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Investor disclosure initiatives: shaping investor expectations in securitisation

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The undisputed mantra in the aftermath of the financial crisis is the promotion of increased disclosure to investors as a key element in tackling the perceived information asymmetry between investors and issuers of asset-backed securities (ABS). In the drive to create greater transparency in securitisation markets several initiatives are underway on both sides of the Atlantic to promote such a goal.

The parallel initiatives of the European Central Bank (ECB), the Bank of England and the US Securities and Exchange Commission (SEC) are designed to increase transparency for investors in the securitisation markets and to reduce reliance on rating agencies. In addition, the new Article 122a of the Capital Requirements Directive sets out increased Pillar 2 due diligence obligations on credit institution investors, creating a further momentum for access to more extensive data.

These initiatives may well start to shape investor expectations prior to their formal effectiveness.

The initiatives

In December 2009 the ECB launched a public consultation on loan-by-loan information requirements for asset-backed securities in the Eurosystem collateral framework. The ECB initiative centres on the development of a standardised reporting template for disclosure of loan-by-loan data on an ongoing basis for each asset class of securities. The data collected would then be made available through a subscription-based data portal system. It is envisaged that the Governing Council will announce the loan-level data requirements after preparatory work is completed later this year.

In March 2010 the Bank of England published a consultative paper seeking views on, among other things, the Bank's initiative to require greater transparency in relation to ABS and covered bonds as part of the eligibility criteria for instruments accepted in its operations. Broadly, the Bank is considering the following eligibility criteria for securities accepted in its operations:

(i) provision of loan-level data and inclusion of certain stratification tables in investor reports;

(ii) availability of cash-flow models;

(iii) availability of legal documentation and summary of structural features; and

(iv) provision of monthly investor reports. A final proposal is expected shortly.

In April 2010 the SEC published sweeping proposals to update and expand the regulation of offerings of ABS and other structured finance transactions in the US in both the public and the private markets. In addition to the requirements for asset-level data to enhance static pool disclosure, the SEC proposals also seek to enhance the pool-level information traditionally provided in most offering documents. Asset-level information will be accompanied by a computer programme (the waterfall computer programme) that allows investors to perform stress tests on the portfolio cash flows. At one level it could be observed that the SEC proposals are intended to allow, or even pressure, investors to perform their own analysis in the same way as a rating agency would do.

Broadly, the initiatives all move in the same direction, which creates the scope for the possibility of a consistent (if not coordinated) approach between these three important market areas. The devil, as they say, will be in the details.

Conforming proposed initiatives to the current regulatory regime in Europe

Data manipulation and the Prospectus Directive
The initiatives, and the initial responses from market participants, reveal that investment decisions are made, and pursuant to Article

122a of the Capital Requirements Directive are required to be made, on the basis of processes of data manipulation. The prospectus, however, is fundamentally a legal disclosure document which sets out the information required under the Prospectus Directive. The SEC proposals place the data in the waterfall computer programme at par with the prospectus disclosure.

Both the ECB and Bank of England initiatives contemplate the disclosure of asset-level data through the use of a data portal or website accessible to investors but, unlike the SEC proposals, there is no current discussion at the European regulatory level of the treatment of cash flow model programmes and data portals in the context of prospectus disclosure requirements or their status *vis-a-vis* the prospectus. However, the Bank of England is seeking the availability of cash flow models outside of the prospectus.

Disseminating data under the Transparency and Market Abuse Directives

The Transparency Directive and Market Abuse Directive stipulate requirements for non-discriminatory, wide public disclosure of information. National legislation implementing the Transparency Directive may specify the manner in which such disclosure must be disseminated. Issuers will need to consider these national requirements in choosing how to disseminate asset level information consistent with the requirements of the Directives. The ECB initiative in turn will need to develop the eligibility criteria for any third party data portal providers in light of any limitations or restrictions imposed by national regulatory bodies.

The investor disclosure initiatives uniformly support the disclosure and dissemination of enhanced data to all investors. This is in line with the broad principles of the Market Abuse Directive. One issue is whether a subscription-based service falls foul of the definition of *inside information*. In the UK, the FSA provides guidance on this point, stating that a publication even if it is only available on payment of a fee is a factor in determining

whether information is generally available. Other national regulators, however, may not take the same view.

Moving forward

At a minimum, we expect that the proposals will start to establish a new level of *best practice* both in the European and US securitisation markets. Better access to data on the underlying assets may contribute to the re-opening of the markets but we do not believe it will be the overriding contributing factor. The implementation of these proposals, however, should help with the creation and maintenance of a more ordered securitisation market in the longer term, which is a welcome development. Within Europe, pan-European and national regulatory and legislative frameworks will need to be harmonised to decrease administrative burdens of enhanced disclosure on issuers of ABS.

Market players are concerned, however, that the proposed speed of implementation coupled with the political imperative of being seen to be *doing something* to address perceived short comings in the financial markets, will lead to poorer quality regulation and legislation that is not fully thought through or “joined-up”.

Given the recent Greek debt crisis, the upcoming wall of debt refinancing in 2011 and the UK’s tentative emergence from a painful recession, you would be tempted to conclude that the equity capital markets aren’t the best place to be at the moment.

But while market volatility is definitely holding back IPOs in the short-term, equity capital markets lawyers note that there is a huge number of issues ready to hit the market once the volatility disappears.

“I’m surprised at how busy we are on IPOs. There is a suspension at the moment but we’re looking at the second half of the year,” says a partner. “IPOs are back and will come to the market in the short term, but in the very short term it’s volatile.”

That’s not to say that there’s been no activity. While sterling and euro assets aren’t popular, emerging markets have been a strong area for firms with good connections. Essar Energy’s £1.3 billion IPO on the LSE in May 2010 showed the market’s appetite for strong assets.

Partners also note that a change of attitude among emerging markets companies in regards to pricing is making life a bit easier for everyone. “Entrepreneurs are getting realistic on price expectations - they insisted they want some mythical best price, but now they’re getting the deal done at a lower, more realistic price,” says one.

Firms are also lining up to get involved in the large number of private-equity exits which are expected to hit the market. Hellman & Friedman’s IPO of Gartmore in December kicked things off, and although the pricing was poor it opened the market. One month later KKR structured its Pets at Home sale as a dual track, but eventually went for a straight sale, while Apax exited from its 25% holding in Promethean World through an IPO in March 2010.

The secondary market however has been much more robust, with huge rights issues dominating headlines. Following on from HSBC and Xstrata’s huge issues last year, this year has seen Lloyds Banking Group and Rio Tinto turn to shareholders for huge sums of cash.

Prudential’s £14.5 billion rights issue for its proposed (and subsequently aborted) takeover of AIG’s Asian arm also showed that there is market appetite for acquisition financing as well.

“The secondary side depends on the government,” says a partner. “If it ups the interest rates it will impact on the businesses holding on as they can’t access money at lower rates, and it might bring another round of capital raisings.”

But the Prudential issue was the exception not the rule. With a wall of debt refinancing

coming up in 2011, partners say that the equity markets are not deep enough for the huge amounts which need to be raised. A spread of financing instruments such as rights issues, eurobonds and high-yield bonds are likely to be employed.

In this market the advantage would likely go to the larger UK firms with the ability to cover all areas, however clients this year were very vocal in their praise of the likes of Herbert Smith and Ashurst for their ability to handle complex and innovative deals.

Freshfields Bruckhaus Deringer

Unsurprisingly, Freshfields Bruckhaus Deringer’s phenomenally strong equity capital markets team holds its position in the market following praise from both clients and peers. The equity team can turn its hand to pretty much any sector of the market, from emerging market IPOs to secondary placements and cashbox issues.

Freshfields is traditionally known for its work on the underwriter side, however the firm has been working at addressing the balance and is more evenly spread than it has been in the past. This comes through in the client feedback, with issuer clients happy to praise the firm for the quality of its work.

Nevertheless most of the strong praise comes from underwriter clients. The team is recognised by one bank counsel for its “great strength in depth”, as well as the quality of the ongoing relationship and the very good quality of the firm’s advice. Another client notes the firm’s “high level of technical knowledge” and its responsiveness.

Another bank-side client praised the firm for its “innovation, commerciality and knowledge”.

Julian Makin’s mining work is recognised by another banking client, while Stephen Revell is seen as one of Europe’s leading emerging markets equity lawyers. Junior partner Sebastian Lawson is noted for his work across central and eastern Europe, while Neil Radford and Simon Witty’s work is also recognised by the market.

Peers at US firms note that Freshfields is increasingly a competitor on transatlantic work. Although US partner Ken Martin transferred out to Hong Kong this year, Sarah Murphy’s strong reputation means the firm is unlikely to skip a beat.

