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14 September 2017

## ASX RELEASE

### Macquarie Atlas Roads



### Acquisition of Additional Interest in APRR and Capital Raising

Macquarie Atlas Roads (**MQA**) today announced that it will exercise a pre-emptive right to acquire an additional 4.86% indirect interest in APRR for €440 million<sup>1</sup> (the **Acquisition**). The Acquisition will increase MQA's indirect interest in APRR from 20.14% to 25.00%.

APRR is the concessionaire of a 2,323 kilometre motorway network located in the east of France. The network acts as a vital transportation corridor for Western European trade, is the second largest toll road network in France and the fourth largest in Europe. APRR has an established operating track record with over 50 years of traffic growth and proven earnings stability.

The Acquisition will be partially funded via a A\$450 million equity raising structured as an underwritten pro-rata accelerated non-renounceable entitlement offer. The balance of the funding requirement will be met via a €150 million debt facility.

Natixis acted as financial advisor to MQA on the Acquisition.

### Key Acquisition Highlights

- Attractive Acquisition price implies an Enterprise Value (**EV**) of €17.6 billion and an EV/EBITDA of 10.2x<sup>2</sup>.
- Increases MQA's exposure to a high quality asset with a stable track record of earnings growth.
- DPS<sup>3</sup> and value accretive to MQA's portfolio<sup>4</sup>.
- Uplift to FY18 distribution guidance from 22.5 cents per security (cps) to 23.5 cps<sup>5</sup> (an increase of 4.4%) represents a 17.5% increase on FY17 distribution.
- Opportunities for future APRR network growth and improvement.
- Further consolidates MQA's portfolio ownership, delivering on MQA's strategy.

MQA's Chief Executive Officer, Mr Peter Trent, said "the acquisition represents an accretive investment to MQA and marks another step in generating long term value for our securityholders. The acquisition capitalises on our pre-emptive right to acquire a high quality infrastructure asset at an attractive acquisition price".

<sup>1</sup> The final purchase price will be subject to a price adjustment mechanism depending on the closing date of the Acquisition. This assumes that closing will occur during October 2017. Management does not anticipate the movement will be material in the context of the overall transaction.

<sup>2</sup> As at 30 June 2017, last 12 months EBITDA of €1,725 million and net debt of €8,542 million for the consolidated APRR Group.

<sup>3</sup> Distribution per security.

<sup>4</sup> Subject to MQA's Acquisition business case assumptions being met. Acquisition anticipated to complete during October 2017 and will impact MQA distributions from 2018.

<sup>5</sup> Subject to completion of the Acquisition, asset performance, foreign exchange movements and future events.

“APRR is an irreplicable, mature infrastructure asset that has underpinned MQA’s portfolio value and distributions since our inception. The acquisition provides us with greater exposure to APRR’s favourable outlook and its leverage to French economic growth and trans-European trade”.

The Acquisition will occur through MQA purchasing an additional 9.72% interest in Macquarie Autoroutes de France 2 SA (**MAF2**), the company through which MQA and several co-investors hold their indirect investment in APRR and at which the pre-emptive right sits. MQA and its third-party MAF2 co-investors will exercise their pro-rata share of the joint pre-emptive right at the same Acquisition price per share.

MQA anticipates signing the Acquisition purchase agreement around the time of completion of the equity raising, with financial close of the Acquisition expected to occur during October 2017.

### Management Base Fee Reduction

MQA has today separately announced that, in conjunction with the Acquisition announcement, notification has been received from MQA’s manager/adviser, Macquarie Fund Advisers Pty Limited (**MFA**), of a revised base management fee arrangement waiver, replacing fee waivers notified previously, subject to completion of the Acquisition.

Commencing 1 October 2017 and for subsequent quarters until further notice from MFA, the base management fees payable by MQA will be reduced from 1.00% to 0.85% per annum on MQA’s market capitalisation.

At a market capitalisation of A\$3.6 billion<sup>6</sup>, the fee reduction will result in savings of:

- Approximately A\$5.4 million per annum for MQA securityholders compared to the amounts charged following the July 2016 fee waiver.
- Approximately A\$20.4 million per annum for MQA securityholders compared to the management and advisory agreements.

The MQA Boards welcome the fee reduction which represents a significant benefit to MQA securityholders.

### Dulles Greenway Update

Dulles Greenway traffic performance will continue to reflect the impacts of various competing network improvements and construction activities over the next 24-36 months. Average Daily Traffic (**ADT**) decreased by 0.2% for the year to date on previous corresponding period (**pcp**) and 3.4% for the quarter to date on pcp<sup>7</sup>.

### Acquisition Funding

The Acquisition will be funded via a combination of equity, debt and corporate cash, comprised of:

- A\$450 million underwritten 1 for 6.62 pro-rata accelerated non-renounceable entitlement offer (**Offer**); and
- €150 million Acquisition debt facility at MIBL Finance (Luxembourg) S.à r.l. (**MIBL**), the entity through which MQA holds its interest in MAF2 and indirect investment in APRR (**Debt Facility**).

### Equity Raising Offer

MQA is undertaking the A\$450 million Offer at an offer price of A\$5.12 (**Offer Price**) for each of the new stapled securities issued in MQA (**New Stapled Securities**). The Offer Price represents:

<sup>6</sup> Market capitalisation based on the Theoretical Ex-Rights Price (**TERP**) of A\$5.39 as at Wednesday, 13 September 2017. TERP is the theoretical price at which MQA securities should trade after the ex-date for the Offer. TERP is a theoretical calculation only and the actual price at which MQA securities trade at that time will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the market capitalisation of MQA at market close on Wednesday 13 September 2017, adjusted for the value of the 10 cps second-half 2017 distribution to which participants in the Offer will not be entitled.

<sup>7</sup> As at 11 September 2017.

- 5.0% discount to the theoretical ex-rights price (**TERP**<sup>8</sup>) of A\$5.39 on 13 September 2017. The TERP is calculated by reference to the market capitalisation of MQA at market close on Wednesday 13 September 2017 and has been adjusted for the value of the 10 cps second-half 2017 distribution to which participants in the Offer will not be entitled; and
- 5.7% discount to the adjusted last close price of A\$5.43 on 13 September 2017, adjusted for the 10 cps second-half 2017 distribution.

Macquarie Group Limited has notified MQA that it will apply for its full pro-rata entitlement under the Offer.

The Offer is non-renounceable and rights will not be traded on the ASX or be otherwise transferable. Eligible securityholders who do not take up their entitlement under the Offer in full or in part, will not receive any value in respect of those entitlements not taken up. New Stapled Securities will rank equally with existing stapled securities on issue.

Following a competitive process undertaken by the Board, Macquarie Capital (Australia) Limited has been selected as Lead Manager and Underwriter to the Offer.

### ***Debt Facility***

To partially fund the Acquisition, MQA's subsidiary, MIBL, has entered into an agreement for the €150 million Debt Facility. The Debt Facility is secured over MQA's interests in MIBL and indirect interests in MAF2, with no recourse to MQA or its other portfolio assets.

The Debt Facility is a seven-year, senior secured facility, with no fixed amortisation and step-up cash sweeps commencing in year five and has no prepayment penalties. The intention is to refinance this facility prior to its fifth anniversary.

Further details of the Acquisition, Offer and Debt Facility are set out in an investor presentation which is attached to this release. The presentation also contains important information, including information about the risk factors and the foreign selling restrictions, with respect to the Offer.

### **Distribution Guidance**

As a result of the Acquisition, MQA announces a 4.4% uplift to its 2018 distribution guidance from 22.5 cps to 23.5 cps, subject to completion of the Acquisition, asset performance, foreign exchange movements and future events. The revised 2018 distribution guidance represents a 17.5% increase on MQA's 2017 distribution of 20.0 cps.

New Stapled Securities issued under the Offer will rank equally with existing MQA stapled securities on issue and will receive full entitlement to the FY18 distribution.

Given New Stapled Securities will be allotted after the record date of the second-half 2017 distribution of 10.0 cps declared today, they will not be eligible to receive this distribution.

### **Offer Details and Key Dates**

#### ***Institutional Entitlement Offer***

Eligible institutional holders will be invited to participate in the institutional component of the Offer (**Institutional Entitlement Offer**), which is being conducted today on Thursday, 14 September 2017. Eligible institutional holders can choose to take up all, part or none of their entitlement.

Institutional entitlements that eligible institutional holders do not take up, and institutional entitlements that would otherwise have been offered to ineligible institutional holders, will be offered to eligible institutional holders who apply for New Stapled Securities in excess of their entitlement, as well as to certain other

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<sup>8</sup> TERP is the theoretical price at which MQA securities should trade after the ex-date for the Offer. TERP is a theoretical calculation only and the actual price at which MQA securities trade at that time will depend on many factors and may not be equal to TERP.

eligible institutional investors, through an institutional shortfall bookbuild to be conducted concurrently with the Institutional Entitlement Offer. It is expected that MQA's stapled securities will remain in trading halt while the Institutional Entitlement Offer is conducted.

### **Retail Entitlement Offer**

Eligible retail holders will be invited to participate in the retail component of the Offer (**Retail Entitlement Offer**) at the same Offer Price and offer ratio as under the Institutional Entitlement Offer. The Retail Entitlement Offer will open on Wednesday, 20 September 2017 and close at 5.00pm (Sydney time) on Wednesday, 4 October 2017 (**Retail Offer Period**).

Further details about the Retail Entitlement Offer will be set out in a booklet (**Retail Offer Booklet**), which MQA expects to lodge with the ASX on Friday, 15 September 2017, in advance of the despatch date (as detailed further below). The closing date for the receipt of Entitlement and Acceptance Forms and Application Payment is 5.00pm (Sydney time) on Wednesday, 4 October 2017.

The Retail Offer Booklet and accompanying Entitlement and Acceptance Form are expected to be despatched on Wednesday, 20 September 2017.

### **Key Offer Dates**

| <b>Key event</b>   | <b>Date</b>                         |
|--|-------------------------------------|
| Trading halt and announcement of Acquisition and Offer, Institutional Entitlement Offer opens, second-half 2017 distribution declaration | Thursday, 14 September 2017         |
| Institutional Entitlement Offer closes   | Thursday, 14 September 2017         |
| Trading halt lifted – stapled securities recommence trading on ASX on an “ex-entitlement” basis  | Friday, 15 September 2017           |
| Record Date for determining entitlement to subscribe for New Stapled Securities  | 7.00pm on Monday, 18 September 2017 |
| Retail Entitlement Offer opens   | Wednesday, 20 September 2017        |
| Retail Offer Booklet despatched and Retail Entitlements allotted   | Wednesday, 20 September 2017        |
| Ex-dividend date for second-half 2017 distribution   | Wednesday, 20 September 2017        |
| Settlement of Institutional Entitlement Offer  | Monday, 25 September 2017           |
| Allotment and normal trading of New Stapled Securities under the Institutional Entitlement Offer   | Tuesday, 26 September 2017          |
| Retail Entitlement Offer closes  | 5.00pm on Wednesday, 4 October 2017 |
| Allotment of New Stapled Securities under the Retail Entitlement Offer   | Wednesday, 11 October 2017          |
| Despatch of holding statements and normal trading of New Stapled Securities issued under the Retail Entitlement Offer                    | Thursday, 12 October 2017           |

### **Additional Information**

Additional information regarding the Acquisition, Offer and Debt Facility is contained in the investor presentation released to the ASX today. The investor presentation also contains important information, including information about the risk factors and the foreign selling restrictions, with respect to the Offer. The Retail Offer Booklet will be released separately and mailed to eligible retail holders.

You should seek appropriate professional advice before making any investment decision. If you have any questions about the Retail Entitlement Offer, please contact the MQA Offer Information Line on 1300 113

254 (from within Australia) or +61 3 9415 4085 (from outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday during the Retail Offer Period.

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**IMPORTANT NOTICES**

This release contains certain forward-looking statements. Examples of forward-looking statements used in this release include: "expect", "estimate", "intend", "may" and "designed". Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this release are based on assumptions and contingencies that are subject to change without notice. Forward-looking statements are not a guarantee of future performance and are subject to a variety of risks and uncertainties beyond MQA's ability to control or predict, which could cause actual events or results to differ materially from those anticipated in such forward-looking statements.

This release does not include all available information on MQA and should not be used in isolation as a basis to invest in MQA. Any potential investors should refer to MQA's other public releases and statutory reports and consult their professional advisers before considering investing in MQA.

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# Macquarie Atlas Roads

## Acquisition of additional interest in APRR and capital raising

14 September 2017



# Important Notice and Disclaimer



## Disclaimer

Macquarie Atlas Roads (**MQA**) comprises Macquarie Atlas Roads Limited (ACN 141 075 201) (**MARL**) and Macquarie Atlas Roads International Limited (Registration No. 43828) (**MARIL**), Macquarie Fund Advisers Pty Limited (ACN 127 735 960) (AFSL 318 123) (**Macquarie Manager**) is the manager/adviser of MARL and MARIL. The Macquarie Manager is a wholly owned subsidiary of Macquarie Group Limited (ACN 122 169 279) (**Macquarie Group**).

None of the entities noted in this presentation is an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Cth). The obligations of these entities do not represent deposits or other liabilities of Macquarie Bank Limited (ABN 46 008 583 542) (**MBL**). MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities.

This presentation has been prepared by MQA based on information available to it in relation to an underwritten pro-rata accelerated non-renounceable entitlement offer of new fully paid ordinary stapled securities in MQA (each comprising a fully paid ordinary share in the capital of MARL and a fully paid ordinary share in the capital of MARIL, stapled together and trading on to the Australian Securities Exchange (**ASX**) as a stapled security under the ticker "MQA.ASX") (**New Stapled Securities**) (**the Offer**). The Offer is to be made under section 708AA of the Corporations Act 2001 (Cth) (as notionally modified by the Australian Securities and Investments Commission (**ASIC**) Corporations (Non-Traditional Rights Issues) Instrument 2016/84). The Offer will be made to:

- Eligible institutional holders of MQA and other eligible institutional investors in permitted jurisdictions (**Institutional Entitlement Offer**); and
- Eligible retail holders of MQA (**Retail Entitlement Offer**).

Proceeds from the Offer will be used to partially fund the acquisition of an additional 4.86% interest in APRR and transaction costs.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of MARL, MARIL, the Macquarie Manager, Macquarie Capital (Australia) Limited (Macquarie Capital), Macquarie Group, nor any of their respective affiliates or related bodies corporate, nor any of their respective directors, officers, partners, employees, agents or advisers, nor any other person accepts any liability for any loss arising from the use of this presentation or its contents or otherwise arising in connection with it, including, without limitation, any liability arising from fault or negligence on the part of Macquarie, Macquarie Capital, any of their respective affiliates or related bodies corporate, or their respective directors, officers, partners, employees, agents or advisers have authorised, permitted or caused the issue, submission, despatch or provision of this presentation and none of them makes or purports to make any statement in this presentation and there is no statement in this presentation which is based on any statement by any of them. To the maximum extent permitted by law, Macquarie Capital and its respective affiliates, officers, employees and advisers expressly disclaim all liabilities in respect of, and make no representations regarding, and take no responsibility for, any part of this presentation other than references to their name and make no representation or warranty as to the currency, accuracy, reliability or completeness of this presentation. Except as required by law, regulation or the ASX Listing Rules, MQA disclaims any obligation to provide any additional or updated information whether as a result of new information, future events or results, or otherwise.

## Summary Information

This presentation contains summary information about MQA and its activities which is current as at the date of this presentation and remains subject to change without notice. The information in this presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in MQA or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of Australian law or the laws of another jurisdiction. This presentation should be read in conjunction with MQA's other periodic and continuous disclosure announcements lodged with the ASX, which are available at [www.asx.com.au](http://www.asx.com.au).

This presentation contains certain forward-looking statements. Examples of forward-looking statements used in this presentation include: "expect", "estimate", "intend", "may" and "designed". Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies that are subject to change without notice. No representation or warranty is made that the assumptions on which the forward-looking statements are based are reasonable. Forward-looking statements are not a guarantee of future performance and are subject to a variety of risks and uncertainty beyond MQA's ability to control or predict, which could cause actual events or results to differ materially from those anticipated in such forward-looking statements.

# Important Notice and Disclaimer



## General Securities Warning

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The retail offer booklet for the Retail Entitlement Offer (**Retail Offer Booklet**) will be available to eligible retail holders in Australia and New Zealand following its lodgement with ASX. Any eligible retail holder who wishes to participate in the Retail Entitlement Offer should consider the Retail Offer Booklet in deciding whether to apply under that offer. Anyone who wishes to apply for New Stapled Securities under the Retail Entitlement Offer will need to apply in accordance with the instructions contained in the Retail Offer Booklet and the entitlement and acceptance form that will accompany it.

