
Transurban Group

Appendix 4D

Half-year ended 31 December 2012

(Previous corresponding period:
Half-year ended 31 December 2011)

The Transurban 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

- Revenue from ordinary activities increased 2.5 per cent to \$585,202,000
- Profit from ordinary activities after tax decreased 16.0 per cent to \$81,143,000
- Net profit attributable to members decreased 13.2 per cent to \$80,944,000
- Profit before depreciation and amortisation, net finance costs, equity accounted investments and incomes taxes increased 7.4 per cent to \$340,839,000

Proportional results

- Toll revenue increased 3.8 per cent to \$491,848,000
- Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) increased 6.9 per cent to \$416,901,000
- Free cash increased 4.6 per cent to \$192,768,000

Distributions

	Amount per Security cents	Franked amount per Security %
Interim distribution (declared prior to balance date)	12.0	-
Interim dividend (declared prior to balance date)	3.5	100
	15.5	
Interim distribution from the previous corresponding period	11.0	-
Interim dividend from the previous corresponding period	3.5	100
	14.5	
Final distribution (prior year)	11.5	-
Final dividend (prior year)	3.5	100
	15.0	
Record date for determining entitlements to interim distribution		31 December 2012
Date of payment of interim distribution		14 February 2013

Distribution Reinvestment Plan (DRP)

Under the 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 31 December 2012. 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 and free cash.

Proportional results

Proportional EBITDA is one of the primary measures that the Board uses to assess the operating performance of Transurban, 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 underlying performance of Transurban'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. The EBITDA calculation from the statutory accounts would not include the EBITDA contribution of the M5, M7 or DRiVe (equity accounted in the statutory results), which are meaningful contributors to Transurban's performance.

Proportional EBITDA is reconciled to the statutory income statement on page 15 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 dividends received from less than 100 per cent owned subsidiaries and equity accounted investments less the estimated annualised maintenance capital expenditure for 100 per cent owned subsidiaries for their remaining concession life.

Entities over which control has been gained or lost

The Group did not gain or lose control of any entities during the period, or the prior corresponding period.

Investments in associates and joint venture entities

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

Name of company	Ownership Interest		Net profit/(loss) contribution to the Transurban Group	
	2012 %	2011 %	2012 \$'000	2011 \$'000
WSO Company Pty Limited	50.0	50.0	-	-
Westlink Motorway Limited	50.0	50.0	-	-
WSO Finance Company	50.0	50.0	-	-
Westlink Motorway Partnership	50.0	50.0	-	-
Interlink Roads Pty Limited	50.0	50.0	8,380	-
Transurban DRiVe Holdings LLC	75.0	75.0	(7,527)	786
			<u>853</u>	<u>786</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 Financial Report (which includes the Directors' Report) and the 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 attached Interim Report.



Amanda Street
Company Secretary
5 February 2013

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 2012

Transurban Holdings Limited ABN 86 098 143 429

Interim report - 31 December 2012

Contents

	Page
Directors' report	1
Auditors independence declaration	4
Interim financial report	5
Directors' declaration	24
Independent auditor's review report to the members	25

Directors' report

The directors of Transurban Holdings Limited (THL), Transurban International Limited (TIL) and Transurban Infrastructure Management Limited (TIML), as Responsible Entity for Transurban Holding Trust (THT), present their report on the Transurban Group for the half-year ended 31 December 2012.

Group Accounts

The Transurban Group financial statements have been prepared as an aggregation of the financial statements of THL and controlled entities, TIL and controlled entities and THT and controlled entities, as if all entities operate together. They are therefore treated as a combined entity (and referred to as "the Group"), notwithstanding that none of the entities controls any of the others.

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

Directors

With the exception of the changes noted below, the following persons were directors of THL, TIML and TIL during the whole of the half-year and up to the date of this report:

Non-executive Directors

Lindsay Maxsted
Neil Chatfield
Robert Edgar
Samantha Mostyn
Robert Officer (resigned 7 August 2012)
Christine O'Reilly
Rodney Slater
Ian Smith

Executive Directors

Christopher Lynch (resigned 16 July 2012)
Scott Charlton (appointed 16 July 2012)

Result

The consolidated net profit for the half-year ended 31 December 2012 for the Transurban Group was \$81,143,000 (2011: \$96,577,000). The profit attributable to ordinary equity holders of the Transurban Group was \$80,944,000 (2011: \$93,234,000).

Review of operations

Toll revenue increased by 3.1 per cent to \$397.7 million. The key driver behind the increase was the price escalation and traffic growth on CityLink, partially offset by the construction impact of the Hills M2 Upgrade works on traffic on the Hills M2 and Lane Cove Tunnel.

