

# asx release

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28 March 2011

## Investor Presentation

Please find attached a presentation which will be provided at a Transurban investor day today.

A recording of this presentation will be uploaded to the Transurban website [www.transurban.com](http://www.transurban.com) following completion of the presentation.



**Amanda Street**  
Company Secretary

### Investor & media enquiries

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Classification **Public**

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# TRANSURBAN 2011 INVESTOR DAY

28 MARCH 2011

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S IN USE  
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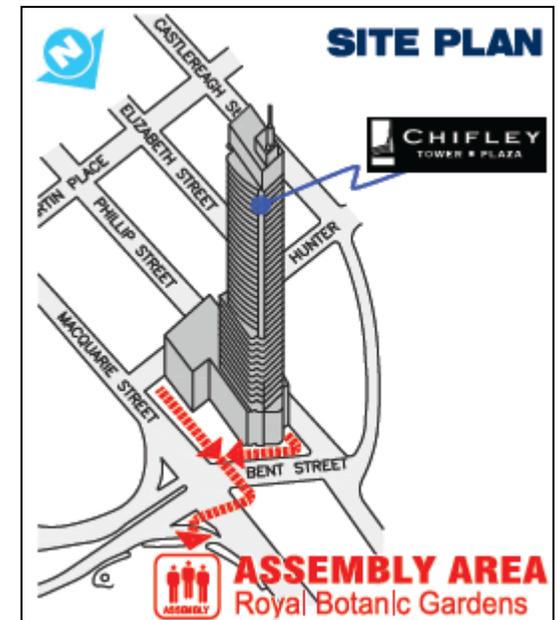
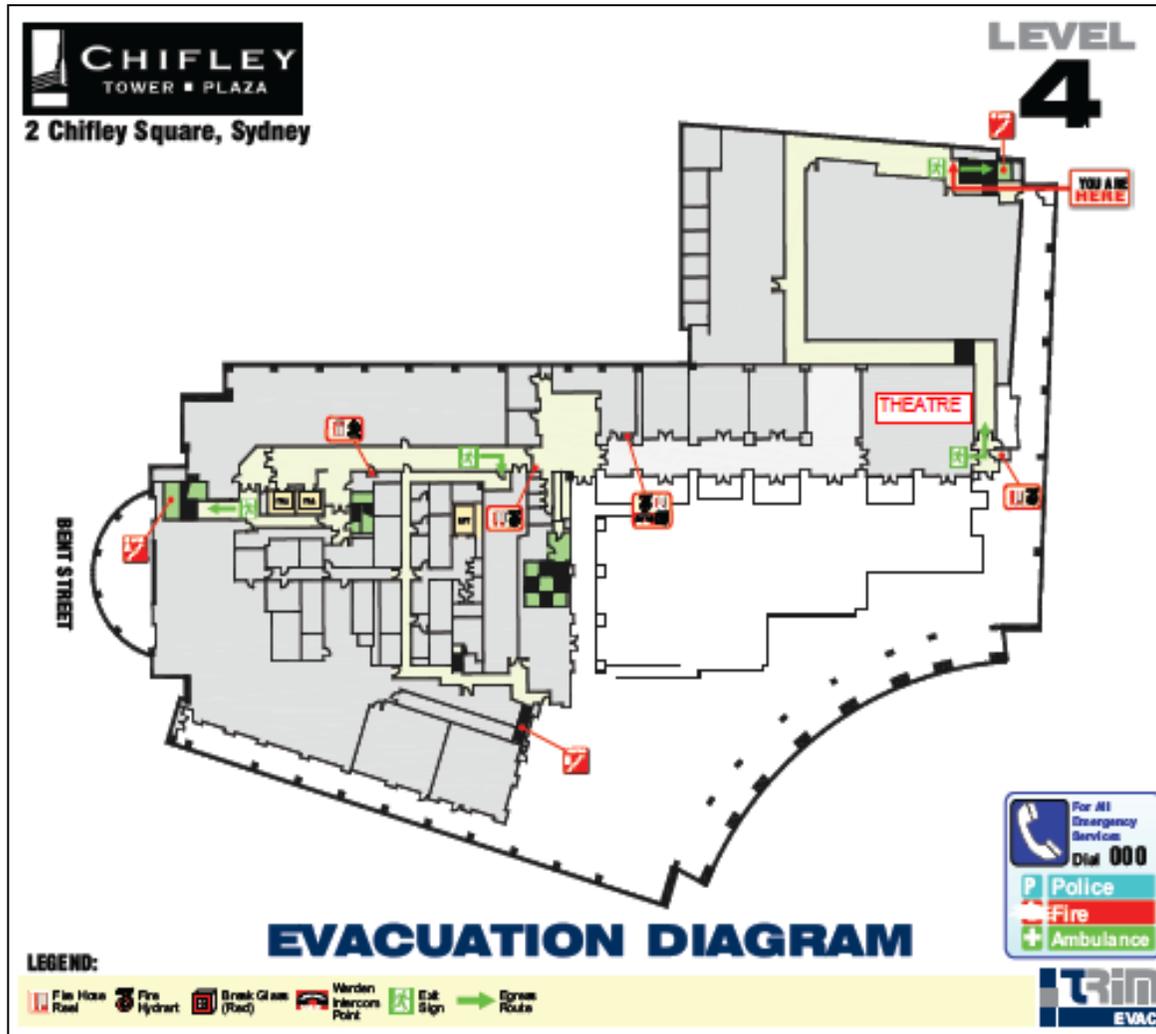
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# INTRODUCTION

**WESLEY BALLANTINE – GM INVESTOR RELATIONS,  
MEDIA AND GOVERNMENT**



# EVACUATION PLAN



# AGENDA

TIME	PRESENTATION	SPEAKER
9:30am	Introduction, safety and logistics	<b>Wesley Ballantine</b> GM Investor Relations, Media and Government
9:35am	Strategy and corporate overview	<b>Chris Lynch</b> Chief Executive Officer
10:00am	Victorian market update	<b>Elizabeth Mildwater</b> Group GM, Victoria
10:45am	Break	
11:00am	NSW market update	<b>Andrew Head</b> Group GM, NSW
11:45am	US market update	<b>Michael Kulper</b> President, North America
12noon	Capital Beltway	<b>Ken Daley</b> President, International Development
12:45pm	Conclusion	<b>Chris Lynch</b>
1:00pm	Lunch break	
1:45pm	Road Tour	

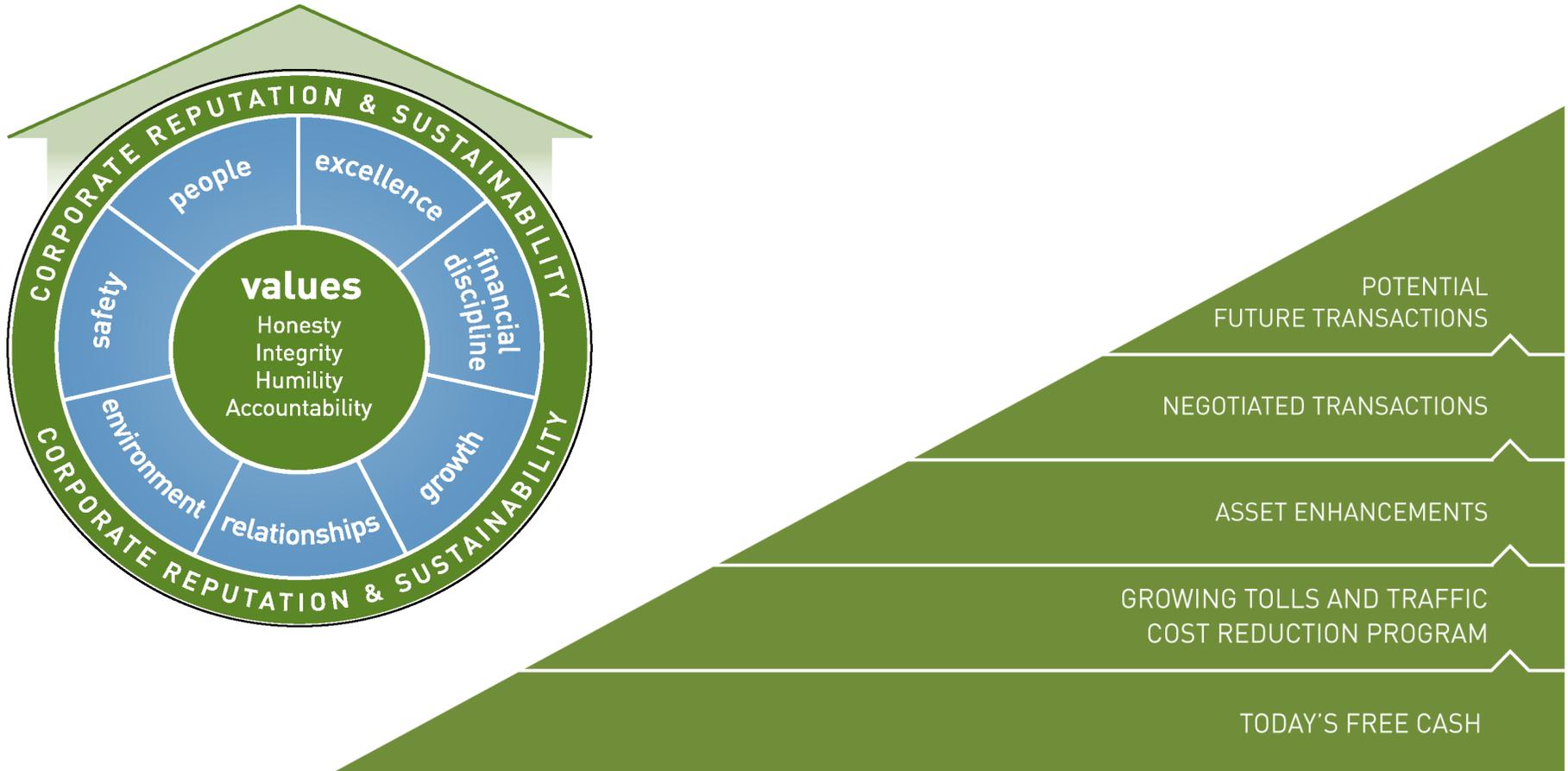
# STRATEGY AND CORPORATE OVERVIEW

**CHRIS LYNCH – CHIEF EXECUTIVE OFFICER**

# STRATEGY

NO CHANGE – FOCUS ON IMPLEMENTATION

## Total security holder return



# TCL INVESTMENT PROPOSITION

Strong free cash growth



Proven **VOLUME GROWTH**  
**PRICE INCREASES** at CPI or better  
**COST BASE** that can be leveraged

Premium ASX defensive exposure



**EBITDA CAGR of 10.8%** over last 3 years

Robust balance sheet of **2.7x interest cover ratio**

Track record of distribution growth



Fully cash backed distributions

Distribution guidance of at least **26 cents** confirmed for FY11

**\$4.5 billion** capex at work

Strong growth pipeline in place



Remain open to value accretive opportunities

# ASSET SNAPSHOT

## STRONG EBITDA GAINS ACROSS PORTFOLIO

- CityLink delivers double digit growth on all measures
- CityLink, M1 ED and M7 deliver double digit toll revenue growth
- CityLink, M1 ED and Pocahontas deliver double digit EBITDA growth

### HALF ENDED 31 DECEMBER 2010

% OF PROP TOLL REVENUE		TRAFFIC GROWTH (%)	TOLL REVENUE GROWTH (%)	EBITDA GROWTH (%)
48.8%	CityLink	11.4%	15.4%	14.4%
16.6%	Hills M2	1.9%	3.5%	6.3%
5.2%	Lane Cove Tunnel	6.0%	N/A	N/A
7.9%	M1 Eastern Distributor	3.0%	12.9%	22.2%
10.8%	Westlink M7	7.0%	10.3%	9.0%
9.5%	M5	1.6%	3.2%	(1.3%)
1.3%	Pocahontas (USD)	2.9%	1.5%	178.7%
	<b>Total Transurban Group</b>	<b>N/A</b>	<b>15.4%</b>	<b>17.0%<sup>1</sup></b>

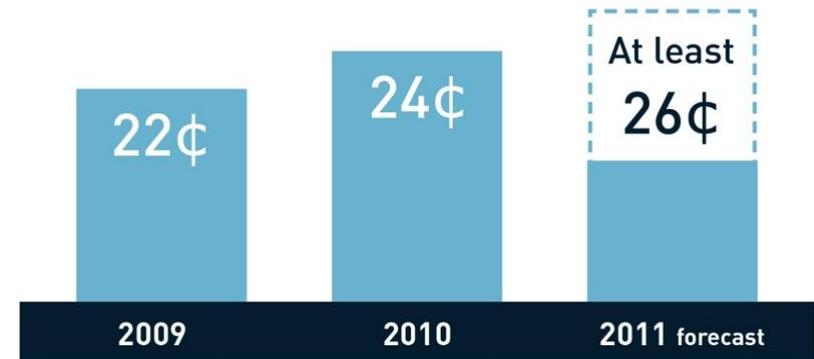
1. EBITDA growth calculated on underlying proportional EBITDA from the continuing portfolio.

# FREE CASH FLOW

16.6% INCREASE, DISTRIBUTION GUIDANCE CONFIRMED

FREE CASH FLOW	31 DEC 10 (\$M)	31 DEC 09 (\$M)	% change
Free cash	188.1	161.3	16.6
Free cash per security (cents) – securities on issue	13.1	12.5	4.8

## DISTRIBUTION



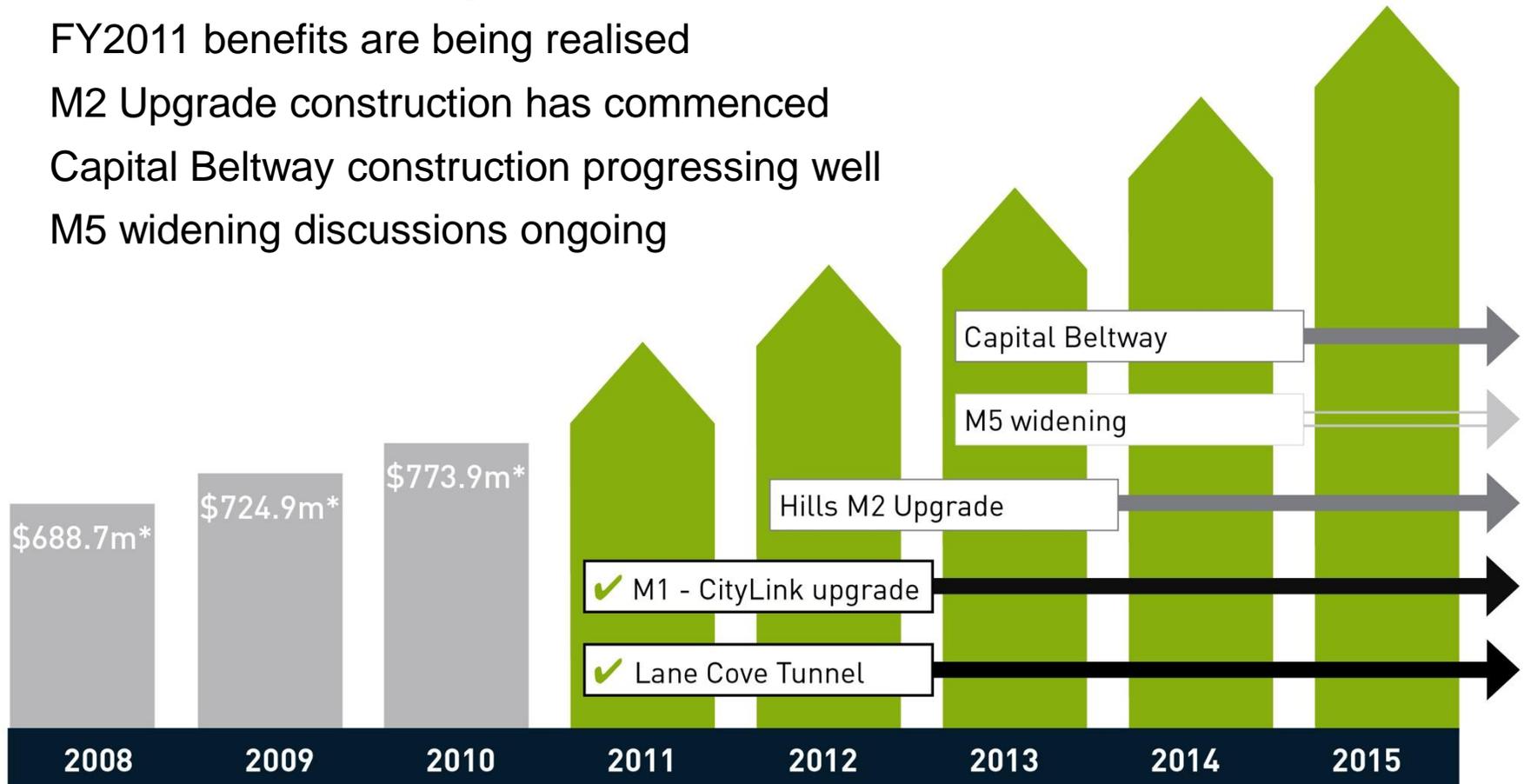
- Distribution guidance for FY11 confirmed to be at least 26 cents per security
- Board policy - distributions aligned with free cash

# ORGANISATIONAL STRUCTURE



# DELIVERING

- Growth pipeline delivering
  - FY2011 benefits are being realised
  - M2 Upgrade construction has commenced
  - Capital Beltway construction progressing well
  - M5 widening discussions ongoing



\* Proportional toll revenue excluding the M4

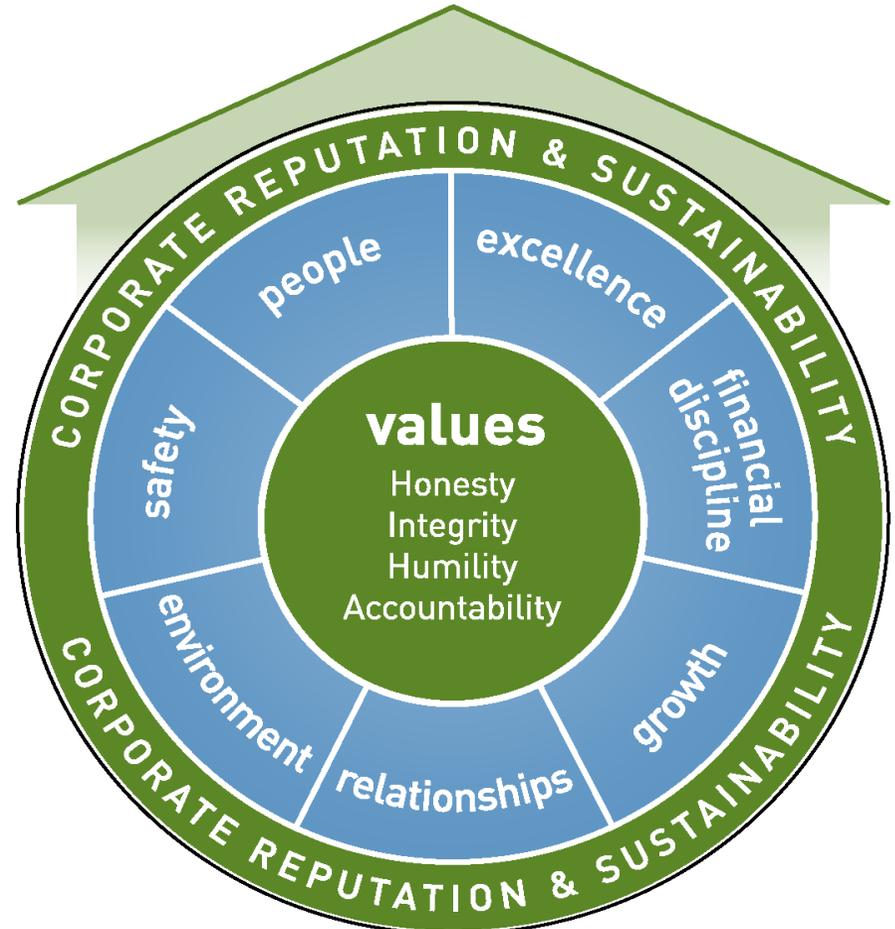
# VICTORIA MARKET UPDATE

**ELIZABETH MILDWATER, GROUP GENERAL MANAGER VICTORIA**

# AGENDA

1. Safety
2. CityLink Overview
3. Performance
4. M1 Upgrade
5. Ongoing activities

## Total security holder return



# LAST SATURDAY.....



© Red Bull / Getty images

# SAFETY FIRST

- M1 Upgrade - 1,000,000 man hours of construction work completed with ZERO LTIs
- On Southern Link outbound, the monthly accident rate has decreased 64% post construction
- Safety improvements have come from
  - Congestion reduction
  - Lane use management signs
  - Ramp metering
  - Dynamic control

