

asx release

20 March 2009

Investor Presentation

Please find attached a presentation which will be provided at a Transurban investor day today.



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Classification

Public

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Transurban investor day

20 March 2009

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Agenda

Time	Presentation	Speaker
10:00am	Introduction	Tom Honan Chief Financial Officer
10:30am	Transurban operations	Brendan Bourke Chief Operating Officer
11:30am	Australian development	Andrew Head Group General Manager Strategy and Corporate Development
12:15pm	North America	Michael Kulper President Transurban North America
1:45pm	CityLink Asset tour	
4:00pm	Concluding comments	Chris Lynch Chief Executive Officer

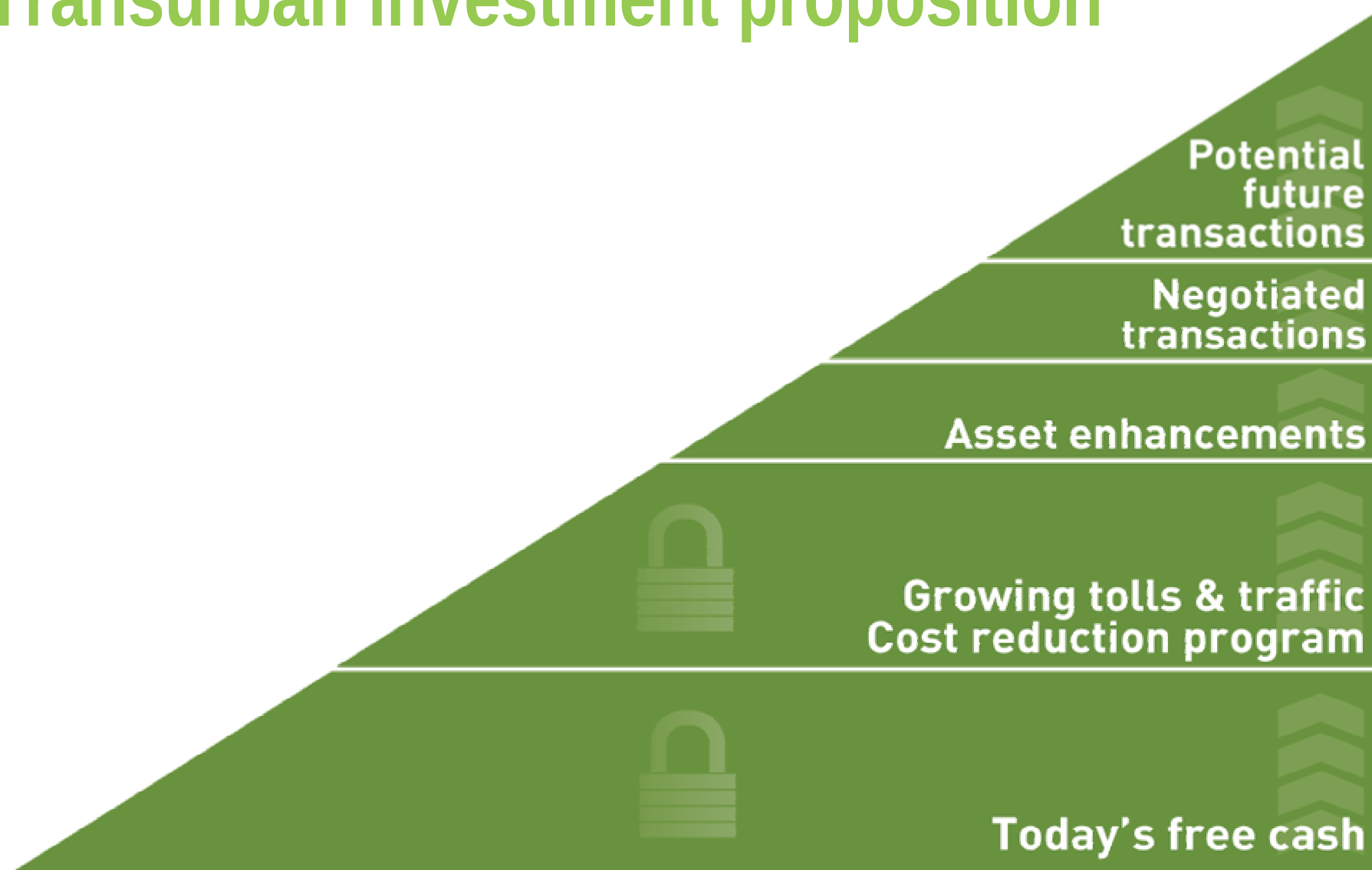


Introduction

Chief Financial Officer
Tom Honan

Transurban investment proposition

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Debt facilities – refinancing progress

Refinancings on target

Corporate debt

	Debt	Amount \$M	Maturity
FY09	Undrawn Facility	\$85	Jun 2009
FY10	Unwrapped Bonds	\$150	Dec 2009
	Undrawn Facility	\$195	Jun 2010

Non-recourse debt

	Debt	Amount \$M	Maturity
FY09	Hills M2 Non-recourse	\$459	Jun 2009
FY10	M1 – Term Bank Debt	\$516	Nov 2009
	M5 Bank Debt	\$500	Jun 2010

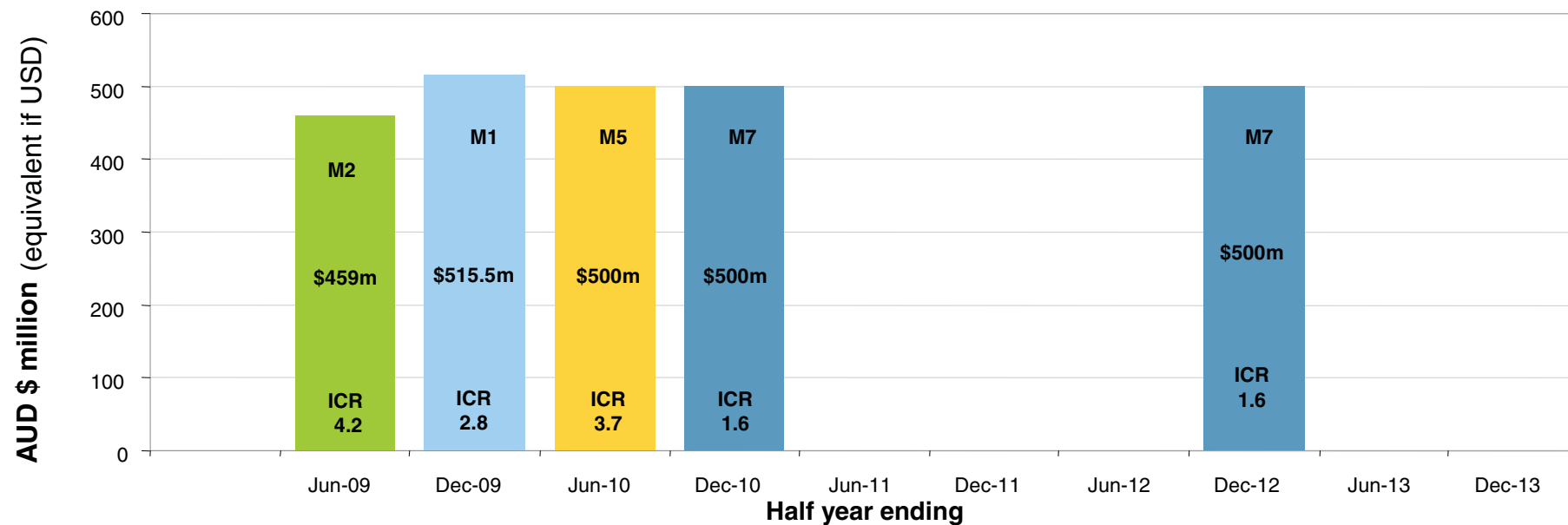
- Attractive assets
- Strong lender relationships
- Lenders have funds for Transurban

