transurban

# asx release

2 May 2005

**Participation in Capital Beltway (Virginia USA) project**

Transurban (USA) Inc. (a subsidiary of Transurban Limited) has entered into an agreement with the Virginia Department of Transportation (VDOT) and Fluor Enterprises, Inc. (Fluor) to exclusively study the feasibility of introducing four new high occupancy toll (HOT) lanes along a 14 mile segment of the Capital Beltway (I 495) in northern Virginia, USA. The VDOT and Fluor announcements are attached.

Capital Beltway is the circumferential freeway serving the metropolitan. area of Washington D.C., the fifth largest urban area in the U.S. Transurban's expertise in project development, in particular traffic analysis, toll systems and long term road operations, were key factors in the decision by VDOT and Fluor to select Transurban as a partner for this project.

The agreement allows Transurban (USA) Inc. to undertake detailed investigations of the project and, if the project achieves financial close, participate as the toll operator and a project investor.

Award of preferred proponent status for the project has occurred substantially earlier in the process than is typical in the Australian market. However, the decision by VDOT to undertake the project is subject to completion of an independent environmental review process, expected in December 2005. Project scope and financing strategy will be finalized once environmental approval has been obtained. The agreement with VDOT provides for delivery of the project either using a traditional tax-exempt financing structure or a taxable concession financing structure. Financial close is anticipated for late 2006, and is subject to (among other things) terms and conditions of financing agreements being acceptable in form and substance to all parties.

VDOT's indicative estimate of the total cost of the project is US$900 million (equivalent to approximately A$1,170 million). A definitive cost estimate will be made when the environmental review process is completed, project scope has been finalized, the results of traffic analysis are known, and estimates of construction and operations costs have been prepared. If the project proceeds to financial close, Transurban has committed to investing at least 15% of project cost in the project. Transurban's investment will be in the form of subordinated debt if the project uses a tax-exempt financing structure, or in the form of equity if it uses a taxable concession financing structure.



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Transurban Managing Director, Kim Edwards said the signing of the agreement marked the Group's first step into the US market. "We have made a careful assessment of the US market and believe that attractive opportunities exist to exploit Transurban's key skills in traffic forecasting, toll systems, customer service management and road operations. We are very pleased that VDOT has recognized our skills and our long term approach to infrastructure projects and we look forward to a beneficial partnership on this important project".

Mark Licciardo
Company Secretary

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# NEWS RELEASE

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April 29, 2005
CO516

## CAPITAL BELTWAY HOT LANES IN NORTHERN VIRGINIA MOVE A STEP CLOSER TO CONSTRUCTION

***VDOT signs a comprehensive agreement with the private sector - a major milestone toward building high occupancy toll lanes***

RICHMOND – Commonwealth Transportation Commissioner Philip Shucet signed a comprehensive agreement with Fluor Enterprises, Inc. and Transurban (USA) Inc. to improve the Capital Beltway (I-495) in Northern Virginia. The agreement establishes a business relationship between the Virginia Department of Transportation (VDOT) and the private sector to move ahead on future project decisions, such as construction and operations.

The comprehensive agreement was signed under the Public-Private Transportation Act (PPTA). The PPTA allows Virginia to partner with private companies to build projects more efficiently, with the private sector sharing in the financial risk of project construction and operations.

"This sets a new benchmark for public private partnerships in Virginia because Transurban and Fluor are willing to invest their own money and resources to improve mobility in one of the most congested areas in the U.S.," said Shucet. "We have other steps to take before construction can begin, but we set the framework for a productive long-term business relationship."

"The signing of the comprehensive agreement brings Virginia one step closer to providing transit and HOV services to the Beltway," said Governor Mark Warner. "This is an important milestone."

The project would add two high-occupancy toll (HOT) lanes in each direction on a 14-mile segment of the Capital Beltway, from north of the Springfield Interchange to north of the Dulles Toll Road. The project would also include Phase 8 of the Springfield Interchange, which would add a carpool connection to the Beltway from I-95/I-395. HOT lanes would be free to carpoolers, buses and emergency vehicles. All others would pay a variable toll to use the lanes. Large trucks would not be allowed to use HOT lanes.

