

asx release

21 October 2015

Presentation to Morgans Queensland Conference

Please find attached the presentation that Transurban CEO Scott Charlton will be delivering at today's Morgans Queensland Conference.



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Classification **Public**

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SCOTT CHARLTON, CEO

TRANSURBAN 2015 MORGANS CONFERENCE

transurban

TRANSURBAN SNAPSHOT



TRANSURBAN OWNS AND OPERATES TOLL ROADS

TRANSURBAN IS AN ASX TOP 20 COMPANY WITH A MARKET CAP OVER \$19 BILLION

4



NETWORKS

14



ASSETS

9



DEVELOPMENT
OPPORTUNITIES

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

NETWORK
PLANNING /
FORECASTING

COMMUNITY
ENGAGEMENT

DEVELOPMENT
/ DELIVERY

TECHNOLOGY

OPERATIONS
AND CUSTOMER
MANAGEMENT

TRAFFIC AND TOLLING

- Traffic growth through economic cycles
- Fully electronic tolling with dynamic pricing capability
- Inflation linked pricing

DEVELOPMENT POTENTIAL

- Partner of choice with government
- Near-term and long-term value sources – pricing arrangements/concession extensions
- Balanced risk profile

NETWORK CHARACTERISTICS

- Urban
- Relieving existing congestion
- Attractive demographics – population, employment and income
- Supportive political and legislative environment

OPERATIONAL EFFICIENCIES

- Economies of scale
- Early adoption of proven technology
- Active network management
- Customer focus

POLICY POSITIONING

- Unique insights into road user preferences
- Active role in industry innovation
- Community and stakeholder focus

TRANSURBAN'S PORTFOLIO



NETWORK ASSET	AUSTRALIA						
	MELBOURNE	SYDNEY					
	CITYLINK	HILLS M2	CROSS CITY TUNNEL	LANE COVE TUNNEL	M1 EASTERN DISTRIBUTOR	WESTLINK M7	M5 MOTORWAY
							
LENGTH	22km	21km	2.1km	3.8km	6km	40km	22km
Transurban ownership	100%	100%	100%	100%	75.1%	50%	50%
% of proportional FY15 group toll revenue	37.0%	14.2%	3.5%	4.8%	5.5%	8.3%	6.5%
Remaining Concession Life ¹	19.5 years	33 years	20.5 years	33 years	33 years	33 years	11.5 years

1. Remaining concession term is as at 30 June 2015 rounded to the nearest half year.

TRANSURBAN'S PORTFOLIO



	AUSTRALIA					UNITED STATES	
NETWORK	BRISBANE					WASHINGTON DC	
ASSET	GATEWAY	LOGAN	CLEM7	GO BETWEEN BRIDGE	LEGACY WAY	495 EXPRESS LANES	95 EXPRESS LANES
							
LENGTH	23.1km	38.7km	6.8km	0.3km	5.7km	22km	46.6km
Transurban ownership	62.5%	62.5%	62.5%	62.5%	62.5%	100%	100%
% of proportional FY15 group toll revenue	7.6%	5.9%	1.9%	0.5%	n/a	2.8%	1.5%
Remaining Concession Life ¹	36.5 years	36.5 years	36 years	48.5 years	50 years	72.5 years	72.5 years

1. Remaining concession term is as at 30 June 2015 rounded to the nearest half year. Gateway and Logan operate under a single concession.

CITYLINK TULLA WIDENING

MELBOURNE

OVERVIEW

- Extra lanes to add 30% more capacity
- Upgraded Bolte Bridge to West Gate Freeway connection to improve safety
- Improvements to Bell Street entry and exit
- Installation of digitised tolling and traffic management systems, enhancing road safety and reliability
- State Government will undertake widening works from CityLink to the airport



