



# 2014 HALF-YEAR SUMMARY

## HIGHLIGHTS OF OUR FY14 INTERIM RESULTS INCLUDE:

### EBITDA

# 11.1%

Proportional EBITDA (earnings before interest, tax, depreciation and amortisation) increased 11.1 per cent to \$463.2 million\*

### TOLL REVENUE

# 13.1%

Proportional toll revenue increased 13.1 per cent to \$556.2 million

### FREE CASH

# 24.5%

Underlying free cash increased 24.5 per cent to \$240.0 million

- **FY14 distribution**—The Transurban Board increased its distribution guidance to 35.0 cents for the 2014 financial year. A 17.0 cent interim distribution per stapled security—including a 3.5 cent fully franked component—was declared for the half year to 31 December 2013.
- **Progress on major projects**—Construction on the M5 West Widening project in Sydney is 63 per cent complete. The 95 Express Lanes in Virginia, USA are 66 per cent complete and work is on track to finish in late calendar year 2014.
- **Cross City Tunnel (CCT)**—During the period, Transurban acquired all of the senior secured debt on Sydney's CCT, which links to the Eastern Distributor. Transurban has now been named the preferred bidder in the receiver's sale process, which is expected to conclude in the first half of calendar year 2014.
- **M1-M2<sup>†</sup> project**—In March Transurban expects to announce a preferred contractor and scheme for the design and construction of this northern Sydney project—one of the city's 'missing links'. The project is expected to reach financial close in late calendar year 2014.
- **Queensland Motorways Limited (QML) sale**—Transurban and its strategic partners are participating in the sale process of QML, which is now under way. QML operates and maintains a network of five assets in south-east Queensland.

\* All figures for the six months ended 31 December 2013. Increases shown are compared to prior corresponding period. You can view our definition and reconciliation of proportional financial information in the 2014 Half-year results presentation on our website.

† The project was previously known as the F3-M2.



# MARKET UPDATE

## Victoria, Australia

### CITYLINK<sup>1</sup>

Traffic growth  
**2.1%**

Toll revenue growth  
**8.6%**

EBITDA growth  
**11.3%**

- A complete resurfacing of CityLink tunnels—the first since the road opened 15 years ago—was delivered ahead of time and budget.
- Safety measures are being introduced to address over-height vehicle incidents in the tunnels.
- We are continuing to work with VicRoads to improve congestion points where the Western Link and the Westgate Freeway connect.
- Motorcycle tolling was introduced on 1 January 2014.
- The Victorian Government is looking at possible enhancements to CityLink—including new lanes in both directions—to handle traffic merging to and from the planned East-West Link.

## New South Wales, Australia

### HILLS M2

Traffic growth  
**12.6%**

Toll revenue growth  
**32.3%**

EBITDA growth  
**37.0%**

- All major works were completed in August 2013 on the Hills M2 Upgrade, which has lifted traffic significantly in corridor.
- Lane Cove Road ramps feeding into the Hills M2 are now under construction.
- The connecting M1-M2 project is on track for financial close in late calendar year 2014.

### LANE COVE TUNNEL

Traffic growth  
**8.7%**

Toll revenue growth  
**11.5%**

EBITDA growth  
**21.2%**

- The Lane Cove Tunnel is experiencing benefits from the Hills M2 Upgrade, with a 10.7 per cent increase in average traffic growth across Hills M2, Westlink M7 and Lane Cove Tunnel for the December quarter compared to the prior corresponding period.

### EASTERN DISTRIBUTOR

Traffic growth  
**2.5%**

Toll revenue growth  
**3.7%**

EBITDA growth  
**(8.7%)**

- Upgrades of tolling and operating systems and resurfacing preparations contributed to an increase in the maintenance provision for the ED during the half year.

### WESTLINK M7

Traffic growth  
**7.5%**

Toll revenue growth  
**9.5%**

EBITDA growth  
**15.4%**

- The M7 is also reaping the benefits of the Hills M2 Upgrade, with increased traffic for the December quarter compared to the prior corresponding period.

### M5 SOUTH WEST

Traffic growth  
**(2.6%)**

Toll revenue growth  
**(3.2%)**

EBITDA growth  
**(1.0%)**

- Widening works are now 63 per cent complete.
- Staged lane openings are anticipated to begin in April 2014.

<sup>1</sup> Due to the timing of processing and revenue accruals related to the bedding down of a new tolling and customer billing system in FY12/FY13, a negative adjustment of \$3.3 million was made in the prior corresponding half, and the growth numbers quoted above have been normalised to remove this \$3.3 million adjustment from the prior corresponding half's result. Including this adjustment would increase CityLink revenue growth to 10.0 per cent and EBITDA growth to 13.0 per cent.



# MARKET UPDATE

## Virginia, USA

### 495 EXPRESS LANES<sup>2</sup>

- The state-of-the-art dynamic tolling system is operating well.
- A 2-mile extension of lanes of the merge area at the northern terminus is being undertaken by the Virginia Department of Transportation, with completion expected late in calendar year 2014.
- Operational improvements including a speed limit increase and new motorway signs are designed to deliver more benefits to customers and support usage of the lanes.
- Traffic and revenue remain below project case expectations. After a full review of the project, there have been downward adjustments made to the road's traffic and revenue projections, including its ramp-up profile.
- Working collaboratively with key stakeholders, including lenders, to ensure the emerging revenue profile supports the capital structure.

<sup>2</sup> 495 Express Lanes opened to traffic on 17 November 2012. Due to incomplete prior period, growth comparison not included.

### 95 EXPRESS LANES

- Construction is 66 per cent toward completion, which is expected late calendar year 2014.
- The project comprises a reversible (peak direction) two- and three-lane facility on 29 miles / 49 kilometres of I-95.
- The project connects to the 495 Express Lanes, creating an extensive network of dynamically tolled lanes for the region.

### POCAHONTAS 895<sup>3</sup>

Traffic growth <b>1.2%</b>	Toll revenue growth <b>6.6%</b>	EBITDA growth <b>15.2%</b>
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- Discussions are continuing on the hand back of the 895 asset.

<sup>3</sup> Figures calculated in US dollars.

## Related documents

Click to access:

[ASX release](#)

[Results presentation](#)