

HERBERT SMITH FREEHILLS TOPS AUSTRALIAN AND NEW ZEALAND M&A LEAGUE TABLES

10 April 2017 | Australia, Asia Pacific
Firm news

Herbert Smith Freehills has come out on top of the leading M&A legal advisor league tables for Q1 2017, cementing its position as the market-leading expert in Australia and New Zealand mergers and acquisitions.

The firm ranked:

- 1st by deal count and deal value of announced deals in Australia and New Zealand (Thomson Reuters)
- 1st by deal count of completed deals in Australia and New Zealand (Thomson Reuters)
- 1st by value of announced deals in Australia and New Zealand (Bloomberg)
- 1st by deal count of announced deals in Australasia (Mergermarket)

The firm performed exceptionally well in what was a challenging start to the year for M&A activity.

According to Thomson Reuters, in Q1 2017 announced Asia Pacific M&A deals reached a combined total of US\$163.2 billion (down 14% from Q1 2016).

Partner [Rebecca Maslen-Stannage](#) explained that market sentiment is better than these statistics may suggest:

“The last quarter on 2016 saw deal activity levels rally and we continue to see a healthy level of optimism in Australian boardrooms. The recent announcement of very significant deals like Cromwell Property Group’s \$2.98 billion proposal to acquire Investa Office Fund suggest the appetite is there to do bold strategic deals.

“Confidence in M&A tends to breed on itself. When companies see big deals being done it encourages them to proceed with their own strategic M&A plans.

“What’s more, the continued availability of debt and equity capital combined with Australia’s low dollar and historically low interest rates create a fertile environment for dealmaking, particularly for foreign bidders,”

According to Thomson Reuters, Australian outbound M&A volumes declined by 16% to a total of 64 deals. Meanwhile, China outbound activity in Q1 hit US\$25.8 billion from 181 deals, a 9% decrease in the volume of transactions and a 70% decline in value year on year.

Partner [Simon Haddy](#) explained: “After an unprecedented surge in outbound M&A activity in 2016, China has stepped up measures to stem capital outflow in the midst of renminbi depreciation pressure. Although this decline is expected to carry on in Q2, Australia remains a friendly destination for Chinese investment and we expect deal activity to continue.

Globally, cross-border M&A activity totalled US\$337.1b during Q1, driven heavily by record levels of outbound activity from US acquirers.

Mr Haddy explained that buoyant US activity levels augured well for Australia: “North American bidders provided 40% of deal value in Australia’s public M&A market in FY 2016 and played a significant role in significant private M&A processes. American and Canadian companies clearly have a strong appetite for Australian assets and we expect that to continue throughout 2017.”

“With ongoing interest from US and other overseas bidders, FIRB will continue to play an active role in M&A this year – this is especially true in the infrastructure sector following the establishment of the Australian Critical Infrastructure Centre.”

Ms Maslen-Stannage argues that one change coming to the Australian M&A market is increased willingness to go hostile if necessary.

“There is a lot of takeover speculation around, and many companies are focusing on getting their takeover defence ducks in a row. It feels like we could be moving into a more aggressive takeover phase than we have seen in the market for a while.”

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