CITYLINK TULLA WIDENING

PROJECT ECONOMICS

PROJECT ECONOMICS

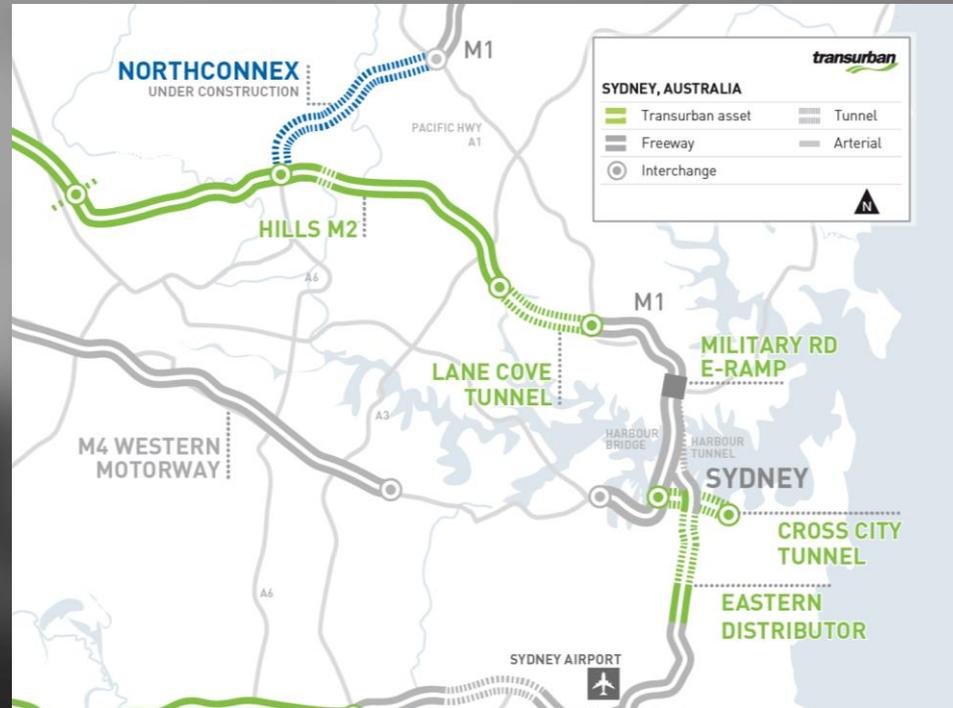


NORTHCONNEX

SYDNEY

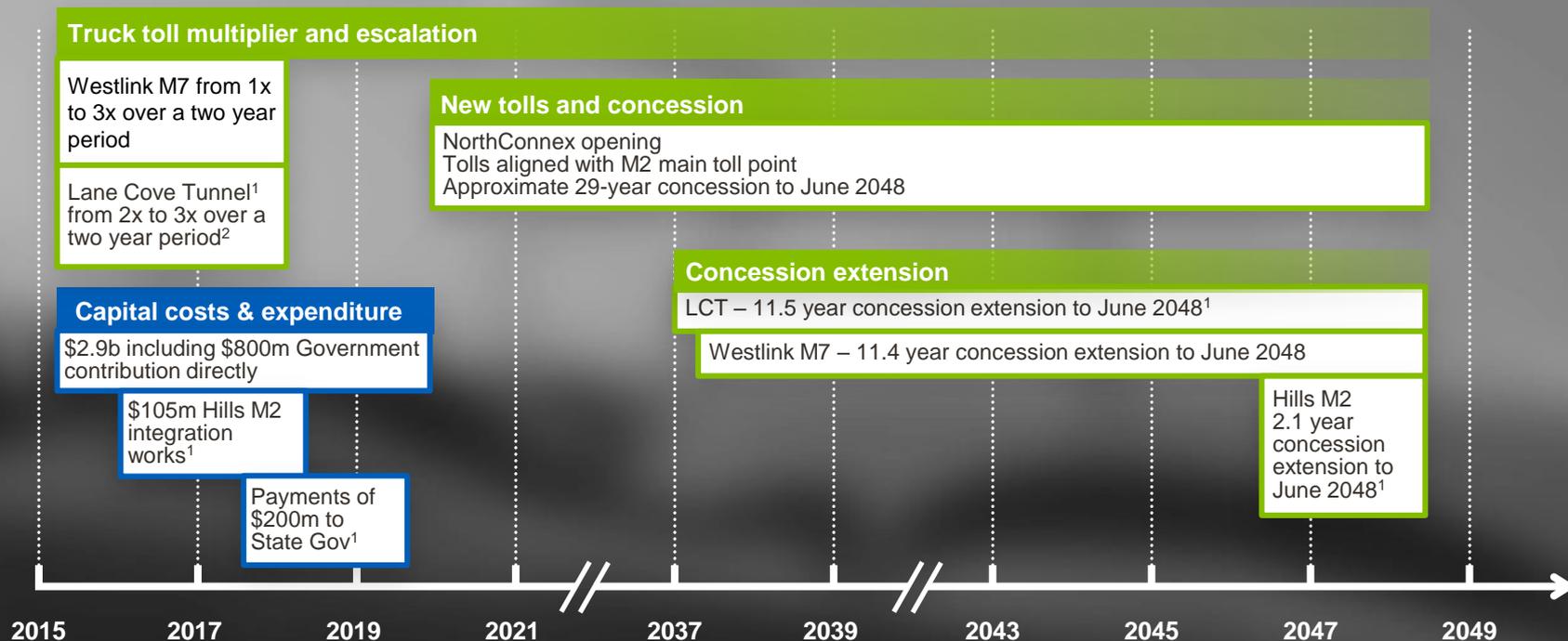
OVERVIEW

- Nine kilometre twin tunnels connecting the southern end of the M1 Pacific Highway to the Hills M2 Motorway at the Pennant Hills Road interchange
- Upgrade works to the Hills M2 to integrate the NorthConnex project, providing 3.5 kilometres of additional lane (westbound) from the merge point of the M2 and NorthConnex to Windsor Rd
