

# Portugal

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## Financial services and listed companies: an update

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PLMJ - AM Pereira Sáragga Leal Oliveira  
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### Investment services

Undoubtedly, 2007 was the year of Mifid for financial intermediaries operating in Portugal. Within the announced deadline, the rules implementing Directive 2004/39/EC on markets in financial instruments (Mifid) entered into force on November 1 2007. Mifid implementation involved an overall revision (of a kind not seen since the ISD transposition) of the Portuguese Securities Code (Cód VM) led by the Portuguese Securities Exchange Commission (CMVM) and the Bank of Portugal (BoP).

After six months during which the regulators have provided financial institutions with “open-meetings” and FAQs, a discussion of the upsides and downsides of Mifid continues, driven by the Portuguese market’s features. The impact of this regulatory environment has to be evaluated in a country with few unregulated markets and alternative trading systems, gathering global players, large local banks and small local financial intermediaries playing asymmetrical roles.

Although Mifid rules have different implications for the competitiveness, business strategy and regulatory costs of such market players, the common areas where Mifid seems to be more challenging in Portugal are: (i) the new regulated markets and multilateral trading facilities regime (under which unregulated markets, such as OMIP, are required to become regulated); (ii) the efforts to evidence compliance with the best execution rule; (iii) the expansion of the EU passport fostering more competition; (iv) implementing systems and internal policies, procedures and controls envisaging full compliance with more demanding organisational requirements and

conduct-of-business rules built on a new categorisation model; and (v) searching for certainty and gathering evidence to deal with the new principles-based regulation.

Today market players are still focused on the various compliance levels, consolidating the training of their business staff and dealing with several open issues concerning Mifid’s full implementation and monitoring. The answers will only come at a stage later from the lessons to be gathered by market practice and from the enforcement phase.

### Listed companies

Directive 2004/109/EC on transparency requirements (TD) was also implemented in 2007. Although the amendments to the Cód VM were mainly in line with the TD, some particulars of our regime were kept, such as the disclosure obligations at a 2% threshold of voting rights in Portuguese listed companies.

CMVM is also about to publish revised regulations on disclosure obligations applicable to issuers of securities admitted to trading in regulated markets. Major changes relate to treasury shares, transactions by persons discharging managerial functions and changes to the chain of aggregation of voting rights.

Corporate governance of listed companies is also a hot topic as CMVM has approved a Corporate Governance Code, proposing new recommendations to be adopted in 2008. Although it was recognised that there was some space for further regulation in these matters, the Code includes some recommendations which have caused “a certain noise” in the market for being either too demanding or inappropriate to Portuguese companies’ profiles.

### Banking : reinforcement of customer protection

The trend of the legislation developments in the banking sector is to reinforce customer protection by improving the regulatory requirements imposed on banks.

In 2008, the supervisory role of BoP in conduct-of-business rules was enhanced. Despite not introducing major changes in legislation, the new act may be a first step towards further regulation and a greater supervisory role for BoP.

Two other decree-laws have recently been published. One sets forth mandatory rules for the calculation of interest on mortgages and consumer credit contracts, which was one of the areas in which most abuses were said to have been detected. It requires that: (i) the interest rate be rounded up to the nearest thousandth and be rounded up only if the last digit is five or greater; and (ii) when an index is used, the interest rate must correspond to the average quoted value of the index for the month preceding the period for which interest is calculated.

Another limits the penalty clauses triggered when customers with mortgages transfer their contracts to another bank or repay their loans early. This regime prevents credit institutions from imposing prepayment penalties greater than 0.5% on floating-rate mortgages and 2% on fixed-rate mortgages, and provides that no penalties or commissions will be levied in the event of a client’s death or loss or change of employment.

On things to come, it is expected that the third EC Money Laundering Directive will be transposed as a relevant development in the regulatory framework applicable to banks and other financial institutions in Portugal.

### The insurance industry: new law on insurance contracts and improvements in regulation of unit-linked products

At the beginning of 2008, the Portuguese Government enacted a decree-law regulating contracts of insurance, which represents a significant milestone in the evolution of this regime.

The Act has integrated and reformed legal provisions applicable to the contract of insurance previously dispersed in separate Acts. However, it does not consist of a mere compi-

lation of separate Acts. It entails significant innovations and developments of regulatory framework applicable to contracts of insurance, aiming at achieving two objectives: (i) on the one hand, to protect the weaker party in the contractual relationship, which is the policyholder, the insured or the beneficiary, in particular integrating and adapting to the reality of the insurance business certain features of the regime contemplated in consumer protection legislation, with a view to reaching an improved balance between the insurer and the policy holder; and (ii) on the other hand, to regulate new types of insurance emerging in recent years, such as the group insurance contract and the contract of insurance for capitalisation purposes.