Freshfields had a remarkable year on the IPO front given their relative scarcity in the market. One highlight on the issuer side this year was advising Indian mining company Essar Energy on its £1.3 billion IPO on the LSE in May 2010. Led by Makin, Radford and Stuart Grinder, the IPO involved a corporate restructuring of the group companies

Capital markets - equity

Recommended firms	
Tier 1	Freshfields Bruckhaus Deringer Linklaters
Tier 2	Ashurst Cleary Gottlieb Steen & Hamilton Herbert Smith Slaughter and May
Tier 3	Allen & Overy Clifford Chance Skadden Arps Slate Meagher & Flom
Tier 4	Latham & Watkins Sullivan & Cromwell Shearman & Sterling White & Case
Tier 5	Baker & McKenzie Hogan Lovells Macfarlanes Simmons & Simmons Weil Gotshal & Manges

and was the largest IPO in London since the onset of the financial crisis.

The firm also showed its skill at working on private-equity exits. Murphy, Radford and Witty acted for Apax portfolio company Promethean World on its £186 million IPO on the LSE in March 2010. The issue was notable for the difficulty of its timing, and required corporate restructuring work and arrangements to accommodate the smaller shareholders.

On the bank side, Don Guiney led a team advising Credit Suisse and Numis Securities on the £417 million IPO of Horizon Acquisition Company, a special purpose acquisition company (Spac), on the LSE in February 2010. This was the first UK company to take advantage of the new Chapter 14 secondary listing regime.

Another highlight on the bank side saw Murphy and Witty act for the underwriters on the R5.25 billion (\$680 million) IPO of Life Healthcare on the Johannesburg Stock Exchange (JSE); the largest public offering to date on the JSE.

Freshfields was also active with rights issues this year. Guiney and Makin led a team advising the underwriters on Lloyds Banking Group's £13.5 billion issue, which included a step-up underwriting structure whereby the issue price was determined by Lloyds and the bookrunners after the launch but in advance of the general meeting.

The team also advised the underwriters on Yell Group's £660 million placing and open offer, and National Express Group's £375 million rights issue.

Leading lawyers

Julian Makin
Ken Martin
Chris Mort
Sarah Murphy
Stephen Revell
Simon Witty

Linklaters

Linklaters' equity capital markets team is seen by clients as one of the strongest in Europe, in particular for its combination of technical skill, relationship coverage and experience. The firm is generally known to have more of a bank-side focus, however its work on the Rio Tinto, Lloyds and Balfour Beatty rights issues showed that it has a fantastic issuer-side practice as well.

Like Freshfields, the firm has a strong name for IPOs, rights issues and secondary offerings in Europe and the emerging markets. For Russian work in particular the firm is the first port of call for underwriters: "For

Russian law advice they're absolutely top of the market," says one bank-side client.

The mining sector is another strength, with Charlie Jacobs and senior associate Rob Cleaver the standout names according to clients. Another client adds: "John Lane and Ben Dulia are very good all-rounders."

The team is recognised by its US rivals as particularly active on US listings, and although the firm lost key US partner and leading lawyer Steve Thierbach to Herbert Smith in March 2010, it is likely that dual US/UK qualified Brigid Rentoul and her team will continue winning mandates from its relationship clients looking for US securities advice.

Rights issues were a staple of the firm this year, with Linklaters advising on three of the largest issues of 2009. One highlight saw Richard Godden, James Inglis, Tom Shropshire and Jessamy Gallagher advise Rio Tinto on its \$15.2 billion rights issue. The issue required two separate but simultaneous and inter-creditor rights issues which were structured to fall within the permissions built into Rio Tinto's constitution, and required a reconciliation of UK, US and Australian market practices and regulatory frameworks.

Another key mandate saw a large team of partners advise Lloyds Banking Group on its £13.5 billion rights issue. The deal was the largest ever rights issue in the UK, and the first combined rights issue and fully-underwritten liability management exercise. The deal also included a step-up underwriting structure where the issue price was determined by Lloyds and the bookrunners after the launch but in advance of the general meeting.

Elsewhere, US partner Mike Bienenfeld advised Balfour Beatty on its £353 million issue, which was extended into the US under Rule 144A, as well as Canada.

While Linklaters wasn't as active on IPO work as its tier one counterpart, the work it did land was significant. One highlight saw John Lane and Pam Shores advise the banks on Gartmore's £676 million IPO on the LSE in December 2009. The offering was the first IPO of a private-equity owned trading company since the onset of the financial crisis.

Leading lawyers

Charles Jacobs
John Lane
Jason Manketo
Brigid Rentoul

Ashurst

While Ashurst may be having a difficult year on the corporate side of its London practice, there are no such problems in its equity capi-

tal markets team's UK work. The team is seen as part of the leading group of firms for equity work in London, particularly on the issuer side given its traditional corporate client base.

However Ashurst has been working hard over the past couple of years to try to build up its underwriter practice, and by and large it is succeeding. The firm is noted by one underwriter client as consistently value-for-money, and singled out Nicholas Holmes in particular.

Ashurst's deal sheet also shows that it is getting a strong deal flow from the banks, particularly on secondary placements and rights issues. One highlight saw Holmes, Jeffrey Sultoon and US partner Eric Stewart advise Morgan Stanley, JPMorgan Cazenove and Rothschild on Songbird Estates' £1.03 billion equity raising - the largest ever by a UK property company.

Steven Fox and US partner Daniel Bushner also combined to advise the banks on Tullow Oil's \$1.5 billion placing, which consisted of a cashbox placing of shares to new and existing investors to finance the acquisition of Heritage Oil's Uganda interests.

Holmes and US partner Marie Elena Angulo were active on the rights issues side, acting for Citigroup, RBS Hoare Govett and Greenhill on Rexam's £351 million rights issue, and advising the banks on Lonmin's \$457 million rights issue. Ashurst was also active on the bank-side of Aim listings of real-estate funds, including the IPOs of Max Property, which was the UK's first IPO of 2009, and LXB Retail Properties.

However Ashurst is far from ignoring its issuer side practice. One highlight saw Anthony Clare and Stuart act for CPP Group on its £450 million IPO, while National Express mandated Fox and Bushner on its £360 million, seven-for-three rights issue.

Given the number of private-equity houses which need to offload portfolio companies in the coming 24 months, Ashurst is in the box seat when it comes to possible IPO exits. Stephen Lloyd this year advised long-term client Apax on the IPO of Promethean World - the first IPO by a private-equity firm in 2010.

Leading lawyers

Daniel Bushner
Nicholas Holmes

Cleary Gottlieb Steen & Hamilton

Cleary Gottlieb's team may be small in number, but on quality the firm punches well above its weight on cross-border work. While the team lost standout partner Ashar Qureshi to Renaissance Capital this year, Cleary's equi-

ty capital markets offering is still seen by clients as having deep technical knowledge, a strong bench and a commercial mindset.

US partner Sebastian Sperber showed that he could fill Qureshi's large boots when he won a role advising Prudential on the US elements of its \$20 billion rights issue. This followed on from the firm's role advising HSBC on its £12.5 billion rights offering in early 2009.

Clery has a very strong brand in Russia on the issuer side, shown in its role representing Rusal on its headline-grabbing simultaneous IPO on the Hong Kong Stock Exchange and Euronext Paris. The listing, led by the increasingly well-regarded Raj Panasar and US partner Dan Braverman, was the largest new listing in Hong Kong by a company outside of Greater China.

Another transaction which shows the capabilities of Clery's London capital markets team saw Raj Panasar and Simon Ovenden combine to advise Tata Steel on its \$500 million Regulation S offering of GDRs in July 2009. The listing was the largest Indian GDR listing in London, and the largest capital raising by a company outside its domestic market on any European exchange in 2009.

Leading lawyers

Daniel Braverman
Raj Panasar
Sebastian Sperber

Herbert Smith

Herbert Smith's equity capital markets team has gone from strength to strength over the past couple of years, and the hire of leading US partner Steve Thierbach from Linklaters is sure to boost its standing for US securities work even further.

The firm has been building on its underwriter links and is starting to make a real impression in the market. "We're using them increasingly," says one senior bank-side client who mandates a number of firms. "We didn't up until the last 18 months; they've really broken through on ECM."

"They've got a really strong relationship with some banks, and through them we've ended up with them and we've gone back to them." The client adds: "They've got good people there, but they tend to be quite expensive."

Will Pearce, Chris Haynes and Adam Wells are noted by clients and competitors for their increasing profiles, while US partner Alex Bafi, Charles Howarth and Greg Mulley are also noted for their strong equity work.

While the firm is more than capable of working on both the underwriter and issuer side of a transaction, its bank-side practice is

the one that pulls in the high-profile roles. The Prudential role was arguably the most high-profile, with Pearce and Bafi advising the banks on the insurer's \$21 billion rights issue as part of its (since aborted) takeover of AIG's Asian subsidiary, AIA.

The Prudential deal followed on from Pearce and James Palmer's role advising Credit Suisse, JPMorgan Cazenove and Macquarie Bank on Rio Tinto's \$15 billion rights issue in June 2009. The cash was raised on the LSE and the Australian Stock Exchange, and was completed during the termination of Rio Tinto's partnership with Chinalco and the joint venture with BHP Billiton.

Herbert Smith was also active on secondary placements for the underwriter, advising the banks on placing and open offers for Liberty International (£620 million) and Debenhams (£323 million).

