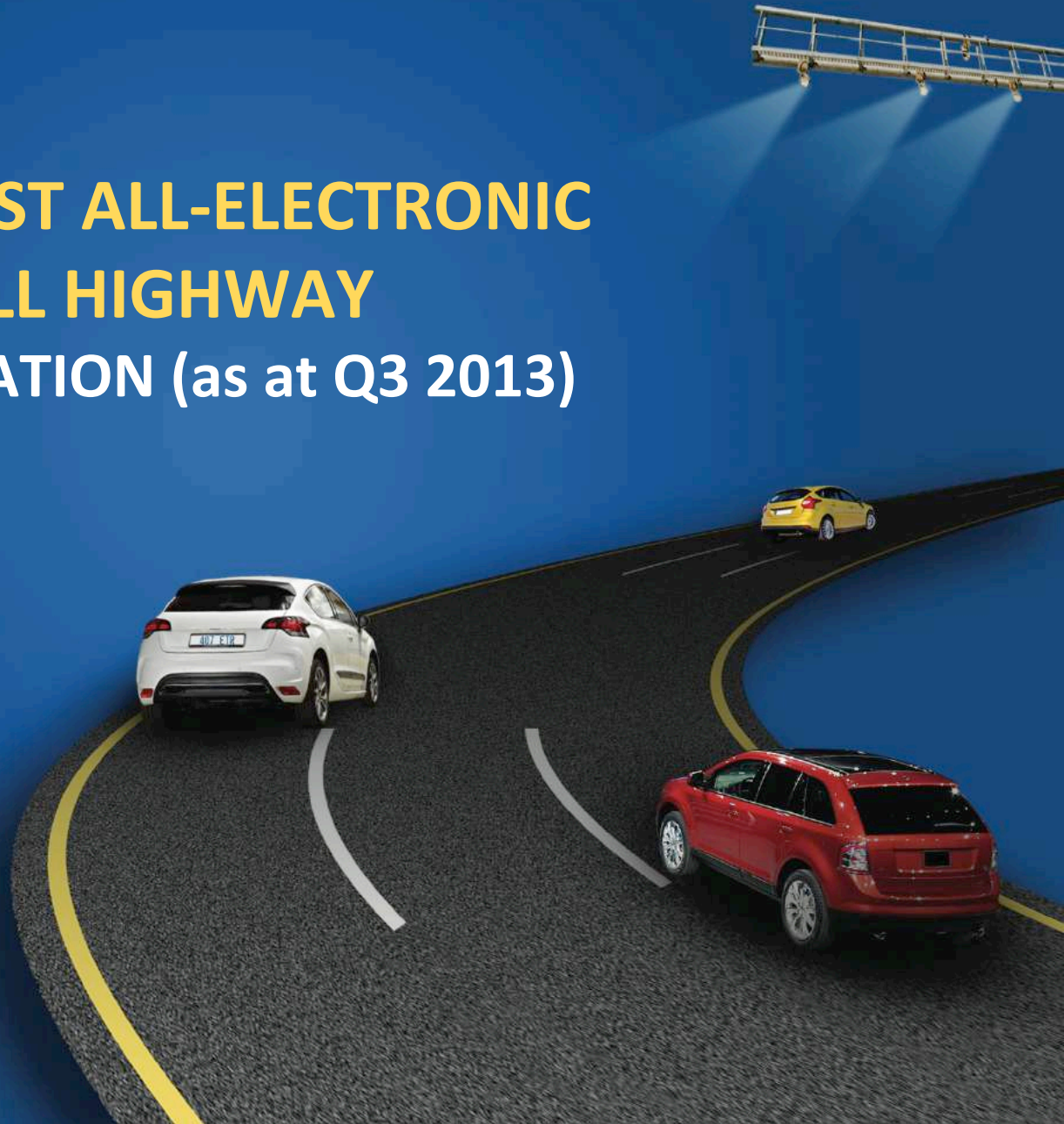




THE WORLD'S FIRST ALL-ELECTRONIC OPEN-ACCESS TOLL HIGHWAY

INVESTOR PRESENTATION (as at Q3 2013)

October 2013



DISCLAIMER/DISCLOSURE

- » This presentation has been prepared by 407 ETR.
- » The financial information presented is taken from quarterly and year-end statistics that have been disclosed publicly.
- » All financial amounts are shown in Canadian dollars unless otherwise indicated.
- » Additional information relating to 407 ETR and / or 407 International, including the 2012 Annual Information Form dated February 14, 2013, can be accessed on SEDAR.
- » The statements about expected future events and financial and operating results are forward-looking. Forward-looking statements may include words such as anticipate, believe, could, expect, goal, intend, may, outlook, plan, strive, target and will. These statements reflect internal projections, expectations, future growth, performance and business prospects and opportunities, and, as they are subject to a number of risks and uncertainties, you are cautioned not to put undue reliance upon such statements as they may differ from actual results and developments.

THE MISSION AND VISION

THE HIGHWAY'S MISSION

» Relieve congestion on other Greater Toronto Area (GTA) highways and local roads.

