

Manchester United

Speaker key

JD	Jon Dewey - Interviewer
EB	Ed Barnett – Senior Associate/Partner
LP	Lucy Pfaff – Trainee/Associate
AF	Anna Field – Trainee/Associate

JD Hello, my name is Jon Dewey, and I'm here at Allen and Overy to talk to some of the members of the Deal team, who worked on the Glazer family's acquisition of Manchester United Football Club. I'd like you to introduce yourselves, please.

EB Hi, my name's Ed Barnett. I'm a partner in the corporate department in London. I was a senior associate in New York, and then in London, working on the Man United transaction.

LP Hi, my name's Lucy Pfaff. I'm an associate in the private client department now, and I was Ed's trainee, towards the end of the acquisition of Manchester United.

AF Hi, my name's Anna Field. I'm an associate in the banking department at A&O now, and during the Man Utd deal, I was a trainee, also in the banking department.

JD Great. Hello everyone. Ed, can you give me some context to this deal? Take yourself back to when it happened, what the deal actually was, and why it's a significant one.

EB Yeah, sure. Well, it's kind of difficult to know where to start. There's so much stuff about this deal. I mean, for me personally this deal was the most significant deal of my career, no doubt about that. I think for the firm, it was a hugely significant deal, because not only was it extremely high profile, but also it was groundbreaking in some of the financing structure that was put together, and an extremely complicated deal to pull off.

EB I think contrary to a lot of people, both in the financial world and outside, who thought the deal wouldn't ever happen, we at A&O, together with other advisors and the Glazers, managed to successfully pull the deal off, and history has proved that it has been a sound deal. Obviously the team's done very well on and off the pitch, so for a lot of reasons, I think it's hugely significant, for me personally, but more importantly for the firm. Just a very brief potted history... Initially myself and Andrew Ballheimer, who was the Corporate Partner on the deal were working out of the firm's New York office in 02 and 03, and the Glazer family approached us in New York, to give some preliminary advice about buying shares in English public companies, and never in our wildest dreams did we think it would lead to the takeover of Man Utd.

EB So, it started with very small beginnings, and that was in the middle of 2003, and as I say, a very small piece of advice, and then over the course of the following two or three years, obviously it built into a crescendo, where Andrew and I at that period relocated back to London, and at that time the Glazer family's interest in Man United grew, through a series of acquisitions of shares on the public market, to the point where they had built up a significant stake, and asked us to continue to advise them, and then to bring more advice to the fore, in the context of potentially taking out the whole company.

JD Anna, can you tell me a little bit about what the Glazer family actually wanted Allen and Overy to do for them?

AF Well, they basically wanted support from all the departments. The corporate department were their primary

contact for the Glazers and they advised them early on, as Ed was saying, on purchasing shares, and then once the deal took off, we did a lot of due diligence, and that involved a lot of work between the departments. I think probably EPI (now called Employment & Benefits), and Real Estate department were involved, looking at, looking at Man United, and looking at the company.

JD What's due diligence?

AF Due diligence is basically when we get a chance to go in and look at all the company information, and verify what the company says on their website, and all the publicly available information. We actually go in and look at board minutes, and...

EB Main contracts

AF Yeah, exactly, all the contracts and...

EB Where they've got some significant assets in real estate, we'll look at those documents, or we'll look at some of their main contracts, e.g. at the time with Vodaphone and the big contract for shirt sponsorship, and of their IP (Intellectual Property) sponsorship, and that sort of thing.

JD Right.

EB That's kind of the main points.

AF And, so basically that's where all our departments have to work together, and go and sit in the data room, and look at all these documents, and then we produce a due diligence report. I guess, the other main area that they wanted A&O to help them with was the financing. I was a trainee in the banking department, and it was a big job to get all the debt documents in place, basically negotiating the credit agreements, and getting into the details of the financing, but providing that information to them.

JD Right, can you tell me a little bit, you two, Lucy and Anna, you were trainees when the deal was going through. Can you tell me a little bit about what sort of roles and responsibilities you were given?

LP Yeah, I came in as a trainee towards the end of the whole, the whole thing, but there was a lot of tying up and corporate administration really to do, so making sure that all the correct filings had been done at Companies House. I spent a lot of time on the phone to Companies House, making sure they had everything accurate there, in terms of share transfers, changing of directors or appointment of directors.

JD Were you getting the confidentiality orders for the Glazers?

