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OFFERING CIRCULAR

Transurban

TRANSURBAN FINANCE COMPANY PTY LTD

(ABN 65 098 539 452)

(incorporated with limited liability in Victoria, Australia)

U.S.$5,000,000,000
Secured Euro Medium Term Note Programme

Under this U.S.$5,000,000,000 Secured Euro Medium Term Note Programme (the **Programme**), Transurban Finance Company Pty Ltd (the **Issuer**) may from time to time issue notes (the **Notes**) in bearer or registered form (respectively, **Bearer Notes and Registered Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below) and will be constituted by an amended and restated trust deed dated 30 August 2017 between the Issuer and The Bank of New York Mellon (the **Trustee**) (the **Trust Deed**). The Issuer may from time to time issue Notes denominated in Australian dollars issued in the Australian domestic capital market (**AMTNs**). AMTNs will be issued in registered uncertificated form, and will take the form of entries on a register established and maintained by a registrar in Australia and may be lodged with the clearing system (**Austraclear System**) operated by Austraclear Ltd (**Austraclear**). AMTNs will be constituted by a trust deed dated 30 August 2017 between the Issuer and BNY Trust Company of Australia Limited (the **AMTN Trustee**) (the **AMTN Trust Deed**).

The obligations of the Issuer in respect of the Notes are secured by certain charges granted by the Issuer and certain related entities and guaranteed by certain related entities which have also granted charges and mortgages to secure their guarantees (the **Securities**). The Securities are held by BTA Institutional Services Australia Limited (the **Security Trustee**) the trustee of the security trust (**Security Trust**) established by a security trust deed originally dated 28 June 2002 (as most recently amended by an amendment deed dated 28 July 2017 and as may be updated and/or amended and/or supplemented and/or restated from time to time in accordance with its terms, the **Security Trust Deed**). The holders of the Notes will be Senior Secured Creditors (as defined in the Security Trust Deed) under the Security Trust, ranking equally with the other Senior Secured Creditors, including the financiers under the Issuer's bank debt facilities, holders of the Issuer's Australian credit-wrapped and unwrapped medium term notes (and the relevant financial guarantor thereof), and holders of the Issuer's US private placement notes. The Senior Secured Creditors rank for payment out of the assets the subject of the Securities ahead of the Subordinated Secured Creditors (as defined in the Security Trust Deed) and unsecured creditors, except creditors mandatorily preferred by law. For a discussion of these arrangements see "*Description of the Security Arrangements*".

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.$5,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see *"Risk Factors".*

Application has been made to the Singapore Exchange Securities Trading Limited (the **SGX-ST**) for permission to deal in and quotation of any Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. There is no assurance that the application to the SGX-ST for the listing of the Notes will be approved. Any admission of any Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Programme or the Notes.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a final terms document (the **Final Terms**) which, with respect to Notes to be listed on the SGX-ST, will be delivered to the SGX-ST before the listing of Notes of such Tranche.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market. The relevant Final Terms in respect of any Series (as defined under "*Terms and Conditions of the Notes*") will specify whether or not such Notes will be listed and, if so, on which exchange(s) the Notes are to be listed. The Issuer may agree with any Dealer and the Trustee that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a supplemental Offering Circular or other document, if necessary, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Notes to be issued under the Programme are expected to be rated "BBB+" by S&P Global Ratings Australia Pty Ltd (**Standard & Poor's** or **S&P**) and "Baa1" by Moody's Investors Service Pty Ltd (**Moody's**). Fitch Australia Pty Ltd (**Fitch**) will, if applicable, rate Notes to be issued under the Programme on a Series-by-Series basis. A credit rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.

This Offering Circular is an advertisement and not a prospectus for the purposes of EU Directive 2003/71/EC.

Arrangers

J.P. MORGAN **J.P. MORGAN AUSTRALIA LIMITED**

The date of this Offering Circular is 30 August 2017.

In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Notes being offered, including the merits and risks involved. The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Offering Circular or confirmed the accuracy or determined the adequacy of the information contained in this Offering Circular. Any representation to the contrary is unlawful.

To the best of the knowledge of the Issuer as at the date of this Offering Circular, having made all reasonable enquiries, the information contained or incorporated in this Offering Circular is in accordance with the facts and there are no other facts the omission of which would make this Offering Circular or any of such information misleading. The Issuer accepts responsibility accordingly.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Offering Circular in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer or the Manager(s) (as defined below), as the case may be. This Offering Circular and any other documents or materials in relation to the issue, offering or sale of the Notes have been prepared solely for the purpose of the initial sale by the relevant Dealers of Notes from time to time to be issued pursuant to the Programme and with respect to Notes to be listed on the SGX-ST, such listing.

Copies of Final Terms will be available from the registered office of the Issuer and the specified office set out below of each of the Paying Agents (as defined below) save that, if the relevant Notes are not listed on a stock exchange, the applicable Final Terms will only be obtainable by a Noteholder (as defined in "*Terms and Conditions of the Notes*") holding one or more Notes, subject to such Noteholder providing evidence satisfactory to the Issuer, the Trustee or the AMTN Trustee (as the case may be) and the relevant Paying Agent as to its holding of such Notes and its identity.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

None of the Dealers, the Agents (as defined in "*Terms and Conditions of the Notes*"), the Arrangers, the Trustee or the AMTN Trustee have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers, the Agents, the Arrangers, the Trustee or the AMTN Trustee as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the Programme. None of the Dealers, the Arrangers, the Agents, the Trustee or the AMTN Trustee accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer in connection with the Programme. The Arrangers, each Dealer, the Trustee, the AMTN Trustee and each Agent accordingly disclaims all and any liability, whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement. Advisers named in this Offering Circular have acted pursuant to the terms of their respective engagements, have not authorised or caused the issue of, and take no responsibility for, this Offering Circular and do not make, and should not be taken to have verified, any statement or information in this Offering Circular unless expressly stated otherwise.

No person is or has been authorised by the Issuer, the Arrangers, any of the Dealers, the Agents, the Trustee or the AMTN Trustee to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any of the Dealers, the Arrangers, the Agents, the Trustee or the AMTN Trustee.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Arrangers, the Agents, any of the Dealers, the Trustee or the AMTN Trustee that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. This Offering Circular does not take into account the objectives, financial situation or needs of any potential investor. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, the Arrangers, the Agents, any of the Dealers, the Trustee or the AMTN Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances constitute a representation, or give rise to any implication, that there has been no change in the prospects, results of operations or general affairs of the Issuer or imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers, the Arrangers, the Agents, the Trustee and the AMTN Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, among other things, the most recently published documents incorporated by reference into this Offering Circular when deciding whether or not to purchase any Notes.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the Securities Act) and Bearer Notes are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "*Subscription and Sale*").

There are restrictions on the offer and sale of the Notes in the United Kingdom. All applicable provisions of the Financial Services and Markets Act 2000 (the FSMA) with respect to anything done by any person in relation to the Notes in, from or otherwise involving the United Kingdom must be complied with (see "Subscription and Sale").

This Offering Circular is not, and is not intended to be, a disclosure document within the meaning of section 9 of the Corporations Act 2001 (Cth) (the Corporations Act), or a Product Disclosure Statement for the purposes of Chapter 7 of the Corporations Act. This Offering Circular has not been, and will not be, lodged with the Australian Securities and Investments Commission and is not, and does not purport to be, a document containing disclosure to investors for the purposes of Parts 6D.2 or 7.9 of the Corporations Act. It is not intended to be used in connection with any offer for which such disclosure is required and does not contain all the information that would be required by those provisions if they applied. It is not to be provided to any "retail client" for the purposes of section 761G of the Corporations Act. The Issuer is not licensed to provide financial product advice in respect of the Notes. Cooling-off rights do not apply to the acquisition of the Notes.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Arrangers, the Dealers, the Agents, the Trustee and the AMTN Trustee do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Dealers, the Arrangers, the Agents, the Trustee or the AMTN Trustee which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action

for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom), Japan, Hong Kong, Singapore and Australia, see "Subscription and Sale". Recipients of this Offering Circular shall not reissue, circulate or distribute this Offering Circular or any part hereof in any matter whatsoever.

In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU (the 2010 PD Amending Directive) to the extent implemented in any Member State) including any relevant implementing measure in such Member State (the Prospectus Directive), the minimum specified denomination shall be €100,000 (or its equivalent in any other currency at the date of issue of the Notes).

IMPORTANT - EEA RETAIL INVESTORS — If the Final Terms in respect of any notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (MiFID II); (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC. Consequently no key information document required by Regulation (EU) No 1286/2014 (the PRIIPs Regulation) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

All references in this document to "U.S. dollars", "U.S.$" and "$" refer to United States dollars, to "S$" refer to Singapore dollars and to "A$" refer to Australian dollars. In addition, all references to "euro" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

In connection with the issue of any Tranche of Notes (other than in circumstances where such action would reasonably be expected to support, maintain or otherwise have an effect on the market for or the price of the Notes traded within Australia or on a financial market, as defined in the Corporations Act, operated within Australia), the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules. Any such stabilisation action may only be conducted outside Australia and on a market operated outside Australia.

FORWARD-LOOKING STATEMENTS

This Offering Circular includes forward-looking statements. Some of these forward-looking statements can be identified by the use of words such as "may," "will," "should," "expect," "anticipate," "believe," "estimate," "plan," "forecast," "intend," "target," "aim," "goal" and similar expressions in this Offering Circular and include statements regarding certain plans, strategies and objectives of management, industry trends and outlook. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause our actual results, performance or achievements, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. These risks, uncertainties and other important factors include, among others:

- the finite lives of our Concession Agreements (see "Certain Definitions") and that we may not be able to enter into new Concession Agreements or extend our existing Concession Agreements;
- reduced traffic volumes or an inability to grow traffic volumes;
- the loss of a toll road asset for non-performance or default under a Concession Agreement, financing arrangement or as a result of government action;
- the mechanisms regulating changes to tolls and permitted increases not covering our cost increases;
- existence and development of, or changes to, competing roads, feeder roads and other means of transportation;
- a failure of key operating systems, including tolling systems, which adversely impacts our ability to make a road available or collect revenue;
- inaccurate forecasting and modeling;
- changes in government policy with respect to transport, infrastructure and contracting methodology;
- failure to comply with government regulations;
- changes in public sentiment toward our company or toll roads generally;
- failure to develop and implement new information technology systems and loss of key relationships with third parties or licenses;
- failure to safeguard our customers' confidential information;
- external cyber-attacks on our technology systems;
- failure to implement new development projects, enhance existing infrastructure or complete maintenance and capital expenditure projects;
- changes in law or regulation, including the imposition of new or increased taxes or other governmental charges or levies;
- adverse tax developments, including as a result of legislative change or interpretation, and changes to accounting standards;
- dependency on the services of key contractors and counterparties for development and construction activities and for the provision of tolling, customer services, operations and maintenance services, road management and control systems;
- failure of acquisitions or development projects to generate anticipated benefits, financial or otherwise;

- exposure to risks associated with financing arrangements and financial transactions, including sourcing new financing, and credit exposures on transactions with financial counterparties;

- an inability to refinance our significant existing indebtedness;

- risks of accidents, incidents, terrorist attacks and other events relating to our assets and insurance policies not providing adequate protection against those risks;

- potential for involvement in legal, regulatory and other proceedings and disputes arising from business and operations; and

- reliance on dividends, distributions, interest on and repayments of shareholder loans from joint ventures and subsidiaries for funding.

We caution that the foregoing list of important factors is not exhaustive. When relying on forward-looking statements to make decisions with respect to the Issuer or the Transurban Group (as defined in "Documents Incorporated by Reference" below), investors should carefully consider the foregoing factors and other uncertainties and events, including the risks and uncertainties described in the section of this Offering Circular titled "Risk Factors." These forward-looking statements speak only as of the date of this Offering Circular, and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

REFERENCE TO CREDIT RATINGS

There are references in this Offering Circular to "credit ratings". A credit rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision, suspension or withdrawal at any time by the relevant credit rating agency. Each rating should be evaluated independently of any other rating.

Credit ratings are for distribution only to a person (a) who is not a "retail client" within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive the Offering Circular and anyone who receives the Offering Circular must not distribute it to any person who is not entitled to receive it.

STAPLED STRUCTURE

Overview

We operate under a stapled structure and our triple-stapled securities trade on the ASX under the code "TCL". Each of our stapled securities comprise a share in THL, a unit in THT and a share in TIL. This triple-stapled security structure was established through a corporate restructure in December 2006. Each of THL's and TIL's shares and the unit in THT are quoted and trade as a single security on the ASX and cannot be traded separately. THL, THT and TIL are governed by boards that have common membership and are managed by the same senior management team.

Trusts and managed investment schemes in Australia

An Australian trust or managed investment scheme, which is a form of trust that is regulated under the Corporations Act (each, an "Australian Trust"), is not a legal entity and can only act through individuals or corporate entities acting in the capacity of trustee or responsible entity for such Australian Trust. Obligations undertaken by a trustee or responsible entity on behalf of an Australian Trust are those of the trustee or responsible entity personally (subject to limitation clauses, discussed below), but the trustee or responsible entity is entitled to have any liabilities it incurs in its capacity as trustee or responsible entity, except in limited circumstances, satisfied out of the assets of such Australian Trust through a right of indemnity. This right is afforded a priority in respect of the assets of such Australian Trust as against the Australian Trust beneficiaries. Unsecured creditors of a trustee or responsible entity who incurred the debts in that capacity have no direct claim upon the assets of the relevant Australian Trust, but are entitled to be subrogated to the trustee or responsible entity's right of indemnity. In the usual course, as a result of limitation clauses, except in limited circumstances, Australian Trust creditors do not have access to the assets held by the trustee or responsible entity in its personal capacity, or any assets held as trustee of another trust.

An action against an Australian Trust for the payment of money or otherwise would therefore need to be instituted against the trustee or responsible entity of the Australian Trust and not against the Australian Trust itself. If the trustee or responsible entity, as trustee or responsible entity of the Australian Trust, was liable for the payment of money, and was properly entitled to exercise its right of indemnity, such payment would be made out of the assets of such Australian Trust (and the creditors could subrogate to that right in the insolvency of the trustee or responsible entity). A trustee or responsible entity may impair or lose its right of indemnity in circumstances where the trustee or responsible entity acts in breach of the terms of trust or outside its authority or, in the case of a managed investment scheme, otherwise than in the proper performance of its duties.

Capacity of certain Security Providers

THT is a managed investment scheme and is registered under the Corporations Act. TIML, a wholly owned subsidiary of THL, is the responsible entity for THT. TIML guarantees the Notes in its capacity as responsible entity for THT. The liability of TIML is limited to and can be enforced against it only to the extent that such liability can be satisfied out of the assets of THT from which TIML is actually indemnified for its liability.

TCS, a wholly owned subsidiary of THL, is the trustee for TFT. The liability of TCS is limited to and can be enforced against it only to the extent that such liability can be satisfied out of the assets of TFT from which TCS is actually indemnified for its liability.

See "*Risk Factors—Except in limited circumstances, the liability of TIML as responsible entity for THT and TCS as trustee of TFT will be limited to the extent to which such liability can be satisfied out of the assets of the relevant trust.*"

FINANCIAL INFORMATION PRESENTATION

Historical financial information

The historical consolidated financial information of THL for FY2017, FY2016 and FY2015, and the historical combined financial information of THL for FY2014 and FY2013 included in this Offering Circular have been prepared in accordance with the Corporations Act, Australian Accounting Standards ("AAS") and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB"), including interpretations issued by the AASB, and comply with International Financial Reporting Standards (''IFRS'') issued by the International Accounting Standards Board.

AAS and IFRS differ from generally accepted accounting principles in the United States (''U.S. GAAP''), and those differences may be material to the financial information contained in this Offering Circular. We have not provided a quantitative reconciliation or narrative discussion of these differences in this Offering Circular. In making an investment decision, investors must rely on their own examination of our results and consult with their own professional advisors for an understanding of the differences between AAS and IFRS and U.S. GAAP and how those differences might affect the financial information contained in this Offering Circular.

Unless the context otherwise requires, references to "FY2017," "FY2016," "FY2015," "FY2014," "FY2013," "FY2012," "FY2011," "FY2010," "FY2009," and "FY2008" in this Offering Circular are to the fiscal years ended June 30, 2017, 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009 and 2008 respectively.

Net asset position

For each of FY2017, FY2016, FY2015 and FY2013, we had a net current asset deficiency of A$856 million, A$650 million, A$265 million, and A$609 million, respectively. The net current asset deficiency in each period occurs because a substantial portion of our operating assets are concession assets, which represent our right to operate our toll roads under Concession Agreements (as defined herein). Our concession assets are intangible assets and are classified as non-current assets. At the end of each financial year any borrowings that are required to be repaid or refinanced in the next 12 months and our declared dividend from the current financial year are classified as current liabilities. For each of FY2017, FY2016, FY2015, FY2014 and FY2013, our directors determined that we have the capacity to repay our debts in full as and when they fall due as a result of our generation of positive cash inflows from operating activities, the expected refinancing of existing working capital facilities, and the availability of undrawn borrowing facilities from a number of finance providers in each period. At June 30, 2017, we had available undrawn working capital facilities of A$841 million.

Effect of changes in accounting policy

Prior to FY2015 we prepared combined financial statements. The combined financial statements of THL for those prior years comprise the consolidated financial information for each of THL, THT and TIL and their controlled entities and were prepared as an aggregation of the financial statements of each member of the Group and their controlled entities as if all entities operated together. THL, THT and TIL and their controlled entities were therefore treated as a combined entity, notwithstanding that none of the entities was identified as controlling any of the others. The principles of consolidation were applied in order to present the aggregated financial statements on a combined basis.

In FY2015, we reassessed our accounting policy with respect to the preparation of our financial statements on a combined basis and we prepared our FY2015 financial statements on a consolidated basis in accordance with AASB 10 *Consolidated financial statements* ("AASB 10"). Under AASB 10, THL has been identified as the parent entity of the Group and the consolidated financial statements have been prepared on the basis that THL controls THT and TIL and their respective controlled entities. We have also restated our financial statements in the comparative period for FY2014 contained in our FY2015 financial statements in order to present our financial statements on a consistent basis for these periods. We have not restated our financial statements for any prior periods to reflect the application of AASB 10.

The impact of applying AASB 10 was to restate the components of THT's equity to a "non-controlling interest" line item in the financial statements, in line with our presentation of TIL. The total carrying value of THT's equity remained unchanged. See note B2 to our FY2015 financial statements contained elsewhere in the Offering Circular for further information.

In addition, under ASIC Corporations (Stapled Group Reports) Instrument 2015/838 (previously ASIC Class Order 05/642 *Combining financial reports of stapled security issuers)* we elected to present the consolidated financial statements of THL and its controlled entities in one section (Section A of our financial statements for FY2017, FY2016 and FY2015 included in this Offering Circular) and the consolidated financial statements of THT and TIL and their respective controlled entities in a separate section (Section C of our financial statements for FY2017, FY2016 and FY2015 included in this Offering Circular). In previous reporting periods, our financial statements were prepared for the Group on a combined basis as described above, and separate standalone consolidated financial statements were prepared for each of THT and TIL. We have not included the separate standalone consolidated financial statements of THT and TIL and their respective controlled entities in this Offering Circular.

Non-GAAP measures

In addition to the financial statements presented in accordance with AAS and IFRS contained in this Offering Circular, certain ''non-GAAP financial measures'' (as defined in Regulation G under the Securities Act) have been included in this Offering Circular.

These measures include:

- "EBITDA," which is defined as earnings before depreciation, amortization, net finance costs, equity accounted investments and income taxes;

- "Free cash," which is the primary measure we use to assess our cash generation and is also a guide used to determine distributions to our security holders. It is calculated as the cash flow from our operating activities from wholly owned subsidiaries plus distributions and interest received from our non-wholly owned subsidiaries and equity accounted investments, adjusted to include an allowance for maintenance of our intangible assets and excludes cash payments for maintenance of our intangible assets;

- "Proportional debt," which is defined as the debt of our controlled entities and equity accounted joint ventures multiplied by our percentage ownership of each such entity. Our Proportional debt includes debt from our corporate function;

- "Proportional EBITDA," which is defined as the aggregation of EBITDA from each of our toll road assets multiplied by our percentage ownership of each toll road asset. Our Proportional EBITDA includes EBITDA from our corporate function;

- "Proportional EBITDA margin," which is defined for the Group as Proportional EBITDA divided by Proportional total revenue. "Proportional EBITDA margin" is defined for each segment as Proportional EBITDA divided by Proportional toll revenue;

- "Proportional net costs," which is defined as the aggregation of costs before depreciation, amortization, net finance costs and income taxes from each of our toll road assets multiplied by our percentage ownership of each toll road asset. Our Proportional net costs include the costs of our corporate function;

- "Proportional toll revenue," which is defined as the aggregation of our toll, service and fee revenue from each of our toll road assets multiplied by our percentage ownership in each toll road asset;

- "Underlying proportional EBITDA," which is defined as Proportional EBITDA, excluding significant items. Significant items are those items that are material to our financial statements and not in the ordinary course of business; and

- "Underlying proportional EBITDA margin," which is defined as Underlying proportional EBITDA divided by Proportional toll revenue.

We believe that these non-GAAP financial measures provide useful supplemental measures to examine the underlying performance of our business, and management considers these metrics in assessing our operating performance. These measures, however, should not be considered to be an indication of, or alternative to, corresponding measures determined in accordance with AAS. In addition, such measures may not be comparable to similar measures presented by other companies.

Segment results

In the segment information provided to our executive committee, segments are defined by the geographic networks in which we operate, being Victoria, New South Wales and Queensland in Australia and the Greater Washington Area in the United States of America. Our corporate function is not an operating segment under the requirements of AASB 8, as its revenue generating activities are only incidental to our business.

Our executive committee assesses the performance of the geographic networks in which we operate based on Underlying proportional EBITDA, as defined above. See "Operating and financial review" for further information on our segment results.

Certain reclassified financial information presentation

In this Offering Circular, certain financial information in prior periods has been reclassified to be presented on a basis consistent with the information presented in our FY2017, FY2016 and FY2015 financial statements.

Revenue and expenses presentation

In our financial statements for FY2014 and FY2013, we reported our revenue under the following categories: toll, fee and other road revenue; construction revenue; and management, business development and other revenue. In our financial statements for FY2015, we changed the categories under which we reported our revenue to the following: toll revenue; fee and other revenue; and construction revenue. In our financial statements for FY2016, we changed the categories under which we reported our revenue to the following: toll revenue; construction revenue and other revenue. For the purposes of this Offering Circular, revenue for periods prior to FY2016 has been reclassified using these new line items. This reclassification has not impacted our total revenue for each period presented.

In our financial statements for FY2014 and FY2013, we reported our expenses under the following categories: road operating costs; corporate costs, business development costs; and construction costs. In our financial statements for FY2015, we changed the categories under which we reported our expenses to the following: employee benefits expense; road operating costs; construction costs; transaction and integration costs; and corporate and other expenses. For the purposes of this Offering Circular, expenses for prior periods have been reclassified using these new line items. This reclassification has not impacted our total expenses for each period presented.

Segment financial information presentation

In our financial statements for FY2016, we changed the presentation of internal technology license fees so that such fees are recorded in the Victoria and New South Wales segments rather than in the Corporate segment. For the purposes of this Offering Circular, we have reclassified our segment information for FY2015 and FY2014 so that it is presented on the same basis as our segment information in our financial statements for FY2016.

In our financial statements for FY2015, we realigned the presentation of our segments under which we report our results so that they reflect the geographic networks through which we manage our business. For the purposes of this Offering Circular, we have reclassified our segment information for FY2014 so that it is presented on the same basis as our segment information in our financial statements for FY2015. In our financial statements for FY2014, our segment information was presented on both a network and an individual asset level.

Proportional EBITDA margin information presentation

In our financial statements for FY2016, we changed the calculation of Proportional EBITDA margin to reflect the change in presentation of revenue relating to internal technology license fees. Proportional EBITDA margin is now calculated on proportional toll revenue inclusive of customer service and fee revenue. Previously, Proportional EBITDA margin was calculated on proportional toll revenue excluding customer service and fee revenue. In addition, the Group Proportional EBITDA margin is now calculated on proportional total revenue rather than proportional toll revenue. For the purposes of this Offering Circular, Proportional EBITDA margin for prior periods has been recalculated and presented on the same basis as FY2016.

Changes in the composition of the Transurban Group

Acquisition of AirportlinkM7

On April 1, 2016, Transurban Queensland, in which we have a 62.5% controlling interest, acquired AirportlinkM7 for A$1,870 million, plus stamp duty of A$108 million and transaction and integration costs of A$23 million. The assets and liabilities of, and the results for, AirportlinkM7 were consolidated into the Transurban Group as at, and from, April 1, 2016.

Acquisition of Queensland Motorways Group (Transurban Queensland)

A Transurban-led consortium completed the acquisition of Queensland Motorways Group on July 2, 2014 for A$6,419 million (plus stamp duty and transaction costs of A$416 million). We acquired a 62.5% controlling interest in Queensland Motorways Group, which included four operating assets (Logan Motorway, Gateway Motorway, Clem7 and Go Between Bridge) at the time of acquisition. The assets and liabilities acquired were consolidated into Transurban Group from July 2, 2014. On January 30, 2015, Queensland Motorways Group changed its name to Transurban Queensland. Transurban Queensland exercised the right to purchase the Legacy Way asset once construction was completed on June 25, 2015.

Creation of the NorthWestern Roads Group

On October 31, 2014, we and the other consortium members that hold equity interests in Westlink M7 created the NorthWestern Roads Group (the "NWRG"). As part of this transaction, we transferred a number of entities ("the CARS Group") into the NWRG and in return we received an equity interest equal to 50% of the fair value of the NWRG (including Westlink M7) on the date of the transaction. This transaction resulted in us derecognizing the Term Loan Notes ("TLNs") that were previously recognized as a held-to-maturity investment owed by Westlink M7 to the CARS Group and instead we recognized an equity accounted investment in the NWRG for an amount equal to the value of the TLNs on the date of the transaction. The NWRG also holds our interest in the concession for the NorthConnex project, a development project in our Sydney Network that reached financial close on January 31, 2015.

Acquisition of remaining equity interest in the 495 Express Lanes and 95 Express Lanes

On April 11, 2014, we acquired a direct 10% interest in 95 Express Lanes and 495 Express Lanes, increasing our ownership in both assets to 77.5%.

In FY2014, we completed a review of 495 Express Lanes that resulted in downward adjustments to traffic and revenue projections. As a result, we and our partners worked with key stakeholders, including lenders, to implement changes to the capital structure of the 495 Express Lanes to ensure it could be supported by the emerging revenue profile.

On June 5, 2014, we repaid approximately US$433 million of debt and associated swap termination costs for 495 Express Lanes through an additional equity investment and the release of existing finance reserves. After this acquisition and the capital injection, our interest in 495 Express Lanes increased to 94%.

Prior to June 5, 2014, we applied equity accounting to our 75% ownership interest in Transurban DRIVe Holdings LLC ("DRIVe"), which owns the 495 Express Lanes and 95 Express Lanes. Due to the additional equity investment we made on June 5, 2014, we determined that we had gained control of DRIVe, 495 Express Lanes and 95 Express Lanes. DRIVe, 495 Express Lanes and 95 Express lanes were accounted for as a business combination and consolidated from June 5, 2014.

On June 30, 2015, we acquired the remaining 25% shareholding in DRIVe that we did not already own, which increased our equity interest to 100% in both the 495 Express Lanes and 95 Express Lanes from 94% and 77.5%, respectively.

Cross City Tunnel

On December 31, 2013, we gained control of the Cross City Tunnel Group (the "CCT Group") by acquiring the secured senior debt of the CCT Group. Under the relevant accounting rules, we were required to consolidate the CCT Group from the date we acquired its senior secured debt. We subsequently purchased the assets of the CCT Group on June 26, 2014 and it was consolidated on our financial statements from that date. Between December 31, 2014 and June 26, 2014, we classified the operations of the CCT Group as held-for-sale and presented them as a discontinued operation while the receivers and managers conducted the sale process that concluded with our purchase of 100% of the equity of the CCT Group.

Transfer of Pocahontas 895 to lenders

Pocahontas 895 is a 9 mile (14.4 km) toll road linking Interstates 95 and 295 to create a southern bypass of Richmond, Virginia, which we acquired in June 2006. It underperformed against its original projections, which depended on regional development that did not occur.

DRIVe transferred its ownership of Pocahontas 895 to the lenders of the asset on May 14, 2014. We recognized a gain of A$103.1 million in our share of equity accounted profits on the date of transfer for FY2014, which represented the difference between the carrying value of the assets relating to Pocahontas 895 and its outstanding loan balance. We had previously recognized an impairment loss of A$138.1 million with respect to Pocahontas 895 in June 2012.

CERTAIN DEFINITIONS

In this Offering Circular, all references to the "Group," "we," "us" and "our" and similar expressions refer to the Transurban Group. This Offering Circular also uses the following defined terms:

- "ADT" means average daily traffic, which for CityLink in Melbourne means Average Daily Transactions and for all other assets means Average Daily Trips;
- "ASIC" means Australian Securities and Investments Commission;
- "Average Daily Transactions" with respect to CityLink are calculated by dividing the total number of transactions by the number of days in the period. A single continuous trip on CityLink can consist of between one and six transactions, depending on which toll points a vehicle passes through on the toll road;
- "Average Daily Trips" are calculated by dividing the total number of trips on each toll road (other than CityLink) by the number of days in the period. A trip represents a vehicle passing through a designated toll point on the relevant toll road, with the exception of Westlink M7, AirportlinkM7, 495 Express Lanes and 95 Express Lanes where one trip represents a vehicle passing under two toll points on the relevant toll road;
- "Brisbane Network" means the Gateway and Logan Motorways, Clem7, Go Between Bridge, Legacy Way and AirportlinkM7;
- "CAGR" means compound annual growth rate;
- "CBD" means central business district;
- "CityLink Concessionaires" means CityLink Melbourne Limited and the CityLink Trust (through its trustee, Transurban Infrastructure Management Limited);
- "Concession Agreement" means each concession agreement entered into with a relevant government entity;
- "Concessionaire" means each relevant Transurban Group entity that is a party to a Concession Agreement;
- "Corporations Act" means the *Corporations Act 2001* (Cth);
- "CPI" means, unless specified otherwise, the All Groups Consumer Price Index Weighted Average of Eight Capital Cities published by the Australian Bureau of Statistics;
- "DRIVe" means Transurban DRIVe Holdings LLC;
- "Finance Trust" means Transurban Collateral Security Pty Ltd (ABN 26 097 586 797) (in its capacity as trustee of the Transurban Finance Trust — City Link);
- "Greater Washington Area" means northern Virginia, Washington D.C., areas of Maryland and the surrounding metropolitan area;
- "Greater Washington Area Network" means 495 Express Lanes and 95 Express Lanes;
- "Guarantors" means THL, THT, TIL and TL;
- "Holdings Trust" means Transurban Holding Trust;
- "HOT" means high occupancy toll;
- "Melbourne Network" means CityLink;
- "NWRG" means the NorthWestern Roads Group;

- "Project T Partners" means Project T Partner Co 1 Pty Limited and Project T Partner Co 2 Pty Limited;

- "Proportional" means the removal of a portion of results representing non-controlling interests in our controlled roads from our statutory results and the inclusion of a portion of results representing our interests in non-controlled (equity accounted) assets;

- "Queensland Franchisees" means Queensland Motorways Pty Limited, Gateway Motorway Pty Limited and Logan Motorways Pty Limited;

- "RMS" means Roads and Maritime Services New South Wales;

- "Security Provider" means:

  (a) the Issuer;

  (b) Finance Trust

  (c) Holdings Trust;

  (d) THL;

  (e) Transurban Limited;

  (f) TIL;

  (g) Transurban Collateral Security Pty Ltd (in its personal capacity); and

  (h) any other security provider as defined in the Security Trust Deed;

- "Sydney Network" means Hills M2, Lane Cove Tunnel, Cross City Tunnel, Eastern Distributor, Westlink M7 and M5 Motorway, as well as NorthConnex where applicable in the relevant context;

- "TCS" means Transurban Collateral Security Pty Ltd (ABN 26 097 586 797);

- "TEU" means twenty-foot equivalent units;

- "TFT" means Transurban Finance Trust — City Link;

- "THL" means Transurban Holdings Limited;

- "THT" means Transurban Holding Trust (ABN 30 169 362 255);

- "TIL" means Transurban International Limited (ABN 90 121 746 825);

- "TIML" means Transurban Infrastructure Management Limited (ABN 27 098 147 678);

- "TL" means Transurban Limited (ABN 96 098 143 410);

- "VDOT" means the Virginia Department of Transportation;

- "VicRoads" means the statutory authority established under the *Transport Act 1983* (Vic) and continued in the *Transport Integration Act 2010* (Vic) that is responsible for the government-owned road network in Victoria; and

- "Washington Metro Area" means the Washington-Arlington-Alexandria, DC-VA-MD-WV metropolitan statistical area.

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DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are issued from time to time after the date of this Offering Circular shall be incorporated in, and form part of, this Offering Circular:

(a) the audited consolidated annual financial statements of the Transurban group consisting of Transurban Holdings Limited (ABN 86 098 143 429) (**THL**), Transurban International Limited (ABN 90 121 746 825) (**TIL**) and Transurban Infrastructure Management Limited (ABN 27 098 147 678) (**TIML)** as responsible entity of the Transurban Holding Trust (**THT**) and their respective controlled entities (together, the **Transurban Group**), for the financial years ended 30 June 2015, 2016 and 2017, together with the audit reports prepared in connection therewith;

(b) the most recently published audited consolidated annual financial statements and, if published later, the most recently published unaudited consolidated interim financial statements (if any) of the Transurban Group, in each case together with any audit or review reports prepared in connection therewith (where relevant);

(c) the 2017 Annual Report of the Transurban Group; and

(d) all supplements (other than the Final Terms) or amendments to this Offering Circular circulated by the Issuer from time to time,

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

Any published unaudited interim financial statements of the Transurban Group which are, from time to time, deemed to be incorporated by reference in this Offering Circular will not have been audited by the auditors of the Transurban Group. Accordingly, there can be no assurance that, had an audit been conducted in respect of such financial statements, the information presented therein would not have been materially different, and investors should not place undue reliance upon them.

The Issuer will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Issuer at its registered office set out at the end of this Offering Circular.

Copies of documents incorporated by reference in this Offering Circular can be obtained from the registered office of the Issuer and from the specified offices of the Principal Paying Agent (as defined in "*Terms and Conditions of the Notes*") for the time being at One Canada Square, London E14 5AL, United Kingdom.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes only and if appropriate, a supplemental Offering Circular will be published.

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this Overview.

Issuer:	Transurban Finance Company Pty Ltd (ABN 65 098 539 452)
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out under "*Risk Factors*" below. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under "*Risk Factors*" and include the fact that the Notes may not be a suitable investment for all investors, certain risks relating to the structure of particular Series of Notes and certain market risks.
Description:	Secured Euro Medium Term Note Programme
Arrangers:	J.P. Morgan Securities plc (in respect of Notes other than AMTNs only) J.P. Morgan Australia Limited (in respect of AMTNs only)
Dealers:	No dealers have been appointed as at the date of this Offering Circular. Pursuant to the Programme Agreement, the Issuer may from time to time appoint dealers either in respect of one or more Tranches or in respect of the whole Programme or terminate the appointment of any dealer under the Programme.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restriction applicable at the date of this Offering Circular. **Notes having a maturity of less than one year** Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".

Trustee:	The Bank of New York Mellon (in respect of Notes other than AMTNs)
AMTN Trustee:	BNY Trust Company of Australia Limited (ABN 49 050 294 052)
Security Trustee:	BTA Institutional Services Australia Limited (ABN 48 002 916 396)
Principal Paying Agent:	The Bank of New York Mellon (in respect of Notes other than AMTNs)
Paying Agent in respect of AMTNs:	BTA Institutional Services Australia Limited (the **Australian Agent**)
Registrar:	The Bank of New York Mellon SA/NV, Luxembourg Branch (in respect of Notes other than AMTNs) and BTA Institutional Services Australia Limited (in respect of the AMTNs)
Transfer Agent:	The Bank of New York Mellon SA/NV, Luxembourg Branch
Programme Size:	Up to U.S.$5,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement. The Programme Agreement provides for the U.S.$ equivalent of any Note denominated in another currency to be determined on or around the date agreement is reached to issue those Notes or, if the Agreement Date is not a date that commercial banks and foreign exchange markets are open for general business in London, on the preceding day on which commercial banks and foreign exchange markets are open for general business in London.
Security:	The obligations of the Issuer under the Notes are secured (as described in Condition 4 of the Terms and Conditions of the Notes and in the security trust deed originally dated 28 June 2002 executed by the Security Trustee, the Issuer and others (as most recently amended by an amendment deed dated 28 July 2017 and as may be updated and/or amended and/or supplemented and/or restated from time to time in accordance with its terms) (the **Security Trust Deed**)), by the charge granted by the Issuer in favour of the Security Trustee (the **Issuer Charge**), the charge granted by Finance Trust (as defined below) in favour of the Security Trustee (the **Finance Trust Charge**) and the limited recourse Holdings Trust Charge (as defined in the Security Trust Deed). THL, TIL and THT guarantee the obligations of the Issuer and the charges and the general security agreement granted by each of THL, TIL and THT (each a **Parent Security**) secure their respective obligations under the guarantees given by them. Transurban Limited (ABN 96 098 143 410) (**TL**) has also guaranteed the obligations of the Issuer and the charge granted by TL secures its obligations under this guarantee (the **TL Security**). THL, TIL and THT have also granted further share and unit mortgages and share security deeds to secure their obligations

under their guarantees (the **Share and Unit Mortgages**). The Security Trustee holds the guarantees given to it for a defined class of beneficiaries, including (by virtue of an accession certificate dated 27 October 2011 executed by the Trustee and the Security Trustee (the **Accession Certificate**)) the holders of the Notes (other than AMTNs) and (by virtue of an accession certificate dated 30 August 2017 executed by the AMTN Trustee and the Security Trustee (the **AMTN Accession Certificate**)) the holders of the AMTNs, in accordance with the Security Trust Deed. The Security Trustee holds the benefit of the Issuer Charge, the Finance Trust Charge, the limited recourse Holdings Trust Charge, the Parent Securities, the TL Security and Share and Unit Mortgages as security for the obligations of the Issuer and Transurban Collateral Security Pty Ltd (ABN 26 097 586 797) (in its capacity as trustee of the Transurban Finance Trust — City Link) (**Finance Trust**) and the obligations of THL, TIL, THT and TL under the relevant guarantee (as applicable) for a defined class of beneficiaries, including (by virtue of the Accession Certificate) the Trustee and the holders of the Notes (other than AMTNs) and (by virtue of the AMTN Accession Certificate) the AMTN Trustee and the holders of the AMTNs, in accordance with the Security Trust Deed. By enforcing its rights under the Issuer Charge, the Finance Trust Charge, the limited recourse Holdings Trust Charge, each Parent Security, the TL Security and the Share and Unit Mortgages, the Security Trustee will be able to appoint a Controller (as defined in the Corporations Act 2001 of Australia) or otherwise enforce or take steps to enforce the Issuer Charge, the Finance Trust Charge, the limited recourse Holdings Trust Charge, each Parent Security, the TL Security or the Share and Unit Mortgages as directed in writing by the Majority Secured Creditors (as defined in the Security Trust Deed) in accordance with the Security Trust Deed.

The Security Trust Deed, the Issuer Charge, the Finance Trust Charge, the limited recourse Holdings Trust Charge, each Parent Security, the TL Security and the Share and Unit Mortgages are governed by the laws of Victoria, Australia.

Distribution: Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

Currencies: Notes may be denominated in, subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.

Redenomination: The applicable Final Terms may provide that certain Notes may be redenominated in euro. The relevant provisions applicable to any such redenomination are contained in Condition 5.

Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be issued in bearer or registered form as described in "*Form of the Notes*". Registered Notes will not be exchangeable for Bearer Notes and *vice versa*.
Fixed Rate Notes:	Fixed Rate Notes will bear interest at a fixed rate per annum specified in the applicable Final Terms. Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer, as indicated in the applicable Final Terms.
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined separately for each Series as follows: (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or (c) on such other basis as may be agreed between the Issuer and the relevant Dealer. The applicable method and the margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes and will be specified in the applicable Final Terms.
Index Linked Notes:	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree and specified in the applicable Final Terms.
Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:	Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer and specified in the applicable Final Terms.

Dual Currency Notes: Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree and specified in the applicable Final Terms.

Zero Coupon Notes: Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Redemption: The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

The applicable Final Terms may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions — Notes having a maturity of less than one year*" above.

Denomination of Notes: The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions — Notes having a maturity of less than one year*" above, and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which would otherwise require the publication of a prospectus under the Prospectus Directive will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

AMTNs will be issued in a single denomination as specified in the Final Terms save that:

(i) the aggregate consideration payable to the Issuer by each offeree is at least A$500,000 (or the equivalent in another currency and disregarding moneys lent by the Issuer or its associates to the purchaser) or the issue results from an offer or invitation of those Notes which otherwise does not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act;

(ii) the issue is not to a "retail client" for the purposes of section 761G of the Corporations Act;

(iii) the issue complies with all other applicable laws; and

(iv) the issue does not require any document to be lodged with the Australian Securities and Investments Commission or ASX Limited.

Taxation: All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction unless required by law, as provided in Condition 9. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 9, be required to pay additional amounts to cover the amounts so deducted.

Negative Pledge: The terms of the Notes will contain a negative pledge provision as further described in Condition 4.

Cross Acceleration: The terms of the Notes will contain a cross acceleration provision as further described in Condition 11.

Status of the Notes: The Notes will constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) in priority to all other unsecured obligations of the Issuer, from time to time outstanding.

Rating: Notes to be issued under the Programme are expected to be rated "BBB+" by Standard & Poor's and "Baa1" by Moody's. Fitch will, if applicable, rate Notes to be issued under the Programme on a Series-by-Series basis. Notes issued under the Programme may be rated or unrated. Where an issue of certain series of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme and (where applicable) such rating will be specified in the applicable Final Terms. A rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.

Listing and admission to trading:	Application has been made to the SGX-ST for permission to deal in and quotation of any Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. There is no assurance that the application to the SGX-ST for the listing of the Notes will be approved. Any admission of any Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Programme or the Notes. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies). Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued. The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.
Governing Law:	The Notes (other than AMTNs) and any non-contractual obligations arising out of or in connection with the Notes (other than AMTNs) will be governed by, and shall be construed in accordance with, English law. The AMTNs will be governed by, and shall be construed in accordance with, the laws of the State of Victoria, Australia. The Security Trust Deed and each Security are governed by, and shall be construed in accordance with, the laws of the State of Victoria, Australia.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the United Kingdom), Japan, Hong Kong, Singapore and Australia and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*". Where Bearer Notes are issued, such Bearer Notes will be issued in compliance with U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the **Code**)) (the **D Rules**) unless (i) the relevant Final Terms state that Notes are issued in compliance with U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (the **C Rules**) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 (**TEFRA**), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which (although not exhaustive) could be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular (including any documents deemed to be incorporated by reference herein) and reach their own views prior to making any investment decision. Prospective investors should also consult their own financial and legal advisers about risks associated with an investment in any Note issued under the Programme and the suitability of investing in such Notes in light of their particular circumstances.

Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme

We derive virtually all of our earnings from Concession Agreements that have finite lives

We operate each of our toll roads under a Concession Agreement with a relevant government entity. Earnings from these Concession Agreements account for virtually all of our earnings. Our Concession Agreements have a weighted average life of 29.7 years across our portfolio of assets (based on Proportional toll revenue as at June 30, 2017). Upon expiration of these Concession Agreements, each Concessionaire is contractually required to return the motorway assets and infrastructure of the toll road to the relevant government entity. For example, Statewide Roads' concession right to toll Sydney's M4 Motorway ended on February 15, 2010. As a result, Statewide Roads, an entity in which we initially owned a 50% (and later 100%) interest, returned the M4 Motorway to the New South Wales Roads and Traffic Authority (now known as Roads and Maritime Services New South Wales ("RMS"), and we ceased receiving toll revenue from this toll road. If we cannot enter into new Concession Agreements or extend our existing Concession Agreements (for example, for agreeing to undertake additional developments) to permit us to carry on our core business, this could have a material adverse effect on our business, cash flow, financial condition and results of operations.

Reduced traffic volumes or an inability to grow traffic volumes on our toll roads could affect our results of operations

Traffic volumes on our toll roads are critical to the generation of our revenues and ultimately our earnings. Any developments that reduce traffic volumes or inhibit growth in traffic volumes below our traffic forecasts or growth expectations could have a material adverse effect on our financial performance.

Factors that affect the number and classes of vehicles using our toll roads include:

- the level of congestion, mix of traffic, level of carpooling and tolls charged to users of our toll roads;
- the quality and state of repair of our toll roads, including any upgrades and any disruption as a result thereof;
- the quality, state of repair, proximity and convenience of alternative roads, toll-free roads and competing toll roads, as well as the existence of other public or alternative transport infrastructure;

- the nature and extent of the connections of our toll roads to other urban roads and regional highway networks;

- disruptions, changes to or events (including events that affect public safety) that occur on our toll roads or roads that connect to or feed our toll roads;

- economic and fiscal conditions, taxation on road use and motor vehicle use, other costs associated with owning and operating a vehicle, inflation, interest rates and levels of employment in areas served by our toll roads;

- changing travel patterns and habits of private and commercial users of our toll roads;

- demographic and social conditions including population growth, migration, land development programs, social instability, changes in residential and commercial land use and general development in areas served by our toll roads;

- transport and environmental regulation, including the impact of carbon reduction programs, congestion taxes on urban travel, other measures to restrict motor vehicle use and government transport and urban management policies and strategies;

- weather conditions, forest fires, flooding, natural phenomena, pandemics, natural disasters and acts of terrorism; and

- carrying out upgrade or other development work on our existing toll roads that reduce traffic volumes or inhibit growth in traffic volumes below our traffic forecasts or growth expectations. The amount of any reduction in traffic volumes on our existing roads as a result of such asset enhancement projects varies widely depending on the circumstances and factors specific to each project.

Many of the foregoing factors are, to a large extent, outside our control.

If we are unable to maintain or grow an adequate level of vehicle traffic on one or more of our toll roads, or if traffic volumes on our toll roads decrease or experience lower rates of growth than in previous periods, this could have a significant impact on our revenues, which could have a material adverse effect on our business, cash flow, financial condition and results of operations. The occurrence of any of these factors may lead to reductions in the carrying values of our assets.

The loss of a toll road asset for non-performance or default under a Concession Agreement, or as a result of government action, could materially adversely affect us

Our toll roads are governed by Concession Agreements entered into between each Concessionaire and the relevant government entity. The Concession Agreements typically require us to comply with certain obligations and performance measures, such as performing regular maintenance and periodic upgrade work on the toll roads. If we breach a material obligation under a Concession Agreement and fail to remedy this breach, this could lead to the early termination of the relevant toll road asset concession. Generally, all of our Concession Agreements allow the relevant government body to terminate the Concession Agreement in the event of an unremedied material default. The Legacy Way and Go Between Bridge assets are regulated by linked Concession Agreements so that a default with respect to one asset may enable the government counterparty to terminate the Concession Agreements with respect to both assets. See "Business—Summary of Concession Agreements" for a further description. Additionally, with respect to the Concession Agreement for one of our Brisbane toll roads, if we agree to undertake a major improvement project on the relevant toll road and default on a material requirement that is not remedied, this could result in the termination of the underlying Concession Agreement. In the event that a Concession Agreement was terminated early, the relevant toll road and associated infrastructure would revert to the relevant government body, which could have a material adverse effect on our business, cash flow, financial condition and results of operations.

If we are prevented from exercising certain material rights (such as operating and tolling the relevant toll road) under our Concession Agreement as a result of government action, we may be able to terminate the Concession Agreement early. In such circumstances we may be entitled to receive compensation from the relevant government entity. The compensation payable in such circumstances may not be adequate to compensate us for the loss of our rights under the Concession Agreement. Additionally, the action taken by the relevant government entity in preventing us from exercising certain material rights under the Concession Agreement could have a material adverse effect on our business, cash flow, financial condition and results of operations.

Our Concession Agreements contain mechanisms that regulate changes to the tolls that we can charge and permitted toll increases may not cover increases in our costs

Our Australian Concession Agreements contain mechanisms that regulate the tolls we can charge. The usual mechanism is that tolls increase on either a quarterly or annual basis by reference to inflation, although some of our Concession Agreements provide that the increase is the greater of inflation and a specified percentage. See "Business—Summary of Concession Agreements" for a further description. In each case, inflation is measured by the quarterly consumer price index or annual consumer price index of a specified geographic area. If the consumer price index has decreased, the majority of the Concession Agreements do not allow for reductions in tolls. However, the Concession Agreement relating to the Westlink M7 toll road requires tolls to decrease based on deflation. For some of our assets with inflation linked tolls, tolls cannot be lowered as a result of deflation, however, an increase cannot occur until inflation offsets the previous deflation.

The price adjustment mechanisms in our Concession Agreements do not take account of changes in our operating, financing and other costs. Therefore, our operating, financing and other costs could increase at a greater rate than revenue from tolls charged to users of our toll roads, which could have a material adverse effect on our business, cash flow, financial condition and results of operations.

The tolls relating to the 495 Express Lanes and 95 Express Lanes are not directly linked to inflation. These roads have variable tolls where the toll prices change dynamically to manage traffic demand and maintain a minimum speed flow, which is achieved by raising tolls when traffic is heavy and reducing tolls when traffic is light. If we fail to apply appropriate toll prices to effectively maintain traffic flow, usage on the 495 Express Lanes and the 95 Express Lanes may not be optimized, and our revenues may be adversely affected as a result. In addition, any consistent failure to apply toll prices so that minimum speeds are maintained as referenced in our Concession Agreements and under United States federal law may result in increased regulatory oversight of the operation of our toll roads, which may impact our ability to autonomously set our toll prices.

We may be affected by the existence and development of, or changes to, competing roads, feeder roads and other means of transportation

Competing toll roads or toll-free roads may be built in the vicinity of our toll roads and may charge lower tolls or be toll free. Additionally, there may be changes to the existing road network feeding or surrounding our toll roads. We are also subject to competition from competing modes of public transportation or mass transit such as buses and trains. An increase in the number or quality of alternative roads or public transportation or mass transit options, and their relative convenience, affordability and efficiency, could reduce traffic volumes on our toll roads and therefore reduce our earnings. In general, our Concession Agreements do not prevent the relevant governmental authorities from building or awarding concessions for new roads or building infrastructure for modes of transportation that may compete with our toll roads. Although certain Concession Agreements provide that we may be entitled to compensation from the relevant government entity where competing infrastructure is built, any compensation awarded in such circumstances may not adequately compensate us for the total reduction in traffic volumes and related revenues. See "Business—Summary of Concession Agreements—Material Adverse Event Regime." If we are unable to compete successfully with these transportation alternatives, this could have a material adverse effect on our business, cash flow, financial condition and results of operations.

In negotiations with the relevant governmental entity to undertake improvement projects on existing toll roads, or to develop new toll roads, we may agree to vary or waive certain benefits under an existing Concession Agreement, including waiving rights to receive compensation where competing infrastructure is built. We base our decision as to whether to agree to such variations on a number of factors, including the package of rights and obligations proposed to be agreed with the relevant governmental entity as part of the improvement project in its entirety, the materiality of the right or benefit to be varied or waived and, for Material Adverse Event rights, the likelihood of occurrence of the relevant events that could give rise to compensation. If a Material Adverse Event occurs after the completion of an improvement project and we have waived the right to compensation, this could have a material adverse effect on our business, cash flow, financial condition and results of operations.

In addition, we rely on local government entities, with which we have separate agreements, as well as other managers of the roads feeding our toll roads and of the surrounding road network to maintain those roads in good working order to allow traffic to flow consistently to our toll roads. If these feeder roads and surrounding roads are not properly maintained or are subject to major works that affect their ability to serve as a conduit to our toll roads, the level of traffic on our toll roads and our revenue may be adversely affected, which could have a material adverse effect on our business, cash flow, financial condition and results of operations.

We are reliant on tolling systems and on arrangements with governments, other toll road operators and our customers to collect toll revenues

We collect revenue using a variety of tolling systems and we are dependent on the reliable and efficient operation and maintenance of those tolling systems. For example, we are reliant on information technology systems to accurately and effectively collect and process toll revenue information. If tolling systems fail, we may be unable to collect tolls from users of our toll roads, which could result in a loss of revenue that may materially adversely affect our business, cash flow, financial condition and results of operations.

We have arrangements with other toll road operators and government agencies that enable their customers to use that road's electronic tolling device, such as an electronic tag or a transponder, on our toll roads. Under these arrangements, we rely on those other toll road operators, or in some cases government agencies, to collect the tolls on our behalf and to pay us the revenues generated from those customers. We bear the credit risk if those other toll road operators or government agencies default on such payments. We also collect revenue from our electronic tag customers for travelling on toll roads that we do not operate. Other than when pre-paid tolls are collected from customers, we bear the credit risk relating to recovering these toll payments from those electronic tag customers. Non-payment or collection of such revenues could have a material adverse effect on our business, cash flow, financial condition and results of operations.

In addition, we rely on the assistance of governmental authorities to take enforcement action against motorists who default on their obligation to pay our road tolls. We also rely in part on the assistance of governmental authorities to monitor and prevent unauthorized use of the 95 Express Lanes and 495 Express Lanes in the Greater Washington Area. If such enforcement action is not taken or is unsuccessful, or if the legislative framework governing the enforcement proceedings is deficient, we may be unable to recover the relevant tolls from road users, which may adversely affect our cash flow, financial condition and results of operations. However, if enforcement action is pursued too vigorously, our reputation may be adversely affected.

We rely on internal traffic and other forecasts and modeling to guide our development and operations strategy

We rely on our own internal forecasts and modeling expertise to assess the viability of acquisitions, the development of new projects, the improvement and expansion of our existing toll roads, the timeframe in which to undertake these activities and the carrying value of our assets. There are a number of examples in both Australia and the United States of toll road developers making large investments on the basis of traffic forecasts that proved to be materially incorrect. We experienced this

in connection with our investment in Pocahontas 895 where the asset underperformed against our original traffic projections, which depended on regional development that did not occur in line with our forecasts. Our forecasting methodology takes into account a variety of inputs that are derived from, or supplemented by, third-party sources. Such inputs include macroeconomic assumptions with respect to general economic conditions, inflation and demographics in addition to certain other operating assumptions. If our assumptions, models or information from third-party sources are inaccurate or do not accurately reflect current or future market conditions, we may undertake projects that do not deliver the returns or earnings that we have forecasted; we may fail to improve or expand our existing toll roads in a manner that optimizes the value of those assets; we may overvalue our acquisition targets and their economic benefit to us and we may write down the carrying value of our assets. In each case, this could have a material adverse effect on our business, cash flow, financial condition and results of operations.

Our ability to make new acquisitions and develop new projects depends on supportive government policy

Our ability to supplement our current portfolio of assets with new assets and to undertake additional developments on our existing assets is dependent on federal, state and local Australian and American government policies with respect to ownership and operating models for transport and road infrastructure. Government policies with respect to transport and road infrastructure have changed in the past and are subject to future changes, which may include a potential reduction of the amount of investment made in the transport and road infrastructure sector. Governments may also decide to change their methodology for awarding Concession Agreements or making investments in large scale transport infrastructure projects in ways that reduce the opportunity for involvement by private toll road owners and operators. For example, if governments cease to enter into Public Private Partnerships or move towards a different contracting methodology where owner/operators do not bear traffic and revenue risk, we may not have the same opportunities to invest in new projects, and may be unable to maintain or continue to grow our existing levels of business, which could have a material adverse effect on our business, cash flow, financial condition and results of operations.

We rely on working closely with governmental entities to plan and develop new projects and to improve and expand our existing toll roads. Our engagement with governmental entities on such projects is not guaranteed to lead to opportunities to develop new projects or to complete new developments or improve and expand our toll roads. If we are unable to work with government on such projects, we may be unable to enter into new Concession Agreements for new assets, or government may require that any new Concession Agreements we enter into are on less advantageous terms than our existing Concession Agreements, and we may not be able to maximize the long-term value of our existing networks, any of which could have a material adverse effect on our business, cash flow, financial condition and results of operations.

Our dealings with government are subject to stringent regulations, breaches of which may result in substantial fines and other penalties and result in limitations on our future ability to interact with governments or participate in government tender processes

All of our operations depend on contracts with government entities and our relationships with such entities are fundamental to our ability to operate our assets and pursue future opportunities. Our interactions with government include, from time to time, activities, such as sponsoring events, hosting social and networking functions and paying to attend political events. These activities are subject to stringent regulations, including anti-bribery laws, campaign finance laws and so-called "pay-to-play" laws.

We have internal policies and procedures that are designed to ensure our compliance with these laws, but even with these policies and procedures there is a risk of breaching these regulations. In 2008, we breached campaign finance laws in the United States by making contributions to political candidates that included funds sourced from Australia and involving persons other than United States citizens or permanent residents in the decision to make the donations.

If we breach any of these laws, we may incur fines and other penalties, our reputation may suffer and we may be subject to additional limitations on our ability to interact with government, including exclusion from future government tender processes.

We rely on our social license to operate and any negative perceptions of our company or toll roads generally may adversely affect our business and reputation

We rely on a level of broad public acceptance of our activities, which we refer to as our social license to operate. Our business, and toll roads generally, may generate negative public sentiment with certain stakeholder groups due to the perception that our toll roads are expensive, that there are too many toll roads or negative sentiment towards private ownership of roads. In addition, construction and improvement of new and existing toll roads often results in disruptions to local business, communities and road users over extended periods of time, which may lead to negative public sentiment and publicity for our toll roads. Negative public sentiment, any resulting community action and related publicity may result in federal and state governments declining to pursue projects involving us or private toll road operators generally, declining to accept our project proposals or implementing political measures that adversely impact our ability to own and operate toll roads in the future or that adversely impact the profitability of our current road network. Any government measures restricting our ability to own or operate toll roads or negative community sentiment and publicity could impact our social license to operate and adversely impact our reputation, financial condition and results of operations.

We rely on developing new information technology systems and enhancing existing systems to improve our operating efficiencies and maximize our revenue from our toll roads

Our information technology systems allow us to improve our operating efficiency and maximize the revenue we derive from our operations. Our ability to continue to improve revenue generation from our toll roads and provide key services to our customers depends on our capacity to develop and manage new technology platforms. From time to time, we undertake information technology projects, for example by partnering with third parties to develop and implement new tolling systems or undertaking development projects to upgrade our existing tolling systems. In developing new tolling systems or upgrading our existing tolling systems, there is a risk that any new tolling system or upgraded tolling system may not function effectively or deliver the anticipated benefits to our toll road networks and customers. If we are unable to successfully implement or deliver these projects or systems in a timely manner, this could have a material adverse effect on our business, cash flow, financial condition and results of operations.

In some cases, we partner with technology providers to develop and implement new information technology systems. Certain software is held under license agreements with technology providers. If we fail to continue to maintain our relationships with our key technology partners, our ability to operate and grow our business may be adversely affected. In addition, if we fail to maintain our licenses of key software, this could have a material adverse effect on our business, cash flow, financial condition and results of operations.

We are reliant on operating and safety systems on our toll roads and their failure could materially disrupt the operation of our toll roads

We use various operating, maintenance, traffic management and safety technology and systems to optimize the safe and efficient operation of our toll roads. For example, we use traffic management systems such as CCTV camera surveillance and safety systems in tunnels, such as ventilation systems and fire suppression sprinkler systems, the failure of which could materially disrupt our operations. For example, in October 2012, a failure occurred in the Burnley and Domain tunnels in CityLink within the communication network system that is an integral part of the Tunnel's safety system. As a result of this, these tunnels were closed for approximately 18 hours and all tolls on CityLink were waived from 4 a.m. to midnight on October 3, 2012. One or more failures of these systems could lead to reduced traffic volumes or closure of a road or part thereof that could have a material adverse effect on our business, cash flow, financial condition and results of operations.

In addition, a failure to adequately respond to a disruption event or manage an incident effectively could have a material adverse effect on our business, cash flow, financial condition and results of operations.

We obtain confidential information from our customers, the deliberate or inadvertent release of which could adversely affect our business and reputation

Our tolling arrangements and systems lead us to obtain personal and confidential information from our customers, including credit card details. The handling and retention of such information is regulated by various privacy laws. We are exposed to the risk of deliberate or inadvertent release of this information by our employees or the improper accessing and release of this information by third parties. In addition, failure to prevent or mitigate security breaches and improper access to or disclosure of our data or customer data could result in the loss or misuse of such data, which could harm our business and reputation. Although we utilize systems and processes that are designed to protect our data and customer data and to prevent data loss and other security breaches, we cannot assure you that such measures will provide absolute security. If such information were released, we may be subject to financial penalties under privacy laws, be subject to increased regulatory scrutiny or legal action by or on behalf of affected customers. The occurrence of such an event could have a material adverse effect on our business, cash flow, financial condition and results of operations.

Our technology systems may be subjected to external cyber-attacks that could adversely affect our business and reputation

We may be subject to cyber-attacks in the form of computer malware, viruses, hacking and phishing by third parties on our systems. Such attacks may cause interruptions to the services we provide, including tolling and collection services, and cause customers to lose confidence in us. Although we take various measures to prevent or mitigate external breaches to our systems and monitor our technology networks, we cannot assure you that such measures will be adequate to prevent intrusion. Our efforts to protect our systems from security breaches and improper access by third parties may also be unsuccessful due to software glitches or other technical malfunctions, employee error or malfeasance, government surveillance, or other factors. The occurrence of any such cyber-attacks could have a material adverse effect on our business, cash flow, financial condition and results of operations.

We may not be able to implement new development projects, enhance existing infrastructure or undertake information technology, maintenance and capital expenditure projects in the manner or within the timeframe and budget expected and we may be subject to unexpected material maintenance or capital expenditure

From time to time, we implement new development projects, enhance existing infrastructure or implement information technology, maintenance and capital expenditure projects on our toll roads or in respect of new toll roads. There can be no assurance that we will be able to complete these projects in the manner or within the timeframe and budget expected. Factors that could cause us to be unable to complete these projects include:

- inaccuracies in the projected cost of completing a project, due to, for example, assumptions used in the forecasts and models in connection with the planning process proving to be incorrect;

- inadequate management by us of contractors and subcontractors engaged by us to carry out the applicable project;

- liabilities arising as a result of our agreeing to an inappropriate risk allocation with our counterparties;

- delays associated with a range of factors depending on the applicable project, including delays in obtaining government or lender approval, delays as a result of the impact of litigation or regulatory actions, shortages of labor and materials, excessive road closures, inclement weather conditions, natural phenomena, natural disasters, vandalism and acts of terrorism and unforeseen technical, engineering or environmental problems;

- non-performance or inadequate performance of the duties of contractors and subcontractors engaged by us; and

- unforeseen changes in financial, economic, political or social conditions.

We are also subject to the risk of significant unexpected maintenance or capital expenditure requirements, which may arise as a result of a variety of factors that may be outside our control, such as the identification of material defects or material latent defects in our road infrastructure or in infrastructure adjacent to or connected with our road infrastructure, as well as the risk of damage to our assets from the construction of new infrastructure, or improvements that are made to existing infrastructure, where such infrastructure is located on, close to, in the vicinity of or under our assets.

From time to time, we contract with the relevant governmental entity to undertake improvement projects on existing toll roads, or to develop new toll roads, in return for concession enhancements in respect of one or more of our other Concession Agreements. We base our decision to invest in these projects in part on the assumption that we will complete the projects within the specifications of the relevant contract and that we will receive the economic benefits from the concession enhancements.

If we are unable to complete a project to the specifications of the contract and do not receive the benefit of the concession enhancements, this could have a material adverse effect on our business, cash flow, financial condition and results of operations.

Under the terms of the Concession Agreement for one of our Brisbane toll roads, if we agree to undertake a major improvement project on the relevant toll road and default on a material requirement that is not remedied, this could result in the termination of the underlying Concession Agreement. In the event that a Concession Agreement was terminated early, the relevant toll road and associated infrastructure would revert to the relevant government body, which could have a material adverse effect on our business, cash flow, financial condition and results of operations.

Our failure to implement planned information technology, maintenance and capital expenditure projects in the manner or within the timeframe and budget expected, or the occurrence of any unexpected maintenance or capital expenditure requirements, could have a material adverse effect on our business, cash flow, financial condition and results of operations.

Changes in law or regulation, including the imposition of new or increased taxes or other governmental charges or levies or restrictions or prohibitions on our right to levy tolls on our toll roads, could materially adversely affect us

Governments may impose new or increased charges on road transportation (for example, congestion charges or time of day pricing), on motorists or motor vehicles (for example, license and registration charges) or fuel (for example, fuel taxes and carbon taxes).

Our Concession Agreements generally contain mechanisms under which we may be able to claim compensation for the impact of a change in law or regulation, but the compensation mechanism may not be applicable to every possible change in law or regulation, or the compensation payable may not adequately compensate us for the adverse effect on traffic, cash flow, financial condition and results of operations. Consequently, such changes could have a material adverse effect on our business, cash flow, financial condition and results of operations.

