SAFETY 2 Raised 6/24/11 Low: 8.2 12.6 10.8 8.2 20.6 22.1 25.5 31.2 30.3 36.5 20 20 SAFETY 2 Raised 6/24/11 EGENDS 13.2 N/Medends p sh divided by linterest Raised 6/24/11 10.8 8.2 20.6 22.1 25.5 31.2 30.3 36.5 20 Districtional Decisions Ann'l Total Model by linterest Raised indicates recession 34.0 4.2 4.4 4.6 4.9 5.8 6.59 6.84 7.80 8.88 7.9 8.6 7.9 8.7 8.2 10.8 8.2 20.6 22.1 25.5 31.2 30.3 36.5 20 Diversion S Ann'l Total There Gain Return Model by linterest Raise Return Return<	VL ARITH.* INDEX 10.9 29.8 84.5 E PUB. LLC			
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92.04 99.69 127.19 128.75 148.96 150.25 152.15 153.97 156.75 157.50 155.14 152.70 154.00 155.00 Common Shs		158. 20		
1.40 1.78 1.47 1.40 1.14 1.27 1.34 1.32 1.15 1.25 1.15 Value Line Relative P/E F	atio	1.		
1.9% 3.5% 2.4% 2.3% 2.8% 2.3% 1.9% 2.0% 1.8% 1.7% 2.0% estimates Avg Ann'l Div CAPITAL STRUCTURE as of 6/30/16 223.6 426.2 617.9 621.0 696.8 757.4 830.5 941.3 1023.0 1044.8 1200 1370 Revenues (\$n		2.3 18		
Total Debt \$4598.1 mill. Due in 5 Yrs \$1725.2 mill. 33.2 73.3 109.2 130.9 145.7 171.7 187.9 233.5 244.1 242.4 290 335 Net Profit (\$rr	II)	4		
Li Debt \$4146.9 mill. Li interest \$185.0 mill. 29.2% 33.3% 38.1% 37.2% 36.1% 35.6% 36.6% 33.7% 38.1% 36.9% 38.0% Income Tax R (LT interest earned: 2.6x) 15.0% 14.7% 13.8% 13.1% 11.9% 12.5% 16.0% 16.3% 10.6% 14.4% 14.0% 12.0% AFUDC % to I		38.0 9.0		
Pension Assets-12/15 \$58.1 mill. 00 19 97.2 mill. 29.7% 27.6% 29.2% 29.4% 30.9% 32.2% 36.2% 32.1% 29.8% 29.6% 30.5% 30.5% 30.5% Common Equ		64.5 35.5		
Pfd Stock None 1794.5 2041.5 3177.3 3445.9 3614.3 3903.9 3910.2 5025.8 5598.1 5770.0 6200 6395 Total Capital	Smill)	80		
Common Stock 153,372,055 shs. 1197.9 1960.4 2304.4 2542.1 2872.3 3415.8 4134.6 4846.5 5496.9 6109.6 6945 7805 Net Plant (\$m Return on Tot as of 7/22/16 3.0% 5.7% 5.4% 5.7% 6.1% 6.3% 6.7% 6.2% 6.0% 5.9% 6.0% 7.0% Return on Tot	,	101 7.0		
MARKET CAP: \$7.1 billion (Large Cap) 6.2% 13.0% 12.9% 13.0% 13.6% 13.3% 14.5% 14.2% 15.5% 16.0% Return on Sh		16.0 16.0		
CURRENT POSITION 2014 2015 6/30/16 NMF 4.5% 5.4% 6.8% 7.1% 8.0% 8.0% 9.3% 8.9% 7.8% 9.0% 9.0% Retained to C	om Eq	9.0 45		
Cash Assets 27.7 13.8 6.1 BUSINESS: ITC Holdings Corp. engages in the transmission of 12/07. Has assets in Michigan, Iowa, Minnesot				
Inventory (FIFO) 30.9 25.8 27.8 electricity in the United States. The company operates primarily as and Kansas. Operations are regulated by the Fe Other 27.2 25.3 179.3 a conduit moving power from generators to local distribution size. latory Commission (EERC) 15 reported depresented depresented to the company operation of the company operation operation operation of the company operation	ther 27.2 25.3 27.8 electricity in the United States. The company operates primarily as and Kansas. Operations are regulated by the Federal Energy Regu-			
ts Payable 108.0 124.3 146.9 tems either through its own system or in conjunction with neighbor- ts Payable 108.0 124.3 146.9 tems either through its own system or in conjunction with neighbor- Walkh lice With the t				
180.0 199.6 186.8 Company 10/06; Interstate Power & Light's transmission assets 48377. Tel.: 248-946-3000. Internet: www.itctransco.com.				