1. Non-recourse debt on the M4 is an amortising facility with \$8 million retiring during 2009 (no refinance required)

Non-recourse debt refinancing

Debt backed by strong cash flows at asset level

Refinancing requirements - 5 year forward view at half yearly intervals



Hills M2

- Negotiations well advanced with lenders
- Strong asset, robust traffic volumes and ICR > 4

M1 Eastern Distributor

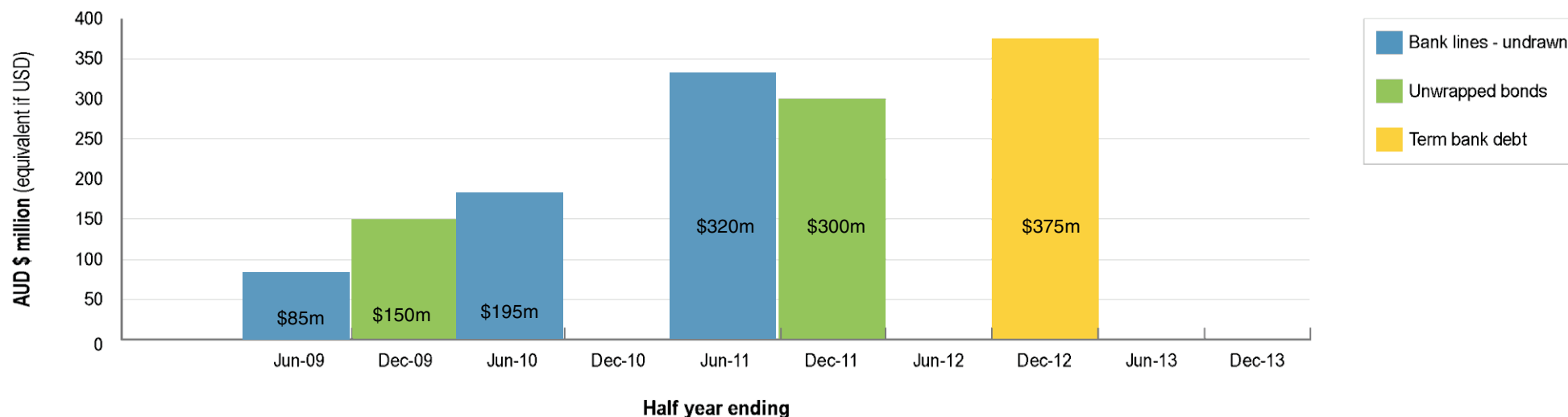
- Existing M1 lenders to continue, new banks interested
- Strong asset, robust traffic volumes and ICR 2.8

1. Full value of debt facilities shown (not adjusted to reflect Transurban's ownership proportion). M5 and M7 are not controlled by Transurban

