Atlas Arteria

2018 Half Year Results Presentation

30 August 2018

atlasArteria

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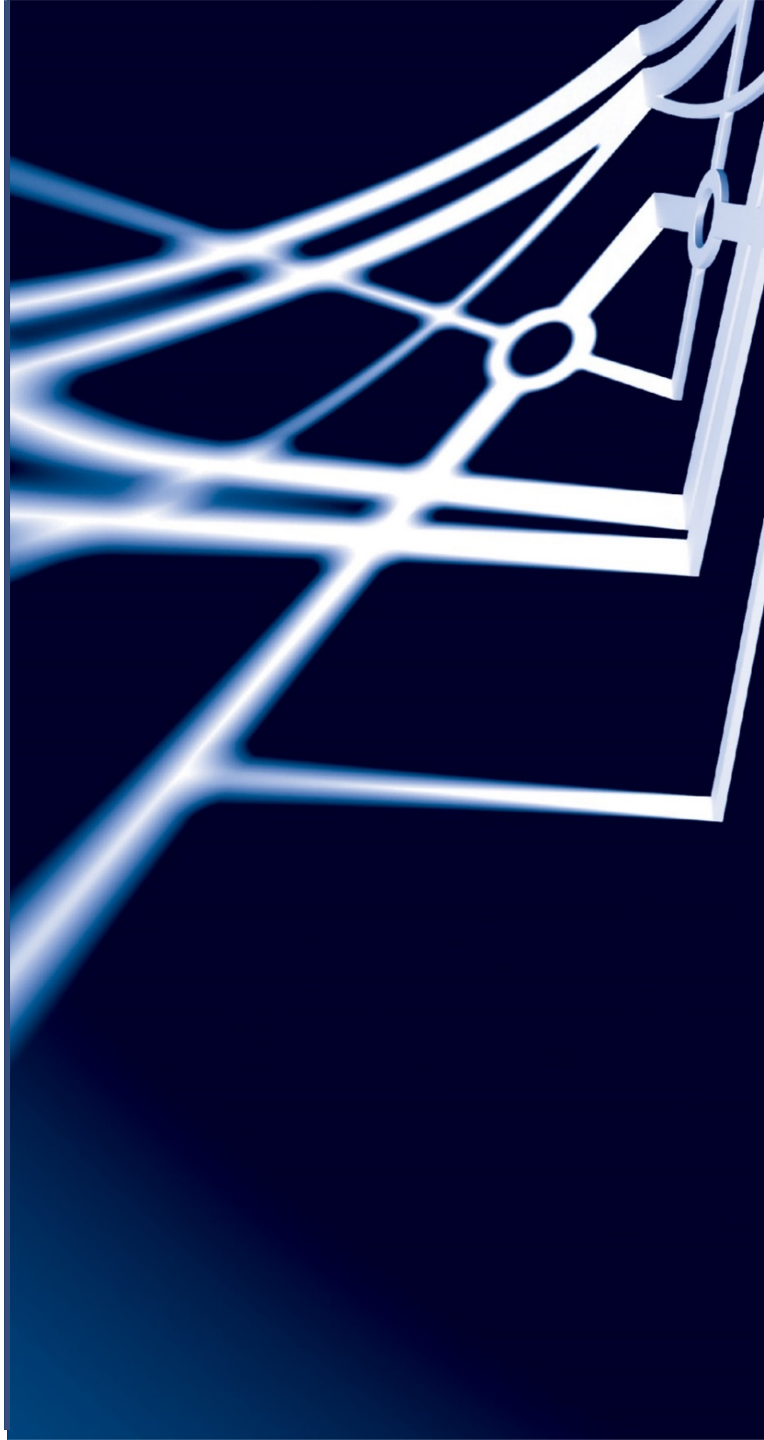


01 Overview

James Hooke,
Chief Executive Officer

1H18 snapshot

ALX's portfolio continued to deliver positive growth in 1H18

▲3.4% **Traffic**

▲5.6% **Revenue**

▲6.2% **EBITDA**

1H18 highlights

- **Positive asset performance**: continued growth in weighted average traffic, revenue and EBITDA across the portfolio
- **Ongoing focus on interest savings** across ALX's portfolio:
  - The MIBL facility was refinanced and upsized by €200m with the proceeds mainly used to repay the more expensive Dulles Greenway asset finance facility
  - Expiry of the Eiffarie swaps are anticipated to deliver pre-tax interest savings of ~€150m per annum[1]
  - Average cost of debt for the portfolio during 1H18 was 3.9%, or 2.9% pro forma for the expiration of the Eiffarie interest rate swaps[2]
- **Continued portfolio simplification:** agreement to acquire the remaining 30% interest in Warnow[3]
- **Internalisation Proposal** approved by securityholders
- **Favourable FX movement**: USD and EUR strengthened by 3.9% and 6.2% against AUD respectively during the period[4]

1. Due to timing of distributions between APRR Group and ALX, the impact of the first years' cost savings will be split between ALX's FY18 and FY19 distribution.
2. Calculated using ALX's proportionate interest expense and average gross debt balances, using average FX rates and beneficial ownership interests over the period. Asset level debt balances are based on average opening and closing balances over the period. MIBL facility and Dulles Greenway asset finance facility debt balances are based on beneficial interest over the period.
3. Announced on 15 August 2018. Financial close expected by end 2018, subject to customary closing conditions and approvals.
4. Calculated using spot FX as at 30 June 2017 and 30 June 2018 per ALX Management Information Reports.

Traffic performance

Strong traffic growth in European assets, partially offset by weaker performance at Greenway

- Weighted average traffic across the portfolio grew by 3.4%, underpinned by strong European asset performance attributable to favourable economic conditions
- The portfolio benefitted from asset diversification across different geographies and network dynamics
- APRR and Warnow traffic further benefitted from temporary events which impacted competing travel alternatives

Portfolio EBITDA contribution (%)[1]

APRR
▲ 4.6%

86%

- APRR continued to outperform long term averages, benefitting from a favourable French economic environment and the inclusion of an additional 5.5km link[2]
- Industrial action in the rail and air sectors[3] also had a temporary positive impact

ADELAC
▲ 2.3%

2%

- Traffic benefitted from increased tourist and commuter traffic levels and an overall favourable economic environment

Greenway
▼ 5.8%

11%

- Greenway traffic continued to be adversely impacted by improvements to surrounding road network
- Adverse weather conditions during the period also negatively impacted traffic in the first half of 2018
- Traffic decline on pcp was ~5% (after adjusting for weather impacts), consistent with guidance previously provided to the market

Warnow
▲ 8.4%

1%

- Traffic performance materially benefitted from temporary maintenance activities on competing routes in and around Rostock

1. Based on proportionate EBITDA weighted by ALX's average beneficial interest in its assets and average exchange rates over the period, as disclosed in ALX's Management Information Report.
2. As part of the Management Contract agreed with the French State.
3. French rail employees undertook industrial action from April – June 2018. During this period, rail traffic was temporarily driven onto alternative transportation means, including on the APRR. In addition, Air France strikes during one week in April temporarily drove additional traffic onto the APRR network.

Business focus

Asset management initiatives

- Key capital project planning continues to progress at APRR and Greenway:
  - 2017 State Capex Plan continues to be reviewed by French State; and
  - the DTR Connector Project remains subject to certain approvals
- Greenway performance is a key focus: business improvement initiatives to optimise asset performance continue

Capital structure optimisation

- Continued review and optimisation of the group and individual asset capital structures to enhance the distributable cash flow profile to securityholders
- Completion of the refinancing and upsizing of the MIBL debt facility
- Greenway asset finance facility repaid

Portfolio simplification

- Agreement to acquire the remaining 30% interest in Warnow[1]
  - 100% ownership creates optionality for ALX to optimise the value of the asset in the future
  - Financial close anticipated by end of 2018 subject to customary closing conditions and approvals

Internalisation

- CEO Elect and CFO Elect appointed and the two management teams are working closely to ensure a smooth transition
- Near term focus on recruitment and establishing appropriate software, systems and processes
- New management team is actively working with Macquarie and key stakeholders at all assets

1. Announced on 15 August 2018.

Capital structure optimisation

Ongoing focus on optimising capital structure on a portfolio and individual asset basis

Portfolio leverage

- Portfolio currently moderately geared at Net Debt / EBITDA[1] of 6.3x (1H17: 6.7x) with a EBITDA / Interest[2] coverage ratio of 3.4x
- Average cost of debt for the portfolio during 1H18 was 3.9%, or 2.9% pro forma for the expiration of the Eiffarie interest rate swaps[3]
- ALX completed a refinancing and €200m upsizing of the MIBL debt facility, with proceeds used to repay the US$175m Greenway asset finance facility which had a higher cost of debt
  - Resulted in net interest savings[4]; and
  - Partially funded the final performance fee payment[5]

Asset leverage

- **APRR**: Investment grade credit rated A- (Stable Outlook) by S&P and Fitch with modest gearing, strong liquidity and extended average debt maturity profile
  - APRR Group Net Debt / EBITDA currently at 4.5x[6]
  - €2.8bn of liquidity available
- **Greenway** and **Warnow** remain in distribution lock-up and Warnow in cash sweep
- Capital structure optimisation alternatives subject to ongoing review

1. Calculated using FX rates and ownership interests as at 30 June of each period. Net debt and EBITDA figures as disclosed in ALX's Management Information Reports. Based on EBITDA for the 12 months to 30 June of each period.
2. Based on EBITDA and interest expense for the 12 months to 30 June 2018. Calculated using average FX rates and beneficial ownership interests in the 12 months to 30 June 2018.
3. Calculated using ALX's proportionate interest expense and average gross debt balances, using average FX rates and beneficial ownership interests over the period. Asset level debt balances are based on average opening and closing balances over the period. MIBL facility and Dulles Greenway asset finance facility debt balances are based on beneficial interest over the period.
4. Based on base interest rates at the time of announcement on 1 June 2018.
5. Pursuant to the Internalisation Proposal approved by securityholders, total aggregate final performance fee instalments of A$115.3m for 2016, 2017 and 2018 were settled (A$25.0m in cash and A$90.3m through a reinvestment in ALX securities). A performance fee equal to 15% of the total cash flows from the APRR investment would also become payable by ALX to Macquarie after an 8% IRR is achieved by ALX on its APRR investment. The performance fee calculation commences on 16 May 2019, and investment base value set to fair market value.
6. Excluding MIBL facility, as at 30 June 2018 . Including MIBL facility, Net Debt / EBITDA would be 5.3x.