Finally, amendments were introduced at a legislative and regulatory level so that jurisdiction for the supervision of unit-linked insurance and pension funds would be divided between the insurance regulator (Instituto de Seguros de Portugal, ISP) and the CMVM. While the ISP retains its power to carry out prudential supervision and (in relation to certain issues pertaining to the supervision of the conduct of insurance companies) the CMVM has been allocated powers to establish pre- and post-contractual duties of information in relation to the Insurance Consumer Affairs Exchange. The stated purpose of this reform is to adapt the supervision of unit-linked products to its mix of insurance and investment products.

### Projects

Public-private partnerships, particularly in the infrastructure sector, are expected to be one of the big issues in Portugal during 2008. With the sub-concession roads programme already announced for 2008 by Estradas de Portugal and those expected to come, the high-speed train tenders which are expected to be officially launched by mid 2008, the continuation of the Lisbon Airport project and the continuation of the health programme, investors, lenders and financial and legal consultants are expected to have quite a busy year.

## Capital markets

### Recommended firms

Tier 1
Linklaters Morais Leitão Galvão Teles Soares da Silva & Associados
Tier 2
PLMJ Uría Menéndez Vieira de Almeida & Associados
Tier 3
António Frutuoso de Melo & Associados Garrigues Portugal Gonçalves Pereira Castelo Branco
Tier 4
Abreu Advogados Albuquerque & Associados Barrocas Sarmento Neves Macedo Vitorino & Associados Simmons & Simmons Rebelo de Sousa

Although Portugal's equity capital markets entered siesta mode following the credit crunch, the €1.8 billion IPO launched by Energias de Portugal of its renewable-energy arm in May 2008 suggests the equity capital markets are already experiencing an unexpected awakening.

The deal is the first listing in Portugal since the crisis and the market is hopeful it will breathe new life into the equity markets.

Although most of the Portuguese equity capital markets activity in recent years has been confined to the energy and telecoms sectors, companies other sectors such as real estate were also considering going public before the crisis. The success of Energias de Portugal Renováveis IPO - which was six times oversubscribed and attracted investors in Portugal, the US, the UK and beyond - may lead other companies to reconsider their listing plans.

### Linklaters

Linklaters is regarded by peers and clients as having one of the best capital markets practices in Portugal. António Soares leads the practice, and his participation in the market is highly appreciated by clients. "I've worked with him and he is probably the best lawyer at Linklaters," says one.

The firm experienced a minor hiccup in May 2007 when three associates were fired after discovering their plans to leave the firm to set up a rival practice. "It is true that they lost few people in the last year," says one competitor, "but none of them was as good as the

associates or partners that they still have at the firm."

The firm has had an active year in the debt capital markets, advising Morgan Stanley and Caixa Banco de Investimento on the issuance of €1.1 billion Parpública exchangeable bonds, which are exchangeable into shares in Energias de Portugal.

In January 2008, the team advised Banco Espírito Santo on a €1 billion exchangeable bond issue by BES Finance, Banco Espírito's Cayman Islands SPV.

Linklaters is also advising the joint global coordinators on the IPO of EDP Renováveis - an IPO that many see as a rejuvenating force in the Portuguese market; the listing involved eight different jurisdictions.

In securitisation, the firm advised ABN Amro on the €1.1 billion securitisation of a portfolio of 20 project finance loans originated in the UK, Portugal, Spain, Hungary and Ireland by Banco Espírito Santo and its subsidiaries. This is the first cash securitisation of project finance loans in Europe, and the only cash CLO transaction to close in the second half of 2007.

In addition, the firm is advising Bunge Ibérica Portugal on the securitisation of trade receivables.

### Leading lawyers

António Soares

### Morais Leitão Galvão Teles Soares da Silva & Associados

At the beginning of 2007, Morais Leitão Galvão Teles Soares da Silva & Associados established a strategic partnership agreement with Brazilian firm Mattos Filho Veiga Filho Marrey Jr e Quiroga. Commentators believe the agreement will enhance the firm's representation in the Portuguese-speaking country, especially in the capital markets and M&A sectors.

The firm is regarded as the one to beat by market rivals, who also praise the firm's capital markets team for its efficiency and quality of work. "They are at the top of the market," says one rival. "It is a very good firm with good loyal clients such as CVP, which generates them a lot of work."

In November 2007, the firm advised EDP Energias de Portugal in its €2 billion issue of fixed-rate 144A note issues under its MTN programme. The firm also advised Millennium BCP on its €25 billion MTN programme. Morais Leitão also acted as counsel on the establishment covered-bond programmes totalling €10 billion, and advised on several issues regarding the programmes' implementation.

In the securitisation market, the firm advised Banco Millennium Investimento in a €700 million securitisation of a portfolio of consumer loans originated by Millennium BCP.

