

## ASX Release

21 February 2011

### **BrisConnections announces financial results**

BrisConnections (ASX: BCS) today announced financial results for the six-month period to 31 December 2010.

The financial results were in line with expectations and reflect the substantial progress BrisConnections has made in progressing towards operations in 2012 of the Airport Link toll road in Brisbane, now approximately 70% complete by dollar spend.

To date the main achievements in construction include (as at 14 February 2011)

- Approximately \$2.9 billion spent on construction activities, including approximately \$722 million in the six months to 31 December 2010
- More than 15 million hours worked and over 10.5 kilometres of tunnel excavated including approximately 2.2 kilometres of TBM excavation between Kedron and Toombul, all with an exemplary safety record by the contractor, Thiess John Holland with a low lost-time injury frequency rate of 1.26
- Opening of the eastbound lanes of Airport Flyover in November 2010 and fast diamond interchange in December 2010
- Corporate HQ and operations centre (ALOC) reaching lock up
- Tolling system design and implementation well under way
- Construction of the Northern Busway bus stations progressing.

BrisConnections' Chairman Mr Trevor Rowe AM said while there are obvious advances being made in the construction works there is also intense activity underway in getting prepared for operations in mid 2012.

"We are a long term asset with a concession to 2053. Our focus is now turning to a range of activities related to systems, product design and development, ramping up implementation of the operations and maintenance contract, planning, recruitment, marketing and customer service as part of the groundwork essential for launching Airport Link. This city changing project will reduce congestion, transform the road network and help to build a better Brisbane community through its economic and social value to the city," Mr Rowe said.

"At the same time, our contractor Thiess John Holland continues to push ahead with its construction program, with construction expenditure to January 2011 of almost \$2.9 billion. The first of 12 airport Link bridges was completed and opened to traffic earlier this month and more than 10.5 kilometres of tunnel including approximately 2.2 kilometres driven by the two TBMs.

"There is much more to establishing a major motorway which will transform the Brisbane road network than building tunnels and bridges. Not only does construction need to be completed but a tolling system must be developed and a range of complex mechanical and electrical (M&E) fit-out as well as traffic and tunnel management and safety systems must be installed before Airport Link is completed.

"All excavation works are now complete at Bowen Hills and M&E work is stepping up as is development of our tolling and control systems with ALOC now at lock-up and equipment installation to commence in April.

**BrisConnections Management Company Limited** ABN 67 128 614 291 AFSL 322 275  
as responsible entity for BrisConnections Holding Trust ARSN 131 125 025 and  
BrisConnections Investment Trust ARSN 131 124 813  
**Address** Level 2, Kedron Brook Building, 1 Gympie Road, Kedron Qld 4031 Australia  
PO Box 412 Lutwyche Qld 4030 Australia  
**Investor Hotline** 1800 236 994 or +61 7 3170 1900  
Link Market Services Limited, Locked Bag A14, South Sydney, NSW 1235 Australia  
**Web** [www.brisconnections.com.au](http://www.brisconnections.com.au)

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Mr Rowe also noted that Airport Link continued to benefit from ongoing support of the Queensland Government and other important stakeholders in the corridor such as Brisbane City Council.

“BrisConnections is fully funded and we are well positioned to continue to meet our targets in relation to commencement of operations in 2012. We have \$3.5 billion syndicated debt facilities in place” Mr Rowe stated.

### *Financial Results*

As at 31 December 2010, BrisConnections had net assets of almost \$1.1 billion. Assets include cash of \$258.7 million. For the financial period, BrisConnections incurred approximately \$722 million in construction expenses associated with the project, which includes approximately \$116 million of construction expenses incurred in December but paid after the period.

In accordance with its accounting policies, since inception BrisConnections has capitalised as future tolling rights approximately \$2.45 billion including interest associated with the design and construction phase of the project.

“We are pleased with the progress and believe at this time that Airport Link, Northern Busway (Windsor to Kedron) and the Airport Roundabout Upgrades will be completed and operational on-time and on-budget, in accordance with construction contract timetable of June 2012.” Mr Rowe said.

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### **About BrisConnections**

BrisConnections has been awarded a 45 year concession to design, construct, operate, maintain and finance the Airport Link tollroad in Brisbane. Airport Link is a 6.7 kilometre multi-lane electronic free-flow tollroad with dual 5.7 kilometre tunnels. Upon completion, Airport Link will operate as a multi-destinational road connecting Brisbane’s northern suburbs with Brisbane’s CBD and Brisbane Airport, the CLEM7 Tunnel and the Inner City Bypass. It will also serve as a key distribution road, connecting some of Brisbane’s major destinations such as Brisbane Airport, the CBD, Royal Brisbane Hospital, Australia TradeCoast and Chermide Shopping Centre.

Airport Link is being constructed using a world class, innovative design solution, with connections avoiding intersection delays and streamlining traffic flows. Lane configuration will provide for separate traffic movements, with early decision points, to minimise traffic weaving and merging.

Airport Link is being built around an electronic free-flow tolling design. Electronic free-flow tolling is mandatory across all Queensland tollroads and Airport Link tags will be fully interoperable with other Queensland and Australian tollroads.

BrisConnections is also designing and constructing a portion of the Northern Busway between Windsor and Kedron and an upgrade of the East-West Arterial / Airport Drive / Gateway Motorway interchange at Brisbane Airport, both of which are funded by the Queensland Government. BrisConnections will not receive any revenue from these projects and they will both be handed over to the Queensland Government upon commissioning.

An investment in BrisConnections Unit Trusts comprises a stapled security made up of one unit in BrisConnections Investment Trust and one unit in BrisConnections Holding Trust. Stapled securities in BrisConnections are listed on the Australian Stock Exchange under the code “BCS”. There are many factors that may affect the results of an investment in BCS which are outside the control of the Directors of the Responsible Entity or may not be capable of being foreseen or accurately predicted.

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### **BrisConnections Investment Trust and BrisConnections Holding Trust Appendix 4D Half Year report**

Information for the half-year ended 31 December 2010 given to ASX under listing rule 4.3A

Pursuant to listing rule 4.3A.3, the following information is given to the ASX by **BrisConnections Management Company Limited ACN 128 614 291 as responsible entity for BrisConnections Investment Trust ARSN 131 124 813 and BrisConnections Holding Trust ARSN 131 125 025** ("BrisConnections"). The following information should be read in conjunction with the attached semi-annual financial report together with any public announcements made by BrisConnections and its controlled entities during the half-year ended 31 December 2010 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

#### **Details of the reporting period and the previous corresponding period**

Current period: 1 July 2010 to 31 December 2010  
Prior corresponding period: 1 July 2009 to 31 December 2009

#### **Results for announcement to the market**

The Board of BrisConnections is pleased to report on the half year results for the period to 31 December 2010.