ALX distributions

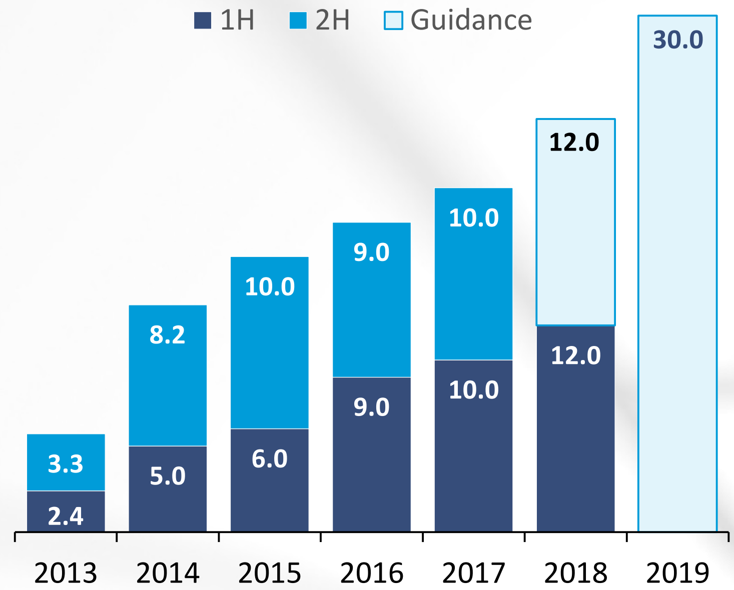
2H18 distribution guidance of 12.0 cps confirmed[1]

- Expected to declare during September 2018 with payment in early October
- Underpinned by APRR and subject to foreign exchange movements and future events

2019 distribution guidance of 30.0 cps

- Underpinned by APRR and subject to asset performance, foreign exchange movements and future events
- Distribution guidance does not include:
  - Any effect resulting from changes to or negotiations regarding: the currently amortising Eiffarie debt facility; intra-group loans (involving AREA distributions to APRR[2]); the MAF advisory agreement; or distributions from the APRR Group
  - Contributions from or assumptions about the future possible exit of lock up or cash sweep arrangements, or amount, if any, of cash that may be released
- ALX does not currently hedge its foreign currency exposure

ALX distributions (cps)



Cash reconciliation		A$m
Pro forma available cash - 30 August 2018		52.9
Add: September 2018 receipt from MAF / MAF2[3]	~€89.7m	143.0[4]
Less: proposed ALX distribution (12.0cps)		(82.0)
Cash balance post 2H18 distribution payment		**113.9[5]**

1. Distribution guidance of 24.0 cps provided on 28 February 2018 for FY18. 12cps distribution paid in 1H18.
2. As disclosed on page 34 of the 2014 Full Year Results Presentation.
3. Represents distributions received from FE, less cash reserves for estimated taxes and expenses at MAF / MAF2.
4. FX assumption – AUD / EUR: 1.5938.
5. Includes cash reserved to fund base fees, interest at the MIBL facility, internalisation costs and other corporate costs.

02 Financial Performance

Mark Goodrick,
Chief Financial Officer

Consolidated income statement
Statutory accounts

A$m	6 months ended 30 June 2018 ALX Corporate	Dulles Greenway[1]	ALX Total	6 months ended 30 June 2017 ALX Total
Total revenue and other income	0.3	59.3	59.6	408.9[2]
Share of net profits of associates	127.5[3]	-	127.5	81.7
Performance fees	(70.6)[4]	-	(70.6)	(8.0)
Management fees	(17.7)	-	(17.7)	(15.5)
Other operating expenses	(11.5)[5]	(44.3)	(55.8)	(16.7)
Finance costs	(23.3)	(35.6)	(58.9)[6]	(11.2)
Income tax (expense) / benefit	(0.0)	0.5[7]	0.5	(1.7)
Result for the half year attributable to ALX securityholders	**4.6**	**(20.1)**	**(15.5)**	**437.6**

1. Consolidated results of TRIP II included from acquisition date (16 May 2017) in the prior period and for the entire six months in the current period.
2. Includes revaluation of the original investment in Dulles Greenway of A$375.6m.
3. Includes A$127.5m equity accounted profit from interest in APRR (2017: A$85.6m) and no Dulles Greenway loss in the current period as it was consolidated (2017: loss of A$3.9m).
4. Represents full 2018 performance fee of A$54.7m and second and third instalments of 2017 performance fee of A$15.9m (2017: A$8m, comprising only the first instalment of 2017 performance fee).
5. Includes management internalisation related expenses of A$5.4m (2017: nil).
6. Finance costs relating to debt drawn down for Dulles Greenway acquisition, APRR acquisition and Dulles Greenway bond interest.
7. Includes amortisation of deferred tax liability recognised on acquisition of remaining TRIP II bond interest of A$0.5m (2017: A$0.2m).

Consolidated balance sheet
Statutory accounts

			As at 30 June 2018	As at 31 Dec 2017
A$m	ALX Corporate	Dulles Greenway[1]	ALX Total	ALX Total
Current assets	89.0	68.1	157.1	124.0
Investments in associates	1,548.3	-	1,548.3	1,483.3
Tolling concessions	-	2,280.5	2,280.5	2,189.7
Goodwill	-	62.0	62.0	58.7
Other non-current assets	6.8	159.3	166.1	154.3
Total assets	**1,644.1**	**2,569.9**	**4,214.0**	**4,010.1**
Current liabilities	(126.9)[2]	(78.8)	(205.7)	(129.6)
Non-current liabilities	(546.3)[3]	(1,309.4)	(1,855.7)	(1,718.4)
Total liabilities	**(673.2)**	**(1,388.1)**	**(2,061.4)**	**(1,848.1)**
Net assets	**970.9**	**1,181.7**	**2,152.6**	**2,162.1**

1. Consolidated assets and liabilities of TRIP II at 30 June 2018.
2. Includes full 2018 performance fee (A$54.7m), the second and third instalments of 2017 performance fee (A$15.9m) and third instalment of 2016 performance fee (A$44.7m). Subsequently settled in July 2018.
3. Includes new APRR asset finance facility (€350.0m).

ALX corporate cash flow summary

Available cash (A$m)	1H18	1H17
Opening balance – 1 January	**39.8**	223.4
Distributions from APRR[1]	103.7	77.1
Fees from M6 Toll and Warnow Tunnel[2]	-	5.2
Interest on corporate cash balances	0.3	1.4
Management fees paid	(17.3)	(13.6)
Payments to suppliers	(8.9)[3]	(2.5)
Other, including tax payments	0.2	(7.3)
Net operating cash flows	**78.0**	60.3
Payment for purchase of investments	-	(602.1)
Proceeds from issue of securities	-	203.9
Proceeds from borrowings	534.7[4]	228.1
Repayment of borrowings	(465.2)[4]	-
Distributions paid[5]	(80.4)	(57.3)
Interest paid[6]	(10.5)	-
Payment for purchase of derivative financial instruments[7]	(4.8)	-
Exchange rate movements	(3.2)	0.1
Closing balance – 30 June	**88.4**	56.5
Management fees paid in July	(9.6)	
Cash performance fees paid in July[8]	(25.9)	
Pro forma available cash – 30 August	**52.9**	

1. Distributions from Financière Eiffarie (FE) of €64.3m in March 2018 (March 2017: €54.8m).
2. Transfer of 100% ordinary equity interest in the M6 Toll to the M6 Toll lender group occurred in May 2017 and a final management fee of £2.6m was received in 2017.
3. Payment to suppliers includes internalisation related costs of A$5.9m.
4. Refinancing and upsizing of MIBL facility from €150.0m to €350.0m and repayment of Dulles Greenway asset finance facility from upsizing proceeds.
5. 12.0 cps 1H18 distribution paid in April 2018 (1H17: 10.0 cps).
6. US$5.8m interest paid on the Dulles Greenway asset finance facility plus €1.8m interest paid in total for the MIBL facility.
7. Payment for purchase of interest rate caps on the upsized MIBL facility.
8. As outlined in the Internalisation Proposal approved by securityholders at ALX's 2018 AGM, total aggregate performance fees of A$115.3m[1] were settled, A$25.0m (excluding A$0.9m of GST) in cash and A$90.3m through a reinvestment in ALX securities. This will be the final[2] performance fee payable to Macquarie.

Note: This slide contains information about ALX's corporate cash flows only and excludes all cashflows relating to operations at TRIP II. Accordingly it will not reconcile with the statutory Financial Report.

1. Pursuant to the Internalisation Proposal approved by securityholders, a 2018 performance fee of A$54.7m was calculated for the 12 months ended 30 June 2018 and payable in one instalment. The 2nd instalment of the 2017 performance fee of A$8.0m and the 3rd instalment of the 2016 performance fee of A$44.7m met the requisite performance criteria for the 12 months ended 30 June 2018. The 3rd instalment of the 2017 performance fee of A$8.0m, was payable without further performance fee testing.
2. A performance fee equal to 15% of the total cash flows from the APRR investment would also become payable by ALX to Macquarie after an 8% IRR is achieved by ALX on its APRR investment. The performance fee calculation commences on 16 May 2019, and investment base value set to fair market value.

