

# Austria

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## Innovation in corporate governance

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Vienna

The most recent innovation to the Austrian Commercial Law is the Commercial Law Amendment Act 2008 (*Unternehmensrechts-Änderungsgesetz* 2008), implementing Directive 2006/43/EC and Directive 2006/46/EC, which entered into force on June 1 2008. The Commercial Law Amendment Act 2008 amends, among other Laws, the Austrian Commercial Act (UGB) and the Austrian Stock Corporation Act, creating tougher obligations for auditors, more responsibility for supervisory boards and increased transparency for shareholders. The most relevant change in connection with corporate governance refers to an obligation for specific companies to provide an annual corporate governance report. From an investor's point of view the new regulation is an attractive innovation as it leads to increased transparency.

### Obligatory corporate governance report

The obligation to provide a corporate governance report, introduced by the Commercial Law Amendment Act 2008, helps improve transparency concerning the corporate governance practices applied by a particular company. According to Article 222 of the UGB, the legal representatives of a corporation must prepare a corporate governance report for the previous business year (pursuant to Article 243b of the UGB) within the first five months of the following business year, and provide it to the supervisory board. The corporate governance report must be signed by all legal representatives. The obligation to provide a corporate governance report applies to business years commencing after December 31 2008. The corporate governance report must be filed with the commercial register.

### Applicability

The obligation to provide a corporate governance report applies to companies whose shares are admitted for trading on a regulated market (within the meaning of Article 1 paragraph 2 of the Austrian Stock Exchange Act) or companies that exclusively emit securities other than shares on such a market - for example, exchange traded funds - and whose shares are traded via a multilateral trading facility with the knowledge of the company.

### Minimum content

The corporate governance report shall contain certain minimum information, such as reference to a corporate governance code that is officially acknowledged in Austria or on the respective stock exchange. A company must indicate where the relevant code is publicly available.

When a company departs from a particular corporate governance code, the company must provide an explanation of which parts of the code it has departed from and its reasons for this. This regulation only applies to comply-or-explain (C) rules within the meaning of the Austrian terminology, but not to legal requirements (L) and recommendation (R) rules. If a corporate governance code does not distinguish between (C), (L) and (R) rules, the relevant rules will be assessed in the light of the corporate governance code used by the company.

Finally, the corporate governance report must indicate the composition and operation of the management and the supervisory board and their committees. However, the respective provision does not require that all rules of conduct be included in the corporate governance report. Instead, a corporate governance report should contain information pertaining to the delegation of the rights and duties of the management board, for example. Therefore, the Austrian Corporate Governance Code may be seen as a guideline. As the legal text is rather imprecise in this regard, it remains to be seen how the disclosure obligations will be handled in practice.

### Separate report

According to Directive 2006/46/EC member states have the right to choose whether the respective information should be set out in a separate report published together with the annual report or by means of a reference in the annual report, with the report being publicly available on the company's website. The Austrian legislator has decided in favour of the first option. Therefore, the corporate governance report must be in a separate document to the annual report.

### Sanctions

Article 255 of the Austrian Stock Corporation Act grants a right to information for shareholders, creditors, capital markets and the general public. Although the provision does not explicitly mention corporate governance reports, the Austrian legislator has indicated that corporate governance reports are intended for the general public. Thus, anyone who incorrectly provides information regarding the company's status or about other material facts, or conceals or fails to disclose such information, will face criminal sanctions.

### Audit

Incorporation of the corporate governance report by a company, within the meaning of Article 243b of the UGB, also leads to an expansion in the scope of audits, whereby an auditor must include information in their report pertaining to whether a corporate governance report has been successfully established. However, the auditor need not provide any assessment of the contents of the particular corporate governance report.

## Capital markets

### Recommended firms

#### Tier 1

Cerha Hempel Spiegelfeld Hlawati  
Dorda Brugger Jordis

#### Tier 2

Freshfields Bruckhaus Deringer  
Weber Maxl & Partner  
Wolf Theiss

#### Tier 3

Binder Grösswang  
Schoenherr

#### Tier 4

Hausmaninger Kletter  
Herbst Vavrovsky Kinsky

As in much of Europe, the capital markets have been eerily quiet in Austria since the onset of the liquidity crisis in October. Strabag's €1.33 billion IPO on the Vienna Stock Exchange was a highlight, occurring right before the markets began their decline. The closest the market came to launching a successful listing was Saubermacher, which eventually aborted its IPO in January due to the poor market conditions.

