

HERBERT SMITH FREEHILLS ANNOUNCES FULL YEAR RESULTS FOR 2017/18

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Firm news

Herbert Smith Freehills today announced its unaudited results for the year ended 30 April 2018, showing another year of encouraging growth as the firm enters the sixth consecutive year of investment in its international business.

Headline figures include:

Revenues were £926.8 million, up 0.7% on the previous financial year (2016/17: £920.5 million)

Profit was £277.2 million, up 8.2% on the previous financial year (2016/17: £256.1 million)

Profit per Equity Partner was £852,000, up 12.1% on the previous financial year (2016/17: £760,000)

[Mark Rigotti](#), Chief Executive Officer, commented:

“Our growing success, and in particular the double digit growth in profit per equity partner, is testimony to our Beyond 2020 strategy. The year has been one of continuing focus on client relationships, client service and efficient service delivery with the emphasis placed on sustainable high performance. With the rapidly changing political and economic landscape, clients are coming to us with increasingly complex needs. We are responding to this by deepening further our understanding of those needs - for today and tomorrow. We are focussed on outstanding client service and developing a culture of innovation, including making smarter use of technology, enabling us to offer clients creative solutions that add value to their businesses. As part of this, our Alternative Legal Services practice continues to make huge strides: its revenue has jumped by 90% in the last five years. It now serves three-quarters of our global “Top 100” clients. Meanwhile, in terms of our people, gender equality continues to be a major focus for the firm so I feel inspired that we have reached our interim target of women making up 25% of our partnership and look forward to building on this key milestone.”

“From a regional perspective, I am very pleased with our performance in EMEA, where revenue increased for a fifth consecutive year. Our Paris office has achieved an impressive 30% increase in revenues over five years and in Madrid our turnover doubled, whilst our German offices continue to go from strength to strength. Our Moscow office is a market leader and remains busy and very profitable. The Australian region also achieved a significant double digit lift in profitability off the back of increased activity levels, and our Greater China practice continues to perform strongly on disputes and equity capital markets mandates,” added Mr Rigotti.

A major highlight of the year was the success of the Firm's global Disputes practice, which once again reported an outstanding performance and continues to handle the most high profile cases (see below for examples). In particular, our Disputes practice in Asia had another year of profit growth, having also achieved Tier One rankings across all the major legal directories. This phenomenal success contributed to us being voted Asia-Pacific Firm of the Year by Chambers 2017. Meanwhile, our global Corporate practice advised on almost 120 cross-border deals totalling US\$200bn in 2017, including advising Sky on competing takeover bids from 21st Century Fox and Comcast Corporation.

Strategic highlights include:

- Focus on sustainable high performance resulting in increased market recognition for the strength of our brand. The firm has won 194 awards and accolades globally over the past 12 months and has achieved 254 rankings globally in Chambers in 2018 - marking a 43% hike in the number of listings over the past five years.
- Investment in two new offices - in Sydney's Macquarie Park and in London's Canary Wharf, modernising the way our people work, connect and collaborate with each other and our clients.

- Further strengthened our EMEA offering with the opening of a new office in Milan to service IP clients, and the addition of a disputes capability to our rapidly expanding Johannesburg office.
- We also launched our ninth Asian office in Kuala Lumpur in May 2017, becoming the first global law firm to operate there.
- Made 17 strategic lateral partner hires – including seven in EMEA, a key growth area for the firm – as well as two significant team hires: three new projects and disputes partners in Mainland China and four asset finance partners in London and Singapore.
- Promoted 17 lawyers to the partnership this year with seven based in UK/US and 10 in Asia Pacific. Of the 17 promoted, 14 were women resulting in the firm reaching its interim target of 25% of the partnership being female.
- Launched our ground-breaking Global Transitioning Guidelines, affirming our commitment to transgender employees, revised and updated our Global Dignity at Work policy, strengthened the firm's existing Reporting Concerns and Whistleblowing Policy with the launch of a third-party external service 'Faircall', and introduced a new policy - Personal Relationships in the Workplace, to ensure a safe, supportive culture.
- Globally, contributed over 63,000 hours of pro bono advice during the last financial year across five areas: access to justice casework, NGO advisory services, human rights protections, international development and social impact investment.
- A strong start in 2018 in M&A deal tables: 1st in Australia, 1st in the UK, 1st in Asia Pacific, 2nd in Europe and 5th globally. Advised on almost 120 cross-border deals totalling US\$200bn in 2017, ranked among the top 10 law firms worldwide. Key mandates include: advising Sky on competing takeover offers from 21st Century Fox and Comcast Corporation; advising British American Tobacco Plc on its c.US\$49bn acquisition of Reynolds and US\$25bn acquisition facilities; advising Squared Capital Advisers on the US\$1.86bn acquisition of Hutchison Telecommunications' fixed line business, Hutchison Global Communications; and advising Yancoal on its US\$2.69bn acquisition of Coal & Allied and US\$2.5bn capital raising (2017's largest Australian capital raising).
- Ranked the Number 1 Global Disputes Practice by the legal directories, with significant matters including: advising National Australia Bank in the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry; representing several key players in the US Congressional and Special Counsel investigations into Russian collusion in the 2016 Presidential election; represented RBS Group in connection with a £4bn dispute arising out of its 2008 Rights Issue; defended Societe Generale in a US\$2bn dispute brought by the Libyan Investment Authority; represented Bernie Ecclestone in a US\$500m dispute concerning allegations of bribery connected to the sale of a controlling stake in the Formula 1 Group in 2006; and advising Single Buoy Moorings Inc in what is believed to be the largest offshore construction insurance claim ever and one of the largest contested claims in the energy insurance market of the last decade.

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