

**Note: No audio associated with this presentation**

**ILLINOIS STATE TOLL HIGHWAY AUTHORITY**

**\$300,000,000\***

**Toll Highway Senior Revenue Bonds, 2017 Series A**

Investor Presentation

November 9, 2017



\* Preliminary, Subject to Change

# Disclaimer

---

This Investor Presentation was prepared exclusively for the benefit of and internal use by the recipient for the purpose of considering the transaction or transactions contemplated herein.

This Investor Presentation is not an offer to sell or a solicitation of an offer to buy the Bonds and does not purport to be a complete statement of all material facts relating to the Bonds. The offering is made only by means of the Official Statement.

If you are viewing this Investor Presentation after November 9, 2017, there may be events that have occurred subsequent to such date that have had a material adverse effect on the financial information that is presented herein. Please be advised that neither the Issuer nor the Underwriter or any of its affiliates has undertaken nor assumed any duty to update any such information and are under no obligation to update any such information.

By accessing this Investor Presentation, you agree not to duplicate, copy, download, screen capture, electronically store or record, produce, publish or distribute this Investor Presentation in any form whatsoever.

No assurance can be given that any transaction or transactions contemplated herein could in fact be executed.

The material contained herein is not a product of any research department of the Underwriter or any of its affiliates. Nothing herein constitutes a recommendation of any security regarding any issuer, nor is it intended to provide information sufficient to make an investment decision.

The information contained in this communication has been compiled from sources believed to be reliable, but no representation or warranty, express or implied, is made by the Issuer, Underwriter, its affiliates or any other person as to its accuracy, completeness or correctness.

Nothing in this communication constitutes legal, accounting or tax advice or individually tailored investment advice. This material is prepared for general circulation and may have been prepared without regard to the individual financial circumstances and objectives of persons who receive it. The investments or services contained in this communication may not be suitable for you and it is recommended that you consult an independent attorney, investment advisor, or tax advisor if you are in doubt about the suitability of such investments or services.

Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur.

Every province in Canada, state in the United States of America, and most countries throughout the world have their own laws regulating the types of securities and other investment products which may be offered to their residents, as well as the process for doing so. As a result, any specific securities discussed in this communication may not be eligible for sale in some jurisdictions. This communication is not, and under no circumstances should be construed as, a solicitation to act as securities broker or dealer in any jurisdiction by any person or company that is not legally permitted to carry on the business of a securities broker or dealer in that jurisdiction.

To the fullest extent permitted by law, none of the Issuer, Underwriter, any of its affiliates, or any other person, accepts any liability whatsoever for any direct or consequential loss arising from any use of this communication or the information contained herein.

This Investor Presentation contains certain statements and statistical information that constitute “forward-looking statements” as defined in the United States Securities Exchange Act of 1934.

# Financing Team

## Illinois Tollway Senior Leadership

**Greg Bedalov**  
*Executive Director*  
(630) 241-6800 x1000  
[gbedalov@getipass.com](mailto:gbedalov@getipass.com)

**Kevin Artl**  
*Chief Operating Officer*  
(630) 241-6800 x1004  
[kartl@getipass.com](mailto:kartl@getipass.com)

**Michael Colsch**  
*Chief Financial Officer*  
(630) 241-6800 x4000  
[michael.colsch@getipass.com](mailto:michael.colsch@getipass.com)

**Cathy Williams**  
*Deputy Chief of Finance*  
(630) 241-6800 x4414  
[cwilliams@getipass.com](mailto:cwilliams@getipass.com)

**Paul Kovacs**  
*Chief Engineer*  
(630) 241-6800 x3901  
[pkovacs@getipass.com](mailto:pkovacs@getipass.com)

**William O'Connell**  
*Debt Manager*  
(630) 241-6800 x4472  
[woconnell@getipass.com](mailto:woconnell@getipass.com)

**Elizabeth Oplawski**  
*Assistant Attorney General and Acting General Counsel*  
(630) 241-6800 x1525  
[eopalwski@getipass.com](mailto:eopalwski@getipass.com)

## 2017 Series A Finance Team

### Senior Managing Underwriters

#### Loop Capital Markets

#### Jefferies

**Clarence Bourne**  
*Managing Director*  
(312) 356-5009  
[clarence.bourne@loopcapital.com](mailto:clarence.bourne@loopcapital.com)

**Bob Walsh**  
*Managing Director*  
(312) 356-1004  
[bob.walsh@loopcapital.com](mailto:bob.walsh@loopcapital.com)

**Nic Malas**  
*Managing Director*  
(212) 336-7421  
[nmalas@jefferies.com](mailto:nmalas@jefferies.com)

**John Gust**  
*Senior Vice President*  
(310) 575-5207  
[jgust@jefferies.com](mailto:jgust@jefferies.com)

**Financial Advisor**  
Hilltop Securities

**Issuer's Counsel**  
Schiff Hardin LLP

**Consulting Engineer**  
AECOM Technical Services, Inc.

**Traffic Engineer**  
CDM Smith Inc.

**Bond Counsel**  
Chapman and Cutler LLP

**Underwriter's Counsel**  
Pugh, Jones & Johnson, P.C.

**Bond Trustee**  
Bank of New York Mellon Trust  
Company

# 2017 Series A Transaction Overview

Transaction Summary	
<b>Issuer:</b>	Illinois State Toll Highway Authority
<b>Par Amount*:</b>	\$300,000,000
<b>Pricing*:</b>	Wednesday, November 15, 2017
<b>Closing*:</b>	Wednesday, December 6, 2017
<b>Security:</b>	The 2017A Bonds are payable from and secured solely by a pledge of and lien on the Net Revenues of the Tollway System and certain other funds as provided in the Indenture.
<b>Ratings:</b>	Fitch: AA- (Stable Outlook) Moody's: Aa3 (Stable Outlook) S&P: AA- (Stable Outlook)
<b>Use of Proceeds:</b>	The proceeds of Bonds will be used to finance a portion of the costs of the <i>Move Illinois Program</i> described within the preliminary official statement, fund a deposit to the Debt Reserve Account and pay related issuance costs.
<b>Structure*:</b>	Fixed rate senior lien bonds with serial maturities January 1, 2028 through January 1, 2038 and a term bond maturing January 1, 2042
<b>Tax Status:</b>	Federally tax-exempt; State taxable
<b>Redemption*:</b>	The 2017A Bonds are subject to optional redemption prior to maturity on or after _____ at par plus accrued interest to the redemption date.

\*Preliminary, subject to change.

# Tollway Overview and Strengths

**Mission Statement: *The Illinois Tollway is dedicated to providing and promoting a safe and efficient system of toll-supported highways while ensuring the highest possible level of service to our customers***

## Strong Market Position & Senior Management

- Essential road system with a strong economic and financial history serving metropolitan Chicago, one of the largest and most diverse regional economies in the United States
- Experienced and proactive Board and management team, providing strong governance and oversight

## Robust Traffic Performance

- Mature, growing traffic base with limited viable competing roads
- Strong revenue growth and stable toll transactions despite construction impacts and toll increases
- Demonstrated willingness to increase tolls
- Even after recent increases, toll rates remain affordable and compare favorably with peers

## Solid Financials and Debt Service Coverage

- Conservative debt profile with relatively level debt service and final maturities limited to 25 years
- 2016 unrestricted cash/cash equivalents exceeds 1,000 days cash on hand
- The Authority's Debt Management Guidelines target annual debt service coverage at 2x or greater; debt service coverage in years 2012-2016 ranged from 2.39x to 2.84x
- Strong legal protections and covenants for bondholders

## Exceptional Capital Improvement Program Management

- Strong record of delivering capital projects on time and within budget; completion certificate from consulting engineer for Congestion Relief Program ("CRP") expected prior to 12/31/2017
- \$14.3 Billion *Move Illinois Program* (2012-2026) addresses system needs for long term: approximately 70% to be expended on state of good repair and 30% expansion
- Multiple projects and 15-year timeframe of *Move Illinois Program* allow for flexibility with respect to scheduling and management

# Overview of the Illinois Tollway System

- The Tollway System is a multi-asset system of 296 centerline miles of interstate tollways throughout 12 counties in the greater Metropolitan Chicago Area including the:
  - Jane Addams Memorial Tollway
  - Tri-State Tollway
  - Reagan Memorial Tollway
  - Veterans Memorial Tollway
  - Illinois Route 390
- Authority has exclusive right to fix, adjust, revise, and collect tolls

