



Funding the *Move Illinois* Program: The 2013 Series A Bonds

April 25, 2013

2013 Series A Bonds

- ▶ In early April, Fitch assigned a "AA-" rating to Series A and affirmed rating for outstanding Tollway bonds
- ▶ Fitch Rating Outlook is revised to Stable from Negative
- ▶ Standard & Poor's Corp. and Moody's Investors Service affirmed "AA-" and "Aa3," respectively, both with Stable Outlooks
- ▶ Series A bonds are first of two new-money bond issues totaling \$1 billion in 2013
- ▶ Led by two senior managing underwriters on behalf of a 10-firm underwriting group; Tollway assisted by two financial advisors



Financing Cost Well Below Initial Projection

- ▶ \$500 million of bonds successfully sold on April 18; with settlement/funding May 16
- ▶ Timing of sale advantageous, with interest rates near historic lows
- ▶ Bonds sold with 5 percent interest rate, much improved over initial (August 2011) projection of *Move Illinois* financing cost of 6 percent
- ▶ Average bond yield 3.44 percent to the call date and 4.11 percent to maturity
 - ▶ Call date 1/1/2023
- ▶ \$562 million of proceeds generated



Extensive Marketing Efforts Beneficial

- ▶ Proactive outreach and marketing of Series A bonds, including in-person investor conferences/meetings in Chicago, Boston and New York with more than 30 investors, and web-based investor presentation
- ▶ Yields improved through the marketing and sale period, including by 5 basis points on the date of sale for the \$350 million term bond.

Yield Spread to the Municipal Market Data (MMD) "AAA" Index

Maturity	Principal	Coupon	Pre-Marketing 4/17/2013			Preliminary Pricing 4/18/2013			Final Pricing 4/18/2013			Movement Pre-Marketing to Final Wire
			Yield	MMD 4/16/2013	Spread	Yield	MMD 4/17/2013	Spread	Yield	MMD 4/17/2013	Spread	
2027	13,605	5.00%	3.04%	2.26%	0.78%	2.98%	2.23%	0.75%	2.86%	2.23%	0.63%	-0.15%
2028	14,285	5.00%	3.13%	2.35%	0.78%	3.07%	2.32%	0.75%	2.97%	2.32%	0.65%	-0.13%
2029	15,000	5.00%	3.21%	2.43%	0.78%	3.15%	2.40%	0.75%	3.08%	2.40%	0.68%	-0.10%
2030	15,745	5.00%	3.27%	2.49%	0.78%	3.21%	2.46%	0.75%	3.16%	2.46%	0.70%	-0.08%
2031	16,535	5.00%	3.32%	2.54%	0.78%	3.26%	2.51%	0.75%	3.25%	2.51%	0.74%	-0.04%
2032	17,360	5.00%	3.37%	2.59%	0.78%	3.31%	2.56%	0.75%	3.30%	2.56%	0.74%	-0.04%
2033	18,230	5.00%	3.42%	2.64%	0.78%	3.36%	2.61%	0.75%	3.34%	2.61%	0.73%	-0.05%
2034	19,140	5.00%	3.47%	2.69%	0.78%	3.41%	2.66%	0.75%	3.39%	2.66%	0.73%	-0.05%
2035	20,100	5.00%	3.52%	2.74%	0.78%	3.46%	2.71%	0.75%	3.44%	2.71%	0.73%	-0.05%
2036												
2037												
2038	350,000	5.00%	3.64%	2.86%	0.78%	3.58%	2.83%	0.75%	3.53%	2.83%	0.70%	-0.08%



Widespread Investor Demand

- ▶ Bond sale attracted tremendous interest from a broad range of investors
 - ▶ The \$500 million Series A Bonds had orders from more than 60 institutional investors totaling nearly \$1.9 billion
 - ▶ The \$350 million 2038 Term Bond had orders from approximately 55 institutional investors totaling nearly \$1.1 billion
 - ▶ Variety of order sizes demonstrates breadth of investor interest; 6 investors placed \$500,000 orders and 9 investors placed orders of \$50 million or more
- ▶ Strong orders supported yield reductions of 1-12 basis points for the final pricing
- ▶ Broad interest establishes strong investor base for future issues
 - ▶ Significant number of additional investors that have approved the Tollway credit
 - ▶ Significant number of new holders of Tollway bonds



THANK YOU