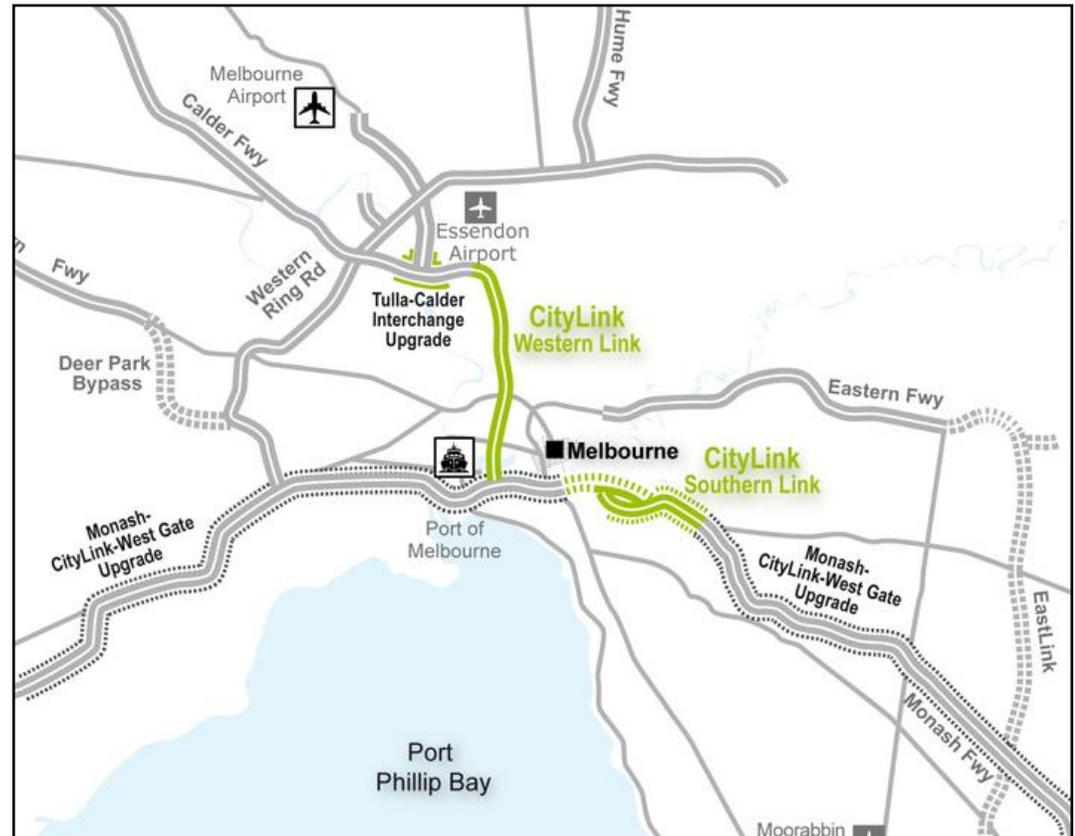


**New Freeway Management System – improving safety across Southern Link**

# CITYLINK OVERVIEW

## KEY INFRASTRUCTURE FOR MELBOURNE

- 22km motorway
- 2 state-of-the-art tunnels each with 3 lanes
- Fully opened December 2000
- Concession until 2034
- 100% electronically tolled
- Key facts
  - Over 250 million transactions annually with highest daily of 936,000 reached recently
  - 1.5 million e-TAGs
  - 900,000 + customer accounts
  - 34,000 + casual motorists a week
  - Less than 4% No arrangements



# VICTORIA P&L RESULTS

## 1<sup>st</sup> HALF 2011 RESULTS HIGHLIGHTS – P&L AND TRAFFIC

### HIGHLIGHTS

	31 DEC 10
<b>Traffic</b>	
Traffic Growth (Half Year)	11.4% <sup>1</sup>
Traffic Growth (Quarter)	12.8% <sup>1</sup>
<b>Toll revenue</b>	
Toll Revenue Growth (Half Year)	15.4% <sup>2</sup>
<b>EBITDA</b>	
EBITDA Growth (Half Year)	14.4%

- Strong performance across CityLink
- CityLink Upgrade benefits evident
- Value Framework Initiatives delivering

### PROFIT AND LOSS

	31 DEC 10 (\$M)	31 DEC 09 (\$M)	% CHANGE
Revenue			
Toll Revenue	217.9	193.5 <sup>1</sup>	12.6%
Fee and other revenue	20.4	18.3	11.5%
<b>Total revenue</b>	<b>238.3</b>	<b>211.8</b>	<b>12.5%</b>
Total Cost	(50.8)	(47.9)	6.1%
<b>EBITDA</b>	<b>187.5</b>	<b>163.9</b>	<b>14.4%</b>
EBITDA Margin	86.0%	85%	
Depreciation and amortisation	(87.6)	(77.5)	13.0%
Net Finance costs	(39.4)	(45.3)	(13.0%)
<b>Profit before tax</b>	<b>60.5</b>	<b>41.1</b>	<b>47.2%</b>
Income tax benefit (Expense)	(3.7)	16.3	(122.7%)
<b>Net profit</b>	<b>56.8</b>	<b>57.4</b>	<b>(1.0%)</b>

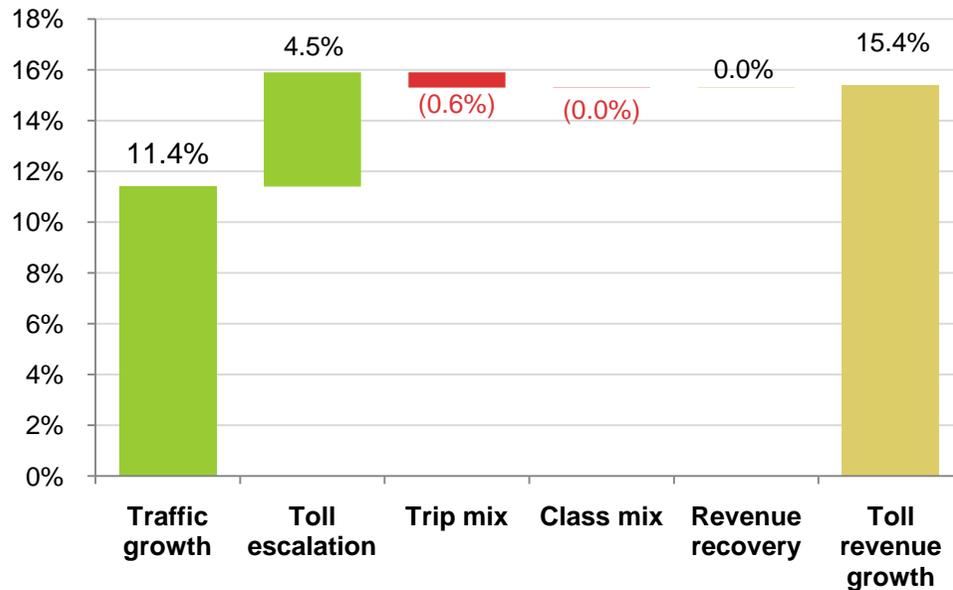
1. Prior comparative period (2009) impacted by construction activity

2. Excluding the impact of the revenue protection provision in the prior comparative period. Including the provision, toll revenue increased 12.6%

# VICTORIA P&L RESULTS

## 1<sup>st</sup> HALF 2011 RESULTS HIGHLIGHTS – P&L AND TRAFFIC

### CITYLINK TOLL REVENUE GROWTH ANALYSIS



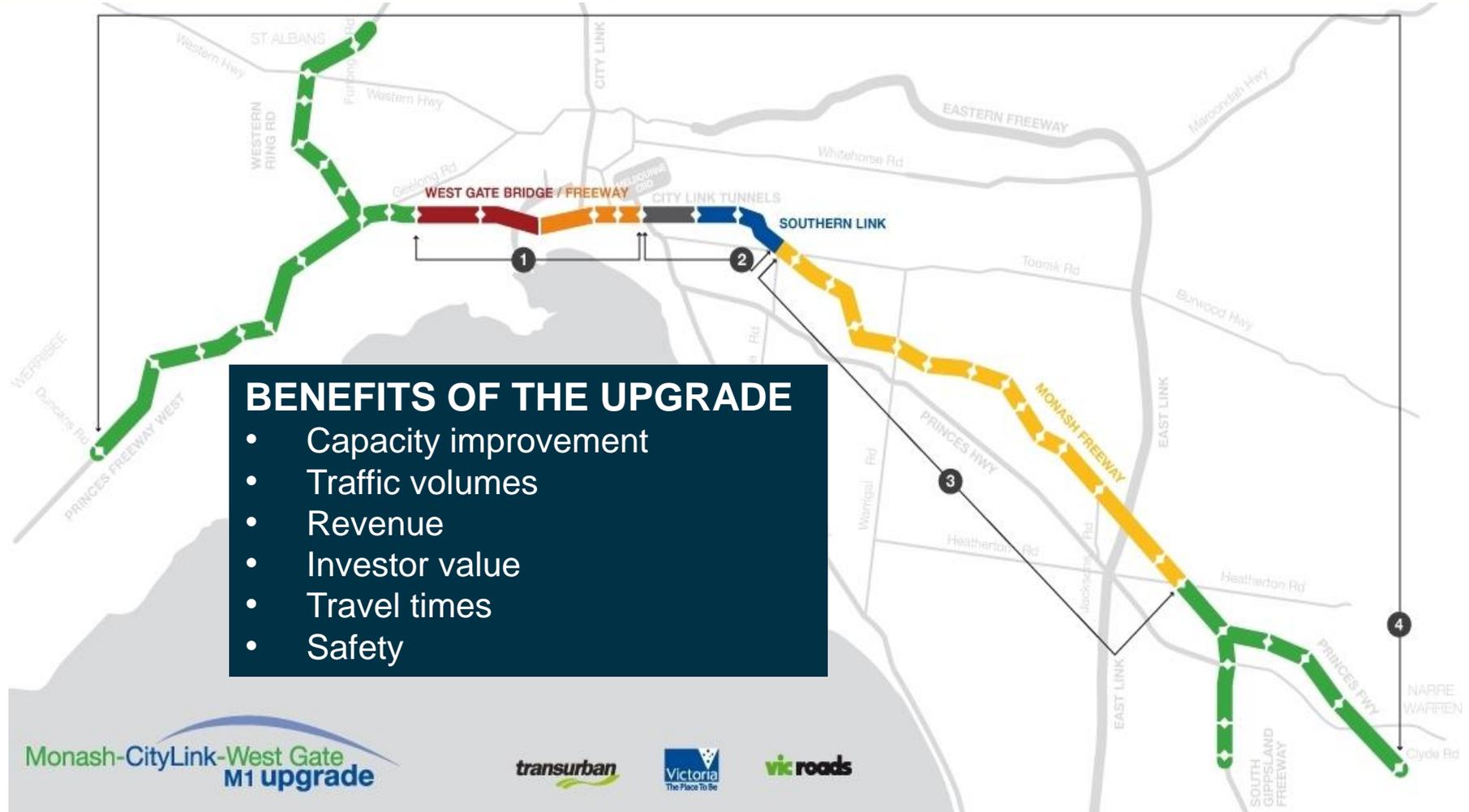
### CITYLINK TRAFFIC GROWTH

#### ADT GROWTH – 1<sup>ST</sup> HALF – FY11 VERSUS FY10

	% increase
Western Link inbound	6.4%
Western Link outbound	8.5%
Domain tunnel	16.4%
Burnley tunnel	14.7%
Southern Link inbound (excl Domain Tunnel)	12.7%
Southern Link outbound (excl Burnley Tunnel)	16.2%

# M1 UPGRADE

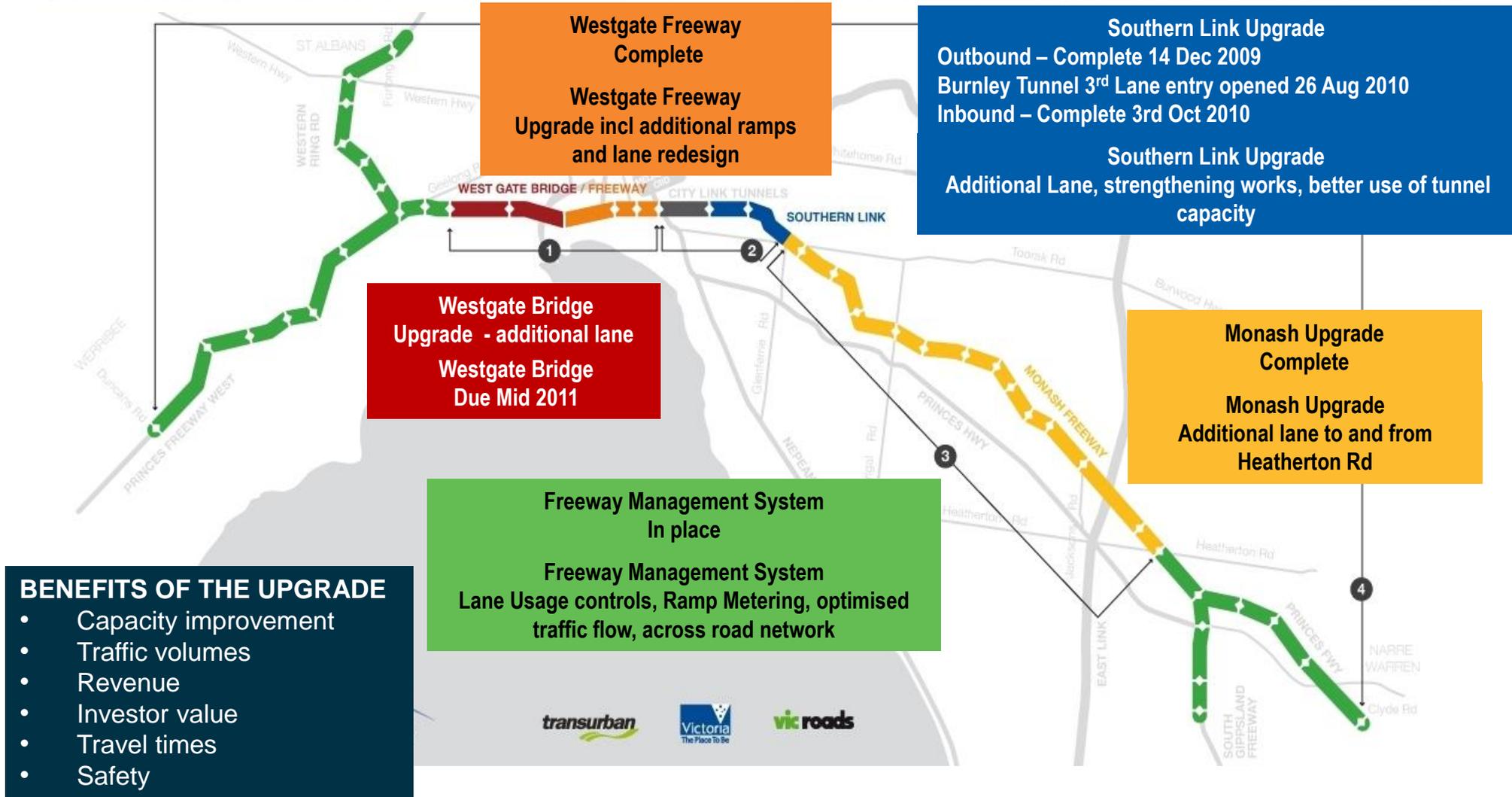
## OVERVIEW - RECAP



- ### BENEFITS OF THE UPGRADE
- Capacity improvement
  - Traffic volumes
  - Revenue
  - Investor value
  - Travel times
  - Safety

# M1 UPGRADE

## OVERVIEW – SCOPE AND COMPLETION DATES



# M1 UPGRADE

## WEST GATE FREEWAY AND CITYLINK TUNNELS



1. Exit off Bolte Bridge to West Gate Freeway and Burnley Tunnel

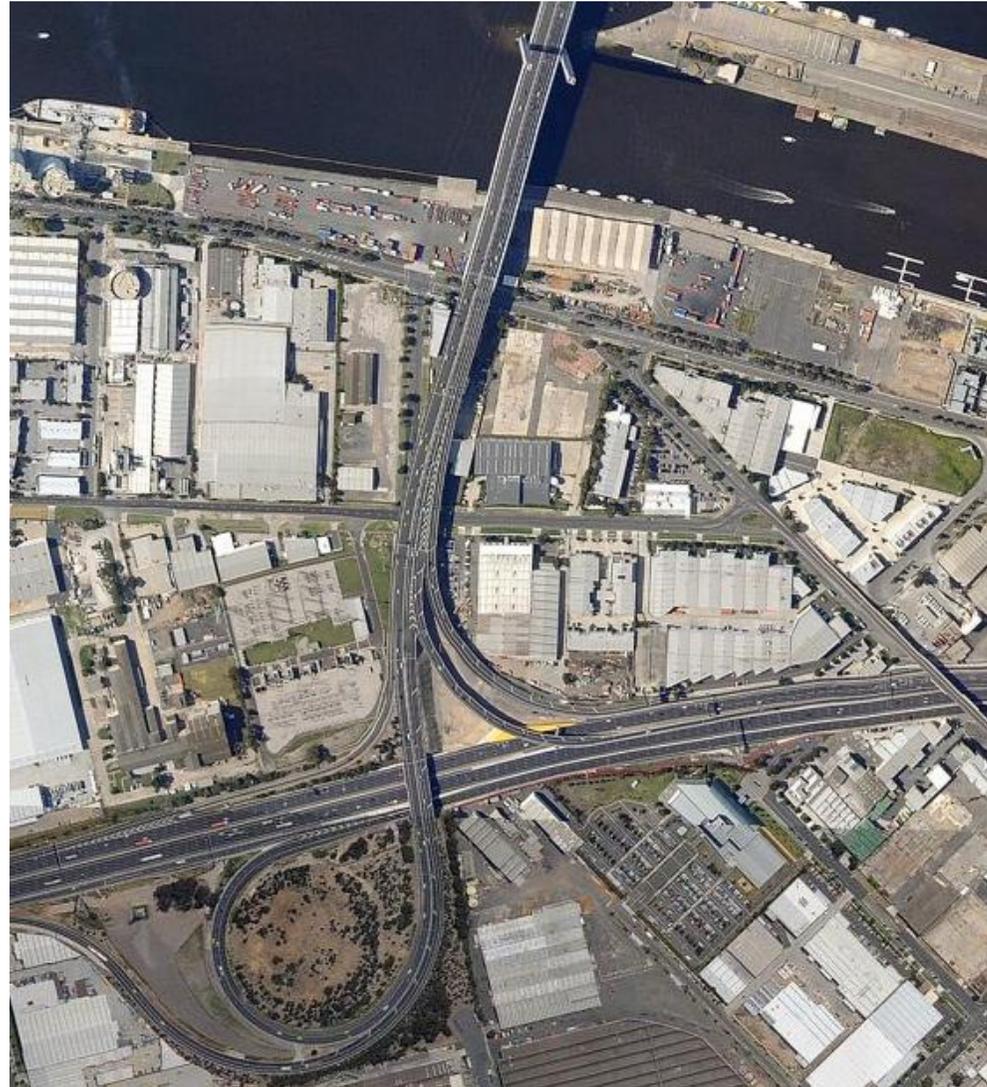
2. West Gate Freeway

3. Burnley Tunnel entrance  
Domain tunnel to West Gate Freeway

# M1 UPGRADE

## BOLTE BRIDGE – WEST GATE FREEWAY INTERCHANGE

- Three dedicated lanes exit Bolte Bridge:
  - West Gate Freeway Westbound
  - Burnley Tunnel
  - Kings Way and city centre
- Removed need for weaving
- Traffic growth on Western Link impacting traffic on Bolte Bridge



