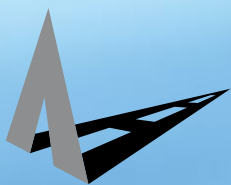


Atlas Arteria

Investor Reference Pack
30 June 2019



atlas**Arteria**

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The purpose of the Investor Reference Pack is to provide information supplementary to the Financial Report of ALX for the half year ended 30 June 2019

Purpose and structure of this pack

The purpose of the Investor Reference Pack (“IRP” or the “Pack”) is to provide information supplementary to the Financial Report of ALX for the half year ended 30 June 2019. This Pack provides a detailed analysis of the performance of each operating business within the ALX portfolio. The policies applied in preparing this Pack are detailed in Appendix 1, including the policies used to prepare reporting on a proportionate and pro-forma basis, which may differ from statutory reporting policies.

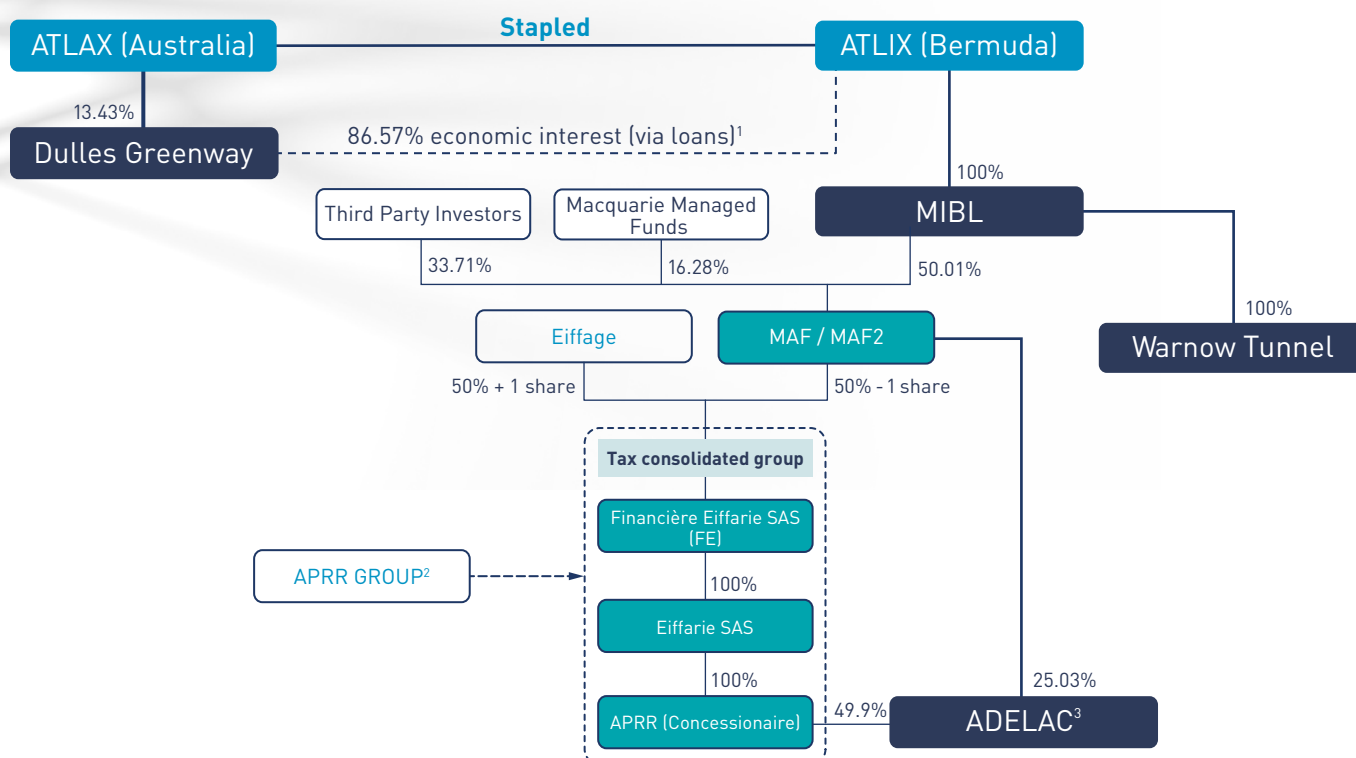
The Overview of structure section provides a summary of ALX and its businesses. Section 1 summarises the traffic and financial performance of ALX and its businesses, the history of distributions to ALX shareholders and ALXs corporate cash flows. Section 2 summarises the performance of each of ALXs businesses at an individual and corporate level. Finally, the appendices set out the policies used to prepare this pack.

Overview of structure

ALX is a stapled security listed on the Australian Securities Exchange. Stapled securities are two or more securities that are quoted and traded as if they were a single security. An ALX stapled security consists of a share in ATLAX and a share in ATLIX.

The diagram below shows the split of ALX's portfolio of businesses between the two ALX stapled entities as at 30 June 2019.

Figure 1 – ALX structure overview as at 30 June 2019



1. ATLIX's 86.57% economic interest in Dulles Greenway represents two subordinated loans secured against the non-ALX limited partner interests in Toll Road Investors Partnership II ("TRIP II").
2. APRR represents APRR and its subsidiaries. APRR Group represents a consolidation of Financière Eiffarie (Finance Eiffarie), Eiffarie, and APRR and its subsidiaries. References to APRR and APRR Group excludes ADELAC financial information.
3. ATLIX's 25.03% interest in ADELAC is held partly through its investment in APRR and partly through its 50.01% investment in Macquarie Autoroutes de France 2 SA ("MAF2").

Business portfolio

Table 1 – ALX's portfolio of businesses and percentage interests as at 30 June 2019

Operating business	Location	Reporting currency	Date of initial acquisition	Date of subsequent acquisition	Date of concession end	ALX's current economic interest
APRR/AREA	France	€	February 2006	Additional 4.86% in October 2017	November 2035 (APRR) September 2036 (AREA)	25.00%
ADELAC	France	€	February 2006		December 2060	25.03%
Dulles Greenway	United States	US\$	September 2005	Remaining 50% in May 2017	February 2056	100.00%
Warnow Tunnel	Germany	€	December 2000	Remaining 30% in September 2018	September 2053	100.00%

1. Traffic and ALX financial performance

1.1 Traffic and proportionate financial performance summary

Table 2 – Traffic growth and proportionate EBITDA from businesses for the half year ended 30 June

A\$m	Actual H1 19	Pro forma H1 18	Change on pcp	Actual H1 18
Traffic growth ^(a)	n/a	n/a	(1.1%)	n/a
Proportionate revenue	584.8	577.8	1.2%	559.9
Proportionate operating expenses	(134.6)	(134.8)	0.2%	(130.8)
Proportionate EBITDA from operating businesses	450.2	443.0	1.6%	429.1
EBITDA margin (%)	77.0%	76.7%	0.3%	76.6%

Notes to the table:

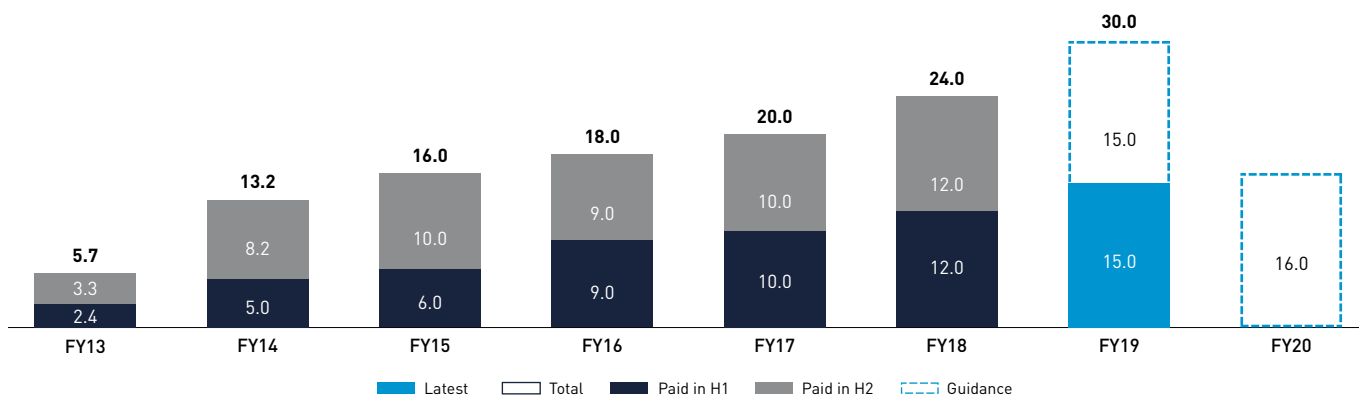
(a) Traffic growth is expressed as a percent change on prior period basis.

Weighted averages are based on ALX's businesses and its revenue contributions in A\$. See Appendix 2 for more details. Pro forma information is derived by restating the prior period results with the average beneficial interest and foreign currency exchange rates from the current period (vs actual results shown in the column at the far right). See Appendix 1 for more details.

1.2 Distributions

The figure below outlines the historical distributions paid and the guidance which has been provided on future distributions. Distribution guidance is subject to business performance, foreign exchange movements, French tax rates and other future events. No assumptions are made about any changes to or negotiations regarding the current APRR/Eiffarie capital structure or the MAF advisory agreement, nor about future possible exit from lock up or cash sweep arrangements, or amount, if any, of cash that may be released from other business operations.

Figure 2 – Distributions (A\$ cps)



1. Traffic and ALX financial performance continued

Table 3 – Distributions paid per security (A\$ cps)

Dates of distributions paid	ATLIX		ATLAX		Total
	Return of capital	Foreign dividend	Return of capital	Australian dividend	
05-Apr-19	–	7.0	7.8	0.2	15.0
05-Oct-18	–	12.0	–	–	12.0
13-Apr-18	–	12.0	–	–	12.0
29-Sep-17	–	10.0	–	–	10.0
07-Apr-17	9.8	0.2	–	–	10.0
30-Sep-16	8.7	0.3	–	–	9.0
31-Mar-16	8.5	0.5	–	–	9.0
30-Sep-15	9.3	0.7	–	–	10.0
31-Mar-15	4.7	1.3	–	–	6.0
08-Oct-14	6.4	1.8	–	–	8.2
04-Apr-14	–	5.0	–	–	5.0
04-Oct-13	–	3.3	–	–	3.3
19-Apr-13	–	2.4	–	–	2.4

Note: The Australian franking credit regime does not apply to foreign dividend components given ATLIX is a Bermudan company. All Australian dividends to date have been unfranked.

1.3 Corporate cash flow

Table 4 – Aggregated cash flow statement

A\$m	H1 19	H1 18
Cash flow received from operating businesses		
APRR Group ^(a)	123.4	103.7
Warnow Tunnel	–	–
Dulles Greenway	–	–
Other operating cash flows		
Manager and adviser base fees	(19.1)	(17.3)
Manager and adviser performance fees	–	–
ALX internalisation costs	(2.1)	(5.9)
Payments to suppliers and employees	(8.7)	(3.0)
Interest income on corporate cash balances	0.7	0.3
Other net amounts received	0.3	0.2
Net ALX operating cash flows	94.5	78.0

A\$m	H1 19	H1 18
Investing and financing cash flows		
Payments for investments in Warnow Tunnel (including transaction costs)	–	–
Proceeds from borrowings (net of transaction costs)	–	534.7
Repayment of borrowings (including transaction costs) ^(b)	–	(465.2)
Interest paid on borrowings	(5.4)	(10.5)
Payment for purchase of derivative financial instrument ^(c)	–	(4.8)
Purchase of fixed assets	(0.1)	–
Distributions paid	(49.2)	(80.4)
Capital return	(53.3)	–
Total investing and financing cash flows	(108.0)	(26.2)
Net increase/(decrease) in cash assets	(13.5)	51.8
Cash assets at beginning of the year	92.9	41.6
Exchange rate movements	0.2	(3.1)
Cash assets at the end of the year	79.6	90.3
Comprising: Available cash	76.3	88.4
Restricted cash ^(d)	3.3	1.9

Notes to the table:

(a) ALX received a distribution of € 77.2m in March 2019 (March 2018: € 64.3m) from APRR through Finance Eiffarie.

(b) The H1 18 movement in borrowings reflects the refinanced and upsized MIBL facility from €150.0m to €350.0m with revised terms. The MIBL facility was put in place in October 2017 to partially fund the acquisition of an additional stake in APRR. On 4 June 2018, a portion of the additional proceeds from the new facility were used to repay the US\$175.0m Dulles Greenway acquisition facility along with interest accrued up to this date. Remaining proceeds from the new facility will be used for general corporate expenses.

(c) Payment for purchase of derivative finance instrument reflects the €350.0m of interest rate caps entered into in June 2018 to hedge the EURIBOR floating rate interest expense on the new MIBL facility.

(d) Restricted cash represents a secured cash deposit in relation to an outstanding guarantee in respect of Warnow Tunnel. This balance excludes any restricted cash held by Dulles Greenway or Warnow Tunnel at the business level that is consolidated into ALX's statutory balance sheet.

The aggregated cash flow statement includes the cash flows of each of the stapled entities and their wholly owned subsidiaries. The aggregated cash flow statement excludes the entities that form part of ALX's operating businesses. As a result, it does not reconcile with the cash balances in the statutory results, which consolidate the cash balances of the wholly owned Dulles Greenway and Warnow Tunnel.

2. Business performance

2.1 Financial performance by business

The table below shows the financial performance of ALX's businesses in their natural currencies on a 100% basis.

Table 5 – Financial performance of ALXs businesses

Natural currency	APRR €m	ADELAC €m	Dulles Greenway US\$m	Warnow Tunnel €m
Actual H1 19				
Operating revenue	1,250.8	28.0	44.4	6.4
Operating expenses	(295.5)	(4.9)	(8.5)	(1.4)
EBITDA	955.3	23.1	35.9	4.9
Actual H1 18				
Operating revenue	1,234.7	28.0	44.6	5.9
Operating expenses	(295.7)	(4.7)	(8.7)	(1.3)
EBITDA	939.0	23.3	35.9	4.5
Change on pcp				
Operating revenue	1.3%	(0.2%)	(0.4%)	8.5%
Operating expenses	0.1%	(2.9%)	2.9%	(6.2%)
EBITDA	1.7%	(0.8%)	0.1%	9.2%

2.2 APRR – France

2.2.1 Traffic and financial performance

Table 6 – Traffic performance

Vehicle Kilometres Travelled (VKT) (millions)	H1 19	H1 18	Change on pcp
Light vehicles	9,585	9,723	(1.4%)
Heavy vehicles	1,977	1,961	0.8%
Total	11,562	11,685	(1.0%)
Workdays in year	123	124	-1
Non-workdays in year	58	57	+1

Figure 3 – Quarterly traffic performance (VKTm)

