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# CAREY ADVISES CELEO REDES ON ACQUISITION FINANCING FOR COLBÚN TRANSMISIÓN

**Chilean company gets acquisition financing for Colbún assets**

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Chilean renewables company Alfa Desarrollo has relied on several White & Case LLP offices to raise US$1.1 billion in a debt issuance, the proceeds of which it will use to fund its purchase of assets from Colbún Transmisión.

Carey in Santiago advised Celeo Redes, the issuer's minority shareholder and a developer of electricity transmission projects in Latin America.

Shearman & Sterling LLP in New York and Chilean firm Claro & Cía represented the initial purchasers, led by JP Morgan.

US firm Hinckley Allen is also thought to have been involved in the deal, but Latin Lawyer could not confirm this prior to publishing.

The transaction closed on 20 September. The notes carry a 4.55% interest rate and are due in 2051.

Alfa Desarrollo will use the proceeds from the issuance to partially fund the acquisition of a power transmission subsidiary from local company Colbún Transmisión which was signed earlier this year. Carey advised on that deal too.

Colbún Transmisión's infrastructure subsidiary operates 899 kilometres of transmission lines and 27 power substations across multiple locations in Chile, all of which form part of the country's national electricity grid.

Alfa Desarrollo is majority controlled by a subsidiary of Dutch pension fund APG – one of the world's largest pension funds. It holds an 80% stake in the company, while Celeo Redes owns the remainder.

In April, Celeo Redes won a bid to build a power transmission line and

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a substation in Peru.

The Chilean energy sector is popular among investors. In July, US investment fund Global Infrastructure Partners (GIP) purchased a minority stake in a subsidiary of Chilean power company AES Andes for US$441 million. Before that, Chinese power company State Grid acquired Spanish counterpart Naturgy's stake in Chilean transmission group Compañía General de Electricidad (CGE) for 2.6 billion euros (US$3 billion). The transaction followed a deal made by US energy investor Arroyo, in which the company bought Santiago-based Gasmar from Chilean gas companies Abastible and Empresa Gasco for US$423 million.

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