



FORTIS^{INC.}

Empowering Growth

Welcome to Fortis

Annual and Special Meeting | May 5, 2016

FORTIS INC.
Empowering Growth

David Norris

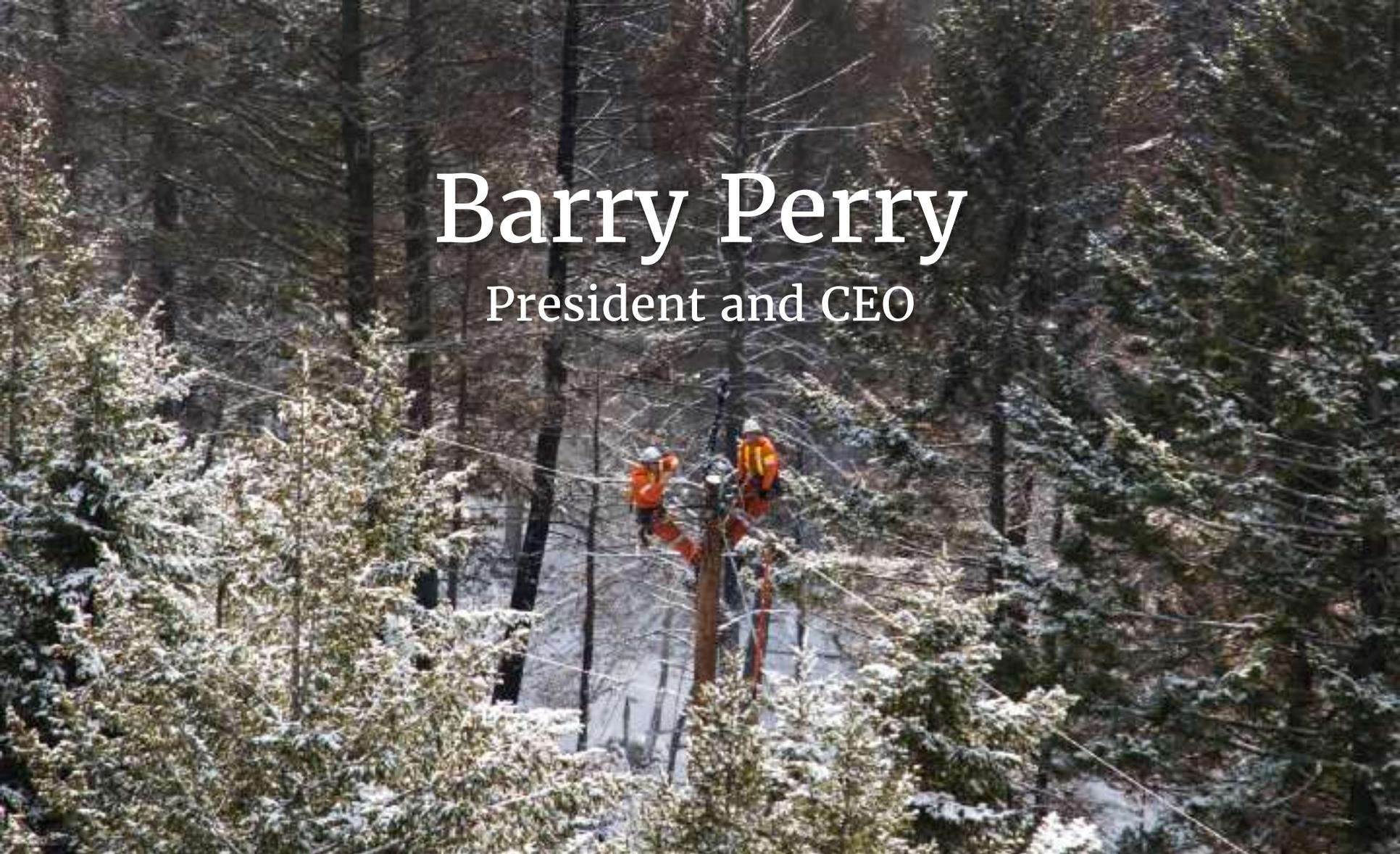
Chair of the Board



The image features a large, dark mountain peak in the background under a twilight sky with orange and blue clouds. In the foreground, a town is illuminated at night, with buildings, trees, and light trails from moving vehicles. The Fortis Inc. logo is centered over the mountain, and the tagline 'Empowering Growth' is positioned below it.

