

# asx release

13 February 2014

## Transurban Investor Presentation

Please find attached the Investor Presentation that will be given to analysts this morning.



**Amanda Street**  
Company Secretary

For further information please contact:

**Henry Byrne**

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0438 564 245

Classification **Public**

**Transurban Group**

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HILLS MOTORWAY	
TOLL CHARGES	
MOTOR CYCLES	} \$ 2.11
CARS INCL. TRAILERS	
OTHERS	
	\$ 6.35
TOLL APPLIES NO CASH BOOTHS	
	
	

START  
MOTORWAY

# 2014 HALF-YEAR RESULTS

13 FEBRUARY 2014

# DISCLAIMER & BASIS OF PREPARATION

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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.

Proportional EBITDA is reconciled to the statutory income statement on slides 41 to 47.

## 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). Free cash is reconciled to operating cash flows on slide 49.

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.

# AGENDA

1 Half-year in review

2 Financial results

3 Market update

4 Conclusion

# FY14 HALF-YEAR REVIEW

SCOTT CHARLTON  
CHIEF EXECUTIVE OFFICER



# HALF-YEAR HIGHLIGHTS

## FINANCIAL

Average daily  
traffic growth –  
Australian assets

**3.4%**

Proportional toll  
revenue growth<sup>1</sup>

**13.1%**

Proportional  
EBITDA growth

**11.1%**

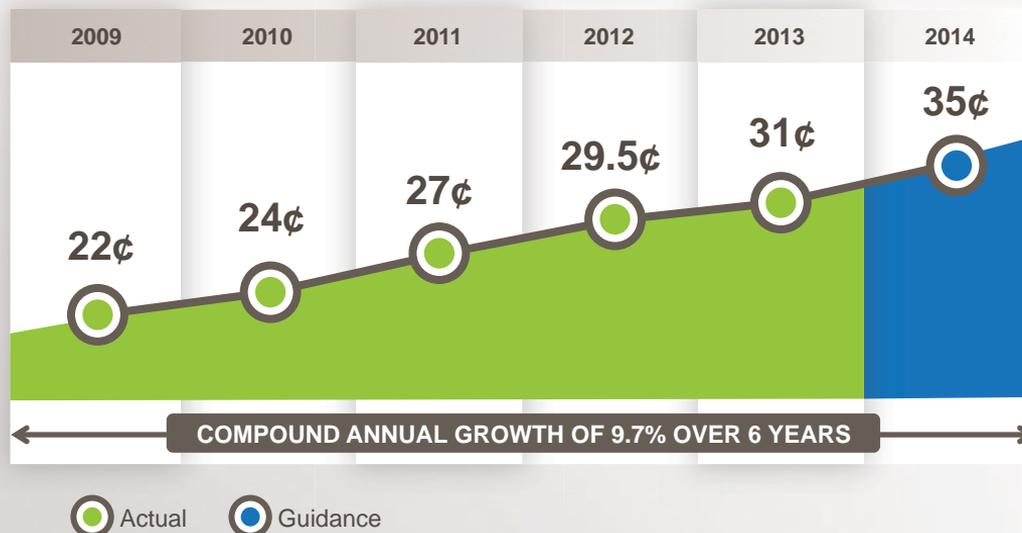
FY14 distribution  
guidance increased

**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

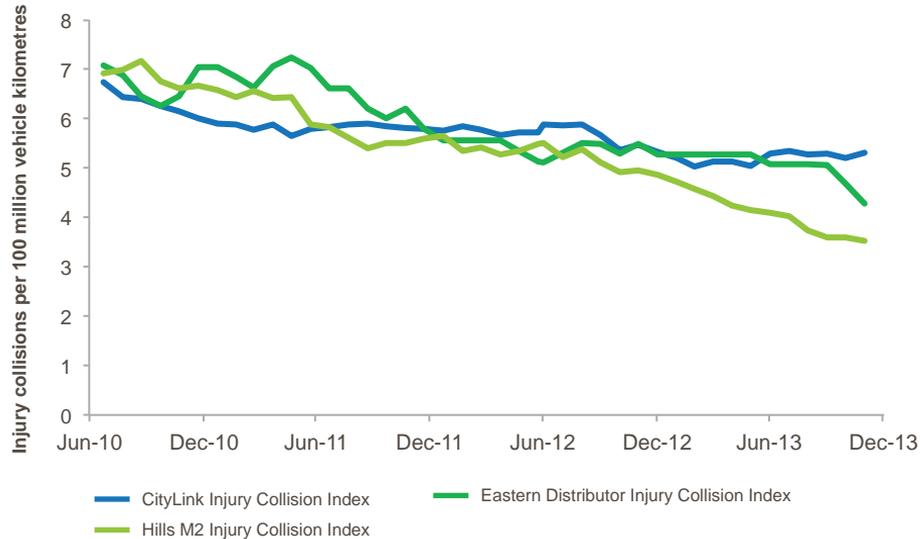
### CORPORATE

- 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-M2<sup>1</sup> – 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 PERFORMANCE<sup>1</sup>

% OF PROPORTIONAL TOLL REVENUE	ASSET	TRAFFIC GROWTH (%)	TOLL REVENUE GROWTH (%)	EBITDA GROWTH (%)
<b>48.5%</b>	CityLink	2.1%	8.6% <sup>3</sup>	11.3%
<b>16.9%</b>	Hills M2	12.6%	32.3%	37.0%
<b>6.2%</b>	Lane Cove Tunnel	8.7%	11.5%	21.2%
<b>7.1%</b>	M1 Eastern Distributor	2.5%	3.7%	(8.7%) <sup>4</sup>
<b>10.3%</b>	Westlink M7	7.5%	9.5%	15.4%
<b>8.4%</b>	M5 South West Motorway	(2.6%)	(3.2%)	(1.0%)
<b>1.2%</b>	Pocahontas 895 (USD)	1.2%	6.6%	15.2%
<b>1.4%</b>	495 Express Lanes <sup>2</sup>	N/A	N/A	N/A

1. Growth vs pcp

2. 495 Express Lanes opened to traffic on 17 November 2012. Due to incomplete prior period, growth comparison not included in table above.

3. Due to the timing of processing and revenue accruals related to the bedding down of a new tolling and customer billing system in FY12/FY13, a negative adjustment of \$3.3 million was made in the prior corresponding half, and the growth numbers quoted above have been normalised to remove this \$3.3 million adjustment from the prior corresponding half's result. Including this adjustment would increase CityLink revenue growth to 10.0% and EBITDA growth to 13.0%.

4. Eastern Distributor roadside system upgrade, operating system upgrade and resurfacing preparatory work contributed to maintenance provision increases.

# 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.

# 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 policy<sup>1</sup>
- 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

# HALF-YEAR FINANCIAL RESULTS

**SAMANTHA HOGG**  
CHIEF FINANCIAL OFFICER



# STATUTORY RESULTS

## SUMMARY

	HY 2014 (\$M)	HY 2013 (\$M)	
Net Profit	80.9	81.1	- 0.2%
Toll Revenue	450.6	397.7	+ 13.3%
Fee & Other Road Revenue	47.0	41.7	+ 12.7%
EBITDA (Statutory Basis)	381.1	340.8	+ 11.8%

### FY14 H1 Distributions

Interim distribution of 17.0 cents, including 3.5 cent fully franked component –FY14 distribution guidance of 35 cents

# STATUTORY RESULTS

HALF-YEAR TO 31 DECEMBER 2013

	31 DEC 13 (\$M)	31 DEC 12 (\$M)	% CHANGE
Toll revenue	450.6	397.7	13.3%
Fee and other revenue	47.0	41.7	12.7%
Construction revenue	53.7	124.6	(56.9%)
Business development & other revenue	20.6	21.2	(2.8%)
<b>Total revenue</b>	<b>571.9</b>	<b>585.2</b>	<b>(2.3%)</b>
Operating costs	(112.9)	(97.0)	(16.4%)
Corporate costs	(17.7)	(22.8)	22.4%
Business development costs	(9.2)	(8.8)	(4.5%)
Construction costs	(51.0)	(115.8)	56.0%
<b>Total costs</b>	<b>(190.8)</b>	<b>(244.4)</b>	<b>21.9%</b>
<b>EBITDA</b>	<b>381.1</b>	<b>340.8</b>	<b>11.8%</b>
Depreciation and amortisation	(159.7)	(154.9)	(3.1%)
Finance income	58.3	53.9	8.2%
Finance costs	(187.7)	(177.8)	(5.6%)
<b>Net finance costs</b>	<b>(129.4)</b>	<b>(123.9)</b>	<b>(4.4%)</b>
Share of equity accounted losses	(15.1)	0.9	(1,777.8%)
<b>Profit before tax</b>	<b>76.9</b>	<b>62.9</b>	<b>22.3%</b>
Tax benefit	4.0	18.2	(78.0%)
<b>Net profit</b>	<b>80.9</b>	<b>81.1</b>	<b>(0.3%)</b>

# PROPORTIONAL RESULTS

## SUMMARY

	HY 2014 (\$M)	HY 2013 (\$M)	
Toll Revenue	556.2	491.8	+ 13.1%
Fee Revenue	45.5	36.1	+ 26.0%
TTMS & Other Revenue	26.6	34.7	- 23.3%
Total Direct Costs	(175.1)	(155.3)	- 12.7%
EBITDA (Proportional Basis)	463.2	416.9	+ 11.1%

Key drivers include new 495 Express Lanes fee revenue and improvements in violations recovery processes on CityLink

→ Underlying costs increased 6.7% excluding 495 operating costs, TTMS costs and the acceleration of former CEO LTI costs in prior year

→ 495 Express Lanes commenced operations 17 November 2012 – \$10.4m increase vs prior corresponding period (pcp)