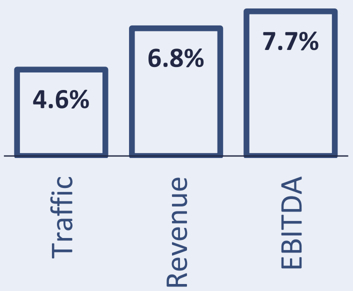
03 Asset Review

James Hooke,
Chief Executive Officer

1H18 asset performance

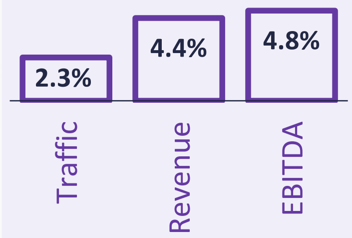
Strong European asset performance partially offset by weaker performance at Dulles Greenway

APRR



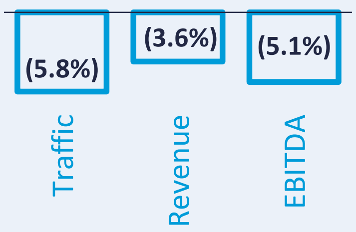
- Revenue growth supported by traffic growth and an average ~2% toll increase in February
- Continued EBITDA margin improvement (76.0% in 1H18 vs. 75.4% in 1H17)

ADELAC



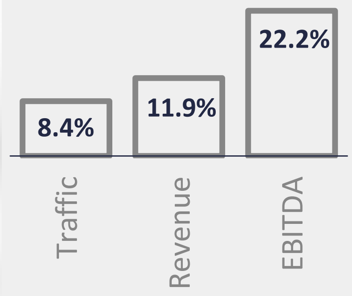
- Overall performance benefitted from a combination of higher traffic levels and toll increases
- 1H18 EBITDA margin: 83.1% (1H17: 82.8%)

Dulles Greenway



- Revenue performance was impacted by weaker traffic, partially offset by the March toll increases (2.7% for peak and 2.2% for off-peak)
- 1H18 EBITDA[1] margin: 80.4% (1H17: 81.7%)

Warnow



- Revenue performance attributable to higher traffic and higher tolls
- 1H18 EBITDA margin: 77.0% (1H17: 70.5%)

1. EBITDA adjusted to exclude Project Improvement Expenses. 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 for prior period figures to be comparable and also to present expenses in the form used for the TRIP II covenant testing (Topic 835).

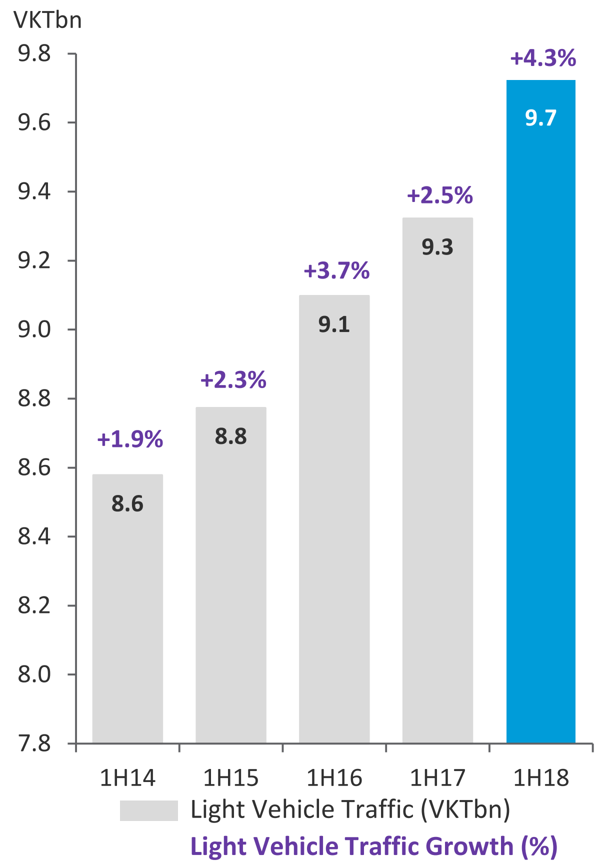
APRR
1H18 results[1]

▲4.6% **Traffic**
11.7bn VKT[2]

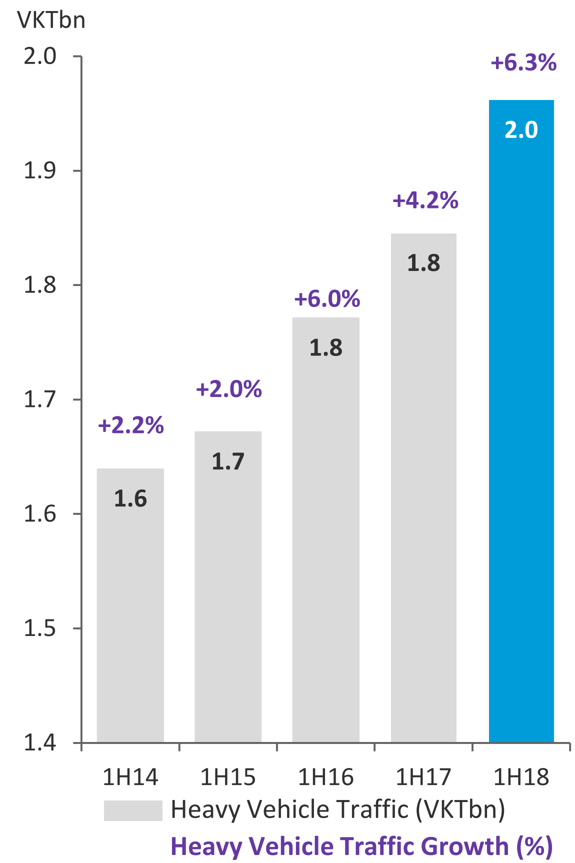
▲6.8% **Revenue**
€1,234.7m

▲7.7% **EBITDA**
€939.0m

Light vehicles



Heavy vehicles

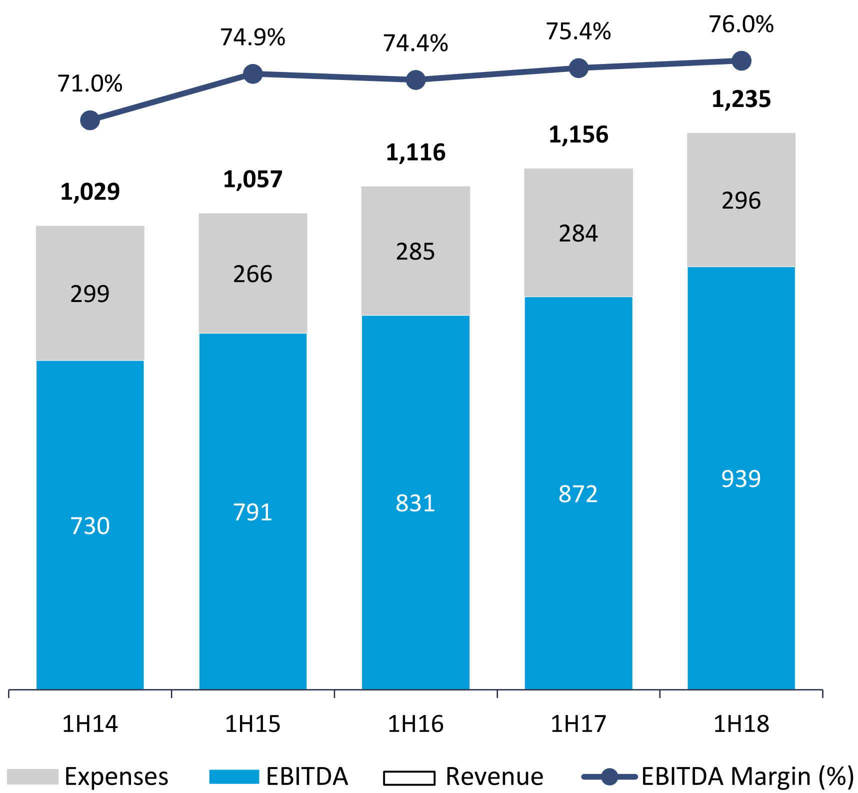


Note: APRR represents APRR and its subsidiaries. APRR Group represents a consolidation of Financière Eiffarie, Eiffarie, APRR and its subsidiaries. References to APRR and APRR Group exclude ADELAC financial information.
1. Results on this slide are reported on a 100% asset basis and in the natural currency of the asset.
2. Vehicle Kilometres Travelled.

APRR
Financial performance

Continued revenue growth with ongoing cost management

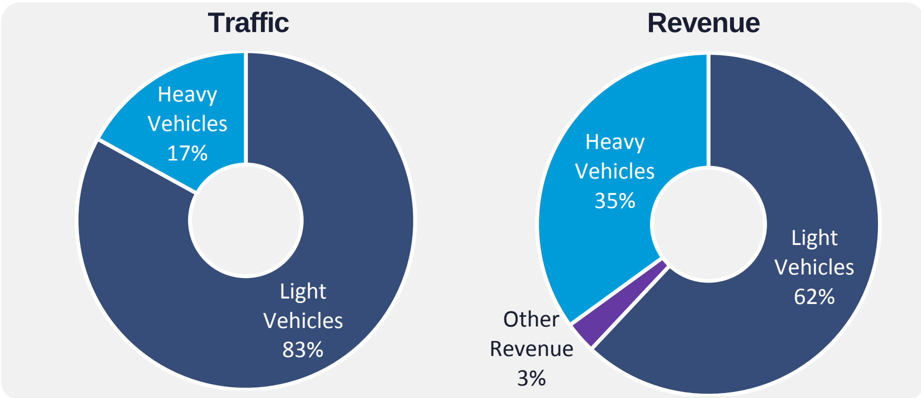
5 year financial performance (€m)



1H18 financial performance

- Revenue growth attributable to strong traffic growth, toll increases and favourable traffic mix (relatively stronger heavy vehicle traffic growth)
  - Toll increase of 2.00% for APRR and 2.04% for AREA in February 2018
- Operating expenses increased by 4%, mainly attributable to operating tax increases as a result of traffic growth
- EBITDA margin of 76.0% (from 75.4% in 1H17), mainly driven by revenue growth

