IMPORTANT INFORMATION FOR FILING YOUR TAX RETURN

2007 Transurban Tax Statement Guide—
Information to help you complete your
2007 Australian income tax return

transurban

Disclaimer

The Transurban Group is a triple stapled security listed on the Australian Stock Exchange 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 the Transurban Holdings Trust is Transurban Infrastructure Management Limited (ACN 098 147 678) which is the holder of Australian Financial Services Licence Number 246 585. Transurban Infrastructure Management Limited is a wholly owned subsidiary of Transurban Holdings Limited.

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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 2007

Dear Transurban investor,

We are pleased to enclose your Transurban Annual Tax Statement which should be read in conjunction with this Tax Statement Guide. This Guide has been prepared to assist you and your tax adviser to complete your income tax return for the year ended 30 June 2007.

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 2007
- you are not a company, trust or superannuation fund, 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 2007 Australian income tax return.

From 11 December 2001 to 2 January 2007, Transurban comprised the following three entities listed on the Australian Securities Exchange (ASX): Transurban Holdings Limited (THL), Transurban Holding Trust (THT) and Transurban Limited (TL [formerly known as Transurban Infrastructure Development Limited]). On 3 January 2007, Transurban Group implemented a restructure which involved the replacement of shares in TL from the triple stapled security with shares in Transurban International Limited (TIL), a company incorporated in Bermuda.

Since 3 January 2007, your investment in Transurban consists of shares in THL, units in THT and shares in TIL. Securities in these three entities are stapled together and cannot be traded separately. The tax implications arising from the restructure are discussed in Part B, Section 3 of this Guide. You will need to refer to that information in order to complete your 2007 Australian income tax return.

If you disposed of any or all of your Transurban investment in 2006/2007 (or entered into a contract on or before 30 June 2007 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.

If you were previously a Sydney Roads Group (SRG) security holder and exchanged your stapled securities in SRG for Transurban stapled securities, specific tax issues are applicable to you. Part B, Section 4 of this Guide provides information which will assist you in determining the tax implications of that transaction.

If you were previously a holder of Transurban Convertible Adjusting Rate Securities (CARS), and had your securities in CARS exchanged for Transurban securities when Transurban exercised its right to convert CARS into Transurban Group securities on 2 January 2007 and 16 April 2007, Part B, Section 5 of this Guide will assist you with determining the tax implications of the conversions.

Transurban made partially tax deferred distributions in the 2006/2007 year. These 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 2007 tax return.

If you were not a resident of Australia at all times during 2006/2007, 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 2007 income tax work papers as supporting documentation of your income tax return.

Individuals—How to complete your 2007 Australian Income Tax Return using your Transurban Annual Tax Statement

Example:

transurban

Transurban International Limited ARBN 121 746 825
Transurban Holdings Limited ABN 88 098 143 429
Transurban Infrastructure Management Limited ABN 27 098 147 678
as trustee of the Transurban Holding Trust ABN 30 169 362 255

Computershare

All correspondence to:
Computershare Investor Services Pty Limited
GPO Box 2975 Melbourne
Victoria 3001 Australia
Enquiries (within Australia) 1300 360 146
(outside Australia) 61 3 9415 4000
Facsimile 61 3 9473 2500
web.queries@computershare.com.au
www.computershare.com

SAMPLE CUSTOMER
SAMPLE STREET
SAMPLE STREET
SAMPLE STREET
SAMPLE STREET
SAMPLETOWN TAS 7000

Holder Number I1234567890
TFN Status Quoted

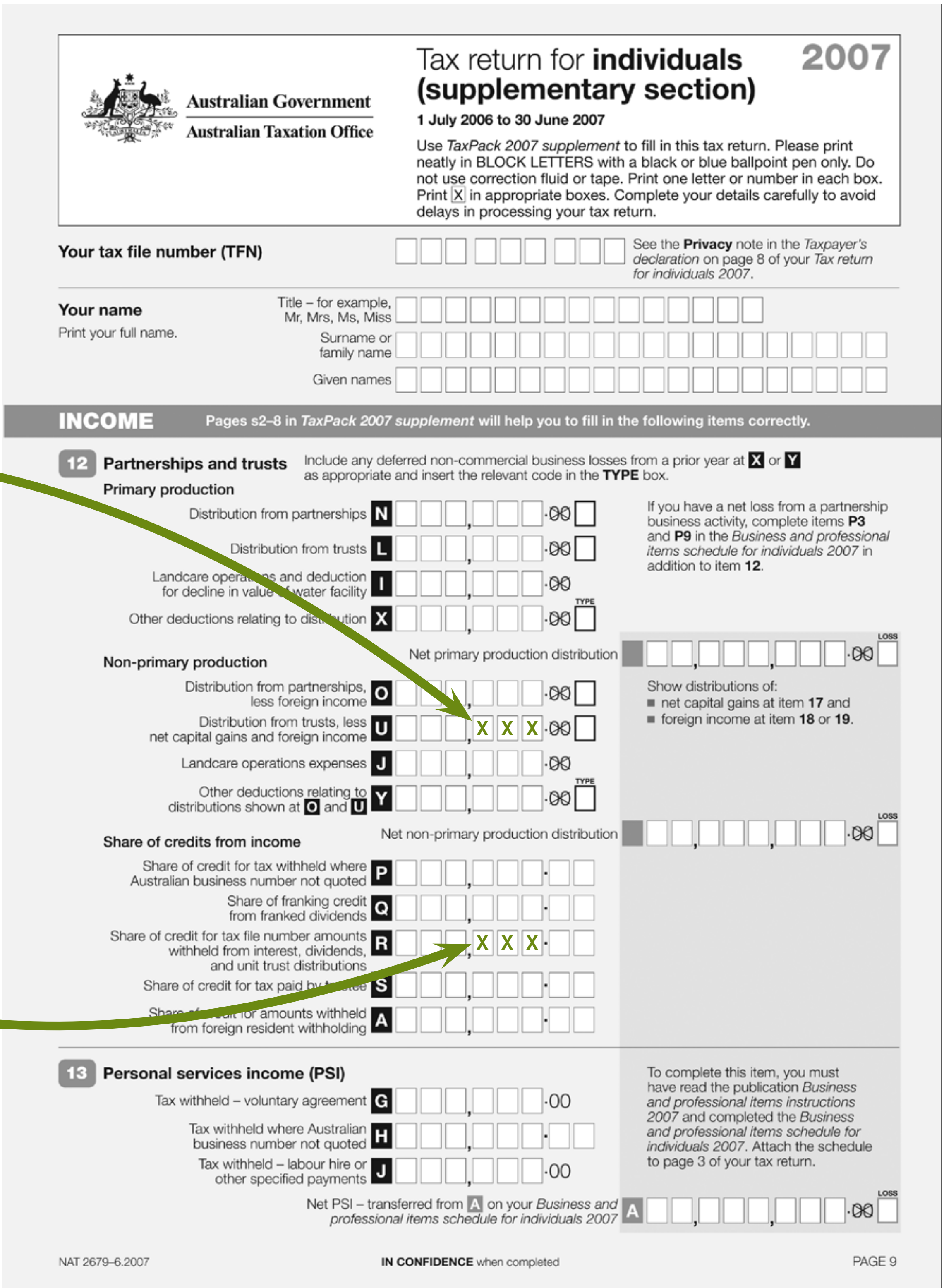
Annual Tax Statement please use the information in this statement when preparing your income tax return

