

Poland

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Takeover of companies listed on the Warsaw Stock Exchange

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Wardynski i Wspólnicy
Warsaw

The Warsaw Stock Exchange (WSE) lists more than 380 Polish companies with overall market value of Zł450 billion (€114 billion) and over 20 foreign companies with joint capital of Zł280 billion. Trading shares on the WSE is subject to Polish regulations no matter where the company is registered; and these regulations are based on the 2004 EU directive on takeover bids.

In Poland, shareholders have substantial rights which they can apply in takeover situations. These include, the equal treatment of all shareholders, the right to enough time and information to determine whether to respond to the call for bids, an opportunity to consult the company's management board as to the possible effects of the call, and an assurance that the purchaser will pay for the shares at the price proposed.

In takeover situations involving companies whose activities are subject to government supervision (such as financial institutions), the acquisition requires prior consent of the relevant authority. Where the acquisition of the company's shares falls within the ambit of the relevant competition authority's review and consent, such consent is also required.

Public call for bids

When a company's shares are dual listed on the WSE and another exchange, the process of acquiring shares registered in accounts in Poland must proceed in accordance with Polish law. One important rule for the acquisition of a company's shares relates to the requirement for public announcement of the intention to buy such shares. Such announcement must be made where:

(i) a purchaser who at the time of the bid holds less than 33% of the total company shares, if:

a. the proposed acquisition represents more than 10% of the total voting rights in the target company; and

b. the acquisition will take place within less than 60 days.

(ii) a purchaser who at the time of the bid holds 33% or more of the voting rights in the target company, if:

a. the proposed acquisition represents an increase in that purchaser's holding of more than 5% of the total voting rights in the target company;

b. the acquisition will take place within less than 12 months.

The requirement of public announcement does not apply to some transactions specified in legislation. The process of announcing and handling a public call for bids must be entrusted to a brokerage house.

The threshold of 33% of total votes can be exceeded only when a voluntary call is announced to acquire 66% of votes, whereas the threshold of 66% - only when the voluntary public call is announced for all remaining shares.

Price

The purchaser does not have full freedom in determining the purchase price; he must follow certain pricing regulations:

- the proposed share price cannot be lower than the average market price for the shares in the six month period prior to the announcement, or the average market price from a shorter period if company shares have been trading for less than six months.
- the proposed share price cannot be lower than the highest price paid by the purchaser (or its subsidiaries or parent companies, or parties to a contract with the bid caller) over the 12 month period immediately preceding the announcement; and
- for share bids exceeding 66% of the votes in the target company, the proposed share price cannot be lower than the average market price for the shares in the three

month period prior to the announcement of the bid.

A lower price than that determined according to the above rules can be applied when more than 5% of shares are being acquired and the parties to the transaction have given their prior consent.

One very important requirement is that prior to announcing the call for shares, the purchaser must provide security for the bid in the form of 100% of the value of the shares the purchaser is looking to acquire. The security must be documented with a certificate issued by a bank or another financial institution that holds the security on behalf of the purchaser.

Notifying the market

Before the subscription for company shares starts, the company is obligated to make public the position of its management board on the potential acquisition. The company also has the right to publish an external expert's opinion pertaining to the proposed share price, as well as an opinion statement of any relevant trade union(s) active in the company.

Squeeze-out

The announcement of the call for bids also affects shareholders who do not intend to subscribe for offered shares. Where a purchaser buys shares representing a 90% majority of votes in the target company, the purchaser may request that all other shareholders sell him the shares remaining in their possession. This compulsory sale or "squeeze-out" of minority shareholders is mandatory, and does not require any acceptance from these minority shareholders. By the same token, minority shareholders have the right to request that the shareholder who has achieved or exceeded 90% of the total number of shares in the company buy all their shares in the company, in a reverse squeeze-out situation.

Obligations and joint actions

When determining whether a public announcement of an acquisition is required

under Polish law consideration must be given to the purchaser's subsidiaries and joint undertakings.

Liability

Investors should be aware of the consequences of noncompliance with the above requirements. For example, a shareholder who fails to publicly announce a call for bids while holding over 33% or 66% of all votes in the target company will be barred from performing any rights he has in that company.

Furthermore, if the purchaser does not comply with the pricing regulations (see section 2) he will lose the right to exercise votes attached to his original share holding, and any results of voting on resolutions in a shareholders' meeting after such purchase will be re-calculated accordingly.

In addition, the purchaser may be subject to administrative penalty imposed by the Financial Supervision Commission up to Z11 million.

Capital markets - equity

Recommended firms

Tier 1

Dewey & LeBoeuf Grzesiak
Weil Gotshal & Manges

Tier 2

Allen & Overy A Pedzich
Baker & McKenzie Gruszczynski i Wspólnicy
White & Case W Danilowicz W Jurcewicz i Wspólnicy

Tier 3

Clifford Chance Janicka Namiotkiewicz
Debowski i Wspólnicy
CMS Cameron McKenna Dariusz Greszta Spółka Komandytowa
Domanski Zakrzewski Palinka
Linklaters C Wisniewski i Wspólnicy
Salans

Tier 4

Chadbourne & Parke Radzikowski Szubielska i Wspólnicy
Gessel
Hogan Lovells Warszawa
Norton Rose Piotr Strawa and Partners
Oles & Rodzynkiewicz
Soltysinski Kawecki & Szlezak
Wardynski & Partners

Capital markets - debt

Recommended firms

Tier 1

Allen & Overy A Pedzich
Clifford Chance Janicka Namiotkiewicz
Debowski i Wspólnicy
Salans

Tier 2

Hogan Lovells Warszawa
Linklaters C Wisniewski i Wspólnicy

Tier 3

Gide Loyrette Nouel

Poland's capital markets have been a mixed bag depending on whether law firms have been on the equity or the debt side of the market. "Bottom line summary is that we were expecting a complete disaster," says one partner. "But in the end it wasn't that bad."

On the debt side maybe, but on the equity side it was a different story. "To give you some idea of how the Warsaw Stock Exchange (WSE) has been hit, in 2008 there were 130 IPOs. In 2009 there were 13," says one partner. "Equity capital markets are in an absolutely weak position," says another.