- Construction underway. The project is due to be completed in 2019



NORTH CONNEX

PROJECT ECONOMICS



1. Ancillary funding agreed between Transurban and NSW Government.

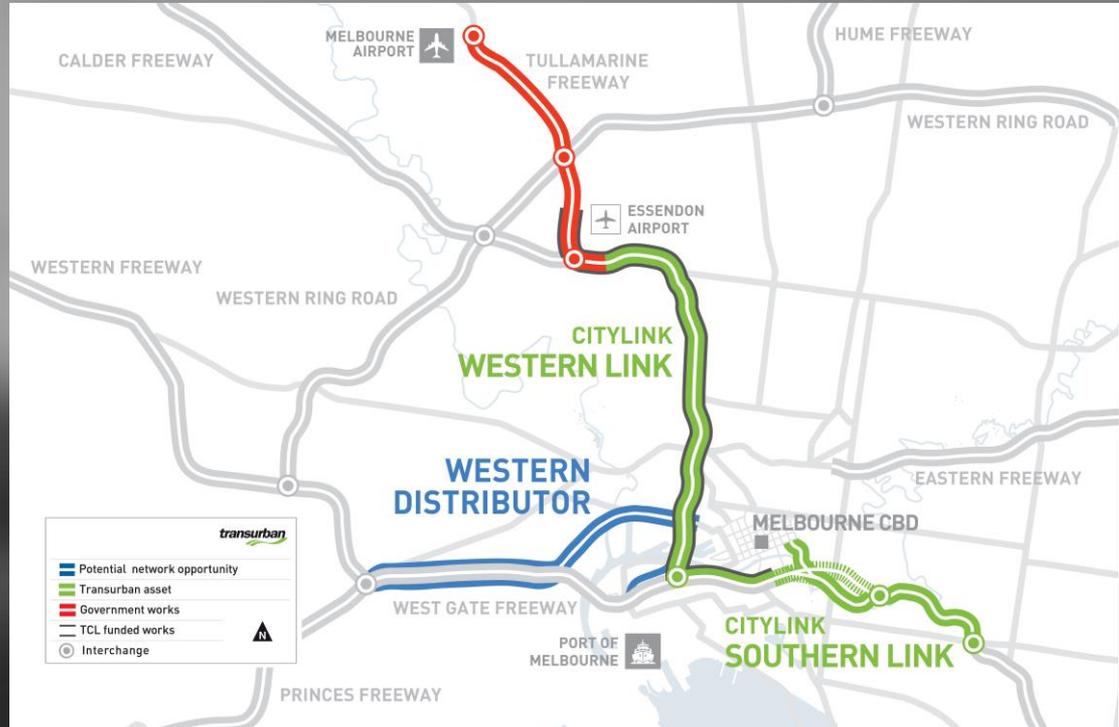
2. Quarterly escalation rate for Lane Cove Tunnel trucks to move to the greater of CPI or one percent per quarter (currently CPI) after the high truck multiplier has been phased in.

