

# Lithuania

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## Dominance threshold in Lithuania goes down

Tomas Rymeikis  
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Both the EU and Lithuanian regulation presume dominance in case market share exceeds 40% (70% in case of collective dominance). However, recent amendments to the Law on Competition, which came into force on January 1 2010, have encumbered certain businesses with a lower dominance threshold. According to the amendments, an undertaking engaged in retail trade with a market share of 30% or more (55% in case of collective dominance) is considered to enjoy a dominant position within the relevant market.

Unfortunately, the Law on Competition does not provide a definition of the undertaking engaged in retail trade. Therefore, the new dominance threshold seems to be applicable for retail trade in any business. However, the Law on Prohibition of Unfair Actions by Retail Trade Undertakings, which came into force on April 1 2010, deals exclusively with undertakings engaged in retail trade in general stores where food, beverage and tobacco products are prevailing. Thus, it is expected that the practise of the Competition Council may follow the approach that only retail foodstuff trade is subject to the new threshold, but for the time being a threshold of 30% should be formally applicable in respect of all entities operating at the retail level of any product market.

Although the recent amendments to the Law on Competition are mainly considered as an act by the state to restrict the opportunities of the largest retail traders to act freely, it shall be stressed that even a relatively small network of the stores may fall under the scope of the regulation. As prescribed, a group of three or less undertakings engaged in the retail trade with the largest share of the relevant market, jointly holding 55% or more of the relevant

market shall be considered to be enjoying a dominant position.

Dominance implies that one or more undertakings in the relevant market face no direct competition or are able to have unilateral decisive influence by effectively restricting competition in the relevant market. Therefore dominance is not stimulated and once appeared is subject to certain restrictions. As a result, dominant undertakings are obliged to refrain from certain practices that are considered to be abusive, which might be permissible by small companies. For example, a dominant undertaking is not allowed to refuse to supply customers who do not agree with dealing arrangements, or in order to punish them. Furthermore, a dominant undertaking is prohibited from making the sale of certain products dependent on the sale of another, unrelated product. Such practices are considered harmful because they allow the dominant undertaking to transfer its power from the market in which it is dominant to a market where it does not enjoy such a position. Besides, the dominant undertaking may not apply loyalty rebates, which cause "tying" of a customer and make it hard for him to switch his purchases to another supplier.

Despite the fact that additional parameters (like barriers to entry to the market or number of competitors) for the evaluation of dominance are widely recognised as essential ones, the current wording of the Law on Competition sets forth the presumption of dominance based mainly on the market share. Similarly, the current practice of the Competition Council also shows that market share as a main criterion is overestimated. Thus, the burden of proof to revert such a presumption is likely to be attributed to the undertakings concerned.

Thus, in the light of the recent amendments to the Law on Competition, some retail traders in Lithuania have become dominant undertakings, while some are approaching this position. As has been mentioned, dominance imposes additional obligations upon

undertakings and exceeding the threshold means that certain behaviour, which was previously lawful, may become illegal. In addition to this, a lower threshold may trigger an expansion of the business because a concentration of competitors is forbidden if it creates or strengthens a dominant position and even if the clearance to merge is granted it will be preceded by a longer and more complicated examination process.

Therefore, the undertakings that are suspected of becoming dominant are advised to evaluate their market share in order to decide, if their business practice should be reconsidered or remained unchanged. The evaluation of the market share will probably require defining the relevant market not just as a retail market in general, but will narrow it by certain groups of products. Therefore, suspected undertakings shall evaluate their market share in a number of markets (e.g. markets of retail trade in milk products, bread products, etc.).

Failure to evaluate its position in the market may result in an investigation by the Competition Council started on its own initiative or upon the complaints submitted by customers or competitors. In this regard it shall be stressed that other amendments to the Law on Competition, which came into force on April 25 2009, entitled authorised officers of the Competition Council to enter and carry out checks in private premises, land and transport, which belong to the management and other employees of the undertaking under investigation. If the investigation results in finding of the abuse of dominant position, a fine of up to 10% of the gross annual income in the preceding business year shall be imposed on the undertaking.

