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Limited liability company mergers under the new Finnish Companies Act

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A new Finnish Companies Act (624/2006) entered into force on September 1 2006. Its provisions on mergers implemented the EU Merger Directive. While the Directive only addresses mergers of public companies, mergers of private companies continue to be equally addressed under the Companies Act. However, with the new Companies Act, the legislator has aimed to make the merger proceedings more flexible and straightforward.

Three types of merger

The Companies Act recognizes three different types of merger. These are:

- (i) absorption merger, which can be divided into further subcategories as follows:
 - conventional merger, in which neither company owns any shares of the other company;
 - mixed merger, in which the receiving company owns some, but not all, shares of the merging company;
 - subsidiary merger, in which the receiving company owns all shares of the merging company. The Companies Act provides a less complex legal framework for subsidiary mergers;
 - sister company merger, in which both the receiving company and the merging company are subsidiaries of the same parent company; and
 - downstream merger, in which a parent company merges into its subsidiary. The subsidiary can either be owned wholly or only partly. It should, however, be noted, that if the parent owns all of its subsidiary, at least one share (new or old) of the receiving company must be paid as consideration so that the receiving company

would have at least one outside owner even after the merger;

(ii) combination merger, in which two or more companies merge by forming a new receiving company; and

(iii) tripartite merger, a form of absorption merger in which a party, other than the receiving company, pays the merger consideration.

Absorption merger

In an absorption merger one of the parties of the merger maintains its corporate identity (the receiving company), while the merging company or companies merge into the receiving company and hence cease to exist.

The most common type of absorption merger is a subsidiary merger, which, while not compromising creditor protection, is more simple and flexible than any other type of merger, mainly due to the absence of shareholder minority otherwise typically present.

The procedural alleviations of subsidiary mergers are focused on the absence of minority shareholders. Accordingly, contrary to other merger proceedings, there will be no need to decide on the merger in a shareholders' meeting of the merging company and no need to pay any merger consideration.

To qualify as a subsidiary merger, the receiving company must own the merging company wholly. However, if more than one subsidiary is to be merged into the parent company, the merging subsidiaries may own shares of each other and a subsidiary may own its own shares. The main qualification is thus that no third party to the merger owns any shares of the merging companies.

In a conventional or mixed absorption merger the shareholders of the merging company receive merger consideration which may consist of either newly issued shares of the receiving company, money, other property or obligations.

Combination merger

In a combination merger the merging companies cease to exist and form a completely new receiving company.

The discontinuance of corporate identity does, however, add to the uncertainty of the procedures and, therefore, is often not seen to bring any significant advantages in comparison to an absorption merger. In a combination merger the shareholders of all merging companies have the right to demand the redemption of their shares and a public notice requirement for the protection of creditors is expanded to cover all companies. In an absorption merger these procedures apply only to the merging company, not the receiving company.

A combination merger may, however, offer an opportunity to reconstruct the balance sheet. The new company can be established with smaller share capital than any of the merging companies have, which enables the entry of the bulk of the transferable equity capital to the invested free equity fund. This could help, for example, to preserve the tax-deductible losses in comparison to an otherwise equivalent absorption merger.

The most common consideration in combination mergers is the shares of the receiving company, but the payment of other types of considerations is not limited as such, and options of the receiving company, for example, can be used as consideration as long as at least one share of the receiving company is issued as consideration.

Tripartite merger

A tripartite merger is a new form of merger introduced by the new Companies Act. The essence of a tripartite merger is the input from a third party. This third party is neither the merging company nor the receiving company, but rather only pays the merger consideration. The third party company could be, for example, the ultimate parent company of the receiving company.

The attractiveness of the tripartite merger increases when considering the possibilities of a listed third party company issuing its own easily marketable shares as merger consideration to the shareholders of the merging companies. This would also enable the parent

company to have full ownership of the receiving company even after the merger.

The identity of the third party paying the merger consideration is not regulated. The third party can, therefore, even be a private person or a Finnish or foreign partnership. There are also no statutory limitations on the varieties of the merger consideration payable and it can thus consist of third party shares, cash and debentures, among others, but also of the receiving company's shares.

