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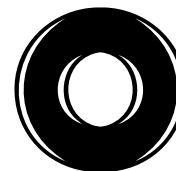
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## ASX RELEASE

### Macquarie Atlas Roads

#### Full Year Results to 31 December 2016



MACQUARIE

Macquarie Atlas Roads (MQA) today announces its full year results for the 12 months ended 31 December 2016.

#### Financial highlights

- Statutory net profit of A\$225.1 million<sup>1</sup> largely comprising share of net profit from MQA's investments in APRR and Dulles Greenway and proceeds from the Chicago Skyway sale.
- Portfolio traffic grew 3.7%<sup>2,3</sup> compared to the prior corresponding period (pcp), driven by increased traffic volumes on the APRR network and strong performance at the Dulles Greenway.
- Proportionate revenue increased 5.4% to A\$770.3 million<sup>3</sup>, reflecting a combination of higher traffic levels and tolls.
- Proportionate EBITDA<sup>4</sup> from road assets increased 6.3% to A\$562.4 million<sup>3</sup>.
- Full year distribution paid of 18.0 cents per security (cps), an increase from 16.0 cps in 2015.
- Full year 2017 distribution guidance of 20.0 cps reaffirmed, subject to asset performance, movements in foreign exchange rates and future events. MQA anticipates declaring a first half 2017 distribution of 10.0 cps during March 2017.

Peter Trent, Chief Executive Officer of MQA, commented: "MQA's asset portfolio delivered a strong result in 2016, with all assets achieving positive traffic, revenue and EBITDA growth over the year. Our portfolio has continued to generate value for securityholders through operational improvements, disciplined capital management and investing in our existing portfolio assets."

"During 2016 we continued the reshaping of our portfolio through the sale of our interest in Chicago Skyway in February and the acquisition of an additional indirect interest in ADELAC in November. Today's announcement to increase our economic interest in the Dulles Greenway to 100% represents another value accretive investment for our securityholders" Mr Trent said.

#### Operational update

APRR delivered toll revenue growth of 5.2% and EBITDA growth of 6.0% over the year, with traffic up 3.7% on pcp. The result reflects increased traffic volumes during the year and the February 2016 toll increases. APRR's EBITDA margin of 72.4% reflected continued disciplined cost management, despite the commencement of a ~€15.8 million annual infrastructure payment as agreed with the French State<sup>5</sup>.

1. Note the statutory result is not indicative of MQA's cash flows or future distributions.

2. Weighted average based on portfolio revenue allocation. MQA holds a 20.14% interest in APRR, 50% estimated economic interest in Dulles Greenway and 70% interest in Warnow Tunnel. Excludes M6 Toll and ADELAC.

3. On a like-for-like portfolio basis. Traffic, revenue and EBITDA results as disclosed in MQA's Management Information Report (MIR). Refer to the MIR for a reconciliation of the statutory results to the proportionate result.

4. Earnings before Interest, Tax, Depreciation and Amortisation.

5. The agreement with the French State in 2015 provides for APRR and AREA to contribute to French Transport Infrastructure Financing Agency (AFITF) at an average of ~€15.8 million annually (indexed), beginning 2016.

During 2016, APRR continued to reduce its net interest expense through replacing maturing facilities with new lower-cost debt. In June and November 2016, APRR issued €1.7 billion of debt under its Euro Medium Term Note program comprising:

- June 2016: €700 million of bonds issued with a coupon of 1.125% and a maturity of January 2026.
- November 2016: €500 million of bonds issued with a coupon of 1.25% and a maturity of January 2027, as well as €500 million of bonds issued with a coupon of 1.875% and a maturity of January 2031.

Dulles Greenway continued to perform strongly during 2016 with average daily traffic increasing 4.3% on pcp driven by continued corridor population growth and development. Higher traffic volumes and toll increases in February 2016 delivered toll revenue and EBITDA growth of 7.8% and 8.8%<sup>6</sup> respectively on pcp.

### Portfolio focus

MQA has today separately announced its intention to acquire the remaining 50% economic interest in Dulles Greenway pursuant to the exercise of MQA's pre-emptive right as co-investor. The acquisition price is US\$445.0 million and financial close is expected during the first half of 2017<sup>7</sup>.

In November 2016, MQA increased its indirect interest in ADELAC, the concessionaire of a 19.6 kilometre commuter road between Annecy in eastern France and Geneva in Switzerland, from 10.04% to 19.74%<sup>8</sup>.

### 2016 Management fee changes

In July 2016, MQA announced that notification of a revised base management fee arrangement had been received from MQA's manager/adviser, Macquarie Fund Advisers Pty Limited (MFA), replacing the previously notified fee waiver. Commencing 1 July 2016 and for subsequent quarters until further notice from MFA, the base management fees payable by MQA have been reduced to a flat 1.00% per annum for all market capitalisations.

### Distributions and outlook

MQA paid a total distribution of 18.0 cps for the full year 2016, up from 16.0 cps in 2015.

MQA today confirms distribution guidance for the full year 2017 of 20.0 cps, subject to asset performance, movements in foreign exchange rates and future events. MQA anticipates declaring a first half 2017 distribution of 10.0 cps during March 2017. It is expected that the distribution will include foreign dividend and capital return components.

### For further information, please contact:

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6. Operating expenses have been adjusted to exclude the recognition of project improvement expenses which are included in operating expenses following the US accounting standards change "Topic 853 Service Concession Arrangements" applicable from 1 January 2015.

7. The Acquisition remains subject to the customary conditions precedent and obtaining Committee on Foreign Investment in the United States (CFIUS) clearance.

8. MQA holds the additional indirect interest through Macquarie Autoroutes de France 2 SA (MAF2). MAF2 acquired a 24.10% interest in ADELAC for €67m. Given MQA has a 40.29% interest in MAF2, MQA's implied pro-rata share was ~€27m.