

ISTP 2 Refinancing



Key features of the financing:

- Refinancing of 2 sewage treatment plants in the Emirate of Abu Dhabi, UAE
- 10th Environment & Water credential in the Middle East, a sector in which Natixis is leading regionally
- Successful refinancing of a Mini Perm structure in which we were an original MLA
- Natixis acted as MLA and Hedge Provider

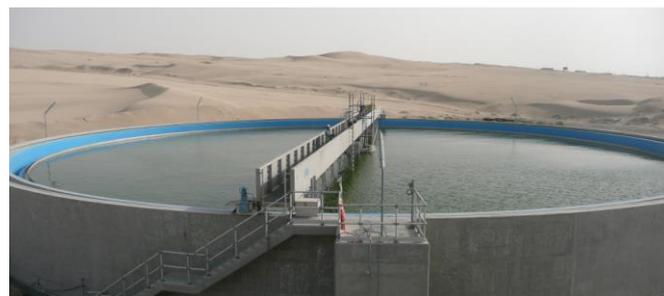


United Arab Emirates



SPONSORS

Abu Dhabi Water and Electricity Authority (“ADWEA”)	60%
Veolia Eau-Compagnie Générale des Eaux (“Veolia Eau”)	20%
BESIX S.A. (“BESIX”)	20%



PROJECT COMPANY

Al Wathba Veolia Besix Waste Water Company P.J.S.C. (the “Project Company”)

PROJECT DESCRIPTION

ISTP 2 (the “Project”) consists of two independent sewage treatment plants located in Al Wathba (the “Wathba 2 Plant”) and in Al Ain (the “Allahamah Plant”) and, together, the “Plants”) in the Emirate of Abu Dhabi with a capacity of 300,000 cbm/d and 130,000 cbm/d, respectively. Both plants are contracted to Abu Dhabi Sewerage Services Company (“ADSSC”) for 25 years post-completion.

The Project was procured by the Abu Dhabi Water and Electricity Authority (“ADWEA”), on a Build, Own, Operate and Transfer basis, in order to meet the needs of ADSSC, responsible for the collection and treatment of sewage in the Emirate of Abu Dhabi. The purpose of both Plants is to replace existing ageing sewage treatment plants and increase the wastewater treatment capacity of Abu Dhabi. Veolia Eau and BESIX were awarded the rights to the Project in early 2008. Construction, commissioning and testing have been successfully completed and the Project entered into commercial operation on 19th April 2013.

Original Project costs were financed through a US\$ 384 million bank term loan. The term loan and associated interest rate swaps (circa 98% of the term loan outstanding) were put in place under a soft mini perm scheme in the midst of the financial crisis with a view to refinance as soon as possible after entry into commercial operation. Natixis acted as original MLA and Hedge Provider.

On 27th October 2016, the original senior debt package was successfully refinanced.

FINANCING

The US\$ 340m Amended & Restated Term Loan runs for a door-to-door tenor of 16.2 years, allowing for a 4-year tail with the term of the sewage treatment agreement. The group of banks comprises – in addition to us – BTMU, NBAD, KfW IPEX-Bank, SMBC and BNPP.

Given the significant exposure of the Project to its long-term interest rate swaps closed in 2008, the Sponsors implemented a comprehensive hedging strategy ensuring (i) the retention of the original hedging agreements with continuing hedge providers, (ii) the novation of the exiting hedge providers instruments to the new pool, and (iii) the implementation of back-ended top-up swaps ensuring a minimum cover against interest rate risk until the extended term of the financing.

ROLE OF NATIXIS

Natixis acted as Mandated Lead Arranger, initially holding the largest ticket in the financing (US\$ 95 million), and Hedge Provider, undertaking 34% of the Project’s hedging program in aggregate across the original, novated and top-up interest rate swaps.