

LAWDRAGON

Cravath Handles Trio of Big-Ticket Deals

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By Lawdragon News

Cravath, Swaine & Moore's deal lawyers were off to a busy start this week, playing key roles in three significant transactions announced on the same day. The deals included Sapient's acquisition by Publicis Groupe; Casa Cuervo's asset exchange with Diageo; and Covance Inc.'s acquisition by LabCorp.



Cravath's Damien Zoubek and Richard Hall (Photo by the firm)

Starting in Paris, before U.S. markets opened, on November 3 partners Faiza Saeed and Eric Schiele took the lead advising Sapient Corporation in its \$3.7 billion acquisition by Publicis Groupe, a transformative deal that includes the companies building a new joint platform, Publicis.Sapient. The new platform will be "focused exclusively on digital transformation at the convergence of communication, marketing, commerce and technology," according to the company's announcement.

In a statement, Maurice Lévy, Chairman and CEO of Publicis Groupe, said "Sapient is 'a crown jewel,' a one of a kind company born in the technology space with strengths in marketing, communications, consulting and omni-channel commerce, all of which are equally important to best help clients achieve their digital transformation." The deal is expected to close in the first quarter of 2015, subject to customary closing conditions and regulatory approvals.

Next, Mark Greene was the partner in charge of representing Casa Cuervo in an asset swap deal with Diageo. Under this transaction, Casa Cuervo will acquire The "Old Bushmills" Distillery Limited, including the Bushmills Irish Whiskey brand, and Diageo will acquire full ownership and control of Don Julio Tequila plus cash in the amount of \$408 million. Juan Domingo Beckmann, Chief Executive Officer of Jose Cuervo, called it "the most important purchase made by Cuervo in its entire history." The transaction is expected to close in early 2015 subject to certain approvals.

For its third and largest deal of the day, Cravath represented Covance in its \$6.1 billion acquisition by Laboratory Corporation of America Holdings (LabCorp), with partners Richard Hall and Damien Zoubek leading the deal team. "Healthcare M&A has been very strong for a while now. Successful companies in this industry want market-leading positions across a range of adjacent products and services. The combination of Covance and LabCorp fits well in that model and makes a lot of sense for a lot of reasons," said Zoubek.

The combination of the two companies will create the world's leading healthcare diagnostics company. Covance Chairman and CEO Joe Herring, who will lead LabCorp's Covance division, commented on the transaction in a statement, "We are thrilled to join forces with another industry leader through a transaction that delivers to our shareholders substantial immediate cash value along with a meaningful stake in a combined company with exciting growth opportunities." The transaction is expected to close in the first quarter of 2015 and is subject to Covance shareholder approval, regulatory approvals and customary closing conditions.

So far this year, Cravath has announced nearly 60 M&A deals. On what to expect for the coming months, Hall said, "We remain very busy with matters in the pipeline. The economic fundamentals for strategic M&A activity remain strong, and confidence levels in the boardroom are high. We see no signs of current M&A activity levels dropping anytime soon."

Cravath, Swaine & Moore LLP