

asx release



12 February 2015

**Transurban Investor Presentation**

Please find attached the Investor Presentation that will be given to analysts this morning.

A handwritten signature in black ink, appearing to read "A Street".

**Amanda Street**  
Company Secretary

For further information please contact:

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Classification

Public

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# FY15 HALF-YEAR RESULTS

12 FEBRUARY 2015



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## BASIS OF PREPARATION

This document includes the presentation of results on a statutory as well as non-statutory basis. The non-statutory basis includes the Proportional Results and Free Cash. All financial results are presented in AUD unless otherwise stated. Data used for calculating percentage movements has been rounded to thousands.

## PROPORTIONAL RESULTS

The Proportional result is the aggregation of the results from each asset multiplied by Transurban's percentage ownership as well as the contribution from central group functions. Proportional earnings before interest, tax, depreciation and amortisation (EBITDA) is one of the primary measures used to assess the operating performance of Transurban, with an aim to maintain a focus on operating results and associated cash generation.

The EBITDA calculation from the statutory accounts would not include the EBITDA contribution of the M5 or M7 and includes the non-controlling interests in Transurban Queensland, M1 Eastern Distributor, 495 Express Lanes and Transurban DRIVE.

Proportional EBITDA is reconciled to the statutory income statement on slides 45 and 46.

## FREE CASH

Free cash is the primary measure used to assess cash generation in the Group. The free cash represents the cash available for distribution to security holders. Free cash is calculated as statutory cash flow from operating activities from 100% owned subsidiaries plus dividends received from less than 100% owned subsidiaries and equity accounted investments. An allowance is deducted for the maintenance capital provision recognised in 100% owned assets (including tags). Free cash is reconciled to operating cash flows on slide 50.

These non-statutory measures are calculated from information extracted from Transurban's half year financial statements which contain a review opinion by the Group's auditor.

# AGENDA

1 FY15 half-year in review

2 Financial results

3 Market update

4 Appendices

# FY15 HALF-YEAR IN REVIEW

SCOTT CHARLTON, CEO



# FY15 HALF-YEAR FINANCIAL HIGHLIGHTS<sup>1</sup>

## FY15 HALF-YEAR INCLUDING ACQUISITIONS

AVERAGE DAILY  
TRAFFIC GROWTH

**3.5%**

PROPORTIONAL TOLL  
REVENUE GROWTH

**36.7%**

PROPORTIONAL EBITDA  
GROWTH <sup>2</sup>

**37.4%**

HALF-YEAR FY15  
DISTRIBUTION

**19.5¢**

## FY15 HALF-YEAR EXCLUDING ACQUISITIONS<sup>3</sup>

PROPORTIONAL TOLL  
REVENUE GROWTH

**9.8%**

PROPORTIONAL EBITDA  
GROWTH

**13.6%**

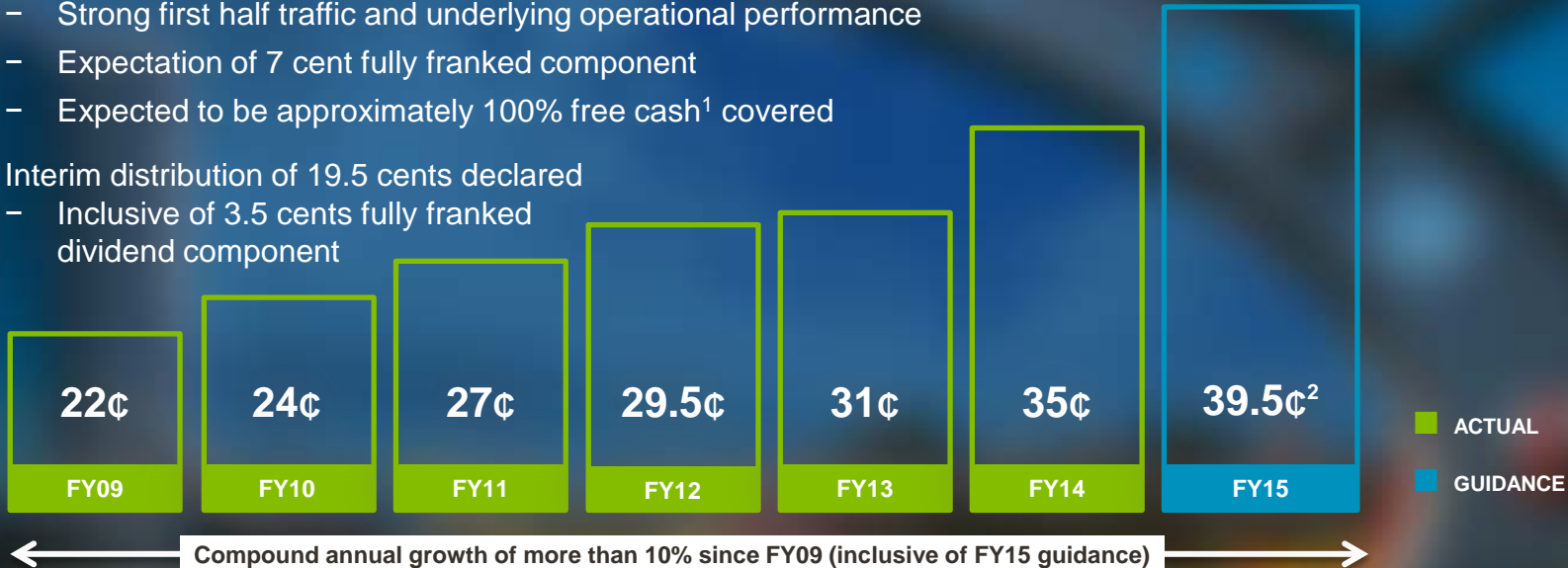
1. Refer to slide 2 for explanation of proportional toll revenue, proportional EBITDA and underlying results.

2. Excludes significant items relating to the Queensland Motorways acquisition including stamp duty, transaction and integration costs.

3. Excludes transactions costs and contributions associated with Cross City Tunnel, Queensland Motorways and changes in ownership interest in the US business, which were not in the pcip.

# DISTRIBUTION GROWTH

- FY15 distribution guidance upgraded to 39.5 cents
  - Strong first half traffic and underlying operational performance
  - Expectation of 7 cent fully franked component
  - Expected to be approximately 100% free cash<sup>1</sup> covered
- Interim distribution of 19.5 cents declared
  - Inclusive of 3.5 cents fully franked dividend component



1. Refer to slide 2 for explanation of free cash

2. Includes interim distribution of 19.5 cents

# FY15 HALF-YEAR HIGHLIGHTS

## PORTFOLIO SNAPSHOT

	31 DEC 2014	31 DEC 2013
Network positions	4	3
Assets in operation	13	8
Development projects	3 <sup>1</sup>	3 <sup>2</sup>
Development projects lane kilometres	118.5	205.5
Average weighted concession length	28 years <sup>4</sup>	24 years
Total lane kilometres (assets and projects)	1,286	943
Aggregate average daily trips <sup>3</sup>	1,215,412	834,096

1. NorthConnex, City Tulla Widening and Legacy Way (Transurban does not have delivery risk for this project)

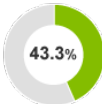



2. M5 West Widening, 95 Express Lanes and NorthConnex

3. CityLink transactions have been converted to 'average daily trips'.

4. Includes concession adjustments to M7, LCT and M2 resulting from NorthConnex.

# FY15 HALF-YEAR HIGHLIGHTS

## PORTFOLIO PERFORMANCE

NETWORK	HIGHLIGHTS	PROPORTIONAL TOLL REVENUE CONTRIBUTION (AUD)	TRAFFIC GROWTH (ADT) <sup>1</sup>	TOLL REVENUE GROWTH <sup>1</sup>	EBITDA GROWTH <sup>1</sup>
Sydney <sup>2</sup>	<ul style="list-style-type: none"> <li>→ Network development activities contributing to traffic growth.</li> <li>→ M2 Upgrade (completed August 2013) continuing to underpin traffic growth across M2, M7 and LCT.</li> <li>→ M5 widening completed in December 2014.</li> </ul>		▲ 6.5%	+ 11.1%	+ 14.8%
Melbourne	<ul style="list-style-type: none"> <li>→ Robust traffic growth - December quarter strongest since June 2013.</li> <li>→ Minimum toll escalation schedule underpinning revenue growth.</li> <li>→ Further efficiency gains through insourcing of road operations, improved revenue collection and back office processes.</li> </ul>		▲ 2.4%	+ 7.2%	+ 10.9%
Brisbane <sup>3</sup>	<ul style="list-style-type: none"> <li>→ Logan Motorway major pavement works impacted traffic during the period - scope and timing of remaining sections under review.</li> <li>→ Traffic growth on largest asset in the Qld network, Gateway Motorway, 3.6% in December quarter vs pcp.</li> </ul>		▲ 0.8%	+ 4.2%	N/A
Northern Virginia (USD) <sup>4</sup>	<ul style="list-style-type: none"> <li>→ 495 Express Lanes continuing to deliver strong growth - record daily toll revenue of US\$200,767 achieved on 2 December 2014.</li> <li>→ Network of managed lanes established with opening of 95 Express Lanes in December 2014 – joint operations established.</li> </ul>		▲ 15.4%	+ 61.8%	+ 249.4%

1. Growth vs pcp. ADT refers to average daily transactions/trips

2. Excludes Cross City Tunnel

3. Transurban acquired 62.5% ownership of Queensland Motorways' assets on 2 July 2014. Toll revenue figures exclude Go Between Bridge and Clem7 which were not owned by Queensland Motorways in the prior period. Figures also exclude Legacy Way which is due to commence operation mid-2015.

4. Excludes 95 Express Lanes in the current period, Pocahontas 895 in the prior corresponding period and the impact of change in ownership percentage of 495 Express Lanes.

# FY15 HALF-YEAR HIGHLIGHTS

## DELIVERING STRATEGY

### CUSTOMER AND SUSTAINABILITY

- Clear productivity benefits delivered through major network enhancements
- Travel time savings delivered through efficient network operations and targeted development
- Community reinvestment program – CityLink road corridor rejuvenation underway
- Community and innovation grant programs

### ROAD INFRASTRUCTURE PARTNER OF CHOICE

- Committed pipeline of development projects progressing well
- Clear opportunities to further develop networks in core markets
- Proactive approach to enhancing the networks in core markets – working with government to identify opportunities

### COMPETITIVE ADVANTAGE

- TCL core capabilities focused on efficient network operation and development
  - Network forecasting
  - Operations/maintenance and customer management
  - Project development/procurement and delivery
  - Technology application
  - Engagement with government and communities

### CLEAR MARKET DEFINITION

- Urban road networks in east coast of Australia and North America underpinned by strong demographic characteristics relating to income, employment and population growth
- Existing networks present significant opportunities for further development

# FY15 HALF-YEAR HIGHLIGHTS

## OPERATIONAL ACTIVITIES

### CUSTOMER AND TOLLING

- NSW phase 1 roll out of GLiDe tolling system completed in 2014; Phase 2 commenced in NSW (LCT and M7); and agreement reached to use GLiDe for NorthConnex
- Shift to national customer management structure

### OPERATIONS & MAINTENANCE

- Integration of 495 and 95 O&M
- CityLink road operations in-housing complete
- Logan Motorway pavement rehabilitation program phase 1 works completed (Oct 2014) and future works on hold with scope and timing under review

### CORPORATE

- Two new executives appointed to TCL Executive Committee
- TCL established as manager and operator of Queensland Motorways and integration is progressing well
- \$5.58 billion debt raised or refinanced at corporate and asset level during period
- National procurement programs rolled out – reducing group-wide spend and creating efficiencies across technology, engineering and utilities

### SAFETY

- 95 Express Lanes completed without a lost time injury (4 million construction hours)
- FY15 YTD no recordable injuries across the Group
- New safety observation system with 100% compliance at Dec 2014
- Average injury crash rate on TCL assets 4.7 per 100 million vehicle kilometres travelled - substantially better than industry standards

# FY15 HALF-YEAR HIGHLIGHTS

## DEVELOPMENT ACTIVITIES

### MELBOURNE

- CityLink Tulla Widening construction due to commence Oct 2015
- Continuing to monitor opportunities to further enhance the network

### SYDNEY

- M5 West Widening completed on time and budget Dec 2014
- NorthConnex financial close with NSW Government reached Jan 2015
- Continuing to monitor WestConnex development

### BRISBANE

- QM integration progressing well with free cash and EBITDA contribution ahead of budget for H1 FY15
- Legacy Way on track for opening mid-2015
- Gateway North Upgrade contract to be awarded mid-2015
- Logan Motorway pavement rehabilitation program phase 1 works completed Oct 2014

### NORTHERN VIRGINIA

- 95 Express Lanes opened in December ahead of schedule and budget, and performing in line with expectations
- Integrated operations with 495 Express Lanes complete

# FINANCIAL RESULTS

ADAM WATSON, CFO



# STATUTORY RESULTS

## SUMMARY

	HY15 (\$M)	HY14 (\$M)
<b>Toll revenue</b>	738	451
<b>EBITDA</b>	181	381
<b>Net profit (loss)</b>	(354)	81
<b>EBITDA excluding significant items</b>	597	381
<b>Net profit excluding significant items</b>	52	81

### FY15 H1 distributions

Interim distribution of 19.5 cents, including 3.5 cent fully franked component – FY15 distribution guidance of 39.5 cents

## KEY DRIVERS

### Toll revenue

→ Revenue growth driven by strong traffic growth and operating performance, and acquisitions of Queensland Motorways and Cross City Tunnel and consolidation of the US business

### EBITDA

→ Revenue growth and ongoing margin improvement  
 → Significant items included in EBITDA; stamp duty (\$384m), integration costs (\$10m) and transaction costs (\$22m) for Queensland Motorways acquisition

### Net profit

→ Significant items (outlined above) leading to net loss  
 → Net profit excluding significant items lower than pcg largely due to higher depreciation and amortisation charges and higher interest costs associated with the acquisition of Queensland Motorways and Cross City Tunnel

# PROPORTIONAL RESULTS<sup>1</sup>

## SUMMARY

	HY15 (\$M)	HY15 ex acquisitions <sup>2</sup> (\$M)	HY14 (\$M)	% CHANGE <sup>4</sup>
<b>Toll revenue</b>	761	611	556	<b>9.8%</b>
<b>Fee revenue</b>	62	50	45	<b>10.5%</b>
<b>Other revenue</b>	9	10	13	<b>(21.2%)</b>
<b>Total costs</b>	(196)	(145)	(151)	<b>(4.1%)</b>
<b>EBITDA excluding significant items</b>	636	526	463	<b>13.6%</b>
<b>Significant items<sup>3</sup></b>	(264)	-	-	<b>-</b>
<b>EBITDA</b>	<b>372</b>	<b>526</b>	<b>463</b>	<b>13.6%</b>

1. The proportional result is the aggregation of the results from each asset multiplied by Transurban's percentage ownership as well as contribution from central group functions.
2. Acquisitions include transactions costs and contributions associated with Cross City Tunnel, Queensland Motorways and changes in ownership interest in the US business.
3. Items relating to the Queensland Motorways acquisition including stamp duty, transaction and integration costs.
4. Percentage change between HY14 and HY15 ex acquisitions.

