



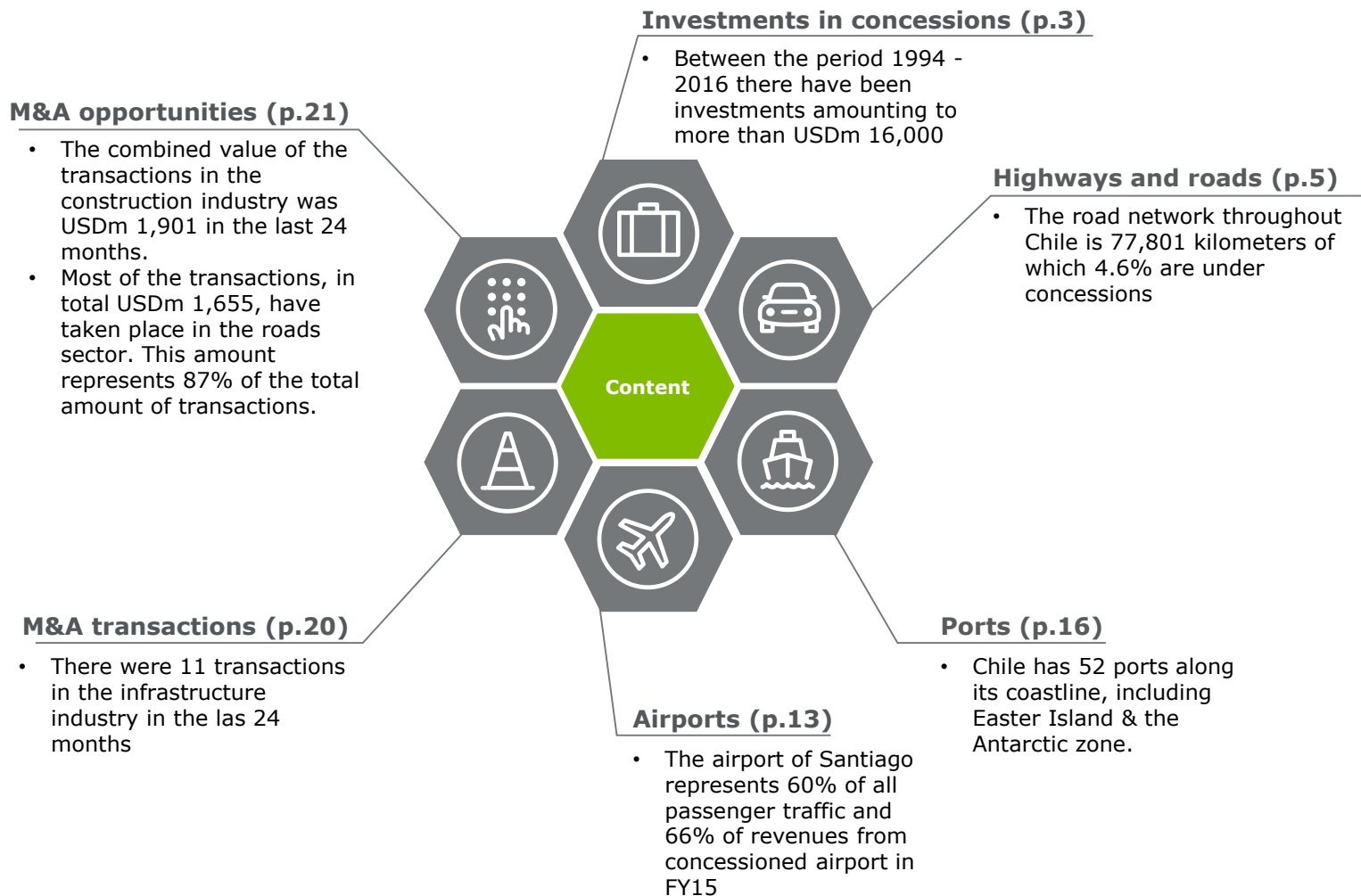
Point of view

Infrastructure industry and concessions in Chile

November 2016

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Infrastructure industry and concessions in Chile

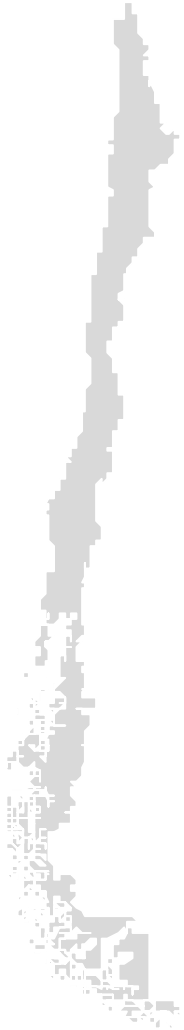


Investments in concessions

Investments in concessions

Between 1994-2016 total investments in concessions amounted to more than USDm 16,000

The average annual investment in concessions amounted to USDm 669, which consists of the construction and operation of Route 5, airports and several urban road concessions.



81%
Road Infrastructure



11%
Public Building



7%
Airport Infrastructure



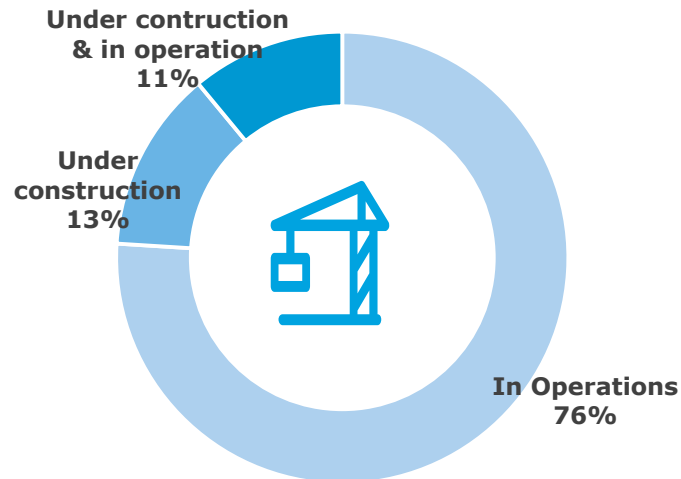
1%
Social Infrastructure

Type of infrastructure

The road infrastructure in Chile is divided into urban roads (5.2%), interurban routes (38.6%) and Route 5 (51%), which is the main route that connects from north to south Chile.

