

BROOKFIELD SELLS ITS TRANSELEC'S STAKE

Linklaters in Hong Kong and New York, Guerrero Olivos in Santiago and Rodrigo, Elías & Medrano Abogados in Lima have helped China Southern Power Grid acquire Canadian private equity investor Brookfield's 27.8% interest in Chilean transmission company Transelec for US\$1.3 billion.

Brookfield hired Goodmans LLP in Toronto, Herbert Smith Freehills in Madrid and Carey in Santiago. The deal, which was made through Transelec's parent company ETC Transmission Holding, was signed on 26 December and is expected to close in the first half of 2018.

The deal comes 12 years after Brookfield acquired Transelec in 2006 for US\$1.69 billion as part of a consortium.

Transelec is Chile's largest power transmission company serving 98% of the population.

The divestment continues Brookfield's strategy of selling mature infrastructure assets to reinvest in new high-return opportunities. Lately, Brookfield has significantly increased its commitment to Latin America. In November 2017, it purchased a majority stake in Spanish Gas Natural Fenosa's Colombian gas distribution business. The private equity outfit also signed a major deal in 2016, acquiring Colombian power company Isagen and Brazilian water and sewage company Odebrecht Ambiental.

State-owned China Southern Power Grid is one of several Chinese state-owned companies that have recently shifted away from resource-based investments to more developed assets in Latin America. In November, State Grid acquired the remaining stake in Brazilian power company CPFL Energia, and in August, China Three Gorges bought Peru's third-largest hydroelectric plant from Brazilian group Odebrecht.

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Guerrero Olivos

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Rodrigo, Elías & Medrano Abogados

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