

Mergers & Acquisitions Group Of The Year: Cravath

By **Michele Gorman**

Law360, New York (January 26, 2018, 1:21 PM EST) -- Cravath Swaine & Moore LLP in the past year advised on more than \$587 billion in mergers & acquisitions transactions for big-name clients across a wide variety of sectors and industries, including British American Tobacco plc in its \$97 billion merger with Reynolds American Inc., earning the firm a spot among Law360's 2017 M&A Practice Groups of the Year.

About 20 partners are dedicated to the M&A practice in its two offices — New York and London — a number dramatically lower than that of the top firms that excel in the same area, according to Mark Greene, head of Cravath's corporate department and leader of its international practice.

But the scope of the firm runs deep.

"Not only is the quality of our practice excellent, but its breadth is also extraordinary," said the group's North America head, Bob Townsend.

He said one of the deals that stood out to him as having a strong cross-border element was London-based BAT's July buyout of Reynolds to create the world's biggest tobacco company. The group provided advice on U.S. law matters to BAT, which, under the terms of the deal, snapped up the remaining 57.8 percent of Reynolds stock that it didn't already own.

That cross-border feature, Townsend said, isn't necessarily something that people think Cravath's M&A practice accomplishes as successfully as it does.

He added, "I think that's a testament to the strength of our practice and the advice that we are able to give around the world."

Over the firm's banner year, Cravath also represented Johnson & Johnson in its \$30 billion all-cash acquisition of Swiss rare-drug maker Actelion Ltd. for \$280 per share. As part of the transaction, Actelion spun off its drug discovery operations and early stage clinical development assets into a newly created Swiss biopharmaceutical company, Idorsia Ltd.

The acquisition, the largest in Johnson & Johnson's 130-year history, closed in June.



The firm also served as legal counsel to brewer Anheuser-Busch InBev on a massive deal involving three related transactions: the \$123 billion acquisition of SABMiller and a \$12 billion sale of SABMiller's U.S. and global Miller branded businesses to Molson Coors, which closed in October 2016. It also represented AB InBev in connection with an asset swap with Ambev S.A. in which AB InBev transferred SABMiller's Panamanian business to Ambev, and Ambev transferred its businesses in Colombia, Peru and Ecuador to AB InBev, which closed in December 2016.

Cravath represented Unilever in its \$143 billion offer from The Kraft Heinz Company to acquire the London-listed company. Kraft Heinz withdrew its proposal in February, just two days after it made the mammoth offer that Unilever called too low.

Unilever had spurned the offer from the private equity-backed U.S. food and beverage company, contending that Kraft Heinz's cash-and-stock offer to combine the two well-known household brands fundamentally undervalued it.

A \$143 billion tie-up of Kraft Heinz and Unilever would've been by far the largest transaction inked in recent years.

Cravath advises Time Warner Inc. in its pending \$108.7 billion sale to AT&T. The proposed move, announced in October 2016, seeks to combine the telecom giant's large subscriber base, including that of its DirecTV service, with Time Warner, a content provider and producer that owns CNN, TBS, HBO, and Warner Bros., among other assets.

The string of transactions confirms Cravath, a firm that has long been considered a powerhouse in complex and high-stakes M&A, as a hallmark player in headline deals across diverse industries.

Greene commended the effort of the practice's partners for the way Cravath stood out this year in scope, scale and impact of its work for clients around the world.

"It was a true, full department effort to get these deals done," he said.

The firm hires almost exclusively from the top tiers at law schools, then trains and promotes from within its associate ranks. This approach, Greene said, positions Cravath to cultivate multi-generational talent within the partnership, who develop expertise across all aspects of corporate transactions and provide integrated advice to clients.

Both Greene and Townsend highlighted Cravath as a firm that prides itself in being the longtime counsel to multinational clients in their pursuit of M&A. But, they added, that doesn't preclude Cravath from taking on new clients, which they do each year.

"M&A has been, is now and will continue into the future to be one of the hallmarks of the Cravath firm and our practice," Greene said.

--Additional reporting by Chelsea Naso. Editing by Emily Kokoll.

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