

France

Chamber of commerce:

Assemblée des Chambres Françaises de
Commerce et d'Industrie (ACFCI)
45, Avenue d'Iena
BP 448.16
75769 Paris Cedex 16
France
Tel: +33 1 40 69 37 00
Fax: +33 1 47 20 61 28
Email: p.gervois@acfc.cci.fr
Web: www.acfc.cci.fr

Professional bodies:

Barreau de Paris
Palais de Justice
Paris F-75001
France
Tel: +33 1 46 34 12 34

Ordre des Avocats à la Cour de Paris
11, place Dauphine
75053 Paris CEDEX 01
France
Tel: +33 1 80 27 19 20
Email: delegationgenerale@
avocatparis.org
Web: www.avocatparis.org

Recent reform to the financing of SMEs

Marie-Elisabeth Hertz and Catherine Mermet
Bernard Hertz Bejot
Paris

Small-and medium-sized enterprises (SMEs), representing 90% of French companies and employing two-thirds of all salaried employees, constitute the backbone of the French economy. Specific attention is therefore paid to them in times of economic crisis, in order to facilitate their operations and improve their financing.

Different types of measures can be contemplated, ranging from offering specific credit lines, giving tax incentives for investing in SMEs, making investment in them easier by lightening the legal obligations and constraints associated to the sale of their shares on the public market, or supporting credit insurance.

During the last 12 months, the French government and legislators have gradually adopted and implemented all of these measures. For instance, the government has set up two systems of so-called public credit insurance supplement, to complement or replace private credit insurance.

However, one of the most striking measures to have been adopted is the shortening of payment terms imposed by law. This measure is worth being highlighted because it is a strong example of state economic interventionism in a crisis period when mere professional negotiations have proved insufficient to protect the interests of SMEs. This measure is theoretically liable to have a strong impact, as the report of the *Observatoire des Délais de Paiement* (a research institute for payment periods) assesses the accounts payable over 60 days at €104 billion.

As a matter of fact, among the different means of financing available to French SMEs, commercial credit plays a significant role, rep-

resenting four times the amount financed by financial institutions. The issue of intercompany credit, and in particular payment periods, is therefore a fundamental issue, all the more so as it is a well-known fact that payment periods in France are generally higher than those usual in Europe. The parliamentary review has shown the average payment period to be 67 days, while the average European period is 57 days.

The Law on the Modernisation of the Economy

The impact of payment periods is therefore a recurrent theme, and the government has endeavoured over the years to find solutions liable to help reduce them. After various experiments in specific economic sectors or attempts to encourage professionals of a given sector to regulate the payment periods by themselves by means of internal regulations, the government's efforts culminated in the adoption of specific legislative provisions in Law 2008-776 of August 4 2008 on the Modernisation of the Economy (the LME).

This law sets forth that the agreed payment period in the supplier-customer understanding will not extend beyond 45 days from the end of the month or 60 days from the date of invoice. The law provides for sectorial adjustments, allowing professionals of a given industrial branch to negotiate specific agreements, but such agreements are submitted to restrictive conditions and can only be temporary.

In order to give more strength to this measure, the law, seconded by a recent decree of December 30 2008, provides that when auditors have been appointed they must include in their report information pertaining to the payment terms implemented by the audited companies. The sanctions instituted by law can be deterrent, because the act of imposing on a partner payment terms that do not comply with the 45-or 60-day period is sanctioned by a civil fine of up to €2 million.

Furthermore, in the case of violation of the legal payment terms, late penalties are payable without reminder at a rate amounting to the European Central Bank refinancing rate plus 10 points (11% as at May 7 2009) or at a rate at least equal to three times the legal interest rate (which has been set at 3.79% for 2009). All of these measures are applicable to the contracts entered into since January 1 2009 or to the orders passed after this date in the case of so-called open orders.

Impact on international contracts

The issue of whether these new payment terms will be applicable to international sales contracts is debated among authors. It will undoubtedly be applicable if the parties have chosen French law as the law governing their contract and the United Nations Convention on contracts for the international sale of goods (CISG) of April 11 1980 is not applicable, either by the express choice of the parties or because the actual contractual situation does not fall under its scope. Indeed, this international convention contains provisions applicable to the payment terms, stating that they are freely defined by the parties.

Consequently, if the CISG is applicable and the parties have defined the payment terms, these terms should prevail over the provisions set forth by the LME. If the parties have chosen a foreign law and have excluded the CISG, French legal provisions on payment terms could be applicable if they qualified as a so-called *loi de police*: that is, as mandatory rules. The law is too recent for precedent to be available on the issue, so the qualification as *loi de police* is still uncertain. Foreign suppliers and distributors should therefore be aware of these provisions and pay attention to the choice-of-law clause.

It is too early to be able to draw conclusions and know whether the abovementioned measure will have the expected result and reach its objective. It has indeed been proved in the past that the mere enactment of a bill of

law, even if it is sanctioned by heavy civil penalties, is not sufficient to force companies to shorten payment terms. Powerful multinational companies will try to impose their conditions and will endeavour to compensate for the shortening of payment terms by a price reduction, as part of the commercial negotiations. However, it is obviously not in the interests of a company to strangle its contractual partner to the point that the latter must file bankruptcy proceedings. It can therefore be hoped that this legislation will efficiently support market rules and serve as a strong incentive to shorten payment terms, making it easier for SMEs to actually impose shorter payment terms on their co-contractors and apply late penalties in cases of payment delay.

Capital markets – equity

Recommended firms	
Tier 1	Cleary Gottlieb Steen & Hamilton Shearman & Sterling
Tier 2	Debevoise & Plimpton Freshfields Bruckhaus Deringer Linklaters Sullivan & Cromwell
Tier 3	Bredin Prat Clifford Chance Darrois Villey Maillot Brochier Gide Loyrette Nouel Skadden Arps Slate Meagher & Flom
Tier 4	Allen & Overy De Pardieu Brocas Maffei Latham & Watkins Orrick Rambaud Martel Willkie Farr & Gallagher

Capital markets – debt

Recommended firms	
Tier 1	Allen & Overy Clifford Chance Gide Loyrette Nouel Linklaters
Tier 2	Freshfields Bruckhaus Deringer
Tier 3	Cleary Gottlieb Steen & Hamilton De Pardieu Brocas Maffei Latham & Watkins Lovells Orrick Rambaud Martel Shearman & Sterling White & Case
Tier 4	Debevoise & Plimpton Jones Day Skadden Arps Slate Meagher & Flom Willkie Farr & Gallagher

Capital markets – structured finance and securitisation

Recommended firms	
Tier 1	Freshfields Bruckhaus Deringer Gide Loyrette Nouel
Tier 2	Allen & Overy Clifford Chance Linklaters
Tier 3	De Pardieu Brocas Maffei Latham & Watkins Lovells Shearman & Sterling Skadden Arps Slate Meagher & Flom
Tier 4	Jones Day Orrick Rambaud Martel White & Case
Tier 5	Cleary Gottlieb Steen & Hamilton Debevoise & Plimpton Willkie Farr & Gallagher

Though the turmoil in the markets has made IPOs virtually impossible, equity capital markets lawyers are still the busiest lawyers in an otherwise sluggish environment, as companies look to minimise their debt with large rights issuances.