Corporate debt refinancing

No major near term refinancing

Refinancing requirements - 5 year forward view at half yearly intervals



Existing facilities

- Retiring \$85m of working capital maturing in June 2009

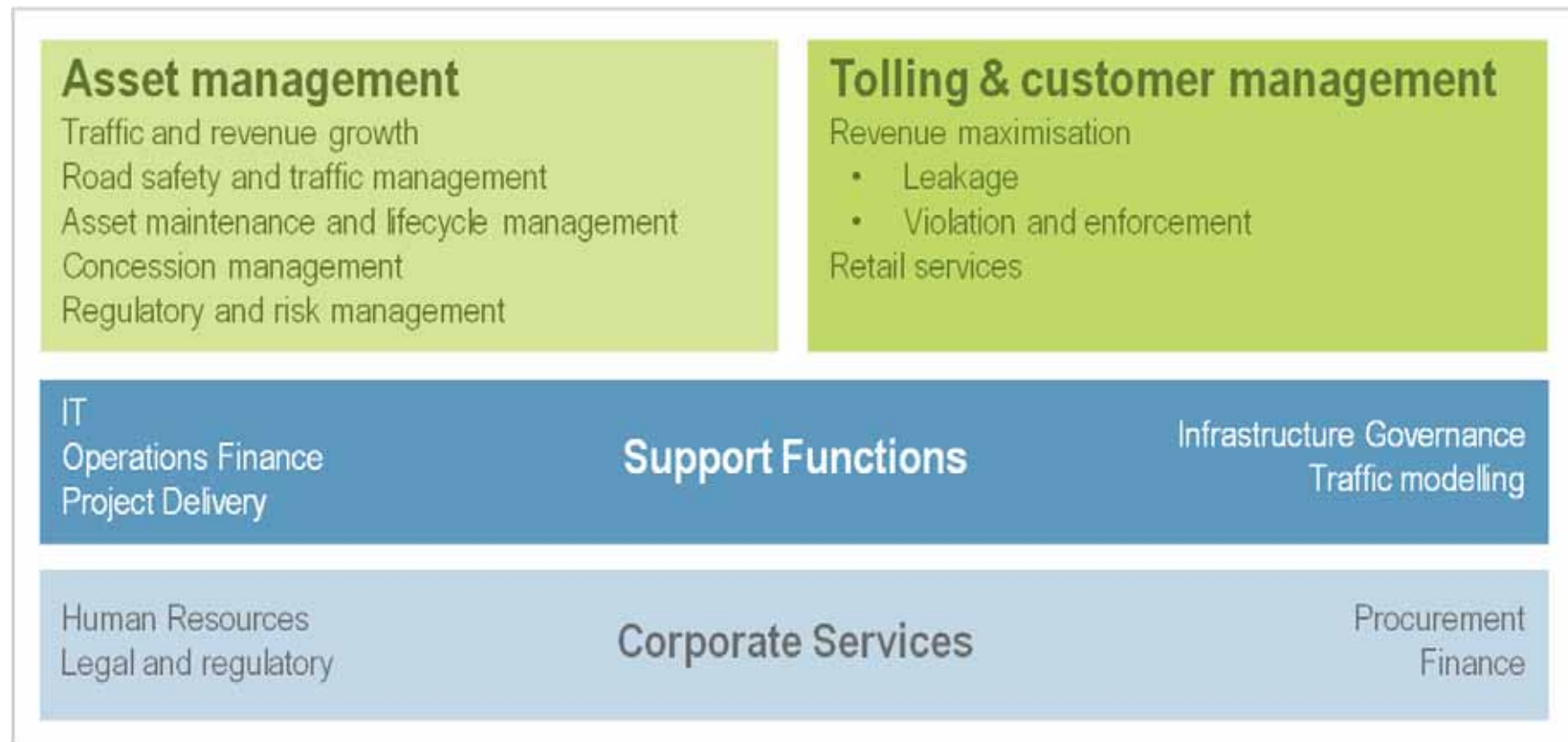


Transurban operations

Chief Operating Officer
Brendan Bourke

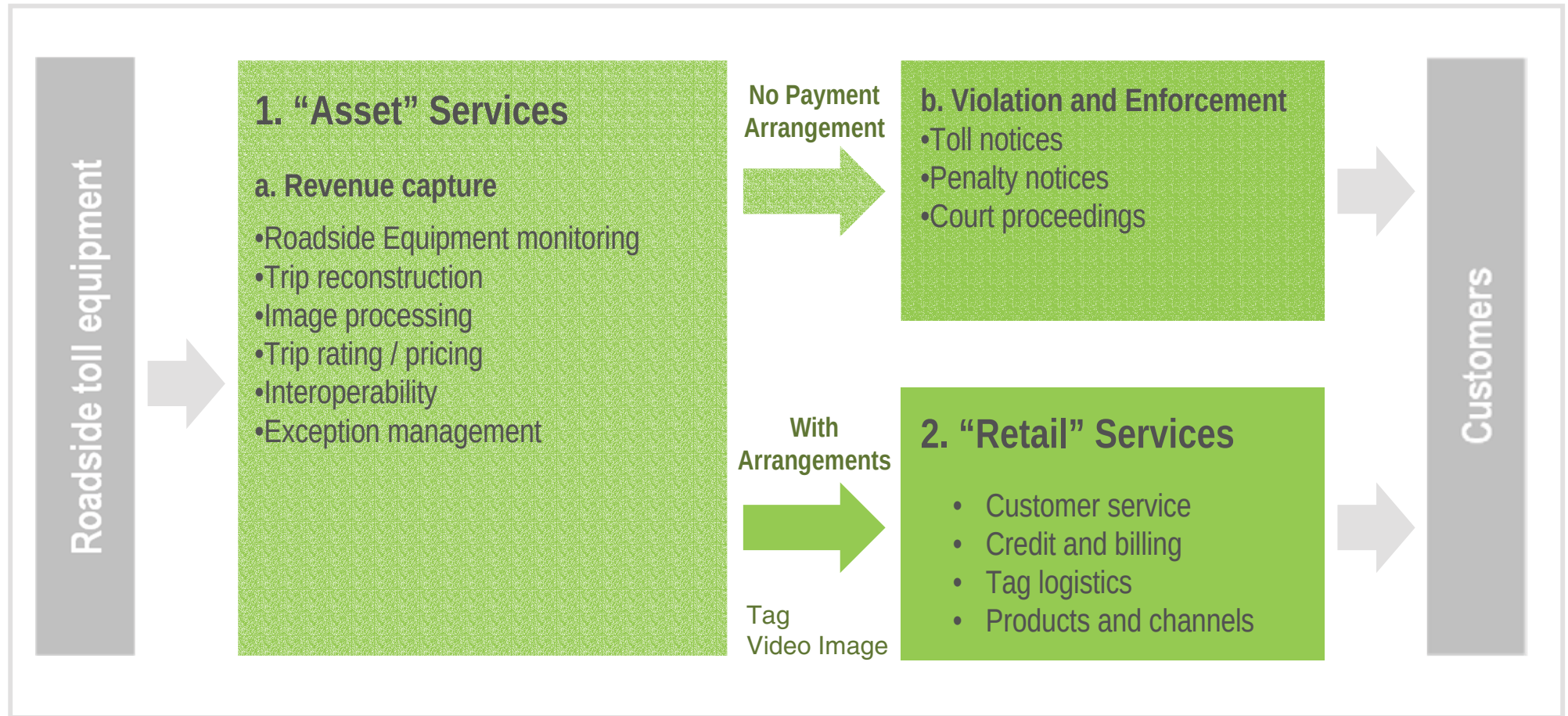
Transurban Operations

Maximise revenue
Optimise cost
Reduce risk



Tolling & Customer Management

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Key competencies

- Scale and Complex Tolling operations
 - End to end view
 - Leverage across Australian footprint
- Electronic tolling and traffic management (ETTM)
- Concession management
- Construction oversight
- Traffic modelling



Competency – examples

- Scale and Complex Tolling operations
 - Large scale interoperability processing by CityLink - 2.5 million trips per month
 - Improved revenue recovery on M2 and M1
 - \$150K additional revenue per month on M1
- ETTM
 - CityLink upgrade of roadside toll capture equipment
 - \$200K additional revenue per month on CityLink
 - Increased auto processing reduced 9 roles
- Concession management
 - Hills M2 concession deed – truck toll multiplier

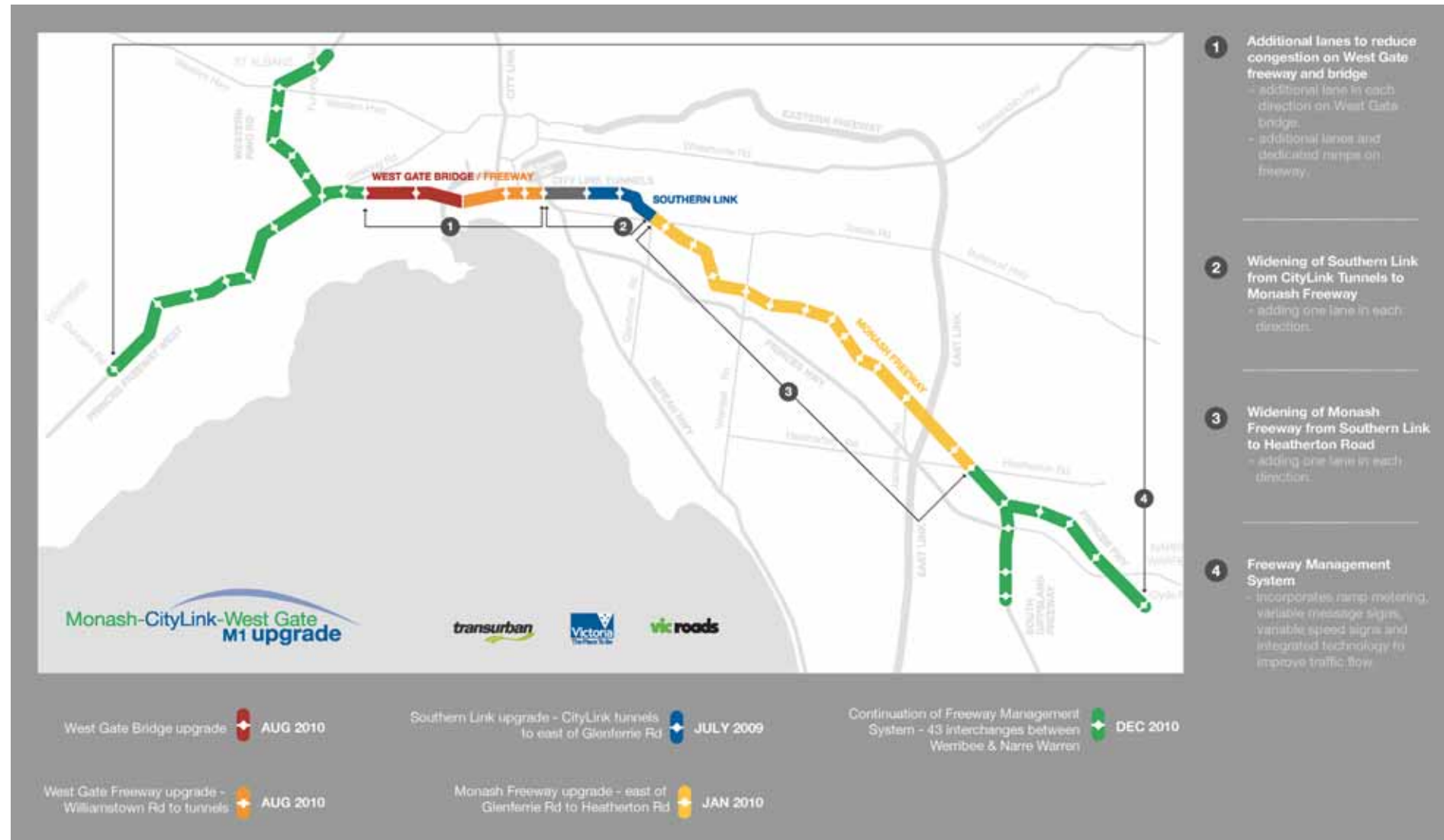
Use of imaging technology to progressively address imaging underperformance (versus ideal) led to reduced image deletion