There is a general feeling, however, that the market is on its way back up with private equity firms getting itchy feet and beginning to invest again. One partner says: "We hit the bottom but now we're on the way back up again."

The WSE made a rise in the early part of 2010 with figures that represented the early sign that a recovery was underway. "The stock exchange was very vibrant on the positive side," says one partner. "The WSE has been pretty active with London, Milan and Frankfurt."

Debt capital markets are a relatively new practice area. "When I first started a few years ago there were only a handful of lawyers who could do it," says one partner. "The law firms from London saw a gap in the market and exploited it."

The market has been on the up of late for two reasons. First, the banks do not want to use equity as a financial instrument. "The great thing about bonds is the banks can trade them off to a third party," says one debt capital markets lawyer. "It is much safer than equity."

The second reason is that if companies are looking to raise capital, the debt instruments are easier than the equity instruments to obtain. "When you look at the emerging markets one cannot raise a great deal from the Polish market alone," says one partner. "You have to go and look at the European market

which means working with a law firm like Allen & Overy".

International law firms have found it much easier to get work in this area than the Polish domestics. "For these kinds of bonds, there's no way the companies can raise enough funds in Poland alone," says one partner. "With all of their networks, the international law firm can raise a lot more cash over Europe."

Although the debt capital markets are not a huge pie, one lawyer says: "The pie is definitely growing. A lot of Polish law firms are learning the practice area and soon it will be a big market."

Dewey & LeBoeuf Grzesiak

US firm Dewey & LeBoeuf Grzesiak demonstrated its superiority as market leaders in the equity capital markets by representing PGE Polska Grupa Energetyczna on the largest IPO in Europe of 2009. The offering, worth an estimated €1.4 billion, was announced to the Warsaw Stock Exchange (WSE) in November 2009.

In another eye-opening mandate leading lawyers Ireneusz Matusielanski and Rafal Sienski among others advised PZU, a Polish insurance giant, in the largest IPO to date in the world in 2010. In a complicated negotiation Dutch insurer, Eureko will relinquish its 10% stake in the company which will then be offered through an IPO. Should the prospectus stage be completed the deal will be worth Z15 billion (€1.2 billion).

One partner says: "Following those two very big IPO projects they are certainly the first tier. They have a good team and a lot of good lawyers."

Leading lawyers

Ireneusz Matusielanski
Rafal Sienski

Weil Gotshal & Manges

As one rival puts it: "The 2009/10 dominance in tier one was clearer than ever in capital markets." Weil Gotshal & Manges acted on many of the deals with Dewey & LeBoeuf Grzesiak on the other side of the table. Another partner says: "For capital markets, they are the best team in Poland, no question."

Led by partner Anna Frankowska, the firm advised the Ministry of the State Treasury, in connection with the 16% sale of shares in ENEA, Poland's third largest energy company, in a secondary offering to domestic and international investors. The deal was one of the largest equity capital markets transactions last year valued at Z11.1 billion (€280 million).

The firm represented Goldman Sachs International and UniCredit Poland on the largest IPO in Europe of 2009 valued at €1.4 billion. Anna Frankowska and Rafal Zwierz advised the two banks who acted as managers of the IPO of PGE Polska Grupa Energetyczna, Poland's largest energy group.

In another enterprising mandate for the firm, Frankowska led a team advising PKO Bank Polski, the largest retail bank in Poland, on the largest ever rights issue by a Polish company valued at €1.2 million.

Leading lawyers

Anna Frankowska

Allen & Overy A Pedzich

Allen & Overy A Pedzich's grip on the banking market has given the firm a nice book of work in capital markets over the past year. The team advised Bank of America Merrill Lynch and Deutsche Bank as joint bookrunners and UniCredit as joint lead managers on the global rights issue by PKO Bank Polski.

In another equity deal the firm advised the Management Board of Bank BPH in connection to a public tender offering of up to 66% of the shares. One partner says: "They have built a good record. They tend to work on projects for €100 million and over. I think they have a very good practice."

On the debt side, the firm has been labelled by the market as the top of the tree as both the firm and individuals were praised. The firm utilises its knowledge of the market, branded as a more sophisticated practice area, to steal a march on many of its Polish rivals.

Piotr Lesinski, one of the few specialists in debt capital markets, was said to be "an excellent lawyer who really understands what the client needs from a deal," according to one partner. On one stand-out transaction, the firm advised The Republic of Poland on the bond issue arranged by Deutsche Bank in a deal worth €410 million.

Leading lawyers

Piotr Lesinski
Zbigniew Mrowiec

Baker & McKenzie Gruszczynski i Wspólnicy

Baker & McKenzie Gruszczynski i Wspólnicy has, according to the market, had a disappointing year to its high standards and will look to improve in 2011 and beyond.

While not particularly visible to its peers this year, it was still active; one highlight saw Konrad Konarski advise Deutsche Bank on a eurobond issue of €50 million variable rate notes of Mazovia Voivodship in June 2009.

On a local deal, the same team advised Zakład Utylizacji w Gdansk on the conduit programme of medium term notes and commercial papers, in a deal worth Zł200 million (€48.8 million).

Leading lawyers

Konrad Konarski

White & Case W Danilowicz W Jurcewicz i Wspólnicy

White & Case W Danilowicz W Jurcewicz i Wspólnicy had a solid year on the equity side of capital markets as the firm successfully negotiated the largest IPO on the Warsaw Stock Exchange (WSE). Advising LW Bogdanka, the capital markets team listed one of the biggest Polish coal mines on the WSE, with a total value of Zł528 million (€130 million).

One client was particularly impressed with one of the up and coming lawyers at the firm. "I was really pleased with the young gun Rafal Kaminski. That guy just doesn't sleep. When we did an IPO with the firm he was always there answering the phone and replying to emails."

On the debt side, the firm advised JPMorgan and Nomura on a eurobond issue made by TVN, a private television company. The notes were jointly and severally guaranteed on a senior basis by five subsidiary guarantors.

