

# INVESTOR PRESENTATION

10 May 2010



# DISCLAIMER

RiverCity Motorway Group (RCY) comprises RiverCity Motorway Investment Trust (RCMIT), ARSN 119 128 326 and RiverCity Motorway Holding Trust (RCMHT), ARSN 119 128 193.

RiverCity Motorway Management Limited (RCMML), ABN 33 117 343 361 AFSL 297 867 is the responsible entity of RCMIT and RCMHT and is a wholly owned subsidiary of RiverCity Motorway RE Holdings Pty Ltd ACN 133 419 637. Investments in RCY are subject to investment risk, including possible delays in repayment and loss of income and capital invested. Neither RCMML, nor any member of the RiverCity Motorway Group guarantees the performance of RCY, the repayment of capital or the payment of distributions or a particular rate of return on RCY stapled securities.

This presentation has been prepared by RiverCity Motorway Services Pty Limited (RCM Services) as the manager of the RiverCity Motorway Group, which comprises RCMIT, RCMHT and all their subsidiaries, based on information available to them.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness, or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, neither RCMML nor RCM Services, their directors, employees or agents, nor any other person accepts any liability for any loss arising from the use of this presentation or its contents or otherwise arising in connection with it, including, without limitation, any liability arising from fault or negligence on the part of RCM Services or their directors, employees or agents.

## **General Securities Warning**

This presentation is not an offer or invitation for subscription or purchase of or a recommendation of securities. It does not take into account the investment objectives, financial situation and particular needs of the investor. Before making an investment in RCY, the investor or prospective investor should consider whether such an investment is appropriate to their particular investment needs, objectives and financial circumstances and consult an investment adviser if necessary.

Information, including forecast financial information, in this presentation should not be considered as a recommendation in relation to holding purchasing or selling, securities or other instruments in RCY. Due care and attention has been used in the preparation of forecast information. However, actual results may vary from forecasts and any variation may be materially positive or negative.

Forecasts by their very nature, are subject to uncertainty and contingencies many of which are outside the control of RCY.

Past performance is not a reliable indication of future performance.

# AGENDA

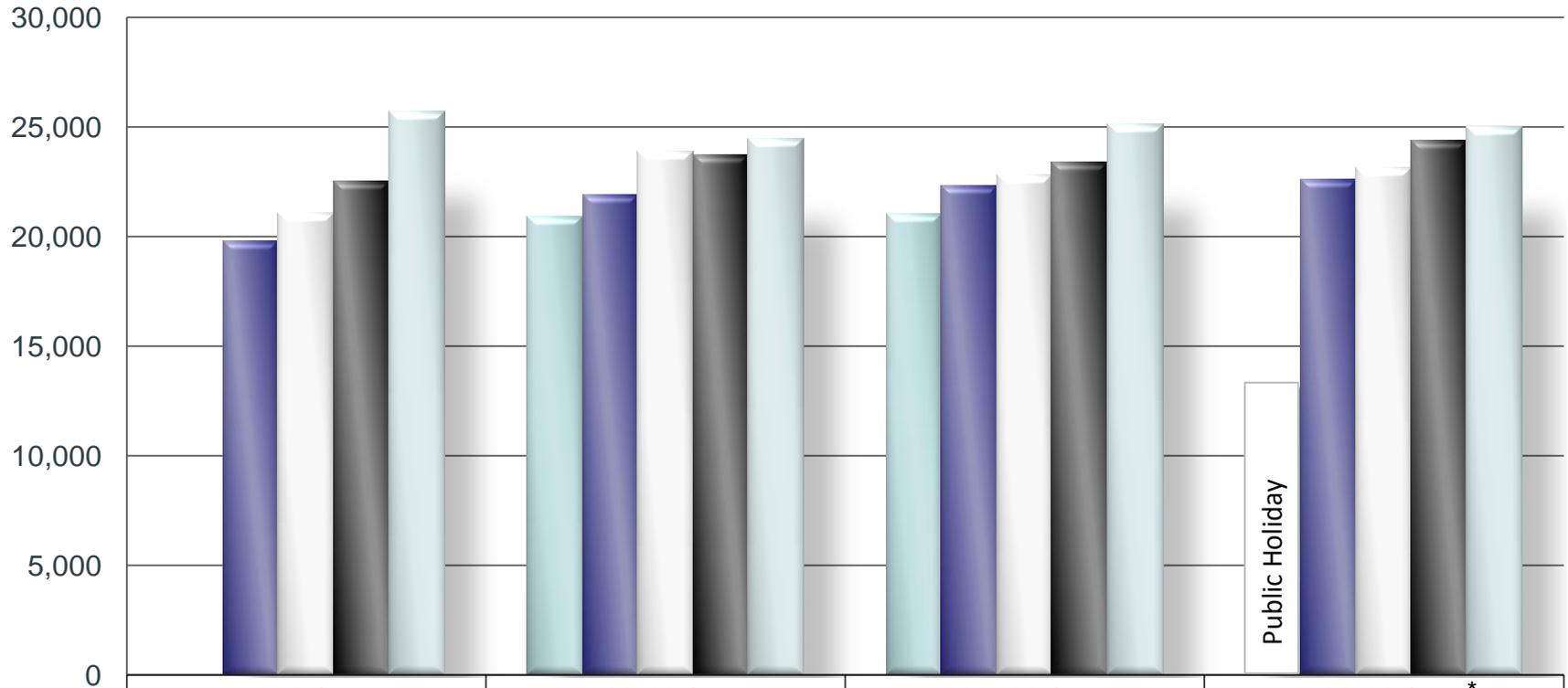
- Traffic
- Company strategy
- Business operations
- Financial