Performance of Transurban's portfolio of assets

CityLink (Melbourne)

CityLink toll revenue for the half-year ended 31 December 2012 increased 4.0 per cent to \$244.7 million. Average daily transactions increased by 2.0 per cent.

The Burnley and Domain Tunnels were closed to traffic from early on 3 October 2012, as a result of the loss of system controls necessary to ensure the safety of customers in the event of an emergency in either tunnel. The tunnels were re-opened at 4:30pm that afternoon.

Hills M2 (Sydney)

Toll revenue for the half-year ended 31 December 2012 for the Hills M2 Motorway decreased by 1.7 per cent to \$71.2 million. Average daily trips decreased by 2.0 per cent, reflecting the construction impact of the Hills M2 Upgrade.

The upgrade is 84 per cent complete. The Windsor Road ramps opened for traffic on 23 July 2012 and the Macquarie Park ramps opened for traffic on 20 January 2013. The project completion is scheduled for the middle of 2013.

Review of operations (continued)

Performance of Transurban's portfolio of assets (continued)

Lane Cove Tunnel/Military Road e-Ramps (Sydney)

Toll revenue for the half-year ended 31 December 2012 increased by 0.3 per cent to \$30.8 million. Average daily trips marginally increased compared to the previous half-year.

The Hills M2 Upgrade continues to have an impact on traffic in the tunnel, as the Hills M2 Motorway is a connecting road.

M1 Eastern Distributor (Sydney) – Airport Motorway Group

Toll revenue for the half-year ended 31 December 2012 for the M1 Eastern Distributor increased 8.2 per cent to \$51.0 million. Average daily trips decreased 0.4 per cent.

The toll price for cars and motorcycles (class 2) increased on 1 July 2012 by 50 cents to \$6.00. No changes were made to the truck (class 4) toll price.

M5 South West Motorway (Sydney) - Interlink Roads Pty Limited

Toll revenue for the half-year ended 31 December 2012 for the M5 increased by 10.1 per cent to \$96.7 million. Average daily trips decreased 0.4 per cent.

The increase in toll revenue was driven by an increase in the car toll price from \$3.80 to \$4.40 in the latter stages of the prior corresponding period.

Construction on the M5 West Widening Project has commenced, and is expected to be completed in late 2014.

Westlink M7 (Sydney) - Westlink Motorway Group

Toll revenue for the half-year ended 31 December 2012 increased by 3.2 per cent to \$104.8 million. Average daily trips increased by 2.4 per cent.

Pocahontas 895 (Virginia USA) - Transurban DRIVE

Toll revenue for the half-year ended 31 December 2012 increased by 5.3 per cent to US\$7.7 million. Average daily trips increased by 5.1 per cent.

495 Express Lanes (Virginia USA) - Transurban DRIVE

The 495 Express Lanes opened to tolled traffic on 17 November 2012, following a five year construction period. Toll revenue for the half-year ended 31 December 2012 was US\$0.8 million.

The lanes opened ahead of schedule and on budget.

95 Express Lanes (Virginia USA) – Transurban DRIVE

On 1 August 2012, the Group announced that financial close had been reached with the Commonwealth of Virginia to build and operate 95 Express Lanes in northern Virginia, USA.

The 95 Express Lanes will be a 29 mile (46 kilometre), reversible two and three lane facility, with a 73 year operating concession from opening date (2015).

Other corporate activities

Chief Executive Officer (CEO)

Scott Charlton commenced as CEO in July 2012, following Chris Lynch's resignation and subsequent departure in July.

F3/M2 connector proposal

Transurban has submitted an unsolicited proposal to the NSW government in relation to the F3/M2 connector, and is continuing in exclusive negotiations with the government.

Review of operations (continued)

Refinancing activities

The Transurban Group continued to have success in financing activities in the half-year ended 31 December 2012.

July 2012	95 Express Lanes raised US\$242.0 million in funding through non-recourse Private Activity Bonds (PABs) to partially fund the 95 Express Lanes project.
September 2012	Westlink M7 refinanced \$505.0 million of non-recourse project debt.
November 2012	95 Express Lanes raised US\$300.0 million of non-recourse debt under the US Department of Transportation's Transportation Infrastructure Finance and Innovation Act (TIFIA) financing program, to partially fund the 95 Express Lanes project.

Matters subsequent to the end of the half-year

The Transurban Group announced that it has reached an agreement with UniSuper Limited to issue 16,260,163 stapled securities to UniSuper at an issue price of \$6.15 per security. The securities were issued on 7 January 2013.

At the date of this report the directors are not aware of any other circumstances that have arisen since 31 December 2012 that have significantly affected, or may significantly affect, the Group's operations in future financial years, the results of those operations in future financial years, or the Group's state of affairs in future financial years.

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 4.

