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Group company transactions

Tero Tuomisto and Antti Rintakoski
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In Finland, the granting of loans and securities in favour of group companies, shareholders, management or other persons closely related to a company (the inner circle) is governed by the general principles of the Companies Act (624/2006). There is no express provision concerning the matter except the section obliging a company to include information on loans, liabilities and commitments to the inner circle in its annual report.

Relevant principles governing the granting of loans and securities in favour of group companies are: (i) the company's aim of generating profits for shareholders; (ii) the equal treatment of shareholders; and (iii) the management's duty of care concerning the interests of a company.

The principles are applied with regard solely to an individual limited liability company. The interests of the parent company or other group companies do not affect the assessment. Consequently, inner circle transactions may not be motivated by the interests of the group. It is essential that the decision concerning the transaction be based on sound business calculations - that is, corporate benefit.

Assessing corporate benefit

According to the legislative material of the Companies Act, the starting point is that it is rarely in the best interests of a company to grant loans or securities in favour of its inner circle. A similar approach may be taken to other third-party loans and securities unless the company's field of activities covers this kind of financing activity. The Companies Act includes an exclusive list of possible methods to lawfully distribute the assets of a company to shareholders, and in some circumstances to third parties, as donations or in other ways. In

all other cases, corporate benefit must be achieved when distributing assets.

Even if the spirit of the law is negative towards finance transactions within a group of companies, such transactions are not explicitly prohibited. A transaction is justifiable if, for example, the interest or other payment accrued is compatible with the risk the transaction bears. However, corporate benefit does not need to be this direct. The benefit may occur in the form of future financing possibilities or economy of scale in respect of larger finance transactions in which the parent company organises the financing of the entire group. Consequently, cash pooling, in which the funds of all companies of the group are held in the group treasury in order to ensure efficient use of liquid assets, is also possible. However, the arrangement is sensitive from the perspective of the principles of the Companies Act.

A company may not engage in transactions that reduce the assets of the company or increase its liabilities without a sound business reason unless expressly permitted by the Companies Act. Broadly, transactions with group companies without corporate benefit constitute unlawful distribution of assets as well as the granting of securities, because the potential enforcement of the security reduces assets. Accordingly, securities granted in favour of a bank for liabilities of the ultimate parent company or another group company in Finland or in other jurisdictions may be considered an unlawful distribution of assets. The assessment is however, made case by case.

Possible exception

The shareholders of a company have the right to decide to distribute the assets of the company in breach of these principles. The decision must be unanimous and include the consent of shareholders that do not gain any benefit from the decision. Otherwise the equality of shareholders would be violated. However, problems may arise in connection with the execution of the resolutions, because a board of directors is

not entitled to execute resolutions that violate the Companies Act or articles of association.

It should also be noted that a company may not distribute its assets in excess of its unrestricted equity reserves minus the assets to be left undistributed under the articles of association. Another restraint is that the assets may not be distributed if it is known or should have been known, when deciding on the distribution, that the company is insolvent or that the distribution will cause insolvency.

The latest financial statements are the basis for assessing the possibility of insolvency. However, the provisions of the Companies Act do not automatically prevent the distribution of assets even in poorly performing companies. The assessment of solvency includes various aspects that the board of directors has to take into account. The information that was known or should have been known when deciding on the matter is relevant, not the information obtained afterwards. If a company becomes insolvent relatively soon after the distribution of assets, it is not necessarily a sign that the Companies Act was violated.

Intra-group loans and securities

Due to the flexible regulation of the Companies Act, the granting of loans or securities in favour of the inner circle may be possible if needed within the group. The problem is that this kind of activity poses significant risks stemming from the restraints set by: (i) the principle of equality; (ii) the requirement of corporate benefit to an individual company; and (iii) the prohibition from endangering the solvency of a company by the distribution of assets. Boards of directors in companies belonging to a group can face difficulties when assessing these restraints, and professional legal assistance might be needed.

The need for a correct legal assessment is emphasised by the potential consequences of a breach of the provisions of the Companies Act. The violating decision is null and void and the party benefiting from the decision must return the assets. Additionally, the board

of directors may be liable for the losses that any party incurs through its decision. This liability is tightened by the provision pursuant to which negligence of the board of directors is assumed if the loss has been caused by an act that benefits the inner circle. In severe cases, criminal liability is also possible.

