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31 August 2018

TRANSURBAN ANNOUNCES WESTCONNEX ACQUISITION WITH \$4.2 BILLION EQUITY RAISING AND FY19 DISTRIBUTION GUIDANCE MAINTAINED AT 59.0 CPS

Transurban (50%), AustralianSuper (20.5%), CPPIB (20.5%), and Tawreed Investments Limited (Tawreed)¹ (9%), as Sydney Transport Partners (STP) have executed an agreement to acquire a 51% equity stake in WestConnex (WCX) from the NSW Government for \$9.3 billion.²

Acquisition highlights

- Financial close of the acquisition expected in late September, subject to Foreign Investment Review Board (FIRB) approval³
- WestConnex has long-dated concessions to end of 2060
- WestConnex implied EV/EBITDA multiple broadly in line with Transurban's recent transactions, having regard to the pro forma EV/EBITDA multiple at financial close of the acquisition, calculated using the present value of the projected EBITDA in FY28, being the first full year of operation of the integrated three-stage network including the M5 West⁴

Equity raising highlights

- Transurban to raise \$4.2 billion through a fully underwritten, 10 for 57 accelerated pro rata renounceable entitlement offer with retail entitlements trading (Entitlement Offer), plus \$600 million through a placement to certain STP consortium members (Placement)⁵
- Proceeds raised under the Entitlement Offer and Placement that are in addition to the WestConnex investment requirements will be used for general corporate purposes
- The acquisition is being substantially funded with equity upfront, before progressively bringing gearing in line with industry standards via capital releases, as construction of remaining stages is completed and cash flows build⁶
- FY19 and FY20 mid-single digit distribution growth targeted, with FY19 distribution guidance maintained at 59.0 cps⁷

Transurban Chief Executive Officer Scott Charlton said "WestConnex is a critical component of the NSW Government's long-term, transport and planning solution and is strategically significant for Sydney Transport Partners".

"The placement of \$600 million to our partners AustralianSuper and Tawreed demonstrates their support for Transurban and the WestConnex acquisition," Mr Charlton said.

¹ A wholly owned subsidiary of Abu Dhabi Investment Authority.

² Excluding transaction costs of \$0.1 billion. The purchase price is subject to a post completion adjustment for working capital, net debt and capex as at completion of the acquisition.

³ Subject to customary closing conditions. Refer to Key risk 3.1 in the the investor presentation Transurban released to the ASX today (Investor Presentation).

⁴ The enterprise value at financial close of the acquisition is determined based on the present value of 100% of WestConnex at financial close of the acquisition including additional capital invested (net of return on capital) up until the end of the first full year of operation of the M5 West. The enterprise value and projected FY28 EBITDA are based on Transurban management's estimates and assessment, having regard to the WestConnex Business Plan, and are subject to a range of assumptions and contingencies. There can be no assurance that these estimates and assessments will be accurate and the actual outcome may differ materially because events and actual circumstances frequently do not occur as projected or assumed in long term business plans. See the Basis of Preparation on slide 58 of the Investor Presentation for information on the preparation of the WestConnex Business Plan.

⁵ New securities issued under the Entitlement Offer and Placement will rank equally with ordinary securities.

⁶ Refer to slide 39 of the Investor Presentation for further details regarding the long-term capital strategy for WestConnex.

⁷ Guidance is based on assumptions relating to traffic volumes, toll revenue, maintenance and other items described in the Basis of Preparation on slide 58 of the Investor Presentation. Also see Key risks included in the Investor Presentation.

WestConnex overview

- WestConnex includes 33-kilometres of new or improved motorway linking Sydney's west and south-west with the CBD, and the corridor to Sydney Airport and Port Botany⁸
- Acquisition price includes the existing M5 West motorway, which transfers to WestConnex ownership in December 2026 once existing concession expires
- 42.5 concession years remaining and approximately 388 lane kilometres⁹
- By 2031, the NSW Government expects WestConnex to provide travel-time savings of approximately 40 minutes between Parramatta and Sydney Airport¹⁰
- Majority of traffic from well-established brownfield corridors¹¹
- Construction materially progressed under fixed-time, fixed-price contracts¹², with the NSW Government making a \$1.6 billion capital contribution to Stage 3A¹³ and RMS fully-funding Stage 3B
- Transurban's projected equity contribution of remaining projected capex spend to completion is approximately \$350 million¹⁴
- Operational synergies identified, leveraging Transurban's capabilities
- WestConnex (excluding M5 West) toll escalation by greater of Consumer Price Index (CPI) or 4% per annum until 2040, and greater of CPI or 0% per annum post 2040 through to the end of the concessions in 2060
- Transurban to provide WestConnex with operational services under a pre-agreed Master Services Agreement (MSA), consistent with the Transurban Queensland model¹⁵

Further details on WestConnex are set out in Appendix 1.

