

asx release

1 August 2012

Financial Close on the 95 Express Lanes Project in Northern Virginia, USA

Transurban today announces the financial close of the 95 Express Lanes.

Key project details remain consistent with the in-principle agreement announced in December 2011:

- 29-mile (46 kilometre), reversible two and three-lane Express Lanes facility
- 73-year operating concession from date of opening (2015)
- \$750 million construction cost to be completed within two and a half years
- All major project agreements (concession, construction and financing) have been executed
- Project to be completed through DRIVE, Transurban and CP2's North American investment vehicle. DRIVE will take a 90% equity stake in the 95 Express Lanes project.
- Committed funding for the project (all figures USD):
 - Private sector equity up to \$370 million - Transurban's contribution of \$250 million will be funded through a mix of existing facilities and proceeds from its dividend reinvestment plan over the two and half year construction period.
 - Senior debt: \$254 million of gross proceeds - The debt is long-term (20+ years), and fixed-rate with an all in blended cost of approximately 4.7%.
 - Commonwealth of Virginia grant of up to \$295 million.
 - Concessional debt is also being pursued via the US Department of Transportation's Transportation Infrastructure Finance and Innovation Act (TIFIA) program for up to \$300 million. Should the project successfully achieve TIFIA funding, Commonwealth and private sector equity contributions will be reduced by an equivalent amount (on approximately a 75% / 25% basis).
- Toll system delivery and operations are to be managed by Transurban and co-located with the 495 Express Lanes. The 95 Express Lanes will utilise technology developed for the 495 Express Lanes.
- 95 and 495 Express Lanes will form a continuous, seamless facility for travellers in Northern Virginia.

Transurban's President, North America, Michael Kulper, said of the project, "The 95 Express Lanes represent Transurban's second major investment in the Express Lanes business in the heavily congested Northern Virginia region. The 95 Express Lanes are expected to provide faster, more predictable travel for local users and provide Transurban security holders with an attractive financial return."

"The Northern Virginia economy has been a standout through the recent US economic downturn and we are confident that current congestion and key demographic and wealth forecasts provide a compelling basis for investment in Northern Virginia."

"With the addition of this investment and the opening of the 495 Express Lanes later this year, Transurban now has a significant footprint in Northern Virginia."

Mr Kulper concluded by congratulating the Commonwealth of Virginia and Transurban's partner on the 95 Express Lanes, the Virginia Department of Transportation, "Virginia, through the work of its transportation agency, VDOT, has again demonstrated its leadership in using public-private partnerships to help meet major transportation needs."

Classification

Public

Transurban Group

Transurban International Limited
ABN 90 121 746 825

Transurban Holdings Limited
ABN 86 098 143 429

Transurban Holding Trust
ABN 30 169 362 255

ARSN 098 807 419

email@transurban.com.au

www.transurban.com.au

Level 3
505 Little Collins Street
Melbourne Victoria 3000
Australia

Telephone +613 9612 6999

Facsimile +613 9649 7380

Level 5
50 Pitt Street
Sydney NSW 2000
Australia

Telephone +612 9254 4900

Facsimile +612 9254 4990

Transurban's Chief Executive Officer, Scott Charlton, said of the announcement, "This is a development that Transurban, on behalf of DRIVE, has been working on for more than seven years and is a keenly anticipated announcement by the Transurban Board and management alike."

Transurban also announced that the 95 Express Lanes investment will be the final new toll road project undertaken by Transurban's co-investment vehicle, DRIVE. DRIVE's members, Transurban and CP2, have agreed that the investment vehicle's assets will consist of its interest in the 495 Express Lanes, Pocahontas and the 95 Express Lanes. Transurban will continue to manage these assets on behalf of DRIVE.

Mr Charlton said of the DRIVE arrangements, "The ringfencing of DRIVE to its existing assets is a positive move by its equity partners, Transurban and CP2. The US toll road market has changed dramatically since the inception of DRIVE. Neither Transurban nor CP2 see any ongoing imperative for further US investment opportunities to be undertaken by DRIVE."