FORTIS INC.

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A photograph of a snowy forest. In the center, two workers wearing orange safety vests and helmets are performing maintenance on a tree. They are positioned on a wooden structure or platform. The trees are covered in snow, and the background is a dense forest of evergreens.

Barry Perry

President and CEO

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Leadership team

Nora Duke

EVP, Corporate Services & Chief HR Officer

Earl Ludlow

EVP, Eastern Canadian & Caribbean Operations

Jim Laurito

EVP, Business Development

Karl Smith

EVP, Chief Financial Officer

Bill Daley

President & CEO, FortisOntario

John Gaudet

President & CEO, Maritime Electric

David Hutchens

President & CEO, UNS Energy

Michael Mulcahy

President & CEO, FortisBC

Gary Smith

President & CEO, Newfoundland Power

Phonse Delaney

President & CEO, FortisAlberta

Richard Hew

President & CEO, Caribbean Utilities

Michael Mosher

President & CEO, Central Hudson

Eddinton Powell

President & CEO, Fortis Turks and Caicos

Lynn Young

President & CEO, BECOL



Karl Smith

Executive Vice President
Chief Financial Officer

Forward-looking statement

Fortis Inc. (“Fortis” or the “Corporation”) includes forward-looking statements in this presentation within the meaning of applicable securities laws including the Private Securities Litigation Reform Act of 1995. Forward-looking statements included in this presentation reflect Fortis’ management’s expectations regarding future growth, results of operations, performance and business prospects and opportunities. Wherever possible, words such as “anticipates”, “believes”, “budgets”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “may”, “might”, “plans”, “projects”, “schedule”, “should”, “target”, “will”, “would” and the negative of these terms and other similar terminology or expressions have been used to identify the forward-looking statements, which include, without limitation, those statements related to the acquisition of ITC Holdings Corp. (“ITC”); the expected timing and conditions precedent to the closing of the acquisition, including ITC shareholder approval, regulatory approvals, governmental approvals and other customary closing conditions; the combined company’s future business prospects and performance, growth potential, financial strength and market profile; the expectation that Fortis will borrow funds to satisfy its obligation to pay the cash portion of the purchase price and will issue securities to pay the balance; the assumption of ITC debt and expected maintenance of capital structure and investment-grade credit ratings; the expectation that the acquisition of ITC will be accretive to earnings per common share in the first full year following closing; the expectation that Fortis will become a U.S. Securities and Exchange Commission registrant and have its common shares listed on the New York Stock Exchange in connection with the acquisition of ITC; forecast midyear rate base for 2016 and the expectation that midyear rate base will increase from 2016 to 2020; Fortis’ forecast gross consolidated capital expenditures for 2016 and total capital spending over the five-year period from 2016 through 2020; targeted annual dividend growth through 2020; the expected timing of filing of regulatory applications and receipt and outcome of regulatory decisions; and the nature, timing and expected costs of certain capital projects including, without limitation, the Tilbury liquefied natural gas facility expansion and the UNS Energy Solar Program. These statements reflect management’s current beliefs and are based on information currently available to Fortis’ management. Information relating to the purchase price for, and value of, the ITC Holdings Corp. acquisition has been calculated as of February 8, 2016.