The firm also has a strong profile on the issuer side, advising on Lonmin's \$477 million rights issue, and combining with its Dutch alliance member Stibbe to act for Wavin's on its €225 million rights issue. Pearce also advised JJB Sports on its £100 million placing and open offer, and combined with Bafi on Yell's £660 million placing and open offer, which was part of a debt refinancing.

Leading lawyers

Chris Haynes
Greg Mulley
Will Pearce
Steve Thierbach
Adam Wells

Slaughter and May

Slaughter and May's strong issuer-side practice has meant that the firm has been very visible in the UK market over the past year as its client base looks to raise capital through rights issues and secondary placements.

Nilufer von Bismarck is undoubtedly the highest-profile partner at Slaughters this year, being repeatedly praised by both competitors and clients for the strength of her corporate work. "She really knows her stuff, and is a pretty fierce negotiator," says one bank counsel who worked opposite Von Bismarck.

Given the strength of its client base it was no surprise that Slaughters won a string of key equity capital markets roles this year. Long-term corporate client Prudential turned to Slaughter and May as UK counsel for its \$20 billion rights issue, as well as the M&A elements of its ultimately abandoned attempt to acquire AIG's Asian subsidiary, AIA. William Underhill, Nilufer von Bismarck, Robert Chaplin and Roland Turnill worked on the deal out of London along with the Hong Kong office.

HM Treasury was another active client of the firm, mandating Slaughter and May as underwriter counsel on the £4 billion compensatory open offer by Lloyds Banking Group. Slaughter and May also acted for Songbird Estates on its underwritten placement, compensatory offer, issue of preference shares and new credit facility, which totalled £1.03 billion. The deal was one of only two compensatory offers implemented to date (the other being the Lloyds offer mentioned above), the largest secondary offering by an Aim company and was China Investment Corporation's first significant investment in Britain.

Another interesting deal saw Kathryn Davis and Stephen Powell combine to act for Barratt Developments on its £720 million placing and deep discounted rights issue, which included a cash box structure to create distributable reserves. Simon Nicholls also teamed up with Martin Hattrell to advise New Look on its proposed £650 million IPO on the LSE, which was postponed due to market volatility.

More recently, John Papanichola and Robert Stern also advised Ocado on its IPO in June 2010.

While most competitors claim Slaughter and May is simply focused on its corporate client base, the firm does occasionally work on the bank side, particularly if someone in a bank group likes a particular individual. Simon Nicholls is praised by one bank counsel for his technical abilities: "He's one of the best corporate lawyer we come across in terms of knowledge and judgement."

"They're very idiosyncratic but extremely successful. I see them often on deals representing issuers. They drive a hard bargain on the issuer side; they're more suited to private equity disposals than listings though." - underwriter counsel (Lloyds)

Leading lawyers

Peter Brien
Nilufer von Bismarck

Other ranked firms

While on the debt and bank lending side **Allen & Overy** has an extremely strong reputation with the banks, the firm's reputation on the underwriter side is comparatively weaker. Senior bank counsel note that they tend to use the firm for conflict work, citing Richard Browne and Louise Wolfson as the standout members of the team.

While Allen & Overy hasn't been particularly visible to its peers in London over the past two years, the team has nonetheless been active; particularly where equity and debt work intertwine.

One highlight was advising the Bank of Ireland on its €3.42 billion capital raising, which involved an institutional placing, a placing to the Irish State, a rights issue and a regulatory capital debt-for-equity swap. Another highlight was advising the dealer managers and the enhanced capital note (ECN) trustee on Lloyds Banking Group's regulatory capital reorganisation. This involved the exchange of hybrid securities into ECNs, generating £22.5 billion of fundraising for Lloyds.

Allen & Overy also advised the banks on GKN's £423 million rights issue and on J Sainsbury's £445 million placing of new shares through a cash box structure and the offering of convertible bonds.

On the issuer side the team acted for Great Portland Estates on its £175 million rights issue, and advised Rexam on its £350 million rights issue.

Leading lawyers: Mark Dighero

Clifford Chance moves down a tier this year after clients and competitors note that the firms in tier two have developed their practices more over the past few years and have shown more of a commitment to the equity capital markets area. "Clifford Chance hasn't really developed. It's only really Adrian and Simon Thomas," says a bank-side client. "If you want the top you need Adrian and Simon; the others just do what is necessary."

However with a position in the third tier, the firm is still one of the more respected practices in London. Adrian Cartwright in particular has a strong reputation among clients. "He's very good, always one of the most respected players," says one bank-side counsel. "He's a nice guy, he knows his stuff, his approach is practical and he gets the job done." Simon Thomas is also a respected name in the Clifford Chance team.

A different underwriter client notes the firm's "responsiveness, ability to take a commercial view" and efficiency, while another praises the firm's commerciality.

The team is also noted for its strength in Russian work - one highlight saw Cartwright and Christopher Walton advise Russian grocer Magnit on its \$527 million Rule 144A/Reg S secondary offering of global depositary receipts in October 2009.

The firm leant on its private-equity links when Cartwright and John Connolly teamed up to act for 3i on its £732 million rights issue in May 2009. Elsewhere, Adrian Levy and Thomas advised Jersey Max Property on its £200 million IPO on London's Aim and the Channel Islands Stock Exchange in May 2009.

Leading lawyers: Adrian Cartwright and John Connolly

London partners tend to bracket **Skadden Arps Meagher Slate & Flom's** equity capital markets work with Cleary Gottlieb's, given that they are both US firms with a strong reputation for European, and in particular Russian equity capital markets work. But for UK-driven work (the real focus of this chapter), peers note that Skadden lags behind Cleary and its other tier two competitors, and that tier three is an accurate position.

For eastern European deals the firm is at the top of everyone's list, and rightly so. The team is flexible enough to be able to offer both debt and equity advice, particularly where they cross over. "I think that on transactions I generally find them very, very good," says a bank-side client. "They're probably as consistent firm we work with on equity."

"I do a large amount of work in Russia and eastern Europe," adds the bank counsel. "For that region they are probably the top of our list for issuers counsel or underwriters counsel." US partners Rich Muglia and Rick Ely are singled out for praise in particular, however Robert Williams departed to Allen & Overy in October 2009.

While the market has been much slower over the past two years, one highlight saw the London team advise steel company Evraz Group on its \$315 million global offering of shares and global depositary receipts alongside a convertible bonds offering.

In western Europe a bank counsel notes that the firm isn't as dominant as it is in the east of the continent, but is very much in the mix. One highlight this year saw Ely, James McDonald and Nik Colbridge advise the underwriters on the €1.25 billion rights offering by the National Bank of Greece in July 2009, which was designed to increase the bank's Upper Tier I capital.

On the company side James Healy acted for Belgian pharmaceutical company UCB on its €500 million listing on Euronext Brussels in connection with its issue of a €500 million convertible bond. Corporate partner Michael Hatchard also advised Atrium Real Estate on its \$1.2 billion dual listing of its shares on the Vienna Stock Exchange and Euronext Amsterdam in August 2009.

While the firm's work tends to be more Europe focused, it certainly doesn't ignore UK-centred work. A highlight this year saw Ely and Hatchard act for Glick Investments on its £895 million equity offering as part of Songbird's (which Glick owns 28% of) repurchase of its own debt and subsequent acquisition of a further stake in the Canary Wharf Group.

Leading lawyers: Rick Ely, James Healy and Rich Muglia

Latham & Watkins' strong European network, particularly in Milan and Frankfurt,

gives its equity capital markets team a strong presence on European deals. The firm benefits from a good relationship with JPMorgan, with the bank mandating Olof Clausson and Antti Ihamuotila on Amer Sports' €160 million rights offering in September 2009 and Scandinavian media group Schibsted's \$191 million share offering in June 2009.

Continuing the Scandinavian theme, Clausson and Ihamuotila also advised Bank of America Merrill Lynch on Swedbank's \$2.1 billion rights offering in September 2009. On the issuer side Latham advised Norsk Hydro on its \$1.75 billion rights issue to finance its takeover of Vale's aluminium business.

One of the firm's strongest roles on the issuer side saw Clausson team up with the Frankfurt office to act for Erste Bank on its €1.74 billion rights offerings in Austria, the Czech Republic and Romania, combined with a private placement in the US.

Latham & Watkins worked with the Moscow office to advise Integra Group on its \$95 million offering of global depositary shares, and teamed up with the Singapore office to act for Sesa Goa on its \$500 million offering of foreign currency convertible bonds on the Singapore Stock Exchange.

Elsewhere the team advised Russia's VTB Bank on its \$5.8 billion rights offering in Russia.

While **Shearman & Sterling's** team is not one that is often mentioned by its competitors in London, the firm has been quietly building a very strong deal list over the past two years under the leadership of Richard Price and Laurence Levy.

The team has a good mixture of US and UK deals, and both underwriter and issuer-side roles. The majority of praise comes from the issuer side however. "They're very responsive, and got the deal done on time," says one issuer client, while another notes that the team is "accessible and responsive". Laurence Levy and Mei Lian are praised in particular by clients.

On the UK side Price led a team which won a tough battle for the role advising African Barrick Gold on its £2.3 billion IPO on the LSE in March 2010 - the largest IPO on the LSE for two years. The team's UK, US and Canadian expertise were the key to the firm's success on the deal.

