

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

3 September 2018

**ENTITLEMENT OFFER
LETTER TO SECURITY HOLDERS**

Attached is a copy of a letter being sent to retail security holders in relation to the pro rata accelerated renounceable entitlement offer (with retail entitlements trading) announced by Transurban on 31 August 2018.



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Classification **Public**

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Dear Security Holder

TRANSURBAN \$4.2 BILLION FULLY UNDERWRITTEN PRO RATA ACCELERATED RENOUNCEABLE ENTITLEMENT OFFER

On 31 August 2018, Transurban¹ announced that the Sydney Transport Partners consortium (comprising Transurban (50%), AustralianSuper (20.5%), CPPIB (20.5%) and Tawreed Investments Limited² (9%)) has executed an agreement to acquire a 51% equity stake in WestConnex from the NSW Government for \$9.3 billion³. WestConnex includes 33-kilometres of new or improved motorway linking Sydney's west and south-west with the CBD, and the corridor to Sydney Airport and Port Botany⁴. Financial close of the acquisition is expected in late September, subject to Foreign Investment Review Board approval⁵.

As also announced on 31 August 2018, Transurban is undertaking an accelerated renounceable pro-rata entitlement offer (with retail entitlements trading) to raise approximately A\$4.2 billion (the "**Entitlement Offer**").

The Entitlement Offer and use of proceeds

The proceeds raised under the Entitlement Offer will be used to fund Transurban's equity contribution for the WestConnex acquisition and for general corporate purposes.

This letter is not an offer document but rather an advance notice of some key terms and conditions of the Entitlement Offer. Further information is set out below in relation to the eligibility of security holders and the additional information that will be provided to Eligible Retail Security Holders (described below) in connection with the retail component of the Entitlement Offer.

If you are an Eligible Retail Security Holder (described below), you will be able to subscribe for 10 new Transurban stapled securities ("**New Securities**") for every 57 existing Transurban stapled securities you hold on the Record Date of 7.00pm (AEST) on 5 September 2018 ("**Entitlement**"). The offer price is \$10.80 per New Security ("**Offer Price**"). Fractional entitlements will be rounded up to the nearest whole number of New Securities.

New Securities issued under the Entitlement Offer will rank equally with existing Transurban stapled securities from issue.

¹ Transurban International Limited, Transurban Holdings Limited and Transurban Infrastructure Management Limited in its capacity as responsible entity of Transurban Holding Trust.

² A wholly owned subsidiary of Abu Dhabi Investment Authority.

³ Excluding transaction costs of \$0.1 billion. The purchase price is subject to a post completion adjustment for working capital, net debt and capex as at completion of the acquisition.

⁴ Approximate length. WestConnex includes approximately 30km of additional existing assets.

⁵ Subject to customary closing conditions. Refer to Key risk 3.1 in the Investor Presentation Transurban released to the ASX on 31 August 2018.

The Entitlement Offer comprises an offer to eligible institutional security holders ("**Institutional Entitlement Offer**") and an offer to Eligible Retail Security Holders to participate at the same Offer Price and offer ratio ("**Retail Entitlement Offer**"). The Entitlement Offer is being made in accordance with sections 708AA and 1012DAA of the *Corporations Act 2001* (Cth) ("**Act**") (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84), meaning that no prospectus needs to be prepared.

Eligible Retail Security Holders

Eligible Retail Security Holders are those persons who are registered as a holder of existing Transurban stapled securities as at 7.00pm (AEST) on 5 September 2018 and who:

1. have a registered address in Australia or New Zealand recorded on the Transurban security register;
2. are not in the United States and are not acting for the account or benefit of persons in the United States (to the extent such persons hold Transurban stapled securities and are acting for the account or benefit of a person in the United States);
3. have not already received an offer to participate (other than as nominee) or were otherwise ineligible to participate in the Institutional Entitlement Offer; and
4. are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

If you are a retail investor and are registered as a holder of existing Transurban stapled securities as at 7.00pm (AEST) on 5 September 2018 but do not meet the requirements above, you will be an "**Ineligible Retail Security Holder**".

Retail Information Booklet and personalised Entitlement and Acceptance Form

Full details of the Retail Entitlement Offer will be set out in an information booklet ("**Retail Information Booklet**"), copies of which will be available on the ASX website at www.asx.com.au from 5 September 2018 and at www.transurban.com/offer from 7 September 2018.

On or around 7 September 2018, Eligible Retail Security Holders will receive a Retail Information Booklet either in the mail or electronically if they elected to receive electronic communications, together with a personalised Entitlement and Acceptance Form. The personalised Entitlement and Acceptance Form will contain details of an Eligible Retail Security Holder's Entitlements and their personalised payment details.

Eligible Retail Security Holders may also access the Retail Information Booklet and their personalised payment details at www.transurban.com/offer from 7 September 2018. To access this website Eligible Retail Security Holders will need their SRN or HIN which is displayed at the top of this letter.

Eligible Retail Security Holders should read the Retail Information Booklet carefully and in full before deciding whether to participate in the Retail Entitlement Offer.

