

# HERBERT SMITH FREEHILLS ADVISES BRITISH AMERICAN TOBACCO ON ITS US\$49.4 BILLION ACQUISITION OF REYNOLDS AND US\$25 BILLION ACQUISITION FACILITIES

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News

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Leading global law firm Herbert Smith Freehills is advising long-standing client British American Tobacco (BAT) on a recommended offer to acquire the remaining 57.8% of Reynolds it does not already own, which amounts to a total current value of US\$49.4 billion. The acquisition will create the world's largest listed tobacco company by sales.

The transaction has been unanimously approved by the Transaction Committee of independent Reynolds directors established to evaluate the BAT offer. It has also been approved by the Boards of Reynolds and BAT.

Herbert Smith Freehills also advised BAT on its syndicated loan financing in connection with the merger. The firm assisted on US\$25 billion acquisition facilities for the purpose of funding part of the merger consideration and forward start revolving credit facilities totalling £5.68 billion, conditional on closing of the merger.

The Herbert Smith Freehills team is being led by corporate partners Gillian Fairfield, Charles Howarth, Alex Kay and James Palmer, alongside finance partner Will Nevin, who is advising on the finance aspects of the transaction.

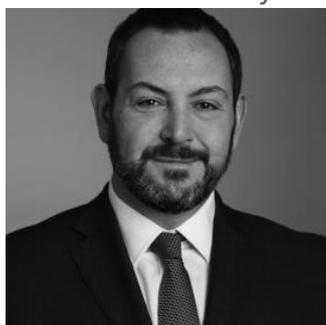
Commenting on the deal, corporate partner Gillian Fairfield said: "Our global M&A team works on many of the world's largest and most complex transactions and despite economic and market volatility we continue to do so. We are delighted to be helping BAT on this important proposed transaction, which creates a truly global tobacco and Next Generation Products company, to deliver sustained long-term profit growth and returns."

Will Nevin, added: "The deal was well supported by the banks and the size of the multi tranche acquisition facility is one of the largest we have seen in the market in recent years."

The transaction is subject to shareholder and regulatory approval and is expected to close in the third quarter of 2017.

## KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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