Forward-looking statements involve significant risks, uncertainties and assumptions. Certain material factors or assumptions have been applied in drawing the conclusions contained in the forward-looking statements. These factors or assumptions are subject to inherent risks and uncertainties surrounding future expectations generally, including those identified from time to time in the forward-looking statements. Such risk factors or assumptions include, but are not limited to, risks relating to the ability to obtain shareholder and regulatory approvals in connection with the acquisition and the timing and terms thereof, interloper risk, risks relating to failure to complete the acquisition and the timing thereof and the risk that conditions to the acquisition may not be satisfied, risks relating to the potential decline in the Fortis share price negatively impacting the value of the consideration offered to ITC shareholders, risks relating to the ability of Fortis to satisfy the conditions precedent in the bridge financing facilities in order to access funds to complete the acquisition, uncertainty regarding the outcome of regulatory proceedings of the Corporation’s utilities, risk associated with the impact of less favorable economic conditions on the Corporation’s results of operations, currency exchange rates and resolution of pending litigation matters. Fortis cautions readers that a number of factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully and undue reliance should not be placed on the forward-looking statements. For additional information with respect to certain of these risks or factors, reference should be made to the continuous disclosure materials filed from time to time by Fortis with Canadian securities regulatory authorities. Fortis disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Unless otherwise specified, all financial information referenced is in Canadian dollars.



