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New rules for venture capital

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In an effort to deliver on its promise stipulated in the coalition agreement on November 11 2005 to create an “internationally attractive framework for venture capital”, Germany’s grand coalition has prepared a set of new rules expected to be enacted in mid-2008. The heart of this reform is the introduction of a Venture Capital Act. As an ancillary measure, the existing rules of the Act on Funds for Private Investments in Companies are also to be amended. A related proposal concerns the introduction of special legislation to limit the risks of financial investments which, however, focuses on investments in listed companies and therefore should not have a direct impact on the venture capital market.

The Venture Capital Act intends to promote equity or equity-related investments in young and innovative companies, especially in the technology sector, by introducing a new type of regulated venture capital fund, the VCI fund. Most German venture capital funds are unregulated vehicles; they are not subject to special legislation and neither the funds nor their managers require a licence or permission.

The Venture Capital Act applies only to venture capital investments (VCIs) - that is, investments in companies that fulfil the following criteria:

- (i) They are organised as corporations.
- (ii) They are located within the European Economic Area.
- (iii) They have a maximum equity capitalisation of €20 million at the time of investment.
- (iv) They are not older than 10 years.
- (v) They are not publicly traded.

Approval and supervision

VCI funds can be structured in varying legal forms, for example, as limited partnerships (GmbH & Co KG) or as companies with

limited liability (GmbH). Any such vehicle with the purpose of investing in VCIs may seek approval as a VCI fund. The German Federal Financial Supervisory Authority, BaFin, grants the formal status. It is also responsible for the supervision of VCI funds.

The initial approval requirements are low. A VCI fund must have an equity capital of at least €1 million, 25% of which must be paid in upon approval, the remaining 75% within 12 months. In addition, a VCI fund must have at least two directors (individuals, not entities), who must be “reliable and professionally suitable”.

As part of its supervision, BaFin examines whether a VCI fund fulfils the mandatory investment criteria. Most importantly: (i) at least 70% of its capital must be invested in VCIs; (ii) a VCI fund may not hold more than 90% of the capital in any target company; and (iii) no single investment may account for more than 40% of the VCI fund’s capital. With regard to investors, VCI funds must have a minimum commitment of €50,000.

Tax status and benefits

The Venture Capital Act does not introduce a comprehensive tax regime. Rather, VCI funds are generally taxable under the existing rules applicable to their legal form. Thus, VCI funds organised as partnerships will be treated as tax-transparent (regarding trade tax, only if they qualify for non-business treatment), while corporations will be subject to corporate income tax and trade tax.

However, the Venture Capital Act does have tax implications. Under the proposed rules, a VCI fund enjoys certain tax benefits, the most prominent of which is a status of deemed non-business treatment for VCI funds organised as partnerships. Non-business treatment means that the partnership is fully tax-transparent for German (corporate) income tax and trade tax purposes. Partnerships engaged in trade or business, on the other hand, are subject to trade tax on their level and thus not fully tax-transparent.

Furthermore, non-business treatment of a fund leads to favourable taxation of carried interest for the carry holders.

To qualify for deemed non-business treatment under the proposed rules, a VCI fund may not: (i) trade investments on a short-term basis; (ii) invest in securities, money market instruments and investment funds; (iii) advise portfolio companies, grant loans to portfolio companies or take up loans on the fund level; (iv) recycle proceeds from investments; (v) act on a market by using professional experience; or (vi) enter into atypical silent partnerships. These activities may, however, be performed by a corporate subsidiary of a VCI fund without harming its favourable tax status.

These criteria are still subject to intense discussion between the federal ministries involved and German venture capital experts. It is not yet entirely clear whether they will be adopted as outlined above. The key issue is that the proposed rules are not consistent with, and in some respects are more restrictive than, the current administrative practice applied to unregulated funds.

Today, a great number of German venture capital funds (and even more buyout funds) already qualify for non-business treatment relying on the criteria of an administrative notion of the Federal Ministry of Finance of 2003, or are protected by a binding ruling of a financial authority confirming non-business treatment. It is therefore arguable whether VCI fund status is more a burden than a benefit in comparison with unregulated funds.

Apart from the deemed non-business status, VCI funds will benefit from extended loss carry-forward rules in respect to investments in portfolio companies with accumulated losses. These rules are widely regarded as helpful.

Act on Funds for Private Investments in Companies

Although most German venture capital funds are organised as unregulated funds, a regulat-

ed status is available under the Act on Funds for Private Investments in Companies (UBG status). A major benefit of UBG status is an individual tax exemption from German trade tax. The UBG status was originally legislated in 1987 and later liberalised on numerous occasions, but has not yet seen a major breakthrough. Only a few funds are acting under this status, usually vehicles from the domain of mutual savings banks. The current proposal aims to liberalise UBG status even further.

Capital markets – equity

| Recommended firms | |
|-------------------|---|
| Tier 1 | Freshfields Bruckhaus Deringer Hengeler Mueller Sullivan & Cromwell |
| Tier 2 | Cleary Gottlieb Steen & Hamilton Linklaters |
| Tier 3 | Clifford Chance Shearman & Sterling White & Case |
| Tier 4 | Allen & Overy Gleiss Lutz |
| Tier 5 | Baker & McKenzie Dewey & LeBoeuf Latham & Watkins |

The equity capital markets in Germany have come to a virtual standstill in the last year, with hardly any IPOs taking place. “Expectations are the problem,” says a partner. “You need to be optimistic about the future for an IPO, and the outlook is not there.”

That IPOs are not taking place does not mean that none are being planned. Prospectuses are often almost complete before the decision to postpone or cancel the deal is taken.

“Everyone is waiting for the light on the horizon,” says one capital markets lawyer. That light may be the IPO of Deutsche Bahn, which is expected to take place in the autumn. Commentators feel that the political will behind this transaction means that it would not be possible to pull it due to pricing concerns - and it could pave the way for a dozen or more further listings.

For now the hot topics are dual-track work, which better suits the current turbulence in the markets, and the possibility of Russian companies listing in Germany, for which regulatory changes would need to take place.

Freshfields Bruckhaus Deringer

Freshfields makes the leap up to the top tier this year, with an overwhelming number of competitors praising the firm for its strong deal record. The practice has emerged from its internal shakeup last year in great form, with Rick van Aerssen and Christoph Gleske again doing great work alongside well-respected department head Andreas König.

The firm stole the headlines this year when a team comprising König, Christoph Gleske and Mark Strauch won a prized role advising Deutsche Bahn on its proposed IPO, which also involves a restructuring and the establishment of a holding company.

Van Aerssen and Strauch teamed up to advise Hamburger Hafen und Logistik (HHL) and Freie Hansestadt Hamburg on the innovative €1.17 billion IPO of HHL's port logistics subgroup on both the Frankfurt and Hamburg Stock Exchanges in November 2007. This was the first listed German company to issue tracking stocks.

Freshfields was also involved in a considerable number of capital increases. Gleske advised Continental in May 2007 on its €1.5 billion capital increase through an accelerated bookbuilding, which included a private placement in the US. The transaction was the largest capital increase by way of an accelerated bookbuilding of a German company to date.

Van Aerssen and Strauch also worked with Maria Pflügl from Freshfields' Vienna office to advise Deutsche Bank, Bank Austria Creditanstalt and Morgan Stanley as joint global coordinators and bookrunners on Austrian real-estate company Immoeast's €3 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.

Leading lawyers

Christoph Gleske
Andreas König
Rick van Aerssen

Hengeler Mueller

Hengeler Mueller's equity capital markets team is without a doubt one of the leading practices in the market. The firm boasts the combined talents of Torsten Busch and

Wolfgang Gross, who are praised by peers for their high levels of client service.

The firm frequently wins roles representing issuers, with one highlight representing drug packaging manufacturer Gerresheimer on its €1 billion IPO on the Frankfurt Stock Exchange in June 2007. Capital markets partner Daniela Favocchia led the firm on the deal, which was one of a number of private-equity exits (in this case from Blackstone) via IPOs before the markets declined later that year.

In the same month, Hengeler Mueller worked alongside Davis Polk & Wardwell to represent diesel engine manufacturer Tognum on its €1.8 billion IPO on the Frankfurt Stock Exchange, the largest IPO in Germany since Deutsche Post in 2000.

Wolfgang Gross also led a team which advised SMA Solar Technology on its €361 million IPO on the Frankfurt Stock Exchange in June 2008.

Leading lawyers

Torsten Busch
Wolfgang Gross

Sullivan & Cromwell

Sullivan & Cromwell, a US firm, has advised on some of the biggest equity capital markets deals in the past year. Sullivan & Cromwell is the firm of choice in Germany for underwriters' counsel, with Krystian Czerniecki and Frankfurt managing partner Wolfgang Feuring described as some of the best in the business.

Sullivan & Cromwell's highlight for the year was advising the underwriters as German and US counsel on diesel engine manufacturer Tognum's €2.07 billion IPO on the Frankfurt Stock Exchange - the largest German IPO since Deutsche Post in 2000. Feuring and Czerniecki led the firm on the deal alongside Carsten Berrar.

Technau and Czerniecki followed this up in November 2007 to act for the underwriters on German and US law on HHL's €1.17 billion IPO on the Frankfurt and Hamburg Stock Exchanges - which was the first time a German company had issued tracking stocks.

In October 2007, the underwriting banks turned to Sullivan & Cromwell to provide US advice on Austrian real-estate company Strabag's €1.33 billion IPO on the Vienna Stock Exchange, the largest-ever IPO by an Austrian issuer. Sullivan & Cromwell also advised the underwriters on Premiere's €176 million rights offering in September 2007.