Stage of the project

The investments in different phases of the project are distributed as follows: USDm 12,975 in operations, USDm 2,362 in the construction phase and USDm 1,969 in the construction and in operation.



Source: Ministry of Public Infrastructure, Concepciones.cl

Highways and roads

Characterization of the industry by nationality

Spain is the country with the most investments in concessions in Chile with 45% of the total initial investments, amounting to approximately USDm 6,987.

01

Spain

Abertis Group leads with an investment of USDm 3,345, followed by Sacyr Concessions with USDm 1,428.

02

Canada

Brookfield has made an initial investment of USDm 1,190 and manages the concession of the north-west section of Americo Vespucio. CPPIB Investment Board has concessions with the Atlantia group (Italy)

03

Italy

The Atlantia Spa made an initial investment of USDm 3,314 and controls the route 5 sections Bueno – Puerto Montt, Costanera Norte – Americo Vespucio Sur and others.

04

Colombia

ISA Interval is present in Chile with an investment of USDm 1,310 since 2010 and has Route 5 sections Santiago – Talca, Talca – Chillan, Chillan – Collipulli, among others.



Spain
45%



Canada
18%



Italy
15%



Colombia
13%

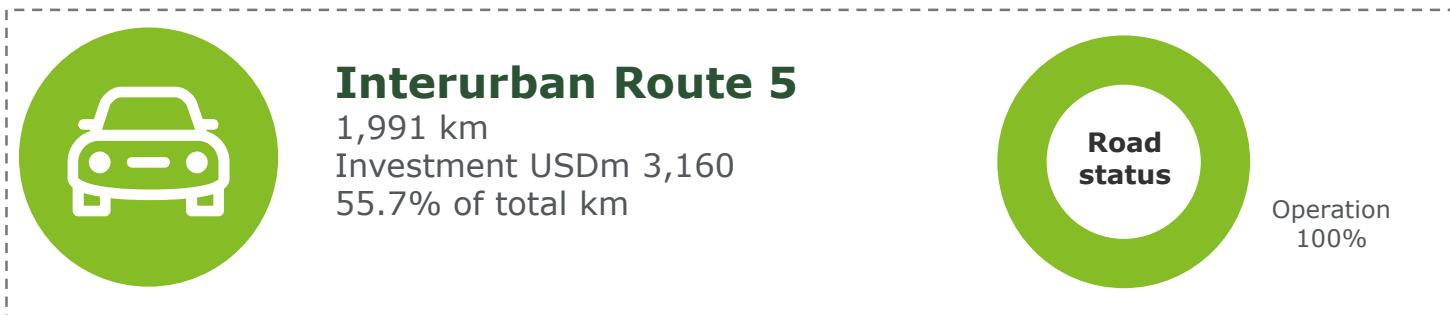
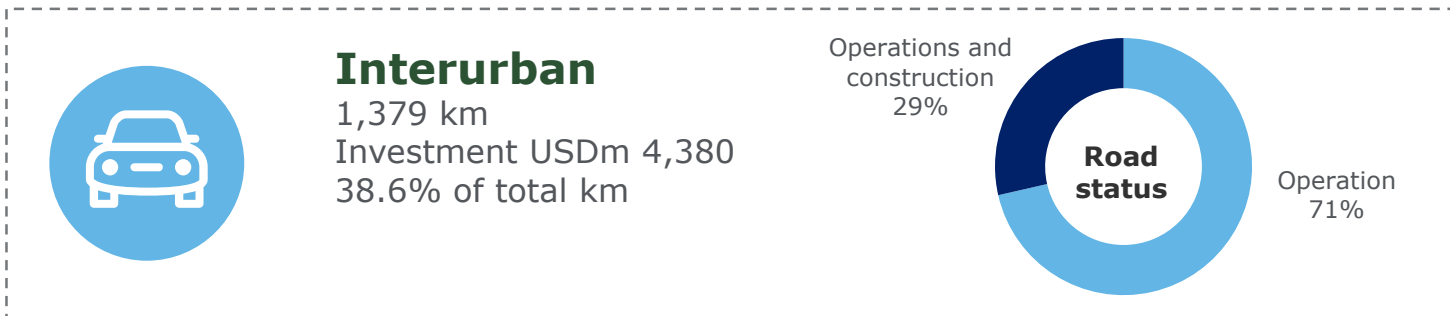
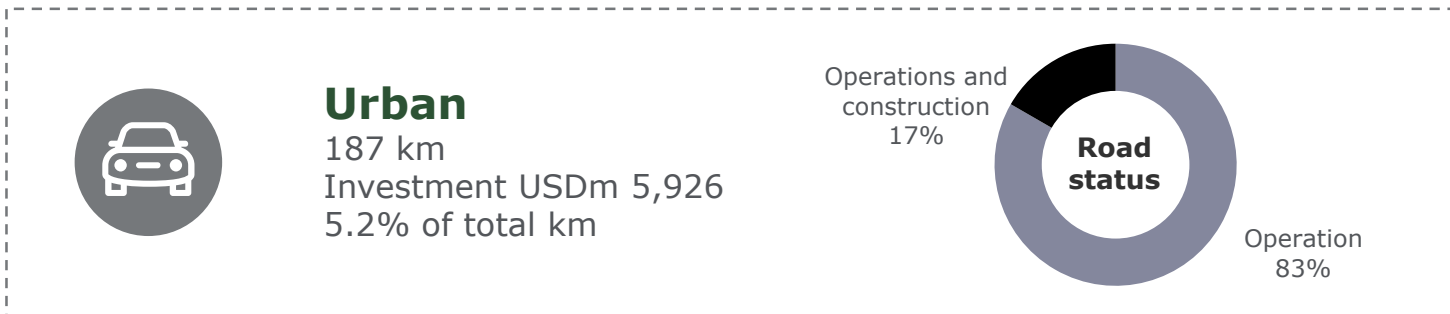


