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PRIVATE EQUITY FUND ACQUIRES CONSTRUMART

Carey is helping Chilean financial services provider Larraín Vial purchase construction materials maker Construmart from supermarket operator SMU on behalf of a Chilean private equity fund.

The supermarket giant has hired Morales & Besa for the sale.

Larraín Vial signed a binding agreement to purchase Construmart on 9 November. The deal is valued at 54 billion Chilean pesos (US\$85 million). It has been locally reported that the deal could reach a value of up to US\$100 million.

Negotiations are still underway, as the deal is subject to a confirmatory due diligence and a final stock purchase agreement.

Larraín Vial is acting as sponsor on behalf of a group of investors organised as a private equity fund which are collectively purchasing the shares of Construmart. Carey is advising Larraín Vial on negotiations with SMU, as well as helping it structure the investment vehicle which will acquire the shares.

The sale of Construmart will allow SMU to focus on its core supermarket business. It currently operates the supermarket chains Alvi, Unimarc, Ok Market and Mayorista 10. The funds raised will also go towards reducing the company's level of debt.

New SMU general counsel Oscar Zarhi, who joined the company in September, recently spoke to Latin Lawyer's sister publication LACCA about the company's plans to focus on increasing revenue through its core supermarket business. He also discussed SMU's approach to Chile's recently reformed consumer protection law, which is expected to come into play by the end of this year.

Counsel to Larraín Vial

In-house counsel - Matías Vial

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