## Strategic Priorities:

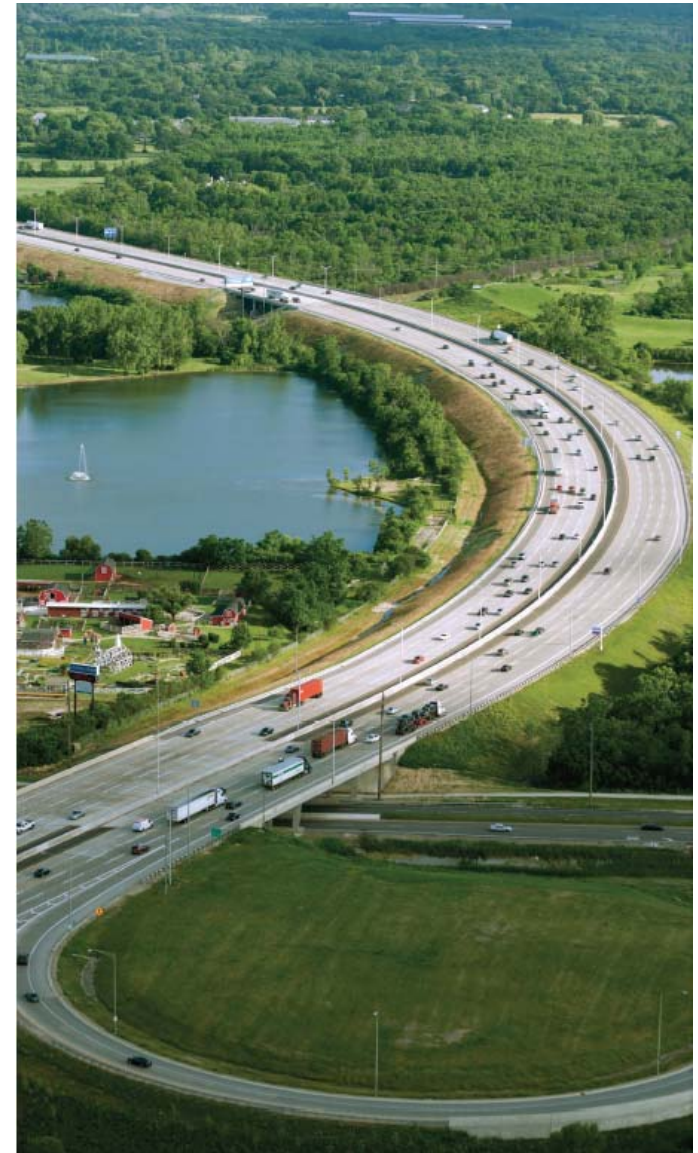
- Execute the *Move Illinois Program* (15-year capital plan scheduled from 2012 - 2026)
- Improve regional mobility and link economies across northern Illinois
- Relieve congestion
- Reduce pollution





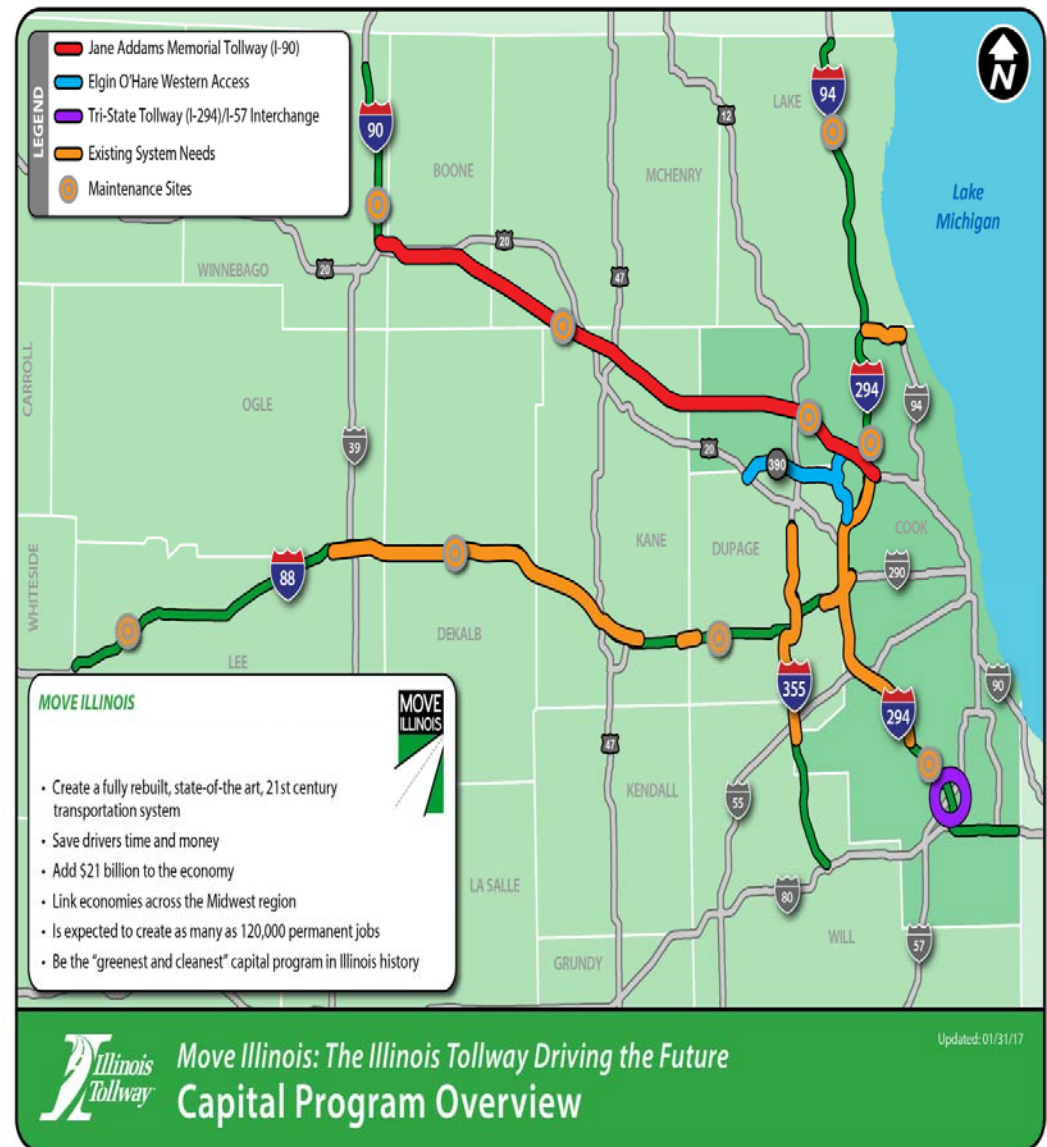
# Current State of the Tollway System

- Since the Tollway System was first designed and constructed nearly 60 years ago, the 12-county service area economy, population, and traffic travel patterns have dramatically changed
- The \$5.7 billion CRP is 99% complete as of 9/30/2017
  - Approximately \$2 million in remaining costs in 2018
- Completed CRP projects include:
  - Conversion to open road tolling
  - Construction of a 12.5 mile extension of the Veterans Memorial Tollway (I-355)
  - Reconstructing, and for significant portions widening, about 115 miles on the South and North portions of the Tri-State Tollway and parts of the Ronald Reagan Memorial Tollway (I-88)
  - Resurfacing and rehabilitating portions of roadway across all four major routes
- Post-CRP, additional needs remain for maintaining, reconstructing, and improving the existing system
- As part of the Authority's *Move Illinois Program*, large sections of the Tollway System are being rebuilt and modernized to preserve a state of good repair and accommodate the growing economy of the region



# Move Illinois: The Illinois Tollway Driving the Future

- After completion of the 15-year, \$14.3 billion capital program, *Move Illinois: The Illinois Tollway Driving the Future*, customers will have a largely rebuilt, state-of-the-art system and critical new regional projects that will improve mobility, relieve congestion, reduce pollution, create jobs and stimulate the economy.
- The Program's current budget is estimated to cost approximately \$14.3 billion, financed with \$5.8 billion of bond proceeds and the remainder with pay-as-you-go revenues
  - Existing System Needs: Approximately \$10 billion
  - New Projects: Approximately \$4 billion
- Authority has a history of executing large capital improvement projects on schedule / within budget
  - Major portions of the CRP were completed while maintaining same number of lanes of traffic
  - CRP (99% complete) is currently tracking to be \$5.7 billion; cost has gradually declined since its 2007 budget of \$6.3 billion
  - Allowed for strong revenue growth and stable transactions despite construction impacts and toll increases
- After issuance of 2017A, \$2.9B add'l revenue bonds projected to be issued for *Move Illinois*. Revenue growth is projected to be sufficient to fund the pay-as-you-go portion of the *Move Illinois Program*