Chile
10%



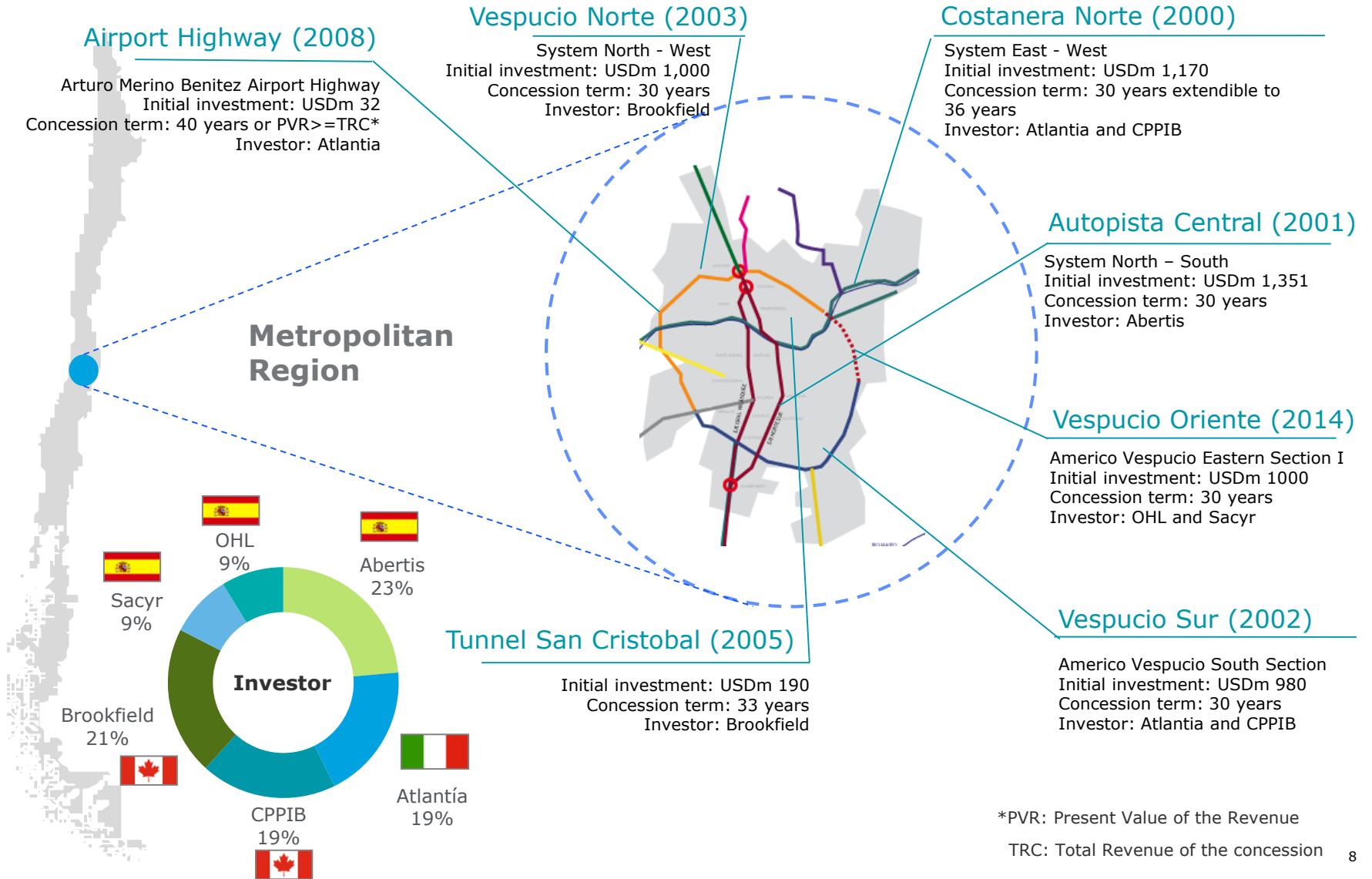
Overview of concessioned roads in Chile

The road network throughout Chile is 77,801 kilometers of which 4.6% are under concessions



Urban highways

Most of the investments in the road sector have been made in urban highways in metropolitan region



Interurban Route 5

Ruta 5 is the longest route and most important route in Chile, It has 11 concessioned sections, 9 sections in first generation and 2 sections in second generation



La Serena – Vallenar (2012)

Status: Operation
 Initial investment: USDm 345
 Concession term: 35 years PVR>=TRC*
 Investor: Sacyr Concessions

Santiago – Los Vilos (1997)

Status: Operation
 Initial investment: USDm 220
 Concession term: 24 years
 Investor: Globalvia

Chillan - Collipulli (1998)

Status: Operation
 Initial investment: USDm 161
 Concession term: 23 years
 Investor: ISA

Collipulli – Temuco (1999)

