

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**

5 September 2018

**RETAIL ENTITLEMENT OFFER  
RETAIL INFORMATION BOOKLET**

Attached is a copy of the Retail Information Booklet in connection with the retail component of Transurban's pro rata accelerated renounceable entitlement offer (with retail entitlements trading) of new Transurban stapled securities, announced on 31 August 2018. The Retail Information Booklet will be despatched to eligible retail security holders on Friday, 7 September 2018.

**Further information**

For further information on the Retail Entitlement Offer, please contact the Transurban Security Holder Information Line on 1300 360 146 (within Australia) or on +61 3 9415 4315 (outside Australia) at any time between 8:30am and 5:30pm (AEST) Monday to Friday, or visit [www.transurban.com/offer](http://www.transurban.com/offer) from 7 September 2018.



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**Important Information**

This release 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 release 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 release has been prepared for release in Australia and may not be released or distributed in the United States. This release 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 who is acting for the account or benefit of any person in the United States (to the extent such person is acting for the account or benefit of a person in the United States), or in any other jurisdiction in which such an offer would be illegal. Neither the entitlements nor the New Securities have been, or will 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. Accordingly, the entitlements may not be taken up or exercised by, and the New Securities may not be offered or sold, directly or indirectly, to, any person in the United States or to any person acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States), except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States. Persons in the United States and persons acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States) will not be eligible to purchase or trade entitlements on market, or take up or exercise entitlements purchased on market or transferred from another person.

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

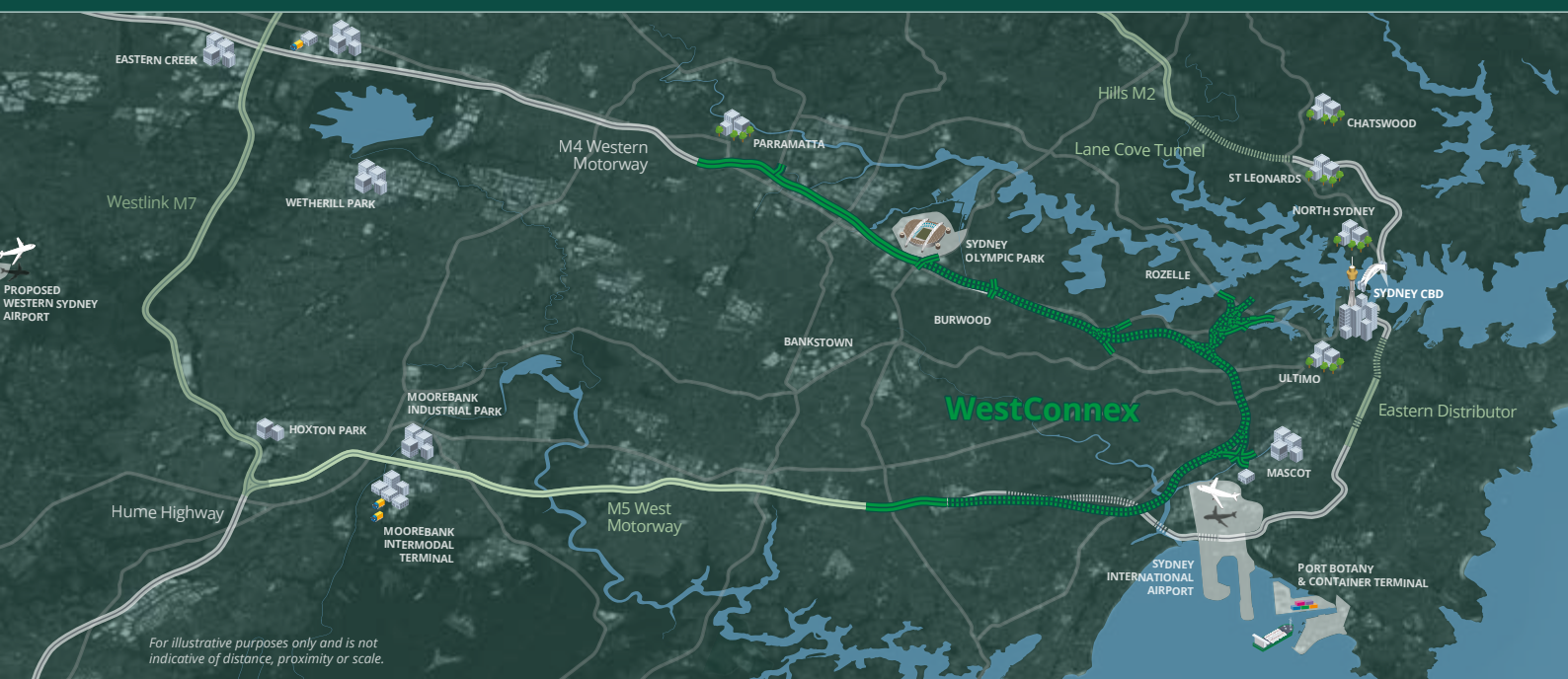
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5 SEPTEMBER 2018

# Retail entitlement offer

Details of a 10 for 57 pro rata accelerated renounceable entitlement offer of new Transurban stapled securities at an offer price of \$10.80 per security



**RETAIL ENTITLEMENT OFFER CLOSES AT 5.00PM (AEST) ON 18 SEPTEMBER 2018**

OR

**YOU MAY ACCEPT EARLY BY 5.00PM (AEST) ON 11 SEPTEMBER 2018**

This will enable you to be allotted New Securities at the same time as Institutional Investors.

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If you are an Eligible Retail Security Holder this Retail Information Booklet requires your immediate attention. It is an important document which is accompanied by a personalised Entitlement and Acceptance Form and both should be read carefully and in full. This Retail Information Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. You have a number of options to consider in respect of your Retail Entitlements, which may materially affect the value (if any) that you receive from them. If you have any questions about the Retail Entitlement Offer, you should seek professional advice from an adviser who is licensed by ASIC to give that advice. You can also contact the Transurban Security Holder Information Line on 1300 360 146 (within Australia) or +61 3 9415 4315 (outside Australia) at any time from 8.30am to 5.30pm (AEST) Monday to Friday during the Retail Entitlement Offer Period.

Transurban Holdings Limited (ABN 86 098 143 429) Transurban International Limited (ABN 90 121 746 825) Transurban Infrastructure Management Limited (ABN 27 098 147 678; AFS licence number 246585) as the responsible entity of Transurban Holding Trust (ARSN 098 807 419)

# Important information

This Retail Information Booklet has been prepared by Transurban and relates to the Retail Entitlement Offer.

The Retail Entitlement Offer is being made pursuant to sections 708AA and 1012DAA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) which allow entitlement offers to be made without a prospectus or a product disclosure statement.

Before deciding how to deal with their Retail Entitlements, it is important for Eligible Retail Security Holders to carefully read and understand this Retail Information Booklet and the information about Transurban and the Retail Entitlement Offer that is publicly available. In particular, Eligible Retail Security Holders should consider:

- the risk factors outlined in the 'Key Risks' section of the Investor Presentation included in Section 6 of this Retail Information Booklet for a summary of certain general and Transurban specific risk factors and risks associated with the WestConnex Acquisition that may affect the operating and financial performance of Transurban or the value of an investment in Transurban; and
- the ASX Announcement, the Investor Presentation and the Institutional Entitlement Offer Results, Transurban's interim and annual reports and other announcements made by Transurban which are available at [www.asx.com.au](http://www.asx.com.au) (including announcements which may be made by Transurban after the publication of this Retail Information Booklet).

This Retail Information Booklet (other than the Announcements) is dated 5 September 2018. The Announcements are current as at 5 September 2018. This Retail Information Booklet remains subject to change without notice.

## Future performance and forward-looking statements

This Retail Information Booklet includes certain "forward-looking statements" within the meaning of securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as "may", "should", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or other similar words, and include statements regarding certain plans, strategies and objectives of management and expected financial performance and the effects of the Retail Entitlement Offer and the use of proceeds. These forward-looking statements are based on current views, expectations and beliefs as at the date they are expressed. They involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Transurban, and its officers, employees, agents or associates, including the risks set out in the "Key Risks" section of the Investor Presentation. Actual results, performance or achievements may vary materially from any projections and forward-looking statements expressed or implied and the assumptions on which those statements are based. You are cautioned not to place undue reliance on forward-looking statements.

Forward-looking statements, opinions and estimates provided in this Retail Information Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. 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. Forward-looking statements including projections, guidance on future earnings, distributions and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

Transurban disclaims any responsibility for the accuracy or completeness of any forward-looking statements. 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 (including the ASX Listing Rules).

## Past performance

Past performance information included in this Retail Information Booklet is provided for illustrative purposes only and should not be relied upon as, and is not, an indication of future performance.

## Not for distribution or release in the United States

This Retail Information Booklet may not be released or distributed in the United States. This Retail Information Booklet 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 who is acting for the account or benefit of any person in the United States (to the extent such person is acting for the account or benefit of a person in the United States), or in any other jurisdiction in which such an offer would be illegal. Neither the Retail Entitlements nor the New Securities have been, or will be, registered under the Securities Act, or the securities laws of any state or other jurisdiction of the United States. The Retail Entitlements may not be issued to, or taken up or exercised 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 a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States). Neither the Retail Entitlements nor the New Securities may be offered, sold or resold, directly or indirectly, in the United States or to persons acting for the account or benefit of a person in the United States (to the extent such persons hold Securities and are acting for the account or benefit of a person in the United States) except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and the applicable securities laws of any state or other jurisdiction of the United States. The Retail Entitlements and the New Securities to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in 'offshore transactions' (as defined in Rule 902(h) under the Securities Act) in reliance on Regulation S.

## Other general matters

Please read carefully Section 8 of this Retail Information Booklet for other important notices, disclaimers and acknowledgements.

## Currency

Unless otherwise stated, all dollar values in this Retail Information Booklet are in Australian dollars (A\$, \$ or dollars).

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# Key dates for the Retail Entitlement Offer

EVENT	DATE
Retail Entitlements commence trading on ASX on a deferred settlement basis	5 September 2018
Record Date for determining eligibility for the Entitlement Offer (7.00pm, AEST)	5 September 2018
Retail Entitlement Offer opens	7 September 2018
Despatch of Retail Information Booklets and personalised Entitlement and Acceptance Forms	7 September 2018
Retail Entitlements commence trading on ASX on a normal settlement basis	10 September 2018
Retail Entitlements trading on ASX ends	11 September 2018
Last day for Eligible Retail Security Holders to lodge an Application via BPAY <sup>1</sup> to be allotted New Securities at the same time as Eligible Institutional Security Holders (5.00pm, AEST) (" <b>Early Retail Application Closing Date</b> ")	11 September 2018
New Securities under the Final Allotment commence trading on ASX on a deferred settlement basis	12 September 2018
Settlement of New Securities under the Institutional Entitlement Offer and Retail Entitlement Offer for Applications which have been received by the Early Retail Application Closing Date	12 September 2018
New Securities allotted under the Institutional Entitlement Offer and Retail Entitlement Offer for Applications which have been received by the Early Retail Application Closing Date commence trading on ASX (" <b>Initial Allotment</b> ")	13 September 2018
Despatch of confirmation of issue for New Securities issued under the Initial Allotment	14 September 2018
Retail Entitlement Offer closes (5.00pm, AEST) (" <b>Retail Closing Date</b> ")	18 September 2018
Retail Shortfall Bookbuild (for renounced Retail Entitlements and Retail Entitlements of Ineligible Retail Security Holders)	20 September 2018
Settlement of all remaining New Securities under the Retail Entitlement Offer (" <b>Final Settlement Date</b> ")	25 September 2018
Allotment of all remaining New Securities under the Retail Entitlement Offer (" <b>Final Allotment</b> ")	26 September 2018
New Securities under the Final Allotment commence trading on ASX on a normal settlement basis	27 September 2018
Despatch of confirmation of issue for New Securities issued under the Final Allotment; Payment of Retail Premium (if any)	28 September 2018

These dates (except where historical) are indicative only and are subject to change without notice. All times and dates refer to Australia Eastern Standard Time (AEST). 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 Period or accepting late Applications, either generally or, in particular cases, without notice.

The quotation of Retail Entitlements and New Securities is subject to confirmation from ASX.

Cooling off rights do not apply to Applications. You cannot withdraw your Application once it has been accepted. If you submit an Application before the Early Retail Application Closing Date (being 5.00pm (AEST) on 11 September 2018) you will not be able to trade or transfer your Retail Entitlements. Eligible Retail Security Holders wishing to participate in the Retail Entitlement Offer are encouraged to pay via BPAY or submit their Entitlement and Acceptance Form (as applicable) as soon as possible after the Retail Entitlement Offer opens.

<sup>1</sup> @ registered to BPAY Pty Limited ABN 69 079 137 518.

# Chairman's letter



Dear Security Holder,

Transurban is a global leader in road development, delivery, operations and technology. As a valued Security Holder, I am pleased to invite you to participate in an equity raising that will facilitate the next phase of disciplined growth for the Transurban business.

As announced on 31 August 2018, Transurban (50%), AustralianSuper (20.5%), CPPIB (20.5%) and Tawreed Investments Limited<sup>2</sup> (9%), as members of the Sydney Transport Partners consortium, have executed an agreement to acquire a 51% equity stake in WestConnex from the NSW Government for \$9.3 billion.<sup>3</sup> 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 Botany.<sup>4</sup> Financial close of the acquisition is expected in late September.<sup>5</sup>

Also on 31 August 2018, Transurban launched a fully underwritten pro rata accelerated renounceable entitlement offer (with retail entitlements trading) of new Securities ("**New Securities**") to raise approximately \$4.2 billion ("**Entitlement Offer**"). Proceeds raised under the Entitlement Offer will be used to fund Transurban's equity contribution for the WestConnex acquisition and for general corporate purposes.

As announced on 5 September 2018, Transurban successfully completed the institutional component of the Entitlement Offer raising gross proceeds of approximately \$3.0 billion.

All Eligible Retail Security Holders are invited to participate in the Entitlement Offer, under which 10 New Securities are being offered for every 57 existing Transurban Securities ("**Existing Securities**") held at 7.00pm (AEST) on the Record Date of 5 September 2018 ("**Entitlement**") at an issue price of \$10.80 per New Security ("**Offer Price**").

This Retail Information Booklet relates to the retail component of the Entitlement Offer ("**Retail Entitlement Offer**"). Your Retail Entitlements may be valuable and you have a number of options available to you to realise their value which are outlined in the next section. Please read this Retail Information Booklet carefully before deciding what to do. For further detail regarding Transurban's FY18 performance, refer to the FY18 Results Presentation which was released on 7 August 2018 and is available at [www.asx.com.au](http://www.asx.com.au).

On behalf of the Board of Transurban, I invite you to consider this investment opportunity and thank you for your continued support.

A handwritten signature in black ink, appearing to read 'Lindsay Maxsted', written over a light blue horizontal line.

**Lindsay Maxsted**  
Chairman

<sup>2</sup> A wholly owned subsidiary of Abu Dhabi Investment Authority.

<sup>3</sup> 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.

<sup>4</sup> Approximate length. WestConnex includes approximately 30km of additional existing assets.

<sup>5</sup> Subject to customary closing conditions. Refer to Key risk 3.1 in the Investor Presentation.

# Section 1

## Key information on the Retail Entitlement Offer



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### 1.1

#### Is this Retail Information Booklet relevant to you?

This Retail Information Booklet is relevant to you if you are an **Eligible Retail Security Holder**.

You are an Eligible Retail Security Holder if you meet all of the following requirements:

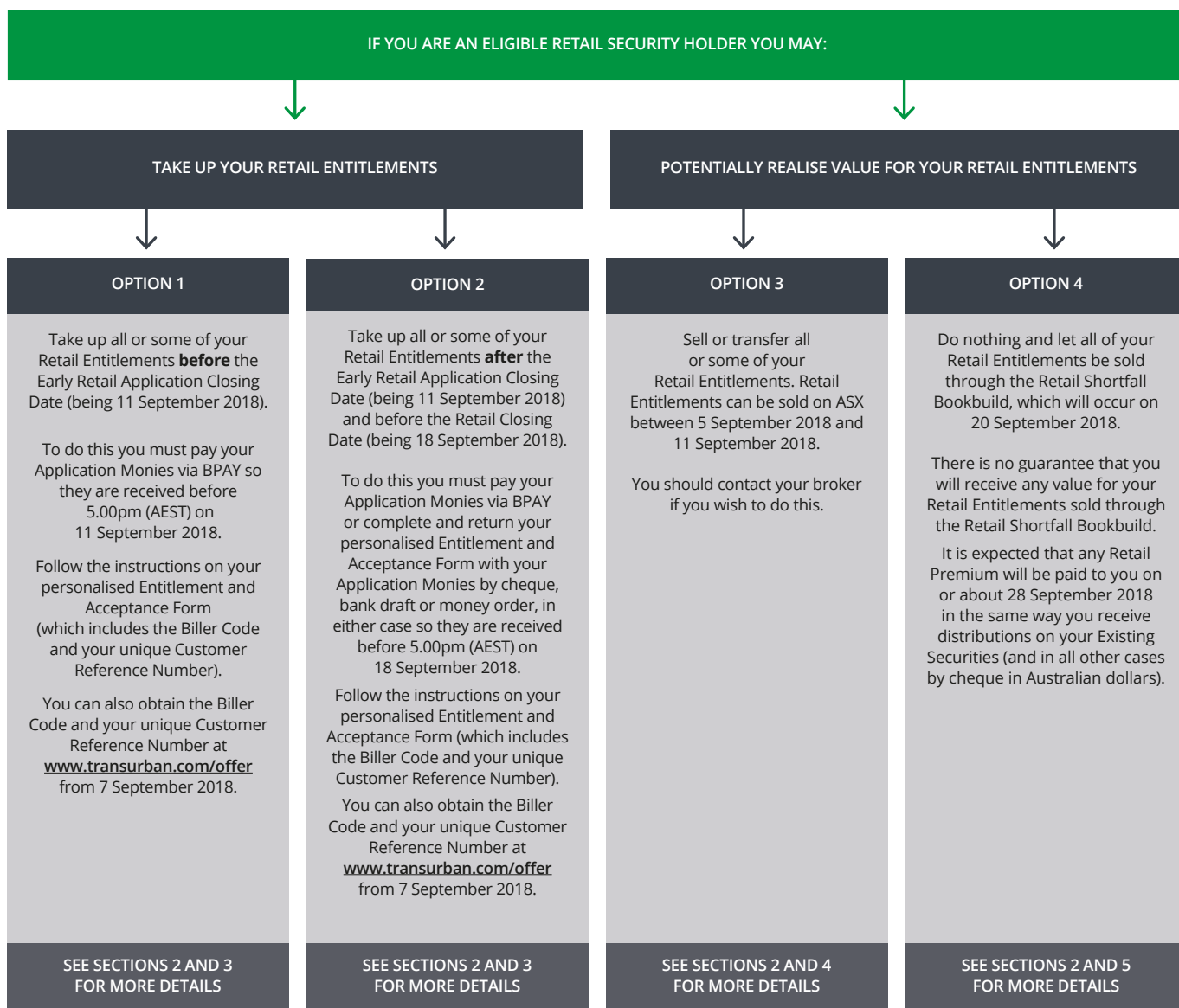
-  You are registered as a holder of Securities as at the Record Date (being 7.00pm on 5 September 2018).
-  You have a registered address on the Transurban security register in Australia or New Zealand.
-  You are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent you hold Securities and are acting for the account or benefit of such person in the United States).
-  You did not receive an offer to participate (other than as a nominee) or were otherwise ineligible to participate under the Institutional Entitlement Offer.
-  You are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

IF YOU **DO NOT MEET** ALL OF THOSE REQUIREMENTS, YOU ARE NOT AN ELIGIBLE RETAIL SECURITY HOLDER AND ARE REFERRED TO AS AN **"INELIGIBLE RETAIL SECURITY HOLDER"** IN THIS RETAIL INFORMATION BOOKLET.

# Section 1

## Key information on the Retail Entitlement Offer

### 1.2 What options do Eligible Retail Security Holders have?



#### IMPORTANT

If you take up all or some of your Retail Entitlements before the Early Retail Application Closing Date, you will not be able to sell or transfer those Retail Entitlements. Transurban will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to you if you:

- attempt to sell or transfer any of your Retail Entitlements that you have elected to take up before the Early Retail Application Closing Date; or
- trade your Retail Entitlements before the Retail Entitlements are allotted, or before you receive your personalised Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by Transurban or the Registry or failure to maintain your updated details on the Transurban security register or otherwise.

**RETAIL ENTITLEMENTS PURCHASED ON-MARKET OR OTHERWISE CANNOT BE TAKEN UP BEFORE THE EARLY RETAIL APPLICATION CLOSING DATE (BEING 5.00PM (AEST) ON 11 SEPTEMBER 2018).**



# Section 1

## Key information on the Retail Entitlement Offer

### 1.3 What options do Ineligible Retail Security Holders have?

Ineligible Retail Security Holders are unable to participate in the Entitlement Offer and cannot take up, sell or transfer their Retail Entitlements. Their Retail Entitlements will be sold in the Retail Shortfall Bookbuild and Ineligible Retail Security Holders will receive the Retail Premium (if any) in respect of their Retail Entitlements. There is no guarantee that there will be any Retail Premium.

### 1.4 What are the key details of the Entitlement Offer?

Offer Ratio	10 for 57
Offer Price	\$10.80
Number of New Securities to be issued	Approximately 390,486,766
Gross proceeds	Approximately \$4.2 billion

### 1.5 How many Retail Entitlements do I have?

If you are an Eligible Retail Security Holder the number of Retail Entitlements you have been granted is set out in your personalised Entitlement and Acceptance Form. The Retail Entitlements you have been granted were calculated based on the Offer Ratio and the number of Securities you held as at the Record Date (being 7.00pm (AEST) on 5 September 2018).

Where fractions arose in the calculation of your Retail Entitlements, they were rounded up to the next whole number.

If you had more than one holding of Securities as at the Record Date, you will be sent more than

one personalised Entitlement and Acceptance Form and you will have separate Retail Entitlements for each holding. The Retail Entitlements stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Retail Entitlements you are permitted to take up where, for example, you are holding Securities on behalf of a person in the United States.

### 1.6 Important terminology

To help you understand the terminology used in this Retail Information Booklet:

- references to 'you' are references to Eligible Retail Security Holders;
- references to 'your Retail Entitlements' are references to the Retail Entitlements of Eligible Retail Security Holders; and
- references to 'your Entitlement and Acceptance Form' are references to the form of that name accompanying this Retail Information Booklet that you can use to take up your Retail Entitlements.

### 1.7 Enquiries

If you have any doubt about how to deal with your Retail Entitlements, you should seek professional advice from an adviser who is licensed by ASIC to give that advice.

If you:

- have questions on how to complete your Entitlement and Acceptance Form or how to take up, sell or transfer all or some of your Retail Entitlements; or
- have lost your Entitlement and Acceptance Form and would like a replacement form,

you should contact the Transurban Security Holder Information Line on 1300 360 146 (within Australia) or +61 3 9415 4315 (outside Australia) at any time from 8.30am to 5.30pm (AEST) Monday to Friday during the Retail Entitlement Offer Period. You may also access your personalised payment details at [www.transurban.com/offer](http://www.transurban.com/offer) from 7 September 2018.

# Section 2

## Summary of your options

### Key considerations for Eligible Retail Security Holders

OPTION	KEY CONSIDERATIONS
<p><b>Option 1:</b></p> <p>Take up all or some of your Retail Entitlements before the Early Retail Application Closing Date (being 5.00pm (AEST) on 11 September 2018)</p>	<ul style="list-style-type: none"> <li>&gt; You may elect to take up all or some of your Retail Entitlements to purchase New Securities at the Offer Price.</li> <li>&gt; You must submit your Application via BPAY so that payment is received before 5.00pm (AEST) on 11 September 2018.</li> <li>&gt; Any Application submitted with payment via cheque, bank draft or money order will <b>not</b> be allotted New Securities under Option 1 even if the Application is received before 5.00pm (AEST) on 11 September 2018. Applications submitted with payment via cheque, bank draft or money order received before 5.00pm (AEST) on 18 September 2018 will be allotted New Securities under Option 2.</li> <li>&gt; You should instruct payment well before 5.00pm (AEST) on 11 September 2018 if you want your New Securities to be allotted under Option 1.</li> <li>&gt; Transurban will treat you as applying for as many New Securities as your payment will pay for in full. You are not able to apply for New Securities in excess of your Retail Entitlements as shown on your personalised Entitlement and Acceptance Form. Any Application Monies received for more than your final allocation of New Securities will be refunded. No interest will be paid to applicants on any Application Monies received or refunded (wholly or partially).</li> <li>&gt; The New Securities are expected to be allotted on 13 September 2018 (that is, at the same time as New Securities are allotted under the Institutional Entitlement Offer) and commence trading on ASX on a normal settlement basis on 27 September 2018.</li> <li>&gt; The New Securities will be fully paid and rank equally in all respects with Existing Securities.</li> <li>&gt; If you take up all or part of your Retail Entitlements under this option, you will not be able to sell or transfer those Retail Entitlements (see Option 3 on the next page). Transurban will not be liable for any losses you incur if you attempt to sell or transfer any Retail Entitlements that you take up under this option.</li> <li>&gt; Retail Entitlements purchased on-market or otherwise cannot be taken up under this option.</li> </ul>
<p><b>Option 2:</b></p> <p>Take up all or some of your Retail Entitlements after the Early Retail Application Closing Date (being 5.00pm (AEST) on 11 September 2018) but before the Retail Closing Date (being 5.00pm (AEST) on 18 September 2018)</p>	<ul style="list-style-type: none"> <li>&gt; You may elect to take up all or some of your Retail Entitlements to purchase New Securities at the Offer Price after the Early Retail Application Closing Date and before the Retail Closing Dates.</li> <li>&gt; To do so, you need to either:             <ol style="list-style-type: none"> <li>a. complete and return your personalised Entitlement and Acceptance Form with the requisite Application Monies by cheque, bank draft or money order; or</li> <li>b. pay your Application Monies via BPAY pursuant to the instructions set out on your personalised Entitlement and Acceptance Form.</li> </ol> </li> <li>&gt; If you decide to submit your payment via BPAY you should instruct payment well before 5.00pm (AEST) on 18 September 2018 to enable its receipt before the Retail Entitlement Offer closes. If you decide to submit your payment by cheque, bank draft or money order, you must ensure that the payment (along with your personalised Entitlement and Acceptance Form) is received by no later than 5.00pm (AEST) on 18 September 2018.</li> <li>&gt; Transurban will treat you as applying for as many New Securities as your payment will pay for in full. You are not able to apply for New Securities in excess of your Retail Entitlements as shown on your personalised Entitlement and Acceptance Form. Any Application Monies received for more than your final allocation of New Securities will be refunded. No interest will be paid to applicants on any Application Monies received or refunded (wholly or partially).</li> <li>&gt; The New Securities will be fully paid and rank equally in all respects with Existing Securities.</li> <li>&gt; If you only take up part of your Retail Entitlement, you may choose to sell or transfer the balance between 5 September 2018 and 11 September 2018 (see Option 3 on the next page) or you may do nothing and let that part be sold in the Retail Shortfall Bookbuild for your benefit (see Option 4 on the next page).</li> <li>&gt; If you submit an Application to take up Retail Entitlements under this option (that is, after 5.00pm (AEST) on 11 September 2018), your Application will be cancelled (and any application payment refunded) if you have sold or transferred your Retail Entitlements before 5.00pm (AEST) on 11 September 2018.</li> </ul>

For more information about this option see

**SECTION 3**

For more information about this option see

**SECTION 3**

# Section 2

## Summary of your options

OPTION	KEY CONSIDERATIONS
<p><b>Option 3:</b></p> <p>Sell or transfer all or some of your Retail Entitlements</p> <div data-bbox="89 739 319 940" style="border: 1px solid green; padding: 5px; margin-top: 10px;"> <p style="text-align: center;">For more information about this option see</p> <p style="text-align: center;"><b>SECTION 4</b></p> </div>	<ul style="list-style-type: none"> <li>&gt; If you do not wish to take up all or some of your Retail Entitlements, you may be able to sell all or some of your Retail Entitlements on ASX through your broker or transfer your Retail Entitlements directly to another person.</li> <li>&gt; Retail Entitlements may be traded on ASX from 5 September 2018 (on a deferred settlement basis) and 10 September 2018 (on a normal settlement basis) to 11 September 2018 (ASX code: TCLRB) (“<b>Retail Entitlement Trading Period</b>”). You may incur brokerage costs if you sell all or some of your Retail Entitlements on ASX. Depending on the number of Retail Entitlements you have, brokerage costs may have a material impact on the net proceeds you receive.</li> <li>&gt; If you sell your Retail Entitlements during the Retail Entitlement Trading Period, you may receive a higher or lower amount than an Eligible Retail Security Holder who sells their Retail Entitlements at a different time during the Retail Entitlement Trading Period or through the Retail Shortfall Bookbuild.</li> <li>&gt; If you only sell or transfer some of your Retail Entitlements, you may choose to take up the remainder (see Options 1 and 2 on the previous page) or you may do nothing and let your remaining Retail Entitlements be sold in the Retail Shortfall Bookbuild (see Option 4 below).</li> <li>&gt; If you take up all or some of your Retail Entitlements before 5.00pm (AEST) on 11 September 2018 (see Option 1 on the previous page), you will not be able to sell or transfer those Retail Entitlements. Transurban will not be liable for any losses you incur if you attempt to sell or transfer any Retail Entitlements that you take up before 5.00pm (AEST) on 11 September 2018.</li> <li>&gt; It is your responsibility to confirm the number of Retail Entitlements you have for the purposes of ASX on-market trades and off-market transfers.</li> <li>&gt; There is no guarantee that there will be a liquid market in traded Retail Entitlements.</li> </ul>
<p><b>Option 4:</b></p> <p>Do nothing and let all or some of your Retail Entitlements be sold through the Retail Shortfall Bookbuild</p> <div data-bbox="89 1388 319 1590" style="border: 1px solid green; padding: 5px; margin-top: 10px;"> <p style="text-align: center;">For more information about this option see</p> <p style="text-align: center;"><b>SECTION 5</b></p> </div>	<ul style="list-style-type: none"> <li>&gt; To the extent you do not take up all of your Retail Entitlements or you do not sell them on ASX (or via direct transfer), your Retail Entitlements will be sold through the Retail Shortfall Bookbuild on 20 September 2018 and you will receive the Retail Premium (if any) in respect of those Retail Entitlements. There is no guarantee that there will be any Retail Premium.</li> <li>&gt; The ability to sell Retail Entitlements under the Retail Shortfall Bookbuild and the ability to obtain any Retail Premium will depend on various factors, including market conditions. Further, the bookbuild price may not be the highest price available, but will be determined having regard to a number of factors, including having binding and bona fide offers which, in the reasonable opinion of the Underwriters, will, if accepted, result in all Retail Entitlements participating in the Retail Shortfall Bookbuild being sold.</li> <li>&gt; It is expected that the Retail Premium (if any) will be paid to you on or about 28 September 2018 in the same way in which distributions on your Existing Securities have previously been paid to you and in all other instances by a cheque in Australian dollars.</li> <li>&gt; We recommend you check, and if necessary amend, your direct payment instructions for distributions online at <a href="http://www.investorcentre.com/au">www.investorcentre.com/au</a> by following the prompts. To use this facility you will need internet access and your HIN or SRN to pass the security features on the website. Your HIN or SRN can be found on the top right hand corner of your holding statements and other security holder communications and identifies you as the owner of your Existing Securities. If you are a broker-sponsored security holder you will have a HIN which will start with the letter ‘X’ followed by 10 digits. If you are an issuer-sponsored security holder, you will have an SRN which will start with the letter ‘I’ and be followed by 10 digits.</li> <li>&gt; You will not incur brokerage costs on any Retail Premium received from the Retail Shortfall Bookbuild.</li> <li>&gt; By letting your Retail Entitlements be sold through the Retail Shortfall Bookbuild, you will forgo any exposure to increases or decreases in the value of New Securities had you taken up your Retail Entitlements (or any value for those Retail Entitlements that may have been achieved through their sale on ASX or otherwise). Your percentage security holding in Transurban will also be diluted.</li> </ul>

IF YOU HAVE ANY DOUBT ABOUT HOW YOU SHOULD DEAL WITH YOUR RETAIL ENTITLEMENTS, YOU SHOULD SEEK PROFESSIONAL ADVICE FROM AN ADVISER WHO IS LICENSED BY ASIC TO GIVE THAT ADVICE BEFORE MAKING ANY INVESTMENT DECISION. **YOU SHOULD ALSO CAREFULLY READ:**

- **THE “KEY RISKS” SECTION OF THE INVESTOR PRESENTATION INCLUDED IN SECTION 6 OF THIS RETAIL INFORMATION BOOKLET; AND**
- **SECTION 7 OF THIS RETAIL INFORMATION BOOKLET FOR INFORMATION ON THE AUSTRALIAN TAX IMPLICATIONS OF EACH OPTION.**

# Section 3

## Additional information—options 1 and 2

Under Options 1 and 2 you can elect to take up all or some of your Retail Entitlements to purchase New Securities at the Offer Price of \$10.80 per New Security.

If you make an Application under:

- Option 1, it is expected that your New Securities will be allotted on 13 September 2018 (at the same time New Securities are allotted under the Institutional Entitlement Offer) and commence trading on ASX on a normal settlement basis on 13 September 2018; or
- Option 2, it is expected that your New Securities will be allotted on 26 September 2018 and commence trading on ASX on a normal settlement basis on 27 September 2018.

### 3.1 Payment options

To take up all or part of your Retail Entitlements to purchase New Securities at the Offer Price of \$10.80 per New Security, you must:

#### Pay your Application Monies by BPAY

- **You *must* choose this payment option if you wish to take up all or some of your Retail Entitlements under Option 1 and you *can* also choose this payment option if you wish to take up all or some of your Retail Entitlements under Option 2.**
- **If you wish to take up all or some of your Retail Entitlements under Option 1 you should instruct payment well before 5.00pm (AEST) on 11 September 2018.**
- **If you wish to take up all or some of your Retail Entitlements under Option 2 you should instruct payment well before 5.00pm (AEST) on 18 September 2018.**
- Follow the instructions on your personalised Entitlement and Acceptance Form (which includes the Biller Code and your unique Customer Reference Number). You can also obtain the Biller Code and your unique Customer Reference Number at [www.transurban.com/offer](http://www.transurban.com/offer) from 7 September 2018.
- You can only make a payment via BPAY if you are the holder of an account with an Australian branch of a financial institution that supports BPAY transactions.

→ **You do not need to return your personalised Entitlement and Acceptance Form if you choose the BPAY payment option.** By paying your Application Monies by BPAY, you will be deemed to have made the declarations set out in this Retail Information Booklet and on the Entitlement and Acceptance Form.

- Please make sure to use the specific Biller Code and unique Customer Reference Number on your personalised Entitlement and Acceptance Form.
- If you receive more than one personalised Entitlement and Acceptance Form because you have security holdings in different names or multiple security holdings, you will need to complete individual BPAY transactions using the Customer Reference Number specific to each individual personalised Entitlement and Acceptance Form that you receive and under the terms of the agreement you have with your financial institution.
- If you inadvertently use the same Customer Reference Number for more than one of your holdings of Retail Entitlements, you will be deemed to have applied only for your Retail Entitlements to which that Customer Reference Number applies and any excess amount will be refunded.
- You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. You may also have your own limit on the amount that you can pay via BPAY. It is your responsibility to check that the amount you wish to pay via BPAY does not exceed your limit.

#### Pay your Application Monies by cheque, bank draft or money order

- **You *cannot* choose this payment option if you wish to take up all or some of your Retail Entitlements under Option 1 but you *can* choose this payment option if you wish to take up all or some of your Retail Entitlements under Option 2.**
- Complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form, indicating the number of New Securities you wish to apply for and return it by mail or delivery to the address set out

## Section 3

# Additional information—options 1 and 2

below and accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies.

→ **Your completed personalised Entitlement and Acceptance Form and cheque, bank draft or money order must be received at the address below before 5.00pm (AEST) on 18 September 2018.**

→ Your cheque, bank draft or money order must be:

- payable to "Transurban Group" and crossed "Not Negotiable";
- for an amount equal to \$10.80 multiplied by the number of New Securities that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution.

→ Any agreement to issue New Securities to you following receipt of your personalised Entitlement and Acceptance Form is conditional on your cheque, bank draft or money order in payment of the Application Monies for those New Securities being honoured on first presentation. Therefore, you must ensure that sufficient funds are held in relevant account(s) to cover the Application Monies.

→ If the amount of your cheque, bank draft or money order for Application Monies (or the amount for which the cheque, bank draft or money order clears in time for allocation) is insufficient to pay in full for the number of New Securities you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Securities as your cleared Application Monies will pay for (and to have specified that number of New Securities on your personalised Entitlement and Acceptance Form). Alternatively, your Application will not be accepted.

→ Cash payments will not be accepted. Receipts for payment will not be issued.

