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Recent legislative developments

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Financial assistance rules relaxed

With effect as of July 20 2009, the rules on financial assistance (the provision of advance payments, loans or other monetary contributions or security for the purposes of acquisition of shares of the providing entity) were relaxed. Under the previous regime, such financial assistance was generally prohibited with no exemptions.

Currently, such financial assistance is allowed if regulated by the articles of association of the granting company and subject to the following conditions:

- (i) it is provided under arms' length terms;
- (ii) the board has verified the creditworthiness of the entity to receive the financial assistance;
- (iii) the provision of the financial assistance is approved in advance by the general meeting with a two-thirds majority of all votes on the basis of a report by the board;
- (iv) the board prepares a written justification report, citing the benefits and risks for the company, the terms of the financial assistance and the price for which the recipient of the financial assistance will acquire the shares, the results of the creditworthiness check of the recipient of the financial assistance, and reasoning as to why the granting of the financial assistance is beneficial to the providing company;
- (v) the price for which the shares of the company granting the financial assistance are acquired is fair;
- (vi) the grant of the financial assistance will not cause a reduction of the providing company's own funds below the registered share capital, increased by funds not distributable to shareholders and reduced by the amount of the unpaid share capital;

(vii) the company creates a special reserve fund in the amount of the financial assistance granted; and

(viii) the grant of the financial assistance will not immediately cause the granting company to become insolvent.

Transparency directive implemented

With effect as of August 1 2009, the European Commission transparency directive has been implemented, establishing, inter alia, an obligation to publish quarterly reports for issuers of listed shares or bonds. A central publication location has been stipulated (the Czech National Bank must publish all information it has obtained and for which disclosure is obligatory). Further provisions simplify the participation of foreign shareholders or bond holders in general meetings or bond holders' meetings in the sense that such entities must be given sufficient information regarding the agenda and proposed resolutions in advance, and be sufficiently informed about the option of voting through a proxy. Issuers of bonds with a nominal value of at least €1000 may elect an EU member state where they will comply with the requirements stipulated by the transparency directive, according either to their registered office or the place where their securities are admitted for trading. For shares and bonds with a nominal value below €1000, the respective obligations must always be complied with in the member state where the issuer's registered office is located.

New act on payment system

A new Payment System Act was passed, with effect as of November 1 2009. This implements the EC directive on payment services in the internal market. Further to the provisions on payment systems contained in the previous legislation (replaced by the new Act), it defines a new type of non-banking provider of payment services – payment institutions that are made subject to certain regulatory requirements. Entities not complying with the regulatory requirements for payment institutions

are entitled to provide payment services within a limited scope.

The Payment System Act further regulates private law relationships in the area of payment services (e.g. by stipulating disclosure requirements, rules for authorisations of payment transactions, means and time periods for performing payment transactions, liability), applicable to all categories of payment service providers.

Fast-track procedure for merger clearances

Under the amendment of the Czech Competition Act effective as of September 1 2009, a simplified fast track procedure was made available if:

- (i) none of the concentrating undertakings is active on the same relevant market, or their joint share on such market is lower than 15% and at the same time none of the concentrating undertakings is active on a market vertically linked to the relevant market where any of the other concentrating undertakings is active, or their joint share on each such market is lower than 25%; or
- (ii) a competitor acquires sole control over a joint venture in which he participated with joint control so far. The period stipulated for the decision of the Anti-Monopoly Office in the simplified procedure is 20 days and only a simplified resolution with no reasoning is issued.

However, should the Anti-Monopoly Office determine that it needs more information to assess the impact of the concentration, it will notify this to the participants and a standard clearance procedure will apply, i.e. within 30 days after filing the application for merger clearance, the Anti-Monopoly Office must issue a statement to the effect that:

- (i) the concentration is not subject to approval; or
- (ii) the concentration will not restrict or eliminate competition and, therefore, it is approved; or
- (iii) the procedure before the Anti-Monopoly Office will be continued due to

serious concern as to the material distortion of economic competition.

If (iii) applies, the Anti-Monopoly Office is obliged to issue its decision within five months of the filing of the application. Otherwise the concentration is considered approved.

Capital markets

Recommended firms	
Tier 1	White & Case
Tier 2	Allen & Overy Clifford Chance PRK Partners
Tier 3	Baker & McKenzie BBH CMS Cameron McKenna Glatzova & Co Havel & Holásek Kocián Solc Balastík Weil Gotshal & Manges Weinhold Legal
Tier 4	Balcar Polansky Eversheds Hogan Lovells Salans Squire Sanders & Dempsey

The regional trend of companies financing themselves through bonds hit the Czech Republic in the new year. Capital markets lawyers say a slow 2009 is now compensated for by a spur of straight bond and note issues: “Suddenly it seems no one can do anything better than issue debt securities,” says one partner.

In addition to annual offerings by electricity producer CEZ and the banks, the market has been buoyed by small companies which wouldn't have made an offering two years ago. However, notable issues were few and far between, with a \$500 million five-year issue by Hyundai's local subsidiary being one of the few being talked about.

The government's retail bond programme is becoming more popular and it is now encouraging banks to follow suit. This prospect, however, doesn't excite lawyers too much. External counsel is rarely hired for such straightforward deals. Instead the profession eagerly awaits the return of structured bonds and securitisation, or even for the speculation over distressed work to materialise: “There's

been speculation of buybacks and a few large issuers defaulting, but there have been no real defaults,” said one partner in Q2 2010. “There have been some smaller defaults but nothing has really precipitated.”

IPO work was stop-start, with some aborted, others postponed, and just the one successful listing. In the first instance, unrealistic price expectations forced many to opt for private sales. In the second category are those confident their 2011 financial statements will be in better shape and will generate enough interest next year.

While Kit Digital's listing on the Prague Stock Exchange (PSE) in January 2010 provided the single highlight of the year, commentators are quick to point out that this was a dual listing shared with the US's Nasdaq Global Market. What they are really waiting for is the listing of CSOB later this year. Its owner, KBC Bank, plans to float up to 40% of the Czech bank, making it the PSE's biggest listing in more than two years and the region's largest public offering for 2010.

Between a quiet year for floats and rights issues being “not a popular sport here” according to a partner, equity lawyers were at risk of spending the summer twiddling their thumbs. But many found an outlet in emissions trading. The government has sold large amounts of carbon credits to foreign governments, particularly Japan's, and has sought advice to assist with the sales. Capital markets lawyers have also advised Czech companies on their trades on the EU secondary markets.

White & Case

“There's no doubt about White & Case,” admits a competitor. “I hate to say it but it's true. They are the clear market leaders.” Even worse for the rest of the market, the firm's fees are considered reasonable by clients, making it a hard act to follow. Its reputation secures the country's best work including acting for Belgium's KBC Bank and its local subsidiary CSOB in the proposed floatation of the Czech bank on the PSE. This is set to be the exchange's biggest float since mid 2008.