This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The New Stapled Securities have not been, and none of them will be, registered under the US Securities Act of 1933 (Securities Act) or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or resold, directly or indirectly, in the United States or to, or for the account or benefit of, a US Person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable securities laws.

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Information, including forecast financial information, in this presentation should not be considered as a recommendation in relation to holding, purchasing or selling, securities or other instruments in MQA. Historical information in this presentation is, or is based upon, information that has been released to the ASX. Due care and attention has been used in the preparation of information as to future matters or intentions. However, actual results may vary from future results and any variation may be materially positive or negative. Information as to future matters by its very nature, is subject to uncertainty and contingencies many of which are outside the control of MQA, and therefore you are cautioned not to place undue reliance on such information. Past performance is not a reliable indication of future performance. An investment in MQA is subject to known and unknown risks, some of which are beyond the control of MQA. MQA does not guarantee any particular rate of return or the performance of MQA. Refer to Appendix B of this presentation for a non-exhaustive summary of general and company-specific risks that may affect MQA.

Dollar amounts throughout the presentation are Australian Dollars unless stated otherwise. Any arithmetic inconsistencies are due to rounding.

## Eligibility

Determination of eligibility of investors for the purposes of the Institutional Entitlement Offer and Retail Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of MQA and the Underwriter. Each of MQA and the Underwriter and their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

The Underwriter may rely on information provided by or on behalf of institutional holders in connection with managing, conducting and underwriting the Offer without having independently verified the Offer, having independently verified that information and the Underwriter does not assume responsibility for the accuracy or completeness of that information.

To the maximum extent permitted by law, MQA, the Underwriter and their advisers, affiliates, and related bodies corporate, and the directors, officers, partners, employees and agents of each of those persons (**Beneficiaries**), exclude and disclaim all liability, including without limitation for negligence or for any expenses, losses, damages or costs incurred by any person as a result of their participation in or failure to participate in the Offer.

The Beneficiaries make no recommendations as to whether any person should participate in the Offer nor do they make any representations or warranties to any person concerning the Offer, and you represent, warrant and agree that you have not relied on any statements made by the Beneficiaries in relation to the Offer and you further expressly disclaim that you are in a fiduciary relationship with any of them.



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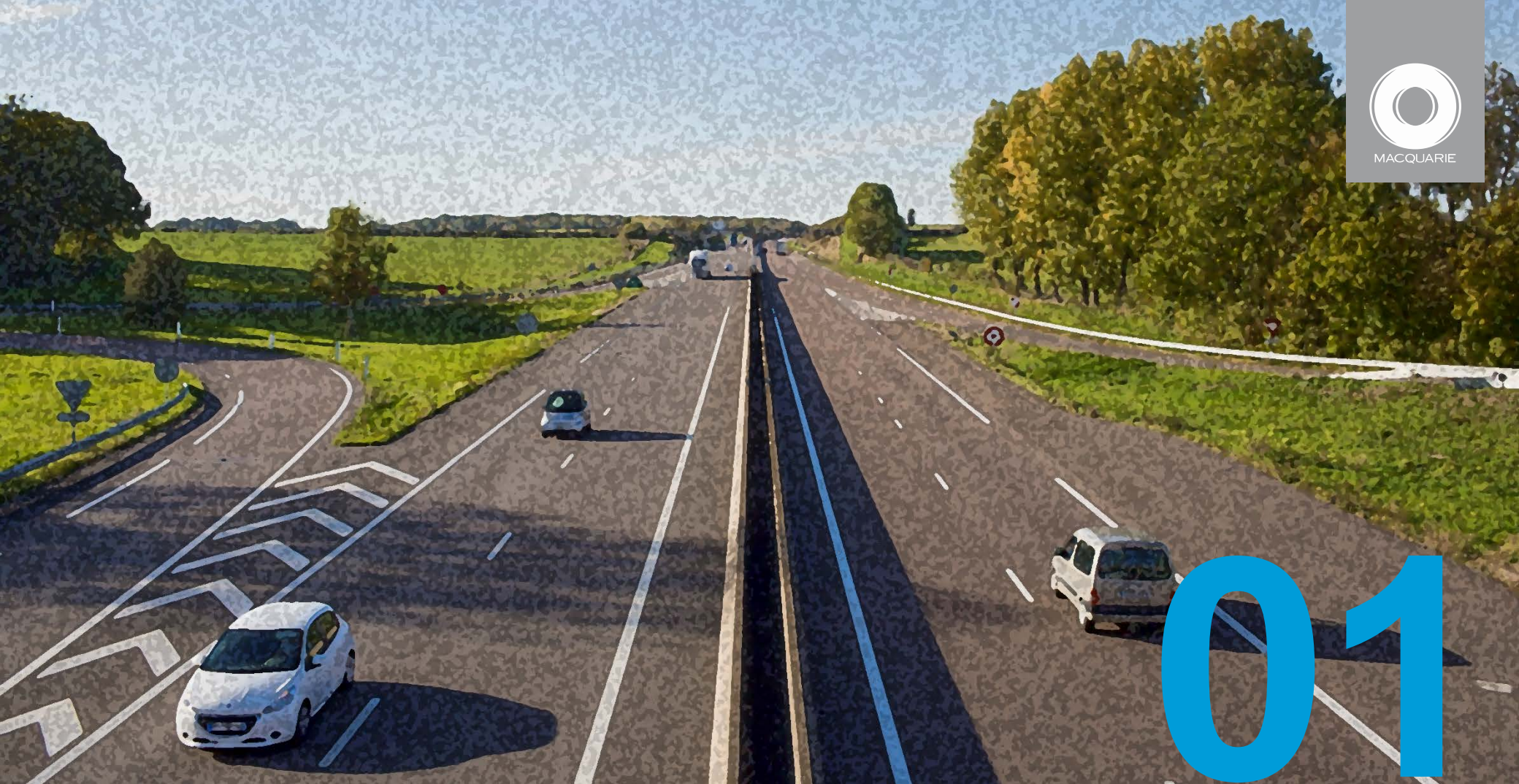
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# The Acquisition



# The Opportunity



MQA increases its interest in APRR, acquiring an additional 4.86% indirect interest for €440 million<sup>1</sup>, increasing MQA's holding to 25.00%

- ✓ **Irreplicable, mature network** of 2,323km with a **diversified** user base
- ✓ 50+ years of established traffic growth and **proven earnings stability**
- ✓ Continued **opportunities for network growth** and improvement
- ✓ Acquisition expected to be **DPS<sup>2</sup>** and **value accretive** to MQA securityholders<sup>3</sup> (4.4% uplift in FY18 DPS guidance)
- ✓ Leveraging MQA's **pre-emptive right** at an attractive acquisition price, implying an EV/EBITDA multiple of 10.2x<sup>4</sup>
- ✓ Acquisition provides for greater participation in APRR's **positive outlook, cash flows & growth opportunities**



1. The final purchase price will be subject to a price adjustment mechanism depending on the closing date of the Acquisition. This assumes that closing will occur during October 2017. Management does not anticipate the movement will be material in the context of the overall transaction. MQA holds its indirect interest in APRR through Macquarie Autoroutes de France 2 SA (MAF2), which holds a 50% (-1 share) interest in APRR. MQA's pro-rata share of the pre-emptive right is an additional 9.72% interest in MAF2. 2. Distribution per security. 3. Subject to MQA's Acquisition business case assumptions being met. Acquisition anticipated to complete during October 2017 and will impact MQA distributions from 2018. 4. As at 30 June 2017, last 12 months EBITDA of €1,725 million and net debt of €8,542 million for the consolidated APRR Group (**APRR Group**).

# The Acquisition



Acquisition to be funded via a combination of equity, debt and corporate cash

- Acquisition price implies an EV of €17.6<sup>1</sup> billion for the APRR Group and an EV/EBITDA multiple of 10.2x<sup>2</sup>
  - MQA and its third-party MAF2 co-investors will acquire their interests via exercising their pro-rata share of the joint MAF2 pre-emptive right at the same price
- Targeted Acquisition completion during October 2017

## Equity raising

- A\$450 million underwritten 1 for 6.62 pro-rata accelerated non-renounceable entitlement offer (**Offer**)<sup>3</sup>
- Refer to slide 28 for further details of the Offer

## Debt facility

- €150 million debt financing (**Debt Facility**)
  - 7 year facility, with no fixed amortisation and step up cash sweeps commencing from year 5
  - Non-recourse to MQA or other portfolio assets; secured only over MQA's indirect interest in APRR
  - Margins: 2.25% (Yr1-2); 2.50% (Yr3-4); 2.75% (Yr5); 3.25% (Yr6); 3.75% (Yr7) over Euribor
  - No prepayment penalty
  - Euro denominated; matching currency exposure
- Refer to slide 23 for further details of the Debt Facility

| Sources                           | A\$m       |
|-----------------------------------|------------|
| Offer                             | 450        |
| Debt Facility: €150m <sup>4</sup> | 224        |
| Corporate Cash                    | 2          |
| <b>Total sources</b>              | <b>676</b> |

| Uses                                    | A\$m       |
|---|------------|
| Acquisition Price: €440m <sup>1,4</sup> | 656        |
| Acquisition Costs <sup>5</sup>          | 20         |
| <b>Total uses</b>                       | <b>676</b> |

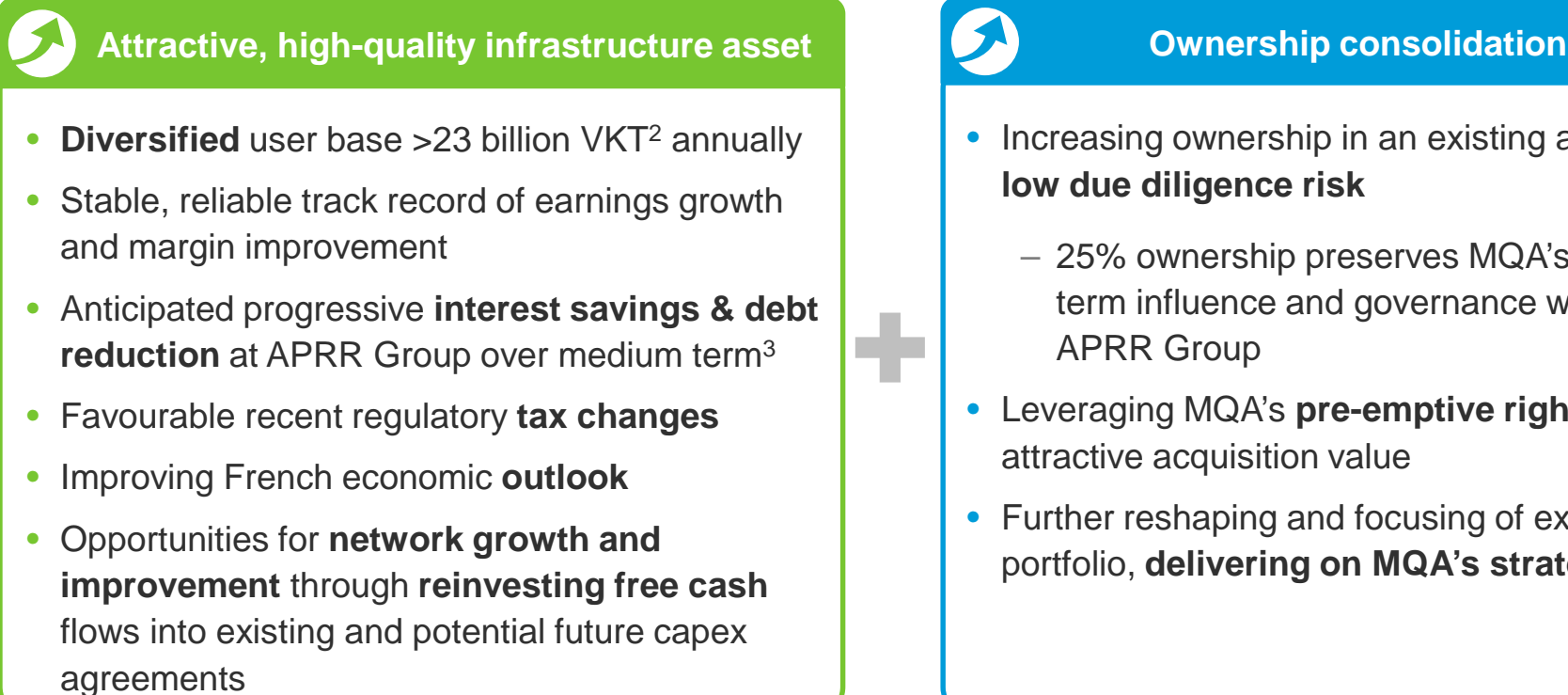
1. The final purchase price will be subject to a price adjustment mechanism depending on the closing date of the Acquisition. This assumes that closing will occur during October 2017. Management does not anticipate the movement will be material in the context of the overall transaction. 2. As at 30 June 2017, last 12 months EBITDA of €1,725 million and net debt of €3,542 million for the consolidated APRR Group. 3. Further details of the Retail Entitlement Offer will be provided in a separate announcement following completion of the Institutional Entitlement Offer. 4. EUR/AUD: 1.4914 as at 13 September 2017. 5. Includes transaction, debt raising and equity raising costs (approximately two-thirds of acquisition costs are paid to third-parties that are non-Macquarie Group entities).



# Acquisition rationale



Acquisition expected to be DPS and value accretive to MQA securityholders<sup>1</sup>



**Acquisition provides for greater participation in APRR's positive outlook, cash flows & growth opportunities**

1. Acquisition anticipated to complete during October 2017 and will impact MQA distributions from 2018. Subject to MQA's Acquisition business case assumptions being met. 2. Vehicle kilometres travelled. 3. Subject to future interest rate movements.