Status: Operation
 Initial investment: USDm 144
 Concession term: 23 years
 Investor: ISA

Puerto Montt – Pargua (2010)

Status: Operation
 Initial investment: USDm 230
 Concession term: 40 years PVR>=TRC*
 Investor: Iridum ACS

Vallenar – Caldera (2009)

Status: Operation
 Initial investment: USDm 227
 Concession term: 420 months PVR>=TRC*
 Investor: Sacyr Concessions

Los Vilos – La Serena (1997)

Status: Operation
 Initial investment: USDm 407
 Concession term: 25 years
 Investor: Abertis

Santiago – Talca (1999)

Status: Operation
 Initial investment: USDm 266
 Concession term: 25 years
 Investor: ISA

Talca – Chillan (1995)

Status: Operation
 Initial investment: USDm 375
 Concession term: PVR>=TRC*
 Investor: ISA

Temuco – Río Bueno (1998)

Status: Operation
 Initial investment: USDm 364
 Concession term: 25 years
 Investor: ISA

Río Bueno – Puerto Montt (1998)

Status: Operation
 Initial investment: USDm 421
 Concession term: 25 years
 Investor: Atlantia and CPPIB



ISA
42%



Sacyr
17%



Atlantia
13%



Abertis
13%



Iridum ACS
7%



Glovalvia
7%

*PVR: Present Value of the Revenue

TRC: Total Revenue of the concession

Interurban highways

Interurban highways have maintained an uninterrupted growth trend

Region I

Iquique alternative Access Investment initial USDm199
 Year awarded: 2011 Investor: Sacyr
 Concession Term: 32 years or PVR>=TRC*

Region IV

Route 43 – Serena Initial Investment: USDm334
 Year awarded: 2013 Investor: Sacyr
 Concession Term: 25 years

Metropolitan region

Highway interconnection Santiago – Valparaiso – Viña del mar
 Initial Investment: USDm709
 Year awarded: 1999 Investor: Abertis
 Concession Term: 25 years

Access Nororiente Santiago Initial Investment: USDm340
 Year awarded: 2004 Investor: Atlantia and CPPIB
 Concession term: 40 years or PVR>=TRC*

Highway Santiago – San Antonio Initial Investment: USD286
 Year awarded: 1995 Investor: Abertis
 Concession Term: 23 years

Tunnel El Melon Initial Investment: USDm210
 Year awarded: 2016 Investor: Independencia Fondo de Inversión
 Concession Term: 15 years

Road Santiago – Colina – Los Andes (Autopista Los Libertadores)

Initial investment: USDm204
 Year awarded: 1997 Investor: Abertis
 Concession Term: 28 years

Region VI

Variante Melipilla Road Initial Investment: USDm42
 Year awarded: 2003 Investor: BTG and Penta Las Americas AFI
 Concession Term: 30 years



Region II

Highway Antofagasta region Initial Investment: USDm339
 Year awarded: 2010 Investor: Penta Las Americas AFI
 Concession Term: 20 years

Region V

Route 60 Initial Investment: USDm388
 Year awarded: 2004 Investor: Abertis
 Concession Term: 32 years

Red vial litoral central

Initial Investment: USDm171
 Year awarded: 2001 Investor: Atlantia and CPPIB
 Concession Term: 30 years

Nogales – Puchancaví Road

Initial Investment: USD135
 Year awarded: 2016 Investor: OHL Concesiones
 Concession Term: 30 years or PVR>=TRC

Region VIII

Route 160, Tramo Coronel – Tres Pinos

Initial Investment: USDm340
 Year awarded: 2008 Investor: Acciona
 Concession Term: 40 years or PVR>=TRC*

Concepción – Cabrero Highway

Initial Investment: USDm323
 Year awarded: 2011 Investor: Sacyr
 Concession term: 35 years or PVR>=TRC*

Talcahuano – Penco Route Interportuaria

Initial Investment: USD316
 Year awarded: 2002 Investor: BTG and Penta Las Americas AFI
 Concession Term: 31 years

North Concepción Access

Initial Investment: USDm44
 Year awarded: 1995 Investor: Glovalvia
 Concession Term: 28 years



Spain
67%



Chile
21%



Canada
6%



Italy
6%

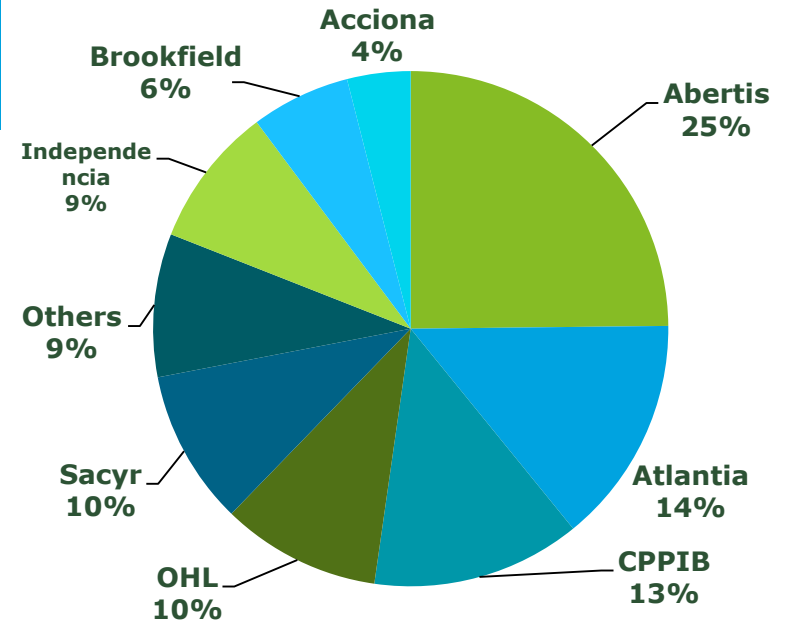
*PVR: Present Value of the Revenue

TRC: Total Revenue of the concession

Main players

The international contribution of the private sector is important due to its experience, capacity and technical and financial contributions