Adverse tax developments, including as a result of legislative change or interpretation, and changes to accounting standards could have a material impact on our financial position

We are structured as a stapled group comprising two companies, THL and TIL, and a trust, THT, the equity securities of which trade as a single stapled security. Australian taxation laws apply to each of these entities separately. Changes to tax legislation (including legislation relating to goods and services taxes, stamp duties and the level and basis of taxation, including, but not limited to, the deductibility of interest), the interpretation of tax legislation by the courts, the administration of tax legislation by the relevant tax authorities and the applicability of such legislation to us may increase our tax liabilities.

THT and its subsidiary trusts are generally not liable for Australian income tax and capital gains tax, provided that:

- where the trust is an Attribution Managed Investment Trust (AMIT), the trust attributes the net income to its unit holders on a fair and reasonable basis; and

- where the trust is not an AMIT, all income is distributed to its unit holders.

THT is qualified to make and has made the relevant election under the Australian tax law to be treated as an AMIT.

The position must be assessed on a yearly basis in the future. If THT ceases to be qualified to make the relevant election to be characterized as an AMIT or ceases to reasonably attribute all of its income to unitholders in any income year, we may incur tax liabilities.

THT may be liable for tax if it derives non-arm's length income. THT's subsidiary trusts may be liable for tax if they derive non-arm's length income or do not designate all income to their unitholders.

In addition, certain companies within the Transurban Group have carried forward tax losses that are recognized as deferred tax assets on our balance sheet. The ability of members of the Transurban Group to utilize their tax losses to decrease our tax liabilities in future periods is subject to us meeting certain conditions under the relevant tax legislation regarding continuity of ownership and activities. If members of the Transurban Group fail to meet the relevant conditions, or if the relevant tax legislation is amended in a way that results in an inability for members of the Transurban Group to use their tax losses in future periods, our tax liabilities could be materially higher than currently expected.

Adverse tax developments, including the factors described above, could materially increase our tax liabilities or timing of our tax payments, which could have a material adverse effect on our business, cash flow, financial condition and results of operations.

As noted above, we operate as a single economic entity through a stapled structure, whereby two companies, THL and TIL, and a trust, THT, and their respective subsidiaries, operate as a single economic group with boards that have common membership. Stapled structures have been a common Australian vehicle for infrastructure assets. Stapled structures typically involve the principal assets of the structure being held through a trust that is stapled together with a company that conducts the primary operations of the structure.

The Australian Taxation Office and The Treasury of the Australian Federal Government continue to closely scrutinize the misuse of stapled structures where such structures are used to recharacterize trading income from operations into more favorably taxed passive income. Taxation of stapled structures in Australia may change, including in ways that may adversely impact us.

In addition, changes to AAS and other authoritative pronouncements of the AASB and the Corporations Act could affect Concessionaires' or the Transurban Group's reported results of operations in any given period or the Transurban Group's reported financial condition from time to time.

We depend on the services of key contractors and counterparties for development and construction activities and for the provision of tolling, customer services, operations and maintenance services, road management and control systems

We engage third-party contractors to carry out development and construction activities on our development projects. We engage third-party contractors and counterparties to provide certain systems and services, such as tolling, customer services, operations and maintenance services, road management and control systems. We therefore depend on the services of key contractors and counterparties for the development and construction and provision of services.

If any of these contractors or counterparties are unable or unwilling to perform their contracted services, including as a result of financial difficulties or other problems affecting their business, we could suffer material disruptions to the operation of our toll roads. In addition, we rely on our contractors and counterparties performing services to agreed quality and safety standards. Inadequately performed services could result in disruptions to the operation of our toll roads, delays to projects, degradation in the quality and state of repair of our toll roads, dissatisfaction of toll road users, reduced traffic volumes, reduced toll road revenue and breach of the Concession Agreements. We are also exposed to reputational risk from any negative publicity resulting from the misconduct or malfeasance of our contractors or counterparties.

Any of these factors could result in a material increase in our costs and interruption to our operations in the event of a service provider having to be replaced. The occurrence of any of these risks could have a material adverse effect on our business, cash flow, financial condition and results of operations.

We may in the future seek to acquire or develop additional assets or businesses and to integrate these into our business. Such acquisitions or developments could prove to be unsuccessful or may not generate the benefits we expect, and there is a risk that there may not be sufficient opportunities in the future to acquire or develop additional assets in the manner or within the timeframe in line with our strategy

We have expanded our portfolio of assets through acquisitions or bids for new projects and we may seek to acquire or develop additional assets or businesses, such as brownfield or greenfield toll roads, in the future. Such opportunities could be in markets in which we do not currently operate. Integration of any new assets or businesses could present risks that we have not yet considered. Given that there is a limited supply of viable road assets that meet our acquisition and development requirements, there is a risk that there may not be sufficient opportunities in the future to acquire or develop additional assets in the manner or within the timeframe in line with our strategy.

The success of any such acquisitions or developments depends on a variety of factors and there can be no assurance that such acquisitions or developments will be successful or generate the anticipated project cash flows and returns, benefits, synergies and efficiencies we expect. We may incur substantial costs, delays or other operational or financial problems in acquiring, integrating, developing and/or managing the additional asset or business and any such investment may divert management's attention from the operation of our existing businesses.

We may also incur significant levels of indebtedness to finance and refinance such acquisitions and new projects. The occurrence of any of the risks relating to any such investment could have a material adverse effect on our business, cash flow, financial condition and results of operations.

We are exposed to risks associated with our financing arrangements and financial transactions, including sourcing new financing and credit exposures on transactions with financial counterparties

We have existing debt financing arrangements and credit facilities from bank, debt capital market and government sources. We will need to continue accessing debt markets in the future to refinance maturing debt and to access debt for growth projects and other corporate needs.

We may meet our funding requirements for corporate purposes or in connection with the financing of new acquisition or development projects by way of additional debt financing. Any additional debt financing may increase our vulnerability to general adverse economic and industry conditions, limit our ability to pursue our growth plans (including acquisitions and construction), require us to dedicate a substantial portion of our cash flow from operations to principal and interest payments on our debt, thereby reducing the availability of our cash flow to fund capital and operating expenditures, working capital requirements and other general corporate purposes, limit our flexibility in planning for, or reacting to, changes in our businesses and our industry and/or place us at a competitive disadvantage compared to our competitors with less debt.

Our ability to arrange financing, and the cost of any such financing, is impacted by changes in interest rates, prevailing economic conditions and deteriorations in the bank finance market or in the national or international capital markets. An increase in interest rates would increase our debt servicing costs on any part of our indebtedness that is unhedged.

Any of the factors described above could increase our finance costs, or decrease our liquidity and the availability of financing, any of which could have a material adverse effect on our business, cash flow, financial condition and results of operations.

Financing arrangements typically require us or our Concessionaires to comply with certain obligations and undertakings, including maintaining security arrangements for the benefit of lenders, and in some instances complying with certain financial covenants. See "Operating and financial review—Liquidity and capital resources—Covenants" for further information. If a material obligation is breached and not remedied, this could lead to early termination of the financing arrangement and a requirement to repay the debt financing and/or acceleration of the debt financing under the Security Trust Deed and the commencement of enforcement action by our secured creditors. The finance documents governing the provision of non-recourse debt to Concessionaires also contain rights in favor of lenders that allow a lender to step in and operate the applicable asset, or appoint receivers, in the event that a material default occurred and was not remedied. If a financing arrangement was to be terminated early or accelerated or if a material default occurred thereunder, we may suffer material financial loss that could materially adversely affect our business, cash flow, financial condition and results of operations.

We undertake transactions with financial counterparties that create an exposure to the credit worthiness of those financial counterparties. Transactions of this nature include banking arrangements, cash investments and derivative transactions that may have a positive value reflecting the differential between the pricing agreed in the derivative transaction and current market pricing. In the event that a financial counterparty defaults on such a transaction (is unable or unwilling to fulfill the obligations or make payments owed to us under that transaction), we may suffer material financial loss. Such circumstances could have a material adverse effect on our business, cash flow, financial condition and results of operations.

We have significant indebtedness, and we may not be able to successfully refinance our expiring debt facilities on commercially favorable terms or at all

As at June 30, 2017, we had proportional debt of A$13.6 billion (statutory debt of A$13.7 billion). We may be unable to refinance this indebtedness on commercially favorable terms or at all. Our ability to refinance our maturing indebtedness may be materially adversely affected if global credit markets tighten and there is a resultant shortage of available credit. Continued and future disruptions in the global financial marketplace, including the insolvency, bankruptcy or restructuring of financial institutions and disruptions resulting from the United Kingdom's election to leave the European Union following its referendum on European Union membership held on June 23, 2016, could make debt markets less accessible and materially adversely affect the availability of credit already arranged and the availability and cost of credit in the future. Any limitations on our access to external capital, including limitations caused by volatility in the capital markets, may impair our ability to refinance our expiring debt facilities on commercially favorable terms or at all. If we are unable to obtain additional financing to meet our maturing debt obligations, we could be forced to reduce or delay capital expenditures or forgo strategic business opportunities, sell assets, raise additional equity, restructure or refinance existing debt on terms that are disadvantageous to us or take other protective measures. Our inability to repay indebtedness, or a negative change in our credit ratings that has a material adverse effect on our ability to borrow or our cost of funds, may have a material adverse effect on our business, cash flow, financial condition and results of operations.

We are subject to the risk of accidents, incidents, terrorist attacks and other events relating to our toll road network and our insurance policies may not provide adequate protection against those and all other risks we face

We are subject to the risk of accidents and incidents on our toll road network and adjacent and feeder roads and sites, as well as to weather conditions, natural phenomena, natural disasters, vandalism, acts of terrorism and damage to our assets caused by construction projects located on, close to, in the vicinity of or under our toll roads that may impact our toll roads. The occurrence of any of these factors could adversely affect traffic volumes and the collection of toll revenue and could cause physical damage to our toll roads. In addition, any such incident could result in the loss of part of our infrastructure assets or critical operating equipment and we may incur additional costs in repairing the affected infrastructure asset. The occurrence of any of these risks could have a material adverse effect on our business, cash flow, financial condition and results of operations.

We operate critical road infrastructure assets in and around high-density population areas in Australia and the United States that could be targeted by terrorist attacks or threatened with terrorist attacks. Terrorist attacks or threats of terrorist attacks on our toll road assets could affect our traffic volumes and the collection of toll revenue and could lead to physical damage to our toll roads, any of which could have a material adverse effect on our business, cash flow, financial condition and results of operations. In addition, any physical damage to our toll roads may cause loss or damage to customers or third parties who may seek to recover damages from us for any such terrorist attacks.

There can be no assurance that we maintain, or will continue to maintain, sufficient insurance coverage for the risks associated with the operation of our businesses. In particular, there can be no assurance that events that result in a prolonged reduction in traffic volume or in toll revenues will be adequately covered by our insurance policies. The renewal of insurance will be dependent on a number of factors, such as the continued availability of coverage, the nature of risks to be covered, the extent of the proposed coverage and costs involved. The cost of our insurance policies could significantly increase as a result of claims made by us or as a result of local or global economic conditions that cause insurance to be more expensive. In addition, we are subject to the credit risk of our insurers and their continued ability to satisfy any claims we make. Certain risks and liabilities, including potential losses of a catastrophic nature, such as those arising from floods, earthquakes, terrorism or other similar catastrophic events, may be either uninsurable or not insurable on a financially reasonable basis, or may be subject to larger deductibles. We may also elect to self-insure and/or carry large deductibles. In the event we experience a loss or liability to third parties in the future, the proceeds of an applicable insurance policy may not respond to cover the full actual loss incurred or related liabilities to third parties. If our insurance coverage is not sufficient or available to cover any losses that are incurred in the course of our business, or if our insurers are unwilling or unable to satisfy claims we make, we could be exposed to uninsured losses that are significant, or the payment of a larger deductible, which could have a material adverse effect on our business, cash flow, financial condition and results of operations.

We may, from time to time, be involved in legal, regulatory and other proceedings and disputes arising from our business and operations and we are subject to environmental and health and safety regulations

We may, from time to time, be involved in legal, regulatory and other proceedings and disputes arising from our business and operations, including proceedings and disputes relating to construction, development, operation and expansion of toll roads, collection of toll revenue, environmental issues, native title claims, shareholder action, industrial action and action from special interest groups and disputes with joint venture partners, contractors and other counterparties including with a government counterparty. These disputes may lead to legal, regulatory and other proceedings, and may cause us to incur significant costs, delays and other disruptions to our business and operations. In addition, regulatory actions and disputes with governmental authorities may result in fines, penalties and other administrative sanctions. Any of these factors could have a material adverse effect on our business, cash flow, financial condition and results of operations.

In addition, we are subject to environmental and health and safety regulations under Australian Commonwealth and state laws and applicable federal and state laws in the United States of America. Although we maintain comprehensive health, safety and environmental management plans to monitor the performance of our toll roads and to manage the third parties we engage to work on our toll roads, no assurance can be given that we will not be subject to potential environmental and health and safety liabilities associated with the operation of our business. Our construction projects may also be subject to delays as a result of environmental disputes, environmental impact assessments and consultation processes and the need to obtain necessary environmental approvals. If we were to incur any such liabilities or experience any such delays, this could have a material adverse effect on our business, cash flow, financial condition and results of operations.

Asset impairment could have a material adverse effect on our financial condition and reported financial results

Asset impairment charges may result from actual performance failing to meet our forecasts or the occurrence of unexpected adverse events that impact our expected performance. Assets are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired. This could result in the recognition of impairment provisions that could be significant and could have a material adverse effect on our reported financial results. For example, for the year ended June 30, 2012, we had a write down of the carrying value of Pocahontas 895 in the amount of A$138.1 million as a result of revenue not meeting our forecasts, which adversely affected our results.

We are subject to certain risks relating to our equity interests in certain Concessionaires

Our interests in certain Concessionaires are held with joint venture partners. In these circumstances, our ability to maximize the profitability, and ensure the success of the project may be adversely impacted by the actions of our joint venture partners. Although in all cases we have significant influence over the decision-making of these joint ventures, certain decisions require approval of the majority or all the directors or shareholders of the joint venture. Therefore, irrespective of our proportional interest in such Concessionaire, we may not be able to unilaterally control all decision-making processes of a Concessionaire in which we have a less than 100% interest, including decisions in respect of distributions. The joint venture partners in these projects may have economic or business interests or objectives that are different to ours; they may be unable or unwilling to fulfill their obligations under the relevant joint venture contracts or they may experience financial or other difficulties. In addition, our reputation and our relationships with governments and other stakeholders could be affected if our brand is associated with a partner that has engaged in misconduct or has been negligent, either in connection with the relevant project or a different project. The occurrence of any of these risks could disrupt the operations of the relevant Concessionaire and negatively impact our investment in, and the returns from, the joint venture, any of which could have a material adverse effect on our business, cash flow, financial condition and results of operations.

We rely on dividends, distributions, interest on and repayments of shareholder loans from our Concessionaires and other subsidiaries for funding

We operate our business through our subsidiaries and our Concessionaires. We also fund certain subsidiaries and Concessionaires through shareholder loans. The availability of funds to service our debts is impacted by dividends, interest and repayments on shareholder loans received from our subsidiaries and Concessionaires. The majority of our Concessionaires have incurred debt that is secured against the specific assets, including the relevant Concession Agreement, of the Concessionaire. The holders of such debt may be able to restrict the ability of the relevant Concessionaire to pay dividends or other distributions to us. As a result, our ability to service our debt may be restricted and this could have a material adverse effect on our business, cash flow, financial condition and results of operations.

We are exposed to foreign exchange risks

We are exposed to foreign exchange risks due to fluctuations in foreign exchange rates. A portion of our investments is and will continue to be denominated in, or generate cash flow in, U.S. dollars, while our reporting currency is Australian dollars. As a result, certain income, costs and operating cash flows are exposed to foreign exchange risks arising from U.S. dollar exposures when the assets and liabilities are translated into Australian dollars. Consequently, portions of our costs and margins are affected by fluctuations in the exchange rates between these currencies. We may be exposed to future exchange rate fluctuations in the relevant currencies, and that such fluctuations could have a material adverse effect on our business, cash flow, financial condition and results of operations.

To the extent that we have unhedged investments in assets outside of Australia, movements in currency exchange rates have the potential to reduce the capital value of our investments and cash returns from investments.

We rely on key personnel

Retaining and recruiting qualified personnel is critical to our success. We may face risks from the loss of key personnel and an inability to attract any new personnel required in our business. Although we have implemented strategies designed to assist in the recruitment and retention of people within our business, we may encounter difficulties in recruiting and retaining candidates with appropriate experience and expertise. If any of our key employees leave their employment, this may adversely affect our ability to conduct our business. If we are unable to retain and attract the services of a sufficient number of qualified personnel, this could impact our operations and development and the occurrence of any of the above risks could have a material adverse effect on our business, cash flow, financial condition and results of operations.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

The Notes may not be a suitable investment for all investors.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index Linked Notes and Dual Currency Notes

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

(i) the market price of such Notes may be volatile;

(ii) they may receive no interest;

(iii) payment of principal or interest may occur at a different time or in a different currency than expected;

(iv) the amount of principal payable at redemption may be less than the nominal amount of the Notes or even zero;

(v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;

(vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and

(vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of its particular circumstances.

Notes referencing or linked to 'benchmark' rates

Interest rate benchmarks and other rates and indices, by reference to which the amount payable under, or value of, a financial instrument may be determined have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated, culminating in regulatory reform and changes with further changes yet to be implemented. These reforms and changes may cause a 'benchmark' rate or index to perform differently than it has done in the past, or to be discontinued and any change in the performance of a 'benchmark' rate or index or the cessation of a 'benchmark' rate or index could have a material adverse effect on any Notes linked to or referencing such a 'benchmark' rate or index.

Regulation (EU) 2016/1011 (the **Benchmark Regulation**) was published in the official journal of the European Union on 29 June 2016 and will apply from 1 January 2018 (with the exception of provisions specified in Article 59 of the Benchmark Regulation that apply from 30 June 2016). The Benchmark Regulation could have a material impact on any Notes linked to a 'benchmark' rate or index, in particular, if the methodology or other terms of the 'benchmark' are changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level of the benchmark.

More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of 'benchmarks', could increase the costs and risks of administering or otherwise participating in the setting of a 'benchmark' and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain 'benchmarks', trigger changes in the rules or methodologies used in certain 'benchmarks' or lead to the discontinuance of certain 'benchmarks'.

On 27 July 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the **FCA Announcement**). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions, or result in other consequences, in respect of any Notes linked to such benchmark (including but not limited to Floating Rate Notes whose interest rates are linked to LIBOR). Any such consequence could have a material adverse effect on the value of and return on any such Notes.

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Structural subordination

The Notes will be structurally subordinated to the existing and future claims of the creditors of the subsidiaries of THL, THT and TIL that do not guarantee the Notes (or otherwise provide security to secure the obligations of the Issuer under the Notes). Any existing and future claims of creditors of such subsidiaries will have priority over the holders of the Notes. In this respect, there are several operating subsidiaries of THL, THT and TIL that do not guarantee the Notes or otherwise provide security to secure the obligations of the Issuer under the Notes. A description of the entities which have provided guarantees and/or securities is set out below in the section entitled "*Description of the Security Arrangements*".

Modification, waivers and substitution

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 16.

Change of law

The conditions of the Notes (other than the conditions of the AMTNs) are based on English law or, in the case of AMTNs, the laws of the State of Victoria, Australia in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law, the laws of the State of Victoria, Australia or administrative practice after the date of this Offering Circular.

Reliance on Euroclear and Clearstream, Luxembourg procedures

Notes (other than AMTNs) issued under the Programme will be represented on issue by one or more Global Notes that may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg (each as defined under "*Form of the Notes*"). Except in the circumstances described in each Global Note, investors will not be entitled to receive Notes in definitive form. Each of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes (other than AMTNs) are represented by Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

Where the AMTNs are lodged with the Austraclear System, investors will have to rely on the procedures of Austraclear

AMTNs will be issued in registered uncertificated form. Title to any AMTNs is evidenced by entry in the register to be established and maintained by the Australian Agent in Sydney and, in the event of a conflict, the register shall prevail (subject to correction for fraud or proven error).

The Issuer may procure that the AMTNs are lodged with the Austraclear System. On lodgment, Austraclear will become the sole registered holder and legal owner of the AMTNs. Subject to the rules and regulations known as the **Austraclear System Regulations** established by Austraclear (as amended or replaced from time to time) to govern the use of the Austraclear System, participants of the Austraclear System (**Accountholders**) may acquire rights against Austraclear in relation to those AMTNs as beneficial owners and Austraclear is required to deal with the AMTNs in accordance with the directions and instructions of the Accountholders. Investors in AMTNs who are not Accountholders would need to hold their interest in the relevant AMTNs through a nominee who is an Accountholder. All payments made by the Issuer in respect of AMTNs lodged with the Austraclear System will be made directly to an account agreed with Austraclear or as it directs in accordance with the Austraclear System Regulations.

Where the AMTNs are lodged with the Austraclear System, any transfer of AMTNs will be subject to the Austraclear System Regulations. Secondary market sales of AMTNs cleared through the Austraclear System will be settled in accordance with the Austraclear System Regulations.

Accountholders who acquire an interest in AMTNs lodged with the Austraclear System must look solely to Austraclear for their rights in relation to such Securities and will have no claim directly against the relevant Issuer in respect of such AMTNs although under the Austraclear System Regulations, Austraclear may direct the Issuer to make payments direct to the relevant Accountholders.

Where Austraclear is registered as the holder of any AMTN that is lodged with the Austraclear System, Austraclear may, where specified in the Austraclear System Regulations, transfer the AMTNs to the person in whose Security Record (as defined in the Austraclear System Regulations) those AMTNs are recorded and, as a consequence, remove those AMTNs from the Austraclear System.

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be particularly liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-European Union credit rating agencies, unless the relevant credit ratings are endorsed by a European Union-registered credit rating agency or the relevant non-European Union rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Offering Circular.

Risks related to the security arrangements

The ability of the Trustee to exercise rights on behalf of Noteholders will be limited in several important respects by the Security Trust Deed, which limits the rights of senior creditors of the Transurban Group in certain respects, and Noteholders will not be able to direct the Security Trustee without the consent of other senior secured creditors

The Trustee will not have any independent power to enforce any of the security documents or to exercise any other rights or powers arising under the security documents except through the Security Trustee (which is also the Security Trustee for the other secured creditors under the security documents) as provided in the Security Trust Deed. A senior secured creditor (other than a hedge counterparty) can request that the Security Trustee seek the consent of senior secured creditors, which requires the affirmative vote of more than 51 per cent. of exposures (or one-third of exposures in relation to certain insolvency events) in order to enforce the securities if such senior secured creditor has first notified the Security Trustee of an event of default. See "*Description of the Security Arrangements—Majority Secured Creditors determined by Exposures*" and "*Description of the Security Arrangements—Majority Secured Creditors*" for a more detailed discussion of the manner in which the "Majority Secured Creditors" and "Exposures" are calculated.

This means that remedies available to the Noteholders upon the occurrence of an event of default under the Trust Deed or the AMTN Trust Deed (as the case may be) are limited by the Security Trust Deed. Following notification of an event of default by the Trustee in connection with the Trust Deed, the AMTN Trustee in connection with the AMTN Trust Deed or any other senior secured creditor under their relevant senior finance document, that senior secured creditor has no unilateral right to take enforcement action or to instruct the Security Trustee to do so. Following notification of any event of default, the Security Trustee must seek the instructions of all senior secured creditors before

exercising any right, power or remedy in connection with the security documents. However, the Security Trust Deed does not limit or restrict the right of the senior secured creditors, including the Noteholders, to give demand for payment and give other notices (such as an acceleration notice) at any time.

As the aggregate outstanding principal amount of the Notes may represent less than the relevant majority benchmarks (being 51 per cent. of exposures or one-third of exposures (as applicable)), the Noteholders (through the Trustee) may be unable to direct any enforcement action under the Security Trust Deed without the consent of at least some of the Transurban Group's other senior secured creditors. See "*Description of the Security Arrangements—Enforcement Action*" for a more detailed discussion of the enforcement procedures under the Security Trust Deed.

It may be difficult for Noteholders to enforce their rights under the Notes, the Security Trust Deed and the security documents as holders do not have the unilateral right to enforce their rights under the Notes after a default

Each of the Trustee and the AMTN Trustee has acceded to the Security Trust Deed as a "debt instrument trustee" (as representative for the Noteholders as "debt instrument holders"). As the appointed representative for the Noteholders, the Trustee and the AMTN Trustee (as applicable) will have the sole power to take any actions on behalf of the Noteholders under and subject to the Security Trust Deed. Consequently, the Noteholders will not have a unilateral right to instruct the Security Trustee to take any actions under the security documents or to consent to any matter relating to such documents or the collateral securing the Notes. The Trustee or AMTN Trustee (as applicable) will have no obligation to provide any such instruction or consent on behalf of the holders of the Notes unless directed to do so by the Noteholders in accordance with the Trust Deed or AMTN Trust Deed (as applicable).

Noteholders may not have the requisite "majority" to control voting and consents that are subject to the Security Trust Deed

As discussed above, the Noteholders may not constitute the requisite "majority" of secured creditors, and as such may be unable to obtain an amendment to, or grant a waiver under, any senior finance document to which the Security Trustee is a party that requires the consent of the Security Trustee (as the Security Trustee is generally required to act on the instructions of the majority secured creditors) or to present an amendment or waiver that only requires majority consent.

In addition, if the Security Trustee requests instructions from creditors, the Trustee may be unable to provide instructions to the Security Trustee within the required time frames, which may result in the Noteholders being unable to vote on the matters on which the Security Trustee has requested instructions under the Security Trust Deed. If the Security Trustee receives notice of an event of default under any of the senior finance documents that have the benefit of the Security Trust Deed, it is required to promptly notify the senior secured creditors under the Security Trust Deed and seek instructions. The Security Trustee may specify a reply period (of at least 15 business days) that it considers to be reasonable. The Trustee will be required to provide notice of any such instructions received by it to each holder of Notes within two business days, together with a request for a reply. Depending on the applicable time frame specified by the Security Trustee, it may be difficult for the Noteholders to provide instructions to the Trustee with sufficient time to ensure that the Trustee can provide instructions to the Security Trustee by the deadline. If the Trustee does not provide instructions to the Security Trustee by the applicable deadline, under the terms of the Security Trust Deed, the Noteholders will be deemed not to have instructed the Security Trustee in relation to the relevant amendment, waiver, consent or other matter.

Once agreed by all Secured Creditors, consent to amend certain voting provisions in the Security Trust Deed will result in the Noteholders voting as a block in respect of decisions under the Security Trust Deed and result in any votes cast by such Noteholders not being counted as part of the Exposures calculated under the Security Trust Deed if such votes are not cast within a specified time period

Each of the Trust Deed and the AMTN Trust Deed will provide that by purchasing a Note, each Noteholder will be taken to have unconditionally and irrevocably instructed the Trustee or AMTN Trustee (as applicable) to instruct the Security Trustee to make certain amendments to the voting provisions under the Security Trust Deed (which are summarised below) at such time as the Security Trustee seeks instructions on consent to amend these voting provisions. If implemented, such amendments will change the requirements for determining whether the approval, consent or determination or direction of the Secured Creditors under the Security Trust Deed (including Noteholders) has been given or made (other than in respect of an acceleration notice). In accordance with the terms of the Security Trust Deed, these amendments will come into full force and effect only if the Security Trustee obtains unanimous instructions from all Secured Creditors to make such amendments.

First, if implemented, the effect of the amendments will be that the Secured Creditors (or any class of them (if applicable)) under a particular finance document will vote as a block in respect of a decision under the Security Trust Deed (other than in respect of an acceleration notice). This will mean that, with respect to each finance document, if:

- a requisite majority of such Secured Creditors (however described and determined in accordance with the relevant finance document) cast votes in favour of a particular decision; or
- a representative of particular Secured Creditors has instructions from a requisite majority of such Secured Creditors to cast a vote in favour of a particular decision,

all Secured Creditors (or, if applicable, all Secured Creditors of the relevant class) under such finance document will be deemed to have voted in favour of the decision. Conversely, if the requisite majority of such Secured Creditors cast votes against a particular decision, all Secured Creditors (or, if applicable, all Secured Creditors of the relevant class) under such finance document will be deemed to have voted against the decision. Accordingly, even if a holder of a Note instructs the Trustee that it has voted against a decision, the relevant holder may be deemed to have voted in favour of that decision and its individual Exposure may be counted for the purposes of calculating the Majority Secured Creditors or any decision requiring unanimous instructions from the Secured Creditors under the Security Trust Deed. Accordingly, the Trustee may be able to act in respect of a decision that requires instructions from the Majority Secured Creditors or from all Secured Creditors (i.e. even in respect of decisions that require unanimous instructions, such as certain amendments to the Security Trust Deed and releasing security under the Security Trust Deed), even though an individual Secured Creditor may not have consented to such decision.

Secondly, if implemented, the effect of the amendments will be that, with respect to each finance document, if a Secured Creditor fails to cast a vote on a particular decision or the representative of certain Secured Creditors (for example, the Trustee) does not provide instructions in writing within the time period specified by the Security Trustee, such Secured Creditors (for example, the Noteholders) will be taken, for the purposes of determining whether instructions have been given from all Secured Creditors or the requisite majority of Secured Creditors (or any class of them (if applicable)) under any relevant finance document, to have an Exposure of nil and not to be Secured Creditors. Accordingly, only Secured Creditors who actually vote or whose representatives acting on their behalf provide instructions within the specified time period will be included in any calculation as to whether instructions from all Secured Creditors or the requisite majority of Secured Creditors under the relevant finance document have been obtained in relation to any matter. As noted in "*—Noteholders do not have the requisite "majority" to control voting and consents that are subject to the Security Trust Deed*" above, it may be difficult for the Noteholders to provide instructions to the Trustee within a specified time period. In turn, the inability of the Trustee or the AMTN Trustee, as the case may be, to provide instructions to the Security Trustee within a specified time period may also result in holders of the Notes being unable to vote on those instructions requested under the Security Trust Deed.

At present, Transurban Group does not propose to seek the unanimous consent of all of its existing Secured Creditors to the proposed amendment to the Security Trust Deed outlined above. However, as the Issuer issues new secured debt, it will seek to include consent provisions such as these in the relevant debt instrument or finance document. The holders of the Notes will not be deemed to have consented to any other amendments for which the Security Trustee may seek instructions.

The requirements of the Security Trustee to act are limited in certain respects

Under the Security Trust Deed, the Security Trustee and its employees, agents, directors and delegates are entitled to be indemnified out of any moneys received under the Securities against all liabilities and expenses incurred in connection with the enforcement or purported enforcement of the Securities and all actions, proceedings, costs, claims and demands arising in relation to the Security Trust Deed or the Securities. If the moneys received under the Securities are insufficient to satisfy this indemnity, each of the secured creditors must indemnify the Security Trustee (rateably in accordance with their exposures). These indemnities would not apply where the Security Trustee has engaged in fraud, negligence or wilful misconduct. To the extent that a secured creditor is required to indemnify the Security Trustee, each security provider jointly and severally indemnifies each secured creditor with respect to such amounts paid by a secured creditor.

The Trust Deed, the AMTN Trust Deed and the Security Trust Deed will not require the Trustee to expend or risk its own funds to satisfy any demand under the indemnity noted above. The Security Trustee's obligation to commence any enforcement action may, at the Security Trustee's discretion, be subject to the granting of a suitable indemnity. If such indemnity was not provided, the Security Trustee may not proceed with enforcement action, which would materially adversely affect the Noteholders.

The Transurban Group's operating subsidiaries have incurred and may incur significant amounts of debt that is secured by the assets of those subsidiaries, including the assets and cash flows of the subsidiaries with concession agreements with Governments ("Concessionaires"), to which the Notes will be structurally subordinated

The Transurban Group's funding structure permits its subsidiaries to incur debt at the asset level subject to certain limitations under Concession Agreements and asset level financing agreements. The Transurban Group raises non-recourse project debt for certain Concessionaires, other than CityLink. This non-recourse debt is generally secured by the assets and cash flows of the relevant Concessionaire, which are not part of the security that will secure the Notes. If the relevant borrowers fail to repay this debt, the lenders may enforce security over the assets that have been pledged as security, which would result in the cash flows from such assets not being available to repay the Notes, and would reduce the value of the equity interests that are part of the security for the Notes. In addition, because the subsidiaries that incur such debt are not Security Providers, if any such subsidiaries become insolvent, reorganise, dissolve or otherwise wind up, the assets of such subsidiary will be used first to satisfy the claims of its creditors. Consequently, claims of the Noteholders will be structurally subordinated to all of the claims of the creditors that are not Security Providers. As at 30 June 2017, the Transurban Group subsidiaries that are not Security Providers had A$7.7 billion of non-recourse proportional debt, all of which was secured. Neither the Trust Deed nor the AMTN Trust Deed limits the amount of additional debt that may be incurred by subsidiaries that are not Security Providers or prevent security being granted over the assets of such subsidiaries to secure such debt.

In some situations, the Security Provider may dispose of the collateral securing the Notes and such collateral may subsequently be released by the Security Trustee

The Security Providers must comply with restrictions on disposal under the Trust Deed and the AMTN Trust Deed. Where a disposal is permitted under the Trust Deed, the AMTN Trust Deed and the Transurban Group's other senior finance documents, the Security Trustee is required to release the collateral, which may result in a decrease in the value of the collateral securing the Notes.

Any future security interest over collateral may be voidable

Any future security interest over collateral in favour of the Security Trustee might be voidable by a liquidator of the grantor if certain events or circumstances exist or occur, including, among others, if the granting of the security interest is deemed a fraudulent conveyance or transfer; if the grantor is insolvent at the time of the granting of, or at the time an act was done to give effect to, the security interest; if the grantor became insolvent as a result of the entry into (or giving effect to) the transaction; or if the granting of the security interest permits the Noteholders to receive a greater recovery than if the security interest had not been given and a winding-up proceeding (including as deemed under Pt 5.6 of the Corporations Act) in respect of the grantor is commenced within six months following the granting of the security interest or, in certain circumstances, a longer period.

Covenants in senior finance documents limit the Transurban Group's flexibility, and breaches of these covenants could materially adversely affect the Transurban Group's financial condition

Some of the Transurban Group's principal senior finance documents require the Security Providers to comply with a number of customary financial covenants, such as maintaining interest coverage cash flow ratios and other general undertakings. These covenants limit the flexibility in their operations, and breaches of these covenants could result in defaults under the instruments governing the applicable indebtedness and the acceleration of such indebtedness. Certain senior finance documents also contain cross-default or cross-acceleration provisions that would permit the lenders thereunder to accelerate indebtedness in the event of a default or acceleration of the Transurban Group's other material indebtedness. Any breaches of the Security Providers' covenants could have a materially adverse impact on the Transurban Group's financial condition and the Issuer's ability to pay the interest on, and principal of, the Notes.

If the Issuer defaults on the Notes, or any other Security Provider defaults on a guarantee or other amounts owing with respect to the Notes, your right to receive payments on the Notes or the guarantee may be materially adversely affected by Australian insolvency laws

Each Security Provider is organised under the laws of Australia and, therefore, insolvency proceedings with respect to them would be likely to proceed under, and be governed by, Australian insolvency law, which is different from the insolvency laws of the United States. If any Security Provider becomes insolvent, the treatment and ranking of holders of the Notes, other of its creditors and its shareholders under Australian law may be different than the resulting treatment and ranking if it were subject to the bankruptcy laws of England or other jurisdictions.

Fraudulent conveyance laws or similar provisions or principles have been enacted or exist for the protection of creditors in a number of jurisdictions, including Australia, and upstream or sister guarantees (including the guarantees) and covenants to pay may be subject to claims that they should be subordinated or avoided in favor of direct or other creditors of the Security Providers. To the extent that any guarantee or covenant to pay is voided as a fraudulent conveyance, voidable transaction or otherwise held to be unenforceable, claims against that Security Provider could be lost or limited, and Noteholders could be required to return payments previously received from any such Security Provider.

Under Australian law, if an order to wind up were to be made against any Security Provider and a liquidator was appointed for any such Security Provider, the liquidator would have the power to investigate the validity of past transactions and may seek various court orders, including orders to void certain transactions entered into prior to the winding up of such Security Provider and for the repayment of money. These include unfair loans or transactions entered into within a specified period of the winding up that a court finds were entered into, or acts were done, when the company was insolvent or the company becomes insolvent as a result and were uncommercial transactions or transactions entered into when the Security Provider was insolvent that had the effect of preferring a creditor or creditors or otherwise defeating, delaying or interfering with the rights of creditors.

In addition to the matters described above, under the laws of Australia and other relevant jurisdictions, guarantees and covenants to pay may be set aside, subordinated or otherwise avoided by the application of fraudulent conveyance, voidable transaction, financial assistance, bankruptcy, insolvency and administration, statutory management, equitable subordination principles or other similar provisions or principles existing under the laws of Australia or the relevant jurisdiction, including as a result of the application of laws in relation to the duties of directors to act in good faith and for proper purposes. In addition, other debts and liabilities of the Security Providers, such as certain employee entitlements or an administrator's indemnity for debts and remuneration, may rank ahead of claims under the Notes and the guarantees and covenants to pay in the event of administration or insolvency or statutory management or similar proceedings. If one or more of the guarantees or covenants to pay are set aside or otherwise avoided, claims against the Security Providers giving those guarantees and covenants to pay could be lost or limited and it is possible that Noteholders, or the Trustee on their behalf, will only have a claim against the Issuer and any remaining Security Provider.

Except in limited circumstances, the liability of TIML as responsible entity for THT and TCS as trustee of TFT will be limited to the extent to which such liability can be satisfied out of the assets of the relevant trust

TIML guarantees the obligations of the Issuer under the Notes solely in its capacity as responsible entity for THT. The liability of TIML in relation to its guarantee is limited to and can be enforced against TIML only to the extent to which such liability can be satisfied out of the assets of THT. None of the assets of TIML (other than assets that TIML holds as responsible entity for THT and out of which TIML is actually indemnified for the liability and that are available to TIML in accordance with the terms of the constitution of THT to meet its obligations in relation to its guarantee) are available to meet claims under its guarantee.

TIML is not entitled to indemnification out of assets of THT in certain circumstances, such as if TIML acts fraudulently or negligently or breaches its duty with respect to THT (whether or not such breach is in respect of its guarantee). TIML is only liable to satisfy any obligation or liability in connection with its guarantee from its personal assets to the extent that the obligation or liability is not satisfied because there is a reduction in the extent of TIML's indemnification out of the assets of THT due to TIML's gross negligence, fraud, breach of trust or breach of duty.

The liability of TCS in relation to its covenants to pay is limited to and can be enforced against TCS only to the extent to which such liability can be satisfied out of the assets of TFT. None of the assets of TCS (other than assets that TCS holds as trustee for TFT and out of which TCS is actually indemnified for the liability and that are available to TCS in accordance with the terms of the constitution of TFT to meet its obligations in relation to its covenants to pay) are available to meet claims with respect to the Notes.

Certain limitations on remedies and other claims with priority over claims of the Noteholders could materially adversely affect the rights of security holders in insolvency proceedings

The right of the Security Trustee to enforce and sell the collateral securing the Notes upon the occurrence of a default will be subject to limitations under applicable law. For example, in the event of a voluntary administration, some or all of the Security Trustee's enforcement rights may be affected (such as being prevented from enforcing a security interest except with the consent of the administrator or leave of the court).

The Personal Property Securities Act 2009 (Cth) of Australia (the **PPSA**) establishes a national system for the registration of security interests, and a system of priority and other provisions that affect most collateral other than land. Among other things, security interests perfected by control over financial assets like bank accounts (even where they are not registered), purchase money security interests (which can include asset financing security, leases of goods and retention of title arrangements) registered as such, subject to limited exceptions, rank in priority over prior secured interests regardless of notice. Under the PPSA, third parties may purchase or lease items of collateral free of

the security interest in various ways, including by any sale or lease carried on in the grantor's ordinary course of business. However, if this happens, the secured party retains a security interest in the proceeds of that sale or lease. Prohibitions on disposal contained in the security documents are not effective against third party buyers.

In relation to security over land, where such security is a registered Torrens title security interest, its priority will be subject to any interest noted on the title register before registration of the security interest. It is also subject to claims that may have obtained priority by virtue of applicable law that may affect the priority of the security interest. For example, liens arising by operation of law or charges or liens arising under statute over the relevant property (including, without limitation, local government rates and land taxes applicable to real property) may have priority over the security interest.

Proceeds from any sale of the collateral upon enforcement may be insufficient to repay the Notes in full

The Transurban Group cannot assure Noteholders that the net proceeds from a sale of the collateral securing the Notes would be sufficient to repay principal and accrued interest on the Notes following a foreclosure upon the collateral or a liquidation of the Transurban Group's assets. The value of the collateral and the amount to be received by the Noteholders upon a sale of the collateral will depend upon many factors including, among others, the quantum of other secured indebtedness existing at the time, the condition of the collateral, the ability to sell the collateral in an orderly sale, the condition of the international, national and local economies, the availability of buyers and similar factors. The book value of the collateral should not be relied on as a measure of realisable value for these assets. By their nature, portions of the collateral may be illiquid and may have no readily ascertainable market value.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The Notes of each Series will be in either bearer form, with or without interest coupons and talons for further coupons if appropriate attached, or registered form, without interest coupons attached, in each case as specified in the applicable Final Terms. AMTNs will only be issued in registered form.

Bearer Notes

The following applies to Notes specified in the applicable Final Terms to be in bearer form.

Each Tranche of Bearer Notes will be initially issued in the form of a temporary global note (a **Temporary Bearer Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Bearer Global Note** and, together with a Temporary Bearer Global Note, each a **Bearer Global Note**) which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for, Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, S.A. (**Clearstream, Luxembourg**). Notes in bearer form will be delivered and deliverable only outside the United States (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction).

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will be made to the bearer of the Temporary Bearer Global Note to the extent that there is presented to the Principal Paying Agent by Clearstream Luxembourg or Euroclear a certificate to the effect that it has received from or in respect of a person entitled to a particular nominal amount of the Notes represented by the Temporary Bearer Global Note (as shown by its records) a certificate of non-U.S. beneficial ownership in the form required by it.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) for definitive Bearer Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given in connection with a payment of principal, interest or any other amount payable in respect of the Bearer Notes. The bearer of the Temporary Bearer Global Note will not (unless upon due presentation of the Temporary Bearer Global Note for exchange, delivery of the appropriate number of Definitive Bearer Notes (together, if applicable, with the Receipts, Coupons and Talons appertaining thereto) or, as the case may be, issue and delivery (or, as the case may be, endorsement) of the Permanent Bearer Global Note is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to receive any payment thereon due on or after the Exchange Date.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the Permanent Bearer Global Note without any requirement for certification.

Holders of beneficial ownership interests must look solely to their nominee and/or applicable clearing system to receive such payment and none of the Issuer, the Trustee, the Security Trustee, the Principal Paying Agent, any Paying Agent or the Agent will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in Bearer Global Notes or for maintaining, supervising or reviewing any records relating to such interests.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 11) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor or alternative clearing system satisfactory to the Trustee is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form and a certificate to such effect signed by two Directors of the Issuer is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 15, and the Trustee if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) or the Trustee may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur on a date specified in the notice not more than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent. No definitive Bearer Note delivered in exchange for a Permanent Bearer Global Note will be mailed or otherwise delivered to any location in the United States (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction) in connection with such exchange.

The following legend will appear on all Bearer Notes which have an original maturity of more than 365 days and on all receipts and interest coupons relating to such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons or talons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Registered Notes

The following applies to Notes specified in the applicable Final Terms to be in registered form.

The Registered Notes (other than AMTNs) of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form (a **Registered Global Note** and, together with any Bearer Global Note, each, a **Global Note**). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Registered Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2.1 and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Registered Global Note will bear a legend regarding such restrictions on transfer.

Registered Global Notes will be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 7.4) as the registered holder of the Registered Global Notes. None of the Issuer, the Trustee, the Principal Paying Agent, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 7.4) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default has occurred and is continuing, (ii) if the Registered Global Note is registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg and the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor or alternative clearing system satisfactory to the Trustee is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form and a certificate to such effect signed by two Directors of the Issuer is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 15, and the Trustee if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note) or the Trustee may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with, and subject to, the provisions of the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), and the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case to the extent applicable.

AMTNS

The following applies to Notes specified in the applicable Final Terms to be AMTNs.

The AMTNs of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will be issued only as Registered Notes. AMTNs will be issued in registered uncertificated form and will take the form of entries on a register established and maintained by a registrar in Australia and may be lodged with the Austraclear System.

On issue of any AMTNs, the Issuer will (unless otherwise specified in the applicable Final Terms) procure that the AMTNs are lodged with the Austraclear System. On lodgment, Austraclear will become the sole registered holder and legal owner of the AMTNs. Subject to the Austraclear System Regulations, Accountholders may acquire rights against Austraclear in relation to those AMTNs as beneficial owners and Austraclear is required to deal with the AMTNs in accordance with the directions and instructions of the Accountholders. Any potential investors who are not Accountholders

would need to hold their interest in the relevant AMTNs through a nominee who is an Accountholder. All payments by us in respect of AMTNs entered in the Austraclear System will be made directly to an account agreed with Austraclear or as it directs in accordance with the Austraclear System Regulations.

Holding of AMTNs through Euroclear and Clearstream, Luxembourg

Once lodged with the Austraclear System, interests in the AMTNs may be held through Euroclear or Clearstream, Luxembourg. In these circumstances, entitlements in respect of holdings of interests in the AMTNs in Euroclear would be held in the Austraclear System by HSBC Custody Nominees (Australia) Limited as nominee of Euroclear, while entitlements in respect of holdings of interests in the AMTNs in Clearstream, Luxembourg would be held in the Austraclear System by a nominee of J.P. Morgan Chase Bank N.A., as custodian for Clearstream, Luxembourg.

The rights of a holder of interests in AMTNs held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations of Euroclear and Clearstream, Luxembourg, the arrangements between Euroclear and Clearstream, Luxembourg and their respective nominees and the Austraclear System Regulations.

Transfers

Any transfer of AMTNs will be subject to the Corporations Act and the other requirements set out in the Terms and Conditions of the AMTNs and, where the AMTNs are entered in the Austraclear System, the Austraclear System Regulations.

Secondary market sales of AMTNs settled in the Austraclear System will be settled in accordance with the Austraclear System Regulations.

Relationship of Accountholders with the Austraclear System

Accountholders who acquire an interest in AMTNs lodged with the Austraclear System must look solely to Austraclear for their rights in relation to such AMTNs and will have no claim directly against the Issuer in respect of such AMTNs although under the Austraclear System Regulations, Austraclear may direct the Issuer to make payments direct to the relevant Accountholders.

Where Austraclear is registered as the holder of any AMTNs that is lodged with the Austraclear System, Austraclear may, where specified in the Austraclear System Regulations, transfer the AMTNs to the person in whose Security Record (as defined in the Austraclear System Regulations) those AMTNs are recorded and, as a consequence, remove those AMTNs from the Austraclear System.

Potential investors in AMTNs should inform themselves of, and satisfy themselves with, the Austraclear System Regulations and (where applicable) the rules of Euroclear and Clearstream, Luxembourg and the arrangements between them and their nominees in the Austraclear System.

AMTNs lodged with the Austraclear System will be transferable only in accordance with the rules and regulations (in force from time to time) of the Austraclear System. The transferor of an AMTN is deemed to remain the holder of such AMTN until the name of the transferee is entered in the register in respect of such AMTN.

General

Pursuant to the Agency Agreement, the Principal Paying Agent or (in respect of the AMTNs) pursuant to the Australian Agency Agreement, the Australian Agent, shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S) applicable to the Notes of such Tranche.

For so long as any Note of any Series is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear and/or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg, as the case may be, as the holder of a particular nominal amount of the Notes of such Series (in which regard any certificate or other document issued by Euroclear and/or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee, the Security Trustee and their respective agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal, interest and any other amount payable on such nominal amount of such Notes, for which purposes the bearer of the relevant Bearer Global.

Note, or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Trustee, the Security Trustee and their respective agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note, and the expression **Noteholder** and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Principal Paying Agent and the Trustee.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to take such proceedings, fails to do so within a reasonable period and such failure shall be continuing.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a new Offering Circular or a supplement to the Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** — The Notes are not intended[, from 1 January 2018,] to be offered, sold or otherwise made available to and[, with effect from such date,] should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (**MiFID II**); (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC. Consequently no key information document required by Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.]

[*Date*]

TRANSURBAN FINANCE COMPANY PTY LTD (ABN 65 098 539 452)

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] under the U.S.$5,000,000,000 Secured Euro Medium Term Note Programme

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated [*date***]** [and the Supplemental Offering Circular dated [*date*]] ([together,] the Offering Circular). This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular is available for viewing at all reasonable times during normal business hours and copies may be obtained from the Issuer at its registered office at Level 23, Tower One, Collins Square, 727 Collins Street, Docklands VIC 3008, Australia and from the specified offices of the Principal Paying Agent for the time being at One Canada Square, London E14 5AL, United Kingdom.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular dated [*original date*] which are incorporated by reference in the Offering Circular dated [*current date*] and are attached hereto. This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Offering Circular dated [*current date*] [and the Supplemental Offering Circular dated [*date*]] (together, the Offering Circular). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular dated [*current date*] [and the Supplemental Offering Circular dated [*date*]] (together, the Offering Circular). Copies of such Offering Circulars are available for viewing at all reasonable times during normal business hours and copies may be obtained from the Issuer at its registered office at Level 23, Tower One, Collins Square, 727 Collins Street, Docklands VIC 3008, Australia and from the specified offices of the Principal Paying Agent for the time being at One Canada Square, London E14 5AL, United Kingdom.

[Insert the following language for an issue of AMTNs.]

The Notes will be constituted by a trust deed (the **AMTN Trust Deed**) dated [*date*] between the Issuer and the AMTN Trustee and will be issued in registered uncertificated form by inscription on a register. The Notes are AMTNs for the purposes of the Offering Circular dated [*date*] and the Conditions.

Notes will be offered in Australia only in the wholesale capital markets and on the basis that no disclosure to investors is required under Parts 6D.2 or 7.9 of the Corporations Act.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]

1.	Issuer:		Transurban Finance Company Pty Ltd
2.	(a)	Series Number:	[ ]
	(b)	Tranche Number:	[ ] *(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*
3.	Specified Currency or Currencies:		[ ]
4.	Aggregate Nominal Amount:		
	(a)	Series:	[ ]
	(b)	Tranche	[ ]
5.	(a)	Issue Price	[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)
	(b)	Net Proceeds	[ ] (*include for listed issues if required by the relevant stock exchange on which the Notes are ' listed.*)
6.	(a)	Specified Denominations:	[ ] (*Note where multiple denominations above € 100,000 or equivalent are being used the following sample wording should be followed:* *"€ 100,000 and integral multiples of € 1,000 in excess thereof up to and including € 199,000. No Notes in definitive form will be issued with a denomination above € 199,000."*) *(N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the € 100,000 minimum denomination is not required.)* *(In the case of Registered Notes, this means the minimum integral amount in which transfers can be made.)* *(N.B. In the case of AMTNs, this should be a single denomination.)*

	(b)	Calculation Amount:	[ ] *(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
7.	(a)	Issue Date:	[ ]
	(b)	Interest Commencement Date:	[*specify*/Issue Date/Not Applicable] *(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
8.		Maturity Date:	[*Fixed rate - specify date /* *Floating rate* - Interest Payment Date falling in or nearest to *[specify month]*]
9.		Interest Basis:	[[ ] per cent. Fixed Rate] [[LIBOR/EURIBOR/BBSW Rate] +/- [●] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Dual Currency Interest] [specify other] (further particulars specified below)
10.		Redemption/Payment Basis:	[Redemption at par] [Index Linked Redemption] [Dual Currency Redemption] [Partly Paid] [Instalment] [*specify other*]
11.		Change of Interest Basis or Redemption/Payment Basis:	[*Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*]
12.		Put/Call Options:	[Investor Put] [Issuer Call] [(further particulars specified below)]
13.		Status of the Notes:	Senior Secured
14.		Method of distribution:	[Syndicated/Non-syndicated]
15.		Listing:	[[*Specify*]/None]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	Fixed Rate Note Provisions:	[*Applicable/Not Applicable*] *(If not applicable, delete the remaining subparagraphs of this paragraph)*

(a)	Rate(s) of Interest:	[ ] per cent. per annum payable [annually/semi-annually/quarterly/other (*specify*)] in arrear] (*If payable other than annually, consider amending Condition 6*)
(b)	Interest Payment Date(s):	[[ ] in each year up to and including the[*Maturity Date*]/[specify other]] *(N.B. This will need to be amended in the case of long or short coupons)*
(c)	Fixed Coupon Amount(s): *(Applicable to Notes in definitive form.)*	[ ] per Calculation Amount
(d)	Broken Amount(s): *(Applicable to Notes in definitive form.)*	[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]
(e)	Day Count Fraction:	[30/360 or Actual/Actual (ICMA) or RBA Bond Basis or [*specify other*]]
(f)	Determination Date(s):	[ ] in each year *(Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))*
(g)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[None/*Give details*]
17.	Floating Rate Note Provisions:	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
(a)	Specified Period(s)/Specified Interest Payment Dates:	[ ]
(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ [*specify other*]]
(c)	Additional Business Centre(s):	[ ]
(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination/ BBSW Rate Determination/*specify other*]
(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	[ ]

(f)	Screen Rate Determination:	
	(i) Reference Rate:	[ ] *(Either LIBOR, EURIBOR or other, although additional information is required if other - including fallback provisions in the Agency Agreement)*
	(ii) Interest Determination Date(s):	[ ] *(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*
	(iii) Relevant Screen Page:	[ ] *(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
(g)	ISDA Determination:	
	(i) Floating Rate Option:	[ ]
	(ii) Designated Maturity:	[ ]
	(iii) Reset Date:	[ ]
(h)	BBSW Rate Determination:	As per Condition 6.2(b)(iv)
(i)	Linear Interpolation:	[Not Applicable/Applicable — the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
(j)	Margin(s):	[+/-] [ ] per cent. per annum
(k)	Minimum Rate of Interest:	[ ] per cent. per annum
(l)	Maximum Rate of Interest:	[ ] per cent. per annum
(m)	Day Count Fraction:	[Actual/Actual (ISDA) Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360 30E/360 30E/360 (ISDA) Other] *(See Condition 6 for alternatives)*
(n)	Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[ ]

18.	Zero Coupon Note Provisions:	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
(a)	Accrual Yield:	[ ] per cent. per annum
(b)	Reference Price:	[ ]
(c)	Any other formula/basis of determining amount payable:	[ ]
(d)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Conditions 8.5 and 8.10 apply/specify other] *(Consider applicable day count fraction if not U.S. dollar denominated)*
19.	Index Linked Interest Note Provisions:	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
(a)	Index/Formula:	[*give or annex details*]
(b)	Calculation Agent:	[*give name*]
(c)	Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent):	[ ]
(d)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
(e)	Specified Period(s)/Specified Interest Payment Dates:	[ ]
(f)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ *specify other*]
(g)	Additional Business Centre(s):	[ ]
(h)	Minimum Rate of Interest:	[ ] per cent. per annum
(i)	Maximum Rate of Interest:	[ ] per cent. per annum
(j)	Day Count Fraction:	[ ]
20.	Dual Currency Interest Note Provisions:	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
(a)	Rate of Exchange/method of calculating Rate of Exchange:	[*give or annex details*]

(b)	Party, if any, responsible for calculating the principal and/or interest due (if not the Agent):	[ ]
(c)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[*need to include a description of market disruption or settlement disruption events and adjustment provisions]*
(d)	Person at whose option Specified Currency(ies) is/are payable:	[ ]

PROVISIONS RELATING TO REDEMPTION

21.	Issuer Call:	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
(a)	Optional Redemption Date(s):	[ ]
(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount/*specify other*/see Appendix]
(c)	If redeemable in part:	
	(i) Minimum Redemption Amount:	[ ]
	(ii) Maximum Redemption Amount:	[ ]
(d)	Notice period (if other than as set out in the Conditions):	[ ]
22.	Investor Put:	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
(a)	Optional Redemption Date(s):	[ ]
(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount/*specify other*/see Appendix]
(c)	Notice period (if other than as set out in the Conditions):	[ ] *(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee)*

23.	Final Redemption Amount	[[ ] per Calculation Amount/*specify other*/see Appendix]
24.	Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 8.5):	[[ ] per Calculation Amount/*specify other*/see Appendix]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	Form of Notes:	[Bearer Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event] [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date] *(Note that language substantially to the following effect:* *"€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Notes in definitive form will be issued with a denomination above €199,000"* *in paragraph 6 is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note in bearer form exchangeable for Definitive Notes in bearer form).* [Permanent Global Note exchangeable for Definitive Notes only upon an Exchange Event] [Registered Notes: [Registered Global Note (U.S.$[ ] nominal amount) registered in the name of a common depositary for Euroclear and Clearstream, Luxembourg] [The Notes are AMTNs, as referred to in the Offering Circular, and will be issued in registered uncertificated form, constituted by the AMTN Trust Deed and take the form of entries on a register to be maintained by the Australian Agent (as defined below). Copies of the AMTN Trust Deed are available from the AMTN Trustee at its principal office in Sydney.]]

26.	Additional Financial Centre(s) or other special provisions relating to Payment Days:	[Not Applicable/*give details*] *(Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 17(c) and 19(g) relate)*
27.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. *If yes, give details*]
28.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment	[Not Applicable/*give details. N.B. a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*]
29.	Details relating to Instalment Notes:	
	(a) Instalment Amount(s):	[Not Applicable/*give details*]
	(b) Instalment Date(s):	[Not Applicable/*give details*]
30.	Redenomination applicable:	Redenomination [not] applicable [*(If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates))*]
31.	Other final terms:	[Not Applicable/*give details*]
32.	Ratings:	[Not Applicable/*give details*] [Credit ratings are for distribution only to a person who is not a "retail client" within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive the Offering Circular and anyone who receives the Offering Circular must not distribute it to any person who is not entitled to receive it.]
33.	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable]

(*If the offer of the Notes is concluded prior to 1 January 2018, or on and after that date the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the offer of the Notes will be concluded on or after 1 January 2018 and the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.*)

DISTRIBUTION

34.	(a) If syndicated, names of Managers:	[Not Applicable/*give name(s)*]
	(b) Stabilising Manager(s) (if any):	[Not Applicable/*give name(s)*]
35.	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name(s)*]
36.	Whether TEFRA D/TEFRA C rules are applicable or TEFRA rules not applicable:	[D Rules/C Rules/TEFRA not applicable]
37.	Additional selling restrictions:	[Not Applicable/*give details*]

OPERATIONAL INFORMATION

38.	(a) ISIN Code:	[ ]
	(b) Common Code:	[ ]
39.	Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking, S.A. and/or Austraclear Ltd as operator of the Austraclear System and the relevant identification numbers	[Not Applicable/*give details*]
40.	Delivery:	Delivery [against/free of] payment
41.	Names and addresses of additional Paying Agent(s) (if any):	[Not Applicable/*give name(s) and address(es)*] [*If the Notes are AMTNs, insert the following:* BTA Institutional Services Australia Limited (ABN 48 002 916 396) has been appointed under the Australian Agency Agreement dated [*date*] as issuing, paying and transfer agent and registrar (**Australian Agent**) in respect of the AMTNs. The Australian Agent's address is Level 2, 1 Bligh Street, Sydney NSW 2000, Australia.]
42.	Name and address of Registrar (if applicable):	[Not Applicable/*give name(s) and address(es)*]

43.	Name and address of Transfer Agent (if applicable):	[Not Applicable/*give name(s) and address(es)*]
44.	Name and address of Calculation Agent (if any):	[Not Applicable/*give name(s) and address(es)*]
45.	Name and address of Trustee (if any):	[The Bank of New York Mellon/BNY Trust Company of Australia Limited (ABN 49 050 294 052) *and address(s)*]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on [the Singapore Exchange Securities Trading Limited/specify relevant market] of the Notes described herein pursuant to the U.S.$5,000,000,000 Secured Euro Medium Term Note Programme of Transurban Finance Company Pty Ltd.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of Transurban Finance Company Pty Ltd:

By: _____
Duly authorised

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Form of the Notes" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Transurban Finance Company Pty Ltd (the **Issuer**) and (other than Notes which are specified in the applicable Final Terms as being denominated in Australian dollars and issued in the Australian domestic capital market (**AMTNs**)) constituted by an amended and restated Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 30 August 2017 made between the Issuer, Transurban Collateral Security Pty Ltd (ABN 26 097 586 797) as trustee of the Transurban Finance Trust — City Link (in such capacity, **Finance Trust**) and The Bank of New York Mellon (the **Trustee**, which expression shall include any successor as Trustee). AMTNs will be constituted by an AMTN Trust Deed (such AMTN Trust Deed as modified and/or supplemented and/or restated from time to time, the **AMTN Trust Deed**) dated 30 August 2017 made between the Issuer, Finance Trust and BNY Trust Company of Australia Limited (ABN 49 050 294 052) (the **AMTN Trustee**, which expression shall include any successor as AMTN Trustee).

References herein to the Notes shall be references to the Notes of the Series of which this Note forms part and shall mean:

(a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the currency specified therein or, if none is specified, the currency in which the Notes are denominated (the **Specified Currency**);

(b) any Global Note in bearer form (a **Bearer Global Note**);

(c) any Global Note in registered form (a **Registered Global Note**);

(d) definitive Notes in bearer form (**Definitive Bearer Notes**, and together with Bearer Global Notes, the **Bearer Notes**) issued in exchange for a Bearer Global Note;

(e) definitive Notes in registered form (**Definitive Registered Notes**, and together with Registered Global Notes, the **Registered Notes**), whether or not issued in exchange for a Registered Global Note; and

(f) AMTNs.

The Notes (other than AMTNs), the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 30 August 2017 and made between the Issuer, the Trustee, The Bank of New York Mellon as principal paying agent (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and as paying agent (together with (i) any additional or successor paying agent appointed under the Agency Agreement and (ii) the Australian Agent (as defined below), the **Paying Agents** and each a **Paying Agent**) and The Bank of New York Mellon SA/NV, Luxembourg Branch as transfer agent (the **Transfer Agent**, which expression shall include any additional or successor transfer agents appointed in accordance with the Agency Agreement) and as registrar (the **Registrar**, which expression shall include any successor registrar and together with the Paying Agents and Transfer Agents, the **Agents**).

The Issuer and BTA Institutional Services Australia Limited (ABN 48 002 916 396) as registrar and issuing and paying agent in Australia (the **Australian Agent**) have entered into an agency and registry services agreement (as amended and/or supplemented and/or restated from time to time, the **Australian Agency Agreement**) dated 30 August 2017 in relation to the AMTNs.

The Notes will be secured by each Security as defined in the Security Trust Deed (such Security Trust Deed as amended and/or supplemented and/or restated from time to time, the **Security Trust Deed**) originally dated 28 June 2002 between the Issuer, Finance Trust the Agent defined therein, BTA Institutional Services Australia Limited (the **Security Trustee**, which expression shall include any successor as Security Trustee appointed under the Security Trust Deed) and others.

Interest bearing definitive Bearer Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons (**Coupons**) and, if indicated in the applicable Final Terms, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue. The provisions of these Conditions (as defined below) relating to Bearer Notes, Global Notes, Certificates, Receipts, Coupons and or Talons do not apply to AMTNs.

The Final Terms (or the relevant provisions thereof) applying to this Note is attached to or endorsed on this Note and supplements these Terms and Conditions (the **Conditions**) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the **applicable Final Terms** are to the Final Terms (or the relevant provisions thereof) applying to, attached to or endorsed on this Note.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean, in the case of Bearer Notes, the holders of the Bearer Notes and, in the case of Registered Notes, the persons in whose name the Registered Notes are registered, and shall, in relation to any Notes represented by a Global Note or a Registered Note, be construed as provided below. Any reference herein to **Receiptholders** shall mean the holders of the Receipts and any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons. The Trustee acts for the benefit of the Noteholders, the Receiptholders and the Couponholders, in accordance with the provisions of the Trust Deed. The AMTN Trustee acts for the benefit of the holders of AMTNs, in accordance with the provisions of the AMTN Trust Deed. The Trustee is not appointed in respect of any AMTNs and accordingly, if the agreement, opinion, approval, consent, satisfaction or any similar action or decision (however described) is specified or required of, from, by or on the part of the Trustee with respect to any Notes or documents in these Conditions, such agreement, opinion, approval, consent, satisfaction or any similar action or decision (however described) of the Trustee shall not be required in respect of any AMTNs, the AMTN Trust Deed or any other document or agreement in connection with them.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Trust Deed, the AMTN Trust Deed, the Security Trust Deed, each Security, the Agency Agreement and the Australian Agency Agreement are available for inspection at all reasonable times during normal business hours at the specified office of the Trustee being at the date hereof One Canada Square, London E14 5AL, United Kingdom and at the specified office of each of the Paying Agents and the Registrar. The AMTN Trust Deed will be held by the AMTN Trustee and copies of the AMTN Trust Deed and the Australian Agency Agreement referred to above are available for inspection

free of charge during usual business hours at the principal office of the AMTN Trustee and the Australian Agent respectively, being at Level 2, 1 Bligh Street, Sydney NSW 2000, Australia. Copies of the applicable Final Terms are available for viewing at the registered office of the Issuer and each of the Paying Agents and copies may be obtained from those offices during normal business hours save that, if this Note is an unlisted Note of any Series, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer, the Trustee (or the AMTN Trustee in respect of holders of AMTNs) and the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, and are bound by, (in respect of holders of all Notes (other than AMTNs)) all the provisions of the Trust Deed, (in respect of holders of AMTNs only) the AMTN Trust Deed, the Security Trust Deed, each Security, the Agency Agreement or the Australian Agency Agreement, as the case may be, and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the AMTN Trust Deed, the Security Trust Deed, the Agency Agreement and the Australian Agency Agreement.

