

5 Hot Transportation Deals — And The Firms That Led Them

By **Chelsea Naso**

Law360, New York (October 15, 2015, 12:20 PM ET) -- With U.S.-targeted deal value in the transportation space more than doubling compared to last year, big-ticket deals are becoming the new normal amid a series of strategic tie-ups and private equity plays.

The year so far has been a steady one for deal-making in the transportation industry, which includes the airlines, airports, air freight, equipment, logistics and warehousing, rail services, ship and road subsectors.

Since January, a total of 158 deals together worth \$25.24 billion have been inked, falling in step with the 153 deals announced during the same stretch of 2014 but far exceeding the \$10.9 billion in deal value during that period, according to data tracked by Dealogic.

Here, Law360 takes a look at the largest U.S. transportation deals so far this year and the law firms that led them.

Orrick Steers Buy of Bankrupt Toll Road Operator

Orrick Herrington & Sutcliffe LLP drew on its experience in the transportation, asset management, bankruptcy, and mergers and acquisition spaces as it steered the largest U.S.-targeted transportation deal to be announced so far this year.

Global fund manager IFM Investors Pty. Ltd., with Orrick at the helm, in March inked a \$5.725 billion acquisition of ITR Concession Co. LLC, the bankrupt operator of the 157-mile Indiana Toll Road. The deal also marked the third-largest in the transportation space globally, according to Dealogic.

The deal was announced about six months after ITR sought Chapter 11 protection. In its September 2014 bankruptcy filing, ITR said it planned to sell its assets in order to pay off the \$6 billion it owed creditors.

The toll road operator pegged its financial woes on on the global economic crisis that took place after it assumed control from the Indiana Department of Transportation in 2006.

The Indiana Toll Road that ITR operated provides the primary connection to the Chicago Skyway and downtown Chicago and contains parts of U.S. interstates 80 and 90. Traffic averages more than 30,000 vehicle trips per day, according to court filings.

The 75-year lease for the Indiana Toll Road was awarded to the ITR, an even partnership between Cintra

SA of Spain and Macquarie Group Ltd. of Australia, in June 2006 after it submitted the top bid of \$3.8 billion. Before that, the road was leased to the Indiana DOT, which had been operating it for 25 years.

IFM's offer was backed by more than 70 U.S. pension funds. The acquisition, which closed in May, played into the fund manager's efforts to expand its portfolio of assets in North America, according to a statement.

The Orrick team that advised IFM included Dan Matthews, Young Lee, King Milling, Tal Hachohen and Lorraine McGowen.

The Kirkland & Ellis LLP team that advised ITR included Mike Brueck, Marc Kieselstein, Greg Pesce and Michelle Kilkenney.

The lenders that financed the deal, including Bank of America NA and The Bank of Tokyo-Mitsubishi UFJ Ltd., were advised by Gregory Tan of Shearman & Sterling LLP.

Wachtell Leads Freight Company's Expansion

Wachtell Lipton Rosen & Katz flexed its muscle in the transportation space as it led a transportation services company in two transformation acquisitions that topped the charts in terms of deal size.

XPO Logistics Inc., with Wachtell's guidance, inked a \$3.014 billion acquisition of trucking company Con-way Inc., marking the second-largest U.S.-targeted transportation deal as XPO builds itself into one of the largest freight transportation companies in North America.

The deal, announced in September, will see XPO pay \$47.60 per share of stock in Con-way before merging the company into one of its subsidiaries. XPO lauded the acquisition as an opportunity to increase its revenue to \$15 billion and almost double its earnings before interest, taxes, depreciation and amortization to \$1.1 billion. The Con-way transaction includes \$290 million of its net debt, the companies said.

XPO's acquisition of Con-way came on the heels of the transportation services company's April acquisition of French global contracts logistics and freight transportation company Norbert Dentressangle SA.

The €3.24 billion deal, also steered by Wachtell, marked the third-largest inked globally so far this year, according to Dealogic.

The acquisition of Con-way is still pending, while the acquisition of Norbert Dentressangle has already been completed.

The Wachtell team that advised XPO on its acquisition of Con-way included Adam O. Emmerich, Sebastian L. Fain, Michael H. Byowitz, David E. Kahan, Andrea K. Wahlquist, Gregory E. Pessin, Dianna Chen, T. Eiko Stange and Sehj Vather.

The Davis Polk & Wardwell LLP team that advised on the financing of the deal included Jason Kyrwood, Michael Kaplan and William L. Taylor.

The Sidley Austin LLP team that advised Con-way was led by Larry Barden, Tom Cole and Scott Williams.

Skadden Guides Major Private Equity Transportation Buy

Skadden Arps Slate Meagher & Flom LLP flaunted its expertise in the private equity space as it guided Veritas Capital Fund Management LLC in a deal for an aircraft maintenance, repair and overhaul provider.