Shearman's Abu Dhabi connections are also very strong, as shown by Levy and Lian's role advising International Petroleum Investment Company on its bought deal involving 13.5% of Barclays' issued share capital and £1.25 billion of step-up callable reserve capital instruments of Barclays.

The Qatar Investment Authority (QIA) also mandated Levy and Lian on the issue of shares by Songbird Estates, the majority share-

holder of Canary Wharf Group. The issue, which was completed for Songbird to repurchase its debt from Citigroup, involved subscription and underwriting commitments. As a result, QIA became the largest shareholder in Songbird, with a 25% holding.

On the US side the definite highlight was Price's role as US counsel to the underwriters on HSBC's £12.5 billion SEC-registered rights offering. This was the largest UK rights offering funded by private investors, and the first time the new compressed rights offer timeline under new FSA rules was applied to a US-registered transaction.

Elsewhere, the team acted for AngloGold Ashanti on its \$284 million equity offering in September 2009. Led by Price, the deal was structured to take advantage of the SEC's shelf registration system to execute the deal on an aggressive timetable.

Leading lawyers: Laurence Levy

While **Sullivan & Cromwell's** practice is more focused on European-driven US securities work, it remains a very well respected firm in the market. The London office is not noted for running deals, however it is seen to have played a big role on Irish deals of late.

US partner Bill Plapinger is seen as the firm's stand-out name for equity capital markets work.

White & Case's emerging markets work is well recognised by commentators, in particular its skill in working with the banks on first-time issuances by central and eastern European companies. The firm has a strong bench of UK and US partners and is headed by Philip Broke.

One highlight this year was advising Bank of America Merrill Lynch and ING on Russian oil and gas company Exillon Energy's \$100 million IPO on the LSE in December 2009; the first Russian IPO in London since 2008.

The Turkish market is a strength for the firm, shown when Laura Sizemore and Greg Stonefield teamed up with its Turkey affiliate firm Akol Avukatlık Bürosu to act for Goldman Sachs and JPMorgan on Turkish gold mining company Koza Altin Isletmeleri's \$435 million IPO on the Istanbul Stock Exchange, which was also conducted pursuant to Rule 144A/Reg S.

White & Case has also been active in the UK, particularly on mid-market transactions. A consortium of banks turned to Broke and US partner Carter Brod for advice on Segro's proposed £250 million issuance of new ordinary shares to finance its acquisition of Brixton, while on the issuer side Greg Stonefield and Brod acted for Mitie Group on its £43 million cash box placement of new shares.

Baker & McKenzie's reputation for representing first-time emerging markets issuers has grown in recent years, with the firm gathering praise from competitors for its work. Clients are also quick to praise the firm, with one issuer client describing the team as "very commercially minded". Edward Bibko also comes in for praise from the client.

The firm was active advising mining companies listing on the LSE this year. A highlight this year saw Bibko, Helen Bradley and Roy Pearce advise Russian oil and gas company Exillon Energy on its \$100 million IPO on the LSE in December 2009; the first Russian IPO in London since 2008.

Australian mining companies gave the firm a strong line of work; Robert Adam teamed up with the Sydney office to advise Centamin Egypt, an Australian mining company, on its £1.3 billion IPO on the LSE in November 2009, while Tim Sheddick acted for Australia's Ferro Metals on its £22 million placing of ordinary shares to new and existing investors. Baker & McKenzie has therefore advised on the only two Australian companies to be admitted with a primary listing on the main market of the LSE.

Elsewhere, Roy Pearce led a team advising long-term client the Bank of Georgia on its listing of global depositary receipts on the LSE in August 2009.

Simmons & Simmons' is seen as a very good choice for UK mid-market offerings, particularly on the underwriter side. "They were excellent, the advice was good and timely," says a mid-market investment banking client. "The senior people were accessible at all times. They were very calm, which was great. They were quite expensive but you get what you pay for."

Chris Horton is a particular client favourite. "Chris Horton is excellent, I really rate him," says one client. "He's very proactive, very commercial and very, very responsive. If there is a difficult issue I know he will be involved; he doesn't leave things for junior lawyers to get on with." Ian Wood is also recognised by clients, as is Daniel Winterfeldt's US work.

Deutsche Bank was a good client of the firm's this year, mandating Horton and Winterfeldt on a £100 million placement by Drax Group in July 2009. Deutsche and RBS RBS Hoare Govett also looked to the duo on Bovis Homes' £60 million placing in September 2009.

JPMorgan also mandated Horton and Winterfeldt on St Modwen Properties' £107 million placing and open offer in June 2009.

Leading lawyers: Chris Horton

While **Weil Gotshal & Manges'** recent work is not particularly visible to its peers in London, many note that the firm has a good

position in certain European jurisdictions, specifically central Europe.

"I would actually recommend them very highly," says an issuer client. "Peter Schwartz and James Cole - I found both of them to be excellent. They're technically excellent, and very, very good at client service. They're commercial, dogged and also fun to be with."

The client adds: "Weil were actually reasonably good value for money."

The Warsaw Stock Exchange (WSE) was one of the few bright spots in Europe this year, and Weil's strong Polish office gave it a string of strong mandates. Schwartz and Peter King worked with the Warsaw and New York offices to advise PKO Bank Polski on its €1.2 billion rights issue (the largest secondary offering on the WSE) and CEDC on three equity and debt offerings on the Nasdaq and WSE, totalling \$318 million.

On the bank side, the team acted for Goldman Sachs and Unicredit on PGE Polska Grupa Energetyczna's €1.4 billion IPO; the largest IPO in the CEE since 2004. Outside of Poland, Swartz lead a team advising Gategroup on its SFr393 million (£233 million) IPO on the Swiss Stock Exchange in May 2009.

Given Weil's strong position in the UK private-equity market, peers note, following on from its role on the Premier Foods equity restructuring in 2008/2009, that it will be interesting to see how many of the upcoming IPO exits go the firm's way over the next few years.

The team has nevertheless been active in the UK market, acting for Songbird Estates as US counsel on the company's £190 million compensatory open offer, £430 million issue of ordinary shares and £275 million issue of preference shares, along with a credit facility.

Other notable firms

While it does not practice UK law, **Davis Polk & Wardwell** acts as US counsel on an impressive proportion of issuances out of UK and Europe, particularly Spain, under the leadership of the respected Paul Kumleben.

The firm is without a doubt one of the go-to firms for US counsel on large complex listings and rights issues. Nigel Wilson this year led a team advising the joint global coordinators on Rio Tinto's \$15.2 billion Rule 144A/Reg S rights offering; the first major rights issue by a dual-listed company and the largest rights issue by a non-financial institution.

In Germany, Patrick Kenadjian (who has since retired) advised HeidelbergCement as US counsel in its €4.4 billion capital increase under Rule 144A/Reg S - the largest capital increase in Germany in 2009. The team also

acted for the banks on Delta Lloyd's €1.1 billion IPO (the largest IPO in western Europe in 2009) and on DnB Nor's Nkr14 billion (\$2.3 billion) rights offer.

Elsewhere, Jeffrey Oakes advised 3i Group in connection with its £732 million rights offering of common stock, and teamed up with John Meade to advise the joint bookrunners in Aegon's €1 billion SEC-registered offering.

Similar to Davis Polk, Cravath Swaine & Moore also does not have a UK capability, but is a strong choice for US counsel on UK and European equity capital markets transactions. Led by Philip Boeckman, the firm has been cultivating relationships with firms without a US capability, and has the flexibility to work on both the issuer and underwriter side.

On the bank side, Boeckman and Gregory Shaw advised Deutsche Bank and Morgan Stanley in connection with Petroplus Holdings' Sfr292 million (€224 million) 144A/Reg S rights offering. The deal included a high-yield offering, showing the benefit of the firm's cross-practice team.

Boeckman also represented the underwriters on pharmaceutical company Eurand's (a portfolio company of Warburg Pincus) \$110 million offering of ordinary shares on Nasdaq.

On the issuer side, the firm represented Punch Taverns as US counsel in its £375 million 144A/Reg S rights offering of new ordinary shares on the LSE, and acted for Klöckner & Co in its €200 million 144A/Reg S rights offering of new ordinary registered shares on the Frankfurt Stock Exchange.

Travers Smith has a good reputation for UK-based mid-market equity capital markets transactions, with Spencer Summerfield the most recognised name according to clients.

Given its corporate client base it tends to advise on the issuer side. One highlight saw Summerfield lead a team advising London Mining on its £219 million IPO on London's Aim market and a £72 million placement of the company's shares. The firm also acted for Marwyn Capital I and Marwyn Capital II on their admission to the Aim in December 2009.

Metric Property Investments mandated Travers Smith on its £190 million placing and offer for subscription, and Blacks Leisure Group turned to the firm on its £22 million placing and open offer.

