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24 April 2014

TRANSURBAN ANNOUNCES ACQUISITION OF QUEENSLAND MOTORWAYS AND EQUITY RAISING

- Transurban-led consortium to acquire Queensland Motorways for \$6.673 billion, plus stamp duty and transaction costs of \$0.447 billion
- Extends Transurban's weighted average concession life adding long term value to the portfolio
- Established urban toll road network with capacity for growth in the attractive Queensland market
- Transurban to raise \$2.74 billion through a \$2.34 billion fully underwritten accelerated renounceable entitlement offer and a \$400 million placement to its bid partners AustralianSuper and Tawreed Investments Limited
- FY14 distribution guidance confirmed at 35 cents per security and FY15 distribution guidance of 39 cents per security announced
- Entitlement offer securities and placement securities will receive the FY14 second half distribution with guidance of 18 cents per security payable in August 2014

Acquisition of Queensland Motorways

Transurban Group (ASX: TCL) announces that a consortium with equity interests 62.5% Transurban, 25% AustralianSuper and 12.5% Tawreed Investments Limited (a wholly-owned subsidiary of the Abu Dhabi Investment Authority) has reached agreement to acquire Queensland Motorways for \$6.673 billion, plus stamp duty and transaction costs of \$0.447 billion. Transurban will operate the network on behalf of the owners.

Transurban's Chief Executive Officer, Scott Charlton, said that Queensland Motorways is a "high-quality established portfolio of assets, and the acquisition is consistent with the Group's stated corporate objectives of continuing to grow distributions for security holders and enhancing the Group's existing portfolio of prime assets."

"Queensland Motorways is a portfolio of world class assets with all the characteristics of our existing networks in Sydney and Melbourne, and the attractive demographics of the Queensland market."

"As an operator we have a unique ability to integrate and unlock value from our networks utilising our core capabilities."

"These are urban motorway assets, with inflation linked pricing, serving critical corridors of Australia's third largest city. Importantly, there are significant opportunities to enhance the operational efficiencies of the assets to ensure the portfolio performs at the level observed on our other roads and delivers a better experience for Queensland motorists. There is significant development potential in the Queensland Motorways network and over time we look forward to working with the Queensland Government to further develop this network," Mr Charlton said.

The Queensland Motorways portfolio is a motorway network in Brisbane comprising four concessions covering the Logan and Gateway motorways, CLEM7, Go Between Bridge and Legacy Way, which is expected to begin operating in June 2015. This urban motorway network is complementary to Transurban's existing networks in Sydney and Melbourne, and contributes additional scale, long dated concessions, investment potential and strategic value to Transurban's current high quality portfolio.

Classification

Public

Transurban Group

Transurban International Limited
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The acquisition remains conditional on the consent of the Queensland Department of Transport and Main Roads and the Brisbane City Council, and financial close is targeted for the end of June 2014.

Further details of the Queensland Motorways portfolio are set out in Appendix 1.

Equity raising

In order to fund Transurban's equity contribution to the consortium, Transurban will undertake an equity raising comprising:

- A fully underwritten accelerated renounceable 10 for 43 entitlement offer to eligible security holders at an offer price of \$6.75 per security to raise \$2.34 billion ("**Entitlement Offer**"); and
- A placement to AustralianSuper and Tawreed Investments Limited at \$6.95 per security to raise \$400 million. These placement securities are not entitled to participate in the Entitlement Offer.

Further details on transaction funding are set out in the table below.

ACQUISITION FUNDING (\$Bn)

SOURCES		USES	
Transurban equity – 62.5%	2.718	QM acquisition price ¹	6.673
AustralianSuper equity – 25%	1.087	Stamp duty and transaction costs ²	0.447
Tawreed equity – 12.5%	0.544		
Non-recourse debt ³	2.771		
Total sources of funds	7.120	Total uses of funds	7.120

TRANSURBAN EQUITY CONTRIBUTION (\$Bn)

SOURCES		USES	
Entitlement Offer ⁴	2.342	QM equity contribution	2.718
Placement ⁵	0.400	Transurban transaction costs ⁶	0.051
Available cash	0.027		
Total sources of funds	2.769	Total uses of funds	2.769

1. Acquisition price represents enterprise value inclusive of acquired debt, and is subject to post completion adjustment, including for working capital and capital expenditure as at the end of June 2014.
2. An amount of \$384M is payable to the vendor for estimated stamp duty. The vendor will be entitled to retain, or obliged to pay, the difference (if any) between the estimated stamp duty and the actual stamp duty.
3. Comprised of 3- and 5-year term debt and bridge to future capital markets debt.
4. Assumes 346,943,070 fully paid New Securities are issued pursuant to Entitlement Offer. The exact number of New Securities to be issued under the Entitlement Offer is still to be finalised and is subject to reconciliation of security holder entitlements.
5. Assumes 57,553,958 fully paid New Securities are issued pursuant to the placement.
6. Includes Transurban's share of consortium transaction costs, stamp duty and debt raising costs, plus Transurban's own equity raising costs.