# M1 UPGRADE

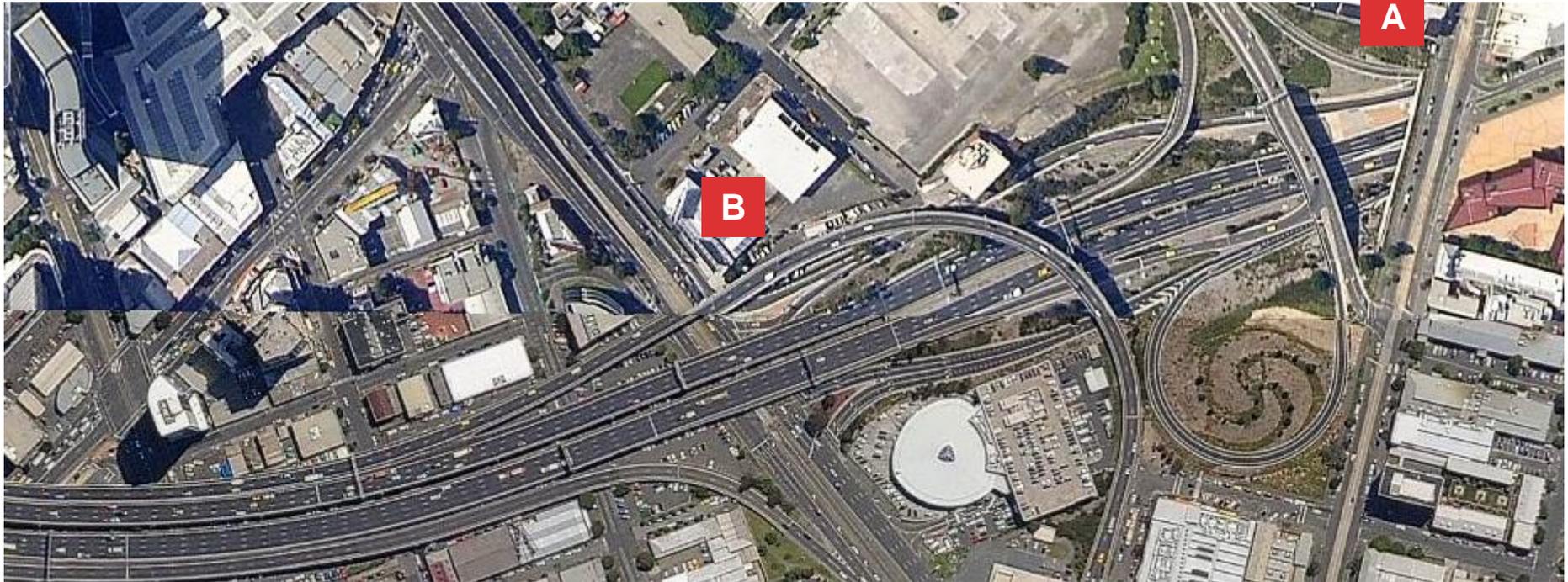
## WEST GATE FREEWAY



- Weaving reduced along West Gate Freeway
- Dedicated lanes allowing free flow traffic

# M1 UPGRADE

## CITYLINK TUNNELS



- Three lanes now enter Burnley Tunnel from the West Gate Freeway (previously 2)
- Burnley Tunnel entrance from the CBD moved from A to B above
- Ramp metering on Kings Way entrance monitors traffic flow in tunnels
- Westbound traffic has dedicated lanes exiting the tunnels towards the West Gate Bridge

# M1 UPGRADE

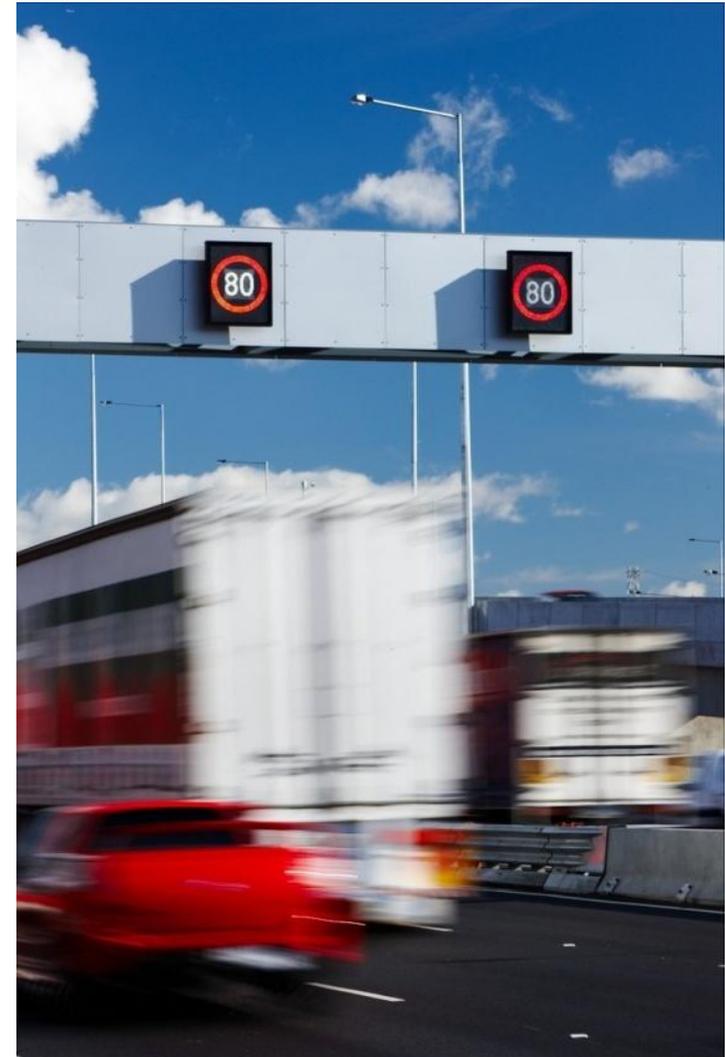
## SOUTHERN LINK UPGRADE



- Four lanes in each direction east of the CityLink Tunnels

# M1 UPGRADE

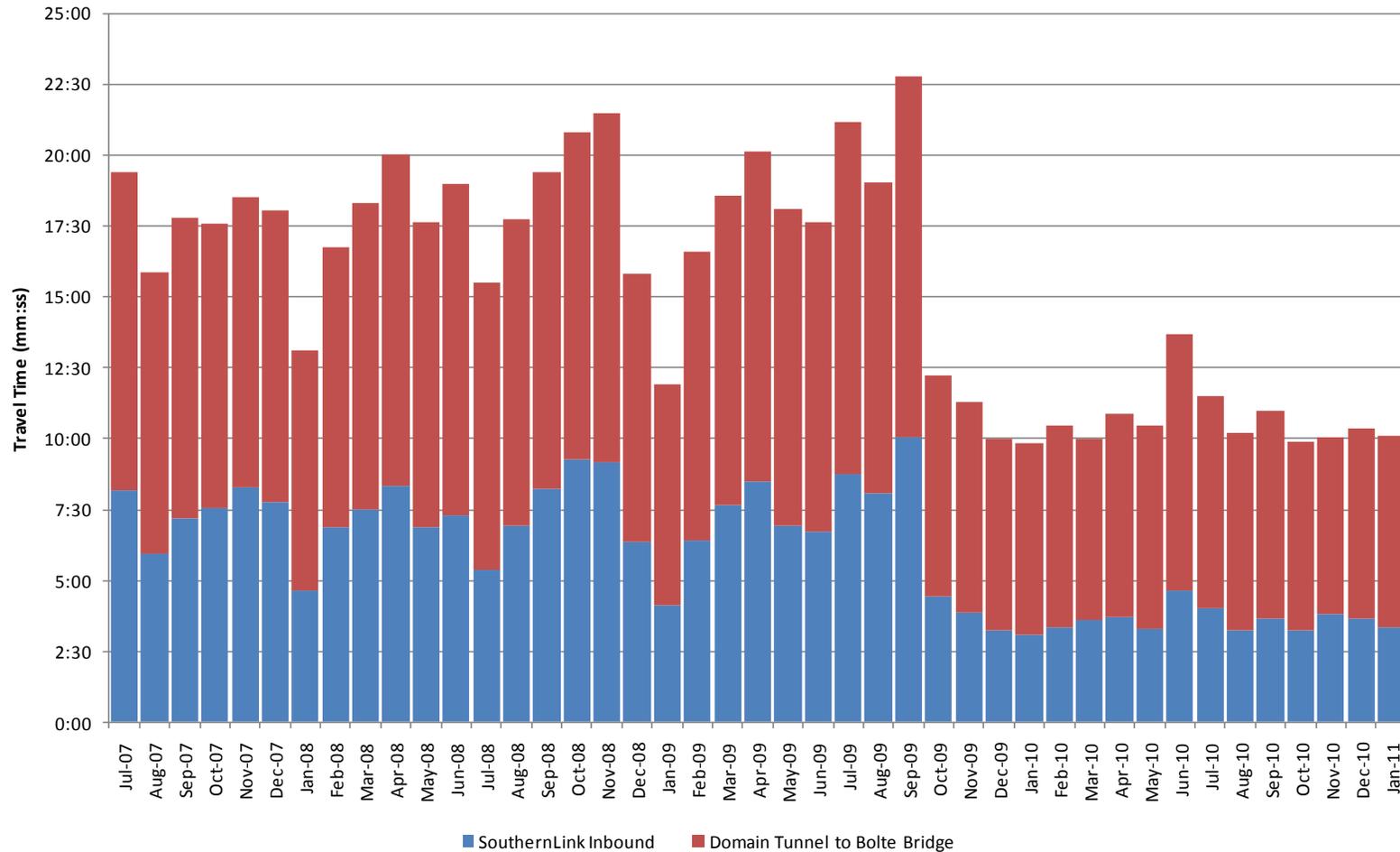
## FREEWAY MANAGEMENT SYSTEM



# M1 UPGRADE

## BENEFITS EVIDENT - TRAVEL TIME SAVINGS

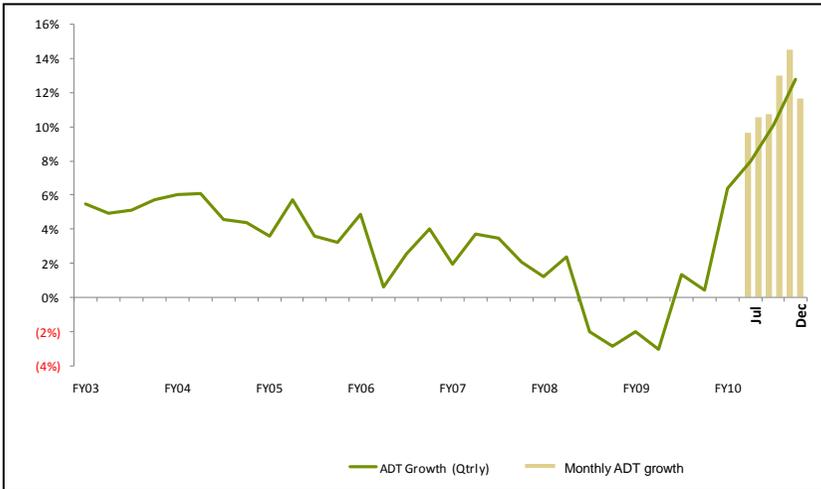
**SOUTHERN LINK / WEST GATE WESTBOUND PM PEAK – TRAVEL TIME**



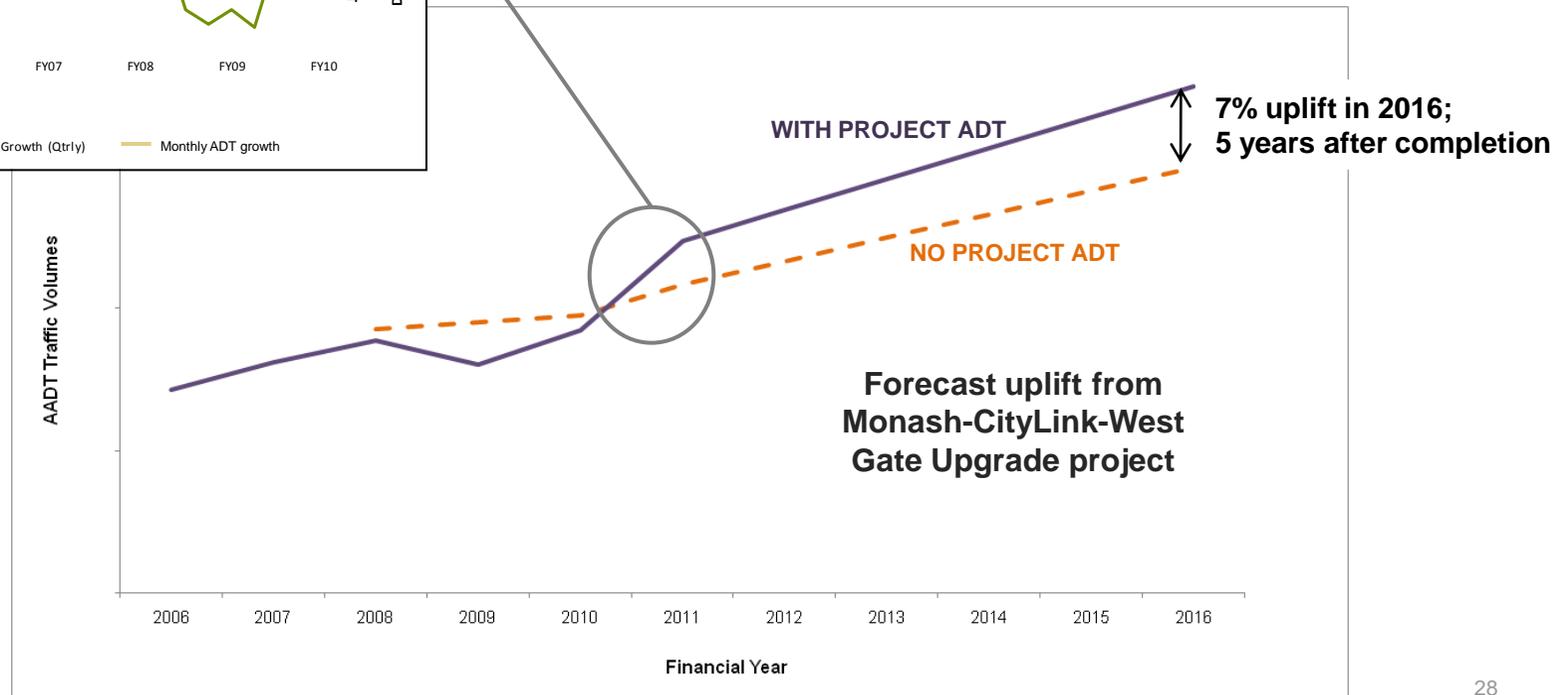
# M1 UPGRADE

## BENEFITS DELIVERING AS EXPECTED

### Actual traffic growth



- Growth strong over past 12 months, in line with expectations
- Reaffirms expected 7% uplift by 2016
- Moving to a sustainable growth profile



# M1 UPGRADE - SOUTHERN LINK

## ADDITIONAL WORKS CONTINUE – THE FINAL PIECES



- Works associated with Southern Link original scope are complete
- Under road strengthening works are ongoing with no impact on traffic.