→ Maintenance provision adjustments – \$6.3m increase (excludes \$2.7m of 495 Express Lanes maintenance provision) vs pcp

→ Business development cost increases \$2.6m vs pcp

# PROPORTIONAL RESULTS

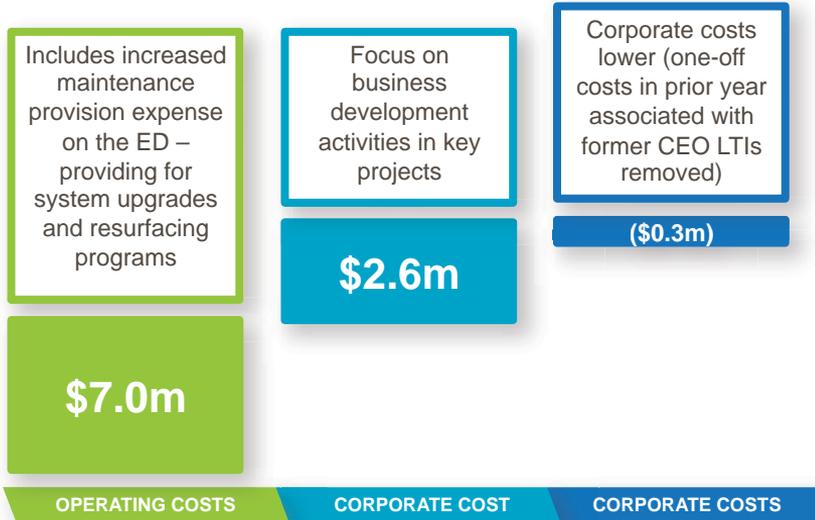
HALF-YEAR TO 31 DECEMBER

	31 DEC 13 (\$M)	31 DEC 12 (\$M)	% CHANGE
Toll revenue	556.2	491.8	13.1%
Fee revenue	45.5	36.1	26.0%
TTMS revenue	17.0	18.3	(7.1%)
Other revenue	9.6	16.4	(41.4%)
<b>Total revenue</b>	<b>628.3</b>	<b>562.6</b>	<b>11.7%</b>
Operating costs	(132.2)	(114.9)	(15.1%)
Business development costs	(10.3)	(7.7)	(33.8%)
Corporate costs	(18.3)	(23.3)	21.5%
TTMS development costs	(14.3)	(9.4)	(52.1%)
<b>Total direct costs</b>	<b>(175.1)</b>	<b>(155.3)</b>	<b>(12.7%)</b>
Capitalised overheads	10.0	9.6	(4.2%)
<b>Proportional EBITDA</b>	<b>463.2</b>	<b>416.9</b>	<b>11.1%</b>
Proportional net finance costs paid	(214.4)	(192.4)	(11.4%)
Proportional taxation paid	(11.9)	(16.4)	27.4%

# DIRECT COSTS

- Direct costs increased \$19.8 million – 12.7%
  - New 495 Express Lanes operations – \$10.4m increase vs pcp
  - TTMS development costs \$4.9 million increase vs pcp
- Underlying costs increased \$9.3 million – 6.7% excluding:
  - 495 Express Lanes and TTMS development costs in current half
  - Acceleration of former CEO LTI costs of \$4.7 million in pcp

## COMPONENTS OF \$9.3M UNDERLYING COST INCREASE



# MARGIN GROWTH

## CONSISTENT PORTFOLIO PERFORMANCE

ASSET	EBITDA MARGIN H1 FY14	EBITDA MARGIN H1 FY13	EBITDA MARGIN % CHANGE
CityLink	90.3%	87.9%	2.4%
Hills M2	83.7%	80.8%	2.9%
Lane Cove Tunnel	64.7%	59.4%	5.3%
M1 Eastern Distributor	64.8%	73.7%	(8.9%)
Westlink M7	83.3%	79.0%	4.3%
M5 South West Motorway	94.0%	91.9%	2.1%
Pocahontas 895 (USD)	62.0%	57.4%	4.6%
495 Express Lanes <sup>1</sup> (USD)	(35.5%)	N/A	N/A

Consistent margin growth across all assets in the portfolio with the exception of the Eastern Distributor

Tolling system and operating system upgrades and preparatory work for resurfacing contributing to maintenance provision increases

# FREE CASH FLOW

FREE CASH FLOW	31 DEC 13 (\$M)	31 DEC 12 (\$M)	% CHANGE
Free cash <sup>1</sup>	240.0	192.8	24.5%
Underlying free cash per security (cents) – weighted average securities on issue at half-year end	16.2	13.2	22.7%

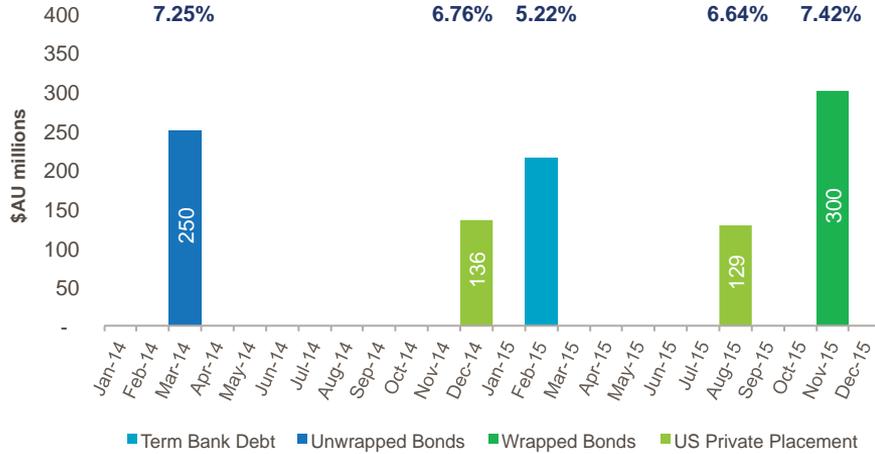
- Network enhancements in Sydney contributing to growth
- Historical weighting of cash to second half
  - Price escalation and volume growth
  - Payment of employee incentives in first half

1. Refer slide 2 for explanation of free cash.

# FUNDING UPDATE

## REFINANCING OPPORTUNITIES

### COST<sup>1</sup> OF MATURING CORPORATE DEBT<sup>2</sup>



Average cost<sup>1</sup> of near-term maturing debt<sup>2</sup>

**6.7%**

Corporate credit rating<sup>3</sup>: **A- / Baa1 / A-**

RECENT TRANSURBAN FINANCINGS	RATING <sup>3</sup>	A\$ COST
€500 EMTN (Oct 2013)	A- / Baa1 / A-	5.8% <sup>4</sup>
\$300m domestic MTN for Eastern Distributor (Dec 2013)	- / A3 / A-	5.5%

1. Cost after interest rate and cross currency swaps.  
 2. Excludes short term bridge facility (\$275m) used to fund Cross City Tunnel (CCT) debt acquisition.  
 3. S&P / Moody's / Fitch  
 4. All in cost after cross currency swaps of the proceeds that were swapped to A\$.

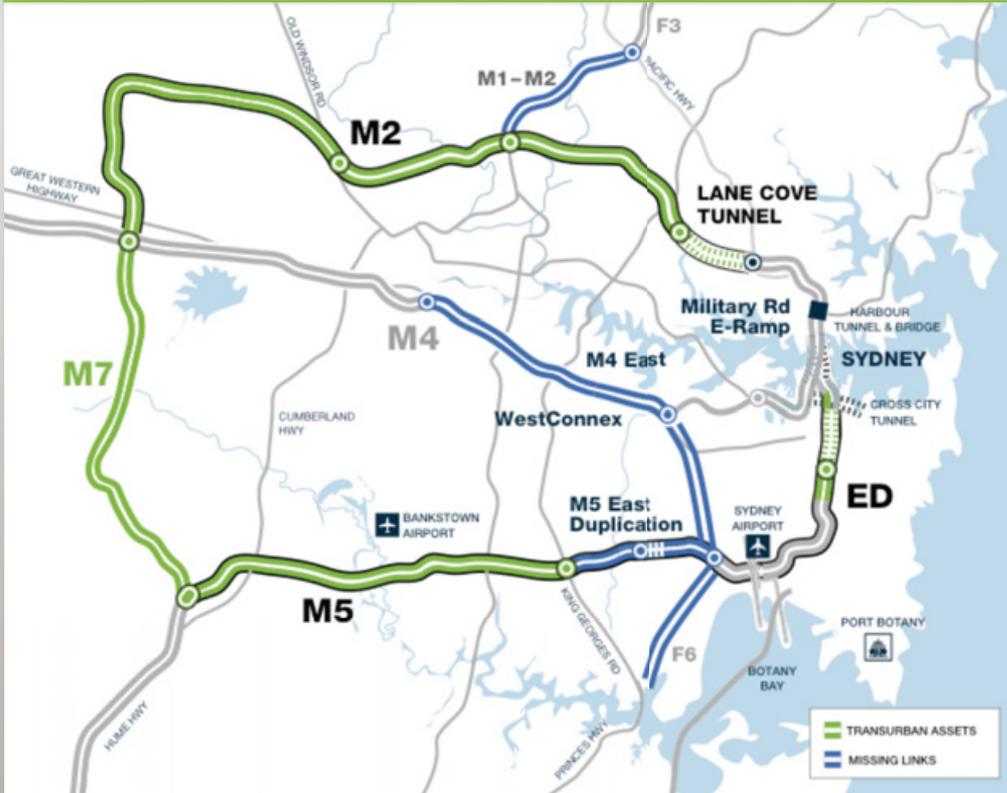
# MARKET UPDATE

SCOTT CHARLTON  
CHIEF EXECUTIVE OFFICER



# NSW MARKET

## NETWORK DEVELOPMENT



- ➔ Hills M2 Upgrade completion driving traffic uplift in corridor
  - Average traffic growth across Hills M2, Westlink M7 and LCT was 10.7% for the December quarter
- ➔ Further network enhancements being developed
  - Lane Cove Rd on-ramps
  - Financial close of M1-M2 on track for late calendar 2014
- ➔ M5 West Widening project 63% complete
- ➔ Watching brief on progress of WestConnex project being developed by NSW Government