Mr Charlton concluded, "Transurban and its partners are well positioned to bring the 495 Express Lanes successfully online later this year and manage the 95 Express Lanes construction to an efficient and successful conclusion."

Further project details are provided in the attached Appendix.



Amanda Street

Company Secretary

Investor and media enquiries

Wesley Ballantine +61 3 8656 8904

General Manager Investor Relations, Media and Government

Transurban Group

Transurban International Limited
ABN 90 121 746 825

Transurban Holdings Limited
ABN 86 098 143 429

Transurban Holding Trust
ABN 30 169 362 255
ARSN 098 807 419

email@transurban.com.au
www.transurban.com.au

Level 3
505 Little Collins Street
Melbourne Victoria 3000
Australia
Telephone +613 9612 6999
Facsimile +613 9649 7380

Level 5
50 Pitt Street
Sydney NSW 2000
Australia
Telephone +612 9254 4900
Facsimile +612 9254 4990

APPENDIX

The project

The 95 Express Lanes project is a 29-mile (46-kilometre) Express Lanes facility that will sit alongside the regular congested general purpose lanes to provide transit and toll-paying customers faster and more reliable travel. The Express Lanes will be high occupancy toll lanes and use dynamic toll pricing to manage traffic levels and provide improved travel conditions. The Express Lanes will vary from two to three lanes and will be reversible (i.e. lanes will only allow travel in the direction of peak travel).

Fluor-Lane LLC is the lead constructor and (consistent with 495 Express Lanes) has agreed to a fixed-price, date-certain turnkey contract to design and build the 95 Express Lanes. Under the terms of the construction contract, Fluor has provided a comprehensive security package consistent with the 495 Express Lanes security package: significant daily liquidated damages should the project be delivered late, a parent company guarantee from Fluor Corporation (rated A-) and a letter of credit facility.

- The 29-mile project primarily consists of:
 - 9 miles of a two-lane extension to HOV lanes
 - 6 miles of operational improvements to the existing HOV lanes
 - 14 miles of widening of the existing HOV lanes from two to three lanes
 - 8 new or improved entry/access points
 - associated electronic and toll traffic management infrastructure
- General purpose lanes will remain toll free
- The 95 Express Lanes will be operated as “managed lanes” - toll rates will vary depending upon the speed and density of traffic
- All vehicles, other than HOV-3 vehicles, motorcycles and emergency vehicles, will be required to pay a toll to access the 95 Express Lanes



The need

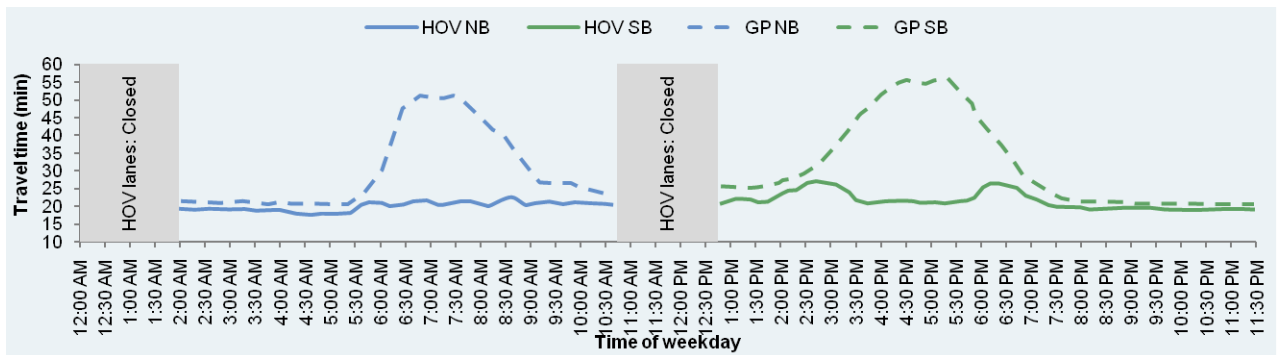
Interstate-95 (I-95) in Northern Virginia is a key commuter route to the employment zones of the Greater Washington DC metropolitan region. As such, it is one of the busiest and most congested roads in the US. The only competing route of note (US Route 1) offers significantly slower travel times.