## Banking and finance

Recommended firms	
<b>Tier 1</b>	Lawin
<b>Tier 2</b>	Bernotas & Dominas Glimstedt Raidla Lejins & Norcous Sorainen Tark Grunte Sutkiene
<b>Tier 3</b>	Baltic Legal Solutions Lithuania
<b>Tier 4</b>	Eversheds Saladzius

“Sovereign bonds. Restructuring. Refinancing. These are the key words,” according to one banking lawyer. Indeed this, mixed in with some government-driven lending, is a pretty accurate summary of Lithuania’s finance sector.

The sovereign bonds reference is to the government’s \$2 billion eurobond issue in 2010, the country’s largest ever securities offering. The other comments refer to the distress-work overwhelming the likes of Swedbank and SEB Bankas, forcing them to buck the banking sector’s trend of keeping all non-regulatory work in-house and instead appoint legal panels - a new concept for the Baltics.

Banks have taken an open-minded approach when negotiating with struggling debtors, being willing to swap debt for equity and enter joint ventures with debtors to maintain their businesses. Of course when the business had soured beyond repair the banks did not hesitate to enforce their security rights and park the asset, invariably real property, in an SPV until the property market can offer a sellable price.

New money was scarce for the majority of 2009. “Banks cut financing overnight,” says one partner. “There was an immediate, extreme and unexpected drop. Banks retracted into a nutshell.” They reappeared in Q4 2009, but most lending was pushed into development and government projects.

The most prominent saw Lideika Petrauskas Valiunas ir partneriai Lawin (Lawin) and Raidla Lejins & Norcous work on a €152 million loan granted to Lietuvos Elektrine for the upgrade of Lithuania’s largest power supply. Other loans of national significance include a €200 million facility for heat supply projects around Vilnius; Lawin’s advice to the European Investment Fund on its €147 million shared-risk finance deal struck with the country’s banks to improve venture work; and Sorainen’s assisting Barclays Bank

on the outsourcing of its work to Lithuania. This last deal was unprecedented in that it was foreign investment that received state aid from the Lithuanian government.

Clearly this was not a year for private-driven lending. What’s not so clear is whether this was caused by the private sector’s reluctance, or the greediness of the government. “The money market was drained by the government,” says one lawyer. “One or two loans to the government took the place of thousands of potential loans to businesses.”

The only private deal lawyers talk about is the unexpected IPO of agribusiness company Linas Agro Group. The February 2010 float raised Lit100 million (€30 million) in a tough market, and although it was fully subscribed, lawyers don’t expect anyone else to follow-suit anytime soon.

There was a bit of a staff-shuffle between firms last year, with Raidla Lejins & Norcous losing a leading lawyer, Tark & Co losing partner Neringa Grazinyte before its merger to form pan-Baltic firm Tark Grunte Sutkiene, and Jurevicius Bartkus & Partners joining forces with a three-partner practice to form Baltic Legal Solutions Lithuania.

### Lawin

A changing market has left Lawin alone in the top tier. While competitors do not necessarily see the firm as the clear market leader for banking and finance matters, clients rate its quality and service as the best, with one describing the firm as “pleasant to work with and business-minded, as well as being excellent lawyers.”

Much of its success is attributed to its two practice figureheads: leading lawyers Giedrius Stasevicius and Gediminas Recianas. One client appreciates Stasevicius’s “excellent client approach”, saying: “He cared about our success beyond the formal lawyer-client relationship”.

An international client which engages a number of listed firms considers Stasevicius “the most experienced capital markets lawyers in the Lithuanian market”, while Recianas is seen by competitors as “definitely the most prominent of the Lawin people.”

