

Bulgaria

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Financial and corporate

Recommended firms

Tier 1

Borislav Boyanov & Co
CMS Cameron McKenna in cooperation with
Petkova & Sirleshtov Law Office
Djigov Gouginski Kyutchukov & Velichkov

Tier 2

Kambourov & Partners
Penkov Markov & Partners
Spasov & Bratanov Lawyers' Partnership
Tsvetkova Bebov & Partners (Landwell)

Tier 3

Antov & Partners
Dimitrov Petrov & Co
Dinova & Rusev
Georgiev Todorov & Co
Gugushev & Partners
Rizova & Partners (in association DLA Piper)
Schoenherr

Tier 4

Boteva & Kantutis Law Office
CHSH Cerha Hempel Speigelfeld Hlawati
Novel Consult
Studio Legale Sutti
Wolf Theiss

The financial sector in Bulgaria has been affected to a greater extent compared with the corporate sector, which continues to be the main source of work for law firms in Bulgaria. Despite a stable position, financial institutions remains stringent and conservative in their approach to lending which continues affect the level of transactional work circulating in firms.

“There is stagnation in the financial services, banks are not eager to finance projects at the moment and the situation has worsened. A significant part of projects were real estate-related and several of these were not able to be marketed,” says one partner.

Banks have started rescue lending but with unfavourable conditions and high interest rates, and businesses have been unable to get the financing needed which has continued to adversely affect the market. In the real-estate sector lending has been almost entirely suspended.

“The banks are stable - that’s why the stance they have taken is unexplainable,” says a partner. “Banks have not been hit, the majority of them, by the consequences of the financial crisis so I don’t know why they are restructuring lending.”

Another partner adds: “What we see is clients cannot get finance at all and those who can get them do under very difficult conditions.”

This lack of movement in the market has been compensated by increased activity in restructuring and insolvency work which is largely a result of many companies facing high debt-levels. “Insolvency procedures have really increased because a lot of companies are in debt,” says one partner.

As the rate of foreign investment also decreased, it had been expected that privatisation would be the main recourse for investment, but this has been entirely suspended according to market players. Foreign investment has declined sharply with an impact felt more greatly over recent months. “There has also been a decrease in foreign investment by 90% in the first quarter of 2010,” says a partner.

“In 2008 it was a very strong year for Bulgaria, 2009 was not a bad year for Bulgaria but bad for everyone else, Bulgaria has only just been affected by the crisis in terms of foreign investment.”

There is a higher rate of movement, however, in the telecommunications and energy sectors which continue to be a source of transactional work. Over the past 12 months there has been continued activity in projects in alternative sources, solar and wind. By contrast, M&A activity has suffered a visible decline with a notable decrease in deal flow as

well as reports of a weaker market this year compared with the previous year.

“In general there is a sharp decline in the M&A work and the usual reason is the financial crisis that is also felt here. There are of course some M&A transactions, but a few big players which were active in Bulgaria started cashing out their investments which led to some changes in real estate and a couple of changed ownerships,” says one lawyer, adding: “There are a few that were mostly caused by some big players trying to cash some investments.”

Borislav Boyanov & Co

Described as a solid firm by market commentators, Borislav Boyanov & Co remains one of the most highly respected law firms in Bulgaria. The firm is described by competitors as a leading firm with high-profile clients.

“Borislav Boyanov is one of the market leaders, the firm has been involved and has very good quality of work,” says one peer, adding: “Clients are very happy with them.”

Borislav Boyanov & Co has been involved in a number of high profile deals over the past 12 months. Damian Simeonov led a team advising EQT V in a complex transaction which involved simultaneous closing in five different jurisdictions. European private equity fund EQT V acquired 100% of Eurocom from Warburg Pincus and acquired 70% of Cable Tel from Gene Philips. Simeonov and the team were involved in a complex process of due diligence of both target companies and advised the buy side in relation to a syndicated term-loan facilities agreement. The €200 million deal closed in October 2009.

