



MORGANS BUSINESS BREAKFAST

SCOTT CHARLTON, TRANSURBAN CEO
19 FEBRUARY 2014



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BASIS OF PREPARATION

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

PROPORTIONAL RESULTS

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

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

FREE CASH

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

These non-statutory measures are calculated from information extracted from Transurban's half-year financial statements which contain a review opinion by the Group's auditors.

CITYLINK, MELBOURNE



EASTERN DISTRIBUTOR, SYDNEY



LANE COVE TUNNEL, SYDNEY



HILLS M2, SYDNEY



M5 SOUTH WEST, SYDNEY



WESTLINK M7, SYDNEY



495 EXPRESS LANES, VIRGINIA, USA



STRATEGY

DIFFERENTIATED MODEL

ROAD INFRASTRUCTURE PARTNER OF CHOICE

- Providing effective and innovative urban transport solutions
- Ability to leverage urban network footprint
- Active role in promoting progressive transport policy¹
- Alignment of interest as long-term owner/ operator

COMPETITIVE ADVANTAGE

- Network planning and forecasting
- Operations and customer management
- Project development and delivery
- Application of technology
- Engagement with government and communities

CLEAR MARKET DEFINITION

- Eastern seaboard of Australia and northern Virginia, USA
- Network investment to underpin long-term growth in distributions