Veritas Capital, led by Skadden, in May said it would buy StandardAero from Dubai Aerospace Enterprise Ltd., billing the deal as a cornerstone investment for its fifth fund and as a strategic platform for the private equity firm in the commercial and military aerospace sector.

Although the terms of the acquisition were not disclosed, the deal was valued at \$2.1 billion and marked the third-largest U.S. transportation deal so far this year, according to Dealogic. The deal has already been completed.

Veritas isn't the only private equity firm to ink a big-ticket deal in the transportation space this year, but it is the only one to crack the top five.

The Ontario Teachers' Pension Plan and the Public Sector Pension Investment Board teamed up and nabbed a 21 percent stake in XPO for \$1.26 billion in June, while Apax Partners shelled out \$831 million for Quality Distribution Inc. in May.

The Skadden team that advised Veritas included M&A partner Kenneth Wolff, banking counsel David Almroth, M&A associates Thad Hartmann and June Dipchand, tax partner Jessica Hough, corporate partner Michelle Gasaway, executive compensation and benefits partner Erica Schohn and international competition partner Simon Baxter.

The Freshfields Bruckhaus Deringer LLP team that advised DAE was led by partner and U.S. corporate group head Matthew Herman, global co-head of M&A Peter Lyons and London corporate group head Simon Marchant. Moelis & Co. acted as financial adviser.

2 Firms Join Forces to Forge Aviation Deal

Slaughter and May and Sullivan & Cromwell LLP joined forces to steer a British aviation services company's expansion into the U.S., guiding its multibillion-dollar acquisition of a private equity-backed U.S. peer.

BBA Aviation PLC, with guidance from Slaughter and May and Sullivan, rolled out \$2.065 billion in cash to buy Houston-based Landmark Aviation from its private equity sponsor, The Carlyle Group LP, on Sept. 23.

The deal marks the fourth-largest U.S.-targeted M&A deal in the transportation space so far this year, according to Dealogic, and jump-starts BBA Aviation's growth in the U.S.

Carlyle, which owned Landmark until 2007 and then repurchased the company from a pair of other private equity firms in 2012, has been in the process of seeking a buyer for the aircraft leasing and maintenance company, and was reportedly hoping to net up to \$1.7 billion in a deal.

The deal is subject to shareholder and regulatory approvals but is expected to close in early 2016.

The Slaughter and May team includes corporate partner Andy Ryde, corporate associates Francesca Harris, Oliver Storey, Harriet Gallagher-Powell and Tina Winzer, competition partner Anna Lyle-Smythe, competition associates Tim Blanchard and Chad de Souza, financing partner Azadeh Nassiri, and financing associates Susan Hughes and Adrian Wilkes.

The Sullivan team includes corporate partners George J. Sampas and Melissa Sawyer, corporate associates Daniel J. Belke and Kelvin Le, debt financing partner Chris Beatty, equity financing partner John O'Connor, antitrust partner Steven L. Holley and special counsel Bradley P. Smith.

J.P. Morgan Ltd. acted as financial adviser to BBA Aviation and Barclays PLC also provided financial advice.

The Latham & Watkins LLP team advising Landmark and Carlyle included corporate partners Paul Sheridan, Shaun Hartley and Claire Keast-Butler.

Jones Day and Zuckert Scoutt & Rasenberger LLP are also serving as legal advisers to Landmark and Carlyle on the transaction.

A Jones Day team led by antitrust and competition partner David Wales acted as antitrust counsel to The Carlyle Group.

Gibson Dunn Delivers on Major Shipping Deal

Gibson Dunn steered a well-known shipping company in its acquisition of a private equity-backed, technology-driven freight brokerage company, marking the fifth-largest U.S. transportation deal inked so far this year.

United Parcel Service Inc. in July rolled out a \$1.8 billion acquisition of Coyote Logistics LLC from Warburg Pincus LLC, a deal the delivery company said will allow it to tap into a high-growth space and increase its own full truckload scale.

The Gibson Dunn team that advised UPS was led by partner and M&A co-chair Barbara Becker and included corporate associates Saeed Muzumdar, Emily Lieberman and Hae Chang.

Bank of America Merrill Lynch and UBS AG acted as financial advisers to UPS. The Sullivan & Cromwell team that advised the investment bank included corporate partner Stephen M. Kotran and associate Todd A. Mortensen.

The Kirkland & Ellis team that advised Warburg Pincus was led by corporate partners Eunu Chun, Leo Greenberg and Joshua Soszynski and associate Lauren Rakower and included tax partners Patrick Gallagher and David Grenker and debt finance partner Eric Wedel.

Goldman Sachs & Co. acted as lead financial adviser to Coyote with support from Credit Suisse AG, Morgan Stanley and Wells Fargo Securities LLC.

--Editing by Katherine Rautenberg and Rebecca Flanagan.