

Statewide Mobility Partners LLC and Subsidiary

(A Delaware Limited Liability Company)

Consolidated Financial Statements

Years Ended December 31, 2009 and 2008

Statewide Mobility Partners LLC and Subsidiary

Index

December 31, 2009 and 2008

	Page(s)
Report of Independent Auditors	1
Financial Statements	
Consolidated Balance Sheets	2
Consolidated Statements of Operations	3
Consolidated Statements of Members' Investment	4
Consolidated Statements of Cash Flows	5
Notes to Consolidated Financial Statements	6-22

Report of Independent Auditors

To the Board of Directors and Members of
Statewide Mobility Partners LLC

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, members' investment and cash flows present fairly, in all material respects, the financial position of Statewide Mobility Partners LLC and its Subsidiary (the "Company") at December 31, 2009 and 2008, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 2 to the consolidated financial statements, the Company changed its method of accounting for asset components and depreciation for highway-related property and equipment as of January 1, 2009.

PricewaterhouseCoopers LLP

February 26, 2010

Statewide Mobility Partners LLC and Subsidiary
Consolidated Balance Sheets
December 31, 2009 and 2008
(in thousands of dollars, except per unit data)

	2009	2008
Assets		
Current assets		
Cash	\$ 204	\$ 236
Restricted cash and cash equivalents	7,773	3,561
Accounts receivable, net of allowance for doubtful accounts of \$20 and \$43 as of December 31, 2009 and 2008, respectively	9,347	7,896
Receivable from related party	245	43
Prepaid expenses and other current assets	2,985	2,027
Current portion of toll freeze deposit	14,501	13,054
Total current assets	<u>35,055</u>	<u>26,817</u>
Property and equipment		
Bridges and roads	919,962	886,497
Machinery and equipment	9,595	9,543
Tools	288	278
Furniture and fixtures	448	442
Computers and office equipment	5,451	3,607
Vehicles	3,125	2,818
	<u>938,869</u>	<u>903,185</u>
Less accumulated depreciation (see Note 2)	<u>(123,087)</u>	<u>(88,838)</u>
	815,782	814,347
Projects in progress	<u>154,973</u>	<u>113,606</u>
Net property and equipment	970,755	927,953
Advance payments to contractors	11,950	20,392
Concession rights, net of amortization of \$141,257 and \$100,900 as of December 31, 2009 and 2008, respectively	2,885,560	2,925,917
Deferred financing costs, net of amortization of \$30,952 and \$22,140 as of December 31, 2009 and 2008, respectively	48,482	57,294
Long-term toll freeze deposit	31,299	46,906
Restricted cash and cash equivalents, long-term	20,921	51,280
Total assets	<u>\$ 4,004,022</u>	<u>\$ 4,056,559</u>
Liabilities and Members' Investment		
Current liabilities		
Accounts payable	\$ 6,072	\$ 9,238
Due to related parties	1,526	1,253
Current portion of accrued other liabilities	3,127	11,742
Deferred revenues	876	1,310
Current portion of due to IFA	14,501	13,054
Total current liabilities	<u>26,102</u>	<u>36,597</u>
Accrued other liabilities, long-term	6,835	-
Customers' deposits	651	775
Due to IFA	31,299	46,906
Derivative liability	896,969	1,925,966
Long-term debt	3,613,192	3,539,941
Total liabilities	<u>4,575,048</u>	<u>5,550,185</u>
Commitments and contingencies (Note 12)		
Members' investment		
Members' capital		
One hundred units at \$20 par value	2	2
Additional paid-in capital	702,856	702,856
Accumulated other comprehensive loss	(596,331)	(1,518,929)
Accumulated deficit	(677,553)	(677,555)
Total members' investment	<u>(571,026)</u>	<u>(1,493,626)</u>
Total liabilities and members' investment	<u>\$ 4,004,022</u>	<u>\$ 4,056,559</u>

The accompanying notes are an integral part of these consolidated financial statements.

Statewide Mobility Partners LLC and Subsidiary
Consolidated Statements of Operations
Years Ended December 31, 2009 and 2008
(in thousands of dollars)

	2009	2008
Revenue		
Toll revenue	\$ 149,642	\$ 147,491
Lease and other revenue	8,758	7,994
Total revenues	<u>158,400</u>	<u>155,485</u>
Operating expenses		
Salaries and wages	4,050	4,745
Operations overhead	6,453	6,398
Routine repairs and maintenance	8,322	9,079
Toll collection expenses	10,278	10,974
Other office and administrative expenses	4,587	5,715
Insurance	1,412	1,345
Depreciation and amortization (see Note 2)	74,623	68,954
Total operating expenses	<u>109,725</u>	<u>107,210</u>
Operating income	48,675	48,275
Derivative gain (loss)	209,040	(209,484)
Interest expense, net	<u>(257,713)</u>	<u>(244,199)</u>
Net income (loss)	<u>\$ 2</u>	<u>\$ (405,408)</u>

The accompanying notes are an integral part of these consolidated financial statements.

Statewide Mobility Partners LLC and Subsidiary
Consolidated Statements of Members' Investment
Years Ended December 31, 2009 and 2008
(in thousands of dollars)

	Members' Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
Members' investment at December 31, 2007	\$ 731,429	\$ (241,116)	\$ (272,147)	\$ 218,166
Distributions	(28,571)	-	-	(28,571)
Net loss	-	-	(405,408)	(405,408)
Net unrealized loss in hedging activities	-	(1,277,813)	-	(1,277,813)
Total comprehensive loss	<u> </u>	<u> </u>	<u> </u>	<u>(1,683,221)</u>
Members' investment at December 31, 2008	702,858	(1,518,929)	(677,555)	(1,493,626)
Net income	-	-	2	2
Net unrealized gain in hedging activities	-	922,598	-	922,598
Total comprehensive gain	<u> </u>	<u> </u>	<u> </u>	<u>922,600</u>
Members' investment at December 31, 2009	<u>\$ 702,858</u>	<u>\$ (596,331)</u>	<u>\$ (677,553)</u>	<u>\$ (571,026)</u>

The accompanying notes are an integral part of these consolidated financial statements.