Leading lawyers

Krystian Czerniecki
Wolfgang Feuring

Cleary Gottlieb Steen & Hamilton

Although Cleary Gottlieb's Frankfurt office does not necessarily do the same volume of deals as some of its peers, the quality of mandates it has won and the overwhelmingly positive client feedback speaks for itself.

"They've been very satisfactory; they're very smart guys, very thorough," says a client of the firm. "They react very quickly to the demands we give them."

One of the firm's highest-profile roles was representing Strabag as German and US counsel on its €1.33 billion IPO on the Vienna Stock Exchange, Austria's largest-ever IPO. The listing, completed in October 2007, was led by partners Gabriele Apfelbacher, Ward Greenberg and Hanno Sperlich.

Apfelbacher and Greenberg were joined by Christoph von Dryander to provide German and US advice to Infineon Technologies on its €194 million offering of American depository shares in September 2007.

The Frankfurt office was also mandated on some notable deals on the underwriters' side. For example, Cleary Gottlieb advised Deutsche Bank and Lehman Brothers on Compugroup's €300 million IPO and rights offering on the Frankfurt Stock Exchange in May 2007. The firm also acted for Credit Suisse and Morgan Stanley as joint global coordinators and bookrunners on Gerresheimer's €1 billion IPO in June 2007.

Leading lawyers

Thomas Kopp
Christoph von Dryander

Linklaters

Linklaters kept its composure during a stormy year of internal changes to record another solid year, advising on a combination of IPOs and capital increases. While some clients say they would like a bit more time from their lawyers, most praised the firm for its headcount and the quality of its work: "The general impression of Linklaters is that they are a very well-respected firm with a good setup and a decent amount of lawyers," says one client.

One of Linklaters' highlights was advising real-estate investment company Eurocastle Investment on its €2.2 billion listing on the Prime Standard market segment of the Frankfurt Stock Exchange. The listing makes Eurocastle the first Guernsey-domiciled company to be listed on the Frankfurt Stock Exchange.

The firm backed this up to advise the underwriting banks on a €150 million institutional offering by SAF-Holland, an acquisition vehicle owned by private-equity house

Pamplona, in July 2007. The listing consisted of a Regulation S offering, and a listing on the Frankfurt Stock Exchange.

Linklaters was again active on the underwriters' side to advise the banks on tyre manufacturer Continental's €1.48 billion capital increase, which was to be used to partly refinance the takeover of Siemens VDO. Herbert Harrer and Fabian Ehlers led the firm on the transaction, which was the largest accelerated bookbuilding placement of a German company (excluding pre-emptive rights) ever.

The firm also represented WestLB as underwriter on Fair Value Immobilien's €100 million listing on the Frankfurt Stock Exchange. The transaction was the second German real-estate investment trust (Reit) in the market after last year's Alstria listing, which Linklaters also advised on.

Leading lawyers

Herbert Harrer

Clifford Chance

Headed by Markus Pfüller, Clifford Chance's equity capital markets team is praised by clients for its capacity to act on deals with an international dimension.

"They are very good, very experienced. We are working with a team of international lawyers from a variety of firms, and Clifford is one of those present," says a client. "I'd say, together with Linklaters, they were the best when you have to find solutions to international difficulties."

The firm scored a coup when it landed a role advising the German government on the proposed IPO of state-owned rail operator Deutsche Bahn and its freight subsidiary, DB Mobility Logistics. The listing is still in the planning stages and is expected to go ahead in late 2008.

Markus Pfüller headed a team in summer 2008 which advised on the €2.4 billion dual-track sale of Evonik Industries. The IPO was prepared but a trade sale to private-equity investor CVC was eventually preferred.

CA Immobilien Anlagen turned to Clifford Chance in May 2007 for advice on its €676 million rights issue in Vienna, while the firm also advised GBK Beteiligungen, German private bank MM Warburg & Co and Equinet on a rights issue and public offering of shares in GBK Beteiligungen.

Leading lawyers

Markus Pfüller

Shearman & Sterling

Shearman & Sterling's equity capital markets practice is headed by the well-regarded

Stephan Hutter, who was joined this year by newly appointed partners Marc Plepelits and Marco Sustmann.

The firm advised mostly on the underwriters' side, with one highlight seeing Hutter lead a team which acted for JP Morgan and Unicredit as German and US counsel in Premiere's €180 million rights offering and capital increase in October 2007.

In the same month, Stephan Hutter and Marc Plepelits were called upon to advise Deutsche Bank and Raiffeisen Centrobank as international and US counsel in Raiffeisen International Bank-Holding's €1.2 billion rights offering and capital increase.

The firm also advised Hypo Real Estate Holding on a capital increase for the acquisition of Depfa Bank in October 2007.

Leading lawyers

Stephan Hutter

White & Case

White & Case's equity capital markets practice has returned to the third tier this year after strong recommendation from both clients and peers. The US firm's equity department is headed by Volker Land and Lutz Krämer - with the latter settling in well after joining from Freshfields last year.

Clients were particularly impressed with the firm's quality of advice: "They are not just good on the theoretical side of things, but very commercially and practically oriented," says one.

One of the firm's most notable deals was advising Drägerwerk in its change into a joint-stock company and its subsequent listing of partnership preferred shares on the Frankfurt Stock Exchange. The transaction, led by Volker Land and Andreas Meyer-Landrut, was completed in May 2007.

Benedikt Gillissen and Lutz Krämer acted for Drillisch in its €110 million rights offering. The transaction was structured to allow for the issue price near the end of the subscription period to be fixed, which enabled the company to consider the most recent market developments. Gillissen also teamed up with James Black to advise DIC Asset on its €62 million rights offering.

The firm also advised Bank Austria as international counsel on two IPOs on the Vienna Stock Exchange - an Austrian warehouse logistics provider, and an Austrian-Russian specialist chemical company.

Leading lawyers

Lutz Krämer
Volker Land

Capital markets – debt

| Recommended firms | |
|--|--|
| Tier 1 | |
| Hengeler Mueller Linklaters | |
| Tier 2 | |
| Clifford Chance Freshfields Bruckhaus Deringer | |
| Tier 3 | |
| Allen & Overy Cleary Gottlieb Steen & Hamilton Gleiss Lutz White & Case | |
| Tier 4 | |
| Latham & Watkins Lovells Shearman & Sterling | |

A mere 12 months ago, firms were rushed off their feet with work, with some firms boasting of closing a debt deal per day. “You had to leave the country to fail to get a mandate,” says one partner.

But products which were doing well a year ago, such as commercial mortgage-backed securities (CMBS) have fallen out of favour, with investors instead looking towards covered bonds as their preferred investment vehicle.

While the debt markets are much slower, they are far from dead and buried. Traditional products such as the *Pfandbrief* (German covered bond) and the *Schuldschein* (unlisted bond) are seeing a resurgence, with many investors perceiving them to be a safer option in the troubled debt markets.

The slowdown of debt activity has meant that firms have been unable to show off their considerable skills, which explains the relatively few movements in the rankings this year. Linklaters remains at the top alongside perennial top-tier firm Hengeler Mueller, with Clifford Chance and Freshfields following closely behind.

Hengeler Mueller

Another year, another tier-one placing for Hengeler Mueller’s debt capital markets team. The firm was again unanimously referred to as a market leader by competitors, who also admire the firm’s ability to maintain its dominance for so many years.

Hengeler’s head of debt capital markets, Hendrik Haag, took over the reins from Hannes Schneider last year and has done an exceptional job, with market commentators noting his skill on straight debt work.

One of the firm’s highlights saw Hendrik Haag led a team which advised the German government and the German Finance Agency on the development of a new investment product called *Tagesanleihe* (overnight bond), where the rate of return is aligned to the call rates on the interbank market. The bond is the German government’s first new investment instrument in the private-investor segment for decades.

Hengeler Mueller acted for Deutsche Börse Commodities on its issue of 10 billion gold debt securities in December 2007, of which one debt security corresponds to one gram of gold. The debt securities were listed on the Frankfurt Stock Exchange and on the trading platform Xetra of Deutsche Börse.

Daniela Favoccia and Torsten Busch from the Frankfurt office also advised Merck on its €500 million benchmark bond, which was listed on the Luxembourg Stock Exchange.

Leading lawyers

Hendrik Haag

Linklaters

Linklaters receives an overwhelmingly positive response from clients: “We’ve had a very good experience with them; they’re a great law firm,” says one. “They’re highly qualified people and we’re really, really happy with them.”

Another client comments that they were satisfied with Linklaters’ performance - so satisfied in fact that they recommended the firm to industry competitors. “They gave us especially good advice on certain deals and we have developed a very good working relationship,” the client says.

Led by Peter Waltz, the debt practice was boosted this year by hiring counsel Gabriele Röhl from Allen & Overy.

Linklaters has made a name for itself in the covered-bond market, advising a number of issuers and arrangers on the structuring and documentation of covered bonds to be issued as German law-governed registered bonds.

But Linklaters’ expertise doesn’t stop there: under Danske Bank’s €15 billion covered-bond programme, the firm advised issuers and arrangers on structured bonds covered under non-German covered-bond regimes, which were at the same time being documented in the same format as a German law-registered bond.

Linklaters was also involved in the convertible-bond market, with one highlight advising the lead managers on real-estate company Immofinanz’s €750 million issue of convertible bonds in November 2007. The first placement, on which Linklaters also advised, took place in January 2007 and was the

largest-ever issuance of convertible bonds by a European real-estate company.

The firm was active in straight debt issuance, with Röhl and Waltz leading a team which represented Deutsche Börse on its €500 million Eurobond offering in April 2008. Waltz also advised Allianz on its issue of €1.5 billion of fixed-rate senior notes in February 2008, which are expected to be listed on the Luxembourg Stock Exchange.

Leading lawyers

Peter Waltz

Clifford Chance

Clifford Chance’s debt capital markets team is headed by Sebastian Maerker, who is very well regarded by peer and clients alike. The firm acts for both issuers and underwriters, and advises on all manner of debt instruments.