The firm also advised News Corporation on the sale of bTV, its Bulgarian terrestrial TV business, to Central European Media Enterprises (CME). Peter Petrov led the transaction which also involved advising through the due diligence process, transaction structuring and execution as well as advising on the

merger control aspects of the deal. The €400 million deal closed in April 2010.

In addition, Alexander Chatalbashev represented Soravia Group in relation to the disposal of approximately 79% of its shares in Devin.

With a prominent reputation, Borislav Boyanov & Co remains a highly respected player of indisputable standing. "The firm is active on most transactions and has wonderful and capable lawyers," says one peer.

Leading lawyers

Borislav Boyanov
Raina Dimitrova
Yordan Naydenov
Damian Simeonov

CMS Cameron McKenna in cooperation with Petkova & Sirlishtov Law Office

Among the international firms, CMS Cameron McKenna has a strong presence in Bulgaria and is described by its competitors as the main competition. The firm continues to maintain its position as a market leader in region and has been involved in number of transactions in the corporate sector over the past 12 months.

CMS has had strong visibility in the legal market and is equally respected by its competitors. "The firm a successful year last year and was visible despite there being only few transactions on the market," says one.

Lawyers at the firm are praised by peers for their experience and efficiency. Kostadin Sirlishtov has been highlighted as a lawyer with strong capabilities. "He is a partner that does the job. He is very well connected to the major players on the Bulgarian market and has a good team," says one partner, adding: "He is reliable and is a very good negotiator with good working knowledge of the people in Bulgaria."

Elitsa Ivanova is also praised by peers. "She is very calm and self organised," says another.

David Butts is another well respected name amongst clients. "He is sharp and tough when needed. I would definitely rank David as number one," says one international client.

The practice is lead by David Butts, Renata Petkova and Atanas Bangachev who have both been involved in key transactions in recent months. Both Bangachev and Butts took the lead role in represented Rumford Alliance in the partial exit of its cable TV portfolio to EQT, a private equity fund. CMS had previously advised the same client on the financing and acquisition of 14 telecommunication companies in Bulgaria and Macedonia, and it is a part of this portfolio that has now been sold to EQT.

In a parallel transaction EQT acquired the majority interest in Bulgaria's largest cable operators, Cable Tel and Eurocom. The total value of both deals, which closed in November 2009, is €210 million. This was one of the largest M&A transactions in Bulgaria over the past 12 months which signalled a recovering economy to the market.

A further highlight for the firm was its involvement in another large transaction with significant cultural and national importance. Petkova led the team in advising Central European Media Enterprises (CME) in its bid to acquire News Corp, Europe's portfolio of Bulgarian TV channels, radio stations and magazines. After being postponed in 2008 due to the economic crisis, the \$400 million deal was signed in February 2010. CME owns 20 TV stations in seven European countries but its decision to carry out the deal in Bulgaria has been a significant one sending positive signals of the investor climate in Bulgaria.

CMS remains a leading player in the legal market and continues to receive praise from both competitors and clients alike. "They are very good in creating new solutions but the best thing is that they are business oriented. They help to find a comprise solution that helps to close the deal," says one international client.

Leading lawyers

Atanas Bangachev
David Butts
Renata Petkova
Kostadin Sirlishtov

Djingov Gouginski Kyutchukov & Velichkov

A highly respected firm with prominent standing within the Bulgarian legal market, Djingov Gouginski Kyutchukov & Velichkov remains one of the market leaders with reputable presence. The firm has continued to expand despite difficult economic conditions and has hired a number of associates both at junior and senior level.

"The firm is very good in M&A work and has been involved in some big deals in the past. The lawyers there are skilful and experienced," says one client, adding: "We worked together on an acquisition we did in Bulgaria, their capabilities are quite strong. They are of the standard of western firms in terms of their business approach."

Vessela Stancheva-Mincheva is highly regarded by peers, and admired not only for her dedication to the legal profession, but for her experience and technical ability. "Vessela Stancheva is very dedicated to her job to an extent beyond differentiation between any

other life, other than the life of the job," says one peer.