- Final asphaltting works to be undertaken - to fit around peak periods using the Freeway Management System for managing lane diversions



# MELBOURNE

## BROADER GOVERNMENT PLANS



# CONCLUSION

- M1 Upgrade works are substantially complete
- Benefits are delivering as expected
  - moving towards sustainable growth profile
- Freeway Management System (FMS) improving
  - Congestion
  - Safety
  - Driver experience
  - Travel times
- Next steps – consideration of Western Link improvements including potential implementation of FMS

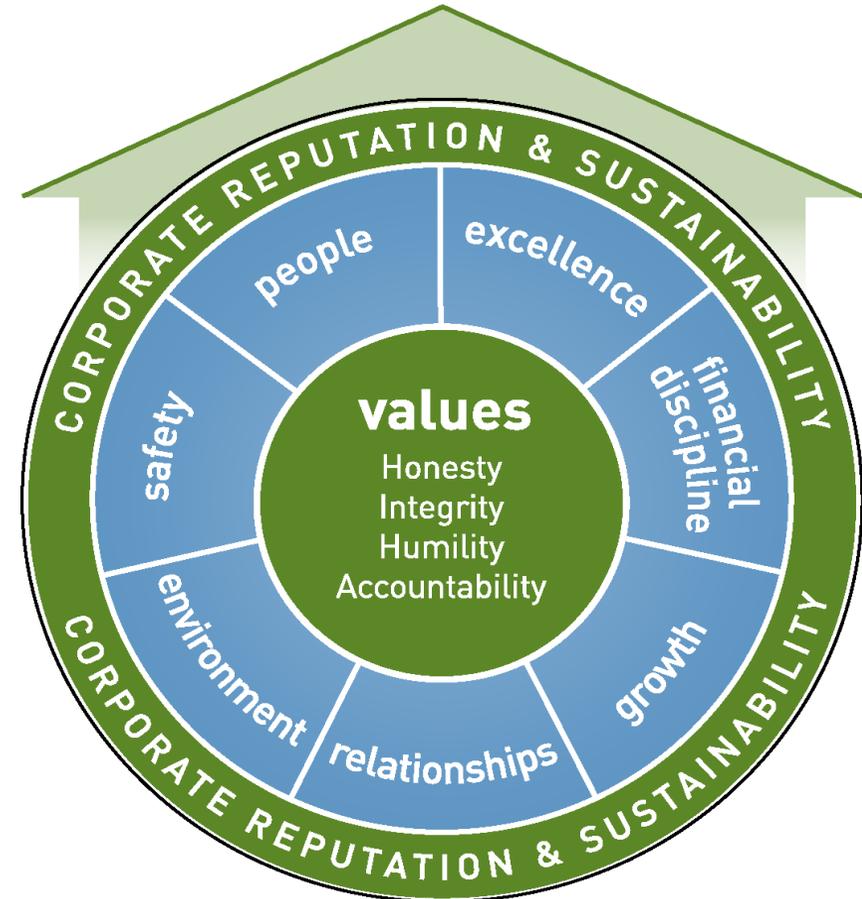
# NSW MARKET UPDATE

**ANDREW HEAD, GROUP GENERAL MANAGER NSW**

# AGENDA

1. Safety
2. NSW overview
3. Performance
4. M2 Upgrade
5. LCT Integration
6. M5 Widening
7. Future development of the Sydney orbital network

## Total security holder return



# SAFETY

- Constructors on the M2 Upgrade project have reached 80,000 man hours with no Lost Time Injuries (LTI)
- Hills M2 will reach 5 years LTI free in April 2011



# NSW OVERVIEW

## MANAGING THE SYDNEY ORBITAL

- Ownership interest in 5 toll road assets
  - Hills M2 (100%)
  - Lane Cove Tunnel (100%)
  - M1 Eastern Distributor (75.1%)
  - Westlink M7 (50%)
  - M5 (50%)
- Ownership and operation of two tolling brands
  - Roam
  - Roam Express
- Mixture of fully electronic tolling and combined electronic and cash



# NSW P&L RESULTS

## 1<sup>st</sup> HALF 2011 RESULTS HIGHLIGHTS – P&L AND TRAFFIC

### TRAFFIC AND REVENUE GROWTH

31 DEC 10	TRAFFIC GROWTH (%)	REVENUE GROWTH (%)
<b>Traffic and revenue growth</b>		
Hills M2	1.9%	3.5%
Lane Cove Tunnel	6.0%	N/A
M1 Eastern Distributor	3.0%	12.9%
Westlink M7	7.0%	10.3%
M5	1.6%	3.2%

- Strong revenue growth
- Lane Cove integrated well
- Developing existing assets is the focus

### PROFIT AND LOSS

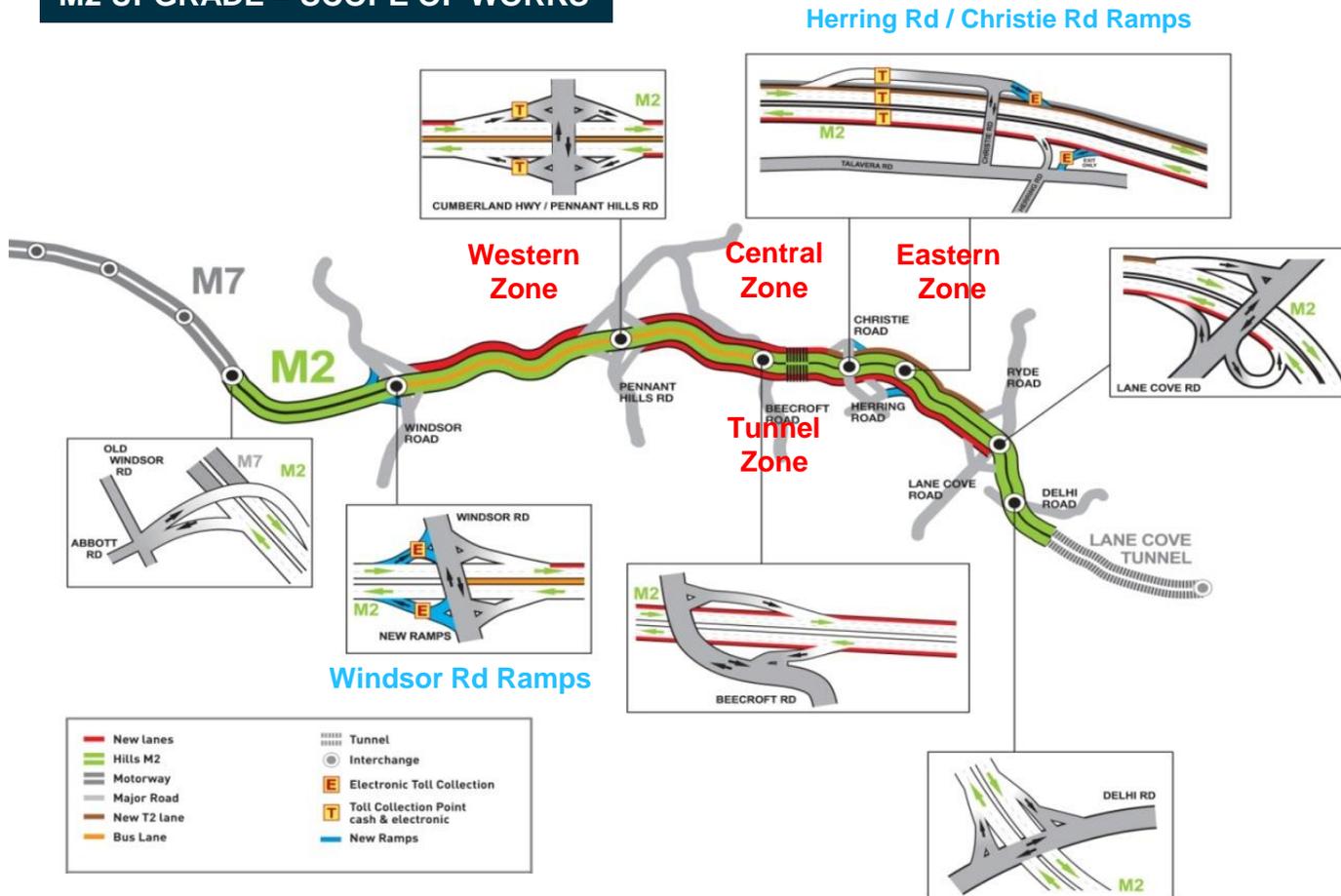
	31 DEC 10 (\$M)	31 DEC 09 (\$M)	% CHANGE
Revenue			
Toll Revenue	223.3	216.5	3.1%
Fee and other revenue	17.7	16.0	10.6%
<b>Total revenue</b>	<b>241.0</b>	<b>232.5</b>	<b>3.7%</b>
Total Cost	(58.5)	(53.0)	10.4%
<b>EBITDA</b>	<b>182.5</b>	<b>179.5</b>	<b>1.7%</b>
EBITDA Margin	81.7%	82.9%	
Depreciation and amortisation	(101.7)	(107.7)	(5.6%)
Net Finance costs	(85.4)	(77.5)	10.2%
<b>Profit before tax</b>	<b>(4.7)</b>	<b>(5.7)</b>	<b>(17.5%)</b>
Income tax benefit (Expense)	(8.8)	(22.2)	(60.4%)
<b>Net profit</b>	<b>(13.4)</b>	<b>(27.9)</b>	<b>(52.0%)</b>

NSW P&L data represents the results for the NSW segment and includes the contribution of Hills M2, Lane Cove Tunnel, M1 Eastern Distributor, M4 (comparative period only), M5, M7, Roam and Tollaust – proportional to Transurban ownership.

# M2 UPGRADE

## CONSTRUCTION COMMENCED – SCOPE OF WORKS

### M2 UPGRADE – SCOPE OF WORKS



### IPA AWARD

Category Sponsor  

 smart  
 Infrastructure Technology  
 University of Melbourne

Infrastructure Partnerships Australia  
**2011 NATIONAL INFRASTRUCTURE AWARDS WINNER**  
 GOVERNMENT PARTNERSHIP EXCELLENCE

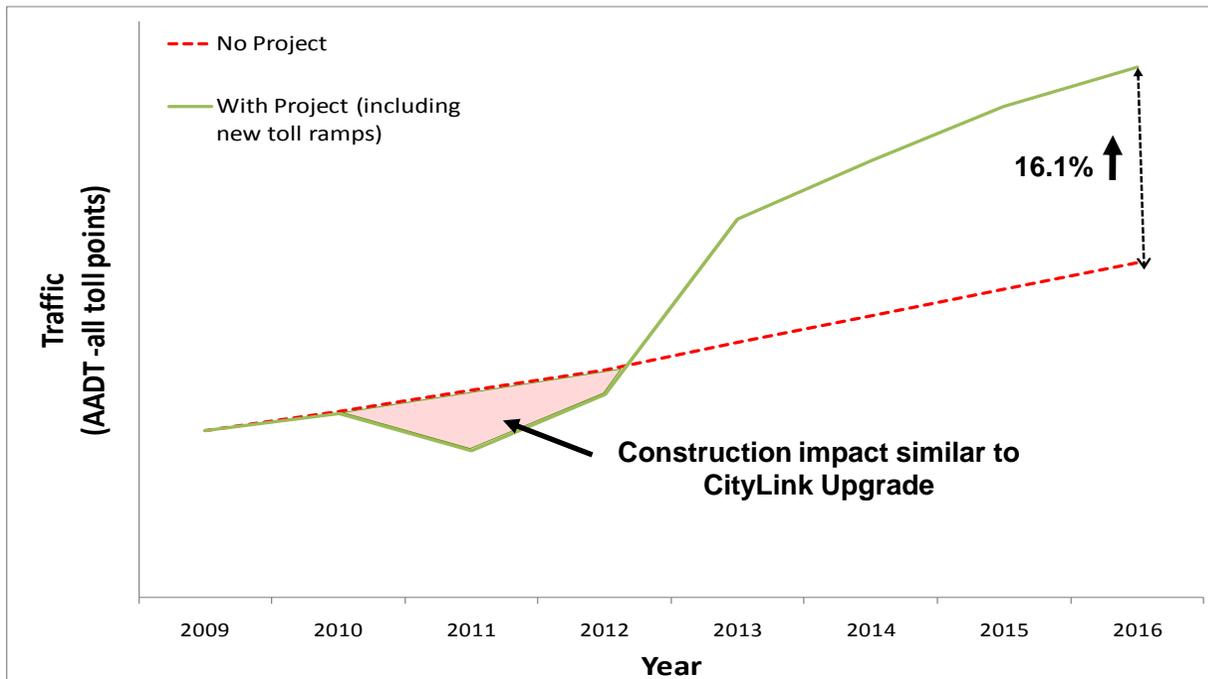
Presented to  
**TRANSURBAN**  
 For The M2 Motorway Upgrade

The Hon Mark Birrell  
 Chairman, Infrastructure Partnerships Australia

# M2 UPGRADE

## FORECAST UPLIFT

- M2 Upgrade – commenced construction January 2011
- Disruption to revenue during construction allowed for in business case and partially offset by additional revenue from early opening of new ramps
- Contractor incentives to minimise disruption



- Traffic uplift (AADT) of 16.1% by 2016

*Note: Toll rates vary at each toll point  
Chart is indicative only.*

# M2 UPGRADE

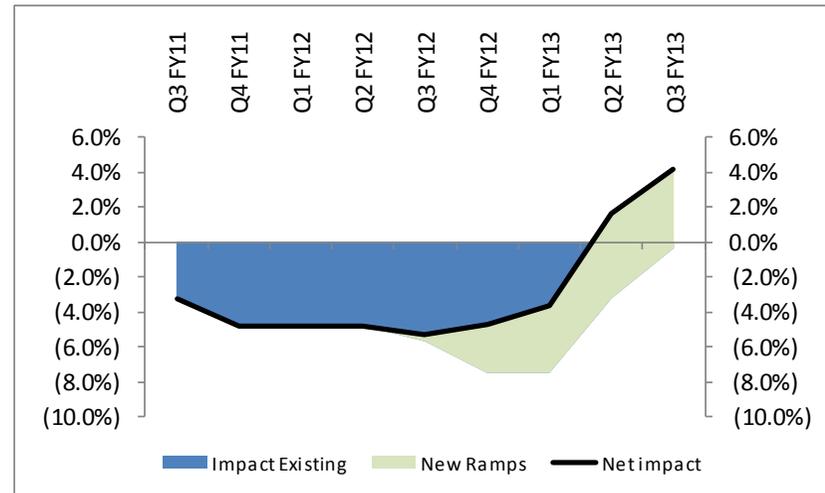
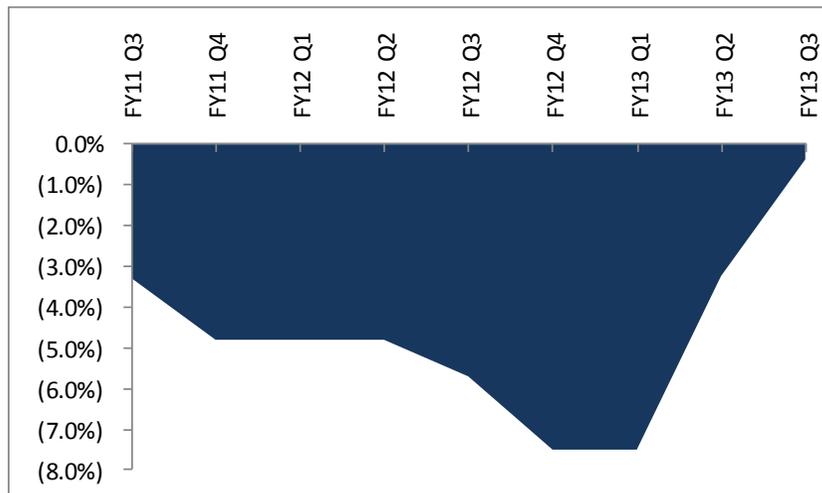
## TIMING AND IMPACT OF WORKS

### WORKS (INDICATIVE TIMING)

	FY11 H2	FY12 H1	FY12 H2	FY13 H1	FY13 H2
Windsor Rd Ramps	Open				
Herring Rd /Christie Rd Ramps		Open			
Other Zones	Open				

- Disruption to revenue during construction allowed for in business case

### INDICATIVE TIMING OF TRAFFIC IMPACT

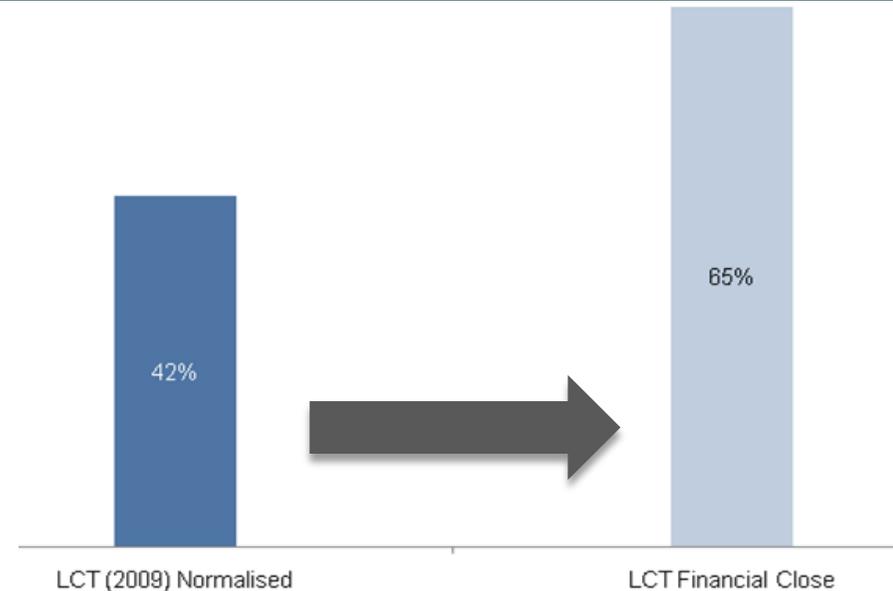


# LCT INTEGRATION

## EBITDA MARGIN DELIVERED

- Transurban reduced the cost base of Lane Cove Tunnel
  - Reduction in salary costs
  - Review of maintenance capital expenditure
  - Reduction in administration costs
  - Renegotiation of operations and maintenance contract

### CHANGE IN LANE COVE TUNNEL EBITDA MARGIN



- Further opportunities to save
  - alignment of O&M contracts (M2 and LCT) – unlikely before M2 Upgrade construction completion
  - amalgamation of control rooms (subject to further consideration and RTA approval)
  - consolidation of back office tolling systems (subject to further consideration and RTA approval)

# LCT INTEGRATION

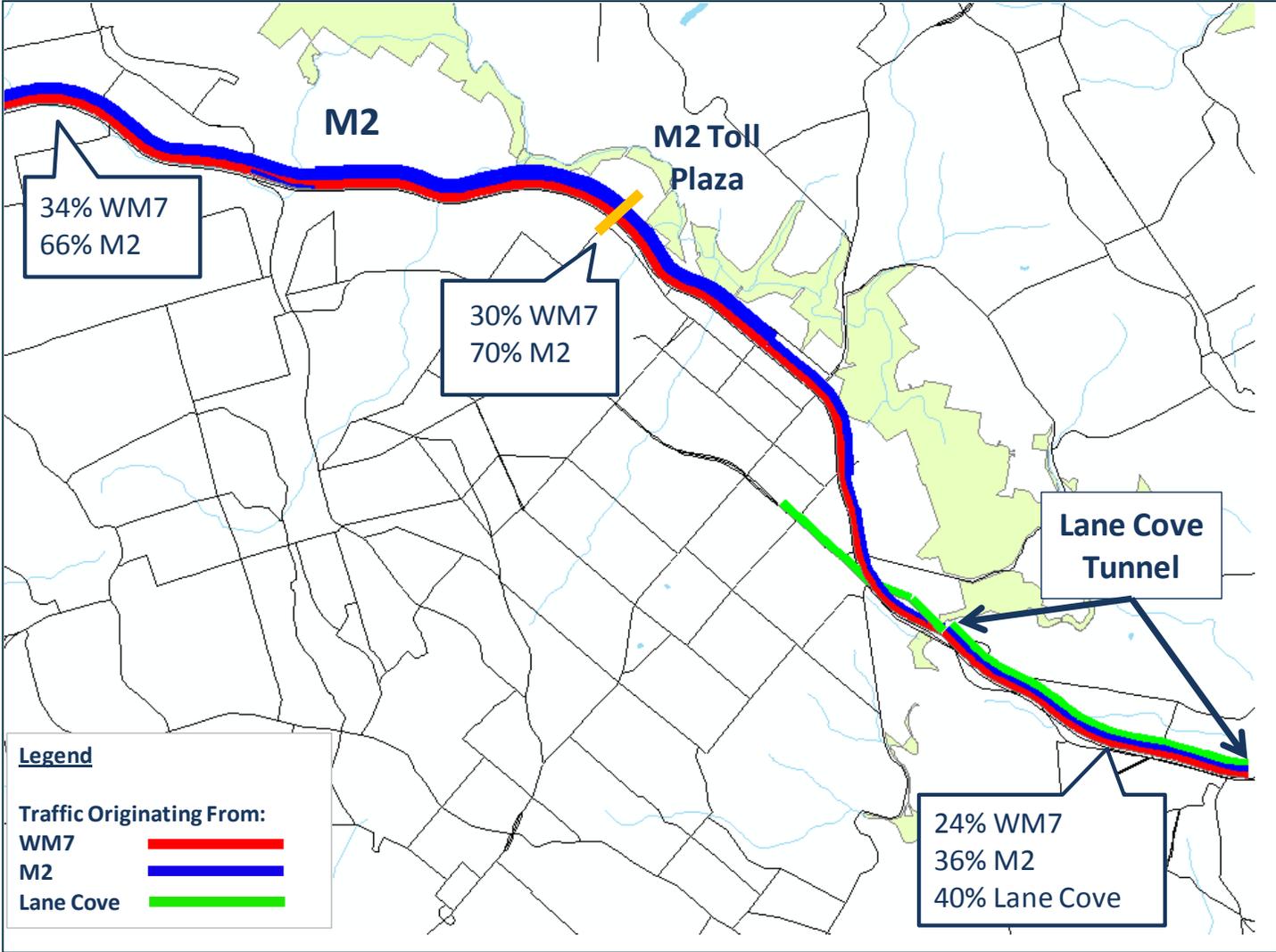
## STRONG TRAFFIC GROWTH

LCT/MRE HISTORICAL AADT		
FY08	Q1	52,250
	Q2	56,422
	Q3	57,643
	Q4	59,641
FY09	Q1	59,847
	Q2	60,661
	Q3	60,471
	Q4	62,408
FY10	Q1	65,097
	Q2	66,066
	Q3	65,803
	Q4	66,694
FY11	Q1	69,281
	Q2	70,017