Capital markets

Recommended firms

Tier 1

Hannes Snellman
Roschier
White & Case

Tier 2

Castrén & Snellman
Waselius & Wist

Tier 3

Borenus & Kempainen
Merilampi Marttila Laitasalo

Tier 4

Bird & Bird
Dittmar & Indrenius
Krogerus Attorneys
LMR

Two words recur again and again when discussing the capital markets with Finnish lawyers: “completely” and “dead”.

Partners see the inactivity, at least in part, as historical and cultural. “Securitisation in this market has always been very, very limited,” one lawyer says, while another points out that “the Finnish public view has not been favourable to listing as an exit strategy for private equity”.

Global uncertainty has not helped matters: IPOs have been cancelled or put on ice. Banks are still offering reasonable interest rates on loans, so there is little incentive to go public - only if interest rates go up will the need for financing cause the stock exchange to spring back into action.

If that situation fails to materialise, capital markets lawyers are praying for innovation from across the Atlantic. “We’re waiting for them to invent a new way of raising capital,” a partner says. “The best brains in Wall Street are on it. Unfortunately, there are half as many of those brains as there used to be.”

Hannes Snellman

Despite the difficult market conditions, Hannes Snellman’s capital markets team was involved in a number of transactions this year,

including several high-profile IPOs. The firm acted for the managers on mining company Talvivaara’s admission to the London Stock Exchange (LSE) and for project management contractor SRV Group on its €117 million listing on OMX. Corporate head Mikko Heinonen, Klaus Ilmonen and Jari Tukiainen also advised Finnish paper mill operator Powerflute on its IPO on London’s Aim board.

Although these transactions all happened before the credit crunch, Powerflute returned to the firm for assistance with its listing on the Nordic alternative exchange First North in February 2008.

In December 2007, Carl-Henrik Wallin and Alexander Bargum advised IT consultancy Satama Interactive on the €72 million IPO on the OMX of Trainers’ House - the combined entity formed when Satama and marketing and training company Trainers’ House merged.

In other equity deals, Heinonen and Riikka Leinonen led the team advising meat processing company Atria on a €95 million rights offering.

On the debt side, Kari Lautjärvi advised Deutsche Bank as the manager of a €4 billion serial bonds issue by the Republic of Finland, and acted for paper manufacturer UPM-Kymmene on its €5 billion global MTN programme. Meanwhile, banking partner Henrik Mattson assisted on €5 billion medium-term covered note programmes by both Dresdner Bank and OP Mortgage Bank.

“Ours was a complicated transaction with many parties involved and they handled the deal very well,” says one capital markets client of the firm.

Leading lawyers

Mikko Heinonen
Klaus Ilmonen
Kari Lautjärvi
Jari Tukiainen

Roschier

Roschier’s capital markets practice is headed by Dimitrios Himonas, who has made a strong impression on both clients and peers during a year in which he has led on all of the firm’s notable transactions. “He has one of the longest track records in the Finnish markets,” says a client. “He is very experienced and has a good team as well.” One lawyer adds: “He’s an excellent guy in international deals and uses his staff well.”

One of Himonas’s most significant deals was acting for Lehman Brothers, Morgan Stanley and Barclays Capital as managers of a €1.1 billion securitisation of commercial mortgage-backed securities (CMBS) through

Windermere XIV, an SPV. The deal involved 596 commercial properties in Finland, France, Germany and Italy, and was the first securitisation of European CMBS since the credit crunch in summer 2007. It was also the largest-ever international CMBS securitisation involving Finnish properties.

Himonas also acted on the biggest offering by a Finnish issuer in 2007, working with partner Manne Airaksinen to advise Danske Markets and UBS Investment Bank as the joint global coordinators of the €250 million rights offering of northern European airline Finnair.

Nokia turned to Himonas and specialist counsel Vesa Rasinaho for assistance with the establishment of its €3 billion EMTN programme listed on the LSE. Himonas and Rasinaho teamed up again to advise Merrill Lynch International as the lead manager of an €85 million offering of convertible bonds by Finnish mining company Talvivaara.

Leading lawyers

Dimitrios Himonas

White & Case

“They are the only real option in Finland if you want to have combined Finnish and US security advice,” says a client of White & Case. “There’s no competition for US law-related matters. The capabilities in the firm are such that they are able in all transactions, even without the advice of their network.”

White & Case was involved in several innovative deals this year. The firm advised Nomura International and Carnegie Investment Bank as the managers for a €150 million convertible bond offering by Finnish tyre manufacturer Nokian Renkaat. The bonds were the first by a Finnish issuer to be listed on the euro multilateral trading facility market of the Luxembourg Stock Exchange.