Trust Issued Triple Stapled Securities - Trust Distributions

Australian resident investors who received a distribution on their Triple Stapled Securities on 28 February 2007 and/or 27 August 2007 should include the taxable component of those distributions in their assessable income for the tax year ended 30 June 2007. A 2007 Tax Statement Guide is attached to assist you and/or your tax adviser to complete your 2007 Income Tax Return. If an Investor has a tax year ending on a date other than 30 June, they should seek advice from their tax adviser.

Date	Distribution (Cents per unit)	No. of Units held at	Interest Income	Rent and Other Income	Total Taxable Income (1)	Tax-Deferred Amount	Gross Distribution	Tax Withheld (2)	Net Distribution
28/02/2007	$0.265	00,000	$0,000.00	$0,000.00	$0,000.00	[illegible]	$0,000.00	$0,000.00	$0,000.00
27/08/2007	$0.275	00,000	$0,000.00	$0,000.00	[illegible]	$0,000.00	$0,000.00	[illegible]	$0,000.00
Total	**$0.540**	00,000	$0,000.00	$0,000.00	$0,000.00	$0,000.00	$0,000.00	$0,000.00	$0,000.00

(1) Include this amount in your income tax return for the tax year ended 30 June 2007.
(2) Tax withheld and remitted to the Australian Taxation Office on your behalf for the year ended 30 June 2007.


Australian Government
Australian Taxation Office

Tax return for **individuals** (supplementary section) 2007

1 July 2006 to 30 June 2007

Use *TaxPack 2007 supplement* to fill in this tax return. Please print neatly in BLOCK LETTERS with a black or blue ballpoint pen only. Do not use correction fluid or tape. Print one letter or number in each box. Print X in appropriate boxes. Complete your details carefully to avoid delays in processing your tax return.

Your tax file number (TFN)

See the **Privacy** note in the *Taxpayer's declaration* on page 8 of your *Tax return for individuals 2007*.

Your name
Print your full name.

Title – for example, Mr, Mrs, Ms, Miss
Surname or family name
Given names

INCOME Pages s2–8 in *TaxPack 2007 supplement* will help you to fill in the following items correctly.

12 Partnerships and trusts

Include any deferred non-commercial business losses from a prior year at X or Y as appropriate and insert the relevant code in the TYPE box.

Primary production

Distribution from partnerships N .00
Distribution from trusts L .00
Landcare operations and deduction for decline in value of water facility I .00
Other deductions relating to distribution X .00 TYPE

If you have a net loss from a partnership business activity, complete items **P3** and **P9** in the *Business and professional items schedule for individuals 2007* in addition to item **12**.

Net primary production distribution .00 LOSS

Non-primary production

Distribution from partnerships, less foreign income O .00
Distribution from trusts, less net capital gains and foreign income U X X X .00
Landcare operations expenses J .00
Other deductions relating to distributions shown at O and U Y .00 TYPE

Show distributions of:
- net capital gains at item **17** and
- foreign income at item **18** or **19**.

Net non-primary production distribution .00 LOSS

Share of credits from income

Share of credit for tax withheld where Australian business number not quoted P
Share of franking credit from franked dividends Q
Share of credit for tax file number amounts withheld from interest, dividends, and unit trust distributions R X X X
Share of credit for tax paid by trustee S
Share of credit for amounts withheld from foreign resident withholding A

13 Personal services income (PSI)

Tax withheld – voluntary agreement G .00
Tax withheld where Australian business number not quoted H
Tax withheld – labour hire or other specified payments J .00

To complete this item, you must have read the publication *Business and professional items instructions 2007* and completed the *Business and professional items schedule for individuals 2007*. Attach the schedule to page 3 of your tax return.

Net PSI – transferred from A on your *Business and professional items schedule for individuals 2007* A .00 LOSS

NAT 2679-6.2007 **IN CONFIDENCE** when completed PAGE 9

Part A, Section 1

Tax assessable income

Taxable component (Non-primary Production Distribution from Trust)—Item 12U on the 2007 Tax Return for Individuals (supplementary section)

These are distributions of non-primary production income. It comprises Australian-sourced interest and other income and needs to be included in your 2007 Australian income tax return as shown below.

TFN amounts withheld from Transurban distributions—Item 12R on the 2007 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 2007. See example below.

Tax-deferred distributions

Tax-deferred distributions are not assessable for income tax and do not need to be included in your 2007 Australian income tax return. However, tax deferred distributions reduce the cost base and the reduced cost base of units in THT.

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

Trust Issued Triple Stapled Securities - Trust Distributions

Australian resident investors who received a distribution on their Triple Stapled Securities on 28 February 2007 and/or 27 August 2007 should include the taxable component of those distributions in their assessable income for the tax year ended 30 June 2007. A 2007 Tax Statement Guide is attached to assist you and/or your tax adviser to complete your 2007 Income Tax Return. If an Investor has a tax year ending on a date other than 30 June, they should seek advice from their tax adviser.