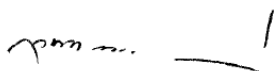
Rounding of amounts

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

Auditor

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

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



Lindsay Maxsted
Director



Scott Charlton
Director

Melbourne
5 February 2013



Auditor's Independence Declaration

As lead auditor for the review of Transurban Holdings Limited and the Transurban Holdings Limited Group for the half year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Transurban Holdings Limited and Transurban Holdings Limited Group (the Group). The Group comprises the aggregation of Transurban Holdings Limited, Transurban Holding Trust and Transurban International Limited and the entities they controlled during the period.

A handwritten signature in blue ink, appearing to read 'Chris Dodd', enclosed within a large, loopy blue oval.

Chris Dodd
Partner
PricewaterhouseCoopers

Melbourne
5 February 2013

PricewaterhouseCoopers, ABN 52 780 433 757

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Transurban Holdings Limited ABN 86 098 143 429
Interim financial report - 31 December 2012

Interim financial report	
Consolidated income statement	6
Consolidated statement of comprehensive income	7
Consolidated balance sheet	8
Consolidated statement of changes in equity	9
Consolidated statement of cash flows	10
Notes to the consolidated financial statements	11
Directors' declaration	24
Independent auditor's review report to the members	25

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2012 and any public announcements made by Transurban Holdings Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Transurban Holdings Limited
Consolidated income statement
For the half-year ended 31 December 2012

		Half-year	
	Notes	2012 \$'000	2011 \$'000
Revenue			
Toll, fee and other road revenue		439,393	424,276
Construction revenue		124,618	138,648
Business development and other revenue		21,191	7,765
	3	585,202	570,689
Road operating costs		(96,984)	(91,802)
Corporate costs		(22,806)	(19,149)
Business development costs		(8,803)	(7,928)
Construction costs		(115,770)	(134,342)
		(244,363)	(253,221)
Profit before depreciation and amortisation, net finance costs, equity accounted investments and income taxes		340,839	317,468
Depreciation and amortisation expense		(154,867)	(146,941)
Finance income		53,853	104,614
Finance costs		(177,800)	(193,765)
Net finance costs	4	(123,947)	(89,151)
Share of net profits of equity accounted investments		853	786
Profit before income tax		62,878	82,162
Income tax benefit		18,265	14,415
Profit for the half-year		81,143	96,577
Profit is attributable to:			
Ordinary equity holders of the stapled group		80,944	93,234
Non-controlling interests		199	3,343
		81,143	96,577
		Cents	Cents
Earnings per security attributable to the ordinary equity holders of the stapled group:			
Basic earnings per stapled security	7	5.5	6.4
Diluted earnings per stapled security	7	5.5	6.4

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

Transurban Holdings Limited
Consolidated statement of comprehensive income
For the half-year ended 31 December 2012

	Half-year	
	2012	2011
	\$'000	\$'000
Profit for the half-year	81,143	96,577
Other comprehensive income (loss)		
<i>Items that may be reclassified to profit or loss</i>		
Changes in the fair value of cash flow hedges, net of tax	(9,829)	(145,286)
Exchange differences on translation of foreign operations, net of tax	4,083	2,368
Other comprehensive loss for the half-year, net of tax	(5,746)	(142,918)
Total comprehensive income (loss) for the half-year	75,397	(46,341)
Total comprehensive income (loss) for the half-year is attributable to:		
Members of Transurban Holdings Limited	74,456	(5,591)
Non-controlling interests	941	(40,750)
	75,397	(46,341)

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

Transurban Holdings Limited
Consolidated balance sheet
As at 31 December 2012

	31 December 2012 \$'000	30 June 2012 \$'000
ASSETS		
Current assets		
Cash and cash equivalents	229,932	318,148
Trade and other receivables	78,369	78,420
Current tax receivables	6,159	-
Total current assets	314,460	396,568
Non-current assets		
Equity accounted investments	456,939	335,190
Held to maturity investments	829,817	791,392
Derivative financial instruments	-	137
Property, plant and equipment	186,115	191,964
Deferred tax assets	4,572	12,551
Intangible assets	8,132,710	8,174,115
Total non-current assets	9,610,153	9,505,349
Total assets	9,924,613	9,901,917
LIABILITIES		
Current liabilities		
Trade and other payables	92,236	110,103
Borrowings	384,485	-
Derivative financial instruments	3,789	1,315
Current tax liabilities	-	8,510
Provisions	305,293	293,485
Other liabilities	63,952	73,251
Total current liabilities	849,755	486,664
Non-current liabilities		
Borrowings	4,273,280	4,489,397
Deferred tax liabilities	659,311	687,287
Provisions	189,022	193,755
Derivative financial instruments	539,333	504,016
Other liabilities	60,233	53,673
Total non-current liabilities	5,721,179	5,928,128
Total liabilities	6,570,934	6,414,792
Net assets	3,353,679	3,487,125
EQUITY		
Contributed equity	7,867,311	7,847,912
Reserves	(156,216)	(138,340)
Accumulated losses	(4,369,037)	(4,232,045)
Non-controlling interest - Transurban International Limited	(146,651)	(148,505)
Non-controlling interests	158,272	158,103
Total equity	3,353,679	3,487,125