Equity raising

To fund its equity contribution to STP for the WestConnex acquisition, Transurban will undertake a fully underwritten, 10 for 57 Entitlement Offer to eligible security holders at an offer price of \$10.80 (Offer Price) per security to raise \$4.2 billion.

The Offer Price represents a 10.4 per cent discount to Transurban's closing price of \$12.06 on 30 August 2018, and a 8.9 per cent discount to TERP of \$11.85.¹⁶

Transurban has agreed to place securities to certain STP consortium members at \$10.85 per security to raise \$600 million. These placement securities will not be entitled to participate in the Entitlement Offer. Further details on transaction funding are set out in the tables below.

⁸ Approximate length. WestConnex includes approximately 30km of additional existing assets.

⁹ WestConnex concession life remaining in years as at 30 June 2018, not including M5 West which forms part of the concession for WestConnex from December 2026. Not revenue weighted because concession life for all stages is the same. Lane kilometres are approximate estimates based on available data and actual construction figures may vary.

¹⁰ Source: WestConnex Updated Strategic Business Case (2015).

¹¹ Refer to slide 22 of the Investor Presentation for additional information.

¹² Refer to slides 23 and 40 of the Investor Presentation for additional information.

¹³ Via the State Works Contribution. This is separate to the NSW Government's 49% share of the equity funding commitment for Stage 3A.

¹⁴ Refer to slides 40 and 41 of the Investor Presentation for additional information.

¹⁵ Refer to Key risk 3.2 in the Investor Presentation.

¹⁶ TERP is a theoretical price at which Transurban securities trade immediately after the ex-date for the Entitlement Offer assuming 100% take-up of the Entitlement Offer and having regard for to the Entitlement Offer ratio and securities issued under the Placement. TERP is a theoretical calculation only and the actual price at which Transurban securities trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to Transurban's closing price of \$12.06 on 30 August 2018.

Sydney Transport Partners funding sources and uses – Upfront WCX purchase price¹⁷

Sources	(\$b)	Uses	(\$b)
Transurban equity – 50%	4.1	Upfront WCX purchase price – 51% sell-down by NSW Government ¹⁸	9.3
AustralianSuper equity – 20.5%	1.7	STP transaction costs	0.1
CPPIB equity – 20.5%	1.7		
Tawreed equity – 9%	0.7		
Additional debt ¹⁹	1.1		
Total sources of funds	9.3	Total uses of funds	9.3

Transurban equity contribution sources and uses¹⁷

Sources	(\$b)	Uses	(\$b)
Entitlement Offer ²⁰	4.2	TCL share of WCX equity contribution to fund upfront purchase price	4.1
Placement to STP consortium members	0.6	TCL share of WCX FY19 capex contribution	0.1
		General corporate purposes	0.6
Total sources of funds	4.8	Total uses of funds	4.8

Distribution guidance

The Board has announced distribution guidance of 59.0 cps for FY19 including a franked component of 2.0 cps. The Distribution Reinvestment Plan (DRP) Program is expected to be re-activated to further support credit metrics and fund Transurban's development pipeline.

The extent to which distributions paid in FY19 are tax deferred will be confirmed in Tax Statements to be issued with the final distribution in August 2019.

Distributions will continue to be based on a payout target of 100 per cent of free cash flow over time.

Further information regarding the distribution guidance and the assumptions for it are set out in the investor presentation released by Transurban to the ASX today.

¹⁷ Figures may not add up due to rounding.

¹⁸ Upfront WCX acquisition price is inclusive of approximately \$0.6 billion stamp duty payable on acquisition.