## KEY DRIVERS

### Toll revenue

- Queensland assets contributed \$124m
- CCT contributed \$28m
- Other assets contributed \$55m

### Fee revenue

- Queensland and CCT acquisitions and changes in ownership interest in the US business contributing \$12m
- Remaining increase due to improvements in fee collection processes

### Other revenue

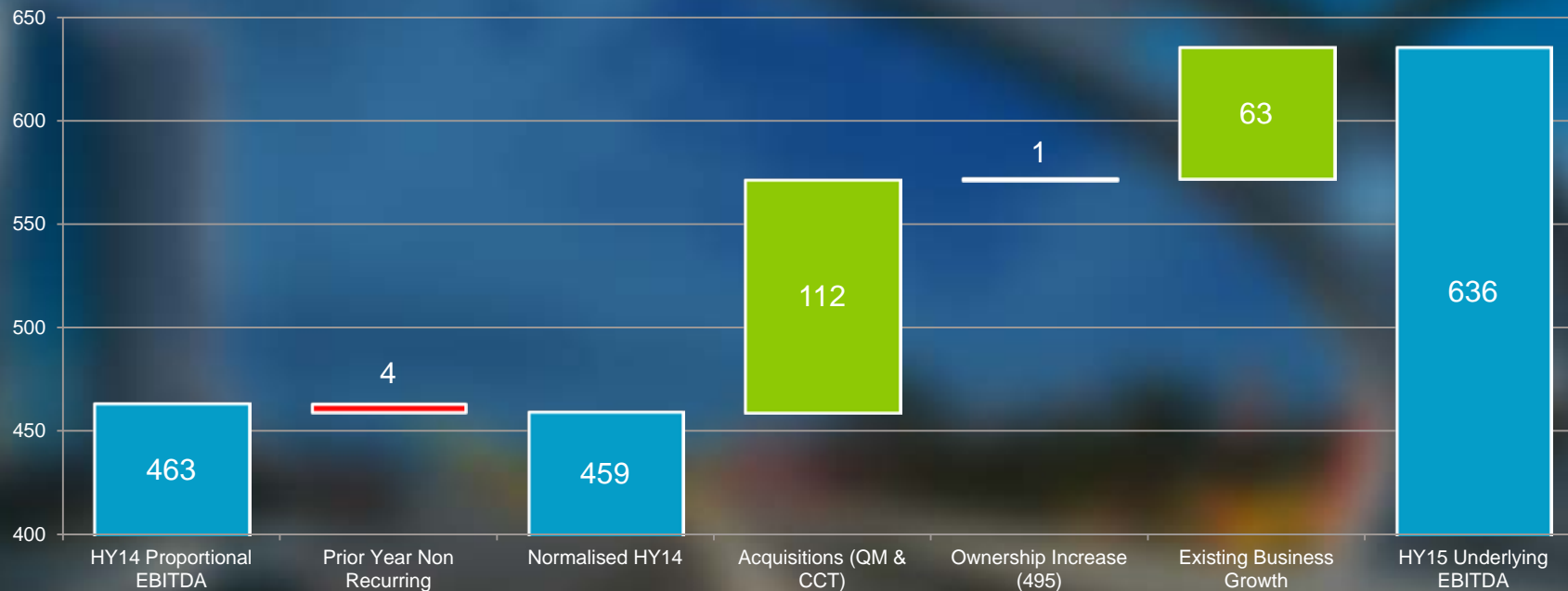
- Lower tolling and traffic management system development net revenue as 95 Express Lanes project reached completion

### Total costs

- Excluding impact of acquisitions and change in ownership:
  - Strong cost discipline maintained
  - Favourable maintenance provision movements
  - Efficiencies and initiatives in customer management offsetting O&M increases

# UNDERLYING BASE BUSINESS PERFORMANCE

## PROPORTIONAL EBITDA GROWTH



# MARGIN IMPROVEMENT

## EBITDA MARGIN<sup>1</sup>

	H1 FY15	Basis point increase
CityLink	93.4%	310
Hills M2	85.2%	150
Westlink M7	88.1%	480
M5 South West Motorway	95.1%	110
M1 Eastern Distributor	70.9%	610
Lane Cove Tunnel	65.1%	40
Cross City Tunnel	58.2%	N/A
Gateway Motorway	80.8%	N/A
Logan Motorway	72.4%	N/A
CLEM7	45.6%	N/A
Go Between Bridge	75.3%	N/A
495 Express Lanes (USD)	48.5%	8,400
95 Express Lanes (USD)	-	N/A

1. Increase represents absolute increase in margin from previous corresponding period  
 2. Excludes Cross City Tunnel and Queensland Motorways assets

## AVERAGE EBITDA MARGIN

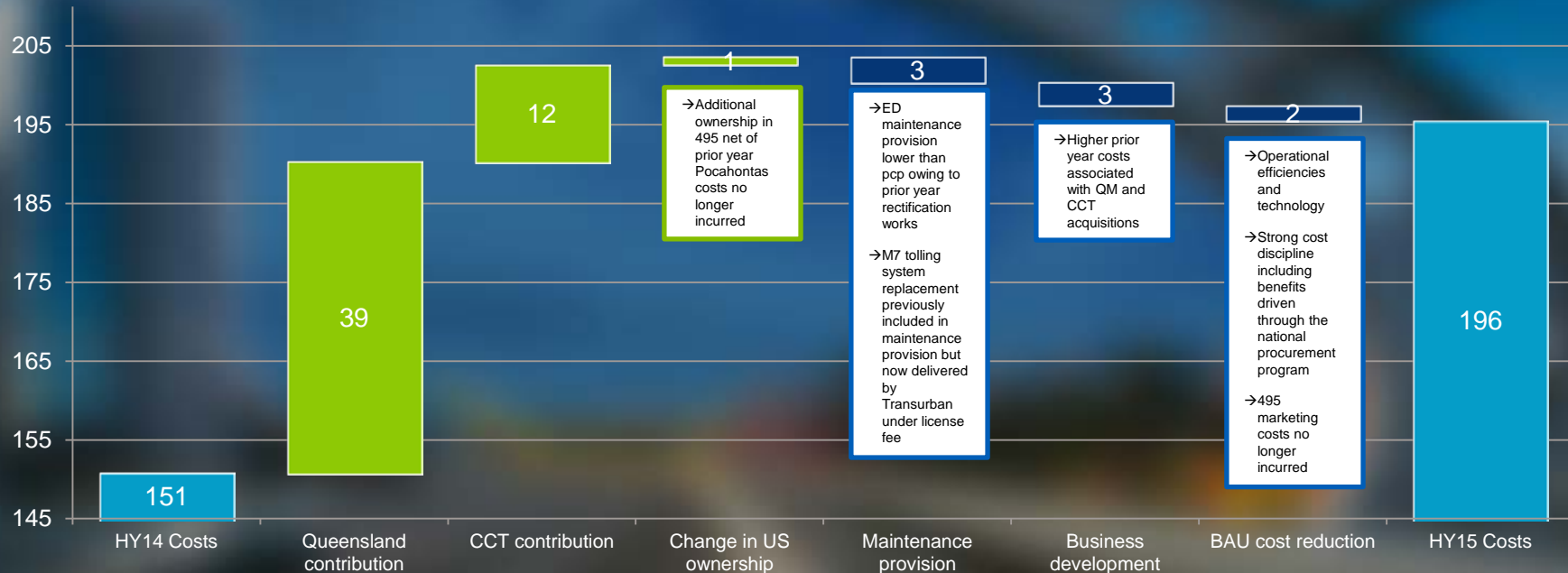


Key factors driving margin improvement:

- Underlying network growth in traffic and prices augmented through network development activities
- Efficiency gains offsetting costs incurred to drive business growth
- Economies of scale being achieved within and across networks
- M7 and ED margin increase driven by reduction in maintenance provision

# COST MANAGEMENT

## PROPORTIONAL COSTS



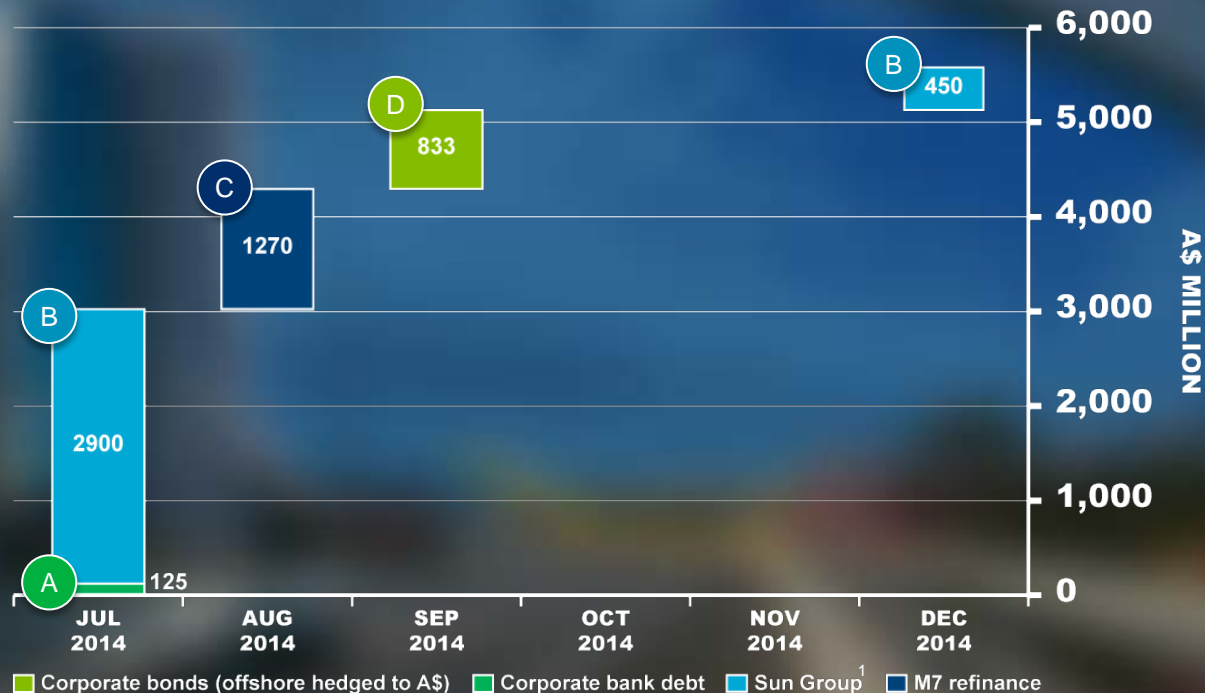
# FREE CASH FLOW

FREE CASH FLOW	31 DEC 14	31 DEC 13	% CHANGE
Free cash <sup>1</sup>	\$378M	\$240M	57.5%
Weighted average securities eligible for distribution	1,906M	1,486M	
Free cash per security (cents)	19.8	16.2	22.2%

- Free cash increase driven by QM distributions (\$52m), CCT operating income(\$20m), higher M7 term loan notes interest received (\$37m) and increase in operating performance of other assets (\$29m)
- Weighted average number of securities eligible for distribution has increased 420m as a result of the QM acquisition

# FUNDING UPDATE

## SIX MONTH SNAPSHOT



- A** \$125m corporate working capital
- B** \$2500m drawn debt and \$400m undrawn debt raised for Queensland Motorways acquisition. \$450m of the drawn debt subsequently refinanced into debt capital markets
- C** \$1270m raised to refinance Westlink M7's debt facilities
- D** Corporate Euro issuance swapped into A\$833m and used to repay corporate maturities

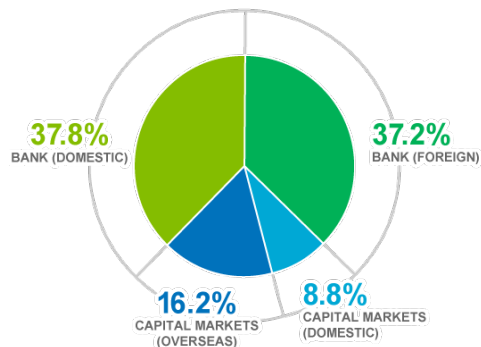
1. Sun Group refers to the Queensland Motorways structure

# FUNDING UPDATE

## NEW DEBT<sup>1</sup> IS DIVERSIFIED, LOW COST & LONG DATED

### DIVERSIFIED SOURCES

→ New debt geographically diversified



### LOWER COST<sup>2,3</sup>

→ New debt is lower than current average cost

	New debt <sup>2</sup>	31 Dec 2014	31 Dec 2013 <sup>2</sup>
Average cost – A\$ corporate	5.4%	6.2%	6.3%
Average cost – A\$ asset	5.3%	5.3%	6.4%

### TENOR EXTENDED<sup>2,4</sup>

→ New debt is longer than average tenor

	New debt <sup>4</sup>	31 Dec 2014	31 Dec 2013 <sup>2</sup>
Average maturity – A\$ corporate	9.3yrs	4.8yrs	4.2yrs
Average maturity – A\$ asset <sup>5</sup>	5.1yrs	3.2yrs	2.6yrs

1. New debt refers to A\$ equivalent drawn debt executed in the 12 months ending on 31 December 2014. The drawn amount and currency conversion on new debt are as at issue date, with the currency conversion at the hedged rate where cross currency swaps are in place, otherwise the spot rate.
2. Data excludes bridge facilities, letters of credit and the M2 refinance tranche A extension. Because of these exclusions, 31 Dec 2014 and 31 Dec 2013 data may differ from results reported elsewhere.
3. Average cost is calculated on a proportional drawn debt basis. US\$ debt is excluded because there was only one US\$ transaction in the 12 month period.
4. Weighted average maturity.
5. Australian assets only.