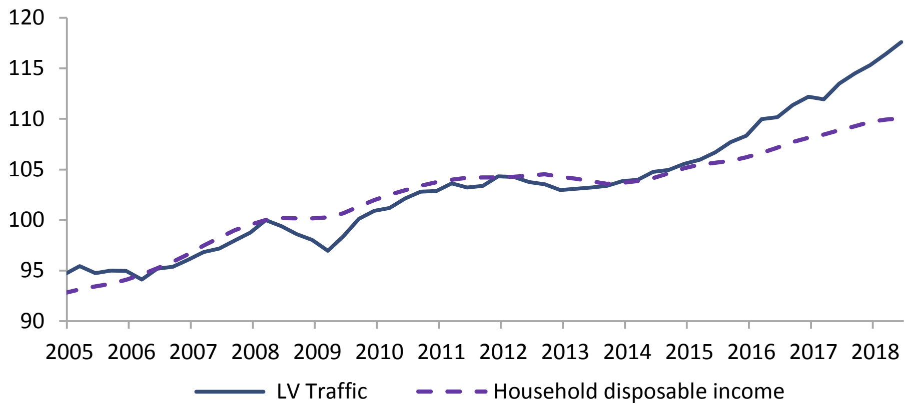
1H18 traffic and revenue segmentation



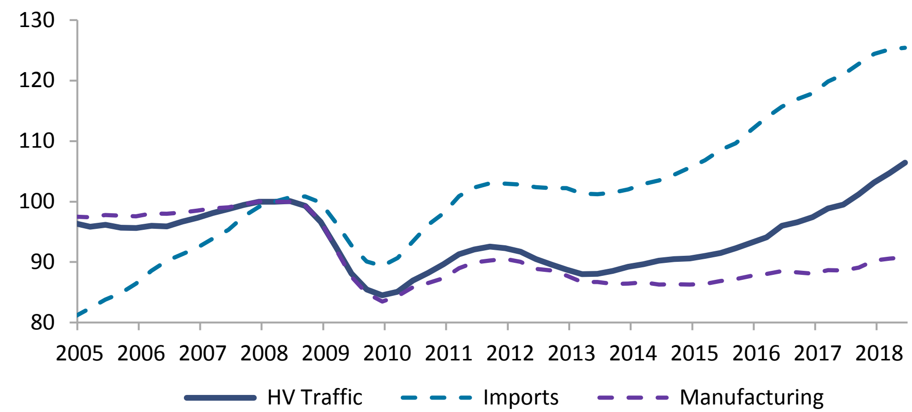
APRR
French macroeconomic environment

APRR remains well positioned to benefit from further improvements in French economic activity

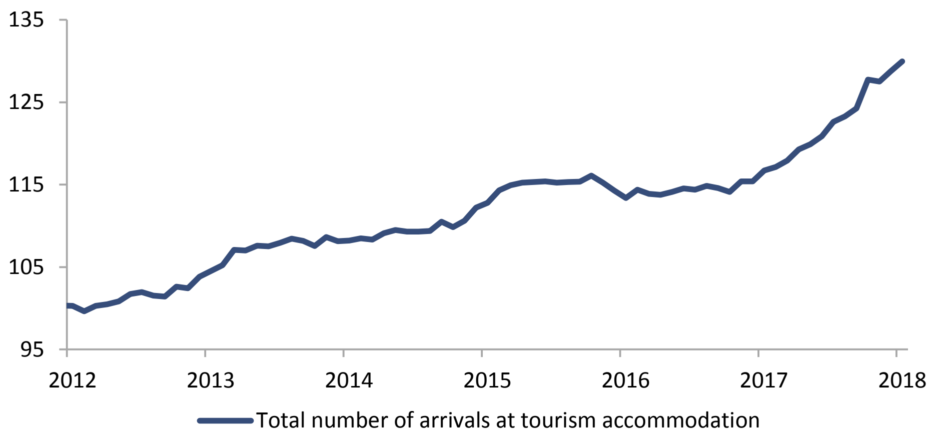
Household disposable income and APRR light vehicle traffic[1]



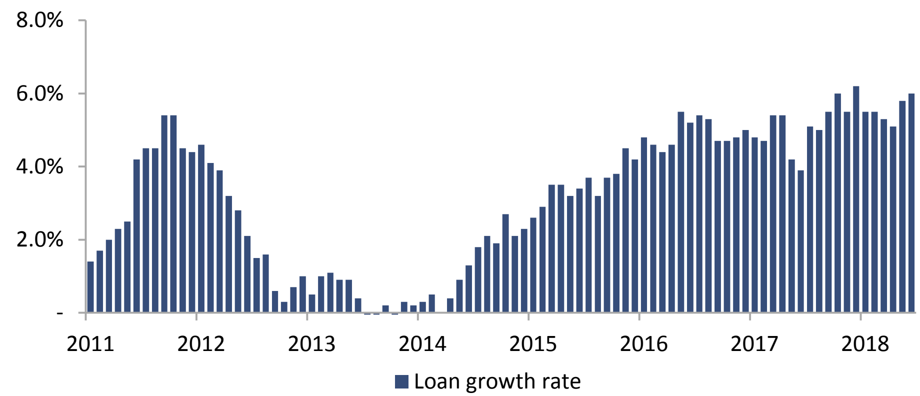
Import, manufacturing and APRR heavy vehicle traffic[1]



Tourism accommodation rates[2]



Loans to non-financial corporations – annual growth rate[3]

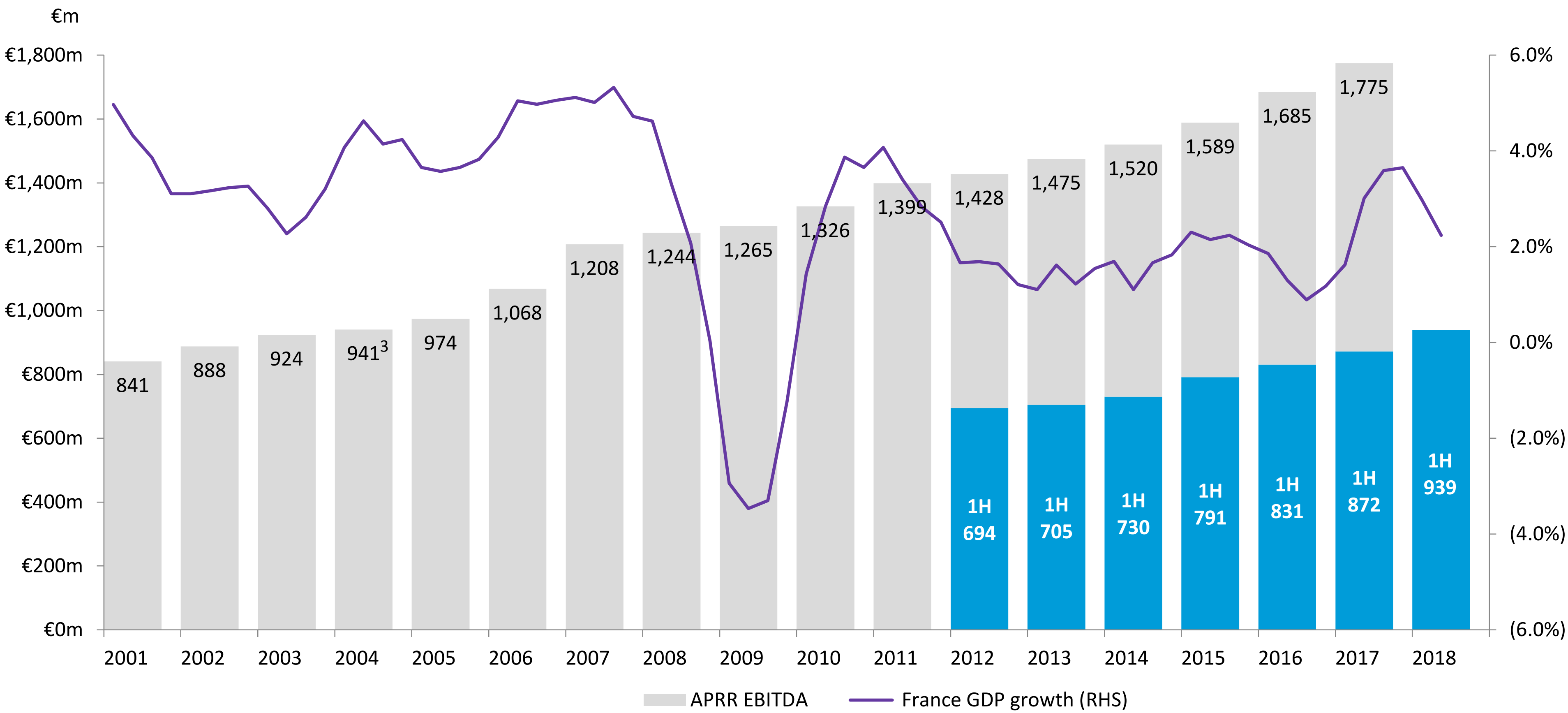


1. Source: French National Institute of Statistics and Economic Studies (INSEE), July 2018. Moving 12 month average; indexed to the 12 months to March 2008.
2. Source: INSEE, July 2018. Includes hotels, camp sites, youth hostels, international accommodation centres, sports centres, tourism and hotel residences, family holiday homes and holiday villages. Moving 12 month average; indexed to the 12 months to December 2011.
3. Source: Bank of France, July 2018. Annual growth rate calculated on a monthly basis.

APRR
Earnings stability

Continued EBITDA growth recorded in 1H18, displaying strong resilience through economic cycles

APRR EBITDA[1] and France GDP[2] growth



1. Represents performance of APRR consolidated statements excluding ADELAC.
2. Source: INSEE, June 2018; quarterly growth on pcp.
3. EBITDA from 2004 onwards prepared using IFRS.

APRR
Financing costs

Opportunity for ongoing APRR Group debt cost saving continues. Expiry of the legacy swaps at Eiffarie are anticipated to provide significant future interest savings

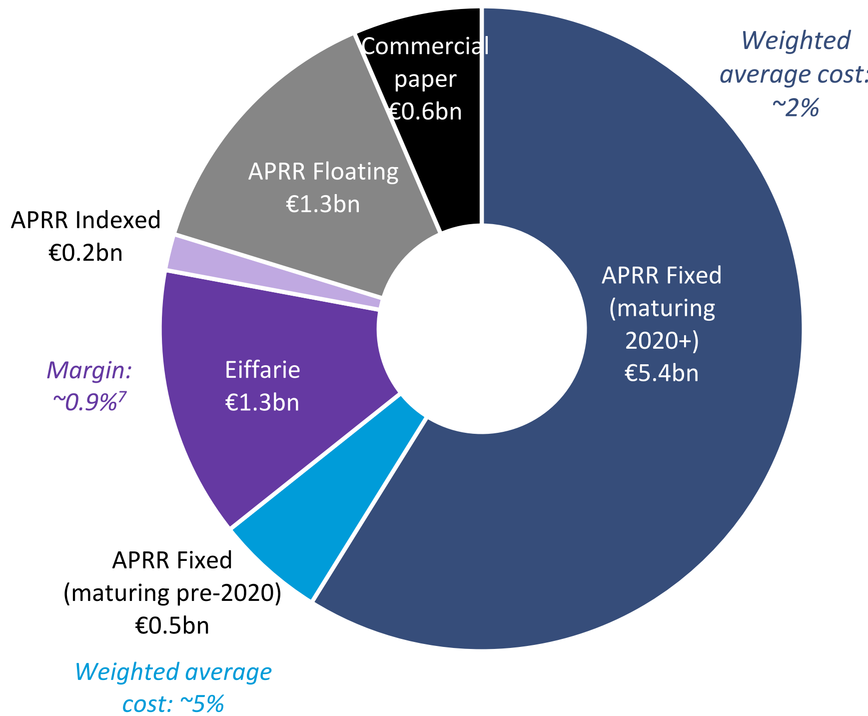
APRR

- **APRR** 1H18 net interest expense decreased €14m[1] compared to 1H17
  - €150m of floating EIB[2] facilities with an average margin of ~1% were replaced with commercial paper at negative rates
- Further opportunity to continue replacing debt at **APRR** with lower cost facilities over the next two years[3]
  - APRR recent debt issuances were at a weighted average cost of 1.6% and maturity of ~15 years[4]

