

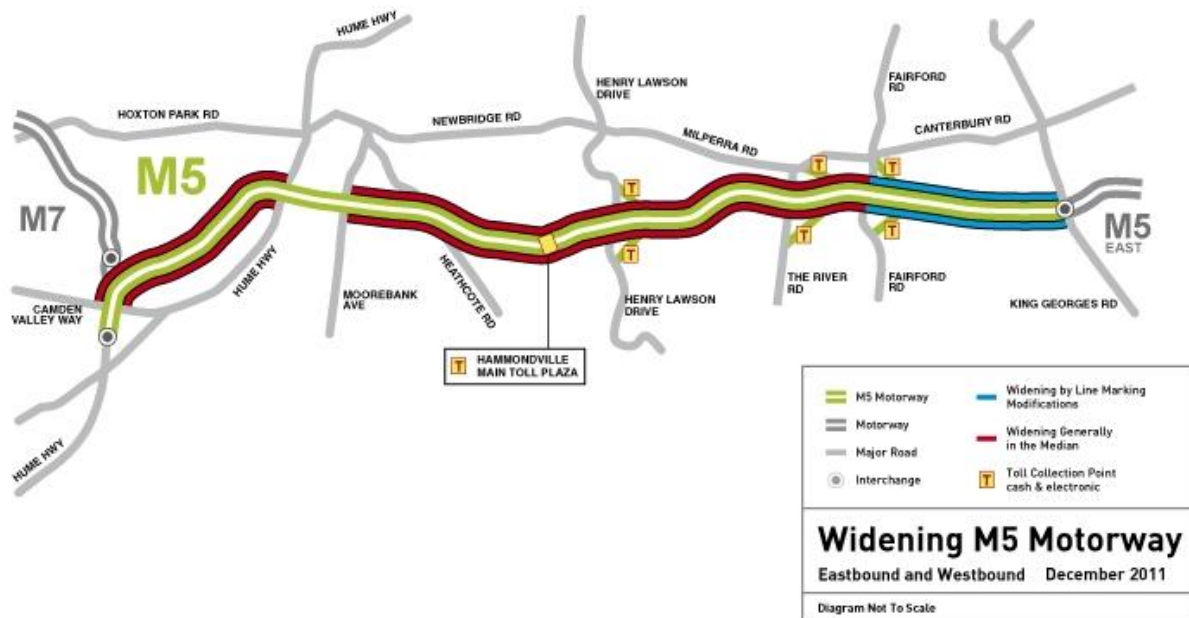
21 December 2011

In-principle agreement on M5 Widening Project

Transurban announces today that Interlink Roads Pty Limited (Interlink) has signed an in-principle agreement with the NSW Government for a major upgrade of the M5 South West Motorway. Transurban is a 50% shareholder in Interlink.

In accordance with this in-principle agreement, Interlink and the NSW Government will now finalise detailed project documentation with construction commencement targeted for mid 2012.

The \$400 million¹ project, of which the NSW Government will fund approximately \$50 million directly, will add an extra lane in each direction over the 22 kilometres of the facility from Camden Valley Highway at the western end through to King Georges Road in the east.



“This is a great outcome for commuters in the south west of Sydney, and better connects Australia’s largest airport, Australia’s second largest port and some of the fastest growing industrial, commercial and residential centres in the country” said Transurban’s Chief Executive Officer, Chris Lynch.

“Transurban believes that Interlink, in partnership with the NSW Government, has achieved the right balance between excellent commuter outcomes, a fair risk allocation between the private and public sectors and a suitable return for Transurban security holders”.

“We now look forward to working with the NSW Government to move this in-principle agreement to the final contract stage and getting moving on this important road network improvement for Sydney.”

¹ Approximate and subject to final contract details and scope.

Classification **Public**

Transurban Group

Transurban International Limited
ARBN 121 746 825

Transurban Holdings Limited
ABN 86 098 143 429

Transurban Holding Trust
ABN 30 169 362 255
ARSN 098 807 419

email@transurban.com.au
www.transurban.com.au

Level 3
505 Little Collins Street
Melbourne Victoria 3000
Australia
Telephone +613 9612 6999
Facsimile +613 9649 7380

Level 5
50 Pitt Street
Sydney NSW 2000
Australia
Telephone +612 9254 4900
Facsimile +612 9254 4990

In accordance with the in-principle agreement, key project details are:

Project cost

- Approximately \$400 million total capital cost (with approximately \$50 million funded directly by the NSW Government)

Project funding / return

- Extension of the Concession term by a period of 3.3 years (being 3 years and 110 days) which will extend the Concession end date from August 2023 to December 2026
- An increase in the truck toll multiplier to 3 times the car toll (to be escalated from its current level of approximately 2.2 times over 8 calendar quarters following construction completion)
- Traffic uplift as a result of the additional lane in each direction
- The NSW Government will be directly contributing approximately \$50 million towards the total capital cost (predominately towards the cost of noise walls and other noise mitigation measures)

Project financing


- The Interlink works, budgeted at approximately \$350 million, will be funded by approximately 40% shareholder contributions (\$140 million) and 60% non-recourse debt at the M5 asset (\$210 million)
- Transurban retains a 50% shareholding in Interlink, resulting in a shareholder contribution of approximately \$70 million
- Final funding details will be provided at financial close

Construction

- Interlink will be responsible for the completion of an extra lane in each direction for the full length of the M5 West Motorway
- Interlink has agreed a 'not-to-exceed' construction price with a leading Australian contractor. The proposed fixed-price, fixed-time contract will be finalised at contractual close
- Construction is currently scheduled to take approximately 2 – 2.5 years from the time of financial close

Tolls

- Truck tolls will move to 3 times car tolls (up from approximately 2.2 times currently)
- No toll price changes for cars (outside of usual CPI-based toll increases)



Amanda Street

Company Secretary

Investor and media enquiries

Wesley Ballantine +61 3 8656 8904

General Manager Investor Relations, Media and Government

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