Statewide Mobility Partners LLC and Subsidiary
Consolidated Statements of Cash Flows
Years Ended December 31, 2009 and 2008
(in thousands of dollars)

	2009	2008
Cash flows from operating activities		
Net income (loss)	\$ 2	\$ (405,408)
Adjustments to reconcile net loss to net cash used in operating activities		
Amortization of deferred financing costs included in interest	8,812	8,813
Depreciation of property and equipment	34,265	28,596
Amortization of concession rights	40,357	40,358
Loss on disposal of property and equipment	35	401
Net unrealized (gain) loss in hedging activities	(106,399)	303,442
Changes to operating assets and liabilities		
Accounts receivable	(1,451)	(3,351)
Prepaid expenses and other current assets	(958)	(568)
Accounts payable	(3,166)	162
Accrued other liabilities	1,970	(3,028)
Due to related parties	71	3,323
Deferred revenues	(434)	680
Customers' deposits	(124)	333
Net cash used in operating activities	<u>(27,020)</u>	<u>(26,247)</u>
Cash flows from investing activities		
Purchase of property and equipment	(72,410)	(110,625)
Change in restricted cash and cash equivalents	26,147	27,967
Net cash used in investing activities	<u>(46,263)</u>	<u>(82,658)</u>
Cash flows from financing activities		
Distributions and return of capital	-	(28,571)
Proceeds from Series B loan	4,800	27,500
Proceeds from Series C loan	68,451	110,200
Net cash flows provided by financing activities	<u>73,251</u>	<u>109,129</u>
Net change in cash and cash equivalents	(32)	224
Cash and cash equivalents		
Beginning of period	236	12
End of period	<u>\$ 204</u>	<u>\$ 236</u>
Supplemental disclosure of cash flow information		
Cash paid during the period for interest and swaps net of amounts capitalized	<u>\$ 147,840</u>	<u>\$ 144,326</u>
Supplemental disclosure of non-cash financing activity		
Purchase of property and equipment under liabilities	<u>\$ 3,483</u>	<u>\$ 7,233</u>
Net unrealized gain (loss) in hedging activities charged to other comprehensive income	<u>\$ 922,598</u>	<u>\$ (1,277,813)</u>

The accompanying notes are an integral part of these consolidated financial statements.

Statewide Mobility Partners LLC and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2009 and 2008
(in thousands of dollars, except toll rate data)

1. Description of Operations

Statewide Mobility Partners, LLC (the "Company") is a limited liability company formed pursuant to the laws of the State of Delaware. The Company wholly owns ITR Concession Company Holdings, LLC ("ITRCCH"), which in turn wholly owns ITR Concession Company LLC ("ITRCC").

The Company is indirectly owned 50% by Cintra Concesiones de Infraestructuras de Transporte, S.A. ("Cintra") and 50% by Macquarie Infrastructure Group and Macquarie Infrastructure Partners, Inc. ("Macquarie") (collectively the "Members").

ITRCC was formed for the purpose of (1) leasing the Indiana Toll Road from the Indiana Finance Authority ("IFA") and (2) operating and collecting the toll revenues and maintaining the Indiana Toll Road under the terms of the Concession and Lease Agreement between ITRCC and IFA. The Company was formed for the purpose of owning ITRCC and ITRCCH.

The Indiana Toll Road was opened to traffic in 1956 and stretches 157 miles across the northernmost part of Indiana from its border with Ohio to the Illinois state line. It provides a principal link between Chicago and the East coast.

On April 12, 2006, ITRCC entered into a Concession and Lease agreement with the IFA for the exclusive right to operate, manage, rehabilitate and toll the Indiana portion of the Toll Road. On June 29, 2006, the closing date, as defined under the Concession and Lease agreement, ITRCC, made a one-time rent payment of \$3.8 billion to the IFA and consequently assumed the operations of the Indiana Toll Road.

The Concession and Lease Agreement, as amended, among other things, requires ITRCC to:

- Be responsible for all aspects of the Indiana Toll Road operations and to be in accordance with the provisions of the Concession and Lease agreement and applicable laws.
- Fund and complete certain mandatory expansion projects which include the implementation of a barrier-controlled electronic toll collection system and expansion of travel lanes no later than 2010 (see also Note 10).
- Fund certain capital expenditures of the Indiana State Police ("ISP") totaling \$5.0 million, on the closing date, in connection with the latter's provision of law enforcement services along the Indiana Toll Road.
- Reimburse the IFA annually for traffic patrol and traffic law enforcement services provided by the ISP on the Indiana Toll Road in the amount of \$6.0 million payable in equal quarterly installments of 1.5 million. The IFA shall be permitted to increase the annual reimbursement every year by certain applicable percentage increases.

ITRCC has determined that a Lease exists, (the "Lease Agreement") under the guidance of ASC 840, "Leases," as the Agreement conveyed the right to ITRCC to operate underlying property and equipment and ITRCC has taken the financial risk associated with operating such property and equipment.

ITRCC has also determined that the Lease Agreement contains a lease arrangement that qualifies as a capital lease since the term of the Lease Agreement exceeds 75% of the economic useful life

Statewide Mobility Partners LLC and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2009 and 2008
(in thousands of dollars, except toll rate data)

of the leased property.

The Concession and Lease Agreement includes a toll freeze period beginning on June 29, 2006, and continuing until the earlier of (i) June 30, 2016, or (ii) one hundred twenty (120) days following notice of termination of the toll freeze period having been delivered to the Company by the IFA (collectively the "Toll Freeze Period"). During such toll freeze period, tolls to be collected from Class 2 users (including commuter discount users) using the electronic toll collection system shall be based on the original toll rates in effect on June 29, 2006. The IFA has agreed to fund and reimburse ITRCC for its lost revenues which is the difference between the (a) tolls actually collected from the Class 2 users using the original toll rate and (b) tolls that would have been collected had ITRCC been entitled to charge the contract toll rate specified in the original Concession and Lease Agreement during the Toll Freeze Period (see also Note 3).