Investor	Country	Initial Investment USDm	Projects
Abertis	Spain	3,345	6
Sacyr Concesiones	Spain	1,928	6
Atlantia	Italy	1,768	6
CPP Investment Board	Canada	1,347	5
Grupo Interconexion Electrica (ISA)	Colombia	1,310	5
Brookfield	Canada	1,190	2
OHL Concesiones	Spain	838	3
Globalvia	Spain	536	2
FI Público Penta Las Americas	Chile	382	3
Acciona	Spain	340	1
Iridum ACS	Spain	230	1
Independencia Fondo de Inversión	Chile	210	1
BTG Pactual	Chile	43	2



Main players in the road sector 2016

Private companies bring more competition to the bidding process and the experience of international organizations contributes to the development of the sector. The authorities encourage the participation of foreign companies in the public tenders.

Brookfield

abertis

CPP INVESTMENT BOARD

GLOBALVIA

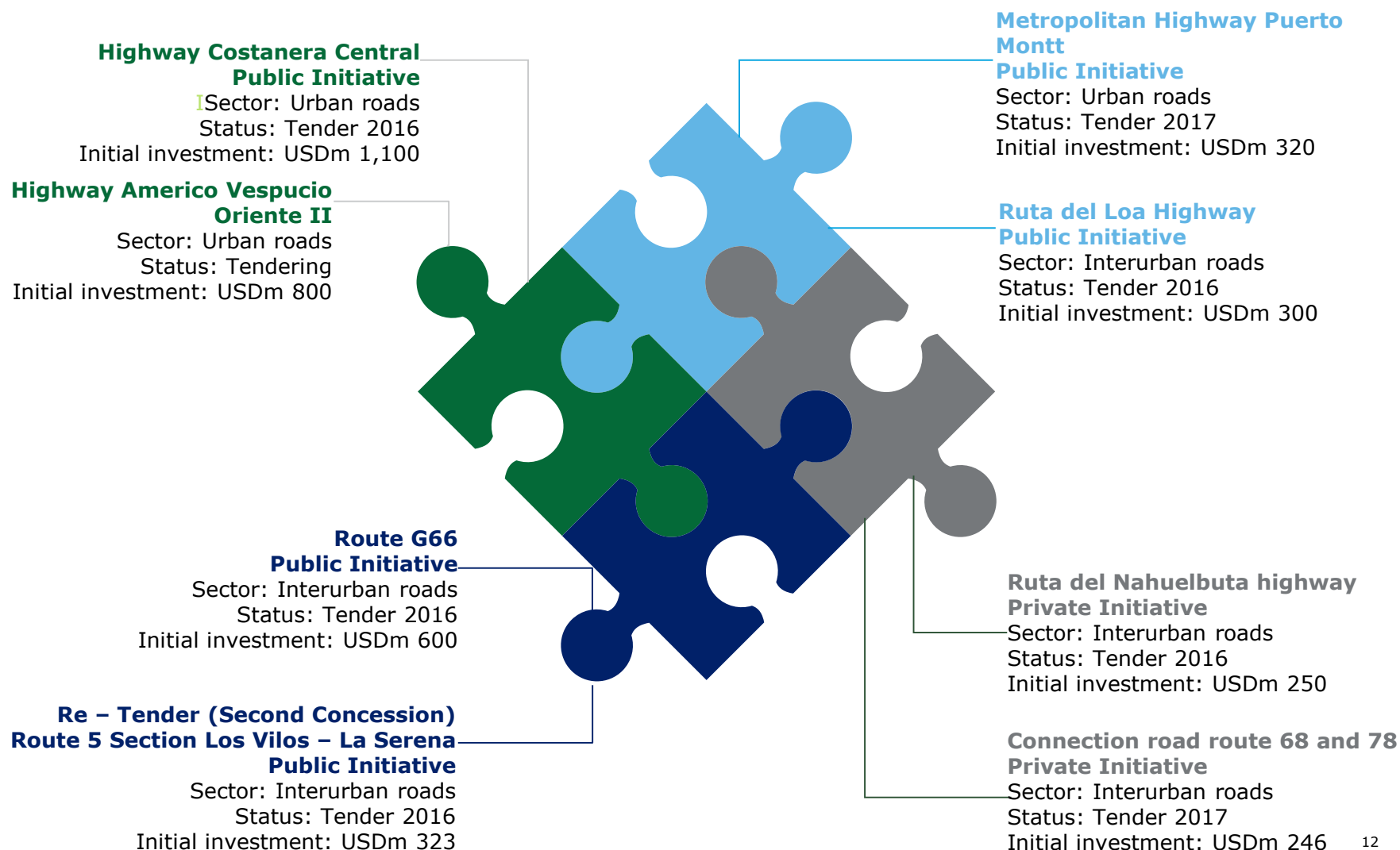
Atlantia

Sacyr

ISA

Next project to be tendered 4Q 2016

Chile has a stable institutional climate and an attractive capital market, which together attract potential investors to the country














Airports

Overview of concessioned airports in Chile

The airport of Santiago represents 60% of all passenger traffic and 66% of revenues from concessioned airports in FY15. Overall passenger traffic in Chile increased by 5.3% to more than 18 million passengers.