THE COMPANY'S VISION AND MISSION

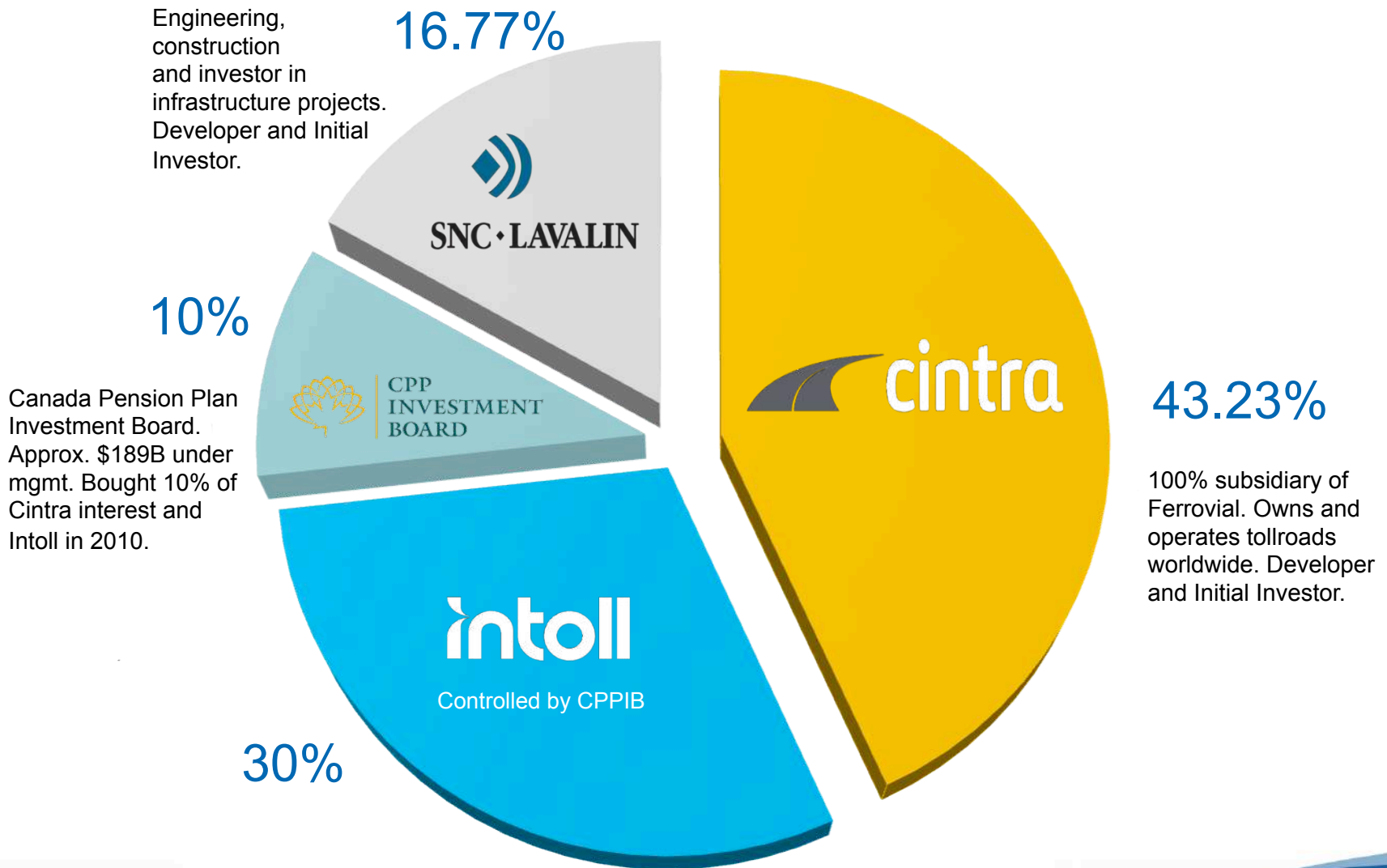
VISION

» To be recognized as the best open access toll road in the world.

MISSION

» To serve the GTA by providing customers a FAST, SAFE and RELIABLE travel alternative, maximizing both customer service and shareholder value.

407 INTERNATIONAL SHAREHOLDERS



TESTED LEGAL/REGULATORY FRAMEWORK

» Highway 407 Act (Royal Assent - Dec 1998):

- » Powers of Concessionaire (collection of tolls, exemption of tolls, etc.)
- » Plate denial, enforcement of tolls, dispute process
- » Collection and use of personal information
- » Highway closure, emergency planning
- » Liabilities, expropriation, expansion, etc.
- » Safety standards

» Highway Traffic Act:

- » Plate visibility
- » Powers of police officer (search and seizure)
- » Definition of toll device and transponder mounting
- » Toll evasion, sale of interference devices, etc.

TESTED LEGAL/REGULATORY FRAMEWORK

» Concession and Ground Lease Agreement (CGLA)*:

- » Collection of revenues and tolling regulations
- » Operation standards, highway expansion and extension
- » Reporting, audit rights, electronic data transfer
- » Corridor control, management of 407 lands
- » Police services, enforcement
- » Dispute resolution etc.

» Policing/Enforcement Agreements:

- » Police Services Agreement with Ontario Provincial Police
- » Truck safety and vehicle registration enforcement by MTO

**Available on 407etr.com*



6

TOLL SETTING FRAMEWORK

» CGLA – Schedule 22

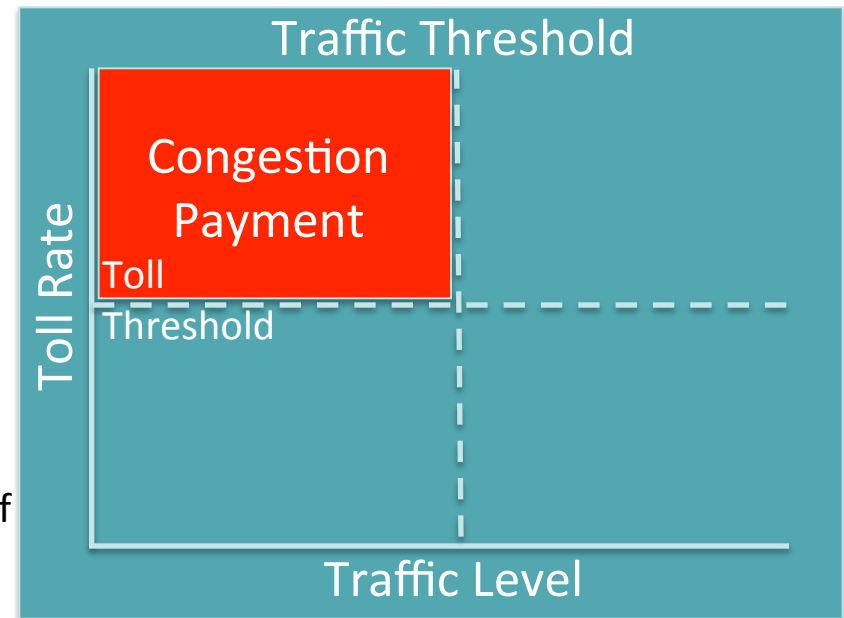
- » Schedule 22 includes the concept of Congestion Payment to ensure traffic relief in the corridor.
- » Sets minimum traffic levels (Traffic Thresholds) in the peak hours for each segment and direction, based on 2002 levels, and a minimum Toll Threshold.
 - » The Traffic Threshold grows by 1%-3% per year after the Base Year, up to a maximum of 1,500 vehicles per hour per lane.
 - » The Toll Threshold also increases, up to 30% in real terms from 1999 level.

- » A Congestion Payment may be due if:
 - » Applicable rate > Toll Threshold **and**
 - » Average Segment Flow Rate (ASFR) is less than the Traffic Threshold

The congestion payment is twice the traffic shortfall times the toll rate overage.

Only one Congestion Payment made (\$23k in 2003).

As Traffic Threshold increases, the likelihood of a “Traffic Shortfall” increases on some segments.



407 ETR

Express Toll Route

FAST. SAFE. RELIABLE.





Phase One (22km): Extension of Highway 407 East to Harmony Road in Oshawa by 2015. 407 East will be 3 lanes in each direction up to the West Durham Link and then 2 lanes in each direction to Harmony Road.

Phase Two (23km): Extension of Highway 407 East to Highway 35/115 in Clarington by 2020. By 2017 there will be an interim interchange at Taunton Road for the East Durham Link.

