

Infra News - 28 Jul 2009 | Australia | Ports

## **Antin and Arcus Up Stakes in BBI's Euroports**

[Janet Du Chenne](#)



Babcock & Brown Infrastructure (BBI) has revised an agreement to sell a stake in port operator Euroports with the purchasers to take a larger share at a reduced price.

The plan is to sell 40% of the company for €141.5m, instead of the 29.7% originally intended for sale.

The new deal sees Antin Infrastructure Partners and Arcus European Infrastructure Fund I (formerly known as Babcock & Brown European Infrastructure Fund) agreeing to invest.

On completion, Arcus and Antin IP will hold equity interests in Euroports of 14.1% and 19.9% respectively. In addition, Antin IP will hold a convertible bond in Euroports which, if converted, would convert into a further 5.97% of the equity in the company, leaving BBI holding a 60% interest.

The other key changes to the investment under the new agreement are:

- A further capitalisation of the company by all shareholders
- Creation of a "significant" capital reserve at the Euroports level to meet any future Euroports liabilities/obligations in the short to medium term
- A share equalisation process in 2012 and 2013 based on the performance of Euroports through to that time. Depending on Euroports performance, the aggregate equity owned by Arcus and Antin will be adjusted from the potential up-front 40% holding to an amended holding of between 34% and 65% (to be held as between Arcus and Antin on the same proportional basis of the up-front holding assuming Antin IP converts its convertible bond into equity).

In addition to the amended agreement, BBI has secured agreements with other relevant parties that will see Euroports moving 100% ownership of its two key joint venture assets, namely Benelux Port Holdings (the owner of Manuport, Westerlund and Magemon in Belgium) and BBI Port Acquisitions Luxembourg (the owner of TPS in Spain and WCT in Belgium).

### **Asset Ownership**

Following completion of the amended agreement and EU clearance for the increased shareholdings at each asset level, Euroports will own:

- 100% of Manuport (Belgium and Bulgaria)
- 100% of Westerlund (Belgium and France)
- 100% of TPS (Spain)
- 100% of WCT (Belgium)
- 100% of Finnish Ports (Finland)
- 80% of TRI (Italy)
- 50% of SHRU (Rostock, Germany)
- Completed debt refinancings at BBI Port Acquisitions Luxembourg and Finnish Ports
- Settlement of residual liabilities in Benelux Port Holdings

The agreed price under the new agreement equates to a 100% post investment equity value for the Euroports business of €353m. BBI will recognise a pre-tax impairment / loss on disposal of about €120m.

### **Strengthened Balance Sheet**

BBI COO Transport and Chairman of Euroports, Russell Smith said that the revised deal represents a significant strengthening of Euroports' balance sheet. "Having completed the recapitalisation, refinancing and the acquisition of a number of the minority interests, BBI has no plans to sell down any further stake in Euroports," he added.