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Babcock & Brown Sells Euroports Stake to Antin

Antin Infrastructure Partners (Antin IP) and Babcock & Brown European Infrastructure Fund (BBEIF) have agreed to subscribe to new shares in Babcock & Brown Infrastructure's (BBI) Euroports portfolio.

Antin IP and BBEIF will subscribe €121.5m (US\$165m) for a 29.7% interest in Euroports. Antin IP is the infrastructure fund sponsored by BNP Paribas. Its stake in Euroports equates to 19.9% of the company, while BBEIF's accounts for 9.8%.

The new share subscription implies an equity value of €409.1m (US\$554m) and an enterprise value (EV) of €718m (US\$973m) to BBI's interest in Euroports prior to the transaction. The implied EV for the 100% consolidated interest is €1.015bn (US\$1.37bn).

Under the terms of the transaction, BBI will receive €35m (US\$47m) when the deal closes and an earn-out of €4.1m (US\$5.5m) if the Euroports business meets certain performance milestones.

Additional Investors

BBI said that transaction proceeds will be used to fund its growth strategy and cut short-term debt. BBI said it was in discussions with further parties to acquire additional stakes in Euroports after revealing plans to sell down to a residual holding up to 50%.

BBI managing director, Jeff Kendrew said: "We have previously indicated an emphasis on a co-investment and partnering strategy to strengthen our balance sheet and to provision for non-discretionary growth capex within our portfolio."

Antin IP's managing partner, Mark Crosbie said its investment in Euroports fits well with its focus. The fund targets infrastructure assets substantially in continental Europe in the transport, energy and telecoms sectors.

Port Assets

Based in Luxembourg, BBI Euroports manages a portfolio of European concession port companies. The portfolio currently extends across multiple countries and locations in Europe, including Belgium, France, Spain, Finland, Bulgaria and Italy. EBITDA for the 12 months ending June 30, 2008 was €59.6m (US\$81m).

BBEIF

BBEIF, which closed in November 2007 with €2.2bn (US\$3bn) of commitments, focuses on European-based infrastructure investment.

Aimee Savage

Infra Funds & Acquisitions Reporter

asavage@infraresearch.com