# CAPITAL FUNDING REQUIREMENTS

## FUNDING SOURCES

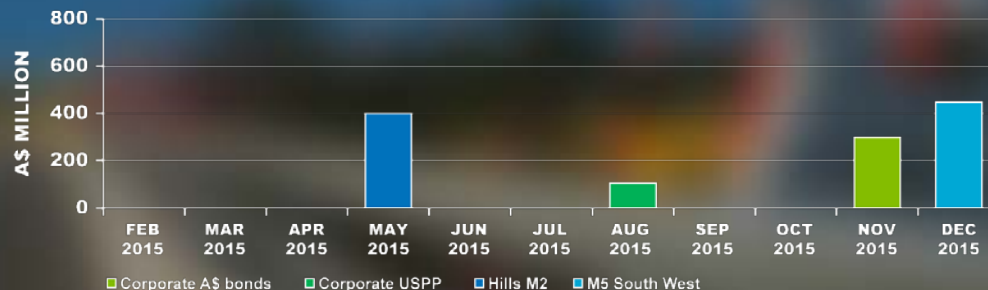
- Diversified funding sources including bank debt, capital markets debt, undrawn bank facilities and DRP<sup>1</sup> proceeds
- Substantial debt capacity with approximately \$400 million undrawn at 31 December 2014
- Detailed funding plan in place for NorthConnex and CityLink Tulla Widening

## STRATEGY

- Continuing to diversify where pricing is favourable
- Extending the average tenor of debt
- Prudent capital management supporting consistent distribution growth
- Commitment to strong investment grade credit metrics

## PENDING MATURITIES

- Hills M2 refinance in progress
- Monitoring a range of markets for next corporate raising to cover upcoming maturities and project requirements
- Planning underway for M5 refinance



# MARKET UPDATE

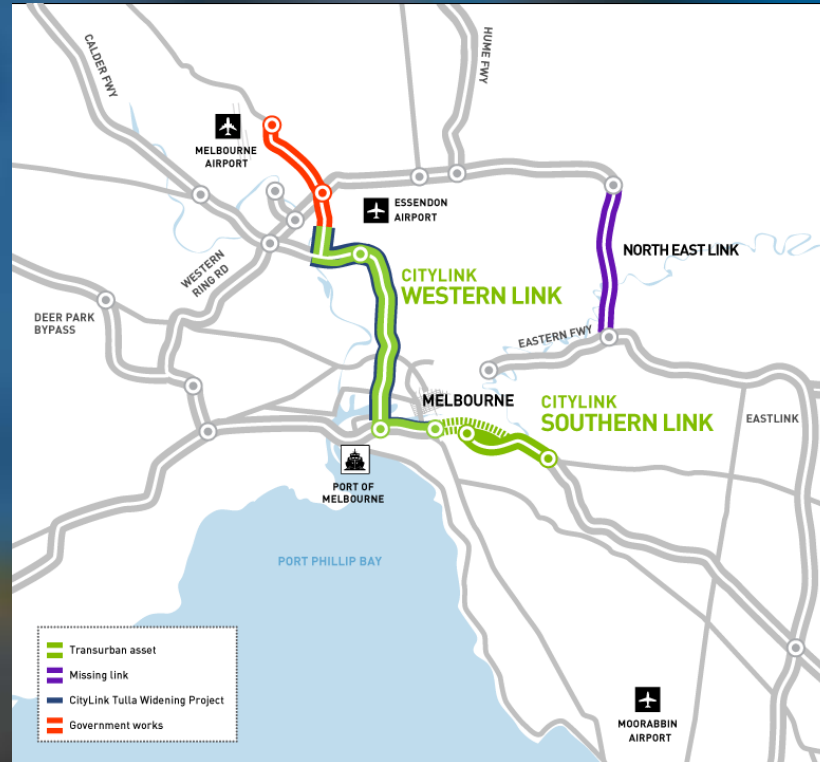
SCOTT CHARLTON, CEO



# MELBOURNE NETWORK

## KEY ACTIVITIES

- CityLink Tulla Widening contractual close reached October 2014
- Construction due to commence October 2015
- Working with Victorian Government on changes resulting from suspension of East West Link
- On-going engagement with Victorian Government to further enhance the network



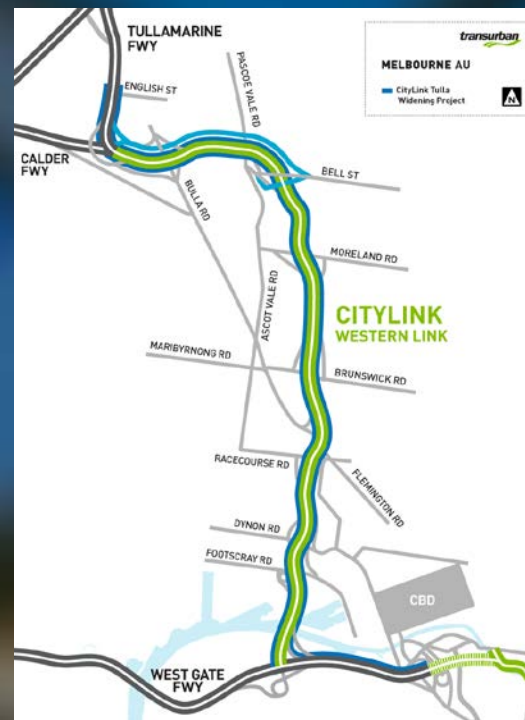
# CITYLINK TULLA WIDENING

## OVERVIEW

- Extra lanes to add 30% more capacity
- Upgraded Bolte Bridge to West Gate Freeway connection to improve safety
- Improvements to Bell Street entry and exit
- Installation of digitised tolling and traffic management systems, enhancing road safety and reliability

## EAST WEST LINK IMPACT

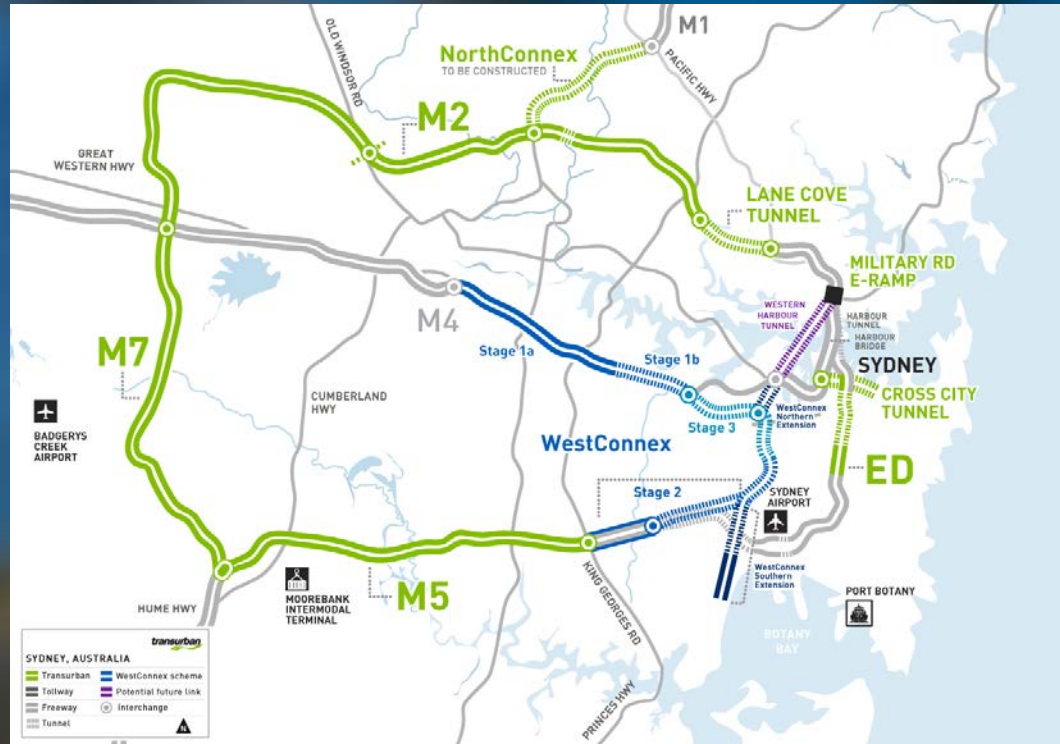
- Working with government to agree on scope of works between Dynon Road and Moreland Road (previously being delivered as part of the East West Link project)
- No expected changes to project timeline



# SYDNEY NETWORK

## KEY ACTIVITIES

- M5 widening completed December 2014
- NorthConnex early work has started with full construction activities scheduled to begin in May 2015
- WestConnex (Stage 2) timing and approach to financing to be determined by Government
- GLiDe tolling system roll-out across Hills M2 and Eastern Distributor completed
- Lane Cove east facing ramp opened

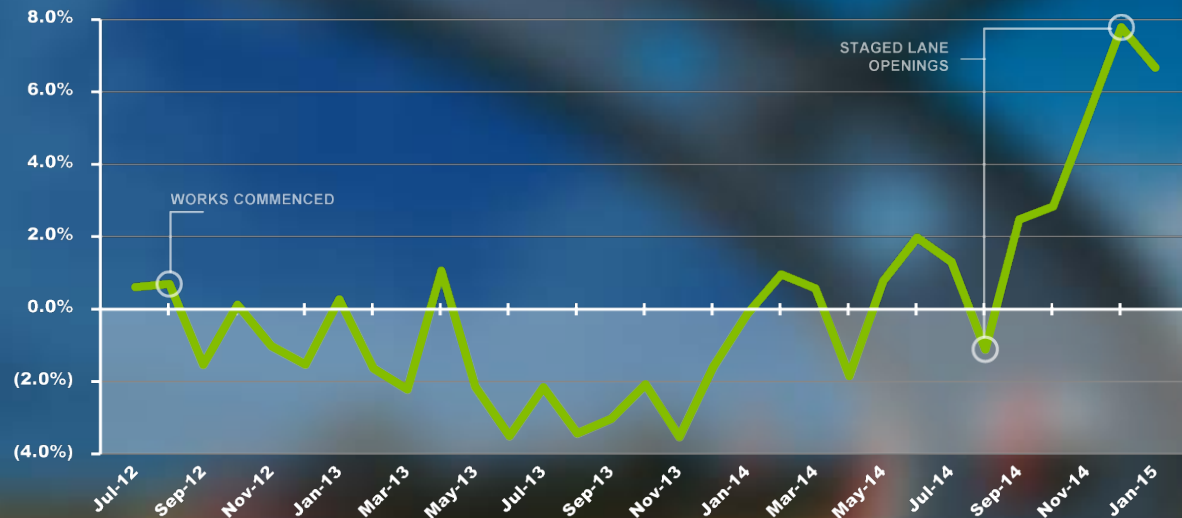


# M5 WEST WIDENING

## PROJECT COMPLETED

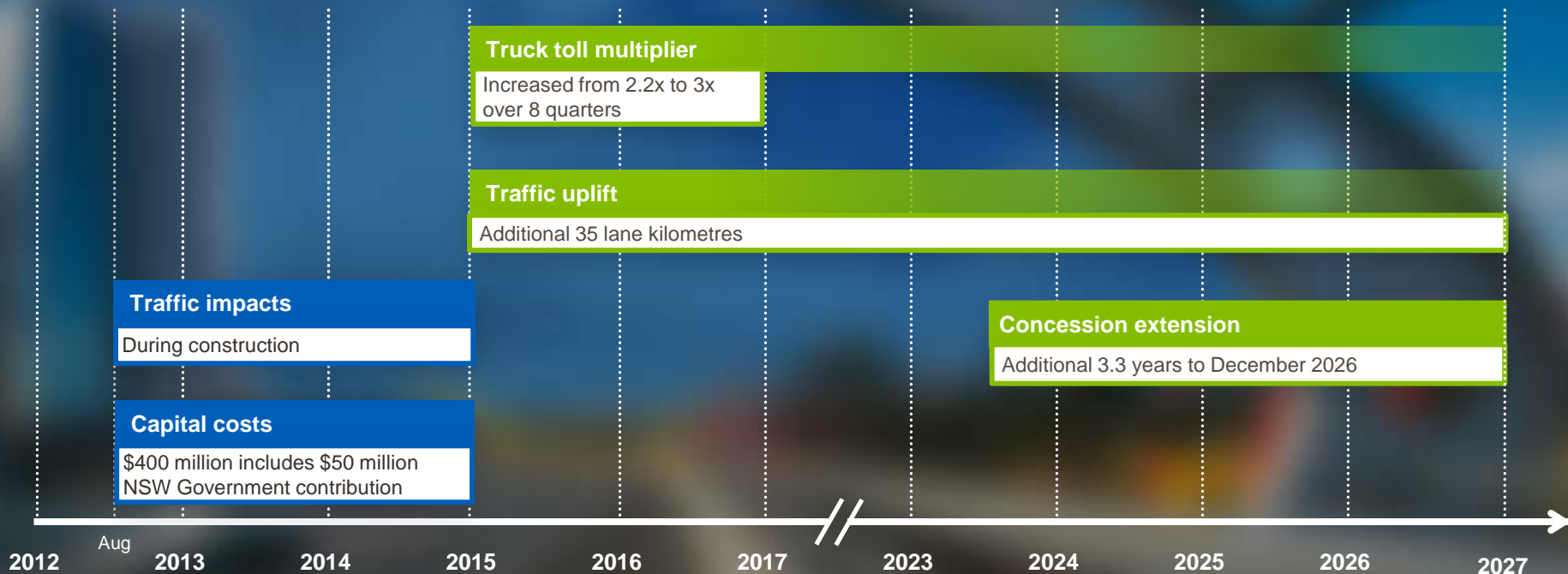
- Completed on time and budget mid December 2014
- Added 50% capacity to the motorway
- Traffic returned to 100km/h across all three lanes
- Truck toll multiplier increase commenced 1 January 2015 – 2.2x to 3x over eight quarters
- Traffic achieved 150,000 trips in a single day for the first time following completion