“It is more than public knowledge that people want to finance themselves by any means possible because bank lending has dried up,” says one partner.

Only the most trusted companies can afford to go to the market, however, and for capital markets lawyers the downturn has presented them with a challenge.

“It’s a worrying change that we are seeing clients disappear off the face of the earth,” says one partner. “But it’s been fascinating in terms of having to change and adapt and go with the flow.”

But things did pick up towards the end of the first quarter of 2009 and lawyers sought innovative ways to accommodate clients. Hybrids and convertibles became more attractive, and the state of flux in the market ensured a ready supply of regulatory work.

Preference shares are also witnessing a resurgence and Linklaters was the obvious choice for Société Générale’s €1.7 billion issue, as partner Gilles Endréo chaired the preferred shares committee that made suggestions on the new law enacted in November 2008.

Allen & Overy

Allen & Overy is almost unanimously recognised as the preeminent debt capital markets firm. “Allen & Overy is the real leader in debt capital markets in France,” says one rival, while another adds: “They have a very, very good practice.”

The practice is one of the most specialised in the country. It offers French, UK and US law capabilities, and has a strong focus on regulatory capital issuances, liability management and state guarantee schemes. Two of its partners, Dan Lauder and François Poudelet, are regarded as leading lawyers while two more, Hervé Ekué and Diana Billik, receive strong praise from clients for their commercial nous.

“I worked a lot with them,” says one leading banking client. “Hervé Ekué, who has been recently appointed partner, is great for all debt capital markets work. We worked on a particular transaction launched with reference to the French rescue plans and he gave us very useful pieces of advice. Diana Billik is also great – both partners have a great knowledge of the products and are very responsive.”

Allen & Overy buttresses its reputation as a leader by acting on top-end transactions. In October 2008 François Poudelet and Hervé

Ekue worked together representing the joint lead managers, which included BNP Paribas and Barclays Capital, on a €1.9 billion dual-tranche debt issuance by GDF Suez. The deal reopened the market for debt issues in Europe after it had temporarily shut following the collapse of Lehman Brothers.

Diana Billik, Dan Lauder and Hervé Ekué all advised the lead managers on the inaugural and subsequent Rule 144A bond issues by Société de Financement de l'Economie Française. The deals took place in January 2009 and totalled €8 billion.

Leading lawyers

Dan Lauder
François Poudelet

Clery Gottlieb Steen & Hamilton

Clery Gottlieb Steen & Hamilton is the most lauded firm in France for equity capital markets work. "They are definitely tier one. For ten years they have been a very good choice," says one rival.

"Clery has a very strong team working for both issuers and underwriters, and they are very active – number one for convertibles and capital increases," says another competitor.

Part of the firm's strength in equity comes from its deep roots in French M&A. And despite the drop in equity work brought about by the downturn, the firm has kept active. "Clery is on a lot of deals because when the market contracts, clients tend to focus on fewer firms," says one competitor.

Additionally, commentators point to the quasi-government work and high-profile downturn-related mandates that Clery has won as reasons for the firm's high visibility.

Clery is less active on the debt side, but the firm's practice of fostering strong relationships with clients by offering fully-integrated services with small, dedicated teams, ensures the occasional big-ticket deal.

"Clery Gottlieb is like Sullivan & Cromwell," says a rival. "They do high quality but not a high volume."

Crédit Agricole's offer to repurchase €868 million of its €1.21 billion outstanding subordinated notes is a good example of its debt work. Andrew Bernstein led the team that advised on the fixed price cash tender offer for its outstanding upper tier two callable perpetual subordinated notes, which were offered under Agricole's Euro MTN programme. The offer closed on April 7 2009 after an aggregate amount of €631 million of notes were tendered for and accepted.

Bernstein, along with Pierre-Yves Chabert, acted on another standout deal, advising Lafarge on its fully-underwritten €1.5 billion

rights issue, which was completed on May 30 2009.

The same partners also worked together on Natixis's €3.7 billion underwritten rights offering, which closed September 30 2008. The transactions included a public offering in France and a private placement to international institutions.

Leading lawyers

Andrew Bernstein
John Brintzer
Pierre-Yves Chabert

Clifford Chance

Clifford Chance's international network and domestic strength makes them a strong competitor in capital markets.

The firm was active on the equity side when there was still a market for IPOs, but since the economic downturn Clifford Chance has been less visible according to competitors. But the firm's stature in the structured finance and securitisation market remains unchanged and in debt capital markets Clifford Chance is still a member of the monopoly of the firms that rule the top tier.

"My experience of working with the firm is great," says a client. "I work on bond issues and EMTN programme establishment, and I am very satisfied with their work; we prefer to work with law firms with experience."

Partner Cédric Burford, who another client praises for his "strong commercial sense", has been driving the firm's debt capital markets practice, acting on several large bond issues. In September 2008 he advised Caisse D'amortissement de la Dette Sociale on a €3 billion bond issue and in January 2009 he advised the same company on a €2 billion bond issue. The following month he advised Sodexo on its €650 million bond issue.

The firm's structured finance and securitisation practice is led by Jonathan Lewis and Richard Parolai. "We choose the firm because we often work with them on certain deals, and they have the competences and knowledge to do these deals," says one client. "And working with Richard Parolai was perfect. He has the knowledge, gives quick responses and is available."

Clifford Chance's structured finance and securitisation practice has been kept busy during this difficult period advising existing clients on restructurings and unwinds. The firm was advising RBS/ABN Amro on the restructuring of a series of trade receivables transactions until March 2009, and has advised several large clients, including Natixis and Fortis, on the unwinding of synthetic CLO programmes in 2009.

Leading lawyers

Jonathan Lewis
Richard Parolai

Freshfields Bruckhaus Deringer

Freshfields and Gide Loyrette Nouel have had a stranglehold on the French structured finance and securitisation market for a number of years. But, according to one rival, the two dominant firms have pursued very different strategies.

"Freshfields is also right at the top of the market, but it's a different story there from Gide. Freshfields has a very small team and they don't take everything that comes their way. They are much more selective," says one competitor.

In the other areas of the capital markets the firm is no less capable, though its participation in deals is said to be more sporadic. "Freshfields is a very good equity capital markets player, but I haven't seen them recently," says a peer.

Partners Hervé Touraine and Dougall Molson acted on one of the firm's most notable deals on the debt side, advising Natixis on the €1 billion covered bonds issue by Banques Populaires in May 2008.

And Touraine, who is regarded by peers as an expert in both debt capital markets and structured finance and securitisation, also advised Fortis Bank and Société Générale in July, in relation to a €1 billion securitisation of German auto loans contracts.