Eligible Retail Security Holders should also read the announcement to be released by Transurban containing the results of the Institutional Entitlement Offer and institutional shortfall bookbuild which will be available on the ASX website at www.asx.com.au from 5 September 2018.

Action required by Eligible Retail Security Holders

Entitlements may have value and it is important that Eligible Retail Security Holders determine whether to take up, transfer, sell or do nothing in respect of all or some of their Entitlements.

Option	Important information
<p><u>Take up all or some of your Entitlements</u></p>	<p>Eligible Retail Security Holders who wish to take up all or some of their Entitlements will need to pay their application monies using BPAY® or complete and return their personalised Entitlement and Acceptance Form together with the requisite application monies, in each case by following the instructions set out on their personalised Entitlement and Acceptance Form.</p> <p>There are two closing dates for the Retail Entitlement Offer and Eligible Retail Security Holders may elect to participate under either:</p> <p><u>Early Retail Application Closing Date (Option 1)</u></p> <p>Eligible Retail Security Holders wishing to have their New Securities allotted on the same date as eligible institutional security holders must pay their application monies via BPAY so that they are received by the Transurban security holder registry by 5.00pm (AEST) on 11 September 2018.</p>

⁶ Registered to BPAY Pty Limited ABN 69 079 137 518

Option	Important information
	<p><u>Retail Entitlement Offer Closing Date (Option 2)</u> All other Eligible Retail Security Holders must ensure that their application monies (and their personalised Entitlement and Acceptance Form if they are not paying by BPAY) are received by the Transurban security holder registry by 5.00pm (AEST) on 18 September 2018.</p> <p>Applications cannot be made before the Early Retail Application Closing Date in respect of any Entitlements which have been purchased on-market on the ASX or otherwise acquired by off-market transfer in the period from 5 September 2018 to 11 September 2018 (as described below).</p>
<p><u>Sell or transfer all or some of your Entitlements (Option 3)</u></p>	<p>There are a number of ways in which Eligible Retail Security Holders can sell or transfer all or some of their Entitlements, each of which may result in a different value being obtained for those Entitlements sold or transferred:</p> <ol style="list-style-type: none"> (Sell all) If Eligible Retail Security Holders wish to sell all of their Entitlements on the ASX, they should instruct their stockbroker personally. Entitlements can be sold on the ASX from 5 September 2018 (on a deferred settlement basis) and from 10 September 2018 (on a normal settlement basis). Entitlements trading on the ASX ceases on 11 September 2018. (Sell some and take up some) Eligible Retail Security Holders who wish to take up some of their Entitlements and sell the balance on the ASX, will need to: <ol style="list-style-type: none"> in respect of those Entitlements they wish to take up, ensure their application monies (and their personalised Entitlement and Acceptance Form if they are not paying by BPAY) are received by the Transurban security holder registry by 5.00pm (AEST) on 18 September 2018; and in respect of those Entitlements to be sold on the ASX, instruct their stockbroker personally. <p><i>Required steps if transferring Entitlements other than on the ASX</i></p> <p>Eligible Retail Security Holders who wish to transfer all or some of their Entitlements other than on the ASX will need to complete and return a Renunciation and Transfer Form (which can be obtained through the Transurban Security Holder Information Line (details below) or their stockbroker) in relation to those Entitlements that they wish to transfer.</p> <p><i>If you sell on the ASX you may incur brokerage costs and do so at your risk</i></p> <p>Please note brokerage costs may be incurred if Entitlements are sold on the ASX. Depending on the number of Entitlements an Eligible Retail Security Holder sells, brokerage costs may have a material impact on the net proceeds they receive. Eligible Retail Security Holders who sell their Entitlements before receiving confirmation of their Entitlements do so at their own risk. Correct Entitlements can be ascertained from your personalised Entitlement and Acceptance Form, or by calling your stockbroker or the Transurban Security Holder Information Line on 1300 360 146 (within Australia) or +61 3 9415 4315 (outside Australia) from 8.30am to 5.30pm (AEST) Monday to Friday from 7 September 2018, or at www.transurban.com/offer from 7 September 2018.</p> <p><i>Eligibility to participate</i></p> <p>Nominees must not take up Entitlements on behalf of, or send any documents related to the Retail Entitlement Offer to, any person in the United States or any person that is acting for the account or benefit of a person in the United States (to the extent such persons are acting for the account or benefit of a person in the United States).</p> <p>To exercise Entitlements, holders of Entitlements must meet certain eligibility criteria that will be set out in the Retail Information Booklet. It is the responsibility of purchasers of Entitlements on the ASX to inform themselves of the eligibility criteria for exercise of those Entitlements. If holders of Entitlements after the end of the Retail Entitlement trading period do not meet the eligibility criteria, they will not be able to take up or exercise the Entitlements. In the event that holders are not able to exercise their Entitlements, they may receive no value for them.</p>