Monash-CityLink-West Gate upgrade project

Project objectives	Optimising throughput on the State's busiest and most strategically important freeway route CityLink upgrade an integral component
Project scope	Upgrading Monash-CityLink-West Gate freeways State of the art freeway management system CityLink upgrade of one lane each way between tunnels and just east of Glenferrie Road
Project investment	MCW \$1.4 billion CityLink Upgrade \$166M
Project deliverables	Forecast traffic uplift of 7% across CityLink within 5 years On target for delivery in 2010

MCW project scope



Southern Link Upgrade

Intelligent Transportation Systems

Advanced Traffic Monitoring = Rapid Incident Detection

Full CCTV camera surveillance of road

Automatic incident detection (video based)

Coordinated Corridor Response = Motorist Safety / Minimised Impact of Congestion

Central monitoring & control

Advanced integration with VicRoads
Traffic Management Centre

Variable message signs

Lane usage management & speed control

Ramp metering

Incident response vehicles



Conclusion

- Unlocking value in Transurban network
- Leveraging owner-operator competencies
- Delivery of Monash-CityLink-Westgate upgrade on track
 - Asset tour as a part of today's activities to show:
 - Construction progress
 - Operational activities at CityLink control centre



Australian development

Group General Manager
Strategy and Corporate Development
Andrew Head

Prioritising Australian growth opportunities

Current TCL assets

- Understand value drivers & opportunities
 - Growth in asset corridors
 - Asset enhancements
 - Increase portfolio stakes – minorities
 - Optimised pricing options

Other opportunities

- Evaluate & prioritise utilising clear investment criteria
 - Greenfield – VIC, NSW, QLD
 - Listed M & A
 - Unlisted M & A

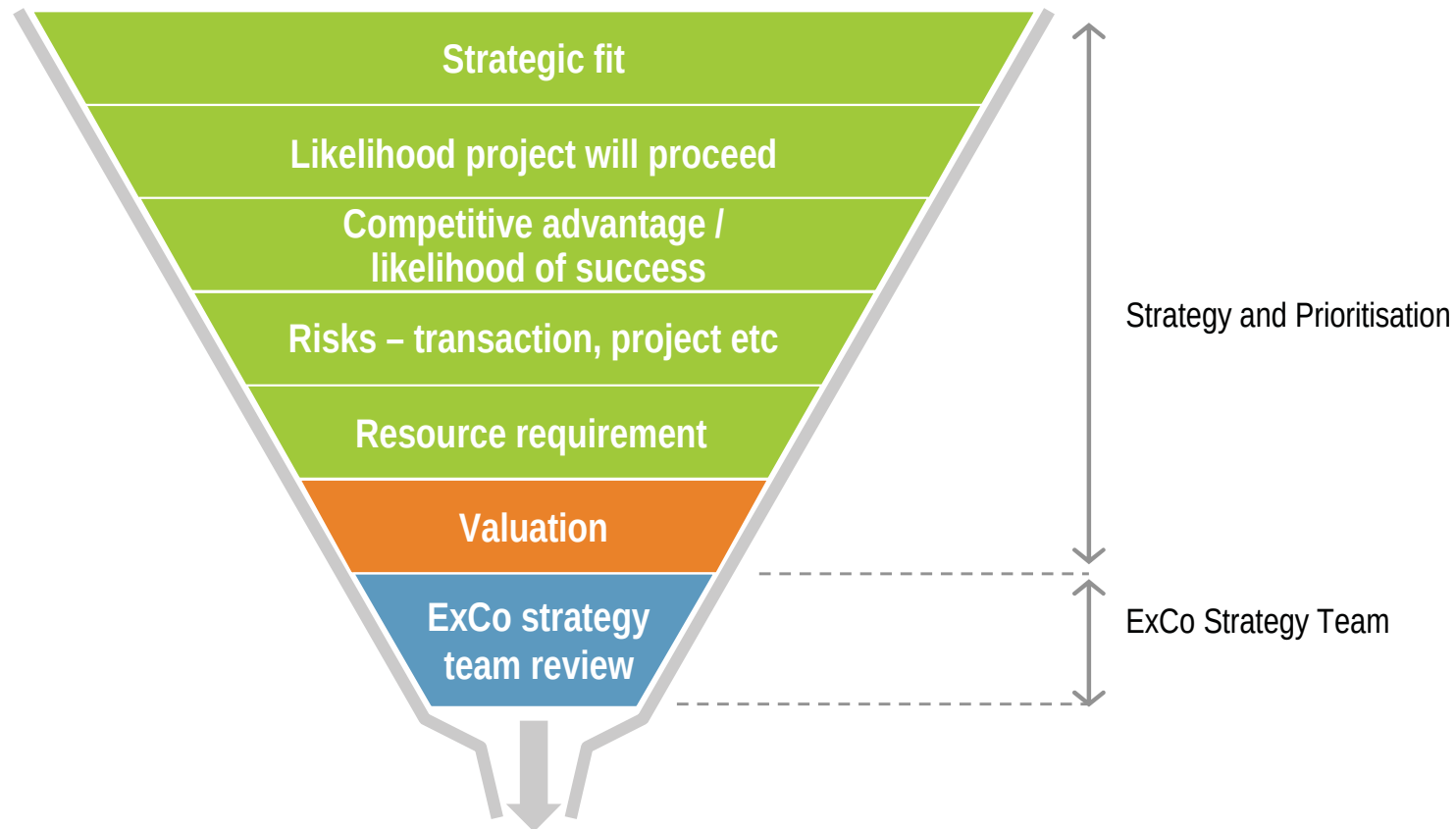
Strategy & prioritisation focus:

- Broad assessment of Australian opportunities
- Consistent assessment methodology
- Resource efficient / lower cost model
- Structured approach to valuation



