

7 August 2018

**Transurban FY18 proportional EBITDA up 10.2%<sup>1</sup>**

**FY18 highlights:**

- FY19 distribution guidance of 59.0 cps
- FY19 distribution guidance of 59.0 cps will be maintained in the event of a successful WestConnex bid
- Linkt tolling brand now active across Sydney, Brisbane and Melbourne, incorporating fee reductions and enhanced digital platforms for our customers
- Continuing focus on customer experience:
  - o Initiatives to improve customer assistance and reduce tolling debt and fines
  - o Voice of Customer program improves customer interactions
- Connected Automated Vehicle (CAV) trials underway across Australia and North America with the first Australian public trials of a highly automated vehicle occurring on CityLink
- Acquisition and financial close of A25 in Montreal providing second geographical market in North America
- Completion of the CityLink Tulla Widening and Monash Freeway Upgrade Projects in Melbourne providing travel time savings to customers
- Statutory profit from ordinary activities of \$468 million
- Average daily traffic (ADT) grew by 2.2%<sup>2</sup> inclusive of disruption from upgrade projects including CityLink Tulla Widening (CTW), Monash Freeway Upgrade (MFU), Logan Enhancement Project (LEP), Gateway Upgrade North (GUN) and Inner City Bypass (ICB)
- Proportional toll revenue increased by 8.7% to \$2,340 million
- Proportional earnings before interest, tax, depreciation and amortisation (EBITDA) and before significant items increased by 10.2% to \$1,796 million<sup>1</sup>
- FY18 distribution of 56.0 cents per security (cps) including the impact from \$1.9 billion of equity raised to support the West Gate Tunnel Project

Chief Executive Officer Scott Charlton said Transurban would continue to focus on initiatives to enhance customer experience – both on and off the road.

“The launch of our retail tolling brand Linkt makes it easier for customers to find a toll travel arrangement that’s right for them. Our priority is giving customers flexibility and choice,” Mr Charlton said.

Mr Charlton said the development projects being undertaken by Transurban would deliver valuable travel-time savings for customers. Already customers are saving on average 14 minutes in travel time from Melbourne Airport to the Bolte Bridge due to the CityLink Tulla Widening Project.

<sup>1</sup> Excludes FY18 significant items which include \$21 million of transaction and integration costs associated with the acquisition of A25.

<sup>2</sup> A25 was acquired by Transurban on 5 June 2018. Excluding A25, ADT increased by 2.2%.

## Key network activities

### Sydney:

For FY18:

- Proportional toll revenue increased 8.3% to \$944 million
- ADT increased 3.1% to 666,000 trips
- EBITDA grew by 9.1%
- NorthConnex project is progressing with the majority of tunnelling completed<sup>3</sup>
- Trials of partially-automated vehicles in progress in NSW, in partnership with Transport for NSW and RMS
- For the June quarter average workday traffic increased 2.5% and average weekend/public holiday traffic increased 4.1%
- For the June quarter, car traffic increased 3.2% and large vehicle traffic increased 3.9%

"Last year we worked with Roads and Maritime Services (RMS) to trial a six-month closure of the Cleveland Street off-ramp – a known pinch point on the Eastern Distributor. During the trial we observed improved traffic flow and travel reliability on both the Eastern Distributor and the adjacent South Dowling Street (non-tolled alternative), which led to improved safety for staff involved in daily closures and customers. This resulted in us permanently closing the off-ramp in February 2018," Mr Charlton said.

### Melbourne:

For FY18:

- Toll revenue increased 13.4% to \$780 million
- ADT increased 1.4% to 828,000 transactions
- EBITDA grew by 15.7%
- CTW and MFU projects were completed ahead of budget and schedule.
- CityLink traffic continues to be impacted by CTW State works
- West Gate Tunnel planning scheme amendment passed through both houses of the Victorian Parliament.<sup>4</sup> Over 2,000 workers are currently contributing to the project
- Retail tolling brand, Linkt, launched in Melbourne in July 2018, alongside reduced fees for customers
- For the June quarter average workday traffic increased 3.6% and average weekend/public holiday traffic increased 6.4%
- For the June quarter, car traffic increased 3.7% and large vehicle traffic increased 8.7% for the quarter

"Now that the CityLink Tulla Widening and Monash Freeway Upgrade projects are complete customers are benefitting from additional capacity and quicker travel times," Mr Charlton said.