- Strong growth continued at both toll points since TCL acquired asset
- Traffic impact expected on LCT from M2 Upgrade construction
  - No works occurring at motorway interface
- Discussions ongoing in relation to Lane Cove Road east facing ramp

# M2 – LCT CORRIDOR

## TRAFFIC FLOW – EASTBOUND



# M5 WIDENING

## FOCUS ON UPGRADE

- Interlink Roads (ILR) has submitted two proposals to the RTA
- Pre Commitment Agreement (PCA) signed with RTA in August 2010
  - includes provision of development cost reimbursement
- Environmental Assessment (EA) went on public exhibition in September 2010
- Widening business case supportable independent of any future potential M5 East tunnel duplication



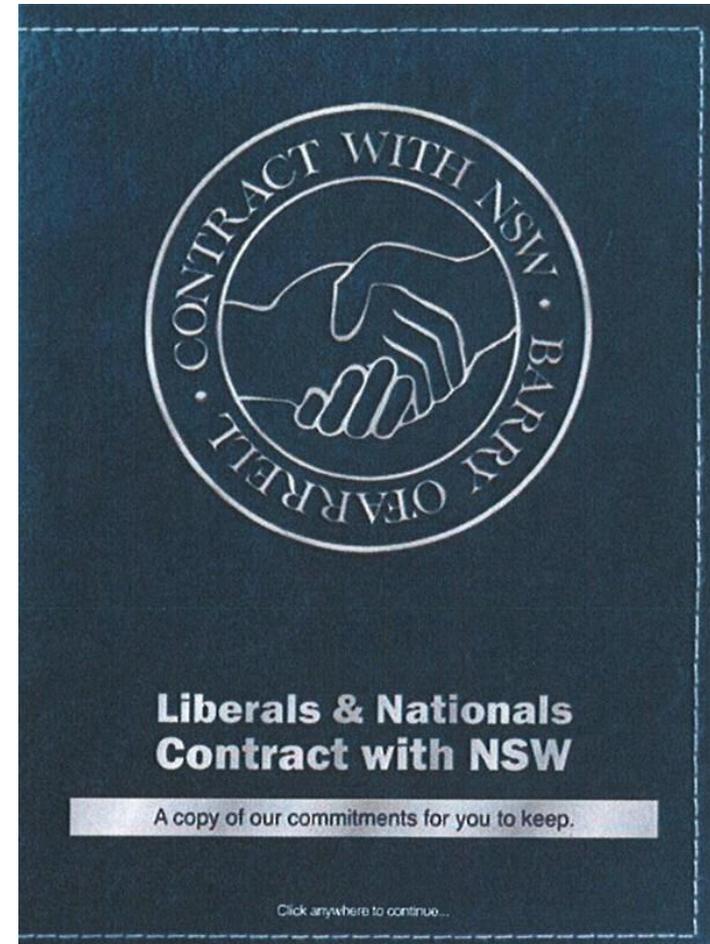
# M5 WIDENING

## FOCUS ON UPGRADE

- Commitment from incoming Coalition Government to complete negotiations and fast track the project
- M5 widening part of Coalition's 'Contract' with NSW people

### 3. Renovate infrastructure

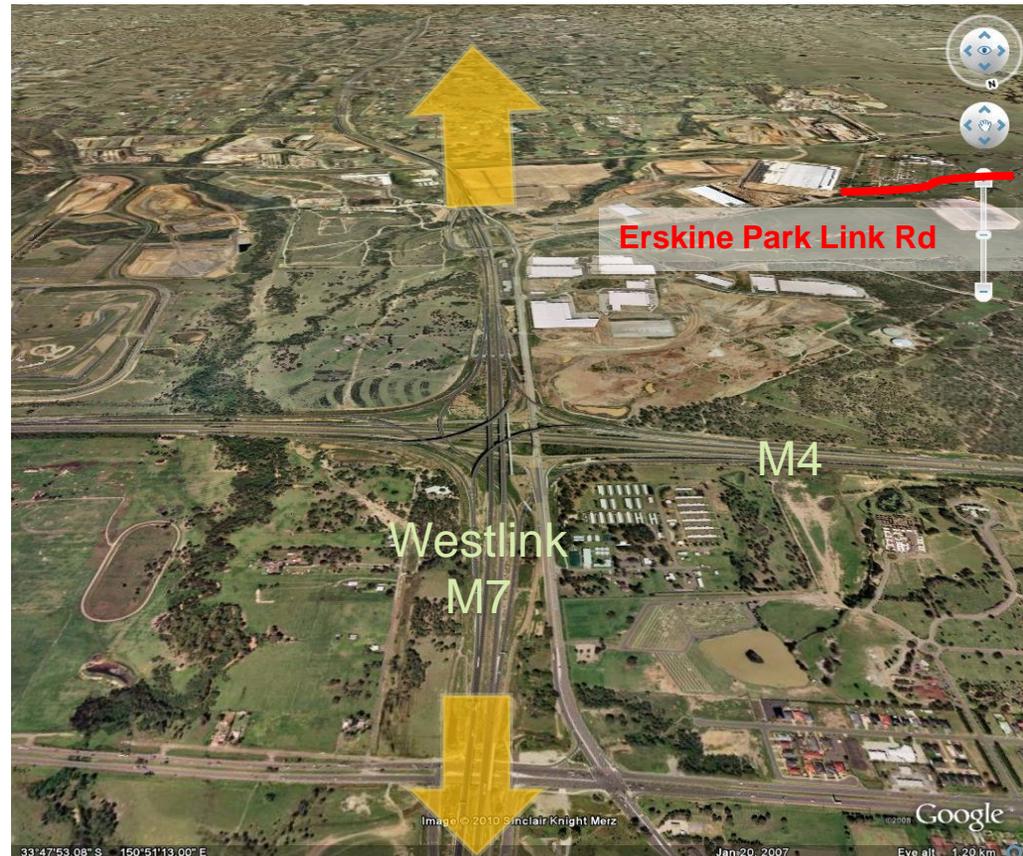
- We will build the **infrastructure that makes a difference** to both our economy and our lives.
- We will **fast track road and rail projects** and build the **South-West** and **North-West rail links**.
- We will establish **Infrastructure NSW** to ensure projects are **built where they are needed, on time and on budget**.
- Widen the M5 and commit \$100 million to **reduce congestion** on Western Sydney roads.
- \$350 million is committed for a **Hunter Infrastructure Fund** to build the roads, trains, hospitals and schools for the future.



# WESTLINK M7

## STRONG DEMOGRAPHIC GROWTH

- August 2009 - NSW Government to rezone 800 hectares within the Western Sydney Employment Area (WSEA)
  - capacity for up to 16,500 jobs
  - Expected to eventually accommodate ~ 40,000 workers
- Strong take up of vacant land continues along M7 corridor
- Erskine Park Link Road – will link new employment areas to WM7 – construction to commence within six months



# SYDNEY

## FUTURE DEVELOPMENT OF SYDNEY ORBITAL NETWORK



“A NSW Liberals & Nationals Government will commence one of Sydney’s major missing road links in our first term of Government with the appropriate project to be identified by Infrastructure NSW”

Source: NSW Liberals & Nationals Congestion Busting Plan for Reducing Travel Times

# CONCLUSION

- M2 Upgrade currently the focus of development works
  - Progressing well
- M5 widening – business case is strong, discussions with new State Government now required
- Lane Cove Tunnel an integral part of the network
  - Further network opportunities possible
- Strong half year result despite LCT being included for less than 5 months

# US MARKET UPDATE

**MICHAEL KULPER, PRESIDENT NORTH AMERICA**



# POCAHONTAS UPDATE



# POCAHONTAS 895

## FOCUSSED ON COST REDUCTION AND REVENUE ENHANCEMENT

### SNAPSHOT OF FINANCIAL RESULTS

31 DEC 10 (1 <sup>st</sup> Half FY2011)	GROWTH (%) *
Traffic growth	2.9%
Revenue growth (USD)	1.5%
EBITDA growth (USD)	178.7%

\* Compared to the comparative six month period ended 31 Dec 2009



- Peak pricing toll increased 7 Feb 2011
  - \$0.25 car increase peak hours (6-9am, 3-6pm )
  - \$0.25 increase for 3+ axle vehicles (all times)
- Economic climate in the Richmond area difficult but improving
- Longer term asset performance dependent on regional development

# ASSET ENHANCEMENTS

## RICHMOND AIRPORT CONNECTOR

- 1.6 miles long, 4 lane project
  - Opened 2 months early
  - 6% under budget
- Outstanding safety record
  - 668 days without a lost time incident
- Financed with concessional TIFIA loan
- Adding Value to travellers
  - Trip to the airport shortened by up to 10 minutes and offering a congestion-free route

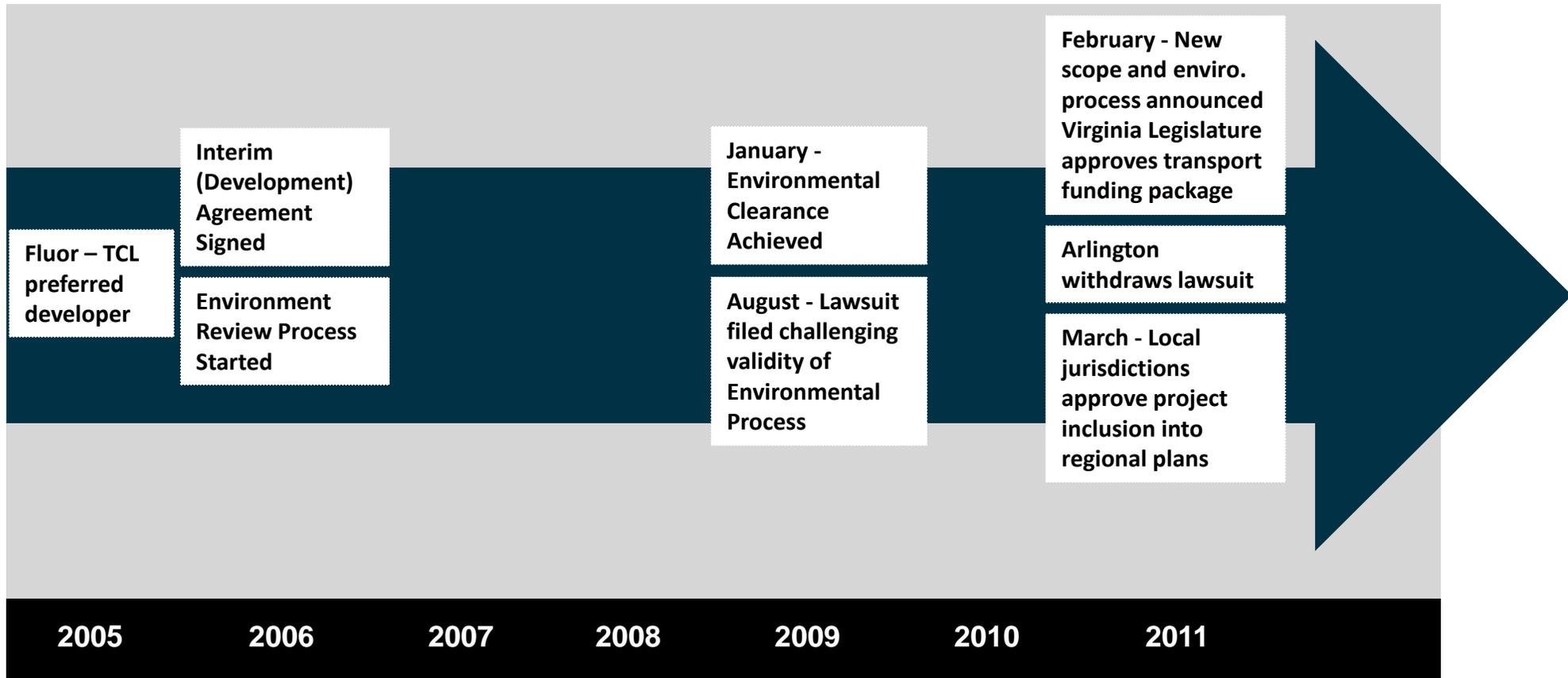


# I-95 PROJECT UPDATE



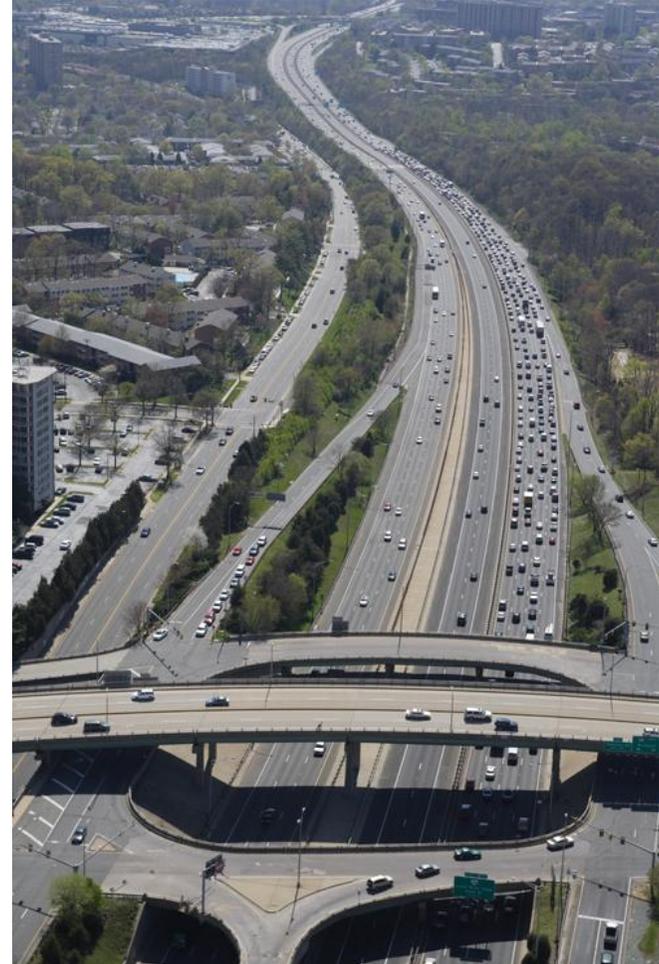
# PROJECT TIMELINE

## I-95 HISTORY



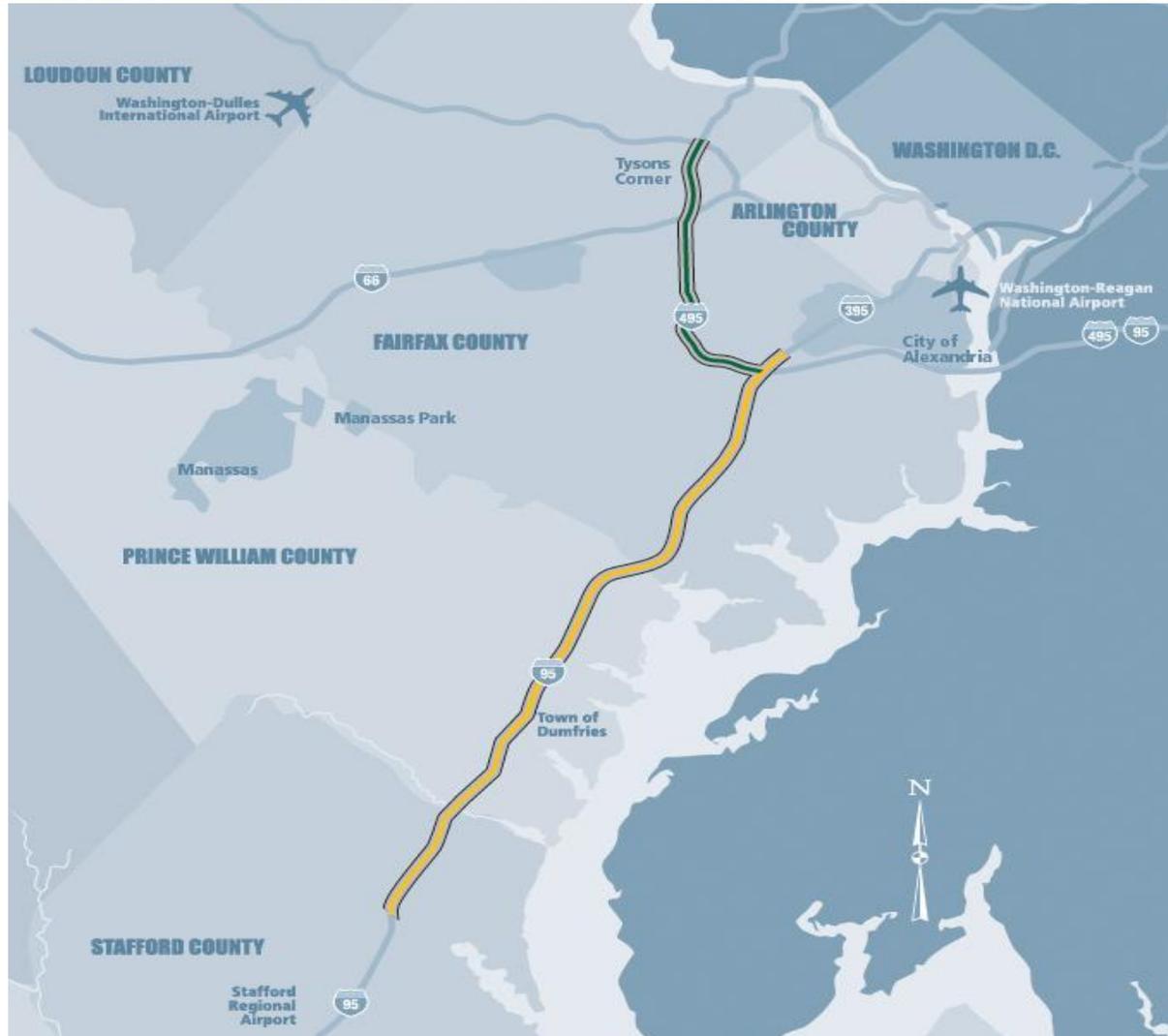
# PROJECT RATIONALE

- Second leg of Northern Virginia HOT Lane network – links directly into Capital Beltway HOT Lanes
- Solves problems that commuters will pay for
  - Congestion relief
  - Access to activity centres
- Attractive corridor characteristics
  - Lack of alternate routes
  - Favourable demographics / land use development
  - Large influx of military jobs
- Negotiated transaction



