

23 March 2018

Investor Presentation

Please find attached Transurban's Investor Presentation in respect of the A25 acquisition announced this morning.



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Classification **Public**

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A25 Acquisition

Montreal, Canada

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BASIS OF PREPARATION

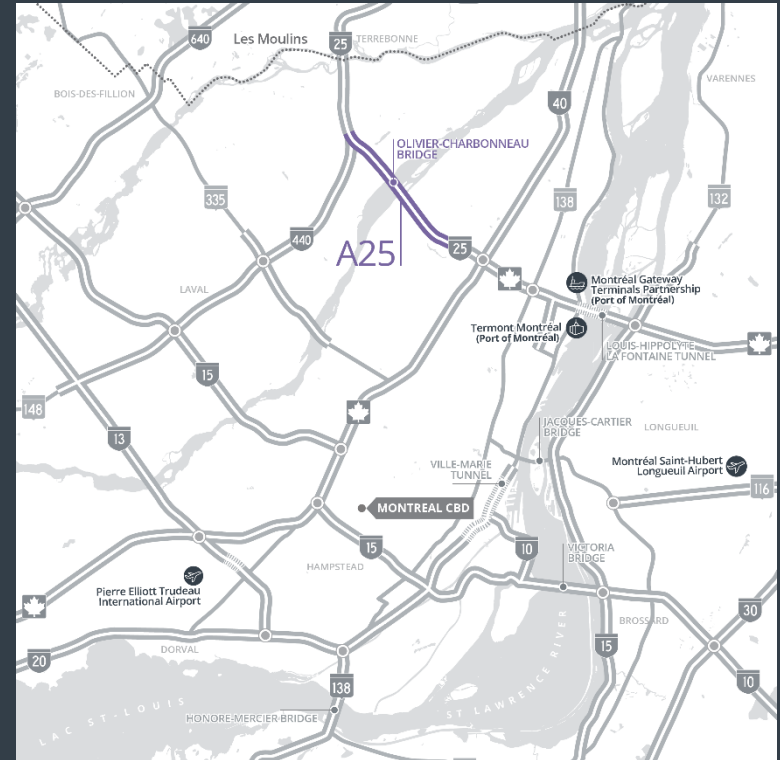
Financial information including pro forma financial information has been prepared using A25 financial information as extracted from audited financial statements of Concession A-25, Limited Partnership for the financial years ended 31 December 2015, 2016 and 2017. All financial information has been presented in Canadian dollars (CAD). The exchange rate to AUD at 22 March 2018 was 1.00.

This A25 financial information has been adjusted as follows:

- construction revenue and costs have been excluded to align with Transurban's proportional reporting approach for these items
- maintenance provision expense has been aligned to Transurban's accounting policy from 1 January 2015
- transponder costs and tolling costs in FY2017 have been normalised to be in-line with the current contracts for these expense items
- accounting income on the availability and guaranteed toll revenue payments has been adjusted to reflect the actual cash income received

Transaction summary

- Transurban has reached agreement with Macquarie Infrastructure Partners to acquire 100% of the equity interests in the A25 for CAD 840 million plus acquisition costs of CAD 18 million
- The A25 is a 7.2km toll road and bridge connecting Northern Montreal across the Rivière des Prairies to commercial and residential areas
- Investment in A25 provides Transurban with access to one of North America's most urbanised and heavily congested regions, supporting long term traffic growth and future development opportunities
- Transurban to leverage core capabilities and existing assets in North America
- Concession agreement with Ministère des Transports, de la Mobilité durable et de l'Électrification (MTQ)
- Opened in May 2011 and the concession expires in September 2042
- Revenue includes an availability payment plus a guaranteed minimum toll income
- Acquired using existing balance sheet capacity whilst maintaining strong credit metrics
- Immediately accretive to Transurban's distribution per security
- Financial close expected Q4 FY18, subject to Investment Canada Act approval



Aligned with strategy

To be the partner of choice with governments providing effective and innovative urban road infrastructure and services utilising core capabilities