# HILLS M2 UPGRADE

## TRAVEL TIME SAVINGS

### WESTBOUND



Hills M2

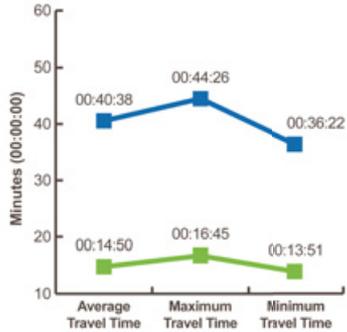


Alternate route

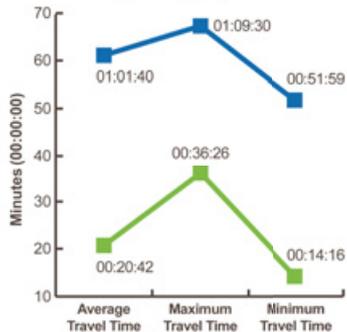
Alternate route: Old Windsor Road/Pennant Hills Road/Carlingford Road/Epping Road between Seven Hills Road and Lane Cove Tunnel

### EASTBOUND

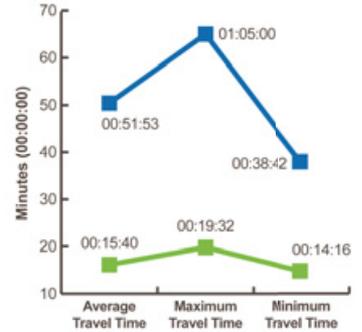
#### AM TRAVEL (7am – 9am)



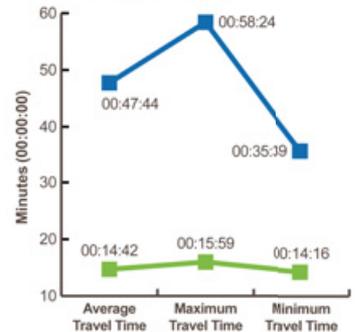
#### PM TRAVEL (4pm – 6pm)



#### AM TRAVEL (7am – 9am)

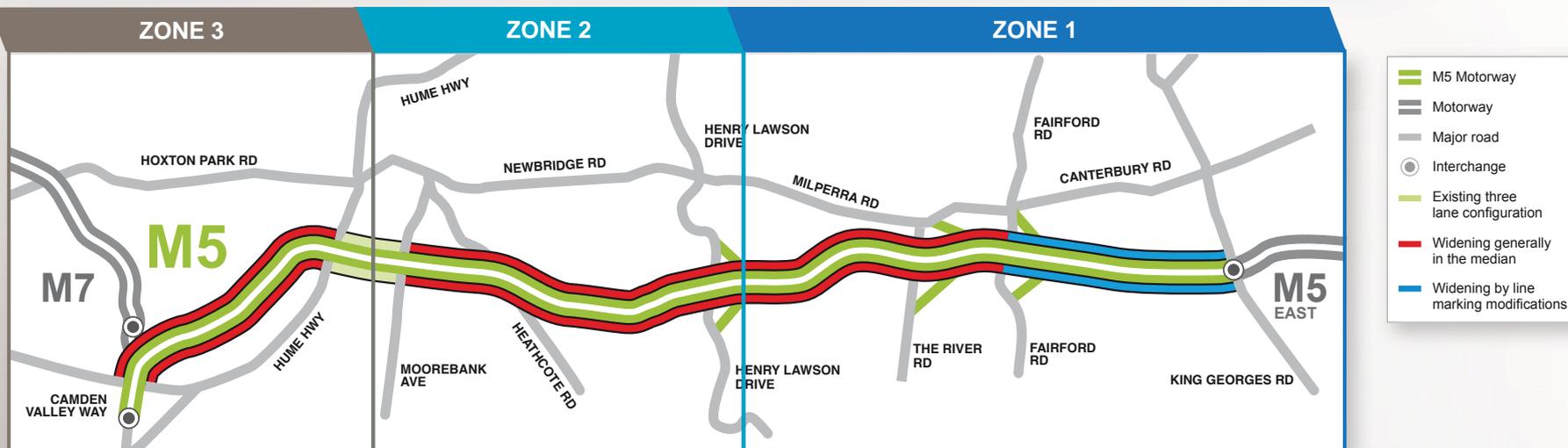


#### PM TRAVEL (4pm – 6pm)



# M5 WEST WIDENING

TARGETING STAGED LANE OPENINGS MID 2014

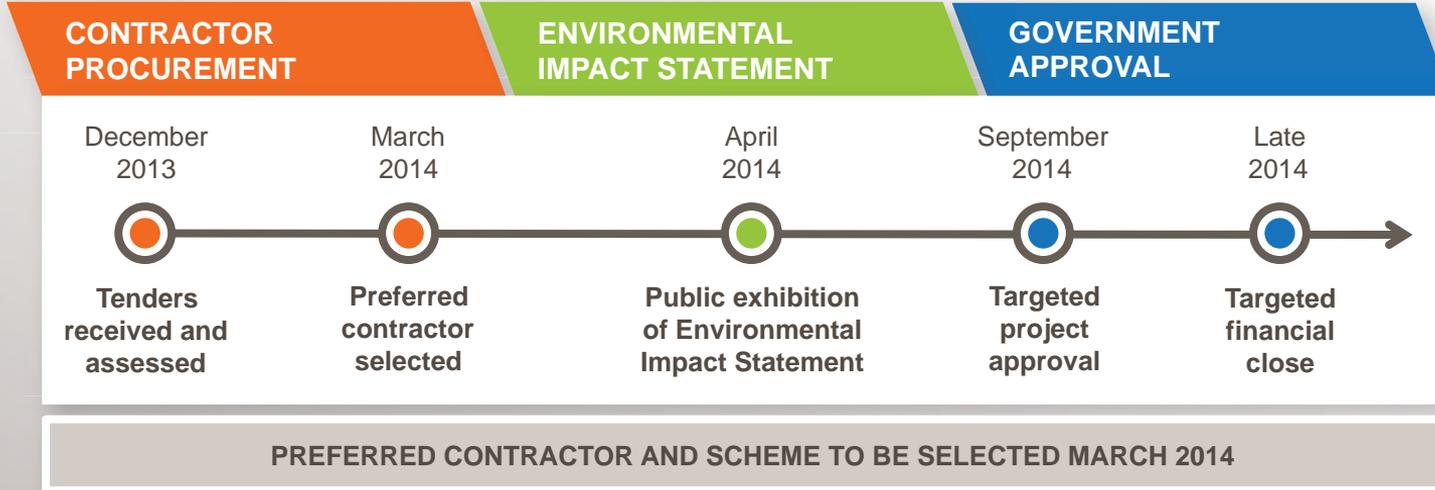


→ Anticipated staged lane openings commencing April 2014

→ Full lane availability targeted for October 2014

# 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

# CROSS CITY TUNNEL

EXPANDING NETWORK FOOTPRINT

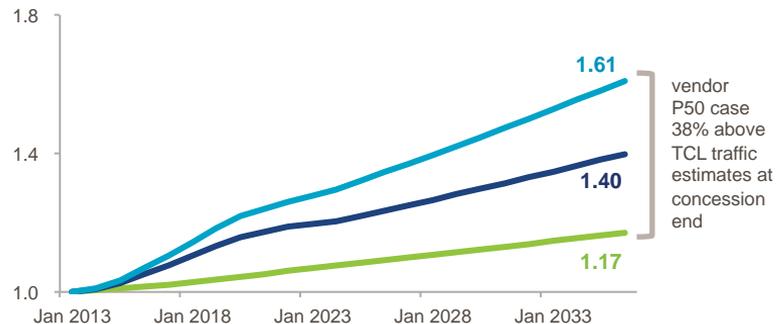


- Senior secured debt acquired in December 2013 for \$475 million
- Conclusion of receiver's asset sale process anticipated first half 2014
- Transurban preferred bidder in sale process
- Opportunity for operational synergies with adjoining Eastern Distributor (75.1% TCL owned)
- Potential to build on network position and focus on enhancing customer services and network more broadly

# INVESTMENT DISCIPLINE

## RECENT EXAMPLE

### TRAFFIC COMPARISON – INDEXED

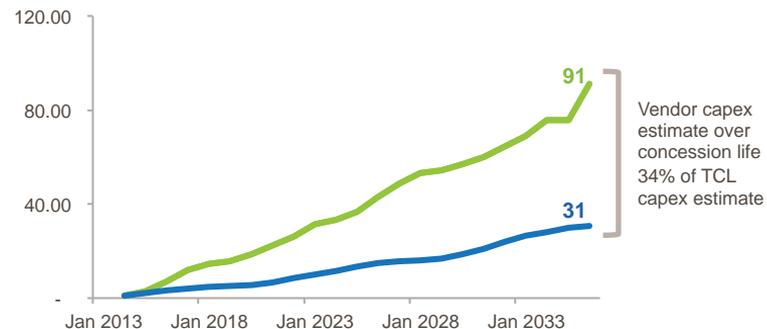


vendor P50 case 38% above TCL traffic estimates at concession end

— Vendor estimate P90 — Vendor estimate P50 — Vendor estimate P502

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



Vendor capex estimate over concession life 34% of TCL capex estimate

— Vendor — Vendor estimate P50

- ➔ 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

# VICTORIA

## NETWORK DEVELOPMENT



### CityLink enhancements

- ➔ Continuing work with VicRoads on improvements to Western Link / West Gate freeway interchange congestion points
- ➔ Motorcycle tolling introduced 1 January 2014