"Of course this is not a requirement but it explains her technical knowledge. She is very knowledgeable technically and capable of pushing out a vast amount of work."

Djingov is a strong corporate firm that has been active on a number of significant acquisitions in the last 12 months. Omourtag Petkov advised Argus Capital Partners II in its €40 million bid for the acquisition of Devin, and its subsidiaries Atlantic Divine and Devin Royal. This deal closed in July 2008 and was a competitive transaction that attracted a number of private-equity funds and strategic investors.

The firm was also active in advising Mid Europa Partners on the acquisition of Interactive Technologies, a satellite TV provider. This transaction, which closed in October 2009, was led by Zdravka Ugrinova.

Nikolai Gouginski was also active, representing ING in relation to the financing of the acquisition of CableTEL and Eurocom, Bulgaria's largest cable operators. The €125 million transaction, which closed in November 2009, was one of the biggest transactions in Bulgaria in 2009.

Vessela Stancheva-Mincheva also represented ING in relation to the financing of StarBev in its acquisition of the CEE portfolio of Anheuser-Busch InBev. This was one of the most important landmark cross-border transactions in Europe in 2009 in which more than 11 jurisdictions were involved.

The firm is described by clients as very knowledgeable in M&A and praised for its pragmatic and business oriented approach. One international client says: "They were always ready to find a solution."

Leading lawyers

Assen Djingov
Nikolai Gouginski
Stephan Kyutchukov
Vessela Stancheva-Mincheva

Kambourov & Partners

Clients speak highly of Kambourov & Partners and praise the firm for its extensive expertise in the M&A sector. "They have the best experience in M&A work. We collected information about all the law firms in Sofia and decided our work would be better with them," says a client, adding, "It is one of the best in Bulgaria and is a successful company."

Kambourov & Partners has attracted praise from its peers for its visibility in the market and for its experienced and expert lawyers. "Kambourov suffered a bit lately because they have a big real-estate team, as most firms in Bulgaria, but despite this have

been active on cases for lenders and have quite a lot of M&A-related transactions,” says one peer.

One of the firm’s key players highlighted by clients is Yonko Hristov. “He is a very reliable person, very open to work and very good to communicate with him,” says one client, adding: “We had a good flow of communication with him, he would phone us to give us developments on the cases. He also has a lot of contacts in court and out of court.”

Another figure praised for his professionalism is Atanas Shopov. “He is a very good specialist in the field of real estate and construction. He helped with the preparation of deeds and acquisition of real estate property and also the establishing of mortgages and negotiating in the process of concluding contracts,” says one client.

The client added: “He handled our case very well and is very successful with his approach to the clients.”

Kambourov & Partners has been active on the largest M&A transaction on the Bulgarian market in 2009 - Vladimir Rangeloff and his team advised CVC Capital Partners in its acquisition of Kamentiza Breweries, the €3 billion Bulgarian component of Anheuser Bush InBev’s CEE business.

Another highlight saw the firm advise The Law Debenture Trust Corporation in the largest insolvency case in Bulgarian history. Yavor Kambourov, who is the lead figure in the complex €325 million deal, has been involved in providing legal services to the largest secured creditors of the main Bulgarian steel manufacturer under the insolvency procedure.

A client concludes: “Overall we are very happy and will continue to work with them if we have a need to in the future; we would choose them again.”

Leading lawyers

Yonko Hristov
Mitko Karushkov
Yavor Kambourov
Vladimir Rangeloff

Penkov Markov & Partners

Penkov Markov & Partners is described by its competitors as a practice that has been a stable and successful one for a number of years.

Clients speak highly of Ivan Markov who is praised and respected for his dedication to the firm and to the field of legal practice. “Mr Markov coordinates all the activities of his team and is quite involved in every single deal that his company is doing at the moment. He is not just the boss that does not follow strictly the details of deals but quite the opposite,” says one client, adding: “He is quite respon-

sive and friendly, we never had any difficulty in approaching him or contacting him.”

