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16 December 2003

ASX RELEASE / MEDIA RELEASE



Macquarie Infrastructure Group

**TRANSURBAN, MACQUARIE INFRASTRUCTURE GROUP AND MACQUARIE
BANK JOINT AGREEMENT**

Please find below the ASX release, media release and presentation.

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ASX RELEASE



Macquarie Infrastructure Group

TRANSURBAN, MACQUARIE INFRASTRUCTURE GROUP AND MACQUARIE BANK JOINT AGREEMENT

Macquarie Infrastructure Group (MIG), Transurban (TCL) and Macquarie Bank (MBL) today entered into an agreement which the parties believe will enhance the efficient delivery of road infrastructure and the quality of services for road users and create value for our investors.

Key terms of the agreement are:

- Transurban and MIG agree to cooperate to establish, develop and implement a Tolling Joint Venture which will offer fully electronic tolling and customer management services for Sydney toll roads.
- The Joint Venture's preferred technology will be Transurban's tolling and customer management technology as contracted for use on Westlink M7 (due for completion in 2006). Transurban will act as technical adviser to the Joint Venture. Transurban's existing GATe tolling system and any derivatives or developments will be licensed to the Joint Venture on commercial terms.
- The parties will co-operate to jointly pursue, bid, acquire, develop and manage future toll road projects in Australia (excluding the Mitcham-Frankston project). However, where they cannot reach agreement upon the terms of the bid, they may participate independently of the other. The Agreement to co-operate on new projects is valid for five years. The first opportunity for co-operation is expected to be the proposed M4 East project in NSW.
- MBL will be the preferred financial adviser on all joint bids, appointed at market rates and on commercial terms (subject to the standard MIG approval

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process for related party transactions and the standard Transurban approval process for engagement of investment banks).

- MIG and Transurban will each have an equal opportunity to contribute equity, debt and hybrid instruments and participate in project development and asset management where projects are jointly bid.
- In order to facilitate the future co-operation of the parties for the purpose of the joint agreement, each party has agreed that it will not seek to obtain control of MIG or Transurban.

Stephen Allen, MIG Chief Executive Officer and Kim Edwards, Managing Director of Transurban, made the following points:

- The decision to consider working together on future bids evolved from the joint investment by MIG and Transurban in the \$2.23 billion Westlink M7. It is a natural progression to now look for opportunities to continue to work together in Australia. The first project is expected be the proposed M4 East project.
- The agreement to consider joint participation in future bids provides a basis for bringing together the financial, operational and technology skills of each organisation to facilitate the delivery of high quality roads projects to road users.
- The agreement strengthens Transurban's position as a developer, owner and a leading operator of fully electronic toll roads, further enhances MIG's role as an international developer, owner, operator and manager of toll roads and MBL's role as a leading provider of infrastructure advisory services.
- The Joint Venture will create the opportunity to provide Sydney road users with an efficient and seamless tolling solution (and bring significant benefits especially for freight and logistics companies).
- The Joint Venture will pursue tolling contracts with existing and new Sydney toll roads using Transurban's tolling and customer management technology as its preferred technology, licensed on commercial terms.
- This will create a scalable business to provide proven technology and customer relations management to toll road owners.
- MIG and Transurban believe this agreement will enhance their respective growth prospects and investor returns by increasing the potential for bidding successfully on new projects.

MIG brings to the agreement its international expertise in financing, development and operation of 26 toll roads in eight countries. Macquarie Bank's global team of infrastructure specialists will bring their experience and knowledge to the competitive bid processes for new projects.

Transurban brings experience of owning and operating its cornerstone asset CityLink – the most efficient multi-lane freeflow electronic toll road system in the world. Transurban's customer focused approach and its robust systems enable over 200

million electronic toll transactions per year to be processed with minimal revenue leakage.

For further information, please contact:

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MACQUARIE



MACQUARIE
BANK

16 December 2003

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Transurban, Macquarie Infrastructure Group and Macquarie Bank Joint Agreement

Macquarie Infrastructure Group (MIG), Transurban (TCL) and Macquarie Bank (MBL) today announced that they had entered into an agreement which the parties believe will enhance the efficient delivery of road infrastructure and the quality of services for road users and create value for our investors.

Stephen Allen, MIG Chief Executive Officer and Kim Edwards, Managing Director of Transurban said, "MIG and Transurban believe this agreement will enhance their respective growth prospects and investor returns by increasing the potential for bidding successfully on new projects."

The agreement strengthens:

- Transurban's position as a developer, owner and a leading operator of fully electronic toll roads;
- MIG's role as an international developer owner, operator and manager of toll roads; and
- MBL's role as a leading provider of infrastructure advisory services.