Karl Smith

Executive Vice President
Chief Financial Officer

2015: Strong performance

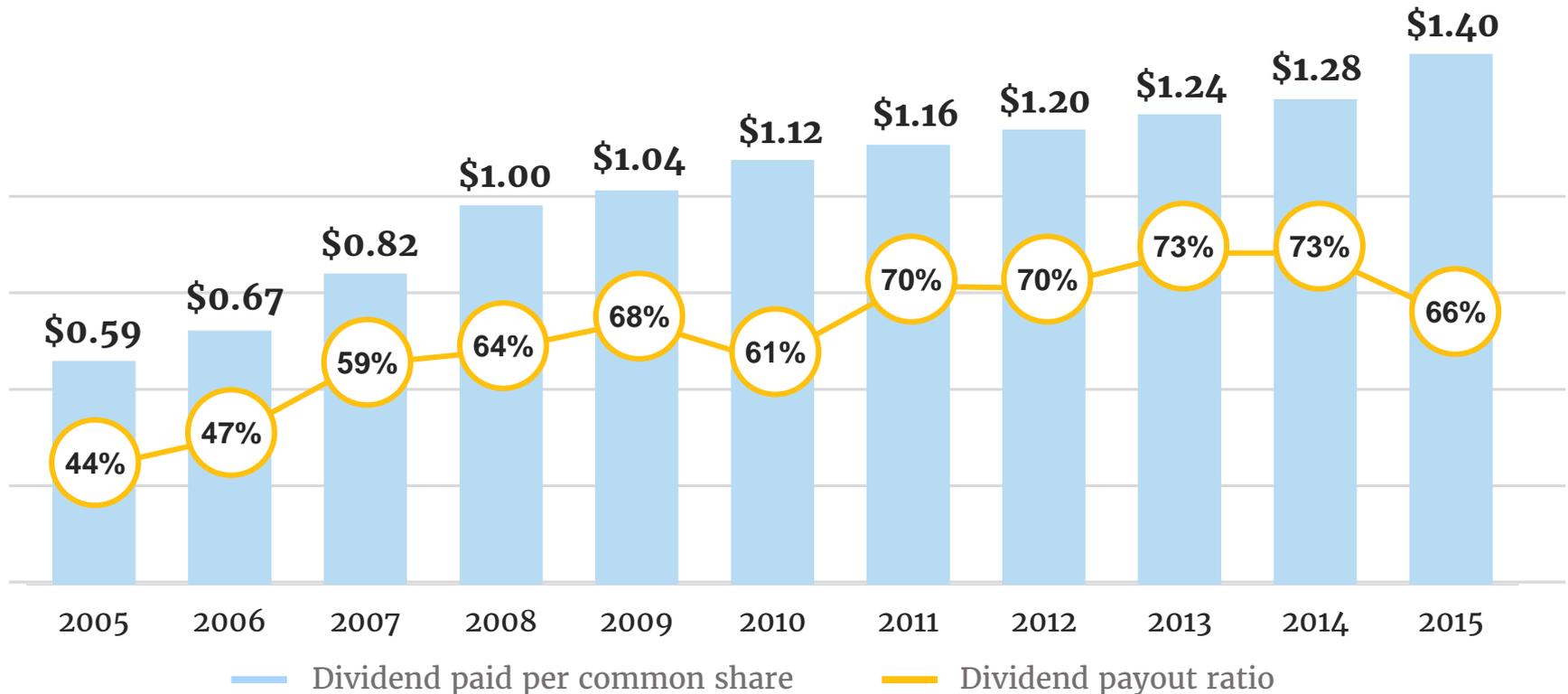
\$29B
Total assets

\$589M ▲ **50%**
Adjusted earnings

\$2.11 ▲ **21%**
Adjusted EPS

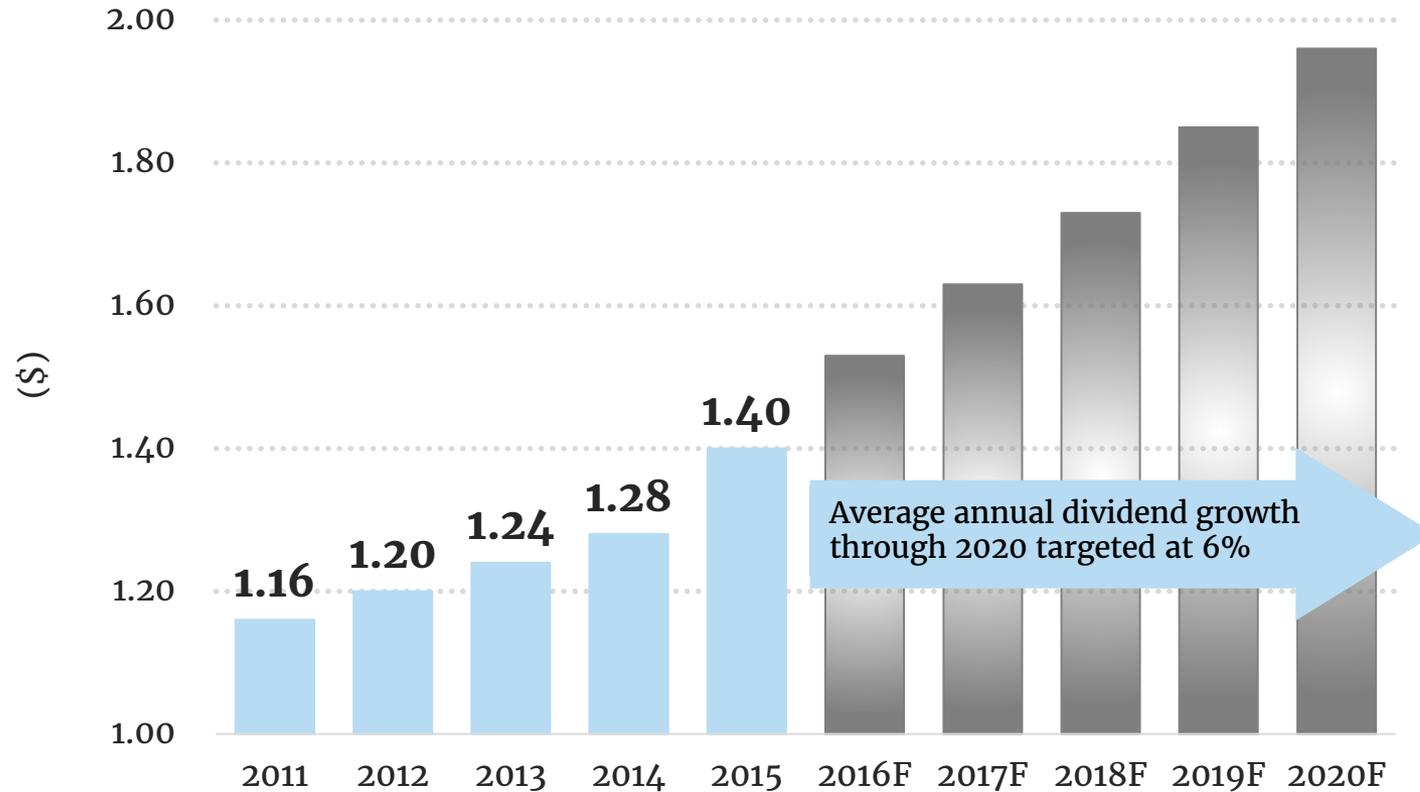
\$1.7B ▲ **70%**
CFFO

42 years of consecutive annual dividend increases