In 2008's only IPO so far, the firm advised Energias de Portugal in the restructuring of its renewable-energy assets in preparation for the €1.8 billion listing EDP Renováveis, for which it was retained as lead counsel. In addition, the firm advised Millennium BCP on a €1.3 billion share offering of preferential rights to the bank's shareholders.

Luís Branco and Filipe Lowndes are particularly popular among clients. "Both Branco and Lowndes are amazing lawyers - everything seems to go smoothly while I am working with them."

#### Leading lawyers

Luís Branco  
Carlos Osório de Castro  
João Soares da Silva

#### PLMJ

PLMJ's capital markets practice has undergone a recent restructuring, with separate teams now handling equity and debt capital markets work. The capital markets team deals with equity transactions, products and investments funds, while the debt capital markets team comes under the umbrella of the firm's banking and finance division.

The restructuring hasn't seemed to affect its relationship with clients. "They are one of the best in the market," says one client. "If I would have to recommend a firm, I would surely recommend them."

Maria Castelos is particularly praised for her work, and is described by one client as "a very good lawyer - tranquil and very intelligent".

The firm's highlight was advising the joint global coordinators in the IPO of Redes Energéticas Nacionais on Euronext Lisbon. The listing, which took place in July 2007, raised €321 million.

#### Leading lawyers

Jorge de Brito Pereira

#### Uría Menéndez

"Uría Menéndez is a very good firm; they are definitely heading in the right direction," says one client of Uría's capital markets practice. Carlos Andrade is singled out for praise by clients and rivals. "Andrade is a great lawyer - he is one of the best lawyers I have ever used for capital markets work," says one client.

The firm has reinforced its position in this year's capital markets ranking, advising in

numerous transactions in the Portuguese capital markets and rapidly approaching the same high-quality status that the firm has in its native Spain.

The firm was very active in the debt markets this year. In July 2007, the firm advised ABN Amro in the €10 million public offering of total return index capital-protected notes under the new European passporting regime. Working with BNP Paribas in October 2007, the firm also advised on the €100 million public offering of formula-linked interest notes with formula-linked redemption under the passporting regime.

In a \$750 million deal, the firm also advised Fortis Hybrid Financing in the multi-jurisdictional public offer of perpetual securities.

On the securitisation side, the firm's stand-out deals include advising Caixa Geral de Depósitos on its €15 million covered-bonds programme and assisting Banco BPI on a €1.5 million securitisation.

#### Leading lawyers

Carlos Costa Andrade

#### Vieira de Almeida & Associados

In the past year, Vieira de Almeida & Associados' capital market practice has been involved in a number of important cases in the Portuguese market.

One of the most notable was its role advising a bank club on the €500 million issue of bonds by Aguas de Portugal. The firm also provided legal advice in a \$2 billion notes issuance by EDP Finance.

The firm has been also busy in securitisation, advising on 13 out of the 14 securitisations concluded in Portugal in the last year. In July 2007, the firm advised Lehman Brothers and Hefesto STC on the establishment of the first revolving securitisation programme for non-performing loans in Portugal.

In addition, the firm advised Brisa on the €1.2 billion securitisation of future receivables originated by Brisa. This is the first such transaction put in place by a Portuguese open company.

#### Leading lawyers

Pedro Cassiano Santos

#### Garrigues Portugal

Market commentators noted that Garrigues had rather a calm year in the capital markets this year, advising on only a handful of notable deals.

The highlight on the equity side saw Diogo Leónidas Rocha and Marta Graça Rodrigues team up to advise the banks on the

the €200 million IPO of metals company Martifer.

On the debt side, the firm advised a club of banks in Portugal Telecom's €750 million offering of exchangeable bonds.

#### Leading lawyers

Diogo Leónidas Rocha

#### Gonçalves Pereira Castelo Branco

In April 2008, Almeida Sampaio & Associados was integrated with Gonçalves Pereira Castelo Branco. The firm has also signed a best-friends agreement with Spanish firm Cuatrecasas, an arrangement which according to clients "is giving very satisfying results".

This realignment has also caught the attention of rivals: "I do see them a lot in the market," says one. "Since the merger, I think they are getting even more work."

One of the firm's highlights was advising Banif SGPS on a €50 million public bond issue in July 2008. The firm was retained by Banif on the equity side, advising the company on its €100 million capital increase on Eurolist by Euronext Lisbon.

#### Leading lawyers

Maria João Ricou

#### Other notable firms

Simmons & Simmons Rebelo de Sousa created a new group this year providing Portuguese and English law advice on debt capital markets transactions for Portuguese entities.

This year, the team acted for Banif Banco de Investimento in two stand-out deals. In the first, the team advised on the issue of perpetual non-cumulative guaranteed preference shares. In the second one, the firm advised in the €1.5 billion issue of senior notes under its EMTN programme, and also acted on the programme's subsequent increase.

