

▶ customer focused

▶ responsible steward

▶ innovative developer

▶ reliable partner

Where Mobility and Solutions Merge.





Across North Texas, communities and motorists need relief from traffic congestion. The North Texas Tollway Authority helps meet the challenge with more roads, linking more places, for more efficient travel.

The NTTA works with other entities to develop innovative, responsible ways to finance, build and operate these much-needed roads.

Our friends, neighbors and fellow motorists want to be safe on the road. We engineer our roadways to the highest standards, and then use advanced technology to monitor and respond to road and weather conditions for the safety of our customers and employees.

Our environment must be protected for the sake of future generations. From our choice of construction materials to our roadside landscaping to our fleet's hybrid vehicles, the NTTA is dedicated to being responsible stewards.

In everyday operations and in long-term planning, we work tirelessly to bring people, partners and processes together to solve the area's transportation challenges.

That's what drives us at the North Texas Tollway Authority—

Where Mobility and Solutions Merge.

From the NTTA Board of Directors



Paul N. Wageman
Chairman



Victor T. Vandergriff
Vice Chairman



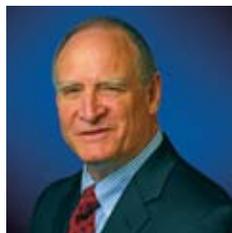
Kenneth Barr



Gary Base



Bob Day



David R. Denison



Michael R. Nowels



Robert K. Shepard



Alan E. Sims

The year 2008 will be remembered as a time of change. However, no matter what is making news in Washington or on Wall Street, one thing remains certain: As North Texas continues to grow, its transportation needs increase. In fact, communities throughout the area are in need of new roadways, but there simply is not enough funding available to build every road needed.

At the North Texas Tollway Authority, we work to develop effective solutions to the region's mobility needs. In 2008, we continued to transform our organization to meet the evolving needs and changing expectations of the people of North Texas.

We strengthened our partnerships with other transportation agencies and municipalities to plan, build, operate and maintain vital roadways and infrastructure that will serve the area and improve mobility.

Through the tumult of the 2008 financial markets, the NTTA was resourceful and responsible as a steward of public funds. Even during a tight credit market, we were able to finance new and existing roadways and operations to provide the region with viable transportation solutions.

We continued to innovate and improve every area of our operations. By streamlining our organizational structure, we expanded our capability to deliver multiple projects simultaneously, consistently forging ahead with new technology.

The purpose of everything we do is to better serve the motorists of North Texas. From the safety of our roadways to the transportation alternatives provided by our system of tolled facilities, the NTTA focuses on our customers, striving for continual improvement in their experience.

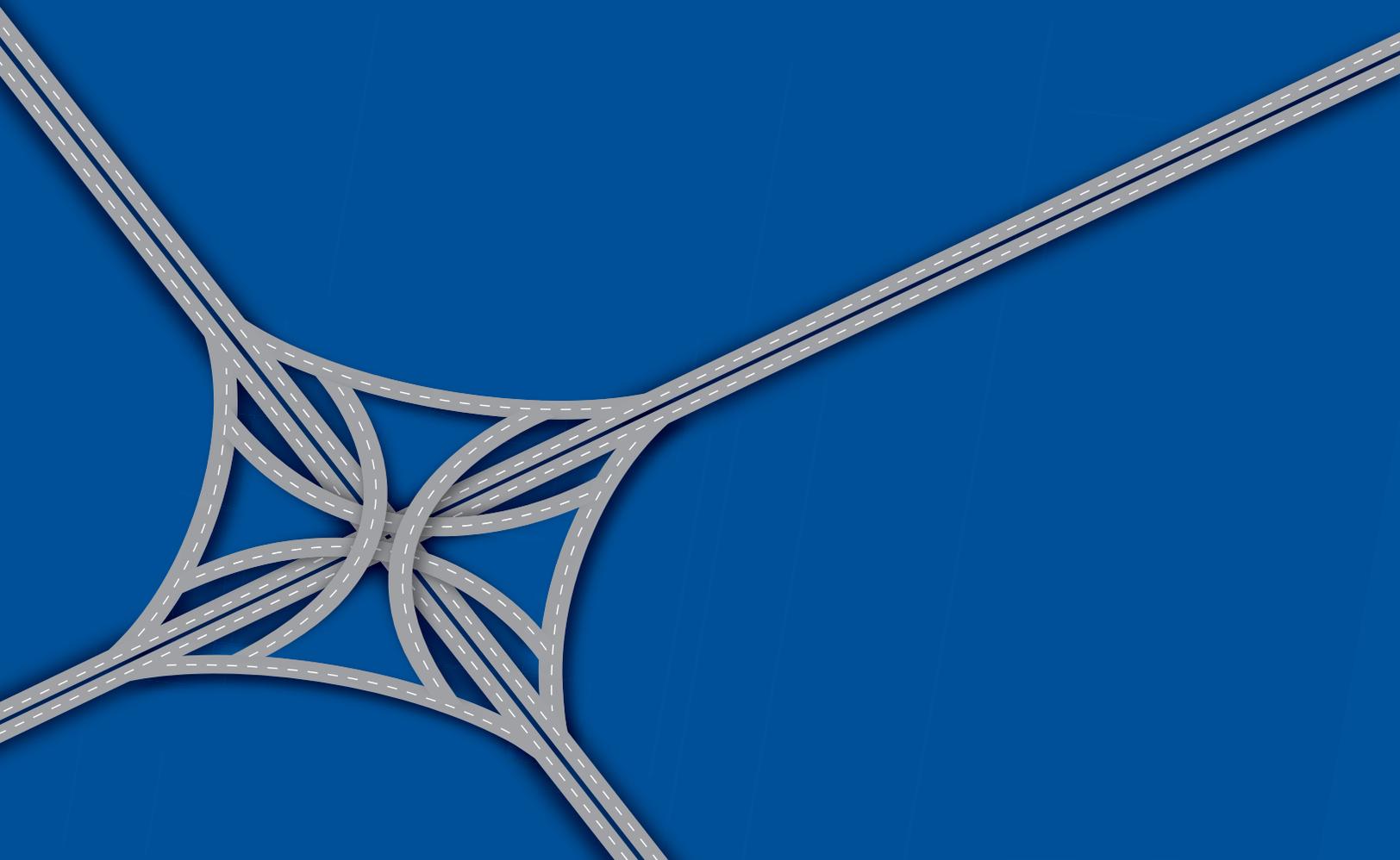
Building on the accomplishments of the past year, the NTTA Board of Directors and staff worked together to develop a five-year strategic plan that will serve as a road map to guide the NTTA forward with defined goals and objectives for addressing the region's mobility needs.

The North Texas Tollway Authority faces the future focused, flexible, confident and prepared to fulfill our mission: to enhance mobility through responsible and innovative tolling solutions.



innovative developer

The NTTA has a 50-year history of providing mobility solutions that bring people together and add value to neighboring communities. With new projects under construction across the region, the NTTA is not just building roads; we're creating jobs and generating new development, even during a difficult economy.



121 Tollway

Stretching about 26 miles from Lewisville to McKinney, the roadway links the Dallas/Fort Worth International Airport and the rapidly growing commercial, retail and residential developments in Collin, Dallas and Denton counties. The 121 Tollway features an all-electronic toll collection (all-ETC) system. Portions of the tollway are open to traffic while three segments remain under design and/or construction.