# Distribution growth

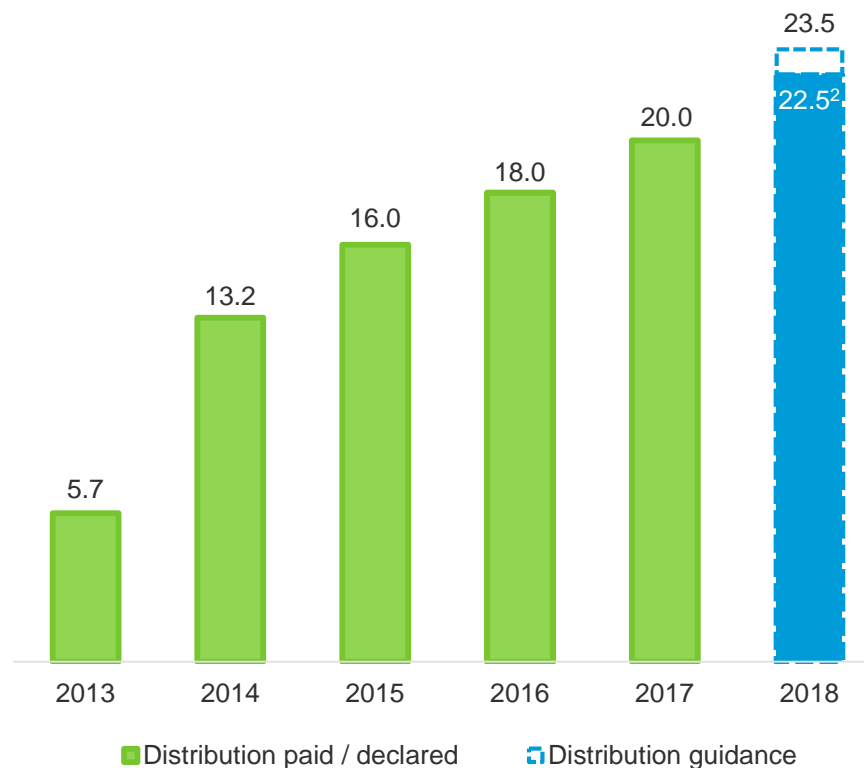


Acquisition supportive of MQA's growing distribution profile

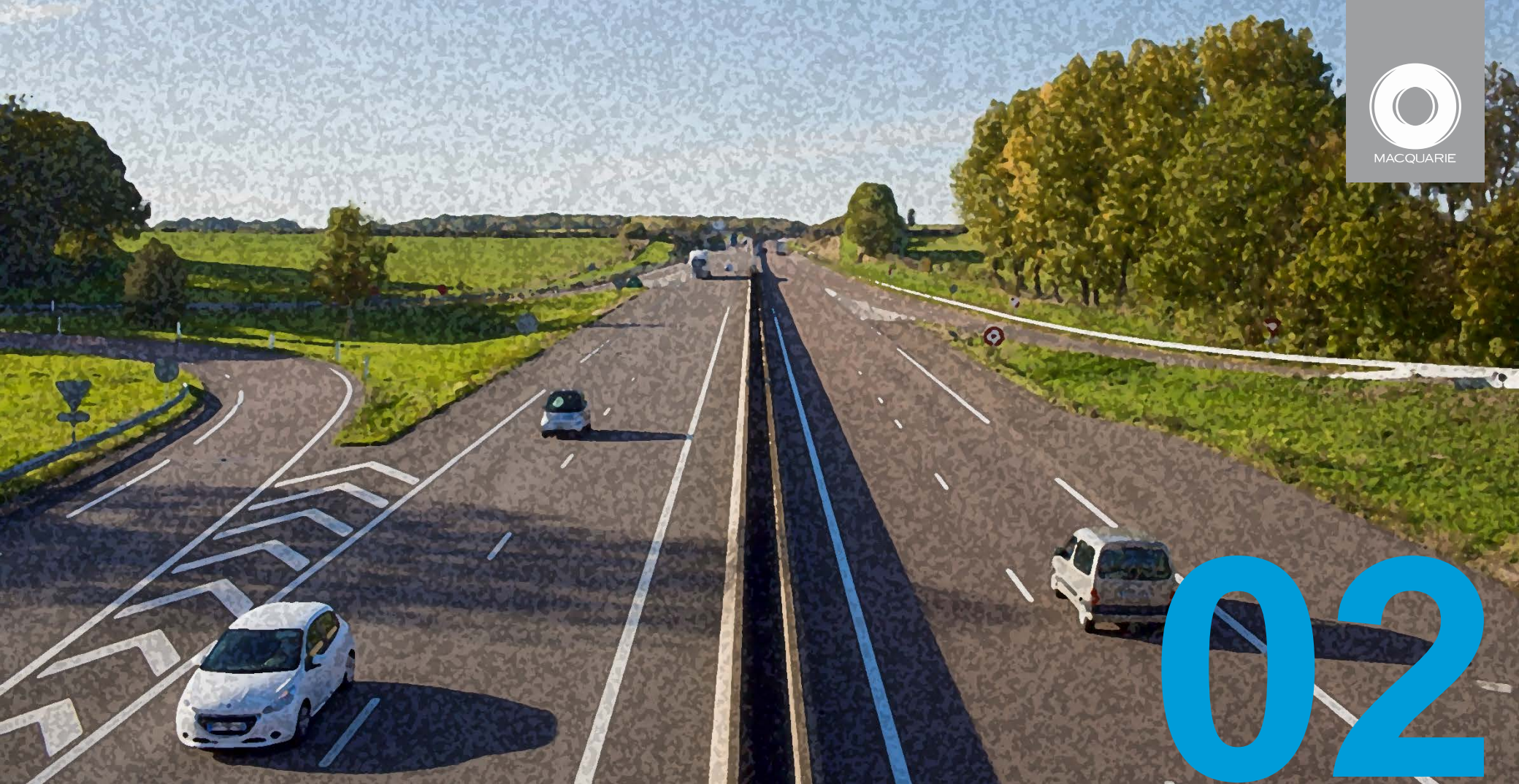
## FY18 distribution guidance increased to 23.5 cps<sup>1</sup>

- Represents:
  - A 4.4% distribution increase to previous FY18 distribution guidance<sup>2</sup>
- Represents:
  - A 17.5% distribution increase on FY17
- Subject to asset performance, foreign exchange movements and future events
- New Stapled Securities issued under the Offer will rank equally with existing MQA stapled securities
- Participants of the Offer will not be eligible to receive the 10 cps second-half 2017 distribution declared today but will receive full entitlement to the FY18 distribution

MQA distributions (cps)



1. Cents per security. Subject to completion of the Acquisition.  
2. Previous FY18 distribution guidance provided on 31 August 2017.



02

APRR



# APRR concessions

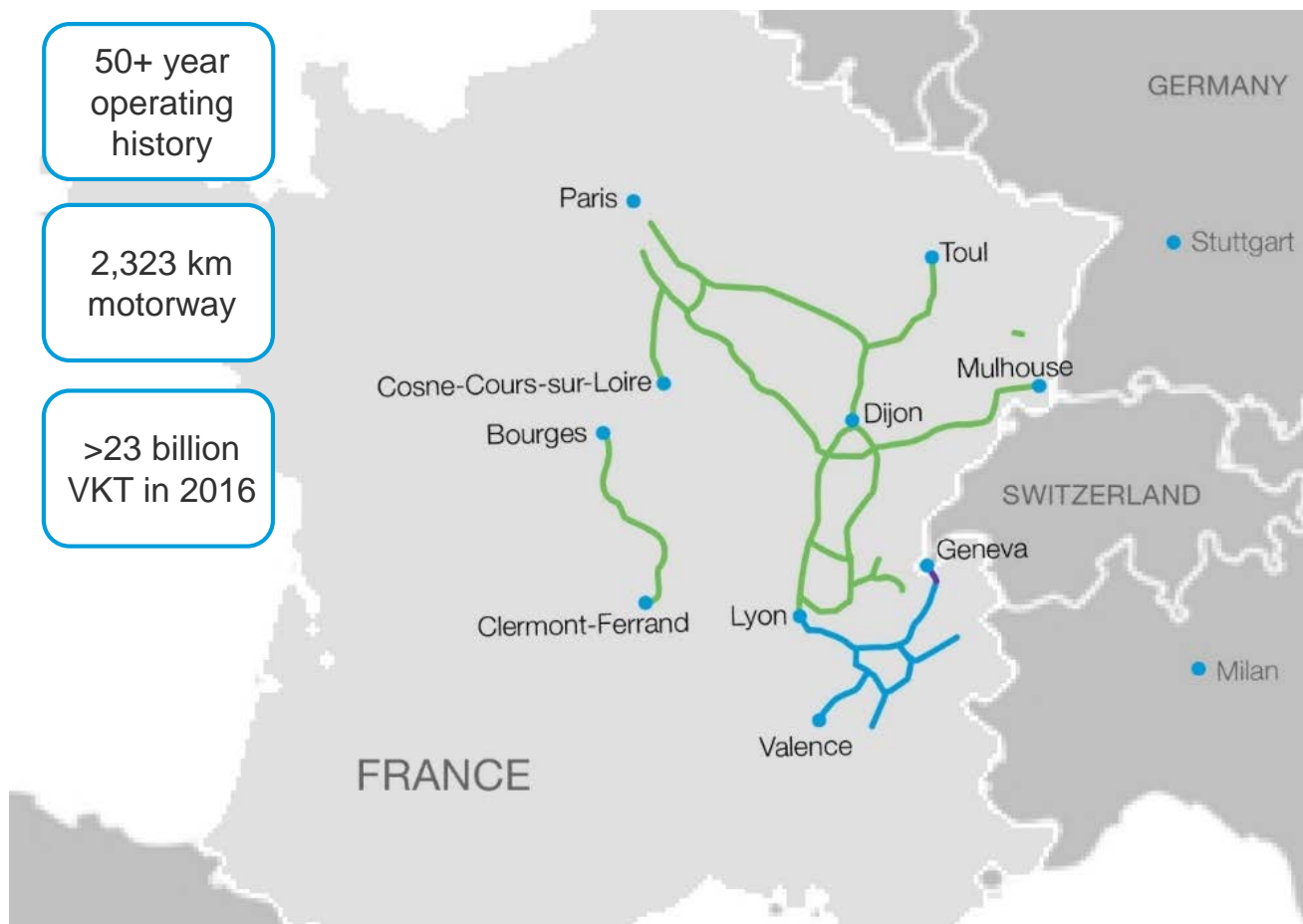


APRR is the second largest toll road network in France and the fourth largest in Europe

50+ year  
operating  
history

2,323 km  
motorway

>23 billion  
VKT in 2016



APRR comprises three  
concessions:

## APRR

Concession Expiry: Nov 2035  
Road Length: 1,895km

## AREA

Concession Expiry: Sep 2036  
Road Length: 408km

## ADELAC<sup>1</sup>

Concession Expiry: Dec 2060  
Road Length: 20km

1. APRR holds a ~50% interest in ADELAC. Post Acquisition, MQA will hold a total indirect interest of 25.01% in ADELAC, 12.46% via APRR and 12.55% through MAF2.



# Strategic location



APRR provides essential connectivity for major Western European and intra-France trade and tourism

## Trans-European trade

- APRR acts as a vital transportation corridor located at the cross-roads of Western European trade
  - Leveraged to European economic growth
- Provides critical connectivity between major French cities and access to France's major trading counterparts
  - Connects Paris and Lyon, France's two largest and most active regions
  - >76% of French inland freight transport is conducted via road<sup>1</sup>

## Supportive French demographics

- Large and prosperous French catchment area includes the two highest regional contributors to the national GDP<sup>2</sup>
- APRR provides connectivity to France's largest holiday regions in the Alps and French Riviera

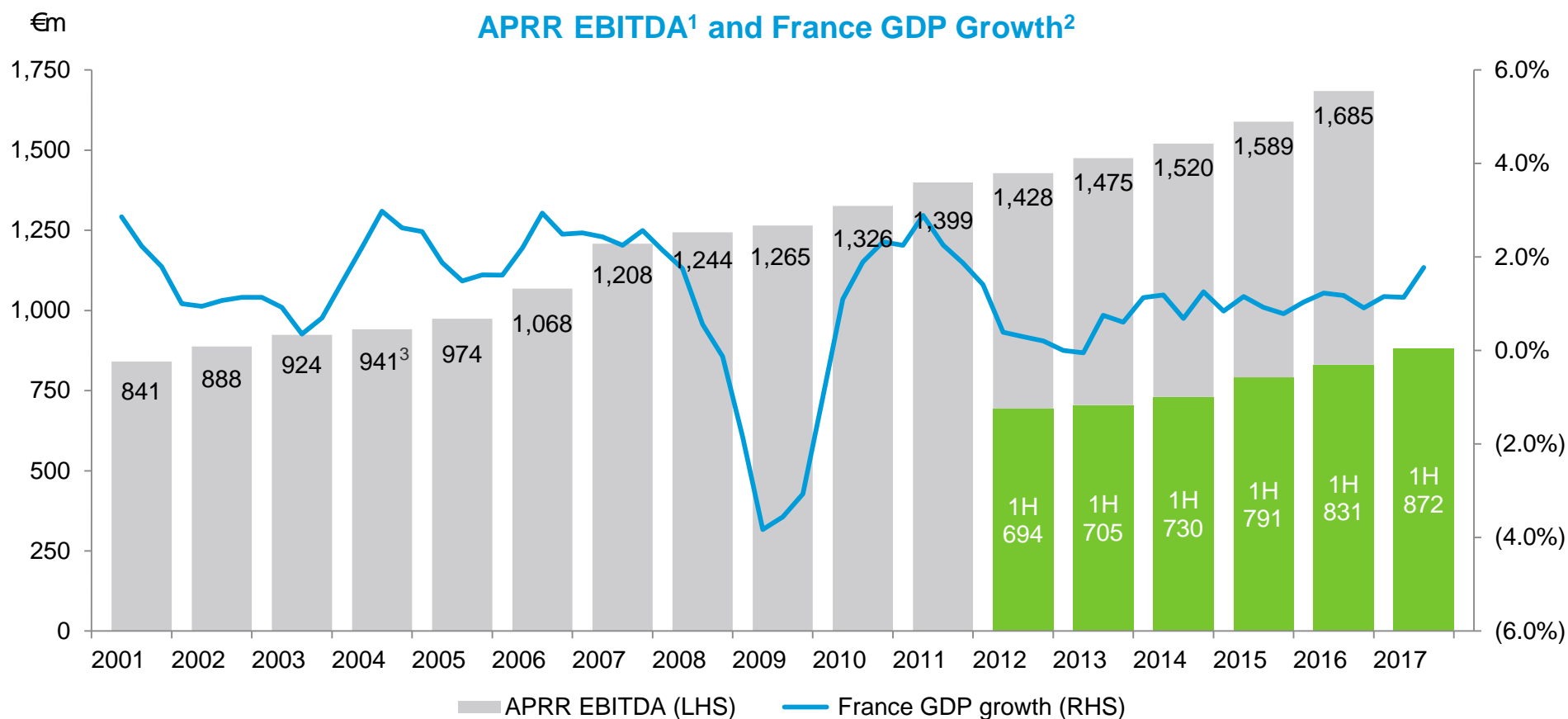


1. European Union Road Federation, Road Statistics Yearbook 2016: Performance on inland freight transport by mode and country, 2013.  
2. European Commission, Regional Innovation Monitor September 2017.

# Earnings stability



Proven earnings resilience through economic cycles



1. Represents performance of APRR.

2. Source: INSEE, July 2017; quarterly growth on prior corresponding period.

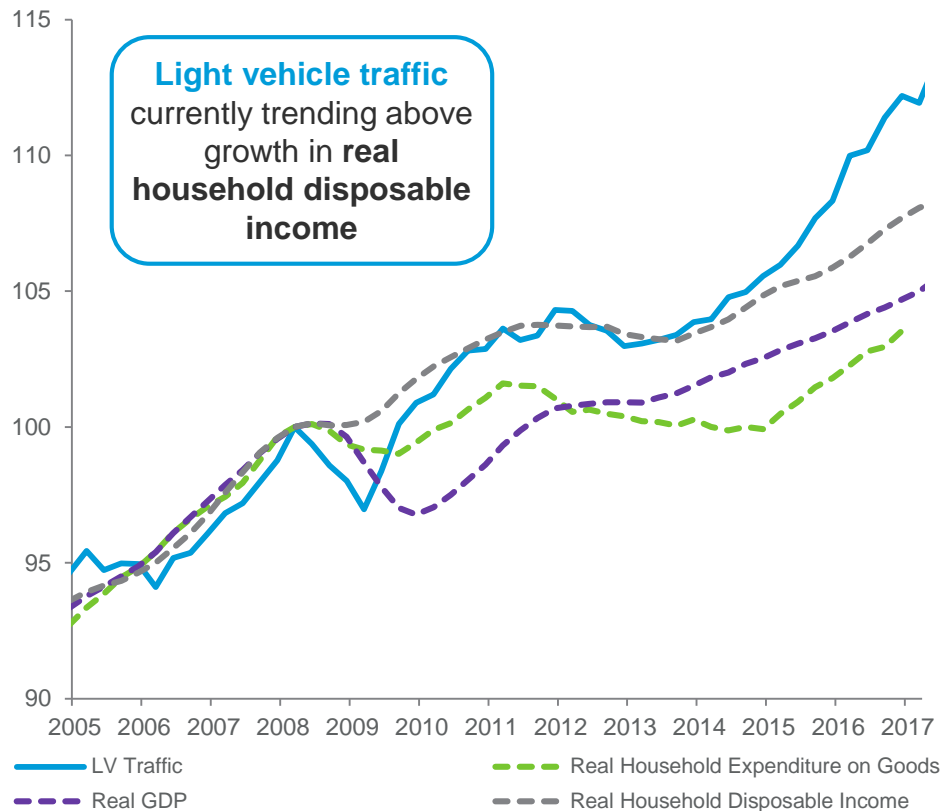
3. EBITDA from 2004 onwards prepared using IFRS.