The firm has established a strong relationship with Finnish mining company Talvivaara. The Helsinki office led the global White & Case team on Talvivaara’s £190 million IPO on the LSE, with Petri Haussila and senior associate Mikko Hulkko acting for the company on an €84.9 million convertible bond issue. Haussila is universally respected in the market. “He is the grand old man of Finnish capital markets,” says one rival.

The pair also acted for airline Finnair on a €250 million rights offering, and assisted the underwriters in the €117 million IPO of project management contractor SRV Group.

Meanwhile, partner Risto Ojantakanen and rising star Petri Avikainen acted for Evli Bank as manager for a €345 million secondary offering by wood company the Ruukki Group. One peer says of Avikainen:

“He’s no-nonsense, very knowledgeable and nice to work with.”

Leading lawyers

Petri Haussila

Castrén & Snellman

“They are very professional in what they’re doing,” says a client of Castrén & Snellman. “In addition to purely technical legal matters they’re also working for the client’s needs and benefits, and have the ability to utilise a broader business sense. They’re typically fast in implementation during transactions and they’re able to deliver the results in time, which is one of the most essential things.”

This year the firm’s standout capital markets deal was advising Finnish wood company Ruukki Group on its €345 million secondary offering of 130 million new shares, designed to finance a sawmill and chemical pulp mill in the Kostrom region of Russia.

Capital markets head Merja Kivelä led on the transaction, and is respected by both peers and clients. “On a personal and professional level I rate her rather highly,” says a client of Kivelä. “She’s very professional and her timing and expertise are great. She’s able to give added value to the client in addition to a technical legal perspective.”

While Pekka Jaatinen is better known for his M&A work, he also played a part on the Ruukki deal. “He really has a broad background,” says one client of Jaatinen. “He’s a tough negotiator, which nowadays you need.”

Leading lawyers

Merja Kivelä

Waselius & Wist

Waselius & Wist’s capital markets team has kept busy through a lean spell in the Finnish market by acting on numerous public M&A deals. But the firm’s reputation is such that it still picked up some notable capital markets mandates this year.

Evli Bank was obviously impressed by the work the firm did for it on the €25 million rights issue by circuit board manufacturer Aspocomp, as it returned to Waselius & Wist for advice on technology centre operator Technopolis’s €59.6 million rights issue in April 2008.

Head of equity capital markets Tarja Wist led on both transactions. “She’s a good quality lawyer who can manage all aspects of a deal,” says one peer of Wist. “Whenever she’s involved, there’s quality work.”

Wist also continues to advise Credit Suisse International on listing its securitised products on the Helsinki Stock Exchange.

Head of debt capital markets Lauri Peltola led on the firm’s largest capital markets transaction this year - advising banks including Barclays, Danske Nordea and ING on a €1 billion EMTN debt issuance programme listed on the LSE.

The firm’s future is secure if Mårten Knuts’ rise to prominence continues. “He’s a younger but talented lawyer, gaining experience all the time,” says a client of Knuts.

“We have preferred them among competitors for a few reasons,” says another client of the firm. “Their flexibility and knowledge in the field makes for a very good and competitive package.”

Leading lawyers

Lauri Peltola

Tarja Wist

Banking

Recommended firms

Tier 1

Castrén & Snellman
Hannes Snellman
Roschier

Tier 2

Borenus & Kempainen
LMR
Waselius & Wist
White & Case

Tier 3

Bird & Bird
Dittmar & Indrenius
Krogerus Attorneys

“Certain big international banks that were quite visible in the market, it’s fair to say that they’re not doing anything at the moment except renegotiating their portfolios,” observes one banking partner. Meanwhile more complex transactions have stalled.

But not everyone was a loser in the credit crunch. Nordic banks have taken advantage of the drop in competition from their stricken international rivals, and succeeded in creating a thriving local market. Their staple deals are the local, mid-sized deals that are now dominating the sector.

While lawyers were burning the midnight oil over the past two years on big-ticket work, even the ones who are not working in the mid-market have found plenty to keep them busy now it has disappeared. As one partner says: “There’s the maintenance and repair type of work. There’s a lot of restructuring, refinancing, renegotiating of existing terms and

conditions and so on. From a lawyer’s perspective, that translates into a lot of work.”

