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CENCOSUD ISSUES NOTES FOR USD1 BILLION

Luke Jarmyn

Baker & McKenzie (Chile) in Santiago and Milbank, Tweed, Hadley & McCloy LLP's New York office have helped Chilean retailer Cencosud issue two series of bonds worth US$1 billion.

HSBC Securities and Scotiabank acted as initial purchasers and turned to Carey in Santiago alongside Shearman & Sterling LLP's New York, San Francisco and Washington, DC offices. The deal closed on 12 February.

Cencosud will use the proceeds from the double issuance to repay current debt, including an outstanding bridge loan. The first series, due in 2025, has a value of US$650 million with a 5.15 per cent interest rate. The second series, covering the remaining US$350 million, is due in 2045 with a higher 6.652 per cent interest rate.

In June, Cencosud used Baker & McKenzie (Chile) and Philippi, Yrarrázaval, Pulido & Brunner - now called Philippi Prietocarrizosa & Uría (Chile) - for the sale of a 51 per cent stake in its financial services arm Scotiabank, which also provided the retailer with a US$3 billion loan.

Counsel to Cencosud

In-house counsel – Victoria Salazar

Milbank, Tweed, Hadley & McCloy LLP

Partners Marcelo Mottesi and Andrew Walker, and associates Sam Badawi, Gladisley Sanchez and Elizabeth McNichil in New York

Baker & McKenzie (Chile)

Partners Jaime Munro and Fernando Castro and associate Cristóbal Larraín in Santiago

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