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Distribution guidance

The Board has reaffirmed distribution guidance of 35 cents per security for the year ending 30 June 2014. This is expected to include a 7 cent fully franked dividend component and be 95% free cash covered. The new securities issued as part of the equity raising will be entitled to the FY2014 second half distribution with guidance of 18 cents per security. It is expected that this distribution will be paid in August 2014.

For the year ended 30 June 2015, the Board has announced distribution guidance of 39 cents per security, which is expected to include a 7 cent fully franked dividend component of 7 cents and be 100% free cash covered.

Further information regarding distribution guidance and the assumptions for it are set out in the investor presentation released by Transurban to the ASX today.

Distributions will continue to be based on underlying free cash less an allowance for maintenance capital expenditure as per historical treatment.

OVERVIEW OF THE ENTITLEMENT OFFER

The Entitlement Offer comprises an institutional entitlement offer ("**Institutional Entitlement Offer**") and a retail entitlement offer ("**Retail Entitlement Offer**"). Under the Entitlement Offer eligible security holders are invited to subscribe for 10 new Transurban stapled securities (the "**New Securities**") for every existing 43 Transurban stapled securities held as at 7pm (Melbourne time) on 1 May 2014 ("**Record Date**"), at the Offer Price of \$6.75.

The Offer Price represents a 7.2% discount to Transurban's closing security price of \$7.27 on 23 April 2014, and a 5.8% discount to the theoretical ex-rights price of \$7.17 (including the placement).

Under the Entitlement Offer, eligible security holders under both the Institutional Entitlement Offer and the Retail Entitlement Offer may choose to take up their entitlement in whole, in part or not at all.

As the Entitlement Offer is renounceable, New Securities equal in number to those attributable to:

- any entitlements not taken up by eligible security holders; and
- entitlements which would otherwise have been available to ineligible security holders,

will be sold via a bookbuild process. This process will be undertaken in respect of both the Institutional Entitlement Offer and the Retail Entitlement Offer.

Any proceeds from the sale of New Securities in excess of the Offer Price (net of any withholding tax) under either a bookbuild conducted in respect of the Entitlement Offer will be paid proportionately to the relevant renouncing and ineligible security holders.

Each New Security will rank equally with existing stapled securities from the date of allotment, including in respect of distributions.

INSTITUTIONAL ENTITLEMENT OFFER

Existing eligible institutional security holders will be invited to participate in the Institutional Entitlement Offer, which will open on 24 April 2014 and close at 10am (Melbourne time) on 29 April 2014.

RETAIL ENTITLEMENT OFFER

A Retail Information Booklet containing information in respect of the Retail Entitlement Offer will be sent to eligible retail security holders in Australian and New Zealand on 6 May 2014 and be made available

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on Transurban's website (www.transurban.com). The contents of Transurban's website do not form part of the offer documents for the Entitlement Offer.

Eligible retail security holders should read the Retail Information Booklet in full in deciding whether to subscribe for New Securities.

Any eligible retail security holder who wishes to acquire New Securities under the Retail Entitlement Offer will need to complete, or otherwise apply in accordance with, the personalised entitlement and application form that will accompany the Retail Information Booklet.

If you are an eligible retail security holder in Australian or New Zealand and you do not receive a copy of the Retail Information Booklet or you have any questions regarding the Entitlement Offer, please contact the Transurban Entitlement Offer Information Line on:

- 1300 360 146 (from within Australia); or
- +61 3 9415 4315 (from outside Australia),

between 8.30am to 5.30pm (Melbourne Time) Monday to Friday from 6 May 2014 to 23 May 2014.

INDICATIVE TIMETABLE

The indicative timetable for the Entitlement Offer is as follows.

DATES AND TIMES MAY BE SUBJECT TO CHANGE WITHOUT NOTICE	
Institutional Entitlement Offer opens	24 April 2014
Institutional Entitlement Offer closes	29 April 2014
Institutional Bookbuild	30 April 2014
Announcement of completion of Institutional Entitlement Offer	1 May 2014
Trading halt lifted	1 May 2014
Record date under the Entitlement Offer	7pm (AEST) 1 May 2014
Despatch of Retail Information Booklet and entitlement application	6 May 2014
Retail Entitlement Offer opens	6 May 2014
Initial Retail Closing Date – last day to apply for New Securities to be issued on the Initial Allotment Date	5pm (AEST) 8 May 2014
Settlement of Institutional Entitlement Offer, Institutional Shortfall Bookbuild and Initial Retail Acceptance	9 May 2014
Initial Allotment Date – Institutional Offer, Institutional Shortfall Bookbuild and Initial Retail Acceptance	12 May 2014
Normal trading commences on ASX of New Securities issued under the Initial Allotment	12 May 2014
Retail Entitlement Offer closes	5pm (AEST) 23 May 2014
Retail Shortfall Bookbuild	28 May 2014
Settlement of Entitlement Offer and Retail Shortfall Bookbuild	3 June 2014
Final Allotment of New Securities	4 June 2014
Normal trading commences on ASX of New Securities issued under the Retail Entitlement Offer and Retail Shortfall Bookbuild	5 June 2014
Despatch of Holding Statements	6 June 2014

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These dates are indicative only and are subject to change without notice. All times and dates refer to times and dates in Melbourne, Australia. Subject to the requirements of the Corporations Act, the ASX Listing Rules and any other applicable laws, Transurban has the right, with the consent of the underwriters, to amend the timetable, including extending the Retail Entitlement Offer or accepting late applications, either generally or, in particular cases, without notice.

