

21 October 2008

RiverCity Motorway Group – Annual General Meeting 2009

A presentation to the 3rd annual meeting of RiverCity Motorway Group by the Chief Financial Officer, Christine Hayward.

INTRODUCTION

Thank you Flan and good afternoon.

My name is Christine Hayward.

I am the Chief Financial Officer for RiverCity Motorway Group.

ROAD TO OPENING

As Bob and Flan have both indicated, we are rapidly approaching a new and exciting phase for our business.

My presentation this afternoon will provide unitholders with an overview of our tolling and customer service operations.

I will talk in some detail about our FLOW Tolling business, including the interoperability arrangements with other tollways.

I will also provide unitholders with an overview of our marketing approach, and the continuing community and stakeholder support for our road.

TOLLING SYSTEM

I am pleased to report that development of the tolling system back office is now complete.

The Group has finalised all key system interfaces, including:

- transaction banking,
- electronic tag distribution,
- access to motor vehicle registration information, and
- enforcement processes with Brisbane City Council.

Roadside tolling equipment passed Factory Acceptance Testing during 2009.

In July 2009, the first of the tolling gantries were installed at the northern entrance to the tunnel.

Looking forward, the final stages of tolling system delivery require Site Acceptance Testing of roadside equipment.

End-to-end testing of the complete system is then scheduled to commence in late 2009.

INTEROPERABILITY WITH OTHER TOLLWAYS

I am pleased to report that interoperability arrangements have been finalised with almost all Australian tollways.

This includes reaching agreement with Queensland Motorways, the operator of Brisbane's Gateway and Logan Motorways.

These arrangements will mean that tags issued by Flow Tolling will be recognised on all other tollways.

For customers, it provides the convenience of using any tollway and having their tolls charged to their Flow Tolling account.

Motorists with another tag will be able to use CLEM7, the tag will be recognised and charges passed through their regular account.

FLOW TOLLING

In April 2009, the Group launched its new FLOW Tolling business.

We have recruited an experienced and dedicated team who have responded enthusiastically to the challenges of establishing a new business.

The top-line management and leadership teams are now working from our customer service centre and have developed the key operating procedures for the business.

All IT hardware and telephone systems have been installed and the first shipment of electronic tags is in the warehouse.

Our enterprise agreement for all customer service personnel is in place.

We have also developed a flexible rollout plan that will be activated as soon as the opening date is determined.

CUSTOMER SERVICE

As Bob has said, our approach to customer service is to ensure that paying for travel is easy and straightforward for all customers.

The first use of a tollway can be confusing for motorists. And this can drive some people away.

Our 'no fuss, no drama' approach will guide customers to the product that best meets their needs.

In line with our business approach, the FLOW Tolling website has been developed to make it easy for motorists to open accounts, pay tolls and manage their accounts.

Motorists seeking to pay for a one-off trip in the CLEM7 will also have the convenience of paying through a network of petrol stations, newsagents and convenience stores.

FLOW Tolling will also operate a 24-hour call centre that will enable customers to pay their tolls quickly and easily.

COMPREHENSIVE MARKETING STRATEGY

The Group has developed a comprehensive marketing strategy that will guide our activities in the lead-up to opening and during ramp-up.

This includes a targeted promotional campaign, easy-to-use tolling products and convenient payment methods.

In August 2009, we announced the key features of our FLOW tag and number plate accounts.

They offer motorists the most affordable way to use tollways by providing free account set-up, no minimum use charges and no ongoing account management fees.

We will also be offering free trips on the CLEM7 for motorists who establish a FLOW account prior to road opening. This will also include a special offer for RiverCity Motorway unitholders. Unitholders will receive a letter outlining this offer in the coming weeks.

In addition to free trips, we will provide discounted tolls in the weeks following the toll-free period. As Bob has said, we are also planning a no-fee period during our early months of operation.

OPERATING COSTS

In order to maximise traffic, the Group has made a significant upfront investment in marketing and customer service.

While this investment will initially increase our operating costs, we expect those costs to reduce as a steady level of traffic is achieved.

To drive down long-term operating costs, we have established a tolling system that is capable of providing tolling services to other Brisbane tollways.

FLOW Tolling will provide tolling and customer service for Brisbane City Council's Go Between Bridge when it opens in mid-2010.

As well as driving down transaction costs, this initiative will help expand our customer base and demonstrate our capability and capacity to provide tolling operations for multiple tollways.

POSITIVE COMMUNITY AWARENESS

One of the most pleasing aspects of the past three years of construction has been the enormous interest and excitement our tunnel has generated within the Brisbane community.

The project has provided regular updates for the community, including:

- project newsletters,
- presentations to community groups,
- sponsorships,
- displays, and
- weekly site tours.

Community awareness and anticipation of our opening is continuing to grow.

In our most recent community awareness survey, 1 in 2 people living within our road corridor said they are likely or very likely to use the CLEM7.

The Group is committed to maintaining excellent community relations during operations.

SUMMARY

As somebody who has not previously been involved in major infrastructure projects, it has been very exciting to be part of the construction of Australia's longest road tunnel.

But, equally exciting has been the opportunity to build a new tollway business from the ground up.

For three years now we have been drilling down into the systems and procedures that will make our business user-friendly and efficient.

We have been developing new products and incentives that will unearth our future customers. And we have been exploring better ways to look after customers, so they keep coming back.

I would now like to hand back to our Chairman, who will wrap-up and respond to the unitholder questions. Thank you.