Half year to 31 December 2010 highlights:

- Construction continued apace with the project approximately 70% complete\*\* with many of the final permanent structures and bridges nearing completion as we move towards commencement of operations in 2012. Construction during the period saw
  - The first of twelve bridges being built at Bowen Hills near completion with the final beam on bridge '106' installed in mid December.
  - Approximately 9 kilometres of road header excavated tunnel
  - The two tunnel boring machines (TBMs) advance along East-west alignment almost 1.2 kilometres (approximately 2.2 kilometres as at 14 February 2011)
  - Over 14.5 million hours worked (over 15 million hours as at 14 February 2011)
  - Tolling system contractor selected
- Only 18 months of construction remained, before the opening of Airport Link, a 6.7 kilometre multi-lane electronic free-flow tollroad with dual 5.7 kilometre tunnels, which when complete in 2012, will reduce congestion, transform the road network and help to build a better Brisbane community through its economic and social value to the city.
- In November 2010, the eastbound lanes of the Airport Flyover opened to traffic, eliminating one of the worst traffic intersections in Queensland. The westbound lanes are due to be opened early in 2011.
- The Airport Link Operations Centre (ALOC) neared lock up stage enabling fitout and the establishment of tolling and customer service systems in readiness for operations to commence in mid 2012.
- BrisConnections had drawn down over \$1.85 billion under its debt facilities.
- BrisConnections completed the internalisation of the responsible entity.

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The BrisConnections team in the next year will continue to progress the design and construction of this exciting project, and prepare for the commencement of operations in 2012.

### Key BrisConnections Performance Statistics

| Period ending                                                   | 31 December 2010            | 31 December 2009            | Change (%) |
|-----------------------------------------------------------------|-----------------------------|-----------------------------|------------|
|                                                                 | \$'000s                     | \$'000s                     |            |
| Net operating income                                            | 727,764                     | 606,629                     | 19.96      |
| Net profit(loss) before tax attributable to members             | 294                         | 2,975                       | (90.12)    |
| Income tax benefit/(expense)                                    | 13,049                      | 7,075                       | 84.44      |
| Net profit(loss) after tax attributable to members              | 13,343                      | 10,050                      | 32.77      |
| <b>EPS</b>                                                      | <b>Cents</b>                | <b>Cents</b>                |            |
| Earnings per stapled security (basic) (cents)                   | 11.24                       | 6.77                        | 66.03      |
| <b>Distributions</b>                                            |                             |                             |            |
|                                                                 | Amount per stapled security | Amount per stapled security |            |
| Interim distribution                                            | n/a                         | n/a                         |            |
| <b>Record date for determining entitlement to distributions</b> | <b>Date</b>                 | <b>Date</b>                 |            |
|                                                                 | n/a                         | n/a                         |            |
| Period ending                                                   | 31 December 2010            | 30 June 2010                | Change (%) |
| <b>NTA</b>                                                      | <b>Cents</b>                | <b>Cents</b>                |            |
| Net asset backing per stapled security (cents)                  | 282                         | 264                         | 6.81       |
| NTA per stapled security (cents)(1)                             | (348)                       | (212)                       | (64.15)    |

(1) Under the Listing Rules, Net Tangible Asset backing per security must be determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary securities (ie. All liabilities, preference shares, outside equity interests etc). The NTA per stapled security is a negative amount for the half year ending 31 December 2010. It is anticipated that this amount will continue to grow until construction completion, scheduled for mid 2012. As disclosed in the 2010 Annual Report, Australian Accounting Standards require the capitalisation of all motorway related construction costs to be recorded as an intangible asset rather than as property, plant and equipment. Accordingly, whilst the Group's intangible assets will significantly increase with construction, the Group's tangible assets will not, resulting in the negative NTA per stapled security.

### Change to capital

During the half year ending 31 December 2010, there were no changes to capital.

### Controlled entities

| Name of entities where control was gained in the half year | Date control gained |
|------------------------------------------------------------|---------------------|
| BrisConnections Management Company Limited                 | 21 October 2010     |
| BrisConnections RE Holdings Pty Ltd                        | 30 September 2010   |
| Name of entities where control was lost in the half year   | Date control lost   |
| n/a                                                        | -                   |

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There are no other entities over which control has been gained or lost.

### Distribution details

BrisConnections announced on 20 November 2009 it has suspended its distributions until further notice.

|                                           | Half-year ended 31/12/10 | Half-year ended 31/12/09 |
|-------------------------------------------|--------------------------|--------------------------|
| Interim distribution per stapled security | n/a                      | n/a                      |

There is no foreign sourced distribution.

A distribution reinvestment plan (DRP) is in place and unless security holders elect not to participate, they will receive any distributions in stapled securities. Securities are allocated at the daily weighted average market price of the Schemes securities on the ASX over a period of 20 business days commencing on the day before the distribution record date. As distributions have been suspended, there can be no allocation of securities under the DRP.

### Investment associates and joint ventures

| Name                                                                                                                      | Ownership Interest (%) |
|---------------------------------------------------------------------------------------------------------------------------|------------------------|
| Material interests in associates and joint ventures are as follows: <ul style="list-style-type: none"> <li>n/a</li> </ul> |                        |
| Material interests held for sale associates are as follows: <ul style="list-style-type: none"> <li>n/a</li> </ul>         |                        |

### Subsequent events

There has not been any matter or circumstance, other than that referred to in the attached financial statements or notes thereto, that has arisen since the end of the half year ending 31 December 2010 which has significantly affected, or may significantly affect, the operations of BrisConnections, the results of those operations, or the state of affairs of BrisConnections of future financial years.

In accordance with the directors' security purchase plan, following the release of these half year results, BrisConnections will look to purchase securities on market for directors in relation to remuneration paid to 31 December 2010. Further purchases will be made progressively during this and following financial years.

### Outlook

The Board expects that the pace of construction will continue. BrisConnections remains confident at this time that the Airport Link, Northern Busway (Windsor to Kedron) and Airport Roundabout Upgrade projects will be finished and operational by the contractual completion date of June 2012.

*This report is based on the attached half year financial report which has been subject to an audit. The financial report contains:*

- A statement of financial performance together with the notes to the statement prepared in compliance with Accounting Standards
- A statement of financial position together with notes to the statement
- A statement of cash flows together with notes to the statement
- A statement of changes in equity showing movements

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*The financial statements are not subject to any audit dispute or qualifications.  
The Schemes have a duly constituted audit committee.*

For and on behalf of the Board



Trevor C Rowe AM DUniv  
Chairman  
21 February 2011

### About BrisConnections

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For further information please contact  
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\*includes finance and interest costs  
\*\* by dollar spent



**BrisConnections Investment Trust  
and  
BrisConnections Holding Trust  
Interim Financial Report  
For the period ended 31 December 2010**

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## BrisConnections Group - Consolidated Interim Financial Report

### Directors' Report

#### Group Structure

The Directors of BrisConnections Management Company Limited ("BCMCL") (ABN 67 128 614 291 / AFSL 322 275), being the Responsible Entity of the BrisConnections Holding Trust ("BCHT") and BrisConnections Investment Trust ("BCIT") stapled group and their controlled entities ("BrisConnections Group" / "Group") submit the Directors' Report together with the consolidated financial report of the Group for the period 1 July 2010 to 31 December 2010 and the audit report thereon.

BCIT and BCHT were registered as managed investment schemes by ASIC on 29 May 2008.

The period 1 July 2010 to 31 December 2010 is hereafter referred to as the period ended 31 December 2010. The comparative period is 1 July 2009 to 31 December 2009 with the exception of the statement of financial position which uses the 30 June 2010 comparatives.

The information disclosed in the interim Directors' Report and accompanying financial report is significantly less than is required for a full financial year report.

