
Toesca S.A.'s Acquisition of 49% interest in Ruta del Algarrobo



Larrain y Asociados, Claro y Cía and DLA Piper have advised on the deal

Sacyr, through its subsidiary Sacyr Concesiones, has sold 49% of the Concessionaire Company Ruta del Algarrobo, which manages La Serena-Vallenar highway, 187 kilometers long, part of strategic Route 5, which runs through Chile from north to south, forming the backbone of the country's road network. The operation, which has been agreed with Toesca Infraestructura Fondo de Inversión, administered by Toesca S.A. Administradora General de Fondos, amounts to 161 million euros (171 million dollars), including the debt associated to the shareholding sold.

Sacyr Concesiones will maintain a 51% shareholding in Ruta del Algarrobo, the concessionaire company which was awarded construction and operation of the highway which joins the cities of La Serena, in Coquimbo region, and Vallenar, in Atacama region, in April 2012, for a maximum of 35 years. Sacyr's investment in the highway to date exceeds 300 million euros (319 million dollars).

The sale of 49% of Ruta del Algarrobo is part of Sacyr Concesiones' assets rotation strategy, which considers the entry of strategic partners in order to maximize the profitability of these assets and obtain capital to develop new greenfield concessions, a sector in which Sacyr Concesiones enjoys a position of global leadership.

La Serena-Vallenar highway came into operation in May 2015, and practically completes the dual carriageway of Route 5, running from Caldera (Atacama region) to Pargua (Los Lagos region).

The Ruta del Algarrobo Concessionaire Company performed improvement and repositioning of the road works, through the construction of dual carriage, curb expansion, construction of service lanes and return points. On the other hand, it has new road safety elements, walkways, lighting, bus stops and emergency phones, as well as technical support, services areas, police road controls etc.

In addition to the increased safety and shortened travel times, the Algarrobo Route provides with an important innovation. One of the segments, 2.4 km long, was developed using tarmac mixtures containing high percentages of recycled materials. It is an R&D&i initiative with CORFO (Corporación de Fom de la Producción), pioneered in Latin America and that can refurbish and build road pavements with a lower environmental impact and lower risk for persons.

Larrain y Asociados Abogados has advised Itaú Corpbanca and Banco del Estado de Chile with Patricio Montes and Diego Garay.

Claro y Cía. has advised Toesca Infraestructura Fondo de Inversión with Jorge Martín (Picture) and Francisca Larraín.

DLA Piper has advised Sacyr, S.A. with César Herrero and Felipe López.

Involved fees earner: Patricio Montes – Larraín y Asociados

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