Date	Distribution (Cents per unit)	No. of Units held at	Interest Income	Rent and Other Income	Total Taxable Income (1)	Tax-Deferred Amount	Gross Distribution	Tax Withheld (2)	Net Distribution
28/02/2007	$0.265	00,000	$0,000.00	$0,000.00	$0,000.00	$0,000.00	$0,000.00	$0,000.00	$0,000.00
27/08/2007	$0.275	00,000	$0,000.00	$0,000.00	$0,000.00	$0,000.00	$0,000.00	$0,000.00	$0,000.00
Total	**$0.540**	00,000	$0,000.00	$0,000.00	$0,000.00	$0,000.00	$0,000.00	$0,000.00	$0,000.00

(1) Include this amount in your income tax return for the tax year ended 30 June 2007.
(2) Tax withheld and remitted to the Australian Taxation Office on your behalf for the year ended 30 June 2007.

INCOME Pages s2–8 in *TaxPack 2007 supplement* will help you to fill in the following items correctly.

12 Partnerships and trusts Include any deferred non-commercial business losses from a prior year at X or Y as appropriate and insert the relevant code in the TYPE box.

Primary production

Distribution from partnerships N .00
Distribution from trusts L .00
Landcare operations and deduction for decline in value of water facility I .00
Other deductions relating to distribution X .00 TYPE
Net primary production distribution .00 LOSS

If you have a net loss from a partnership business activity, complete items **P3** and **P9** in the *Business and professional items schedule for individuals 2007* in addition to item **12**.

Non-primary production

Distribution from partnerships, less foreign income O .00
Distribution from trusts, less net capital gains and foreign income U X X X .00
Landcare operations expenses J .00
Other deductions relating to distributions shown at O and U Y .00 TYPE
Net non-primary production distribution .00 LOSS

Show distributions of:
- net capital gains at item **17** and
- foreign income at item **18** or **19**.

Share of credits from income

Share of credit for tax withheld where Australian business number not quoted P
Share of franking credit from franked dividends Q
Share of credit for tax file number amounts withheld from interest, dividends, and unit trust distributions R X X X . X X
Share of credit for tax paid by trustee S

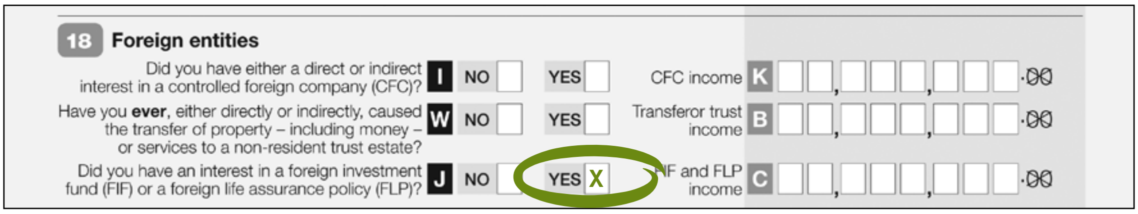
Part A, Section 2
Foreign entities

Foreign entities

As part of the Transurban Group restructure implemented on 3 January 2007, each security holder received shares in Transurban International Limited (TIL), a company incorporated in Bermuda. As TIL is not a resident of Australia for Australian tax purposes, it is treated as a foreign investment fund or 'FIF'. For that reason, you will be regarded as holding an interest in a FIF for the purposes of your 2007 Australian income tax return if you held any Transurban stapled securities at 30 June 2007.

Phase 1

If you held any Transurban stapled securities at 30 June 2007, answer 'YES' to Question 18 of the 2007 Tax Return for Individuals (supplementary section) as shown below.


18 Foreign entities
Did you have either a direct or indirect interest in a controlled foreign company (CFC)? I NO YES
CFC income K .00
Have you **ever**, either directly or indirectly, caused the transfer of property – including money – or services to a non-resident trust estate? W NO YES
Transferor trust income B .00
Did you have an interest in a foreign investment fund (FIF) or a foreign life assurance policy (FLP)? J NO YES X
FIF and FLP income C .00

Phase 2

Work through parts A, B and C of Question 18 of the Tax Pack 2007 supplement. Answer 'YES' to the question in Part C and work through the steps in that Part. When addressing Step 2 in Part C, please note that your attributed foreign income from TIL was nil. This is because your interest in TIL qualifies for exemption from FIF taxation under Section 497 of the *Income Tax Assessment Act 1936*. Please note that you cannot claim any foreign tax credit in respect of TIL in Step 4.

Part B, Section 1
Capital gains or losses on disposal of investments in Transurban

If you disposed of any or all of your Transurban investment in 2006/2007 (or entered into a contract on or before 30 June 2007 to do so), you need to consider the tax consequences of that disposal during the preparation of your 2007 Australian income tax return.

Recognition of capital gain or loss

You will need to reflect in your 2007 Australian income tax return the capital gains tax (CGT) result of any disposal of part or all of your Transurban investment.

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 2007, you need to reflect the result of the disposal in your 2007 Australian income tax return.

Calculation of capital gain or loss

If you disposed of some or all of your Transurban investment in the year ended 30 June 2007, 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 stapled to one unit in THT and to one share in TIL (or TL, if prior to 3 January 2007). For CGT purposes, a share in THL, a unit in THT and a share in TIL (or TL) are three separate assets.

If you disposed of some or all of your Transurban investment in the year ended 30 June 2007, 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 (or TL, if you disposed of your Transurban investment prior to 3 January 2007).

This means that you need to split your acquisition costs and your sales proceeds between shares in THL, units in THT and shares in TIL (or TL, if you disposed of your Transurban investment prior to 3 January 2007).

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 (or TL, if you disposed of your Transurban investment prior to 3 January 2007) 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 sales proceeds 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 sales proceeds 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.

If you disposed of your securities (whether or not within a year of acquiring them) and your sales proceeds were less than your reduced cost base (after reduction for any tax deferred distributions received) your CGT loss is the difference between the two amounts.

Date of acquisition of your Transurban securities

The Transurban restructure undertaken on 3 January 2007, the acquisition of SRG by Transurban and the CARS conversions undertaken on 2 January 2007 and 16 April 2007, may determine or change the date of acquisition of some of the separate assets comprising the Transurban stapled security. You will need to consider the information below for each of these transactions, as applicable to you, to determine the date of acquisition of the three separate CGT assets comprising the Transurban security. Establishing the correct date of acquisition will allow you to determine whether you are entitled to reduce any capital gain on the disposal of your Transurban stapled securities under the discount method.