WESTERN DISTRIBUTOR

MELBOURNE

OVERVIEW

- Upgrading Cook Street and the West Gate Freeway to Bolte Bridge ramp, complementing port works already underway
- 50% additional capacity by adding two lanes each way from M80 Ring Road to the Western Distributor tunnel portal
- Tunnel and elevated motorway connecting the West Gate Fwy with the port, CityLink and the CBD



TRANSURBAN QUEENSLAND

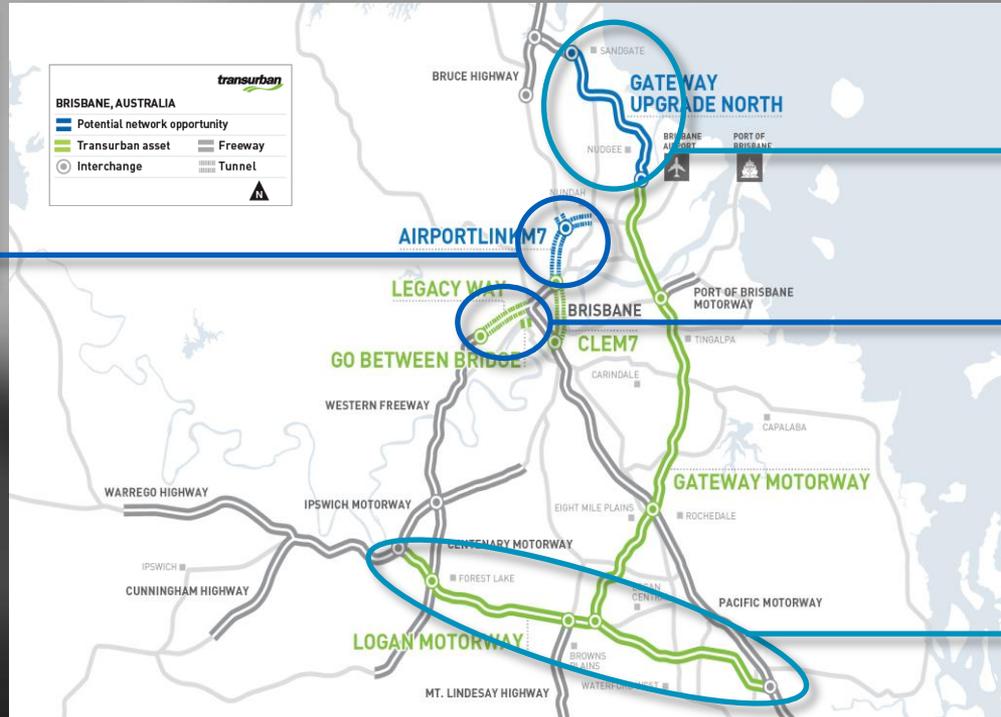


AIRPORTLINK

- Sale process underway
- Operational efficiencies uniquely available to TQ consortium

TQ INTEGRATION

- Integration program on track
- Realising significant operational and financial benefits ~360 bps margin improvement since acquisition
- Further margin benefits expected from technology and O&M



GATEWAY UPGRADE NORTH

- TQ managing project on behalf of the Queensland Government
- D&C contractor appointed