The team typically acts on the lender’s side, representing the bulk of the country’s most active banks. One recent deal sees Recianas advise a syndicate of five of them on a €81.4 million loan to Lietuvos Elektrine. The deal is significant for the country, with the power company using the funds to construct a generation block which will become Lithuania’s largest electricity source. It is significant for the firm in its complexity; the facility incorporated a multilayer financing and security structure which required com-

plex ranking of creditors’ claims and allocation of securities.

In April 2010 Stasevicius led representation of the European Investment Fund (EIF) in an innovative project designed to stimulate venture activity. The EIF has extended €147 million to the country’s banks as part of a shared-risk financing project. The intention is to create a shared-risk financing instrument with the money being used to finance small and medium start-ups, and the EIF being the benefiter of the security interests.

For capital markets work the firm advised the government on three tranches of Eurobond issues. One of these was worth \$2 billion, making it the biggest securities issue in Lithuania’s history, and the first placed in a US regulated market since 1997. On the corporate side it advised General Motors Corporation on its \$28 billion local exchange offers and consent solicitations as part of its Chapter 11 reorganisation in the US.

### Leading lawyers

Gediminas Recianas  
Giedrius Stasevicius

### Bernotas & Dominas Glimstedt

Bernotas & Dominas Glimstedt moves down to tier two this year after competitors note its drop in visibility and its lack of a distinct banking team. This, combined with the rest of the market improving in recent years, has diminished its edge over other firms.

The natural reaction is to point the finger at last year’s loss of partner Elijus Burgis to a rival firm, but most lawyers say this is incorrect: “His departure didn’t have a huge impact - they just haven’t been here much recently”.

Despite its step-down from the top tier, the firm continues to keep clients happy. Under the guidance of Gediminas Dominas, described by another partner as “doing well and very prominent”, the firm has developed a reputation for being diligent and client-focused.

“Attitude is the main thing. They listen more than they talk and really try to understand,” says an international client. “They go straight to the point and they don’t bother with most of the legal mumbo-jumbo.”

Recent work by Bernotas & Dominas Glimstedt has been on the borrower side, including two mandates by the Vilnius City Municipality led by name partner Egidijus Bernotas. The first was in relation to the €43.5 million financing for construction of schools, and the other involved a €200 million loan for the city’s heat supply project.

Elsewhere fellow partner Remigijus Jakutis closed a Dkr 2 billion (€268 million) club facility for Denmark’s Unibrew and its local

subsidiary, and on at a regional level he helped Lithuanian and Finnish investors secure finance for the expansion of their shop-chain into Belarus, including advice on profit-share arrangements with the lender International Finance Corporation.

#### Leading lawyers

Gediminas Dominas

### Raidla Lejins & Norcoux

This banking practice is a shifting one, and the firm nudging the top tier is Raidla Lejins & Norcoux. Described by one peer as “becoming more and more visible here”, its competitors credit the firm’s improvement to a growing team and strong connections in banking circles.

While former leading lawyer Ruslanas Bronikovas parted ways with the firm in early 2010, the firm’s banking connections have tightened over the past 12 months, with Raidla Lejins & Norcoux being appointed to the inaugural legal panel of both SEB Banks and Swedbank. The banks created the panels to assist with their abundance of restructurings and foreclosures, and last year the firm was called on by SEB Banks to restructure a loan granted to a struggling real estate management company.

To date, however, the majority of Raidla Lejins & Norcoux’s restructuring work has been for the borrower. For instance in Q1 2010 it acted for Citigroup Property Investors in relation to the renegotiation and restructuring of one of its subsidiaries’ loans. Later it was mandated by local concrete producer Betoneta Group to renegotiate and redraft its debt portfolio with a number of creditors.

For new money transactions the firm’s newest partner Elijus Burgis led advice to the European Bank for Reconstruction and Development (EBRD) on two loans aimed at improving the country’s services and facilities. The most prominent was a €71 million loan to power company Lietuvos Elektrine to be used, in combination with financing obtained from a syndicate of private banks, to upgrade Lithuania’s primary electricity units. The other related to the second tranche of a €15 million facility granted to E-Energija to invest in the district’s heating companies.