→ Your completed Entitlement and Acceptance Form and cheque, bank draft or money order must be mailed to:

### **Transurban Group Retail Entitlement Offer**

C/- Computershare Investor Services Pty Limited  
GPO Box 505  
Melbourne Victoria Australia 3001

→ They will not be accepted at Transurban's registered or corporate offices, or at the offices of the Registry.

→ For the convenience of Eligible Retail Security Holders in Australia, an Australian reply paid envelope with the appropriate address has been included with this Retail Information Booklet. Security Holders outside of Australia will need to affix the appropriate postage.

## 3.2

### Factors to take into account if you want to choose Option 1 and participate early

There are a number of matters that you should consider if you wish to take up your Retail Entitlements under Option 1:

→ As with any application, you should carefully read this Retail Information Booklet in full, together with Transurban's announcements lodged on ASX.

→ You can obtain your personalised BPAY payment details from your personalised Entitlement and Acceptance Form or online at [www.transurban.com/offer](http://www.transurban.com/offer) from 7 September 2018.

→ As the period between the date of this Retail Information Booklet and the Early Retail Application Closing Date (being 5.00pm (AEST) on 11 September 2018) is relatively short, if you have any doubt about how to deal with your Retail Entitlements you should seek professional advice from an adviser licensed by ASIC to give that advice as soon as possible.

## Section 3

# Additional information—options 1 and 2

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- There is no obligation to take up all or some of your Retail Entitlements under Option 1. If you require further time to assess how to deal with your Retail Entitlements, or would prefer to make an Application later in the Retail Entitlement Offer Period, you can accept at any time provided your payment is received before 5.00pm (AEST) on 18 September 2018, which is the Retail Closing Date. Alternatively, you can elect to do nothing.
- If you take up all or some of your Retail Entitlements under Option 1, it is expected that you will be allotted New Securities in respect of that Application on 13 September 2018 (at the same time New Securities are allotted under the Institutional Entitlement Offer). This may enable you to trade your New Securities on-market (if you wish) earlier than would be the case if you take up your Retail Entitlements under Option 2. However, there is no guarantee as to the price at which New Securities may trade.

# Section 4

## Additional information—option 3

Under Option 3 you can sell or transfer all or some of your Retail Entitlements.

### 4.1 Ways to sell or transfer your Retail Entitlements

If you do not wish to take up all or some of your Retail Entitlements, you may be able to sell all or some of your Retail Entitlements on ASX through your broker or transfer all or some of your Retail Entitlements directly to another person.

#### Selling all or some of your Retail Entitlements on ASX

**You can only do this through your broker. If you are an issuer sponsored holder, you will need to set up an account with a broker before being able to sell your Retail Entitlements on ASX**

- You should ensure that you allow sufficient time for your broker to carry out your instructions. Please note that brokerage costs may be incurred if you sell all or some of your Retail Entitlements on ASX, which depending on the number of your Retail Entitlements, may have a material impact on the net proceeds you receive.
- Retail Entitlements trading on ASX starts on a deferred settlement basis on 5 September 2018 (ASX code: TCLRB) and on a normal settlement basis on 10 September 2018. Retail Entitlements trading on ASX ceases on 11 September 2018.

#### Selling or transferring all or some of your Retail Entitlements off-market (i.e. other than on ASX)

**You can only do this if you are an issuer sponsored holder**

- You must forward a completed Renunciation and Acceptance Form to the Registry in relation to the Retail Entitlements that you wish to transfer. If the transferee wishes to take up all or part of the Retail Entitlements transferred to them, they must send their Application Monies together with the Entitlement and Acceptance Form related to

those Retail Entitlements transferred to them to the Registry. Both you and the transferee must be issuer sponsored. If either party is CHES sponsored, you will need to contact your broker.

- You may only sell or transfer your Retail Entitlements in this way to a transferee whose address is in Australia or New Zealand or who otherwise qualifies as an 'Eligible Person',<sup>6</sup> who is not in the United States and who is not acting for the account or benefit of a person in the United States. Persons that are in the United States or that are 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) will not be eligible to purchase, trade, take up or exercise Retail Entitlements. You should inform any proposed transferee of these restrictions before you complete any transfer to them.
- You can obtain a Renunciation and Acceptance Form through the Transurban Security Holder Information Line on 1300 360 146 (within Australia) or +61 3 9415 4315 (outside Australia) or from your broker. The Renunciation and Acceptance Form as well as the transferee's Application Monies and the Entitlement and Acceptance Form related to the Retail Entitlements transferred to them must be received by the Registry at the mail delivery address set out below no later than the Retail Closing Date (being 5.00pm (AEST) on 18 September 2018):
 

**Transurban Group Retail Entitlement Offer**  
C/- Computershare Investor Services Pty Limited  
GPO Box 505  
Melbourne Victoria Australia 3001
- If the Registry receives both a completed Renunciation and Acceptance Form and an Application for New Securities in respect of the same Retail Entitlements, the transfer will take priority over the Application.

<sup>6</sup> Certain investors in a limited number of foreign jurisdictions (other than the United States) may be Eligible Persons if they satisfy the requirements of that expression as set out in the Entitlement and Acceptance Form

# Section 4

## Additional information—option 3

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### 4.2

#### Implications of selling or transferring your Retail Entitlements

- There is no guarantee that there will be a liquid market for Retail Entitlements on ASX or otherwise. A lack of liquidity may impact your ability to sell your Retail Entitlements on ASX or to transfer your Retail Entitlements and the price you may be able to obtain for them.
- If you sell or transfer all or some of your Retail Entitlements, you will forgo any exposure to increases or decreases in the value of the New Securities had you taken up those Retail Entitlements. Your percentage security holding in Transurban will also be diluted.
- Prices obtainable for Retail Entitlements may rise and fall over the Retail Entitlement Trading Period and will depend on many factors including the demand for and supply of Retail Entitlements on ASX and the value of Existing Securities relative to the Offer Price. If you sell your Retail Entitlements during the Retail Entitlement Trading Period, you may receive a higher or lower amount than a Security Holder who sells their Retail Entitlements at a different time during the Retail Entitlement Trading Period or through the Retail Shortfall Bookbuild.
- If you take up all or some of your Retail Entitlements before 5.00pm (AEST) on 11 September 2018 (see Option 1 described in Sections 2 and 3), you will not be able to sell or transfer those Retail Entitlements. Transurban will not be liable for any losses you incur if you attempt to sell or transfer any Retail Entitlements that you take up before 5.00pm (AEST) on 11 September 2018.
- If you decide to sell or transfer some of your Retail Entitlements, you may choose to take up the remainder (see Options 1 and 2 described in Sections 2 and 3). Alternatively, you may do nothing and let the remainder of your Retail Entitlements be sold in the Retail Shortfall Bookbuild (see Option 4 described in Sections 2 and 5).



# Section 5

## Additional information—option 4

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### 5.1 Sale of Retail Entitlements through the Retail Shortfall Bookbuild

Retail Entitlements which are not taken up by the Retail Closing Date (being 5.00pm (AEST) on 18 September 2018), and Retail Entitlements of Ineligible Retail Security Holders, will be sold through the Retail Shortfall Bookbuild. Any Retail Premium will be remitted proportionally to those Security Holders on or about 28 September 2018, net of any applicable withholding tax. The Retail Premium will be the excess of the price at which New Securities are sold through the Retail Shortfall Bookbuild over the Offer Price (if any), less expenses.

### 5.2 There may be no Retail Premium

The Retail Premium may be zero, in which case no payment will be made to holders of those Retail Entitlements sold into the Retail Shortfall Bookbuild. The outcome of the Institutional Shortfall Bookbuild (including the Institutional Premium) is not an indication as to whether there will be a Retail Premium or what any Retail Premium may be.

The ability to sell Retail Entitlements through the Retail Shortfall Bookbuild and the ability to obtain any Retail Premium will depend on various factors, including market conditions. If there is a Retail Premium, it may be less than, more than, or equal to the Institutional Premium or less than, more than or equal to any price or prices for which Retail Entitlements may be able to be sold on ASX or otherwise transferred. To the maximum extent

permitted by law, Transurban, the Underwriters and each of their respective related bodies corporate and affiliates, and each of their respective directors, officers, partners, employees, representatives and agents, disclaim all liability, including for negligence, for any failure to procure a Retail Premium through the Retail Shortfall Bookbuild and for any difference between the Retail Premium and the Institutional Premium. Transurban reserves the right to sell Retail Entitlements through the Retail Shortfall Bookbuild in any manner it determines.

You should note that if you allow all or some of your Retail Entitlements to be sold through the Retail Shortfall Bookbuild, then you will forgo any exposure to increases or decreases in the value of New Securities (or any value for those Retail Entitlements which may have been achieved through a sale of those Retail Entitlements on ASX or otherwise) and your percentage security holding in Transurban will be diluted as a result of your non-participation in the Retail Entitlement Offer.

# Section 6 Announcements

The enclosed Announcements are current as at 5 September 2018. There may be other announcements that have been made by Transurban after 5 September 2018 and throughout the Retail Entitlement Offer Period that may be relevant in your consideration of whether to take up, sell or transfer all or some of your Retail Entitlements. Those announcements will be available at [www.asx.com.au](http://www.asx.com.au) and you should check those announcements before submitting an Application or selling or transferring your Retail Entitlements.

asx release

 Transurban

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

31 August 2018

**TRANSURBAN ANNOUNCES WESTCONNEX ACQUISITION WITH \$4.2 BILLION EQUITY RAISING AND FY19 DISTRIBUTION GUIDANCE MAINTAINED AT 59.0 CPS**

Transurban (50%), AustralianSuper (20.5%), CPPIB (20.5%), and Tawreed Investments Limited (Tawreed)<sup>1</sup> (9%), as Sydney Transport Partners (STP) have executed an agreement to acquire a 51% equity stake in WestConnex (WCX) from the NSW Government for \$9.3 billion.<sup>2</sup>

**Acquisition highlights**

- Financial close of the acquisition expected in late September, subject to Foreign Investment Review Board (FIRB) approval<sup>3</sup>
- WestConnex has long-dated concessions to end of 2060
- WestConnex implied EV/EBITDA multiple broadly in line with Transurban's recent transactions, having regard to the pro forma EV/EBITDA multiple at financial close of the acquisition, calculated using the present value of the projected EBITDA in FY28, being the first full year of operation of the integrated three-stage network including the M5 West<sup>4</sup>

**Equity raising highlights**

- Transurban to raise \$4.2 billion through a fully underwritten, 10 for 57 accelerated pro rata renounceable entitlement offer with retail entitlements trading (Entitlement Offer), plus \$600 million through a placement to certain STP consortium members (Placement)<sup>5</sup>
- Proceeds raised under the Entitlement Offer and Placement that are in addition to the WestConnex investment requirements will be used for general corporate purposes
- The acquisition is being substantially funded with equity upfront, before progressively bringing gearing in line with industry standards via capital releases, as construction of remaining stages is completed and cash flows build<sup>6</sup>
- FY19 and FY20 mid-single digit distribution growth targeted, with FY19 distribution guidance maintained at 59.0 cps<sup>7</sup>

Transurban Chief Executive Officer Scott Charlton said "WestConnex is a critical component of the NSW Government's long-term, transport and planning solution and is strategically significant for Sydney Transport Partners".

"The placement of \$600 million to our partners AustralianSuper and Tawreed demonstrates their support for Transurban and the WestConnex acquisition," Mr Charlton said.

<sup>1</sup> A wholly owned subsidiary of Abu Dhabi Investment Authority.

<sup>2</sup> 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.

<sup>3</sup> Subject to customary closing conditions. Refer to Key risk 3.1 in the investor presentation Transurban released to the ASX today (Investor Presentation).

<sup>4</sup> The enterprise value at financial close of the acquisition is determined based on the present value of 100% of WestConnex at financial close of the acquisition including additional capital invested (net of return on capital) up until the end of the first full year of operation of the M5 West. The enterprise value and projected FY28 EBITDA are based on Transurban management's estimates and assessment, having regard to the WestConnex Business Plan, and are subject to a range of assumptions and contingencies. There can be no assurance that these estimates and assessments will be accurate and the actual outcome may differ materially because events and actual circumstances frequently do not occur as projected or assumed in long term business plans. See the Basis of Preparation on slide 58 of the Investor Presentation for information on the preparation of the WestConnex Business Plan.

<sup>5</sup> New securities issued under the Entitlement Offer and Placement will rank equally with ordinary securities.

<sup>6</sup> Refer to slide 39 of the Investor Presentation for further details regarding the long-term capital strategy for WestConnex.

<sup>7</sup> Guidance is based on assumptions relating to traffic volumes, toll revenue, maintenance and other items described in the Basis of Preparation on slide 58 of the Investor Presentation. Also see Key risks included in the Investor Presentation.

# Section 6

## Announcements

### asx release



#### WestConnex overview

- 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 Botany<sup>8</sup>
- Acquisition price includes the existing M5 West motorway, which transfers to WestConnex ownership in December 2026 once existing concession expires
- 42.5 concession years remaining and approximately 388 lane kilometres<sup>9</sup>
- By 2031, the NSW Government expects WestConnex to provide travel-time savings of approximately 40 minutes between Parramatta and Sydney Airport<sup>10</sup>
- Majority of traffic from well-established brownfield corridors<sup>11</sup>
- Construction materially progressed under fixed-time, fixed-price contracts<sup>12</sup>, with the NSW Government making a \$1.6 billion capital contribution to Stage 3A<sup>13</sup> and RMS fully-funding Stage 3B
- Transurban's projected equity contribution of remaining projected capex spend to completion is approximately \$350 million<sup>14</sup>
- Operational synergies identified, leveraging Transurban's capabilities
- WestConnex (excluding M5 West) toll escalation by greater of Consumer Price Index (CPI) or 4% per annum until 2040, and greater of CPI or 0% per annum post 2040 through to the end of the concessions in 2060
- Transurban to provide WestConnex with operational services under a pre-agreed Master Services Agreement (MSA), consistent with the Transurban Queensland model<sup>15</sup>

Further details on WestConnex are set out in Appendix 1.

#### Equity raising

To fund its equity contribution to STP for the WestConnex acquisition, Transurban will undertake a fully underwritten, 10 for 57 Entitlement Offer to eligible security holders at an offer price of \$10.80 (Offer Price) per security to raise \$4.2 billion.

The Offer Price represents a 10.4 per cent discount to Transurban's closing price of \$12.06 on 30 August 2018, and a 8.9 per cent discount to TERP of \$11.85.<sup>16</sup>

Transurban has agreed to place securities to certain STP consortium members at \$10.85 per security to raise \$600 million. These placement securities will not be entitled to participate in the Entitlement Offer. Further details on transaction funding are set out in the tables below.

<sup>8</sup> Approximate length. WestConnex includes approximately 30km of additional existing assets.

<sup>9</sup> WestConnex concession life remaining in years as at 30 June 2018, not including M5 West which forms part of the concession for WestConnex from December 2026. Not revenue weighted because concession life for all stages is the same. Lane kilometres are approximate estimates based on available data and actual construction figures may vary.

<sup>10</sup> Source: WestConnex Updated Strategic Business Case (2015).

<sup>11</sup> Refer to slide 22 of the Investor Presentation for additional information.

<sup>12</sup> Refer to slides 23 and 40 of the Investor Presentation for additional information.

<sup>13</sup> Via the State Works Contribution. This is separate to the NSW Government's 49% share of the equity funding commitment for Stage 3A.

<sup>14</sup> Refer to slides 40 and 41 of the Investor Presentation for additional information.

<sup>15</sup> Refer to Key risk 3.2 in the Investor Presentation.

<sup>16</sup> TERP is a theoretical price at which Transurban securities trade immediately after the ex-date for the Entitlement Offer assuming 100% take-up of the Entitlement Offer and having regard for to the Entitlement Offer ratio and securities issued under the Placement. TERP is a theoretical calculation only and the actual price at which Transurban securities trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to Transurban's closing price of \$12.06 on 30 August 2018.

# Section 6

## Announcements

### asx release



#### Sydney Transport Partners funding sources and uses – Upfront WCX purchase price<sup>17</sup>

Sources	(\$b)	Uses	(\$b)
Transurban equity – 50%	4.1	Upfront WCX purchase price – 51% sell-down by NSW Government <sup>18</sup>	9.3
AustralianSuper equity – 20.5%	1.7	STP transaction costs	0.1
CPPIB equity – 20.5%	1.7		
Tawreed equity – 9%	0.7		
Additional debt <sup>19</sup>	1.1		
<b>Total sources of funds</b>	<b>9.3</b>	<b>Total uses of funds</b>	<b>9.3</b>

#### Transurban equity contribution sources and uses<sup>17</sup>

Sources	(\$b)	Uses	(\$b)
Entitlement Offer <sup>20</sup>	4.2	TCL share of WCX equity contribution to fund upfront purchase price	4.1
Placement to STP consortium members	0.6	TCL share of WCX FY19 capex contribution	0.1
		General corporate purposes	0.6
<b>Total sources of funds</b>	<b>4.8</b>	<b>Total uses of funds</b>	<b>4.8</b>

#### Distribution guidance

The Board has announced distribution guidance of 59.0 cps for FY19 including a franked component of 2.0 cps. The Distribution Reinvestment Plan (DRP) Program is expected to be re-activated to further support credit metrics and fund Transurban's development pipeline.

The extent to which distributions paid in FY19 are tax deferred will be confirmed in Tax Statements to be issued with the final distribution in August 2019.

Distributions will continue to be based on a payout target of 100 per cent of free cash flow over time.

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

<sup>17</sup> Figures may not add up due to rounding.

<sup>18</sup> Upfront WCX acquisition price is inclusive of approximately \$0.6 billion stamp duty payable on acquisition.

<sup>19</sup> Debt raised by STP to fund the Upfront WCX purchase price. This debt will be repaid by additional debt raised by WCX at Debt Financial Close. Refer to slide 38 of the Investor Presentation for further information.

<sup>20</sup> Assumes approximately 390 million fully paid new securities are issued under the 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.

# Section 6

## Announcements

asx release

 Transurban

### Indicative timetable

**DATES AND TIMES ARE SUBJECT TO CHANGE WITHOUT NOTICE**

Announcement of WestConnex acquisition and Entitlement Offer, trading halt, institutional entitlement offer opens	31 August 2018
Announcement of completion of institutional entitlement offer	5 September 2018
Trading halt lifted	5 September 2018
Retail entitlements commence trading on a deferred settlement basis	5 September 2018
Record date under the Entitlement Offer	5 September 2018
Despatch of Retail Information Booklet and entitlement and acceptance form	7 September 2018
Retail entitlement offer opens	7 September 2018
Retail entitlements commence trading on a normal settlement basis	10 September 2018
Initial Retail Closing Date – last day to apply for new securities to be issued on the Initial Allotment Date	11 September 2018
Retail entitlements conclude trading	11 September 2018
Settlement of institutional entitlement offer, institutional shortfall bookbuild and initial retail acceptance	12 September 2018
Initial Allotment Date – Institutional entitlement offer, institutional shortfall bookbuild and initial retail acceptance	13 September 2018
Normal trading commences on ASX of new securities issued under the initial allotment	13 September 2018
Retail entitlement offer closes	18 September 2018
Retail shortfall bookbuild	20 September 2018
Settlement of retail entitlement offer and retail shortfall bookbuild	25 September 2018
Final allotment of new securities	26 September 2018
New securities issued under the retail entitlement offer and retail shortfall bookbuild commence trading on the ASX	27 September 2018
Despatch of holding statements	28 September 2018

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.

# Section 6

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**asx release**

 **Transurban**

● **Further information**

Further information in relation to the WestConnex acquisition and the Entitlement Offer are set out in the investor presentation released by Transurban to the ASX today.

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### asx release



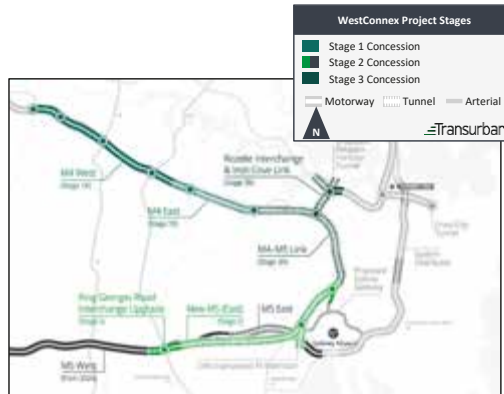
#### Appendix 1 WestConnex Additional Information

##### WestConnex Stage 1

- **M4 West Widening (M4 West) / Stage 1A:** existing M4 West motorway widened to four lanes in each direction from Parramatta to Homebush (7.5km)
- **M4 East Motorway / Stage 1B:** new 6.5km motorway section of three lanes in each direction, from Homebush Bay Drive, Homebush to Parramatta Rd and City West Link (Wattle St) at Haberfield. This includes 5.5km of new twin tunnels and associated surface works

##### WestConnex Stage 2

- **New M5 (East) Motorway:** new 11km motorway
  - Surface widening of M5 East, from King Georges Rd to new tunnel portal
  - New 9km twin tunnels, marked for two lanes (built to accommodate three lanes from Kingsgrove to Arncliffe and five lanes from Arncliffe to St Peters)
  - Provision for connection to future F6 Extension
- **M5 East Motorway:** existing M5 East motorway between King Georges Rd and General Holmes Drive, transfer from opening completion of New M5 (East)



Map is for illustrative purposes only and is not indicative of distance, proximity or scale.

##### WestConnex Stage 3

- **Stage 3A – M4-M5 Link Mainline Tunnels:** new 7.5km twin tunnels of four lanes connecting the M4 East at Haberfield to the New M5 (East) at St Peters, and stub connections for the future Rozelle Interchange and Iron Cove Link
- **Stage 3B – Rozelle Interchange and Iron Cove Link:** new interchange connecting the M4-M5 Link Mainline Tunnels to the surface and the Anzac Bridge, including provision for future connectivity to the proposed Western Harbour Tunnel

##### M5 West

- **M5 West:** existing motorway of three lanes in each direction stretching between the M5 East and WestLink M7 to form part of the Stage 2 concession from December 2026, once the existing concession expires

#### WestConnex

<b>Length<sup>21</sup></b>	33km
<b>Lane kilometres<sup>22</sup></b>	388km (approx.)
<b>Remaining concession<sup>23</sup></b>	42.5 years
<b>Toll escalation<sup>24</sup></b>	Greater of CPI or 4% per annum until 2040
<b>Concessions end</b>	December 2060

<sup>21</sup> Approximate length. WestConnex includes approximately 30km of additional existing assets.

<sup>22</sup> Lane kilometres are approximate estimates based on available data and actual construction figures may vary.

<sup>23</sup> WestConnex concession life remaining in years as at 30 June 2018, not including M5 West which forms part of the concession for WestConnex from December 2026. Not revenue weighted because concession life for all stages is the same.

<sup>24</sup> Not including M5 West which after December 2026 escalates quarterly by CPI. For the other WestConnex assets, from 2040 through to end of concession tolls escalate at the greater of CPI or 0%.

# Section 6 Announcements

asx release

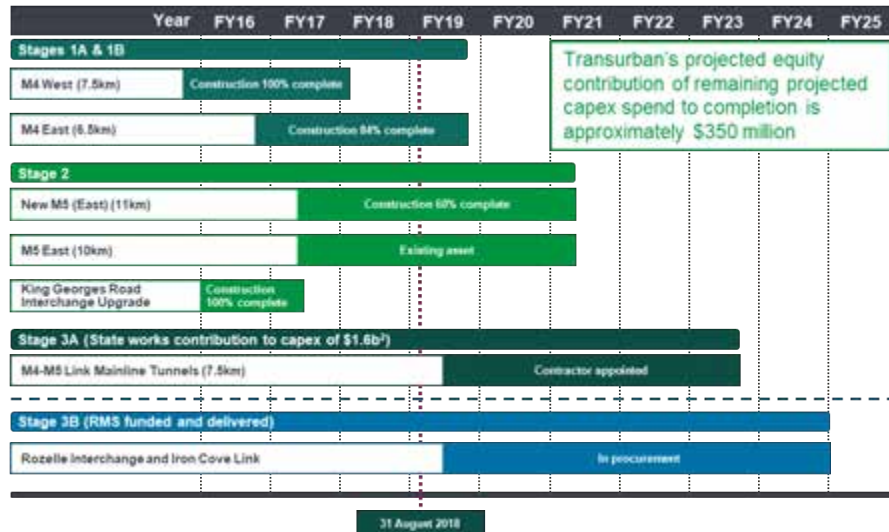


### NSW infrastructure network and proposed projects



Map is for illustrative purposes only and is not indicative of distance, proximity or scale.

### WestConnex construction profile<sup>25</sup>



<sup>25</sup> Construction completion percentages as per WestConnex website as at 27 August 2018. Estimated completion dates. See slide 15 and footnote 1 on that slide, and slides 40 and 41 of Investor Presentation for further information.



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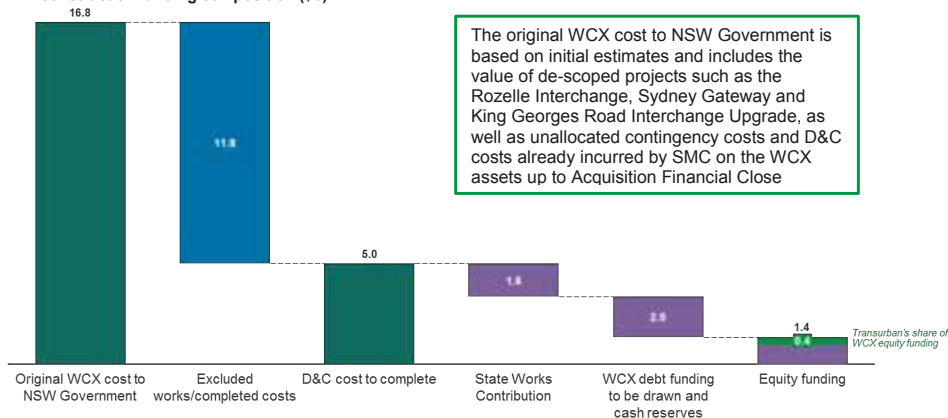


- WestConnex delivery oversight will be led by an experienced and dedicated team
- Reduced construction risk with two of three stages substantially progressed, and Roads and Maritime Services (RMS) responsible for the delivery of Stage 3B
- Industry-standard, fixed-time and fixed-price construction contracts with tier-one contractors
- Transurban's projected contribution of remaining projected capex spend to completion is approximately \$0.9 billion<sup>26</sup>

#### WestConnex capital profile

\$5.0 billion remaining projected capex spend to completion, of which Transurban's projected equity contribution is approximately \$350 million

WCX construction funding composition (\$b)<sup>27</sup>



The original WCX cost to NSW Government is based on initial estimates and includes the value of de-scoped projects such as the Rozelle Interchange, Sydney Gateway and King Georges Road Interchange Upgrade, as well as unallocated contingency costs and D&C costs already incurred by SMC on the WCX assets up to Acquisition Financial Close

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<sup>26</sup> Represents Transurban's projected proportional capex contribution, net of State Works Contribution, to completion. See slide 40 of the investor presentation for further information.

<sup>27</sup> Figures in nominal terms. "WCX debt funding to be drawn and cash reserves" includes \$1.7 billion of debt drawn to fund remaining D&C costs. Transurban's share of equity funding (\$0.4 billion) will be funded as part of the ongoing development pipeline.

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*such an offer would be illegal. Neither the entitlements nor the new securities have been, or will 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. Accordingly, the entitlements may not be taken up or exercised by, and the new securities may not be offered or sold, directly or indirectly, to, any person in the United States or to any person acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States), except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States. Persons in the United States and persons acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States) will not be eligible to purchase or trade entitlements on market, or take up or exercise entitlements purchased on market or transferred from another person.*

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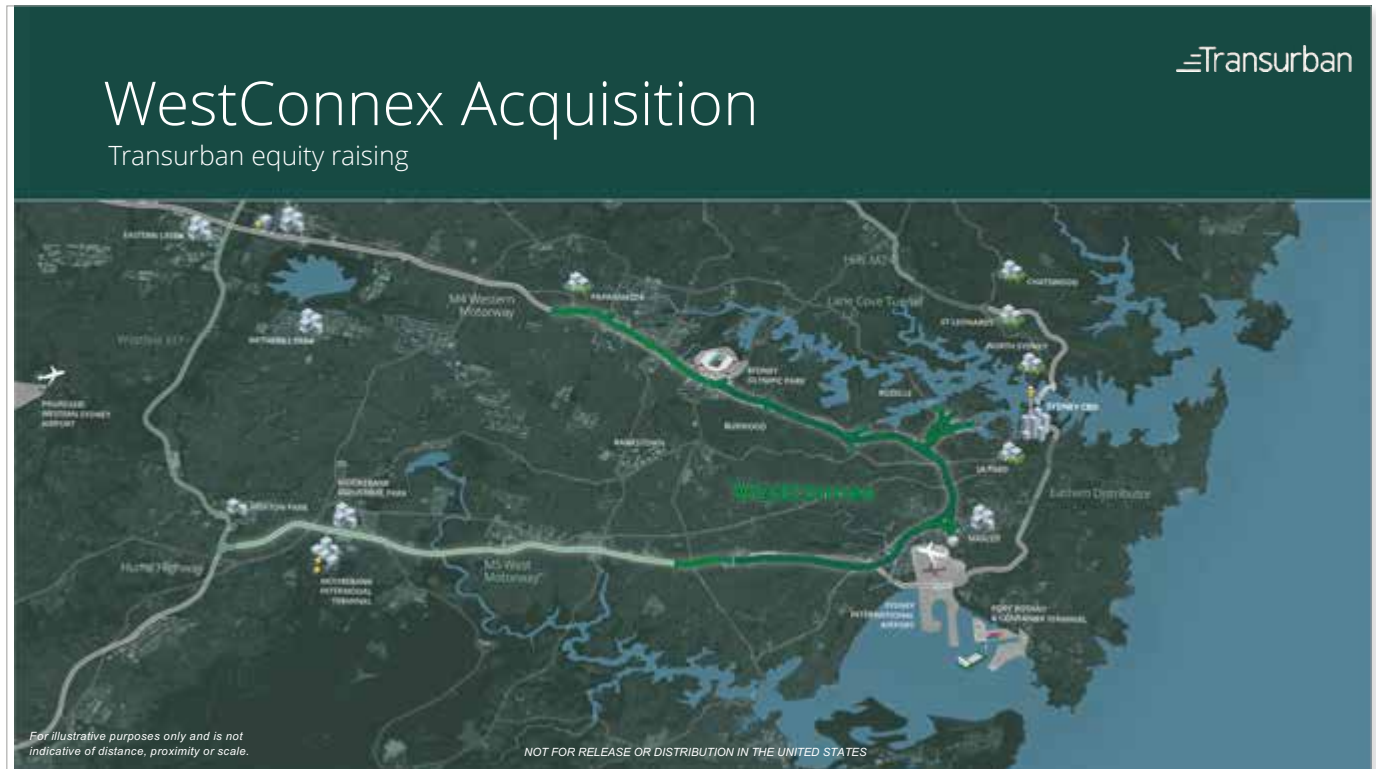
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- eligible institutional security holders of Transurban ("Institutional Entitlement Offer"); and
- eligible retail security holders of Transurban ("Retail Entitlement Offer").

under sections 708AA and 1012DAA of the Corporations Act as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 (together, the "Entitlement Offer"). Unless the context otherwise requires, capitalised terms and abbreviations have the meaning given in the glossary at the end of this Presentation.

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This Presentation contains summary information about the current activities of Transurban and its subsidiaries as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete. This Presentation does not purport to contain all of the information that an investor should consider when making an investment decision nor does it contain all of the information which would be required in a product disclosure statement or prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with Transurban's other periodic and continuous disclosure announcements, including Transurban's results for the year ended 30 June 2018, lodged with the ASX on 7 August 2018, available from the ASX at [www.asx.com.au](http://www.asx.com.au).

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### Disclaimer



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The offer is a 'PAITREO' structure and while it accommodates trading of retail entitlements, it does not constitute a pro rata 'renounceable' offer for the purposes of ASX Listing Rule 7.7.1(c), meaning a nominee facility for the sale of foreign security holder interests is not required.

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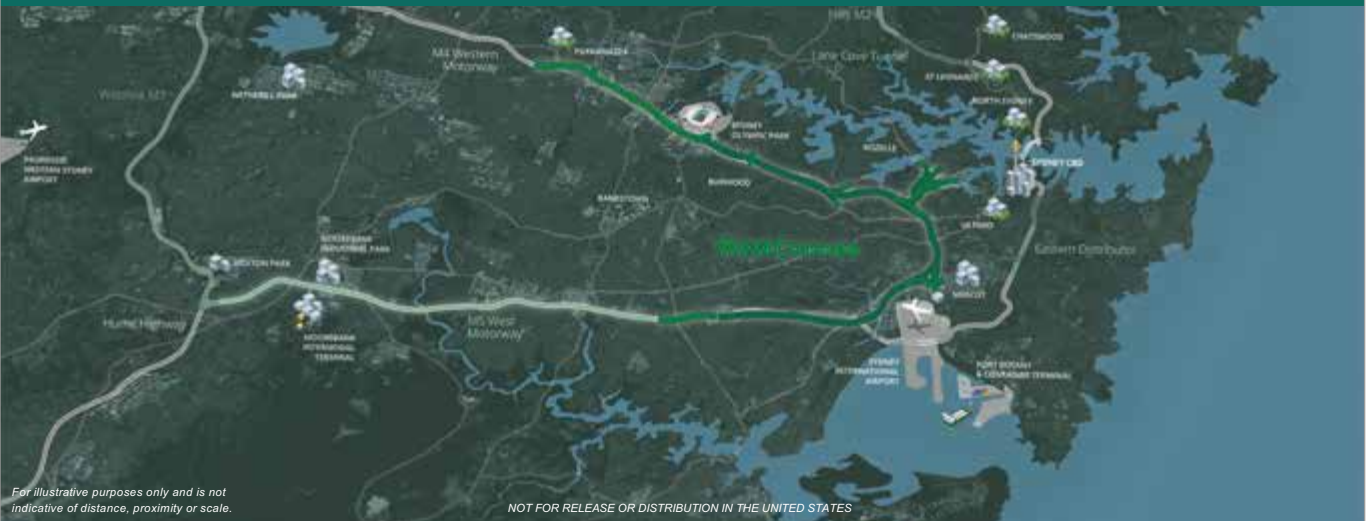


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<b>WestConnex traffic</b> —Darryn Paterson, GM Network Strategy and Traffic Analysis	28
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## Transaction overview

Scott Charlton



For illustrative purposes only and is not indicative of distance, proximity or scale.

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### Overview



- Transurban (50%), AustralianSuper (20.5%), CPPIB (20.5%) and Tawreed Investments Limited (Tawreed)<sup>1</sup> (9%), as Sydney Transport Partners (STP) have executed an agreement to acquire a 51% equity stake in WestConnex (WCX) from the NSW Government for \$9.3 billion<sup>2</sup>
- Financial close of the acquisition expected in late September, subject to Foreign Investment Review Board (FIRB) approval<sup>3</sup>
- By 2031, the NSW Government expects WestConnex to provide travel time savings of approximately 40 minutes between Parramatta and Sydney Airport<sup>4</sup>
- Majority of traffic from well-established brownfield corridors with the M4 and M5 operational for over 26 years<sup>5</sup>
- Construction materially progressed under fixed-time, fixed-price contracts<sup>6</sup>
- Operational synergies identified, leveraging Transurban's capabilities
- Investment discipline maintained
- Transurban to raise \$4.2 billion through a fully underwritten accelerated pro rata renounceable entitlement offer with retail entitlements trading (Entitlement Offer), plus \$600 million through a placement to certain STP consortium members<sup>7</sup>
- Proceeds raised under the Entitlement Offer and placement that are in addition to the WestConnex investment requirements will be used for general corporate purposes
- FY19 and FY20 mid-single digit distribution growth targeted, with FY19 distribution guidance maintained at 59.0 cps<sup>8</sup>
- For further detail regarding Transurban's FY18 performance, refer to the FY18 Results Presentation

*"We are honoured to be chosen by the NSW Government as its partner for WestConnex. We understand the significant responsibilities that come as custodian of this city-shaping infrastructure and the enduring legacy it will create."*

1. A wholly owned subsidiary of Abu Dhabi Investment Authority.

2. 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.