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 2012

	Attributable to members of Transurban Holdings Limited				Non-controlling interests	
	Contributed equity \$'000	Reserves \$'000	Accumulated losses \$'000	Total \$'000	\$'000	Total equity \$'000
Balance at 1 July 2011	7,772,117	26,461	(4,085,426)	3,713,152	279,199	3,992,351
Comprehensive income						
Profit (loss) for the half-year	-	-	99,677	99,677	(3,100)	96,577
Other comprehensive income	-	(105,268)	-	(105,268)	(37,650)	(142,918)
Total comprehensive income for the half-year	-	(105,268)	99,677	(5,591)	(40,750)	(46,341)
Transactions with owners in their capacity as owners:						
Treasury securities	1,434	-	-	1,434	207	1,641
Distribution reinvestment plan	36,338	-	-	36,338	1,514	37,852
Distributions provided for or paid	-	-	(210,460)	(210,460)	-	(210,460)
Distributions to non-controlling interest	-	-	-	-	(229)	(229)
Changes in value of share-based payment reserve	1,399	(2,852)	154	(1,299)	(429)	(1,728)
	<u>39,171</u>	<u>(2,852)</u>	<u>(210,306)</u>	<u>(173,987)</u>	<u>1,063</u>	<u>(172,924)</u>
Balance at 31 December 2011	7,811,288	(81,659)	(4,196,055)	3,533,574	239,512	3,773,086
Balance at 1 July 2012	7,847,912	(138,340)	(4,232,045)	3,477,527	9,598	3,487,125
Comprehensive income						
Profit (loss) for the half-year	-	-	89,677	89,677	(8,534)	81,143
Other comprehensive income	-	(15,221)	-	(15,221)	9,475	(5,746)
Total comprehensive income for the half-year	-	(15,221)	89,677	74,456	941	75,397
Transactions with owners in their capacity as owners:						
Treasury securities	-	-	-	-	-	-
Distribution reinvestment plan	15,322	-	-	15,322	1,153	16,475
Distributions provided for or paid	-	-	(226,669)	(226,669)	-	(226,669)
Distributions to non-controlling interest	-	-	-	-	-	-
Changes in value of share-based payment reserve	4,077	(2,655)	-	1,422	(71)	1,351
	<u>19,399</u>	<u>(2,655)</u>	<u>(226,669)</u>	<u>(209,925)</u>	<u>1,082</u>	<u>(208,843)</u>
Balance at 31 December 2012	7,867,311	(156,216)	(4,369,037)	3,342,058	11,621	3,353,679

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 2012

	Half-year	
	2012	2011
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	489,851	467,249
Payments to suppliers and employees (inclusive of GST)	(181,122)	(173,837)
Payments for maintenance of intangible assets	(5,284)	(13,097)
Interest received	23,762	202,325
Other revenue	29,186	14,894
Interest paid	(166,520)	(276,058)
Income taxes paid	(8,866)	(38,666)
Net cash inflow from operating activities	181,007	182,810
Cash flows from investing activities		
Payments for held-to-maturity investments, net of fees	(10,054)	-
Payments for equity accounted investments	(141,178)	(10,388)
Payments for intangible assets	(111,166)	(124,846)
Payments for property, plant and equipment	(8,008)	(32,143)
Distributions received from equity accounted investments	24,500	21,000
Net cash (outflow) from investing activities	(245,906)	(146,377)
Cash flows from financing activities		
Proceeds from borrowings, net of costs	239,642	1,175,259
Repayment of borrowings	(57,000)	(1,198,870)
Dividends and distributions paid to the Group's security holders	(202,271)	(164,244)
Distributions paid to non-controlling interests	(3,635)	(4,088)
Net cash inflow from financing activities	(23,264)	(191,943)
Net (decrease) in cash and cash equivalents	(88,163)	(155,510)
Cash and cash equivalents at the beginning of the year	318,148	411,880
Effects of exchange rate changes on cash and cash equivalents	(53)	257
Cash and cash equivalents at end of the half-year	229,932	256,627

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

1 Basis of preparation of half-year report

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2012 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The Group's current liabilities exceed its current assets by \$535.3 million as at 31 December 2012. The financial report has been prepared on a going concern basis, which contemplates the continuity of normal operations, as the Group is trading profitably and has continually been able to refinance maturing debt. In addition, as at 31 December 2012 the Group has available a total of \$253.4 million of unused working capital facilities.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2012 and any public announcements made by Transurban Holdings Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

2 Segment information

Description of segments

It has been determined that the operating segments based on information provided to the CEO and Executive Committee is by geographical region, being Victoria and New South Wales in Australia and the USA.