Leading lawyers

Janusz Fiszer
Witold Jurcewicz

Other ranked firms

Clifford Chance Janicka Namiotkiewicz Debowski i Wspólnicy this year had a series of high profile deals with household names. On one deal, Clifford Chance advised HSBC and Société Générale on the international issue of a €3 billion eurobond from the Polish bank, Bank PKO.

In another large deal, value wise, the firm advised BNP Paribas and Unicredit on the international issue of a €1 billion eurobond by one of Poland's leading mobile operators, Polkomtel.

Domanski Zakrzewski Palinka has been a strong force on the market over the past 12 months signing off a series of deals on the equity capital markets side. The firm advised Arctic Paper on an IPO valued at Zł162 million (€40.1 million) on the Warsaw Stock Exchange (WSE) in October 2009.

The same team, lead by head of department Andrej Foltyn, advised Internet Group

on a secondary public offering of 11 million G series shares in November 2009.

Linklaters C Wisniewski i Wspólnicy advised Kappa on the purchase of shares from the largest IPO in Europe in 2009.

Peers note that the firm was not as visible as in years gone by however, and that the firm is still trying to overcome the departure of key capital markets lawyer Marcin Chylinski, who left for Weil Gotshal & Manges in 2009.

Salans is advising Bank Millennium on the restructuring of derivative transactions involving several Polish companies in a series of deals amounting to Zł200 million (€49 million). Most clients that entered the derivative markets were unable to fulfil their commitments since the market crashed and subsequently most transactions were restructured.

Newly merged **Hogan Lovells** has retained the Lovells H Seisler side of the business while the Hogan & Hartson Janka lawyers have joined the Polish branch of the American law firm, K&L Gates Jamka.

Led by Piotr Zawislak, the firm advised Bank Slaski on a secured corporate bonds programme for the Polish Power Grid in a deal worth Zł2 billion (€490 million).

"**Norton Rose Piotr Strawa and Partners** did a deal this year that everyone was surprised at," says one partner, as the firm do not have well known capital markets practice. The law firm enters the rankings this year after gaining recognition when Tauron Polska Energia won a role on one of the largest European privatisations and IPOs. The deal, led by head of department Piotr Strawa, is expected to close in summer 2010.

Banking

Recommended firms

Tier 1

Allen & Overy A Pedzich
Clifford Chance Janicka Namiotkiewicz
Debowski i Wspólnicy

Tier 2

CMS Cameron McKenna Dariusz Greszta
Spółka Komandytowa
Hogan Lovells
Linklaters C Wisniewski i Wspólnicy
Norton Rose Piotr Strawa and Partners
White & Case W Danilowicz W Jurcewicz i
Wspólnicy

Tier 3

Baker & McKenzie Gruszczynski i Wspólnicy
Dewey & LeBoeuf Grzesiak
Salans
Soltysinski Kawecki & Szlezak
Squire Sanders Swiecicki Krzesniak
Wardynski & Partners
Weil Gotshal & Manges
Wierzbowski Eversheds

Tier 4

Beiten Burkhardt P Daszkowski
Gide Loyrette Nouel
Gleiss Lutz
K&L Gates Jamka
Miller Canfield Paddock and Stone
Noerr

Poland was the only central European country not to have officially entered a recession during the financial crisis and subsequently is one of the stronger world economies at present. "Polish banks made huge profits," says one partner. "Ironically, the sector wasn't affected like other parts of the world as banks here are not as sophisticated in their financial instruments like their Western counterparts."

Despite this, the Polish economy did experience a significant slow down of activity. "I think there was more of a fear that the crisis created as opposed to an actual depression," says one partner. "It was more of a moral panic and investors didn't want to invest in that climate." Furthermore, Poland suffered because of incidents outside its sphere of influence. "We don't have exposure or access to Greek banks or Greek debts," says one partner. "But problems occur when investors see a crisis over there they start to pull out in Poland."

Following a very cautious first half of 2009, when the banks were reluctant to provide any sort of lending to new projects, the general mood has begun to change. "All of a sudden, in the early part of 2010, there was a very positive atmosphere where the banks

wanted to work on new projects," says one partner. "If this trend continues then we hope to get a loan market revival."

Following the financial crisis the Polish currency, the zloty, dropped significantly below the euro and there have been a number of measures put in place to secure the future of the nation's economy. "I think that one of the most important things to have happened was when the banks adopted quite a conservative approach to investment opportunities at the beginning of last year [2009]," says one partner. "The Polish banks formed a consortium so they could loan money together to split the risk. But even these loans were not given until all the security checks had been passed."

Law firms were mainly involved with restructuring and refinancing deals in the market as companies looked to consolidate their finances. "In 2009 there was restructuring and some refinancing that we were finishing off," says one partner. "In terms of new finance there was some activity on the energy sector, but we're hopeful that there will be many more deals in the early part of 2011."

Allen & Overy A Pedzich

"Arkadiusz Pedzich is a fantastic lawyer," says one rival. "There are few other law firms with a banking practice as strong or as big as this one."

Allen & Overy A Pedzich, despite the economic slowdown, had a steady flow of banking work over the past year which have included some restructuring and new finance deals. This was down to its connections with London who referred deals to the firm on thereby not having to rely on uncertain Polish market.

In one deal, the firm advised Calyon, CitiBank, the Royal Bank of Scotland, Deutsche Bank, Kredyt Bank, Bank Gospodarki Zyrnosciowej PKO, Bank Pekao and Nordea Bank on the restructuring of Stocznia Remontowa in Gdansk.

In another restructuring deal, the firm represented Bank Polska and Bank Austria on an agreement between the banks and Vistula Group in connection with the ZI250 million (€181 million) debt restructuring.

On the real estate side, the firm has also been advising on the loan granted to the Globe Trade Centre and Unibail-Rodamco to refinance one of the country's leading shopping malls, Galeria Mokotów. The loan was one of the largest in real estate in central and eastern Europe in recent months.

