

21 October 2008

RiverCity Motorway Group – Annual General Meeting 2009

A presentation to the 3rd annual meeting of RiverCity Motorway Group by the Chief Executive Officer, Flan Cleary.

INTRODUCTION

Thank you Bob. Good afternoon.

My name is Flan Cleary. I am the Chief Executive Officer for RiverCity Motorway.

ROAD TO COMPLETION

As we move rapidly along the road to completion, my presentation this afternoon will focus on four key topics.

Firstly, I look forward to providing unitholders with an overview of the outstanding construction progress achieved during the past 12 months.

I will also provide an outline of the progress being made to ensure all operating systems and procedures are in place prior to opening.

As Bob has indicated, the construction interface with the Airport Link tunnel is a short-term traffic risk that needs to be managed well.

Finally, I will outline the interface arrangements we have agreed with the Queensland Government and Brisbane City Council that ensure our tunnel is integrated with the Brisbane road network.

MAJOR CONSTRUCTION RISKS BEHIND US

I am pleased to report that construction expenditure reached \$1.7 billion as at September 2009.

All excavation and concrete lining of the tunnel is now complete. Bridge construction and road surface works are substantially complete, and the mechanical and electrical fit-out of the tunnel is more than 75 percent complete.

More than 5 kilometres of road pavement, which is more than half of the total pavement, has been constructed. Work has also commenced installing safety barriers and wall panels inside the tunnel.

With most major construction risks now behind us, the Group does not anticipate any change to the fixed-price contract we have with our design and construction contractor.

Like Bob, I would like to commend the Leighton Bilfinger-Berger Baulderstone Joint Venture, Brisbane City Council and the other parties involved in the contract for the professional way in which every party has gone about their work.

COMPLETION OF TUNNELLING

The progress of tunnelling during 2009 has been very impressive when you consider that this time last year the project's two tunnel boring machines had only completed 30 percent of their journey.

After tunnelling 60 metres under the Brisbane River and breaking through at Kangaroo Point and then at Woolloongabba, both tunnel boring machines have been disassembled and removed from site.

TUNNEL FIT-OUT

The CLEM7 is Australia's newest and longest road tunnel. We are determined it will also be Australia's safest tunnel.

Work is now well advanced installing the safety and traffic management systems.

These include:

- automatic traffic incident detection,
- closed-circuit television monitoring systems,
- thermal detection and fire safety systems,
- air quality monitoring,
- an overhead water deluge system,
- radio rebroadcast, and
- variable speed and directional signs.

These systems are being installed together with:

- the power supply,
- communications cabling,
- water supply, and
- all the other services necessary for a functioning tunnel.

As I indicated to unitholders last year, the installation of these mechanical and electrical systems is likely to be the key factor that will determine exactly when the tunnel opens.

TOLLWAY CONTROL CENTRE

The design and construction contractor has completed building the tollway control centre. Commissioning of the hi-tech systems required to run it is also well advanced.

Located near our northern entrance, the control centre is the nerve centre of the tunnel and will operate on a 24-hour, seven days a week basis.

Our operator Brisbane Motorway Services has started recruiting the tollway controllers and maintenance personnel who will work from the centre.

Commissioning and testing of all tunnel safety systems and operating plans will be a major focus in the transition to operations over the next few months.

We have already held a very successful desktop emergency exercise. A live emergency exercise, involving the police and emergency services, will be held a few weeks prior to opening.

BRIDGE AND SURFACE WORKS

Above ground, all bridge construction and road surface work is substantially complete, with only the final asphalt layers required to connect existing roads to the new tunnel.

URBAN DESIGN

The Group has worked closely with Brisbane City Council to ensure the urban design for the CLEM7 reflects the progressive and changing image of our city.

The colours of the tunnel's two ventilation stations have been inspired by the blooms of the trees lining many of Brisbane's inner city streets.

In recent months, architecturally designed canopy structures have started to take shape at the three entrances to our tunnel.

As well as providing a transition for drivers as they enter and exit the tunnel, the canopies provide an impressive visual highlight of the entrances.

EARLY CONSTRUCTION COMPLETION

With tunnelling complete and the mechanical and electrical fit-out well advanced, the Group is in a strong position to open the CLEM7 well ahead of our October 2010 contract completion date.

Given the current rate of construction progress, it appears likely that all civil construction work will be completed by the end of this year.

However it is still too early to determine an opening date, given the complexities associated with installing, testing and commissioning the tunnel's extensive safety and traffic management systems.

While it is not yet possible to say when we will open, I can assure unitholders that an early opening of the CLEM7 is positive for the Group.

The key benefits for unitholders of an early opening of the CLEM7 include removal of any residual project delivery risk and an earlier start to our traffic ramp-up.

The builder will benefit from an early completion bonus that is based on a fixed daily rate.

Most importantly, Brisbane motorists will benefit from three days of toll-free travel for every month the tunnel opens early. This will provide our customers with an opportunity to try the road for free.

Both the construction bonus and the toll-free period are funded from interest savings resulting from the early drawdown on the existing debt facilities.

ROADSIDE OPERATIONS AND MAINTENANCE

Brisbane Motorway Services is well advanced developing the operation and maintenance systems, plans and procedures for the CLEM7.

Factory Acceptance Testing has been successfully completed for the central operating system.

A number of key approvals have also been obtained from stakeholders, including the Fire Engineering Safety Brief and the Incident Management Plan.

Work is also well advanced finalising approvals for the Operation and Maintenance Manual for the CLEM7.

Implementation of an asset management system is expected to be complete by the end of 2009. This system will track all maintenance activities and assist with future capital works planning.

MANAGING AIRPORT LINK INTERFACE

The Group has been working closely with Brisbane City Council, the Queensland Government and the Airport Link team to manage the construction interface during our traffic ramp-up.

I am pleased to report to unitholders that a number of changes have been made to the design of the Airport Link tunnel that will reduce impacts on the CLEM7.

Agreement between the parties has also enabled the construction of Airport Link bridge piles to be completed by our builder.

The completion of this work prior to our opening will avoid traffic disruption for motorists during the early stages of our ramp-up.

Realignment of the Lutwyche Road intersection has also eliminated the need for ongoing traffic switches.

Once CLEM7 opens, the Airport Link team is obliged to maintain the number of existing lanes on our northern approach roads during peak travel periods. Lane closures during out-of-peak periods are permitted under approved conditions.

We will continue to work with all parties to minimise disruption during Airport Link construction. The Group looks forward to the completion of Airport Link work and to the additional capacity that will be provided at our northern junction.

INTEGRATING WITH BRISBANE ROAD NETWORK

When CLEM7 opens, it will be an important part of the Brisbane road network. Effective integration with this network is important to the long-term success of our tollway.

The Group has signed a Road Network Interface Agreement with the Queensland Government and Brisbane City Council.

This agreement sets out how all parties will work together to manage traffic flow over the network. Most importantly, it will help facilitate efficient and reliable access for motorists as they enter and exit the CLEM7.

The Group is also finalising interoperability arrangements with all other Australian tollways. These arrangements will enable FLOW Tolling customers to use their accounts on any tollway.

SUMMARY

2009 has been another year of exceptional construction progress.

The Group is not currently in a position to say exactly when we will open the tunnel.

I personally will be very surprised if we are not open to traffic comfortably before mid year.

I would now like to hand over to Christine to outline the work that has been done to make sure our business is ready to operate.