One of the firm’s highlights saw Maerker act for Munich Re on its €1.5 billion hybrid-bond issue in June 2007. Maerker showed his flexibility when he represented Deutsche Bank and Goldman Sachs as underwriters on Siemens’ €3.4 billion bond issue in June 2008.

Marc Benzler and Holger Schelling were also active this year, acting for Landesbank Baden-Württemberg on its €10 billion structured-instruments programme.

The pair also acted for Bayerische Hypo- und Vereinsbank on its €50 billion debt issuance programme, which involved the insertion of credit-linked note provisions, including CDO components.

Leading lawyers

Sebastian Maerker

Freshfields Bruckhaus Deringer

Christoph Gleske heads Freshfields’ debt capital markets practice, whose work crosses over into a number of departments, which is why partners such as Rick van Aerssen and Andreas König are seen regularly on debt transactions.

One of the firm’s highlights this year was advising Porsche Holding Finance and Porsche Automobil Holding on the €1 billion, dual-tranche private placement of a hybrid bond in December 2007.

Van Aerssen and Austrian partner Maria Pflügl were called upon in September 2007 to advise UBS, Dresdner Bank and Erste Bank as underwriters on a €1 billion hybrid bond issued by Austrian steel group Voestalpine.

Gleske showed the firm could win mandates in tough markets when he won a role in June 2008 to act for Deutsche Bank, Morgan Stanley, BNP Paribas and Dresdner Kleinwort

as lead managers of Deutsche Börse's €550 million hybrid-bond issuance. This was the first public benchmark corporate hybrid bond from a German issuer since the beginning of the financial crisis in the summer of 2007, and was the first in Europe in 2008.

Van Aerssen, Gleske and König teamed up to act for the underwriters, joint bookrunners and joint lead managers on the structuring and placing of a €450 million synthetic exchangeable bond for German travel company TUI, a deal which included a number of complex derivative features.

Leading lawyers

Christoph Gleske

Allen & Overy

Headed by Okko Hendrik Behrends, Allen & Overy's debt capital markets department slips a tier this year after market opinion concluded the UK firm has lost ground to second-tier firms Freshfields and Clifford Chance.

The loss of senior associate Gabriele Röhl to Linklaters in November 2007 was also a blow, but the firm hired associate Jens Nollman from Taylor Wessing in February 2008 in an attempt to plug the gap.

While the firm is strong in the structured retail products market, Allen & Overy's straight debt practice wasn't as active as in previous years. The firm's highlight this year was its role advising E.On on its €30 billion debt issuance programme in the first quarter of 2008. The firm also acted for JP Morgan on NRW Bank's €1.25 billion note issuance in November 2007.

Leading lawyers

Okko Hendrik Behrends

Cleary Gottlieb Steen & Hamilton

While Cleary Gottlieb does not have a dedicated head of debt capital markets work, Frankfurt partners Gabriele Apfelbacher and Ward Greenberg and counsel Manuel Metzner are seen regularly on debt deals.

Clients have positive things to say about Cleary's debt practice. One notes that while they hadn't mandated the firm recently, they have always found Cleary Gottlieb to be very amenable.

One of the firm's highlights was advising Qimonda on its \$218 million offering of senior unsecured convertible notes in February 2008. The deal was the first US dollar-denominated, SEC-registered convertible bond issued by a German stock corporation.

Gabriele Apfelbacher, Manuel Metzner and Michael Volkovitsch from the Milan office teamed up to represent the initial purchasers, led by Banc of America Securities, Deutsche Bank, Goldman Sachs and JP Morgan, in E.On's \$3 billion Rule 144A and Regulation S offering of senior notes in April 2008. The offering was one of the largest by a corporate issuer since the onset of the credit crunch.

Cleary Gottlieb also advised the banks as joint lead managers on two Regulation S offerings of convertible bonds - steel distributor Klöckner & Co's €325 million issue and travel group TUI's €694 million offering on the Luxembourg Stock Exchange.

Leading lawyers

Ward Greenberg

White & Case

Headed by Frankfurt partner Jochen Artzinger-Bolten, White & Case acted on the establishment of, and provided continuous advice on, a range of debt issuance and note programmes.

Artzinger-Bolten and Jörg Liesenfeld led a team which advised Citigroup Global Markets as arranger of the debt-issuance programme of Deutsche Postbank, the EMTN programme of DekaBank Deutsche Girozentrale, and the debt-issuance programme of Landesbank Hessen-Thüringen Girozentrale.

Barclays Bank also turned to Artzinger-Bolten for the establishment of its German notes programme, while Artzinger-Bolten advised Barclays as arranger of the BMW Group's EMTN programme.

Leading lawyers

Jochen Artzinger-Bolten

Capital markets – structured finance and securitisation

Recommended firms

Tier 1

Clifford Chance
Hengeler Mueller

Tier 2

Linklaters

Tier 3

Baker & McKenzie
Freshfields Bruckhaus Deringer
White & Case

Tier 4

Allen & Overy
Sidley Austin

While the credit crunch has certainly left some products - such as commercial mortgage-backed securities (CMBS), residential mortgage-backed securities (RMBS) and asset-backed securities (ABS) - dead in the water, the flow of work has not dried up.

It is uncertain if demand for these products will pick up again, but for now they are being used as collateral for refinancing, especially to access funds from the European Central Bank.

Lawyers who have been involved in the creation of complex structures will now be in demand to help on restructuring work.

"Regulatory expertise is very important as is knowing the product which you're trying to unravel," says one lawyer. "You need to have done them to understand and be able to find solutions."

Firms will also need to be able to field a team with international work if they are to win mandates on the restructuring of securitised assets. Says one local partner: "Germany bought bad English and US products so we now need UK and US lawyers to help."

Clifford Chance

Headed by Kirti Vasu, Clifford Chance boasts one of the largest securitisation teams in Germany, and advises on everything from ABS portfolios to CMBS transactions.

Clients are impressed by the firm's international reach and critical mass: "They have great partners, but also great teams behind them, and lots of great associates coming through," says one client.

Being at the top of the market can sometimes cause problems however, as partner availability can become limited, especially in boom times like mid-2007. But some things are good enough to wait for: "This is to be

expected; if you want the best, you have to wait, so it's ok," says a client of the firm.

Vasu led a team which advised Bayerische Hypo- und Vereinsbank as lead manager on a €6.2 billion synthetic risk transfer of corporate loans from HVB, Unicredit Banca d'Impresa and Bank Austria Creditanstalt in August 2007. This involved the establishment of EuroConnect Issuer, an Irish SPV, to provide credit protection to the banks for its respective portfolio, which the issuer funded through various classes of notes governed by English law and rated by Standard & Poor's and Fitch. This was the first synthetic structure to successfully combine the loan portfolios of three banks in different jurisdictions in a single transaction.

Vasu teamed up with fellow Frankfurt partners Arne Klüwer and Hubert Schmid to act for Lehman Brothers as arranger of a €585 million true-sale CMBS of 416 commercial mortgage loans secured on a portfolio of 205 commercial properties. The transaction involved the sale of receivables from an SPV through a bank to a German SPV to enhance the robustness of the tax analysis, and also combined traditional CMBS features with portfolio securitisation techniques.

Vasu and Oliver Kronat also represented ABN Amro as arranger and HSBC as lead manager on the securitisation of car loans by FCE Bank.

Leading lawyers

Kirti Vasu

Hengeler Mueller

Hengeler Mueller works across the full range of securitisation sectors, with a particular focus on synthetic structures.

One of the firm's highlights was advising Hypo Real Estate Bank and KfW on a €4.6 billion synthetic CMBS securitisation of a portfolio of German residential and commercial mortgage loans, which was done on the basis of the Provide platform. Led by Stefan Krauss, the deal was the largest CMBS in Germany in the past year.

Martin Geiger followed this up to advise Morgan Stanley on the €1 billion Vulcan pan-European CMBS transaction, which involved the securitisation of Dutch, German and French commercial loans.

On the CDO side, Krauss and Dirk Bliesener represented WestLB on the €23 billion Phoenix Light CDO. The transaction was not only the largest CDO transaction worldwide last year, but also the first-ever public risk shield transaction in Germany as a result of the subprime crisis.

Collineo Asset Management and Citigroup Global also turned to Krauss for

advice on the €2.13 billion Bonifacius managed cash CDO transaction - the largest of its kind in the tough market conditions at the end of 2007.

Leading lawyers

Martin Geiger

Stefan Krauss

Linklaters

Linklaters stands by itself in the second tier this year after market commentators noted the firm's commitment to the sector, particularly in the securitisation market. The securitisation team is headed by Kurt Dittrich and contains Laurenz Uhl, who is recognised by the market for his work on synthetic securitisations.

On one of the firm's standout deals, Uhl led a team which advised the underwriting banks on Depfa Bank's innovative €110 million synthetic securitisation of project finance loans in December 2007. The securitisation consisted of Depfa loans to finance PPP projects for the construction of schools, hospitals and roads around the world.

Linklaters also showed it could work on true-sale structures when Dittrich and Thomas Prüm led a team representing RBS, JP Morgan and Société Générale on the €1.16 billion securitisation of a portfolio of unsecured consumer loans of Postbank in January 2008. This was the first true-sale securitisation of a portfolio of unsecured consumer loans in Germany.

The firm's structured-finance team, headed by Berthold Kusserow and Oliver Dreher, also had a strong year, acting on the structuring and documentation of structured products, both on a drawdown and standalone basis.

Dreher led a team which acted for HSBC Trinkaus & Burkhardt to establish its international warrant and certificate programme in September 2007.