¹⁹ Debt raised by STP to fund the Upfront WCX purchase price. This debt will be repaid by additional debt raised by WCX at Debt Financial Close. Refer to slide 38 of the Investor Presentation for further information.

²⁰ Assumes approximately 390 million fully paid new securities are issued under the Entitlement Offer. The exact number of new securities to be issued under the Entitlement Offer is still to be finalised and is subject to reconciliation of security holder entitlements.

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Indicative timetable

DATES AND TIMES ARE SUBJECT TO CHANGE WITHOUT NOTICE

Announcement of WestConnex acquisition and Entitlement Offer, trading halt, institutional entitlement offer opens	31 August 2018
Announcement of completion of institutional entitlement offer	5 September 2018
Trading halt lifted	5 September 2018
Retail entitlements commence trading on a deferred settlement basis	5 September 2018
Record date under the Entitlement Offer	5 September 2018
Despatch of Retail Information Booklet and entitlement and acceptance form	7 September 2018
Retail entitlement offer opens	7 September 2018
Retail entitlements commence trading on a normal settlement basis	10 September 2018
Initial Retail Closing Date – last day to apply for new securities to be issued on the Initial Allotment Date	11 September 2018
Retail entitlements conclude trading	11 September 2018
Settlement of institutional entitlement offer, institutional shortfall bookbuild and initial retail acceptance	12 September 2018
Initial Allotment Date – Institutional entitlement offer, institutional shortfall bookbuild and initial retail acceptance	13 September 2018
Normal trading commences on ASX of new securities issued under the initial allotment	13 September 2018
Retail entitlement offer closes	18 September 2018
Retail shortfall bookbuild	20 September 2018
Settlement of retail entitlement offer and retail shortfall bookbuild	25 September 2018
Final allotment of new securities	26 September 2018
New securities issued under the retail entitlement offer and retail shortfall bookbuild commence trading on the ASX	27 September 2018
Despatch of holding statements	28 September 2018

These dates are indicative only and are subject to change without notice. All times and dates refer to times and dates in Melbourne, Australia. Subject to the requirements of the Corporations Act, the ASX Listing Rules and any other applicable laws, Transurban has the right, with the consent of the underwriters, to amend the timetable, including extending the retail entitlement offer or accepting late applications (either generally or in particular cases) without notice.

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Further information

Further information in relation to the WestConnex acquisition and the Entitlement Offer are set out in the investor presentation released by Transurban to the ASX today.



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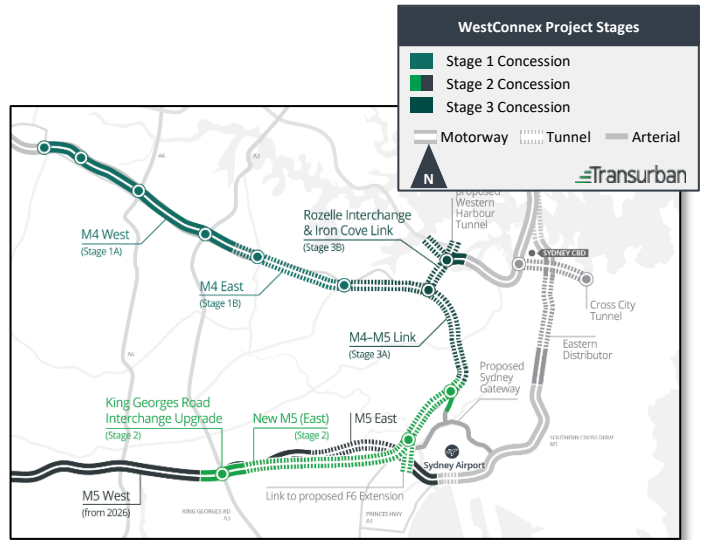
**Appendix 1
WestConnex Additional Information**

WestConnex Stage 1

- **M4 West Widening (M4 West) / Stage 1A:** existing M4 West motorway widened to four lanes in each direction from Parramatta to Homebush (7.5km)
- **M4 East Motorway / Stage 1B:** new 6.5km motorway section of three lanes in each direction, from Homebush Bay Drive, Homebush to Parramatta Rd and City West Link (Wattle St) at Haberfield. This includes 5.5km of new twin tunnels and associated surface works

WestConnex Stage 2

- **New M5 (East) Motorway:** new 11km motorway
 - Surface widening of M5 East, from King Georges Rd to new tunnel portal
 - New 9km twin tunnels, marked for two lanes (built to accommodate three lanes from Kingsgrove to Arncliffe and five lanes from Arncliffe to St Peters)
 - Provision for connection to future F6 Extension
- **M5 East Motorway:** existing M5 East motorway between King Georges Rd and General Holmes Drive, transfer from opening completion of New M5 (East)



Map is for illustrative purposes only and is not indicative of distance, proximity or scale.

