Transurban Stapled Group
Appendix 4D
Half-year ended 31 December 2008

(Previous corresponding period:
Half-year ended 31 December 2007)

The Transurban Stapled Group comprises the following entities:

Transurban Holdings Limited (ABN 86 098 143 429)
Transurban Holding Trust (ABN 30 169 362 255)
Transurban International Limited (ARBN 121 746 825)

Results for announcement to the market

- Revenues from continuing operations increased 7.3 per cent to $575,180,000
- Profit from continuing operations after tax decreased 65.0 per cent to $3,211,000
- Net profit decreased 86.0 per cent to $3,211,000
- Net profit attributable to members decreased 86.4 per cent to $1,896,000
- Toll and Fee revenues on an underlying proportional basis* increased by 9.7 per cent to $415,831,000
- EBITDA on an underlying proportional basis* increased 11.6 per cent to $297,263,000

Distributions

	Amount per Security	Franked amount per Security
Interim distribution (declared prior to balance date)	11.0 cents	Unfranked
Interim distribution from the previous corresponding period	28.0 cents	Unfranked
Final distribution (prior year)	29.0 cents	Unfranked
Record date for determining entitlements to distribution	31 December 2008	
Date of payment of interim distribution	27 February 2009	

Distribution Reinvestment Plan ("DRP")

The Distribution Reinvestment Plan ("DRP") entitles security holders to receive additional Stapled Securities in substitution for some or all cash distributions in respect of their Stapled Securities. Stapled securities issued under the DRP for the current period's interim distribution is subject to a discount to market price of 2.5 per cent (there was no discount applied in the prior corresponding period's interim distribution). The last date for the receipt of an election notice for participation in the reinvestment plan was 31 December 2008.

Explanation of results

For further explanation of the results please refer to the accompanying ASX release and "Review of Operations" within the Directors' Report of the Half-year Report.

Note
* The Group's proportional result more clearly reflects the underlying business performance. In addition, the exclusion of certain items permits a more appropriate and meaningful analysis of the Group's underlying performance on a comparative basis. The Group acknowledges that this presentation differs from the statutory accounting format.

Other information required by Listing Rule 2A.3

The remainder of information requiring disclosure to comply with Listing Rule 2A.3 is contained in the attached Additional Information, Half-year Report (which includes the Directors' Report) and the ASX Release.

Additional Information

Changes in controlled entities

Current year

On 28 August 2008, Transurban completed its acquisition of an additional 2.5 per cent of the Westlink M7 for consideration of $38.0 million. As part of the acquisition the Group acquired 100 per cent of the issued capital of LMI Westlink Partner Holding No. 2 Pty Limited and its subsidiary LMI Westlink Partner No. 2 Pty Limited.

The acquired entities did not have a material effect on the results of the Group for the half year period.

Prior year

On 10 September 2007, the Transurban Group transferred Transurban (895) US Holdings LLC and its controlled entities, the owners of the Pocahontas Parkway to Transurban DRIVe Holdings LLC, a vehicle in which Transurban has an equity interest of 75.0 per cent for consideration of $205,754,000. The disposed business contributed a loss of $1,894,000 to the Transurban Group's net profit until the loss of control (the disposed businesses contribution to the previous corresponding period was a profit of $13,725,000).

Investments in associates and joint venture entities

The Transurban Group has investments in the following associates and joint venture entities:

Name of company	**Ownership Interest**		**Net profit/(loss) contribution to the Transurban Group**	
	2008	2007	**2008**	2007
	%	%	**$'000**	$'000
WSO Company Pty Limited	**50.0**	47.5	**-**	-
Westlink Motorway Limited	**50.0**	47.5	**-**	-
WSO Finance Company	**50.0**	47.5	**-**	-
Westlink Motorway Partnership	**50.0**	47.5	**(7,556)**	-
Interlink Roads Pty Limited	**50.0**	50.0	**(677)**	(1,271)
Transtoll Pty Limited	**-**	20.5	**-**	(443)
Transurban DRIVe Holding LLC	**75.0**	75.0	**(8,374)**	(9,048)
			(16,607)	(10,762)

The Transurban Group increased its equity interest from 47.5 per cent to 50.0 per cent in the Westlink M7 Motorway on 28 August 2008.

The Group's investment in Transtoll Pty Limited diluted to less than 1.0 per cent and as a result it is no longer recognised as an associate.

Audit review

This report has been based on accounts which have been reviewed by the Group's auditors. A copy of the unqualified review report can be found in the attached Financial Report

E. Mildwater

Elizabeth Mildwater
Company Secretary
17 February 2009

Transurban Holdings Limited and Controlled Entities ABN 86 098 143 429

(including Transurban International Limited and Transurban Holding Trust)

Interim financial report for the half-year ended 31 December 2008

Transurban Holdings Limited ABN 86 098 143 429
Interim financial report - 31 December 2008

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Transurban Holdings Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001.*

Directors' report

The directors of Transurban Holdings Limited (THL), Transurban Infrastructure Management Limited (TIML) (as Responsible Entity for Transurban Holding Trust (THT)) and Transurban International Limited (TIL) present their report on the Transurban Group accounts for the half-year ended 31 December 2008.

Group Accounts

The Transurban Group financial statements have been prepared as an aggregation of the financial statements of Transurban Holdings Limited and controlled entities, Transurban Holding Trust and controlled entities, and Transurban International Limited and controlled entities as if all entities operate together. They are therefore treated as a combined entity (the Group), notwithstanding that none of the entities controls any of the others.

The financial statements have been aggregated in recognition of the fact that the securities issued by THL, THT and TIL are stapled into parcels (Stapled Securities), comprising one share in THL, one share in TIL and one unit in THT. None of the components of the Stapled Security can be traded separately.