# Leveraged to economic growth

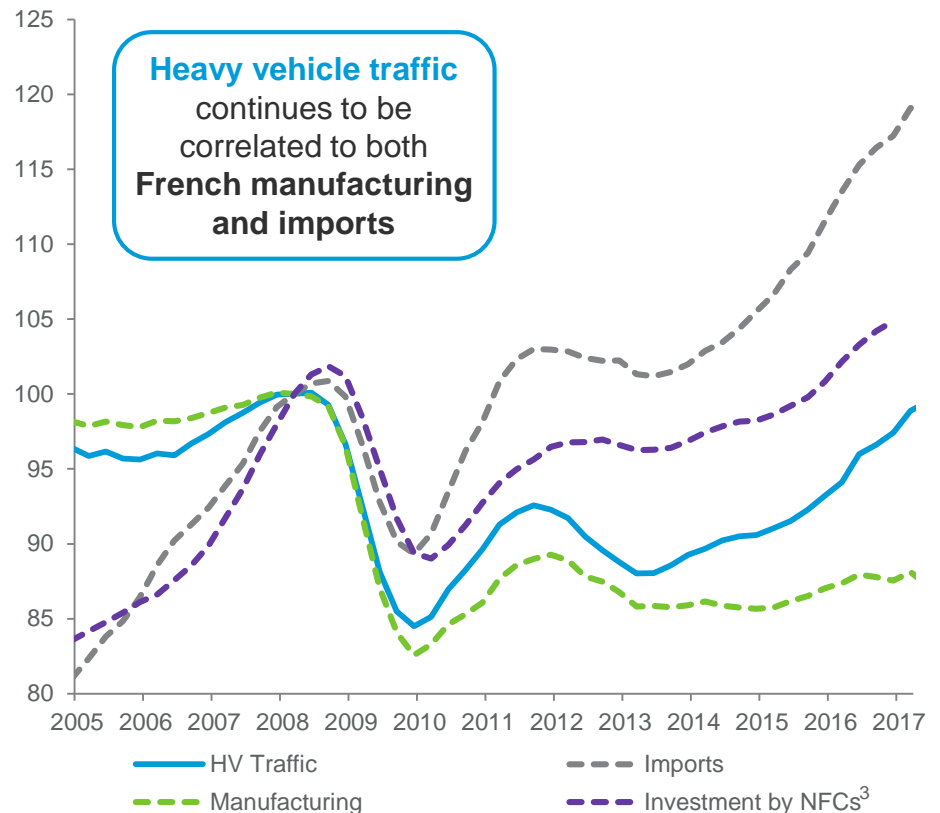


APRR is well positioned to benefit from further improvements in French economic activity

## APRR Light Vehicles and Economic Indicators<sup>1,2</sup>



## APRR Heavy Vehicles and Economic Indicators<sup>1,2</sup>



1. Moving 12 month average; indexed to the 12 months to March 2008.

2. Source: INSEE, April 2017.

3. Non-financial corporations

# Transparent regulatory framework



Inflation-linked tolling and established regulatory regime underpin APRR's highly predictable cash flows

## Concession benefits

- **Stable concession regime:** In place for over 30 years
- **Predictable, inflation linked toll increases:** Minimum contracted toll increase of  $70\% \times \text{CPI}^1$  to concession end<sup>2</sup>
- **Potential upside from Management Contracts:** Capex plans negotiated every five years with the State to improve the existing networks, in exchange for an improved toll path
  - 2014-18 contract allows for an improved toll formula:  $85\% \times \text{CPI} + \text{a fixed component}$  (historically toll increases have been above CPI)
- **Improved regulatory protection:** Protected against significant changes in tax / toll road specific changes (e.g. land tax and 2015 toll freeze)

## Contracted toll formula to 2023<sup>2</sup>

| A x CPI <sup>1</sup> + B                       | 2016    | 2017    | 2018    | 2019 <sup>4</sup> | 2020 <sup>4</sup> | 2021 <sup>4</sup> | 2022    | 2023    |
|--|---------|---------|---------|-------------------|-------------------|-------------------|---------|---------|
| CPI multiplier (A)                             | 85%     | 85%     | 85%     | 70%               | 70%               | 70%               | 70%     | 70%     |
| Supplemental toll increases (B) <sup>3</sup> : |         |         |         |                   |                   |                   |         |         |
| APRR   | + 1.18% | + 0.59% | + 1.13% | + 0.25%           | + 0.25%           | + 0.25%           | + 0.25% | + 0.25% |
| AREA   | + 1.22% | + 0.62% | + 1.17% | + 0.26%           | + 0.26%           | + 0.26%           | + 0.26% | + 0.26% |

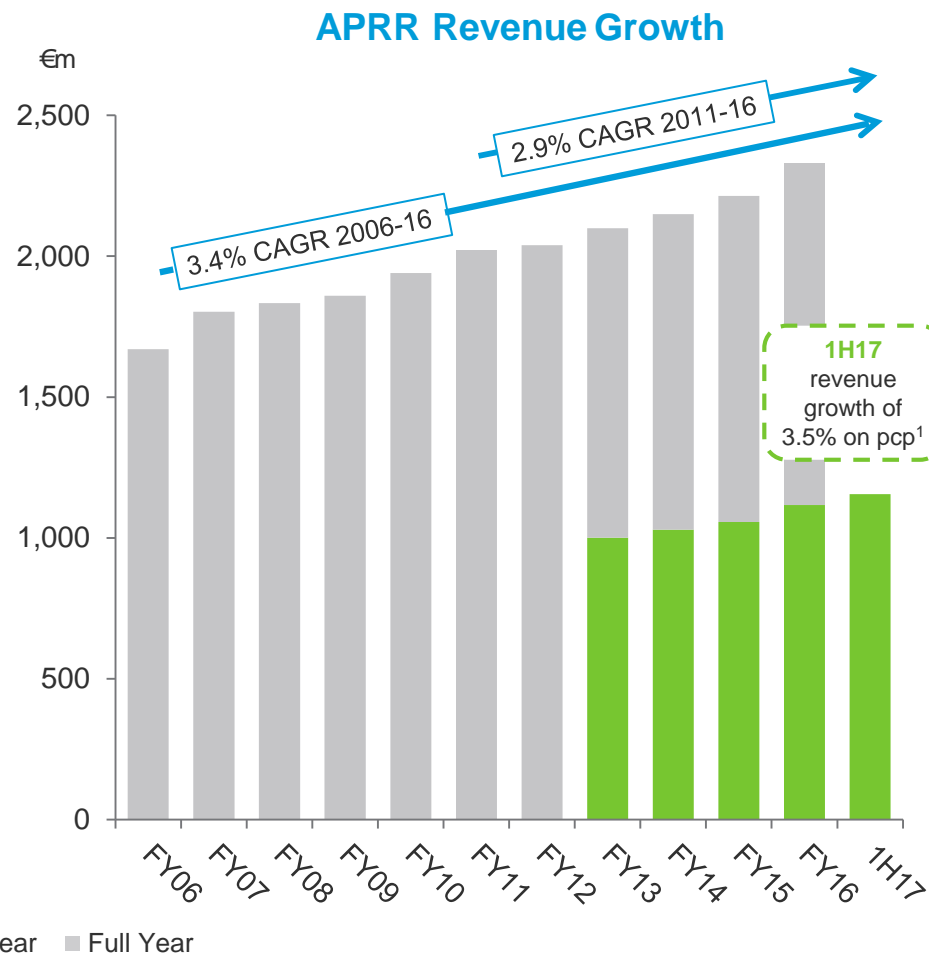
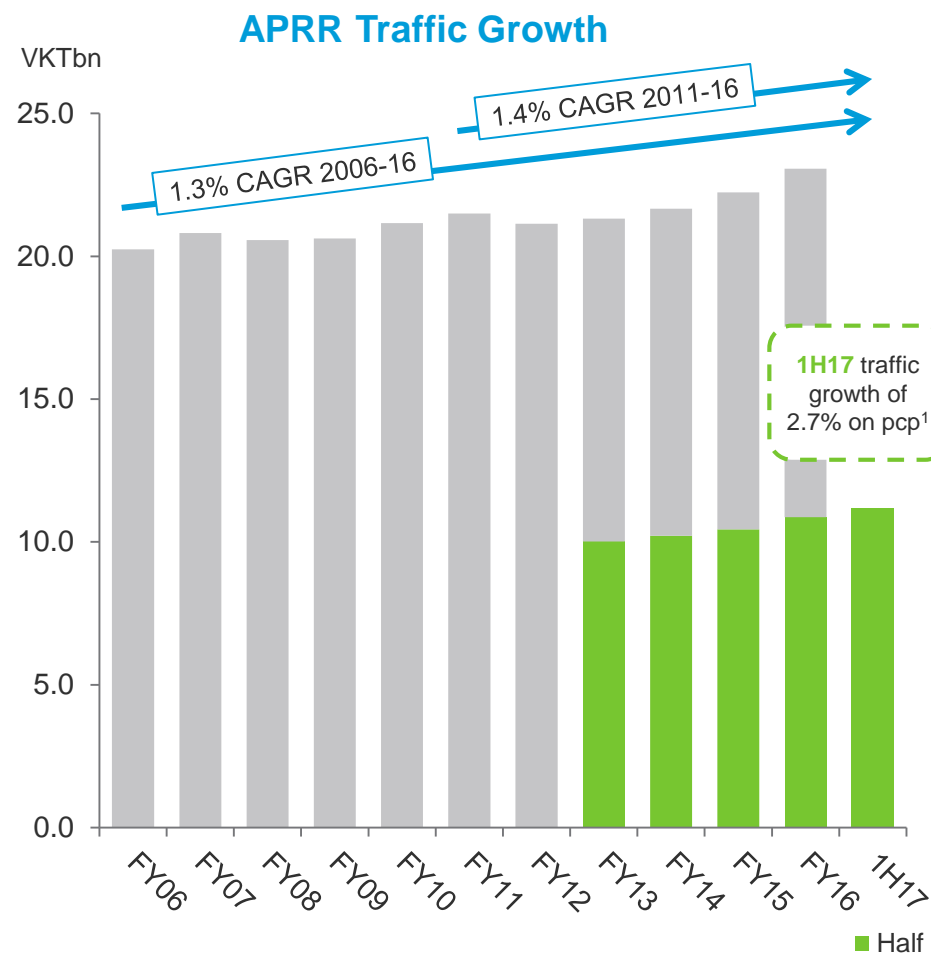
1. French CPI excluding Tobacco. 2. Post-2023, annual toll increases revert to contracted toll increase of  $70\% \times \text{CPI}$ . In the event of future material outperformance, revenue caps may apply after 2033. 3. Supplemental toll increases resulting from a) 2014-2018 Management Contract, b) 2013 land tax increase compensated via supplemental toll increases over 2016-2018, c) toll freeze in 2015 compensated via supplemental toll increases over 2019-2023. 4. The 2017 In-Principle Agreement, including a €222 million investment plan, will be compensated via supplemental toll increases over 2019-2021 (remains subject to regulatory review and final contract). The toll formula from 2019-2021 does not include supplemental toll increases of 0.287% for APRR and 0.413% for AREA per annum.



# Historical performance



Defensive and stable traffic and revenue growth



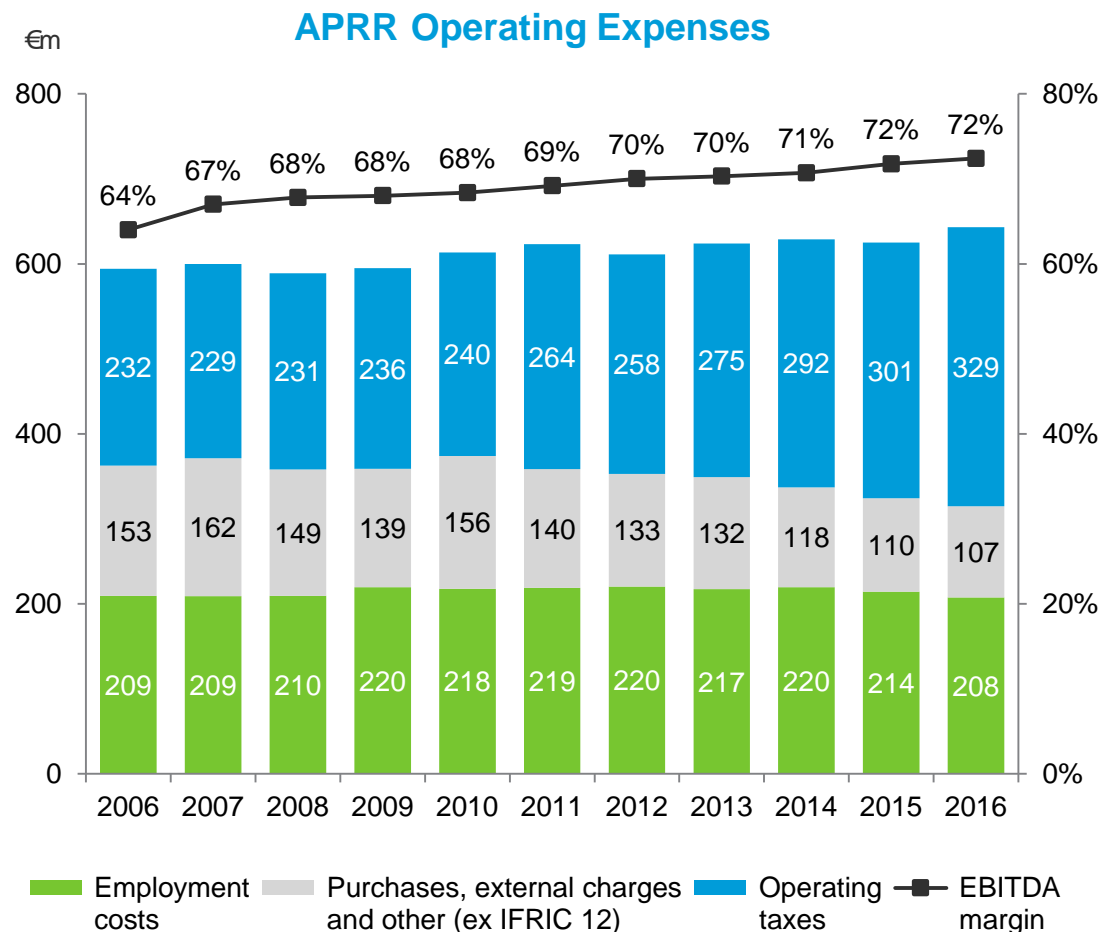
1. Prior corresponding period.

# Operational improvements



## Track record of continued EBITDA margin enhancement

- Progressive EBITDA margin improvement over ten years driven by increasing revenue and ongoing cost control
- Operational efficiencies achieved through higher automated transactions
  - 98.7% of tolls collected via automated transactions during 1H17, up from 51% in 2006
- Headcount (**FTE<sup>1</sup>**) for 1H17 was 3,359 (1H16: 3,430)



1. Full-time equivalent. Average FTE staff number excludes employees transitioning to retirement.

# Free cash flow reinvestment



Significant levels of APRR free cash flows are reinvested for future growth

- APRR distributions are restricted to retained earnings<sup>1</sup>, however APRR has consistently generated cash flows in excess of net profit

- Excess cash is used to fund:

## 1) Debt reduction

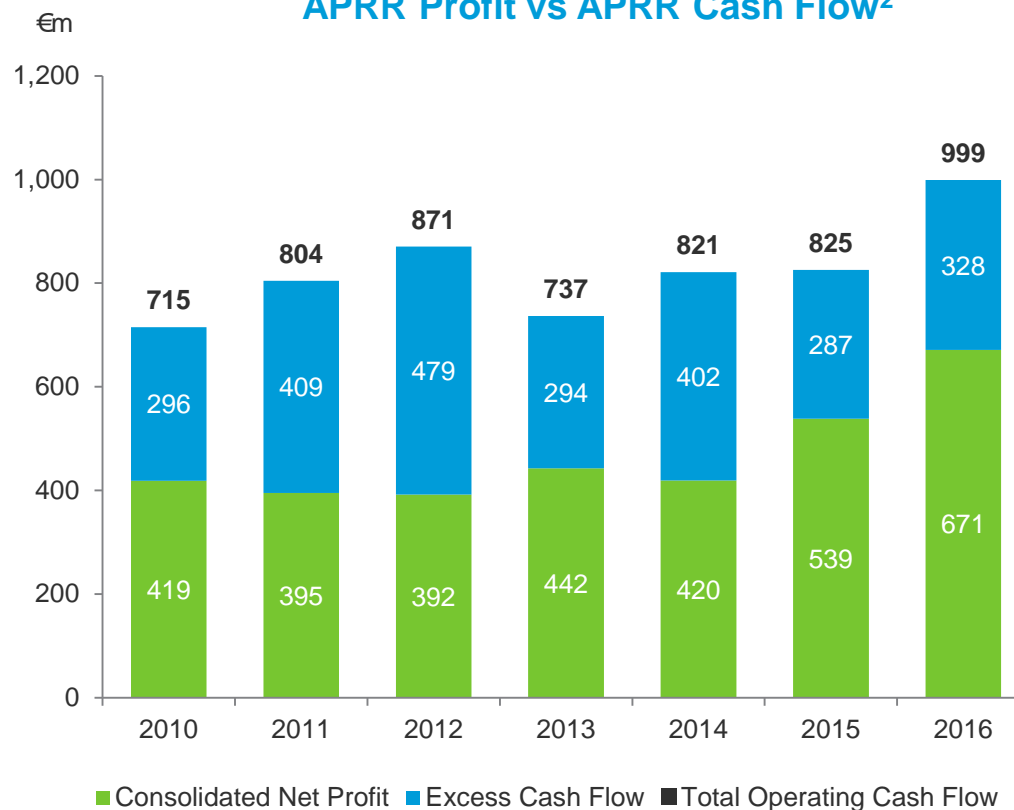
Progressive reduction in interest costs and debt levels

## 2) Capex

Network investment through:

- 2014-18 Management Contract
- 2015 Stimulus Package
- 2017 In-Principle Agreement<sup>3</sup>
- Maintenance capex

APRR Profit vs APRR Cash Flow<sup>2</sup>



1. Dividends paid are subject to conventional accounting restrictions and can be paid from current period profit, distributable reserves, retained earnings and share premium.