In December 2008 Fabrice Grillo advised Société Générale in setting up a €19 billion covered debt issuance programme backed by residential mortgage loans.

Leading lawyers

Patrick Bonvarlet
Hervé Touraine

Gide Loyrette Nouel

Gide Loyrette Nouel has carved itself a niche acting for domestic companies on French law matters. This has led to claims that the firm is less international than its competitors, but such claims do not deflect the firm from its market-leader status. "Gide is working exclusively on French law deals, and they get their fair share of these," says one peer.

The sheer size and quality of the firm has meant that even in the equity capital markets, where Gide is said to be least visible, it has built up plenty of goodwill. "I don't see the firm on any transactions," says a rival. "But they have a team and they have a significant track record; it's a very different firm, much bigger, and it has a definite capacity on the equity capital markets side."

And despite the downturn generating speculation that Gide, along with Freshfields, was forced to face “some serious rethinking about how to deal with finance activity”, the firm’s reputation within structured finance and securitisation is formidable. When the market was there, Gide was a “securitisation factory” according to one rival, doing deal after deal.

It is also a strong player in derivatives. “I have very good experiences with Gide; I am always happy to work with them,” says a client. “We work with them specifically on derivatives transactions and are very happy to use their services. Only three law firms – Linklaters, Allen & Overy and Gide – are capable of performing the services we need for derivatives, and because of the relationships we have, we prefer to work with Gide.”

The client continues: “They’re known to provide a high level of service and expertise, and they have good knowledge of the regulators, which is very important for our transactions.”

In one deal, Xavier de Kergommeaux led the firm advising Société de Financement de l’Economie Française, the refinancing vehicle for French banks, in its granting of loans and financing to banks and financial institutions. By April 20 2009 the Société had issued €35 billion. De Kergommeaux, along with Nicolas Jüllich, also advised the banks who held shared interests in the Société when they acquired interests in its capital in October 2008.

Leading lawyers

Xavier de Kergommeaux
Jean-Marc Desaché
Patrice Doat
Gilles Saint-Marc

Linklaters

Although debt capital markets is perceived to be Linklaters’ strongest suit, after acting in some stellar equity deals and continuing to nip at the heels of Freshfields and Gide Loyrette Nouel in structured finance and securitisation, the firm has marked itself out as a consummate all-rounder.

“A very good team and they’re very homogenous, with many market insights,” says a client who worked with Philippe Herbelin. “They are up-to-date with the topical issues and always know which issues will arise.”

Rivals also praise Linklaters, particularly its strong international capabilities in equity capital markets, where competitors say the firm works the same large deals as top-tier firms, though a little less often.

Philippe Herbelin acted in more than one such deal. In February 2009 he led the team that advised BNP Paribas, Calyon and JPMorgan Securities as joint lead managers and

joint book-runners in the €1.5 billion share capital increase by Compagnie de Saint-Gobain, which was effected as a free allocation of warrants.

Herbelin also advised Calyon and Société Générale in relation to ArcelorMittal’s €1.25 billion convertible bond issue in March 2009.

Impressive deals also cement Linklaters’ reputation as a rising power in structured finance and securitisation. Most notable was the establishment of a €10 billion covered bonds programme for Crédit Mutuel Arkéa, a credit union and mutual savings bank. The programme is listed on the Luxembourg Stock Exchange and allows the issue of covered bonds governed by French or German law. Head of capital markets Gilles Endréo worked the deal, which completed in December 2008.

Endréo’s reputation as a leading lawyer is confirmed by a catalogue of satisfied clients. “He is very experienced and friendly and has a good sense of humour, which is great when you want to relax on a deal where there is a lot of pressure – but of course with a lot of experience,” says a client of Endréo.

Leading lawyers

Gilles Endréo
Philippe Herbelin

Shearman & Sterling

Shearman & Sterling’s consistency as a top-tier firm belies a struggle from which the firm has emerged triumphantly only recently, according to competitors.

“For years Shearman & Sterling was a very good firm and it then fell down a little, but now it has come back,” says one peer. “Between 2001 and 2004 Shearman & Sterling was really on the top, then after that – I don’t know why – they were less active. But for about a year now they have attracted good clients for important deals.”

“Shearman is clearly in the market,” says another competitor. “They have done a lot of deals in recent months; I think they were less present a year ago but this year [they are] working both for issuers and underwriters.”

Commentators attribute the drop in visibility that Shearman suffered to an influx of firms and a subsequent price-dumping battle that took place in the market a number of years ago, as well as to internal restructurings at the firm. And though some commentators question how much of the firm’s workflow relied upon the now absent 144As, the firm’s strong US ties make Shearman an obvious choice for international mandates.

According to one partner at a rival firm, Shearman’s re-emergence coincides with the increased visibility of partner Bertrand Sénéchal.

Sénéchal, along with leading lawyer Robert Treuhold, acted as French and US counsel to Lazard-Natixis, Credit Suisse and Merrill Lynch International in Natixis’ €3.7 billion capital increase with preferential subscription rights, along with an international private placement that included a Rule 144A placement in the US.

Leading lawyers

Hervé LetrégUILly
Sami Toutounji
Robert Treuhold

Sullivan & Cromwell

Sullivan & Cromwell has a reputation for acting on only the largest, most complex equity capital markets transactions. So much so that commentators have a hard time imagining the firm doing anything else.

“Sullivan & Cromwell is not good on deals that are under a billion,” says one rival. “It’s a firm that is very well equipped for this; there is no other firm that does more one-of-a-kind transactions.”

The support that Sullivan & Cromwell can call on from the firm’s highly regarded US office strengthens its position, competitors say, though its Paris base does not lack depth. In September 2008 US law partner Krystian Czerniecki transferred from the firm’s Frankfurt office, adding to the practice’s already talented team, led by Olivier de Vilmorin and Dominique Bompont, who “are both excellent” according to a client.

The same client goes on to say of the firm: “They have always given us satisfaction and that’s why we choose them. We worked with them generally for financial issues, listed companies issues, for documentation and prospectuses, and any kind of matter that related to market averages.”

In one of the firm’s outstanding transactions of last year, partner William Torchiana acted for Caisse des Dépôts et Consignations in the € 1.7 billion investment in Dexia.

One client adds: “They are very responsive, have a nice track record and deep experience in such matters. They know perfectly our company.”

Leading lawyers

Dominique Bompont
Richard Vilanova

For analysis of other leading law firms in the French capital markets visit the website at www.iflr1000.com

Banking

Recommended firms	
Tier 1	
Clifford Chance	
Gide Loyrette Nouel	
Linklaters	
White & Case	
Tier 2	
Allen & Overy	
Latham & Watkins	
Tier 3	
Ashurst	
De Pardieu Brocas Maffei	
Norton Rose	
Shearman & Sterling	
Tier 4	
Freshfields Bruckhaus Deringer	
Herbert Smith	
Lovells	
Orrick Rambaud Martel	
Tier 5	
Cleary Gottlieb Steen & Hamilton	
JeantetAssociés	
Mayer Brown	
Simmons & Simmons	

It goes without saying that things could be better for France's banking lawyers: in 2008 acquisition financing took a huge hit and tensions ran high in deals that few believed would see completion. But as financial institutions and the law firms that depended upon them felt the full, crushing impact of the downturn in countries all around France, it was clear that things could have been a lot worse.