ING also turned to Dreher for advice on its €80 billion global issuance programme of structured products for the German market. Linklaters worked alongside its Amsterdam office to advise the bank on the scope of the expansion of the programme. This was the first time that a documentation which implements German retail market prospectus standards has been approved in the Netherlands.

Leading lawyers

Laurenz Uhl

Baker & McKenzie

Baker & McKenzie's structured-finance team is headed by Dietmar Helms, who is praised

by peers for his strong work. The firm has been busy this year, with a particular focus on auto-loan securitisations.

Clients are happy with Baker & McKenzie's work, and describe the firm as very client-oriented. "Why them over other firms? Well, we find them very approachable," says one client. "Also they have great expertise in the specific classes where we are dealing with them at the moment. They are one of a strictly limited number of firms we use in this sector."

The firm's highlight this year was advising WestLB in the €800 million securitisation of auto-lease receivables for BMW Leasing in July 2007. This was the first public securitisation of a two-tier leasing structure in Germany, and the first public securitisation of BMW in Europe.

Baker & McKenzie also advised ABN Amro and Landesbank Hessen-Thüringen Girozentrale in June 2007 on the first ABS transaction for Deutsche Leasing. The company sold €300 million of receivables from car-lease financings, which are being refinanced via the asset-backed commercial-paper conduits Tapco and Opusalpa.

The firm must have done a good job, as it was again mandated by WestLB in January 2008 on the securitisation of €200 million lease receivables and €100 million residual-value receivables of Universal Lease Iberia and Universal Lease Iberia Finance - the Spanish subsidiaries of GFKL Financial Services.

Baker & McKenzie also acted for DZ Bank on a €50 million securitisation structure for Robert Straub, the German franchise partner of car rental company Alamo. Baker & McKenzie advised DZ Bank in the legal structuring and implementation as transaction attorney. The deal involved the securitisation of residual-value receivables and buyback receivables, which used a ring-fenced, asset-holding SPV incorporated in Austria.

Leading lawyers

Dietmar Helms

Freshfields Bruckhaus Deringer

Bernhard Kaiser heads up Freshfields' structured-finance and securitisation practice, which this year was heavily focused on the restructuring of existing securitisation transactions.

Highlights include acting for KfW as shareholder on the restructuring of IKB Deutsche Industriekreditbank, and representing the state of North Rhine-Westphalia as shareholder in the restructuring of WestLB's on- and off-balance sheet structured-finance assets through the establishment of the Phoenix Light programme.

Away from the restructuring market, Kaiser advised HSH Nordbank on the €5 billion synthetic securitisation of a shipping loan portfolio. He also acted for Société Générale on the €1.5 billion securitisation of the leasing receivables of the LeasePlan group, using the technology developed in the League 2006 securitisation.

Freshfields also advised DWS, Deutsche Bank's fund management arm, on a structured-notes issue by DWS Access, a Luxembourg securitisation company. The company is linked to notional interests in a Cayman Islands limited partnership, which in turn invests in property development in Russia.

Leading lawyers
Bernhard Kaiser

White & Case

"Broadly speaking, we're very satisfied with them," says one client about White & Case's structured-finance and securitisation practice. "They've got very experienced, very structured teams; they're very good at persistently pushing people along, making sure everybody's on the same page."

The client continued: "In fact, we recommended them to a competitor, who was the other party on a deal we were working together, who were initially reluctant to work with them. But actually, they were so impressed by them that they now see them as being in the top bracket in this sector, and plan to use them in the future."

With such positive client feedback, it is no surprise that White & Case is seen as a leading firm in the structured-finance and securitisation market. The practice is headed by peers' favourite Ulf Kreppel, while Nick Wittek is singled out by clients: "I was very impressed by him," says one.

The firm's highlight saw Kreppel advise GMAC-RFC in the German public true-sale securitisation of €570 million of non-commercial real-estate loans. In particular, the firm advised on the portfolio sale of the loans and the public placement of a bond.

Kreppel was again active when he advised Barclays Capital on the securitisation of the Hercules €1 billion commercial real-estate portfolio. Kreppel also advised Allianz in the structuring of a collateralised loan obligation (CLO) transaction, where the CLO vehicle refinanced itself through the use of promissory notes.

Dennis Heuer was mandated to advise GFKL Financial Services on the securitisation of a lease receivable, while Nick Wittek acted for DeAM on a range of issues involving synthetic CDOs, constant proportion debt oblig-

ations, constant-proportion portfolio insurances and cash-flow CDOs.

Leading lawyers
Ulf Kreppel

Banking

| Recommended firms | |
|-------------------|---|
| Tier 1 | Allen & Overy Clifford Chance Freshfields Bruckhaus Deringer Hengeler Mueller Linklaters |
| Tier 2 | Milbank Tweed Hadley & McCloy White & Case |
| Tier 3 | Ashurst Latham & Watkins Lovells |
| Tier 4 | Baker & McKenzie Cleary Gottlieb Steen & Hamilton Gleiss Lutz Norton Rose Shearman & Sterling |

Banking is another sector that has seen dramatic fallout from the international credit crisis. On the acquisition side deal size has fallen, with any deal involving a debt component of more than €500 million now difficult to finance.

It is becoming more common for banks to club together to provide financing, and to assure syndication early on. While the overall process remains the same, far more care is being taken with the intermediate steps in any deal. And with an increase in the number of borrowers negotiating a full-term document at an early stage, deals are taking much longer.

For now it seems unlikely that any truly huge transactions will see completion. "The €1 billion-plus sponsor-driven deals have dropped off. Even with club deals it gets to a stage where even a big club cannot get the money together," says one partner.

That is not to say that the coming months will be quiet. Borrowers who negotiated loans on favourable terms last year are aware that banks are looking for exit strategies. If financial covenants are not met then the banks will be in a strong position. Whether banks look to enforce or renegotiate terms, there will be

plenty of work for firms with good reputations.

"Restructuring is the backyard of banking and finance," says one lawyer, adding: "Banks like a brand name - that way if something goes wrong they can say they hired one of the usual suspects."

Allen & Overy

Peter Hoegen heads up Allen & Overy's powerhouse banking practice, which covers everything from acquisition finance to debt refinancing. Clients were also pleased with the firm, especially its depth and quality of resources.

While the firm has the benefit of being able to lean on its strong London banking base, it is increasingly winning strong local mandates in its own right. One highlight was advising Eurohypo on the €384 million financing and development of the Kaiserkarree area of Frankfurt in December 2007.

Peter Hoegen acted for Hypo Real Estate Bank International on a refinancing by ABN Amro and the release of its existing security in May 2007. The original financing was granted by Hypo International for the acquisition of 108 real-estate properties in Germany from DB Real Estate.

Allen & Overy also acted as German counsel on one of the larger financings of 2008 - Mediaser's €2.8 billion acquisition finance facility for the purchase of Endemol from Telefónica in January 2008. The firm advised the underwriting banks on the deal, which involved a €2.48 billion senior credit facility and a €325 million mezzanine credit facility.

Neil Weiland also led a team which advised Towerbrook Capital Partners as German counsel on the financing of the acquisition of a majority interest in the pack2pack group in March 2008.

Leading lawyers
Peter Hoegen
Neil Weiland

Clifford Chance

Bettina Steinhauer heads up Clifford Chance's bank lending department, which boasts a very strong and well-manned banking department, and focuses on acting for prominent lenders and private-equity houses in all areas of bank lending.

Richard Ernest moved across to the Dubai office in January 2008, with senior associate Loren Richards drafted in to replace him. While some peers suggest that the slowing market will make things difficult for such a heavily-staffed team, the firm is still working

on market-leading transactions which are keeping its lawyers on their toes.

Steinhauer led a team which advised Deutsche Bank as lender and arranger on the acquisition of Hanson by Heidelberg Cement in August 2007. Barbara Mayer-Trautmann backed this up in November 2007 to act for Dresdner Bank as lender on the financing of Arcapita Bank's acquisition of Profine from Advent International and Carlyle.

Alexandra Hagelüken was also active this year, leading a team which represented Norma Group and its owner, 3i, on the refinancing of Norma Group, as well as the financing of Norma's acquisition of Breeze Industrial Products Corporation from Wind Point Partners.

Clifford Chance also uses its German offices as a base for work into Turkey. On one deal, Nicholas Wong acted for lead arrangers Akbank and Türkiye Garanti Bankasi on an acquisition financing facility to STPAS to acquire a 51% shareholding in Petkim Petrokimya Holding under a much-publicised privatisation tender.

Leading lawyers

Barbara Mayer-Trautmann
Bettina Steinhauer

Freshfields Bruckhaus Deringer

Freshfields' banking team, headed by Yorck Jetter, survived all the internal shakeups last year to win a number of key mandates in the refinancing, real-estate and acquisition financing fields.

One of Freshfields' highlights was its work advising Hochtief on the refinancing of the company's European bonding requirements through a €2 billion syndicated letter-of-guarantee facility and an amendment of its €600 million of loan facilities, along with a further €400 million guarantee facility.

Jetter led a team which advised CVC Capital Partners on the financing of the acquisition of a 25% stake in Evonik Industries from RAG-Stiftung in June 2008 - the largest private-equity investment in 2008 so far in Germany.

Jetter, working alongside equity capital markets partners Mark Strauch, Andreas König and Rick van Aerssen, also won a role advising Fresenius on the \$4.7 billion debt-and-equity financing of its planned acquisition of the US-listed generic pharmaceuticals manufacturer APP Pharmaceuticals.

Freshfields was also active in the real-estate financing market. Frank Laudenklos led a team which advised Lone Star Real Estate Fund on the €730 million financing of the acquisition of a portfolio of 1,300 German real-estate properties from Deutsche Post. The transac-

tion included a combination of a *Pfandbriefe* and a traditional loan syndication by a consortium of commercial banks.

