

2014 TRANSURBAN TAX RETURN GUIDE

Important information for filing your tax return

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 2014.

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 2014; 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.

You need to follow the steps in Part A of this Guide in order to report your Transurban distributions correctly in your 2014 Australian income tax return.

Your investment in Transurban consists of shares in Transurban Holdings Limited (THL), units in Transurban Holdings 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 2013/2014 (or entered into a contract on or before 30 June 2014 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.

Transurban made partially tax deferred distributions in the 2013/2014 year. These partially tax deferred distributions reduced the cost base and the reduced cost base of the units in THT, which may need to be taken into account in preparing your tax return.

If you were not a resident of Australia at all times during 2013/2014, 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.

You should keep your Transurban Annual Tax Statement and this Guide with your tax work papers as supporting documentation for your 2014 income tax return.

Disclaimer

This publication is prepared by the Transurban Group comprising Transurban Holdings Limited (ACN 098 143 429), Transurban Holdings Trust (ARSN 098 807 419) and Transurban International Limited (ARBN 121 746 825). The responsible entity of Transurban Holdings Trust is Transurban Infrastructure Management Limited (ACN 098 147 678) (AFSL 246 585).

This Guide has been prepared by the Transurban Group based on the information available. No representation or warranty, expressed or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions, inputs, calculations and conclusions contained in this Guide. To the maximum extent permitted by law, none of the Transurban Group, their directors, employees or agents, or any other persons accepts any liability for any loss arising from the use of this Guide or its contents or otherwise arising in connection with it, including without limitation, any liability arising from fault or negligence on the part of any member of the Transurban Group, their directors, employees or agents.

The information contained in this Guide does not take into account the investment objectives, financial situation and particular needs of any investor. Further, the Guide is not intended in any way to influence a person into the varying, acquisition or disposal of a financial product nor provide financial advice nor constitutes an offer to subscribe for securities in any entity including the Transurban Group.

This Guide does not constitute the provision of tax advice. Any person intending on acquiring an interest in the Transurban Group or providing reliance on this Guide is strongly recommended to seek professional advice.

The Transurban Group does not warrant or guarantee the performance, repayment of capital or a particular return of the Transurban Group.

August 2014

How to complete your 2014 Australian income tax return using your Transurban Annual Tax Statement.

[illegible]2014 TRANSURBAN TAX RETURN GUIDE

Part A

Tax assessable income

Taxable component (Non-primary Production Distribution from Trust)—Items 13C, 13Q and 13U and on the 2014 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 2014 Australian income tax return in item 13U as shown.

The franked distributions paid to you by THT are assessable for tax purposes and need to be included in your 2014 Australian income tax return in item 13C as shown. The franking credits attached to these distributions also need to be included in your 2014 Australian income tax return in items 13C and 13Q as shown.

TFN amounts withheld from Transurban Distributions—Item 13R on the 2014 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 46.5 per cent. The tax withheld should be claimed as a credit in your Australian income tax return for the year ended 30 June 2014.

Tax-deferred distributions

Tax-deferred distributions are not assessable for income tax and do not need to be included in your 2014 Australian income tax return. However, tax deferred distributions reduce the cost base and the reduced cost base of your units in THT.

Dividends—Item 11 on the 2014 Tax Return for Individuals

Dividends are assessable for tax purposes and need to be included in your 2014 Australian income tax return in item 11T as shown. The dividend paid by Transurban for the 2014 income year is fully franked and carries franking credits.

Franking credits also need to be included in your 2014 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 2013/2014 (or entered into a contract on or before 30 June 2014 to do so), you need to consider the tax consequences of that disposal during the preparation of your 2014 Australian income tax return.

Recognition of capital gain or loss

You will need to reflect in your 2014 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 2014 you need to reflect the result of the disposal in your 2014 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 2014, 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 attributable 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 your consideration above your cost base (after reduction for any tax deferred distributions received).

If you disposed of your securities 12 months or more after acquiring them, and your consideration exceeded your cost base (after reduction for any tax deferred distributions received), 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 a year of acquiring them) and your consideration was less than your reduced cost base (after reduction for any tax deferred distributions received) 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 (after reduction for any tax deferred distributions received), is reduced by any capital losses you may have. Your discounted capital gain is 50 per cent of this amount. Note that no indexation of your cost base is allowed under the discount method.

Determining the cost base and reduced cost base

The CGT cost base of your Transurban securities is generally the amount you paid to acquire it plus certain costs of acquisition. However, the receipt of tax deferred distributions may have reduced the CGT cost base of your Transurban securities.

Receipt of tax deferred distributions

Tax-deferred distributions received 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 adjusting the cost base and reduced cost base of your THT units.

You may have different parcels of Transurban securities that you acquired at different times and under different transactions. It is important that you keep the details of these parcels separate and adjust the relevant cost bases of the three separate CGT assets as appropriate, in order to calculate any capital gains or losses on future disposals.

Part B, Section 2

Adjustments of cost base and reduced cost base of THT units in consequence of receipt of tax-deferred distributions

A stapled security in Transurban consists of three separate assets for CGT purposes. The cost base of each asset for CGT purposes is used for determining whether any capital gain arises 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.

Tax-deferred distributions received in respect of units in THT reduce the cost base and reduced cost base of each THT unit held.

The following comments may assist investors in determining the cost base of their 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 might decide to 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 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 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 or reduced cost base of a THT unit by the tax-deferred distributions received by you, 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 bases and the tax-deferred distributions 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 matters which is relevant is whether the parcel of THT units that you are addressing 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.

It is possible that some investors disposed of their Transurban investment before they received the February 2014 or the August 2014 distribution, but after their entitlement to receive the distribution arose (ie. 31 December 2013 and 30 June 2014, respectively). In that case, the tax-deferred distribution paid to them by THT in February 2014 or in August 2014 is not treated as described above (ie. it does not reduce the cost base or the reduced cost base of their units in THT). Instead, that tax-deferred distribution is added to the sale proceeds of their Transurban securities that is allocated to the units in THT, and both together form the consideration taken into account in calculating any CGT gain or loss on the disposal of the THT units.

Appendix 1

Split of Transurban issue prices (up to 30 June 2014) 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 stapled securities based on whether or not they elected CGT roll-over relief. In summary, the cost base of the Transurban stapled securities will either be their market value (ie. \$4.22) on the date the Revised Securities were exchanged for the Transurban stapled securities, or the original cost base of the Revised Security if CGT roll-over relief was elected.

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

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

AUSTRALIA

MELBOURNE (HEAD OFFICE)

Level 23
Tower One, Collins Square
727 Collins Street
Docklands
Victoria 3008

SYDNEY

Level 9
1 Chifley Square
Sydney
New South Wales 2000

BRISBANE

Brisbane Technology Park
7 Brandl Street
Eight Mile Plains
Queensland 4113

MAILING ADDRESS

Locked Bag 28
South Melbourne
Victoria 3205

Phone +61 3 8656 8900
Fax +61 3 8656 8585

UNITED STATES

WASHINGTON DC AREA

6440 General Green Way
Alexandria VA 22312
USA

Phone +1 (571) 419 6100

Email corporate@transurban.com