Some banking practitioners are even looking at the positives, seeing the change as a coup for quality. "Towards the end of the bubble, life was getting uncomfortable for us because quality was less recognised," says one banking partner. "Now people are waking up to the quality of documents and people are making deals more lender protective."

Throughout the downturn there are still new-money deals being done – even the occasional big-ticket transaction like the work provided by EDF's takeover of British energy. Yet, predictably, most deals now take place on a more conservative basis. Also, regulatory work, according to one partner, has "increased dramatically".

But it is debt restructuring that has been the driving force of the market and the firms on the high-profile deals have seen their stocks soar among clients and competitors.

Some partners, however, see the influx of restructuring as a shift towards a more Anglo-

Saxon way of working, which is not something all the profession are keen to see – not least because it was French lawyers' characteristic versatility that saved a lot of jobs.

"Those lawyers involved in this work were more interested in the litigation aspects than the contractual, so now we are seeing more of an Anglo-Saxon model of semi-consensual restructuring trying to keep parties away from court procedures," says a partner. "And people are very conscious of moving towards an Anglo-Saxon market, which requires quite a different animal from a lawyer like what you have seen."

Clifford Chance

Clifford Chance spends another year in the top tier after peers and clients praised the firm for its first-rate banking practice. Thierry Arachtingi, one of the most respected names in the market, remains the firm's only leading lawyer, though other partners receive plenty of recognition.

"I worked with Nikolai Eatwell on an export credit agency financing and the service was generally excellent, probably some of the best service we have received from a law firm. They gave good legal advice and the structure was fairly complex, so we got a fair amount of value-added service too," says a client.

But Clifford Chance's breadth of practice is still the firm's greatest asset. When the flow of acquisition financings slowed to a crawl it shifted its focus to more buoyant areas like the restructuring of leveraged buyouts and real-estate deals, and advising on regulatory issues. The firm's prestige was sufficient to ensure it saw a portion of the financings that were still active.

One such financing was the mandate advising JPMorgan Chase Bank on a €175 million financing in favour of Sanofi-Aventis, which was led by partner Olivier Bertin-Mourot in February 2009.

In September 2008 Thierry Arachtingi led the team that advised Goldman Sachs, Eurohypo, Caylon and RBS as mandated lead arrangers in the €7 billion restructuring of the debt of Inmobiliaria Colonial group, the majority shareholder of French-listed real-estate company Société Foncière Lyonnaise.

Leading lawyers

Thierry Arachtingi

Gide Loyrette Nouel

Gide Loyrette Nouel is one of the most reputable names in the French banking market, but there is some dissent as to whether the practice lives up to its legend. "I am sceptical about Gide," says a peer. "They're enjoying

their reputation but I don't really see the difference between them and tier-two firms."

But the majority of commentators still believe the firm to be worthy of its ranking. Some even rank it as one of the elite within tier one.

Clients too, are delighted with the comprehensive service offered by Gide, commending it for not just its known strengths – namely an unrivalled knowledge of domestic law – but also for its wide range of services and international reach.

"Gide was very good," says one client. "In my view it's a very global law firm on the Paris market; they have all the facilities, which is very helpful. It does corporate work, restructuring, litigation – everything. It does all the activities and has all the facilities, and Eric Carter Million is one of the best banking partners on the Paris market. He's very technical and very smart. A very good lawyer."

Partners Jean Guillaume de Tocqueville d'Hérouville and Stéphane Puel are advising on co-ordination of the international banking, financial and regulatory aspects for CNCE and BFBP's €10 billion restructuring. More than 70 jurisdictions are involved in the deal, which will result in the creation of CEBP, the new head credit institution of the second-largest banking network in France.

Leading lawyers

Kamel Ben Salah
Eric Cartier-Millon

Linklaters

Linklaters is a well-resourced international firm with the savvy and contacts of a local player, say rivals, who widely advocate its tier-one promotion.

And though the Linklaters network has a distinguished banking pedigree and enviable roster of clients, competitors stress that the Paris practice succeeds on its own merits. The depth and reputation of leading lawyer and practice head Olivier Jauffret's team has attracted excellent local clients, according to peers, and Natalie Hobbs is cited almost unanimously as a market leader. "She is very well respected," says one competitor.

When the banking sector was more active Linklaters was prolific on acquisition financing, particularly on leveraged buy-outs. Since the downturn the firm has capitalised on its prevalence and been equally successful in picking up the most interesting distressed work with banks.

"I would really recommend Linklaters as a tier-one player," says a competitor. "They have done so many acquisition financings representing the banks and now they are in most of the restructurings going on. It's a broad

focus that covers everything – when they do something, they don't do it well, they do it really well.”

One example of this high-profile restructuring work was Linklaters' mandate advising senior lenders on the restructuring of Autodistribution's debt and the company's subsequent acquisition by private-equity entity Towerbrook Capital Partners. The firm's restructuring, corporate and tax departments were also involved in the mandate, while Natalie Hobbs advised the senior lenders on banking aspects of the €110 million deal, which was first in France to utilise a pre-negotiated safeguard plan.

Leading lawyers

Bertrand Andriani
Nathalie Hobbs
Olivier Jauffret

White & Case

White & Case's banking practice is headed by leading lawyer Gilles Peigny and, despite reduced demand for acquisition finance – the firm's main strength – White & Case stands solidly in tier one.

The firm's global presence sees it act on the largest deals. In December 2008 White & Case acted for the bookrunners, which included the Bank of Tokyo-Mitsubishi UFJ, Barclays Capital, BNP Paribas, Calyon, HSBC, Royal Bank of Scotland and Société Générale, on EDF's €12.8 billion acquisition offer for British Energy Group.

The firm also advised Société Générale Corporate & Investment Banking and Crédit Lyonnais as mandated arrangers, as well as a syndicate of nine lenders, on the €456 million financing granted to Faiveley for the acquisition of shares of Faiveley Transport, which were held by the managers of the group.

Leading lawyers

Gilles Peigny
Raphaël Richard

Allen & Overy

Despite the firm enduring a rocky patch brought about by the savage economic downturn, Allen & Overy's standing in banking and finance remains intact. The practice's cross-border capabilities make it an ideal point of reference on international deals, while the depth and talent of its team ensures an abundance of local clients.

“Working with Allen & Overy was very, very good,” says a client. “We have a very good relationship with the firm and receive very good overall satisfactory advice from

them. We choose to work with them because we know some of the partners and like to work with them: Jean Dominique Casalta, Rod Cork and Christophe Jacquemin.”