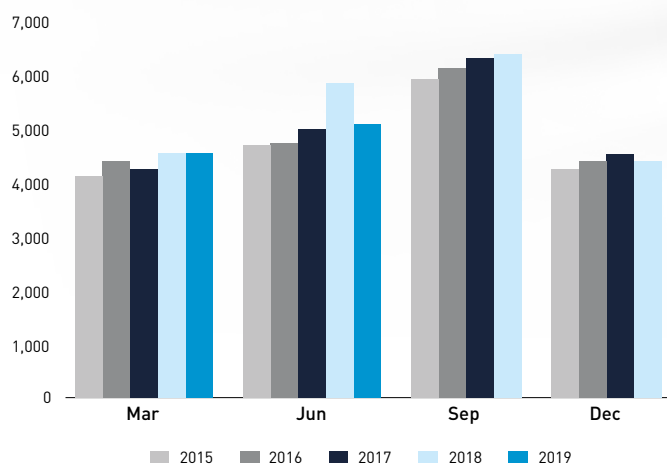
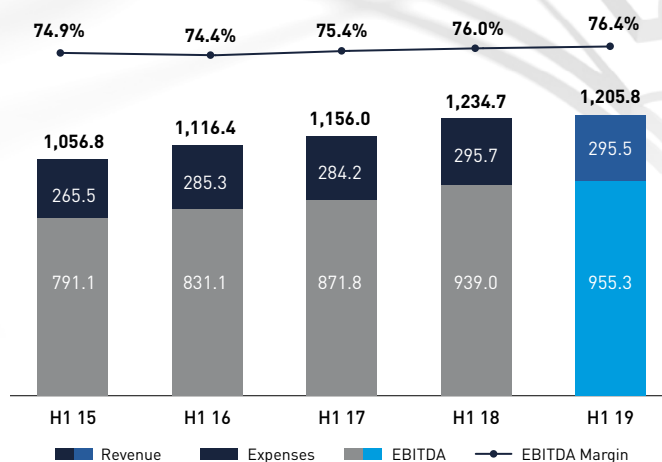


Figure 4 – EBITDA and revenue (€m)



The results presented above reflect the performance of APRR. On a consolidated APRR Group basis, H1 19 EBITDA was €955.0m (H1 18 EBITDA: €938.7m). The difference is due to €0.3m of operating expenses at the Eiffarie/Finance Eiffarie level.

Table 7 – Financial performance

€m	H1 19	H1 18	Change on pcp	H1 17	H1 16	H1 15
Toll revenue	1,215.0	1,199.3	1.3%	1,122.8	1,084.3	1,024.8
Other revenue	35.8	35.4	1.3%	33.3	32.1	32.0
Total revenue	1,250.8	1,234.7	1.3%	1,156.0	1,116.4	1,056.8
Operating expenses	(295.5)	(295.7)	0.1%	(284.2)	(285.3)	(265.6)
EBITDA	955.3	939.0	1.7%	871.8	831.1	791.1
EBITDA margin	76.4%	76.0%		75.4%	74.4%	74.9%

Table 8 – Operating expenses

€m	H1 19	H1 18	Change on pcp	H1 17	H1 16	H1 15
Employment costs	(106.1)	(105.0)	(1.1%)	(103.6)	(105.8)	(106.7)
Tax (other than income tax)	(138.2)	(138.7)	0.4%	(131.7)	(128.2)	(107.9)
Purchases, external charges and other (ex IFRIC 12)	(51.1)	(52.0)	1.8%	(48.9)	(51.3)	(51.1)
APRR operating expenses^(a)	(295.5)	(295.7)	0.1%	(284.2)	(285.3)	(265.6)
Eiffarie and Finance Eiffarie operating expenses	(0.3)	(0.3)		(0.4)	(0.5)	(0.7)

Notes to the table:

(a) APRR operating expenses excludes provisions.

2. Business performance continued

Table 9 – Interest, depreciation and amortisation and provisions

€m	H1 19	H1 18	Change on pcp	H1 17	H1 16	H1 15
APRR interest income	2.6	2.7	3.7%	6.8	4.7	7.3
APRR interest expense	(62.2)	(78.4)	20.7%	(96.6)	(122.7)	(152.0)
Eiffarie net interest ^(a)	(5.2)	(82.5)	93.7%	(86.3)	(86.2)	(92.8)
APRR depreciation and amortisation	(212.0)	(203.4)	(4.2%)	(196.6)	(197.8)	(208.9)
APRR provisions	(23.5)	(17.7)	(32.8%)	(12.8)	(8.1)	(1.9)

Notes to the table:

(a) Eiffarie net interest costs in H1 19 fell materially due to the expiration of Eiffarie swaps in June 2018.

Table 10 – Tax

€m	H1 19	H1 18	H1 17	H1 16	H1 15
APRR current income tax expense	(206.1)	(213.5)	(191.6)	(166.6)	(158.9)
Tax grouping	1.8	30.4	32.2	33.3	108.1
APRR Group current income tax payable	(204.3)	(183.0)	(159.4)	(133.3)	(50.8)

Since 1 January 2011, Finance Eiffarie and Eiffarie have been grouped with APRR for tax purposes.

Current year deductions from Finance Eiffarie and Eiffarie are offset against APRR taxable income. On 11 July 2019, the French Government passed a bill to repeal previous legislation that reduced the corporate income tax rate for companies such as APRR. This occurred post balance date so the movement in the rate from 31.0% to 33.3% is not reflected in the table above. The estimated impact on the APRR tax expense is €15m for H1 19.

The reduction in the tax grouping benefit in H1 19 reflects the expiry of the Eiffarie interest rate swaps at the end of H1 18 (as outlined in Table 9).

2.2.2 Operational statistics

Table 11 – Toll collection statistics (% total transactions)

€m	H1 19	H1 18	H1 17	H1 16	H1 15
APRR transponders (m)	2.8	2.6	2.3	2.1	1.8
Electronic toll collection	60.7%	59.8%	58.7%	57.1%	55.2%
Automated transactions	99.6%	99.3%	98.7%	97.3%	96.2%

2.2.3 Financing and debt

Table 12 – Debt metrics

€m	Gross debt	Cash	Net debt	Net debt/LTM EBITDA		LTM EBITDA/Interest		Hedging %
				Actual	Default	Actual	Default	
H1 19								
APRR and Eiffarie	9,223.5	1,005.7	8,217.8	4.35x	n/a	n/a	n/a	78.4%
APRR	8,083.5	998.9	7,084.6	3.75x	7.0x	14.88x	2.20x	89.4%
Eiffarie	1,140.0	6.8	1,133.2	0.60x	n/a	n/a	n/a	n/a
H1 18								
APRR and Eiffarie	9,271.1	986.4	8,284.8	4.50x	n/a	n/a	n/a	71.8%
APRR	8,011.1	943.7	7,067.4	3.84x	7.0x	11.20x	2.20x	n/a
Eiffarie	1,260.0	42.7	1,217.3	0.66x	n/a	n/a	n/a	n/a

The table above shows cash and debt balances at 30 June for the current and prior period.

The hedging percentage reflects the proportion of gross debt (including commercial paper) outstanding at 30 June 2019 that has been issued as fixed rate debt plus existing interest rate hedges.

The gross debt includes accrued interest and mark to market on swaps. In addition to available cash, APRR also has an undrawn €1.8b Revolving Credit Facility.