Words and expressions defined in the Trust Deed, the AMTN Trust Deed, the Agency Agreement, the Australian Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement (or, in the case of AMTNs, between the AMTN Trust Deed and the Australian Agency Agreement), the Trust Deed (or, in the case of AMTNs, the AMTN Trust Deed) will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms (or, in the case of AMTNs, between the AMTN Trust Deed or the Australian Agency Agreement and the applicable Final Terms), the applicable Final Terms will prevail. If any such document terminates or expires in accordance with its terms and such document is necessary to interpret these Conditions, without prejudice to that termination or expiry, references to such document shall be interpreted as references to the form of that document which existed immediately prior to its termination or expiry.

1. FORM, DENOMINATION AND TITLE

The Notes may be in bearer form and or in registered form as specified in the applicable Final Terms and, in the case of definitive Notes, will be serially numbered, in the Specified Currency and the Specified Denomination(s). Save as provided in Condition 2, Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery. Title to Registered Notes will pass upon registration of transfers in the books of the Registrar or, in the case of AMTNs, the Australian Agent in accordance with the provisions of the Agency Agreement or the Australian Agency Agreement respectively. The Issuer, the Paying Agents, the Trustee, the AMTN Trustee, the Registrar and the Transfer Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and any person in whose name a Registered Note is registered as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking, S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Paying Agents, the Trustee, the Registrar and the Transfer Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer or registered holder of the relevant Global Note shall be treated by the Issuer, the Paying Agents, the Trustee, the Registrar and the Transfer Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Principal Paying Agent and the Trustee.

In the case of AMTNs, the following provisions shall apply in lieu of the above-mentioned provisions of Condition 1 in the event of any inconsistency.

AMTNs will be debt obligations of the Issuer owing under the AMTN Trust Deed, will be uncertificated and will take the form of entries in a register to be established and maintained by the Australian Agent in Sydney unless otherwise agreed with the Australian Agent (pursuant to the Australian Agency Agreement). The Agency Agreement is not applicable to the AMTNs.

AMTNs will not be serially numbered. Each entry in the register constitutes a separate and individual acknowledgement to the relevant Noteholder of the indebtedness of the Issuer to the relevant Noteholder. The obligations of the Issuer in respect of each AMTN constitute separate and independent obligations which the Noteholder is entitled to enforce in accordance with these Conditions and the AMTN Trust Deed. No certificate or other evidence of title will be issued by or on behalf of the Issuer unless the Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation.

No AMTN will be registered in the name of more than four persons. AMTNs registered in the name of more than one person are held by those persons as joint tenants. AMTNs will be registered by name only, without reference to any trusteeship and an entry in the register in relation to an AMTN constitutes conclusive evidence that the person so entered is the registered owner of such AMTN, subject to rectification for fraud or error.

Upon a person acquiring title to any AMTNs by virtue of becoming registered as the owner of that AMTN, all rights and entitlements arising by virtue of the AMTN Trust Deed in respect of that AMTN vest absolutely in the registered owner of the AMTN, such that no person who has previously been registered as the owner of the AMTN has or is entitled to assert against the Issuer, the AMTN Trustee or the Australian Agent or the registered owner of the AMTN for the time being and from time to time any rights, benefits or entitlements in respect of the AMTN.

2. TRANSFERS OF REGISTERED NOTES

2.1 Transfers of Interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be exchangeable for Registered Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee for Euroclear or Clearstream, Luxembourg shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of Euroclear or Clearstream, Luxembourg or to a successor of Euroclear or Clearstream, Luxembourg or such successor's nominee.

2.2 Transfers of Registered Notes (other than AMTNs) Generally

Registered Notes may not be exchanged for Bearer Notes and *vice versa*.

Upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, and subject to compliance with all applicable legal and regulatory restrictions, a Definitive Registered Note may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer:

(a) the holder or holders must:

  (i) surrender the Definitive Registered Note for registration of the transfer of the Definitive Registered Note (or the relevant part of the Definitive Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing; and

  (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent; and

(b) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request.

Any such transfer will be subject to such regulations as the Issuer, the Principal Paying Agent, the Trustee and the Registrar, may prescribe (such initial regulations being set out in Schedule 4 to the Agency Agreement), which may be changed by the Issuer with the prior written approval of the Registrar, the Principal Paying Agent and the Trustee. Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations) authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by mail to such address as the transferee may request, a new Definitive Registered Note of a like aggregate nominal amount to the Definitive Registered Note (or the relevant part of the Definitive Registered Note) transferred. In the case of the transfer of part only of a Definitive Registered Note, a new Definitive Registered Note in respect of the balance of the Definitive Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.3 Registration of Transfer upon Partial Redemption

In the event of a partial redemption of Notes under Condition 8, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

2.4 Transfers of AMTNs

AMTNs may be transferred in whole but not in part. Unless lodged in the clearing system operated by Austraclear Ltd (**Austraclear**), the AMTNs will be transferable by duly completed and (if applicable) stamped transfer and acceptance forms in the form specified by, and obtainable from, the Australian Agent or by any other manner approved by the Issuer and the Australian Agent. Each transfer and acceptance form must be accompanied by such evidence (if any) as the Australian Agent may require to prove the title of the transferor or the transferor's right to transfer the AMTNs and be signed by both the transferor and the transferee.

AMTNs may only be transferred within, to or from Australia if (i) the aggregate consideration payable by the transferee at the time of transfer is at least A$500,000 (or its equivalent in any other currency and, in either case, disregarding moneys lent by the transferor or its associates) or the offer or invitation giving rise to the transfer otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Corporations Act 2001 (Cth) (the **Corporations Act**), (ii) the transfer is not to a "retail client" for the purposes of section 761G of the Corporations Act, (iii) the transfer is in compliance with all applicable laws, regulations or directives (including, without limitation, in the case of a transfer to or from Australia, the laws of the jurisdiction in which the transfer takes place), and (iv) in the case of a transfer between persons outside Australia, if a transfer and acceptance form is signed outside Australia. A transfer to an unincorporated association is not permitted.

A person becoming entitled to an AMTN as a consequence of the death or bankruptcy of a Noteholder or of a vesting order or a person administering the estate of a Noteholder may, upon producing such evidence as to that entitlement or status as the Australian Agent considers sufficient, transfer such AMTN or, if so entitled, become registered as the holder of the AMTN.

Where the transferor executes a transfer of less than all of the AMTNs registered in its name, and the specific AMTNs to be transferred are not identified, the Australian Agent may register the transfer in respect of such of the AMTNs registered in the name of the transferor as the Australian Agent thinks fit, provided the aggregate nominal amount of the AMTNs registered as having been transferred equals the aggregate nominal amount of the AMTNs expressed to be transferred in the transfer.

2.5 Costs of Registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

2.6 Closed Periods

No Noteholder may require the transfer of a Registered Note to be registered during the period of:

(a) 15 days ending on (and including) the due date for redemption of, or payment of any Instalment Amount in respect of, that Note; and

(b) seven days ending on (and including) any Record Date (as defined in Condition 7.4).

2.7 Exchange of Registered Notes Generally

Holders of Definitive Registered Notes may exchange such Notes for interests in a Registered Global Note of the same type at any time.

2.8 No transfer to retail clients

No Notes (whether in bearer form or registered form) may be transferred to a "retail client" within the meaning of section 761G of the Corporations Act.

3. STATUS OF THE NOTES

The Notes and any related Receipts and Coupons are direct, unconditional, unsubordinated and secured obligations of the Issuer and rank *pari passu* without any preference among themselves and (save for certain obligations required to be preferred by law) in priority to all unsecured obligations of the Issuer, from time to time outstanding.

4. SECURITY AND NEGATIVE PLEDGE

4.1 Security

(a) The Trustee has for and on behalf of the Noteholders executed an accession certificate dated 27 October 2011 to accede to the Security Trust Deed as a Senior Secured Creditor pursuant to Clause 16.3 of the Security Trust Deed in order that the Notes be secured or guaranteed (as applicable) by each Security in accordance with and subject to the terms of the Security Trust Deed. The AMTN Trustee has for and on behalf of the holders of AMTNs executed an accession certificate dated 30 August 2017 to accede to the Security Trust Deed as a Senior Secured Creditor pursuant to Clause 16.3 of the Security Trust Deed in order that the AMTNs be secured or guaranteed (as applicable) by each Security in accordance with and subject to the terms of the Security Trust Deed.

(b) Each Security is governed by the laws of Victoria, Australia (other than the share mortgage dated 14 September 2007 granted by Transurban International Limited, which is governed by the laws of Bermuda) and has been given in favour of the Security Trustee which holds each such Security for a defined class of beneficiaries including the Noteholders (following accession by the Trustee or the AMTN Trustee, as the case may be, to the Security Trust Deed in the manner referred to in paragraph (a) above) in accordance with the Security Trust Deed.

(c) Subject to the provisions of the Security Trust Deed, each Security may only be enforced by the Security Trustee. The Security Trustee is only required to enforce the Security on receiving instructions from the requisite majority of Senior Creditors as more fully described in Condition 11.2, Condition 11.3 and the Security Trust Deed.

4.2 Negative Pledge

So long as any of the Notes remains outstanding (as defined in the Trust Deed), the Issuer will not create or have outstanding any mortgage, charge, lien, pledge or other security interest in addition to each Security described in the Security Trust Deed (each such additional mortgage, charge, lien, pledge or other security interest a **Relevant Security Interest**) upon, or with respect to, any part of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined below), unless the Issuer, in the case of the creation of a Relevant Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

(a) all amounts payable by it under the Notes, the Coupons and the Trust Deed (or under the AMTNs and the AMTN Trust Deed) are secured by the Relevant Security Interest equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee (or the AMTN Trustee, in the case of AMTNs) in its absolute discretion; or

(b) such other Relevant Security Interest or other arrangement (whether or not it includes the giving of a Relevant Security Interest) is provided either:

    (i) as the Trustee (or the AMTN Trustee, in the case of AMTNs) in its absolute discretion deems not materially less beneficial to the interests of the Noteholders; or

    (ii) as is approved by an Extraordinary Resolution (which is defined in the Trust Deed (or the AMTN Trust Deed, in the case of AMTNs) as a resolution duly passed by a majority of not less than three-fourths of the votes cast thereon) of the Noteholders.

For the purposes of these Conditions, **Relevant Indebtedness** means:

(A) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which are for the time being, or are intended to be, or are capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other securities market; and

(B) any guarantee or indemnity of such indebtedness referred to in (A) above.

5. REDENOMINATION

This Condition 5 does not apply to AMTNs.

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders but after prior consultation with the Trustee, on giving prior notice to the Paying Agents, the Transfer Agents and the Registrar (if applicable), Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Noteholders in accordance with Condition 15, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

(a) the Notes and the Receipts shall be deemed to be redenominated in euro in the denomination of euro 0.01 with a nominal amount for each Note and Receipt equal to the nominal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Principal Paying Agent and the Trustee (in the case of Bearer Notes) or the Registrar and the Trustee (in the case of Registered Notes), that the then market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;

(b) save to the extent that an Exchange Notice has been given in accordance with paragraph (d) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes held (or, as the case may be, in respect of which Coupons are presented for payment) by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;

(c) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Principal Paying Agent and the Trustee may approve) euro 0.01 and such other denominations as the Principal Paying Agent shall determine and notify to the Noteholders, provided that in respect of any Notes the applicable Final Terms for which provide for a minimum Specified Denomination in the Specified Currency which is equivalent to at least euro 100,000 and which are admitted to trading on a regulated market in the European Economic Area, such Notes shall be issued in the denomination of euro 100,000 and/or such higher amounts as the Issuer may determine and notify to the Noteholders and any remaining amounts less than euro 100,000 shall be redeemed by the Issuer and paid to the Noteholders in euro in accordance with Condition 7;

(d) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the **Exchange Notice**) that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New

euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Issuer may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;

(e) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;

(f) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated:

    (i) in the case of the Notes represented by a Global Note, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes represented by such Global Note; and

    (ii) in the case of definitive Notes, by applying the Rate of Interest to the Calculation Amount,

    and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding; and

(g) if the Notes are Floating Rate Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest.

For the purposes of the Conditions, the following expressions have the following meanings:

Established Rate means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Union regulations) into euro established by the Council of the European Union pursuant to Article 140 of the Treaty;

euro means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

Redenomination Date means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to Condition 5 above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union; and

Treaty means the Treaty on the Functioning of the European Union, as amended.

6. INTEREST

6.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date (or such earlier date as may be fixed for redemption in accordance with the Conditions).

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 6.1:

(a) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:

    (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

    (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

        (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

        (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;

(b) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360; and

(c) if "RBA Bond Basis" is specified in the applicable Final Terms, one divided by the number of Interest Payment Dates in a year (or where the Determination Period does not constitute an Interest Period, the actual number of days in the Determination Period divided by 365 (or, if any portion of the Determination Period falls in a leap year, the sum of:

(i) the actual number of days in that portion of the Determination Period falling in a leap year divided by 366; and

(ii) the actual number of days in that portion of the Determination Period falling in a non-leap year divided by 365)).

For the purposes of the Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on (but excluding) the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

6.2 Interest on Floating Rate Notes and Index Linked Interest Notes

(a) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in the Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 6.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply mutatis mutandis or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

For the purposes of these Conditions, **Business Day** means a day which is both:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Sydney, London and each Additional Business Centre specified in the applicable Final Terms; and

(b) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Notes

Where "ISDA Determination" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

(A) the Floating Rate Option is as specified in the applicable Final Terms;

(B) the Designated Maturity is a period specified in the applicable Final Terms; and

(C) the relevant Reset Date is either (a) if the applicable Floating Rate Option is based on the London interbank offered rate (**LIBOR**) or on the Euro-zone interbank offered rate (**EURIBOR**), the first day of that Interest Period or (b) in any other case, as specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

Where "Screen Rate Determination" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(iii) Linear Interpolation for Floating Rate Notes

Where "Linear Interpolation" is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

Applicable Maturity means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate and, (b) in relation to ISDA Determination, the Designated Maturity.

(iv) BBSW Rate Determination for Floating Rate Notes

Where "BBSW Rate Determination" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the BBSW Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this Condition 6.2(b)(iv), **BBSW Rate** for an Interest Period means the rate for prime bank eligible securities having a tenor closest to the Interest Period which is designated as the "AVG MID" on the Reuters Screen BBSW Page (or any designation which replaces that designation on that page, or any replacement page) at approximately 10.15 am (or such other time at which such rate customarily appears on that page) on the first day of that Interest Period. However, if such rate does not appear on the Reuters Screen BBSW Page (or any replacement page) by 10.30 am on that day (or such other time that is 15 minutes after the then prevailing time), or if it does appear but the Australian Agent determines that there is an obvious error in that rate, **BBSW Rate** means the rate determined by the

Australian Agent having regard to comparable indices then available. The rate calculated or determined by the Australian Agent will be expressed as a percentage rate per annum and will be rounded up, if necessary, to the next higher one ten-thousandth of a percentage point (0.0001 per cent.).

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and calculation of Interest Amounts

The Principal Paying Agent or (in the case of AMTNs) the Australian Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Principal Paying Agent or (in the case of AMTNs) the Australian Agent or the Calculation Agent (as the case may be) will calculate the amount of interest (the **Interest Amount**) payable in respect of each Specified Denomination on the Floating Rate Notes or Index Linked Interest Notes respectively, for the relevant Interest Period by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 6.2:

(i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(iii) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

Day Count Fraction =

$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

Day Count Fraction =

$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30;

(vii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

Day Count Fraction =

$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30.

(e) Notification of Rate of Interest and Interest Amounts

The Principal Paying Agent or, in the case of AMTNs, the Australian Agent, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee or, in the case of AMTNs, the AMTN Trustee, and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 15 as soon as possible after their determination but in no event later than the fourth Sydney Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 15. For the purposes of this paragraph, the expression **Sydney Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in Sydney.

(f) Determination or Calculation by agent appointed by Trustee or AMTN Trustee

If for any reason at any relevant time the Principal Paying Agent or, in the case of AMTNs, the Australian Agent or, as the case may be, the Calculation Agent defaults in its obligation to determine the Rate of Interest or the Principal Paying Agent or, in the case of AMTNs, the Australian Agent defaults in its obligation to calculate any Interest Amount in accordance with Conditions 6.2(b)(i), 6.2(b)(ii), 6.2(b)(iii) or 6.2(b)(iv) above or as otherwise specified in the applicable Final Terms, as the case may be, and in each case in accordance with Condition 6.2(d) above, the Trustee or, in the case of AMTNs, the AMTN Trustee, shall be entitled (but not obliged to), at the expense of the Issuer, appoint an agent on its behalf to determine the Rate of Interest at such rate as (having such regard as

it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms) it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Principal Paying Agent, the Australian Agent or the Calculation Agent, as applicable. Neither the Trustee nor the AMTN Trustee, as the case may be, shall be liable to make any such calculation itself or to monitor or supervise any such agent, and shall not be liable to the Noteholders, the Issuer or any other person for any calculation made by any agent appointed hereunder.

(g) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6.2, whether by the Principal Paying Agent or, in the case of AMTNs, the Australian Agent or, if applicable, the Calculation Agent, the Trustee or the AMTN Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Trustee, the AMTN Trustee, the Paying Agents, the Calculation Agent (if applicable), the Registrar, the Transfer Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Trustee, the AMTN Trustee, the Paying Agents, the Calculation Agent (if applicable), the Registrar or the Transfer Agents in connection with the exercise or non-exercise by any of them of their powers, duties and discretions pursuant to such provisions.

6.3 Interest on Dual Currency Interest Notes

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Final Terms.

6.4 Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

6.5 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) as provided in the Trust Deed or the AMTN Trust Deed, as the case may be.

7. PAYMENTS

7.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and

(b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9.

7.2 Presentation of Definitive Bearer Notes, Receipts and Coupons

Payments of principal in respect of Definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Bearer Notes, and payments of interest in respect of Definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, and its possessions and any other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of Definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Definitive Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Bearer Note to which it appertains. Receipts presented without the Definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof. Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 9) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any Definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Definitive Bearer Note.

7.3 Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Bearer Notes represented by any Bearer Global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Bearer Notes or otherwise in the manner specified in the relevant Bearer Global Note against presentation or surrender, as the case may be, of such Bearer Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made on such Bearer Global Note by the Paying Agent to which it was presented.

7.4 Payments in respect of Registered Notes (other than AMTNs)

This Condition 7.4 does not apply to AMTNs.

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business and a day on which it is a business day in Sydney and London) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account (as defined below) or (ii) the nominal amount of the Notes held by a holder is less than U.S.$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not a Registered Global Note) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the Business Day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a weekday (being Monday to Friday, inclusive, but excluding 25 December and 1 January) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a Business Day) before the relevant due date (the **Record Date**) at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest or payment of an instalment in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to

relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the nominal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

None of the Issuer, the Trustee, the Registrar, any Transfer Agent or any Paying Agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

7.5 General provisions applicable to payments

This Condition 7.5 does not apply to AMTNs.

The holder of a Global Note (or as provided in the Trust Deed, the Trustee) shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note (or the Trustee, as the case may be) in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Bearer Notes will be made at the specified office of a Paying Agent in the United States if:

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

In the event a Note is in definitive form and payment in respect of such Note cannot be made in accordance with this Condition 7 because appropriate account details have not been provided by the payee, the Issuer shall have no obligation to make the payment until the Paying Agent has received such details together with a claim for payment and evidence to such Paying Agent's satisfaction of the entitlement of the payee. No interest or other amount will be payable in respect of any delay in payment caused by the failure of a payee to provide appropriate account details.

7.6 Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 10) is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

  (i) in the case of Notes in definitive form only, the relevant place of presentation; and

  (ii) each Additional Financial Centre specified in the applicable Final Terms; and

(b) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

7.7 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 9 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed or, in the case of AMTNs, the AMTN Trust Deed;

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes;

(e) in relation to Notes redeemable in instalments, the Instalment Amounts;

(f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 8.5); and

(g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed or, in the case of AMTNs, the AMTN Trust Deed.

7.8 Payments in respect of AMTNs

The Australian Agent will act (through its office in Sydney) as paying agent for AMTNs pursuant to the Australian Agency Agreement and:

(a) if the AMTNs are in the clearing system (the **Austraclear System**) operated by Austraclear, by crediting on the relevant Interest Payment Date or Maturity Date (as the case may be) the amount then due to the account (held with a bank in Australia) of Austraclear in accordance with the rules and regulations known as the **Austraclear System Regulations** established by Austraclear (as amended or replaced from time to time) to govern the use of the Austraclear System;

(b) if the AMTNs are not in the Austraclear System, by crediting on the Interest Payment Date or Maturity Date (as the case may be), the amount then due to an account (held with a bank in Australia) previously notified in writing by the holder of the AMTN to the Issuer and the Australian Agent.

If a payment in respect of the AMTN is prohibited by law from being made in Australia, such payment will be made in an international financial center for the account of the relevant payee, and on the basis that the relevant amounts are paid in immediately available funds, freely transferrable at the order of the payee.

For the purposes of this Condition 7.8, in relation to AMTNs, **Business Day** has the meaning given in the Australian Agency Agreement.

Payments of principal and interest will be made in Sydney in Australian dollars to the persons registered at the close of business in Sydney on the relevant Record Date (as defined below) as the holders of such AMTNs, subject in all cases to normal banking practice and all applicable laws and regulations. Payment will be made by cheques drawn on the Sydney branch of an Australian bank dispatched by post on the relevant payment date at the risk of the Noteholder or, at the option of the Noteholder, by the Australian Agent giving in Sydney irrevocable instructions for the effecting of a transfer of the relevant funds to an Australian dollar account in Australia specified by the Noteholder to the Australian Agent (or in any other manner in Sydney which the Australian Agent and the Noteholder agree).

In the case of payments made by electronic transfer, payments will for all purposes be taken to be made when the Australian Agent gives irrevocable instructions in Sydney for the making of the relevant payment by electronic transfer, being instructions which would be reasonably expected to result, in the ordinary course of banking business, in the funds transferred reaching the account of the Noteholder on the same day as the day on which the instructions are given.

If an electronic transfer or a cheque posted for which irrevocable instructions have been given by the Australian Agent is shown, to the satisfaction of the Australian Agent, not to have reached the Noteholder and the Australian Agent is able to recover the relevant funds, the Australian Agent may make such other arrangements as it thinks fit for the effecting of the payment in Sydney.

Interest will be calculated in the manner specified in Condition 6 and will be payable to the persons who are registered as Noteholders at the close of business in Sydney on the relevant Record Date and cheques will be made payable to the Noteholder (or, in the case of joint Noteholders, to the first-named) and sent to their registered address, unless instructions to the contrary are given by the Noteholder (or, in the case of joint Noteholders, by all the Noteholders) in such form as may be prescribed by the Australian Agent. Payments of principal will be made to, or to the order of, the persons who are registered as Noteholders at the close of business in Sydney on the relevant Record Date, subject, if so directed by the Australian Agent, to receipt from them of such instructions as the Australian Agent may require.

If any day for payment in respect of any AMTN is not a Business Day, such payment shall not be made until the next day which is a Business Day, and no further interest shall be paid in respect of the delay in such payment.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto. Neither the Issuer nor the Australian Agent shall be liable to any Noteholder or other person for any commissions, costs, losses or expenses in relation to or resulting from such payments.

In this Condition 7.8 in relation to AMTNs, **Record Date** means, in the case of payments of principal or interest, the close of business in Sydney on the date which is the eighth calendar day before the due date of the relevant payment of principal or interest.

8. REDEMPTION AND PURCHASE

8.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Index Linked Redemption Note and Dual Currency Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

8.2 Redemption for tax reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is neither a Floating Rate Note, an Index Linked Interest Note nor a Dual Currency Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note), on giving not less than 30 nor more than 60 days' notice to the Trustee and the Principal Paying Agent (in the case of Bearer Notes), the Trustee and the Registrar (in the case of Registered Notes) or the AMTN Trustee and the Australian Agent (in the case of AMTNs) and, in accordance with Condition 15, the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee or, in the case of AMTNs, the AMTN Trustee, by giving the certificate described below immediately before the giving of such notice that:

(a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 9) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

(b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 8.2, the Issuer shall deliver to the Trustee or, in the case of AMTNs, the AMTN Trustee, a certificate signed by two officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee or, in the case of AMTNs, the AMTN Trustee, shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

Notes redeemed pursuant to this Condition 8.2 will be redeemed at their Early Redemption Amount referred to in Condition 8.5 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

8.3 Redemption at the option of the Issuer (Issuer Call)

If "Issuer Call" is specified in the applicable Final Terms, the Issuer may, having given:

(a) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 15; and

(b) not less than five days before the giving of the notice referred to in (a) above, notice to the Trustee, the Principal Paying Agent and, in the case of a redemption of Registered Notes, the Registrar or, in the case of an AMTN, the AMTN Trustee and the Australian Agent;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes other than AMTNs, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 15 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 8.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 15 at least five days prior to the Selection Date. In the case of a particular redemption of AMTNs, the AMTNs to be redeemed must be specified in the notice and selected (i) in a fair and reasonable manner; and (ii) in compliance with any applicable law, directive or requirement of any stock exchange or other relevant authority on which the AMTNs are listed.

8.4 Redemption at the option of the Noteholders (Investor Put)

(a) If "Investor Put" is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 15 not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, subject to, and in accordance with, the terms specified in the applicable Final Terms, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. Registered Notes may be redeemed under this Condition 8.4 in any multiple of their lowest Specified Denomination. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

(b) To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes), the Registrar (in the case of Registered Notes) or the Australian Agent (in the case of AMTNs) at any time during normal business hours of such Paying Agent, the Registrar or the Australian Agent (as the case may be) falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent, the Registrar or the Australian Agent (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 8.4 and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent, subject to and in accordance with the provisions of Condition 2. If this Note is a Definitive Bearer Note, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

(c) If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent or the Registrar (as the case may be) of such exercise in accordance with the standard procedures of

Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Principal Paying Agent or Registrar (as the case may be) by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

(d) Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg by any Noteholder pursuant to this Condition 8.4 (*Redemption at the option of the Noteholders (Investor Put)*) shall be irrevocable except that any such notice given after the Issuer has given notice to redeem the Notes pursuant to Condition 8.2 (*Redemption for tax reasons*) or Condition 8.3 (*Redemption at the option of the Issuer (Issuer Call)*) shall be deemed not to be effective.

8.5 Early Redemption Amounts

For the purpose of Condition 8.2 above and Condition 11, each Note will be redeemed at its Early Redemption Amount calculated as follows:

(a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

(b) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or

(c) in the case of a Zero Coupon Note, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

Early Redemption Amount = $RP \times (1 + AY)^y$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Final Terms.

8.6 Instalments

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 8.5.

8.7 Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 8 and the applicable Final Terms.

8.8 Purchases

The Issuer, Transurban Collateral Security Pty Ltd as trustee of the Transurban Finance Trust — City Link or any of their respective Subsidiaries may at any time purchase Notes (provided that, in the case of Definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, resold or, in the case of the Issuer only, reissued, or at the option of any such purchaser, surrendered to any Paying Agent or the Registrar (as applicable) for cancellation.

8.9 Cancellation

All Notes which are redeemed will forthwith be cancelled (together, in the case of Definitive Bearer Notes, with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and surrendered for cancellation pursuant to Condition 8.8 above (together, in the case of Definitive Bearer Notes, with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent or, in the case of AMTNs, the Australian Agent (which shall notify the Registrar of such cancelled Notes in the case of Registered Notes) and cannot be reissued or resold.

8.10 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 8.1, 8.2, 8.3 or 8.4 above or upon its becoming due and repayable as provided in Condition 11 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 8.5(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Note has been received by the Principal Paying Agent or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 15.

9. TAXATION

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) presented for payment in the Commonwealth of Australia; or

(b) the holder of which is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or

(c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 7.6); or

(d) to the extent that the payee (i) is treated as a resident (for the purposes of the relevant double taxation agreement) in a jurisdiction having a double taxation agreement with the relevant jurisdiction of the payor giving complete exemption from taxes otherwise imposed by such jurisdiction on the payment and (ii) is not excluded from the benefit of such exemption; or

(e) where presented for payment by or on behalf of a holder who is an associate (as that term is defined in section 128F(9) of the Australian Tax Act) of the Issuer and the payment being sought is not, or will not be, exempt from Australian interest withholding tax because of section 128F(6) of the Australian Tax Act; or

(f) in respect of a payment to, or to a third party on behalf of, a holder who is a resident of Australia or a holder who is a non-resident of Australia carrying on business in Australia at or through a permanent establishment in Australia, in circumstances where such withholding or deduction would not have been required if the holder or any person acting on his behalf had provided to the Issuer an appropriate tax file number, Australian business number or details of an exemption from providing those numbers; or

(g) presented for payment or held by, or by a third party on behalf of, a holder who is a resident of Australia or a holder who is a non-resident of Australia carrying on business in Australia at or through a permanent establishment in Australia if, and to the extent that, section 126 of the Australian Tax Act (or any equivalent provision) requires the Issuer to pay income tax in respect of interest payable on such Note, Receipt or Coupon and the income tax would not be payable were the holder not a resident of Australia or a non-resident of Australia carrying on business in Australia at or through a permanent establishment in Australia.

Notwithstanding any other provision of these Conditions, any amounts to be paid on the Notes, Receipts and Coupons by or on behalf of the Issuer, will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the **Code**), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a **FATCA Withholding**). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

As used herein:

(i) **Tax Jurisdiction** means the Commonwealth of Australia or any political subdivision or any authority thereof or therein having power to tax;

(ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee, the AMTN Trustee, the Principal Paying Agent or the Australian Agent (as the case may be) on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 15; and

(iii) **Australian Tax Act** means the Income Tax Assessment Act 1936 of Australia.

10. PRESCRIPTION

The Notes, Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 9) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 10 or Condition 7.2 or any Talon which would be void pursuant to Condition 7.2.

11. EVENTS OF DEFAULT AND ENFORCEMENT

11.1 Events of Default

The Trustee or, in the case of AMTNs, the AMTN Trustee, at its discretion may, and if so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified, prefunded and/or secured to its satisfaction), (but in the case of the happening of any of the events described in paragraphs (b) and (f), only if the Trustee or the AMTN Trustee, as the case may be, shall have, acting upon the written request of holders of at least one-quarter in nominal amount of the Notes then outstanding or otherwise (and subject to being indemnified and/or secured and/or prefunded to its satisfaction), certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders, give notice in writing to the Issuer that each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed or, in the case of AMTNs, the AMTN Trust Deed, if any of the following events (each, subject in the case of paragraphs (b) and (f) below, to the giving of such certificate, an **Event of Default**) shall occur:

(a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest; or

(b) if the Issuer fails to perform or observe any of its other obligations under the Conditions, the Trust Deed (in the case of Notes other than AMTNs) or (in the case of AMTNs) the AMTN Trust Deed and (except in any case where, in the opinion of the Trustee or, in the case of AMTNs, the AMTN Trustee, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by a Noteholder, the Trustee or the AMTN Trustee on the Issuer of notice requiring the same to be remedied; or

(c) (i) any Indebtedness for Borrowed Money (as defined below) of any Security Provider (other than Indebtedness for Borrowed Money owed by a Security Provider to another member of the Transurban Group or Indebtedness for Borrowed Money owing under a Subordinated Finance Document) becomes due and repayable prematurely by reason of an event of default (however described); (ii) any Security Provider fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment after giving effect to any originally applicable grace period; or (iii) default is made by any Security Provider in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person, provided that no event falling within sub-paragraphs (i) to (iii) above shall constitute an Event of Default unless the relevant amount of the Indebtedness for Borrowed Money or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Indebtedness for Borrowed Money and other liabilities due and unpaid relative to all (if any) other events specified in sub-paragraphs (i) to (iii) above which occurred and are continuing shall amount to at least A$75,000,000 (or its equivalent in any other currency or currencies); or

(d) if any order is made by any competent court or resolution passed for the winding up or dissolution of any Security Provider, save for the purposes of reorganisation on terms previously approved in writing by the Trustee (or the AMTN Trustee in the case of AMTNs) or by an Extraordinary Resolution; or

(e) any final judgment (that is, one which has been conceded or which is either not able to be appealed or one in which an appeal may be made but the time to make an appeal has lapsed without such appeal) is enforced against any property of any Security Provider for an amount exceeding A$75,000,000 (or its equivalent in any other currency or currencies) and such judgment is not satisfied (other than by such enforcement), discharged or a stay of execution is not obtained, within 60 days; or

(f) if any of the Notes, or the Trust Deed or the AMTN Trust Deed as the case may be, is or becomes wholly or in a material part void, voidable or unenforceable or any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done by the Issuer in order to ensure that the respective obligations of the Issuer under the Notes, or the Trust Deed or the AMTN Trust Deed as the case may be, are valid, legally binding and enforceable is not taken, fulfilled or done, and in any case that situation is not remedied within 30 days following the service by the Trustee or, in the case of AMTNs, the AMTN Trustee, on the Issuer of notice requiring the same to be remedied; or

(g) if any Security Provider ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of (A) a reorganisation or (B) a voluntary amalgamation, restructuring, redomiciliation or transfer of jurisdiction of incorporation where such Security Provider is solvent, on terms previously approved (x) in writing by the Trustee or, in the case of AMTNs, the AMTN Trustee (such approval not to be unreasonably withheld or delayed, provided that any delay resulting from the Trustee or the AMTN Trustee, as the case may be, seeking the instruction of Noteholders (by way of Extraordinary Resolution or otherwise) in accordance with the terms of the Trust Deed or the AMTN Trust Deed as applicable, shall not constitute an unreasonable delay) or (y) by an Extraordinary Resolution, or a Security Provider, stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

(h) if (A) proceedings are initiated against a Security Provider under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to a Security Provider in relation to the whole or a substantial part of its undertaking or assets, or an encumbrancer takes possession of the whole or a substantial part of its undertaking or assets, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of its undertaking or assets and (B) in any case (other than the appointment of an administrator) is not discharged within 14 days; or

(i) if a Security Provider initiates or consents to judicial proceedings under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors), save for the purposes of (A) a reorganisation or (B) a voluntary amalgamation, restructuring, redomiciliation or transfer of jurisdiction of incorporation where such Security Provider is solvent, on terms previously approved (x) in writing by the Trustee or, in the case of AMTNs, the AMTN Trustee (such approval not to be unreasonably withheld or delayed, provided that any delay resulting from the Trustee or the AMTN Trustee, as the case may be, seeking the instruction of Noteholders (by way of Extraordinary Resolution or otherwise) in accordance with the terms of the Trust Deed or the AMTN Trust Deed as applicable, shall not constitute an unreasonable delay) or (y) by an Extraordinary Resolution; or

(j) if all or a substantial part of the assets of a Security Provider is seized or otherwise appropriated by, or custody thereof is assumed by any Government Agency or a Security Provider is otherwise prevented from exercising normal control over all or a material part of its assets or loses any of the rights or privileges necessary to maintain its existence or to carry on its business, unless such seizure, appropriation, assumption or custody or execution will not, or is not likely to, result in a Material Adverse Effect; or

(k) a Relevant Party Event of Default occurs and is not remedied within the period specified in Clause 12.9(a) of the Security Trust Deed following notice by the Security Trustee to that Relevant Party (each as defined in the Security Trust Deed) and is not waived by the Security Trustee in accordance with the Security Trust Deed; or

(l) (i) unless such Security is released in accordance with the terms of the Security Trust Deed, if any Security and/or the security interest created or purported to be created thereunder (a) ceases to be, or (b) is claimed by a Security Provider or any other party not to be, in full force and effect (otherwise than in accordance with such Security), and in the case of (a) only, the Security Provider is taking reasonable steps to perfect such Security or security interest but has failed to perfect such Security or security interest so within 90 days of the date that the Security Provider knew (or should reasonably have known) that such Security or security interest ceased to be in full force and effect;

(ii) the beneficiaries resolve to wind up or terminate the Transurban Finance Trust, or Finance Trust is required to wind up or terminate the Transurban Finance Trust under the Transurban Finance Trust Deed or applicable law, or the winding up or termination of the Transurban Finance Trust commences;

(iii) the Transurban Finance Trust is held or is conceded by Finance Trust not to have been constituted or to have been imperfectly constituted; or

(iv) Finance Trust ceases to be authorised under the Transurban Finance Trust Deed to hold the property of the Transurban Finance Trust in its name and to perform its obligations under any Relevant Note Document; or

(m) unless such Security is released in accordance with the terms of the Security Trust Deed, if in respect of any Security, any event, condition, regulatory action, sanction or fine occurs or is made or imposed and has, results in or causes a Material Adverse Effect on the value of the secured assets the subject of such Security; or

(n) if any event occurs which, under the laws of any relevant jurisdiction, has or may have, in the Trustee's opinion or, in the case of AMTNs, the AMTN Trustee's opinion, an analogous effect to any of the events referred to in paragraphs (c) to (m) above.

11.2 Enforcement

(a) The Trustee or, in the case of AMTNs, the AMTN Trustee, may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit (subject always to the provisions of the Security Trust Deed) to enforce the provisions of the Trust Deed or the AMTN Trust Deed as applicable, the Notes, the Receipts and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the AMTN Trust Deed, the Notes, the Receipts or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

(b) At any time in which the Securities shall become enforceable, the Trustee or, in the case of AMTNs, the AMTN Trustee, may at its discretion and without notice, instruct the Security Trustee to take such proceedings against each Security Provider as it may think fit (subject always to the provisions of the Security Trust Deed) to enforce the provisions of each Security and the Security Trust Deed, but the Trustee shall not be bound to take any such proceedings or any other action in relation to the each Security and the Security Trust Deed unless (a) the Trustee or the AMTN Trustee, as the case may be, shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

(c) No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee or the AMTN Trustee, as the case may be, having become bound so to proceed, fails to do so within a reasonable period and the failure shall be continuing.

11.3 Directions following an Event of Default

(a) Subject to the Security Trust Deed, upon receipt from the Security Trustee of a request for a direction or confirmation in respect of the taking of any enforcement action by the Security Trustee which requires a direction of the Majority Secured Creditors under the Security Trust Deed, the Trustee must:

(i) without unreasonable delay notify the Noteholders in the manner set out in Condition 15 and seek directions or instructions from each Noteholder (whether by way of convening a meeting of all Noteholders in accordance with the Noteholder Meeting Provisions or otherwise) for the purpose of ascertaining whether that Noteholder directs (or votes) in favour of or against the taking of such action;

(ii) calculate the aggregate Exposure of Noteholders directing in favour of and against the approval, consent, determination or direction in question;

(iii) notify the Security Trustee for such purposes in accordance with those directions in the manner provided in the Security Trust Deed of the aggregate Exposure of Noteholders directing in favour of and against the approval, consent, determination or direction in question; and

(iv) take any other action required to be taken or in accordance with the directions of the Noteholders (in the form of an Extraordinary Resolution or otherwise in accordance with the Trust Deed or, in the case of AMTNs, the AMTN Trust Deed).

(b) Upon receipt from the Security Trustee of a request for a direction or confirmation in respect of any matter requiring the approval, consent or a determination or a direction of all of the Senior Secured Creditors or all the Secured Creditors in respect of any matter under the Security Trust Deed, the Trustee or, in the case of AMTNs, the AMTN Trustee must:

(i) without unreasonable delay notify the Noteholders in the manner set out in Condition 15 and seek directions or instructions from each Noteholder (whether by way of convening a meeting of all Noteholders in accordance with the Noteholder Meeting Provisions or otherwise) for the purpose of ascertaining whether that Noteholder directs or instructs (or votes) in favour of or against the approval, consent, determination or direction in question;

(ii) calculate the Exposure of Noteholders directing (or voting) in favour of and against the approval, consent determination or direction in question; and

(iii) notify the Security Trustee for such purposes, in accordance with those directions, in the manner provided in the Security Trust Deed of the aggregate Exposure (as defined in the Security Trust Deed) of the Noteholders directing or voting in favour of or against the approval, consent, determination or direction in question.

11.4 Definitions

For the purposes of the Conditions:

Accession Certificate means the accession certificate dated 27 October 2011 executed by the Trustee and the Security Trustee;

AMTN Accession Certificate means the accession certificate dated 30 August 2017 executed by the AMTN Trustee and the Security Trustee;

Arrangers means J.P. Morgan Securities plc (in respect of Notes other than AMTNs only) and J.P. Morgan Australia Limited (in respect of AMTNs only) and any successor, replacement or additional arranger appointed pursuant to the Programme Agreement;

CityLink Payment Directions Agreement has the meaning given to it in the Security Trust Deed;

Corporations Act means the Corporations Act 2001 (Cth);

Exposure means, in the case of a Noteholder, the amount that would be payable to the Noteholder if the Notes held by such Noteholder were redeemed at that time (or if such Notes have been redeemed, any amount which has become due to the Noteholder but has not been paid);

Extraordinary Resolution has the meaning given to it in the Noteholder Meeting Provisions;

Finance Debt has the meaning given to it in the Security Trust Deed;

Government Agency means any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity;

Holdings Trust has the meaning given to it in the Security Trust Deed;

Indebtedness for Borrowed Money means any indebtedness for money borrowed now or hereafter existing and any liabilities under any bond, note, bill, loan, stock or other security, in each case issued for cash or in respect of acceptance credit facilities or as consideration for assets or services, but excluding such liabilities incurred in relation to the acquisition of goods or services in the ordinary course of business of the person incurring such liabilities;

Majority Secured Creditors has the meaning given to it in the Security Trust Deed;

Material Adverse Effect means any thing which has a material adverse effect upon a Security Provider's ability to perform any of its material obligations under the Relevant Note Documents to which it is a party;

Noteholder Meeting Provisions means the provisions set out in Schedule 3 of the Trust Deed or the AMTN Trust Deed, as applicable;

Programme Agreement means the Amended and Restated Programme Agreement (as amended and/or supplemented and/or restated from time to time) dated 30 August 2017 and made between the Issuer, Finance Trust and the Arrangers;

Relevant Note Documents means the Trust Deed (in the case of Notes other than AMTNs), the AMTN Trust Deed (in the case of AMTNs), each Note, the Security Trust Deed and each Security;

Relevant Party has the meaning given to it in the Security Trust Deed;

Relevant Party Event of Default has the meaning given to it in the Security Trust Deed;

Secured Creditor has the meaning given to it in the Security Trust Deed;

Security has the meaning given to it in the Security Trust Deed;

Security Interest includes any mortgage, pledge, lien or charge or any security or preferential interest or arrangement of any kind and:

(a) anything which gives a creditor priority to other creditors with respect to any asset; and

(b) retention of title other than in the ordinary course of day-to-day trading and a deposit of money by way of security but it excludes a charge or lien arising in favour of a Government Agency by operation of statute unless there is default in payment of moneys secured by that charge or lien;

Security Provider means:

(a) the Issuer;

(b) Transurban Collateral Security Pty Ltd as trustee of the Transurban Finance Trust — City Link;

(c) Holdings Trust;

(d) THL;

(e) Transurban Limited;

(f) TIL;

(g) Transurban Collateral Security Pty Ltd (in its personal capacity); and

(h) any other security provider as defined in the Security Trust Deed;

Senior Secured Creditor has the meaning given to it in the Security Trust Deed;

Subordinated Finance Document has the meaning given to it in the Security Trust Deed;

Subscription Agreement means an agreement between the Issuer and one or more dealers for the issue by the Issuer and the subscription by those dealers of any Notes;

Subsidiary means, in relation to an entity, any company (i) in which such entity holds a majority of the voting rights or (ii) of which such entity is a member and has the right to appoint or remove a majority of the board of directors or (iii) of which such entity is a member and controls a majority of the voting rights, and includes any company which is a Subsidiary of a Subsidiary of such entity;

Transaction Documents means each of the Trust Deed, the AMTN Trust Deed (in the case of AMTNs), each Note, the Security Trust Deed, the Accession Certificate, each Security, the Programme Agreement, the Co-ordination Deed (as defined in the Security Trust Deed), each Final Terms, each Subscription Agreement, the Agency Agreement, the Australian Agency Agreement (in the case of AMTNs), the CityLink Payment Directions Agreement and any other instrument specified as such in a Final Terms;

Transurban Finance Trust means the Transurban Finance Trust — City Link; and

Transurban Finance Trust Deed means the Transurban Finance Trust — City Link Trust Deed dated 28 June 2002 between Transurban Collateral Security Pty Ltd and Transurban Infrastructure Management Ltd as responsible entity of the THT.

12. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent or the Registrar (as the case may be) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and the Principal Paying Agent or the Registrar (as the case may be) may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13. PAYING AGENTS

The names of the initial Paying Agents, the initial Registrar and the initial Transfer Agents and their initial specified offices are set out below.

The Issuer is entitled, with the prior written approval of the Trustee or, in the case of AMTNs, the AMTN Trustee, to vary or terminate the appointment of any Principal Paying Agent, Paying Agent, Registrar or Transfer Agent and/or appoint additional or other Paying Agents, Registrars or Transfer Agents and/or approve any change in the specified office through which any Agent acts, provided that:

(a) there will at all times be a Principal Paying Agent, a Transfer Agent and a Registrar or, in the case of AMTNs, an Australian Agent;

(b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent, which may be the Principal Paying Agent, a Transfer Agent and a Registrar, or in the case of AMTNs, the Australian Agent, with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and

(c) so long as any Notes are listed on the Singapore Exchange Securities Trading Limited (the **SGX-ST**) and the rules of the SGX-ST so require the Issuer shall appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that the Global Note is exchanged for definitive Notes. In addition, in the event that the Global Note is exchanged for definitive Notes, announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 7.5. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 15.

In acting under the Agency Agreement, the Paying Agents, the Registrar and the Transfer Agents or, in the case of AMTNs, in acting under the Australian Agency Agreement, the Australian Agent, act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee, or in the case of AMTNs, the AMTN Trustee, and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement and the Australian Agency Agreement each contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

14. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 10.

15. NOTICES

Notices required to be given to holders of Registered Notes pursuant to the Conditions will be deemed to be validly given if sent by first class mail or (if posted to an overseas address) by air mail to them (or the first named of joint holders) at their respective addresses as recorded in the Register and will be deemed to have been validly given on the third day after the date of such mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, a copy of such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Notices regarding AMTNs may also be published in a leading daily newspaper of general circulation in Australia. If so given, it is expected that such notices will be published in *The Australian Financial Review*. Any such notice will be deemed to have been given on the date of such publication.

All notices regarding the Bearer Notes required to be given pursuant to the Conditions will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in Asia. It is expected that any such publication in a newspaper will be made in the *Asian Wall Street Journal*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been

given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such mailing or publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes), the Registrar (in the case of Registered Notes) or the Australian Agent (in the case of AMTNs). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

Receiptholders and Couponholders will be deemed for all purposes to have notice of the contents of any notice given to Noteholders in accordance with this Condition 15.

16. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

16.1 Trust Deed

The Trust Deed and the AMTN Trust Deed each contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Conditions, the Notes, the Receipts, the Coupons or any of the provisions of the Trust Deed or the AMTN Trust Deed, as the case may be. Such a meeting may be convened by the Issuer or (in the case of Notes other than AMTNs) the Trustee or (in the case of AMTNs) the AMTN Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than ten per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Conditions, the Notes, the Receipts or the Coupons or (in the case of Notes other than AMTNs) the Trust Deed or (in the case of AMTNs) the AMTN Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons or modifying the provisions concerning the quorum required at any meeting of the Noteholders or the majority required to pass an Extraordinary Resolution), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution in writing or passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at any meeting, and whether or not they voted on the resolution and on all Receiptholders and Couponholders.

Each of the Trust Deed and the AMTN Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

The Trustee or, in the case of AMTNs, the AMTN Trustee, may agree, without the consent or sanction of the Noteholders, Receiptholders or Couponholders, at any time, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, and without prejudice to its rights in respect of any subsequent breach any of the provisions of the Notes or the Trust Deed or the AMTN Trust Deed as applicable, or determine, without any such consent as aforesaid, that any Event of Default or potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee or, in the case of AMTNs, the AMTN Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid, to any modification to the Transaction Documents which is of a formal, minor or technical nature or to correct a manifest error or an error which, in the opinion of the Trustee or, in the case of AMTNs, the AMTN Trustee, is proven or to comply with mandatory provisions of law. Any such waiver, authorisation or modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such waiver, authorisation or modification shall be notified to the Noteholders in accordance with Condition 15 as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee or, in the case of AMTNs, the AMTN Trustee, shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee or, in the case of AMTNs, the AMTN Trustee, shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Trustee, the AMTN Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 9 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 9 pursuant to the Trust Deed or the AMTN Trust Deed, as applicable.

The Trustee or, in the case of AMTNs, the AMTN Trustee, may (but is not obliged to), without the consent of the Noteholders, at any time, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition 16) as the principal debtor under the Notes, the Receipts, the Coupons and the Trust Deed or the AMTN Trust Deed, as applicable, of any entity (including, without limitation, a special purpose company), subject to (a) each Security securing the obligations of the Issuer under the Relevant Note Documents continuing to secure the obligations of the substitute entity following such substitution, (b) the Trustee, or in the case of AMTNs, the AMTN Trustee, being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution and (c) certain other conditions set out in the Trust Deed or the AMTN Trust Deed, as applicable, being complied with.

16.2 Consent to amend voting provisions in the Security Trust Deed

In the event that the Issuer pursues a process to amend the Security Trust Deed at a future time to modify certain of the voting provisions across and among various creditor groups, each holder of a Note, at such future time, shall be deemed to have consented to, and will be taken to have unconditionally and irrevocably instructed the Trustee to instruct the Security Trustee to, to make such amendments to the voting procedures under the Security Trust Deed. If and when these amendments are approved by all of the Transurban Group's other Secured Creditors, the effect of these amendments will be that (i) the Secured Creditors (or any class of them (if applicable)) under a particular finance document will vote as a block in respect of a decision under the Security Trust Deed (other than in respect of acceleration) and (ii) if a Secured Creditor fails to cast a vote on a particular decision or

a representative of certain Secured Creditors (for example, the Trustee) does not provide instructions within the time period specified by the Security Trustee (of at least 15 business days), such Secured Creditors (for example, the Noteholders) will be taken, for purposes of determining whether instructions have been given from all Secured Creditors or the requisite majority of the Secured Creditors (or any class of them (if applicable)) under the relevant finance document, to have an Exposure of nil and not to be Secured Creditors.

Pursuant to the terms of the Security Trust Deed, the amendments described above will come into full force and effect only if the Security Trustee obtains unanimous instructions from all Secured Creditors to make such amendments. The holders of Notes will not be deemed to have consented to the amendments at any time that an Event of Default has occurred and is continuing under the Trust Deed or the AMTN Trust Deed.

17. INDEMNIFICATION OF THE TRUSTEE AND THE AMTN TRUSTEE AND TRUSTEE AND AMTN TRUSTEE CONTRACTING WITH THE ISSUER

Each of the Trust Deed and the AMTN Trust Deed contains provisions for the indemnification of the Trustee or the AMTN Trustee, as the case may be, and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction.

Each of the Trust Deed and the AMTN Trust Deed also contains provisions pursuant to which the Trustee or the AMTN Trustee, as the case may be, is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, Receiptholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

18. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

19. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

20. GOVERNING LAW AND SUBMISSION TO JURISDICTION

20.1 Governing law

The Trust Deed, the Agency Agreement, the Notes (other than AMTNs), the Receipts, the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Notes (other than AMTNs), the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law. The AMTN Trust Deed and the AMTNs are governed by, and shall be construed in accordance with, the laws of the State of Victoria, Australia. The Australian Agency Agreement is governed by, and shall be construed in accordance with, the laws of the State of New South Wales, Australia. The Security Trust Deed and each Security are governed by, and shall be construed in accordance with, the laws of the State of Victoria, Australia.

20.2 Submission to jurisdiction

The Issuer irrevocably agrees, for the benefit of the Trustee, the Noteholders (other than the holders of AMTNs), the Receiptholders and the Couponholders, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, the Notes (other than AMTNs), the Receipts and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes (other than AMTNs), the Receipts and/or the Coupons) and accordingly submits irrevocably to the exclusive jurisdiction of the English courts.

The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum or otherwise. The Trustee, the Noteholders (other than the holders of AMTNs), the Receiptholders and the Couponholders may take any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with the Trust Deed, the Notes (other than AMTNs), the Receipts and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes (other than AMTNs), the Receipts and the Coupons) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

The Issuer irrevocably agrees, for the benefit of the AMTN Trustee and the holders of AMTNs, that the courts of Victoria, Australia and the courts of appeal from them are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the AMTN Trust Deed and/or the AMTNs and accordingly submits irrevocably to the non-exclusive jurisdiction of the Australian courts. The Issuer waives any objection to the courts of Victoria, Australia and the courts of appeal from them on the grounds that they are an inconvenient or inappropriate forum or otherwise. The AMTN Trustee and the holders of AMTNs may take any suit, action or proceedings (together referred to as **Australian Proceedings**) arising out of or in connection with the AMTN Trust Deed and the AMTNs against the Issuer in any other court of competent jurisdiction and concurrent Australian Proceedings in any number of jurisdictions.

20.3 Appointment of Process Agent

The Issuer irrevocably and unconditionally appoints Hackwood Secretaries Limited at its registered office at One Silk Street, London EC2Y 8HQ as its agent for service of process in England in respect of any Proceedings and undertakes that, in the event of Hackwood Secretaries Limited ceasing so to act or ceasing to be registered in England, it will appoint another person approved by the Trustee (such approval not to be unreasonably withheld) and as the Issuer may nominate in writing to the Trustee for the purpose of accepting service of process on its behalf in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

20.4 Other documents and the Security Providers

The Issuer and, where applicable, the other Security Providers have in the Trust Deed and the Agency Agreement submitted to the jurisdiction of the English and the State of Victoria, Australia courts and appointed an agent for service of process in England in terms substantially similar to those set out above. The Security Providers have in the Security Trust Deed submitted to the jurisdiction of the courts of the State of Victoria, Australia.

USE OF PROCEEDS

The Issuer will use the net proceeds from each issue of Notes in or towards the repayment of certain of its existing debt, assisting with funding its development pipeline and/or for other general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

SELECTED HISTORICAL FINANCIAL DATA

Selected historical financial information as at and for the years ended June 30, 2017, 2016, 2015, 2014 and 2013 has been presented in this Offering Circular. The selected historical consolidated financial information as at and for the years ended June 30, 2017 and 2016 has been derived from the audited consolidated financial statements of THL for the year ended June 30, 2017, and the summary historical consolidated financial information as at and for the year ended June 30, 2015 has been derived from the audited consolidated financial statements of THL for the year ended June 30, 2016, in each case, which were prepared in accordance with AAS and other authoritative pronouncements of the AASB and the Corporations Act and also comply with IFRS. We prepared our financial statements for the year ended June 30, 2017, 2016 and 2015 in accordance with AASB 10 and we have restated our financial statements for the comparative period for the year ended June 30, 2014 contained therein and set forth below in order to present our financial statements on a consistent basis for these periods. Accordingly, the audited consolidated financial statements of THL comprise consolidated financial information of each of THL, THT and TIL and their controlled entities. These consolidated financial statements have been presented on the basis that THL controls THT and TIL and their respective controlled entities.

The selected historical combined financial information as at and for the years ended June 30, 2013 set forth below has been derived from the audited combined financial statements of THL, which were prepared in accordance with AAS and other authoritative pronouncements of the AASB and the Corporations Act and also comply with IFRS. The audited combined financial statements of THL for these years comprise consolidated financial information of each of THL, THT and TIL and their controlled entities and have been prepared as an aggregation of the financial statements of each member of the Group and their controlled entities as if all entities operated together. They are therefore treated as a combined entity, notwithstanding that none of the entities control any of the others. The principles of consolidation have been applied in order to present the aggregated financial statements on a combined basis.

See "Financial information presentation—Effect of changes in accounting policy" for an explanation of the differences in presentation between the financial information as at and for the years ended June 30, 2017, 2016, 2015 and 2014 and as at and for the year ended June 30, 2013, respectively.

The selected financial information presented in this section "Selected historical financial data" should be read in conjunction with, and is qualified in its entirety by reference to, the audited consolidated financial statements of the Transurban Group and the accompanying notes for the relevant financial years.

You should read this selected historical financial information together with the sections of this Offering Circular titled "Financial information presentation" and "Operating and financial review" and our consolidated financial statements and related notes thereto.

Selected income statement data of THL

	Year ended June 30,					
	2017[1]	2017	2016[2]	2015[3][4]	2014[5]	2013[5]
	(US$ millions)	(A$ millions)	(A$ millions)	(A$ millions)	(A$ millions)	(A$ millions)
Revenue						
Toll revenue	1,599	2,083	1,870	1,611	963	847
Construction revenue	454	592	282	190	110	267
Other revenue	44	57	58	59	77	81
Total revenue	**2,097**	**2,732**	**2,210**	**1,860**	**1,150**	**1,195**
Expenses						
Employee benefits expense	(129)	(168)	(149)	(130)	(85)	(80)
Road operating costs	(257)	(335)	(309)	(243)	(135)	(125)
Construction costs	(454)	(592)	(282)	(185)	(105)	(256)
Transaction and integration costs[6][7]	(4)	(5)	(131)	(429)	(9)	—
Corporate and other expenses	(81)	(106)	(91)	(91)	(57)	(58)
Total expenses before depreciation, amortization and finance costs	**(925)**	**(1,206)**	**(962)**	**(1,078)**	**(391)**	**(519)**
Earnings before depreciation and amortization, net finance costs, equity accounted investments and income taxes	**1,172**	**1,526**	**1,248**	**782**	**759**	**676**
Depreciation and amortization expense	(482)	(628)	(584)	(551)	(330)	(312)
Finance income	48	63	46	68	131	108
Finance costs	(623)	(812)	(774)	(679)	(476)	(345)
Net finance costs	**(575)**	**(749)**	**(728)**	**(611)**	**(345)**	**(237)**
Share of net profits/(losses) of equity accounted investments	19	25	17	17	115	(10)
Profit/(loss) before income tax	**134**	**174**	**(47)**	**(363)**	**199**	**117**
Income tax (expense)/benefit	27	35	69	(10)	45	58
Profit/(loss) from continuing operations	**161**	**209**	**22**	**(373)**	**244**	**175**
Discontinued operation						
Profit from discontinued operation, net of tax	—	—	—	—	8	—
Profit/(loss) for the year	**161**	**209**	**22**	**(373)**	**252**	**175**
Profit/(loss) is attributable to:						
Ordinary equity holders of the stapled group	183	239	99	(182)	282	172
Non-controlling interests	(22)	(30)	77	(191)	(30)	3

(1) Australian dollars have been translated into U.S. dollars for the purposes of this presentation at the exchange rate of US$0.7676 per A$1.00, the noon buying rate on June 30, 2017.

(2) Reflects the acquisition of AirportlinkM7, which was consolidated in our FY2016 financial statements from April 1, 2016. Please see "Financial information presentation—Changes in the composition of the Transurban Group—Acquisition of AirportlinkM7."

(3) Reflects the acquisition of Transurban Queensland, which was consolidated in our FY2015 financial statements from July 2, 2015. Please see "Financial information presentation—Changes in the composition of the Transurban Group—Acquisition of Queensland Motorways Group (Transurban Queensland)."

(4) Please see "Financial information presentation—Effect of changes in accounting policy" for further information regarding the change to our accounting policy for FY2015.

(5) In this Offering Circular, certain revenue and expenses line items for FY2014 and FY2013 have been reclassified to be presented on a basis consistent with those line items in our financial statements for FY2017, FY2016 and FY2015. Please see "Financial information presentation—Certain reclassified financial information presentation."

(6) Transaction and integration costs were attributable to the acquisition of Queensland Motorways Group and in FY2015 consisted of A$384 million of stamp duty, A$23 million of other transaction fees and A$22 million of integration costs. Please see "Operating and financial review—Results of operations—Comparison of the year ended June 30, 2016 to the year ended June 30, 2015—Expenses—Transaction and integration costs."

(7) Transaction and integration costs in FY2016 were attributable to the Transurban Queensland acquisition of AirportlinkM7 and the continued integration of Transurban Queensland and consisted of A$108 million of stamp duty, A$10 million of other transaction fees and A$13 million of integration costs. Please see "Operating and financial review—Results of operations—Comparison of the year ended June 30, 2016 to the year ended June 30, 2015—Expenses—Transaction and integration costs."

Selected statement of financial position data of THL

	As at June 30,					
	2017[1]	2017	2016[2]	2015[3][4]	2014[5]	2013
	(US$ millions)	(A$ millions)	(A$ millions)	(A$ millions)	(A$ millions)	(A$ millions)
Current assets						
Cash and cash equivalents	758	988	834	1,249	2,879	259
Trade and other receivables	106	138	121	117	84	89
Held-to-maturity investments	121	157	—	—	—	—
Derivative financial instruments	—	—	—	4	—	1
Total current assets	**985**	**1,283**	**955**	**1,370**	**2,963**	**349**
Non-current assets						
Equity accounted investments	502	654	971	1,092	268	532
Held-to-maturity investments	450	586	369	165	945	863
Derivative financial instruments	63	82	121	82	16	10
Property, plant and equipment	251	327	268	249	226	180
Deferred tax assets	814	1,061	1,097	961	64	9
Intangible assets	14,838	19,330	19,259	17,320	10,386	8,129
Total non-current assets	**16,918**	**22,040**	**22,085**	**19,869**	**11,905**	**9,723**
Total assets	**17,903**	**23,323**	**23,040**	**21,239**	**14,868**	**10,072**
Liabilities						
Current liabilities						
Trade and other payables	266	347	410	340	181	106
Borrowings	675	880	405	628	721	438
Derivative financial instruments	4	5	17	4	35	7
Maintenance provision	76	99	94	82	77	44
Distribution provision	456	594	516	438	380	263
Other provisions	31	40	31	27	23	28
Other liabilities	134	174	132	116	76	72
Total current liabilities	**1,642**	**2,139**	**1,605**	**1,635**	**1,493**	**958**
Non-current liabilities						
Borrowings	9,877	12,868	12,468	11,471	6,077	4,499
Deferred tax liabilities	715	931	981	969	664	630
Maintenance provision	687	895	836	733	211	185
Other provisions	71	93	47	61	6	17
Derivative financial instruments	278	362	393	325	398	358
Other liabilities	175	228	252	49	57	60
Total non-current liabilities	**11,803**	**15,377**	**14,977**	**13,608**	**7,413**	**5,749**
Total liabilities	**13,445**	**17,516**	**16,582**	**15,243**	**8,906**	**6,707**
Net assets	**4,458**	**5,807**	**6,458**	**5,996**	**5,962**	**3,365**
Equity[5]						
Contributed equity	1,113	1,450	1,422	1,237	1,208	7,976
Reserves	(41)	(54)	(66)	(70)	(44)	(104)
Accumulated losses	(2,449)	(3,190)	(3,129)	(3,034)	(2,843)	(4,469)
Non-controlling interest — Stapled Group	4,828	6,289	6,808	6,636	7,383	(184)
Non-controlling interest — Other	1,007	1,312	1,423	1,227	258	146
Total equity	**4,458**	**5,807**	**6,458**	**5,996**	**5,962**	**3,365**

(1) Australian dollars have been translated into U.S. dollars for the purposes of this presentation at the exchange rate of US$0.7676 per A$1.00, the noon buying rate on June 30, 2017.

(2) Reflects the acquisition of AirportlinkM7, which was consolidated in our FY2016 financial statements from April 1, 2016. Please see "Financial information presentation—Changes in the composition of the Transurban Group—Acquisition of AirportlinkM7." The financial statements for the year ended June 30, 2016 included disclosure of the provisional fair values of the identifiable assets and liabilities of the AirportlinkM7 concession acquired on April 1, 2016. The fair values were provisional at June 30, 2016 due to the complexity of the valuation process. Subsequent to June 30, 2016, management has made revisions to the business combination accounting which have been reflected in the financial statements as if they had been made on the date of acquisition.

(3) Reflects the acquisition of Transurban Queensland, which was consolidated in our FY2015 financial statements from July 2, 2015. Please see "Financial information presentation—Changes in the composition of the Transurban Group—Acquisition of Queensland Motorways Group (Transurban Queensland)."

(4) Please see "Financial information presentation—Effect of changes in accounting policy" for further information regarding the change to our accounting policy for FY2015.

(5) The June 30, 2014 equity balances have been restated due to the change in accounting policy resulting from the adoption of AASB 10 *Consolidated financial statements*. For further information regarding the change in accounting policy and restatement, see "Financial information presentation—Effect of changes in accounting policy."