The debt markets have been similarly quiet, with only a minimum of convertible and hybrid bonds going to market. Voestalpine's €1 billion hybrid bond issuance stood out as a highlight, as did Immofinanz's €750 million convertible bond issue.

But the biggest story of the year was CMS Reich-Rohrwig Hainz's merger with Dallmann & Juranek. The merger combined M&A-focused CMS Reich-Rohrwig with finance boutique Dallmann, and could eventually give CMS a foot in the door for banking and capital markets work. But not everyone is convinced: "Dallman has always been a pretty small firm; I don't know what it adds to CMS in the Vienna marketplace," one partner says.

### Cerha Hempel Spiegelfeld Hlawati

Cerha Hempel's capital markets team comes under the wide umbrella of its banking and corporate team. Edith Hlawati heads the department, and is widely praised as one of the leading finance lawyers in the country. "She is an exceptional lawyer and is always able to manage interesting assignments," says one competitor.

The firm boosted its already strong department with the hires of Thomas Zivny from Linklaters and Peter Hoffmann from the now-merged Dallman & Juranek.

Clients are quick to praise the firm: "I see them as a very professional, very dedicated law firm, and they have a good range of expertise in the debt capital markets," says one.

The firm's highlight on the equity side was its role working alongside Sullivan & Cromwell's Frankfurt office to advise Austrian construction company Strabag on its €1.33 billion IPO on the Vienna Stock Exchange in October 2007. Partners Edith Hlawati, Volker Glas and Philipp Spatz led the firm on the transaction, which was Austria's largest ever in terms of volume.

The trio were again active that month when they advised brick manufacturer Wienerberger on its €440 million capital increase. The transaction included a rights offering to existing shareholders, a public offering in Austria and an international private placement to institutional investors, which included a Rule 144a placement in the US.

Austrian Airlines turned to Hlawati and Glas for advice on its €150 million capital increase, while Hlawati and Spatz acted for the underwriters in Saubermacher's aborted IPO in January 2008.

Glas and Peter Knobl were active on the debt side, primarily advising the banks. One notable transaction for the pair was acting for JP Morgan on Immofinanz's €750 million issue of convertible bonds, part of a €7.5 billion programme. The pair also advised Nomura Bank as lead managers on A-Tec Industries' €180 million issue of convertible bonds in May 2007, which was offered to all existing shareholders without having to prepare an offering prospectus.

Knobl also advised Calyon, CFP and Casam on the issue of fund-of-funds-linked notes by Calyon Financial Products, and also acted for Sal.Oppenheim on its issue of different types of warrants and leveraged certificates.

#### Leading lawyers

Volker Glas  
Edith Hlawati  
Philipp Spatz

### Dorda Brugger Jordis

While much of Dorda Brugger Jordis's focus is on equity capital markets work, the firm is still seen as one of the leading capital markets practices in the country. Competitors note that the firm is very visible in the market, and regularly appears on the other side of deals, mainly representing the banks as underwriters.

The firm's capital markets work is run by the respected pair Andreas Mayr and Christoph Brogyányi, who were joined by

Bernhard Rieder from Weber Maxl & Partner in January 2008.

Paul Doralt received wide praise from clients this year for his approach to transactions: "We only use them really because of Paul Doralt - he's the best possible man I think," says one client. "We interviewed several other firms in Vienna, but none had any experience comparable with Dorda."

Dorda Brugger Jordis's equity department is the envy of most, and turned in yet another strong year. One highlight saw Mayr and Brogyányi lead a team advising Goldman Sachs International, Deutsche Bank, Raiffeisen Centrobank and Erste Bank as joint bookrunners on the €1.33 billion IPO of Austrian real-estate company Strabag on the Vienna Stock Exchange. The IPO was the largest in Austria to date in terms of volume.