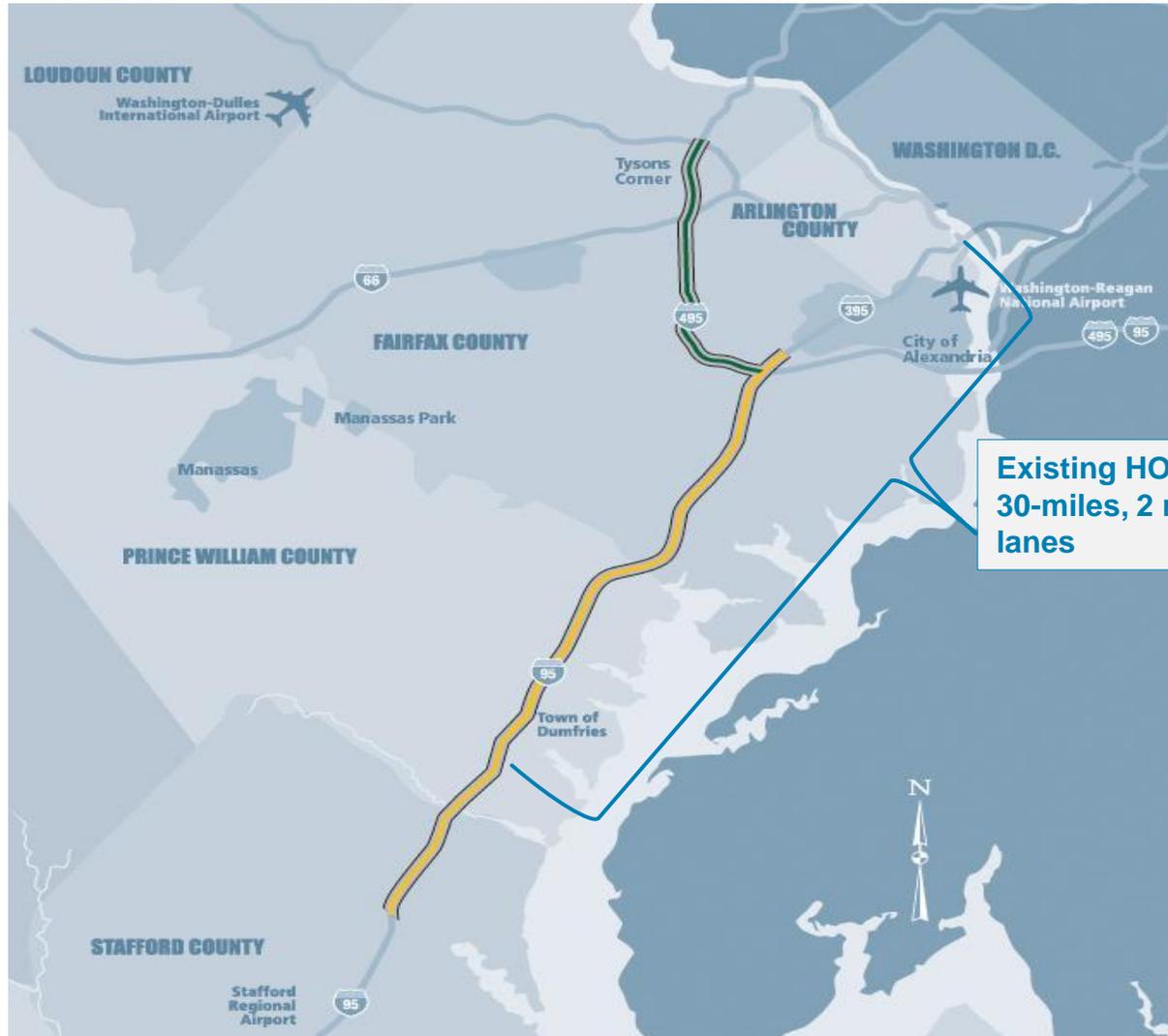
# PROJECT SCOPE

CONTINUING OUR US FOOTPRINT



# PROJECT SCOPE

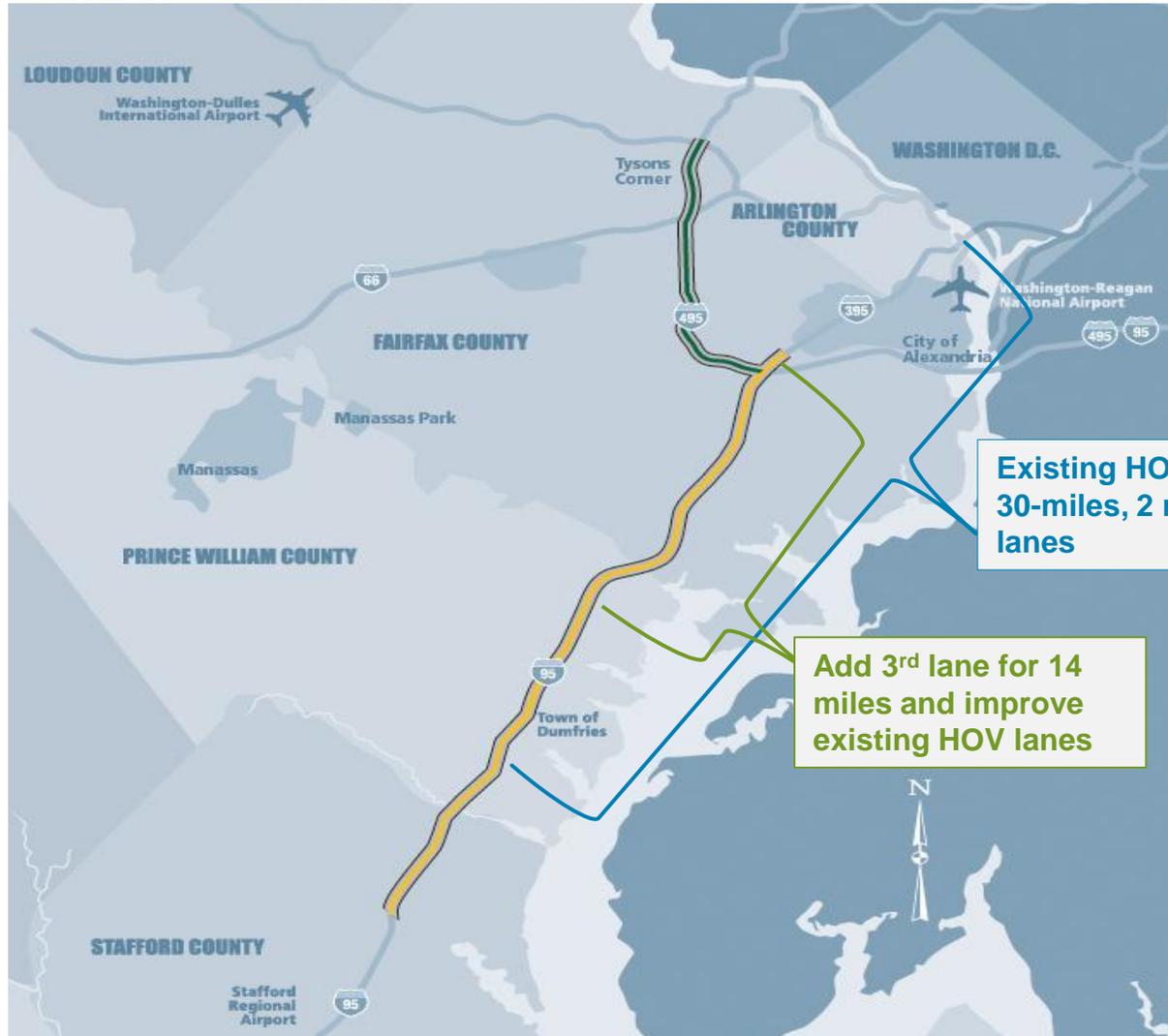
CONTINUING OUR US FOOTPRINT



Existing HOV service;  
30-miles, 2 reversible  
lanes

# PROJECT SCOPE

CONTINUING OUR US FOOTPRINT

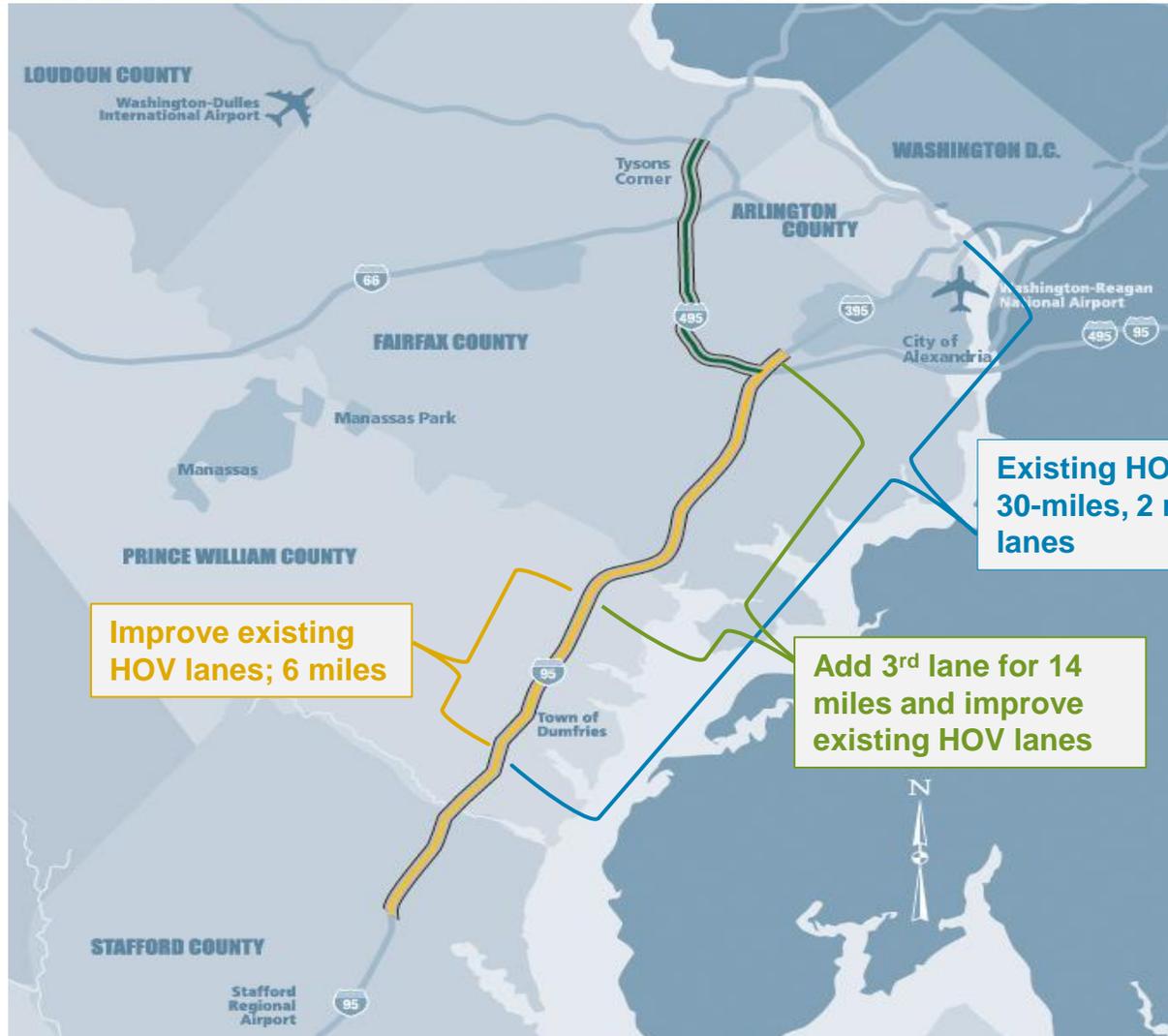


Existing HOV service;  
30-miles, 2 reversible  
lanes

Add 3<sup>rd</sup> lane for 14  
miles and improve  
existing HOV lanes

# PROJECT SCOPE

## CONTINUING OUR US FOOTPRINT



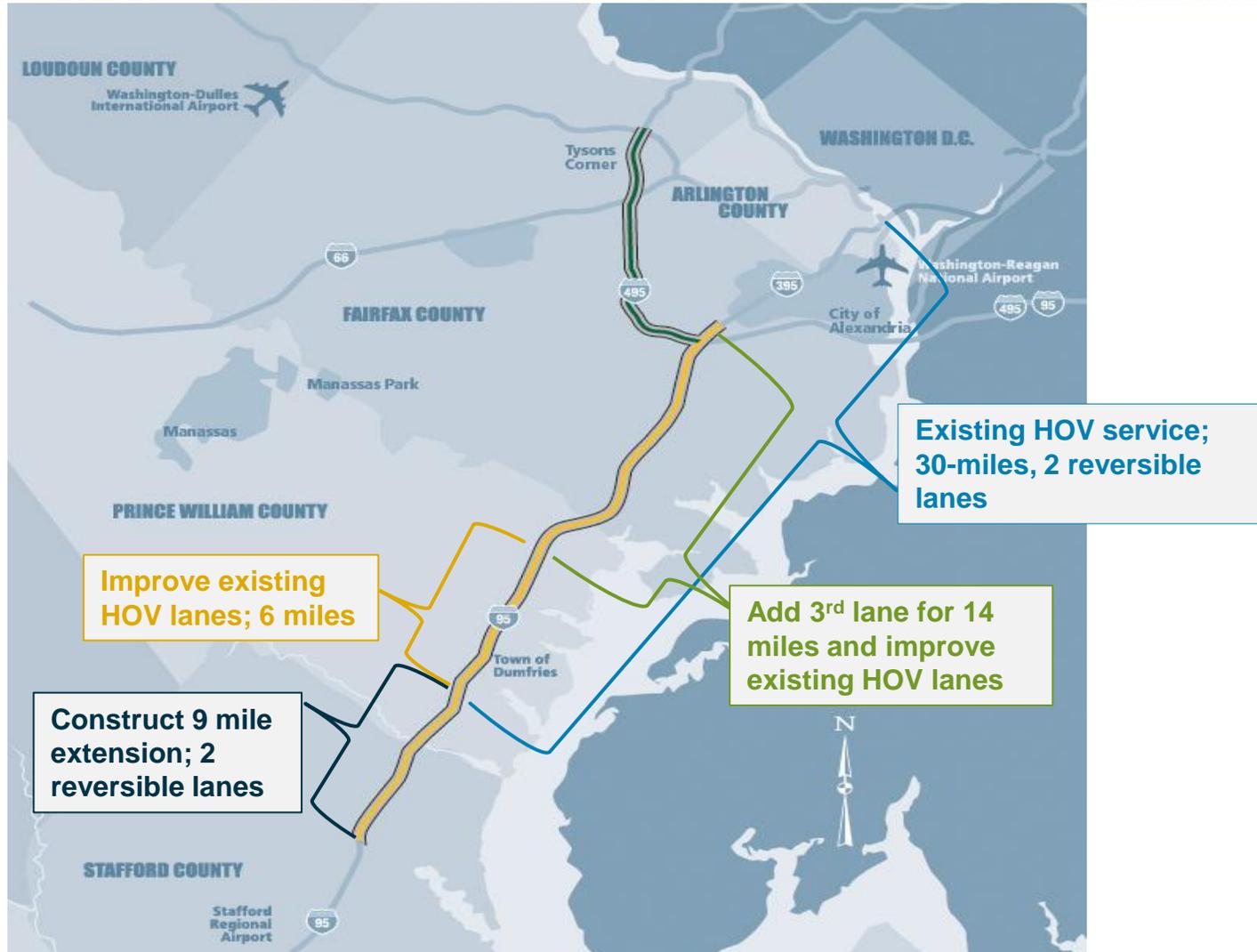
Improve existing HOV lanes; 6 miles

Add 3<sup>rd</sup> lane for 14 miles and improve existing HOV lanes

Existing HOV service; 30-miles, 2 reversible lanes

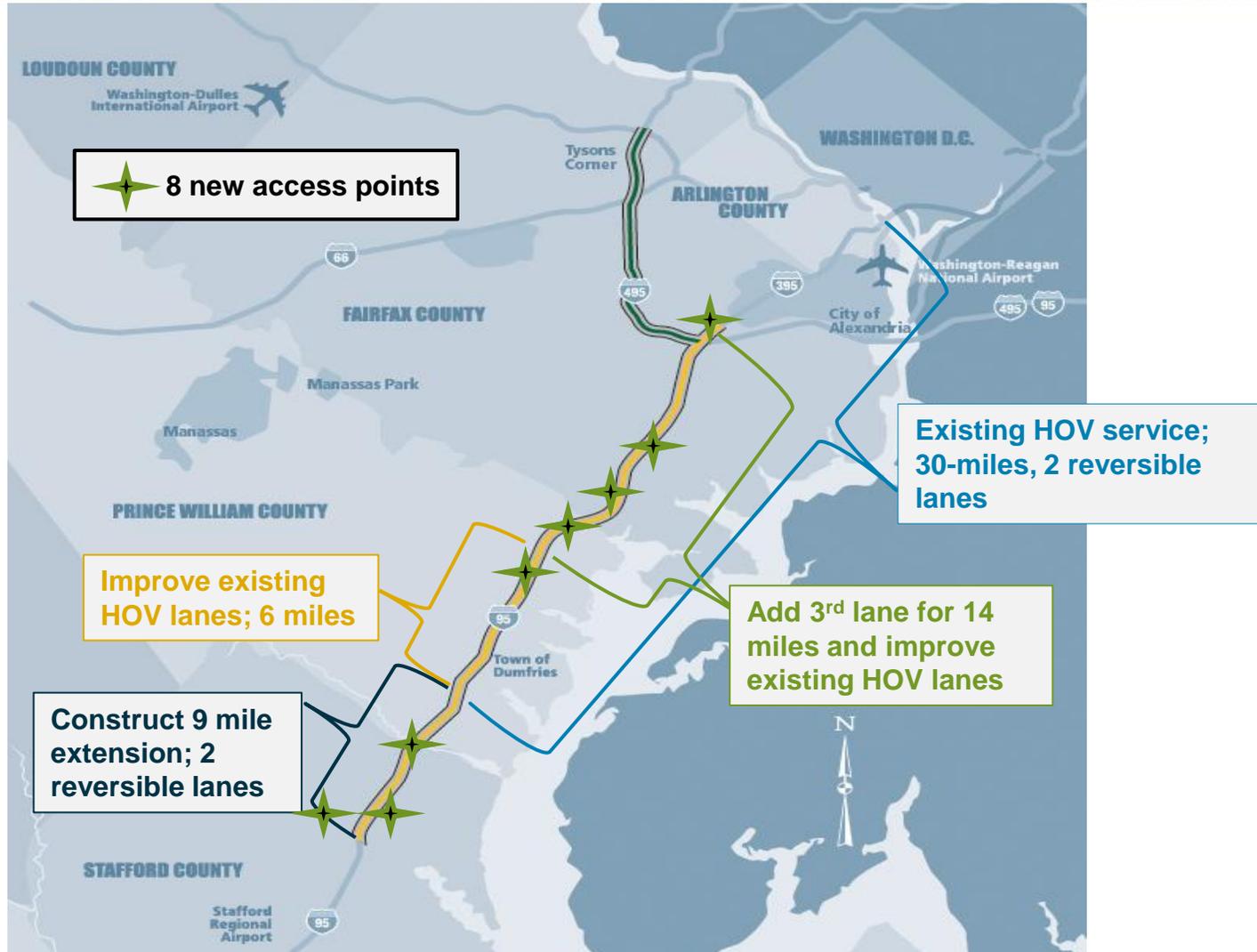
# PROJECT SCOPE

## CONTINUING OUR US FOOTPRINT



# PROJECT SCOPE

## CONTINUING OUR US FOOTPRINT



# OUTLOOK

- Governor, Transportation Secretary on record supporting project and public funding requirement
- A meaningful public funding contribution will be required
- Regulatory process now in train
  - VDOT has indicated a desire to commence construction in 2012
- Negotiation of contract terms and financial arrangements unlikely to be finalised until regulatory processes complete (timing uncertain)

# CAPITAL BELTWAY HOT LANES PROJECT UPDATE

**KEN DALEY, PRESIDENT INTERNATIONAL DEVELOPMENT**



# SAFETY FOCUS

## ORANGE CONES NO PHONES

- Award-winning Transurban safety campaign aimed at curbing distracted driving in construction work zone, addressing top safety issue
- Partnership with AAA, law enforcement and other key stakeholders
- 2011 Employer Challenge recruited more than 100 top employers, directly reached 100,000 Beltway commuters
- American Association of State Highway and Transportation Officials rolling out program nationwide

### SIGNAGE



On-road signage reaches Beltway drivers in the construction zone.