Leading lawyers

Tomasz Kawczynski
Arkadiusz Pedzich

**Clifford Chance Janicka
Namiotkiewicz Debowski i
Wspólnicy**

Clifford Chance Janicka Namiotkiewicz Debowski i Wspólnicy is considered by its peers as one of the top banking practices in the jurisdiction. "They are simply one of the best [along] with Allen & Overy A Pedzich," says one partner. "They have the best people, working with the best banks on the best projects."

In one noteworthy deal, the firm advised BRE Bank regarding the finance of an acquisition for Société Générale. The acquisition is for the controlling stake of 80% for Konsalnet, an entity that provides security for persons and property. It was one of the biggest transactions of its kind, in terms of value, not only in Poland but also in Central Europe.

In another deal, the firm advised Credit Suisse on the financing of the P2P (public-to-private) transactions by EQT. Carried out by leading lawyer, Jan Zdzienicki, it was one of the largest P2P transactions in Poland in 2009.

One client says: "They are the most experienced law firm in Poland. They have big experience on big deals."

Leading lawyers

Grzegorz Namiotkiewicz
Jan Zdzienicki

**CMS Cameron McKenna Dariusz
Greszta Spółka Komandytowa**

The banking team at CMS Cameron McKenna Dariusz Greszta Spółka Komandytowa, led by leading lawyers Marek Król and Dominika Uberman, has been busy over the past year.

The firm advised Globe Trade Centre and Unibail-Rodamco Group on a €205 million credit facility used for the refinancing of Galeria Mokotów. The financing, provided by a syndicate of banks including Berlin-Hannoversche Hypothekenbank, Landesbank Berlin, Westdeutsche Immobilienbank and Berlin-Hannoversche Hypothekenbank, granted funds for the largest property finance transactions in the CEE (central and eastern Europe) last year.

Uberman also advised Warszawskie Centrum Finansowe and Betriebsobjekte Polska on the refinancing of the €104 million Warsaw Financial Centre. The finance came from two lenders: Westdeutsche Immobilienbank and Berlin-Hannoversche Hypothekenbank.

Leading lawyers

Marek Król
Dominika Uberman

Hogan Lovells

Hogan Lovells, is looking to establish itself as a force in the Polish market following the global merger in May 2010. Prior to the merger, however, Lovells H Seisler won praise from several peers in the market.

Its highlight of the year was the syndicated financing of Multimedia Polska, which was one of the largest in 2010 valued at Z1400 million (€98 million). Piotr Zawislak led a banking team in advising Bank Polska, WestLB, London Branch and Bank Millennium in the multi-million euro deal.

"I have met them a few times and I think they have something about them," says a peer. "They've had their moments. They've got a good banking team."

Leading lawyers

Rafal Grochowski
Piotr Zawislak

Linklaters C Wisniewski i Wspólnicy

Leading individual Jaroslaw Miller was given a resounding appraisal from his peers and clients having enjoyed another strong year in the banking sector. "Miller runs a very, very good practice. Maybe the best of the second tier," says one competitor.

Linklaters is advising Spanish giant Banco Santander on a joint venture with AIG relating to the combination of their consumer finances. Due to AIG's financial situation, which has deteriorated over the past 24 months, the deal was quite complex with the reorganisation that the firm needed to undertake before the deal could go ahead. The firm had to negotiate a share swap with its Polish Bank, AIG Bank Polska, to Santander's Polish bank, Santander Consumer Bank to formulate a newly issued share of 30%. Pending an emergency loan from the US Federal Reserve the deal is expected to be completed in the Autumn 2010.

One client says: "We use Linklaters and can really recommend Miller as a great lawyer to work with."

In another stand-out deal for the firm, Cezary Wisniewski and Jaroslaw Miller advised HSBC Bank Polska on its Z1700 million (€174 million) sale of consumer loans and credit cards to Alior Bank. The deal required a detailed restructuring process for the transaction to be closed within the time frame.

Leading lawyers

Jaroslaw Miller

Norton Rose Piotr Strawa and Partners

Norton Rose Piotr Strawa and Partners continued to hold its own in banking after another strong year, in a practice area that the firm has focused much of its energy.

The London-based firm advised a small consortium of banks in connection with the loan facility for Hoop Polska worth Z1114 million (€28 million). The consortium, which included Bank Zachodni, Kredyt Bank and Bank Polska, was advised by leading partner Grzegorz Dyczkowski.

"They were really good quality and great value for money," said one client. "In terms of their they were good and I liked them."

In another finance deal partner Grzegorz Dyczkowski advised international banks BNP Paribas, Société Générale and RBS Bank (Polska) in relation to a \$160 million secured facilities agreement to finance fuel reserves for J&S Energy.

White & Case W Danilowicz W Jurcewicz i Wspólnicy

White & Case W Danilowicz W Jurcewicz i Wspólnicy has again closed a range of deals involving banking, regulatory and debt restructuring under the leadership of leading lawyer Lech Gilicinski.

The firm advised Commerzbank on the restructuring of its banking business in Poland and the transfer of banking activities to its Polish branch BRE Bank. This followed the takeover of Dresdner Bank, who was the main shareholder of BRE Bank, by Commerzbank.

White & Case was also active on the regulatory side, demonstrating the firm's versatility. Piotr Galuszynski advised EFG Eurobank Ergasias on its transformation from the Polish branch of EFG into the Polish Bank. The deal was notable as the firm had to deal with the relevant change in the Polish Banking Law with the Polish Financial Supervision Commission.

Leading lawyers

Jacek Czabanski
Piotr Galuszynski
Lech Gilicinski

Other ranked firms

Baker & McKenzie Gruszczyński i Wspólnicy had a strong year on the banking side, making good use of its international lender connections.

Shortly before Christmas 2009 the firm advised BRE Bank on the financing of the development of a pellet factory, an energy product made of the organic leftovers used in power and heat plants. The deal, which was

completed at the height of the financial crisis, was worth Z120 million (€4.9 million).

The firm also advised Goldman Sachs and Fargo Bank in connection with the restructuring of GST/ITG. The deal, which needed approval from the US courts after group members filed for protection from creditors under US law, was valued at \$80 million.