# Move Illinois: Addressing Existing System and Expansion Needs

## Taking Care of Existing System (approximately \$10 billion)

- Projects totaling \$10 billion to maintain the existing System:
  - ❖ Reconstructing the Jane Addams Memorial Tollway (I-90) from the Tri-State Tollway (I-294) near O'Hare to the I-39 Interchange in Rockford
    - ❖ Substantially complete as of 12/31/2016
  - ❖ Reconstruct all, and widen significant portions of, the central Tri-State Tollway (I-294) from 95<sup>th</sup> St to Balmoral Ave; reconstruct the Edens Spur (I-94)
  - ❖ Preserving the Ronald Reagan Memorial Tollway (I-88)
  - ❖ Preserving the Veterans Memorial Tollway (I-355)
  - ❖ Repairing roads, bridges and maintenance facilities

## System Expansion (approximately \$4 billion)

### New Elgin O'Hare Western Access

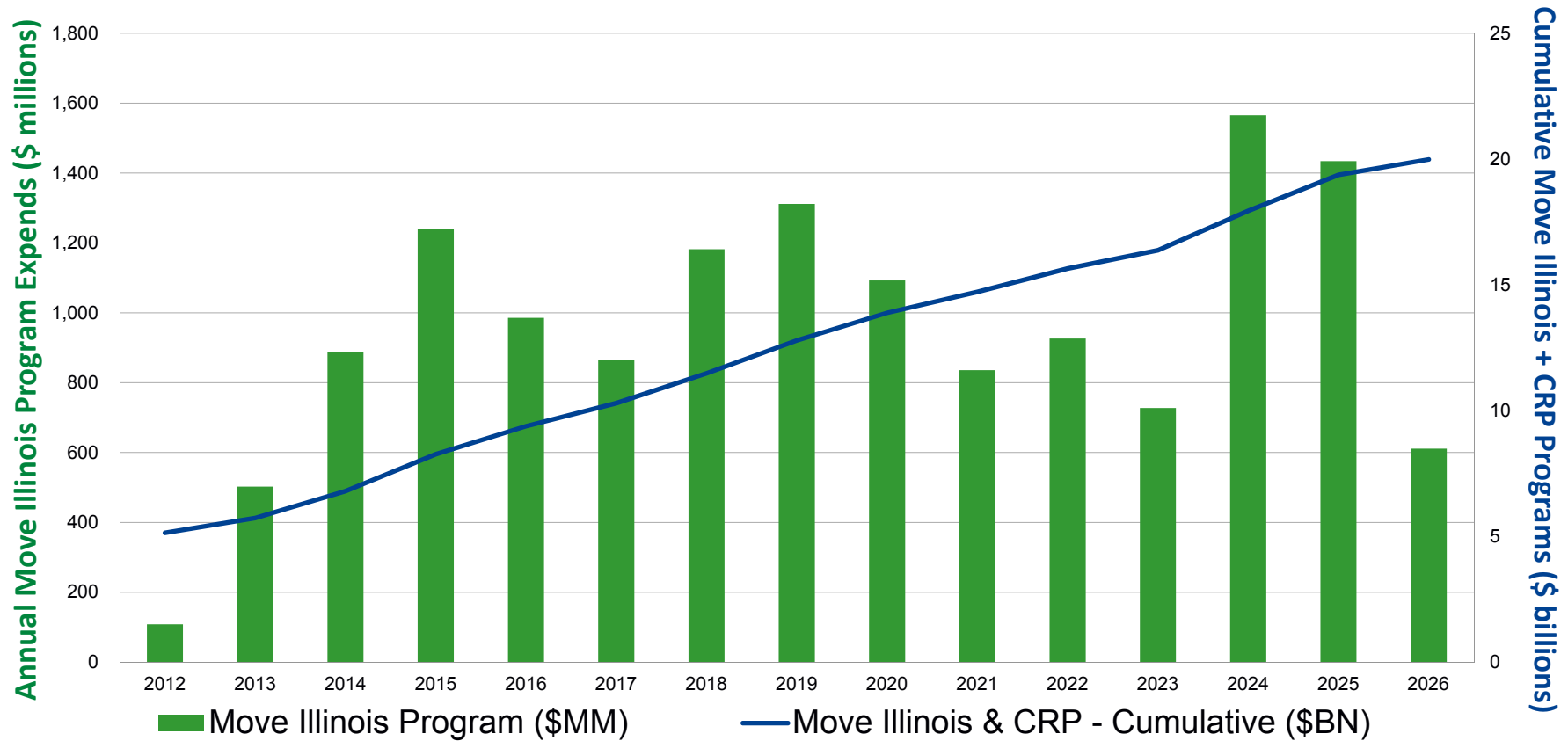
- Save drivers 7 minutes on 11-mile trip from western side of O'Hare to Lake St (Rte 20)
- Reduce rush-hour traffic on local roads 16%
- Accommodate three times as many vehicles per day versus local roads
- Better link between O'Hare and surrounding communities / businesses to facilitate economic growth
- Project timing contingent on land acquisition
- Rehabilitation and widening of existing portion of Illinois Route 390 Tollway (formerly Elgin O'Hare Expressway) completed, tolling beginning July 5, 2016, and eastern extension completed, tolling beginning November 1, 2017

### New I-294/I-57 Interchange

- One of few places in the nation where two interstates crossed but did not connect
- Projected to accommodate as many as 76,000 vehicles per day
- Projected to save drivers \$4 million annually in fuel consumption
- Increases economic development opportunities throughout Chicago Southland
- Direct freight access to south suburbs
- First phase completed in October 2014, allowing movements from northbound I-57 to I-294 and from I-294 to southbound I-57
- Second phase currently scheduled for 2024 - 2026

# Move Illinois Capital Spending

- Construction schedule demonstrates a measured approach to capital spending
- Multiple projects allow for flexibility in scheduling and management
- Schedule/amounts are subject to change



Source: Consulting Engineer's Report, November 2017

# Toll Rates by Vehicle Class

- The Authority maintains flexibility to raise toll rates and has demonstrated a willingness to do so to fund essential capital projects
- The Authority's past toll rate increases are shown below, most recently a commercial vehicle increase phased in from 2015-2017
- Beginning January 1, 2018, commercial vehicle toll rates adjust annually and the first adjustment is an increase of 1.839%
- All toll rate increases necessary to fund currently projected capital expenditures are in place

**Historical Toll Rates by Vehicle Class (1959-Present)**

Vehicle Class		Description	2005 – 2011 <sup>(1)(2)(3)</sup>				2012 – 2014 <sup>(1)(2)(3)</sup>		2015 <sup>(1)(2)(3)</sup>		2016 <sup>(1)(2)(3)</sup>		2017 <sup>(1)(2)(3)</sup>			
Current	Pre-2005		1959-1963	1964-1970	1971-1983	1983-2004	Non-Discounted	Discounted	Non-Discounted	Discounted	Non-Discounted	Discounted	Non-Discounted	Discounted		
1	1	Automobile, motorcycle, taxi, station wagon, ambulance, single unit truck or tractor, two axles, four or less tires	\$0.30	\$0.35	\$0.30	\$0.40	\$0.80	\$0.40	\$1.50	\$0.75	\$1.50	\$0.75	\$1.50	\$0.75		
2	2	Single unit truck or tractor, buses, two axles, six tires	\$0.40	\$0.45	\$0.30	\$0.50	\$1.50	\$1.00	\$1.50	\$1.00	\$2.10	\$1.40	\$2.25	\$1.50	\$2.40	\$1.60
3	3	Three axle trucks and buses	\$0.50	\$0.50	\$0.45	\$0.75	\$2.25	\$1.75	\$2.25	\$1.75	\$3.15	\$2.45	\$3.40	\$2.65	\$3.60	\$2.80
3	4	Trucks with four axles	\$0.50	\$0.60	\$0.60	\$1.00	\$2.25	\$1.75	\$2.25	\$1.75	\$3.15	\$2.45	\$3.40	\$2.65	\$3.60	\$2.80
3	7	Class 1 vehicle with one axle trailer	\$0.50	\$0.50	\$0.45	\$0.60	\$2.25	\$1.75	\$2.25	\$1.75	\$3.15	\$2.45	\$3.40	\$2.65	\$3.60	\$2.80
3	8	Class 1 vehicle with two axle trailer	\$0.50	\$0.60	\$0.60	\$0.80	\$2.25	\$1.75	\$2.25	\$1.75	\$3.15	\$2.45	\$3.40	\$2.65	\$3.60	\$2.80
4	5	Truck with five axles	\$0.50	\$0.75	\$0.75	\$1.25	\$4.00	\$3.00	\$4.00	\$3.00	\$5.60	\$4.20	\$6.00	\$4.50	\$6.40	\$4.80
4	6	Truck with six axles	\$0.50	\$0.90	\$0.90	\$1.50	\$4.00	\$3.00	\$4.00	\$3.00	\$5.60	\$4.20	\$6.00	\$4.50	\$6.40	\$4.80
4	9	Miscellaneous passenger car, special or unusual vehicles not classified above	\$0.50	\$0.90	\$1.00	\$1.00 <sup>(4)</sup>	\$4.00	\$3.00	\$4.00	\$3.00	\$5.60	\$4.20	\$6.00	\$4.50	\$6.40	\$4.80
4	10	Miscellaneous commercial vehicle, special or unusual vehicles not classified above	--	--	--	\$1.75 <sup>(4)</sup>	\$4.00	\$3.00	\$4.00	\$3.00	\$5.60	\$4.20	\$6.00	\$4.50	\$6.40	\$4.80

<sup>1</sup> The toll rates listed above are toll rates 11 of 28 of the mainline plazas on the existing Tollway System. Toll rates at the other mainline plazas are higher by various amounts. A complete listing of toll rates at each Tollway System plaza may be found on the Authority's website. No other information from the Authority's website is incorporated by reference. Toll rates on Route IL-390 (formerly the Elgin O'Hare Expressway) are significantly higher on a per-mile basis.