Tripartite merger can also be utilized on a cross-border basis and the choice of law between the Finnish Companies Act and foreign legislation is to be based on the nationality of the merging and receiving companies. If both are Finnish, the Finnish Companies Act applies, even if the third party paying the merger consideration is not a Finnish company. On the other hand, a merger in which a Finnish parent company pays consideration for the merger of two non-Finnish companies does not fall under Finnish legislation.

Choice of merger type

As the Finnish Companies Act has adopted a rather liberal view on company reorganization options and enables the use of practically all conceivable types of merger, the choice of merger type can and should be done mainly on a non-company law basis.

Hence the choice of merger type would derive from economic and pragmatic viewpoints, such as taxation issues and the general plausibility of different merger types for the businesses of the companies involved.

As the Finnish tax laws do not stipulate on the tripartite merger, a tripartite merger is viewed as liquidation of the merging company instead of the continuity principle applied to other mergers. This may have its consequences on, for example, the treatment of merger profit or losses in the receiving company's taxation. Hence a tripartite merger cannot currently be seen as a tax-neutral alternative to other types of merger.

Capital markets

Recommended firms

Tier 1

Hannes Snellman
Roschier
White & Case

Tier 2

Castrén & Snellman
Waselius & Wist

Tier 3

Borenius & Kempainen
Fennica
Merilampi Marttila Laitasalo

Tier 4

Dittmar & Indrenius
Krogerus Attorneys
LMR

Finland's capital markets are still quiet as they continue to face overwhelming competition from other capital raising sectors. There have been no listings on the Helsinki Stock Exchange (Hex) in 2007 as bank loans are still relatively cheap and trade sales are seen by private-equity houses as a less onerous and time-consuming way of exiting than an initial public offering (IPO).

But market commentators have sensed that the market is beginning to recover from its hibernation. Partners have noted that the capital markets sector seems healthier than three years ago, pointing to an increase in secondary offerings and other novel instruments. Until the tide turns though, partners say the focus is very much on leveraged buyouts.

"The valuations are better in buyouts and it's tough to motivate a company to go through the burden of a listing process," said one partner.

Hannes Snellman

Hannes Snellman's capital markets team occupies the top tier for another year by managing to keep busy during the current quiet period in the capital markets scene in Finland. "They are the law firm we use the most and we are very satisfied with the service," said one client.

The firm's equity capital markets division is run by the very well regarded mergers and acquisitions head Mikko Heinenon due to the amount of crossover work between the two practice groups. For example the firm guided Icelandic Bank Glitnir Banki on its share offer to FIM Group Corporation shareholders as part of an acquisition process.

Heinenon also led the firm's equity capital markets team acting for Powerflute on its £48.4 million admission to London's

Alternative Investment Market (Aim). The firm advised Powerflute on Finnish issues for the widely publicized deal, making it the first-ever Finnish company to list on Aim.

Another of the firm's highlights in the equity capital markets was scoring two roles on secondary offerings. The firm was mandated by the lead managers Goldman Sachs and Evli Bank on Citycon's €133 million offer, while the firm also represented BioTie Therapies on its €18.8 million offering on the Hex in December 2006. The firm also advised the Iittala Group on its proposed IPO, which was pulled at the last minute.

Hannes Snellman's debt capital markets team, part of the firm's finance and capital markets team, was also busy on separate €5 billion medium-term note (MTN) programmes for UPM-Kymmene and Dresdner Bank. Department head Kari Lautjärvi acted for a consortium of banks in the Republic of Finland's €5 billion serial bonds issue.

Henrik Mattson and Markus Bremer acted for a consortium of banks led by ABN Amro on Sampo Bank's €1 billion covered note programme, while Matti Engelberg and Jari Tukiainen advised YIT Corporation on a €50 million Swedish placement of private bonds.

Leading lawyers

Mikko Heinenon
Kari Lautjärvi

Roschier

Formerly known as Roschier Holmberg, Roschier's capital markets team kept busy this year by acting on a range of debt and equity issuances. The team is led by Dimitrios Himonas, who received wide praise from the market for his work across the capital markets field, but in particular the equity side.

"He is younger but he is the most experienced equity capital lawyer at Roschier, and he is rising," said one client.

Himonas led the team when it acted on the Orion €2 billion demerger, which resulted in the listing of two separate companies on the Hex. The firm represented the issuer on the deal, which was one of the largest demergers in Finland in recent years. The firm also represented Citycon on its €133 million accelerated bookbuilt offering of shares on the Hex in February 2007.

