and nominal GDP per capita growth



■ **Operating Standards:**

- 250 pages of operating standards that must be maintained
- Restrictions on congestion management with mandated expansion upon certain Level of Service (LOS) triggers

A key driver is future rate increases.

Detailed operating standards protect public interests.

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