In addition, the firm advised the Portuguese state debt agency IGCP on the €6 billion issue of Portuguese government bonds.

Many of Macedo Vitorino & Associados' most important roles for the year were advising bank clubs under the lead of managing partner António de Macedo Vitorino.

The firm's highlight was winning a role advising the banks on a €93.5 million floating-rate bond issue by Edia.

Pedro Cardigos and Gonçalo Capela Godinho joined forces in July 2008 to create Cardigos. Pedro Cardigos, who is admired by the market for his expertise with derivatives

and general banking and finance structures, has cherry-picked a group of lawyers that now, with the help of former Simpson Thacher & Bartlett lawyer Gonçalo Capela, work for this upcoming boutique.

The team provides a wide range of banking and financial services, but will focus mainly on derivatives documentation work for blue-chip clients.

**Raposo Bernardo & Associados** is the only Portuguese law firm with a presence in both Lisbon and Madrid. This year the firm acted in several significant capital markets transactions. Nelson Raposo Bernardo advised Bank Espírito Santo on a €130 million structured finance deal for a joint venture involving Macanthyony Realty and Tecnical. Raposo also advised Goldman Sachs and Invesco on a €450 million securitisation.

## Banking

Recommended firms	
<b>Tier 1</b>	Morais Leitão Galvão Teles Soares da Silva & Associados Vieira de Almeida & Associados
<b>Tier 2</b>	Linklaters
<b>Tier 3</b>	PLMJ Uría Menéndez
<b>Tier 4</b>	Abreu Advogados António Frutuoso de Melo & Associados Garrigues Portugal Gonçalves Pereira Castelo Branco Simmons & Simmons Rebelo de Sousa
<b>Tier 5</b>	Abreu & Marques e Associados Albuquerque & Associados Barrocas Sarmento Neves Coelho Ribeiro e Associados Macedo Vitorino & Associados

Beyond the decrease in acquisition financing facilities and the heavy slowdown brought on by the subprime crisis, one of the most important trends in Portugal this year is the increase in pan-Iberian banking services.

The two neighbouring jurisdictions, Portugal and Spain, have been cooperating with each other for several years already. And although Spain has been Portugal's preferred trading partner in a wide range of sectors, this year the trend has been particularly accentuat-

ed in the banking sector, with a clear attempt from Spanish banks to increase their presence in the Portuguese market.

Portugal's diminished resistance to foreign takeovers and joint ventures with Spanish companies, especially in the banking, retail and energy sectors, has led Spanish firms such as Uría and Garrigues to launch in Portugal over the past decade. These practices frequently advise Spanish banks in big-ticket refinancing, project finance and real-estate transactions.

Although there is, at the time of writing, only one Portuguese firm offering services in Spain - Raposo Bernardo & Associados - market commentators believe that this is the year for large Portuguese firms to take a leaf out of the Spanish firms' book and offer Portuguese services in Spain, with the aim of levelling the pan-Iberian playing field.

### Morais Leitão Galvão Teles Soares da Silva & Associados

Morais Leitão Galvão Teles Soares da Silva & Associados is the most consistent team in the rankings, according to clients and rivals. Says one competitor: "They have a great team in banking - they are proactive, trustworthy, and have a great lawyer in Luís Branco."

Filipe Lowndes Marques also receives much praise from the market for his banking work, and is regarded by the market as an "exceptional lawyer".

In February 2008, the firm advised RBS on Portuguese law matters in the €40 million financing of the acquisition of the public Swiss company Unilabs.

In one of the most important deals in Portugal this year, the team advised Energias de Portugal (EDP) in the negotiation and execution of a \$3 billion credit facility for the acquisition of Horizon Wind Energy. In October 2007, the firm advised Eurohypo in €316 million acquisition and refinancing to both Almada Fórum and Montijo Fórum.

In addition, the team advised long-time client EDP in the execution of a revolving credit agreement.

#### Leading lawyers

Luís Branco

### Vieira de Almeida & Associados

Vieira de Almeida & Associados enjoys a high status among clients and peers, which consider the firm "one of the best in the market, and one of the most active in the banking sector".

The firm has the ability to win mandates on both the lender and borrower sides of financing deals. The firm advised Depfa Bank on a €100 million long-term structured cred-

it facility granted to Metro do Porto, the public-transport operator for Portugal's second city. In August 2007, Vieira de Almeida also advised Banco Itaú Europa in a €230 million loan facility agreement.

Vieira de Almeida also has a well-recognised aircraft finance practice. For example, Pedro Cassiano Santos advised Calyon and Besi on the financing for Tap Air's purchase of four Airbus aircraft in 2008.

#### Leading lawyers

Pedro Cassiano Santos

### Linklaters

"Linklaters is one of the best firms in Portugal in banking," according to one rival. The firm has a strong commercial approach, and advised this year on various refinancing facilities for the real-estate industry.