SUSTAINABILITY FRAMEWORK

ENHANCING OUR LICENCE TO OPERATE

**BE GOOD
NEIGHBOURS**

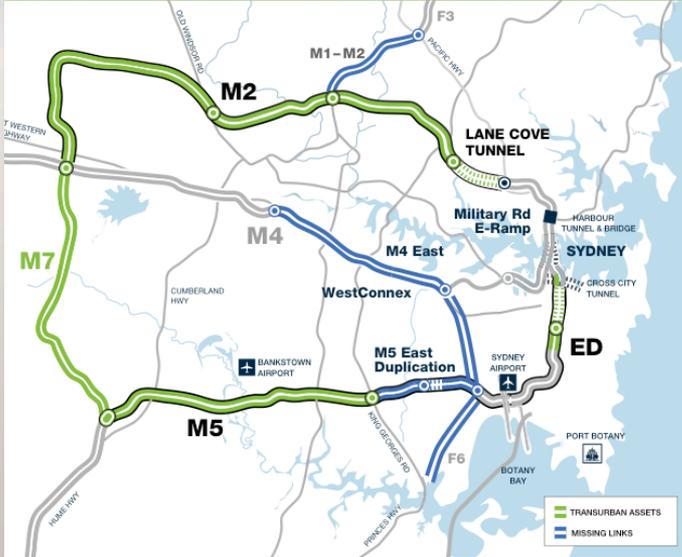
**USE
LESS**

**THINK
LONG-TERM**

MANAGEMENT METHODOLOGY

OUR MARKETS

AUSTRALIA AND VIRGINIA, USA

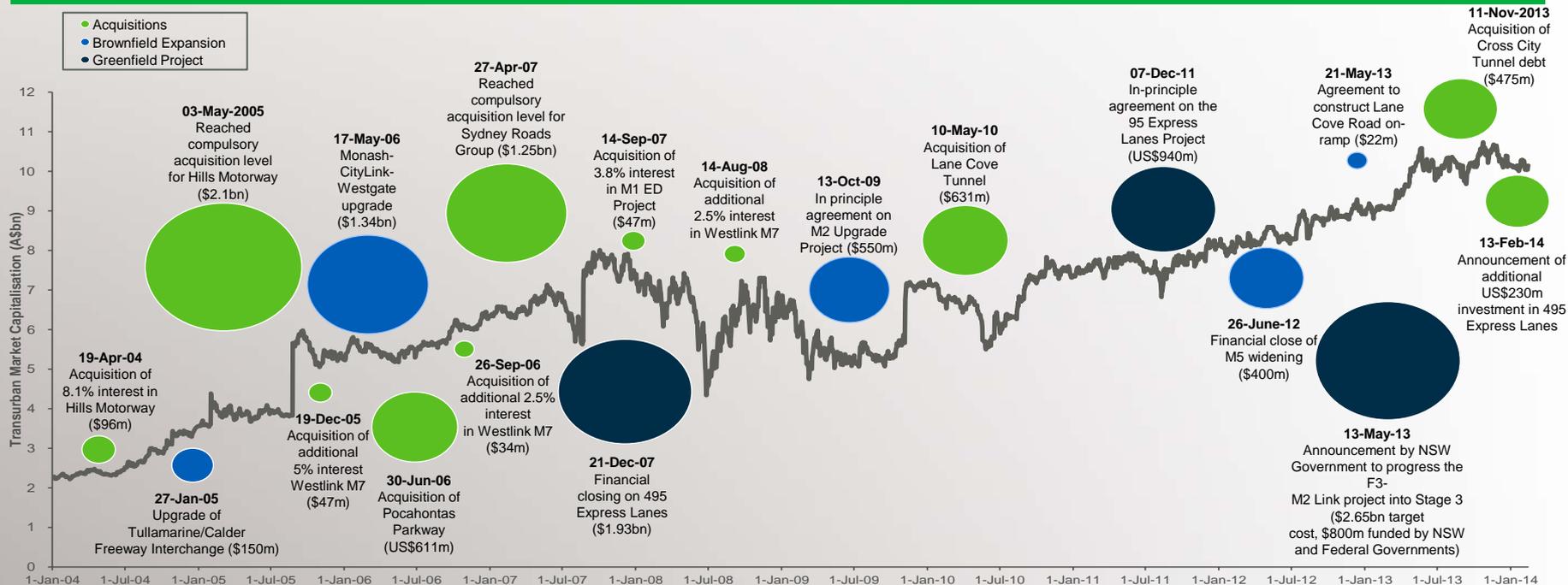


TRANSURBAN TRACK RECORD

TRACK RECORD OF INVESTMENT IN MAJOR ROAD NETWORKS

Transurban has led every major toll road upgrade undertaken in Australia by the private sector in the past 15 years.

Transurban's market capitalisation growth and investment / Development history since 2004