**AVERAGE DAILY TRAFFIC GROWTH VS PRIOR PERIOD**



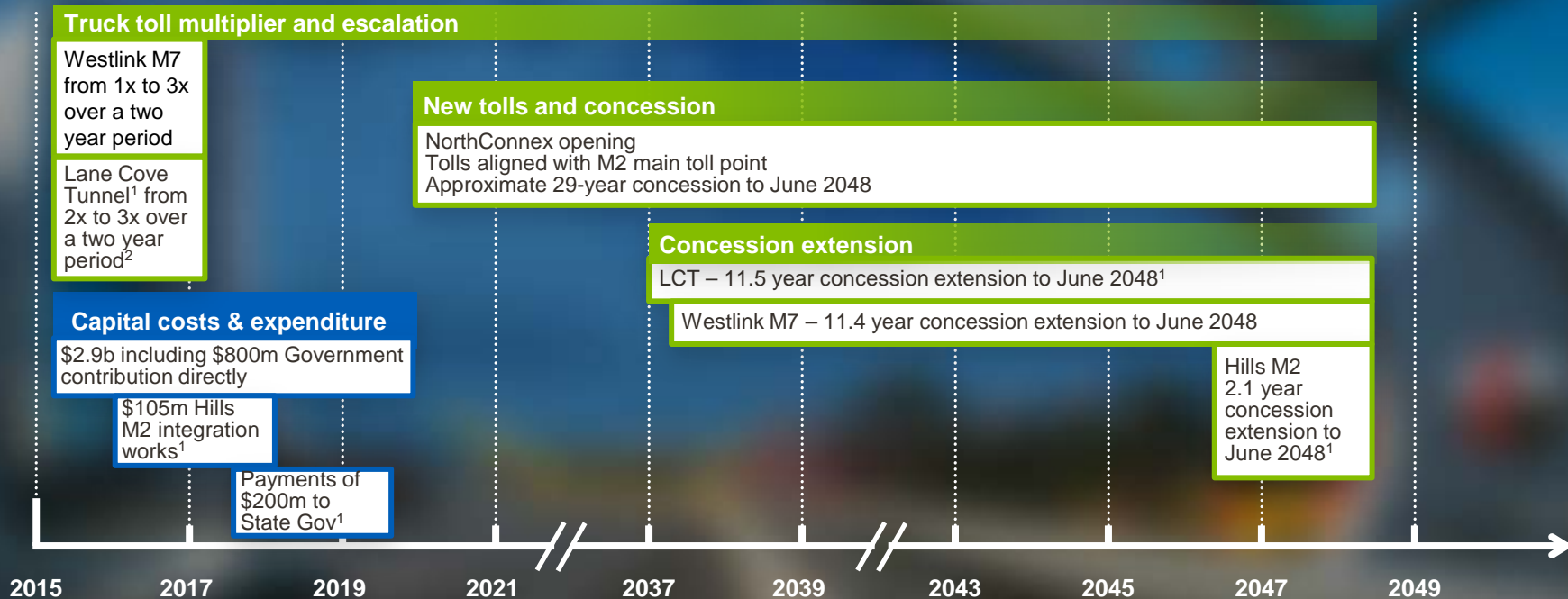
# M5 WEST WIDENING

## PROJECT ECONOMICS



# NORTHCONNEX

## PROJECT ECONOMICS



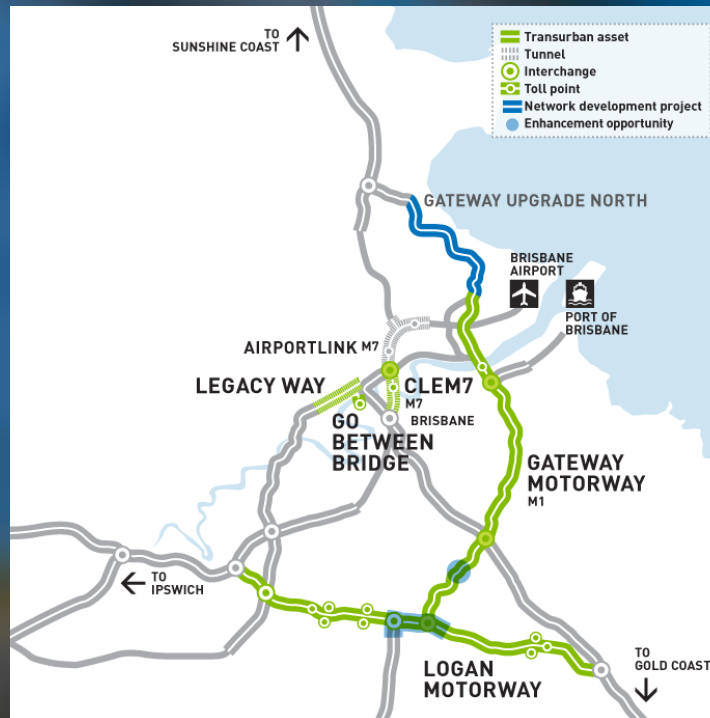
1. Ancillary funding agreed between Transurban and NSW Government

2. Quarterly escalation rate for Lane Cove Tunnel trucks to move to the greater of CPI or one percent per quarter (currently CPI) after the high truck multiplier has been phased in

# BRISBANE NETWORK

## KEY ACTIVITIES

- QM integration program progressing well and ahead of budget
- Gateway Upgrade North project:
  - three tenderers selected
  - contract to be awarded mid-2015
- Legacy Way opening due mid-2015
- Assessing road enhancement opportunities on Logan Motorway

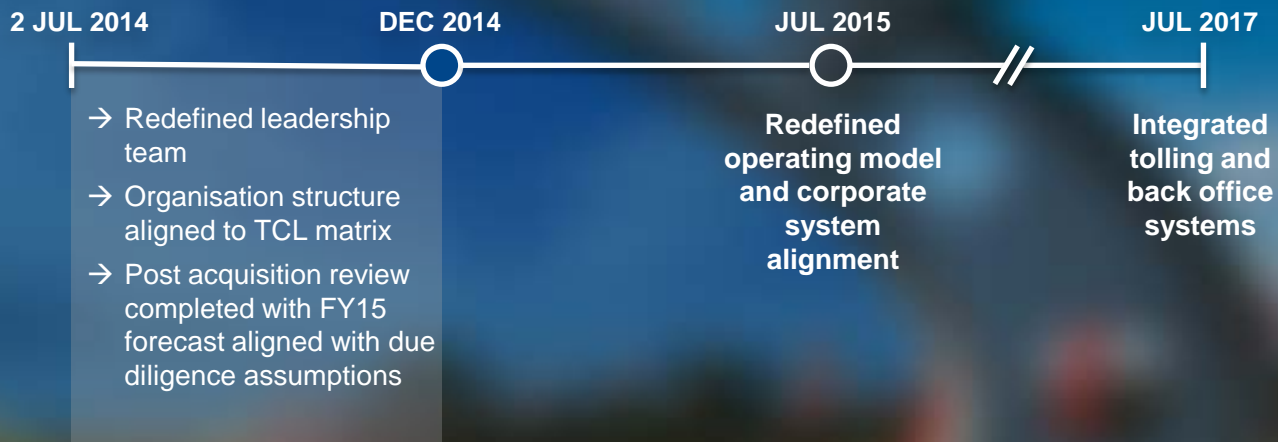


# QUEENSLAND MOTORWAYS INTEGRATION

## KEY ACTIVITIES

- Integration program on track with benefits starting to flow including:
  - reduction in employee costs
  - realignment of contracts resulting in annualised savings
  - improved customer operations

## PROGRAM TIMELINE



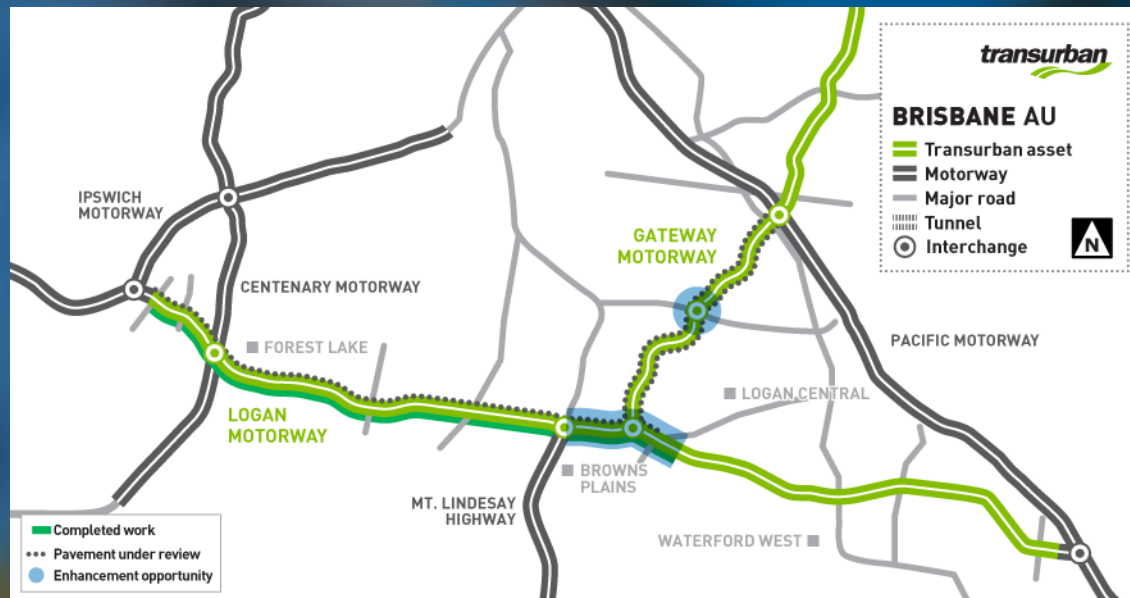
# LOGAN MOTORWAY

## PAVEMENT RECTIFICATION WORKS

- Traffic levels improving following completion of Stage 2 rectification works in October 2014
- Project scope review under way
- Future rectification works will be designed to minimise disruption to traffic

## ENHANCEMENT OPPORTUNITIES

- Investigating short and medium term solutions to address congestion points



# NORTHERN VIRGINIA NETWORK

## KEY ACTIVITIES

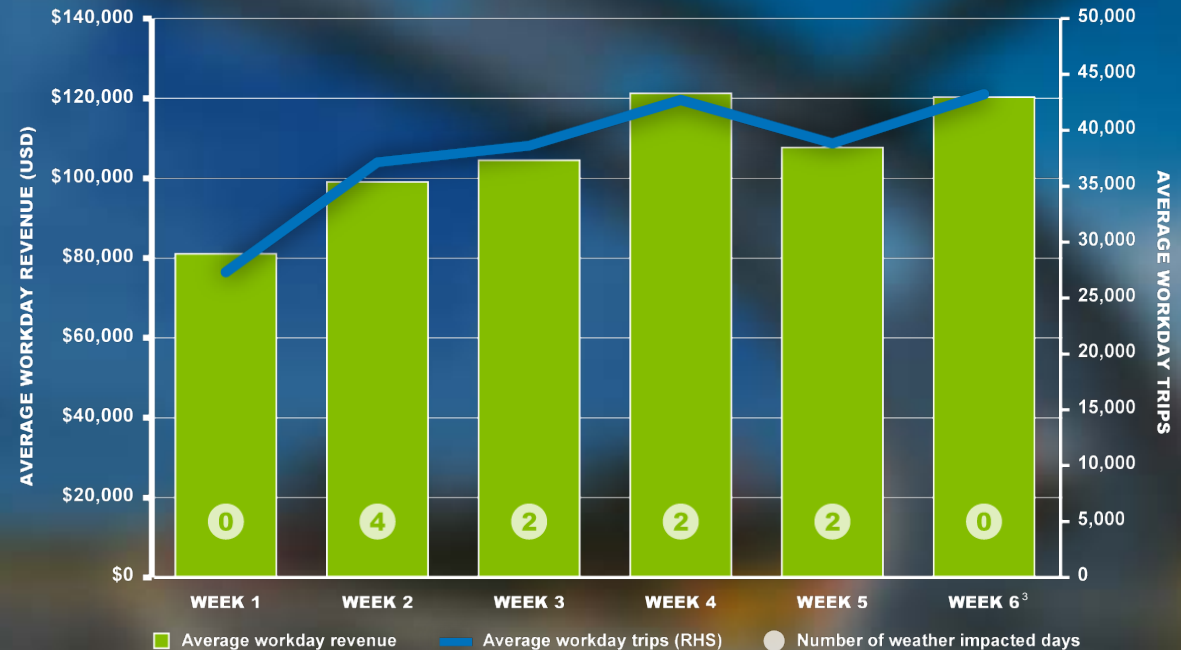
- 95 Express Lanes successfully commenced operation December 2014
- Network synergies from joint operations and control center with 495 Express Lanes
- Additional access at Tysons Corner in development by Government
- Opportunities to prove and extend managed lanes network over time