Capital markets - debt

Recommended firms

Tier 1

Allen & Overy
Linklaters

Tier 2

Clifford Chance
Freshfields Bruckhaus Deringer

Tier 3

Cleary Gottlieb Steen & Hamilton
Sidley Austin
Slaughter and May
White & Case

Tier 4

Ashurst
Baker & McKenzie
Herbert Smith
Simmons & Simmons
Skadden Arps Slate Meagher & Flom

While bank liquidity is still difficult to come by, debt capital markets lawyers report that they have been rushed off their feet by corporates looking to the debt markets to fill the financing gap traditionally provided by banks.

If corporates learnt one thing from the financial crisis, it is that you need to diversify your borrowing sources. The start of 2010 saw a number of large investment grade issues, underscoring the confidence that was in the market at the time. The Dubai and Greek debt crises and the recent threats of double-dip recessions in key markets are making life difficult for more recent issuers though. "Greece came at a bad time, things were neatly positioned for corporates to move into the debt markets," says a partner.

The US market has been an active one this year for UK corporates. Many partners report a surge of interest in debt offerings designed to tap the deep and liquid US markets. "Any deal of size people will be concerned about getting it away in Europe, but also want the option of the US," says a partner. "If you want surety to get the deal away you'd go with a 144A as well; a few years ago you wouldn't bother."

Unsurprisingly this has benefited the established US firms in London, especially the likes of Cravath and Davis Polk who are brought in on a number of corporate and sovereign issues. UK firms with US partners have also capitalised on the interest, although many bank counsel note that if the deal isn't plain vanilla they will tend to go to the more experienced US firms.

UK firms without a US capacity have in some ways been left behind by this new transatlantic outlook, and is part of the reason

for the run of mergers between UK and US firms this year.

But US issuances are just part of the story of the debt capital markets in 2010. Liability management has been a huge source of work for the top firms, but not on the recapitalisation side as before. Law firms are reporting working on deals involving a mix of maturing corporate credit and underperforming bank assets.

Hybrid issuances have also been in the spotlight of late given their confusing rules regarding interest payments during state bailouts. In Germany, holders of profit participation certificates in Eurohypo have filed a lawsuit against its parent company Commerzbank following its suspension of interest payments. The result of the case, and of the proposed Basel III rules regarding bank core capital, could have very large repercussions for debt capital markets practitioners in the coming months.

Unrated cross-over credits have also become more popular as corporates look to diversify their funding base and extend the maturity of their profile. Thomas Cook's £300 million and €400 million issues came to market without an existing credit rating in April 2010, opening up a potential new source of work for UK firms.

Allen & Overy

"They are very quick to respond. They have a fantastic knowledge of the industry and are extremely pragmatic in coming up with solutions that will work for all," says a client of Allen & Overy's excellent debt capital markets team.

A leader of the UK debt capital markets for years, Allen & Overy is simply unsurpassed when it comes to covering everything from MTN programmes and eurobond issuances to complex liability management, regulatory capital work and convertible bonds.

Given its strong bank contacts it is a regular on the manager side, but it is also capable of handling the borrower side of the deal as well, especially given the combination of its fantastic bank lending team, market-leading securitisation and derivatives practice and its developing high-yield experience. A client praises the firm for its "consistent expertise across the firm, creativity, ability to sync-up capital markets and loan financing, responsiveness and level of service."

Client after client praises the team for its broad experience, breadth of knowledge and accessibility of its partners. One client praises the strength of the firm's senior associates, however another notes that the firm could increase the number of "safe hands" lawyers at that level.

Another client notes: “They are very quick to respond. They have a fantastic knowledge of the industry and are extremely pragmatic in coming up with solutions that will work for all.”

The client adds: “The team we use is super and back each other up very well when on holiday. And they are absolutely value for money — always very fair about their quotes and reasonable to talk with if the work goes on longer than expected. They also keep us informed of where we are with respect to their quote so that there are no surprises in the end.”

Peers are also quick to praise the team. “A&O is streets ahead in volume, probably in terms of quality ahead of Links,” says a competitor. “There’s been a focus on program work over the years and it’s paid dividends in the downturn.”

Boyan Wells is a client favourite, while Islamic finance expert Roger Wedderburn-Day and Jane Brown are also praised as leaders in their field. Other partners to come in for praise are Jonathan Melton, Matthew Hartley and Stephen Miller.

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“They also keep us informed of where we are with respect to their quote so that there are no surprises in the end.”

Allen & Overy has had highlights across all facets of the debt capital markets this year. The firm was active with financial institutions, advising the joint global coordinators and dealer managers on Lloyds Banking Group’s £16.5 billion issue of hybrid securities, which exchange into enhanced capital notes or equity. The team also advised four of the five financial institutions (Abu Dhabi Commercial Bank, First Gulf Bank, National Bank of Abu Dhabi and Union National Bank) to benefit from the Government of Abu Dhabi’s Dh16.5 billion (€3.54 billion) Tier I capital injection.

On the liability management side, the firm acted for the dealer managers on a series of separate exchange offers by Lloyds TSB Bank. Jonathan Melton was particularly active in this area, advising the dealer managers on the RBS exchange and tender offers and British American Tobacco’s intermediated exchange offer. On the issuer side Melton advised Banco Santander on its €6 billion exchange offer of new Tier I or lower Tier II securities for holders’ existing Tier I or upper Tier II securities.

Jonathan Mellor was active in the convertibles market, advising Cable & Wireless on its £230 million convertible bond issue, and WPP on its £450 million of guaranteed convertible bonds. On the bank side Mellor advised the

bookrunners on J Sainsbury’s equity placing and convertible bond issue, and acted for the lead managers on Abengo’s €200 million convertible bond issue.

Roger Wedderburn-Day was again active in the Islamic finance market, advising GE Capital on its \$500 million *sukuk* (Islamic bond) issue in November 2009, and acting for the dealer banks on the establishment of the Government of Dubai’s \$2.5 billion sovereign *sukuk* - the largest ever sovereign *sukuk*. Matthew Hartley also acted for Gulf International Bank on its SR2 billion (\$533 million) bond - the first domestic bond issuance by a financial institution in Saudi Arabia, and the largest ever book for a Saudi riyal bond placement in the country.

Allen & Overy’s US securities team was also called upon by bookrunners and managers this year. Adam Kupitz advised the banks on Anheuser-Busch InBev’s \$5 billion Rule 144A bond offering, and acted for the dealers on Eksportfinans’ US MTN programme. The firm also advised the banks on the Republic of Croatia’s \$1.5 billion notes issue under Rule 144A.

Leading lawyers

Jonathan Melton
Stephen Miller
Roger Wedderburn-Day
Boyan Wells

Linklaters

There was little doubt that Linklaters’ debt capital markets team was going to hold its tier one position this year. The team’s reputation has arguably grown among its peers over the past year, while clients regularly cite the firm as the leading practice in the City.

In fact, such was the team’s reputation in the market this year that one competitor said that he couldn’t talk down the firm for fear of not being taken seriously for the rest of the interview!

Clients repeatedly praise the firm’s technical knowledge and responsiveness, as well as its solution-focused and commercial approach and the breadth and depth of the team. Clients also cite Linklaters’ knowledge of the markets and experience.

The firm’s individual partners also received a strong level of praise from the market this year. Practice head Carson Welsh was praised for his general capital markets experience, Ben Dulieu received praise again this year from competitors and clients and Elaine Keats was noted for her liability management work.

Andrew Roberts’ Middle East and north African work was recognised by one banking client. “He’s very good, extremely proactive,” says the client. “Andrew is extremely good at

client skills, and extremely good at following up on things.” US partner Patrick Sheil is also praised by a client for his work in the region.

Francis Kucera’s work across central and eastern Europe is also highlighted by clients and competitors, while US partner Cecil Quillen has really made a name for himself on emerging markets bonds, particularly in Russia where the firm has close to an unassailable position in the market on the underwriter side.

“If you do a Russian deal on the underwriter side the first port of call is always Linklaters,” says a bank-side client. “The criticism is that they’re overburdened as everyone goes to them.”

Linklaters’ strong relationship with the banks drives the practice, and the firm works on a large volume of MTN and commercial paper programmes on the back of this. While some competitors claim that the work is boring and less complex, one notes that this approach, like Allen & Overy, means that the firm’s relationship with the banks remains strong. And it certainly doesn’t hurt the balance sheet either.

But the real story of Linklaters’ debt practice is not one of volume; one glance at the team’s track record over the past 18 months shows a firm which has advised on some of the most complex, innovative deals in the market.

Linklaters’ main selling point is its ability to combine its stellar equity-linked practice (“They consistently deliver high quality service,” says a client) with its skills in liability management and regulatory capital work to provide clients with a practice which is both broad and highly skilled.

The firm’s work on Lloyds Banking Group’s £7.5 billion exchange offer is a good example. Welsh, Keith Thompson and US lawyer Tom O’Neill advised the bank on its liability management exercise, as well as its £13.5 billion rights issue, which ensured that Lloyds didn’t need to enter the UK Government’s asset protection scheme. The liability management work involved the creation of a new security, Enhanced Capital Notes, which automatically convert into ordinary shares should the bank’s consolidated core Tier I capital ratio fall below 5%.