Clients note that **Dewey & LeBoeuf Grzesiak's** banking practice does not have the same reputation as its well-regarded capital markets practice, and peers agree. "I don't think they really have a presence now in banking," says a peer.

But that's not to say the firm wasn't active this year. One highlight saw Dewey & LeBoeuf Grzesiak advise insurer PZU on the financing and structuring to fund the payment of an extraordinary dividend. The financing, completed in late 2009, included a number of securities backed by the National Bank of Poland.

The banking team at **Salans** can be happy with its work over the past year with a series of restructuring deals with the Polish national banks. Led by Wojciech Zielinski and Michal Mezykowski, the firm advised Powszechna Kasa Oszczednosci Bank Polski and the state-owned Bank Gospodarstwa Krajowego on the restructuring of a Z1300 million (€74 million) credit facility.

The firm also advised a syndicate of banks and lenders on the financing of a listed company, Intercars. The group of lenders included, Bank Slaski, BRE Bank, Polska Kasa Opieki, ABN Amro and Citibank Handlowy w Warszawie, who raised Z1500 million in the deal.

Wardynski & Partners had a steady year on the market keeping busy with a host of restructuring and refinance deals.

The firm advised Kredyt Bank and a consortium of six other Polish banks on the restructuring of PKM Duda through a syndicated secured credit facility. The process involved the partial refinancing of debt arising from ten credit agreements. The currency transactions were provided by the six different banks.

The firm is supporting Credit Suisse regarding its entrance into the Polish market with banking and investment services, in a deal led by Ewa Butkiewicz.

Weil Gotshal & Manges' banking department does not have the same impact as its strong M&A practice, with peers noting that the firm hasn't developed its finance side to the same extent as other firms.

That's not to say it is inactive however, as a tier three position testifies to. Weil Gotshal's forte is advising on the borrower side owing to its corporate focus; one highlight saw the team advise Feroco, a Polish railway and con-

struction company, in connection with the restructuring of its outstanding currency options worth an estimated Z146 million (€34.9 million). This debt consisted of a voluntary debt-to-equity swap of its liabilities of Z100 million with BRE Bank. This was the first time such an instrument was used in Poland as a solution to the problem of currency options.

The firm is perhaps better known for its restructuring capability which it demonstrated last year advising Poland's national airline PLL LOT on the €100 million restructuring of its obligations with four banks arising from International Swaps and Derivatives Association agreements.

Gide Loyrette Nouel has a "good solid practice" according to one competitor, and has had a book of business to back up the statement. The firm was counsel to Abris Capital Partners on the financing to purchase shares in WestLB Bank Polska from WestLB.

Mergers and acquisitions

Recommended firms

Tier 1

Dewey & LeBoeuf Grzesiak
Weil Gotshal & Manges

Tier 2

Allen & Overy A Pedzich
Baker & McKenzie Gruszczynski i Wspólnicy
Clifford Chance Janicka Namiotkiewicz
Debowski i Wspólnicy
Linklaters C Wisniewski i Wspólnicy
Soltysinski Kawecki & Szlezak
White & Case W Danilowicz W Jurcewicz i Wspólnicy

Tier 3

Chadbourne & Parke Radzikowski Szubielska i Wspólnicy
CMS Cameron McKenna Dariusz Greszta Spółka Komandytowa
Domanski Zakrzewski Palinka
Hogan Lovells
Salans

Tier 4

Gessel
Gide Loyrette Nouel
Norton Rose Piotr Strawa and Partners
Wierzbowski Eversheds

The past year has represented a dry time for M&A in Poland as banks were reluctant to lend at the levels they did in 2008. "I think the banks wanted to safeguard for the future," says one partner. "Poland is a network based economy, so if Europe slows down Poland slows down."

Although there is a feeling that the M&A market is making a return, many lawyers are still not counting their chickens just yet that the country is over the worst. "At the end of 2009 people thought the crisis was coming to an end but this simply wasn't true," says one partner. "People were looking for new purchases at the end of the year, but all these initiatives were stopped in early 2010".

At the time, several private-equity firms were looking to complete transactions but there was a feeling that prices would continue to drop, so the firms waited. "They were just waiting for a better price," says one partner. "The private-equity firms thought that the price would just go down and down but it wasn't the case."

There is now evidence, however, of the market beginning to pick up again. Although the majority of law firms reported that they had not had successful years in the practice area, some of the London and New York law firms lent on their networks and had ultimately successful a year, even compared to the days of 2006/7. "One person's crisis is another person's opportunity," says one international lawyer. "Private-equity firms have been gathering cash for years now and they are due a big spend."

High liquidity is not the only aspect of Polish M&A that lawyers are excited about. The Polish government is privatising many of its assets in an attempt to recoup the budget deficit that the financial crisis left. "The national debt cannot rise above 65% against the GDP and the government is privatising some of its main assets," says one partner. "To give you a comparison of a country in turmoil, Greece has a debt of 135% against its GDP."

Furthermore, the pharmaceutical, food and energy markets are in strong positions at the moment. "People need to stay healthy, need to eat and need energy," says one partner. "These sectors are the strongest in M&A."

Dewey & LeBoeuf Grzesiak

Dewey & LeBoeuf Grzesiak has widely acclaimed to be one of the market leaders in Polish M&A. "We aim to be as good as them. They are an extremely good law firm," says one peer. This last year has been no different under the guidance of head of department, Lejb Fogelman.

The firm represented AIG Bank Polska on a joint venture with Santander Consumer Bank. This allowed AIG to securitise its own Polish subsidiary bank as well as allow Santander an entry point into a much sought after market. AIG was able to retain 30% of the equity in a year where it had been selling

off its non-core global assets. The total value of the deal was worth over \$800 million and closed in July 2009.

"We thought they had a good approach and good knowledge," says one client. "They turned a reorganising deal into a regular acquisition. This requires a big amount of experience."

In another acquisition, the firm represented BNP Paribas on its acquisitions of the Polish banking and financial assets of Fortis Group. The deal included a deal to acquire the controlling stake in Fortis Bank Polska and Dominet Bank.