### East-West Link

- ➔ Working closely with Victorian Government to develop interface and assess impact to CityLink
- ➔ Victorian Government is considering enhancements including provision of new lanes in both directions on parts of CityLink to provide for merging traffic to and from CityLink and East-West Link

# VICTORIA

## ACTIVE NETWORK MANAGEMENT

- Successful resurfacing of CityLink tunnels completed
  - First resurfacing of tunnels since motorway opening; expected to have 15-year lifespan
  - Program delivered ahead of time and budget
- Ongoing cost efficiencies derived from tolling system and back office improvements
  - Improved web and mobile functionality for customers
  - Increased customer migration to online self-service
  - Call centre contract review – reduced call rate and hours

### ADDRESSING OVERHEIGHT VEHICLE INCIDENTS

#### CityLink overheight vehicle detection system upgrade

1. Additional height detectors
2. Additional communications
3. Revised protocols

**Cost to replace infrastructure**  
up to  
**\$80,000**  
per incident

**Average stoppage time** on mainline for cleanup –  
**1.5 hours**

**Overheight vehicle incidents**  
**11** in 2013  
– causing significant disruption to network

- Overheight vehicle incidents remain an issue for all road tunnels on Transurban networks in NSW and Victoria
- Ongoing work with governments in NSW and Victoria to ensure more consistent and effective enforcement regimes to minimise network impacts
- Broader economic cost estimated at up to A\$1m per incident

# USA

## NETWORK DEVELOPMENT



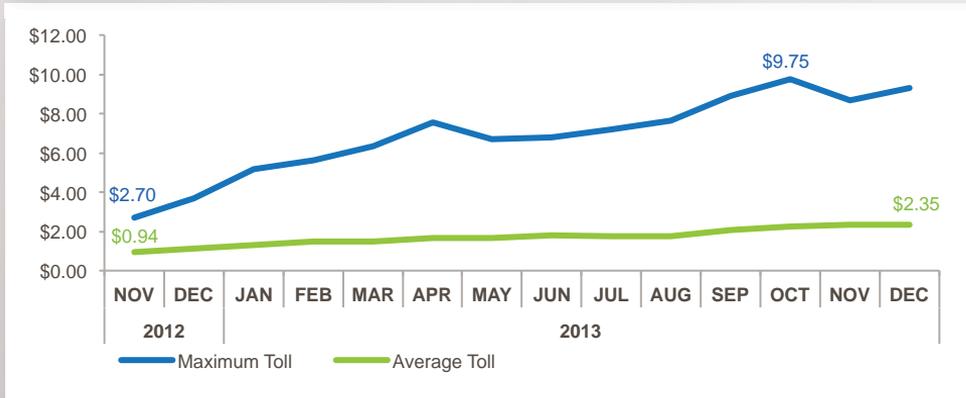
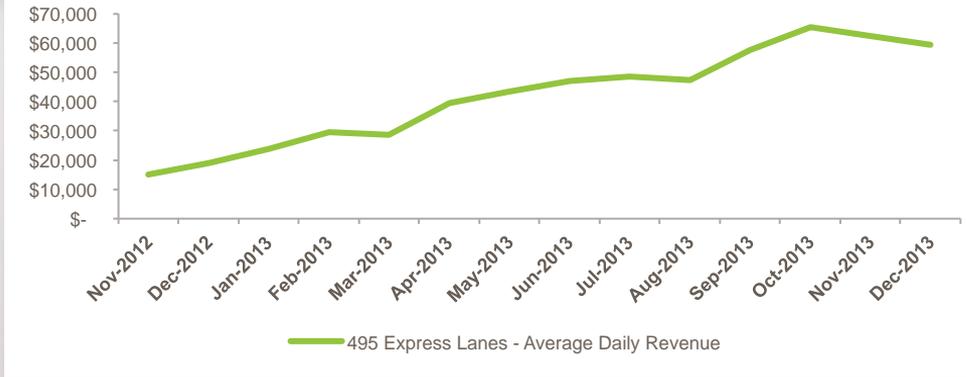
### Existing network

- Focus on 495 Express Lanes ramp up and delivery of 95 Express Lanes
- VDOT funded 2-mile extension of the merge area of the northern terminus of the 495 Express Lanes– anticipated completion late 2014
- Driving operational improvements on 495 Express Lanes
  - Reduced operating costs through partnership with governments
  - Speed limit increase in first year contributed to road user benefits
  - Enhanced motorway signage to assist with customer use of Express Lanes
- Capital restructure of 495 Express Lanes
  - Debt to be partially repaid through a combination of additional equity investment and release of existing liquidity reserves

# 495 EXPRESS LANES

## REVENUE AND PRICING PROFILE

- Traffic and revenue remain below project case expectations
  - Project review complete
  - Downward adjustment to traffic and revenue projections
  - Ramp-up profile extended
- December quarter average daily revenue US\$64,277 compared to US\$51,736 in September quarter
  - Record daily toll revenue of US\$123,604 on 19/12/2013
- December quarter seasonal impacts from holiday period compounded by Government shutdown and extreme weather



# 495 EXPRESS LANES

## CAPITAL RESTRUCTURE

- Working collaboratively with key stakeholders, including lenders, to ensure emerging revenue profile supports capital structure
- Approximately US\$430 million of project debt and related swaps expected to be repaid
  - Approximately US\$280 million additional equity investment
  - US\$150 million of existing liquidity reserves to be released and applied to debt repayment
- US\$50 million of liquidity reserves preserved in the asset
- Given expectations as to long-term value, TCL remains committed to northern Virginia market
- Express Lanes delivering strong transport policy outcomes and addressing stakeholder interests – embraced by commuters, public transport providers and governments

# 495 EXPRESS LANES

## STRONG POLICY OUTCOMES

### GOVERNMENT

- Substantial improvements to key part of northern Virginia network
- Involved transport project with both user pays and non-user pays options for road users
- Rehabilitated more than US\$250 million of ageing infrastructure including more than 50 bridges and overpasses

### CUSTOMERS

- Consistently faster, more predictable travel times
- Speed in Express Lanes during peak hour frequently more than double general-purpose lanes
- Guaranteed minimum speed in Express Lanes
- 24/7 incident response service
- Supports carpooling – free travel for cars with three or more passengers

### PUBLIC TRANSPORT

- Reliable travel times allowed reintroduction of bus services in corridor
- New Express Lanes bus service introduced to Tysons Corner – the region's major retail and employment centre
- In February 2013 bus operator revised its schedule due to average travel time saving of 20 minutes per bus trip
- New, safer routes across bridges on Capital Beltway for cyclists and pedestrians

# 95 EXPRESS LANES

## ON SCHEDULE FOR COMPLETION LATE 2014

### KEY PROJECT DIFFERENCES

FACTOR	495 EXPRESS LANES	95 EXPRESS LANES
Length	10 miles	29 miles; plus the ability to connect to 495 adding another 10-12 miles of free flow travel
Access/Egress	No slip lanes	Multiple entry and exit points on the mainline allows for more choices
Directionality	Dual direction	Reversible; directed at the peak direction each day
Average Toll Trip Length	Around 4-5 miles	Around 10 – 12 miles (improved value proposition)
Demographic input differences	Population/ employment/ wealth assumptions developed pre-GFC	Assumptions developed post GFC
Traffic data	No HOV lanes in corridor prior to Express Lanes project	Existing corridor configuration with HOV lanes provided decades of data and greater certainty for corridor travel times post implementation of Express Lanes
Construction timeframe	<ul style="list-style-type: none"> <li>5 year construction</li> <li>7 year period between initial traffic forecast and project opening</li> </ul>	<ul style="list-style-type: none"> <li>2.5 years construction</li> <li>3 year period between initial traffic forecast and project opening</li> </ul>

### CONSTRUCTION

### PROJECT COMPLETION

January  
2014

March  
2014

October  
2014

Late  
2014



**Project construction 66% complete**

**Roadside equipment testing starts**

**System integrated acceptance testing**

**Targeted project completion**

29-mile extension to the 495 Express Lanes system – 95 and 495 together will be more than 40 miles of express lanes

# 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

## FINANCIAL

### 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

# APPENDIX 1

DETAILED FINANCIALS



# RECONCILIATION

## STATUTORY EBITDA TO PROPORTIONAL EBITDA

	31 DEC 13 (\$M)	31 DEC 12 (\$M)	% CHANGE
<b>Statutory EBITDA</b>	<b>381.1</b>	<b>340.8</b>	<b>11.8%</b>
Less: EBITDA attributable to Non-controlling interest	(8.5)	(9.3)	8.6%
Add: M5 South West Motorway proportional EBITDA	44.0	44.5	(1.1%)
Add: Westlink M7 proportional EBITDA	47.8	41.4	15.5%
Add: Pocahontas 895 proportional EBITDA	4.1	3.2	28.1%
Add: 495 Express Lanes proportional EBITDA	(2.8)	(1.5)	(86.7%)
Add: DRiVe operations proportional EBITDA	(2.5)	(2.2)	(13.6%)
<b>Proportional EBITDA</b>	<b>463.2</b>	<b>416.9</b>	<b>11.1%</b>