Another example saw Richard Levy and associate Jonathan Fried advise the Royal Bank of Scotland on £25.5 billion issue of B Shares and a Dividend Access Share as part of the bank’s agreement to enter the UK Government’s asset protection scheme. Under the regulatory capital protection agreement with HM Treasury the UK Government agreed, for five years, to subscribe for up to an additional £8 billion of B Shares if RBS’s core Tier I ratio falls below 5%.

As Linklaters built up its experience in regulatory capital, more clients came to the firm for advice. Richard Levy, US partner Patrick Sheil, managing associate Anna Biggin and associate Jini Lee advised on the capital markets elements of Yorkshire Building Society's purchase of Chelsea Building Society. Specifically, they advised on the capital exchange of £200 million of lower Tier II subordinated debt in Chelsea for £100 million of convertible notes in Yorkshire.

While underwriter work is a strong theme to its debt practice, the firm also has the skills to work on the issuer side as well. One highlight in the convertible bonds market saw Thompson and managing associate Amy Geddes work alongside their colleagues in the New York office to act for Adecco, as well as the joint bookrunners, on the company's issue of senior secured limited mandatory recourse convertible bonds. The issue, one of only a few mandatory convertible bond issues in 2009, was through a Bermudan subsidiary of Adecco and is listed on the Swiss Stock Exchange.

Thompson, US partner Pam Shores and managing associate Paul Alexander continued the theme, advising Glencore International on its \$2.2 billion issue of convertible bonds. The team worked with Glencore's financial advisors to create a pre-IPO convertible bond structure for a private group that has yet to be reorganised into a structure suitable for an IPO.

Leading lawyers

Jane Brown
Ben Dulieu
Elaine Keats
Francis Kucera
Keith Thomson
Carson Welsh

Clifford Chance

Clifford Chance moves down to the second tier this year following market feedback which indicated that Allen & Overy and Linklaters had pulled away from the pack in tier one.

A number of peers note that Clifford Chance's debt team had not been significantly involved with the financial crisis bank recapitalisation work, and suggest that the firm is not completing the same level of complex transactions as its tier one rivals.

Bench strength is an area of concern to clients. While the quality of partners such as David Dunnigan and Simon Sinclair is without question, some clients say the firm lacks senior associates who can really lead deals. There were also mixed reviews of Clifford Chance's responsiveness, with some noting that they need to improve, and others desig-

inating it a strength. The firm also lost Stephen Roith to Sidley Austin in September 2010.

But as a tier two firm, it receives a fair share of praise from the market as well. "They have a good regional team with strong technical knowledge," says one client.

Clifford Chance's Middle East work is praised, particularly its Islamic finance work through Dubai-based Debashis Dey. "Debashis Dey is certainly the leading Islamic finance lawyer in the region that I've come across," says one client. "He's on all the groundbreaking deals."

David Dunnigan is the firm's standout name, and is a favourite of emerging-markets-focused in-house counsel, with one describing him as "a very good relationships man". Stewart Dunlop is also noted by commentators his work on emerging markets deals.

Simon Sinclair is noted for his activity on equity-linked and regulatory capital deals: "He's been very active and I expect to see a higher profile for him at CC," says one peer. Sinclair also comes in for praise from clients. "Simon Sinclair is extremely good, technically very good, available and efficient," says one.

Elsewhere, Robert MacVicar is seen most often on commercial paper deals, and Duncan Kellaway is described as an up and coming lawyer by competitors.

Given the firm's strong presence in the projects market, it comes as no surprise that Clifford Chance has had a strong flow of debt financing deals from energy and infrastructure clients who can't access bank liquidity. A group consisting of David Bickerton, Steve Curtis, Robert MacVicar and Stephen Roith this year advised on a range of deals, including advising Wales & West Utilities on its flipper bond issuance ahead of a full securitisation and acting for the underwriters on BAA Funding's first issuances under its funding platform.

The team also used its connections in its market-leading private-equity practice to act for Terra Firma in its refinancing in the debt capital markets of its acquisition debt for its purchase of Phoenix Natural Gas.

Emerging markets is a big theme of the firm's deal list this year, with the majority of highlights coming from outside the UK. Clifford Chance is said by one emerging markets-focused client to be making a big push into sub-Saharan African work, while its eastern European and Islamic finance work is well recognised in the market.

Clifford Chance's liability management team has been active this year, with one highlight seeing Dunlop act for Credit Suisse on Ukrainian energy company Naftogas' exchange of its existing £500 million loan participation notes for new government-guaranteed notes. The firm has also advised the banks on the liability management aspects of

Santander's exchange offer and Nakheel's debt restructuring.

On the equity-linked side the firm benefits from its strong Islamic finance practice and its presence across central and eastern Europe. Clifford Chance's recently-enacted agreement with AZB in India may also strengthen its position in the Indian convertible bond market.

Clifford Chance was also active with US securities work, with one highlight seeing David Dunnigan and US partner Bob Trefny working together with the Moscow office to advise the Republic of Croatia on its \$1.5 billion issue of notes due 2019, which was done under Rule 144A - the country's first 144A issue since 1997.

Leading lawyers

Stewart Dunlop
David Dunnigan
Simon Sinclair

Freshfields Bruckhaus Deringer

Given its strong corporate practice, it's no surprise that Freshfields Bruckhaus Deringer is best known for its issuer-side debt work. Clients note that, while certainly not cheap, the team is fantastic for its "accessibility and responsiveness", "excellent technical skills and good partner accessibility" and "technical expertise".

While the firm has been making an effort to build its underwriter practice in recent times, with Mark Trapnell representing the joint lead managers on National Express Group's £1 billion EMTN programme and on Salamander Energy's \$100 million convertible bond issue in early 2010.

However feedback from peers and clients indicates that this side of its practice has yet to gain traction with the market. "[Freshfields] needs more strength in depth and more experience on underwriter side," says a bank-side client. A peer adds: "They've taken an issuer practice to the highest level. They are appropriately ranked below tier one for only being an issuer practice."

For issuer work however, the firm is one of the market leaders. One highlight saw Trapnell and US partner Sarah Murphy work with the Bahrain and Riyadh offices to advise the Central Bank of Bahrain and the Bahrain Ministry of Finance on the \$1.25 billion sovereign bond issue by the Government of Bahrain.

Trapnell also advised Intercontinental Hotels Group on the establishment of its £750 million EMTN programme on the LSE in December 2009. He followed up to act for the group on its issue of £250 million of callable notes under the EMTN programme.

In the emerging markets, Don Guiney led the London team advising Russian Railways on its debut \$1.5 billion eurobond offering, and advised Colgrade, a subsidiary of Russian car retailer Rolf Group, on its issue of \$150 million 13% guaranteed loan participation notes on the Irish Stock Exchange. Colgrade's issue was part of Rolf's \$250 million debt exchange offer to holders of its \$250 million 8.25% notes.

Stephen Revell and Mark Trapnell were also active on unrated issues, including advising Vestas Wind Systems on its €600 million issue of 4.62% notes on the Luxembourg Stock Exchange.

Freshfields has also been working on a number of commercial paper programmes, including private programmes and Step (short-term European paper)-compliant public programmes for Northern Rock and Espirito Santo Financiere.

Leading lawyers

Don Guiney
Sarah Murphy
Stephen Revell
Mark Trapnell

Other ranked firms

Cleary Gottlieb Steen & Hamilton's debt team moves up a tier this year after strong feedback from the market about the quality of the firm's cross-border work.

The departure of the very well respected Ashar Qureshi to long-term client Renaissance Capital in February was the obvious talking point among competitors, with one saying the move will be a blow to the firm. "He was the biggest star at Cleary - I bumped into him everywhere," says one partner.

But despite the move, the market still believes that Cleary is more than capable of handling complex, cross border work. "I'm always happy to refer clients to them," says one rival partner.

Clients praise the team for its knowledge, experience and quality of partners, however some do raise questions about the depth and experience of its capital markets associates.

Cleary's London office benefits from its US office's market-leading position in capital markets, giving it a strong position for US-law work out of Europe. Russia is a particular focus, with the firm's top-tier presence in Moscow making Cleary a clear go-to firm for issuers (along with Skadden).

In fact, its prowess on the issuer side in Russia is even recognised by the banks on the other side of the table. "Cleary is very zealous - it pisses us off sometimes as a bank, but

they're very good at what they do," says a bank counsel.

One highlight of the firm's Russian work saw Simon Ovenden advise the Russian Federation on the country's \$5 billion eurobond issue in April 2010. While Raj Panasar is usually known more for his equity work, this year he acted for Russian telecoms company Megafon on the establishment of its \$1.5 billion London-listed loan participation notes programme.

A key strength of Cleary's London team is its ability to provide top quality equity and debt capital markets advice. This was shown on the firm's mandate to advise Prudential on its \$20 billion rights issue and \$5 billion debt offering for its purchase of AIA, Insurer AIG's Asian subsidiary. US partners John Palenberg and Sebastian Sperber advised Prudential on the deal, which was one of the biggest headline-grabbing transactions of 2010 in the UK.

Elsewhere, respected US partner Pierre-Marie Boury advised long-term client Citigroup as underwriter of the Republic of Senegal's \$200 million debut bond offering in December 2009.

