

# Official Notice to SIX Swiss Exchange

Title: Transurban Queensland Finance Pty Ltd  
Valor Symbol: TQF16  
Valor No: 32766686  
ISIN: CH0327226863

## TRANSURBAN QUEENSLAND FINANCE PTY LTD

Please see the attached ASX release by Transurban (ASX: TCL), which contains information regarding Transurban Queensland.<sup>1</sup>

Transurban Queensland Finance Pty Ltd has Bonds listed on SIX Swiss Exchange.

Notices from Transurban Queensland Finance Pty Ltd to SIX Swiss Exchange are also available from the website: [www.transurban.com/tqfinstatements](http://www.transurban.com/tqfinstatements)



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Company Secretary

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<sup>1</sup> Transurban has a 62.5% interest in Transurban Queensland. Transurban Queensland Finance Pty Ltd is a wholly owned subsidiary of Transurban Queensland.

Classification **Public**

### Transurban Group

Transurban International Limited  
ABN 90 121 746 825

Transurban Holdings Limited  
ABN 86 098 143 429

Transurban Holding Trust  
ABN 30 169 362 255

ARSN 098 807 419

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# Transurban Group

## Appendix 4D

### Half-year ended 31 December 2016

(Previous corresponding period:  
Half-year ended 31 December 2015)

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The Transurban Group (the **Group**) comprises the following entities:

Transurban Holdings Limited (ABN 86 098 143 429)  
Transurban Holding Trust (ARSN 098 807 419)  
Transurban International Limited (ABN 90 121 746 825)

#### Results for announcement to the market

##### *Statutory results compared to the prior period*

- Revenue from ordinary activities increased 26.3 per cent to \$1,334 million;
- Profit from ordinary activities after tax increased 41.9 per cent to \$88 million;
- Statutory net profit attributable to security holders of the stapled group increased 35.8 per cent to \$110 million; and
- Earnings before depreciation and amortisation, net finance costs, equity accounted investments and incomes taxes (EBITDA) increased 13.8 per cent to \$769 million.

##### *Proportional results compared to the prior period*

- Toll revenue increased 10.9 per cent to \$1,065 million;
- EBITDA increased by 12.1 per cent to \$817 million; and
- Free cash increased 47.5 per cent to \$680 million.

#### Distributions

	Amount per Security cents	Franked amount per Security %
Interim distribution (declared prior to reporting date)	21.5	-
Interim dividend (declared prior to reporting date)	3.5	100
	25.0	
Interim distribution from the previous corresponding period	19.0	-
Interim dividend from the previous corresponding period	3.5	100
	22.5	
Final distribution (prior year)	19.5	-
Final dividend (prior year)	3.5	100
	23.0	
Record date for determining entitlements to interim distribution		30 December 2016
Date of payment of interim distribution		10 February 2017

#### Distribution Reinvestment Plan

Under the Distribution Reinvestment Plan (DRP), security holders may receive additional stapled securities in substitution for some or all cash distributions in respect of their stapled securities. The last date for the receipt of an election notice for participation in the DRP was 3 January 2017 and the participation rate was 19.34 per cent. No discount has been applied when determining the price at which stapled securities will be issued under the DRP for the current period distribution.

#### 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.

This document includes presentation of results on a statutory as well as non-statutory basis. The non-statutory basis includes proportional EBITDA, underlying proportional EBITDA and free cash.

### Proportional results

Proportional EBITDA excluding significant items is one of the primary measures that the Board uses to assess the operating performance of the Group, with an aim to maintain a focus on operating results and associated cash generation. It reflects the contribution from individual assets to Transurban's operating performance and permits a meaningful analysis of the performance of the Group's assets.

Proportional EBITDA is the aggregation of EBITDA from each asset multiplied by Transurban's percentage ownership as well as the contribution from central Group functions.

Proportional EBITDA is reconciled to the statutory income statement on Note B3 of the financial statements.

### Free cash

Free cash is the primary measure used to assess the cash performance of the Group. It represents the cash available for distribution to security holders.

Free cash is calculated as statutory cash flow from operating activities from 100 per cent owned subsidiaries plus distributions and interest received from non 100 per cent owned subsidiaries and equity accounted investments, adjusted to include the allowance for maintenance of intangible assets and exclude cash payments for maintenance of intangible assets.

### Net tangible asset backing

	<b>31 December 2016</b>	30 June 2016
	<b>\$</b>	<b>\$</b>
Net tangible asset backing per stapled security*	<b>2.82</b>	2.94

(\*) - 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 Australian Accounting Standards.

### 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 contribution to the Transurban Group	
	2016 %	2015 %	2016 \$M	2015 \$M
North Western Roads Group Trust	50.0	50.0	-	-
North Western Roads Group Pty Ltd	50.0	50.0	-	-
NorthConnex State Works Contractor Pty Ltd	50.0	50.0	-	-
Interlink Roads Pty Limited	50.0	50.0	11	9
			<u>11</u>	<u>9</u>

### Other information required by Listing Rule 4.2A

The remainder of information requiring disclosure to comply with Listing Rule 4.2A is contained in the half-year report (which includes the Directors' Report) and an ASX Release.

### 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 half-year report.



Amanda Street  
Company Secretary  
7 February 2017

# **Transurban Holdings Limited and Controlled Entities**

ABN 86 098 143 429

(Including Transurban International Limited and Transurban Holding Trust)

Interim report  
for the half-year ended  
31 December 2016

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## Directors' report

The Directors of Transurban Holdings Limited ('the Company', 'the Parent' or 'THL') and its controlled entities ('Transurban Group' or 'the Group'), Transurban International Limited and its controlled entities ('TIL'), and Transurban Infrastructure Management Limited ('TIML'), as responsible entity of Transurban Holding Trust and its controlled entities ('THT'), present their report on the Transurban Group for the half-year ended 31 December 2016 ('HY17'). The controlled entities of THL include the other members of the stapled group being TIL and THT.

### Directors

The following persons were directors of THL, TIML and TIL during the whole period and up to the date of this report, unless otherwise stated:

#### Non-executive Directors

Lindsay Maxsted

Neil Chatfield

Robert Edgar

Samantha Mostyn

Christine O'Reilly

Rodney Slater

Peter Scott

Jane Wilson (appointed 1 January 2017)

#### Executive Directors

Scott Charlton

### Result

#### Statutory results compared to the prior period

- Revenue from ordinary activities increased 26.3 per cent to \$1,334 million;
- Profit from ordinary activities after tax increased 41.9 per cent to \$88 million;
- Earnings before depreciation, amortisation, net finance costs, equity accounted investments and income taxes ('EBITDA') increased 13.8 per cent to \$769 million; and
- Statutory net profit attributable to security holders of the stapled group increased 35.8 per cent to \$110 million.

#### Proportional results compared to the prior period

- Toll revenue increased 10.9 per cent to \$1,065 million;
- EBITDA increased by 12.1 per cent to \$817 million; and
- Free cash increased 47.5 per cent to \$680 million.

## Distributions

	Amount per security Cents	Franked amount per security %
Interim distribution for the current period (declared prior to reporting date)	21.5	–
Interim dividend for the current period (declared prior to reporting date)	3.5	100
	<hr/> 25.0	
Final distribution (prior year)	19.5	–
Final dividend (prior year)	3.5	100
	<hr/> 23.0	
Record date for determining entitlements to distribution and dividend		30 December 2016
Date of payment of interim distribution and dividend		10 February 2017

## Principal activities

The principal activities of the Group during the period were the development, financing, operation, maintenance and acquisition of toll road networks as well as management of the associated customer and client relationships.

## Review of operations

### Our business

Transurban manages and develops urban toll road networks in Australia and the United States of America.

The Group owns concession assets across four key market segments: Victoria ('VIC'), New South Wales ('NSW'), Queensland ('QLD') and the Greater Washington Area ('GWA').

Transurban is listed on the Australian securities exchange ('ASX') and has been in business since 1996.

### Strategy

Transurban's target markets are the eastern seaboard of Australia and North America.

At the heart of our business strategy is our desire to be a partner of choice for our government clients and an organisation that meets the needs of our customers and the community. To achieve this, we provide effective transportation solutions to support the growth and development of the cities in which we operate.

At Transurban we do this through management of our existing road transport networks, through our active involvement in transport policy debate, and by applying our skills to the infrastructure challenges in our markets.

In delivering on this objective our business has fostered core capabilities in the following areas:

- Network planning and forecasting
- Community engagement
- Development and delivery
- Technology
- Operations and customer management

### Value proposition

Transurban has a market leading position with an interest in 15 operating assets across four markets. The investment proposition for high quality toll road assets lies in providing investors with access to long dated, predictable, growing cash flows generated over the life of the concession.

Organic growth is derived from traffic growth and inflation protected toll escalation. It is supported by Transurban's ability to provide efficient corporate and operational services at scale across its portfolio. Transurban has a track record of leveraging its core competencies to drive cost efficiencies and margin uplift.

In addition, value is unlocked through the ongoing development and investment in the underlying assets and acquisitions where they are in line with our network strategy.