# RECONCILIATION

STATUTORY INCOME STATEMENT TO EBITDA – 31 DECEMBER 2013

	\$ MILLIONS					TOTAL
	STATUTORY P&L	OTHER REVENUE REALLOCATION	NET BUSINESS DEVELOPMENT	OFFSET CONSTRUCTION ACCOUNTING DISCLOSURE UNDER AASB I 12	REALLOCATION OF CAPITALISED COSTS	
Toll revenue	450.6					450.6
Fee & other road revenue	47.0	0.7				47.7
Construction revenue	53.7			(36.7)		17.0
Business development and other revenue	20.6	(2.3)	(18.3)			–
<b>Total revenue</b>	<b>571.9</b>	<b>(1.6)</b>	<b>(18.3)</b>	<b>(36.7)</b>	<b>–</b>	<b>515.3</b>
Operating costs	(112.9)	1.6	11.6		(3.5)	(103.2)
Corporate costs	(17.7)				(1.2)	(18.9)
Business development costs	(9.2)		6.7		(5.2)	(7.7)
Construction costs	(51.0)			36.7		(14.3)
Capitalised overheads	–				10.0	10.0
<b>Total costs</b>	<b>(190.8)</b>	<b>1.6</b>	<b>18.3</b>	<b>36.7</b>	<b>–</b>	<b>(134.2)</b>
<b>EBITDA</b>	<b>381.1</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>381.1</b>
Depreciation and amortisation	(159.7)					(159.7)
Finance income	58.3					58.3
Finance costs	(187.7)					(187.7)
Share of equity accounted losses	(15.1)					(15.1)
<b>Profit before tax</b>	<b>76.9</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>76.9</b>
Income tax benefit	4.0					4.0
<b>Net profit for the year</b>	<b>80.9</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>80.9</b>

# RESULT BY ASSET – 100%

## CONSOLIDATED ASSETS – 31 DECEMBER 2013

	\$ MILLIONS							
	CITYLINK	HILLS M2	LANE COVE TUNNEL	TOLLAUST	M1 ED	ROAM	OTHER	TOTAL
Toll revenue	269.2	94.2	34.3	–	52.9	–	–	450.6
Fee & other revenue	26.0	3.0	1.4	9.3	1.4	3.7	19.9	64.7
<b>Total revenue</b>	<b>295.2</b>	<b>97.2</b>	<b>35.7</b>	<b>9.3</b>	<b>54.3</b>	<b>3.7</b>	<b>19.9</b>	<b>515.3</b>
Total cost	(52.1)	(18.4)	(13.5)	(0.4)	(20.0)	(5.5)	(24.4)	(134.2)
<b>EBITDA</b>	<b>243.1</b>	<b>78.8</b>	<b>22.2</b>	<b>8.9</b>	<b>34.3</b>	<b>(1.8)</b>	<b>(4.5)</b>	<b>381.1</b>
EBITDA margin	90.3%	83.7%	64.7%	–	64.8%	–	–	84.6%
Depreciation & amortisation	(72.9)	(37.0)	(12.3)	(0.4)	(26.0)	(0.1)	(10.9)	(159.7)
Net finance costs	(17.7)	(26.4)	(6.7)	0.1	(19.3)	0.1	(59.9)	(129.8)
Foreign exchange	–	–	–	–	–	–	0.4	0.4
Share of equity accounted losses	–	–	–	–	–	–	(15.1)	(15.1)
<b>Profit/(loss) before tax</b>	<b>152.5</b>	<b>15.4</b>	<b>3.2</b>	<b>8.6</b>	<b>(11.0)</b>	<b>(1.8)</b>	<b>(90.0)</b>	<b>76.9</b>
Income tax benefit (expense)	(21.6)	8.3	(1.8)	(2.6)	5.2	0.5	16.0	4.0
<b>Net profit</b>	<b>130.9</b>	<b>23.7</b>	<b>1.4</b>	<b>6.0</b>	<b>(5.8)</b>	<b>(1.3)</b>	<b>(74.0)</b>	<b>80.9</b>
Ownership	100.0%	100.0%	100.0%	100.0%	75.1%	100.0%	100.0%	

# RESULT BY ASSET – 100%

EQUITY ASSETS – 31 DECEMBER 2013

	\$ MILLIONS						TOTAL
	M5 SOUTH WEST MOTORWAY	WESTLINK M7	POCAHONTAS 895	495 EXPRESS LANES	95 EXPRESS LANES	DRIVE	
Toll revenue	93.6	114.8	8.9	11.6	–	–	228.9
Fee & other revenue	8.7	2.5	–	3.2	–	–	14.4
<b>Total revenue</b>	<b>102.3</b>	<b>117.3</b>	<b>8.9</b>	<b>14.8</b>	<b>–</b>	<b>–</b>	<b>243.3</b>
Total cost	(14.2)	(21.7)	(3.4)	(18.9)	–	(3.4)	(61.6)
<b>EBITDA</b>	<b>88.1</b>	<b>95.6</b>	<b>5.5</b>	<b>(4.2)</b>	<b>–</b>	<b>(3.4)</b>	<b>181.7</b>
EBITDA margin	94.0%	83.3%	61.8%	(35.3%)	–	–	79.4%
Depreciation & amortisation	(35.8)	(33.9)	–	(11.1)	–	–	(80.8)
Net finance costs	(13.4)	(151.4)	(10.7)	(36.4)	–	(0.9)	(212.8)
<b>Profit/(loss) before tax</b>	<b>38.9</b>	<b>(89.7)</b>	<b>(5.2)</b>	<b>(51.6)</b>	<b>–</b>	<b>(4.3)</b>	<b>(111.9)</b>
Income tax benefit (expense)	(21.7)	8.6	7.7	–	–	16.8	11.4
<b>Net profit</b>	<b>17.2</b>	<b>(81.1)</b>	<b>2.5</b>	<b>(51.6)</b>	<b>–</b>	<b>12.5</b>	<b>(100.5)</b>
Ownership	50.0%	50.0%	75.0%	67.5%	67.5%	75.0%	

# RECONCILIATION

STATUTORY INCOME STATEMENT TO EBITDA – 31 DECEMBER 2012

	\$ MILLIONS					TOTAL
	STATUTORY P&L	OTHER REVENUE REALLOCATION	NET BUSINESS DEVELOPMENT	OFFSET CONSTRUCTION ACCOUNTING DISCLOSURE UNDER AASB 1 12	REALLOCATION OF CAPITALISED COSTS	
Toll revenue	397.7					397.7
Fee & other road revenue	41.7	(1.1)	8.6			49.2
Construction revenue	124.6			(106.3)		18.3
Business development and other revenue	21.2	(1.8)	(19.4)			—
<b>Total revenue</b>	<b>585.2</b>	<b>(2.9)</b>	<b>(10.8)</b>	<b>(106.3)</b>		<b>465.2</b>
Operational costs	(97.0)	2.9	1.9		(3.6)	(95.8)
Corporate costs	(22.8)	(0.1)			(0.4)	(23.3)
Business development costs	(8.8)	—	8.9		(5.6)	(5.5)
Construction costs	(115.8)	0.1		106.3	—	(9.4)
Capitalised overheads	—				9.6	9.6
<b>Total costs</b>	<b>(244.4)</b>	<b>2.9</b>	<b>10.8</b>	<b>106.3</b>	<b>—</b>	<b>(124.4)</b>
<b>EBITDA</b>	<b>340.8</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>340.8</b>
Depreciation and amortisation	(154.9)					(154.9)
Finance income	53.9					53.9
Finance costs	(177.8)					(177.8)
Share of equity accounted losses	0.9					0.9
<b>Profit before tax</b>	<b>62.9</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>62.9</b>
Income tax benefit	18.2					18.2
<b>Net profit for the year</b>	<b>81.1</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>81.1</b>

# RESULT BY ASSET – 100%

## CONSOLIDATED ASSETS – 31 DECEMBER 2012

	CITYLINK	HILLS M2	LANE COVE TUNNEL	TOLL AUST	M1 ED	ROAM	OTHER	TOTAL
Toll revenue	244.7	71.2	30.8	–	51.0	–	–	397.7
Fees and other revenue	22.4	2.2	0.9	4.4	0.3	8.3	29.0	67.5
<b>Total revenue</b>	<b>267.1</b>	<b>73.4</b>	<b>31.7</b>	<b>4.4</b>	<b>51.3</b>	<b>8.3</b>	<b>29.0</b>	<b>465.2</b>
Total cost	(52.0)	(15.9)	(13.4)	0.2	(13.7)	(7.2)	(22.4)	(124.4)
<b>EBITDA</b>	<b>215.1</b>	<b>57.5</b>	<b>18.3</b>	<b>4.6</b>	<b>37.6</b>	<b>1.1</b>	<b>6.6</b>	<b>340.8</b>
EBITDA margin	87.9%	80.8%	59.4%	–	73.7%	–	–	85.7%
Depreciation and amortisation	(73.2)	(32.1)	(12.3)	(0.2)	(26.0)	(0.3)	(10.8)	(154.9)
Net finance costs	(27.6)	(20.8)	(9.8)	–	(22.3)	0.2	(43.6)	(123.9)
Share of equity accounted losses	–	–	–	–	–	–	0.9	0.9
<b>Profit/(loss) before tax</b>	<b>114.3</b>	<b>4.6</b>	<b>(3.8)</b>	<b>4.4</b>	<b>(10.7)</b>	<b>1.0</b>	<b>(46.9)</b>	<b>62.9</b>
Income tax benefit (expense)	(12.3)	12.4	(0.7)	(1.4)	11.9	(0.2)	8.5	18.2
<b>Net profit</b>	<b>102.0</b>	<b>17.0</b>	<b>(4.5)</b>	<b>3.0</b>	<b>1.2</b>	<b>0.8</b>	<b>(38.4)</b>	<b>81.1</b>
Ownership	100.0%	100.0%	100.0%	100.0%	75.1%	100.0%	100.0%	

