

2018 Transurban Tax return guide

Important information for filing your tax return

Disclaimer

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August 2018

Dear Transurban investor,

This Guide has been prepared to assist you and your tax adviser to complete your income tax return for the year ended 30 June 2018.

This Guide applies to you if:

- you were an Australian resident individual investor in Transurban for income tax purposes during all of the year ended 30 June 2018; and
- you hold Transurban stapled securities for the purposes of investment, rather than for resale at a profit, and the capital gains tax (**CGT**) provisions apply to you.

Your investment in Transurban consists of shares in Transurban Holdings Limited (**THL**), units in Transurban Holding Trust (**THT**) and shares in Transurban International Limited (**TIL**). Securities in these three entities are stapled together and cannot be traded separately.

If you disposed of any or all of your Transurban securities in 2017/2018 (or entered into a contract on or before 30 June 2018 to do so), you also need to address the income tax (including capital gains tax) consequences of that disposal. Part B, Section 1 of this Guide provides information to assist you in calculating your capital gain or loss.

As resolved at the 2016 Annual General Meeting, THT has elected into the Attribution Managed Investment Trust (**AMIT**) regime with effect from 1 July 2016. Tax deferred distributions are referred to as non-assessable distributions under the AMIT regime. These distributions along with other amounts attributed to you will adjust the cost base and reduced cost base of your THT units (refer to page 4 of this Guide for further details).

If you were not a resident of Australia at all times during 2017/2018, you will need to decide whether you should lodge an Australian income tax return. If you do so, information in your Transurban Annual Tax Statement, this Guide, and the distribution statements you received in connection with each distribution, will assist you.

You should consult your tax adviser if you require general tax advice on any of the above points.

Alternatively should you have any other enquiries please email us at investor.relations@transurban.com

You should keep your Transurban Annual Tax Statement and this Guide with your tax work papers as supporting documentation for your 2018 income tax return.

Part A

Tax assessable income

Taxable component (Non-primary Production Distribution from Trust)—Items 13C, 13Q and 13U on the 2018 Tax Return for Individuals (supplementary section)

The distributions paid by Transurban are non-primary production income. The income comprises Australian sourced interest and other income and needs to be included in your 2018 Australian income tax return in item 13U as shown.

Any franked distributions paid to you by THT are assessable for tax purposes and need to be included in your Australian income tax return at item 13C as shown. The franking credits attached to these distributions also need to be included in your Australian income tax return at item 13Q as shown.

No franked distributions were paid by THT in respect of the 2018 income year.

TFN amounts withheld from Transurban Distributions—Item 13R on the 2018 Tax Return for Individuals (supplementary section)

If you have not provided your Tax File Number (TFN) or claimed a relevant exemption, income tax has been withheld from your Transurban distribution at 47 per cent. The tax withheld should be claimed as a credit in your Australian income tax return for the year ended 30 June 2018.

Non-assessable distributions

Non-assessable distributions are not assessable for income tax and do not need to be included in your 2018 Australian income tax return. However, non-assessable distributions reduce the cost base and reduced cost base of your units in THT (refer to Part B, Section 1 of this Guide for further details).

Cost base

In this Guide, a reference to cost base is a reference to your cost base and reduced cost base after adjustments for any previous non-assessable/tax deferred distributions (refer to Part B, Section 1 of this Guide for further details) and net cost base increase or reduction amounts (refer to Part B, Section 1 of this Guide for further details).

Dividends—Item 11 on the 2018 Tax Return for Individuals

Dividends are assessable for tax purposes and need to be included in your 2018 Australian income tax return in item 11T as shown. The dividend paid by THL during the 2018 income year is fully franked and carries franking credits.

Franking credits also need to be included in your 2018 Australian income tax return in item 11U as shown. However, you are generally entitled to a rebate of tax, based on the franking credits attached to the dividend

Part B, Section 1

Capital gains or losses on disposal of investments in Transurban

If you disposed of any or all of your Transurban securities in 2017/2018 (or entered into a contract on or before 30 June 2018 to do so), you need to consider the tax consequences of that disposal during the preparation of your 2018 Australian income tax return.

The guidance provided below assumes that your Transurban securities are held on capital account.

Recognition of capital gain or loss

You will need to reflect in your 2018 Australian income tax return the CGT result of any disposal of part or all of your Transurban securities.

The time of disposal for CGT purposes is the time the contract to make the disposal was entered into. If you entered into such a contract at any time in the year ended 30 June 2018 you need to reflect the result of the disposal in your 2018 Australian income tax return.

Calculation of capital gain or loss

If you disposed of some or all of your Transurban securities in the year ended 30 June 2018, you will need to perform a CGT calculation.

