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Tagus Holdings Sarl is said to be working to ensure it won't have to buy Brisa-Auto Estradas de Portugal SA's remaining stock before halting trading in the toll-road operator, two people involved in the process said.

Tagus, which holds 92 percent of Brisa's voting rights, has held talks with Portuguese securities regulator CMVM on terms for dropping the Lisbon listing. The investor is taking the position that Portuguese market rules permit the move without requiring a buyout of other shareholders, said the people, who asked not to be identified because they're not authorized to speak about the process while it's under review.

Brisa, Portugal's biggest highway-management company, was purchased in August for 2.76 euros a share in a transaction valuing it at 1.66 billion euros (\$2.16 billion). Tagus, a venture of Jose de Mello SGPS SA, a holding company for one of Portugal's richest families, and London-based transport investor Arcus Infrastructure Partners LLP, applied to the CMVM on Sept. 4 to remove Brisa's public-company status.

The investors together owned about 50 percent of Brisa, which is based in the Lisbon suburb of Sao Domingos de Rana, before setting up Tagus to make the acquisition offer in March.

#### Law's Terms

Portugal's securities law allows the delisting of a company when a shareholder's voting rights exceed 90 percent following a takeover bid, without specifying anything about minority shareholders.

Margarida Guimaraes, a representative at Unimagem Comunicacao & Imagem, Tagus's public relations firm, declined to comment today. Roli Agrawal, investor relations chief at Arcus, didn't respond to repeated phone messages seeking comment that were left with an assistant yesterday and today at the company's office in London. An official at the CMVM in Lisbon, who said in an e-mail on Oct. 16 that the Tagus request is still under review, declined to comment further today.

Brisa has dropped 32 percent since the takeover was completed on Aug. 9. The stock fell 3.1 percent to 1.85 euros at the close in Lisbon.

In the absence of a buyout when public trading is halted, smaller investors are likely to have to wait for Brisa's eventual return to the market to sell their shares, Francisco Goarmon, a trader at Probolsa in Lisbon, said in a phone interview on Oct. 9.

#### Investors' View

"The law does not protect minority shareholders, and that means the CMVM only has one choice: to reject Tagus's request because the goal of the CMVM is to protect all investors," Octavio Viana, president of the Oporto-based Association of Investors and Technical Analysts, a group representing about 10 minority Brisa shareholders, said by phone yesterday.

Tagus has made clear that it wants to follow the market rules, the two people involved in the process said.



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“By not offering to buy the remaining shares, Tagus won’t have to spend more money on Brisa,” Pedro Oliveira, a trader at Go Bulling in Lisbon, said by phone today. “A buyout would probably cost Tagus more than the price at which the shares are currently trading.”

Shareholders that still own stakes in Brisa include Espirito Santo Portugal Accoes (ESPTACC) and Alves Ribeiro-Medias Empresas Portugal, two equity funds that invest exclusively in domestic stocks. Espirito Santo raised its stake in Brisa in September while Alves Ribeiro (ARMEMPO) held onto its 20,000 shares in the toll-road operator, according to data posted earlier this month on the CMVM’s website.

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*By Henrique Almeida - Oct 19, 2012 5:21 PM GMT*