Selected statement of cash flows data of THL

	Year ended 30 June,					
	2017[1]	2017	2016[2]	2015[3][4]	2014	2013
	(US$ millions)	(A$ millions)	(A$ millions)	(A$ millions)	(A$ millions)	(A$ millions)
Cash flows from operating activities						
Receipts from customers	1,739	2,266	2,055	1,782	1,103	963
Payments to suppliers and employees	(521)	(679)	(624)	(574)	(379)	(353)
Payments for maintenance of intangible assets	(53)	(69)	(52)	(91)	(36)	(10)
Transaction and integration costs related to acquisitions	(87)	(113)	(23)	(429)	—	—
Other revenue	44	57	66	46	112	80
Interest received	21	27	31	79	68	58
Interest paid	(500)	(652)	(543)	(506)	(344)	(314)
Income taxes paid	—	—	—	(3)	(3)	(12)
Net cash inflow from operating activities	**643**	**837**	**910**	**304**	**521**	**412**
Cash flows from investing activities						
Payments for held-to-maturity investments, net of fees	(264)	(344)	(187)	(108)	(27)	(23)
Payments for equity accounted investments	—	—	—	(2)	(39)	(208)
Payments for intangible assets	(497)	(647)	(437)	(203)	(112)	(235)
Payments for property, plant and equipment	(101)	(131)	(78)	(77)	(73)	(17)
Distributions received from equity accounted investments	269	350	127	95	57	50
Payments for acquisition of subsidiaries, net of cash acquired	—	—	(1,869)	(6,397)	(709)	—
Net cash (outflow) from investing activities	**(593)**	**(772)**	**(2,444)**	**(6,692)**	**(903)**	**(433)**
Cash flows from financing activities						
Proceeds from equity issued to non-controlling interests	—	—	356	1,342	—	—
Proceeds from issues of stapled securities	—	—	1,006	—	2,696	100
Proceeds from borrowings (net of costs)	2,075	2,703	3,896	6,562	2,465	597
Payment for acquisition of non-controlling interest	—	—	—	(189)	—	(3)
Repayment of borrowings	(1,319)	(1,718)	(3,401)	(2,361)	(1,729)	(312)
Dividends and distributions paid to the Group's security holders	(615)	(801)	(689)	(570)	(419)	(411)
Distributions paid to non-controlling interests	(69)	(90)	(55)	(57)	(9)	(10)

	Year ended 30 June,					
	2017[1]	2017	2016[2]	2015[3][4]	2014	2013
	(US$ millions)	(A$ millions)	(A$ millions)	(A$ millions)	(A$ millions)	(A$ millions)
Net cash inflow/(outflow) from financing activities	**72**	**94**	**1,113**	**4,727**	**3,004**	**(39)**
Net increase/(decrease) in cash and cash equivalents	**122**	**159**	**(421)**	**(1,661)**	**2,622**	**(60)**
Cash and cash equivalents at the beginning of the year	640	834	1,249	2,879	259	318
Effects of exchange rate changes on cash and cash equivalents	(4)	(5)	6	31	(2)	1
Cash and cash equivalents at end of the year	**758**	**988**	**834**	**1,249**	**2,879**	**259**

(1) Australian dollars have been translated into U.S. dollars for the purposes of this presentation at the exchange rate of US$0.7676 per A$1.00, the noon buying rate on June 30, 2017.

(2) Reflects the acquisition of AirportlinkM7, which was consolidated in our FY2016 financial statements from April 1, 2016. Please see "Financial information presentation—Changes in the composition of the Transurban Group—Acquisition of AirportlinkM7."

(3) Reflects the acquisition of Transurban Queensland, which was consolidated in our FY2015 financial statements from July 2, 2015. Please see "Financial information presentation—Changes in the composition of the Transurban Group—Acquisition of Queensland Motorways Group (Transurban Queensland)."

(4) Please see "Financial information presentation—Effect of changes in accounting policy" for further information regarding the change to our accounting policy for FY2015.

Proportional Income Statement

Set out below is a summary of our proportional financial information for the financial years ended June 30, 2017, 2016, 2015, 2014 and 2013. We use proportional financial information, which reflects the contribution of individual assets in proportion to our equity interest in the asset, to assess the performance of our business. This method of presentation differs from the presentation of our statutory financial statements and is reconciled to the statutory financial statements in the audited consolidated financial statements of THL. See Note 2 "Segment information — Other segment information — Proportional income statement" to the audited consolidated financial statements of THL as at and for the financial years ended June 30, 2014 and 2013 and Note B4 "Segment information — Proportional income statement" to the audited consolidated financial statements of THL as at and for the financial years ended June 30, 2017, 2016 and 2015. The summary proportional financial information presented below for the financial years ended June 30, 2017, 2016, 2015 and 2014 has been derived from the audited consolidated financial statements of THL and for the financial years ended June 30, 2013 has been derived from the audited combined financial statements of THL.

The following table shows our ownership interest in our toll road assets (each of which is described in further detail in "Business") in each of the financial years ended June 30, 2017, 2016, 2015, 2014 and 2013. Our proportional results are based on the percentage of our ownership, as set out in the table below, for the respective financial year.

	Year ended June 30,				
	2017	**2016**	**2015**	**2014**	**2013**
CityLink	100%	100%	100%	100%	100%
Hills M2	100%	100%	100%	100%	100%
Lane Cove Tunnel	100%	100%	100%	100%	100%
Eastern Distributor	75.1%	75.1%	75.1%	75.1%	75.1%
M5 Motorway	50%	50%	50%	50%	50%
Westlink M7	50%	50%	50%	50%	50%
Cross City Tunnel	100%	100%	100%	0% to June 25, 2014 100% from (and including) June 26, 2014	—
Logan Motorway	62.5%	62.5%	62.5% from July 2, 2014	—	—
Gateway Motorway	62.5%	62.5%	62.5% from July 2, 2014	—	—
Clem7	62.5%	62.5%	62.5% from July 2, 2014	—	—
Go Between Bridge	62.5%	62.5%	62.5% from July 2, 2014	—	—
Legacy Way	62.5%	62.5%	62.5% from June 26, 2015	—	—
AirportlinkM7	62.5%	62.5% from April 1, 2016	—	—	—
495 Express Lanes	100%	100%	94% to June 28, 2015 100% from (and including) June 29, 2015	67.5% to April 11, 2014 77.5% to June 5, 2014 94% to June 30, 2014	67.5%
95 Express Lanes	100%	100%	77.5% to June 28, 2015 100% from (and including) June 29, 2015	67.5% to April 11, 2014 77.5% to June 30, 2014	67.5%
Pocahontas 895	0%	0%	0%	75% to May 14, 2014 0% to June 30, 2014	75%

Proportional EBITDA is one of the primary measures that we use to assess the operating performance of our business. Our Proportional EBITDA reflects the contribution from individual assets to our operating performance and we believe that Proportional EBITDA permits a meaningful analysis of the underlying performance of our assets. Proportional EBITDA is the aggregation of EBITDA from each of our toll road assets multiplied by our percentage ownership of each toll road asset, and also includes EBITDA from our corporate function. The EBITDA calculation derived from our statutory financial statements would not include the operating performance of the M5 Motorway or Westlink M7 (each of which are equity accounted in our statutory results).

We exclude specific significant items to reach an Underlying proportional EBITDA that, we consider, provides a more appropriate and meaningful analysis of performance on a comparative basis. These items reflect one-off, non-recurring items, both revenue and expenses, that will not contribute to our performance in future periods.

Proportional income statement of THL[1]

	Year ended 30 June,				
	2017	2016	2015	2014	2013
	(A$ millions)	(A$ millions)	(A$ millions)	(A$ millions)	(A$ millions)
Revenue					
Proportional toll revenue	2,153	1,946	1,656	1,185	1,043
Other revenue	58	60	70	47	81
Total proportional revenue	**2,211**	**2,006**	**1,726**	**1,232**	**1,124**
Underlying proportional EBITDA	1,629	1,480	1,289	934	828
Significant items	—	(82)[2]	(272)[3]	—	—
Proportional EBITDA	**1,629**	**1,398**	**1,017**	**934**	**828**

(1) Proportional toll revenue, Underlying proportional EBITDA and Proportional EBITDA are non-GAAP financial measures. See "Financial information presentation—Non-GAAP measures" for further information.

(2) Transaction and integration costs were attributable to the Transurban Queensland acquisition of AirportlinkM7 and the continued integration of Transurban Queensland and in FY2016, on a proportional basis consisted of A$67 million of stamp duty, A$6 million of other transaction fees and A$9 million of integration costs.

(3) Transaction and integration costs were attributable to the acquisition of Queensland Motorways Group and in FY2015, on a proportional basis consisted of A$240 million of stamp duty, A$18 million of other transaction fees and A$14 million of integration costs.

A reconciliation of our proportional revenue and proportional EBITDA to our revenue and EBITDA is provided below:

Reconciliation of proportional revenue and proportional EBITDA to revenue and EBITDA

	Year ended 30 June,				
	2017	2016	2015	2014	2013
	(A$ millions)	(A$ millions)	(A$ millions)	(A$ millions)	(A$ millions)
Total proportional revenue	**2,211**	**2,006**	**1,726**	**1,232**	**1,124**
Add:					
Revenue attributable to non-controlling interests	271	224	200	27	26
Construction revenue from road development activities	592	282	185	106	235
Business development revenue	—	—	—	35	30
Other	—	—	—	3	5
Less:					
Proportional revenue of non-100% owned equity accounted assets	(342)	(302)	(251)	(253)	(225)
Revenue	**2,732**	**2,210**	**1,860**	**1,150**	**1,195**
Proportional EBITDA	**1,629**	**1,398**	**1,017**	**934**	**828**
Add:					
EBITDA attributable to non-controlling interests	186	106	(21)	14	18
Less:					
Proportional EBITDA of non-100% owned equity accounted assets	(289)	(256)	(214)	(189)	(170)
EBITDA	**1,526**	**1,248**	**782**	**759**	**676**

Financial ratios and operating information of THL

Set forth below are the financial ratios that we use to monitor the performance of our business as at June 30, 2017, 2016, 2015, 2014 and 2013. See "Operating and financial review—Liquidity and capital resources—Senior Interest Coverage Ratio" for further information regarding how we calculate this financial ratio.

	As at June 30,				
	2017	2016[1][2]	2015[3][4][5]	2014[4]	2013
Gearing Ratio[6]	35.3%	33.3%	40.2%	36.4%	42.8%
Senior Interest Coverage Ratio	3.9x	4.3x	3.5x	2.9x	2.5x
Underlying proportional EBITDA (A$ millions)[7]	1,629	1,480	1,289	934	828
Underlying proportional EBITDA margin[7]	73.7%	73.8%	74.7%	75.8%	73.7%

(1) Excludes transaction and integration costs relating to the Transurban Queensland acquisition of AirportlinkM7 and the continued integration of Transurban Queensland in FY2016 and consisted of A$108 million of stamp duty, A$10 million of other transaction fees and A$13 million of integration costs.

(2) Reflects the acquisition of AirportlinkM7, which was consolidated in our FY2016 financial statements from April 1, 2016. Please see "Financial information presentation—Changes in the composition of the Transurban Group—Acquisition of AirportlinkM7."

(3) Reflects the acquisition of Transurban Queensland, which was consolidated in our FY2015 financial statements from July 2, 2015. Please see "Financial information presentation—Changes in the composition of the Transurban Group—Acquisition of Queensland Motorways Group (Transurban Queensland)."

(4) Please see "Financial information presentation—Effect of changes in accounting policy" for further information regarding the change to our accounting policy for FY2015.

(5) Excludes transaction and integration costs relating to the acquisition of Transurban Queensland in FY2015 of A$384 million of stamp duty, A$23 million of other transaction fees and A$22 million of integration costs.

(6) Calculated as Proportional debt (excluding letters of credit) divided by enterprise value. Enterprise value is calculated as Proportional debt plus our market capitalization. Our market capitalization as at June 30, 2017 is based on a closing security price of A$11.85 and 2,052 million securities on issue as at June 30, 2017. Proportional debt is a non-GAAP financial measure. See "Financial information presentation—Non-GAAP measures" for further information.

(7) Underlying proportional EBITDA and Underlying proportional EBITDA margin are non-GAAP financial measures. See "Financial information presentation—Non-GAAP measures" for further information.

THE ISSUER

Transurban Finance Company Pty Ltd (ABN 65 098 539 452), a company incorporated in Australia, is the Issuer of the Notes.

The Issuer, a wholly owned subsidiary of THL, is the Transurban Group's corporate funding vehicle. The only activities undertaken by the Issuer are the incurrence of external finance debt, the on-lending of that debt to other members of the Transurban Group and activities incidental to the foregoing.

The Issuer does not have any subsidiaries. The Issuer's Directors are Adam Watson, Vincent Vassallo and Julie Galligan. The Issuer's officers are its company secretaries, Amanda Street and Chris Murphy.

The Issuer's registered office is at Level 23, Tower One, Collins Square, 727 Collins Street, Docklands Victoria 3008, Australia, and the telephone number is + 61 3 8656 8900.

Overview

Transurban is a manager, developer and operator of urban toll road networks in Australia and North America.

We have ownership interests in the concessions for thirteen operational toll roads in the three largest cities in Australia: Sydney, Melbourne and Brisbane. We also own the concessions for two toll road assets in the Greater Washington Area in the United States. All of our toll roads are located in urban areas catering for essential commuting and freight traffic. Our Australian operations consist of wholly owned concessions for four operational toll roads (CityLink in Melbourne, Victoria, and Hills M2, Lane Cove Tunnel and Cross City Tunnel in Sydney, New South Wales) and partly-owned concessions for nine operational toll roads (Eastern Distributor, Westlink M7 and M5 Motorway in Sydney, New South Wales, and Gateway Motorway, Logan Motorway, Clem7, Go Between Bridge, Legacy Way and AirportlinkM7 in Brisbane, Queensland). Our United States operations consist of wholly owned concessions for two operational toll roads in the Washington, D.C. area: the 495 Express Lanes, which operate on a section of I-495, the major route circling Washington, D.C., and the 95 Express Lanes, which operate on a section of I-95. I-95 intersects with and connects to I-495 and is a major thoroughfare into Washington, D.C.

Our diversified portfolio consists of high-quality toll roads with long-dated concession lives that are integral pieces of transport infrastructure within the urban areas that they service. Our established assets have a history of strong cash flows and revenue growth and attractive EBITDA margins. Our Australian toll roads connect with either other toll roads in our portfolio of assets or major public roads to form the main integrated traffic network for that urban and surrounding area.

We operate each of our toll roads under a concession agreement with a government entity. The Concession Agreement is the principal contract governing the terms under which we construct (as applicable), manage, operate, maintain and collect tolls on the relevant toll road during the concession term. Our Concession Agreements are long-dated with a weighted average life of 29.7 years across our portfolio of assets (based on Proportional toll revenue as at June 30, 2017). For our Australian concession assets, other than for the M5 Motorway (the Concession Agreement for which expires in 9.4 years as at June 30, 2017), the remaining terms range between 17.5 and 48.0 years. The remaining term for each of our United States Concession Agreements is 70.5 years.

All of our Australian Concession Agreements have in-built tolling price uplift mechanisms. These price increase mechanisms are generally linked to a specified consumer price index and provide guaranteed pricing floors for the majority of our Australian toll roads. There are no pricing restrictions on the 95 Express Lanes or the 495 Express Lanes, where the toll prices are changed dynamically to manage traffic demand and flow on our tolled lanes. Upon the expiry of each Concession Agreement, we are required to transfer the toll road assets and infrastructure of the toll road to the relevant government entity in a good state of repair.

In FY2017, our Proportional toll revenue was A$2,153 million and Proportional EBITDA was A$1,629 million.

The following table lists the concessions for the toll roads in which we hold an interest as of June 30, 2017:

Australian Toll Road Concessions

Melbourne

Asset	Opening Date	Years to Expiry (as of June 30, 2017)	Length	Group Interest	% of FY2017 Proportional toll revenue[(1)(2)]	FY2017 Proportional toll revenue (A$ million)[(1)]
CityLink	August 1999[(4)]	17.5[(3)]	14 miles (22 km)	100%	31.9%	687

(1) Proportional toll revenue is a non-GAAP financial measure. See "Financial information presentation—Non-GAAP measures" for further information.

(2) FY2017 Proportional toll revenue includes A$3 million of toll revenue from our retail tolling business in New South Wales.

(3) Years to expiry includes any extension of the term subject to the successful completion of the relevant toll road project and/or other conditions set forth in the Concession Agreement.

(4) The Western Link section of CityLink opened to traffic in 1999. Tolling commenced and the tunnels opened in 2000.

Sydney

Asset	Opening Date	Years to Expiry (as of June 30, 2017)	Length	Group Interest	% of FY2017 Proportional toll revenue[(1)(2)]	FY2017 Proportional toll revenue (A$ million)[(1)]
Hills M2	May 1997	31.0[(3)]	13 miles (21 km)	100%	12.9%	277
Lane Cove Tunnel	March 2007	31.0[(3)]	2.4 miles (3.8 km)	100%	4.3%	93
Cross City Tunnel	August 2005	18.5	1.3 miles (2.1 km)	100%	2.9%	63
Eastern Distributor	December 1999	31.1	4 miles (6 km)	75.1%	4.7%	101
Westlink M7	December 2005	31.0[(3)]	25 miles (40 km)	50%	9.2%	199
M5 Motorway	August 1992	9.4	14 miles (22 km)	50%	6.3%	136

(1) Proportional toll revenue is a non-GAAP financial measure. See "Financial information presentation—Non-GAAP measures" for further information.

(2) FY2017 Proportional toll revenue includes an additional A$3 million of toll revenue from our retail tolling business in New South Wales.

(3) Years to expiry includes any extension of the term subject to the successful completion of the relevant toll road project and/or other conditions set forth in the Concession Agreement.

Brisbane

Asset	Opening Date	Years to Expiry (as of June 30, 2017)	Length	Group Interest	% of FY2017 Proportional toll revenue[(1)(2)]	FY2017 Proportional toll revenue (A$ million)[(1)]
Gateway Motorway	December 1986	34.5	14.4 miles (23.1 km)	62.5%	6.4%	137
Logan Motorway	December 1988	34.5	24.2 miles (38.7 km)	62.5%	5.3%	114
AirportlinkM7	July 2012	36.1	4.2 miles (6.7 km)	62.5%	3.3%	70
Clem7	March 2010	34.1	4.2 miles (6.8 km)	62.5%	1.5%	33
Legacy Way	June 2015	48.0	3.5 miles (5.7 km)	62.5%	1.1%	23
Go Between Bridge	July 2010	46.5	0.2 miles (0.3 km)	62.5%	0.4%	8

(1) Proportional toll revenue is a non-GAAP financial measure. See "Financial information presentation—Non-GAAP measures" for further information.

(2) FY2017 Proportional toll revenue includes A$3 million of toll revenue from our retail tolling business in New South Wales.

Greater Washington Area Toll Road Concessions

Greater Washington Area						
Asset	**Opening Date**	**Years to Expiry (as of June 30, 2017)**	**Length**	**Group Interest**	**% of FY2017 Proportional toll revenue[(1)(2)]**	**FY2017 Proportional toll revenue (A$ million)[(1)]**
495 Express Lanes	November 2012	70.5	13.7 miles (22 km)	100%	4.6%	98
95 Express Lanes	December 2014	70.5	29 miles (46.6 km)	100%	5.2%	111

(1) Proportional toll revenue is a non-GAAP financial measure. See "Financial information presentation—Non-GAAP measures" for further information.

(2) FY2017 Proportional toll revenue includes A$3 million of toll revenue from our retail tolling business in New South Wales.

We provide management and business support services to all of our toll roads, other than Westlink M7 and the M5 Motorway (which are governed by boards of directors in which we have a 50% voting interest).

All of our assets utilize full electronic tolling. We provide tolling services under a range of brands for all of our Australian assets except the M5 Motorway. Our brands include CityLink in Melbourne, Transurban Linkt (formerly Roam Express) and Roam in Sydney and go via in Brisbane. In the United States, we provide certain tolling services in conjunction with VDOT under the brand E-ZPass.

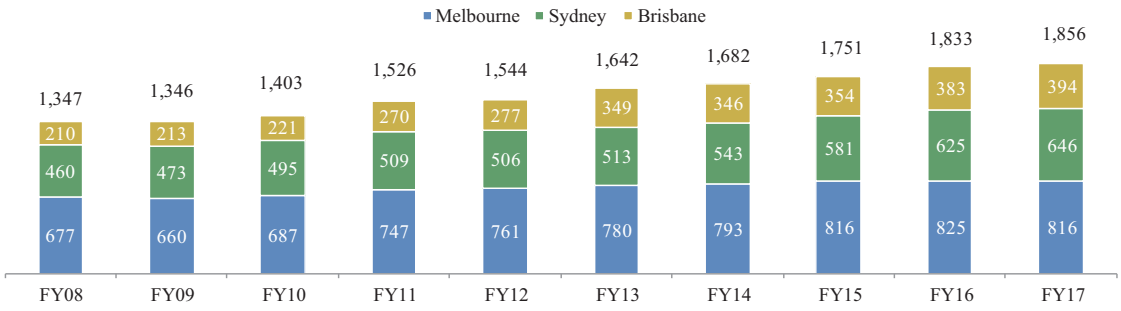
Traffic performance

We operate networks of toll roads that are integral to the movement of people and freight in and around the cities in which our networks are located. Key drivers of our earnings are traffic volumes and toll prices across our portfolio of assets, both of which have demonstrated strong underlying growth characteristics. Traffic volume increases occur organically (as traffic volumes are partially correlated with population and local GDP, among other factors) and as a result of area-specific growth and development. Traffic volumes on our roads have also increased following the completion of asset enhancement projects, such as road widening projects, that have improved capacity. Traffic volumes on the toll roads in our portfolio of assets have demonstrated strong resilience since they have opened, reflecting their strategic positioning.

In Australia, average daily traffic ("ADT") on our toll roads was 1.85 million in FY2017, representing an increase of 1.3% from 1.83 million in FY2016, and we carried approximately 678 million vehicles nationally. In FY2017, our Melbourne Network ADT (which was affected by works on the CityLink-Tulla Widening project) contracted by 1.0%, while our Sydney Network achieved ADT growth of 3.4% and our Brisbane Network achieved ADT growth of 2.8% (including AirportlinkM7 traffic prior to our ownership), in each case as compared to ADT in FY2016.

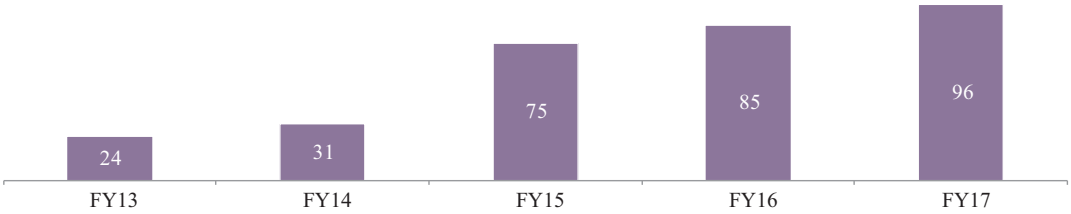
The charts below include ADT for each of the assets we currently own, including, in the case of assets that we acquired since June 30, 2008 that were already operating, traffic data for the period prior to our ownership.

Average daily traffic of Melbourne Network, Sydney Network and Brisbane Network (000's)



In the United States, our Greater Washington Area Network achieved ADT growth of 12.8% in FY2017 compared to FY2016.

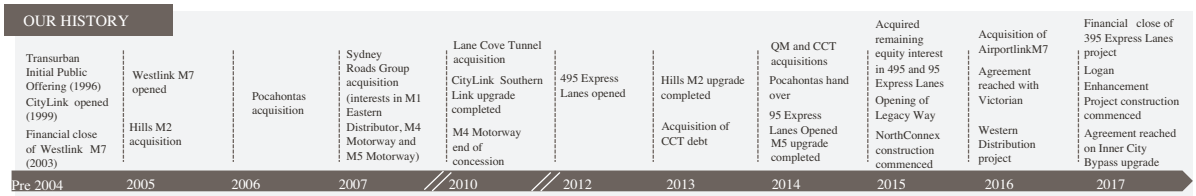
Average daily traffic of Greater Washington Area Network (000's)



History of Transurban

We have an 18 year operational track record, dating back to the opening of CityLink in Melbourne in 1999. We established operations in Sydney in 2003 and in the Greater Washington Area in the United States in 2006. We have been expanding our networks in each of these markets through a combination of development projects to expand the capacity of existing toll roads and acquisitions of new toll roads. In 2014, we entered the Brisbane market with the acquisition of an established network of toll roads through our acquisition of Queensland Motorways Group.

The diagram below illustrates (in calendar years) the expansion of our networks since the establishment of CityLink:



Competitive strengths

Diversified portfolio of high-quality toll road networks

We are the largest publicly listed toll road operator in Australia, with ownership interests in thirteen operational urban toll road assets in the three largest Australian cities: Sydney, Melbourne and Brisbane. We also own two toll road assets in the Greater Washington Area, in the United States. We have an 18 year operational track record, dating back to the opening of CityLink in Melbourne in 1999. Since that time, we have expanded our business footprint to create toll road networks in the cities where we operate.

Our Australian toll roads are located in urban areas servicing high-density population centers that exhibit attractive demographic characteristics relating to income, employment and population growth. These assets provide key commuter and freight transportation links in each of the urban areas in which

they are located. Our toll roads in the Greater Washington Area are located in one of the most congested road networks in the United States and attract traffic from high-income catchment areas around Washington, D.C. We believe that the location and nature of our toll roads have led to historically demonstrated traffic and revenue growth.

Our network position in each of the cities in which we operate provides us with the scope to enhance our portfolio of assets by allowing us to consider development and upgrade initiatives involving multiple assets in areas, including technology deployment, operations and maintenance activities and in developing proposals for new projects. We actively manage our toll road networks so that they operate safely, effectively and efficiently. To support this, we have a dedicated in-house team of transport network planners and traffic modeling experts responsible for developing network models for each of the cities in which we operate. This capability also enables us to assess how improvements to a specific road or surrounding road network would affect traffic and revenue, and therefore, to better plan for the network and its operation and to identify development opportunities. Our network positions provide us flexibility in negotiating with governments. This enables us to agree to undertake new developments in return for toll increases and concession extensions on other roads in the network, for example.

The scale of our operations and our toll road network positions also allow us to efficiently deliver new tolling technology, maintenance activities and customer management activities. We employ teams of engineers to oversee the operation and maintenance of our roads, with a focus on the safe and efficient performance of these assets over their lifetime. We undertake a wide range of activities, from maintenance of all aspects of the road infrastructure and technology systems, to incident management in the operations centers that monitor each of the toll roads.

Long-term Concession Agreements with embedded inflation protection

Our toll road concessions in Australia and the United States are long-dated, with a weighted average remaining concession life of 29.7 years (based on Proportional toll revenue as at June 30, 2017). Adjustments to extend the concession life and increase the toll price under our Concession Agreements have been central to our negotiations with our government partners to undertake further developments on our networks. For example, as well as delivering additional capacity, our upgrade of the Hills M2 toll road resulted in that asset's Concession Agreement being extended by four years and all tolls being increased by approximately 8%.

Our Australian Concession Agreements, which generated approximately 90% of our Proportional toll revenue in FY2017, have tolling price mechanisms that are subject to inflation-based escalation clauses. Such escalation mechanisms provide inflation protection for tolling revenues for the terms of the Concession Agreements and do not require government approval. In many instances, the Concession Agreements also set out a minimum amount by which the relevant toll prices can periodically escalate. In the United States, there are no pricing restrictions on the 95 Express Lanes or the 495 Express Lanes, where the toll prices are uncapped and changed dynamically to manage traffic demand and speed on our tolled lanes.

Experienced and trusted government partner

We have significant experience in working closely with various branches of governments to provide effective transport solutions that support the growth and development of the cities in which we operate. Since our establishment in 1995, we have delivered many successful projects under a Public Private Partnership model, including CityLink in Melbourne, Westlink M7 in Sydney, and 495 Express Lanes and 95 Express Lanes in the Greater Washington Area. We believe that our active engagement with our government partners, whereby we focus on the safe and efficient operations of our networks and continually monitor development opportunities for our networks to support the provision of a functional road network for local communities, positions us as a partner of choice for governments.

This has also enabled us to initiate and negotiate a number of recent projects with governments directly. For example:

- we approached the Victorian Government in early 2015 under its market-led proposals guideline with a proposal for the design, build, operation and finance of the West Gate Tunnel project (formerly known as the Western Distributor project). We are currently in exclusive negotiations with the Victorian Government to deliver the project and on April 2, 2017, we announced the preferred design for the project and that a joint venture comprising CPB Contractors and John Holland had been selected as the preferred constructor for the project. On May 29, 2017 the statutory planning approval process for the project commenced with public exhibition of the preferred design. See "—Toll roads—Australian assets—Melbourne Network—Melbourne Network developments—West Gate Tunnel" below for more information;

- on October 28, 2015, the Queensland Government announced that it would progress our proposal to deliver upgrades on the Logan Motorway and Gateway Extension Motorway. On November 23, 2016, we announced that the Queensland Government had approved our proposal to deliver the A$512 million project. The detailed design started in early 2017 and construction commenced in June 2017. See "—Toll roads—Australian assets—Brisbane Network—Brisbane Network developments—Logan Enhancement Project" below for more information;

- on April 3, 2017, we entered into an agreement with the Brisbane City Council under the government's innovative proposal regime for the delivery of the Inner City Bypass upgrade. See "—Toll roads—Australian assets—Brisbane Network—Brisbane Network developments—Inner City Bypass upgrade project" below for more information; and

- in November 2015, we announced an agreement with VDOT on a development framework to progress the 395 Express Lanes project, an extension to the 95 Express Lanes, which is a future development right with respect to the 395 Express Lanes project that is provided to us under the 95 Express Lanes Concession Agreement. On June 8, 2017, we entered into an amendment to the existing Comprehensive Agreement between 95 Express Lanes LLC and VDOT to allow for the design, development, construction, finance, and operation of the project. The 395 Express Lanes constitute an approximate 8 mile (12.8 km) extension to the 95 Express Lanes north to the border of Washington, D.C. Financial close of the 395 Express Lanes project occurred on July 25, 2017 and the 395 Express Lanes segment is expected to open to traffic in or around October 2019.

Proven technology platform

We believe that we provide leading tolling and operational technology to optimize our customers' experience, ensure appropriate customer management and revenue capture, maintain an efficient operation of our toll road networks and maximize our customers' safety.

We continue to develop our technology and data analytics capability to advance our transport network management and road user interfaces. We also evaluate the application of emerging technology where it can enhance our transport network and customer experience and help to minimize disruption on our networks.

Track record of successfully completing development projects

In line with our strategy, we actively seek to develop projects that establish and enhance our network positions, including opportunities to relieve existing traffic congestion through greenfield development and/or enhancement of our toll road networks. Our in-house team of transport network planners and traffic modeling experts is a key part of our ability to identify such development opportunities. We are then able to progress these proposals with the relevant government entities. For example, we have utilized this strategy and process on the Hills M2 upgrade, M5 Motorway widening project, NorthConnex project, the CityLink-Tulla Widening project and the West Gate Tunnel project (formerly known as the Western Distributor project).

We have successfully undertaken a number of major projects in recent years, including the Hills M2 upgrade, the M5 Motorway widening, the CityLink Southern Link upgrade and the development of 495 Express Lanes and 95 Express Lanes. We outsource construction to experienced and reputable contractors on such projects and seek to ensure that project risks sit with the party most appropriate to bear that risk. We also have our own in-house project delivery personnel that we supplement with external specialists to manage and provide oversight of each phase of project development and delivery and ensure that appropriate construction management systems and controls are in place.

Strong financial management with a highly experienced management team

We believe we conduct our operations within a strong financial framework underpinned by prudent financial risk management. We have undertaken a number of financing initiatives to assist us in achieving our business goals while maintaining a prudent approach to our financial position, including our strong investment grade metrics. For example, in December 2015, we completed an A$1.025 billion entitlement offer to fund our equity contribution to Transurban Queensland's acquisition of AirportlinkM7, as well as to repay corporate debt and fund future investment opportunities. We have also used equity to support our balance sheet for the acquisition of Transurban Queensland, the Lane Cove Tunnel, as well as broader capital funding requirements for growth projects, including the upgrades of the Hills M2 and M5 Motorways. We also utilize a non-underwritten dividend reinvestment program.

To manage our refinancing risk profile, we have extended our debt maturities at the corporate level from a weighted average of 4.0 years as at December 31, 2013 to 5.8 years as at June 30, 2017. We continue to diversify our debt funding sources, particularly in the debt capital markets, and have accessed the Australian, Euro, United States, Canadian, Norwegian and Swiss debt capital markets. Our senior secured debt is rated BBB+ by S&P, Baa1 by Moody's and A- by Fitch, each with a stable outlook.

We have a highly experienced senior executive team with functional expertise in their respective areas developed over many years. We have structured our operations to ensure the business is appropriately resourced and supported by our senior executive team. The business is supported by approximately 1,300 employees, as at June 30, 2017.

Business strategy

Our vision is to strengthen communities through transport

Our target markets are urban areas in the Eastern seaboard of Australia and North America. Our value proposition is to be the market leader in the sector, owning high-quality toll roads that can be integrated or developed into essential road networks that support urban infrastructure. We achieve this through our focus on being the partner of choice for our government clients, and through being an organization that consistently seeks to meet the needs of our customers. We are attracted to toll road networks with long-dated Concession Agreements that deliver consistent and predictable cash flows over their lifetimes. Our organic growth is derived from traffic growth and toll escalation, with our strong EBITDA margins underpinned by our ability to provide efficient services at scale across our portfolio of assets.

Establishing and enhancing our networks

Our focus is to provide road infrastructure in major urban areas that is essential to commuting and freight traffic. We believe that urban commuter networks deliver resilient traffic volumes over time. We also believe that the major urban areas in which we operate will continue to require expanded road infrastructure over time, which as the incumbent provider of toll roads, we are well-positioned to develop. We actively seek to establish and enhance our network positions and relieve existing traffic congestion through effective network planning and forecasting, selective brownfield development and enhancement of our toll road networks. We continuously seek to unlock additional value through the ongoing development of our portfolio of toll roads through further investment in the underlying assets and by leveraging our existing network positions.

To be the partner of choice for governments

We are committed to being the road infrastructure partner of choice for governments. To achieve this, we seek to provide effective transportation and funding solutions to support the growth, development and funding of new road developments that are complementary to our existing toll road networks. We do this through active management of our existing toll road networks, by engaging in the transportation policy debate in each jurisdiction in which we operate, and by seeking to provide governments with solutions that relieve traffic congestion.

Active engagement with our community stakeholders

Our business strategy is centered upon the provision of effective transport solutions that strengthen the communities that we serve. We interact with and survey the local community with respect to potential new projects and utilize our websites as portals for stakeholders to engage with us on our networks.

Pursue brownfield development and enhancements of our existing toll roads

We focus on developing our existing toll road assets and have a successful track record of expanding our portfolio of assets through brownfield developments. In the past, we have been able to negotiate extensions to the expiration date of our toll road Concession Agreements and, in some instances, modifications to the tolling regimes in return for the investment we have made in greenfield and brownfield developments. We seek to balance near term value (such as toll increases) with long-term value sources (such as concession extensions).

Undertake selective acquisitions of complementary toll road assets

We continue to evaluate acquisition opportunities where they meet our return hurdles and are aligned with our strategic focus on the provision of road networks in urban areas. All acquisitions must meet our strict investment criteria and are evaluated on this basis. Our experienced traffic modeling team forecasts traffic in extensive detail as part of any acquisition assessment and our teams of subject matter experts focus on appropriate due diligence. We consider a variety of metrics around discounted cash flows and distribution impacts, as well as the impact on our credit metrics, strategic fit and risk profile.

Focus on safety

Safety is our top priority and we have a range of measures in place to support the safety of motorists on our toll road networks and employees and contractors in our offices and sites.

We measure our safety performance in our workplaces and on our toll road networks. In FY2017 and FY2016, we achieved a lost-time injury frequency rate of our employees in our workplaces of 0.52 and 0.00, respectively.

Maintain our focus on technological innovation

We are committed to being a leader in toll road technology and maintain a strong focus on delivering ongoing improvements for our toll road users. We continue to develop and implement enhanced tolling technology, such as the technology that is deployed on our United States assets and our GLIDe tolling system, which is being progressively deployed across our Australian assets. In recent years, we have made significant technology-driven operational improvements to enhance customer safety on our roads and to allow us to respond to incidents quickly. These include innovations such as electronic speed and lane control, specialist tunnel safety systems and vehicle height, pedestrian and incidents detection systems.

Operational and customer management

Operational efficiency is an important part of our overall strategy and leverages our network strategy. We seek to achieve operational efficiency across our networks in the way we operate our assets. Cost savings based on economies of scale through national contracts, for instance in our procurement of e-TAGS (which are electronic devices within a vehicle that enable a customer's toll to be calculated), have helped drive cost savings across our networks. We continue to enhance the customer experience by increasing convenience and accessibility through expanding our customer services, which can be accessed from a variety of channels.

Markets we serve

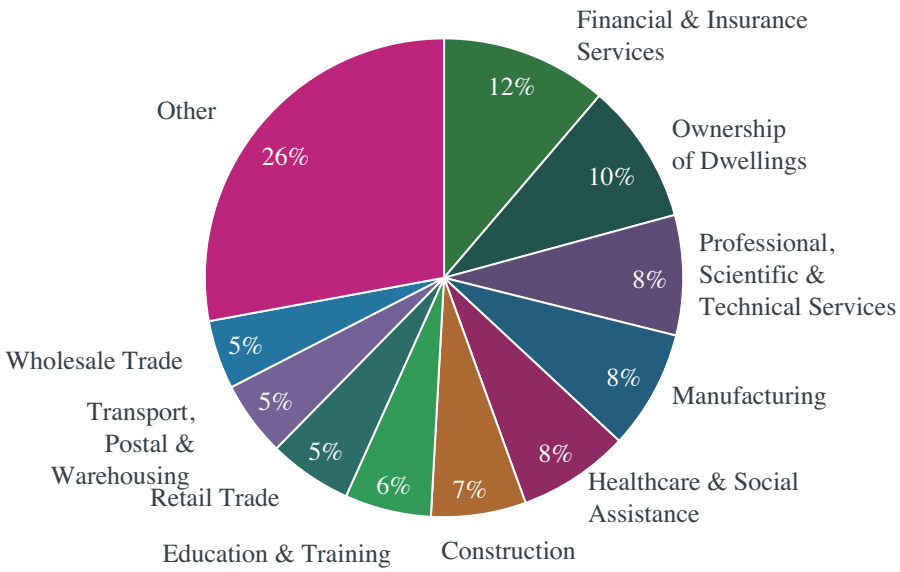
Our toll road networks are located in the three largest cities in Australia: Melbourne (Victoria), Sydney (New South Wales) and Brisbane (Queensland) and in the Greater Washington Area in the United States.

Victoria overview

Victoria is the second largest state in Australia by population and by Gross State Product ("GSP") for FY2016. The State of Victoria is rated "AAA" by S&P's and "Aaa" by Moody's. Victoria experienced GSP growth of 2.2% per annum from FY2006 to FY2016 and population growth of 1.9% per annum for the same period. For the year prior to June 30, 2016, Victoria recorded the highest population growth rate of all states and territories at 2.1%, bringing total population to 6.1 million. Melbourne is the capital city of Victoria and is Australia's second largest city by population (4.7 million as at June 30, 2016). The chart below illustrates the diversity of sectors contributing to Victoria's GSP for FY2016.

As at January 31, 2017, there were approximately 4.8 million registered motor vehicles in Victoria.

Victoria GSP by Sector (FY2016)[1]



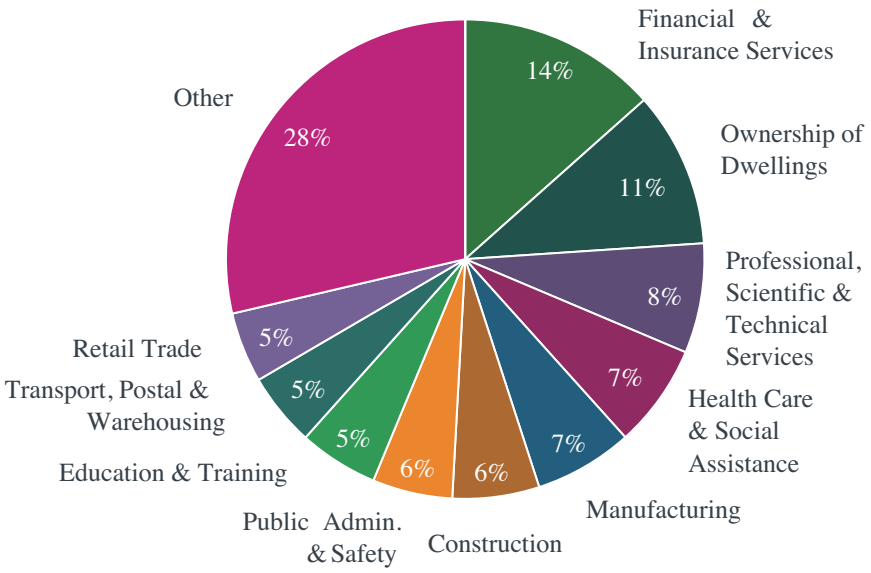
(1) Top 10 sectors shown, Australian Bureau of Statistics, catalogue 5220.0 National Accounts: State Accounts, 2015-2016.

New South Wales overview

New South Wales is the largest state in Australia by population and by GSP for FY2016. The State of New South Wales is rated "AAA" by S&P's and "Aaa" by Moody's. New South Wales experienced GSP growth of 2.2% per annum from FY2006 to FY2016 and population growth of 1.4% per annum for the same period. Total population in New South Wales was 7.7 million as at June 30, 2016. Sydney is the capital city of New South Wales and is Australia's largest city by population (5.0 million as at June 30, 2016). The chart below illustrates the diversity of sectors contributing to New South Wales' GSP for FY2016.

As at January 31, 2017, there were approximately 5.5 million registered motor vehicles in New South Wales.

New South Wales GSP by Sector (FY2016)(1)



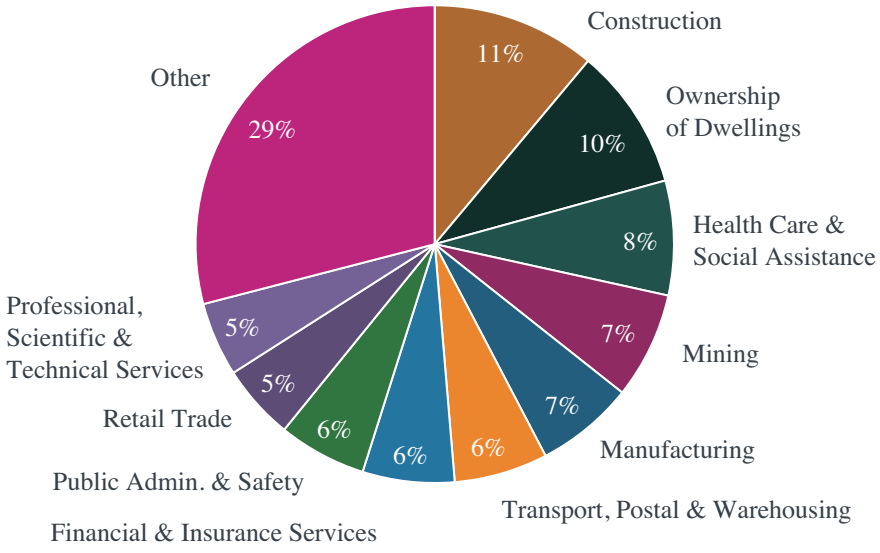
(1) Top 10 sectors shown, Australian Bureau of Statistics, catalogue 5220.0 National Accounts: State Accounts, 2015-2016.

Queensland overview

Queensland is the third largest state in Australia by population and by GSP for FY2016. The State of Queensland is rated "AA+" by S&P's, "Aa1" by Moody's and "AA" by Fitch. Queensland experienced GSP growth of 2.9% per annum from FY2006 to FY2016 and population growth of 1.8% per annum for the same period. Total population in Queensland was 4.8 million as at June 30, 2016. Brisbane is the capital city of Queensland and is Australia's third largest city by population (2.3 million as at June 30, 2016). The chart below illustrates the diversity of sectors contributing to Queensland's GSP by sector for FY2016.

As at January 31, 2017, there were approximately 3.9 million registered motor vehicles in Queensland.

Queensland GSP by Sector (FY2016)[1]



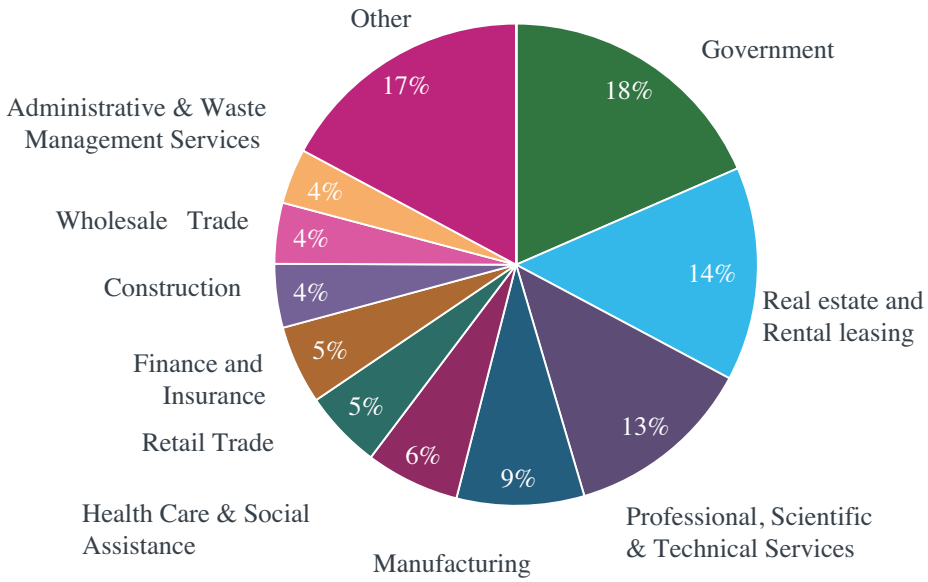
(1) Top 10 sectors shown, Australian Bureau of Statistics, catalogue 5220.0 National Accounts: State Accounts, 2015-2016.

Virginia overview

Virginia is the twelfth largest state in the United States by population and the twelfth largest state by GSP for the year ended December 31, 2016. The State of Virginia is rated "AAA" by S&P's, "Aaa" by Moody's and "AAA" by Fitch. Virginia experienced GSP growth of 2.7% per annum from the year ended December 31, 2006 to the year ended December 31, 2016, and population growth of 0.9% per annum for the same period. Total population in Virginia was estimated by the United States Census Bureau at 8.4 million as at July 1, 2016. The Washington Metro Area population was estimated by the United States Census Bureau at 6.1 million as at July 1, 2016. The chart below sets out Virginia's GSP by sector for the year ended December 31, 2016.

As at June 30, 2015, there were approximately 8.0 million registered motor vehicles in Virginia.

Virginia GSP by Sector (CY2016)[1]



(1) Top 10 sectors shown, U.S. Department of Commerce Bureau of Economic Analysis. Data for year ended 31 December 2016.

Toll roads

Australian assets

Melbourne Network

Our Melbourne Network comprises CityLink, which is wholly owned by us and is our largest single asset by toll revenue, representing 31.9% of Proportional Toll Revenue in FY 2017.

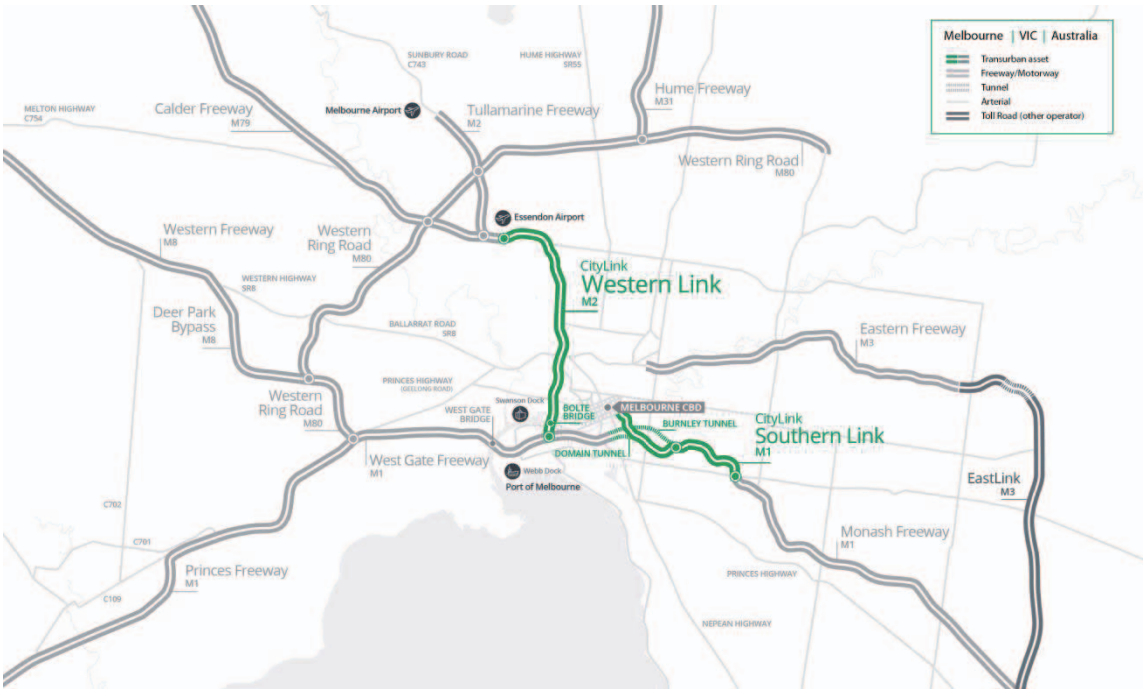
The table below sets out certain key operating and financial measures for our Melbourne Network[(1)]:

Historical	FY2017	FY2016	FY2015	CAGR (%)
Traffic (ADT[(2)]) ('000)	816	825	816	0.0
Proportional toll revenue (A$ millions)	687	660	615	5.7
Proportional EBITDA (A$ millions)	594	564	523	6.6
Proportional EBITDA margin (%)	86.5	85.5	85.0	n/a

(1) Proportional toll revenue, Proportional EBITDA and Proportional EBITDA margin are non-GAAP financial measures. See "Financial information presentation—Non-GAAP measures" for further information.

(2) Average Daily Transactions. See "Certain Definitions" for definition.

The map below illustrates the location of our Melbourne Network:



CityLink overview

CityLink was our first toll road, opening to traffic in August 1999. It is a 14 mile (22 km) toll road that connects three major urban motorways in Melbourne — the West Gate Freeway, the Tullamarine Freeway and the Monash Freeway, making it an essential component of Melbourne's transport infrastructure. CityLink connects Melbourne's manufacturing hubs and residential areas to the Melbourne CBD, Port of Melbourne (Australia's largest container and automotive port in 2016 as measured by TEU) and Melbourne Airport (Australia's second largest domestic and international airport in 2016 as measured by passenger numbers).

CityLink is made up of two links: (i) the Western Link, connecting Melbourne airport and northern suburbs to the Port of Melbourne and the Melbourne CBD and (ii) the Southern Link, connecting the Melbourne CBD and the western suburbs to the south eastern suburbs. Together with the government-owned connecting roads, CityLink is part of Melbourne's most important freight and commuter corridor.

CityLink contributed A$687 million of Proportional toll revenue and A$594 million of Proportional EBITDA for FY2017.

CityLink Concession

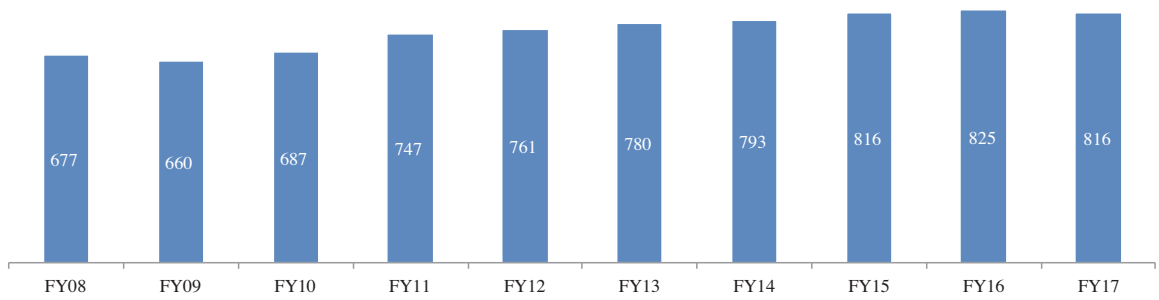
The CityLink Concessionaires are CityLink Melbourne Limited and the CityLink Trust (through its trustee, Transurban Infrastructure Management Limited) (together, the "CityLink Concessionaires"). We wholly own the CityLink Concessionaires. As at June 30, 2017, the CityLink Concession Agreement had a remaining concession term of 17.5 years, expiring in January 2035.

We provide management and tolling system services to the CityLink Concessionaires. FY2015 was the first full year in which we undertook direct management of the operations and incident response area of the business in respect of CityLink, which was previously performed by contractors. The CityLink Concession Agreement provides that CityLink toll increases are subject to a maximum annual aggregate increase of no greater than the annual CPI plus 2.5%. Subject to the maximum limit, until December 31, 2016, tolls can increase by the greater of the quarterly CPI or 1.011065% (which is equivalent to an annual escalation rate of 4.5%) and from January 1, 2017, tolls can increase quarterly by the quarterly CPI. Truck tolls multipliers for heavy commercial vehicles and light commercial vehicles remain as they currently are until April 2017, after which they will increase to become consistent with pricing for trucks on other Australian motorway networks. See "—Summary of Concession Agreements" below for additional information on the CityLink Concession Agreement.

CityLink traffic volumes

Since CityLink opened to traffic in August 1999, its traffic volumes have demonstrated consistent growth. During the period from FY2007 to FY2010, traffic was affected by the works on the Southern Link and associated feeder roads. After the completion of these works, between FY2010 and FY2016, traffic grew at a CAGR of 3.1%. During FY2017, traffic was affected by the works on the CityLink-Tulla Widening project resulting in a decline in Average Daily Transactions in FY2017 of 1.0%, to 816,374 from 824,502 in FY2016.

The following chart sets forth Average Daily Transactions for CityLink from FY2008 to FY2017 (in '000s):



Melbourne Network developments

CityLink-Tulla Widening project

We are undertaking a major upgrade to the Western Link section of CityLink to relieve current congestion, increase capacity and improve safety along the Tullamarine Freeway, CityLink and the West Gate Freeway. The project involves creating additional traffic lanes, modifying certain interchanges and introducing an electronic freeway management system. CityLink will add one additional traffic lane in each direction to Western Link from around Bulla Road through to the West

Gate Freeway, together with adding one additional traffic lane to the West Gate Freeway eastbound between the Bolte Bridge and Power Street. Concurrently with our works, the Victorian Government is also carrying out works on government roads that connect to CityLink by upgrading the Tullamarine Freeway, adding an additional traffic lane in each direction from the Melbourne Airport to CityLink and extending the electronic freeway management system. Together, the projects make upgrades across 24 km of freeway from Melbourne Airport to Power Street. The total project cost is estimated to be A$1.3 billion. Construction on the CityLink section of the project commenced in October 2015 and is expected to be completed by early 2018. Our contribution to the project cost is approximately A$1 billion, which includes a contribution to works to be undertaken by the Victorian Government to widen the Tullamarine Freeway to Melbourne Airport. Subject to completion, the project will result in:

- the CityLink Concession Agreement being extended by twelve months to January 2035;
- the existing minimum toll escalation regime being extended for one year to the dates described above; and
- an increase in truck tolls that took effect in April 2017 to be consistent with the pricing for trucks on other Australian motorway networks.

West Gate Tunnel

In early 2015, we submitted to the Victorian Government a proposal for the West Gate Tunnel project (formerly known as the Western Distributor project), which comprises three interrelated major projects:

- West Gate Tunnel—two additional traffic lanes in each direction on the West Gate Freeway from the M80 Interchange to Williamstown Road, a proposed tunnel and elevated motorway to connect the West Gate Freeway with the Port of Melbourne, CityLink and the Melbourne CBD, providing an alternate river crossing and easing pressure on the West Gate Bridge;
- Monash Freeway Upgrade—one additional traffic lane in each direction from EastLink to Clyde Road, and smart technologies to improve traffic flow from Warrigal Road to Koo Wee Rup Road. We are managing the construction of the Monash Freeway Upgrade that the contractor, Fulton Hogan, is undertaking on behalf of VicRoads. Construction commenced in September 2016 and is expected to be completed in 2018; and
- Webb Dock Access Improvements—upgrading Cook Street and the West Gate Freeway-to-Bolte Bridge ramp to complement VicRoads works already underway. These works are expected to improve safety and access from Webb Dock and are being delivered as part of the CityLink-Tulla Widening project. The CityLink-Tulla Widening project commenced mid FY2016 and is expected to be completed by the middle of FY2018.

On December 8, 2015, the Victorian Government announced that the project had progressed to Stage 4 of its market-led proposals guideline, which involves exclusive negotiations between us and the Victorian Government. On April 14, 2016, the Victorian Government confirmed that it had reached agreement with us on the key steps for the progression of the project through the community and stakeholder engagement, tender and planning stages.

On April 2, 2017, we announced the preferred design for the West Gate Tunnel project and that a joint venture comprising CPB Contractors and John Holland had been selected as the preferred constructor of the project. The project remains in Stage 4 (of 5 Stages, with financial close being the final Stage) of the Victorian Government's market-led proposals guidelines process. The design for the project is currently being assessed through an independent statutory planning approval process, with public exhibition of the design commencing on May 29, 2017. The project will remain subject to ongoing negotiations between us and the Victorian Government, and the statutory planning approval process for the project is one of a number of preconditions to the project proceeding. Subject to various conditions being met, we expect the contract for the project to be awarded in late 2017, with construction expected to commence shortly thereafter.

Initial cost estimates for the project are approximately A$5.5 billion. The Victorian Government has publicly committed to contribute up to A$2 billion to partially fund the project. The balance of the proposed funding structure includes tolls for motorists using the new tunnel, tolls for heavy vehicles using the upgraded West Gate Freeway/new tunnel corridor and an extension of the current CityLink Concession Agreement. The final details of the funding sources for the project remain subject to agreement with the Victorian Government. The majority of the capital expenditure for the project is not expected until major construction works commence on the West Gate Freeway/West Gate Tunnel corridor, which is scheduled to commence after the construction contract is awarded by the end of 2017 as currently expected. Assuming a contract is awarded by the end of 2017, the project is expected to achieve completion by 2022.

Sydney Network

Our Sydney Network comprises our ownership interest in the concessions for six operational toll roads: Hills M2, Lane Cove Tunnel, Cross City Tunnel, Eastern Distributor, Westlink M7 and M5 Motorway (collectively, the "Sydney Network"). We also have an interest in the concession for the NorthConnex project, which is currently under construction. Our Sydney Network forms part of the Sydney Orbital Network, the major ring road connecting the Sydney CBD to suburbs in the north, east, south and west of Sydney.

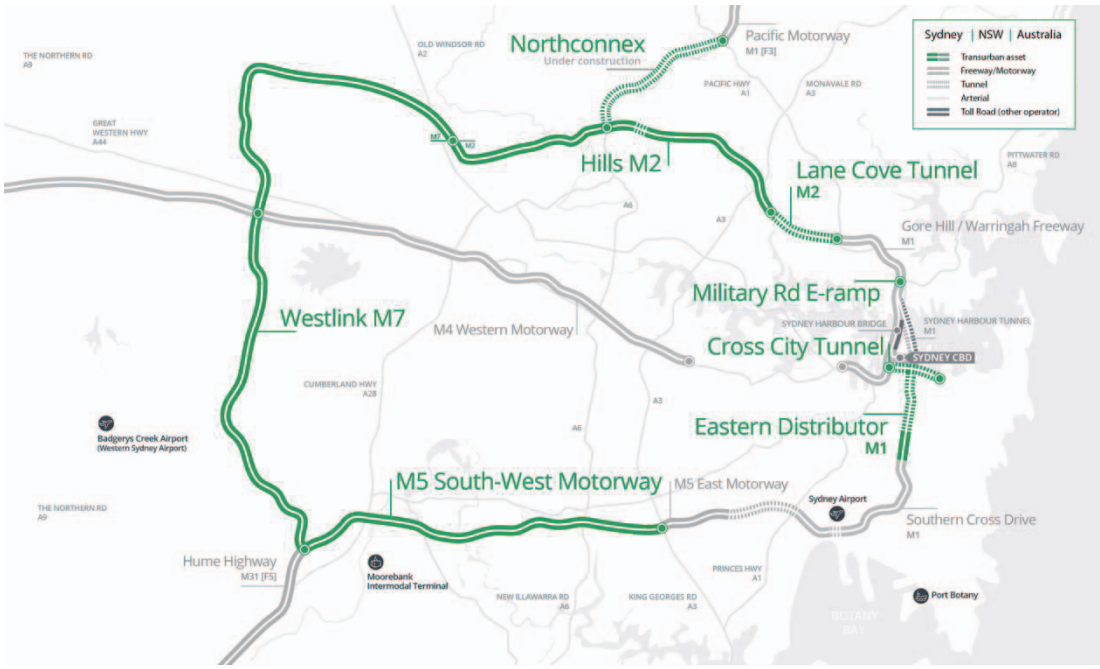
The table below sets out certain key operating and financial measures for our Sydney Network[1]:

Historical	FY2017	FY2016	FY2015	CAGR (%)
Traffic (ADT[2]) ('000)	646	625	581	5.4
Proportional toll revenue (A$ millions)	872	799	701	11.5
Proportional EBITDA (A$ millions)	702	637	558	12.2
Proportional EBITDA margin (%)	80.5	79.7	79.6	n/a

(1) Proportional toll revenue, Proportional EBITDA and Proportional EBITDA margin are non-GAAP financial measures. See "Financial information presentation—Non-GAAP measures" for further information.

(2) Average Daily Trips. See "Certain Definitions" for definition.

The map below illustrates the location of our Sydney Network:



Hills M2 overview

Hills M2 is a 13 mile (21 km) toll road that forms part of the corridor that links the lower north shore of Sydney and the Sydney CBD with the northwest regions of Sydney. It runs between the Lane Cove Tunnel and Westlink M7, two other toll roads that form part of our Sydney Network. Hills M2 opened to traffic in May 1997 and we acquired it in June 2005.

Hills M2 contributed A$277 million of Proportional toll revenue and A$236 million of Proportional EBITDA in FY2017.

Hills M2 Concession

The Hills M2 Concessionaires are The Hills Motorway Limited and Hills Motorway Trust (through its trustee, Hills Motorway Management Limited) (together, the "Hills M2 Concessionaires"). We wholly own the Hills M2 Concessionaires. As of June 30, 2017, the Hills M2 Concession Agreement had a remaining concession term of 31.0 years, expiring in June 2048.

We provide toll collection and management services to the Hills M2 Concessionaires. The Hills M2 Concession Agreement provides for the increase of tolls quarterly by the greater of the quarterly CPI or 1.0%. See "—Summary of Concession Agreements" below for additional information on the Hills M2 Concession Agreement.

Hills M2 developments

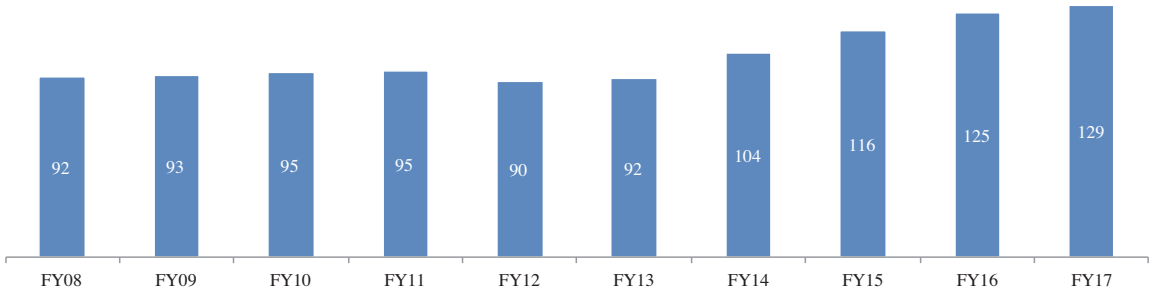
In August 2013, the Hills M2 Concessionaires achieved practical completion of a major upgrade to the Hills M2. The upgrade included widening the motorway and the provision of a third lane along certain sections, adding a number of new tolled entry and exit ramps on the motorway and an upgrade of the motorway's operations management control system. The Lane Cove Road eastbound on-ramp was also developed as part of the Hills M2 upgrade and opened in July 2014. During the upgrade project, it was identified that certain remediation works were required to one of the Hills M2's embankments. These works were completed in April 2015. The term of the Hills M2 Concession Agreement was extended by four years and toll increases of approximately 8% were agreed as a result of that upgrade project.

Further work is required to upgrade the Hills M2 in order to integrate it to the NorthConnex project. The cost of that work is forecast to be A$105 million. In return for that investment by the Hills M2 Concessionaires, the Hills M2 Concession Agreement was extended by approximately two years, to June 2048, subject to completion of the work.

Hills M2 traffic volumes

Hills M2 opened to traffic in May 1997 and we acquired it in June 2005. Its traffic volumes have increased strongly since its opening. During the period from FY2011 to FY2013, traffic was impacted by the Hills M2 upgrade project. After the completion of this project, between FY2013 and FY2017, traffic grew at a CAGR of 8.9% and Average Daily Trips were 128,948 in FY2017, an increase of 3.3% from 124,881 in FY2016.

The following chart sets forth Average Daily Trips for Hills M2 from FY2008 to FY2017 (in '000s):



Lane Cove Tunnel and Military Road E-Ramps (collectively "Lane Cove Tunnel") overview

Lane Cove Tunnel is a 2.4 mile (3.8 km) twin-tunnel toll road. It links the northwest of Sydney with the Sydney CBD. It runs between the end of our Hills M2 motorway and the Gore Hill and Warringah Freeways, which carry traffic into the Sydney CBD. The Lane Cove Tunnel Concession Agreement also covers the Military Road E-Ramps, two tolled ramps onto Military Road north of the Sydney CBD. The ramps bypass up to 21 sets of traffic lights (along the Pacific Highway) for motorists travelling between the lower and upper North Shore. The Lane Cove Tunnel opened to traffic in March 2007 and we acquired it in August 2010.