# RESULT BY ASSET – 100%

EQUITY ASSETS – 31 DECEMBER 2012

	\$ MILLIONS					
	M5 SOUTH WEST MOTORWAY	WESTLINK M7	POCAHONTAS 895	495 EXPRESS LANES	DRIVE	TOTAL
Toll revenue	96.7	104.8	7.4	0.8	–	209.7
Fee and other revenue	6.4	1.8	–	0.2	–	8.4
<b>Total revenue</b>	<b>103.1</b>	<b>106.6</b>	<b>7.4</b>	<b>1.0</b>	<b>–</b>	<b>218.1</b>
Total cost	(14.2)	(23.8)	(3.1)	(3.2)	(2.9)	(47.2)
<b>EBITDA</b>	<b>88.9</b>	<b>82.8</b>	<b>4.3</b>	<b>(2.2)</b>	<b>(2.9)</b>	<b>170.9</b>
EBITDA margin	91.9%	79.0%	56.8%	(275.0%)	–	81.4%
Depreciation and amortisation	(33.7)	(33.9)	(2.3)	(2.1)	–	(72.0)
Impairment of assets	–	–	–	–	–	–
Net finance costs	(17.3)	(143.3)	(9.8)	(6.9)	(1.8)	(179.2)
<b>Profit/(loss) before tax</b>	<b>37.9</b>	<b>(94.4)</b>	<b>(7.9)</b>	<b>(11.2)</b>	<b>(4.7)</b>	<b>(80.3)</b>
Income tax benefit (expense)	(21.1)	13.8	9.7	–	2.9	5.3
<b>Net profit</b>	<b>16.8</b>	<b>(80.6)</b>	<b>1.9</b>	<b>(11.2)</b>	<b>(1.8)</b>	<b>(75.0)</b>
Ownership	50.0%	50.0%	75.0%	67.5%	75.0%	

# FREE CASH FLOW

	31 DEC 13 (\$M)	31 DEC 12 (\$M)	% CHANGE
<b>Cash flows from operating activities (refer Group Statutory accounts)</b>	<b>226.9</b>	<b>181.0</b>	<b>25.4%</b>
<i>Adjusted for:</i>			
M7 Term Loan Notes interest received	(21.0)	(18.7)	(12.3%)
M5 Term Loan Notes interest received	(0.9)	–	(100%)
Payments for maintenance capital expenditure	7.5	5.3	41.4%
Cash flows from operating activities – M1	(20.1)	(18.2)	(10.4%)
<b>Controlled cash</b>	<b>192.4</b>	<b>149.4</b>	<b>28.8%</b>
Distributions received from:			
M1 Eastern Distributor	12.8	11.0	16.4%
M5 Term Loan Notes interest received	0.9	–	100%
M5 – Interlink	26.5	24.5	8.2%
M7 Term Loan Notes interest received	21.0	18.7	12.3%
Maintenance capital provision recognised in 100% owned assets (including tags purchased)	(13.6)	(10.8)	(25.9%)
<b>Free cash</b>	<b>240.0</b>	<b>192.8</b>	<b>24.5%</b>
Weighted average securities on issue – (millions)	1,484.6	1,460.9	
<b>Free cash per security (cents) – weighted average securities</b>	<b>16.2</b>	<b>13.2</b>	<b>22.7%</b>

# RECONCILIATION OF FREE CASH

	31 DEC 13 (\$M)	31 DEC 12 (\$M)	% CHANGE
<b>Proportional EBITDA</b>	<b>463.2</b>	<b>416.9</b>	<b>11.1%</b>
<i>Adjusted for proportional:</i>			
Maintenance provision	24.2	15.4	57.1%
Operating and working capital movements	(18.2)	(8.2)	(122.0%)
Non-cash items	(6.7)	(6.2)	(8.1%)
Net interest paid	(214.4)	(192.4)	(11.4%)
Tax paid	(11.9)	(16.4)	27.4%
<b>Proportional operating cash</b>	<b>236.2</b>	<b>209.1</b>	<b>13.0%</b>
Excludes operating cash contribution from M1, M7, M5 and DRIVe	(43.8)	(59.7)	26.6%
Includes distributions from M1 and M5	61.2	54.2	12.9%
	<b>253.6</b>	<b>203.6</b>	<b>24.6%</b>
Maintenance capital provision recognised in 100% owned assets (including tags purchased)	(13.6)	(10.8)	(26.4%)
<b>Free cash</b>	<b>240.0</b>	<b>192.8</b>	<b>24.5%</b>
Weighted average securities on issue – (millions)	1,484.6	1,460.9	
<b>Underlying free cash per security (cents) – securities</b>	<b>16.2</b>	<b>13.2</b>	<b>22.7%</b>

# TAXATION

## STATUTORY AND PROPORTIONAL

STATUTORY (TAX PAID) / REFUNDS RECEIVED INCLUDES	31 DEC 13 (\$M)	31 DEC 12 (\$M)
M1 Eastern Distributor	–	(7.3)
M4	–	0.3
Transurban USA	0.5	–
Westlink M7 holding companies	(2.2)	(1.9)
Corporate	–	–
<b>Total</b>	<b>(1.7)</b>	<b>(8.9)</b>

PROPORTIONAL (TAX PAID) / REFUNDS RECEIVED INCLUDES	31 DEC 13 (\$M)	31 DEC 12 (\$M)
M1 Eastern Distributor	–	(5.5)
M4	–	0.1
M5 South West Motorway	(10.2)	(9.1)
Transurbarn USA	0.5	–
Westlink M7 holding companies	(2.2)	(1.9)
Corporate	–	–
<b>Total</b>	<b>(11.9)</b>	<b>(16.4)</b>

# MAINTENANCE EXPENSE

## INCLUDED IN OPERATING COSTS

ADDITIONAL MAINTENANCE PROVISION RECOGNISED DURING THE YEAR – 100%	31 DEC 13 (\$M)	31 DEC 12 (\$M)
CityLink	6.5	5.2
Hills M2	2.3	1.1
Lane Cove Tunnel	2.9	2.4
M1 Eastern Distributor	7.5	2.3
M5 South West Motorway	2.0	2.3
Westlink M7	3.8	5.2
Pocahontas 895	1.1	0.9
495 Express Lanes	4.7	0.7

CASH SPEND – 100%	31 DEC 13 (\$M)	31 DEC 12 (\$M)
CityLink	(5.3)	(1.6)
Hills M2	0.5	(1.7)
Lane Cove Tunnel	(0.1)	(0.3)
M1 Eastern Distributor	(2.6)	(1.7)
M5 South West Motorway	(0.6)	(0.4)
Westlink M7	(0.1)	(3.2)
Pocahontas 895	(0.1)	(0.3)
495 Express Lanes	(0.1)	–

# FINANCE COSTS

NET FINANCE COSTS PAID – 31 DECEMBER 2013

	OWNERSHIP	STATUTORY NET INTEREST	NON-CASH ITEMS				NET INTEREST PAID	PROPORTIONAL NET INTEREST PAID
			DEBT FEES AMORTISATION	CONCESSION & MAINTENANCE UNWIND	ACCRETION, TIFIA, TLN & USP	OTHER NON-CASH ITEMS		
<b>CONTROLLED ENTITIES</b>								
CityLink	100.0%	(17.7)	0.2	3.1	–	(0.9)	(15.3)	(15.3)
Hills M2	100.0%	(26.4)	1.3	1.8	–	0.9	(22.4)	(22.4)
Lane Cove Tunnel	100.0%	(6.7)	0.3	0.8	–	0.1	(5.5)	(5.5)
M1 ED – Other	75.1%	(19.4)	1.3	(4.7)	–	(0.2)	(23.0)	(17.3)
Corporate – M7 TLN	100.0%	51.4	–	–	(29.0)	(1.4)	21.0	21.0
Corporate – M5 TLN	100.0%	0.9	–	–	–	–	0.9	0.9
Corporate – Other	100.0%	(111.5)	4.0	–	2.1	(3.5)	(108.9)	(108.9)
<b>Total – 100%</b>		<b>(129.4)</b>	<b>7.1</b>	<b>1.0</b>	<b>(26.9)</b>	<b>(5.0)</b>	<b>(153.2)</b>	<b>(147.5)</b>
<b>EQUITY OWNED ENTITIES</b>								
M5 Interlink - Other	50.0%	(11.6)	0.7	0.3	–	(1.6)	(12.2)	(6.1)
M5 Interlink - TLN	50.0%	(1.8)	–	–	–	–	(1.8)	(0.9)
Westlink M7 – TLN	50.0%	(102.8)	–	–	58.0	2.8	(42.0)	(21.0)
Westlink M7 – Other	50.0%	(48.6)	1.2	1.7	–	(0.7)	(46.4)	(23.2)
DRIVE (incl Pocahontas 895, excluding 495 Express Lanes)	75.0%	(11.4)	4.2	0.2	0.4	0.4	(6.3)	(4.7)
495 Express Lanes	67.5%	(36.3)	2.4	0.2	16.0	1.5	(16.3)	(11.0)
<b>Total – 100%</b>		<b>(212.6)</b>	<b>8.5</b>	<b>2.4</b>	<b>74.4</b>	<b>2.3</b>	<b>(124.9)</b>	<b>(66.9)</b>
<b>Proportional net finance costs</b>		<b>(240.2)</b>	<b>12.5</b>	<b>3.5</b>	<b>13.2</b>	<b>(3.4)</b>	<b>(214.4)</b>	<b>(214.4)</b>