"In addition the West Gate Tunnel Project is progressing well and we welcome the certainty the planning scheme amendment provides."

<sup>3</sup> The delivery timeframe is currently under review. Project expected to remain within Transurban's budget.

<sup>4</sup> Legislative approval for the CityLink funding sources is pending. The State has confirmed that it is Government policy intention to implement the necessary legislative support for the CityLink concession deed amendments during the WGTP construction period.

## Brisbane:

For FY18:

- Proportional toll revenue increased 2.1% to \$393 million. Revenue for the period incorporates changes to fees that have occurred throughout the year
- ADT increased 2.6% to 404,000 trips
- EBITDA was up 4.0%
- The three development projects in Brisbane are progressing well, including the \$60 million Inner City Bypass (ICB) project which is to be completed in the coming weeks
- Transurban Queensland to deliver operations & maintenance (O&M) on the ICB post-completion
- Introduction of Linkt retail tolling brand in Brisbane including the Linkt and LinktGO mobile apps and lower fees for customers
- For the June quarter average workday traffic increased 0.9% and average weekend/public holiday traffic increased 1.7%
- For the June quarter, car traffic increased 0.4% and large vehicle traffic increased 5.2%

"In Brisbane we have made significant improvements for our customers. For instance we have introduced two new apps, launched a new website and have made it simpler for customers to avoid fees. We have also worked with our government partners to change legislation which now bundles customer Notices of Demand and reduces administration fees," Mr Charlton said.

## North America:

For FY18:

- Toll revenue grew 7.1%<sup>5</sup> to \$223 million
- ADT increased 1.9%<sup>6</sup> to 144,000 trips
- EBITDA grew by 12.4%<sup>7</sup>
- 395 Express Lanes construction is progressing well with service commencement expected in late 2019
- Design-Build request for proposal for the Fredericksburg Extension project issued; financial close expected in 2019
- Conducting CAV trials in partnership with the Federal Highway Administration and Virginia Department of Transportation, testing roadside-to-vehicle technologies and platooning
- A25 integration activities have commenced and are expected to be complete in FY19
- Peak traffic in the peak direction<sup>8</sup> on the A25 was 3,017 vehicles per hour
- For the June quarter average workday toll revenue on the 95 Express Lanes increased 3.4% to US\$365,000. The average dynamic toll price for the quarter was US\$8.45
- For the June quarter average workday toll revenue on the 495 Express Lanes decreased 13.6% to US\$294,000. High growth in previous corresponding period contributed to the decrease in average workday toll revenue on the 495 Express Lanes. The average dynamic toll price for the quarter was US\$5.40

<sup>5</sup> Excluding A25 which was acquired on 5 June 2018, toll revenue increased by 4.5%.

<sup>6</sup> ADT includes traffic numbers for A25 prior to Transurban ownership and is shown for comparison purposes. Excluding A25 North America ADT was flat at 0.0%.

<sup>7</sup> Excluding A25, EBITDA grew by 7.9%.

<sup>8</sup> Peak direction on the A25 means southbound in the morning peak and northbound in the evening peak.

"The A25 is our first asset in Montreal and provides opportunities to build on our expertise in North America," Mr Charlton said.

#### Distribution and DRP

A distribution totalling 28.0 cps will be paid on 10 August 2018 for the six months ended 30 June 2018. This will consist of a 25.5 cps distribution from Transurban Holding Trust and a 2.5 cps fully franked dividend from Transurban Holdings Limited.

#### Outlook

FY19 distribution guidance of 59.0 cps has been provided including 2.0 cps fully franked.