Milestones:

- The NTTA broke ground on the 121 Tollway in February 2008, marking the start of the NTTA's construction of the corridor's remaining segments.
- The NTTA assumed interim tolling operations from TxDOT for the 121 Tollway in advance of the project agreement.
- Segment 2 opened to traffic on Aug. 31, 2008, and the next day, the NTTA assumed responsibility to maintain and operate the 121 Tollway.

All-Electronic Toll Collection

The NTTA plans to convert its entire network of toll roads, bridges and tunnels to an all-electronic toll collection (all-ETC) system. In addition to augmenting traffic flow, improving air quality, reducing travel time and enhancing safety, the move will provide a significant savings in the NTTA's operating and capital costs. The Capital Improvement Program includes a \$92.6 million allocation for all-ETC. Previously approved expenditures total \$23.6 million.

Milestones:

- An all-ETC Comprehensive Project Plan was approved in July 2008, and project designs were substantially complete by the end of 2008.
- The Human Resources Department helped transition 142 Toll Collection and Vault Operations employees to other NTTA jobs during 2008.
- The PGBT is anticipated to be converted to all-ETC by July 1, 2009. The DNT and other facilities are scheduled for conversion by 2011.

continued on page 4

Building more roads in more places.

As toll roads play an ever-increasing role in North Texas' transportation infrastructure, the North Texas Tollway Authority is designing, building and operating important roadways throughout the region. At the end of 2008, the NTTA owned and operated 89 miles of toll roads. An additional 38 miles were under construction, while projects totaling approximately 77 miles were in various design and planning phases. In making significant progress on our diverse portfolio of toll roads, the NTTA reached important milestones and achieved notable accomplishments.

Collecting tolls for a third party. In April 2008, before State Highway (SH) 121 became part of the NTTA System, the Authority began providing interim toll collection, including back-office functions and billing, for the Texas Department of Transportation (TxDOT), which was operating the section of the road that had been completed. All-electronic toll collection (all-ETC) technology allowed the collection of tolls without having to add manned toll plazas on the new roadway. On Sept. 1, 2008, the roadway officially became part of the NTTA System and is being referred to as the 121 Tollway until a permanent name is selected.

ZipCash and prepaid TollTags. We created ZipCash, our all-ETC, drive-now-pay-by-invoice option, along with other alternative methods of payment for motorists without TollTag accounts. With ZipCash technology, the toll plaza consists of a bridge-like structure, known as a gantry, mounted with electronic

tolling equipment. As motorists drive under the gantry, TollTag transactions are processed normally. If a vehicle does not have a TollTag, a photo is taken of the vehicle's license plate, and an invoice is sent to the vehicle's owner. ZipCash invoices can be paid by mail or on the NTTA's Web site. Customers also can open "pre-paid" TollTag accounts to receive the lower TollTag toll rate. Under this method of payment, customers determine a pre-set amount to place in their TollTag accounts. As they travel, their tolls are deducted immediately from their "cash-backed" TollTag accounts. ZipCash payment currently applies only on the 121 Tollway and at the Dallas North Tollway's Wycliff Avenue toll plaza where the NTTA utilizes all-electronic toll collection. It will be implemented at other facilities as part of the system-wide conversion to all-ETC and as new projects are built.

Innovative financing. Late in 2007, the NTTA provided a \$3.2 billion upfront payment to the North Texas region for the right to construct the remaining segments of the 121 Tollway and to maintain and operate the road for 50 years. The payment provided much-needed funds to advance numerous infrastructure projects in the region.

In 2008, the NTTA sold \$5.16 billion worth of bonds at an average yield of 5.66 percent. The success of these transactions during a time of unprecedented market volatility demonstrated market confidence in the NTTA and achieved several goals:

- Retiring short-term bond anticipation notes and raising funds for permanent financing of the 121 Tollway,

Dallas North Tollway South End

The \$50 million project to renovate the DNT South End was substantially completed in 2008. In just about two years' time, the oldest segment of the NTTA System was refurbished from Lemmon Avenue to IH 35E, with numerous enhancements including improvements to multiple bridge structures, pavement replacement, roadway lighting, median barriers, sound walls, all-ETC implementation and additional safety improvements.

Milestones:

- Permanent all-ETC gantries were installed in September 2008 as part of a comprehensive capital improvement project.
- New ramps at Oak Lawn Avenue opened to traffic in November 2008, improving access to and from south Dallas.

Dallas North Tollway—Phases 4 & 5

The proposed 17.6-mile extension of the DNT will provide a greater link between north Dallas and communities in Collin, Denton and Grayson counties. Phase 4 is divided into two sections, running about 13 miles from US 380 to the Collin/Grayson county line. Phase 5 extends another 4.6 miles to FM 121.

Milestones:

- A community outreach plan for the DNT Phase 4A extension was initiated in January 2008.
- The NTTA approved the Phase 4A schematic and environmental assessment in September 2008.

- Achieving low-cost funding by maintaining market-timing flexibility and offering municipal-market products appealing to a wide range of buyers,
- Maintaining maximum capacity for future regional projects, and
- Maintaining future financing flexibility.

Our innovative financing of the 121 Tollway project was selected as the Southwest region's large deal winner for *The Bond Buyer's Deal of the Year Award*. The entries were evaluated based on innovation, financial complexity, the ability for a deal to serve as a model for other financing deals, and the public purpose for which a transaction's proceeds were used.

In October 2008, the NTTA Board of Directors awarded its largest single contract to date—almost \$220 million—for Segment 4 of the 121 Tollway, which includes the four-level 121 Tollway/US 75 interchange in Collin County. The interchange is expected to open to traffic by January 2011.



Innovative partnerships to advance projects.

In October 2008, TxDOT and the NTTA accepted a term sheet that advanced three critical mobility projects—SH 161, Southwest Parkway, and Chisholm Trail/Southwest Parkway (TxDOT). On SH 161, the tightening of the credit markets eliminated some of the financial instruments we used in the past, such as capital appreciation bonds. TxDOT has agreed to provide a toll equity loan, which will secure the NTTA's

financial obligations if the project does not meet revenue expectations. The loan enhances the NTTA's credit rating, which, in turn, will help the NTTA regain access to additional financial products.

The term sheet also committed the NTTA and TxDOT to work together to overcome the projected funding gap for

the two Tarrant County projects with financing that has the support of credit rating agencies and market acceptance. The intent of this partnership for the NTTA is to deliver the combined project and for TxDOT to be relieved of its financial commitment to build two costly interchanges.

Lewisville Lake Toll Bridge

The 1.7-mile bridge and .3-mile approach roadway is part of a 13.8-mile corridor to connect the Dallas North Tollway in Frisco to IH 35E in Lake Dallas. The NTTA is responsible for the design, construction and operation of the bridge. The NTTA is providing project oversight for the corridor while working with its project partners. The LLTB is scheduled to open to traffic in the third quarter of 2009, and the cost of the bridge is expected to be about \$122 million.

Milestones:

- Construction on the LLTB reached the halfway mark in May 2008 and was 80 percent complete by year end.

President George Bush Turnpike Eastern Extension

To help improve mobility in the eastern portion of Dallas County, this 9.9-mile extension will connect the existing PGBT at SH 78 in Garland to IH 30. The project includes a one-mile bridge over Dallas' Lake Ray Hubbard. TxDOT is responsible for the bridge construction, while the NTTA is handling the other four sections of the corridor.