The Group operates in one business sector only, being the development, operation and maintenance of toll roads. The CEO and Executive Committee therefore consider the business from the perspective of locations.

The following assets are included in the operating segments:

Segment	Assets
Victoria, Australia	CityLink
New South Wales, Australia	Hills M2 Motorway, Lane Cove Tunnel, 75.1 per cent interest in the M1 Eastern Distributor, and equity investments in the M5 Motorway (50.0 per cent) and Westlink M7 (50.0 per cent)
USA	75.0 per cent interest in Transurban DRIVE. Transurban DRIVE holds 100.0 per cent of Pocahontas 895 and 90.0 per cent of the 495 Express Lanes and the 95 Express Lanes

The tolling businesses of Roam and Tollaust have also been included in the NSW operating segment as they are managed together with each of the assets and contribute tolling services to all NSW assets.

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. Management have aggregated and disclosed the corporate business units as the contribution to the business is closely monitored. The operating segments have been further broken down by asset to assist with external analysis of the financial statements.

Segment information - Proportional Income Statement

The CEO and Executive Committee assesses the performance of the operating segments based on a measure of proportional EBITDA. EBITDA excludes the impact of interest income and expenditure which have been presented by segment where applicable. Interest income and expenditure are allocated across segments where the charges are related specifically to the assets. Otherwise they have been allocated to the Corporate function.

The segment information provided to the Executive Committee is presented on a proportional basis. The information for the reportable segments for the half-year ended 31 December 2012 and 31 December 2011 is as follows:

2 Segment information (continued)

Segment information - Proportional Income Statement (continued)

31 December 2012	Victoria		New South Wales					Total NSW	USA				Total Transurban DRIVE	Corporate	Total
\$'000	CityLink 100.0%	Hills M2 100.0%	Lane Cove Tunnel 100.0%	M1 Eastern Distributor 75.1%	M5 50.0%	M7 50.0%	Roam & Tollaustr 100.0%		Pocahontas 895 75.0%	495 Express Lanes 67.5%	95 Express Lanes 67.5%	Other Transurban DRIVE 75.0%		100.0%	
Toll revenue	244,739	71,168	30,801	38,290	48,361	52,401	-	241,021	5,551	537	-	-	6,088	-	491,848
Fee and other revenue	22,350	2,186	944	208	3,207	903	12,702	20,150	31	119	-	-	150	28,078	70,728
Total revenue	267,089	73,354	31,745	38,498	51,568	53,304	12,702	261,171	5,582	656	-	-	6,238	28,078	562,576
Proportional EBITDA	215,079	57,498	18,338	28,207	44,455	41,421	5,713	195,632	3,188	(1,498)	-	(2,204)	(514)	6,704	416,901
Interest revenue	2,946	600	471	242	182	1,044	248	2,787	-	637	7	3,431	4,075	49,239	59,047
Interest expense	(30,554)	(21,408)	(10,352)	(16,961)	(8,847)	(72,692)	(2)	(130,262)	(10,757)	(5,375)	(5)	(1,313)	(17,450)	(92,687)	(270,953)
Depreciation and amortisation	(73,241)	(32,138)	(12,279)	(19,505)	(16,837)	(16,971)	(508)	(98,238)	(1,723)	(1,424)	-	-	(3,147)	(10,651)	(185,277)
Proportional profit (loss) before tax	114,230	4,552	(3,822)	(8,017)	18,953	(47,198)	5,451	(30,081)	(9,292)	(7,660)	2	(86)	(17,036)	(47,395)	19,718
Income tax benefit (expense)	(12,254)	12,457	(726)	8,934	(10,573)	6,900	(1,636)	15,356	7,303	-	-	2,206	9,509	8,511	21,122
Proportional net profit (loss)	101,976	17,009	(4,548)	917	8,380	(40,298)	3,815	(14,725)	(1,989)	(7,660)	2	2,120	(7,527)	(38,884)	40,840

2 Segment information (continued)

Segment information - Proportional Income Statement (continued)

