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4 March, 1996

*002009 JM AS IW*

**BY FACSIMILE: 9650 7410**

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Mr Richard Parker  
Melbourne City Link Authority  
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EAST MELBOURNE



F-NFC-0063006

Dear Richard,

**Exhibit N - Financial Enhancements**

As you are aware, the opening paragraph of Exhibit N to the Concession Deed is as follows:

**"Financial Enhancements**

- (a) The Company and the Trustee shall give the State the benefit of any financial enhancements insofar as:
  - (i) they arise out of matters referred to in the submission of 26 April 1995 of the consortium referred to in Recital G to the Authority, if adopted or implemented prior to Completion of all Sections;
  - (ii) they arise out of matters referred to in the letter of 19 May 1995 of that consortium to the Authority, if adopted or implemented prior to Financial Closing."

As far as sub-paragraph (i) is concerned, the financial enhancements which fall within that category which have not been pursued are zero coupon infrastructure bonds and domestic tag leasing. Any financial enhancements which have been adopted or implemented have been included in the Base Case Financial Model agreed by Transurban and the Authority.

As to sub-paragraph (ii), the four matters which are of relevance are broadly described as follows:

1. change in the corporate rate of tax from 33% to 36%;
2. general decrease in interest rates;
3. rescheduling of the drawdown and pricing for Infrastructure Bonds; and
4. optimisation of the funding structure.

To the extent that any of these items have had an effect on the Financial Model, this has also all been agreed in the finalisation and approval of the Base Case Financial Model and any agreed benefit has passed to the State via the State Works D&C Contract and Co-ordination Deed.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Kim Edwards', written over a horizontal line.

**Kim Edwards**  
Chief Executive Officer