

KKR, Entel's Telefónica Peru fibre buy-in – details

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Financing details of KKR and Entel's acquisition of 64% of wholesale fibre optic company PangeaCo – a Peruvian subsidiary of Telefónica Hispanoamérica – have emerged.

The deal remains subject to regulatory approvals, including the green light from the Peruvian antitrust agency (Indecopi).

KKR and Entel will combine their existing fibre networks in Peru with PangeaCo to create ON*NET Fibra de Perú – a joint venture.

Under the terms of the agreement, Telefónica Hispanoamérica will own 36% of the shares in ON*NET Peru, with KKR and Entel Peru owning 54% and 10%, respectively.

The transaction's debt is being multi-currency financed coming in at around \$327m in total, according to sources.

The debt is structured over 2 tranches:

- term loan (5-year tenor)
 - S/145 million
 - \$170 million
- capex loan (5-year tenor)
 - S/ 326 million
 - S/109 million

The lenders are:

- Banco de Crédito e Inversiones (BCI)
- BanBif - Banco Interamericano de Finanzas
- BNP Paribas
- Santander
- SMBC

KKR – through KKR Global Infrastructure Investors III fund – plans to make some \$200 million of additional investment into the JV.

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