The total project cost is anticipated to be \$1 billion, with the NTTA's costs anticipated to be \$623 million. The extension is expected to open in the fourth quarter of 2011.

Milestones:

- A groundbreaking ceremony was held in August 2008, and construction began in October 2008.
- Wheels were set in motion in December 2008 to relocate the historic Coyle Farmstead to the City of Rowlett's Pecan Grove Park in early 2009.
- Two of the five sections were under construction by December 2008. The other three are expected to commence in the first quarter of 2009.

continued on page 7

Getting Southwest Parkway over the "hump."

The planned route of Southwest Parkway in Fort Worth will take it over one of Union Pacific Railroad's most critical operating areas of Davidson Yard.

Following several months of complex and collaborative negotiations, the NTTA, the City of Fort Worth and Union Pacific Railroad reached an agreement to design, construct and test a specially designed temporary hump track system. The hump lead is a hill built into the rail yard so workers can use gravity to move separated cars onto a train without using a locomotive. The innovative system should provide a solution to Union Pacific Railroad's concerns about operational interruptions

during construction of the Southwest Parkway as well as the ability of the completed project to coexist with the Davidson Yard.



Awards for the old and the new. During 2008, we received two awards for work done on the Dallas North Tollway (DNT). The Texas Chapter of the American Public Works Association honored the NTTA for the newest extension of the DNT by presenting it with a Public Works Project of the Year Award. We also received the National Asphalt Pavers Association's Quality in Construction Award for the renovation of the 40-year-old southern portion of the DNT.

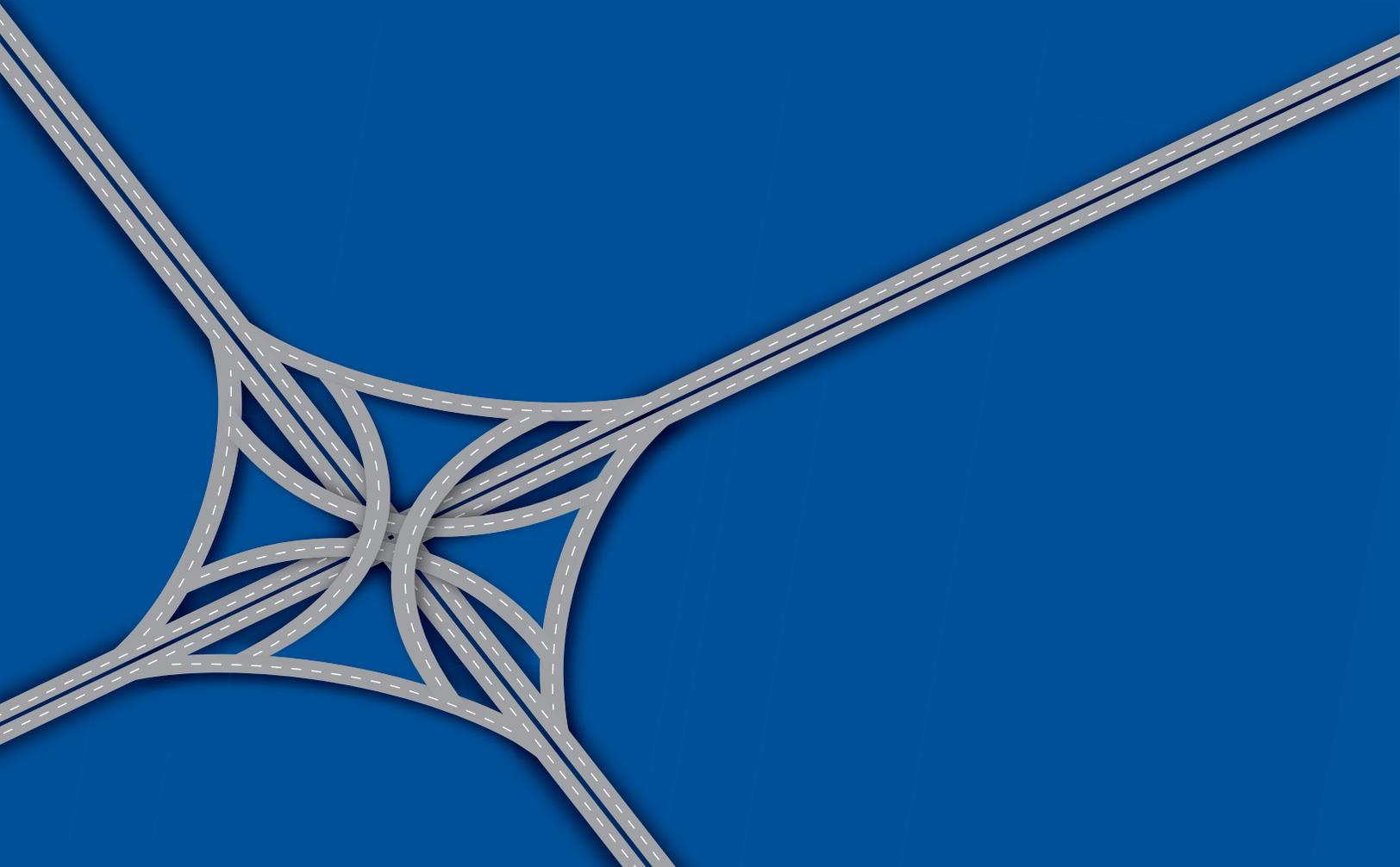
In 2008, the NTTA awarded more contracts than ever before. Every new project undertaken results in the creation of jobs. Our completed toll roads attract retail and commercial development, even during difficult economic times. This, in turn, generates additional sales tax revenue for the neighboring communities and the state.

The tollways of the NTTA provide tremendous value—to our motorists and to our region.



reliable partner

The transportation needs of North Texas are complex, diverse and widespread, like the region itself. The NTTA has been at the forefront of advancing partnerships among numerous stakeholders—public and private sector, federal and state agencies and transportation authorities, and local municipalities—to develop long-term solutions to regional needs.



Southwest Parkway

The Southwest Parkway is a new 8.7-mile, limited-access toll road in southwest Tarrant County extending from the Fort Worth central business district at IH 30 to Altamesa Boulevard in southwest Fort Worth. The estimated project cost is \$1.1 billion to \$1.3 billion, and the estimated NTTA cost is \$865 million. Construction is anticipated to begin in mid-2009, and the road is anticipated to open in the fourth quarter of 2012. The project is divided into five sections, with two major interchanges at IH 30 and IH 20/SH 183.

Milestones:

- Design for the five roadway sections neared completion at the end of 2008.
- The NTTA approved a term sheet with TxDOT in October 2008 to enhance the project's feasibility and expedite delivery of Southwest Parkway and Chishalm Trail, which would combine the roadways into one project.

- The NTTA, the City of Fort Worth and Union Pacific Railroad (UPRR) reached a comprehensive agreement on Dec. 30, 2008, for the design, construction and maintenance of Southwest Parkway across the UPRR Davidson Yard.
- Construction of a temporary hump lead and hump track system at the UPRR Davidson Yard began in December 2008.

continued on page 9

Partners in progress. True partnerships share a common goal, work together to achieve it, complement each other's strengths and lend a hand when needed. Every mile of toll road in the NTTA System is a testament to a 40-year history of working in close partnership with a wide range of federal, state and regional entities as well as county and city governments.

