

**M4 East Project Cash Flow Model**

**General Assumptions**

Construction Commencement Date	1-Jan-06
Operations Commencement Date	1-Jan-10
Concession Term, years post completion	35
Inflation	2.5%
Tax Rate	30%

**Toll Assumptions, \$2004**

	Car	Truck
M4W Toll, \$/km	\$ 0.20	\$ 0.40
M4E Toll, \$/km	\$ 0.40	\$ 0.80
M5 Car Toll, \$	\$ 1.00	\$ 5.00
M7 Truck Surcharge, \$/km	N/A	

**M4E Ramp Up Assumptions**

2010	85%
2011	90%
2012	95%

	Car\$/m/2011	Truck\$/m/2011		
<b>Project Revenue</b>				1.189
M7 to JRD	\$ -	\$ -		
M4 West	\$ 61.6	\$ 21.2		69.89
M4 East + MWM	\$ 138.1	\$ 88.7		194.29
Victoria Road Extension	\$ -	\$ -		
Foreshore Road Extension	\$ -	\$ -		
M5 East	\$ 36.2	\$ 23.3		50.05
M7 Truck Surcharge	Nil	\$ -		
<b>Total Revenue</b>	<b>\$ 236.9</b>	<b>\$ 113.2</b>		<b>313.96 353.70</b>

**Project Cost Assumptions**

Capital Cost, 2004\$m	\$ 3,300.0
Annual O&M, 2004\$m	\$ 38.0
Periodic Maintenance, 2004\$m	\$ 20.0

**Funding Assumptions**

	%	\$Nominal
Government Contribution	0%	\$ -
Equity	30%	\$ 1,199.9
Debt	70%	\$ 2,799.7
<b>Total</b>	<b>100%</b>	<b>\$ 1,599.8</b>

**Equity IRR**

12.0% ←

**Government Loan Repayment**

	10 Year Loan	20 Year Loan
Interest Rate	5.5%	5.5%
Annual Repayment	-	-
Closing Balance	-	-

**Senior Debt Assumptions**

% CAD\$ Dedicated to Debt Repayment	27.0%	
Senior Debt Term, years	34	(not to exceed 35)
Interest Only Period, years	10	
Closing Balance of Debt	0	(must be zero)
DSRA, Months	nil	
Min DSCR	1.44	

**Construction Phase**

Senior Debt Base Rate	6.00%
Senior Debt Margin	1.50%
Fees	0.00%
<b>Cost of Senior Debt</b>	<b>7.50%</b>

**Operating Phase**

Senior Debt Base Rate	6.00%
Senior Debt Margin	1.00%
Fees	0.00%
<b>Cost of Senior Debt</b>	<b>7.00%</b>

**Tax Depreciation Assumptions**

	years
Lighting & Ventilation	15
Pavement	40
Structures	100
Site Preparation	100