# Review of operations (continued)

## Segments

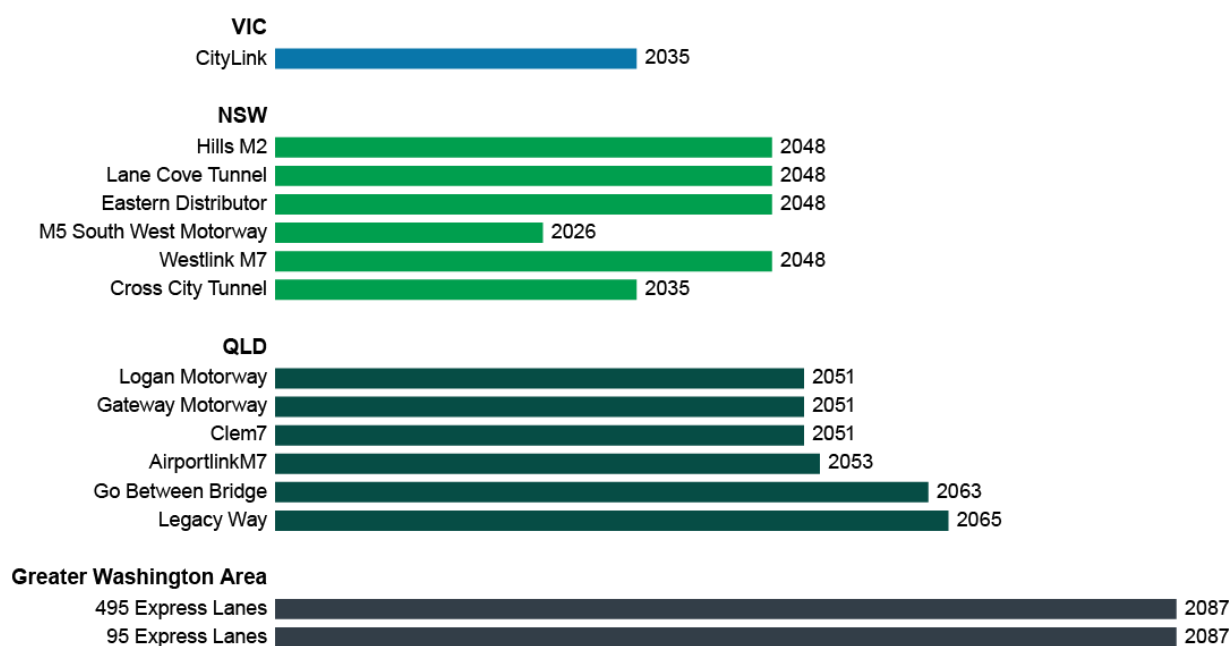
	VIC	NSW	QLD	GWA
WHOLLY OWNED	CityLink (100%)	Lane Cove Tunnel (100%) Hills M2 Motorway (100%) Cross City Tunnel (100%)		95 Express Lanes (100%) 495 Express Lanes (100%)
		M1 Eastern Distributor (75.1%)	Logan Motorway (62.5%) Gateway Motorway (62.5%) Go Between Bridge (62.5%) Clem7 (62.5%) Legacy Way (62.5%) AirportlinkM7 <sup>1</sup> (62.5%)	
NON-100% OWNED AND CONSOLIDATED		Westlink M7 <sup>2</sup> (50%) Interlink M5 (50%) NorthConnex <sup>2</sup> (50%)		
NON-100% OWNED AND EQUITY ACCOUNTED				

1. Airportlink M7 was acquired on 1 April 2016.

2. Westlink M7 and NorthConnex form the NorthWestern Roads Group.

## Concession assets timeline

Below is a list of concession asset end dates (calendar year ends).





## Review of operations (continued)

### Accounting for assets – changes during the year

There have been no significant changes in the accounting for our assets during the period.

### Group financial performance

#### Financial performance indicators

The Transurban Board and management assess the performance of the networks in which we operate based on a measure of proportional earnings before depreciation, amortisation, net finance costs, equity accounted investments and income taxes ('Proportional EBITDA'). This reflects the contribution of each network in the Group in the proportion of Transurban's equity ownership.

To arrive at the proportional result, minority interests in Transurban's consolidated roads are taken out and Transurban's interests in equity accounted assets are included, in proportion to Transurban's ownership.

Free cash is the primary measure used to assess Transurban's cash generation. Free cash is used as the guide to determine distributions to security holders.

#### Period ended 31 December 2016 highlights

##### Statutory results

	Half-year 2016 \$M	Half-year 2015 \$M	% Change
Toll revenue	1,032	919	12.3%
EBITDA	769	676	13.8%
Net profit after tax	88	62	41.9%

##### Proportional EBITDA

Segment information in note B3 to the financial statements presents the proportional result for Transurban Group, including reconciliations to the statutory result. Management considers proportional EBITDA to be the best indicator of asset performance.

	Half-year 2016 \$M	Half-year 2015 \$M	% Change
Toll revenue	1,065	960	10.9%
Other revenue	28	30	(6.7)%
Total costs	(276)	(261)	5.7%
EBITDA	817	729	12.1%

## Review of operations (continued)

### Financial position

	31 December 2016 M	30 June 2016 M	% Change
Market capitalisation	<b>\$21,081</b>	\$24,406	(13.6)%
Securities on issue	<b>2,043</b>	2,036	0.3%
Cash and cash equivalents	<b>\$1,432</b>	\$834	71.7%

Transurban's operating assets are primarily long-life intangible assets (concession assets), representing the provision by Government entities for the right to toll customers for the use of the assets. Concession assets represent 77 per cent of the total assets of the Group (June 2016: 78 per cent). The duration of the concessions typically range from approximately 30 to 80 years, and for accounting purposes the carrying values are amortised on a straight line basis over the duration of the concession.

### Free cash and cash flows from operations

Within Transurban, free cash flow ('FCF') per security is defined as:

- The Group's cash flow from operating activities;
- add back: transaction and integration costs related to acquisitions
- less: cash flows from operating activities from consolidated non 100% owned assets;
- less: allowance for maintenance of intangible assets for 100% owned assets;
- add back: payments for maintenance of intangible assets;
- add: dividends received from non 100% owned assets;
- divided by: weighted average number of securities issued.

The FCF calculation is included in note B6.

	Half-year 2016	Half-year 2015	% Change
Free cash	<b>\$680M</b>	\$461M	47.5%
Weighted average securities eligible for distribution	<b>2,043M</b>	1,922M	6.3%
Free cash per security (cents)	<b>33.3</b>	24.0	38.8%

Movements in free cash during the period have been influenced by:

- \$27 million increase in EBITDA from 100% owned assets
- (\$39 million) increase in net finance costs paid by 100% owned assets
- \$254 million increase in distributions received from non-100% owned assets
- (\$23 million) unfavourable movement in working capital and maintenance provision

The weighted average securities eligible for distributions have increased due to the impact of the equity issued in December 2015 to support the acquisition of AirportlinkM7. These securities were first eligible for the Group distribution declared in May 2016.

## Review of operations (continued)

### Network performance

Network	Highlights	Proportional toll revenue contribution	Traffic growth (average daily trips)	Toll revenue growth	EBITDA growth
<i>Sydney</i>	<ul style="list-style-type: none"> <li>→ Network enhancements continuing to deliver traffic growth across the network</li> <li>→ Large vehicle toll multipliers now at 3 times cars on M2, LCT, M5 and M7</li> </ul>	40.7%	3.4%	8.8%	10.4%
<i>Melbourne</i>	<ul style="list-style-type: none"> <li>→ Average weekend/public holiday traffic increased 0.9%</li> <li>→ Minimising impacts from construction works on the CityLink-Tulla Widening project</li> <li>→ CityLink Heavy Commercial Vehicle (“HCV”) tolls moving to 3 times cars on 1 April 2017</li> </ul>	31.9%	(0.7%)	2.7%	2.5%
<i>Brisbane</i> <sup>1</sup>	<ul style="list-style-type: none"> <li>→ AirportlinkM7 traffic and revenue results in line with expectations</li> <li>→ Logan and Gateway HCV tolls moving to 3.46 times cars post Logan Enhancement Project completion (expected mid-2019)</li> </ul>	18.2%	19.4%	31.6%	39.6%
<i>Greater Washington Area</i> <sup>2</sup>	<ul style="list-style-type: none"> <li>→ Ramp up across the network continues with traffic and revenue growth</li> <li>→ Average dynamic toll price increased 16.1% for 495 Express Lanes and 18.0% for 95 Express lanes compared to H1 FY16.</li> </ul>	9.2%	11.5%	21.2%	53.1%

1. Excluding AirportlinkM7, ADT increased 2.0% and toll revenue increased 7.8% and EBITDA increased 11.5%..

2. Toll revenue and EBITDA growth calculated in USD.

# Review of operations (continued)

## Sydney

### Operations

#### Operational enhancement

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- Freeway Management System ('FMS') roll-out via variable speed limits installed on Eastern Distributor
- Setup of the Transurban and Roads and Maritime Service ("RMS") joint working group (Journey Enhancement Team) focusing on prioritising network congestion points on and off the motorways and working on jointly developed congestion relief initiatives
- Incident clearance times across orbital network are approximately 30% better than Transport Management Centre guidelines over 1H17

### Development

#### NorthConnex

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- Project currently on time and on budget
- Westlink M7 truck toll multipliers reached 3 times car toll on 1 January 2017
- Potential to accelerate NorthConnex and M2 integration works to minimise impact to M2 motorists
- Project awarded a 'Leading' Infrastructure Sustainability Design rating at the Infrastructure Sustainability Council of Australia awards

## Melbourne

### Operations

#### CityLink operations

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- 'Safe clearance' incident response model achieved 50% reduction in customers waiting time in the first month post implementation
- Connected and Autonomous Vehicle ("CAV") testing on Monash-Citylink-Tullamarine corridor from early 2017
- FMS continues to be rolled out across the broader CityLink network throughout 2017 including ramp metering, automated incident detection and variable message signs

### Development

#### CityLink Tulla Widening

- Total project cost is approximately \$1.3 billion
- Significant effort made to minimise traffic impacts from the construction works
- Major works commenced in mid-March 2016
- Construction proceeding on time and on budget
- CityLink upgrade to be completed by early 2018
- HCV tolls moving to 3 times car toll on 1 April 2017

#### Western Distributor

- Total project cost expected to be approximately \$5.5 billion
- Environment Effects Statement to be issued by mid-2017
- Financial close expected by the end of 2017
- Construction on the Monash Freeway Upgrade began in September 2016 which Transurban is managing on behalf of the Victorian Government.

