

## MULTIGRAIN CLOSES 'ONE OF THE LARGEST' CREDIT LINES FOR BRAZIL

**Joe Rowley**

Wednesday, 17th August 2011

Mayer Brown LLP and its Brazilian association firm, Tauil & Chequer Advogados, have helped Brazil's Multigrain close a US\$500 million syndicated loan agreement with a consortium of banks.

Brazil's Santos Neto Advogados and US firm Landay & Leblang advised the banks – including ING Capital, ABN AMRO and Sumitomo – in the deal that closed on 27 July.

According to Valor Econômico, Brazil's leading business newspaper, the credit line represents 'one of the largest ever released for an agribusiness company in the country'.

Santos Neto partner Domicio dos Santos Neto says that as well as its size, the loan facility is significant for being 'one of the first major syndicated loans' to close after the financial crisis hit Brazil.

A spokesman for Mayer Brown says that with food commodity prices soaring, deals of this kind signal the start of a 'new trend' for Brazilian companies in the grain and cereals sector. According to the firm, the deal had to close within one month to allow the banks to go through 'a window of opportunity within a volatile market'.

Tauil & Chequer and Mayer Brown previously advised Multigrain in the US\$225 million sale of a controlling stake in the company to Japan's second-largest trading company, Mitsui & Co, in January.

Santos Neto Advogados provides regular counsel to a number of banks in transactions within Brazil's agricultural sector, including some of those in this deal. In recent months the firm has helped Deutsche Bank, Natixis and Société Générale put together a restructuring plan between Agrenco and its creditors in May, and advised HSH Nordbank and ING in the takeover of Brazilian sugar and ethanol producer Vale do Ivaí by India's Shree Renuka Sugars last year.

The loan, which will be used for working capital and debt refinancing by the grain broker, has a term of 19 months and is backed by export receivables.

### **Counsel to Multigrain**

In-house counsel - Fernando Mantovani

### **Brazil**

Tauil & Chequer – affiliated with Mayer Brown LLP

Partner Alex Chequer, counsel Sérgio Gonçalves and associates Guilherme Vieira and Andre De Paiva Teixeira

### **US**

Mayer Brown LLP

Partner Christopher Erckert and associate Alex Hernandez

#### **Counsel to the banks**

### **Brazil**

Santos Neto Advogados

Partner Domicio dos Santos Neto and associate Gabriel Leutewiler

### **US**

Landay & Leblang

Partner Russell Leblang