

## Patagonia restructures US\$45.7 million financial debt

Argentine food retailer Sociedad Anónima Importadora y Exportadora de la Patagonia (SAIEP) has successfully restructured US\$45.7 million of financial debt. The deal closed on May 24.

"This was a process that began in June last year with the initial restructuring of the Series 04 notes," **Roberto Lizondo**, of Bruchou, Fernández Madero, Lombardi & Mitrani told **LATIN LAWYER**. "We were able to complete the process this year thanks to Argentina's macroeconomic recovery and the parties' efforts to reach an understanding over the new terms and conditions of the notes."

The Series 04 floating rate notes were issued by SAIEP in June 2000 under its US\$100 million short and medium term programme. They were initially due to mature in September of this year. In last year's restructuring, bondholders agreed to amend and restate the notes for an 18-month period, until the economic crisis in Argentina had subsided.

The recent transaction involved the amendment of the terms and conditions of the note series, which was approved unanimously at a noteholders meeting on May 24. Under the new terms, the notes will mature in December 2008 and will pay interest semi-annually at LIBOR plus 4.25 per cent. Principal will be repaid semi-annually in ten equal instalments.

The noteholders were: Citibank (Buenos Aires); Banco Río de la Plata; Banco de Galicia y Buenos Aires; BBVA Banco Francés; Banco Patagonia Sudameris; ABN AMRO (Buenos Aires); and Banco de Galicia Uruguay.

The Bank of New York acted as indenture trustee.

The noteholders were advised by Bruchou, Fernández Madero, Lombardi & Mitrani, through partner **Hugo N. Bruzone**, and associates **Roberto Lizondo** and **Juan Pablo Bove**.

They took counsel in the US from **Mayer Brown Rowe & Maw**, through partners **Douglas Doetsch** and **John Morrison**, and associate **Rodrigo Alegría**.

SAIEP was advised by **Muñoz de Toro & Muñoz de Toro**, through partners **Fernando Muñoz de Toro** and **Fabián D'Aiello**, and associates **Sebastián Córdova Moyano**, **Walter Montauti** and **Matías Cámara**.

**Jones Walker** was US counsel to the Bank of New York, through counsel **Jack Shannon**.

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