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Capital markets - equity

Recommended firms

Tier 1

Cleary Gottlieb Steen & Hamilton
Linklaters
Skadden Arps Slate Meagher & Flom

Tier 2

Allen & Overy
Clifford Chance
Freshfields Bruckhaus Deringer
Latham & Watkins

Tier 3

Debevoise & Plimpton
Herbert Smith
White & Case

Tier 4

Akin Gump Strauss Hauer & Feld
Andrey Gorodissky & Partners
Baker & McKenzie
Dewey & LeBoeuf
Hogan Lovells
Liniya Prava

Capital markets - debt

Recommended firms

Tier 1

Cleary Gottlieb Steen & Hamilton
Linklaters

Tier 2

Allen & Overy
Clifford Chance
Skadden Arps Slate Meagher & Flom
White & Case

Tier 3

Baker & McKenzie
Freshfields Bruckhaus Deringer
Hogan Lovells
Latham & Watkins

Tier 4

Debevoise & Plimpton
Liniya Prava

Like the rest of Europe, capital markets in Russia were non-existent in 2009. Unlike the rest of Europe, equity has been the first to pick up. Retailer Magnit's \$525 million follow-on public offering in October 2009 marked the reopening of the market, and contrary to commentators' predictions, IPOs soon followed. The first was Exillon Energy's December listing on the LSE, with the biggest being Rusal's \$2.24 billion float in Hong Kong. The aluminium producer's IPO marked the final chapter of its rescue, and has sparked debate as to whether issuers jaded by London will start looking east.

Some commentators say this market's liquidity coupled with its proximity to China makes it an emerging market for listings. But others say the intense listing process and intrusive regulator makes it a strange choice. "Honest to God, I don't know why anyone would rather go there than London", says one leading lawyer. "It's so much easier to raise capital in London."

Despite the optimism and lawyers promising a pipeline full of IPOs, the market is still

choppy with a number of IPOs, including Uralchem's, recently being aborted. Recent amendments have also caused uncertainty. The regulator tried to improve the market's liquidity at the start of the year by further limiting the marketing of Russian shares overseas. However its efforts have proved fruitless with most issuers sidestepping the new law by creating offshore holding companies listed outside of Russia. Its attempt to introduce depositary receipts also falls short of expectations. Pre-emptive rights attached to the securities cannot be exercised because the Russian scheme is not compatible with other jurisdictions.

Debt work was dominated by liability management exercises, with buybacks and exchange offers. The domestic market improved slightly, and more convertible and equity linked products appeared, but most issues were under existing programs. There is still a lot of mistrust in the market, with one lawyer saying: "Only blue chips with very established histories were doing anything."

Eurobonds have proved more exciting, with one lawyer suggesting the market is now busier than pre-crisis levels. Issues have taken the form of loan participation notes, with the most significant being VTB Bank's \$1.25 billion issue in March 2010, and Russian Railways' \$1.5 billion debut offering a month later. This has sparked the Russian Finance Ministry to make its first Eurobond issue since 1998, not because it needs the funds, but to set a benchmark for corporate borrowers.

Securitisation work is still almost nonexistent, but AHML and VTB24 both completed mortgage-backed security deals earlier this year.

Cleary Gottlieb Steen & Hamilton

Cleary Gottlieb Steen & Hamilton is the go-to firm for issuers. Its capital markets practice is its strongest and regularly attracts the best

mandates from companies looking to raise funds.

Especially in equity. Last year it represented the issuer in the year's prize mandate - Rusal's IPO. The capital markets team's work for the \$2.24 billion listing followed the banking team's restructure of \$16.8 billion of the client's debt, completing the year's biggest corporate rescue. The January 2010 transaction was also significant in its record-length prospectus, trumped only by Prudential's rights issue later this year, and it being the first non-Asian company to have its primary listing in Hong Kong.

Its second biggest mandate, which would have been the highlight for any other firm, was acting for Magnit in the year's biggest rights issue. The firm's London and Moscow offices worked on the \$525 million combined placement of the food retailer's shares on Russia's two exchanges and London-listed GDRs. The offering was complicated by tensions between foreign and Russian law over disclosure requirements and the exercise of pre-emptive rights.

Other equity mandates saw the firm advise Rosinter Restaurants on a \$25 million secondary public offering and act for Alfa Bank, Credit Suisse and Renaissance Capital in connection with Rusagro Group's listings on Russian exchanges.

Some commentators say the firm's debt work is more a spinoff from its equity practice, and perhaps it has less of an edge in this area, but it has acted for issuers in some notable international offerings. For instance in February 2010 it represented International Industrial Bank on its \$200 million eurobond issue, and last December the firm represented telecoms company Megafon on its \$1.5 billion London-listed programme for loan participation notes. Also last year leading lawyer Daniel Braverman counselled Renaissance Capital on its \$1 billion MTN programme listed on the Irish Stock Exchange.

The firm has a strong leadership circle comprised of Braverman, Murat Akuyev, Scott Senecal, and a number of partners that switch between the Russian and London office. David Gottlieb transferred to Moscow from the New York office in October 2009, boosting its numbers on the ground.

Leading lawyers

Murat Akuyev
Daniel Braverman

Linklaters

One of only two firms topping both debt and equity tables, the market gossip is that Linklaters is close to being number one. One rival says "clearly they are the leaders", an

investment banking client says it is the top firm for underwriters work, and another rates Dmitry Dobatkin as one of the country's best for Russian law issues, explaining: "He has an extremely deep understanding of the legal issues and how transactions have to work".

Structured finance specialist Andrei Murygin also came in for praise, with a client giving this feedback on one of his transactions: "Him and his team has extensive experience in mortgage-backed security (MBS) transactions, and they have a responsible and client-oriented approach". Young partner Peter Allen was also described by a peer as "a very strong person" who "comes across very competent and strategic, but is also approachable".

Not surprisingly Linklaters represented the underwriters in the year's biggest deal, Rusal's offering. The Moscow office worked with colleagues in Hong Kong and New York to assist BNP Paribas Capital (Asia Pacific) and Credit Suisse (Hong Kong) as joint sponsors plus the other underwriters on the \$2.24 billion landmark listing. Other equity work included the \$965 million combined equity and convertible bond issue by Evraz Group, a similar offering worth \$390 million by Alliance Oil, and advising the joint lead managers on TMK's \$412 million bonds issue which gives the holders the right to convert into global depositary receipts.

On the debt side leading lawyer Andrew Burge advised JPMorgan Securities, VTB Capital and Barclays Bank as lead managers in RZD Capital's \$1.5 billion loan participation notes offering, the funds for which will be invested into Russian Railways' activities. This was the issuer's debut bond offering and the notes are listed on the Irish Stock Exchange.

Despite securitisation work being hard to come by, resident MBS specialist Murygin closed two deals recently. In one he advised AHML on MBS bonds in the context of the government's bailout package, and the other saw him act for VTB Capital as note-holder and joint lead arranger on the restructuring of ETB Mortgage Finance 1's R2.7 billion (€68 million) MBSs due 2040.

Leading lawyers

Andrew Burge
Dmitry Dobatkin

Skadden Arps Slate Meagher & Flom

Skadden Arps Slate Meagher & Flom is seen predominately in equity transactions nowadays, and invariably on the underwriters side. This role is something the firm does well with leading lawyer Alexey Kiyashko being described by an international client as one of

the best advisors on Russian law. Kiyashko was also praised by an investment banking client for his pragmatism and commerciality: "He gives quick discussions of complicated issues, he's efficient ... he doesn't waste your time and effort".

Like the market's other US firms, Skadden Arps Slate Meagher & Flom regularly collaborates with its New York and London offices, including in its two headline equity deals. In July 2009 the three offices advised Evraz Group on a \$965 million mixed offering of convertible bonds and GDRs, and last September it worked with London colleagues on gas exploration company Zhaikmunai's \$300 million offering of GDRs on the LSE. In this last deal the firm acted for the underwriters including ING Bank and Renaissance Securities (Cyprus).

Two rivals suggest the firm is the best in tier two of the debt table. This is backed up by leading lawyers Kiyashko and Pranav Trivedi representing UBS as dealer manager on Vimpel-Communications' tender offer for two tranches of loan participation notes, one worth up to \$320 million and the other \$1 billion.

Another example is advice to Evraz Group on its consent solicitation to amend \$1.3 billion of notes due in 2013 and \$750 million of guaranteed notes due 2015.

Leading lawyers

Alexey Kiyashko
Dmitri Kovalenko
Pranav Trivedi

Allen & Overy

Allen & Overy secures its tier two rankings again this year but competitors say the firm is dropping off the radar a little, especially in equity capital markets. The firm is not oblivious to this and has made a concerted effort to boost this side of its practice, most recently with the promotion of James Roe to partner.

Allen & Overy's debt work is still ticking along with some happy and loyal clients, plus Konstantin Kroll who is described by an international client as the best securitisation lawyer in Russia. Client feedback is satisfactory however one says the firm's cautious approach can make it hard to identify the advice among the risk analysis.

Key partner Varun Gupta led the firm's most notable equity deal last year, advising Renaissance Capital and VTB Capital as joint bookrunners on Bank Saint Petersburg's \$200 million private placement of preferred shares on Russia's two stock markets.

Kroll and Roe advised on one of the Eurobond issues to mark the reopening of the market for Russia. The pair acted for Barclays

Bank, Deutsche Bank and JPMorgan as arrangers plus Citibank and RBS as dealers of the \$7 billion programme of loan participation notes (LPN) by RSHB Capital. They advised the clients on the latest \$1 billion offering under the programme with the notes being due in 2014.

In the domestic market Allen & Overy represented Gazprombank on a \$600 million financing of Gazprom by way of credit-linked notes, and National Bank Trust on its R1.6 billion (€40 million) and R2 billion LPNs under an MTN programme. It subsequently redenominated the notes using a unique derivatives arrangement.

Leading lawyers

Varun Gupta
Irina Mashlenko

Clifford Chance

Clifford Chance sits solidly in tier two after a successful year across the spectrum of capital markets. There are whispers that its debt practice may soon rival those of the leading firms, helped along by leading lawyer Arthur Iliev focussing more on this area.

