



28 November 2019

**ASX RELEASE**

**Atlas Arteria Limited Entitlement Offer – Notification to Ineligible Securityholders**

Atlas Arteria (ASX:ALX) will today despatch the attached letter to ineligible securityholders in relation to its pro-rata accelerated non-renounceable entitlement offer of new stapled securities announced on Thursday, 21 November 2019.

**Further information**

If you have any questions in relation to any of the above matters, please contact the Atlas Arteria Offer Information Line on 1800 267 108 (within Australia) or +61 3 9415 4053 (outside Australia) between 8:30am and 5:00pm (Melbourne time) Monday to Friday between Thursday, 28 November 2019 and Monday, 9 December 2019.

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**About Atlas Arteria**

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

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

[www.atlasarteria.com](http://www.atlasarteria.com)

## **Important Notices and Disclaimer**

### **Not for release or distribution in the United States**

This announcement has been prepared for publication in Australia and may not be distributed or released in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 (the "US Securities Act") or the securities laws of any state or other jurisdiction in the United States and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States.

### **Forward-looking statements**

This announcement contains certain forward-looking statements. The "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance" and other similar expressions are intended to identify forward-looking statements. Forward-looking statements in this announcement include statements regarding: statements regarding plans, strategies, growth initiatives and objectives of management, timing, expected costs for Atlas Arteria, based on its estimates for 2019 and beyond and the future operation and financial performance of Atlas Arteria, and the outcome of the Placement and the Entitlement Offer and the use of proceeds therefrom. Forward-looking statements, including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including Atlas Arteria). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Actual results, performance or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward looking statements and Atlas Arteria assumes no obligation to update such information.

All dollar values are in Australian dollars ("\$" or "A\$") unless stated otherwise.

This announcement contains certain financial measures that are "non-IFRS financial information" under ASIC Regulatory Guide 230 'Disclosing non-IFRS financial information' published by ASIC and are not recognised under Australian Accounting Standards ("AAS") and International Financial Reporting Standards ("IFRS"). The non-IFRS financial information does not have a standardised meaning prescribed by AAS and IFRS and therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Investors are cautioned not to place undue reliance on any non-IFRS financial information included in this announcement. The non-IFRS information has not been subject to audit or review by Atlas Arteria's external auditor.

**NOT FOR RELEASE TO U.S. WIRE SERVICES**

**Private and Confidential**

28 November 2019

Dear Securityholder

**Atlas Arteria Limited Entitlement Offer – Notification to Ineligible Securityholders**

On Thursday, 21 November 2019, Atlas Arteria Limited (ACN 141 075 201) and Atlas Arteria International Limited (ARBN 141 528 841) (together, "**Atlas Arteria**") announced a capital raising by way of a fully underwritten 4 for 21 accelerated non-renounceable pro rata entitlement offer ("**Entitlement Offer**") of new stapled securities ("**New Securities**") (to raise approximately A\$898 million) and a fully underwritten institutional placement of New Securities (to raise approximately A\$452 million) ("**Placement**", and together with the Entitlement Offer, the "**Offer**") at an offer price of A\$6.90 per New Security.

The Offer will raise approximately A\$1,350 million and Atlas Arteria intends to use the proceeds for the following purposes:

- to fund the acquisition of an additional 6.14% indirect interest in APRR (via the acquisition of an additional 12.28% interest in holding company MAF2);
- to make payments to relevant parties enabling improved governance rights, including director appointment rights at each level of the APRR structure, involving:
  - payment to the Macquarie Group: Atlas Arteria will pay a one-off fee to Macquarie Group of A\$100 million. The existing annual management fee of €7.4 million, which would have otherwise been increased to €9.2 million per annum (A\$15.1 million) as a result of the increased APRR interest acquired, will not be incurred. There will be no further management fees, and no performance fees are or will be payable by Atlas Arteria following completion of the Transaction;
  - payment to Eiffage: Atlas Arteria will pay a one-off fee of €60.755 million (A\$100.2 million) to Eiffage in exchange for the removal of the call option and the renegotiation of the shareholders agreements within the APRR structure,(together, the "**Transaction**");
- approximately A\$41 million will be used as contingency in the event of Transaction timing delays and potential capital management activities, including deleveraging; and
- to fund the transaction costs associated with the Offer.

The Transaction, once completed, will provide four key strategic and value accretive benefits to Atlas Arteria securityholders:

1. Increases Atlas Arteria's exposure to APRR by 6.14% to a total 31.14% indirect interest. APRR is a quality infrastructure business that is performing well and has access to growth opportunities. As the largest existing business in Atlas Arteria's portfolio, the acquisition has limited due diligence risk.
2. Simplifies and streamlines Atlas Arteria's ownership and governance of APRR, via:
  - better governance rights and genuine operational influence for Atlas Arteria with negative control and director appointment rights and participation at all levels of the APRR structure; and
  - removal of the call option held by Eiffage over MAF's shareholding in APRR.