## Review of operations (continued)

### Brisbane

#### Operations

##### GLIDe Tolling System

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- GLIDe tolling system roll-out to commence late 2017
- Activities to optimise operations and maintenance contracts underway

#### Development

Inner City Bypass ('ICB')	Gateway Upgrade North	Logan Enhancement Project
→ Brisbane City Council announced the \$60 million widening of the ICB due to commence in March 2017	→ Transurban Queensland is managing the project on behalf of the Queensland and Federal Governments	→ Queensland Government approved the \$512 million Logan Enhancement Project in November 2016
→ Design and Construction contracts awarded in December 2016.	→ Construction progressing	→ Logan and Gateway HCV tolls progressively moving to 3.46 times car toll post Logan Enhancement Project completion in mid-2019
→ Transurban Queensland in exclusive negotiations for the delivery of the ICB upgrade	→ Expected completion late 2018	→ New south-facing ramps at Compton Road to be tolled

### Greater Washington Area

#### Operations

##### 95 Express Lanes and 495 Express Lanes

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- Insourcing of back office tolling system and operations and maintenance completed during the period
- Continued to improve the information available to customers through the mobile app and social media
- Commenced partnership to install proof of concept for vehicle occupancy detection technology in 2017
- Jones Branch connector being constructed, adding a connection point between 495 Express Lanes and Tysons

#### Development

Southern Extension to the 95 Express Lanes	I-395
→ Construction commenced in July 2016 on the 3 kilometre extension to the south of the 95 Express Lanes	→ The project is a 13 kilometre extension to the 95 Express Lanes and will convert 2 High Occupancy Vehicle lanes to 3 Express Lanes
→ Conceptual scope has been finalised for the Atlantic Gateway Extension Project. The project is an additional 14 kilometre extension to Fredericksburg	→ Total project cost expected to be USD \$460 million
	→ All terms of the transaction have been agreed with government
	→ Design-builder has been selected, with construction to begin after government acceptance of implementation plan
	→ Financial close expected in mid-2017

## Review of operations (continued)

### Financing activities

Refer to note B8 in the Group financial statements for the financing activities executed during the period.

There were no changes to the ratings provided by Standard and Poor's Financial Services LLC rating service, Moody's Investors Services Inc. or Fitch Ratings Inc. during the period.

### Matters subsequent to the end of the half-year

The following events have occurred subsequent to the end of the half-year:

- On 19 January 2017, Transurban Queensland drew down the remaining \$100 million of funds raised under the US Private Placement Debt Programme.

Other than what is noted above and as disclosed elsewhere in this report, the directors are not aware of any matter or circumstance that has arisen in the interval between the end of the half-year and the date of this report that have significantly affected, or may significantly affect, the Group's operations, the results of those operations, or the Group's state of affairs, in future financial years.

### Auditor

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

### 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 12.

### Rounding of amounts

The Group is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the rounding of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with that Instrument to the nearest million, or in certain cases, to the nearest dollar.

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



**Lindsay Maxsted**  
Director



**Scott Charlton**  
Director

Melbourne  
7 February 2017



## **Auditor's Independence Declaration**

As lead auditor for the review of the Transurban Group, THT and TIL for the half-year ended 31 December 2016, 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 the Transurban Group and the entities it controlled during the period, THT and the entities it controlled during the period and TIL and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Chris Dodd', is written over a light grey circular stamp.

Chris Dodd  
Partner  
PricewaterhouseCoopers

Melbourne  
7 February 2017

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**PricewaterhouseCoopers, ABN 52 780 433 757**  
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# Transurban Holdings Limited ABN 86 098 143 429

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Consolidated statement of cash flows

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## Section A: Group financial statements

**Transurban Holdings Limited**  
**Consolidated statement of comprehensive income**  
**for the half-year ended 31 December 2016**

	Note	Half-year 2016 \$M	Half-year 2015 \$M
<b>Revenue</b>	B4	1,334	1,056
<b>Expenses</b>			
Employee benefits expense		(78)	(71)
Road operating costs		(166)	(148)
Construction costs		(274)	(107)
Transaction and integration costs		–	(7)
Corporate and other expenses		(47)	(47)
<b>Total expenses</b>		<b>(565)</b>	<b>(380)</b>
<b>Earnings before depreciation, amortisation, net finance costs, equity accounted investments and income taxes</b>		<b>769</b>	<b>676</b>
Amortisation		(281)	(253)
Depreciation		(26)	(26)
<b>Total depreciation and amortisation</b>		<b>(307)</b>	<b>(279)</b>
Net finance costs	B7	(406)	(353)
Share of net profits of equity accounted investments		11	9
<b>Profit before income tax</b>		<b>67</b>	<b>53</b>
Income tax benefit		21	9
<b>Profit for the half-year</b>		<b>88</b>	<b>62</b>
<i>Profit/(loss) attributable to:</i>			
Ordinary security holders of the stapled group			
- Attributable to THL		4	59
- Attributable to THT/TIL		106	22
		110	81
Non-controlling interests - other		(22)	(19)
		88	62
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss in the future</i>			
Changes in the fair value of cash flow hedges, net of tax		156	(40)
Exchange differences on translation of US operations, net of tax		(1)	(14)
Changes in the value of share based payments, net of tax		(3)	–
<b>Other comprehensive income/(loss) for the half-year, net of tax</b>		<b>152</b>	<b>(54)</b>
<b>Total comprehensive income for the half-year</b>		<b>240</b>	<b>8</b>
<i>Total comprehensive income/(loss) for the half-year is attributable to:</i>			
Ordinary security holders of the stapled group			
- Attributable to THL		76	70
- Attributable to THT/TIL		168	(27)
		244	43
Non-controlling interests – other		(4)	(35)
		240	8
<b>Earnings per security attributable to ordinary security holders of the stapled group:</b>		<b>Cents</b>	<b>Cents</b>
Basic and diluted earnings per stapled security	B5	5.4	4.2

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

**Transurban Holdings Limited**  
**Consolidated balance sheet**  
for the half-year ended 31 December 2016

	As at 31 December 2016 \$M	As at 30 June 2016 \$M
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,432	834
Trade and other receivables	125	122
Derivative financial instruments	15	–
<b>Total current assets</b>	<b>1,572</b>	<b>956</b>
<b>Non-current assets</b>		
Equity accounted investments	692	971
Held-to-maturity investments	464	369
Derivative financial instruments	185	121
Property, plant and equipment	302	268
Deferred tax assets	1,014	1,097
Intangible assets	19,377	19,248
<b>Total non-current assets</b>	<b>22,034</b>	<b>22,074</b>
<b>Total assets</b>	<b>23,606</b>	<b>23,030</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	245	410
Borrowings	473	405
Derivative financial instruments	9	17
Maintenance provision	142	94
Distribution provision	561	516
Other provisions	25	31
Other liabilities	171	132
<b>Total current liabilities</b>	<b>1,626</b>	<b>1,605</b>
<b>Non-current liabilities</b>		
Borrowings	13,479	12,468
Deferred tax liabilities	935	981
Maintenance provision	817	826
Other provisions	68	47
Derivative financial instruments	233	393
Other liabilities	228	252
<b>Total non-current liabilities</b>	<b>15,760</b>	<b>14,967</b>
<b>Total liabilities</b>	<b>17,386</b>	<b>16,572</b>
<b>Net assets</b>	<b>6,220</b>	<b>6,458</b>
<b>EQUITY</b>		
Contributed equity	1,434	1,422
Reserves	6	(66)
Accumulated losses	(3,196)	(3,129)
Non-controlling interests held by security holders of the stapled group (THT/TIL)	6,605	6,808
<b>Equity attributable to security holders of the stapled group</b>	<b>4,849</b>	<b>5,035</b>
Non-controlling interests – other	1,371	1,423
<b>Total equity</b>	<b>6,220</b>	<b>6,458</b>

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

**Transurban Holdings Limited**  
**Consolidated statement of changes in equity**  
**for the half-year ended 31 December 2016**