#### Market briefing

Transurban will be providing a market briefing at 9.30am (AEST) today, 7 August 2018. The market briefing will be webcast via the Transurban website at [transurban.com](http://transurban.com).

ENDS



**Amanda Street**  
Company Secretary

#### Investor enquiries

**Lauren Balbata**  
Investor Relations Manager  
+613 9612 6909

#### Media enquiries

**Josie Brophy**  
Senior Advisor, Media and Communication  
+614 h3716 5424

*Note: Further details are provided in the Appendices and Investor Presentation attached to this release.*

#### Transurban Group

**Appendix 1:**

## Statutory results

|                                                                                                                        | <b>FY17</b>    | <b>FY18</b>    |
|------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                                        | <b>\$M</b>     | <b>\$M</b>     |
| <b>Toll revenue</b>                                                                                                    | 2,083          | 2,249          |
| Construction revenue                                                                                                   | 592            | 989            |
| Other revenue                                                                                                          | 57             | 60             |
| <b>Total revenue</b>                                                                                                   | <b>2,732</b>   | <b>3,298</b>   |
| Employee benefit expense                                                                                               | (168)          | (180)          |
| Road operating costs                                                                                                   | (335)          | (326)          |
| Construction costs                                                                                                     | (592)          | (989)          |
| Transaction and integration costs                                                                                      | (5)            | (21)           |
| Corporate/other expenses                                                                                               | (106)          | (133)          |
| <b>Total costs</b>                                                                                                     | <b>(1,206)</b> | <b>(1,649)</b> |
| <b>Earnings before depreciation and amortisation, net finance costs, equity accounted investments and income taxes</b> | <b>1,526</b>   | <b>1,649</b>   |
| Depreciation and amortisation                                                                                          | (628)          | (671)          |
| Net finance costs                                                                                                      | (749)          | (722)          |
| Share of net profits of equity accounted investments                                                                   | 25             | 33             |
| <b>Profit before income tax</b>                                                                                        | <b>174</b>     | <b>289</b>     |
| Income tax benefit                                                                                                     | 35             | 179            |
| <b>Profit from continuing operations</b>                                                                               | <b>209</b>     | <b>468</b>     |

**Transurban Group**

Transurban International Limited  
ABN 90 121 746 825

Transurban Holdings Limited  
ABN 86 098 143 429

Transurban Holding Trust  
ABN 30 169 362 255

ARSN 098 807 419  
corporate@transurban.com  
www.transurban.com

Level 23  
Tower One, Collins Square  
727 Collins Street  
Docklands  
Victoria 3008 Australia  
Telephone +613 8656 8900  
Facsimile +613 9649 7380

**Appendix 2:**

Proportional results

|                                             | <b>FY17<br/>\$M</b> | <b>FY18<br/>\$M</b> | <b>% change</b> |
|---------------------------------------------|---------------------|---------------------|-----------------|
| Toll revenue                                | 2,153               | 2,340               | 8.7%            |
| Other revenue <sup>7</sup>                  | 51                  | 56                  | 8.6%            |
| <b>Total revenue</b>                        | <b>2,204</b>        | <b>2,396</b>        | <b>8.7%</b>     |
| <b>Total costs<sup>9</sup></b>              | <b>(575)</b>        | <b>(600)</b>        | <b>4.5%</b>     |
| <b>EBITDA (excluding significant items)</b> | <b>1,629</b>        | <b>1,796</b>        | <b>10.2%</b>    |
| Significant items                           | -                   | (21)                | n/m             |
| <b>EBITDA</b>                               | <b>1,629</b>        | <b>1,775</b>        | <b>8.9%</b>     |

<sup>9</sup> Restated FY17 figures reflect a reclassification impacting Other revenue and Total costs. FY18 is presented on a consistent basis.