One Transurban stapled security constitutes a number of separate assets

A Transurban stapled security consists of one share in THL one unit in THT and one share in TIL. For CGT purposes, a share in THL, a unit in THT and a share in TIL are three separate assets.

If you disposed of some or all of your Transurban securities, you will need to perform three separate CGT calculations—one for your investment in THL, a second for your investment in THT, and a third for your investment in TIL.

This means that you need to split your acquisition costs and consideration between the three separate assets.

Upon disposal of a stapled security you will realise a capital gain if the portion of the consideration reasonably allocated to the share in THL, the unit in THT and the share in TIL exceeds their respective CGT cost bases.

Disposal of Transurban securities

If you disposed of your securities less than 12 months after acquiring them, your CGT gain, if any, is the excess of the consideration above your cost base.

If you disposed of your securities 12 months or more after acquiring them and your consideration exceeded your cost base, your CGT gain to be included in your tax return can be determined using the discount method (refer below).

If you disposed of your securities (whether or not within 12 months of acquiring them) and your consideration was less than your reduced cost base, your CGT loss is the difference between the two amounts.

The discount method

Under the discount method, your CGT gain is called a 'discounted capital gain'. Your calculated capital gain, being your consideration less your cost base (adjusted in accordance with the method described above) of each security disposed, is reduced by any capital losses you may have. Your discounted capital gain is 50 per cent of this

reduced amount. Note that no indexation of your cost base is allowed under the discount method.

Determining the original cost base and reduced cost base amount

As you are acquiring three separate assets (a share in THL, a unit in THT and a share in TIL), the original CGT cost base of your Transurban securities is generally the amount you paid to acquire plus certain costs of acquisition that is reasonably allocated to the three separate assets. Please see Part B, Section 2 for further details.

Impact of the net cost base increase/reduction amount

As resolved at the 2016 Annual General Meeting, THT has elected into the AMIT regime with effect from 1 July 2016. Details regarding the implications of THT electing into the AMIT regime are set out in the [Investor Centre](#).

The receipt of any tax-deferred distributions relating to years up to and including the 2016 income year, reduce the cost base and reduced cost base of each THT unit held (please refer below for further guidance).

From the 2017 income year you must adjust, in respect of each income year, the cost base and reduced cost base of your THT units as follows:

- Increase the cost base in your THT units by the share of THT's taxable income attributed to you, including any capital gains (before the application of the CGT discount);
- Increase the cost base in your THT units by any non-assessable non-exempt amounts (**NANE**) attributed to you (when relevant, these amounts will be disclosed in a separate column and are not the same as your tax deferred/non-assessable distributions);
- Decrease the cost base in your THT units by the amount distributed to you; and
- Decrease the cost base in your THT units by the amount of any tax offsets attributed to you.

The net effect of the above adjustments is referred to as the net increase or net decrease amount (together referred to as the AMIT cost base net amount).

If the total reductions for:

- tax-deferred distributions received to date; and
- the AMIT cost base net amounts to date;

exceed the cost base of your THT units, your cost base will be reduced to nil and the excess will be treated as a capital gain.

Your Annual Tax Statement shows your cost base net amount for your interest in THT units during the year.


As you may have different parcels of Transurban securities that you acquired at different times and under different transactions, you may need to apportion the cost base net amount across each unit you held in accordance with the methodology outlined above.

In determining your share of THT's taxable income, the Annual Tax Statement sets out the portion of taxable income attributed to you for each distribution paid (e.g. interim and final distribution), providing you with sufficient information to determine the net cost base adjustment you may need to apportion across each parcel of units you held in THT during the year.

An extract of the Annual Tax Statement below will assist you in identifying the information you will need to determine the net cost base adjustment you may need to make.

Receipt of tax-deferred distributions in prior years

Tax-deferred distributions received in prior years in respect of units in THT reduce the cost base and reduced cost base of each THT unit held. You will need to adjust the cost base and reduced cost base of your THT units for tax-deferred distributions received to date. The table in the [Investor Centre](#) provides information to assist you in making those adjustments.



Transurban Holdings Limited ABN 86 088 143 428
Transurban Infrastructure Management Limited ABN 27 088 147 478
A responsible entity of Transurban Holdings Trust ABN 68 827 478
Transurban Infrastructure Fund ABN 60 121 748 823

Update your Information

Online:
www.computershare.com/employee/au/tid

By Mail:
Computershare Plan Managers Pty Limited
GPO Box 658 Melbourne
Victoria 3001 Australia

Enquiries:
(within Australia) 1300 360 218
(international) +61 3 9415 4255

Security holder Reference Number (SRN)
I 1234567890

SAMPLE CUSTOMER
SAMPLE STREET
SAMPLE STREET
SAMPLE STREET
SAMPLETOWN TAS 7000

Dear Security holder,

Annual Tax Statement Please use the information in this statement when preparing your income tax return.