When fully built, construction of the four HOT lanes is estimated to cost $900 million, which would be paid for primarily by revenues from the HOT lanes. Transurban's investment would be at least 15% of the cost. As a result of Transurban's investment, the state would bear no financial risk in the construction of the HOT lanes or their operation.

Construction of Phase 8 of the Springfield interchange is estimated to cost $85 million. Public fund allocations to build Phase 8 are under consideration in the working draft of the Commonwealth Transportation Board's Six-Year Improvement Program.

Before construction can begin, Transurban and Fluor will pay for and complete an in-depth traffic and revenue study and more detailed engineering, which are under way. The study will determine if HOT lanes are economically viable and help to set a fair and equitable toll structure.

The Federal Highway Administration must issue a Record of Decision on the environmental impact study for a widened road and the project must be included in Northern Virginia's constrained long-range plan.

Should the traffic study and other steps above proceed successfully, then construction could begin in late 2006 or early 2007.

The comprehensive agreement will be posted on www.VDOT.Virginia.Gov by Monday.

(END)

# Fluor, VDOT Sign Comprehensive Agreement to Advance Capital Beltway Project

ALISO VIEJO, Calif. - April 29, 2005 - Fluor Corporation (NYSE: FLR) today announced its subsidiary, Fluor Enterprises, Inc., has signed a comprehensive agreement with the Virginia Department of Transportation (VDOT) and Transurban (USA) Inc. to develop a project to design, construct, finance and operate four new high-occupancy toll (HOT) lanes along a 14-mile segment of the Capital Beltway (I-495) in northern Virginia. The proposed HOT lanes will extend from the Springfield Interchange (I-95/I-395) to south of Georgetown Pike (Rte. 193).

The agreement confirms VDOT's selection of Fluor as the preferred contractor to undertake the project and sets the framework for future decisions on the project, such as design, financing and construction. Subject to successful completion of an ongoing, independent environmental review of the project, expected in December 2005, Fluor will work with Transurban and VDOT to finalize the project's scope, plan of finance, construction schedule and firm, fixed price, advancing the project to financial close, anticipated for late 2006.

Construction completion is anticipated to be 55 months from financial close, bringing congestion relief and new commuter travel choices such as local and express buses and carpooling to Beltway travelers.

"This agreement is another first in our partnership with VDOT," said Steve Dobbs, Fluor's Industrial & Infrastructure group president. "It will be the first Virginia Public Private Partnership project that includes private funding, in addition to the more traditional toll revenue bond financing, and the first project to provide new travel choices such as express bus and carpooling opportunities where they didn't exist."

The reconstructed Beltway segment proposed by Fluor will consist of a continuous 12-lane system including the existing eight general purposes lanes, four on each side of the four new HOT lanes in the center. The HOT lanes will be separated from the general purpose lanes and consist of two HOT lanes in each direction. Use of the HOT lanes will be free to buses, three-person or more carpools and emergency vehicles. Large trucks cannot use the HOT lanes. All other vehicles will pay a toll that will vary with the time of day and level of congestion. Toll collection will be electronic. Intermediate entry and exit points are anticipated at the Dulles Toll Road, Tysons Corner, Lee's Highway (Rte. 29), and Braddock Road (Rte. 620).

As part of the separate environmental review, the Commonwealth Transportation Board voted in January to designate the 12-lane HOT lanes concept as the locally preferred alternative, an important step in complying with the National Environmental Protection Act (NEPA). The concept currently is being evaluated from an air-quality perspective by the Transportation Planning Board of the Metropolitan Washington Council of Governments for inclusion in its Constrained Long Range Plan. The final step in the NEPA process is issuing a Record of Decision, expected in December 2005.

Fluor Corporation (NYSE: FLR) provides services on a global basis in the fields of engineering, procurement, construction, operations, maintenance and project management. Headquartered in Aliso Viejo, California, Fluor is a FORTUNE 500 company with revenues of $9.4 billion in 2004. For more information, visit www.fluor.com.

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