	Victoria		New South Wales						USA			Corporate	Total	
31 December 2011														
\$'000	CityLink 100.0%	Hills M2 100.0%	Lane Cove Tunnel 100.0%	M1 Eastern Distributor 75.1%	M5 50.0%	M7 50.0%	Roam & Tollaustr 100.0%	Total NSW	Pocahontas 895 75.0%	Express Lanes 67.5%	Other Transurban DRIVE 75.0%	Total Transurban DRIVE	100.0%	
Toll revenue	235,422	72,382	30,697	35,386	43,909	50,765	-	233,139	5,245	-	-	5,245	-	473,806
Fee and other revenue	21,167	1,162	732	10	2,709	662	11,760	17,035	60	-	-	60	9,569	47,831
Total revenue	256,589	73,544	31,429	35,396	46,618	51,427	11,760	250,174	5,305	-	-	5,305	9,569	521,637
Proportional EBITDA	206,911	58,631	17,633	26,161	39,910	40,183	6,715	189,233	3,373	-	(1,907)	1,466	(7,602)	390,008
Interest revenue	4,451	679	484	39,018	415	1,171	332	42,099	4	753	3,091	3,848	46,684	97,082
Interest expense	(39,302)	(17,259)	(10,211)	(34,000)	(10,170)	(68,425)	(5)	(140,070)	(12,491)	-	(186)	(12,677)	(81,716)	(273,765)
Depreciation and amortisation	(72,578)	(32,130)	(12,279)	(19,490)	(21,635)	(17,111)	(574)	(103,219)	(3,918)	-	-	(3,918)	(3,349)	(183,064)
Proportional profit (loss) before tax	99,482	9,921	(4,373)	11,689	8,520	(44,182)	6,468	(11,957)	(13,032)	753	998	(11,281)	(45,983)	30,261
Income tax benefit (expense)	(24,155)	10,393	(579)	(2,131)	(8,520)	9,264	(1,940)	6,487	8,154	-	3,913	12,067	33,639	28,038
Proportional net profit (loss)	75,327	20,314	(4,952)	9,558	-	(34,918)	4,528	(5,470)	(4,878)	753	4,911	786	(12,344)	58,299

2 Segment information (continued)

Other segment information - Proportional income statement

Proportional basis of presenting results

The CEO and the Executive Committee receive information for assessing the business on an underlying proportional basis reflecting the contribution of individual assets in the proportion of Transurban's equity ownership.

The Group's proportional EBITDA result reflects business performance and permits a more appropriate and meaningful analysis of the Group's underlying performance on a comparative basis. This method of presentation differs from the statutory accounting format and has been reconciled below.

EBITDA is earnings before interest, taxation, depreciation and amortisation.

Segment revenue

Revenue from external customers is through toll and fee revenues earned on toll roads. There are no inter-segment revenues.

Segment revenue reconciles to total statutory revenue as follows:

	Half-year	
	2012	2011
	\$'000	\$'000
Total segment revenue (proportional)	562,576	521,637
Add: Revenue attributable to non-controlling interest	13,734	12,644
Less: Revenue of non-controlled assets	(111,110)	(103,350)
Construction revenue recognised in accordance with AASB-I 12 Service Concession Arrangements	106,331	128,546
Business development revenue (offset against business development costs for proportional result)	10,724	7,505
Other	2,947	3,707
Total statutory revenue (note 3)	585,202	570,689

Interest revenue

Interest revenue is earned through bank interest revenue and held to maturity interest received.

Interest revenue reconciles to total statutory finance income as follows:

	Half-year	
	2012	2011
	\$'000	\$'000
Total segment interest revenue (proportional)	59,047	97,082
Add: Interest revenue attributable to non-controlling interest	107	12,967
Less: Interest revenue of non-controlled assets	(5,301)	(5,435)
Total statutory finance income (note 4)	53,853	104,614

2 Segment information (continued)

Other segment information - Proportional income statement (continued)

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

Proportional EBITDA reconciles to statutory net profit as follows:

	Half-year	
	2012	2011
	\$'000	\$'000
Proportional EBITDA	416,901	390,008
Add: Proportional EBITDA attributable to non-controlling interest	9,300	9,019
Less: Proportional EBITDA of M5	(44,455)	(39,910)
Less: Proportional EBITDA of M7	(41,421)	(40,183)
Less: Proportional EBITDA of Pocahontas	(3,188)	(3,373)
Less: Proportional EBITDA of 495 Express Lanes	1,498	-
Less: Proportional EBITDA of Other Transurban DRIVE	2,204	1,907
Statutory profit before depreciation and amortisation, net finance costs, equity accounted investments and tax	340,839	317,468
Statutory net finance costs	(123,947)	(89,151)
Statutory depreciation and amortisation	(154,867)	(146,941)
Share of net profits of equity accounted investments	853	786
Income tax benefit	18,265	14,415
Profit for the half-year	81,143	96,577