Castrén & Snellman

Tero Tuomisto made partner in February 2008 and now heads Castrén & Snellman’s banking and finance department. “He is a careful, meticulous lawyer with a solid academic background,” says one rival, while a client adds: “He’s like a bulldog or a terrier. Usually it leads to a situation where the counterparty has to give up something.”

Tuomisto and Pekka Lehtinen led the team which advised the RBS on the co-acquisition and financing of a real-estate portfolio from LR Finland Properties in June 2007. RBS International turned to the same team for advice on the financing of Axa’s acquisition of 129 properties in Finland in December 2007.

The firm’s presence in eastern Europe resulted in some notable deals for the Helsinki office. Senior associates Päivi Toivari and Sakari Lukinmaa advised Finland’s Pohjola Bank on the financing of AAC Capital’s acquisition of Empower, one of the Baltic region’s largest service providers to the energy and telecoms sectors. The pair also assisted Nordic bank SEB on the financing for Finnish real-estate fund EPI Russia I’s investment in a construction project in St. Petersburg, Russia. “He’s very pragmatic and solution-orientated,” says a client of Lukinmaa.

“It’s a long-standing relationship and we have had good experiences with them from the start,” says one banking client of the firm. “Their qualities are efficiency, experience and providing good solutions.”

Leading lawyers

Merja Kivelä

Tero Tuomisto

Hannes Snellman

“They’re number one,” says a rival of Hannes Snellman. “That’s the firm you see the most. They’re first-class, both in volume and quality.”

This year there were some significant changes to the firm’s banking team. Partner Matti Kurkela left the firm to establish a sole practice, while Henrik Mattson was made head of the finance group. Both peers and clients highlight Mattson’s work. “He’s very much the leader in this field,” says one rival, while a client adds: “His knowledge is right up there and he’s involved in the biggest deals.”

This year Mattson advised Pohjola Bank on a term facility agreement provided to private healthcare group Suomen Terveystalo for its €127 million acquisition of occupational healthcare provider Medivire. Mattson also

acted for German property financing company Aareal Bank on the €120 million financing of Ideapark, a shopping centre in Lempäälä, Finland.

Elsewhere, Kari Lautjärvi assisted banks including Nordea, Pohjola and SEB on a €350 million syndicated credit facility for real-estate investment company Sponda. The firm was also active for borrowers, with Matti Engelberg advising metals group the Componenta Corporation on a €200 million syndicated facility.

Specialist partner Jari Tukiainen leads on the firm's regulatory deals, and this year has advised clients including JP Morgan, Deutsche Bank and tyre manufacturer Nokian.

"We use them for all kinds of work," says one client. "They deal with so many financing cases that they know what the banks expect from them."

Leading lawyers

Matti Engelberg
Kari Lautjärvi
Henrik Mattson

Roschier

Roschier's banking practice is headed by Gunnar Westerlund. "He's in a different class - you get to the point immediately and don't have to haggle," says one competitor of Westerlund. Clients agree. "He's unsurpassed in financing agreements," says one, while another adds: "He's brilliant. He has a banking background and you can see that. He really adds value to the project he's in."

This year Westerlund has been particularly active in acquisition financing. He worked with senior associate Charlotta Furuhielm to advise retail group Stockmann on the financing of its €842 million acquisition of retail chain Lindex. He also acted for Danish-Finnish real-estate investment company Waterhouse on the financing of its acquisition of UPM-Asunnot, a Finnish property developer which owns 2,000 state-subsidised apartments.

The firm's presence in Finland and Sweden makes it a natural choice for some clients. SEB turned to Westerlund and senior associate Helena Viita for advice on the €800 million financing of CapMan Hotels' acquisition of 39 hotel properties across the two countries.

In other financing work, Westerlund and senior associate Selinda Näse acted for food company HKScan on the negotiation and documentation of a €550 million multicurrency credit facility provided by an international syndicate of banks.

The firm has a number of rising stars making an impression on the market, including senior associate Sini Soini. "She's a reliable counter-party who doesn't make you fight for nonsense matters," says a rival lawyer.

Leading lawyers

Gunnar Westerlund

Borenius & Kempainen

"We have used them a lot and have been very happy with them," says a client of Borenius & Kempainen. "They are very Scandinavian in the way they don't make a big fuss about small issues."

The firm has built a strong reputation on the lending side, with department head Ari Kaarakainen representing banking syndicates on all the firm's notable deals this year. "It's nice to have him on the other side - he's pragmatic and trustworthy," says one rival of Kaarakainen, while a client adds: "He's very calm, and he understands that you have to listen to your client."