**Appendix 3:**

Proportional results by segment (excluding significant items)

| <b>FY18</b>                                        | <b>Sydney</b> | <b>Melbourne</b> | <b>Brisbane</b> | <b>North America</b> | <b>Corporate and other</b> | <b>Total</b> |
|----------------------------------------------------|---------------|------------------|-----------------|----------------------|----------------------------|--------------|
| Toll revenue (\$M)                                 | 944           | 780              | 393             | 223                  | -                          | 2,340        |
| Other revenue (\$M)                                | 28            | 23               | 3               | 1                    | 1                          | 56           |
| <b>Total revenue (\$M)</b>                         | <b>972</b>    | <b>803</b>       | <b>396</b>      | <b>224</b>           | <b>1</b>                   | <b>2,396</b> |
| Total costs (\$M)                                  | (206)         | (115)            | (117)           | (94)                 | (68)                       | (600)        |
| <b>EBITDA (excluding significant items) (\$M)</b>  | <b>766</b>    | <b>688</b>       | <b>279</b>      | <b>130</b>           | <b>(67)</b>                | <b>1,796</b> |
| <i>Toll revenue growth</i>                         | 8.3%          | 13.4%            | 2.1%            | 7.1%                 | N/A                        | 8.7%         |
| <i>Traffic growth</i>                              | 3.1%          | 1.4%             | 2.6%            | 1.9%                 | N/A                        | 2.2%         |
| <i>EBITDA growth (excluding significant items)</i> | 9.1%          | 15.7%            | 4.0%            | 12.4%                | (31.9%)                    | 10.2%        |

**Transurban Group**Transurban International Limited  
ABN 90 121 746 825Transurban Holdings Limited  
ABN 86 098 143 429Transurban Holding Trust  
ABN 30 169 362 255ARSN 098 807 419  
corporate@transurban.com  
www.transurban.comLevel 23  
Tower One, Collins Square  
727 Collins Street  
Docklands  
Victoria 3008 Australia  
Telephone +613 8656 8900  
Facsimile +613 9649 7380

**Appendix 4:**

Reconciliation of Statutory EBITDA to Proportional EBITDA

|                                                                                                | FY17<br>\$M  | FY18<br>\$M  |
|------------------------------------------------------------------------------------------------|--------------|--------------|
| <b>Statutory EBITDA</b>                                                                        | <b>1,526</b> | <b>1,649</b> |
| Less: EBITDA attributable to non-controlling interest – ED                                     | (25)         | (27)         |
| Less: EBITDA attributable to non-controlling interest – TQ                                     | (161)        | (166)        |
| Add: M5 proportional EBITDA                                                                    | 121          | 131          |
| Add: NWRG proportional EBITDA                                                                  | 168          | 186          |
| Add: Toll and other revenue on A25 concessional financial asset recognised as financial income | -            | 2            |
| <b>Proportional EBITDA</b>                                                                     | <b>1,629</b> | <b>1,775</b> |
| Significant items                                                                              | -            | 21           |
| <b>Proportional EBITDA (excluding significant items)</b>                                       | <b>1,629</b> | <b>1,796</b> |

**Transurban Group**

Transurban International Limited  
ABN 90 121 746 825

Transurban Holdings Limited  
ABN 86 098 143 429

Transurban Holding Trust  
ABN 30 169 362 255

ARSN 098 807 419  
corporate@transurban.com  
www.transurban.com

Level 23  
Tower One, Collins Square  
727 Collins Street  
Docklands  
Victoria 3008 Australia  
Telephone +613 8656 8900  
Facsimile +613 9649 7380

**Appendix 5:**

Reconciliation of Statutory Cash Flow from operating activities to Free Cash

|                                                                                    | FY17<br>\$M  | FY18<br>\$M  |
|------------------------------------------------------------------------------------|--------------|--------------|
| Cash flows from operating activities                                               | 837          | 1,053        |
| Add back transaction and integration costs related to acquisitions                 | 113          | 20           |
| Add back payments for maintenance of intangible assets                             | 69           | 95           |
| Less cash flow from operating activities from consolidated non-100% owned entities | (312)        | (350)        |
| Less allowance for maintenance of intangible assets for 100% owned assets          | (61)         | (49)         |
| <i>Adjust for distributions and interest received from non-100% owned entities</i> |              |              |
| ED distribution                                                                    | 55           | 59           |
| M5 distribution and term loan note payments                                        | 68           | 82           |
| TQ distribution and shareholder loan note payments                                 | 161          | 164          |
| NorthWestern Roads Group distribution <sup>10</sup>                                | 290          | 141          |
| <b>Free cash</b>                                                                   | <b>1,220</b> | <b>1,215</b> |

