



25 March 2019

**ASX RELEASE**

**Atlas Arteria**

**ALX Announces Date for Internalised Management**

Atlas Arteria (ALX) today announced that its new management team, led by ALX's CEO-elect Graeme Bevans, will assume full management of ALX on 1 April 2019. Under the agreed transition arrangements, the ALX Boards have formally notified Macquarie Fund Advisers (Macquarie) that the ALX Management Agreements will end on 31 March 2019.

Graeme Bevans said "We have a highly experienced management team in place who are working closely with Macquarie to ensure a seamless handover and who are committed to deliver ongoing strong performance for ALX.

"We have put in place the right capability, with efficient and effective systems and processes, to ensure a smooth transition to independent management."

From the date of internalisation, reporting to Chief Executive Officer Graeme Bevans will be Chief Financial Officer Nadine Lennie, Chief Operating Officer Vincent Portal-Barrault and General Counsel Clayton McCormack. Clayton will also be appointed as the Company Secretary of Atlas Arteria Limited (ATLAX) effective 1 April 2019.

Graeme Bevans will also be appointed to the Board of ATLAX effective 1 April 2019.

James Hooke will step down as Chief Executive Officer of ALX, Bodie ter Kuile will step down as Chief Financial Officer of ALX, and both Christine Williams and Lyndal Coates will retire from their role as Company Secretary of ATLAX effective 1 April 2019.

James Hooke said "It has been a privilege for Macquarie to manage ALX on behalf of securityholders as it has grown since inception and to work closely with the Boards overseeing its governance throughout that time. Having worked collaboratively with the new management team during the transition period, we are pleased that ALX will be managed by an experienced team into the future and we wish them all the very best as they take the Company into its next phase".

ALX also notes that with effect from 1 April 2019, the registered office of ATLAX will change to Level 5, 141 Flinders Lane, Melbourne, VIC 3000 Australia.

## **Focus of New Management**

The new management will continue the focus on generating long term value for ALX securityholders through investment in quality infrastructure assets providing access to long-dated, predictable and growing cash flows.

Graeme Bevans said, "This will be achieved by actively pursuing initiatives which drive greater operational performance, growing distributions and maintaining a disciplined approach to capital management."

Together with continued operational improvement at the assets, ALX will pursue a disciplined approach to growth, primarily within the portfolio.

The Board Chairs of ALX, Nora Scheinkestel and Jeff Conyers said, "We would like to thank the Macquarie team led by James Hooke for their successful management of the company and their co-operation and commitment during the transition period".

"We are excited about the capability and experience of the new ALX management team and are confident in their ability to deliver on the strategy. We believe the new internalised structure strongly aligns the management team to the interests of our securityholders, with remuneration linked to core business outcomes and strategy."

## **Retirement of ATLIX Director**

ALX also announces the retirement of Chris Leslie from the Board of Atlas Arteria International Limited (ATLIX), effective 1 April 2019. Chris Leslie is a senior executive with Macquarie, based in New York, and has brought deep infrastructure experience and a US perspective to ALX's operations during his time on the Board. With the completion of internalisation and the appointment of new directors to the ALX Boards, the ALX directors and Macquarie have agreed that it is now appropriate for Chris to retire from the ATLIX Board.

Chris Leslie said, "I have thoroughly enjoyed being part of the ALX team during a period of tremendous change and achievement. My retirement is appropriate now given the change in management and I wish the new management team and my Board colleagues every success."

The ALX Board Chairs Jeff Conyers and Nora Scheinkestel said, "We thank Chris for his significant contribution to the ALX journey. We have greatly valued his insights and experience and we wish him all the best for the future."

## **Transition Arrangements and Costs**

Following securityholder approval for the internalisation at the 15 May 2018 Annual General Meeting (AGM), Macquarie has continued to provide the full suite of management services to ALX. This provided time for the recruitment of the new management team, development of the organisation and the knowledge transfer required to assume internalised management.

Under the transition arrangements disclosed to securityholders in the Explanatory Memorandum, Macquarie management could continue until 15 May 2019. However, as ALX is now ready for transition, the ALX Boards have resolved to terminate the management agreements effective 1 April 2019. Macquarie will continue to receive a base management fee under the ALX Management Agreements until 15 May 2019. Macquarie will also provide ongoing specific services under the Transition Services Agreement to ALX for a fee of A\$750,000 per month from 15 May 2019 until 31 December 2019.

Following internalisation, ALX will not pay any further base or performance management fees to Macquarie for the general management of ALX and will incur operational costs in the range of A\$15-20m per annum, as disclosed in the Explanatory Memorandum dated 9 April 2018.

Macquarie will continue to act as manager of ALX's interest in APRR and will be entitled to receive fees of EUR 7.4m (approx. A\$12m) per annum for this service from 16 May 2019 (excluding any performance fees). ALX will continue to review the management arrangements for its interests in APRR, noting that the arrangements are complex and involve multiple parties. ALX will continue to work with Macquarie and the other parties to explore mutually acceptable alternative arrangements.

**For further information, please contact:**

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