OWNER OPERATOR MODEL

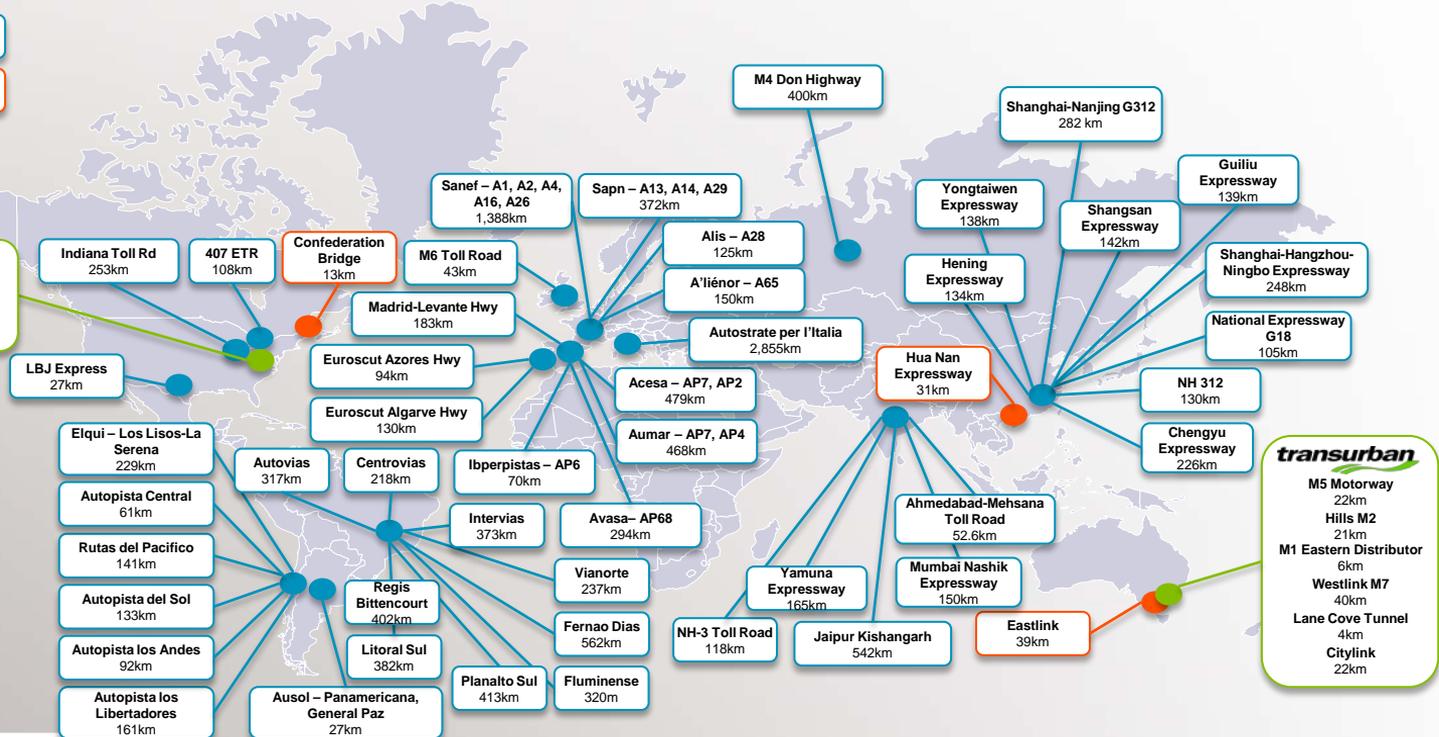
PROVEN MODEL GLOBALLY

Major privately owned and operated global toll roads

Significant ownership by a Strategic Player

Predominantly Financial Investors

transurban
495 Express Lanes
22km
95 Express Lanes
Under Construction



Source: publicly available information

HALF-YEAR HIGHLIGHTS

FINANCIAL

Average daily
traffic growth –
Australian assets

3.4%

Proportional toll
revenue growth¹

13.1%

Proportional
EBITDA growth

11.1%

FY14 distribution
guidance increased

35¢

HALF-YEAR HIGHLIGHTS

DISTRIBUTION GROWTH

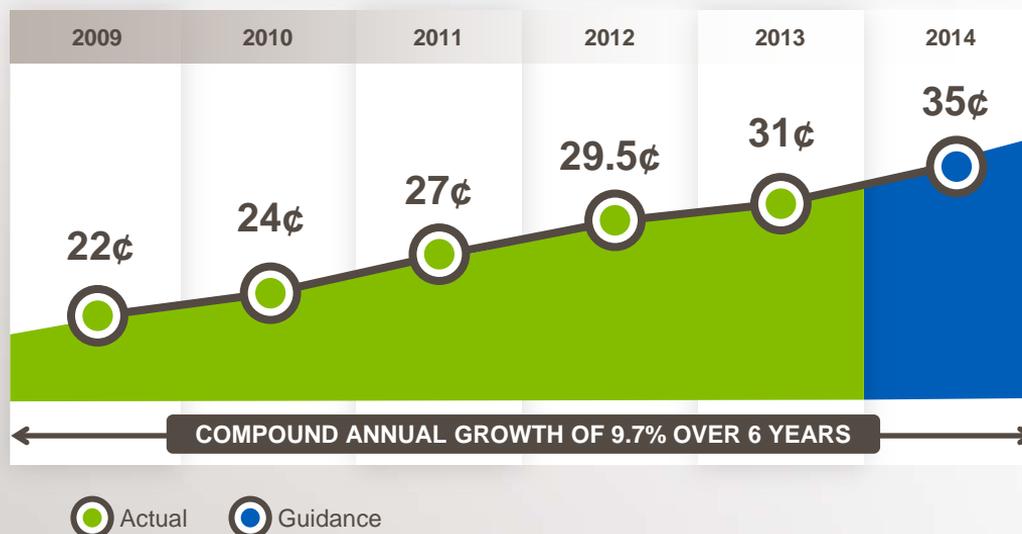
→ FY14 distribution guidance of 35 cents (increased from 34 cents)

- Expectation of 7 cent fully franked dividend component
- Expected to be 100% free cash covered

→ Interim distribution of 17 cents declared

- Inclusive of 3.5 cents fully franked dividend component

→ Development activities driving additional growth in distributions



HALF-YEAR HIGHLIGHTS

OPERATIONAL

TOLLING & CUSTOMER MANAGEMENT

- Work under way to roll out GLIDe tolling system on Sydney assets
- Dynamic tolling system on 495 Express Lanes operating well
- Improved online customer service platforms (mobile/tablet)
- Proactive follow up of unpaid late toll invoices – circa 20% reduction in the number of unpaid trips referred on to Civic Compliance Victoria to issue an infringement notice

OPERATIONS & MAINTENANCE

- Successfully completed major resurfacing on CityLink tunnels
- In-housing of Hills M2/LCT operations expected to occur from April 2014
- Enhanced asset management capability to improve oversight of O&M contractors on NSW assets
- Safety initiatives under way on CityLink to address overheight vehicle incidents