The Lane Cove Tunnel contributed A$93 million of Proportional toll revenue and A$58 million of Proportional EBITDA in FY2017.

Lane Cove Tunnel Concession

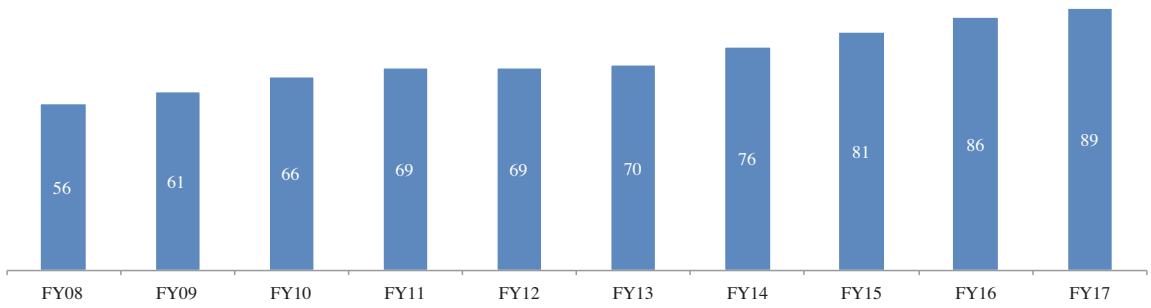
The Lane Cove Tunnel Concessionaires are LCT-MRE Pty Limited and LCT-MRE Trust (through its trustee, LCT-MRE Nominees Pty Limited) (together, the "LCT Concessionaires"). We wholly own the Lane Cove Tunnel Concessionaires. As of June 30, 2017, the Concession Agreement had a remaining concession term of 31.0 years, expiring in June 2048.

We provide management and tolling services to the Lane Cove Tunnel Concessionaires. The Lane Cove Tunnel Concession Agreement provides for the increase of tolls quarterly by the quarterly CPI. The toll cannot be lowered as a result of deflation; however, it cannot be increased until inflation counteracts the deflation. See "—Summary of Concession Agreements" below for additional information on the Lane Cove Tunnel Concession Agreement.

Lane Cove Tunnel traffic volumes

The Lane Cove Tunnel opened to traffic in March 2007 and we acquired it in August 2010. After the initial ramp-up, traffic volumes continued to grow steadily, although traffic growth was affected by works undertaken as part of the upgrade project on the adjoining Hills M2 between FY2011 and FY2013. After the completion of the Hills M2 upgrade project, traffic grew at a CAGR of 6.3% between FY2013 and FY2017. Average Daily Trips on the Lane Cove Tunnel were 89,037 in FY2017, an increase of 3.5% from 86,021 in FY2016.

The following chart sets forth Average Daily Trips for Lane Cove Tunnel from FY2008 to FY2017 (in '000s)[(1)]:



(1) This includes data that predates our ownership of the asset.

Lane Cove Tunnel developments

In January 2015, in connection with the agreement to build NorthConnex, the LCT Concessionaires agreed to make concession and rental payments totaling A$200 million to the New South Wales Government in return for:

- an extension to the Lane Cove Tunnel Concession Agreement of 11.5 years to June 2048;

- an increase in the truck toll multiplier on Lane Cove Tunnel to three times the toll for cars (currently twice the car toll). The truck toll multiplier increase commenced in early February 2015 and will be phased in over a two-year period in nine equal increments; and

- quarterly escalation rate for Lane Cove Tunnel trucks to move to the greater of CPI or one percent per quarter, after the higher truck toll multiplier has been phased in.

Cross City Tunnel overview

Cross City Tunnel is a 1.3 mile (2.1 km) twin-tunnel toll road running east-west under the Sydney CBD. In addition to the two core east-west tunnels, there is a tunnel connecting from the eastern suburbs of Sydney to Sir John Young Crescent and the Cahill Expressway, a tunnel connecting from the west to the Eastern Distributor, which is part of our Sydney Network, and entry to the Cross City Tunnel westbound from the Eastern Distributor. The Cross City Tunnel was opened to traffic in August 2005 and we acquired it in June 2014.

Cross City Tunnel contributed A$63 million of Proportional toll revenue and A$39 million of Proportional EBITDA in FY2017.

Cross City Tunnel Concession

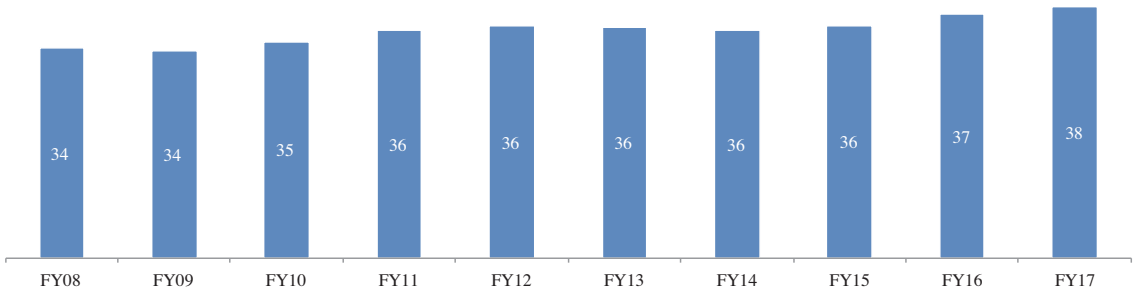
The Cross City Tunnel Concessionaires are Transurban CCT Pty Ltd and Transurban CCT Trust (through its trustee Transurban Nominees No. 2 Pty Ltd) (together, the "Cross City Tunnel Concessionaires"). We wholly own the Cross City Tunnel Concessionaires. As of June 30, 2017, the Cross City Tunnel Concession Agreement had a remaining concession term of 18.5 years, expiring in December 2035.

We provide management and tolling services to the Cross City Tunnel Concessionaires. The Cross City Tunnel Concession Agreement provides for the increase of tolls quarterly at the greater of CPI or 0.7417% per quarter until June 2018 (equivalent to 3% per annum). After June 2018, tolls will be escalated quarterly at CPI. The toll cannot be lowered as a result of deflation; however, until inflation counteracts the deflation, the toll cannot be increased. See "—Summary of Concession Agreements" below for additional information on the Cross City Tunnel Concession Agreement.

Cross City Tunnel traffic volumes

The Cross City Tunnel opened to traffic in August 2005 and we acquired it in June 2014. Cross City Tunnel traffic has remained largely constant since our acquisition. Average Daily Trips were 38,139 in FY2017, an increase of 1.8% from 37,458 in FY2016.

The following chart sets forth Average Daily Trips for the Cross City Tunnel from FY2008 to FY2017 (in '000s)[1]:



(1) This includes data that predates our ownership of the asset.

Eastern Distributor overview

Eastern Distributor, in which we own a 75.1% interest, is a 4 mile (6 km) toll road that links the Sydney CBD, Harbour Tunnel and Harbour Bridge with Southern Cross Drive, which carries traffic to and from the southern suburbs. It forms part of the road connections between Sydney Airport (Australia's largest domestic and international airport in 2016 as measured by passenger numbers), Port Botany (Sydney's largest port), the Sydney CBD and areas north of the Sydney CBD. IFM Investors and UniSuper own the remaining 24.9% of the Eastern Distributor through funds and custodians. Eastern Distributor opened to traffic in December 1999 and we first acquired an ownership interest in it in April 2007. Tolls on the Eastern Distributor only apply to northbound traffic.

Eastern Distributor contributed A$101 million of Proportional toll revenue and A$76 million of Proportional EBITDA in FY2017.

Eastern Distributor Concession

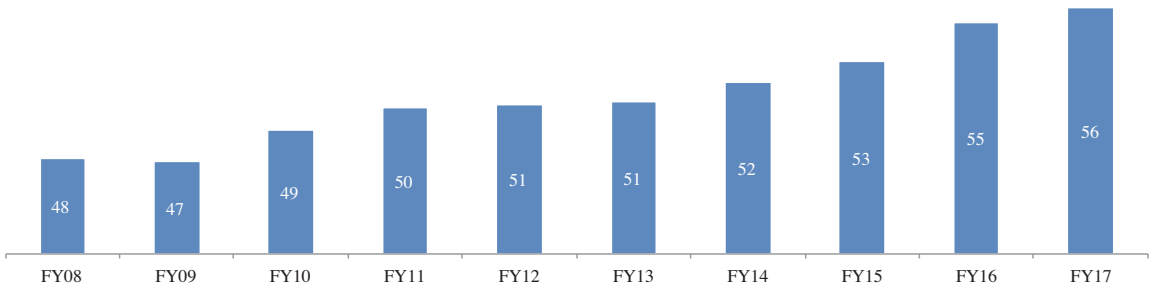
The Eastern Distributor's Concessionaires are Airport Motorway Limited and Airport Motorway Trust (through its trustee, AMT Management Limited) (together, the "Eastern Distributor Concessionaires"). We have a 75.1% interest in the Eastern Distributor Concessionaires. We have appointed two of the three directors to the Airport Motorway Limited board and these directors can vote our 75.1% voting interest. As of June 30, 2017, the Eastern Distributor's Concession Agreement had a remaining concession term of 31.1 years, expiring in July 2048.

We provide management services to the Eastern Distributor Concessionaires. The Eastern Distributor Concession Agreement provides for the increase of tolls quarterly by the greater of a weighted sum of quarterly Average Weekly Earnings and the quarterly CPI or 1%. See "—Summary of Concession Agreements" below for additional information on the Eastern Distributor Concession Agreement.

Eastern Distributor traffic volumes

The Eastern Distributor opened to traffic in 1999 and we acquired it in April 2007. The Eastern Distributor's traffic volumes have grown consistently since its opening. Since we acquired the asset, traffic has grown at a CAGR of 2.1%. Average Daily Trips on the Eastern Distributor were 56,289 in FY2017, an increase of 1.6% from 55,413 in FY2016.

The following chart sets forth Average Daily Trips for the Eastern Distributor from FY2008 to FY2017 (in '000s)[(1)]:



(1) This includes data that predates our ownership of the asset.

Westlink M7 overview

Westlink M7, in which we own a 50% interest, is a 25 mile (40 km) toll road that runs north-south through Sydney's Western suburbs, linking major residential growth centers, distribution centers and areas of industrial development in Sydney's west and feeding traffic onto our Hills M2 and M5 Motorways. QIC Global Infrastructure and Canada Pension Plan Investment Board Private Investments each own 25% of Westlink M7. Westlink M7 opened to traffic in December 2005.

Westlink M7 contributed A$199 million of Proportional toll revenue and A$168 million of Proportional EBITDA in FY2017.

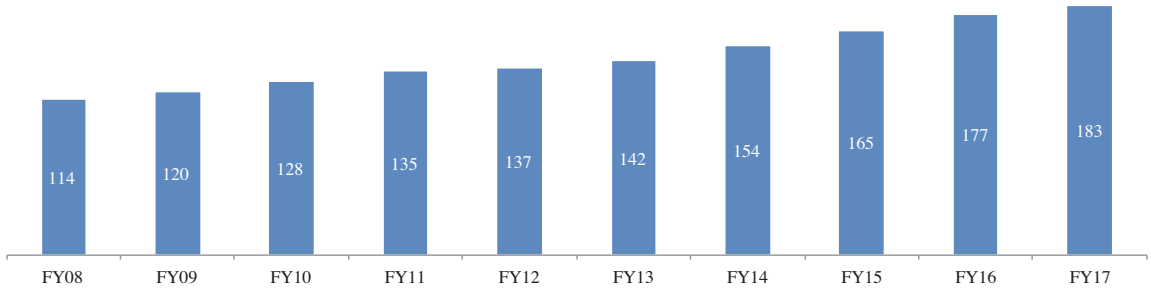
Westlink M7 Concession

The Westlink M7 Concessionaires are Westlink Motorway Limited and WSO Co Pty Limited (together, the "Westlink M7 Concessionaires"). The Westlink M7 Concession Agreement provides for the escalation or de-escalation of tolls quarterly by the quarterly CPI. As of June 30, 2017, the Westlink M7 Concession Agreement had a remaining contract term of 31.0 years, expiring in June 2048. The Westlink M7 Concessionaires have their own management teams. We have appointed two of the seven directors to the Westlink M7 Concessionaires' boards and these directors can vote our 50% voting interest. See "—Summary of Concession Agreements" below for additional information on the Westlink M7 Concession Agreement.

Westlink M7 traffic volumes

Westlink M7 opened to traffic in December 2005 and its traffic volumes have steadily increased since its opening. During the period FY2011 to FY2013, traffic volumes were impacted by the upgrade project on the adjacent Hills M2. After the completion of the Hills M2 upgrade project, between FY2013 and FY2017, traffic grew at a CAGR of 6.5%. In addition, Average Daily Trips were 182,925 in FY2017, an increase of 3.6% from 176,570 in FY2016.

The following chart sets forth Average Daily Trips for the Westlink M7 from FY2008 to FY2017 (in '000s)[(1)]:



(1) This includes data that predates our ownership of the asset.

Westlink M7 developments

In connection with the NorthConnex project, the concession term for Westlink M7 was extended by 11.4 years to June 2048 and truck tolls are in the process of being increased from one times to three times the car tolls, subject to completion of the project. The increase to the truck toll multiplier commenced in early February 2015 and was phased in over a two year period in nine equal increments.

M5 Motorway overview

M5 Motorway, in which we own a 50% interest, is a 14 mile (22 km) toll road between Prestons and Beverly Hills to the southwest of Sydney. It is part of a key freight and commuting route between the Sydney CBD, Sydney Airport and the south western suburbs of Sydney. The M5 Motorway also connects with Westlink M7. IFM Investors, AMP Capital and Hastings Funds Management, collectively own the remaining 50% interest in M5 Motorway. Tolls are charged in both directions. We acquired our interest in the M5 Motorway in April 2007.

M5 Motorway contributed A$136 million of Proportional toll revenue and A$121 million of Proportional EBITDA in FY2017.

M5 Motorway Concession

The M5 Motorway Concessionaire is Interlink Roads Pty Ltd. The M5 Motorway Concession Agreement provides for the increase of tolls quarterly by the quarterly Sydney CPI. The toll cannot be lowered as a result of deflation; however, it cannot be increased until inflation counteracts the deflation. As of June 30, 2017, the M5 Motorway Concession Agreement had a remaining contract term of 9.4 years, expiring in December 2026. Interlink Roads Pty Ltd has its own management team. We have appointed two of the five directors to Interlink Roads Pty Ltd's board and these directors can vote our 50% voting interest. See "—Summary of Concession Agreements" for additional information on the M5 Motorway Concession Agreement.

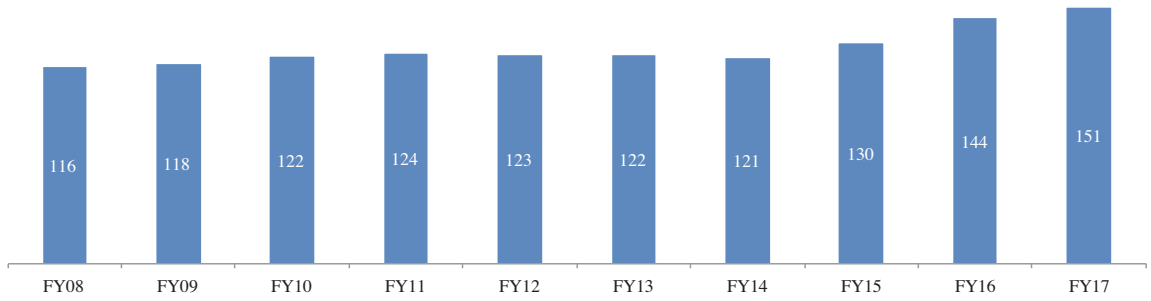
M5 Motorway developments

The M5 Motorway widening project added an additional lane in each direction of the M5 Motorway from Camden Valley Way at the western end through to King George's Road in the east. The project included a new operations management control system, variable messaging signs on the toll road and surrounding arterial roads and approximately 11.2 miles (18 km) of noise walls. The project reached completion on time and on budget on December 15, 2014. Upon completion of the project, the term of the M5 Motorway Concession Agreement was extended by 3.3 years (up to December 2026 from August 2023) and the truck toll multiplier was incrementally increased to three times the car toll from its previous level of approximately 2.2 times.

M5 Motorway traffic volumes

The M5 Motorway opened to traffic in August 1992 and we acquired our interest in April 2007. Traffic volumes have steadily increased since its opening. Traffic growth moderated due to capacity constraints prior to the M5 Motorway widening project being undertaken and was impacted during the implementation of that project. Traffic volumes have rebounded strongly since the project was completed in December 2014. Average Daily Trips on the M5 Motorway were 150,630 in FY2017, an increase of 4.4% from 144,328 in FY2016.

The following chart sets forth Average Daily Trips for the M5 Motorway from FY2008 to FY2017 (in '000s)[1]:



(1) This includes data that predates our ownership of the asset.

Sydney Network developments

NorthConnex overview

In 2012, we approached the New South Wales Government under its unsolicited proposal regime to design, build, operate and finance the NorthConnex project in Sydney. NorthConnex is being developed by the NWRG, which is 50% owned by us, 25% owned by QIC Global Infrastructure and 25% owned by the Canada Pension Plan Investment Board Private Investments. The NWRG reached financial close on NorthConnex on January 31, 2015 and has entered into a Concession Agreement for the NorthConnex toll road that expires in 2048. Upon completion, the NorthConnex project will be a 5.6 mile (9 km) tolled link from the southern end of the M1 Pacific Motorway to the Hills M2

Motorway at Pennant Hills Road. Expected project and community benefits include reduced traffic congestion by diverting trucks off Pennant Hills Road, which will reduce heavy vehicle traffic and noise in local communities. Further, motorists may experience travel time savings by avoiding arterial roads and bypassing traffic lights.

After design commenced in February 2015, the project construction environmental management plan was approved and construction commenced in June 2015. Tunneling is now underway and construction is expected to be completed by the end of 2019. The total project cost is estimated to be approximately A$2.9 billion, a portion of which will be funded by contributions from the New South Wales government and the Federal government. Our contribution to the cost of construction is approximately A$1 billion, which we have funded, and expect to continue to fund, from available capacity from our corporate balance sheet over the construction period.

NorthConnex Concession

The NorthConnex Concessionaire is NorthConnex Company Pty Ltd. We own 50% of NorthConnex Company Pty Ltd through our interest in the NWRG. The NorthConnex Concession Agreement provides for the increase of tolls quarterly by the greater of the quarterly CPI or 1.0%. As of June 30, 2017, the NorthConnex Concession Agreement had a remaining concession term of 31.0 years, expiring in June 2048. See "—Summary of Concession Agreements" for additional information on the NCX Concession Agreement.

Brisbane Network

We acquired Queensland Motorways Group on July 2, 2014 for A$6,419 million (plus stamp duty and transaction costs of A$416 million). On January 30, 2015, Queensland Motorways Group changed its name to Transurban Queensland.

We own a 62.5% interest in Transurban Queensland, AustralianSuper owns a 25% interest and Tawreed Investments Limited, a wholly owned subsidiary of the Abu Dhabi Investment Authority, owns a 12.5% interest.

Transurban Queensland wholly owns the interest in the concessions to operate the six toll road assets in Brisbane: the Gateway and Logan Motorways, Clem7, Go Between Bridge, Legacy Way and AirportlinkM7. These assets are situated in a strategic position within the main Brisbane and southeast Queensland commuting and freight corridors. The only competing routes for the Gateway and Logan Motorways are arterial roads. The Transurban Queensland Board comprises shareholder representatives and includes an independent chairman. We are responsible for all aspects of management and operations of Transurban Queensland. All of the toll road assets that form part of Transurban Queensland are part of the go via network, operated and maintained by Transurban Queensland.

Integration of Transurban Queensland

The integration of Transurban Queensland is progressing well and is expected to be completed by 2019. Since acquiring Transurban Queensland, we have restructured its leadership team and realigned its organizational structure to ours. Our corporate technology networks have been combined, enabling a national operating model.

The table below sets out certain key operating and financial metrics for our Brisbane Network[1]:

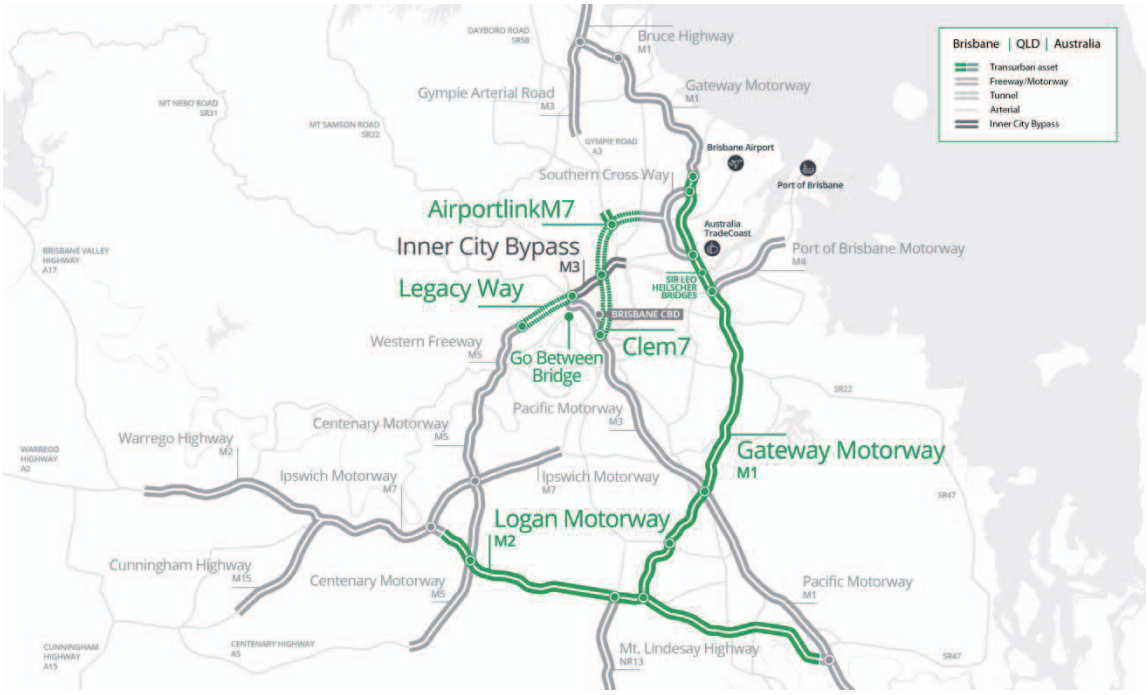
Historical	FY2017	FY2016	FY2015	CAGR (%)
Traffic (ADT[2]) ('000)[3]	394	383	354	5.5
Proportional toll revenue (A$ millions)	385	313	265	20.5
Underlying proportional EBITDA (A$ millions)	268	218	185	20.4
Underlying proportional EBITDA margin (%)	69.6	69.6	69.6	n/a

(1) Proportional toll revenue, Proportional EBITDA and Proportional EBITDA margin are non-GAAP financial measures. See "Financial information presentation—Non-GAAP measures" for further information.

(2) Average Daily Trips. See "Certain Definitions" for definition.

(3) This table includes traffic data for each of the assets we currently own, including, in the case of assets that we acquired since June 30, 2014 that were already operating, traffic data for the period prior to our ownership.

The map below illustrates the location of our Brisbane Network:



Gateway Motorway overview

The Gateway Motorway, a 14.4 mile (23.1 km) toll road, serves as a critical north-south link in south east Queensland. The Gateway Bridge is the primary river crossing road to access Brisbane Airport, Port of Brisbane and the area known as the Australia TradeCoast, the largest employment zone in Queensland after the Brisbane CBD and a growing trade and industrial region in Australia. It is the only road crossing of the Brisbane River east of the Brisbane CBD.

The first bridge of the Gateway Motorway (formerly known as the Gateway Bridge) was constructed in 1986 as an additional crossing for the Brisbane River. The duplicate bridge was constructed as part of the A$2.12 billion Gateway Upgrade Project, completed in 2011. Transurban Queensland operates the Gateway Motorway from the Sir Leo Hielscher Bridges in the north to the Logan Motorway in the south.

The Gateway Motorway connects with Pacific Motorway, Port of Brisbane Motorway, Bruce Highway, East-West Arterial Road, Airport Drive, Southern Cross Way and Logan Motorway.

Gateway Motorway contributed A$137 million of Proportional toll revenue and A$106 million of Proportional EBITDA in FY2017.

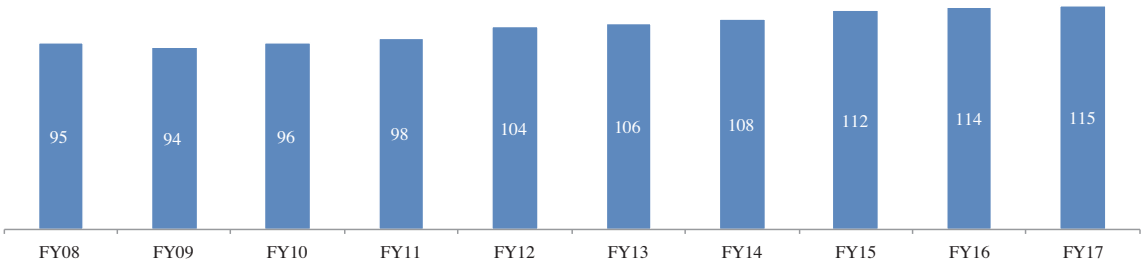
Gateway Motorway Concession

The Gateway Motorway is subject to a Concession Agreement between Queensland Motorways Pty Limited, Gateway Motorway Pty Limited, Logan Motorways Pty Limited (together, the "Queensland Franchisees") and the State of Queensland. The Queensland Franchisees are wholly owned by Transurban Queensland. The Concession Agreement provides for annual increase of tolls by Brisbane CPI. As of June 30, 2017, the Concession Agreement had a remaining contract term of 34.5 years, expiring in December 2051. See "—Summary of Concession Agreements" below for additional information on the Gateway Motorway Concession Agreement.

Gateway Motorway traffic volumes

The Gateway Motorway opened to traffic in December 1986 and we acquired it in July 2014. Traffic volumes have increased favorably since the road opened. Average Daily Trips on the Gateway Motorway were 115,048 in FY2017, an increase of 1.0% from 113,915 in FY2016.

The following chart sets forth Average Daily Trips for the Gateway Motorway from FY2008 to FY2017 (in '000s)[1]:



(1) This includes data that predates our ownership of the asset.

Logan Motorway overview

The Logan Motorway, a 24.2 mile (38.7 km) toll road, is an east-west link across the southern suburbs of Brisbane, supporting the commercial and industrial areas and outer populous regions of Ipswich City and Logan City and providing access to the Gold Coast. The Logan Motorway, which was completed in 1988, connects with the Pacific Motorway, the Gateway Motorway, the Centenary Highway and the Ipswich Motorway.

Logan Motorway contributed A$114 million of Proportional toll revenue and A$81 million of Proportional EBITDA in FY2017.

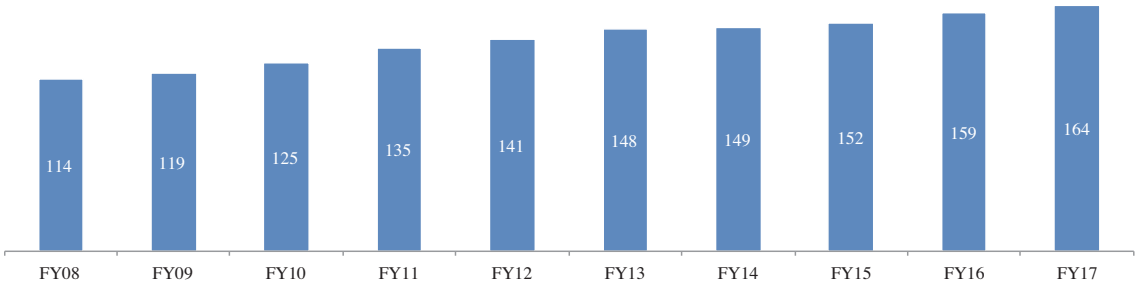
Logan Motorway Concession

The Logan Motorway is subject to a Concession Agreement between the Queensland Franchisees and the State of Queensland. The Queensland Franchisees are wholly owned by Transurban Queensland. The Concession Agreement provides for annual increase of tolls by Brisbane CPI. As of June 30, 2017, the Concession Agreement had a remaining contract term of 34.5 years, expiring in December 2051. See "—Summary of Concession Agreements" below for additional information on the Logan Motorway Concession Agreement.

Logan Motorway traffic volumes

The Logan Motorway opened to traffic in December 1988 and we acquired it in July 2014. Traffic volumes have increased consistently since the road opened. Average Daily Trips on the Logan Motorway were 163,778 in FY2017, an increase of 3.2% from 158,668 in FY2016.

The following chart sets forth Average Daily Trips for the Logan Motorway from FY2008 to FY2017 (in '000s)[1]:



(1) This includes data that predates our ownership of the asset.

AirportlinkM7 overview

AirportlinkM7 is a 4.2 mile (6.7 km) multi-lane toll road in Brisbane. Primarily a tunnel, AirportlinkM7 connects to our Clem7 and Legacy Way toll roads (via the Inner City Bypass) and provides access to the Brisbane Airport, the Australia TradeCoast precinct and the northern suburbs of Brisbane. We acquired AirportlinkM7 on April 1, 2016.

In November 2015, Transurban Queensland reached an agreement to acquire AirportlinkM7 for A$1.87 billion, plus stamp duty of A$108 million and transaction, and integration costs of A$23 million. To fund our equity contribution to Transurban Queensland's acquisition of AirportlinkM7, we undertook an A$1.025 billion entitlement offer. The acquisition was also funded by a A$950 million non-recourse bank debt facility at AirportlinkM7.

AirportlinkM7 contributed A$70 million of Proportional toll revenue and A$52 million of Proportional EBITDA in FY2017.

AirportlinkM7 Concession

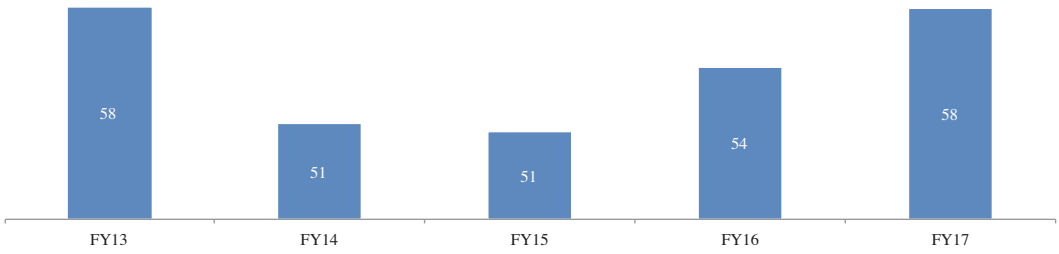
The AirportlinkM7 Concession Agreement is between APL Co Pty Limited and TQ APL Asset Trust (through its trustee, TQ APL Asset Co Pty Limited) (together, the "AirportlinkM7 Concessionaires") and the State of Queensland. The AirportlinkM7 Concessionaires are wholly owned by Transurban Queensland.

AirportlinkM7 tolls are escalated annually by Brisbane CPI. As of June 30, 2017, the AirportlinkM7 Concession Agreement had a remaining contract term of 36.1 years, expiring in July 2053. See "—Summary of Concession Agreements" for additional information on the AirportlinkM7 Concession Agreement.

AirportlinkM7 traffic volumes

AirportlinkM7 opened to traffic in July 2012. As a result of the toll free period and toll discounting in FY2013, Average Daily Trips on AirportlinkM7 declined by 11.2% in FY2014. Average Daily Trips on AirportlinkM7 were 57,758 in FY2017, an increase of 6.1% from 54,461 in FY2016. AirportlinkM7 traffic volumes following our acquisition have been at the upper end of our expectations.

The following chart sets forth Average Daily Trips for AirportlinkM7 from FY2013 to FY2017 (in '000s)[1]:



(1) This includes data that predates our ownership of the asset.

Clem7 overview

Clem7 is a 4.2 mile (6.8 km) toll road and city bypass linking arterial roads north and south of the Brisbane CBD, passing under the Brisbane River and connecting directly into AirportlinkM7 Motorway. Construction of the tollway commenced in September 2006 and was completed in March 2010.

Clem7 links the following Brisbane roads: the Pacific Motorway, Ipswich Road, Lutwyche Road, the Inner City Bypass, AirportlinkM7 and Shafston Avenue.

Clem7 contributed A$33 million of Proportional toll revenue and A$18 million of Proportional EBITDA in FY2017.

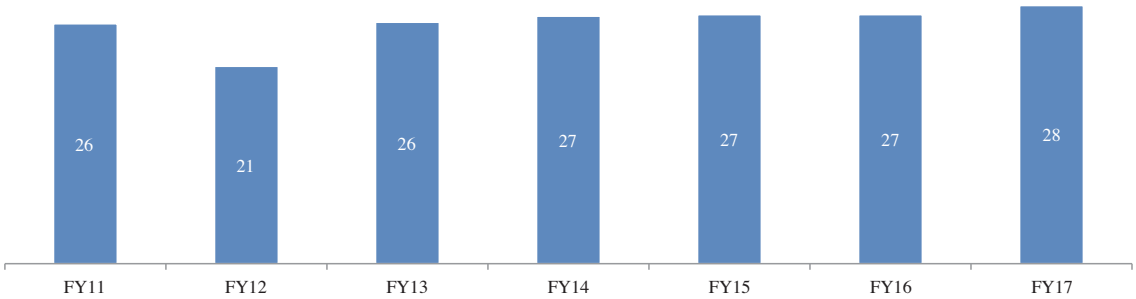
Clem7 Concession

Clem7 is subject to a Concession Agreement between Project T Partnership, comprising Project T Partner Co 1 Pty Limited and Project T Partner Co 2 Pty Limited (the "Project T Partners"), and the Brisbane City Council. The Project T Partners are wholly owned by Transurban Queensland. Clem7 tolls are escalated annually by Brisbane CPI. As of June 30, 2017, the Clem7 concession had a remaining contract term of 34.1 years, expiring in August 2051. See "—Summary of Concession Agreements" below for additional information on the Clem7 Concession Agreement.

Clem7 traffic volumes

Clem7 opened to traffic in March 2010 and we acquired it in July 2014. Traffic has remained steady since the road opened. Average Daily Trips on Clem7 were 27,789 in FY2017, an increase of 4.1% from 26,689 in FY2016.

The following chart sets forth Average Daily Trips for Clem7 from FY2011 to FY2017 (in '000s)[1]:



(1) This includes data that predates our ownership of the asset.

Legacy Way overview

Legacy Way is a 3.5 mile (5.7 km) two-lane tunnel. It connects the Western Freeway at Toowong with the Inner City Bypass at Kelvin Grove and also provides a connection from Ipswich and the Western suburbs to Brisbane Airport, Royal Brisbane Hospital and the Royal National Agricultural Showgrounds, the Pacific Motorway (via the Clem7) and the northern arterials of Gympie Road and Sandgate Road.

Legacy Way contributed A$23 million of Proportional toll revenue and A$6 million of Proportional EBITDA in FY2017.

Legacy Way Concession

The Legacy Way Concession Agreement is between LW Operations Pty Limited and the Brisbane City Council. LW Operations Pty Limited is wholly owned by Transurban Queensland. Legacy Way. Legacy Way tolls are escalated annually by Brisbane CPI. As of June 30, 2017, the Legacy Way concession had a remaining contract term of 48.0 years, expiring in June 2065. See "—Summary of Concession Agreements" below for additional information on the Legacy Way Concession Agreement.

Legacy Way traffic volumes

Legacy Way opened to traffic in June 2015. Traffic volumes have grown since the road opened. Average Daily Trips on Legacy Way were 18,420 in FY2017, an increase of 4.1% from 17,696 in FY2016.

Go Between Bridge overview

Go Between Bridge is a 0.2 mile (0.3 km) cross-river link providing access to the expanding residential and commercial precincts at West End and South Brisbane and to the Inner City Bypass. It connects Merivale and Cordelia Streets in West End to Hale Street and the Inner City Bypass and provides a link between Brisbane's northern, western and southern suburbs, as well as access to South Bank and the Cultural Precinct, West End, Suncorp Stadium, Caxton Street and Paddington and Park Road, Milton.

Go Between Bridge contributed A$8 million of Proportional toll revenue and A$6 million of Proportional EBITDA in FY2017.

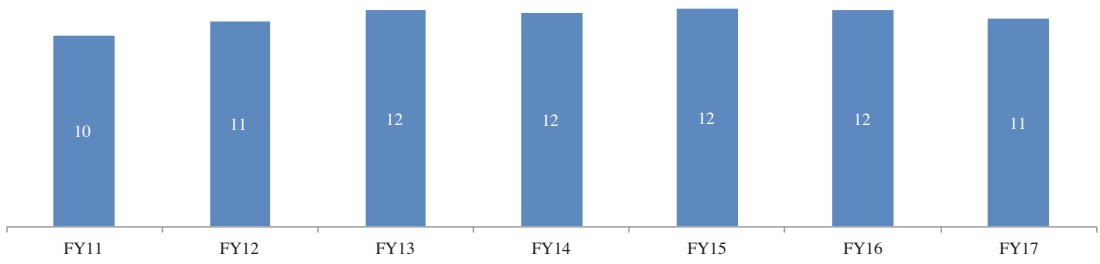
Go Between Bridge Concession

Go Between Bridge Concession Agreement is between GBB Operations Pty Limited and the Brisbane City Council. GBB Operations Pty Limited is wholly owned by Transurban Queensland. Go Between Bridge tolls are escalated annually by Brisbane CPI. As of June 30, 2017, the Go Between Bridge Concession Agreement had a remaining contract term of 46.5 years, expiring in December 2063. See "—Summary of Concession Agreements" below for additional information on the Go Between Bridge Concession Agreement.

Go Between Bridge traffic volumes

Go Between Bridge opened to traffic in July 2010 and we acquired it in July 2014. Traffic volumes grew between opening and FY2015, but have declined in FY2016 and FY2017 due to increased congestion on surrounding roads. Average Daily Trips on Go Between Bridge were 11,203 in FY2017, a decrease of 4.0% from 11,669 in FY2016.

The following chart sets forth Average Daily Trips for Go Between Bridge from FY2011 to FY2017 (in '000's)(1):



(1) This includes data that predates our ownership of the asset.

Brisbane Network developments

Gateway Upgrade North

Transurban Queensland is managing a major upgrade to the northern end of the Gateway Motorway on behalf of the Queensland Department of Transport and Main Roads. The project is being funded by the Federal and Queensland Governments.

Through a fee for service arrangement, Transurban Queensland will act as the Queensland Government's agent to deliver the project. The section of the road being upgraded will not be tolled. Construction commenced in January 2016 and the project is now more than half way through construction. Recently, the project was awarded an "Excellent" design rating by the Infrastructure Sustainability Council of Australia (ISCA) — a first for a major road project in Queensland. The project is scheduled for completion in late 2018.

Logan Enhancement Project

On November 23, 2016, we announced that the Queensland Government has approved our proposal to deliver upgrades on the Logan Motorway and Gateway Extension Motorway. The estimated A$512 million project involves upgrading parts of the Logan and Gateway Extension motorways, including improving key congestion hot spots and constructing new south-facing ramps at Compton Road. We will fund the upgrades through toll increases for heavy vehicles on the Logan and Gateway motorways. CPB Contractors has been awarded the contract to take the project into detailed design and construction. Detailed design started in early 2017 and construction commenced in June 2017. Construction is expected to take approximately two years to complete.

Inner City Bypass upgrade project

On April 3, 2017, we entered into an agreement with Brisbane City Council to deliver the Inner City Bypass upgrade project. The project involves widening the Inner City Bypass to four lanes in each direction between Legacy Way and the RNA tunnel, along with the inclusion of a new westbound on-ramp from Bowen Bridge Road and the Inner Northern Busway onto the Inner City Bypass to increase capacity and allow for future growth along this corridor. Under the A$60 million agreement, we will finance and project manage the delivery of the design and construction phases and provide operations, including routine maintenance and incident response services, throughout the corridor to improve traffic flows.

The upgrade project will be funded through toll increases on Legacy Way, Go Between Bridge and Clem7. Construction commenced in July 2017 and is expected to be completed in mid-2018.

United States assets

We wholly own the concessions for two toll road assets in the Greater Washington Area in the United States: 495 Express Lanes and 95 Express Lanes.

DRIVe

In 2007, we established DRIVe, a co-investment vehicle through which we invest in toll road concessions in North America. As a result of subsequent investments, we now wholly own DRIVe. We manage DRIVe and the North American toll road concessions in which DRIVe invests.

Greater Washington Area Network

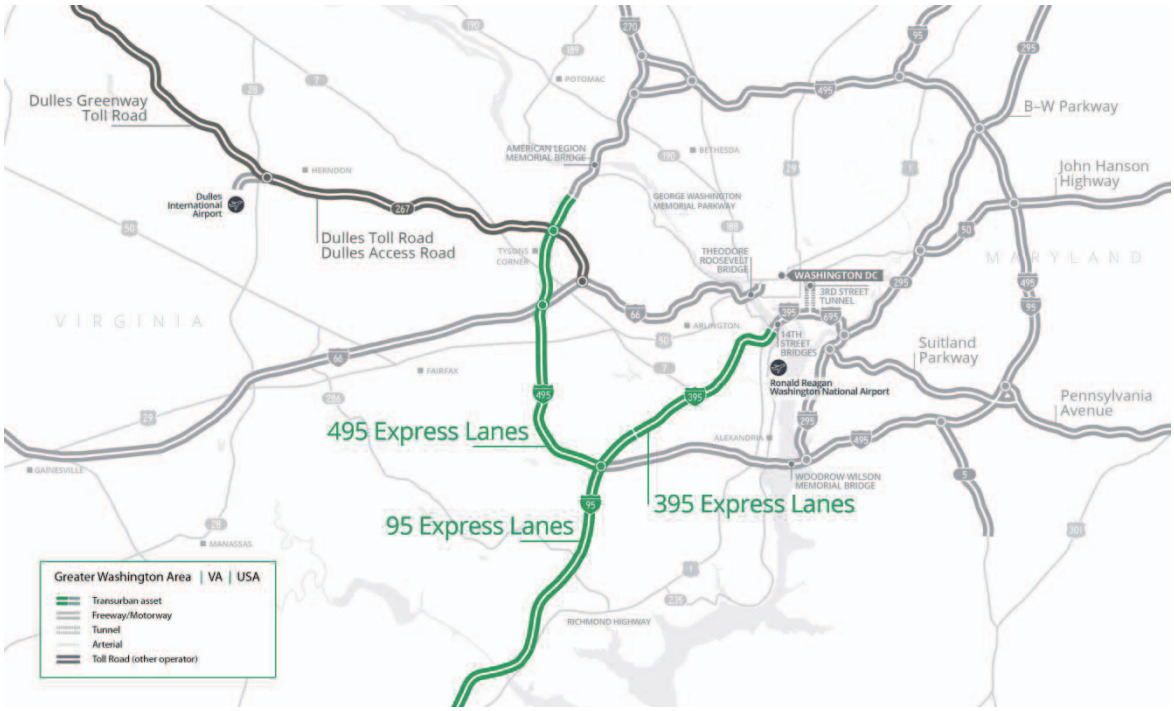
The table below sets out certain key operating and financial measures for our Greater Washington Area Network[(1)]:

Historical	FY2017	FY2016	FY2015	CAGR (%)
Traffic (ADT[(2)]) ('000)	96	85	75	13.1
Proportional toll revenue (A$ millions)	209	174	75	66.9
Proportional EBITDA (A$ millions)	116	86	33	87.5
Proportional EBITDA margin (%)	55.5	49.4	44.0	n/a

(1) Proportional toll revenue, Proportional EBITDA and Proportional EBITDA margin are non-GAAP financial measures. See "Financial information presentation—Non-GAAP measures" for further information.

(2) Average Daily Trips. See "Certain Definitions" for definition.

The map below illustrates the location of our Greater Washington Area Network:



495 Express Lanes overview

The 495 Express Lanes comprise 13.7 miles (22 km) of electronically tolled HOT lanes on a section of I-495, the major route circling Washington, D.C. Vehicles travelling on this section of I-495 have the choice of travelling in the general purpose free lanes (no tolls) or in the parallel variable rate tolled lanes. The 495 Express Lanes opened in November 2012 and continue to experience traffic and revenue growth.

The 495 Express Lanes contributed A$98 million of Proportional toll revenue and A$58 million of Proportional EBITDA in FY2017.

495 Express Lanes Concession

The 495 Express Lanes Concession Agreement is between Capital Beltway Express LLC (the "495 Express Lanes Concessionaire") and VDOT. The 495 Express Lanes Concessionaire has no contractual limits in setting toll prices but may instead adjust toll prices to manage the flow of traffic to ensure minimum travel speeds are achieved as set out in the 495 Express Lanes Concession Agreement. Toll prices are generally updated every 10 minutes. The contract provides for free access to the Express Lanes for high occupancy vehicles fitted with a transponder, public transport vehicles and other excluded vehicles.

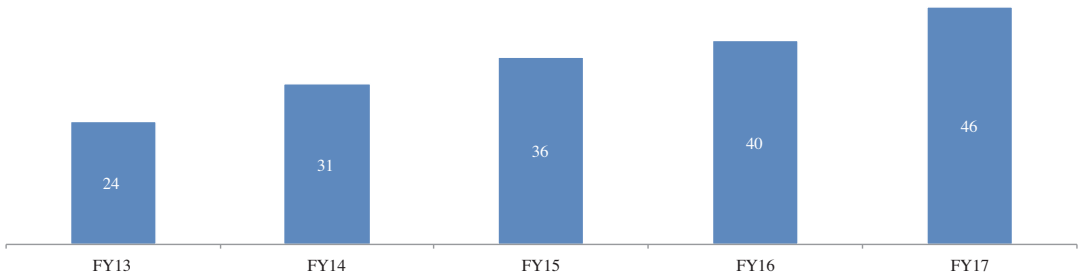
We provide management and operational services to the 495 Express Lanes Concessionaire. As of June 30, 2017, the 495 Express Lanes Concession Agreement had a remaining contract term of 70.5 years, expiring in December 2087. See "—Summary of Concession Agreements" below for additional information on the 495 Express Lanes Concession Agreement.

The average toll price has risen from US$3.92 in the June quarter of 2015 to US$4.41 in the June quarter of 2016 to US$5.77 in the June quarter of 2017.

495 Express Lanes traffic volumes

The opening traffic on the 495 Express Lanes was below our initial expectations. More recently, and following the opening of the 95 Express Lanes, traffic has grown strongly and has met our revised expectations. Average Daily Trips were 46,315 in FY2017, an increase of 16.6% from 39,711 in FY2016.

The following chart sets forth Average Daily Trips for the 495 Express Lanes from FY2013 to FY2017 (in '000s):



95 Express Lanes overview

The 95 Express Lanes comprise 29 miles (46.6 km) of electronically tolled HOT lanes that operate on I-95 in the Greater Washington Area. I-95 intersects with and connects to I-495 and is a major thoroughfare into Washington, D.C. The 95 Express Lanes vary from two to three lanes along the length of I-95. Depending on the direction of traffic flow on the 95 Express Lanes, vehicles travelling on this section of I-95 have the choice of travelling in the general purpose free lanes (no tolls) or in the parallel variable rate tolled lanes. The 95 Express Lanes opened in December 2014 with traffic and revenue performing well relative to projections. We are developing the 395 Express Lanes, an 8 mile (12.8 km) extension to the 95 Express Lanes north to the border of Washington, D.C. Financial close of the 395 Express Lanes project occurred on July 25, 2017 and the 395 Express Lanes segment is expected to open to traffic in or around October 2019.

The 95 Express Lanes contributed A$111 million of Proportional toll revenue and A$65 million of Proportional EBITDA in FY2017.

95 Express Lanes Concession

The 95 Express Lanes Concession Agreement is between 95 Express Lanes, LLC and VDOT (the "95 Express Lanes Concessionaire"). The 95 Express Lanes Concessionaire has no contractual limits in setting toll prices but may instead adjust tolls to ensure traffic on the tolled lanes meets the minimum

travel speeds as set out in the 95 Express Lanes Concession Agreement. Toll prices are generally updated every 10 minutes. The contract provides for free access to the Express Lanes for high occupancy vehicles fitted with a transponder, public transport vehicles and other excluded vehicles.

As of June 30, 2017, the 95 Express Lanes Concession Agreement had a remaining contract term of 70.5 years, expiring in December 2087.

Toll system delivery and operations for the 95 Express Lanes are managed by us and co-located with the 495 Express Lanes. The 95 Express Lanes utilize technology developed for the 495 Express Lanes. See "—Summary of Concession Agreements" below for additional information on the 95 Express Lanes Concession Agreement.

The average toll price has risen from US$5.48 in the June quarter of 2015 to US$6.72 in the June quarter of 2016 to US$8.46 in the June quarter of 2017.

95 Express Lanes traffic volumes

Since the 95 Express Lanes opened in December 2014, traffic has performed well relative to expectations. Average Daily Trips were 49,498 in FY2017, an increase of 9.4% from 45,233 in FY2016.

Network developments

395 Express Lanes

On June 8, 2017, we entered into an amendment to the existing comprehensive agreement between 95 Express Lanes LLC and VDOT to allow for the design, development, construction, finance, and operation of the 395 Express Lanes project as a "Concessionaire Project Enhancement" (as originally contemplated by the comprehensive agreement). The 395 Express Lanes constitute an approximate 8 mile (12.8 km) extension to the 95 Express Lanes north to the border of Washington, D.C. The project will increase capacity by converting two high-occupancy vehicle lanes to three high-occupancy vehicle managed toll lanes. Financial close occurred on July 25, 2017. Construction on the US$460 million project is scheduled to begin in the second half of 2017, with the opening to traffic currently scheduled for in or around October 2019.

95 Express Lanes Southern Extension

In November, 2015 we announced an agreement with VDOT to extend the 95 Express Lanes by approximately 2.2 miles (3.5 km) south of the existing southern terminus. VDOT has assumed all delivery and cost risk. We agreed to contribute a fixed amount of US$25 million to the project. Construction is expected to be completed in late 2017.

Additional 10-Mile Extension to the 95 Express Lanes

We are currently in exclusive negotiations with the Commonwealth of Virginia to develop an approximately 10 mile (16 km) extension of the 95 Express Lanes from the current southern terminus south to the Fredericksburg area as part of a larger package of potential transportation improvements that will be delivered by the Commonwealth of Virginia, known as the Atlantic Gateway Project. On July 8, 2016, the Governor of Virginia announced that the Atlantic Gateway Project had been awarded a US$165 million grant from the United States Department of Transportation. If the project moves forward as currently envisaged, financial close would likely occur in early 2019 and the opening of the new segment to traffic would be expected to occur in 2022.

Summary of Concession Agreements

The following table sets out a summary of our Concession Agreements:

Concessionaire	Government Counterparty	Governing Law	Date of Concession Agreement	Opening Date	Term[1]	Tolling	Additional Payments to Government
CityLink	The State of Victoria	Victoria	October 20, 1995	August 1999[2]	34 years and six months	Escalated quarterly by the greater of quarterly CPI or 1.011065% for the first 16 years of the term (until December 31, 2016), then quarterly by CPI. This is subject to a cap of annual CPI plus 2.5%, which cannot be exceeded. Truck tolls multipliers for heavy commercial vehicles and light commercial vehicles remain as they currently are until April 2017, after which they will increase to become consistent with pricing for trucks on other Australian motorway networks.	Concession notes originally in favor of the State have been subsequently acquired by us. Additional concession fees can be payable as a tiered percentage of revenue if a specified threshold equity return and revenue level are exceeded.
Hills M2.....	RMS (formerly known as Roads and Traffic Authority of New South Wales) and Minister for Roads and Freight on behalf of the State of New South Wales	New South Wales	August 26, 1994	May 1997	51 years	Escalated quarterly by the greater of quarterly CPI or 1%.	Annual base rent of A$7 million (CPI indexed). Until a specified threshold equity return is reached, payments are satisfied by the issue of non-interest bearing concession notes. If the threshold is reached, a percentage of available cash flow is dedicated to servicing the concession notes. If these concession notes are fully redeemed, Incentive Rent representing 20% of available cash flow becomes payable.

Concessionaire	Government Counterparty	Governing Law	Date of Concession Agreement	Opening Date	Term[1]	Tolling	Additional Payments to Government
Lane Cove Tunnel.....	RMS (formerly known as Roads and Traffic Authority of New South Wales)	New South Wales	December 4, 2003	March 2007	41 years	Escalated quarterly by quarterly CPI. The toll cannot be lowered as a result of deflation; however, until inflation counteracts the deflation, the toll cannot be increased. Truck tolls escalated at the greater of 1% per quarter or quarterly CPI. Truck tolls reached three times the tolls imposed on cars on March 31, 2017.	A tiered percentage of revenue where revenue exceeds the agreed baseline revenue by greater than 10%.
Cross City Tunnel.....	RMS (formerly known as Roads and Traffic Authority of New South Wales)	New South Wales	December 18, 2002	August 2005	30 years and two months	Tolls are currently escalated quarterly at the greater of CPI or 0.7417% per quarter until June 2018 (equivalent to 3% per annum). After June 2018 tolls will be escalated quarterly at quarterly CPI.	A tiered percentage of revenue where revenue exceeds the agreed baseline revenue by greater than 10%.
Eastern Distributor.....	RMS (formerly known as Roads and Traffic Authority of New South Wales) and Minister for Roads and Freight on behalf of the State of New South Wales	New South Wales	June 27, 1997	December 1999	48 years	Escalated quarterly by the greater of a weighted sum of quarterly Average Weekly Earnings and quarterly CPI or 1%.	Annual concession fees of A$15 million occur during the construction phase and for 24 years thereafter. Until a specified threshold equity return is achieved, payments of these fees are satisfied by the issue of non-interest bearing concession notes.
Westlink M7	RMS (formerly known as Roads and Traffic Authority of New South Wales)	New South Wales	February 13, 2003	December 2005	41 years	Escalated or de-escalated quarterly by quarterly CPI.	A$358 million nominal payments to RMS between 2016 and 2037 and a tiered percentage of revenue where revenue exceeds the agreed baseline revenue by greater than 5%.

Concessionaire	Government Counterparty	Governing Law	Date of Concession Agreement	Opening Date	Term[1]	Tolling	Additional Payments to Government
M5 Motorway	RMS (formerly known as Roads and Traffic Authority of New South Wales) and Minister for Transport and Roads on behalf of the State of New South Wales	New South Wales	February 22, 1991	August 1992	34 years	Escalated quarterly by quarterly Sydney CPI. The toll cannot be lowered as a result of deflation; however, until inflation counteracts the deflation, the toll cannot be increased. Truck tolls are scheduled to reach three times the tolls imposed on cars by December 31, 2016.	A percentage of revenue where revenue exceeds the agreed baseline revenue by greater than 104%, but only in the circumstance where the New South Wales Government carries out a major widening of the government-owned road which feeds into the eastern end of the M5 Motorway.
NorthConnex	RMS (formerly known as Roads and Traffic Authority of New South Wales) and Minister for Transport and Roads on behalf of the State of New South Wales	New South Wales	January 31, 2015	n/a	33 years and six months	Escalated quarterly by the greater of quarterly CPI or 1%.	A tiered percentage of revenue where revenue exceeds the agreed revenue baseline by greater than 10%.
Gateway Motorway.....	State of Queensland	Queensland	March 23, 2011	December 1986	40 years and eight months	Escalated annually at All Groups CPI, Brisbane. The toll cannot be lowered as a result of deflation.	A tiered percentage of revenue where revenue exceeds the agreed baseline revenue by greater than 10%.
Logan Motorway.....	State of Queensland	Queensland	March 23, 2011	December 1988	40 years and eight months	Escalated annually at All Groups CPI, Brisbane. The toll cannot be lowered as a result of deflation.	A tiered percentage of revenue where revenue exceeds the agreed baseline revenue by greater than 10%.
Clem7.....	Brisbane City Council	Queensland	May 24, 2006	March 2010	45 years and three months	Escalated annually at All Groups CPI, Brisbane. The toll cannot be lowered as a result of deflation.	A tiered percentage of revenue where revenue exceeds the agreed baseline revenue by greater than 25%. If revenues exceed the agreed baseline revenue by greater than 25% in the last 10 years of the concession term, higher amounts become payable.

Concessionaire	Government Counterparty	Governing Law	Date of Concession Agreement	Opening Date	Term[1]	Tolling	Additional Payments to Government
Go Between Bridge	Brisbane City Council	Queensland	December 19, 2013	July 2010	50 years	Escalated annually at All Groups CPI, Brisbane. The toll cannot be lowered as a result of deflation.	A tiered percentage of revenue where revenue exceeds the agreed baseline revenue by greater than 15%.
Legacy Way	Brisbane City Council	Queensland	June 26, 2015	June 2015	50 years	Escalated annually at All Groups CPI, Brisbane. The toll cannot be lowered as a result of deflation.	A tiered percentage of revenue where revenue exceeds the agreed baseline revenue by greater than 15%.
AirportlinkM7 ...	Brisbane City Council	Queensland	June 2, 2008	July 2012	45 years	Escalated annually at All Groups CPI, Brisbane. The toll cannot be lowered as a result of deflation.	A tiered percentage of revenue where revenue exceeds the agreed baseline revenue by greater than 10% commencing in July 2025. A tiered percentage of revenue is also payable from July 2015 where revenue exceeds the agreed baseline revenue by greater than 20%.
495 Express Lanes	Virginia Department of Transportation	Virginia	December 19, 2007	November 2012	80 years	Variable, uncapped.	A tiered percentage of revenue once a specified equity investor rate of return has been met.
95 Express Lanes	Virginia Department of Transportation	Virginia	July 31, 2012	December 2014	73 years	Variable, uncapped.	A tiered percentage of revenue once a specified return on investment has been met. Upon the opening of the 395 Express Lanes segment to traffic, an annual transit investment payment of US$15 million (increased annually by 2.5%) will also be payable.

(1) As specified in the relevant Concession Agreement, "Term" includes any extension of the term set forth in such Concession Agreement as agreed with the relevant government entity, subject to the successful completion of the relevant toll road project and/or other conditions set forth in the Concession Agreement.

(2) The Western Link section of CityLink opened to traffic in 1999. Tolling commenced and the tunnels opened in 2000.

Obligations

Each Concessionaire's primary obligation is to operate, maintain and repair the relevant assets in accordance with the technical criteria specified in the relevant Concession Agreement. In most instances, a Concessionaire will be required to finance and construct the asset prior to having an obligation to operate and maintain the asset.

Asset enhancement

Asset enhancement projects are usually governed by amending deeds to the underlying Concession Agreement for the relevant toll road asset.

Material adverse event regime

In some of our Australian Concession Agreements, there are varying levels of protection that provide mechanisms for the Concessionaire to claim compensation in certain scenarios where government actions, in some cases including the development of competing transport measures, have a material adverse effect on a particular toll road or Concessionaire.

Our United States Concession Agreements do not have protection against competing transport measures but have protection against certain government actions, such as a discriminatory change in law.

Default and termination

The Concession Agreements typically require the relevant Concessionaire to comply with certain obligations and performance measures during both the construction and operational phases. During the operational phase, this would typically require operating, maintaining and repairing the asset to specified standards. If a Concessionaire breaches a material obligation under a Concession Agreement and fails to remedy the breach within a set cure period, our Concession Agreements generally allow the relevant government entity to terminate the Concession Agreement.

If a Concessionaire is prevented from exercising certain material rights (such as operating and tolling the relevant toll road) under a Concession Agreement as a result of government action, such Concessionaire may be entitled to terminate the Concession Agreement and receive compensation from the relevant government entity. Generally, such compensation would be to repay any debt secured by the asset and a formulated equity return to the Concessionaire.

Hand over

All of our Concession Agreements contain undertakings in relation to hand over of the underlying assets upon expiry of the concession period. While the specific conditions vary in each Concession Agreement, generally, for the Australian assets, we are required to transfer the toll road assets and infrastructure of the toll road to the relevant government entity in a good state of repair and in accordance with technical criteria specified in the relevant Concession Agreement.

For our United States assets, the requirement is that on hand over, the asset condition is such that it has a remaining life of the greater of: (a) five years; or (b) its normal lifecycle as set out in the technical requirements to the Concession Agreement. If requested by VDOT, the Concessionaire must dismantle the tolling system at its own cost to convert the HOT Lanes back to general purpose traffic lanes.

To ensure that the assets and infrastructure are transferred back to the relevant government entity in the specified condition at the end of the applicable Concession Agreement, we periodically review the condition of the asset and infrastructure against the maintenance lifecycle requirements specified in each Concession Agreement and we build a lifecycle major maintenance provision into our operating expenses. This item is built up over time by recognizing an expense in the income statement for the present value of the forecast maintenance expenditure, based on the wear and tear on our toll roads and related infrastructure to date. The actual major maintenance spend each year reduces the maintenance provision, and depending on where in the maintenance cycle a road may be, the cash maintenance spend could vary materially from the maintenance expense recognized during a given period.

Traffic forecasting

Our in-house traffic team comprises approximately 30 traffic engineers, transport planners and modeling experts. Our traffic team is responsible for developing network models for each of the urban areas in which we operate, providing ongoing support for our existing assets and assisting with identifying and assessing network development opportunities.

In support of our existing assets, our traffic team helps identify opportunities for operational improvements to a specific road and/or the surrounding road network, while assessing how the opportunities would affect traffic and revenue.

For project development and delivery, our traffic team helps identify and elevate potential enhancements to our assets and/or the broader network, as well as assisting with traffic and network planning to effectively manage the impact of project delivery activities on traffic and the transport network.

Our traffic team utilizes a range of methodologies and knowledge sources to forecast traffic and assess operational opportunities. We have comprehensive historical data with which to calibrate our traffic models. Due to the breadth of experience of our traffic experts, we have a strong track record of traffic forecasting, which is a competitive advantage in identifying development opportunities and delivering projects on time and on budget.

Project development and delivery

In line with our strategy, we actively seek to develop projects that establish and enhance our network positions, including opportunities to relieve existing traffic congestion through greenfield development and/or enhancement of our toll road networks. Our in-house team of transport network planners and traffic modeling experts is a key part of being able to identify such development opportunities. We are then able to progress these proposals with the relevant government entities. For example, we have utilized this strategy and process on the Hills M2 upgrade, the M5 Motorway widening project, the NorthConnex project, the CityLink-Tulla Widening project, the West Gate Tunnel project, the Inner City Bypass project and the 95 Express Lanes Atlantic Gateway project.

We have successfully undertaken a number of major projects in recent years, including the Hills M2 upgrade, the M5 Motorway widening project, the CityLink Southern Link upgrade and the development of the 495 Express Lanes and the 95 Express Lanes. We outsource construction to experienced and reputable contractors on such projects and seek to ensure that project risks sit with the party most appropriate to bear that risk. We also have our own in-house project delivery personnel that we supplement with external specialists to manage and provide oversight of each phase of project development and delivery and ensure that appropriate construction management systems and controls are in place.

Public Private Partnerships

We generally contract with governments using Public Private Partnerships ("PPPs"). The contracting model for PPPs involves private sector financing and are long-term contracts under which the private sector designs, constructs, operates and maintains projects (activities that were traditionally undertaken by the public sector), while the public sector retains responsibility for strategic planning, regulation and community service obligations.

The PPP model we have traditionally entered into with government entities involves the grant of a concession in respect of toll road assets, in return for which we agree to construct, finance and operate the relevant asset over the period of the concession before transferring it back at the end of the concession period at no cost to the government, maintained and operated in accordance with the provisions of the relevant Concession Agreements.

Our return on investment in respect of each asset depends on the duration of the concession, the amount of toll revenues collected, debt service costs and other factors.

Technology

We have advanced systems and technologies that we have developed in conjunction with leading external technology providers over a number of years to effectively manage our toll road networks, including tolling and roadside operations and tunnel systems technology.

For example, along with our external technology providers, we have developed our GLIDe technology, which is a tolling and customer management system for the calculation and collection of tolls, charges and fees, including the processing of data to support the management of customer accounts, transaction processing and billing. This system has now been implemented on CityLink, Hills M2, Eastern Distributor, the Lane Cove Tunnel and Westlink M7 for the toll road assets in our Brisbane Network and we expect to implement this system by the end of 2017. We have also developed our variable tolling system on the 495 Express Lanes and the 95 Express Lanes with external technology partners, based on a sophisticated algorithm that changes the toll price dynamically to manage demand in these lanes.

We have invested in significant technological improvements in recent years to enhance customer safety and traffic efficiency, including electronic speed and lane control, over-height detection, weight-in-motion sensors, specialist tunnel safety systems and automatic detection of incidents to ensure rapid response.

We have arrangements with other toll road operators and government agencies that enable the customers of other toll road operators or government agencies to use that road operator's or government agency's electronic tolling device, such as an electronic tag or a transponder, on our toll roads.

We continue to develop our technology and data analytics to advance our transport network management and road user interfaces. We also evaluate the application of emerging technology where it can enhance our toll road networks, customer experience and help to avoid disruption on our networks. In addition, we continue to monitor the development of connected and automated vehicles, along with other relevant technology, social and policy trends, in order to prepare for the potential impact on motorway capacity and demand of such advances.

