

Arcor sweetens debt profile

Argentine confectionary company Arcor SAIC has successfully restructured approximately US\$252 million in debt with two syndicates of international and local banks. The transaction closed on December 15.

Partner **Conrado Tenaglia**, of Linklaters in Madrid, said: "This was a very important transaction to have worked on, as it involved the overall debt refinancing of an Argentine company which, as a result of its strong export focus, has been able to secure longer-term financing and comparatively better terms than more domestically oriented borrowers."

Included in the restructuring was the amendment and restatement of a US\$200 million credit agreement and a US\$39.2 million pre-export credit agreement, both governed by New York law and originally due to mature in December of last year. The agreements now have a final maturity date for the loans of December 2008.

They also include provisions for repayments or prepayments, and the mechanics required to coordinate them across all the outstanding facilities. In addition, the amendments to the pre-export facility had to take into account Argentina's foreign exchange restrictions and its central bank regulations.

The refinancing also involved the simultaneous amendment of two other loans under Argentine law for an aggregate amount of approximately Arg\$37.0 million (US\$12.9 million). The lender banks internally documented these amendments.

The syndicates of lenders included: BankBoston NA; Citibank NA; BBVA Banco Francés SA; Cooperatieve Centrale Raiffeisen-Boerenleenbank BA; Rabobank International; Banco Santander Central Hispano SA; and Bladex.

Arcor is reportedly the largest manufacturer of caramel in the world and the largest exporter of confectionary in Latin America.

Linklaters gave international counsel to the lenders, through partners **Conrado Tenaglia** and **Caird Forbes-Cockell**, and associates **Eileen Fitzsimons** and **Marcelo Arellano**.

In Argentina, they were advised by Bruchou, Fernández Madero, Lombardi & Mitrani, through associates **Analia Battaglia**, **Tomás M Fiorito** and **Damian Krell**.

Arcor was advised in Argentina by **Muñoz de Toro & Muñoz de Toro**, through partner **Fabián D'Aiello** and associate **Matías Cámara**.

It was also advised by its in-house counsel **Federico Gottlieb**.

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