The firm also acted for Citycon on the debt side, advising on the issue of a €110 million convertible capital bond, which was the first Finnish convertible bond and first capital bond under the new Finnish Companies Act.

Roschier was also active on the debt side, acting for the arranger on a €350 million floating-rate note issue from Elisa Corporation and a €250 million covered

bond from Aktia Real Estate Mortgage Bank. It also represented Sampo Housing as issuer on a €1 billion covered bond.

Dimitrios Himonas also demonstrated its prowess in the structured finance field, advising Sampo Bank on its synthetic collateralised loan obligation securitization of €1 billion of corporate loans through an Irish special-purpose vehicle (SPV), which was the first synthetic securitization by a Finnish originator.

Leading lawyers

Dimitrios Himonas
Gunnar Westerlund

White & Case

White & Case is traditionally strong in capital markets transactions, and this year has been no exception. “The service has been very good,” said one client. “They are very professional and very diligent and we have no complaints.”

The team is led by Petri Haussila, who is praised by clients for his vast experience in the Finnish capital markets.

“He is by far the most experienced equity capital markets lawyer in Finland. He is Mr ECM at White & Case,” said one client.

The firm exploited its international network by landing roles on a number of cross-border deals this year. White & Case’s Finland office acted on the Talvivaara Mining Company’s IPO on the London Stock Exchange and represented Rezidor Hotel Group and its selling shareholder SAS Group on Rezidor’s SKr4.4 billion (€476 million) IPO and listing on the Stockholm Stock Exchange.

The firm was also active on the domestic equity markets as well, acting for Outokumpu Technology on its €420 million IPO on the Hex, which was the largest Finnish IPO in 2006. White & Case were also represented the joint global coordinators in the €243 million rights offering by Sponda on the Hex in February 2007.

White & Case’s debt team was also very busy this year, again taking advantage of its international network by acting for on Stora Enso Corporation on the exchange of US-registered notes and the issue of \$207 million of US-registered 10-year notes pursuant to Rule 144A in the US.

Other clients the firm acts for include Citigroup, Enskilda Securities, Goldman Sachs and UBS.

Leading lawyers

Timo Airisto
Petri Haussila

Castrén & Snellman

Castrén & Snellman’s capital markets work comes under its banking and finance practice and is primarily focused on debt capital markets and structured finance work. Peers note that they often see partner Pekka Lehtinen on the other side of Euro medium-term note (EMTN) transactions and bond programmes, while Tero Tuomisto is noted by the market as an up-and-coming lawyer.

The firm acted on a wide of debt issuances, with the largest seeing the firm act on the issuers’ side on a €5 billion EMTN programme for Furtum and a €1 billion EMTN programme for Elisa. The firm also guided the issuer in the issue of €200 million in domestic debt by the Metaaliitto Group and acted for Sponda on the public offering of €247 million of shares.

Pekka Lehtinen led the firm on the debt side, acting for the Royal Bank of Scotland on the securitization of a loan granted for the acquisition of the Helsinki Kampi Centre in June 2006. Castrén & Snellman followed up in March when it acted for Nordisk Renting on the sale and leaseback of YTY’s head office building in Käpylä, Helsinki.

Leading lawyers

Pekka Lehtinen

Waselius & Wist

Waselius & Wist recorded another solid year in the capital markets, with well respected partners Tarja Wist and Lauri Peltola acting on debt and equity capital markets transactions.

Tarja Wist heads up the equity capital markets department and is described by peers as “a very active lawyer who follows the market closely”. Wist led the firm’s largest equity capital markets transaction – advising the lead manager Evli Bank on a €25 million rights issue on the Hex by Aspocomp. Wist followed this up by landing a continuing role with Credit Suisse International for the listing of a series of securitized products of Credit Suisse on the Hex.

Lauri Peltola acted for Barclays Capital and various other lead managers on a €1 billion EMTN debt issuance for Fingrid listed in London. Peltola also acted for the lead investor Pequot Ventures on the €10 million directed issue of shares by Biotie Therapies on the Hex and represented the lead investor on a €33 million private placement to Talvivaara Mining in October 2006.

Leading lawyers

Lauri Peltola
Tarja Wist

Other notable firms

LMR, formerly known as Luostarinen Mettälä Rääkkönen, had a solid year advising Danske Bank on a global master repurchase agreement and scoring a role with OKO Bank on a series of International Swaps and Derivatives Association master agreements.