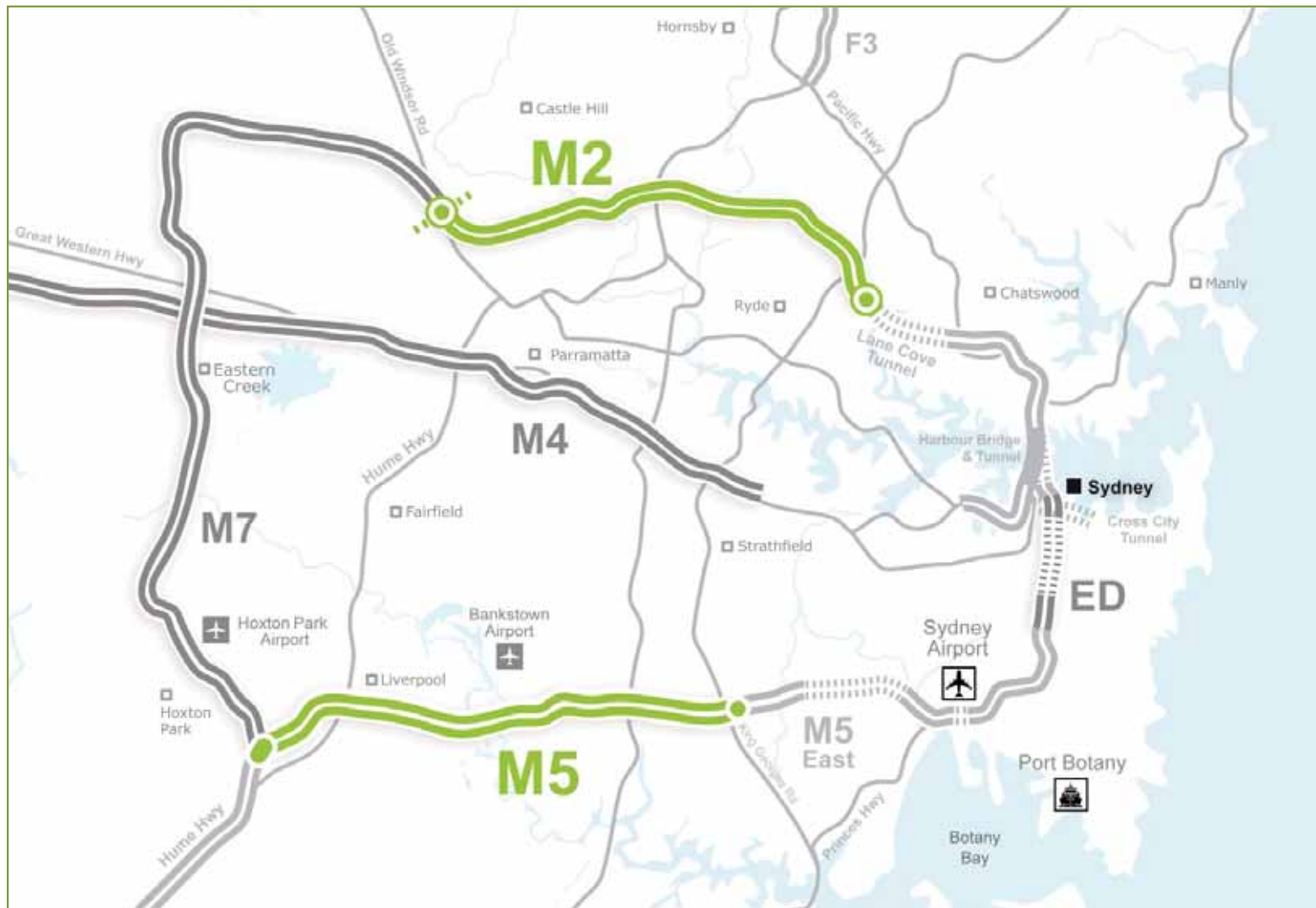
Clear view on relative value across
Australian opportunity suite