# CLEM7 TRAFFIC VOLUMES

	16 March – 5 April	6 – 30 April
	Toll-free	Tolled*
Average Daily Trips	59,109	21,178
Average Workday Trips	61,799	22,967
Average Non-workday Trips	54,737	16,577
Workdays in Period	13	18
Non-workdays in Period	8	7

\* 30% discount applied to all tolls during this period.

# WORKDAY TRIPS TOLLED PERIOD (6 TO 30 APRIL 2010)

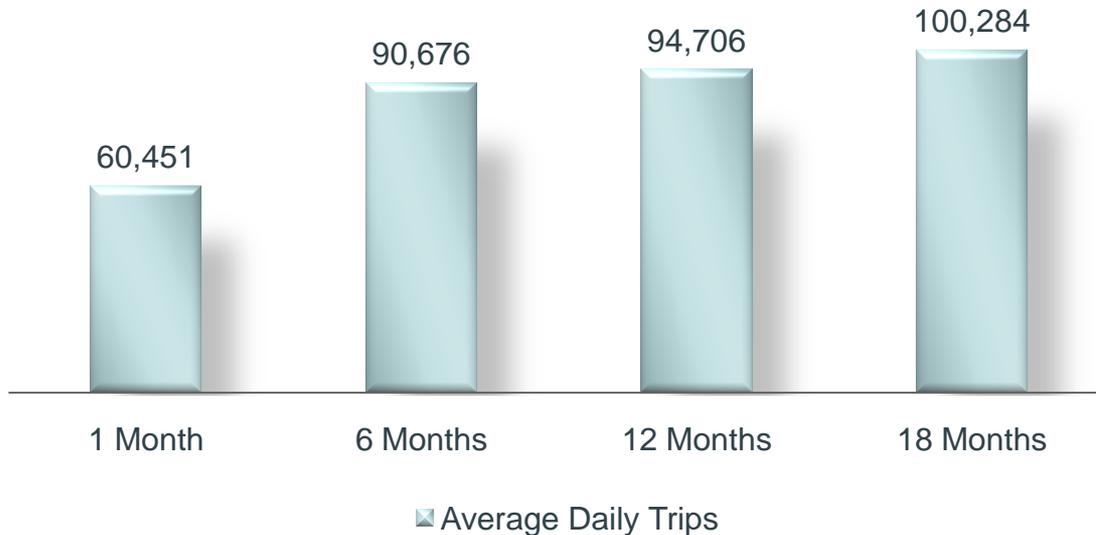


	6- 9 Apr	12-16 Apr	19 -23 Apr	26-30 Apr *
Monday		20,872	21,017	13,058
Tuesday	19,772	21,894	22,288	22,578
Wednesday	21,042	23,851	22,797	23,104
Thursday	22,513	23,696	23,382	24,378
Friday	25,688	24,464	25,104	24,971

\* Public holiday.