Its work portfolio certainly gives the same impression. Clifford Chance has shown its diversity by acting for borrowers, issuers and deal managers over the past 12 months. One of its loan participation notes (LPN) mandates was by Russian Agricultural Bank as borrower in RSHB Capital's latest issue under its \$7 billion LPN programme. It also acted for borrower Tatfondbank on an exchange offer regarding \$200 million of LPNs. When the deal closed in February 2010, \$115 million worth had been swapped for \$225 million of notes. Partner Tamer Amara worked on both deals with colleagues in Clifford Chance's London office.

Elsewhere the firm acted for Credit Suisse as deal manager on an LPN exchange offer by AK Bars Luxembourg worth \$280 million, and Citigroup Global Markets on a similar deal valued at \$101 million. A significant structured finance mandate saw Iliev act for VTB24 on its debut R14 billion (€354 million) securitisation of its residential mortgage portfolio.

One competitor suggests that its equity practice slipped while the firm, and Iliev in particular, turned their attention to debt and securitisation work. But clients are happy with Allen & Overy, describing the equity team as dedicated, responsible and receptive. Plus, it has closed two public offerings in a difficult market.

The first saw Iliev and counsel Vladimir Zotov lead advice to Alliance Oil Company on its issue of 10 million Swedish depository

receipts, worth up to \$125 million. Three months later the firm collaborated with its London office in advice to underwriters Morgan Stanley and VTB Capital on the follow-on offering of shares and global depository receipts (GDRs) by retailer Magnit. The \$525 million transaction ended with the GDRs being listed on the LSE.

Leading lawyers

Arthur Iliev

Freshfields Bruckhaus Deringer

Freshfields Bruckhaus Deringer has picked up some significant mandates notwithstanding the slow market. On the equity side it closed 2009 by advising Globaltrans Investment on its \$175 million secondary offering of global depository receipts (GDRs). Also in Q4 leading lawyer Mikhail Loktionov assisted JPMorgan on Magnit's combined \$525 million issue of shares on Russia's two stock markets and secondary offering of GDRs listed on the LSE. The firm has first-hand experience of the market's pipeline of IPOs, advising a gold business and an industrial company on their proposed listings.

Perhaps its most notable mandate was from Russian Railways on its \$1.5 billion debut Eurobond issue in April 2010. Loktionov led the deal which saw the securities listed on the Irish Stock Exchange and was managed by JPMorgan, Barclays Capital and VTB Capital. Loktionov's other Eurobond mandates were by JPMorgan and Troika Dialog on a proposed issue, and Rolf Group as part of its debt restructure. This last deal was a \$150 million exchange offer to holders of the issuer's outstanding \$250 million worth of Eurobonds.

Client feedback is generally good and is consistent with its higher ranking on the equity side. A banking client that works on the equity issuer side says the firm is "certainly a respectable practice and always puts forward good work", while a debt client says it is better and considerably faster at vanilla issues than more complex advice.

Leading lawyers

Mikhail Loktionov

Latham & Watkins

"They have a strong team and are very capable in both debt and equity deals," is one rival's description of Latham & Watkins. Clients agree, with one saying the firm is quicker and more reactive than its competitors. "For quite complex instruments I use Latham & Watkins ...In principle they are more flexible and easier to work with. They

are better with new instruments and in trying to provide more practical solutions."

Department head Mark Banovich is another's top choice for capital markets work, and senior associate David Stewart is building an enviable reputation with one rival saying: "He's the full package - a very good project manager."

Recently the firm has made an extra push into debt work, to show it can compete on the technical level with the leading firms. This paid dividends over the past year with the firm securing some interesting mandates. The most notable saw Banovich and Stewart advise Alliance Oil on its \$350 million offering of guaranteed notes due in 2010. On the issuer side it assisted VTB Bank on its March 2010 \$1.25 billion offering of loan participation notes under the bank's \$20 billion programme listed on the Irish Stock Exchange. Elsewhere Latham & Watkins acted in a rare high-yields offering, assisting Ukrainian company DTEK Finance on its April 2010 issue valued at \$500 million.

Despite the renewed focus on debt, its equity practice has not suffered. The firm acted on two IPOs closing last April, including Russian Sea Group's \$90 million listing of 15 million shares on the Russian Trading System Stock Exchange and the Moscow Interbank Currency Exchange. The other involved advice to UBS and Renaissance Capital on Protek's \$400 million IPO on the same exchanges.

Leading lawyers

Mark Banovich

White & Case

White & Case's capital markets work is dominated by debt mandates, but competitors have noticed it making a push into equity work recently. One example of this was the firm's work for Merrill Lynch International as sponsor and joint global coordinator in Exillon Energy's IPO on the LSE last December. This was one of the first London IPOs by a company with Russian assets since the onset of the financial crisis.

Its debt lawyers continued to be busy acting for TMK Bonds as issuer and TMK as guarantor on a \$412 million offering of listed convertible bonds last February. It also worked on a \$1 billion Eurobond offering by TNK-BP and loan participation note issues by GPB Eurobond Finance, Bank of Moscow Capital and Namos Capital.

Other ranked firms

Baker & McKenzie moves into the equity rankings this year after its consistent perfor-

mance over the past 12 months and positive market feedback. However its debt and securitisation practice is still considered its finest.

Mikhail Turetsky is recommended by peers for debt work and leading lawyer Vladimir Dragunov is credited with establishing Baker & McKenzie's reputation for structured finance. "Securitisation in this industry is quite new, but they are quite creative and good at finding ways to solve problems," says one client, adding: "I like them ... they know European as well as Russian legislation".

Dragunov's commerciality also came in for praise with the same client saying: "[He's] very cooperative, and understands the prospects ... he's not just working for the current moment, but also for the future and its prospects."

Some of Dragunov and Turetsky's recent work includes advice to VTB24 on the country's first covered bonds issue. The \$500 million of mortgage-backed securities closed in December 2009. Earlier in the year the firm advised ING Bank on a R2 billion (€50.6 million) issue of credit-linked notes, and Transneftproduct on the buyback of part of its R2.5 billion bond issue.

The equity work which secures its new ranking involves a number of IPOs. The most notable mandate was by Exillon Energy on its listing on the LSE in December 2009, one of the first Russian companies to do so since the onset of the financial crisis. Another deal saw it act for a Russian gold company on its proposed IPO on Russia's main exchanges. Baker & McKenzie has also advised the Government of Belarus, Apple and Cisco Systems on the ability of foreign companies to offer stocks in Russia.

Leading lawyers: Vladimir Dragunov

Debevoise & Plimpton maintains a low profile, but rivals know it has busied itself behind the scenes lately and highly recommend its department head Alan Kartashkin.

Bucking the market trend, the firm was particularly active in mid-2009 with equity mandates. Kartashkin led advice to Federal Grid Company of United Energy System on the establishment of its global depository receipt programme, and on the firm acted for Rushydro on its listing on the LSE - not an easy feat in July 2009.

According to competitors **Herbert Smith** is a firm trying hard to get into this market. Its equity practice is somewhat there, with Evgeny Zelensky's work in this area being noticed and appreciated by peers. One says: "He's a tough lawyer but I'd rather have him on the other side of a transaction because he is very hands on."

Clients are happy with its work, but some say its less extensive track record on complex transactions means it is suited to more vanilla work.

Herbert Smith's headline deal for 2009 came at the end of the year with Globaltrans Investment's \$175 million follow-on offering. The deal saw Zelensky lead the advice to a consortium of banks including Deutsche Bank and Morgan Stanley on the issue of global depository receipts listed on the LSE.

Some of the firm's other equity clients include VTB Capital, Goldman Sachs, Gazprombank and Merrill Lynch.

A big winner of the **Hogan Lovells** merger is its Russian capital markets practice. The Moscow office now has the strength of Hogan & Hartson's equity work and the reputation of Lovells' on the debt side.

Partner Michael Pugh's abilities are noted by a number of rivals. In March 2010 he closed a two-stage transaction for the Bank of Moscow consisting of a \$5 billion loan participation notes programme and a subsequent \$750 million issue of senior unsecured notes. The deal value makes it significant for the local market. Other mandates over the past year include GDR offerings and IPOs.

The unanimous opinion among clients and competitors is that **Liniya Prava** is the best local firm for capital markets work.

Peers say it is in a league of its own for domestic transactions, a debt client describes it as "the best expert on the local bond market", and a structured finance client says: "It is the only Russian firm with experience and qualifications in securitisation business". Its downfall, of course, is that it lacks the tier one firms' international connections which limits its penetration into the market.

Nevertheless, it has firmly established its reputation and is rewarded with a steady flow of quality mandates. In May 2010 it was pulled on to Mechel's share offering to advise on the Russian law aspects, and last August it advised Moscow Integrated Power Company on its R58.8 billion (€1.49 billion) share placement.

In debt work it advised TMK on its issue of convertible bonds totalling R30 billion and its structured finance abilities were called on by Moscow Bank for Reconstruction and Development on its R2.2 billion mortgage backed securities offering.

Roman Belenkov is recommended by peers for equity work.

Banking

Recommended firms

Tier 1

Allen & Overy
Clifford Chance
Linklaters

Tier 2

Freshfields Bruckhaus Deringer
Herbert Smith
White & Case

Tier 3

Baker & McKenzie
Chadbourne & Parke
Cleary Gottlieb Steen & Hamilton
CMS Russia
Dewey & LeBoeuf
Gide Loyrette Nouel
Hogan Lovells
SNR Denton

Tier 4

Akin Gump Strauss Hauer & Feld
Alrud
Debevoise & Plimpton
Latham & Watkins
Norton Rose
Salans
Skadden Arps Slate Meagher & Flom

Banking lawyers draw a clear divide down the middle of the past year. Some seriously distressed debtors and the departure of international creditors meant the summer of 2009 was spent restructuring. The obvious example is the profession-consuming rescue of aluminium group Rusal. The restructure of \$16.8 billion of its debt with 70 lenders created mandates for all but a handful of firms. And those that missed out were occupied by similar work for mining company Mechel, the automotive sector's Rolf Group, and property developer Mirax Group.

But by the fourth quarter, financiers showed a much healthier appetite for Russian risk. Spurred on by stable oil prices and declining foreign and personal debt levels, banks started looking for quality and reliable borrowers. "Russia is the place now," says a partner of a leading firm in Q2 2010. "There's been a remarkable acceleration over the past couple of months. It feels like the dam is breaking again."