Network planning
/ forecasting



Community
engagement



Development
/ delivery



Technology



Operations



Customer
experience

- Consistent with growth strategy of targeting heavily congested, urban areas with strong demographics; population, GDP and congestion consistent with existing Transurban regions
- Geographic diversification into additional North American market with potential for network expansion and a demonstrated history of market-led negotiations
- Opportunity to leverage core Transurban capabilities of operations, technology and customer experience

Value proposition



Customer experience

- Align to Transurban customer strategy
- Provide more customer service optionality and increase self-service usage
- Launch new mobile products
- Improve back-office processes including automation



Operations

- Leverage synergies with US-based assets
- Apply Transurban's approach to asset lifecycle management
- Work in partnership with government to explore tolling strategies to effectively manage demand and improve customer experience



Community engagement

- Continue to strengthen community engagement
- Further local partnership opportunities



Technology

- Delivery of next generation back-office technology
- Enhance security and service
- Focus on approach to lifecycle, contract management and technology to reduce costs and risks



Development / delivery

- Engage with government partner, who has extensive experience in public-private partnerships
- Build on regional momentum to support innovative transport solutions



Network planning

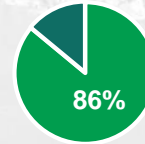
- Leverage dynamic tolling experience to optimise tolling strategy to improve mobility and service over the long term

Asset summary

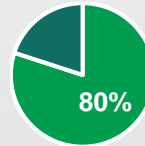
Strong historical traffic and revenue profile

- Asset in operation for almost seven years
- Exceeding original traffic projections
- Asset includes 1.2km 6-lane bridge over the Rivière des Prairies, and total of 6.0km of 4-lane roadway on either side of the bridge
- Montreal's highways rank amongst the most congested in Canada
 - Critical link in a heavily congested area
 - Serves commuter routes in Laval and North Shore
- Positioned in a region with extensive experience in public-private partnerships
- Opportunities to drive value through operational efficiencies, upgrades to customer products and network enhancements
- Transportation improvements are a key focus for the Greater Montreal area

2017 survey of North Shore residents¹



Traffic jams negatively affect quality of life



Believe road congestion worsened in last 5 years

Map showing regions of Quebec surrounding Montreal, including growth areas of North Shore and Laval



1. Source: Société de transport de Laval.

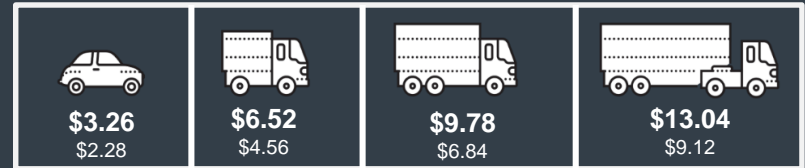
Tolling and revenue

A25 INCOME SOURCES FROM AVAILABILITY PAYMENTS, GUARANTEED MINIMUM PAYMENT AND TOLLS

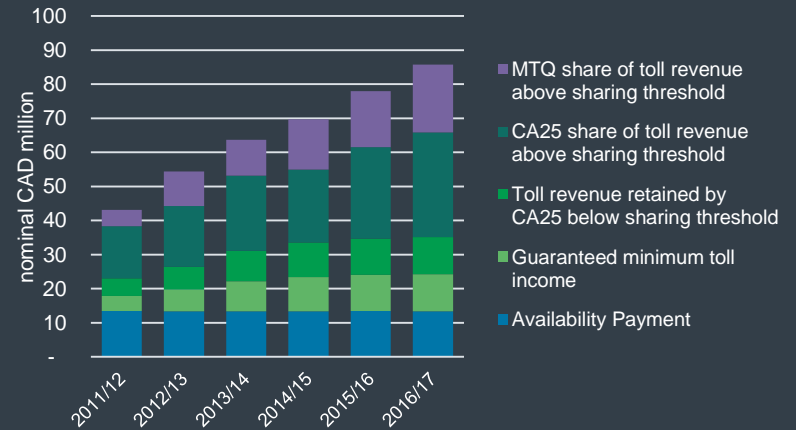
Inflation-linked pricing with toll prices escalating with Canadian CPI annually