Leading lawyers: Sebastian Sperber and John Palenberg

While peers consistently note that **Sidley Austin's** debt capital markets reputation comes on the back of its strong securitisation offering, the firm has been developing its presence in London over the past year to try to win over the banks doing European-originated US debt work.

The hire of well regarded US partner Bart Capeci from Allen & Overy and the transfer of Mark Wiltshire from the New York office to head the London capital markets group are proof of that. Meanwhile Craig Chapman shifted back to the New York office this year.

The firm also pulled off a coup by hiring leading Clifford Chance partner Stephen Roith as co-head of capital market. "Steven Roith is extremely technically good - technically fantastic," says a competitor.

But that's not to say that the firm only looks at US debt work; the London office is more than capable of working on deals tapping the UK, European and Asian capital markets. In fact, one client of the London team praises the firm for its "great global coverage".

One highlight this year saw Chapman and UK partner John Russell work with the New York office to advise Morgan Stanley as dealer-manager on Banco Santander's exchange offer of LSE-listed Rule 144A/Reg S US dollar-denominated shares and subordinated notes issued by Santander finance subsidiaries for US dollar-denominated Rule 144A/Reg S preference shares and subordinated notes.

In Europe, UK partner David Howe and derivatives partner Matthew Dening worked with the Chicago office to act for JPMorgan on Ianus Capital's issue of €50 million of principal at-risk variable rate notes - the first European catastrophe bond of 2009. Howe also acted for the banks on ASR Nederland (the successor entity to the Dutch members of the Fortis Group) on the issue of three series of trust-preferred hybrid capital securities by certain Delaware funding trusts. The transaction involved the collapse of the existing trust and partnership underlying the securities and the issue of hybrid capital securities to institutional and retail investors.

Elsewhere in Europe, Mark Walsh advised the Government of Macedonia on its €175 million listing of notes on the LSE in July 2009. The note offering was the first post-credit crunch sovereign listing in the region.

Howe was also active on the issuer side in the Asian market, working with the Hong Kong office to advise long-term client Gome Electrical Appliances Holding on its issue of UK law-governed Rmb2.05 billion (€234 million) of 3% coupon convertible bonds on the Singapore Stock Exchange.

Leading lawyers: Stephen Roith and Mark Walsh

Slaughter and May's corporate-focused practice may have a different approach to its competitors, but on quality terms the firm's debt work has many admirers. "I've used them for years - they do our debt capital markets and corporate advisory work," says one issuer-side client.

"What I particularly like is the high percentage of thinking lawyers rather than the processing kind. It helps as we do some quite complicated stuff." Another client praises the firm's MTN programme work, noting its "detailed, in-depth knowledge" and "commercial application".

The firm was in the box seat for the HM Treasury mandate during the banking crisis given its relative lack of conflicts on the bank side, and given the amount of ongoing work the government has done for RBS and Lloyds Banking Group (e.g. Lloyds' £7.5 billion debt for contingent capital swap in November 2009) the team has been one of the busiest in London.

Slaughter and May active away from the HM Treasury work as well, and across a broad range of debt products. On the straight bond side the team advised Akzo Nobel on its issue of guaranteed bonds, and Bupa Finance's issue of £350 million bonds due 2016.

The firm showed its versatility on the convertibles side when Miranda Leung acted for Deutsche Bank as arranger on the repackaging of a \$100 million convertible *murabaha* (deferred sale) facility between Gulf Finance

House and Sonata Securities. The deal gave investors an option to convert into Gulf Finance House shares in lieu of receiving cash payments, and was only one of a few deals where *murabaha* facilities had a conversion option and required payments to be made in cash.

Slaughter and May's subordinated debt work was also strong, with Guy O'Keefe acting for Prudential in May 2009 on its £400 million issue of fixed and floating rate lower Tier II notes due 2039. O'Keefe also advised the company on its \$750 million issue of Tier I notes to investors in Europe, the Middle East and Asia one month later. Both issues were part of Prudential's £5 billion MTN programme.

The firm is also adept at advising on debt issuance programmes, with one highlight this year seeing Marc Hutchinson act for Australian bank Westpac on its debt issuance programme. The firm advised on Westpac Banking Corporation's \$50 million issuance programme, which involved the incorporation of deposit guarantee schemes by the Australian and New Zealand governments. Hutchinson also advised on subsidiary Westpac Securities NZ's \$7.5 billion programme, as well as Westpac's euro commercial paper programme.

Leading lawyers: Marc Hutchinson, Miranda Leung and Matthew Tobin

Known mostly for its emerging markets work, **White & Case** had a strong flow of debt capital markets work this year, taking advantage of its strong local practices in central and eastern Europe to bring in liability management and bond issues for corporates who are struggling to access liquidity.

The team's debt work received strong praise from the market for its "commercial and hands-on" approach to emerging markets deals, as well as its depth of knowledge and accessibility.

Carter Brod (who shifted to the Moscow office in June 2010), Stuart Matty and Francis Fitzherbert-Brockholes are praised for their innovation and reliability in EMEA transactions, while the firm's professional approach, international network and ability to stay up to date with the latest market developments are also noted by clients. One client however does note that the team does need to "keep up" on non-emerging markets deals.

White & Case has a very strong work flow on emerging markets sovereign bond issues, on both the issuer and investment bank side. One highlight on the bank side saw Stuart Matty advise Standard Bank as initial purchaser on Mongolia's \$75 million notes issue in June 2009. The transaction involved a direct eurobond issue by the sovereign, which acted through its Ministry of Finance.

The firm also advised the banks on the UK and Czech elements of the Czech government's €1.5 billion note issue as part of the country's €10 billion EMTN programme.

On the issuer side one highlight saw Carter Brod act for the Republic of Lithuania on its Rule 144A/Reg S offering of \$1.5 billion of 6.75% notes due 2015 - the country's largest-ever debt issue. The firm also represented the republics of Senegal and Poland on their note issuances.

White & Case has continued to dominate the Kazakhstan market, with one highlight seeing the firm mandated by Credit Suisse, ABN Amro and Citigroup on Kazmunaigaz Finance Sub's \$5 billion global MTN programme, which was underwritten by Kazmunaygaz. The firm also advised on the \$3 billion issue under the programme, which was the largest emerging markets corporate bond in history.

Sven Krogus worked alongside the Moscow office to advise TMK Bonds as issuer and TMK as guarantor of the company's \$412 million convertible bond. On the bank side, Stuart Matty advised the lead managers on Telekom Slovenije's €300 million eurobond issue - the country's first eurobond transaction by a corporate issuer.

Leading lawyers: Francis Fitzherbert-Brockholes and Stuart Matty

Ashurst moves up a tier this year on the back of a raft of positive comments from peers and clients. Clients particularly like the firm for its "excellent knowledge of debt capital matters" and the accessibility of its lawyers, not to mention its flexibility on costs.

Anna Delgado is seen as the firm's key debt partner by both peers and clients, while senior associate Paula Clarke again is noted by a client for her strong work. Clients and peers however do point out that apart from Delgado and Clarke there is a lack of strength in depth at the firm.

Peers note that the firm has been making a push on the issuer side, and has been particularly visible in the convertibles market. One highlight was acting for Hochschild Mining on its \$115 million issue, First Quantum Minerals on its \$500 million issue and Autonomy Corporation on its £497 million issue.

In the EMTN space, one highlight was advising National Express on the establishment of its £1 billion EMTN programme and £350 million note issue. William Hill also turned to Ashurst on its £300 million issue of guaranteed notes.

The firm has also worked on the bank side this year, with one highlight seeing the team advise Merrill Lynch on the 2009 update of the Bank of America Merrill Lynch €15 million note, warrant and certificate programme.

More specifically, the firm advised Merrill Lynch and Merrill Lynch International as issuers, and Bank of America Corporation as guarantor.

Leading lawyers: Anna Delgado

Baker & McKenzie is best known in the market for its issuer-side emerging markets work, especially in Ukraine. "They're very good at what they do; and are very good with first time issuers," says a bank counsel. "They're good at keeping clients calm."

A central European bank counsel notes that they are a "very professional team" and have an "excellent depth of knowledge".

One highlight of its eastern European work saw Chris Hogan lead a team advising XXI Century in the restructuring of its \$175 million guaranteed secured notes - one of the few successful restructurings of Ukrainian bond issues. One client praises Hogan for his "great knowledge and experience" and describes him as a "pleasure to work with".

While most peers describe Baker & McKenzie as an emerging markets issuer shop, the firm has also been active in the establishment and restructuring of western European EMTN programmes as well. One highlight saw Hogan and Roy Pearce advise Michelin Luxembourg as issuer and Compagnie Financière Michelin as guarantor on the establishment of a €2 billion EMTN programme, with the notes listed on the Luxembourg Stock Exchange.

Bernard Sharp and Edward Bibko also acted for Danish cleaning company ISS on the refinancing of a portion of its €525 million EMTN programme. As part of the refinancing, ISS issued 525 million of 11% senior notes.

Baker & McKenzie was also active in the convertible markets space, with Simon Porter and Tom Philipp leading a team advising Belgian metals company Nyrstar on its €120 million Regulation S offering of 7% senior unsecured convertible bonds on the Luxembourg Stock Exchange.