The discount method

Under the discount method, your CGT gain is called a 'discounted capital gain'. Your calculated capital gain being your sales proceeds 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 investment is generally the amount you paid to acquire it plus certain costs of acquisition. However, the following transactions may have impacted the CGT cost base of your Transurban securities:

a) 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 you hold. You will need to adjust the cost base and reduced cost base of your THT units for tax deferred distributions received to date. Part B, Section 2 provides information to assist you in calculating the cost base and reduced cost base of your THT units.

b) Transurban restructure (3 January 2007)

The Transurban restructure undertaken on 3 January 2007 will impact the cost base and reduced cost base of the THL shares issued in exchange for your TL shares, and determine the cost base of the TIL shares you received as part of the restructure. Part B, Section 3 provides further guidance to assist you in calculating the CGT cost base and reduced cost base of your TIL and THL shares.

c) Acquisition of SRG

If you acquired your Transurban investment because you accepted Transurban's offer to acquire your SRG securities in exchange for Transurban securities, Part B, Section 4 will assist you in determining the cost base and reduced cost base of the three separate CGT assets comprising your Transurban securities.

d) CARS conversions

If you acquired your Transurban investment through the CARS conversions undertaken on 2 January 2007 and/or 16 April 2007, Part B, Section 5 will assist you in determining the cost base and reduced cost base of the three separate CGT assets comprising your Transurban securities.

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

As discussed in Part B, Section 1, 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 you hold.

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

- the cost base of a Transurban stapled 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 investment 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 TL (or TIL, if you acquired your investment after 2 January 2007) at the time they were issued to you
- if you acquired your Transurban investment on the ASX, you will know how much you paid for the Transurban stapled securities (including any incidental costs you incurred to acquire those securities). While it is for you to decide how much of the purchase price of your stapled security on the ASX was referable to the share in THL, the unit in THT and the share in TL (or TIL, if you acquired your investment after 2 January 2007), you might decide to use Appendix 1 as a guide in performing this allocation
- if you acquired your Transurban investment in exchange for your SRG securities, Part B, Section 4 will assist you in determining the cost base of your Transurban stapled securities. Appendix 1 will then assist you in allocating the cost base between the share in THL, the unit in THT and the share in TIL
- if you acquired your Transurban investment under the CARS conversions, Part B, Section 5 will assist you in determining the cost base of your Transurban stapled securities. Appendix 1 will then assist you in allocating the cost base between the share in THL, the unit in THT and the share in TL and/or TIL (depending on the date of the conversion)
- 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 Appendix 2
- 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 securities acquired as part of Transurban investment 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 (see below).
  1. If the THT units you are addressing 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, however
  2. if the parcel of THT units you are addressing in this analysis was acquired by you 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 2007 or the August 2007 distribution, but after their entitlement to receive the distribution arose (ie. 31 December 2006 and 30 June 2007, respectively). In that case, the tax-deferred distribution paid to them by THT on February 2007 or in August 2007 is not treated as described above (ie. it does not reduce the cost base or the reduced cost base of their unit 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 'capital proceeds' which are then taken into account in computing any CGT gain or loss on the disposal of their THT units.

Part B, Section 3
Transurban restructure

Transurban restructure

On 3 January 2007, Transurban Group implemented a restructure which involved the replacement of shares in TL from the triple stapled security with shares in Transurban International Limited (TIL). The restructure was implemented through a number of steps. Details of the restructure, as well as the tax consequences for security holders are available in the Information Memorandum which was sent to investors on 21 September 2006. A copy of the Information Memorandum is available under the Investor section of the Transurban website. Visit www.transurban.com

Cancellation of TL shares

Under the restructure, your TL shares were cancelled and new THL shares were issued to you. The cancellation of your TL shares may give rise to either a capital gain or a capital loss. However, scrip for scrip CGT roll-over relief is available to defer any capital gain you make provided:

– apart from the CGT roll-over relief, you would otherwise make a capital gain from the cancellation of your TL shares
– any capital gain that could be realised on the future sale or other disposal by you of the TL shares would not be disregarded (except for the scrip for scrip or any other CGT roll-over relief), and
– you choose to obtain CGT roll-over relief.

The Australian Taxation Office (ATO) has confirmed the availability of the scrip for scrip roll-over relief on the cancellation of TL shares in Class Ruling CR 2006/110. A copy of the ruling is available under the Investor section of Transurban's website. Visit www.transurban.com

If you choose to obtain CGT roll-over relief

If you choose to obtain CGT roll-over relief on the cancellation of your TL shares, any capital gain you make from the cancellation is disregarded. The cost base of your replacement THL shares is equal to the cost base of the cancelled TL shares. The date of acquisition for the replacement THL shares is the same as the date of acquisition of the original TL shares.

If you do not choose to obtain CGT roll-over relief

If you do not choose, or are ineligible to choose, to obtain CGT roll-over relief, the cancellation of your TL shares will be treated as a CGT event. You will be deemed to have received proceeds equal to the market value of the THL shares issued in exchange for your original TL shares at the date of their issue (3 January 2007). You will realise a capital gain if the market value of the THL shares received in exchange for your TL shares exceed the cost base of the cancelled TL shares. You will realise a capital loss if the reduced cost bases of the cancelled TL shares exceed the market value of the THL shares received. The cost bases of the replacement THL shares will be their market value at the date of issue (3 January 2007) plus certain costs of acquisition (ie. costs of professional advice). The date of acquisition of the new THL shares is the date on which they were issued (3 January 2007).

Merger of THL shares

As part of the restructure, the replacement THL shares and the original THL shares were 'merged'. No income tax liability arises from this merger. The cost base of the original THL shares and the replacement THL shares is evenly apportioned across the merged THL shares, regardless of whether CGT roll-over relief is chosen.

Transfer of TIL shares

TIL shares were transferred to you in proportion to your holding of THL shares and THT units. This transaction was undertaken as a return of capital by THL to security holders and reduces the cost base of THL shares. However, as TIL was incorporated with nominal share capital, the reduction is immaterial and can be disregarded for tax purposes. The cost base for TIL shares is nominal only and their date of acquisition is 3 January 2007.

