

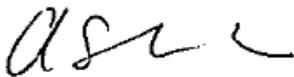
12 October 2017

Address by Chairman Lindsay Maxsted and Chief Executive Officer Scott Charlton

Transurban 2017 Annual General Meetings

12 October 2017

Please see the attached address to be delivered by the Chairman and the Chief Executive Officer to security holders at this morning's Annual General Meetings.



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Chairman's Address

Lindsay Maxsted

Good morning ladies and gentlemen, and welcome to the 2017 Transurban Annual General Meetings.

My name is Lindsay Maxsted, and I am the Chair of the Transurban Group.

On behalf of Transurban, I would like to acknowledge the tribes of the Kulin Nation as the traditional owners of country where we meet today. I acknowledge the traditional owners of country throughout Australia and recognise their continuing connection to the lands, waters and communities. We pay our respect to Aboriginal and Torres Strait Islander cultures and to elders both past and present.

Before we start today's meetings, can I please ask you to ensure your mobile phones are turned off or switched to silent.

I also want to make sure you are familiar with the evacuation procedures that we will follow in the unlikely event of an emergency.

I ask you to take the time to familiarise yourself with the exits in the room.

If the evacuation alarm sounds, the venue's fire wardens will enter the room and direct us to the emergency evacuation points, shown on the screen behind me. The wardens will also tell us where to assemble once we leave the building.

We have a signer for the hearing impaired with us today. Can I ask if we have any people who are hearing impaired in the audience?

This morning we are holding three meetings concurrently. This is the Annual General Meeting for Transurban Holdings Limited, Transurban International Limited, and Transurban Holding Trust.

We have a quorum, so I declare the meetings open.

The Notice of Meetings was distributed to all of you. With your consent, I will take that document as read.

I would now like to introduce the Directors and our Company Secretary.

On my right are our Chief Executive Officer, Scott Charlton, and Directors, Neil Chatfield, Jane Wilson, Rodney Slater, and Christine O'Reilly.

On my left are Company Secretary, Amanda Street, and Directors, Bob Edgar, Sam Mostyn, and Peter Scott.

Neil Chatfield and Bob Edgar are standing for re-election today and they will each address the meetings later in that capacity.

I would also like to welcome Jane Wilson to her first Transurban AGM. Jane was appointed to the Board in January this year and is standing for election today.

Jane has more than 20 years' experience as a director of companies, Government-owned corporations and not-for-profit organisations and her diverse experience and expertise are well suited to Transurban's strategic direction. We shall hear from Jane later.

Since becoming Chairman seven years ago, it has given me great pleasure to present the annual report on the financial results and activities of our business.

This year is no exception. It has been another excellent year across the business.

We have an outstanding portfolio of 15 assets across four networks in major urban centres in Australia and the United States and a number of growth opportunities in each of these markets. We have a clear strategy and business model being implemented by a first-class team of people, and we continue to position ourselves for the future with ongoing investment in network development, customer initiatives and technology platforms.

In financial year 2017, our average daily traffic grew by 4 per cent across the portfolio as customers continued to realise the benefits in travel-time savings, reliability and safety that they receive by choosing to use our networks.

Toll revenue increased by 10.6 per cent and EBITDA, our earnings before interest, tax, depreciation and amortisation, increased by 10.1 per cent.

This increase enabled a distribution of 51.5 cents per security for the year, which is fully cash covered and again included a 7 cent fully franked component.

For the financial year ending 30 June 2018, the Board has issued distribution guidance of 56 cents per security, which would be an 8.7 per cent increase on last financial year's distribution. This guidance reflects the Board's confidence that the business will continue to deliver positive outcomes for our Government partners, our customers, communities as well as for you, our security holders.

Our returns to investors have been driven by our continuous focus on operating our networks more efficiently and our identification and execution of opportunities to enhance these networks when needed.

