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New regulations for structured products

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Switzerland is one of the primary markets for asset management. The superb performance by Swiss asset managers has attracted innovative investment products. As a result, the country's market for structured products is one of the biggest in the world. It continues to attract not only Swiss issuers, but also an increasing number of foreign financial institutions.

Increasing activity in structured products

The market for structured products has grown exponentially in Switzerland in recent years in terms of quality as well as quantity. Innovative products are launched daily and placed on the Swiss market. According to a recent report by the Swiss Structured Products Association (SSPA), bank customers held structured products worth SFr284 billion in December 2006, 31% more than in January 2006.

By March 2007 about 5.5% of all assets managed in Switzerland were invested in structured products. The financial industry expects that this rate will increase over the next three to five years to more than 10%. The turnover of structured products listed on the SWX Swiss Exchange increased by more than a third in 2006 to reach SFr48 billion. While at the end of 2005 there were 6,649 structured products listed on the SWX, by the end of 2006 this number was more than 10,000. It has to be noted that the market for unlisted products is assumed to be five to eight times bigger than the market for listed products.

Structured products have become more and more accessible to retail investors. By the

end of 2006, about 42% of assets invested in structured products were held by retail investors while institutional investors accounted for nearly half. Structured products, which account for 7.3% of retail investors' portfolios, have become an important investment instrument for retail clients.

A new regulatory regime

With the market for structured products developing rapidly and the high pace of innovative and increasingly complex products, investor protection has become more and more of an issue. To clarify the regulatory regime for issuing and offering structured products in Switzerland, the Swiss Federal Banking Commission (SFBC) published a position paper in June 2005 regarding the scope of application of the Investment Fund Act with respect to structured products.

This paper caused controversy in the market and influenced discussions on the proposed successor legislation. The genesis of the new legislation was accompanied by a debate on whether, and under what circumstances, structured products, which frequently satisfy similar investment needs as investment funds, shall be subject to investment fund-type regulation. The general consent was to keep the liberal regulatory regime for public offerings of structured products, but to protect investors by improving transparency requirements. For this reason, the SFBC agreed to revoke the position paper and the rather restrictive practice it set out.

The new Collective Investment Schemes Act (CISA) entered into force on January 1 2007, replacing the former Investment Fund Act. While the CISA focuses mainly on the regulation of collective investment schemes, it also partially extends to that of structured products.

The Swiss Bankers Association (SBA) has issued guidelines on information for investors in structured products. These have been approved by the SFBC and provide a mini-

mum disclosure standard and some interpretation guidelines.

Definition of structured products

The CISA does not define structured products, but mentions capital-protected products, capped-return products and certificates. These are the three categories of structured products distinguished by the SWX's listing regime for derivatives.

According to a common definition, which is also supported by the SSPA, structured products are financial instruments combining a derivative and a traditional financial instrument, such as a share, bond or note. The SBA guidelines describe structured products as investment instruments that will be redeemed at an amount linked to the performance of one or more underlying assets, and where investors have a general claim for payment and/or delivery of underlying assets against the issuer without having recourse to a segregated pool of assets.

Straight futures or options (also in the form of warrants) do not qualify as structured products, given that they are pure derivatives and not combinations with a traditional financial instrument. Pursuant to the SBA guidelines, financial instruments issued mainly for financing or risk transfer purposes (for example collateralized debt obligations, credit-linked notes, asset-backed securities and convertible bonds) are not deemed structured products by the CISA.

Offering structured products under the CISA

In general, structured products may be publicly offered in and from Switzerland under two conditions:

- the issuer, guarantor or distributor of the structured products is a Swiss bank, broker dealer or insurance company, or a foreign institution that is subject to equivalent prudential supervision and maintains a physical presence in Switzerland; and

- a simplified prospectus is prepared for each series of product.

The CISA only applies to structured products that are publicly offered in or from Switzerland; consequently, private placement of structured products to qualified investors is outside the scope of the CISA and are therefore exempt from the above-mentioned regulatory requirements.

