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24 November 2015

TRANSURBAN ANNOUNCES AIRPORTLINKM7 ACQUISITION WITH \$1.025 BILLION EQUITY RAISING AND 1H16 DISTRIBUTION OF 22.5 CPS

Acquisition highlights

- Transurban Queensland¹ has reached agreement to acquire AirportlinkM7 for \$1.87 billion, plus stamp duty of \$108 million and transaction costs of \$23 million²
- AirportlinkM7 is a quality urban tunnel completed in July 2012, connecting Brisbane Airport and the Australia TradeCoast with the CBD, and Brisbane's northern, southern and western suburbs
- Asset acquired for 51 per cent of build cost
- Transurban Queensland will own and operate six assets in Queensland, including three assets adjacent to AirportlinkM7

Equity raising highlights

- Transurban to raise \$1.025 billion through a fully underwritten pro rata accelerated renounceable entitlement offer with retail entitlements trading
- The proceeds raised will be used to fund the AirportlinkM7 acquisition, reduce debt and to provide Transurban with the financial flexibility to pursue its pipeline of investment opportunities
- First half financial year 2016 (1H16) distribution of 22.5 cents per security (cps) announced
- Financial Year 2016 (FY16) distribution guidance of 44.5 cps reaffirmed
- New Transurban stapled securities (New Securities) will not be entitled to the 1H16 distribution of 22.5 cps

Transurban Chief Executive Officer Scott Charlton said that the acquisition enhances Transurban Queensland's existing network position in Brisbane and presents opportunities to apply Transurban's capability to drive efficiencies in the acquired business.

"We expect to achieve EBITDA margin enhancement through integration with Transurban following this acquisition."

"AirportlinkM7 is a quality urban asset with observed traffic history and substantial additional capacity."

"The asset is performing well. We have seen the earnings base lift following key developments in recent months including the opening of Legacy Way and the removal of the majority of the toll price discount."

AirportlinkM7 overview

- AirportlinkM7 opened to traffic in July 2012
- Quality asset with 38 years concession remaining
- 6.7 kilometre length and 43.4 lane kilometres
- AADT of 50,854 in FY15 and 55,554 in FY16 year to date
- Recent upgrades to the network including Legacy Way and increases to the toll prices have substantially increased the earnings profile of AirportlinkM7 from 1 July 2015

¹ Transurban owns 62.5 per cent of Transurban Queensland.

² The purchase price is subject to post completion adjustment for working capital as at completion of the acquisition.

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- Toll escalation by Brisbane Consumer Price Index (CPI) annually³
- Transurban Queensland will be responsible for the management and operations of AirportlinkM7⁴
- Acquisition remains conditional on Department of Transport and Main Roads consent and Australian Competition and Consumer Commission (ACCC) approval
- Financial Close targeted for first quarter calendar year 2016

Equity raising

To assist Transurban fund its equity contribution to Transurban Queensland, Transurban will undertake a fully underwritten pro rata accelerated renounceable 1 for 18 entitlement offer (with retail entitlements trading) to eligible security holders at an offer price of \$9.60 (Offer Price) per security to raise \$1,025 million (Entitlement Offer).

The Offer Price represents a 4.9 per cent discount to the distribution adjusted close price of \$10.10 on 23 November 2015, and a 4.7 per cent discount to the distribution adjusted theoretical ex-rights price per security price of \$10.07. Further details on transaction funding are set out in the table below.

ACQUISITION FUNDING (\$M)			
Sources		Uses	
Transurban equity – 62.5%	657	AirportlinkM7 acquisition price ⁵	1,870
AustralianSuper equity – 25.0%	263	Stamp duty	108
Tawreed ⁶ equity –12.5%	131	Transaction costs	23
Non-recourse debt	950		
Total sources of funds	2,001	Total uses of funds	2,001

TRANSURBAN EQUITY RAISING (\$M)			
Sources		Uses	
Entitlement Offer ⁷	1,025	AirportlinkM7 equity contribution	657
		Transurban transaction costs ⁸	18
		General corporate purposes, including repayment of existing corporate debt facilities and to provide financial flexibility to pursue pipeline of investment opportunities	350
Total sources of funds	1,025	Total uses of funds	1,025

³ Section 1 tolls still to escalate at a rate greater than Brisbane CPI as they are currently 94 per cent of the maximum allowable level prescribed by the concession agreement.