407 ETR

407 ETR: 108km, with 41 interchanges and 198 on/off ramps.

 407 Interchange  400-Series Interchange

Expansions

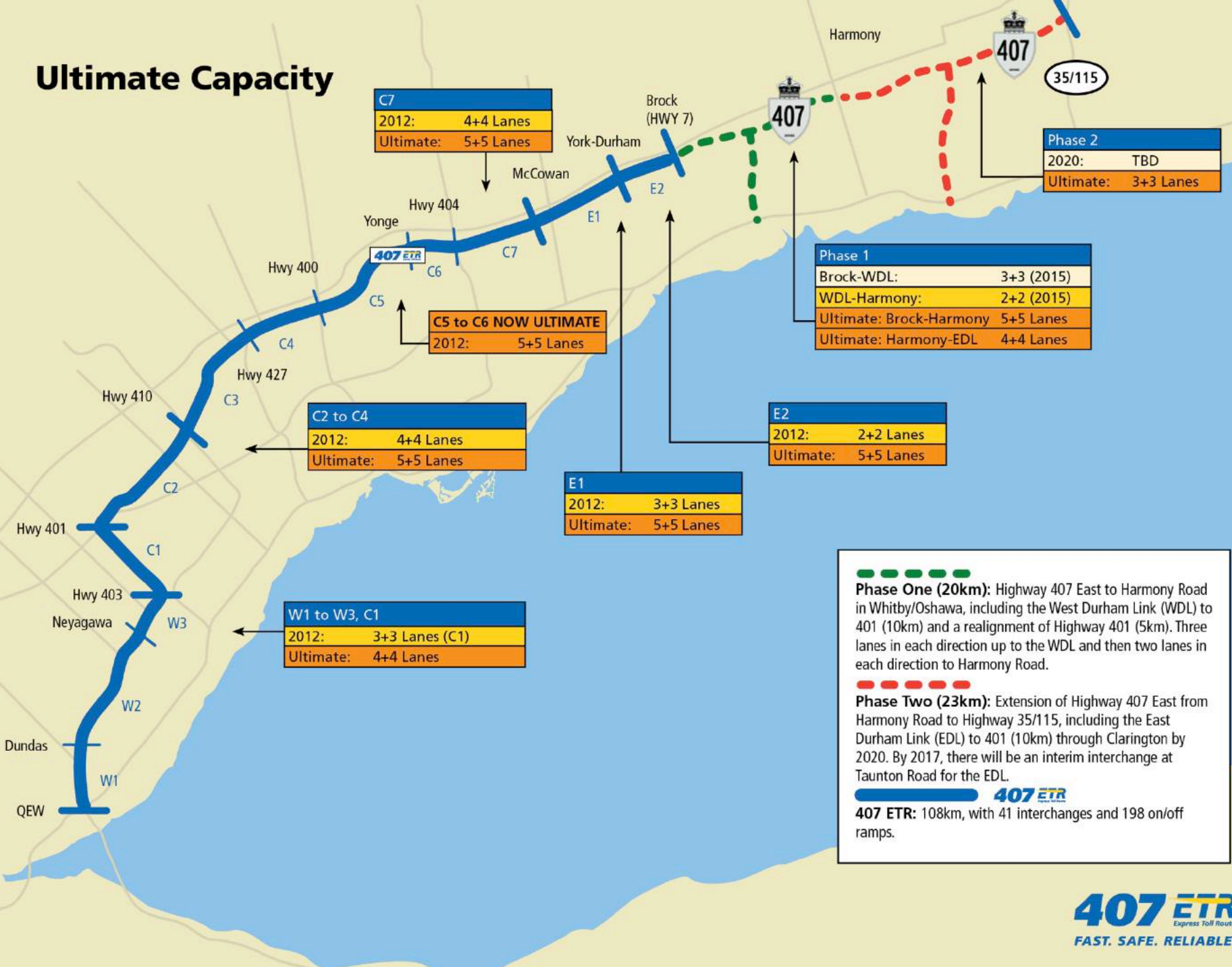
Total lanes added since 2004

A total of 205.4 new lane kilometres.



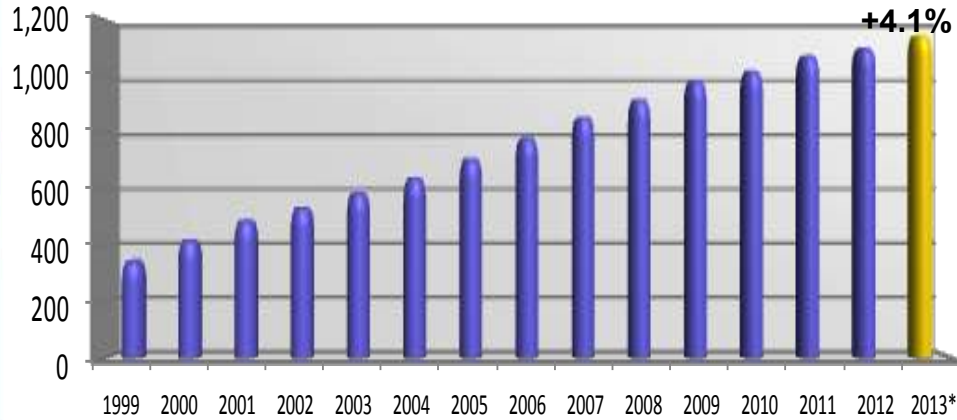
<u>Year</u>	<u>Lane Expansions</u>	<u>Length</u>
2004	401 - 410	18 km
2006	427 - 404	46 km
2006	McCowan Road - Markham Road	4 km
2007	401 - 427	47 km
2009	Markham Road - York Durham Line	13 km
2010	404 - Markham Road	19 km
2011	401 - Trafalgar Road	26 km
2012	400 - 404	32 km
Total lane kilometres added		205 km

Ultimate Capacity



TRANSPONDER USAGE

Transponders in Circulation (000's)

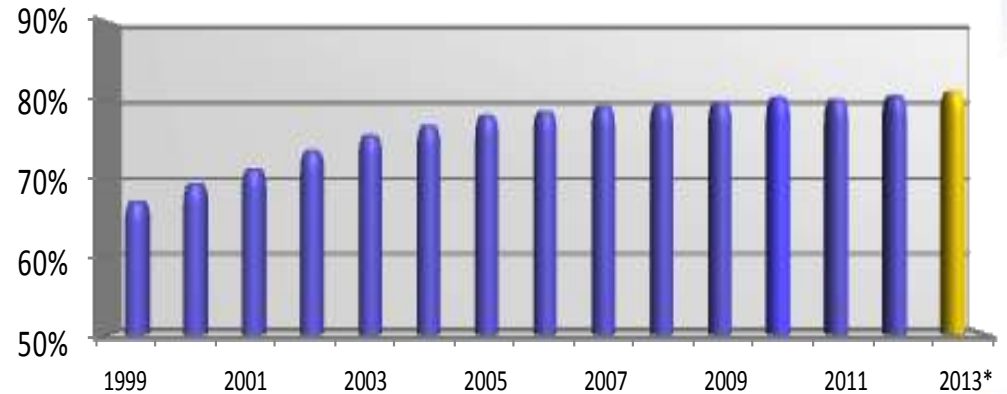


>> Promotions have increased the transponder penetration, thereby reducing corporate cost of pursuing payments for road usage.

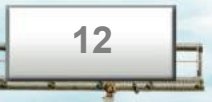
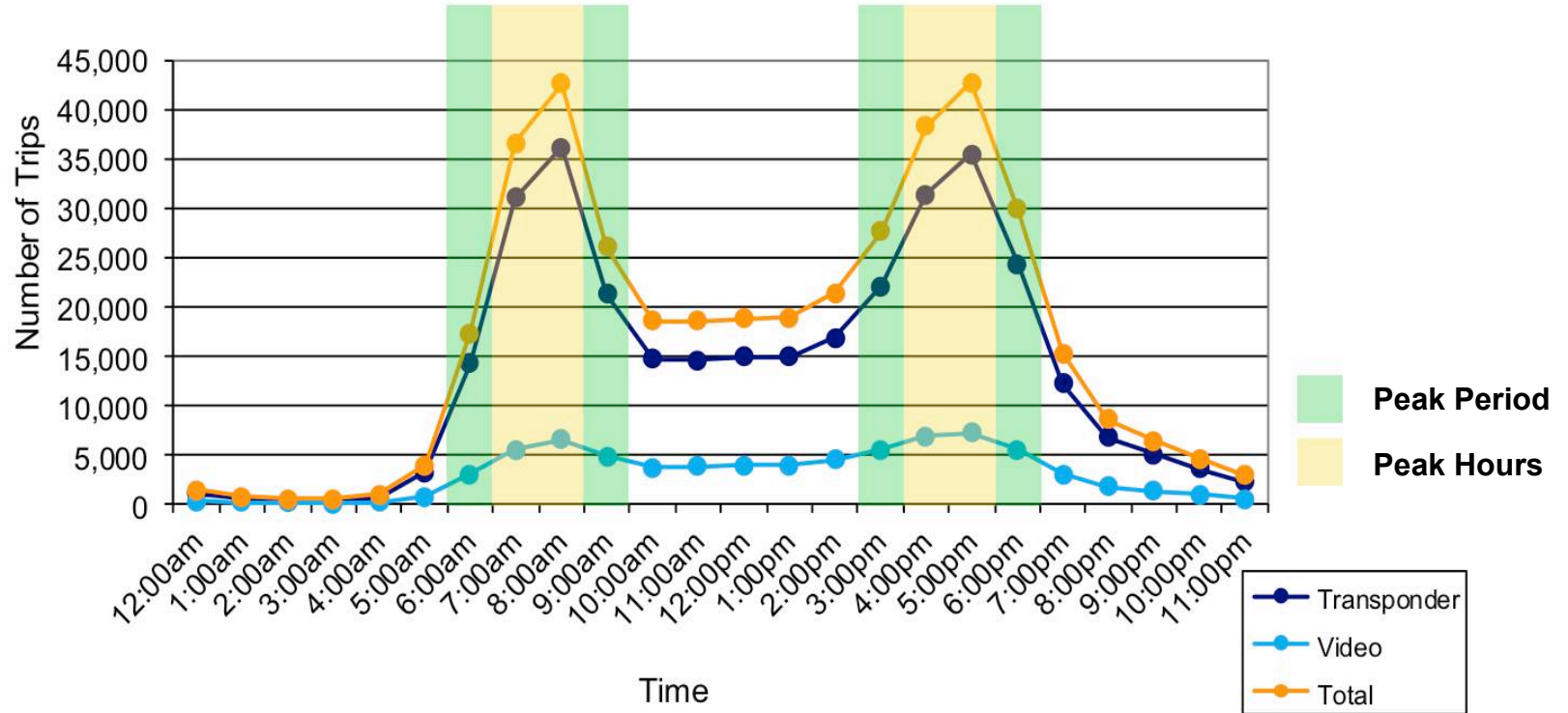
* as of September 2013