"They are a high-profile firm in terms of the work they do," says another competitor. "They usually aim for the big deals, and you do not really see them doing small transactions."

This is evident on the firm's transaction list for this year. Linklaters advised Barclays Capital in the drafting and negotiation of a €3 billion revolving credit facility for EDP, one of Europe's largest electricity operators. The credit was made available for general corporate purposes, including EDP's acquisition of Horizon Wind Energy.

The team also advised Credit Suisse International on its €150 million acquisition of real-estate rental receivables from Patriram. In addition, the firm advised Sodim on the €128 million refinancing of Hotel Ritz and Hotel Villa Magna's existing debt and refurbishment.

#### Leading lawyers

Pedro Siza Vieira

### PLMJ

PLMJ's banking and finance group is highly proficient, particularly for deals with a domestic focus. "They have a really sound team," says one client. "I was especially impressed with Maria Castelos." Castelos is frequently praised by both clients and rivals for her excellent banking work.

PLMJ advised on the €500 million acquisition finance facility awarded to Babcock & Brown Group for its purchase of a 10% stake in Brisa. The firm also advised on an acquisition financing facility for the Gambro Group.

The firm has also been active in financial services regulatory work this year, advising domestic and international financial entities regarding Mifid compliance issues.

**Leading lawyers**

Maria Castelos

**Uría Menéndez**

Uría Menéndez has one of the strongest banking practices in the jurisdiction. The firm has received a number of mandates from its strong connections with the banks and from Spanish companies doing business in Portugal.

"I have worked with Francisco Sá Carneiro, who I believe is an incredible lawyer in banking and finance," says one client. "My overall impression is very good - they have a great judicial technicality, and Francisco always brings his clients security."

The market also praises Pedro Ferreira Malaquias for his expertise in banking matters. Ferreira has participated in most of the firm's banking deals for this year, with one highlight advising BES Investimento on the €65 million financing of the acquisition of Indústrias de Alimentação.

In one innovative transaction, Uría advised Hypo Real Estate on a €25 million *shariah*-compliant *ijarah* (capital leasing) facility for the refinancing of a real-estate investment - the only *ijarah* financing in Portugal this year.

**Leading lawyers**

Pedro Ferreira Malaquias  
Francisco Sá Carneiro

**Garrigues Portugal**

Head of department Diogo Leónidas Rocha leads the Garrigues banking practice, supported by lawyer Bruno Ferreira.

"They have a strong practice with very good clients," says one rival. "I think the two partners are doing a great job."

The two-partner team has had an active year advising mostly Spanish banks on investments in Portugal. Among the firm's standout deals for this year, Garrigues advised a prominent Spanish bank in the €1 billion refinancing of a real-estate group.

The firm also acted for another Spanish bank on several of its investments in Portugal, and advised a French bank in relation to export financing issues.

**Leading lawyers**

Diogo Leónidas Rocha

**Other notable firms**

Because of the credit crisis, **Macedo Vitorino & Associados'** financing team has decided to change its focus from banks to borrowers. "We found that is safer to work for the borrower," says one of the firm's partners, "so we are targeting the borrower as it avoids prob-

lems." But the firm is still a regular choice for banks, and this year advised Banco Efisa and Banca OPI in a €125 million loan facility. It also advised a consortium of banks on the £241 million refinancing of senior credit facilities extended for the acquisition of the Safety Clean Group. In addition, the team is now advising Wachovia Bank in the \$32 million financing for the acquisition of Dayton Progress Group.

**Simmons & Simmons Rebelo de Sousa's** banking and finance department is led by William Smithson. The firm's clients include Apollo Asset Management, Bank of America, Credit Suisse, Deutsche Bank, Goldman Sachs and UBS.

This year, the firm advised Barclays on the establishment of a cross-border mortgage platform and on a number of cross-border mortgage loans. Simmons & Simmons also advised Bank of America on the acquisition of non-performing loan portfolios from Portuguese banks.

**Mergers and acquisitions****Recommended firms****Tier 1**

Morais Leitão Galvão Teles Soares da Silva & Associados  
PLMJ

**Tier 2**

Linklaters  
Vieira de Almeida & Associados

**Tier 3**

Gonçalves Pereira Castelo Branco  
Uría Menéndez

**Tier 4**

Abreu Advogados  
Abreu & Marques e Associados  
Garrigues Portugal  
Serra Lopes Cortes Martins & Associados  
Simmons & Simmons Rebelo de Sousa

**Tier 5**

Almeida Sampaio & Associados  
António Frutuoso de Melo & Associados  
Carlos Aguiar Ferreira de Lima & Associados  
Sérvulo & Associados

Due to the substantial increase in M&A transactions in 2007, the Portuguese market was expecting more of the same for the 2008. But the consequences of the credit crisis for the Portuguese M&A market this year have been rather tragic.