Leading lawyers

Yorck Jetter

Hengeler Mueller

Hengeler Mueller primarily advises on acquisition finance facilities which tie in with its market-leading corporate practice.

Its reputation among corporates means the firm is most often seen representing borrowers, with one highlight advising US company Eaton Corporation on the financing of its €1.55 billion acquisition of Moeller Group in December 2007.

Johannes Tieves advised Freenet on the financing of its €1.6 billion acquisition of Debitel from private-equity house Permira in April 2008. HeidelbergCement also turned to Tieves for advice on the financing of its £8 billion acquisition of UK building materials manufacturer Hanson.

Hengeler Mueller also acts for lenders. In October 2007, Thomas Cron led a team which advised Deutsche Bank on financing of SAP's €4.8 billion acquisition of Business Objects.

In the financial services regulatory market, the firm's highlight was its work on the establishment of KfW IpeX-Bank.

Leading lawyers

Thomas Cron

Linklaters

Linklaters' German practice is helped by its powerful London base. The firm's banking department is headed by Carl-Peter Feick, and contains the well-regarded duo of Eva Reudelhuber and Marc Trinkaus.

One highlight this year was the firm's work advising Citi, Mediobanca and Unicredit as German counsel in the €2.3 billion financing of Permira's acquisition of Valentino and Hugo Boss, which was awarded *International Financial Law Review's* award for the European private-equity deal of the year for 2008.

On another notable mandate, Linklaters acted for Citibank and Goldman Sachs on the financing of Continental's €13.5 billion takeover of Siemens VDO in December 2007. The deal was one of the largest syndicated loans since the credit crunch took hold in August 2007.

The firm also acted as German counsel to Swiss Life on the €1 billion financing of its acquisition of AWD in December 2007. As the deal involved a Swiss bank taking over a

German target, the transaction had to be structured in a way that did not trigger the Swiss 10/20 withholding tax rules.

Linklaters also advised RBS on a €300 million bridge-to-high-yield facility and a €250 million revolving credit facility to Premiere and Premiere Fernsehen in June 2007. The deal was initially structured on the back of the high-yield offering, with all high-yield covenants reflected in the bridge and revolving-credit facility agreements.

Leading lawyers

Carl-Peter Feick
Eva Reudelhuber
Marc Trinkaus

Milbank Tweed Hadley & McCloy

Milbank Tweed Hadley & McCloy holds its position in the second tier despite the departure of Christina Ungeheuer last year. The market notes that the firm has a strong focus on leveraged buyouts, which some commentators say may cause some problems for the firm down the line given the market conditions.

But Milbank's deal list showed that it can do work outside the acquisition finance market. Plastics company Cognis turned to Magold and Simone Jorden for advice on its provision of €1.65 billion of high-yield and credit facilities in July 2007.

But the firm's highlight last year was undoubtedly its role advising ProSiebenSat.1 on the €4.2 billion financing of its acquisition of the SBS Group in July 2007. Rainer Magold followed this up a month later by leading a team which advised Advent International in the €700 million financing of its acquisition of Takko Group.

Milbank has been active since the onset of the credit crunch, with Thomas Ingenhoven advising Axa Private Equity on its provision of a €247 million facility for the acquisition of the Löwenplay Group.

Leading lawyers

Rainer Magold

White & Case

White & Case's wide-ranging banking team has worked on a range of transactions including acquisition finance, real-estate finance and debt restructuring. "They are very professional; their work is really quite excellent. We have had some really successful projects with them in the last year," says one client.

Eberhard Meincke heads the banking and finance team alongside Annica Lindegren, who is praised by a client for the quality of her service: "She is always very engaging, a model

on all transactions. She's very receptive, and her work is of quite a high standard."

Lindegren showed why she is highly rated by the market when she won a role advising Dresdner Kleinwort on the €190 million loan financing for the acquisition of print company Euro-Druckservice by private-equity firm 3i from publishing group Passau.

Julia Müller was also active, advising Deutsche Bank on the German aspects of the €750 million loan financing for Qiagen's acquisition of Digene Corporation. Müller also advised Société Générale and RBS on the €370 million financing of the secondary buy-out of Rodenstock by Bridgepoint Capital.

White & Case was also active in real-estate financing. One highlight saw Thomas Flatten act as a consultant to Merrill Lynch on the €72 million financing of the acquisition of seven real-estate companies through a special-purpose entity formed by Citi Property Investors.

Leading lawyers

Annica Lindegren

Mergers and acquisitions

Recommended firms

Tier 1

Freshfields Bruckhaus Deringer
Hengeler Mueller

Tier 2

Clifford Chance
Gleiss Lutz
Linklaters

Tier 3

Allen & Overy
Baker & McKenzie
Cleary Gottlieb Steen & Hamilton
CMS Hasche Sigle
Latham & Watkins
Lovells
Shearman & Sterling
Skadden Arps Slate Meagher & Flom
White & Case

Tier 4

Ashurst
Nörr Stiefenhofer Lutz
Sullivan & Cromwell
Weil Gotshal & Manges

The flipside to the decrease in highly-leveraged transactions has been the rise of the corporate client in M&A transactions. "After the first wave of shock and awe, the strategic investors are realising pricing has become more attractive," says a partner at a leading firm.

Banking lawyers are now being mandated at the same time as their colleagues in M&A in many deals, as the ability of the bidder to finance the transaction becomes a matter of prime importance.

One commentator notes that in the last few years due diligence had become more restricted in the interests of closing the deal, but that this is all changing. "The increased demand for due diligence is great from our point of view, as it's what we sell," says one partner.

The main bottleneck at the moment stems from the reluctance of sellers to come to market given current pricing. As more companies look to restructure and streamline their business, it looks likely that there will be more strategic sales of non-core businesses.

In these challenging times, firms with corporate clients with access to readily available financing will prosper. "You need long-standing connections to blue-chip clients," says one partner. "Clients tend to focus around the real perceived leaders in difficult times. There is a flight to quality, not only for investment banks but also for legal clients."

Freshfields Bruckhaus Deringer

Freshfields' M&A department is headed by Marius Berenbrok, and contains the very highly regarded Andreas Fabritius. "He has a good relationship with clients and gets great instructions," says one competitor of Fabritius. "He's instrumental to their success."

The firm was hit this year by a number of departures from its M&A team, with Berlin corporate head Hans-Michael Giesen moving to Görg, Nikolaus Reinhuber moving to Baker & McKenzie, and partners Ralph Wollburg and Achim Kirchfeld leaving to start up Linklaters' Düsseldorf office. In response, the firm has promoted four lawyers to partnership across its Frankfurt, Düsseldorf and Hamburg offices.

The moves were part of Freshfields' overall plan to sharpen its global M&A profile. The firm is said to have introduced new internal standards in the department, with some partners effectively asked to leave and some leaving of their own accord.

But despite the partner moves, clients are still very satisfied with the quality of advice from the UK firm. "They are especially fast and they have very big teams, so their deal turnaround times on time-critical transactions is superb, which as you can imagine is essential at this level," says a client.

The firm showed it was possible to land strong M&A deals after the credit crunch when it advised AWD Holding on a strategic partnership with insurance group Swiss Life in March 2008, which has announced a €1

billion voluntary public takeover bid to all shareholders of AWD Holding.

In February 2008, Freshfields advised Norddeutsche Affinerie on its €909 million public takeover offer for Belgian company Cumerio, and also acted on Norddeutsche Affinerie's defence against a hostile takeover by Austrian industrial company A-Tech Industries.

Continental handed Freshfields one of its highest-profile mandates when Marius Brenbrock led a team which advised the automotive manufacturer on the €11.4 billion acquisition of Siemens VDO from Siemens in December 2007. The transaction involved Freshfields lawyers from eight countries.

The firm also acted for Berlin Landesbank on the sale of its majority shareholding in Landesbank Berlin Holding to an acquisition vehicle of the German Savings Bank Association. The sale is the result of a process required by the EU Commission to approve Berlin's state aid in 2001 and 2002, which rescued the then nearly insolvent bank.

Leading lawyers

Andreas Fabritius

Hengeler Mueller

It is difficult to overstate the influence that Hengeler Mueller holds over the German M&A market. Peers are overwhelmingly generous with their praise of Hengeler, while clients couldn't be happier with the firm's performance.

"I rate them very highly, probably the best in fact," says one client. "They are the pre-eminent German franchise in terms of M&A work, and their great strength is their breadth of quality. It's difficult to find anyone there who does not meet your expectations."

Maximilian Schiessl is widely regarded by competitors as the country's leading lawyer for corporate transactions, having a role in many high-profile deals over the past year. "He's steaming ahead in finding what you can do for businesses," says one rival partner.

One of Hengeler's most high-profile transactions was advising Siemens on its €13.5 billion sale of Siemens VDO Automotive to Continental. The firm also won a role advising Deutsche Telekom on the sale of its subsidiary Vivento Technical Services to Nokia Siemens.

Hengeler was also active on the buy side, advising Kabel Deutschland on its purchase of cable networks from Orion, and acting for Jerónimo Martins on its acquisition of the operational business of Plus in Poland and Portugal.

Leading lawyers

Burkhardt Meister
Maximilian Schiessl

Clifford Chance

Clients are still as positive as ever about the Clifford Chance's quality of work: "They are obviously very good, I think their reputation speaks for itself. We have been engaging them over the last 15 to 20 years, and they always deliver," says one.

The practice contains the respected duo of Thomas Gasteyer and Daniela Weber-Rey, who are very well-known and active players in the German corporate market. Says one competitor of Weber-Rey: "I had her on the other side of a takeover situation, she was advising the bidder. She was a safe pair of hands and knew the things to do and knew which buttons to push."

The firm showed the benefit of having a strong international network when the Frankfurt office acted for Arcandor on its sale of 51% of its shares in neckermann.de in December 2007 alongside the firm's Amsterdam and Brussels office.