WestConnex Stage 3

- **Stage 3A – M4-M5 Link Mainline Tunnels:** new 7.5km twin tunnels of four lanes connecting the M4 East at Haberfield to the New M5 (East) at St Peters, and stub connections for the future Rozelle Interchange and Iron Cove Link
- **Stage 3B – Rozelle Interchange and Iron Cove Link:** new interchange connecting the M4-M5 Link Mainline Tunnels to the surface and the Anzac Bridge, including provision for future connectivity to the proposed Western Harbour Tunnel

M5 West

- **M5 West:** existing motorway of three lanes in each direction stretching between the M5 East and WestLink M7 to form part of the Stage 2 concession from December 2026, once the existing concession expires

WestConnex

Length²¹	33km
Lane kilometres²²	388km (approx.)
Remaining concession²³	42.5 years
Toll escalation²⁴	Greater of CPI or 4% per annum until 2040
Concessions end	December 2060

²¹ Approximate length. WestConnex includes approximately 30km of additional existing assets.

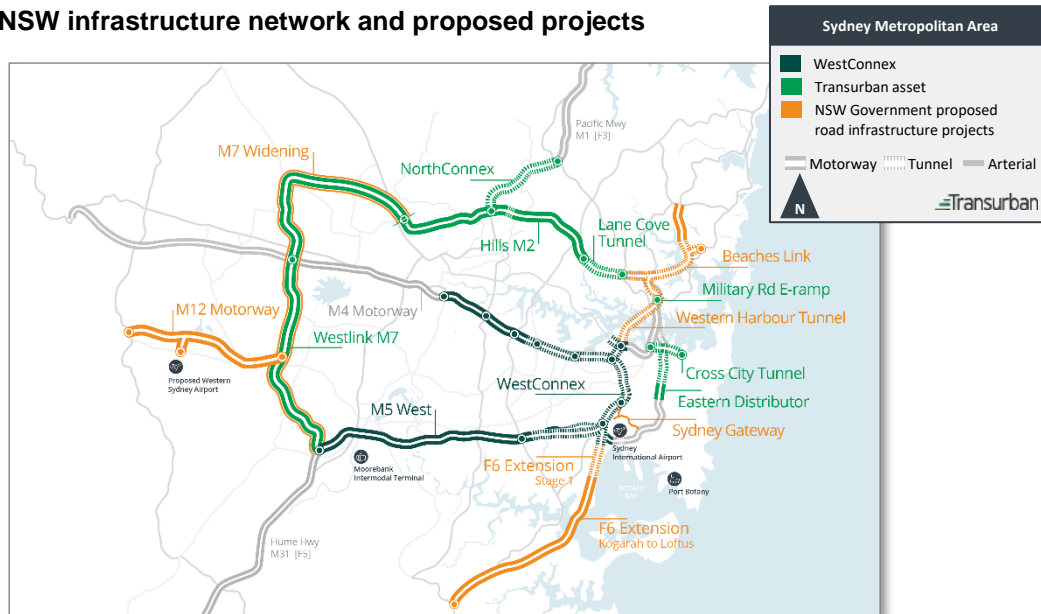
²² Lane kilometres are approximate estimates based on available data and actual construction figures may vary.

²³ WestConnex concession life remaining in years as at 30 June 2018, not including M5 West which forms part of the concession for WestConnex from December 2026. Not revenue weighted because concession life for all stages is the same.

²⁴ Not including M5 West which after December 2026 escalates quarterly by CPI. For the other WestConnex assets, from 2040 through to end of concession tolls escalate at the greater of CPI or 0%.