In line with market conditions, the team has recently shown its ability and diversity through debt work. It advised České dráhy (Czech Railways) on its debut offering of Kc2 billion (€78.3 million) of domestic bonds, the Czech government on its first issue of eurobonds to be listed on the SIX Swiss Exchange, and electricity producer CEZ on the €2 billion increase of its EMTN programme.

For banks it represented Barclays Bank and Goldman Sachs International as the lead managers for Czech Export Bank's \$150 million programme of floating notes. It also worked

for Barclays Capital and Deutsche Bank on the update of the government's €10 billion EMTN programme, which included the issue of €2 billion of notes due in 2018.

Some peers suggest the capital markets team's unrivalled ranking is based on inertia, and that a good chunk of its work is run out of London. But clients beg to differ, saying the firm has good local contacts and understands the Czech market. Michal Dlouhy in particular is pointed out as someone who has been around a long time and has a good grasp of the law and the market's movements. Dlouhy was also described by a competitor as “one of the capital markets stars in the Czech Republic”.

Leading lawyers

Michal Dlouhy
Kvetoslav Krejci

Allen & Overy

The market is divided over Allen & Overy's recent capital markets work. Some say it has lacked visibility while others say it is edging towards a top-tier ranking; something the firm attributes in no small part to the return of Robert David. For now though, the team remains a highly respected practice which has been buoyed by mandates from big-ticket and longstanding clients, many of which take the lead manager role.

For instance, in March 2010 it advised Citigroup and BNP Paribas as arrangers for the €2 billion increase to CEZ's EMTN programme. The next month it advised a different consortium of banks on the electricity producer's €750 million eurobond issue which set a benchmark for the government's offering planned for later this year.

Allen & Overy is noted for its structured capital finance work, but until these transactions bounce back, the team has put its knowledge to use by advising the likes of JPMorgan Securities and Komerční banka on their derivatives documentation and its alignment with international standards. Team head Václav Valvoda also works with Isda, the global trade association for over-the-counter derivatives, on a proposed law covering close-out netting procedures.

Leading lawyers

Robert David
Mikulás Touska
Václav Valvoda

Clifford Chance

It's possible that the best recognition is the unanimous recommendation of the leading firms. If this is the case, Clifford Chance has

reason to be pleased. The market says its capital markets practice is one to refer work to in a client conflict, and one which secures sought-after bank mandates for equity work. This is particularly impressive given the one-partner team is smaller than the other high ranking firms.

Reputation aside, the capital markets team has no outstanding highlights with its year being dominated by programme updates and advisory work. For instance, it advised Raiffeisen on its securitisation structure under the newly implemented Basel II regulations. It has also advised Citibank Europe on its implementation of the Markets in Financial Instruments Directive, and the London branch of Macquarie Bank on equity derivatives hedged by Czech trades.

Clifford Chance's most interesting, and innovative, work has been in the carbon credits market. Partner Vlad Petrus has spearheaded the market's adoption of emissions trading as a source of work, and has helped the Czech government become a leader in the trade of carbon certificates.

Petrus is considered the firm's leading capital markets partner but senior lawyer Martin Glajch is described by another leading lawyer as a "talented newcomer".

Leading lawyers

Vlad Petrus

PRK Partners

PRK Partners is the standout local firm for capital markets work. It has strong credentials on domestic as well as regional issues. Leading lawyer Martin Aschenbrenner is highly regarded in the market. "In my view he's probably the best in the market. He works for the biggest banks and has recently worked on one of the biggest IPOs in the country," says one lawyer, referring to the triple-listing of New World Resources in Prague, London and Warsaw. "Issuers and investors are confident in Martin and the PRK partners."

In April 2010 the firm acted once again for New World Resources, advising on its €475 million secured bond issue. Earlier it acted for CSOB as arranger for Wüstenrot hypoteční bank's Kc30 billion (€1.18 billion) debt programme and its first floating issue.

Leading lawyers

Martin Aschenbrenner

Other ranked firms

At this point in time, **Baker & McKenzie** is the go-to firm for IPOs. It represented Kit digital in its \$30 million listing on the Prague Stock Exchange (PSE) in January 2010. The

deal is notable in that the last IPO was 18 months prior, the transaction was pushed through in just four weeks, and it was the first equity prospectus to be approved by the Czech regulator. Plus, banking on this experience, the firm is advising CSOB and KCB Bank on the much-hyped listing of CSOB on the PSE later this year.

Aside from this work, the Prague office has become more active recently, taking a larger share of the market. Its debt work has been further afield, for example, advising on bonds to be listed on the Irish Stock Exchange.

Leading lawyers: Tomáš Skoumal

BBH became more visible to some leading firms over the past year, with one saying its capital markets, derivatives & securitisation team is now one of the strongest in the region. The firm regularly acts for members of the PPF Group, a central and eastern European investment body.

In June 2009 it advised PPF Banka as lead manager in Home Credit's Kc4 billion (€157 million) issue of bonds due in 2012. Later in the year it closed PPF Co3's private placement of €400 million worth of notes. BBH advised the issuer as well as the guarantor, its owner PPF Group, on the offering which was listed on the Luxembourg Stock Exchange.

Leading lawyers: Tomáš Otruba and Petr Precechtel

Capital markets is not **CMS Cameron McKenna's** core practice, but under the guidance of partner Pavla Krecková the firm picks up mandates from the likes of HSBC. It often acts as local counsel for international banks, most recently advising on equity derivatives and stock lending under Czech law.

The banking & finance practice at Czech firm **Glatzova & Co** also gets involved in capital markets work, with partner Martin Dancisin leading on most matters. Dancisin's recent work includes acting for managers Goldman Sachs, JPMorgan and Morgan Stanley on New World Resource's €475 million issue of senior secured notes. The firm has been privileged enough to also secure some more sophisticated debt mandates. In August last year it advised Deutsche Bank and Morgan Stanley on high-yield bonds to be issued by Heidelberg Cement, and now it advises another banking consortium on a similar offering proposed by the Volkswagen Group.

Partner Ondrej Petr and senior associate Jan Topinka are the key capital markets lawyers at **Havel & Holásek**. A recent highlight for the firm was representing new client Istrokapital on the Slovak financial group's €150 million bond issue. Completed in March 2010, the offering was significant in that it was done without an underwriter and was the firm's first issue as sole counsel.

CEZ mandated **Weil Gotshal & Manges** to act on its €750 million eurobond issue in April 2009. For equity work it advises Franklin Templeton Investment Funds on its proposed share sale in the Czech market.

A key capital markets client for **Weinhold Legal** is Česká sporitelna, which forms part of the Erste Group Bank. Throughout 2009 and 2010 partners Vera Filkuková and Daniel Weinhold advised the bank as issuer and arranger on bond issues totalling Kc9 billion (€352 million). Other capital markets clients include ING, Wienberger and regional transport operator NedRailways.