Daniela Weber-Rey led a team which advised American International Group on its acquisition of Wuerttembergische and Badische Versicherungs and Deutsche Versicherungs- und Ruckversicherungs from JC Flowers in August 2007.

Babcock & Brown turned to Clifford Chance for advice on the acquisition of a real-estate portfolio in Munich and Frankfurt from Bayerische Bau und Immobilien Gruppe, while the firm also acted for Boursorama on the acquisition of a 77.4% stake in OnVista.

Leading lawyers

Thomas Gasteyer
Daniela Weber-Rey

Gleiss Lutz

Awarded *International Financial Law Review's* German firm of the year for 2008, Gleiss Lutz has remained in the second tier after recording yet another robust year. The M&A department is headed by Christian Cascante and Ralf Thaeter, and is widely praised by clients for its high-quality service.

"We've had a very good experience," says a client. "For truly global transactions we have sought advice from them, and they have dealt with our mandates very speedily and efficiently."

Another client adds: "They are a very practical firm - not at all theoretical, very down to business. And they are always available for us, which is essential."

One of the firm's highlights was advising Rreef, Deutsche Bank's alternative-investment subsidiary, Pirelli and the Borletti Group on the €4.5 billion acquisition of the Karstadt real-estate portfolio, and the establishment of a European department store alliance.

Ralf Thaeter advised travel company First Choice on its €13 billion merger with the tourism division of TUI to form TUI Travel in June 2007, while Fred Wendt acted for Allianz on its headline-grabbing sale of a €1.7 billion portfolio of 190 office properties to Whitehall Funds - a fund managed by Goldman Sachs.

Basic Element, the investment holding company of Russian investor Oleg Deripaska, mandated Christian Cascante and Gerhard Wegen on the €600 million purchase of 9.9% of Hochtief's shares through its subsidiary, Rasperia Trading.

Leading lawyers

Christian Cascante
Gerhard Wegen

Linklaters

Linklaters had a volatile year, starting with the loss of Georg Maier-Reimer and Stefan König to Oppenhoff & Partner - Linklaters' German legacy firm which spun off from the firm after the closure of Linklaters' Cologne office. The firm compensated by picking up Freshfields partners Ralph Wollburg and Achim Kirchfeld to join its new Düsseldorf office.

But despite the activity, Linklaters remains in the second tier after strong recommendations from peers and clients.

"They are a very diligent firm, highly professional; they always give a good performance," says one client. "We use them time and time again because of they are very pragmatic, very approachable, and just great to deal with. They combine excellent theoretical and practical knowledge."

One of the firm's highlights this year was winning a role advising Daimler, the DAX 30-listed car manufacturer, on its €606 million acquisition of a 23.2% stake in Tognum. Linklaters also acted for Bayerische Hypo- und Vereinsbank on the sale and outsourcing of its securities services business to Caceis in December 2007.

The firm acted on two transactions for Air Berlin PLC & Co Luftverkehrs: the acquisition of Condor Flugdienst through a share swap, and the acquisition of 49% of shares in Switzerland's Belair Airlines.

Linklaters is also advising Metro Group in the auction of its business sector, comprising 245 retail markets in Germany, to REWE Deutscher Supermarkt.

Leading lawyers

Hans-Ulrich Wilsing

Allen & Overy

Allen & Overy was active in the lateral hire market this year, picking up Thomas Austmann from Freshfields in September 2007 and hiring Rolf Koerfer and Birgit Reese from Shearman & Sterling in February and April 2008 respectively.

Clients are impressed by the firm's attention to service: "They are extremely committed, extremely reactive; they've got a young fresh team, who are extremely hands-on," says one client. "They are very partner-committed, unlike larger firms, who will tend to delegate more work."

Harmut Krause, who heads up Allen & Overy's M&A team, is widely praised by clients for his public M&A work: "He's very high profile, very experienced and always at the forefront of the deal. I can only say the best about him," says one. On the other hand, some clients expressed concern about the firm's depth beyond Krause.

One of the firm's highlights for the year saw Krause lead a team which advised Swiss healthcare company Novartis on the creation of a €1 billion strategic alliance with Munich biotech company MorphoSys to establish a therapeutic antibody pipeline in December 2007.

Krause was active again in June 2008 when he led a team which acted for Morgan Stanley, who acted as an advisor on JC Flowers' €1.1 billion offer for 24.9% of Hypo Real Estate.

Allen & Overy fielded a multinational team which acted as German counsel to SAP on the €4.8 billion takeover of French company Business Objects, while Helge Schäfer acted as German counsel for TUI on its £3.4 billion merger with First Choice Holidays.

Leading lawyers

Harmut Krause

Baker & McKenzie

Baker & McKenzie is another firm whose personnel department has had a busy year. The firm lost local partner Stephan Semrau to an in-house position at Bayer, but hired local partners Florian Thamm and Soenke Becker from Hengeler Mueller, as well as Nikolaus Reinhuber from Freshfields.

One of the firm's highlights was winning a role acting as Germany counsel to Siemens on the sale of its wireless modules business to a consortium consisting of Deutsche Telekom and Granville Baird - a transaction which covered 35 jurisdictions.

Spanish company Almirall mandated Baker & McKenzie on the company's €370 million acquisition of Germany-based Hermal Group from Dutch-British company Reckitt Benckiser Group in July 2007.

Baker & McKenzie also represented Beiersdorf on the €269 million acquisition of 85% of Hong Kong-based C-Bons Haircare group, while the firm also advised Dutch company KPN on two acquisitions: the purchase of German company Blau Mobilfunk and the buyout of SMS Michel Communication.

Clary Gottlieb Steen & Hamilton

While Clary Gottlieb's team is smaller than many of its competitors, it does boast the well-regarded trio of Thomas Buhl, Klaus Riehmer and Jürgen Sieger. They were this year joined by Oliver Schröder, who was promoted to partner in the Cologne office.

Clients are very pleased with the firm's transactional skills. "It was a very pleasant experience indeed, not just in terms of the quality of their advice, but also they are very nice people to deal with," says one client from a financial institution.

"Without them, [ours] would have been a very difficult transaction I think, as the holding company we had to deal with were very traditional, which was holding up the deal, and they handled them perfectly."

One of the firm's highlights was acting for Medco Health Solutions in its April 2008 acquisition of mail-order pharmacy Europa Apotheek Venlo. Christof von Dryander also led a team which advised Deutsche Post in its €1 billion sale of 1,300 real-estate properties to US investor Lone Star.

Clary Gottlieb followed this up in March 2008 to act for Henkel in its €4 billion acquisition of the adhesives and electronic-materials businesses of Akzo Nobel, and also advised the German Savings Bank Association in its €5.91 billion acquisition of Landesbank Berlin Holding in August 2007.

Leading lawyers

Thomas Buhl
Klaus Riehmer
Jürgen Sieger

Private equity

Recommended firms

Tier 1

Clifford Chance
Freshfields Bruckhaus Deringer
Hengeler Mueller

Tier 2

Latham & Watkins
Milbank Tweed Hadley & McCloy
P+P Pöllath + Partners

Tier 3

Gleiss Lutz
Kirkland & Ellis
Linklaters
Skadden Arps Slate Meagher & Flom
Weil Gotshal & Manges
Willkie Farr & Gallagher

Tier 4

Allen & Overy
Ashurst
CMS Hasche Sigle
Lovells
SJ Berwin
White & Case

Without access to cheap credit, the private-equity market has not been able to reach the feverish pitch of recent years. The large deals are few and far between, and even in the mid-cap market there is an increased focus on financing.

Private-equity firms are looking into new areas such as the emerging markets and project finance, and pursuing strategies such as acquiring minority rights in targets. Funds are also expected to put up more of their own money and invest more in equity.

As private equity is forced to diversify in pursuit of the high returns which it needs, law firms that wish to follow them must show themselves able to field a truly international team with a broad expertise.

But while many private-equity firms are sitting on their hands at the moment, partners say the gloom is bound not to last long. "We're always optimistic. People won't sit still forever. There's money around and it will be spent," says one partner.

Clifford Chance

Clifford Chance's private-equity group stands alone from the M&A department - a sign of the firm's commitment to the practice area. The group's sheer size, combined with a strong client base, means it can take on a range of high-quality transactions across a range of market segments.

While the firm boasts a number of top advisers, competitors particularly single out Oliver Felsenstein as one of the leading private-equity lawyers in the country.

3i mandated the firm a number of times over the last 12 months, with the highlights being its acquisitions of Scandlines, Deutz Power Systems Group and Euro-Druckservice Group.

CVC Capital Partners is another notable client, with recent highlights seeing the company mandating Clifford Chance on the sale of the European business of Asian Automotive Profile Systems to Cooper-Standard Automotive, the sale of Adco Umweltdienste Holding, and the attempted public-to-private purchase of Böhler Uddeholm.

Other significant private-equity clients of the firm include Permira, Bridgepoint Capital, Terra Firma and the Carlyle Group.

Leading lawyers

Oliver Felsenstein
Christopher Kellett

Freshfields Bruckhaus Deringer

The facts speak for themselves: between May 2007 and April 2008, Freshfields acted on seven of the 10 largest private-equity deals with a German target.

The department is headed by Nils Koffka, and was boosted this year with the promotion of two partners in the Hamburg and Frankfurt offices in May 2008.

One of the firm's most notable mandates was advising Reef Infrastructure, the infrastructure division of Deutsche Bank, on the financing and corporate aspects of Reef's €1.23 billion acquisition of a 50% stake in Tank & Rast from UK private-equity house Terra Firma in June 2007.

The firm followed this up in November 2007 when it advised PVC (Lux) Holding Company, an investment company of Bahrain's Arcapita Bank, on the acquisition of HT Troplast from the Carlyle Group and Advent International.