2 Segment information (continued)

Segment information - Segment assets

The segment information provided to the CEO and Executive Committee in respect of assets is presented on a statutory consolidated basis. The assets are allocated based on the physical location of the asset. The information for the reportable segments for the periods ended 31 December 2012 and 30 June 2012 is as follows:

	Victoria		New South Wales					Total New South Wales	USA Transurban DRIVE	Corporate	Total
31 December 2012	CityLink \$'000	Hills M2 \$'000	Lane Cove Tunnel \$'000	M1 Eastern Distributor \$'000	M5 \$'000	M7 \$'000	Roam & Tollaustr \$'000	\$'000	\$'000	\$'000	\$'000
Total segment assets	3,174,923	2,473,253	617,264	1,869,049	337,848	811,039	60,450	6,168,903	137,869	442,918	9,924,613
Total segment assets include:											
Investments in associates and joint venture partnerships	-	-	-	-	319,070	-	-	319,070	137,869	-	456,939
Additions to non-current assets (other than financial assets and deferred tax)	2,375	106,331	-	183	-	-	494	107,008	-	5,127	114,510

2 Segment information (continued)

Segment information - Segment assets (continued)

	Victoria			New South Wales					USA	Corporate	Total
30 June 2012	CityLink \$'000	Hills M2 \$'000	Lane Cove Tunnel \$'000	M1 Eastern Distributor \$'000	M5 \$'000	M7 \$'000	Roam & Tollaust \$'000	Total New South Wales \$'000	Transurban DRIVE \$'000	\$'000	\$'000
Total segment assets	3,391,936	2,439,764	623,582	1,894,221	343,915	782,667	54,508	6,138,657	-	371,324	9,901,917
Total segment assets include:											
Investments in associates and joint venture partnerships	-	-	-	-	335,190	-	-	335,190	-	-	335,190
Additions to non-current assets (other than financial assets and deferred tax)	21,919	247,525	-	-	-	-	879	248,404	-	31,828	302,151

3 Revenue

		Half-year	
	Notes	2012 \$'000	2011 \$'000
Toll revenue	3(a)	397,692	385,618
Fee revenue	3(a)	32,133	29,016
Other road revenue	3(b)	9,568	9,642
Total toll, fee and other road revenue		<u>439,393</u>	<u>424,276</u>
Construction revenue	3(c)	124,618	138,648
Business development revenue	3(d)	19,513	7,505
Other revenue		1,678	260
Total business development and other revenue		<u>21,191</u>	<u>7,765</u>
		<u>585,202</u>	<u>570,689</u>

(a) Toll and fee revenue

Toll revenue and associated fees are recognised when the charge is incurred by the user.

(b) Other road revenue

Other road revenue includes advertising, rental and other associated revenue.

(c) Construction revenue

Construction revenue is recognised during the construction phase of an intangible asset, and the development of assets for sale to third parties.

(d) Business development revenue

Business development revenue relates to the provision of development services to third parties.

4 Net finance costs

	Half-year	
	2012	2011
	\$'000	\$'000
Finance income		
Interest income on infrastructure bonds *	-	50,129
Interest income on held to maturity investments	48,734	45,151
Interest income on bank deposits	5,119	9,334
Total finance income	53,853	104,614
Finance costs		
Interest and finance charges paid/payable	(166,587)	(170,188)
Interest charges paid/payable on infrastructure bonds *	-	(16,757)
Unwind of discount on liabilities	(11,005)	(6,788)
Net foreign exchange losses	(208)	(32)
Total finance costs	(177,800)	(193,765)
Net finance costs	(123,947)	(89,151)

(*) - The M1 Eastern Distributor infrastructure bonds matured in August 2011.

5 Distributions

Half-year	
2012	2011
\$'000	\$'000

Distribution payable

Interim distribution for 2013 financial year payable and recognised as a liability:
15.5 cents (2012: 14.5 cents) per fully paid Stapled Security payable
14 February 2013

Fully franked (2012: fully franked) based on tax paid @ 30% - 3.5 cents (2012: 3.5 cents) per fully paid Stapled Security	51,183	50,801
Unfranked - 12.0 cents (2012: 11.0 cents) per fully paid Stapled Security	175,486	159,659
	226,669	210,460

Distributions paid during the half-year

Final distribution for 2012 financial year of 15.0 cents (2011: 14.0 cents) per fully paid Stapled Security paid 14 August 2012

Fully franked (2011: 0% franked) based on tax paid @ 30% - 3.5 cents (2011: 0.0 cents) per fully paid Stapled Security	51,041	-
Unfranked - 11.5 cents (2011: 14.0 cents) per fully paid Stapled Security	167,707	202,096
	218,748	202,096

Distributions paid in cash or satisfied by the issue of Stapled Securities under the distribution reinvestment plan during the half-year ended 31 December 2012 and 2011