3. Subject to customary closing conditions. Refer to Key risk 3.1.

4. Source: WestConnex Updated Strategic Business Case (2015).

5. Refer to slide 22 for additional information.

6. Refer to slides 23 and 40 for additional information.

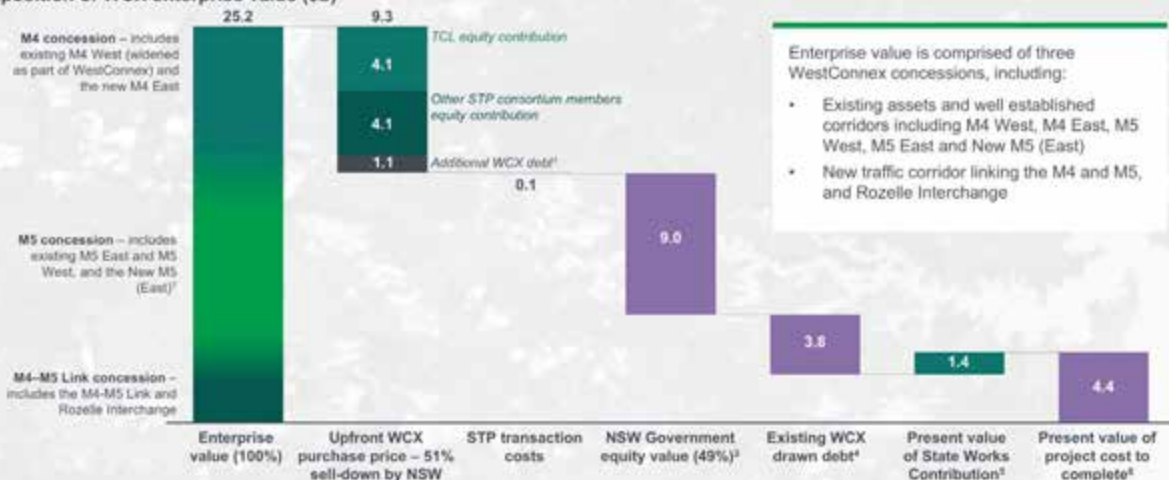
7. New Securities and securities issued under the placement will rank equally with ordinary securities.

8. Refer to slide 17 for additional information.

### WestConnex concessions



Composition of WCX enterprise value (\$b)



Enterprise value is comprised of three WestConnex concessions, including:

- Existing assets and well established corridors including M4 West, M4 East, M5 West, M5 East and New M5 (East)
- New traffic corridor linking the M4 and M5, and Rozelle Interchange

1. Will be repaid via the additional debt drawn at Debt Financial Close as per slide 38, which is used by STP to fund the upfront purchase price.

2. Upfront WCX purchase price is inclusive of approximately \$0.6 billion stamp duty, payable on acquisition.

3. Includes the value of the additional debt drawn at Debt Financial Close and distributed to the NSW Government as per slide 38.

4. Existing drawn debt at Acquisition Financial Close. See slide 38 for further information.

5. The State Works Contribution is the capital contribution for Stage 3A to be provided by RMS. This is separate to the NSW Government's 49% share of the equity funding commitment for Stage 3A. Equivalent to the nominal amount of \$1.6 billion as per slide 40.

6. Equivalent to the nominal amount of \$3 billion as per slide 40.

7. M5 West is currently under concession to Infralink Roads Pty Ltd (of which Transurban is a part owner) until current concession expiration date in December 2026. The M5 West will form part of the concession for WestConnex from December 2026.

# Section 6 Announcements

## WestConnex aligned with strategy

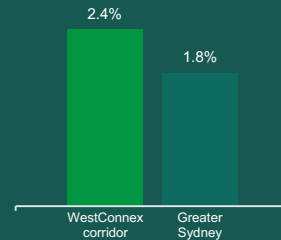
Transurbar

- WestConnex will provide effective and innovative urban road infrastructure
- 42.5 year concession extends Transurbar's average concession length<sup>1</sup>
- Sydney's population is projected to reach almost 8.5 million by 2031<sup>2</sup>
- Population growth expected to be concentrated in WestConnex corridors, with a projected compound annual growth rate of 2.4% through to 2026<sup>3</sup>
- Cost of Sydney traffic congestion in 2015 estimated at \$5.1 billion and may increase to \$12.6 billion by 2030 without any action<sup>4</sup>
- WestConnex key to Sydney's transport plan:
  - extends the M4, doubles capacity along the M5 East corridor and connects the M4 and M5
  - 33km of new or improved motorway linking Sydney's west and south-west with the CBD, and the corridor to Sydney Airport and Port Botany<sup>5</sup>
  - connects to the proposed Western Harbour Tunnel, Sydney Gateway and F6 Extension
- Equivalent to approximately double the new kilometres of CityLink in Melbourne
- Toll escalation greater of CPI or 4% per annum until 2040 and the greater of CPI or 0% thereafter<sup>6</sup>
- Long-term traffic history for M4 West, and M5 West and East, which are primary WestConnex value drivers

### Key statistics

Sydney population (2017) <sup>7</sup>	5.1 million
Gross state product growth (2007-2017) <sup>8</sup>	2.4%
Number of registered vehicles in NSW (2018) <sup>9</sup>	5.6 million

### PROJECTED POPULATION GROWTH 2016-2026<sup>3</sup>



4. Source: Bureau of Infrastructure, Transport and Regional Economics publication - Traffic and congestion cost trends for Australian capital cities - Information sheet. Bureau of Infrastructure, Transport and Regional Economics considers multiple scenarios, with \$12.6 billion reflecting the upper baseline projection.

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

6. Not including M5 West which escalates quarterly by CPI.

7. Source: Regional Population Growth 2016-2017, Australian Bureau of Statistics, catalogue 3218.0.

8. Source: Gross State Product, Australian Bureau of Statistics, catalogue 5220.0 Australian National Accounts: State Accounts, 2016-17.

9. Source: Motor Vehicle Census, Australian Bureau of Statistics, catalogue 9309.0., 31 January 2018.

1. WestConnex concession first announced in early March 2018, with completion of WestConnex to be completed by WestConnex from December 2020. Not including additional potential extensions of the M5 West and M5 East.

2. Source: Infrastructure Australia, Population, Productivity and Prosperity, Australian Infrastructure and Development Paper, April 2018.

3. Based on Deloitte Access Economics estimates and Transurbar's own internal estimates and assessments. Expected growth in population and employment growth are based on a number of government forecasts, public and private sector forecasts and industry estimates. The form and timing of government planning and infrastructure projects, development trends and demographic factors are likely to all be uncertain. These projections are illustrative and should not be used as a basis for investment decisions. See Key risks for further information.

## 40% of Sydney population expected to live within 5km of WestConnex<sup>1</sup>

Transurbar

### Vehicle trips expected to use WestConnex<sup>2</sup>



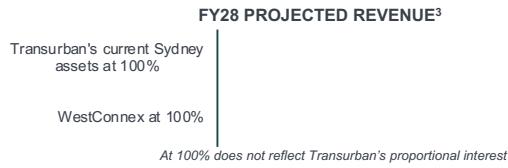
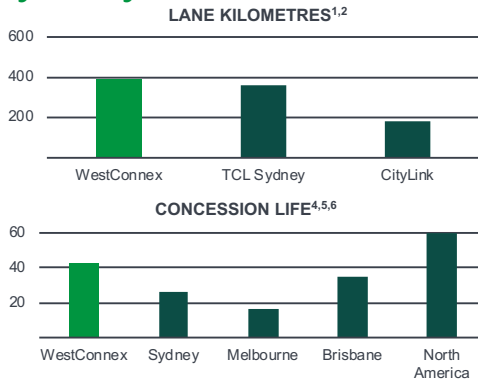
- Vehicles using WestConnex are drawn from across the city
  - critical connection between Sydney's west and south-west and the Sydney CBD, and the corridor to Sydney Airport and Port Botany
- WestConnex expected to be a key beneficiary of further proposed links to the north and south:
  - F6 Extension
  - Western Harbour Tunnel
  - Sydney Gateway

1. In 2031, based on Deloitte Access Economics estimates and Transurbar's own internal estimates and assessments. See slide 9 and footnote 3 on that slide, and Key risks for further information.

2. Map is for illustrative purposes only and is not indicative of distance, proximity or scale.

# Section 6 Announcements

## WestConnex doubles Transurban's lane kilometres in Sydney<sup>1</sup>



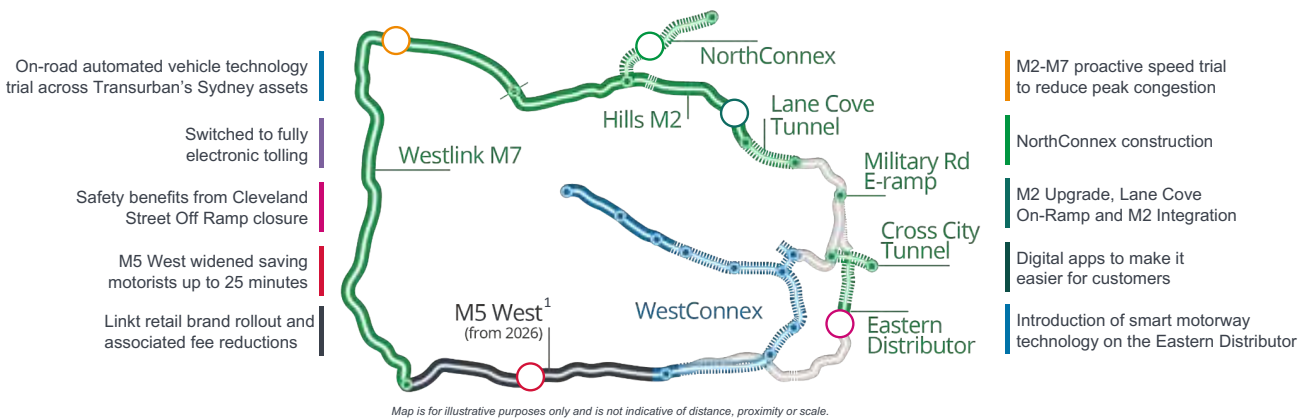
	Transurban's current Sydney asset base	WestConnex
Toll escalation	Various mechanisms <sup>7</sup>	Greater of CPI or 4% per annum to 2040 <sup>8</sup>
Concession years remaining	25.8 <sup>5</sup>	42.5 <sup>4</sup>

1. M5 West included in WestConnex and excluded from Transurban Sydney.  
 2. Lane kilometres are approximate estimates based on available data and actual construction figures may vary. Figures are based on main-line lane length without ramps, except in relation to the Rozelle Interchange where certain ramp lengths are included.  
 3. Provided for illustrative purposes only to demonstrate Transurban management's estimate and assessment of the projected relative values of Transurban's current Sydney portfolio with that of WestConnex post-construction of all planned stages and with the handover of M5 West concession included. This assessment has regard to the Business Plans which are in turn subject to a range of assumptions and contingencies. There can be no assurance that these estimates and assessments will be accurate and the actual outcome may differ materially because events and actual circumstances frequently do not occur as projected or assumed in long term business plans. See the Basis of Preparation on slide 58 for information on the preparation of the Business Plans.  
 4. WestConnex concession life remaining in years as at 30 June 2018, not including M5 West which forms part of the concession for WestConnex from December 2026. Not revenue weighted because concession life for all stages is the same.  
 5. Remaining life as at 30 June 2018 for each concession is weighted based on the contribution to Transurban's total proportional revenue for FY18 in each concession's respective region as reported in Transurban's audited financial statements. M5 West is included in the Sydney weighted average concession life calculation up until the current concession expiration date in December 2026.  
 6. M5 West forms part of the concession for WestConnex from December 2026. USD toll revenue is translated monthly using the average exchange rate for the month. CAD toll revenue is translated at the spot exchange rate at 31 May 2018 (0.9733), used as a proxy for rate on acquisition which occurred on 5 June 2018. A25 FY18 pro forma full year toll revenue has been used in the North America weighted average concession length calculation as the asset was only acquired on 5 June 2018. Melbourne weighted average concession length not inclusive of 10 year CityLink concession extension as part of the West Gate Tunnel Project which requires the successful passage of legislation through parliament.  
 7. For full details of concession escalation mechanisms refer to slide 51.  
 8. Not including M5 West which after December 2026 escalates quarterly by CPI. For the other WestConnex assets, from 2040 through to end of concession, tolls escalate at the greater of CPI or 0%.

## Enhanced value over time



Transurban operates its Sydney assets with the objective of benefitting all Sydney motorists, communities and the NSW Government



1. Currently under concession to Interlink Roads Pty Ltd (of which Transurban is a part owner) until current concession expiration date in December 2026. The M5 West will form part of the concession for WestConnex from December 2026.



# Section 6 Announcements

## Synergies and value add



Strategy: to be the partner of choice with governments, providing effective and innovative urban road infrastructure and services utilising core capabilities

<p><b>Customer experience</b></p> <ul style="list-style-type: none"> <li>Enhanced offerings including Transurban's mobile apps and tolling platforms</li> <li>Linkt customer interface</li> </ul>	<p><b>Operations<sup>1</sup></b></p> <ul style="list-style-type: none"> <li>Ability to extract synergies through centralisation of corporate services and customer operations</li> <li>Cost reduction through insourcing of operations</li> <li>Operational expertise to improve road safety and maximise lane availability</li> </ul>	<p><b>Community engagement</b></p> <ul style="list-style-type: none"> <li>Ability to leverage experience gained through NorthConnex and West Gate Tunnel community engagement processes</li> <li>Respect for the communities in which we operate to ensure a sustainable future</li> </ul>
<p><b>Technology</b></p> <ul style="list-style-type: none"> <li>Transition to Transurban's back-office tolling system, GLiDe, and utilisation of smart motorway technologies</li> <li>Utilisation of existing Transurban customer and corporate systems</li> </ul>	<p><b>Development/delivery</b></p> <ul style="list-style-type: none"> <li>Demonstrated capability to work with tier-one contractors to deliver major projects</li> <li>Track record of working with governments to deliver enhancements to existing toll-road concessions</li> </ul>	<p><b>Network planning</b></p> <ul style="list-style-type: none"> <li>Experienced network planning and traffic modelling teams supporting long-term strategic planning and development activities</li> </ul>

1. Refer to Key risk 3.2.

## Ongoing Sydney infrastructure investment



- Opportunities for capacity expansion on existing Transurban assets, including the M7, which will need widening in the future to meet demand
- NSW Government proposed infrastructure projects, including<sup>1</sup>:
  - F6 Extension (Stage 1: \$2.2-\$2.6 billion, targeted opening 2024)<sup>2</sup>
  - Sydney Gateway (targeted construction completion by 2023)<sup>3</sup>
  - Western Harbour Tunnel (targeted opening by 2026)<sup>4</sup>
  - Beaches Link (targeted opening by 2026)<sup>4</sup>
  - Sydney Metro City and Southwest (\$11.5-\$12.5 billion, targeted opening 2024)<sup>5</sup>
  - Sydney Metro West (\$10 billion<sup>6</sup>, targeted opening late 2020s<sup>7</sup>)
  - Rail links connecting Western Sydney and the Western Sydney Airport<sup>8</sup> (\$27-\$35 billion identified by scoping study<sup>9</sup>, Stage 1 of North-South Link targeted opening 2026<sup>10</sup>)
  - Western Sydney Airport<sup>11</sup> (\$5.3 billion, targeted opening 2026)<sup>12</sup> and associated road investment program (\$3.6 billion)<sup>13</sup>, including the M12 motorway (expected completion before the opening of the Western Sydney Airport)

1. As per the NSW State Infrastructure Strategy 2018-2038. Cost and timing estimates based on publicly available information.  
 2. Source: <http://www.rms.nsw.gov.au/projects/sydney-south/f6/index.html>  
 3. Source: [http://www.infrastructure.nsw.gov.au/media/1682/nsw\\_infrastructure\\_pipeline\\_july-2018-web-version.pdf](http://www.infrastructure.nsw.gov.au/media/1682/nsw_infrastructure_pipeline_july-2018-web-version.pdf)  
 4. Source: <https://www.nsw.gov.au/your-government/the-premier/media-releases-from-the-premier/western-harbour-tunnel-and-beaches-link-take-major-steps-forward/>  
 5. Source: <https://www.sydneymetro.info/sites/default/files/Sydney%20Metro%20CSW%20Business%20Case%20-Summary.pdf>  
 6. Source: <https://infrastructurepipeline.org/project/sydney-metro/>  
 7. Source: <https://www.sydneymetro.info/sites/default/files/document-library/Sydney-Metro-West-Project-Overview-March-2018.pdf>  
 8. The Western Sydney Rail Needs Scoping Study identified the need for a North-South Link (\$15-\$20 billion) and East-West Link (\$12-\$15 billion). The initial stage of the North-South Link (from St Marys to Western Sydney Airport and the Badgerys Creek Aerotropolis) will proceed under the Western Sydney City Deal agreed between the NSW and Australian Governments.  
 9. In 2017 dollars. Source: <https://cities.infrastructure.gov.au/22446/documents/73656>



Map is for illustrative purposes only and is not indicative of distance, proximity or scale.

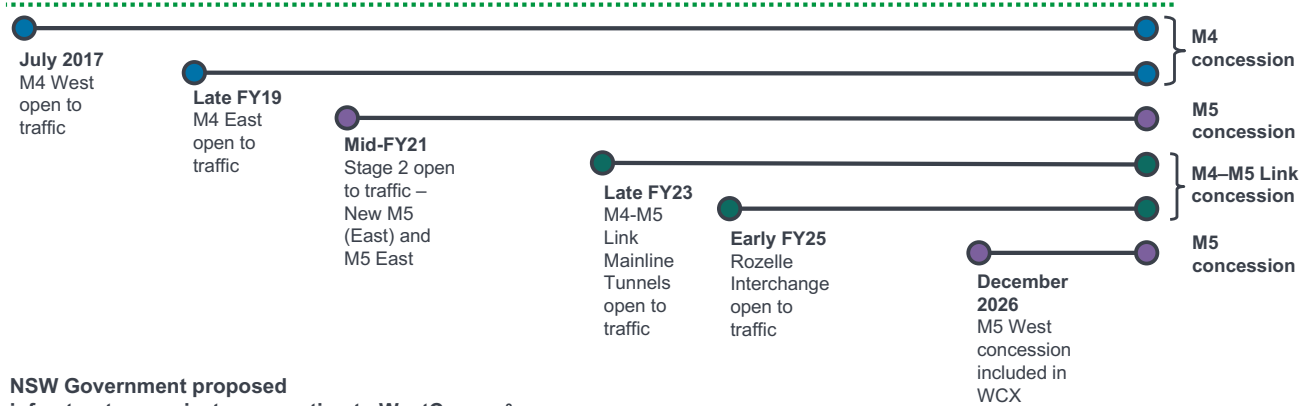
10. Source: <https://cities.infrastructure.gov.au/westernsydney-connectivity>  
 11. Federal Government initiative, not NSW Government.  
 12. Source: <https://budget.gov.au/2017-18/content/glossies/jobs-growth/html/jobs-growth-05.htm>  
 13. Source: <http://www.rms.nsw.gov.au/projects/sydney-west/m12-motorway/index.html>

# Section 6 Announcements

## WestConnex cash flows progressively building



### WestConnex components<sup>1</sup>



### NSW Government proposed infrastructure projects connecting to WestConnex<sup>3</sup>



1. Estimated opening dates. Given the nature, scale and construction timeframe of the WestConnex components, there is a risk that the components may take longer to complete than estimated, including if the D&C contractors fail to perform their obligations under the D&C contracts. Rozelle Interchange is still in procurement. See Key risks 1.10, 1.12 and 3.9 for further information.  
 2. FY28 represents the first full financial year after expected construction of all planned stages and inclusion of the M5 West concession.  
 3. Targeted opening/completion dates based on publicly available information. Refer to slide 14 for additional information.

## Value comparators



### TRANSURBAN ACQUISITIONS— CONCESSION PERIOD AND EV/EBITDA MULTIPLES<sup>1</sup>

Concession Period	Acquisition	EV/EBITDA Multiple
24 years	A25 (Jun-18) <sup>2</sup>	26.3x
37 years	AirportlinkM7 (Nov-15) <sup>3</sup>	28.0x
38 years	Queensland Motorways (Jul-14) <sup>4</sup>	27.5x
21 years	Cross City Tunnel (Mar-14) <sup>5</sup>	18.0x
38 years	Lane Cove Tunnel (May-10)	28.5x

- WestConnex implied EV/EBITDA multiple broadly in line with Transurban's recent transactions, having regard to the pro forma EV/EBITDA multiple at Acquisition Financial Close, calculated using the present value of the projected EBITDA in FY28, being the first full year of operation of the integrated three stage network including the M5 West concession<sup>6</sup>
- Acquisition is projected to be value accretive<sup>7</sup>
- Investment is expected to increase Transurban's cumulative distributions over the WestConnex concession life
- WestConnex concession length of 42.5 years compares to 25.8 years for Transurban's current Sydney asset base and 28.1 years for Transurban Group<sup>8</sup>

Source: Transurban statutory accounts and ASX releases in respect of the relevant acquisition.  
 • Enterprise value includes net debt and excludes transaction costs and stamp duty where disclosed.  
 • The transaction multiples set out are calculated based on the EV of the relevant asset at the time of its acquisition and historical EBITDA as at the same date. The multiple may not be reflective of the current multiple for the relevant asset.  
 • In relation to the selected transactions (a) the transaction multiples may incorporate various levels of a control premium and special values paid for by the acquirer based on the specific circumstances of the acquisition at the time and (b) the transactions occurred between May 2010 and June 2018 when economic conditions, including interest rates and economic outlook, may have been materially different from those currently experienced in relation to the WestConnex acquisition and may be materially different in FY28. These and other factors may influence the amounts paid for the businesses.

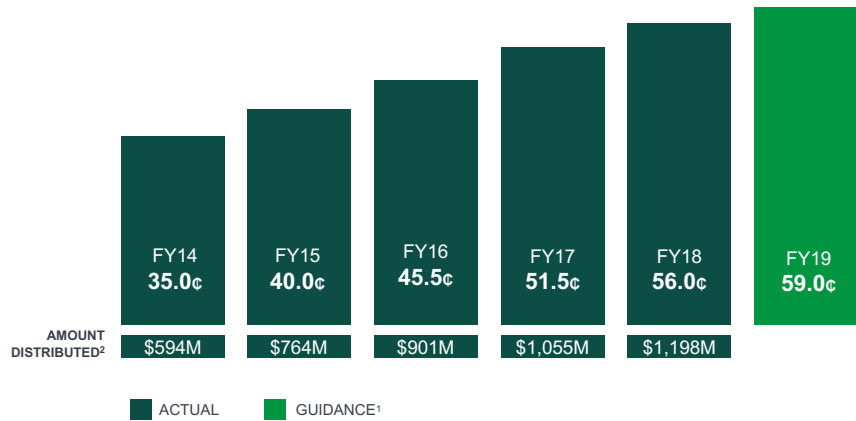
1. Concession years remaining at financial close of the relevant acquisition.  
 2. Calculated using pro forma FY17 EBITDA and an enterprise value based on a purchase price of CAD 840 million and acquired debt of CAD 377 million.  
 3. Calculated using FY16 Q1 EBITDA of \$16.9 million (annualised using FY15 seasonality) and a purchase price of \$1.87 billion.  
 4. Calculated using underlying FY15 EBITDA and an enterprise value based on purchase price (excluding stamp duty and transaction costs) of \$6.67 billion. No adjustment for value attributable to Legacy Way for which operations commenced on 25 June 2015 and contributed no earnings at the time of acquisition. Excludes operating synergies / business improvements at Queensland Motorways.  
 5. Based on disclosed acquisition price and 12 months historic EBITDA to June 2013 of \$26.4 million based on CCT Motorway Group financial statements provided in the course of the acquisition of Cross City Tunnel.  
 6. The enterprise value at Acquisition Financial Close is determined based on the present value of 100% of WestConnex at Acquisition Financial Close including additional capital invested (net of return on capital) up until the end of the first full year of operation of the M5 West concession. The enterprise value and projected FY28 EBITDA are based on Transurban management's estimates and assessment, having regard to the WestConnex Business Plan, and are subject to a range of assumptions and contingencies. There can be no assurance that these estimates and assessments will be accurate and the actual outcome may differ materially because events and actual circumstances frequently do not occur as projected or assumed in long term business plans. See the Basis of Preparation on slide 58 for information on the preparation of the WestConnex Business Plan.  
 7. Investment delivers a projected project Internal Rate of Return over the life of the WestConnex concession greater than Transurban's corporate Weighted Average Cost of Capital.  
 8. As at 30 June 2018. WestConnex concession life not revenue weighted because concession life for all stages is the same. M5 West forms part of the concession for WestConnex from December 2026 and is therefore excluded from the WestConnex concession life calculation. M5 West is included in the Transurban Group and Sydney weighted average concession life calculation up until the current concession expiration date in December 2026.

# Section 6 Announcements

## Transurban distribution growth



- FY19 and FY20 mid-single digit distribution growth targeted, with FY19 distribution guidance maintained at 59.0 cps<sup>1</sup>
- Targeting distributions to be approximately 100% free cash flow covered over time
- Transurban distributions will be supported immediately by distributions from WestConnex, and from capital releases generated as new WestConnex assets come online and credit metrics improve, similar to other scheduled Transurban capital releases as pre-agreed with state governments<sup>3</sup>

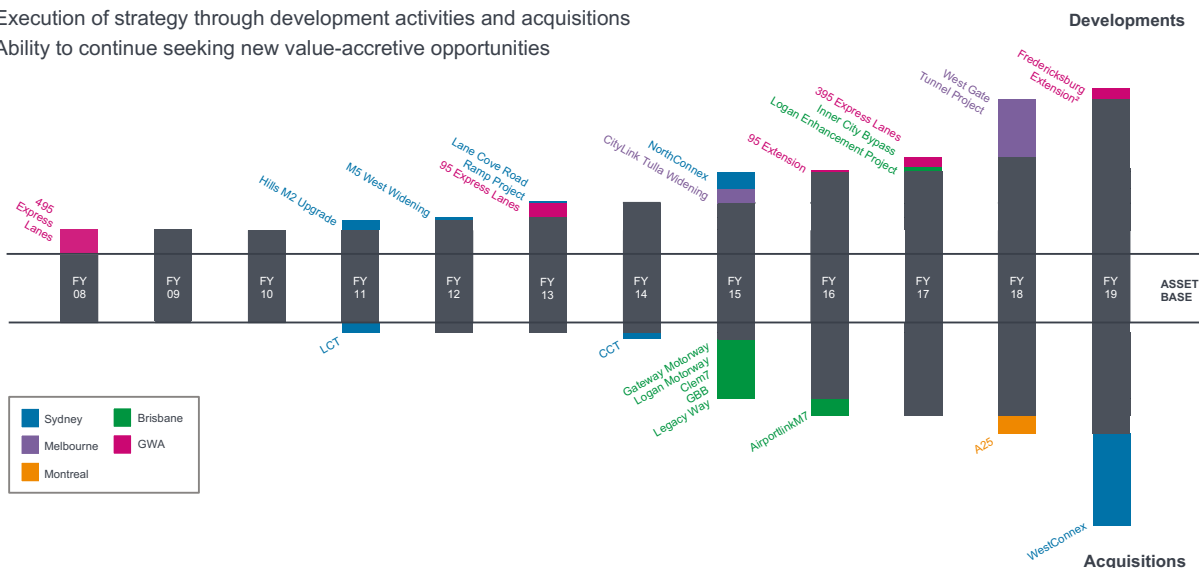


1. Guidance is based on assumptions relating to traffic volumes, toll revenue, maintenance and other items described in the Basis of Preparation on slide 58. Also see Key risks.  
 2. Gross distributions paid inclusive of DRP.  
 3. Future capital releases over the next several years have been pre-agreed with governments and managed within Transurban's credit metric parameters for developments including Transurban Queensland, NorthConnex and the 95 Express Lanes.

## Transurban value creation over time<sup>1</sup>



- Execution of strategy through development activities and acquisitions
- Ability to continue seeking new value-accretive opportunities



1. Chart scale is for illustrative purpose only and is based on proportional construction or acquisition cost in nominal terms upon reaching contractual / financial close.  
 2. Fredericksburg Extension project approved in January 2018 with financial close scheduled for first half of 2019.

# Section 6 Announcements

## From concessionaire to integrated transport company



### CORE BUSINESS

- Operating in five urban markets
- Inflation-linked revenue
- Traffic growth through economic cycles
- Focus on organisational culture and people

### OPERATIONAL EXCELLENCE

- Application of smart motorway technology
- Organisational expertise and capability
- Advanced data analytics capability
- Continuous investment in safety and efficiency
- Traffic modelling
- Using data to determine optimal incident response staging locations

### LONG-TERM SUSTAINABILITY

- Investing in improved experiences for customers through fee restructuring, and service offerings to give customers choice and flexibility
- Balanced view of stakeholder interests including customers and the community

### FUTURE POSITIONING

- CAV trials
- Road usage and transport policy reform
- Data analytics
- Technology partnerships
- Mobility as a service

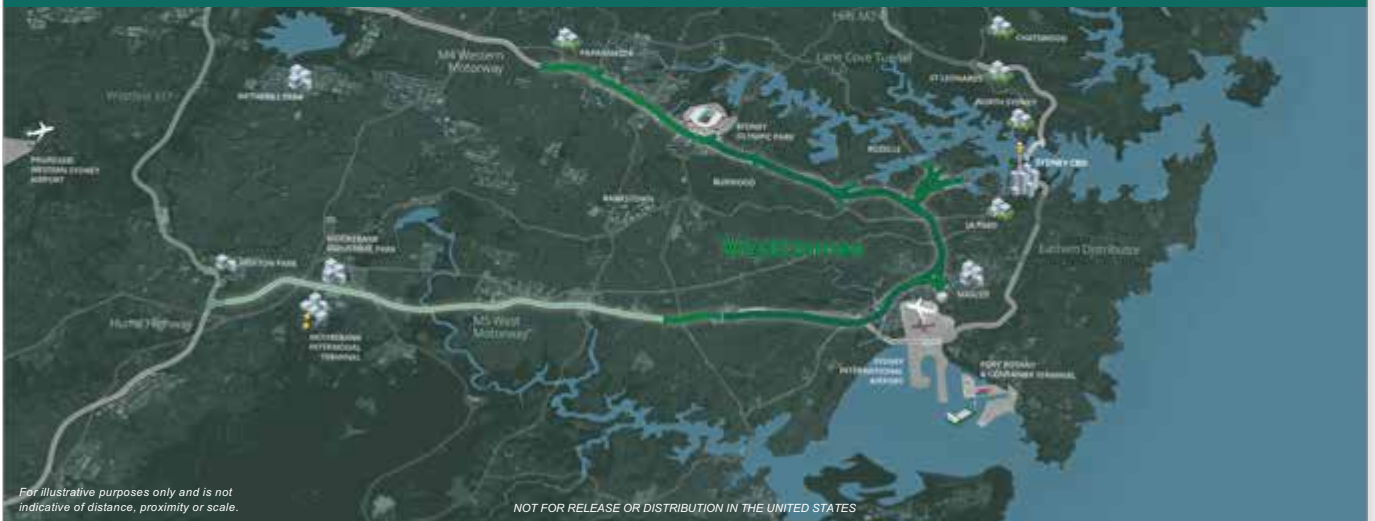
### DEVELOPMENT

- Approximately 341 lane kilometres across seven projects with multiple government partners



## WestConnex overview

Andrew Head



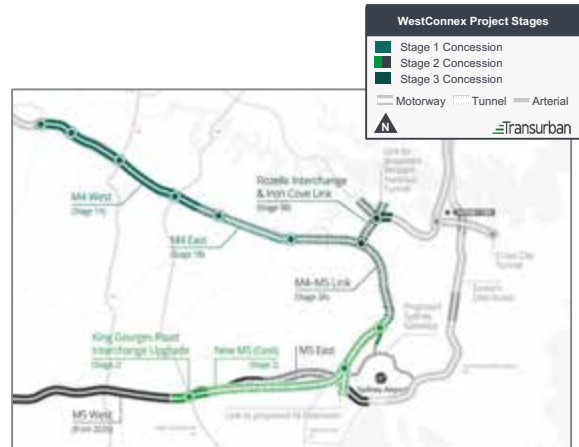
# Section 6 Announcements

## WestConnex overview



33km of new or improved motorway linking Sydney's west and south-west with the CBD, and the corridor to Sydney Airport and Port Botany<sup>1</sup>

<b>WestConnex Stage 1</b>	<ul style="list-style-type: none"> <li><b>M4 West Widening (M4 West) / Stage 1A:</b> existing M4 West motorway widened to four lanes in each direction from Parramatta to Homebush (7.5km)</li> <li><b>M4 East Motorway / Stage 1B:</b> new 6.5km motorway section of three lanes in each direction, from Homebush Bay Drive, Homebush to Parramatta Rd and City West Link (Wattle St) at Haberfield. This includes 5.5km of new twin tunnels and associated surface works</li> </ul>
<b>WestConnex Stage 2</b>	<ul style="list-style-type: none"> <li><b>New M5 (East) Motorway:</b> new 11km motorway                             <ul style="list-style-type: none"> <li>surface widening of M5 East, from King Georges Rd to new tunnel portal</li> <li>new 9km twin tunnels, marked for two lanes (built to accommodate three lanes from Kingsgrove to Arncliffe and five lanes from Arncliffe to St Peters)</li> <li>provision for connection to future F6 Extension</li> </ul> </li> <li><b>M5 East Motorway:</b> existing M5 East motorway between King Georges Rd and General Holmes Drive, transfer from opening completion of New M5 (East)</li> </ul>
<b>WestConnex Stage 3</b>	<ul style="list-style-type: none"> <li><b>Stage 3A—M4-M5 Link Mainline Tunnels:</b> new 7.5km twin tunnels of four lanes connecting the M4 East at Haberfield to the New M5 (East) at St Peters, and stub connections for the future Rozelle Interchange and Iron Cove Link</li> <li><b>Stage 3B—Rozelle Interchange and Iron Cove Link:</b> new interchange connecting the M4-M5 Link Mainline Tunnels to the surface and the Anzac Bridge, including provision for future connectivity to the proposed Western Harbour Tunnel</li> </ul>
<b>M5 West</b>	<ul style="list-style-type: none"> <li><b>M5 West:</b> existing motorway of three lanes in each direction stretching between the M5 East and WestLink M7 to form part of the Stage 2 concession from December 2026, once the existing concession expires</li> </ul>



Map is for illustrative purposes only and is not indicative of distance, proximity or scale.

<sup>1</sup> Approximate length. WestConnex includes approximately 30km of additional existing assets.

## Significant brownfield exposure



Trips drawn predominantly from the established M4 and M5 corridors, with only 6% of expected FY28 WestConnex toll revenue projected to come solely from greenfield (Stage 3 only) trips<sup>1</sup>

Brownfield trips are characterised by movements that are:

- on existing assets and well-established corridors
- based on existing, well-defined travel patterns and/or
- already observed and measurable

### Stage 1

Combination of widening project on an existing motorway with established traffic and new twin-tunnels, providing an alternative route to the highly congested Parramatta Road

### Stage 2

Duplication of the existing M5 East, with twin tunnels from Kingsgrove to a new interchange at St Peters and an existing brownfield asset

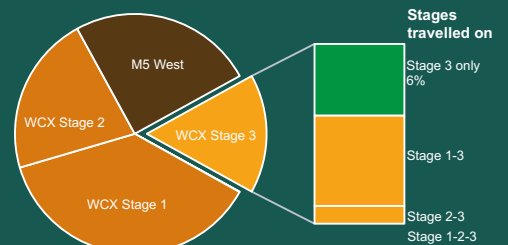
### Stage 3

Project component creating new traffic corridor between the M4 and M5

### M5 West

Existing brownfield asset in a heavily utilised and growing corridor

STAGE 3 PROJECTED RELATIVE TOLL REVENUE CONTRIBUTION BY STAGE IN FY28<sup>1</sup>

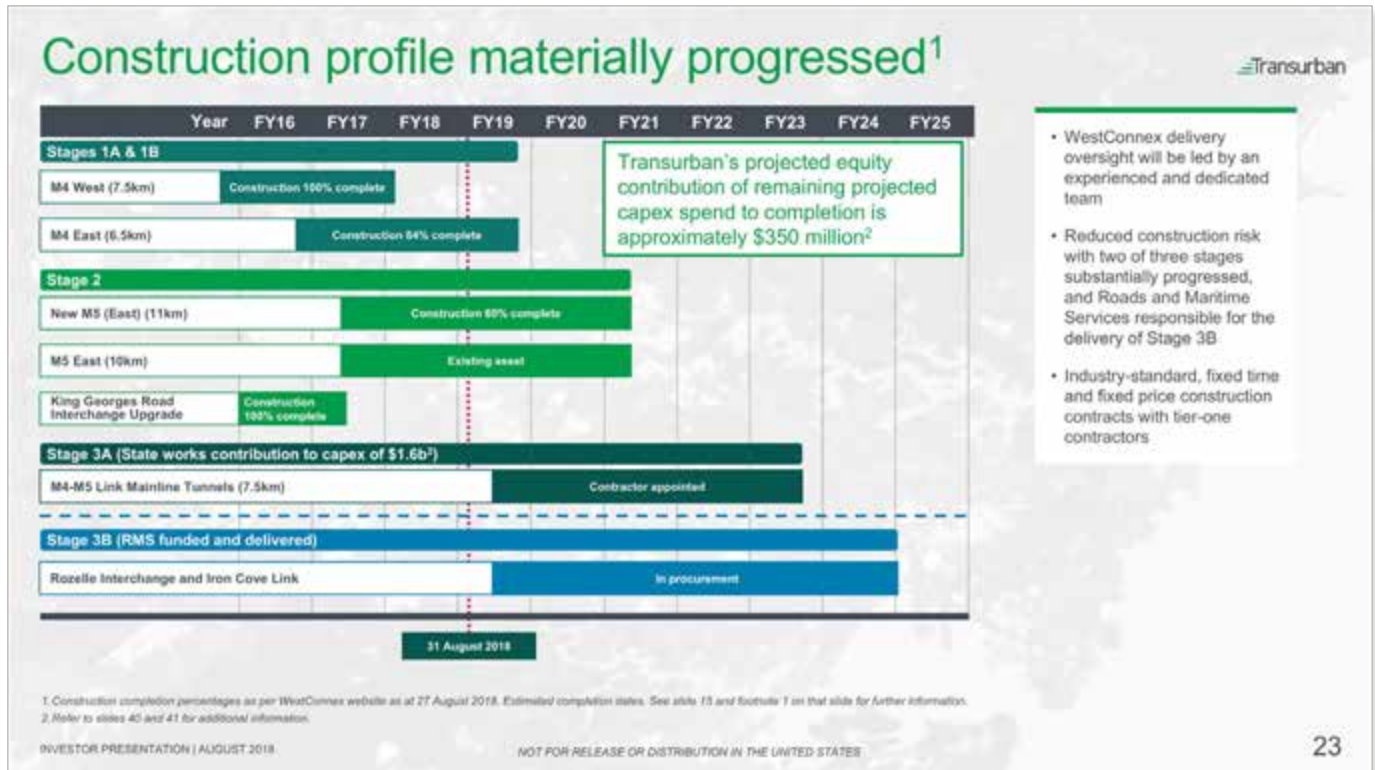


Segments are for illustrative purposes only

- M5 West – Existing brownfield asset, separately tolled
- WCX – Largely brownfield trips
- WCX – Overlap movements
- WCX – Greenfield trips

<sup>1</sup> Based on Transurban management's available toll concession pricing scenario for WestConnex, Business Plan. Note the Stage 3 concession is tolled 50% for information on the projected toll revenue contribution. This contribution is based on a forecast of transportation planning changes to the Sydney region, including the opening of the Sydney Airport and the proposed Western Harbour Tunnel. There are no toll revenues from Stage 3A and Stage 3B. The revenue contribution from Stage 3C is based on the current tolling scenario. Source: Transurban management's available toll concession pricing scenario for WestConnex, Business Plan. Note the Stage 3 concession is tolled 50% for information on the projected toll revenue contribution.