Partner Kimmo Mettälä also advised a European financial institution on a €288 million securitization of Finnish receivables in February 2007, as well as a German company on a proposed securitization.

Banking

Recommended firms

Tier 1

Castrén & Snellman
Hannes Snellman
Roschier

Tier 2

Borenius & Kempainen
LMR
Waselius & Wist
White & Case

Tier 3

Dittmar & Indrenius
Fennica
Krogerus Attorneys

Finland’s banking market has continued to flare up, with acquisition and real-estate financing transactions driving the country’s phenomenal economic growth. This has led to a golden period for the top firms as more and more foreign investors become interested in Finnish targets.

“The market is good for all leading firms,” said one partner. “The economic climate is good, there’s lots of activity in the market, interest rates are low and economic growth is fast.”

The flood of acquisition finance has been largely due to the combination of the availability of cheap credit and low interest rates. The fact that it’s also a seller’s market has led to an increase in auctions and pushed deal volumes sky-high.

Private-equity interest in Finland has also led to a rise in real-estate acquisitions, with foreign investors increasingly doing deals under Finnish law.

“Finland is popular because it has attractive targets,” said one partner. “Private equity is a very established structure and the legislation is favourable.”

Castrén & Snellman

Castrén & Snellman’s banking and finance department is headed by Pekka Lehtinen, but

peers and clients pointed out that senior associate Tero Tuomisto plays a significant role in the practice. The market also singled out associate Päivi Toivari as a rising star, indicating that the firm has a strong future.

The firm scored a coup by winning a role advising the lenders in the financing of the €30 million E18 highway by way of public-private partnership (PPP). Lehtinen and Tuomisto led the transaction, which was notable for being the largest PPP ever in Finland.

Castrén & Snellman was also active on the acquisition finance side, acting on a number of real-estate transactions. The firm advised the Royal Bank of Scotland on the financing of the acquisition of the Kamppi Shopping Centre in June 2006. The firm must have impressed its client as it was mandated once again in January 2007 to act on the financing of a real-estate portfolio from CapMan Real Estate.

On another real-estate transaction the firm advised SEB Merchant Bank and Skandinaviska Enskilda Banken as lenders for the €240 million purchase of hotel real-estate properties.

“They were very good, we were very pleased,” said one client about Castrén & Snellman’s performance. “They were very enthusiastic and did the job extremely well and professionally.”

Leading lawyers
Pekka Lehtinen

Hannes Snellman

Hannes Snellman has held its position in the top tier on the back of its excellent bank lending department. Peers were also very generous with their praise of the firm, with strong support for its position at the top of the market.

Leading the team is Kari Lautjärvi, who clients singled out for his great work over a number of years. “He is very helpful,” said one client. “We began using him when the firm was merged around 10 years ago, and we haven’t had much to complain about since.”

The firm were very active in the acquisition finance field in the past 12 months, acting for a mix of lenders and borrowers. On the borrowers’ side Hannes Snellman acted for Nordic Broadcasting on SKr1.76 billion (€191 million) of financing for the acquisition of TV 4, guided Arcapita on its provision of €562 million for the purchase of the Paroc Group and also represented Componenta on the €130 million acquisition facility for the acquisition of shares in Döktas.

On the lenders’ side, the firm represented Aareal Bank on a €109 million facility for the acquisition of 73 Neste-Kesko and also

advised lender Glitnir Banki for the financing of the Pelinka.net buyout.

Hannes Snellman showed it is not reliant on acquisition financings by acting on a number of varied financing structures. Partner Matti Engelberg advised Myllykoski and Rhein Paper on its €450 million facility, guided Metso on its €500 million multicurrency revolving facility, and acted for the lenders on €400 million facilities agreement for Tornator.

Leading lawyers

Kari Lautjärvi
Henrik Mattson

Roschier

Roschier has recorded another strong year in the banking sector, working on a number of acquisition finance facilities and complicated debt and securitization structures. The firm represented clients on both the lender and the borrower side of deals and received praise from them all.

“We had a very good experience with this law firm,” said one client. “They are very competent, especially on deals with international clients.”

Gunnar Westerlund is singled out by clients for his vast experience in the banking field. “He is very professional and knows very quickly what we need and what needs to be done”.