A raft of syndicated loans closed in the winter, but high margins meant these were only available to big oil and gas borrowers. Examples include Freshfields Bruckhaus Deringer's advice to Gazprom Neft on its \$100 million facility, and TNK-BP's \$750 million loan in which Herbert Smith acted for lenders Calyon and Deutsche Bank.

The main form of lending, however, was pre-export finance and facilities backed by export credit agencies (ECA). Extra liquidity offered by these financings saw Cleary Gottlieb Steen & Hamilton act for Tatneft on its \$1.5 billion pre-export facility in November 2009, and two months later close a \$200 million ECA backed facility for Rosneft. Lenders' counsel on these deals were Allen & Overy and Herbert Smith, respectively. A similar mandate saw newly merged firm Hogan Lovells act for the lead arranger in Lukoil's \$1.2 billion pre-export facility.

Despite these encouraging signs, Tier II borrowers are still priced out of the market and so deal volumes remain low. There is little leveraged or acquisition financing and aside from the loans mentioned above, most activity was generated by international financial institutions rather than private lenders. However it is worth noting that European Bank for Reconstruction and Development extended a \$500 million loan to the state railway company in July 2009 - the biggest in its 19 year history.

Lawyers say banks are focusing more on securities. They monitor the risks a lot more and are looking at share and equipment pledges on top of the usual securities, explaining: "They've certainly learnt some lessons from the restructuring process."

Allen & Overy

Consistent with its global reputation, Allen & Overy's Moscow banking team has good standing in the market. It receives positive client feedback, with one international banking client saying: "For knowledge they're on par [with other leading firms], but it's the flexibility and dedication that puts them apart. We feel more comfortable with them".

Another praised its ability to give quality Russian legal advice in the context of a challenging market, also appreciating the firm's ability to run standard international syndicated financings without input from its bigger offices. "It's better to have one pilot in a single plane rather than lots of teams," says the international banking client. "Inevitably the communications suffer with more parties." The client in a more complex deal, however, says this exact problem caused it concern, with some miscommunication between its London and Moscow offices.

Although it is clearly still a tier one firm, competitors suggest its Moscow practice lacks some of the shine of its global reputation, noting it has lost a number of key names to rival firms over the years, with the latest being highly regarded senior associate Maria Ratner who moved to Freshfields Bruckhaus Deringer last November.

However Allen & Overy still has an enviable depth of talent. With managing partner Tony Humphrey and newly promoted partner Elena Tchoubykina receiving a "ten out of ten" by a foreign banking client, leading lawyer Irina Mashlenko, and counsel Dmitry Shiryaev drawing this feedback: "What we like is he's very thorough, goes into detail and tries to figure out the issues. He scrutinises each and every angle which you need for complicated transactions. We like working with him".

The firm works almost exclusively for lenders, and despite most new finance coming from multilateral development banks Allen & Overy managed to pick up new money instructions for some of Europe's biggest private financiers. Last year's spotlight mandate came from German bank WestLB on Russian oil company Tatneft's syndicated pre-export facility - one of the region's most talked-of loans. The client was joint-lead arranger on the five-year tranche deal which is worth up to \$1.5 billion.

Other recent work for international banks include BNP Paribas on its \$75 million financing of oil purchases in Kazakhstan, The Bank of Tokyo Mitsubishi for a \$300 million facility granted to Gazprom Neft, and the Bank of Moscow as arranger of a \$230 million refinancing of high-tech company Sitronics.

The firm also acted for a throng of banks in debt restructures, the most notable being Spain's Banco Bilbao Vizcaya Argentaria on the industry-wide rescue of aluminium producer Rusal.

Leading lawyers

Irina Mashlenko

Clifford Chance

A year ago it seemed Clifford Chance had expanded its banking practice too soon, with the onset of the financial crisis forcing it to send some of its Moscow talent elsewhere. But this year the firm replenished its senior ranks with the arrival of new managing partner Jan ter Haar and the promotion of the highly respected Vladimir Barbolin to counsel. The pair now work alongside leading lawyers Logan Wright and Victoria Bortkevicha, and the new leadership's dynamics garners a healthy dose of client praise.

"It's really a team thing, they are extremely reliable," says one client of Wright and Bortkevicha, adding: "They have very good commercial sense and are willing to spend some time working [on a panel bid] even though they know they might not be selected."

Another praises the complementary skills of Wright and Barbolin. "Logan knows much

more about Russian law than you'd expect as he's a foreign qualified solicitor. He makes a point to know the issues rather than just rely on others," adding: "Vladimir is a Russian lawyer but is versed well in English laws. Between the two of them they cover a lot of territory. They have a good overlap between them."

For others, however, it's as much about the lawyers working underneath them. "They're the best team in Moscow," says one long-standing client. "The deals that the team's seen and their numbers mean they can pump out the documents and handle the negotiations and be efficient. There's no surprises which when you're an in-house counsel, that's what you care about the most."

In comparison to the other leading firms, Clifford Chance is particularly active on the borrower side. Recently Wright and Barbolin advised oil and gas equipment supplier Integra Group on a \$225 million facility, and Wright came up against RBS, Alfa Bank and UniCredit Bank in acting for Russia's JFC Group on its \$135 million syndicated facility. Another resource deal saw Bortkevicha represent Lukoil in connection with the European Bank for Reconstruction and Development's financing of its upgrade of Krasnodar Power Station.

Its work on the lenders side is equally impressive, most notably acting for the coordinating committee on the restructure of \$8 billion of Rusal's debt. Clifford Chance helped other creditors restructure loans granted to automotive borrower Rolf Group and Multi-Logistics Partnership. For cross-border new finance it worked with its Paris office in advice to a syndicate of South African banks on their \$261 million secured financing to a Russian agricultural fertiliser producer, and Sberbank on its \$232 million loan granted to a residential real-estate developer in Ukraine.

Leading lawyers

Victoria Bortkevicha

Logan Wright

Linklaters

If there's a market leader for banking work, it's Linklaters. The firm garners unanimous respect from its peers, all of whom rank it in the top-tier on the basis of continuing performance rather than just inertia. This recognition coupled with solid client feedback and a strong portfolio of lenders work secures its position at the top of the rankings for another year.

Linklaters' year was dominated by distress work, including the restructure of mining group Mechel. Completed in July 2009, this was one of the country's first successful post-crisis

restructures. The 12-lawyer team, lead by department head Michael Bott, advised more than 30 banks on the \$3.5 billion deal including BNP Paribas, Calyon, ING and RBS.

Acting in another mining debt restructure for BNP Paribas, this time alongside HSH Nordbank, the firm reworked \$45 million of Volga-Fest's debt, keeping the borrower out of bankruptcy. It also advised the Russian Development Bank on the government's \$50 billion rescue fund dished out to companies expected to default on their maturing foreign debts.

The firm did have its fair share of new money transactions though, including advice to the arrangers of a \$150 million secured term loan to Russian gold producer Pokrovskiy Mine. This was a structured finance deal backed by receivables from gold sales. Partner Dmitry Sushev led eight other lawyers in the transaction.

Elsewhere Linklaters got involved in the export finance dominating the market, advising Calyon and Nordea Bank on two export-credit backed facilities, totalling \$550 million, granted to Turkish telecom company Turkcell and its Ukrainian counterpart Astelit.

Leading lawyers

Michael Bott

Freshfields Bruckhaus Deringer

Rarely has a senior associate hire caused a stir like Maria Ratner's move to Freshfields Bruckhaus Deringer late last year. The firm must be counting its blessings with the former Allen & Overy lawyer bringing with her a number of peer recommendations, and even the odd client. "She's very effective and with her it's always comfortable and easy to work with," says one new client. "She concentrates on practical issues and she's straight to the point, that's why we moved with her."

The firm is known by competitors for its "successful practice acting for Russian borrowers", and the hire will no doubt help build a bigger and better practice. As one client explains: "Before they weren't a tier one firm, but they are working hard to become one."

Its borrower work over the past 12 months came in many forms. In February practice head Mikhail Loktionov and Ratner helped Gazprom Neft secure a \$100 million loan from Nordea Bank, and a month later it saw part of Russia's growing export finance work when it advised Eurochem on a \$261 million unsecured facility covered by The Export Credit Insurance Corporation of South Africa. This deal made the client the first to have a facility covered by the export credit agency.

For distress work it assisted Rolf Group on its debt restructure, refinancing \$520 million

of the automotive company's debt under bilateral credit facilities. In November 2009 it also helped a Russian metallurgy group restructure \$2.6 billion of loan facilities arranged by BNP Paribas and Deutsche Bank.

The office's work on the lend side is dominated by partner Harvey Nugent. In September last year he advised PPF Group on its \$500 million convertible loan facility to Russian electronic supplier Eldorado, and two months later helped mid-cap Nomos Bank extend a \$50 million term loan to another consumer electronics company.

Leading lawyers

Mikhail Loktionov

Herbert Smith

Last year Herbert Smith outdid its tier one rivals in the syndicated loan market. The firm acted for the lender on two of the country's five big loans to oil and gas companies.

The first involved advice to Calyon and Deutsche Bank on a \$750 million facility granted to TNK-BP joint venture. This used an offshore structure to mitigate foreign exchange risks and was secured by receivables from the borrower's crude oil exports. The second saw the firm act for RBS on a \$200 million unsecured facility to Rosneft. The January 2010 deal is an example of the export-credit financings dominating the Russian market, with Sweden's EKN backing the loan which will be used to purchase equipment from Scandinavian company Siemens.

Other syndicated loans saw Herbert Smith represent RBS, UniCredit and Alfa Bank on a \$135 million facility extended to a major Russian importer, and the European Bank for Reconstruction and Development (EBRD) on a \$500 million unsecured financing of the state railway company. This last loan was the EBRD's biggest single investment since its inception in 1991.

The firm's banking team receives good client feedback with one describing it as "very proactive, but not pushy, understanding, yet hard working." Another says: "The team goes beyond their responsibilities to provide quality service always. All of the assignments are done on time and professionally. It's a true pleasure working with the team."

The real person making waves however is partner Ed Baring. He led on three of the firm's four biggest deals last year, and competitors describe him as "a good guy and very capable".