Milena Gaidarska is another respected figure at the firm who is singled out by clients. “She is very skilful and experienced. She is a hard worker and always meets deadlines,” says one, adding: “You can always rely on her advice, always. We’ve never had problems with her, she always puts in more than expected.”

Gaidarska has been active advising Carrefour Bulgaria on the sale of a shopping mall (currently under construction) together with a completion agreement with AP Retail I, a subsidiary of Assos Capital. Valued at €170 million, this was one of the biggest real-estate transactions in Bulgaria.

Svetlin Adrianov also advised European Bank for Reconstruction and Development (EBRD) in relation to a €100 million loan facility to Fund for Local Authorities and Government. The funds will finance infrastructure projects in Bulgaria.

Leading lawyers

Svetlin Adrianov
Milena Gaidarska
Ivan Markov
Vladimir Penkov

Spasov & Bratanov Lawyers’ Partnership

Spasov & Bratanov Lawyers’ Partnership is a respected practice led by Georgi Spasov. The firm has been involved in number of significant transitions over the last past 12 months and continues to be strong both in financial and corporate work.

Vassil Hadjov wins praise from clients, with one saying: “He has very broad knowledge and is able to quickly understand the topics and financial issues.”

Clients also report that Spasov & Bratanov is their preferred law firm and one which provides a high level of service. “We have been dealing with the firm on one or two transactions and we are absolutely satisfied with the service they provided,” says one, adding: “The legal expertise that they bring makes them a good firm.”

The firm has been active in representing International Finance Corporation on a senior secured term loan financing to fund the expansion of hypermarket chain Kaufland, which is owned by Germany’s Schwarz Group. The €25 million transaction, which closed in March 2010, was led by Vassil Hadjov and Irina Stanimirova.

Spasov & Bratanov has also been involved in advising Nova Televisia on one of the largest cross-border acquisitions by a Bulgarian company. The deal, which closed in

September 2009, saw the acquisition of Era TV by Nova Televisia.

Leadig lawyers

Boyko Bratanov
Jana Djambazova
Vassil Hadjov
Georgi Spasov

Tsvetkova Bebov & Partners (Landwell)

Tsvetkova Bebov & Partners (Landwell) has not only been involved in a number of deals over the past 12 months but has impressed clients with approach and conduct during the handling of transactions.

“They were perfect. We have never had a problem with them, they followed all my instructions and helped me to find the best solutions during the negotiation and transaction,” says one client, adding: “They were very active and that is the reason why I describe them as perfect. I would definitely use them again.”

Nikolay Bebov is a figure that stood out to clients. “He has a very straight approach, good knowledge of the area that we were working on and very good language skills. He was also very responsive,” says one.

Maria Urmanova was also mentioned by clients for her technical ability. “She dealt with a more technical part of the deal, she was responsible for the technical aspect of the transaction and worked on providing a legal opinion,” says one client, adding: “She is a good professional and has a good approach.”

The firm year advised DB Mobility Logistics, part of the Deutsche Bahn group, a German national railway operator in Bulgaria, on the set up of its subsidiary in Bulgaria. The transaction was led by Ilya Komarevski and Venelin Dimitrov who were also involved in the subsequent acquisition of the Bulgaria branch of Logistic Services Danubius, a railroad service provider, which was finalised in March 2010.

The firm also represented Eurobank EFG Bulgaria on the signing of a depositary agreement with Clearstream Banking. This transaction saw Eurobank EFG Bulgaria become the principal partner of Clearstream for custody services in relation to Bulgarian securities. This deal, which was lead by Nikolay Bebov, closed in February 2010 and was the first global custody arrangement in relation to Bulgarian securities. It was also the first organised entry by Clearstream to the local market through a long-term sub-custody arrangement.

Speaking of the firm’s handling of transactions, one client said: “We had a very short time and we had complicated documents. We

also had many additional requirements from the other parties and the firm performed and dealt with everything in an efficient and clear manner.”