**Attributable to security holders of the stapled group**

	No. of securities M	Contributed equity \$M	Reserves \$M	Accumulated losses \$M	Non-controlling interests— THT & TIL \$M	Total \$M	Non-controlling interests—other \$M	Total equity \$M
<b>Balance at 1 July 2016</b>	<b>2,036</b>	<b>1,422</b>	<b>(66)</b>	<b>(3,129)</b>	<b>6,808</b>	<b>5,035</b>	<b>1,423</b>	<b>6,458</b>
<b>Comprehensive income</b>								
Profit/(loss) for the half-year	–	–	–	4	106	110	(22)	88
Other comprehensive income/(loss)	–	–	72	–	62	134	18	152
<b>Total comprehensive income/(loss)</b>	<b>–</b>	<b>–</b>	<b>72</b>	<b>4</b>	<b>168</b>	<b>244</b>	<b>(4)</b>	<b>240</b>
<b>Transactions with owners in their capacity as owners:</b>								
Employee performance awards issued <sup>1</sup>	1	–	–	–	3	3	–	3
Distributions provided for or paid <sup>2</sup>	–	–	–	(71)	(439)	(510)	–	(510)
Distribution reinvestment plan <sup>3</sup>	6	12	–	–	65	77	–	77
Distributions to non-controlling interests <sup>4</sup>	–	–	–	–	–	–	(48)	(48)
	<b>7</b>	<b>12</b>	<b>–</b>	<b>(71)</b>	<b>(371)</b>	<b>(430)</b>	<b>(48)</b>	<b>(478)</b>
<b>Balance at 31 December 2016</b>	<b>2,043</b>	<b>1,434</b>	<b>6</b>	<b>(3,196)</b>	<b>6,605</b>	<b>4,849</b>	<b>1,371</b>	<b>6,220</b>

1. From 2012 it is the Group's policy that a portion of all Short Term Incentives issued to the CEO and other senior executives are deferred for a period of 2 years. In addition to the Short Term Incentives, Stapled Securities (including units in the Trust) were issued to executives under the Group's Long Term Incentive share-based payment plans. These securities are held by the executive but will only vest in accordance with the terms of the plans.
2. Refer to note B6 for further details of dividends and distributions provided for or paid.
3. Under the distribution reinvestment plan, holders of stapled securities may elect to have all or part of their distribution entitlements satisfied by the issue of new stapled securities rather than by cash.
4. Distributions were paid during the period to the non-controlling interest partners in Airport Motorway Trust (Eastern Distributor) and Transurban Queensland Invest Trust (Transurban Queensland).

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

**Transurban Holdings Limited**  
**Consolidated statement of changes in equity**  
**for the half-year ended 31 December 2016**

**Attributable to security holders of the stapled group**

	No. of securities M	Contributed equity \$M	Reserves \$M	Accumulated losses \$M	Non-controlling interests— THT & TIL \$M	Total \$M	Non-controlling interests—other \$M	Total equity \$M
<b>Balance at 1 July 2015</b>	<b>1,914</b>	<b>1,237</b>	<b>(70)</b>	<b>(3,034)</b>	<b>6,636</b>	<b>4,769</b>	<b>1,227</b>	<b>5,996</b>
<b>Comprehensive income</b>								
Profit/(loss) for the half-year	–	–	–	59	22	81	(19)	62
Other comprehensive income/(loss)	–	–	11	–	(49)	(38)	(16)	(54)
<b>Total comprehensive income/(loss)</b>	<b>–</b>	<b>–</b>	<b>11</b>	<b>59</b>	<b>(27)</b>	<b>43</b>	<b>(35)</b>	<b>8</b>
<b>Transactions with owners in their capacity as owners:</b>								
Contributions of equity, net of transaction costs <sup>1</sup>	107	163	–	–	845	1,008	–	1,008
Employee performance awards issued <sup>2</sup>	1	–	–	–	1	1	–	1
Distributions provided for or paid <sup>3</sup>	–	–	–	(67)	(365)	(432)	–	(432)
Distribution reinvestment plan <sup>4</sup>	7	11	–	–	57	68	–	68
Distributions to non-controlling interests <sup>5</sup>	–	–	–	–	–	–	(19)	(19)
	<b>115</b>	<b>174</b>	<b>–</b>	<b>(67)</b>	<b>538</b>	<b>645</b>	<b>(19)</b>	<b>626</b>
<b>Balance at 31 December 2015</b>	<b>2,029</b>	<b>1,411</b>	<b>(59)</b>	<b>(3,042)</b>	<b>7,147</b>	<b>5,457</b>	<b>1,173</b>	<b>6,630</b>

1. During December 2015, the Group successfully completed the fully underwritten institutional and retail components of its renounceable 1 for 18 pro rata entitlement offer. The institutional component raised \$726 million and the retail component raised \$282 million at an issue price of \$9.60 per security. The total proceeds from the entitlement offer (net of equity issue costs) were approximately \$1,008 million and were used to fund the Group's equity contribution for the AirportlinkM7 acquisition which reached financial close in April 2016, with the remainder used for general corporate purposes.
2. From 2012 it is the Group's policy that a portion of all Short Term Incentives issued to the CEO and other senior executives are deferred for a period of 2 years. In addition to the Short Term Incentives, Stapled Securities (including units in the Trust) were issued to executives under the Group's Long Term Incentive share-based payment plans. These securities are held by the executive but will only vest in accordance with the terms of the plans.
3. Refer to note B6 for further details of dividends and distributions provided for or paid.
4. Under the distribution reinvestment plan, holders of stapled securities may elect to have all or part of their distribution entitlements satisfied by the issue of new stapled securities rather than by cash.
5. Distributions were paid during the period to the non-controlling interest partners in Airport Motorway Trust (Eastern Distributor) and Transurban Queensland Invest Trust (Transurban Queensland).

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

**Transurban Holdings Limited**  
**Consolidated statement of cash flows**  
**for the half-year ended 31 December 2016**

	Half-year 2016 \$M	Half-year 2015 \$M
<b>Cash flows from operating activities</b>		
Receipts from customers	1,122	1,015
Payments to suppliers and employees	(328)	(287)
Payments for maintenance of intangible assets	(35)	(26)
Transaction and integration costs related to acquisitions	(104)	(7)
Other revenue	24	44
Interest received	12	13
Interest paid	(399)	(322)
<b>Net cash inflow from operating activities</b>	<b>292</b>	<b>430</b>
<b>Cash flows from investing activities</b>		
Payments for held-to-maturity investments, net of fees	(80)	(71)
Payments for intangible assets	(320)	(241)
Payments for property, plant and equipment	(65)	(31)
Distributions received from equity accounted investments	290	76
<b>Net cash (outflow) from investing activities</b>	<b>(175)</b>	<b>(267)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issues of stapled securities (net of costs)	-	1,008
Proceeds from borrowings (net of costs)	2,455	2,320
Repayment of borrowings	(1,544)	(2,509)
Dividends and distributions paid to the Group's security holders	(390)	(324)
Distributions paid to non-controlling interests	(48)	(27)
<b>Net cash inflow from financing activities</b>	<b>473</b>	<b>468</b>
<b>Net increase in cash and cash equivalents</b>	<b>590</b>	<b>631</b>
Cash and cash equivalents at the beginning of the year	834	1,249
Effects of exchange rate changes on cash and cash equivalents	8	9
<b>Cash and cash equivalents at end of the half-year</b>	<b>1,432</b>	<b>1,889</b>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

## Section B: Notes to the Group financial statements

## Basis of preparation and significant changes

### B1 Summary of significant changes in the current period

There have been no significant changes in the current period.

### B2 Basis of preparation

Transurban Holdings Limited ('the company', 'the parent' or 'THL') is a company incorporated in Australia and limited by shares that are publicly traded on the Australian Securities Exchange. These financial statements have been prepared as a consolidation of the financial statements of Transurban Holdings Limited and its controlled entities ('Transurban Group' or 'the Group'). The controlled entities of THL include the other members of the stapled group being Transurban International Limited and its controlled entities ('TIL') and Transurban Holding Trust and its controlled entities ('THT'). The equity securities of THL, THT and TIL are stapled and cannot be traded separately. Entities within the Group are domiciled and incorporated in Australia and the United States of America.

The Group interim financial statements for the half-year reporting period ended 31 December 2016:

- Have been prepared in accordance with the Corporations Act 2001 and AASB 134 *Interim Financial Reporting*;
- Have adopted all accounting policies in accordance with Australian accounting standards, and where a standard permits a choice in accounting policy, the policy adopted by the Group has been disclosed in the annual report for the year ended 30 June 2016;
- Have applied the option under *ASIC Corporations (Stapled Group Reports) Instrument 2015/838* to present the consolidated financial statements in one section (Section A), and all other reporting group members in a separate section (Section C);
- Do not early adopt any accounting standards or interpretations that have been issued or amended but are not yet effective;
- Have been prepared under the historical cost convention, as modified by the revaluation of other financial assets and liabilities (including derivative financial instruments);
- Are presented in Australian dollars, which is THL's functional and presentation currency;
- Have been rounded to the nearest million dollars, unless otherwise stated, in accordance with *ASIC Corporations (Rounding in Financial/Directors' reports) Instrument 2016/191*; and
- The presentation of comparative amounts have been restated, where applicable, to conform to the current period presentation.

The interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this is to be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by the Transurban Group during the interim reporting period in accordance with the continuous disclosure requirements of the ASX Listing Rules.



## **B2 Basis of preparation (continued)**

### **Going concern**

THL's current liabilities exceed its current assets by \$54 million as at 31 December 2016. This is primarily driven by borrowing facilities with maturities of less than 12 months. The financial report has been prepared on a going concern basis, which assumes the continuity of normal operations. This is based on the following:

- The Group has generated positive cash inflows from operating activities of \$292 million (2015: \$430 million), after allowing for payments of \$104 million in transaction and integration costs related to acquisitions; and
- The Group has available a total of \$868 million of undrawn borrowing facilities with maturities beyond 12 months across a number of finance providers. Transurban Queensland has a further \$809 million of undrawn borrowing facilities with maturities beyond 12 months for use on capital expenditure.
- The Group expects to refinance those borrowing facilities with maturities of less than 12 months.

### **New and amended standards**

The Group has not changed or amended any accounting policies as a result of new or revised accounting standards during the annual reporting period commencing 1 July 2016.

## Operating performance

### B3 Segment information

In the segment information provided to the Executive Committee (chief operating decision maker), segments are defined by the geographical networks in which the Group operates being Victoria ('VIC'), New South Wales ('NSW'), Queensland ('QLD') and the Greater Washington Area ('GWA'). The Group's corporate function is not an operating segment under the requirements of AASB 8 as its revenue generating activities are only incidental to the business.

The Executive Committee assess the performance of the networks based on a measure of proportional earnings before depreciation, amortisation, net finance costs, equity accounted investments and income taxes ('Proportional EBITDA'). This reflects the contribution of each network in the Group in the proportion of Transurban's equity ownership. Interest income and expenses are allocated to the networks where the amounts are related specifically to the assets. Otherwise they are allocated to the Corporate function.

The diagram below shows the assets included in each geographical network, together with the ownership interests held by the Group for the current financial year:

	VIC	NSW	QLD	GWA
WHOLLY OWNED	CityLink (100%)	Lane Cove Tunnel (100%) Cross City Tunnel (100%)	Hills M2 Motorway (100%)	95 Express Lanes (100%) 495 Express Lanes (100%)
		M1 Eastern Distributor (75.1%)	Logan Motorway (62.5%) Go Between Bridge (62.5%) Legacy Way (62.5%)	Gateway Motorway (62.5%) Clem7 (62.5%) AirportlinkM7 <sup>1</sup> (62.5%)
NON-100% OWNED AND CONSOLIDATED		Westlink M7 <sup>2</sup> (50%) NorthConnex <sup>2</sup> (50%)	Interlink M5 (50%)	

1. Airportlink M7 was acquired on 1 April 2016.
2. Westlink M7 and NorthConnex form the NorthWestern Roads Group.

### B3 Segment information (continued)

#### Segment information – proportional income statement

31 December 2016

\$M	VIC	NSW	QLD	GWA	Corporate and other	Total
Toll revenue	340	434	193	98	-	1,065
Other revenue	11	15	1	-	1	28
<b>Total proportional revenue</b>	<b>351</b>	<b>449</b>	<b>194</b>	<b>98</b>	<b>1</b>	<b>1,093</b>
<b>Proportional EBITDA</b>	<b>293</b>	<b>351</b>	<b>137</b>	<b>57</b>	<b>(21)</b>	<b>817</b>

31 December 2015

\$M	VIC	NSW	QLD	GWA	Corporate and other	Total
Toll revenue	331	399	146	84	-	960
Other revenue	10	12	6	-	2	30
<b>Total proportional revenue</b>	<b>341</b>	<b>411</b>	<b>152</b>	<b>84</b>	<b>2</b>	<b>990</b>
<b>Proportional EBITDA</b>	<b>285</b>	<b>318</b>	<b>98</b>	<b>39</b>	<b>(11)</b>	<b>729</b>

#### Reconciliation of segment information to statutory financial information

The proportional results presented above are different from the statutory financial results of the Group due to the proportional presentation of each asset's contribution to each geographical network.

#### Segment revenue

Revenue from external customers is through toll and service and fee revenues earned on toll roads. There are no inter-segment revenues. Segment revenue reconciles to total statutory revenue as follows:

	Half-year 2016 \$M	Half-year 2015 \$M
<b>Total segment revenue (proportional)</b>	<b>1,093</b>	990
<i>Add:</i>		
Revenue attributable to non-100% owned consolidated assets	135	107
Construction revenue from road development activities	274	107
<i>Less:</i>		
Revenue of non-100% owned equity accounted assets	(168)	(148)
<b>Total statutory revenue</b>	<b>1,334</b>	1,056

#### Proportional EBITDA

Proportional EBITDA reconciles to profit/(loss) before income tax as follows:

	Half-year 2016 \$M	Half-year 2015 \$M
<b>Proportional EBITDA</b>	<b>817</b>	729
<i>Add:</i> EBITDA attributable to non-100% owned consolidated assets	96	73
<i>Less:</i> Proportional EBITDA of non-100% owned equity accounted assets	(144)	(126)
<b>Statutory profit before depreciation, amortisation, net finance costs, equity accounted investments and income taxes</b>	<b>769</b>	676
Statutory depreciation and amortisation	(307)	(279)
Statutory net finance costs	(406)	(353)
Share of net profit from equity accounted investments	11	9
<b>Profit/(loss) before income tax</b>	<b>67</b>	53

**Transurban Holdings Limited**  
**Notes to the consolidated financial statements**  
**for the half-year ended 31 December 2016**

**B4 Revenue**

	<b>Half-year 2016 \$M</b>	<b>Half-year 2015 \$M</b>
Toll revenue	1,032	919
Construction revenue	274	107
Other revenue	28	30
<b>Total revenue</b>	<b>1,334</b>	<b>1,056</b>

## Security holder outcomes

### B5 Earnings per stapled security

#### Reconciliation of earnings used in calculating earnings per security

	Half-year 2016	Half-year 2015
Profit/(loss) attributable to ordinary security holders of the stapled group (\$M)	110	81
Weighted average number of securities (M)	2,041	1,931
Basic and diluted earnings per security attributable to the ordinary security holders of the stapled group (Cents)	5.4	4.2

### B6 Dividends/distributions and free cash

	Total \$M	Paid in cash \$M	Settled in securities \$M	Cents	Date paid/ payable
<i>Dividends/distributions paid during the half-year</i>					
<b>31 December 2015</b>					
<b>Declared 15 May 2015</b>					
Franked THL	66	55	11	3.5	
Unfranked THT	326	269	57	17.0	
	392	324	68	20.5	14 August 2015
<b>31 December 2016</b>					
<b>Declared 24 May 2016</b>					
Franked THL	71	59	12	3.5	
Unfranked THT	396	331	65	19.5	
	467	390	77	23.0	12 August 2016
<i>Dividends/distributions payable by the Group</i>					
<b>31 December 2015</b>					
<b>Declared 24 November 2015</b>					
Franked THL	67	57	10	3.5	
Unfranked THT	365	308	57	19.0	
	432	365	67	22.5	12 February 2016
<b>31 December 2016</b>					
<b>Declared 5 December 2016</b>					
Franked THL	71	–	–	3.5	
Unfranked THT	439	–	–	21.5	
	510	–	–	25.0	10 February 2017

## B6 Dividends/distributions and free cash (continued)

### Distribution policy and free cash calculation

The Group's distribution policy is to align distributions with free cash from operations. The Group calculates free cash as follows:

	Half-year 2016 \$M	Half-year 2015 \$M
Cash flows from operating activities	292	430
Add back transaction and integration costs related to acquisitions (non 100% owned entities)	104	7
Add back payments for maintenance of intangible assets	35	26
Less cash flow from operating activities from consolidated non 100% owned entities	(130)	(130)
Less allowance for maintenance of intangible assets for 100% owned assets	(29)	(26)
<i>Adjust for distributions and interest received from non 100% owned entities</i>		
M1 Eastern Distributor distribution	29	24
M5 distribution and term loan note interest	65	35
Transurban Queensland distribution and shareholder loan note interest	84	52
NorthWestern Roads Group distribution	230	43
<b>Free cash</b>	<b>680</b>	<b>461</b>
<b>Weighted average securities on issue (millions)<sup>1</sup></b>	<b>2,043</b>	<b>1,922</b>
<b>Free cash per security (cents) – weighted average securities</b>	<b>33.3</b>	<b>24.0</b>

1. The weighting applied to securities is based on their eligibility for distributions during the half-year.

## Capital and borrowings

### B7 Net finance costs

	Half-year 2016 \$M	Half-year 2015 \$M
<i>Finance income</i>		
Interest income on held-to-maturity investments	19	8
Interest income on bank deposits	10	11
<b>Total finance income</b>	<b>29</b>	<b>19</b>
<i>Finance costs</i>		
Interest and finance charges paid/payable	(404)	(343)
Unwind of discount on liabilities – maintenance provision	(19)	(21)
Unwind of discount on liabilities – promissory and concession notes	(5)	(3)
Unwind of discount on liabilities – other liabilities	(6)	(2)
Net foreign exchange losses	(1)	(3)
<b>Total finance costs</b>	<b>(435)</b>	<b>(372)</b>
<b>Net finance costs</b>	<b>(406)</b>	<b>(353)</b>