TRIPLE STAPLED SECURITIES – DISTRIBUTIONS

Australian Resident Individual Investors should use the below Tax Statement to assist in completing their 2018 income tax return. This Annual Tax Statement should be read in conjunction with the Transurban Tax Statement Guide, available on the Transurban website at <https://www.transurban.com/investor-centre/distributions-and-dividends-guides>. If an investor has a tax year ending on a date other than 30 June, they should seek advice from their tax adviser.

Transurban Holdings Trust ("THT") is an Attribution Managed Investment Trust ("AMIT") for the 2018 income year. It is required to provide you with an AMIT Member Annual ("AMMA") Statement. This Annual Tax Statement is also your AMMA Statement in respect of your security holding in THT during the year ended 30 June 2018. This AMMA Statement also provides a reasonable estimate of the AMIT cost base net amount for the year ended 30 June 2018.

This Annual Tax Statement and accompanying notes are not intended to be tax advice and investors should consult a professional tax adviser if necessary for completion of income tax returns.

Part A: Components of the Distribution

Period End Date	Dividends (per Security)	No. of Securities held ¹	Gross Dividend	Franked Amount	Franking Credits	Net Dividend
30/06/2017 (paid 11/08/2017)	\$0.035	00.000	\$00.000,00	\$00.000,00	\$00.000,00	\$00.000,00
31/12/2017 (paid 16/02/2018)	\$0.025	00.000	\$00.000,00	\$00.000,00	\$00.000,00	\$00.000,00
Total			\$00.000,00	\$00.000,00	\$00.000,00	\$00.000,00

Period End Date	Distribution (per unit)	No. of Units held ¹	Interest Income	Rent and Other Income	Franked Distribution	Non-assessable Amount	Gross Distribution	Tax Withheld ³	Net Distribution	Franking Credits
31/12/2017 (paid 16/02/2018)	\$0.255	00.000	\$00.000,00	\$00.000,00	\$00.000,00	\$00.000,00	\$00.000,00	\$00.000,00	\$00.000,00	\$00.000,00
30/06/2018 (paid 10/08/2018)	\$X.XXX	00.000	\$00.000,00	\$00.000,00	\$00.000,00	\$00.000,00	\$00.000,00	\$00.000,00	\$00.000,00	\$00.000,00
Total			\$00.000,00	\$00.000,00	\$00.000,00	\$00.000,00	\$00.000,00	\$00.000,00	\$00.000,00	\$00.000,00

THT's taxable income attributed to you. These amounts will **increase** your cost base / reduced cost base.

Amounts distributed to you. These amounts will **decrease** your cost base / reduced cost base.

Tax offsets attributed to you. These tax offsets will **decrease** your cost base / reduced cost base.

THT's dividend paid to you. These amounts are not relevant in calculating your cost base/reduced cost base in your THT units.

Part B: Attribution Managed Investment Trust Cost Base Adjustments – THT

AMIT cost base net increase amount	\$00.00
AMIT cost base net decrease amount	\$00.00

The net effect of the above adjustments is referred to as the net increase or net decrease amount and is shown here.

Adjustments of cost base and reduced cost base of THT units

A stapled security in Transurban consists of three separate assets for CGT purposes. The cost base of each asset for CGT purposes is used to determine any capital gain arising on their disposal. The reduced cost base of each asset for CGT purposes is used to determine whether any disposal gives rise to a capital loss.

The following comments may assist investors in determining their cost base of units in THT.

- the cost base of a Transurban security is generally the amount paid to acquire it, plus any incidental costs of acquisition (including brokerage and stamp duty, if any)
- if you acquired your Transurban security by subscription including under the Distribution Reinvestment Plan (**DRP**), Appendix 1 will assist you. It sets out, in relation to each occasion on which Transurban stapled securities have been issued, the split of the issue price between a share in THL, a unit in THT and a share in TIL at the time they were issued to you
- if you acquired your Transurban securities on the ASX, you will know how much you paid for the Transurban securities (including any incidental costs you incurred). While it is for you to decide how much of the purchase price of your stapled security was referable to the share in THL, the unit in THT and the share in TIL, you may use Appendix 1 as a guide in performing this allocation
- you will need to know what tax-deferred distributions have been made to you by THT from the time you acquired your Transurban securities (up to and including in respect of the 2016 income year) so as to reduce your cost base or reduced cost base in the THT's units you hold. A history of Transurban stapled security distributions is set out in the [Investor Centre](#).
- you will need to know what net cost base increase and decrease amounts should be applied to the THT units held by you (in respect of the 2018 income year) so as to increase or decrease your cost base or reduced cost base in the THT's units you hold. The determination of net cost base increase or reduction amounts is discussed above