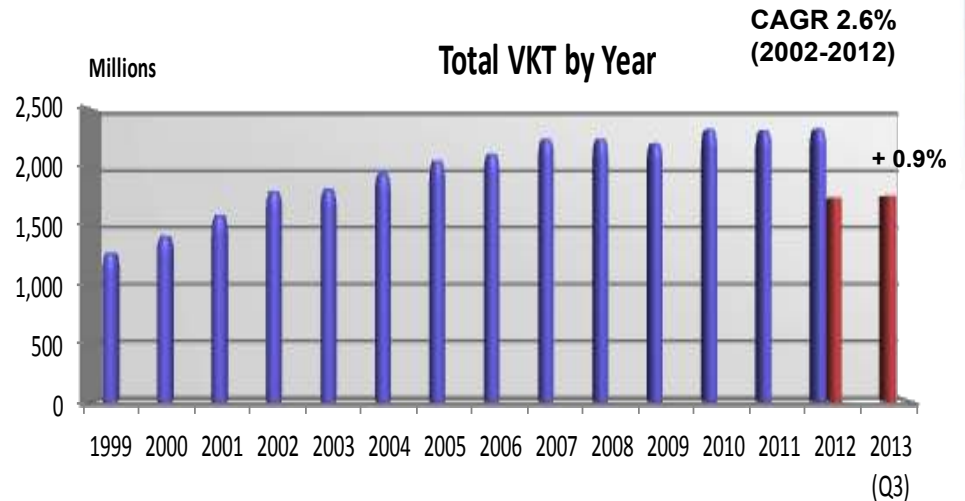
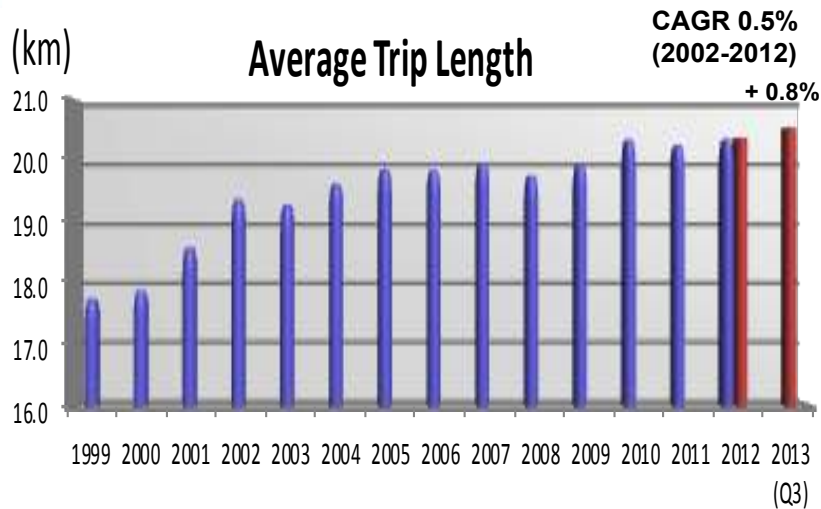
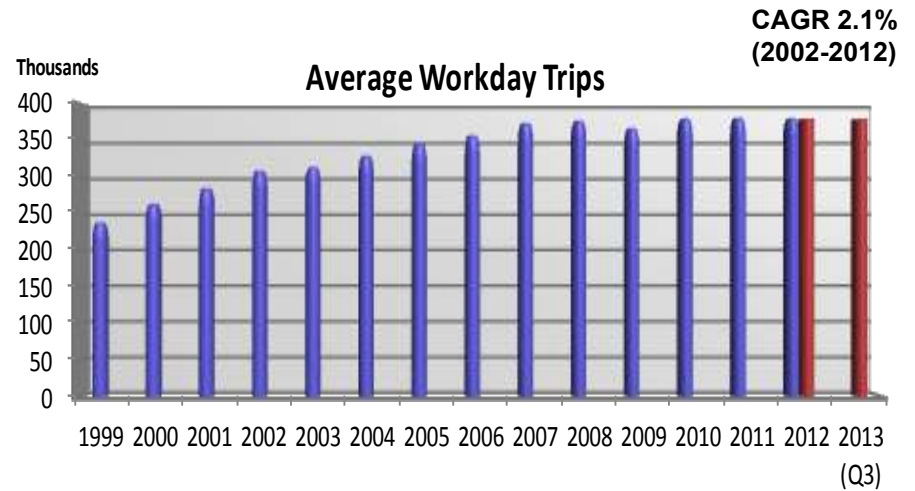
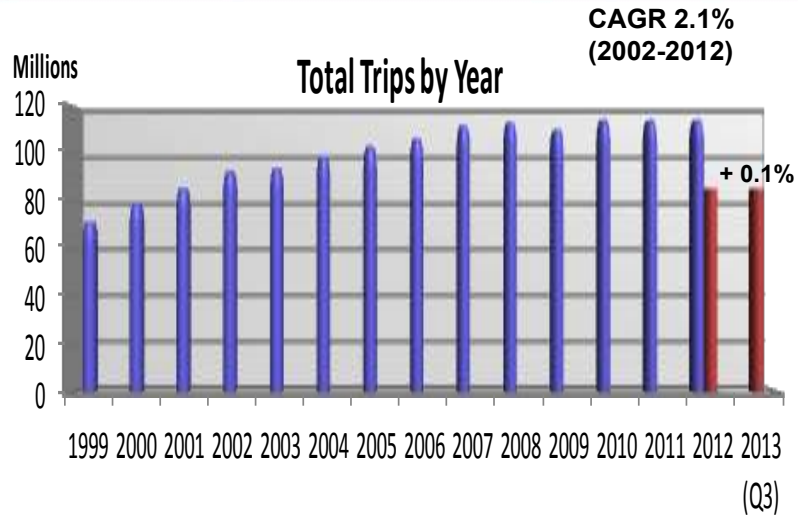
Transponder Penetration Percentage