The client continues: “It's a pleasure working with Christophe Jacquemin because he is business-oriented and knows how far to go in negotiations. We have also worked with other firms but we prefer Allen & Overy – their documentation was better negotiated and we have better relationships with them.”

But while few firms can rival Allen & Overy's purist approach to banking, both clients and peers say the dearth of peripheral services on offer at the practice can leave a client wanting.

One peer comments: “Allen & Overy has a true banking and lending practice, but what we always see with them is when they act for clients it is very specific. The firm never goes beyond the scope of its banking and lending practice for clients because they don't have the resources to offer other services.”

A client agrees, saying: “[Allen & Overy] is very focused on finance and banking, and does a little bit of M&A.”

In spite of this, the firm's deal list is long and distinguished. Rod Cork, the firm's stand-out practitioner, led the global loans team advising Royal Bank of Scotland and Société Générale as mandated lead arrangers in a €480 million term loan credit facility for Compagnie Financière Michelin, as well acting for Société Générale on a €1.5 billion credit facility for the State of Qatar.

Leading lawyers

Rod Cork

Latham & Watkins

Latham & Watkins moves down despite its impressive performance in the LBO market. This was due to feedback that the firm's banking practice was less comprehensive than the other tier one players and that its deals, outside acquisition finance, did not come as frequently.

“At Latham & Watkins the significance of the transactions is not the same, they are much smaller, which is the market trend. But if you are putting them on the same level as Gide and Clifford Chance then there should be a comparable deal flow, which there isn't, so we're surprised to see them there,” says one peer regarding the firm's prior ranking.

And as a relative newcomer to the market, Latham & Watkins' banking practice was also viewed as being yet to establish itself independently from its brand.

“With Latham & Watkins their practice is mostly private-equity linked, whereas firms like Linklaters have much more lateral prac-

tices, including LBOs, corporate financing and structured financing,” says another competitor.

But the firm has acted in some impressive transactions. Leading lawyer Xavier Farde led the team that advised Eurohypo and Citi in the extension of the Groupe du Louvre's €1.6 billion financing.

Leading lawyers

Dominique Basdevant
Xavier Farde
Etienne Gentil

For analysis of other leading law firms in the French banking market visit the website at www.iflr1000.com

Mergers and acquisitions

Recommended firms
Tier 1
Bredin Prat Cleary Gottlieb Steen & Hamilton Darrois Villey Maillot Brochier
Tier 2
Linklaters
Tier 3
Clifford Chance Gide Loyrette Nouel Sullivan & Cromwell Weil Gotshal & Manges Willkie Farr & Gallagher
Tier 4
Allen & Overy Ashurst Brandford-Griffith & Associés Davis Polk & Wardwell De Pardieu Brocas Maffei Debevoise & Plimpton Freshfields Bruckhaus Deringer Jones Day Latham & Watkins Orrick Rambaud Martel Shearman & Sterling Skadden Arps Slate Meagher & Flom White & Case
Tier 5
Fried Frank Harris Shriver & Jacobson JeantetAssociés Lovells Mayer Brown Salans Veil Jourde
Tier 6
August & Debouzy Baker & McKenzie CMS Bureau Francis Lefebvre Franklin Herbert Smith Norton Rose Paul Hastings Janofsky & Walker Proskauer Rose Simmons & Simmons SJ Berwin

Private equity

Recommended firms
Tier 1
Latham & Watkins Weil Gotshal & Manges
Tier 2
Cleary Gottlieb Steen & Hamilton Linklaters Mayer Brown Willkie Farr & Gallagher
Tier 3
Ashurst Bredin Prat SJ Berwin
Tier 4
Allen & Overy Clifford Chance Freshfields Bruckhaus Deringer Gide Loyrette Nouel Lovells Salans
Tier 5
Debevoise & Plimpton Jones Day Shearman & Sterling White & Case

Flexibility and balance are a firm's greatest asset in the depressed market, as the near total disappearance of the leveraged buyout market has meant that practices concentrated on private equity, especially those focused on the top end of the market, have borne the brunt of the downturn.

"Everyone is, on the private-equity side, suffering from the downturn, and those who will suffer more are those with a very narrow practice limited to private equity eg Latham & Watkins, Ashurst, Linklaters, Allen & Overy and Mayor Brown," says one corporate partner at a leading firm.

M&A has also been bleak, but less so. Though transactions have slowed to a "surreal pace", according to one partner, and mostly been restricted to mid-sized deals, large transactions do still exist. EDF's acquisition of British energy in September provided one example.

And according to one partner the absence of large funds generating activity has even benefitted some clients, as he explains: "Because there is no private equity, industrial clients are getting more done as they don't have to worry about PE houses putting down a lot of money. Whereas before industrial clients would never get the deal at Dutch auctions, now they are."

But overall the market has been frustrating, with financing hard to come by, many enquiries coming to nothing and deals being pushed right to the end before being abandoned because of one party's ill feeling.

"To be very reactive is [the] most important point for a client," says one M&A partner. "It's like being a good doctor – when something is wrong [you] need to be in contact with the doctor immediately because in a few days you are either feeling better or you are dead."

Bredin Prat

Bredin Prat has wisely sought to diversify its practice over the past few years, calling the market perfectly. The firm has a global reach and can advise on a range of issues peripheral to mergers and acquisitions, attracting rafts of praise. "Bredin Prat is more international, which their clients seem to appreciate," says one client.

But the firm's expansion has not diluted its M&A capabilities. Bredin Prat's advice, particularly on intricate matters of French law, is still highly sought-after by both public and private clients.

"They did great," says a client of the firm. "They were working closely with us on a big transaction, a big merger, and were our counsel. They are great guys and the partners, people like Patrick Dziejowski, are really professional. They advise us on French law issues. It is a very small firm but it can get closer to the client. They are just so hard-working, it's great to have them on our side."

Patrick Dziejowski is not the only lawyer to stand out at the firm. Name partner Jean-François Prat is, according to one rival, "probably the most brilliant lawyer in M&A in Paris," while other competitors praise Prat's son, Sébastien, as an emerging talent.

Another standout practitioner at the firm is Didier Martin, who is leading the team advising the French state on its investments in the main French banks in relation to the country's €360 billion bailout plan.

Patrick Dziejowski is acting on another large deal, advising Banque Fédérale des Banques Populaires on its €17.2 billion merger with Caisse Nationale des Caisses d'Epargne.

Leading lawyers

Patrick Dziejowski
Didier Martin
Jean-François Prat

Cleary Gottlieb Steen & Hamilton

While the growth of Cleary's private equity practice has stagnated – for want of a stronger finance practice according to peers – its M&A practice has sky-rocketed, with a vast majority of commentators demanding a tier-one ranking.

"Cleary should be moved up to tier one. I'm not sure how many deals they did but they're a top-league firm," says a rival. Says another competitor: "Cleary Gottlieb belongs in tier one because it has a superb M&A practice and is on most of the trophy M&A transactions."