# 95 EXPRESS LANES

## PERFORMANCE

- 95% E-ZPass penetration<sup>1</sup>
- 33% high occupancy vehicle usage, in line with expectations<sup>1</sup>
- AM peak starts earlier and lasts longer on 95 than 495:
  - approximately 3x the trip volume between 5.00am and 7.00am
  - an additional hour of AM peak trip volume<sup>2</sup> compared to 495
- Optimising lane availability during peak hours through improved operations of traffic reversal gates
- Strong safety record, including limited driver confusion and hesitation at decision points



1. Workdays only, includes exempt vehicles

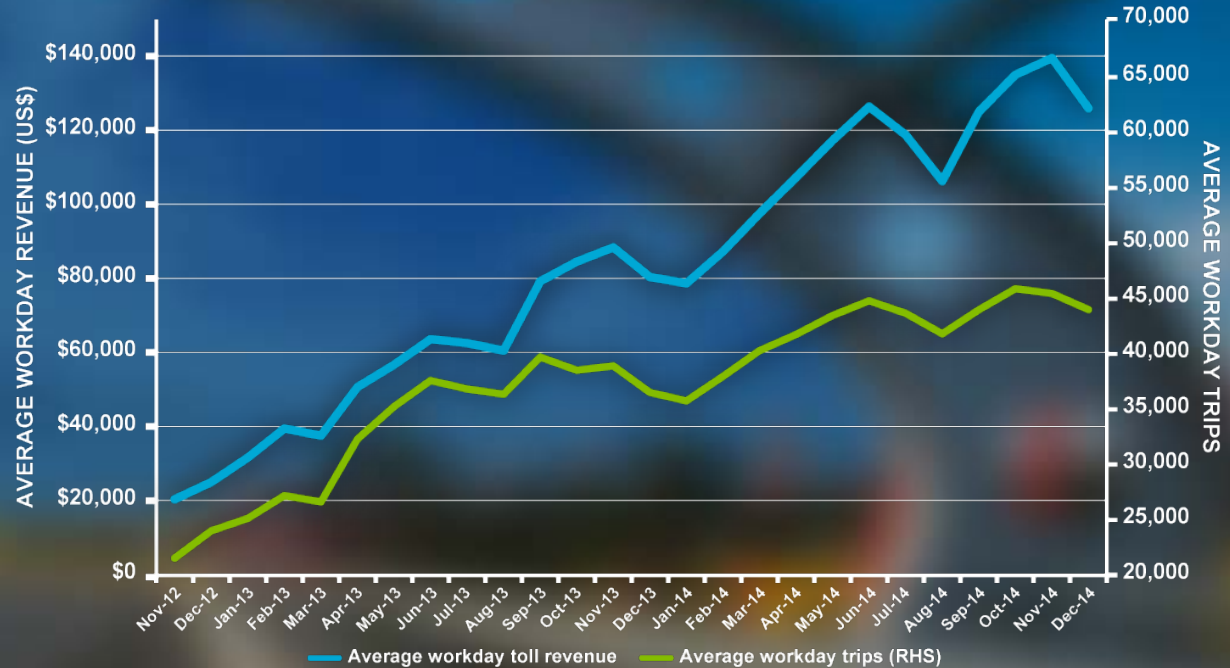
2. More than 2000 trips per hour

3. Subject to final validation

# 495 EXPRESS LANES

## TRAFFIC & REVENUE GROWTH

- New record for highest revenue achieved in a day – \$200,767 (2 December 2014)
- New record for highest toll – USD\$14.55 (9 December 2014)
- Increased customer value and synergies across integrated network
- 48,000 new customers on 495 in December, an increase of 15% over November
- New safety enhancements at key entry point including on-road signage and lighting to increase visibility



# OUTLOOK

## STRATEGIC OBJECTIVES

- Further network development opportunities in all markets
- Significant opportunities from technology and policy development in the medium to long term
- Embedded value in TCL networks to fund development opportunities

## CAPITAL STRATEGY

- Strong support from lenders to finance development projects
- Diversification of funding sources to decrease average cost of debt and increase debt maturity profile
- Continued growth in distributions
- Commitment to strong investment grade credit metrics

## OUTLOOK

- Distribution guidance upgraded to 39.5 cents for FY15
- Upgraded to reflect strong H1 FY15 traffic growth and operational performance
- This represents in excess of 10% compound annual growth in distributions since FY09

# APPENDIX 1



# RECONCILIATION

## KEY CHANGES TO ACCOUNTING FOR ASSETS VERSUS THE PRIOR CORRESPONDING PERIOD

### TRANSURBAN QUEENSLAND (QM)

Financial close on the acquisition of QM occurred 2 July 2014. The results of the Transurban Queensland are included from that date with no contribution in the prior corresponding period.

### CROSS CITY TUNNEL (CCT)

Transurban acquired the debt of CCT on 30 December 2013 and subsequently the concession asset on 26 June 2014.

For statutory reporting purposes, CCT is consolidated into the Transurban Group results in the current period but did not contribute to the result in the prior corresponding period.

For proportional reporting purposes, CCT ownership is 100%.

### 495 EXPRESS LANES

On 11 April 2014 Transurban acquired Fluor Enterprises Inc.'s 10% interest in 495 Express Lanes, increasing proportional Group ownership to 77.5%.

On 4 June 2014 495 Express Lanes was recapitalised. Transurban's partner in DRIVE, CP2, did not participate in the recapitalisation therefore Transurban's proportional ownership increased to 94%.

Transurban's proportional interest in 495 Express Lanes in the prior corresponding period was 67.5%. It was not consolidated for statutory reporting purposes at that time.

### 95 EXPRESS LANES

On 11 April 2014 Transurban acquired Fluor Enterprises Inc.'s 10% interest in 95 Express Lanes, increasing proportional Group ownership to 77.5%.

Transurban's proportional interest in 95 Express Lanes in the prior corresponding period was 67.5%. It was not consolidated for statutory reporting purposes at that time.

### DRIVE OPERATIONS

As a result of Transurban Group's recapitalisation of 495 Express Lanes Transurban now 'controls' DRIVE operations as it controls the 495 Express Lanes. It is therefore consolidated into the Group's result from 4 June 2014.

### POCAHONTAS 895

DRIVE completed the transfer of Pocahontas 895 to lenders on 14 May 2014. From that date proportional ownership is 0% (previously 75.0%).

The prior corresponding period includes the results of Pocahontas 895 for the entire period.

# RECONCILIATION

## FREE CASH

FREE CASH CALCULATION	SOURCE OF INFORMATION/EXPLANATION
Cash flows from operating activities before transaction and integration cash payments	Statutory Transurban Holdings Limited cash flow excluding transactions costs and integration related cash payments incurred on the acquisition of Queensland Motorways (includes cash inflow from M7 TLNs and M5 loan notes)
Less transaction and integration cash payments from non 100 per cent owned entities	Transaction and integration related cash payments incurred on the acquisition of Queensland Motorways
Cash flows from operating activities (refer Group Statutory accounts)	Statutory Transurban Holdings Limited cash flow
Add back cash payments for maintenance of intangible assets	For statutory purposes payments for maintenance are classified as operating activities. For the calculation of free cash Transurban removes these payments and replaces them with increases to the maintenance provision recognised in P&L (refer below). This provides a smoother representation of maintenance spend and reflects the incurrence of the damage through the facilities use.
Add back transaction and integration cash payments from non 100 per cent owned entities	Transaction and integration related cash payments incurred on the acquisition of Queensland Motorways
Less consolidated cash flows from non 100 per cents owned entities	100% of the operating cash flows of M1 Eastern Distributor, Transurban Queensland, 495 Express Lanes and Transurban DRIVE are included in the statutory results however the distribution received by Transurban better reflects the cash available for distribution to Transurban security holders. The cash flows from operating activities are therefore eliminated and, where applicable, replaced with distributions received.
	<b>Total</b>
<i>Adjust: dividends and distributions received and maintenance expenditure</i>	
M1 Eastern Distributor – distribution	Cash distribution received from M1 Eastern Distributor by Transurban
M5 Interlink – distribution and Term Loan Note interest	Cash distribution received from M5 Interlink by Transurban and interest received on Transurban's long term loan to M5 (represents a portion of Transurban's ownership interest)
Transurban Queensland – distribution and shareholder loan note interest	Cash distribution received from Transurban Queensland (Sun Group structure) by Transurban and interest received on Transurban's long term loan to the Transurban Queensland (represents a portion of Transurban's ownership interest)
M7 Term Loan Note interest	Interest received on Transurban's long term loan to M7
Allowance for maintenance of capital expenditure for CityLink, Hills M2 and Lane Cove Tunnel, Cross City Tunnel and e-Tag expenditure	Expenditure for maintenance of intangible assets is provided for over the period of the facilities use. The annual charge to recognise this provision reflects the yearly damage to the facility requiring maintenance.
<b>Free cash</b>	

# APPENDIX 2

DETAILED FINANCIALS



# STATUTORY RESULTS

## HALF-YEAR TO 31 DECEMBER 2014

	31 DEC 14 (\$M)	31 DEC 13 (\$M)	% CHANGE
Toll revenue	738	451	63.7%
Fee and other revenue	71	47	49.8%
Construction revenue	152	54	183.4%
Business development & other revenue	3	20	(81.0%)
<b>Total revenue</b>	<b>964</b>	<b>572</b>	<b>68.6%</b>
Road operating costs	(176)	(113)	55.6%
Corporate costs	(34)	(18)	93.3%
Business development costs	(6)	(9)	(35.4%)
Construction costs	(151)	(51)	196.0%
Transaction and integration costs	(416)	-	100.0%
<b>Total costs</b>	<b>(783)</b>	<b>(191)</b>	<b>310.4%</b>
<b>EBITDA</b>	<b>181</b>	<b>381</b>	<b>(52.5%)</b>
Depreciation and amortisation	(275)	(160)	71.9%
Finance income	48	58	(18.7%)
Finance costs	(337)	(187)	79.5%
<b>Net finance costs</b>	<b>(289)</b>	<b>(129)</b>	<b>123.7%</b>
Share of equity accounted (losses) / profits	9	(15)	160.4%
<b>(Loss)/Profit before tax</b>	<b>(374)</b>	<b>77</b>	<b>(586.0%)</b>
Tax benefit	20	4	406.7%
<b>Net (loss)/profit</b>	<b>(354)</b>	<b>81</b>	<b>(536.7%)</b>



# PROPORTIONAL RESULTS

## HALF-YEAR TO 31 DECEMBER 2014

	31 DEC 14 (\$M)	31 DEC 13 (\$M)	% CHANGE
Toll revenue	761	556	36.7%
Fee and other revenue	71	58	23.0%
<b>Total revenue</b>	<b>832</b>	<b>614</b>	<b>35.4%</b>
Operating costs	(172)	(129)	33.6%
Business development costs	(2)	(5)	(58.3%)
Corporate costs	(22)	(17)	28.3%
<b>Total costs</b>	<b>(196)</b>	<b>(151)</b>	<b>29.9%</b>
<b>EBITDA excluding significant items</b>	<b>636</b>	<b>463</b>	<b>37.4%</b>
Significant items	(264)	-	(100.0%)
<b>EBITDA</b>	<b>372</b>	<b>463</b>	<b>(19.8%)</b>

# RESULT BY ASSET – 100%

CONSOLIDATED ASSETS – 31 DECEMBER 2014 (\$ MILLIONS)							
	CITYLINK (VICTORIA)	HILLS M2	LANE COVE TUNNEL	CROSS CITY TUNNEL	M1 ED	ROAM TOLLING & TOLLAUST	TOTAL NSW
Toll revenue	289	110	38	28	56	-	232
Fee & other revenue	28	3	2	1	2	14	22
<b>Total revenue</b>	<b>317</b>	<b>113</b>	<b>40</b>	<b>29</b>	<b>58</b>	<b>14</b>	<b>254</b>
Total cost	(47)	(20)	(15)	(12)	(18)	(5)	(70)
<b>Underlying EBITDA</b>	<b>270</b>	<b>93</b>	<b>25</b>	<b>17</b>	<b>40</b>	<b>9</b>	<b>184</b>
EBITDA margin	93.4%	85.2%	65.1%	58.2%	70.9%	-	78.8%
Significant items	-	-	-	-	-	-	-
<b>EBITDA</b>	<b>270</b>	<b>93</b>	<b>25</b>	<b>17</b>	<b>40</b>	<b>9</b>	<b>184</b>
Depreciation & amortisation	(76)	(41)	(12)	(12)	(26)	-	(91)
Net finance costs	(14)	(17)	(6)	(6)	(20)	-	(49)
Foreign exchange	-	-	-	-	-	-	-
Share of equity accounted losses/profits	-	-	-	-	-	-	-
<b>Profit/(loss) before tax</b>	<b>180</b>	<b>35</b>	<b>7</b>	<b>(1)</b>	<b>(6)</b>	<b>9</b>	<b>44</b>
Income tax benefit (expense)	(31)	6	(3)	-	6	(2)	7
<b>Profit after tax</b>	<b>149</b>	<b>41</b>	<b>4</b>	<b>(1)</b>	<b>-</b>	<b>7</b>	<b>51</b>
<b>Ownership</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>75.1%</b>	<b>100.0%</b>	

