transurban

asx release

9 May 2014

Presentation to Macquarie Australia Conference

Please find attached the presentation that Transurban CEO Scott Charlton will be delivering at today's Macquarie Australia Conference.

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MACQUARIE AUSTRALIA CONFERENCE

9 MAY 2014 TRANSURBAN CEO SCOTT CHARLTON

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DISCLAIMER & BASIS OF PREPARATION

BASIS OF PREPARATION

This document includes the presentation of results on a statutory as well as non-statutory basis. The non-statutory basis includes the Proportional Results and Free Cash. All financial results are presented in AUD unless otherwise stated.

PROPORTIONAL RESULTS

The Proportional result is the aggregation of the results from each asset multiplied by Transurban's percentage ownership as well as contribution from central group functions. Proportional earnings before interest, tax, depreciation and amortisation (EBITDA) is one of the primary measures used to assess the operating performance of Transurban, with an aim to maintain a focus on operating results and associated cash generation. It reflects the contribution from individual assets to Transurban's operating performance and permits a meaningful analysis of the underlying performance of Transurban's assets.

The EBITDA calculation from the statutory accounts would not include the EBITDA contribution of the M5, M7 or DRIVe (equity accounted in the statutory results), which are meaningful contributors to Transurban's performance.

FREE CASH

Free cash is the primary measure used to assess cash generation in the Group. The free cash represents the cash available for distribution to security holders. Free cash is calculated as statutory cash flow from operating activities from 100% owned subsidiaries plus dividends received from less than 100% owned subsidiaries and equity accounted investments. An allowance is deducted for the maintenance capital provision recognised in 100% owned assets (including tags).

TRANSURBAN NETWORK POSITIONS

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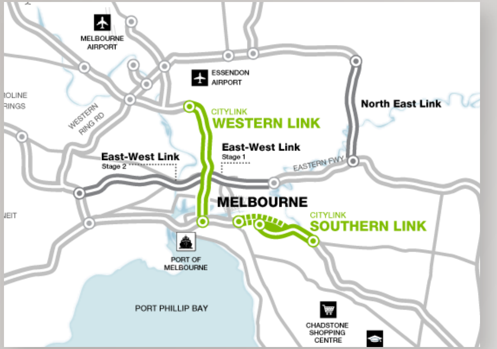
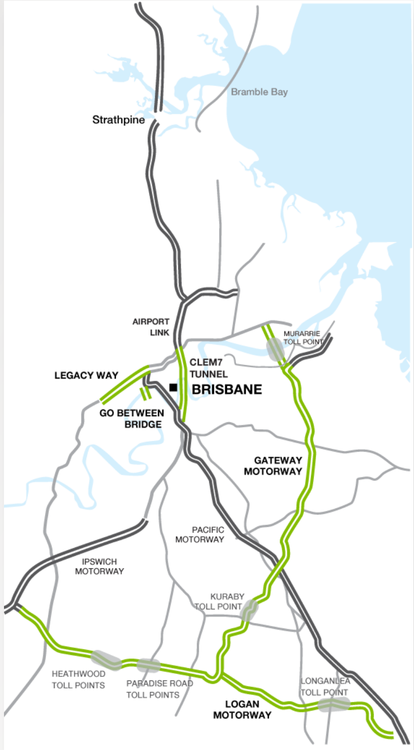
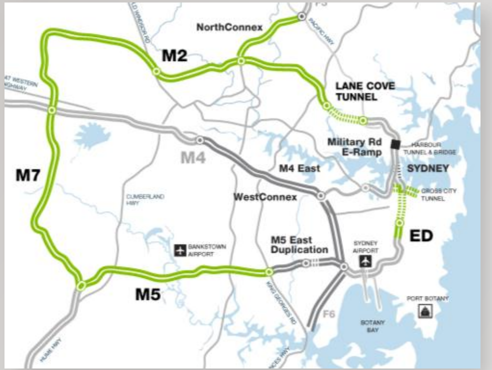


FY13	VIC	NSW	USA	QLD
Number of concessions	1	5[3]	3[4]	4
Average daily transactions	779,756	476,942	38,271	290,730
% of Transurban proportional toll revenue[1]	40.9%	39.6%	1.3%	18.2%
% of Transurban proportional EBITDA[1,2]	45.3%	39.0%	0.1%	15.6%





1 Calculated on the basis of Pro Forma financial information.

2 Excludes Roam, Tollaust, DRIVe Holdings and corporate. 3. Excludes Cross City Tunnel and NorthConnex, which are currently in negotiation.