# FINANCE COSTS

NET FINANCE COSTS PAID – 31 DECEMBER 2012

	NON-CASH ITEMS							NET INTEREST PAID	PROPORTIONAL NET INTEREST PAID
	OWNERSHIP	STATUTORY NET INTEREST	DEBT FEES AMORTISATION	CONCESSION & MAINTENANCE UNWIND	ACCRETION, TIFIA, TLN & USP	OTHER NON-CASH ITEMS			
<b>CONTROLLED ENTITIES</b>									
CityLink	100.0%	(27.6)	1.0	3.0	–	(1.1)	(24.7)	(24.7)	
Hills M2	100.0%	(20.8)	1.3	3.7	–	–	(15.8)	(15.8)	
Lane Cove Tunnel	100.0%	(9.8)	0.4	0.7	–	0.1	(8.6)	(8.6)	
M1 ED – Other	75.1%	(22.3)	0.8	3.6	–	0.2	(17.7)	(13.3)	
Corporate – M7 TLN Receipts	100.0%	48.7	–	–	(30.0)	–	18.7	18.7	
Corporate – Other	100.0%	(92.1)	3.0	–	–	(5.5)	(94.6)	(94.6)	
<b>Total – 100%</b>		<b>(123.9)</b>	<b>6.5</b>	<b>11.0</b>	<b>(30.0)</b>	<b>(6.3)</b>	<b>(142.7)</b>	<b>(138.3)</b>	
<b>EQUITY OWNED ENTITIES</b>									
M5 South West Motorway	50.0%	(17.3)	0.7	0.3	–	(0.1)	(16.4)	(8.2)	
Westlink M7 – TLN	50.0%	(97.4)	–	–	60.0	–	(37.4)	(18.7)	
Westlink M7 – Other	50.0%	(45.9)	0.9	1.7	–	(0.8)	(44.1)	(22.1)	
DRIVe (incl Pocahontas 895 & 495 Express Lanes)	75.0%	(11.6)	3.8	0.2	4.5	(3.6)	(6.7)	(4.9)	
495 Express Lanes	67.5%	(7.0)	0.5	–	3.3	2.9	(0.3)	(0.2)	
<b>Total – 100%</b>		<b>(179.2)</b>	<b>5.9</b>	<b>2.2</b>	<b>67.8</b>	<b>(1.6)</b>	<b>(104.9)</b>	<b>(54.1)</b>	
<b>Proportional net finance costs</b>		<b>(211.9)</b>	<b>10.3</b>	<b>11.3</b>	<b>5.6</b>	<b>(7.5)</b>	<b>(192.4)</b>	<b>(192.4)</b>	

# APPENDIX 2

## DETAILED TREASURY & FUNDING



# GROUP DRAWN DEBT AT 31 DECEMBER 2013

TRANSURBAN CORPORATE DEBT	AUD (\$ MILLION)	USD (\$ MILLION)
Working capital lines <sup>1</sup>	139	–
Term bank debt	775	–
US Private Placements	1,336	162
Domestic AUD bonds	1,050	–
EMTN (C\$ and Euro Notes)	632	225
<b>Total</b>	<b>3,932</b>	<b>387</b>

NON RECOURSE (AUD \$ MILLION)	ASSET DEBT	OWNERSHIP	PROPORTIONAL
Lane Cove Tunnel	260	100%	260
M1 – Eastern Distributor	525	75.1%	394
Hills M2 – Hills Motorway	740	100%	740
M5 Interlinks Roads <sup>2</sup>	627	50%	314
Westlink M7	1,260	50%	630
<b>Total</b>	<b>3,412</b>		<b>2,338</b>

NON RECOURSE (US \$ MILLION)	ASSET DEBT	OWNERSHIP	PROPORTIONAL
Pocahontas 895 – Senior	306	75%	229
Pocahontas 895 – TIFIA <sup>3</sup>	194	75%	145
95 Express Lanes – Senior	242	67.5%	163
95 Express Lanes – TIFIA <sup>4</sup>	83	67.5%	56
495 Express Lanes – Senior	589	67.5%	398
495 Express Lanes – TIFIA <sup>5</sup>	671	67.5%	453
<b>Total</b>	<b>2,085</b>		<b>1,444</b>

1. \$550m facilities, A\$395m available undrawn after deducting for a \$15m letter of credit issued under one facility. Separate Letters of Credit are issued to the value of \$55m in relation to Corporate, 495 Express Lanes, 95 Express Lanes and CityLink.

2. \$108m available in undrawn facilities (including \$13m standby facility and \$2m overdraft).

3. Undrawn but restricted TIFIA facility of US\$4m. Debt balance includes US\$48m of accreted interest.

4. Undrawn TIFIA facility of US\$217m. Debt balance includes US\$0.3m of accreted interest.

5. Includes US\$82m of accreted interest.

# TOTAL GROUP DRAWN DEBT

## PROPORTIONAL DRAWN DEBT

### GROUP DEBT

AUD <sup>1</sup>	31 DEC 2013	30 JUNE 2013	MOVEMENT	EXPLANATION <sup>3</sup>
Corporate	3,932	3,219	713	\$399 is the portion of Euro bonds swapped to A\$ which was used to prepay term debt (\$100m) and will be used to repay \$250m domestic bonds maturing in March 2014. \$139 increase in working capital and new \$275m facility used to fund the acquisition of Cross City Tunnel debt.
Non recourse	2,338	2,308	30	\$7m increase in M2 Hills drawn debt for the upgrade project. \$20m increase in M5 drawn debt for widening project. \$4m increase in Eastern Distributor debt for refinance costs.
<b>Total</b>	<b>6,270</b>	<b>5,527</b>	<b>743</b>	

USD <sup>2</sup>	31 DEC 2013	30 JUNE 2013	MOVEMENT	EXPLANATION <sup>3</sup>
Corporate	387	428	(41)	\$266m working capital repaid, partly from the portion of Euro bonds that were swapped to US\$ (\$225m).
Non recourse	1,444	1,376	68	Increase in TIFIA drawdowns and capitalised interest at 495 Express Lanes (\$56m) and 95 Express Lanes (\$10m). \$4m interest capitalised at Pocahontas.
<b>Total</b>	<b>1,831</b>	<b>1,804</b>	<b>27</b>	

1. A\$ represents debt issued in A\$ plus debt that has been issued in C\$, € and US\$ and has been swapped back into A\$.

2. US\$ represents debt issued in US\$ (including Pocahontas, 95 Express Lanes, 495 Express Lanes and Tranche C of the 2006 USPP which has not been swapped back to A\$) and debt issued in € that has been swapped back into US\$.

3. Amounts may differ from movement due to rounding.

# KEY DEBT METRICS

	31 DECEMBER 2013			30 JUNE 2013		
	TRANSURBAN GROUP	CORPORATE	NON RECOURSE	TRANSURBAN GROUP	CORPORATE	NON RECOURSE
Weighted average maturity (years) <sup>1</sup>	9.6 years	4.0 years	14.0 years	9.7 years	3.9 years	13.6 years
Weighted average cost of AUD debt <sup>2</sup>	6.2%	6.0%	6.4%	6.6%	6.5%	6.7%
Weighted average cost of USD debt <sup>2</sup>	4.8%	4.5%	4.9%	4.6%	3.3%	5.0%
Hedged <sup>3</sup>	93.5%	90.6%	96.6%	94.8%	92.3%	97.2%
Gearing (Proportional Debt to Enterprise Value) <sup>4</sup>	45.4%			42.8%		
Corporate Senior Interest Cover Ratio (Historical Ratio for 12 months)	2.7x			2.5x		
Corporate Secured Debt Rating (S&P / Moody's / Fitch)	A- / Baa 1 / A- (stable)			A- / Baa 1 / A- (stable)		

1. Weighted average maturity calculated on drawn funds at A\$ value of debt. C\$, € and US\$ debt converted at the hedged rate where cross currency swaps are in place. Unhedged US\$ debt converted to A\$ at the spot exchange rate (\$0.9275 at 30 June 2013 and \$0.8948 at 31 December 2013).

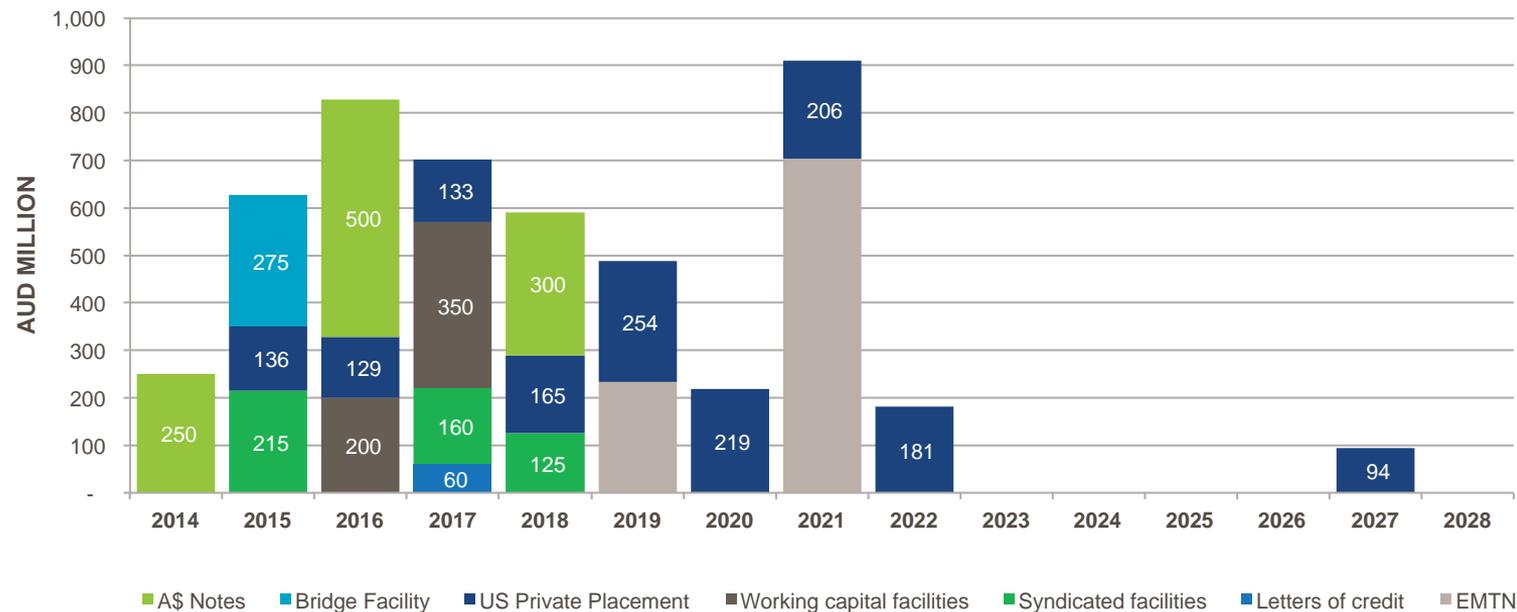
2. Weighted on a proportional drawn debt basis.