Safety

Safety is our top priority and we have a range of measures in place to support the safety of motorists on our toll road networks and employees and contractors in our offices and sites.

We measure our safety performance in our workplaces and on our toll road networks.

The table below illustrates lost time and recordable injuries for our employees across our networks:

Country	FY2017	FY2016	FY2015	FY2014
Australia				
Lost-time injury[1] frequency rate (LTFIR)	0.52	0.00	0.00	2.10
Recordable injury[2] frequency rate (RIFR)	1.04[3]	1.24	0.00	3.88
United States				
LTFIR[1]	0.00	0.00	0.00	0.00
RIFR[2]	0.00	0.00	0.00	2.20

(1) While we do not record lost-time Injuries as a standalone statistic, the above information has been included for purposes of providing a year-on-year comparison.

(2) Recordable injury count consists of total number of fatalities, lost-time injuries and medical treatment injuries. A restricted work injury is classified under medical treatment injury.

(3) The RIFR in Australia for FY2017 resulted from one lost time injury and one medical treatment case.

Competition

We face competition from the existence and development of or changes to competing roads, feeder roads and other means of transportation. When there are competitive processes for the award of new Concessions or the sale of existing assets, we may face competition from other toll road owners or operators and institutional investors if we are involved in the bidding process.

Employees

We had approximately 1,300 employees located in Australia and the United States, as at June 30, 2017.

We currently have two Australian Enterprise Agreements that apply to approximately 19% of all Australian employees on a Group-wide basis, as at June 30, 2017. These include the following:

- Transurban Customer Service EBA 2016, which commenced on September 29, 2016 and has a nominal expiry date of June 30, 2019; and

- Queensland Motorways Enterprise Agreement 2014, which commenced on September 10, 2014 and has a nominal expiry date of September 9, 2017. A replacement agreement is currently being negotiated with employees and the relevant unions and the existing agreement will remain in effect until a replacement agreement is completed.

Legal, regulatory and administrative proceedings

In the ordinary course of our business, we may be party to legal, regulatory and administrative proceedings. We currently believe that none of these proceedings, individually or taken together, will have a material adverse effect on our business, financial condition or results of operations.

Sustainability

We are committed to sustainability and we seek to maximize performance in this area across our projects, operations and business practices. Each year, we publicly report on our sustainability performance in accordance with the Global Reporting Initiative, which is a global standard for voluntary sustainability reporting. It represents global best practices for reporting an organization's economic, environmental and social performance. We have been reporting using the Global Reporting Initiative standard for over ten years. We have also been listed in the Dow Jones Sustainability Index (DJSI) for 10 consecutive years and in 2016 featured in the DJSI World Leadership Index, placing us in the top 10 percent of companies internationally for sustainability leadership. Our efforts in this area were also recognized early in 2017 by the receipt of the 'Industry Mover Award' which recognizes the greatest improvement in sustainability scoring in our DJSI sector (Transportation and Transportation Infrastructure). We are also a signatory to the UN Global Compact, a voluntary framework that encourages companies to align their operation to 10 universal principles on human rights, labor practices, the environment and anti-corruption.

Directors

The following table sets forth certain information regarding our Directors as of June 30, 2017:

Name	Age	Title
Lindsay Maxsted	63	Chair
Scott Charlton	53	Executive Director and Chief Executive Officer
Neil Chatfield	63	Independent Non-Executive Director
Robert Edgar	71	Independent Non-Executive Director
Samantha Mostyn	51	Independent Non-Executive Director
Rodney Slater	62	Independent Non-Executive Director
Christine O'Reilly	56	Independent Non-Executive Director
Peter Scott	63	Independent Non-Executive Director
Jane Wilson	59	Independent Non-Executive Director

Lindsay Maxsted, Chair and Independent Non-Executive Director

Mr. Maxsted was appointed Director on March 1, 2008 and Chair on August 12, 2010. He is Chair of the Nomination Committee and a member of the Audit and Risk Committee.

Mr. Maxsted is currently Chair and a Non-executive Director of Westpac Banking Corporation and a Non-executive Director of BHP Billiton Limited and BHP Billiton plc. He is the Managing Director of Align Capital Pty Limited and the Honorary Treasurer of Baker Heart and Diabetes Institute. Mr. Maxsted was formerly a partner of KPMG Australia and was the CEO of that firm from 2001 to 2007. His principal area of practice prior to this was in the corporate recovery field, managing a number of Australia's largest insolvency, workout and turnaround engagements.

Mr. Maxsted holds a Diploma of Business from The Gordon Institute of Technology.

Scott Charlton, Chief Executive Officer and Executive Director

Mr. Charlton was appointed Director and Chief Executive Officer on July 16, 2012.

Mr. Charlton joined Transurban from Lend Lease, where he was Group COO and Group Director of Operations. Prior to this, he held several senior appointments across a range of infrastructure entities and financial institutions, including as CFO of Leighton Holdings Limited and as Managing Director of Deutsche Bank in Australia and Hong Kong. Mr. Charlton is currently Deputy Chair of Infrastructure Partnerships Australia and is a member of the Monash Industry Council of Advisors, the Business Council of Australia and Roads Australia.

Mr. Charlton holds a Bachelor of Science from the Texas A&M University and a Master of Business Administration from Southern Methodist University.

Neil Chatfield, Independent Non-Executive Director

Mr. Chatfield was appointed Director on February 18, 2009. He is Chair of the Audit and Risk Committee and a member of each of the Nomination Committee and the Remuneration and Human Resources Committee.

Mr. Chatfield is an established Executive and Non-executive Director with extensive experience across all facets of company management, and with specific expertise in financial management, capital markets, mergers and acquisitions, and risk management. He is currently the Chair and a Non-executive Director of Seek Limited and Costa Group Holdings Limited and a Non-executive Director of Iron Mountain Inc. Mr. Chatfield is also Chair of the not-for-profit organization Launch Housing. He was previously Chair and a Non-executive Director of Virgin Australia Holdings Limited (to May 2015), Non-executive Director of Recall Holdings Limited (to May 2016) and a Non-executive Director of Grange Resources Limited (to April 2014).

Mr. Chatfield holds a Master of Business from the University of Technology, Sydney.

Robert Edgar, Independent Non-Executive Director

Dr. Edgar was appointed Director on July 21, 2009. He is Chair of the Remuneration and Human Resources Committee and a member of each of the Audit and Risk Committee and the Nomination Committee.

Dr. Edgar has over 30 years' experience as a senior executive, with 25 years at ANZ Banking Group in various senior roles, including Deputy CEO, Senior Managing Director, COO, and Chief Economist. He is currently a Non-executive Director of Linfox Armaguard Pty Limited and Djerriwarhh Investments Limited. Dr. Edgar is Chair of the Hudson Institute of Medical Research. He was previously Chair and a Non-executive Director of Federation Centres (to June 2015) and a Non-executive Director of Asciano Limited (to August 2016) and Nufarm Limited (to March 2012).

Dr. Edgar holds a Bachelor of Economics (Honours) from the University of Adelaide and a Doctor of Philosophy from the Ohio State University.

Samantha Mostyn, Independent Non-Executive Director

Ms. Mostyn was appointed Director on December 8, 2010. She is a member of each of the Nomination Committee and Remuneration and Human Resources Committee.

Ms. Mostyn has significant experience in the Australian corporate sector, both in Executive and Non-executive capacities, in particular in the areas of human resources, corporate and government affairs, sustainability management, and diversity. She is currently Chair and a Non-executive Director of Citigroup Pty Limited and a Non-executive Director of Virgin Australia Holdings Limited, Cover-More Group Limited and the Mirvac Group. Ms. Mostyn is Director of the Sydney Swans Football Club, President of the Australian Council for International Development and the Chair of Carriageworks. Ms. Mostyn is currently Deputy Chair of the Diversity Council Australia and is a member of the NSW Climate Change Council, the advisory boards of ClimateWorks Australia, the Crawford School of Government and Economics Australian National University and and Commissioner of the Business and Sustainable Development Commission.

Ms. Mostyn was previously a Commissioner of the Australian Football League (to March 2016).

Ms. Mostyn holds a Bachelor of Arts and a Bachelor of Laws from the Australian National University.

Rodney Slater, Independent Non-Executive Director

Mr. Slater was appointed Director on June 22, 2009. He is a member of the Nomination Committee.

Mr. Slater is a partner in the Government Relations and Lobbying, Transportation, Infrastructure and Local Government, and Construction Projects groups of the Washington, D.C. firm Squire Patton Boggs (US) LLP. He is Global Co-Chair of the Transportation, Shipping and Logistics Industry Group. Mr. Slater served as the United States Secretary of Transportation from 1997 until the end of the Clinton Administration in January 2001 and was the Administrator of the Federal Highway Administration from 1993 to 1996. In the United States, his current Non-executive Directorships include Kansas City Southern (the parent company of the Kansas City Southern Railway Company), Verizon Communications Inc. and Southern Development Bancorporation. Mr. Slater was previously a Director of Parsons Brinckerhoff, Delta Airlines, Northwest Airlines, WS Atkins plc and ICx Technologies Inc. He is a Non-executive Director of the Congressional Awards Foundation and United Way Worldwide.

Mr. Slater holds a Bachelor of Science from Eastern Michigan University and a Juris Doctor from the University of Arkansas School of Law.

Christine O'Reilly, Independent Non-Executive Director

Ms. O'Reilly was appointed Director on April 12, 2012. She is a member of each of the Audit and Risk Committee and the Nomination Committee.

Ms. O'Reilly has over 30 years' experience in the finance and infrastructure sectors in various roles, including as Co-Head of Unlisted Infrastructure at Colonial First State Global Asset Management and as CEO and a Director of the GasNet Australia Group. She is currently a Non-executive Director of CSL Limited, Energy Australia Holdings Limited and Medibank Private Limited. Ms. O'Reilly is also a Non-executive Director of Baker Heart and Diabetes Institute and is the Deputy Chair of CARE Australia.

Ms. O'Reilly holds a Bachelor of Business from Curtin University.

Peter Scott, Independent Non-Executive Director

Mr. Scott was appointed Director on March 1, 2016. He is a member of the Audit and Risk Committee and the Nomination Committee.

Mr. Scott has over 20 years' experience in publicly listed companies with expertise in the engineering and finance sectors. Mr. Scott is Chair of Igniting Change Limited, a not-for-profit organization and a member of the Prime Minister's Community Business Partnership and a Fellow of the Senate of the University of Sydney. Mr. Scott was formerly the CEO of MLC and head of National Australia Bank's Wealth Management Division. Prior to this, he also held a number of senior management positions with Lend Lease, following a successful career as a consulting engineer in Australia and overseas. He was previously the Chair and a Non-executive Director of Perpetual Limited (to May 2017), and a Non-executive Director of Perpetual Equity Investment Company Limited (to June 2017) and a Non-executive Director of Stockland Corporation Limited (to August 2016).

Mr. Scott holds a Bachelor of Engineering from Monash University and a Masters of Engineering Science from the University of New South Wales.

Jane Wilson, Independent Non-Executive Director

Dr. Wilson was appointed Director on January 1, 2017. She is a member of the Remuneration and Human Resources Committee and the Nomination Committee.

Dr. Wilson has over 20 years' experience as a Director of companies, government-owned corporations and non-profit organizations. She has considerable experience in finance, banking and medicine. She has been awarded the 2016 Australian Institute of Company Directors Queensland Gold Medal Award for contribution to business and the wider community.

Dr. Wilson is a Non-executive Director of Sonic Healthcare Limited, Guardian of the Future Fund (Australia's Sovereign Wealth Fund), Non-executive Director of Opal Aged Care Limited and Non-executive Director of the General Sir John Monash Foundation. She was also previously Deputy Chancellor of the University of Queensland (to November 2016) and a Non-executive Director of the Winston Churchill Memorial Trust (to November 2016).

Dr. Wilson holds a medical degree from The University of Queensland and a Masters of Business Administration from Harvard Business School.

Senior management

The following table sets forth certain information regarding our senior management as of June 30, 2017. See "—Directors" for information in relation to our Chief Executive Officer and Executive Director, Scott Charlton.

Name	Age	Title
Scott Charlton	53	Chief Executive Officer
Adam Watson	43	Chief Financial Officer
Jennifer Aument	40	Group General Manager, North America
Wesley Ballantine	38	Group General Manager, Queensland (to June 30, 2017) and Group General Manager, Queensland and Group General Manager, Strategy (from July 1, 2017)
Andrew Head	43	Group General Manager, New South Wales (to June 30, 2017) and Group General Manager — Development, New South Wales (from July 1, 2017)
Vin Vassallo	50	Group General Manager, Victoria
Tony Adams	55	Group General Manager, Project Delivery and Operational Excellence
Sue Johnson	47	Group General Manager, Customer Operations and Human Resources
Lisa Tobin	55	Group General Manager, Technology
Michele Huey	41	Group General Manager, Strategy (to June 30, 2017) and Group General Manager — Business Operations, New South Wales (from July 1, 2017)
Henry Byrne	39	Group General Manager, Corporate Affairs
Amanda Street	40	Company Secretary
Julie Galligan	39	Group General Counsel

Adam Watson, Chief Financial Officer

Mr. Watson joined us as Chief Financial Officer in December 2014. Prior to joining Transurban, he was Chief Financial Officer of Australian Pacific Airports Corporation Limited. Mr. Watson previously was with BlueScope Steel Limited, where he held a number of senior executive roles, both in Australia and overseas, including Chief Financial Officer of BlueScope Global Building Solutions, Chief Financial Officer of BlueScope North America and Vice President Commercial and Corporate Finance. Mr. Watson also represented BlueScope Steel in various joint ventures, including North Star BlueScope Steel in the United States and Tata BlueScope Steel in India. Prior to joining BlueScope, he held various senior roles at Spotless Group Limited, including General Manager Corporate Development and Chief Financial Officer of Spotless' international operations. Mr. Watson has also served as a non-executive member of the Advisory Board of FM Global, based in the United States.

Mr. Watson holds a Bachelor of Business (Accountancy) and a Bachelor of Business (Business Administration) from RMIT University. He is also a Fellow of CPA Australia and is a graduate member of the Australian Institute of Company Directors.

Jennifer Aument, Group General Manager, North America

Ms. Aument joined us in 2006 and was appointed Group General Manager, North America in June 2013. Prior to that appointment, she was Vice President Public Affairs for Transurban, with responsibility for the United States market. Ms. Aument, who came to Transurban from Bechtel Infrastructure, is also a commissioner for the Virginia Port Authority, which oversees one of the largest shipping enterprises in the United States.

Ms. Aument holds a Masters of Business Administration from George Washington University and a Bachelor in journalism and political science from West Virginia University.

Wesley Ballantine, Group General Manager, Queensland (to June 30, 2017) and Group General Manager, Queensland and Group General Manager, Strategy (from July 1, 2017)

Mr. Ballantine was appointed Group General Manager, Queensland in June 2014. Mr. Ballantine also reassumed the role of Group General Manager, Strategy in addition to his role as Group General Manager, Queensland from July 1, 2017 a role that he held prior to his appointment as Group General Manager, Queensland in 2014. Mr. Ballantine started with Transurban in 2006 and has been involved in a range of Transurban initiatives spanning development, financing, and government and investor relations in both Australia and the United States. Before joining Transurban, Mr. Ballantine worked at Deloitte on projects covering strategy, mergers and acquisitions, and merger integration.

Mr. Ballantine holds a Bachelor of Arts from the University of Melbourne and a Masters of Commerce from the University of New South Wales. He is also a Chartered Accountant.

Andrew Head, Group General Manager, New South Wales (to June 30, 2017) and Group General Manager — Development, New South Wales (from July 1, 2017)

Mr. Head joined us in 2003 and was appointed Group General Manager, New South Wales in January 2011. On July 1, 2017, Mr. Head was appointed Group General Manager — Development, New South Wales. In previous roles at Transurban, he was responsible for both Group Strategy & Development and Investor Relations. Before joining the company, Mr. Head was at PricewaterhouseCoopers in their Resources, Services and Government practice and prior to that, he was with Burson-Marsteller in their Public Affairs, Corporate and Financial practice. Mr. Head has also worked in the New South Wales government.

Mr. Head holds a Bachelor of Arts (Communication/Politics) from Charles Sturt University.

Vin Vassallo, Group General Manager, Victoria

Mr. Vassallo was appointed Group General Manager, Victoria in February 2013. Prior to accepting the role, he was General Manager of Abigroup Contractors, Southern Region. Before moving to Abigroup, Mr. Vassallo had worked for Transurban for nearly seven years. For much of that time, he was based in Washington, D.C. as Senior Vice President Development, North America where he was responsible for building and managing the Group's United States development business.

Mr. Vassallo holds a Bachelor of Engineering with Honours (Civil Engineering) from RMIT University.

Tony Adams, Group General Manager, Project Delivery and Operational Excellence

Mr. Adams joined us in 2003 as the Project Manager for Westlink M7 and was appointed Group General Manager, Project Delivery and Operational Excellence in July 2014. He has played a key role in delivering successful projects including Westlink M7 and the conversion of cash to fully electronic tolled lanes on Hills M2. Mr. Adams relocated to the United States in July 2006 and supported the development and management of the United States business and the procurement and delivery of the 495 Express Lanes and 95 Express Lanes projects. He held Vice President roles in development and major project support and infrastructure delivery, and was a key member of the leadership team. Mr. Adams's background and experience is in the design, development, implementation and project management of civil and technology infrastructure projects, within the transportation, telecommunications, and environmental management sectors. He is a Member of the Australian Institute of Project Management and the Institution of Engineers Australia.

Mr. Adams holds a Bachelor of Engineering (Civil) from the University of Technology, Sydney and a Masters of Environmental Studies from the University of New South Wales.

Sue Johnson, Group General Manager, Customer Operations and Human Resources

Ms. Johnson joined Transurban in 2001 as a human resources consultant and has held a number of positions within the Group since that time. Ms. Johnson became Group General Manager, Human Resources in October 2012 and had responsibility for HR strategy and management. She also became responsible for the customer operations area of the Group in September 2014. Prior to her career at Transurban, Ms. Johnson spent eight years working as a human resources manager in both Australia and New Zealand.

Ms. Johnson holds a Bachelor of Business from the University of Queensland and a Bachelor of Science from the University of Southern Queensland.

Lisa Tobin, Group General Manager, Technology

Ms. Tobin joined us in February 2013 as Group General Manager, Technology. Her most recent experience was at Australia Post, where she was responsible for technology strategy, development and services to support the national retail division. Previously, Ms. Tobin held a number of senior technology roles across the financial services industry, including several roles within National Australia Bank as the General Manager of Technology for Private and Institutional Wealth with responsibility for technology across custodial, margin lending, share trading and wealth management investment platforms and, prior to that, the Head of Technology Regional Demand and Head of Technology — Financial Freedom. Earlier, as part of MLC, Ms. Tobin was Technology Head of Solutions, Strategy & International technology operations, covering operations in the UK, Hong Kong, New Zealand, Thailand and Indonesia.

Ms. Tobin holds a Masters of Business Administration from the University of New South Wales.

Michele Huey, Group General Manager, Strategy (to June 30, 2017) and Group General Manager — Business Operations, New South Wales (from July 1, 2017)

Ms. Huey joined us in January 2015 as Group General Manager, Strategy. On July 1, 2017, Ms. Huey was appointed Group General Manager — Business Operations, New South Wales. Prior to joining Transurban, she was Group Head of Procurement and Group Head of Transformation at LendLease. In these roles, she led a global business transformation program to support the organization's global strategy and established the group's procurement function. Prior to LendLease, Ms. Huey was a Principal at Booz & Company (now Strategy& as part of PricewaterhouseCoopers) where she worked with international and national organizations across the oil and gas, resources, industrial and financial services sectors on strategy development, operational improvement programs, and organization transformations.

Ms. Huey holds a Bachelor of Commerce from the University of New South Wales and a Master of Business Administration from Harvard Business School.

Henry Byrne, Group General Manager, Corporate Affairs

Mr. Byrne was appointed Group General Manager, Corporate Affairs in July 2017. Prior to that appointment, he was General Manager of Corporate Affairs and Investor Relations. Mr. Byrne started with Transurban in 2007 and has previously held management roles in investor relations and operations within the business. Prior to joining Transurban, Mr. Byrne had held positions as a lawyer and financial journalist.

Mr. Byrne holds a Bachelor of Commerce and a Bachelor of Laws from Monash University.

Amanda Street, Company Secretary

Ms. Street joined us in September 2008 and was appointed as Company Secretary in February 2011. Before joining Transurban, she was Assistant Company Secretary at SP AusNet (now AusNet Services Limited), and Senior Corporate Counsel at National Australia Bank. Ms. Street has over 17 years of legal, company secretariat and other relevant experience. Prior to her in-house work, she was a solicitor specializing in M&A work with Australian law firm King & Wood Mallesons.

Ms. Street holds a Bachelor of Laws (Hons) and Bachelor of Commerce from the University of Melbourne.

Julie Galligan, Group General Counsel

Ms. Galligan joined us in November 2008 and was appointed as General Counsel in February 2012. Before joining Transurban, she was a senior lawyer at Associated British Ports in the United Kingdom. Ms. Galligan has over 17 years of experience in private practice and in-house roles in both Australia and the United Kingdom. Prior to her in-house work, she was a solicitor specializing in private equity work at SJ Berwin LLP in London and M&A work with Australian law firm MinterEllison.

Ms. Galligan holds a Bachelor of Laws and Bachelor of Arts from Deakin University.

Board practices

Role and responsibilities

The Board is responsible for charting our direction, policies, strategies and financial objectives. The Board's responsibilities are designed to ensure the strategic guidance of our Group, the effective monitoring of management by the Board and the Board's accountability to our Group and its security holders.

More specifically, the Board is responsible for:

- establishing general policies;
- establishing strategic priorities and objectives;
- establishing financial objectives and criteria;
- determining matters of a major or unusual nature which are not in the ordinary course of business;
- considering and adopting a business plan and budget for the ensuing financial year for our Group and procuring that the relevant entities of our Group adopt the relevant business plan and budget; and
- maintaining a high standard of corporate governance while carrying out its duties with care and diligence.

Board access to information and independent advice

Our Directors receive various management and financial information concerning our Group. In addition, each Director is entitled to inspect and copy Board papers and other records of our Group for any proper purpose concerning the exercise of powers and discharge of duties as a Director, and for limited litigation related purposes.

Conflicts of interest

All Directors are required to take all reasonable steps to avoid actual, potential or perceived conflicts of interests. Under the constitutions and at law, Directors must disclose any conflicts of interest and abstain from participating in any discussion or voting on matters in which they have a material personal interest.

Board committees, membership and charters

To assist the Board in meeting its responsibilities, the Group currently has the following Board committees:

- the Audit and Risk Committee;

- the Nomination Committee; and
- the Remuneration and Human Resources Committee.

The Board may establish other committees from time to time to deal with specific matters.

Audit and Risk Committee

The Audit and Risk Committee assists the Board in fulfilling its corporate governance and oversight responsibilities relating to:

- the integrity of Transurban's financial reporting;
- the effectiveness of Transurban's systems of financial risk management and internal control;
- the internal and external audit functions;
- Transurban's risk profile and risk policy; and
- the effectiveness of Transurban's risk management framework and supporting risk management systems.

The current members of the Audit and Risk Committee are Neil Chatfield (Chairman), Lindsay Maxsted, Robert Edgar, Peter Scott and Christine O'Reilly. The Audit and Risk Committee meets as often as the members deem necessary in order to fulfill their role, although it is intended that the Committee meet no less than once each calendar quarter. The Audit and Risk Committee is comprised entirely of Non-Executive Directors, all of whom the Board considers to be independent.

Nomination Committee

The Nomination Committee assists the Board in fulfilling its responsibilities relating to the size and composition of the Board, reviewing Board performance and succession planning. The current members of the Nomination Committee are Lindsay Maxsted (Chairman), Neil Chatfield, Robert Edgar, Samantha Mostyn, Christine O'Reilly, Peter Scott, Rodney Slater and Jane Wilson. The Nomination Committee meets at least two times each year.

Remuneration and Human Resources Committee

The Remuneration and Human Resources Committee assists the Board in fulfilling its responsibilities relating to the remuneration of the Board, the performance and remuneration of, and incentives for, the Chief Executive Officer ("CEO") and Senior Executives, remuneration strategies, practices and disclosures generally; and management programs the to optimize the contributions of Transurban's human resources to support and further corporate objectives, including succession and development planning, diversity and culture and engagement. The current members of the Remuneration and Human Resources Committee are Robert Edgar (Chairman), Neil Chatfield, Samantha Mostyn and Jane Wilson. The Remuneration and Human Resources Committee will meet as often as the members deem necessary in order to fulfill their role, although it is intended that the Committee meet no less than three times each year.

The following discussion should be read in conjunction with our "Selected historical financial data" and consolidated financial statements, including the notes thereto, included elsewhere in this Offering Circular. This section contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including those set out in "Risk factors" and the "Forward-looking statements" disclaimer.

Overview

This operating and financial review is divided into the following sections:

- *Description of our Group*—a general description of our corporate and business structure, the basis of presentation of our financial statements, our business activities, the key drivers of our financial results, and economic factors affecting our business and results of operations.

- *Results of operations*—a discussion and analysis of our consolidated results of operations for the year ended June 30, 2017 compared to the year ended June 30, 2016 and for the year ended June 30, 2016 compared to the year ended June 30, 2015.

- *Liquidity and capital resources*—an analysis of our cash flows and sources and uses of cash.

- *Contractual and commercial commitments*—a summary of our contractual and commercial commitments.

- *Off-balance sheet arrangements*—disclosure regarding off-balance sheet arrangements.

- *Quantitative and qualitative disclosures about financial market risk*—disclosures regarding our financial market risks.

- *Critical accounting policies*—a discussion of our accounting policies that require critical judgments and estimates.

Description of our Group

Transurban is a manager, developer and operator of urban toll road networks in Australia and North America.

We have ownership interests in the concessions for thirteen operational toll roads in the three largest cities in Australia: Sydney, Melbourne and Brisbane. We also own the concessions for two toll road assets in the Greater Washington Area in the United States. All of our toll roads are located in urban areas catering for essential commuting and freight traffic. Our Australian operations consist of wholly owned concessions for four operational toll roads (CityLink in Melbourne, Victoria, and Hills M2, Lane Cove Tunnel and Cross City Tunnel in Sydney, New South Wales) and partly-owned concessions for nine operational toll roads (Eastern Distributor, Westlink M7 and M5 Motorway in Sydney, New South Wales, and Gateway Motorway, Logan Motorway, Clem7, Go Between Bridge, Legacy Way and AirportlinkM7 in Brisbane, Queensland). Our United States operations consist of wholly owned concessions for two operational toll roads in the Washington, D.C. area: the 495 Express Lanes, which operate on a section of I-495, the major route circling Washington, D.C., and the 95 Express Lanes, which operate on a section of I-95. I-95 intersects with and connects to I-495 and is a major thoroughfare into Washington, D.C.

Our diversified portfolio consists of high-quality toll roads with long-dated concession lives that are integral pieces of transport infrastructure within the urban areas that they service. Our established assets have a history of strong cash flows and revenue growth and attractive EBITDA margins. Our Australian toll roads connect with either other toll roads in our portfolio of assets or major public roads to form the main integrated traffic network for that urban and surrounding area.

We operate each of our toll roads under a Concession Agreement with a government entity. The Concession Agreement is the principal contract governing the terms under which we construct (as applicable), manage, operate, maintain and collect tolls on the relevant toll road during the concession term. Our Concession Agreements are long-dated with a weighted average life of 29.7 years across our portfolio of assets (based on Proportional toll revenue as at June 30, 2017). For our Australian concession assets, other than for the M5 Motorway (the Concession Agreement for which expires in 9.4 years as at June 30, 2017), the remaining terms range between 17.5 and 48.0 years. The remaining term for each of our United States Concession Agreements is 70.5 years.

All of our Australian Concession Agreements have in-built tolling price uplift mechanisms. These price increase mechanisms are generally linked to a specified consumer price index and provide guaranteed pricing floors for the majority of our Australian toll roads. There are no pricing restrictions on the 95 Express Lanes or the 495 Express Lanes, where the toll prices are changed dynamically to manage traffic demand and flow on our tolled lanes. Upon the expiry of each Concession Agreement, we are required to transfer the toll road assets and infrastructure of the toll road to the relevant government entity in a good state of repair.

Components of our financial results and their drivers

The key components of our revenue and expenses and the internal and external factors that affect our results are described below. See "Risk factors" for further discussion of certain risks associated with the key factors discussed below and other factors that may affect our business, cash flow, financial condition and results of operations.

Traffic

We generate most of our earnings from the tolls paid by users of our toll roads. Therefore, our revenues are dependent on traffic volumes, which drive the amount of toll revenue for any particular period.

Traffic volumes across our networks are driven by the benefit that potential road users perceive in using the road and their willingness to pay for that benefit. The perception of benefit is influenced by the availability and utility of alternative infrastructure such as toll-free roads or public transport. A potential road user's willingness to pay is influenced by the cost of tolls as well as general and regional economic and demographic conditions.

Economic factors affecting traffic volume on our roads include taxation on road use and motor vehicle use, other costs associated with owning and operating a vehicle, inflation, interest rates and levels of employment in areas served by our networks. We believe that urban toll roads like ours benefit from a significant proportion of non-discretionary travel, such as commuting to and from work, making traffic volumes less sensitive to overall economic conditions compared to travel on non-urban roads. The impact of inflation is specifically addressed in our Concession Agreements and discussed below under "Inflation."

Demographic factors affecting traffic volumes include levels of population and employment growth, migration, land development programs, changes in residential and commercial land use, general development in areas served by our toll roads, levels of carpooling and other types of ride sharing arrangements, changing travel patterns and other habits of private and commercial users of our toll roads.

Additional factors that affect our traffic volumes include the quality and state of repair of our toll roads, including any upgrades and any disruption as a result thereof, the quality, proximity and convenience of alternative roads, such as toll roads that we do not operate and toll-free roads, as well as the existence of public transport infrastructure, the nature and extent of the connections of our toll roads to other urban roads and regional highway networks.

Governmental and regulatory policies may also impact our earnings and include transport and environmental regulation, including the impact of carbon reduction programs, congestion taxes on urban travel, other measures to restrict motor vehicle use and government transport and urban management policies and strategies.

A summary of traffic volumes on our toll roads from FY2015 to FY2017 is provided below. This includes data for certain assets that predates our ownership of the asset.

Each of our assets has demonstrated traffic growth over FY2016 and FY2017, excluding the following:

- CityLink — traffic was affected by the works on the CityLink-Tulla Widening project resulting in a decline in ADT of 1.0% in the financial year ending June 30, 2017 compared to the prior period; and
- Go Between Bridge — ADT declined by 4.0% in the financial year ending June 30, 2017 compared to the prior period due to increased congestion on surrounding roads.

	Average Daily Trips[1]			Growth Rate	
	Year ended June 30, 2017	Year ended June 30, 2016	Year ended June 30, 2015	Year ended June 30, 2017	Year ended June 30, 2016
Melbourne					
CityLink	816,374	824,502	816,313	(1.0%)	1.0%
Sydney					
Cross City Tunnel	38,139	37,458	36,491	1.8%	2.6%
Hills M2	128,948	124,881	116,211	3.3%	7.5%
Lane Cove Tunnel	89,037	86,021	80,922	3.5%	6.3%
Eastern Distributor	56,289	55,413	53,176	1.6%	4.2%
M5 Motorway	150,630	144,328	130,043	4.4%	11.0%
Westlink M7	182,925	176,570	164,647	3.6%	7.2%
Brisbane [2]					
Clem7	27,789	26,689	26,781	4.1%	(0.3%)
Go Between Bridge	11,203	11,669	11,761	(4.0%)	(0.8%)
Gateway Motorway	115,048	113,915	112,355	1.0%	1.4%
Logan Motorway	163,778	158,668	151,928	3.2%	4.4%
Legacy Way	18,420	17,696	n/a	4.1%	n/a
AirportlinkM7[3]	57,758	54,461	50,854	6.1%	7.1%
Greater Washington Area					
495 Express Lanes	46,315	39,711	36,394	16.6%	9.1%
95 Express Lanes	49,498	45,233	38,439	9.4%	17.7%

(1) Traffic data for each asset represents Average Daily Trips, with the exception of CityLink, for which traffic data represents Average Daily Transactions. See "Certain Definitions" for the definitions of Average Daily Trips and Average Daily Transactions.

(2) We acquired our majority interest in Queensland Motorways Group on July 2, 2014, and we renamed it Transurban Queensland on January 30, 2015.

(3) We acquired the AirportlinkM7 on April 1, 2016.

In addition to traffic volumes, the traffic mix across our toll roads is a key driver of toll revenue due to the differences in toll prices charged for different vehicle classes. For the majority of our assets, we record traffic across four vehicle classes:

- cars;
- motorbikes;
- light commercial vehicles; and
- heavy commercial vehicles.

Across our Australian networks, toll prices for these vehicle types generally differ between each class. In particular, toll prices for commercial vehicles are typically based on a multiple of the car toll price. In Melbourne and Brisbane, a different multiplier can apply to light and heavy commercial vehicles. In the United States, a different tolling structure is applied, where toll prices are changed dynamically to manage traffic demand and speed on our tolled lanes. There is no multiplier applied for different vehicle classes. In addition, high occupancy vehicles fitted with a transponder, public transport vehicles and other excluded vehicles are not charged tolls on our toll roads in the Greater Washington Area.

Inflation

All of the Concession Agreements governing our Australian toll roads contain mechanisms that regulate the tolls that we can charge. The mechanism used generally provides for increases in tolls on a quarterly or annual basis, based on changes in the quarterly or annual consumer price index. Under certain Concession Agreements, including the CityLink Concession Agreement, we have the right to increase tolls above inflation. While increases in inflation typically cause our revenues to increase, our expenses are also subject to inflation.

Most of our Australian Concession Agreements do not require a reduction in tolls when the consumer price index decreases. However, the Concession Agreement relating to the Westlink M7 toll road does require a reduction in tolls based on deflation. Under the Concession Agreements for the Lane Cove Tunnel and the M5 Motorway, we are not required to lower tolls as a result of deflation, however, we cannot raise tolls until inflation offsets the previous deflation.

The tolls relating to the 495 Express Lanes and 95 Express Lanes in the United States are not contractually tied to inflation, but inflation may still have an indirect impact on the toll prices charged if it affects customers' discretionary spending. These roads have variable tolls that can be raised at our discretion. These roads compete directly with adjacent non-tolled roads, and tolls are changed dynamically to manage traffic demand and flow on our tolled lanes.

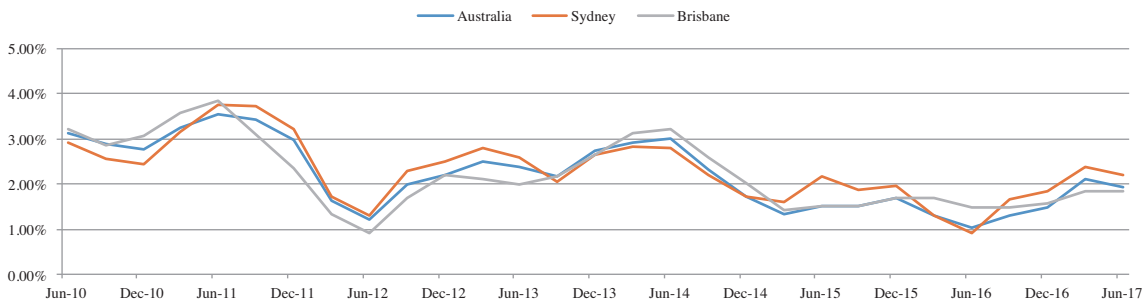
A summary of the toll price escalation and applicable CPI index across each asset as at June 30, 2017 is provided below.

Asset	Escalation	Applicable Index
CityLink	Escalated quarterly by the greater of quarterly CPI or 1.011065% per quarter for the first 16 years (until December 31, 2016), then quarterly by CPI. This is subject to a cap of annual CPI plus 2.5%, which cannot be exceeded.	All Groups CPI, Australia
Hills M2	Escalated quarterly by the greater of quarterly CPI or 1%.	All Groups CPI, Australia
Lane Cove Tunnel	Escalated quarterly by quarterly CPI. The toll cannot be lowered as a result of deflation, however, until inflation counteracts the deflation the toll cannot be increased. Truck tolls escalated at the greater of 1% and quarterly CPI. Truck tolls to reach three times the tolls imposed on cars on March 31, 2017.	All Groups CPI, Australia
Cross City Tunnel	Escalated quarterly by: the greater of quarterly CPI or 0.9853% (equivalent to 4% per annum) to June 2012; the greater of quarterly CPI or 0.7417% (equivalent to 3% per annum) to June 2018; quarterly CPI to concession end.	All Groups CPI, Australia

Asset	Escalation	Applicable Index
Eastern Distributor.....	Escalated quarterly by the greater of a weighted sum of quarterly Average Weekly Earnings and quarterly CPI or 1%.	Weighted sum of All Groups CPI, Australia and Average Weekly Earnings, Australia, seasonally adjusted
Westlink M7	Escalated or de-escalated quarterly by quarterly CPI.	All Groups CPI, Australia
M5 Motorway	Escalated quarterly by quarterly CPI. The toll cannot be lowered as a result of deflation, however, until inflation counteracts the deflation the toll cannot be increased.	All Groups CPI, Sydney
Gateway Motorway	Escalated annually at CPI. The toll cannot be lowered as a result of deflation.	All Groups CPI, Brisbane
Logan Motorway.....	Escalated annually at CPI. The toll cannot be lowered as a result of deflation.	All Groups CPI, Brisbane
Clem7.....	Escalated annually at CPI. The toll cannot be lowered as a result of deflation.	All Groups CPI, Brisbane
Go Between Bridge.....	Escalated annually at CPI. The toll cannot be lowered as a result of deflation.	All Groups CPI, Brisbane
Legacy Way	Escalated annually at CPI. The toll cannot be lowered as a result of deflation.	All Groups CPI, Brisbane
AirportlinkM7.....	Escalated annually at CPI. The toll cannot be lowered as a result of deflation.	All Groups CPI, Brisbane
495 Express Lanes	Variable, uncapped.	n/a
95 Express Lanes.....	Variable, uncapped.	n/a

The historic performance of inflation (All Groups CPI) across Australia, Sydney and Brisbane from June 2010 to June 2017 is provided below.

Historical CPI Performance (Annual, Rolling Quarterly), June 30, 2010 to June 30, 2017



Source: Australian Bureau of Statistics

Tolling Systems

We collect revenue using a variety of tolling systems, and we are dependent on the reliable and efficient operation and maintenance of our tolling systems. For example, we are dependent on our information technology systems to accurately and effectively collect and process toll revenue information, and to do so in a manner that protects our customer data and is in compliance with privacy laws.

To effectively manage our toll road networks, we have advanced systems and technologies that our partners have developed, with our help, over many years. For example, the 3D video systems mounted on our tolling gantries detect, track and classify vehicles in real time. In the United States, along with our technology partners, we have developed a tolling system that incorporates dynamic toll price changes to manage demand in these lanes.

We have arrangements with other toll road operators and government agencies that enable their customers to use that road operator's or government agency's electronic tolling device, such as an electronic tag or a transponder, on our toll roads.

Across most assets, a small portion of the toll revenue to which we are entitled is not paid or collected, resulting in a loss of revenue to us. For example, a toll notice cannot be issued if image processing cannot detect a valid vehicle license plate, or when valid contact details are not available from transport authorities. Non-collection of tolls, or leakage, varies across each asset but is typically minimal.

Maintenance and Capital Expenditure

In addition to the day-to-day costs associated with operating our business, we are required under our Concession Agreements to undertake maintenance and capital expenditure projects from time to time on our toll roads. Our maintenance work also restores and maintains the amenity of our toll road networks to support ongoing traffic volumes.

Upon the expiry of each Concession Agreement, we are required to transfer the motorway assets and infrastructure of the toll road to the relevant government entity in a good state of repair and in accordance with agreed hand over requirements.

In addition to the costs associated with maintenance and capital expenditures, undertaking maintenance or capital works can impact revenue if such works result in traffic delays that cause fewer motorists to use the affected road.

Acquisitions and development projects

We have in the past expanded our portfolio of assets through acquisitions or bids for new projects. In the future, we may seek to acquire additional assets or businesses, or develop new brownfield or greenfield toll roads.

We have delivered a number of projects under a Public Private Partnership model, including CityLink in Melbourne, Westlink M7 in Sydney and 495 Express Lanes and 95 Express Lanes in the Greater Washington Area in the United States. See "Business—Public Private Partnerships" for further information. We have also been able to create additional capacity and reduce inefficiencies on certain toll roads through a number of asset enhancements.

More recently, we have been involved in several major projects and proposals in Australia, including the following:

- In Melbourne, we have reached contractual close with the Victorian Government to widen CityLink from the West Gate Freeway to Bulla Road on the Tullamarine Freeway, with the State Government undertaking widening works that extend to Melbourne Airport (known as the CityLink-Tulla Widening project). We commenced work on this project in October 2015;

- We are in exclusive negotiations with the Victorian Government in relation to our proposal for the West Gate Tunnel project (formerly known as the Western Distributor project), which includes a proposed tunnel and elevated motorway connecting the West Gate Freeway with the Port of Melbourne, CityLink and the Melbourne CBD, widening the West Gate Freeway to include two additional traffic lanes in each direction from the M80 Ring Road to Williamstown Road and Webb Dock access improvement and upgrading the Monash Freeway;

- We and the other Westlink M7 shareholders commenced construction on the NorthConnex project in February 2015, which involves building a 5.6 mile (9 km) tolled link between the M1 Pacific Motorway and Hills M2 in northern Sydney;

- On October 28, 2015, the Queensland Government announced that it would progress our proposal to deliver upgrades on the Logan Motorway and Gateway Extension Motorway. On November 23, 2016, we announced that the Queensland Government had approved our proposal to deliver the A$512 million project. The detailed design started in early 2017 and construction commenced in June 2017. CPB Contractors has been awarded the contract to take the project into detailed design and construction. Detailed design started in early 2017 and construction commenced in June 2017. Construction is expected to take approximately two years to complete.

- On April 3, 2017, we entered into an agreement with Brisbane City Council to deliver the Inner City Bypass upgrade project.

A summary of our recent acquisition and development activity for FY2017 is provided below:

Network	Description
Melbourne	Construction continued on CityLink-Tulla Widening project
	Selection of preferred design, D&C subcontractor and commencement of the statutory planning approvals process commenced for West Gate Tunnel project (formerly the Western Distributor project)
	We remain in exclusive negotiations with the Victorian Government to deliver the West Gate Tunnel project
	Managing delivery of the Monash Freeway Upgrade
	Works on Webb Dock Access Improvements continued
Sydney	Ongoing NorthConnex construction
Brisbane	Agreement entered into with the Brisbane City Council in relation to the Inner City Bypass upgrade project
	Agreement reached with the Queensland Government in relation to the Logan
	Enhancement Project and commencement of construction in June 2017
Greater Washington Area	Entered into an agreement with VDOT for the 395 Express Lanes project
	Entered into an agreement with VDOT for the 2.2 mile (3.5 km) 95 Southern Terminus Extension
	Currently in negotiations with VDOT to continue evaluating the extension of the 95 Express Lanes south to the Fredericksburg area

The completion of brownfield acquisitions or greenfield toll roads can have a material impact on our toll revenue. Development projects on existing assets typically impact our revenue over two phases as follows:

- Reduction in traffic during construction as a result of disruption. For example, when the construction of the M5 Motorway widening project was undertaken in FY2014, there was a decline in total toll revenue (excluding fee revenue) by 1.1% from A$189 million in FY2013 to A$187 million in FY2014; and

- Increased traffic post-construction and ramp-up. For example, following completion of the M5 Motorway widening project, there was an increase in total toll revenue (excluding fee revenue) in FY2015 of 8.6% to A$203 million, from A$187 million in FY2014.

Finance costs

Finance costs are the largest individual component of our expenses. As at June 30, 2017, we had proportional debt of A$13.6 billion and U.S. dollar-denominated debt of US$2.5 billion, primarily consisting of bank debt and senior corporate bonds, comprising United States private placement notes ("USPP Notes"), domestic Australian dollar notes ("AMTN"), 144A notes, Canadian medium term notes ("CMTN"), European medium term notes ("EMTN") and Norwegian Krone medium term notes ("NKMTN"). The weighted average interest rate of our proportional Australian dollar-denominated debt and U.S. dollar-denominated debt as at June 30, 2017 was 4.9% (5.2% as at June 30, 2016) and 4.3% (4.3% as at June 30, 2016), respectively.

We manage interest rate risk by entering into fixed rate debt facilities or by using interest rate swaps to convert floating rate debt to fixed interest rates. Our policy is to hedge interest rate exposure to between 80% and 100% of drawn debt while complying with the covenant requirements of our funding facilities. As at June 30, 2017, 99.4% of our proportional debt was hedged (99.5% as at June 30, 2016).

General Economic Conditions

Our toll road assets have strategic strengths in both location and nature. The majority of our revenues are generated on toll road assets located in Australia, where we have experienced traffic growth over time. In nature, our assets are primarily urban toll roads. Urban travel is generally less discretionary than non-urban travel, with a high proportion of toll road trips taken by commuters travelling to and from work.

Foreign exchange

We operate internationally and are exposed to foreign exchange risk when future transactions and recognized assets and liabilities are denominated in foreign currencies.

We generally manage our exposures to foreign investments using foreign currency debt. All known material operating exposures out to 12 months are hedged, using hedging instruments, offsetting exposures or drawing on foreign currency funds.

Key income statement items

Toll revenue

We generate most of our revenue from the tolls paid by users of our toll roads, and our revenues are dependent on the number and classes of motor vehicles using our toll roads and the amount of the tolls charged. Toll revenue generally varies depending on whether the vehicle is a motorbike, car, light commercial vehicle or heavy commercial vehicle. On some toll road networks, trucks are distinguished between light and heavyweight commercial vehicles and generate different toll rates. We also earn revenue from fees paid by users of our toll roads who do not have a valid account, pass or arrangement with us or another tolling operator. Fees include late toll fees, infringement charges and video and image processing fees.

Other revenue

Other revenue includes management fee revenue, business development revenue, construction performance fees and other road revenue.

Construction revenue and costs

If a Concession Agreement includes a design and construction element, we recognize revenue equal to the costs incurred for the construction of the asset. The construction costs and related construction revenue are recognized using the percentage completion method for recognizing revenue. There is no margin recognized on construction contracts, except for instances where we provide construction-related services to a third party. As a result, our construction revenue and construction costs are generally consistent.

Expenses

We classify our operating expenses as:

- employee benefits expense, which includes all employee-related costs such as salaries and on-costs, superannuation and share based payment expenses;

- road operating costs, which include tolling expenses, maintenance activities and asset management costs, such as road repairs and road system expenses; and

- corporate and other expenses, which include concession fees, information technology, professional services, marketing and other general overhead costs.

We undertake two types of maintenance expense activities (included within road operating costs above):

- annual recurring maintenance activities are undertaken on a day-to-day basis, such as minor pavement repairs and line marking. These activities are expensed in the income statement as incurred; and

- lifecycle major maintenance, which represents our contractual obligation to maintain toll roads and related infrastructure to a specified level of serviceability and/or to restore the infrastructure to a specified condition before handing it back to the relevant government entity pursuant to our Concession Agreements. The maintenance provision for lifecycle major maintenance is built up over time by recognizing an expense in the income statement for the present value of the forecast maintenance expenditure, based on the wear and tear on our toll roads and related infrastructure to date. The actual major maintenance spend each year reduces the maintenance provision, and depending on where in the maintenance cycle a road may be, the cash maintenance spend could vary materially from the maintenance expense recognized during a given period.

Depreciation and amortization

The majority of our depreciation and amortization expense relates to the amortization of concession assets. Concession assets represent our rights to operate roads under Concession Agreements for finite terms. All of our concession assets are classified as intangible assets and are amortized on a straight line basis over the term of the right to operate the asset.

Net finance costs

Finance income comprises interest income on held-to-maturity investments, bank deposits, unwind of discounts on liabilities in relation to promissory and concession notes held, and net foreign exchange gains. With respect to payments for concession and promissory notes, such payments are not due until a certain threshold of return is achieved. The extension or reduction of the estimated timing of the payments will cause the unwind of the discount on the liability to be recognized in finance income or finance expense accordingly.

Finance costs relate to interest and finance charges paid on external debt borrowings, unwind of discounts on liabilities (in relation to maintenance provisions) and net foreign exchange losses.

Net finance costs only includes the costs incurred by our controlled entities. Net finance costs from our equity accounted investments (the NWRG and M5 Motorway) are included in our share of net profits of equity accounted investments.

Share of net profits of equity accounted investments

We have investments in two joint ventures that are accounted for under the equity method: the NWRG (which holds the ownership interests in the Concession Agreements for Westlink M7 and NorthConnex) and the M5 Motorway. Our share of profits or losses from joint ventures represents our share of earnings after tax from these entities.

Prior to June 5, 2014, we also applied equity accounting for our 75% ownership interest in DRIVe, the owner of the 495 Express Lanes and 95 Express Lanes Concession Agreements. On June 5, 2014, we gained control of DRIVe and therefore ceased equity accounting this asset.

Income tax expense/benefit

We operate as a stapled group comprising two corporate entities, THL and TIL and a trust, THT. THT operates as a flow-through trust, and is not liable to pay tax itself. Instead, security holders are subject to tax on the income that is reasonably attributed to them by THT at their individual marginal tax rates. We are structured this way because the initial heavy capital investment and associated debt funding required for infrastructure investments results in accounting losses being generated in the initial years that would otherwise prevent a company from paying dividends. Our stapled structure allows THT to make distributions to security holders throughout the life of our assets.

The income tax expense/benefit for the period is the tax payable or benefit, calculated on an estimate of the current period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current and deferred income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in Australia and the United States, where we operate our toll roads and generate taxable income. We evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. We establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Results of operations

Comparison of the year ended June 30, 2017 to the year ended June 30, 2016

	Year ended June 30, 2017	Year ended June 30, 2016
	(A$ millions)	(A$ millions)
Revenue		
Toll revenue	2,083	1,870
Construction revenue	592	282
Other revenue	57	58
Total revenue	**2,732**	**2,210**
Expenses		
Employee benefit expense	(168)	(149)
Road operating costs	(335)	(309)
Construction costs	(592)	(282)
Transaction and integration costs	(5)	(131)
Corporate and other expenses	(106)	(91)
Total expenses before depreciation, amortization and finance costs	**(1,206)**	**(962)**
Earnings before depreciation and amortization, net finance costs, equity accounted investments and income taxes	**1,526**	**1,248**
Depreciation and amortization expense	(628)	(584)
Finance income	63	46
Finance costs	(812)	(774)
Net finance costs	**(749)**	**(728)**
Share of net profits of equity accounted investments	25	17
Profit/(loss) before income tax	**174**	**(47)**
Income tax (expense)/benefit	35	69
Profit/(loss) from continuing operations	**209**	**22**
Profit/(loss) for the year	**209**	**22**
Profit/(loss) is attributable to:		
Ordinary equity holders of the stapled group	239	99
Non-controlling interests	(30)	(77)

Key Activities

Year ended June 30, 2017

Construction continued on CityLink-Tulla Widening project

Financial close of the Logan Enhancement Project (Dec 2016) and commencement of construction (Jun 2017)

VDOT approved the US$475 million 395 Express Lanes project under the existing 95 Express Lanes concession agreement (Mar 2017) and financial close was subsequently reached (Jul 2017)

Financial close of the Inner City Bypass upgrade project (Apr 2017)

West Gate Tunnel project preferred constructor selected (Apr 2017)

Year ended June 30, 2016

Construction commenced on CityLink-Tulla Widening project (Oct 2015)

Transurban Queensland acquisition of AirportlinkM7 (Apr 2016)

Construction commenced on the Gateway Upgrade North project (Jan 2016)

Revenue

Toll revenue

Toll revenue increased A$213 million, or 11.4%, to A$2,083 million for the year ended June 30, 2017 from A$1,870 million for the year ended June 30, 2016. This increase was primarily driven by:

- a A$93 million increase from traffic and price increases across our Australian networks, primarily from CityLink, Hills M2, Logan Motorway and Legacy Way;
- an A$85 million increase due to the inclusion of AirportlinkM7 for 12 months for the year ended June 30, 2017, compared to three months for the year ended June 30, 2016; and
- a A$35 million increase from traffic and price increases across our Greater Washington Area network, along with movements in the exchange rate on US$ denominated toll revenue.

Construction revenue

Construction revenue increased A$310 million, or 109.9%, to A$592 million for the year ended June 30, 2017 from A$282 million for the year ended June 30, 2016. The increase in construction revenue was primarily driven by the CityLink-Tulla Widening project, which commenced major works during FY2016 and continued throughout FY2017, and the Logan Enhancement Project, which commenced major works in FY2017.

Other revenue

Other revenue decreased A$1 million, or 1.7%, to A$57 million for the year ended June 30, 2017 from A$58 million for the year ended June 30, 2016.

Expenses

Employee benefits expense

Employee benefits expense increased A$19 million, or 12.8%, to A$168 million for the year ended June 30, 2017 from A$149 million for the year ended June 30, 2016. This increase was primarily due to additional full time employees to support growth, development projects, and an increase in centralized services including bringing certain operations and maintenance functions in-house, such as functions related to the control rooms for various tunnel assets and project management activities associated with maintenance.

Road operating costs

Road operating costs increased A$26 million, or 8.4%, to A$335 million for the year ended June 30, 2017 from A$309 million for the year ended June 30, 2016. This increase was primarily due to:

- the inclusion of AirportlinkM7 to our Brisbane network for 12 months for the year ended June 30, 2017 compared to three months for the year ended June 30, 2016; and
- increased tolling expenses due to increases in debt collection fees and credit management activities as a result of changes in enforcement processes in Queensland and higher debt collection and postage expenses from greater access to enforcement debtor information in New South Wales.

Construction costs

Construction costs increased A$310 million, or 109.9%, to A$592 million for the year ended June 30, 2017 from A$282 million for the year ended June 30, 2016. The increase in construction costs was primarily driven by the CityLink-Tulla Widening project, which commenced major works during FY2016 and continued throughout FY2017, and the Logan Enhancement Project, which commenced major works in FY2017.

Transaction and integration costs

Transaction and integration costs decreased A$126 million, or 96.2%, to A$5 million for the year ended June 30, 2017 from A$131 million for the year ended June 30, 2016. The FY2017 costs were attributable to continued integration of Transurban Queensland. The FY2016 costs were attributable to the acquisition of AirportlinkM7 and the continued integration of Transurban Queensland and consisted of A$108 million of stamp duty, A$10 million of other transaction fees and A$13 million of integration costs.

Corporate and other expenses

Corporate and other expenses increased A$15 million, or 16.5%, to A$106 million for the year ended June 30, 2017 from A$91 million for the year ended June 30, 2016. This increase was primarily due to costs associated with strategic growth and development projects.

Earnings before depreciation and amortization, net finance costs, equity accounted investments and income taxes (EBITDA)

EBITDA increased A$278 million, or 22.3%, to A$1,526 million for the year ended June 30, 2017 from A$1,248 million for the year ended June 30, 2016. The increase was primarily due to:

- the increase in toll revenue from a combination of higher toll prices and increased traffic across our network;
- the inclusion of AirportlinkM7 for 12 months for the year ended June 30, 2017, compared to 3 months for the year ended June 30, 2016; and
- the decrease in transaction and integration costs.

These cost increases were partially offset by increases in employee benefits expense, road operating costs and corporate and other expenses, including higher net finance costs to fund development projects and higher amortization expense from the inclusion of Airportlink M7 for 12 months for the year ended June 30, 2017, compared to three months for the year ended June 30, 2016.

Depreciation and amortization

Depreciation and amortization increased A$44 million, or 7.5%, to A$628 million for the year ended June 30, 2017 from A$584 million for the year ended June 30, 2016. This increase was primarily due to the inclusion of AirportlinkM7 for 12 months for the year ended June 30, 2017, compared to three months for the year ended June 30, 2016.

See "—Liquidity and capital resources—Capital expenditures" for a description of the projects that we have undertaken in recent periods.

Net finance costs

Net finance costs increased A$21 million, or 2.9%, to A$749 million for the year ended June 30, 2017 from A$728 million for the year ended June 30, 2016. This increase was primarily due to:

- the inclusion of AirportlinkM7 for 12 months for the year ended June 30, 2017, compared to three months for the year ended June 30, 2016;
- costs associated with the termination of interest rate swaps as a result of refinancing activities in Transurban Queensland; and
- an increase in interest expense due to a higher average debt balance across the Group.

These increases were partially offset by an increase in interest income on shareholder term loan notes due to additional shareholder loan notes issued by the NWRG as part of funding the NorthConnex project.

Share of net profits of equity accounted investments

This represents our share of net profits or losses in relation to our equity accounted investments in the NWRG (Westlink M7) and the M5 Motorway. The NWRG had unrecognized losses of A$526 million as at June 30, 2017 and therefore current period profits are not recognized until the unrecognized losses are reduced to nil.

Our share of net profits from equity accounted investments increased A$8 million, or 47.1%, to A$25 million for the year ended June 30, 2017 from A$17 million for the year ended June 30, 2016. This increase was primarily due to toll revenue growth from a combination of higher toll prices and increased traffic on the M5 Motorway.

Income tax benefit/expense

Income tax benefit decreased A$34 million, or 49.3%, to an income tax benefit of A$35 million for the year ended June 30, 2017 from an income tax benefit of A$69 million for the year ended June 30, 2016. This decrease was primarily due to:

- an increase in deferred tax expense on the revaluation of concession notes following an update to the expected payment profile of the notes; and
- a decrease in the tax benefit due to additional franking credits recognized in the prior period.

Proportional Results by geographical region for the years ended June 30, 2017 and June 30, 2016

	Proportional Results by Geographical Region[1]					
	VIC	NSW	QLD	USA	Corporate and other	Total
	Year ended June 30, 2017					
	(A$ millions)					
Proportional toll revenue	**687**	**872**	**385**	**209**	**—**	**2,153**
Other revenue	22	31	2	—	3	58
Total proportional revenue	**709**	**903**	**387**	**209**	**3**	**2,211**
Underlying proportional EBITDA	**594**	**702**	**268**	**116**	**(51)**	**1,629**
Significant items	—	—	—	—	—	—
Proportional EBITDA	**594**	**702**	**268**	**116**	**(51)**	**1,629**

(1) Proportional toll revenue, Underlying proportional EBITDA and Proportional EBITDA are non-GAAP financial measures. See "Financial information presentation—Non-GAAP measures" for further information.

	Proportional Results by Geographical Region[1]					
	VIC	NSW	QLD	USA	Corporate and other	Total
	Year ended June 30, 2016					
	(A$ millions)					
Proportional toll revenue	**660**	**799**	**313**	**174**	**—**	**1,946**
Other revenue	21	28	7	—	4	60
Total proportional revenue	**681**	**827**	**320**	**174**	**4**	**2,006**
Underlying proportional EBITDA	**564**	**637**	**218**	**86**	**(25)**	**1,480**
Significant items	—	—	(82)	—	—	(82)
Proportional EBITDA	**564**	**637**	**136**	**86**	**(25)**	**1,398**

(1) Proportional toll revenue, Underlying proportional EBITDA and Proportional EBITDA are non-GAAP financial measures. See "Financial information presentation—Non-GAAP measures" for further information.

We operate in one business sector only, that being the development, operation and maintenance of toll roads. In accordance with AASB 8 operating segments, our segments are determined by geographical networks, being Victoria, New South Wales and Queensland in Australia, and the Greater Washington Area in the United States.

We assess the performance of the networks in which we operate on a proportional basis. To arrive at the proportional result, a portion of results representing non-controlling interests in our controlled roads is removed from our statutory results and a portion of results representing our interests in non-controlled (equity accounted) assets are included.

Our corporate function is not a reportable segment under the requirements of AASB 8, as its revenue generating activities is only incidental to our business.

Set forth below is a discussion of our operating segment results for of the year ended June 30, 2017 compared to the year ended June 30, 2016.

Victoria

	Year ended June 30[1]	
	2017	2016
	(A$ millions)	(A$ millions)
Proportional revenue		
Proportional toll revenue	687	660
Other revenue	22	21
Total proportional revenue	**709**	**681**
Proportional EBITDA	**594**	**564**

(1) Proportional toll revenue, Underlying proportional EBITDA and Proportional EBITDA are non-GAAP financial measures. See "Financial information presentation—Non-GAAP measures" for further information.

Proportional revenue

Proportional toll revenue increased A$27 million, or 4.1%, to A$687 million for the year ended June 30, 2017 from A$660 million for the year ended June 30, 2016. This increase was primarily driven by an increase in average tolls on CityLink, including an increase to the truck toll multiplier from April 1, 2017, compared to the year ended June 30, 2016.

This increase was partially offset by a decrease in traffic volumes due to disruption caused by the CityLink-Tulla Widening project.

Proportional other revenue increased A$1 million, or 4.8%, to A$22 million for the year ended June 30, 2017 from A$21 million for the year ended June 30, 2016. This increase was primarily driven by higher roaming fees paid to CityLink.

Proportional EBITDA

Proportional EBITDA increased A$30 million, or 5.3%, to A$594 million for the year ended June 30, 2017 from A$564 million for the year ended June 30, 2016. This increase was primarily driven by higher toll revenues.

Proportional EBITDA margin improved from 85.5% to 86.5% over the same period.

New South Wales

	Year ended June 30[1]	
	2017	**2016**
	(A$ millions)	**(A$ millions)**
Proportional revenue		
Proportional toll revenue	872	799
Other revenue	31	28
Total proportional revenue	**903**	**827**
Proportional EBITDA	**702**	**637**

(1) Proportional toll revenue, Underlying proportional EBITDA and Proportional EBITDA are non-GAAP financial measures. See "Financial information presentation—Non-GAAP measures" for further information.

Proportional revenue

Proportional toll revenue increased A$73 million, or 9.1%, to A$872 million for the year ended June 30, 2017 from A$799 million for the year ended June 30, 2016. This increase was primarily driven by:

- an increase in traffic volumes of 3.4% for the year ended June 30, 2016 compared to the prior period; and
- higher truck toll multipliers on Lane Cove Tunnel, M5 Motorway and Westlink M7.

Proportional other revenue increased A$3 million, or 10.7%, to A$31 million for the year ended June 30, 2017 from A$28 million for the year ended June 30, 2016. This increase was primarily driven by higher roaming fees paid to Roam and Roam Express (now named Transurban Linkt).

Proportional EBITDA

Proportional EBITDA increased A$65 million, or 10.2%, to A$702 million for the year ended June 30, 2017 from A$637 million for the year ended June 30, 2016. This increase was primarily driven by higher toll revenues and was partially offset by an increase in tolling expenses, due to higher debt collection and postage expenses from greater access to enforcement debtor information, and higher revenue share and technology costs across the network.

Proportional EBITDA margin improved from 79.7% to 80.5% over the same period.

Queensland

	Year ended June 30[1]	
	2017	2016
	(A$ millions)	(A$ millions)
Proportional revenue		
Proportional toll revenue	385	313
Other revenue	2	7
Total proportional revenue	**387**	**320**
Underlying proportional EBITDA	**268**	**218**
Significant items	—	(82)
Proportional EBITDA	**268**	**136**

(1) Proportional toll revenue, Underlying proportional EBITDA and Proportional EBITDA are non-GAAP financial measures. See "Financial information presentation—Non-GAAP measures" for further information.

Proportional revenue

Proportional toll revenue increased A$72 million, or 23%, to A$385 million for the year ended June 30, 2017 from A$313 million for the year ended June 30, 2016. This increase was primarily driven by:

- an increase of A$53 million due to the full year contribution from AirportlinkM7 for the year ended June 30, 2017; and

- an increase in traffic volumes of 2.3% (excluding AirportlinkM7) for the year ended June 30, 2017.

Proportional other revenue decreased A$5 million, or 71.4%, to A$2 million for the year ended June 30, 2017 from A$7 million for the year ended June 30, 2016. This decrease was primarily driven by success fees and margins received from management of the Gateway Upgrade North project in the prior period.

Proportional EBITDA

Proportional EBITDA increased A$132 million, or 97.1%, to A$268 million for the year ended June 30, 2017 from A$136 million for the year ended June 30, 2016. This increase was primarily driven by:

- A full year contribution from AirportlinkM7 for the year ended June 30, 2017 compared to three months for the year ended June 30, 2016; and

- The absence of significant items incurred in the year ended June 30, 2016 as a result of stamp duty costs, transaction fees and integration costs relating to Transurban Queensland's acquisition of AirportlinkM7 and the continued integration of Queensland Motorways Group.

Underlying proportional EBITDA increased A$50 million, or 22.9%, to A$268 million for the year ended June 30, 2017 from A$218 million for the year ended June 30, 2016.

Underlying proportional EBITDA margin remained unchanged at 69.6% over the same period.

United States

	Year ended June 30[1]	
	2017	2016
	(A$ millions)	(A$ millions)
Proportional revenue		
Proportional toll revenue	209	174
Other revenue	—	—
Total proportional revenue	**209**	**174**
Proportional EBITDA	**116**	**86**

(1) Proportional toll revenue, Underlying proportional EBITDA and Proportional EBITDA are non-GAAP financial measures. See "Financial information presentation—Non-GAAP measures" for further information.