4 Includes Pocahontas 895. Transurban expects to complete handback to the lenders by 30 June 2014.

NETWORK DEVELOPMENT ACTIVITIES

NSW

- NorthConnex – 9km tunnel motorway linking the M1 Pacific Motorway and Hills M2 – targeted financial close late calendar 2014
- M5 West widening – 70%[1] complete, staged opening commenced
- Cross City Tunnel – already funded, targeted financial close before 30 June 2014

VIC

- In-principle agreement with Victorian Government for a major co-ordinated upgrade to the Western Link of CityLink, the Bolte Bridge-West Gate Freeway interchange and Tullamarine Freeway
- Project will address congestion and improve safety at critical points in the corridor as well as enhance the integration of the East West Link (EWL) into CityLink
- Project subject to the State and Transurban reaching final agreement (expected late 2014)

USA

- I-95 Express Lanes – 29 miles (46km) Express Lanes facility – 70%[1] complete
- 495 Express Lanes – recapitalisation in progress and expected to be complete by 30 June 2014
- Pocahontas 895 handback expected to be completed by 30 June 2014

QLD

- Integration of Queensland Motorways portfolio
- Targeted operational efficiencies

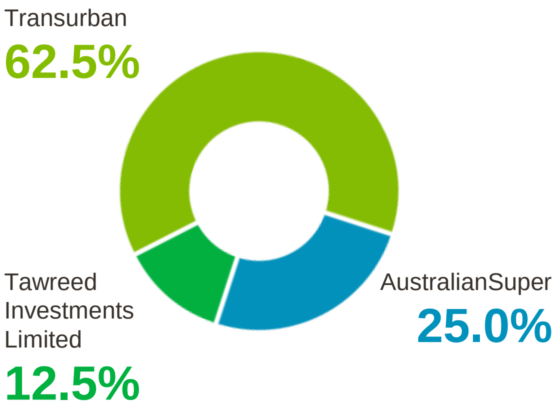
1 Completion as at 31 March 2014.

QUEENSLAND MOTORWAYS ACQUISITION

TRANSACTION SUMMARY

- Transurban, in conjunction with AustralianSuper and Tawreed Investments Limited, a wholly owned subsidiary of Abu Dhabi Investment Authority, has reached agreement to acquire Queensland Motorways for $6.67Bn[1], plus stamp duty of $384M[2]
- Transurban to raise $2.74Bn through a $2.34Bn fully underwritten accelerated renounceable entitlement offer and a $400M placement to its bid partners AustralianSuper and Tawreed
- Detailed due diligence began in 2013
- Transurban will be responsible for the management and operations of Queensland Motorways
- Acquisition remains conditional on Department of Transport and Main Roads / Brisbane City Council consent
- Financial close targeted for end of June 2014
- Acquisition enhances and further diversifies Transurban’s portfolio
- Disciplined acquisition meeting Transurban’s investment criteria