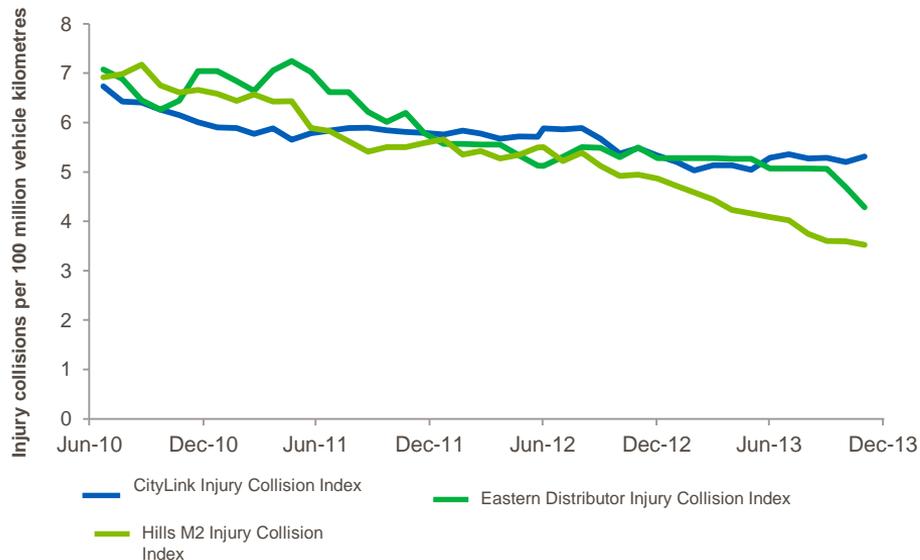
CORPORATE

- Inaugural debt capital markets financing for Transurban's NSW assets with A\$300m domestic bonds raised to refinance Airport Motorway bank debt
- Inaugural issuance of €500 million of secured fixed rate 7-year notes at attractive prices

HALF-YEAR HIGHLIGHTS

SAFETY

TRANSURBAN'S INJURY COLLISION INDEX (MAJORITY-OWNED ASSETS)



Incidents significantly lower on TCL roads above (CityLink, Hills M2, ED) compared to broader network. Serious injury rate per 100 million vehicle kilometres travelled (VKT) 50% – 80% below comparable state averages.

CUSTOMER SAFETY IMPROVEMENTS

NSW

- ➔ Upgrade to signage and traffic management system on Eastern Distributor under way as part of broader operations system upgrade

Victoria

- ➔ More than 100,000 hours worked in tunnel resheeting project with zero injuries
- ➔ More than 100,000 vehicles carried safely and efficiently along the tunnel detour routes

USA

- ➔ 95 Express Lanes project has achieved 2,056,680 construction hours without a lost-time incident as of 31 December 2013

HALF-YEAR HIGHLIGHTS

NETWORK DEVELOPMENT

VICTORIA

- Working with Victorian Government to develop interface with East-West Link
- Considering potential enhancement to parts of CityLink's Western Link as part of interface
- Traffic impacts to be determined