# Section 6 Announcements



## Stage 3 delivery

- Stage 3A**  
M4-M5 Link Mainline Tunnels
- 7.5km of tunnelling construction from the New M5 (East) to the M4 East together with stub connections for the future Stage 3B
  - Lendlease Samsung Bouygues Joint Venture selected as the D&C contractor
  - Contracts stipulate Stage 3A to be delivered under a fixed-price and fixed-time contract, in line with other industry-standard D&C contracts
  - NSW Government contributing \$1.6 billion capex funding via the State Works Contribution expected to leave Transurban with a proportional residual capex contribution of \$0.5 billion which will be funded through a combination of debt, equity and cash reserves

- Stage 3B**  
Rozelle Interchange & Iron Cove Link  
100% funded and delivered by RMS
- Interchange connecting the M4-M5 Link Mainline Tunnels to the surface and the Anzac Bridge, including provision for future connectivity to the proposed Western Harbour Tunnel
  - RMS delivery of Stage 3B means all capex and delivery risk will sit with RMS until handover of the asset to WestConnex for operation
  - Under the M4-M5 Link Project Deed, RMS is liable to compensate WestConnex for delay in completion, abandonment or a change in scope of Stage 3B
  - Asset transfers to WestConnex ownership upon construction completion at no additional cost

# Section 6

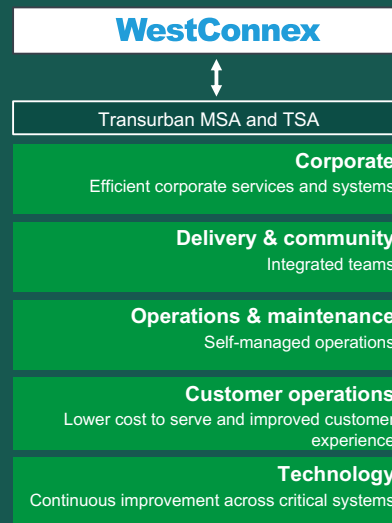
## Announcements

### Governance and operating model

- STP will enter into governance arrangements with the NSW Government in relation to WestConnex, with STP having operational control
- STP consortium members have a well-established and cohesive working relationship, developed through years of successful partnering on a number of Australian road projects
- Clear alignment with STP consortium partners, with AustralianSuper and Tawreed holding an equity stake in Transurban
- Transurban to provide WestConnex with operational services under a pre-agreed Master Services Agreement (MSA), consistent with the Transurban Queensland model<sup>1</sup>
- STP given the right of first offer if and when the NSW Government decide to sell-off their remaining 49% stake in WestConnex which the NSW Government is not required to accept<sup>2</sup>

1. Refer to Key risk 3.2.  
2. Refer to Key risk 1.11.

#### Proposed operating model<sup>1</sup>



### Transition pathway<sup>1</sup>

- Targeting EBITDA margins that are comparable to Transurban's current Sydney assets post construction, ramp-up and handover of M5 West<sup>2</sup>
- Current WestConnex operational structure largely efficient with an opportunity to apply Transurban synergies over the medium term



1. Refer to Key risk 3.2.  
2. WestConnex targeted EBITDA margin for FY28 compared to FY18 Sydney assets proportional EBITDA margin.

# Section 6 Announcements

## Stakeholder engagement

Transurban

- Stakeholder strategy supported by dedicated resources, leveraging Transurban's recent experience with West Gate Tunnel, NorthConnex and CityLink Tulla Widening projects
- Tailored communication and engagement reflects the specific challenges posed by WestConnex and how stakeholder concerns may shift over the life of the project



### Community

STP to engage with community stakeholders including local residents, businesses, road users and community groups to:

- provide further information about the benefits of WestConnex to broader Sydney
- enhance relationship with communities around construction areas by proactively sharing information
- provide ongoing consultation with the community to seek to improve trust

### Customer

Shift in customer-experience approach:

- convenient, streamlined service as tolling is transitioned to Linkt retail brand
- flexible and innovative tolling products such as LinktGO - new GPS based tolling app

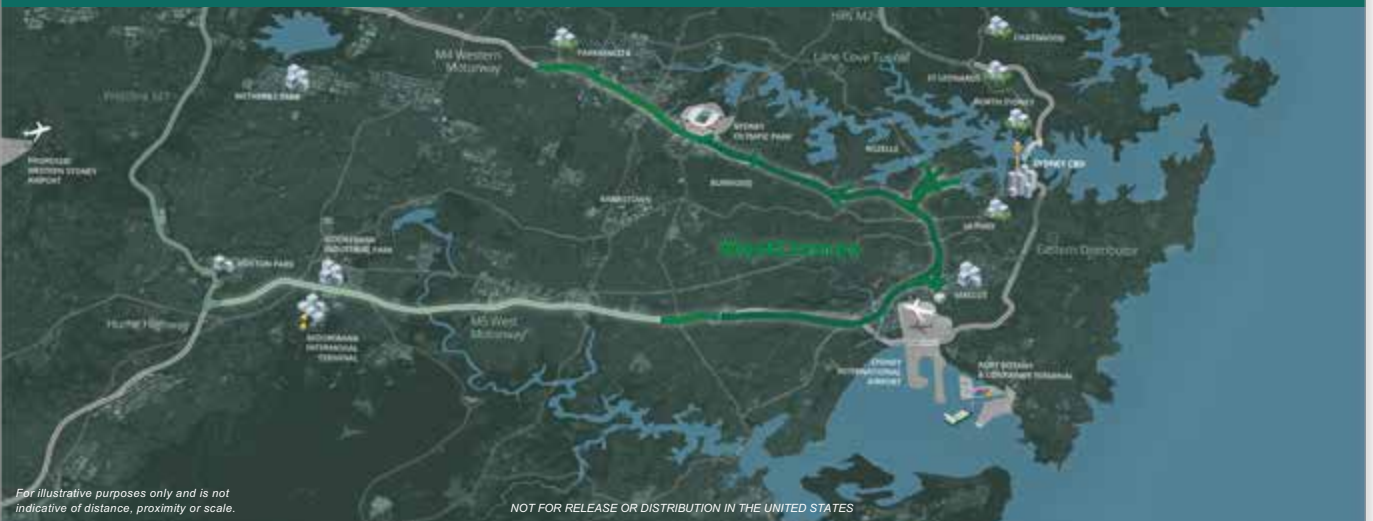
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Transurban

## WestConnex traffic

Darryn Paterson



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# Section 6 Announcements

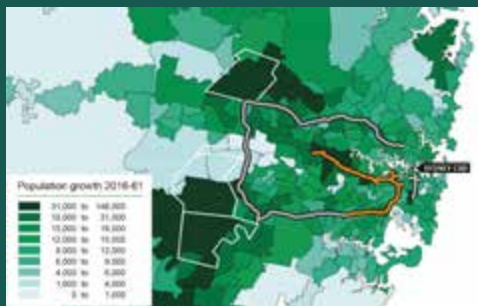
## Sydney



- Forecast population growth concentrated in Sydney growth areas to the west, south-west and north-west of Sydney CBD through to 2026<sup>1</sup>
- If current trends continue, by 2036 over 50% of Sydney's population are forecast to live west of Parramatta<sup>2</sup>
- 60% of jobs are outside Sydney's major centres<sup>3</sup>

### Population growth<sup>1,4</sup>

Orange line illustrates approximate positioning of WestConnex



### Employment growth<sup>1,4</sup>

Orange line illustrates approximate positioning of WestConnex



1. See slide 9 and footnote 3 on that slide, and Key risks for further information.  
2. Source: Greater Sydney Commission – Three Cities @State of New South Wales through the Greater Sydney Commission.

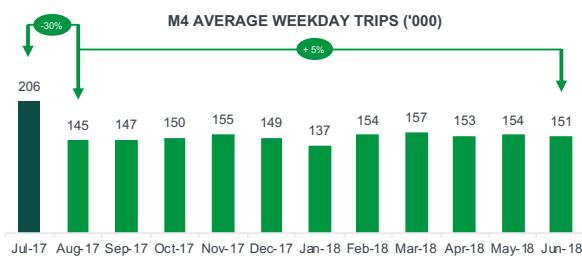
3. Source: Bureau of Transport Statistics 2014, September 2014 Release Employment Forecasts, TNSW, Sydney  
4. Map is for illustrative purposes only and is not indicative of distance, proximity or scale.

## Stage 1 overview

### M4 West and M4 East

- Widened M4 West opened to traffic in July 2017 with tolling commencing in August, M4 East construction 84% complete<sup>1</sup>
- M4 West ADT of ~138,000 post widening to eight lanes in each direction and tolling recommencement<sup>2</sup>
- Stage 1 links key centres including Parramatta and Homebush with numerous interchanges along its length
- M4 East new twin-tunnels providing an alternative route to the highly congested Parramatta Road
- The NSW Government expects daily weekday traffic of approximately 163,800 vehicles on the M4 West (east of James Ruse Drive) in 2031<sup>3</sup>

### Monthly performance of M4 West post tolling recommencement<sup>2,4</sup>

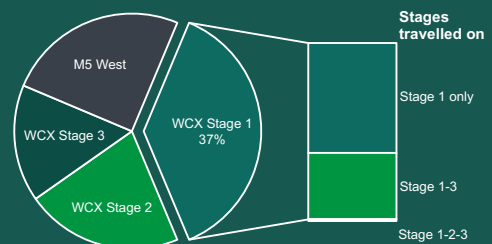


1. Construction completion percentage as per WestConnex website as at 27 August 2018.  
2. Source: NSW Government, Transport Roads & Maritime Services, Widened M4 traffic volume data from 1 July 2017 to 30 June 2018.  
3. As per the NSW Government's WestConnex Strategic Business Case. Source: Dated November 2015, <https://www.westconnex.com.au/sites/default/files/WestConnex%20Updated%20Strategic%20Business%20Case%20-%20November%202015.pdf>



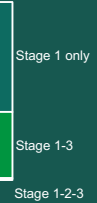
Map is for illustrative purposes only and is not indicative of distance, proximity or scale.

### STAGE 1 PROJECTED RELATIVE TOLL REVENUE CONTRIBUTION BY STAGE IN FY28<sup>5</sup>



Segments are for illustrative purposes only

### Stages travelled on



4. 30% drop in average weekday traffic between July and August 2017 is due to tolling recommencement. August data only includes days post tolling recommencement on 15 August. Public holidays are excluded from data set.  
5. See slide 22 including footnote 1 on that slide and Key risks for further information.

# Section 6 Announcements

## Stage 2 overview

### M5 East and New M5 (East)

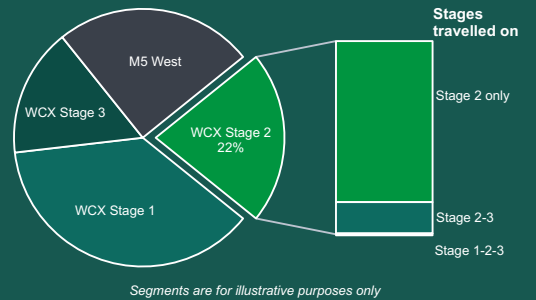
- New M5 (East) scheduled to open mid-FY21 with rampover and billing commencement on the M5 East at opening<sup>1</sup>
- Together with the M5 West, the M5 East serves as the major freight route between Port Botany and key distribution centres along the corridor
- Over 220,000 vehicles a day move between the M5 East area and the M5 West area according to traffic counts from 2018<sup>2</sup>
- M5 East is expected to draw heavily from trips immediately upstream and downstream of the tunnels and provide direct connection to the proposed F8 Extension once developed
- M5 East corridor is highly utilised with traffic counts from 2014-15 indicating over 120,000 vehicles a day at the western end and over 100,000 a day at the stage 2 end<sup>3</sup>



Map 10 for illustrative purposes only. Not to be relied on for engineering or planning purposes.

1. Estimated completion date. See slide 13 and Appendix 1 for more details on traffic information.  
 2. Traffic counts commissioned by Transurban in 2018. Locations are subject to change and are intended to capture traffic movements between stages in the same direction that could originate from the respective WestConnex components for an illustrative purpose for this slide.  
 3. Source: New M5 (East) EIS early stage, November 2019.  
 4. See slide 22 including Appendix 1 on this slide and the tolling information.

STAGE 2 PROJECTED RELATIVE TOLL REVENUE CONTRIBUTION BY STAGE IN FY28<sup>4</sup>



Segments are for illustrative purposes only

## Stage 3 overview

### M4-M5 Link and Rozelle Interchange

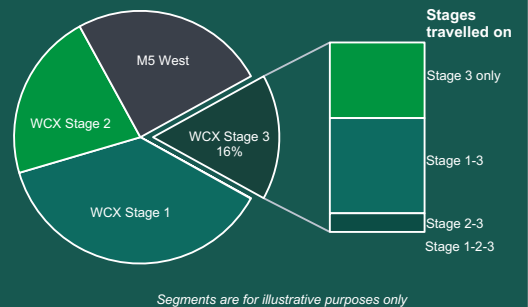
- Stage 3A scheduled opening late FY23 and 3B early FY24
- Crucial hub connecting WestConnex Stages 1 and 2 together
- Trips drawn predominantly from established WestConnex stages, with only 6% of expected FY28 WestConnex toll revenue projected to come from newly greenfield (Stage 3 only) trips<sup>1</sup>
- Expected to facilitate north-south movements through the connections to the proposed Western Harbour Tunnel to the north and F8 to the south
- Over 220,000 vehicles a day move between the M4 area and M4-M5 Link area, and over 300,000 between the M5 area and M4-M5 Link area according to traffic counts from 2018<sup>2</sup>



Map 11 for illustrative purposes only. Not to be relied on for engineering or planning purposes.

1. Estimated completion date. See slide 13 and Appendix 1 for more details on traffic information.  
 2. See slide 22 including Appendix 1 on this slide and the tolling information.  
 3. Traffic counts commissioned by Transurban in 2018. Locations are subject to change and are intended to capture traffic movements between stages in the same direction that could originate from the respective WestConnex components for an illustrative purpose for this slide.

STAGE 3 PROJECTED RELATIVE TOLL REVENUE CONTRIBUTION BY STAGE IN FY28<sup>2</sup>



Segments are for illustrative purposes only

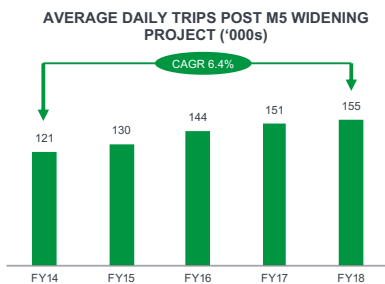
# Section 6

## Announcements

### M5 West overview

- Highly utilised, existing motorway 50% owned by Transurban to end of 2026 where the concession will be handed over to WestConnex
- 155,000 average daily trips in FY18
- EBITDA margin of approximately 91% in FY18

#### ADT for M5 West post M5 widening project<sup>1</sup>

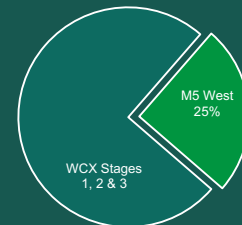


1. Source: Transurban ASX releases. M5 West widening project completed in December 2014.  
 2. See slide 22 including footnote 1 on that slide and Key risks for further information.



Map is for illustrative purposes only and is not indicative of distance, proximity or scale.

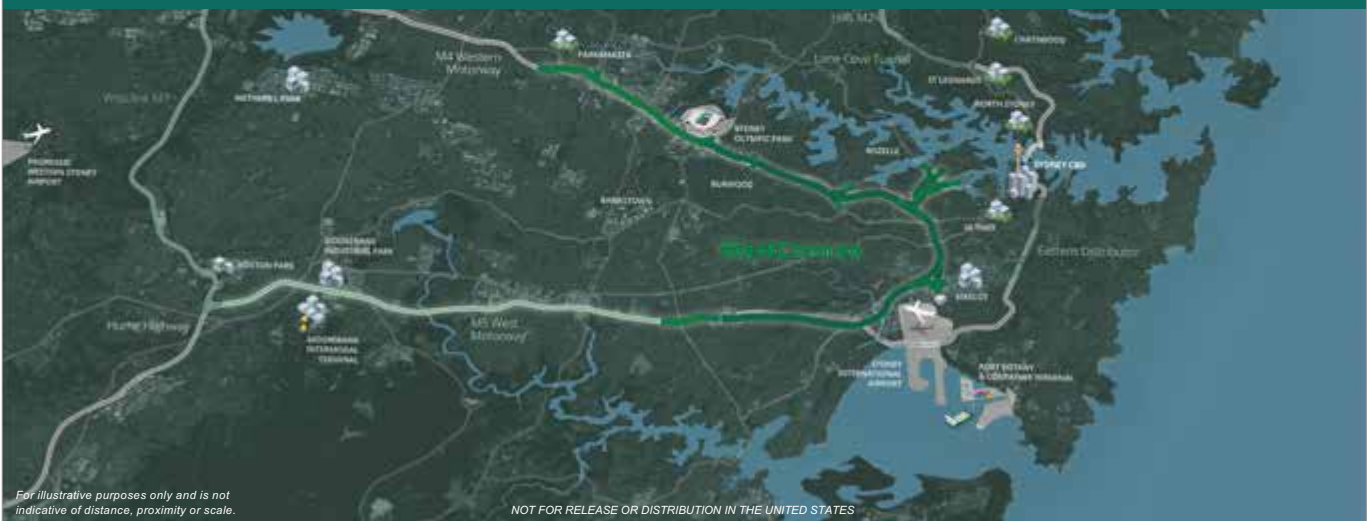
#### M5 WEST PROJECTED RELATIVE TOLL REVENUE CONTRIBUTION IN FY28<sup>2</sup>



Segments are for illustrative purposes only

## Capital strategy

Adam Watson



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# Section 6

## Announcements

### Entitlement Offer and placement key details<sup>1</sup>



#### Entitlement Offer

- Fully underwritten 10 for 57 accelerated pro rata renounceable entitlement offer with retail entitlements trading to raise gross proceeds of approximately \$4.2 billion
- Entitlement Offer price of \$10.80 per New Security
  - 10.4% discount to Transurban's closing price of \$12.06 on 30 August 2018
  - 8.9% discount to TERP<sup>2</sup> of \$11.85

#### Placement

- \$450 million of securities to be placed to AustralianSuper
- \$150 million of securities to be placed to Tawreed
- Placement issue price of \$10.85 per security, a 0.5% premium to the Entitlement Offer price

New Securities and securities issued under the placement to AustralianSuper and Tawreed will rank equally with ordinary securities

<sup>1</sup> Refer to slides 54 and 55 for additional detail.

<sup>2</sup> TERP is a theoretical price at which Transurban securities trade immediately after the ex-date for the Entitlement Offer assuming 100% take-up of the Entitlement Offer and having regard for to the Entitlement Offer ratio and securities issued under the placement. TERP is a theoretical calculation only and the actual price at which Transurban securities trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to Transurban's closing price of \$12.06 on 30 August 2018.

### Offer timetable



Dates and times are subject to change without notice	Timing
Announcement of WestConnex Acquisition and Entitlement Offer, trading halt and institutional entitlement offer opens	31 August 2018
Announcement of completion of institutional entitlement offer	5 September 2018
Trading halt lifted	5 September 2018
Retail entitlements commence trading on a deferred settlement basis	5 September 2018
Record date under the Entitlement Offer	5 September 2018
Despatch of Retail Information Booklet and entitlement and acceptance form	7 September 2018
Retail entitlement offer opens	7 September 2018
Retail entitlements commence trading on a normal settlement basis	10 September 2018
Initial Retail Closing Date – last day to apply for New Securities to be issued on the Initial Allotment Date	11 September 2018
Retail entitlements conclude trading	11 September 2018
Settlement of institutional entitlement offer, institutional shortfall bookbuild and initial retail acceptance	12 September 2018
Initial Allotment Date – Institutional entitlement offer, institutional shortfall bookbuild and initial retail acceptance	13 September 2018
Normal trading commences on ASX of New Securities issued under the initial allotment	13 September 2018
Retail entitlement offer closes	18 September 2018
Retail shortfall bookbuild	20 September 2018
Settlement of retail entitlement offer and retail shortfall bookbuild	25 September 2018
Final allotment of New Securities	26 September 2018
New Securities issued under the retail entitlement offer and retail shortfall bookbuild commence trading on the ASX	27 September 2018
Despatch of holding statements	28 September 2018

# Section 6 Announcements

## Sources and uses



### Sydney Transport Partners funding sources and uses – Upfront WCX purchase price<sup>1</sup>

Sources	(\$b)	Uses	(\$b)
Transurban equity – 50%	4.1	Upfront WCX purchase price – 51% sell-down by NSW Government <sup>2</sup>	9.3
AustralianSuper equity – 20.5%	1.7	STP transaction costs	0.1
CPPIB equity – 20.5%	1.7		
Tawreed equity – 9%	0.7		
Additional debt <sup>3</sup>	1.1		
<b>Total sources of funds</b>	<b>9.3</b>	<b>Total uses of funds</b>	<b>9.3</b>

### Transurban equity contribution sources and uses<sup>1</sup>

Sources	(\$b)	Uses	(\$b)
Entitlement Offer <sup>4</sup>	4.2	TCL share of WCX equity contribution to fund upfront WCX purchase price	4.1
Placement to STP consortium members	0.6	TCL share of WCX FY19 capex contribution	0.1
		General corporate purposes	0.6
<b>Total sources of funds</b>	<b>4.8</b>	<b>Total uses of funds</b>	<b>4.8</b>

1. Figures may not add up due to rounding.

2. Upfront WCX purchase price is inclusive of approximately \$0.6 billion stamp duty, payable on acquisition.

3. Debt raised by STP to fund the Upfront WCX purchase price. This debt will be repaid by additional debt raised by WCX at Debt Financial Close. Refer to slide 38 for further information.

4. Assumes approximately 390 million fully paid new securities are issued under the 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.

## WestConnex funding summary

At Debt Financial Close (which will occur after Acquisition Financial Close), WestConnex will have total drawn debt of \$6.5 billion, with additional undrawn debt capacity of \$1.7 billion to fund remaining construction<sup>1</sup>

### Stage 1

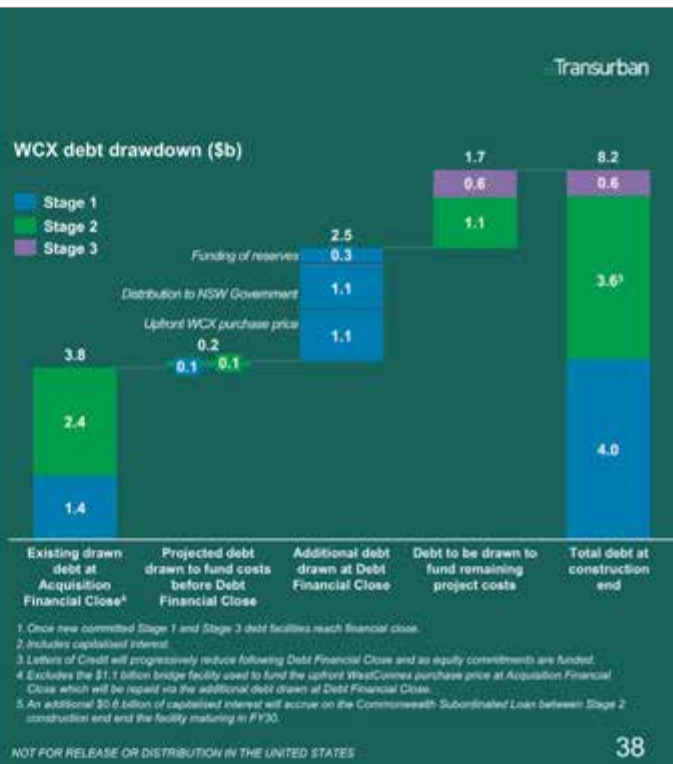
- At Debt Financial Close, \$4.0 billion of new debt will be raised to fully refinance Stage 1 existing debt and raise additional debt to rebalance the capital structure of Stage 1
- The Stage 1 entities will reserve sufficient cash to fully fund the remaining cost of Stage 1B construction<sup>2</sup>

### Stage 2

- Existing Stage 2 senior debt facilities and Commonwealth subordinated loan are retained by WestConnex
- Both facilities will continue to be drawn upon over the Stage 2 construction period to fund construction costs<sup>2</sup>

### Stage 3

- A new \$0.6 billion construction facility will be established at Debt Financial Close to partially fund Stage 3A construction costs<sup>2</sup>
- STP consortium members will also provide equity Letters of Credit totaling \$0.9 billion at Acquisition Financial Close for their respective shares of the equity funding commitment<sup>3</sup>

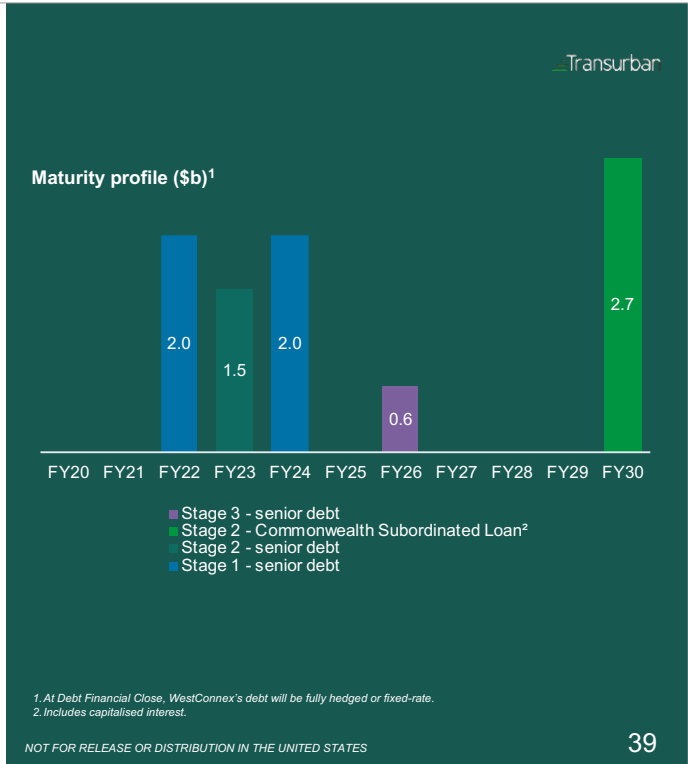


# Section 6 Announcements

## WestConnex long-term capital strategy

- WestConnex's debt facilities have a staggered maturity profile to reduce potential market risk with future refinancings
- The long-term capital strategy is to progressively refinance WestConnex asset-level financing and migrate to a consolidated Hold Co WestConnex funding structure
  - This will allow WestConnex to become a diversified borrower and access debt capital markets
  - The refinancing strategy will be supported by WestConnex seeking to maintain investment grade credit metrics as the assets mature
  - The current equity funding supporting WestConnex will be partially replaced with additional debt over time as credit metrics improve on the back of construction completion, revenue ramp-up and the inclusion of the M5 West
  - Additional debt will be distributed to the WestConnex investors in the form of capital releases, reflecting the high proportion of initial equity funding
  - This will be done within the parameters agreed with the NSW Government and within Transurban's targeted credit metrics

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## WestConnex capex profile

\$5.0 billion remaining projected capex spend to completion, of which Transurban's projected equity contribution is approximately \$350 million

WCX construction funding composition (\$b)<sup>1</sup>

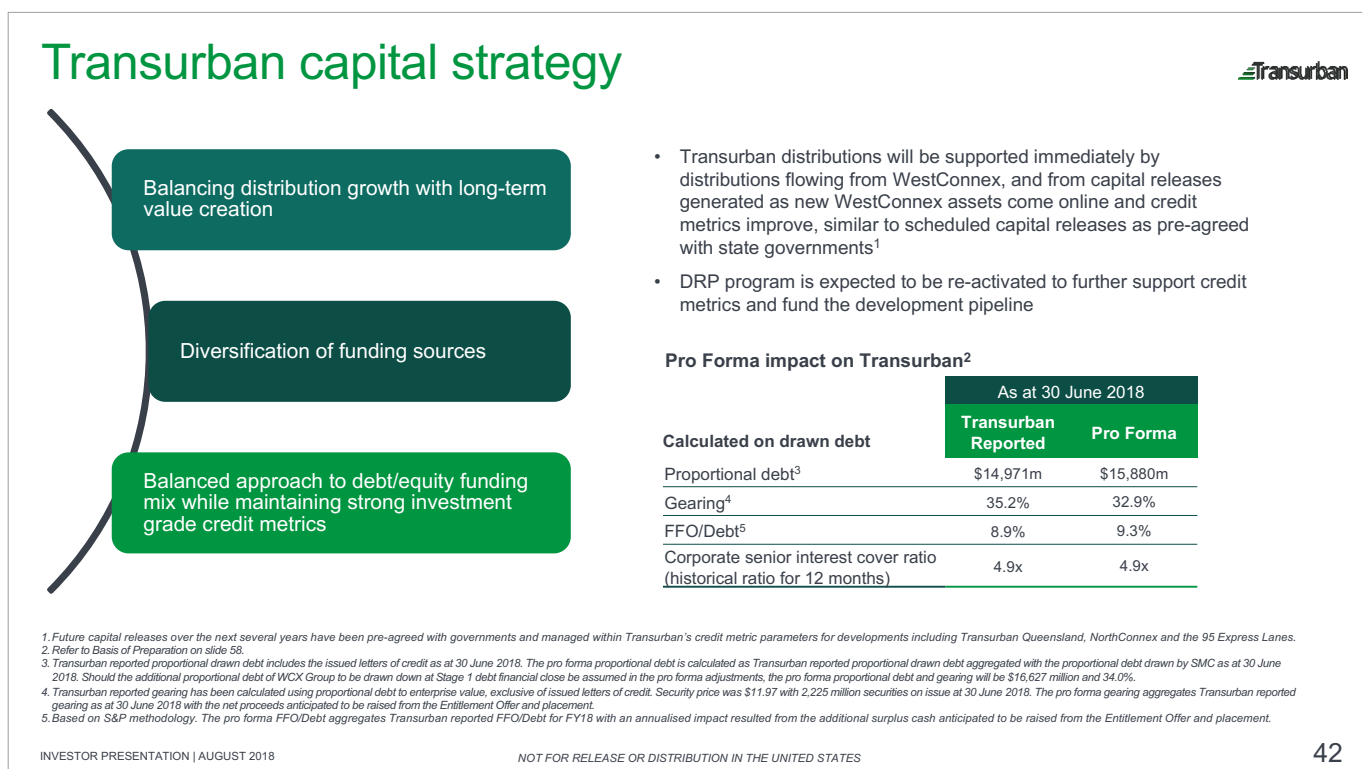
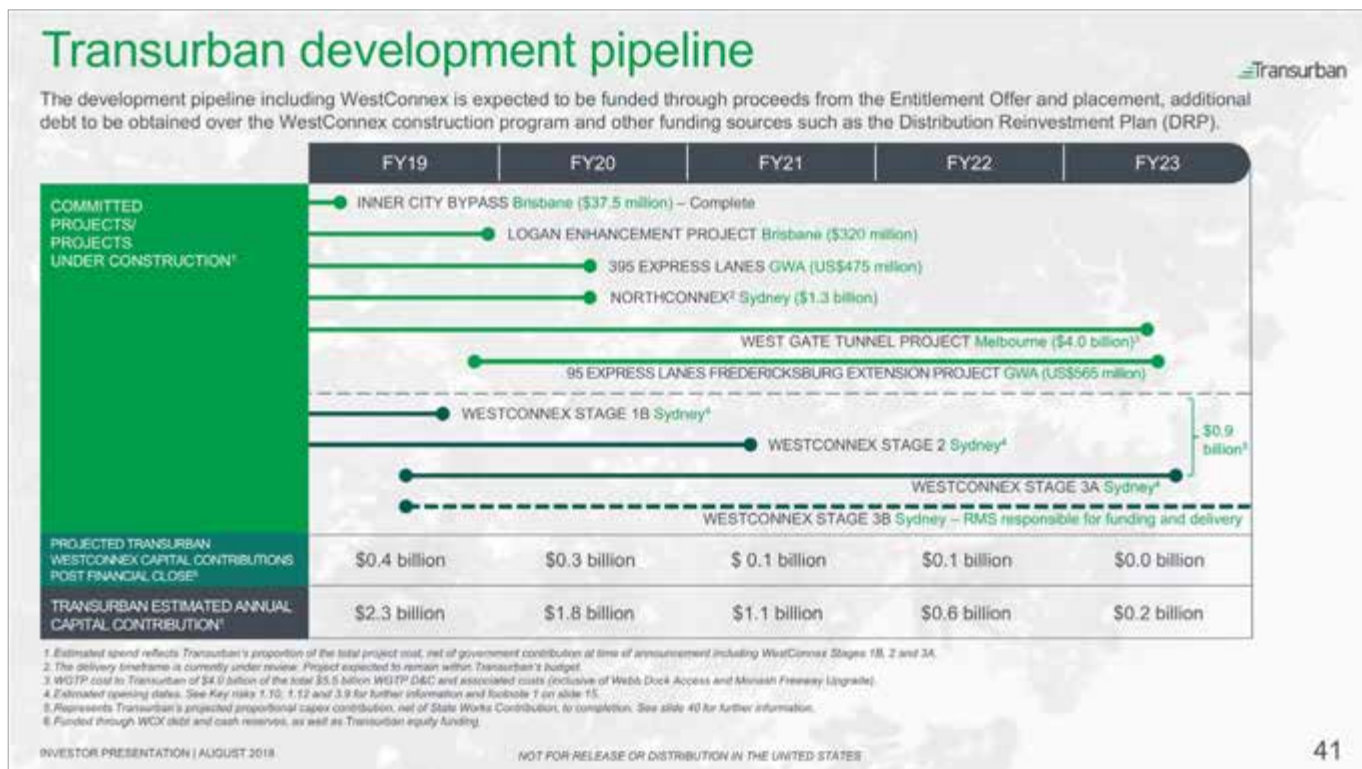


1. Figures in national terms.  
2. Including \$1.7 billion of debt drawn to fund remaining D&C costs.  
3. Transurban's \$0.4 billion share of equity funding will be funded as part of the ongoing development pipeline.