The firm's position as a global player with a well-nurtured client list no doubt contributes to its success, but it is partner Pierre-Yves Chabert, a "star in the market" according to one competitor, who is the heart of the practice, winning mandates on top-end transactions.

Chabert is leading the team representing BNP Paribas in its announced acquisition of Fortis' banking operations in Belgium and Luxembourg, which would see BNP acquire 75% of Fortis Bank and 25% of Fortis Insurance Belgium from the Belgian state, as well as 16% of Banque Générale du Luxembourg from the Luxembourg state.

In private equity, a team including François Jonemann, Valérie Lemaitre and Anne-Sophie advised Arcapita on its €500 million acquisition of Compagnie Européenne de Prestations Logistiques (CEPL). The deal closed on September 16 2008 and was CEPL's second LBO.

Leading lawyers

Jean-Marie Ambrosi
Pierre-Yves Chabert

Darrois Villey Maillot Brochier

Darrois Villey Maillot Brochier is a little smaller and a little less diverse than its tier one stable-mate Bredin Prat and, consequently, commentators have questioned Darrois' resilience to the diminished corporate market. But few firms can match the French boutique's M&A know-how, or its prolific flow of top-end deals, which ensures it a tier-one ranking for another year and demonstrates the ongoing need for a consummate M&A service provider.

"Darrois is a smaller, more niche firm," says a competitor. "Highly specialised, their strategy is to give strategic advice either working jointly with another firm or they are working more on strategic aspects of the deal."

"We worked quite often with them [including] on a big transaction. They are very professional and very accurate when they

answer a question or tackle an issue," says one client. "And they are very available, any day of the week or time of the day or night, and that's very useful in the type of transactions we do."

The client adds: "They are quite connected with French authorities and members of parliament, and so are aware of projects of rules which are under discussion and so can anticipate any future problems we may have."

Illustrating the firm's gravitas, Hervé Pisani advised Gaz de France on its €100 billion merger with Suez in July 2008. Olivier Diaz is also advising Ciments Français in its €2.3 billion merger with Italcementi.

Latham & Watkins

Latham & Watkins is the go-to firm for private equity work in the Paris market. "They are clearly the name people think of when talking about private-equity firms," says a rival of the firm.

Led by Thomas Forschbach – who is regarded by peers as one of the practice area's most eminent practitioners – the firm is known for acting in the largest transactions in the market.

The dearth of deals, particularly high-end LBOs, has led to some speculation as to whether Latham & Watkins can maintain a deal flow. But, as a competitor points out: "There is less work but it's the top firms that get the deals."

Confirming its continued presence in the market, the firm, led by Forschbach, advised private-equity house Sagard on the sale of its €400 million stake in Faiveley Transport in December 2008.

Forschbach is not the firm's only corporate expert. Practice co-chair Olivier du Mottay and partner Nicolas Bombrun both have excellent reputations for their corporate work. In December 2008 Bombrun advised QIA, a sovereign wealth fund, on its sale of a 25% stake in Doha Securities Market to NYSE Euronext, in a deal worth €178 million.

Leading lawyers

Thomas Forschbach

Linklaters

Linklaters retains its tier-two ranking in both private equity and M&A, and its status as one of the most well-rounded corporate practices in Paris. It does this in spite of the depressed private-equity market, the usual murmurs surrounding Thierry Vassogne's decreased visibility and split opinion on the firm's prospects going forward.

"I don't know about Linklaters," says one peer. "The problem is I don't know how they

will survive, since quite a few people have left. And I don't know if the new crop of lawyers there can do as well."

"Linklaters used to be a powerhouse but not now," says another peer. But they are still definitely a tier-two firm. The top gun at the firm works a little less but the young guys there are good. It's an excellent firm."

However, for others, the matter is much more straightforward. "Linklaters is active on big transactions; I am not surprised they are well ranked," says a rival.

And Linklaters' proficiency in a broad number of practice areas means the firm can offer clients a wide range of services. "Linklaters has much more lateral practices, including LBOs, corporate financing and structured financing," says another rival.

Marc Loy, one of the firm's foremost corporate practitioners, advised Caisse des dépôts et consignations, who were in turn acting for the French government with regard to Dexia's €6.4 billion emergency rescue fundraising.

Loy acted on another of the firm's standout transactions, advising Alcatel-Lucent in the €1.5 billion sale of its 21% stake in Thales to Dassault Aviation.

Leading lawyers

Thierry Vassogne

Mayer Brown

The arrival of Javier Jasper has been a catalyst for Mayer Brown, according to commentators, who widely support the firm's tier-two promotion in private equity. Jasper is the lawyer of choice for LBO France and consequently the firm has been involved in some of the largest private-equity transactions in the market. "They are very good in private equity," says a rival. "It's their main driver: LBO France has Mayer Brown as their sole counsel."

And though the collapse of the LBO market has caused some commentators to express concern for the firm going forward, Mayer Brown is far from one dimensional – offering a range of services and an impressive depth of practice.

"We made a very big transaction with Mayer Brown and what's very useful with them is that they are a one-stop-shop firm," says one client. "Very often a legal team has some specialities but they can't offer everything you need for an LBO. But with Mayer Brown you have everything: people for corporate, for financing and even for management issues, and that makes the whole process easier."

In one of the firm's most noteworthy M&A transactions, Guillaume Kuperfils advised the shareholders of Société Aérienne

de Participation on the €68 billion sale of its share capital to a British Airways subsidiary in July 2008.

Also in July, Xavier Jaspas led the team advising on LBO France's €2 billion acquisition of a 33% stake in Converteam.

Weil Gotshal & Manges

Even if LBO work has diminished, the esteem in which Weil Gotshal & Manges' private equity practice is held has not. "Weil Gotshal is an excellent law firm," says one rival.

The practice is led by David Aknin who, along with Thomas Forschbach, is one of the most revered names in the market. The firm also delivers a competent M&A service, which is supplemented by a first-rate restructuring practice and a highly-reputed New York office.

"It was superior," says an M&A client on his experience working with the firm. "Overall they are very good, they have good expertise, are very reactive and very responsive."

The practice, led by Claude Serra, has acted in some impressive transactions. In September 2008 Serra advised PAI on its stake-building in Atos Origin, in which it has accumulated a 22.6% interest in a transaction worth €700 million.

Arthur de Baudry d'Asson also advised Safran in December 2008 on the spin-off and subsequent sale of its mobile and broadband businesses to Sofinnova and the Gores Group respectively, with the broadband business selling for €383 million.

Leading lawyers

David Aknin

Willkie Farr & Gallagher

Willkie Farr & Gallagher is a mid-sized firm that is particularly strong in LBO work. "I would move Willkie Farr up to tier one," says a competitor. "They have at least two main partners who are prominent in private equity [so] I would not be ashamed to put them in tier one."

