

29 August 2019

Atlas Arteria delivers solid performance under new management

Atlas Arteria (ASX:ALX) is pleased to announce its results for the six months ended 30 June 2019 (H1 2019).

Key H1 2019 highlights:

- Net profit after tax (normalised) of \$88.2 million (H1 2018: net loss of \$(10.4) million)
- Statutory net loss after tax of \$(87.5) million (H1 2018: net loss of \$(15.5) million) reflecting three notable charges:
 - \$162.9 million non-cash impairment to Dulles Greenway
 - \$2.3 million in costs associated with management internalisation
 - \$16.2 million paid to Macquarie for final Management Fees under their Management and Advisory Agreements and the monthly fee paid under the Transition Services Agreement (arrangements previously disclosed)
- Distribution guidance of 15 cents per share for H1 2019 confirmed (expected payment in early-mid October 2019)
- Distribution guidance announced for H2 2019 of 16 cents per share (for payment in H1 2020), continuing the growth in distributions

Atlas Arteria CEO Graeme Bevans said: “This is a solid first set of results for our new management team. In a short space of time we have successfully built a new organisation, while ensuring a seamless transfer of management arrangements and strong operational performance.”

APRR continues to perform strongly

APRR continued to deliver revenue and earnings growth in H1 2019, with revenue up 1.3% to €1,250.8 million and EBITDA up 1.7% to €955.3 million. This is a strong result given the unusually strong traffic performance in H1 2018 resulting from the nationwide French National Railways strikes from 3 April 2018 to 28 June 2018.

APRR is continuing to enhance its customer experience and improve operational performance. During H1 2019, APRR’s headcount reduced by 1.3% while continuing to grow and improve its network. Capex spend increased from €161 million in H1 2018 to €232 million for H1 2019, as work progresses on: upgrading three interchanges, widening the A75 to three lanes each way, and adding a third lane on the A6 near Auxerre. APRR has sufficient balance sheet flexibility for capital growth including the RCEA project, which is under final negotiations.

Dulles Greenway revalued for current market

Dulles Greenway operating revenue was down 0.4% to US\$44.4 million, while EBITDA was up 0.1% to US\$35.9 million. Traffic numbers were down 2.3% compared with H1 2018 as a result of network factors including increased tolls on the Dulles Toll Road, construction works, the Federal Government shutdown and major snow events.

The operating performance of Dulles Greenway, combined with a more conservative outlook for traffic growth, has led the Boards of ATlix and ATLAX to recognise an impairment in the value of their respective investments in Dulles Greenway by a total of US\$115 million (A\$162.9 million). Importantly, this is a non-cash item and a 'point in time' assessment at 30 June 2019.

Mr Bevens said: "We are focused on enhancing the performance of Dulles Greenway working closely with key stakeholders, leveraging our experience to drive operating efficiencies and creating tangible value for both our shareholders and customers"

Positive outlook for continued growth in distributions

Consistent with previous guidance, the Boards of Atlas Arteria have confirmed a distribution of 15 cents per share in relation to H1 2019, up 25% on H1 2018. This reflects the Company's financial performance in H1 2019, strong balance sheet and positive outlook for continued growth. This distribution, together with the 15 cents per share paid in April, will bring the total distributions to 30 cents per share for the 2019 calendar year.

Atlas Arteria is also pleased to announce today its H2 2019 forecast distribution guidance of 16 cents per share. Underpinned by APRR, the distribution guidance remains subject to asset performance, movements in foreign exchange rates, French tax rate changes and future events. The Company intends to continue to provide 12 months forward distribution guidance at its year end results announcement in February.

Mr Bevens said:

"We have a great team in place and strong assets. APRR continues to deliver long-term traffic growth with an improving traffic mix that helps drive revenue and cash flow. Discussions continue with each of our co-investors in APRR regarding the simplification of our management arrangements. We will only proceed if it is positive for our shareholders. This is an exciting time for Atlas Arteria, with the team focused on continuing to build upon our solid foundation and further grow shareholder value."

- ENDS -

Investor conference call details

A briefing for analysts and investors will be held today by Graeme Bevans (CEO) and Nadine Lennie (CFO) at 11:00am Australia Eastern Standard Time. To join the briefing the following two options are available:

1. For those wishing to dial into the briefing, please register for the call through the following link:

<https://services.choruscall.com.au/diamondpass/atlasarteria-10000836-invite.html>

Alternatively, at the time of the call, please dial your respective local number below and provide the conference ID: **10000836** to the operator:

AUSTRALIA TOLL-FREE	1 800 558 698
AUSTRALIA TOLL/INTERNATIONAL	+61 02 9007 3187
UNITED STATES	(855) 881 1339
UNITED STATES LOCAL NEW YORK	(914) 202 3258

2. Live webcast will be accessible on the Company's "Investor Relations" page at <https://www.atlasarteria.com/investor-centre>. For those wishing to access the webcast please register in advance: <https://edge.media-server.com/mmc/go/atlas-arteria-1h19/>

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About Atlas Arteria

Atlas Arteria (ASX:ALX) is a global operator and developer of toll roads, creating value for our investors over the long-term through considered and disciplined management. The roads we develop, operate and invest in benefit communities through reduced travel time, greater time certainty, reduced fuel consumption and carbon emissions.

Today the Atlas Arteria Group consists of four businesses. We own a 25% interest in the APRR toll road group in France. Adjacent to the APRR business is the smaller ADELAC business which connects to APRR in south-east France. Together APRR and ADELAC comprise a 2,318km motorway network located in the East and South East of France. In the US, we have 100% of the economic interest in the Dulles Greenway, a 22km toll road in the Commonwealth of Virginia. In Germany, we own 100% of the Warnow Tunnel in the north-east city of Rostock.

www.atlasarteria.com