This has been central to our investment proposition with the steady growth in the business supported by a number of components, enabling ongoing distribution growth. This has provided one of the most significant infrastructure investment opportunities for Australian investors, reflected by the fact that more than 70 per cent of our securities are held in Australia through retail investors and superannuation funds.

As we look to further develop our portfolio, our approach to raising funds to support potential investments will see us periodically bring opportunities back to our investors to seek additional funding

support through equity raisings. In this regard, we have a clear preference for entitlement offers to existing security holders. This will remain the case should we come to market to raise equity for our current pipeline, including opportunities such as the West Gate Tunnel Project.

For some time, there has been an increasing focus within the community on the social responsibilities of the business sector. Discussions on this topic often refer to a business's licence to operate – the unwritten social contract between a business and the community to support its operations. Without that partnership, a business cannot exist.

Transurban has always understood that it is in a privileged position, as a partner of choice to Governments, to manage and operate transport networks that are critical to the wellbeing of our cities.

Our business vision, which is “to strengthen communities through transport”, reflects our understanding of the significance of our role, and that success in that task has broad social and economic consequences for the cities in which we operate.

It is an ambitious vision and to deliver on it we must meet the needs of many stakeholders including our customers, the community, government, employees, our business partners and investors.

To neglect any one group throws our business out of balance, making it difficult to deliver on our strategies.

One area we have continued to focus upon in the past year is our customers.

We have more than five million customers across Australia and the United States, and each year more than 700 million trips are taken on our roads. By choosing our roads, our customers in Australia save more than 310,000 hours of travel time each working day. In Sydney that equates to 160,000 hours in travel time savings every day, while in Melbourne, motorists save 84,000 hours and in Brisbane 70,000. In the US, our customers can save more than 10,000 hours every day, including on some trips up to 3 and ½ hours on the 95 Express Lanes.

While many of our customers recognise this value, we are working on a number of initiatives that provide them with not only greater access to relevant real-time information about their travel choices and journey costs, but more options about how they interact with us.

These initiatives range from new roadside signage to inform customers about our travel times compared to alternative routes, to innovative products to provide choice and ease of use.

In May this year we launched Transurban Linkt, a new retail brand in NSW, to replace our Roam Express brand and give our customers an improved experience. This included a new tagless pay-as-you-go product, an improved tag product, reductions in fees and the first smartphone app for NSW toll road motorists.

Almost 70 per cent of customer account interactions are through our digital channels and 85 per cent of all new accounts are opened online. Our product development reflects the need to give our customers choice, transparency, easy self-managed accounts and access to relevant information.

Earlier this week we launched our first GPS-based tolling product, LinktGo. This is a global-leading initiative and a completely new approach for the tolling industry with the account attached to the driver, rather than the vehicle. In essence, the driver's phone becomes the tag and the account management.

Like the tagless account I mentioned previously, this is also a pay-as-you-go tolling product that works on all toll roads in Australia. In this case, it uses the GPS on a customer's phone to identify when they have entered and exited a toll road. The cost of each trip is provided to the customer after they have travelled, allowing them the convenience to pay directly from the app without having a tag account with a retailer.

We have trialled LinktGo in Sydney over the past five months and the feedback from customers has been extremely positive, so we anticipate further endorsement now that it is available to the broader customer base.

One of the main aims of the new digital products is to make it as easy as possible to have a valid travel arrangement with us.

On average, more than half our Australian consumer account customers pay less than \$10 a month. 68 per cent pay less than \$20 a month.

We continue to work on ways to reduce the small percentage of customers who enter the Governments' infringement processes. In fact, in the past year we have been able to reduce the rate of people proceeding to the Government infringement processes by more than 35 per cent. It is worth noting that less than half of one per cent of trips are referred to infringement

We continue to build on our efforts to proactively communicate with our customers and rectify any issues they may have as quickly as possible. Those customers who may have difficulty paying have access to our Hardship Policy and to our First Time Forgiveness programs.