Banking and project finance

Recommended firms
Tier 1
Allen & Overy Clifford Chance White & Case
Tier 2
PRK Partners
Tier 3
Baker & McKenzie BBH CMS Cameron McKenna Glatzova & Co Kocián Solc Balastik Weil Gotshal & Manges Weinhold Legal
Tier 4
Havel & Holásek Hogan Lovells Salans Squire Sanders & Dempsey Wolf Theiss

The Czech financial sector has survived the global downturn relatively unscathed, as shown by the mandates landing on banking lawyers' desks. Mid-cap club lending continued throughout 2009, with syndication piquing some interest by the final quarter, and a handful of mezzanine financings appearing in 2010.

Of course the larger and riskier deals were offered with more caution. Banks demanded more equity for acquisition financing, more pre-release agreements for property investments, and in any event, more collateral. Not surprisingly, they also wanted stronger documentation.

Some lawyers say this has caused a flight to quality, but it wasn't just the leading firms mandated with the best new-finance work. Glatzova & Co advised the borrower in a €109 million asset-backed facility provided by UniCredit Group, and Baker & McKenzie

acted for Nowaco in the €117 million it secured from a club led by CSOB.

The government's clean-energy scheme increased finance applications. Investors wanted a share of the tariff which was guaranteed to renewable projects that come online by the end of 2010. But this was limited to small-scale finance and generated minimal project finance work.

Indeed, aside from a small number of public-private partnerships worked on by one firm, project finance is all but nonexistent. Something which surprisingly isn't nonexistent is property finance, with some local and regional firms advising international clients looking to pick up Czech land.

Despite the relative buoyancy of the banks, distress-mandates were still a reliable source of work. Refinancing was characterised by parent guarantees and higher margins. The country's biggest all had regional spreads, notably the Kc2.5 billion (€97.8 million) reworking of Hamé's facilities.

Allen & Overy

The smaller branches of global firms are often criticised for being little more than satellite offices, surviving off referrals from their headquarters. In the case of Allen & Overy's Prague office, this could not be further from the truth. The most respected local firms say banking head Václav Valvoda and his team have local expertise and is anything but centrally controlled.

In fact, one recent deal saw the Prague office manage the Kc2.5 billion (€97.8 million) multijurisdictional refinancing of food-processing group Hamé. Partner Rober David led the deal which involved six of the firm's other offices, plus local counsel from four other countries. The finance consisted of senior and mezzanine facilities and took almost six months to negotiate. Another refinancing saw it advise UniCredit Bank Czech Republic on the reorganisation of club finance for an acquisition by Spanish water-management company Aqualia Gestion Integral del Agua. The matter closed in December 2009 and was worth Kc4.8 billion.

Not surprisingly, Allen & Overy picked up some of the country's fresh finance mandates as well. It advised a syndicate of Citibank, Česká sporitelna and HSBC on a Kc1.2 billion credit facility, and in December last year it closed UniCredit Bank Czech Republic's €75 million guaranteed loan to CEZ MH in a tight timeframe.

Client feedback is good, with one saying: "They are one of the few that we would ask when we do club finance or syndicates. Recently I closed a refinancing with them that

was a complex deal, but it was done in a timely manner."

Leading lawyers

Robert David
Václav Valvoda

Clifford Chance

A constant in the banking sector is Clifford Chance's reputation as a leading practice. Not many firms could maintain this status under the guidance of a single partner. Although it does help when that is Vlad Petrus, someone described by two competitors as the top banking lawyer in the country.

The office showed its flexibility over the past 12 months by securing a broad spread of mandates. Last year it acted for a syndicate on its €80 million secured facility offered to Korea's Doosan Heavy Industries & Construction for its purchase of a Czech power equipment provider.

Another syndicate it represented last year included UniCredit Bank Czech Republic, CSOB and Raiffeisen, for which the firm advised on the restructure of Kc2 billion (€78.3 million) worth of bilateral facilities provided to ceramic producer Lasselsberger. The transaction was complicated by the inclusion of an intercreditor agreement and the addition of a new security regarding the existing facilities.

Notwithstanding the discouraging property market, the firm is advising on the financing of a shopping centre being built in the Czech city of Ostrava. The deal sees Clifford Chance act for longstanding client CSOB as the lender in one of the country's largest real-estate projects. In project finance Petrus leads advice to Česká sporitelna on its financing of Teplárny Brno's Kc850 million construction of a power plant.

Leading lawyers

Vlad Petrus

White & Case

The market agrees that White & Case's banking practice deserves respect, but there is dissent over its strength as a Czech-based office. One domestic firm says it is centrally controlled by its bigger offices, while another says: "They are an international firm but they are very strong locally - strong local lawyers with strong local connections."

Either way, clients are happy with its services, describing the firm as consistent and flexible.

Of the firm's seven banking partners, newly promoted partner Jirí Tomola is tipped as a talent to watch and David Plch is regard-

ed as a tough competitor: "Maybe he's slightly too confident, but he's definitely a good lawyer."

With the country's biggest finance team, White & Case has the headcount to take on the largest deals, usually for the banks. Its involvement in the recent acquisition refinancing for East Bohemia Energy Holding is a case in point. The firm acted for a syndicate of six banks, including arranger UniCredit Bank Czech Republic, in its refinancing of part of the €900 million acquisition from electricity generator International Power.

In another rescue-style deal, the firm acted for CSOB in its club financing by way of a term loan facility and multi-currency revolving facility. The borrower, textile company Borgers, used the funds to refinance its debt.

But the office had no trouble obtaining new-finance mandates. It advised Doosan Heavy Industries & Construction on acquisition finance for its takeover of Skoda Power. The firm had to include a working capital loan worth Kc11.5 billion (€450 million), and structure the security package to account for factors unique to the deal.

In project finance the firm advised Česká exportní banka on its €144 million development of a steel mill in Slovakia, a transaction complicated by the replacement of engineering contractors half way through the deal.

Leading lawyers

Ivo Bárta
Kvetoslav Krejčí
David Plch

PRK Partners

In an unmoving market, the only name making a real stir is PRK Partners. Peers unanimously agree it's the standout local firm for banking work, and one which is edging towards a top tier ranking. Competitors expect it's only a matter of time before it joins the ranks of the top three firms and many suggest its banking practice is the strongest within the firm.

Robert Nemeč is considered the main banking partner but Martin Aschenbrenner was praised by competitors for his diversity: "He's a very smart capital markets guy who does work for the borrowers as well."

Leading lawyers

Martin Aschenbrenner
Radan Kubr
Robert Nemeč

Other ranked firms

Baker & McKenzie has been active this year advising on the borrowers side. In December

2009 it acted for Aqualia Gestion Integral del Agua in its Kc4.8 billion (€188 million) refinancing, one of the year's biggest. A month earlier it advised on a significant fresh finance deal for Nowaco. The firm acted for the food company in the Kc3 billion deal which coincided with its acquisition by South African conglomerate Bidvest, a deal worked on by the firm's corporate team.

