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CENCOSUD ALCANZA LA MAYOR IPO REALIZADA EN CHILE

Cencosud Shopping makes Chile's biggest ever IPO

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Milbank in New York and Morales & Besa in Santiago have helped Chilean retailer Cencosud Shopping make Chile's largest ever IPO, worth US$1.03 billion.

Shearman & Sterling LLP in New York and Carey in Santiago advised the underwriters for the deal, which closed on 2 July.

The deal involved an international offering and a national offering in Chile. The broker dealers for the international part are understood to have relied on in-house counsel.

The offering represented 28% of Cencosud Shopping's capital stock. Each share priced at 1,521 Chilean pesos (US$2.24).

Chilean pension funds, banks and foreign investors purchased 58.5%, 11.7% and 8.3% respectively of the shares offered.

Ahead of the deal, Cencosud's parent company Cencosud underwent a corporate restructuring, merging its Peruvian and Colombian real estate assets. Cencosud also issued bonds worth US$484 million in two tranches, one with a 10-year term and another with 30 years attached.

Cencosud operates shopping centres across Chile, Colombia and Peru, and is the second-largest real estate owner in Latin America. It runs 33 real estate projects in Chile, four in Peru and four in Colombia. These are located in the countries' most populated cities.

The IPO is more than double the record set by previous equity issuer Mallplaza, another shopping centre chain. Mallplaza went public for US$530 million last year.

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