In November 2007, Mayr and Brogyányi led the firm when it won a role advising the underwriters on Raiffeisen International Bank's €1.24 billion capital increase, which involved the public offering of more than 11.8 million issued shares and private placements in the US to institutional investors. This deal was the fifth-largest transaction ever on the Vienna Stock Exchange.

The firm again showed its aptitude for winning underwriters mandates when it worked alongside Davis Polk & Wardwell to act for Morgan Stanley and Unicredit on brick manufacturer Wienenerberger's €440 million capital increase on the Vienna Stock Exchange.

Dorda Brugger Jordis showed that it doesn't rely solely on banks for equity capital markets mandates when Mayr and Tibor Varga advised Kapsch TrafficCom, part of the privately-held Kapsch group, on its €118 million IPO on the Vienna Stock Exchange in June 2007.

Mayr, Brogyányi and Varga were also active in the debt markets, working alongside Linklaters' London office to advise Conwert Immobilien Invest on its issue of €196 million of convertible bonds.

Partner Andreas Zahradnik led a team which advised Thomas Lloyd Investments on its €200 million offering of participating certificates and €50 million of bearer bonds in Austria and Germany in June 2007.

Paul Doralt has also won a role advising WestLB's Brazilian arm on the planning and design of a cross-border hybrid bond financing, which allows the borrower to deduct expenses in its jurisdiction without creating taxable income in the lender's jurisdiction.

#### Leading lawyers

Christoph Brogyányi  
Andreas Mayr

## Freshfields Bruckhaus Deringer

While the Austrian office of Freshfields is seen by some in the market as a remnant of the firm's pre-merger network, there is no denying that the firm's international profile is a handy boost to the firm's chances of winning mandates. The firm leans on its strong London presence to win roles representing the underwriting banks - and receives praise from the market for the quality of its work.

"Freshfields has been very successful in the past 12 months and has been doing very well in terms of deal volume and quality," says one competitor.

Headed by Maria Theresa Pflügl, the firm's equity capital markets department had a strong year, with the highlight being working alongside Freshfields' German office to advise the banks on real-estate company Immoeast's €2.75 billion capital increase in May 2007. This was the largest equity capital markets transaction carried out by a European real-estate company, and the largest equity capital markets transaction by an Austrian issuer to date.

Pflügl worked alongside Stephan Pachinger to advise UBS, Dresdner Bank and Erste Bank as joint lead managers and bookrunners on Voestalpine's €1 billion hybrid bond issuance in October 2007, which was completed under Austrian law. The pair also advised Saubermacher on its aborted IPO in January 2008.

Raiffeisen Bank turned to Freshfields for advice on Roof Russia's \$400 million benchmark auto-loan securitisation in May 2007, while the firm also represented the banks on Vbag's €400 million issue of Tier I participation capital.

Pflügl and Pachinger also acted for Deutsche Bank and Erste Bank on Fisher Advanced Composite Components' issue of a €40 million hybrid bond in July 2007.

### Leading lawyers

Friedrich Jergitsch  
Maria Theresa Pflügl

## Weber Maxl & Partner

Weber Maxl & Partner is described by the market as a niche capital markets practice. "Weber [the firm] is very active in equity capital markets, and it has a good deal flow and track record," says one peer.

Competitors are generous with their praise of experienced partner Stefan Weber, particularly the way he has maintained his blue chip investment clients in the Austrian markets. However some market commentators have questioned the depth of the capital markets practice beyond Stefan Weber.

Nevertheless, the firm did manage to land roles on some significant capital markets deals this year. One highlight on the equity side was acting for Raiffeisen International on its €1.24 billion capital increase. This involved the public offering of over 11.8 million issued shares and private placements in the US to institutional investors, and was the fifth-largest transaction ever on the Vienna Stock Exchange.

The firm also worked alongside Linklaters to advise the joint lead managers on Conwert Immobilien Invest's placement of €196 million convertible bonds.

### Leading lawyers

Stefan Weber

## Wolf Theiss

Wolf Theiss's capital markets department moves down a tier this year, with market commentators noting the firm's absence from many of the big recent deals. Nevertheless capital markets head Richard Wolf is still noted by the market for his experience, while Markus Heidinger is singled out for his excellent transactional work.

