

407 ETR Announces 2018 Rate Schedule

Friday, December 29, 2017, 10:00 a.m. (EST)

407 ETR announced toll and fee changes today that will come into effect on February 1, 2018.

407 ETR provides a fast, safe and reliable trip and continues to deliver great value to drivers and their families. More than 400,000 trips are taken on the highway each workday, moving hundreds of thousands of people to work and home and to visit family and friends. As the 407 ETR corridor has become a magnet for growth and economic activity, usage of the toll-road has risen and 407 ETR has become the mobility solution for getting across the Greater Toronto Area and avoiding traffic congestion elsewhere.

Drivers demonstrate the value of using the toll road as a way to save time and money. There were over 124 million trips on the toll road in 2016, relieving traffic on other area roads and highways.

The new toll rate structure to take effect on February 1, 2018, accounts for differences in traffic during varying times of the day on various parts of the highway, direction of travel, and day of the week.

Drivers have come to rely upon Highway 407 ETR as a dependable means of ensuring they arrive at their destination safely. This is increasingly important to all drivers and 407 ETR continues to invest in safety both on and off the road through around the clock safety patrols, central monitoring of the roadway and funding various driver education programs.

"We move over 500,000 people safely and on-time each workday," said Andres Sacristan, 407 ETR President & CEO. "We remain very proud of our excellent service both on and off the highway and have invested over \$1.6 billion to both extend and widen the highway and the company will continue to invest in the highway to meet demand."

407 ETR has added over 240 km of new lanes in the last 10 years and added 21 new lane km in 2017 alone. In addition, construction continues on the widening of the highway in the east end.

Almost 60% of 407 ETR drivers state they save between 20 minutes and 60 minutes per trip when they use Highway 407 ETR. That means drivers who take Highway 407 ETR to and from their destination could save up to two hours per round trip. In addition, more than 75% report that the time, fuel and vehicle maintenance savings achieved by using the road offsets some or most of their tolls. Drivers of 407 ETR also agree that driving on an uncongested highway – avoiding idling in traffic congestion or stop and go conditions elsewhere – reduces the environmental impact of driving by not wasting costly fuel and reducing emissions.

All of the costs of operating the toll highway, including all extensions and expansions, maintenance, snow clearing, policing and Ministry enforcement and the award-winning customer service 407 ETR offers, both on and off the road, are paid for by revenue from tolls. As a privately operated toll road, 407 ETR paid \$3.1 billion to the Ontario government for the right to operate the highway with the condition that the Highway be both extended and expanded. No taxpayer dollars have contributed to the construction, expansion, extension or maintenance of Highway 407 ETR. Tolls help ensure we control traffic congestion and provide all of our customers with a FAST, SAFE and RELIABLE trip and excellent customer service.

Changes to the 2018 Toll Rate Schedule include:

- The Monthly Transponder Lease Fee will be \$3.95.
- The Monthly Video Account Fee will be \$3.95.
- The Camera Charge for light vehicle customers without a transponder will be \$4.15.

The Annual Transponder Lease fee will remain frozen at \$23.50. An additional transponder remains \$9.95 per year, leased annually or \$1 monthly. Leasing a transponder annually provides a 50% savings over paying monthly and the annual lease fee pays for itself after just six trips on the highway.

The Trip Toll Charge, now shown on the front of the bill, is not a new charge. The Trip Toll Charge was implemented in 2009 and applies to every trip based on vehicle size. The Trip Toll Charge remains unchanged for 2018, as follows:

- Light Vehicles will be charged \$1.00 per trip.
- Heavy Single Unit Vehicles will be charged \$2.00 per trip.
- Heavy Multiple Unit Vehicles will be charged \$3.00 per trip.

When the entry or exit of a vehicle is not recorded, a calculated toll will be applied. For details on calculated tolls, please visit www.407etr.com.

The Ontario Government recently announced that an extension of the new Highway 407 (which meets Highway 407 ETR at Brock Road and currently runs to Harmony Road) will be open in January 2018. The new extension will run to Taunton Road. Current 407 ETR drivers of the new Highway 407 and Highway 412 do not have to take any action to drive the new highways as the same transponder will be in use (no new transponder lease is required and there is no increase in the annual lease rate) and current customers will still receive only one bill that includes all of their Highway 407 ETR and Highway 407 and Highway 412 charges. Customers without transponders will only pay one Camera Charge per trip no matter which of the three toll highways they travel per trip. Tolls on the new highways will be set by the Province of Ontario and the revenues retained by the Government.

Tolls on the Government's new Highway 407 and Highway 412 are expected to be lower than Highway 407 ETR. The cost of building the new toll highways, and the cost of future expansion and ongoing maintenance, will continue to be paid from taxpayer funds. The new highways provide services within very different geographic areas (with Highway 407 ETR being the tolled alternative to the busiest roads and highways in the Greater Toronto Area) and have varying amounts of traffic. 407 ETR will continue to evaluate tolls and fees for Highway 407 ETR each year.

407 ETR may from time to time provide or offer discounts on tolls or other fees.

For a complete list of toll and fee changes, please visit www.407etr.com.

407 International Inc. is owned by Cintra Global Holding Limited, a wholly owned subsidiary of Ferrovial S. A. (43.23%), by indirectly owned subsidiaries of Canada Pension Plan Investment Board (total 40%), and by SNC-Lavalin (16.77%).

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Background

- Average daily workday trips have increased from 237,000 in 1999, to over 408,000 in 2016.
- Total annual trips have increased from 71.9 million in 1999, to over 124 million in 2016.
- The number of transponders in circulation has increased from 346,371 with a user rate of 67% in 1999, to over 1,342,000 and a user rate of over 80% in 2016.
- Total vehicle kilometres travelled per year has increased from 1.275 billion in 1999, to 2.640 billion in 2016.
- The number and length of trips taken on 407 ETR and increased usage of transponders has happened alongside growth in development, extension of the highway in both the east and west, and the widening of 407 ETR by adding new lanes (over 230 lane kilometres since 2004).
- Extensions and expansions have been possible through 407 ETR investments of over \$1.6 billion to keep traffic free flowing.
- Investments in safety initiatives, both on and off the road, have continued to provide customers a fast, safe and reliable trip. Safety events and sponsorships continue to demonstrate 407 ETR's commitment to its customers.
- The company, along with its employees, continue to support hospitals along the corridor, the United Way and participate in environmental stewardship. 407 ETR employees, supported by the company, continue to directly support the communities served by the highway through the new 407 For Our Communities – One Big Day event, where employees volunteered in the community at organizations such as food banks, shelters and senior's homes.
- 24/7 monitoring of the highway and road conditions from 407 ETR's control room keep the highway safe and free-flowing – safety patrollers can assist drivers and call for emergency responders when needed.
- 407 ETR is barrier free – with no congestion-causing toll plazas.
- 407 ETR is the winner of multiple Service Quality Measurement Group awards for Call Centre Excellence and Leadership, including, First Call Resolution (the industry's most vital indicator), and Best Practices. The 407 ETR Call Centre regularly has a large group of certified World Class Customer Service Representatives.
- Customers have many account options such as paperless billing and pre-authorized payment.
- 407 ETR continues to appreciate customer loyalty and has offered more than \$145 million to customers as part of its "ETR Rewards" customer loyalty program.
- In addition to several national and international awards, 407 ETR was awarded the Intelligent Transportation Systems Society of Canada first-ever New Canadian Commercial Technology/Innovation or Research and Development Award for its vehicle fingerprinting system.