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# Section 6 Announcements

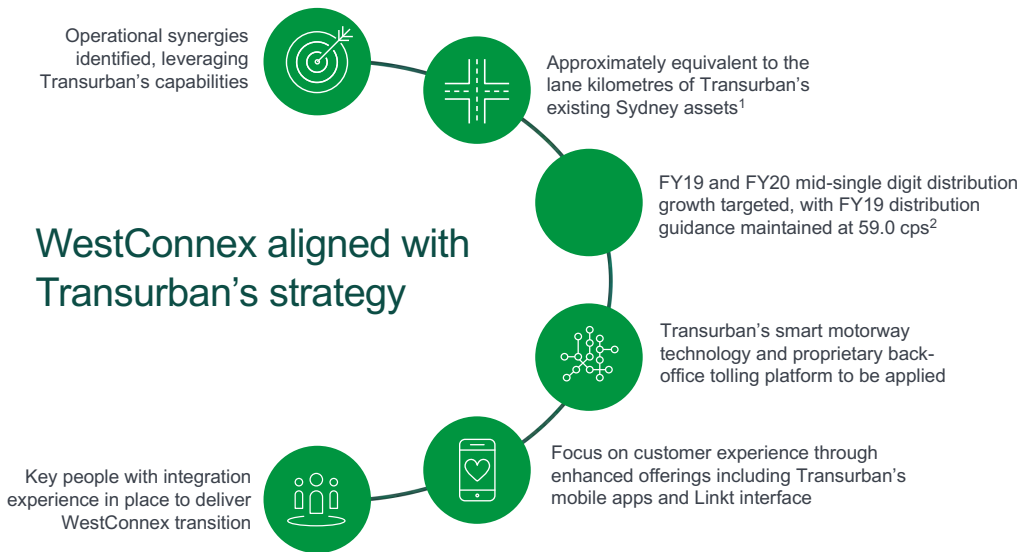


# Section 6 Announcements

## Summary



## Summary

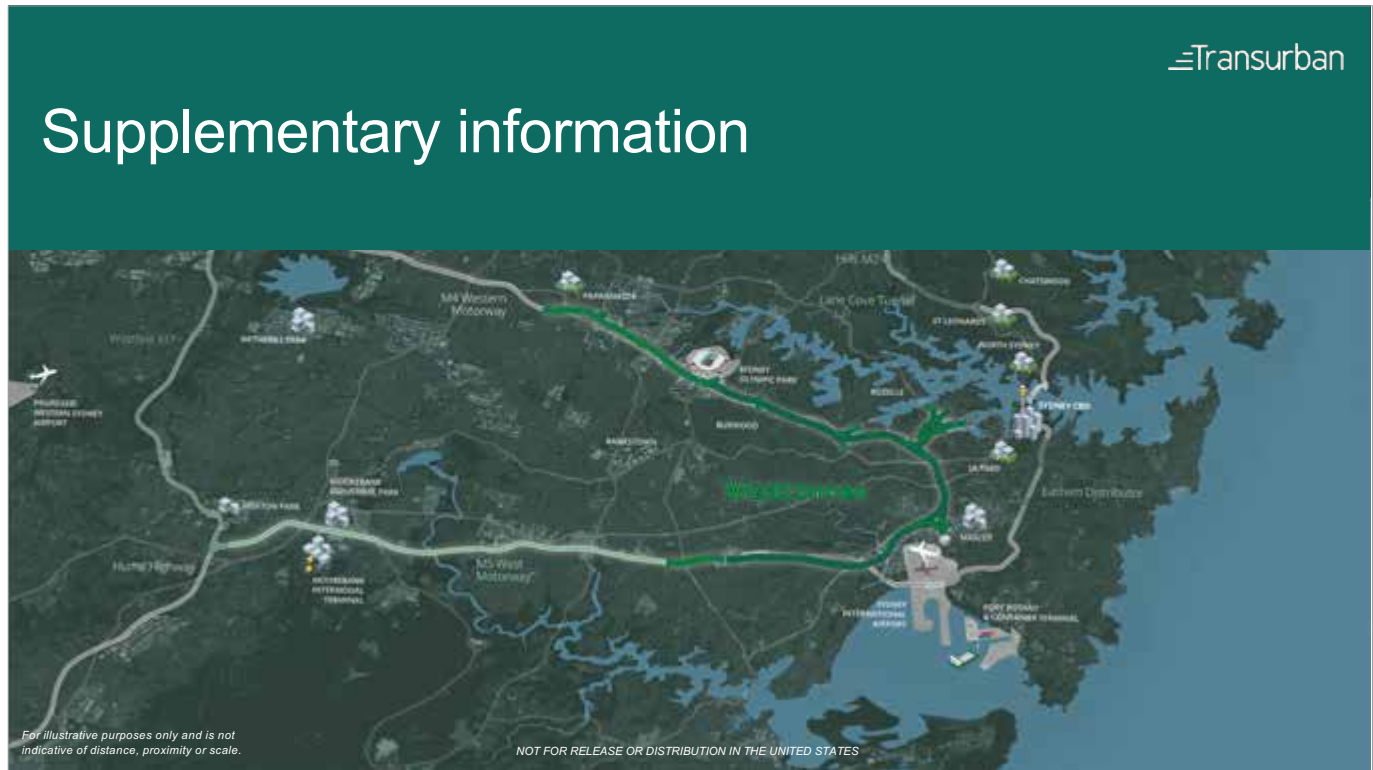


1. M5 West included in WestConnex and not included in Transurban Sydney.  
 2. Refer to slide 17 for additional information.



# Section 6

## Announcements



## Transurban overview



Transurban is a global leader in road development, delivery, operations and technology

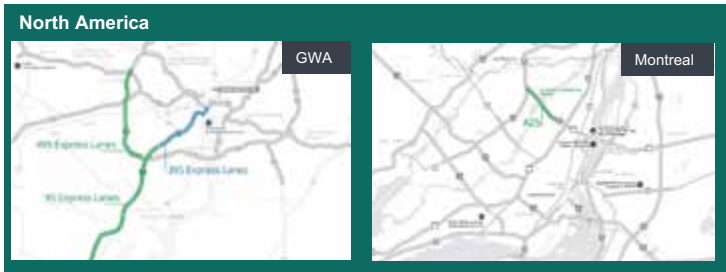
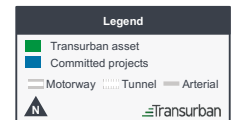
- Melbourne, Australia headquarters
- Approximately 71% of Transurban's investors are Australian<sup>1</sup>
- Publicly listed on the ASX with a market capitalisation of \$26.6 billion<sup>2</sup>
- Transurban employs over 2,500 people and almost 5,900 additional contractors on projects<sup>2</sup>

LONG-LIFE TOLL ROAD CONCESSIONS	EMBEDDED INFLATION PROTECTION FOR AUSTRALIAN ASSETS
ESSENTIAL URBAN INFRASTRUCTURE	COMMITTED TO STRONG INVESTMENT GRADE CREDIT METRICS

1. By value, as at 13 July 2018.  
2. As at 30 June 2018.

# Section 6 Announcements

## Transurban assets



Market	Number of operational assets	FY18 proportional toll revenue contribution
Sydney	6	40.4%
Melbourne	1	33.3%
Brisbane	6	16.8%
North America <sup>1</sup>	3	9.5%

Maps are for illustrative purposes only and is not indicative of distance, proximity or scale.  
1. North American proportional toll revenue contribution includes A25 toll revenue since acquisition.

## Transurban operational and development update



### Sydney

- NorthConnex project is progressing with the majority of tunnelling completed<sup>1</sup>
- Maintenance and incident response contractor, Ventia, commenced maintenance services on Lane Cove Tunnel and the Hills M2 from July 2018 and will commence incident response services from October 2018
- Transurban has agreed to acquire an additional 8.24% equity interest in the M5 motorway, taking its total equity interest to 58.24%.<sup>2</sup> Transurban is engaged in discussions to potentially acquire a further 7.15% interest in the M5 Motorway

### Melbourne

- Transurban's incident response services extended beyond CityLink to WGTP construction areas between Williamstown Road and the M80
- West Gate Tunnel Project planning scheme amendment passed through both houses of the Victorian Parliament<sup>3</sup>

### Brisbane

- AirportlinkM7 operations insourced as part of broader tunnel network integration program
- ICB now complete and LEP expected completion in late FY19

### Greater Washington Area

- Successful integration and operation of two mile extension to the southern end of the 95 Express Lanes
- Design-build request for proposal for the Fredericksburg Extension project issued; financial close expected in FY19

### Montreal

- Asset assessments complete and in line with expectation
- Lifecycle and maintenance approach alignment underway

1. The delivery timeframe is currently under review. Project expected to remain within Transurban's budget.  
2. Subject to customary closing conditions.  
3. Legislative approval for the CityLink funding sources is pending. The State has confirmed that it is government policy intention to implement the necessary legislative support for the CityLink concession deed amendments during the WGTP construction period.

# Section 6 Announcements

## WestConnex tolling regime<sup>1</sup>

- WestConnex tolls are distance-based, similar to the M7, with customers only paying tolls for the sections of tollway they use
- WestConnex tolls will be capped at a maximum amount (\$8.95)<sup>2</sup>
- Revenue from the toll cap will be divided across the various concessions based on the 'home trip percentage', which is calculated as the distance travelled on each asset divided by the total trip length on WestConnex
- Large vehicles are expected to represent approximately 9% of traffic mix at steady state in FY28<sup>3</sup>
- Projected average trip length of 8.8 kilometres at FY28<sup>3</sup>
- WestConnex will be operated under three separate concession agreements

1. The WestConnex concessionaires cannot toll the Iron Cove Link section of the Rozelle Interchange under the M4-M5 Link Project Deed.  
 2. WestConnex toll cap is as at 1 January 2018.  
 3. Based on Transurban's internal management assessment, refer to footnote 1 on slide 22. Projected average trip length excludes M5 West which is not tolled based on distance.

WestConnex (excl. M5 West)	2018 \$
Current toll flag fall	\$1.27
Current toll rate	\$0.47 per km
Current toll cap	\$8.95
Truck multiplier	3x
Escalation—at any time prior to 31 December 2040	Greater of CPI or 4% per annum (escalated on 1 January each year)
Escalation—post 31 December 2040	Greater of CPI or 0% per annum
Concession term expiry	31 December 2060

M5 West (from December 2026)	
Base toll (each direction)	\$4.44 (as at 1 July 2015)
Escalation	CPI per quarter
Concession term expiry	31 December 2060

## WestConnex reporting and tax considerations

### Statutory results – equity accounting

- Transurban will equity account its 25.5% ownership interest in WestConnex on Transurban's balance sheet
- Transurban does not control WestConnex through its equity investment in STP nor through the MMA with WestConnex
- Share of profits from the WestConnex investment to be reported within 'share of net profits of equity accounted investments'

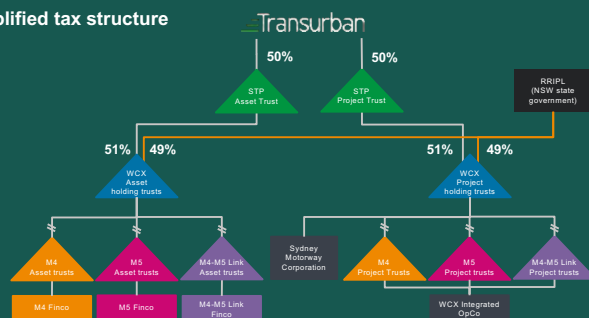
### Proportional results

- WestConnex to be reported in the NSW segment for Transurban
- Separate WestConnex asset reporting will be prepared as required by relevant regulatory authorities and under listing agreements
- Distributions from WestConnex to be passed through STP to be included in Transurban's free cash flow
- Stamp duty, transaction and integration costs are likely to be included as significant items in FY19 reporting. It is at the Board's discretion to adjust LTI targets to exclude significant items under the terms of the LTIs

### Tax considerations

- The NSW Government has set up a dual trust structure at the WestConnex holding level and for each stage of the WestConnex project
- Each of the WCX Asset trusts will be flow-through trusts for tax purposes
- Each of the WCX Project trusts will be subject to tax at the corporate tax rate whilst the NSW Government retains a 20% or greater ownership interest. These WCX Project trusts will be flow-through trusts for tax purposes if the NSW Government's interest falls below 20%
- Distributions from WestConnex asset trusts received and distributed by THT to TCL security holders should be regarded as flow-through distributions

### Simplified tax structure



# Section 6 Announcements

## Transurban tolling escalation



### EMBEDDED INFLATION PROTECTION

MOTORWAY	ESCALATION
M2	Tolls escalate quarterly by the greater of quarterly CPI or 1%
LCT	Car tolls escalate quarterly by quarterly CPI. Large vehicle tolls escalate quarterly by the greater of quarterly CPI or 1%
CCT	Tolls escalate quarterly by the greater of quarterly CPI or 0.7417% (equivalent to 3% per annum) to June 2018; thereafter tolls escalate by quarterly CPI to concession end. The toll cannot be lowered as a result of deflation
ED	Tolls escalate quarterly by the greater of a weighted sum of quarterly AWE and quarterly CPI or 1%
M7	Tolls escalate or de-escalate quarterly by quarterly CPI
M5	Tolls escalate quarterly by quarterly Sydney CPI. The toll cannot be lowered as a result of deflation
NorthConnex <sup>1</sup>	Tolls escalate quarterly by the greater of quarterly CPI or 1%
WestConnex	Tolls escalate annually by the greater of CPI or 4% to December 2040; the greater of CPI or 0% per annum to concession end. Excludes M5 West, which escalates quarterly by CPI
CityLink <sup>2</sup>	Tolls escalate quarterly by CPI. This is subject to a cap of annual CPI plus 2.5%, which cannot be exceeded. If changes to the CityLink Project Deed are approved by the Victorian Parliament, escalation rate will be 4.25% per annum from 1 July 2019 to 30 June 2029, and at CPI thereafter
West Gate Tunnel <sup>1</sup>	Tolls escalate quarterly an equivalent of 4.25% per annum from construction completion to 30 June 2029 and quarterly CPI thereafter
Logan Motorway	Tolls escalate annually by Brisbane CPI. The toll cannot be lowered as a result of deflation
Gateway Motorway	Tolls escalate annually by Brisbane CPI. The toll cannot be lowered as a result of deflation
Clem7	Tolls escalate annually by Brisbane CPI. The toll cannot be lowered as a result of deflation
Go Between Bridge	Tolls escalate annually by Brisbane CPI. The toll cannot be lowered as a result of deflation
Legacy Way	Tolls escalate annually by Brisbane CPI. The toll cannot be lowered as a result of deflation
AirportlinkM7	Tolls escalate annually by Brisbane CPI. The toll cannot be lowered as a result of deflation
95 Express Lanes <sup>3</sup>	Dynamic, uncapped
495 Express Lanes	Dynamic, uncapped
A25	Tolls escalate annually at Canadian CPI. Additional toll escalation applies when peak traffic volumes (for peak tolls) or total daily traffic volumes (for off-peak tolls) reach pre-determined thresholds

1. Assets currently under construction.

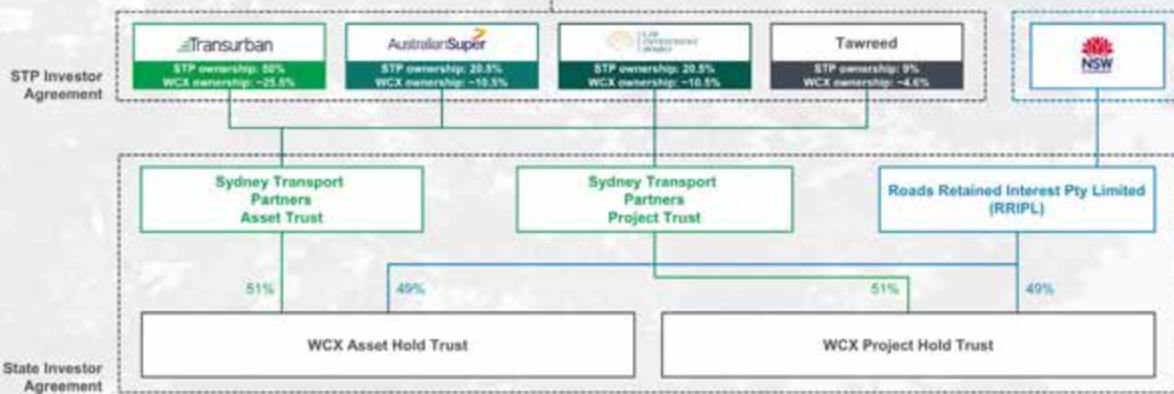
2. In the event required changes to the CityLink Project Deed do not successfully pass through Victorian Parliament, the State of Victoria will replace the WGTP funding source with completion/substitution payments.

3. 95 Express Lanes concession includes 395 Express Lanes (currently under construction) and will include the Fredricksburg Extension (construction set to commence in FY19).

## WestConnex governance structure



SMC has an independent Chairperson



# Section 6

## Announcements

### Additional WestConnex detail

#### WESTCONNEX LANES<sup>1</sup>

Project component	Number of lanes (two-way)
Widened M4 West, east of James Ruse Drive	8
M4 East, east of Concord Road	6
M4-M5 Link <sup>2</sup>	8
Existing M5 East	4
New M5 (East) <sup>3</sup>	4

1. Source: <https://www.westconnex.com.au/traffic-outcomes>  
 2. M4-M5 Link initially opened as two traffic lanes in each direction until the opening of the Rozelle Interchange.  
 3. Built to accommodate three lanes from Kingsgrove to Arncliffe and five lanes from Arncliffe to St Peters.

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Transurban

#### WESTCONNEX CONTRACTORS

##### Stage 1A: M4 West Widening (Complete)

Rizzani De Eccher & CPB

##### Stage 1B: M4 East

CPB, Samsung & John Holland

##### Stage 2: New M5 (East)

CPB, Dragados & Samsung

##### Stage 3A: M4-M5 Link (Mainline) Stage 3B: M4-M5 Link (Rozelle I/C)

Stage 3A: Lendlease Samsung Bouygues JV  
Stage 3B: In procurement by RMS

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### Entitlement Offer key details

Transurban

<b>Structure and size</b>	Fully underwritten 10 for 57 accelerated pro rata renounceable entitlement offer with retail entitlements trading to raise gross proceeds of approximately \$4.2 billion
<b>Ranking</b>	New Securities will rank equally with ordinary securities
<b>Offer price</b>	Offer price of \$10.80 per New Security <ul style="list-style-type: none"> <li>• 10.4% discount to Transurban's closing price of \$12.06 on 30 August 2018</li> <li>• 8.9% discount to TERP<sup>1</sup> of \$11.85</li> </ul>
<b>Institutional entitlement offer</b>	Institutional entitlement offer is: <ul style="list-style-type: none"> <li>• Open from 31 August 2018 to 5 September 2018; and</li> <li>• Any entitlements not taken up and the entitlements of ineligible security holders will be placed into the institutional bookbuild to be conducted on 4 September 2018</li> </ul>
<b>Retail entitlement offer</b>	Eligible retail security holders in Australia and New Zealand have a number of options under the retail entitlement offer <sup>2</sup> <ul style="list-style-type: none"> <li>• Elect to take up all or part of their pro rata entitlement by either:               <ul style="list-style-type: none"> <li>– the early retail close date of 11 September 2018; or</li> <li>– 18 September 2018 the retail offer close date</li> </ul> </li> <li>• Sell or transfer all or some of their entitlement. Entitlements may be traded on the ASX from 5 September 2018 (on a deferred settlement basis) and 10 September 2018 (on a normal settlement basis) to 11 September 2018</li> <li>• Do nothing and let their entitlement be offered for sale through the retail shortfall bookbuild process managed by the underwriters with any proceeds in excess of the offer price (net of any withholding tax and expenses) paid to the security holder</li> </ul>

1. TERP is a theoretical price at which Transurban securities trade immediately after the ex-date for the Entitlement Offer assuming 100% take-up of the Entitlement Offer and having regard to the Entitlement Offer ratio and securities issued under the placement. TERP is a theoretical calculation only and the actual price at which Transurban securities trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to Transurban's closing price of \$12.06 on 30 August 2018.

2. Retail security holders should read the Retail Information Booklet which contains full information on the retail entitlement offer and application process.

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# Section 6

## Announcements

### Placement key details



<b>Size</b>	<ul style="list-style-type: none"> <li>• \$450 million of securities to be placed to AustralianSuper</li> <li>• \$150 million of securities to be placed to Tawreed</li> </ul>
<b>Ranking</b>	Securities issued under the placement rank equally with ordinary securities
<b>Issue price</b>	Issue price of \$10.85 per security, a 0.5% premium to the Entitlement Offer price

### ACCC review



#### Australian Competition & Consumer Commission (ACCC) decision

The ACCC will not oppose STP's acquisition of a 51% equity stake in WestConnex following the acceptance of a court-enforceable undertaking.

#### Undertaking detail

Transurban does not consider that the acquisition would have the effect, or be likely to have the effect, of substantially lessening competition for future toll road concessions, however to address the competition concerns that were expressed by the ACCC, Transurban will publish quarterly traffic data (as described in the undertaking) that is obtained or collected on existing and future NSW toll roads in which it has an ownership interest.

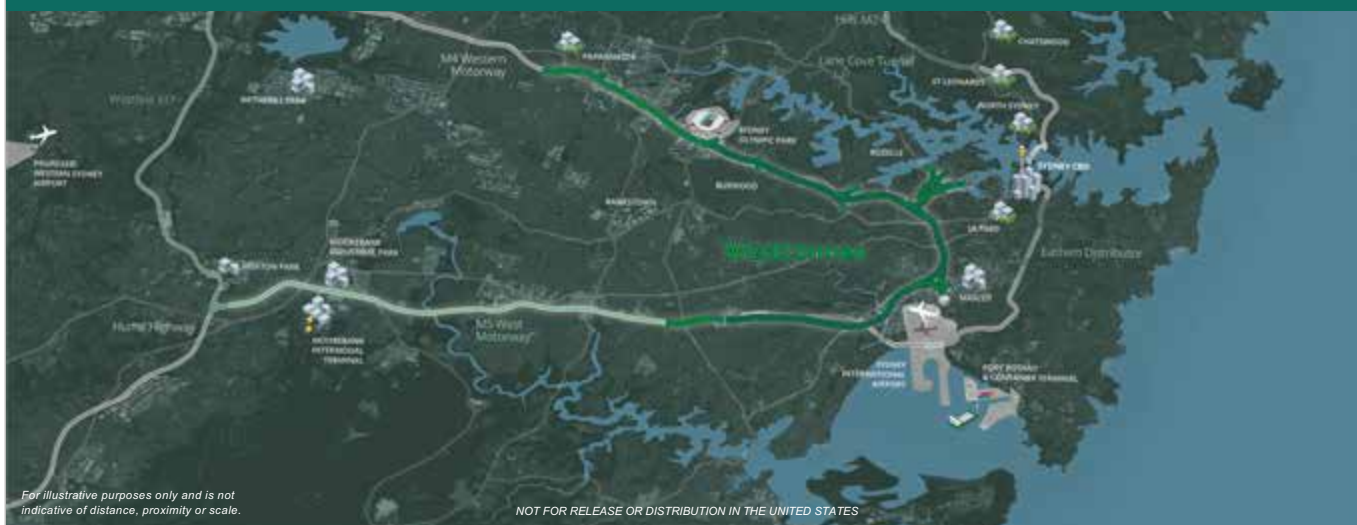
The undertaking has no operational impact on the WestConnex concession or Transurban's NSW toll roads.

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### Supplementary information

## Funding sources and financials



## Basis of preparation

### Pro Forma Financial Information

#### Source of information

The pro forma financial information on slides 42 and 61 to 64 is derived from:

- financial information extracted from Transurban's FY18 audited statutory financial statements; and
- financial information extracted from the Sydney Motorway Corporation Pty Ltd (SMC) and its controlled entities' FY18 audited statutory financial statements (SMC Accounts). Throughout FY18, SMC was the head entity holding 100% of the equity ownership interest in all the entities acquired under the WCX Acquisition.

#### Basis of preparation

The pro forma statutory results on slide 61 and the pro forma proportional EBITDA results on slide 62 have been prepared as if the WCX Acquisition had occurred on 1 July 2017.

The pro forma statutory results reflect the statutory results of Transurban for FY18, aggregated with Transurban's 25.5% share of pro forma SMC net loss for FY18 pursuant to the equity accounted investment approach being adopted by Transurban (see slide 50 for more information). The pro forma SMC net loss is derived from the SMC Accounts, adjusted to reflect:

- maintenance provision expense aligned to Transurban's accounting policy; and
- amortisation of the intangible assets arising on acquisition of the concession as if acquisition accounting had been applied from 1 July 2017.

The pro forma proportional EBITDA results reflect Transurban's proportional EBITDA results for FY18, aggregated with SMC's EBITDA results for FY18 on a 25.5% proportional basis adjusted for maintenance provision expense as discussed above and excluding construction revenue to align to Transurban's proportional basis of presenting results.

The pro forma consolidated balance sheet on slide 64 has been prepared as if the WCX Acquisition, Entitlement Offer and placement had occurred on 30 June 2018.

The pro forma balance sheet aggregates Transurban's audited balance sheet as at 30 June 2018 with:

- Transurban's portion of equity contribution to STP recognised as an equity accounted investment and shareholder loan note funding provided to fund the purchase price for the WCX Acquisition; and
- estimated proceeds of the Entitlement Offer and placement net of associated costs.

The pro forma free cash flow information on slide 63 assumes no distribution or interest receipts from SMC in FY18. The pro forma free cash per security information on slide 63 has been prepared as if the Entitlement Offer and placement had occurred on 1 July 2017. The pro forma weighted average securities on issue during FY18 is calculated by assuming both the number of securities on issue at 30 June 2018 and the number of securities to be issued under the Entitlement Offer and placement were on issue at 1 July 2017.

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### Basis of preparation



#### **Basis of preparation (continued)**

The pro forma proportional debt and gearing information on slide 42 reflects Transurban's group debt drawn and gearing as at 30 June 2018, aggregated with the proportional debt drawn by SMC as at 30 June 2018 and the additional net proceeds anticipated to be issued under the Entitlement Offer and placement, as if the WCX Acquisition, Entitlement Offer and placement had occurred on 30 June 2018. The pro forma FFO/Debt and senior interest cover ratio information on slide 42 reflects Transurban's group FFO/Debt and senior interest cover ratio for FY18 aggregated with the incremental impacts as if the WCX Acquisition, Entitlement Offer and placement had occurred on 1 July 2017.

The pro forma statutory results and the pro forma proportional EBITDA results do not include the impacts of any cost or other operating synergies that may result from the WCX acquisition. Transurban and STP have just recently begun collecting information in order to formulate detailed integration plans to deliver planned synergies. However, as at 30 June 2018 (being the last practicable date before the date of this Presentation), the integration plans are in their preliminary stages and the associated costs and benefits are estimates and not yet factually supportable for the purposes of inclusion in the pro forma historical financial information.

#### **Free cash flow available for distributions**

Transurban's free cash is calculated as:

- Cash flow from operating activities
- Add back transaction and integration costs related to acquisitions
- Add back payments for maintenance of intangible assets
- Add back capital releases from 100% owned entities
- Less debt amortisation relating to 100% owned entities
- Less allowance for maintenance of intangible assets for 100% owned assets
- Less cash flow from operating activities from consolidated non 100% owned entities
- Add distributions and interest received from non 100% owned entities

#### **Proportional basis of presenting results**

Certain pro forma financial information in this Presentation has been prepared on a proportional underlying basis. Transurban's CEO and the Executive Committee receive information for assessing the business on an underlying proportional basis reflecting the contribution of individual operating concession assets in the proportion of Transurban's equity ownership. This method of presentation differs from the statutory accounting format and is consistent with Transurban's previous method of disclosure of proportional results.

### Basis of preparation



#### **Assumptions for distribution guidance**

The statements on slides 7, 17 and 44 include information relating to Transurban's distribution guidance for FY19 and FY20. The FY19 and FY20 guidance incorporates Transurban's forecast free cash flow performance for FY19 and FY20 including forecast distribution receipts from WCX post financial close.

In determining distribution guidance certain assumptions have been made about future performance and expenditure. There is no guarantee that these assumptions will materialise and the following information on the assumptions should be read together with the "Key risks".

#### **Distributions from non-controlled entities**

Distributions from non-controlled entities are assumed to continue in line with existing practice and policies of those entities.

#### **Business plans**

Certain information in this presentation illustrates Transurban management's estimate and assessment of a specific matter having regard to the Business Plans. Those assessments are subject to a range of assumptions and contingencies that, given the length of time reflected in those business plans, may not be factually supportable for the purpose of providing guidance or a projection. There can be no assurance that these estimates and assessment will be accurate and the actual outcome may differ materially because events and actual circumstances frequently do not occur as projected or assumed in those business plans. Further, changes to the business plan for WestConnex are not within Transurban's sole control (or any single party with an ownership interest in WestConnex) given respective ownership interests and associated governance arrangements (see slide 52). Refer to slide 15 for an explanation of the WestConnex project components through to FY28. Also see the Key risks for further information.

#### **Traffic volumes and toll revenue assumptions**

These are based on internal budgets and forecasts which reflect current volumes and revenues for existing concessions, observed and expected traffic growth and the terms of individual concession deeds, including price escalation terms and the assumption that there are no significant unplanned adverse events impacting road availability.

#### **Maintenance expenditure and maintenance expense assumptions**

These are based on Transurban's assessment of each concession's existing asset condition and the timing and cost of future works, with reference to the nature of the underlying asset, past cost for works and price escalation over time, primarily CPI.

#### **Other assumptions**

For FY19, equity raising costs relating to the Entitlement Offer will be excluded from free cash flow.



# Section 6

## Announcements

### Statutory results – pro forma



	FY18 (\$M)		
	TCL	WCX ACQUISITION	PRO FORMA
Toll revenue	2,249	-	2,249
Construction revenue	989	-	989
Other revenue	60	-	60
<b>Total revenue</b>	<b>3,298</b>	<b>-</b>	<b>3,298</b>
Employee benefits expense	(180)	-	(180)
Road operating costs	(326)	-	(326)
Construction costs	(989)	-	(989)
Transaction and integration costs	(21)	-	(21)
Corporate and other expenses	(133)	-	(133)
<b>Total costs</b>	<b>(1,649)</b>	<b>-</b>	<b>(1,649)</b>
<b>EBITDA</b>	<b>1,649</b>	<b>-</b>	<b>1,649</b>
Depreciation and amortisation	(671)	-	(671)
Net finance costs	(722)	-	(722)
Share of equity accounted profits	33	(17)	16
<b>Profit/(loss) before income tax</b>	<b>289</b>	<b>(17)</b>	<b>272</b>
Tax benefit	179	-	179
<b>Net profit/(loss)</b>	<b>468</b>	<b>(17)</b>	<b>451</b>

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### Proportional EBITDA results – pro forma



	FY18 (\$M)		
	TCL	WCX ACQUISITION	PRO FORMA
Toll revenue	2,340	44	2,384
Other revenue	56	-	56
<b>Total revenue</b>	<b>2,396</b>	<b>44</b>	<b>2,440</b>
<b>Underlying proportional EBITDA</b>	<b>1,796</b>	<b>36</b>	<b>1,832</b>
Significant items	(21)	-	(21)
<b>Proportional EBITDA</b>	<b>1,775</b>	<b>36</b>	<b>1,811</b>

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## Section 6

# Announcements

### Free cash flow – pro forma



	FY18		
	TCL	EQUITY FUNDING	PRO FORMA
Free cash (\$M)	1,215	-	1,215
Underlying free cash per security (cents) – weighted average securities on issue during period	56.8	(11.3)	45.5


### Consolidated balance sheet – pro forma



	As at 30 June 2018 (\$M)			
	TCL	WCX ACQUISITION	EQUITY FUNDING	PRO FORMA
<b>ASSETS</b>				
Cash and cash equivalents	1,130	(4,110)	4,742	1,762
Intangible assets	21,390	-	-	21,390
Property, plant and equipment	374	-	-	374
Equity accounted investments	474	3,410	-	3,884
Other current assets	691	-	-	691
Other non-current assets	2,367	700	-	3,067
<b>Total assets</b>	<b>26,426</b>	<b>-</b>	<b>4,742</b>	<b>31,168</b>
<b>LIABILITIES</b>				
Short-term borrowings	524	-	-	524
Long-term borrowings	14,871	-	-	14,871
Other current liabilities	1,699	-	-	1,699
Other non-current liabilities	2,566	-	-	2,566
<b>Total liabilities</b>	<b>19,660</b>	<b>-</b>	<b>-</b>	<b>19,660</b>
<b>Net assets</b>	<b>6,766</b>	<b>-</b>	<b>4,742</b>	<b>11,508</b>
<b>Total security holders' funds</b>	<b>6,766</b>	<b>-</b>	<b>4,742</b>	<b>11,508</b>


# Section 6

## Announcements




Supplementary information

## Key risks



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## Business risks

### 1.1 Transurban's concession agreements have finite lives

Transurban's business is dependent on concession agreements that have been granted to members of the Transurban group, or entities in which Transurban has an interest, to operate various toll roads in Australia and North America ("**concession agreements**"). Earnings from the concession agreements account for virtually all of Transurban's earnings. When the concession agreements expire, the toll roads and related infrastructure must be returned to the relevant government counterparty. If Transurban cannot enter into new concession agreements or extend its existing concession agreements to permit it to carry on its core business, or any new concession agreements entered into are on less advantageous terms to those of the current concession agreements, Transurban's business and financial performance could be materially adversely affected.

To facilitate the West Gate Tunnel Project, Transurban and the State of Victoria have entered into the CityLink Option Deed which specifies agreed amendments to the CityLink concession deed required to implement the CityLink funding sources for that project and other agreed changes, including an extension of that concession deed. If those amendments are not successfully passed through the Victorian Parliament during the West Gate Tunnel Project construction period, the State of Victoria has agreed to replace the CityLink funding sources with completion / substitution payments inclusive of an agreed return consistent with Transurban's investment metrics and commensurate with the capital invested by Transurban for services rendered and the risk taken on the delivery of a project of this size.

### 1.2 Traffic volumes

The volume of traffic using a toll road is critical to the generation of revenues and ultimately returns for Transurban security holders. Any developments that reduce traffic volumes or inhibit the growth in traffic volumes below Transurban's traffic forecasts or growth expectations could have a material impact on Transurban's financial performance. Factors that affect traffic volumes on Transurban's toll roads, and consequently Transurban's earnings, include:

- a) The level of congestion, mix of traffic, level of carpooling, and tolls charged to users and any toll increases on the toll roads;
- b) The quality and state of repair of the toll roads, including any upgrades and any disruption as a result;
- c) The quality, state of repair, proximity and convenience of alternative arterial public (toll-free) roads as well as the existence of other public transport infrastructure;
- d) The nature and extent of the connections of Transurban's toll roads to other urban roads and regional highway networks;
- e) Disruptions, changes to, or events (including events that affect public safety) that occur on Transurban's toll roads or on roads that connect to or feed Transurban's toll roads;
- f) Economic and fiscal conditions including fuel prices, taxation on road use and motor vehicle use, other costs associated with owning and operating a vehicle, inflation, interest rates and levels of employment in areas served by Transurban's toll roads;

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### Business risks



- g) Changing travel patterns and habits of private and commercial users of Transurban's toll roads;
  - h) Demographic and social conditions including population growth, migration, land development programs, social instability, changes in residential and commercial land use and general development in areas served by Transurban's toll roads;
  - i) Community and customer perception and sentiment in relation to Transurban's toll roads;
  - j) Transport, environmental and corporate regulation and policy, including the impact of carbon reduction programs, congestion taxes on urban travel, other measures to restrict motor vehicle use and government transport and urban management policies and strategies;
  - k) Weather conditions, forest fires, flooding, natural phenomena, pandemics, natural disasters and acts of terrorism; and
  - l) Reduced traffic volumes or an inability to grow traffic volumes including as a result of Transurban carrying out brownfield upgrade/development work on its toll roads.
- Many of these factors, including the number and classes of vehicles using Transurban's toll roads are, to a large extent, outside of its control.

If Transurban's toll roads are unable to maintain or grow an adequate level of vehicle traffic, or if traffic volumes decrease or experience unexpected lower rates of growth than in previous periods, this could materially adversely affect Transurban's revenues, cash flow, financial condition and results of operations.

#### 1.3 Revenue collection

Transurban collects and processes toll revenue using a variety of tolling systems and other information technology systems, and is reliant on the reliable and efficient operation and maintenance of those systems in the manner expected. The failure of an existing tolling system could result in a loss of revenue that may materially adversely affect Transurban's business, cash flow, financial condition and results of operations.

The costs associated with the development of a new tolling system may be greater than anticipated and there is also a risk that the new tolling system may never be implemented. Once implemented, the new tolling system may not function effectively or deliver the anticipated benefits. Any circumstances that impair the operation or maintenance of the tolling system may result in an inability to collect tolls from users of Transurban's toll roads, which could result in a loss of toll revenue. If Transurban is unable to successfully implement or deliver these projects or systems in a timely manner, this could have a material adverse effect on its business, cash flow, financial condition and results of operations.

### Business risks



Transurban relies on the assistance of governmental authorities to take enforcement action against motorists who default on their obligation to pay Transurban's road tolls. Transurban also relies in part on the assistance of governmental authorities to monitor and prevent unauthorised use of the 95 Express Lanes and 495 Express Lanes in the Greater Washington Area. If these enforcement actions are not taken or are unsuccessful, or if the legislative framework governing the enforcement proceedings is deficient or changes, Transurban may be unable to recover the relevant tolls from road users which may adversely affect Transurban's cash flow, financial condition and results of operations. However, if enforcement action is pursued too vigorously, Transurban's reputation may be adversely affected.

