

TITULO: Telefónica Chile sells 60% stake in InfraCo to KKR				
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Telefónica Chile has sold a 60% stake in its subsidiary InfraCo SpA to Kohlberg Kravis Roberts (KKR) Alameda Aggregator, a vehicle controlled by funds managed or advised by KKR subsidiaries, for \$1 billion.

The transaction includes the execution of a shareholders' agreement and a contract for the provision of wholesale telecommunications services.

As part of the transaction, which will be submitted to the competition authorities and is expected to close in the first half of 2021, Telefónica Chile will sell InfraCo approximately two million real estate units equipped with fiber optic.

Both companies will also sign a series of contracts for the provision of various services, including a contract for the provision of wholesale connectivity services over InfraCo's fiber optic network to the operator's Chilean subsidiary. The company plans to complete 3.5 million units by 2022, which represents more than half of Chile's households.

Telefónica Chile was advised on the transaction by local law firm Guerrero Olivos, with a team led by partner Jorge Delplano, and who was assisted by César Gálvez, Sebastián Marambio, Roberto Burgos, Santiago Bustos, Matías Ríos and Daniela Ahumada.

"Among the complexities of the transaction are the structuring of the sale of a majority percentage of InfraCo's shares as well as a shareholders' agreement that establishes the rights that Telefónica Chile has in the company in its capacity as non-controlling shareholder," Guerrero Olivos said in a statement.

"Likewise, the operation included the analysis of the financing structure of the company for the entry of the new shareholder as well as the negotiation of a contract for the provision of wholesale services by virtue of which Telefónica Chile will become InfraCo's main client at the time of closing of the transaction," it added.

Telefónica was assisted by its general counsel Diego Colchero, while Telefónica Chile's in-house team comprised general counsel Gladys Fuentes and senior attorney Claudio Monasterio.

Law firm Latham & Watkins acted as foreign counsel to Telefónica Chile, with a team made up of partner Antonio Del Pino (New York), partner Ignacio Pallarés (Madrid) and associate Alan Rozen (New York).

KKR's foreign counsel was Simpson Thacher & Bartlett, and whose team was made up of partner Breene Haire and associates Ana Sánchez and Michael Spirtos, all of whom are based in the firm's Houston office.