AVERAGE WEEKDAY HOURLY TRIPS



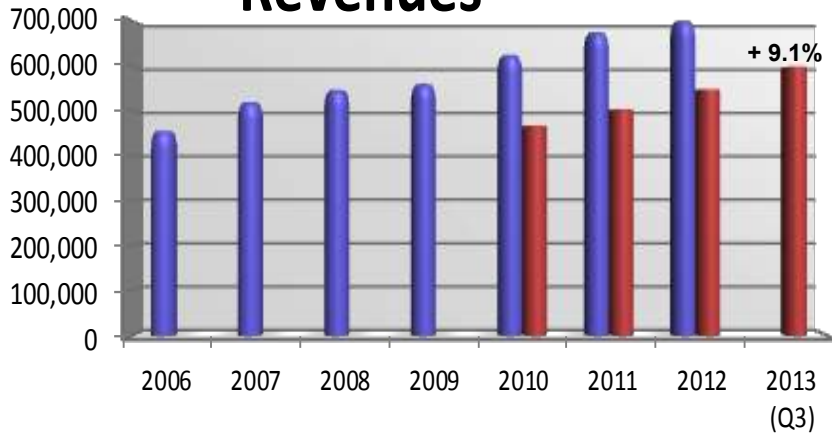
TRAFFIC PERFORMANCE



KEY FINANCIAL INDICATORS

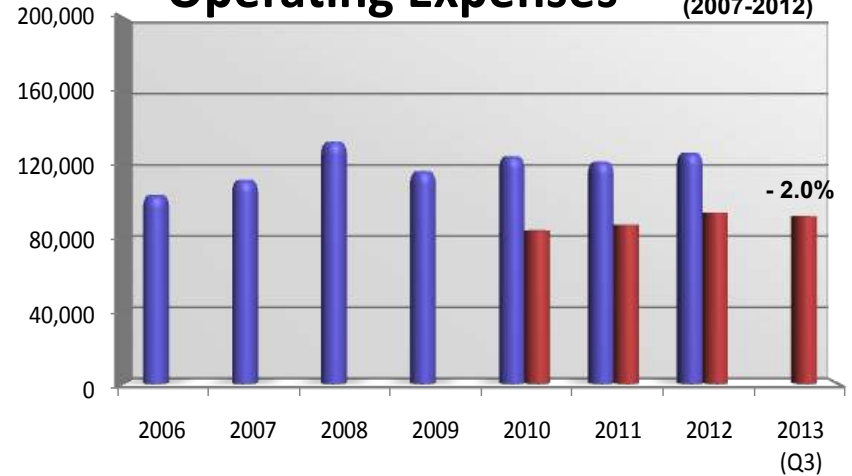
Revenues

CAGR 7.2%
(2007-2012)



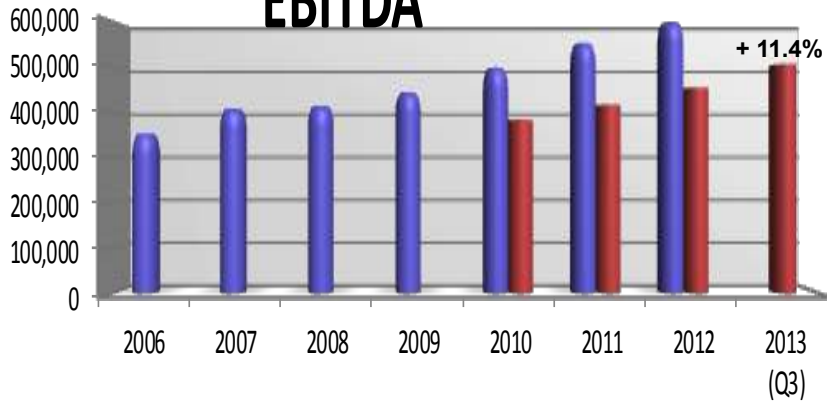
Operating Expenses

CAGR 2.5%
(2007-2012)

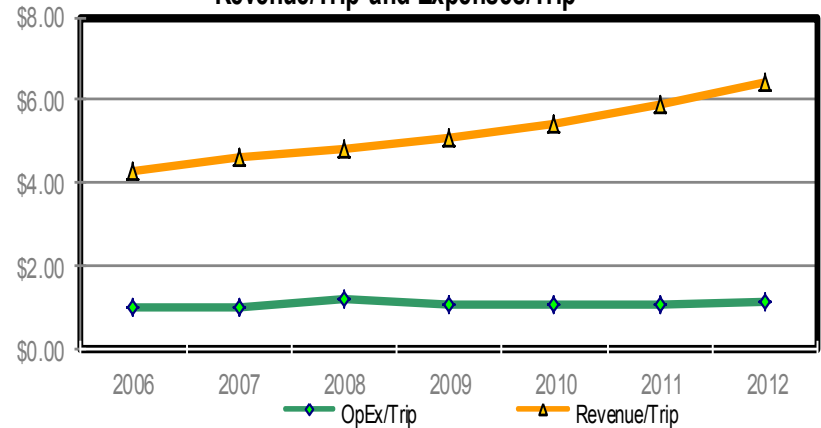


EBITDA

CAGR 8.3%
(2007-2012)



Revenue/Trip and Expenses/Trip



Q3 2013 RESULTS

TORONTO, October 23, 2013 - 407 International Inc. (the “Company”) announced today revenues of \$224.8 million for the third quarter of 2013, compared to \$201.9 million for the same period of 2012. Earnings before interest, taxes, depreciation and amortization (“EBITDA”) totalled \$191.3 million for the third quarter of 2013 as compared with \$168.8 million for same period of 2012. The Company reported net income of \$69.3 million for the third quarter of 2013, compared with net income of \$62.5 million for the same period of 2012.

The Board of Directors declared an eligible dividend of \$0.323 per common share, payable on or about October 23, 2013 to shareholders of record on October 23, 2013.

¹ EBITDA is not a recognized measure under International Financial Reporting Standards and investors are cautioned that EBITDA should not be construed as an alternative to net income or cash from operating activities as an indicator of the Company's performance or cash flows. The Company's method of calculating EBITDA may differ from other companies' and may not be comparable to measures used by other companies. EBITDA less Depreciation and amortization, Interest and other expenses and Income tax, results in Net income.

Q3 2013 RESULTS

	Three-month period ended September 30		Nine-month period ended September 30	
	2013	2012	2013	2012
Selected Financial Information (in millions)				
Revenues	\$ 224.8	\$ 201.9	\$ 596.7	\$ 546.8
Operating expenses	33.5	33.1	91.4	93.3
Depreciation and amortization	16.4	15.8	46.2	45.2
Interest and other expenses	81.3	65.5	191.3	219.3
Income before tax	93.6	87.5	267.8	189.0
Deferred income tax expense	24.3	25.0	70.4	53.9
Net income	\$ 69.3	\$ 62.5	\$ 197.4	\$ 135.1

Traffic

Total trips (in thousands)	30,603	30,025	85,634	85,584
Average revenue per trip	\$7.33	\$6.72	\$6.96	\$6.39
Average workday number of trips	400,039	396,945	379,304	379,469
Total vehicle kilometres (in thousands)	657,046	638,734	1,760,407	1,745,396
Number of transponders in circulation at September 30	1,148,215	1,097,176	1,148,215	1,097,176

MASTER TRUST INDENTURE

- » Establishes a common security and a set of common covenants given by 407 International for the benefit of all its lenders.
- » 407 International has pledged to the bondholders:
 - » Shares of 407 ETR Concession Company.
 - » Leasehold mortgage on 407 ETR's leasehold interest in the Highway 407 Lands.
 - » Security interest in all real and personal property of 407 International and all current and future Subsidiaries.
 - » Assignment of current and future revenues and security interest in all Reserve Funds.
- » Rate Covenant:
 - » Net Revenues / Annual Senior Debt Service $\geq 1.25x$.
 - » Net Revenues / Annual Debt Service $\geq 1.15x$.
- » Prior to dividend distribution to shareholders and interest payment to subordinated debt:
 - » Consultant's Certificate stating that projected Net Revenues / projected Annual Senior Debt Service $\geq 1.35x$ for the next 12 months.
 - » Officer's Certificate stating that Net Revenues / Annual Senior Debt Service $\geq 1.35x$ for the past 12 months.

