

# 2014 FULL-YEAR SUMMARY

## Highlights of our FY14 final results include:

### Toll revenue

# 12.6%

Proportional toll revenue increased 12.6 per cent to \$1.1 billion\*

### Free cash

# 29.0%

Free cash increased 29.0 per cent to \$571.9 million

### EBITDA

# 12.8%

Proportional EBITDA (earnings before interest, tax, depreciation and amortisation) increased 12.8 per cent to \$934.1 million

### FY14 distribution

# 35¢

A 35 cent distribution per stapled security, including a 7 cent fully franked component, was declared for the 2014 financial year. This will be 97 per cent cash covered.

- **Margin growth**—Margin improvement was delivered on six of our seven operating assets. The Sydney roads in the north-west corridor of the orbital network delivered strong traffic growth following the completion of the Hills M2 upgrade in August 2013.
- **FY15 distribution guidance**—The Transurban Board reaffirmed the distribution guidance for the 2015 financial year of 39 cents per security, which is expected to include a 7 cent fully franked component. Meeting this will deliver compound annual growth of 10 per cent in distributions since the 2009 financial year.
- **Network enhancement projects**—Construction on the M5 West widening is 80 per cent complete. Financial close on the NorthConnex (M1 – M2) project should be reached by the end of calendar year 2014, with construction commencing in early 2015. The 95 Express Lanes in Virginia, USA, are 85 per cent complete and work is on track to finish in late calendar year 2014.
- **Acquisitions**—Transurban expanded its portfolio with the acquisition of Sydney's Cross City Tunnel and Queensland Motorways, which operates four assets in south-east Queensland and a fifth currently under construction.
- **Portfolio diversification**—In financial year 2014, through acquisition activity and network development projects, we have enhanced our scale, portfolio diversification and reach within our core markets. The total lane kilometres in the portfolio increased by more than 50 per cent to almost 1,200 kilometres.\*\*

\* All figures for the 12 months ended 30 June 2014. Increases shown are compared to prior corresponding period. You can view our definition and reconciliation of proportional financial information in the 2014 full-year results presentation on our website.

\*\* Total lane kilometres include the Legacy Way, 95 Express Lanes and the M5 West Widening projects which are currently under construction.

# MARKET UPDATE

## Victoria, Australia

### CityLink

Traffic growth  
**1.6%**

Toll revenue growth  
**8.0%**

EBITDA growth  
**9.5%**

- In-principle agreement reached with the Victorian Government on the CityLink-Tulla Widening Project, which encompasses a major upgrade of the western section of CityLink, the Bolte Bridge/West Gate Freeway interchange and the Tullamarine Freeway, and addresses the interface between CityLink and East-West Link.
- Through the acquisition of Translink Operations, CityLink's road operations and incident response activities were in-housed.
- In January 2014, a complete resurfacing of CityLink's tunnels—the first since the road opened 15 years ago— was delivered ahead of time and budget.
- Safety measures and operational improvements are being implemented to address over-height vehicle incidents in the tunnels and help manage congestion.

## New South Wales, Australia

### Hills M2

Traffic growth  
**13.8%**

Toll revenue growth  
**34.7%**

EBITDA growth  
**38.3%**

- Following the completion of the Hills M2 Upgrade early in the 2014 financial year, traffic growth has increased significantly in the north-west corridor of Sydney's orbital network.
- Average daily trips increased by 13.8 per cent from the prior corresponding period.
- A new on-ramp at Lane Cove Road opened in late July 2014, providing further enhancements to the corridor.

### Lane Cove Tunnel

Traffic growth  
**8.9%**

Toll revenue growth  
**12.0%**

EBITDA growth  
**36.3%**

- The Lane Cove Tunnel experienced benefits from the Hills M2 Upgrade with an 8.9 per cent increase in average daily trips from the prior corresponding period.
- Increased traffic coupled with enhanced operational efficiencies contributed to a significant increase in EBITDA.

### Eastern Distributor

Traffic growth  
**2.3%**

Toll revenue growth  
**4.8%**

EBITDA growth  
**(2.1%)**

- A new tolling system will be implemented across Sydney assets commencing with the Eastern Distributor and Hills M2 in August 2014. This will provide customer service and service offering enhancements, and increased revenue benefits. The same system was rolled out across CityLink in financial year 2012.

### Westlink M7

Traffic growth  
**8.1%**

Toll revenue growth  
**10.2%**

EBITDA growth  
**13.7%**

- Westlink M7 also reaped the rewards of the Hills M2 Upgrade with average daily trips increasing by 8.1 per cent to 153,685 trips from the prior corresponding period.

### M5 South West

Traffic growth  
**(1.2%)**

Toll revenue growth  
**(0.7%)**

EBITDA growth  
**1.2%**

- Construction of the M5 West Widening is 80 per cent complete with full lane availability expected in October 2014. We have opened lanes incrementally, allowing motorists to benefit from the project ahead of its completion.

# MARKET UPDATE

## New South Wales, Australia

### NorthConnex

- The \$3 billion NorthConnex project will provide the missing link in Sydney's orbital network by connecting the F3 and Hills M2.
- The project will increase travel time savings for motorists and relieve congestion.
- The project is the result of an unsolicited bid submitted by Transurban under the New South Wales Government Guidelines for the submission and assessment of unsolicited proposals.
- The environmental impact statement was released in July 2014 and we are on track to reach financial close in late calendar year 2014 and commence construction in early 2015.

### Cross City Tunnel

- Financial close was achieved on 26 June 2014.
- Asset integration is under way with tolling support services transferred to Roam Express.
- Opportunities exist to develop network synergies with the adjoining Eastern Distributor.

## Queensland, Australia

- Financial close for Queensland Motorways was completed in July 2014.
- The acquisition added an urban network of four toll roads (Gateway Motorway, Logan Motorway, CLEM7 and Go Between Bridge) into our portfolio with a fifth (Legacy Way) to commence operation in the 2015 calendar year.
- Integration is under way and operational efficiencies have been identified across the business.
- Queensland Motorways will be consolidated with Transurban's accounts from the 2015 financial year.

## Virginia, USA

### 495 Express Lanes

Traffic growth	Toll revenue growth	EBITDA growth
<b>32.0%</b>	<b>234.6%</b>	<b>137.6%</b>

- The proportion of toll trips remained steady at 90.6 per cent of all travel on the 495 Express Lanes.
- Record daily high in toll revenue of US\$161,945 was achieved on 29 May 2014.
- Average workday toll revenue for the June quarter was US\$116,790—an increase of 33.3 per cent from the March quarter.
- The average dynamic toll charged increased by 18.9 per cent from US\$2.38 in the March quarter to US\$2.83 in the June quarter.

### 95 Express Lanes

- Construction is 85 per cent complete and we anticipate finishing works in late 2014.
- The project connects with the 495 Express Lanes, creating a sophisticated network of dynamically tolled lanes.
- An integrated operating model will be implemented across 495 and 95 Express Lanes to leverage operational synergies.

## Related documents

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[ASX release](#)

[Results presentation](#)