Note: Dividend payout ratio for 2011 through 2015 adjusted for non-recurring items

Dividend guidance supported by confidence in business

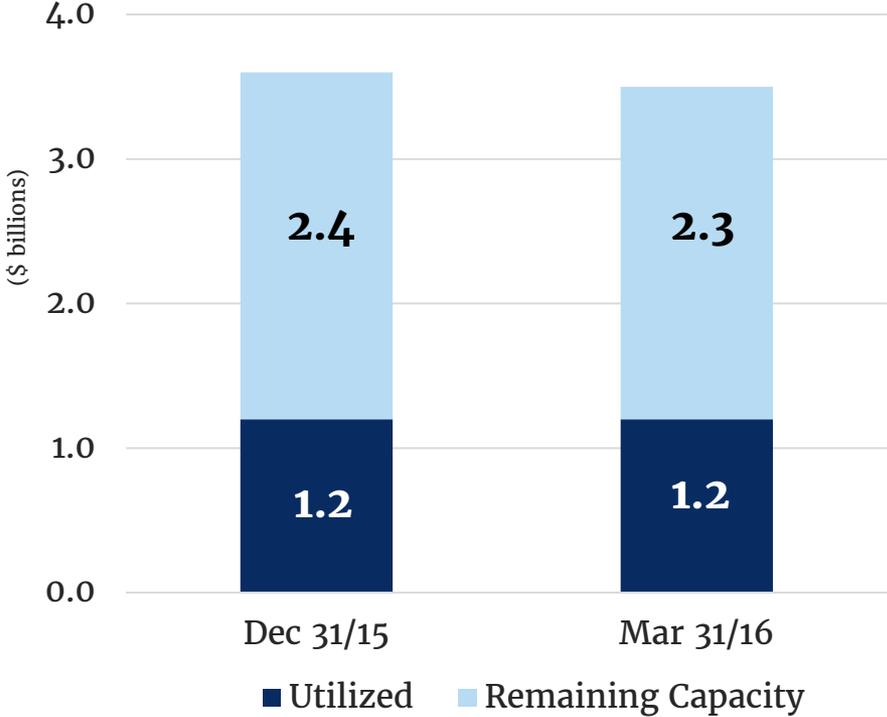


Ample liquidity and investment-grade credit ratings

Investment-Grade Credit Ratings

Fortis Inc.	
S&P	A- / BBB+
DBRS	A(low)