NSW

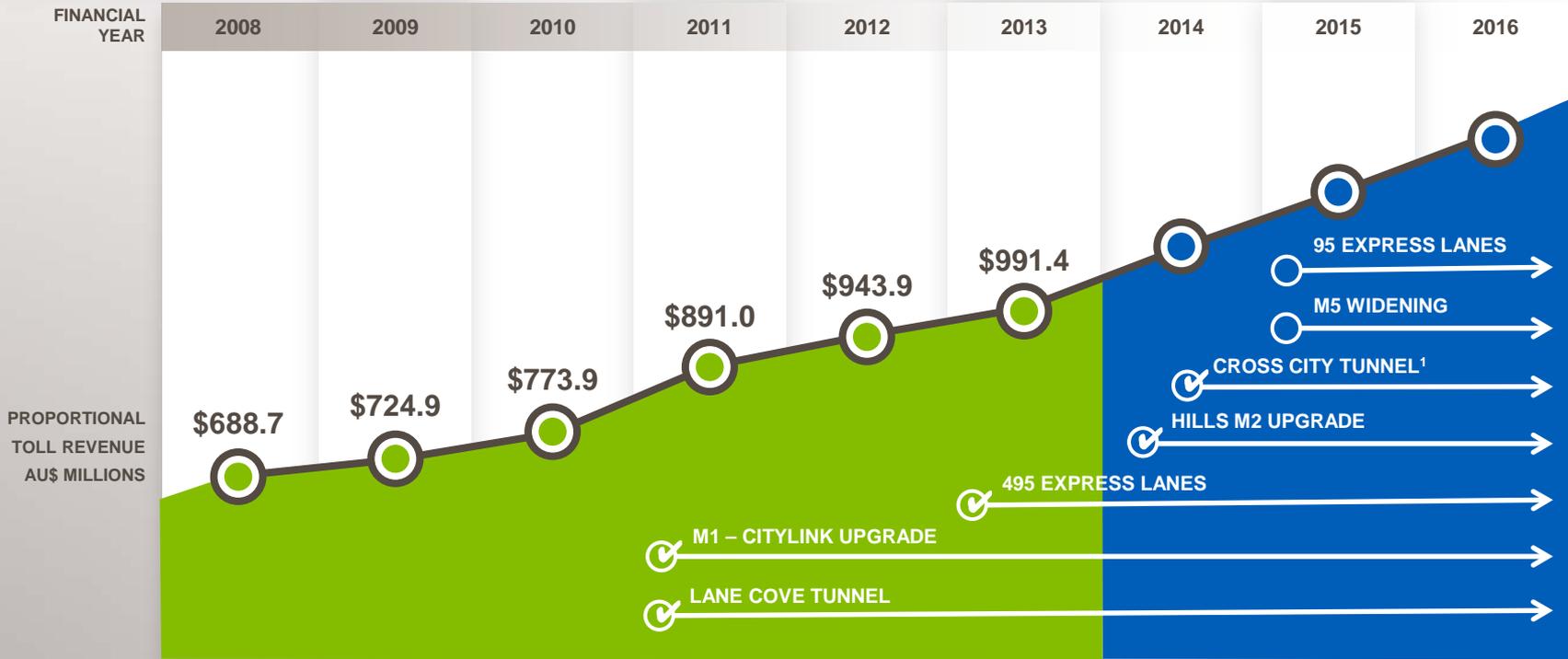
- M2 Upgrade complete
- M5 West Widening – 63% complete
- M1-M2¹ – preferred contractor and scheme to be selected in March. On track for financial close in calendar 2014
- Lane Cove Rd ramps under construction
- Cross City Tunnel – preferred bidder

USA

- 95 Express Lanes 66% complete
- Beltway capital restructure under way to ensure asset on sustainable footing
- Pocahontas handback discussions ongoing

HALF-YEAR HIGHLIGHTS

PORTFOLIO DEVELOPMENT



Figures for prior years reflect proportional toll revenue, excluding the M4.
Diagrammatic depiction only.

1. Transurban acquired the Cross City Tunnel debt in December 2013 and is confirmed as preferred bidder.

HILLS M2 UPGRADE

TRAVEL TIME SAVINGS

WESTBOUND



Hills M2

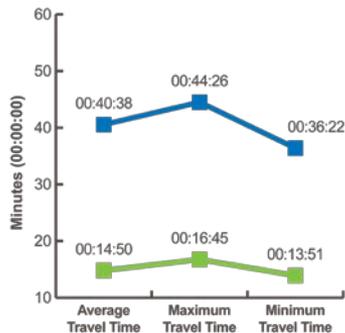


Alternate route

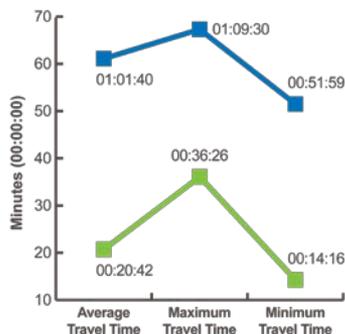
Alternate route: Old Windsor Road/Pennant Hills Road/Carlingford Road/Epping Road between Seven Hills Road and Lane Cove Tunnel

EASTBOUND

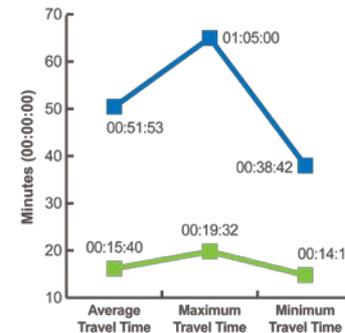
AM TRAVEL (7am – 9am)