Leading lawyers

Ed Baring

Alexander Currie

White & Case

White & Case dominates the market's distress-mandates, with its banking team spending much of the past 12 months on refinancings and restructurings. For instance in January this year leading lawyer Irina Nesvetova led advice to EN+ on its \$1 billion debt restructure with 30 creditors, including a \$750 million syndicated facility plus bilateral facilities.

For fresh finance White & Case acted for the European Bank for Reconstruction and Development, Nordic Investment Bank and the European Investment Bank on the syndicate's €413 million loan to Russian mobile operator MTS. The funds will be used to incorporate clean technologies into the borrower's operations in Russia and surrounding regions.

Maya Melnikas is now considered the team's key partner and in January 2010 finance lawyer Maxim Kobzev was promoted to the partnership.

Leading lawyers

Maya Melnikas

Irina Nesvetova

Other ranked firms

Of the Russian firms, Alrud has the strongest banking practice. Competitors note its capabilities in air finance, but recently it has been busy advising international creditors on distress-work.

Department head Alexander Zharskiy and senior associate Anton Dzhuplin led advice to Hungary's OTP Bank Nyrt on both the enforcement of a local facility's collateral package, and the restructure of over \$150 million of debts owed by Russian borrowers. This last mandate, which involved residential real-estate financings, included the release of a number of securities for sale to a third party, with the collateral being re-established once the sale had completed.

Baker & McKenzie receives glowing feedback from its clients. One praises the depth of its team, saying: "Overall they are more balanced than other firms I've worked with. Not only do you have junior people available but also senior lawyers are very involved."

Another appreciates the firm's high-quality advice, timeliness, and its willingness to go over and above what is required. "They do more than what's convenient for them or even the client ... we always get useful advice and answers - it is very appreciated."

The firm has a strong grounding in Russia, with offices in both Moscow and St Petersburg, and several clients note its impressive grip over Russian law. Partner Igor Gorchakov, based in the St Petersburg office,

came in for particular praise with one client saying: "He's always attentive to details and nuances but at the same time he has a very complex understanding of the issues, and can advise in transactions with a global view."

The firm's finance practice has a strong regional focus, advising on deals across the Commonwealth of Independent States. For example over the past 12 months it has advised the creditors' steering committee of Kazakhstan's BTA regarding the restructure of \$12 billion of the bank's debts, the Eurasian Development Bank on a \$100 million secured loan facility used to build a port terminal on the Baltic Sea, and hedge fund Rosemount Global Trade Finance Fund on a multicurrency syndicated loan, worth approximately \$30 million, granted to the International Bank of Azerbaijan.

During 2009 **Chadbourne & Parke** lost partner Dmitry Gubarev to Dewey & LeBoeuf and a chunk of its finance team to international firm Dechert. Although partner Konstantin Konstantinov returned to Chadbourne & Parke after only a short stint at the rival firm's new Moscow office, competitors say its finance practice is on the decline.

Nevertheless it has still had a busy year, with its highlights - perhaps fittingly - coming from distress work. Gubarev led teams on Raiffeisen's restructure of a \$70 million loan to a Russian automotive dealer, and a syndicate's R39.3 billion (€1 billion) restructure of GAZ Group's loans. This last transaction saw the firm advise 22 banks on ten syndicated loans which were secured by 19 state guarantees.

Chadbourne & Parke did see some new finance transactions though, including representation of Turkish telecoms provider Turkcell in two financings totalling \$360 million, and European Bank for Reconstruction and Development and International Finance Corporation on their \$129 million debt and equity co-financing for the upgrade of Albania's Patos Marinza oilfield.

Clary Gottlieb Steen & Hamilton acted as borrower's counsel in three of the year's most significant banking mandates. It had a key role in the mother of all restructures, reworking \$16.8 billion of client Rusal's debt. This was done by extending the maturities and increasing the securities of \$7.3 billion owed to 65 international creditors, revising \$2.1 billion of bilateral facilities, repaying a small proportion with cash payments, and converting debt to equity.

The other deals saw it advise struggling property developer Mirax Group on the restructure of \$445 million worth of international loans and credit-linked notes, and in a fresh finance mandate act for Tatneft on its

\$1.5 billion pre-export financing which is syndicated among 20 banks.

CMS Russia is known for real-estate finance and was kept busy last year with this sector's distress work. For instance it helped Aareal Bank restructure \$647 million of debts owed by a Russian property developer, and advised a building company on the restructure of four facilities totalling \$562 million extended by a German bank.

The firm played its part in the Rusal saga acting for Sberbank in relation to the \$722 million owed to it by the floundering aluminium producer. This aspect of the restructure closed in December 2009, clearing the way for Rusal to float on the Hong Kong stock exchange a month later.

Both department head Grant Williams and fellow partner Karen Young are noted by competitors with Young also receiving this praise by a client: "She's an English lawyer who is very good and dedicated, very experienced in cross border transactions with a good sense of the Russian market and law".

Competitors take increasing notice of **Debevoise & Plimpton**, noting its abilities in air finance. A recent example of this work saw the firm advise national carrier Aeroflot on the leasing of ten Sukhoi SuperJet 100 aircraft from a subsidiary of the Russian Development Bank. The \$237 million deal, which closed in August 2009, was one of the sector's few domestic transactions last year.

Elsewhere the firm received an interesting mandate by Rusnano, the Russian Corporation of Nanotechnologies, in relation to the financing of a high technology production complex worth \$230 million. The client will use the complex to develop technology for the country's proposed solar energy sector. The deal was complicated by the inclusion of Alfa Bank as a second tier lender, and liens over assets in multiple jurisdictions.

Clients describe the firm as helpful, professional and service-oriented, with one international client providing this feedback: "They managed to organise work of lawyers in three different jurisdictions within a very tough timeframe. Thanks to them we completed a difficult syndication in just a few months."

Both clients and competitors describe **Gide Loyrette Nouel** as an up-and-coming and underrated firm, and it moves up a tier accordingly. Peers note it is very visible on mid-cap deals and a multi-firm client says: "They are becoming quite significant to our work. Definitely on the rise, and becoming stronger".

The key banking figure is partner Grigory Marinichev who led the firm's biggest deals over the past 12 months. Some of these were also the market's biggest. Working with the London office, Marinichev advised Mechel on

its \$2.6 billion debt restructure. Closing in July 2009, this was one of the first successful post-crisis restructurings and was completed by refinancing short-term credit facilities with secured long term arrangements. Marinichev also acted for the lender in the \$250 million export finance facility to Rosneft Oil Company.

Other mandates saw the firm advise power generator Mosenergo on a €190 million facility which will be used to increase its production capacity, and the Milan branch of WestLB on its \$110 million facility granted to Russian aircraft company Sukhoi Civil Aircraft for the design and construction of the borrower's first civil aircraft.

The merger of **Hogan Lovells** has had little impact on the firm's banking practice. Hogan & Hartson was a niche player in this area and the new firm's finance work is still dominated by Lovells' counsel Alexander Rymko. "There's no real difference at all, we still work with the same people," says one client. "Quite frankly, I didn't even notice the merger. As far as I'm concerned, it hasn't affected them in any negative or positive way."

Accordingly, the firm sits safely in the third tier for another year. The firm has frequently acted on the lend side in the market's flurry of export-credit agency (ECA) backed loans. For instance it advised Société Générale as documentation agent in a €524 million multi-source ECA backed facility provided to Novolipetsk Steel, and Commerzbank as lead arranger of an ECA backed export finance facility to Vyksa Steel Works. In August 2009 the firm advised Deutsche Bank as lead arranger on a \$1.2 billion pre-export term loan to Lukoil. The facility was secured by export proceeds under an off-take contract.

Hogan Lovells offers good value for money according to clients. "I think they are all comparable for their work ... but if we choose based on quality in comparison to price then it would be [Hogan] Lovells," says one.

Salans' banking team commonly advises multilateral development banks like the European Bank for Reconstruction and Development (EBRD) and the Eurasian Development Bank (EDB). In 2009 the firm acted for EBRD on its three-year unsecured loan to NBD Bank worth R540 million (€13.7 million) which will be used to reopen the credit market to small businesses. Later it advised the bank on a similar loan to Vozrozhdeniye Bank, this time valued at \$16 million.

For the EDB the firm was involved in a \$55 million acquisition financing granted to an energy company looking to increase its transport fleet, and a R1.5 billion loan to finance an agricultural engineering acquisition.

A headline deal for the firm saw it advise SibstroyInvest on its €60 million financing. The deal was signed in December 2009 and consisted of a €40 million senior loan and €20 million subordinate loan to develop a shopping centre in the city centre of Novosibirsk.

Mergers and acquisitions

Recommended firms	
Tier 1	
Clifford Chance	
Freshfields Bruckhaus Deringer	
Linklaters	
White & Case	
Tier 2	
Cleary Gottlieb Steen & Hamilton	
Dewey & LeBoeuf	
Herbert Smith	
Skadden Arps Slate Meagher & Flom	
Tier 3	
Akin Gump Strauss Hauer & Feld	
Allen & Overy	
Baker & McKenzie	
CMS Russia	
Debevoise & Plimpton	
Latham & Watkins	
Salans	
Tier 4	
Alrud	
DLA Piper	
Egorov Puginsky Afanasiev & Partners	
Hogan Lovells	
Norton Rose	

M&A activity continued its steep decline in the latter half of 2009. Lack of acquisition finance was the fundamental reason, but one lawyer says: "It's also a psychological issue - buyers just weren't prepared to spend money." Things are now bouncing back but gone are the days of tender and auction sales. The new market is marked by long transactions and diligent buyers proposing deferred payments, debt-for-equity, and stock deals to get around their lack of leverage.

Law firms report growing reliance on Russian deals as "these are the guys that have the money at the moment", explains one lawyer. The ever-buoyant oil and gas sector is still the backbone of most corporate practices, with the metallurgy, telecom and retail sectors being the first to show signs of post-crisis recovery. Two of the year's biggest deals were Gazprom's \$1.5 billion investment in SeverEnergiya, involving Freshfields Bruckhaus Deringer and Salans, and MTS picking up a majority stake in Comstar United Telesystems for \$1.27 billion. Freshfields Bruckhaus

Deringer also worked on the telecoms deal along with Cleary Gottlieb Steen & Hamilton and Latham & Watkins.