Westerlund acted as the lead on a number of property financing transactions. He advised Bronda Properties on the €377 million acquisition of 22 property companies from CapMan Real Estate and guided Nordea Bank on Sponda’s €1.56 billion purchase of Finnish state-owned property and subsequent refinancing of its loan portfolio.

The firm acted for Consolis on the €377 million refinancing of its loans in connection with Consolis’s acquisition by LBO France. In addition, Roschier advised Torantor Finance on the early redemption and refinancing of three of its issued Eurobonds totalling €400 million.

Roschier was also involved in some innovative transactions this year, including the first public synthetic securitization in Finland, the first two issuances of covered bonds, the first issuing of share warrants and the largest-ever PPP road project in Finland.

Leading lawyers

Gunnar Westerlund

Borenius & Kemppinen

Borenius & Kemppinen was active in a range of banking areas this year, including acquisi-

tion finance, asset finance and refinancing transactions. The firm is seen by peers as having a strong banking practice, especially on acquisition finance deals.

On one of the firm’s standout acquisition finance deals, partner Ari Kaarakainen represented Nordea bank on the €450 million financing for Tallink to purchase Silja from Sea Containers in July 2006.

Kaarakainen also advised Kaupthing Bank for the €430 million refinancing of Refresco Group’s loans and guided a bank on the refinancing of a UK real-estate investor’s €1.4 billion property-backed portfolio. The firm showed its versatility by also advising Danske Skibskredit on a €100 million ship financing transaction in March 2007.

Leading lawyers

Ari Kaarakainen

LMR

Banking and finance is LMR’s strength, with Kimmo Mettälä repeatedly pointed out by peers as one of the leading banking lawyers in Finland. The firm’s peers all agreed LMR is of a very high quality, although some commentators suggested LMR’s small size could affect the number of mandates it receives.

This didn’t seem to affect its ability to win clients in the acquisition finance field. The firm acted for numerous clients, with a focus on representing the lender. Kimmo Mettälä led a team which represented a consortium of banks to provide a €550 million and a SKr387 million (€41.9 million) financing package for a Dutch investor’s acquisition of Ovako Companies in November. One month later Mettälä led another team to advise the banks on a €500 million senior facilities agreement for the purchase of the Hilding Anders Group.

In one of the firm’s larger transactions, the team represented a consortium of banks to provide senior facilities for the €2.87 billion acquisition of Altana Pharma, while the firm also advised Nordea Bank on the €124 million of debt financing for a group of companies in Finland, Sweden, Denmark and Norway.

LMR showed it was more than an acquisition financing boutique when it won a role advising Pääkaupunkiseudun Junakalustoyhtiö on the long-term financing of new commuter trains for the Helsinki commuter area. The firm also continued to advise Finnish commercial banks on direct debit and credit transfer schemes taking into account Finnish Financial Services Authority regulations.

Leading lawyers

Kimmo Mettälä

Waselius & Wist

Waselius & Wist has rejoined the pack this year not because of a poor performance on its behalf, more because of the market's perception is that LMR and Borenius & Kempainen have caught up.

The banking team is led by Lauri Peltola, who is described by peers as "well known and respected". Peltola led the firm on a number of private-equity acquisitions, including the financing of ABN Amro Capital's purchase of the Saunatec Group and advising ING Bank Arcaita of Bahrain's buyout of the Paroc Group.

The firm also acted for Danish property investment company Keops on its acquisition of office properties in Finland, Sweden and Norway. Away from acquisition finance, the firm also won a role advising JPMorgan on the recapitalization of Vaasan & Vaasan's facilities.

Lauri Peltola is also involved in the financial regulatory environment, providing regulatory advice to Citadel and guiding Citigroup on the development of various investment products.

Leading lawyers

Lauri Peltola

White & Case

White & Case was involved in some significant real-estate acquisition financing transactions this year, acting for investment banks in particular. The team is led by Timo Airisto, whom peers regard as a skilled lawyer.

Airisto headed the firm's representation of ABN Amro on the financing of the acquisition of five real-estate portfolios consisting of a number of commercial properties in Finland. The financing comprised several term loan facilities with a complex security package.

The firm advised HSH Nordbank on the purchase of several real-estate portfolios in Finland by international investors and represented Kaupthing in the financing of the purchase of Tamore by Icelandic stationery company Pennin.