Proportional revenue

Proportional toll revenue increased A$35 million, or 20.1%, to A$209 million for the year ended June 30, 2017 from A$174 million for the year ended June 30, 2016. This increase was primarily driven by:

- An increase in traffic volumes of 12.8% for the year ended June 30, 2017 compared to the year ended June 30, 2016; and
- An increase in the average dynamic toll price of 21% for 495 Express Lanes and 19% for 95 Express Lanes.

Proportional EBITDA

Proportional EBITDA increased A$30 million, or 34.9%, to A$116 million for the year ended June 30, 2017 from A$86 million for the year ended June 30, 2016. This increase was primarily driven by the increase in traffic volumes and average dynamic toll prices for the year ended June 30, 2016 compared to the prior period.

Proportional EBITDA margin improved from 49.4% to 55.5% over the same period.

Comparison of the year ended June 30, 2016 to the year ended June 30, 2015

	Year ended June 30, 2016	Year ended June 30, 2015
	(A$ millions)	(A$ millions)
Revenue		
Toll revenue	1,870	1,611
Construction revenue	282	190
Other revenue	58	59
Total revenue	**2,210**	**1,860**
Expenses		
Employee benefit expense	(149)	(130)
Road operating costs	(309)	(243)
Construction costs	(282)	(185)
Transaction and integration costs	(131)	(429)
Corporate and other expenses	(91)	(91)
Total expenses before depreciation, amortization and finance costs	**(962)**	**(1,078)**
Earnings before depreciation and amortization, net finance costs, equity accounted investments and income taxes	**1,248**	**782**
Depreciation and amortization expense	(584)	(551)
Finance income	46	68
Finance costs	(774)	(679)
Net finance costs	**(728)**	**(611)**
Share of net profits of equity accounted investments	17	17
Profit/(loss) before income tax	**(47)**	**(363)**
Income tax (expense)/benefit	69	(10)
Profit/(loss) from continuing operations	**22**	**(373)**
Profit/(loss) for the year	**22**	**(373)**
Profit/(loss) is attributable to:		
Ordinary equity holders of the stapled group	99	(182)
Non-controlling interests	(77)	(191)

Key Activities

Year ended June 30, 2016

Construction commenced on CityLink-Tulla Widening project (Oct 2015)

Transurban Queensland acquisition of AirportlinkM7 (Apr 2016)

Construction commenced on the Gateway Upgrade North project (Jan 2016)

Year ended June 30, 2015

Acquisition of Queensland Motorways Group (Jul 2014)

Contractual close of CityLink-Tulla Widening project (Oct 2014 and variation in Apr 2015)

Opening of 95 Express Lanes (Dec 2014)

Completion of M5 Motorway widening project (Dec 2014)

NorthConnex construction commenced (Feb 2015)

Legacy Way tunnel opening and financial close (Jun 2015)

Acquisition of remaining equity interest in 95 and 495 Express Lanes (Jun 2015)

Revenue

Toll revenue

Toll revenue increased A$259 million, or 16.1%, to A$1,870 million for the year ended June 30, 2016 from A$1,611 million for the year ended June 30, 2015. This increase was primarily driven by:

- a A$99 million increase from traffic and price increases across our Australian networks, primarily from CityLink, Hills M2 and Eastern Distributor;
- a A$54 million increase due to the addition of Legacy Way and AirportlinkM7 to our Brisbane Network. We acquired Legacy Way on June 29, 2015 and AirportlinkM7 on April 1, 2016;
- an A$85 million increase due to further ramp-up on the 495 Express Lanes and the addition of the 95 Express Lanes for the full year ended June 30, 2016, along with movements in the exchange rate on US$ denominated toll revenue. The 95 Express Lanes opened to traffic in December 2014; and
- a A$21 million increase in fee revenue due to traffic volumes, growth and higher image based travel, including by drivers without electronic tolling devices, and higher collection rates across all Australian networks.

Construction revenue

Construction revenue increased A$92 million, or 48.4%, to A$282 million for the year ended June 30, 2016 from A$190 million for the year ended June 30, 2015. The increase in construction revenue was primarily driven by the timing of construction projects. The CityLink-Tulla Widening and Hills M2 NorthConnex Integration projects commenced major works during FY2016. This was partially offset by lower construction revenue earned on the 95 Express Lanes which was completed during FY2015.

Other revenue

Other revenue decreased A$1 million, or 1.7%, to A$58 million for the year ended June 30, 2016 from A$59 million for the year ended June 30, 2015.

Expenses

Employee benefits expense

Employee benefits expense increased A$19 million, or 14.6%, to A$149 million for the year ended June 30, 2016 from A$130 million for the year ended June 30, 2015. This increase was primarily due to additional full-time employees to support growth, development projects, and an increase in centralized services including bringing certain planning and design functions in-house, such as functions related to the control rooms for various tunnel assets and project management activities associated with maintenance.

Road operating costs

Road operating costs increased A$66 million, or 27.2%, to A$309 million for the year ended June 30, 2016 from A$243 million for the year ended June 30, 2015. This increase was primarily due to:

- the addition of Legacy Way and AirportlinkM7 to our Brisbane Network and the inclusion of the 95 Express Lanes for 12 months for the year ended June 30, 2016 compared to six months for the year ended June 30, 2015;
- increased maintenance provision expenses on CityLink and 95 Express Lanes; and
- increased tolling expenses due to setup costs associated with the restructure of call centers and increased roaming fees, administration fees and debt collection fees driven by the increase in traffic volumes and improved debt collections.

Construction costs

Construction costs increased A$97 million, or 52.4%, to A$282 million for the year ended June 30, 2016 from A$185 million for the year ended June 30, 2015. The increase in construction costs was consistent with the increase in construction revenue and was primarily driven by the timing of construction projects. The CityLink-Tulla Widening and Hills M2 NorthConnex Integration projects commenced major works during FY2016. This was partially offset by lower construction costs on the 95 Express Lanes which was completed during FY2015.

Transaction and integration costs

Transaction and integration costs decreased A$298 million, or 69.5%, to A$131 million for the year ended June 30, 2016 from A$429 million for the year ended June 30, 2015. The FY2016 costs were attributable to the acquisition of AirportlinkM7 and the continued integration of Transurban Queensland and consisted of A$108 million of stamp duty, A$10 million of other transaction fees and A$13 million of integration costs. In the year ended June 30, 2015, transaction and integration costs were attributable to the acquisition of Queensland Motorways Group (renamed Transurban Queensland) and consisted of A$384 million stamp duty, A$23 million of other transaction fees and A$22 million of integration costs.

Corporate and other expenses

Corporate and other expenses were A$91 million for the year ended June 30, 2016, unchanged from the year ended June 30, 2015.

Earnings before depreciation and amortization, net finance costs, equity accounted investments and income taxes (EBITDA)

EBITDA increased A$466 million, or 59.6%, to A$1,248 million for the year ended June 30, 2016 from A$782 million for the year ended June 30, 2015. The increase was primarily due to:

- the increase in toll revenue from a combination of higher toll prices and increased traffic across our network;
- the addition of Legacy Way and AirportlinkM7 to our Brisbane Network and the inclusion of the 95 Express Lanes for 12 months for the year ended June 30, 2016 compared to six months for the full year June 30, 2015; and
- the decrease in transaction and integration costs.

These increases were partially offset by increases in employee benefits expense and road operating costs.

Depreciation and amortization

Depreciation and amortization increased A$33 million, or 6.0%, to A$584 million for the year ended June 30, 2016 from A$551 million for the year ended June 30, 2015. This was primarily due to:

- the addition of Legacy Way and AirportlinkM7 to our Brisbane Network;
- the inclusion of the 95 Express Lanes for 12 months for the year ended June 30, 2016 compared to six months for the year ended June 30, 2015; and
- amortization of the concession enhancement on Lane Cove Tunnel.

These increases were partially offset by decreases in amortization expense on CityLink and Hills M2 due to the full year impact of concession extensions that were entered in FY2015.

See "—Liquidity and capital resources—Capital expenditures" for a description of the projects that we have undertaken in recent periods.

Net finance costs

Net finance costs increased A$117 million, or 19.1%, to A$728 million for the year ended June 30, 2016 from A$611 million for the year ended June 30, 2015. This is increase was primarily due to:

- the addition of Legacy Way and AirportlinkM7 to our Brisbane Network, in particular the A$950 million non-recourse bank debt facility related to the acquisition of AirportlinkM7, and the inclusion of the 95 Express Lanes for 12 months for the year ended June 30, 2016 compared to six months for the year ended June 30, 2015;

- a decrease in interest income from Westlink M7 Term Loan Notes that was previously recognized as finance income that is now included within our share of net profits from equity accounted investments after the Term Loan Notes were derecognized in exchange for the investment in NWRG;

- an increase in interest expense due to a higher average debt balance across the Group, excluding Legacy Way, AirportlinkM7 and 95 Express Lanes; and

- an increase in the unwind of the discount applied to long term liabilities, including maintenance provisions and concession and promissory notes.

Share of net profits of equity accounted investments

This represents our share of net profits or losses in relation to our equity accounted investments in the NWRG (Westlink M7) and the M5 Motorway. The NWRG had unrecognized losses of A$591 million as at June 30, 2016 and therefore current period profits are not recognized until the unrecognized losses are reduced to nil.

Our share of net profits from equity accounted investments was A$17 million for the year ended June 30, 2016, unchanged from the year ended June 30, 2015.

Income tax benefit/expense

Income tax benefit increased A$79 million to an income tax benefit of A$69 million for the year ended June 30, 2016 from an income tax expense of A$10 million for the year ended June 30, 2015. This was primarily due to:

- an increase in tax benefit due to franking credits not recognized in the provision for the year ended June 30, 2015 that have been recognized in the current period;

- an increase in the tax benefit in the THL parent entity and Transurban Queensland based on the alignment of carry-forward tax losses to the final FY2015 tax returns; and

- an increase in the tax benefit in the US tax consolidated groups primarily due to the increase in the loss before tax in the current period.

Proportional Results by geographical region for the years ended June 30, 2016 and June 30, 2015

	Proportional Results by Geographical Region[1]					
	VIC	NSW	QLD	USA	Corporate and other	Total
	Year ended June 30, 2016					
	(A$ millions)					
Proportional toll revenue	660	799	313	174	—	1,946
Other revenue	21	28	7	—	4	60
Total proportional revenue	**681**	**827**	**320**	**174**	**4**	**2,006**
Underlying proportional EBITDA	**564**	**637**	**218**	**86**	**(25)**	**1,480**
Significant items	—	—	(82)	—	—	(82)
Proportional EBITDA	**564**	**637**	**136**	**86**	**(25)**	**1,398**

(1) Proportional toll revenue, Underlying proportional EBITDA and Proportional EBITDA are non-GAAP financial measures. See "Financial information presentation—Non-GAAP measures" for further information.

	Proportional Results by Geographical Region[1]					
	VIC	NSW	QLD	USA	Corporate and other	Total
	Year ended June 30, 2015					
	(A$ millions)					
Proportional toll revenue	615	701	265	75	—	1,656
Other revenue	20	32	3	6	9	70
Total proportional revenue	**635**	**733**	**268**	**81**	**9**	**1,726**
Underlying proportional EBITDA	**523**	**558**	**185**	**33**	**(10)**	**1,289**
Significant items	—	—	(262)	—	(10)	(272)
Proportional EBITDA	**523**	**558**	**(77)**	**33**	**(20)**	**1,017**

(1) Proportional toll revenue, Underlying proportional EBITDA and Proportional EBITDA are non-GAAP financial measures. See "Financial information presentation—Non-GAAP measures" for further information.

We operate in one business sector only, that being the development, operation and maintenance of toll roads. In accordance with AASB 8 operating segments, our segments are determined by geographical networks, being Victoria, New South Wales and Queensland in Australia, and the Greater Washington Area in the United States.

We assess the performance of the networks in which we operate on a proportional basis. To arrive at the proportional result, a portion of results representing non-controlling interests in our controlled roads is removed from our statutory results and a portion of results representing our interests in non-controlled (equity accounted) assets are included.

Our corporate function is not a reportable segment under the requirements of AASB 8, as its revenue generating activities is only incidental to our business.

Set forth below is a discussion of our operating segment results for of the year ended June 30, 2016 compared to the year ended June 30, 2015.

Victoria

	Year ended June 30[1]	
	2016	2015
	(A$ millions)	(A$ millions)
Proportional revenue		
Proportional toll revenue	660	615
Other revenue	21	20
Total proportional revenue	**681**	**635**
Proportional EBITDA	**564**	**523**

(1) Proportional toll revenue, Underlying proportional EBITDA and Proportional EBITDA are non-GAAP financial measures. See "Financial information presentation—Non-GAAP measures" for further information.

Proportional revenue

Proportional toll revenue increased A$45 million, or 7.3%, to A$660 million for the year ended June 30, 2016 from A$615 million for the year ended June 30, 2015. The increase was primarily driven by a 1.0% increase in traffic volumes (including a 3.2% increase in average weekend and public holiday traffic) and a 4.3% increase in average tolls on CityLink for the year ended June 30, 2016 compared to the year ended June 30, 2015.

Proportional other revenue increased A$1 million, or 5.0%, to A$21 million for the year ended June 30, 2016 from A$20 million for the year ended June 30, 2015. The increase was primarily driven by higher roaming fees paid to CityLink.

Proportional EBITDA

Proportional EBITDA increased A$41 million, or 7.8%, to A$564 million for the year ended June 30, 2016 from A$523 million for the year ended June 30, 2015. The increase was primarily driven by higher toll revenues.

Proportional EBITDA margin improved from 85.0% to 85.5% over the same period.

New South Wales

	Year ended June 30[1]	
	2016	2015
	(A$ millions)	(A$ millions)
Proportional revenue		
Proportional toll revenue	799	701
Other revenue	28	32
Total proportional revenue	**827**	**733**
Proportional EBITDA	**637**	**558**

(1) Proportional toll revenue, Underlying proportional EBITDA and Proportional EBITDA are non-GAAP financial measures. See "Financial information presentation—Non-GAAP measures" for further information.

Proportional revenue

Proportional toll revenue increased A$98 million, or 14.0%, to A$799 million for the year ended June 30, 2016 from A$701 million for the year ended June 30, 2015. The increase was primarily driven by:

- an increase in traffic volumes of 7.4% for the year ended June 30, 2016 compared to the prior period; and
- higher truck toll multipliers on Lane Cove Tunnel, M5 Motorway and Westlink M7.

Proportional other revenue decreased A$4 million, or 12.5%, to A$28 million for the year ended June 30, 2016 from A$32 million for the year ended June 30, 2015. The decrease was primarily driven by the M5 Motorway widening project completion profit that was recognized in the prior period.

Proportional EBITDA

Proportional EBITDA increased A$79 million, or 14.2%, to A$637 million for the year ended June 30, 2016 from A$558 million for the year ended June 30, 2015. The increase was primarily driven by higher toll revenues and was partially offset by an increase in tolling expense driven by increased traffic volumes and higher collection costs and an increase in employee costs due to bringing certain operations and maintenance activities in-house, including design and planning functions.

Proportional EBITDA margin improved from 79.6% to 79.7% over the same period.

Queensland

	Year ended June 30[1]	
	2016	**2015[2]**
	(A$ millions)	**(A$ millions)**
Proportional revenue		
Proportional toll revenue	313	265
Other revenue	7	3
Total proportional revenue	**320**	**268**
Underlying proportional EBITDA	**218**	**185**
Significant items	(82)	(262)
Proportional EBITDA	**136**	**(77)**

(1) Proportional toll revenue, Underlying proportional EBITDA and Proportional EBITDA are non-GAAP financial measures. See "Financial information presentation—Non-GAAP measures" for further information.

(2) As of July 2, 2014, the activities of Transurban Queensland were included in our Queensland geographical operating segment.

Proportional revenue

Proportional toll revenue increased A$48 million, or 18.1%, to A$313 million for the year ended June 30, 2016 from A$265 million for the year ended June 30, 2015. The increase was primarily driven by:

- a full year contribution of A$17 million from Legacy Way for the year ended June 30, 2016;
- a three month contribution of A$17 million from AirportlinkM7 following its acquisition on April 1, 2016; and
- an increase in traffic volumes of 2.7% (excluding Legacy Way and AirportlinkM7) for the year ended June 30, 2016.

Proportional other revenue increased A$4 million, or 133.3%, to A$7 million for the year ended June 30, 2016 from A$3 million for the year ended June 30, 2015. The increase was primarily driven by success fees and margins received from the management of the Gateway Upgrade North project.

Proportional EBITDA

Proportional EBITDA increased A$213 million to A$136 million for the year ended June 30, 2016 from a loss of A$77 million for the year ended June 30, 2015. Proportional EBITDA for the year ended June 30, 2016 was affected by significant items of A$82 million as a result of stamp duty costs, transaction fees and integration costs relating to the Transurban Queensland acquisition of AirportlinkM7 and the continued integration of Queensland Motorways Group. Proportional EBITDA for the year ended June 30, 2015 was affected by significant items of A$262 million as a result of stamp duty costs, transaction fees and integration costs relating to the acquisition and integration of Transurban Queensland.

Underlying proportional EBITDA, excluding significant items such as transaction and integration costs of A$82 million (primarily stamp duty) related to the acquisition of AirportlinkM7, increased A$33 million, or 18.1%, to A$218 million for the year ended June 30, 2016 from A$185 million for the year ended June 30, 2015.

Underlying proportional EBITDA margin remained unchanged at 69.6% over the same period.

United States

	Year ended June 30[1]	
	2016	**2015**
	(A$ millions)	**(A$ millions)**
Proportional revenue		
Proportional toll revenue	174	75
Other revenue	—	6
Total proportional revenue	**174**	**81**
Proportional EBITDA	**86**	**33**

(1) Proportional toll revenue, Underlying proportional EBITDA and Proportional EBITDA are non-GAAP financial measures. See "Financial information presentation—Non-GAAP measures" for further information.

The acquisition of the non-controlling interest in the Greater Washington Area assets on June 29, 2015 has resulted in a change to the proportional ownership of the 495 Express Lanes and 95 Express Lanes from July 1, 2015 to 100% from 94% and 77.5%, respectively.

Proportional revenue

Proportional toll revenue increased A$99 million, or 132.0%, to A$174 million for the year ended June 30, 2016 from A$75 million for the year ended June 30, 2015. The increase was primarily driven by:

- our acquisition of the remaining non-controlling interest in both assets on June 29, 2015;
- a full year contribution from 95 Express Lanes for the year ended June 30, 2015;
- an increase in traffic volumes of 13.5% for the year ended June 30, 2016 compared to the year ended June 30, 2015; and
- an increase in the average dynamic toll price of 12.5% for 495 Express Lanes and 22.6% for 95 Express Lanes, in each case in the June quarter of 2016 compared to the June quarter of 2015.

Proportional other revenue decreased A$6 million, or 100.0%, to A$0 for the year ended June 30, 2016 from A$6 million for the year ended June 30, 2015. The decrease primarily resulted from construction revenue recognized in the prior period.

Proportional EBITDA

Proportional EBITDA increased A$53 million, or 160.6%, to A$86 million for the year ended June 30, 2016 from A$33 million for the year ended June 30, 2015. The increase was primarily driven by:

- the contribution of the 95 Express Lanes for the year ended June 30, 2016; and
- the increase in traffic volumes and average dynamic toll prices for the year ended June 30, 2016 compared to the prior period.

Proportional EBITDA margin improved from 44.0% to 49.4% over the same period due to the ramp-up of traffic on both toll roads.

Liquidity and capital resources

Overview

We finance our business primarily through cash flows from operations, borrowings from banks and proceeds from issuances of debt and equity securities. We regularly review our capital structure and liquidity position to consider market conditions, expected future cash flows, potential funding requirements for debt refinancing and capital expenditures, the cost of capital, sensitivity analysis reflecting downside scenarios, the impact on our financial metrics and credit ratings and the ease of access to funding sources.

As at June 30, 2017, we had total available liquidity of A$1,736 million (on a statutory basis) consisting of undrawn working capital facilities of A$841 million, receivables of A$130 million and cash and cash equivalents (excluding restricted cash) of A$765 million. As at June 30, 2017, we had total proportional debt of A$13,639 million.

A summary of our facility limits and drawn debt on both a proportional and statutory basis are shown below. Proportional debt represents our share of the drawn debt from each individual asset, along with 100% of our corporate debt, translated to its hedged currency to reflect any cross-currency swaps in place (US$ debt is converted at the prevailing A$ spot rate as at June 30, 2017 where no cross currency swaps are in place).

The statutory debt reflects 100% of the drawn debt at the corporate level and for each of our consolidated assets. As such, it excludes M5 Motorway and Westlink M7, which are equity accounted. All statutory debt is translated to Australian dollars at the prevailing A$ spot rate as at June 30, 2017.

	Total Facility Limit	Proportional Debt	Statutory Debt
	(A$ millions)	(A$ millions)	(A$ millions)
Corporate Debt[1]			
Working capital facilities[2]	900	33	33
Term bank debt	0	0	0
USPP	1,150	1,150	1,114
AMTN	300	300	300
EMTN	2,334	2,334	2,378
CMTN	233	233	250
NKMTN	117	117	117
144A	1,452	1,452	1,430
Total Corporate Debt	**6,486**	**5,619**	**5,622**
Separate letters of credit[3]	296	359	0
Total Non-Recourse Debt	11,288	7,661	7,876
Other[4]	0	0	250
Total Group Debt	**18,070**	**13,639**	**13,748**

(1) Unhedged US$ debt converted at the spot exchange rate ($0.7692 at June 30, 2017).

(2) Working capital lines are bilateral facilities and can be drawn in A$ and/or US$.

(3) Issued in relation to corporate, CityLink, ED, M2, CCT, 95 Express Lanes and NCX. Drawn amount includes A$72 million of letters of credit issues from working capital facilities.

(4) Consists of shareholder loans and net capitalized borrowing costs.

We expect our future funding needs to primarily relate to refinancing and servicing our outstanding financial liabilities and financing our capital expenditure, including new developments and potential acquisitions. We intend to continue to fund our business needs through cash flows from operations, borrowings from banks and issuances of debt and equity securities. Our access to liquidity depends on both our results of operations and on the availability of funding in domestic and international financial markets.

Capital expenditures

We incur capital expenditures for growth, maintenance and other expenses. The table below sets forth our capital expenditures for the years ended June 30, 2017, 2016 and 2015.

	Year ended June 30,		
	2017	2016	2015
	(A$ millions)	(A$ millions)	(A$ millions)
Growth Capital Expenditure[1]	647	437	203
Maintenance Capital Expenditure[2]	69	52	91
Other[3]	131	78	77
Total Capital Expenditures	**847**	**567**	**371**

(1) Relates to capital spend on new or upgrade road projects.

(2) Represents the cash spend on major maintenance activities during the period.

(3) Represents the capital spend on property, plant and equipment and capitalized technology costs.

Capital expenditures were A$847 million in the year ended June 30, 2017, an increase of A$280 million compared to A$567 million in the year ended June 30, 2016. This increase was primarily a result of increased expenses on the CityLink-Tulla Widening project, Logan Enhancement Project, Logan pavement rectification and technology expenses.

Capital expenditures were A$567 million in the year ended June 30, 2016, an increase of A$196 million compared to A$371 million in the year ended June 30, 2015. This increase was primarily a result of the payment for the acquisition of Legacy Way and costs incurred as part of the CityLink-Tulla Widening project.

Our capital expenditure commitments as at June 30, 2017 and June 30, 2016 are set forth in the table below.

	Year ended June 30,	
	2017	**2016**
	(A$ millions)	**(A$ millions)**
Within one year	514	499
Later than one year but no later than three years	168	194
Later than three years but no later than five years	—	6
Later than five years	—	—
Total Capital Commitments[1]	**682**	**699**

(1) Excludes operating commitments and operating lease commitments.

Our share of capital expenditure commitments of our joint ventures as at June 30, 2017 and June 30, 2016 is set forth in the table below.

	Year ended June 30,	
	2017	**2016**
	(A$ millions)	**(A$ millions)**
Within one year	475	271
Later than one year but no later than three years	385	792
Later than three years but no later than five years	—	15
Later than five years	—	—
Total Capital Commitments[1]	**860**	**1,078**

(1) Excludes operating commitments and operating lease commitments.

We currently fund our capital expenditure (both growth and maintenance expenditure) from a combination of operating cash flow, available debt facilities and proceeds from our non underwritten dividend reinvestment program.

Capital strategy and treasury policies

We manage our debt and equity capital positions through a capital strategy and treasury policy.

Our capital strategy is designed to:

- consistently grow our distributions;
- efficiently fund our future growth;
- maintain our strong investment grade credit metrics; and
- achieve cost efficient funding through market cycles.

We aim to achieve cost efficient funding through market cycles by diversifying funding sources, maintaining adequate liquidity, extending the average debt maturity profile where appropriate and minimizing refinancing risk by ensuring a spread of debt maturities over time.

Our treasury policy is designed to ensure that we maintain sufficient cash and undrawn facilities to maintain short term flexibility and to enable us to meet our financial commitments in a timely manner. We assess liquidity over the short term (up to 12 months) and medium term (one to five years) by maintaining forecasts of revenue, operating expenses, committed capital expenditure and payments to security holders. We review long-term liquidity requirements as part of our annual strategic planning process.

We manage short term liquidity by maintaining a strategic liquidity reserve. This reserve is based on our forecast of annual operating costs and certain risk exposure scenarios as maintained by us in our strategic risk register, and is maintained as cash and undrawn facilities. The reserve is maintained on a rolling 12 month basis. Medium term liquidity forecasting is maintained on a rolling five year basis.

Financial risk management

Our activities expose us to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The financial risk management function is carried out centrally under the policies approved by the Board. We review operations actively to identify and monitor all financial risks and to mitigate these risks through the use of hedging instruments where appropriate. The Board is informed on a regular basis of any material exposures to financial risks.

We continuously monitor risk exposures over time through review of cash flows, market analysis and ongoing communication within the Transurban Group. When measuring financial risk, we consider positive and negative exposures, existing hedges and the ability to offset exposures.

Covenants

A number of our consolidated borrowings include financial covenants, some of which are listed below. The Notes will not have the benefit of those covenants. There were no breaches of any of these covenants during FY2017. If our non-recourse debt financial metrics fall below certain covenant thresholds, distributions can be locked up within the relevant Concessionaire.

If such covenants deteriorate further, a default may be triggered, which could result in non-recourse lenders being entitled to the full repayment of their debt. Our corporate debt also has a default ratio which, if triggered, could result in lenders being entitled to full repayment of their debt.

Certain covenant thresholds (including event of default and lock-up ratios) with respect to our financing arrangements and our recent performance against these metrics as at June 30, 2017 are set out below:

Debt	Threshold[1]		Ratio[1] Year ended June 30,
	Event of Default	Lock-up	2017
Corporate Debt			
Senior Interest Coverage Ratio[2]	1.25 times	Not applicable	3.9 times
Leverage Ratio (Total Debt to Capitalization)	60.0%[3]	Not applicable	23%
Non-Recourse Debt			
Eastern Distributor Interest Coverage Ratio	1.15 times	1.40 times	3.2 times
Hills M2 Interest Coverage Ratio	1.15 times	1.30 times	8.2 times
Lane Cove Tunnel Interest Coverage Ratio	1.15 times	1.30 times	3.5 times
Cross City Tunnel Interest Coverage Ratio	1.15 times	1.30 times	3.9 times
Transurban Queensland Interest Coverage Ratio	1.20 times	1.40 times	2.5 times
M5 Motorway Debt Service Coverage Ratio	1.10 times	1.30 times	6.4 times
Westlink M7 Debt Service Coverage Ratio	1.10 times	1.30 times	4.9 times
AirportlinkM7 Interest Coverage Ratio	1.20 times	1.40 times	2.1 times
495 Express Lanes Senior Debt Service Coverage Ratio	1.15 times	1.45 times	3.8 times
95 Express Lanes Senior Debt Service Coverage Ratio	Not applicable	1.45 times	4.9 times

(1) As defined and calculated under the relevant financing documents.

(2) See "—Senior Interest Coverage Ratio (SICR)" below for further information.

(3) Based on the balance sheet as at June 30, 2017, our average closing security price over 20 consecutive business days would need to be below $4.22 (June 30, 2016: $4.26) per security to trigger this clause.

Distributions

The table below sets out the history of our payments to our shareholders during the years ended June 30, 2017, 2016 and 2015.

Comparison of the years ended June 30, 2017, the year ended June 30, 2016 and the year ended June 30, 2015

	Year ended June 30,		
	2017	2016	2015
	(A$ millions)	(A$ millions)	(A$ millions)
Final ordinary dividend / distribution (declared and paid in the following period)	544	466	391
Interim ordinary dividend / distribution (declared and paid during the period)	511	435	374
Total payments to security holders	**1,055**	**901**	**765**

Cash flows

The consolidated financial information included below is derived from our historical consolidated financial statements included elsewhere in this Offering Circular.

Comparison of the year ended June 30, 2017 to the year ended June 30, 2016

	Year ended June 30,	
	2017	2016
	(A$ millions)	(A$ millions)
Cash flows from operating activities		
Receipts from customers	2,266	2,055
Payments to suppliers and employees	(679)	(624)
Payments for maintenance of intangible assets	(69)	(52)
Transaction and integration costs related to acquisitions	(113)	(23)
Other revenue	57	66
Interest received	27	31
Interest paid	(652)	(543)
Income taxes paid	—	—
Net cash inflow from operating activities	**837**	**910**
Cash flows from investing activities		
Payments for held-to-maturity investments, net of fees	(344)	(187)
Payments for equity accounted investments	—	—
Payments for intangible assets	(647)	(437)
Payments for property, plant and equipment	(131)	(78)
Distributions received from equity accounted investments	350	127
Payments for acquisition of subsidiaries, net of cash acquired	—	(1,869)
Net cash (outflow) from investing activities	**(772)**	**(2,444)**
Cash flows from financing activities		
Proceeds from equity issued to non-controlling interests	—	356
Proceeds from issues of stapled securities	—	1,006
Proceeds from borrowings (net of costs)	2,703	3,896
Payment for acquisition of non-controlling interest	—	—
Repayment of borrowings	(1,718)	(3,401)
Dividends and distributions paid to the Group's security holders	(801)	(689)
Distributions paid to non-controlling interests	(90)	(55)
Net cash inflow from financing activities	**94**	**1,113**
Net increase/(decrease) in cash and cash equivalents	**159**	**(421)**
Cash and cash equivalents at the beginning of the year	834	1,249
Effects of exchange rate changes on cash and cash equivalents	(5)	6
Cash and cash equivalents at end of the year	**988**	**834**

Cash flows from operating activities

Net cash inflows from operating activities decreased A$73 million, or 8.0%, to A$837 million for the year ended June 30, 2017 from A$910 million for the year ended June 30, 2016. This was primarily due to:

- an increase in payments to suppliers due to the inclusion of AirportlinkM7 for 12 months in the year ended June 30, 2017 compared to three months in the year ended June 30, 2016;

- an increase in transaction and integration costs due to the payment of stamp duty related to the acquisition of AirportlinkM7; and

- an increase in interest paid due to higher average debt balances across the Group, the inclusion of AirportlinkM7 for 12 months compared to three months as described above and early termination costs associated with interest rate swaps on refinanced borrowings.

This decrease was partially offset by:

- an increase in receipts from customers due to the inclusion of AirportlinkM7 for 12 months in the year ended June 30, 2017, compared to three months in the year ended June 30, 2016; and

- an increase in toll revenue across all other assets.

Cash flows from investing activities

Net cash outflows from investing activities decreased A$1,672 million, or 68.4%, to A$772 million for the year ended June 30, 2017 from A$2,444 million for the year ended June 30, 2016. This was primarily due to the non-recurring payment related to the acquisition of AirportlinkM7 in the year ended June 30, 2016 and higher distributions from equity accounted investments, partially offset by increased expenses on the CityLink-Tulla Widening project and Logan Enhancement Project.

Cash flows from financing activities

Net cash flows from financing activities decreased A$1,019 million, or 91.6%, to A$94 million for the year ended June 30, 2017 from a net inflow of A$1,113 million for the year ended June 30, 2016. This was primarily due to:

- a decrease in proceeds from equity issued to stapled security holders and non-controlling interests following the equity raise that occurred in the year ended June 30, 2016 related to the acquisition of AirportlinkM7; and

- an increase in distributions paid to stapled security holders and non-controlling interests due to an increase in the distribution per security.

This decrease was partially offset by an increase in the net proceeds from borrowings.

Net cash movement for the period

Net cash and cash equivalents increased A$154 million for the year ended June 30, 2017, resulting in cash and cash equivalents of A$988 million at June 30, 2017 compared to A$834 million at June 30, 2016.

Comparison of the year ended June 30, 2016 to the year ended June 30, 2015

	Year ended June 30,	
	2016	2015
	(A$ millions)	(A$ millions)
Cash flows from operating activities		
Receipts from customers	2,055	1,782
Payments to suppliers and employees	(624)	(574)
Payments for maintenance of intangible assets	(52)	(91)
Transaction and integration costs related to acquisitions	(23)	(429)
Other revenue	66	46
Interest received	31	79
Interest paid	(543)	(506)
Income taxes paid	—	(3)
Net cash inflow from operating activities	**910**	**304**
Cash flows from investing activities		
Payments for held-to-maturity investments, net of fees	(187)	(108)
Payments for equity accounted investments	—	(2)
Payments for intangible assets	(437)	(203)
Payments for property, plant and equipment	(78)	(77)
Distributions received from equity accounted investments	127	95
Payments for acquisition of subsidiaries, net of cash acquired	(1,869)	(6,397)
Net cash (outflow) from investing activities	**(2,444)**	**(6,692)**
Cash flows from financing activities		
Proceeds from equity issued to non-controlling interests	356	1,342
Proceeds from issues of stapled securities	1,006	—
Proceeds from borrowings (net of costs)	3,896	6,562
Payment for acquisition of non-controlling interest	—	(189)
Repayment of borrowings	(3,401)	(2,361)
Dividends and distributions paid to the Group's security holders	(689)	(570)
Distributions paid to non-controlling interests	(55)	(57)
Net cash inflow from financing activities	**1,113**	**4,727**
Net increase/(decrease) in cash and cash equivalents	**(421)**	**(1,661)**
Cash and cash equivalents at the beginning of the year	1,249	2,879
Effects of exchange rate changes on cash and cash equivalents	6	31
Cash and cash equivalents at end of the year	**834**	**1,249**

Cash flows from operating activities

Net cash inflows from operating activities increased A$606 million, or 199.3%, to A$910 million for the year ended June 30, 2016 from A$304 million for the year ended June 30, 2015. This was primarily due to:

- an increase in receipts from customers due to the addition of Legacy Way and 95 Express Lanes for the full year ended June 30, 2016 and AirportlinkM7 for three months in the financial year ended June 30, 2016;

- an increase in toll and fee revenue across all other assets; and

- a decrease in transaction and integration costs paid.

This increase was partially offset by:

- increased payments to suppliers primarily as a result of the contribution of Legacy Way and 95 Express Lanes for the full year ended June 30, 2016 and AirportlinkM7 for three months in the financial year ended June 30, 2016;

- decreased interest received from Westlink M7 Term Loan Notes which are now included within distributions received from equity accounted investments after the Term Loan Notes were derecognized in exchange for the investment in the NWRG; and

- increased interest payments due to higher average debt balances across the Group.

Cash flows from investing activities

Net cash outflows from investing activities decreased A$4,248 million, or 63.5%, to A$2,444 million for the year ended June 30, 2016 from A$6,692 million for the year ended June 30, 2015. This was primarily due to the cost of acquiring the Queensland Motorway Group (now Transurban Queensland) in the full year ended June 30, 2015 compared to the cost of acquiring AirportlinkM7 in the full year ended June 30, 2016.

Cash flows from financing activities

Net cash flows from financing activities decreased A$3,614 million, or 76.5%, to a net inflow of A$1,113 million for the year ended June 30, 2016 from a net inflow of A$4,727 million for the year ended June 30, 2015. This was primarily due to:

- a decrease in proceeds from equity issued to non-controlling interests in Transurban Queensland, with the proceeds raised in relation to the acquisition of Queensland Motorways Group (now Transurban Queensland) offset by the proceeds raised in relation to the acquisition of AirportlinkM7;

- a decrease in net proceeds from borrowings due to the amount of the net proceeds raised in the full year ended June 30, 2015 in relation to the acquisition of Queensland Motorways Group (now Transurban Queensland); and

- an increase in distributions paid to our security holders in the full year ended June 30, 2016 compared to the prior year.

This decrease was partially offset by the proceeds raised from Transurban security holders in relation to the acquisition of AirportlinkM7 (the proceeds raised from Transurban security holders in relation to the acquisition of Queensland Motorways Group occurred in FY2014).

Net cash movement for the period

Net cash and cash equivalents decreased A$415 million for the year ended June 30, 2016, resulting in cash and cash equivalents of A$834 million at June 30, 2016 compared to A$1,249 million at June 30, 2015.

Debt financing

We raise corporate debt on a senior secured basis and non-recourse project debt for certain Concessionaires. Corporate debt is incurred by the Issuer, which is our funding vehicle. This debt is used to fund the CityLink Concessionaires and other corporate entities. Corporate lenders accede to the Security Trust Deed and are secured by a first ranking charge or general security agreement (as applicable) over the assets of corporate security providers, which includes indirect security over the CityLink Concessionaires' assets and security over our share of distributions generated by assets.

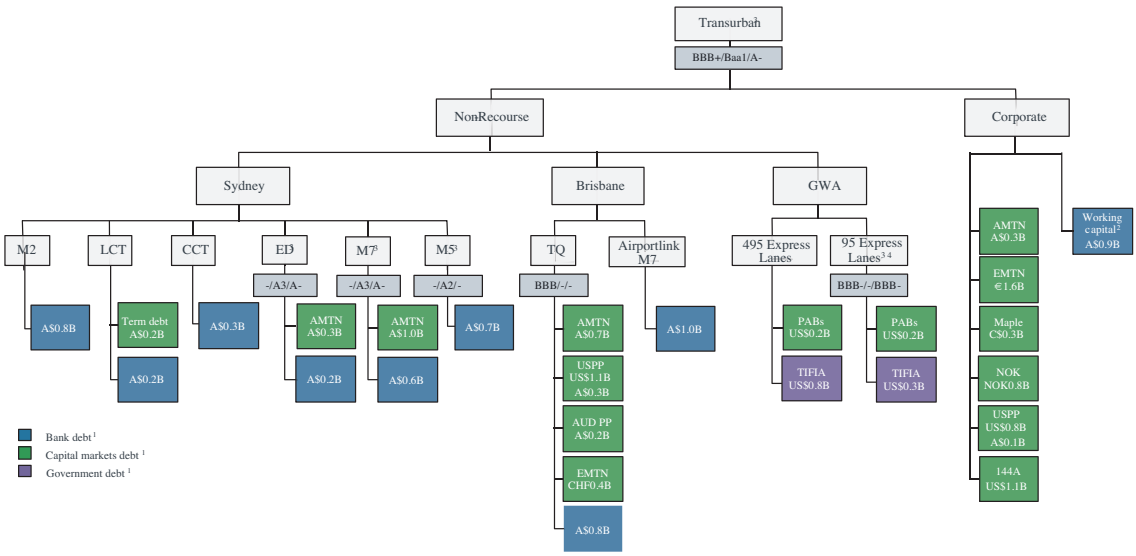
See "Description of the security arrangements" for further information. Concessionaires, other than the CityLink Concessionaires, incur project non-recourse debt. This debt is secured by the assets and cash flows of the relevant Concessionaire. For our assets that are funded by non-recourse debt, the maximum amount of debt that may be incurred by a Concessionaire and secured by the assets of a Concessionaire, and any regearing rights, are regulated by the relevant Concession Agreement. Additionally there may be further limitations under the relevant non-recourse financing documents. Providers of finance under those non-recourse project finance facilities have no recourse to the security that has been granted pursuant to the Security Trust Deed. For details of the non-recourse indebtedness incurred by Concessionaires (other than the CityLink Concessionaires), see "—Transurban Funding Structure—Facility Limits (Corporate and Non-Recourse Debt) as at June 30, 2017."

Our committed corporate debt includes revolving credit facilities, letter of credit facilities, AMTN, USPP Notes, 144A notes and EMTNs (including CMTN and NKMTN).

Our recent debt raising activity has been used to support acquisitions, capital investments and refinancings.

The following diagram shows the non-recourse and corporate debt facility limits of the Group.

Transurban Funding Structure — Facility Limits (Corporate and Non-Recourse Debt) as at June 30, 2017



(1) Debt facilities including undrawn available facilities, in the base currency of debt before hedging.

(2) Corporate working capital facilities are bilateral facilities and can be drawn in A$ and/or US$.

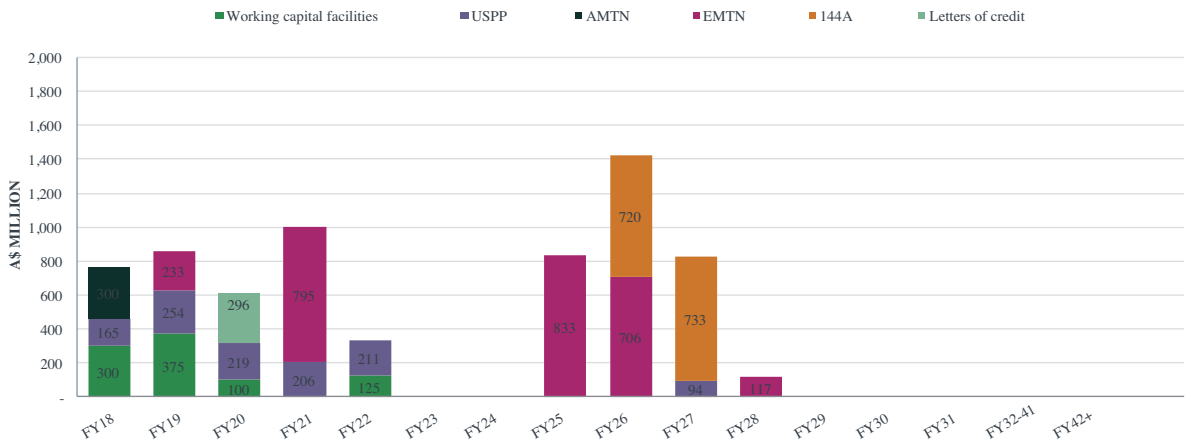
(3) Ratings are presented as "S&P/Moody's/Fitch." Where debt is not rated by that particular agency, this is denoted as "-."

(4) Ratings for S&P and Fitch were upgraded to BBB in July 2017.

Debt maturity profile

The maturity profile, by financial year, of the Group's corporate and non-recourse borrowings, including undrawn working capital and letter of credit facilities as at June 30, 2017, is shown below.

Maturity of Corporate Debt by Financial Year (A$ millions) as at June 30, 2017[(1)(2)(3)(4)]



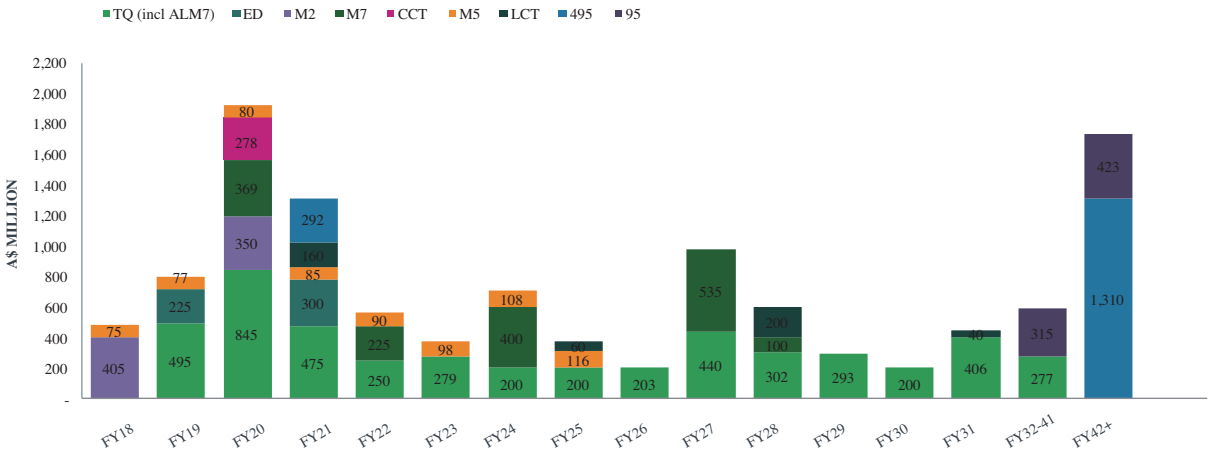
(1) Debt is shown in the financial year in which it matures.

(2) Debt values are in A$ as at June 30, 2017. CAD, Euro, CHF, NOK and US$ debt are converted at the hedged rate where cross currency swaps are in place.

(3) US$ debt is converted to A$ at the spot exchange rate ($0.7692 at June 30, 2017).

(4) Corporate working capital shown at final maturity dates. All working capital facilities were refinanced in July 2017.

Maturity of Non-Recourse Debt by Financial Year (A$ millions) as at June 30, 2017[(1)(2)(3)(4)(5)]



(1) The full value of debt facilities is shown as this is the value of debt for refinancing purposes. This overstates our share of the debt facilities.

(2) Debt is shown in the financial year in which it matures.

(3) Debt values are in A$ asavb at June 30, 2017. CHF and US$ debt are converted at the hedged rate where cross currency swaps are in place. US$ Debt is converted at the spot exchange rate (0.7692 at June 30, 2017) where no cross currency swaps are in place.

(4) The A$292 million maturing in FY2021 are part of the 495 Express Lanes senior bonds maturing in FY2048. This tranche will be refinanced as per the financing structure agreed with the sole holder.

(5) 95 Express Lanes and 495 Express Lanes maturities show final maturity dates.

At June 30, 2017, the weighted average term to maturity of our total drawn facilities (including corporate and non-recourse debt) is as follows:

- Transurban Group: 9.0 years (8.7 years as at June 30, 2016). The weighted average maturity is calculated on the full value of drawn funds at the Australian dollar value of the debt. Canadian dollar, Euro, Norwegian Krone, Swiss Franc and U.S. dollar debt is converted at the hedged rate where cross currency swaps are in place. Unhedged U.S. dollar debt is converted at the spot exchange rate (A$0.7692 at June 30, 2017).

- Corporate: 5.8 years.

- Non-recourse debt: 10.7 years. The average weighted maturity of Australian non-recourse debt was 6.3 years.

Financial Ratios

As described above under "—Liquidity and capital resources—Covenants," under certain senior debt documents, we are required to maintain certain financial ratios, including a senior interest coverage ratio. In addition, we monitor our funds from operations to debt ratio, as we use this to measure our credit metrics. The credit rating agencies also calculate this ratio in assessing our credit rating, although their methodology may differ.

Senior Interest Coverage Ratio (SICR)

Our SICR is currently calculated as net group cash flow to group finance costs. Group finance costs include cash interest paid, net of cashflows on hedges but does not include proceeds from debt, debt repayments or upfront fees on new financing. The calculation includes the cashflows of the corporate security providers, which include distributions from entities in which the security provider directly holds marketable securities. The calculation incorporates cashflows in a manner that reflects the cashflows available to service the senior secured lenders in accordance with the provisions of security arrangements. Under our senior debt documents, we are required to maintain a SICR of greater than 1.25 times. The table below sets out the historical SICR for the three years ended June 30, 2017, 2016 and 2015.

Prior to July 1, 2017, our SICR was calculated as group cash flow to group finance costs. The cashflows of corporate, CityLink and the Hills M2 entities were included in the calculation, while only the distributions from other assets were included.

	Financial year ended June 30,		
	2017[1,2]	2016[1]	2015[1]
SICR	3.9	4.3	3.5

(1) SICR calculated using methodology in place prior to July 1, 2017.

(2) If calculated using methodology in place after July 1, 2017, our SICR for FY2017 would have been 4.2.

Funds from operations (FFO) to debt

Part of our capital strategy is to maintain strong investment grade credit metrics. In FY2015, we announced an expectation to maintain a FFO to debt ratio in the range of 8-12% over the longer term, noting that there may be short periods where the ratio sits below this level, owing to the timing of debt issuances, development projects and cash balances.

We calculate FFO as EBITDA, less construction revenue, plus construction costs, plus additional maintenance provision recognized, plus stock compensation expense, plus dividends (cash) received from affiliates, associates, and joint ventures accounted for under the equity method, minus net

interest expense, plus interest expense attributable to non-controlling interests in the Transurban Queensland shareholder loan, minus current tax expense, plus interest received on the M5 debt notes, less interest income on held-to-maturity investments and operating lease adjustments. This calculation may be subject to further one-off adjustments from time to time.

We calculate debt as gross financial debt (including items such as bank loans, debt capital market instruments, and operating leases), adjusted for any foreign currency hedging, including capitalized borrowing costs, plus concession and promissory notes, less debt attributable to non-controlling interests in the Transurban Queensland shareholder loan, minus surplus cash (excluding any cash not available for general use).

	Financial year ended June 30,		
	2017	2016[1]	2015[2]
FFO to Debt	8.6%	8.0%	7.9%

(1) The impact of AirportlinkM7 has been annualized for FY2016 and inclusive of tax benefit was 8.6%.

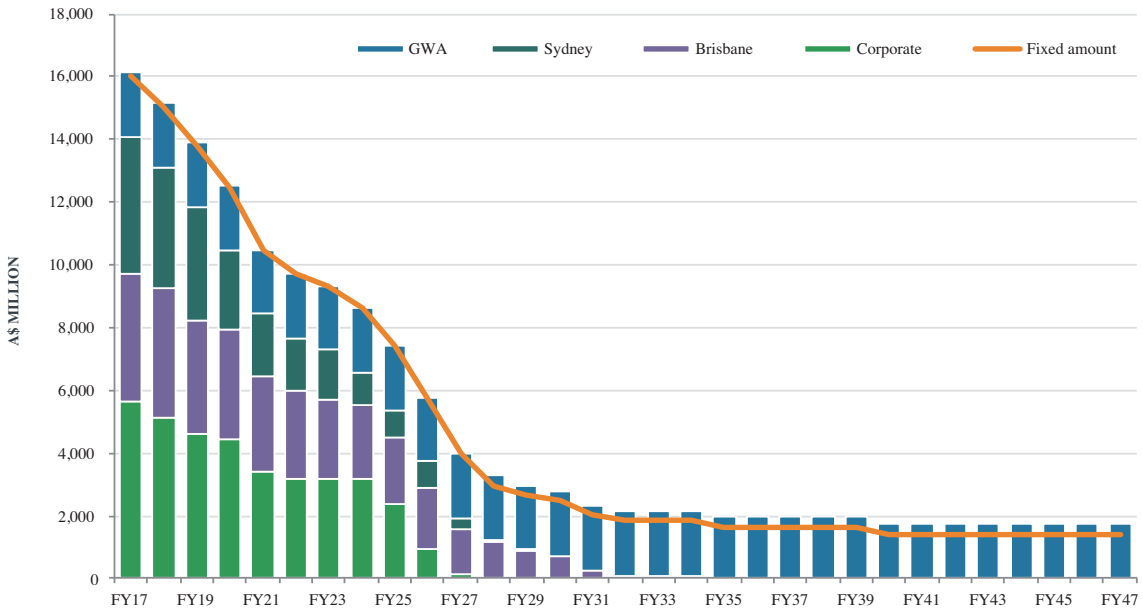
(2) Includes tax benefit based on previous methodology.

Hedging

We have entered into hedging arrangements with a number of our financiers to hedge our interest rate exposures in accordance with the terms of our senior financing documentation and our treasury policies. Most of our foreign currency denominated capital market issuances have been swapped into Australian dollars, with some issuances being swapped in U.S. dollars. Hedging arrangements (including by way of cross currency swaps) may be entered into to hedge any foreign currency exposures in respect of the Notes to be offered under this Offering Circular. These arrangements will be secured on a *pari passu* basis by the same security package that secures the senior facilities, the senior bonds and the Notes to be offered under this Offering Circular, and are similarly guaranteed by the Guarantors (as defined in "Description of the Security Arrangements" below).

The hedging profile by financial year, of our corporate and non-recourse borrowings, as at June 30, 2017, is shown below.

Hedging Profile by Financial Year (A$ millions) as at June 30, 2017 [1][2][3]



(1) Calculated on the full value of drawn debt including 100% of non-recourse drawn debt. Non-A$ debt is converted at the hedged rate where cross currency swaps are in place. US$ debt is converted at the spot exchange rate ($0.7692 at June 30, 2017) where no cross currency swaps are in place.

(2) A$33 million of drawn corporate working capital maturing June 2019 is unhedged. Transurban Queensland has A$77 million drawn under the capital expenditure facilities, maturing in December 2019. A A$310 million private activity bonds for 495 Express Lanes maturing in FY2048 are hedged to FY2028. A$15.5 million of M7 debt is unhedged between December 2017 and August 2019, with $22 million unhedged from August 2019 to August 2021.

(3) A total of US$992 million corporate debt is not swapped to A$, this debt forms part of our net investment hedge relating to US entities.

Contractual and commercial commitments

At June 30, 2017, we had the following contractual and commercial commitments. These amounts do not reflect all planned spending under the various categories, but rather that portion of spending to which we are contractually committed. Financial liabilities and derivative financial assets and liabilities include both principal and interest commitments.

	Operating commitments	Capital commitments	Operating lease commitments
	(A$ millions)	(A$ millions)	(A$ millions)
Within one year	166	514	6
Later than one year but no later than three years	218	168	11
Later than three years but no later than five years	104	—	11
Later than five years	139	—	14
Total	**627**	**682**	**42**

Our share of operating and capital commitments of our joint ventures as at June 30, 2017 is set forth in the table below.

	Operating commitments	Capital commitments
	(A$ millions)	(A$ millions)
Within one year	8	475
Later than one year but no later than three years	18	385
Later than three years but no later than five years	20	—
Later than five years	287	—
Total	**333**	**860**

Off-balance sheet arrangements

Other than as described under "—Contractual and commercial commitments," we have no material off-balance sheet contractual obligations or other commitments.

Quantitative and qualitative disclosure about market risk

Our activities expose us to a variety of financial and market risks, including interest rate risk and currency risk. Our overall risk management program focuses on the unpredictability of financial markets, and seeks to minimize potential adverse effects on our financial performance. From time to time, we enter into various derivative financial instruments, such as interest rate swaps and foreign exchange contracts to manage these risks. We do not trade in derivative financial instruments for speculative purposes. Our hedging activities are conducted through our treasury department on a centralized basis in accordance with board policies and guidelines through standard operating procedures and delegated authorities.

Foreign exchange risk

We operate internationally and are exposed to foreign exchange risk when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the entity's functional currency.

Foreign currency exposures are viewed as either investment exposures or operating exposures. We hedge all known material committed operating exposures. These exposures largely arise from debt incurred in foreign currency.

We use hedging instruments such as cross-currency swaps, as well as natural hedges such as foreign currency-denominated operating exposures and foreign currency borrowings, to manage these exposures.

Our exposure to foreign currency risk at June 30, 2017, denominated in the currency in which the risk arises, was as follows:

	As at June 30, 2017					As at June 30, 2016			
	US$M	CAD$M	EUR$M	CHF$M	NOK$M	US$M	CAD$M	EUR$M	CHF$M
Net investment in foreign operation	1,253	—	—	—	—	1,192	—	—	—
Borrowings	(3,001)	(1,600)	(250)	(375)	(750)	(2,094)	(250)	(1,600)	(200)
Cross-currency interest rate swap	2,009	1,600	250	375	750	1,122	250	1,600	200
Net exposure	**261**	**—**	**—**	**—**	**—**	**220**	**—**	**—**	**—**

Exposure to other foreign exchange movements is not material.

Cash flow interest rate risk

Our main exposures to interest rate risk arises from the interest we incur on long-term borrowings and the interest we earn on cash and cash equivalents. Treasury manages interest rate risk by entering into fixed rate debt facilities or using interest rate swaps to convert floating rate debt. Our policy is to hedge interest rate exposure at a minimum in compliance with the covenant requirements of funding facilities. Covenant requirements vary by debt facility and require a minimum of between 50% and 75% of interest rate exposure to be hedged. As at June 30, 2017, 99.4% of our proportional debt was hedged (99.5% as at June 30, 2016).

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss. We have no significant concentrations of credit risk from operating activities, and we have policies in place to ensure that transactions are made with commercial customers with an appropriate credit history. However, as an operator of large infrastructure assets, we are exposed to credit risk with our financial counterparties through undertaking financial transactions intrinsic to our business. These include funds held on deposit, cash investments and the market value of derivative transactions.

Treasury assesses the credit strength of potential financial counterparties using objective ratings provided by multiple independent credit rating agencies. Board approved limit allocation rules ensure higher limits are granted to higher rated counterparties. We also seek to mitigate our total credit exposure to counterparties by only dealing with credit-worthy counterparties, limiting the exposure to any one counterparty, minimizing the size of the exposure where possible through netting offsetting exposures, diversifying exposures across counterparties, closely monitoring changes in total credit exposures and changes in credit status, and taking mitigating action when necessary.

Liquidity risk

We maintain sufficient cash and undrawn facilities to maintain short term flexibility and enable us to meet financial commitments in a timely manner. We assess liquidity over the short term (up to 12 months) and medium term (one to five years) by maintaining accurate forecasts of operating expenses, committed capital expenditure and payments to security holders. Long-term liquidity requirements are reviewed as part of the annual strategic planning process.

Short term liquidity is managed by maintaining a strategic liquidity reserve. This reserve is based on our forecast annual operating costs and certain risk exposure scenarios as maintained by our strategic risk register, and is maintained as cash and undrawn facilities. The reserve is maintained on a rolling twelve month basis. Medium term liquidity forecasting is maintained on a rolling five year horizon.

Critical accounting policies and estimates

Our management is required to make judgments, estimates and assumptions in preparing our financial statements that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other facts that management believes to be reasonable under the circumstances, the results of which form the basis of judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results in the future may differ from these estimates. We review these estimates and underlying assumptions on an ongoing basis. See Note B3 to our consolidated financial statements audited in accordance with Australian Auditing Standards for the year ended June 30, 2017 included elsewhere in this Offering Circular for more information regarding our accounting policies.

Income taxes

We are subject to income taxes in Australia and in the United States. A degree of judgment is required in determining the provision for income taxes. There are transactions and calculations undertaken during the ordinary course of business for which the tax determination may not be certain at the time of the transaction. We recognize liabilities but have none currently for anticipated tax audit issues, based on our understanding of the tax laws at the time. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax positions recorded in the period in which such determination is made.

Set forth below is an overview of some of the key regulatory regimes that apply to us and our operations with regard to privacy matters, anti-corruption matters, health and safety matters and environmental matters. The discussion below is neither a comprehensive summary of these regimes, nor is it a complete list of the legislation and regulation that apply to us.

Regulations relating to Australian toll roads

Privacy Law

As collectors and users of personal information, we are bound by privacy laws in the jurisdictions in which we operate. Australia's *Privacy Act 1988* (Cth) ("Privacy Act") and the Australian Privacy Principles contained therein, as well as privacy laws in Australia's states and territories and the countries in which we operate, apply to our business. In broad terms, this means we must, where applicable Australian legislation applies:

- manage personal information in an open and transparent way, including adopting and making available a clearly expressed, up-to-date and compliant privacy policy;
- give individuals the option of not identifying themselves, or of using a pseudonym, when they interact with us where practicable;
- comply with applicable legislation as to notification requirements in relation to the collection of personal information (whether directly from the individual or via third parties) and obtain consent from the individuals concerned, when required, if we collect their "sensitive" information;
- comply with the legislation as to when we may use and disclose personal information that we hold;
- use and disclose personal information for the purpose of direct marketing only in the circumstances permitted by applicable legislation;
- subject to some limited exceptions, take reasonable steps to ensure an overseas recipient of personal information we disclose deals with it consistently with the Australian Privacy Principles although, even if we do so, we generally remain liable for their conduct in relation to such personal information (some similar obligations apply under state-level legislation when transferring personal information out of the state);
- not use or disclose a government related identifier of an individual unless an exception applies;
- take reasonable steps to protect personal information we hold from misuse, interference, loss and unauthorized access, modification or disclosure, including when we disclose personal information to an overseas recipient;
- take reasonable steps to destroy or de-identify personal information when it is no longer needed for any purposes for which we are permitted to use or disclose it (and is not otherwise required to be retained under another applicable law);
- provide individuals with access to their personal information held by us in the circumstances required by applicable legislation; and
- take reasonable steps to correct personal information to ensure that, having regard to the purpose for which it is held, it is accurate, up-to-date, complete, relevant and not misleading (including when requested to do so by an affected individual).

In 2017, the *Privacy Amendment (Notifiable Data Breaches) Act 2017* amended the Privacy Act to require government agencies and businesses covered by the Privacy Act to notify any individuals affected by a data breach that are likely to result in 'real risk of serious harm'. Of note, data breaches are not limited to malicious actions, such as theft or 'hacking', but may arise from internal errors or failure to follow information handling policies that cause accidental loss or disclosure.

There are significant consequences to us if we breach these privacy laws, such as: (i) being the subject of investigation, monitoring or enforcement action by a regulator; (ii) being the subject of complaints by individuals to a regulator; and (iii) potentially bein)g subject to prosecution or civil proceedings resulting in significant pecuniary penalties. For example, under the Privacy Act, serious or repeated interferences with privacy (*i.e.*, breaches of the Privacy Act) may attract civil penalties currently of up to A$2.1 million for companies and A$420,000 for individuals. In addition, individuals (whether alone, or as part of a class action) may pursue us for damages in certain cases.

Anti-Bribery & Corruption

We are committed to responsible corporate governance, including ensuring that appropriate processes are in place to promote compliance with anti-bribery and anti-corruption laws in the countries where we operate.

Australian Anti-Bribery & Corruption Regulation

We are committed to ensuring compliance with the relevant laws and regulations in Australia, including:

- the *Criminal Code* (Cth), Schedule to the *Criminal Code Act 1995* (Cth);
- the *Corporations Act 2001* (Cth);
- the *Criminal Code* (Qld), Schedule 1 to the *Criminal Code Act 1899* (Qld);
- the *Crimes Act 1900* (NSW); and
- the *Crimes Act 1958* (Vic).

In broad terms, this means we must:

- not be involved in the giving, offering, soliciting or receiving of inducements, secret commissions, rewards or other benefits that are not legitimately due, to or from employees, agents of companies and individuals, or public officials (foreign or domestic). The conduct will be criminal if the person engaging in such behavior had the intention of influencing the recipient in the exercise of his or her duties; or where the receipt or expectation of the receipt would tend to influence the person in the exercise of his or her duties;
- keep accurate records of transactions and our financial position; and
- review internal controls and policies and consider whether they sufficiently manage exposure to risk under the Commonwealth and State regimes in light of the nature and reach of our business activities.

A variety of agencies may seek to enforce compliance with relevant laws and regulations in Australia, including:

- the Australian Federal Police;
- the Commonwealth Department of Public Prosecutions;
- the Australian Securities and Investment Commission;
- the Office of Director of Public Prosecutions (Qld);
- the Office of Public Prosecutions (Vic); and
- the Office of the Director of Public Prosecutions (NSW).

Severe legal penalties may be imposed on us and our officers, employees and agents if any of us are found to be involved in bribery or corrupt conduct, including imprisonment of individuals and substantial fines. For example, the *Criminal Code* (Cth) provides criminal penalties for the bribery of foreign and Commonwealth public officials. The monetary fines that Australian authorities may currently impose for individuals include up to A$2.1 million, or up to or up to ten years imprisonment, or both. For corporations, the maximum penalty is currently the greatest of: (i) A$21 million (ii) three times the value of the benefit obtained by the corporation and its related entities; or (iii) 10% of the annual turnover of the corporation and its related entities during the period of 12 months, ending at the end of the month in which the conduct occurred.

In addition to criminal penalties, any benefits obtained by foreign bribery may be forfeited to the Australian government under the *Proceeds of Crime Act 2002* (Cth). This Act allows proceeds of Commonwealth-indictable offenses to be traced and confiscated. It also enables a court to require a person to appear before it to prove that unexplained wealth was lawfully acquired.

The Australian states and territories vary as to the specific penalties that may be imposed where an individual or corporation is convicted of the corrupt giving, offering, receiving or soliciting of inducements, secret commissions or rewards. Penalties may include fines and imprisonment including:

- ten years imprisonment or a fine of A$190,284 or both for an individual, and a fine of A$190,284 for corporations in Victoria;
- seven years imprisonment and a fine at the discretion of the court (public officials only) for an individual and a penalty of A$428,910 for corporations in Queensland; and
- seven years imprisonment for an individual and a penalty of A$220,000 for corporations in New South Wales.

The *Criminal Code* (Qld) and the *Crimes Act 1900* (NSW) also make a person convicted of corrupt giving, offering or receiving of inducements, secret commissions or rewards liable to an order of the Court to pay back the benefits received or given.

Environmental Law

In Australia, there are numerous pieces of federal and state legislation relating to environmental management and regulation, and the regulatory landscape is complex. Each of Victoria, New South Wales and Queensland has its own legislative scheme, consisting of a principal statute that is generally applied (being, the *Environment Protection Act 1970* in Victoria, the *Protection of the Environment Operations Act 1997* in New South Wales, and the *Environment Protection Act 1994* in Queensland) in addition to a number of other applicable statutes regulating particular operations or environmental impacts, including, for example, water, heritage, waste, air quality, noise, town planning, and environmental approvals for use and development of land. Across these jurisdictions there are broad similarities in the nature of the obligations imposed, including:

- it is an offense to pollute air, land or water unless an environmental license is held;
- there is a requirement to hold town planning approvals for use and development of land, and these will include conditions on ongoing use;
- there is a detailed assessment process to be followed in order to seek approvals for new projects and developments. The assessment process for major transport projects may be facilitated by major projects legislation, which can provide some efficiencies and certainty;
- there are requirements to seek permission to works to or in the vicinity of, listed heritage buildings, items or areas;
- there is a requirement to meet air quality standards;

- disposal of waste is regulated so that certain waste can only be taken to certain disposal facilities, depending on the characteristics of the waste;
- there are obligations to manage contaminated soil and groundwater, which will sometimes require clean-up of contaminated areas; and
- licenses are required to take and use groundwater and water in certain circumstances, and can include limits on the volume of water that can be taken.