The tables on the page opposite provide a summary of the issues discussed above.

CGT roll-over relief chosen	Date of acquisition	Cost base	Capital gain
TL shares	Date you acquired your original Transurban securities	Original cost base	Disregarded
Replacement THL shares	Date you acquired your original Transurban securities	Cost base of original TL shares	n/a
Merged THL shares	Date you acquired your original Transurban securities	Cost base of original THL shares plus cost base of replacement THL shares spread evenly over the number of merged THL shares	n/a
TIL shares	Date when the TIL shares were issued to you (3 January 2007)	Nominal amount only	n/a

CGT roll-over relief not chosen	Date of acquisition	Cost base	Capital gain/loss
TL shares	Date you acquired your original Transurban securities	Original cost base	Market value of THL shares on 3 January 2007* less cost base or reduced cost base of TL shares
THL shares	Date you acquired your original Transurban securities	Original cost base	n/a
Replacement THL shares	Date new THL shares are issued to you (3 January 2007)	Market value of THL shares on 3 January 2007*	n/a
Merged THL shares	Date you acquired your original Transurban securities	Cost base of original THL shares plus cost base of replacement THL shares spread evenly over the number of merged THL shares	n/a
TIL shares	Date when the TIL shares were issued to you (3 January 2007)	Nominal amount only	n/a

*The market value of a Transurban stapled security on 3 January 2007 was $7.60. You may wish to use the allocation of the market value of Transurban securities between THL, THT and TIL from Appendix 1 to determine the market value of THL shares on that date.

Part B, Section 4
Acquisition of Sydney Roads Group (SRG)

During 2007, Transurban Group acquired all SRG stapled securities. The offer made by Transurban allowed SRG security holders to choose between an all scrip alternative (ie. security holders received Transurban stapled securities in exchange for their SRG stapled securities) or a cash pool alternative (ie. security holders received cash in exchange for their SRG stapled securities). Details of the offer, as well as the tax consequences for SRG security holders, are available in the Bidder's Statement which was sent to SRG security holders. A copy of the Bidder's Statement is available under the Investor section of the Transurban website. Visit www.transurban.com

The consequences of the disposal of your SRG investment need to be considered during the preparation of your 2007 Australian income tax return. The comments below will assist you in determining the income tax consequences of disposing of your SRG securities under Transurban's offer.

Recognition of capital gain or loss

You will need to reflect in your 2007 Australian income tax return the CGT result of the disposal of your SRG investment under Transurban's offer.

One SRG stapled security constitutes a number of separate assets

An SRG stapled security consists of one share in Sydney Roads Limited (SRL) stapled to one unit in Sydney Roads Trust (SRT). For CGT purposes, a share in SRL and a unit in SRT are two separate assets. Therefore, on the disposal of your SRG investment under Transurban's offer, you will need to perform two separate CGT calculations—one for your share in SRL and a second for your unit in SRT. This means that you need to split your cost bases and your sales proceeds between the shares in SRL and the units in SRT.

You will realise a capital gain if the portion of the consideration reasonably attributable to the share in SRL and the unit in SRT exceeds their respective CGT cost bases. However, no capital gain will arise if you chose to obtain scrip for scrip CGT roll-over relief (see opposite page).

Disposal of SRG securities

If you disposed of your SRG securities less than 12 months after acquiring them, your CGT gain, if any, is the excess of your sales proceeds over your cost base (after reduction for any tax deferred distributions received).

If you disposed of your SRG securities 12 months or more after acquiring them, and your sales proceeds 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.

If you disposed of your securities (whether or not within a year of acquiring them) and your sales proceeds were 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 sales proceeds 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.

Date of acquisition of your SRG securities

The date of acquisition of your SRG securities depends on whether you chose to obtain scrip for scrip CGT roll-over relief under the Macquarie Infrastructure Group (MIG) demerger. Information necessary to determine the date of acquisition of your SRL shares and SRT units is available in the MIG Demerger Cost Base Split Guide. Visit www.macquaire.com.au/au/mig/investor_centre/guides.htm and select 'cost based guide—with[without] roll-over relief'.

Proceeds

Under Transurban's offer, you received as consideration for the disposal of your SRL shares either:

- THL shares under the all scrip alternative, or
- cash consideration.

As consideration for the disposal of your SRT units, you received either:

- THT units under the all scrip alternative, or
- cash consideration.

You also received TIL shares in exchange for your SRL shares. However, the TIL shares had nominal value only and do not represent taxable consideration. TIL shares were only provided to SRL shareholders in order to comply with the Transurban Stapling Deed.

A capital gain arises on the disposal of your SRL shares and SRT units if:

- the market value of the THL shares or the cash consideration received in exchange for the SRL shares was greater than the SRL shares cost base, or
- the market value of the THT units or the cash consideration received in exchange for the SRT units was greater than the SRT units cost base.

A capital loss arises on the disposal of the SRL shares and SRT units if:

- the reduced cost base of the SRL shares was greater than the market value of the THL shares or the cash consideration received, or
- the reduced cost base of the SRT units was greater than the market value of the THT units or the cash consideration received.

Cost base and reduced cost base

The cost base or reduced cost base for your SRL shares and SRT units depend on when you acquired your SRG stapled securities.

If SRG securities were acquired under the SRG IPO

The cost base of the SRG stapled security under the SRG IPO was $1.15 paid for the stapled securities, plus any additional transaction costs such as brokerage or stamp duty costs.
The suggested apportionment of the total stapled security purchase price between SRL shares and SRT units in the IPO prospectus was $1.10 and $0.05, respectively. The reduced cost bases for SRL shares and SRT units are basically the same as the cost bases, but certain non-capital costs of ownership are not included in the reduced cost base.

If SRG securities were acquired on market

The cost base of the SRL share and the SRT unit will be generally their purchase price plus any additional transaction costs such as brokerage or stamp duty. You will need to apportion the total cost of purchase of the SRG security between the SRL share and the SRT unit, and you may wish to use the same allocation percentage used under the SRG IPO prospectus. The reduced cost bases for SRL shares and SRT units are basically the same as the cost bases but certain non-capital costs of ownership are not included in the reduced cost base.