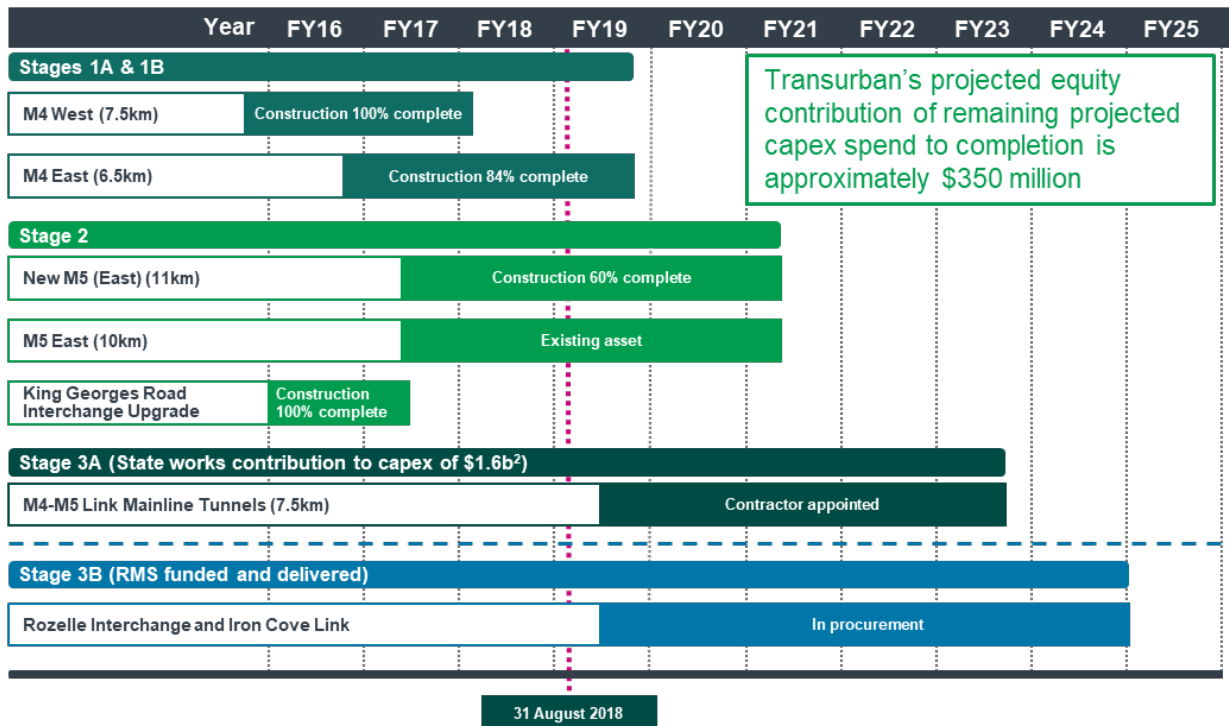
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NSW infrastructure network and proposed projects



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WestConnex construction profile²⁵



²⁵ Construction completion percentages as per WestConnex website as at 27 August 2018. Estimated completion dates. See slide 15 and footnote 1 on that slide, and slides 40 and 41 of Investor Presentation for further information.