3. Hedged percentage comprises fixed rate debt and floating debt that has been hedged and is a weighted average of total proportional drawn debt in A\$.

4. Proportional Group drawn debt in A\$. C\$, € and US\$ debt is converted at the hedged rate where cross currency swaps are in place. Unhedged US\$ debt is converted at the spot exchange rate (\$0.9275 at 30 June 2013 and \$0.8948 at 31 December 2013). The security price was \$6.76 at 30 June 2013 and \$6.84 at 31 December 2013 with 1,482m securities on issue at 30 June 2013 and 1,485m securities on issue at 31 December 2013.

# CORPORATE DEBT MATURITIES

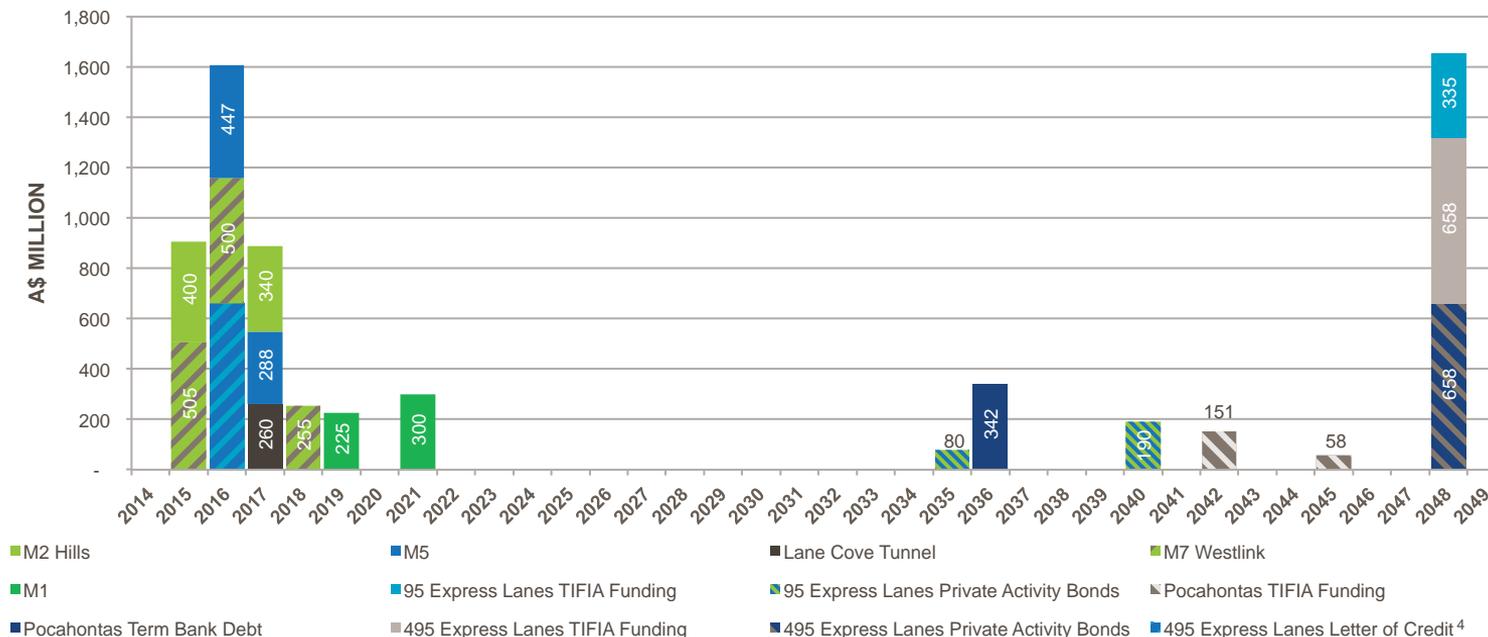
## BY FINANCIAL YEAR



1. Debt is shown in financial year it matures.  
 2. Debt values are in A\$ as at 31 December 2013. C\$, € and US\$ debt is converted at the hedged rate where cross currency swaps are in place. Unhedged US\$ debt is converted to A\$ at spot exchange rate (\$0.8948 at 31 December 2013).

# ASSET DEBT MATURITIES

## BY FINANCIAL YEAR – AS AT DECEMBER 2013



1. The full value of debt facilities is shown as this is the value of debt for refinancing purposes. This overstates Transurban's ownership share of the debt.  
 2. Debt is shown in the financial year it matures.

3. US\$ debt is converted to A\$ at spot exchange rate (\$0.8948 at 31 December 2013).  
 4. Letters of Credit are associated with 495 Express Lanes' long term Private Activity Bonds (US\$589m) which mature in December 2047. A\$ equivalent converted at the spot exchange rate.

# APPENDIX 3

## PORTFOLIO SUMMARY



# OPERATING ASSET PORTFOLIO

## SUMMARY STATISTICS

	M5 SOUTH WEST MOTORWAY	HILLS M2	M1 EASTERN DISTRIBUTOR	WESTLINK M7	LANE COVE TUNNEL	CITYLINK	POCAHONTAS 895	495 EXPRESS LANES
OVERVIEW	NSW	NSW	NSW	NSW	NSW	VIC	USA	USA
Opening date	Aug 1992	May 1997	Dec 1999	Dec 2005	Mar 2007	Dec 2000	Jan 2002	Nov 2012
Concession period from financial close	34.3 years	49 years	48 years	31 years	30 years	34 years	99 years	80 years
Concession date	Dec 2026	May 2046	Jul 2048	Feb 2037	Jan 2037	Jan 2034	Dec 2105 <sup>1</sup>	Dec 2087
PHYSICAL DETAILS								
Length – total	22km	21km	6km	40km	3.8km	22km in 2sections	16.7km	22km
Length – surface	22km	20.4km	4.3km	40km	0.3km	16.8km	16.7km	22km
Length – tunnel	–	0.6km	1.7km	–	3.5km	5.2km	–	–
Lanes	2x2 <sup>2</sup>	2x3	2x3, 2x2 some sections	2x2	2x2, 2x3 some sections	2x4 in most sections	2x2	2x2 HOT lanes
OWNERSHIP								
TCL ownership	50%	100%	75.1%	50%	100%	100%	75% (asset held by DRIVE – TCL owns 75% of DRIVE)	67.5% (asset held by DRIVE – TCL owns 75% of DRIVE)
TOLLING								
ETC status	Cash/electronic	Electronic	Electronic	Electronic	Electronic	Electronic	Cash/electronic	Electronic
Truck multiplier	moving to 3.0x	moving to 3.0x	2x	1x	2x	LCV – 1.6x HCV – 1.9x	US\$1 for each additional axle above 2	No multiplier trucks >2 axle not permitted
Toll escalation	Refer to next slide							Dynamic no cap
Toll increase increment	\$0.50	\$0.50	\$0.50	n/a	n/a	n/a	\$0.25 (2013-2016)	n/a

1. Transurban's concession is 99 years from the year of acquisition – 2006.

2. Post M5 widening completion the road will be 2 x 3 lanes.

# TOLLING ESCALATION

## EMBEDDED INFLATION PROTECTION

MOTORWAY	ESCALATION <sup>1</sup>
<b>CityLink</b>	Escalated quarterly by the greater of quarterly CPI or 1.1065% (being 4.5% p.a. as a quarterly compound rate) for the first 15 years, then quarterly by CPI. This is subject to a cap of annual CPI plus 2.5%, which cannot be exceeded.
<b>Hills M2</b>	Escalated quarterly by the greater of quarterly CPI or 1%.
<b>Lane Cove Tunnel</b>	Escalated quarterly by quarterly CPI. The toll cannot be lowered as a result of deflation, however, until inflation counteracts the deflation the toll cannot be increased.
<b>M1 Eastern Distributor</b>	Escalated quarterly by the greater of a weighted sum of quarterly AWE and quarterly CPI or 1%.
<b>Westlink M7</b>	Escalated or deescalated quarterly by quarterly CPI.
<b>M5 South West Motorway</b>	Escalated quarterly by quarterly CPI. The toll cannot be lowered as a result of deflation, however, until inflation counteracts the deflation the toll cannot be increased.
<b>Pocahontas 895</b>	Fixed rates until 2017 and then escalated by the greater of CPI, real GDP or 2.8% p.a.

1. Escalation description denotes theoretical toll only. Actual toll increases on M1, Hills M2 and M5 in Sydney are based on the rounding of theoretical tolls in 50 cent increments.

HILLS MOTORWAY	
TOLL CHARGES	
MOTOR CYCLES	} \$ 2.11
CARS INCL. TRAILERS	
OTHERS	
	\$ 6.35
TOLL APPLIES NO CASH BOOTHS	
	 

START  
MOTORWAY

# 2014 HALF-YEAR RESULTS

13 FEBRUARY 2014

*transurban*