



PROJECT FINANCE INTERNATIONAL

Thomson Reuters

Zaragoza tram refinancing emerges

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The owners of the Zaragoza tramway Line 1 closed a refinancing with €165m of bank and institutional investor debt, it has emerged.

The debt was provided as fixed-rate loans maturing in 2042 by Kommunalkredit, MEAG and Ärzteversorgungskammer Westfalen-Lippe. According to local press reports, interest rates were reduced from 6.4% to 4% and the deal removed existing cash sweeps.

The project was previously financed by BBVA, ICO, Ahorro Corporacion, Santander, Caixa and the EIB.

The sponsors, which include the Zaragoza municipality and the Traza consortium of **Acciona**, **FCC** and CAF, have a concession to manage the 13km project until 2044.

The deal is backed by the municipality through a traffic support agreement and over the past years the project has suffered from lower than expected passenger numbers.