Agreements between Transurban and other toll road operators require that each operator pays Transurban for that operator's customers who travel on Transurban's toll roads. Transurban bears the credit risk if those other operators default on such payments.

Transurban also collects revenue from its tag customers for travelling on other toll roads. Transurban bears the credit risk relating to recovering these toll payments from those customers.

#### 1.4 Restriction on toll price

Most of Transurban's concession agreements contain mechanisms that regulate the tolls that can be charged for using the relevant toll road. The mechanism used generally provides for increases in tolls on a quarterly or annual basis by reference to inflation, measured by the quarterly consumer price index, or annual consumer price index of a specified geographic area. Under certain concession agreements, Transurban does not have the right to increase tolls beyond the relevant rate of inflation. Where there is deflation, certain of the concession agreements may require Transurban to reduce the tolls that can be charged to users of the relevant toll road. Additionally, for some concession agreements with inflation-linked tolls, tolls cannot be lowered as a result of deflation; however, an increase cannot occur until inflation offsets the previous deflation.

The price adjustment mechanisms in the concession agreements do not take account of changes in Transurban's operating, financing and other costs. Therefore, those operating, financing and other costs could increase at a greater rate than revenue from tolls and other fees charged to users of the toll roads, which could negatively impact on Transurban's results of operations.

#### 1.5 Maintenance and capital expenditure projects

Transurban is required under its concession agreements to undertake information technology, maintenance and capital expenditure projects from time to time on its toll roads. There can be no assurance that Transurban will be able to implement these projects in the manner or within the timeframe and budget expected. In addition, Transurban is also subject to the risk of unexpected significant maintenance or capital expenditure requirements, which may arise as a result of a variety of factors which may be outside Transurban's control, such as the identification of material defects or material latent defects in the road infrastructure.

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### Business risks



Under the terms of its concession agreements and the documents related to those agreements, Transurban can also be required to perform upgrades on the concessions and other road projects. The upgrades are generally governed by process deeds. Under those deeds, a failure to carry out an upgrade in accordance with the terms of the deed can result in the government counterparty having a right to terminate the relevant concession agreement.

Additionally, in negotiations with the relevant governmental entity to undertake improvement projects on an existing toll road, or to develop new toll roads, Transurban may agree to vary or waive certain benefits under an existing concession agreement, including waiving rights to receive compensation where infrastructure is built or a material adverse event occurs. While Transurban aims to carefully consider a range of factors in any such circumstances before varying or waiving rights under a concession agreement, any such variation or waiver may restrict Transurban's rights if the relevant event occurred. Transurban's failure to successfully implement planned information technology, maintenance and capital expenditure projects in the manner or within the timeframe and budget expected, or the occurrence of any unexpected maintenance or capital expenditure requirements or events for which Transurban's right to compensation has been waived, could materially adversely affect Transurban's business, cash flow, financial condition and results of operations.

#### 1.6 Loss of a toll road concession

If Transurban breaches a material obligation under a concession agreement and fails to remedy the breach, this could lead to the early termination of the relevant toll road concession. A failure to comply with agreements with government counterparties that govern upgrade projects could result in the termination of the underlying concession agreement.

In relation to the Legacy Way and Go Between Bridge concessions, a default under either of the concession agreements governing those concessions gives the government counterparty a right to terminate both of the relevant concession agreements.

In relation to WCX, any of the three WCX concession agreements may be terminated by RMS for breach by the relevant WCX concessionaire, and in other circumstances, including a failure by the WCX concessionaire to comply with certain specified obligations under the Road Operators Coordination Agreement, the insolvency of a WCX concessionaire or the insolvency of a D&C or O&M contractor working on the WCX project where the contractor is not replaced by a party acceptable to RMS.

The WCX concession agreements may also be terminated by RMS in no-fault circumstances, including where a court has made a determination that cannot be overcome that prevents the project from proceeding, a native title claim is made that prevents the project from proceeding, or a subsisting uninsurable force majeure event occurs.

If one of Transurban's concession agreements were to be terminated early, the relevant toll road and associated infrastructure would revert to the relevant government body, which could materially adversely affect Transurban's business, cash flow, financial condition and results of operations.

### Business risks



#### 1.7 Breach of financing arrangements

Transurban has entered into financing arrangements with external financiers in relation to its business and many of its toll roads. The WCX concessionaires also have in place, or will be required to put in place, debt financial arrangements with external financiers to fund each WCX project. In addition to principal and interest repayment obligations, the financing arrangements typically require Transurban or the WCX concessionaire to comply with covenants and undertakings with regard to their operation, maintenance and tolling of the relevant toll road or the operation of their business. If Transurban or a WCX concessionaire breaches a material obligation under its financing arrangements, it could result in the financing becoming immediately due and payable, or the external financiers enforcing their securities to facilitate an asset sale or ownership transfer and/or stepping-in and taking control of the relevant toll road. In such circumstances, the relevant financiers would obtain the benefit of the relevant toll road concession, and Transurban or the WCX concessionaire may suffer material financial loss and reputational damage. If there is an event of default under Transurban's financing arrangements, Transurban may be required to take action in response which might include (but not be limited to) restricting distributions ultimately to Transurban's security holders.

#### 1.8 Relationship with government

Transurban's relationship with government entities is key to ensuring the continuity of its existing concession agreements and future opportunities for new projects and improvements or growth of its toll roads.

If Transurban is prevented from exercising its material rights (such as operating and tolling the relevant toll road) under a concession agreement as a result of government action, Transurban may be able to terminate the concession agreement early. In such circumstances Transurban may be entitled to receive compensation from the relevant government entity but the compensation may not be adequate to compensate Transurban for the loss of its rights under the concession agreement.

Transurban's dealings with government are subject to stringent regulations, breaches of which may result in substantial fines and other penalties. Transurban's reputation may also suffer and breaches may result in limitations on its future ability to interact with governments or participate in government tender processes.

#### 1.9 Alternate public (toll-free) roads and other modes of public transport

In general, the concession agreements do not prevent the relevant governmental authorities from building or awarding contracts to build roads or infrastructure for alternate modes of transportation which may impact Transurban's toll roads, although Transurban may, in certain circumstances, be entitled to compensation from the relevant government counterparty. Any compensation awarded in such circumstances may not adequately compensate Transurban.

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### Business risks



In relation to WCX, the WCX concession agreements do not prevent RMS from carrying out infrastructure developments that run in parallel to WCX. However, where those new developments connect to a particular stage of WCX, the relevant WCX concessionaire is generally entitled to compensation for the impact of the new development in relation to certain categories of expenditure incurred whilst the project is being undertaken, including reductions to toll revenue expected during construction of the new development. The relevant WCX concessionaire may also be entitled to other relief (which may, but is not required to, include financial compensation) where the project is undertaken in a manner that is not consistent with the relevant WCX concession agreements and the new project has a material adverse effect on the WCX concessionaire. In relation to the West Gate Tunnel Project, Transurban has agreed a number of changes to the CityLink concession deed which require successful passage through the Victorian Parliament. If the agreed changes successfully pass through the Victorian Parliament, certain existing protections afforded to Transurban in connection with the CityLink concession deed will be reduced, including the relaxing of legacy restrictions to allow the State of Victoria to make certain improvements to the adjacent road network. These changes to the CityLink concession deed will only be implemented if they are successfully passed through the Victorian Parliament. The changes, in aggregate, would restrict Transurban's right to object to, or be compensated for the changes to the adjacent road network.

#### 1.10 Reliance on key contractors/counterparty risks

Transurban may engage third party contractors and counterparties to carry out development and construction activities and to provide certain systems and services, including those relating to tolling, customer services, operations and maintenance services, road management and control systems. Transurban is therefore dependent upon the services of key contractors and counterparties.

In the event that any of these contractors or counterparties are unable or unwilling to perform the obligations owed to Transurban or there is industrial action taken by the employees of those third party contractors and counterparties, Transurban could suffer material disruptions to its operations. Disruptions to Transurban's operations or inadequately performed services could result in delays to projects, degradation in the quality and state of repair of Transurban's toll roads, dissatisfaction of toll road users, reduced traffic volumes, reduced toll road revenue and breach of concession agreements and financing arrangements.

Any of these factors could result in a material increase in Transurban's costs and interruption to Transurban's operations in the event of a service provider having to be replaced. The occurrence of any of these risks could materially adversely affect Transurban's business, cash flow, financial condition and results of operations. In addition, the early termination of a concession agreement could materially adversely affect Transurban's business, cash flow, financial condition and results of operations.

To facilitate the West Gate Tunnel Project, the State of Victoria has agreed to replace the CityLink funding sources with completion/substitution payments in the event the agreed amendments to the CityLink concession deed required to implement the CityLink funding sources for the West Gate Tunnel Project are not passed through the Victorian Parliament. It is possible that a challenge could be made as to the enforceability of the obligations on the State of Victoria to make the completion / substitution payments. Any outcome which results in Transurban failing to receive the CityLink funding sources or the completion / substitution payments could have a material adverse effect on Transurban's reputation, business, cash flow, financial condition and results of operations.

### Business risks



#### 1.11 Joint venture risk

Transurban's interests in certain concessionaires (including the WCX concessionaires) are held with joint venture partners. In those circumstances, the success of the concessionaire and the toll road it operates may be adversely impacted by the actions of Transurban's joint venture partners. Although Transurban has significant influence over the decision making of these joint ventures, certain decisions require approval of the majority or a higher percentage of all the directors or shareholders of the joint venture. Therefore irrespective of Transurban's proportional interest in the joint venture, Transurban will not be able to unilaterally control all decision-making processes of the joint venture, including decisions in respect of distributions.

The joint venture partners in these projects (which may include State-owned entities) may have economic or business interests or objectives that are different to those of Transurban, may be unable or unwilling to fulfil their obligations under the relevant joint venture contracts or may experience financial or other difficulties.

In addition, Transurban's reputation and its relationships with governments and other stakeholders could be affected if its brand is associated with a partner that has engaged in misconduct or has been negligent, either in connection with a joint venture project or a different project. The occurrence of any of these risks could disrupt the operations of the joint venture and negatively impact Transurban's investment in, and the returns from, the joint venture.

In connection with WCX, STP has limited rights in relation to the New South Wales Government transferring its retained interest in WCX to a new investor. There is a risk that an acquirer of the New South Wales Government's interest may have different objectives from those of STP, be a competitor of STP or Transurban or otherwise be a party with whom disputes arise or who could otherwise have an adverse effect on the operation of WCX.

#### 1.12 Risks in relation to current and future development projects

Transurban may not be able to implement current and future development projects (including each WCX project and the West Gate Tunnel Project) in the manner or within the timeframe and budget expected. Additionally, such current and future development projects may not deliver the return or earnings expected by Transurban.

Transurban's failure to successfully implement current and future development and construction projects in the manner or within the timeframe and budget expected could materially adversely affect Transurban's business, cash flow, financial condition and results of operations.

#### 1.13 Acquisitions

The Transurban group has in the past expanded its portfolio through acquisitions or bids for new projects. In the future, Transurban may seek to acquire or develop additional toll roads, assets or businesses.

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### Business risks



The success of any such acquisitions or developments depends on a variety of factors including that there can be no assurance that such acquisitions or developments would be available, successful or generate the anticipated project cash flows and returns, benefits, synergies and efficiencies that Transurban expects. Transurban may incur substantial costs, delays or other operational or financial problems in acquiring, integrating, developing and/or managing the additional asset or business, and any such investment may divert management's attention from the operation of Transurban's existing businesses. In particular, Transurban's ability to supplement its current portfolio of assets with new assets and to undertake additional developments on its existing assets is dependent on government policies with respect to ownership and operating models for transport and road infrastructure. Changes to government policies could adversely impact Transurban's ability to invest in new projects, develop existing assets and maintain or continue to grow its existing levels of business.

Additionally, Transurban may encounter unanticipated events, circumstances or legal liabilities in connection with the investment, Transurban may have difficulty financing or refinancing any investment and Transurban may be unable to service any increased indebtedness as a result of such investment. The occurrence of any of the risks relating to any such investment could materially adversely affect Transurban's business, results of operations and financial condition.

#### 1.14 Impact of forecasts and modelling on Transurban's business and growth projects

Transurban has regard to internal traffic and other forecasts and modelling capability to assess the viability of acquisitions, the development of new projects, the improvement and expansion of existing toll roads, the timeframe in which to undertake these activities and the carrying value of its assets. Traffic modelling is dependent on other inherently variable data inputs such as population, employment, trip rates and travel costs. Population forecasting for instance relies on assumptions which are in turn tied to other macro factors such as government policies, housing, employment, demographics, economic growth and some of the other factors outlined in risk 1.2 in relation to traffic volumes. If Transurban's forecasting methodology and modelling, including the assumptions inputted into them or information from third-party sources used to derive the information, are inaccurate or do not reflect current or future market conditions, Transurban may undertake acquisitions and projects (including the WCX Project and the West Gate Tunnel Project) that do not deliver forecasted returns or earnings, may impact the profitability of existing assets, may fail to optimise the value of acquired assets and may overvalue acquisition targets which may result in write down of the carrying value of assets.

#### 1.15 Systems, information technology and confidential information

Transurban relies on operating, maintenance, traffic management and safety technology and systems to optimise the safe and efficient operation of its toll roads. The failure of these systems, including a failure to adequately respond to a disruption event or manage an incident effectively could materially disrupt the operation of Transurban's toll roads, leading to reduced traffic volumes or closure of a road.

### Business risks



Transurban's ability to continue to improve revenue generation from its toll roads and provide key services to its customers depends on its capacity to develop and manage new technology systems and platforms. In some cases, Transurban partners with technology providers to develop and implement new information technology systems. Certain of Transurban's software is held under licence agreements with technology providers. If Transurban fails to continue to maintain its relationships with its key technology partners or licensors of key software, its ability to operate and grow its business may be adversely affected.

Transurban's technology systems may be subjected to external cyber-attacks that could adversely affect its business and reputation. Although Transurban takes various measures to prevent or mitigate external breaches to its systems and monitor its technology networks, there is no guarantee that such measures will provide absolute security. The occurrence of any such cyber-attacks could have a material adverse effect on its business, cash flow, financial condition and results of operations.

Transurban's tolling arrangements and systems lead it to obtain personal and confidential information from its customers. The handling and retention of such information is regulated by various privacy laws. Transurban is exposed to the risk of deliberate or inadvertent release of this information and the loss or misuse of data. Although Transurban utilises systems and processes that are designed to protect data and to prevent data loss and other security breaches, no assurance can be given that such measures will provide absolute security. If such information were released, Transurban may be subject to financial penalties under privacy laws and/or be subject to increased regulatory scrutiny or legal action and its reputation may be negatively affected.

#### 1.16 Refinancing risks and use of debt

Transurban has existing debt financing arrangements and credit facilities from bank, debt capital markets and government sources. Transurban will need to continue accessing debt markets in the future to refinance maturing debt and to access debt for corporate purposes or in connection with the financing of existing projects or new acquisition or development projects. Additionally, the WCX concessionaires also have in place, or will be required to put in place, debt financing arrangements to fund each WCX project. The use of debt by Transurban and the WCX concessionaires may enhance returns, but it may also substantially increase the risk of loss.

Transurban and the WCX concessionaires are exposed to risks associated with debt financing, including that they will be unable to arrange financing for growth projects or the refinancing of their existing indebtedness as and when required, on the terms expected or at all. If Transurban or a WCX concessionaire is able to refinance its existing indebtedness, the terms of such refinancing may not be as favourable as the original terms of such indebtedness. Additionally, RMS consent may be required before a WCX concessionaire refinances any of its existing debt or incurs any new debt.

Transurban's access to, and cost of finance, is affected by its credit ratings, in particular its senior secured debt credit ratings. Any downgrade or change in outlook (including in relation to global credit markets) could affect its ability to refinance its existing indebtedness or materially increase its cost of finance.

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### Business risks



Financing arrangements typically require Transurban or a WCX concessionaire to comply with certain obligations and undertakings, including maintaining security arrangements for the benefit of lenders, and in some instances the meeting of certain financial covenants. If a material obligation is breached and not remedied within prescribed cure periods, this could lead to early termination of the financing arrangement and a requirement to repay the debt financing or the lender may have rights to step in and operate the applicable asset or appoint receivers.

Transurban undertakes transactions with financial counterparties including banking, cash investments and derivatives that create an exposure to the credit worthiness of those financial counterparties. If a financial counterparty defaults on such a transaction, Transurban may suffer material financial loss.

#### 1.17 Reliance on dividends, distributions and interest on and repayments of shareholder loans from entities in the Transurban group

Transurban operates its business through its subsidiaries. Transurban also funds certain of its subsidiaries through intra-group loans. The availability of funds to service Transurban's debts is impacted by dividends, distributions, interest and repayments on intra-group loans and shareholder loans received from Transurban's subsidiaries.

Some of Transurban's subsidiaries that have entered into concession agreements have incurred debt with external financiers which is secured against the specific assets, including the relevant concession agreement, of the Transurban subsidiary. The external financiers may in certain circumstances be able to restrict the ability of the relevant Transurban subsidiary to pay dividends or other distributions to Transurban. As a result, Transurban's ability to service its debt may be restricted and this could have a material adverse effect on Transurban's business, cash flow, financial condition and results of operations.

#### 1.18 Interest rate risk

Transurban's ability, and the ability of the concessionaires in which Transurban has or will have an interest (including the WCX concessionaires), to arrange financing, and the cost of any such financing, is impacted by changes in interest rates, prevailing economic conditions and deteriorations in the bank finance market or in the national or international debt capital markets.

An increase in interest rates would increase the Transurban group's or the relevant concessionaire's debt servicing costs on any part of their indebtedness which is unhedged.

#### 1.19 Foreign exchange risk

Transurban is exposed to foreign exchange risks due to fluctuations in foreign exchange rates. A portion of Transurban's investments is and will continue to be denominated in, or generate cash flow in, U.S. dollars and Canadian dollars, while its reporting currency is Australian dollars. As a result, certain of Transurban's income, costs and operating cash flows are exposed to foreign exchange risks arising from U.S. dollar and Canadian dollar exposures when the assets and liabilities are translated into Australian dollars. Consequently, portions of its costs and margins are affected by fluctuations in the exchange rates between these currencies.

### Business risks



To the extent that Transurban has unhedged investments in assets outside of Australia, movements in currency exchange rates have the potential to reduce the capital value of its investments and cash returns from investments.

#### 1.20 Payment of distributions

Future payment of distributions to Transurban's security holders will be determined by the Transurban Board. Transurban will pay distributions having regard to the free cash flow and its financial position and there is no guarantee that future distributions will be paid.

#### 1.21 Fraudulent behaviour of employees

Transurban is exposed to risks associated with fraudulent behaviour of its officers, employees, consultants, contractors and contractual counterparties. The occurrence of such behaviour could materially adversely affect Transurban's business, cash flow, financial condition and results of operations.

#### 1.22 Key personnel

Retaining and recruiting qualified personnel is critical to Transurban's success. Transurban may face risks from the loss of key personnel and an inability to attract any new personnel required in its business. Although Transurban has implemented strategies designed to assist in the recruitment and retention of people within its business, Transurban may encounter difficulties in recruiting and retaining candidates with appropriate experience and expertise.

If any of Transurban's key employees leave their employment, this may adversely affect its ability to conduct its business. If Transurban is unable to retain and attract the services of a sufficient number of qualified personnel, this could impact its operations and development and could have a material adverse effect on its business, cash flow, financial condition and results of operations.

#### 1.23 Risks of accidents or other incidents relating to toll roads

Transurban is subject to the risk of accidents and incidents on its toll roads and adjacent and feeder roads and sites, as well as to weather conditions, natural phenomena, natural disasters, vandalism and acts of terrorism which may impact its toll roads. The occurrence of any of these factors could adversely affect traffic volumes, the collection of toll revenue and could cause physical damage to Transurban's toll roads. In addition, any such incident could result in the loss of part of Transurban's infrastructure assets or critical operating equipment and Transurban may incur additional costs in repairing the affected infrastructure asset. The occurrence of any of these risks could materially adversely affect Transurban's business, cash flow, financial condition and results of operations.



# Section 6

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### Business risks



Transurban operates critical road infrastructure assets in and around high-density population areas in Australia and North America that could be targeted by terrorist attacks or threatened with terrorist attacks. Terrorist attacks or threats of terrorist attacks on Transurban's toll road assets could affect traffic volumes and the collection of toll revenue and could lead to physical damage to toll roads, any of which could have a material adverse effect on Transurban's business, cash flow, financial condition and results of operations. In addition, any physical damage to Transurban's toll roads may cause loss or damage to customers or third parties who may seek to recover damages from Transurban for any such terrorist attacks.

#### 1.24 Social licence to operate

Transurban relies on a level of broad public acceptance of its activities, which it refers to as its social licence to operate. Transurban's business, projects and toll roads generally, may generate negative public sentiment with certain stakeholder groups due to the perception that its toll roads are expensive, that there are too many toll roads or negative sentiment towards private ownership of roads. In addition, construction and improvement of new and existing toll roads often results in disruptions to local business, communities and road users over extended periods of time, which may lead to negative public sentiment and publicity for Transurban's toll roads. Negative public sentiment, any resulting community action and related publicity may result in federal and state governments declining to pursue projects involving private toll road operators or implementing political measures that adversely impact Transurban's ability to own and operate toll roads in the future or that adversely impact the profitability of its current toll roads. Any government measures restricting Transurban's ability to own or operate toll roads or negative community sentiment and publicity could impact its social licence to operate and adversely impact its reputation, financial condition and results of operations.

Consistent with this, there has been some negative public sentiment regarding the WCX project from local communities and businesses who may be affected by the project and other stakeholders, and there is currently a NSW parliamentary inquiry into the WCX project which could make negative findings that have the potential to impact on the WCX project.

### Offer and general risks



#### 2.1 Underwriting risk

Transurban has entered into an underwriting agreement under which three underwriters have agreed to fully underwrite the Entitlement Offer, subject to the terms and conditions of the underwriting agreement between the parties. The underwriters' obligation to underwrite the Entitlement Offer is conditional on certain customary matters, including Transurban delivering certain certificates, sign-offs and opinions to the underwriters. Further, if certain events occur, the underwriters may terminate the underwriting agreement. Termination of the underwriting agreement would have an adverse impact on the proceeds raised under the Entitlement Offer. If the underwriting agreement is terminated, STP will not be entitled to terminate the WCX Acquisition and Transurban will still be required to contribute its portion of the purchase price for the WCX Acquisition. In these circumstances Transurban would need to find alternative funding to meet its contractual obligations to fund its share of the purchase price. Termination of the underwriting agreement could materially adversely affect Transurban's business, cash flow, financial condition and results of operations.

The underwriters' obligations to underwrite the Entitlement Offer are conditional on certain matters, including that the WCX Acquisition has not been terminated, rescinded or varied in any material respect without the underwriters' consent.

The events which may trigger termination of the underwriting agreement include where:

- a) Transurban is suspended from the official list of the ASX or its securities are delisted or suspended from quotation;
- b) Transurban alters its capital structure;
- c) Transurban or a material subsidiary of Transurban is or becomes insolvent;
- d) Transurban's CEO or CFO has their employment terminated for cause;
- e) Transurban contravenes its constituent documents, the Corporations Act, the ASX Listing Rules or other applicable law; or
- f) Transurban's directors engage in fraud or commit certain offences.

The ability of the underwriters to terminate the underwriting agreement in respect of some events will depend on whether the event has or is likely to have a material adverse effect on the success, marketing or settlement of the Entitlement Offer, the value of the securities, or the willingness of investors to subscribe for securities, or where they may give rise to liability for the underwriters.

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### Offer and general risks



In addition to these termination events, the occurrence of certain other events (including market disruption, hostilities, regulatory action or material adverse change) may affect the underwriters' obligation to underwrite the Entitlement Offer at the offer price under the underwriting agreement. If any such event occurs, the underwriters' obligation to underwrite at the offer price may cease to apply, in which case the underwriters and Transurban may be required to work together in good faith to agree amendments to the underwriting agreement to implement an alternative capital raising that enables Transurban to fund its portion of the purchase price for the WCX Acquisition. In such circumstances, there is no guarantee that the underwriters will agree appropriate and timely amendments to the underwriting agreement, which may adversely impact the timing and success of the Entitlement Offer (or any other capital raising), the proceeds raised by Transurban and Transurban's funding for the WCX Acquisition.

#### 2.2 Renoucement risk

If you are an eligible security holder, and you do not take up or sell your entitlements under the Entitlement Offer, then your entitlements will be treated as renouced and will be sold on your behalf in the institutional or retail bookbuild (as applicable) and any proceeds of sale of your entitlements will be paid to you. However, there is no guarantee that any value will be received for your renouced entitlement through the bookbuild process.

The ability to sell New Securities under the bookbuild and the ability to obtain any premium will be dependent upon various factors, including market conditions. Further, the bookbuild price may not be the highest price available, but will be determined having regard to a number of factors, including having binding and bona fide offers which, in the reasonable opinion of the underwriters, will, if accepted, result in acceptable allocations to clear the entire book.

To the maximum extent permitted by law, Transurban, the underwriters and the respective related bodies corporate, affiliates or the directors, officers, employees or advisors of any of them, will not be liable, including for negligence, for any failure to procure applications under the bookbuild at a price in excess of the offer price. If there is a retail premium achieved on the retail bookbuild, it may be less than, more than, or equal to any premium achieved on the institutional bookbuild. Accordingly, it is possible that retail holders who do not take up their entitlements will receive less value than their institutional counterparts, or no value at all.

You should also note that if you do not take up all of your entitlement, then your percentage security holding in Transurban will be diluted by not participating to the full extent in the Entitlement Offer.

#### 2.3 Risk of selling or transferring entitlements

If you are an eligible retail security holder and do not wish to take up your entitlements, you can sell them on the ASX or transfer them to another person or entity other than on the ASX during the entitlement trading period.

Prices obtainable for retail entitlements may rise and fall over the entitlement trading period and liquidity may vary. If you sell or transfer your entitlements at one stage in the retail entitlement trading period you may receive a higher or lower price than a security holder who sells or transfers their entitlements at a different stage in the retail entitlement trading period or through the retail shortfall bookbuild.

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### Offer and general risks



There is no guarantee that there will be a viable market during, or on any particular day in, the retail entitlement trading period, on which to sell retail entitlements on the ASX. Eligible retail security holders who wish to sell their entitlements may be unable to do so at an acceptable price, or at all, if insufficient liquidity exists in the market for entitlements.

If you choose to transfer your entitlements to another person or entity other than on the ASX, there is no guarantee that you will receive any value for transferred entitlements.

You should also note that if you sell or transfer all or part of your entitlements, then your percentage security holding in Transurban will be diluted by not participating to the full extent in the Entitlement Offer.

The tax consequences from selling or transferring entitlements or from doing nothing may be different. Before selling entitlements or choosing to do nothing in respect of entitlements, you should seek independent tax advice and may wish to refer to the tax information contained in the retail information booklet which will provide further information on potential taxation implications for Australian security holders.

#### 2.4 Market generally

The price of Transurban securities on the ASX may rise or fall due to numerous factors, including:

- Australian and international general economic conditions, including inflation rates, the level of economic activity, interest rates and currency exchange rates;
- tensions and acts of terrorism in Australia and around the world;
- investor perceptions in the local and global markets for listed stocks; and
- changes in the supply and demand of infrastructure securities.

Transurban securities may trade below the offer price and no assurances can be given that Transurban's market performance will not be materially adversely affected by any such market fluctuations or factors. No member of Transurban, nor any of their directors nor any other person guarantees Transurban's market performance.

#### 2.5 Asset impairment

The Transurban Board regularly monitors impairment risk. Where the recoverable value of an asset is assessed to be less than its carrying value, Transurban is obliged to recognise an impairment charge in its profit and loss account.

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Asset impairment charges may result from actual performance failing to meet Transurban's forecasts or the occurrence of unexpected adverse events that impact Transurban's expected performance. Assets are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired. This could result in the recognition of impairment provisions that could be significant and could have a material adverse effect on Transurban's financial condition and results of operations.

#### 2.6 Changes to accounting standards

Changes to Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act could affect Transurban's reported results of operations in any given period or Transurban's financial condition from time to time.

#### 2.7 Tax developments

The Transurban group is structured as a stapled group comprising two companies (Transurban Holdings Limited and Transurban International Limited) and a trust (Transurban Holding Trust), which trade as a single stapled security. Australian taxation laws apply to each of these entities separately. Changes to tax legislation, the interpretation of tax legislation by the courts, the administration of tax legislation by the relevant tax authorities and the applicability of such legislation to the Transurban group or entities within the Transurban group may increase Transurban's tax liabilities.

Transurban Holding Trust and its subsidiary trusts are generally not liable for Australian income tax and capital gains tax, provided that:

- a) where the trust is an Attribution Managed Investment Trust ("AMIT"), the trust attributes the net income to its unit holders on a fair and reasonable basis; and
- b) where the trust is not an AMIT, all income is distributed to its unit holders.

Transurban Holding Trust is qualified to make and has made the relevant election under the Australian tax law to be treated as an AMIT. This position must be assessed on a yearly basis in the future. If Transurban Holding Trust ceases to be qualified to make the relevant election to be characterised as an AMIT or ceases to reasonably attribute all of its income to unitholders in any income year, Transurban may incur tax liabilities.

Transurban Holding Trust may be liable for tax if it derives non-arm's length income. Transurban Holding Trust subsidiary trusts may be liable for tax if they derive non-arm's length income or do not designate all income to their unitholders.

In addition, certain companies within the Transurban group have carried forward tax losses which are recognised as deferred tax assets on the balance sheet. The ability of members of the Transurban group to utilise their tax losses to decrease their tax liabilities in future periods is subject to them meeting certain conditions under the relevant tax legislation regarding continuity of ownership and activities. If members of the Transurban group fail to meet the relevant conditions, or if the relevant tax legislation is amended in a way that results in an inability for members of the Transurban group to use their tax losses in future periods, the relevant Transurban entity's tax liabilities could be materially higher than currently expected.

### Offer and general risks



Adverse tax developments, including the factors described above, could materially increase Transurban's tax liabilities or timing of its tax payments, which could have a material adverse effect on its business, cash flow, financial condition and results of operations.

As noted above, Transurban operates through a stapled structure. Stapled structures have been a common Australian vehicle for infrastructure assets and typically involve the principal assets of the structure being held through a trust that is stapled together with a company that conducts the primary operations of the structure.

The Australian Taxation Office ("ATO") and The Treasury of the Australian Federal Government continue to closely scrutinise the use of stapled structures where such structures are used to recharacterise trading income from operations into more favourably taxed passive income.

The Treasury of the Australian Federal Government undertook a consultation on stapled structures in 2017 and released details of a stapled structures integrity package in March 2018. The Treasury has released exposure draft legislation and explanatory materials to give effect to the stapled structures integrity package. The draft legislation includes conditions that stapled entities must comply with in order to access transitional concessions. If the stapled structures integrity package is enacted as currently proposed:

- the withholding tax rate that is applicable to certain distributions made to non-resident security holders by stapled structures in Australia will change;
- certain income distributed by Transurban Holding Trust will be subject to withholding tax at the corporate tax rate (currently 30%) rather than the 15% withholding tax rate that currently applies to fund payments distributed by Transurban Holding Trust to non-resident security holders; and
- there will be a 15-year transitional period for existing economic infrastructure facilities, which includes toll road networks, and a separate 15-year concessional period for new investment in economic infrastructure facilities approved by the Treasurer. Transurban's existing toll road networks, including WCX, are anticipated to meet the eligibility requirements to access the 15-year transitional period but this will not be certain until legislation to give effect to the stapled structures integrity package has been enacted.

The proposed stapled structures integrity package is expected to apply to WCX. At the expiry of any transitional period, certain distributions made by WCX flow through trusts that are received by Transurban Holding Trust and distributed to non-resident security holders on a flow through basis will be subject to withholding tax at the prevailing corporate tax rate (currently 30%) rather than the concessional 15% withholding tax rate that applies under current law. If the 15-year transitional period is available in respect of WCX toll road networks then certain cross staple income distributed by WCX flow through entities to Transurban Holding Trust and distributed to non-residents on a flow-through basis should be subject to the concessional withholding tax rate of 15% in income years within the 15-year transitional period. To the extent that WCX cross staple rental income during an income year within the 15-year transitional period exceeds the proposed annual cap in that income year, then the concessional withholding tax rate of 15% will not be available where that excess amount is distributed by Transurban Holding Trust to non-residents. At the expiry of any transitional period, distributions of certain types of income to non-residents are expected to be subject to withholding tax at the prevailing corporate tax rate.

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### Offer and general risks



#### 2.8 Changes in law or regulation

Governments may impose new or increased charges on road transportation, on motorists or motor vehicles or fuel. In addition, Governments may restrict or prohibit the levying of tolls on toll roads. Such changes in law or regulation may have an adverse effect on traffic volumes on Transurban's toll roads.

Transurban's concession agreements generally contain mechanisms under which Transurban may be able to claim compensation for the impact of a qualifying change in law or regulation, but the compensation mechanism may not be applicable to every possible change in law or regulation, or the compensation payable may not adequately compensate Transurban for the adverse effect on traffic, business, cash flow, financial condition and results of operations.

#### 2.9 Other external factors

Other external factors may impact Transurban's performance, including changes or disruptions to political, regulatory, legal or economic conditions or to national and international markets.

Natural phenomenon such as fire, earthquake, flood or cyclone may occur and some of the assets of Transurban may not be insured for such an event. Events of this nature can affect a party's ability to perform its contractual obligations.

#### 2.10 Insurance counterparty risk

There can be no assurance that Transurban maintains, or will continue to maintain, sufficient insurance coverage for all of the risks associated with the operation of its businesses. In particular, there can be no assurance that events that result in a prolonged reduction in traffic volume or in toll revenues will be adequately covered by Transurban's insurance policies.

The renewal of insurance will be dependent on a number of factors, such as the continued availability of coverage, the nature of risks to be covered, the extent of the proposed coverage and costs involved. The cost of Transurban's insurance policies could significantly increase as a result of claims made by it or as a result of local or global economic conditions that cause insurance to be more expensive.

Transurban is also subject to the credit risk of its insurers and their continued ability to satisfy claims made by Transurban. Certain risks and liabilities, including potential losses of a catastrophic nature, such as those arising from floods, earthquakes, terrorism or other similar catastrophic events, may be either uninsurable or not insurable on a financially reasonable basis, or may be subject to larger deductibles. Transurban may also elect to self-insure and/or carry large deductibles. In the event Transurban experiences a loss or liability to third parties in the future, the proceeds of an applicable insurance policy may not respond to cover the full actual loss incurred or related liabilities to third parties. If Transurban's insurance coverage is not sufficient to cover any losses that are incurred in the course of its business, or if Transurban's insurers are unwilling or unable to satisfy claims made by Transurban, Transurban could be exposed to uninsured losses that are significant or the payment of a larger deductible.

### Offer and general risks



#### 2.11 Ongoing disputes

Transurban may from time to time be involved in legal, regulatory and other proceedings and disputes arising from its businesses and operations, including proceedings and disputes relating to construction, development, delivery, operation, maintenance and expansion of toll roads, collection of toll revenue, environmental issues, native title claims, shareholder action, industrial action, special interest group action and disputes with joint venture partners, contractors and other counterparties (including government counterparties). These disputes may lead to legal, regulatory and other proceedings, and may cause Transurban to incur significant costs, delays and other disruptions to its businesses and operations. In addition, regulatory actions and disputes with governmental authorities may result in fines, penalties and other administrative sanctions.

#### 2.12 Environment and health and safety

Transurban is subject to environmental and health and safety regulations under Australian Commonwealth and State laws and applicable laws in North America. Although Transurban maintains comprehensive environmental management plans to monitor the performance of its toll roads, and any external parties responsible for operating any Transurban toll road, no assurance can be given that Transurban will not be subject to potential environmental and health and safety liabilities associated with the operation of its businesses. Transurban's construction projects may also be subject to delays as a result of environmental disputes, environmental impact assessments and consultation processes and the need to obtain necessary environmental approvals.

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### Key acquisition risks



#### 3.1 Completion risk

Completion of the WCX Acquisition is conditional on STP obtaining approval from the Foreign Investment Review Board (**FIRB**) and on certain other matters, including the New South Wales Government obtaining the consent of RMS for the change of control in the WCX concessionaires that will occur as a result of the WCX Acquisition.

STP has been working constructively and collaboratively with FIRB to obtain approval for the WCX Acquisition and Transurban remains confident that STP will obtain that approval. If STP does not obtain FIRB approval by 27 September 2018, the New South Wales Government has the right to terminate the WCX Acquisition. Additionally, if the New South Wales Government does not obtain the consent outlined above or any of the other conditions to completion are not met, completion of the WCX Acquisition may be deferred or cancelled.

If completion of the WCX Acquisition does not occur, Transurban will need to consider alternative uses for, or ways to return the proceeds of, any money received from Transurban security holders under the Entitlement Offer. Failure to complete the WCX Acquisition and/or any action required to be taken to return capital may have a material adverse effect on Transurban's financial performance, financial position and security price.