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant judgments and estimates include the estimates required to value derivative assets and liabilities and traffic assumptions used to calculate depreciation expense for highway related assets. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of December 31, 2009 and 2008. Actual results could differ from those estimates.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company, ITRCCH and ITRCC. All significant intercompany balances and transactions have been eliminated.

Cash and Cash Equivalents

ITRCC considers all short-term investments with original maturities of three months or less to be cash equivalents. Cash equivalents include short-term investments in money market mutual funds.

Restricted Cash and Cash Reserves

ITRCC deposits all of its cash collections into a designated bank account. Transfers of funds from this designated bank account into its operating bank accounts require the approval of ITRCC's lenders. Restricted cash as of December 31, 2009 and 2008 pertain to project accounts (see Note 4).

Statewide Mobility Partners LLC and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2009 and 2008

(in thousands of dollars, except toll rate data)

Accounts Receivable

ITRCC's accounts receivable primarily includes amounts to be collected from the Illinois State Toll Highway Authority ("ISTHA"), the New York Highway Authority, and various other governmental agencies that issue electronic toll collection ("ETC") transponders. The amounts to be collected are for prepaid and postpaid tolls incurred by motorists who possess a transponder issued by these other agencies which was used on the Indiana Toll Road. Management regularly reviews its postpaid tolls receivable and amounts due from these governmental agencies to provide an allowance when it considers them uncollectible. In establishing the allowance for doubtful accounts, ITRCC considers historical write-off experience and amounts past due, exceeding predetermined criteria. The actual amount of accounts that are not collected in a timely manner may differ from the allowance estimated by management.

Property and Equipment

Property and equipment includes purchased property and equipment and the bridges and roads, buildings, leasehold interests on land and leasehold improvements and other furniture, fixtures and equipment associated with operating the Indiana Toll Road.

ITRCC capitalizes interest cost as part of the cost of acquiring property and equipment for items that require a period of time to get ready for their intended use. The interest rate applied is the interest rate on ITRCC's Series C Loan, as proceeds from the Series C Loan are solely used to fund capital expenditures. ITRCC capitalized \$3.0 million and \$3.3 million of interest expense for the years ended December 31, 2009 and 2008, respectively.

Property and equipment are stated at cost less accumulated depreciation. ITRCC capitalizes additions and improvements that add to productive capacity or extend an asset's useful life. Maintenance and repair expenditures are charged to operations as incurred.

Effective January 1, 2009 ITRCC changed its method of depreciation for highway-related property and equipment from a composite method to a component method. In conjunction with this change, the Company re-established the useful lives of its highway-related property and equipment. ITRCC concluded that a component method of accounting for fixed assets would provide a more specific estimate of the useful lives of specific asset components, thus resulting in a better estimate of depreciation. Therefore, the component method is a preferable method.

The Company has accounted for the change in the accounting of asset components and depreciation for its highway-related property and equipment as a change in accounting estimate effected by a change in accounting principle. A change in accounting estimate is accounted for in (a) the period of change if the change affects that period only or (b) the period of change and future periods if the change affects both.

Depreciation expense for highway-related assets was \$30.3 million for the year ended December 31, 2009 and is included in depreciation and amortization in the Company's consolidated statement of operations for the year ended December 31, 2009. Had the Company continued using a composite method of depreciation for highway-related assets, depreciation expense for highway-related assets would have been \$33.5 million for the year ended December 31, 2009.

Statewide Mobility Partners LLC and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2009 and 2008

(in thousands of dollars, except toll rate data)

The Company accounts for the depreciation of highway-related property and equipment using a "modified units of production" method that makes use of traffic volume over an asset's estimated useful life. This method is referred to as the "traffic-based depreciation method." Under the traffic-based depreciation method, depreciation of an asset is a function of both time and usage. The impact of usage on depreciation is taken into account with traffic volume. The time factor implies that an asset has a maximum longevity, regardless of usage. Depreciation expense cannot be less than the straight-line amount which would be calculated using the asset's maximum economic life which is longer than its estimated useful life. Depreciation expense for an individual asset is the greater of the amount computed under the traffic-based method or straight-line over the individual asset's maximum economic life.

Depreciation is recorded over the following useful lives, under the modified units of production method for highway-related assets, bridges and roads, and the straight-line method for all other assets during the years ended December 31, 2009 and 2008:

Bridges and roads	4-75 years
Machinery and equipment	4-5 years
Tools	4-5 years
Furniture and fixtures	5-12 years
Computers and office equipment	3 years
Vehicles	5 years

For the years ended December 31, 2009 and 2008, total depreciation expense was \$34.3 million and \$28.6 million, respectively.

Concession Rights

The value assigned to the right to operate the Indiana Toll Road is amortized on a straight-line basis over the life of the Concession and Lease Agreement of 75 years and assumes no residual value.

Impairment of Long-Lived Assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flow expected to be generated by the asset (undiscounted and without interest charges). If such assets are considered to be impaired, the impairment recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. The Company has not recognized any impairment on long-lived assets as of December 31, 2009 and 2008.

Concession and Lease Agreement Direct Costs

ITRCC has capitalized those costs directly related to entering into the Concession and Lease Agreement and has included such costs in the total amount allocated to property and equipment under lease or concession rights based upon relative fair values.

Statewide Mobility Partners LLC and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2009 and 2008

(in thousands of dollars, except toll rate data)

Deferred Financing Costs

Deferred finance costs consist of costs incurred in connection with obtaining ITRCC's debt. The costs have been capitalized and are amortized to interest expense over the terms of the loans, using the effective interest method. Amortization expense related to deferred financing costs was \$8.8 million for the years ended December 31, 2009 and 2008. Annual amortization expense of deferred finance costs for each of the next five years amounts to \$8.8 million per year.

