

HERBERT SMITH FREEHILLS ADVISES BEVCO LTD ON ANHEUSER BUSCH INBEV'S £68 BILLION TAKEOVER OFFER OF SABMILLER

28 October 2015 | London
News

Herbert Smith Freehills is advising BevCo Ltd, the second largest shareholder in SABMiller PLC, on the £68 billion possible takeover offer for the latter by Anheuser-Busch InBev. The deal represents a genuine game changer in the brewing sector, with SABMiller being the second largest and Anheuser-Busch InBev ("AB InBev") the largest brewing firm by worldwide revenue. The deal, which remains subject to regulatory and competition approval, represents the fourth-largest takeover in history and the largest to date in 2015 according to Dealogic.

London-headquartered South African SABMiller is a FTSE-20 company with operations in 80 countries worldwide and brands including Fosters, Grolsch, Miller, Peroni and Pilsner Urquell. It is also a major bottler for Coca-Cola. Bevco is SABMiller's Central American subsidiary and the leading brewer and soft drinks bottler in Honduras and El Salvador, with brands including Pilsner, Bahia, Golden Light and Miller Genuine Draft.

Belgian-headquartered AB InBev was formed through successive mergers of three international brewing groups: Belgium's Interbrew, Brazil's AmBev and US-based Anheuser-Busch. Global portfolio brands include Budweiser, Corona, Stella Artois and Beck's, as well as local UK favourites such as Boddingtons and Bass and Belgium's Hoegaarden, Leffe and Jupiler.

The takeover would give AB InBev an estimated 28.4% market share world-wide - after expected divestitures in the US and China - and leading market share in the US (46%), Mexico (57%), Africa (33%), Brazil (63%) and the rest of Latin America (62%). The combined companies revenue is estimated at US\$64 billion.

The Herbert Smith Freehills team advising Bevco is being led by London corporate partner Gillian Fairfield assisted by senior associates Brian O'Malley and Charles Steward. Gillian is currently acting for Lonmin on its refinancing and equity raise. She recently acted as lead partner advising British American Tobacco on its conditional agreement to acquire 100% of CHIC Group, Europe's largest e-cigarette retailing network.

Gillian commented:

"We're delighted to be representing Bevco in such a major transaction. Not only does it demonstrate the continuing strength of cross-border M&A activity worldwide, it is yet another success for our UK M&A team, which has advised on some of the most significant deals in the market in recent years, cementing Herbert Smith Freehills' reputation as one of the 'go to' firms for high level corporate transactions worldwide."

Recent high-profile multi-billion pound cross-border M&A deals Herbert Smith Freehills has advised on from the UK include acting for Polyus Gold International Limited (Russia's largest gold producer) on a US\$9 billion unsolicited takeover offer by Sacturino Limited; Telefónica's £10.25 billion sale of O2; ARRIS' £1.4 billion offer for Pace; TSB's £1.7 billion takeover by Banco Sabadell; Sky's £6.8 billion acquisitions of Sky Italia and Sky Deutschland (the largest acquisition in Italy and the largest takeover offer in Germany); TUI's £4.8 billion cross border merger with TUI AG; and Abbvie's proposed £32 billion takeover of Shire.

SABMiller is being advised by Linklaters and AB InBev by Freshfields.

About Herbert Smith Freehills

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