Table 13 – APRR main debt facilities at 30 June 2019

Debt type	H1 19	H1 18	Details
Euro Medium Term Note ("EMTN") public bonds	€6,958m	€6,956m	Includes €0.5b of floating rate notes and €158m of index-linked bonds. Remaining bonds are at fixed rates.
Revolving Credit Facility ("RCF")	€1,800m	€1,800m	Currently undrawn, maturing in February 2022. Margin of 35bps above EURIBOR.
Caisse Nationale des Autoroutes ("CNA") debt	€46m	€50m	Outstanding CNA debt is fixed rate and was materially amortised in 2018.
European Investment Bank Loan	€375m	€375m	Comprises a €100m fixed rate loan maturing 2022 and €275m floating rate loans maturing in 2022.
Commercial paper	€686m	€600m	Short term fixed interest rate borrowings

Table 14 – Eiffarie debt facility

Debt type	H1 19	H1 18	Details
Term loan	€1,140m	€1,260m	Margin of 90bps above Euribor, maturing in February 2022.

Table 15 – APRR Debt ratings at 30 June 2019

Corporate rating	Outlook	Rating agency	Rating since
A-	Stable	Standard & Poor's	November 2016
A-	Stable	Fitch	October 2017

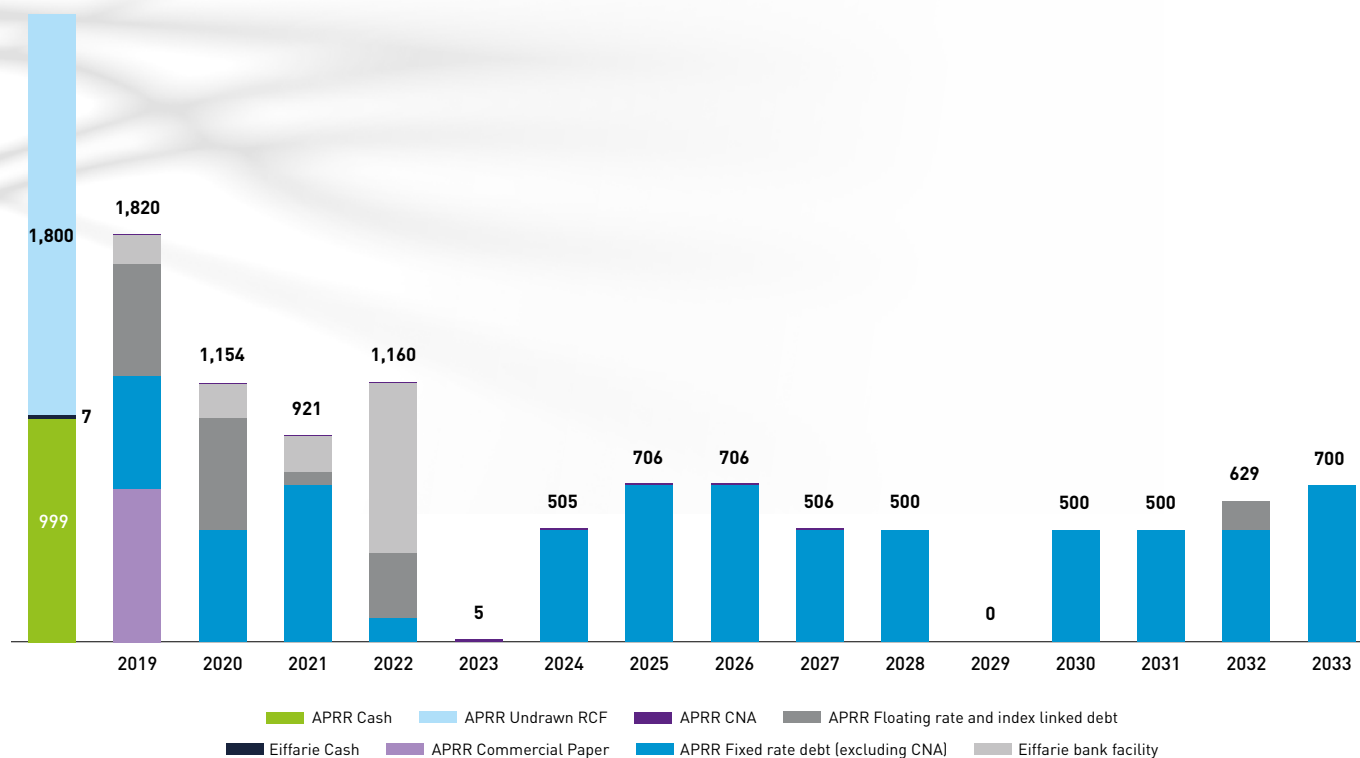
In June 2019 and November 2018, Fitch and S&P respectively reaffirmed their A- underlying rating of APRR with stable outlook.

2. Business performance continued

Table 16 – APRR bonds issued during 2019

Date	Amount	Debt type	Issuance details	Maturity
January 2019	€500m	EMTN	99.133% of par with a coupon of 1.25%	January 2028

Figure 5 – APRR and Eiffarie pro forma debt maturity profile and cash position at 30 June 2019 (€m)



The debt maturity profile shown above excludes accrued interest and marked to market on swaps.

The 2019 figure above reflects the full year of debt maturing in 2019, including €500m fixed EMTN (4.875% which matured in January 2019), €500m floating EMTN (which matured in March 2019), and €60m of the Eiffarie bank facility which had been repaid as at 30 June 2019.

2.2.4 MIBL facility

On 31 May 2018, ALX refinanced and upsized the MIBL facility from €150.0 million to €350.0 million with revised terms and incurred upfront issue costs of €4.0 million.

The maturity date of the new facility is unchanged from the old facility. Interest accrues on the borrowing at the aggregate of margin and EURIBOR.

Table 17 – Margins

Periods	Margin (p.a.) over EURIBOR
From 24 Oct 2017 to 23 Oct 2019	2.25% per annum
From 24 Oct 2019 to 23 Oct 2021	2.25% per annum
From 24 Oct 2021 to 23 Oct 2022	2.25% per annum
From 24 Oct 2022 to 23 Oct 2023	2.75% per annum
From 24 Oct 2023 to 23 Oct 2024	3.25% per annum

Table 18 – Asset finance facility covenants

Financial covenant		Calculation		Actual (30 June 2019)
Interest cover	1.20x	MIBL available cash flow		n/a
		MIBL senior net debt service		
Leverage	7.0x in June 2019 6.8x in December 2019 6.7x in June 2020 6.5x in December 2020 6.2x in June 2021 6.0x thereafter	Consolidated leverage ratio of the APRR Group	plus MIBL proportionate net debt plus MAF Group proportionate net debt	5.08x
			APRR Group consolidated EBITDA	

Notes to the table:

MIBL available cashflow is calculated as MIBL distributions received less operating expenses and taxes paid and business acquisitions.

MIBL distributions received includes some distributions from APRR that are only declared and paid following the period end and are therefore not available to be included in this report.

Consolidated leverage ratio of the APRR Group is calculated as APRR group net debt divided by APRR Group consolidated EBITDA.

MIBL proportionate net debt is calculated as MIBL net debt / MIBL indirect ownership of APRR.

MAF Group proportionate net debt is calculated as MAF net debt / MAF indirect ownership of APRR + MAF2 net debt / MAF2 indirect ownership of APRR.