FURTHER INFORMATION

Further information in relation to the Entitlement Offer will be set out in the investor presentation released by Transurban to the ASX today.



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This notice does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any person acting for the account or benefit of a person in the United States. Securities may not be offered or sold in the United States or to any person acting for the account or benefit of a person in the United States absent registration or an exemption from registration. The securities to be offered and sold in the entitlement offer will not be registered under the U.S. Securities Act of 1933 ("Securities Act"), or under the securities laws of any state or other jurisdiction of the United States and will only be offered or sold in the United States or to any person acting for the account or benefit of a person in the United States pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

This release contains certain forward-looking statements. The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "outlook", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position, distributions and performance and the results of the acquisition and the Entitlement Offer are also forward-looking statements. Due care and attention have been used in the preparation of forward looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Transurban, its officers, employees, agents and advisers, that may cause actual results to differ materially from those expressed or

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implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and their differences may be material. Investors should not place undue reliance on forward-looking statements.

To the maximum extent permitted by law, responsibility for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise is disclaimed. Transurban disclaims any responsibility to update or revise any forward-looking statement to reflect any change in Transurban's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by law.

Investors should be aware that certain financial data included in this presentation is "non-IFRS financial information" under ASIC Regulatory Guide 230: "Disclosing non-IFRS financial information" published by the Australian Securities and Investments Commission ("ASIC") and is also "Non-GAAP financial information" within the meaning of Regulation G under the US Securities Exchange Act of 1934. Non-IFRS measures in this release include EBITDA, free cash and all measures identified as "underlying" or "proportional". Transurban believes the non-IFRS financial information provides useful information to users in measuring the financial performance and condition of Transurban and Queensland Motorways. The non-IFRS financial information does not have a standardised meaning prescribed by Australian Accounting Standards. Therefore, the non-IFRS financial information is not a measure of financial performance, liquidity or value under the IFRS and may not be comparable to similarly titled measures presented by other entities, nor should the information be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information included in this release.

Financial information for Queensland Motorways contained in this release has been derived from financial statements and other financial information made available by Queensland Motorways in connection with the acquisition. Such financial information does not purport to comply with Article 3-05 of Regulation S-X under the Securities Act. The pro forma historical financial information included in this Presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.

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Appendix 1

Queensland Motorways portfolio overview



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Key statistics for Queensland Motorways portfolio

ASSET	GATEWAY	LOGAN	CLEM7	GO BETWEEN BRIDGE	LEGACY WAY ⁴
Length (km)	23.1	38.7 ¹	6.8	0.3	4.6
Carriageway Size	6, 8 and 10 lanes (various) 12 lanes (Gateway Bridge)	4 lanes	4 lanes	4 lanes	4 lanes
AADT (FY13)	105,000	147,000 ²	26,000	11,000	n/a
Current Car Toll ³	\$4.13	\$1.56 – \$2.57	\$4.72	\$2.88	NA
Tolling Escalation	1 July, Brisbane CPI	1 July, Brisbane CPI	1 January, Brisbane CPI	1 July, Brisbane CPI	1 July, Brisbane CPI
Date Opened	December 1986	December 1988	15 March 2010	5 July 2010	June 2015
Concession Dates	April 2011 – December 2051	April 2011 – December 2051	August 2006 – August 2051	December 2013 – December 2063	June 2015 – June 2065

Source: Queensland Motorways.

¹ Length includes 9.8km of Gateway Extension Motorway.

² Each Logan gantry is counted as a separate trip.

³ Toll data represents current toll charge (which is the maximum allowable toll charge) for cars, sourced from toll road websites and information provided by Queensland Motorways.

⁴ Legacy Way currently under construction, with operations expected to commence in June 2015.

Queensland Motorways Pro-Forma Summary (\$million)¹

	STATUTORY		PROPORTIONAL	
	H1 FY14	FY13	H1 FY14	FY13
Toll Revenue				
Queensland Motorways	187.7	353.0	117.3	220.6
Logan & Gateway	161.5	302.6	100.9	189.1
CLEM7	20.6	39.4	12.9	24.6
Other	5.6	11.0	3.5	6.9
Underlying EBITDA				
Queensland Motorways	140.4	242.9	87.7	151.8
Logan & Gateway	128.6	219.9	80.4	137.4
CLEM7	8.2	13.0	5.1	8.1
Other	3.6	10.0	2.2	6.3

¹ Pro-forma numbers have been extracted from QM data with adjustments to reflect the impact of Transurban's acquisition, Transurban's accounting policies and non-recurring items.

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