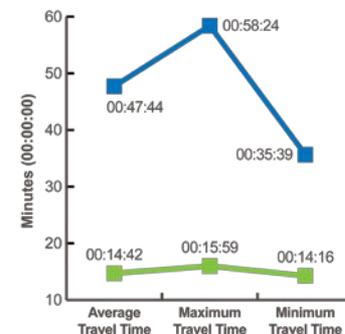
PM TRAVEL (4pm – 6pm)



AM TRAVEL (7am – 9am)

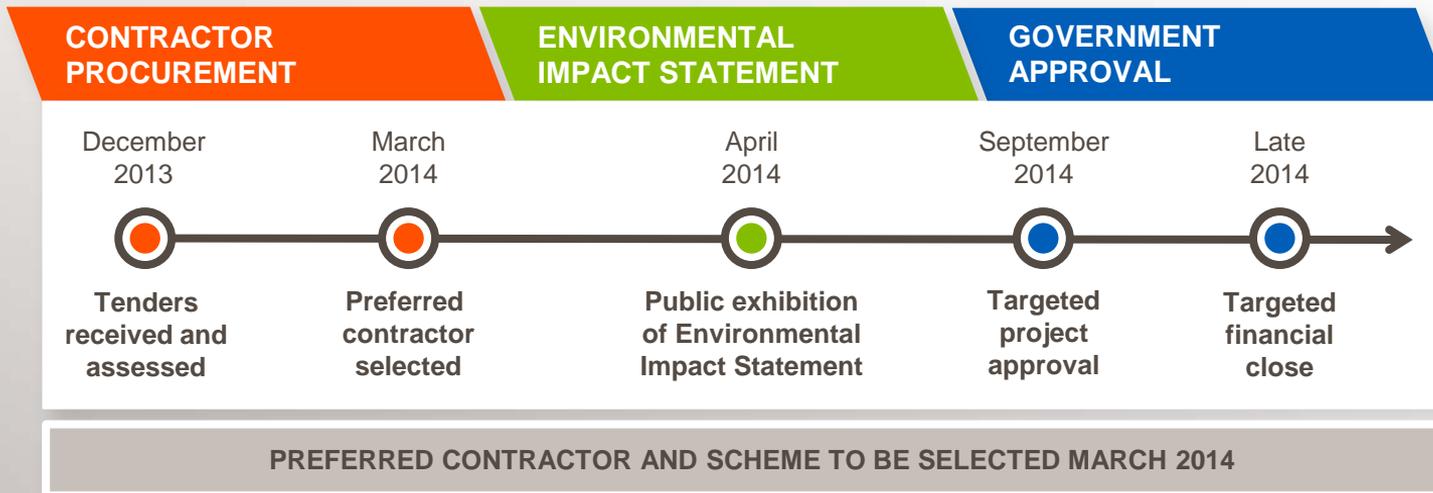


PM TRAVEL (4pm – 6pm)



M1-M2 PROPOSAL

KEY MILESTONES



M1-M2 PROPOSAL

A NEW PROCUREMENT MODEL

COMPARATIVE ADVANTAGES OF PRIVATE SECTOR LED PROCUREMENT OF M1-M2

Outcome focus driving innovation

- Mandatory functional requirements document (8 pages) rather than prescriptive Scope of Work and Technical Criteria (1,000s of pages) – this enabled bidders to bring innovation
- Interactive process with bidders along the way enabled real time feedback – further enhanced innovation
- The innovation encouraged by the process delivered:
 - Three lane tunnel capacity
 - Heightened tunnel clearance
 - Enhanced sustainability outcomes
 - Enhanced customer service outcomes – aesthetics, ride quality, lower operating costs, lower life cycle costs
 - Enhanced operations outcomes
 - Outcomes with less impact on the community and improved basis for planning approval

Accelerated schedule

- Fast tracked procurement timeframe
- 16-week bid process
- Reduced costs for tenderers

Competitive tension

- Strong bidding consortiums
- Interactive process with bidders along the way enabled real time feedback – further enhanced strength of bids

