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Elecnor and APG sign a strategic agreement to develop power transmission projects in Latin America

Elecnor, through its concessions subsidiary Celeo, and Dutch company, APG, manager of the world's second largest pension fund, have today signed a strategic agreement to jointly develop new power transmission projects in Latin America, an area where Elecnor is present through 16 concession companies in Brazil and Chile with 3,013 kilometres of lines in operation and 1,283 under construction.

Under this agreement, APG will take a 49% stake in Celeo Redes which is fully-owned by Celeo, the company which manages the Elecnor Group's investments in power transmission projects. APG will pay EUR 237 million for this stake.

Over the next five years the company will embark on a plan to grow the power transmission assets, entailing joint investment from the partners of EUR 372 million.

This agreement is pending approval from the local regulatory authorities and is expected to be finalised in the third quarter of 2014.

Through Celeo, the Elecnor Group, promotes, develops, operates and exploits investment project assets in the areas of power generation, transmission and the environment. At the end of 2013, the total value of investment project assets managed was EUR 3,815 million.

For its part, APG is the manager of ABP, the second largest pension fund in the world. It manages over EUR 369,000 million for 4.5 million active and retired people, in the public and the private sectors.

Growth platform

This agreement will put Elecnor in a privileged position to be able to undertake future projects in the transmission markets in Latin America, both in those where it is currently present and new ones.

It will also serve as an important growth platform in the transmission market, combining, on the one hand, the substantial base of existing assets already being managed by Elecnor with its in-depth knowledge of the activity and market; and, on the other, the significant contribution of a partner of the calibre of APG, which will provide a competitive edge in the financial arena and also bring to the table its experience and skills in investment management.

Fifteen years concession experience in Latin America

Elecnor is among the leading developers of electricity transmission projects, under concession arrangements, in Brazil and Chile. It entered the Brazilian market in 2000 and currently participates in 12 concession companies. The latest arrangement, awarded in May, includes a 328-kilometre transmission line with a 500 kV double circuit crossing the states of Mines Gerais and São Paulo, in consortium with Companhia Paranaense de Energia (Copel).

In Chile Elecnor promotes, among other projects, the 255-kilometre Ancoa-Alto Jahuel line and the 196.5-kilometre Charrúa-Ancoa line.

ELECNOR, S.A.