

ENEL PROCEEDS WITH THE RESTRUCTURING OF ITS SUBSIDIARIES

Lulu Rumsey

Chilean firms Carey, Cariola, Díez, Pérez-Cotapos & Cía Ltda, Philippi Prietocarrizosa & Uría (Chile) and Claro & Cía are advising the Latin American subsidiaries of Italian utilities company Enel on corporate reorganisations that will see them divide Enel's assets in the region into two entities, one focused solely on Chile and the other on other Latin American countries.

The reorganisation was approved by a shareholders' meeting in December. The approval paves the way for Enel to split Chilean electricity distributor Chilectra into Chilectra Chile and Chilectra Américas. Enel will also split Chilectra's parent company Enersis and another Enel subsidiary, Endesa, into two entities, with one for Chile and another for the rest of Latin America. Endesa has hired Claro & Cía for the restructuring, Enersis is working with PPU, and Chilectra has hired Carey. Cariola Diez is advising Enel.

Enersis, Endesa and Chilectra got approval from shareholders after a Chilean court rejected an attempt by some minority shareholders to prevent the reshuffle. In November, a Santiago appeals court upheld a decision by Chile's securities regulator to not treat Enel's restructuring as a related party transaction, which typically requires greater independent scrutiny. Pension funds AFP Habitat and Capital led the opposition.

The restructuring of Enel's Latin American assets is aimed at strengthening the Italian company's focus on renewable energy projects in the region as it shifts its attention away from Italy and Spain. Enel plans to merge both Chilectra Américas and Endesa Américas into Enersis Américas, which will control Enel's entire power

distribution assets in Latin America.

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