TRANSURBAN CONSORTIUM



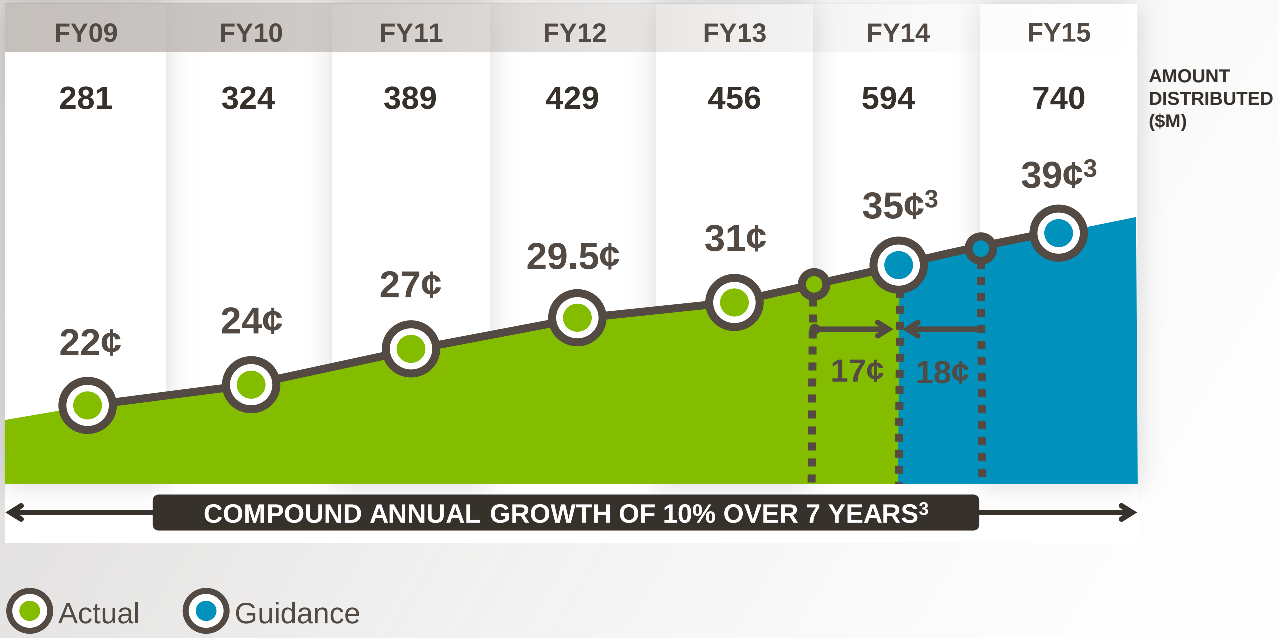
1 Enterprise value inclusive of acquired debt.

2 The purchase price is subject to post completion adjustment, including for working capital and capital expenditure as at the end of June 2014. The 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 liability.

DISTRIBUTION GROWTH

Distribution growth expected post acquisition of Queensland Motorways and remains key corporate objective

- FY14 distribution guidance of 35 cents per security maintained – expected to include a 7 cent franked dividend
  - Second half distribution guidance of 18 cents per security[1]
- New Securities issued as part of the capital raising will be entitled to FY14 second half distribution with guidance of 18 cents per security
  - FY14 distribution guidance now forecast to be 95% free cash covered[2] due to timing of New Securities issue
- FY15 distribution guidance of 39 cents per security[1] – expected to include 7 cent franked dividend
  - Expected to be 100% free cash covered



1 Guidance is based on assumptions relating to traffic volumes, toll revenue, maintenance and other items.

2 Pre-equity raising FY14 distribution guidance was more than 100% free cash covered.

3 Projected amounts based on current distribution guidance for FY14 and FY15 assuming 1,896,352,228 securities on issue.

QUEENSLAND MOTORWAYS OVERVIEW

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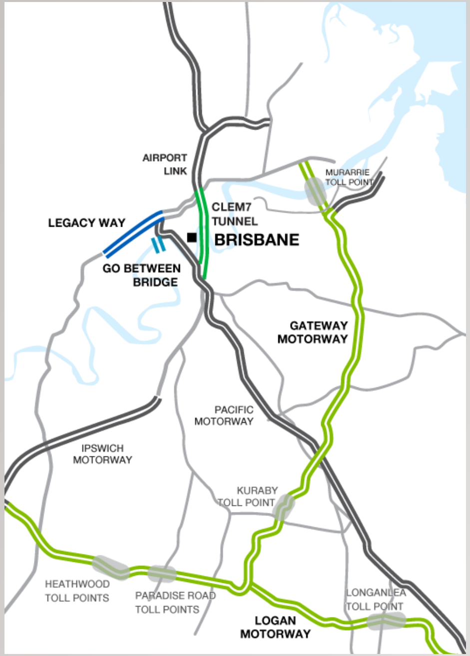