- Toll rates vary for peak and off-peak hours with commercial vehicles tolled on a per axle basis averaging 3.2x car tolls
- Stability of inflation-linked pricing combined with demand-based escalation of toll rates which Transurban is uniquely positioned to manage
- Revenue profile includes:
 - Maximum toll rates increase annually with inflation and incrementally as traffic volumes exceed peak and off-peak thresholds
 - Availability payment is paid monthly, pro rated to CAD13.4 million per year¹, adjusted for any non-performance
 - Revenue sharing for revenue above an agreed threshold of 50% (including fees) has been triggered

Current toll rates (CAD, peak and off peak)



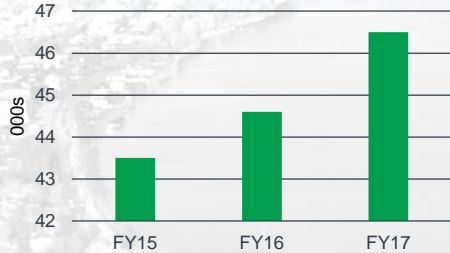
A25 historic revenue profile² (CAD, millions)



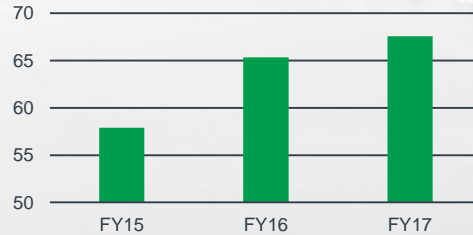
1. Availability payment is fixed and not indexed for inflation.
2. Refer to basis of preparation on Slide 2.

Key financials¹

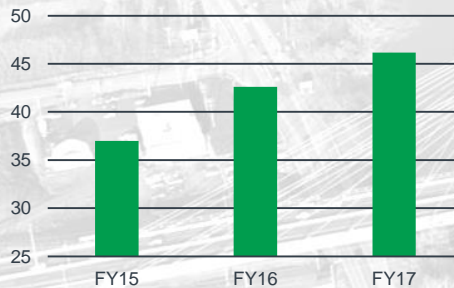
Average annual daily traffic



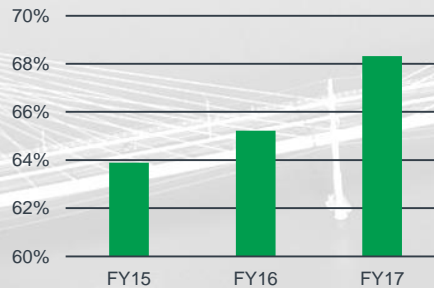
Revenue (CAD millions)



EBITDA (CAD millions)



EBITDA margin



Stable financials

- FY17 AADT growth of 4%
- EBITDA margins of almost 70%
- Combined Canadian federal and Quebec provincial income tax rate of approximately 27% applicable
- CAD 377 million of existing asset level debt retained post acquisition with a remaining tenor of 5 years
- CAD 840 million investment represents an acquisition EBITDA multiple of 26 times²
- Immediately accretive to Transurban's distribution per security

1. Refer to basis of preparation on Slide 2.

2. Calculated using pro forma FY17 EBITDA and an enterprise value based on a purchase price (excluding stamp duty and transaction costs) of CAD 840 million.