### GOVERNMENT SUPPORT



Virginia Secretary of Transportation Sean T. Connaughton supports program, challenges region's employers.

# CAPITAL BELTWAY

## THE PROJECT

- Construction of 14 miles of electronically tolled HOT lanes between the Springfield Interchange and north of the Dulles Toll Road
- Two new lanes in each direction, increasing the number of lanes to 12
- Upgrades to 11 interchanges involving 53 bridges and a 'fifth level' to the Springfield Mixing Bowl
- Dynamic toll pricing to manage traffic and maintain free-flow conditions



# CAPITAL BELTWAY

## THE PROJECT



# CAPITAL BELTWAY

## THE PROJECT

- Transurban is the supplier of the tolling and traffic management system as a subcontractor
- Multi lane free flow tolling similar to Melbourne CityLink architecture
- Advanced traffic monitoring and incident management
- All vehicles required to have a tag
- Toll prices are not regulated – tolls will be dynamically set to maintain free flow conditions in HOT Lanes
- Tolling and traffic management system is based on a working platform



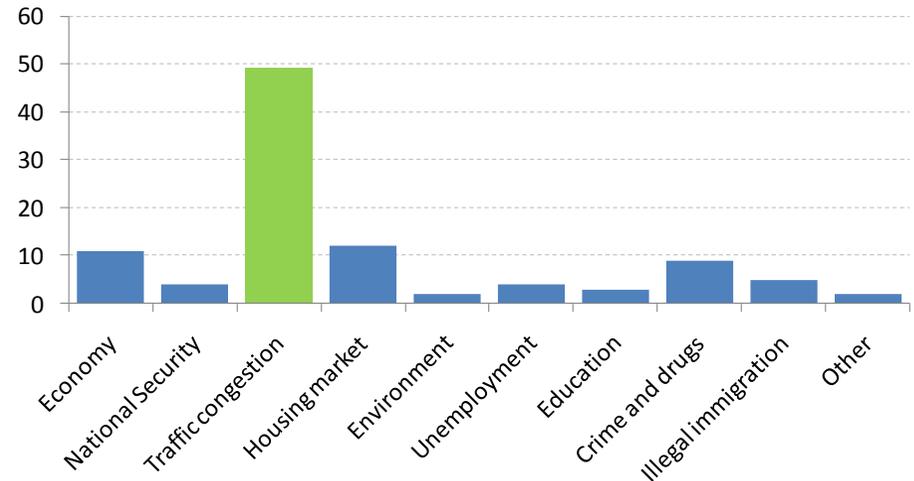
Fully electronic tolling on the HOT Lanes will allow customers to pay tolls with E-ZPass – eliminating the need to stop or slow down at toll booths.

# CAPITAL BELTWAY

## THE PROJECT

- Major construction on a route carrying 200,000 vehicles per day
- Market research provides a guide to acceptance of the project
  - Two-thirds (66%) of Beltway Drivers have a positive image of HOT Lanes
  - Almost two-thirds (64%) say they ‘see a personal benefit’ from HOT Lanes
  - 79% surveyed see a benefit for the DC region

Response to the question – “Which one of the following issues do you view as the biggest problem you face living in the Greater Washington, DC area?”

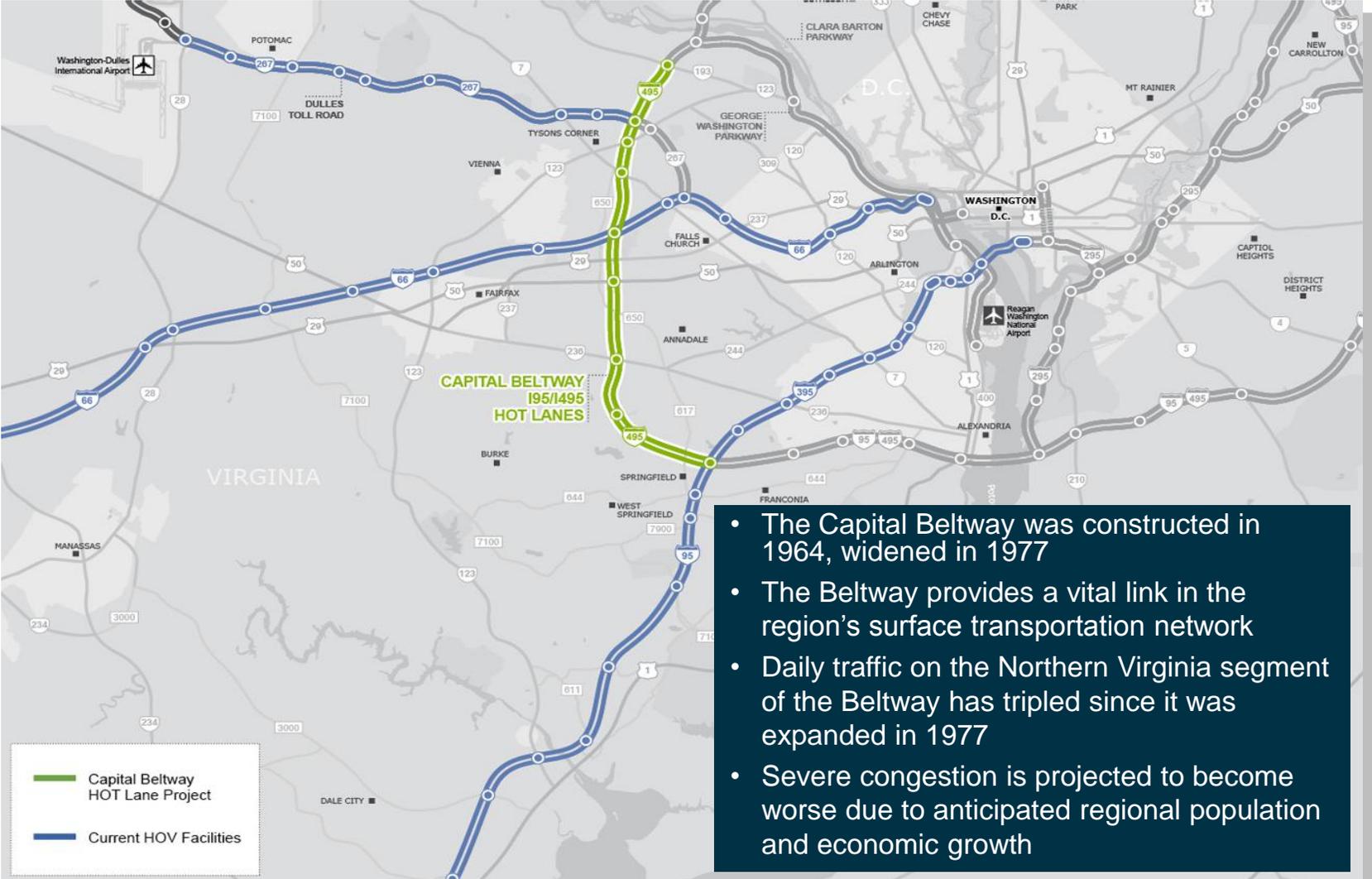


Source: Greater Washington 2050 Coalition, February 2009

# CAPITAL BELTWAY HOT LANES REGIONAL ECONOMICS

# CAPITAL BELTWAY

## LOCATION



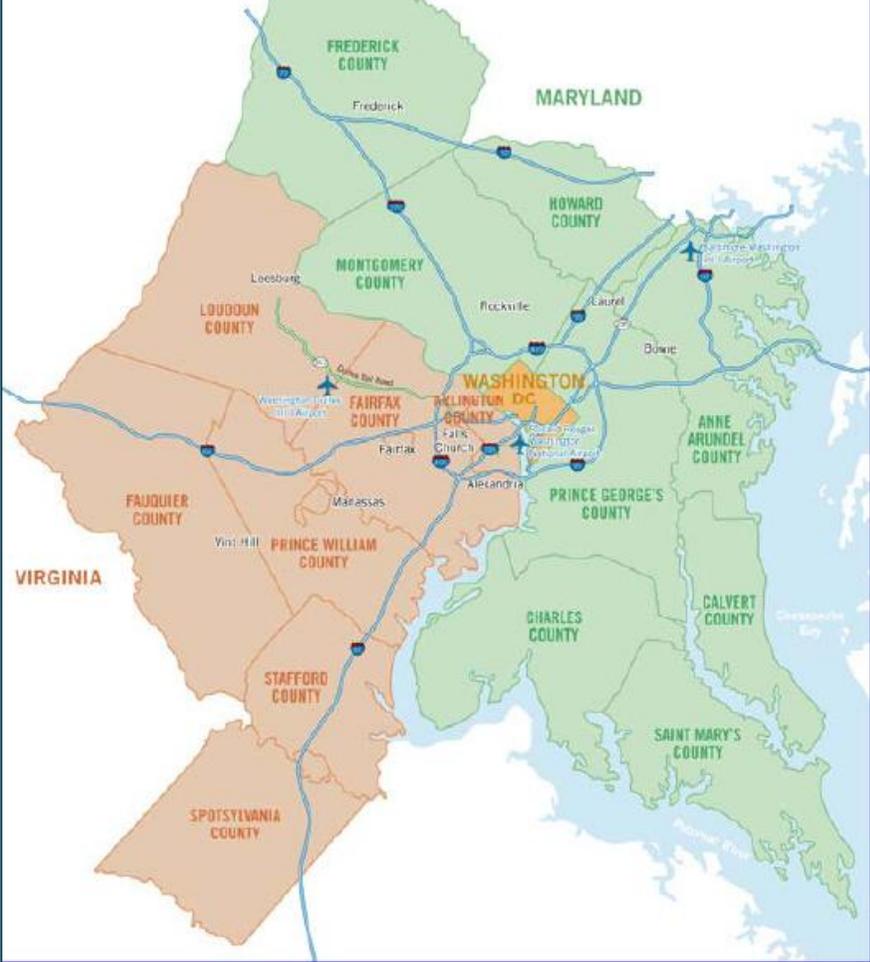
# WASHINGTON REGIONAL STATUS

## POPULATION AND EMPLOYMENT

- Washington population (2010) was 6.6 million providing employment for 3.9 million
- MWCOC 2010 forecasts show strong growth over the planning horizon

MILLIONS	2025	2040
Population	7.8	8.6
Employment	4.8	5.5
Households	3.0	3.4

WASHINGTON DC AND SURROUNDING COUNTIES

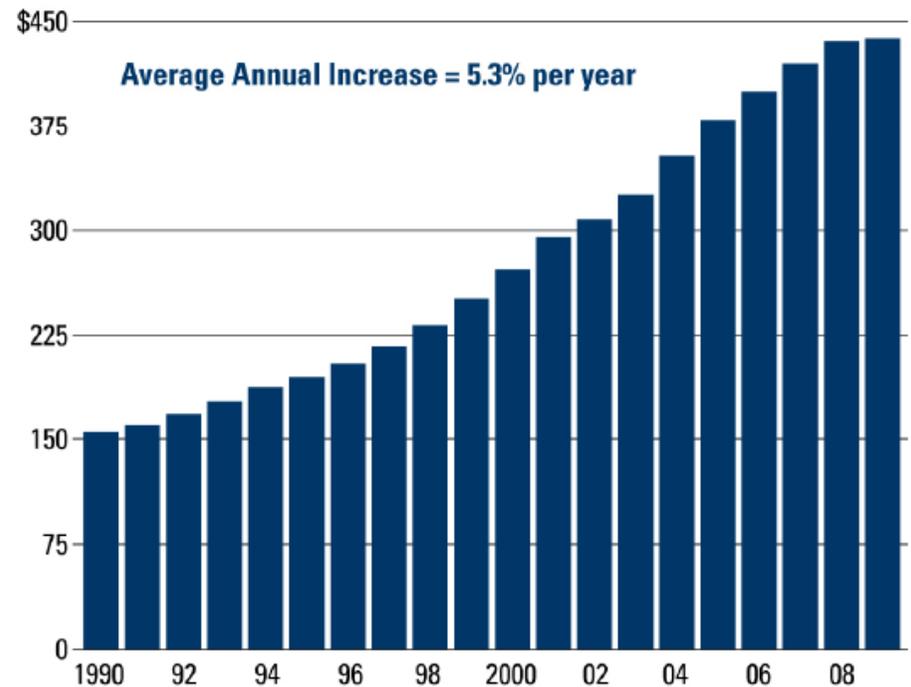


# WASHINGTON REGIONAL STATUS

## WEALTH

- Average annual Gross Regional Product (GRP) growth of 5.3% since 1990
- 2009 GRP of \$443billion which has doubled in the last 12 years
- Second highest GRP per capita in the US (\$71,323 in 2009) behind San Francisco
- Washington is the fifth largest regional economy in the US
- Counties in the Washington Region make up 4 of the top 10 US counties per household income

Greater Washington Gross Regional Product, 1990–2009 (in billions)



SOURCE: Woods & Poole

# WASHINGTON REGIONAL STATUS

## CONGESTION - WORST IN THE US

Urban Area	Yearly Delay per Auto Commuter		Travel Time Index		Excess Fuel per Auto Commuter		Congestion Cost per Auto Commuter	
	Hours	Rank	Value	Rank	Gallons	Rank	Dollars	Rank
Very Large Average (15 areas)	50		1.26		39		1,166	
Washington DC-VA-MD	70	1	1.30	2	57	1	1,555	2
Chicago IL-IN	70	1	1.25	7	52	2	1,738	1
Los Angeles-Long Beach-Santa Ana CA	63	3	1.38	1	50	4	1,464	3
Houston TX	58	4	1.25	7	52	2	1,322	4
San Francisco-Oakland CA	49	6	1.27	4	39	6	1,112	6
Dallas-Fort Worth-Arlington TX	48	7	1.22	16	38	7	1,077	8
Boston MA-NH-RI	48	7	1.20	20	36	10	1,112	6
Atlanta GA	44	10	1.22	16	35	11	1,046	11
Seattle WA	44	10	1.24	11	35	11	1,056	10
New York-Newark NY-NJ-CT	42	13	1.27	4	32	14	999	13
Miami FL	39	15	1.23	13	31	18	892	18
Philadelphia PA-NJ-DE-MD	39	15	1.19	23	30	21	919	17
San Diego CA	37	18	1.18	25	31	18	848	20
Phoenix AZ	36	20	1.20	20	31	18	972	14
Detroit MI	33	26	1.15	36	24	36	761	30

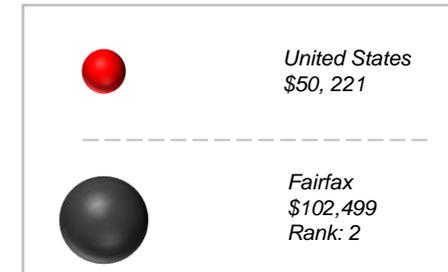
# FAIRFAX COUNTY

## SPECIFIC DEMOGRAPHICS

### Fairfax County:

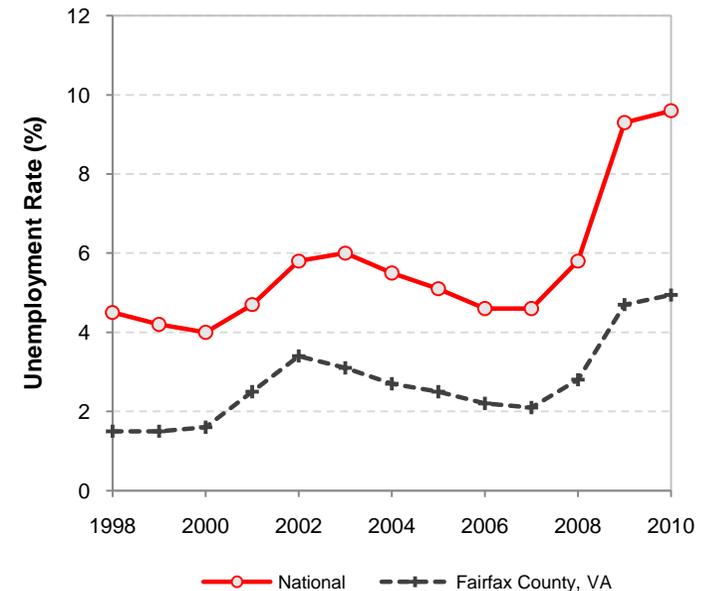
- has a population of over 1 million people and the County budget is larger than that of 8 States
- is home to 4,000 technology companies and 22,000 businesses including five Fortune 500 companies
- is one of the largest suburban office markets in the US – 95 million square feet of office space
- has the second highest household income in the US – behind the adjacent county (Loudoun)
- has one of the lowest unemployment rates in the US

### HOUSEHOLD WEALTH



Source: American Community Survey 2009

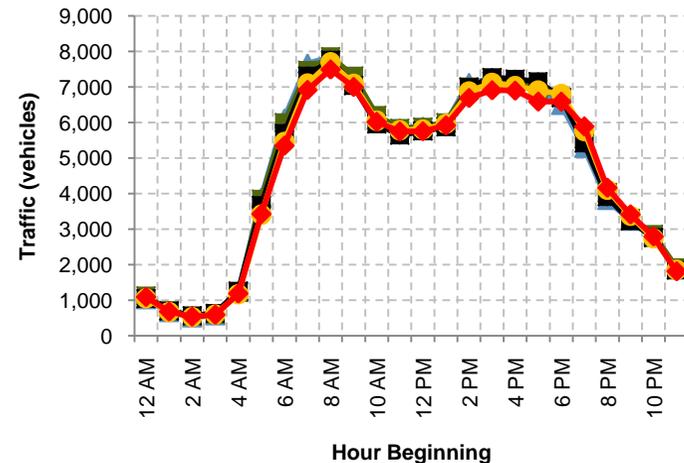
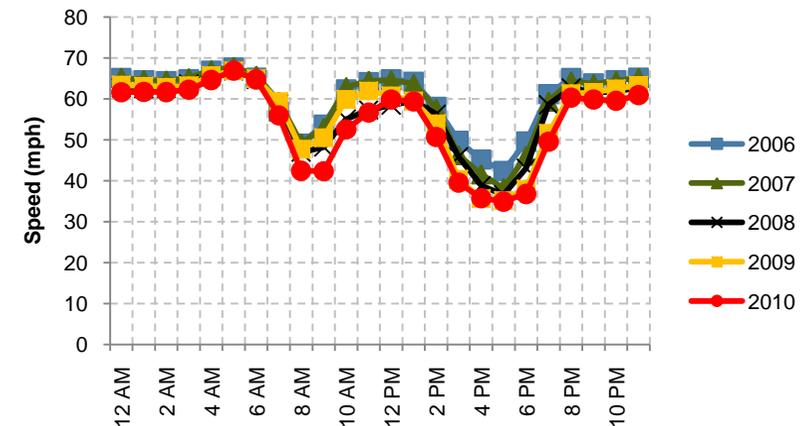
### ANNUAL UNEMPLOYMENT RATES



# TRAFFIC PROFILE

- Average speeds have declined over recent years
- Speeds during the peak periods regularly drop to or below 30-40 mph
- Average traffic volumes have remained unchanged despite the impact of major construction works
- Traffic levels within the peak periods remain at or above the capacity of the facility