Directors

The following persons were directors of THL, TIML and TIL during the whole of the half-year and up to the date of this report:

	Transurban Holdings Limited	Transurban Infrastructure Management Limited	Transurban International Limited
Non-executive Directors			
David J Ryan AO	✓	✓	✓
Geoffrey O Cosgriff	✓	✓	
Jeremy G A Davis AM	✓	✓	
Lindsay P Maxsted	✓	✓	
Susan M Oliver	✓	✓	
Christopher J S Renwick AM	✓	✓	
Jennifer Eve			✓
James Keyes			✓
Executive Director			
Christopher J Lynch	✓	✓	✓

At the 2008 Annual General Meeting, it was announced that Ms Oliver and Mr Renwick had indicated that they would retire from the board of THL and TIML at an appropriate time as part of the board renewal process.

Result

The consolidated net profit for the half year ended 31 December 2008 for the Transurban Group was $3,211,000 (2007: $22,890,000). The profit attributable to ordinary equity holders of the Transurban Group was $1,896,000 (2007: $13,930,000).

Review of operations

Key operational achievements for the Transurban Group's assets during the period were as follows:

CityLink (Melbourne)
Traffic volume for the half-year ended 31 December 2008 was 122.7 million transactions, representing a 2.4 per cent decrease on the prior corresponding period. The negative growth was largely the result of construction activity along the Monash-CityLink-Westgate (MCW) Freeway corridor.

The half-year has seen a material ramp up of construction activity along the MCW corridor as the infrastructure upgrade program enters its mid-point phase. The Southern Link Upgrade works being undertaken by Transurban, in alliance with Abigroup and Maunsell, are on track for completion in the second half of the 2009 calendar year.

Toll revenue grew by 8.4 per cent on the prior corresponding period, inclusive of an $8.2 million drawdown from a provision created to offset the impact of construction activity. Excluding this drawdown, toll revenue grew by 4.1 per cent, despite negative traffic growth. The revenue growth was largely attributable to quarterly toll price increases consistent with the CityLink Concession Deed, as well as improved revenue collection, made possible by technological improvements to roadside transaction capture equipment, including cameras.

Hills M2 (Sydney)
Traffic volume for the half-year period ended 31 December 2008 was 17.2 million trips, representing a 1.1 per cent increase on the prior corresponding period. The growth in trip volume combined with improvements in back office revenue recovery processes, resulted in toll revenue of $63.6 million, an increase of 4.9 per cent on the prior corresponding period.

M1 Eastern Distributor (Sydney) – Airport Motorway Group
Traffic volume for the half-year period ended 31 December 2008 was 8.8 million trips, representing a 0.1 per cent decrease on the prior corresponding period. Even though trip growth was negative, toll price increases for cars and trucks in April 2008 and October 2008 respectively, resulted in toll revenue of $39.9 million, an increase of 10.1 per cent on the prior corresponding period.

M4 (Sydney) – Statewide Roads Group
Traffic volume for the half year period ended 31 December 2008 was 20.7 million trips, representing a 1.4 per cent increase on the prior corresponding period. The growth in trip volume combined with a toll price increase for trucks on 24 May 2008 and for cars on 23 August 2008, resulted in toll revenue of $52.6 million, an increase of 18.0 per cent on the prior corresponding period.

M5 (Sydney) – Interlink Roads Pty Limited
Traffic volume for the half-year period ended 31 December 2008 was 21.7 million trips, representing a 1.6 per cent increase on the prior corresponding period. The growth in trip volume combined with a toll increase for trucks on 23 February 2008, resulted in toll revenue of $79.6 million, an increase of 2.0 per cent on the prior corresponding period.

Transurban equity accounts for its 50.0 per cent interest in Interlink Roads Pty Limited.

Westlink M7 (Sydney)
Traffic volume for the half-year period ended 31 December 2008 was 22.1 million trips, representing a 5.9 per cent increase on the prior corresponding period. The growth in trip volume combined with quarterly toll increases in line with CPI, resulted in toll revenue of $79.7 million, an increase of 10.2 per cent on the prior corresponding period.

On 28 August 2008, Transurban completed its acquisition of an additional 2.5 per cent equity interest in Westlink M7. The acquisition involved Transurban exercising its pre-emptive rights following Leighton Contractors' decision to sell its interest. On 1 December 2008, Macquarie Infrastructure Group (MIG) announced that it had accepted a binding offer for its 50.0 per cent interest in Westlink M7. Transurban subsequently notified MIG of its decision not to exercise its pre-emptive right to acquire this stake.

Transurban equity accounts for its 50.0 per cent interest in Westlink M7.

DRIVe - Pocahontas 895 (Virginia USA)
Traffic volume for the half-year ended 31 December 2008 was 2.8 million transactions, representing a decline of 10.1 per cent on the prior corresponding year. Despite the lower traffic volumes, toll revenue increased by 4.4 per cent to US $7.1 million due to toll price increases in January 2008. The traffic numbers for the current period were impacted by record high fuel prices and an economic recession in the USA.

Transurban equity accounts for its 75.0 per cent interest in Transurban DRIVe, the entity which owns Pocahontas 895.

Review of operations (continued)

The Group also continued to pursue new business development opportunities in both the Australian and International markets during the year. Achievements and developments include:

Hills M2 Widening

The NSW Government has approved the NSW Road and Traffic Authority (RTA) to enter negotiations with Transurban to widen and add additional ramps to the Hills M2. The RTA signed the first letter of intent in relation the project in September 2008. Negotiations are currently underway with the RTA with a view to reaching an in principle agreement on the project.

M5 widening

Interlink Roads submitted a proposal to the RTA in September 2008 to improve road capacity and traffic flow on the M5 South West Motorway. The RTA is reviewing Interlink's concepts for improving the M5.

DRIVe - Capital Beltway Project (Virginia, USA)

Transurban DRIVe has an agreement with The Commonwealth of Virginia granting a concession to construct and operate High Occupancy Toll (HOT) Lanes on the Capital Beltway - a ring road that runs around Washington DC. During the period construction progressed and the project remains on schedule for a substantial completion date of December 2012.