2. 100% consolidated APRR Group figures.

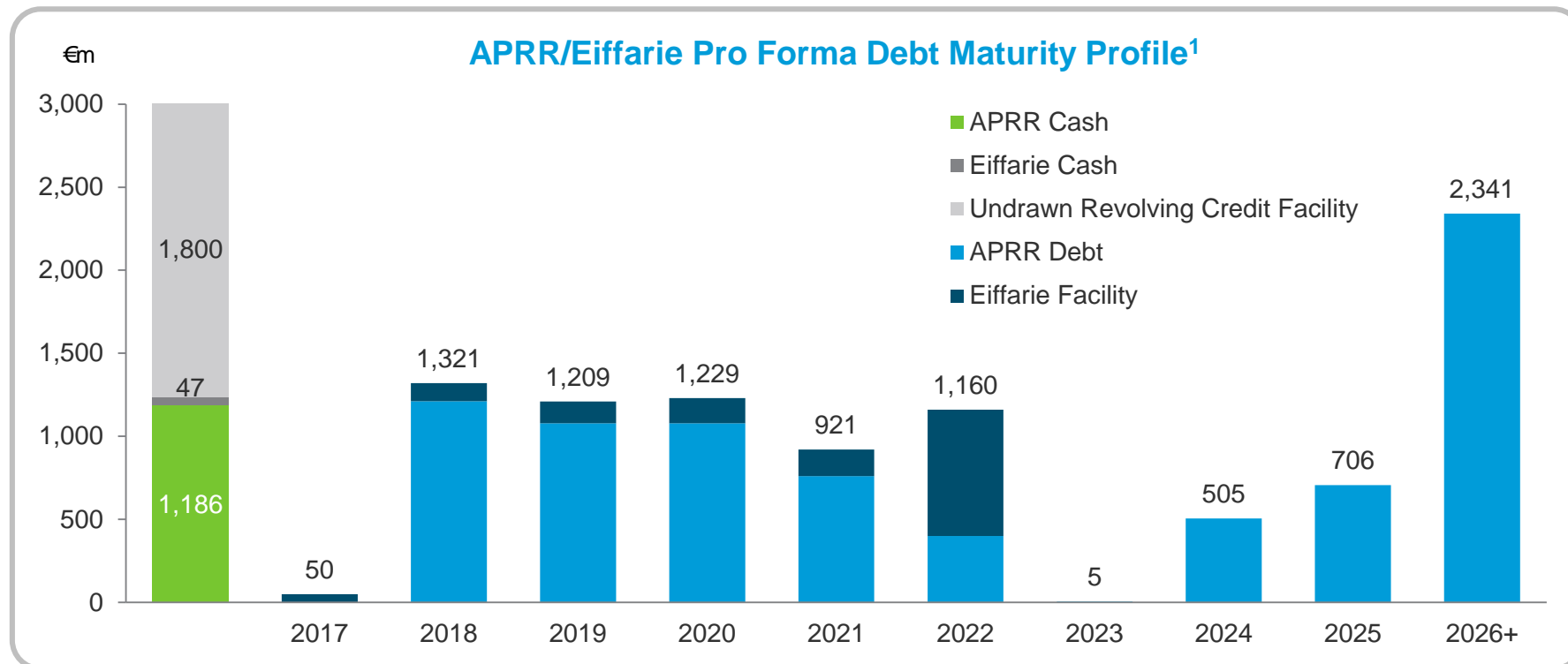
3. The in-principle agreement with the French State remains subject to regulatory review and final contract.

# APRR existing debt profile



Sustainable debt maturity profile with strong liquidity position

- APRR investment grade credit rated by S&P (A- Stable Outlook) and Fitch (BBB+ Positive Outlook)
- APRR/Eiffarie Net Debt balance of €8.5 billion as at 30 June 2017; representing 5.0x Net Debt / EBITDA



1. As at 30 June 2017. Excludes short term debt, accrued interest and mark to market on swaps (€0.4bn) at APRR. 7yr maturity for Eiffarie term loan.

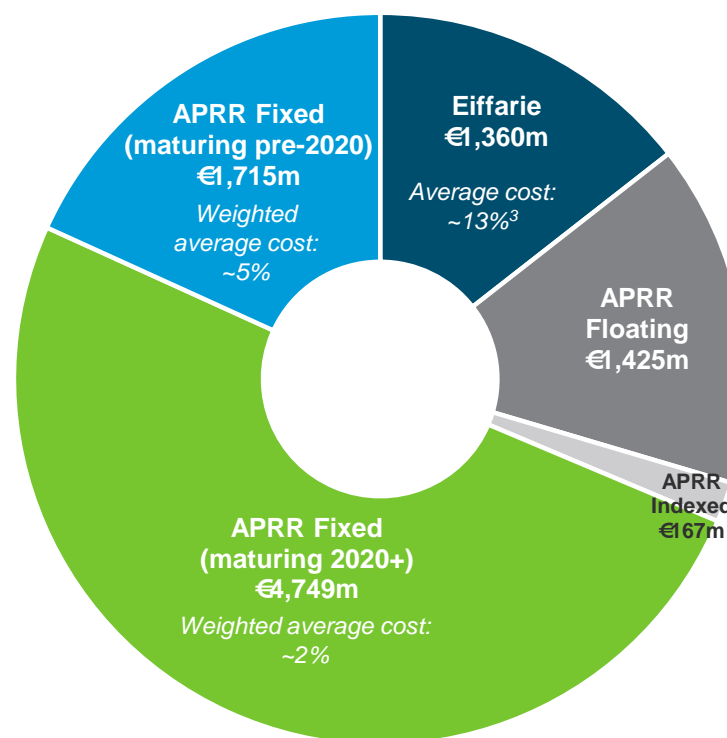
# Financing costs



Further interest saving opportunities remain over the medium term

- Opportunity to replace maturing **APRR debt** with lower-cost facilities through 2019<sup>1</sup>
  - APRR 1H17 interest decreased €26 million, or 21%, on 1H16
  - APRR FY16 net interest decreased €44 million, or 16%, on FY15
  - APRR's most recent bond (May 2017) issued in the amount of €500 million with a 1.625% coupon and 2032 maturity
- **Eiffarie debt** cost is impacted by the legacy swap
  - ~13% average cost due to €1.4 billion bank debt facility at 95bps over Euribor with a €3.2 billion swap at 4.6%
  - Swap due to expire 30 June 2018, resulting in immediate interest cost savings

**APRR/Eiffarie Cost of Debt<sup>2,3</sup>**



<sup>1</sup>. Subject to future interest rate movements. <sup>2</sup>. As at 30 June 2017. Excludes short term debt, accrued interest and mark to market on swaps (€0.4bn) at APRR. 7yr maturity for Eiffarie term loan. <sup>3</sup>. Eiffarie average cost of debt includes ~€3.2bn swaps which mature in June 2018.



# Ongoing network investment

APRR continues to focus on growing and improving its existing network

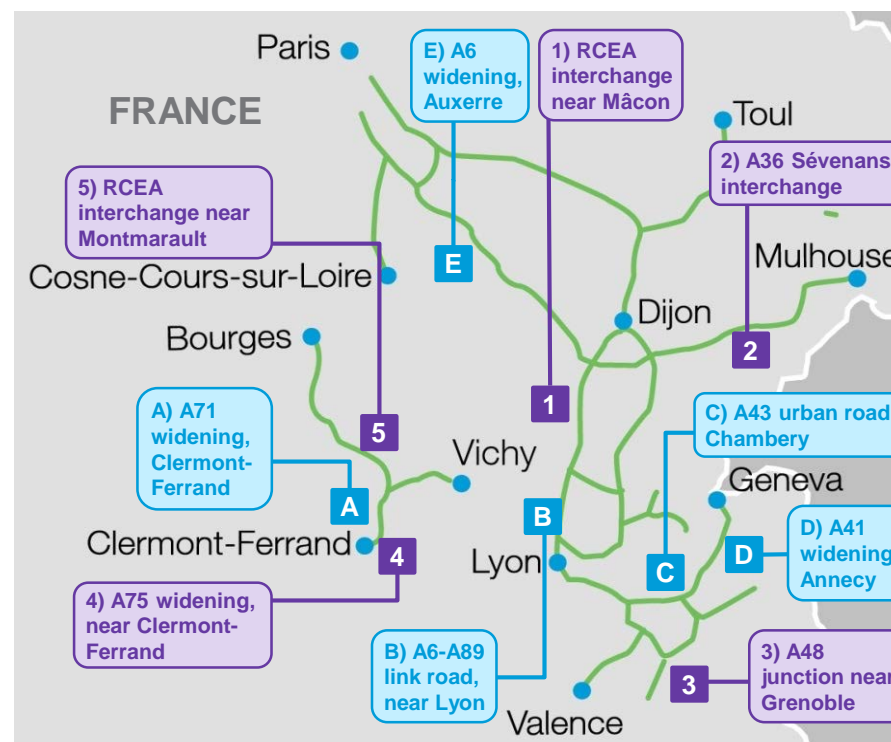
## Capex Projects



- Ongoing investment via:
  - 2014-2018 Management Contract (€500m)
  - Stimulus Package (€720m)
  - 2017 In-Principle Agreement (€222m<sup>1</sup>)
- Capital expenditure guidance (real as at Dec 2016):
  - 2017-2020: average ~€380m p.a. (includes Management Contract and Stimulus Package)
  - 2021-2035: average ~€180m p.a.

## Current Investment Projects Underway

□ 2014-2018 Management Contract □ 2015 Stimulus Package



1. Approximately €24m to be contributed by local authorities. The in-principle agreement remains subject to regulatory review and final contract.

# French taxation – recent developments



## APRR to benefit from recent favourable regulatory tax changes<sup>1</sup>

- APRR Group to benefit from reduction in French corporate income tax rate from 33.3% in 2016 to 28.0% by 2020<sup>2</sup>
  - Including the additional social surcharge of +3.3%, APRR's effective tax rate will reduce from 34.4% to **28.9%**
- 3% dividend tax no longer applicable to dividends paid by MAF to MAF2 from 2017



1. As per 2017 French Finance Act.

2. Tax rate reduction applicable to the first €500,000 of taxable income for 2018 and 2019, and on all taxable income from 2020.

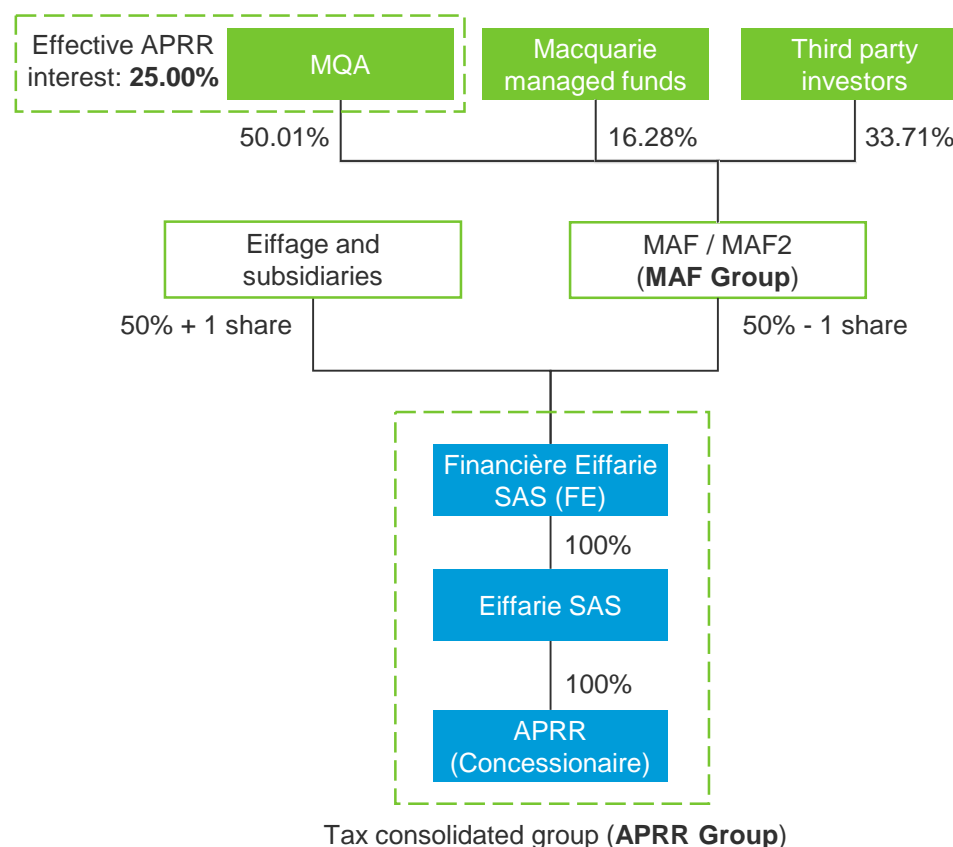
# MAF Group governance structure



MAF Group governance structure will remain unchanged post the Acquisition

- APRR is currently jointly owned by MAF Group and Eiffage
  - MAF Group is 100% managed by Macquarie under an advisory agreement
- If MQA ceased to be managed by Macquarie:
  - Annual fees totalling ~€7.4 million<sup>1</sup> would become payable by MQA to Macquarie for management services at MAF Group (the Acquisition contributes to an increase of this annual fee by €1.4 million due to the higher ownership percentage in MAF2<sup>2</sup>).
  - Performance fees<sup>3</sup> to Macquarie may also become payable in respect of the future performance of the asset
- If MAF Group ceased to be managed by Macquarie<sup>4</sup> and if MAF2 were no longer at least 50% owned by Macquarie managed entities:
  - MAF Group would lose certain governance rights in FE, including the right to appoint directors
  - Eiffage would be entitled to purchase all of MAF Group's interest in FE at fair market value

## Post-acquisition APRR Shareholding Structure



1. Based on MQA's post-Acquisition interest in the MAF Group of 50.01%. 2. Applicable fee is €147,500 for each 1% of MAF2 interest held. 3. A performance fee equal to 15% of the total cash flows from the APRR investment will become payable by MQA to Macquarie after an 8% IRR is achieved by MQA on their APRR investment. The performance fee calculation commences as at the date of MQA ceasing to be managed by Macquarie. 4. Requires an 85% MAF2 shareholder resolution. Macquarie cannot unilaterally resign from its MAF2 management obligations.



# 03

## Debt Facility



# Acquisition debt facility



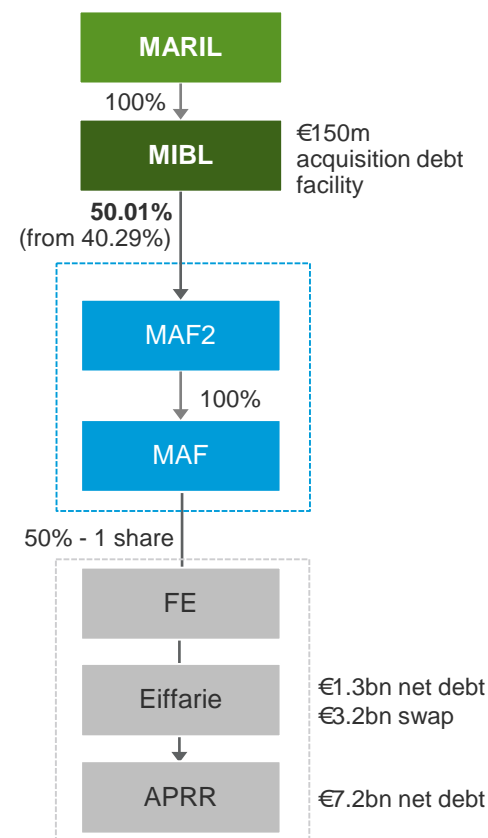
## Post-Acquisition debt structure remains prudent

- MIBL Finance (Luxemburg) S.à r.l.'s (**MIBL**) pro-forma proportionate net debt / EBITDA of 5.3x<sup>1</sup> post implementation of the Acquisition debt facility
  - Modest step-up in proportionate net debt / EBITDA from 5.0x<sup>1</sup>
- MIBL debt facility provides significant covenant headroom and flexibility

## Key terms of the Acquisition debt facility

|                            |   |
|----------------------------|---|
| <b>Size</b>                | <ul style="list-style-type: none"> <li>• €150 million – Euro denominated; matching currency exposure</li> </ul>   |
| <b>Term</b>                | <ul style="list-style-type: none"> <li>• 7 year facility with no fixed amortisation and step up cash sweeps commencing from year 5</li> <li>• No prepayment penalties</li> <li>• Intention to refinance prior to the 5<sup>th</sup> anniversary</li> </ul>                                |
| <b>Margins</b>             | <ul style="list-style-type: none"> <li>• Margin over Euribor<sup>2</sup>: 2.25% (Yr1-2); 2.50% (Yr3-4); 2.75% (Yr5); 3.25% (Yr6); 3.75% (Yr7)</li> </ul>  |
| <b>Security</b>            | <ul style="list-style-type: none"> <li>• Non-recourse to MQA or other portfolio assets – secured over MQA's total interests in APRR</li> </ul>  |
| <b>Financial Covenants</b> | <ul style="list-style-type: none"> <li>• Leverage<sup>1</sup> covenant: 7.5x (6.9x for distribution lock-up), stepping down to 6.0x (5.5x for distribution lock-up) by December 2021</li> <li>• Interest coverage<sup>3</sup> covenant: 1.20x (1.75x for distribution lock-up)</li> </ul> |

## Post-Acquisition Debt Structure



1. Measured as MIBL's proportionate net debt of the APRR group plus the Debt Facility, divided by MIBL's proportionate share of the APRR Group's EBITDA, less operating expenses at the MAF Group and MIBL. 2. Total aggregate interest floored at 0% p.a. 3. Measured as distributions received by MIBL, divided by interest expense at MIBL.