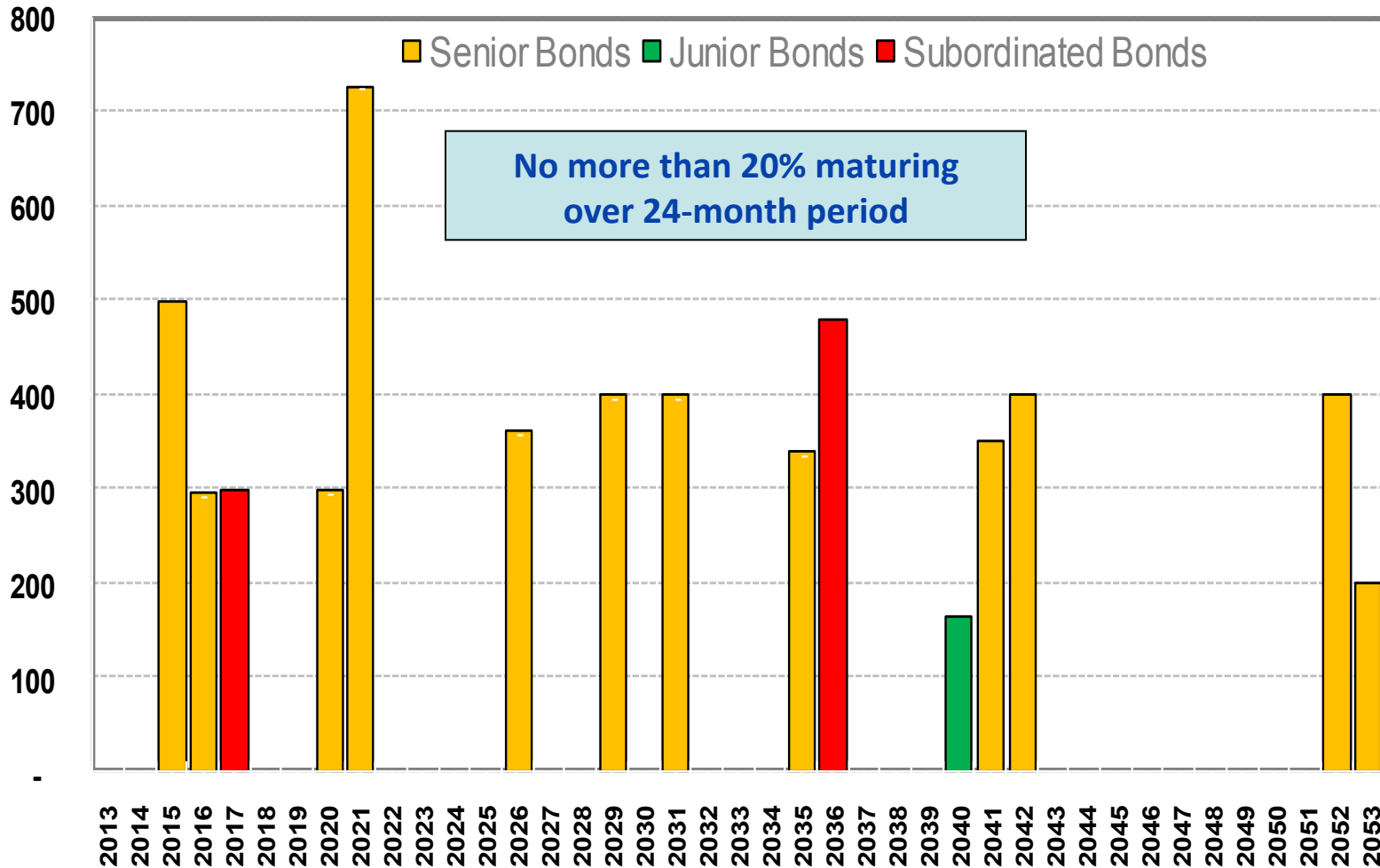
MASTER TRUST INDENTURE

- » Reserve Funds:
 - » Debt service fund: coupon payments to be made within 6 months.
 - » Debt service reserve fund: reserve for protection of senior and junior bondholders.
 - » Operation and maintenance reserve: $\frac{1}{4}$ of annual operating expenses.
 - » Renewal and replacement reserve: $\frac{1}{4}$ of capital expenditures of next 4 years.
- » Debt Service Reserve Accounts
 - » Senior and Junior bondholders have the protection of a 12-month debt service series reserve account, which is equal to one year's interest plus the principal component of the first year assuming a 30-year amortization.
 - » The amounts are invested in Qualified Investments.

- » Please refer to Master Trust Indenture for full details.

Bond Maturity Profile

\$ millions



No more than 20% maturing over 24-month period

>> Total Long-Term Debt: \$ 6.1 billion

INCREASED CUSTOMER CHOICE AND MANAGEMENT OF OPEX (from 2010)

With pre-authorized payments, paying your bill can be this easy. Plus, get **50 FREE KMI****



407 ETR
FAST. SAFE. RELIABLE.

Pre-authorize your payments today and get 50 FREE KMI*

Signing up for pre-authorized debit or credit at www.407etr.com is convenient and easy – and you'll have approximately 10 days to review your statement prior to your payment being debited. Plus, signing up today will also get you **50 FREE KMI****. Here's how:

- ★ Login to your account at www.407etr.com before March 31, 2012.
- ★ Click on Account Settings, then Automatic Payments.
- ★ Follow the on-screen instructions (have your bill handy) and receive your **50 FREE KMI****



Pre-Auth up 45%

Paperless up 185%

...less of THIS...



and more of THIS... with paperless billing!

Goodbye paper... Hello paperless billing!

Sign up today and get **50 FREE KMI****. Here's how:

- ★ Login to your web account at www.407etr.com.
- ★ Click on Account Settings, then 407 ETR Paperless Billing and follow the on-screen instructions.
- ★ Enjoy the convenience of paperless billing – get all your 407 ETR billing information in one place and **50 FREE KMI****!

With 407 ETR paperless billing, you can review, pay and save your 407 ETR bills faster and easier than ever before!

Please note: 407 ETR's paperless billing is not opt-in** and can only be registered for at www.407etr.com.



407 ETR
FAST. SAFE. RELIABLE.

Manage your 407 ETR account from wherever you want, whenever you like.



407 ETR
FAST. SAFE. RELIABLE.

It's never been easier to manage your 407 ETR account.

www.407etr.com offers a variety of enhanced services to help you manage your account.

Use your email address and a password to set up your 407 ETR web account. It's safe and secure and gives you 24/7 access to:

- Sign up for paperless billing
- Pre-authorize payments
- Pay your bill
- Order a transponder
- Check your balance
- Update account details
- Set up an annual lease
- Sign up for One Simple Bill

...and so much more!