In a sense, the country is a victim by association: Spain's subprime woes have particularly hurt Portugal due to the traditionally strong role Spanish corporates and lenders have in the market.

But 2008 is finally starting to show some signs of life, with a handful of transactions beginning to appear in the energy sector. More transactions are expected to follow suit in the natural resources, telecoms and media sectors.

Some partners are very optimistic indeed: "The market is slowly picking up again," says one Portuguese partner. "We are seeing some M&A in the IT sector, which is always moving. There are a lot of mid-cap deals happening."

**Morais Leitão Galvão Teles Soares da Silva & Associados**

Morais Leitão Galvão Teles Soares da Silva & Associados is among the leading M&A firms in Portugal according to market commentators.

The firm has had a typically strong year, with involvement on some leading mandates such as advising Sonae Distribuição in its €662 million acquisition of the share capital of Carrefour Portugal - one of the biggest deals that occurred in Portugal last year.

In another standout deal, the firm advised Automatic Data Processing in the acquisition of high-tech subsidiaries of Salvador Caetano and Entrepasto.

Morais Leitão Galvão Teles Soares da Silva & Associados is frequently called on for counsel by Energias de Portugal - this year it advised the company in four different transactions this year: the €2.2 billion acquisition of Horizon Wind Energy; a strategic partnership with Algerian state oil company Sonatrach; the €38 million purchase of Pebble Hydro from Babcock & Brown; and the sale of 40% and 27% of shares in Turbogás and Portugen respectively.

In addition, the firm advised Millennium BCP in its attempted €16 billion merger with Banco BPI in November 2007. The bank returned to the firm for counsel in relation to a strategic partnership with Angolan oil-and-gas company Sonangol and Banco Privado Atlântic. The negotiations include several sales and agreements, including the disposal of a 49.9% stake in BCP's subsidiary Banco Millennium Angola to Sonangol.

**Leading lawyers**

Nuno Galvão Teles  
Carlos Osório de Castro  
João Soares da Silva

## PLMJ

PLMJ boasts one of largest M&A practices in the market, and one of the best, according to its peers and clients. This perception is confirmed with one glance at the firm's deal sheet for the year.

The firm's highlight was acting for Carrefour on its €662 million sale of Carrefour Portugal to Sonae Distribuição - one of the Portuguese deals of the year.

PLMJ also worked on the spin-off of Tabaqueira. PLMJ advised the company, alongside its in-house counsel, on the structuring and implementation of the deal, which was made more difficult as it contains a number of minority shareholders from its days as a state-owned company.

In addition, the firm advised Standard Life Group on a €27 million joint-venture agreement with the Citygrove group. PLMJ advised Standard Life on the deal, which involved an extensive negotiation process and the construction, development, and promotion of the real-estate project.

### Leading lawyers

Fernando Campos Ferreira  
 Maria Castelos  
 Luís Sáragga Leal  
 Gabriela Rodrigues Martins

## Linklaters

Linklaters fields a small group of corporate lawyers, which is rapidly becoming known one of the most important M&A teams in Portugal.

One of the firm's best-known figures is Jorge Bleck, who receives much praise from the market for his excellent M&A work. "Jorge Bleck is one of their main partners - his work in M&A deals is outstanding," says one client. Corporate lawyer António Soares is also highly praised by the market.

In the last year, Linklaters continue its work advising Banco Santander on the €200 million integration of its Portuguese branches of Santander Consumer Finance and Santander Consumer into Interbanco.

In September 2007, the firm advised Sociedade Central de Cervejas e Bebidas on the sale by Scottish & Newcastle, through its Portuguese subsidiary, of its restaurant business units to the Portugália Group.

During the same month, António Soares, assisted by Marcos de Sousa Monteiro, showed the benefit of an international network when the firm provided Portuguese advice to RBS, Fortis and Santander in relation to their €70 billion takeover of ABN Amro.

### Leading lawyers

Jorge Bleck

## Vieira de Almeida & Associados

Vieira de Almeida & Associados has held its position in the second tier after a strong year advising some high-profile clients. Helena Vaz Pinto has been appointed by the firm to lead its private-equity team, which in spite of the credit crunch has experienced a significant rise in activity.

Prominent lawyer João Vieira is acknowledged by the market as an outstanding lawyer. "We very much liked João Vieira and Rita Marques for their knowledge of M&A legal issues and for their availability," says one client of the firm.

João Vieira and Rita Marques advised McDonald's Portugal in its acquisition of Calco, and advised private-equity house Explorer Investments in its acquisition of Media Capital Outdoor's group of companies.

Newly appointed partner Paulo de Barros Baptista and Helena Vaz Pinto also advised Brisa on the sale of a 10% stake in its subsidiary, road operator Brisal - Auto-Estradas do Litoral.