And while one competitor points to its less prominent financing capabilities as a potential weakness in the firm, its talented corporate team remains the practice's main talking point.

"Willkie Farr are good but they don't have a huge practice," says one rival, adding: "They have got good guys."

For analysis of other leading law firms in the French M&A and private-equity markets visit the website at www.iflr1000.com

Project finance

Recommended firms

Tier 1

Clifford Chance
Freshfields Bruckhaus Deringer
Gide Loyrette Nouel
Linklaters

Tier 2

Allen & Overy
White & Case

Tier 3

Ashurst
De Pardiou Brocas Maffei
Lovells

Tier 4

Herbert Smith
JeantetAssociés
Norton Rose
Simmons & Simmons

Tier 5

Baker & McKenzie
Cleary Gottlieb Steen & Hamilton
Orrick Rambaud Martel

The French government's enthusiasm for public-private partnerships has ensured that the situation for project finance lawyers in the country has not been too dire.

"The way the market is going is better than I thought it would be a few months ago," says one partner at a leading firm. "A number of the large domestic rail and road infrastructure projects that were launched were kept on the back burner for a while because of liquidity problems, but the government has launched a programme to put in guarantees – so in the last few months things have taken on a new momentum."

Renewable energy has also retained its appeal, though the downturn has still caused problems and many deals, although still active, have slowed to a crawl. Sponsors, in lieu of taking on added risk, are looking to put deals on hold and lenders have become more conservative, insisting on more thorough due diligence and refusing to rely on warranties as they might have done previously.

Africa, the focus of many French firms, has also been affected. "Everybody said that these [African] markets wouldn't be affected by the crisis because the banks are doing well, but most projects were being financed by western banks. Very rarely will their own banks put money into these projects," explains one partner.

Consequently, it's been the domestic public-private partnership market that has made all the difference. "The year has been peculiar

in that some of the larger programmes went to sleep in a way," says a partner. "So it's difficult to say, but the top firms have one thing in common in that they are all busy on the domestic infrastructure side."

Clifford Chance

Clifford Chance is an active player in both domestic and international project finance. According to competitors the firm is most visible acting for public entities in domestic transactions, particularly on transport and road projects where close links with government ministries have boosted its reputation.

"In France in project finance, Clifford Chance is clearly one of the leaders," says a client. "They are very professional and they have had a few mandates with the government, so they know what is acceptable and what is not. They are very active and work hard, doing the work on time and very well."

Clifford Chance is also strong acting on transactions in francophone Africa. "It was very good," says one Middle Eastern client of his experience working with the firm. "It was a project in Senegal so we needed someone with international experience together with some kind of knowledge of local realities. Third, being Africa, they needed to understand the political and social specificities."

The client adds: "Clifford Chance played a very important role not only as our lawyers but in finding middle ground for every lawyer to be happy and show that the concession was a win-win situation for all of us."

The firm has plenty of noteworthy partners. Anthony Giustini is frequently mentioned for his high level of visibility, while Daniel Zerbib and David Preat are picked out for their finance and public law expertise respectively.

One of Clifford Chance's highlights is its continuing mandate advising Eiffage on its bid for a €7 billion high-speed rail link between Tours and Bordeaux.

Leading lawyers

Anthony Giustini

Freshfields Bruckhaus Deringer

Freshfields keeps its tier-one spot for another year, though a number of departures from the firm's finance department have led peers to question its project finance capability going forward.

But rivals also note the firm is still frequently chosen as advisor by some of the biggest sponsors in France and that it remains active, particularly in domestic public-private partnership and infrastructure projects. Practice head Amir Jahanguiri and public and finance group

head Thierry Laloum are both well-respected practitioners within the market, Laloum particularly for his public law expertise.

In October 2008 Jahanguiri and Laloum teamed up to advise a company owned by Vinci on the financing of a project involving the design, construction and operation of the planned Le Mans stadium. The stadium is to be the second-ever to be privately financed in France, with a value of €156 million.

And in July 2008, Jahanguiri advised Natixis and Société Générale on the €160 million extension of Bourgoin Hospital.

Leading lawyers

Thierry Laloum

Gide Loyrette Nouel

Gide Loyrette Nouel has a balanced project finance practice advising lenders, public entities and sponsors, making it one of the most active practices in the market and well deserving of a tier-one ranking, according to competitors.

"Gide in Paris is a well-known firm and they have real experience in public-private partnerships and project finance," says one client. "Thomas Courtel is good. I think he's got really good experience and he knows all the French projects very well. He was there ten years ago at the beginning of French project finance and his opinion is good."

The team is rich with talent, with practice head Emmanuel Fontaine and John Crothers also attracting praise. And though the perception of Gide within the market is still that of a firm predominately active in the domestic market, the firm has advised on some noteworthy international deals.

Crothers is advising Areva as a member of a consortium comprising GDF Suez, Total and Bechtel on the tender for the build-operate-transfer contract for the design, construction, operation, maintenance and decommissioning of a 5,000MW nuclear power plant. The plant will be built at Al Bayyaa, close to Saudi Arabia and is part of the region's first independent civil nuclear power programme, costing €28 billion.

Leading lawyers

Thomas Courtel
Emmanuel Fontaine

Linklaters

Linklaters' project finance team benefits from having one of the market's acknowledged stars: Bertrand Andriani. "Linklaters should definitely be tier one," says a rival. "Bertrand is a great player."

Another rival comments: "Linklaters has got Bertrand Andriani, who's been around a

long time and is recognised as a strong practitioner in France. And Simon Ratledge is good too."

According to commentators, the firm is mainly active advising lenders, though it does so in a range of industries including infrastructure, telecoms and renewable energy.

In one of Linklaters' most impressive deals, Andriani advised Calyon, CNCE and Santander as mandated lead arrangers, lenders and hedging banks on the €228 million financing and refinancing of a portfolio of 11 broadband network concessions in France. The deal closed in March 2009 and was one of the few telecoms deals to have done so since the downturn.

In August 2008, Simon Ratledge advised Areva on the establishment of a joint venture with the Jordanian Atomic Energy Commission and Jordan Energy Resources for the exploration and development of uranium reserves in Jordan.

Leading lawyers

Bertrand Andriani
Paul Lignières

Allen & Overy

Allen & Overy's project finance practice has split the market's opinion. While some observers say the firm has experienced a drop in visibility over the years, particularly in international deals and in work for public entities, others view the firm's position differently.

"We see Allen & Overy as our main competitor for international projects," says a partner from a tier-one firm. "I am surprised they are in tier two. They are also very active on French projects."

"Working with Allen & Overy was wonderful," says one client. "They are diligent, quick and give good advice. Tim Scales is business oriented and when you work in a large company that's what you expect – advice that really works."

The client continues: "He has big knowledge of project finance in Africa, and he knows a lot of people and managers in public companies. He is well known over there and he's worked for most of the companies before – so he knows what documents they use, which saves us time."