- you may have acquired your Transurban stapled securities at different times, particularly if you participated in the DRP. In working out the reduction in the cost base and reduced cost base of a THT unit, you need to address separately each of the holdings of Transurban stapled securities that you acquired at different times. This is because both the cost base and reduced cost base will differ for THT units acquired as part of Transurban securities at different times. You will also need to do this because one of the relevant matters is whether the parcel of THT units that you are considering was acquired before or after 21 September 1999.

- (a) If the THT units were acquired after 11.45am on 21 September 1999, the cost base you use for the purposes of this analysis is as described above and you should ignore references to indexation;
- (b) if the THT units were acquired before 11.45am on 21 September 1999, you have a choice of whether to use the indexed cost base or the cost base. If you choose to use the indexed cost base, you can index your cost base from the date of acquisition up to 30 September 1999.

Further information

If you require further information on calculating your capital gains tax position, the Australian Taxation Office has published a [Guide to capital gains tax 2018](#) and [Personal investors guide to capital gains tax 2018](#) which will be of additional assistance.

Appendix 1

Split of Transurban issue prices (up to 30 June 2018) between THT, THL and TIL (or TL, if prior to 3 January 2007)

Transurban was listed on the ASX in March 1996. The securities issued on the float (**Initial Security**) had an issue price of \$500. This comprised 499 Equity Infrastructure Bonds (**EIBs**) at the value of \$1 each, one share in Transurban CityLink Limited (**The Company**) at a value of \$0.01 and one unit in Transurban CityLink Unit Trust (**The Trust**) at a value of \$0.99. Prior to December 1999, any profit or loss on the EIB component (\$499 out of every \$500) of the Initial Security was neither assessable nor deductible for tax purposes.

On 6 December 1999, the EIBs were redeemed for \$3.482 each. The funds received were immediately subscribed for 499 stapled securities (**Revised Securities**), consisting of one share in The Company (subscription value = \$0.01) and one unit in The Trust (subscription value = \$3.472). For each Initial Security the investor now held 500 Revised Securities.

Subsequent to the EIB redemption, any profits or losses on the disposal of Revised Securities issued as a consequence of the EIB redemption, disposed of between 6 December 1999 and 11 December 2001, are calculated with a capital gains tax base of \$3.482, split as \$0.01 to one share in the Company and \$3.472 to one unit in the Trust.

On 11 December 2001, Transurban Group implemented a restructure whereby the Revised Securities were replaced by a triple stapled security comprising one share in Transurban Holdings Limited (**THL**), one unit in Transurban Holding Trust (**THT**) and one share in Transurban Infrastructure Development Limited (**TIDL**). Under the restructure, security

holders exchanged their shares in The Company for shares in THL and their units in The Trust for units in THT on a one for one basis. In addition, security holders received, for no consideration, fully paid ordinary shares in TIDL pro rata to their holding of shares in THL and units in THT. TIDL subsequently changed its name to Transurban Limited (**TL**).

The Australian tax consequences for security holders of exchanging their Revised Securities for the New Stapled Securities (**Transurban Securities**) were discussed in the Information Memorandum for the Restructure. The information provided assisted security holders in determining the cost base for Transurban Securities based on whether or not they elected CGT roll-over relief. In summary, the cost base of the Transurban Securities will either be their market value (i.e. \$4.22) on the date the Revised Securities were exchanged for the Transurban Securities, or the original cost base of the Revised Security if CGT roll-over relief was elected.

The table below sets out each occasion on which Transurban Securities have been issued, the split of the issue price between a share in THL, a unit in THT and a share in TL (or TIL if after 2 January 2007).

If you purchased your Transurban Securities on the ASX, you may also wish to use the table below as a guide to allocate your purchase price between THL, THT and TL (or TIL, if after 2 January 2007).