Leading lawyers

Lejb Fogelman
Jaroslaw Grzesiak

Weil Gotshal & Manges

Weil Gotshal & Manges is another firm to have benefited from its international network, and the top-tier firm has had a productive year in the M&A market. The firm advised Samsung Electronics on its acquisition of Amica Wronki, a refrigerator and washing machine production plant in Wronki, Poland. The deal, valued at Z1204 million (€50.2 million), was Samsung's first production plant in Poland and closed in March 2010.

One client says: "I thought they were proficient and proactive. They really paid attention to detail."

Pawel Zdort and Piotr Tomaszewski led a team in advising Spanish construction firm Dragados, on the 66% acquisition of Pol Aqua in what was the largest M&A construction deal in Poland of 2009. The value was totalled as Z1487 million with Allen & Overy A Pedzich representing the seller.

The firm's private-equity background led Rafal Zwierz to advise CCMP Capital Advisors and Bancroft Private Equity on the Polish aspects of the \$356 million sale of Czech company Nowaco and Poland's largest food distributor Farutex. The deal was one of the largest M&A transactions in the retail and distribution sector in Poland during 2009.

Leading lawyers

Pawel Rymarz
Piotr Tomaszewski

Allen & Overy A Pedzich

Allen & Overy A Pedzich moves up the rankings this year after its strong deal flow gave it an increased presence and recognition in the Polish market. "They are very visible on the market," says one partner. "For sure they are doing much better than before."

One example saw the team advise Bank BPH on its integration with GE Money Bank which will create one of the largest universal banks in Poland. The team also advised the Royal & Sun Alliance Insurance Group on its acquisition of 100% of shares in Poland's leading motor insurance company Link4 Towarzystwo Ubezpieczen.

In the pharmaceutical and food sectors, the firm advised Adamed Pharma on the acquisition of Pabianickie Zaklady Farmaceutyczne Polfa and British Sugar.

Other international deals saw the firm advise Deutsche Bank and Lambourn on the acquisition of crude oil from PKN Orlen in a deal worth \$280 million. The firm also represented WPP on its sale of shares and shareholder agreements with Testardo Gram to Grey Worldwide Warszawa and Agronauds.

Leading lawyers

Jaroslav Iwanicki
Jacek Michalski

Baker & McKenzie Gruszczynski i Wspólnicy

Baker & McKenzie Gruszczynski i Wspólnicy had a solid year with a string of deals as the firm looked to its international network to consolidate its position in the market under heads of department Marcin Gmaj and Tomasz Krzyzowski.

Its golden deal last year was advising Polish mobile operator, Polkomtel on the 100% acquisition of telecommunications provider Nordisk Polska. The total valuation of the deal was Z170 million (€17.3 million).

In another notable deal the team advised the Bidvest Group, a global food corporation, on the 100% acquisition of Farutex, a frozen food distributor. The deal was the first to be completed post-crisis and valued at €22 million.

Leading lawyers

Marcin Gmaj
Tomasz Krzyzowski

Clifford Chance Janicka Namiotkiewicz Debowski i Wspólnicy

Clifford Chance Janicka Namiotkiewicz Debowski i Wspólnicy had a steady year in M&A with a succession of deals that kept it as a strong tier two law firm. The firm buoyed its team with the additions of Agnieszka Wojtasiewicz and Anna Lagocka who will focus on M&A transactions involved in the real-estate sector.

The firm also sustained a couple of losses as well with Piotr Dulewicz and Michal Karwacki moving on to Salans in mid-2010.

In May 2010 Marcin Bartnicki (M&A and antitrust) and Anna Halas-Jastrun, head of Employment practice have been promoted to counsel. Given Clifford Chance's market-leading position in the UK private-equity market, it's no surprise that the Poland office has a strong deal flow this year. Led by head of department and leading partner in M&A Agnieszka Janicka, a team advised Abris-EMP Capital Partners regarding the Z1700 million (€173 million) acquisition of the shares in Prime Car Management and Futura Leasing, which operates under the joint name of Masterlease.

In another stand-out deal, the firm advised Warburg Pincus on its 25% acquisition of AmRest, the restaurant chain operator for Z1307 million. The stake may be increase to 33% at a later date when the transaction is cleared by US competition clearance.

Aside from private-equity the firm advised TVN on its 49% acquisition of ITI Neovision in a deal valued at €188 million.

One peer says: "They definitely have a strong local practice. One of the strongest in the market."

Leading lawyers

Agnieszka Janicka

Linklaters C Wisniewski i Wspólnicy

Linklaters C Wisniewski i Wspólnicy had a positive year on the M&A side with the international brand receiving a number of notable mandates.

The firm's stand out deal last year saw it advise Mid Europa Partners on the 100% acquisition of Promedis, a leading Polish private health care provider. The deal signified the intent of the private equity firm to make a significant stake in the Polish healthcare sector with this being the fourth acquisition in recent times.

"They've been pretty active," says one competitor. "They get a lot of deals from London and it has a great brand."

The firm also advised Aster, a Mid Europa Partners portfolio company, on a proposed acquisition for the controlling stake of a nationwide internet access and cable-TV company listed on the Warsaw Stock Exchange. The details involve a public tender offer for a controlling block of shares, potentially qualifying as a public to private transaction with a subsequent delisting at a later stage. The deal is resting on the clearance of the Polish competition authority.

In a pending deal with corporate giant BP, the firm is advising the oil company on a multijurisdictional merger of certain downstream businesses of BP involving Polish, German, Belgian, Dutch and Austrian operations.

Leading lawyers

Jolanta Tropaczynska

White & Case W Danilowicz W Jurcewicz i Wspólnicy

The M&A team of White & Case W Danilowicz W Jurcewicz i Wspólnicy had a number of deals led by its impressive head of department Witold Danilowicz, who won a lot of praise "Witold is a great lawyer. He is a really good asset there," says one partner.

One client says: "I really enjoyed working with them a lot. They showed great theoretical knowledge and deliver good legal advice."

One of the firm's core deals was the acquisition of HTL-Strefa by the advised private-equity client EQT V. The transaction, valued at Z1860 million (€212 million), was the largest public-to-private deal executed by a private-equity fund in the history of the Warsaw Stock Exchange (WSE).