"The Joint Venture will create the opportunity to provide Sydney road users with an efficient and seamless tolling solution and bring significant benefits especially for freight and logistics companies," Mr Allen said.

The Joint Venture will pursue tolling contracts with existing and new Sydney toll roads using Transurban's tolling and customer management technology as its preferred technology, licensed on commercial terms.

"This partnership will create a scalable business to provide proven technology and customer relations management to toll road owners," Mr Allen said.

Under the terms of the agreement the parties will co-operate to jointly pursue, bid, acquire, develop and manage future toll road projects in Australia (excluding the Mitcham-Frankston project). However, where they cannot reach agreement upon the terms of the bid, they may participate independently of the other. The agreement to co-operate on new projects is valid for five years.

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"The decision to consider working together on future bids evolved from the joint investment by MIG and Transurban in the \$2.23 billion Westlink M7. It is a natural progression to now look for opportunities to continue to work together in Australia. The first project is expected to be the proposed M4 East project," Mr Edwards said.

Today the NSW Government announced options for the development of the M4 East motorway as a privately financed toll road to connect the M4 at Strathfield and the City West Link at Haberfield. The estimated project cost between \$1.4 and \$2 billion.

MBL will be the preferred financial adviser on all joint bids, appointed at market rates and on commercial terms (subject to the standard MIG approval process for related party transactions and the standard Transurban approval process for engagement of investment banks).

"MIG and Transurban will each have an equal opportunity to contribute equity, debt and hybrid instruments and participate in project development and asset management where projects are jointly bid," Mr Edwards said.

In order to facilitate the future cooperation of the parties for the purpose of the joint agreement, each party has agreed that it will not seek to obtain control of MIG or Transurban.

"MIG brings to the agreement its international expertise in financing, development and operation of 26 toll roads in eight countries. Macquarie Bank's global team of infrastructure specialists will bring their experience and knowledge to the competitive bid processes for new projects," Mr Allen said.

"Transurban brings experience of owning and operating its cornerstone asset CityLink – the most efficient multi-lane freeflow electronic toll road system in the world. Transurban's customer focused approach and its robust systems enable over 200 million electronic toll transactions per year to be processed with minimal revenue leakage," Mr Edwards said.

Andrew Head, Transurban
Jane Rotsey, Macquarie

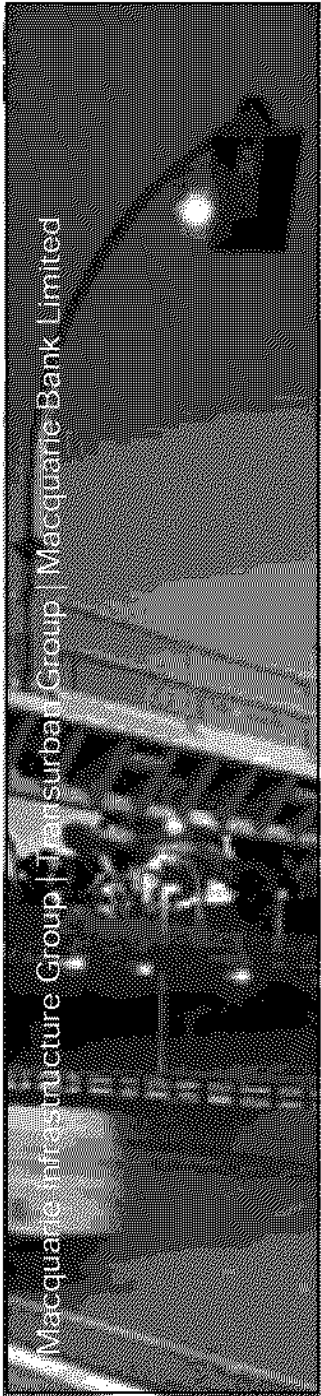
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Transurban Group
Macquarie Infrastructure Group
Macquarie Bank Limited

Joint Agreement

December 2003



REPRESENTATIVES

→ Transurban Managing Director – Kim Edwards

→ Macquarie Infrastructure Group CEO – Stephen Allen



transurban





PARTIES TO THE AGREEMENT

- Transurban
- Macquarie Infrastructure Group
- Macquarie Bank Limited



transurban





KEY TERMS OF THE AGREEMENT

- TCL/MIG joint venture for electronic tolling in Sydney
- TCL and MIG to jointly bid for new Australian toll road projects
 - Excludes Mitcham to Frankston project
 - First project to be the proposed M4 East.
- MBL to be preferred financial adviser on all joint bids
- Co-operation between parties and none to seek control of MIG or Transurban.



transurban

