

Eti-Osa Lekki Toll Road Toll Tariffs, Price Incentives, and Discounts Explained

Commencement of Tolling

Lekki Concession Company ("LCC") has today announced that the collection of tolls at the first Toll Plaza, also known as "Admiralty Circle Plaza", will commence on Monday, 3rd January 2011. Although the ongoing construction works have moved well beyond the completed Road Section 1 (Km 0-6 carriageway; expansion of ExxonMobil Bridge; and construction of the Admiralty Circle Plaza), the tolls to be collected at the Admiralty Circle Plaza from January 2011 onwards relate only to the completed Road Section 1, and not to uncompleted sections of the road. This is in line with the terms of the Concession Mandate granted to LCC by Lagos State Government.



Benefits of Road PPP Concessions and Tolling

Many of Nigeria's roads are in visibly poor and unsafe condition for motoring, although road-based transportation accounts for over 90% of the means via which people and goods are transported around the country today. Historic poor road construction, lack of maintenance, lack of services, and lack of effective road management, are some of the factors that have contributed to the current situation. As has been done successfully in other countries around the world, the Federal and various State Governments of Nigeria are increasingly turning to PPPs as a means to close our country's large infrastructure deficit, including in roads, utilizing finance, technical and other resources from the private sector to achieve this. Lagos State pioneered the way with the Eti-Osa Lekki Toll Road Concession, for which various international awards and other accolades have been received. The new road infrastructure and related services being rolled out progressively along Eti-Osa Lekki-Epe Expressway are now evident for all to see.

Mr Opuio Oforiokuma, MD/CEO of LCC, explains: "Tolling is a fundamental aspect of Toll Road Concessions, such as that under which the privately-financed rehabilitation and upgrade of Eti-Osa Lekki-Epe Expressway is currently being executed by LCC. Tolls are the main source of income from which investors like LCC are able to provide for the costs of the routine maintenance and future upgrades of the road assets, and eventually also recoup the costs of their investment and service the cost of the financing. Key benefits of tolling include the visibility between what road users pay and the quality and regular upkeep of the road assets and related services provided by the Concessionaire, as well as the savings that road users enjoy in terms of improved journey times, convenience, safety, and reduction in travel costs such as fuel consumption, repairs, and vehicular wear-and-tear. There is also someone to hold accountable for the road and the services, which in this case, is LCC".

Based on market and other research conducted in and around the Eti-Osa Lekki-Epe Axis, LCC forecasts that road users should enjoy estimated savings of N25 or more per kilometre each time they use the Eti-Osa Lekki Toll Road. For example, road users are already reporting time savings exceeding 1 hour along the completed Road Section 1 between Law School in Victoria Island and Maruwa Bus Stop in Lekki. Similar benefits will be derived on other sections of the road as the works there are completed. Time savings translate into tangible monetary benefits, especially for those whose earnings are time-related. Faster travel speeds translate into tangible fuel savings as cars use less fuel at higher speeds. And the 24/7 convenience services such as route patrols and breakdown/tow assistance, which LCC has already provided to over 3,000 road users on a complementary basis, translate into tangible savings in costs that would have been borne by the assisted road users themselves.

Toll Tariffs, Price Incentives and Discounts

The standard toll tariffs vary by vehicle class, with heavy vehicles (measured by axle-loading) paying more than lighter ones. This is because heavy vehicles impose a greater extent of wear-and-tear on the road than lighter vehicles do. The price incentives and discounts are designed to recognize road users' chosen method of payment (cash or electronic); the frequency with which they use the Eti-Osa Lekki Toll Road; and the special importance of commercial danfo buses as the most popular means of public transportation used along the Eti-Osa Lekki-Epe Axis. Road users therefore need to view the toll tariffs in conjunction with the price incentives and discounts offered by LCC, in order to get a full appreciation of the implications for their particular circumstances.