Eiffarie

- €3.2bn swaps at **Eiffarie** with an average cost of 4.6% expired on 30 June 2018
  - Anticipated to provide **pre-tax interest savings** of ~€150m per annum[5]

APRR / Eiffarie cost of debt[6]

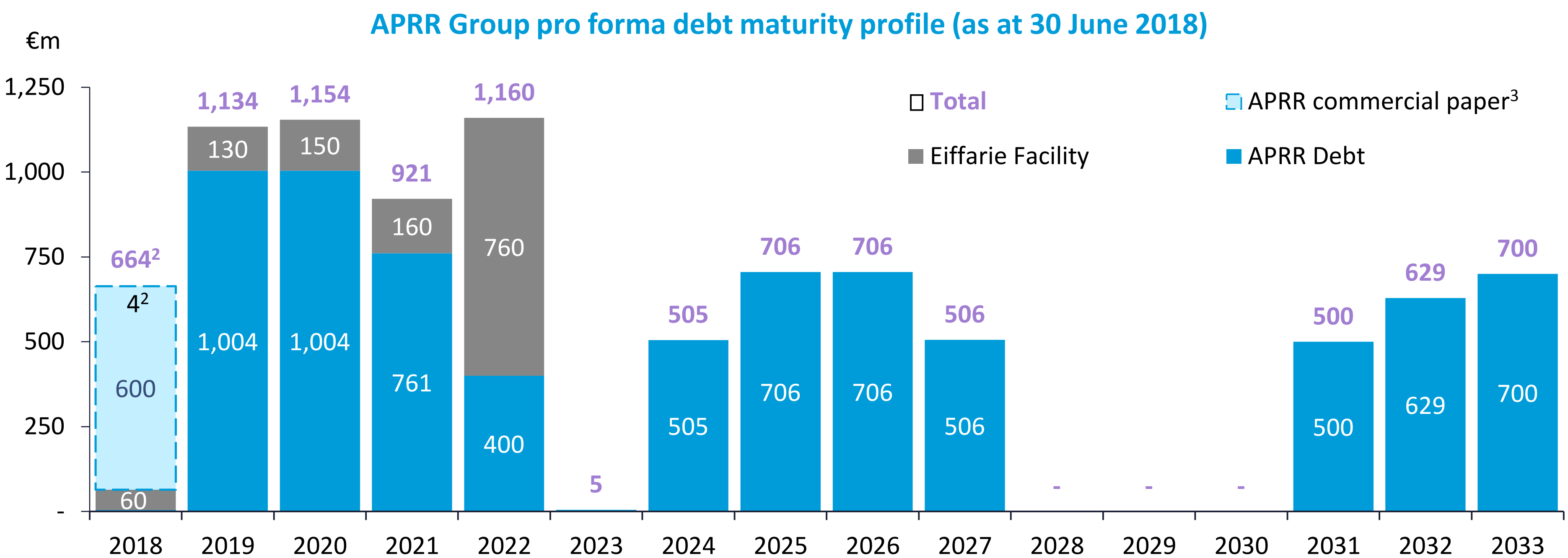


1. APRR consolidated net interest expense excludes debt at the Eiffarie level. Total APRR Group net interest expense including Eiffarie debt and swaps reduced by 10% from 1H17.
2. European Investment Bank.
3. Subject to market conditions.
4. APRR issued a total of €1.3bn of debt during 2017 at the weighted average cost of 1.6%.
5. Due to timing of distributions between APRR Group and ALX, the impact of the first year's cost savings will be split between ALX's FY18 and FY19 distributions.
6. As at 30 June 2018.
7. Eiffarie cost of debt excludes ~€3.2bn swaps which matured on 30 June 2018.

APRR
Debt profile

Sustainable debt maturity profile with strong liquidity position

- APRR is investment grade credit rated A- Stable Outlook by both S&P and Fitch
- APRR Group Net Debt balance of €8.3bn[1] as at 30 June 2018; representing 4.5x Net Debt / EBITDA
- As at 30 June 2018, the APRR Group has €2.8bn of liquidity via €1.8bn undrawn revolving credit facility and ~€1.0bn cash on balance sheet



Note: APRR Group debt excludes the MIBL facility and ADELAC debt which is not consolidated in APRR accounts.
1. Includes €0.7bn of short term debt (including €0.6bn in commercial papers), accrued interest and mark to market on swaps at APRR.
2. 2H18 debt maturity includes €4m of Caisse Nationale des Autoroutes (CNA) debt at the APRR level.
3. APRR has historically used commercial paper programme to manage short term funding requirements. Recent commercial paper issuances were at negative rates.

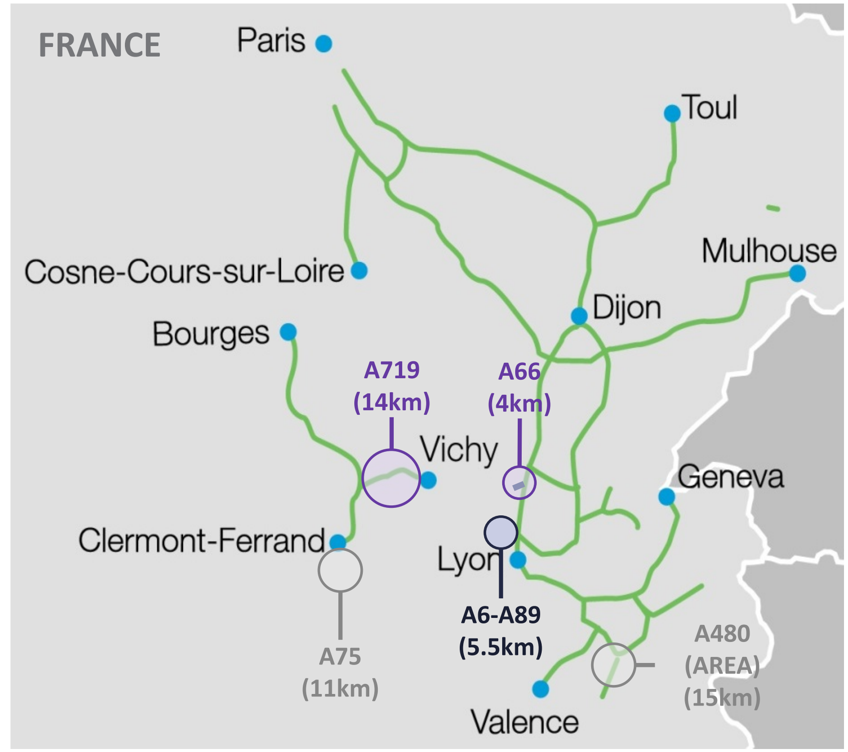
APRR
Capital projects

Continued investment into growing and improving the existing network

Ongoing opportunities within the APRR footprint

- APRR continues to grow and improve its existing network, with ongoing investment via:
  - 2014-2018 Management Contract (€500m)
  - 2015 Stimulus Package (€720m)
- 2017 State Capex Plan
  - The revised plan is currently under review by the French State
  - The final scope of work and overall capex spend may be less than the €222m previously disclosed
- A total of 50km of network were added since 2015 with further network developments underway: interchanges, road widenings, link roads and other user improvements
  - **5.5km** of new motorway added in March 2018: A6-A89 link west of Lyon
- Capital expenditure guidance (real as at Dec 2017)[1]:
  - 2018-2020: average ~€360m per annum
  - 2021-2035: average ~€190m per annum

50km of the APRR network added since 2015



Additional sections: 2015 2017 2018

1. Anticipated average annual APRR capital expenditure requirements, including maintenance capital expenditure. Includes Management Contract and Stimulus Package but excludes the 2017 State Capex Plan.

ADELAC
1H18 results[1]

▲2.3% **Traffic**
29,961 ADT[2]

- Performance continued to benefit from favourable French and Swiss economic environment

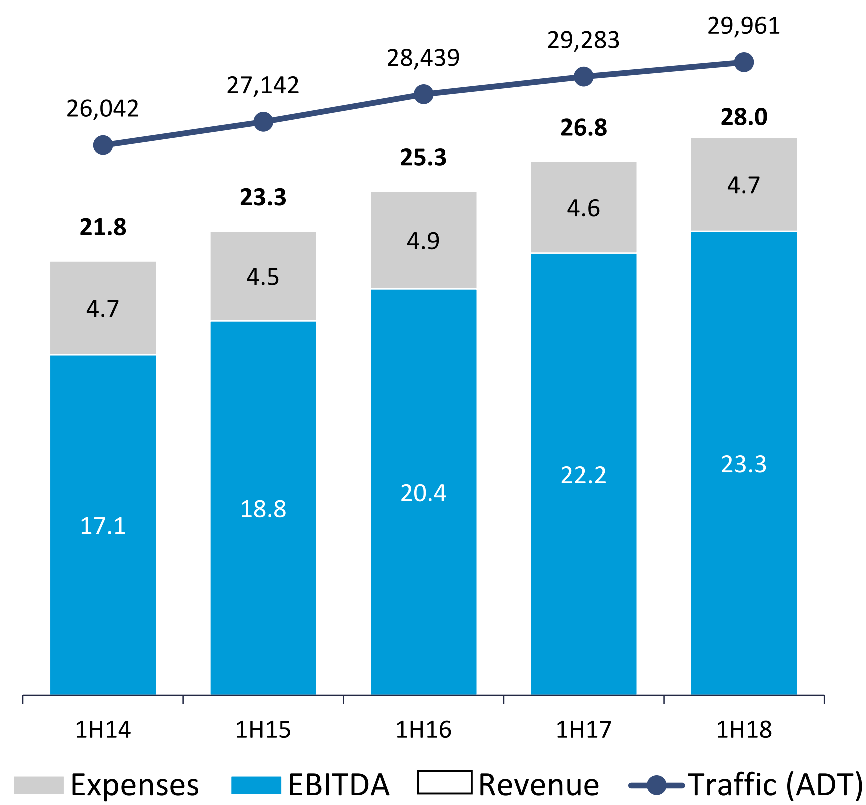
▲4.4% **Revenue**
€28.0m

- Revenue growth driven by traffic growth and toll increases

▲4.8% **EBITDA**
€23.3m

- Continued improvement in EBITDA margin: 83.1% (1H17: 82.8%)

Financial performance (€m) vs traffic (ADT)



1. Results on this slide are reported on a 100% asset basis and in the natural currency of the asset.
2. Average Daily Traffic.