Transurban will operate the HOT Lanes for 75 years.

DRIVe - Richmond Airport Connector (Virginia USA)

Transurban DRIVe is undertaking the construction of the Richmond Airport Connector Road connecting the Pocahontas Parkway to the Richmond International Airport in Virginia, USA. Notice to Proceed was issued to the Design-Build Contractor in November 2008. Pre-construction activities are currently underway and construction is expected to commence in March 2009 with completion scheduled for May 2011.

Transurban DRIVe will be the manager and operator of the road.

DRIVe - I-95 / 395 Virginia Project (Virginia USA)

The Transurban-Fluor Enterprise consortium has an agreement with VDOT to develop a 94 kilometre HOV/Bus/HOT lane project in Northern Virginia. Federal environmental approval was issued for the 45 kilometre northern portion of the project (from Washington DC to Dumfries) in early January 2009. All parties are now finalising project details for this section ahead of a financial feasibility assessment.

The federal environmental review of the southern section is continuing but is not expected to be completed before 2010.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001.*

This report is made in accordance with a resolution of directors.

David J Ryan AO
Director

Christopher J Lynch
Director

Melbourne
17 February 2009

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
ABN 52 780 433 757

Freshwater Place
2 Southbank Boulevard
SOUTHBANK VIC 3006
GPO Box 1331L
MELBOURNE VIC 3001
DX 77
website: www.pwc.com/au
Telephone +61 3 8603 1000
Facsimile +61 3 8603 1999

Auditor's Independence Declaration

As lead auditor for the review of Transurban Holdings Limited for the half-year ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Transurban Holdings Limited and the entities it controlled during the period.

John Yeoman
Partner
PricewaterhouseCoopers

Melbourne
17 February 2009

Liability limited by a scheme approved under Professional Standards Legislation

Transurban Holdings Limited
Consolidated income statement
For the half-year ended 31 December 2008

	Notes	Half-year ended **2008** **$'000**	2007 $'000
Revenue from continuing operations			
Toll, fee and other road revenue	3	**371,204**	339,551
Other revenue	3	**203,976**	196,284
		575,180	535,835
Other income	4	**2,997**	9,640
Operational costs		**(89,950)**	(84,505)
Corporate costs	4	**(31,791)**	(16,647)
Business Development		**(18,408)**	(33,427)
Concession Fees		**(3,132)**	(3,160)
Construction costs		**(30,141)**	(9,825)
Depreciation and amortisation expense		**(172,363)**	(165,150)
Finance costs		**(238,439)**	(249,130)
Share of net (losses) of associates and joint venture partnerships accounted for using the equity method		**(16,607)**	(10,762)
(Loss) from continuing operations before income tax		**(22,654)**	(27,131)
Income tax benefit		**25,865**	36,296
Profit from continuing operations		**3,211**	9,165
Profit from discontinued operations	7	**-**	13,725
Profit for the half-year		**3,211**	22,890
Profit is attributable to:			
Ordinary equity holders of the stapled group		**1,896**	13,930
Minority interest		**1,315**	8,960
Net profit for the half-year		**3,211**	22,890
		Cents	Cents
Earnings per security for profit from continuing operations attributable to the ordinary equity holders of the stapled group:			
Basic earnings per stapled security	10	**0.2**	0.0
Diluted earnings per stapled security	10	**0.2**	0.0
		Cents	Cents
Earnings per security for profit attributable to the ordinary equity holders of the stapled group:			
Basic earnings per security	10	**0.2**	1.3
Diluted earnings per security	10	**0.2**	1.3

The above consolidated income statement should be read in conjunction with the accompanying notes.

Transurban Holdings Limited
Consolidated balance sheet
As at 31 December 2008

	31 December 2008 $'000	30 June 2008 $'000
ASSETS		
Current assets		
Cash and cash equivalents	**301,088**	336,545
Trade and other receivables	**178,684**	216,836
Total current assets	**479,772**	553,381
Non-current assets		
Receivables	**372**	1,688
Investments accounted for using the equity method	**674,846**	690,301
Held-to-maturity investments	**609,878**	558,224
Derivative financial instruments	**231,907**	167,829
Property, plant and equipment	**108,436**	100,769
Deferred tax assets	**566,603**	494,591
Intangible assets	**7,970,179**	8,091,675
Total non-current assets	**10,162,221**	10,105,077
Total assets	**10,641,993**	10,658,458
LIABILITIES		
Current liabilities		
Trade and other payables	**139,405**	195,028
Borrowings	**1,132,100**	480,600
Derivative financial instruments	**28,999**	9,855
Current tax liabilities	**60,061**	35,073
Provisions	**220,616**	428,759
Non-interest bearing liabilities	**258,228**	250,307
Total current liabilities	**1,839,409**	1,399,622
Non-current liabilities		
Borrowings	**3,023,352**	3,263,212
Derivative financial instruments	**254,893**	247,718
Deferred tax liabilities	**1,489,407**	1,560,159
Provisions	**115,512**	104,947
Non-interest bearing liabilities	**105,695**	91,689
Total non-current liabilities	**4,988,859**	5,267,725
Total liabilities	**6,828,268**	6,667,347
Net assets	**3,813,725**	3,991,111
EQUITY		
Contributed equity	**7,065,707**	6,846,992
Reserves	**(119,605)**	95,242
Accumulated losses	**(3,420,029)**	(3,282,068)
Minority interest - Transurban International Limited	**51,103**	86,087
Minority interest-other	**236,549**	244,858
Total equity	**3,813,725**	3,991,111