	Traffic	Revenues
 SANTIAGO SCL	#1	#1
 ANTOFAGASTA CERRO MORENO	#2	#3
 CALAMA EL LOA	#3	#2
 PUERTO MONTT	#4	#7
 IQUIQUE DIEGO DE ARACENA	#5	#9
 CONCEPCIÓN CARRIER SUR	#6	#11
 PUNTA ARENAS	#7	#6
 LA SERENA LA FLORIDA	#8	#8
 ARICA CHACALLUTA	#9	#10
 TEMUCO LA ARAUCANÍA	#10	#4
 COPIAPÓ DESIERTO ATACAMA	#11	#5

- The airport in the capital, Santiago Comodoro Arturo Merino Benitez (SCL), is the **largest airport** in Chile and represents around 60% of all passenger traffic. It also generates by far the most revenues at **USDm 60** in FY15.
- The current **concession lasts until 2035** and is managed by Nuevo Pudahuel, a consortium formed by two French and one Italian company. With an investment of US\$ 689 million, infrastructure will increase to 175,000 m2 and the amount of gates will increase from 18 to 67.
- The second and third largest airports are located in the north of Chile in the cities of **Calama and Antofagasta** to serve the needs of the **mining industry**. Their FY15 revenues were **USDm 7 and 4**, respectively.
- The Antofagasta airport is managed by Swiss company Flughafen Zürich that has been active in the airport concessions in Chile.
- The Calama airport is managed by the national Group Empresas Navieras.
- The airports in the south of Chile, **Puerto Montt and Punta Arenas**, receive many international **tourists** especially in the summer season (December through March).

Main players

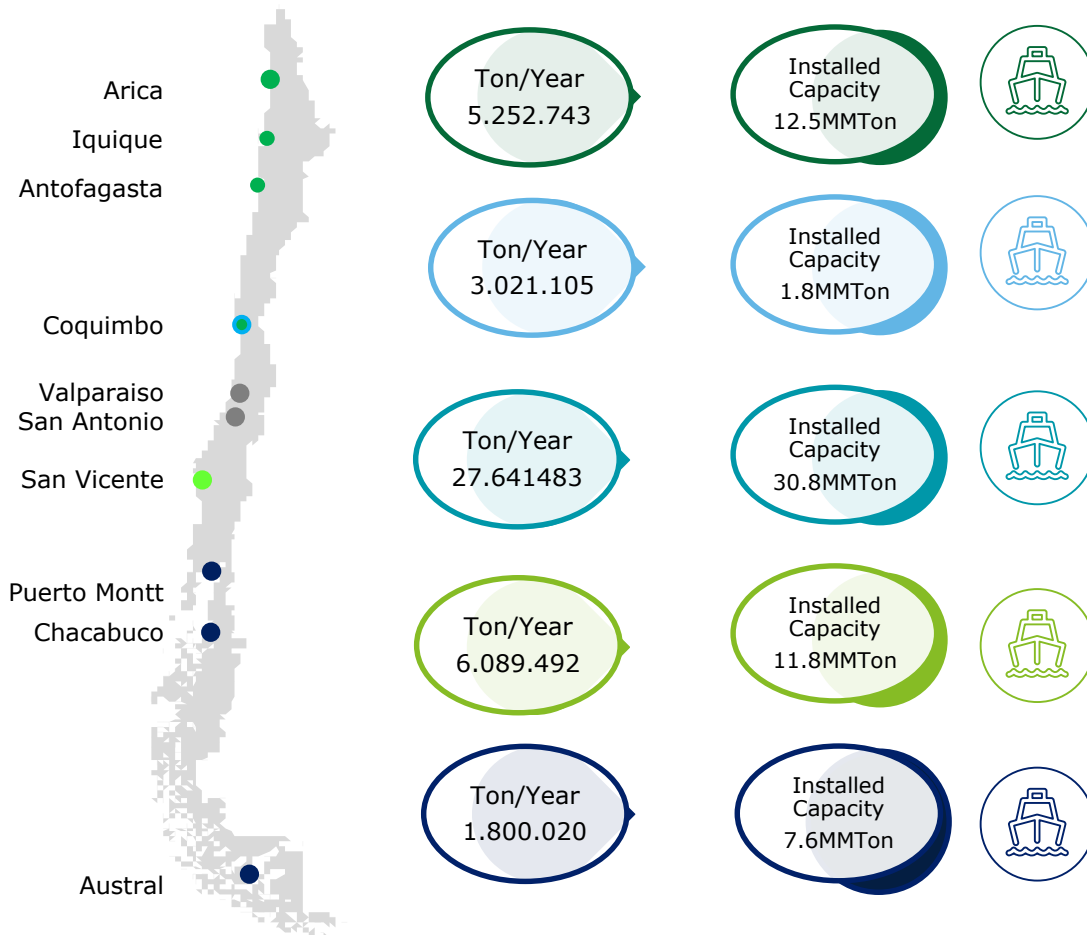
The most important airport is SCL in Santiago, awarded to Grupo ADP, Vinci Airports and Astaldi Concession. There are three main players in the airport business: Grupo Empresas Navieras S.A. (27.3% of airports), Grupo Icafal (18.2%) and Empresa Constructora Belfi S.A. and Inversiones Araucanía S.A. (18.2%).