In capital markets the firm picked up the country’s only IPO mandate, helping Linas Agro become the first company to list on Lithuania’s stock exchange in two years. The shares were offered in the EU and US and raised Lit100 million (€30 million).

#### Leading lawyers

Elijus Burgis  
Irmantas Norkus

### Sorainen

A firm enjoying a growing rapport with the market is Sorainen. Other firms’ comments indicate growing respect for the its finance practice, and clients’ descriptions range from “pragmatic, measured and always commercial”, to: “They are exceptional. They are now our trusted advisors and have repeatedly demonstrated an ability to add value to our business.”

Of Sorainen’s leading lawyers, Algirdas Peksys is considered the go-to person for capital markets work, with one lawyer saying: “He knows specifics of the stock exchange operations like no other lawyer in Lithuania.” Tomas Kontautas is the main banking partner.

The firm, and Kontautas in particular, has been at the forefront of banks’ newfound willingness to pursue innovative work, especially those in relation to projects of national significance. Its most prominent example is representing Barclays Bank on its establishment of its services centre in Lithuania. This inbound investment is a significant step for the country in its bid to attract foreign funds. Central to the deal was securing the government’s financial support, a first for a foreign investor, via an unprecedented incentives programme. This was further complicated by the programme qualifying for state aid, meaning the deal had to be structured around the EU’s complex regulations.

Another unusual regulatory deal saw the firm advise the national branch of credit insurance provider Hermes Kreditversicherungs on the government’s top-up export credit insurance scheme which, for 2010, is worth €30 million. The scheme is the first of its kind in the Baltics and required the firm to assist with the drafting of new legislation.

Structured finance work is still hard to come by but Kontautas and senior associate Agne Jonaityte advised JPMorgan on a derivatives transaction related to the government’s landmark \$1.5 billion notes offering late last year. The pair also worked with the Ministry of Economy on viability studies for six much needed public-private partnership projects related to schools, housing and roads.

#### Leading lawyers

Kestutis Adamonis  
Tomas Kontautas  
Algirdas Peksys

### Tark Grunte Sutkiene

The staff reshuffle at Sutkiene Pilkauskas & Partners spilt into this year, most significantly with its pan-Baltic merger to form Tark Grunte Sutkiene. The firm’s union with Latvia’s Grunte & Cers and Estonia’s Tark &

Co only took effect in September 2010, but it’s thought that the merger can only improve the firm’s practice.

Other changes came in the form of partner Neringa Grazinyte’s departure, and a boost to its capital markets credentials with the hire of Vilija Nausedaite, former chairman of the Lithuanian securities commission, who joined the partnership last November.

The firm secured some diverse mandates in its last year as a domestic practice. Leading partner Vilius Bernatonis supervised advice to the European Investment Bank on a €200 million project aimed at creating financial engineering instruments for projects across Europe. For regulatory work, he led the firm’s involvement in shareholders’ bid to acquire a qualifying interest in Siauliu Bank, requiring the firm to work closely with the central bank and implement a mandatory tender offer.

It has also carved somewhat of a niche in air finance lately, advising Aircastle on the restructure of its aircraft leasing arrangement with a subsidiary of insolvent national carrier flyLAL. In a new lease matter, the firm acted for Nord on its leasing of a Boeing 737-700 to a new market entrant.

#### Leading lawyers

Vilius Bernatonis  
Jonas Pilkauskas

### Other ranked firms

Jurevicius Bartkus & Partners maintains its tier three ranking, albeit under the name **Baltic Legal Solutions Lithuania**. The predecessor firm, known by peers predominantly for its banking practice, merged with three-partner firm Kazlauskas & Degeysys Solvings earlier this year.