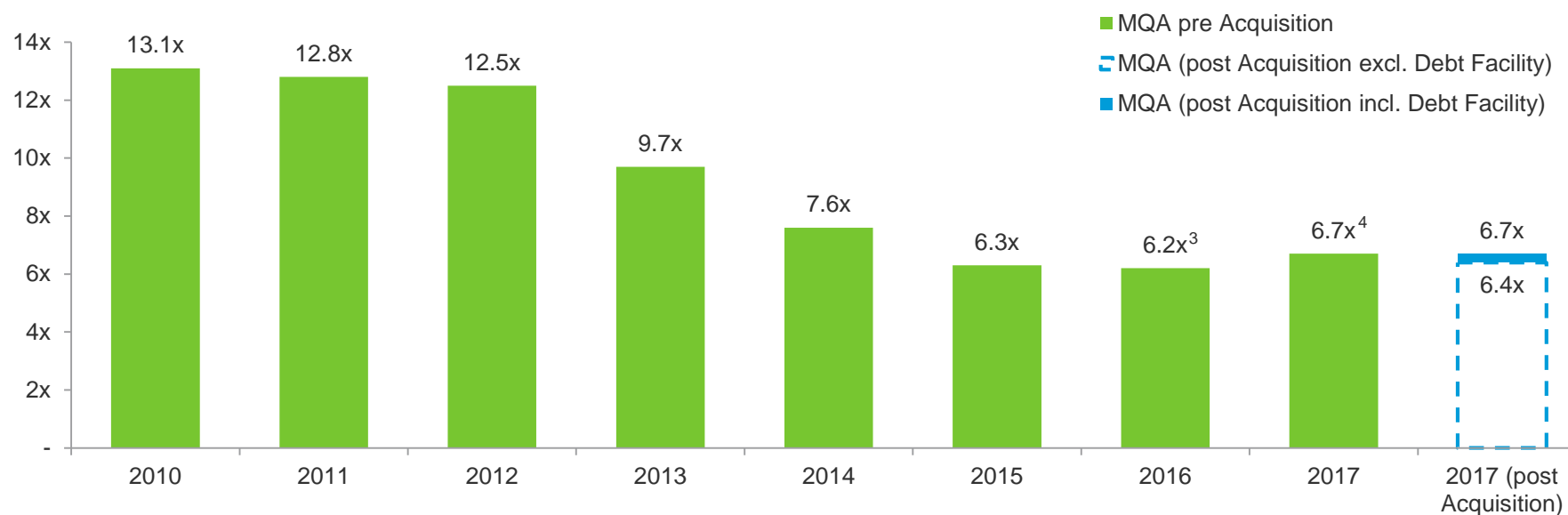
# MQA proportionate gearing



## Continued disciplined approach to capital management

- Following the Acquisition, MQA's pro-forma proportionate net debt / EBITDA will be 6.7x
  - Asset borrowings have no recourse to MQA; no cross claims between portfolio assets

**MQA Proportionate Net Debt / EBITDA<sup>1,2</sup>**



1. 2010-2016 figures are shown as at 31 December, calculated based on MQA's asset portfolio using year-end foreign exchange rates and ownership interests. Net debt and EBITDA figures as disclosed in MQA's Management Information Report from FY10 to FY16. The 2017 pre Acquisition figure is shown as at 30 June. EBITDA represents 12 months EBITDA to 30 June 2017, calculated based on MQA's asset portfolio using FX rates and ownership interests as at 30 June 2017. Net debt and EBITDA figures as disclosed in MQA's Management Information Report as at 1H17.

2. 2017 post Acquisition figure calculated using FX rate as at 13 September 2017.

3. Figure from 2016 onwards includes ADELAC debt adjusted for proportionate ownership.

4. As at 30 June 2017, post Dulles Greenway acquisition in May 2017 which includes a US\$175m asset finance facility.



04

## Market Update



# Market Update



## MQA management base fee reduction

- Macquarie has notified the MQA Boards of the following changes to the MQA management fee arrangements:
  - From 1 October 2017<sup>1</sup>, base management fee reduced from 1.00% to 0.85% per annum on MQA's market capitalisation, subject to completion of the Acquisition
  - At a MQA post-Acquisition market capitalisation of A\$3.6 billion<sup>2</sup>, the fee reduction will result in savings of:
    - ~A\$5.4 million per annum compared to the amounts charged following the July 2016 fee waiver
    - ~A\$20.4 million per annum compared to the management and advisory agreements
- The benefit of the fee reduction will exceed any additional base management fees that would otherwise have been payable on new MQA stapled securities issued under the equity raising
- MQA directors welcome the fee reduction which represents a significant benefit to MQA securityholders

## Dulles Greenway traffic

- Dulles Greenway traffic performance will continue to reflect the impacts of various competing network improvements and construction activities over the next 24-36 months. Average Daily Traffic (**ADT**) decreased by 0.2% for the year to date on prior corresponding period (**pcp**) and 3.4% for the quarter to date on pcp<sup>3</sup>

1. Fee reduction to commence from 1 October 2017 and for subsequent quarters until further notice from Macquarie Fund Advisers Pty Limited (**MFA**).

2. Market capitalisation based on the Theoretical Ex-Rights Price (**TERP**) of A\$5.39 as at Wednesday, 13 September 2017. TERP is the theoretical price at which MQA securities should trade after the ex-date for the Offer. TERP is a theoretical calculation only and the actual price at which MQA securities trade at that time will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the market capitalisation of MQA at market close on Wednesday, 13 September 2017, adjusted for the value of the 10 cps second-half 2017 distribution to which participants in the Offer will not be entitled.

3. As at 11 September 2017.





05

## Details of the Offer

# Equity raising overview



## Offer Structure & Size

- A\$450 million 1 for 6.62 underwritten pro-rata accelerated non-renounceable entitlement offer (**Offer**)
- Approximately 87,897,259 million new MQA securities (**New Stapled Securities**) to be issued

## Issue Price

- A\$5.12 per New Stapled Security (**Offer Price**), representing a:
  - 5.0% discount to TERP<sup>1</sup> as at 13 September 2017 of A\$5.39. TERP is calculated by reference to the market capitalisation of MQA at market close on 13 September 2017, adjusted for the value of the 10 cps second-half 2017 distribution to which participants in the Offer will not be entitled
  - 5.7% discount to adjusted last close at 13 September 2017 of A\$5.43, adjusted for the 10 cps second-half 2017 distribution
- Macquarie Group Limited has notified MQA that it will apply for its full pro-rata entitlement under the Offer

## Use of Funds

- To partially fund the Acquisition of an additional 4.86% indirect interest in APRR

## Ranking of New Stapled Securities

- New Stapled Securities issued under the Offer will rank equally with existing MQA securities
- Participants of the Offer will not be eligible to receive the 10 cps second-half 2017 distribution declared today but will receive full entitlement to the FY18 distribution

## Record Date

- 7:00pm Monday, 18 September 2017

## ASX Confirmation

- MQA has obtained ASX confirmation that securityholder approval is not required for the Acquisition on the following basis:
  - that the sellers, MEIF2 and MMIT, are not related parties of MQA and that the purchase price is validated by the joint exercise by MQA and its third-party MAF2 co-investors of their pre-emptive rights
  - while both the sellers and MQA receive management services from Macquarie, the MQA management arrangements are non-discretionary and all key decisions with respect to the management of MQA are made by the MQA directors
  - while Macquarie is a substantial shareholder of MQA, the sellers are not associates of Macquarie because any control that Macquarie exercises over the sellers (in its capacity as their manager) is exercised for the benefit of the sellers' third-party investors

**Note:** Further details of the Retail Entitlement Offer will be provided in a separate announcement following completion of the Institutional Entitlement Offer. <sup>1</sup> The theoretical ex-rights price (**TERP**) is the theoretical price at which MQA securities should trade after the ex-date for the Offer. TERP is a theoretical calculation only and the actual price at which MQA securities trade at that time will depend on many factors and may not be equal to TERP

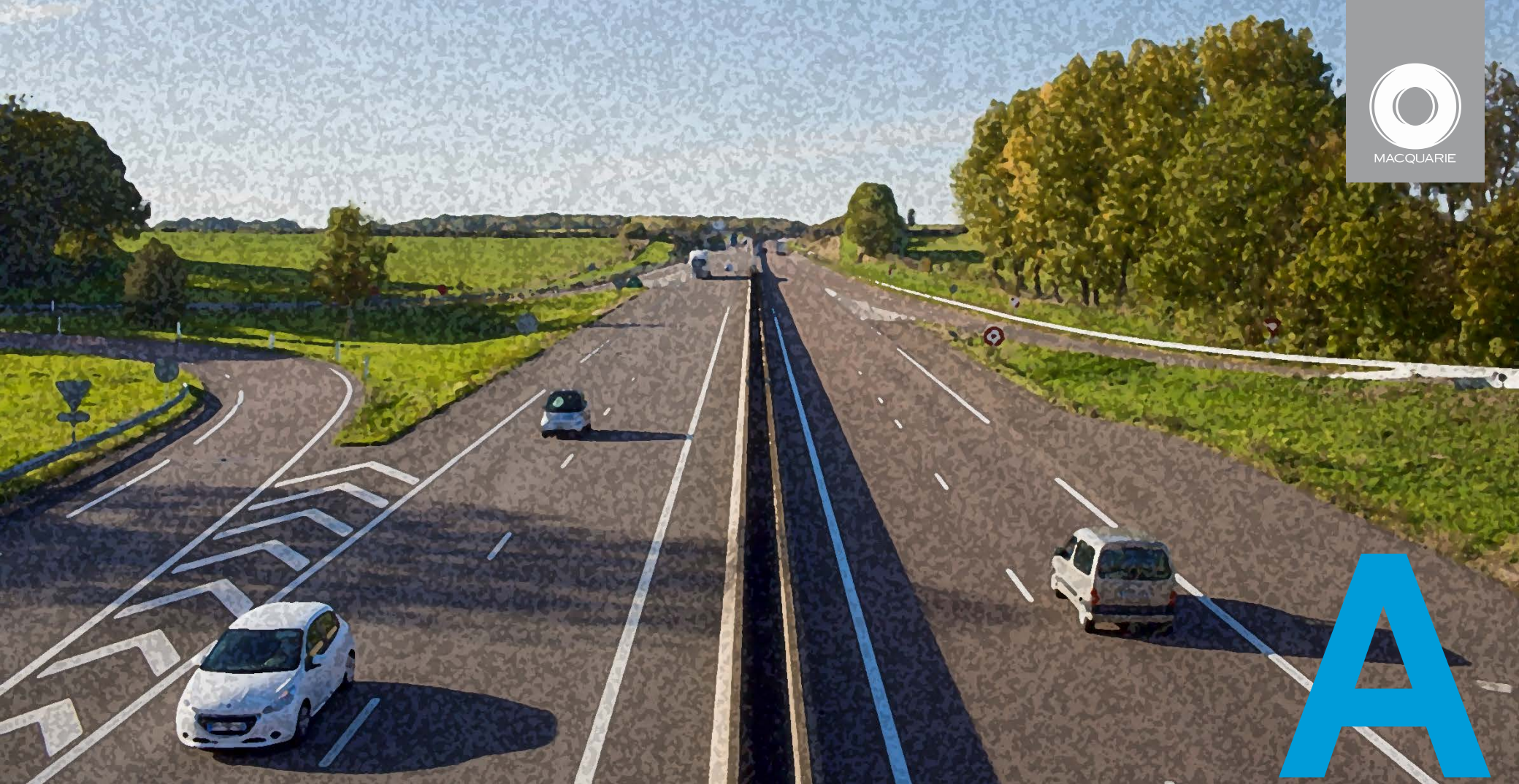


# Offer timetable



| Event  | Date                          |
|--|-------------------------------|
| <b>Trading halt and announcement of Acquisition and Offer, Institutional Entitlement Offer opens</b> , second-half 2017 distribution declaration | <b>Thu, 14 Sep 2017</b>       |
| <b>Institutional Entitlement Offer closes</b>  | <b>Thu, 14 Sep 2017</b>       |
| Trading halt lifted – stapled securities recommence trading on ASX on an “ex-entitlement” basis  | Fri, 15 Sep 2017              |
| Record Date for determining entitlement to subscribe for New Stapled Securities  | 7:00pm Mon, 18 Sep 2017       |
| <b>Retail Entitlement Offer opens</b>  | <b>Wed, 20 Sep 2017</b>       |
| Retail Offer Booklet despatched and Retail Entitlements allotted   | Wed, 20 Sep 2017              |
| Ex-dividend date for second-half 2017 distribution   | Wed, 20 Sep 2017              |
| Settlement of Institutional Entitlement Offer  | Mon, 25 Sep 2017              |
| Allotment and normal trading of New Stapled Securities under the Institutional Entitlement Offer   | Tue, 26 Sep 2017              |
| <b>Retail Entitlement Offer closes</b>   | <b>5:00pm Wed, 4 Oct 2017</b> |
| Allotment of New Stapled Securities under the Retail Entitlement Offer   | Wed, 11 Oct 2017              |
| Despatch of holding statements and normal trading of New Stapled Securities issued under the Retail Entitlement Offer                            | Thu, 12 Oct 2017              |

**Note:** The above timetable is indicative only and subject to change without notice. All dates and times are Sydney time.