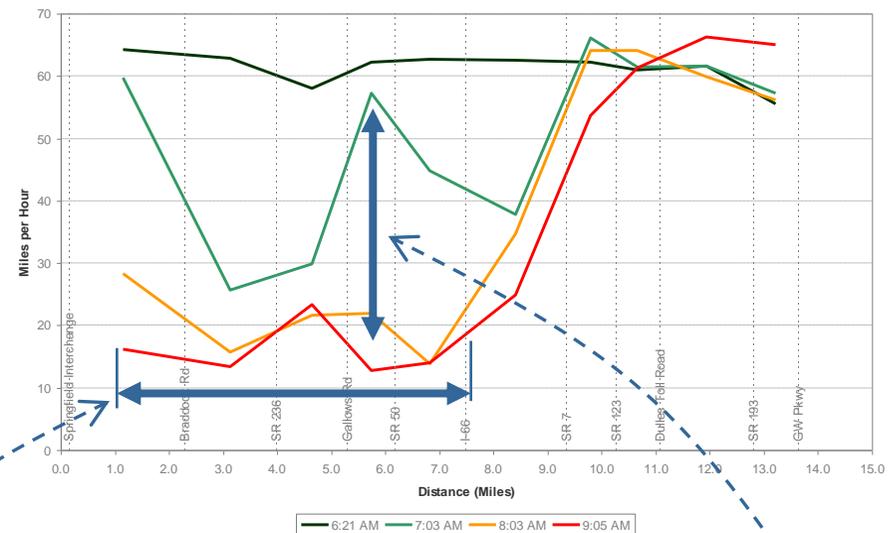
**NORTH OF DULLES TOLL ROAD - SB**



# TRAFFIC PROFILE

- High traffic volumes result in low speeds, slow travel, and significant delays in peak periods
- Significant delays are experienced for 2-3 hours in peak periods each weekday
- Fringe periods exhibit significant variance in travel times, which leads to uncertainty in trip duration

**NORTHBOUND TRAVEL TIMES (2004)**



*Speeds regularly drop below 20 miles/hour for over half the length of the project; resulting in 'moving queues' over 7 miles in length.*

*Small differences in departure time often result in significant variations in travel time; making travel inconsistent and unreliable*

# TRAFFIC & REVENUE UPDATE

- Traffic and revenue study completed prior to Financial Close in 2007 / 2008. Original study completed by Stantec (managed by Transurban) and audited by Arup
- MWCOCG released updated regional land use forecasts in late 2010
  - these inputs are being used to complete an updated traffic and revenue study (taking into account US recession)
- Other specific updated assumptions include
  - Local land use (Northern Virginia)
  - Network planning updates
- Update to be completed towards end of financial year

# CAPITAL BELTWAY HOT LANES CONSTRUCTION PROGRESS UPDATE

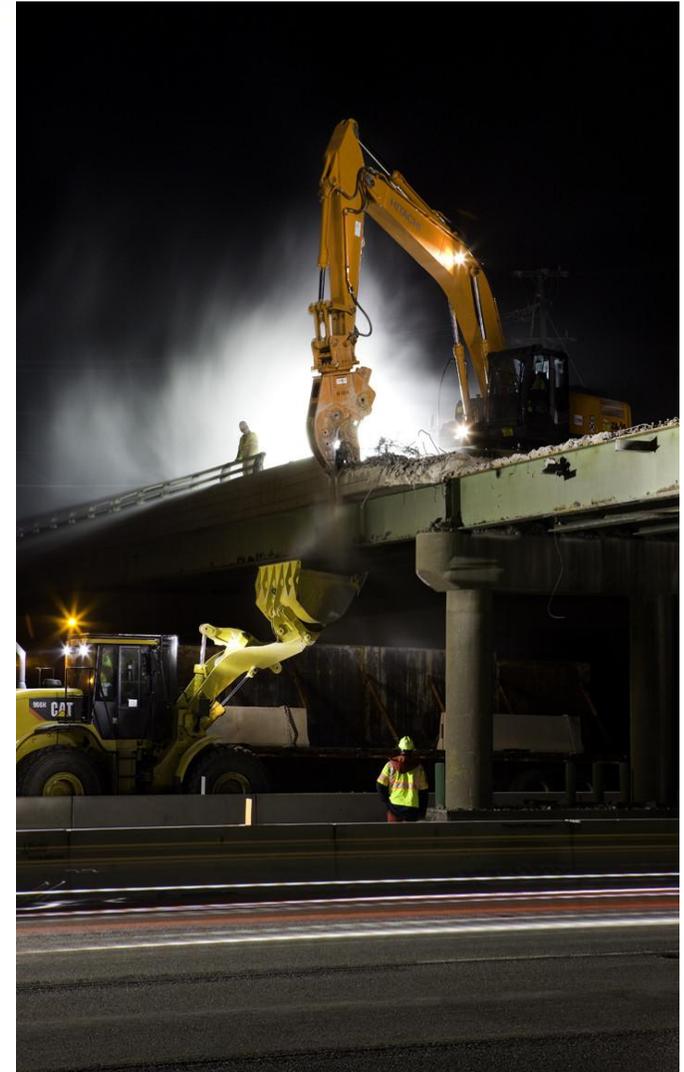
# CONSTRUCTION UPDATE

- Design Build Contractor and Independent Engineer forecasting 'on time & on budget' completion. DB contract now more than 60% complete.
  - There are no Design Builder claims against the Project company
  - All design is complete and 'approved for construction' drawings issued
  - All Right of Way has been acquired
  - Services relocation is proceeding to schedule
  - HOT Lanes Operation Centre development 'on time & budget'

# CONSTRUCTION UPDATE

The 2010 Construction season was a big year

- One lost time injury – the second on the project in over 4.5 million man hours worked
- Over 35,000 cubic m of concrete
- 250,000 tons of asphalt
- 4,200 tons of steel erected
- 42,000 square m of retaining walls
- 10,000 linear m of sound walls
- More than 28% of overall DB contract completed



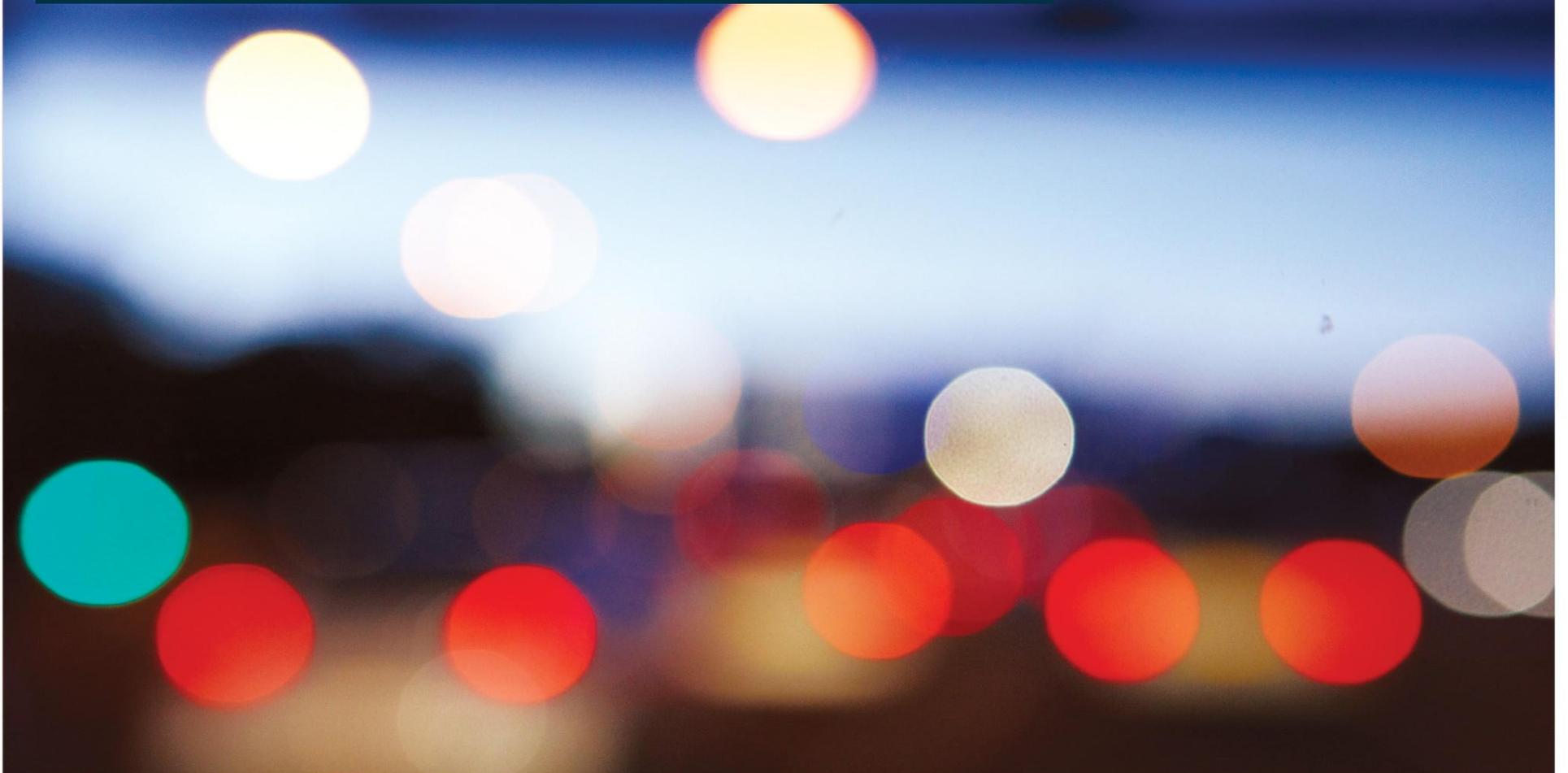
# THE PROJECT VIEW



# THE PROJECT VIEW

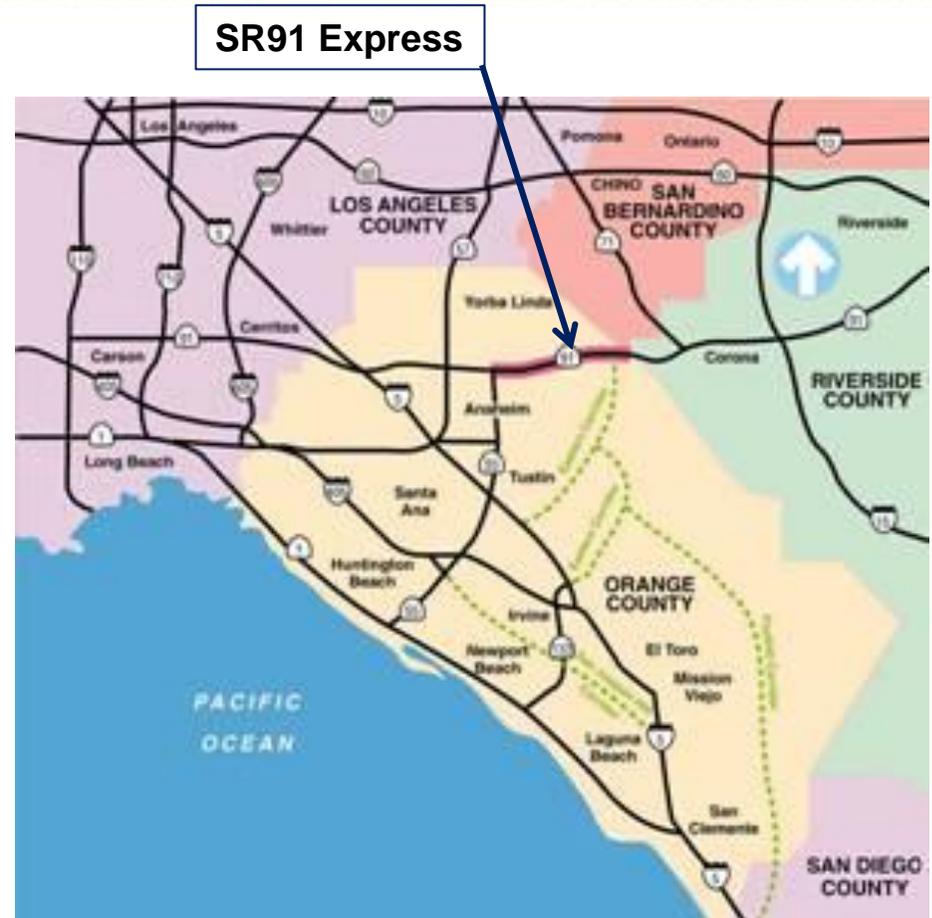


# SR91 EXPRESS CASE STUDY



# SR91 EXPRESS LANES

- The SR91 facility links the counties of Riverside and Orange in California
- The SR91 is a 10 mile HOT lane system that has 2 tolled lanes in each direction
- The HOT Lanes were opened to the public in December 1995
- Free flow tolling approaches are used to eliminate toll booths
- Toll rates are fixed via schedules for each hour and day of the week
- While SR91 applies simpler tolling than Capital Beltway will, it represents the closest match in terms of scale and operations



Note – SR91 is not a directly comparable tolling asset to Capital Beltway however has been used for comparative illustrative purposes.

# SR91 CATCHMENT DEMOGRAPHICS

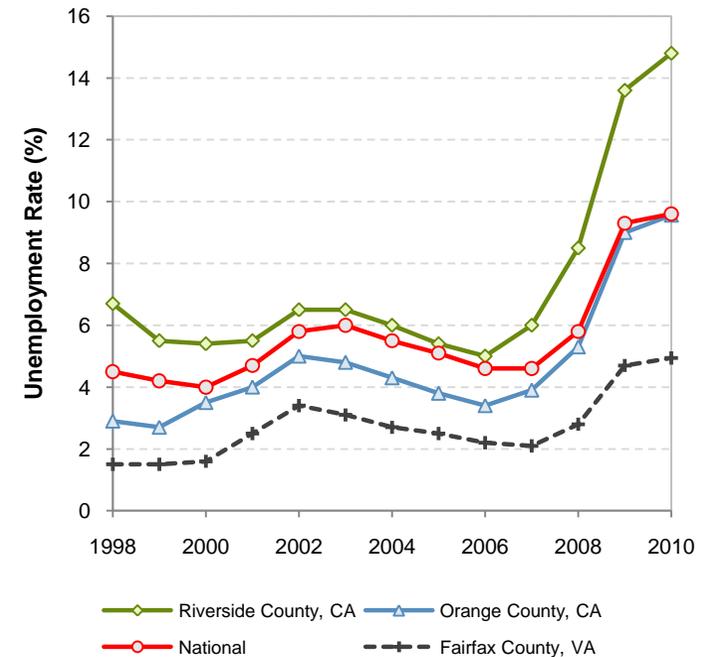
- The SR91 is predominantly seen as a commuter route between Riverside and Orange counties
- A comparison between the SR91 catchment and Fairfax (the key County for the Capital Beltway) demonstrates the relative strength of the CB catchment
  - Household wealth is significantly greater than SR91 and national values
  - Unemployment rates are substantially below the SR91 catchment and national averages

## Household Wealth



Source: American Community Survey 2009

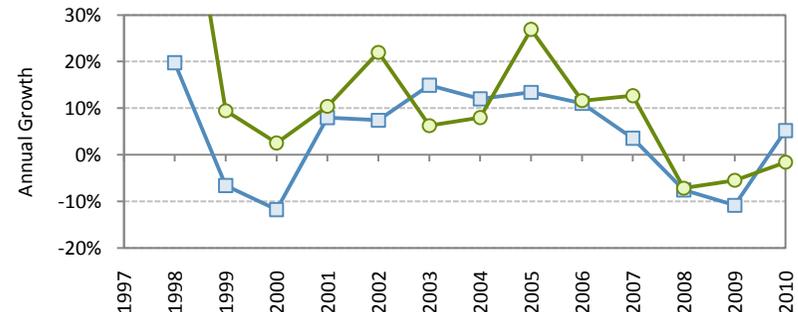
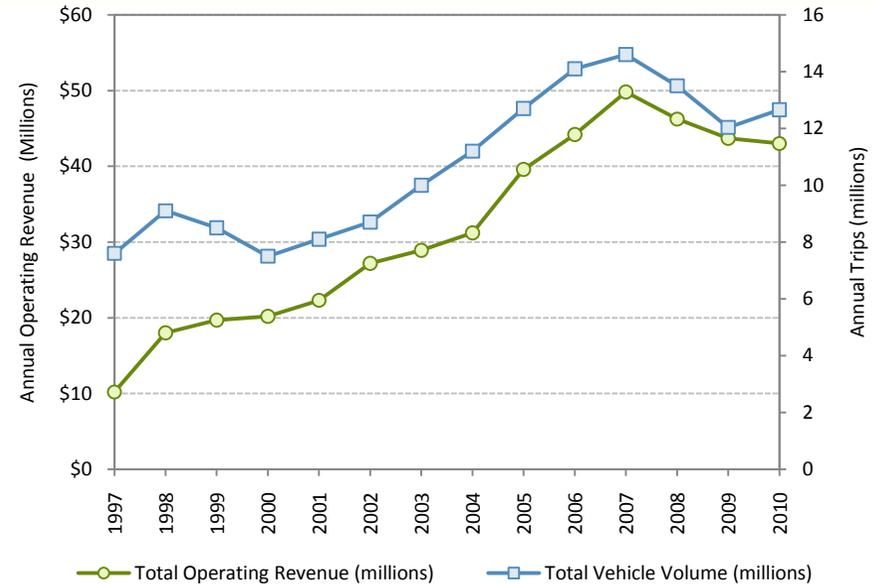
## Annual Unemployment Rates



Source: Bureau of Labor Statistics

# SR91 TRAFFIC AND REVENUE GROWTH

- The SR91 has shown strong and sustained growth in both trips and revenue throughout
- Through the ‘great recession’ of 2008 and 2009 trips and revenues declined moderately, but are showing signs of recovery
- Despite the recent recession growth rates (post ramp up) have averaged 7.4% per annum (1999 to 2010)



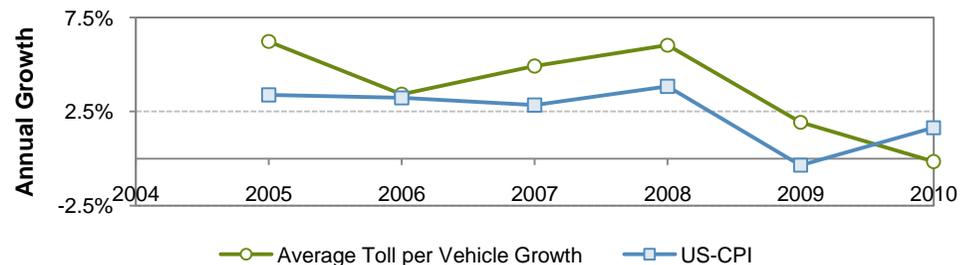
# SR91 TOLL RATE GROWTH

- Average revenue per vehicle has generally continued to climb since the SR91 opened, with only brief periods of flat or minor negative growth
- Average toll per vehicle has also continued to grow, and at a rates exceeding CPI

Average Revenue per Vehicle



Average Toll per Vehicle



Source: SR91 weekly traffic and revenue results

# CONCLUSION

## Construction

- Construction progressing well – more than 60% complete
- No regulatory or permit requirements outstanding to complete build
- Key subcontracts – tolling technology and Operations Centre on time and budget

## Demographics

- Region has shown resilience through economic downturn – main catchment area still leading nation for key criteria
- Traffic and revenue update on schedule

## Next steps

- Continue to execute the design build contract to achieve on time, on budget completion at the end of 2012

***transurban***

The logo features the word "transurban" in a bold, italicized, black sans-serif font. Below the text is a graphic element consisting of two parallel, curved, lime-green lines that sweep upwards from left to right, resembling a stylized wave or a road.