Player	Conceded airports	Investment USDm	Country	Concession duration		
				From	End	Years until end of concesión
Grupo ADP - Vinci Airports -Astaldi Concession	Santiago(Arturo Merino Benitez)	689		2015	2035	20 years (Used)
Empresa Constructora Belfi S.A. – Marubeni e INCJ.	Temuco (La Araucanía)	118		2010	2030	20 years (Used)
Empresa Constructora Belfi S.A. - CMB Fondo de Inversión Prime	Copiapó (Desierto de Atacama)	44		2012	2032	20 years (Used)
Grupo Empresas Navieras S.A.	Calama (El Loa)	37		2011	2026	15 years (Used)
Flughafen Zürich AG Y Holding IDC S.A	Antofagasta (Cerro Moreno)	33		2011	2026	15 years (Used)
Grupo Icafal	Concepción (Carriel Sur)	35		2016	2031	15 years (Used)
Grupo Empresas Navieras S.A.	La Serena (La Florida)	19		2013	2023	10 years (Used)
Grupo AZVI	Arica (Chacalluta)	14		2004	2019	15 years (Used)
Grupo Empresas Navieras S,A.	Punta Arenas (Pdt. Carlos Ibáñez del Campo)	12		2010	2025	15 years (Used)
Grupo Icafal S.A.	Puerto Montt (El Tepual)	3		2014	2018	4 years (Used)
State of Chile at the moment (tender process)	Iquique (Diego de Aracena)	64	[]	2016	2031	15 years (Used)

Ports

Overview of the ten most important ports in Chile

Chile has 52 Ports along its coastline, including Easter Island & the Antarctic zone, which include 10 principal ports due to their superior installed capacity (Ton). The San Antonio port in particular, as it represented 39.7% of the total load transferred in 2015.



North Zone

The north zone is found between Arica and Antofagasta. It generates 17,2% of the country's load and total discharge, mainly bulk for the mining sector and bulk oil.

North central Zone

The north central zone is located between Antofagasta and Coquimbo. It forms 1,7% of the country's load and total discharge, mainly servicing the mining sector.

Central Zone

The central zone handles more than 63.1% of the country's cargo. The main ports specialize in containers and in the receipt and distribution of fuels. It is also home to where port services for the Easter Island & Juan Fernandez connections occur, resulting in the most movement of cruise ships.

South Central Zone

The south central zone includes the Biobío and Los Ríos regions. It represents 13,9% of the country's total traffic. Its main cargo loads service the energy, forestry and mining sectors.

South Zone

The southern part of the country includes the regions of Los Lagos, Aysén and Magallanes, it boasts only 4,1% of the total haul in the country. However, it contains more than 64% of the movement of vessels, due to the vast majority being small vessels.

Overview of stakeholders, revenue and contract duration

The revenue generation for the concessionaire companies (ten ports) was US\$496 million in FY15. The largest participant with 38.4% of the total concessions revenue is Group Quiñenco, followed by GEN S.A. and Constructora Belfi S.A.

Ports	Object Concessioner	Player	Country	From	Concessioner Duration		End
					2016	Years	
Arica	Develop, maintain and operate dock N°1	Grupo ultramar S.A.; Constructora Belfi S.A.; GEN S.A.; Grupo Quiñenco		2004	30	Years	2034
Iquique	Develop, maintain and operate dock N°2	Grupo Quiñenco Y GEN S.A.		2000	30	Years	2030
Antofagasta	Develop, maintain and operate dock N°2	Grupo Quiñenco y GEN S.A., FCAB		2003	20	Years	2023
Coquimbo	Develop, maintain and operate Passenger, dock	Grupo ultramar S.A. y Constructora Belfi S.A.		2012	20	Years	2032
Valparaiso	Develop, maintain and operate cargo terminal N°2	OHL		2013	30	Years	2043
Valparaiso	Develop, maintain and operate passenger, dock	GEN S.A.		2002	30	Years	2032
Valparaiso	Develop, maintain and operate Infraestructuring	Grupo AZVI		2008	30	Years	2038
Valparaiso	Develop, maintain and operate dock N°1	Grupo ultramar S.A. y constructora Belfi S.A.		2012	7	Years	2019
San Antonio	Develop, maintain and operate dock molo sur	Stevedoring Service of América, SSA Marine; Grupo Quiñenco		1999	20	Years	2019
San Antonio	Develop, maintain and operate dock terminal norte	Marítima Valparaíso Chile S.A.; Gráneles de Chile S.A.		1999	30	Years	2029
San Antonio	Develop, maintain and operate dock cotanera espigon	Minera Valparaíso S.A.		1999	20	Years	2031
Tal-San Vicente	Develop, maintain and operate dock	Stevedoring Service of América, SSA Marine; Grupo Quiñenco		2011	20	Years	2029
Tal-San Vicente	Develop, maintain and operate cargo terminal N°2	GEN S.A.		1999	42	Years	2042

● Used
● Years to end concessioner
Concessioner Duration

M&A transactions

Transactions in the infrastructure sector

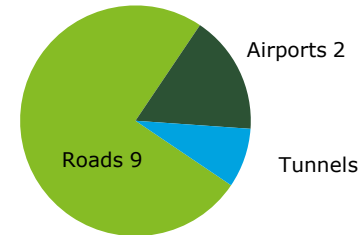
There were 12 transactions in the infrastructure industry in the last 24 months, 9 with published deal values.

Transactions in the construction industry in Chile

	Foreign buyers		Chilean buyers	
	No.	USDm	No.	USDm
Strategic buyers	4	1.605	-	-
Private equity	2	540	3	50
Roads	6	2.145	3	50
Strategic buyers	1	191	1	14
Private equity	-	-	-	-
Airports	1	191	1	14
Strategic buyers	-	-	-	-
Private equity	-	-	1	41
Tunnels	-	-	1	41
Total	7	2.336	5	105

Note: Only transactions with published values are included in the USDm columns
Source: InfraDeals

Number of infrastructure transactions involving Chile in the last 24 months



- The combined value of **transactions in the infrastructure sector** amounted to **USDm 2.441** (9 transactions out of 12 have public deal values).
- Most of the transactions, in total USDm 2,195, have taken place in the roads sector. The amount represented **90% of the total** amount of transactions with published prices in the last 24 months.
- **36% of the buyers** are **from Europe** and **45% from Chile**. The remaining transactions involve North American countries and United Arab Emirates.