As a result of congestion, travel times on I-95 can be excessive and difficult to predict. The 95 Express Lanes are expected to provide commuters with a reliable travel option to reduce time and trip variability.

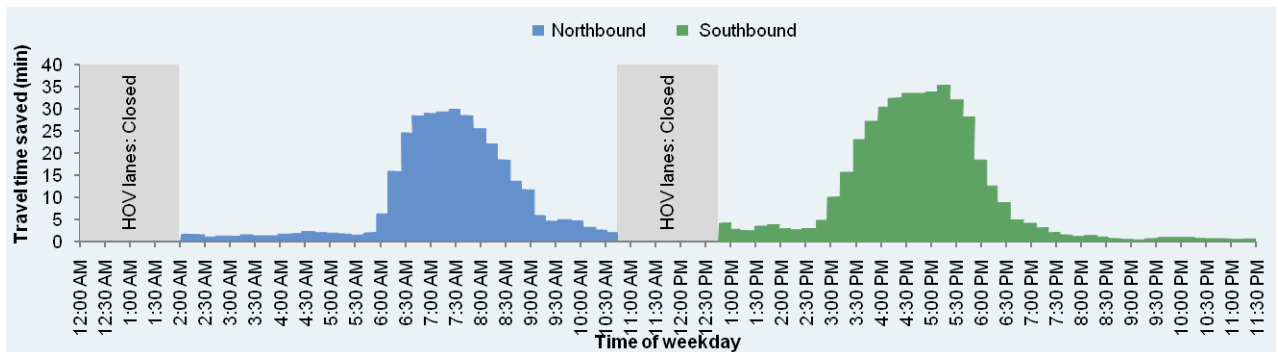
Existing High Occupancy Vehicle (HOV) lanes on the I-95 give the best insight into commuter benefits of using the Express Lanes:

Average Weekday Times (Dumfries to Duke St)

Travel Times



Travel Time Saved



Source: INRIX. Average Weekdays Peak Periods, May 2011

While the pricing mechanism will be fully dynamic (i.e. respond to market conditions and demand), analysis suggests average toll rates may range from \$0.05 per mile in off peak periods, up to approximately \$0.70 per mile in peak periods.

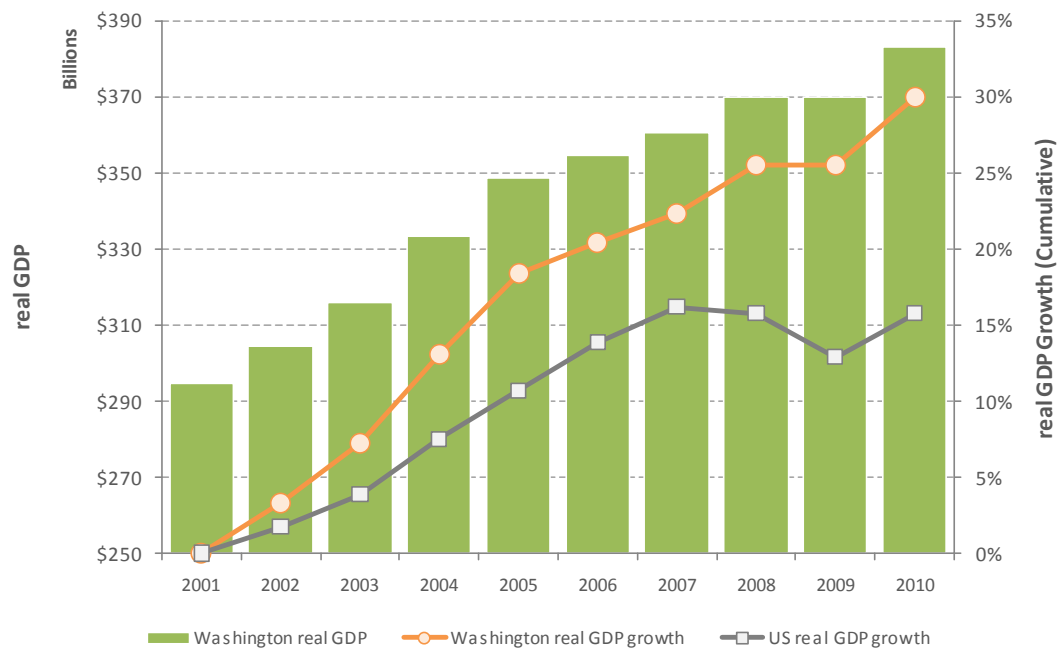
Average trip length on the facility is expected to be approximately 11 miles.