Remaining restrictions

Despite liberalizing its practice, the SFBC emphasizes that the public offering of a structured product in Switzerland is not admissible if the product is clearly designed to circumvent the provisions of the CISA. This limitation is relevant for products linked to (the performance of) foreign collective investment schemes not licensed by the SBFC for public distribution in Switzerland.

Such schemes include most hedge funds, the vast majority of limited partnerships and many unit funds, and the SFBC is concerned that they will be distributed indirectly via structured products. However, the concept of the circumvention is necessarily vague. The SFBC mentions the clear cut example of a certificate, which has as an underlying single unlicensed foreign investment fund. In fact, the scope of the SFBC's reservation may be expected to be broader, and it remains to be seen how much it is prepared to liberalize and refine its practice to match the Swiss market for structured products.

Capital markets

Recommended firms
Tier 1
Bär & Karrer
Homburger
Lenz & Staehelin
Niederer Kraft & Frey
Tier 2
Baker & McKenzie
Pestalozzi Lachenal Patry
Schellenberg Wittmer
Walder Wyss & Partners
Wenger & Vieli
Tier 3
CMS von Erlach Henrici
Nobel & Hug
Prager Dreifuss
Python & Peter
Vischer

Banking

Recommended firms
Tier 1
Bär & Karrer
Homburger
Lenz & Staehelin
Niederer Kraft & Frey
Tier 2
Baker & McKenzie
Pestalozzi Lachenal Patry
Schellenberg Wittmer
Walder Wyss & Partners
Wenger & Vieli
Tier 3
Borel & Barbey
CMS von Erlach Henrici
Froriep Renggli
Nobel & Hug
Prager Dreifuss
Python & Peter
Vischer

Mergers and acquisitions

Recommended firms
Tier 1
Bär & Karrer
Homburger
Lenz & Staehelin
Tier 2
Baker & McKenzie
Niederer Kraft & Frey
Pestalozzi Lachenal Patry
Tier 3
Schellenberg Wittmer
Vischer
Walder Wyss & Partners
Wenger & Vieli
Tier 4
CMS von Erlach Henrici
Meyer Lustenberger
Prager Dreifuss
Python & Peter
Tier 5
Borel & Barbey
Tavernier Tschanz
Wenger Plattner

Restructuring and insolvency

Recommended firms
Tier 1
Baker & McKenzie
Schellenberg Wittmer
Wenger Plattner
Tier 2
Bär & Karrer
Homburger
Lenz & Staehelin
Niederer Kraft & Frey
Walder Wyss & Partners
Tier 3
Froriep Renggli
Giroud & Anderes
Python & Peter
Vischer

A steady economy, high standards of living and a favourable tax environment are all reasons why multinationals such as Kraft, Google, Yahoo and E-bay are choosing to set up headquarters in Zurich and the Geneva area.

Switzerland emerged from recession in 2003 but it was not really until 2006 that things really picked up pace. Now private-equity funds are moving in to get a piece of the action. The M&A scene is lively, thanks largely to this influx of hedge funds and private-equity firms. Unsolicited bids are now more acceptable in Switzerland and there has been a trend towards hostile takeover offers. Investors want to move quickly to nail down deals before rivals get a sniff and before targets can prepare a sturdy defence. The entrance of new players into the market has also led to a rise in shareholder activism.

Another trend is dual-track listings, whereby a company looking to raise capital keeps open the options of either stock-market flotation or allowing an investor to buy it out – Credit Suisse employed this strategy, for example, with regards to Winterthur, which was eventually sold to Axa.

A highly liquid real-estate market has also emerged in Switzerland. Investors are buying up whole portfolios which they are looking at as a secure bond. The financing of these transactions has become a staple of banks and their legal counsel in the last year.

Given the state of the economy there is not a great deal of restructuring and insolvency work. Much that is still being done is the continued picking up of the pieces from the last wave of bankruptcies although sick companies in need of restructuring still surface, often as a result of poor management.

In capital markets, there is generally more work for law firms on the equity side. The Swiss banks have built up their in-house

teams, especially UBS, and this means that they are able to take care of the routine debt work for themselves. Structured finance has not taken off to the extent it has in some places, but it is growing in popularity. As one finance lawyer observed: “Structured products – this is really where the music is being played these days.”