For starters, the decision about whether a road should be a toll road is considered by the Regional Transportation Council, the policymaking body of the North Central Texas Council of Governments.

The Eastern Extension of the President George Bush Turnpike involved the Texas Department of Transportation, the Federal Highway Administration, the U.S. Army Corps of Engineers, Dallas Area Rapid Transit, Dallas County, and the cities of Dallas, Garland, Rowlett and Sachse.

The interchange of the 121 Tollway and US 75 straddles the cities of Allen, McKinney and Fairview and directly impacts Collin County.

These are only a few examples of the entities that work together to bring a North Texas toll road to completion.

Business diversity. To ensure that all business organizations have the information and opportunity to participate in various procurements, the NTTA created the Business Diversity Department in 2008 to enhance the Authority's existing efforts. The department works to increase opportunities for a larger number of

historically underrepresented but qualified minority- and woman-owned vendors to do business with the NTTA.

International tolling community. Recognized as a leader in the toll industry, the NTTA hosted the International Bridge, Tunnel and Turnpike Association's Special Summit on Open Road Tolling in 2008. The summit was attended by 450 toll industry experts from 20 nations, who convened to discuss all-electronic toll collection, or open road tolling, and its impact on the transportation industry. As host, we provided numerous staff experts as moderators and speakers, and attendees participated in a technical tour of NTTA facilities.

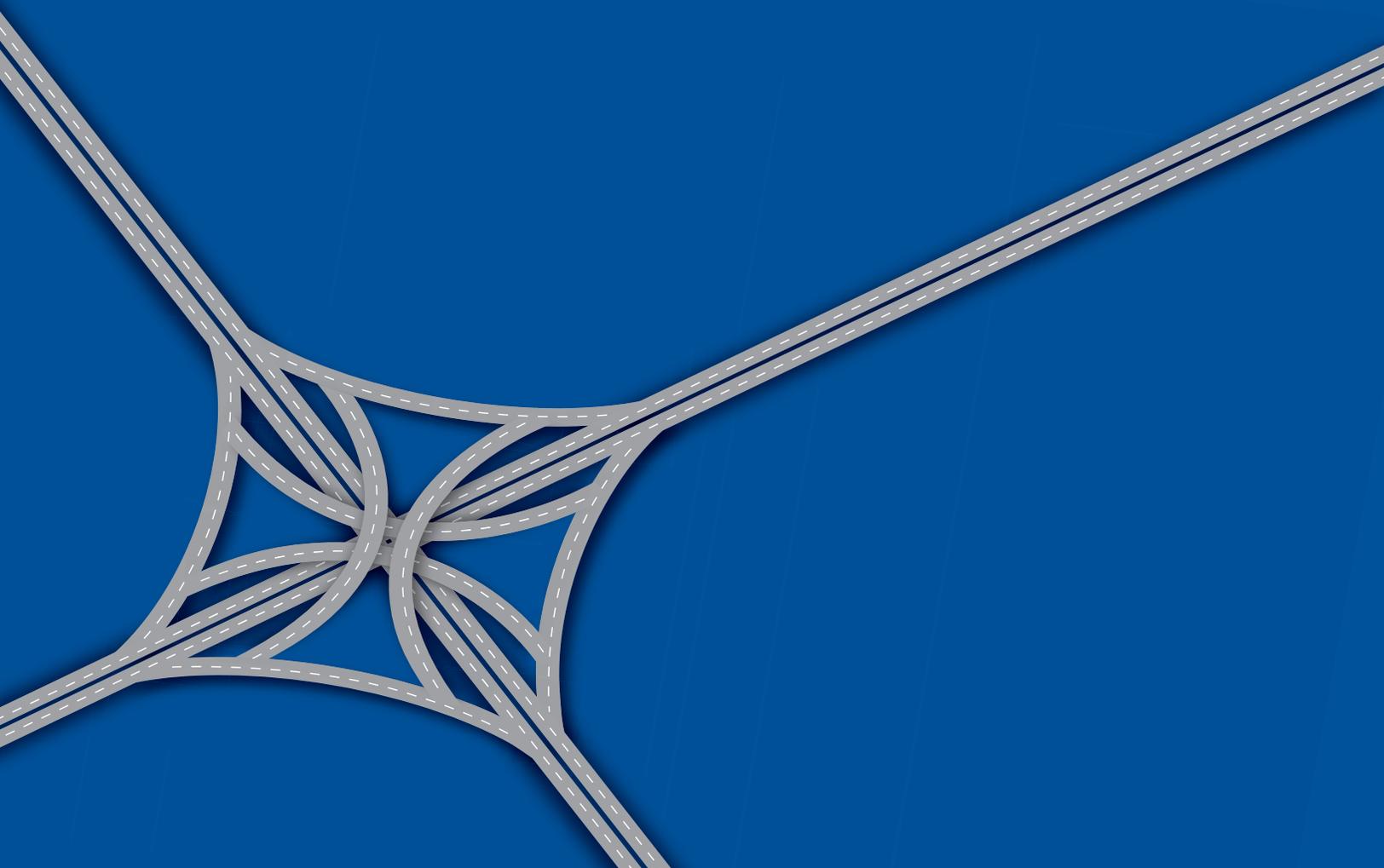
Interoperability partners. The NTTA has agreements with the Harris County Toll Road Authority, the Texas Turnpike Authority Division of TxDOT, and the Central Texas Regional Mobility Authority, which allow interoperability of transponder-based transactions (such as the TollTag) for seamless use among all the toll providers throughout the state. In addition, we have begun the process of partnering with toll providers in other states on a regional tolling system. The NTTA also has long-standing interoperability agreements with Dallas/Fort Worth International and Dallas Love Field airports that allow TollTags to be used to pay for select on-site parking.



customer focused

Millions of motorists drive the NTTA's roads. And we value every one of them.

We build first-rate levels of safety and quality into our system. We use advanced technology to add convenience and simplicity. With a friendly voice on the phone or the comforting assurance of roadside assistance personnel, we demonstrate that we care.



Additional NTTA Projects

The NTTA is collaborating with regional partners on the following projects, which could become NTTA facilities.

State Highway 161

The SH 161 project extends the existing TxDOT section of SH 161 south of the current terminus of the PGBT. The 11.5-mile corridor, which traverses the cities of Irving and Grand Prairie in Dallas County, will result in a new link in the growing loop around Dallas.

Milestones:

- The corridor environmental re-evaluation for the addition of tolling was approved in February 2008.
- TxDOT awarded a \$215.7 million contract in March 2008 to construct Phases 2 and 3.
- In April 2008, the NTTA approved a negotiated value for the project with TxDOT. The action allowed TxDOT to begin construction and ensured that the road would be built as a toll road.

- On Oct. 30, 2008, the Texas Transportation Commission granted preliminary approval of financial assistance for SH 161.
- Anticipated opening dates:
 - Phase 1 (service roads from north of IH 30 to IH 20, excluding railroad crossing at West Main Street and Jefferson Road) — open to traffic.
 - Phase 2 (service roads and partial main lane bridges from SH 183 to north of IH 30) — third quarter 2009.
 - Phase 3 (remaining portions of main lanes from SH 183 to north of IH 30) — fourth quarter 2010.
 - Phase 4 (main lanes north of IH 30 to IH 20) — third quarter 2012.

continued on page 10

Roadways of choice. Motorists choose to use the tollways of the NTTA. With this in mind, we work to continually improve our level of customer service and to be customer-centric in our operations.