<sup>10</sup> FY17 NWRG distribution included a \$174 million capital release; FY18 capital releases were nil.

**Appendix 6:**Traffic and revenue performance<sup>11</sup>

| <b>FY18</b>   | <b>Proportional toll revenue (AUD)<br/>% change</b> | <b>ADT<br/>% change</b> |
|---------------|-----------------------------------------------------|-------------------------|
| Sydney        | 8.3%                                                | 3.1%                    |
| Melbourne     | 13.4%                                               | 1.4%                    |
| Brisbane      | 2.1%                                                | 2.6%                    |
| North America | 7.1%                                                | 1.9%                    |

<sup>11</sup> All percentage changes are to the prior corresponding period and are calculated in AUD.

**Transurban Group**

Transurban International Limited  
ABN 90 121 746 825

Transurban Holdings Limited  
ABN 86 098 143 429

Transurban Holding Trust  
ABN 30 169 362 255

ARSN 098 807 419  
corporate@transurban.com  
www.transurban.com

Level 23  
Tower One, Collins Square  
727 Collins Street  
Docklands  
Victoria 3008 Australia  
Telephone +613 8656 8900  
Facsimile +613 9649 7380

## Appendix 7:

### Traffic and revenue data

| Asset                     | Ownership |                                          | FY17  | FY18  | % change |
|---------------------------|-----------|------------------------------------------|-------|-------|----------|
| Hills M2                  | 100%      | Total Toll Revenue (\$AUDm) (net of GST) | \$277 | \$301 | 8.7%     |
|                           |           | Average Daily Trips ('000)               | 129   | 133   | 3.2%     |
| Lane Cove Tunnel/ MRE     | 100%      | Total Toll Revenue (\$AUDm) (net of GST) | \$93  | \$100 | 6.8%     |
|                           |           | Average Daily Trips ('000)               | 89    | 92    | 3.3%     |
| Cross City Tunnel         | 100%      | Total Toll Revenue (\$AUDm) (net of GST) | \$63  | \$67  | 6.3%     |
|                           |           | Average Daily Trips ('000)               | 38    | 39    | 1.5%     |
| M1 Eastern Distributor    | 75.1%     | Total Toll Revenue (\$AUDm) (net of GST) | \$135 | \$146 | 8.8%     |
|                           |           | Average Daily Trips ('000)               | 56    | 59    | 4.5%     |
| Westlink M7 <sup>12</sup> | 50%       | Total Toll Revenue (\$AUDm) (net of GST) | \$397 | \$438 | 10.3%    |
|                           |           | Average Daily Trips ('000)               | 183   | 189   | 3.2%     |
| M5                        | 50%       | Total Toll Revenue (\$AUDm) (net of GST) | \$271 | \$287 | 6.0%     |
|                           |           | Average Daily Trips ('000)               | 151   | 155   | 2.9%     |

<sup>12</sup> Average tolled trip length was 12.8 kilometres for the quarter on Westlink M7.