In another deal, the firm advised Novator regarding the sale of 30% of its holding in the Warsaw Stock Exchange (WSE) listed telecommunications company Netia.

Leading lawyers

Witold Danilowicz
Witold Jurcewicz

Other ranked firms

Chadbourne & Parke Radzikowski Szubielska i Wspólnicy has achieved a number of solid deals over the past year focusing its efforts onto the stronger sectors of the market.

The firm advised Polpharma on its acquisition of Bioton, which involved the transfer of assets and rights related to the manufacture and trading of antibiotics in Poland and abroad. The total value of the deal, completed in March 2010, was €20 million.

In the media sector, the firm advised TVN in its acquisition of the remaining 49% stake in ITI Neovision, the Poland-based owner and operator of the digital platform N. The deal, completed in December, was valued at €188 million.

CMS Cameron McKenna Dariusz Greszta Spółka Komandytowa can be pleased with its efforts over the past 12 months having received a number of appraisals from the market. One partner says: "I've seen CMS on a lot of deals. They tend to get a lot of work given to them from London." One client

adds: "They are really good value for money. They are one of the cheapest law firms we use."

Dariusz Greszta led the firm on its stand-out deal by advising Kulczyk Investments on the sale of a minority interest in Kompania Piwowarska, one of the largest brewing businesses in Poland. The same team also represented PCC, a German chemical, energy and logistic company on the acquisition of its railway transportation arm, PCC Logistics to Deutsche Bahn.

Leading lawyers: Dariusz Greszta

The M&A team at **Domanski Zakrzewski Palinka** was buoyed by the promotion to partner of Tomasz Darowski in January 2010. DZP's highlight deal this year was the merger between Noble Bank and Getin Bank, with the firm, led by Andrzej Foltyn Magdalena Skowronska, advising the former. Closed in January 2010, the deal was valued at €409 million.

Following the merger, **Hogan Lovells**, has boosted its manpower in the M&A department by hiring four new associates in anticipation of the new levels of work it is expecting to receive. One client says: "M&A is a very specialised area in Poland. You need to have good lawyers or otherwise you're nowhere. At Hogan Lovells they have good lawyers with Marek Wroniak in particular."

A highlight this year saw the firm advise Mitsubishi Electric Europe on the acquisition of two Polish companies, MPL Technology and MPL Tech Group.

Salans' new recruit from Clifford Chance, Piotr Dulewicz, comes as the firm looks to build on its recent successful deals in the M&A market.

The firm this year advised Whitbread in its acquisition of Coffeeheaven International, a coffee shop chain in Poland and various countries in central and eastern Europe. The cross-border deal involved several key players including Deutsche Bank and the Polish Competition Authority in a deal valued at Zł150 million (€36.9 million).

In a deal on the infrastructure side, the firm advised Tiltra Group, an international roads and bridges construction group, on a majority stake in Poldim, which was highlighted as an important deal due to the complex transaction structure.

Gide Loyrette Nouel moves down a tier for 2011 as the market perceived the firm to not looking to expand and develop its practice, instead relying too much on referrals from its Paris base.

That base however did provide some solid work this year. The team advised Unibail-Rodamco a French-Dutch investment company based in Paris, on its acquisition of Simon Ivanhoé, the European branch of the Simon

Property Group and Ivanhoé Cambridge. The transaction, valued at €715 million, will develop the brand in Poland and expand its portfolio into Eastern Europe.

Norton Rose Piotr Strawa and Partners had a quiet year to its high standards with one deal of real note. The firm advised Lear Corporation the merger of its two Polish subsidiaries in a deal valued at Zł34 million (€8.7 million) which closed in September 2009.

Other notable firms

Squire Sanders Swiecicki Krzesniak had some good deals with the firm advising ICN Polfa Rzeszów in the acquisition of the Polish dermatology company Emo-Farm in May 2009. Following this, the firm also advised BWI on the acquisition of the suspension business, Delphi Corporation in November 2009.

Project finance

Recommended firms

Tier 1

Allen & Overy A Pedzich
CMS Cameron McKenna Dariusz Greszta
Spółka Komandytowa

Tier 2

Clifford Chance Janicka Namiotkiewicz
Debowski i Wspólnicy
Wardynski & Partners
Weil Gotshal & Manges

Tier 3

Baker & McKenzie Gruszczynski i Wspólnicy
Chadbourne & Parke Radzikowski Szubielska
i Wspólnicy
Dewey & LeBoeuf Grzesiak
Linklaters C Wisniewski i Wspólnicy
White & Case W Danilowicz W Jurcewicz i
Wspólnicy

Tier 4

Gide Loyrette Nouel
Gleiss Lutz
Hogan Lovells
K&L Gates Jamka
Noerr
Norton Rose Piotr Strawa and Partners
Salans
Soltysinski Kawecki & Szlezak

Project finance in Poland has continued through the financial turmoil of eastern Europe despite many other practice areas falling off the radar. "I think project finance was the least affected in all of the practice areas," says one partner.

Although the UEFA European Football (Soccer) Championship 2012 (Euro 2012)

has brought infrastructure work to the country in the form of roads, hotels and bars, the real source of work has come from the renewable energy sector. "The energy sector continued to develop over the year," says one partner. "All the analysis says that we are going to have an energy deficit, so the sector is being developed".

The Polish government has set out its intentions to develop the renewable energy over coming decades by stating its energy output will be 50% by the middle of this century from renewable sources. It now has 20%. "Because the sector is tied in with statutory regulation it is seen less risky for investors to put money into," says one partner. "Also because the lengths of such projects are quite long, the projects are less likely to collapse".

Those firms involved in Euro 2012 have been focused on transport, water supplies and new stadiums. "You can't build your portfolio just on energy," says one partner. "A lot of project finance deals in the last year were somehow related to Euro 2012."

These projects included a series of motorways and fast roads, including the A2 motorway, that were put in place to ease the traffic of football fans travelling between the host cities during the tournament.