Clients praise the quality of the firm's service: "We prefer to use them as our first choice whenever partners don't specify an international law firm," says one. "We're working with them pretty intensively, and we're very happy with them."

The firm's highlight on the equity side was advising Immoeast on its €2.84 billion capital increase in May 2007. The transaction, which involved public offers in five jurisdictions, was the second-largest rights offering in Austrian history.

Partners Martin Abram and Thomas Krumhuber led a team which advised MBC Agricole on its capital increase and issuance of global depository receipts (GDRs) in March 2008, while Nikolaus Paul is advising Deutsche Bank on a number of public and private placements of financial products, including index-linked, equity-linked and fund products in Austria.

On the debt side, Richard Wolf, Claus Schneider and Martin Abram advised Immofinanz on its second €750 million convertible bond issue in November 2007, which is part of the company's €7.5 billion programme.

Schneider acted on two other notable debt issuances this year - Swietelsky Bau's €50 million issue of perpetual junior subordinated fixed-to-floating-rate bonds, and Fischer Advanced Composite Components' issue of €40 million of undated subordinated notes.

Schneider is also advising the arranger on Vienna Insurance Group's €500 million

hybrid bond issue programme, while Nikolaus Paul and Judith Szabo advised the Royal Bank of Scotland and ABN Amro on a derivative structured financing for an Austrian entity for the acquisition of listed shares.

### Leading lawyers

Markus Heidinger  
Richard Wolf

## Banking

### Recommended firms

#### Tier 1

Binder Grösswang  
Wolf Theiss

#### Tier 2

Cerha Hempel Spiegelfeld Hlawati  
Dorda Brugger Jordis  
Freshfields Bruckhaus Deringer  
Schoenherr

#### Tier 3

CMS Reich-Rohrwig Hainz  
DLA Weiss-Tessbach  
Doralit Seist & Csoklich

With the cost of leverage rising significantly in late 2007, it was no surprise to see that most firms' strongest work was in the second and third quarters of last year. Acquisition finance transactions were strong, with France Télécom's €1.45 billion facility and Cerberus's €1.9 billion acquisition financing the two highlights of the year.

But while the credit crunch has undoubtedly contributed to a slowdown of deals this year, commentators suggest that it hasn't affected Austria as much as other western jurisdictions. Austrian banks have tended to look to central and eastern Europe (CEE), an area which has been somewhat insulated from the liquidity problems. "Austria lags behind [western Europe] - for the better and for the worse," says one partner.

Most of the activity in Austria since October 2007 has been in the low-to-mid-cap region, with property finance becoming a popular driver for the country's law firms. The real-estate market isn't exactly booming, but it is providing a steady stream of work for law firms nonetheless.

In this slow market, there has been little movement in the rankings this year. Commentators have so far reserved judgement about the status of CMS Reich-Rohrwig Hainz after its merger with Dallmann & Juranek. Dallmann has always had a relatively strong presence in the banking market, counting Erste Bank and Raiffeisen Bank as clients. The market will be watching carefully to see if

this new combination will translate into mandates over the next 12 months.

### **Binder Grösswang**

Co-headed by Tibor Fabian and Stefan Tiefenthaler, Binder Grösswang has a very strong reputation in the Austrian banking market. The firm is proficient at advising the banks on a range of transactions, from real-estate financing to acquisition facilities. The market almost unanimously sees the firm as a clear choice for the top tier, as it boasts a good reputation and is seen regularly on deals.

Clients also praise Binder Grösswang for its service skills: "They're fine, they're very helpful," says one client. "We had a difficult partner over in Austria, and they dealt with it competently. I'd use them again, definitely." Tibor Fabian and Florian Kohl were also singled out for the high quality of their work.

One of the firm's highlights this year was advising the lenders on France Télécom's €1.45 billion acquisition (through its subsidiary Orange) of One - Austria's third-largest mobile-phone operator. Tibor Fabian and Emanuel Welten led the firm on the deal, which included the acquisition financing and a subsequent restructuring.