| Asset             | Ownership |                                          | FY17  | FY18  | % change |
|-------------------|-----------|------------------------------------------|-------|-------|----------|
| CityLink          | 100%      | Total Toll Revenue (\$AUDm) (net of GST) | \$687 | \$780 | 13.4%    |
|                   |           | Average Daily Transactions ('000)        | 816   | 828   | 1.4%     |
| Gateway Motorway  | 62.5%     | Total Toll Revenue (\$AUDm) (net of GST) | \$219 | \$220 | 0.4%     |
|                   |           | Average Daily Trips ('000)               | 115   | 117   | 1.4%     |
| Logan Motorway    | 62.5%     | Total Toll Revenue (\$AUDm) (net of GST) | \$183 | \$185 | 1.4%     |
|                   |           | Average Daily Trips ('000)               | 164   | 168   | 2.7%     |
| AirportlinkM7     | 62.5%     | Total Toll Revenue (\$AUDm) (net of GST) | \$112 | \$120 | 6.8%     |
|                   |           | Average Daily Trips ('000)               | 58    | 61    | 5.2%     |
| Clem7             | 62.5%     | Total Toll Revenue (\$AUDm) (net of GST) | \$53  | \$54  | 1.0%     |
|                   |           | Average Daily Trips ('000)               | 28    | 28    | 2.2%     |
| Legacy Way        | 62.5%     | Total Toll Revenue (\$AUDm) (net of GST) | \$36  | \$37  | 3.5%     |
|                   |           | Average Daily Trips ('000)               | 18    | 19    | 4.3%     |
| Go Between Bridge | 62.5%     | Total Toll Revenue (\$AUDm) (net of GST) | \$13  | \$13  | (3.2%)   |
|                   |           | Average Daily Trips ('000)               | 11    | 11    | (0.3%)   |

| Asset             | Ownership |                             | FY17 | FY18 | % change |
|-------------------|-----------|-----------------------------|------|------|----------|
| 95 Express Lanes  | 100%      | Total Toll Revenue (\$USDm) | \$84 | \$93 | 10.9%    |
|                   |           | Average Daily Trips ('000)  | 49   | 50   | 1.2%     |
| 495 Express Lanes | 100%      | Total Toll Revenue (\$USDm) | \$73 | \$76 | 4.0%     |
|                   |           | Average Daily Trips ('000)  | 46   | 46   | (1.2%)   |
| A25 <sup>13</sup> | 100%      | Total Toll Revenue (\$CADm) | N/A  | \$5  | N/A      |
|                   |           | Average Daily Trips ('000)  | 45   | 48   | 5.9%     |

<sup>13</sup> Transurban acquired A25 on 5 June 2018. Toll revenue data prior to Transurban ownership is not included. FY17 ADT includes numbers prior to Transurban ownership and is shown for comparison purposes.

**Appendix 8:**

Calculation of proportional toll revenue by asset

| FY18                      | 100% (\$M) | % Transurban Ownership | Proportional Toll Revenue (\$M) |
|---------------------------|------------|------------------------|---------------------------------|
| Hills M2                  | \$301      | 100.0%                 | \$301                           |
| Lane Cove Tunnel/MRE      | \$100      | 100.0%                 | \$100                           |
| Cross City Tunnel         | \$67       | 100.0%                 | \$67                            |
| M1 Eastern Distributor    | \$146      | 75.1%                  | \$110                           |
| Westlink M7               | \$438      | 50.0%                  | \$219                           |
| M5 South West Motorway    | \$287      | 50.0%                  | \$144                           |
| CityLink                  | \$780      | 100.0%                 | \$780                           |
| Gateway Motorway          | \$220      | 62.5%                  | \$137                           |
| Logan Motorway            | \$185      | 62.5%                  | \$116                           |
| AirportlinkM7             | \$120      | 62.5%                  | \$75                            |
| Clem7                     | \$54       | 62.5%                  | \$34                            |
| Legacy Way                | \$37       | 62.5%                  | \$23                            |
| Go Between Bridge         | \$13       | 62.5%                  | \$8                             |
| 95 Express Lanes (\$USD)  | \$93       | 100.0%                 | \$93                            |
| 495 Express Lanes (\$USD) | \$76       | 100.0%                 | \$76                            |
| A25 (\$CAD) <sup>14</sup> | \$5        | 100.0%                 | \$5                             |

<sup>14</sup> Transurban acquired A25 on 5 June 2018. Toll revenue data prior to Transurban ownership is not included.