In October last year it advised CS Cargo on the restructuring of its debt, a deal complicated by the concurrent reorganisation of the group structure. Earlier in the year it performed a first when it advised UniCredit Bank Czech Republic on acquisition financing where the target belonged to an insolvent estate, a transaction never seen before in the Czech finance market. The deal volume was Kc400 million and was led by highly regarded partner Libor Basl.

Leading lawyers: Libor Basl and Tomáš Skoumal

BBH is a solid local firm with a reputation for reliable banking work. As with its capital market team, the firm's banking lawyers regularly act for subsidiaries of international finance consortium PPF Group.

Most recently leading lawyer Petr Precechtel and senior lawyer Andrea Adamcova advised PPF banka in the structuring of over Kc400 million (€15.7 million) worth of syndicated and other loans to Oleofin, accompanied by new security instruments designed inline with the logistics of the borrower's business. Earlier Precechtel advised PPF banka, in conjunction with two other banks, on the syndicate's €80 million cross-border financing of CEX, plus J&T's acquisition of the Mibrag group.

Perhaps its most notable deal, however, saw it work on the borrowers side. BBH represented Skoda Transportation on its Kc2.2 billion revolving facility agreement with a consortium of the region's leading banks. The deal required the team to structure the transaction, draft and negotiate the term sheet followed by the facility, and then deal with the security documentation. In light of the recovering market, the deal volume is considerably high. Also on the borrower side BBH advised Czech mortgage provider Credoma group on the extension and restructure of two cross-facilities, including security arrangements, valued at Kc2 billion.

Precechtel has without doubt been BBH's most visible partner lately, but Tomáš Otruba is still rated highly by his peers with one describing him as "one of the most experienced and smartest lawyers in Czech banking and finance."

Leading lawyers: Tomáš Otruba and Petr Precechtel

An increasing number of banks are approaching **CMS Cameron McKenna** and over the past 12 months the firm has been busy advising on refinancing and debt restructurings. Its most notable work, however, has taken other forms.

The firm receives good feedback all round. One client says it is "good at understanding what we need and good at understanding how we work with our customers," and a number of competitors speak highly of partner Ana Radnev.

Leading lawyer Paul Stallebrass is the most highly regarded, however, with one peer saying: "He's good at negotiation and strategising in relation to EU issues. He'll convince his client, as well as yours."

The firm is advising on one of the country's most prominent public private partnership (PPP) projects, acting for the consortium of banks managed by CSOB which has backed the successful bidder for the Prague Military Hospital project. The entire project is ticketed at Kc857 million (€33.6 million) with the lenders initial outlay set at Kc26 million.

CMS Cameron McKenna's banking team has also received instructions generated by the government's renewable-power scheme. In August 2009 it advised an investor on the mezzanine financing of its stake in Energy 21, one of the country's largest solar power companies, and it continues to advise on Amesbury - PZ Stavinvest's power projects across the country.

Leading lawyers: Pavla Krecková and Paul Stallebrass

Over the past 12 months **Glatzova & Co** has worked on some high-value mandates. In domestic work it advised the local division of Immorent, the regional property leaser, on its Kc2.8 billion (€109 million) asset-backed financing by UniCredit Group. The facility contemplates reimbursement and loss-sharing if the underlying lease-agreement fails, which added another dimension of difficulty for lead partner Martin Dancisin and the team.

Another domestic deal saw Dancisin and leading lawyer Dana Schweigelová advise Commerzbank on the Kc260 million acquisition financing it provided for the takeover of the exclusive producer of Czech coins.

For cross-border work the firm can count advice to borrower Heidelberg Cement on its €8.74 billion multi-currency term facility and revolving syndicated facility which covered a number of central and eastern European jurisdictions.

The Prague office is visible to other mid-ranking firms, and client feedback indicates the firm is performing well. An international financial services client who is particularly pleased with Glatzova & Co comments: "I

can honestly tell you that the office and Dana are probably my best external counsel globally. They are one hundred percent dedicated to client services, are practical in their advice, cost effective and have very good connections; they know who to talk to."

Leading lawyers: Dana Schweigelová

Weil Gotshal & Manges's banking practice pales in comparison to its corporate work, but the team still picks up some significant mandates, most of which are for the government or state-owned companies. For instance the government instructs the firm on its €2.4 billion public-private partnership (PPP) project being used to construct the D3 motorway in the country's south. Other PPP projects see it advise the government on a series of car parks to be built around the city and a proposed new subway.

Leading lawyers: Karel Drevinek and Karel Muzikar

Name partner Daniel Weinhold drives **Weinhold Legal's** banking practice. In light of the recovering market, the firm has secured an impressive amount of new finance instructions from lenders. It acts for Bank of Scotland in its €20 million financing of Czech property developer Red Group, which funds will be used for investments throughout the country.

It also represents Anglo-Irish Bank on its €50 million worth of loans to another developer looking to invest in Prague. Elsewhere Weinhold Legal is working on a number of club deals and syndications involving Citibank and UniCredit Bank.

Regional firm **Havel & Holásek** has a reliable banking practice which has developed from its borrower-focus, and now services the likes of ING Bank, UniCredit Bank Czech Republic and Fortis Bank. Its most significant work over the past year, however, has been for borrowers.

The firm has been at the forefront of clean-energy developments, and in August 2009 completed one of the year's few mezzanine facility transactions when it advised Energy 21 on the financing of its proposed solar plants. Later that year it acted for one of Energy 21's subsidiaries on the senior financing of one of its renewable projects.

Havel & Holásek reached somewhat of a milestone in April this year when after two years of negotiations, it closed a complex acquisition financing deal for borrower Eltodo. The funds were used to take a majority stake in its traffic-equipment joint venture with Siemens. The deal is important to the market as one of the few acquisition financings to be pushed through the global downturn.

Some competitors expected **Salans's** banking practice to have suffered recently, saying it

relied too heavily on real estate. However over the past 12 months the firm has worked on property as well as other finance transactions. In May 2010 it advised European real-estate fund Aerium on the €186 million refinancing of its Turkish portfolio by way of a debt facility with Akbank. It also acted on one of the country's few project finance deals, advising UniCredit Bank in relation to the proposed redevelopment of Prague's historical centre.

Partner Evan Lazar is recommended by a competitor on property finance who described him as "one of the best known lawyers in eastern Europe".

The Prague office of **Squire Sanders & Dempsey** regularly acts on the lenders side and has carved somewhat of a niche in export finance.

Recently it has advised Czech Export Bank on its €111 million financing of a shopping centre development in Russia, plus its borrowing of €100 million under facilities from other banks. It has also worked on aircraft finance deals involving Uganda, Brazil and France.

The market views **Wolf Theiss** as a good, strong firm which has suffered recently from a lack of visibility.