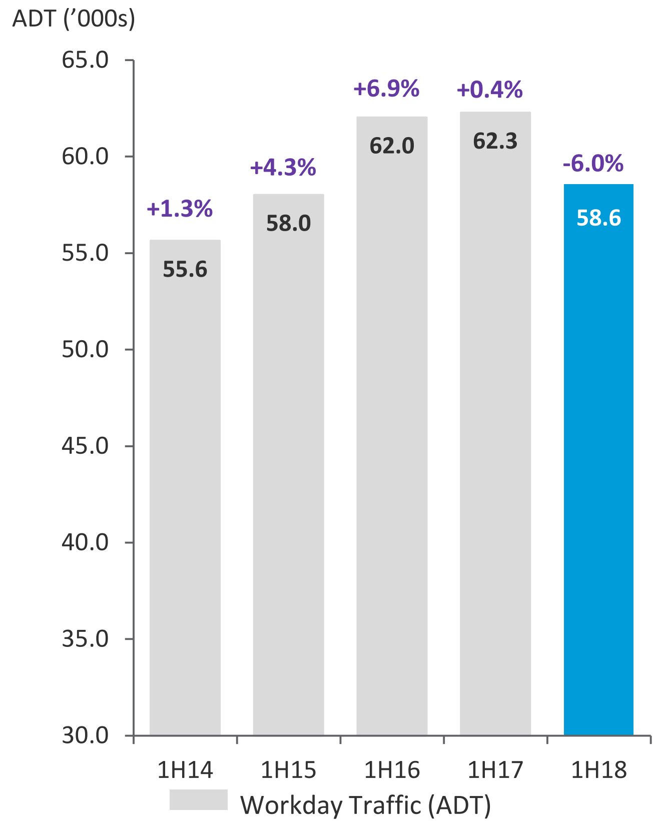
Dulles Greenway
1H18 results[1]

▼5.8% Traffic
50,271 ADT[2]

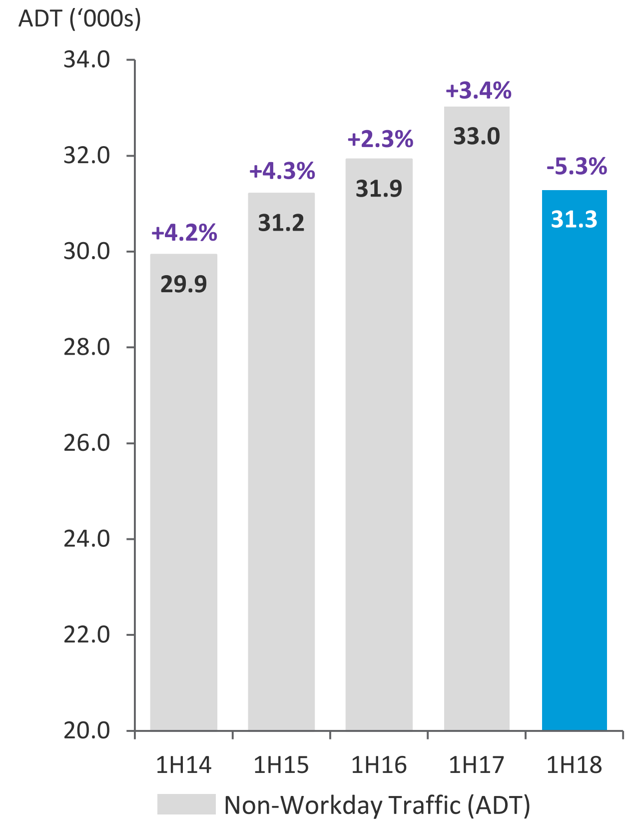
▼3.6% Revenue
US$44.6m

▼5.1% EBITDA
US$35.9m

Workday traffic performance



Non-Workday traffic performance



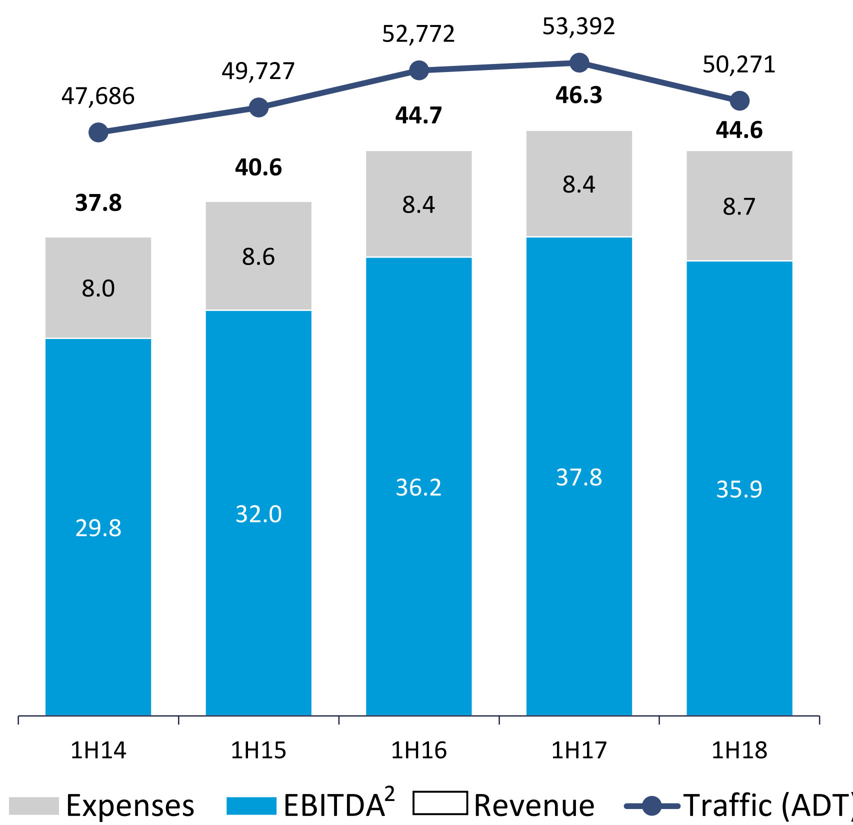
1. Results on this slide are reported on a 100% asset basis and in the natural currency of the asset.
2. Average Daily Traffic.

Dulles Greenway
Performance

Overall performance was adversely impacted by traffic, partially offset by March 2018 toll increases

- Traffic continued to be adversely impacted by upgrades on competing routes in the corridor as well as weather events during the period
  - Traffic was consistent with anticipated decline of ~5% for 1H18 on pcp (adjusting for weather impacts)
- Revenue was impacted by traffic levels, partially offset by toll increases (2.7% for peak and 2.2% for off-peak) during March 2018
- 1H18 EBITDA[2] margin decreased to 80.4% from 81.7% in 1H17, with revenue performance being the main driver
  - Management expects operating costs for FY18 to be broadly in line with FY17, subject to weather events, notwithstanding increases in property tax and State Police costs in 1H18

Financial performance (US$m)[1] vs traffic (ADT)



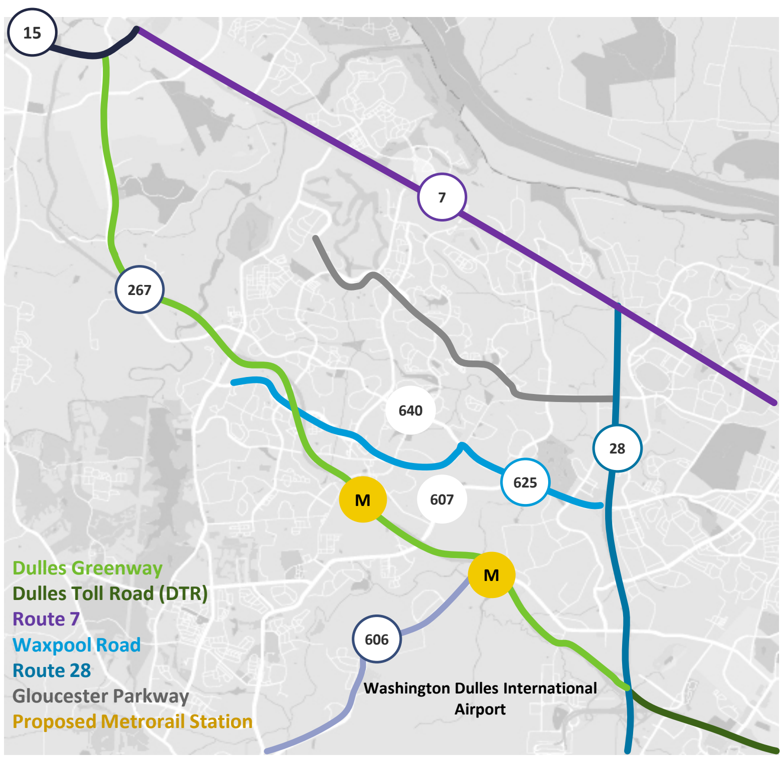
1. VIP cash back payments have been reclassified from operating expenses to revenue in prior years. This adjustment has no impact on EBITDA.
2. EBITDA adjusted to exclude Project Improvement Expenses. Operating expenses have been adjusted to exclude the recognition of Project Improvement Expenses which are included in operating expenses following the US accounting standards change for prior period figures to be comparable and also to present expenses in the form used for the TRIP II covenant testing (Topic 835). Including Project Improvement Expenses, 1H18 EBITDA was US$35.3m.