# EARLY TRAFFIC VOLUMES DISAPPOINTING

Forecast 18 Month Traffic Ramp-up



- Early traffic numbers markedly below the original forecast of the Traffic Expert
- Average Daily Trips of 21,178 with a 30% toll discount presents a challenge

# DISTRIBUTION BY VEHICLE TYPE

	6 – 30 April		Forecast	
	Tolled*			
Car	17,154	81%	52,048	86.1%
Light Commercial Vehicle	2,753	13%	3,808	6.3%
Heavy Commercial Vehicle	1,059	5%	4,594	7.6%
Motorbike	212	1%	-	-

\* 30% discount applied to all tolls during this period.

# TIME SAVINGS LUTWYCHE ROAD TO IPSWICH ROAD VIA CLEM7 INSTEAD OF STORY BRIDGE

Time of day	Travel time savings (minutes)	
	Southbound	Northbound
AM Peak	8.5	9
Middle of Day	7	5
PM Peak	8.5	7
Weekends(9am to 5pm)	7	4

Trip	Reliability of time savings (minutes)	
	Average time	Longest time*
CLEM7 AM Peak (Northbound)	6.9	8.5
Story Bridge AM Peak (Northbound)	16.3	25.9

\* 95th percentile of all trips.

# BRISBANE TRAFFIC NETWORK COUNTS 2005 to 2010

Location	2005	2006	2007	Mar-08*	Sept-08*	Mar-09*	Sept-09*	Mar-10* (Toll-free period)	Apr-10* (Toll in place)	% Change Mar 2009 to Apr 2010	% Change 2005 to 2010
<b>North of the River</b>											
Kingsford Smith Drive	-	-	-	64,906	63,502	64,417	65,097	66,643	61,350	-4.8%	-
Lutwyche Road	61,322	65,320	61,466	54,261	56,804	52,682	65,255	78,095	70,202	33.3%	27.4%
Abbotsford Road	49,646	51,905	53,179	54,898	54,069	56,592	54,147	57,075	55,056	-2.7%	15.0%
Inner City Bypass	68,468	-	-	69,442	69,450	68,527	69,617	63,059	64,204	-6.3%	-7.9%
<b>South of the River</b>											
Wynnum Road	46,465	46,502	45,635	48,495	47,556	49,462	47,100	48,292	47,630	-3.7%	3.9%
Ipswich Road	45,550	47,441	47,771	44,926	43,676	41,170	43,610	57,670	46,964	14.1%	26.6%
Pacific Motorway	-	-	-	106,845	105,633	110,071	109,768	96,528	112,919	2.6%	
<b>River Crossings</b>											
Captain Cook Bridge	134,493	136,533	132,967	136,718	135,221	140,628	127,552	109,420	134,187	-4.6%	-5.2%
Gateway Motorway	86,027	86,545	92,005	93,581 <sup>#</sup>	97,278	97,890	Not currently available				
Story Bridge	96,435	102,147	97,924	98,773	104,118	98,282	93,624	78,784	86,676	-11.8%	-18.3%
William Jolly Bridge	-	-	-	36,462	40,174	41,944	40,511	38,872	38,841	-7.4%	
Victoria Bridge	-	-	-	13,291	14,174	15,406	15,164	15,447	13,899	15.9%	

