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FALABELLA ISSUES DEBT AND LAUNCHES TENDER OFFER

Falabella issues debt and launches tender offer

Lily Squires

Chilean retailer Falabella has enlisted Davis Polk & Wardwell LLP in New York and Carey in Santiago to issue new notes and launch a tender offer in a deal worth nearly US$1.2 billion.

The underwriters turned to Cleary Gottlieb Steen & Hamilton LLP in Buenos Aires and New York and Garrigues (Chile).

In the transaction, Falabella issued notes worth US$650 million, which carry a 3.375% interest rate and mature in 2032. The issuance closed on 15 October.

Concurrently, the company made an offer to purchase any and all of its outstanding 3.75% senior notes due in 2023, as well as its outstanding 4.375% notes maturing in 2025. The aggregate value of the tender offers was US$500 million. It settled on 27 October.

Falabella is a publicly-traded company and one of Latin America's largest retailers, with department stores in Argentina, Brazil, Chile, Colombia, Mexico, Peru and Uruguay. It operates across a range of segments, including home improvement stores, supermarkets and financial and real estate services, among others.

Last year, Falabella restructured its business in Peru by creating two entities that are now listed on Lima's stock exchange. In a previous deal, the company increased its stake in Chilean private healthcare company Clinica Las Condes for US$95 million, gaining a majority interest in the target.

Counsel to Falabella

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