Traffic and revenue analysis has been completed by Transurban. An independent third party expert reviewed revenue forecasts on behalf of lenders.

The customers

The 95 Express Lanes key catchment area is one of the wealthiest in the US, with median income in four of the five counties falling in the top 10 (out of over 800) in the US.

Washington Gross Regional Product – Real GDP



Source: Bureau of Economic Analysis

Median Household Income

County	Median Household Income (2010)	National Ranking*
USA	\$50,046	-
Arlington	\$94,986	5
Fairfax	\$103,010	2
Prince William	\$92,655	9
Stafford	\$94,317	7
Alexandria	\$77,793	39

* Total Counties = 818

Source: American Community Survey (2010)

Classification

Public

Transurban Group

Transurban International Limited
ABN 90 121 746 825

Transurban Holdings Limited
ABN 86 098 143 429

Transurban Holding Trust
ABN 30 169 362 255

ARSN 098 807 419

email@transurban.com.au

www.transurban.com.au

Level 3
505 Little Collins Street
Melbourne Victoria 3000
Australia

Telephone +613 9612 6999

Facsimile +613 9649 7380

Level 5
50 Pitt Street
Sydney NSW 2000
Australia

Telephone +612 9254 4900

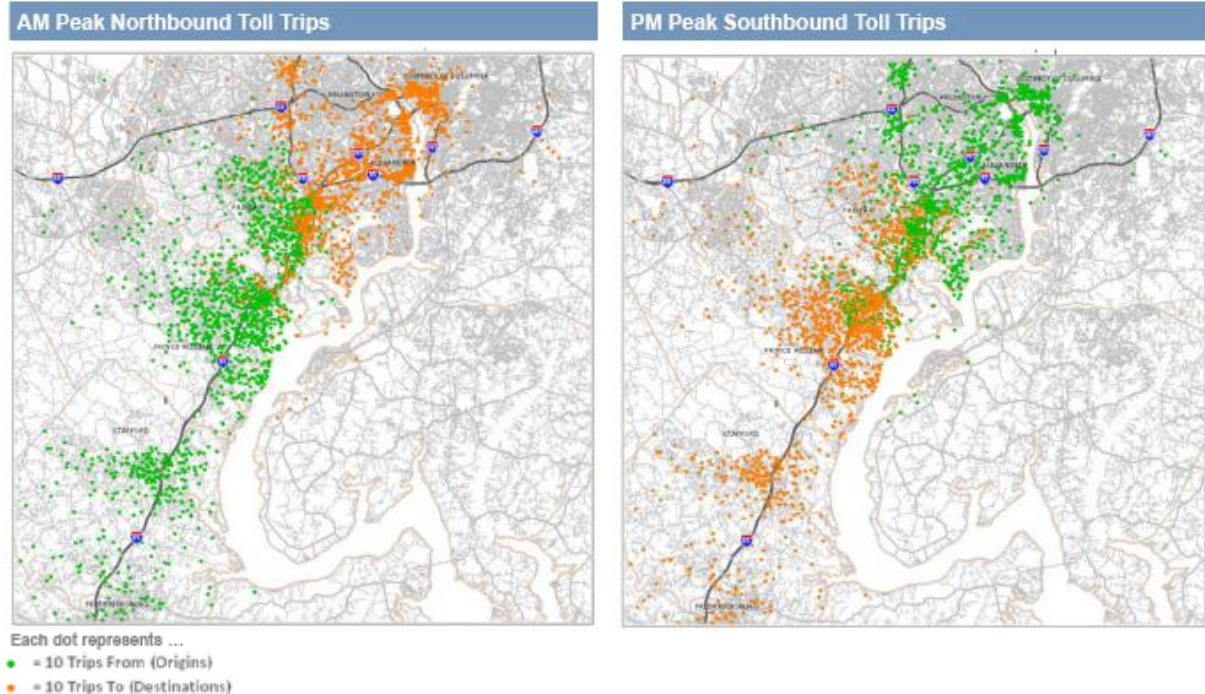
Facsimile +612 9254 4990

Wealth Distribution of Drivers (2010)



Source: American Community Survey (2010). Aggregation of Drove Alone, and Carpool categories.