BCMCL is a wholly owned subsidiary of BCHT. On 30 September 2010, the Group exercised the option to acquire all of the shares in BCMCL and completed the acquisition of BCMCL on 21 October 2010.

The units of BCHT and BCIT are stapled together and quoted as one on the Australian Stock Exchange ("ASX"). On 31 July 2008 the Group was listed and commenced trading on the ASX.

AASB 3 "Business Combinations" requires entities combining under stapling arrangements to identify one entity acquirer or parent entity. The parent entity would be required to prepare consolidated financial statements in accordance with the principles of AASB 3 and AASB 127 "Consolidated and Separate Financial Statements".

On 19 May 2008 the Group was awarded the concession from the State of Queensland ("State") to design, construct, operate, maintain and finance the Airport Link Project, and to construct on behalf of the State the Northern Busway (Windsor to Kedron) and the Airport Roundabout Upgrade. A project deed was executed on 2 June 2008 to reflect the award of the Concession ("Project Deed").

Units in BCHT and BCIT were stapled and registered with ASIC prior to entering into the Project Deed. Accordingly, the combination of the BrisConnections Group occurred prior to being awarded the Project Deed when there were only nominal assets and liabilities in each Trust. As a result, no fair value adjustment is required on consolidation of the BrisConnections Group.

In accordance with these requirements BCIT has been identified as the parent entity of the BrisConnections Group on the basis that it comprises 99% of the value of the stapled units on issue.

The financial statements have been prepared by consolidating the financial statements of all the entities that comprise BrisConnections Group being BCIT and its controlled entities by ownership interest and its controlled entities by contract alone being BCHT and its controlled entities. Consistent accounting policies have been employed in the preparation and presentation of the financial statements. In preparing the financial statements, all transactions within the BrisConnections Group have been eliminated in full.

The Group includes the following entities: BCIT and its controlled entities: BrisConnections Asset Trust, BrisConnections Investment Trust 2 and BrisConnections Finance Pty Limited, and BCHT and its controlled entities: BrisConnections Holding 2 Pty Limited, BrisConnections Nominee Company Pty Limited, BrisConnections Operations Pty Limited, BrisConnections Contracting Pty Limited, Northern Busway Contracting Pty Limited, BrisConnections RE Holdings Pty Ltd and BrisConnections Management Company Limited.

The ASX has reserved the right (but without limiting its absolute discretion) to remove BCHT or BCIT or both from the official list if any of the units in BCHT and the units in BCIT cease to be stapled together, or any equity securities are issued by either of the Stapled Trusts which are not stapled to equivalent securities in the other entity.

## BrisConnections Group - Consolidated Interim Financial Report

### Directors' Report (continued)

#### Directors

The following persons were Directors of the responsible entity during the period and up to the date of this report:

- Trevor C Rowe (Chairman) Appointed 23 May 2008
- John G Allpass Appointed 23 May 2008
- Richard JE Wharton Appointed 23 May 2008
- Raymond H Wilson Appointed 23 May 2008
- Martin DE Kriewaldt Appointed 24 October 2008
- Mark A Snape Appointed 24 October 2008
- Mark H Lynch (*Alternate for Mark Snape*) Appointed 21 November 2008
- Andrea C Harcourt Appointed 1 December 2010

#### Review of Operations

The Group is currently in the design and construction phase of the Airport Link/Northern Busway (Windsor to Kedron)/Airport Roundabout Upgrade Projects. Commencing operations in 2012, Airport Link, a 6.7 kilometre multi-lane electronic free-flow tollroad with dual 5.7 kilometre tunnels, will operate as a multi-destinational road connecting Brisbane's northern suburbs (via Gympie Road, Stafford Road, Lutwyche Road) with Brisbane's CBD (via Bowen Bridge Road, O'Connell Street, Campbell Street) and Brisbane Airport (via Airport Drive), Gateway, CLEM7 tunnel, and Inner City Bypass. It will also serve as a key distribution road, connecting some of Brisbane's major destinations such as Brisbane Airport, the CBD, Royal Brisbane Hospital, Australia TradeCoast and the rapidly developing Chermside centre.

The Group has capitalised all construction related costs of Airport Link to intangible assets and expensed all general and administration costs.

The total project is currently approximately 70% complete measured by construction value.

#### Financial Statement Sensitivities

Note 5 to the Accounts provides disclosure in respect of the valuation of the key asset of the BrisConnections Group being Future Tolling Rights. That disclosure highlights that the value of Future Tolling Rights is most sensitive to movements in pre-tax discount rates and to the actual traffic performance of the tollroad once open. It should be noted that of the discount rates and forecasts and traffic sensitivities, while undertaken with careful consideration of relevant factors, discount rates will vary and traffic forecasts remain forecasts.

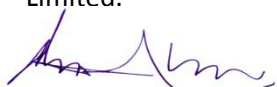
#### Rounding of Amounts in the Directors' Report and the Financial Report

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

#### Lead Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 4.

This report is made in accordance with a resolution of the Directors of BrisConnections Management Company Limited.



Trevor C Rowe AM, DUniv  
Chairman  
21 February 2011



## Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of BrisConnections Management Company Limited, the responsible entity of BrisConnections Investment Trust and BrisConnections Holding Trust

I declare that, to the best of my knowledge and belief, in relation to the audit for the half-year ended 31 December 2010 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

*KPMG*

KPMG

*Scott Guse*

Scott Guse  
*Partner*

Brisbane

21 February 2011

## BrisConnections Group - Consolidated Interim Financial Report



### Consolidated interim statement of comprehensive income For the period ended 31 December 2010

|                                                                            |       | <b>31 Dec<br/>2010<br/>\$'000</b> | <b>31 Dec<br/>2009<br/>\$'000</b> |
|----------------------------------------------------------------------------|-------|-----------------------------------|-----------------------------------|
|                                                                            | Notes |                                   |                                   |
| Revenue                                                                    |       | 722,162                           | 599,071                           |
| Financial Income                                                           |       | 5,602                             | 7,558                             |
| <b>Total revenue and income</b>                                            |       | <b>727,764</b>                    | <b>606,629</b>                    |
| <b>Expenses</b>                                                            |       |                                   |                                   |
| Administrative Expenses                                                    |       | 5,308                             | 4,583                             |
| Construction Expenses                                                      |       | 722,162                           | 599,071                           |
| <b>Total expenses</b>                                                      |       | <b>727,470</b>                    | <b>603,654</b>                    |
| <b>Profit (Loss) Before Income Tax</b>                                     |       | <b>294</b>                        | <b>2,975</b>                      |
| Income Tax Expense /(Benefit)                                              | 3     | (13,049)                          | (7,075)                           |
| <b>Net Profit/ (Loss) after income tax</b>                                 |       | <b>13,343</b>                     | <b>10,050</b>                     |
| <b>Other comprehensive income</b>                                          |       |                                   |                                   |
| Effective portion of changes in fair value of cash flow hedges, net of tax |       | 54,951                            | 3,378                             |
| <b>Other comprehensive income for the period, net of Income Tax</b>        |       | <b>54,951</b>                     | <b>3,378</b>                      |
| <b>Total comprehensive income for the period</b>                           |       | <b>68,294</b>                     | <b>13,428</b>                     |
| <b>Profit after income tax attributable to:</b>                            |       |                                   |                                   |
| Unit Holders                                                               |       | 43,880                            | 26,427                            |
| Non-controlling interest                                                   |       | (30,537)                          | (16,377)                          |
| <b>Profit for the period</b>                                               |       | <b>13,343</b>                     | <b>10,050</b>                     |
| <b>Total comprehensive income attributable to:</b>                         |       |                                   |                                   |
| Unit Holders                                                               |       | 98,831                            | 19,154                            |
| Non-controlling interest                                                   |       | (30,537)                          | (5,726)                           |
| <b>Total comprehensive income for the period</b>                           |       | <b>68,294</b>                     | <b>13,428</b>                     |
| <b>Earnings per unit</b>                                                   |       |                                   |                                   |
| Basic earnings per unit (cents)(profit per unit)                           |       | <b>11.24</b>                      | <b>6.77</b>                       |
| Diluted earnings per unit (cents)(profit per unit)                         |       | <b>8.94</b>                       | <b>4.97</b>                       |