Its banking portfolio, however, shows it has done some notable work. For instance it advised on the €480 million financing of Roca Group, a transaction requiring a unique upstream guarantee structure. It also acts for an Austrian lender which has mortgaged properties in the Czech Republic, the advice for which was complicated by the bank having no presence in the country.

Mergers and acquisitions

Recommended firms

Tier 1

Weil Gotshal & Manges
White & Case

Tier 2

Allen & Overy
Baker & McKenzie
Clifford Chance
Glatzova & Co
Kocián Solc Balastík

Tier 3

BBH
CMS Cameron McKenna
Havel & Holásek
PRK Partners
Salans
Weinhold Legal

Tier 4

Gide Loyrette Nouel
Hogan Lovells
Kinstellar
Norton Rose
Peterka & Partners
Schoenherr
Squire Sanders & Dempsey

"2009 was a year when people battered down the hatches and divested themselves of non-core assets, but this year there's a lot more sniffing about," says one lawyer of the new market.

The interest was predominately in the solar-power sector. The generous tariff guaranteed to plants that come online by the end of 2010 created hundreds of small deals, according to lawyers. But they know this was a peculiarity of 2010, and that this work will dry up once the government incentive is removed.

But lawyers aren't concerned. They have a flurry of mid-cap transactions to keep them busy, plus some encouraging signs that the market has turned around. There was the October 2009 sale of Nowaco Czech Republic for €250 million, quickly followed by BBH and Norton Rose's work on the Kc11.5 billion (€452 million) takeover of Skoda Power by a Korean heavy industries company.

Earlier in 2010, Weil Gotshal & Manges and PRK Partners closed a sale between CEZ and French energy group Dalkia worth more than €300 million. Also International Power's divestment of its Czech assets has finally been completed, with Clifford Chance closing the deal which generated Kc17.6 billion for the seller.

Aside from their values, the private-equity and inbound investment elements of these deals also buoyed the market. Of course firms

don't expect to receive such instructions on a regular basis. Acquisition finance is still hard to come by and, in any event, vendors don't want onerous financial conditions precedents in their share purchase agreements. But they have been able to push through some difficult sales using sophisticated pricing structures, often linked to future performance or the transfer of key personnel.

They've also invested hope in recent changes to whitewash procedures. Since July 2009, financial assistance has been removed from the list of prohibited transactions, meaning companies can fund the purchase of their own shares. Now the M&A lawyers are sitting back and simply waiting for the first company game enough to try.

Weil Gotshal & Manges

It's easy to gauge market sentiment about Weil Gotshal Manges. Everyone is keenly aware of its alignment with the government, but they can't, and don't, deny its top-tier credentials.

The issue with Weil Gotshal & Manges is that it is seen by its peers as a leader, but only in its own market - that for government work. But the firm answered its critics this year, acting for a private-equity firm in one of the year's biggest sales. The firm advised CCMP Capital Advisors on its disposal of food producer Nowaco Czech Republic for a price of €250 million.

Alongside this work, the firm acted for longstanding client CEZ on its purchase of an 85% stake in Dalkia Usti nad Labem and 15% of the shares in related entity Dalkia Czech Republic. Jointly the transactions total over €300 million and represent an important step for the electricity generator in its expansion into heating generation and distribution. Further afield for CEZ, the firm advised on acquisitions in Serbia, Turkey and Romania.

The main faces behind the firm are Karel Drevinek and Karel Muzikar - two lawyers with seemingly different roles in the practice. Drevinek is described by more than one peer as undoubtedly a very good lawyer while Muzikar is summed up by one as "the manager, the operator, the rainmaker".

Leading lawyers

Karel Drevinek
Karel Muzikar

White & Case

In a market dominated by small-scale and local work, White & Case has the reputation and expertise to secure the first-class mandates that are floating around. Its impressive work portfolio, coupled with the recommendation

of competitors and clients, sees the firm sit safely in the top tier.

Clients say White & Case lawyers are more responsive and better at thinking on their feet than those at other firms. Partner Kvetoslav Krejčí is described by one client as “the most open minded lawyer I’ve ever met,” adding: “In the past I’m used to strict lawyers, saying ‘it doesn’t work, it’s impossible,’ but he’s a lot more flexible.”

Competitors, on the other hand, say this approach becomes too much at times. “They may be a bit too self confident, trying to change the deals so much to make it impossible for the buyer,” one leading lawyer says. “Sometimes it’s better to be more humble and listen to the counterparty.”

Foreign investment instructions were few and far between for most firms but White & Case worked on more than its fair share of inbound investment, including the country’s biggest. It was involved in Doosan Heavy Industries & Construction’s Kc11.5 billion (€452 million) takeover of Skoda Power from Czech group Skoda Holding. It also helped Italian automotive parts supplier Metalmeccanica Tiberina purchase a manufacturing plant in the country’s south in a deal pushed through on a short timescale.

In another rarity, it acted for the buyers on their LBO of Lexum Group, the Czech healthcare company focussed on eye surgery. The firm’s work for the private-equity funds, DBG Eastern Europe II and ARX CEE III, is important in showing the Czech corporate community that the market is bouncing back.

The deal also demonstrates that the firm is at the forefront of the buoyant healthcare sector. This is reaffirmed by its advice to PPF Healthcare on its takeover of Euroclinicum, a deal complicated by the target’s complex structure and the regulatory approvals involved in its businesses.

Leading lawyers

Ivo Bárta
Damian Beaven
Michal Dlouhy

Allen & Overy

Competitors say Allen & Overy’s Prague office is good across the board, with M&A being no exception. Clients say the corporate team is particularly skilful at coordinating large projects: “Work is clearly structured, they are keen on the timetable and are very professional ... they are good at being across all issues.”

Recent work on the sell side saw it act on the disposal by České Radiokomunikace of its retail telecoms business. The deal was com-

pleted by tender sale and included the transfer of employees.

On the buy side Allen & Overy’s energy expertise has helped it benefit from the booming renewable energy sector. At a regional level, it advised EBRD on its €125 million investment in Iberdrola Renewables Polska and Iberdrola Renovables Magyarország. The funds will be used to assist the recipients’ green-energy strategies in Poland and Hungary. It also worked with AES Solar on its potential solar-energy projects in Bulgaria.

Jan Myska is the partner of note, with one peer describing him as “practical and reasonable,” and a client describing him as “the main driving force behind the firm and the reason we like working with them.” The client adds: “His personal engagement is important to drive the project forward.”

Leading lawyers

Jan Myska

Baker & McKenzie

Baker & McKenzie’s Prague office has benefited from its international presence of late, with the firm picking up some significant cross-border work. In this regard leading partner Tomáš Skoumal has been particularly visible, leading representation of the buyer in CCMP Capital Advisor’s disposal of Nowaco Czech Republic. The Bidvest Group, a South African company, acquired the food company for €250 million in October 2009 in a transaction which spread across four jurisdictions.