Leading lawyers

Nikolay Bebov
Galina Bunkova
Irina Tsvetkova
Maria Urmanova

Other ranked firms

Dimitrov Petrov & Co has been active over the past 12 months in a number of M&A deals representing both sellers and buyers. The firm is led by Bogdan Petrov, Miroslav Ognyanov and Alexander Todorov. It continues to be strong in the field of corporate work and has been involved a number of deals.

Alexander Todorov and Boyana Micheva advised Blue Sea International in connection with two acquisitions in the real-estate sector. Todorov also represented Geosan Group, one of the largest Czech real-estate developers and constructors, in relation to its acquisition of a Bulgarian property developer.

Dinova & Rusev Law Firm is led by Anelia Dinova who has been active in a large number of high-profile deals. The firm is well respected by players in the legal market and is praised for its increased visibility in the market and its involvement in a number of significant transactions over the past 12 months.

Dinova has been active, advising Marinopoulo Group, a commercial, retail and industrial group in Greece that is the franchisee of Marks & Spencer, on its operations in Bulgaria. The firm also acted for United Bulgarian Bank, which operates as an investment company, on a significant project consisting of the drafting and reviewing of the package for Mifid implementation.

Leading lawyers: Anelia Dinova

Georgiev Todorov & Co has maintained its presence in the Bulgarian legal market. Alexander Katzarsky, head of the corporate department, advised Sofia Outlet Centre on its contractual legal relations with tenants of stores in Sofia Outlet Centre as well as on the management of the lease contracts. The firm was also involved in advising Accor Services on its acquisition of a daughter company - a transaction handled by Vladimir Ivanov.

Leading lawyers: Valentin Georgiev and Ivan Todorov

Austrian-headquartered firm **Schoenherr** is a firm of reputable standing and has been actively involved in the field of corporate, real estate and renewable energy work.

This year Alexandra Doytchinova advised Advent International Corporation in relation to a restructuring including several acquisi-

tions and a down-stream merger taking place in four different jurisdictions.

The firm also represented ORS Austria in its bid to acquire Nurts. The deal, which was a joined venture between ORS and partner Incoms Telecom, was led by Ilko Stoyanov. The transaction included the negotiation of a three-party sale and purchase agreement as well as a shareholder joint-venture agreement between ORS and Incoms Telecom.

Boteva & Kantutis Law Office remains active in the legal market and maintains a stable deal-flow.

This year Teodora Kantutis advised Fama on a long-term credit facility and restructuring of corporate debt. The deal was handled by Teodora Kantutis and closed in October 2009. Kantutis also advised Medical Diagnostic Laboratory on its acquisition of a medical diagnostic laboratory in December 2009.

Despite reports of decreased visibility in the legal market by market players, Austria's **CHSH Cerha Hempel Spiegelfeld Hlawati** has been active on a number of M&A deals over the past 12 months. The practice is led by Boyko Guerginov, who has been active on a large number of transactions.

Gurginov led a team advising Kaufland, a hypermarket chain, in connection with its expansion project in Bulgaria as well as advised on various projects related to the expansion. The deal is ongoing. Gurginov was also active in advising Ventureal Invest in connection with its acquisition of two special-purpose vehicle (SPV) companies for the purpose developing a key wind park project.

Leading lawyers: Boyko Guerginov

Austrian firm **Wolf Theiss'** Sofia office has held its share in the Bulgarian market and remains a respected international player. The practice is led by Richard Clegg who has been active in the automotive and telecommunication sectors.

Clegg, together with Julia Kostova, advised Equest Investment Bankans (EIB) on the sale of Avto Union Holding, EIB's Bulgarian automotive wholesaler and distributor, to Eurohold Automotive Group. The transactions, which closed in September 2009, involved the transfer of Avto Union Holding's 80% shareholding to Eurohold.

Working with Jasmina Uzova, Clegg also advised Bonnier Business Press on its acquisition of Pari, Bulgaria's daily newspaper. Bonnier Business Press, a Swedish media company, had been the majority shareholder in Pari and acquired the remaining shares sold by owner Valentin Panayotov. The widely-reported deal reached completion in April 2010.

Leading lawyers: Richard Clegg