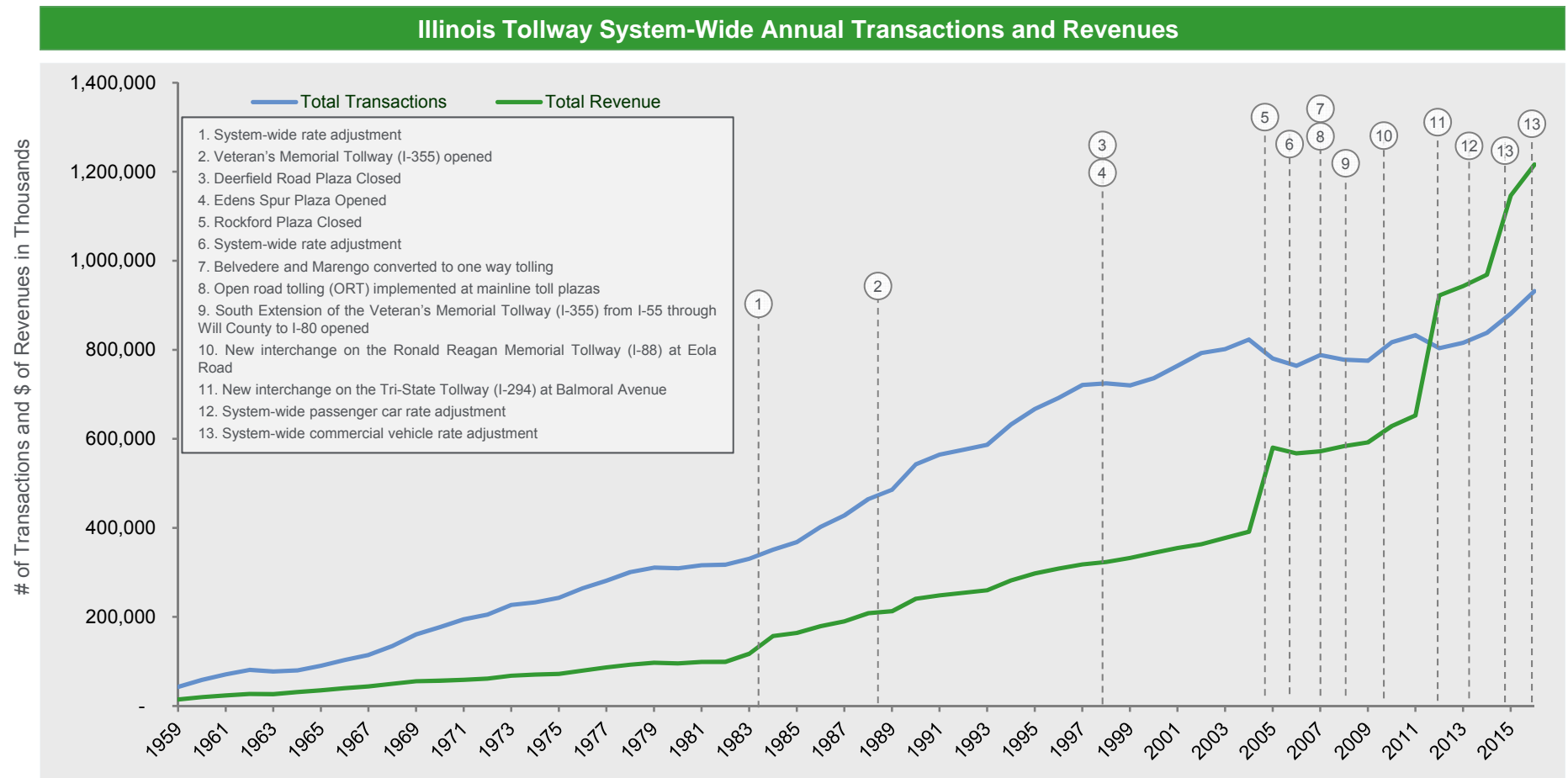
<sup>2</sup> Class 1 vehicles making payment via I-PASS are tolled at the discounted rate, and the non-discounted rate applies to cash forms of payment.

<sup>3</sup> Commercial vehicles (Classes 2-4) are tolled at a discounted rate during the overnight period of 10pm-6am whether paying by I-PASS or cash (the "Overnight Discount Rate"). Prior to January 1, 2009, commercial vehicles paying by I-PASS were tolled at the discounted rate for certain off-peak time periods (the "I-PASS Off-Peak Discount Rate"). This I-PASS Off-Peak Discount Rate expired on 12/31/2008. The Overnight Discount Rate continues. After year 2017, commercial vehicle toll rates will adjust annually, beginning with a 1.839% increase in 2018, at approximately the rate of change of the Consumer Price Index for All Urban Consumers.

<sup>4</sup> In 1983-2004, the class 9 rate was \$0.20 per axle for three axle trailer and Class 10 rate was \$0.25 per axle for seven axle trailers.

# History of Strong Revenue Growth

- The Authority has experienced continued revenue growth and stable transactions despite construction impacts and toll increases



Note: Revenues shown are collected Toll Revenues  
Source: Traffic Engineer's Report, November 2017

# Low Toll Elasticity Demonstrates Essentiality of Roadways

- Despite toll increases, the relationship between toll rates and revenues/transactions has been relatively inelastic

— In January 2012, passenger car toll rates increased by 87%

- The number of passenger car transactions decreased by only 4.2% from 2011 to 2012, which was less than forecasted
- Passenger car toll revenue increased 73.9% from 2011 to 2012

	Traffic Engineer 2012 Forecast	2012 Actual
Passenger Cars	5.9% Decline	4.2% Decline
Commercial Vehicles	2.2% Increase	2.8% Increase

— In January 2015, commercial vehicle toll rates increased by 40%

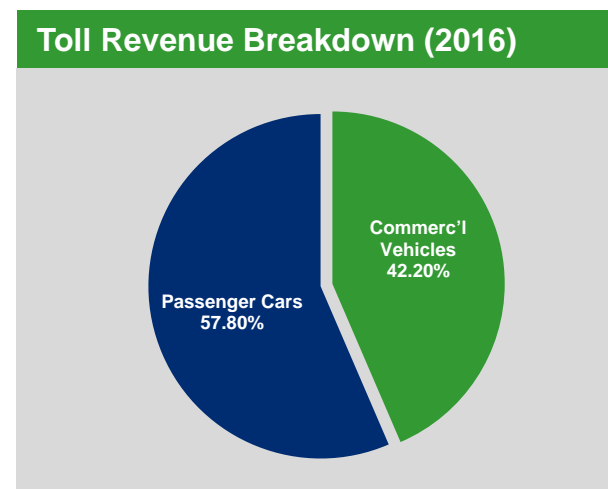
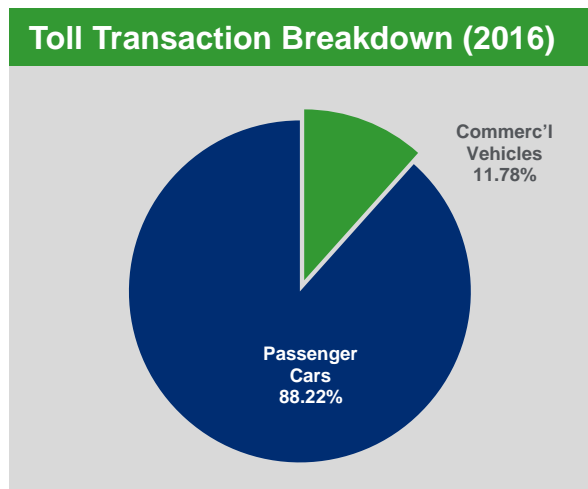
- The number of commercial vehicle transactions increase by 2.8% from 2014 to 2015, which was better than forecasted
- Commercial vehicle toll revenue increased 43.0% from 2014 to 2015