Foreign investment is still a dirty word but interest is slowly picking up, with investors encouraged by stable oil prices, the relative strength of the rouble and some sought after assets now being reasonably priced. There's a lot of talk about US retailer Walmart sizing up local supermarket chain Lenta, but to date the biggest transaction is Total E&P Activit s Petroli res' \$900 million investment in Terneftegas. Even more impressive than its price tag, the deal was completed under Russian law.

This is one of the only large-cap transactions to make use of Russia's newly available shareholder agreements. While smaller firms have seen low value and low risk deals shun joint ventures in favour of put and call options in shareholder agreements, most international investors still choose the more conservative offshore structure or a joint venture as a risk sharing tool. Going into the country without a local partner is still considered a courageous move, as one lawyer explains: "It's manageable, but you wouldn't really want to do it on your own if you don't have to - and not many do".

Elsewhere private equity is slowly returning but only a handful of small deals closed last year, and distressed sales still don't feature as was expected, with the Kremlin backing its key industries.

Clifford Chance

Clifford Chance suffered a massive blow last May when Andrei Dontsov moved to White & Case. To make matters worse the loss of its leading corporate lawyer, described by a rival as "the real superstar at Clifford Chance", came just six months after another of the firm's leading lawyers Alex Erasmu transferred to its London office. Although Erasmu still works closely with his Moscow colleagues, rivals suspect the corporate team's glory days may soon be over.

Notwithstanding these departures, the time has not come for Clifford Chance to slide down the rankings. Clients appreciate the firm's availability, flexibility, and its tough approach to negotiations. One explains: "When you deal with Russian counterparts they change their mind, and don't keep their word. But they didn't flinch ... we sat day and night with the counterparty and they took us through it. The counterparty was trying to change things and thanks to our lawyers we didn't budge."

In addition to remaining leading corporate partner Marc Bartholomy, the firm has an array of other talents noted by the market.

One competitor says senior associate Tom Wazniak is a name to watch, and another highly rates partner David Griston.

Clients recommend fellow partner Torsten Syrbe for negotiations and tricky drafting, plus new arrival from the London office Nicholas Rees. Since joining the Moscow team in June, Rees has quickly won some fans including a client which gives this feedback: "No weaknesses at all. Every time I asked for an update or communication he got it to me anytime of the day or the week," adding that he was extremely valuable to the transaction even though he doesn't speak Russian.

Over the past 12 months Clifford Chance has been at the fore of the busiest sectors for corporate work. In the energy business Griston acted for Gazprombank on the \$650 million sale of a majority stake in Yamal LNG, operator of a valuable gas field in the Arctic Circle. A metallurgy sector deal saw the firm advise Polymetal on its acquisition of the Varvarinskoye gold and copper mine in Kazakhstan. The October 2009 deal involved a complex payment method consisting of cash, the transfer of debt, and hedging obligations regarding the financing of the project.

Finally in the busy retail sector the firm acted for Generali Assicurazioni on its joint venture with the PPF Group to take a controlling interest in Eldorado Group. Like the Polymetal mandate, this required the team to work with some tricky consideration methods, with the \$300 million price-tag being settled through a debt to equity swap which included the amendment and restatement of loans, plus the release and resubmission of mortgages.

Leading lawyers

Marc Bartholomy

Freshfields Bruckhaus Deringer

Freshfields Bruckhaus Deringer's top-tier ranking is undisputed by the market with clients and competitors agreeing it has the talent to be trusted with the best mandates.

Leading lawyer Harvey Nugent garners much respect from peers, with one giving this reference: "He's firm but fair, organised and someone you can get the deal done with without it being unduly painful. But at the same time you can see he's doing a good job for the client. Plus he's trained a good team". Nugent is also described by a corporate client as "a business oriented and very experienced lawyer".

The client also recommends associate Leonid Sedov. Senior partner Jacky Baudon no longer works on the client side, but rivals say fellow partners Igor Gerber and Mikhail Irzhevsky are growing in prominence.

The firm showed its diversity in 2009, with a balanced portfolio of buy and sell work spread across Russia's most active industries. In September Baudon led advice to ENI on its sale to Gazprom of a controlling stake in SeverEnergiya, its joint venture with fellow Italian energy company Enel. The deal value was \$1.5 billion. Also on the sell side leading lawyer Dmitry Surikov and Irzhevsky worked with N-Trans on its 10% divestment from one of its subsidiaries. The target holds the client's sea port assets and the shares were sold to Sberbank Capital.

Buyer mandates saw a six-strong team advise JPMorgan on one of the market's biggest telecoms deal, MTS's purchase of a majority interest in competitor Comstar United Telesystems. The target was acquired from listed company AFK Sistema for \$1.27 billion. In September Gerber and Sedov collaborated on advice to PPF Group on its \$300 million acquisition of a controlling stake in electronics retailer Eldorado Group.

Leading lawyers

Harvey Nugent
Dmitry Surikov

Linklaters

Solid top-tier firm Linklaters' work on domestic deals makes it a standout in the circle of international firms. Compared to its magic circle counterparts, it is known for having a regular deal flow of local mandates. However over the past 12 months it has been particularly active in cross-border work.

For instance in December 2009 a six-lawyer team worked with two shareholders of Ukrainian industrial group ISD on their divestment to Russian investors. The deal was complicated by the clients' need to buyout the third shareholder prior to the sale. This required Linklaters to synchronise the two sales with the acquisition financing plus the target's \$3 billion debt restructure.

Another international mandate saw leading lawyer Dennis Uvarov advise worldwide pharmaceutical group Sanofi-Aventis on its acquisition of a controlling stake in local healthcare company Bioton Wostok. Its energy work includes acting for Total E&P Activités Pétrolières on its purchase of a 49% shareholder in Terneftegas. The \$900 million deal is the latest example of Total's expansion in the region and is one of the country's most valuable foreign investments since the onset of the financial crisis.

Its most significant Russian deal was in the financial sector, with Dominic Sanders leading advice to investment company Olivant on one of the year's most successful bank mergers. The transaction saw the shareholders of

MDM Bank and Ursa Bank relinquish their shares for equity in a holding company which would absorb the two banks' operations. The deal was complicated by one of the banks being listed and its several classes of preference shareholdings, plus the difficult market. Notwithstanding these challenges, the deal closed ahead of schedule in August 2009.

The firm has an asset in Sanders, with one peer describing him as: "Very talented, efficient, bright, good to work with, never aggressive but achieves what he wants," adding: "You can do a deal sufficiently with him." Fellow partner Grigory Gadzhiev is also described by another rival as "very good and very thorough".

Leading lawyers

Dennis Uvarov

White & Case

White & Case performed the year's recruitment coup last May, poaching Andrei Dontsov from Clifford Chance. The leading lawyer is considered one of Russia's best and will help the firm keep its tier one position.

The corporate team regularly acts on diverse deals and last year was no different. It is helping Alfa Bank establish three joint ventures for the leasing of railway carriages by its affiliate Alfa-Leasing, and in November 2009 it closed Bank of Cyprus's disposal of LeadBank to Renaissance Capital. In the media sector White & Case assisted European media group Axel Springer on its acquisition of Gruner & Jahr's Russian operations, and its biggest telecom mandate came from Rostelecom for its investment in Syvazinvest.

Elsewhere the firm advised Unimilk on its \$1.5 billion joint venture with Danon and the Russian Corporation of Nanotechnologies on 15 joint ventures.

Leading lawyers

Andrei Dontsov
Eric Michailov
Igor Ostapets
Hermann Schmitt

Cleary Gottlieb Steen & Hamilton

For sometime now Cleary Gottlieb Steen & Hamilton's unbeatable capital markets team has overshadowed its corporate practice. But the firm has made a concerted effort to strengthen its M&A team recently and rivals are now taking notice, with one suggesting it outperforms some of the tier-one firms.

The firm's recent highlights came in the buoyant gas and telecom sectors. In September 2009 partner Russell Pollack coun-

selled Gazprom on its acquisition of a controlling interest in SeverEnergiya. The target is a joint venture between Italy's ENI and Enel which owns valuable assets in the Arctic Gas Company and Urengoil. The transaction was completed under Russian law without the usual use of an offshore holding company, and is valued at \$1.5 billion.

The other headline mandate was from MTS on its \$1.27 billion acquisition of a majority shareholding in Comstar United Telesystems. Together with the seller AFK Sistema, the transaction involved three listed companies with significant shareholdings meaning takeover and related party laws needed close attention.

Department head Scott Senecal is the firm's corporate leading light and since relocating from the firm's New York office last October, partner David Gottlieb has also quickly established himself in the local market.

Leading lawyers

Scott Senecal

Herbert Smith

Herbert Smith's teams are divided into sectors, with different lawyers focussing on different industries. The strength of its energy and natural resources division has proved invaluable to the Moscow office, with its corporate lawyers securing some interesting mandates recently.

In a renewable energy deal the firm advised Onexim Group on the establishment of a joint venture with Dalkia International for the production, transportation and distribution of thermal energy throughout Russia. In December 2009 it also acted for BP on the \$1.6 billion sale to Lukoil of its stake in Kazakhstan's Tengiz oilfield and the Caspian Pipeline Consortium.

Consolidation among banks has also kept the firm's financial institutions team busy, with the September 2009 closure of Standard Bank's \$300 million investment in regional bank Troika Dialog. The consideration consisted of a convertible loan and shares and required approval by eight regulators across Europe.

Clients value Herbert Smith for being responsive, up to date with changing legislation, and reasonably priced. One is particularly pleased with its reliability, explaining: "The major thing is you don't have to redo the document they prepare which is sometimes the case with others".

The firm has some well regarded corporate partners in Alexei Roudiak and Evgeny Zelensky. Roudiak is praised by a competitor and a client says this of him: "Very profes-

sional, very responsive, full marks". Another client describes Zelensky as "very friendly and always reliable," adding: "He has a good team working for him, and he always does what you ask of him".

But it's Robin Wittering who has established himself as the team's star. Wittering led three of the firm's four biggest deals last year, and a client gives this reference: "He's efficient and understands the business concepts of what are trying to achieve. His opinions are useful not only in a legal context but also for our business strategy, plus he doesn't waste our time".

Wittering is also recommended by a number of competitors, one of which says: "He's very, very talented and very bright. Sometimes he's pushy and drives hard but he's one of the best," adding the English lawyer "has a very good knowledge of Russian related hurdles".

