

LINKLATERS, CLIFFORD CHANCE ADVISE ON €10BN CK HUTCHINSON'S ASSETS SALE TO CELLNEX

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Linklaters has advised CK Hutchinson Holdings on the sale of circa 24,600 telecommunications towers and sites that owns in Europe to Cellnex for €10 billion, with Clifford Chance advising the buyer



Linklaters has advised CK Hutchison, the Hong Kong-based conglomerate, on the €10 billion sale of its large portfolio of telecommunications towers assets in Europe to Cellnex, the Spanish telecoms infrastructure company. CK Hutchison is the latest mobile network operator to carve-out most infrastructure to reduce debt and raise funds to invest in 5G network upgrades.

The six transactions involve the acquisition of circa 24,600 sites for a total of €10 billion: €8.6 billion in cash and €1.4 billion in the form of new Cellnex shares, representing a stake of circa 5 per cent in Cellnex's capital at UK's closing. The transactions include the roll-out of up to 5,250 sites over the next eight years with an investment of c. €1.4 billion including further initiatives.

According to the agreed terms, Cellnex will enter three new markets: Austria, Sweden and Denmark, which will extend the geographic footprint of the company's operations to a total of twelve European countries. It will also result in Cellnex expanding its presence in the key markets of Italy, Ireland and the UK, in which the volume of assets under management will double. After completion Cellnex will have 103,000 towers and telecommunications sites.

Cellnex and CK Hutchison will sign long term service contracts for an initial period of 15 years extendable for an additional 15 years.

The series of transactions are subject to formal closing conditions, including, where applicable, clearance from competition authorities. It is expected to complete them on a staggered and per country basis over the next 18 months.

The Linklaters multi-jurisdictional transaction team was led by London office Corporate partner Robert Cleaver, supported by Corporate partner Owen Clay, Corporate managing associate Jane Cai, TMT partner Marly Didizian, TMT managing associate Rich Jones, SFG partner Julian Davies and SFG managing associate Aditi Srivastava, and Tax partner Chris Smale, Madrid office Corporate partner Alejandro Ortiz, Hong Kong office Corporate partner Christopher Yip, and Stockholm Corporate partner Elisabet Lundgren.

Cellnex was advised on legal matters by Clifford Chance with a team led by Corporate partners Joel Ziff (London) and Guillermo Guardia (Barcelona), TMT partner André Duminy and Antitrust partner Alex Nourry, with support from senior associates Nick Spurrell, Riaz Pirmohamed, Mark Fisher, Jamie Andrew, Julian Feiner and Chandralekha Ghosh, director of Taxation Simon Corzberg, counsel Begoña Barrantes and associates José Maria Vilaseca, Sam Parry, Philippa Lawson and Jodie Chan, advised Cellnex Telecom on the M&A process. Finance partner Epifanio Perez (Madrid) and senior associate Felipe Font advised Cellnex Telecom on the financing of the transaction.