The firm also acted for Hypo Real Estate Bank International for the provision of a €54 million facility to investment fund JPMorgan Asset Management, which was provided for the fund's acquisition of office buildings from Neste Oil Pension Fund.

White & Case also showed its skill at financing transactions, acting for Deutsche Bank on the refinancing of a \$500 million debtor-in-possession senior secured credit facility provided to Exide Technologies in 2004.

Other clients the firm has advised include Nordea Bank, Nordic Capital and UBS.

Leading lawyers

Timo Airisto

Mergers and acquisitions

Recommended firms

Tier 1

Hannes Snellman
Roschier

Tier 2

Borenius & Kempainen
Castrén & Snellman
White & Case

Tier 3

Dittmar & Indrenius
Fennica
Merilampi Marttila Laitasalo
Waselius & Wist

Tier 4

Krogerus Attorneys
LMR

Cross-border expansion has been the talking point of the market of late, with the big firms opening foreign offices to take advantage of their clients' desire to tap the resources of developing markets. Hannes Snellman and Castrén & Snellman have concentrated on Russia, while Roschier has opened offices in Latvia, Lithuania and Estonia.

But Roschier's move into Sweden has caused the most waves on both sides of the Baltic Sea. The firm's Helsinki office lost a lot of its Swedish referrals following the opening of its Stockholm office, much to the benefit of the top Finnish firms.

The move is seen by rivals as a particularly smart one, as while Roschier took a short-term hit on referrals it increased its long-term standing as a strong cross-border firm.

"From what we hear it's a good move," said one competitor. "Three years ago they would get most of their referrals from other Nordic countries, but that won't be the case anymore."

The partner added: "It's good to see a firm with the courage to take such bold steps."

Hannes Snellman

One of the two anchors of Finland's M&A scene, Hannes Snellman has recently extended its presence into Russia and Ukraine to serve clients looking to conduct business in these emerging markets.

Clients were very impressed with the firm's work this year, with one noting that it chose Hannes Snellman after an exhaustive selection process. "We met with them all and in the end the impression created by Hannes Snellman was very good," the client said.

It was another busy year on the transactional front for Hannes Snellman, with the highlight acting for Siemens on the €25 bil-

lion merger of its carrier operations into Nokia Siemens Networks in April 2007. This generated enormous press interest as Nokia is one of Finland's flagship companies.

The firm acted €700 million sale of Ovako subsidiaries to a consortium of companies and also advised the buyers Arcapita on its €650 million purchase of Paroc Holding Sverige in August 2006.

Hannes Snellman also scored a role advising Glitnir Banki on its €341 million acquisition of 68% of the shares in FIM Corporation and the subsequent tender offer to its remaining shareholders.

Partner Tuomo Vähäpassi was singled out by clients for his experience in M&A transactions. "He is an expert in M&A and he made a very good impression," one client said. "He is very professional and a natural choice."

Leading lawyers

Mikko Heinonen
Tuomo Vähäpassi

Roschier

Closing out the top tier is perennial market leader Roschier. The firm has also expanded internationally recently, opening offices in Lithuania, Estonia, Latvia and Sweden.

Roschier has recorded another outstanding year and was a unanimous choice by peers and clients for a top-tier position. The highlight was its role representing Nokia on the €25 billion Siemens-Nokia joint venture, which created a storm of media interest and boosted Roschier's already formidable profile in the market.

Roschier followed this up later that month by acting for Tallink on its €469 million purchase by Silja from Sea Containers. This was the largest Finnish M&A transaction in 2006 and the first consolidation of the shipping industry in the region.

The firm further proved its credentials when it was mandated to act for Sampo Bank on its €4 billion sale to Danske Bank – another deal which stirred media interest in Finland. The firm also advised a consortium of sellers on the €700 million sale of Ovako to a group of venture capital companies.

Leading lawyers

Ulf-Henrik Kull
Tomas Lindholm
Lennart Simonsen

Borenius & Kempainen

Led by Jari Vikiö, Borenius & Kempainen's main strength is acting for private-equity firms. The firm's client list tells it all – 3i, ABN Amro and Pamplona Capital Management are just a

few of the private-equity players Borenus & Kempainen regularly advises.