#### 3.2 Implementation of STP's preferred operating model for WCX

Once the WCX Acquisition is complete, STP is proposing to implement a new operating model for WCX that it believes will provide opportunities for WCX to reduce its costs.

Under the proposed new operating model, Transurban will enter into a master services agreement with WCX under which Transurban will be contracted to provide corporate, operations, tolling and customer management and traffic services to WCX. Transurban will also enter into a tolling services agreement with each WCX project trustee for Transurban to provide tolling services and customer services to the WCX assets.

The implementation of the new operating model will require the consent of a number of third parties, including RMS, the existing lenders to M5 (including the Commonwealth) and the new lenders to M4 and M4 – M5 Link, and will also require the co-operation of the O&M and D&C contractors. In addition, some of the initiatives will require the consent of the directors appointed to the board of the New South Wales Government investment vehicle, Roads Retained Interest Pty Ltd. There is no certainty that those consents will be obtained or that co-operation will be provided by those contractors.

If STP cannot implement the proposed new operating model, cannot implement the model in the manner or time frame it proposes or the model does not give rise to the cost reductions expected, there may be a material adverse effect on the financial performance of WCX and therefore on the return Transurban receives from its investment in WCX through STP.

### Key acquisition risks



#### 3.3 Reliance on information provided

STP (including Transurban) undertook a due diligence investigation process in respect of WCX and was provided with the opportunity to review certain financial and other information provided by or on behalf of the New South Wales Government and its advisers. While the Transurban Board considers that this review was adequate, the information was largely provided by the New South Wales Government. Consequently, Transurban has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data and there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the WCX Acquisition have been identified.

Similarly, financial information in respect of WCX has been derived from audited (in the case of FY18) and unaudited financial information. Transurban is unable to verify the accuracy or completeness of this information.

If any of the data or information provided is shown to be incomplete, incorrect, inaccurate or misleading, this may consequently have an adverse impact on the actual performance of WCX compared to the performance expected of it as part of Transurban's analysis and assessment of the WCX Acquisition opportunity. This may therefore have an adverse impact on the financial position and performance of Transurban.

It should also be noted that:

- a) limited contractual representations and warranties have been obtained from the New South Wales Government under the WCX Acquisition documentation, including in respect of the adequacy or accuracy of the materials disclosed to STP by the New South Wales Government and its advisers during the due diligence process; and
- b) the maximum amount STP may recover from the New South Wales Government under the WCX Acquisition documents if the New South Wales Government breaches those documents may not be sufficient to rectify the adverse impact the breach has had on STP.

#### 3.4 Analysis of acquisition opportunity

Transurban has undertaken financial, operational, asset condition, business and other analysis in respect of WCX to determine its attractiveness to Transurban and whether to pursue the WCX Acquisition as part of STP.

It is possible that the analysis undertaken by Transurban, and the best estimates assumptions made by Transurban, draws conclusions and forecasts which are inaccurate or which are not realised in due course (whether because of flawed methodology, misinterpretation of economic circumstances or differing actual traffic volumes from those assumed (see the risk described under the heading "Impact of forecasts and modelling on Transurban's business and growth projects" on slide 73)).

To the extent that the actual results achieved by WCX are weaker than those indicated by Transurban's analysis, or the level of capital and operational expenditure required by WCX in the future is higher than that forecast in Transurban's analysis, there is a risk that there may be an adverse impact on the financial position and performance of Transurban.

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## Announcements

### Key acquisition risks



#### 3.5 Funding risk

STP has an unqualified obligation to fund the purchase price for the WCX Acquisition if the New South Wales Government satisfies its completion obligations under the WCX Acquisition documents.

Part of the purchase price will be funded by a bridging loan to STP that STP intends to repay when the existing M4 debt is refinanced (which is planned to occur shortly after the WCX Acquisition completes). If certain conditions are not satisfied or certain events occur, that bridging loan may not be provided which would have an adverse impact on STP's funding sources for the WCX Acquisition. Additionally, if the existing M4 debt is not refinanced during the time period contemplated by STP, STP will be required to repay the bridging loan through other sources which could have an adverse impact on STP and its members (including Transurban).

Transurban and the other members of STP have agreed to fund their respective share of the purchase price for the WCX Acquisition. If one or more members of STP do not provide their funds and the WCX Acquisition cannot or does not complete, Transurban may be exposed to a liability that could materially adversely affect Transurban's business, cash flow, financial condition and results of operations.

#### 3.6 Tax risk

The ATO closely scrutinises large infrastructure transactions and new projects in Australia and provides formal and informal guidance about the way it will administer the application of the Australian taxation laws to these transactions. Transurban and the other STP consortium members have undertaken extensive analysis of the WCX documents and associated contractual arrangements to determine appropriate tax assumptions and positions that are consistent with Australian taxation laws. Should these assumptions not be realised, then Transurban's tax exposure may increase and impact the returns Transurban receives as a member of STP.

Whilst STP engaged extensively with the ATO in relation to the tax positions adopted for the WCX transaction, given the nature and scale of WCX, the ATO may review the WCX transaction tax positions, the tax positions adopted for WCX entities and Transurban's interest in WCX as a member of STP. Changes to tax legislation, the interpretation of tax legislation by the courts, the administration of tax legislation by the relevant tax authorities and the applicability of the tax legislation to contractual arrangements entered into by STP to acquire a 51% equity stake in WCX may increase Transurban's tax liabilities which could impact the returns Transurban receives as a member of STP.

Certain trusts within the WCX group are anticipated to incur tax losses in certain income years. The ability of trusts with carried forward tax losses to utilise their tax losses to decrease their taxable income in future periods is subject to them meeting certain conditions under the relevant tax legislation regarding continuity of ownership by the ultimate individuals who maintain a greater than 50% entitlement to income and capital of the relevant trust. A company wholly owned by the New South Wales Government will hold a retained 49% stake in the WCX entities. Any future divestment of the entirety of that 49% interest by the New South Wales Government held company is likely to result in carried forward tax losses at the underlying WCX trust level being subsequently unavailable to utilise against taxable income of the relevant WCX trust.

### Key acquisition risks



#### 3.7 Site Access

As outlined on slide 21, the M4 – M5 Link will interface with both the M4 and M5 Motorways. Therefore, to construct the M4 – M5 Link, the M4-M5 Link (Main Tunnel) D&C contractor will require access to certain integration sites that form part of the M4 and M5 Motorways. If that access is not provided for an extended period of time or there is a defect in the M4 or M5 Motorways at those sites, there is a risk the M4 – M5 Link concessionaire may suffer loss that it is not able to recover under its contractual arrangements. Any such loss may have a material adverse effect on the financial performance of WCX and therefore on the return Transurban receives from its investment in WCX through STP.

#### 3.8 Compliance with the enforceable undertaking given by Transurban

The ACCC has accepted an enforceable undertaking by Transurban under which Transurban will publish quarterly traffic data (as described in the undertaking) that is obtained or collected by Transurban (or an alternative tolling services provider) on existing and future NSW toll roads in which it has an ownership interest. The undertaking also requires Transurban to identify any error in traffic data published, explain how the error was corrected and re-publish that traffic data corrected to eliminate the error. The undertaking has no operational impact on the WCX concession.

If Transurban breaches a term of the enforceable undertaking, the ACCC could apply to the Court to make orders against Transurban in respect of the breach. The orders made could include a direction to Transurban to comply with the undertaking, a penalty up to the amount of any financial benefit reasonably attributable to the breach, an order to pay compensation to any person who has suffered loss or damage, or any other order the Court considers appropriate. If the Court were to make any orders of this nature, it could materially adversely affect Transurban's business, reputation, cash flow, financial condition and results of operations.

#### 3.9 Rozelle Interchange

RMS is responsible for delivery of the Rozelle Interchange, which will be handed over to the WCX concessionaires who must operate, maintain, repair and accept all risks in relation to the Rozelle Interchange on and from the date it is transferred to them.

There is a risk that there will be a delay in the handover of the Rozelle Interchange, abandonment of the Rozelle Interchange or a change in design of the Rozelle Interchange that adversely impacts the WCX concessionaires, in circumstances where the risk is not adequately addressed by the compensation mechanisms under the M4-M5 Link concession agreement. If such a situation was to arise, it could adversely impact the return Transurban receives from its investment in WCX through STP.

# Section 6 Announcements

## Key acquisition risks



### 3.10 Pass through of contractual risk

Under each concession agreement, the relevant WCX concessionaire takes on certain design and construction, and operation and maintenance, risks. Generally, those risks are passed through to the relevant D&C and O&M contractors by the relevant WCX concessionaire on a "back to back" basis.

However, there are certain risks that the WCX concessionaires have not been able to pass through to those contractors, and the liability of those contractors for certain risks that have been passed through is capped and may not be sufficient to cover all loss a WCX concessionaire suffers as a result of that risk arising.

If a risk that has not been passed through was to arise, or a WCX concessionaire was to suffer loss in connection with a pass through risk greater than the liability cap provided by the relevant contractor, the financial performance of that WCX concessionaire may be adversely impacted which could adversely impact the return Transurban receives from its investment in WCX through STP.

### 3.11 Claims by D&C and O&M contractors

Generally, any claim made by a D&C or O&M contractor to a WCX concessionaire will be passed through to RMS where the claim is linked to an act or omission of RMS. Those claims are referred to as "linked claims" and are governed by a specific "linked claim regime" in the relevant D&C or O&M contract. That regime operates by suspending the progress of the claim at D&C or O&M contract level while the claim is resolved at the concession agreement level.

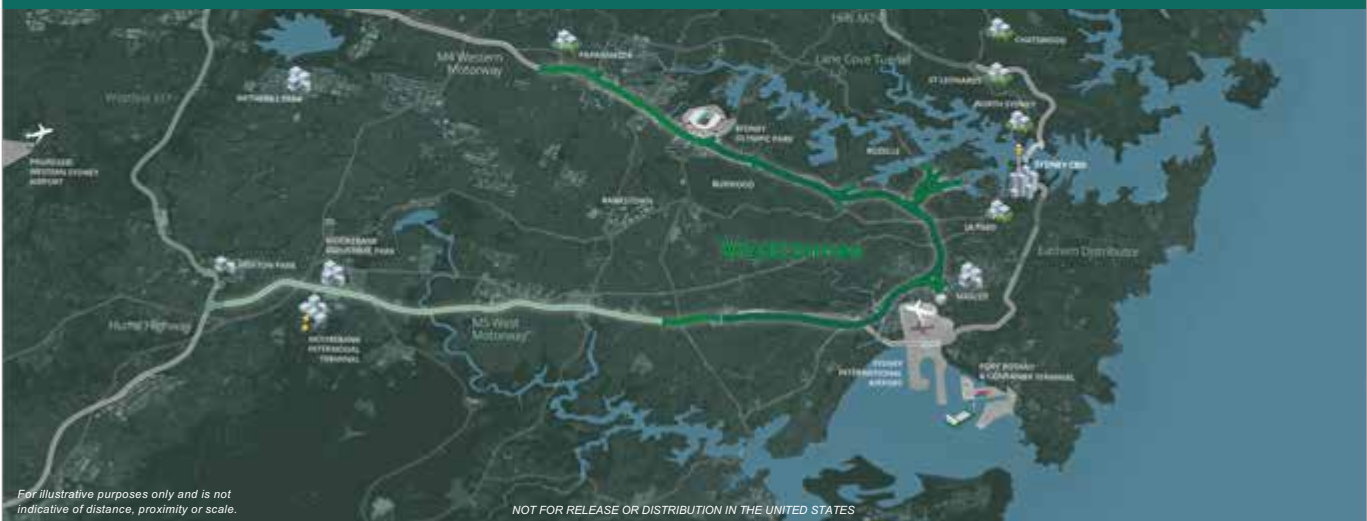
However, not all claims made by a D&C or O&M contractor will be linked claims. Where a claim made by a contractor relates to an act or omission of a WCX concessionaire (eg it relates to a variation or direction given by the WCX concessionaire that was not given to reflect an RMS variation or direction), the WCX concessionaire will be liable for that claim. In addition, the Security of Payment Act may adversely impact on the ability of the WCX concessionaire to assert that a claim at D&C or O&M contract level falls under the linked claim regime. If any such claims arise and a WCX concessionaire is required to make payment to a contractor, that payment may have a material adverse effect on the the financial performance of WCX and therefore on the return Transurban receives from its investment in WCX through STP.

### 3.12 Uninsured events

Each WCX concessionaire bears the risk of damage to its toll road caused by events that cannot be insured. The relevant WCX concessionaire will be required to self-fund the costs of rectifying that damage but may receive some assistance from RMS in certain limited circumstances. Any rectification costs that must be paid by a WCX concessionaire may adversely impact the WCX concessionaire and therefore potentially the return Transurban receives from its investment in WCX through STP.

## Supplementary information

# International offer restrictions



For illustrative purposes only and is not indicative of distance, proximity or scale.

# Section 6

## Announcements

### International offer restrictions



This document does not constitute an offer of entitlements or New Securities in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the entitlements and New Securities may not be offered or sold, in any country outside Australia except to the extent permitted below.

#### Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of entitlements and New Securities only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – *Prospectus and Registration Exemptions*, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the entitlements or the New Securities or the offering of such securities and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of entitlements or New Securities or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and received by the securities regulator in the applicable Province. Furthermore, any resale of the entitlements or the New Securities in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements.

Transurban as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon Transurban or its directors or officers. All or a substantial portion of the assets of Transurban and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against Transurban or such persons in Canada or to enforce a judgment obtained in Canadian courts against Transurban or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

#### Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the entitlements or the New Securities purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against Transurban if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against Transurban. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the *Securities Act* (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the entitlements and the New Securities during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against Transurban, provided that (a) Transurban will not be liable if it proves that the purchaser purchased such securities with knowledge of the misrepresentation; (b) in an action for damages, Transurban is not liable for all or any portion of the damages that Transurban proves does not represent the depreciation in value of such securities as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which such securities were offered.

Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

*Certain Canadian income tax considerations.* Prospective purchasers of the entitlements and the New Securities should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of such securities as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

*Language of documents in Canada.* Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Securities (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente de valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

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### International offer restrictions



#### China

The information in this document does not constitute a public offer of the entitlements or the New Securities, whether by way of sale or subscription, in the People's Republic of China ("PRC") (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The entitlements and the New Securities may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to "qualified domestic institutional investors", sovereign wealth funds and quasi-government investment funds.

#### European Economic Area – Belgium, Denmark, Germany, Liechtenstein, Luxembourg and Netherlands

This document has been prepared on the basis that all offers of entitlements and New Securities will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to publish a prospectus for offers of securities.

An offer to the public of entitlements and New Securities has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the Relevant Member State:

- to any legal or any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments unless such entity has requested to be treated as a non-professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2014/65/EC, "MiFID II") and the MiFID II Delegated Regulation (EU) 2017/565;
- entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual consolidated or consolidated financial statements) unless such entity has requested to be treated as a non-professional client in accordance with MiFID II and the MiFID II Delegated Regulation (EU) 2017/565;
- to any person or entity who has requested to be treated as a professional client in accordance with MiFID II; or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 30 of the MiFID II unless such entity has requested to be treated as a non-professional client in accordance with the MiFID II Delegated Regulation (EU) 2017/565.

#### France

This document is not being distributed in the context of a public offering of financial securities (*offre au public de titres financiers*) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (*Code monétaire et financier*) and Articles 211-1 et seq. of the General Regulation of the French *Autorité des marchés financiers* ("AMF"). The entitlements and the New Securities have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This document and any other offering material relating to the entitlements and the New Securities have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed (directly or indirectly) to the public in France. Such offers, sales and distributions have been and shall only be made in France to qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2, D.411-1, L.533-16, L.533-20, D.533-11, D.533-13, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation.

Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the entitlements and the New Securities cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.

#### Hong Kong

**WARNING:** This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the entitlements and the New Securities have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the entitlements and the New Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to entitlements and the New Securities that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted entitlements or New Securities may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

#### Ireland

The information in this document does not constitute a prospectus under any Irish laws or regulations and this document has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (the "Prospectus Regulations"). The entitlements and the New Securities have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to "qualified investors" as defined in Regulation 2(i) of the Prospectus Regulations.

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# Section 6

## Announcements

### International offer restrictions



#### Italy

The offering of the entitlements and the New Securities in the Republic of Italy has not been authorized by the Italian Securities and Exchange Commission (Commissione Nazionale per le Società e la Borsa, "CONSOB") pursuant to the Italian securities legislation and, accordingly, no offering material relating to these securities may be distributed in Italy and these securities may not be offered or sold in Italy in a public offer within the meaning of Article 1.1(t) of Legislative Decree No. 58 of 24 February 1998, as amended ("Decree No. 58"), other than:

- to qualified investors ("Qualified Investors"), as defined in Article 100 of Decree No. 58 by reference to Article 34-ter of CONSOB Regulation no. 11971 of 14 May 1999, as amended ("Regulation No. 11971"); and
- in other circumstances that are exempt from the rules on public offer pursuant to Article 100 of Decree No. 58 and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of entitlements and New Securities or distribution of any offer document relating to the New Securities in Italy (excluding placements where a Qualified Investor solicits an offer from the issuer) under the paragraphs above must be:

- made by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with Legislative Decree No. 385 of 1 September 1993 (as amended), Decree No. 58, CONSOB Regulation No. 16190 of 29 October 2007 (as amended) and any other applicable laws;
- in compliance with Article 129 of the Italian Banking Act and the implementing guidelines of the Bank of Italy, as amended, pursuant to which the Bank of Italy may request information on the offering or issue of securities in Italy; and
- in compliance with all relevant Italian securities, tax and exchange controls and any other applicable laws.

Investors should also note that, in any subsequent distribution of entitlements or New Securities in Italy, Article 100-bis of Decree No. 58 may require compliance with the law relating to public offers of securities. Furthermore, when such securities are placed solely with Qualified Investors and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of such securities who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises such securities were purchased, unless an exemption under Decree No. 58 applies.

#### Korea

Transurban is not making any representation with respect to the eligibility of any recipients of this document to acquire the entitlements or the New Securities under the laws of Korea, including, without limitation, the Foreign Exchange Transaction Act and regulations thereunder. These securities have not been, and will not be, registered under the Financial Investment Services and Capital Markets Act of Korea ("FSCMA") and therefore may not be offered or sold (directly or indirectly) in Korea or to any resident of Korea or to any persons for re-offering or resale in Korea or to any resident of Korea (as defined under the Foreign Exchange Transaction Act of Korea and its enforcement decree), except as permitted under the applicable laws and regulations of Korea.

Accordingly, the entitlements and the New Securities may not be offered or sold in Korea other than to "accredited investors" (as defined in the FSCMA).

#### New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The entitlements and the New Securities in the entitlement offer are not being offered to the public within New Zealand other than to existing security holders of Transurban with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Securities may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

#### Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

### International offer restrictions



The entitlements and the New Securities may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

#### Singapore

This document and any other materials relating to the entitlements and the New Securities have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of entitlements and New Securities, may not be issued, circulated or distributed, nor may the entitlements and New Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of Transurban's securities, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the entitlements or the New Securities being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire entitlements or New Securities. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

#### Sweden

This document has not been, and will not be, registered with or approved by Finansinspektionen (the Swedish Financial Supervisory Authority). Accordingly, this document may not be made available, nor may the entitlements or the New Securities be offered for sale in Sweden, other than under circumstances that are deemed not to require a prospectus under the Swedish Financial Instruments Trading Act (1991:980) (*Sw. lag (1991:980) om handel med finansiella instrument*). Any offering of entitlements or New Securities in Sweden is limited to persons who are "qualified investors" (as defined in the Financial Instruments Trading Act). Only such investors may receive this document and they may not distribute it or the information contained in it to any other person.

#### Switzerland

The entitlements and the New Securities may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering material relating to the New Securities (i) constitutes a prospectus or a similar notice as such terms are understood under art. 652a, art. 752 or art. 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of art. 27 *et seqq.* of the SIX Listing Rules or (ii) has been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of the entitlements and the New Securities will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this document nor any other offering material relating to the New Securities may be publicly distributed or otherwise made publicly available in Switzerland. The entitlements and the New Securities will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations. This document is personal to the recipient and not for general circulation in Switzerland.

#### United Arab Emirates

Neither this document nor any securities relating to it have been approved, disapproved or passed on in any way by the Emirates Securities and Commodities Authority ("ESCA") or any other governmental authority in the United Arab Emirates. Transurban has not received authorisation or licensing from the ESCA or any other governmental authority in the United Arab Emirates to market or sell the entitlements or the New Securities within the United Arab Emirates. This document does not constitute, and may not be used for the purpose of, an offer of securities in the United Arab Emirates (excluding the Dubai International Financial Centre). No services relating to the entitlements or the New Securities, including the receipt of applications, may be rendered within the United Arab Emirates (excluding the Dubai International Financial Centre).

In the Dubai International Financial Centre, the entitlements and the New Securities may be offered, and this document may be distributed, only as an "Exempt Offer", as defined and in compliance with the Markets Rules issued by the Dubai Financial Services Authority (the "DFSA"). The DFSA has not approved this document nor taken steps to verify the information set out in it, and has no responsibility for it.

#### United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the entitlements or the New Securities.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and these securities may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

# Section 6

## Announcements

### International offer restrictions



Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the entitlements or the New Securities has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to Transurban.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

#### United States

This document may not be distributed or released in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to any person who is acting for the account or benefit of any person in the United States (to the extent such person is acting for the account or benefit of a person in the United States) or in any other jurisdiction in which such an offer would be illegal. Any securities described in this document have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, 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 person is acting for the account or benefit of a person in the United States), except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or jurisdiction of the United States.

### Supplementary information

## Glossary



For illustrative purposes only and is not indicative of distance, proximity or scale.

# Section 6

## Announcements

### Glossary



TERM	DEFINITION
1H/2H	First or second half of a financial year
A25	A25 Tollway
ADT	Average daily traffic is calculated by dividing the total number of trips on each asset (transactions on CityLink) by the number of days in the period
Acquisition Financial Close	The date on which STP acquires its 51% equity stake in WestConnex
ASIC	Australian Securities and Investment Commission
ASX	Australian Securities Exchange
AWE	Average Weekly Earnings
Business Plans	The WestConnex Business Plan and the Transurban Sydney Business Plan
CAD	Canadian Dollars
CPPIB	Canada Pension Plan Investment Board
CAGR	Compound Annual Growth Rate
CAV	Connected and Automated Vehicles
CBD	Central Business District
CCT	Cross City Tunnel
Corporations Act	Corporations Act 2001 (Cth)
CPI	Consumer Price Index. Refers to Australian CPI unless otherwise stated
CPS	Cents per security
CTW	CityLink Tulla Widening
Debt Financial Close	The dates on which the Stage 1 debt and Stage 3 debt can be drawn in accordance with the requirements under the relevant finance documents. Stage 1 debt financial close may occur before Stage 3 debt financial close
D&C	Design and Construct
DRP	Transurban's Distribution Reinvestment Plan
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ED	Eastern Distributor

TERM	DEFINITION
Entitlement Offer	The fully underwritten 10 for 57 accelerated pro rata renounceable entitlement offer with retail entitlements trading described on slide 54
EV	Enterprise value
FC	Financial close
FIRB	Foreign Investment Review Board
FY	Financial year 1 July to 30 June
GBB	Go Between Bridge
GLIDe	Transurban's tolling back-office system
GWA	Greater Washington Area meaning northern Virginia, Washington D.C., areas of Maryland and the surrounding metropolitan area
ICB	Inner City Bypass
LCT	Lane Cove Tunnel
LEP	Logan Enhancement Project
LinktGO GPS app	LinktGO is a mobile phone application which uses GPS to track a customer's trip. The app is perfect for occasional toll road users as the customer does not require a tag
LTi	Long Term Incentive
M2	Hills M2
M5	M5 West Motorway
M7	Westlink M7
MSA	Master Services Agreement
New Securities	New Transurban stapled securities issued through the Entitlement Offer
NSW	New South Wales
NWRG	NorthWestern Roads Group
O&M	Operations and Maintenance
QLD	Queensland
Record Date	The record date is the cut-off date established by Transurban to determine which security holders are eligible to receive a distribution.

### Glossary



TERM	DEFINITION
RMS	NSW Government—Transport Road & Maritime Services
RRIPL	Roads Retained Interest Pty Ltd – Company holding the NSW Government's retained interest in WestConnex
SMC	Sydney Motorway Corporation
State Works Contribution	The capital contribution for Stage 3A to be provided by RMS. This is separate to the NSW Government's 49% share of the equity funding commitment for Stage 3A.
STP	Sydney Transport Partners
TERP	Theoretical ex-rights price
Toll Revenue	Toll revenue includes revenue from customers, specifically tolls, service and fee revenue
Transurban or TCL	Transurban Group, comprising Transurban Holdings Limited, Transurban International Limited and Transurban Infrastructure Management Limited as the responsible entity of Transurban Holding Trust and, where the context requires, Transurban and all controlled entities
Transurban Sydney Business Plan	Transurban's internal long term business plan for its Sydney assets
TSA	Tolling Services Agreement
USD	US Dollars
WCX Acquisition	STP's acquisition of a 51% equity stake in WestConnex
WestConnex or WCX	Depending on the context, means either: <ul style="list-style-type: none"> <li>the road network comprising the components outlined on slide 15; or</li> <li>the entities that hold the concessions to design, construct, operate, maintain and toll that road network, including any of their related bodies corporate</li> </ul>
WestConnex Business Plan	The internal long term business plan for WestConnex agreed between the STP consortium members and the NSW Government
WGT	West Gate Tunnel asset currently under construction. Includes West Gate Freeway
WGTP	West Gate Tunnel Project

# Section 6

## Announcements

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# Section 6

## Announcements

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5 September 2018

### TRANSURBAN SUCCESSFULLY COMPLETES INSTITUTIONAL COMPONENT OF ENTITLEMENT OFFER

Transurban is pleased to announce the successful completion of the institutional component ("**Institutional Entitlement Offer**") of its \$4.2 billion fully underwritten accelerated pro rata renounceable 10 for 57 entitlement offer with retail entitlements trading ("**Entitlement Offer**") of new Transurban stapled securities ("**New Securities**"). The Entitlement Offer was announced on 31 August 2018.

#### Summary of the Institutional Entitlement Offer

- The Institutional Entitlement Offer raised gross proceeds of approximately \$3.0 billion and will result in the issue of approximately 278 million New Securities.
- The Institutional Entitlement Offer attracted strong demand from Transurban's institutional security holders with approximately 96% of entitlements available to eligible institutional security holders taken up.
- The institutional shortfall bookbuild was well supported by eligible institutional security holders and new investors.
- Entitlements not taken up by eligible institutional security holders and entitlements of ineligible institutional security holders were sold and cleared in the institutional shortfall bookbuild at \$11.80 per New Security which was \$1.00 above the offer price of \$10.80 per security ("**Offer Price**").

Transurban CEO, Scott Charlton, commented: "The acquisition of a 51% equity stake in WestConnex is a milestone for Transurban and its consortium partners. We thank our investors for supporting this transaction and look forward to working with the NSW Government as our partner for WestConnex."

The institutional shortfall bookbuild was completed on 4 September 2018. Eligible institutional security holders who elected not to take up their entitlements, and ineligible institutional security holders, will receive \$1.00 for each entitlement sold for their benefit in the institutional shortfall bookbuild.

The New Securities to be issued as part of the Institutional Entitlement Offer will be allotted on 13 September 2018 and trading is expected to commence on the same day. The New Securities issued as part of the Institutional Entitlement Offer will rank equally with existing Transurban stapled securities, including in respect of distributions.

#### Commencement of the Retail Entitlement Offer

The retail component of the Entitlement Offer ("**Retail Entitlement Offer**") will open on 7 September 2018. Eligible retail security holders in Australia and New Zealand will have the opportunity to participate in the Entitlement Offer at the same Offer Price and offer ratio as the Institutional Entitlement Offer.

Eligible retail security holders who wish to apply to participate in the Retail Entitlement Offer must do so by 5.00pm (AEST) on 18 September 2018. Eligible retail security holders who apply under the Retail Entitlement Offer before 5.00pm (AEST) on 11 September 2018 ("**Initial Retail Closing Date**") using BPAY<sup>1</sup> will be allotted New Securities at the same time as the New Securities are allotted under the Institutional Entitlement Offer.

<sup>1</sup> ® registered to BPAY Pty Limited ABN 69 079 137 518.

Classification **Public**

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## Announcements

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The New Securities issued as part of the Retail Entitlement Offer will rank equally with existing Transurban stapled securities, including in respect of distributions.

Eligible retail security holders may also sell their entitlements on the ASX, with trading to commence on 5 September 2018 (on a deferred settlement basis), on 10 September 2018 (on a normal settlement basis), and conclude on 11 September 2018. Retail entitlements will trade under the ASX ticker "TCLRB".

Retail entitlements that are not taken up by the close of the Retail Entitlement Offer, and retail entitlements that would otherwise have been offered to ineligible retail security holders, will be sold through the retail shortfall bookbuild on 20 September 2018. Any proceeds, being the excess of the price (if any) at which New Securities are sold through the retail shortfall bookbuild over the Offer Price less expenses (net of any withholding tax), will be paid to renouncing and ineligible retail security holders. There is no guarantee that there will be any proceeds. The ability to sell entitlements under the retail shortfall bookbuild process and the ability to obtain any premium will be dependent upon various factors, including market conditions.

A Retail Information Booklet containing information in respect of the Retail Entitlement Offer will be sent to eligible retail security holders in Australia and New Zealand on 7 September 2018 and will be made available at [www.transurban.com/offer](http://www.transurban.com/offer) from 7 September 2018. Eligible retail security holders should carefully read the Retail Information Booklet and the accompanying personalised entitlement and acceptance form in full before deciding whether to take up or sell their entitlements.

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

#### Commencement of trading

Transurban stapled securities are expected to resume trading on ASX today.

#### Indicative timetable

DATES AND TIMES ARE SUBJECT TO CHANGE WITHOUT NOTICE	
Trading halt lifted	5 September 2018
Retail Entitlements commence trading on a deferred settlement basis	5 September 2018
Record date under the Entitlement Offer (7.00pm, AEST)	5 September 2018
Lodgement of the Retail Information Booklet on ASX	5 September 2018
Retail Entitlement Offer opens	7 September 2018
Retail Information Booklet and personalised payment details available at <a href="http://www.transurban.com/offer">www.transurban.com/offer</a>	7 September 2018
Despatch of Retail Information Booklet and Entitlement and Acceptance Forms	7 September 2018
Retail Entitlements commence trading on a normal settlement basis	10 September 2018
Retail Entitlements trading on ASX ends	11 September 2018
Initial Retail Closing Date – last day to apply for New Securities to be issued on the Initial Allotment Date (5.00pm, AEST)	11 September 2018

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Settlement of New Securities under the Institutional Entitlement Offer, institutional shortfall bookbuild and Retail Entitlement Offer for applications submitted before the Initial Retail Closing Date	12 September 2018
Issue of New Securities under the Institutional Entitlement Offer, institutional shortfall bookbuild and the Retail Entitlement Offer for applications submitted before the Initial Retail Closing Date	13 September 2018
Normal trading of New Securities issued on 13 September 2018	13 September 2018
Retail Entitlement Offer closes (5.00pm, AEST)	18 September 2018
Retail Shortfall Bookbuild	20 September 2018
Settlement of all remaining New Securities under the Retail Entitlement Offer and Retail Shortfall Bookbuild	25 September 2018
Issue of all remaining New Securities under the Retail Entitlement Offer and Retail Shortfall Bookbuild	26 September 2018
New Securities issued on 26 September 2018 commence trading on ASX on normal settlement basis	27 September 2018
Despatch of holding statements	28 September 2018

These dates are indicative only and are subject to change without notice. All times and dates refer to Australian Eastern Standard Time (AEST). 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 and security holder enquiries

Eligible retail security holders who have any questions regarding the Retail Entitlement Offer should contact the Transurban Security Holder Information Line on 1300 360 146 (within Australia) or +61 3 9415 4315 (outside Australia), between 8.30am to 5.30pm (AEST) Monday to Friday prior to the close of the Retail Entitlement Offer.

**Amanda Street**  
Company Secretary

**Investor enquiries**  
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# Section 6

## Announcements

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**NOT FOR RELEASE OR DISTRIBUTION INTO THE UNITED STATES**

*This release has been prepared for release in Australia and may not be released or distributed in the United States. This release 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 who is acting for the account or benefit of any person in the United States (to the extent such person is acting for the account or benefit of a person in the United States), or in any other jurisdiction in which such an offer would be illegal. Neither the entitlements nor the New Securities have been, or will 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. Accordingly, the entitlements may not be taken up or exercised by, and the New Securities may not be offered or sold, directly or indirectly, to, any person in the United States or to any person acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States), except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States. Persons in the United States and persons acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States) will not be eligible to purchase or trade entitlements on market, or take up or exercise entitlements purchased on market or transferred from another person.*

Classification

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# Section 7

## Taxation

This section is a general summary of the Australian income tax, goods and services tax (“**GST**”) and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Security Holders.

The taxation implications of the Retail Entitlement Offer will vary depending upon your particular circumstances. Accordingly, you should seek and rely upon the professional advice of your own taxation or financial adviser before determining the particular taxation treatment that will apply to you.

Neither Transurban nor any of its officers or employees, nor its taxation and other advisers, accept any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences.

The comments in this section deal only with the Australian taxation implications of the Retail Entitlement Offer if you:

- are a resident for Australian income tax purposes; and
- hold your Securities on capital account (which will generally be the case if you are the trustee of a superannuation fund).

The comments do not apply to you if you:

- are not a resident for Australian income tax purposes; or
- hold your Securities as revenue assets or trading stock (which will generally be the case if you are a bank, insurance company or carry on a business of share trading); or
- are subject to the ‘taxation of financial arrangements’ rules in Division 230 of the Income Tax Assessment Act 1997 (Cth) in relation to your holding of New Securities or Entitlements; or
- acquired the New Securities in respect of which the Retail Entitlements are issued under any employee share scheme or where the New Securities are acquired pursuant to any employee share scheme; or
- acquired Retail Entitlements otherwise than because you are an Eligible Retail Security Holder (e.g. where the Retail Entitlements are acquired on ASX or from a sale or transfer).

This taxation summary is necessarily general in nature and is based on the Australian tax legislation and administrative practice in force as at the date of this Retail Information Booklet. It does not take into account any financial objectives, tax positions, or investment needs of Eligible Retail Security Holders. It is strongly recommended that each Eligible Retail Security Holder seek their own independent professional tax advice applicable to their particular circumstances.

In this section, we have referred to the following securities, which are stapled to form the Securities, as ‘constituent securities’:

- a share in THL;
- a unit in THT; and
- a share in TIL.

### 7.1

## Australian income tax

### Issue of Retail Entitlements

- The issue of a Retail Entitlement should be treated for Australian income tax purposes as an issue of three separate rights to acquire a new security in respect of each of the constituent securities. For the purposes of this summary, these rights are collectively referred to as the Retail Entitlement.
- The issue of the Retail Entitlement will not of itself result in any amount being included in the assessable income of an Eligible Retail Security Holder.

### Sale on ASX , or transfer, of Retail Entitlements

- If you sell your Retail Entitlement on ASX or otherwise, you should derive a capital gain for capital gains tax (“**CGT**”) purposes.
- Security Holders will have no cost base for their Retail Entitlements unless they incur certain non-deductible incidental costs associated with the sale. Therefore, a capital gain made on sale will be equal to the sale proceeds (or deemed market value capital proceeds if Retail Entitlements are transferred in a dealing which

# Section 7

## Taxation

is not considered at arm's length, for other than market value consideration) less any relevant non-deductible costs of disposal.

- Individuals, complying superannuation entities or trustees that have held their Existing Securities for at least 12 months prior to the date of sale should be entitled to discount the amount of a capital gain resulting from the sale of the Retail Entitlements (after the application of any current year or carry forward capital losses).
- The amount of this discount is 50% for individuals and trustees and 33½% for complying superannuation entities. This is referred to as the 'CGT discount'.
- The CGT discount is not available for companies that are not trustees.
- Trustees should seek specific tax advice regarding the tax consequences arising to beneficiaries because of discount capital gains.

### Retail Entitlements sold into the Retail Shortfall Bookbuild

- Any Retail Entitlements not taken up, sold or transferred by you will be sold into the Retail Shortfall Bookbuild on your behalf and any Retail Premium you receive in respect of the Retail Entitlements will be paid to you.
- Any Retail Premium paid to you as a result of the sale (on your behalf) of your Retail Entitlements into the Retail Shortfall Bookbuild should be taxable under the CGT provisions. This is consistent with the views of the Commissioner of Taxation ("**Commissioner**") in Taxation Ruling TR 2017/4 'Income tax: taxation of rights and retail premiums under renounceable rights offers where shares held on capital account'.
- Australian resident Eligible Retail Security Holders who are individuals, complying superannuation entities or trustees that have held their Existing Securities for at least 12 months prior to the date of sale, should be entitled to the CGT discount (see above) in respect of any capital gain resulting from the sale of the Retail Entitlements into the Retail Shortfall Bookbuild (after the application of any current year or carry forward capital losses).