Baker & McKenzie

“At Baker & McKenzie, Urs Schenker is the one person around whom everything happens,” said a competitor of the firm. And there is no doubt Schenker is the star of the show at the firm as far as both his rivals are concerned. His clients are also full of admiration, regarding him as “one of the best commercial lawyers in Switzerland”, “not only technically brilliant but also very commercial”. Another added: “He knows what the issues are and what the potential solutions are.”

But the strength of the practice is all-round, with one rival commenting: “Baker & McKenzie is definitely the strongest tier two firm... They push for tier one I guess.” The practice has grown rapidly since the split with Homburger in 1991 and with 56 lawyers in Zurich and 22 in Geneva the firm is well represented.

Baker & McKenzie is strong in finance work and has carved out a niche in aircraft sale and leaseback financings, an area in which it has been advising on a number of transactions. It has also been profiting from the buzzing real-estate market, notably advising ReInvest on the SFr100 million (€60.87 million) acquisition financing of a real-estate portfolio in Switzerland in September 2006 and Aareal Bank on the mortgage-secured term loan facility for the acquisition of a commercial property in Switzerland in January 2007.

Another big client is Credit Suisse, which the firm recently worked with on a mortgage-secured, multi-currency, multi-facilities syndicated acquisition and working capital facilities agreement with an industrial company. The team has also been providing Credit Suisse with regulatory advice on cross-border operations.

Baker & McKenzie has justified its promotion last year in the capital markets rankings by advising the issuers on a string of initial public offering (IPOs) over the last 12 months, including Burckhardt Compressors’ SFr300 million offering in May 2006, Newron Pharmaceutical’s SFr120 million flotation in December 2006, and Cosmo Pharmaceutical’s SFr100 million IPO in April 2007. The team was also noticeable on the debt side assisting Kardex with a SFr55 million bond issuance in June 2007.

In corporate work, the firm is most often found on the seller’s side. May 2007 was a big month, with both the SFr2.25 billion takeover of Baker & McKenzie client SIG by Rank Group and the sale of Capitalleben, whose shareholders the firm was representing, being closed. In other highlights the team was also chosen by Clariant to represent it in the sale of its life sciences division, and 3i sought guidance on its SFr1.6 billion sale of SR-Technics.

It is in the field of restructuring however that the firm excels. “Urs Schenker is outstanding in restructuring,” said one rival. Another agreed: “He has a big slice of the restructuring cake in Switzerland.” Although demand in the market is diminished for the time being, Baker & McKenzie continues to aid a number of parties in distressed matters. Schmidlin AG Fassaden’s continuing composition procedure is one such mandate. The firm is also assisting in the liquidation of both Herfina and Unifina.

Leading lawyers

Martin Anderson
Martin Frey
Martin Furrer
Lukas Glanzmann
Urs Schenker

Bär & Karrer

All in the market agree that Bär & Karrer is fully deserving of its tier one status in all but one of the rankings as it exhibits “strength and depth in all areas”. Banking is no exception and the practice retains as clients a number of international banks, including Goldman Sachs Bank and UBS. Clients are in no doubts about the quality of the service, singling out Michael Trippel and Thomas Reutter as recipients of their praise. “Reutter,” said one, “has the understanding of the deals – he thinks not only legally but also commercially, which is very helpful in the deal.”

The practice’s enviable reputation means that it has also been called upon by several existing and former top bank executives with regard to a review of the Swiss Banking Commission. It is also appointed by several international banks in connection with the issuance of structured products in Switzerland, including listing on the SWX Swiss Exchange. In capital markets however, the firm is more visible on the equity side, especially so in the last year when advising Petroplus Holdings on its SFr2.9 billion IPO in November 2006.

But most of the firm’s standout engagements lately have been as underwriters’ counsel, a role for instance played by the team in the SFr1.65 billion cross-border IPO and listing on Euronext of Paris Re Holdings in July 2007 as

well as in the two biotech sector IPOs of Actelion (SFr460 million) and HBM Bioventures (SFr180 million) in November and May 2006 respectively.