# RESULT BY ASSET – 100%

CONSOLIDATED ASSETS – 31 DECEMBER 2014 (\$ MILLIONS)													
	GATEWAY MOTORWAY	LOGAN MOTORWAY	CLEM7	GO BETWEEN BRIDGE	CORP QLD	TOTAL QUEENSLAND	495 EXPRESS LANES	95 EXPRESS LANES	DRIVE	CORP US	TOTAL US	OTHER	TOTAL CONSOL GROUP
Toll revenue	95	73	24	6	-	198	19	-	-	-	19	-	738
Fee & other revenue	8	7	1	-	-	16	4	-	-	2	6	-	72
<b>Total revenue</b>	<b>103</b>	<b>80</b>	<b>25</b>	<b>6</b>	<b>-</b>	<b>214</b>	<b>23</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>25</b>	<b>-</b>	<b>810</b>
Total cost	(28)	(27)	(14)	(2)	-	(71)	(13)	-	(3)	-	(16)	(9)	(213)
<b>Underlying EBITDA</b>	<b>75</b>	<b>53</b>	<b>11</b>	<b>4</b>	<b>-</b>	<b>143</b>	<b>10</b>	<b>-</b>	<b>(3)</b>	<b>2</b>	<b>9</b>	<b>(9)</b>	<b>597</b>
Underlying EBITDA margin	80.8%	72.4%	45.6%	75.3%	-	73.3%	48.5%	-	-	-	-	-	24.6%
Significant items	-	-	-	-	(406)	(406)	-	-	-	-	-	(10)	(416)
<b>EBITDA</b>	<b>75</b>	<b>53</b>	<b>11</b>	<b>4</b>	<b>(406)</b>	<b>(263)</b>	<b>10</b>	<b>-</b>	<b>(3)</b>	<b>2</b>	<b>9</b>	<b>(19)</b>	<b>181</b>
Depreciation & amortisation	(45)	(17)	(19)	(4)	-	(85)	(10)	-	(1)	-	(11)	(12)	(275)
Net finance costs	-	-	(8)	-	(111)	(119)	(25)	-	-	(39)	(64)	(35)	(281)
Foreign exchange	-	-	-	-	-	-	-	-	-	(8)	(8)	-	(8)
Share of equity accounted losses/profits	-	-	-	-	-	-	-	-	-	-	-	9	9
<b>Profit/(loss) before tax</b>	<b>30</b>	<b>36</b>	<b>(16)</b>	<b>-</b>	<b>(517)</b>	<b>(467)</b>	<b>(25)</b>	<b>-</b>	<b>(4)</b>	<b>(45)</b>	<b>(74)</b>	<b>(57)</b>	<b>(374)</b>
Income tax benefit (expense)	4	(1)	2	1	12	18	-	-	4	12	16	10	20
<b>Profit from continuing operations</b>	<b>34</b>	<b>35</b>	<b>(14)</b>	<b>1</b>	<b>(505)</b>	<b>(449)</b>	<b>(25)</b>	<b>-</b>	<b>-</b>	<b>(33)</b>	<b>(58)</b>	<b>(47)</b>	<b>(354)</b>
<b>Ownership</b>	<b>62.5%</b>	<b>62.5%</b>	<b>62.5%</b>	<b>62.5%</b>	<b>62.5%</b>		<b>94%</b>	<b>77.5%</b>	<b>75%</b>	<b>100%</b>		<b>100%</b>	

# RESULT BY ASSET – 100%

## EQUITY ASSETS – 31 DECEMBER 2014 (\$ MILLIONS)

### M5 SOUTH WEST MOTORWAY

### WESTLINK M7

### TOTAL

Toll revenue	98	127	225
Fee & other revenue	10	3	13
<b>Total revenue</b>	<b>108</b>	<b>130</b>	<b>238</b>
Total cost	(15)	(18)	(33)
<b>EBITDA</b>	<b>93</b>	<b>112</b>	<b>205</b>
EBITDA margin	95.1%	88.1%	91.1%
Depreciation & amortisation	(38)	(34)	(72)
Net finance costs	(14)	(124)	(138)
<b>Profit/(loss) before tax</b>	<b>41</b>	<b>(46)</b>	<b>(5)</b>
Income tax benefit (expense)	(23)	3	(20)
<b>Net profit</b>	<b>18</b>	<b>(43)</b>	<b>(25)</b>
<b>Ownership</b>	<b>50.0%</b>	<b>50.0%</b>	

# RECONCILIATION

## STATUTORY INCOME STATEMENT TO EBITDA – 31 DECEMBER 2014 (\$ MILLIONS)

	100% CONSOLIDATED ASSETS	NET BUSINESS DEVELOPMENT	OFFSET CONSTRUCTION ACCOUNTING DISCLOSURE UNDER AASB I 12	REALLOCATION OF CAPITALISED COSTS	SIGNIFICANT ITEMS	STATUTORY P&L
Toll revenue	738	-	-	-	-	738
Fee & other road revenue	71	-	-	-	-	71
Construction revenue	1	-	151	-	-	152
Business development and other revenue	-	3	-	-	-	3
<b>Total revenue</b>	<b>810</b>	<b>3</b>	<b>151</b>	<b>-</b>	<b>-</b>	<b>964</b>
Operational costs	(187)	-	-	11	-	(176)
Corporate costs	(36)	-	-	2	-	(34)
Business development costs	(9)	(3)	-	6	-	(6)
Construction costs	-	-	(151)	-	-	(151)
Transaction and integration costs	-	-	-	-	(416)	(416)
Capitalised overheads	19	-	-	(19)	-	-
<b>Total costs</b>	<b>(213)</b>	<b>(3)</b>	<b>(151)</b>	<b>-</b>	<b>(416)</b>	<b>(783)</b>
<b>Underlying EBITDA</b>	<b>597</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(416)</b>	<b>181</b>
Significant items	(416)	-	-	-	416	-
<b>EBITDA</b>	<b>181</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>181</b>
Depreciation and amortisation	(275)	-	-	-	-	(275)
Finance income	48	-	-	-	-	48
Finance costs	(337)	-	-	-	-	(337)
Share of equity accounted losses	9	-	-	-	-	9
<b>Profit before tax</b>	<b>(374)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(374)</b>
Income tax benefit	20	-	-	-	-	20
<b>Profit from continuing operations</b>	<b>(354)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(354)</b>

# RECONCILIATION

## STATUTORY EBITDA TO PROPORTIONAL EBITDA

	31 DEC 14 (\$M)	31 DEC 13 (\$M)	% CHANGE
<b>Statutory EBITDA</b>	<b>181</b>	<b>381</b>	<b>(52.5%)</b>
Less: EBITDA attributable to Non-controlling interest - Eastern Distributor	(10)	(9)	(16.2%)
Less: EBITDA attributable to Non-controlling interest - 495 Express Lanes	(1)	-	(100.0%)
Less: EBITDA attributable to Non-controlling interest - DRIVE operations	1	-	100.0%
Less: EBITDA attributable to Non-controlling interest – Queensland	98	-	100.0%
Add: M5 proportional EBITDA	47	44	5.6%
Add: M7 proportional EBITDA	56	48	16.8%
Add: Pocahontas proportional EBITDA	-	4	(100.0%)
Add: DRIVE proportional EBITDA	-	(3)	100.0%
Add: 495 proportional EBITDA	-	(2)	100.0%
<b>Proportional EBITDA</b>	<b>372</b>	<b>463</b>	<b>(19.8%)</b>

# RESULT BY ASSET – 100%

	CONSOLIDATED ASSETS – 31 DECEMBER 2013 (\$ MILLIONS)						TOTAL
	CITYLINK	HILLS M2	LANE COVE TUNNEL	M1 EASTERN DISTRIBUTOR	ROAM TOLLING AND TOLLAUST	OTHER	
Toll revenue	269	94	35	53	-	-	451
Fees and other revenue	26	3	2	1	13	20	65
<b>Total revenue</b>	<b>295</b>	<b>97</b>	<b>37</b>	<b>54</b>	<b>13</b>	<b>20</b>	<b>516</b>
Total cost	(52)	(19)	(14)	(20)	(6)	(24)	(135)
<b>EBITDA</b>	<b>243</b>	<b>78</b>	<b>23</b>	<b>34</b>	<b>7</b>	<b>(4)</b>	<b>381</b>
EBITDA margin	90.3%	83.7%	64.7%	64.8%	-	-	84.6%
Depreciation and amortisation	(73)	(37)	(12)	(26)	(1)	(11)	(160)
Net finance costs	(17)	(26)	(7)	(19)	-	(60)	(129)
Foreign exchange	-	-	-	-	-	-	-
Share of equity accounted losses/profits	-	-	-	-	-	(15)	(15)
<b>Profit/(loss) before tax</b>	<b>153</b>	<b>15</b>	<b>4</b>	<b>(11)</b>	<b>6</b>	<b>(90)</b>	<b>77</b>
Income tax benefit (expense)	(21)	8	(2)	5	(2)	16	4
<b>Net profit</b>	<b>132</b>	<b>23</b>	<b>2</b>	<b>(6)</b>	<b>4</b>	<b>(74)</b>	<b>81</b>
<b>Ownership</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>75.1%</b>	<b>100.0%</b>	<b>100.0%</b>	

# RESULT BY ASSET – 100%

	EQUITY ASSETS – 31 DECEMBER 2013 (\$ MILLIONS)					TOTAL
	M5 SOUTH WEST MOTORWAY	WESTLINK M7	POCAHONTAS 895	495 EXPRESS LANES	DRIVE	
Toll revenue	93	115	9	12	-	229
Fee and other revenue	9	2	-	3	-	14
<b>Total revenue</b>	<b>102</b>	<b>117</b>	<b>9</b>	<b>15</b>	<b>-</b>	<b>243</b>
Total cost	(14)	(22)	(3)	(19)	(3)	(61)
<b>EBITDA</b>	<b>88</b>	<b>95</b>	<b>6</b>	<b>(4)</b>	<b>(3)</b>	<b>182</b>
EBITDA margin	94.0%	83.3%	61.8%	(35.3%)	-	79.4%
Depreciation and amortisation	(36)	(34)	-	(11)	-	(81)
Net finance costs	(13)	(152)	(11)	(36)	(1)	(213)
<b>Profit/(loss) before tax</b>	<b>39</b>	<b>(91)</b>	<b>(5)</b>	<b>(51)</b>	<b>(4)</b>	<b>(112)</b>
Income tax benefit (expense)	(22)	9	8	-	17	12
<b>Net profit</b>	<b>17</b>	<b>(82)</b>	<b>3</b>	<b>(51)</b>	<b>13</b>	<b>(100)</b>
<b>Ownership</b>	<b>50.0%</b>	<b>50.0%</b>	<b>75.0%</b>	<b>67.5%</b>	<b>75.0%</b>	

# RECONCILIATION

	STATUTORY INCOME STATEMENT TO EBITDA – 31 DECEMBER 2013 (\$ MILLIONS)					
	100% CONSOLIDATED ASSETS	OTHER REVENUE REALLOCATION	NET BUSINESS DEVELOPMENT	OFFSET CONSTRUCTION ACCOUNTING DISCLOSURE UNDER AASB 112	REALLOCATION OF CAPITALISED COSTS	STATUTORY P&L
Toll revenue	451	-	-	-	-	451
Fee & other road revenue	48	(1)	-	-	-	47
Construction revenue	17	-	-	37	-	54
Business development and other revenue	-	2	18	-	-	20
<b>Total revenue</b>	<b>516</b>	<b>1</b>	<b>18</b>	<b>37</b>	<b>-</b>	<b>572</b>
Operational costs	(104)	(1)	(12)	-	4	(113)
Corporate costs	(19)	-	-	-	1	(18)
Business development costs	(8)	-	(6)	-	5	(9)
Construction costs	(14)	-	-	(37)	-	(51)
Capitalised overheads	10	-	-	-	(10)	-
<b>Total costs</b>	<b>(135)</b>	<b>(1)</b>	<b>(18)</b>	<b>(37)</b>	<b>-</b>	<b>(191)</b>
<b>EBITDA</b>	<b>381</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>381</b>
Depreciation and amortisation	(160)	-	-	-	-	(160)
Finance income	58	-	-	-	-	58
Finance costs	(187)	-	-	-	-	(187)
Share of equity accounted losses	(15)	-	-	-	-	(15)
<b>Profit before tax</b>	<b>77</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77</b>
Income tax benefit	4	-	-	-	-	4
<b>Net profit for the year</b>	<b>81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81</b>



# FREE CASH FLOW

	31 DEC 14 (\$M)	31 DEC 13 (\$M)	% CHANGE
Cash flows from operating activities before transaction and integration cash payments	379	227	67.0%
Less transaction and integration cash payments from non 100 per cent owned entities	(406)	-	(100.0%)
<b>Cash flows from operating activities (refer Group Statutory accounts)</b>	<b>(27)</b>	<b>227</b>	<b>(112.3%)</b>
Add back cash payments for maintenance of intangible assets	53	7	613.3%
Add back transaction and integration cash payments from non 100 per cent owned entities	406	-	100%
Less consolidated cash flows from non 100 per cents owned entities*	(187)	(42)	(345.2%)
	<b>245</b>	<b>192</b>	<b>27.1%</b>
<i>Adjust: dividends and distributions received and maintenance expenditure</i>			
M1 Eastern Distributor – distribution	14	13	9.4%
M5 Interlink – distribution and Term Loan Note interest	27	28	(2.9%)
Transurban Queensland – distribution and shareholder loan note interest	52	-	100.0%
M7 Term Loan Note interest	57	21	172.4%
Allowance for maintenance of capital expenditure for CityLink, Hills M2 and Lane Cove Tunnel, Cross City Tunnel and e-Tag expenditure	(17)	(14)	(19.1%)
<b>Free cash</b>	<b>378</b>	<b>240</b>	<b>57.5%</b>

\* Consolidated cash flows from non 100 per cent owned entities includes Eastern Distributor, Transurban Queensland, DRiVe and 495 Express Lanes. In the pcp, this included Eastern Distributor only.