If SRG securities were acquired under the demerger

The cost bases of SRL shares and SRT units are calculated under the demerger rules. Guidance is provided in the MIG Demerger Cost Base Split Guide [available at www.macquaire.com.au/au/mig/investor_centre/guides.htm] based on whether you have chosen CGT roll-over relief or not. You can also use the MIG/SRG Demerger Cost Base Calculator available under Investor Guides on the same website.

Acquisition of Sydney Roads Group (SRG)

Valuation of THL shares and THT units received

For CGT purposes, the value of the THL shares and THT units received in exchange for your SRL shares and SRT units was determined on the date you entered into the contract to accept Transurban's offer. The following rules should be observed in determining the date of the contract:

- if you accepted the offer before the offer was made unconditional, the date of the contract is when the offer becomes unconditional (5 April 2007)
- if you accepted the offer after it became unconditional, the date of the contract is when the offer is accepted, and
- if your securities were acquired compulsorily, the date of the contract is when the securities were so acquired.

The ATO has advised that it will accept the value of THL shares and THT units as follows (refer to Class Ruling CR 2007/21 available at Transurban's website):

- the closing price of a Transurban security on the ASX on the date you disposed of your SRG security provided the closing price did not vary by more than 5 per cent from either the minimum or maximum traded price over the course of the day. If the closing price is not acceptable, the Commissioner will accept the value-weighted average price (VWAP) for the stapled securities over that day and allocate this amount over the SRL shares and SRT units. A list of the closing prices for Transurban securities during the offer period is available under the Investor section of the Transurban website. Visit www.transurban.com

Appendix 1 outlines the accounting allocation of the value between THL shares and THT units over a period of time. You may wish to use this accounting allocation as a basis to allocate the market value between the THL shares and THT units you received in exchange for your SRL shares and SRT units.

Cost base of THL shares and THT units

The cost base of the THL shares you received is the market value of the SRL shares you gave up in exchange for acquiring the THL shares. The cost base of the THT units you received is the market value of the SRT units you gave up in exchange for the THT units. Certain other amounts (such as brokerage or stamp duty) can be added to the cost base of the shares and units.

Date of acquisition THL shares and THT units

The date of acquisition of your THL shares and THT units is the date the contract to accept Transurban's offer was entered into, unless you choose to obtain CGT roll-over relief.

If you choose to obtain CGT roll-over relief

If you chose to obtain CGT roll-over relief on the exchange of your SRL shares for THL shares and SRT units for THT units, a capital gain you would make is disregarded. The cost base of your THL shares and THT units is the original cost base of your SRL shares and SRT units reasonably apportioned over the THL shares and THT units. The date of acquisition of the THL shares and THT units is the date of acquisition of your SRL shares and SRT units.

If you do not choose to obtain CGT roll-over relief

If you do not choose, or are ineligible to choose, to obtain CGT roll-over relief, you will realise a capital gain or loss on the disposal of your SRL shares and SRT units.

When roll-over-relief is not available

To the extent to which you elected to receive cash in exchange for your SRL shares and SRT units, you cannot obtain roll-over relief on that portion of the consideration received. Roll-over relief is also not available in relation to the value of TIL shares received. However, the TIL shares had nominal value only and should not represent taxable consideration.

Part B, Section 5
CARS conversions

Transurban Convertible Adjusting Rate Securities (CARS) were converted into Transurban stapled securities on 2 January 2007 and 16 April 2007 when Transurban exercised its right to convert CARS into Transurban Group securities.

Conversions

On 2 January 2007, 50 per cent of all CARS held by CARS holders on issue as at that date were transferred to Transurban Holdings Trust (THT) in exchange for the issue of new Transurban stapled securities. On 16 April 2007, all remaining CARS on issue as at that date were transferred to THT in exchange for the issue of new Transurban stapled securities.

The consequences of the disposal of CARS securities need to be considered during the preparation of your 2007 Australian income tax return. The comments below will assist you in determining the income tax consequences of the conversions of your CARS securities into Transurban stapled securities.

Recognition of capital gain or loss

You will need to reflect in your 2007 Australian income tax return the CGT result of the disposal of your CARS securities.

Disposal of CARS securities

If you disposed of your CARS securities less than 12 months after acquiring them, your CGT gain, if any, is the excess of your sales proceeds over your cost base (after reduction for any tax deferred distributions received).

If you disposed of your CARS securities 12 months or more after acquiring them, and your sales proceeds 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.

If you disposed of your securities (whether or not within a year of acquiring them) and your sales proceeds were 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 sales proceeds 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 CARS securities is generally the amount you paid to acquire it plus certain costs of acquisition. However, the receipt of tax deferred distributions will have impacted the CGT cost base of your CARS securities.

Receipt of tax deferred distributions

Tax-deferred distributions received in respect of CARS securities reduce the cost base and reduced cost base of each CARS unit you hold. You will need to adjust the cost base and reduced cost base of your CARS units for tax deferred distributions received to the date of conversion. Appendix 3 provides information in relation to tax deferred distributions made by CARS up to 16 May 2007.

It is possible that some investors disposed of their CARS investment before they received the 31 January 2007 or the 16 May 2007 distribution, but after their entitlement to receive the distribution arose (ie. 22 December 2006 and 16 April 2007, respectively). In that case, the tax-deferred distribution paid to them by CARS on 31 January 2007 or on 16 May 2007 is not treated as described above (ie. it does not reduce the cost base or the reduced cost base of their CARS securities). Instead, that tax-deferred distribution is added to the sale proceeds of their CARS securities and form the 'capital proceeds' which is then taken into account in computing any CGT gain or loss on the disposal of their CARS securities.

Proceeds

Under both CARS conversions, you received Transurban stapled securities as consideration for the disposal of your CARS securities.

A capital gain arises on the disposal of the CARS securities if the market value of the Transurban stapled securities received in exchange for your CARS securities was greater than your CARS cost base (after reduction for any tax deferred distributions received). A capital loss arises on the disposal of the CARS securities if the reduced cost base of CARS securities (after reduction for any tax deferred distributions received) was greater than the market value of the Transurban stapled securities received.