Bär & Karrer’s M&A team is widely regarded as among the most potent in the country and is fortunate to count within its ranks the eminent Rolf Watter who is considered to be “one of the top dogs” on Switzerland’s M&A circuit. The team was called upon by Axa to guide it through its SFr13.9 billion acquisition in December 2006 of Winterthur, the largest Swiss insurance company.

The firm also worked on the tri-party merger of SWX Swiss Exchange, SegalInterSettle (SIS) and Telekurs, worth more than SFr1 billion, as well as on the SFr3.4 billion takeover of the real-estate assets of Jelmoli. So sought-after are the practice’s services that it has been involved in all major public tender offers in the recent past, often also in the defence against a bid, such as in its counsel to listed companies Sulzer, Saurer and Implenia.

The practice has also been rendering assistance in connection with the bankruptcy of Erb Group, a conglomerate with interests in the automobile and coffee industries, among others.

Leading lawyers

Urs Brügger
Felix Ehrat
Ralph Malacrida
Thomas Reutter
Eric Stupp
Michael Trippel
Rolf Watter

Homburger

Homburger is another of the Swiss powerhouses, strong across the board and given healthy respect by rivals. Clients also rate the firm very highly: “We go always to the best,” “They have a very strong team,” and “they have very high quality standards,” are among the reasons given by clients for choosing the practice.

The firm has a number of big hitters in both banking and capital markets. Daniel Daeniker for instance is frequently highlighted by rivals as “one of the top lawyers in Switzerland”, while clients think he is “fantastic”, “very sophisticated” and “hands-on”, with a “very good overview of what’s going on in the deal”. René Bösch also gets a lot of praise, and was labelled “the debt capital markets guru” by one competitor. Good things are also said of Benedikt Maurenbrecher, with one client reporting: “He is very helpful, very diligent; he makes sure all the details are seen to.”

The team had involvement in a number of key banking transactions over the last year. Homburger's standout mandate in this respect was the counsel it gave Commerzbank in relation to a €690 million syndicated term and multicurrency revolving facilities agreement and a €160 million secured term and multicurrency revolving bridge facilities agreement for Schmolz und Bickenbach. The practice also advised Deutsche Bank in connection with a €71 million senior facilities agreement and SFr27.5 million mezzanine facility agreement for Nexis Fibers.

The firm has also had a good deal flow in structured finance and securitization. Capital Efficiency Group is a big client, which the practice advised in connection with its €321 million Preps 2006-1 and €248 million Preps 2007-1 issuances of preferred pooled shares in July 2006 and March 2007 respectively. Another notable involvement was for Fitch Ratings, which the team assisted in relation to the €840 million Deco 10 issuance of mortgage-backed notes.

Capital markets work with an equity component has also provided business for the firm over the last 12 months. In one highlight, a team provided counsel to Credit Suisse, Morgan Stanley and UBS Investment Bank in the SFr2.9 billion IPO of Petroplus Holdings in December 2006. On the issuers' side the practice assisted Santhera Pharmaceuticals a month earlier with its SFr102 listing at SWX Swiss Exchange. The firm also gave advice to BioXell concerning its SFr52 million IPO in June 2006. This flotation was significant because it was the first ever primary listing of an Italian company in Switzerland.

Homburger's powerful M&A offering received a boost in the last year with the recruitment of seven associates. They join a side teeming with heavyweights, of whom Heinz Schärer especially gets a great deal of respect. Standout mandates for the team in the last year have seen it advising Merck in its SFr 7.6 billion acquisition of a 73.47% interest in Serono, Phonak Holding in its SFr3.3 billion acquisition of the GN ReSound Business, and French reinsurer Scor in its mixed tender offer for all shares of Swiss reinsurer Converium Holding. On the sellers' side, the practice was visible assisting Orthopedics Holding and the Plus Group on the SFr1.09 billion acquisition of the Plus Group by Smith & Nephew.

Leading lawyers

René Bösch
Daniel Daeniker
Benedikt Maurenbrecher
Flavio Romerio
Heinz Schärer

Lenz & Staehelin

Lenz & Staehelin is recognized as a market leader in Switzerland and for being particularly strong in Geneva, with one rival saying: "Their Geneva team outshines all the other firms in Geneva." The firm has had a good year on all fronts.