Fix Chg. Cov. 309% 266% 262% progressing. Fortis, a Canadian company fund of previously collected	Imment Liab. 463.0 719.2 785.0 (Chg. Cov. 309% 266% 262% progressing. Fortis, a Canadian company fund of previously collected revenues.			
ANNUAL RAILS Past Past Est d 13-15 with utilities in the U.S., would pay Merger-related costs reduced earnings by of change (per sh) 10 Yrs. 5 Yrs. to '19-21 US\$22.57 in each plus 752 of a Fartia 50.14 a change in the first half of 2016				
"Cash Flow" 16.5% 10.5% 11.0% share for each ITC share. The Fortis More significantly, over the past several				
Earnings 23.0% 12.5% 10.5% Dividends 21.5% 8.0% 13.0% Book Value 16.0% 9.5% 9.0% shares trade on a Canadian exchange, so quarters, the company has been taking the value of the deal will fluctuate based reserves for the probable refund of pre-				
Cal- QUARTERLY REVENUES (\$ mill.) Full not only on the price of Fortis stock, but on viously collected revenues. This lowered the exchange rate between the U.S. and profits by \$0.11 a share in the first two				
2013 217.3 229.8 238.8 255.4 941.3 Valued at almost \$47.00 a share Each filed two complaints with FERC against				
2014 258.6 263.2 270.1 231.1 1023.0 company's stockholders have approved the transmission owners in the Midwest, con-				
2016 280.1 298.0 306.9 315 1200 combination, as have the regulators in OK- tending that allowed returns o 2017 335 340 345 350 1370 lahoma and Illinois. The Federal Energy too high and should be reduced	. An að	ĺmin		
al- EARNINGS PER SHARE A Full Regulatory Commission (FERC) and the istrative law judge has recommended cu				
2013 32 30 37 48 1.47 still rule on the deal. The companies explored by versend point reduction in ITC's all	percen	ntag		
2014 43 .34 47 .30 1.54 becchineted by yearend. point reduction in Tres and 2015 43 .46 42 .24 1.56 We advise ITC holders to sell their would reduce the company's ea				
42 46 48 49 1.85 shares on the open market. The recent by \$30 million after taxes. 1.85 1.85 1.85 price is just 2% below the value of the The board of directors has raised the				
Cal-QUARTERLY DIVIDENDS PAID B = † Full tial for LTC holders. There is downside (14.9%) appually. However, unlike most				
a <u>mar.s. Juli.sv beb.sv bec.st</u> risk if the deal fails to win regulatory ap- utilities, ITC's dividend yield is still below				
3 126 126 1425 1425 54 ITC stock is supported due to the pending like other utilities being the sole publicly				
2015 1625 1625 1875 1875 70 acquisition.	any. ber 16,	<i>201</i>		
	ngth	B++		

Company's Financial Strength Stock's Price Stability	B++ 95
Price Growth Persistence	90
Earnings Predictability	90

tull-year total due to rounding. Next earnings holder investment plan available. (C) Incl. In-report due late Oct. (B) Dividends historically angibles. In '15: \$1.26 billion, \$8.24/sh. (D) In tory Climate: Above Average. paid in early March, June, Sept., and Dec. (millions, adjusted for stock split. (E) Rates al-% 2016 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

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