	Traffic Engineer 2015 Forecast	2015 Actual
Passenger Cars	1.6% Increase	5.5% Increase
Commercial Vehicles	1.1% Decline	2.8% Increase

- 87% of the Tollway's transactions are generated by I-PASS users

- Low elasticity for both passenger and commercial traffic on the Tollway System demonstrates the **essentiality of its roadways**

- A breakdown of 2016 toll transactions and toll revenue by passenger cars and commercial vehicles follows to the right



Source: Traffic Engineer's Report, November 2017

# Toll Rate Peer Comparison

- The Tollway System maintains one of the lowest per-mile passenger car toll rates among U.S. facilities

Toll Rate Peer Comparison					
Toll Agency (State)	\$ per mile		Toll Agency (State)	\$ per mile	
	Passenger Car	5-Axle Truck		Passenger Car	5-Axle Truck
Adams Avenue Parkway, Inc. (UT)	\$1.000	\$2.500	Miami-Dade Expressway Authority (FL)	\$0.171	\$0.685
Skyway Concession Company (IL)	\$0.641	\$3.769	Osceola County (FL)	\$0.161	\$0.645
Montgomery County Toll Road Authority (TX)	\$0.625	\$2.500	Delaware Department of Transportation (DE)	\$0.160	\$0.313
DBi Services (VA)	\$0.472	\$0.818	Central Florida Expressway Authority (FL)	\$0.137	\$0.329
City of Chesapeake (VA)	\$0.455	\$0.581	New Jersey Turnpike Authority (NJ) - New Jersey Turnpike	\$0.117	\$0.385
Kansas Turnpike Authority (KS)	\$0.450	\$0.133	South Carolina Department of Transportation (SC)	\$0.110	\$0.551
Northwest Parkway, LLC (CO)	\$0.400	\$1.600	Pennsylvania Turnpike Commission (PA)	\$0.104	\$0.538
Toll Road Investors Partnership II (VA)	\$0.393	\$1.182	Maryland Transportation Authority (MD)	\$0.102	\$0.698
Transportation Corridor Agencies (CA)	\$0.350	\$1.320	Mid-Bay Bridge Authority (FL)	\$0.100	\$0.533
E-470 Public Highway Authority (CO)	\$0.311	\$1.243	South Jersey Transportation Authority (NJ)	\$0.085	\$0.341
Central Texas Regional Mobility Authority (TX)	\$0.295	\$1.179	Florida Turnpike Enterprise (FL)	\$0.081	\$0.280
San Diego Association of Governments (CA)	\$0.275	\$0.550	Virginia Department of Transportation (VA)	\$0.075	\$0.150
Metropolitan Washington Airports Authority (VA)	\$0.261	\$0.784	Indiana Toll Road Concession Company (IN)	\$0.067	\$0.268
Orchard Pond Greenway, LLC (FL)	\$0.229	\$0.915	Illinois State Toll Highway Authority (IL)	\$0.065	\$0.516
Fort Bend County Toll Road Authority (TX)	\$0.213	\$0.854	Oklahoma Turnpike Authority (OK)	\$0.060	\$0.207
Richmond Metropolitan Transportation Authority (VA)	\$0.206	\$0.294	Maine Turnpike Authority (ME)	\$0.058	\$0.233
North Carolina Turnpike Authority (NC)	\$0.203	\$0.813	Ohio Turnpike and Infrastructure Commission (OH)	\$0.052	\$0.162
Cameron County Regional Mobility Authority (TX)	\$0.190	\$0.759	New York State Thruway Authority (NY)	\$0.049	\$0.258
Tampa-Hillsborough County Expressway Authority (FL)	\$0.189	\$0.755	Florida Department of Transportation (FL)	\$0.049	\$0.196
Harris County Toll Road Authority (TX)	\$0.189	\$0.880	New Jersey Turnpike Authority (NJ) - Garden State Parkway	\$0.048	\$0.214
Connector 2000 Association (SC)	\$0.188	\$0.625	Massachusetts Department of Transportation (MA)	\$0.044	\$0.167
North East Texas Regional Mobility Authority (TX)	\$0.185	\$0.738	West Virginia Parkways, Economic Development, and Tourism Authority (WV)	\$0.044	\$0.184
SH 130 Concession Company, LLC (TX)	\$0.180	\$0.720	New Hampshire Department of Transportation (NH)	\$0.043	\$0.187
North Texas Tollway Authority (TX)	\$0.175	\$0.700			
Texas Department of Transportation (TX)	\$0.172	\$0.617	<b>National Average</b>	<b>\$0.096</b>	<b>\$0.395</b>

Note: Toll rates are for electronic payments at peak hour rates, if applicable. Toll rates are for full-length trips, with the exception of the Garden State Parkway 5-axle truck rates, which reflect only for the part of the facility where 5-axle trucks are allowed. Toll rates are current as of June 2017.

Source: Traffic Engineer's Report, November 2017



# Use of Electronic Tolling

- High rate of electronic tolling – currently 87%
- Evaded tolls averaged a manageable 6.4% of expected revenues over the past three years (2014-2016)
- Evaded tolls net of evasion recovery averaged 1.3% over the past three years (2014-2016)

ETC Usage Peer Comparison			
ETC Usage Rank	ETC Usage Rates	Toll Agency Name	Name of ETC System
1	87.0%	Illinois Tollway	I-PASS/E-ZPass
2	85.9%	Metropolitan Transportation Authority (NY)	E-ZPass
3	82.6%	New Jersey Turnpike Authority	E-ZPass
4	81.5%	Port Authority of New York and New Jersey	E-ZPass
5	81.0%	Maryland Transportation Authority	E-ZPass
6	80.8%	Florida Turnpike	SunPass
7	79.5%	North Texas Tollway Authority System	TollTag
8	78.0%	Massachusetts Department of Transportation	E-ZPass
9	77.2%	Harris County Toll Road Authority (Houston)	E-Z Tag
10	74.5%	Pennsylvania Turnpike Commission	E-ZPass
11	74.0%	New York State Thruway Authority	E-ZPass
12	73.9%	Indiana Toll Road Concession Company	E-ZPass
13	73.2%	Oklahoma Turnpike Authority	PIKEPASS
14	66.8%	Bay Area Toll Authority	FasTrak
15	57.1%	Ohio Turnpike Commission	E-ZPass

Source: Traffic Engineer's Report, November 2017

# History of Strong Financial Performance and Liquidity<sup>(1)</sup>

- Tollway's strong financial performance, shown below, and manageable debt issuance has allowed for sound budgeting

	2012	2013	2014	2015	2016
<b>Operating Revenues:</b>					
Toll Revenue	\$922,390	\$943,152	\$968,972	\$1,146,629	\$1,216,298
Toll Evasion Recovery <sup>(2)</sup>	32,599	54,221	53,769	64,323	64,491
Concession & Miscellaneous	7,377	11,537	12,373	7,664	11,481
Investment Income	1,389	866	1,041	1,846	6,529
<b>Total Operating Revenue</b>	<b>\$963,755</b>	<b>\$1,009,776</b>	<b>\$1,036,155</b>	<b>\$1,220,462</b>	<b>\$1,298,799</b>
<b>Maintenance and Operating Expense:</b>					
General Administration	\$19,971	\$19,138	\$24,192	\$23,851	\$25,731
Engineering & Maintenance	39,144	43,225	47,614	55,477	53,650
Toll Services	93,590	106,321	107,326	101,415	109,854
Police, Safety, and Communication	22,808	22,551	27,606	24,958	27,256
Insurance and Employee Benefits	77,544	86,278	91,082	92,778	92,748
<b>Total Expenses</b>	<b>\$253,057</b>	<b>\$277,513</b>	<b>\$297,820</b>	<b>\$298,479</b>	<b>\$309,239</b>
<b>Net Operating Revenues</b>	<b>\$710,698</b>	<b>\$732,263</b>	<b>\$738,335</b>	<b>\$921,983</b>	<b>\$989,560</b>

Source: Comprehensive Annual Financial Report for the Year Ended December 31, 2016.

(1) Determined in accordance with accounting principles set forth in the Indenture and differs from financial statements prepared in accordance with generally accepted accounting principles. Operating Expenses exclude Depreciation and Amortization.