In 2008, there were approximately 1,231,000 daily transactions on NTTA roadways. The opening of the 121 Tollway accounted for about 157,000 transactions from September through December.

TollTags—saving money, saving time.

In 2008, the number of TollTags in use reached more than 1.5 million. Approximately 83.2 percent of the NTTA's revenue was collected electronically, compared with 80.5 percent in 2007.

By eliminating the need to stop at a toll plaza, TollTags improve mobility, fuel efficiency and safety on the roads. They also provide customers with a cost savings of up to 45 percent over cash payment. A TollTag operates on any toll road in Texas and can be used to pay for parking and pass-through privileges at Dallas/Fort Worth International and Dallas Love Field airports.

In 2008, the TollTag itself received a sleek makeover, transforming it from a hard plastic case into a slim adhesive sticker (similar to a vehicle registration sticker).

All-Electronic Toll Collection (all-ETC).

With all-ETC, transaction details are collected either through a customer's TollTag or by photographing a vehicle's license plate and sending a ZipCash invoice to the vehicle's owner. The project is expected to improve

safety and traffic flow for motorists, improve air quality for the region, and reduce operations and maintenance costs for the NTTA.

The NTTA will be one of the first tolling authorities in the nation to convert an entire existing roadway system to all-ETC. Through 2008, designers worked on finalizing the gantry and signage design for installations to begin in 2009. The entire NTTA System is scheduled to be converted to all-ETC by 2011.

Icy weather response wins award.

The American Public Works Association presented the NTTA with the 2008 Excellence in Snow and Ice Control Award for our superior response to icy road conditions.

Safety is always our first priority, and we develop and use cutting-edge technology to keep our customers and employees safe. The NTTA uses sensors to measure pavement temperature and surface conditions on our roads, bridges and elevated ramps. The sensors are tied into our intelligent transportation system, which monitors road and traffic conditions 24 hours a day. If freezing conditions begin to develop, personnel in the NTTA Command Center can dispatch maintenance crews and emergency vehicles as well as notify motorists through overhead message signs on the roadway.

Customer assistance. As the NTTA converts to all-ETC, there will be less customer interaction at the lane level, but we have taken steps to ensure that our customers will still be able to experience the dedicated service they have come to expect.

Additional NTTA Projects

The NTTA is collaborating with regional partners on the following projects, which could become NTTA facilities.

Chisholm Trail/Southwest Parkway (TxDOT)

The road is a 19-mile corridor in southwest Tarrant and northwest Johnson counties. The project is an extension of the Southwest Parkway and may be combined with Southwest Parkway if a proposed agreement with TxDOT is executed to enhance the project's feasibility and to expedite its delivery. Chisholm Trail is expected to open to traffic in the fourth quarter of 2012.

Milestones:

- The NTTA approved a work authorization in September 2008 for an investment-grade traffic and revenue study for Southwest Parkway and Chisholm Trail.
- The NTTA approved a term sheet with TxDOT in October 2008 to enhance the project's feasibility and expedite delivery of Southwest Parkway and Chisholm Trail, which would combine the roadways into one project.
- NTTA and TxDOT agreed in October 2008 to waive the market valuation process on Chisholm Trail.

Trinity Parkway

The proposed Trinity Parkway would connect IH 35E to US 175, providing a nine-mile relief route around the west and south sides of Dallas' central business district. Estimated comparative costs range for the eight alternative alignments is \$1.1 billion to \$2.1 billion.

Milestones:

- In January 2008, the City of Dallas and the NTTA proposed a plan, known as "Beat 2014," to reduce the duration of project design and construction by one year, which includes overlapping the design and environmental process.
- An advance funding agreement for the \$30 million authorized by the RTC to begin design was executed by the NTTA and TxDOT in December 2008.

continued on page 12

In 2008, the NTTA had 2.5 million customer contacts, excluding the toll plazas. Calls to our customer service center increased approximately 25 percent compared to 2007. Nearly 35 percent of our customer contacts are through our automated voice-recognition telephone system or customer service Web site. Customers benefit from the convenience, and the NTTA is able to use the money saved on expenses to advance projects in the region. Our Customer Service Department also expanded its hours, opening on Saturdays from 7 a.m. to 7 p.m.

More places to get a TollTag for increased convenience.

The NTTA's Third Party TollTag Vendor Program saw growth in 2008, expanding to provide more convenient locations and additional communication outlets for NTTA customers throughout Collin, Dallas, Denton and Tarrant counties. Motorists can obtain a TollTag at a broad range of vendors, including municipalities, grocery stores, apartment complexes, entertainment outlets, the North Central Texas Council of Governments office and even an insurance agent. Our Third Party vendors issued 8,926 TollTags in 2008. The number of municipalities selling TollTags more than doubled by the end of 2008.



Roadway customer service. Perhaps our most important customer service initiative—at least from a stranded motorist's point of view—is our Roadway Customer Service program developed to keep NTTA customers safe and traffic flowing smoothly. The pilot program, conducted throughout 2008, involved NTTA service trucks patrolling the 121 Tollway 24 hours a day, seven days a week, to assist customers and emergency responders. NTTA employees assisted an average of 162 stranded customers weekly, while also

clearing traffic hazards and assisting public safety officers. NTTA employees and vendors working in the field. All roadway customer service team members are certified in freeway traffic management, enabling them to work in step with Texas Department of Public Safety (DPS) officers, and city and county law enforcement.