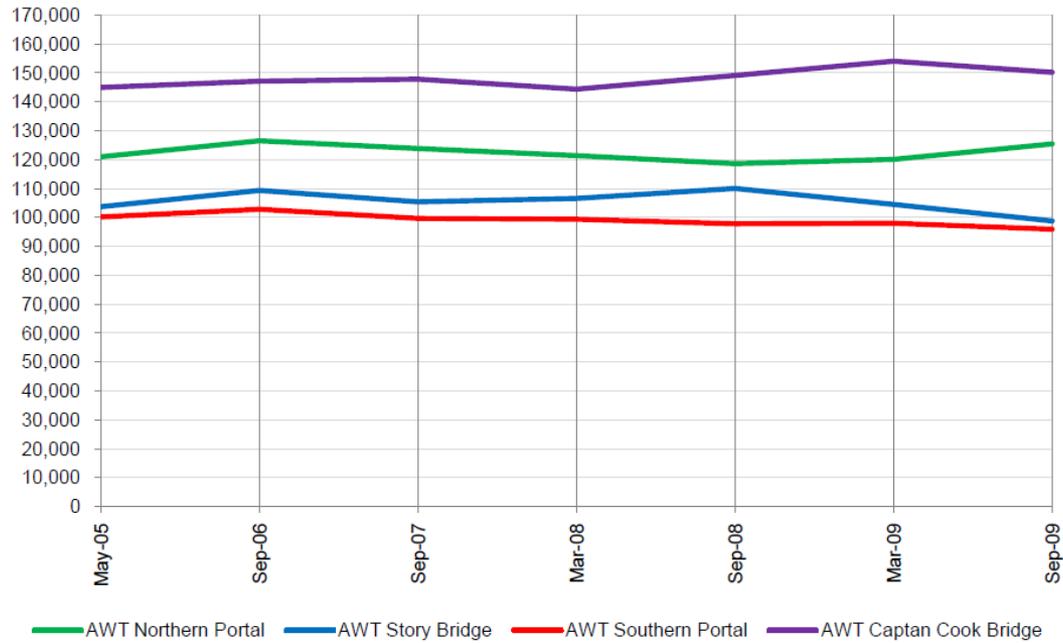
\*Traffic counts were generally completed over two week periods. It is important to note that these counts can be affected by specific incidents, seasonal factors, construction works, weather, major events and other variables and are accurate to plus or minus 10%.

<sup>#</sup>Average calculated from 34,157,000 tolled vehicles on Gateway Bridge reported in Qld Motorways Limited 2008 Annual Report.

# TRAFFIC RISKS IDENTIFIED IN RIVERCITY PDS

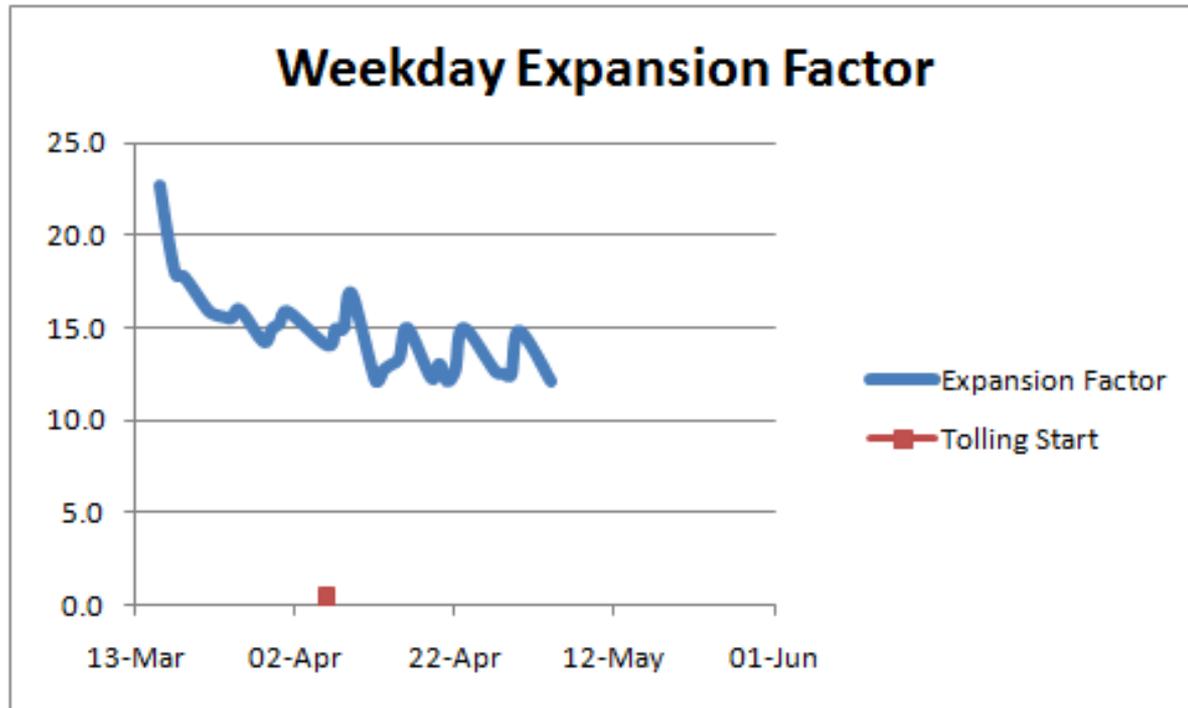
- Occurrence and timing of road projects
  - Gateway duplication
  - Hale Street
  - Airport Link
- Problems with integration or changes to existing road network
  - e.g. T3 lane not provided on Story Bridge
- Demographic and economic conditions
- Changing travel patterns and habits
- Expansion factors
- Community opposition
- Industrial and residential shifts in the area of Brisbane

