

Q3
2016

QUARTERLY OPERATIONS AND MAINTENANCE REPORT

LBJ Infrastructure Group LLC



Table of Contents

1. Traffic and Revenues	2
2. Profit and Loss Statement	3
3. Capital Expenditures	5

1. Traffic and Revenues

In thousands

ACTUAL	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	YTD
Transaction	2,376	2,657	2,992	3,054	3,237	3,426	3,227	3,450	3,382	27,801
Revenue	\$ 4,332	\$ 4,958	\$ 5,705	\$ 5,787	\$ 6,130	\$ 6,984	\$ 6,417	\$ 7,101	\$ 6,968	\$ 54,381

• Note: Revenues exclude NTTA adjustments.

BUDGET	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	YTD
Transaction	2,639	2,434	2,979	3,108	3,146	3,322	3,467	3,445	3,493	28,033
Revenue	\$ 4,301	\$ 4,076	\$ 5,395	\$ 5,612	\$ 5,675	\$ 6,257	\$ 6,367	\$ 6,515	\$ 6,745	\$ 50,943

Comparison to Budget

% Transaction	90%	109%	100%	98%	103%	103%	93%	100%	97%	99%
% Revenue	101%	122%	106%	103%	108%	112%	101%	109%	103%	107%

Year-to-date 2016, the LBJ generated approximately 27.8 million traffic transactions and \$54.4 million in revenue. Compared against the budget, transactions were 1% below expectations while revenues were 7% higher than budget. The difference between the two rates can be attributed to higher-than-anticipated tolls.

2. Profit and Loss Statement

In thousands	2016 YTD			
	Actuals	Budget	Variance	%Var
Revenues				
Toll Revenues	\$ 54,177	\$ 50,720	\$ 3,456	7%
Other Revenues	635	210	425	202%
TOTAL REVENUES	54,811	50,930	3,881	8%
Direct Costs				
Materials	215	350	(135)	-39%
Personnel	1,791	2,092	(301)	-14%
Third Party Services	1,969	2,025	(56)	-3%
Repair and Maintenance	123	60	63	106%
Transaction Fees	3,395	3,194	201	6%
Supplies	290	485	(195)	-40%
Leases	7	36	(29)	-80%
Insurance	306	283	23	8%
Systems	130	908	(777)	-86%
General Service	14	10	5	47%
Total Direct Costs	8,241	9,441	(1,200)	-13%
Overhead				
Personnel	1,146	1,264	(118)	-9%
Travel Expenses	110	107	3	3%
Third Party Services	2,062	2,174	(112)	-5%
Communications and Image	466	826	(360)	-44%
General Expenses	342	421	(79)	-19%
Training	9	20	(12)	-57%
Insurance	291	309	(18)	-6%
Other	37	39	(2)	-5%
Systems	115	99	16	16%
Total Overhead	4,578	5,259	(682)	-13%
TOTAL OPEX	12,819	14,700	(1,881)	-13%
EBITDA	41,992	36,230	5,762	16%
Depreciation and Amortization	(32,411)	(51,671)	19,260	-37%
EBIT	9,581	(15,442)	25,023	-162%
Financial Income	-	122	(122)	-100%
Financial Expenses	(63,375)	(63,585)	210	0%
Interest and Other Expenses	(63,375)	(63,463)	88	0%
EBT	(53,794)	(78,904)	25,110	-32%
Tax	-	-	-	-
NET PROFIT / (LOSS)	(53,794)	(78,904)	25,110	-32%

*New Accounting standard has been issued, FASB Topic 853 "Service Concession Arrangements", affecting the way the Concession has been booking the Highway Asset, now being reclassified as Intangible Asset and being depreciated over the life of the Concession.

Variances to Direct Costs (+/- 10%):

Materials – lower materials consumption for repairs and maintenance as a result of mild winter condition and fewer incidents.

Personnel – lower due to personnel vacancies of 3 toll analyst position.

Third Party Services – lower due to savings on new contract with advisor.

Transaction fees – higher tolling fee due to higher traffic revenue.

Supplies – savings in utilities cost resulted from lower negotiated rate and lower fuel consumptions.

Leases – less maintenance equipment rentals.

Insurance – higher due to increase in highway property insurance.

System – lower due to timing in completion of system operating tests of highway IT systems by contractor.

Variances to Overhead Costs (+/- 10%):

Personnel – lower due to the temporary vacancies of 3 position.

Third Party Services – saving on outside legal services and lower recruitment costs.

Communications and Image – lower due to timing of promotions and campaigns costs.

General Expenses – lower mainly due to lower electricity consumption and vehicle rentals.

Training – lower due to the uneven timing of training courses.

System – higher due to replacement supplies for IT system.

3. Capital Expenditures

Plant and Machinery

January 2016	Brine application - \$4,900
May 2016	Brine application - \$5,800
June 2016	Small message board - \$14,300

Tools

March 2016	Inclinometer Kit - \$8,700
April 2016	Tire Changer - \$5,500
July 2016	Air Circulator - \$5,815

Furniture & Fixtures

January 2016	Work stations - \$10,400
March 2016	Maintenance shelving - \$2,800
April 2016	Aerosols cabinet - \$1,600

Equipment

January 2016	Air compressor - \$3,000
February 2016	Front End Loader Attachment - \$600
	Compressor - \$800
	Saltdogg Polly Hopper Spreader - \$4,100
March 2016	Anti-Icing Sprayers - \$24,800
	Truck Mounted Plow - \$20,000
	Snow & Ice Rubber Blades - \$9,700

Computer Hardware

January 2016	(2) HP EliteBook laptops - \$2,400
	HP EliteDesk 800 desktop - \$1,600
	HP LED monitor - \$400
	Video system/security - \$500
March 2016	(3) HP SB850 Laptops - \$6,400
May 2016	HP LED monitor - \$550
	Solarwinds Netflow Traffic Analyzer - \$11,200
June 2016	HP Elitebook laptop - \$1,200
July 2016	(2) HP Elitebook laptops - \$1,972
September 2016	(3) HP Elitebook laptops - \$4,267

Vehicles

January 2016	Light bar and strobes for ITS truck - \$2,300
May 2016	Truck wrap - \$3,000

Software

March 2016	Adobe Acrobat Pro licenses - \$1,400
April 2016	Adobe Acrobat Pro licenses - \$1,900
July 2016	Cube Voyager, traffic modeling software - \$17,050