The above Consolidated Interim Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

# BrisConnections Group - Consolidated Interim Financial Report



## Consolidated interim statement of financial position

As at 31 December 2010

|                                                  | Notes | 31 Dec<br>2010<br>\$'000 | 30 Jun<br>2010<br>\$'000 |
|--------------------------------------------------|-------|--------------------------|--------------------------|
| <b>ASSETS</b>                                    |       |                          |                          |
| <b>Current Assets</b>                            |       |                          |                          |
| Cash                                             |       | 258,703                  | 241,186                  |
| Other Current Assets                             |       | 436                      | 259                      |
| Receivables                                      | 4     | 10,889                   | 11,762                   |
| <b>Total Current Assets</b>                      |       | <b>270,028</b>           | <b>253,207</b>           |
| <b>Non-Current Assets</b>                        |       |                          |                          |
| Receivables                                      | 4     | 168,601                  | 164,115                  |
| Plant & Equipment                                |       | 123                      | 122                      |
| Intangible Assets                                | 5     | 2,457,551                | 1,859,042                |
| Capital Work In Progress                         |       | 217,353                  | 159,032                  |
| Other Non-Current Assets                         |       | 414                      | 471                      |
| Deferred Tax Assets                              |       | 104,645                  | 114,872                  |
| <b>Total Non-Current Assets</b>                  |       | <b>2,948,687</b>         | <b>2,297,654</b>         |
| <b>Total Assets</b>                              |       | <b>3,218,715</b>         | <b>2,550,861</b>         |
| <b>LIABILITIES</b>                               |       |                          |                          |
| <b>Current Liabilities</b>                       |       |                          |                          |
| Trade & Other Payables                           |       | 97,349                   | 109,430                  |
| Other Financial Liabilities                      | 6     | 51,911                   | 44,725                   |
| Employee Benefits                                |       | 110                      | 140                      |
| Loans and borrowings                             | 12    | -                        | 1,286                    |
| <b>Total Current Liabilities</b>                 |       | <b>149,370</b>           | <b>155,581</b>           |
| <b>Non-Current Liabilities</b>                   |       |                          |                          |
| Other Financial Liabilities                      | 6     | 167,056                  | 252,770                  |
| Loans and borrowings                             | 12    | 1,803,297                | 1,111,992                |
| <b>Total Non-Current Liabilities</b>             |       | <b>1,970,353</b>         | <b>1,364,762</b>         |
| <b>Total Liabilities</b>                         |       | <b>2,119,723</b>         | <b>1,520,343</b>         |
| <b>Net Assets</b>                                |       | <b>1,098,992</b>         | <b>1,030,518</b>         |
| <b>EQUITY</b>                                    |       |                          |                          |
| Issued capital                                   |       | 1,064,371                | 1,064,371                |
| Deferred capital Contribution                    |       | 120,130                  | 120,130                  |
| Hedging Reserve                                  | 6     | (153,277)                | (208,229)                |
| Retained Earnings/(Losses)                       |       | 143,655                  | 99,775                   |
| <b>Total equity attributable to unit holders</b> |       | <b>1,174,879</b>         | <b>1,076,047</b>         |
| <b>Non-controlling interest</b>                  |       | <b>(75,887)</b>          | <b>(45,529)</b>          |
| <b>Total Equity</b>                              |       | <b>1,098,992</b>         | <b>1,030,518</b>         |

The above Consolidated interim statement of financial position should be read in conjunction with the accompanying notes.

## BrisConnections Group – Consolidated Interim Financial Report

### Consolidated interim statement of changes in equity

For the six months ended 31 December 2010

|                                                                           | Attributable to unit holders of the Parent |                               |                                        |                              | Total<br>Equity<br>\$'000 | Non-Controlling<br>Interest<br>\$'000 | Total<br>Equity<br>\$'000 |
|---------------------------------------------------------------------------|--------------------------------------------|-------------------------------|----------------------------------------|------------------------------|---------------------------|---------------------------------------|---------------------------|
|                                                                           | Issued<br>Capital<br>\$'000                | Deferred<br>Capital<br>\$'000 | Accumulated<br>Profit/(Loss)<br>\$'000 | Hedging<br>Reserve<br>\$'000 |                           |                                       |                           |
| Opening Balance 1 July 2010                                               | 1,064,371                                  | 120,130                       | 99,775                                 | (208,229)                    | 1,076,047                 | (45,529)                              | 1,030,518                 |
| <b>Total comprehensive income for the period</b>                          |                                            |                               |                                        |                              |                           |                                       |                           |
| Profit or Loss                                                            | -                                          | -                             | 43,880                                 | -                            | 43,880                    | (30,537)                              | 13,343                    |
| <b>Other comprehensive income</b>                                         |                                            |                               |                                        |                              |                           |                                       |                           |
| Effective portion of changes in fair value of cashflow hedges, net of tax | -                                          | -                             | -                                      | 54,952                       | 54,952                    | -                                     | 54,952                    |
| <b>Total other comprehensive income</b>                                   | -                                          | -                             | -                                      | 54,952                       | 54,952                    | -                                     | 54,952                    |
| Total comprehensive income                                                | -                                          | -                             | 43,880                                 | 54,952                       | 98,832                    | (30,537)                              | 68,295                    |
| <b>Transactions with unit holders, recorded directly in equity</b>        |                                            |                               |                                        |                              |                           |                                       |                           |
| <b>Contributions by and distributions to unit holders</b>                 |                                            |                               |                                        |                              |                           |                                       |                           |
| Other                                                                     | -                                          | -                             | -                                      | -                            | -                         | 179                                   | 179                       |
| Total transactions with unit holders                                      | -                                          | -                             | -                                      | -                            | -                         | 179                                   | 179                       |
| <b>Closing Balance at 31 December 2010</b>                                | <b>1,064,371</b>                           | <b>120,130</b>                | <b>143,655</b>                         | <b>(153,277)</b>             | <b>1,174,879</b>          | <b>(75,887)</b>                       | <b>1,098,992</b>          |

The above Consolidated Interim Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## BrisConnections Group - Consolidated Interim Financial Report