Paid in cash	202,271	164,244
Satisfied by issue of Stapled Securities	16,475	37,852
Funds available (from)/for future distribution reinvestment plans	2	-
	218,748	202,096

5 Distributions (continued)

Distribution policy and free cash calculation

The Group's distribution is determined taking into account the amount of free cash from operations. The Group calculates free cash as follows:

	Half-year	
	2012 \$'000	2011 \$'000
Cash flows from operating activities	181,007	182,810
Less Westlink M7 Term Loan Note interest received	(18,685)	(10,413)
Add back payments for maintenance of intangibles	5,284	13,097
	<u>167,606</u>	<u>185,494</u>
Less cash flows from operating activities - M1 Eastern Distributor and M4	(18,198)	(34,739)
Controlled cash	<u>149,408</u>	<u>150,755</u>
Add dividends and distributions received		
M1 Eastern Distributor	10,965	11,641
M5 Interlink	24,500	21,000
Westlink M7 Term Loan Note interest	18,685	10,413
Less allowance for maintenance of capital expenditure for CityLink, Hills M2 and Lane Cove Tunnel, and e-Tag expenditure	(10,790)	(9,563)
Free cash	<u>192,768</u>	<u>184,246</u>
 Weighted average securities on issue (millions) - 31 December	 1,461	 1,449
 Free cash per security (cents) - weighted average securities	 13.2	 12.7

6 Equity securities issued

	2012 Stapled securities	2011 Stapled securities	2012 \$'000	2011 \$'000
Issues of stapled securities during the half-year				
Distribution reinvestment plan issues	2,853,773	7,287,694	16,475	37,852
2008 Executive Equity Plan	-	43,451	-	202
2008 Performance Award Plan	-	572,278	-	2,138
Deferred STI share issue	490,212	-	2,786	-
2009 Performance Award Plan	714,706	-	1,633	-
	4,058,691	7,903,423	20,894	40,192

7 Earnings per stapled security

Basic earnings per security

	Half-year	
	2012 Cents	2011 Cents
Earnings per security attributable to the ordinary equity holders of the stapled group	5.5	6.4
	5.5	6.4

Diluted earnings per security

	Half-year	
	2012 Cents	2011 Cents
Earnings per security attributable to the ordinary equity holders of the stapled group	5.5	6.4
	5.5	6.4

Reconciliation of earnings used in calculating earnings per security

	Half-year	
	2012 \$'000	2011 \$'000
<i>Basic and diluted earnings per security</i>		
Profit for the half-year	81,143	96,577
Profit attributable to non-controlling interests	(199)	(3,343)
Profit attributable to ordinary equity holders of the stapled group used in calculating earnings per security	80,944	93,234

7 Earnings per stapled security (continued)

Reconciliation of earnings used in calculating earnings per security (continued)

Weighted average number of securities used as the denominator

	Half-year 2012 Number	2011 Number
Weighted average number of ordinary securities and potential ordinary securities used as the denominator in calculating diluted earnings per security	1,460,918,412	1,449,327,216

8 Net tangible asset backing

	31 December 2012 \$	30 June 2012 \$
Net tangible asset backing per stapled security*	2.12	2.21

(*) - 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.

9 Contingencies

There have been no material changes in contingent liabilities or contingent assets since 30 June 2012.

10 Events occurring after the balance sheet date

The Transurban Group announced that it has reached an agreement with UniSuper Limited to issue 16,260,163 stapled securities to UniSuper at an issue price of \$6.15 per security. The securities were issued on 7 January 2013.

There are no other unusual matters or circumstances that have arisen since the end of the half-year that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

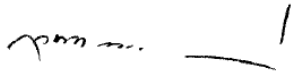
Transurban Holdings Limited
Directors' declaration
31 December 2012

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 5 to 23 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 Group's financial position as at 31 December 2012 and of its performance for the half-year on that date, and
- (b) there are reasonable grounds to believe that Transurban Holdings Limited will be able to pay its debts as and when they become due and payable.

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*.

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



Lindsay Maxsted
Director



Scott Charlton
Director

Melbourne
5 February 2013



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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Transurban Holdings Limited (the Company), which comprises the balance sheet as at 31 December 2012, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the Transurban Holdings Limited Group (the Group). The Group comprises the aggregation of Transurban Holdings Limited (THL), Transurban Holding Trust (THT) and Transurban International Limited (TIL) and the entities they controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) 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 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of 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*.

PricewaterhouseCoopers, ABN 52 780 433 757

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Conclusion

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

- (a) giving a true and fair view of the Group's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers' in a cursive script.

PricewaterhouseCoopers

A handwritten signature in blue ink that reads 'Chris Dodd' in a cursive script.

Chris Dodd
Partner

Melbourne
5 February 2013