Table 19 – Key balances used in MIBL acquisition finance facility covenants

12 months ended 30 June 2019 (€m)	MIBL		
APRR Group EBITDA	1,889.9 ^(a)		
Operating expenses and tax paid	0.7		
Business acquisitions	–		
Finance charges	6.9		
Debt repayments	–		
As at 30 June 2019 (€m)	MIBL	MAF	MAF2
Cash and cash equivalents	3.6	0.1	0.2
Gross debt	350.0	–	–

Notes to the table:

(a) APRR Group EBITDA includes €0.5m of Eiffarie/ Finance Eiffarie operating expenses.

2.2.5 Interest rate caps

In June 2018, ALX paid €3.1 million to acquire €350.0 million of 5 year interest rate caps maturing June 2023 with a strike of 0.9% p.a. to hedge the EURIBOR floating rate interest exposure on the new MIBL facility.

2. Business performance continued

2.3 ADELAC – France

2.3.1 Traffic and financial performance

Table 20 – Traffic performance

Average Daily Traffic (ADT)	H1 19	H1 18	Change on pcp
Total Traffic (millions)	5.31	5.42	(2.0%)
All days	29,348	29,961	(2.0%)
Workdays in year	123	124	-1
Non-workdays in year	58	57	+1

Figure 6 – Quarterly traffic performance (ADT)

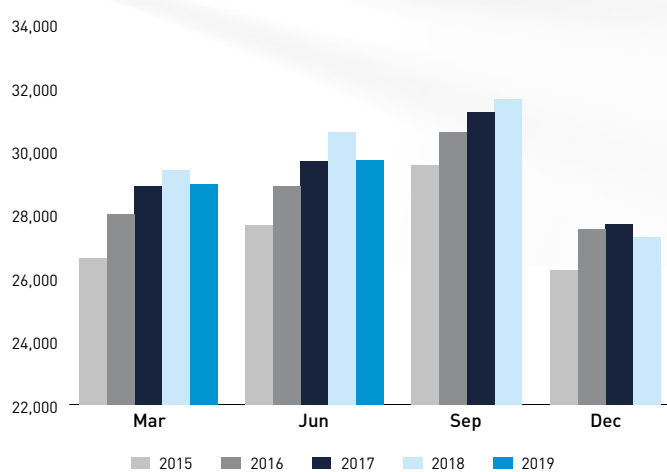


Figure 7 – EBITDA and revenue (€m)

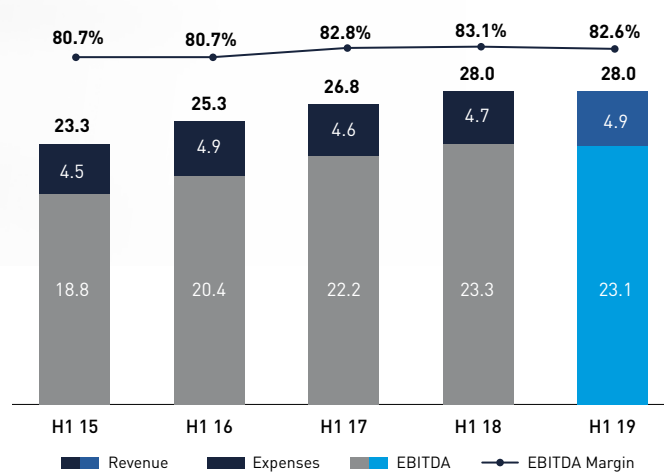


Table 21 – Financial performance

€m	H1 19	H1 18	Change on pcp	H1 17	H1 16	H1 15
Toll revenue	27.9	27.9	(0.2%)	26.7	25.1	23.2
Other revenue	0.1	0.1	(1.9%)	0.2	0.2	0.2
Revenue	28.0	28.0	(0.2%)	26.8	25.3	23.3
Operating expenses	(4.9)	(4.7)	(2.9%)	(4.6)	(4.9)	(4.5)
EBITDA	23.1	23.3	(0.8%)	22.2	20.4	18.8
EBITDA margin	82.6%	83.1%		82.8%	80.7%	80.7%

2.3.2 Financing and debt

Table 22 – Debt metrics

€m	Local	Gross debt	Cash	Net debt	Net debt/ LTM EBITDA	LTM EBITDA/ Interest	Hedging %
H1 19							
ADELAC	€m	726.5	12.9	713.7	15.5x	2.61x	85.2%
H1 18							
ADELAC	€m	733.8	14.5	719.3	15.7x	2.61x	85.2%

The table above is calculated based on cash and debt balances excluding shareholder loans as at 30 June.

The hedging percentage reflects the proportion of gross debt (including commercial paper) outstanding at 30 June 2019 that has been issued as fixed rate debt plus existing interest rate hedges.

2.4 Dulles Greenway – Virginia, USA

2.4.1 Traffic and financial performance

Table 23 – Traffic performance

Average Daily Traffic (ADT)	H1 19	H1 18	Change on pcp
Total Traffic (millions)	8.9	9.1	(2.3%)
Average Daily Traffic	49,146	50,284	(2.3%)
<i>Workdays</i>	57,463	58,574	(1.9%)
<i>Weekends/public holidays</i>	30,582	31,293	(2.3%)
Workdays in period	125	126	-1
Non-workdays in period	56	55	+1

Figure 8 – Quarterly traffic performance (ADT)

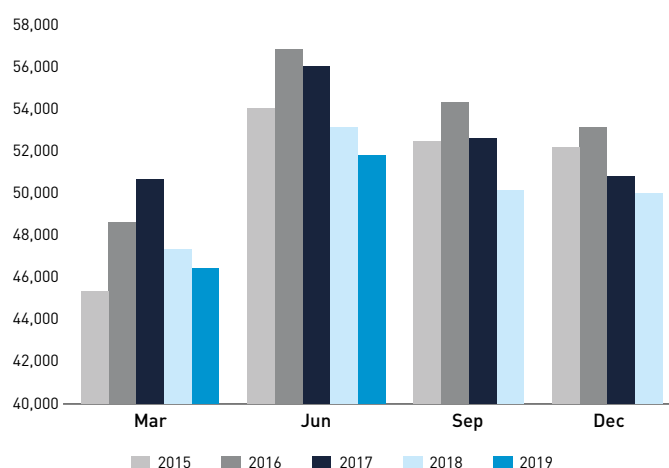
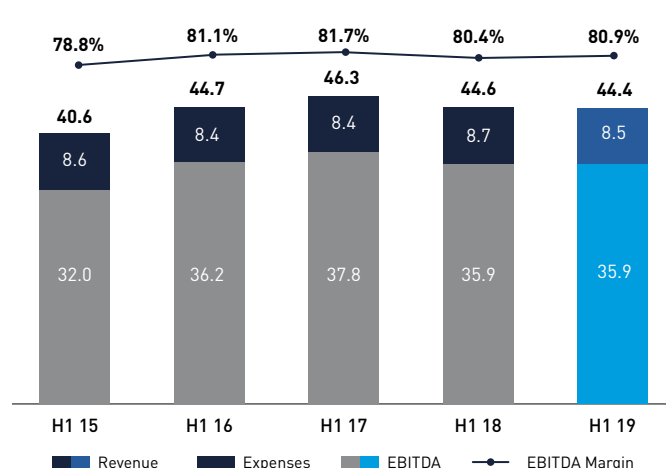


Figure 9 – EBITDA and revenue (US\$m)



2. Business performance continued

Table 24 – Financial performance

US\$m	H1 19	H1 18	Change on pcp	H1 17	H1 16	H1 15
Toll revenue	44.2	44.4	(0.4%)	46.0	44.4	40.4
Other revenue	0.2	0.2	(11.9%)	0.2	0.2	0.2
Revenue	44.4	44.6	(0.4%)	46.3	44.7	40.6
Operating expenses ^(a)	(8.5)	(8.7)	2.9%	(8.4)	(8.4)	(8.6)
EBITDA	35.9	35.9	0.1%	37.8	36.2	32.0
EBITDA margin	80.9%	80.4%		81.7%	81.1%	78.8%

Notes to the table:

(a) Operating expenses shown in the table above are excluding project improvement expenses. From 1 January 2015, following US accounting standards changes (Topic 853 Service Concession Arrangements), project improvement expenses were included in operating expenses for TRIP II. Operating expense in the table above continue to exclude project improvement expenses, which are presented as capital expenditure in Table 26 below, consistent with how they are classified in the TRIP II covenant testing.