### Consolidated interim statement of changes in equity

For the six months ended 31 December 2009

|                                                                           | Attributable to unit holders of the Parent |                               |                                        |                              | Total<br>Equity<br>\$'000 | Non-Controlling<br>Interest<br>\$'000 | Total<br>Equity<br>\$'000 |
|---------------------------------------------------------------------------|--------------------------------------------|-------------------------------|----------------------------------------|------------------------------|---------------------------|---------------------------------------|---------------------------|
|                                                                           | Issued<br>Capital<br>\$'000                | Deferred<br>Capital<br>\$'000 | Accumulated<br>Profit/(Loss)<br>\$'000 | Hedging<br>Reserve<br>\$'000 |                           |                                       |                           |
|                                                                           |                                            |                               |                                        |                              |                           |                                       |                           |
| Opening Balance 1 July 2009                                               | 1,078,132                                  | 120,130                       | 42,865                                 | (117,712)                    | 1,123,415                 | (16,663)                              | 1,106,752                 |
| <b>Total comprehensive income for the period</b>                          |                                            |                               |                                        |                              |                           |                                       |                           |
| Profit or Loss                                                            | -                                          | -                             | 26,427                                 | -                            | 26,427                    | (16,377)                              | 10,050                    |
| <b>Other comprehensive income</b>                                         |                                            |                               |                                        |                              |                           |                                       |                           |
| Effective portion of changes in fair value of cashflow hedges, net of tax | -                                          | -                             | -                                      | (7,273)                      | (7,273)                   | 10,651                                | 3,378                     |
| <b>Total other comprehensive income</b>                                   | -                                          | -                             | -                                      | (7,273)                      | (7,273)                   | 10,651                                | 3,378                     |
| <b>Total comprehensive income</b>                                         | -                                          | -                             | 26,427                                 | (7,273)                      | 19,154                    | (5,726)                               | 13,428                    |
| <b>Transactions with unit holders, recorded directly in equity</b>        |                                            |                               |                                        |                              |                           |                                       |                           |
| <b>Contributions by and distributions to unit holders</b>                 |                                            |                               |                                        |                              |                           |                                       |                           |
| Units issued                                                              | (1,220)                                    | -                             | -                                      | -                            | (1,220)                   | 145                                   | (1,075)                   |
| Total transactions with unit holders                                      | (1,220)                                    | -                             | -                                      | -                            | (1,220)                   | 145                                   | (1,075)                   |
| <b>Closing Balance at 31 December 2009</b>                                | <b>1,076,912</b>                           | <b>120,130</b>                | <b>69,292</b>                          | <b>(124,985)</b>             | <b>1,141,350</b>          | <b>(22,243)</b>                       | <b>1,119,107</b>          |

The above Consolidated Interim Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**Consolidated interim statement of cash flows**  
For the six months ended 31 December 2010

| Notes                                                         | 31 Dec<br>2010<br>\$'000 | 31 Dec<br>2009<br>\$'000 |
|---------------------------------------------------------------|--------------------------|--------------------------|
| <b>Cash Flows from Operating Activities</b>                   |                          |                          |
| Cash paid to suppliers and employees                          | (8,862)                  | (7,759)                  |
| Interest Received                                             | 6,346                    | 2,337                    |
| Interest Paid                                                 | (74,840)                 | (26,309)                 |
| <b>Net Cash Outflow from Operating Activities</b>             | (77,356)                 | (31,731)                 |
| <b>Cash Flows from Investing Activities</b>                   |                          |                          |
| Payments for intangible assets and capital work-in-progress   | (593,011)                | (497,691)                |
| <b>Net Cash Outflows from Investing Activities</b>            | (593,011)                | (497,691)                |
| <b>Cash Flows from Financing Activities</b>                   |                          |                          |
| Receipts from State for ARU & NB Projects                     | 155,885                  | 128,650                  |
| Payments to contractor for ARU & NB Projects                  | (155,885)                | (128,650)                |
| Proceeds from issue of units                                  | -                        | 1,894                    |
| Payment of transaction costs                                  | -                        | -                        |
| Distributions paid                                            | -                        | (56)                     |
| Proceeds from borrowings                                      | 687,884                  | 528,650                  |
| Repayment of borrowings                                       | -                        | (14,382)                 |
| <b>Net Cash Inflow from Financing Activities</b>              | 687,884                  | 516,106                  |
| <b>Net Increase/(Decrease) in Cash Held</b>                   | 17,517                   | (13,316)                 |
| Cash & cash equivalents at the beginning of the period        | 241,186                  | 186,787                  |
| Cash & cash equivalents at the end of the period <sup>1</sup> | 258,703                  | 173,471                  |

<sup>1</sup>Cash and cash equivalents includes \$5,000,000 (31 Dec 2009 – Nil) not available for general use.

The above Consolidated Interim Statement of cash flows should be read in conjunction with the accompanying notes.

## BrisConnections Group – Consolidated Interim Financial Report

### Condensed notes to the Financial Statements

#### 1. Summary of Significant Accounting Policies

##### (a) Reporting entity

Brisconnections Management Company Pty Ltd, a company domiciled in Australia, being the responsible entity of BrisConnections Investment Trust (BCIT) and BrisConnections Holding Trust (BCHT) and their controlled entities (Group), submit the condensed consolidated interim financial statements as at and for the six months ended 31 December 2010. The units of BCIT & BCHT are stapled together and quoted as one on the ASX.

The consolidated financial statements of the Group as at and for the period ended 30 June 2010 are available upon request from the Group's registered office at Level 2, Kedron Brook Building, 1 Gympie Road, Kedron QLD 4031 or at [www.brisconnections.com.au](http://www.brisconnections.com.au).

##### (b) Statement of compliance

These condensed consolidated interim financial statements for the period ended 31 December 2010 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. They do not include all of the information required for full financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the period ended 30 June 2010.

The accounting policies of the group in these condensed consolidated interim financial statements are the same as those applied by Group in its consolidated financial statements as at and for the year ended 30 June 2010.

The financial report was authorised for issue by the Directors of the Responsible Entity on **21 February 2011**.

##### (c) Comparative Figures

The comparative figures for the prior reporting period are from 1 July 2009 to 31 December 2009 with the exception of the statement of financial position (and the notes relating thereto) which uses 30 June 2010 comparatives.

##### (d) Use of Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The critical estimate made by the Group is that of traffic usage on the motorway once it opens. The traffic usage forecast is key in assessing whether there is any potential impairment to the motorway's carrying value or its related assets. Refer also Note 5.

The traffic usage forecasts used in the impairment testing are those outlined in the Product Disclosure Statement dated 24 June 2008. These figures were supplied by the independent traffic experts Arup Pty Ltd. The Group periodically monitors a range of inputs to the traffic usage forecasts to ensure they are still appropriate. To date there has been no evidence to suggest otherwise.

## BrisConnections Group – Consolidated Interim Financial Report

### Condensed notes to the Financial Statements (continued)

#### 2. Financial Risk Management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 30 June 2010.

#### 3. Income Tax Benefit

The income tax benefit for the half year ended 31 December 2010 and comparative period arises due to the taxable entities within the BrisConnections Group recording a loss for the period. While an overall profit was made by the Group, this was earned by the entities which are not liable for income tax (provided that their taxable income is fully distributed).