The firm advised Germany's Helaba Landesbanken on a real-estate financing facility for Signa Group, and also acted for Austrian copper company Montanwerke Brixlegg on a series of structured commodity trade facilities from Deutsche Bank.

#### **Leading lawyers**

Michael Binder  
Tibor Fabian  
Stefan Tiefenthaler

### **Wolf Theiss**

Wolf Theiss rounds out the top tier, boasting an exceptionally strong banking and project finance team with a good headcount. Clients describe the firm as one of the fastest-growing firms in the sector, with a young and dynamic stable of lawyers.

"They have that rare combination of good practitioners and people with a publishing background; they write briefs, theses and opinions," says one client. "Overall, in the banking sector, they're a big factor in Austria. They have a very interesting breeding culture, and they are developing hubs of knowledge."

The banking department comes under the supervision of Richard Wolf, although much of the work this year was done by Nikolaus Paul.

One of the firm's highlights this year was advising a consortium, led by Cerberus, on a €1.9 billion acquisition financing facility for

the purchase of Bawag in May 2007. Claus Schneider led the firm on the deal, which was structured to avoid a regulatory capital discharge of the acquisition debt.

Nikolaus Paul followed this up in December 2007 to advise medical company Futurelab Holding on the financing of its acquisition of a number of German laboratory companies. Paul also worked alongside Alexander Schneider to represent Advent on the financing of its acquisition of Takko Group.

#### **Leading lawyers**

Markus Heidinger  
Andreas Schmid  
Richard Wolf

### **Cerha Hempel Spiegelfeld Hlawati**

Cerha Hempel retains its position in the second tier after gaining some strong mandates in the banking sector. The firm added Peter Hoffmann from Dallman & Juraneck and Thomas Zivny from Linklaters this year to boost its finance capabilities, and is likely to see the benefit of the dual hires in the coming year.

Volker Glas stands out Cerha Hempel on account of his strong relationship with the lenders in the plain-vanilla loan markets. Glas advised Deutsche Bank's Amsterdam branch on a €150 million facility to an Austrian copper refiner in January 2008.

Glas worked alongside Christian Thaler to act for ACP Capital on a €165 million senior and €22 million second-lien facilities agreement with the Austrian subsidiaries of the Nordsee group in December 2007.

Volker Glas was also active in the construction finance market, acting for Investkredit Bank on a \$52 million credit facility for the financing of a greenfield multi-seed crushing plant in Ukraine in April 2008.

#### **Leading lawyers**

Volker Glas  
Peter Knobl

### **Dorda Brugger Jordis**

Dorda Brugger Jordis is seen by the market as one of the few firms that cover all aspects of the banking market. Clients are very positive about their experiences with the firm. "We've been using them for two years," says one banking client, "and they were the best of several big firms we interviewed, including Linklaters, so now we use only them."

Partners Tibor Varga and Martin Broder were popular with clients as well. Says one: "They're both very good. They're a little dif-

ferent in style: Tibor is very technical, very analytical, whilst Martin is more descriptive. It's a good mix to have."

While a number of the firm's deals are confidential, one publishable transaction was its work advising Dresdner Kleinwort on a €200 million revolving facility to an Austrian industrial group in February 2008.

The firm acted for the mezzanine lender Darby Overseas Investments in the €8.4 million refinancing of a Latvian limited-liability company in August 2007. Three months later Dorda Brugger Jordis advised Austrian IT group New Frontier on a facility to finance the acquisition of a Romanian company in November 2007.

Dorda also acted for BNP Paribas and Merrill Lynch on an acquisition finance facility to Invitel for its purchase of Memorex. The facility consisted of €100 million junior and €165 million senior facilities.

#### **Leading lawyers**

Tibor Varga

### **Freshfields Bruckhaus Deringer**

Led by Maria Pflügl, Freshfields boasts a very strong banking team which works for both Austrian and international banks. Attila Csongrady and Florian Klimscha were also seen by the market as working regularly on deals.

Clients praise the firm's professionalism and its ability to specialise. "They have a whole team with two partners dedicated just to banking," says one client. "They are big enough to specialise and yet small enough to get the job done."