Table 25 – Operating expenses

US\$m	H1 19	H1 18	Change on pcp	H1 17	H1 16	H1 15
Virginia Department of Transportation and credit card fees	(1.5)	(1.6)	5.9%	(1.6)	(1.5)	(1.3)
Operation and maintenance expenses	(2.3)	(2.0)	(15.9%)	(2.1)	(2.1)	(2.7)
Administrative expenses	(1.0)	(1.4)	23.0%	(1.3)	(1.3)	(1.2)
Real estate property taxes	(2.1)	(2.1)	(0.1%)	(2.0)	(2.0)	(1.8)
Other	(1.4)	(1.6)	10.1%	(1.4)	(1.5)	(1.5)
Total operating expenses	(8.5)	(8.7)	2.9%	(8.4)	(8.4)	(8.6)

Table 26 – Capital expenditure

US\$m	H1 19	H1 18	H1 17	H1 16	H1 15
Project improvement expenses	(0.4)	(0.6)	(0.7)	(0.2)	(0.3)
Growth capex	(6.7)	(1.2)	-	-	-
Equipment/other	-	(0.1)	-	(0.2)	-
Total capital expenditure	(7.1)	(2.0)	(0.7)	(0.4)	(0.3)

2.4.2 Operational initiatives

Table 27 – Toll collection statistics (% total transactions)

	H1 19	H1 18	H1 17	H1 16	H1 15
Electronic toll collection	85.7%	84.6%	83.3%	82.8%	81.4%
Automated transactions (including credit card)	94.1%	93.9%	93.3%	93.1%	92.2%

2.4.3 Financing and debt

Table 28 – Debt metrics

US\$m	Gross debt	Cash	Net debt	Net debt/ LTM EBITDA	LTM EBITDA/ Interest	MCR		ACR		
						Actual	Lock-up	Actual	Lock-up	
H1 19										
Dulles Greenway	1,022.1	183.1	839.0	11.36x	2.06x	1.18x	1.25x	1.18x	1.15x	
H1 18										
Dulles Greenway	1,010.7	167.3	843.5	11.55x	1.95x	1.18x	1.25x	1.16x	1.15x	

The table above is calculated based on cash and debt balances at 30 June, with the exception of MCR (Minimum Coverage Ratio) and ACR (Additional Coverage Ratio) which are calculated at 31 December 2018 and 31 December 2017.

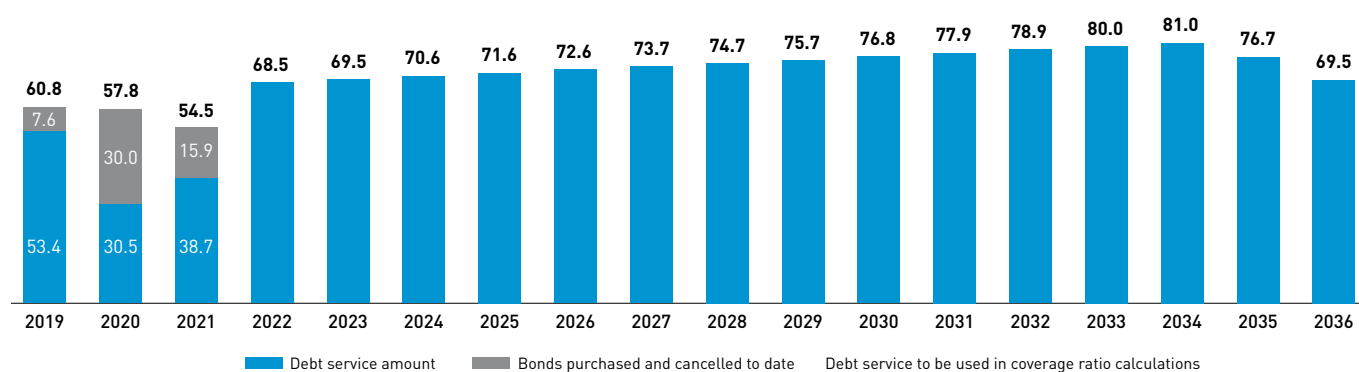
Interest represents cash interest paid which was US\$35.8m for the twelve months to 30 June 2019, reflecting interest on current pay bonds for the 12 months to 30 June and the total amount of interest accrued on zero coupon bonds which have matured in the 12 months to 30 June.

All debt is in the form of fixed interest rate senior bonds, consisting of US\$35.0m current interest bonds, and US\$987m zero coupon or accreting interest bonds with various maturities extending to 2056.

The majority of cash held at Dulles Greenway as at 30 June 2019 and 30 June 2018 is required reserves and currently not available for distribution. Locked up cash that would have otherwise been available for distribution as at the 30 June 2019 is approximately US\$41.4m.

Net debt/EBITDA is based on EBITDA adjusted to exclude the recognition of project improvement expenses (which are included in operating expenses under the US accounting standards change: Topic 853 Service Concession Arrangements).

Figure 10 – Debt service profile (2019-2036) as at 30 June 2019 (US\$m)



The debt service profile extends to 2056. Only the years to 2036 are shown and represents the total debt service (principle and accrued interest) payable each year to 2036. The 2019 debt service figure includes \$52.1m of debt already repaid during H1 2019.

The figure above is net of the bonds that were repurchased and cancelled (maturing 2019-2021) during late 2011 and early 2012. The debt service which is included in the MCR and ACR calculations includes the bonds that were repurchased and cancelled, net of the percentage of the discount at which they were acquired (US\$0.2m in 2019, US\$2.7m in 2020). In 2011, the TRIP II Trustee authorised the use of locked-up cash to repurchase outstanding TRIP II bonds. TRIP II used US\$34.3m of locked-up cash to repurchase bonds due to mature between 2019 and 2021 at an average yield to maturity of 7.8%. No further bond repurchases have been made since February 2012.

2. Business performance continued

Table 29 – Debt ratings at 30 June 2019

Corporate rating	Outlook	Rating agency
BBB-	Stable	Standard & Poor's
Ba1	Stable	Moody's
BB	Negative	Fitch

The Dulles Greenway bonds have been insured by National Public Finance Guarantee Corporation ("NPFGC"), formerly named MBIA, and were rated AAA, Aaa and AAA on issue by S&P, Moody's and Fitch respectively. The current rating of NPFGC is A and Baa2 by S&P and Moody's respectively. Changes to the debt rating of NPFGC do not affect the cost of Dulles Greenway debt. On 7 February 2019, S&P reaffirmed its BBB- underlying rating on TRIP II and maintained the outlook at stable. On 12 June 2019, Fitch downgraded its rating to BB with a rating outlook of negative.