3. Finalises the removal of the Macquarie Group as manager from Atlas Arteria's corporate structure and terminates all associated management and performance fees.
4. Is accretive to value and cash flows:
  - the Transaction results in a 6% increase in distribution per stapled security for H2 2019 from 16 cents to 17 cents (to be paid in H1 2020); and
  - additional guidance has been provided of 17 cents per stapled security for H1 2020 (payable in H2 2020).

The Entitlement Offer comprises an institutional entitlement offer ("**Institutional Entitlement Offer**") and an offer to Eligible Retail Securityholders (as defined below) to participate on the same terms ("**Retail Entitlement Offer**"). The Entitlement Offer is being made pursuant to section 708AA of the *Corporations Act 2001* (Cth) ("**Corporations Act**") (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73), which allows entitlement offers to be made without a prospectus. The Institutional Entitlement Offer and the Placement have already completed and the results have been announced to the Australian Securities Exchange ("**ASX**").

The Offer is fully underwritten by Morgan Stanley Australia Securities Limited and UBS AG, Australia Branch (together, the "**Underwriters**").<sup>1</sup>

This letter is to inform you about the Retail Entitlement Offer and to explain why you will not be able to subscribe for New Securities under the Retail Entitlement Offer. This letter is not an offer to issue entitlements or New Securities to you, nor an invitation for you to apply for entitlements or New Securities. You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Entitlement Offer that you should be aware of.

#### **Details of the Retail Entitlement Offer**

The Retail Entitlement Offer is being made to Eligible Retail Securityholders (as defined below) on the basis of 4 New Securities for every 21 existing stapled securities held at 7.00pm (Melbourne time) on Monday, 25 November 2019 ("**Record Date**"). Documents relating to the Retail Entitlement Offer were lodged with the ASX on Thursday, 28 November 2019 and are being mailed to Eligible Retail Securityholders.

#### **Eligibility criteria**

Atlas Arteria has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3)(a) of the Corporations Act, that it would be unreasonable to make offers to securityholders in countries other than Australia and New Zealand in connection with the Retail Entitlement Offer having regard to:

- (a) the number of securityholders that are not Eligible Retail Securityholders (as defined below) ("**Ineligible Retail Securityholders**");
- (b) the number and value of securities which would be offered to Ineligible Retail Securityholders if they were Eligible Retail Securityholders; and
- (c) the costs of complying with the legal requirements, and the requirements of regulatory authorities, in the respective overseas jurisdictions of those Ineligible Retail Holders.

Securityholders who are eligible to participate in the Retail Entitlement Offer ("**Eligible Retail Securityholders**") are securityholders who:

- were registered as a holder of securities as at 7.00pm (Melbourne time) on Monday, 25 November 2019 (the "**Record Date**");

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<sup>1</sup> The Underwriting Agreement is subject to conditions precedent, termination events, representations and warranties customary for a transaction of this nature.

- have a registered address in Australia or New Zealand (or Atlas Arteria has otherwise determined that a securityholder is eligible to participate);
- are not in the United States nor a U.S. Person (as defined in Regulation S under the U.S. Securities Act of 1933 ("**U.S. Securities Act**")) and are not acting for the account or benefit of a U.S. Person;
- were not institutional securityholders invited to participate under the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Atlas Arteria may (at its absolute discretion) extend the Retail Entitlement Offer to certain securityholders in foreign jurisdictions who did not participate in the institutional component of the Entitlement Offer (subject to compliance with applicable laws). Unfortunately, Atlas Arteria has determined that you do not satisfy the eligibility criteria for an Eligible Retail Securityholder stated above. Accordingly, Atlas Arteria wishes to advise you that it will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Securities under the Retail Entitlement Offer. You will also not be sent the retail offer document relating to the Retail Entitlement Offer.

As the Retail Entitlement Offer is non-renounceable, you will not receive any payment or value for entitlements in respect of any New Securities that would have been offered to you if you were eligible to participate in the Retail Entitlement Offer. New Securities equivalent to the number of New Securities you would have been entitled to if you were an Eligible Retail Securityholder will be allocated to the Underwriters or to persons from whom the Underwriters have procured subscriptions for New Securities, pursuant to the underwriting arrangements between Atlas Arteria and the Underwriters, or to eligible securityholders that elect to participate in the oversubscription facility.

#### **Further information**

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On behalf of the Boards and management of Atlas Arteria, thank you for your continued support.

Yours sincerely



**Clayton McCormack**  
Company Secretary

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#### **About Atlas Arteria**

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## **Important Notices and Disclaimer**

This letter is issued by Atlas Arteria (ASX: ALX). This letter is not a prospectus or offering document under Australian law or under any other law. This letter is to inform you about the Retail Entitlement Offer only. It is neither an offer to issue securities to you, nor an invitation or recommendation for you to retain or apply for New Securities. You are not required to do anything in response to this letter.

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

The Retail Entitlement Offer is not available to securityholders that are in the United States or that are U.S. Persons or who are acting for the account or benefit of persons in the United States or U.S. Persons. In particular, the New Securities have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Securities may not be offered or sold to, persons in the United States or U.S. Persons, except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws and only to U.S. Persons who are "Qualified Purchasers" as defined under Section 2(a)(51) of the U.S. Investment Company Act.