Construction Retention

Retention amounts represent amounts due to contractors upon significant completion of highway construction contracts which are withheld pending final inspection of the works performed. Retention amounts withheld from invoices range from 5% to 10% of the underlying invoice total and are recorded as an accrued liability at the time payment is made on the underlying invoice. As of December 31, 2009 and 2008, \$8.7 million and \$9.1 million was recorded for construction retention, respectively, and is recorded in accrued other liabilities in the consolidated balance sheets.

Income Taxes

The Company operates as a limited liability company and is a disregarded entity for federal and state income tax purposes. The Company is not liable for U.S. federal income taxes as its members recognize their share of income and loss in their respective tax return. Accordingly, no provision for U.S. federal income taxes is recorded.

Traffic and Revenue Recognition

Revenues include toll revenues, which are recognized at the time vehicles use the Indiana Toll Road. The Indiana Toll Road has two toll collection systems. The Barrier System is used in the first 23 miles of the western portion of the road. Under the Barrier System, the customers pay their tolls at time of entry to the Toll Road, as well as at certain exits within this portion. The Ticket System is used from mile post 24 to the eastern end of the road. Under the Ticket System the customers obtain a ticket as they entered this section of the Toll Road, and pay for the toll based on the rates stated on the ticket when they exit this section. Toll revenues are collected in four ways:

- Cash Collections - Cash received at the automatic coin collection machines and toll booths each day is deposited into deposit accounts.
- Electronic Toll Collection ("ETC") - ITRCC uses an ETC system in both the Barrier and Ticket portions of the Indiana Toll Road. ITRCC issues its own transponders, the i-Zoom, to be used for transmitting the usage of the toll road by the vehicle to the ETC System. ITRCC is also a member of the Inter-Agency Group ("IAG"), an organization with twenty-three member agencies that operate the E-Z Pass on 46 roads, bridges and tunnels in the Northeast and the Midwest, and as such, ITRCC also accepts the transponders issued by other members of the IAG. Customers are charged according to their usage. For customers who have a prepaid account, the usage amounts are deducted from the initial deposits set up which is automatically replenished by the customer when it reaches a minimum amount. For commercial customers who have a post pay account with ITRCC, the usage amounts are billed every month. Charges incurred by customers using other agencies' transponders are settled between agencies once a month.

Statewide Mobility Partners LLC and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2009 and 2008
(in thousands of dollars, except toll rate data)

- Commercial Charge Account - ITRCC recognizes the charged amount when a customer's charge account card is swiped for passage. The total transactions for each commercial customer are billed monthly. The Commercial Charge Account was discontinued on April 1, 2008 with the implementation of the ETC System throughout the entire toll road.
- IFA Reimbursement - See Note 3

Toll rates are based on number of axles per vehicle and are subject to the maximum amounts ITRCC is entitled to establish in accordance with the terms of the Concession and Lease agreement. The toll rates in effect for vehicles traveling the entire distance in the Barrier and Ticket Systems for customers who pay in cash, as of December 31, 2009 and 2008 are as follows:

Vehicle Classification	2009		2008	
	Barrier	Ticket	Barrier	Ticket
2 axles	\$ 1.25	\$ 6.75	\$ 1.25	\$ 6.75
3 axles	1.75	10.00	1.75	9.00
4 axles	3.75	20.75	3.25	17.75
5 axles	5.00	27.00	4.25	23.00
6 axles	5.75	31.75	5.00	27.00
7 or more axles	11.00	58.75	9.25	50.25

2-axle vehicle customers who pay using the ETC system pay reduced rates due to the IFA reimbursement as discussed in Note 3.

Lease Revenue Recognition

Under the terms of the Concession and Lease Agreement, ITRCC is entitled to collect lease revenues from third parties that lease space in travel plazas along the Indiana Toll Road. The terms of the lease agreements with each lessee provide for the payment of minimum annual rent payments, rent payments based on the lessee's sales, or a combination of both minimum annual rent and rent payments based on the lessee's sales. The terms of the leases with each lessee also contain annual rent increases. The executed leases in effect as of December 31, 2009 expire at various dates through January 2015 and contain right of renewal options which are at the option of both the lessee and ITRCC. ITRCC recognizes lease revenue under the leases straight line over the lease term.

Accounting for Derivative Instruments and Hedging Activities

All derivative financial instruments are recorded on the balance sheet at fair value. Changes in fair values are recorded each period in income or Other Comprehensive Income ("OCI"), depending on whether a derivative is designated as part of a hedge transaction and, if it is, the type of hedge transaction. ITRCC formally documents all relationships between derivative hedging instruments and hedged items, as well as their method of assessing hedge effectiveness.

If certain conditions are met, a derivative may be specially designated as (a) a hedge of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment, (b) a hedge of the exposure to variable cash flows of a forecasted transaction, or (c) a hedge of the foreign currency exposure of a net investment in a foreign-currency-denominated forecasted transaction. The accounting for changes in the fair value of a derivative depends on the intended use of the derivative and resulting designation.

Statewide Mobility Partners LLC and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2009 and 2008
(in thousands of dollars, except toll rate data)

Currently ITRCC only designates and accounts for its hedge relationships using cash flow hedge accounting.

For a qualifying cash flow hedge, changes in the fair value of the derivative, to the extent that the hedge is effective, are recorded in OCI, until earnings are affected by the variability of cash flows of the hedged transaction. Any ineffective portion of a cash flow hedge is immediately recognized as a derivative gain or (loss) in the statement of operations. Amounts recorded in OCI are reclassified to interest income or interest expense during the period in which the hedged transaction impacts earnings, unless (a) occurrence of the forecasted transaction is not probable, in which case the amount in accumulated OCI is reclassified to earnings immediately, (b) ITRCC expects at any time that continued reporting of a net loss in accumulated OCI would lead to recognizing a net loss on the combination of the hedging instrument and hedged transaction (and related asset acquired or liability incurred) in one or more future periods, in which case the loss is reclassified immediately into earnings for the amount that is not expected to be recovered, or (c) the occurrence of the forecasted transaction was the issuance of long-term debt; in which case, ITRCC recognizes the effective portion of the cumulative changes in fair value as interest expense over the life of the long-term debt.