Lenz & Staehelin is another firm that has been taking advantage of activity in the real-estate market, most notably advising the lead manager in connection with the \$350 million acquisition financing for a commercial real-estate portfolio. The firm also assisted a Swiss bank in creating a real-estate fund for sophisticated investors. But a windfall of work in this sector has not meant that the firm has shifted its focus from other areas. For instance, in December 2006 the firm acted for a lead manager in connection with a \$4.5 billion multinational letter-of-credit facility, while in February 2007 a team notably counselled a lender in the \$350 million group-wide receivables financing for a commodities trading group.

Lenz & Staehelin has been making good inroads into structured finance evidenced, for instance, by the firm's presence in \$1.2 billion of real-estate securitization transactions by Credit Suisse. The firm was also involved in the \$350 million securitization of a rolling-stock portfolio and lease receivables of Ahaus Alstätter Eisenbahn Cargo, as well as the \$150 million securitization of receivables originated by Nova Innovene International. Meanwhile, a landmark year in debt capital markets saw a team advise Bradford & Bingley on a SFr1.55 billion listing in the first-ever issue of covered bonds in Switzerland. In another transaction worth mentioning, the practice assisted Digicel with a \$150 million issue of high-yield senior notes.

But given the trend for internal counsel to take care of much of the bank's debt work, the bulk of the action in capital markets for Lenz & Staehelin has been on the equity side, where it has represented a good balance of issuers and underwriters. Among the year's highlights, the practice was called upon to provide counsel to Sal Oppenheim and Lehman Brothers as joint global coordinators in the SFr278 million cross-boarder IPO of Italian Cosmo Pharmaceuticals in March 2007. The firm also acted for Medisize in its SFr435 million IPO in June 2006 following its spin-off from Gurit Heberlein. This was the largest spin-off IPO in 2006 and came only a month after the team had steered Zurich Airport through its SFr350 million rights offering.

The firm's M&A team in particular commands an immense amount of respect from the market. Rudolf Tschäni, who leads the Zurich branch, is considered by many to be

one of the country's top two M&A lawyers – one rival labelled him "Mr M&A". Given the firm's reputation in this field, it is not surprising that the sellers in many of the jurisdiction's highest-profile transactions seek to benefit from the practice's expertise. Credit Suisse, for example, appointed Lenz & Staehelin to assist with its SFr12.3 billion sale of Winterthur to Axa in June 2006. The Bertarelli Family also commissioned the team's services in its SFr16.1 billion sale of a majority stake in Serono to Merck in January 2007 and in the subsequent tender offer for all outstanding shares.

The practice is adept at working on the purchasers' side too. In November 2006 it notably helped Hermès Montres with its acquisition of a minority stake in Vaucher Manufacture Fleurier. And at the time of writing a team was busy advising CRH on its SFr540 million public tender offer for all publicly held shares of Gétaz Romang.

Lenz & Staehelin is also active in much of what insolvency work remains in Switzerland. For instance it is representing various financial institutions in the insolvency proceedings of SAirGroup and its subsidiaries, and of the Erb group, as well as acting for creditors in the bankruptcy proceedings of Schmidlin AG Fassadentechnologie and of Crossarc.

Leading lawyers

Hans-Jakob Diem
Shelby du Pasquier
Beat Kühni
Matthias Oertle
François Rayroux
Andreas Röheli
Rudolf Tschäni

Meyer Lustenberger

Meyer Lustenberger is a smaller firm which consists of 38 lawyers spread across three offices in Zurich, Zug and Geneva. That does not mean to say that the practice cannot pack a punch and rivals speak highly of the "versatile operation".

Many are particularly impressed with the firm's work in capital markets. Highlights saw the team advise on Allreal Holding's SFr170 million convertible bond, as well as on the €500 million structured financing of Intrum Justitia's investments in written-off loan portfolios from a number of international banks. On the equity side, the practice had involvement in the €100 million IPO of SAF Simulation Analysis & Forecasting in May 2006 and in Meyer Burger's SFr120 million flotation in December 2006.