Kaarakainen and Katri Suhonen acted for Sampo and other syndicated banks on a €550 million multicurrency credit facility for food company HKScan in June 2007. Sampo returned to the firm for advice on the financing of retail group Stockmann's €842 million acquisition of retail chain Lindex.

Kaarakainen and Suhonen also assisted Nordea Bank on the €190 million amendment and restatement of a syndicated credit facility originally provided to industrial adhesive producer Dynea in 2005. Elsewhere, Kaarakainen and Tuomas Toivonen advised Kaupthing Bank on the refinancing of refrigeration company Huurre Group's capital and other subordinated loans. Toivonen has since been recruited by Nordea.

On the regulatory side, the European Commission turned to Kaarakainen for advice on the implementation of capital requirement directives into Finland's legislation.

"Borenius are becoming stronger," says one competitor, while another adds: "They are easy to work with and constructive in their approach."

Leading lawyers

Ari Kaarakainen

LMR

"They are traditionally a very strong player in the banking sector," says one competitor of LMR. The firm showed its commitment to the sector with the promotion of senior associate Antti Niemi to the partnership in 2007,

which means from a total of seven LMR partners, four are focused on banking and finance.

This year Niemi advised Nordea Bank on a €160 million amendment and restatement of the senior facilities agreement and related security agreements for the financing of a company's acquisitions of healthcare companies in Poland and Sweden.

Department head Kimmo Mettälä, described as "an experienced and solid lawyer" by a peer, advised banks on the financing of a succession of private-equity deals in Finland this year. He acted as special Finnish counsel to Mizuho Corporate Bank and BNP Paribas on the €600 million senior and mezzanine facilities provided to 3i for its acquisition of Finnish telecoms network group Eltel. He also assisted Citigroup and RBS on the senior and mezzanine facilities agreement for EQT's acquisition of the Scandic Hotels Group.

Elsewhere, partner Janne Tuulos advised Pohjola Bank on the financing for private-equity firm Riverside's acquisition of steel-maker Keycast, based in Finland and Sweden. Tuulos's experience as head of trade and project finance for Nokia is particularly appreciated by clients. Says one: "I don't think there are many lawyers in Finland that know a lot about project finance, but you can see that he's been dealing with it all the time in his previous jobs."

Leading lawyers

Kimmo Mettälä

Waselius & Wist

Waselius & Wist has a very strong reputation in M&A, so its deal list is naturally dominated by acquisition financing transactions, with the firm this year advising banks on several notable private-equity deals.

Department head Lauri Peltola acted for RBS and other arrangers on the financing for French private-equity fund Sagard's acquisition of Fläkt Woods, a manufacturer of air treatment systems.

ABN Amro turned to Peltola for assistance on the financing for Swedish investment house Industri Kapital's acquisition of healthcare provider MedOne. Peltola also advised JP Morgan on the financing for UK private-equity firm Lion Capital's acquisition of baking group Vaasan & Vaasan. In addition, Peltola is active on the regulatory side, advising both Citigroup and the Axa Group this year.

Elsewhere, name partner Jan Waselius assisted Société Générale and Intermediate Capital Group on the financing for 3i's acquisition of inspection company Inspecta. Waselius's experience and reputation attract plenty of mandates. "In the nineties he was the name of Finnish banking, and he's not the

type of guy who's retiring anytime soon," says one rival of Waselius.

Clients believe rising star Tom Fagnäs will be increasingly important to the firm in years to come. "He's a real gem - a real find in the region because of his excellent understanding of complex regulatory issues, matched with his strong commercial awareness," says one client of Fagnäs. "He's ideal for Anglo-American banks going into the region."

Leading lawyers

Lauri Peltola
Jan Waselius

White & Case

"I have only positive experiences with them," says a client of White & Case's Helsinki office. "I think that they work very professionally and they have a wide range of people. We have had projects where both Finnish lawyers and UK lawyers have been involved and it's worked very well."

The firm has a particularly strong relationship with HSH Nordbank. This year it advised the bank on the financing of HgCapital's acquisition of talc mining group Mondo Minerals, and on the financing of a number of real-estate portfolio acquisitions. These included the acquisition by Danish-Finnish property investor Waterhouse of 2,000 residential apartments owned by UPM-Asunnot, which raised complex legal issues as most of the portfolio comprised state-subsidised rental apartments subject to various restrictions.