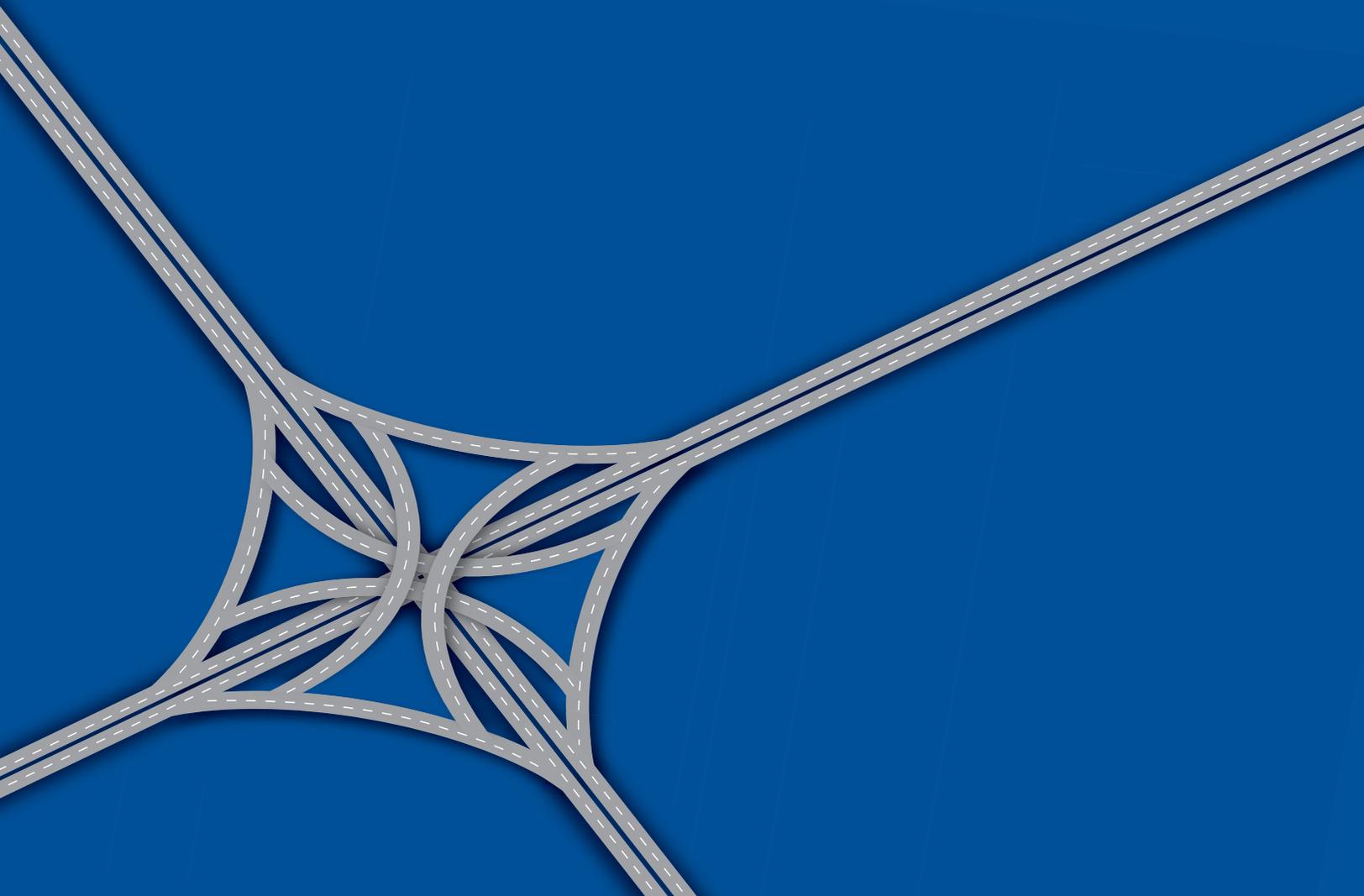
The pilot program revealed that 85 percent of incidents did not require law enforcement action. This enabled the DPS to expand its coverage to all of the 121 Tollway without deploying additional officers, allowing them to concentrate their efforts where needed. The program will be expanded to the rest of the NTTA System in 2009.





responsible steward

The North Texas Tollway Authority is committed to being a careful steward of all resources placed in its care—financial, physical, environmental and human. We seek to conduct our business in ways that are responsible, ethical and sustainable.



Additional NTTA Projects

The NTTA is collaborating with regional partners on the following projects, which could become NTTA facilities.

State Highway 170

The SH 170 corridor study was initiated by TxDOT. The project could result in an 11.8-mile toll road in southwest Denton and northern Tarrant counties, running from SH 114 to US 287.

Milestones:

- NTTA staff continues to meet with project partners to discuss NTTA responsibilities and corridor planning.
- Data collection for preliminary engineering and environmental services is underway.
- The NTTA is working with project partners to approve the work plan for the Section 1 planning process, which will be a joint effort with regional partners. Study and analysis of Section 2 have not been initiated.

State Highway 190 East Branch

TxDOT is leading the corridor study of the East Branch of SH 190, which could create a new link in the growing loop around Dallas and neighboring cities. The study area extends about 11 miles, from IH 30 in Garland and ending at IH 20 in Mesquite. It would connect the proposed Loop 9 in Dallas County to the President George Bush Turnpike Eastern Extension.

Milestones:

- Alignment alternatives, including a no-build option, are now identified for detailed analysis in the Draft Environment Impact Statement, which remains under preparation and review in anticipation of conducting a Federal Highway Administration-approved public hearing by TxDOT.

Financial stewardship. The condition of the financial markets in 2008 underscored the importance of basic, timeless principles. When the North Texas Tollway Authority issued its bonds, the demand from investors attested to the organization's solid financial performance in the past and its ability to generate reasonable returns in the future. The quality of the NTTA's assets and its reputation as a valuable contributor to the strength and well-being of its community further contributed to the Authority's standing.

After issuance of the bonds to finance the 121 Tollway, and against the backdrop of a tightened capital market, the NTTA maintained an "A" category rating with its senior lien debt. The NTTA's First Tier bonds were rated "A2" by Moody's and "A-" by S&P. Net revenues in fiscal year 2008 were 1.79 times the amount needed to cover the Authority's debt service payments, well above the amounts mandated (1.35 for First Tier Bonds, 1.2 for Second Tier, and 1.0 for Third Tier).

Transitioning employees. As the NTTA moves away from traditional toll booths toward all-electronic toll collection (all-ETC), we are committed to helping our Toll Collection Department employees find new careers within the Authority. By providing a range of training and skills enhancement, we helped 142 employees transition into new vocations in the NTTA. Nearly two-thirds of the maintenance workers hired for the 121 Tollway are former Toll Collection Department employees.

Safety and risk management. While the safety of our employees, vendors and customers has always been paramount, in 2008 the NTTA formalized safety committees in all high-risk departments—Toll Collection, Maintenance and Roadway Customer Service.

The NTTA was one of the first organizations in the nation to mandate a portable protective barrier system, basically a guardrail on wheels that can stop an errant vehicle. We also made this a requirement for our contractors in the field.

The Authority created a Risk Manager position to specialize in loss prevention and risk minimization. Our insurance program was changed from the traditional broker model to a competitive model that allows most coverages to be pooled with more than 2,600 governmental entities in Texas, which will save approximately 55 percent in premium costs in 2009 compared to 2008.

Cost-effective maintenance. The NTTA builds its roads and facilities to exceptionally high standards with durability and sustainability in mind. In order to maximize asset life span and minimize replacement costs, we follow a rigorous maintenance ratings program. By performing timely, regular maintenance on our roads, we are able to save almost a million dollars per lane mile, compared to the cost of repairing major damage caused by neglect.

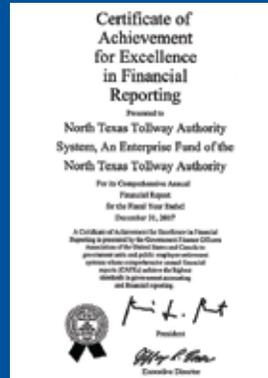


State Highway 360

The SH 360 corridor study was initiated by TxDOT. The project is expected to result in a 9.7-mile extension of SH 360 main lanes in southern Tarrant County, northwestern Ellis County and northeastern Johnson County. The SH 360 corridor study extends an estimated 15.2 miles.

Milestones:

- NTTA staff continues to meet with project partners to discuss NTTA responsibilities and corridor planning.
- Data collection for the preliminary engineering and environmental services for Section 1 is underway.
- The NTTA is working with project partners to approve the work plan for the Section 1 planning process, which will be a joint effort with regional partners. Study and analysis of Section 2 have not been initiated.



The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the NTTA for its 2007 comprehensive annual financial report (CAFR). To receive this certificate, a government must publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements. The NTTA believes that its 2008 CAFR will continue to meet the program's requirements and plans to submit the report to the GFOA for consideration.