#### 4. Receivables

|                                      |       | 31-Dec-10 | 30-Jun-10 |
|--------------------------------------|-------|-----------|-----------|
|                                      | Notes | \$'000    | \$'000    |
| <b>Current</b>                       |       |           |           |
| Sundry Debtors                       |       | 103       | 1,821     |
| GST Refundable                       |       | 10,786    | 8,655     |
| Equity Instalment of \$1 per unit    | (1)   | -         | 1,286     |
| <b>Total Current Receivables</b>     |       | 10,889    | 11,762    |
| <b>Non Current</b>                   |       |           |           |
| Deferred Equity Contribution         | (2)   | 168,601   | 164,115   |
| <b>Total Non Current Receivables</b> |       | 168,601   | 164,115   |

- This loan was repaid in accordance with the Underwriting Agreement on 29 July 2010.
- Thiess Infrastructure Trust & John Holland Infrastructure Trust have each subscribed for \$100,000,000 of stapled units at \$3.93 per stapled unit on the Deferred Equity contribution date (currently expected to occur 24 months after construction completion). \$168,601,000 represents the present value of this contribution at a discount rate of 5.35% which represents the Group's cost of borrowings.

The \$168,601,000, receivable is shown at present value at 31 December 2010 (30 June 2010: \$164,115,000). This is calculated as \$164,115,000 as at 30 June 2010 plus interest income of \$4,486,000 for the period ending 31 December 2010. The present value of the receivable will increase to \$200,000,000 at the time the deferred equity contribution is received.

#### 5. Non-Current Assets – Intangibles

|                              | 31-Dec-10 | 30-Jun-10 |
|------------------------------|-----------|-----------|
|                              | \$'000    | \$'000    |
| <b>Future Tolling Rights</b> |           |           |
| Design & development costs   | 2,299,964 | 1,756,941 |
| Capitalised Interest         | 157,587   | 102,101   |
|                              | 2,457,551 | 1,859,042 |

#### Impairment analysis

At each reporting date, the Group assesses whether there is any indication that the Airport Link Project may be impaired. The Group then makes a formal estimate of the recoverable amount of the asset, using a value in use calculation. In assessing the value in use, the estimated future operating cash flow from the road inclusive of future capital expenditure forecasts over the 41 year operating life of the concession are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For these purposes, a pre-tax discount rate of 11.62% has been used (11.37% as at 30 June 2010).

## BrisConnections Group – Consolidated Interim Financial Report

### Condensed notes to the Financial Statements (continued)

#### 5. Non-Current Assets – Intangibles (continued)

The impairment test shows an excess value in use of \$488.9 million over the carrying current value of the asset and accordingly the BrisConnections Group has determined that there is no impairment. The value in use estimate is most sensitive to changes in assumptions regarding traffic and the pre-tax discount rate

A cash flow model covering the full concession period has been used and is considered appropriate for these testing purposes given the single revenue stream and long term stable cash flows generated. Airport Link is still in construction and as such, solely for the purpose of the value in use estimates, a series of assumptions have been made as to future traffic volumes. The steady state traffic volumes as set out in the 2008 Product Disclosure Statement are considered reasonable and no change has been made to them.

Traffic forecasts are derived from a complex modelling exercise incorporating a variety of economic and traffic parameter assumptions including ramp up (starting traffic, length of ramp up period, shape of ramp up curve), network and screenline growth including growth in peak hour traffic and expansion factors, capacity constraints, and many other factors. Accordingly, in considering if the asset is impaired for accounting reporting, it has been determined an appropriate way to test sensitivity to changes to these multiple assumptions is to look at the impact of a permanent increase or reduction in forecast traffic volumes over the entire term of the concession period.

BrisConnections monitors a number of key assumptions used in developing the original traffic forecasts, including (but not limited to):

- Forecast growth in employment at Australia TradeCoast
- Actual and forecast growth in passenger numbers at assets controlled by Brisbane Airport Corporation
- Forecast growth in CBD employment
- Network changes including Clem7, GoBetween Bridge and Northern Link (Legacy Way)
- Public Transport utilisation and mode share
- Urban development forecasts including those for Hamilton, Bowen Hills and Chermside
- Actual traffic growth across AirportLink Project screenlines (catchment)
- Employment growth in the traffic catchment area
- Population growth
- Growth in Average Weekly Earnings and the Wage Price Index
- Economic growth factors including state product, retail sales, dwelling approvals, motor vehicle sales and finance approvals.

The majority of these key assumptions continue to perform in line with or above the forecast assumptions, although we note that employment growth has slowed and economic growth factors remain generally subdued, but with some early indications of increased activity.

The traffic forecast is an estimate and once Airport Link opens, actual traffic numbers may be different, possibly materially, from this forecast. Accordingly, the table below shows the impact of various sensitivities on the current excess value in use (+\$488.9 million) over the carrying current value of the asset for a change in the PDS forecast traffic over the entire concession period.

**BrisConnections Group – Consolidated Interim Financial Report**  
**Condensed notes to the Financial Statements (continued)**



**5. Non-Current Assets – Intangibles (continued)**

| Percentage Change in base case traffic over life of Concession | Change to Excess Value in Use<br>\$'million |
|----------------------------------------------------------------|---------------------------------------------|
| -2.5%                                                          | -\$87.9                                     |
| +2.5%                                                          | +\$86.3                                     |
| -5.0%                                                          | -\$153.5                                    |
| +5.0%                                                          | +\$143.2                                    |
| -7.5%                                                          | -\$197.3                                    |
| +7.5%                                                          | +\$174.8                                    |
| -10.0%                                                         | -\$268.5                                    |
| +10.0%                                                         | +\$227.6                                    |

An excess value in use would still be arrived under any of these percentage changes.

The traffic model also incorporates assumptions in respect of ramp up, including the length of the ramp up period (15 months), the discount of commencing traffic to the steady state traffic (which varied in each of the three tollable sections) and the shape of the ramp up curve.

Sensitivities in respect of the ramp up period showed that by increasing the ramp up period to 36 months resulted in a reduction of \$41.5 million in the current excess value in use. Leaving the ramp up period at 36 months and doubling the discount of commencing traffic resulted in a further reduction of \$56.0 million to a total of \$97.5 million. In both sensitivities, the shape of the ramp up curve was more conservative than assumed in the traffic model. Again, an excess value in use for both ramp up sensitivities would still be the result.

The current value in use is also sensitive to changes in the discount rate. For example, a 50 basis point change in the pre-tax discount rate will impact the current value in use by +/- \$250 million. An excess current value in use would still be the result. No amortisation has been charged as the asset is still under construction.

Impairment testing is carried out for accounting purposes, and does not affect the actual capital structure of the BrisConnections Group.