As a business, we would prefer – and, indeed, it is in our best interest - to see all tolls paid and no penalty fees charged and we will continue to work with our customers to help them avoid these charges.

The AGM always corresponds with the release of our Sustainability Report, which provides an annual summary of our activities and key achievements under our three pillars of sustainability – which are Be Good Neighbours, Use Less and Think Long Term. You will find the full report on our website and we also have a highlights brochure in the foyer.

This year I am extremely pleased to announce that our progress in all these areas has seen Transurban rated the second highest company in the world on the Dow Jones Sustainability Index for the Transport and Transportation Infrastructure sector.

Sustainability is part of everyday business for Transurban. Everything we do from our multi-billion dollar development projects to our grants programs for grassroots community groups considers the lasting benefits that we can deliver to make our cities better places in which to live and to work.

As an example, we recently agreed on an ambitious target to halve our greenhouse gas emissions by 2030. This is a significant step that sets a science-based green house gas emissions target aligned with global efforts to mitigate climate change.

One of our major safety initiatives this year has been a partnership with Neuroscience Research Australia, to establish the Transurban Road Safety Centre in Sydney.

NeuRA is one of the world's leading centres of neuroscience research and the new centre has been equipped with a state-of-the-art testing facility that can replicate the conditions experienced in real-life vehicle crashes. Our first project will explore how safety can be improved for older drivers.

We are also supporting a number of other research programs through our ongoing innovation grants program. Grants worth \$300,000 were awarded this year for research into new materials and technologies that aim to create safer and smarter roads.

In the US, our 395 Express Lanes Project with the Virginian Department of Transportation will provide the first sustainable funding source for public transport in that region.

As part of our developments, we have committed \$15 million annually to enhance public transport options along the 95 and 395 corridors. This project recognises that cities need well-integrated, multi-modal transport networks to meet the significant transport delivery task ahead.

This year we also progressed a number of projects that will enhance neighbourhoods and disused spaces near our assets. We unveiled our second Motorscapes project, which has transformed a disused site next to the M2 in Sydney.

As part of our Logan Enhancement Project in Brisbane, we have made a significant commitment to the community by guaranteeing up to \$2 million to regenerate a large parcel of land along the Logan Motorway at Heathwood for community use.

These initiatives are just a few examples of the projects we undertake to create a lasting legacy for the community.

Transurban is widely recognised for the calibre of its people whose skills, expertise and commitment have produced such outstanding results again this year.

The diversity of our team is fundamental to such success and this year we have been again recognised for our leadership in diversity.

The Workplace Gender Equality Agency recognised Transurban's leadership in gender diversity, awarding us with a citation for a third consecutive year.

We also received global recognition from Equileap, an international gender-equality advocacy agency, listing Transurban as one of the world's top 20 organisations on gender equality performance.

Before concluding, I would like to comment on succession planning for the Board, which has been an item on the Board agenda for some time now.

While the Board does not set fixed tenure limits for its members, it is our intention that members serve up to three terms, with the Chair serving up to four terms. However, tenure remains a matter for the Board's discretion on a case by case basis and it may be appropriate for certain Board members to serve all or part of a fourth term to facilitate coordinated succession planning.

The Board is developing an orderly succession plan which, at this stage, anticipates that I will not be seeking a further term beyond my current term and will transition the position of Chair during that time.

My fellow Board members who are standing for re-election today, Neil Chatfield and Bob Edgar, will, with your support, serve all or part of a fourth term, and their retirements will be carefully staggered to ensure that corporate knowledge and experience is preserved as far as possible.

An informal process is also under way to identify potential candidates with the skills and experience to effectively augment the Board over the next few years. The Board will continue to assess potential candidates in the context of Transurban's strategic objectives and core capabilities, and will seek to replace as appropriate the specific skills and experience of retiring Board members.

On behalf of the Board, I would like to thank our Executive team and all our employees for their hard work and dedication through yet another extremely busy year.