⁴ Subject to various consents and expiry of existing contracts.

⁵ The purchase price is subject to post completion adjustment for working capital as at completion of the acquisition.

⁶ Tawreed Investments Limited, a wholly owned subsidiary of the Abu Dhabi Investment Authority.

⁷ Assumes approximately 107 million fully paid New Securities are issued pursuant to 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.

⁸ Relates to Transurban's own equity raising and transaction costs.

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Distribution guidance

The Board has reaffirmed distribution guidance of 44.5 cps for FY16. This remains unchanged as a result of the announcement of the acquisition of AirportlinkM7 and the Entitlement Offer.

The Board has also announced a distribution totalling 22.5 cps for 1H16. This will consist of a 19 cps distribution from Transurban Holding Trust and 3.5 cps fully franked dividend from Transurban Holdings Limited. New Securities issued under the Entitlement Offer will not be entitled to the distribution for the 1H16 – although they will be entitled to distributions for any future periods, including for the 2H16.

The extent to which distributions paid in FY16 are tax deferred will be confirmed in Tax Statements to be issued with the final distribution in August 2016. It is anticipated that the tax deferred component for the full year distribution will be at least 60 per cent.

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

Distributions will continue to be based on underlying free cash less an allowance for maintenance capital expenditure as per historical treatment.

Distribution Reinvestment Plan

The Distribution Reinvestment Plan (DRP) will operate again for the distribution for the 1H16. No discount will be applied when determining the price at which stapled securities will be issued under the DRP for this distribution.

The Directors have determined that the DRP pricing period in relation to this distribution will be the period of ten trading days, commencing on 7 January 2016.

The key dates for the distribution and the DRP are:

Securities trade “ex distribution”	29 December 2015
Record Date	31 December 2015
Last date for Elections under DRP	4 January 2016
Payment Date	12 February 2016

As the New Securities issued under the Entitlement Offer will not receive the distribution for the 1H16, those New Securities will not be eligible to participate in the 1H16 DRP.

Overview of the Entitlement Offer

The Entitlement Offer comprises:

- An **Institutional Entitlement Offer**: Eligible institutional security holders will be invited to purchase a pro rata number of New Securities. The Institutional Entitlement Offer will open on 24 November 2015 and close at 11.00am (Melbourne time) on 25 November 2015. Institutional entitlements not exercised, along with entitlements of ineligible institutional security holders, will be sold under an institutional shortfall bookbuild and any proceeds in excess of the Offer Price (net of any withholding tax) will be paid to the relevant security holders.
- A **Retail Entitlement Offer**: Eligible retail security holders in Australia and New Zealand will be invited to purchase a pro rata number of New Securities. Eligible retail security holders who wish to apply to participate in the Retail Entitlement Offer must do so by 5pm 15 December 2015. If eligible retail security holders apply to participate by 5pm 7 December 2015, they will be allotted New Securities at the same time as investors under the Institutional Entitlement Offer. Eligible retail security holders may also sell their entitlements on the ASX, with trading to

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commence on 27 November 2015 (on a deferred settlement basis), on 3 December 2015 (on a normal settlement basis), and conclude on 8 December 2015. Entitlements not taken up, along with entitlements of ineligible retail security holders, will be sold under a retail shortfall bookbuild and any proceeds in excess of the Offer Price (net of any withholding tax) will be paid to the relevant security holders.

Each New Security will rank equally with existing stapled securities from the date of allotment, including in respect of distributions, however, the New Securities will not be entitled to the distribution for the 1H16.

A Retail Information Booklet containing information in respect of the Retail Entitlement Offer will be sent to eligible retail security holders in Australia and New Zealand on 2 December 2015 and be made available on Transurban's website (www.transurban.com). The contents of Transurban's website do not form part of the offer documents for the Entitlement Offer.

Eligible retail security holders should read the Retail Information Booklet in full in deciding whether to subscribe for New Securities or sell their entitlements.