Distribution tests

TRIP II is subject to the following two distribution tests in the table below, both tested annually at 31 December:

Table 30 – Distribution test methodologies

	Minimum Coverage Ratio ("MCR")	Additional Coverage Ratio ("ACR")
Test and calculation	If MCR < 1.25x, distributions are in a lock-up for 12 months = $\frac{\text{Net Toll Revenue}}{\text{Total Debt Service}}$	If ACR < 1.15x, distributions are in a lock-up for 36 months = $\frac{\text{Net Toll Revenue} - \text{Fund Transfers}}{\text{Total Debt Service}}$
Net toll revenue	Toll Revenues (All amounts received including all receivables, revenues and income generated from toll booths, plazas and collection systems) <i>Less</i> Operating expenses (current operation and maintenance expenses)	Toll Revenues (All amounts received including all receivables, revenues and income generated from toll booths, plazas and collection systems) <i>Less</i> Operating expenses (current operation and maintenance expenses)
Fund transfers	N/A	Net transfers to Improvement fund and Operating reserve fund <i>Improvement Fund Requirement</i> = 100% of amount in most recently approved capital expenditure budget for the current year <i>Operating Reserve Requirement</i> = 50% of amount in most recently approved budget for all current expenses in the current year
Total debt service	Sum of all: <ul style="list-style-type: none"> Debt Service on all Series 1999 Bonds outstanding for such fiscal year; Debt Service on all Series 2005 Bonds outstanding for such fiscal year; and Scheduled Early Redemption amounts for such fiscal year as set forth in the Early Redemption schedule for the Series 2005 Bonds. 	

Notes to the table:

Operating expenses used in the calculations of the distribution tests above have been amended to offset the impact of Topic 853 Service Concession Arrangements.

Net transfers to Improvement Fund & Operating Reserve Fund are currently estimated to be ~US\$2-3m for 2019, although subject to revisions throughout the year (2018: US\$0.4m; 2017: US\$1.5m).

Debt service, for the purpose of distribution tests, is calculated using the original debt service (net of reductions for the discounts) on TRIP II bonds repurchased and cancelled in 2011 and 2012 (debt maturing in 2019-2021).

Table 31 – Distribution tests as at year end 31 December

US\$m	Actual 2018	Actual 2017
Toll Revenues	90.4	91.7
Operating Expenses	(17.0)	(17.2)
Net Toll Revenues (MCR – Minimum Coverage Ratio)	73.4	74.6
Net Transfers to Improvement Fund	(0.1)	(1.2)
Net Transfers to Operating Reserve Fund	(0.2)	(0.3)
Net Toll Revenues (ACR – Additional Coverage Ratio)	73.0	73.1
1999A	(2.5)	(2.5)
1999B	(39.8)	(38.1)
2005A	(19.7)	(22.4)
2005B/2005C	–	–
Total Debt Service ^(a)	(62.0)	(63.0)
Minimum Coverage Ratio – 1.25x	1.18x	1.18x
Additional Coverage Ratio – 1.15x	1.18x	1.16x

Notes to the table:

(a) Debt service requirement for the distribution tests are based on the current maturity profile, in addition to the debt service that would have been payable on bonds re-purchased using locked up cash in 2011 and 2012 (for debt maturing in 2018-21).

At 31 December 2018, the MCR was 1.18x and the ACR was 1.18x. Accordingly, TRIP II passed the 2018 ACR test, but failed the MCR test. Distributions remain in lock up under the senior debt indentures through to at least December 2019. During 2018, the transfers to the improvement fund for 2017 was restated from \$nil to \$1.2m. As a result, the ACR was restated from 1.18x to 1.16x for 2017. Net transfers to Improvement Fund and Net Transfers to Operating Reserve Fund sum to \$0.4m in 2018. The difference is due to rounding.

2.5 Warnow Tunnel – Rostock, Germany

2.5.1 Traffic and financial performance

Table 32 – Traffic performance

Average Daily Traffic (ADT)	H1 19	H1 18	Change on pcp
Total Traffic (millions)	2.4	2.2	4.9%
Average Daily Traffic	12,967	12,358	4.9%
<i>Workdays</i>	15,076	14,213	6.1%
<i>Weekends/public holidays</i>	8,493	8,322	2.1%
Workdays in year	123	124	-1
Non-workdays in year	58	57	+1

2. Business performance continued

Figure 11 – Quarterly traffic performance (ADT)

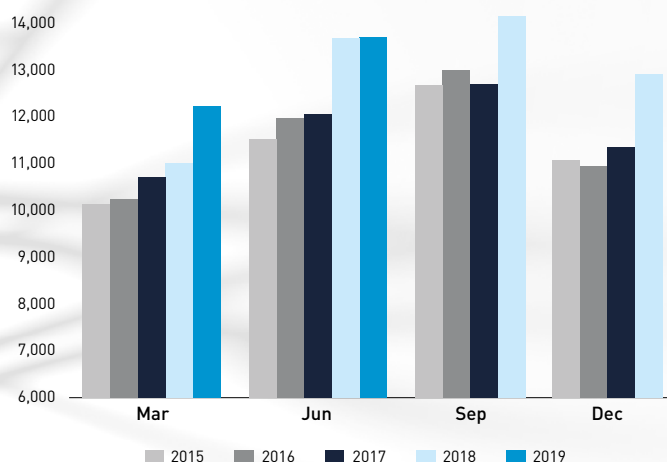


Figure 12 – EBITDA and revenue (€m)

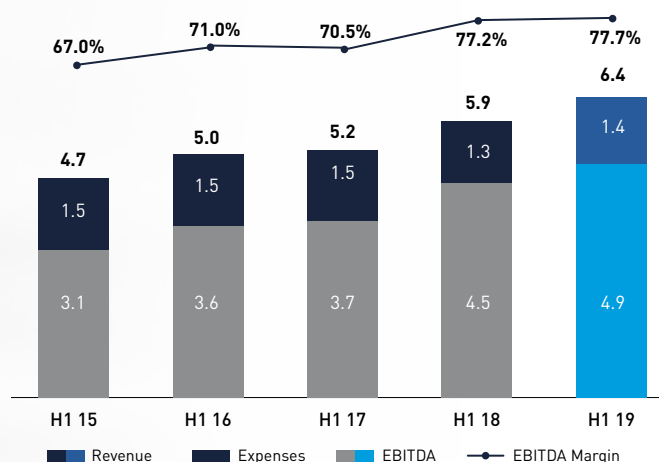


Table 33 – Revenue and EBITDA

€m	H1 19	H1 18	Change on pcp	H1 17	H1 16	H1 15
Revenue	6.4	5.9	8.5%	5.2	5.0	4.7
Operating expenses ^(a)	(1.4)	(1.3)	(6.2%)	(1.5)	(1.5)	(1.5)
EBITDA	4.9	4.5	9.2%	3.7	3.6	3.1
EBITDA margin	77.7%	77.2%		70.5%	71.0%	67.0%

Notes to the table:

(a) Current and historical operating expenses in the table above have been updated to exclude provisions and any maintenance capital expenditure. 2017 and 2016 figures exclude one off extraordinary revenue of €0.6 million in 2017 and one off extraordinary expenses of €0.1 million in 2016.

2.5.2 Financing and debt

Table 34 – Debt metrics

€m	Gross debt	Cash	Net debt	Net debt/ LTM EBITDA	LTM EBITDA/ Interest	DSCR		
						Actual	Lock-up	Hedging %
H1 19								
Warnow Tunnel	150.6	4.6	146.0	14.48x	2.90x	2.93x	1.05x	28.9%
H1 18								
Warnow Tunnel	156.0	4.2	151.9	17.31x	3.10x	2.10x	1.05x	29.1%

The table above is calculated based on cash/debt balances as at 30 June. The hedging percentage reflects the proportion of gross debt outstanding as at 30 June that is fixed or has been hedged and does not take into account future maturities and issues. Hedging at Warnow has only been applied to senior debt (Tranche I) and represents 100% hedging of that tranche. EBITDA and interest paid, which are used to calculate the ratios in the table, are based on the 12 months to 30 June. Cash interest paid for this 12 month period was €3.5m.