And most importantly, thank you for your ongoing support of Transurban. I would now like to hand over to our CEO Scott Charlton who will speak in more detail about our achievements in the operations and development activities of the business.

Chief Executive Officer's Address

Scott Charlton

Thank you Lindsay, and I would like to reiterate your gratitude to our team who consistently produce superior outcomes that deliver value to our investors, as well as to our communities.

As a business, we remain committed to providing a better future for our cities by delivering transport solutions that allow people and businesses to get where they want to go easier, efficiently and of course, most importantly, safely.

Today, I am pleased to announce another example of how we are delivering on this commitment. By the end of this month, October, all remaining lanes on CityLink being added as part of the CityLink Tulla Widening project will open to traffic, three months ahead of schedule and ahead of budget. Some night works will continue until the end of the year but all of our lanes will be open during peak hours.

This is one of the busiest transport corridors in Melbourne being a direct route between the city and airport and carrying more than 210,000 vehicles per day on some sections.

The widening will support Melbourne's population growth and increase capacity by 30 per cent with almost 30 kilometres of new lanes in both directions on CityLink between Bulla Road and the West Gate Freeway. Importantly, it will deliver travel-time savings of up to 17 minutes in peak times as well as increased reliability for motorists.

The widening also extends to the VicRoads section of the corridor, between Bulla Road and Melbourne Airport to the north, and work on this section by VicRoads will continue through 2018.

More than three million construction hours have been spent on this project and nearly all our works have taken place overnight to minimise impacts on motorists. It is a terrific result to be able to give motorists access to all the new lanes so far ahead of schedule and I thank the team who worked on the project for their efforts.

When CityLink opened nearly 20 years ago, motorists took approximately 100,000 trips a day on its 177 kilometres of lanes. By the end of this month, CityLink will have 216 lane kilometres to cater for the 300,000 plus trips that motorists take every day.

Our upgrade projects on the southern link, which we completed in 2010, and the western link have not simply been about laying more concrete.

Our funding and investments of more than \$2 billion over the past two decades has also introduced technology to further optimise traffic flow and create a better and safer experience for drivers.

Despite these enhancements, the task of improving CityLink is never done. We consistently look for ways to make it safer and more efficient. The better CityLink is operating, the better it is for the broader network and our customers.

And, Melbourne, like most Australian cities, is facing substantial population growth where transport demand has outstripped supply.

Without substantial investment in transportation – roads, rail and active transport – as well as bipartisan political support for a long-term agenda of network projects, many of our cities are facing a future of gridlock.

The West Gate Tunnel, which we are working on in partnership with the Victorian Government, is one of these projects. It is fundamental to ensure we keep Melbourne moving.

The project provides an alternative to the West Gate Bridge, which is the M1 river crossing that links Melbourne's south-eastern suburbs to the west. More than 2.6 million people live along this corridor.

Unfortunately, as many of us know, a single incident on the M1 corridor can bring Melbourne to a standstill, and, on average, six incidents occur across the corridor every day.

The West Gate Tunnel project will take nearly 30,000 vehicles off the West Gate Bridge every day, and a further 22,000 off the Bolte Bridge. It will remove more than 9000 trucks from neighbourhood streets and save motorists up to three hours of travel time a week.

The project adds 70km of new lanes including nearly 20 kilometres on the West Gate Freeway and will continue to grow the economy through productivity benefits and the 6,000 jobs created during construction.

As part of the project, improved technology and more than 30 kilometres of new lanes are also being added to the Monash Freeway. Work is now about 65 per cent complete on this section of the Monash and motorists from the south-eastern suburbs will realise the full benefits in reliability and travel-time savings when work is completed next year.

Since the West Gate Tunnel project was first proposed in April 2015, we have consulted extensively with the local community, listening to their feedback and continued to enhance our plans.