**Eversheds Saladzius** drops a tier this year after competitors say its small numbers have limited its ability to penetrate the banking market. It is still considered a capable boutique practice though, with name partner Jonas Saladzius being noted as a leading lawyer this year after numerous peer recommendations.

The firm’s recent work includes regulatory advice to banks including a Lithuanian bank on the EU’s Markets in Financial Instruments directive, and Ukio Bankas on the use of joint ventures in debt restructures.

Another deal sees it advise regional energy company Fortum on the financing of its €100 million combustion plant to be constructed in Lithuania; the first of its kind in the Baltics.

*Leading lawyers:* Jonas Saladzius

## Mergers and acquisitions

Recommended firms	
<b>Tier 1</b>	Lawin Sorainen
<b>Tier 2</b>	Bernotas & Dominas Glimstedt Raidla Lejins & Norcous Tark Grunte Sutkiene
<b>Tier 3</b>	Baltic Legal Solutions Lithuania
<b>Tier 4</b>	Eversheds Saladzis Foigt & Partners/Regija Borenius

“Very few assignments - that’s the short answer,” is the market summary given by one partner. A lack of acquisition finance and an abundance of hesitant buyers meant most mandates hitting lawyers’ desks in 2009 were small distressed sales - invariably related to real estate. But things did start to pick up in the new year, with many firms reporting increased expressions of interests from curious clients, leading them to predict the worst is over.

The few growth transactions there have been tended to be cross-border and with the country’s traditional investment partners in Scandinavia. One example is Finnish Neste Oil’s takeover of Alexela Oil’s Lithuanian businesses, worked on by Raidla Lejins & Norcous and Foigt & Partners/Regija Borenius.

Many hoped the strength of Scandinavia’s economies would benefit the Baltics through inbound investment, but the lure of low prices did not outweigh Lithuania’s bad business climate, with most choosing to stay away. The good to come out of this situation is Poland is emerging as a future business partner, with firms working on both buy and sell sides of transactions with Polish companies.

In the domestic market private equity was nowhere in sight and there were more joint ventures than classic M&A, possibly because parties saw it as a way to minimise risk. There was movement in the media sector with the likes of Diena Media and Mediapool selling businesses and merging.

The country’s biggest deal, however, was the demerger of national power holding company Leo LT. This sparked a shakeup of the entire industry, and involved input from Lideika Petrauskas Valiunas ir partneriai Lawin, Varul Vilgerts Smaliukas and Bernotas & Dominas Glimstedt.

### Lawin

If the market had to choose the best firm for M&A work, it would be Lawin. Numerous clients say the firm is its top choice, and a peer admits: “It would be fair to say they are the leaders in this respect”.

Managing partner Rolandas Valiunas is described by another leading lawyer as “probably the most prominent lawyer in Lithuania”, but the firm’s talent is apparent at all levels.

In addition to leading lawyers Dovile Burgiene and Zilvinas Zinkevicius, another partner to note is Giedrius Stasevicius. A client on one of his recent deals says: “All red flags in the due diligence report had practical suggestions for dealing with them ...communication was perfect and lawyers reacted to the changing situation promptly and adequately”.

Lawin’s junior associates are known for their diligence, with an appreciative client saying this of Joana Baublyte: “[She] cared about our success beyond formal lawyer-client relationship. Joana made an outstanding job in organising the team work within a pressed timetable. I can only compliment her performance.”

In December 2009 Lawin closed the demerger of Leo LT - one of the country’s most controversial companies. The government and the company’s other shareholder decided to liquidate Lithuania’s biggest electricity company amid speculation its creation - just three years prior - violated the constitution and competition laws. The €190 million deal was led by Valiunas and fellow partner Ramanus Petravicius.

Elsewhere the corporate team worked on some joint ventures, the most notable being advice to the government on a multifaceted €11 billion energy development consisting of a nuclear power plant, electricity seabed connection with Sweden, and a power bridge with Poland. These facilities are needed to ensure the country’s reliable power supply after its main nuclear power plant was closed at the end of 2009.