Skadden Arps Slate Meagher & Flom

Skadden Arps Slate Meagher & Flom is a firm that plays to its strengths. Rather than bidding for local mandates, the team prefers to collaborate with its London and New York offices on the high-profile cross-border work.

Building on this reputation, last year VimpelCom and Altimo mandated the firm on their \$30 million offer for VimpelCom's business combination with Ukrainian telecom company Kyivstar. Another telecoms deal saw it advise state-owned holding company Svyazinvest on the merger of its regional telecom companies into national operator Rostelcom. The deal effectively restructured the industry and was led by leading lawyers Dmitri Kovalenko and Pranav Trivedi.

In another busy sector, the firm advised the owners of Paterson Supermarkets Chain on the business's acquisition by X5 Retail Group in December 2009. The \$275 million purchase price included assumption of \$85 million of the target's debt.

Leading lawyers

Dmitri Kovalenko
Pranav Trivedi

Other ranked firms

Akin Gump Strauss Hauer & Feld has a small but respected practice in Moscow, which has benefitted from some recent hires. Over a period of four months the firm has poached two partners from Hogan Lovells. Corporate tax partner Ilya Rybalkin joined last May and in August Suren Gortsunyan was recruited.

Allen & Overy's corporate work rides off the back of its leading banking practice, with the financial sector typically creating the bulk

of its mandates. Department head Edwin Tham's M&A track record with finance and insurance clients is also a drawer card, as is his being known among rivals for being easy to deal with and for his good knowledge of local markets.

In addition to Tham, Tim Shilling and newly promoted partner James Roe have been visible in finance transactions over the past 12 months. The pair advised Russian insurance company Ingosstrakh on the sale of its majority stake in Germany's Sovog, and the European Bank for Reconstruction and Development on its R4.6 billion (€116 million) investment in the privately owned Promsvyazbank.

But the big driver behind its practice recently is metallurgy clients. It advised Russian miner Mechel on its first US acquisition, the coking coal assets of Bluestone Coal. The target was paid for using a complex consideration structure consisting of \$436 million cash, assumption of \$132 million of debt, 83.3 million preferred shares, plus contingent payments based on coal reserves. The Russian Copper Company, Ural Mining and Metallurgy Company Ovoca Gold and Atomredmetzoloto also mandated Allen & Overy last year.

The corporate department's leadership ranks were strengthened this year with the promotion of Anton Konnov to partner.

Leading lawyers: Edwin Tham

Alrud is one of only a few Russian firms to be mentioned alongside the international names, with one competitor saying: "They are definitely the best of the local firms." The key figures are partners Vassily Rudomino and Alexander Zharskiy.

The firm is often called on to advise as local counsel in international transactions, and last year Zharskiy acted for ADP Dealer Services on the Russian aspects of its global acquisition of a Finnish competitor. Zharskiy's work for the automotive company included competition clearance and integration of the target's businesses into ADP Dealer Services' corporate structure.

Elsewhere Alrud took part in one of the first deals to make use of Russia's new laws permitting shareholder agreements, assisting S-Group Assets Management on its acquisition of production facilities.

Baker & McKenzie benefits from a solid leadership team including Dmitry Marchan, described by a client as "always available, very knowledgeable and meticulous", and James Richard who recently transferred from the firm's London office.

These credentials helped secure it work on one of the year's most prominent M&A deals, acting for Weatherford International on its \$450 million acquisition of TNK-BP's Oil

Field Services businesses. The July 2009 transaction was led by Alexey Frolov and Alex Chmelev, and included input from the firm's Houston, Texas office.

While a few busy industries dominated most firms' portfolios last year, Baker & McKenzie picked up some more interesting mandates. Examples include advice to Russian Corporation of Nanotechnologies on its \$450 million joint venture with Sistema Group for the production of integrated circuits, and a global electrical engineering group on its sale of electric trains to Russian Railroads in preparation for the 2014 Winter Olympics.

Since its merger at the start of 2009 **CMS Russia** has continued its reputable work in the energy sector, advising the likes of BP and Rosneft on their local joint ventures. But it has branched out recently, with its 2009 highlights coming from other areas.

In the financial sector it acted for Banque PSA Finance on its acquisition of AIG's local consumer finance operations, plus VTB Bank on its \$150 million investment in Otkritie Financial Corporation. In Q4 2009 Gruner + Jahr mandated it on the sale of its publishing business to Axel Springer, and in a rare real estate acquisition Siemens instructed the firm on its \$120 million purchase of its new headquarters in central Moscow.

Clients appreciate the firm's dedication and cross-border capabilities, with Jean-François Marquaire, Christophe Huet and Irina Bronina receiving praise.

Towards the end of 2009 **Debevoise & Plimpton** was busy with deals in the metals sector. On the buy side it acted for Polyus Gold Group on its purchase of a majority stake in the LSE listed Kazakhgold Group. The client is one of the first Russian gold companies to complete a public takeover of a foreign listed company.

On the sell side it was mandated by Carbofer Group on the sale of its steel distribution company to Evraz, and Chelyabinsk Tube-Rolling Plant on the disposal of its zinc plant to Ural Mining and a number of other private investors.

M&A lawyer Alyona Kucher was promoted to the partnership in July 2009.

Egorov Puginsky Afanasiev & Partners enjoys a good reputation in the market, with a client who uses a number of firms saying "they are the best Russian law firm" and a rival describing it as an up-and-coming firm. Commonly referred to as EPA&P, the firm is well known for its government work, but over the past 12 months it has worked on a number of private-sector mandates.

In May 2010 the firm closed an interesting telecoms deal for northern Europe's Telenor Group. The client and Russia's Altimo settled their shareholders dispute by merging their

assets in VimpelCom and Kyivstar into a new \$23 billion company named VimpelCom Limited. In another cross-border deal multinational Danone mandated the firm to merge its regional dairy product businesses with Russia's Unimilk. The \$1.5 billion transaction was signed in June 2010.

Post-merger, **Hogan Lovells'** corporate practice is expected to grow in prominence and experience, and many rivals see it soon moving into the third tier. The combination of Lovells and Hogan & Hartson's corporate practices has been smooth, with no client conflicts and associates now working on deals opened by the other predecessor firm.

The firm has been visible in the retail, automotive and telecom sectors recently. For instance in November 2009 it completed Mitsubishi Corporation's joint venture with Rolf Group, helping the Japanese trading house expand its dealership network in Russia. Scout24 Group mandated the firm on its joint venture with internet car marketplace provider AutoScout24, a transaction which will give the client an online platform to market its cars.

Elsewhere Hogan Lovells acted for VolgaTelecom on its \$134 million purchase of Aim listed Teleset Networks, and the shareholders of news provider RBC Information Systems on the \$80 million sale of its majority shareholding in RBC-TV Moscow.

Latham & Watkins was kept busy with telecom mandates last year. One of the sector's most talked-of deals saw it act for AFK Sistema on its \$1.27 billion sale of Comstar Untied Telesystems. On the sell side the firm advised Mobile Telesystems on its \$85 million acquisition of handset chain Narico Holdings, marking the client's expansion into the retail sector.

The corporate team also picked up a rare private-equity mandate, advising Almaz Capital Partners on its purchase of a minority stake in Parallels Holdings.

Leading lawyers: Chris Allen

Salans is a solid tier three firm which picks up work through client referrals and partner Alexei Knyazhev being known among rivals as "a very smart guy".

Last September the firm worked on one of the year's most significant oil and gas deals, acting for Enel on the sale by it and ENI of a majority stake in their joint venture SeverEnergia. Gazprom picked up the 51% shareholding for \$1.6 billion. Enel also sought Salans's help on its purchase of a majority stake in an OGK-5 energy generator.

On the buy side in the finance sector Knyazhev led advice to Orient Bank on its takeover of CityMortgage Bank from Morgan Stanley, and Kazakhstan's Eurasian Bank on its takeover of Troika Dialog Bank.

Other notable firms

With offices in three cities, Russian firm **Vegas Lex** has made its name picking up small and mid-cap mandates overlooked by its bigger competitors. Last year however it worked on two notable large scale transactions.

In December it worked on the joint venture between AFK Sistema, Sitronics and Mikron Factory which established a production facility for nanotechnology topology units. The project's capital contributions will exceed \$500 million and used a shareholder agreement, only recently available under Russian law. Elsewhere it advised Tashir Group on its \$150 million acquisition of a shopping and entertainment complex in central Moscow.

Project finance

Recommended firms

Tier 1

Freshfields Bruckhaus Deringer
Linklaters
White & Case

Tier 2

Allen & Overy
Clifford Chance
Dewey & LeBoeuf

Tier 3

CMS Russia
Gide Loyrette Nouel
Herbert Smith

Tier 4

Akin Gump Strauss Hauer & Feld
Chadbourne & Parke
Norton Rose
Salans
SNR Denton

April 2010 was a month to remember for Russian project lawyers. Over a matter of days they witnessed the financial close of the country's three biggest public-private partnership (PPP) projects: Pulkovo Airport's reconstruction, the first phase of the Moscow-St Petersburg toll road, and first phase of the M1 highway connecting Moscow with Minsk. "Successes are being reported which will act as a spur for further activity," says one leading partner. "This gives us good grounds to think that we are moving from planting the seeds to seeing the seedlings spring up."

But optimism is one thing, and wishful thinking quite another. Lawyers are all too aware of the problems the country faces in this field, with PPP projects subject to government delays and private investors still too timid to generate any substantial classical project finance work. No one can blame them

though. The latest amendment of the federal concession laws falls short of its promise to provide more opportunities and improve efficiency, and doesn't give lenders adequate step-in procedures or other cure rights. The Moscow-St Petersburg and M1 toll roads closed under this scheme, but they were the first to do so, and many sponsors choose to complete projects under joint ventures with state companies or via state procurements rather than taking the concession route.

The other alternative is to complete the project near St Petersburg. The region's municipal PPP laws are the country's most successful, with the Pulkovo Airport and the Orlovsky Tunnel being completed under this regime and more projects in the pipeline.

Elsewhere resources projects were buoyed by increasing oil prices, with Nord Stream's gas pipeline connecting Russia to Germany reaching financial close in May 2010, and the continuing development of the Shtokman LNG (liquefied natural gas) project, sourced from one of the world's biggest gas fields.