LP Yeah, for the Glazers, when they were appointed as directors. Otherwise their information would be available on Companies House, any publicly available registers, and we didn't want that to happen. So, we had confidentiality orders, which involved going to the police, and trying to make sure that information wasn't available to the public.

JD Anna, as a trainee, what did you get involved in?

AF The main role I had as a trainee was managing conditions of precedent, which are basically conditions that need to be satisfied, before banks will advance money, under a loan agreement, and it sounds simple, but it's actually quite a long process, and in a deal as complicated as this, you can have a condition precedent check list that can be 20 or 30 pages long, full of documents that need to be delivered before the banks will fund.

AF Part of that is drafting corporate authorisation documents. More board minutes from a banking perspective, and shareholder resolutions, formality certificates, and I was drafting all of those, and was able to negotiate them from the other side, and so got a lot of experience dealing with like the lawyers on the other side, which was really interesting, and I was basically left to do that on my own. Obviously I had as much assistance as I wanted, but in terms of managing the conditions precedent, I was left to do that, so I felt like I really made a contribution to the deal. Other stuff I did was listening in on calls, and attending meetings, and it was very interesting to do that.

- JD** And, when it all came together, Ed, you know, we've established, and I think it's well known that this was against a background of a certain level of fan opposition, and certainly sort of media frenzy almost. What was the atmosphere like in the run up to sort of the deal coming to completion?
- EB** I think the deal was, was exciting basically all the way through. Most of the people on the deal were pulled together because they were interested in sport and interested in football, although interestingly, most of us were Liverpool fans.
- AF** I'm a Spurs fan.
- EB** Yeah, yeah, but in terms of the big clubs, most were Liverpool fans, the two high points of real excitement, were the day that the Glazer's voted down three of the board directors in November 04, at the shareholder AGM in Manchester, and four of us from A&O attended. And, when we came off the plane at Heathrow, we looked at Sky News, and the first thing that was up there was the raid by the Glazer's at the AGM, so obviously that was hugely exciting. It was a real crescendo, and then it kind of carried on, to be exciting, but obviously built up until May 05, when we completed the deal. It was, it was a great atmosphere.
- JD** Did that excitement filter through to the trainees as well?
- LP** Absolutely, it was brilliant working on a deal that was on the back pages and the front pages of papers all the time I was basically working on it. It was really interesting.
- AF** Yeah, it was a big deal buzz the whole way through. It just was really exciting to be working on...
- LP** It was definitely the best deal I've worked on since I've been at A&O.
- EB** I think it's one of the highlights of, of most of our careers, either short or long, even Andrew Ballheimer and Andrew Bamber who were the lead banking corporate partners, I think they'd say that it was one of the most exciting deals that they've ever worked on and probably ever will do. And, it's, it's not just a deal that stopped in May 05. There was a lot going on afterwards, and I think one of the things Anna still does is a lot of work on the financing, for Man U?
- AF** Yeah, we've been working recently on the refinancing, and there was originally a refinancing last summer, and so, yeah, we, we work for Man United now, and you know, there's, there's a lot of perks of doing that, and I've been to the FA Cup Final this year, I've been to the Player of the Season Awards at Old Trafford. So...
- JD** Are you kind of an honorary WAG then, do you think?
- AF** No, if only.
- JD** Your careers have all moved on since that, since the Manchester United deal. Ed, you were an associate at the time, you're a partner now. You were both trainees then, and you're both associates, is that right?
- AF** Yeah.
- JD** What have you all, what have you taken away from the deal, in terms of career? What did you learn?
- AF** For me, it was the first deal that I saw through at A&O. I started in September 04, and went to the banking department in December, and then this was the first deal I saw through from, for most of the deal, and I guess from that deal I just learned the deal process, how the departments interact, and my first look at banking documents. And, I've qualified into the banking department, so it has obviously done something good.
- LP** I think that's particularly the way a team works and the way the firm works. You get a real feel for it in a deal like this, because as a trainee, you have to go and speak to other members of other departments. You have to make sure that everybody is working together, and yeah, going forward, those are fantastic skills to have, just being able to be part of a team and work together.
- JD** And, a good party, when the deal finally went through, presumably?

EB Well, I think there's been a few. I mean, we've all had perks to attending matches and so on, but there was a couple of evenings that we had which probably we should save for another interview.

JD Okay, thanks very much everyone, that's very interesting, thank you.

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