Freshfields' Vienna office often acts as a cheaper alternative to mandating London or Frankfurt partners on cross-border deals in CEE. One example was acting for Citi and ING as arrangers on a \$500 million secured syndicated facility to Romanian communications company RCS & RDS.

The firm also won mandates from Austrian clients, advising Bank Austria and brick manufacturer Wienerberger on a €110 million acquisition refinancing facility. Freshfields also advised a CEE insurance group as borrower on a \$600 million M&A bridge financing, and acted for the arranger on a \$200 million secured syndicated financing to a large CEE telecoms group.

#### **Leading lawyers**

Maria Theresa Pflügl

### **Schoenherr**

Headed by Martin Ebner and Peter Feyl, Schoenherr's banking and finance group was

boosted this year by the addition of junior partner Adi Winter. Clients praise the finance group for its quality of service: "We have used them for many years now and we are always satisfied," says one client. "The quality of their service and their market presence in eastern and central Europe speaks for itself."

Martin Ebner is also singled out for praise by clients: "He's very competent, very efficient and very precise. He always shows lots of initiative."

Schoenherr showed the flexibility of its practice by advising both lenders and borrowers in key deals. On one notable deal, Ebner led a team which advised Morgan Stanley as arranger, agent and lender in a €408 million refinancing facility to OEGB, an Austrian trade union, in January 2008. The bridge facility was granted until OEGB receives the proceeds of its sale of shares in Bawag to Cerberus.

Advising Orange and private-equity investor MEP also turned to Ebner for advice on the financing of its €1.58 billion acquisition of One, Austria's third-largest mobile telecoms provider, in September 2007. Schoenherr's corporate department worked on the M&A elements of the deal.

Peter Feyl led a team which acted as Austrian counsel to the Royal Bank of Scotland on a €500 million bridge financing and revolving facility to Premiere Group in May 2007. The bridge facility was designated to refinance existing debt of the group, while the revolving facility was designed for general funding purposes - in particular for acquisitions.

Christian Herbst was also active, advising Rasperia as borrower on the acquisition financing for its purchase of a 30% interest in Strabag, Europe's fifth-largest construction group. The transaction was closed in less than a week - a record for a high-volume transaction with a complex corporate structure.

#### Leading lawyers

Martin Ebner

## Mergers and acquisitions

### Recommended firms

#### Tier 1

Freshfields Bruckhaus Deringer  
Schoenherr  
Wolf Theiss

#### Tier 2

Binder Grösswang  
Cerha Hempel Spiegelfeld Hlawati  
Dorda Brugger Jordis

#### Tier 3

CMS Reich-Rohrwig Hainz  
Fiebinger Polak Leon & Partner  
Graf & Pitkowicz

#### Tier 4

DLA Weiss-Tessbach  
enwc  
Saxinger Chalupsky & Partners  
Skadden Arps Slate Meagher & Flom  
Weber Maxl & Partner

As in many European jurisdictions, the Austrian M&A market was remarkably active until the credit crunch slammed on the brakes in late 2007. Multi-billion-euro acquisitions abounded in a wide range of industries - from the sale of Austrian mobile operator One to the acquisition of Hypo Alpe Adria Bank - until the crisis bit.

While firms' deal lists this year are stacked with the large transactions completed before late 2007, a number of mid-cap transactions are still keeping law firms busy. Cash-rich trade buyers have re-emerged as the main drivers of deals, while the private-equity houses which were so prominent last year wait for the liquidity markets to come back.

Luckily for law firms, these mid-cap deals tend to involve a similar degree of work to the mega-deals, negating the need for any internal reorganisation. Lawyers aren't working on a commission basis like investment banks, so as long as the work is coming in, so will the fees.

### Freshfields Bruckhaus Deringer

While Freshfields has the luxury of a phenomenally strong global M&A brand behind it, the firm's Vienna practice is very well regarded in its own right. The corporate team is headed by Stefan Koeck, and contains the renowned duo of Willibald Plesser and Thomas Zottl.

The firm grabbed headlines when Koeck led a team which represented E.On and TDC on its €1.4 billion sale of shares of Austrian mobile telecoms company One to France Télécom subsidiary Orange and Mid Europa Partners in September 2007.