DSCRs are calculated on a pro forma basis as at 30 June. Warnow Tunnel has three tranches of debt and currently cash flows are only sufficient to satisfy a partial cash sweep at the Tranche II level (i.e. no repayments are being made at Tranche III, which continues to capitalise). Tranche I is the only tranche subject to covenant testing, with the DSCR set out in the table above calculated only on this tranche. Current and historical operating expenses have been updated to exclude provisions and any maintenance capital expenditure.

Gross debt represents long term amortising bank debt. Tranche I: €43.6m, Tranche II: €12.1m, Tranche III: €94.9m.

Appendix 1 – Summary of significant policies

This Pack is prepared on a different basis from the ALX Interim Financial Report, which is prepared in accordance with Australian Accounting Standards. The information contained in this Pack does not and cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of ALX for the year as in the Interim Financial Report. This Pack should be read in conjunction with the Interim Financial Report which is available on the ALX website.

This Pack presents a number of metrics prepared on a proportionate basis which involves the aggregation of the Group's proportionate interest in the financial results of operating businesses.

The significant policies which have been adopted by the ALX boards and used in the preparation of Sections 1 and 2 of this Pack are stated to assist in a general understanding of this Pack. Unless stated otherwise these policies have been consistently applied to all years presented in this Pack.

Proportionate EBITDA

Current and prior year proportionate EBITDA information contained in this Pack involves the aggregation of the financial results of the Group's relevant businesses in the relevant proportions that the Group holds beneficial interests. It is calculated as operating businesses revenues less operating businesses expenses.

Proportionate EBITDA information for pcp is also disclosed under a pro forma approach. The pro forma information is derived by restating the prior year results with the business ownership percentage and foreign currency exchange rates from the current year. Proportionate EBITDA information presented aggregates the financial results of ALX's businesses in the relevant proportions that ALX holds beneficial interests. Proportionate EBITDA excludes non-cash items which are not reflective of cash outflows in the current reporting year. Proportionate EBITDA information for the prior corresponding period ("pcp") is also disclosed under a pro forma approach.

Pro forma results are produced to allow comparisons of the operational performance of businesses between years, as it removes the impact of changes in ownership interests and foreign currency exchange rates. The pro forma information is derived by restating the prior year results with the business ownership percentage and foreign currency exchange rates from the current year. The term "underlying" refers to movements under the pro forma approach.

The principal policies adopted in the preparation of proportionate EBITDA contained in this Pack are described in further detail below.

Beneficial interest

ALX's beneficial interest in a business reflects its economic interest in the results of that businesses ongoing operations. ALX's beneficial interests in its businesses for the year and pcp are set out below.

Table 35 – Beneficial interest

Beneficial interest for:	
APRR	25.00%
ADELAC	25.03%
Dulles Greenway	100.00%
Warnow Tunnel	100.00%

On 20 September 2018, ALX acquired the remaining 30% interest in Warnow Tunnel, bringing ALX's total interest to 100%.

Appendix 1 – Summary of significant policies continued

Foreign exchange rates

All proportionate EBITDA information contained in this Pack is disclosed in Australian dollars unless stated otherwise. In deriving Australian dollar income for the purpose of proportionate EBITDA, the Group applies half yearly average exchange rates to all foreign income and expenses in the relevant period. Under the pro forma approach, pcp results are restated using half yearly average exchange rates from the current year to remove the impact of changes in foreign currency exchange rates.

Table 36 – Spot and average foreign exchange rates

	Spot foreign exchange rates As at 30 Jun 19	Average foreign exchange rates For 1 Jan to 30 Jun 19
Euro	0.6171	0.6249
United States dollar	0.7013	0.7061

Operating revenue

Business revenue is calculated by aggregating the product of the beneficial interest and the total revenue of each business. Revenue is recognised under the local Generally Accepted Accounting Principles (“GAAP”) applicable to each business, excluding IFRIC 12.

Operating expenses

Business operating expenses are calculated by aggregating the product of the beneficial interest and the total operating expenses of each business. Dulles Greenway operating expenses have been adjusted to exclude the recognition of project improvement expenses which are included in operating expenses under the US accounting standards change (Topic 853 Service Concession Arrangements applicable from 1 January 2015) for prior year figures to be comparable and also to present expenses in the form used for the TRIP II covenant testing.

Additionally, provisions for maintenance capital expenditure have been excluded from operating expenses when present.

All other operating expenses are recognised under the local GAAP applicable to each business.

Aggregated cash flow statement

The aggregated cash flow statement represents the aggregation of the cash flows attributable to securityholders. This includes the cash flows of each of the stapled entities and their wholly owned subsidiaries, excluding entities that form part of the road operator company groups. As a result, it does not reconcile with the cash balances in the statutory results, which consolidate the cash balances of the wholly owned Dulles Greenway and Warnow Tunnel. The aggregated cash flow statement shows all cash received by the Group from its business portfolio as well as corporate level cash flows. All information in the aggregated cash flow statement is disclosed in Australian dollars using foreign currency exchange rates applicable to the relevant transactions.

Net debt

Net debt is calculated for each business by subtracting total cash on hand (including restricted cash holdings) from total debt at the end of the year. Where the profile of a debt instrument is either amortising or accretive, no adjustment is made to the principal balance presented at reporting dates which fall between specified interest capitalisation or debt amortisation dates. Therefore, net debt represents principal amounts inclusive of capitalised interest only unless otherwise stated.

Appendix 2 – Traffic and toll revenue performance

Table 37 – Traffic and toll revenue performance on pcp

Business	H1 19	H1 18	Change on pcp	Quarter on pcp			
				Sep 18	Dec 18	Mar 19	Jun 19
APRR							
Light vehicle VKTm	9,585	9,723	(1.4%)	1.1%	(2.9%)	(0.4%)	(2.4%)
Heavy vehicle VKTm	1,977	1,961	0.8%	3.0%	3.1%	2.2%	(0.6%)
Total VKTm	11,562	11,685	(1.0%)	1.3%	(1.8%)	0.1%	(2.1%)
Toll revenue (€m)	1,215	1,199	1.3%	3.9%	1.3%	2.4%	0.3%
ADELAC							
ADT	29,348	29,961	(2.0%)	1.3%	(1.5%)	(1.5%)	(2.6%)
Average daily toll revenue (€)	154,094	154,370	(0.2%)	3.4%	0.4%	0.7%	(1.0%)
Dulles Greenway							
ADT	49,146	50,284	(2.3%)	(4.7%)	(1.6%)	(1.9%)	(2.6%)
Average daily toll revenue (US\$)	244,331	245,282	(0.4%)	(2.0%)	0.8%	(0.4%)	(0.4%)
Warnow Tunnel							
ADT	12,967	12,358	4.9%	11.4%	13.7%	11.0%	0.1%
Average daily toll revenue (€)	34,980	32,305	8.3%	13.8%	17.4%	15.2%	3.1%
Portfolio average							
Weighted average traffic			(1.1%)	0.9%	(1.6%)	0.0%	(2.1%)
Weighted average toll revenue			1.2%	3.4%	1.5%	2.3%	0.3%