### B8 Borrowings

	31 December 2016 \$M	30 June 2016 \$M
<i>Current</i>		
Capital markets debt	300	–
Term debt	–	276
U.S. private placement	173	129
<b>Total current borrowings</b>	<b>473</b>	<b>405</b>
<i>Non-current</i>		
Working capital facilities	15	60
Capital markets debt	6,288	5,308
U.S. private placement	2,664	2,078
Term debt	2,962	3,535
TIFIA	1,230	1,167
Shareholder loan notes	320	320
<b>Total non-current borrowings</b>	<b>13,479</b>	<b>12,468</b>
<b>Total borrowings</b>	<b>13,952</b>	<b>12,873</b>

### Financing activities

During the reporting period Transurban executed a number of financing activities including:

<i>July 2016</i>	Westlink M7 issued AUD\$500 million of 7 and 10 year Australian Medium Term Notes.  Lane Cove Tunnel drew down AUD\$200 million of non-recourse debt. The debt was provided by banks and private placement investors for terms of 5 and 12 years respectively.  NOK 750 million of corporate senior secured 11 year notes were issued via private placement under the Euro Medium Term Note Programme.
<i>September 2016</i>	USD\$550 million of corporate senior secured 10.5 year notes were issued in the US 144A bond market.
<i>October 2016</i>	Transurban Queensland issued AUD\$200 million of 7 year senior secured Australian Medium Term Notes.
<i>November 2016</i>	Transurban Queensland issued CHF 175 million of 10 year senior secured Swiss bonds under the Euro Medium Term Note Programme.

## B8 Borrowings (continued)

A 3 year corporate working capital facility for AUD\$100 million and an AUD\$50 million Letter of Credit facility were established as part of a refinancing of existing facilities.

December 2016

Transurban Queensland priced AUD\$744 million of US Private Placement Notes. The notes were issued in four tranches of approximately AUD\$204 million, AUD\$293 million, AUD\$177 million and AUD\$100 million with tenors of 10,12,15 and 18 years respectively. Settlement occurred in December with the 18 year tranche settled in January 2017.

A 5 year corporate working capital facility for AUD\$125 million was established as part of a refinancing of existing facilities.

Cross City Tunnel non-recourse debt was refinanced with a new non-recourse 3 year term bank debt facility of AUD\$278 million.

Transurban Queensland established a new 3 year AUD\$820 million bank debt facility and refinanced an existing 3 year AUD\$25 million working capital facility.

## B9 Derivatives and financial risk management

### Derivatives

	31 December 2016		30 June 2016	
	\$M		\$M	
	Current	Non-current	Current	Non-current
<b>Assets</b>				
Interest rate swap contracts – cash flow hedges	–	14	–	–
Forward exchange contracts – cash flow hedges	2	–	–	–
Cross-currency interest rate swap contracts – cash flow hedges	13	171	–	121
<b>Total derivative financial instrument assets</b>	<b>15</b>	<b>185</b>	<b>–</b>	<b>121</b>
<b>Liabilities</b>				
Interest rate swap contracts – cash flow hedges	8	140	12	279
Forward exchange contracts – cash flow hedges	1	–	2	–
Cross-currency interest rate swap contracts – cash flow hedges	–	19	3	46
Cross-currency interest rate swap contracts – net investment hedge	–	74	–	68
<b>Total derivative financial instrument liabilities</b>	<b>9</b>	<b>233</b>	<b>17</b>	<b>393</b>

### Fair value measurements

The carrying value of the Group's financial assets and liabilities approximate fair value. This is also generally the case with borrowings since either the interest payable on those borrowings is close to current market rates or the borrowings are of a short-term nature. The fair values of non-current borrowings are determined based on discounted cash flows using a current borrowing rate.

Fair value is categorised within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement as a whole:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All of the Group's financial instruments measured, recognised and disclosed at fair value were valued using market observable inputs (Level 2).

There were no transfers between levels during the period and there has been no change in the valuation techniques applied.



## Network summary

### B10 Network summary

The table below summarises the key balance sheet items of the Group's concession assets by network:

31 December 2016	Equity accounted investment carrying amount	Concession assets	Assets under construction	Goodwill	Maintenance provision	Non-recourse borrowings
\$M						
VIC	–	2,431	610	1	(132)	–
NSW	692	5,092	50	260	(166)	(2,010)
QLD	–	8,015	20	205	(605)	(4,387)
GWA	–	2,663	30	–	(56)	(1,872)
Total	692	18,201	710	466	(959)	(8,269)

30 June 2016	Equity accounted investment carrying amount	Concession assets	Assets under construction	Goodwill	Maintenance provision	Non-recourse borrowings
\$M						
VIC	–	2,498	340	1	(128)	–
NSW	971	5,176	34	260	(158)	(1,810)
QLD	–	8,101	13	205	(589)	(4,269)
GWA	–	2,613	7	–	(45)	(1,793)
Total	971	18,388	394	466	(920)	(7,872)

## Items not recognised

### **B11 Contingencies**

There have been no material changes in contingent liabilities or contingent assets since 30 June 2016.

### **B12 Subsequent events**

The following events have occurred subsequent to the end of the half-year:

- On 19 January 2017, Transurban Queensland drew down the remaining \$100 million of funds raised under the US Private Placement Debt Programme.

Other than what is noted above and as disclosed elsewhere in this report, there has not arisen in the interval between the end of the half-year and the date of this report any matter or circumstance that has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or the Group's state of affairs, in future financial years.

## Section C: Transurban Holding Trust ('THT') and Transurban International Limited ('TIL') financial statements

Consolidated statement of comprehensive income  
Consolidated balance sheet  
Consolidated statement of changes in equity  
Consolidated statement of cash flows

## Section D: Notes to the THT and TIL financial statements

<b>Basis of preparation and significant changes</b>	<b>D1</b> Introduction	<b>D2</b> Trust formation and termination	
<b>Operating performance</b>	<b>D3</b> Segment information	<b>D4</b> Revenue	
<b>Security holder outcomes</b>	<b>D5</b> Earnings per stapled security		
<b>Capital and borrowings</b>	<b>D6</b> Net finance income and costs	<b>D7</b> Borrowings	<b>D8</b> Derivatives and financial risk management

**Transurban Holding Trust and Transurban International Limited**  
**Consolidated statement of comprehensive income**  
**for the half-year ended 31 December 2016**

	Note	Transurban Holding Trust		Transurban International Limited	
		Half-year 2016 \$M	Half-year 2015 \$M	Half-year 2016 \$M	Half-year 2015 \$M
<b>Revenue</b>	D4	355	310	110	84
Employee benefits expense		–	–	(9)	(8)
Road operating costs		(2)	(2)	(31)	(30)
Construction costs		(14)	(17)	(12)	–
Corporate and other expenses		–	(1)	(5)	(9)
<b>Total expenses</b>		<b>(16)</b>	<b>(20)</b>	<b>(57)</b>	<b>(47)</b>
<b>Earnings before depreciation and amortisation, net finance costs, equity accounted investments and income tax</b>		<b>339</b>	<b>290</b>	<b>53</b>	<b>37</b>
Depreciation and amortisation expense		(155)	(130)	(18)	(19)
Net finance costs	D6	(61)	(44)	(82)	(117)
<b>Profit/(loss) before income tax</b>		<b>123</b>	<b>116</b>	<b>(47)</b>	<b>(99)</b>
Income tax benefit/(expense)		1	(1)	20	6
<b>Profit/(loss) for the half-year</b>		<b>124</b>	<b>115</b>	<b>(27)</b>	<b>(93)</b>
<i>Profit/(loss) is attributable to:</i>					
Ordinary security holders of TIL		–	–	(27)	(93)
Ordinary unit holders of THT		133	115	–	–
Non-controlling interests		(9)	–	–	–
		<b>124</b>	<b>115</b>	<b>(27)</b>	<b>(93)</b>
<b>Other comprehensive income</b>					
<i>Items that may be reclassified to profit or loss</i>					
Changes in the fair value of cash flow hedges, net of tax		82	(42)	17	(4)
Exchange differences on translation of foreign operations, net of tax		–	–	(16)	(19)
Changes in the value of share based payments		(3)	–	–	–
<b>Other comprehensive income/(loss) for the half-year, net of tax</b>		<b>79</b>	<b>(42)</b>	<b>1</b>	<b>(23)</b>
<b>Total comprehensive income for the half-year</b>		<b>203</b>	<b>73</b>	<b>(26)</b>	<b>(116)</b>
<i>Total comprehensive income/(loss) for the half-year is attributable to:</i>					
Ordinary security holders of TIL		–	–	(26)	(116)
Ordinary unit holders of THT		194	89	–	–
Non-controlling interests		9	(16)	–	–
		<b>203</b>	<b>73</b>	<b>(26)</b>	<b>(116)</b>
		<b>Cents</b>	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
<b>Earnings per security attributable to ordinary security holders of the group:</b>					
Basic and diluted earnings/(loss) per security	D5	6.5	6.0	(1.3)	(4.8)

*The above consolidated statements of comprehensive income should be read in conjunction with the accompanying notes.*

**Transurban Holding Trust and Transurban International Limited**  
**Consolidated balance sheet**  
**for the half-year ended 31 December 2016**