The filtering process

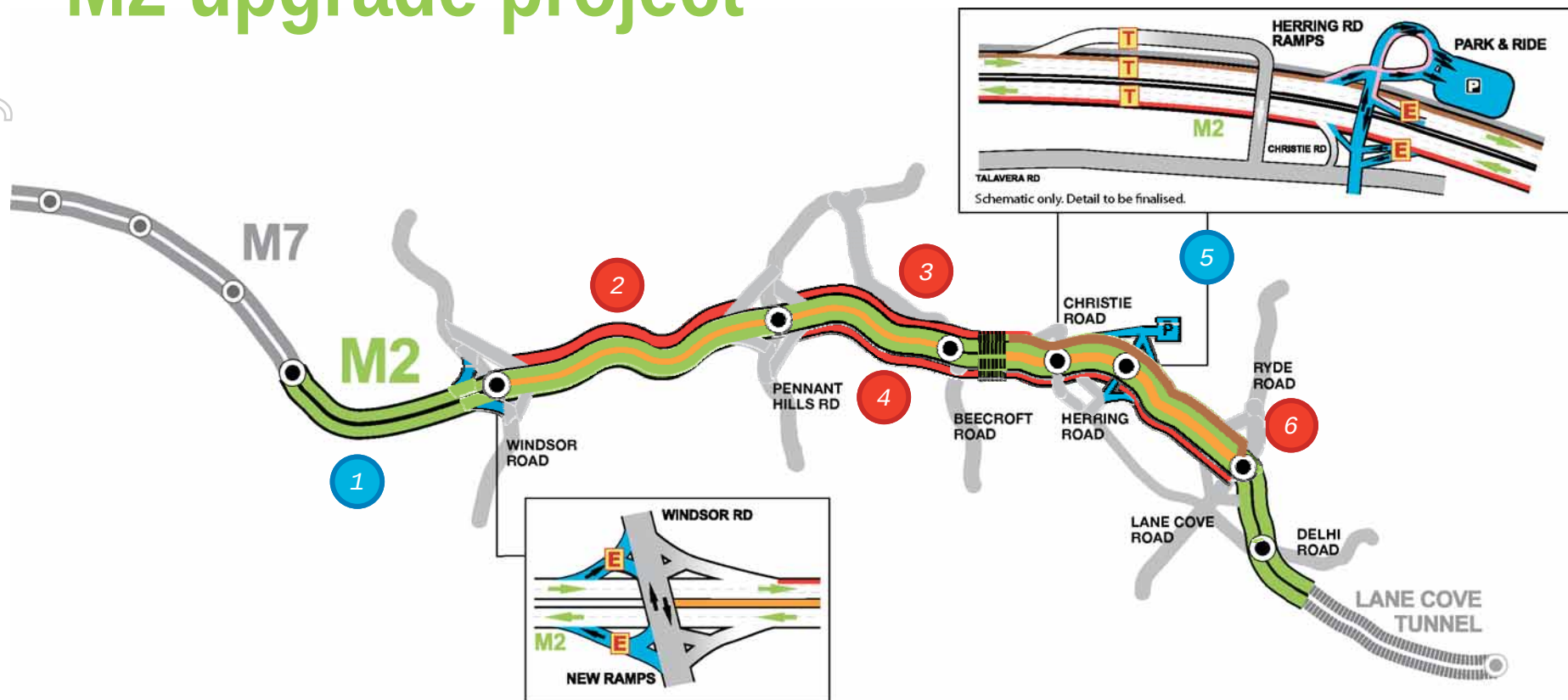


Sydney network enhancements

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M2 upgrade project



1 Windsor Rd Ramps

3 Pennant Hills Rd to
Terrys Ck Eastbound

5 Herring Rd Ramps
and Park and Ride

2 Windsor Road to
Pennant Hills Rd
Eastbound

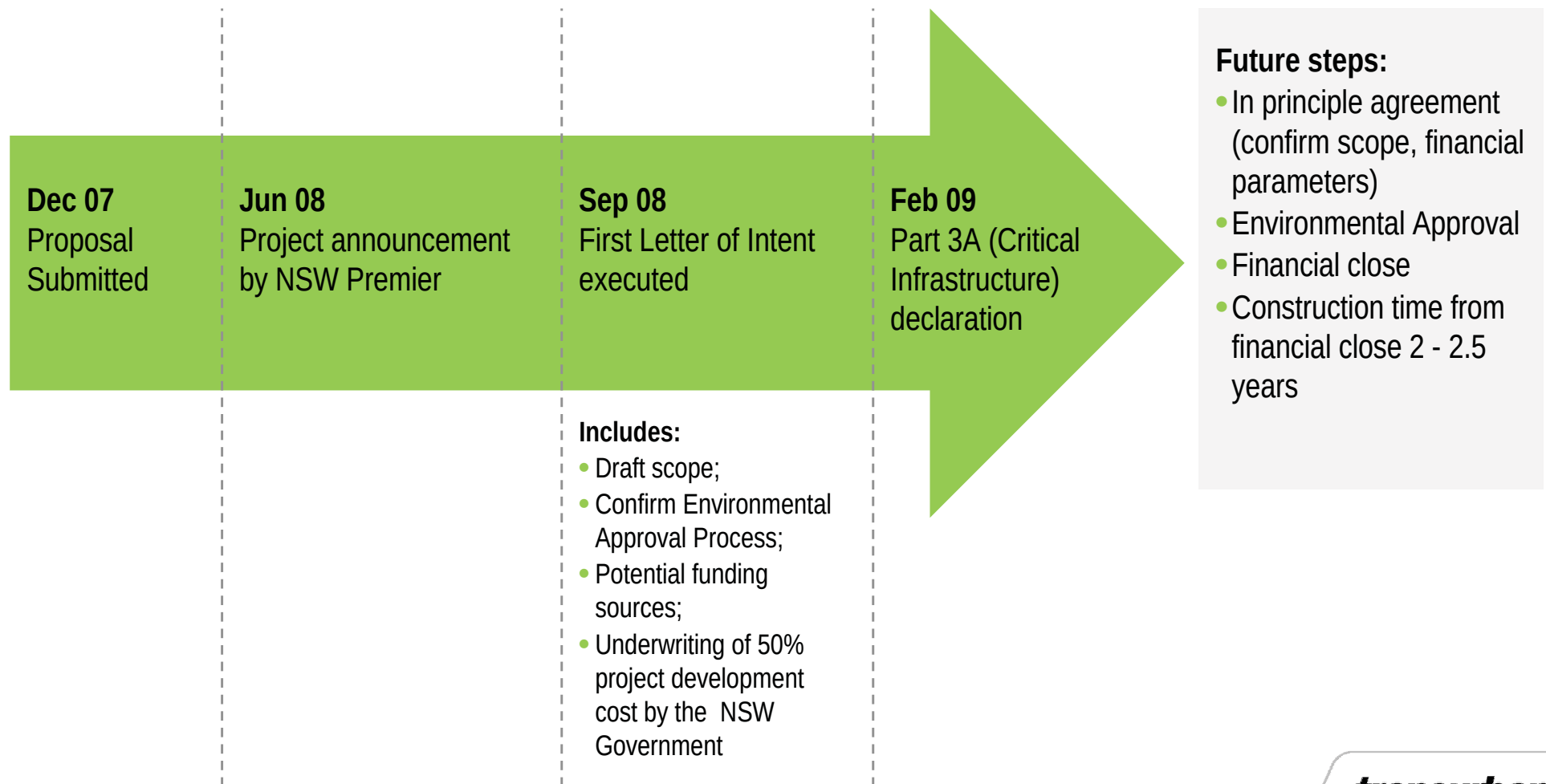
4 Lane Cove Road to
Pennant Hills Road
Westbound

6 Terrys Creek to Lane
Cove Rd Eastbound
T2 / Bus Lane



Process and milestones

M2 upgrade first project in NSW to be assessed according to the Government's *Working With Government Guidelines*



M2 upgrade – remaining hurdles

- Value drivers
 - Additional toll points attracting new trips to the motorway
 - Additional traffic by removing capacity constraints
- Government options for the funding shortfall?
 - Concession extension
 - Roll forward a scheduled toll increase
 - Government contribution



M5

- M5 widening – another enhancement proposal being considered by the NSW Government
- Preliminary proposal submitted to the Government
- Project further developed following greater certainty on M2 process



Conclusion

- MCW upgrade underway in Melbourne – on time and on budget
- Will evaluate opportunities in Australian market
- Focus on enhancement projects in Sydney
- M2 upgrade the primary focus
- M5 upgrade to be progressed after more tangible progress on M2 – not willing to invest in development cost at this stage
- If successful on M2 and M5, other enhancement opportunities may be developed and pursued



North America

President Transurban North America
Michael Kulper

US political environment

- Demand for road transport solutions remains
 - \$34 billion annual unmet need to maintain existing roads and infrastructure
- Economic stimulus package not a silver bullet
 - Expected to support basic maintenance and projects already under construction
- Eroding revenue sources for State Governments
- Potential for increased government regulation
- Growing acceptance of private sector
 - More projects completed in last three years than ever before
 - PPPs gaining reluctant political support amid funding crisis



Growth strategy

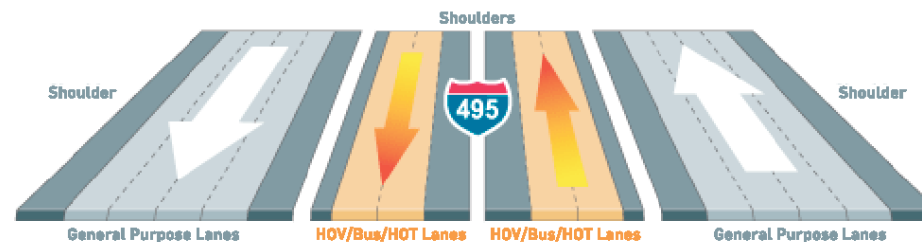
- Applies filtering process
- Targeted approach
 - 2 markets with potential for multiple (network) project opportunities
 - Current focus is Virginia
- HOT lanes
 - Leverage market leadership position in managed lane projects
- Owner-operator approach
 - Differentiated skill set
 - Work with governments in negotiated transactions for better outcomes
- Minimize 'at risk' expenditure

Pocahontas 895

- Generates circa 2% of Transurban Group proportional toll and fee revenue
- Traffic declined in 2008 amid deterioration in US economy
 - Recession in Virginia and US more broadly
- Toll price increases
- Investment case built around land use change
 - Anticipated development in corridor delayed
 - Wilton Farm development delayed
- Richmond Airport Connector
 - Construction to begin in March 2009
 - Completion expected in 2011
 - Financing benefits pay for project enhancement



Virginia HOT Lanes projects



A video showing details of HOT lanes projects can be found on the Transurban website under the North American tab:

www.transurban.com

Capital Beltway Investment Proposition

Traffic and revenue

- Heavy current congestion
- Limited ability to build out within existing corridor
- Limited competing routes
- Demographic characteristics

Contractual arrangements / risk sharing

- Strong contractual arrangements with the State
- Fixed price, date certain Design Build Contract

Financial

- Virginia Department of Transportation contribution
- Concessional long-term debt