The project is being comprehensively assessed through an Environment Effects Statement process. We anticipate planning approvals for the project by the end of the year, with construction starting soon after and the tunnels open to traffic in 2022.

Over the past two decades, the need for an alternative river crossing and better access to the Port of Melbourne has been well documented, and supported by successive governments, both Labor and Liberal.

Sir Rod Eddington's East West Link Needs Assessment in 2008 warned that failure to invest in all modes of transport would undermine Melbourne's future prosperity and reduce the benefits being generated by the city's growth and development.

Sir Rod echoed those comments recently at an industry forum and reinforced his view that a fully connected transport network and alternative to the West Gate Bridge, were critical to support Melbourne's rapidly growing population and economy.

The two Melbourne projects are part of our \$9 billion project pipeline, which spans all of our markets. Currently all of our projects are on time and budget.

The scope of this pipeline is relative to the overall growth of the business and we closely monitor our project activity to maintain manageable limits.

As a proportion of the enterprise value of our business, our current project pipeline represents 24%. By way of comparison, in the 2010/2011 financial year, when we were developing the 495 and 95 Express Lanes in Northern Virginia and the Hills M2 Upgrade in Sydney, this proportion was around 28%. In that year, the nominal cost for our project pipeline was less than half that of our current pipeline of works, and shows the overall strength of our portfolio.

All of our development projects represent a strategic long-term investment in the road network that we have rigorously assessed to ensure the best outcomes for all our stakeholders.

In NSW, we are now more than half way through tunnelling on our NorthConnex project, at 13 kilometres, that will link the M2 in Sydney with the Pacific Highway. Twenty road headers are in operation digging out 21 kilometres of tunnels.

Once the project is complete in 2019, motorists will be able to travel from Newcastle to Melbourne without a single traffic light.

NorthConnex has been awarded a rating of "Leading" for design by the Infrastructure Sustainability Council of Australia, which evaluates sustainability across a project's design, construction and operation.

This is the highest rating available for the scheme and the highest score for any road project in Australia to date. Our CityLink Tulla Widening project and the Gateway Upgrade North project in Brisbane have been rated as "Excellent", and we are extremely proud of those achievements as well.

In Sydney, we are evaluating the Registration of Interest and expect to participate in the NSW Government's sell down of a majority stake in the WestConnex project.

The government has announced that it will pursue the sale of 51 per cent of the Sydney Motorway Corporation to help fund the final stage of WestConnex.

WestConnex is Australia's largest infrastructure project. It includes 33 kilometres of motorways and tunnels to create a new inner-western bypass of the Sydney CBD connecting the M4 and M5.

This asset is well aligned with our strategy to partner with governments to deliver outcomes that benefit the entire network.

We understand that there is significant interest from global and domestic parties in the sale process, with demand remaining strong for quality Australian infrastructure assets.

However, as always, we will remain disciplined in our approach to evaluating and pursuing this opportunity. We have a proven history of bidding based on accurate forecasts and as an owner operator we have a vested interest in the accuracy of these forecasts. We are aligned with Government for a long-term partnership. This contrasts with past experiences where some parties have sought quick profits through passing on unrealistic assumptions and leaving others to deal with the consequences.

It has been an active period in Queensland, with major construction starting last month on a project to widen sections of the Logan and Gateway Extension motorways and improve congestion hot spots. The Gateway Upgrade North project, which we are delivering on behalf of the Queensland and Federal governments, is now over 50 per cent complete.

During the year, we also reached in-principle agreement with the Brisbane City Council to upgrade the Inner City Bypass, which connects our Legacy Way, Clem7 and AirportLinkM7 assets.

Once the upgrade is complete, we will provide operations, routine maintenance and incident response services, enabling us to deliver a high standard of operations throughout the corridor to improve traffic flows.