LOGAN & GATEWAY	
Length	61.8 km
AADT (FY13)	253,168
Concession end	Dec 2051

GO BETWEEN BRIDGE	
Length	0.3 km
AADT (FY13)	11,668
Concession end	Dec 2063

CLEM7	
Length	6.8 km
AADT (FY13)	25,894
Concession end	Aug 2051

LEGACY WAY[1]	
Length	4.6 km
AADT (FY13)	N/A
Concession end	Jun 2065

Established earnings profile[2]	FY13 ($M)		H1 FY14 ($M)	
	TCL	QM	TCL	QM
Proportional toll revenue	991.4	220.6	556.2	117.3
Proportional EBITDA	828.0	151.8[3]	463.2	87.7[3]
Proportional EBITDA margin	83.5%	68.8%	83.3%	74.8%[4]

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

2 FY13 financials based on information from Transurban and QM statutory accounts for the year ended 30 June 2013. FY14 financials based on results for the half year ended 31 December 2013.

3 QM EBITDA is underlying, proportional.

4 QM proportional EBITDA margin higher in H1 FY14 compared to FY13 due to a higher EBITDA margin on Logan/Gateway. Abnormally low repairs and maintenance expenditure was a key driver of this margin improvement.

ALIGNED WITH STRATEGY

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STRATEGY	ROAD INFRASTRUCTURE PARTNER OF CHOICE	LEVERAGE NETWORK POSITIONS	UTILISING CORE CAPABILITIES	CLEAR MARKET DEFINITION	DISTRIBUTION GROWTH

✓ Distribution growth post acquisition
- 35 cents guidance per security confirmed for FY14
- 39 cents guidance per security for FY15

✓ Extended concession life adds long-term value to Transurban's portfolio

✓ Urban road network with extensive operating history and substantial available capacity

✓ Transurban to operate – utilising core capabilities

✓ Geographic diversification with attractive growth outlook

✓ Opportunity to work with government partners to further enhance Queensland Motorways network

STRATEGIC RATIONALE

ESTABLISHED NETWORK WITH SIGNIFICANT SCALE AND STRONG GROWTH OUTLOOK

SIGNIFICANT NETWORK SCALE

- QM average work day transactions 328,900[1] – accounts for 23.0% of Transurban portfolio (pre-QM)

ESTABLISHED OPERATING HISTORY

- Gateway opened in 1986 and Logan opened in 1988
- Strong traffic growth (5.7% CAGR) over the past 10 years
- Gateway / Logan account for 90% of QM FY13 proportional underlying EBITDA

LONG TERM VALUE IN NETWORK

- Weighted average concession length[2] extended to 26 years
- Transurban (pre-QM) – 22 years; QM – 38 years

LIMITED COMPETING ROUTES

- 3 of 7 river crossings between CBD and coast
- Arterial roads only competing routes for Logan and Gateway

TRIP VALUE FOR MONEY

- Strong value proposition for drivers with significant time savings and comparatively lower tolls

STRONG MARKET OUTLOOK (2014–2018)[3]

Population growth forecast

QLD	VIC	NSW
2.2%	1.9%	1.4%

Employment growth forecast

QLD	VIC	NSW
2.5%	1.5%	1.1%

AVAILABLE CAPACITY

- Gateway and Logan motorways estimated to be operating at approximately 50% of capacity

1 FY13 transactions including CLEM7 and Go Between Bridge. Transactions are recorded for each vehicle movement through a tolling point.

2 Weighted based on contribution to total revenue for FY13. QM includes Logan/Gateway, CLEM7, and Go Between Bridge. Transurban's weighted average concession life excludes US assets and potential concession extensions associated with NorthConnex.

3 2014 – 2018 Growth Rate (Deloitte Access Economics).

SCOPE FOR OPERATING EFFICIENCIES

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TOLLING & CUSTOMER MANAGEMENT (TCM)

- Call centre operations
- Credit and billing functions
- Retail brands back office
- Enforcement
- Tag logistics
- Image processing

TECHNOLOGY

- Roadside tolling systems and equipment
- Corporate systems
- Back-office tolling platforms

OPERATIONS & MAINTENANCE (O&M)

- Roadside operations – traffic control and incident response
- Maintenance – roads and structures, mechanical and electrical, road tolling systems, intelligent transport systems

CORPORATE SERVICES

- Transurban corporate services – HR, Finance, Treasury, Public Affairs, Marketing, Traffic Forecasting to support Queensland Motorways