Nils Koffka led the firm on another of its highlighted mandates - representing Oaktree Capital Management on its €1.84 billion sale of German real-estate group Gehag to Deutsche Wohnen in August 2007.

Freshfields followed this up in April 2008 when it acted for Permira on its €800 million sale of German mobile telephone service provider Debitel to Freenet.

Leading lawyers

Nils Koffka

Hengeler Mueller

While Hengeler Mueller does not have the same focus on private-equity transactions as its top-tier stablemates, its best-friends relationship with UK corporate giant Slaughter and May and its extremely strong M&A department means it has the skills to deal with any corporate transaction.

The firm was mandated by Apax Partners and Cinven to provide advice on the €1.3 billion sale of Klöckner Pentaplast to Blackstone in May 2007. Hengeler followed this up in June 2007 to advise Blackstone and BCP Murano on its €1 billion IPO exit from Gerresheimer.

In July 2007, Hengeler Mueller acted for Industri Kapital on its sale of Dywidag Systems International to CVC Capital Partners, and the firm has also won a mandate advising EQT on its sale of 22.3% of the shareholding of Tognum to automotive group Daimler.

Leading lawyers

Christoph Jäckle
Maximilian Schiessl
Peter Weyland
Hans-Jörg Ziegenham

Latham & Watkins

Latham & Watkins boosted its team this year with the hire of two lateral partners, with Volkmar Bruckner joining from Dechert and Andreas Diem moving across from Shearman & Sterling. They join Jörg Kirchner and Dirk Oberbracht, who were lateral hires from the year before.

But despite the arrivals over the past two years, commentators still single out Jörg Kirchner as Latham & Watkins' trump card. Kirchner had another strong year, with Bain Capital one of his most notable clients. One highlight was advising Bain Capital on its intended acquisition of Dywidag Systems International, and its purchase of Bavaria Yachtbau in June 2007.

Dick Oberbracht was also active this year, advising One Equity Partners on transactions such as the joint acquisition, alongside the Schoeller family, of Schoeller Arca Systems from Stirling Square Capital Partners in January 2008.

Christian Edye has a strong relationship with Capvis Equity Partners, with one highlight seeing the firm provide advice on the private-equity house's intended acquisition of Schenck Process. Other notable private-equity clients include PPM Capital and EQT Partners.

Leading lawyers

Jörg Kirchner
Dirk Oberbracht

Milbank Tweed Hadley & McCloy

"We're very happy with the service they provide. I would say the main reason we used them was the partners, in particular Peter Nussbaum," says one private-equity client about Milbank's team. "We would put them ahead of any other firm in this field right now."

The firm deliberately fields smaller, more partner-driven teams than its rivals - a set-up that clearly resonates with clients.

One of Milbank's standout deals this year was acting for Apax Capital Partners in its voluntary public tender offer of by Pyramus to the shareholders in D+S Europe in April 2008. The offer is entirely equity-financed, will not have a minimum acceptance threshold, and is unlikely to require a domination or profit and loss-transfer agreement.

Another strong mandate was its role advising Advent International and the Carlyle Group on the €750 million sale of German PVC manufacturer HT Group to Arcapita in October 2007.

Peter Nussbaum also advised CCMP, formerly JP Morgan Partners, on the €1.33 billion sale of CCMP's minority stake in Klöckner Pentaplast (together with Cinven as majority partner) to Blackstone.

Nussbaum also led the firm when it advised Schoeller Metternich Beteiligungen on its sale of Helsa Automotive to the Mann+Hummel group in December 2007.

Leading lawyers

Peter Nussbaum
Norbert Reiger

P+P Pöllath + Partners

For its relative size, P+P Pöllath commands a huge amount of respect from the market. The firm is focused almost exclusively on private-equity transactions, with a particular niche in fund structuring.

Clients say they are very satisfied with the service they get from the firm: "They always give us the fast response we are looking for," says one. "They are always very thorough, which is of course desired, and their work is always very thoroughly perused."

The highly-regarded Matthias Bruse heads the practice, and showed his prowess when he led a team which advised EQT V on the acquisition of the SAG Group from Advent International in December 2007. The same month Bruse worked alongside Reinhard Pöllath and Bernd Grassl to advise the WAZ Group on its sale of its 25% holding in the Otto Group to the Otto family.

P+P Pöllath also advised Whitehall Real Estate Funds on its €1.7 billion acquisition of industrial real-property portfolio from the

Allianz Group, and acted for Barclays Private Equity on its purchase of the Novem Group in April 2008.

Leading lawyers

Matthias Bruse

Gleiss Lutz

Headed by Christian Cascante, Gleiss Lutz's well-known relationship with Blackstone kept things active for the firm this year, with the buyout house handing the firm a number of very strong mandates.

The firm showed the benefit of its close relationship when it represented Blackstone and TRW Automotive on their attempted acquisition of Siemens VDO. Blackstone also mandated the firm to advise it on the German aspects of its \$26 billion acquisition of the Hilton Group - the largest real-estate acquisition by a private-equity firm worldwide.

But the firm does not rely solely on Blackstone for all of its private-equity work: the likes of Morgan Stanley Real Estate Funds, 3i and Tiger Global Management have called on Gleiss Lutz for advice over the past 12 months.

One of Gleiss Lutz's highlights saw Christian Cascante and Fred Wendt advise Valentino Fashion Group on the German aspects of its sale to Permira. Jan Bauer and Steffen Carl also advised KKR on the German law aspects of its purchase (along with Goldman Sachs) of Harman International Industries.

Leading lawyers

Christian Cascante

Linklaters

"We have a very good time with them; they are very professional, very competent, and just very good fun to deal with," says one client about his relationship with Linklaters' private-equity lawyers. The client adds: "They have a great team with a really good international reach, which is essential at this level."

Linklaters' private-equity team is headed by Ulrich Wolff and contains Rainer Traugott, who is praised by clients for the quality of his service skills: "He's a very dedicated man, not only to the detail but also capable of maintaining an eye on the bigger picture," says one client. "He also maintains good relations with the partners on the other side of the table."

Traugott led a team advising Deutsche Beteiligungs on the €300 million secondary buyout of plastics machinery manufacturer Coperion Group from Lyceum Capital in July 2007. Peter Erbacher and Ralph Drebes were also active this year, advising Terra Firma on

its €1.2 billion sale of a 50% stake in Tank & Rast Group to Rreef, an infrastructure fund operated by Deutsche Bank, in June 2007.

Drebes and Sebastian Daub worked alongside the firm's London office to advise Dubai International Capital on the German issues of its acquisition of Almatris in December 2007. This was the largest debt package in a private-equity deal by a single financial institution since the credit crisis, and was originally structured as a dual-track IPO.

Sun Capital Partners also mandated Drebes to advise it on a purchase agreement to acquire 51% of the shares of mail-order company neckermann.de from Arcandor.

Leading lawyers

Rainer Traugott

Project finance

Recommended firms

Tier 1

Clifford Chance

Tier 2

Freshfields Bruckhaus Deringer

Linklaters

White & Case

Tier 3

Allen & Overy

Baker & McKenzie

Gleiss Lutz

Lovells

Milbank Tweed Hadley & McCloy

Norton Rose

Project finance is going through a renaissance period as investors, including private-equity houses, are tempted by the guaranteed flow which many projects offer. While the returns may be lower than those offered by traditional private-equity deals, the appeal of a secure investment should not be underestimated in these turbulent times.

Cross-border work is becoming ever more viable and investors are looking to fund projects in the emerging markets. Russia and the Ukraine, in particular, hold great potential for investors working from Germany.

The internationalisation of the project finance business means that clients are more likely to hire a firm with an international capacity. Whether this means having offices abroad or simply the ability to field a team who can put together local law specialists in the target jurisdiction is a matter of some debate.

Renewables are a hot topic, with German investors looking to invest in Europe and further afield. Germany has a strong history of being at the forefront of technological developments in the renewables field, and German technology is frequently used in the projects.

To win mandates in this increasingly popular area of work, firms need to be able to show that they have specialists in energy law. Partners also stressed to importance of a strong regulatory team and a presence in Berlin for keeping in touch with the government.

“For those firms who make an effort to maintain project finance as a practice with a profile of its own and can cover all areas, including the regulatory side, it can really be a growing practice,” says one partner.

Clifford Chance

Clients described Clifford Chance as having by far the best projects team in the country.

“I think they are very well organised internally and very professional,” says one. “From what I’ve seen so far, they are able to provide knowledge of transactions in almost any country.”

Riko Vanezis leads the German office, which serves as a hub for much of the firm's European and Middle Eastern projects work. Says one client of Vanezis' work: “He's very experienced, and he has a lot of common sense.”

One of the firm's highlights in the German market was acting for a consortium of bidders on its winning bid to construct and operate a €250 million particle therapy centre in northern Germany, following a two-year contract award procedure. Led by Beda Wortmann, the deal is the largest PPP project ever launched in the German healthcare sector.

Tobias Schulten also led a team which advised the Gekko Group on a €2 billion joint venture with RWE Power for the development of a power plant in Hamm and Westphalia.

Leading lawyers

Riko Vanezis

Beda Wortmann

Freshfields Bruckhaus Deringer

Daniel Reichert-Facilides leads Freshfields' projects team, which works on both energy and infrastructure projects, and on both straight project financings and PPPs.

One of the firm's highlights was acting for a joint venture between Hochtief and Vinci on the €300 million PPP financing, planning, construction and renewal of a 48km stretch of

the A4 motorway in Germany, as well as its management of the stretch over 30 years.