If a derivative no longer qualifies as a cash flow hedge, ITRCC will discontinue hedge accounting prospectively. ITRCC continues to carry the derivative on the balance sheet at fair value and records further changes in fair value in the statements of operations as derivative gain or loss on hedging activities until the derivative is terminated or re-designated.

The changes in the value of the undesignated portion of derivatives are reported as derivative gain or (loss) in the statement of operations.

All derivatives are recorded on the balance sheet at their estimated fair value. Where available, the fair value of derivative instruments is based on quoted market prices received from knowledgeable independent sources. However, active markets do not exist for all of the Company's derivative instruments. Consequently, the independent sources the Company uses to obtain quoted market prices may use estimating techniques, such as discounted cash flow analysis and comparison to similar instruments to determine fair values. Estimates developed by these independent sources involve subjective judgment about the amount, timing and probabilities of potential future cash flows. These estimates are susceptible to material change over time.

Fair Value of Financial Instruments

As of December 31, 2009, the carrying amount of certain financial instruments employed by the Company, including restricted cash, accounts receivable, accounts payable and accrued expenses were representative of their fair values because of the short-term maturity of these instruments. The carrying amount reported in the consolidated balance sheet as of December 31, 2009 for long-term debt is \$3.61 billion. Using a discounted cash flow technique, the Company has estimated the fair value range of its debt to be between \$3.41 billion and \$3.54 billion at December 31, 2009. In determining the fair value, the Company considered interest rate spreads that would be issued for comparable debt, however the volatility in the marketplace, and the unique nature of the underlying assets makes fair value determinations highly subjective.

Interest rate swap agreements have been recorded at the estimated fair values as discussed in Note 8.

Effective January 1, 2008, the Company adopted ASC 820, *Fair Value Measurements* ("ASC 820").

Statewide Mobility Partners LLC and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2009 and 2008
(in thousands of dollars, except toll rate data)

ASC 820 clarifies the definition of fair value, prescribes methods for measuring fair value, establishes a fair value hierarchy based on the inputs used to measure fair value and expands disclosures about the use of fair value measurements. These additional disclosures are provided in Note 8.

In accordance with ASC 820, ITRCC adopted the provisions of ASC 820 for nonfinancial assets and nonfinancial liabilities, except those items recognized or disclosed at fair value on an annual basis, on January 1, 2009. This adoption had minimal impact on the financial position of the Company.

Reclassifications

Certain accounts in 2008 were reclassified to conform to the 2009 financial statement presentation.

Recent Accounting Pronouncements

In June 2009, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 168 (ASC 105), "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles - a replacement of FASB Statement No. 162." This statement is effective for the Company in 2009. Upon effect, the FASB Accounting Standard Codification became the source of authoritative U.S. GAAP recognized by the FASB. The adoption of this statement had no impact on the Company's consolidated financial condition and results of operations.

In May 2009, FASB issued SFAS No. 165 (ASC 855), "Subsequent Events." ASC 855 is intended to establish general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The standard requires disclosure of the date through which the company has evaluated subsequent events and whether that date represents the date the financial statements were issued or were available to be issued. This statement is effective for the Company in 2009. Refer to Note 14, "Subsequent Events," for disclosure of the Company's subsequent events for the current reporting period.

In March 2008, the FASB issued SFAS No. 161 (ASC 815), "Disclosures about Derivative Instruments and Hedging Activities - an amendment of FASB Statement No. 133." ASC 815 enhances required disclosures regarding derivatives and hedging activities, including how an entity uses derivative instruments, how derivative instruments and related hedged items are accounted for under SFAS No. 133 and how derivative instruments and related hedged items affect an entity's financial position, financial performance and cash flows. ASC 815 was effective for the Company on January 1, 2009. See Note 7, "Derivatives," for disclosure of the Company's derivative instruments and hedging activities at December 31, 2009.

In September 2006, the FASB issued SFAS No. 157 (ASC 820), "Fair Value Measurements." ASC 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. ASC 820 also establishes a fair value hierarchy that prioritizes information used in developing assumptions when pricing an asset or liability. The Company adopted this statement effective January 1, 2008. The adoption of this standard has had no material impact on the Company's consolidated financial condition and results of operation. See Note 8, "Fair Value of Financial Instruments," for more information regarding the impact of the

Statewide Mobility Partners LLC and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2009 and 2008
(in thousands of dollars, except toll rate data)

Company's adoption of ASC 820. In February 2008, the FASB issued FSP FAS 157-2 (ASC 820), "Effective Date of FASB Statement No. 157," which delayed the effective date of ASC 820 for nonfinancial assets and nonfinancial liabilities that are recognized or disclosed in the financial statements on a nonrecurring basis to fiscal years beginning after November 15, 2008. The Company has applied the provisions of ASC 820 to its nonfinancial assets and nonfinancial liabilities in accordance with FSP FAS 157-2 as of January 1, 2009. The adoption of this standard has had minimal impact on the Company's consolidated financial condition and results of operations.

3. Toll Freeze Deposit

The Concession and Lease Agreement provided that in respect of tolls charged during the Toll Freeze Period, the IFA shall pay ITRCC the difference between the tolls actually collected from Class 2 users (including Commuter Discount Users) during the Toll Freeze Period and the tolls that would have been collected from the same Class 2 users had ITRCC been entitled to contract toll rates under the original Concession and Lease Agreement. The IFA applied \$60 million from the Concession and Lease payment to fund the toll freeze deposit account. Such toll freeze deposit account is maintained in the name of ITRCC, which shall have exclusive dominion and control over such deposit. The Concession and Lease Agreement provided that ITRCC shall use the toll freeze deposit account solely to fund reimbursement of lost revenues and shall not use such funds for any other purpose without prior consent of the IFA.

On February 5, 2008, the IFA deposited an additional \$60 million into the Toll Freeze deposit account to be used in the manner described under the First Amendment.