A

# APPENDIX Pro-forma Balance Sheet



# Pro-forma balance sheet information



## Basis of Preparation

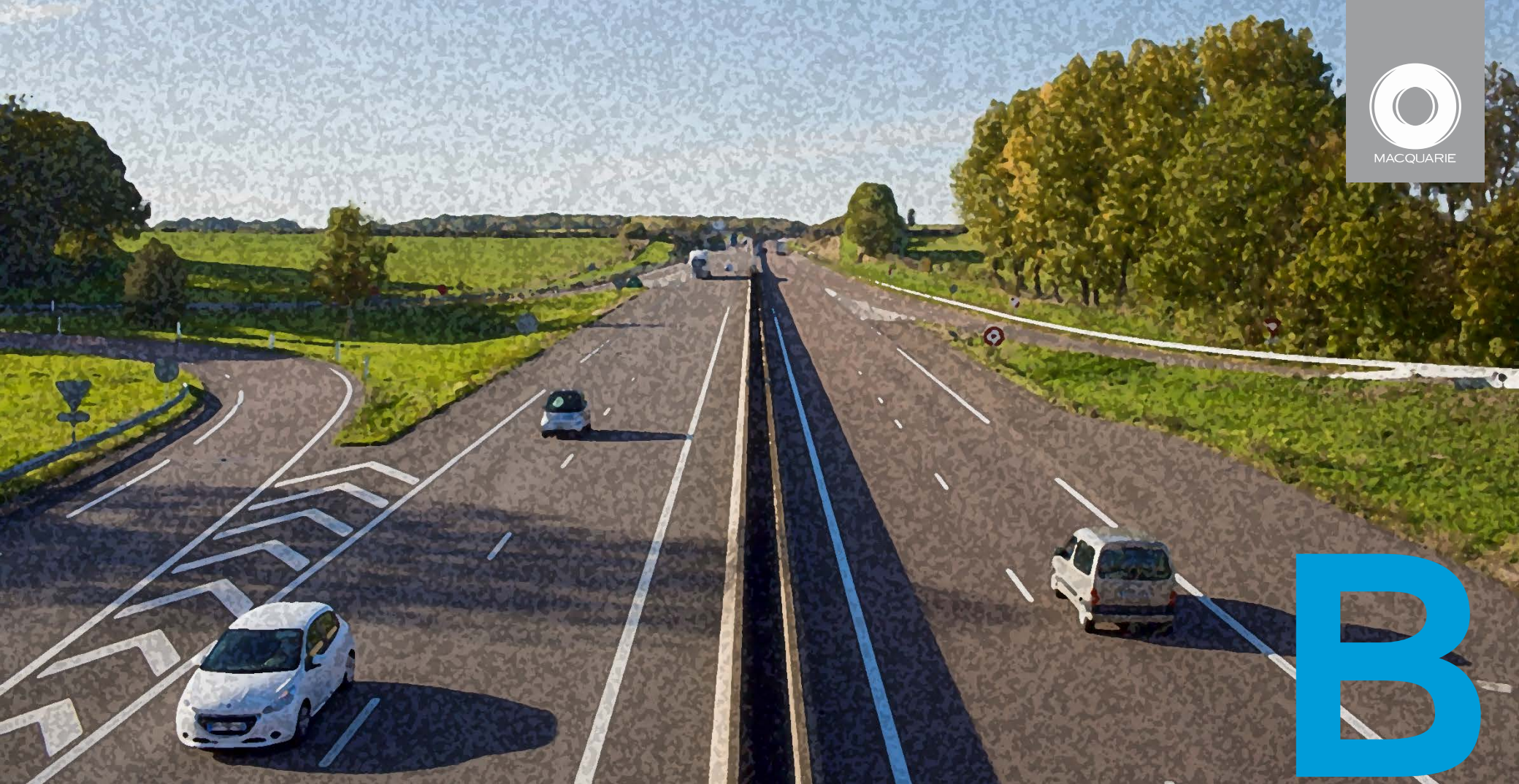
- MQA prepares its financial statements in accordance with Australian Accounting Standards. The accounting policies upon which the pro-forma balance sheet has been prepared are set out in the 2016 Macquarie Atlas Roads Financial Report. A copy of this can be found at <http://www.macquarie.com/mgl/com/mqa/investor-centre/investor-reports>
- The pro-forma balance sheet on slide 33 has been prepared for illustrative purposes and reflects:
  1. The reviewed MQA consolidated balance sheet as at 30 June 2017, as reported in the 2017 Interim Financial Report
  2. Settlement of the first instalment of the June 2017 performance fee and second instalment of the June 2016 performance fee via a subscription for new MQA securities in July 2017
  3. The impact of the acquisition of an additional 9.72% interest in MQA's equity accounted associate MAF2 (an indirect 4.86% interest in APRR), including transaction costs. These pro-forma adjustments reflect the estimated financial effect of accounting for the acquisition and are illustrative only
  4. The impact of the issue of share capital under this entitlement offer, net of associated fees
  5. The impact of the Debt Facility, net of associated fees
- The pro-forma balance sheet is presented based on the assumption the Acquisition took place on 30 June 2017 and has been adjusted for material post balance sheet events as outlined above. It is not represented as being indicative of MQA's views on its future financial position
- Balance Sheet items are translated into Australian Dollars at the exchange rate prevailing at the balance sheet date. This exchange rate is different to that used on slide 6

# Pro-forma balance sheet



| As at 30 June 2017 (A\$m)   | MQA reported balance sheet | Settlement of Performance Fees | Impact of Acquisition | Issue of share capital | New debt facility | MQA pro-forma balance sheet |
|---|----------------------------|--------------------------------|-----------------------|------------------------|-------------------|-----------------------------|
| <b>Current assets</b>   |                            |                                |                       |                        |                   |                             |
| Cash and cash equivalents   | 122                        | -                              | (659)                 | 442                    | 216               | 121                         |
| Receivables and other assets  | 1                          | -                              | -                     | -                      | -                 | 1                           |
| <b>Total current assets</b>   | <b>123</b>                 | <b>-</b>                       | <b>(659)</b>          | <b>442</b>             | <b>216</b>        | <b>122</b>                  |
| <b>Non-current assets</b>   |                            |                                |                       |                        |                   |                             |
| Restricted cash   | 127                        | -                              | -                     | -                      | -                 | 127                         |
| Investments accounted for using the equity method                   | 737                        | -                              | 659                   | -                      | -                 | 1,396                       |
| Property plant and equipment  | 1                          | -                              | -                     | -                      | -                 | 1                           |
| Goodwill  | 60                         | -                              | -                     | -                      | -                 | 60                          |
| Tolling Concessions   | 2,254                      | -                              | -                     | -                      | -                 | 2,254                       |
| <b>Total non-current assets</b>                                     | <b>3,179</b>               | <b>-</b>                       | <b>659</b>            | <b>-</b>               | <b>-</b>          | <b>3,838</b>                |
| <b>Total assets</b>   | <b>3,302</b>               | <b>-</b>                       | <b>-</b>              | <b>442</b>             | <b>216</b>        | <b>3,960</b>                |
| <b>Current liabilities</b>  |                            |                                |                       |                        |                   |                             |
| Payables and Provisions   | (78)                       | 53                             | -                     | -                      | -                 | (25)                        |
| Debt at amortised cost  | (66)                       | -                              | -                     | -                      | -                 | (66)                        |
| <b>Total current liabilities</b>                                    | <b>(144)</b>               | <b>53</b>                      | <b>-</b>              | <b>-</b>               | <b>-</b>          | <b>(91)</b>                 |
| <b>Non-current liabilities</b>                                      |                            |                                |                       |                        |                   |                             |
| Provisions  | (45)                       | -                              | -                     | -                      | -                 | (45)                        |
| Debt at amortised cost  | (1,433)                    | -                              | -                     | -                      | (216)             | (1,649)                     |
| Deferred tax liabilities  | (59)                       | -                              | -                     | -                      | -                 | (59)                        |
| <b>Total non-current liabilities</b>                                | <b>(1,537)</b>             | <b>-</b>                       | <b>-</b>              | <b>-</b>               | <b>(216)</b>      | <b>(1,753)</b>              |
| <b>Total liabilities</b>  | <b>(1,681)</b>             | <b>53</b>                      | <b>-</b>              | <b>-</b>               | <b>(216)</b>      | <b>(1,844)</b>              |
| <b>Net assets</b>   | <b>1,621</b>               | <b>53</b>                      | <b>-</b>              | <b>442</b>             | <b>-</b>          | <b>2,116</b>                |
| <b>Equity</b>   |                            |                                |                       |                        |                   |                             |
| <b>Equity attributable to equity holders of the parent - MARIL</b>  |                            |                                |                       |                        |                   |                             |
| Contributed equity  | 1,456                      | 49                             | -                     | 407                    | -                 | 1,912                       |
| Reserves  | 4                          | -                              | -                     | -                      | -                 | 4                           |
| Accumulated losses  | (109)                      | -                              | -                     | -                      | -                 | (109)                       |
| <b>MARIL security holders' interest</b>                             | <b>1,351</b>               | <b>49</b>                      | <b>-</b>              | <b>407</b>             | <b>-</b>          | <b>1,807</b>                |
| <b>Equity attributable to other stapled security holders - MARL</b> |                            |                                |                       |                        |                   |                             |
| Contributed equity  | 229                        | 4                              | -                     | 35                     | -                 | 268                         |
| Reserves  | (22)                       | -                              | -                     | -                      | -                 | (22)                        |
| Accumulated income  | 63                         | -                              | -                     | -                      | -                 | 63                          |
| <b>Other stapled security holders' interest</b>                     | <b>270</b>                 | <b>4</b>                       | <b>-</b>              | <b>35</b>              | <b>-</b>          | <b>309</b>                  |
| <b>Total equity</b>   | <b>1,621</b>               | <b>53</b>                      | <b>-</b>              | <b>442</b>             | <b>-</b>          | <b>2,116</b>                |





# APPENDIX Key Risks

# Key risks



## INTRODUCTION

MQA's financial position and performance, its distributions and the market price of MQA securities may be adversely affected, sometimes materially, by a number of risk factors. Holders of MQA securities (**MQA Securityholders**) should accordingly be aware that an investment in MQA carries a number of risks which are associated with investing in toll roads, the related infrastructure, and in listed securities generally. These risks mean that the price and value of MQA securities may rise or fall over any given period. Some of these risks are beyond MQA's control.

MQA Securityholders should be aware of the following key risks (which are some, but not necessarily all, of the risks) that may affect the performance and value of MQA. These risks have been divided into investment specific risks, general risks and offer specific risks, and are not listed in the order of importance. Additional risks and uncertainties that MQA is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect MQA's performance and value.

Before investing in New Stapled Securities, you should consider whether this investment is suitable for you. Potential investors should also consider publicly available information on MQA (such as that available on the websites of MQA and ASX), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional advisor so as to ensure they understand fully the terms of the Offer and the inherent risks before making an investment decision. Nothing in this presentation is personal financial product advice and this document has been prepared without taking into account your investment objectives or personal circumstances.

## APRR SPECIFIC RISKS

### Acquisition Risk

MQA and its advisers have undertaken financial, operational, legal, tax and other analyses in respect of APRR in order to determine its attractiveness to MQA and whether to pursue the Acquisition. It is possible that such analysis, and the best estimate assumptions made by MQA and its advisers, draws conclusions and forecasts which are inaccurate or which are not realised in due course (whether because of flawed methodology, misinterpretation of economic or other circumstances, differing actual traffic volumes from those assumed (see the Traffic volumes risk described below) or otherwise). Under the Acquisition, MQA will receive the benefit of limited warranties and indemnities and will be relying on its own knowledge and assessment of APRR. To the extent that the actual results achieved by APRR are weaker than those indicated by MQA's analysis, there is a risk that there may be an adverse impact on the financial position and performance of MQA.

### Completion Risk

Completion of the Acquisition is subject to execution of documentation with the vendors. If final documents are not executed or a counterparty defaults on its obligations, completion of the Acquisition may be deferred or cancelled. The Acquisition debt facility that MQA has agreed (**Debt Facility**) remains subject to full documentation and customary conditions precedent to closing. Failure to meet those conditions or failure by a lender to fund may also lead to a deferral or cancellation of completion of the Acquisition. If this occurs, MQA will need to consider ways to return to MQA Securityholders the capital raised during the Offer. Failure to complete the Acquisition and / or any action required to be taken to return capital raised to MQA Securityholders may have a material adverse effect on MQA's financial performance, financial position and security price.



# Key risks



## APRR SPECIFIC RISKS (CONT.)

### Refinance Risk

Refinance risk is the risk that debt facilities may not be able to be refinanced on acceptable terms at their maturity, leading to potential loan default, economic loss or investment write-off. MQA's investment in APRR is held through Financiere Eiffarie (**FE**), a French joint investment company. FE via its wholly owned subsidiary, Eiffarie, has a net debt balance of €1.3 billion as at 30 June 2017. In addition, APRR has approximately €8.4 billion of gross debt as at 30 June 2017, of which €6.8 billion are public bonds issued under APRR's Euro Medium Term Note (**EMTN**) programme (which allows APRR to continue issuing further bonds as required), €0.8 billion is provided by Caisse Nationale des Autoroutes (which debt is predominately fixed rate and will be materially amortised by 2018) and a €0.5 billion debt facility issued by the European Investment Bank. The Acquisition will also be partially funded by the Debt Facility. Refinance or replacement of these debt facilities will depend on APRR's trading performance, economic conditions and the availability on acceptable terms of debt facilities in the future. There is no certainty that loans will be successfully refinanced or replaced.

### Loan Default Risk

Loan default risk is the risk that loan covenants may be breached, which could lead to defaults under the loans, economic loss or investment write-off. Eiffarie's ability to service its debt is dependent on future asset performance and future distributions from APRR. Compliance with the terms of the Debt Facility is also dependent on future asset performance and future distributions from APRR Group. There is a risk that APRR's distributions will not be sufficient to meet these payment obligations which may result in defaults under those facilities. There is a risk that the future asset performance or other adverse impacts to the APRR Group will result in non-compliance with these debt obligations which may affect the ability for the APRR Group Companies to pay distributions to MQA and / or for MQA to pay distributions to securityholders or lead to a forced sale of MQA's interest in APRR.

### Contingent Liability for Management Fees

If in the future MQA ceases to be managed by Macquarie Group, MQA will become liable for annual base fees of approximately €5.9 million for the provision of management services by Macquarie Group to Macquarie Autoroutes de France 2 SA (**MAF2**), being the entity through which MQA is invested in FE. Following completion of the Acquisition, if MQA ceases to be managed by Macquarie Group, MQA's contingent management fees would increase by approximately €1.4 million per annum to a total of approximately €7.4 million.

### Governance Rights and Call Option

If in the future Macquarie Group ceases to manage MAF2 and if MAF2 is no longer at least 50% owned by entities which are managed by Macquarie Group, then MAF2 will lose certain governance rights in relation to FE (including in relation to the APRR Group), and Eiffage will be entitled to exercise a call option to purchase all of MAF2's interests in FE at fair market value. Note that Macquarie Group cannot unilaterally resign from its MAF2 management obligations.

### Credit Downgrade Risk

Credit downgrade risk refers to the risk that the APRR credit rating is downgraded to sub investment grade level. There is a risk that should the APRR rating fall below investment grade (BBB-), APRR will incur additional financing costs and might not be able to raise sufficient new debt to refinance future debt payment obligations which may result in APRR or Eiffarie defaulting under their facilities. In addition, under the Debt Facility, if the APRR rating falls below investment grade (BBB-), distributions received from APRR may be subject to lock up provisions.

# Key risks



## GENERAL RISKS

### Traffic Volumes

MQA's revenue will principally be a function of the traffic volumes on the assets within MQA's portfolio (**MQA Portfolio**) and the level of the tolls. Traffic volumes are directly and indirectly affected by a number of factors, including congestion, the quality, proximity and timing of the development of alternative roads and other transport infrastructure, toll rates, population growth, perceived value for money, fuel prices, transport and environmental regulation and general economic conditions. Any circumstances that have the effect of reducing traffic volumes or the growth in traffic could materially adversely affect MQA's financial performance, distributions and the market price of MQA securities.

### Tolling and Revenue Collection

Increases in tolls for many of the MQA Portfolio's toll roads require certain trigger points to be reached, such as the inflation rate and average weekly earnings, often in combination with a fixed benchmark. Movement in the factors which cause trigger points to be reached cannot be predicted. Lower than expected increases (or decreases) in inflation and average weekly earnings could materially adversely affect MQA's financial performance, distributions and the market price of MQA securities.

MQA's tolling revenues depend on reliable and efficient tolling and revenue collection systems. There is a risk if the concessionaires of the MQA Portfolio's toll roads are not able to operate and maintain the tolling and revenue collection systems in the manner expected, or if the cost of operation and maintenance is greater than expected, MQA's financial performance, the valuations of its assets, distributions and the market price of MQA securities could be materially adversely affected.

Motorists who do not pay tolls may be subject to either direct legal action from the concessionaire of the relevant toll road, or may be referred to the state for enforcement action. MQA Securityholders bear the ultimate risk if either MQA's or the state's enforcement actions against defaulting motorists are not successful and if MQA's enforcement actions are more costly or take more time than expected.

### Regulatory and Change of Law Risk

MQA Securityholders are exposed to the risk that the Government counterparties to the concessionaires may exercise their powers under legislation in a way that is adverse to MQA Securityholders. Depending on the nature of the change and the individual concession agreements for the toll roads in the MQA Portfolio (**MQA Concession Agreements**), the relevant concessionaire may be entitled to compensation and / or a right to renegotiate the MQA Concession Agreement. There is also the risk that a government agency will repeal, amend, enact or promulgate a new law or regulation, or that a government authority will issue a new interpretation of the law or regulation, which will affect a toll road's performance.

### Foreign Exchange Risk

All MQA Portfolio assets are located offshore, with cash reserves being the majority of MQA's Australian dollar denominated assets in Australia. This exposes MQA Securityholders to fluctuations in foreign exchange rates, which affect the values of the assets when translated to Australian dollars or to the home currencies of overseas MQA Securityholders.