### Leading lawyers

João Vieira de Almeida

## Gonçalves Pereira Castelo Branco

"Since GPCB merged with Cuatrecasas the firm is doing a pretty good job in M&A," says one long-time client of the firm. The integration of Gonçalves Pereira Castelo Branco and the Spanish firm Cuatrecasas, which occurred in 2003, was a milestone in the integration of the Iberian market, and allows the two firms to remain quasi-independent while sharing a regional client base.

José Diogo Horta Osório leads the firm's M&A department, and advised on most of the firm's prominent deals for the year.

Horta Osório is advising Sociedade Gestora de Participações Sociais in its sale of a €55 million stake to an undisclosed party, and in August 2007, Horta Osório presided over Dong Energy's €722 million disposal of E2-I renewable-energy division.

The firm is also advising Parfitel in its €72 million sale of a controlling position in Bragatel, Pluricanal Leiria and Pluricanal Santarém.

Gonçalves Pereira's more recent instructions include acting for Altri SGPS on its sale of a 50% stake in Ródão Power's biomass operations to EDP Produção-Bioeléctric. It is also advising private-equity houses Explorer I and Explorer II in relation to the acquisitions of publishing groups and scrap recycling businesses, respectively.

### Leading lawyers

Manuel Castelo Branco  
 Frederico Pereira Coutinho  
 Diogo Perestrelo

## Uría Menéndez

Uría Menéndez arrived in Portugal in 1997, and since then "they have picked some of the best practitioners in Portugal", according to one competitor, who adds: "Now the firm is pretty well established and is doing great work."

Uría has been busy over the last year, acting for multinational companies such as Kodak, Siemens and Bunge, and advising private-equity firms such as Mercapital, Bain Capital, Chequers Capital and Eurazeo.

In July 2007, the firm advised Mips Technologies in its \$149 million acquisition of Chipidea Microelectrónica. The firm closed 2007 with a significant deal, advising Media Capital and Prisa in the sale of Media Capital Outdoors under a competitive bid.

One highlight this year saw the firm advise Deutsche Bank in the acquisition of a stake in Manicargas in March 2008. A month later, the firm advised Jerónimo Martin Group in its €320 million acquisition of Tengelmann Plus's operations in Portugal and Poland.

"I think they do a superb job," says a client of the firm. "Their service is very efficient and professional, and besides their technical competence, they are always available when the client needs them."

### Leading lawyers

Francisco Sá Carneiro

## Project finance

Recommended firms	
<b>Tier 1</b>	Linklaters Morais Leitão Galvão Teles Soares da Silva & Associados Vieira de Almeida & Associados
<b>Tier 2</b>	Gonçalves Pereira Castelo Branco PLMJ Uría Menéndez
<b>Tier 3</b>	António Frutuoso de Melo & Associados Barrocas Sarmiento Neves Jardim Sampaio Caldas e Associados Sérvulo & Associados
<b>Tier 4</b>	Abreu Advogados Macedo Vitorino & Associados Simmons & Simmons Rebelo de Sousa

As a neighbour (and friendly rival) of Spain, a world leader in renewable energy, Portugal is taking aggressive measures to boost its production of renewables.

And why not? Roughly half of the country's border is coastline, and it enjoys sunny summers and windy winters; perfect for hydroelectric dams, photovoltaic solar-energy plants and wind farms.

The pre-eminence of Spain in renewable energy has contributed to the integration of the Iberian energy sector - as Portuguese contractors work closely with their Spanish counterparts - which in turn helps to shape the legal-services sector. But this regionalising effect is far from absolute: the true leaders in project finance are those firms that can demonstrate the requisite local knowledge to work in the country's municipalised market.

In addition to energy projects, Portugal has undertaken a number of infrastructure projects including motorway concessions and the TGV high-speed train system, while the groundwork rumbles on for the construction of Lisbon's new airport.

### Linklaters

Its peers and clients almost unanimously believe Linklaters is one of the best firms in project finance, mainly through the expertise of department head Pedro Siza Vieira. But some in the market comment that the firm needs to have more integration between its public-law and project finance practices.

The hire of Francisco Ferraz de Carvalho from Sérvulo & Associados should go some way towards addressing this concern, since his former firm is well-known as one that specialises in public law.

In the last year, the firm has been particularly busy advising lenders on the financing of wind farms in central and eastern Europe. The firm has also increased its project finance work in Portuguese Africa, where Calyon and Banco BPI chose the firm to advise on the \$750 million financing of the Mozambican government's acquisition of the Cahora Bassa dam from the Portuguese government.

Linklaters also advised Millennium BCP in relation to its €49 million bridge loan to Megawatt Baltica, a subsidiary of Global Renewable Power International, for the development of the Tychowo wind farm in Poland.