Option	Important information
<u>Do nothing (Option 4)</u>	<p>If Entitlements are not taken up, sold or transferred, Eligible Retail Security Holders will be taken to have authorised the sale of those Entitlements in the retail shortfall bookbuild. These Entitlements will be offered for sale in the retail shortfall bookbuild on 20 September 2018. Accordingly, Eligible Retail Security Holders who do not take up all of their Entitlements will receive any proceeds in excess of the Offer Price in respect of those Entitlements, net of any applicable withholding tax and expenses. However, there is no guarantee that Eligible Retail Security Holders will receive any proceeds as a result of the retail shortfall bookbuild.</p> <p>The tax consequences from selling Entitlements or from doing nothing may be different. Eligible Retail Security Holders should seek their own tax advice before deciding whether or not to participate in the Retail Entitlement Offer, and may wish to refer to the tax disclosures contained in the Retail Information Booklet which will provide information on potential tax implications for Australian security holders.</p>

You should be aware that the value you realise for your Entitlements (if any) will be different depending on which option you take. If you have any questions on how you should proceed, you should seek professional advice from an adviser licensed by ASIC to give that advice as soon as possible.

Ineligible Retail Security Holders

Ineligible Retail Security Holders are unable to participate in the Entitlement Offer and cannot take up, sell or transfer their Entitlements. Their Entitlements will be sold in the retail shortfall bookbuild and they will receive any proceeds in excess of the Offer Price in respect of those Entitlements, net of any applicable withholding tax and expenses. However, there is no guarantee that Ineligible Retail Security Holders will receive any proceeds as a result of the retail shortfall bookbuild.

Indicative timetable

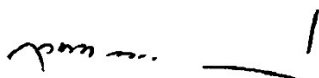
KEY DATES FOR ELIGIBLE RETAIL SECURITY HOLDERS	
Announcement of Entitlement Offer	31 August 2018
Retail Entitlements commence trading on ASX on a deferred settlement basis	5 September 2018
Record date under the Entitlement Offer (7:00 pm, AEST)	5 September 2018
Retail Entitlement Offer opens	7 September 2018
Retail Information Booklet and personalised payment details available at www.transurban.com/offer	7 September 2018
Despatch of Retail Information Booklet and Entitlement and Acceptance Form	7 September 2018
Retail Entitlements commence trading on a normal settlement basis	10 September 2018
Retail Entitlements trading on ASX ends	11 September 2018
Early Retail Application Closing Date (5:00pm, AEST)	11 September 2018
Settlement of New Securities under the Retail Entitlement Offer for applications received by the Early Retail Application Closing Date	12 September 2018
Issue of New Securities under the Retail Entitlement Offer for applications received by the Early Retail Application Closing Date	13 September 2018
Normal trading of New Securities issued on 13 September 2018	13 September 2018
Retail Offer Closing Date (5:00pm, AEST)	18 September 2018
Retail shortfall bookbuild	20 September 2018
Settlement of all remaining New Securities under the Retail Entitlement Offer	25 September 2018
Issue of all remaining New Securities under the Retail Entitlement Offer	26 September 2018
New Securities issued on 26 September 2018 under the Retail Entitlement Offer commence trading on the ASX	27 September 2018
Retail premium proceeds (if any) despatched	28 September 2018

The above timetable is indicative only and subject to change.

Transurban reserves the right to amend any or all of these dates and times without notice subject to the Act, the ASX Listing Rules and other applicable laws. In particular, Transurban reserves the right to extend the closing date of the Retail Entitlement Offer, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Securities.

For further information on the Entitlement Offer, please call the Transurban Security Holder Information Line on 1300 360 146 (within Australia) or +61 3 9415 4315 (outside Australia) from 8.30am to 5.30pm (AEST) Monday to Friday, or visit www.transurban.com/offer from 7 September 2018 and read the Retail Information Booklet when available. If you have any further questions, you should seek professional advice from an adviser licensed by ASIC to give that advice.

Yours sincerely



Lindsay Maxsted
Chairman
Transurban Group

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Important information

This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in Transurban in any jurisdiction. This letter does not constitute financial product advice and does not and will not form part of any contract for the acquisition of Transurban ordinary securities.

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Securities in any jurisdiction outside Australia. In particular, neither the Entitlements nor the New Securities have been, or will be, registered under the U.S. Securities Act of 1933 (the "**Securities Act**") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be issued to, or exercised or taken up by, and the New Securities may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of persons in the United States unless they are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

In particular, persons in the United States and persons acting for the account or benefit of persons in the United States (to the extent such persons are acting for the account or benefit of a person in the United States) will not be eligible to purchase or trade Entitlements on the ASX or otherwise, or take up or exercise Entitlements purchased on the ASX or otherwise, or transferred from another person.

Certain statements made in this document are forward-looking statements. These forward-looking statements are not historical facts but rather are based on Transurban's current expectations, estimates and projections about the industry in which Transurban operates, and beliefs and assumptions. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Transurban, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Transurban cautions security holders and prospective security holders not to place undue reliance on these forward-looking statements, which reflect the view of Transurban only as of the date of this document. The forward-looking statements made in this document relate only to events as of the date on which the statements are made. Transurban will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this document except as required by law or by any appropriate regulatory authority.

The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. Please read the Retail Information Booklet, and if you are unsure of your position, please seek professional advice from an adviser licenced by ASIC to give that advice.