The Concession and Lease Agreement also provided a mechanism whereby if the balance in the toll freeze deposit account falls below \$30 million at any point prior to the termination of the Toll Freeze Period, the IFA will deposit additional funds into the toll freeze deposit account so that immediately following the deposit, the balance in the toll freeze deposit account will be \$60 million, provided however that, ITRCC and the IFA shall periodically review the balance in the toll freeze deposit account and the rate upon which such funds are being withdrawn by ITRCC in respect of the lost revenues and may agree to restore the balance in the toll freeze deposit account to an amount less than \$60 million if conditions warrant.

The Concession and Lease Agreement permits ITRCC to withdraw funds from the toll freeze deposit account for payment three times per month.

Interest earned on the toll freeze deposit shall be held in the toll freeze deposit account and included as amounts accrued and remaining on deposit. Upon termination of the Toll Freeze Period, interest or investment income on the toll freeze deposit account shall become payable to the IFA. Consistent with these conditions, all interest or investment income on the toll freeze deposit account are recorded as due to the IFA.

ITRCC has recognized toll freeze revenue of \$14.5 million and \$15.5 million for the years ended December 31, 2009 and 2008, respectively. This revenue is reported as part of toll revenues in the consolidated statements of operations. The amounts withdrawn from the toll freeze deposit account were \$14.4 million and \$17.3 million for the years ended December 31, 2009 and 2008, respectively. The amounts withdrawn from the toll freeze deposit account differ from the toll freeze revenue recognized due to the timing of the withdrawal requests. The remaining balance in the toll

Statewide Mobility Partners LLC and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2009 and 2008
(in thousands of dollars, except toll rate data)

freeze deposit account, \$45.8 million and \$60.0 million for the years ended December 31, 2009 and 2008, respectively, is reflected in both short-term and long-term assets and liabilities. The short-term amount in both the assets and liabilities was based on estimated amounts to be earned in the upcoming twelve months. The amounts classified as short-term were \$14.5 million and \$13.0 million for the years ended December 31, 2009 and 2008, respectively.

Upon termination of the toll freeze period and following the implementation of the tolls at the contract toll rate, ITRCC shall disburse the funds remaining in the toll freeze deposit account, after the application of all payments of lost revenues owed to ITRCC, back to the IFA including all interest accrued with respect to such funds.

4. Project Accounts System (Cash Reserve Accounts)

Under the terms of its loan agreement, ITRCC is required to maintain the following cash reserve project accounts:

- Proceeds account
- Collections account
- Operating account
- Construction proceeds account
- Revenue stabilization reserve account
- Distribution account
- Cash collateral
- ETC customer prepayment account

All of the project accounts are under the control of a collateral agent. These restricted cash reserve accounts are set up to fund the operating and capital expenditure requirements of ITRCC. Amounts are classified as on current based on the requirements within the loan agreement.

As of December 31, 2009 and 2008, the cash reserve accounts consisted of the following:

	2009	2008
Proceeds account	\$ -	\$ 1,523
Collections account	815	1,051
Operating account	5,730	7,193
Construction proceeds account	104	771
Revenue stabilization reserve account	14,286	42,866
Distribution account	4,625	-
Cash collateral	90	171
ETC customer prepayment account	3,044	1,266
	<u>28,694</u>	<u>54,841</u>
Less - current portion	<u>(7,773)</u>	<u>(3,561)</u>
	<u>\$ 20,921</u>	<u>\$ 51,280</u>

Statewide Mobility Partners LLC and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2009 and 2008
(in thousands of dollars, except toll rate data)

5. Intangible Assets

As of December 31, 2009 and 2008, the Company's intangible assets consisted of the following:

	Estimated useful life (in years)	2009			2008		
		Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Concession rights	75	\$ 3,026,817	\$ 141,257	\$ 2,885,560	\$ 3,026,817	\$ 100,900	\$ 2,925,917

Amortization expense related to intangible assets was \$40.4 million for the years ended December 31, 2009 and 2008. Annual amortization expense of concession rights for each of the next five years amounts to \$40.4 million per year.

6. Debt

ITRCC is party to a loan agreement ("Loan Agreement") with the following banks: Banco Bilbao Vizcaya Argentaria, BNP Paribas, Dexia Credit Local-New York Branch, Caja de Ahorros y Monte Piedad de Madrid, DEPPFA Bank, The Royal Bank of Scotland plc and Banco Santander Central Hispano, S.A. which provides for a term loan of \$3.25 billion (Series A loan), a liquidity facility not to exceed \$150 million (Series B loan) and a capital expenditure facility not to exceed \$665 million (Series C loan).

As of December 31, 2009 and 2008, outstanding debt under the above Loan Agreement consisted of the following:

	2009	2008
Series A loan	\$ 3,248,341	\$ 3,248,341
Series B loan	77,300	72,500
Series C loan	287,551	219,100
	<u>\$ 3,613,192</u>	<u>\$ 3,539,941</u>

The above loans mature on June 29, 2015 and are subject to interest rates equivalent to the 6-month LIBOR (1.0% and 3.1% as of December 31, 2009 and 2008, respectively) plus applicable margin, which are set out as follows:

- 95 basis points per annum for years 1 to 5;
- 110 basis points per annum for years 6 and 7; and
- 125 basis points per annum for years 8 and 9.

Interest is due semi-annually on June 30 and December 30.

The Loan Agreement also provides for prepayments of the loans at the option of ITRCC and various restrictive covenants common to such agreements, including limitations on sale of assets (not to exceed \$5 million per year); limitation on incurrence of additional debt outside of this loan agreement and those permitted under this loan agreement, and limitations on investments and distributions.

The loans are secured by all of the membership interests in ITRCC.

Statewide Mobility Partners LLC and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2009 and 2008
(in thousands of dollars, except toll rate data)

7. Derivatives

ITRCC's Loan Agreement requires that it must enter into a hedging transaction no later than the borrowing date for any amounts drawn from the Series A, B or C facilities. Accordingly, ITRCC is party to seven swap agreements which contain the same terms as follows:

Trade date	March 28, 2006
Effective date	June 30, 2006
Termination date	June 30, 2026
Floating rate option	USD-LIBOR-BBA
Spread	None
Floating rate day count fraction	Actual/360
Designated maturity	For each ending prior to the floating rate payer payment date in December 2006, 1 month For each calculation period thereafter, 6 months.
Fixed rate	See table below

The terms of the above swap agreements provide for varying aggregate notional amounts during the life of the swaps ranging from \$3,219 million to \$4,239 million.