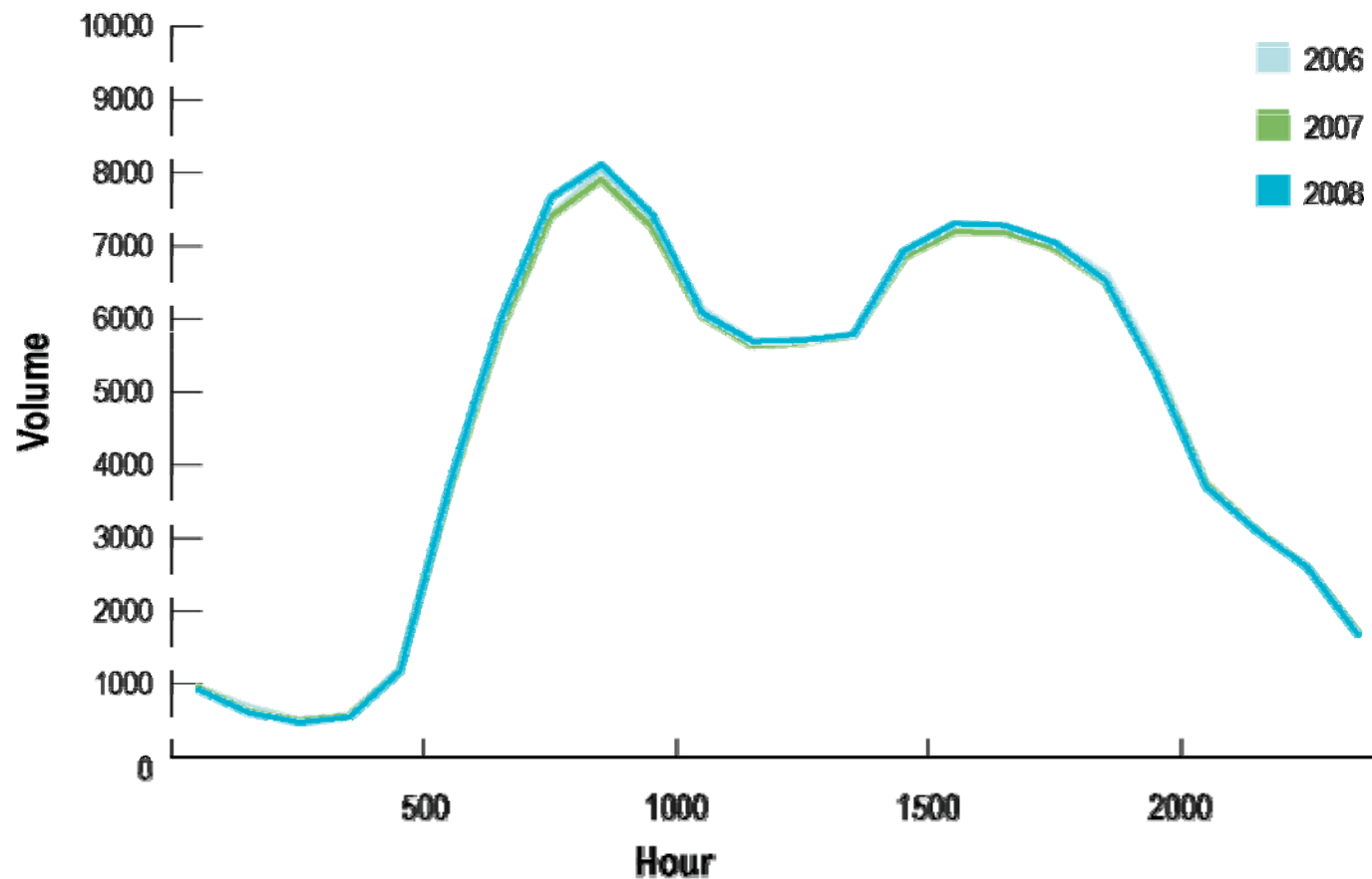
Capital Beltway

- One year into five-year construction period
- Experienced management team
- Business, functional and technical requirements in development
- Traffic in Beltway corridor remains strong during peak periods



Capital Beltway

2006-2008 Volume Comparison (Weekday Average)
(South Bound between Dulles Toll Road and Georgetown Pike)



Capital Beltway traffic remains in line with pre-recessionary levels*

*This trend is also seen on other sections of the road

I-95 / 395 negotiations

- Initial environmental clearance for the Northern section achieved January 2009
- Major activities to financial close:
 - Contract negotiations
 - Finalise scope definition and pricing
 - Finalise other regulatory approvals
 - Project funding



Conclusion

- Activities focused on Virginia market
- Highest priority is Capital Beltway delivery
- I-95 negotiations in process
- No other near term opportunities currently being pursued
- Market evolution likely to present opportunities in medium to longer term



Transurban investor day

20 March 2009

Appendix 1

Reporting methodology

Statutory reporting

- Includes 100% of the results of Transurban controlled assets:
 - CityLink
 - Hills M2
 - M1 Eastern Distributor
 - M4
- The after-tax results of non-controlled assets are “equity accounted”¹:
 - M5 (50%)
 - DRIVe (75%) – Drive holds investments in Pocahontas 895 (100%) and Capital Beltway Express (90%)
- Results of Westlink are not brought to account under equity accounting principles²

1. Under equity accounting method, non-controlled assets are included in the Consolidated Income Statement as other revenue under the line item: ‘Share of net (losses) of associates and joint venture partnerships accounted for using the equity method’

2. Westlink M7 accounting losses have been offset against Transurban’s initial equity investment resulting in a zero carrying value of the investment under equity accounting

Other matters to note

- Limitation of individual statutory accounts
 - Do not include fair value acquisition adjustments
 - Include intercompany transactions and financing that eliminates on group consolidation
- Business development revenue
 - Statutory 'Other revenue' includes BD revenues derived from DRIVE
 - Statutory BD expense includes the cost of deriving this revenue (usually equal to the revenue)
- M7 Term Loan Notes
 - Investment returns are from TLNs and are included in the statutory accounts within Interest Revenue

Proportional result

- This provides a better reflection of operating performance of business
- Proportional reporting is based on Transurban's ownership of assets
 - Aggregates individual P&L from each asset (multiplied by Transurban's percentage ownership) and Transurban Corporate
- Reconciliation of statutory to proportional result provided in Appendices to FY09 interim results presentation
- Capitalised overheads on projects undertaken by the Group were shown as separate line item (credit) in Proportional EBITDA in H1 FY09
 - Provides greater clarity of costs on a 'first spend' basis

Underlying proportional result

- EBITDA adjusted for one off items (if present) to reflect underlying business performance
- Adjustments in FY08 include:
 - Gain on asset sales (Pocahontas in FY08)
 - Mark-to-market positions eg. CEU gain/(loss)
 - Restructuring costs
 - CEO transition costs
- One-off items will be both positive and negative

Free cash

	31 Dec 08 \$M	Source of information/Explanation
Cashflow from Operating Activities	168.4	Statutory cash flow (includes cash inflow from M7 TLNs ¹)
Cashflow from Operating Activities – M1 and M4	(84.6)	Individual asset statutory cash flow (100% consolidated for statutory reporting)
Controlled Cash	83.8	
M1 Eastern Distributor	26.4	Distribution received by the Transurban Group from the M1 M1 has minority interests therefore Transurban cannot access the cash except through distribution
M4 – Statewide Roads	8.3	Distribution received by the Transurban Group from the M4 M4 has minority interests therefore Transurban cannot access the cash except through distribution
M5 - Interlink	14.5	Distribution received by the Transurban Group from the M5 Transurban do not control the M5 (applies equity accounting) therefore cash flows are through distributions
Maintenance capital expenditure	(12.5)	Average maintenance capital expenditure – includes major maintenance capex expense as reported under AASB-I 12 and average tag spend
Free Cash	120.5	
Number of securities – weighted average	1,254.8	Represents the weighted average number of stapled securities for the period
Free Cash per security (cents)	9.6	Calculated by dividing the free cash by the weighted average number of securities

1. Transurban returns from WestLink M7 are through interest receipts on a long term loan

AASB-I 12 – Key issues summary

- AASB Interpretation 12 application mandatory for the year ended 30 June 2009
- Applied retrospectively – from first period presented
 - 1 July 2007
- Major impacts
 - A. Classification of assets
 - B. Treatment of construction and upgrade services
 - C. Maintenance provision and expense

A. AASB-I 12 – Classification of assets

- All assets to be handed back to the grantor (State Governments) are classified as intangibles as they represent Transurban's right to collect tolls
- All assets retained by Transurban remain as Property, Plant & Equipment
- Concession assets (intangibles) are amortised over the remaining life of the concession deeds

Impact	
Balance sheet	Concession assets previously reclassified as Property, Plant and Equipment are reclassified as Intangible assets
Profit and loss	Concession assets amortised on a straight line basis over the term of the concession. Assets were previously amortised over their useful life
Cash flow	Construction project spend is classified as Payments for Intangibles

B. AASB-I 12 – Construction and upgrade services

- Account for construction and upgrade as a construction contract (recognising contract revenue and expenses on a gross basis)
- Transurban has not recognised a margin on construction services i.e. there is no net impact to the profit & loss