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

	Attributable to members of Transurban Holdings Limited				
Consolidated	**Contributed equity $'000**	**Reserves $'000**	**Retained earnings $'000**	**Minority interest $'000**	**Total $'000**
Balance at 1 July 2007	6,078,487	(18,830)	(2,436,011)	307,326	3,930,972
Adjustment on adoption of AASB-I 12	-	-	(112,157)	(5,116)	(117,273)
Restated total equity at the beginning of the period	**6,078,487**	**(18,830)**	**(2,548,168)**	**302,210**	**3,813,699**
Changes in the fair value of cash flow hedges, net of tax	-	94,895	-	-	94,895
Exchange differences on translation of foreign operation	-	10,648	-	-	10,648
Net income recognised directly in equity	-	105,543	-	-	105,543
Profit for half-year	-	-	13,930	8,960	22,890
Total recognised income and expense for the half-year	**-**	**105,543**	**13,930**	**8,960**	**128,433**
Share-based payments	-	1,375	-	-	1,375
Treasury securities	3,760	-	-	-	3,760
Distribution reinvestment plan	87,883	-	-	-	87,883
Dividends provided for or paid	-	-	(303,297)	-	(303,297)
Dividends provided for or paid to minority interests in subsidiary	-	-	-	(2,596)	(2,596)
Acquisition of additional interest in Airport Motorway Group	-	-	-	(38,373)	(38,373)
	91,643	1,375	(303,297)	(40,969)	(251,248)
Balance at 31 December 2007	**6,170,130**	**88,088**	**(2,837,535)**	**270,201**	**3,690,884**
Balance at 1 July 2008	6,846,992	95,247	(3,201,149)	333,501	4,074,591
Adjustment on adoption of AASB-I 12	-	(5)	(80,919)	(2,556)	(83,480)
Restated total equity at the beginning of the period	**6,846,992**	**95,242**	**(3,282,068)**	**330,945**	**3,991,111**
Changes in the fair value of cash flow hedges, net of tax	-	(213,374)	-	(101,068)	(314,442)
Exchange differences on translation of foreign operation	-	1,585	-	25,938	27,523
Net (expense) recognised directly in equity	-	(211,789)	-	(75,130)	(286,919)
Profit for half-year	-	-	1,896	1,315	3,211
Total recognised income and expense for the half-year	**-**	**(211,789)**	**1,896**	**(73,815)**	**(283,708)**
Contributions of equity, net of transaction costs	8,466	-	-	1,411	9,877
Treasury securities	5,666	-	-	451	6,117
Distribution reinvestment plan	204,583	-	-	34,695	239,278
Distributions provided for or paid	-	-	(139,857)	-	(139,857)
Dividends provided for or paid to minority interests in subsidiaries	-	-	-	(6,035)	(6,035)
Changes in value of share-based payments	-	(3,058)	-	-	(3,058)
	218,715	(3,058)	(139,857)	30,522	106,322
Balance at 31 December 2008	**7,065,707**	**(119,605)**	**(3,420,029)**	**287,652**	**3,813,725**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

	Notes	Half-year ended 2008 $'000	2007 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**411,160**	368,806
Payments to suppliers and employees (inclusive of GST)		**(178,865)**	(153,738)
Interest received		**155,753**	173,101
Other revenue		**13,413**	47,052
Interest paid		**(213,720)**	(202,671)
Income taxes paid		**(19,381)**	(11,613)
Net cash inflow from operating activities		**168,360**	220,937
Cash flows from investing activities			
Payment for purchase of subsidiaries, net of cash acquired	9	**(38,000)**	(13,180)
Payments for investments in associates		**(7,506)**	(308,739)
Payments for intangibles		**(38,819)**	(12,410)
Payments for maintenance of intangibles		**(8,410)**	(17,756)
Payments for property, plant and equipment		**(24,707)**	(19,609)
Payments for acquisition of minority interest in subsidiary		**-**	(46,500)
Payments for available-for-sale financial assets		**-**	(39,259)
Proceeds from sale of available-for-sale financial asset		**-**	52,004
Cash advances		**-**	962
Payment for Monash-CityLink-Westgate freeway upgrade		**-**	(181,691)
Proceeds from sale of subsidiaries (net of cash disposed)	7	**-**	161,430
Payments for derivative financial instruments		**(5,335)**	-
Distributions and dividends received		**14,509**	24,890
Loans to associates		**-**	(65,245)
Repayment of loans by associates		**-**	80,659
Net cash (outflow) from investing activities		**(108,268)**	(384,444)
Cash flows from financing activities			
Proceeds from issue of stapled securities		**9,877**	-
Proceeds from borrowings		**-**	1,068,640
Repayment of borrowings		**(14,500)**	(829,712)
Proceeds from sale of treasury securities		**5,460**	3,760
Payments for treasury securities		**(2,336)**	-
Payments for establishing borrowing facilities		**-**	(2,026)
Distributions paid to Transurban security holders		**(79,319)**	(206,000)
Distributions received on forfeited treasury securities		**97**	-
Distribution paid to minority interests in subsidiaries		**(14,786)**	(9,802)
Loans to related parties		**(600)**	-
Net cash (outflow) inflow from financing activities		**(96,107)**	24,860
Net (decrease) in cash and cash equivalents		**(36,015)**	(138,647)
Cash at bank and infrastructure facility cash reserve at the beginning of the reporting period		**1,852,487**	954,488
Effects of exchange rate changes on cash and cash equivalents		**558**	(2,966)
Cash at bank and infrastructure facility cash reserve at the end of the reporting period		**1,817,030**	812,875
Less infrastructure facility cash reserve		**(1,515,942)**	(465,941)
Cash and cash equivalents at end of the half-year		**301,088**	346,934

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

1 Basis of preparation of half-year report

This general purpose financial report for the interim half-year reporting period ended 31 December 2008 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001.*

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Transurban Holdings Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001.*

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period with the exception of the following:

Initial adoption of AASB Interpretation 12 Service Concession Arrangements

AASB Interpretation 12 Service Concession Arrangements (AASB-I 12) is applicable for the Group's annual reporting period beginning 1 July 2008 and has been adopted for the first time for the half year ended 31 December 2008. AASB-I 12 provides guidance on the accounting by operators for public-to-private service concession arrangements under which private sector entities participate in the development, financing, operation and maintenance of infrastructure for the provision of public services. A substantial portion of the Group's assets are used within the Framework of concession arrangements granted by public sector entities. The application of AASB-I 12 has led to a change in the Group's policies of accounting for the classification of concession assets, the construction of assets under Service Concession Arrangements and maintenance obligations under the arrangements.