Any eligible retail security holder who wishes to acquire New Securities under the Retail Entitlement Offer will need to complete, or otherwise apply in accordance with, the personalised entitlement and acceptance form that will accompany the Retail Information Booklet.

If you are an eligible retail security holder in Australia or New Zealand and you do not receive a copy of the Retail Information Booklet or you have any questions regarding the Entitlement Offer, please contact the Transurban Entitlement Offer Information Line on:

- 1300 360 146 (from within Australia); or
- +61 3 9415 4315 (from outside Australia),

between 8.30am to 5.30pm (Melbourne Time) Monday to Friday.

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Indicative timetable

DATES AND TIMES ARE SUBJECT TO CHANGE WITHOUT NOTICE	
Announcement of acquisition and Entitlement Offer, trading halt, Institutional Entitlement Offer opens	24 November 2015
Announcement of completion of Institutional Entitlement Offer	27 November 2015
Trading halt lifted	27 November 2015
Retail Entitlements commence trading on a deferred settlement basis	27 November 2015
Record date under the Entitlement Offer	7pm (AEDT) 27 November 2015
Despatch of Retail Information Booklet and entitlement application form	2 December 2015
Retail Entitlements commence trading on a normal settlement basis	3 December 2015
Retail Entitlement Offer opens	3 December 2015
Initial Retail Closing Date – last day to apply for New Securities to be issued on the Initial Allotment Date	5pm (AEDT) 7 December 2015
Settlement of Institutional Entitlement Offer, Institutional Shortfall Bookbuild and Initial Retail Acceptance	8 December 2015
Retail Entitlements conclude trading	8 December 2015
Initial Allotment Date – Institutional Entitlement Offer, Institutional Shortfall Bookbuild and Initial Retail Acceptance	9 December 2015
Normal trading commences on ASX of New Securities issued under the Initial Allotment (as separate ASX ticker)	9 December 2015
Retail Entitlement Offer closes	5pm (AEDT) 15 December 2015
Retail Shortfall Bookbuild	18 December 2015
Settlement of Retail Entitlement Offer and Retail Shortfall Bookbuild.	23 December 2015
Final Allotment of New Securities	24 December 2015
New Securities cease trading as a separate ASX ticker. All New Securities under the Institutional and Retail Entitlement Offer and shortfall bookbuilds trade normally under the ASX ticker TCL	29 December 2015
Dispatch of Holding Statements	30 December 2015

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.

Further information

Further information in relation to the Entitlement Offer will be set out in the investor presentation released by Transurban to the ASX today.



Julie Galligan
Company Secretary

Investor enquiries
Jessica O'Brien
Investor Relations Manager
+61 3 8656 8364

Media enquiries
Nightingale Communications
Kate Inverarity 0413 163 020
Lisa Keenan 0409 150 771

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This notice does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The securities to be offered and sold in the entitlement offer will not 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 and may only be offered or sold in the United States or to any person acting for the account or benefit of a person in the United States pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

This release contains 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 and financial position, distributions and performance and the results of the acquisition and the Entitlement Offer are also forward-looking statements. Due care and attention have been used in the preparation of forward looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Transurban, its officers, employees, agents and advisers, 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. Investors should not place undue reliance on forward-looking statements.

To the maximum extent permitted by law, responsibility for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise is disclaimed. Transurban disclaims any responsibility to update or revise any forward-looking statement to reflect any change in Transurban's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by law.

Investors should be aware that certain financial data included in this announcement is "non-IFRS financial information" under ASIC Regulatory Guide 230: "Disclosing non-IFRS financial information" published by the Australian Securities and Investments Commission ("ASIC") and is also "Non-GAAP financial information" within the meaning of Regulation G under the US Securities Exchange Act of 1934. Non-IFRS measures in this release include EBITDA, free cash and all measures identified as "underlying" or "proportional". Transurban believes the non-IFRS financial information provides useful information to users in measuring the financial performance and condition of Transurban and AirportlinkM7. The non-IFRS financial information does not have a standardised

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meaning prescribed by Australian Accounting Standards. Therefore, the non-IFRS financial information is not a measure of financial performance, liquidity or value under IFRS and may not be comparable to similarly titled measures presented by other entities, nor should the information be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information included in this release.

