

Chile's Mallplaza acquires Falabella's Peruvian operations

Lily Squires
18 April 2024



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Chilean shopping centre group Mallplaza has called on Rebaza, Alcázar & De Las Casas in Lima and Prieto in Santiago to acquire the Peruvian operations of Chile's Falabella through a US\$589 million public acquisition offer.

Falabella relied on Hernández & Cía in Lima and Chile's Carey for the deal, which was signed on 15 April.

Mallplaza will complete the acquisition of by launching a US\$589 million public acquisition offer for 100% of Falabella Perú's shares on the Lima stock exchange.

As a result, the Chilean buyer will obtain Falabella's entire interest in shopping centre operator Open Plaza Perú, as well as the target company's 66.6% interest in counterpart Mall Plaza Perú. Mallplaza already held a 33.3% share in that company, meaning that after the transaction hands the Chilean buyer the entire shareholding of the group.

Mallplaza will finance the transaction through a combination of cash, debt and capital increase that could reach up to US\$300 million. The capital increase will be agreed upon at extraordinary shareholder meeting on 26 April.

In total, Mallplaza will acquire 15 shopping centres and 619,000 square metres worth of leasable properties through its acquisition of Falabella Peru. That includes four shopping centres operated by Mall Plaza Perú and 11 assets operated by Open Plaza.

By incorporating Falabella into its business, Mallplaza aims to grow its retail portfolio and aims to develop 100,000 square metres worth of leasable retail space within the next five years. It also plans to consolidate itself as the largest shopping centre operator in Latin America, adding to its existing presence in Chile, Colombia and Peru.

For Falabella, the incorporation of its business into its Chilean counterpart will help streamline its business and consolidate both companies' presence in Peru.

Public offers and takeover bids are becoming a more common occurrence in Latin America, having been typically rare because most public companies in the region have a controlling shareholder or group. In a recent example, Chilean financial holding company BICECORP **bought** local bank Grupo Security through a public tender offer of shares.

Founded in 2008, Mallplaza operates over 20 shopping centres in Chile, Colombia and Peru and counts a gross leasable area of 1.5 billion square metres. Its retail centres offer a range of services, including restaurants, gyms, clothing stores, movie theatres and several others.

Falabella – one of the **100 largest companies in Latin America** – is one of the region's biggest retail companies by revenue, with department stores in Argentina, Brazil, Chile, Colombia, Mexico, Peru and Uruguay.

Counsel to Mallplaza

In-house counsel - Hernán Silva and Raimundo Figueroa

Rebaza, Alcázar & De Las Casas

Partners Alberto Rebaza and Felipe Boisset, and associates Pedro Díaz, Andrea Pinillos and Josefina Arana in Lima

Prieto

Partners Fernando Bravo Valdés, Fernando Samaniego Sangroniz and Isabel Wolleter Eguiguren, and associate Tomás Ochagavía Allendes in Santiago

Counsel to Falabella

In-house counsel - Gonzalo Smith, Javier Allard and Luis Chu

Hernández & Cía

Partners Juan Luis Hernández and Fernando Nuñez, and associates Gloria Zubizarreta, Erick Calla and Vicente Robles in Lima

Carey

Partner Cristián Eyzaguirre and associates Ignacio Alfaro and José Pedro Fuentealba in Santiago

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Lily Squires

Senior News Reporter
Latin Lawyer

Lily.Squires@latinlawyer.com