THE AM LAW DAILY

THE AMERICAN LAWYER

An incisivemedia publication

OCTOBER 9, 2009

THE TALENT

Dealmaker of the Week: Wilson Neely of Simpson Thacher & Bartlett

Posted by Matt Straquadine

Picking our Dealmaker of the Week is no small task. Companies announced a number of notable transactions this week, and we want to give honorable mentions to the lawyers on the Telenor-Altimo deal (which ended a five-year battle between two telecom companies), and those on the FDIC Corus joint venture (which involved the rare occurrence of a private equity firm buying into a bank).

But the deal that has M&A experts buzzing is one that may signal the first beginnings of a turnaround in the acquisitions market since the economy took a nosedive. That's Blackstone Group's $2.7 billion leveraged buyout of AB InBev's amusement park business, including Sea World and Busch Gardens.

"There haven't been any deals like that one in awhile," says Scott Davis, the head of U.S. M&A at Mayer Brown. "What's really noteworthy is that credit may begin flowing again."

Which is why our Dealmaker of the Week goes to Wilson Neely of Simpson Thacher & Bartlett, who led the team that helped Blackstone secure financing and broker the deal that is, to our knowledge, the biggest leveraged buyout since mid-2007.

A partner at Simpson Thacher since 1991, Neely began advising Blackstone on acquisitions in 1994. Since then he's represented the private equity firm in a number of big buys, including its joint purchase of chemical maker Ondeo Nalco in 2003 with Goldman Sachs and Apollo management for $4.3 billion.

The most recent AB InBev deal, Neely says, may signal a turning point. "The frozen tundra is thawing, and I think this is an indicator of that," he says.

Blackstone was interested in adding to its existing portfolio of amusement businesses, which includes Madame Tussaud's waxworks museums, the London Eye, and Legoland parks.

AB InBev wanted to sell off the business to pay down $45 billion in debt the company took on when Anheuser-Busch and InBev merged to create the biggest beer maker in the world, according to Reuters. This gets AB InBev part way to its goal of raising $7 billion from asset sales this year.

Given the recent problems in the credit market, securing financing was the prickliest proposition for moving towards a definitive agreement, says Simpson Thacher partner Alden Millard, who helped Neely shop the deal to banks. Although locking in financing took longer than in boom times, Blackstone and its lenders were ultimately happy with the terms.

"It's definitely not 2007 all over again, but things feel a little bit better," Millard says. "Not too long ago you couldn't have even sat down to discuss this sort of deal."

The fact that Blackstone found willing financiers suggests we may see private equity purchasing again soon, M&A lawyers say, although Blackstone had to shell out a large down payment. The deal financing terms were private, but Bloomberg cites an anonymous insider saying that Blackstone had to put up $1 billion in equity to borrow the rest.