Timo Airisto advised on all of HSH Nordbank's Finnish transactions in the sector. "I appreciate working with him because he's smart and business-minded," says one rival of Airisto, while a client says: "He's quite pragmatic in the way that he can look at the case from our perspective and he has a commercial sense, which is a very valuable asset."

This year Airisto also represented Nordea Bank on the refinancing of vehicle inspection company A-Katsastus, and on a hire purchase and term-loan facility for Havator, a Finnish crane and lifting business.

Meanwhile partner Risto Ojantakanen acted for Straumur Burdardas Investment Bank on a syndicated debt facility for Pamplona Capital's acquisition of Elematic, a concrete technology company. He also assisted Stramur with a refinancing package for chemical transporter ADR-Haanpää, which is owned by Pamplona.

Leading lawyers

Timo Airisto

Mergers and acquisitions

Recommended firms

Tier 1
Hannes Snellman Roschier
Tier 2
Borenus & Kempainen Castrén & Snellman Dittmar & Indrenius White & Case
Tier 3
Bird & Bird Merilampi Marttila Laitasalo Waselius & Wist
Tier 4
Krogerus Attorneys LMR

The credit crunch has caused a shift in the balance of power in Finland's M&A market this year. "For years there have been great deals for synergies for industrial players available but they have been outbid by private-equity players," one partner says. "There was a lot of pressure for industrial players to grow aggressively and they haven't been able to meet targets. Now even a small drop in the price levels and the inactivity of private equity means they are rushing back into the market. They see opportunities to show something to the board and the shareholders."

Another lawyer sums up the market more succinctly: "On the industrial side there's a lot of cash after some very good years and they need to do something with it. Invest and expand is the mantra."

Nordic Capital showed that big private-equity players were prepared to re-enter the market with a €1 billion hostile bid for TietoEnator in March 2008, but the Finnish-Swedish IT group's shareholders rebuffed its advances.

Even without this mega-deal, this year has been Finland's strongest for a long time, simply because of the glut of strategic deals. But there is a feeling that some firms may struggle to hold on to their market share if private-equity players cannot regain their footing quickly. "Almost everything was an auction process last spring and everyone could get involved," one partner says. "Now industrial players are negotiating on a one-to-one basis."

Hannes Snellman

Hannes Snellman retains its place in the top tier, despite losing head of M&A Tuomo Vähäpassi to investment bank SEB in December 2007. Mikko Heinonen now leads

the department, which has had a busy year in both public and private M&A.

This year Alexander Bargum, promoted to the partnership in 2007, advised Northern European Properties on the €805 million sale of 39 hotel properties in Finland and Sweden to private-equity real-estate fund CapMan Hotels.

The firm's other notable deals involved advising the buyer. Leading lawyer Carl-Henrik Wallin assisted private-equity firm Industri Kapital with its purchase of Finnish gear manufacturer Moventas from CapMan funds and Varma. Meanwhile, Riikka Leinonen advised Korean shipbuilding and energy company STX on its acquisition of 39.2% of the shares in Norwegian shipbuilder Aker Yards.

Leinonen also acted as Finnish counsel for Nasdaq in its acquisition of the Nordic stock exchange operator OMX.

The firm's presence in Ukraine and Russia has attracted clients to the Helsinki office. For example, Tomas Holmberg acted as Finnish counsel to Russian oil company Lukoil on its \$400 million acquisition of 376 Jet petrol stations from energy company ConocoPhillips.

"They're good colleagues and very good competitors," says a rival of the firm.

Leading lawyers

Mikko Heinonen
Carl-Henrik Wallin

Roschier

Roschier has a considerable presence in the market, both for public and private deals. This year department head Ulf-Henrik Kull and Jon Unnéus acted for UK private-equity firm Lion Capital on its €425 million acquisition of Finnish baking group Vaasan & Vaasan from US private-equity house CapVest.

Kull and Unnéus teamed up again for Industri Kapital and TeliaSonera on the divestiture of telecoms infrastructure company Eltel Networks through an MBO backed by UK private-equity firm 3i. "He's a very pragmatic, result-orientated guy - you always find a solution with him," says a rival of Kull. A client adds: "He is the transaction strategy mastermind. He's very prudent in details and able to see the links to the business."

Kull and Lennart Simonsen assisted consumer products company Fiskars in its €230 million acquisition of a 97% stake in home-ware design company Iitala. "Lennart has a good helicopter view on the transaction, helping the client to understand what is going on and what it is that they really want to see as the result," says a client of Simonsen.