The new policies have been applied retrospectively and, where relevant, in accordance with the transitional provisions and comparative information in relation to the 2008 financial year and half year ended 31 December 2007 have been restated accordingly. The Group's revised policies are set out below.

Details and quantification of the impact of the change in accounting policies are set out in Note 13.

Construction Revenue

The intangible asset model, as defined in AASB-I 12, applies to service concession arrangements where the operator is granted a right to toll users of the road or where the concession grantor has not provided a contractual guarantee in respect of the amount receivable for constructing and operating the asset. During the construction phase, the Group records an Intangible asset representing the right to charge users of the public service. Under the intangible asset model, revenue includes:

- revenue from the construction of the infrastructure (in accordance with AASB 111);
- operating revenue of the infrastructure.

On the adoption of AASB-I 12 the group has not recognised any margin on past construction services as such margin could not be reliably measured.

Concession Assets

Concession Assets represent the Group's rights to operate roads under Service Concession Arrangements. Concession Assets constructed by the Group are recorded at the fair value of consideration received or receivable for the construction services delivered. Concession assets acquired by the group are recorded at the fair value of the assets at the date of acquisition. All concession assets are classified as intangible assets and are amortised over the term of the right to operate the asset on a straight line basis.

In previous periods, some of the Group's expenditure on concession assets was classified as Property, Plant and Equipment and depreciated over the useful life of the assets. On initial adoption of AASB-I 12, the company used the carrying amounts of concession assets previously classified as Property, Plant and Equipment as the carrying amounts of Intangible Assets as allowed by the transitional provisions of AASB-I 12.

1 Basis of preparation of half-year report (continued)

Provision for maintenance

As part of its obligations under public services contracts, the Group assumes responsibility for the maintenance and repair of installations of the publicly-owned roads it manages. A provision for maintenance has been raised where the Group has a present legal or constructive obligation to maintain and replace components of the concession assets as a result of past events. The Group's obligations under the respective concession deeds arise as a consequence of use of the road during the operating phase. The provision is measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions giving rise to a cash outflow after more than one year are discounted if the impact is material. The increase in the provision due to the passage of time is recognised as a finance cost.

In previous reporting periods, major works on concession assets were capitalised where it was probable that future economic benefits will flow to the group and amortised over their useful lives. The carrying amounts of replaced parts were derecognised and any other repairs and maintenance costs were charged to the income statement in the reporting period in which they were incurred.

2 Segment information

Business segments

The Group's primary business segment for the half-year ending 31 December 2008 was the operation of toll roads and the investigation of possible investment opportunities in the segment.

3 Revenue

	Half-year ended	
	2008	2007
	$'000	$'000
From continuing operations		
Toll revenue	**343,665**	319,191
Fee revenue	**20,530**	11,062
Other	**7,009**	9,298
Toll, fee and other road revenue	**371,204**	339,551
Interest	**153,416**	147,766
Construction revenue	**30,141**	9,825
Business development fees	**14,938**	32,419
Finance fee	**2,920**	5,294
Dividends	**2,561**	980
Other revenue	**203,976**	196,284
	575,180	535,835
From discontinued operations (note 7)		
Toll revenue	**-**	2,822
Interest revenue	**-**	322
	-	3,144

It should be noted that construction revenue is offset by an equal expense. This presentational gross-up is a requirement of AASB-I 12 Service Concession Arrangements, and does not have a net effect on the income statement.

4 Profit for the half-year

	Half-year ended 2008 $'000	2007 $'000
(Loss) before income tax includes the following specific items:		
Net foreign exchange gains (other income)	**2,997**	-
Net foreign exchange losses (corporate cost)	**-**	(415)
Fair value losses on derivatives (corporate cost)	**(15,452)**	-
Fair value gains on derivatives (other income)	**-**	2,071

5 Distributions

The distributions set out below represent distributions to stapled securities holders. Group distributions are paid by a Group entity, Transurban Holding Trust.

	Half-year ended 2008 $'000	2007 $'000
Distributions proposed		
Interim distribution for 2009 financial year payable and recognised as a liability: 11.0 cents (2008: 28.0 cents) per fully paid stapled security payable 27 February 2009	**139,857**	303,297
	139,857	303,297
Distributions paid during the half-year		
Final distribution for 2008 financial year of 29.0 cents (2007: 27.5 cents) per fully paid Stapled Security paid 29 August 2008	**319,076**	294,716
	319,076	294,716
Distributions paid in cash or satisfied by the issue of Stapled Securities under the distribution reinvestment plan during the half-year ended 31 December 2008 and 2007		
Paid in cash	**79,319**	206,000
Executive loans - repayments	**496**	827
Satisfied by issue of Stapled Securities	**239,278**	87,883
Movement in funds available for future distribution reinvestment plans	**(17)**	6
Total distributions provided for or paid	**319,076**	294,716

6 Equity securities issued

	2008 Shares	2007 Shares	2008 $'000	2007 $'000
Issues of stapled securities during the half-year				
Share purchase plan	**1,830,423**	-	**9,877**	-
Distribution reinvestment plan issues	**51,006,199**	11,407,734	**239,278**	87,883
	52,836,622	11,407,734	**249,155**	87,883
Movements in treasury securities during the half-year				
Acquisition of securities	**(442,732)**	-	**(2,336)**	-
Treasury securities forfeited	**384,404**	536,000	**5,127**	3,760
Treasury securities vested	**683,154**	-	**3,326**	-
Net movement	**624,826**	536,000	**6,117**	3,760

7 Prior period discontinued operation

On 11 September 2007 T895 US Holdings Inc and its controlled entities, the owner of the Pocahontas Parkway ("Pocahontas"), was sold to Transurban DRIVe Holdings LLC (DRIVe). DRIVe is a vehicle in which Transurban has an equity interest and is accounted for by the Transurban Group using the equity method of accounting. The results and net assets of Pocahontas have therefore been disclosed as a discontinued operation.

Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

(a) Financial performance and cash flow information for discontinued operation

The financial performance and cash flow information presented are for the period 1 July 2007 to 10 September 2007 (2007 column).

	Half-year ended 2007 $'000
Revenue (note 3)	3,144
Finance costs	(5,422)
Other expenses	(828)
Loss before income tax	(3,106)
Income tax benefit	1,211
Loss after income tax of discontinued operations	(1,895)
Gain on sale of the division before income tax	25,606
Income tax expense	(9,986)
Gain on sale of the division after income tax	15,620
Profit from discontinued operations	13,725
Net cash inflow from operating activities	1,150
Net cash (outflow) from investing activities	(178)
Net cash inflow from financing activities	2,705
Net increase in cash generated by the division	3,677

7 Prior period discontinued operation (continued)

(b) Carrying amounts of assets and liabilities of discontinued operation

The carrying amounts of assets and liabilities as at 10 September 2007 (2007 column) were:

	Half-year ended 2007 $'000
Cash	44,324
Trade receivables	36,991
Property, plant and equipment	1,392
Intangible assets	596,096
Deferred tax assets	1,391
Total assets	680,194
Other creditors	(9,706)
Borrowings	(564,945)
Financial derivatives	(4,595)
Deferred tax liabilities	(10,032)
Total liabilities	(589,278)
Net assets	90,916

(c) Details of the sale of the discontinued operation

	Half-year ended 2007 $'000
Consideration received	205,754
Carrying amount of net assets sold	(90,916)
Cumulative translation differences	(12,415)
Gain on sale	**102,423**
Unrealised profit after tax on equity accounted ownership	(76,817)
Gain on sale before income tax	**25,606**
Income tax expense	(9,986)
Gain on sale after income tax expense	**15,620**

8 Provisional accounting for the acquisition of Sydney Roads Group

The financial report of Transurban Holdings Limited for the year ended 30 June 2007 was prepared on the basis that the accounting for the acquisition of Sydney Roads Group was provisional. AASB 3 "Business Combinations" allows a period of twelve months from the date of acquisition to assess and if required amend and restate initial estimates of fair value used as the basis for the provisional accounting entries.

The accounting for the acquisition of Sydney Roads Group was reviewed by 30 June 2008, and initial estimates of the fair value of liabilities for concession notes, intangibles, investments in associates, deferred tax liabilities and minority interests have were amended.

The comparative period in the income statement and statement of changes in equity have been amended to reflect the changes to the provisional accounting.

9 Acquisitions

(a) Additional interest in WestLink M7

On 28 August 2008, Transurban completed its acquisition of an additional 2.5 per cent of the Westlink M7, for consideration of $38.0 million. The acquisition comprised term loan notes of $30.4 million and an increase in the investment of $7.6 million.

As at 31 December 2008 Transurban holds an interest of 50.0 per cent in the Westlink M7.

Prior period

(b) Additional interest in Airport Motorway Group

In the prior corresponding period, Transurban acquired an additional 3.75 per cent interest in the Airport Motorway Group ("AMG"), the owner of the concession for the M1 Eastern Distributor in Sydney, for cash consideration on $46.6 million.

Transurban acquired a 71.35 per cent interest in AMG as part of its takeover of Sydney Roads Group in April 2007. At 31 December 2008 Transurban holds an interest of 75.1 per cent in AMG.

10 Earnings per stapled security

	Half-year ended	
	2008	2007
	Cents	Cents
(a) Basic earnings per security		
Profit from continuing operations attributable to the ordinary equity holders	**0.2**	0.0
Profit from discontinued operation	**-**	1.3
Profit attributable to the ordinary equity holders	**0.2**	1.3
(b) Diluted earnings per security		
Profit from continuing operations attributable to the ordinary equity holders	**0.2**	0.0
Profit from discontinued operation	**-**	1.3
Profit attributable to the ordinary equity holders	**0.2**	1.3

10 Earnings per stapled security (continued)

(c) Reconciliations of earnings used in calculating earnings per security

	Half-year ended 2008 $'000	Half-year ended 2007 $'000
Basic earnings per security		
Profit from continuing operations	**3,211**	9,165
Profit from continuing operations attributable to minority interests	**(1,315)**	(8,960)
Profit from continuing operations attributable to the ordinary equity holders of the Group used in calculating basic earnings per security	**1,896**	205
Profit from discontinued operation	**-**	13,725
Profit attributable to the ordinary equity holders used in calculating basic earnings per security	**1,896**	13,930
Diluted earnings per security		
Profit attributable to ordinary equity holders used in calculating diluted earnings per security	**1,896**	13,930

(d) Weighted average number of securities used as the denominator

	Half-year ended 2008 Number	Half-year ended 2007 Number
Weighted average number of Stapled Securities used as the denominator in calculating basic earnings per Stapled Security	**1,254,848,033**	1,075,734,281
Adjustments for calculation of diluted earnings per security:		
Performance rights	**681,843**	-
Weighted average number of Stapled Securities and potential Stapled Securities used as the denominator in calculating diluted earnings per Stapled Security	**1,255,529,876**	1,075,734,281

11 Net tangible asset backing

	31 December 2008 $'000	30 June 2008 $'000
Net tangible asset backing per stapled security *	**2.79**	3.13

(*) Net tangible assets used as the basis for this calculation include the concessions and permits relating to the operational assets of the Group. Assets of this type are characterised as intangibles under AIFRS.