Six months later the office coordinated industrial and chemical company Sika’s acquisition of Panbex group’s flooring businesses. The deal required Skoumal and his team to supervise work across Poland, Hungary, Slovakia and Serbia.

Closer to home the firm advised ADM International Sár on its expansion into the Czech Republic. The UK company purchased a production plant in the country’s east in late 2009; the tax structuring required added another dimension of difficulty.

It seems Skoumal is appreciated for more than just high-quality work. “It was fun with Tomáš,” says one international client. “It wasn’t just about the legal issues - it was a pleasure to work with him.”

Leading lawyers

Alexandr César
Tomáš Skoumal

Clifford Chance

Clifford Chance closed the year’s most eagerly anticipated deal when its client International Power completed the disposal of its Czech

assets last November. The deal saw private-equity firm J&T Group acquire International Power Opatovice, plus its interests in two joint ventures, generating Kc17.6 billion (€692 million) for Clifford Chance’s client and an after tax profit of over €500 million.

The firm’s work on this deal is well known among its competitors, who describe the firm as “very professional and very capable.” Another of its deals noted by peers is heat producer Dalkia Ceska republika’s takeover of NWR Energy from New World Resources.

In addition to the quality of its work, clients say they’ve been assisted by the lawyers’ attitude and interest in their practice. “They were great support,” says one international client. “Their expertise on local law was vital, this was something we were missing, but they opened up all potential options.”

Alex Cook is held in high regard by the market. “It’s very good to work across from him,” says one peer who describes him as “an absolute dealmaker and very professional.”

Leading lawyers

Alex Cook
David Koláček

Glatzova & Co

Some say Glatzova & Co has lacked visibility recently, but more discerning firms know this is because it has been busy working on domestic deals, coming up against smaller firms.

A good example is its work for Credit Suisse. The client’s Czech subsidiary was carved out of the global sale of the financial group’s asset management business, and was sold to a different buyer. Glatzova & Co worked on the spinoff sale to Prague-based investment bank Wood & Co.

Respected partner Jirí Sixta, however, has acted on some international deals. In June 2009 he represented automotive company Wagon on the disposal of its Czech subsidiary as part of insolvency proceedings. The circumstances of the deal meant Sixta had to draft into the transaction documents provision for the intra-group transfer of receivables.

The firm’s work on the domestic aspects of larger deals is appreciated by clients, with one saying “they know the local market and its idiosyncrasies.” Leading lawyer Vladimíra Glatzová is also noted for her attitude and manner. “I think very, very highly of Vladimíra,” says one new client. “She’s very energetic, committed, and gets the job done.”

Leading lawyers

Vladimíra Glatzová

Kocián Solc Balastík

According to more than one peer, Kocián Solc Balastík is a strong contender for the title of leading local firm. And the diversity of its recent corporate work certainly help its odds.

For cross-border work it acted for PHL Správní in its merger with Cimex Franchise Management. The firm advised on issues concerning both companies' jurisdictions, being the Czech Republic and Cyprus, and is one of the year's few international mergers.

On the buyers' side it continued to work for the only remaining bidder (as at Q2 2010) in the privatisation of Czech Airlines. In a more interesting, and faster moving, deal it advised on the acquisition of Česká mincovna, the exclusive producer of the country's coins.

But its most significant deal was its year-long negotiations and drafting for New World Resources in the sale of its subsidiary NWR to Dalkia Ceska Republika. The target supplies utilities to, and has long-term contracts with, Czech coal miner OKD. The transaction had to be structured and perfected to ensure these arrangements were not affected by the sale.

The firm has an asset in partner Martin Solc, described by a leading lawyer as "a very clever lawyer," adding: "He has a fantastic brain." Jirí Balastík and Dagmar Dubecká were also noted by peers, although one says Dubecká's approach to negotiations can be more disruptive than constructive.

Leading lawyers

Jirí Balastík
Dagmar Dubecká
Martin Solc

Other ranked firms

BBH's corporate team had two big-cap highlights in 2009, both coming at the end of the year. In October it completed the joint venture (JV) between firm-wide client PPF Partners and investment group J&T, which will operate the latter's energy investments. The resulting JV, called Energy and Industrial Holding, holds assets worth more than Kc15 billion (€590 million), and its establishment saw the seven-lawyer team advise on everything from due diligence, to negotiation and documentation, to regulatory approvals.

The other highlight came two months later when the firm worked on one of the year's biggest M&A deals; Doosan Heavy Industries & Construction's takeover of Skoda Power. BBH advised the seller, Skoda Holding, in the 18-month long and Kc11.5 billion (€452 million) transaction.

CMS Cameron McKenna's regional presence is as strong as the leading firms, and the Prague office's recent private-equity work

shows it has some impressive capabilities too. The firm advised on three significant deals, all towards the end of last year and into the next, in line with the gradual return of funds' interest.

In tandem with its German affiliated office, the firm advised BC Partners on its €300 million acquisition of Synlab and Futurelab's laboratory operations in the two countries. Another deal saw it help Anacap Financial Partners become one of the few funds in Europe to take over a bank in 2009, acquiring Banco Popolre Česká republika for €47 million. And in the energy sector it is working with another fund in its strategy to pick up solar, biomass and wind projects in the Czech Republic and across central and eastern Europe.

The firm's leadership ranks were boosted in May this year with the hire of Balcar Polansky Eversheds' former corporate head Tomas Krutak. He replaces Richard Bacek as head of the firm's corporate team. Bacek has moved to an in-house role.

Leading lawyers: Sárka Robinson and Helen Rodwell

Collectively, Havel & Holásek's deals out-value those of its competitors. Even more impressive is that it attains this not through a handful of big deals, but rather through many small to mid-cap transactions across many sectors.

In the financial sector it worked on the acquisition of Konevova from the Raiffeisen Group. In telecoms it advised T-Mobile Czech Republic on its takeover of České Radiokomunikace. The retail telecom business came with a price tag of €24.6 million and marks T-Mobile's entering of the Czech landline market.

Another interesting transaction saw it represent Brazilian ammunition manufacturer Companhia Brasileira de Cartuchos in its expansion into the country. The deal resulted in €30 million worth of inbound investment and sees the client's strategic acquisition of local competitor Sellier & Bellot.

Leading lawyers: Jaroslav Havel

Competitors say PRK Partners' corporate practice is not as strong as its finance practices, but it still managed to secure instructions on one of the country's highest-value M&A transactions last year. The firm advised French energy group Dalkia on its €300 million plus worth of sales to CEZ, in one of the region's largest energy transactions in 2009.

The corporate team is well liked by its peers with one describing the lawyers as "good young guys". Another says: "I had a very professional and cooperative experience with them," adding: "If I had a client with a conflict of interest, they would definitely be a firm I'd refer them to."

Salans' corporate practice is known for its resilient real-estate work. Clients appreciate its knowledge in this area as well as its approachability, with one saying: "When I worked with them I was new to the real-estate sector, so it was a challenge for them, but they explained things well."

