

BTG backs consortium's Cresta Roja takeover

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Tanoira Cassagne Abogados has helped Argentine agribusiness consortium Proteinsa fund its purchase of troubled poultry company Cresta Roja with a US\$36 million syndicated financing package supported by BTG Pactual, in the Brazilian bank's first financing in Argentina.

The consortium part-financed its acquisition of Cresta Roja with a US\$36 million syndicated loan from local banks Banco Supervielle, BACS Banco de Crédito and Securitización, and Banco Hipotecario. The loan is backed by a standby letter of credit issued by BTG Pactual. The Brazilian bank hired [Estudio Beccar Varela](#) for the deal, while [Errecondo González y Funes](#) worked with the Argentine banks.

Proteinsa is a consortium made up of three local agribusiness companies: Ovoprot International, La Suerte Agro and Tanacorsa. The loan is guaranteed by a pledge over the shares of the members of the consortium, as well as their trademarks, machinery, personal guarantees and land mortgages.

Proteinsa has operated Cresta Roja since 2015, when the business's former parent company, Rasic Hermanos, filed for bankruptcy protection. Last year the bankruptcy court called a bidding process to find a new owner for the Cresta Roja brand and Proteinsa made a winning US\$121 million bid in October.

Tanoira Cassagne partner Alexia Rosenthal says the Cresta Roja deal is emblematic of the new policy under the Macri administration. Rasic Hermanos had already been bailed out by the previous Kirchner administration, but the current Argentine government wants companies rather than the public sector to pledge funds to restart failed businesses. "Proteinsa did not receive one single peso from the government to run Cresta Roja; the investment was 100% at Proteinsa's own risk," says Rosenthal. "Cresta Roja became in an icon of the current Macri administration since it is proof that if the economic environment is safe enough for private investors, it is possible for businesses in bankruptcy to become a new, successful private enterprise."

The purchase price will be used to pay Rasic Hermanos' debts, including labour liabilities stemming from its bankruptcy. Rasic Hermanos had employed almost 3,000 people in the province of Buenos Aires and only some of those employees have been able to remain working in Proteinsa's operations.

Counsel to Proteinsa

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Errecondo González y Funes

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Comments

There are currently no comments.