LEGACY WAY

- Opened 25 June 2015
- Opened well relative to expectations

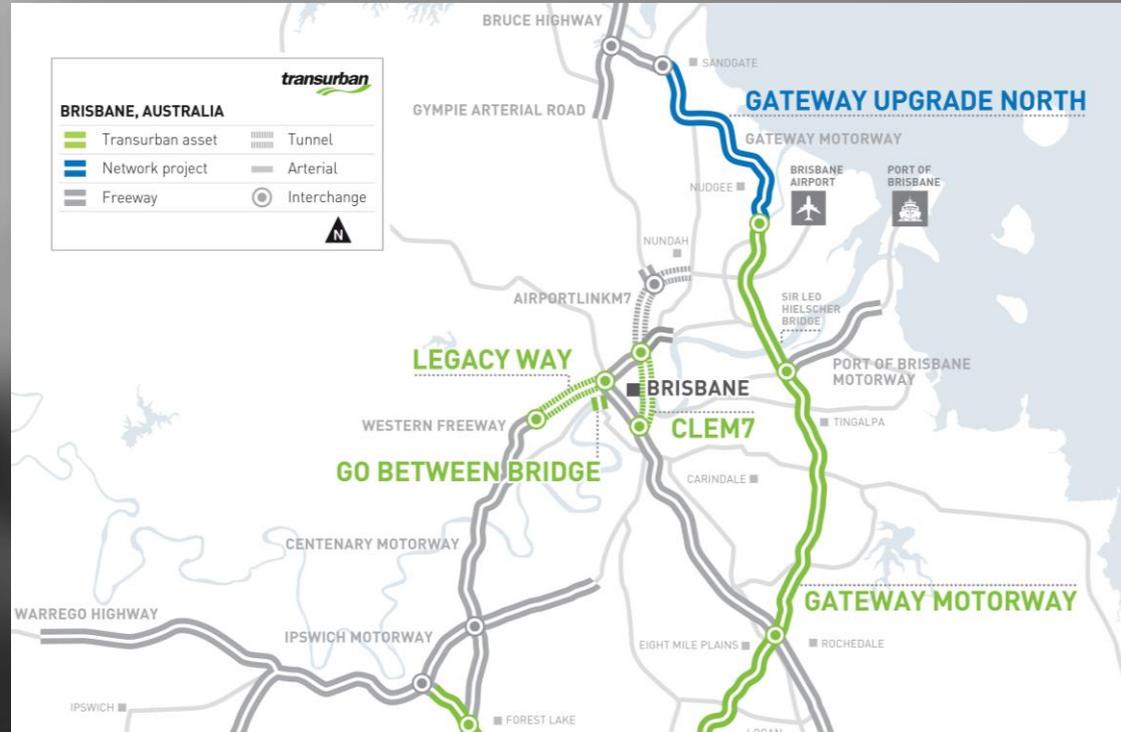
LOGAN MOTORWAY

- Actively exploring solutions to relieve bottlenecks

GATEWAY UPGRADE NORTH

OVERVIEW

- Widening of 11km section of the highway
- \$1 billion project
- Partnered with Queensland and Federal Government to deliver project on their behalf



LEGACY WAY

SUCCESSFUL OPENING



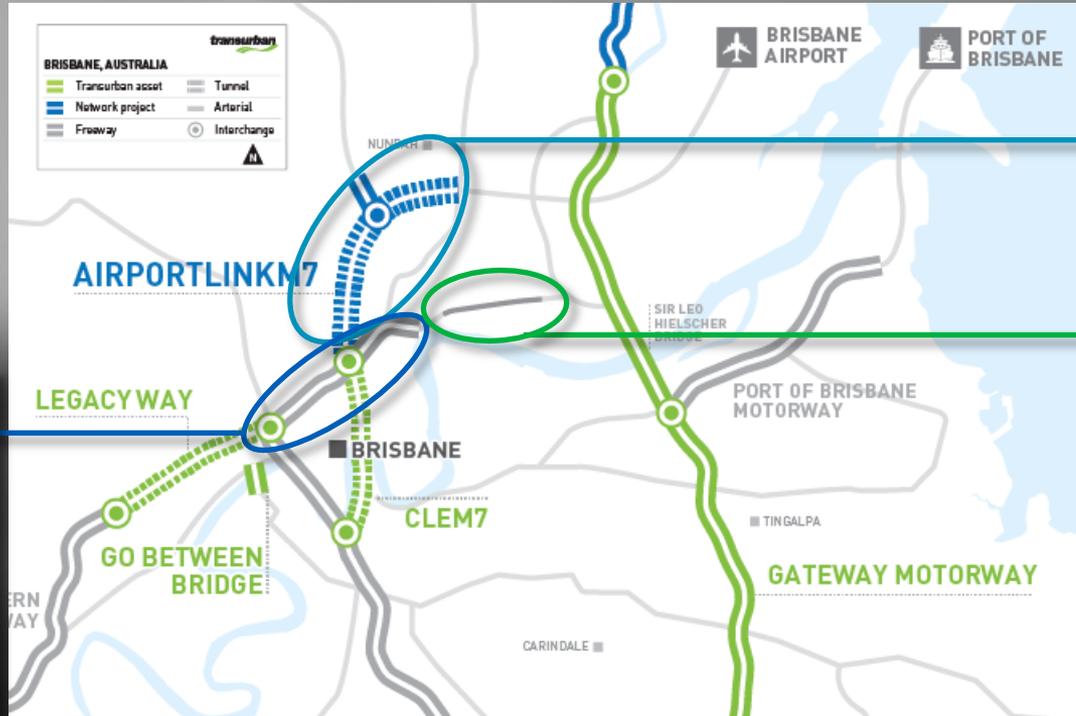
OPERATION	1 ST QUARTER OF OPERATIONS
LENGTH OF TUNNEL	4.6km
NUMBER OF LANES	4 (2 lanes each direction)
OPENING DATE ¹	25 June 2015
TOLL PRICE (CARS) ²	\$3.00
ESCALATION	Brisbane CPI annually (1 July)
AVERAGE WORK DAY TRAFFIC	19,000

1. Legacy Way opened to traffic on 25 June 2015. Transurban Queensland reached financial close for the acquisition of Legacy Way on 29 June 2015.