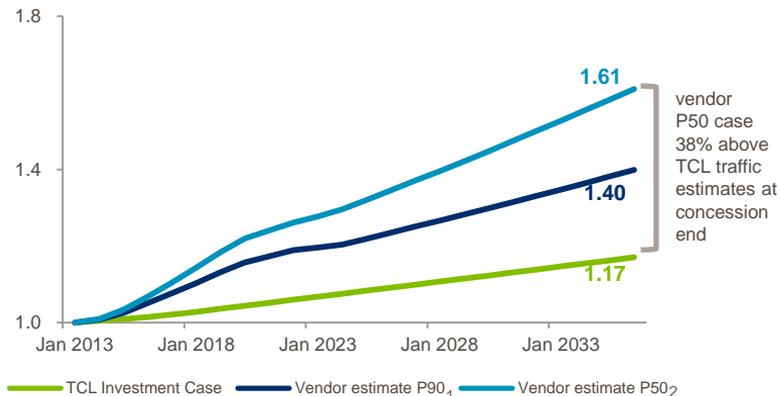
Cost savings

- Achieved D&C cost of less than \$2.65 billion

INVESTMENT DISCIPLINE

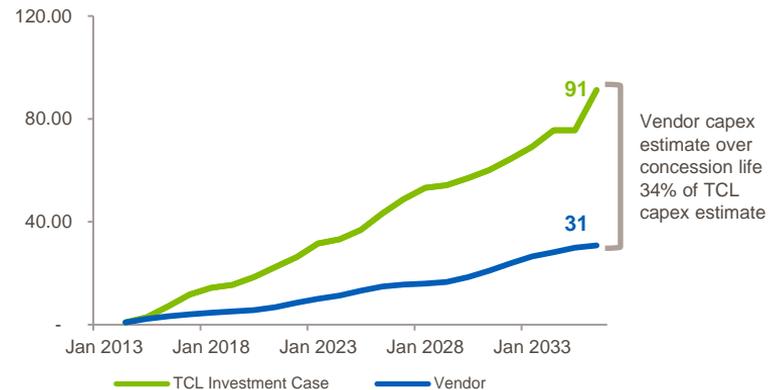
RECENT EXAMPLE

TRAFFIC COMPARISON – INDEXED



1. P90 case assumes 90% probability of meeting or exceeding forecast
2. P50 case assumes 50% probability of meeting or exceeding forecast

CUMULATIVE CAPEX COMPARISON – INDEXED



- ➔ Disciplined approach to assessment of key inputs
- ➔ Critical differences between Transurban assumptions and vendor model
 - Traffic model underpinned by extensive range of variables (i.e. supply/demand/capacity/time value of money)
 - Assuming small upside on individual inputs compounds exponentially in aggregate forecasts
 - Third party consultants typically supply key inputs to financial investors
 - Stronger alignment of interest through long-term owner / operator

QUEENSLAND

POTENTIAL NEW MARKET

- Network of QML assets presents strategic opportunities consistent with existing TCL networks
 - Sector specialist focused purely on road network operation and development
 - Complex network and future investment requirements present opportunities for TCL's operational and development expertise

- TCL well positioned to realistically assess opportunity
 - Industry leading network planning and forecasting team
 - Track record of customer innovation, tolling development and efficiency of operations
 - Proven partner to governments leveraging existing networks for further development
 - Disciplined approach to acquisitions with focus on security holder returns



QUEENSLAND

POTENTIAL NEW MARKET



- Process for sale of QML under way
- TCL participating alongside strategic partners
 - Consortium members among the largest Australian and global funds, including AustralianSuper – collectively manage ~\$77 billion in Australian superannuation funds with more than 2 million investing members/ security holders
- Potential roles for TCL include equity investor / operator / manager
- Distribution growth is a stated corporate objective and key consideration in reviewing investment opportunity
- If successful any equity contribution will be a mix of corporate debt and equity raising, which will preference an entitlement offer to facilitate participation by existing security holders
- While TCL will not generally be drawn by speculation to comment on the process it will provide market updates in accordance with its continuous disclosure obligations

CONCLUSION

PORTFOLIO MANAGEMENT

- Continuing focus on operational efficiencies and active network management
- Expansion of Transurban's networks continuing in key markets
 - M5 widening
 - M1-M2 link
 - 95 Express Lanes

FREE CASH GROWTH

- Strong first half free cash supports full year growth outlook
- FY14 distribution guidance increased to 35 cents
- Forecast 12.9% distribution growth in FY14
- Implied 16.3% growth in free cash in FY14

NEW OPPORTUNITIES

- Victorian opportunities to expand Western Link section of CityLink
- CCT provides potential platform for further expansion on Sydney network