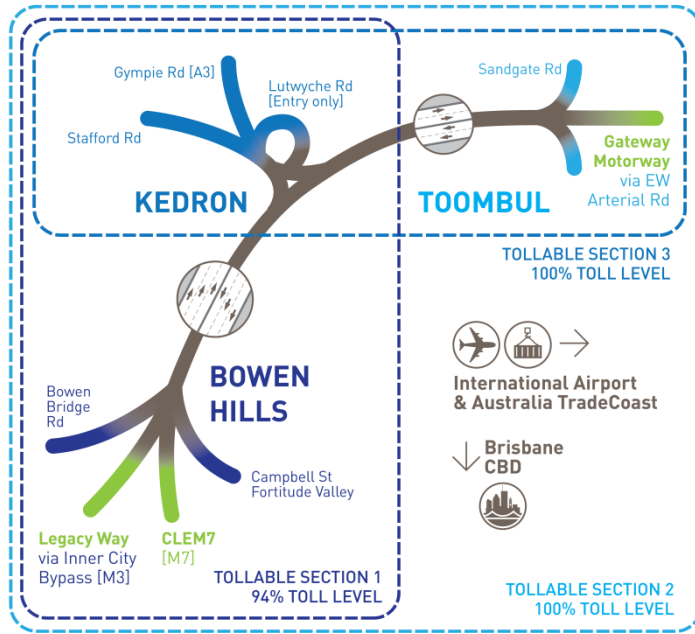
Financial information for AirportlinkM7 contained in this release has been derived from financial statements and other financial information made available by the vendor in connection with the acquisition. Such financial information does not purport to comply with Article 3-05 of Regulation S-X under the Securities Act. The pro forma historical financial information included in this Presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.

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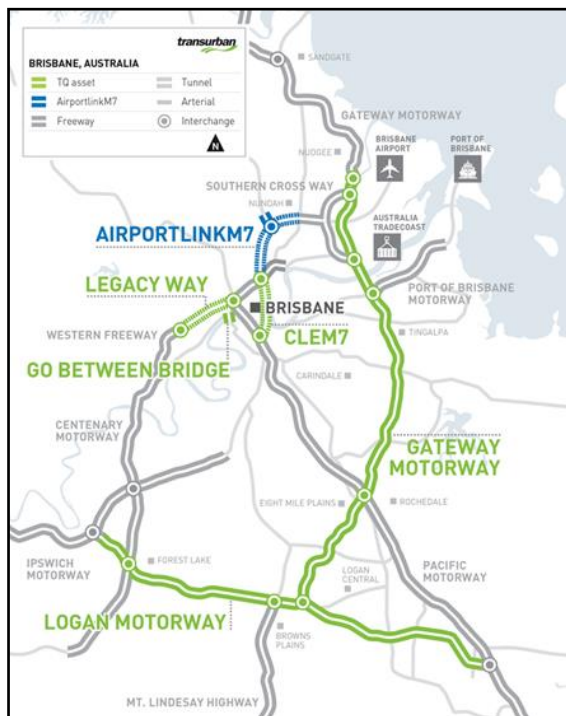
Appendix 1

AirportlinkM7 Additional Information

AirportlinkM7



Transurban Queensland Network Position



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AirportlinkM7

Length	6.7km
Lane Kilometres	43.4km
Total Build Cost	\$3.7 billion
AADT (FY15)	50,854
AADT (FY16 YTD)	55,554
Toll Escalation⁹	Brisbane CPI annually
Opening Date	July 2012
Concession End	July 2053

AirportlinkM7	FY15 (\$M)	Q1 FY16 (\$M) ¹⁰
Toll Revenue	83	24
Underlying EBITDA	52	17
Underlying EBITDA Margin	62%	70%

⁹ Section 1 tolls still to escalate at a rate greater than Brisbane CPI as they are currently 94 per cent of the maximum allowable level prescribed by the concession agreement.

¹⁰ Extracted from AirportlinkM7 unaudited management accounts with an adjustment for maintenance provision expense.