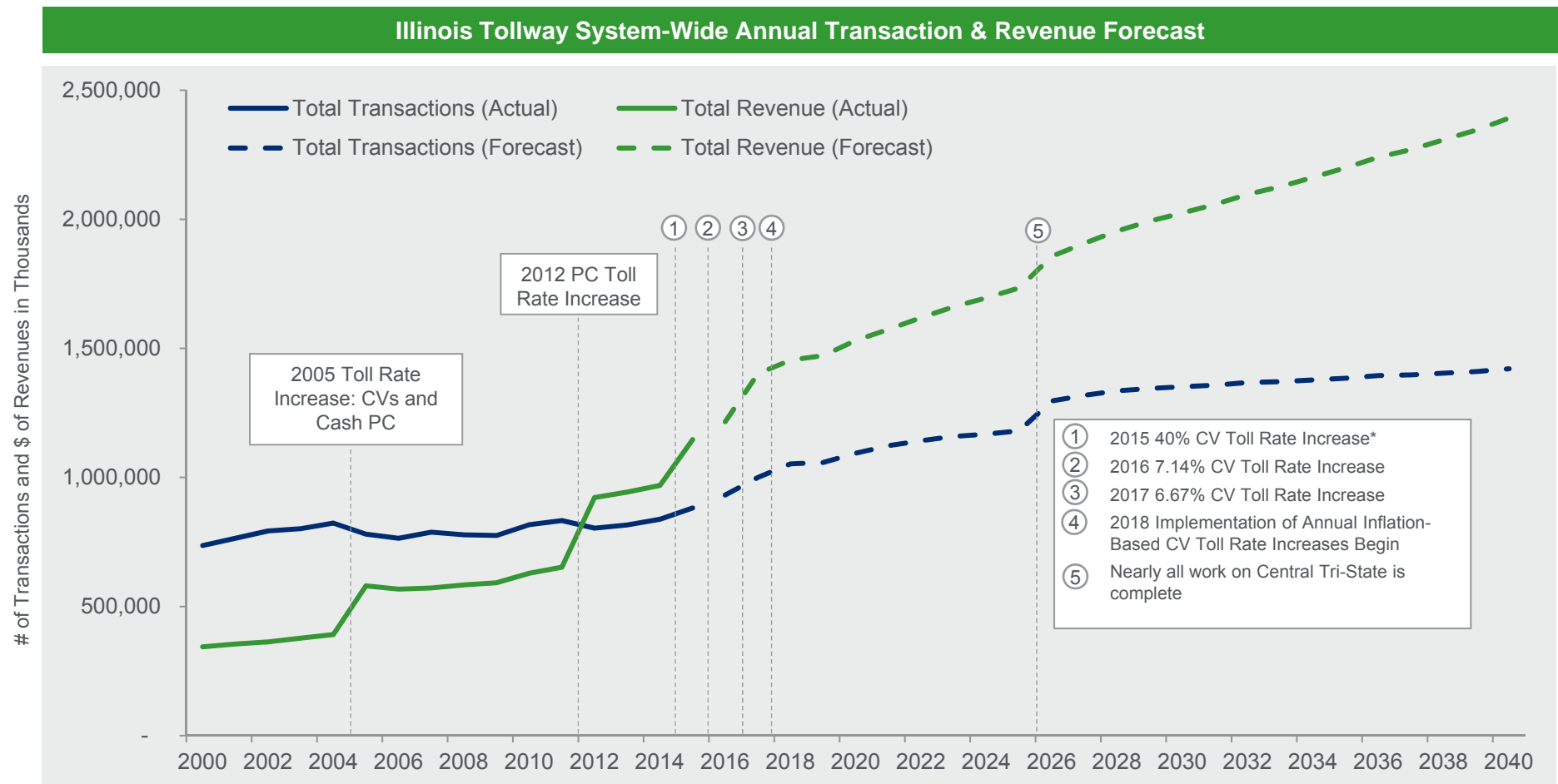
(2) Prior to 2012, toll evasion recovery was the dollar amount (tolls plus fines) of violation notices issued in a given fiscal year less estimated bad debt expense for that fiscal year. In 2012, the Tollway changed its accounting of fines to a cash basis, recognizing fines as revenues when collected. The amount of evasion recovery shown in 2012 includes a one-time accounting adjustment of (\$11.6 million) to remove the dollar amount of fines receivable net of bad debt expense as of 12/31/2011.

## Liquidity Position

- As of FY 2016, unrestricted cash/cash equivalents/investments totaled \$1.0 billion, equating to over 1,000 days cash on hand

# Historical and Projected Traffic and Revenues

- Forecasted average annual transaction growth is 1.4% from 2017-2040
  - Elgin O'Hare Western Access Project is estimated to generate approximately 1.6% of system toll revenues in its first year of tolling (2017) and 5.2% in the final year of the *Move Illinois* Capital Program (2026)



\*Became effective beginning on January 1, 2015 with additional increases to follow. Source: Traffic Engineer's Report, November 2017

**NOTE: Historical revenue (2000-2016) is booked revenue (after evaded tolls). Projected revenue (2017-2040) is expected revenue (before evaded tolls).**

CV – Commercial Vehicles; PC – Passenger Cars

# Projected Debt Service Coverage

- Per its Debt Management Guidelines, the Authority will strive to maintain average senior lien debt service coverage near 2X

Projected Oper. Revenues	Forecasted (\$ in millions)														
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Expected Toll Revenues <sup>(1)</sup>	\$ 1,402	\$ 1,455	\$ 1,472	\$ 1,531	\$ 1,574	\$ 1,619	\$ 1,662	\$ 1,696	\$ 1,734	\$ 1,857	\$ 1,908	\$ 1,955	\$ 1,993	\$ 2,024	\$ 2,058
Evaded Tolls <sup>(2)</sup>	(93)	(95)	(93)	(96)	(99)	(102)	(105)	(107)	(109)	(117)	(120)	(123)	(126)	(128)	(130)
Evasion Recovery <sup>(3)</sup>	61	70	83	87	89	92	94	96	98	105	108	111	113	115	117
Concession / Misc.	10	8	9	9	9	10	10	10	10	10	11	11	11	11	11
Investment Income	10	12	15	15	16	16	17	17	18	18	18	18	18	18	18
<b>Total Revenues</b>	<b>\$ 1,390</b>	<b>\$ 1,450</b>	<b>\$ 1,487</b>	<b>\$ 1,545</b>	<b>\$ 1,589</b>	<b>\$ 1,635</b>	<b>\$ 1,678</b>	<b>\$ 1,712</b>	<b>\$ 1,751</b>	<b>\$ 1,873</b>	<b>\$ 1,925</b>	<b>\$ 1,971</b>	<b>\$ 2,009</b>	<b>\$ 2,041</b>	<b>\$ 2,074</b>
<b>Projected Oper. Expenses <sup>(4)</sup></b>	<b>336</b>	<b>353</b>	<b>366</b>	<b>382</b>	<b>396</b>	<b>411</b>	<b>428</b>	<b>444</b>	<b>463</b>	<b>485</b>	<b>502</b>	<b>520</b>	<b>539</b>	<b>558</b>	<b>578</b>
<b>Projected Net Oper. Revs</b>	<b>1,054</b>	<b>1,097</b>	<b>1,120</b>	<b>1,163</b>	<b>1,193</b>	<b>1,224</b>	<b>1,250</b>	<b>1,269</b>	<b>1,289</b>	<b>1,389</b>	<b>1,422</b>	<b>1,451</b>	<b>1,471</b>	<b>1,483</b>	<b>1,496</b>
<b>Debt Serv. (Includes 2017A) <sup>(5)</sup></b>	<b>399</b>	<b>423</b>	<b>423</b>	<b>423</b>	<b>423</b>	<b>423</b>	<b>423</b>	<b>423</b>	<b>436</b>	<b>481</b>	<b>486</b>	<b>486</b>	<b>486</b>	<b>486</b>	<b>486</b>
<b>Pro Forma Debt Serv. Coverage</b>	<b>2.6 x</b>	<b>2.6 x</b>	<b>2.7 x</b>	<b>2.7 x</b>	<b>2.8 x</b>	<b>2.9 x</b>	<b>3.0 x</b>	<b>3.0 x</b>	<b>3.0 x</b>	<b>2.9 x</b>	<b>2.9 x</b>	<b>3.0 x</b>	<b>3.0 x</b>	<b>3.1 x</b>	<b>3.1 x</b>
<b>Projected Net Cash Flow</b>	<b>\$ 655</b>	<b>\$ 675</b>	<b>\$ 698</b>	<b>\$ 740</b>	<b>\$ 770</b>	<b>\$ 801</b>	<b>\$ 828</b>	<b>\$ 846</b>	<b>\$ 852</b>	<b>\$ 908</b>	<b>\$ 936</b>	<b>\$ 965</b>	<b>\$ 985</b>	<b>\$ 987</b>	<b>\$ 1,010</b>

(1) Forecasted Expected Toll Revenues are based upon the Traffic Engineer's Report. Expected revenue assumes all transactions are recorded at the proper rate and result in full payment.