Dulles Greenway
Corridor dynamics

Local network developments have resulted in continued traffic volatility on the Greenway

Corridor update

- Improvements to competing routes and construction activities in the corridor continued to impact Greenway traffic during 1H18
- Greenway will cycle through to lower comparable period traffic as the impact of earlier road improvements is reflected in prior period traffic performance
- Loudoun County remains a fast growing, affluent region with ongoing investment into housing and infrastructure in the region



- Traffic continued to be affected by upgrades to alternative routes in the corridor, although development activities have moderated:
  - Removal of traffic signals along **Route 7** (including one light in 1H18)
  - Completion of widening works on **Route 28** (between Dec 16 and May 17)
  - Increasing usage of the **Gloucester Parkway** extension since it opened in Aug 16, as well as **Waxpool Road** as a result of congestion relief provided by the Gloucester Parkway extension
- Ongoing Metrorail construction at the eastern end of the Greenway continues to have a negative impact on Greenway traffic

Dulles Greenway
Asset management initiatives

Seeking to drive performance through addressing challenges faced by the Greenway

Operating cost control

- Continue to focus on cost control and operating efficiency in order to improve EBITDA margin and debt coverage ratios
- Management expects operating costs for FY18 to be broadly in line with FY17 notwithstanding increases in property tax and State Police costs, subject to weather events
- Additional work is underway to identify additional cost reduction initiatives

Decongestion

- Eastern end (DTR Connector): approvals process continues with VDOT[1] approvals in final phase. Final key outstanding item is the approval from MWAA[2] and discussions are ongoing
- Western end: local authorities and TRIP II have identified a potential short term option to relieve Greenway's western end congestion. Discussion and analysis continues

Capital management

- Management continues to evaluate opportunities to access locked-up cash for value-accretive capital project works on the Greenway to improve traffic flow and financial performance
- Continued review of alternatives to optimise capital structure

Securing future toll path

- Greenway's current toll path is set through to Feb 2020, toll increases are set by application to the SCC[3] thereafter
- ALX management continues to actively work with Greenway management and their advisers to develop and implement a strategy for Greenway's future toll path
- Management has commenced in active dialogue with stakeholders to establish a pathway which is optimal for both Greenway and the community

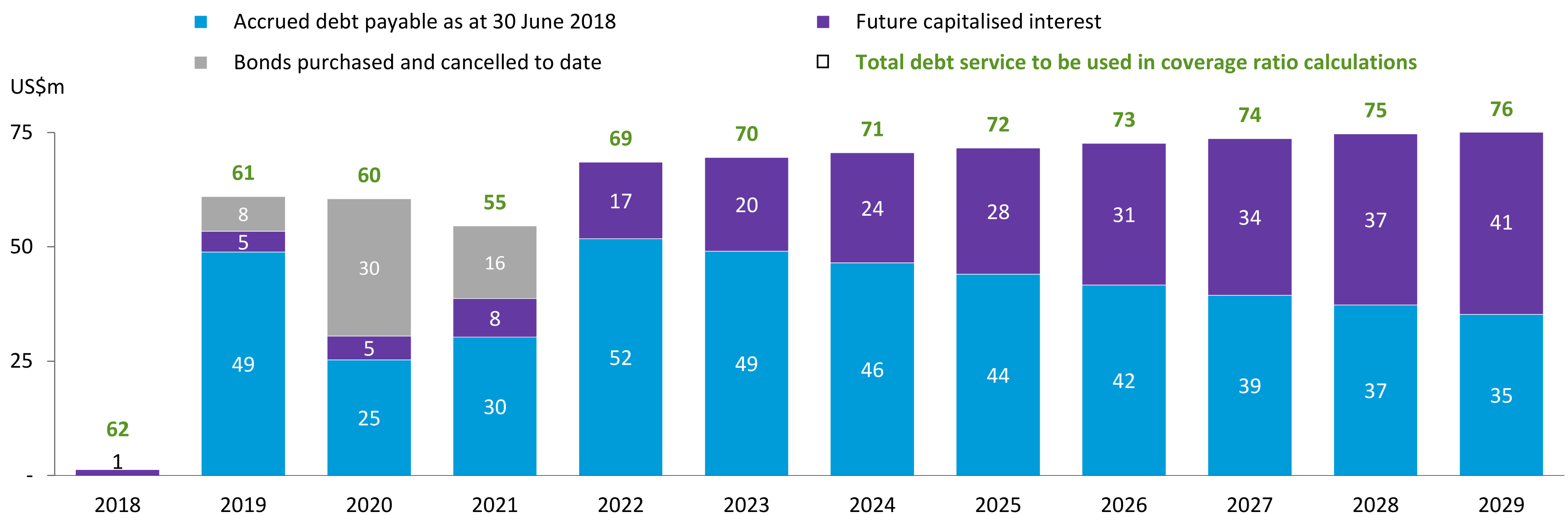
1. Virginia Department of Transportation.
2. Metropolitan Washington Airports Authority.
3. State Corporation Commission.

Dulles Greenway
TRIP II debt profile

Fixed-rate debt profile at TRIP II with no refinancing requirements for the duration of the concession

- As at 30 June 2018, US$1.0bn of total gross outstanding debt at TRIP with fixed amortisation profile until 2056
  - Bonds rated BBB- by S&P, Ba1 by Moody's and BB+ by Fitch
  - Insured by NPFGC[1], rated A by S&P, and Baa2 by Moody's

Greenway debt maturity profile to 2029[2]



1. National Public Finance Guarantee Corporation (NPFGC), formerly named MBIA. Changes to the debt rating of NPFGC do not affect the cost of TRIP II debt.
2. Debt maturity profile displayed only to 2029, however extends out to concession end in 2056.

Dulles Greenway
Distribution tests

2H18 year on year traffic decline will need to improve vs 1H18 year on year traffic decline to ensure Greenway passes the three year lock-up test at the end of 2018

- Through to 26 August 2018, 2H18 traffic decline against pcp has modestly improved relative to 1H18 traffic decline, as Greenway cycles through lower comparable period traffic in 2H18. More information will be provided in the next traffic release scheduled on 23 October 2018

Per ALX MIR[1] - Greenway distribution tests

- Distributions from Greenway are subject to two tests performed as at 31 December
- Both tests effectively measure EBITDA (after making respective adjustments) against last 12 months' debt service
- Greenway is not anticipated to pass the lock-up test and commence distributions before 31 December 2019[2]

Distribution lock-up tests	Lock up period	Debt service for 2018 test[3]	Adj. EBITDA required for FY18 tests[4]
Minimum Coverage Ratio (MCR) – 1.25x debt service	1 year	US$62.0m	US$77.5m[5]
Additional Coverage Ratio (ACR) – 1.15x debt service	3 year	US$62.0m	US$71.3m[6]

Three year lock-up test (ACR test) – illustrative example

- The example below represents a theoretical calculation of the ACR test at the end of 2018 across various 2H18 traffic growth assumptions, incorporating 1H18 performance, assuming:
  - FY18 operating expenses are flat on FY17
  - Toll increase of ~2.5% on FY17, effective 1 Jan 2018 (a toll increase of 2.8% rounded down to the nearest 5 cents, assuming no change to the FY17 traffic mix)
  - No transfers to Improvement Fund or Operating Reserve Fund
- Unforeseen events (for instance a December blizzard) may further impact whether Greenway passes the three year lock-up test

2H18 traffic vs. 2H17	ACR lock-up test outcomes
-3.0% to -4.0%	Pass
-4.0% to -5.0%	Uncertain
-5.0% to -6.0%	Uncertain
Worse than -6.0%	Fail

1. Management Information Report. Further details of the distribution tests have historically been provided in Dulles Greenway section of the Management Information Report.
2. There is no guarantee if and when Greenway will exit lock-up, and or what cash amount, if any, may be released.
3. As disclosed on page 17 of the 1H18 Management Information Report, for the purpose of the distribution tests, the original debt service on TRIP II bonds repurchased and cancelled to date using locked-up cash will continue to be included in the debt service calculation.
4. The distribution test methodologies have been amended to offset the impact of Topic 853 Service Concession Arrangements.
5. Calculated as Toll Revenues less Operating Expenses. Refer to ALX's Management Information Report for further details.
6. Calculated as Toll Revenues less Operating expenses less Transfers to Improvement fund and Operating reserve fund. Refer ALX's Management Information Report for further details.

Warnow
1H18 results[1]

▲8.4% **Traffic**
12,358 ADT[2]

- Traffic benefitted from temporary construction works on competing routes

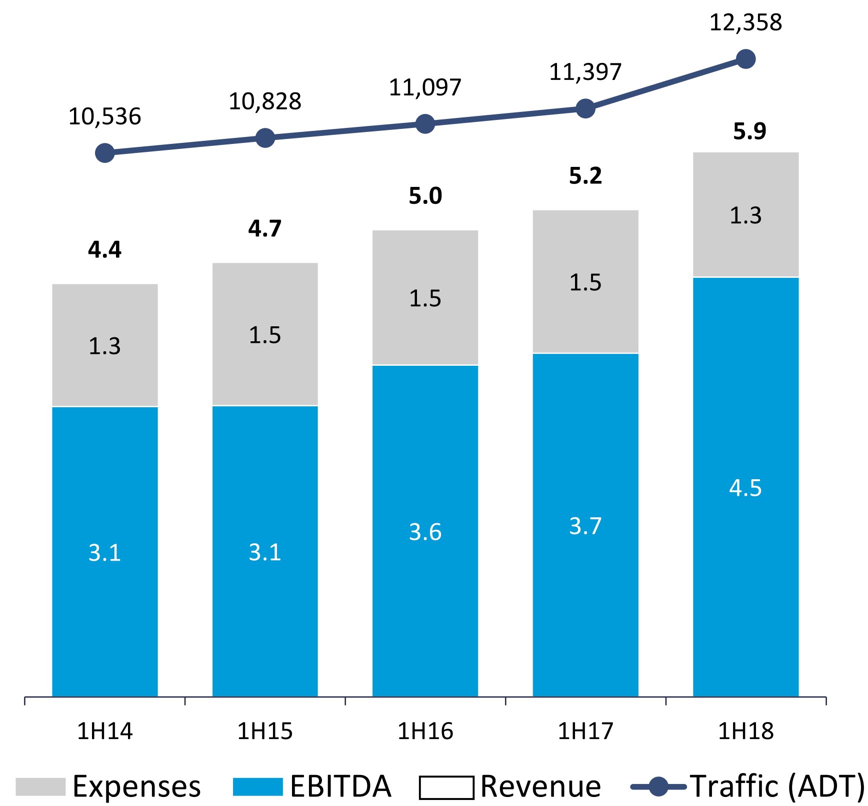
▲11.9% **Revenue**
€5.9m

- Revenue growth was driven by traffic growth and toll increases from Nov 17

▲22.2% **EBITDA**
€4.5m

- 1H18 EBITDA margin 77.0% (1H17: 70.5%)