Freshfields must have impressed E.On, as it won another mandate advising a consortium including E.On Ruhrgas, EVN, Salzburg AG für Energie, Verkehr und Telekommunikation and Energie Steiermark on the Austrian issues of the consortium's acquisition of a 25% stake in Austrian energy company Rohöl-Aufsuchungs from Shell.

Plesser worked alongside Thomas Kustor to advise Siemens on the sale of its subsidiary VA Tech Wabag Austria to VA Tech Wabag India and private-equity firm ICICI in November 2007. Zottl was also active this year, advising Austrian bank UniCredit on the squeeze-out of the minority shareholders of BA-CA.

#### Leading lawyers

Willibald Plesser  
Thomas Zottl

### Schoenherr

Schoenherr's M&A team is headed by Christian Herbst, who is backed by a powerful corporate team including Stefan Frotz, Sascha Hödl and Christoph Lindinger. The firm was named *International Financial Law Review's* Austrian firm of the year 2008, and was an almost unanimous choice for the top tier among clients and peers.

Clients praise the firm for its skill in dealing with complex structures. "Doing business in Austria is not the easiest, but they performed very well, so we will definitely be using them again," says one client.

The firm was involved in some of the highest-profile M&A transactions of the year. One highlight was advising Rasperia Trading on its €1.3 billion acquisition of a 30% stake in Austrian construction company Strabag in August 2007. This was completed through a combined capital increase involving the issuance of new shares, and the parallel acquisition of secondary shares from the current shareholders Raiffeisen Holding and HPH Group. Schoenherr also advised Rasperia on all financing elements of the transaction.

France Télécom and private-equity house Mid Europa Partners turned to Schoenherr for their €1.4 billion acquisition of Austrian mobile phone operator One in October 2007. The firm fielded a team providing corporate, regulatory, environmental and financial advice.

Stephan Frotz and Alexander Kaufmann led a team which advised on the establishment of a cooperation between Bawag and Generali Holding Vienna. This involved a merger between Versicherung and Bawag (forming Bawag Versicherung); the acquisition of a majority stake in the merged Bawag

Versicherung by Generali; and the ensuring regulatory procedures.

Schoenherr also advised General Electric as Austrian counsel on the €11.2 billion sale of its GE Plastics business to Saudi Basic Industries Corporation. The firm advised on the carve-out of GE Plastics from the Austrian GE group, which involved several corporate restructuring transactions.

#### Leading lawyers

Stephan Frotz  
Christian Herbst  
Sascha Hödl  
Christoph Lindinger

#### Wolf Theiss

“They were our main law firm on one particular deal last year, and we were very happy with them. They are very business oriented, very commercial, and we will definitely be using them again.”

With such positive client feedback, Wolf Theiss undoubtedly deserves its spot at the top of the table. Horst Ebbart head up the firm’s corporate team, which was involved in a number of top deals this year.

One of the firm’s highlights was advising Erste Bank on the €1.45 billion sale of its insurance subsidiary to Vienna Insurance Group. Led by Richard Wolf and Thomas Krumhuber, Wolf Theiss advised on the sale, distribution cooperation and all related merger filings with the EC.

Wolf Theiss won a role advising Bawag on the sale of its 36% stake in Austrian Lotteries to Casinos Austria in December 2007, making the latter the majority owner. The firm advised on all legal aspects of the transaction, including regulatory and gambling law.

In March 2008, Wolf Theiss provided due diligence and contract negotiations for French private-equity house 21 Centrale Partners (part of the Benetton Group) on its acquisition of a 23% stake in the holding company of Palmers Lejaby Group.

Markus Heidinger and Judith Szabo also won a role advising GE Money EMEA on the sale of GE Money Bank to Banco Santander. The transaction is part of a larger deal, where Santander will take over GE Money’s German, Austrian and Finnish credit card and auto-finance divisions in the UK in exchange for GE Money buying Italian bank Interbanca. The whole transaction is valued at €1 billion.