Allen & Overy A Pedzich

The UK firm has been heavily involved with the preparations of Euro 2012 in terms of the infrastructure that the country is undergoing for the football (soccer) tournament.

Known for its strong banking practice, Allen & Overy A Pedzich advised 11 commercial banks on the financing of the A2 motorway in Poland in a project that is expected to be €1.56 billion in value. Co-financed by the European Investment Bank (EIB), the new Swiecko-Nowy Tomysl part of the motorway stretches over 100km and is planned to be ready for the Championship in 2012.

On the energy side, Tomasz Kawczynski and Arkadiusz Pedzich were involved on the deal with Millennium BCP and the European Bank for Reconstruction and Development (EBRD) on the financing of a 50MW Tychowo wind farm project.

"We frequently use A&O precisely because they provide a high quality of service and offer great advice," one client says. "I have known Tomasz [Kawczynski] for many years and he is a pleasant and reliable lawyer and considering he is a partner, with a lot on his plate already, he is very easy to contact."

Leading lawyers

Tomasz Kawczynski
Arkadiusz Pedzich

CMS Cameron McKenna Dariusz Greszta Spółka Komandytowa

CMS Cameron McKenna Dariusz Greszta Spółka Komandytowa continued to be one of the market leaders in project finance after the market agreed that its banking and project finance deals were a cut above the rest. "They have one of the best energy and infrastructure teams in the country," says one partner.

Head of department, Andrew Kozłowski is continuing to advise Zakłady Azotowe Kędzierzyn on the €1.4 billion financing of a new energy based unit based on Carbon Capture and Storage (CCS) technology. The firm is also advising Raiffeisen Bank regarding the construction of a bio-fuel manufacturing plant and the European Investment Bank's (EIB) accession to the financing.

Leading lawyers

Andrzej Blach
Andrew Kozłowski

Clifford Chance Janicka Namiotkiewicz Debowski i Wspólnicy

Similar to its UK hub in London, Clifford Chance Janicka Namiotkiewicz Debowski i Wspólnicy's project finance team has been involved in the big deals this last year both in transport and infrastructure.

Led by Grzegorz Namiotkiewicz, the firm advised the European Investment Bank (EIB) in the bidding process for the public-private-partnership (PPP) concession of a section of the A1 motorway from Stryków to Pyrzowice.

The firm has also been dealing frequently with the EIB on a series of other mandates over the past year. On one deal, the firm advised the bank on a €1.6 billion financing of the construction of the Nowy-Tomyśl-Swiecko section of the A2 motorway.

On the infrastructure side the firm advised GTL on the extension of the Polish international airport in a deal valued at Zł700 million (175 million).

Leading lawyers

Jan Zdzienicki

Wardynski & Partners

Wardynski & Partners slips down to tier two this year after the market noted that A&O and CMS Cameron McKenna had moved ahead of the Polish firm. But as the only local Polish firm in the top two tiers, the firm remains a strong choice for Polish companies and referrals from international firms without a presence in Poland.

One client says of the firm: "They did what they had to do. They gave a proper execution of the service."

In one highlight deal, the firm advised PKP PLK, the Polish railway operator, regarding the financing of rail infrastructure. This was funded through a tailored profit participating loan structure and related advice on security interests.

The firm is also advising Daewoo Engineering on the preliminary phase of the structuring and financing of a LNG (liquefied natural gas) terminal project in a deal led by Lukasz Szegda and Mirella Lechna.

Weil Gotshal & Manges

Weil Gotshal and Manges has been active over the past year, with a particular focus on energy deals.

The firm is providing legal advice to PGE Elektrownia Belchatów on the financing of a new electricity generating plant in a deal valued at €879 million. This is the largest energy financial transaction in the central and eastern Europe) region.

Artur Zawadowski, Zofia Frydrychowicz and Monika Kierepa also advised ENEA on the financing of the new Koźienice power plant. The firm has been advising on the matter since March 2009 and the completed deal is valued at approximately €1 billion.

Clients however were lukewarm about the firm, with one noting that the team needed to improve its ability to think outside the box.

Other ranked firms

Last year **Baker & McKenzie Gruszczyński i Wspólnicy** advised a syndicate of banks, including Raiffeisen Bank and PKO, on the financing of a 34MW wind farm in Łukaszów. The deal, valued at Zł246 million (€60.4 million) was one of the most significant renewable energy projects in the country in terms of energy productivity rates against the amount of external financing.

In another example of the firm's experience with energy deals, the team is advising a syndicate of banks including Bank Polska for the Zł180 million for another wind farm project. The deal is being led by Ireneusz Stolarski and Tomasz Kaczmarek and is one of the largest renewable energy projects in the country sponsored by Polish Energy.

Leading Polish lawyer, Jarosław Miller led the **Linklaters C Wisniewski i Wspólnicy** project finance team in advising Bank Pekao and PKO on the financing of the LNG (liquefied natural gas) terminal in Swinoujście, Poland. The Zł2.5 billion (€1.8 billion) deal is the largest project finance deal of 2010.

Hogan Lovells advised Bank Polska Kasa Opieki on the financing of one of four purpose-built stadiums for the FIFA European Football Championships 2012 in Gdansk. The deal, led by Piotr Zawisłak and Rafał Grochowski, was worth Zł380 million (€93 million).

The firm is also involved with the financing of a public transportation project in Gdansk, advising Bank Polska Kasa Opieki on the Zł200 million transaction.

Norton Rose Piotr Strawa and Partners has been involved in a series of energy projects over the past year, with head of department Grzegorz Dyczkowski at the forefront. In one deal the firm is advising the sponsors of the Darłowo project, Invenergy, which consists of wind farms with a total capacity of 250MW.

In another energy deal the firm is advising the lenders on a wind farm project in Kukinia with a total capacity of 46MW.

Other notable firms

Squire Sanders Swiecicki Krzesniak made one significant deal last year when it represented Autostrada Wielkopolska on the financing of Section II of the A2 toll motorway. The deal involved several different parts with the finance contract of €1 billion from the European Investment Bank (EIB), €400 million commercial and €33.7 VAT tranches provided by 13 commercial banks.