Rod Cork, the practice's co-head along with Scales, is also widely recognised among his peers as one of the market's foremost finance practitioners; while Christine Poyer is building a strong niche in the renewable energy sector.

Renewable energy has remained an active industry for project finance lawyers and in one of the firm's biggest deals of 2008, Allen & Overy advised Dexia, Crédit Local,

European Investment Bank, Eksport Kredit Fonden and Rabobank as mandated lead arrangers on the €600 million financing of the 165MW Belwind offshore wind farm in Belgium.

Leading lawyers

Rod Cork

White & Case

White & Case has a strong international practice extending across central and eastern Europe to the emerging markets in Africa. The firm acts for sponsors, lenders and public entities on a range of projects including infrastructure and oil and gas. "White & Case is active in both worldwide and French projects. It's a smaller team but they are doing well," says one rival.

The firm is most active on the lenders' side, according to peers, who also point out that the practice's capabilities are bolstered by White & Case's London and New York offices. Clients praise the Paris practice's experience in deals.

"I don't have long-term experience with them but what I saw was very good – short and precise," says one client.

The practice is headed by Paule Biensan and Jacques Bouillon who, in one of the firm's headline deals, advised the lenders in the €152 million financing for construction of the Prado Sud tunnel in Marseille, which is to be built and operated under a concession agreement by a consortium comprising Vinci and Eiffage. The deal closed in October 2008.

For analysis of other leading law firms in the French project finance market visit the website at www.iflr1000.com

Restructuring and insolvency

Recommended firms

Tier 1

Gide Loyrette Nouel
Santoni & Associés
Weil Gotshal & Manges

Tier 2

De Pardieu Brocas Maffei
Willkie Farr & Gallagher
Veil Jourde

Tier 3

Bernard Lagarde
Bremond & Associés
Clifford Chance
JeantetAssociés
Linklaters
Poulain & Associés
Sonier & Associés

Tier 4

Dewey & LeBoeuf
Fried Frank Harris Shriver & Jacobson
Freshfields Bruckhaus Deringer
Proskauer Rose
Saigne & Associés
White & Case

Tier 5

Fauvet La Giraudière & Associés
Latham & Watkins
Paul Hastings Janofsky & Walker
Salans
Vatier & Associés

Towards the end of 2008, after Lehman filed for bankruptcy and the global downturn bit hard, restructuring activity soared in France.

"It's a very active area right now," says a partner. "What we have seen in Paris is a sudden flow of deals in the fourth quarter of 2008. We had a rush of clients coming to us because they had seen that their profits were limited. We were very surprised by how suddenly this tsunami happened. It was brutal."

It also gave France the opportunity to stretch the legs of its 2006 Insolvency Act. But take-up of the legislation's procedures was low and in February 2009 the legislature enacted a new ordinance designed to make the *sauvegarde* (or safeguard) procedures more attractive.

And, according to commentators, the numbers show that it worked. "We have a lot of out-of-court [procedures] and conciliation now, and we will start to see more. In the future, I think we are going to see failed conciliation that will turn into *sauvegarde* or liquidation," says one partner.

Gide Loyrette Nouel

Gide Loyrette Nouel's outstanding R&I practice remains in the top tier for another year after much praise. Headed by leading lawyer Olivier Puech, the firm has been acting on the debtors' side in transactions according to competitors.

"There is no issue with Gide Loyrette Nouel, they should be in tier one," says a rival. "Olivier Puech is the firm's leading figure and [is in] the majority securitisation cases. He's at the top. Not only a good lawyer but a reliable and fair individual."

Leading lawyers

Olivier Puech

Santoni & Associés

Santoni & Associés lost former name partner Bruno Paccioni to Field Fisher Waterhouse in 2008 but the move makes no difference to the firm's reputation as a leading R&I practice, say commentators who regard Santoni as "a very important player" in the market.

Santoni & Associés has an exclusive relationship with Allen & Overy. Yet, though the two firms have been collaborating for some time now, it was only in 2008 that the agreement was formalised. Allen & Overy's finance team, which includes Rod Cork and Adrian Mellor, works closely with Santoni on R&I issues, though the absence of an independent bankruptcy practice explains Allen & Overy's removal from the rankings as a stand-alone practice.

Leading lawyers

Marc Santoni

Weil Gotshal & Manges

Weil Gotshal & Manges' R&I team possesses one of the market's star performers, Jean-Dominique Daudier de Cassini. But it is the depth of the firm's team, which includes the highly-regarded Philippe Druon, that makes the practice stand out according to peers.

"Jean-Dominique Daudier de Cassini's team is definitely a top player," says one competitor. "But they have a real team: Gide and Santoni are one-man-shows. They have excellent deal-making abilities and we like them a lot."

"Weil Gotshal has a very strong team and, to be honest, it is the one that we lost to in the last beauty contest we have been in. Though, when we lose to Weil Gotshal, we don't mind so much," says a rival from a leading firm.

Leading lawyers

Jean-Dominique Daudier de Cassini

De Pardieu Brocas Maffei

De Pardieu Brocas Maffei is "very close to the top tier" according to one rival who adds that the firm's size is one of the factors that distinguishes it from Weil Gotshal & Manges and the other tier-one firms.

Jacques Henrot is the firm's leading lawyer and he is highly thought of among his peers. "Jacques Henrot is an excellent practitioner," says a competitor. "Henrot is very competent," says another. "He is doing a lot of work for banks."

The firm is traditionally associated with working on the creditor's side. But since the arrival of Philippe Dubois, De Pardieu has expanded its practice and acts for a variety of clients including debtors and shareholders in a wide range of instructions.

One of the firm's most high-profile restructurings was acting in the €1.8 billion *sauvegarde* procedure of the zero-employee Heart of La Defense (or Coeur Defense) and its holding company.

Leading lawyers

Jacques Henrot

Veil Jourde

Veil Jourde's working relationship with boutique insolvency practitioner Gabriel Sonier continues, though, unlike Allen & Overy's partnership with Santoni, this one has not been formalised.

Sonier brings to the relationship decades of experience in insolvency, adding to name partner George Jourdes' knowledge and expertise. Jean Veil, one of France's most prominent litigators, is not a restructuring expert, though as one rival says: "He has enough knowledge to know where to send his arrows."

Willkie Farr & Gallagher

Maurice Lantourne is one of the most respected names in the R&I market, with peers describing him as an "extraordinary lawyer and litigator" and "very clever, a very good litigator and very good at restructuring".

The expert practitioner's move from Fried Frank Harris Shriver & Jacobson to Willkie Farr is the driving force behind the firm's reversal of fortunes in this year's rankings, as Lantourne joins Alexandra Bigot – who is also highly regarded in the market – in the firm's business reorganisation and restructuring department.

"Willkie Farr has Alex Bigot and, with Maurice joining her team, they should be ranked higher," says one rival.

For analysis of other leading law firms in the French restructuring and insolvency market visit the website at www.iflr1000.com