Reichert-Facilides led another team which advised a joint venture of Züblin Development and IBA Ion Beam Applications as preferred bidder on the PTZ Partikeltherapiezentrum particle therapy centre PPP project in Kiel. Freshfields also acted for the same consortium on the public tender offer for the Partikeltherapiezentrum Euregio - a joint venture of the university hospitals in Aachen, Germany and Maastricht, the Netherlands.

Freshfields backed this up by advising Landesbank Baden-Württemberg and Norddeutsche Landesbank on the €150 million project financing of a photovoltaic energy plant. HSH Nordbank also turned to Freshfields for advice on a series of photovoltaic parks in Spain worth a total of €495 million.

Leading lawyers

Daniel Reichert-Facilides

Linklaters

Carl-Peter Feick heads up Linklaters' practice, which contains the highly respected Eva Reudelhuber. Competitors note that the firm has strengthened its practice this year and become more visible, while clients were happy with the firm's performance.

“When we worked with them last year, it was quite good,” says one client. “We were working on quite a complex refinery deal, with lots of public legislation on the table, and they dealt with it competently.”

Linklaters has a particular focus on advising the banks, with one highlight seeing Reudelhuber lead the firm to advise RBS on German aspects of the €1.3 billion refinancing and restructuring of International Power's wind farm portfolio in Italy and Germany following the portfolio's acquisition from Trinergy in February 2008.

In October 2007, Christopher Bremme and Tim Heitling advised HSH Nordbank on the financing of the construction of a used-oil refinery by Puralube Holding in the Zeit Chemical and Industrial Park near Tröglitz in Saxony-Anhalt, Germany. At the same time, another existing used-oil refinery on the site is being refinanced by HSH Nordbank.

Linklaters also advised a consortium of Bilfinger Berger and Laing Infrastructure in its tender bid for the extension, financing, operation and maintenance of sections of the German Federal Motorway under the A Model. The A Models are among the few German PPP projects in which a project financing is a condition precedent for preparing the bids.

Leading lawyers

Eva Reudelhuber

White & Case

Claus Wecker heads White & Case's project finance department, which was boosted this year with the hire of partners Kai Kindereit and Malte Kohls. The firm uses its German office as a hub for its European work, acting on a range of energy and infrastructure deals.

Clients say they are very satisfied with White & Case's work: "Any sort of request we give them, even at short notice, is always dealt with by a senior partner, so we are very happy with that," says one.

Claus Wecker is a particular hit with clients, one of which says: "He's very good; we have a very strong relationship with him."

The firm's standout German mandate is its role advising on the operator agreement for the Bos digital broadcasting project - one of the biggest infrastructure projects in Germany - which is valued at several billion euros.

Leading lawyers

Claus Wecker

Baker & McKenzie

Baker & McKenzie's projects practice is headed by Michael Foundethakis, who is well known in the market for his focus on project finance transactions. The firm is praised by clients for the breadth of its reach across Europe and the Middle East.

"We use them on an extensive basis," says a client. "They are very practical, and we are very pleased with their approach."

The firm's German highlight this year was advising the German Ministry of Foreign Affairs on the financing of the construction of the Deutsches Haus in Tokyo. This was the Ministry of Foreign Affairs' first use of a PPP structure in a project.

Leading lawyers

Michael Foundethakis

Gleiss Lutz

Gleiss Lutz's project finance work focuses on renewable-energy projects, particularly wind and solar energy. The firm suffered a blow this year when it lost Kilian Bälz to a position at Harvard University in December 2007, but it retained its spot in the third tier after recording another year of solid transactions.

Bälz worked alongside Vanessa Bayliss and Teresa Baldwin to advise Investec Bank on the financing for its acquisition of a portfolio of turnkey solar-park assets. Bälz and Bayliss also advised Renewable Energy Holding on the

refinancing of a portfolio of wind farm assets and the acquisition of a further wind park.

Baldwin teamed up with Burkhard Jäkel to advise Germany-based Juwi Group on the project documents, financing and structure for the development and construction of a solar-energy park in Corsica.

Restructuring

Recommended firms

Tier 1

Allen & Overy
Clifford Chance
Freshfields Bruckhaus Deringer
White & Case

Tier 2

Gleiss Lutz
Lovells
Weil Gotshal & Manges

Insolvency

Recommended firms

Tier 1

Brinkmann & Partner
Görg
Pluta
Schultze & Braun
White & Case

Tier 2

Dr Beck & Partner
Heuking Kuhn Luer Wotjek
Kebekus et Zimmermann
Wellensiek
Westpfahl & Spilker

Partners in the restructuring and insolvency practices are waiting to see if the storm is about to hit. As one partner at a leading firm says: "It's busy, but not as hectic as people expected. The market for restructurings is still relatively quiet these days compared to what we expected when the credit crunch started."

Commentators expect to see more financial structures being restructured and repackaged and an increase in distressed M&A transactions. In this sense, it is very important to have a restructuring team which is integrated with the banking team.

Changes to the German insolvency laws will also be coming into effect. While some of these are a reaction to the migrations seen last year, the aim is to make German law more flexible and comparative, and to avoid abuse.

"We think that a number of companies have missed their first-quarter financial covenants," says a lawyer. "But in the con-

tracts they may have to miss more than one before there are real problems, as those contracts were negotiated on more lenient terms."

Allen & Overy

Allen & Overy's restructuring division is run by Peter Hoegen, and comes under the umbrella of its banking and finance department. The firm backed up its strong work on the Schefenacker migration last year to work on three significant restructurings this year, winning a place in the rankings in the process.

One of the firm's highlights was winning a role advising the Egana Group on its restructuring, which involved a new investor. Allen & Overy also acted for Zapf Creation on the restructuring of its financial liability, the increase of its share capital by subordinated shareholder loans, and the refinancing of its bank loans.

The firm also represented Argyll Partners on the takeover of the operating business of Deutsche Woolworth in 2007.

Clifford Chance

Clifford Chance's restructuring and insolvency team, which contains Kolja von Bismark and Heinz-Günter Gondert, focuses mainly on restructuring non-performing loans, particularly in connection with subprime commitments. The firm also advises debtors on refinancing, financial institutions on capital markets issues and industrial enterprises during supply crises.

The firm worked closely with German government entities on two restructuring mandates this year. On one, Clifford Chance advised the Free State of Saxony on the execution of Sachsen Landesbank's subprime portfolio. The other mandate saw the firm advise the Federal Ministry of Finance on the privatisation of Deutsche Bahn in 2007.

Clifford Chance fielded a team which advised a banking group on the restructuring of the liabilities of a medium-sized paper producing company, and the subsequent sale of the loan in connection with the sale of the company's shares.

The firm also acted for Andreas Ringstmeier as insolvency administrator in the insolvency proceedings against AgfaPhoto on the liquidation of the debtor's international activities.

Leading lawyers

Kolja von Bismarck

Freshfields Bruckhaus Deringer

Led by Lars Westpfahl, Freshfields' restructuring team retains its position in the top tier

after another strong year. Peers are very positive about Westpfahl, who is respected for his precise timelines and command of law. "If he says he won't go down a certain road, he won't and he will have a good reason," says one competitor.

Westpfahl led a team which advised Conergy on the financing package for its restructuring. This included the take up of a €240 million bridge financing, a planned capital increase and compliance issues.

The firm acted for Avenue Capital as main creditor of toy manufacturer Zapf Creation on its financial restructuring, while Cerberus Capital Management turned to Westpfahl for advice as international counsel (except North America) on the acquisition of the insolvent Tower Automotive Group.

Leading lawyers

Lars Westpfahl

White & Case

White & Case has one of the best insolvency practices in the country, with Biner Bähr working on a huge number of cases this year across a range of sectors. "I like him a lot. He's very fast and very responsive," says one client of Bähr.

Clients also praise the firm's insolvency practice in general: "My impression is very good - they are one of the only big law firms that actually have a working insolvency practice with inside knowledge of how administration works," says one. "They have a really good understanding of the setup unlike any other international firm, so for me they are the best."

One of the firm's highlights was acting on the insolvency proceedings of the Schieder Group, which filed for insolvency in Germany at Detmold district court. Sven-Holger Undritz, Biner Bähr and Bettina Schudde worked along with the firm's Warsaw office to advise the company, as well as PM Möbelwerk Steinheim, Viva Polstermöbelwerke and a large number of sales companies of the Schieder Group.

Undritz also advised Schieder Möbel Holding Detmold as the trustee in insolvency over its assets in Schieder-Schwalenberg. Schieder Möbel Holding is the umbrella company for the entire Schieder Group, a European furniture manufacturer.

Biner Bähr was also appointed trustee in the insolvency over the assets of MC Beteiligungs GmbH & Co Schwabengalerie by the Düsseldorf district court. The company had been involved with the planning, setting up and rental of the Schwabengalerie shopping complex in Stuttgart.

The firm was also active in restructuring. The highlight saw Biner Bähr work alongside the firm's London and Paris offices to advise Orlando Management on its acquisition of the insolvent IT Service provider A&O Group.

Leading lawyers

Biner Bähr

Lovells

Lovells' restructuring and insolvency department is headed by Heiko Tschauer, and the firm is a members of the German Working Group on Insolvency Law and Restructuring, Insol Europe and BRIS, Germany's corporate restructuring association.

One of the firm's highlights was advising Qisda Corp on the €500 million insolvency of BenQ Mobile, in particular in the negotiations with the insolvency administrator. Lovells also gave advice on European insolvency regulation issues concerning the company's liquidation.

Lovells also advised DVB Bank and Deucalion on insolvency protection on the financing of the acquisition and leasing of eight Boeing 777-200 cargo aircraft by a joint venture between Deutsche Post, DHL International and Lufthansa.

The firm acted for the subordinated lenders during the €500 million insolvency proceedings of Schieder Möbel, and also advised Standard Chartered on corporate and insolvency law during the financial crisis of Egana Goldpfeil and Salamander.