Working Together To Make The Difference



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How To Determine The Tolls You Will Pay at the Admiralty Circle Plaza

- Step 1: Determine your vehicle class. The standard toll tariffs differ by vehicle class.
- Step 2: Determine your method of payment. Other than cash, road users can pay for the tolls using the electronic toll devices (SwiftPass or eTag). The ePayment Incentive is offered to road users that pay for the tolls using either the SwiftPass or eTag. Both Swift Pass and eTag can be used to pay for the tolls for any vehicle class.
- Step 3: Determine if you qualify for other discounts, e.g., the Public Transport Discount, or the Frequent User Discount.

The Standard Toll Tariffs

Road users that pay for their tolls with cash, or who do not qualify for price incentives and/or discounts, will pay the standard toll tariffs below.

| Vehicle Class | Description | Standard Toll Tariff |
|---------------|---------------------------------------------------------------|----------------------|
| Class M | Motorcycles | N50 |
| Class I | Saloon cars and tricycles | N120 |
| Class II | Sports Utility Vehicles (SUVs), minibuses, and pick-up trucks | N150 |
| Class IIA | Commercial danfo minibuses | N80 |
| Class III | Light trucks and 2-axle buses | N250 |
| Class IV | Heavy trucks and buses with two or more heavy axles | N350 |

ePayment Price Incentive

Road users who pay the tolls using either the SwiftPass or the eTag electronic payment device will enjoy a reduction off the standard toll tariffs for their class of vehicle. SwiftPass offers 5% off the standard tolls, while eTag offers 10% off. The toll tariffs, with the ePayment Price Incentive included, are as shown below:

| Electronic Device | Class M | Class I | Class II | Class IIA | Class III | Class IV |
|-------------------|---------|---------|----------|-----------|-----------|----------|
| SwiftPass Tariffs | N48 | N114 | N143 | N76 | N238 | N333 |
| eTag Tariffs | N45 | N108 | N135 | N72 | N225 | N315 |

To obtain a free SwiftPass or eTag for your vehicle, road users will need to register for a customer account at selected branches of First Bank, UBA, Zenith Bank, Diamond Bank, Fidelity Bank, and Stanbic IBTC. They can also register for their accounts by visiting our Customer Service Centre located at the Admiralty Circle Plaza on Eti-Osa Lekki-Epe Expressway. A deposit of N1,000 per vehicle will be required on account registration; however, 100% of this deposit (no fees or charges deducted) will be applied towards payment of the account holder's first tolls, until the deposit is exhausted and the account needs a top-up.

Registered customers will be able to top-up their accounts over-the-counter at any of the above banks, at our Customer Service Centre, via our website (www.lcc.com.ng), or at ATMs.

Public Transport Discount

This discount applies only to commercial danfo minibuses. They will enjoy a 47% reduction off the standard toll tariff for vehicles in their class only if their vehicles are registered to pay for their tolls using eTag.



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Frequent User Discount

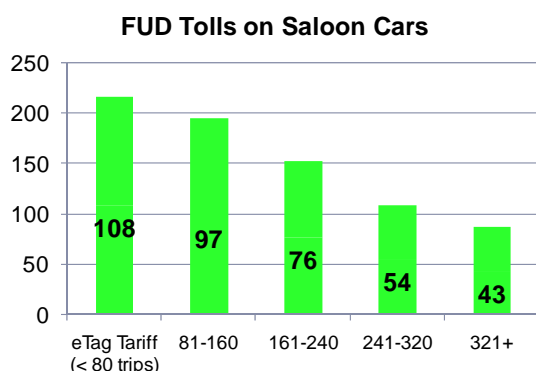
Some road users make more journeys on the Eti-Osa Lekki Toll Road than others do. The Frequent User Discount therefore recognizes this by offering stepped reductions in the toll tariffs for road users registered to pay for the tolls using the eTag, if in any given month they exceed the average user thresholds defined by LCC. The Frequent User Discount is in addition to the 10% discount already offered to eTag users. A "trip" for these purposes, is each time the road user's vehicle passes through the Toll Plaza in any direction. A journey to and fro through the Toll Plaza will count as 2 trips.

| No. of Trips in the Month | Class M | Class I | Class II | Class IIA * | Class III | Class IV |
|---------------------------|---------|---------|----------|-------------|-----------|----------|
| Up to 80 | 0% | 0% | 0% | 0% | 0% | 0% |
| 81 to 160 | 5% | 10% | 10% | 3% | 20% | 20% |
| 161 to 240 | 15% | 30% | 30% | 6% | 40% | 40% |
| 241 and 320 | 20% | 50% | 50% | 9% | 50% | 50% |
| 321 and above | 25% | 60% | 60% | 13% | 70% | 70% |