The other area that Meyer Lustenberger is at its strongest in is M&A. And the team has been bolstered with the hiring of five new

associates in the last year. Meyer Lustenberger is another firm that has been garnering some profitable mandates from the real-estate market. For instance the practice advised a European client on its SFr30 million acquisition in September 2006 of an important player in the construction chemicals sector. More recently, in spring 2007, a team counselled Deutsche Lagerhaus on its purchase of a real-estate portfolio for SFr86 million. The firm's largest corporate instruction in the last year came in the culturally significant watch-making industry, when it assisted Argantis with its March 2007 acquisition of Roventa-Henex for a consideration of SFr100 million.

Niederer Kraft & Frey

Niederer Kraft & Frey has had a massive year in banking and finance, acting on many high-profile transactions. In part this is thanks to the "extremely active" and "highly visible" Philippe Weber, who was said by one client to provide "perfect" service. "He knows the deals," continued the client, adding: "I have always had the right service at the right time from him".

And Weber was in charge of the three largest syndicated loans that the firm acted on. Together with Ulrich Benz he gave counsel to the bookrunners and mandated lead arrangers in the \$19 billion committed debt facilities for Xstrata (Schweiz), including a \$7 billion equity bridge facility, to finance the acquisition of Falconbridge. He also led the legal team advising on the \$16 billion credit agreement for the acquisition of HCA Group by KKR, Bain Capital Partners and Merrill Lynch Private Equity together with a number of other financial institutions. Finally, Weber led the Niederer team that provided Swiss counsel to the banking syndicate in the €16 billion credit facility for Mittal Steel Company.

"The only firm in bonds [in Switzerland] is Niederer Kraft & Frey" declared one competitor, adding: "Niederer Kraft & Frey has done more debt issues than all of us put together." The firm's debt capital markets highlight this year came when advising Swiss Reinsurance Company on a combined €1 billion and \$750 million issue of hybrid instruments (perpetual subordinated step-up loan notes) by Swiss Reinsurance Company in May 2006, one of the largest hybrid offerings of the year. Both sets of securities were part of a \$3 billion capital-raising exercise by Swiss Reinsurance Company to finance its acquisition of GE Insurance Solutions Corporation.

The team followed up on this success, providing counsel to Deutsche Bank, the arranger of a SFr1 billion issue by Sonata Securities in November 2006 of mandatory low-interest notes due 2008 exchangeable into ordinary

shares of Adecco. More recently the practice guided both the issuer and the guarantor through the SFr750 million Givaudan Nederland Finance mandatory convertible securities due 2010. The instruments are convertible into shares of, and guaranteed by, Givaudan. Announced in February 2007, this was the largest Swiss convertible bond offering since 2004.

Niederer Kraft & Frey have also had a propitious run of equity offerings. Last year a team advised Swiss Reinsurance Company on its SFr1.3 billion rights and global offering, the largest rights offering in 2006. This year the firm further underlined its prowess in this area when assisting the joint global co-ordinators, Morgan Stanley, Credit Suisse and UBS, with the SFr324 million global rights offering of Basilea Pharmaceuticals in March 2007.

Furthermore, the firm has had involvement in a number of IPOs. Towards the end of 2006 the firm acted co-lead managers Zürcher Kantonalbank and Landesbank Baden-Württemberg in the SFr80.7 million flotation of Meyer Burger Technology, as well as representing the global co-ordinators and underwriters, Lehman Brothers and Morgan Stanley, in the SFr145 million IPO of Newron Pharmaceuticals. And the practice has carried on the good work into 2007, notably advising lead manager UBS in the SFr180 million IPO of VZ Holding.

Niederer Kraft & Frey's finance offering is complemented by a solid M&A team. Peter Isler in particular is widely respected in the market as "the old proudly based M&A lawyer" with "very good M&A knowledge". Highlights over the last year have included helping Generali Assicurazioni Group with its SFr400 million acquisition of Banca Unione di Credito from Fiat Group in September 2006, as well as assisting Horizon21 Private Equity Holding with its purchase of Swiss Re's private-equity fund-of-fund advisory business. The team has also been active on the sellers' side, notably aiding SR Technics, the subject of a SFr1.6 billion secondary leveraged buyout in November 2006, as well as acting for Swissfirst Bank during the sale of Swissfirst to Crédit Mutuel Group in December.