12 Contingencies

There have been no material changes in contingent liabilities or contingent assets since 30 June 2008.

13 Initial Application Of AASB Interpretation 12

AASB Interpretation 12 *Service Concession Arrangements* (AASB-I 12) is applicable for the Group's annual reporting period beginning 1 July 2008. AASB-I 12 provides guidance on the accounting by operators for public-to-private service concession arrangements under which private sector entities participate in the development, financing, operation and maintenance of infrastructure for the provision of public services. The application of AASB-I 12 has led to a change in the Group's policies of accounting for the recognition and measurement of concession assets and maintenance obligations under the arrangements. AASB-I 12 has been applied retrospectively and, where relevant, in accordance with the transitional provisions and comparative information in relation to the 2008 financial year and half year ended 31 December 2008 have been restated accordingly.

The following adjustments made as at 1 July 2007, 31 December 2007 and 30 June 2008:

(a) At the date of initial adoption: 1 July 2007

	Notes	1 July 2007	Adjustment	1 July 2007 (Restated)
		$'000	$'000	$'000
Balance Sheet				
ASSETS				
Property, plant and equipment	(i)	5,539,153	(5,449,772)	89,381
Intangible assets	(i)	2,923,344	5,449,772	8,373,116
Deferred tax asset	(ii)	327,293	47,818	375,111
Investments accounted for using the equity method	(iii)	567,682	(5,698)	561,984
Other assets		1,922,137	-	1,922,137
Total assets		11,279,609	42,120	11,321,729
LIABILITIES				
Provisions (current)	(iv)	344,201	35,131	379,332
Provisions (non-current)	(iv)	1,752	124,262	126,014
Deferred tax liabilities	(v)	1,524,639	-	1,524,639
Other Liabilities		5,478,045	-	5,478,045
Total liabilities		7,348,637	159,393	7,508,030
Net assets		3,930,972	(117,273)	3,813,699
EQUITY				
Contributed equity		6,078,487	-	6,078,487
Accumulated losses	(vi)	(2,436,011)	(112,157)	(2,548,168)
Minority interest	(vii)	307,326	(5,116)	302,210
Reserves		(18,830)	-	(18,830)
Total equity		3,930,972	(117,273)	3,813,699

13 Initial Application Of AASB Interpretation 12 (continued)

(b) 31 December 2007 - Including the consolidated income statement for the comparative half-year period

	Notes	31 Dec 2007	Adjustment	31 Dec 2007 (Restated)
		$'000	$'000	$'000
Balance Sheet				
ASSETS				
Property, plant and equipment	(i)	5,458,972	(5,374,359)	84,613
Intangible assets	(i)	2,865,262	5,390,333	8,255,595
Deferred tax asset	(ii)	340,786	46,447	387,233
Investments accounted for using the equity method	(iii)	740,724	(7,110)	733,614
Other assets		1,263,266	-	1,263,266
Total assets		10,669,010	55,311	10,724,321
LIABILITIES				
Provisions (current)	(iv)	334,318	19,317	353,635
Provisions (non-current)	(iv)	1,423	135,505	136,928
Deferred tax liabilities	(v)	1,513,797	2,069	1,515,866
Other Liabilities		5,027,008	-	5,027,008
Total liabilities		6,876,546	156,891	7,033,437
Net assets		3,792,464	(101,580)	3,690,884
EQUITY				
Contributed equity		6,170,130	-	6,170,130
Reserves		88,095	(7)	88,088
Accumulated losses	(vi)	(2,739,645)	(97,890)	(2,837,535)
Minority interest	(vii)	273,884	(3,683)	270,201
Total equity		3,792,464	(101,580)	3,690,884

	Notes	31 Dec 2007	Adjustment	31 Dec 2007 (Restated)
		$'000	$'000	$'000
Income statement (extract)				
Revenue from continuing operations	(ix)	526,010	9,825	535,835
Operational costs	(iv)	(78,705)	(5,799)	(84,504)
Construction costs	(ix)	-	(9,825)	(9,825)
Depreciation and amortisation expense	(i)	(195,122)	29,972	(165,150)
Share of net profits of associates and joint venture partnership accounted for using the equity method	(iii)	(9,357)	(1,405)	(10,762)
Finance costs	(iv)	(245,504)	(3,626)	(249,130)
Other income statement		(29,869)	-	(29,869)
Income tax expense	(vi)	39,736	(3,441)	36,295
Net profit / (loss) for the half year		7,189	15,701	22,890

13 Initial Application Of AASB Interpretation 12 (continued)

(c) 30 June 2008 – Including the balance sheet for the comparative half year reporting period

	Notes	30 June 2008	Adjustment	30 June 2008 (Restated)
		$'000	$'000	$'000
Balance Sheet				
ASSETS				
Property, plant and equipment	(i)	5,393,589	(5,292,820)	100,769
Intangible assets	(i)	2,768,168	5,323,507	8,091,675
Deferred tax asset	(ii)	449,307	45,284	494,591
Investments accounted for using the equity method	(iii)	697,925	(7,624)	690,301
Other assets		1,281,119	3	1,281,122
Total assets		10,590,108	68,350	10,658,458
LIABILITIES				
Provisions (current)	(iv)	381,269	47,490	428,759
Provisions (non-current)	(iv)	1,462	103,485	104,947
Deferred tax liabilities	(v)	1,559,304	855	1,560,159
Other Liabilities		4,573,482	-	4,573,482
Total liabilities		6,515,517	151,830	6,667,347
Net assets		4,074,591	(83,480)	3,991,111
EQUITY				
Contributed equity		6,846,992	-	6,846,992
Accumulated losses	(vi)	(3,201,149)	(80,919)	(3,282,068)
Minority interest - other	(vii)	333,501	(2,556)	330,945
Reserves	(viii)	95,247	(5)	95,242
Total equity		4,074,591	(83,480)	3,991,111