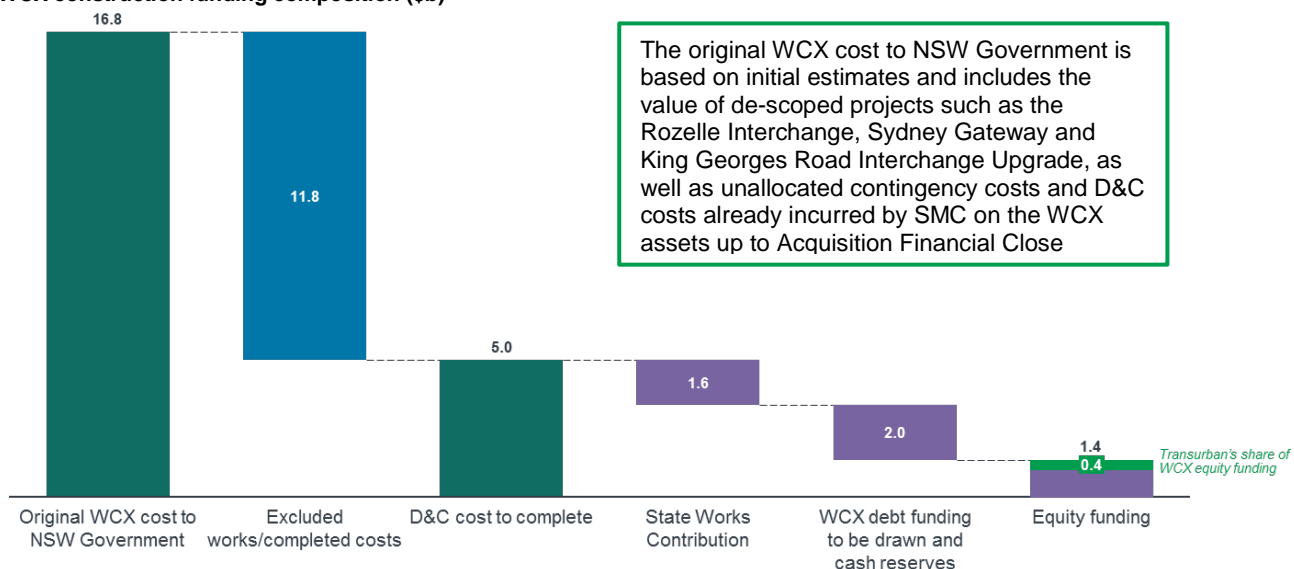
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- WestConnex delivery oversight will be led by an experienced and dedicated team
- Reduced construction risk with two of three stages substantially progressed, and Roads and Maritime Services (RMS) responsible for the delivery of Stage 3B
- Industry-standard, fixed-time and fixed-price construction contracts with tier-one contractors
- Transurban’s projected contribution of remaining projected capex spend to completion is approximately \$0.9 billion²⁶

WestConnex capital profile

\$5.0 billion remaining projected capex spend to completion, of which Transurban’s projected equity contribution is approximately \$350 million

WCX construction funding composition (\$b)²⁷



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Investors acknowledge and agree that determination of eligibility of investors for the purposes of the institutional entitlement offer or the retail entitlement offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Transurban and/or the underwriters. Each of Transurban, the underwriters and each of their respective advisors, affiliates, related bodies corporate, directors, officers, partners, employees and agents disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law. The underwriters may rely on information provided by or on behalf of institutional investors in connection with managing, conducting and underwriting the Entitlement Offer without having independently verified that information and the underwriters do not assume responsibility for the currency, accuracy, reliability or completeness of that information.

This release has been prepared for release in Australia and may not be released or distributed in the United States. This release does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any person who is acting for the account or benefit of any person in the United States (to the extent such person is acting for the account or benefit of a person in the United States), or in any other jurisdiction in which

²⁶ Represents Transurban’s projected proportional capex contribution, net of State Works Contribution, to completion. See slide 40 of the investor presentation for further information.

²⁷ Figures in nominal terms. “WCX debt funding to be drawn and cash reserves” includes \$1.7 billion of debt drawn to fund remaining D&C costs. Transurban’s share of equity funding (\$0.4 billion) will be funded as part of the ongoing development pipeline.

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such an offer would be illegal. Neither the entitlements nor the new securities have been, or will be, registered under the U.S. Securities Act of 1933 ("Securities Act"), or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up or exercised by, and the new securities may not be offered or sold, directly or indirectly, to, any person in the United States or to any person acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States), except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States. Persons in the United States and persons acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States) will not be eligible to purchase or trade entitlements on market, or take up or exercise entitlements purchased on market or transferred from another person.

This release may contain certain forward-looking statements. The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "outlook", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings, financial position, distributions, performance, illustrations of projected revenue, illustrations of projected relative revenue contributions and projected pro forma EV/EBITDA multiples are also forward-looking statements as are statements regarding internal management estimates and assessments of projected population and employment growth, traffic expectations, Transurban's future developments, the market outlook, the development, construction and future operation (including the proposed new operating model) of WestConnex, the outcome of the Entitlement Offer and Placement and the use of proceeds. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks (including the risks set out in the "Key Risks" section of the Investor Presentation), uncertainties and other factors, many of which are beyond the control of Transurban, its officers, employees, agents and advisors, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and their differences may be material.

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