The latest hope for project lawyers, however, is waste management facilities. Commentators report increasing interest in water purification, recycling and bio fuels, saying if anything is going to get private financiers into the country it will be these. "They are the future of Russian project finance and the most interesting targets simply because of their size," says one partner from a leading firm. He says banks are more willing to finance these projects because they are more realistic, saying already there are "more and more little projects are being brought to life".

Local firms might also be hoping smaller projects will allow them to build their practices. Most are sized out of the market by international firms which have the headcount and overseas offices to take on the cross-border work which dominates the field.

Freshfields Bruckhaus Deringer

The market sees some of its best project finance practices losing their shine recently. But Freshfields Bruckhaus Deringer is not one of them. The firm receives unanimous praise from competitors, with one describing it as "the best in public-private partnerships (PPP) and infrastructure financing", and its top tier ranking is undisputed.

Clients consider the firm to have a capable and diligent team. One PPP client reflects on the firm's work saying: "I think they very much supported the project, they handled their part of the project very successfully", adding: "You could discuss with them on the night or the weekends ... there was good cooperation with them."

Freshfields Bruckhaus Deringer's reputation in this area is due in no small part to newly promoted partner Innokenty Ivanov. Now head of the infrastructure and transport group, Ivanov has worked on a number of the country's pilot PPP projects and is described by an international investment client as "superb".

Ivanov typically spearheads the firm's biggest deals and over the past 12 months has been assisted by a notable associate in the form of Fedor Teselkin. Tipped as a rising star, Teselkin's work is appreciated by clients, with one explaining he "offers good suggestions, made recommendations, and was proactive".

Consistent with this reputation, Freshfields Bruckhaus Deringer's deal portfolio clearly belongs to a leading firm. The highlights came in April 2010 when Inanov and Teselkin closed two of the country's biggest projects which remarkably weren't aborted during the financial crisis. The first was the \$1.8 billion reconstruction of Pulkovo, Russia's fourth biggest airport. The firm advised the sponsors on the 30-year concession deal which is the country's first international airport PPP project.

The second saw the firm act for lenders VEB and Sberbank on the first stage of the 700km Moscow to St Petersburg toll road. The R29.2 billion (€743 million) financing for the construction and operation of the first stretch of road is pursuant to the build-operate-transfer (BOT) scheme under the federal concession laws.

A similar project sees the firm contribute to the feasibility study and concession tenders for a Moscow ring road. The process is expected to commence in 2011 and will also be a BOT concession scheme.

Leading lawyers

Innokenty Ivanov
Michael Schwartz

Linklaters

There was a changing of the guard at Linklaters in July 2010, with former practice head and leading lawyer Daniel Tyrer heading to the firm's London office and highly regarded projects partner Matthew Keats returning in his place. Keats brings solid resource project credentials which make him a particular asset given the office's myriad of oil and gas mandates.

One sees it act for the lenders in one of the country's first domestic project financing deals, the \$1.5 billion upstream development of the Yuzhno-Russkoye gas field by Gazprom, E.ON and BASF. Also on the lenders side it works on the \$1.5 billion project financing of RusVinyl's petrochemical plant in central Russia, representing the likes

of European Bank for Reconstruction and Development, Sberbank and Coface. Linklaters also plays ancillary roles in the country's biggest deals, advising Total E&P Activit s P troli res on the Shtokman LNG (liquefied natural gas) project, and Gazprom Export on the Nord Stream pipeline.

While it may be one of the few firms with classical project finance deals, the market still rates the firm for its public-private partnership (PPP) work. Linklaters played an integral role in the April 2010 closing of the first stage of the Moscow-Minsk toll road. Counsel Julia Voskoboinikova led advice to Main Road on the \$1 billion project. Voskoboinikova is regarded by competitors as one of the firm's strongest practitioners, with one senior partner describing her as "a leader in the field".

Allen & Overy

Allen & Overy has one of the most established project finance practices in Russia. The solid tier-two firm has made its name in upstream oil and gas projects, and in playing an integral role in the development of the public-private partnership (PPP) concept.

It has some hefty credentials in the form of promising young partner Anton Konnov (promoted in 2009) and highly regarded managing partner Tony Humphrey. With over 35 years at the firm, Humphrey is highly valued as a practice manager as well as his experience over a range of practice areas. Project finance, however, is his speciality and Humphrey remains particularly active in the firm's work in this area. Client feedback is generally good but two competitors suggest the firm lacks some depth below partner level.

Example of its work in the resources sector include a joint venture between Petronas, Sasol Synfuels and Uzbekneftegaz for a gas-to-liquids project in Uzbekistan, and advice to Gazprom Export on the marketing of the long-awaited Shtokman LNG (liquefied natural gas) project which sources gas from one of the world's biggest natural gas fields. For downstream work partner Andrei Baev assisted state-owned power equipment supplier Atomstroyexport and energy company Inter RAO UES on their Akkuyu nuclear power project in Turkey.

On the PPP side Allen & Overy provided a fatal-flaws analysis of the Pulkovo Airport development, the country's first international airport PPP project, to lenders International Finance Corporation and European Bank for Reconstruction and Development. Another high-profile project saw the firm advised Transproject on the second phase of the Moscow to St Petersburg toll road.

Clients appreciate Allen & Overy's diligent approach with one saying: "They made

things convenient for us. They were always available, were pragmatic about finding the best solutions and used their best capabilities in negotiations."

Leading lawyers

Tony Humphrey

Clifford Chance

Its ranking may not have moved rankings positions, but Clifford Chance continues to solidify its position, with one peer suggesting its project finance work now rivals some of the tier one firms. Its good rapport within the market is the result of diverse work, strong connections with the firm's London and western Europe offices, and a hard-working leadership team.

This team includes Victoria Bortkevicha, whose capabilities are noted by two peers; Vladimir Barboli who was promoted to counsel in November 2009; and Logan Wright who brings a wealth of banking expertise to the table. An international banking client says its experience working with Wright and Barboli was "very pleasant, everything was smooth, and the advice was spot-on," adding: "Nothing critical we could say - and we are normally very critical."

Over the past 12 months Clifford Chance has worked on a mix of cross-border and domestic deals including resources projects, concession schemes and public-private partnerships (PPP). For instance Wright and Bortkevicha led advice to the Shtokman Development joint venture on the development of one of the world's biggest gas fields located in the Barents Sea.

The firm also advised the lenders on the financing of Nord Stream's €7 billion gas pipeline which will supply Russian gas to the rest of Europe. And work pursuant to the federal concession scheme sees it act for the European Bank for Reconstruction and Development and the International Finance Corporation on the Orlovsky Tunnel project in St Petersburg.

Clifford Chance's headline deal, however, is representation of the consortium of lenders on the upgrade of Pulkovo Airport in St Petersburg. Bortkevicha and Barbolin lead the deal which sees the international financial institutions and the state bank Vnesheconombank grant €716 million to the German, Greek and Russian sponsors until the end of 2024. The project is one of the country's most visible and its first international airport PPP project.

Leading lawyers

David Griston
Logan Wright

Other ranked firms

Last year **Chadbourne & Parke** continued to lose lawyers to international firm Dechert, including from its project finance group. Five associates involved in this work moved to Dechert's new Moscow office in June 2009, joining two former Chadbourne & Parke partners who made the move earlier that year.

The firm's reprieve, however, was the September 2009 return of partner Konstantin Konstantinov. He rejoined Chadbourne & Parke after only three months at Dechert. Since then Chadbourne & Parke has reinforced its capabilities through a number of mid-level hires.

The reshuffle may read like a tumultuous affair, but competitors have not noticed any drop-off in the firm's practice. Its most significant deal of late is advice to the European Bank for Reconstruction and Development and the International Finance Corporation on the modernisation of the Patos Marinza oilfield in Albania. In total the lenders will provide \$129 million of debt and equity co-financing which will be used to improve oil-handling, production, and the environmental impact of the commercialisation of Europe's biggest onshore oil deposit.

In December 2009 **CMS Russia's** highly regarded public-private partnerships (PPP) partner Kirill Ratnikov left to join regional firm Magisters. Although Ratnikov is undoubtedly a loss, neither CMS Russia nor its competitors expect the departure to damage the firm's growing profile in this area. One peer says: "Of course their main project finance partner left last year, but they are still a leading firm."

Jean-François Marquaire has stepped up to head the project finance and infrastructure department, and under his leadership the firm continues to advise the concessionaire, North-West Concession Company, on the first stage of the Moscow to St Petersburg toll road which closed in April 2010.

Gide Loyrette Nouel is the only firm to move up the rankings this year, entering tier three on the near-unanimous recommendation by the market. The firm has developed a reputation for its public-private partnership work and for being at the forefront of the surge in water projects across Russia. It is also known to contribute to the drafting of concession laws.

In July 2010 the firm lost projects partner Olga Revzina to Herbert Smith, but it's too early to measure any impact on the firm.

Headed by banking specialist Alexander Currie, **Herbert Smith** has a small project finance team which has been busy over the past 12 months working on energy projects. The most notable saw it advise Gazprom and its joint venture partners, in its capacity as sponsor and borrower, in the €1 billion project financ-

ing of the development of the Yuzhno-Russkoye gas field in western Siberia.

The firm receives good client feedback with one describing its relationship as follows: "Efficient cooperation encompassing a wide variety of English and Russian law issues. The firm is well positioned to serve the needs of the international sponsor groups."

The firm's public-private partnership and infrastructure capabilities were boosted earlier this year with the hire of highly regarded partner Olga Revzina from Gide Loyrette Nouel.

Other notable firms

It seems only a matter of time before the market catches onto **Magisters'** project finance capabilities. Not only has the firm secured instructions on some of the biggest infrastructure deals across the Commonwealth of Independent States (CIS), it also performed somewhat of a coup late last year poaching highly regarded projects lawyer Kirill Ratnikov from CMS Russia to head its infrastructure and public-private partnership (PPP) team.

The CIS firm's most notable deals include acting for Roads of Russia on the financial closure of the M1 toll road connecting Moscow twith Minsk, and advice to Italian engineering company Impregilo on its \$1 billion toll road project in Kazakhstan.

In addition to infrastructure work, Magisters has played its part in the green projects popping up across the country. Ratnikov and team acted for TDF Ecotech from tender stage to its development of a €120 million waste recycling plant north of Moscow.