The fixed rate of each swap agreement over the term of the agreement is as follows:

From and Including	To but Excluding	Rate
June 30, 2006	June 30, 2010	3.1500%
June 30, 2010	June 30, 2011	3.4000%
June 30, 2011	June 30, 2013	3.6500%
June 30, 2013	June 30, 2015	4.1500%
June 30, 2015	June 30, 2016	4.9000%
June 30, 2016	June 30, 2017	5.9500%
June 30, 2017	June 30, 2018	6.1500%
June 30, 2018	June 30, 2019	6.6500%
June 30, 2019	June 30, 2020	7.3470%
June 30, 2020	June 30, 2021	7.8319%
June 30, 2021	June 30, 2022	9.3850%
June 30, 2022	June 30, 2023	9.5444%
June 30, 2023	December 31, 2023	11.2900%
December 31, 2023	June 30, 2025	11.2901%
June 30, 2025	June 30, 2026	11.2904%

ITRCC's effective interest rate on the swaps was 5.82% for the years ended December 31, 2009 and 2008.

ITRCC designated 90% of the Series of Swaps as effective for cash flow hedge accounting and records the effective portion of the hedge as a component of Other Comprehensive Income. ITRCC uses the hypothetical derivative method to determine the ineffective portion of the Series of Swaps, and records those amounts as derivative loss in the statement of operations.

Statewide Mobility Partners LLC and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2009 and 2008
(in thousands of dollars, except toll rate data)

A summary of ITRCC's changes in fair values of derivatives is as follows:

	Series A, B and C Swaps
Derivative liability at December 31, 2007	\$ (344,711)
Derivative loss charged to operations	(209,484)
Interest expense	(93,958)
Other comprehensive loss	<u>(1,277,813)</u>
Derivative liability at December 31, 2008	(1,925,966)
Derivative gain charged to operations	209,040
Interest expense	(102,641)
Other comprehensive gain	<u>922,598</u>
Derivative liability at December 31, 2009	<u>\$ (896,969)</u>

8. Fair Value of Financial Instruments

ASC 820 applies to all assets and liabilities that are being measured and reported on a fair value basis. ASC 820 establishes a framework for measuring fair value, prescribes methods for measuring fair value, establishes a fair value hierarchy based on the inputs used to measure fair value and expands disclosure about fair value measurements. Assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The following table summarizes the valuation of our financial instruments by the above pricing levels as of the valuation dates listed:

	December 31, 2009		
	Quoted Market Price (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Money Market investments	\$ -	\$ 22,276	\$ -
Total assets	<u>\$ -</u>	<u>\$ 22,276</u>	<u>\$ -</u>
Derivative instruments - liability position	\$ -	\$ 896,969	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 896,969</u>	<u>\$ -</u>

Statewide Mobility Partners LLC and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2009 and 2008
(in thousands of dollars, except toll rate data)

	December 31, 2008		
	Quoted Market Price (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Money Market investments	\$ -	\$ 46,114	\$ -
Total assets	\$ -	\$ 46,114	\$ -
Derivative instruments - liability position	\$ -	\$ 1,925,966	\$ -
Total liabilities	\$ -	\$ 1,925,966	\$ -

Money market investments are included in restricted cash and cash equivalents, and restricted cash and cash equivalents, long -term per the consolidated balance sheet. The unrealized gains and losses on money market investments are included in interest expense, net in the statement of operations. The unrealized gains and losses on derivatives are included in other comprehensive income, derivative loss and interest expense in the consolidated balance sheet and consolidated statement of operations.

The Company's derivative instruments require the Company to pay interest based upon a fixed interest rate and an agreed upon notional amount while the Company receives interest based upon a variable interest rate and an agreed upon notional amount. The interest rate used to determine the variable amount of interest received each period is based upon the LIBOR swap rate. The LIBOR swap rate is observable at commonly quoted intervals for the full term of the swaps and therefore is considered a level 2 item. The fair value measurement of a liability must reflect the nonperformance risk of the entity. Therefore, the impact of the Company's creditworthiness has also factored into the fair value measurement of the derivative instruments in a liability position.

9. Related Party Transactions

ITRCC is party to a Cost Sharing Agreement with Skyway Concession Company LLC ("SCC"), an affiliate. The terms of this agreement provide that ITRCC and SCC share the compensation costs of certain SCC and ITRCC employees based upon an estimate of the amount of time spent by such employees to ITRCC and SCC. Likewise, this agreement provides for ITRCC to reimburse SCC approximately 50% of the utilities, repairs, supplies and other costs of maintaining and operating the SCC office. From time to time ITRCC and SCC may add to, delete, change or modify the expenses to be shared and the percentages of such expenses which each party shall bear.

The total amount of costs incurred by ITRCC in relation to this agreement for the years ended December 31, 2009 and 2008 amounted to \$1.5 million and \$1.6 million, respectively, of which \$0.7 million and \$0.4 million remained outstanding as of December 31, 2009 and 2008, respectively. These amounts are included in the consolidated balance sheet as due to related parties and in the consolidated statement of operations as salaries and wages. The total amount of costs charged to SCC by ITRCC amounted to \$0.4 million and \$0.1 million for the years ended December 31, 2009 and 2008 respectively, of which \$0.1 million remained outstanding as of December 31, 2009. These amounts are included in due from related parties in the consolidated balance sheet and included in salaries and wages in the consolidated statement of operations.

On September 23, 2008, ITRCC entered into an Electronic Toll Collection Agreement with Skyway

Statewide Mobility Partners LLC and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2009 and 2008

(in thousands of dollars, except toll rate data)

Concession Company, LLC ("SCC"), an affiliate. The terms of the agreement permit ITRCC to collect and process electronic toll collection ("ETC") transactions occurring on the Chicago Skyway on behalf of SCC. Cash received by ITRCC for ETC transactions having occurred on the Chicago Skyway is remitted to SCC according to terms of the agreement.