#1 **ROADS**

Target: Autopista Central 50% stake (CL)
Buyer: Abertis (ES)
Seller: Alberta Investment Management Corporation (CA)
Deal value (USDm): 1,035
% acquired: 100%

#2 **ROADS**

Target: Abertis 20% stake (CL)
Buyer: Abu Dhabi Investment Authority
Seller: Abertis (ES)
Deal value (USDm): 540
% acquired: 20%

#3 **ROADS**

Target: INVIN 42.3% stake (CL)
Buyer: Abertis (ES)
Seller: SANTANDER Infrastructure Fund II-SIF II (ES)
Deal value (USDm): 399
% acquired: 100%

#4 **AIRPORTS**

Target: Airports SCL (CL) and MBJ (JM)
Buyer: Grupo Aeroportuario del Pacifico (MX)
Seller: Abertis (ES)
Deal value (USDm): 191, estimated 95 in Chile
% acquired: 100%

#5 **ROADS**

Target: Infraestructura 2000 - I2000 49.99% stake (CL)
Buyer: Abertis (ES)
Seller: Las Americas Fondo Infraestructura 1 and 2 (CL)
Deal value (USDm): 146
% acquired: 100%

M&A opportunities

Opportunities in the Chilean Infrastructure industry

The combination of an infrastructure deficit together with the Government's national infrastructure plan is leading to innovative solutions incorporating private companies in the infrastructure sector.

Economic Stability

The return to the democratic system and the climate of stability generated in Chile in the past 30 years, were the basis created to attract foreign investments to the country, including in the infrastructure sector.

"Chile 30 30"

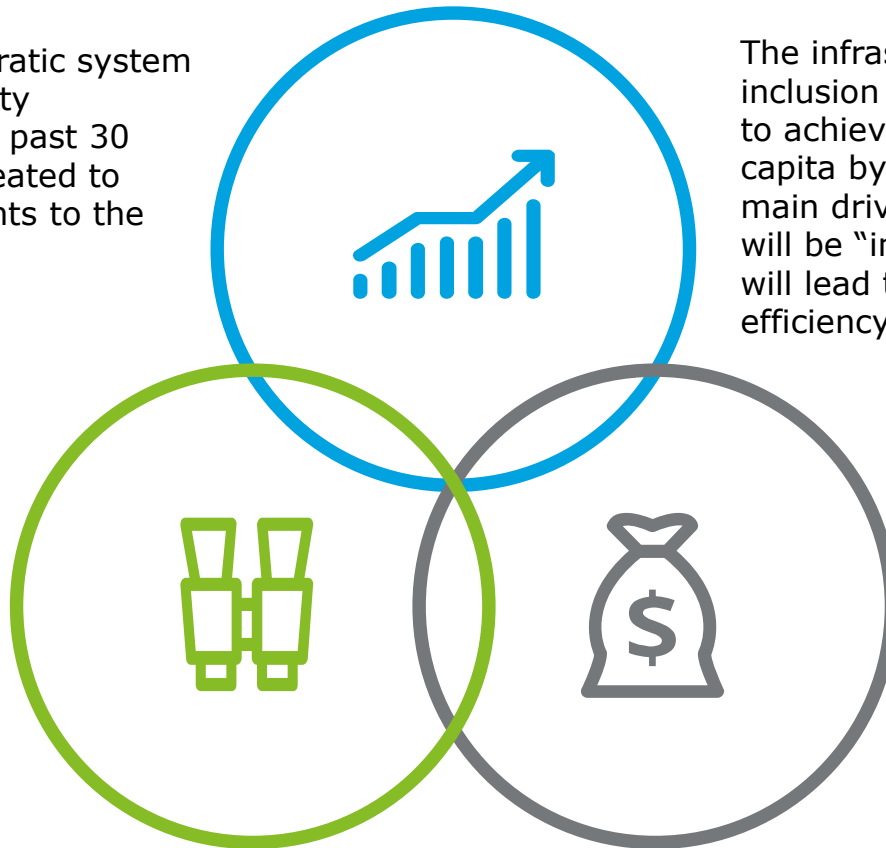
The infrastructure, development and inclusion agenda "Chile 30 30" aims to achieve a PIB of USD 30,000 per capita by the year 2030. One of the main drivers to accomplish this goal will be "infrastructure projects" that will lead to improve Chile's efficiency and competitiveness.

New infrastructure investors

The Government will promote pension funds to have a more prominent role in concessions.

New infrastructure public fund

The Congress is evaluating the creation of a new fund destined to infrastructure projects financing.



M&A opportunities

Infrastructure projects will be one of the most active sectors in the coming years attracting international investors.

01

Highways and roads:

- **Greenfield projects** for 2017 amount to USDm 3,939, being the most important project "Costanera Central Highway (Vespucio – Las Viscachas) with a total investment of USDm 1,100
- **Brownfield projects:** there are several concessions in operations that could be target companies for pension funds or private equity firms.



02

Ports: San Antonio expansion

- The port of San Antonio maintained its leadership in the port industry (containers) during 2015. Its terminals were able to mobilize 17.4 million tons of cargo, which meant a growth of 7.7% compared to 2014.
- **Future investments** of 2 of the operators will improve the port ability to transfer, passing from 1.5 to 3 million of TEUs by the year 2018. The total investment amounts to **USDm 600**.



03

Airports: Santiago airport extension

- The expansion of the Santiago Airport is a new investment opportunity for international investors.
- The new concession granted in 2015 to the Consortium ADP – Vinci Airport – Astaldi contemplates the construction of a new passenger terminal (157,000 km²) of the international airport amounting to **USDm 689 in future investments**.



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