Website traffic up 37.6%

407 ETR FAST. SAFE. RELIABLE.

EXPRESS

Yes, you're seeing double... the free kilometres!

Visit www.407etr.com today and receive **100 FREE KMI*** when you sign up for paperless billing and pre-authorized payment!

Simply login to your web account, click on Account Settings and register for 407 ETR Paperless Billing and Automatic Payments, follow the on-screen instructions and you're done!

Sign up for paperless billing, get **50 FREE KMI****
Sign up for pre-authorization, get **50 FREE KMI****

50 FREE KMI FOR PAPERLESS BILLING**

50 FREE KMI FOR PRE-AUTHORIZATION**

It's that easy to get up to 100 FREE KMI**

Plus, while you're signing up at www.407etr.com, you'll automatically be entered to win **ONE YEAR OF FREE TRAVEL ON 407 ETR!*****

► LOGIN TO WIN!

Login to your account by October 31 and you will automatically be entered into a draw for your chance to WIN ONE YEAR OF FREE TRAVEL ON 407 ETR!*** Don't have a web account? It only takes a minute to get one!

Why stop at paperless billing and pre-authorized payment? www.407etr.com offers a variety of services to help you manage your account. Have your bill handy to set up your 407 ETR web account and you'll gain access to:

- Pay your bill
- Order a transponder
- Check your balance
- Update account details
- Set up an annual lease
- Sign up for One Simple Bill
- Link your accounts
- Manage your plates

INSIDE... MESSAGE FROM THE SEAT SAFETY CLUB

COMMUNITY CHILD SPONSORSHIPS

Online payments up 56.5%

- Every 10k customers on paperless saves 407 ETR \$84k and supports reduced use of paper. Average of 12k/mth new registrations.
- Increased web traffic has avoided 98k calls to the call centre – representing a value of over \$750k per year.



2013 ZONE/PEAK TOLLING

Effective February 1, 2013



VEHICLE CLASS	Regular Zone QEW to Highway 410 Highway 427 to Brock Road		Light Zone Highway 410 to Highway 427		Entire Highway		
	PEAK PERIOD Weekdays: 6am - 7am & 9am - 10am 3pm - 4pm & 6pm - 7pm	PEAK HOURS Weekdays: 7am - 9am & 4pm - 6pm	PEAK PERIOD Weekdays: 6am - 7am & 9am - 10am 3pm - 4pm & 6pm - 7pm	PEAK HOURS Weekdays: 7am - 9am & 4pm - 6pm	MIDDAY Weekdays: 10am - 3pm	MIDDAY Weekends & Holidays: 11am - 7pm	OFF PEAK PERIOD Weekdays: 7pm - 6am Weekends & Holidays: 7pm - 11am
Light Vehicles* (Cars/Minivans/SUVs)	26.20¢/km	27.20¢/km	24.90¢/km	25.85¢/km	22.70¢/km	21.00¢/km	19.35¢/km
Heavy Vehicles** (Large Trucks/Buses)	52.40¢/km	54.40¢/km	49.80¢/km	51.70¢/km	45.40¢/km	42.00¢/km	38.70¢/km
Heavy Multiple Unit Vehicles** (Tractor trailers)	78.60¢/km	81.60¢/km	74.70¢/km	77.55¢/km	68.10¢/km	63.00¢/km	58.05¢/km

» Rates vary by time of day, day of week and zone of highway

» Avg revenue per trip: **2013(Q3)\$7.33, 2012(Q3)\$6.72, 2011(Q3)\$6.26, 2010(Q3)\$5.75**

CONTINUOUS IMPROVEMENT & INNOVATION

- » Changes to Regulations on notice provisions:
 - » Improved customer communication and opex savings.
- » Enterprise Architecture:
 - » Greater efficiency and flexibility with reduced opex.
- » Website – enhanced personal customer pages, new self-serve options:
 - » Better customer service and reduced opex.
- » Website – new B2B features will assist large accounts to manage their billing:
 - » Improved commercial customer relationship and reduced opex.
- » Progressive roll-out of improved technology:
 - » Updated roadside technologies and continuous improvements to processing of transactions
- » Toll Enforcement:
 - » Partnership with Ontario Provincial Police to enforce laws regarding toll enforcement, new and updated gantry systems to detect and provide police information they may require.

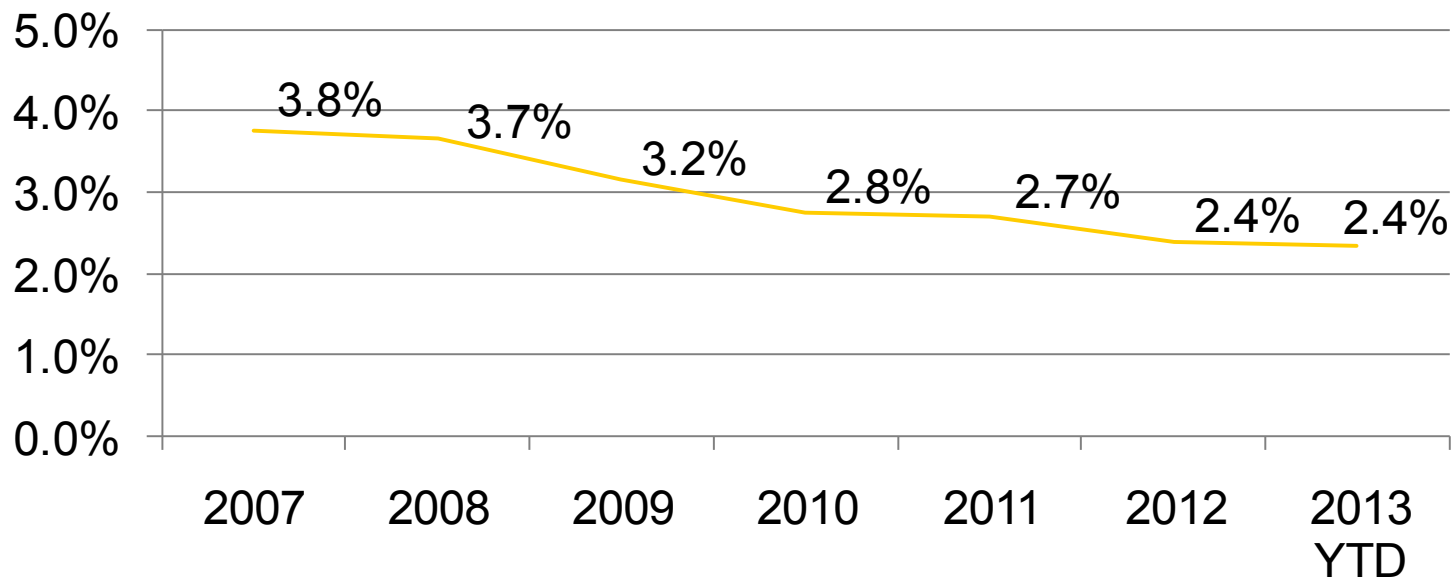
LATEST TECHNOLOGY PROTECTS REVENUE



- » New “seeker” system provides enhanced “locator” data of vehicles as they pass under gantry – reducing number of images required.
- » Vehicle detection system works to accurately classify vehicle type.
- » CMOS cameras and LED lighting provides best high-quality images and uses less energy
- » Roadside technology continuously updated with proven and reliable technology.
- » Front capture camera for toll enforcement on heavy vehicles.

