
BHPB bid for Rio - Lawyers disappointed after hard work

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It is reported that after over 18 months of tireless work, lawyers acting on the BHP Billiton and Rio Tinto takeover bid have been left feeling shocked and a bit disappointed.

However, when one refers back to the long list of complications that lawyers faced there were early signs that this one was a bit too much to handle.

For instance, Rio Tinto repeatedly rejected BHP's bids and apparently there was little to no interaction even at the legal advisory level. The European Union's antitrust authorities demanded that BHP divest some assets, while both Japan and China were against the deal due to their reliance on both party's iron ore and raw materials. BHP later agreed to divest some iron ore or coal plants, however, found that the volatile market would leave it exposed to too much risk.

As many lawyers know deals will come and go, however, there is fair reason to believe that none of them will have the same complexity as the BHP Rio takeover did. If it had of been successful, it would have been the first between two dual listed companies, namely Australia and the UK.

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