Part B, Section 5 (continued)
CARS conversions

Roll-over relief

Transurban has applied to the ATO to obtain CGT roll-over relief on your behalf in respect of a capital gain that you would make on the disposal of your CARS securities. As of the date of preparing this Guide, the ruling had not been issued by the ATO.

The availability of CGT roll-over relief means that part of a capital gain you would make on the disposal of CARS securities is instead disregarded and deferred to when you dispose of the Transurban stapled securities you received on conversion. However, roll-over relief is only available in relation to the market value of the THT unit received in exchange for your CARS securities. The market value of the share in THL and the share in TIL (or TL, for the 2 January 2007 conversion) are ineligible proceeds and will need to be taken into account in determining any capital gain or loss on the disposal of your CARS securities.

Appendix 1 sets out the allocation of the issue price of a Transurban stapled security between a share in THL, a unit in THT and a share in TIL (or TL) at the time they were issued, and will assist you in determining the allocation of the market value of the Transurban stapled securities on 2 January 2007 and/or 16 April 2007.

If you choose to obtain roll-over relief

If you choose to obtain roll-over relief, the capital gain you would make on the exchange of the CARS unit for the THT unit within the stapled Transurban security is disregarded. The cost base and reduced cost base of your CARS securities are taken as the cost base and reduced cost base of your units in THT. The date of acquisition of your THT units is taken to be the date you originally acquired your CARS securities which were exchanged for the THT units.

You may still make a capital gain or loss in relation to the value of THL shares and TIL shares (or TL, for the 2 January 2007 conversion) received in exchange for your CARS securities. Appendix 4 provides a method statement and examples to assist you in allocating part of your CARS cost base to the THT units, calculating the ineligible proceeds from the CARS conversions and calculating any capital gain or loss in relation to the ineligible proceeds.

If you do not choose to obtain roll-over relief

A capital gain arises on the disposal of the CARS securities if the market value of the Transurban stapled securities received in exchange for your CARS securities was greater than your CARS cost base (after reduction for any tax deferred distributions received). A capital loss arises on the disposal of the CARS securities if the reduced cost base of CARS securities (after reduction for any tax deferred distributions received) was greater than the market value of the Transurban stapled securities received. For the purposes of calculating any capital gains or losses on the subsequent disposal of Transurban securities, you are taken to have acquired the Transurban securities on the date of conversion (2 January 2007 and/or 16 April 2007).

The table on the page opposite provides a summary of the issues discussed above.

CGT roll-over relief chosen	Date of acquisition	Cost base	Capital gain
CARS securities	Date you acquired your original CARS securities	Original cost base	Partly disregarded (refer Appendix 4 for example)
THT units	Date you acquired your original CARS securities	Cost base of original CARS	n/a
THL shares	Date when the THL shares were issued to you (2 January 2007 and/or 16 April 2007)	Market value of THL shares on date they were issued to you (2 January 2007 and/or 16 April 2007)	n/a
TIL shares	Date when the TIL shares were issued to you (2 January 2007 and/or 16 April 2007)	Nominal amount only on both 2 January 2007 and/or 16 April 2007	n/a

CGT roll-over relief not chosen	Date of acquisition	Cost base	Capital gain/loss
CARS securities	Date you acquired your original CARS securities	Original cost base	Gain—market value of Transurban securities received less cost base of CARS Loss—reduced cost base of CARS less market value of Transurban securities received
THT units	Date when the THT units were issued to you (2 January 2007 and/or 16 April 2007)	Market value of THT units on date they were issued to you (2 January 2007 and/or 16 April 2007)	n/a
THL shares	Date when the THL shares were issued to you (2 January 2007 and/or 16 April 2007)	Market value of THL shares on date they were issued to you (2 January 2007 and/or 16 April 2007)	n/a
TIL shares	Date when the TIL shares were issued to you (2 January 2007 and/or 16 April 2007)	Nominal amount only on both 2 January 2007 and 16 April 2007	n/a

Appendix 1

Split of Transurban issue prices (up to 30 June 2007) 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 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 they elected for 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.

If you are not sure what the cost base of your Transurban stapled security is you should consult your tax adviser. If you are a former Hills Motorway Limited (HML) investor, you should refer to the summary of tax implications for former HML investors and the table of closing prices for Transurban securities during the offer period in order to determine your cost base in the Transurban Securities. Both the summary and the table are available at www.transurban.com under 'investors/tax and distributions/Hills tax and distributions'.

The table below provides a summary of the allocation of the market value of Transurban securities between THL, THT and TL (or TIL, if after 2 January 2007) at the date Transurban securities were issued. This allocation has been performed for accounting purposes and may assist you in allocating the purchase price of your Transurban securities between the three assets you have received.

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 December 2001	New stapled security (Transurban)	$4.22	$0.01	$4.21	$0.00	n/a
8 October 2002	DRP	$3.7925	$0.01	$3.7825	$0.00	n/a
26 March 2003	DRP	$4.1065	$0.01	$4.0965	$0.00	n/a
8 October 2003	DRP	$4.1241	$0.01	$4.1141	$0.00	n/a
26 March 2004	DRP	$4.4020	$0.01	$4.3920	$0.00	n/a
8 October 2004	DRP	$5.3194	$0.01	$5.3094	$0.00	n/a
26 November 2004	Exercise of May 2002 options	$4.22	$0.01	$4.21	$0.00	n/a
24 December 2004	Exercise of February 2002 options	$4.28	$0.28	$4.00	$0.00	n/a
12 April 2005	Hills Motorway acquisition	$7.3699	$0.28	$7.0899	$0.00	n/a
15 June 2005	Exercise of May 2002 options	$4.22	$0.28	$3.94	$0.00	n/a
28 February 2006	DRP	$6.4689	$0.28	$6.1889	$0.00	n/a
25 August 2006	DRP	$6.6315	$0.28	$6.3515	$0.00	n/a
3 January 2007	Transurban restructure	$5.7154	$0.34	$5.3754	n/a	$0.00
28 February 2007	DRP	$7.3741	$0.34	$7.0341	n/a	$0.00
11 April 2007	Acquisition of SRG	$7.87	$0.34	$7.53	n/a	$0.00

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). Please note that the value allocated to THL has essentially been fixed at either $0.01, $0.28 or $0.34, depending on when the securities were acquired.