Another joint venture mandate saw it act for Smit International Overseas on its collaboration with Towage & Marine Systems to create a ship assistance service in one of Lithuania’s main ports. The deal was led by leading lawyer Zinkevicius and closed in May 2009.

#### Leading lawyers

Dovile Burgiene  
Rolandas Valiunas  
Zilvinas Zinkevicius

### Sorainen

Sorainen’s strong M&A practice kept the firm visible to its competitors, particularly during

2009, and garners unanimous client praise. Much of this is directed at the team’s service levels, rather than just the abilities of key partners. “We have established a perfect working relationship as to who does what and when,” says one client, adding: “We made no mistakes in taking an action without consulting with each other.”

Another believes the firm’s depth below partner level gives it an edge over competitors. “You don’t need solid senior level often, much more needed is a working senior level and a versatile mid-level and I think in these terms Sorainen’s M&A team is well positioned at the moment.”

Recent highlights saw the firm involved in one of the year’s highest volume transactions, advising Polish oil company PKN Orlen on its purchase of the remaining 10% stake in Mazeikiu nafta, now called Orlen Lietuva. The deal was triggered by the government exercising its put option in relation to the shares, which came with a \$285 million price-tag.

In another notable deal the firm worked on the country’s first international merger under the EU’s Cross-Border Mergers Directive. Sorainen acted for If P&C Insurance on the unprecedented deal which closed in July 2009, shortly after the government implemented the directive into local law. Other cross-border work includes the firm’s input in Hewlett Packard’s global merger with Electronic Data Systems. This turned into a demanding mandate with shareholders changing immediately prior to the transaction and the merger having to be finalised on the same date in a number of jurisdictions.

Of Sorainen’s leading practitioners, Kestutis Adamonis and Laimonas Skibarka are the more established figures with Raminta Karlonaite seen as an up-and-coming partner.

#### Leading lawyers

Kestutis Adamonis  
Raminta Karlonaite  
Laimonas Skibarka

### Bernotas & Dominas Glimstedt

Bernotas & Dominas Glimstedt has a reputation for doing quality work without any attitude. “They aren’t pushy,” says one client, “instead they’re a bit softer, they try to get closer to the clients.” Aside from its general approach and reasonable fees, individual partners were picked out for praise.

Leading lawyers Remigijus Jakutis and Gediminas Dominas are described by one client as easy to work with, irrespective of the complexity of the task. “Clients can be nervous and he seems very aware of this - I feel that’s very important,” says a client about

Jakutis. "Sometimes he provides almost psychological support ... he's a top lawyer in the Baltics. He is definitely someone I will always trust."

Dominas led one of the market's most prominent deals, advising NDX Energija on the demerger of its partly-owned subsidiary Leo LT. Closing in December 2009, the deal effectively dismantled the country's biggest electricity company and was felt throughout the national energy sector. In a cross-border deal the firm advised Ukraine's ARVI & Ko in its sale of fertilizer producer Ukragno NPK for €3.7 million.

#### Leading lawyers

Egidijus Bernotas  
Gediminas Dominas  
Remigijus Jakutis

### Raidla Lejins & Norcous

Clients appreciate Raidla Lejins & Nourcous's dedication, with one saying: "They work hard to achieve results", and another explaining: "They completed a huge job in a very difficult market situation, but it did its job in an excellent way."

Since leading lawyer Ruslanas Bronikovas left in March 2010, the firm's key corporate lawyers are Elijus Burgis - described as "an excellent lawyer" by a competitor - and Irmantas Norkus.

Burgis's noteworthy deals for the year include advice to publishing house Alma Littera on its strategic acquisition of competitor Baltu Lanku. The target is one of the country's biggest book retailers, brining to the fore some delicate competition issues and tough merger clearance proceedings. The takeover was successful though and closed in October 2009.