Environmental responsibility. In addition to all mandated environmental compliance during the construction of a project, we go above and beyond to include practices in our ongoing operations that are environmentally responsible.

We don't paint or coat concrete and steel; rather, we specify a higher quality material that can stand up to the elements. This minimizes the need for closing roads for maintenance or spraying dangerous volatile organic compounds.

The NTTA is also using hybrid vehicles and alternative fuel vehicles in its fleet.

As mandated by the EPA, the NTTA is required to develop and implement a Municipal Separate Storm Sewer System to reduce the contamination of stormwater runoff.

Our landscaping policy features native or adaptive plants, which conserves and minimizes the need for trimming or mowing. Where supplemental watering is required, we use computer-controlled drip irrigation, with moisture sensors to prevent unnecessary watering.

On NTTA roadway signage, we have begun to use new materials with higher reflectivity, reducing the need for additional lighting while maintaining safety standards.

Prudent oversight. In 2008, the NTTA established an Internal Audit Department to provide an objective viewpoint and improve the efficiency of the organization's systems, processes, departments and people. Reporting to the Board System Finance

and Audit Committee, the department adds value by helping all NTTA departments work together effectively, facilitating best practices, identifying untapped opportunities and coordinating cross-functional teams working to meet common goals.

During the year, we also began providing standardized ethics training to all employees and added an ethics hotline. These efforts are directed at providing greater transparency, protecting assets, reinforcing key values and preserving the public's trust.

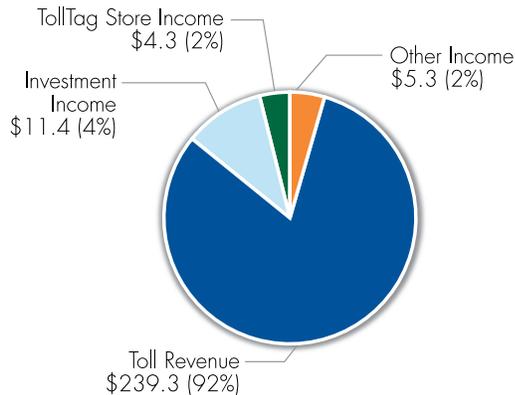
The road ahead. Throughout 2008, the NTTA built upon its strengths, capitalized on opportunities, and delivered for its stakeholders in spite of a tough economy.

We head into the future with a fresh outlook and clear purpose, provided by our strategic plan. We will move ahead to reach our goals. With a sound and vibrant financial system, we will have a highly qualified, energized and focused team to advance our mission. We will maintain a customer-driven organization. We will provide innovative tolling and toll road solutions. We will serve as a respected leader and partner in the region's transportation network. And we will communicate openly and honestly with our stakeholders.

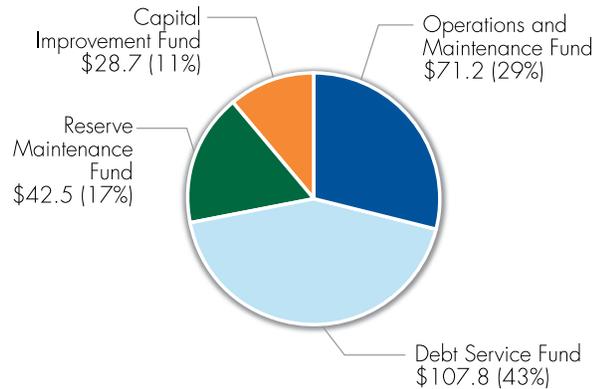
When the region looks to the future, an important part of the transportation mix will be the North Texas Tollway Authority—where mobility and solutions merge.

Financial Summary (unaudited)

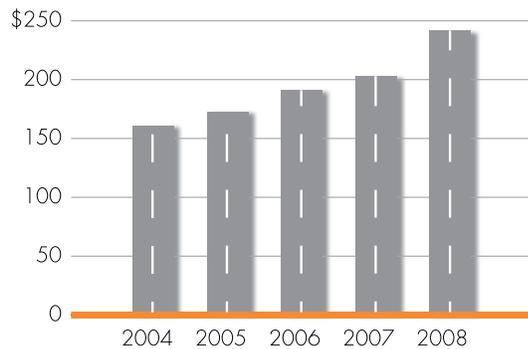
**2008 NTTA Revenues
(in millions)**



**2008 Revenue Distribution
(in millions)**



**Toll Revenue Growth
(in millions)**

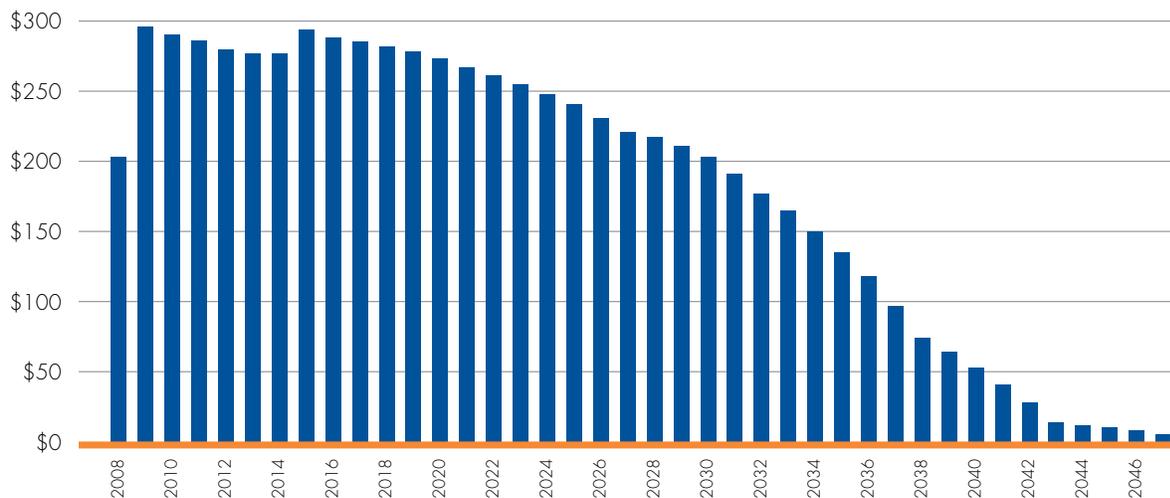


The NTTA anticipates approximately \$409 million in bond financings for projects through December 2009 for the following projects:

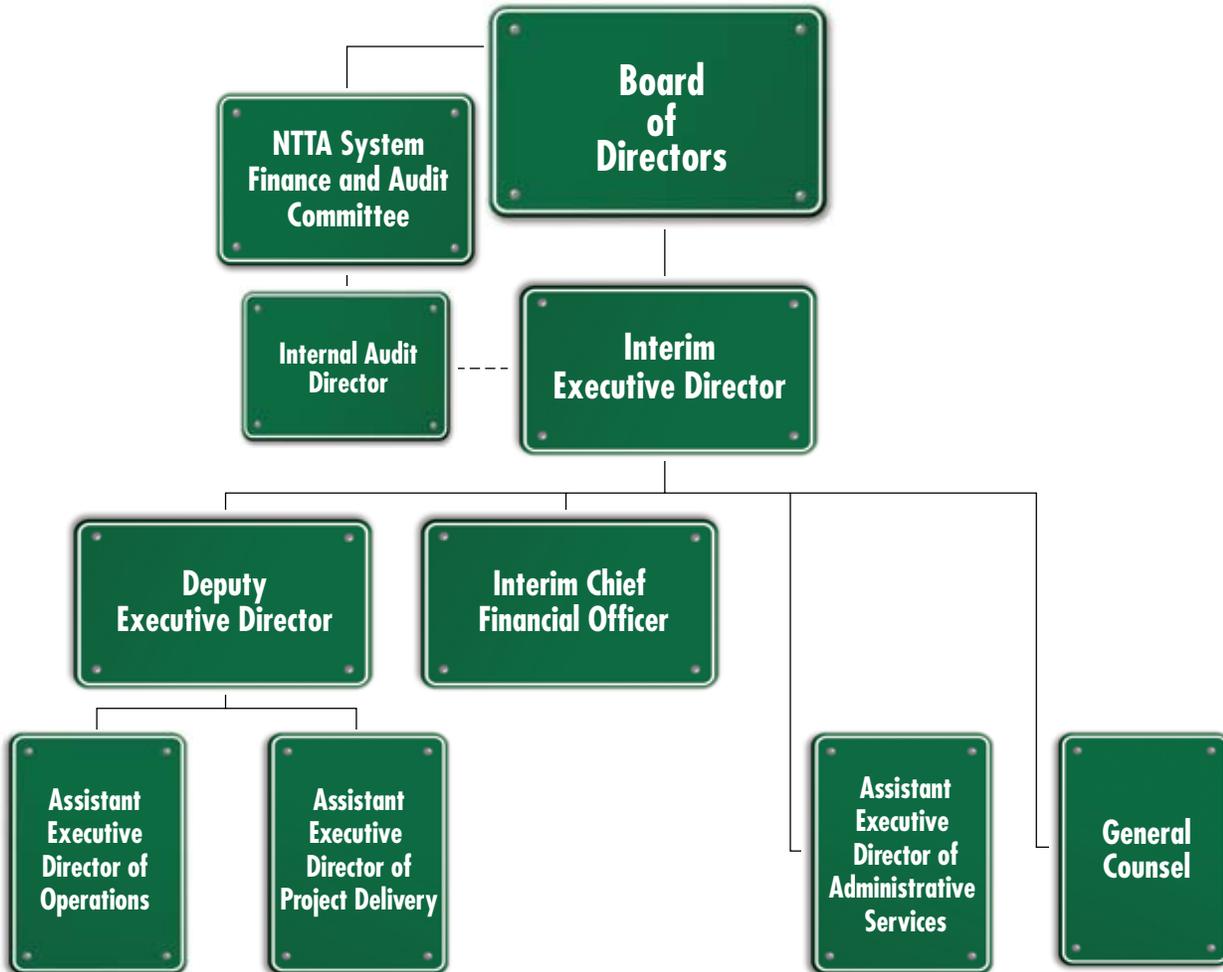
- 121 Tollway
- President George Bush Turnpike Eastern Extension
- Capital Improvement Fund projects
- Feasibility Study Fund projects

The first issuance of bonds will be in June or July 2009.

**Debt Service
(in millions)**



Organizational Chart (as of March 31, 2009)



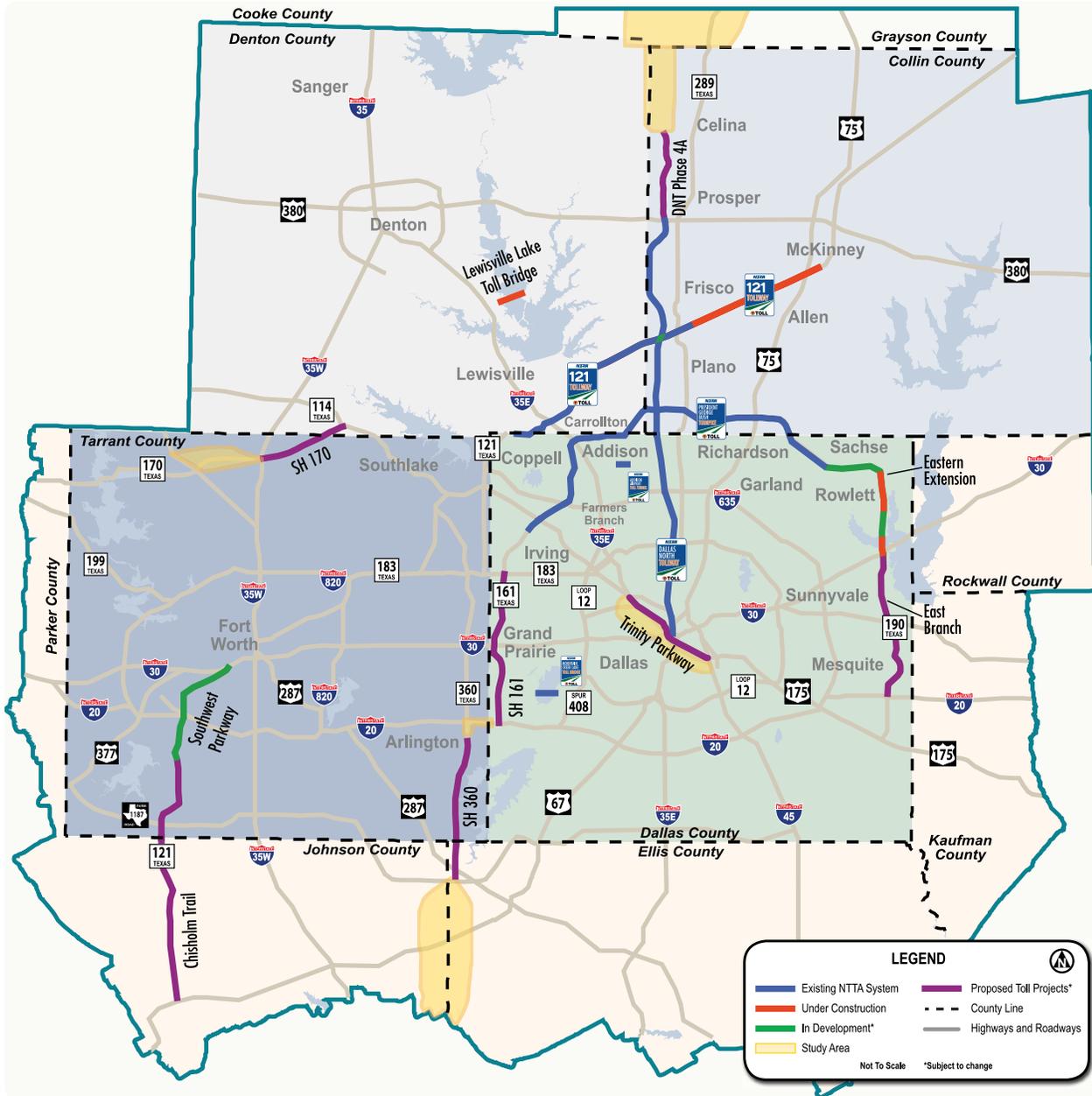
The mission of the North Texas Tollway Authority is to enhance mobility through responsible and innovative tolling solutions.

North Texas Tollway Authority

Map of the NTA System



Toll Facility Map of the North Texas Region





North Texas Tollway Authority

5900 W. Plano Parkway • Suite 100 • Plano, Texas 75093 • 214.461.2000 • www.ntta.org