The firm's expansion into Sweden has made it a particularly attractive choice for some clients. Paula Linna and senior Helsinki partner Tomas Lindholm worked with Ola Åhman and Fredrik Rydin from the Stockholm office on Finnish department store Stockmann's €866 million public tender offer for its listed Swedish counterpart Lindex.

"They are an outstanding law firm with excellent transaction execution capacities in Finland, Sweden and the Baltic countries," says a client of Roschier.

Leading lawyers

Ulf-Henrik Kull
Tomas Lindholm
Lennart Simonsen

Borenius & Kempainen

Borenius & Kempainen is seen as one of the leading firms for private-equity transactions, and commentators feared the downturn in that market would hit the firm hard. But instead the M&A department showed its versatility by leading on some significant industrial deals, while remaining the firm of choice for many of the private-equity houses still doing business in the region.

In June 2008, department head Nina Wilkman advised Coca-Cola on its \$225 million cooperation agreement with Danish brewer Carlsberg. As part of the agreement, Coca-Cola bought Carlsberg's Hyvaa Paivaa soft-drink brand in Finland, and also licensed energy drink brand Battery from Carlsberg.

US materials company Rohm & Haas turned to Wilkman and specialist partner Andreas Doepel for assistance with its €60 million acquisition of the emulsion manufacturing division of Finnish company Forcit.

Meanwhile, Jyrki Tähtinen and senior associate Risto Sipilä advised investment funds run by Whitehall Street and Niam Nordic on the acquisition of shares in real-estate companies and properties across Finland. "If I was asked to recommend somebody I would tell them to turn to Jyrki," says one competitor of Tähtinen.

Elsewhere, Jari Vikiö acted for UK private-equity fund Pamplona Capital on its acquisition of Elematic, a company producing concrete-processing machinery, from a group of Finnish investors.

Leading lawyers

Jyrki Tähtinen
Jari Vikiö
Nina Wilkman

Castrén & Snellman

Castrén & Snellman lost former head of private equity Samuli Palin and four other lawyers to Krogerus in 2008, but the market certainly has no fears for its future after the firm recorded another solid year in both private and public M&A.

Leading lawyer Jan Kuhlefelt advised retailer Kesko on its €76 million sale of raw-materials unit Kauko-Telko to Aspo. Meanwhile, department head Jari Sonninen and partner Sari Hiltunen assisted industrial-services company YIT Industrial on the €20 million sale of its telecoms network business to Relacom Finland. One client says of Sonninen: "He has worked as a director for many, many companies so he has a very good understanding of business besides just business law."

The firm was also active for buyers, with Kimmo Rekola advising private-equity group 3i on its acquisition of inspection company Inspecta. Elsewhere, Kuhlefelt acted for Norwegian fertiliser company Yara International on its acquisition of the Republic of Finland's shareholding in fertiliser producer Kemira GrowHow and subsequent mandatory €500 million takeover offer.

Pekka Jaatinen and capital markets head Merja Kivelä also advised the John Nurminen Company on its €70 million acquisition of security product manufacturer Kasola through a reverse merger.

"They have a rather good team with an even distribution of talent," says a rival.

Leading lawyers

Jan Kuhlefelt
Jari Sonninen

Dittmar & Indrenius

Dittmar & Indrenius moves up a tier after it took a large share of the strategic deals that have arisen from the relative inactivity of private equity this year.

In September 2007, department head Anders Carlberg advised Finnish IT company Affecto on its €50 million combined share-and-cash offer for Component Software, a Nordic IT company listed on the Oslo Stock Exchange. One client says of Carlberg: "He has been working for us in so many transactions that he understands our needs very well, which makes it much easier for us."

The firm attracted clients from well beyond northern Europe this year. Carlberg and Jan Ollila assisted Taiwanese electronics company Lite-On Technology with its €277 million cash tender offer for Helsinki-listed handset casing company Perlos. Meanwhile, Markus Troberg and Juha Koponen acted for US high-tech developer United Technologies

Corporation on its €250 million acquisition of Marioff, a Finnish manufacturer of fire protection systems.

The firm didn't only act for industrial players, with Carlberg and Antti Kuusimäki advising Finnish private-equity house MB Group on its €127 million sale of occupational healthcare provider Medivire to private healthcare group Suomen Terveystalo. Ollila also assisted the Carlyle Group on the Finnish aspects of its €1.5 billion acquisition of Applus, the Spanish certification group.