(2) Forecasted Evaded Tolls (aka Toll Revenue Leakage) is estimated for 2017, as tentatively budgeted for 2018, and thereafter projected at 6.3% of Toll Revenue.

(3) Forecasted Evasion Recovery is estimated at 90% of Evaded Tolls

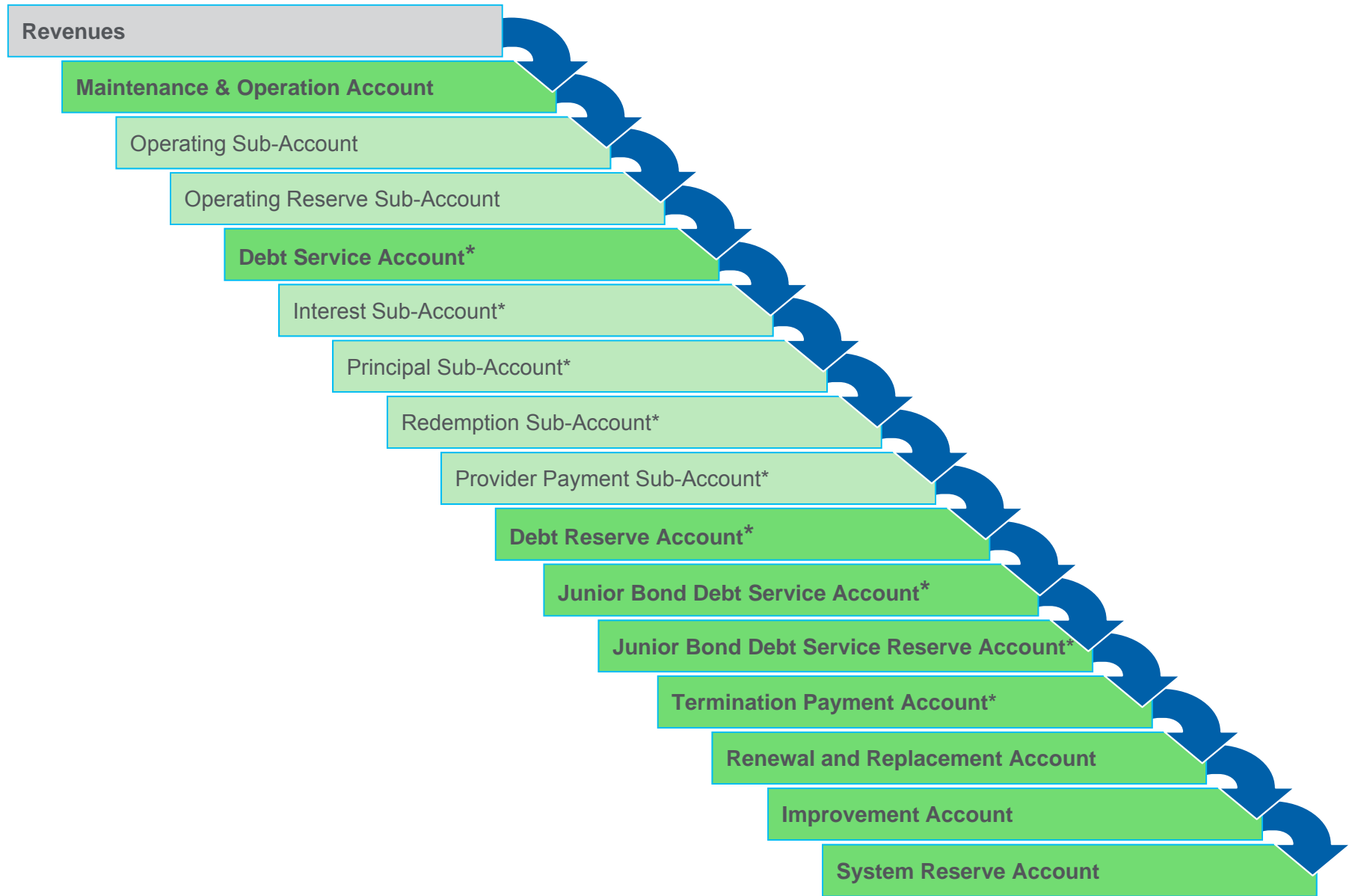
(4) Forecasted Operating Expenses are based upon the Consulting Engineer's Report.

(5) This table assumes the issuance of the 2017A Bonds, but does not take into account any bond issuance projected after the 2017A Bonds. The Authority's current estimate of projected annual debt service coverage assuming the issuance of all additional bonds for the Move Illinois Program is approximately 2x.

# Bondholder Security

<p><b>Pledge of Revenues and Funds</b></p>	<p>Senior Lien Revenue Bonds issued under the Indenture are payable solely from and secured solely by a pledge of and lien on Net Revenues (defined below) of the Tollway System and certain other funds as provided in the Indenture</p>
<p><b>Net Revenues</b></p>	<p>For any Fiscal Year, the Revenues, excluding the amounts transferred (i) to the Revenue Fund from the Construction Fund and (ii) to the Trustee by the Authority from the System Reserve Account, the Improvement Account or the Renewal and Replacement Account, less the Operating Expenses for such Fiscal Year or period</p>
<p><b>Toll Covenant</b></p>	<p>The Tollway, which by statute has the exclusive right to set tolls, covenants to set tolls at levels that produce sufficient Net Revenues to meet or exceed the Net Revenue Requirement</p> <ul style="list-style-type: none"> <li>- Amount necessary to cure deficiencies, if any, in the Debt Service Account, the Debt Reserve Account, any Junior Bond Debt Service and/or Junior Reserve Account, <i>plus</i></li> <li>- The greater of (i) the sum of Aggregate Debt Service on Senior Bonds, the Junior Bonds Revenue Requirement and the Renewal and Replacement Deposit or (ii) 1.30x Aggregate Debt Service on Senior Bonds</li> </ul>
<p><b>Net Revenue Requirement</b></p>	<p>The amount necessary to cure any deficiencies in the Debt Service and Debt Reserve Accounts (Senior and Junior), <i>plus</i> the greater of:</p> <ul style="list-style-type: none"> <li>- The sum of: Debt Service and reserve fund requirements on Senior and Junior Bonds and the Renewal and Replacement Deposit</li> <li>- 1.30x Aggregate Debt Service on the Senior Bonds</li> </ul>
<p><b>Additional Bonds Test</b></p>	<p><b>Look-Back Test #1</b> - Net Revenues for a period of 12 consecutive months out of the 18 months preceding the issuance of additional senior bonds must exceed the Net Revenue Requirement; and</p> <p><b>Forward-Looking Test #2</b> - For the current and each Fiscal Year through the fifth full Fiscal Year after the date of issuance, Net Revenues shall be at least equal to the estimated Net Revenue Requirement for such Fiscal Year</p>
<p><b>Debt Reserve Requirement</b></p>	<p>The maximum annual Aggregate Debt Service for any Fiscal Year for all outstanding Senior Bonds</p>

# Flow of Funds



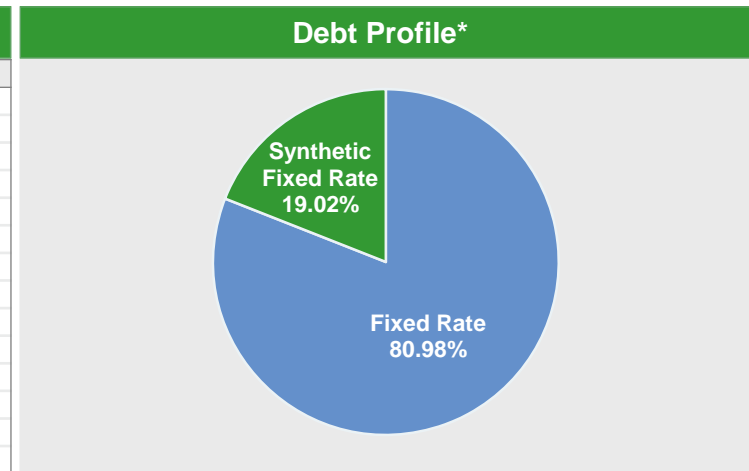
\* Reflects accounts held by the Trustee, as applicable



# Authority's Debt Profile

- After the issuance of the 2017A Bonds, the Authority will have approximately \$6.1 billion in par amount of bonds outstanding