Consolidated Credit Facilities



Q1 2016 – Strong start to the year

Low risk
Diversified

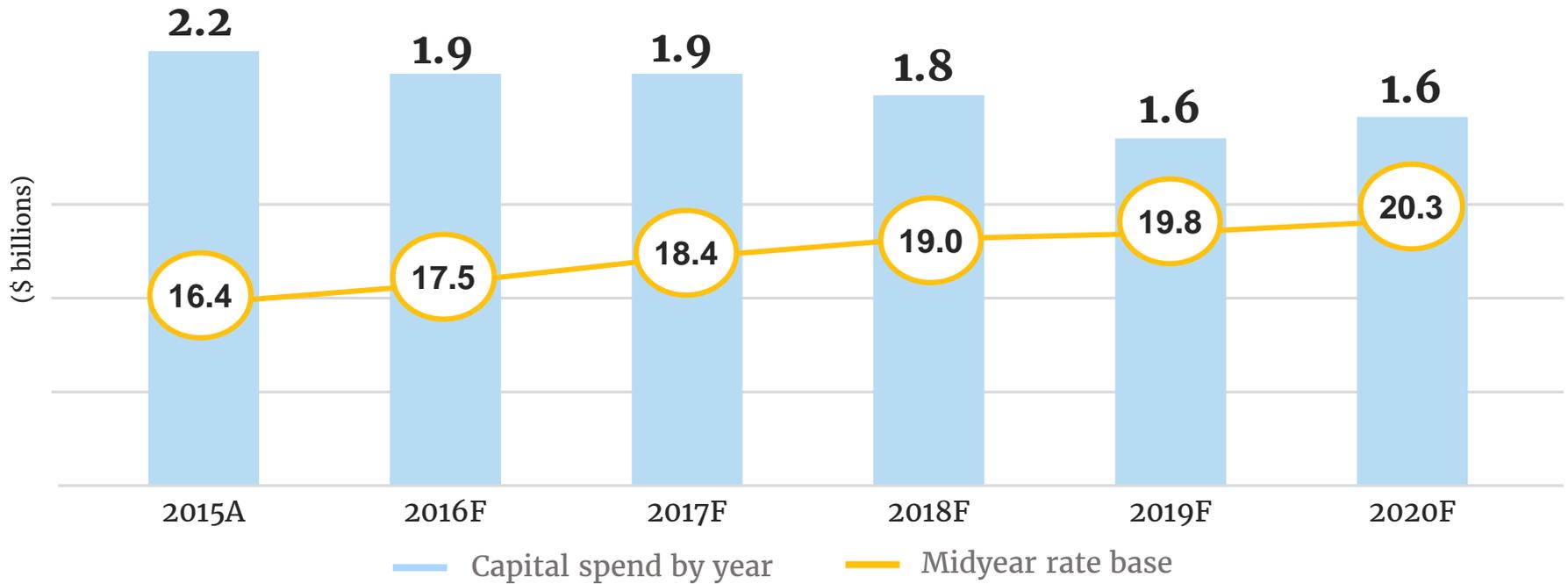
\$190M ▲ **6%**
Adjusted Earnings

\$0.67 ▲ **3%**
Adjusted EPS

\$483M ▲ **7%**
CFFO

\$9B 5-year capital plan through 2020

~4.5% CAGR midyear rate base



Note: US dollar denominated CAPEX and midyear rate base converted at a USD/CAD exchange rate of 1.28 for 2015, 1.34 for 2016 and 1.30 for 2017 through 2020.

ITC financing plan

**US\$11.3B
Transaction**

Funded through



Issue ~US\$3.5B in Fortis shares

Assume ~US\$4.4B in ITC debt

Issue US\$2.0B in new debt

Raise US\$1.228B through minority investment

Fortis to maintain consistent capital structure
and investment-grade credit ratings

Looking ahead

A silhouette of a utility worker on a power line against a sunset sky. The worker is positioned on a crossarm of a utility pole, with a long boom extending from the ground to the worker. The sky is filled with clouds, and the sun is low on the horizon, creating a warm, golden glow. The overall scene is a high-contrast silhouette against a bright, hazy background.

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Barry Perry

President and CEO

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A long, illuminated metal structure, possibly a bridge or a large-scale industrial component, is supported by several tall, lattice-structured towers. The structure is brightly lit from within, creating a strong glow against the deep blue sky. The towers are also illuminated, and the overall scene is set during twilight or early morning, with a few wispy clouds visible.

Fortis is strong
and growing

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Track record of performance and execution

pr

May

Jun

Jul

Aug

Sep

Oct

Nov

Dec

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Record capital program in 2015