In the domestic market, the firm is advising Somague on the public tender for the €400 million Túnel do Marão PPP project.

#### Leading lawyers

Francisco Ferraz de Carvalho  
Pedro Siza Vieira

### Morais Leitão Galvão Teles Soares da Silva & Associados

Morais Leitão Galvão Teles Soares da Silva & Associados' project finance department is respected by competitors for the depth of its knowledge. "It is one of the firms that if you have a deal with them, you always end up learning something," says one rival.

The partner adds: "They have Luís Branco, who is an amazing lawyer, and Filipe Lowndes Marques, also a good lawyer, and are involved in most of the project finance deals in Portugal."

The firm has a strong domestic project finance practice, advising in many of the key Portuguese project finance transactions for this year. In December 2007, the firm advised Banco Espírito Santo in the financing for the first hazardous-materials treatment centre in Portugal.

In March 2008, the firm advised a bank syndicate on a €550 million project finance facility to a company held by International Power and Endesa for the construction and development of a natural-gas power plant.

A month later, the team advised another bank syndicate in the financing for the Túnel do Marão road tunnel concession.

"I think the firm has a deep knowledge and experience in project finance and provides an excellent service to their clients," comments one client. "Luís Branco has extensive experience in project finance, and is very proactive in trying to solve things and reaching a successful transaction."

#### Leading lawyers

Luís Branco  
Filipe Lowndes Marques

### Vieira de Almeida & Associados

Both rivals and clients praise Vieira de Almeida's co-head of project finance, Manuel Protásio, for the quality of his work and his knowledge of project finance structures.

The firm tends to work on the sponsor side of transactions. In one notable deal, the firm advised sponsors on Portugal's largest road transaction of this year - the €1.2 billion Douro Litoral motorway concession.

The firm also advised Elecgás in the first project financing for a power plant under Portugal's newly liberalised legal framework the electricity market, acting for the company in the development, construction and financing of a €650 million power station with an 800MW output.

In addition, Vieira de Almeida & Associados advised in relation to the €60 million acquisition and refinancing of a wind farm portfolio in France. On the lender side, the European Investment Bank (EIB) sought

the firm's counsel in relation to the €350 million financing of a 240MW wind farm in the north of Portugal. The deal was significant as it was the first to take advantage of under the EIB's structured finance facility regime, which allows the EIB to take on project risk without bank guarantees.

#### Leading lawyers

Vanda Cascão  
Manuel Protásio

### PLMJ

Maria Castelos performed very well this year according to peers and clients, working on some of Portugal's most significant project finance transactions.

One of the firm's most notable roles was acting as local counsel to a syndicate of banks in the financing of the Tapada do Outeiro combined-cycle power station through a PFI structure.

PLMJ backed this experience by winning a role advising on the €23 million refinancing of the São João I and II wind farms before their sale by Tecneira Group to Erenova.

Castelos is working in several deals this year; among the most important is the €30 million project financing of hazardous-waste processing and disposal facility.

Fernando Campos and his team, in conjunction with a team of lawyers from Vieira de Almeida, are also providing legal assistance to the Asterion consortium in relation to the proposed construction of Lisbon's new international airport.

#### Leading lawyers

Maria Castelos

### Uría Menéndez

"We like to work with Uría because of their outstanding quality of work and the fact that they are available and focused in order to try to solve things," says one client of the firm.

Competitors also agree that Uría Menéndez is one of the most active firms in project finance, and praise Francisco Sá Carneiro and Duarte Brito de Goes for their excellent project finance work.

The firm was active in the road-building sector this year, advising on a highway financing in Portugal and advising a syndicate of banks in the financing for the Douro Litoral highway project.

Uría also acted for a consortium of banks on the project finance facilities for the Alto do Minho wind farm.

"I am very happy with the quality of the

Uría as one of the top law firms in project finance in Portugal.”

#### Leading lawyers

Duarte Brito de Goes

#### Other notable firms

Public-law boutique **Sérvulo & Associados** has created a separate project finance department, reflecting the firm's efforts to develop its practice in this area.

But the firm has encountered a rocky patch: this year has seen the departure not only of Bernardo Diniz de Ayala to Uría Menéndez, but also of Francisco Ferraz de Carvalho to Linklaters. “The firm has been expanding significantly in the last three years,” says one rival. “But the departure of Francisco Ferraz will undoubtedly affect the firm... He was the main man in project finance at the firm.”

On the other hand, the firm has also strengthened and broadened its practice by merging with corporate firm Ferreira Pinto & Associados, and with the hire of Paulo Câmara, who is a former director of the Regulatory Policy and International Department of the Portuguese Securities Commission, to the partnership.

In one of the firm's notable project finance deals for this year, Rui Medeiros advised EDP Distribuição Energia in a €1.5 million financing facility to develop the national grid.