Appendix 2
Tax deferred distributions made by THT up to 30 June 2007

Record date	Payment date	Tax-deferred component per security	Taxable component per security	Total distribution
5 July 2007	27 August 2007	$0.2033	$0.0717	$0.2750
2 January 2007	28 February 2007	$0.2152	$0.0498	$0.2650
26 June 2006	25 August 2006	$0.2040	$0.0510	$0.2550
23 December 2005	28 February 2006	$0.1990	$0.0460	$0.2450
24 June 2005	2 September 2005	$0.1800	$0.0000	$0.1800
28 February 2005	25 March 2005	$0.1700	$0.0000	$0.1700
20 September 2004	8 October 2004	$0.1350	$0.0000	$0.1350
2 March 2004	26 March 2004	$0.1200	$0.0000	$0.1200
18 September 2003	8 October 2003	$0.1000	$0.0000	$0.1000
27 February 2003	26 March 2003	$0.1000	$0.0000	$0.1000
18 September 2002	8 October 2002	$0.0300	$0.0000	$0.0300
7 February 2002	26 February 2002	$0.0225	$0.0000	$0.0225
	Total	$1.6790	$0.2185	$1.8975

Appendix 3
Tax deferred distributions made by CARS up to 30 June 2007

Record date	Payment date	Tax-deferred component per security	Taxable component per security	Total distribution
16 April 2007	16 May 2007	$2.0329	$0.0000	$2.0329
22 December 2006	31 January 2007	$3.5288	$0.0000	$3.5288
26 June 2006	31 July 2006	$3.4712	$0.0000	$3.4712
23 December 2005	31 January 2006	$3.5288	$0.0000	$3.5288
24 June 2005	31 July 2005	$3.4712	$0.0000	$3.4712
27 December 2004	31 January 2005	$3.5096	$0.0000	$3.5096
24 June 2004	2 August 2004	$3.4904	$0.0000	$3.4904
23 December 2003	31 January 2004	$3.5288	$0.0000	$3.5288
24 June 2003	31 July 2003	$1.4767	$0.0000	$1.4767
	Total	$28.0384	$0.0000	$28.0384

Appendix 4

Method statement to calculate a capital gain or loss on the conversion of CARS securities into Transurban stapled securities

The method statement below outlines the steps to be taken in determining the ineligible proceeds received from the CARS conversions as well as the associated capital gain or loss realised.

***The examples provided are for the 2 January 2007 conversion only. They assume an original CARS security holder with the original cost base of $100 and the market value of a Transurban stapled security of $7.60. The same methodology can be applied to the 16 April conversion. The market value of a Transurban stapled security on 16 April 2007 was $8.03.**

Step 1: Determine the CGT cost base of your CARS security

The CGT cost base of your CARS security will essentially be the original purchase price of the CARS security reduced by the tax deferred distributions received by you.

Formula

PP – TDD = CB

PP: Original cost base of your CARS security

TDD: Total tax deferred distributions received since CARS security acquired

CB: Cost base for CGT purposes

Example*

$100 – $26.01 = $73.99

The total tax deferred distributions received by an original CARS security holder up to the first date of conversion (2 January 2007) is $26.01.

Step 2: Determine the cost base of your CARS security as a fraction of a Transurban stapled security

As each CARS security represents a multiple of Transurban stapled securities, it is necessary to determine the cost base of each Transurban stapled security received under the conversion.

The formula determines the cost base attributed to 17.4966 Transurban stapled securities per CARS security converted under the CARS conversion.

Formula

$$\frac{CB}{CR} = CBPS$$

CB: CGT cost base determined in Step 1

CR: Conversion ratio for CARS securities to Transurban securities of 17.4966

CBPS: Cost base per Transurban stapled security

Example*

$$\frac{\$73.99}{17.4966} = \$4.23$$

The conversion ratio is 17.4966 Transurban stapled securities for each CARS security. This provides a cost base of $4.23 for each Transurban stapled security received upon the conversion of each CARS security.

Step 3: Determine the ineligible proceeds from the conversion

The market value of a Transurban stapled security must be apportioned across the three separate CGT assets to determine the ineligible proceeds from the conversion.

Formula

L + M = IEP

L: THL market value = $0.28 (up until 2 January 2007) or $0.34 (from 3 January 2007)

M: TIL market value = $0.00

IEP: The value of the part of the Transurban stapled securities that are not eligible for scrip for scrip CGT roll-over relief

Example*

$0.28 + $0.00 = $0.28

The ineligible proceeds received from the conversion at 2 January 2007 is $0.28.

Step 4: Determine the portion of the cost base attributable to the ineligible proceeds

The CGT cost base of each Transurban stapled security received under the conversion needs to be allocated across the three separate CGT assets to determine the cost base of the ineligible proceeds.

Formula

$$\frac{IEP}{MV} \times CBPS = IPCB$$

IEP: The ineligible proceeds determined under Step 3

MV: Market value of the Transurban stapled securities on the day CARS securities were converted into Transurban stapled securities (2 January 2007 and/or 16 April 2007)

CBPS: Cost base per Transurban stapled security determined in Step 2

IPCB: Portion of the cost base of each Transurban stapled security attributable to the ineligible proceeds received

Example*

$$\frac{\$0.28}{\$7.60} \times \$4.23 = \$0.16$$

Using a market value of $7.60 on 2 January 2007, the portion of the cost base attributable to the ineligible proceeds is $0.16 per Transurban stapled security received under the conversion.

Step 5: Determine the capital gain or loss from the ineligible proceeds

If the ineligible proceeds are greater than the ineligible proceeds cost base, a capital gain arises. If the ineligible proceeds are less than the ineligible proceeds cost base, a capital loss arises.

Formula

IEP – IPCB = CG(CL)

IEP: Ineligible proceeds determined under Step 3

IPCB: Ineligible proceeds cost base determined under Step 4

CG(CL): Capital gain (capital loss) to be taken into account in preparing your 2007 income tax return

Example*

$0.28 – $0.16 = $0.12

As the ineligible proceeds from the conversion is greater than the cost base attributable to the ineligible proceeds, a capital gain of $0.12 arises in respect of each Transurban stapled security received under the conversion. CGT roll-over relief will not apply in respect of this portion of the capital gain.

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