\$2.2B
in 2015



Record capital program in 2015

\$2.2B
in 2015



Record capital program in 2015

\$2.2B
in 2015



Sharpening our focus



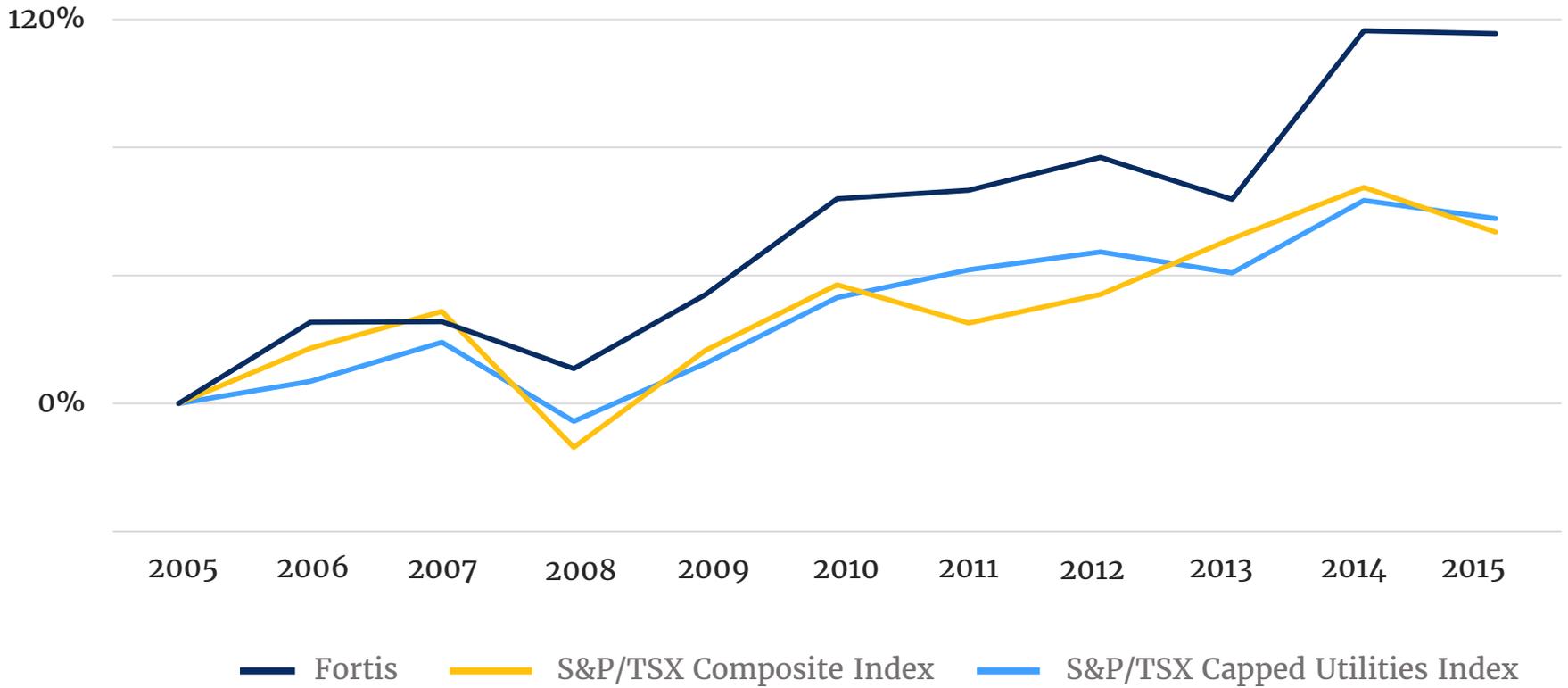
Proven acquisition track record



Aquila



10-year track record of superior shareholder returns



ITC – strategic fit

Premier
Pure-Play
Electric
Transmission
Utility

Accretive
to
EPS

Increases
Diversification

Supportive
FERC
Regulation

Long-Term Rate
Base Growth
Prospects

Proven
Management
Team



Fortis + ITC

A transformative acquisition

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A photograph of the New York Stock Exchange building facade. The words "NEW YORK STOCK EXCHANGE" are carved in large, gold-colored letters on a stone ledge. Above the ledge is a balcony with a white balustrade and an American flag. Several black spotlights are mounted on the building's facade. The image is partially overlaid with a dark blue gradient at the bottom.

NEW YORK STOCK EXCHANGE

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Building for tomorrow

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