The firm received some significant mandates from CapMan in 2006. Vikiö led the team advising on CapMan's purchase of Tamro Medlab and also advised on the private-equity house's sale of shares and warrants in Goldhold.

Borenus & Kempainen acted for Rhone Capital III on the €485 million acquisition of Arizona Chemical, and also acted for UPM-Kymmene Corporation on the sale of the Walki Wisä Group.

Leading lawyers

Jari Vikiö

Castrén & Snellman

Castrén & Snellman has made the jump up to the second tier after a particularly busy year on the M&A and private-equity market. "They have younger partners that have been able to shine lately," said one rival partner.

The firm dealt with some sizable property transactions this year, the largest deal being the Hilton Hotel's €833 million sale of its Scandic Hotel Chain to EQT. Jan Örndahl and Mika Ilveskero led a very large team which advised Hilton International and Hilton Hotels Corporation. The firm also represented Wenass Hotels on its acquisition of the Pribaltiyskaya in October 2006.

Castrén & Snellman was also mandated by OJSC and Norilsk Nickel on its acquisition of OM Group's nickel business. The firm followed this up by acting for Applus Servicios Tecnológicos, a subsidiary of Spanish water company Sociedad de Aguas de Barcelona, on the €38 million acquisition of the Finnish vehicle inspector K1.

The well regarded Märten Janson led the firm on two significant private-equity transactions. On one, he led a team which advised Sentic Partners on the acquisition of Finnish Elematic Group. Janson also led the team when it represented funds managed by CapMan on the acquisition of Komasa.

Finally, Castrén & Snellman represented 3i and Carema on the acquisition of Mehiläinen in May 2006, which included a share purchase transaction, the acquisition of shares from minority shareholders through a tender offer, and squeeze-out proceedings.

White & Case

White & Case has held its position in the second tier after acting on a number of large real-estate and company acquisitions. Petri Haussila is almost a household name in Finland for his work in M&A, and he is backed up by the talented Timo Airisto.

The firm utilized its international network when it landed a role advising Danske Bank on its \$4 billion acquisition of Finland's Sampo Bank. The firm also represented the bank on the financing of the transaction, which is noted as the largest cash acquisition ever in Finland.

White & Case followed this up by winning a mandate to represent the Republic of Finland on the €950 million auction sale of property investment company Kapiteeli, the largest-ever Finnish real-estate M&A transaction.

The firm also acted as counsel for FIM Group Corporation during Icelandic client Glitnir Bank's takeover bid, which was the first bid under the new Finnish takeover regime. White & Case also represented Mesto Corporation on its €355 million acquisition of Aker Kvaerner's pulping and power business.

The firm also represents international and regional private-equity clients such as Nordic Capital and Bridgepoint Capital.

Leading lawyers

Timo Airisto
Petri Haussila

Merilampi Marttila Laitasalo

Merilampi Marttila Laitasalo has moved up a tier after being awarded roles on some impressive transactions, and from recommendations from market commentators. Despite its small size the firm is noted for its impressive client list, which includes Fortum, Nordea Corporate finance and CapMan.

The firm acted on Fortum Corporation's €750 million acquisition of E.On and also won a role guiding CapMan Real Estate I Fund on its €377 million sale of a commercial property portfolio in January 2007.

Department head Ari Jeinänen lead a team which advised Lassila & Tikanoja on its €36 million purchase of Biowatti, while the firm also acted for UPM-Kymmene Corporation on the €77 million sale and leaseback of its headquarter premises in August 2006.

Waselius & Wist

Waselius & Wist has moved up a tier on the back of overwhelming positive support from industry peers and clients. "They're very strong in the financial and capital markets, and are trying to increase their M&A business," said one competitor.

The M&A team is headed up by Jan Waselius, who is "one of the most well known lawyers in the M&A market" according to one rival lawyer.

The firm acted on a number of public and private M&A deals, with one seeing the firm

advise EQT as Finnish counsel on its €833 million acquisition of Scandic Hotels from the Hilton Hotels Corporation. Waselius also guided Norgani Hotels on the €306 million acquisition of 16 hotel properties from Kapiteeli in August 2006.

Waselius & Wist also acted for E.On in the €380 million sale of its Finnish subsidiary to Fortum Corporation, and guided ABN Amro Capital on its acquisition of Saunatec in October 2006.

Leading lawyers

Jan Waselius