Fixed Rate Debt*			
Series	Type	Issued Amount (\$000s)	Outstanding Amount (\$000s)
2009A	Fixed	500,000	500,000
2009B	Fixed	280,000	280,000
2010A-1	Fixed	279,300	279,300
2013A	Fixed	500,000	500,000
2013B-1	Fixed	217,390	182,165
2014A	Fixed	378,720	378,720
2014B	Fixed	500,000	500,000
2014C	Fixed	400,000	400,000
2014D	Fixed	264,555	264,555
2015A	Fixed	400,000	400,000
2015B	Fixed	400,000	400,000
2016A	Fixed	333,060	333,060
2016B	Fixed	300,000	300,000
2017A	Fixed	300,000 <sup>(1)</sup>	300,000 <sup>(1)</sup>



Variable Rate Debt Portfolio							
Series	Par Amount of Bonds (\$000)	Type	Liquidity Provider / Expiration Date of Liquidity and/or Facility	Insurer	Swap Counter Party(ies)	Swap Notional / Outstanding Amount (\$000s)	Est Valuation (\$000s)
2007A-1	350,000	VRDB	Landesbank Hessen-Thüringen Girozentrale (1/30/2022) Bank of America, N.A. (3/09/2019)	None	Goldman Sachs Bank Citibank	350,000	(68,944)
2007A-2	350,000	VRDB	The Bank of Tokyo-Mitsubishi UFJ, Ltd. (3/16/2020) PNC Bank N.A. (3/05/2020) Landesbank Hessen-Thüringen Girozentrale (1/30/2022) Bank of America, N.A. (3/09/2019)	None	Bank of America Wells Fargo Bank	350,000	(69,181)
2008A-1	383,100	VRDB	JPMorgan Chase Bank (2/2/2018) RBC Municipal Products, LLC (2/3/2020)	AGMC	The Bank of New York Deutsche Bank AG	383,100	(66,991)
2008A-2	95,800	VRDB	JPMorgan Chase Bank (2/2/2018)	AGMC	Bank of America	95,775	(16,649)
<b>Total</b>	<b>1,178,900</b>					<b>1,178,875</b>	<b>(221,766)</b>

- Future debt issuances are projected to be fixed rate, which will decrease variable-rate exposure as a percentage of total debt over time. The vast majority of the Authority's variable rate debt amortizes in Authority fiscal years 2024 – 2030.

Estimated swap valuations as of September 30, 2017.

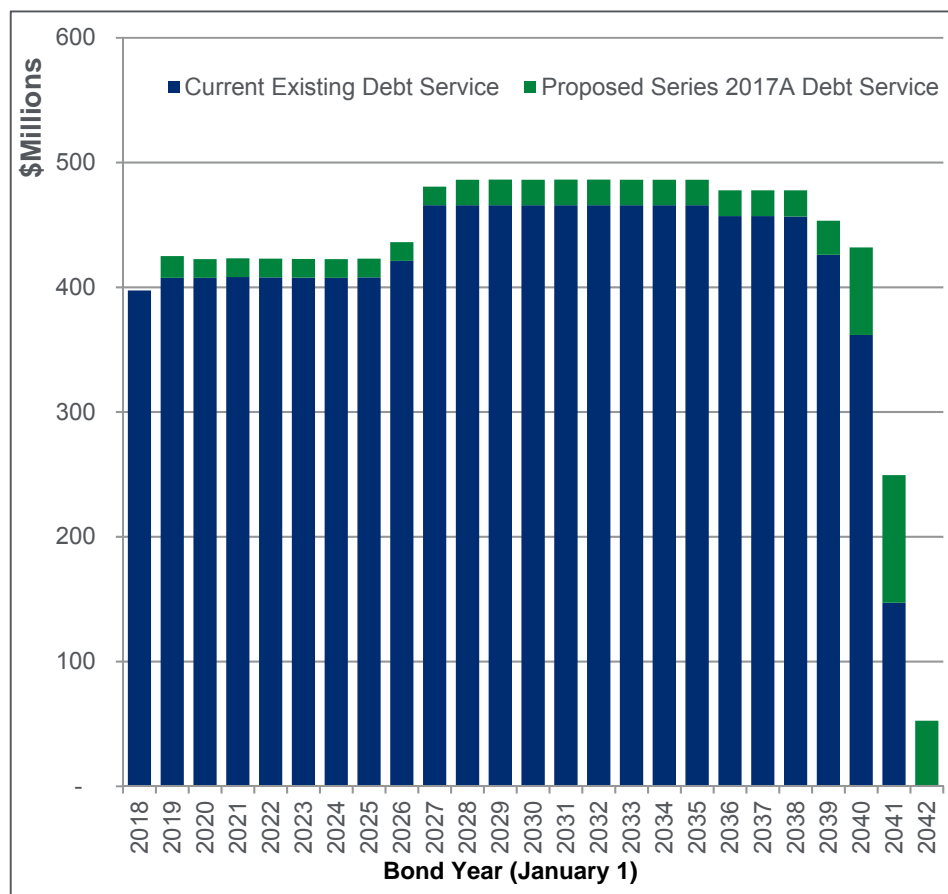
(1) Preliminary, subject to change.

\*Includes issuance of 2017A Bonds

# 2017 Series A Plan of Finance\*

- Total annual debt service is shown below
- The 2017 Series A Bonds are expected to be fixed rate bonds and have principal amortizing January 1, 2028-2042\*, including serial maturities 2028-2039 and term bonds in 2040-2042

**Debt Service of 2017A Bonds and Debt Service Profile\***



Maturity Date	Principal	Interest	Debt Service
1/1/2018	-	-	-
1/1/2019	-	17,500,000	17,500,000
1/1/2020	-	15,000,000	15,000,000
1/1/2021	-	15,000,000	15,000,000
1/1/2022	-	15,000,000	15,000,000
1/1/2023	-	15,000,000	15,000,000
1/1/2024	-	15,000,000	15,000,000
1/1/2025	-	15,000,000	15,000,000
1/1/2026	-	15,000,000	15,000,000
1/1/2027	-	15,000,000	15,000,000
1/1/2028	5,500,000	15,000,000	20,500,000
1/1/2029	5,800,000	14,725,000	20,525,000
1/1/2030	6,000,000	14,435,000	20,435,000
1/1/2031	6,400,000	14,135,000	20,535,000
1/1/2032	6,700,000	13,815,000	20,515,000
1/1/2033	7,000,000	13,480,000	20,480,000
1/1/2034	7,300,000	13,130,000	20,430,000
1/1/2035	7,600,000	12,765,000	20,365,000
1/1/2036	8,300,000	12,385,000	20,685,000
1/1/2037	8,700,000	11,970,000	20,670,000
1/1/2038	9,500,000	11,535,000	21,035,000
1/1/2039	16,200,000	11,060,000	27,260,000
1/1/2040	60,000,000	10,250,000	70,250,000
1/1/2041	95,000,000	7,250,000	102,250,000
1/1/2042	50,000,000	2,500,000	52,500,000
<b>Total</b>	<b>\$ 300,000,000</b>	<b>\$ 315,935,000</b>	<b>\$615,935,000</b>

\*Preliminary, subject to change.

# Transaction Timeline\* and Contact Data

## Transaction Timeline

November 2017							December 2017						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4						1	2
5	6	7	8	9	10	11	3	4	5	6	7	8	9
12	13	14	15	16	17	18	10	11	12	13	14	15	16
19	20	21	22	23	24	25	17	18	19	20	21	22	23
26	27	28	29	30			24	25	26	27	28	29	30
							31						

Date*	Event
Nov 9	Post Preliminary Official Statement
<b>Nov 15</b>	<b>Price Bonds</b>
Dec 6	Close Transaction and Deliver Bonds

**For additional information on the offering, please contact your Loop Capital Markets or Jefferies sales representative.**

## Contacts

### Illinois State Toll Highway Authority

- Michael Colsch: (630) 241-6800 x 4000; [michael.colsch@getipass.com](mailto:michael.colsch@getipass.com)
- William O'Connell: (630) 241-6800x 4472; [woconnell@getipass.com](mailto:woconnell@getipass.com)

### Book-Running Senior Manager

- Clarence Bourne: (312) 356-5009; [clarence.bourne@loopcapital.com](mailto:clarence.bourne@loopcapital.com)
- Bob Walsh: (312) 356-1004; [bob.walsh@loopcapital.com](mailto:bob.walsh@loopcapital.com)

### Senior Managing Underwriter

- Nic Malas: (212) 336-7421; [nmalas@jefferies.com](mailto:nmalas@jefferies.com)
- John Gust: (310) 575-5207; [jgust@jefferies.com](mailto:jgust@jefferies.com)

\* Preliminary, Subject to Change