The firm's other clients include German media corporation ProSiebenSat.1, French materials producer Compagnie de Saint Gobain and UK optician Specsavers.

Leading lawyers

Juha-Pekka Mutanen
Jan Ollila

White & Case

Peers comment that White & Case is "the more natural choice for US transactions", but the firm's deal list this year demonstrates its reach beyond Helsinki and the network's headquarters in New York.

In 2004 White & Case partner Timo Airisto advised the British private-equity fund Doughty Hanson on the purchase of two shopping centre portfolios in Finland, with Doughty returning to the firm in 2008 when divesting the assets.

Meanwhile, department head Petri Haussila acted for engineering company Luvata in its acquisition of Eco, a manufacturer of heat-transfer coils and coolers, from Compass Partners. The deal shows the firm's multi-jurisdictional strength, as it involved a Finnish buyer, an Italian target company with assets across Europe and North America, and a British seller.

Haussila also assisted Helsinki-listed fertiliser producer Kemira GrowHow in its merger with Yara International, which is listed on the Oslo Stock Exchange. "He's a very strong and well-qualified lawyer, and we like his style," says one client of Haussila. "He's direct, frank, a very strong negotiator, and you feel that he always has the details of the case right at his fingertips."

The firm was involved in some innovative deals this year. In one of the first public takeover bids carried out under the new Finnish takeover regime, Risto Ojantakanen advised investment services company FIM Group on a €341 million offer by Icelandic banking group Glitnir.

"They have a very strong acquisition practice, and on important transactions we are

reliant on their experience,” says a regular client of the firm.

Leading lawyers

Timo Airisto
Petri Haussila
Risto Ojantakanen

Bird & Bird

Finnish firm Fennica merged with UK technology firm Bird & Bird in May 2008, with its 10 partners receiving full Bird & Bird partnership. As Bird & Bird looked to expand into Finland, Fennica was an attractive choice because of the two firms' similar strengths in IT and communications.

“It’s always a surprise when you see a merger in Finland, but I’m sure it will add value to Fennica and to Bird & Bird,” says one lawyer in the market.

This year Matti Ylä-Mononen advised private-equity firm GMT, which focuses on communications investments, with the divestment of its shares in business and credit information company Suomen Asiakastieto to Investcorp. Department head Ylä-Mononen also assisted Finnish private-equity investor Sentica Partners on its acquisition of electronics manufacturer Darekon.

The firm showed its strengths beyond technology by advising Finnish real-estate group Realia on its acquisition of Baltic and central European real-estate company Oberhaus.

“I would say that they’re very commercial and pragmatic, which is unusual for many law firms,” says one client. “They get things done in a very efficient and professional manner. We have used them again since the first time and we will hire them again and again, certainly.”

Leading lawyers

Matti Ylä-Mononen

Waselius & Wist

Name partners Jan Waselius and Tarja Wist both have strong reputations in M&A, and continue to be the leading lights in their firm’s practice.

This year Waselius advised minerals company Omya on the sale of talc mining group Mondo Minerals to private-equity firm HgCapital. “In the past 25 years he’s been on all kind of deals,” says one peer of Waselius. “It’s admirable how well he does, how much time he still gives to the deals, and how much he cares about the deals.”

Wist was active for the buyers, advising private-equity firm Nordic Capital on its acquisition of paint company CPS Color

Group from Industri Kapital. She also assisted JP Morgan on its acquisition of financial-services group Nordea’s institutional global custody business.

United Arab Emirates exchange Borse Dubai turned to Wist for advice on the Finnish aspects of its \$5.3 billion takeover of OMX, which operates stock exchanges in the Nordic and Baltic regions. Borse Dubai subsequently sold OMX to Nasdaq in return for a 20% stake in the new entity Nasdaq-OMX.

“She’s outstanding as an all-round advisor,” says one client of Wist. “She was our adviser on a very large transaction across the Nordic region and covered the Finnish portion of the deal. She ensured service at a magic-circle level, but with a local touch.”

Leading lawyers

Jan Waselius
Tarja Wist

Other notable firms

Krogerus stirred up the legal market with the recruitment of Castrén & Snellman’s former head of private equity Samuli Palin, along with four of the firm’s senior lawyers, in June 2008.

This year the firm’s biggest deal saw Mika Ståhlberg and Kati Mattila advise on the €1.1 billion merger of seven companies to form Finnish telecoms company DNA. One peer says of Ståhlberg: “Their success is very much due to him and he should get credit for that.”