But the firm does work in other sectors, for example it is advising private-equity fund Argus Capital International on proposed acquisitions of cable TV companies throughout Europe.

Some competitors say Weinhold Legal has lacked visibility on M&A deals over the past year, but it has picked up some mid and big-cap mandates recently for vendors. In October last year it acted for Aelia on its purchase of the on-board sale and duty free business of soon to be privatised Czech Airlines. The sale was by auction and totalled Kc764 million (€30 million).

In a cross-border deal it acted for Eurovia on its €400 million acquisition of Czech quarry assets from mining group Anglo American.

Weinhold Legal's client-base covers a broad range of fields and includes Czech Coal, Mitsui, SI Corporate Finance and Merger Vision.

Prior to the May 2009 merger of Hogan Lovells, Hogan & Hartson had no presence in the Czech Republic for five years. Commentators think this means business will carry on as normal, but the firm expects to receive more referrals from its expanded international network.

The Prague team is accustomed to cross-border instructions, though, advising on deals like the sale of Czech air-circulation distributor Janka Radotin to global company Lloyd Electric & Engineering in November 2009.

In terms of partners, managing partner Miroslav Dubovsky was praised by a competitor for his constructive approach in negotiations, saying: "He doesn't waste too much time in a transaction. He's very cooperative that way." Upon the merger Pavel Skopovy joined the partnership and now manages the office's corporate practice.

As much as it may try, competitors do not consider Kinstellar as the evolved version of Linklaters. Or at least not yet. The market acknowledges that the firm's launch at the end of 2008 couldn't have been at a worse time, and says this has contributed to its lack of visibility.

But the firm's Prague office has been advising on some big-cap regional deals. The most recent is its involvement in French Eurovia's €400 million takeover of Tarmac Group operations in the Czech Republic, France, Germany and Poland.

Jitka Logesova was appointed partner in July 2009.

Norton Rose enters the rankings this year after a number of peer recommendations and its work on the year's biggest foreign investment transaction. Managing partner Milana Chamberlain led advice to Doosan Heavy Industries & Construction on its takeover of Skoda Power from Czech group Skoda Holding. This injected Kc11.5 billion (€452 million) into the economy.

Chamberlain is a respected and liked person within the market, with one peer describing her as very diligent and enjoyable to work across from.

Schoenherr has gone about its work quietly since entering the Czech market at the start of 2009, but it has been busy working for a number of buyers in M&A transactions.

In the energy sector it advised Atel Energy on its acquisition of a stake in a Romanian wind project, and Czech electricity operator CEPS on its proposed takeover of a German grid operator. Elsewhere it advised foreign lock company Assa Abloy ES Production on its contemplated strategic acquisition of Czech and Slovak competitor Sherlock.

Squire Sanders & Dempsey's Prague office benefits from the firm's international network, assisting it with its cross-border work. For instance in May 2009 the firm advised US investor Cadence Innovation on the sale of its stake in Czech automotive supplier Magna Presstec. It was also called in to advise on local law issues relating to Olympus Corporation's global sale of its diagnostics business.

For domestic work it advised DBK Praha on its €31 million investment in office building space in central Prague.

Former in-house lawyer Radek Janecek was hired as a partner in September 2009.

Restructuring and insolvency

Recommended firms

Tier 1

White & Case

Tier 2

Allen & Overy

BBH

Clifford Chance

Glatzova & Co

Havel & Holásek

Kocián Solc Balastík

PRK Partners

Weil Gotshal & Manges

Tier 3

Hogan Lovells

Weinhold Legal

The market expects the long-awaited wave of insolvencies to come next year, but then again, 12 months ago it said the same thing. Many companies are teetering on the edge of bankruptcy, with Orco Property Group being the most cited example, and restructuring and insolvency lawyers are simply waiting for the market fall - still. In any event, most firms say this was their busiest practice area over the past 12 months.

By nature the mandates tended to be long and regional, and most commonly in the automotive, construction and real estate sectors. The handful of big bankruptcies includes glass company Bohemia Crystalex Trading, in which the banks are advised by practice area leaders White & Case, and textile manufacturer Kord Group.

Lawyers say the majority of restructurings were by solvent companies looking to slim down and minimise their tax liability, many of which were existing clients referred across by other sections of the firm. Everyone is slowly getting more comfortable with the new insolvency act, and the prospect of resolving insolvencies through in-court restructurings. Especially creditors, which the law gives more rights in, and control over, proceedings.

However lawyers say the law still has its problems. The most common complaints are the courts' unwillingness to appoint trustees chosen by the creditors, parties not agreeing on who values the secured assets, and monetary thresholds which prevent smaller companies using the law.

Lawyers suggest this is why only a small number of in-court reorganisations have been successful, and why banks are still wary. Another reason banks may be wary is a regional court judgment which effectively barred the bank from the creditors committee. The Brno court ruled that as the major creditor, the bank had substantial control over the company and so limited its right to participate in the proceedings.

White & Case

Clients and competitors agree that White & Case is ahead of the pack for restructuring and insolvency matters. The team has the headcount and depth of talent to handle the different facets of this area of law, from creditor committees to demergers to litigation. Its biggest draw card at the moment comes in the form of partner Petr Kuhn who, as drafter of the reorganisation principles recently legislated for, is the person most qualified to navigate the new restructuring framework. And in the past 12 months, the firm has become the first to successfully apply a number of the law's new concepts.

Proceedings in this area of law can be long, and given its attracts the best and most complex mandates, it's no surprise that White & Case's most notable work commenced more than 12 months ago. The firm continues to work on the country's largest insolvency case, acting for the banks in Bohemia Crystalex Trading's bankruptcy proceedings. The syndicate is led by Citibank Europe and has an exposure of over €100 million. Advice to HSBC is another case in point. The firm acts for the bank as security agent of three syndicates with claims against a group of Czech porcelain producers.

New instructions see the firm represent the Czech subsidiary of Global Safety Textiles in its chapter 11 proceedings and \$80 million exit financing. Another sees partners David Plch and Kuhn act for the holding company of Lifestyle Sports' Czech subsidiary in its restructuring and termination of trading. And another important mandate sees the company work on the country's first cross-border reorganisation under the 2008 insolvency law.

"They're perfect really," says one banking client. "They have the mixture of business approach and theoretical background and they know how to treat clients, they meet their deadlines."

Leading lawyers

Ivo Bárta

Petr Kuhn

David Plch

Allen & Overy

Competitors and several clients say Allen & Overy's restructuring practice lacks some of the polish of its other work. Commentators say it lacks the standalone team needed for some deals, and the team approach that comes with it.

But the firm does have some a number of strong performers in the area, and at all levels. Associates Robert Pavlu and Robert David receive the following client comment: "They have a good business approach, work hard and deliver on time. These guys are good, I like working with them." One peer describes partner Mikuláš Touska as "a good scholar rather than a practical lawyer", but says this is compensated for by his good knowledge in the area.

