

WOM COMPLETES RESTRUCTURING AND ANNOUNCES SUCCESSFUL EXIT FROM CHAPTER 11

Chile's WOM exits Chapter 11 in creditor take over

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Chilean firms Bofill Mir Abogados and Fischer y Cía have helped an ad hoc group of creditors acquire controlling interest of local telecoms giant WOM for US\$1.6 billion – a deal that marks the group's exit from Chapter 11 protection after a year-long restructuring.

WOM relied on Carey in Santiago and Richards, Layton & Finger in Delaware for the transaction.

US firms McDermott Will & Emery LLP and Willkie Farr & Gallagher LLP and Morales & Besa in Santiago counselled the official committee of unsecured creditors, who did not participate in the takeover bid.

Meanwhile, Cuatrecasas (Chile) guided TMF as collateral agent.

Latin Lawyer understands that international firm White & Case LLP and Thommessen in Norway guided WOM in the deal too, whilst US outfit Dechert and Norwegian firm BAHN guided the ad-hoc group of creditors but could not confirm this before publishing.

The transaction closed on 21 March.

Ad-hoc creditors including US investor BlackRock, Chile's Moneda Asset Management and France's Amundi acquired full control of WOM after launching a takeover bid for the company in December, which also saw them inject some US\$500 million in new investment.

The creditors collectively acquired a 92% stake in WOM's equity for US\$405 million and issued a further US\$95 million in new secured

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notes as part of the takeover. Specific details of the stakes held by each creditor have not been disclosed.

Creditors who did not participate in the bid received a cash payment for their interest in WOM and will not own interest in the company going forward.

WOM's former CEO Chris Bannister – who stepped down from the role last year – will resume the role as head of the company.

Plans for the creditors to take control of WOM were initially revealed in January after the group obtained approval from a Delaware court for a disclosure statement, which allowed it to begin soliciting votes for the takeover.

The Chilean telecom and mobile network provider first filed for Chapter 11 protection last April after finding itself with over US\$1 billion worth of outstanding debt. It concurrently requested approval from JP Morgan for a US\$210 million debtor-in-possession (DIP) financing, which would help improve its liquidity as it renegotiated the debt pile.

WOM's restructuring process also responded to the strain caused by its delayed 5G expansion project, which adversely affected its ability to compete in Chile's mobile network market.

The company officially filed an International Centre for Settlement of Investment Disputes (ICSID) claim against Chile over these delays last July. In anticipation of the claim, a Chilean court prevented the state from collecting US\$50 million worth of performance bonds in December 2023.

WOM is one of Chile's largest mobile and telecom providers, with a 25% share of the country's market. It offers a range of mobile phone plans, broadband and technology services.

Counsel to WOM

In-house counsel – Eduardo Jara, Florencia Arancibia and Bruno Amaya

Richards, Layton & Finger

Directors John Henry Knight, Amanda Steele and Brendan Schlauch in Delaware

Carey

Partners Alfonso Silva, Fernando Noriega, Ricardo Reveco, Roberto Villaseca, Cristián Figueroa, Francisco Arce, Manuel Alcalde, Lorena Pavic, Matías Vergara and Juan Carlos Riesco, counsel Eduardo Martin and associates Felipe Bravo, Magdalena Menchaca, Loreto Joannon, Marcela Tapia, Daniela Pfeffer, Javiera Álvarez and Arturo Fasani in Santiago

Counsel to ad hoc group of creditors

Bofill Mir Abogados

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Fischer y Cía

Partner Alex Fischer and associate Antonia Menchaca in Santiago

Counsel to the official committee of unsecured creditors

McDermott Will & Emery LLP

Partners Darren Azman, David Hurst, Howard Kleinman and Kristin Going in New York

Willkie Farr & Gallagher LLP

Partners Brett Miller, Todd Goren, James Burbage and Andres Mena in New York

Morales & Besa

Partners Myriam Barahona, Guillermo Morales and Santiago Martínez, and associates Juan Luis Vial, Arantza Pons, Catalina Troncoso, Rodrigo Delaveau, Vanessa Martínez, Vicente Fleischmann, Felipe Cousiño and Regina Pirozzi in Santiago

Counsel to TMF

Cuatrecasas (Chile)

Partner Macarena Ravinet and associates Federico Espinosa, Pedro Browne, Victoria Herrera and José Agüero in Santiago