In exchange for collecting and processing ETC transactions on behalf of SCC, SCC reimburses ITRCC for fees and expenses related to this agreement incurred by ITRCC plus a margin of 10.0%. The total amount of costs charged to SCC by ITRCC per the ETC Agreement amounted to \$1.0 million and \$0.5 million for the years ended December 31, 2009 and 2008, respectively, of which \$0.1 million remained outstanding as of December 31, 2009 and 2008. These amounts are included in toll collection expenses in the consolidated statement of operations and included in due from related parties in the consolidated balance sheet.

In addition, ITRCC paid for the installation of certain hardware and software systems in 2008 to permit the collection and processing of ETC transactions by ITRCC on behalf of SCC and SCC was responsible for the reimbursement of these amounts to ITRCC.

ITRCC processed a total amount of \$39.2 million under this agreement on behalf of SCC during the year ended December 31, 2009 and collected a total of \$38.7 million which was remitted to SCC.

The Electronic Toll Collection Agreement terminates on June 9, 2018 and may be extended if agreed upon by both parties.

The Company's Members, or their affiliates, from time to time, provide the Company, ITRCCH, or ITRCC with certain services related to operation of the Indiana Toll Road. The services provided have included, but are not limited to, the payment of the initial start-up costs, acting as members on the Company's Board of Directors, maintenance of the Back Office System, and working or consulting on behalf of the Company, ITRCCH, or ITRCC. The Company, ITRCCH, or ITRCC reimburses its Members for the cost of providing these services. The total amount of costs incurred by the Company, ITRCCH, and ITRCC in relation to services provided by the Company's Members for the year ended December 31, 2009 and 2008 amounted to \$0.6 million and \$0.9 million, respectively, of which \$0.8 million and \$0.9 million remained outstanding as of December 31, 2009 and 2008, respectively. These amounts are included in due to related parties in the consolidated balance sheet and salaries and wages in the consolidated statement of operations.

10. Significant Contracts

As noted in Note 1, ITRCC is required to complete certain mandatory expansion requirements as follows:

1. Implement a barrier-control electronic toll collection within two years from June 29, 2006 the closing date. This requirement was fulfilled during the year ended December 31, 2008.
2. Expand to three travel lanes in each direction from Milepost 14.0 to Milepost 15.5 by December 31, 2008. By mutual agreement of ITRCC and the IFA, this requirement was later extended until December 31, 2010.
3. Expand to three travel lanes in each direction from Milepost 10.6 to Milepost 14.0 and

Statewide Mobility Partners LLC and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2009 and 2008
(in thousands of dollars, except toll rate data)

lower Toll Road elevation to accommodate the flight path of Gary Chicago International Airport by December 31, 2010.

4. Expand to three travel lanes in each direction from Milepost 18.5 to 20.27 by December 31, 2007. This requirement was fulfilled during the year ended December 31, 2007.

On September 15, 2006, ITRCC, Indiana Toll-Roads Contractors, LLC, Ferrovia Agroman, S.A., and Reith-Riley Construction Co., ("Reith-Riley") Inc. entered into an agreement for the design and construction work as specified in item 2, 3 and 4 of the mandatory expansion requirements, above, for a total contract value of \$250 million. ITRCC intends to fund this through their capital expenditure facility, Series C loan (see also Note 6). To date, Reith-Riley has completed \$171.5 million of the contract; \$6.8 million remains in accrued liabilities, long-term per the Company's consolidated balance sheet.

11. Self-Insurance

ITRCC has a self-insured medical program which is reinsured for aggregate stop loss and specific stop loss to partially fund the cost of providing health coverage to eligible full time employees effective June 1, 2007. For the period from June 1, 2007 through May 31, 2008, ITRCC was limited to the aggregate stop loss amount of \$4.0 million and benefits beyond this limit were covered by a third-party stop loss insurance policy. In June of 2008 the program was renewed with substantially similar coverage amounts extending through the end of May 2009 and an aggregate stop loss of \$4.0 million. There is a \$5 million life time specific stop loss limit for each employee under both policies. The Company is fully insured as of December 31, 2009.

Total expenses incurred under ITRCC's self-insured medical plan amounted to \$1.6 million and \$3.0 million for the year ended December 31, 2009 and 2008, respectively.

12. Commitments and Contingencies

ITRCC may be subject to certain liabilities, claims, and commitments in the ordinary course of business. ITRCC retains insurance for property and casualty risks related to the Indiana Toll Road. Management believes purchased insurance coverage is adequate to cover all claims.

Under the terms of the Concession and Lease Agreement, ITRCC is obligated to indemnify the IFA for losses suffered by the IFA arising out of, among other things, any failure on the Company's part to comply with or observe any of the terms or obligations under the Concession and Lease Agreement, any liabilities relating to the Indiana Toll Road or its operation after June 30, 2006, and any tax attributable to the transfer of ITRCC's interest to the Concession and Lease Agreement.

Statewide Mobility Partners LLC and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2009 and 2008
(in thousands of dollars, except toll rate data)

13. Risks and Uncertainties

ITRCC is subject to credit risk due to the risk of nonperformance by counterparties to the derivative agreements. If the recent disruptions in the credit markets continue, it may increase the likelihood that derivatives counterparties could experience liquidity or financial constraints that may prevent them from meeting their obligations to ITRCC which in turn could adversely affect the Company's financial condition and results of operations. In order to manage counterparty credit risk, management monitors the counterparties' credit ratings as determined by independent rating agencies. The counterparties' credit ratings ranged from BBB to AA as of December 31, 2009.

14. Subsequent Events

The Company has evaluated subsequent events through February 26, 2010.

In January 2010, the Macquarie Infrastructure Group portfolio was reorganized as Intoll Group and Macquarie Atlas Roads ("MQA"). MQA will continue to be a Macquarie-managed entity and hold the indirect interest in ITRCC.