# RECONCILIATION OF FREE CASH

	31 DEC 14 (\$M)	31 DEC 13 (\$M)	% CHANGE
<b>Proportional EBITDA</b>	<b>636</b>	<b>463</b>	<b>37.4%</b>
<i>Adjusted for proportional:</i>			
Maintenance provision	33	24	34.8%
Operating and working capital movements	(3)	(18)	(84.9%)
Non-cash items	(11)	(7)	64.2%
Net interest paid	(233)	(214)	8.7%
Tax paid	(13)	(12)	9.2%
<b>Proportional operating cash</b>	<b>409</b>	<b>236</b>	<b>73.3%</b>
Excludes operating cash contribution from M1, M7, M5 and DRIVE	(164)	(44)	275.2%
Includes distributions from M1 and M5	149	62	143.4%
Maintenance of intangibles provision recognised in 100% assets (including tags purchased)	(16)	(14)	17.2%
<b>Free cash</b>	<b>378</b>	<b>240</b>	<b>57.5%</b>
Weighted average number of securities issued (millions)	1,906	1,486	28.4%
<b>Free cash per security (cents) weighted average securities</b>	<b>19.8</b>	<b>16.2</b>	<b>22.4%</b>

# MAINTENANCE PROVISION RECONCILIATION

ADDITIONAL MAINTENANCE PROVISION RECOGNISED DURING THE YEAR	31 DEC 14 (\$M)	31 DEC 13 (\$M)
CityLink	7	7
Hills M2	3	2
Lane Cove Tunnel	3	3
Cross City Tunnel	3	-
M1 – Eastern Distributor	6	8
M5 South West Motorway	2	2
Westlink M7	(1)	4
Gateway Motorway	3	-
Logan Motorway	8	-
Go Between Bridge	-	-
CLEM7	3	-
Pocahontas 895	-	1
495 Express Lanes	3	5

CASH SPEND	31 DEC 14 (\$M)	31 DEC 13 (\$M)
CityLink	(3)	(5)
Hills M2	(3)	1
Lane Cove Tunnel	(2)	-
Cross City Tunnel	-	-
M1 – Eastern Distributor	(12)	(3)
M5 South West Motorway	-	(1)
Westlink M7	-	-
Gateway Motorway	-	-
Logan Motorway	(32)	-
Go Between Bridge	-	-
CLEM7	-	-
Pocahontas 895	-	-
495 Express Lanes	(1)	-

US dollar entity results have been translated to Australian dollars for presentation purposes.

Asset values presented at 100%.



# NET FINANCE COSTS PAID

	31 DEC 14 (\$M)		31 DEC 13 (\$M)	
	NET INTEREST PAID (100%)	NET INTEREST PAID (PROP)	NET INTEREST PAID (100%)	NET INTEREST PAID (PROP)
CityLink	(12)	(12)	(15)	(15)
Hills M2	(24)	(24)	(22)	(22)
Lane Cove Tunnel	(5)	(5)	(6)	(6)
Cross City Tunnel	(3)	(3)	-	-
M1 ED – Other	(16)	(12)	(23)	(17)
DRIVe	-	-	(6)	(5)
495 Express Lanes	(6)	(6)	(16)	(11)
Transurban Queensland	(73)	(46)	-	-
Corporate – M7 TLN	57	57	21	21
Corporate – M5 TLN	2	2	1	1
Corporate – Other	(100)	(100)	(109)	(109)
Corporate – Cross City Tunnel	(1)	-	-	-
M5 South West Motorways	(10)	(5)	(12)	(6)
M5 South West Motorways - TLN	(3)	(2)	(2)	(1)
Westlink M7 – TLN	(114)	(57)	(42)	(21)
Westlink M7 – Other	(41)	(20)	(47)	(23)

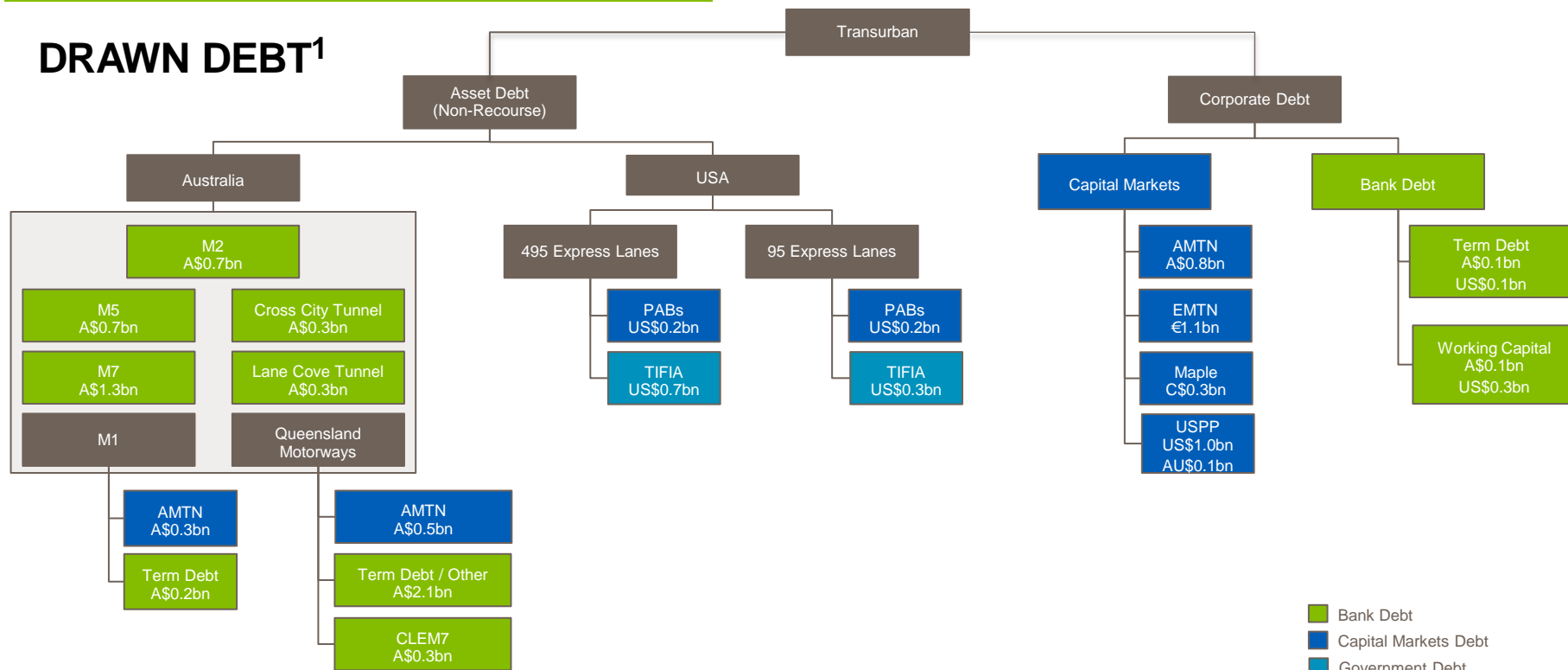
# APPENDIX 3

## DETAILED TREASURY AND FUNDING



# FUNDING STRUCTURE

## DRAWN DEBT<sup>1</sup>



<sup>1</sup>. Debt values are drawn debt in the currency of issue as at 31 December 2014 including accreted interest; the debt values exclude the impact of cross-currency swaps. The full value of drawn debt is shown which overstates Transurban's ownership share of the debt. Excludes letters of credit.

# GROUP DEBT AT 31 DECEMBER 2014

CORPORATE DRAWN DEBT	AUD (\$ MILLION)	USD (\$ MILLION)
Working capital lines <sup>1</sup>	130	251
Term bank debt	125	93
US Private Placements	1,201	162
Domestic AUD bonds	800	—
EMTN (C\$ and Euro Notes)	1,465	305
<b>Total</b>	<b>3,721</b>	<b>811</b>
Separate letters of credit <sup>2</sup>	42	28

NON RECOURSE (AUD \$ MILLION)	ASSET DEBT	OWNERSHIP	PROPORTIONAL
Sun Group <sup>3</sup>	2,566	62.5%	1,604
Clem 7 <sup>4</sup>	270	62.5%	169
Lane Cove Tunnel	260	100.0%	260
Cross City Tunnel	277	100.0%	277
M1 – Eastern Distributor	525	75.1%	394
Hills M2 – Hills Motorway	740	100.0%	740
M5 Interlinks Roads <sup>5</sup>	711	50.0%	355
Westlink M7	1,270	50.0%	635
<b>Total</b>	<b>6,619</b>		<b>4,434</b>

NON RECOURSE (US \$ MILLION)	ASSET DEBT	OWNERSHIP	PROPORTIONAL
495 Express Lanes – Senior <sup>6</sup>	225	94.0%	211
495 Express Lanes – TIFIA	702	94.0%	660
95 Express Lanes – Senior	242	77.5%	188
95 Express Lanes – TIFIA <sup>7</sup>	297	77.5%	230
<b>Total</b>	<b>1,466</b>		<b>1,289</b>

1. A\$850m facilities. A\$398m available after deducting A\$26m letters of credit issued and converting US\$ at the spot exchange rate (\$0.8202 at 31 December 2014). Where drawings under a facility after the FX conversion exceed the facility limit, the amount available is assumed to be zero.

2. Issued in relation to corporate, CityLink, Hills M2 and 95 Express Lanes.

3. A\$334m in available facilities (A\$209m proportional).

4. A\$5m in available working capital facilities (A\$3m proportional).

5. A\$24m in available facilities including letter of credit and standby facilities (A\$12m proportional).

6. Letters of credit maturing in June 2016 for the same value support the 495 Express Lanes Senior bonds.

7. US\$9m undrawn TIFIA facility (US\$7m proportional).

# TOTAL GROUP DRAWN DEBT

## PROPORTIONAL BASIS

AUD <sup>1</sup>	31 DEC 2014 (\$M)	30 JUNE 2014 (\$M)	MOVEMENT (\$M)	EXPLANATION <sup>3</sup>
Corporate	3,721	3,268	453	A\$833 million Euro Notes raised and used to prepay A\$375 million term debt. A\$136 million US private placement repaid with remaining proceeds. A\$130 million in working capital lines also drawn.
Non recourse	4,434	2,634	1,800	A\$1,604 million debt raised to fund Queensland Motorway and A\$169 million Clem 7 debt acquired. A\$23 million drawn for M5 widening project and A\$5 million increase for M7 refinance upfront fees.
<b>Total</b>	<b>8,155</b>	<b>5,902</b>	<b>2,253</b>	

USD <sup>2</sup>	31 DEC 2014 (\$M)	30 JUNE 2014 (\$M)	MOVEMENT (\$M)	EXPLANATION <sup>3</sup>
Corporate	811	793	18	US\$18 million increase in working capital drawn.
Non recourse	1,289	1,197	92	Increase in TIFA funding comprising US\$74 million drawings and US\$3 million accreted interest for 95 Express Lanes and US\$14 million accreted interest for 495 Express Lanes.
<b>Total</b>	<b>2,100</b>	<b>1,990</b>	<b>110</b>	

1. A\$ represents debt issued in A\$ plus debt that has been issued in C\$, Euro and US\$ and has been swapped back into A\$.

2. US\$ represents debt issued in US\$ (including 95 Express Lanes, 495 Express Lanes and tranche C of the 2006 USPP which was not swapped back to A\$) and debt issued in Euro that has been swapped back in to US\$.

3. Amounts may differ due to rounding.



# KEY DEBT METRICS

	31 DECEMBER 2014			30 JUNE 2014		
	TRANSURBAN GROUP	CORPORATE	NON RECOURSE	TRANSURBAN GROUP	CORPORATE	NON RECOURSE
Weighted average maturity (years) <sup>1</sup>	7.6 yrs	4.8 yrs	9.2 yrs	7.5 yrs	3.9 yrs	10.4 yrs
Weighted average cost of AUD debt <sup>2</sup>	5.7%	6.2%	5.3%	6.3%	6.4%	6.2%
Weighted average cost of USD debt <sup>2</sup>	4.0%	3.1%	4.5%	4.0%	3.1%	4.5%
Hedged <sup>3</sup>	86.0%	88.3%	84.2%	94.1%	91.6%	96.8%
Gearing (proportional debt to enterprise value) <sup>4</sup>	39.6%			36.4% <sup>5</sup>		
Corporate senior interest cover ratio (historical ratio for 12 months)	3.3			2.9		
Corporate debt rating (S&P / Moody's / Fitch)	A- / Baa1/ A-			A- / Baa1/ A-		

1. Weighted average maturity calculated on drawn funds at A\$ value of debt. C\$, Euro and US\$ debt converted at the hedged rate where cross currency swaps are in place. Unhedged US\$ debt converted at the spot exchange rate (\$0.8202 at 31 December 2014 and \$0.9420 at 30 June 2014 ).

2. Weighted on a proportional drawn debt basis.

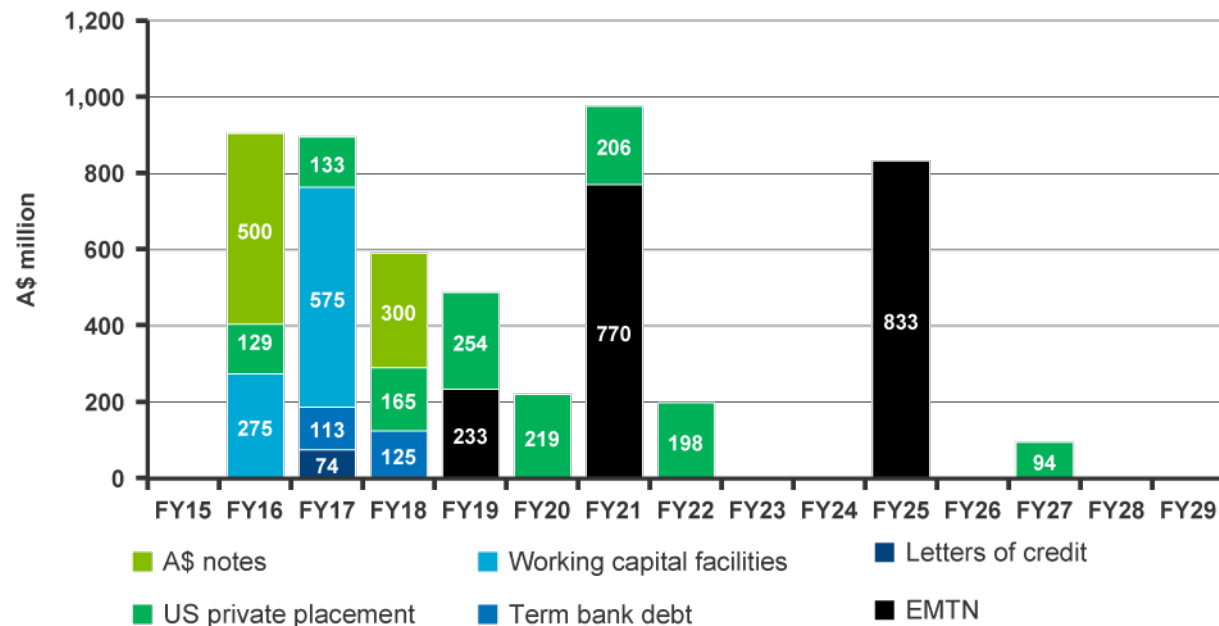
3. Hedged percentage comprises fixed rate debt and floating debt that has been hedged and is a weighted average of total proportional drawn debt in A\$.