# KEY RIVER CROSSING TRAFFIC BELOW TARGET



- With the exception of Captain Cook Bridge in the inbound direction, traffic volumes did not grow on either the Story Bridge or Captain Cook Bridge between May 2005 and September 2009 - AECOM (Maunsell) Travel Demand Indicators Report, Dec 2009.

# EXPANSION FACTOR NEARING 13.1 FORECAST





# COMPANY STRATEGY

# GROUP BUSINESS APPROACH

- Drive traffic growth during ramp-up
  - Deliver fast, safe and reliable travel for motorists using CLEM7
  - Make it easy for regular and infrequent customers to pay tolls
- Timely financial structure management
- Preserve unitholder and financier value

# BUSINESS DRIVERS

**2010**

**Maximise traffic and meet debt covenants**

- Easy-to-use products
- Discounts and incentives
- Welcome all road users

**2012**

**CLEM7 + Airport Link complete travel benefit**

- Airport Link target completion mid 2012
- Drive down costs
- Multi-road tollroad business

**2014**

**Preserve long-term value for equity and debt**

- Refinance maturities
- Maximise unitholder value

## DRIVING TRAFFIC GROWTH DURING RAMP-UP

- Initiatives and incentives so more motorists experience travel benefits
- 30% toll-discount extended to 30 June 2010
- Waived \$0.40 image processing fee until 30 September 2010
- Enhance directional signs and use of electronic roadside signs
- Negotiate with Brisbane City Council use of LATM to enhance performance of connecting roads and access to CLEM7
- Continued marketing and promotion to educate motorists about:
  - Tunnel entry and exit points
  - Travel benefits
  - Toll-discounts and reduced fees
  - Easy payment options (e.g. Your Bill)



# BUSINESS OPERATIONS

# ROADSIDE OPERATIONS

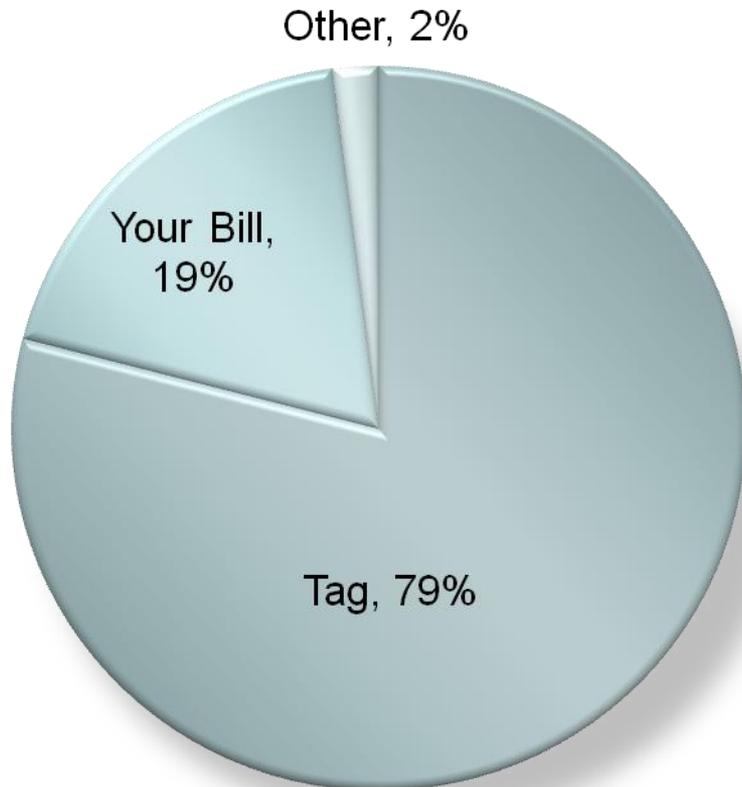
- Satisfaction is high among motorists who are currently paying to use the tunnel (Average score = 4.2 out of 5\*)
- Tunnel operators and systems performing as intended
- Excellent response times to breakdowns and incidents
- Brisbane motorists have adapted quickly to driving in tunnel
- Effective integration with connecting roads
- Night-time closures for quarterly maintenance (9 - 20 May 2010)