We are also focused on improving the customer experience in Queensland, which extends across a range of initiatives including improving our systems and processes. We are rolling out our Glide tolling system with an enhanced customer interface later this month. Another area of focus has been the fee arrangements in this market. Since acquiring our assets in Queensland, we have been working with the State Government and the Brisbane City Council to streamline and simplify the enforcement process we inherited and help customers minimise avoidable fees. We are seeing a significant reduction in fines issued to motorists and just last month we were able to work with the Government to introduce legislative amendments, which will streamline processes to lower potential fees.

We are proud of leading this and other efforts to help customers across our networks and will continue to invest in improving our interactions. We also remain vigilant in correcting any misinformation and myths propagated for questionable motives.

So I want to reiterate the comments of our chairman – the best outcome for our business and investors is the one where our customers pay their tolls and do not pay fees. This is exemplified by the outcomes from the changes I have just described, which will result in fewer customers going into the Government enforcement process and fewer fees being issued and yet this will also lead to higher toll collection rates for our business.

We will continue to work with our customers in this respect to help them avoid fees and if you are a customer and have any queries please contact us directly through our many customer channels.

In Northern Virginia, construction started in August on a project to extend the northern end of the 95 Express Lanes for 13 kilometres and reduce congestion in the 395 corridor.

The project converts the two existing high occupancy lanes and adds another lane to create three reversible Express Lanes.

On average, commuters on the 95 are saving 35 to 40 minutes a day and the lanes have also facilitated more than 830 bus trips a day due to the reliability of travel times. Soon they will have the benefit of the small southern extension that will be opening at least six months early. We look forward to agreeing a further extension south to Fredericksburg over the next few months. This section of the road was recently rated the worst traffic spot in the nation.

With all of these projects, technologies are fundamental to delivering the best outcome beyond the construction itself.

Our own workforce has transitioned from primarily an engineering business to a substantial technology business with almost 40 per cent of our workforce employed in technology.

Our data analytics combined with new technologies provide great opportunities to enhance the way we manage our operations and connect with our customers.

For example, we know the time of day an incident occurred, the light, weather and atmospheric conditions as well as the speed and density of traffic.

This type of intelligence allows us to determine when and where an incident is most likely to happen on our motorways. As a result, we can put in preventative measures such as real-time road-side messaging to manage traffic and ensure drivers stay alert.

We have used this data to determine where incident response vehicles should be positioned around the network to ensure the fastest response time.

Late last year we introduced a new fleet of rapid response vehicles on CityLink. These vehicles are purpose built with safety features to protect everyone while we attend to incidents.

Our teams are able to quickly move vehicles to a safe location off the motorway and then address the underlying issue. We have reduced our average response time by more than 60 per cent to car breakdowns.

We are lucky today to have some of our talented incident management crews in attendance with one of the new vehicles, which is parked just outside on Clarendon Street. These brave people deal with a wide variety of issues every day to keep our customers safe. We thank them for their efforts and if you get a chance, please have a chat with them after the meeting.

They always have an interesting story about what occurs on our networks. Although I do have to say that I look forward to autonomous vehicles on the network and maybe less colourful driver behaviour will occur.

Speaking of which, during the year we also began phase one of a series of trials on the Monash – CityLink – Tullamarine corridor to test how connected and autonomous vehicles interact with roadside infrastructure.

We have partnered with the Victorian Government, RACV, Victoria Police and various automakers to conduct the trials in partially automated vehicles.

We have also reached agreement with the Virginian Department of Transportation for a new series of trials on the 95 and 495 Express Lanes.

The trials will help us and our partners learn how to best prepare vehicles, infrastructure, regulations and the community for introduction of this technology.

And they will offer substantial benefits in terms of efficiency, safety and mobility so we look forward to sharing the results of these trials.

I would like to conclude by thanking the Board for its continued support of management and to thank the whole Transurban team for their commitment and dedication to producing results that help us achieve our vision to strengthen communities through transport.

We look forward to progressing the many projects we have on our agenda and continuing to create value for all of our stakeholders, especially our security holders.