	Transurban Holding Trust		Transurban International Limited	
	As at 31 December 2016 \$M	As at 30 June 2016 \$M	As at 31 December 2016 \$M	As at 30 June 2016 \$M
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	106	229	280	245
Loans to related parties	2,694	2,377	7	8
Trade and other receivables	1	2	13	16
<b>Total current assets</b>	<b>2,801</b>	<b>2,608</b>	<b>300</b>	<b>269</b>
<b>Non-current assets</b>				
Equity accounted investments	538	768	–	–
Derivative financial instruments	34	–	–	–
Related party receivables	6,713	5,966	–	–
Concession notes	999	961	–	–
Property, plant and equipment	–	–	10	4
Deferred tax assets	23	41	254	352
Intangible assets	9,780	9,920	2,694	2,620
<b>Total non-current assets</b>	<b>18,087</b>	<b>17,656</b>	<b>2,958</b>	<b>2,976</b>
<b>Total assets</b>	<b>20,888</b>	<b>20,264</b>	<b>3,258</b>	<b>3,245</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Related party payables	569	–	1,641	1,560
Trade and other payables	36	142	28	29
Borrowings	–	276	–	–
Maintenance provision	–	–	5	3
Distribution payable	489	446	–	–
Derivative financial instruments	3	11	–	–
Other liabilities	65	44	4	5
<b>Total current liabilities</b>	<b>1,162</b>	<b>919</b>	<b>1,678</b>	<b>1,597</b>
<b>Non-current liabilities</b>				
Maintenance provision	–	–	51	42
Deferred tax liabilities	–	–	173	282
Related party payables	5,244	5,101	–	–
Borrowings	6,061	5,483	1,872	1,793
Derivative financial instruments	37	148	63	87
Other liabilities	79	89	–	–
<b>Total non-current liabilities</b>	<b>11,421</b>	<b>10,821</b>	<b>2,159</b>	<b>2,204</b>
<b>Total liabilities</b>	<b>12,583</b>	<b>11,740</b>	<b>3,837</b>	<b>3,801</b>
<b>Net assets/(liabilities)</b>	<b>8,305</b>	<b>8,524</b>	<b>(579)</b>	<b>(556)</b>
<b>EQUITY</b>				
Contributed equity	–	–	305	302
Issued units	10,585	10,520	–	–
Reserves	(31)	(92)	(175)	(176)
Accumulated losses	(3,438)	(3,132)	(709)	(682)
Non-controlling interests	1,189	1,228	–	–
<b>Total equity</b>	<b>8,305</b>	<b>8,524</b>	<b>(579)</b>	<b>(556)</b>

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

**Transurban Holding Trust and Transurban International Limited**  
**Consolidated statement of changes in equity**  
**for the half-year ended 31 December 2016**

THT	Attributable to security holders of Transurban Holding Trust					
	No. of units M	Issued units \$M	Reserves \$M	Accumulated losses \$M	Non- controlling interests \$M	Total equity \$M
<b>Balance at 1 July 2015</b>	1,914	9,584	(43)	(2,579)	1,017	7,979
<b>Comprehensive income</b>						
Profit/(loss) for the year	–	–	–	115	–	115
Other comprehensive income/(loss)	–	–	(26)	–	(16)	(42)
<b>Total comprehensive income/(loss)</b>	–	–	(26)	115	(16)	73
Contributions of equity, net of transaction costs <sup>1</sup>	107	825	–	–	–	825
Employee performance awards issued	1	1	–	–	–	1
Distributions provided for or paid	–	–	–	(365)	–	(365)
Distribution reinvestment plan	7	56	–	–	–	56
Distributions to non-controlling interests	–	–	–	–	(19)	(19)
	115	882	–	(365)	(19)	498
<b>Balance at 31 December 2015</b>	<b>2,029</b>	<b>10,466</b>	<b>(69)</b>	<b>(2,829)</b>	<b>982</b>	<b>8,550</b>
<b>Balance at 1 July 2016</b>	<b>2,036</b>	<b>10,520</b>	<b>(92)</b>	<b>(3,132)</b>	<b>1,228</b>	<b>8,524</b>
<b>Comprehensive income</b>						
Profit/(loss) for the year	–	–	–	133	(9)	124
Other comprehensive income/(loss)	–	–	61	–	18	79
<b>Total comprehensive income/(loss)</b>	–	–	61	133	9	203
Employee performance awards issued	1	3	–	–	–	3
Distributions provided for or paid	–	–	–	(439)	–	(439)
Distribution reinvestment plan	6	62	–	–	–	62
Distributions to non-controlling interests	–	–	–	–	(48)	(48)
	7	65	–	(439)	(48)	(422)
<b>Balance at 31 December 2016</b>	<b>2,043</b>	<b>10,585</b>	<b>(31)</b>	<b>(3,438)</b>	<b>1,189</b>	<b>8,305</b>

TIL	Attributable to security holders of Transurban International Limited					
	No. of securities M	Contributed equity \$M	Reserves \$M	Accumulated losses \$M	Non- controlling interests \$M	Total equity \$M
<b>Balance at 1 July 2015</b>	1,914	279	(145)	(528)	–	(394)
<b>Comprehensive income</b>						
Profit/(loss) for the year	–	–	–	(93)	–	(93)
Other comprehensive income/(loss)	–	–	(23)	–	–	(23)
<b>Total comprehensive income/(loss)</b>	–	–	(23)	(93)	–	(116)
Contributions of equity, net of transaction costs <sup>1</sup>	107	20	–	–	–	20
Employee performance awards issued	1	–	–	–	–	–
Distribution reinvestment plan	7	1	–	–	–	1
	115	21	–	–	–	21
<b>Balance at 31 December 2015</b>	<b>2,029</b>	<b>300</b>	<b>(168)</b>	<b>(621)</b>	<b>–</b>	<b>(489)</b>
<b>Balance at 1 July 2016</b>	<b>2,036</b>	<b>302</b>	<b>(176)</b>	<b>(682)</b>	<b>–</b>	<b>(556)</b>
<b>Comprehensive income</b>						
Profit/(loss) for the year	–	–	–	(27)	–	(27)
Other comprehensive income/(loss)	–	–	1	–	–	1
<b>Total comprehensive income/(loss)</b>	–	–	1	(27)	–	(26)
Employee performance awards issued	1	–	–	–	–	–
Distribution reinvestment plan	6	3	–	–	–	3
	7	3	–	–	–	3
<b>Balance at 31 December 2016</b>	<b>2,043</b>	<b>305</b>	<b>(175)</b>	<b>(709)</b>	<b>–</b>	<b>(579)</b>

1. During December 2015, the Group successfully completed the fully underwritten institutional and retail entitlement offer. Refer to the Group Consolidated statement of changes in equity for further information.

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

**Transurban Holding Trust and Transurban International Limited**  
**Consolidated statement of cash flows**  
**for the year ended 31 December 2016**

	Transurban Holding Trust		Transurban International Limited	
	Half-year 2016 \$M	Half-year 2015 \$M	Half-year 2016 \$M	Half-year 2015 \$M
<b>Cash flows from operating activities</b>				
Receipts from customers	326	274	101	81
Payments to suppliers	(3)	(13)	(37)	(34)
Payments for maintenance of intangibles	–	–	(1)	(1)
Transaction costs related to acquisitions	(95)	–	–	–
Interest received	127	30	–	–
Interest paid	(374)	(285)	(16)	(20)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(19)</b>	<b>6</b>	<b>47</b>	<b>26</b>
<b>Cash flows from investing activities</b>				
Distributions received from equity accounted investments	230	43	–	–
Payment for property, plant and equipment	–	–	(7)	(2)
Payments for intangible assets	(14)	(28)	(20)	(8)
<b>Net cash inflow/(outflow) from investing activities</b>	<b>216</b>	<b>15</b>	<b>(27)</b>	<b>(10)</b>
<b>Cash flows from financing activities</b>				
Loans (to)/from related parties	(1,061)	(1,297)	10	681
Repayment of loans from/(to) related parties	875	1,128	–	(700)
Proceeds from issue of stapled securities	–	825	–	20
Proceeds from borrowings (net of cost)	1,594	1,061	–	–
Repayment of borrowings	(1,349)	(636)	(3)	–
Distributions paid to Transurban Group's security holders	(331)	(269)	–	–
Distributions paid to non-controlling interests in subsidiaries	(48)	(27)	–	–
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(320)</b>	<b>785</b>	<b>7</b>	<b>1</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(123)</b>	<b>806</b>	<b>27</b>	<b>17</b>
Cash and cash equivalents at the beginning of the year	229	156	245	179
Effects of exchange rate changes on cash and cash equivalents	–	–	8	9
<b>Cash and cash equivalents at end of the half-year</b>	<b>106</b>	<b>962</b>	<b>280</b>	<b>205</b>

*The above consolidated statements of cash flows should be read in conjunction with the accompanying notes.*

## Basis of preparation and significant changes

### **D1 Introduction**

The Transurban Holding Trust Group consists of Transurban Holding Trust ('THT') and the entities it controls ('THT Group') and the Transurban International Limited Group consists of Transurban International Limited ('TIL') and the entities it controls ('TIL Group'). THT and TIL form part of the stapled Transurban Group.