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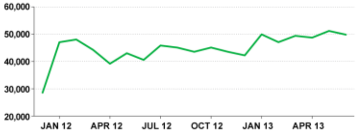
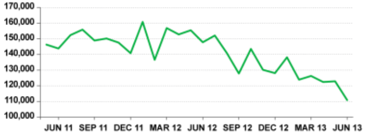
- Current call handling times[1]:
  - Transurban average 234 seconds
  - QM average 330 seconds
- Customer self-service rate[2]:
  - Transurban 58%
  - QM 31%

- Proven tolling platform driving efficiencies in existing Transurban operations and customer management – CityLink

ONLINE TRANSACTIONS[3]



CALL CENTRE INBOUND CALLS[4]



1 Transurban average reflects current handling time for Transurban customer calls overall. QM call handling time is the current average based on due diligence.
2 Customer self-service rate is the current rate for Transurban overall. QM is the current rate based on vendor data.
3 Transactions refer to vehicle and eTag maintenance.
4 Excluding toll notice calls.

NETWORK DEVELOPMENTS

MELBOURNE: CITYLINK-TULLA WIDENING

OVERVIEW

- In-principle agreement with Victorian Government for a major co-ordinated upgrade to the western section of CityLink, the Bolte Bridge-West Gate Freeway interchange and Tullamarine Freeway
- Project will address congestion and improve safety at critical points in the corridor as well as enhance the integration of the East West Link (EWL) into CityLink
- Project subject to the State and Transurban reaching final agreement (expected late 2014)

COST

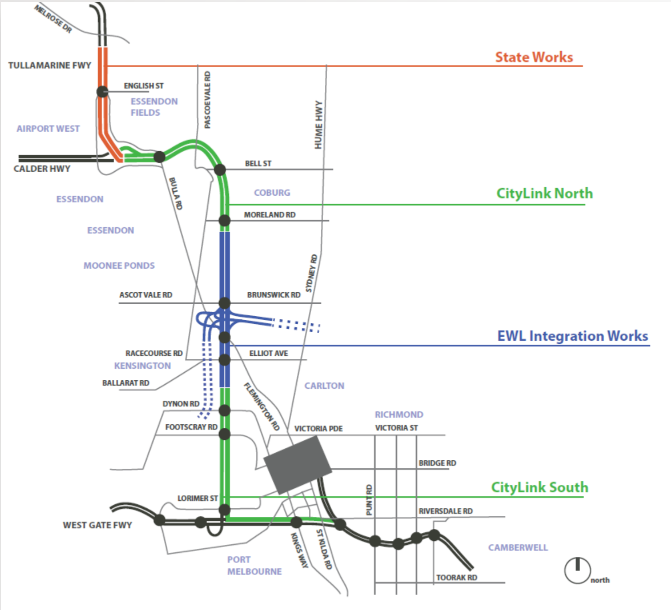
- Transurban will finance the total cost of the upgrade works (approximately $850 million)

PROJECT FUNDING

- Traffic uplift as a result of the project and impact of EWL Stage One
- An increase in the truck toll multiplier applying to heavy commercial vehicles and light commercial vehicles to be consistent with national pricing on other motorway networks
- Extension of the period in which toll price increases will occur at the greater of 4.5% or CPI (annually) for a period of one year
- Extension of the Concession term by a period of one year