Breaches of obligations are treated seriously by the numerous government regulators. Regulators can decide what compliance action is appropriate, and this can include:

- seeking voluntary compliance;
- issuing statutory notices requiring remedial action by a certain date (and potentially closing operations until the action is implemented);
- commencing civil or criminal proceedings (for the more serious breaches); and
- revoking, suspending or cancelling approvals or licenses.

The penalties for breaching environmental legislation vary significantly because the penalties are set in the numerous pieces of State legislation. Courts may decide the penalty after considering the details of the offense including its seriousness, consequences, culpability of the offender and compliance history. Directors and managers can also be held liable for pollution offences. However, certain defenses may apply, such as the due diligence defense. The penalties for pollution offences included in environmental legislation in each State currently range from approximately A$788,440 to A$5 million.

The Commonwealth of Australia also federally legislates for environmental matters, including where an action will have a significant impact on a "matter of national environmental significance," which includes matters such as listed threatened species and listed wetlands and heritage items. In those cases, a referral of a proposed action to the Commonwealth is required and additional approvals may need to be sought. The penalties included in Commonwealth legislation are more significant than those imposed by State legislation.

Further, the Commonwealth has legislated on greenhouse gas emissions and energy reporting. If either a facility or a corporate group meets the threshold set in the *National Greenhouse & Energy Reporting Act 2007*, then it must report annually on its greenhouse gas emissions, energy production and energy consumption.

Health and Safety legislation

As we own and operate motorway assets in Victoria, New South Wales and Queensland, we ensure that each part of the business complies with the relevant Australian health and safety legislation as applicable in each jurisdiction. Where practical, we also seek to harmonize our health, safety and environmental practices nationally.

In Australia, there are numerous pieces of legislation that regulate workplace health and safety. Each state and territory has its own unique legislative scheme consisting of a principal statute that is generally applied (known as either the Work Health and Safety Act or the Occupation Health and Safety Act), in addition to regulations specific to particular business operations. Despite the different legislative regimes, there are broad similarities in the nature of the obligations imposed across the various legislative schemes. These include:

- a requirement for business operators to ensure, so far as is reasonably practicable, the health and safety of "workers" (a group broader than employees that can also include contractors and their employees) whose activities in carrying out work are influenced, or directed by, them during the course of business. This requires (among other things) that employers provide a safe work environment, safe systems of work, training and supervision; and

- imposing specific duties for particular individuals working for a business, including specific obligations on company directors and officers (for example, to exercise due diligence to ensure the business meets health and safety obligations), and specific obligations on employees (for example, to take reasonable care to ensure the health and safety of themselves and others).

Breaches of the workplace safety legislation can result in state government safety regulators:

- giving advice on compliance and seeking voluntary compliance;
- issuing statutory notices requiring remedial action by a certain date (and preventing operations until the action is implemented);
- commencing prosecution proceedings; and
- revoking, suspending or cancelling authorizations.

Court prosecutions are commonly commenced for serious breaches (particularly those resulting in serious injury or death).

The penalty imposed for breaching health and safety obligations varies across the states. A court will usually decide the penalty after considering the particular circumstances, which can include the seriousness of the offence, the consequences of the offence, the degree of culpability of the alleged offender, and any relevant compliance history. For example, the maximum penalties for breaching the New South Wales Work Health and Safety Act are currently as follows:

- corporation: up to A$3 million; and
- officer of a corporation: up to A$600,000 or five years imprisonment.

The consequences to us of breaching applicable health and safety legislation may include: (i) investigation, prosecutions and financial penalties; (ii) notices prohibiting unsafe activities or requiring improvements; (iii) increased operating and compliance costs; and (iv) increased workers' compensation insurance premiums.

Labor relations legislation

We are subject to the national *Fair Work Act 2009* of Australia ("FW Act"), which is Australia's primary piece of legislation governing the relationship between employers and employees.

The FW Act provides that employees in Australia are subject to ten "National Employment Standards." These National Employment Standards cover subject matter such as maximum weekly hours, annual leave, personal leave, parental leave, requests for flexible work arrangements, notice of termination and redundancy pay and public holidays.

In addition to the National Employment Standards, there is also a comprehensive system of Modern Awards that apply to non-managerial employees in a range of industries. These Modern Awards prescribe minimum terms and conditions of employment for employees who fall within the applicable occupational categories within the Modern Awards. Modern Awards can address issues such as classes of employment, termination of employment, hours of work, shift work, overtime and penalty pay arrangements.

Employers and groups of employees (often through a union representative on their behalf) also have an opportunity to negotiate collective agreements known as Enterprise Agreements. These Enterprise Agreements enable the parties to agree to collective workplace conditions tailored to a business to depart from the underlying award provided that employees are better off overall. See "Business—Employees" for a description of the Enterprise Agreements that apply to a portion of our workforce.

Employers may be subject to penalties if they contravene the conditions of the National Employment Standards or an applicable Enterprise Agreement and Award.

The FW Act regulates the ability of employees to take industrial action. Industrial action is only "lawful" where an Enterprise Agreement (or agreements under the predecessor legislation to the FW Act) have expired and the employer and employees are negotiating a new agreement. Enterprise Agreements can have a term up to four years. Further, such "protected" industrial action requires a secret ballot among the employees endorsing such action and various notification requirements need to have been satisfied. Where industrial action is not "protected" it is considered to be unlawful, and the independent body established under the FW Act, known as the Fair Work Commission, is able to order those employees back to work.

The Fair Work Commission is able to hear disputes between us and our employees in relation to our Enterprise Agreements under the FW Act. A dispute resolution provision is common in agreements between employers and groups of employees which are predominantly "blue collar" and where union membership is at relatively high levels.

Regulations relating to United States toll roads

Privacy Law

As part of the operation of our United States toll roads, we monitor such roads with 24 hours seven days a week video monitoring to ensure compliance with high occupancy vehicle lane rules. Certain information we receive from such monitoring is shared with VDOT and law enforcement agencies. Since our United States toll roads are entirely located within the Commonwealth of Virginia, they are subject to U.S. and Virginia laws relating to drivers' privacy protection and restrictions on the release of personal information, as well as fair information principles or business practices, including the collection, storage and sharing of private data. We have put in place procedures to ensure compliance with such requirements.

Health and Safety legislation

In the United States, most private sector employers are subject to the requirements set forth under the federal Occupational Safety and Health Act ("OSHA") or comparable state-level programs, including the Virginia Occupational Safety and Health Program ("VOSH"). Since our United States toll roads are entirely located within the Commonwealth of Virginia, they are subject to VOSH, which imposes substantially similar obligations as OSHA. OSHA generally imposes a duty to provide a safe workplace and requires covered employers to comply with all applicable OSHA safety and health standards. Examples of such safety and health standards include a requirement to inform workers of chemical hazards specific to their workplace, to provide relevant safety training and to maintain accurate records of work related injuries and illnesses. The Virginia Department of Labor and Industry enforces the VOSH regulations and carries out inspections and levies fines for violations of the VOSH requirements.

Federal Communications Commission

We are required under the rules and regulations of the Federal Communications Commission ("FCC") to obtain a wireless license for each toll transmission gate entry with respect to our United States toll roads. This requirement stems from the need to utilize radio frequencies for the equipment to operate at such gate entries. We have established procedures to ensure such licenses remain in place and that we comply with all applicable FCC regulations.

Description of ownership structure

Overview

The Transurban Group is a triple-stapled security comprised of shares in THL, THT and TIL. None of the components of the stapled security can be traded separately. We are listed on the Australian Securities Exchange and, as at August 29, 2017, we had a market capitalization of approximately A$24.5 billion (US$19.4 billion based on the exchange rate for the Australian dollar against the U.S. dollar announced by the Reserve Bank of Australia on August 29, 2017, which was A$1.00 = US$0.7926). See "Summary historical financial information" for more information.

Principal shareholders

Based on publicly available information, as at 29 August 2017, the following persons had notifiable "substantial holdings" under the Corporations Act of our stapled securities (a person's notifiable "substantial holding" is the aggregate of the "relevant interests" (broadly defined) in voting securities held by the person and by its "associates" (also broadly defined)):

	Number of securities	Percentage of securities
UNISUPER[(1)]	278,743,444	13.65
COMMONWEALTH BANK OF AUSTRALIA[(2)]	110,939,481	5.41
BLACKROCK GROUP[(3)]	102,336,832	5.01

(1) Sourced from notice of change in substantial holder dated 14 November 2016. Percentage of securities based on securities on issue as at 29 August 2017.

(2) Sourced from notice of change in substantial holder dated 31 May 2017. Percentage of securities based on securities on issue as at 29 August 2017.

(3) Sourced from notice of change in substantial holder dated 19 August 2016. Percentage of securities based on securities on issue as at 29 August 2017.

"Substantial holdings" does not equate with beneficial holdings (beneficial holdings are generally not notifiable under Australian law). The "substantial holding" notification requirements are based on "relevant interests" (generally a broader concept than beneficial interests) as outlined above.

Description of other indebtedness

Below is a summary of our other material corporate-level indebtedness and financing arrangements outstanding as at the date of this Offering Circular. The indebtedness described in this section is secured by the same security that will secure the Notes. In addition to our corporate-level debt, we have outstanding certain non-recourse indebtedness and financing arrangements with respect to our consolidated assets, including debt incurred by our Concessionaires (other than the CityLink Concessionaires) that is secured by the assets and cash flow of the relevant Concessionaire. See "Operating and financial review—Liquidity and capital resources" for further information. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents.

Rule 144A Notes

We have outstanding (i) US$550 million aggregate principal amount of 4.125% Guaranteed Senior Secured notes maturing in February 2026 (the "2015 Rule 144A Notes") and (ii) US$550 million aggregate principal amount of 3.375% Guaranteed Senior Secured notes maturing in March 2027 (the "2016 Rule 144A Notes"), in each case issued pursuant to the Indenture dated as of November 2, 2015 (the "2015 Indenture").

Certain covenants

The 2015 Rule 144A Notes and the 2016 Rule 144A Notes were issued under the 2015 Indenture, which includes certain customary affirmative and negative covenants that place various restrictions on us.

Events of default

The 2015 Indenture contains customary events of default.

Guarantees and Security

The obligations of the Issuer under the 2015 Rule 144A Notes and the 2016 Rule 144A Notes are supported by guarantees and security arrangements, as described in "Description of the security arrangements" below.

United States Private Placements

We have two United States debt private placements (each a "Private Placement") pursuant to (i) a note purchase agreement dated as of December 7, 2004, as supplemented on June 30, 2005 and as amended on July 31, 2017, under which we issued seven series of notes. The current outstanding notes under these placements are US$108,600,000 of our 5.62% U.S. dollar notes maturing in December 2019, US$156,500,000 of our 5.50% U.S. dollar notes maturing August 2020 and A$72,000,000 floating rate Australian dollar notes maturing in December 2019 and (ii) a note purchase agreement dated as of November 14, 2006 as amended on July 31, 2017, under which we issued four series of U.S. dollar deferred interest notes. The current outstanding notes under these placements are US$181,534,275 (including accreting interest) of our 6.01% notes maturing in November 2018, US$162,219,619 (including accreting interest) of our 6.10% notes maturing in November 2021 and US$67,391,792 (including accreting interest) of our 6.21% notes maturing in November 2026.

The obligors under each of the Private Placements are the Issuer and Finance Trust.

Certain covenants

Each Private Placement includes certain customary affirmative and negative covenants that place various restrictions on us, including without limitation on our ability to:

- engage in non-arm's-length transactions with third parties;

- create or permit to exist security interests;
- incur additional debt;
- make loans or provide other financial assistance;
- dispose of our assets;
- engage in the sale and leaseback of our assets;
- engage in a line of business other than our existing core businesses; and
- declare or make distributions.

We are also subject to certain financial covenants, including:

- a total leverage ratio of not more than 60%;
- a CityLink interest coverage ratio that should be greater than 1.10 times; and
- a senior Transurban Group interest coverage ratio of not less than 1.25 times.

Events of Default

Each Private Placement contains customary events of default. Subject to compliance with the terms of the Security Trust Deed described below, the noteholders under each Private Placement are entitled to take various actions, including acceleration of all amounts due under the notes and the note purchase agreement in connection with any event of default.

Guarantees and Security

The obligations of the Issuer and Finance Trust under each Private Placement are supported by the guarantee and security arrangements described in "Description of the security arrangements" below.

Bilateral and syndicated loan facilities

We have a committed, secured syndicated facility agreement (comprising three facilities with various financiers, together with a commitment from various financiers to provide an additional facility under the syndicated facility agreement), and various committed, secured bilateral facilities with various financiers (each a "Facility Agreement"). The Facility Agreements include the following outstanding facilities: (i) a syndicated facility agreement comprising a A$360,000,000 cash advance facility maturing on July 4, 2020, a A$375,000,000 cash advance facility maturing on July 4, 2021 and a A$365,000,000 cash advance facility maturing on July 4, 2022, together with a commitment from various financiers to provide a 5-year facility of A$550,000,000, (ii) three separate A$75,000,000 letter of credit facilities, each maturing on July 4, 2020 under separate bilateral facility agreements each dated July 4, 2017, (iii) three separate A$80,000,000 letter of credit facilities, each maturing on January 21, 2020 under separate bilateral facility agreements each originally dated January 20, 2015 (as amended) and (iv) one A$75,000,000 letter of credit facility maturing on November 29, 2019 under a bilateral facility agreement originally dated November 29, 2016 (as amended).

These facilities are denominated in, and can only be drawn in, Australian dollars or United States dollars. The interest rate is variable and is set according to the sum of a margin and the bank bill swap bid rate for the requested duration on the date of the drawing. Amounts outstanding under these facilities are guaranteed by each entity that is a Guarantor in respect of the Notes.

Certain covenants

The Facility Agreements also contain customary financial and other covenants that place various restrictions on us, including without limitation on our ability to:

- create or permit to exist security interests;
- dispose of our assets; and
- make loans.

The Facility Agreements also contain a positive covenant to ensure that the senior Transurban Group interest coverage ratio does not fall below 1.25 to 1.00.

Events of default

The Facility Agreements contain customary events of default.

Guarantees and Security

The obligations of the Issuer under the Facility Agreements are supported by the guarantees and security arrangements as described in "Description of the security arrangements" below.

Australian medium term notes

We have one outstanding Australian medium term note issuance pursuant to a dealer agreement and debt instrument trust deed each dated as of June 28, 2002 (the "AMTN Programme"). The AMTN Programme comprises a subscription agreement (credit wrapped debt instruments) dated as of August 31, 2005 (the "Wrapped AMTNs"), under which we issued A$300,000,000 of our floating rate notes maturing on November 10, 2017.

Certain Covenants

The debt instrument trust deed for the AMTN Programme include certain customary affirmative and negative covenants that apply to the Wrapped AMTNs and place various restrictions on us, including without limitation on our ability to:

- terminate or amend certain key documents in a way that would adversely affect a holder of a note under the AMTN Programme;
- sell notes to our associates;
- dispose of our assets;
- create or permit to exist security interests;
- engage in a line of business other than our existing core businesses;
- incur additional debt; and
- declare or make distributions.

Events of default

The debt instrument trust deed for the AMTN Programme contains customary events of default.

Guarantees and Security

The obligations of the Issuer and Finance Trust under the Wrapped AMTNs are supported by the guarantees and security arrangements as described in "Description of the security arrangements" below.

Euro medium term note programme

We have a secured Euro medium term note programme pursuant to a programme agreement and a trust deed each dated as of October 27, 2011 (the "EMTN Programme"). We have issued (i) CAD250,000,000 of 3.52% fixed rate notes pursuant to the EMTN Programme which are due on March 6, 2019, (ii) EUR500,000,000 of 2.50% fixed rate notes pursuant to the EMTN Programme which are due on October 8, 2020, (iii) EUR600,000,000 of 1.875% fixed rate notes pursuant to the EMTN Programme which are due on September 16, 2024, (iv) EUR500,000,000 of 2.00% fixed rate notes pursuant to the EMTN Programme which are due on August 28, 2025 and (v) NOK750,000,000 of 3.00% fixed rate notes pursuant to the EMTN Programme which are due on July 26, 2027.

The programme agreement and the trust deed for the EMTN Programme include certain customary affirmative and negative covenants which apply to the notes issued under the programme, including without limitation, a requirement to maintain a credit rating. These documents also include customary events of default.

Guarantees and Security

The obligations of the Issuer and Finance Trust under the Euro medium term notes, the CAD medium term notes and the NOK medium term notes are supported by the guarantees and security arrangements as described in "Description of the security arrangements" below.

RELATED PARTY TRANSACTIONS

We engage in transactions with related parties in the ordinary course of business. Our related party transactions are made under normal commercial terms and conditions. Our related party transactions are set forth in detail below. Further information relevant to related party transactions is set out in Note B28 ("Related Party Transactions") to our consolidated financial statements for the year ended June 30, 2017, included elsewhere in this Offering Circular.

Transactions within our Group

	Joint Ventures	
	FY2017	FY2016
	A$'000	A$'000
Transactions with Related Parties		
Revenue from Services	17,501	14,657
Interest Income	42,490	23,283
Outstanding Balances with Related Parties		
M5 Debt Notes	70,000	70,000
NorthConnex Shareholder Loan Notes	516,069	298,964

No provision for doubtful debts has been raised in relation to any outstanding balances, and no expense has been recognized in respect of bad or doubtful debts from related parties.

M5 debt notes

The M5 debt notes are our debt funding contribution to the M5 widening project. The fixed maturity date of the notes is 10 years after financial close of the project. The interest rate charged on these notes is currently fixed at 5.0%.

NorthConnex shareholder loan notes

The shareholder loan notes (the "SLNs") earn interest at a fixed rate of 9.0% until the final day of the NorthConnex concession period. Any unpaid interest is capitalized and deemed to subscribe for further loan notes with an aggregate principal amount equal to that unpaid interest.

The SLNs are classified as a held-to-maturity receivable. They are not classified as an investment for equity accounting purposes, and therefore has not been affected by equity accounting losses from the associate. All SLNs are denominated in Australian currency.

DESCRIPTION OF THE SECURITY ARRANGEMENTS

This section contains a summary of the Securities and the Security Trust Deed. It does not describe every aspect of them. This summary is qualified in its entirety by reference to the provisions of the Notes, the Securities, the Security Trust Deed and the other underlying documents described below. Copies of these documents are available upon request from the Issuer.

Capitalised terms used in this section have the meaning given to them in the Security Trust Deed, unless otherwise defined. The Security Trust Deed was last amended on 28 July 2017.

Overview

The obligations of the Issuer under the Notes will be secured by all the present and future assets and undertaking of the Issuer.

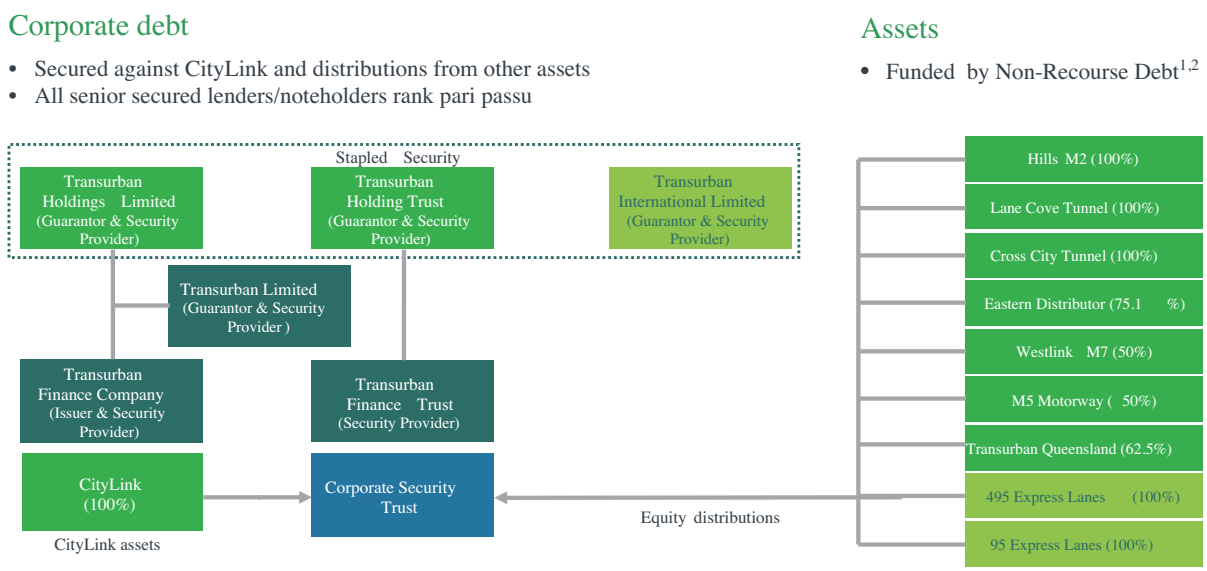
In addition, the obligations of the Issuer under the Notes will be guaranteed by THL, THT, TIL and TL (each a **Guarantor**). Each Guarantor has granted the security interests described below to secure its obligations under its guarantee.

Finance Trust has covenanted in the Security Trust Deed and its Security to pay the Secured Money, which includes amounts owing under the Notes. Finance Trust's covenants to pay represent primary monetary obligations of Finance Trust and will be secured by all present and future assets and undertakings of Finance Trust.

The security structure operates to secure rateably certain outstanding indebtedness owed by the Issuer (and each Security Provider under its guarantee or covenant to pay) to the defined Secured Creditors of the Issuer. Under this security structure, the Noteholders will be beneficiaries of the Security Trust as Senior Secured Creditors. The Security Trust Deed contains definitions of "Secured Creditors", "Senior Secured Creditors" and "Subordinated Secured Creditors" and these are described further below in the section entitled "Other Secured Creditors".

Security

The following chart summarises the security arrangements that apply to our senior secured debt and the Notes.



Each of the Issuer and Finance Trust have granted a fixed and floating charge over their present and future assets and undertaking, which assets (in the case of Finance Trust) include security interests held by Finance Trust over the assets of the entities that own and operate CityLink, as well as contractual rights to receive cashflows from debt that Finance Trust has lent to other Transurban subsidiaries including CityLink. These fixed and floating charges secure amounts owing by the Issuer to its Secured Creditors.

Each Guarantor has granted security interests as follows, to secure amounts owing under its guarantee:

(a) each of THL, THT and TIL has granted a general security agreement over its present and after-acquired property, including all shares and units held directly by it in all of its subsidiaries from time to time, other than any shares or units held directly by it in any CityLink Concessionaire (**New GSA**);

(b) THL has also granted a number of additional securities which, although a duplicate of the New GSA, remain on foot. These include a fixed and floating charge over its present and future assets and undertaking, other than shares and units held by it in certain subsidiaries, and mortgages over shares held by it in TL, Transurban (USA) Holdings No. 1 Pty Ltd, Transurban (USA) Holdings No. 2 Pty Ltd and Sydney Roads Limited, and share security deeds over shares held by it in Translink Operations Pty Ltd, Transurban Funding Pty Limited and Transurban WD Co Pty Limited (each a **Share Security Deed**);

(c) THT has also granted a number of additional securities which, although a duplicate of the New GSA, remain on foot. These include a fixed and floating charge over its present and future assets and undertaking, other than shares and units held by it in certain subsidiaries, a fixed charge over equity distributions from CityLink (which secures amounts owing by the Issuer to its Secured Creditors) and a mortgage over units held by it in Sydney Roads Trust;

(d) TIL has also granted a number of additional securities which, although a duplicate of the New GSA, remain on foot. These include a fixed and floating charge over its present and future assets and undertaking, other than shares and units held by it in certain subsidiaries, following its re-domiciling (as described in the section entitled "Redomicling of TIL and TIHL" below), a security interest over its assets, rights and undertaking, a mortgage over shares held by it in Transurban International Holdings Pty Ltd (formerly Transurban International Holdings Ltd) (**TIHL**) and, also following its re-domiciling (as described in the section entitled "*Redomicling of TIL and TIHL*" below), a security interest over shares held by it in TIHL; and

(e) TL has granted a fixed and floating charge over its present and future assets and undertaking, other than shares and units held by it in certain subsidiaries.

Each of the security interests described above has been granted in favour of the Security Trustee. Pursuant to the Security Trust Deed, the Security Trustee holds the benefit of these security interests for the Secured Creditors, which, following the Trustee's accession to the Security Trust Deed by virtue of the Accession Certificate, includes the Trustee and the holders of the Notes (other than AMTNs) and, following the AMTN Trustee's accession to the Security Trust Deed by virtue of the AMTN Accession Certificate, includes the AMTN Trustee and the holders of the AMTNs.

Each of the security interests described above is governed by the laws of the State of Victoria, Australia (other than the share mortgage granted by TIL, which is governed by the laws of Bermuda) and each is registered on the Register in accordance with (and as defined in) the Personal Property Securities Act 2009 of Australia (Cth).

The New GSA (as defined in paragraph (a) above), each historical fixed and floating charge, each Share Security Deed and the new guarantee granted by TIL in favour of the Security Trustee on 4 July 2017 (**New TIL Guarantee**) does not contain a provision which limits the principal amount recoverable under that document. However, each of the historical share and unit mortgages described above and the historical guarantee granted by TIL only, contains a provision stating that the principal amount recoverable under it in relation to the relevant secured property located wholly within Australia is a definite and limited amount of A$7,500,000,000, unless the Security Trustee increases such amount by written notice (such increased amount not to exceed the moneys secured or guaranteed (as applicable) at such time). Irrespective of this (and as noted above), the New GSA, each historical fixed and floating charge, the Share Security Deeds and the New TIL Guarantee do not contain this limit. Accordingly, if this limit is exceeded in the future, this will not limit the effectiveness of the security structure to secure the Notes.

How will Noteholders get the benefit of the existing Securities?

The Trustee has executed and delivered to the Security Trustee the Accession Certificate, and has thereby acceded to the Security Trust Deed, on its own behalf, and on behalf of the Noteholders (other than holders of AMTNs) from time to time. The AMTN Trustee has executed and delivered to the Security Trustee the AMTN Accession Certificate, and has thereby acceded to the Security Trust Deed, on its own behalf, and on behalf of the holders of AMTNs from time to time. As a result, the Noteholders, the Trustee and the AMTN Trustee will share the benefit of the Securities ratably with the existing Senior Secured Creditors.

Other Secured Creditors

There are two classes of Secured Creditors which have the benefit of the Securities granted to the Security Trustee under the Security Trust Deed. These are the Senior Secured Creditors and the Subordinated Secured Creditors. The Noteholders will be Senior Secured Creditors and will rank *pari passu* with the existing Senior Secured Creditors.

Other Senior Secured Creditors include the financiers under the Issuer's senior bank debt facilities, holders of the Issuer's Australian credit-wrapped medium term notes, holders of the Issuer's Euro and Canadian medium term notes, MBIA Insurance Corporation as financial guarantor in respect of the Issuer's Australian credit-wrapped medium term notes, holders of the Issuer's US private placement notes and hedge counterparties in respect of certain hedging arrangements.

The Security Trust Deed includes intercreditor and subordination principles with respect to the two classes of Secured Creditors. While the Securities contemplate both Senior and Subordinated Creditors, there are currently no Subordinated Secured Creditors in the Transurban Group's financing structure. To the extent that there are any Subordinated Secured Creditors, those Subordinated Secured Creditors will not obtain the benefit of any enforcement action with respect to the Securities, and will not be counted in relation to any voting, until the Senior Secured Creditors have been fully and finally repaid (as described below under the section entitled "*Majority Secured Creditors*").

The Security Trust Deed does not place restrictions on the incurrence of financial indebtedness by the Issuer, Finance Trust or the Guarantors.

Majority Secured Creditors determined by Exposures

Under the Security Trust Deed, the Security Trustee is entitled to exercise all powers under the Securities. Except in respect of amounts due to it in its personal capacity, in exercising its powers it must act in accordance with the instructions (if any) of the Majority Secured Creditors (subject to the matters set out in the section entitled "*Unanimous requirements*" below). In the absence of such instructions, it may (but is not obliged to) act as it thinks fit in the best interests of the Secured Creditors. The Majority Secured Creditors are determined with reference to Exposures, which are generally as follows for Senior Secured Creditors:

(a) for a senior bank debt financier, its undrawn commitment (unless it is cancelled or no longer permitted to be drawn) plus all amounts which would be payable if all amounts outstanding were immediately repayable and amounts contingently owing under bank guarantees and other similar instruments;

(b) for an Australian credit-wrapped noteholder:

    (i) if MBIA Insurance Corporation as financial guarantor is not in default of its obligations in respect of the Australian credit-wrapped notes, nil; or

    (ii) if MBIA Insurance Corporation as financial guarantor is in default of its obligations in respect of the Australian credit-wrapped notes, the amount payable if the notes were redeemed, or if they have been redeemed, any amount due but unpaid;

(c) for MBIA Insurance Corporation as financial guarantor of the Australian credit wrapped notes:

(i) amounts paid by it in respect of the Australian credit wrapped notes to the guarantee trustee (which receives such amounts on behalf of, and distributes such amounts to, the Australian credit wrapped noteholders) and not reimbursed by the Issuer; and

(ii) if it is not in default of its obligations in respect of the Australian credit-wrapped notes, the principal amount payable to the guarantee trustee if the notes were redeemed together with accrued but unpaid interest on the notes; or

(iii) if it is in default of its obligations in respect of the credit-wrapped notes, nil;

(d) for a US private placement noteholder, the amount payable to such noteholders if the notes were redeemed, or if they have been redeemed, any amount due to such noteholders but unpaid;

(e) for a hedge counterparty, the Realised Swap Loss and Potential Close Out Amount (each as defined in the Security Trust Deed); and

(f) for a Debt Instrument Holder (as defined in the Security Trust Deed) (other than those specifically described above), the amount payable to such Debt Instrument Holder if the notes were redeemed, or if they have been redeemed, any amount due to such Debt Instrument Holder but unpaid.

As described below under the section entitled "*Majority Secured Creditors*", the Exposures of Subordinated Secured Creditors are not counted for the purposes of determining the "Majority Secured Creditors" unless all amounts owing under the senior finance documents (which would include any amounts owing to Noteholders) have been finally paid in full.

Unanimous requirements

There are certain circumstances in which the Security Trustee must act on the instructions of all Secured Creditors. These include:

(a) the release of Security (as described in the section entitled "Release of Security" below);

(b) amendments to the agreed distribution of proceeds and certain calculations of moneys available for distribution (as described in the section entitled "Distribution of proceeds" below); and

(c) certain amendments to the Security Trust Deed and the Securities (as described in the section entitled "Waivers and amendments" below).

By purchasing a Note, each Noteholder consents to certain amendments to the Security Trust Deed that would (if the Security Trustee obtains unanimous instructions from all Secured Creditors to make these amendments to the Security Trust Deed) mean that the Secured Creditors under each finance document will vote as a block in respect of a decision under the Security Trust Deed (other than in respect of acceleration). See "*Risk Factors— Once agreed by all Secured Creditors, consent to amend certain voting provisions in the Security Trust Deed will result in the Noteholders voting as a block in respect of decisions under the Security Trust Deed and result in any votes cast by such Noteholders not being counted as part of the Exposures calculated under the Security Trust Deed if such votes are not cast within a specified time period*".

Procedures for seeking instructions

When seeking instructions from the Secured Creditors, the Security Trustee may specify a "reasonable period" (of at least 10 business days from the date of the request for instructions) in which instructions are to be provided. If a Secured Creditor does not provide instructions in response to a request within the specified period, any instructions received thereafter will be disregarded.

In determining what constitutes a "reasonable period", the Security Trustee must take into account the time required by a debt instrument trustee (including the Trustee and the note trustee under the Australian credit-wrapped notes) to seek directions, unless the relevant determination is required urgently.

By purchasing a Note, each Noteholder consents to certain amendments to the Security Trust Deed that would (if the Security Trustee obtains unanimous instructions from all Secured Creditors to make these amendments to the Security Trust Deed) mean that, with respect to each finance document, if a Secured Creditor fails to cast a vote on a particular decision or a representative of certain Secured Creditors does not provide instructions in writing within the time period specified by the Security Trustee (of at least 15 business days), such Secured Creditors will be taken, for the purposes of determining whether instructions have been given from all Secured Creditors or the requisite majority of Secured Creditors under the relevant finance document, to have an Exposure of nil and not to be Secured Creditors. See "*Risk Factors— Once agreed by all Secured Creditors, consent to amend certain voting provisions in the Security Trust Deed will result in the Noteholders voting as a block in respect of decisions under the Security Trust Deed and result in any votes cast by such Noteholders not being counted as part of the Exposures calculated under the Security Trust Deed if such votes are not cast within a specified time period*".

Majority Secured Creditors

Under the Security Trust Deed, the "Majority Secured Creditors" means:

(a) (**no event of default — 51 per cent.**) if no Event of Default subsists, the Senior Secured Creditors (including Noteholders) (other than hedge counterparties, the Security Trustee, debt instrument trustees and other representatives of certain Senior Secured Creditors) whose aggregate Exposures are more than 51 per cent. of the total aggregate Exposures of all such Senior Secured Creditors; or

(b) (**event of default — 51 per cent.**) subject to paragraph (c) below, if an Event of Default subsists, the Senior Secured Creditors (including Noteholders) (other than the Security Trustee, debt instrument trustees and other representatives of certain Senior Secured Creditors) whose aggregate Exposures are more than 51 per cent. of the total aggregate Exposures of all such Senior Secured Creditors (the difference between paragraph (a) above and this paragraph (b) being that the Exposure of hedge counterparties will be included in determining the Majority Secured Creditors when an Event of Default is subsisting); or

(c) (**Insolvency Events and payment defaults — one third**) for the purposes of determining whether certain enforcement action is to be taken only, if an Insolvency Event occurs or a Security Provider fails to pay an amount owing under a senior finance document totalling at least A$5,000,000 or its equivalent within 30 days of the date on which it is due and payable, the Senior Secured Creditors (including Noteholders) (other than the Security Trustee, debt instrument trustees and other representatives of certain Senior Secured Creditors) whose aggregate Exposures are more than one third of the total aggregate Exposures of all such Senior Secured Creditors.

For the purposes of paragraphs (a) and (b), "Event of Default" means, while amounts remain owing under a senior finance document, an event of default (howsoever defined) under a senior finance document (which will include events of default in relation to the Notes).

For the purposes of paragraph (c), "Insolvency Event" means, among other things, that a Security Provider under the Security Trust Deed (i) is insolvent (or is presumed or taken to be insolvent under legislation); (ii) stops or suspends payment of all or a class of its debts; (iii) has an administrator appointed to it; (iv) has steps taken for its winding up, dissolution or administration; (v) has steps taken for entering into an arrangement, compromise or composition with or assignment for the benefit of its creditors; or (vi) ceases, suspends or threatens to cease or suspend the conduct of all or a substantial part of its business or disposes of or threatens to dispose of a substantial part of its assets.

By purchasing a Note, each Noteholder consents to certain amendments to the Security Trust Deed that would (if the Security Trustee obtains unanimous instructions from all Secured Creditors to make these amendments to the Security Trust Deed) mean that the Exposures of a group of Secured Creditors under a particular finance document (e.g. the Noteholders) will be treated as a single block for the purposes of voting under the Security Trust Deed. Accordingly, if implemented, each Secured Creditor under a particular finance document will be taken to have voted and instructed the Security Trustee

in favour of a decision if (i) a requisite majority of such Secured Creditors (however described and determined in accordance with the relevant finance document) cast votes in favour of a particular decision, or (ii) a representative of particular Secured Creditors has instructions from a requisite majority of such Secured Creditors to cast a vote in favour of a particular decision. See "*Risk Factors—Once agreed by all Secured Creditors, consent to amend certain voting provisions in the Security Trust Deed will result in the Noteholders voting as a block in respect of decisions under the Security Trust Deed and result in any votes cast by such Noteholders not being counted as part of the Exposures calculated under the Security Trust Deed if such votes are not cast within a specified time period*".

The Exposures of Subordinated Secured Creditors are not counted for the purposes of determining the Majority Secured Creditors unless all amounts owing under the senior finance documents have been finally paid in full. However, as noted above, there are currently no Subordinated Secured Creditors.

Enforcement action

The key principles of the enforcement mechanism under the Security Trust Deed are as follows:

(a) each Senior Secured Creditor other than a Noteholder or other Debt Instrument Holder must (except where such notice has already been provided by another Secured Creditor) give the Security Trustee notice of any default by the Issuer in the performance of its payment obligations and a copy of any notice provided to the Issuer which states that an event of default has occurred and is subsisting;

(b) if the Security Trustee receives a default notice from a Secured Creditor (or Security Provider) or is actually aware that an event of default has occurred, the Security Trustee must promptly notify all Secured Creditors of such occurrence;

(c) the Security Trustee must seek the directions of the Senior Secured Creditors before exercising or enforcing any right, power or remedy against a Security Provider or the property mortgaged or charged by a Security;

(d) if the Majority Secured Creditors direct, the Security Trustee must:

    (i) appoint a Controller under a Security and/or otherwise enforce the Security as instructed by the Majority Secured Creditors; or

    (ii) appoint a firm of independent accountants or other experts to review and report to the Security Trustee and the Secured Creditors on the affairs, financial condition and business of the Security Providers, and the Security Provider shall cooperate fully with any review and ensure that the accountants and experts are given access to all premises, records and relevant information; and

(e) at any time after a Controller has been appointed or the Security has otherwise been enforced, the Security Trustee must do such other things as it considers appropriate or as directed by the Majority Secured Creditors.

A Controller is defined to mean a receiver, receiver and manager or anyone else (whether or not as agent for the person for whom the Controller is appointed) who is in possession, or has control of property of the person for the purposes of enforcing a Security.

A Senior Secured Creditor (including a Noteholder and the Trustee) is not entitled to exercise or enforce any security interest without the prior consent of the Security Trustee acting on the instructions of the Majority Secured Creditors. However, although the enforcement of the Securities is a collective process conducted by the Security Trustee (on behalf of the Secured Creditors) as set out in the Security Trust Deed and as described above, each Senior Secured Creditor is entitled at all times to give demand for payment and provide other notices such as an acceleration notice under the relevant senior finance documents and to receive amounts it would otherwise be entitled to receive. In the case of the Notes, any such notice would be given by the Trustee or the AMTN Trustee (as applicable) in accordance with the Trust Deed or the AMTN Trust Deed (as applicable), as described in Condition 11 (*Events of Default*) of the Notes and as further detailed in Clauses 7 (*Enforcement*) and 8 (*Proceedings, Action and Indemnification*) of the Trust Deed or AMTN Trust Deed (as applicable).

The Noteholders will not be entitled to prevent anything done or not done by the Security Trustee properly in accordance with the terms of the Securities. This includes things properly done by the Security Trustee in accordance with the terms of the Securities, even where the Trustee has not given instructions or approved that thing being done or not done. The Trustee and the Noteholders must ratify anything properly done or not done by the Security Trustee in accordance with the terms of the Security Trust Deed

Distribution of proceeds

Proceeds recovered as a result of enforcement action are distributed by the Security Trustee generally as follows:

(a) first, towards payment of any money due to the Security Trustee in its capacity as security trustee under the transaction documents;

(b) second, rateably towards payment or repayment to each Senior Secured Creditor in respect of its secured moneys; and

(c) third, rateably towards payment or repayment to each Subordinated Secured Creditor in respect of its secured moneys, unless all of the Secured Creditors and the Security Trustee otherwise agree in writing.

Notwithstanding the above, proceeds distributed in accordance with the Security Trust Deed to the extent payable in respect of Notes will be paid to the Trustee as required by Clause 9.10 of the Trust Deed and distributed by it in the order described in Clause 11 (*Application of Moneys*) of the Trust Deed or paid to the AMTN Trustee as required by Clause 9.10 of the AMTN Trust Deed and distributed by it in the order described in Clause 11 (*Application of Moneys*) of the AMTN Trust Deed.

If a Secured Creditor receives any money pursuant to the Securities (including by way of set-off, combination, amalgamation or accounts or otherwise) after any acceleration of the Issuer's payment obligations, the enforcement of a Security or the appointment of a Controller, the Secured Creditor must notify the Security Trustee and must pay that amount to the Security Trustee within five business days of receiving it.

New security

If a related corporation of an existing Security Provider grants a security interest to the Security Trustee, the existing Security Providers must procure that such related corporation accedes to the Security Trust Deed as a "Security Provider".

Under the Corporations Act, where a body corporate is (a) a holding company of another body corporate; (b) a subsidiary of another body corporate; or (c) is a subsidiary of a holding company of another body corporate, the first mentioned body and the other body are related to each other. Under the Corporations Act, a body corporate is a "subsidiary" of another body corporate if: (i) the other body controls the composition of the first body's board, if the other body is in a position to cast or control the casting of more than one-half of the maximum number of votes that might be cast at a general meeting of the first body, or if the other body holds more than one-half of the issued share capital of the first body (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital); or (ii) the first body is a subsidiary of a subsidiary of the other body. A "holding company" in relation to a body corporate is a body corporate of which the first body corporate is a subsidiary.

Waivers and amendments

The Security Trustee must not waive a breach or an event of default under a Security without the consent of the Majority Secured Creditors.

The Security Trustee must not amend or vary a Security or the Security Trust Deed unless instructed to do so by all of the Secured Creditors. The only exceptions to this requirement are that the Security Trustee may amend the Security Trust Deed:

(a) without any instructions where the amendment is to correct a manifest error or ambiguity or is of a formal, technical or administrative nature only;

(b) without any instructions where the amendment is, in the opinion of the Security Trustee:

    (i) necessary to comply with any statute or regulation or with the requirements of any government agency; or

    (ii) appropriate or expedient as a consequence of an amendment to any statute or regulation or altered requirements of any government agency and is not prejudicial to the interests of any Secured Creditor;

(c) where the amendment is, in the opinion of the Security Trustee (acting on the instructions of the Majority Secured Creditors), not prejudicial to the rights of any Secured Creditor; or

(d) without any instructions where the amendment is necessary and/or incidental to effecting an amendment of a transaction document or where such amendment is not prohibited by the terms of any transaction document.

See "*Terms and Conditions of the Notes—Consent to amend voting provisions in the Security Trust Deed*" for a description of the proposed changes to the voting procedures under the Security Trust Deed and "*Risk Factors—Once agreed by all Secured Creditors, consent to amend certain voting provisions in the Security Trust Deed will result in the Noteholders voting as a block in respect of decisions under the Security Trust Deed and result in any votes cast by such Noteholders not being counted as part of the Exposures calculated under the Security Trust Deed if such votes are not cast within a specified time period*".

Release of Security

The Security Trustee must not release a Security or any assets from a Security unless instructed by all Secured Creditors or required by law. This is subject to the express provisions of each Security. In this regard, each Security provides that the Security Trustee must discharge such Security if the relevant secured moneys and/or guaranteed moneys have been paid in full and the relevant Security Provider has fully observed and performed its obligations.

Indemnity to Security Trustee

Under the Security Trust Deed, the Security Trustee has the benefit of an indemnity from the Secured Creditors (ratably) in respect of all liabilities and expenses incurred in the exercise or purported exercise of powers under the Security Trust Deed or the securities. A debt instrument trustee (such as the Trustee) is only obliged to indemnify the Security Trustee if and to the extent that it has retained amounts for or on behalf of the relevant debt instrument holders (such as the Noteholders) or can recover amounts from the relevant debt instrument holders (such as the Noteholders).

Limitation of Liability of Security Trustee

Under the Security Trust Deed, the Security Trustee and its related entities, officers and employees (among others) are not liable for a broad range of matters, including (among other things), any loss or damage occurring as a result of the Security Trustee failing to exercise or purporting to exercise any power under the Security Trust Deed or in relation to a Security or any act of the Security Trustee, except in the case of fraud, wilful misconduct or negligence.

CityLink project

The CityLink project is undertaken by CityLink Melbourne Ltd (ABN 65 070 810 678), CityLink Extension Pty Limited (ABN 40 082 058 615) and Transurban Infrastructure Management Limited as responsible entity of the Transurban City Link Unit Trust (the **CityLink Entities**). In this regard:

(a) the shares in CityLink Melbourne Ltd are held directly by THL;

(b) the shares in CityLink Extension Pty Limited are held directly by CityLink Melbourne Ltd (and therefore indirectly by THL); and

(c) the units in the Transurban City Link Unit Trust are held directly by THT.

The original external lenders who provided project financing to the CityLink Entities have been replaced by the Finance Trust through an internal loan arrangement. However, the project financing structure and, in particular, the separate security trust in relation to the CityLink project, remain in place. As such, Finance Trust is now a beneficiary of the security trust established by the Security Trust Deed dated 26 February 1996 (as amended from time to time) (the **CityLink Security Trust**). ANZ Capel Court Limited (**CityLink Security Trustee**) is the trustee of the CityLink Security Trust. The CityLink Entities have granted security interests to the CityLink Security Trustee. On the basis of the (corporate) Security Trustee's fixed and floating charge over Finance Trust (which includes its rights as a beneficiary of the CityLink Security Trust), the (corporate) Security Trustee (and the Secured Creditors) indirectly obtain the benefit of the security interests granted by the CityLink Entities.

The CityLink Entities have also granted security interests to the State of Victoria to secure the performance of their obligations under the project documents in relation to the CityLink Project. The priority between the security interests of the State of Victoria and the security interests of the CityLink Security Trustee is governed by the Master Security Deed dated 20 February 1996 (as amended from time to time) (**CityLink Master Security Deed**). The priority is as follows:

(a) first, the security interests of the State for the State's Priority Amount (as defined in the CityLink Master Security Deed and as described below);

(b) second, the security interests of the CityLink Security Trustee for amounts owing under the lending documents to the lenders (now the Finance Trust) (up to a maximum of A$1,800,000,000);

(c) third, the security interests of the State for other amounts owing to it; and

(d) fourth, the security interests of the CityLink Security Trustee for other amounts.

The State's Priority Amount

The State's Priority Amount is the aggregate amount due to the State in respect of certain obligations which the CityLink Entities owe to the State. These obligations include (among other things):

(a) to pay the costs and expenses incurred by the State in operating, repairing or maintaining a section of the CityLink road (including the extensions of the road). The State may take these measures where there has been an operating default (i.e. a failure by the CityLink Entities to operate the CityLink road in accordance with the requirements in the Concession Deed dated 20 October 1995 (as amended from time to time) (**Concession Deed**), including requirements in the relevant technical specifications and operating and maintenance manuals) and there is a risk to the health and safety of road users or the public, or where there is a risk of material damage to a section of the CityLink road;

(b) to pay the costs and expenses incurred by the State in "stepping-in" to remedy certain defaults under the Concession Deed or to operate and maintain the CityLink road (including the extensions of the road). The State may take these measures where it has notified the CityLink Security Trustee of its intention to terminate the Concession Deed and the Security Trustee has in turn notified the State that it intends to dispose of the assets of the CityLink Entities. In such circumstances, the State is restricted from exercising its rights to terminate the Concession Deed for a certain period and may wish to "step-in" to operate and maintain the CityLink road during the period in which the CityLink Security Trustee disposes of the assets of the CityLink Entities (for example, by appointing a receiver to sell the assets); and

(c) to pay interest on other amounts which comprise part of the State's Priority Amount. There is no monetary limit on the State's Priority Amount. A description of the nature of the concession arrangements with respect to the CityLink project and other roads operated by the Transurban Group is set out the section entitled "*Risk Factors*" above.

Redomiciling of TIL and TIHL

On 5 January 2012, each of TIL and TIHL was registered as an Australian company under the Corporations Act (prior to this, each of TIL and TIHL was a company incorporated under the laws of Bermuda). The effect of this is that each of TIL and TIHL has transferred its place of incorporation to Australia. The Corporations Act provides that such registration does not:

(a) create a new legal entity; or

(b) affect the company's existing property, rights or obligations (except as against the members of the company in their capacity as members); or

(c) render defective any legal proceedings by or against the company or its members.

For the purposes of Australian law, provided there is no cessation of the entity under the law of its place of original incorporation, a foreign incorporated company effectively continues to be the same entity except that its place of incorporation is transferred to Australia and it becomes a company registered under the Corporations Act.

Australian Taxation

The following is a summary of the Australian taxation treatment at the date of this Offering Circular of payments of interest (as defined in the Income Tax Assessment Act 1936 of Australia (together with the Income Tax Assessment Act 1997 of Australia, the **Australian Tax Act**)) on the Notes and certain other matters. It is not exhaustive, and in particular, does not deal with the position of certain classes of Noteholders (such as dealers in securities), nor does it deal with Index Linked Redemption Notes, Dual Currency Redemption Notes or Partly Paid Notes — if such Notes are issued, their Australian taxation treatment will be summarised in the relevant Final Terms or other supplement to this Offering Circular. Prospective Noteholders should be aware that particular terms of issue of any Series of Notes may affect the tax treatment of that and other Series of Notes.

The tax consequences of holding and otherwise dealing with the Notes can vary depending upon the individual circumstances of a Noteholder. This general summary is not intended to be, nor should it be construed to be, legal or tax advice to any particular Noteholder or relied upon as such. Each Noteholder, and particularly those Noteholders not covered by this summary as noted above, should obtain independent professional taxation advice relating to their holding of the Notes in their particular circumstances.

Introduction

The Issuer intends to issue Notes which are to be characterized as "debt interests" for the purposes of the tests contained in Division 974 of the Australian Tax Act. In the case of "debt interests", interest withholding tax (**IWT**) is payable at a rate of 10 per cent. of the gross amount of interest paid on the Notes to a non-Australian resident (other than a non-Australian resident who derives the interest income in carrying on business at or through a permanent establishment in Australia) or an Australian resident who derives the interest income in carrying on business at or through a permanent establishment outside Australia, unless an exemption is available.

An exemption from IWT is available in respect of interest paid on the Notes if (i) the requirements of section 128F of the Australian Tax Act are satisfied, or (ii) the requirements of an applicable double tax convention are satisfied. The Issuer intends to issue the Notes in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

Exemption under section 128F of the Australian Tax Act

An exemption from Australian IWT is available under section 128F of the Australian Tax Act in respect of the payment of interest on the Notes if the following conditions are met:

(a) the Issuer is a resident of Australia when it issues the Notes and when interest (as defined in section 128A(1AB) of the Australian Tax Act, including original issue discount) is paid;

(b) the Notes are issued as a result of an offer made in a manner which satisfies the public offer test. There are five principal methods of satisfying the public offer test the purpose of which is to ensure that lenders in debt capital markets are aware that the Issuer is offering Notes for issue. Only one of the methods needs to be satisfied. In summary, the five principal methods are:

    (i) offers to 10 or more unrelated persons carrying on a business of providing finance, or investing or dealing in securities, in the course of operating in financial markets;

    (ii) offers to 100 or more investors of a certain type;

    (iii) offers of listed Notes;

    (iv) offers via publicly available information sources; and

(v) offers to a dealer, manager or underwriter who offers to sell the Notes within 30 days by one of the preceding methods.

In addition, the issue of a Note in global form and the offering of interests in a Note by one of these methods should satisfy the public offer test;

(c) the Issuer does not know, or have reasonable grounds to suspect, at the time of issue, that the Notes (or interests in them) were being, or would later be, acquired, directly or indirectly, by an offshore associate of the Issuer (other than in the capacity of a dealer, manager or underwriter in relation to the placement of the relevant Notes or a clearing house, custodian, funds manager or responsible entity of a registered managed investment scheme); and

(d) at the time of the payment of interest, the Issuer does not know, or have reasonable grounds to suspect, that the payee is an offshore associate of the Issuer (other than in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered managed investment scheme).

An "associate" of the Issuer for the purposes of section 128F of the Australian Tax Act includes (i) a person or entity which holds more than 50 per cent. of the voting shares in, or otherwise controls, the Issuer, (ii) any entity in which more than 50 per cent. of the voting shares are held by, or which is otherwise controlled by, the Issuer, (iii) a trustee of a trust where the Issuer is capable of benefiting (whether directly or indirectly) under that trust, and (iv) a person or entity who is an "associate" of another person or company which is an "associate" of the Issuer under any of the foregoing.

An "offshore associate" of the Issuer is an associate of the Issuer that is either (x) a non-Australian resident that does not acquire the Notes in carrying on a business at or through a permanent establishment in Australia, or (y) an Australian resident that acquires the Notes in carrying on a business at or through a permanent establishment outside Australia.

Unless otherwise specified in the relevant Final Terms or other supplement to this Offering Circular, the Issuer proposes to issue Notes in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

Exemptions under double tax conventions

The Australian government has signed new or amended double tax conventions (**New Treaties**) with a number of countries (each a **Specified Country**).

In broad terms, once they have entered into force, the New Treaties effectively prevent IWT being imposed on interest derived by:

- the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; or

- a "financial institution" which is a resident of a Specified Country, is otherwise entitled to the benefits of the applicable New Treaty and which is unrelated to and dealing wholly independently with the Issuer. The term "financial institution" refers to either a bank or any other form of enterprise which substantially derives its profits by carrying on a business of raising and providing finance. (However, interest under a back-to-back loan or an economically equivalent arrangement will not qualify for this exemption.)

The Australian Federal Treasury maintains a listing of Australia's double tax conventions which provides details of country, status, withholding tax rate limits and Australian domestic implementation.

Notes in bearer form

Section 126 of the Australian Tax Act imposes a type of withholding tax at the rate of (currently) 45 per cent on the payment of interest on the Notes (which are in bearer form) if the Issuer fails to disclose the names and addresses of the holders to the Australian Taxation Office (**ATO**). Section 126 does not apply to the payment of interest on the Notes held by non-Australia resident Noteholders who are not engaged in carrying on business in Australia at or through a permanent establishment in Australia where the issue of those Notes has satisfied the requirements of section 128F of the Australian Tax Act or IWT is payable. In addition, the ATO has confirmed that for the purpose of section 126 of the Australian Tax Act, the holder of debentures (such as the Notes) means the person in possession of the debentures. Section 126 is therefore limited in its application to persons in possession of Notes who are residents of Australia or non-Australian residents who are engaged in carrying on business in Australia at or through a permanent establishment in Australia.

Payment of additional amounts

As set out in more detail in the Terms and Conditions of the Notes, and unless expressly provided to the contrary in the relevant Final Terms or other supplement to this Offering Circular, if the Issuer should at any time be compelled or authorised by law to deduct or withhold an amount in respect of any withholding taxes imposed or levied by the Commonwealth of Australia in respect of the Notes the Issuer shall, subject to certain exceptions, pay such additional amounts as may be necessary in order to ensure that the net amounts received by the Noteholders after such deduction or withholding shall equal the respective amounts which would have been receivable had no such deduction or withholding been required. In the event that the Issuer is compelled by law in relation to any Notes to deduct or withhold an amount in respect of any withholding taxes as a result of a change in law and would be required to pay additional amounts in respect of such taxes, the Issuer will have the option to redeem such Notes in accordance with the Terms and Conditions.

Payments under the guarantees

In the event of default by the Issuer, the Security Providers may be required to make certain payments under the guarantees.

It is unclear whether payments by an Australian resident Guarantor under a guarantee constitute payments of interest so defined for IWT purposes, but the better view is that such payments are not payments of interest or amounts in the nature of interest and, as such, no IWT should be payable in respect of such payments. However, if any payment by THT, THL, TIL or TL made on behalf of the Issuer is properly characterised as being in the nature of interest, the exemption from Australian withholding tax under section 128F of the Australian Tax Act should apply to those payments.

To the extent that the guarantees provide for the payment of interest on amounts payable under the guarantees themselves but which are not paid when due, payment by an Australian resident Guarantor of such amounts of overdue interest will be liable to IWT under section 128B (except where the payment is through a permanent establishment of the Australian Guarantor outside Australia or some other exemption applies).

Other Australian tax matters

The Issuer notes that under Australian laws as presently in effect:

(a) assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Notes, payments of principal and interest in respect of the Notes to a Noteholder, who is a non-resident of Australia and who, during the taxable year, has not used the Notes in carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income taxes;

(b) a Noteholder, who is a non-resident of Australia and who has never used the Notes in carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income tax on gains realised during that year on sale or redemption of the Notes, provided such gains do not have an Australian source. A gain arising on the sale of the Notes by a non-Australian resident Noteholder to another non-Australian resident where the Note is sold outside Australia and all negotiations are conducted and documentation executed outside Australia would not generally be regarded as having an Australian source;

(c) no Notes will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;

(d) no ad valorem stamp, issue registration or similar taxes are payable in Australia on the issue, transfer or redemption of any Notes;

(e) neither the issue nor receipt of the Notes will give rise to a liability for goods and services tax (**GST**) in Australia on the basis that the supply of the Notes will comprise either an input taxed financial supply or (in the case of an offshore subscriber) a GST-free supply. Furthermore, neither the payment of principal or interest by the Issuer, nor the disposal or redemption of the Notes, would give rise to any GST liability in Australia;

(f) section 12-140 of Schedule 1 of the Taxation Administration Act 1953 of Australia (**TAA**) imposes a type of withholding tax on the payment of interest on certain securities unless the relevant investor has quoted an Australian tax file number (**TFN**), in certain circumstances an Australia Business Number (**ABN**) or proof of some other exception (as appropriate). Under current law, a withholding rate of 47 per cent. applies for the 2017-18 and 2018-19 income years. In the 2017 Australian Federal Budget, the Government announced that it proposed to increase the Medicare Levy by 0.5 per cent. from 1 July 2019. If this announcement is enacted in the manner proposed, a withholding rate of 47.5 per cent. is expected to apply for the 2019-20 income year and income years thereafter.

    Assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Notes, these rules should not apply to payments to a Noteholder who is not a resident of Australia for tax purposes and not holding the Notes in the course of carrying on business at or through a permanent establishment in Australia. Payments to other classes of Noteholders may be subject to withholding where the Noteholder does not quote a TFN, ABN or provide proof of an appropriate exemption (as appropriate);

(g) payments in respect of the Notes can be made free and clear of the "supply withholding tax" imposed under section 12-190 of Schedule 1 to the TAA; and

(h) the Australian Commissioner of Taxation may give a direction requiring the Issuer to pay out of any payment to a Noteholder any amount in respect of Australian tax payable by the Noteholder. If the Issuer is served with such a direction then it will comply with that direction and will make any payment required by that direction.

The proposed Financial Transactions Tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Australia) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019. Additionally, Notes that are not treated as equity for U.S. federal income tax purposes and that have a fixed term that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer). However, if additional notes (as described under "*Terms and Conditions of the Notes—Further Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

Common Reporting Standard

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (**CRS**) requires certain financial institutions to report information regarding certain accounts (which may include the Notes) to their local tax authority and follow related due diligence procedures. Noteholders may be requested to provide certain information and certifications to ensure compliance with the CRS. A jurisdiction that has signed a CRS Competent Authority Agreement may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS.

The Arrangers have, in an amended and restated programme agreement dated 30 August 2017 (the **Programme Agreement**), agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith. Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Programme Agreement also provides for the Notes to be issued in syndicated Tranches that are underwritten by two or more Dealers.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act (**Regulation S**) or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended and U.S. Treasury regulations promulgated thereunder.

Each Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or, in the case of Bearer Notes, deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified to the Principal Paying Agent by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of any Tranche of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering of such Tranche of Notes) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States. Distribution of this Offering Circular by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

Public Offer Selling Restriction under the Prospectus Directive

From 1 January 2018, unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

    (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or

    (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

    (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the **Prospectus Directive**); and

(b) the expression **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Prior to 1 January 2018, and from that date if the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each future Dealer will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

1. at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

2. at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

3. at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (1) to (3) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of **Notes** to the public in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

United Kingdom

Each Dealer appointed under the Programme will be required to represent and agree that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended, the **FIEA**) and each Dealer appointed under the Programme will be required to represent and agree that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Hong Kong

Each Dealer appointed under the Programme will be required to represent and agree that:

(a) it has not offered or sold, and will not offer or sell, in the Hong Kong Special Administrative Region of the People's Republic of China (**Hong Kong**), by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the **Securities and Futures Ordinance**)) other than (i) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under the Securities and Futures Ordinance; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of the Securities and Futures Ordinance; and

(b) it has not issued, or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under the Securities and Futures Ordinance.

Singapore

Each Dealer appointed under the Programme will be required to acknowledge that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore and the Notes will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**). Accordingly, each Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor pursuant to Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

    (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

    (ii) where no consideration is or will be given for the transfer;

    (iii) where the transfer is by operation of law;

    (iv) as specified in Section 276(7) of the SFA; or

    (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Australia

Each Dealer will acknowledge and agree at the time it becomes a Dealer in relation to the Programme and each issue of Notes that this Offering Circular has not, and no other prospectus, disclosure document, offering material or advertisement in relation to the Programme or the Notes has, been lodged with the ASIC or the Australian Securities Exchange or any other Government agency.

Each Dealer will at the time it becomes a Dealer represents and agrees that, unless the relevant Final Terms otherwise provides, it:

(a) has not offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of the Notes within, to or from Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, this Offering Circular or any other prospectus, disclosure document, offering material or advertisement relating to the Notes in Australia,

unless:

(i) the minimum aggregate consideration payable by each offeree is at least A$500,000 (or its equivalent in other currencies, in either case, disregarding moneys lent by the offerer or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Corporations Act 2001 of Australia;

(ii) such action complies with all applicable laws and regulations;

(iii) such action does not require any document to be lodged with ASIC; and

(iv) the offer or invitation is not made to a person who is a "retail client" for the purposes of section 761G of the Corporations Act 2001 of Australia.

For the purposes of this selling restriction, the Notes include interests or rights in the Notes held in Euroclear or Clearstream, Luxembourg or any other clearing system.

General

Each Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, the Trustee, the AMTN Trustee, the Agents or any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Trustee, the AMTN Trustee, the Agents and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Authorisation

The establishment and update of the Programme and the issue of Notes have been duly authorised by resolutions of the Board of Directors of the Issuer dated 30 September 2011 and 30 August 2017.

Listing of Notes

Application has been made to the SGX-ST for permission to deal in and for the quotation of any Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. There is no assurance that the application to the SGX-ST for the listing of the Notes will be approved. Any admission of any Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Programme or the Notes. Unlisted Notes may be issued under the Programme. The relevant Final Terms in respect of any Series will specify whether or not such Notes will be listed and, if so, on which exchange(s) the Notes are to be listed. There is no assurance that the application to the Official List of the SGX-ST for the listing of the Notes of any Series will be approved. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Notes will trade on the SGX-ST in a minimum board lot size of S$200,000 so long as any of the Notes remain listed on the SGX-ST.

Documents Available

Copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and from the specified offices of the Principal Paying Agent for the time being at One Canada Square, London E14 5AL, United Kingdom:

(a) the Memorandum and Articles of Association of the Issuer;

(b) the consolidated audited financial statements of the Transurban Group as at, and in respect of the financial years ended 30 June 2015, 2016 and 2017, in each case together with the audit reports prepared in connection therewith. The Transurban Group currently prepares audited consolidated accounts on an annual basis;

(c) the most recently published annual audited financial statements of each of THL, THT and TIL and the most recently published unaudited interim financial statements (if any) of the THL, in each case together with any audit or review reports prepared in connection therewith;

(d) the Programme Agreement, the Trust Deed, the Agency Agreement and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons, the Security Trust Deed, each Security (as defined in the Security Trust Deed) and the Accession Certificate;

(e) a copy of this Offering Circular; and

(f) any future offering circulars, prospectuses, information memoranda and supplements published in connection with the Programme, including Final Terms (in respect of Notes which are listed on a stock exchange) and any other documents incorporated herein or therein by reference.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. Each series of the Bearer Note will be initially represented by either a Temporary Global Note or a Permanent Global Note that will (unless otherwise specified in the applicable Final Terms) be deposited on the issue date thereof with (as specified in the Final Terms) a common depositary on behalf of Euroclear and Clearstream, Luxembourg or any other agreed clearance system compatible with Euroclear or Clearstream. Each series of Registered Notes will be

initially represented by interests in a Global Registered Note and (unless otherwise specified in the applicable Final Terms) deposited on the issue date thereof with (as specified in the Final Terms) a common depositary for, and registered in the name of a nominee of, Euroclear and Clearstream, Luxembourg. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brusssels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

Save as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of the Issuer or the Transurban Group since 30 June 2017 and there has been no material adverse change in the financial position or prospects of the Issuer or the Transurban Group since 30 June 2017.

Litigation

As of the date of this Offering Circular, neither the Issuer nor any other member of the Transurban Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Offering Circular which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Transurban Group.

Independent Auditors

The consolidated financial statements of the Transurban Group as of and for the financial years ending 30 June 2015, 2016 and 2017 incorporated by reference in this Offering Circular have been audited, without qualification, by Pricewaterhousecoopers, Melbourne (Chartered Accountants), as stated in their reports appearing in the Transurban Group's annual report for the financial years ended 30 June 2015, 2016 and 2017 respectively.

Dealers transacting with the Issuer

Prior to their appointment, Dealers and their affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business.

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United Kingdom

AMTN TRUSTEE

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TRANSFER AGENT

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