4. Proportional Group drawn debt in A\$, C\$, Euro and US\$ debt converted at the hedged rate where cross currency swaps are in place. Unhedged US\$ debt converted at the spot exchange rate (\$0.8202 at 31 December 2014 and \$0.9420 at 30 June 2014 ). The security price was \$8.58 at 31 December 2014 and \$7.39 at 30 June 2014 with 1,906m securities on issue at 31 December 2014 and 1,896m securities on issue at 30 June 2014).

5. 41.0% after adjusting for Queensland Motorways debt which was raised/closed on 2 July 2014.

# CORPORATE DEBT MATURITIES

## BY FINANCIAL YEAR – AS AT 31 DECEMBER 2014

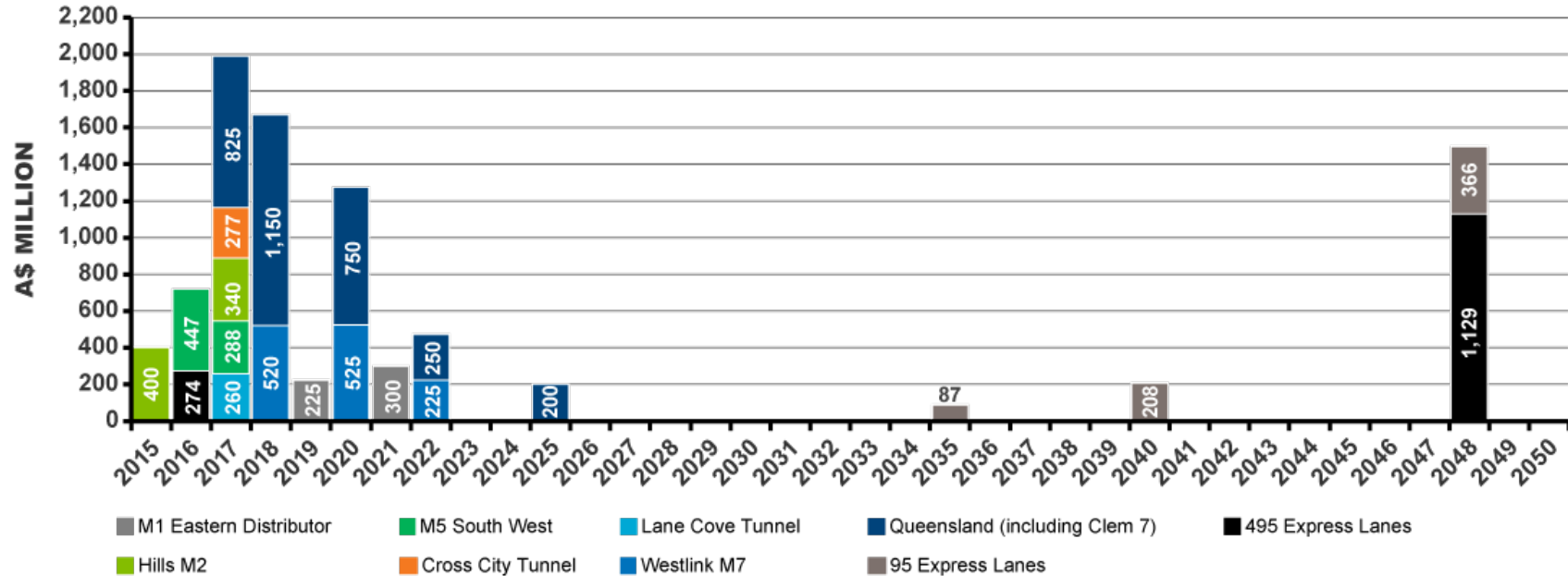


1. Debt is shown in the financial year in which it matures.

2. Debt values are in A\$ as at 31 December 2014. C\$, Euro and US\$ debt are converted at the hedged rate where cross currency swaps are in place. Unhedged US\$ debt is converted to A\$ at the spot exchange rate (\$0.8202 at 31 December 2014).

# ASSET DEBT MATURITIES

## BY FINANCIAL YEAR – AS AT 31 DECEMBER 2014



1. The full value of debt facilities is shown as this is the value of debt for refinancing purposes. This overstates Transurban's ownership share of the debt.
2. Debt is shown in the financial year in which it matures.
3. US\$ debt is converted to A\$ at the spot exchange rate (\$0.8202 at 31 December 2014).
4. The A\$274m maturing in 2016 is the letters of credit that support the 495 Express Lanes Senior bonds maturing in 2048.

# APPENDIX 4

PORTFOLIO SUMMARY





# OPERATING ASSET PORTFOLIO

## SUMMARY STATISTICS

	CITYLINK	M5 SOUTH WEST MOTORWAY	HILLS M2	M1 EASTERN DISTRIBUTOR	WESTLINK M7	LANE COVE TUNNEL	CROSS CITY TUNNEL
OVERVIEW	VIC	NSW	NSW	NSW	NSW	NSW	NSW
Opening date	Dec 2000	Aug 1992	May 1997	Dec 1999	Dec 2005	Mar 2007	Aug 2005
Concession period from financial close	34 years (1) <sup>1</sup>	34.3 years	49 years (2) <sup>2</sup>	48 years	31 years (10) <sup>2</sup>	30 years (10) <sup>2</sup>	30 years
Concession date	Jan 2035	Dec 2026	Jun 2048	Jul 2048	Jun 2048	Jun 2048	Dec 2035
PHYSICAL DETAILS							
Length – total	22km in 2 sections	22km	21km	6km	40km	3.8km	2.1km
Length – surface	16.8km	22km	20.4km	4.3km	40km	0.3km	0 km
Length – tunnel	5.2km	–	0.6km	1.7km	–	3.5km	2.1km
Lanes	2x4 in most sections	2x3 <sup>3</sup>	2x3	2x3 2x2 some sections	2x2	2x2 2x3 some sections	2x2 2x3 some ramp sections
OWNERSHIP							
TCL ownership	100%	50%	100%	75.1%	50%	100%	100%
TOLLING							
ETC status	Electronic	Electronic	Electronic	Electronic	Electronic	Electronic	Electronic
Truck multiplier	LCV: 1.6x   HCV: 1.9x	moving to 3.0x	3x	2x	1x (3x) <sup>4</sup>	2x(3x) <sup>4</sup>	2x
Toll escalation	Refer to the next slide						
Toll increase increment	\$0.50						

1. Under terms of CityLink Tulla widening in-principle agreement with the Victorian Government, extension of the concession term by a period of one year.

2. Concession extensions following the financial close of NorthConnex.

3. Configuration post M5 widening.

4. Truck toll multiplier increase over a 2 year period, following the financial close of NorthConnex.

# OPERATING ASSET PORTFOLIO

## SUMMARY STATISTICS

	GATEWAY	LOGAN	CLEM7	GO BETWEEN BRIDGE	LEGACY WAY	495 EXPRESS LANES	95 EXPRESS LANES
OVERVIEW	QLD	QLD	QLD	QLD	QLD	USA	USA
Opening date	Dec 1986	Dec 1988	Mar 2010	July 2010	Q4FY15	Nov 2012	Jan 2015
Concession period from financial close	37 years	37 years	37 years	49 years	50 years	73 years	73 years
Concession date	Dec 2051	Dec 2051	Aug 2051	Dec 2063	June 2065	Dec 2087	Dec 2087
PHYSICAL DETAILS							
Length – total	23.1	38.7 <sup>1</sup>	6.8	0.3	5.7	22km	46.6km
Length – surface	23.1	38.7	2.0	0.3	1.1	22km	46.6km
Length – tunnel	-	-	4.8	-	4.6	-	-
Lanes	6,8 and 10 (various) 12 Gateway Bridge	2x2	2x2	2x2	2x2	2x2 HOT lanes	2 and 3 reversible HOT lanes
OWNERSHIP							
TCL ownership	62.5%	62.5%	62.5%	62.5%	62.5%	94%	77.5%
TOLLING							
ETC status	Electronic	Electronic	Electronic	Electronic	Electronic	Electronic	Electronic
Truck multiplier	LCV – 1.5x HCV – 2.65x	LCV – 1.5x HCV – 2.65x	LCV – 1.5x HCV – 2.65x	LCV – 1.5x HCV – 2.65x	TBD	No multiplier trucks >2 axle not permitted	No multiplier trucks >2axle not permitted
Toll escalation	On next slide					Dynamic no cap	Dynamic no cap
Toll increase increment							

1. Length includes 9.8km of Gateway Extension Motorway.

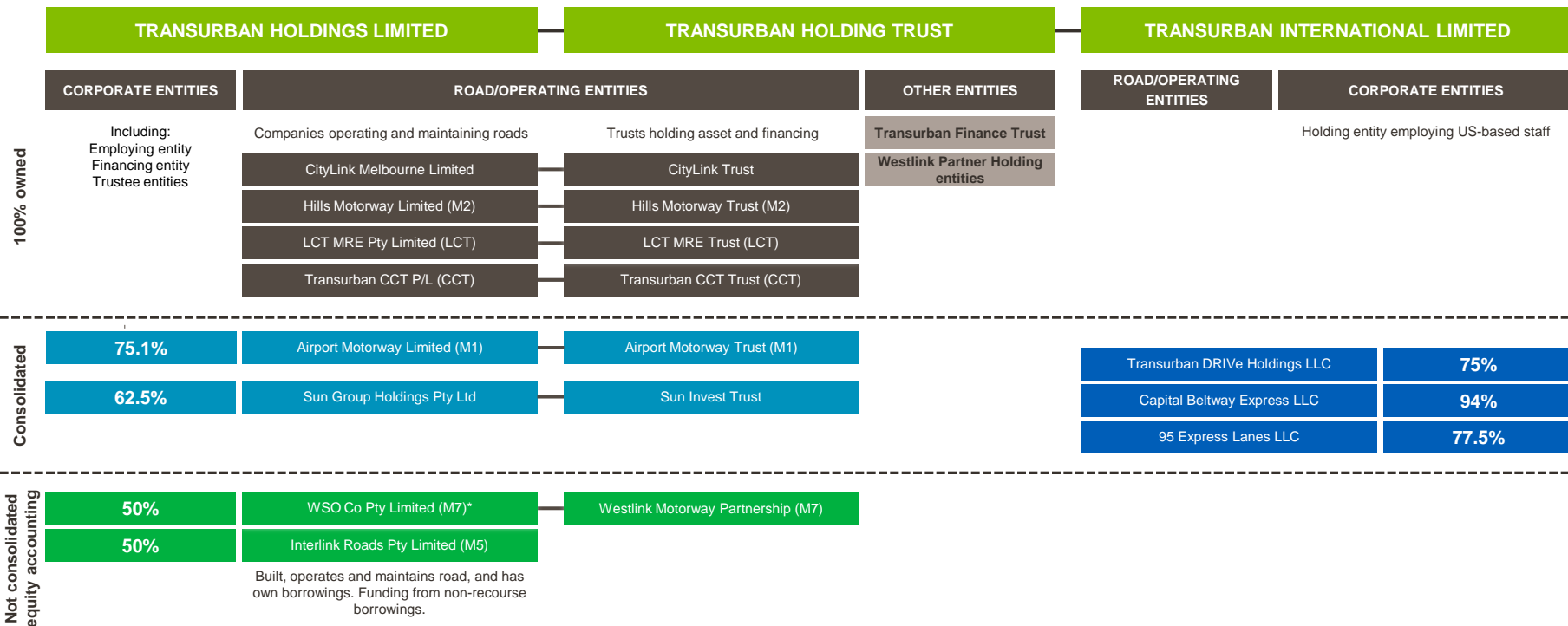
# TOLLING ESCALATION

## EMBEDDED INFLATION PROTECTION

MOTORWAY	ESCALATION <sup>1</sup>
CityLink	Escalated quarterly by the greater of quarterly CPI or 1.1065% (being 4.5% p.a. as a quarterly compound rate) for the first 15 years, then quarterly by CPI. This is subject to a cap of annual CPI plus 2.5%, which cannot be exceeded. Under the terms of the CityLink Tulla widening, escalation at the greater of quarterly CPI or 1.1065% would be retained for 1 additional year.
Hills M2	Escalated quarterly by the greater of quarterly CPI or 1%.
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.
M1 Eastern Distributor	Escalated quarterly by the greater of a weighted sum of quarterly AWE and quarterly CPI or 1%.
Westlink M7	Escalated or deescalated quarterly by quarterly CPI.
M5 South West 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.
Cross City Tunnel	Escalated 4% annually to December 2011; 3% annually to December 2017; CPI to concession end
Logan	Tolls escalate annually at Brisbane CPI
Gateway	Tolls escalate annually at Brisbane CPI
CLEM7	Tolls escalate annually at Brisbane CPI
Go Between Bridge	Tolls escalate annually at Brisbane CPI
Legacy Way	Tolls escalate annually at Brisbane CPI
495 Express Lanes	Dynamic, uncapped
95 Express Lanes	Dynamic, uncapped

1. Escalation description denotes theoretical toll only. Actual toll increases on M1, Hills M2 and M5 in Sydney are based on the rounding of theoretical tolls in 50 cent increments.

# SUMMARISED GROUP STRUCTURE



\*NorthConnex impact on structure not reflected – no change expected to operating/tax reporting entity.

# FY15 HALF-YEAR RESULTS

12 FEBRUARY 2015