Restructuring and insolvency

Recommended firms

Tier 1

Allen & Overy
Clifford Chance

Tier 2

Cleary Gottlieb Steen & Hamilton
Freshfields Bruckhaus Deringer
Herbert Smith
Linklaters
White & Case

Tier 3

Alrud
Egorov Puginsky Afanasiev & Partners
Pepeliaev Group
Salans
Vegas Lex

It was a year of tensions in Russia's emerging restructuring and insolvency practice. Companies that found themselves in trouble refused to go quietly, with debt-riddled alu-

minium giant Rusal being rescued only by some nifty finance restructuring and a mammoth IPO, and real-estate giant Mirax Group teetering on the edge of insolvency before choosing the "Russian fix", as described by one lawyer, by divesting from almost half its assets.

In the automotive sector Freshfields Bruckhaus Deringer helped Rolf Group undertake a \$520 million corporate restructure, and the deregulation of the country's prolific power sector saw Cleary Gottlieb Steen & Hamilton help Mosenergo reorganise its activities and Egorov Puginsky Afanasiev & Partners assist with EN+ Group's restructure of a key power business. Among what lawyers describe as the "haphazard" and "not by-the-book" restructurings, no headline bankruptcies emerged last year.

The simple fact is Russia does not have an insolvency culture. The number of failed businesses was up from last year, but continuing government assistance to struggling industries and an aversion to failure mean the wave of expected insolvencies didn't crystallise. This is all to the dissatisfaction of hard-line Russian banks. Many want to enforce collateral and foreclose businesses for tax and regulatory capital reasons. As one lawyer says: "When you've got a Russian bank in the structure the chances are that the gloves will come off very quickly". The result is some very unhappy debtor-creditor relationships.

The latest amendments to insolvency laws have added to this strain, with many lawyers saying the June 2009 changes do nothing but encourage the debtor-friendliness of the jurisdiction. The biggest obstacle is that insolvency proceedings must be initiated by the debtor, sometimes leaving the creditor with no choice but to watch the company be stripped of assets before it gets its share. There is some talk about introducing Chapter 11-style proceedings, but for the moment this remains little more than that.

And within the profession there is friction in the domestic v international debate. Initial market feedback rates the leading international corporate firms as the best in this emerging practice area. This is based on their appearances in creditor claims for cross-border insolvencies and advice to banks on the corporate restructures of their failed debtors.

But the tier two names are being chased by a pack of domestic firms which benefit from local knowledge and a wealth of court experience. This certainly gives them the edge in bankruptcy proceedings which, by all reports, are expected to increase next year.

Allen & Overy

Allen & Overy has quickly established itself as one of the most respected firms in this area.

Since mid-2008 a number of its senior banking and corporate practitioners have realigned their focus to distress-driven work. The result is a healthy portfolio of creditor mandates completed by a broad range of partners.

Over the past 12 months this work was dominated by aviation insolvencies. For instance finance partner Stephen Matthews and senior associate Ilya Dvorkin advised Macquarie AirFinance on the insolvency of a Russian airline, plus international airline leaser ILFC on its successful repossession of an aircraft from another insolvent airline. With the benefit of knowledge gained during Russia's 1998 financial crisis, Dmitry Shiryayev advised financier GECAS on the insolvency of a number of its debtors. Banking partner Irina Mashlenko also acted for Gazprombank on KrasAir's bankruptcy proceedings.

The other sector work for Allen & Overy is natural resources. Last year managing partner Tony Humphrey and Matthews acted for the principal investor in a struggling gas exploration project. A foreign insolvency official tried to impose liquidation proceedings on the privately-owned project, but the firm secured an interim remedy to protect its client. Another deal saw newly appointed partner Elena Tchoubykina represent Commerzbank in Amurmetal's insolvency proceedings.

Judging by client and competitor feedback, the promotion of Tchoubykina to the partnership in May 2009 was the right decision. Peers note her as one of the field's leading lawyers and one client describes her as "very professional, helpful and cooperative."

Leading lawyers

Elena Tchoubykina

Clifford Chance

Clifford Chance impresses peers and competitors alike, securing its top-tier ranking. One insolvency and restructuring client says the firm is efficient, supportive and has good communicators, explaining it has an edge over other firms: "With them you also get procedure advice, not just legal advice like we've got from others ... you have a partner helping you develop different legal scenarios. The advice is much more comprehensive".

Victoria Bortkevicha and Logan Wright are the most active lawyers in this area, with Wright described by a competitor as: "The mainstay, the spine of the operation. He's a good guy."

Recent mandates include advice to Embarcadero Aircraft Securitization Trust Ireland in successful repossession proceedings

against bankrupted airline KrasAir and involvement in the restructure of automotive company Rolf Group.

Leading lawyers

Logan Wright

Cleary Gottlieb Steen & Hamilton

While the tier one firms busied themselves acting for creditors in insolvency proceedings, Cleary Gottlieb Steen & Hamilton was free to pick up some significant mandates by struggling debtors looking to reorganise their assets.

The most significant is continuing advice to power company Mosenergo on its corporate restructure. Russia's biggest fossil-fuels generator, responsible for powering Moscow and its surrounding region, is forced to rearrange its businesses under legislation aimed at deregulating the country's power sector. Another significant deal saw it help floundering property-developer Mirax prolong its seemingly inevitable bankruptcy.

On the creditor's side, the firm acted for Sberbank Capital on the corporate restructure of its debtor, Aim-listed exploration company Urals Energy.

Cleary Gottlieb Steen & Hamilton's work in this area is recognised the country's leading firms, but its Moscow practice is heavily supported by the firm's London office. In Moscow the key contacts are corporate partner Scott Senecal and David Gottlieb who recently transferred from the firm's New York office.

Freshfields Bruckhaus Deringer

Freshfields Bruckhaus Deringer has been at the forefront of the sectors hit hardest by the financial crisis. In the resources industry the firm contributed to contingency planning for a distressed metallurgy group, and automotive sector mandates came from the likes of Rolf Group. This September 2009 advice related to the \$520 million multi-faceted restructure of the importer and dealership's activities, and included input from the firm's London office. The firm has also worked on real-estate bankruptcies and advises an international investment fund on the insolvency of its Moscow-based investment vehicles.

Mikhail Loktionov is the main contact for restructuring and insolvency work, and client feedback indicates he is building a solid practice. One international banking client says: "I actually like working with them. They can give advice pretty urgently, including about whether a case can be developed in court". But the firm's litigation head Yaroslav Klimov

is the client's go-to person for court proceedings, saying: "I'd rather call him than anyone else."

Herbert Smith

Headed by Alexander Currie, Herbert Smith's restructuring & insolvency team is focussed on the midmarket, making its name from a diversity of deals rather than a handful of headline clients.

For example the firm picked up instructions on the restructure of supermarket chain Lenta from its founder Oleg Zherebtsov. For cross-border work it advised a Japanese trading house on the \$100 million restructure of its truck assembly joint venture with a Russian partner. And its creditor client-base includes Commerzbank, ING and Gazprombank.

Perhaps its most notable work came in the media sector, acting for investment fund Onexim Group on the reorganisation of multimedia company Ros Business Consulting (RBC). The \$400 million transaction saw the team propose and then form RBC's new corporate structure, consolidate the group's assets into the new holding company, settle associated cross-border and domestic litigation, and then assist Onexim Group acquire a controlling stake in the new entity. The deal closed in June 2010 and was led by corporate partner Alexei Roudiak who was assisted by three associates.

Leading lawyers

Ed Baring

Other ranked firms

Commentators are quick to say domestic firms will be the big winners in insolvency work, and Alrud is the most cited example. Local knowledge has never been more valuable, and the firm's contacts with small and mid-cap struggling businesses coupled with its civil procedure experience has kept the growing firm busy over the past 12 months.

Alrud has advised management and shareholders' liability in numerous bankruptcies, and has been pulled in as local counsel on cross-border insolvencies. For instance last year it continued to advise Dutch company Amtel Vredestein on the possible insolvency of its Russian subsidiaries. The advice, led by senior partner Vassily Rudomino, saw the firm strategise in relation to Russian insolvency proceedings, assess the exposure of shareholders and senior management, and ensure the Russian businesses continued to meet their obligations to third parties under insolvency regulations. The matter closed in September 2009 and was Russia's first significant cross-border insolvency.

Elsewhere the firm represented SeverEnergiya on the insolvency of its local subsidiaries. The client, an Italian-Russian consortium owned by ENI and Gazprom, mandated Rudomino and his team to work with the administrator, ensure insolvency procedures complied with the new regulations, and identify its risks as a shareholder.

Egorov Puginsky Afanasiev & Partners is another local firm to attract crisis-driven work from big-ticket clients. In September 2009 partner Dmitry Stepanov closed advice to struggling property developer Mirax Group on its restructuring.

Also last year Anton Kostenko continued to work for EN+ Group on its reorganisation of power asset Irkutskenergo. This is a notable mandate in that the client owns the country's biggest private energy company - EroSibEnergo - making it a significant player in Russia's energy sector. The deal is one example of the reorganisation of Russia's power sector, and required delicate attention to ensure the new structure's profits filtered through to the firm's client.

The firm has also played an instrumental role in drafting the new insolvency laws and financial rehabilitation regulations.

Salans's restructuring & insolvency practice standouts from its competitors as the only international firm which is active in court proceedings. The team is headed by Timothy Stubbs and last year made its name in creditor bankruptcy claims. The firm was particularly active in the struggling automotive sector, taking advantage of partner Alexei Panich's industry experience.

Panich represented a number of banks and other creditors in insolvency proceedings, including BSGV bank on its \$15 million claim against a member of the Amtel Group. Alexander Romanuyogo and Roman Zaitsev assisted on the matter which closed in December 2009.

Vegas Lex has a strong track-record helping companies restructure for corporate governance reasons, making the firm well placed to compete with its international counterparts for corporate reorganisations over the past 12 months.

Examples include advice to hydropower generator RusHydro on the restructure of its \$3 billion project with Rusal aimed at developing a power station and aluminium smelter. Another matter saw it advise Orino on the restructure of its \$100 million joint venture to develop a shopping and entertainment complex in Tver. These changes were sparked by the slumping property market and were finalised in October 2009.

The key contact for restructuring work is Yury Bortnikov.