Financial performance (€m) vs traffic (ADT)



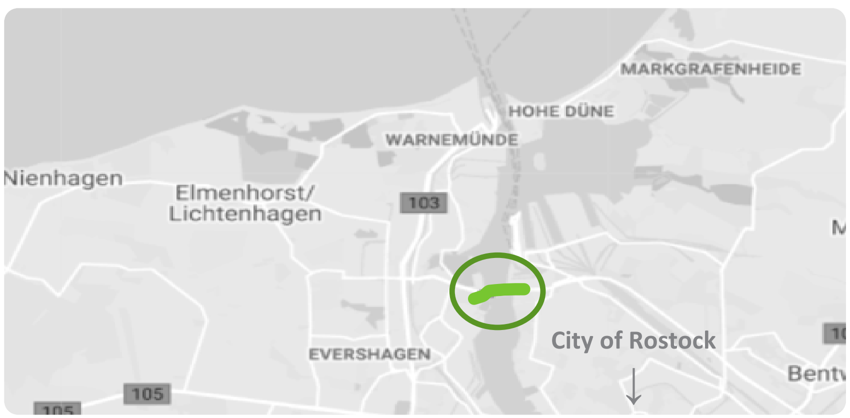
1. Results on this slide are reported on a 100% asset basis and in the natural currency of the asset.
2. Average Daily Traffic.

Warnow
Acquisition

Moving to 100% ownership in Warnow enhances the ability for ALX to optimise the asset

Acquisition overview

- Warnow is a 2km toll road, including a 0.8km tunnel under the Warnow River in the city of Rostock
- ALX has held a 70% interest in Warnow since ALX's inception in 2010
- In August 2018, ALX entered into an agreement to acquire the remaining 30% interest[1] in Warnow for gross consideration of €3.7m[2] to be funded through existing corporate cash
- Financial close expected by end of 2018

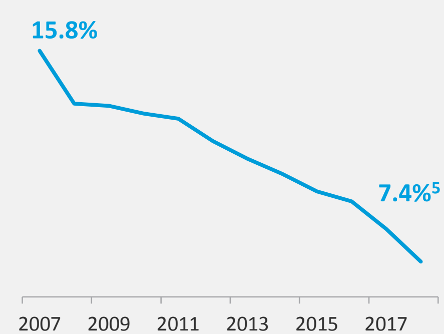


Macroeconomic environment

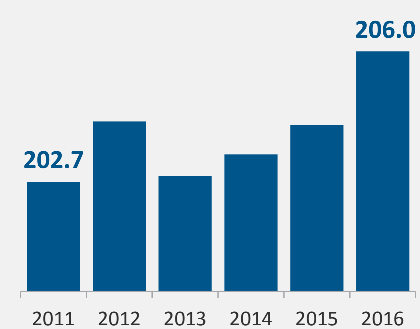
- Germany has seen a continued economic recovery since 2013 with a 2.5% GDP growth in 2017 (2018F: 2.2%)[3]
- Rostock has benefitted from overall growth in exports, population, tourism and a stronger economy since the opening of the Warnow Tunnel
- Unemployment rate has continued to improve in Rostock over the past decade

Rostock macroeconomic data

Rostock unemployment rate (%)[4]



Rostock population ('000s)[6]



1. Equity interest and shareholder loan.
2. Gross acquisition consideration prior to adjusting for applicable transaction taxes.
3. International Monetary Fund, July 2018.
4. Federal Agency for Employment, August 2018.
5. 2018 unemployment data as at July 2018.
6. Statistisches Bundesamt (Federal Statistical Office) as at July 2018.

04 Internalisation Update

Graeme Bevans,
Chief Executive Officer Elect

Update on internalisation

Following approval by ALX securityholders on 15 May 2018, ALX has commenced recruiting an internalised management team and establishing appropriate software, systems and processes

Recruitment

- CEO Elect and CFO Elect have been appointed
- Active recruitment underway to establishing internalised management team and to fully staff the business for internalisation

Transition

- IT systems are being implemented for accounting and data management functions
- Policies, systems and processes are well underway in preparation for transition
- Familiarisation with the businesses is complete and active engagement on the business strategies is underway
- Actively working with Macquarie and key stakeholders at all assets
- The two management teams continue to work closely together to ensure a smooth transition

05 Appendix

Cash flow: APRR to ALX securityholders

Cash flow: APRR to ALX securityholders		
Eiffarie / Financière Eiffarie (FE)		
	APRR dividend	A
add	APRR tax instalments to FE	B
add	Other[1]	C
less	Eiffarie interest / reserve	D
less	FE tax payments / provisions	E
	Distributable cash	F = A + B + C – D – E
less	Debt repayment / reserve	G
	Cash available to Eiffarie/FE shareholders	H = F – G
	Distribution received by MAF / MAF2	I = H * 50.00%
less	Cash reserves for estimated taxes at MAF / MAF2[2]	J
Atlas Arteria		
	Distribution received from MAF / MAF2[3]	K = (I - J) * 50.01%* EUR/AUD
less	MIBL facility interest payment	L
less	Cash reserves top up[4]	M
	Cash available to ALX securityholders	N = K – L – M

1. Other includes Eiffarie / FE opex and movements in reserves.
2. MAF is anticipated to incur income tax expense from 2018 onwards, as distributions from FE become dividends.
3. Via MAF / MAF2 and subject to due consideration by the respective boards.
4. Taking into account other ALX receipts and corporate expenses.

Cash flow: APRR to ALX securityholders

Cash flow: APRR to ALX securityholders

	Eiffarie/Financière Eiffarie (€m) (100%)	1H16	2H16	1H17	2H17	1H18
	APRR dividend	287	640[1]	326	365	400
add	APRR tax instalments to FE	183	159	217	222	246
add	Other[2]	0	(128)[3]	(7)	7[4]	(0)
less	Eiffarie interest / reserve	(86)	(88)	(86)	(84)	(6)
less	FE tax payments / provisions	(146)	(130)	(172)	(204)	(204)
	Distributable cash	237	453	278	307	436
less	Debt repayment / reserve	(30)	(40)	(50)	(50)	(60)
	Cash available to Eiffarie/FE shareholders	207	412	228	257	376
	Distribution received by MAF / MAF2	104	206	114	129	188
less	Funds for acquisition of additional interests in ADELAC	-	(70)	-	-	-
	Cash reserves for estimated taxes at MAF / MAF2[5]	-	-	-	-	(9)

	Atlas Arteria (A$m) (25.00%)[6]	2H16	1H17	2H17	1H18
	Distribution received from MAF / MAF2	61	77	68	104
less	MIBL facility interest payment	-	-	-	(1)
less	Cash reserves top up[7]	(13)	(19)	(10)	(23)
	Cash available to ALX securityholders	48	58	58	80
	Cents per share	9.0	10.0	10.0	12.0

1. Represents 2016 APRR net profit, due to change in distribution cycle.
2. Other includes Eiffarie/FE opex and movements in reserves.
3. Required reserve for Eiffarie expenses and 1H17 debt service, following change in distribution cycle.
4. Other items in 2H17 includes reimbursement received in February 2018 for the dividend tax paid in September 2017 and later repealed by the French State.
5. MAF is anticipated to incur income tax expense from 2018 onwards, as distributions from FE become dividends.
6. Cash flows to ALX starts to reflect ALX’s increased interest in APRR of 25.00% from 1H18. Previous cash flows calculated on an ALX interest of 20.14%.
7. Taking into account other ALX receipts, corporate expenses and historical Dulles Greenway acquisition facility interest payments.

ALX statutory accounts

Statutory accounts for the half year ended 30 June 2018

Statutory accounting

- ALX equity accounts all assets except Dulles Greenway, which is controlled and consolidated following the acquisition of the remaining 50% estimated economic interest in May 2017

Equity accounting

- Initially recognise assets at acquisition value
- P&L Account: recognise share of accounting (losses)/profits from associates
  - Not unusual for toll road companies to make accounting losses in early life cycle stages
  - Required overlay adjustments: (i) increased tolling concession amortisation and (ii) fair value movements on asset level interest rate swaps
- Balance Sheet: reduce/increase carrying value by share of (losses)/profits

Consolidation accounting

- Underlying controlled asset company results and balance sheet consolidated into ALX in full with a purchase price allocation occurring at the time of initial consolidation

Proportionately consolidated financial performance

A$m	Actual half year ended 30 Jun 18	Pro forma half year ended 30 Jun 17[1]	Change vs pcp	Actual half year ended 30 Jun 17[2]
Proportionate revenue	559.9	530.0	5.6%	386.9
Proportionate operating expenses	(130.8)	(126.1)	(3.7%)	(92.0)
Proportionate EBITDA from assets	**429.1**	**403.9**	**6.2%**	**294.8**
EBITDA margin (%)	76.6%	76.2%	0.4%	76.2%

Reconciliation – Statutory results to proportionate EBITDA A$m	Half year ended 30 Jun 18	Half year ended 30 Jun 17
Profit/(loss) attributable to ALX securityholders	**(15.5)**	**437.6**
Dulles Greenway related adjustments:		
Revenue	(59.3)	(17.3)
Finance Costs	35.6	9.2
Income tax benefit	(0.5)	(0.2)
Other net expenses	44.3	10.8
Asset adjustments:		
Share of net gains from associates	(127.5)	(81.7)
Proportionate EBITDA from assets	429.1	294.8
ALX corporate level adjustments:		
Performance fees	70.6	8.0
Manager’s and adviser’s base fees	17.7	15.5
Income	(0.3)	(391.7)
Finance costs	23.3	2.0
Income tax expense	0.0	1.9
Corporate net expenses	11.5	5.9
EBITDA from road assets	**429.1**	**294.8**

1. 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.
2. Actual data reflects ownership interests and foreign exchange rates for the half year ended 30 June 2017.