UNBILLABLE CONTINUES TO DECLINE

- » Open-access, all-electronic highway raises enforcement challenges
- » Initiatives to reduce “unbillable” trips
 - » Increased transponder penetration
 - » Vehicle Detection and Capture upgrade (seekers, cameras...)
 - » Camera replacement project
 - » Front capture cameras – targeted deployment
 - » Optical Character Recognition (OCR) Software upgrades



Unbillable trips include customer trips that cannot be billed and trips by emergency responders, exempted vehicles, employee travel and maintenance vehicles.

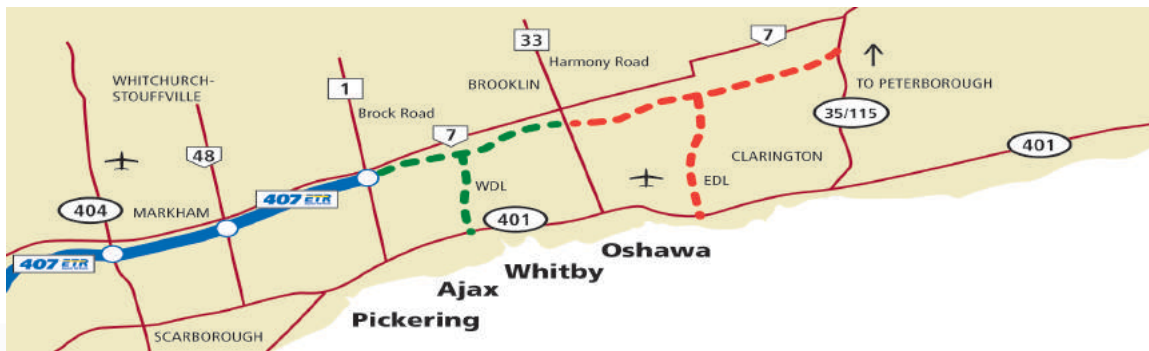
Two different projects – two different models



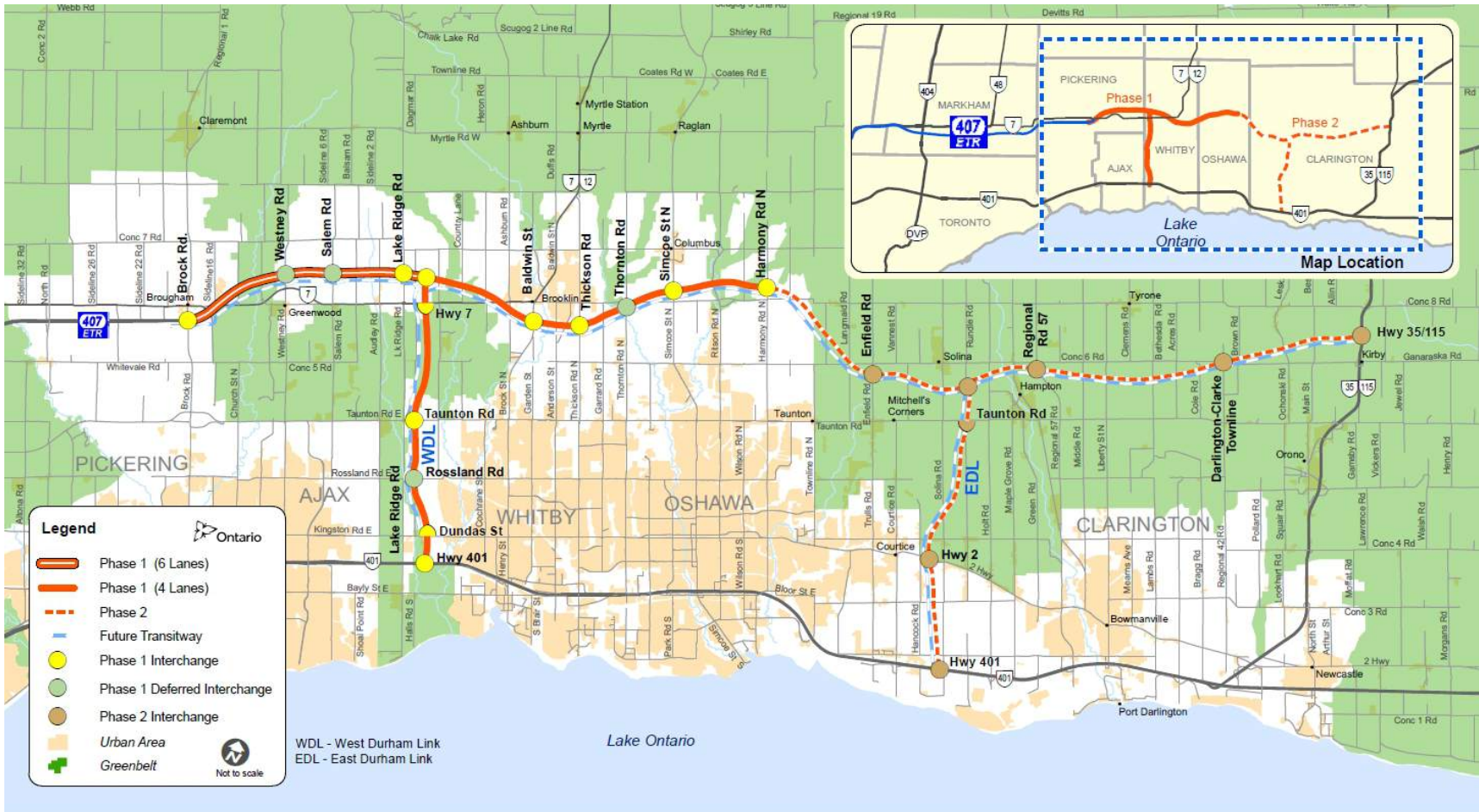
407 ETR /407 International	407 East Development Group – Phase 1
108 km (Burlington-Pickering)	22 km (Pickering-Oshawa + 10 km WDL)
Cintra, CPPIB, SNC-Lavalin	Cintra and SNC-Lavalin
99-year Concession (1999-2098)	3+30-year DBFO (2012-2045)
407 ETR sets tolls, keeps revenues	Province sets tolls, gets revenues
Traffic risk	Availability payments – no traffic risk
Prescribed extensions & widenings	One-time construction & maintenance

Cantoll

(Sub of 407 International) installs, updates and manages seamless tolling and backoffice system, customer service and collection. Customer gets one bill / one transponder.



407 EAST: PHASE 1 – 407 EAST DEVELOPMENT GROUP



SUMMARY

- » Solid financial performance built on a tested legal environment.
- » 407 ETR continues to be the good choice for customers looking to save time and money.
- » Maintaining the value of the brand through good communications and emphasis on safety, savings and supporting the communities we serve.
- » Protecting revenues through innovations in tolling and collections.
- » EDG Project will provide direct connect to 407 ETR and Highway 401, completing the Toronto by-pass.
- » Cantoll will provide integrated services to users while expanding its business.

SUPPORTING SAFETY ON AND OFF THE ROAD



MISSING

Seeing a superhero conquer the world.



Don't miss out on life's best moments.

FOCUS ON THE ROAD



St. John Ambulance

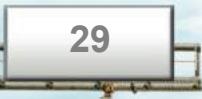
SAVING LIVES
at work, home and play



Accident Awareness

Explosion Evacuation Prevention

DONATIONS



INVESTOR CONTACTS

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905-264-5229

Geoffrey Liang

Managing Director, Finance and Treasurer

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gliang@407etr.com

905-264-5298



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407 ETR
Express Toll Route
FAST. SAFE. RELIABLE.