Impact	
Balance sheet	Concession assets recorded as intangible asset as construction and upgrade services are undertaken
Profit and loss	Income statement is grossed up to record construction revenue and expenses equal to the costs incurred. No net P&L impact however individual line items are increased
Cash flow	Construction project spend is classified as Payments for Intangibles

C. AASB-I 12 – Maintenance provision and expense

- A provision is built up on a usage basis
 - Based on time lapse to when works undertaken
- Provision represents Transurban's obligation to maintain the assets as a result of past use
- Two types:
 - Requirement to hand back assets in a specified state at end of concession
 - Ongoing major maintenance requirements e.g. Resheeting

C. AASB-I 12 – Maintenance provision and expense

- Recorded at present value of the provision
- P&L charge each year effectively represents average annual maintenance capex over the life of the provision i.e. provision is built up on a usage basis

Impact	
Balance sheet	Transurban's obligation to maintain concession assets as a result of past events (ie. usage) is recorded as a provision. Provision is reduced when maintenance works are undertaken
Profit and loss	Maintenance expense (operating cost) recorded to increase the provision for maintenance. Finance cost recorded to unwind the discount on the provision
Cash flow	Maintenance classified as Payments for Maintenance

C. AASB-I 12 – Maintenance provision and expense

- The following is an example of the building up of the provision for ongoing major maintenance expenditure over the life of the concession
- Examples:

- Resurfacing obligation (assumes road is used from year 3 and works performed in year 8)*

Resurfacing obligation								
Year	3	4	5	6	7	8	Total	Works performed (Yr 8)
Obligation arising in the year (P&L)	12	13	14	15	16	17	87	Recognised in operating cost
Increase due to passage of time (interest)		1	1	2	4	5	13	Recognised in 'Finance costs'
Income statement total	12	14	15	17	20	22	100	
Provision (Balance sheet cumulative)	12	26	41	58	78	100		(100) Provision depleted to zero (Debit provision)
Cash flow								(100) 100 cash spend

Assumes 17 to be provided each year for six years (discounted at 6%)

*Working example taken from Accounting Standards. All figures are for illustrative purposes only

- Civil works (including buildings, bridges and elevated roadways) - corrosion management and strengthening
- Replacement of equipment e.g. exhaust fans, fire and ventilation equipment, lighting
- Maintenance and replacement of electronic equipment e.g. tolling point equipment, closed circuit TV, communications systems

Appendix 2

Asset snapshots

CityLink

CityLink Melbourne

Location	Melbourne, Australia
Ownership	Transurban 100%
Concession length and expiry	34 years, expires January 2034
Description	CityLink is the key connector between Melbourne's airport, port, CBD and manufacturing hubs. It consists of two separate sections known as Western Link and Southern Link. The Western Link connects the airport, via the Tullamarine freeway, with the Port and the West Gate Freeway. The Southern Link, which consists of two tunnels (Burnley and Domain), connects the West Gate Freeway with the Monash Freeway. Both links service the CBD.
Key dates	Western Link opened 15 August 1999 and tolling commenced 3 January 2000. Domain Tunnel opened 16 April 2000 and tolling commenced 26 April 2000. Burnley Tunnel opened 22 December 2000 and tolling commenced 28 December 2000. Tullamarine-Calder Upgrade negotiated January 2005 Monash-CityLink-West Gate Upgrade negotiated May 2006

Location



Hills M2

Hills M2	
Location	Sydney, Australia
Ownership	Transurban 100%
Concession length and expiry	45 years, expires May 2042
Description	Hills M2 services both westbound and eastbound traffic between the Sydney suburbs of North Ryde and Seven Hills. The majority of the motorway (from Beecroft to Baulkham Hills) is two lanes plus a bus lane in both directions. There is also an interim third lane westbound between Lane Cove Road and Beecroft Road.
Key dates	Opened May 1997 Transurban acquired Hills M2 in June 2005

Location



Westlink M7

Westlink M7

Location	Sydney, Australia
Ownership	Transurban 50%
Concession length and expiry	31 years, expires February 2037
Description	Westlink M7 connects to the M2, M4 and M5 motorways and the Hume Highway. It is the only arterial through Western Sydney, Australia's fastest growing economic zone. There are two lanes in both directions.
Key dates	Opened to traffic 16 December 2005 Tolling commenced 16 January 2006

Location



M1 Eastern Distributor

M1 Eastern Distributor

Location	Sydney, Australia
Ownership	Transurban 75.1%
Concession length and expiry	48 years, expires July 2048
Description	The Eastern Distributor links the CBD, Harbour Tunnel, Harbour Bridge and the Cross City Tunnel (CCT) with Sydney's southern suburbs and Sydney Airport. There are three south-bound lanes reducing to two lanes when one lane exits to the eastern suburbs, then three north-bound lanes, two lanes from Southern Cross Drive and a third lane from Anzac Parade and Moore Park Road.
Key dates	Opened 18 December 1999 Macquarie Infrastructure Group divested into Sydney Roads Group July 2006 Transurban completed acquisition of SRG June 2007

Location



M5 Motorway

M5 Motorway

Location	Sydney, Australia
Ownership	Transurban 50%
Concession length and expiry	31 years (initially 30 years, the concession was extended by 1.11 years after M5 Road Improvements), expires September 2023
Description	The M5 connects Sydney's CBD with the city's rapidly growing south western suburbs. It links the M1 and M7. The motorway is two lanes in either direction with the exception of a 3km section between the Hume Highway and Heathcote Road, which is three lanes in either direction.
Key dates	Opened to traffic in 1992 Macquarie Infrastructure Group divested into Sydney Roads Group July 2006 Transurban completed acquisition of SRG June 2007

Location



M4 Motorway

M4 Motorway

Location	Sydney, Australia
Ownership	Transurban 50.61%
Concession length and expiry	18 years, expires February 2010
Description	The M4 Motorway links Western Sydney to the inner west. There are three lanes in both directions for the majority of its length (four lanes in some areas).
Key dates	Opened to traffic in 1992 Macquarie Infrastructure Group divested into Sydney Roads Group July 2006 Transurban completed acquisition of SRG June 2007

Location



Pocahontas 895

Pocahontas 895

Location	Virginia, United States
Ownership	DRIVE co-investment vehicle holds 100% of Pocahontas Transurban holds a 75% interest in DRIVE
Concession length and expiry	99 years, expires 2105
Description	Pocahontas 895 comprises two lanes in each direction, It links the I-95 and I-295 to create a southern bypass of Richmond and provides a crossing of the James River.
Key dates	Opened to traffic in 2002 Transurban reached financial close on aquisition in June 2006 Acquired by DRIVE co-investment vehicle in September 2007

Location



Capital Beltway

Capital Beltway

Location	Northern Virginia, United States
Ownership	DRIVE co-investment vehicle holds 90% of Capital Beltway Transurban holds a 75% interest in DRIVE
Concession length and expiry	80 years, expires 2087 5 year construction, 75 years of operations
Description	The Capital Beltway is a ring road that runs around Washington DC. The road will be expanded from 8 to 12 lanes. The four new lanes (2 in each direction) will operate as High Occupancy Toll (HOT) lanes alongside the existing general purpose lanes. Cars using these lanes will be charged a toll unless they are deemed a high occupancy vehicle (with three or more passengers).
Key dates	Financial close reached on 21 December 2007

Location



transurban

The logo graphic consists of two parallel, curved green lines that sweep upwards from left to right, positioned beneath the word 'transurban'.