**6. Cash flow Hedges**

|                                                     | Notes | 31-Dec-10<br>\$'000 | 30-Jun-10<br>\$'000 |
|-----------------------------------------------------|-------|---------------------|---------------------|
| Present Value of Derivative Liability - Current     |       | 51,911              | 44,725              |
| Present Value of Derivative Liability - Non Current |       | 167,056             | 252,770             |
|                                                     |       | 218,967             | 297,495             |
| Deferred Tax Assets - Non Current                   |       | 65,690              | 89,266              |
| Cash Flow Hedge Reserve (total)                     |       | 153,277             | 208,229             |
|                                                     |       | 218,967             | 297,495             |

# BrisConnections Group – Consolidated Interim Financial Report

## Condensed notes to the Financial Statements (continued)



### 7. Equity

#### Ordinary Partly Paid Stapled Units Issued during the period

| Date             | Details                                               | 31-Dec-10<br>Number of Units | 30-Jun-10<br>Number of units |
|------------------|-------------------------------------------------------|------------------------------|------------------------------|
| 1 July 2009      | Units on issue                                        |                              | 390,166,749                  |
| 3 August 2009    | Units issued under DRP (2 <sup>nd</sup> distribution) |                              | 98,146                       |
| 30 June 2010     | Balance                                               |                              | <b>390,264,895</b>           |
| 31 December 2010 | Closing Balance                                       | <b>390,264,895</b>           |                              |

#### Ordinary Stapled Units

The units of BCHT and BCIT are stapled and the number units issued by each entity is the same, however, their values differ. Currently their respective values are apportioned 1% (BCHT) and 99% (BCIT).

The ASX reserves the right (but without limiting its absolute discretion) to remove either or both of the stapled trusts from the official list if any of the stapled units in the stapled trusts cease to be 'stapled' together, or any equity securities are issued by either of the stapled trusts which are not stapled to equivalent securities in the other entity.

### 8. Debt Funding Risk

The Product Disclosure Statement issued by the Group in June 2008 highlighted a number of risk exposures. However, one particular risk, 'Debt Funding Risk' increased due to the global credit crisis.

The primary debt funding facility (used to construct and then operate the toll road) matures in 2018. This funding, as outlined in the Product Disclosure Statement, is being provided by a syndicate of Australian and overseas banks.

The ability of the Group to make draw downs against this facility is subject to the Group meeting its obligations under the funding arrangements.

The global credit crisis significantly impacted the banking industry and a number of banks, including several of those providing funding to the Group, have experienced rating downgrades. This has more recently been exacerbated by downward movements in some country ratings which then directly impacts on Banks in those countries.

At the date of this report all banks in the syndicate, apart from two, had a rating of A- or greater issued by an international credit rating agency. One bank, however, has a rating of BBB and one a rating of BB.

As at the date of this financial report all banks have met their drawdown obligations, however, in the event that a bank in the syndicate is unable to continue to provide funding, it is the Group's responsibility to replace that bank in the syndicate.

## BrisConnections Group – Consolidated Interim Financial Report

### Condensed notes to the Financial Statements (continued)

#### 9. Commitments

Commitments for the cost of various goods and services to be supplied but not recognised as liabilities:

##### Capital expenditure

The Group has entered into a construction contract with an unincorporated joint venture comprising John Holland Pty Ltd and Thiess Pty Ltd (“TJHJV”) to complete the required construction activities over the expected period of 47 months from July 2008.

Construction commitments contracted for, but not recognised in the balance sheet, are payable as follows:

|                                                | Consolidated<br>31-Dec-10<br>\$'000 | Consolidated<br>31-Dec-09<br>\$'000 |
|------------------------------------------------|-------------------------------------|-------------------------------------|
| Within one year                                | 1,169,823                           | 1,827,202                           |
| One year or later and no later than five years | 61,841                              | 824,143                             |
|                                                | 1,231,664                           | 2,651,345                           |

##### Maintenance Contract

BrisConnections Group has entered into a maintenance contract with Thiess John Holland Motorway Services Pty Ltd, with a term that ends on the expiration of five years after the completion of construction unless terminated or extended in accordance with the contract.

##### *Construction period*

Amounts payable during the forty-seven month construction period (adjusted for forecast CPI increases) are as follows:

|                                              | Consolidated<br>31-Dec-10<br>\$'000 | Consolidated<br>31-Dec-09<br>\$'000 |
|----------------------------------------------|-------------------------------------|-------------------------------------|
| Within one year                              | 3,730                               | 941                                 |
| One year or later and not later than 5 years | 2,540                               | 6,253                               |
|                                              | 6,270                               | 7,194                               |

##### *Commencement of Operations*

Amounts payable for the initial five year period following commencement of operations (adjusted for forecast CPI increases) are as follows:

|                                                | Consolidated<br>31-Dec-10<br>\$'000 | Consolidated<br>31-Dec-09<br>\$'000 |
|------------------------------------------------|-------------------------------------|-------------------------------------|
| Within one year of commencement of operations  | 21,866                              | 23,594                              |
| One year or later and no later than five years | 101,052                             | 107,379                             |
|                                                | 122,918                             | 130,973                             |

After five years the Group may either elect to extend the maintenance contract, re-tender the contract to other available service providers or bring road-side operations and maintenance in-house.

## BrisConnections Group – Consolidated Interim Financial Report

### Condensed notes to the Financial Statements (continued)

#### 10. Acquisition of Subsidiary

In the prior period the Group disclosed a contingent liability being the responsible entity call option. On 21 October 2010 the Group pursuant to the option agreement dated, 1 October 2008 acquired all the shares in BrisConnections Management Company Limited (BCMCL) for \$294,050 in cash. BrisConnections Management Company Limited is the responsible entity of BCIT & BCHT. BCMCL is a wholly owned subsidiary of BrisConnections RE Holdings Pty Ltd. BrisConnections RE Holdings Pty Ltd was established by the Group on 30 September 2010 and is wholly owned by BCHT. If the acquisition had occurred on 1 July 2010, management estimates that there would be no effect on consolidated revenue or consolidated profit for the half year ended 31 December 2010.

The acquisition of BCMCL has the following effect of the Group's assets and liabilities.

|                                       | <b>Recognised<br/>Values on<br/>acquisition<br/>\$'000</b> |
|---------------------------------------|------------------------------------------------------------|
| Cash and cash equivalents             | 303                                                        |
| Receivables                           | 52                                                         |
| Net Tax Assets                        | 14                                                         |
| Payables                              | (75)                                                       |
| Total net tangible assets             | 294                                                        |
| Consideration Paid, satisfied in cash | (294)                                                      |
| Cash acquired                         | 303                                                        |
| Net cash inflow                       | 9                                                          |

BCMCL and BrisConnections Operations Pty Limited have entered into six year (from 2008) management deeds (renewable by either party for a further one year) that document the administrative and asset management functions to be performed by BrisConnections Operations Pty Limited.

BCMCL has entered into a services agreement so that its AFSL management services are provided by BrisConnections Operations Pty Limited, a subsidiary of BCHT until 1 April 2013 (renewable by BCMCL for a further 2 years), in consideration of a rebate on the management fee. This agreement does not, however, relieve BCMCL from its obligations as Responsible Entity under the Corporations Act. Following the acquisition of BCMCL by the Group, all of the management fee is retained within the Group.

#### 11. Related Party Transactions

Aggregate amount of transactions with related parties incurred in relation to the BrisConnections Group being awarded the concession to finance, design, build, maintain and operate Airport Link.

|                                                                             | <b>31-Dec-10<br/>\$</b> | <b>31-Dec-09<br/>\$</b> |
|-----------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Macquarie Bank Limited (1)</b>                                           |                         |                         |
| IPO Equity Bridge Facility interest and commitment fees                     | -                       | 5,821,947               |
| <b>BrisConnections Management Company Limited as Responsible Entity (2)</b> |                         |                         |
| Management fees                                                             | 155,266                 | 274,928                 |

There were no outstanding balances with the above related parties at period end other than disclosed below.