THT is registered as a managed investment scheme under Chapter 5C of the Corporations Act 2001, and as a result requires a responsible entity. The responsible entity of the THT is Transurban Infrastructure Management Limited ('TIML'). TIML is the responsible entity of the Trust and is responsible for performing all functions that are required under the Corporations Act 2001 of a responsible entity.

THT is a Trust registered and domiciled in Australia.

TIL is a public company limited by shares and incorporated in Australia.

### **Going concern**

TIL's current liabilities exceed its current assets by \$1,378 million as at 31 December 2016. This is primarily driven by a \$1,641 million loan payable to another entity within the Transurban Group. Excluding this loan, the TIL Group has net current assets of \$263 million.

Under the stapling arrangement, each entity is able to provide direct and / or indirect support to each other entity and its controlled entities within the Transurban Group.

The financial reports have been prepared on a going concern basis, which assumes the continuity of normal operations.

### **D2 Trust formation and termination**

The Transurban Holding Trust was established on 15 November 2001 and has no termination date. The Trust was registered as a managed investment scheme by the Australian Securities and Investments Commission on 28 November 2001.



## Operating performance

### D3 Segment information

Refer to note B3 for further information around the structure of the segments for the Transurban Group.

#### THT operating segments

Management has determined that THT has one operating segment.

THT operations involve the leasing of assets and the provision of funding to the Transurban Group or associates of the Transurban Group. All revenues and expenses are directly attributable to these activities. The management structure and internal reporting of the Trust are based on this one operating segment.

#### TIL operating segments

Management has determined that TIL has one operating segment.

TIL operations involve the development, operation and maintenance of toll roads in the GWA. All revenues and expenses are directly attributable to these activities. The management structure and internal reporting of TIL are based on this one operating segment.

#### Reconciliation of segment information to statutory financial information

Segment information for TIL as disclosed in the Transurban Group segment note at B3 is reconciled to the TIL statutory financial information below.

##### Segment revenue

Revenue from external customers is through toll and service and fee revenues earned on toll roads. There are no inter-segment revenues. Segment revenue reconciles to total statutory revenue as follows:

	TIL	
	Half-year 2016 \$M	Half-year 2015 \$M
<b>Total segment revenue (proportional) (per B3)</b>	98	84
Add:		
Construction revenue from road development activities	12	–
<b>Total revenue</b>	<b>110</b>	<b>84</b>

##### Reconciliation of proportional EBITDA to statutory profit for the half-year

Proportional EBITDA reconciles to statutory net profit as follows:

	TIL	
	Half-year 2016 \$M	Half-year 2015 \$M
<b>Proportional EBITDA</b>	57	39
Less:		
EBITDA attributable to TIL corporate activities (disclosed in corporate and other)	(4)	(2)
<b>Statutory earnings before depreciation and amortisation, net finance costs, equity accounted investments and tax</b>	<b>53</b>	<b>37</b>
Statutory net finance costs	(82)	(117)
Statutory depreciation and amortisation	(18)	(19)
<b>Loss before tax for the half-year from continuing operations</b>	<b>(47)</b>	<b>(99)</b>

Transurban Holding Trust and Transurban International Limited  
Notes to the THT and TIL financial statements  
31 December 2016

**D4 Revenue**

	THT		TIL	
	Half-year 2016 \$M	Half-year 2015 \$M	Half-year 2016 \$M	Half-year 2015 \$M
Toll revenue	–	–	98	84
Rental income	326	278	–	–
Construction revenue	14	17	12	–
Concession fees	15	15	–	–
<b>Total revenue</b>	<b>355</b>	<b>310</b>	<b>110</b>	<b>84</b>

## Security holder outcomes

### D5 Earnings per stapled security

	THT		TIL	
	Half-year 2016	Half-year 2015	Half-year 2016	Half-year 2015
Profit/(loss) attributable to ordinary security holders (\$M)	133	115	(27)	(93)
Weighted average number of securities (M)	2,041	1,931	2,041	1,931
Basic and diluted earnings per security attributable to the ordinary security holders (Cents)	6.5	6.0	(1.3)	(4.8)

## Capital and borrowings

### D6 Net finance income and costs

	THT		TIL	
	Half-year 2016 \$M	Half-year 2015 \$M	Half-year 2016 \$M	Half-year 2015 \$M
<b>Finance income</b>				
Interest income from related parties	256	207	-	-
Other interest income	1	3	-	-
Net foreign exchange gains	3	2	-	-
Re-measurement of concession notes receivable	24	39	-	-
<b>Total finance income</b>	<b>284</b>	<b>251</b>	<b>-</b>	<b>-</b>
<b>Finance costs</b>				
Interest and finance charges paid/payable	(342)	(293)	(82)	(114)
Net foreign exchange losses	-	-	-	(3)
Unwind of discount – other liabilities	(1)	-	-	-
Unwind of discount - promissory note payable	(2)	(2)	-	-
<b>Total finance costs</b>	<b>(345)</b>	<b>(295)</b>	<b>(82)</b>	<b>(117)</b>
<b>Net finance costs</b>	<b>(61)</b>	<b>(44)</b>	<b>(82)</b>	<b>(117)</b>

### D7 Borrowings

	THT		TIL	
	31 December 2016 \$M	30 June 2016 \$M	31 December 2016 \$M	30 June 2016 \$M
<b>Current</b>				
Term debt	-	276	-	-
	-	276	-	-
<b>Non-current</b>				
Working capital facilities	4	-	-	-
Capital markets debt	1,434	1,018	642	626
U.S. private placement	1,661	929	-	-
Term debt	2,962	3,536	-	-
TIFIA	-	-	1,230	1,167
<b>Total borrowings</b>	<b>6,061</b>	<b>5,483</b>	<b>1,872</b>	<b>1,793</b>
	<b>6,061</b>	<b>5,759</b>	<b>1,872</b>	<b>1,793</b>

### D8 Derivative and financial risk management

	31 December 2016 \$M				30 June 2016 \$M			
	Current		Non-current		Current		Non-current	
	THT	TIL	THT	TIL	THT	TIL	THT	TIL
<b>Assets</b>								
Interest rate swap contracts – cash flow hedges	-	-	14	-	-	-	-	-
Cross-currency interest rate swap contracts – cash flow hedges	-	-	20	-	-	-	-	-
<b>Total derivative financial instrument assets</b>	<b>-</b>	<b>-</b>	<b>34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>								
Interest rate swap contracts – cash flow hedges	3	-	27	63	11	-	118	87
Cross-currency interest rate swap contracts – cash flow hedges	-	-	10	-	-	-	30	-
<b>Total derivative financial instrument liabilities</b>	<b>3</b>	<b>-</b>	<b>37</b>	<b>63</b>	<b>11</b>	<b>-</b>	<b>148</b>	<b>87</b>

## Section E: Signed reports

In the opinion of the Directors of Transurban Holdings Limited, Transurban Infrastructure Management Limited (as the responsible entity of Transurban Holding Trust) and Transurban International Limited (collectively referred to as 'the Directors'):

- (a) the financial statements and notes of Transurban Holdings Limited and its controlled entities, including Transurban Holding Trust and its controlled entities and Transurban International Limited and its controlled entities set out on pages 13 to 41 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 Transurban Holdings Limited Group's, Transurban Holding Trust Group's and Transurban International Limited Group's financial position as at 31 December 2016 and of their performance for the half-year ended on that date, and
- (b) there are reasonable grounds to believe that the Transurban Holdings Limited Group, Transurban Holding Trust Group and Transurban International Limited Group will be able to pay their debts as and when they become due and payable, and

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.



**Lindsay Maxsted**  
Director



**Scott Charlton**  
Director

Melbourne  
7 February 2017



## **Independent auditor's review report to the stapled security holders of the Transurban Group**

### ***Report on the Half-Year Financial Report***

We have reviewed the accompanying half-year financial report which comprises:

- Transurban Holdings Limited (the Company), which comprises the consolidated balance sheet as at 31 December 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Transurban Holdings Limited and its controlled entities (the Transurban Group). The Transurban Group comprises the Company and the entities it controlled at the half-year's end or from time to time during the financial half-year including the other members of the stapled group being Transurban International Limited and Transurban Holding Trust and their controlled entities.
- Transurban Holding Trust (the Trust), which comprises the consolidated balance sheet as at 31 December 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Transurban Holding Trust (THT). THT comprises the Trust and the entities it controlled at half-year's end or from time to time during the financial half-year.
- Transurban International Limited (the International Company), which comprises the consolidated balance sheet as at 31 December 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Transurban International Limited (TIL). TIL comprises the International company and the entities it controlled at half-year's end or from time to time during the financial half-year.

### ***Directors' responsibility for the half-year financial report***

The directors of the Transurban Holdings Limited, Transurban International Limited and Transurban Infrastructure Management the responsible entity of Transurban Holding Trust (collectively referred to as "the directors") are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

### ***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 Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a 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 half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the of the Transurban Group, THT and TIL financial position as

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at 31 December 2016 and their 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 Transurban Holdings Limited, 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. 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.

### *Independence*

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

### *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 the Transurban Group, THT and TIL are not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the Transurban Group, THT and TIL financial position as at 31 December 2016 and of their performance for the half-year ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



PricewaterhouseCoopers



Chris Dodd  
Partner

Melbourne  
7 February 2017