Burgis's other notable mandate was in the power sector, working on wind energy business Vejo Gusis's expansion by acquiring renewables development project Vejo Vatas.

Managing partner Norkus was also instructed in energy sector deals. For instance in May 2010 he closed for Neste Oil its takeover of Alexela Oil's local company, including its chain of petrol stations throughout Lithuania.

#### Leading lawyers

Elijus Burgis  
Irmantas Norkus

### Tark Grunte Sutkiene

Newly merged pan-Baltic firm Tark Grunte Sutkiene inherits the reputable corporate practice of Sutkiene Pilkauskas & Partners, with one competitor noting: "They have done

rather well with M&A deals". The firm's leading lawyers, Eugenija Sutkiene and Marius Matonis, are both recommended by the market, although Sutkiene increasingly focuses on her duties as managing partner. Another partner noted by competitors is Vidmantas Drizga.

Last December the firm advised infrastructure company Tiltra Group in two matters. In the first it helped the client acquire a majority stake in road maintenance company Poland Poldim. The deal was significant for Tiltra Group in it helped it penetrate the Polish market with five controlling interests in the country's road construction companies. It was significant for Lithuania in one of the few large outbound investments in 2009.

The other mandate related to the client's contemplated expansion into Finland, advising Tiltra Group on its proposed acquisition of Finnish road company Lemminkainen.

In the financial sector Matonis and fellow partner Rokas Bukauskas represented German-based reinsurance company Munich Re on its acquisition of a Baltic life insurance portfolio from Norwegian company Vital Forsikring. And for distress work it advised on the sale of 50% of the shares in a property development project estimated to be worth €18 million.

#### Leading lawyers

Marius Matonis  
Eugenija Sutkiene

### Other ranked firms

Encouraging competitor feedback indicates Eversheds Saladzius is close to pushing into the third tier. Peers say it is better than most other small or medium corporate firms, and clients report cooperative relationships with its team.

Name partner Jonas Saladzius is noted by peers for his M&A capabilities.

Two deals last year saw it advise Denmark-based pump manufacturer Grundfos on its cross-border merger, and the sellers on a share sale to a Singaporean company. Other active clients include Cardinal Health, Samsung, Epicor and Fortum.

Foigt & Partners/Regija Borenius slips down the rankings this year after peers say it has lacked visibility recently.

Of the deals it has been involved in, the most notable sees it advise Alexela Oil on the Estonian company's disposal of its Lithuanian subsidiary to Neste Oil. Elsewhere the firm represented a US biotechnology company looking to enter the Baltics on its bid for a would-be Lithuanian competitor, and lock company Assa Abloy on its incorporation of a new branch.

Leading lawyers: Tomas Rymeikis

### Other notable firms

Over the past 12 months Sarka Sabaliauskas Jankauskas has been busy in the media sector, with Linas Sabaliauskas leading on three deals. He advised Diena Media on its intended investment in media company Alio, and also on its sale of shares in newspaper Siauliu Krastas. The firm was also involved in the merger of Adcom and Mediapool to form Media Klubas, requiring the firm to address complex competition issues.

Recently merged pan-Baltic firm Varul Vilgerts Smaliukas has some good M&A credentials, according to its peers, and has strengthened its corporate practice with some mid-level hires in 2009. The firm's managing partner, Robert Juodka, remains heavily involved in client work and over the past 12 months has led teams in a number of cross-border mandates.

In the financial sector it advised UK's Alro Group on its investment in various SPVs in Lithuania, totalling Lit50 million (€14.5 million). It also worked for Swedish private-equity fund East Capital on a €10 million asset sale. For real-estate work the firm acted for Norwegian fund Orkla Finans on its €25 million acquisition of local businesses and commercial properties.

Varul Vilgerts Smaliukas's most significant domestic deal was advice to the government on the liquidation of national electricity holding company Leo LT and the following restructure of the national electricity market.