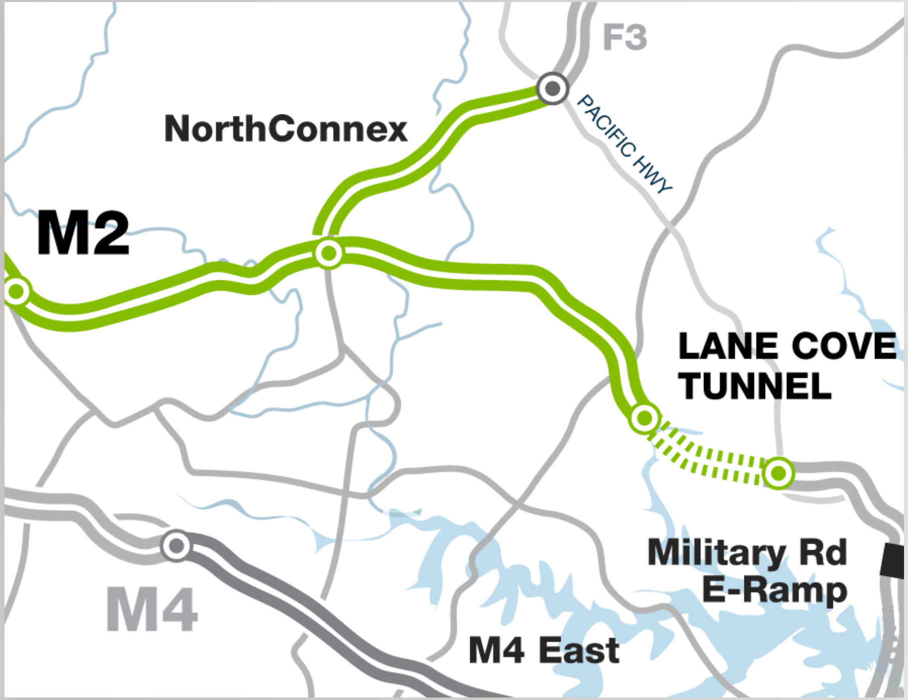
TIMELINE

- May 2014 – late 2014: Design and Construct procurement phase / Finalisation of documentation with State
- Late 2014 – contract close with the State
- First half of 2015 – construction commences
- 2017 – construction completed



SYDNEY: NORTHCONNEX

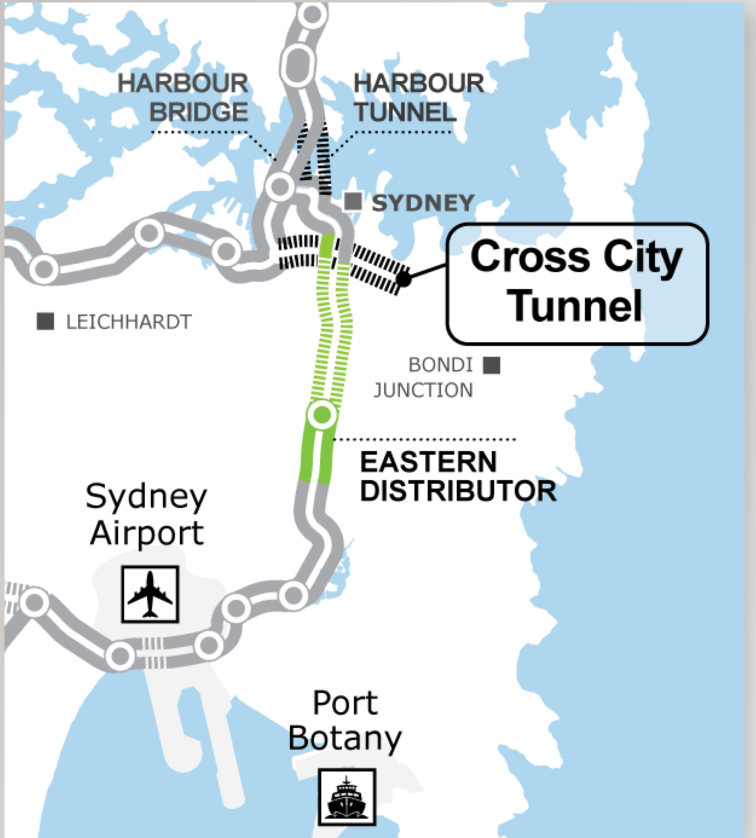
KEY MILESTONES



- 9km tolled link between M1 Pacific Motorway and Hills M2 Motorway
- Lend Lease Bouygues joint venture preferred tenderer for the $3 billion project, which includes $2.65 billion construction budget, land acquisition and project delivery costs
  - Environmental Impact Statement due for public display late May
- Financial close targeted for late calendar 2014, with work expected to begin in 2015.

SYDNEY: CROSS CITY TUNNEL

EXPANDING NETWORK FOOTPRINT



- Senior secured debt acquired in December 2013 for $475 million
- Agreement reached in March to acquire CCT for approximately $475 million
- Completion of sale expected by 30 June 2014
- Opportunity for operational synergies with adjoining Eastern Distributor (75.1% TCL owned)
- Potential to build on network position and focus on enhancing customer services and network more broadly

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