\* 5 = Very Satisfied

## TOLLING AND CUSTOMER SERVICE

- User-friendly tolling system
- Easy-to-use products and payment options
- Brisbane has responded well to electronic tolling:
  - 1.3 million Queensland Motorways Limited tags issued
  - 17,000 FLOW accounts
  - 22,000 FLOW tags issued
  - 70% of FLOW accounts established via Internet

# METHOD OF PAYMENT



- Typically toll roads fail to attract infrequent motorists as passes are less convenient
- *Your Bill* enables infrequent motorists to use road and receive a bill in the mail
- Strategy of converting *Your Bill* customers to account as they become regular users



# FINANCIAL

# BALANCE OF DEBT OUTSTANDING

<b>Equity Bridge Facility</b>	\$155m
Repaid on receipt of Deferred Equity Contribution	(\$155m)
<hr/>	
Balance	<u>Nil</u>
<b>Council Works Facility</b>	\$503m
Repaid on receipt of Council Works Payment	(\$503m)
<hr/>	
Balance	<u>Nil</u>
<b>Construction Facility</b>	<u>\$1,336m</u>
Converted to Term Facility - Tranche A	\$668m
- Tranche B	\$668m

## FINANCIAL TRANSACTIONS COMPLETE

- Final payment made to Design and Construction Contractor
- Early Completion Bonus \$54m made to Design and Construction Contractor

# CASH RESERVES

As at 31 March 2010

## *Operational Cash*

Discretionary cash for financing costs and operational expenditure	\$85.7m
Ramp-up Reserve*	\$70.6m

## *Restricted Cash*

Debt Service Reserve (only available to fund financing costs)	\$25.9m
Local Area Traffic Management Reserve and other restricted cash	\$20.2m
Cash restricted for Australian Financial Services Licence, toll customer funds and working capital	\$6m

---

\$208.4m

\* Use depends on traffic, not expected to be accessed in calendar 2010.

# OPERATING COSTS

	<b>PDS Year 1*</b>	<b>Budget 2011</b>
Roadside operations	\$16.1m	\$16.3m
Tolling and customer service <sup>#</sup>	\$4.1m	\$7.1m
Reimbursables, repairs and replacement	\$0.4m	\$0.7m
Administration <sup>+</sup>	\$10.1m	\$10.2m
	<hr/>	<hr/>
	\$30.7m	\$34.3m
		<hr/>
Annual interest and other costs of finance		\$107m
		<hr/>

\* RCY Public Disclosure Statement, page 66.

# Based on forecast traffic ramp-up starting at Average Daily Trips 60,451.

+ Excludes insurance premiums and marketing costs.



# CONCLUSION

# LONG-TERM FUNDAMENTALS

- Brisbane is continuing to grow in terms of population, employment and household incomes but growth has slowed in recent years, the Global Financial Crisis being one significant factor
- Suburbs adjacent to CLEM7 remain key areas for urban renewal
- Brisbane River is an enormous barrier for motorists
- Brisbane residents remain highly dependent on cars
- CLEM7 provides a critical connection to 6 major roads
- Long-term and competitive financing in place until 2014 provided covenants are met