### Exercise of Retail Entitlements

- Neither income tax nor a CGT liability will arise for you on the exercise (i.e. taking up) of your Retail Entitlements.
- If you take up all or part of your Retail Entitlement, you will acquire New Securities with a cost base for CGT purposes of each constituent security equal to a reasonable apportionment of the Offer Price payable by you for those New Securities plus certain non-deductible incidental costs you incur in acquiring them.
- New Securities will be taken to have been acquired on the day you exercise the Retail Entitlements.

### Distributions on New Securities as a result of Retail Entitlements taken up

- Any future dividends or other distributions made in respect of New Securities will be subject to the same income taxation treatment as dividends or other distributions made on Existing Securities held in the same circumstances.
- Distributions received by Eligible Retail Security Holders from THT will result in an adjustment to the Eligible Retail Security Holder's cost base on their THT units to the extent that such distributions are non-assessable.

### Disposal of New Securities

- The disposal of a New Security will constitute a disposal for CGT purposes.
- On disposal of a New Security, you will make a capital gain if the capital proceeds on disposal exceed the cost base of the New Security. You will make a capital loss if the capital proceeds are less than the reduced cost base of the New Security.
- The cost base of New Securities is described above. Specifically, the cost base in THT units will be reduced by prior non-assessable distributions received by Eligible Retail Security Holders.
- Individuals, trustees or complying superannuation entities that have held New Securities for 12 months or more at the time of disposal should be entitled to apply the applicable CGT discount factor to reduce the capital gain (after offsetting

# Section 7

## Taxation

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capital losses). The CGT discount factor is 50% for individuals and trustees and 33⅓% for complying superannuation entities.

- New Securities will be treated for the purposes of the CGT discount as having been acquired when you exercise your Retail Entitlement. Accordingly, in order to be eligible for the CGT discount, the New Securities must be held for at least 12 months after the date that you exercised your Retail Entitlement.
- If you make a capital loss, you can only use that loss to offset other capital gains (i.e. the capital loss cannot be used against taxable income on revenue account). However, if the capital loss cannot be used in a particular income year, it can be carried forward to use in future income years, providing certain tests are satisfied.

### 7.2

#### Withholding tax

This Retail Information Booklet refers to the potential payment of a Retail Premium to certain investors. Transurban may be required to withhold Australian tax in relation to part of any Retail Premium that is paid to those investors under applicable laws. References to the payment of the Retail Premium in this Retail Information Booklet should be read as payments net of any applicable withholding taxes. If you are an Australian tax resident Security Holder, and you have not previously provided your Tax File Number ("TFN") or Australian Business Number ("ABN") to Transurban, you may wish to do so prior to the close of the Retail Entitlement Offer on 18 September 2018 to ensure that withholding tax is not deducted from any proceeds payable to you at the current rate of 47%. You are able to provide your TFN or ABN online with the Registry at [www.investorcentre.com/au](http://www.investorcentre.com/au). When providing your details online, you will be required to enter your SRN or HIN as shown on your Issuer Sponsored/CHESS statements and other personal details such as your postcode.

### 7.3

#### Other Australian taxes

No GST or stamp duty will be payable by you in respect of the issue, sale or taking up of Retail Entitlements or the acquisition of New Securities.

# Section 8

## Additional information

Transurban, as the issuer of the Entitlement Offer, comprises THL, TIL and TIML as the responsible entity of THT. This Retail Information Booklet (including the enclosed Announcements and attached personalised Entitlement and Acceptance Form) have been prepared by Transurban.

This Retail Information Booklet (other than the ASX Announcement and the Investor Presentation) is dated 5 September 2018. The Announcements included in this Retail Information Booklet are current as at 5 September 2018. The Retail Information Booklet remains subject to change without notice.

There may be additional announcements that have been made by Transurban after 5 September 2018 and throughout the Retail Entitlement Offer Period that may be relevant in your consideration of whether to take up, sell or transfer all or some of your Retail Entitlements. Therefore, it is prudent that you check whether any further announcements have been made by Transurban before submitting an Application or selling or transferring your Retail Entitlements.

No party other than Transurban has authorised or caused the issue of this Retail Information Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Retail Information Booklet.

For the avoidance of doubt, to the maximum extent permitted by law, the Underwriters and their affiliates, related bodies corporate, officers, employees, agents and advisers disclaim all liability, including (without limitation) liability arising from fault or negligence, for any loss howsoever and whenever arising from the use of any of the information contained in this Retail Information Booklet, and the Underwriters do not act as a fiduciary or agent of each other or any other person.

**THIS INFORMATION IS IMPORTANT  
AND REQUIRES YOUR ATTENTION**

### 8.1 Not financial product advice

This Retail Information Booklet is not a prospectus or product disclosure statement under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice, investment advice or a recommendation to acquire New Securities and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. This Retail Information Booklet does not purport to contain all of the information that you may require to evaluate a possible application for New Securities. It should be read in conjunction with Transurban's other periodic statements and continuous disclosure announcements lodged with ASX, which are available at [www.asx.com.au](http://www.asx.com.au).

Before deciding whether to apply for New Securities, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances, and having regard to the risks and merits involved. You should also consider whether you need to seek appropriate advice, including financial, legal and taxation advice appropriate to your jurisdiction.

If, after reading this Retail Information Booklet, you have any questions about whether you should participate in the Retail Entitlement Offer, you should seek professional advice from a professional adviser who is licensed by ASIC to give that advice before making any investment decision.

### 8.2 Eligible Retail Security Holders and Ineligible Retail Security Holders

This Retail Information Booklet contains an offer of New Securities to Eligible Retail Security Holders.

Transurban has decided that it is unreasonable to make offers under the Retail Entitlement Offer to retail investors who are holders of Securities and who are in the United States or are acting for the account or benefit of a person in the United States (to the extent such persons hold Securities and are

## Section 8

# Additional information

acting for the account or benefit of a person in the United States) or who have registered addresses outside Australia and New Zealand (referred to as Ineligible Retail Security Holders), having regard to the number of such holders in those places and the number and value of the New Securities that they would be offered and the cost of complying with the relevant legal and regulatory requirements in those places.

Transurban reserves the right to determine whether a Security Holder is an Eligible Retail Security Holder or an Ineligible Retail Security Holder.

Ineligible Retail Security Holders should shortly receive a letter from Transurban outlining their rights in relation to the Entitlement Offer.

Transurban may (in its absolute discretion) extend the Retail Entitlement Offer to any Institutional Security Holder in foreign jurisdictions which did not participate in the Institutional Entitlement Offer (excluding the United States and subject to compliance with applicable laws).

### 8.3 Retail Entitlements

The Retail Entitlements may not be purchased, traded, taken up or exercised by persons in the United States or by persons who are 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).

Investors should note that if you purchase Retail Entitlements on ASX or otherwise, in order to take up or exercise those Retail Entitlements and subscribe for New Securities you:

- must be an Eligible Retail Security Holder, a resident in Australia or New Zealand, or otherwise qualify as an 'Eligible Person'<sup>7</sup>; and
- must not be in the United States or acting for the account or benefit of a person in the United States in connection with the purchase or exercise of those Retail Entitlements.

If you do not satisfy the above conditions, you will not be entitled to take up Retail Entitlements or subscribe for New Securities.

It is the responsibility of purchasers of Retail Entitlements to inform themselves of the eligibility criteria for exercise. If holders of Retail Entitlements at the end of the Retail Entitlement Trading Period do not meet the eligibility criteria, they will not be able to exercise the Retail Entitlements. In the event that holders are not able to exercise their Retail Entitlements, they may receive no value for them.

### 8.4 Trading of Retail Entitlements and New Securities

Subject to approval being granted, it is expected that Retail Entitlements will trade on ASX on a deferred settlement basis from 5 September 2018 until 7 September 2018 and on a normal settlement basis from 10 September 2018 until 11 September 2018 (being the Retail Entitlement Trading Period). Following this, it is expected that trading on ASX of New Securities to be issued under the Final Allotment will commence on 12 September 2018 on a deferred settlement basis and on 27 September 2018 on a normal settlement basis.

**Transurban and the Underwriters will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade Retail Entitlements before they receive their personalised Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by Transurban or the Registry or otherwise or who otherwise trade or purport to trade Retail Entitlements in error or which they do not hold or are not entitled to.**

<sup>7</sup>Certain investors in a limited number of foreign jurisdictions (other than the United States) may be Eligible Persons if they satisfy the requirements of that expression as set out in the Entitlement and Acceptance Form.

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## Additional information

**Transurban and the Underwriters will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Securities they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Transurban or the Registry or otherwise or who otherwise trade or purport to trade New Securities in error or which they do not hold or are not entitled to.**

**Transurban and the Underwriters will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to you if you attempt to sell or transfer any of your Retail Entitlements that you have elected to take up before the Early Retail Application Closing Date (being 5.00pm (AEST) on 11 September 2018).**

**If you are in any doubt as to these matters, you should seek professional advice from an adviser who is licensed by ASIC to give that advice.**

### 8.5 Reconciliation and the rights of Transurban and the Underwriters

As with any entitlement offer, investors may believe that they own more Existing Securities (being a Security on issue on the Record Date) than they ultimately do, or are otherwise entitled to more New Securities than initially offered to them. In addition, where trustees of Transurban's employee equity scheme hold Securities on behalf of participants in those plans, the number of New Securities that are offered may need to increase to take account of the rounding. These matters may result in a need for reconciliation to ensure all Eligible Security Holders have the opportunity to receive all of their Entitlements.

If reconciliation is required, it is possible that Transurban may need to issue a small quantity of additional New Securities ("**Top-Up Securities**") to ensure all Eligible Security Holders have the opportunity to receive their appropriate allocation of New Securities. The price at which these Top-Up Securities will be issued will be the same as the Offer Price.

Transurban also reserves the right to reduce the number of New Securities allocated to Eligible Security Holders or persons claiming to be Eligible Security Holders, if their Entitlement claims prove to be overstated, if they or their nominees fail to provide information requested to substantiate their claims, or if they are not Eligible Security Holders.

Investors who sell Retail Entitlements to which they are not entitled, or who do not hold sufficient Retail Entitlements at the time required to deliver those Retail Entitlements, may be required by Transurban to otherwise acquire Retail Entitlements or Securities to satisfy these obligations.

By applying under the Entitlement Offer, including pursuant to acquisitions of Retail Entitlements, those doing so irrevocably acknowledge and agree to do the above as required by Transurban in its absolute discretion. Those applying acknowledge that there is no time limit on the ability of Transurban or the Underwriters to require any of the actions set out above.

## Section 8

# Additional information

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### 8.6 Sale of Retail Entitlements

Transurban will arrange for Retail Entitlements which are not taken up by close of the Retail Entitlement Offer to be sold to eligible Institutional Investors through the Retail Shortfall Bookbuild. Transurban has engaged the Underwriters to assist in selling Retail Entitlements to subscribe for New Securities (including Retail Entitlements that would have been issued to Ineligible Retail Security Holders had they been eligible to participate in the Retail Entitlement Offer), through the Retail Shortfall Bookbuild. However, it is important to note that the Underwriters will be acting for and providing services to Transurban in this process and will not be acting for or providing services to security holders or any other investor. The engagement of the Underwriters by Transurban is not intended to create any agency, fiduciary or other relationship between the Underwriters and the security holders or any other investor.

### 8.7 Receipt of excess Retail Premium

If you receive a Retail Premium payment in excess of the Retail Premium payment to which you were actually entitled based on the Retail Entitlements held by you as at close of the Retail Entitlement Offer at 5.00pm (AEST) on 18 September 2018 then, in the absolute discretion of Transurban, you may be required to repay Transurban the excess Retail Premium.

By taking up or transferring your Retail Entitlement, or accepting the payment to you of a Retail Premium, you irrevocably acknowledge and agree to repay any excess payment of the Retail Premium as set out above as required by Transurban in its absolute discretion. In this case, the amount required to be repaid will be net of any applicable withholding tax. You also acknowledge that there is no time limit on the ability of Transurban to require repayment as set out above and that where Transurban exercises its right to correct your Retail Entitlements, you are treated as continuing to have taken up, transferred or not taken up your remaining Retail Entitlements.

### 8.8 New Securities

Transurban has applied to ASX for official quotation of the New Securities to be issued under the Entitlement Offer. If ASX does not grant quotation of the New Securities, Transurban will repay all Application Monies (without interest).

New Securities issued under the Retail Entitlement Offer will be fully paid and rank equally in all respects with Existing Securities.

### 8.9 Additional New Securities

All Eligible Retail Security Holders will be allocated New Securities applied and paid for, up to their Retail Entitlement.

Eligible Retail Security Holders may not apply for additional New Securities in excess of their Retail Entitlement.

Eligible Retail Security Holders who would like to apply for additional New Securities in excess of their Retail Entitlements may consider acquiring additional Retail Entitlements from any other Eligible Retail Security Holders who wish to sell their Retail Entitlements.

## Section 8

# Additional information

### 8.10

#### Information availability

Eligible Retail Security Holders in Australia and New Zealand can obtain a copy of this Retail Information Booklet and a copy of their personalised Entitlement and Acceptance Form by calling the Transurban Security Holder Information Line on 1300 360 146 (within Australia) or +61 3 9415 4315 (outside Australia) at any time from 8.30am to 5.30pm (AEST) Monday to Friday during the Retail Entitlement Offer Period.

Eligible Retail Security Holders in Australia and New Zealand may also access this Retail Information Booklet and their personalised payment details at [www.transurban.com/offer](http://www.transurban.com/offer) from 7 September 2018.

**NEITHER THIS RETAIL INFORMATION BOOKLET, THE INVESTOR PRESENTATION, NOR THE ACCOMPANYING ENTITLEMENT AND ACCEPTANCE FORM MAY BE DISTRIBUTED TO, OR RELIED UPON BY, PERSONS IN THE UNITED STATES OR PERSONS THAT ARE 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)**

### 8.11

#### Foreign jurisdictions

This Retail Information Booklet has been prepared to comply with the requirements of the securities laws of Australia and New Zealand. To the extent that you hold Securities or Entitlements on behalf of another person resident outside Australia or New Zealand, it is your responsibility to ensure that any participation (including for your own account or when you hold Securities or Entitlements beneficially for another person) complies with all applicable laws and that each beneficial owner on whose behalf you are submitting the personalised Entitlement and Acceptance Form or trading Retail Entitlements is not in the United States, and that you are not acting for the account or benefit of a person in the United States.

This Retail Information Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Retail Entitlements or the New Securities, or otherwise permit the public offering of the New Securities, in any jurisdiction other than Australia and New Zealand. Return of the personalised Entitlement and Acceptance Form will be taken by Transurban to constitute a representation by you that there has been no breach of any such laws. Eligible Retail Security Holders who are nominees, trustees or custodians are therefore advised to seek independent advice as to how to proceed.

The distribution of this Retail Information Booklet (including in electronic format) outside Australia and New Zealand may be restricted by law. If you come into possession of this Retail Information Booklet, you should observe such restrictions and should seek professional advice on such restrictions. In particular, this document or any copy of it must not be taken into or distributed or released in the United States. Persons who come into possession of this document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.



# Section 8

## Additional information

### (a) New Zealand

The Retail Entitlements and the New Securities are not being offered to the public within New Zealand other than to existing Security Holders with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016. The offer of New Securities is renounceable in favour of members of the public.

This Retail Information Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This Retail Information Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### (b) United States

This Retail Information Booklet may not be released or distributed in the United States. This Retail Information Booklet 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 who is acting for the account or benefit of any person in the United States (to the extent such person is acting for the account or benefit of a person in the United States), or in any other jurisdiction in which such an offer would be illegal. Neither the Retail Entitlements nor the New Securities have been, or will be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The Retail Entitlements may not be issued to, or taken up or exercised 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 a person in the United States (to the extent such persons are acting for the account or benefit of persons in the United States). The Retail Entitlements and the New Securities to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in 'offshore transactions' (as defined in Rule 902(h) under the Securities Act) in reliance on Regulation S.

### 8.12

#### Nominees and custodians

The Retail Entitlement Offer is being made to all Eligible Retail Security Holders. Nominees and custodians with registered addresses in the Eligible Jurisdictions, irrespective of whether they participate under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Existing Securities, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Security Holder.

Nominees and custodians which hold Securities as nominees or custodians will have received, or will shortly receive, a letter from Transurban. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to:

- beneficiaries on whose behalf they hold Existing Securities who would not satisfy the criteria for an Eligible Retail Security Holder;
- Eligible Institutional Security Holders who received an offer to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not); or
- Ineligible Institutional Security Holders who were ineligible to participate in the Institutional Entitlement Offer.

In particular, persons acting as nominees or custodians for other persons may not take up, sell or transfer Retail Entitlements on behalf of, or send any documents relating to the Retail Entitlement Offer to, any person in the United States or to any person acting for the account or benefit of a person in the United States (to the extent such person holds Securities and is acting for the account or benefit of a person in the United States). If a nominee or custodian purchases or takes up Retail Entitlements for the account or benefit of a person in the United States, such person may receive no value for any such Entitlements.

Additionally, nominees and custodians may not distribute any part of this Retail Information Booklet in the United States or in any other country outside Australia and New Zealand except (i) Australian and New Zealand nominees may send this Retail

## Section 8

# Additional information

Information Booklet and related offer documents to beneficial security holders who are professional or Institutional Security Holders in other countries (other than the United States) listed in, and to the extent permitted under, the 'Foreign Jurisdictions' section of the Investor Presentation and (ii) to beneficial security holders in other countries (other than the United States) where Transurban may determine it is lawful and practical to make the Retail Entitlement Offer.

To the extent that you act for any Ineligible Institutional Security Holders or Ineligible Retail Security Holders, your Entitlements may be lower than indicated on your Entitlement and Acceptance Form. The Registry may need to reduce the number of Entitlements allotted to you once it receives advice regarding participation in the Institutional Entitlement Offer.

Transurban is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Securities. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws.

Transurban is not able to advise on foreign laws.

### 8.13 Underwriting

Transurban has entered into the Underwriting Agreement under which three Underwriters have agreed to fully underwrite the Entitlement Offer, subject to the terms and conditions of the Underwriting Agreement.

The obligation on the Underwriters to underwrite the Entitlement Offer is conditional on certain customary matters, including Transurban delivering certain certificates, sign-offs and opinions to the Underwriters, and the WestConnex Acquisition not having been terminated, rescinded or varied in any material respect without the Underwriters' consent.

Additionally, if certain events occur, the Underwriters may terminate the Underwriting Agreement.

The events which may trigger termination of the Underwriting Agreement include where:

- Transurban is suspended from the official list of ASX or its Securities are delisted or suspended from quotation;
- Transurban alters its capital structure;
- Transurban or a material subsidiary of Transurban is or becomes insolvent;
- Transurban's CEO or CFO has their employment terminated for cause;
- Transurban contravenes its constituent documents, the Corporations Act, the ASX Listing Rules or other applicable law; or
- Transurban's directors engage in fraud or commit certain offences.

The ability of the Underwriters to terminate the Underwriting Agreement in respect of some events will depend on whether the event has or is likely to have a material adverse effect on the success, marketing or settlement of the Entitlement Offer, the value of the Securities, or the willingness of investors to subscribe for Securities, or where they may give rise to liability for the Underwriters.

In addition to these termination events, the occurrence of certain other events (including market disruption, hostilities, regulatory action or material adverse change) may affect the Underwriters' obligation to underwrite the Entitlement Offer at the Offer Price under the Underwriting Agreement. If any such event occurs, the Underwriters' obligation to underwrite at the Offer Price may cease to apply, in which case the Underwriters and Transurban may be required to work together in good faith to agree amendments to the Underwriting Agreement to implement an alternative capital raising that enables Transurban to fund its portion of the purchase price for the WestConnex Acquisition. In such circumstances, there is no guarantee that the Underwriters will agree appropriate and timely amendments to the Underwriting Agreement.

## Section 8

# Additional information

### 8.14 Governing law

This Retail Information Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of Applications made pursuant to the Retail Entitlement Offer are governed by the law applicable in Victoria, Australia. Each Security Holder who applies for New Securities submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

### 8.15 Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Retail Information Booklet.

Any information or representation that is not in this Retail Information Booklet may not be relied on as having been authorised by Transurban, or its related bodies corporate, in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, none of Transurban, its directors, officers or employees or any other person, warrants or guarantees the future performance of Transurban or any return on any investment made pursuant to this Retail Information Booklet.

### 8.16 Withdrawal of the Entitlement Offer

Transurban reserves the right to withdraw all or part of the Entitlement Offer and the information in this Retail Information Booklet at any time, subject to applicable laws, in which case Transurban will refund Application Monies in relation to New Securities not already issued in accordance with the Corporations Act and without payment of interest. In circumstances where allotment under the Institutional Entitlement Offer has occurred, Transurban may only be able to withdraw the Entitlement Offer with respect to New Securities to be issued under the Retail Entitlement Offer.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to Transurban will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to Transurban.

### 8.17 Privacy

As a Security Holder, Transurban and the Registry have already collected certain personal information from you. If you apply for New Securities, Transurban and the Registry may update that personal information or collect additional personal information for the purposes of:

- processing your application and assessing your acceptance of the New Securities;
- servicing your needs as a security holder and providing facilities and services that you request; and
- carrying out appropriate administration.

Company and tax laws require some of the information to be collected. If you do not provide your personal information we may not be able to process your application.

Transurban and the Registry may disclose this information for these purposes to its subsidiaries and relevant organisations involved in providing, managing or administering your product or service such as third party suppliers, other organisations, loyalty and affinity partners, printers, posting services, call centres, and our advisers. We run our business in Australia and overseas, so we might need to share some of your information with organisations outside Australia.

Where personal information is disclosed, Transurban will seek to ensure that the information is held, used or disclosed consistently with the Privacy Act 1988 (Cth) and any other applicable privacy laws and codes.

## Section 8

# Additional information

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You can ask us to access information that we hold about you or to correct information we hold about you by telephoning or writing to Transurban through the Registry as follows:

**1300 360 146** (within Australia)

**+61 3 9415 4315** (outside Australia)

**Computershare Investor Services Pty Limited**

Yarra Falls

452 Johnston Street

Abbotsford VIC 3067

# Glossary

## **\$ or A\$ or dollars**

Australian dollars

## **ABN**

Australian Business Number

## **AEST**

Australian Eastern Standard Time

## **Announcements**

The ASX Announcement, the Investor Presentation and the Institutional Entitlement Offer Results

## **Application**

An application to subscribe for New Securities under the Retail Entitlement Offer in accordance with the instructions set out in this Retail Information Booklet and your personalised Entitlement and Acceptance Form

## **Application Monies**

Monies received from applicants in respect of their Applications

## **ASIC**

Australian Securities and Investments Commission

## **ASX**

ASX Limited (ABN 98 008 624 691) or the financial products market operated by that entity known as the Australian Securities Exchange

## **ASX Announcement**

The announcement released to ASX on 31 August 2018 in connection with the Entitlement Offer, a copy of which is included in Section 6 of this Retail Information Booklet

## **ASX Listing Rules**

The official listing rules of ASX, as amended or replaced from time to time except to the extent of any waiver granted by ASX

## **CGT**

Capital gains tax

## **Commissioner**

Commissioner of Taxation

## **Corporations Act**

Corporations Act 2001 (Cth)

## **Eligible Institutional Security Holder**

An Institutional Security Holder:

- to whom ASX Listing Rule 7.7.1(a) does not apply; and
- who has successfully received an offer under the Institutional Entitlement Offer (as the Underwriters determine in their discretion), provided that if they are a nominee, they will only be an Eligible Institutional Security Holder to the extent they hold Securities for beneficiaries who would have been Institutional Security Holders had they held the Securities themselves

## **Eligible Jurisdictions**

Australia and New Zealand

## **Eligible Persons**

Persons who meet the requirements of that expression as set out in the Entitlement and Acceptance Form

## **Eligible Retail Security Holder**

Has the meaning in Section 1.1

## **Eligible Security Holder**

A person who is an Eligible Institutional Security Holder or an Eligible Retail Security Holder

## **Entitlement**

The entitlement to 10 New Securities for every 57 Existing Securities held on the Record Date (being 7.00pm (AEST) on 5 September 2018) by Eligible Security Holders

## **Entitlement and Acceptance Form**

The Entitlement and Acceptance Form accompanying this Retail Information Booklet and which can be used to submit an Application

## **Entitlement Offer**

The pro rata accelerated renounceable entitlement offer (with retail entitlements trading) of approximately 390,486,766 New Securities to Eligible Security Holders in the proportion of 10 New Securities for every 57 Existing Securities held on the Record Date (being 7.00pm (AEST) on 5 September 2018) at the Offer Price, and comprised of the Institutional Entitlement Offer and the Retail Entitlement Offer

# Glossary

## Existing Security

A Security on issue on the Record Date (being 7.00pm (AEST) on 5 September 2018)

## Final Allotment

The allotment of New Securities under the Retail Entitlement Offer not already allotted under the Initial Allotment

## GST

Goods and services tax

## HIN

Holder Identification Number, which can have up to 10 digits and will start with the letter 'X'

## Ineligible Institutional Security Holder

An Institutional Security Holder:

- who has a registered address outside the Eligible Jurisdictions and any other jurisdictions as Transurban and the Underwriters agree; and
- to whom ASX Listing Rule 7.7.1(a) applies

## Ineligible Retail Security Holder

A Security Holder:

- other than an Institutional Security Holder; and
- to whom ASX Listing Rule 7.7.1(a) applies; and

who either:

- is in the United States or is acting for the account or benefit of a person in the United States (to the extent such person, including a nominee or custodian, holds securities for the account or benefit of a person in the United States); or
- has a registered address outside the Eligible Jurisdictions and any other jurisdictions as Transurban and the Underwriters agree

## Initial Allotment

The allotment of New Securities issued under the Institutional Entitlement Offer or under the Retail Entitlement Offer for which valid Applications have been received by 5.00pm (AEST) on 11 September 2018

## Institutional Entitlement

An Entitlement under the Institutional Entitlement Offer

## Institutional Entitlement Offer

The pro rata entitlement offer of New Securities to Eligible Institutional Security Holders under the Entitlement Offer

## Institutional Entitlement Offer Results

The announcement released to ASX containing the results of the Institutional Entitlement Offer and the Institutional Shortfall Bookbuild, a copy of which is included in Section 6 of this Retail Information Booklet

## Institutional Investor

A person:

- to whom an offer of New Securities may be made in Australia without a disclosure document or product disclosure statement (as defined in the Corporations Act) on the basis that such a person is an "exempt investor" as defined in ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84; or
- to whom an offer of New Securities may be made outside Australia without registration, lodgement of a formal disclosure document or other formal filing in accordance with the laws of that particular foreign jurisdiction (except to the extent the issuers are willing to comply with such requirements),

provided that if such person is in the United States or is acting for the account or benefit of a person in the United States, the person meets certain eligibility criteria determined by Transurban and the Underwriters

## Institutional Premium

The excess of the price (if any) at which New Securities were sold under the Institutional Shortfall Bookbuild over the Offer Price, less expenses

# Glossary

## **Institutional Security Holder**

A Security Holder on the Record Date (being 7.00pm (AEST) on 5 September 2018) who is an Institutional Investor

## **Institutional Shortfall Bookbuild**

A bookbuild for the Institutional Entitlement Offer, through which Institutional Entitlements which are not taken up by 3 September 2018, and the Institutional Entitlements of Ineligible Institutional Security Holders, will be sold on 4 September 2018

## **Investor Presentation**

The investor presentation in connection with the Entitlement Offer dated 31 August 2018, a copy of which is included in Section 6 of this Retail Information Booklet

## **New Security**

A Security issued under the Entitlement Offer

## **Offer Price**

\$10.80 per New Security

## **Registry**

Computershare Investor Services Pty Limited (ABN 48 078 279 277)

## **Regulation S**

Regulation S under the Securities Act

## **Renunciation and Acceptance Form**

The Renunciation and Acceptance Form which can be used to sell or transfer Retail Entitlements off market (i.e. other than on ASX)

## **Retail Entitlement**

An Entitlement under the Retail Entitlement Offer

## **Retail Entitlement Offer**

The pro rata accelerated renounceable entitlement offer of New Securities (with retail entitlements trading) to Eligible Retail Security Holders under the Entitlement Offer

## **Retail Entitlement Offer Period**

The period from 7 September 2018 to 18 September 2018

## **Retail Entitlement Trading Period**

The period from 5 September 2018 to 11 September 2018

## **Retail Information Booklet**

This booklet dated 5 September 2018, including the Announcements and the Entitlement and Acceptance Form

## **Retail Premium**

The excess of the price (if any) at which New Securities were sold under the Retail Shortfall Bookbuild over the Offer Price, less expenses

## **Retail Shortfall Bookbuild**

A bookbuild for the Retail Entitlement Offer, through which Retail Entitlements which are not taken up by 5.00pm (AEST) on 18 September 2018, and the Retail Entitlements of Ineligible Retail Security Holders, will be sold on 20 September 2018

## **Securities Act**

The U.S. Securities Act of 1933

## **Security**

Each stapled security in Transurban comprising one ordinary share in THL, one share in TIL and one ordinary unit in THT, stapled together such that they must only be transferred together

## **Security Holder**

The registered holder of an Existing Security

## **SRN**

Security Reference Number, which can have up to 10 digits and will start with the letter 'I'

## **Sydney Transport Partners**

The consortium comprised of Transurban (50%), AustralianSuper (20.5%), CPPIB (20.5%) and Tawreed Investments Limited (a wholly owned subsidiary of Abu Dhabi Investment Authority) (9%)

## **TFN**

Tax File Number

# Glossary

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**THL**

Transurban Holdings Limited  
(ABN 86 098 143 429)

**THT**

Transurban Holding Trust (ARSN 098 807 419)

**TIL**

Transurban International Limited  
(ABN 90 121 746 825)

**TIML**

Transurban Infrastructure Management Limited  
(ABN 27 098 147 678; AFS licence number  
246585) in its capacity as responsible entity  
of THT

**Top-Up Securities**

Additional New Securities Transurban may need to issue to ensure all Eligible Security Holders have the opportunity to receive their appropriate allocation of New Securities

**Transurban**

THL, TIL and TIML as the responsible entity of THT (together, as the issuer of the Entitlement Offer), and, where the context requires, means the Transurban Group

**Transurban Group**

THL, TIL, THT, TIML and controlled entities

**Underwriters**

The underwriters of the Entitlement Offer

**Underwriting Agreement**

The Underwriting Agreement between Transurban and the Underwriters, as described in Section 8

**U.S. or United States**

United States of America, its territories and possessions, any state of the United States and the District of Columbia

**WestConnex**

Depending on the context, means either:

- the road network comprising the components outlined on slide 15 of the Investor Presentation; or
- the entities that hold the concessions to design, construct, operate, maintain and toll that road network, including any of their related bodies corporate

**WestConnex Acquisition**

Sydney Transport Partners' acquisition of a 51% equity stake in WestConnex



# Eligible Retail Security Holder declarations

## Important

**If you make an Application (whether by completing and returning your Entitlement and Acceptance Form or making a BPAY payment), you will be deemed to have made the following declarations to Transurban.**

You:

- acknowledge and agree that:
  - determination of eligibility of investors for the purposes of the Institutional Entitlement Offer or the Retail Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Transurban and the Underwriters; and
  - each of Transurban, the Underwriters and each of their respective affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- acknowledge that you have read this Retail Information Booklet and the accompanying Entitlement and Acceptance Form in full;
- agree to be bound by the terms of the Retail Entitlement Offer;
- authorise Transurban to register you as the holder of the New Securities allotted to you;
- declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- declare you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- acknowledge that once Transurban receives the Entitlement and Acceptance Form or any payment of Application Monies via BPAY, you may not withdraw it;
- agree to apply for the number of New Securities specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY, at the Offer Price per New Security;
- agree to be issued the number of New Securities that you apply for;
- acknowledge and agree that Transurban has the right to reduce the number of New Securities allocated to you if your Entitlement claims prove to be overstated, if you fail to provide information requested by Transurban to substantiate your claims, or if you are not an Eligible Security Holder, in which case:
  - you will bear any and all losses caused by subscribing for New Securities in excess of your Entitlements, and any actions you are required to take in this regard; and
  - you are treated as continuing to have taken up, transferred or not taken up your remaining Retail Entitlements;
- acknowledge and agree that if you sell Retail Entitlements to which you are not entitled, or you do not hold sufficient Retail Entitlements at the time required to deliver those Retail Entitlements, you will acquire Retail Entitlements or Securities to satisfy these obligations as required by Transurban;
- agree to repay any Retail Premium payment in excess of the Retail Premium payment to which you were actually entitled based on the Retail Entitlements held by you as at close of the Retail Entitlement Offer at 5.00pm (AEST) on 18 September 2018 (net of any applicable withholding tax);
- authorise Transurban, the Underwriters, the Registry and their respective officers or agents, to do anything on your behalf necessary for the New Securities to be issued to you, including to act on instructions of the Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- declare that you were a registered holder of Existing Securities as at the Record Date and are a resident of an Eligible Jurisdiction;
- acknowledge that the information contained in this Retail Information Booklet and the Entitlement and Acceptance Form is not investment advice nor a recommendation that New Securities are suitable for you given your investment objectives, financial situation or particular needs, and is not a prospectus or product disclosure statement, does not contain all of the information that you may require in order to assess an investment in Transurban and

# Eligible Retail Security Holder declarations

- is given in the context of Transurban's past and ongoing continuous disclosure announcements to ASX;
- represent and warrant that the law of any other place does not prohibit you from being given this Retail Information Booklet and the Entitlement and Acceptance Form, nor does it prohibit you from making an Application for New Securities;
  - acknowledge the statement of risks in the "Key Risks" section of the Investor Presentation, and that investments in Transurban are subject to investment risk;
  - acknowledge that none of THL, TIL or TIML or their directors, officers, employees, agents, consultants, advisers, and the Underwriters or their affiliates, directors, officers, employees, agents, consultants or advisers, guarantees the performance of Transurban, nor do they guarantee the repayment of capital;
  - represent and warrant (for the benefit of THL, TIL, TIML, the Underwriters and their respective affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, and are otherwise eligible to participate in the Retail Entitlement Offer;
  - represent and warrant that you are not in the United States and you are not acting for the account or benefit of a person in the United States in connection with the subscription for Retail Entitlements or the purchase of New Securities in the Retail Entitlement Offer, and you are not otherwise a person to whom it would be illegal to make an offer of or issue of Retail Entitlements or New Securities under the Retail Entitlement Offer and under any applicable laws and regulations;
  - understand and acknowledge that neither the Entitlements nor the New Securities have been, or will be, registered under the Securities Act or the securities laws of any state or other jurisdiction in the United States. Accordingly, you understand and acknowledge that the Retail Entitlements may not be issued to or taken up or exercised 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 a person in the United States (to the extent such persons hold Securities and are acting for the account or benefit of a person in the United States). You further understand and acknowledge that the Retail Entitlements and the New Securities may only be offered, sold and resold outside the United States in 'offshore transactions' (as defined in Rule 902(h) under the Securities Act) in reliance on Regulation S;
  - represent and warrant that you are subscribing for Retail Entitlements and/or purchasing New Securities outside the United States in 'offshore transactions' (as defined in Rule 902(h) under the Securities Act) in reliance on Regulation S;
  - represent and warrant that you and each person on whose account you are acting have not and will not send this Retail Information Booklet, the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States;
  - acknowledge that, if you decide to sell or otherwise transfer any Retail Entitlements or New Securities, you will only do so in the regular way that transactions on the ASX occur, where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States;
  - acknowledge that, if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is not in the United States and is not acting for the account or benefit of a person in the United States (to the extent such person holds Securities and is acting for the account or benefit of a person in the United States), and you have not sent this Retail Information Booklet, the Entitlement and Acceptance Form or any information relating to the Entitlement Offer to any such person in the United States; and
  - agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and/or of your holding of Existing Securities on the Record Date.

# Notes

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# Corporate directory

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## REGISTERED OFFICE

### Transurban Group

Level 23, Tower One, Collins Square  
727 Collins Street  
Docklands Victoria 3008  
Australia

[www.transurban.com](http://www.transurban.com)

## AUSTRALIAN LEGAL ADVISOR

### King & Wood Mallesons

Level 50, Bourke Place  
600 Bourke Street  
Melbourne Victoria 3000  
Australia

## REGISTRY

### Computershare Investor Services Pty Limited

Yarra Falls  
452 Johnston Street  
Abbotsford Victoria 3067  
Australia

[www.computershare.com.au](http://www.computershare.com.au)

## WEBSITE

To view more information on Transurban, including in relation to Transurban's business and operations, news updates, reports, publications and investor information, visit [www.transurban.com](http://www.transurban.com)

## TRANSURBAN SECURITY HOLDER INFORMATION LINE

Within Australia: 1300 360 146

Outside Australia: +61 3 9415 4315

Open 8.30am to 5.30pm (AEST) Monday to Friday  
during the Retail Entitlement Offer Period