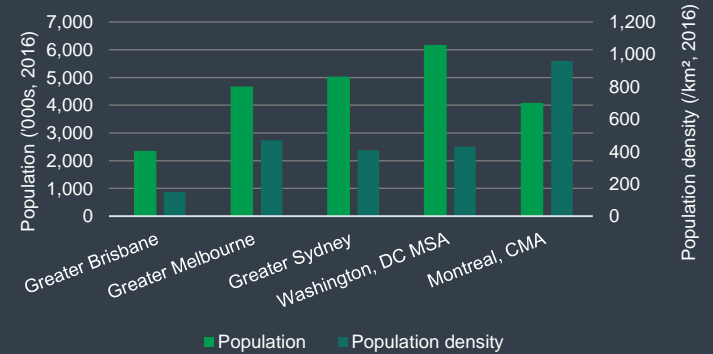
Montreal demographics

A25 DELIVERS EXPOSURE AND ATTRACTIVE DEMOGRAPHICS

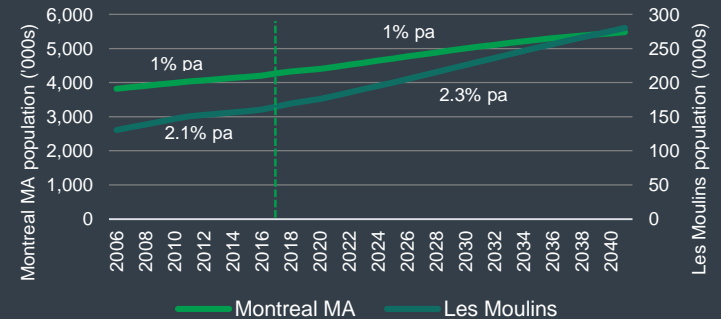
Montreal metropolitan area has many aspects in common with the other markets where Transurban operates

- Stable and consistent population growth with a population density significantly higher than Transurban's other regions
- Population in Montreal has been growing by 1% per annum in the past decade²
- Developed economy with a skilled workforce
- Steadily increasing employment in recent years, boosted by the technology sector and relatively low cost of living³
- Montreal unemployment rate of less than 6%³
- A25 located next to the high growth Les Moulins region with connections to Montreal

Montreal population and population density¹



Montreal and Les Moulins population growth²

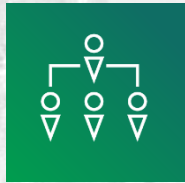


1. Source: Statistics Canada, Australian Bureau of Statistics and Census Quickstats.
 2. Source: Statistics Canada, Post-Censal Population Estimates.
 3. Source: Statistics Canada and City of Montreal.

Integration

INCREASED EFFECTIVENESS AND ALIGNMENT TO TRANSURBAN APPROACH

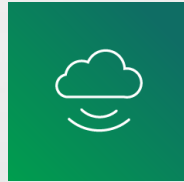
Integration of A25 to occur over six to nine months across four key streams



Corporate and support



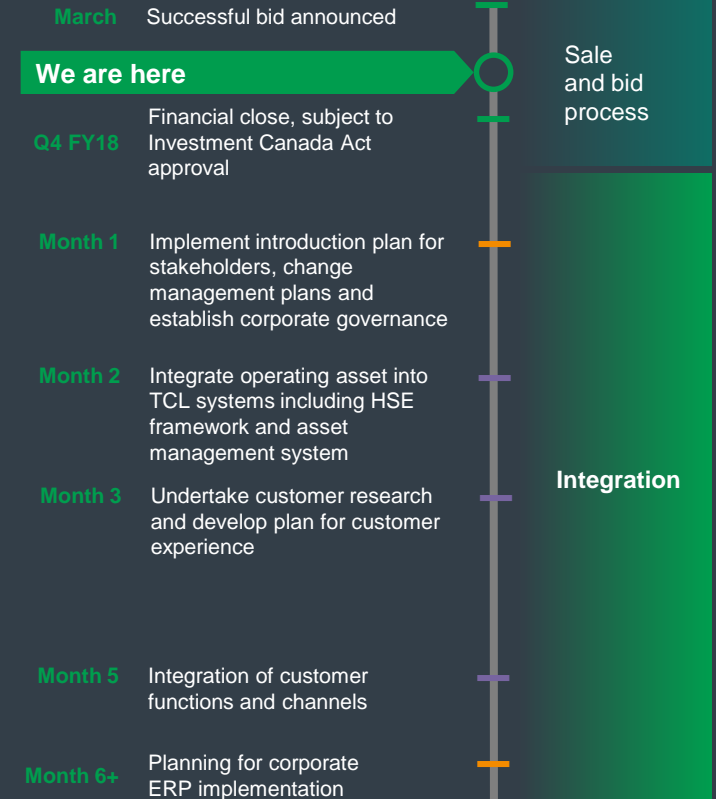
Operations and maintenance



Technology



Customer experience



Asset design map