Leading lawyers

Ulrich Benz
François Bianchi
Peter Honegger
Peter Isler
Urs Pulver
Philippe Weber

Pestalozzi Lachenal Patry

Pestalozzi Lachenal Patry has earned itself a tier two residency in three of the rankings as a

result of a heady deal flow and an excellent standing with peers and clients.

The firm has certainly been benefiting from a healthy M&A market and over the last 12 months the practice has given counsel on a string of high-profile acquisition financings. Among the year's highlights, the team gave guidance to Barclays Capital, lead arranger in connection with the SFr3.6 billion purchase of Swiss Hirslanden Group, and Infor Global Solutions on the \$3.83 billion acquisitions of SSA Global, Extensity and Systems Union Group. The practice also assisted an international banking syndicate with the SFr1.53 billion financing of a hostile takeover in Switzerland; the lenders with the SFr2.8 billion acquisition and working capital facilities for a Swiss listed fragrance company; and the lenders in the SFr2 billion acquisition financing for a Swiss oil company.

The firm has not been especially active in equity capital markets, but has had a number of notable mandates on the structured finance and debt side. The market reserves special deference for Gerhard Niggli who it regards as "a top structured products guy". For this reason he was recently appointed by a Swiss originator to steer it through a \$500 million asset backed securities transaction. HSBC Trinkaus & Burckhart also benefited from his expertise in relation to the listing of a variety of structured products programs at SWX Swiss Exchange and the private placement of further structured products. In other significant work the practice has been advising a bank in connection with the structuring of various synthetic bond issues, while providing counsel to a Japanese catering company in connection with issue of a Swiss law-governed convertible bond.

Pestalozzi Lachenal Patry's 40-strong corporate group has had a lucrative year, given the strong lawyers in its ranks and the auspicious market conditions. In particular, Jakob Höhn, who heads the Zurich team, is regarded as "a very strong M&A lawyer" and "equal with guys at the top". Höhn has been seeking to exploit the trend for hostile takeovers. Although client Sumida was not successful with its unsolicited public tender offer to acquire Saia Burgess for SFr600 million, Höhn successfully steered Oerlikon through its SFr1.9 billion unsolicited public tender offer for Sauer at the end of 2006.

In another noteworthy deal, the firm's M&A group helped Infor Global Solutions acquire SSA for SFr1.3 billion in August 2006, as part of the global consolidation of the enterprise software market. And the deals have continued to flow into 2007. In May the team successfully guided Rank Group Holdings through a bidding process which saw the client acquire SIG Holding for SFr2.3

billion. At the time of writing the practice was helping Coop with its expansion: Jemoli Holding had just agreed to relinquish Fust to Coop for SFr990 million, while Carrefour and Groupe Maus Frères had disposed of their 12 jointly owned Swiss supermarkets for SFr470 million.

Leading lawyers

Robert Furter
Jakob Höhn
Gerhard Niggli

Schellenberg Wittmer

Rivals have been impressed with the banking and finance team's progress in the absence of partner Mark-Oliver Baumgarten, who left for Staiger Schwald & Partners this year. Then again, Schellenberg Wittmer has recruited four new members to the team, most notably Michael Gruber from the SWX Swiss Exchange. And clients have remained happy with the service, reporting that the team does "a very good job".

The team's head in Zurich, Martin Lanz, is especially well received by the market. Rivals speak highly of him and clients praise him for his "proactive...professional and timely manner" and are grateful that he is "available at any time you need him". One client reported: "Everything has always worked out well." BNP Paribas (Suisse) and Zurich Cantonalbank continuous guidance from the team in their respective functions as lead managers of publicly placed bond issues. Ciba Specialty Chemicals Finance also instructed the firm in relation to its 3.25% SFr225 million bond issue 2006-2012 in September 2006.