### Force Majeure

Force majeure refers to an event beyond the control of a party, including natural disasters, extreme weather events, sabotage, acts of terrorism, dangerous third party chemical or hazardous material contaminations or spills and other events outside the control of a party that can affect a party's ability to perform its contractual obligations. The occurrence of a force majeure event could materially adversely affect MQA's financial performance, distributions and the market price of MQA securities.

# Key risks



## GENERAL RISKS (CONT.)

### Valuation Risk

The value of MQA's toll road assets may fluctuate over time. Factors relevant to valuations include traffic volumes and other economic factors referred to in this section, as well as other events which affect or alter the calculation methodology or the long term assumptions which underpin the valuations. Whilst valuations are not published, movements in valuation may have an impact on MQA's assessment of impairment.

### Safety and Environmental Risk

MQA is subject to the risk of accidents and incidents on its toll road network, and to environmental claims in connection with its toll road network. These risks may create financial, reputational and / or regulatory risk for MQA which could have an adverse effect on the operating conditions and results of the MQA businesses.

### Joint Venture Risk

MQA holds a certain number of its interests in its companies and affiliates jointly with joint venture partners through equity or co-operative joint ventures. Although in the case of APRR and Warnow Tunnel, MQA has control over or significant influence on the decision-making of these joint ventures, certain decisions require approval of all the directors or shareholders of the joint ventures. The cooperation among the joint venture partners of such companies on existing and future business decisions is an important factor for the sound operation and financial success of such business. The joint venture partners in these projects may have objectives different from those of MQA, or be unable or unwilling to fulfil their obligations under the relevant joint venture contracts. In order to minimise the risks associated with the development and operation of its joint venture project, MQA seeks to enter into joint ventures with partners whom MQA considers to be reputable, creditworthy and reliable and on terms favourable to MQA. Although to date MQA has not experienced any significant disputes with its partners, disputes among joint venture partners over joint venture obligations or otherwise could have an adverse effect of the financial conditions or results of operations of these businesses.

### Major Repairs and Maintenance Capital Expenditure

Under the Concession Agreements, the concessionaires of each of the MQA Portfolio's toll roads must meet the cost of all major repairs and maintenance to the toll roads – with no entitlement to increase tolls in response to these costs. These costs can be required to be incurred at specified intervals while others are due to usual wear and tear. In some circumstances the cost of these repairs and maintenance may exceed the cashflow available from the asset, requiring new or additional capital or debt to be raised. In particular as these capital expenditure requirements may not arise for many years, the amount of this expenditure is often not known until closer to the relevant time. Accordingly, the relevant concessionaire may be unable to make an allowance for these costs before they are incurred or to raise the required capital from internal or external sources.

Overall the need to fund or provide for greater than expected repairs and maintenance expenditure could materially adversely affect MQA's financial performance, distributions and the market price of MQA securities.

### Operations Risk

There is a risk that the operation of the toll roads in the MQA Portfolio could be adversely affected by a number of events, as is inherent for operations of this nature, including (without limitation) failure of the tolling and revenue collection system, traffic management issues, including temporary closure due to traffic incidents, and extreme weather events.



# Key risks



## GENERAL RISKS (CONT.)

### Ability to Comply with Loan Terms or to Refinance, and the Terms of any Refinancing

The investments within the MQA Portfolio (including entities through which they have been financed) carry material levels of debt. There is a significant risk that one or more investments in the MQA Portfolio may be unable to comply with the terms of their loans or may be unable to arrange refinancing when loans fall due, or that the terms of refinancing are less favourable than the current terms.

These risks will be affected by the prevailing economic climate and cost of debt as well as the performance of the assets between now and when debt falls due. However, the debt at each of the assets is non recourse to MQA and is not secured over anything but the project to which it relates.

### Increases in Interest Rates

The MQA assets have a high level of interest rate hedging in place. In some cases debt is 100% hedged for many years. However there is residual exposure to fluctuations in interest rates on the unhedged portion of debt, which is partially mitigated by the impact on interest earned on cash reserves at the corporate and MQA asset level.

### Tax Risk

Changes in tax law, tax rules or their interpretation may result in changes to the existing tax treatments in relation to MQA's underlying investments, which could materially adversely affect MQA's financial performance, distributions and the market price of MQA securities.

The structure of MQA and the holding structures for the different MQA Portfolio investments rely on certain existing treatments for taxation purposes and interpretation of applicable fiscal arrangements. The tax rules or their interpretation, in relation to an investment in MQA may change during the life of MQA. In particular, both the level and basis of the taxation may change.

In addition to risks at the underlying asset level and at the entity level, an investment in MQA may involve tax considerations which may differ for each MQA Securityholder. Each prospective MQA Securityholder is encouraged to seek professional tax advice in connection with an investment in MQA.

### Competition Risk

An MQA Portfolio investment may be affected by improvements in existing alternative routes and / or the construction of new alternative routes and / or the construction of a new, or the improvement of an existing, means of alternative transportation (such as trains or some other form of public transportation). There is no guarantee that alternative roads that may allow for no tolls or faster travelling speed will not be built or improved. Competition from an alternate route or means of alternative transportation could materially adversely affect MQA's financial performance, distributions and the market price of MQA securities.

### General Economic Conditions

The financial performance, distributions and the market price of MQA securities may be materially adversely affected by a number of general risk factors, including but not limited to changes in international economic outlook; governmental fiscal, monetary and regulatory policies; and laws and regulations. In particular, continued market volatility and economic uncertainty in Europe and the United States may have potential negative impacts on the regional and the global economy. There is a risk that a downturn in economic activity or changes to the relationships between countries within the European Union could reduce traffic volumes and revenue and create uncertainty in credit markets which may also limit the availability of financing and / or increase the costs of refinancing the existing debt facilities at the assets in the MQA Portfolio.

# Key risks



## GENERAL RISKS (CONT.)

### Equity Markets Risks

There are risks associated with any investment in listed securities. The market price of listed securities such as MQA securities is affected by numerous factors. These factors include but are not limited to factors such as inflation, interest rates, changes in supply and demand for infrastructure securities, hostilities, tensions and acts of terrorism, general investor sentiment and the movement of prices on local and international share and bond markets.

### Liquidity and Realisation Risks

There may be relatively few, or many, buyers or sellers of MQA securities on ASX at any given time. This may increase the volatility of the market price of MQA securities. It may also affect the prevailing market price at which MQA Securityholders are able to sell their MQA securities.

### MQA Concession Agreements – Liabilities and Termination

There are several circumstances that could result in an MQA Concession Agreement being terminated before the scheduled end of the concession period. Depending upon the circumstances that cause the premature termination of a MQA Concession Agreement, MQA Securityholders may incur economic loss. The termination of a MQA Concession Agreement could materially adversely affect MQA's financial performance, distributions and the market price of MQA securities.

### MQA Manager

MQA currently receives management and advisory services from a Macquarie Group entity (**MQA Manager**). MQA Securityholders have the right to remove the MQA Manager without cause on an ordinary resolution. In addition, the MQA Manager may resign on 90 days notice. In either case MQA may not be able to find a suitable replacement in the available period of time, which may have an impact on MQA's operations. MQA would no longer pay management fees upon a removal or resignation of MQA Manager, however it would need to source and pay for alternative internal or external management resources.

The services of the MQA Manager are provided to MQA on a non-exclusive basis. The MQA Manager and Macquarie Group also provide a wide variety of financial services to numerous different clients, including being engaged in the investment in and the management of infrastructure assets globally. In this regard, there can be no assurance that conflicts will not arise between portfolio strategies for other clients, funds or investment programs which could conflict with strategies employed in managing MQA, although strict conflict protocols are in place and MQA's core management team is dedicated to MQA and supervised by independent Boards.

### ASX Listing

MQA being listed on ASX imposes various listing obligations which must be complied with on an ongoing basis. Whilst MQA must comply with its listing obligations, there can be no assurance that the requirements necessary to maintain the listing of the New Stapled Securities will continue to be met or will remain unchanged.

### Bermudan Law

The securities law of Bermuda may be different to Australian securities law and may not offer the same level of investor protection as Australian securities law.

# Key risks



## OFFER SPECIFIC RISKS

### Dilution Risks

You should note that if you do not participate in the Offer, then your percentage security holding in MQA will be diluted and you will not be exposed to future increases or decreases in MQA's security price in respect of those New Stapled Securities.

### Distributions

The payment of distributions by MQA is announced (at the discretion of the MQA boards) around or shortly after the time that MQA releases its half year and full year results. The payment of distributions is dependent on the profitability and cash flow of MQA's business. Any future distribution levels will be determined by the MQA Boards having regard to MQA's operating results and financial position at the relevant time. There is no guarantee that any distribution will be paid by MQA or, if paid, that they will be paid at previous levels.

### Underwriting Risk

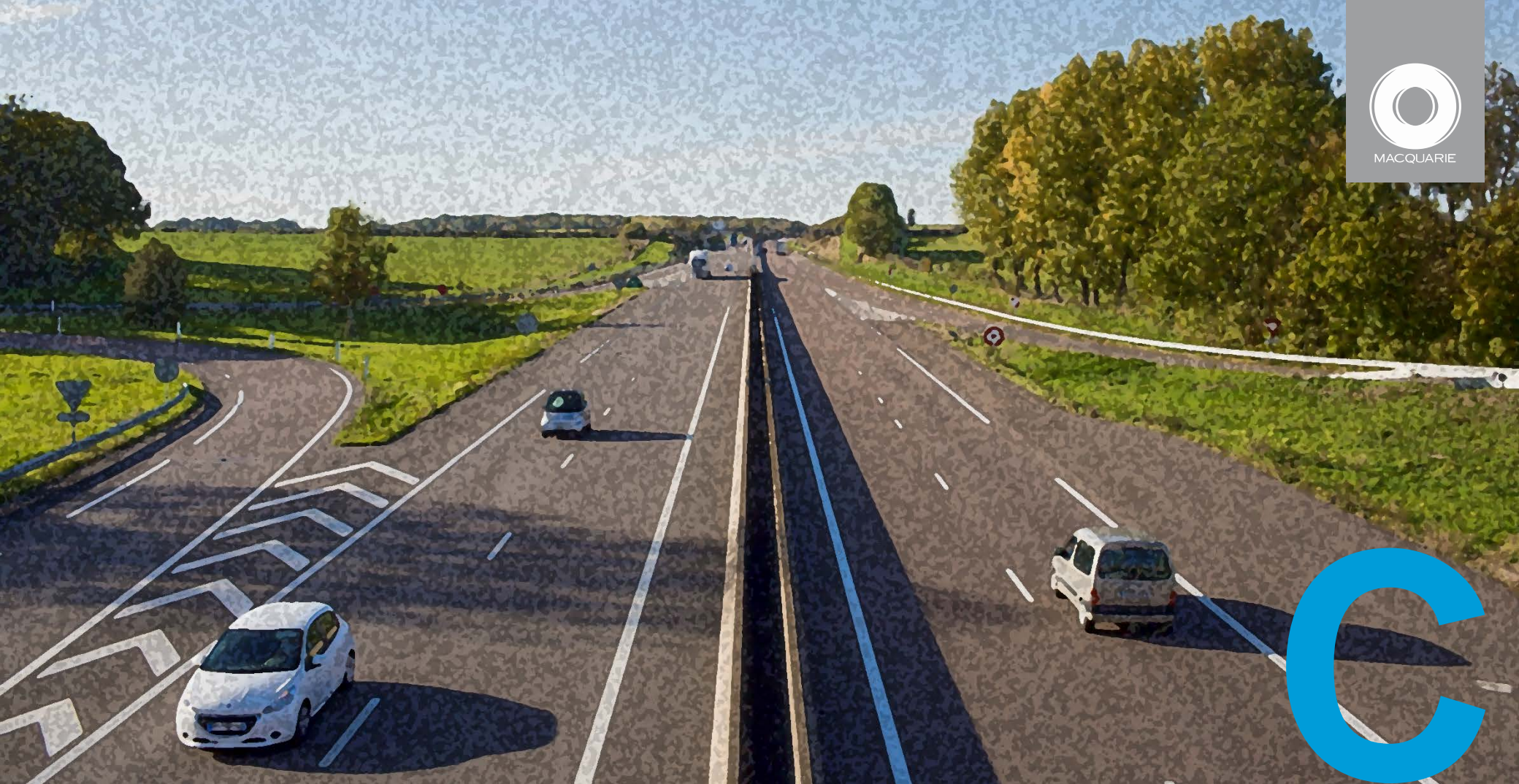
MQA has entered into an underwriting agreement (**Underwriting Agreement**) with Macquarie Capital (Australia) Limited (**Underwriter**), pursuant to which the Underwriter has agreed to underwrite the Offer on the terms and conditions of the Underwriting Agreement. If certain conditions are not satisfied or certain events occur, the Underwriter may terminate the Underwriting Agreement. Termination of the Underwriting Agreement would have an adverse impact on the proceeds raised under the Offer and on the ability of MQA to complete the Acquisition.

The events which may trigger termination of the Underwriting Agreement include (but are not limited to) the following:

- A material adverse change to the business, operations or financial condition of MQA;
- Financial market disruption or a moratorium on commercial banking activities;
- An outbreak of hostilities or a terrorist act;
- A change to the MQA Boards or senior management of MQA;
- There is any defect or default in relation to the transaction documents associated with the Acquisition, or such documents become terminable or unenforceable; and
- The ASX/S&P 200 Index experiences a market fall of 10% or more.

The ability of the Underwriter to terminate the Underwriting Agreement in respect of some events will depend on whether the Underwriter has reasonable and bona fide reasons to believe that the event: (i) has or may have a material adverse effect on the marketing, settlement or outcome of the Offer or the likely trading price of MQA's securities; (ii) has or may result in a material adverse change in the financial position, performance or prospects of MQA and its controlled entities (taken as a whole group) from that which existed at the date of the Underwriting Agreement (other than as disclosed to ASX prior to the date of the Underwriting Agreement); or (iii) could give rise to the Underwriter incurring any liability under, or contravening (or being considered to be in contravention of), any applicable law.





# APPENDIX

## Offer Jurisdictions

# Foreign selling restrictions



**This document does not constitute an offer of new stapled securities ("New Stapled Securities") of MQA in any jurisdiction in which it would be unlawful. New Stapled Securities may not be offered or sold in any country outside Australia except to the extent permitted below**

## **Canada (British Columbia, Ontario and Quebec provinces)**

This document constitutes an offering of New Stapled Securities only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such New Stapled Securities. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – *Prospectus and Registration Exemptions*, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Stapled Securities or the offering of New Stapled Securities and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Stapled Securities or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and received by the securities regulator in the applicable Province.

Furthermore, any resale of the New Stapled Securities in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Stapled Securities outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Stapled Securities.

MQA, and the directors and officers of MQA, may be located outside Canada, and as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon MQA or its directors or officers. All or a substantial portion of the assets of MQA and such persons may be located outside Canada, and as a result, it may not be possible to satisfy a judgment against MQA or such persons in Canada or to enforce a judgment obtained in Canadian courts against MQA or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

## *Statutory rights of action for damages or rescission*

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Stapled Securities purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and / or rescission against MQA if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against MQA. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Stapled Securities during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against MQA, provided that (a) MQA will not be liable if it proves that the purchaser purchased the New Stapled Securities with knowledge of the misrepresentation; (b) in an action for damages, MQA is not liable for all or any portion of the damages that MQA proves does not represent the depreciation in value of the New Stapled Securities as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the New Stapled Securities were offered.



# Foreign selling restrictions



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## Canada (British Columbia, Ontario and Quebec provinces) (cont'd)

Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

*Certain Canadian income tax considerations.* Prospective purchasers of the New Stapled Securities should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Stapled Securities as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

*Language of documents in Canada.* Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Stapled Securities (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

## Hong Kong

**WARNING:** This document has not been, and will not be, authorized by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (**SFO**). No action has been taken in Hong Kong to authorize this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Stapled Securities have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Stapled Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the New Stapled Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the SFO and any rules made under that ordinance.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## New Zealand

This document has not been registered, filed with or approved by any New Zealand authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The New Stapled Securities are not being offered to the public within New Zealand other than to existing securityholders of MQA with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.



# Foreign selling restrictions



This document does not constitute an offer of new stapled securities ("New Stapled Securities") of MQA in any jurisdiction in which it would be unlawful. New Stapled Securities may not be offered or sold in any country outside Australia except to the extent permitted below

## New Zealand (cont'd)

Other than in the entitlements offer, the New Stapled Securities may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act;
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act; or
- Is an MQA Securityholder on the record date.

## Singapore

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