Origin and destination analysis supports the investment theory that the catchment area is across a relatively dispersed area - thereby not relying on a concentrated pool of customers or long-distance trips.



Concession details

The 95 Express Lanes will be constructed and operated under a 73-year concession agreement with the Commonwealth of Virginia.

Toll prices will be dynamic to maintain speeds of at least 55 miles per hour. There are no toll price restrictions.

Commuters may choose to receive a 100% discount by carpooling with three or more people in a car.

The concession maintains key protections to equity, as well as an option over project expansion:

1. Any further development of the existing corridor and any expansion to the North of the existing project (toward Washington DC) will first be offered to the project company, which retains a 'first right of refusal'. Any expansion of the I-95 general lanes in the project corridor or a substantive upgrade of Route 1 is a compensation event.
2. In relation to commuters choosing to carpool, or High Occupancy Vehicles (HOV), if threshold levels of HOV usage are exceeded (varies over time), the Commonwealth of Virginia is liable for a shadow toll per car of 70% of the full toll price.

Project financing

Sources and uses as of financial close are shown below:

Sources	USD M
Public Funds Amount	295
Series 2012 Bond Proceeds (including Original Issue Premium)	254
Capital Contributions	370
Total Sources of Funds	919
Uses	
Total Construction Costs (Including Contingency)	778
Total Interest During Construction	29
Total Fees and Expenses	64
Total Reserves	48
Total Uses of Funds	919

Equity will be provided by DRIVE (90%) and Fluor (10%). DRIVE funding is provided by Transurban (75%; \$250M) and CP2 (25%; \$83M). Transurban has provided a guarantee for the full DRIVE equity contribution for an agreed fee.

DRIVE has the right to purchase Fluor's equity following construction completion.

Transurban will fund its equity requirement through a mix of existing debt facilities and proceeds from its dividend reinvestment plan over the two and half year construction period.

A Transportation Infrastructure Finance and Innovation Act (TIFIA) credit process is currently being completed. Should the project successfully achieve TIFIA funding, Commonwealth and private sector equity contributions will be reduced by an equivalent amount (on approximately a 75% / 25% basis).

Senior debt in the project has been raised using fixed-price Private Activity Bonds (PABs).

The senior debt is rated BBB- by Standard & Poor's and Fitch.

The fixed-price bonds have been closed on the following tenors and pricing:

	Maturity	Gross Proceeds (USD)	Yield to Maturity
Tranche 1	2034	\$75.6M	4.64%
Tranche 2	2040	\$177.1M	4.73%

All funding, with the exception of the ongoing TIFIA process, was finalised overnight in New York.

Operations and tolling

Transurban will operate and manage the 95 Express Lanes. All operations will be co-located with the 495 Express Lanes.

The 95 Express Lanes will utilise some of the tolling technology and operations centre developed for the 495 Express Lanes.

Commuters will be able to use the 95 and 495 Express Lanes as a continuous, seamless facility.

Transurban Group

Transurban International Limited
ABN 90 121 746 825

Transurban Holdings Limited
ABN 86 098 143 429

Transurban Holding Trust
ABN 30 169 362 255
ARSN 098 807 419

email@transurban.com.au
www.transurban.com.au

Level 3
505 Little Collins Street
Melbourne Victoria 3000
Australia
Telephone +613 9612 6999
Facsimile +613 9649 7380

Level 5
50 Pitt Street
Sydney NSW 2000
Australia
Telephone +612 9254 4900
Facsimile +612 9254 4990