	Notes	30 June 2008	Adjustment	30 June 2008 (Restated)
		$'000	$'000	$'000
Income statement (extract)				
Revenue from continuing operations	(ix)	1,024,888	39,655	1,064,543
Operational costs	(iv)	(166,094)	(12,542)	(178,636)
Construction costs	(ix)	-	(39,655)	(39,655)
Depreciation and amortisation expense	(i)	(401,497)	58,947	(342,550)
Finance costs	(iv)	(473,828)	(7,253)	(481,081)
Share of net profits of associates and joint venture partnership accounted for using the equity method	(iii)	(22,008)	(1,921)	(23,929)
Other income statement		(154,276)	-	(154,276)
Income tax expense	(vi)	52,367	(3,432)	48,935
Net profit / (loss) for the year		(140,448)	33,799	(106,649)

13 Initial Application Of AASB Interpretation 12 (continued)

(i) Tolling concession arrangements that grant the Group the right to operate a toll road have been reclassified as Intangible Assets, from Property, Plant and Equipment. As allowed by the transitional provisions of AASB-I 12, the assets were transferred at the carrying amount of the tolling assets at the date of initial application of AASB-I 12 (1 July 2007). From 1 July 2007, the tolling assets are amortised on a straight line basis over the life of the concession deed.

Adjustments have been made to reflect revised amortisation and depreciation charges as a result of the change in rates on certain assets.

(ii) The recording of a provision for maintenance expenditure has given rise to a deferred tax asset. Deductions will be taken for maintenance expenditure when incurred or, where the expenditure incurred is considered capital for tax, over an applicable period as allowed under tax legislation.

(iii) Adjustments to Opening Retained Earnings (1 July 2007) for the application of AASB-I 12 and subsequent Income Statement adjustments in relation to equity accounted investments have been revised to reflect the Group's adjusted equity accounted result.

(iv) On adoption of AASB-I 12, a provision for the present value of the Group's obligations to maintain the tolling assets as required under the Service Concession Arrangement was raised. The provision is increased over the period of use of the assets. An increase to the provision due to use of the asset is charged to Maintenance Expense at a discounted amount. The unwinding of the present value discounting on the provision is charged as a finance cost. Any expenditure incurred in the year ended 30 June 2008 that was previously capitalised to the cost of the asset is reversed against the asset and the provision utilised. In certain situations, major maintenance expenditure has been expensed in full when incurred. These amounts have been adjusted in the Income Statement (Operational costs), against the provision for maintenance.

(v) A revision to deferred tax liabilities has been created due to a change in the carrying value of concession assets for accounting purposes. Under AASB-I 12 the Group now amortises all concession assets on a straight line basis over the life of the concession deed. This treatment results in an extended useful life for many concession assets. The reduction in accounting depreciation/amortisation over the comparative periods has given rise to a deferred tax liability adjustment.

(vi) Adjustments to accumulated losses and the income statement include:

- Initial recognition of maintenance provision.
- Revision to depreciation/amortisation charges due to extended useful life of many concession assets.
- Increase in provision for maintenance resulting from continued use of the assets.
- Increase in provision for maintenance due to unwinding of the discount applied to the provision through finance costs.
- Reversal of capital expenditure previously expensed in full to the income statement in the year it was incurred. This has been reversed against the provision.
- Change in share of net profits of associates accounted for using the equity method due to associate entities also adopting AASB-I 12 effective 1 July 2007.
- Tax effect movements in carrying value of assets for accounting purposes and movements in provision balances.

(vii) Adjustments to profit attributable to minority interests and equity of minority interests have been made to reflect the application of AASB-I 12. The adjustments are consistent with the adjustments required by assets that have shareholders outside the Transurban Group.

(viii) Other equity represents adjustments to the foreign currency translation reserve as a result of the application of AASB-I 12 to the Group's investment in DRIVe.

(ix) Where the Group is engaged to provide design and construction services for a new asset, the service is accounted for as a construction contract. The Group has recognised revenue earned for the construction and corresponding contract costs incurred

In the directors' opinion:

(a) the financial statements and notes set out on pages 5 to 20 are in accordance with the *Corporations Act 2001,* including:

 (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

 (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and

(b) there are reasonable grounds to believe that Transurban Holdings Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with separate resolutions of the directors of Transurban Holdings Limited, Transurban Infrastructure Management Limited and Transurban International Limited.

David J Ryan AO
Director

Christopher J Lynch
Director

Melbourne
17 February 2009

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
ABN 52 780 433 757

Freshwater Place
2 Southbank Boulevard
SOUTHBANK VIC 3006
GPO Box 1331L
MELBOURNE VIC 3001
DX 77
website: www.pwc.com/au
Telephone +61 3 8603 1000
Facsimile +61 3 8603 1999

Independent auditor's review report to the members of Transurban Holdings Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Transurban Holdings Limited (the company), which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for both Transurban Holdings Limited and Transurban Holdings Limited Group (the Group). The Group comprises the aggregation of Transurban Holdings Limited (THL), Transurban Holding Trust (THT) and Transurban International Limited (TIL) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company and consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Transurban Holdings Limited Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

For further explanation of a review, visit our website http://www.pwc.com/au/financialstatementaudit.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

Liability limited by a scheme approved under Professional Standards Legislation

Independent auditor's review report to the members of Transurban Holdings Limited (continued)

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Transurban Holdings Limited and the Transurban Holdings Limited Group is not in accordance with the Corporations Act 2001 including:

(a) giving a true and fair view of the company and consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

PricewaterhouseCoopers

Partner

Melbourne
17 February 2009

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