2. The first discount toll period will run until 15 November 2015. From 16 November 2015 until 1 May 2016, the second discount period will run; the toll price for cars will be \$3.90. From 2 May 2016, the full toll (\$4.85) will apply.

LEGACY WAY

NETWORK BENEFITS



~10% increase in traffic since opening of Legacy Way during discount toll period

Traffic uplift on AirportLink since opening of Legacy Way during discount toll period

Government to upgrade Kingsford Smith Drive, a free competing route for AirportLink

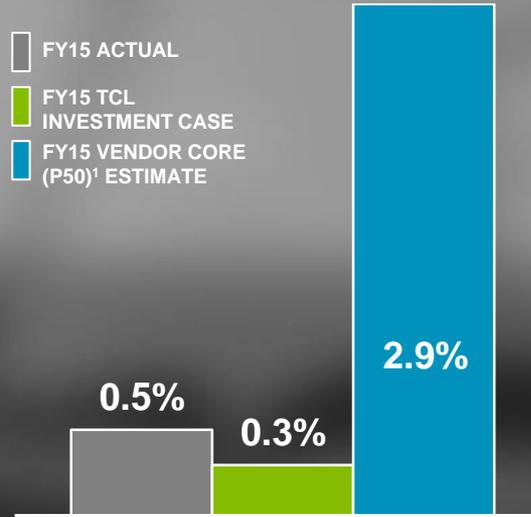
INVESTMENT DISCIPLINE

COMPARISON OF TCL AND VENDOR TRAFFIC FORECASTS

TCL APPROACH

- Commitment to accurate forecasting – alignment of interest as long-term operator
- Detailed network modelling enables rigorous assessment of key inputs
- Modelling underpinned by extensive range of variables
- Supported by a well-established and experienced in-house team of traffic modellers - TCL has a track record of producing accurate traffic forecasts to assess development opportunities

CLEM7 YEAR-ON-YEAR TRAFFIC GROWTH (AADT%)



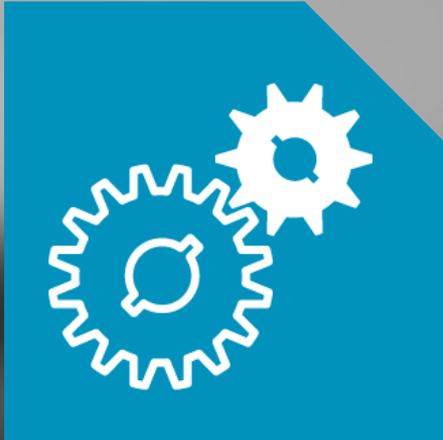
CLEM7 long term vendor forecast ~34% higher than TCL

CCT long term vendor forecast ~29% higher than TCL

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

POSITIONING FOR THE FUTURE

SIGNIFICANT OPPORTUNITIES EMERGING THROUGH TECHNOLOGY



TECHNOLOGY

- Road network pricing opportunities
- Efficient road network operations
- Optimised traffic management
- Expanded customer interfaces

TECHNOLOGY NO LONGER A BARRIER

	INTRODUCED	CURRENT STATE IN AUSTRALIA – CRITICAL MASS
GPS	2000: personal GPS products launched	18.5 million GPS-enabled smartphones in use
ON BOARD DIAGNOSTIC (OBD) CONNECTOR	2007: OBD connector mandated as standard for Australian vehicles	60% of vehicle fleet have an OBD connector
TELEMATICS DEVICE	2000: \$2,000 per device	\$350 per device (medium price)
FAST MOBILE DATA	1991: 2G data (9.6kbp/s) introduced in Australia	4G data network rolled out (100 mbp/s)

1,200 participants across the Greater Melbourne area

Distance-based per kilometre charge



10 cents per km

Price per trip



\$1.30 per trip

Monthly charge for a set number of kilometres



\$100 for 1,000km

QUESTIONS

SCOTT CHARLTON