Recently Touska worked on one of the first EU-wide proceedings under the EU's latest insolvency regulations, advising the administrator in relation to proceedings in the Czech and Slovak Republics.

Other mandates see the firm act for the likes of GE Power Systems in creditor claims

in local insolvency proceedings, and advise Kaupthing Bank in relation to a bankrupt borrower. Pavlu was central to this deal which required advice on the restructuring of the Czech borrower both within and outside of formal insolvency proceedings.

One client pleased with the firm says: "They are excellent. They have been extremely responsive, had excellent overview of the work and have done a very good job in working in our best interest."

Leading lawyers

Mikulás Touska

BBH

BBH's restructuring and insolvency portfolio demonstrates the firm's flexibility, with a substantial number of its lawyers working on deals over the past 12 months. Partner Petr Mlejnek continues to supervise the firm's representation of property developers K44 and Sophia Property in the restructure of their joint project. In a parallel transaction the firm advises the clients in insolvency proceedings that queries the legitimacy of a proposal for bankruptcy.

Three associates spearheaded work for Culture Sans Frontieres in its successful effort to keep its debtors out of insolvency proceedings. Two other senior practitioners represent AB Credit - part of the firm's longstanding client PPF Group - in a series of insolvency proceedings worth a total of Kc590 million (€23.1 million).

Another highlight saw BBH act for insurance company Ceska pojistovna in its creditor claim against an insolvent former business partner. This mandate was significant as the firm had to work within the framework of the new insolvency law, and because it brought about the sale of a multi-billion koruny project owned by bankrupt parties, with the proceeds going to the client's receivables.

Clifford Chance

The only firm close to challenging the top tier is Clifford Chance. It has made a big push in this area over the past few years, and the market has now sat up and taken notice. "They are definitely more visible," says one competitor. "They're definitely the best of the tier two firms."

The insolvency and restructuring practice benefits from the firm's longstanding work for banks, including the likes of UniCredit Bank Czech Republic and The Royal Bank of Scotland in insolvency proceedings, and HSBC Bank on the potential insolvency of borrower GCG International.

But it has also picked up some interesting mandates on the debtors side. For instance it represented building company CBPS on its successful reorganisation under the new insolvency act.

For creditors it worked on GE Capital Aviation Services' claim against bankrupted Slovak carrier SkyEurope Airlines and the operator of the Czech electricity market against power trader Moravia Energo.

Partner Vlad Petrus and of counsel Tomáš Richter drive the practice, with lawyer Tomas Dolezil being recommended for restructuring.

Leading lawyers

Vlad Petrus

Tomáš Richter

Glatzova & Co

Glatzova & Co has worked on a number of interesting mandates recently, and for banks such as Volksbank and Landesbank Baden-Württemberg.

Another mandate sees it advise property company Immorent in relation to the bankruptcy of a tenant under financial lease. The proceedings are worth Kc48 million (€1.8 million) and is a test case for the use of early termination provisions in insolvency proceedings. Elsewhere the firm acts for Moody's on the reorganisation of its credit rating business in the Czech Republic.

The firm is well received in the market with one competitor describing it as "a wonderful local firm", adding: "I've always admired them."

Havel & Holásek

The five-partner corporate restructuring & insolvency team at Havel & Holásek is close to the market's biggest. Its numbers coupled with good banking connections has given it a head-start in the race for reliable creditor mandates.

A case in point is its work for České sporitely on two matters. In the first, the bank initiated €25 million proceedings against a real-estate debtor it expected to become insolvent. The other involves €3.5 million insolvency proceedings against furniture manufacturer Antico.

The firm is also instructed by Fortis Bank on a €4 million insolvency matter against machinery producer TOS.

Kocián Solc Balastík

Kocián Solc Balastík has been busy with restructurings lately. In March 2010 it advised metal producer ArcelorMittal Ostrava on the reorganisation of its energy businesses, a mat-

ter complicated by the holding company's allocation of carbon credits among its subsidiaries.

It also advises the local division of Skanska Group on the restructure of the regional construction company. These instructions sprang from the company's need to cut costs and improve efficiency, and the firm strategises for the client accordingly.

Kocián Solc Balastík has also picked up insolvency instructions, most notably for Air Navigation Services of the Czech Republic in its €1 million cross-border claim against Slovakian carrier SkyEurope Airlines.

Weil Gotshal & Manges

The market had high hopes for Weil Gotshal & Manges, expecting it to perform well in the distressed market given its strong R&I practices in London and New York. But competitors say it hasn't been as visible as expected.

Nevertheless, it has worked on a handful of bankruptcy matters for big-ticket clients. One is GE Industrial Belgium in its cross-border claim against bankrupted Etezet and Etezet-Unirec. Another is electricity producer CEZ in its €70 million creditors claim against insolvent trader Moravia Energo.

It also continues to advise Osinek, the government's SPV used to facilitate the long-running bankruptcy proceedings of the former industrial conglomerate Vitkovice.

Leading lawyers

Karel Muzikar

Other ranked firms

Over the past 12 months Hogan Lovells' focus has switched from distress-related work to the reorganisation of solvent companies looking to improve efficiency. At the start of 2010 it benefited from the extension of the newly merged firm's international network by advising on the restructure of a European trading house. Later it advised on the restructure of Danish natural ingredient producer Christian Hansen and the impact on its Czech, Slovakian and Hungarian entities.

Weinhold Legal's most significant insolvency mandate came from German clothing company Schiesser. In April 2010 the firm worked for the insolvent company in relation to intra-group set offs, share transfers and other reorganisations among its Czech and Slovak subsidiaries.

Aside from this matter, the firm's practice, led by Thilo Hoffmann, was preoccupied with restructurings. It continued acting on XXXLutz's restructure until the end of 2009, advised publishing house Mafra on its Kc395 million (€15.4 million) reorganisation to

accommodate changed ownership of daily newspaper Lidové noviny, and the restructure of Drinks Union, one aspect of which included the merger of four businesses.

Throughout the year it also acted as counsel to Komerční bank, advising on a number of restructurings, liquidations and borrower bankruptcies.

Other notable firms

The Prague office of regional firm **Peterka & Partners** has a thriving restructuring and insolvency practice which demonstrates a penchant for cross-border work. It secured instructions on one of the region's most notable matters, advising Skanska in its €19 million creditors claim against Ocro Property Group as part of safeguard proceedings before a French court. Other mandates see it involved in insolvencies with Polish, Indian and German aspects.

Elsewhere, the firm has been at the forefront of insolvencies in the struggling textile industry, most notably acting for Schoeller Litvinov in its successful appeal of a court bankruptcy order, and its subsequent €40 million restructure. Also in this sector, Peterka & Partners represents American company Gibbs International in insolvency proceedings against its Czech debtor.

The firm's key contacts in this area are managing partner Ondřej Peterka and partner Jiří Černý.