## Condensed notes to the Financial Statements (continued)

### 11. Related Party Transactions (continued)

TJHJV has been engaged to complete the design and construction activities. The amount payable during the period was \$722,161,540 (31 December 2009 - \$599,071,376) which includes an amount outstanding at 31 December 2010 of \$116,115,157 (31 December 2009 - \$86,416,272).

\* Mark Andrew Snape is an employee of John Holland Group Pty Ltd, a related body corporate of John Holland Pty Limited.

#### (1) Macquarie Bank Limited

Macquarie Bank Limited or its associates (“Macquarie”) became a major unit holder on 29 October 2009, when the loan made by Macquarie pursuant to the Underwriting Agreement dated 28 May 2008 in respect of the second and third instalments converted to units on completion of “our best endeavours” collection process for payment of the second instalment due 29 April 2009.

#### (2) Responsible Entity

The BrisConnections Group is a stapled entity and comprises BCHT and BCIT. The Responsible Entity is BrisConnections Management Company Limited. BCMCL is now wholly owned by the Group and as such all management fees are retained by the group from acquisition date. Refer note 10 for further details.

### 12. Available Facilities

Total facilities available to the BrisConnections Group at 31 December 2010 were as follows:

| Facility               | Drawn Down<br>Amount<br>31-Dec-10 | Drawn Down<br>Amount<br>31 Dec-09 | Facility Limit  | Maturity Date |
|------------------------|-----------------------------------|-----------------------------------|-----------------|---------------|
| State Works *          | \$267,164,299                     | \$267,164,299                     | \$267,164,299   | 6 July 2012   |
| Equity Bridge**        | \$170,267,194                     | \$170,267,194                     | \$200,000,000   | 29 June 2014  |
| IPO Equity Bridge***** | -                                 | \$388,279,323                     | \$477,850,000   | 1 May 2010    |
| Construction/Term ***  | \$1,418,014,692                   | \$111,672,202                     | \$2,928,000,000 | 30 July 2018  |
| Ramp Up Reserve****    | Nil                               | Nil                               | \$110,156,240   | 30 July 2018  |

All drawn down amounts include borrowing costs

\* The State Works facility has been fully drawn down at 31 December 2010. It is repaid 7 days after the date of completion of construction, which is assumed to be 29 June, 2012.

\*\* No further drawings under the Equity Bridge Facility are available until after 29 June 2012.

\*\*\* The Construction facility converts to the Term facility on completion of construction.

\*\*\*\* The Ramp Up Reserve facility is not available to be drawn down until completion of construction which is assumed to be 29 June 2012.

\*\*\*\*\* The IPO Equity Bridge facility has been repaid, all commitments cancelled and is no longer available to be drawn.

There have been no changes to the Facility Limits since 31 December 2009.

## BrisConnections Group – Consolidated Interim Financial Report



### Condensed notes to the Financial Statements (continued)

#### 12. Available Facilities (continued)

##### Current liabilities – loans and borrowings

|                                        | Consolidated<br>31-Dec-10<br>\$'000 | Consolidated<br>30-Jun-10<br>\$'000 |
|----------------------------------------|-------------------------------------|-------------------------------------|
| Loan – MBL Underwriters                | -                                   | 643                                 |
| Loan – Deutsche Underwriters           | -                                   | 643                                 |
| <b>Sub total</b>                       | -                                   | 1,286                               |
| Less deferred debt establishment costs | -                                   | -                                   |
|                                        | -                                   | <b>1,286</b>                        |

##### Non-current liabilities – loans and borrowings

|                                        | Consolidated<br>31-Dec-10<br>\$'000 | Consolidated<br>30-Jun-10<br>\$'000 |
|----------------------------------------|-------------------------------------|-------------------------------------|
| Equity Bridge Facility                 | 170,267                             | 170,267                             |
| State Bridge Facility                  | 267,164                             | 267,164                             |
| Construction Facility                  | 1,418,015                           | 730,130                             |
| <b>Sub total</b>                       | 1,855,446                           | 1,167,561                           |
| Less deferred debt establishment costs | (52,149)                            | (55,569)                            |
|                                        | 1,803,297                           | 1,111,992                           |

#### 13. Events Occurring After Reporting Date

No matter or circumstance arose since 31 December 2010 that has significantly affected, or may significantly affect the operations of the BrisConnections Group, the results of those operations or the state of affairs of the BrisConnections Group in subsequent periods.

#### 14. Segment Information

The consolidated entity operates as one reporting segment being the Airport Link, Northern Busway (Windsor to Kedron) and Airport Roundabout Upgrade Project, in Queensland.

## BrisConnections Group – Consolidated Interim Financial Report

### Statement of the Directors of the Responsible Entity of the Trusts

In the opinion of the Directors of BrisConnections Management Company Limited as the Responsible Entity for BrisConnections Holding Trust and BrisConnections Investment Trust.

- (a) the consolidated financial statements for the BrisConnections Group as set out on pages 5 to 18 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001;
  - (ii) giving a true and fair view of the Group's financial position as at 31 December 2010 and of its performance, as represented by the results of its operations and cash flows, for the period ended on that date; and
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Directors of BrisConnections Management Company Limited.



Trevor C Rowe AM DUniv  
Chairman  
21 February 2011



## **Independent auditor's report to the unit holders of BrisConnections Investment Trust and BrisConnections Holding Trust**

We have audited the accompanying interim financial report of BrisConnections Investment Trust and BrisConnections Holding Trust, which comprises the consolidated interim statement of financial position as at 31 December 2010, consolidated interim statement of comprehensive income, consolidated interim statement of changes in equity and consolidated interim statement of cash flows for the interim period ended on that date, a statement of accounting policies and other explanatory notes 1 to 14 and the directors' declaration set out on page 19 of the Group comprising BrisConnections Investment Trust and BrisConnections Holding Trust and the entities they controlled at the half-year's end or from time to time during the interim period.

### *Directors' responsibility for the interim financial report*

The directors of BrisConnections Management Company Limited, the responsible entity of BrisConnections Investment Trust and BrisConnections Holding Trust, are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express an opinion on the interim financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the interim financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the interim financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the interim financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the interim financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the interim financial report.

We performed the procedures to assess whether in all material respects the interim financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standard AASB 134 Interim Financial Reporting a true and fair view which is consistent with our understanding of the Group's financial position, and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Independence*

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

*Auditor's opinion*

In our opinion, the interim financial report of the Group is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2010 and of its performance for the interim period ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

*Emphasis of matter – Traffic estimates*

Pursuant to Auditing Standard ASA 706, and without qualification of our opinion, we draw your attention to Note 5 of the interim financial report. This note outlines that the intangible asset's value in use is highly sensitive to changes in estimated traffic forecasts and other assumptions. Given the long term nature of intangible assets, the estimated traffic forecasts may not necessarily represent the actual traffic which may result in material differences to the intangible asset's value in use. As actual traffic numbers may differ materially from forecast, Note 5 provides sensitivity analysis to identify how a change in traffic estimates would impact the intangible asset's value in use in the interim financial report.

*KPMG*

KPMG



Scott Guse  
Partner

Brisbane  
21 February 2011