Date of issue	Type of issue	Issue price per stapled security	Issue price of share in THL	Issue price of unit in THT	Issue price of share in TL	Issue price of share in TIL
11 Dec 2001	New stapled security (Transurban)	\$4.2200	\$0.0100	\$4.2100	\$0.00	n/a
08 Oct 2002	DRP	\$3.7925	\$0.0100	\$3.7825	\$0.00	n/a
26 Mar 2003	DRP	\$4.1065	\$0.0100	\$4.0965	\$0.00	n/a
08 Oct 2003	DRP	\$4.1241	\$0.0100	\$4.1141	\$0.00	n/a
26 Mar 2004	DRP	\$4.4020	\$0.0100	\$4.3920	\$0.00	n/a
08 Oct 2004	DRP	\$5.3194	\$0.0100	\$5.3094	\$0.00	n/a
26 Nov 2004	Exercise of May 2002 options	\$4.2200	\$0.0100	\$4.2100	\$0.00	n/a
24 Dec 2004	Exercise of February 2002 options	\$4.2800	\$0.2800	\$4.0000	\$0.00	n/a
12 Apr 2005	Hills Motorway acquisition	\$7.3699	\$0.2800	\$7.0899	\$0.00	n/a
15 Jun 2005	Exercise of May 2002 options	\$4.2200	\$0.2800	\$3.9400	\$0.00	n/a
28 Feb 2006	DRP	\$6.4689	\$0.2800	\$6.1889	\$0.00	n/a
25 Aug 2006	DRP	\$6.6315	\$0.2800	\$6.3515	\$0.00	n/a
03 Jan 2007	Transurban restructure	\$5.7154	\$0.3400	\$5.3754	n/a	\$0.0000
28 Feb 2007	DRP	\$7.3741	\$0.3400	\$7.0341	n/a	\$0.0000
11 Apr 2007	Acquisition of SRG	\$7.8700	\$0.3400	\$7.5300	n/a	\$0.0000
27 Aug 2007	DRP	\$7.7038	\$0.3400	\$7.3638	n/a	\$0.0000
27 Feb 2008	DRP	\$6.5500	\$0.3400	\$6.2100	n/a	\$0.0000
19 Jun 2008	Placement of securities	\$5.4900	\$1.3560	\$3.3380	n/a	\$0.7960
29 Aug 2008	DRP	\$4.6600	\$1.3048	\$2.8426	n/a	\$0.5126

		Issue price per stapled security	Issue price of share in THL	Issue price of unit in THT	Issue price of share in TL	Issue price of share in TIL
Date of issue	Type of issue					
27 Feb 2009	DRP	\$4.9185	\$1.1313	\$3.3446	n/a	\$0.4426
28 Aug 2009	DRP	\$3.9585	\$0.9105	\$2.6918	n/a	\$0.3563
26 Feb 2010	DRP	\$5.3935	\$1.2405	\$3.6676	n/a	\$0.4854
Aug 2010	DRP	\$4.2397	\$1.0599	\$2.8830	n/a	\$0.2968
Feb 2011	DRP	\$5.1830	\$1.2958	\$3.5244	n/a	\$0.3628
Aug 2011	DRP	\$5.1939	\$1.4543	\$3.5319	n/a	\$0.2078
Feb 2012	DRP	\$5.5499	\$1.5540	\$3.7739	n/a	\$0.2220
Aug 2012	DRP	\$5.7731	\$1.3855	\$3.9834	n/a	\$0.4042
Feb 2013	DRP	\$6.1220	\$1.4570	\$4.1752	n/a	\$0.4898
Aug 2013	DRP	\$6.7860	\$2.2597	\$4.4313	n/a	\$0.0950
Feb 2014	DRP	\$6.8109	\$2.2680	\$4.4475	n/a	\$0.0954
Apr 2014	QM acquisition	\$6.7500	\$1.3600	\$5.2400	n/a	\$0.1500
Aug 2014	DRP	\$7.6637	\$1.5480	\$5.9470	n/a	\$0.1687
Feb 2015	DRP	\$8.8500	\$1.7877	\$6.8676	n/a	\$0.1947
Aug 2015	DRP	\$9.7800	\$1.5844	\$8.0000	n/a	\$0.1956
Dec 2015	AirportlinkM7 acquisition	\$9.6000	\$1.5552	\$7.8528	n/a	\$0.1920
Feb 2016	DRP	\$10.1831	\$1.6497	\$8.3297	n/a	\$0.2037
Aug 2016	DRP	\$11.9990	\$1.8527	\$9.7216	n/a	\$0.4247
Feb 2017	DRP	\$10.4573	\$1.6146	\$8.4725	n/a	\$0.3702
Aug 2017	DRP	\$11.3848	\$1.7419	\$9.3241	n/a	\$0.3188
Dec 2017	West Gate Tunnel project	\$11.4000	\$1.7442	\$9.3366	n/a	\$0.3192
Feb 2018	DRP	\$11.9719	\$1.8317	\$9.8050	n/a	\$0.3352