



atlas**Arteria**

APPENDIX 4D

Half Year Report for period ended 30 June 2019

To be read in conjunction with the Annual Financial Report for the year ended 31 December 2018

Name of entity:	Atlas Arteria (“ALX”)
Reporting period:	Half year ended 30 June 2019
Previous corresponding period:	Half year ended 30 June 2018

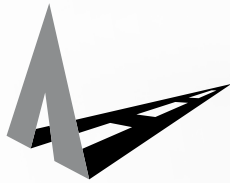
Results for announcement to the market

Atlas Arteria (“ALX”) comprises Atlas Arteria International Limited (“ATLIX”) and Atlas Arteria Limited (“ATLAX”). ATLIX is an exempted mutual fund company incorporated and domiciled in Bermuda with limited liability. ATLAX is a company limited by shares incorporated and domiciled in Australia.

The half year ended 30 June 2019 is the first reporting period under internalised management. The management arrangements with Macquarie Fund Advisers Pty Limited (“Macquarie Advisers”) under the Atlas Arteria Management and Advisory Agreements were terminated on 31 March 2019. Macquarie Advisers received the base management fee under these agreements until 15 May 2019. Macquarie Advisers has continued to provide specific services under a Transition Services Agreement for a fee of A\$750,000 per month from 16 May to 31 December 2019. The Macquarie Group has also continued to act as manager of Atlas Arteria’s indirect interest in the French toll road network, APRR, and has received fees from 16 May 2019. Comparatives for the period to 30 June 2018 reflect performance under the Atlas Arteria Management and Advisory Agreements including performance fees which were not payable in the current period.

The half year ended 30 June 2019 is also the first full period that ALX has consolidated the results of Warnowquerung GmbH & Co. KG and Warnowquerung Verwaltungsgesellschaft mbH (“Warnow Tunnel”) following the acquisition of the remaining 30% interest on 20 September 2018. Comparatives for the period to 30 June 2018 reflect a 70% ownership in Warnow, the results for which were reflected using the equity accounting method and shown in Share of net profits/(losses) of investments.

		30 June 2019		
		Change (%)		A\$'000
Income from continuing operations	▲	44.5%	to	86,069
Profit/(Loss) after tax normalised	▲	944.0%	to	88,203
Profit/(Loss) from continuing operations after tax for the period	▼ (increase in losses)	465.0%	to	(87,546)
Profit/(Loss) after tax for the period	▼ (increase in losses)	465.0%	to	(87,546)
Profit/(Loss) for the period attributable to ALX stapled security holders	▼ (increase in losses)	465.0%	to	(87,546)



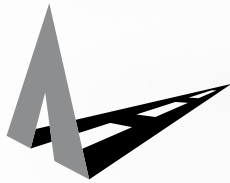
APPENDIX 4D continued

Normalised financial results have been presented below to show the performance of ALX adjusted for exceptional and notable items for H1 2019 and H1 2018.

ALX A\$m	Normalised Results			Statutory Results		
	ALX H1 2019	ALX H1 2018	% Chg	ALX H1 2019	ALX H1 2018	% Chg
Revenue and other income						
– Toll Revenue	72.8	57.6	26%	72.8	57.6	26%
– Other revenue	13.3	2.0	575%	13.3	2.0	575%
Costs						
– Business operations	(28.6)	(15.3)	(86%)	(254.0)	(144.2)	(76%)
– Corporate costs	(7.7)	(6.5)	(19%)	–	–	–
– Macquarie management fees	(1.5) ¹	(88.3)	98%	–	–	–
Finance costs	(55.8)	(58.9)	5%	(55.8)	(58.9)	5%
Depreciation and Amortisation	(34.8)	(29.0)	(20%)	–	–	–
Income Tax Expense	0.8	0.5	53%	6.4	0.5	1170%
Share of profits from associates	129.7	127.5	2%	129.7	127.5	2%
Net Profit After Tax (normalised)	88.2	(10.4)				
Notable items						
– Transition costs to internalised management	(2.3)	(5.1)	55%	–	–	–
– Macquarie management fees	(16.2) ²	–	–	–	–	–
– Impairments	(162.9)	–	–	–	–	–
Income Tax effect of notable Items	5.6	–	–	–	–	–
Net Profit (Loss) After Tax	(87.6)	(15.5)	(465%)	(87.6)	(15.5)	(465%)

1. Reflects the management fees payable to Macquarie Infrastructure And Real Assets (Europe) Limited (MIREAL) from 16 May 2019 to 30 June 2019, under the Restated Advisory Agreement under which MIREAL manages ALX's indirect interests in APRR.
2. Reflects the management fee payable to Macquarie Advisers under the Management and Advisory Agreements from 1 January 2019 to 15 May 2019, plus the fee payable to Macquarie Advisers under the Transition Service Agreement from 16 May 2019 to 30 June 2019.

Atlas Arteria's statutory loss for H1 2019 reflects a decision by the Boards of ATLIX and ATLAX to impair their respective investments in Dulles Greenway. The operating performance of Dulles Greenway combined with a more conservative outlook for traffic growth led to an impairment charge (non-cash) of US\$115.0 million (\$162.9 million). The Dulles Greenway remains an important business for Atlas Arteria and an important part of its growth strategy.



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Dividends/Distributions

	Cents per security	Franked amount per security	Declaration Date
2019:			
Second dividend/distribution	N/A	N/A	To be determined
First dividend/distribution ¹	15.0	N/A	25 March 2019
2018:			
Second dividend/distribution ²	12.0	N/A	24 September 2018
First dividend/distribution ³	12.0	N/A	6 April 2018

1. Comprised a capital return of 7.8 cents per stapled security ("cps"), an unfranked Australian ordinary dividend of 0.2 cps and an ordinary dividend of 7.0 cps.

2. Comprised a capital return of 11.3 cps and an unfranked Australian ordinary dividend of 0.7 cps.

3. Comprised an ordinary dividend of 12.0 cps.

Net tangible asset per security

	As at 30 June 2019	As at 30 June 2018
Net tangible asset backing per stapled security	A\$ (0.42)	A\$ (0.22)
Net asset backing per stapled security	A\$ 3.13	A\$ 3.21

The Dulles Greenway and Warnow Tunnel tolling concessions are classified as intangible assets meaning as at 30 June 2019, ALX is in a negative tangible asset position.

The above calculations do not reflect the fair value of ALX's portfolio of operating businesses.

Financial information

This report is based on the audited Atlas Arteria Interim Financial Report for the period ended 30 June 2019 which can be found on our website <https://www.atlasarteria.com>.

Other information required by Listing Rule 4.2A

Other information requiring disclosure to comply with Listing Rule 4.2A is contained in the Atlas Arteria Interim Financial Report found on our website <https://www.atlasarteria.com>.