#### Leading lawyers

Horst Ebbardt  
Markus Heidinger  
Richard Wolf

#### Binder Grösswang

Binder Grösswang holds its position in the second tier this year after a number of positive comments from the market. Clients were especially generous with their praise of the skill of the firm’s corporate department. “Generally the experience has been very positive,” says one client. “We did a competitive tender a couple of years ago, and they came out the best.”

Partner Thomas Schirmer was singled out by clients for the quality of service: “He’s good, a very responsible man,” according to one client. Schirmer worked alongside Andreas Hable to advise Abu Dhabi’s International Petroleum Investment Company (IPIC) on its acquisition of Austria’s Agrolinz Melamine International by Borealis - a joint venture between IPIC and Austrian oil company OMV.

Schirmer was active again when he teamed up with Michael Binder to advise an Austrian and Belgian banking consortium in the tender process of Bawag’s sale of Slovak company Istrobanka.

Thomas Schirmer and Andreas Hable worked together to advise on the integration and reorganisation of steelmaking companies Voestalpine and Böhler Uddeholm following the successful merger between the pair in May 2007.

Michael Kutschera also advised Lenzing on the sale of a majority stake in the company’s paper operations, and on Lenzing’s increase in its shareholding in PT South Pacific Viscose.

#### Leading lawyers

Michael Kutschera  
Thomas Schirmer

#### Cerha Hempel Spiegelfeld Hlawati

Cerha Hempel’s corporate department is well respected by peers and clients, in particular for its public M&A work. The firm had a very strong year advising a mix of buyers and sellers across a range of practice areas.

Albert Birkner showed he was still active on deals despite his move to managing partner last year, working alongside Johannes Prinz to advise Austria Tabak on its €2 billion sale to Japan Tobacco International in July 2007.

Birkner was again mandated alongside Bernhard Kofler-Senoner, Christian Thaler and Sergei Makarchuk to advise Telekom Austria on its acquisition of Belarusian telecoms company Mobile Digital Communications. The transaction was deemed such a success that Cerha Hempel decided to open an office in Minsk shortly after.

Clemens Hasenauer utilised his links with Austrian oil company OMV to win two sig-

nificant corporate roles this year. Hasenauer teamed up with Peter Hiller to advise OMV on its attempt to purchase Hungarian oil company Mol which, if successful, would form a company with a market capitalisation of €22 billion.

Hasenauer also worked with Johannes Prinz to represent OMV on the formation of the Borealis joint venture with Abu Dhabi’s IPIC, which included the transfer of its headquarters from Denmark to Austria.

#### Leading lawyers

Albert Birkner  
Edith Hlawati

#### Dorda Brugger Jordis

Headed by Martin Brodey, Dorda Brugger Jordis’s corporate team had a strong year, landing roles on some high-profile cross-border deals. Competitors praise the firm for the breadth and depth of the practice, while clients are impressed by the firm’s level of service.

“They were very proactive and very accommodating in their implementation, and the other party we were dealing with had no problem understanding their documents,” says one client.

Paul Doralt is singled out by clients for his commercial approach: “His background is in tax, so I was pleasantly surprised by his success in drafting matters,” says one. “He’s a great guy, very knowledgeable.”

Doralt led the firm when it advised US power company AES Corporation on Austrian tax and legal issues surrounding its Austrian holding company during the \$1.48 billion sale of AES’s interest in Ekibastuz - Kazakhstan’s largest power plant and an accompanying coal mine - to Kazakhmys.

The firm also advised Indian private-equity fund ICICI Ventures and waste water treatment manufacturer VA Tech Wabag Singapore (a subsidiary of VA Tech Wabag India) on its acquisition of VA Tech Wabag Austria (a subsidiary of Siemens). In effect, the purchaser indirectly acquired its former parent company; a situation which required some innovative legal solutions.

Bayerische Landesbank mandated Dorda Brugger Jordis on the €1.6 billion acquisition of a majority stake in Hypo Alpe Adria Bank, the parent company of Hypo Group, in October 2007. The firm also provided Austrian advice to Saudi Basic Industries Corporation in its €8 billion purchase of GE Plastics.

#### Leading lawyers

Martin Brodey  
Christian Dorda