Other noteworthy achievements in the last year have included helping Züblin Immobilien with a SFr360 million loan facility arranged by UBS and assisting Banque Syz & Co's issuance of €40 million Syz fiduciary certificates. In equity capital markets the team advised AIG Private Equity on its SFr150 million capital increase in June 2006 and Züblin Immobilien Holding on its SFr107 million rights issue in September 2006.

The firm's corporate and M&A practice group is co-headed by Lionel Aeschlimann in Geneva and Martin Weber in Zurich. Jean Jacques Ah Choon was promoted to partnership from January 2007. The group has grown by four and now contains 11 partners and 15 associates.

Schellenberg Wittmer has put its corporate standing to good use over the last year, and has given legal counsel in some of the country's most prominent transactions. The highest-profile engagements have been on the sellers' side. For instance the firm acted for

Lombard Odier Darier Hentsch & Cie in the sale of its brokerage and corporate finance operation to Vontobel Group. It also represented the Eurasian Natural Resources group, a privately held group of mining and mineral trading companies, with respect to the \$751 million sale of a 25% stake in ENRC Kazakhstan Holding to Vladimir Kim, the principal shareholder of Kazakhmys. Furthermore, a team counselled Nexans, a French cable company, in the auction and subsequent €206 million sale of its Swiss subsidiary Elektro-Material to Rexel.

Schellenberg Wittmer's insolvency and reorganization team is one of the strongest in the country. Led by Vincent Jeanneret, it has continued to preside over a number of cases on behalf of trustees, commissioners and court-appointed liquidators. Cases have included those of Bureau Genevois d'Adresses, a distribution company whose assets and employees were taken over by a subsidiary of La Poste; Cit-Frantour, a Swiss tour operator, the assets, trademark rights and employees of which were transferred to a subsidiary of the Kuoni group while a dividend of 86.7% was paid to the creditors; and the auction sale of a building in Geneva, with subsequent proceedings.

Leading lawyers

Lionel Aeschlimann
Martin Lanz
Martin Weber

Vischer

Since it was founded in 2000, Vischer has grown steadily and has consolidated its position in the market. In recognition of this success the firm has been awarded a healthy number of instructions over the last year.

In capital markets the highlight of the year came in June 2006 when the firm acted as Swiss counsel to Germany's Klöckner & Co, a steel and metal distributor, in connection with its €264 million IPO and listing on the Frankfurt Stock Exchange. The firm has also received work from Bank Julius Bär & Co, which it has been advising regarding the listing and private placement of structured products in Switzerland and abroad.

Vischer is also attracting a good flow of banking work. Mizuho Corporate Bank appointed the team as counsel on Swiss aspects of the £1.88 billion financing of Macquarie Bank and EQT's acquisition of SSP from Compass Group. Furthermore, a foreign bank commissioned the firm to advise it in connection with the acquisition of a €2 billion international portfolio of mortgage loans. Dresdner Bank also sought the firm's counsel on the Swiss aspects of the €165 mil-

lion financing of a German company with operations in Switzerland. The practice has also struck a rich vein of work in the real-estate market: in 2006 it advised two groups of foreign financial investors in four parallel real-estate sale and leaseback financing (and refinancing) transactions totalling SFr300 million.

The M&A team is making a name for itself on the sellers' side. Noteworthy assignments in 2006 include advising on the sale of Cronat Transport Holding, the third-largest Swiss international forwarding business, to PWC Logistics, as well as representing COS Computer Systems in the sale of its Swiss systems integration company and its Swiss and German distribution companies. But the most impressive deal came in November when the firm acted as co-counsel to the board of directors of the SWX-listed Saurer in the public tender offer by OC Oerlikon. The defence strategy of Saurer led to an increased offer by OC Oerlikon 45% higher than the initial offer price. The firm demonstrated that it has all-round ability when it represented Biogen Idec in the acquisition of Fuampharm, a privately held Swiss pharmaceuticals company, for an upfront sum of \$220 million and potential additional payments of up to \$315 million.

A steady trickle of restructuring work is still reaching Vischer in this rather muted practice area. The firm continues to guide Menag Energie through its liquidation, while acting for clients on the recognition of a German insolvency in Switzerland and on the defence of a repayment claim by a liquidator.

Leading lawyers

Jürg Luginbühl