* Commercial danfo buses already benefit from the 47% Public Transport Discount

Value For Money

Using saloon cars (Class I) as an example to illustrate the impact of the ePayment Price Incentive and the Frequent User Discount on the tolls, road users should see from the graphical analysis that they will pay less the more trips they do in a given month, only paying N43 per trip at the highest discount level; i.e., for trips occurring after the cumulative number of trips in a given month exceeds 320.



An eTag road user who drives a saloon car and travels from Lekki Phase I Estate to Law School and back 3 times a day, 5 days during the week, and 1 day at weekends, will on average do a total of 144 trips in the month. The eTag road user's first 80 trips will be charged at N108 per trip while the remaining 64 trips will be charged at N97 per trip, costing a total of N14,848 in tolls for the month.

The road user, however, is now benefiting from much faster journey times and lower fuel consumption than before the road was rehabilitated and upgraded. As already indicated, some road users are reporting time savings exceeding 1 hour in one direction along this completed section of the road, and also that the 4 kilometre distance from Lekki Phase I Gate to Law School now takes them 15 minutes most of the time. What this means is that they previously covered this distance at an average speed of approximately 3km/hr whereas they are able to

achieve an average speed of 16km/hr now. A saloon car consumes petrol at a rate of approximately 4km/litre for speeds less than 8km/hour, and improves consumption to approximately 8km/litre at a speed of around 20km/hr. At a price of N65/litre, as petrol currently costs in Nigeria, we calculate that the road user in the example above saves ½ a litre of petrol (N32.50) on each journey from Lekki Phase I Estate to Law School, or in the opposite direction. This amounts to estimated monthly fuel cost savings of N4,680 for this particular road user, which when offset against the tolls for the month, will reduce the net monthly cost of the tolls that this particular road user pays, to around N10,000 before non-fuel cost savings (e.g., value of time, lower vehicle repair and maintenance costs, improved quality of life, etc) are considered.

If this road user finds himself or herself in distress and receives a complementary breakdown or tow assistance from the suite of 24/7 convenience services provided by LCC, that alone could save the road user up to N50,000 for the particular incident; a single incident saving that by far exceeds the cost that this particular road user would have to pay in tolls in that month.

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Toll Exemptions

Some road users are automatically exempt from paying tolls on Nigerian roads, e.g., members of the Armed Forces and other government agencies performing civic/official duties under Statute (e.g., the Armed Forces Act). These include the Military, Police, Customs, Prisons, and Immigration.

Some other road users are conditionally exempt, by virtue of Protocol Agreements entered into with LCC. These include LASTMA, LASAMBUS, Lagos State Water Corporation, FRSC, and the Lagos State Fire Service.

Please contact our Customer Service Centre if in doubt about whether exempt status applies to you.

Alternative Routes

Road users who do not wish to pay the tolls can avail themselves of alternative routes that will enable them bypass the Admiralty Circle Plaza but still return back onto the Eti-Osa Lekki Toll Road afterwards, where they will continue to enjoy the benefits of the new road assets and the suite of services provided by LCC. See the diagram below. For example, a road user travelling from Victoria Island to Lekki could turn right off the Eti-Osa Lekki Toll Road into Ligali Ayorinde Street, take a left into Akinbolagbe Street, turn right into Oba Oniru Road (driving by City of David Church), and continue to Oniru Market Road. At the end of Oniru Market Road, a right turn takes you back onto the Eti-Osa Lekki Toll Road.



For more information about LCC and the Eti-Osa Lekki Toll Road Concession, you can contact LCC by email (info@lcc.com.ng), by phone free-of-charge (0800 22 555 22 or 0800 CALL LCC), or in writing at the Customer Service Centre, Admiralty Circle Plaza, Km 3 Eti-Osa Lekki-Epe Expressway, Lekki, Lagos. You can also visit our website (www.lcc.com.ng).



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