While **Herbert Smith** is not traditionally seen as a key player in the debt capital markets, its hires of Peter Epp from White & Case in early 2008 and US partner Steve Thierbach from Linklaters in April 2010 are starting to give the team traction with bank clients.

"At Herbert Smith I used Peter Epp - I was quite happy with him, and would use him again," says one. "Actually they've recruited well. They have a good US team now that they have Steve Thierbach - I'd have no problem using Herbert Smith now."

While the firm's debt work isn't particularly visible to peers, one notes that the hire of Thierbach could improve its 144A prospects.

Given its corporate client base, the firm tends to advise on the issuer side. One of

Herbert Smith's more innovative roles this year saw Dina Albagli advise EDF on its issuance of 520 million nuclear power notes to British Energy shareholders as part of a takeover bid.

Peter Epp was active with EMTN programmes, replacing Linklaters as issuer's counsel to EDF Energy on its £10 billion programme. Epp also advised EDF Energy on ten complex bond issues throughout 2009, totalling over £9 billion. Epp also acted for Edison on the establishment of its €42.7 billion EMTN programme and the issue of €700 million of notes.

Convertible bonds were another active area for Herbert Smith. Will Pearce and Charles Howarth advised Spanish hotels group Sol Meliá on its issue of €200 million of senior unsecured covered bonds on the Luxembourg Stock Exchange, while Martina Asmar and Nini Patel acted for Tata Power Company on its issue of \$300 million of convertible bonds on the Singapore Stock Exchange.

The firm was also active on the bank side, advising HSBC, Citigroup and Bank of America on WPP Finance's \$600 million issue of senior notes.

Leading lawyers: Peter Epp

Skadden Arps Slate Meagher & Flom's UK capital markets team is generally known for its equity rather than debt capacity, however the firm's US-focused emerging markets debt work is very well regarded in the market.

"On 144A deals they're absolutely top drawer," says one bank-side client. "They have a wealth of experience in London and New York should you have any issues around the documents."

One highlight this year saw Bruce Buck and Rich Muglia lead a team advising Russia's Evraz Group on its \$650 million offering of 7.25% convertible bonds, alongside its offering of \$315 million of shares and global depositary receipts.

However Skadden's English law practice is not to be ignored. While not particularly visible to his peers, Danny Tricot is again singled out as a key partner. "He's very good, very clever, very sharp intellectually and has endless amounts of energy, which you need on deals."

One highlight saw James Healy act for Belgian pharmaceutical company UCB on its €500 million issue of 4.5% convertible bonds due 2015.

Leading lawyers: Danny Tricot

Simmons & Simmons has a solid bank-side debt capital markets practice which covers a wide range of products. One senior bank counsel says that they tend to use the firm for UK matters, but notes that the firm needs to build its US presence.

One of the firm's highlights this year saw Charles Hawes win a role advising JPMorgan, acting as arranger, of JPMorgan Chase & Co's €1.5 billion and £600 million issue of notes guaranteed by the US Federal Deposit Insurance Corporation - the first bond issue backed by the US to list on the LSE.

Standard Bank was a key client this year, turning to James Bresslaw on Naftogas' exchange offer of \$500 million of loan participation notes issued by Standard Bank regarding a loan to Naftogas. Hawes also advised Standard Bank on its \$2 billion global MTN programme, and the issue of \$850 million of Tier II and Tier III subordinated notes.

Simmons & Simmons was also active in the EMTN space, acting for a US investment bank as dealer on over 50 issuances under various third-party EMTN programmes.

Other notable firms

Cravath Swaine & Moore only practices US law in London, however it has a very strong position working with UK firms which don't have a significant US capability.

The firm's strong position in the high-yield market also means that it can offer clients a range of debt financing options; a set-up which resonates well with clients. One praises the firm's "excellent service" and its "in-depth knowledge coupled with a commercial view and great responsiveness".

Philip Boeckman heads the capital markets and corporate work in London. There was a slight staffing change this year, with Gregory Shaw shifting back to New York in January 2010 and Alyssa Caples coming over from the US to take his place.

One highlight this year saw David Mercado, Joel Herold and Michael Schelr act for the underwriters on four registered debt offerings by Citibank Credit Card Issuance Trust totalling \$4 billion and listed on the Irish Stock Exchange. Boeckman also represented the European Central Bank on seven debt offerings totalling \$17.1 billion on the Luxembourg Stock Exchange.

On the issuer side, Boeckman acted for the State Treasury of Poland on two debt offerings totalling \$2.5 billion on the Luxembourg Stock Exchange, while Shaw and Shler advised BAE Systems Holdings on a \$600 million Rule 144A/Reg S yankee bond offering.

Davis Polk & Wardwell is also a US law-only practice, but peers note that the firm is US counsel on a number of large UK and European, specifically Spanish, issuances. Jeffrey Oakes is the partner seen most often by peers.

The firm was active with MTN programmes this year, advising the Royal Bank of

Scotland Group on \$12.5 billion of take-downs of senior notes under its 2009 MTN programme under Rule 144A/Reg S, and advised Lloyds TSB in January 2010 on its \$5 billion Rule 144A/Reg S issue of guaranteed fixed-rate notes under its MTN programme.

One of the firm's more headline-grabbing deals saw Oakes lead a team advising Morgan Stanley and Credit Suisse on the issue by CBW Finance, a subsidiary of the Commercial Bank of Qatar, of \$1.6 billion of aggregate principal subordinated and senior notes. The debt issue was the first by a Qatari financial institution since 2006, and the first Lower Tier II deal in the region for two years.

John Baner also led a team advising the dealer managers and initial purchasers on Rabobank Nederland's exchange of \$1.37 billion new fixed-to-floating-rate securities for outstanding trust-preferred securities guaranteed by the company. The firm is also advising the initial purchasers buying for cash under Rule 144A/Reg S.

Latham & Watkins' reputation in the debt capital markets lies in high-yield debt, however the firm has been visible to peers when working for its corporate clients on debt issuances. Its debt capital markets reputation does lag a fair way behind its standing in the high-yield and bank lending markets, however it is one of the few practices in the UK to offer all three debt financing options to clients.

Given the tough competition in UK market the firm has chosen to focus on emerging markets deals, as well as deals involving its well regarded Milan office.

The firm has very strong connections with Qatari sovereign clients; one highlight this year saw Lene Malthasen advise the State of Qatar on its issue of three bonds valued at \$3.5 billion, \$2.5 billion and \$1 billion respectively. Malthasen also teamed up with Ian Clark to advise Naftogaz of Ukraine in its \$500 million eurobond issue as part of its \$1.6 billion restructuring.

In Italy, Michael Immordino and Jeff Lawlis acted for Atlantia on its €10 billion EMTN programme update and listing on the Irish Stock Exchange in October 2009. Immordino followed up in December 2009 to advise Atlantia on its €10 billion issue of fixed rate notes under its EMTN programme.

On the bank side, Immordino acted for JPMorgan as underwriter on Telecom Italia's \$2 billion issue of guaranteed senior notes in June 2009.

Capital markets - high-yield debt

Recommended firms

Tier 1

Latham & Watkins

Tier 2

Cahill Gordon & Reindel

Cravath Swaine & Moore

Shearman & Sterling

Simpson Thacher & Bartlett

Tier 3

Allen & Overy

Linklaters

White & Case

Tier 4

Cleary Gottlieb Steen & Hamilton

Clifford Chance

Davis Polk & Wardwell

Freshfields Bruckhaus Deringer

Fried Frank Harris Schriver & Jacobson

Skadden Arps Slate Meagher & Flom

Weil Gotshal & Manges

Having gone missing since the collapse and sale of Bear Stearns and the nationalisation of Northern Rock, the UK high-yield market came back with a bang in late 2009 as corporates looked to diversify their financing sources away from the constrained bank lending sector.

And it's not just for refinancing purposes either - private-equity houses have been looking at high yield for acquisition financing, while senior-secured issues and stapled high-yield issuances have been popular. "It's an evolution in capital structure and we expect it to continue," says a partner.

While UK and European corporates are less familiar with the concept of high-yield issuance as their US counterparts, this past year has seen a surge of interest in the structure as companies look to tap the US market for liquidity.

Although the window for issuances has closed as much as it has opened given the Dubai and Greek debt crises and the current fears of a double-dip recession in key economies, the fact that European companies are getting more comfortable with high yield means there is a bright future for the structure on this side of the Atlantic.

The problem for law firms, and for clients in that regard, is that high-yield lawyers are thin on the ground. A number of high-yield lawyers transferred back to the US after the market shut in 2008, leaving only a handful of experienced lawyers to pick up the work. And it's not just a case of hiring a high-yield lawyers out of New York and transferring them to

London, as they won't have experience with the European market. And London stalwarts like Richard Trobman, Jim Robinson, Ward McKimm and Philip Boeckman are unlikely to shift allegiances any time soon.

This causes problems for all sides of the legal market. Clients all report that the quality of work they get at the US firms such as Cravath, Cahill, Shearman and Simpson Thacher is fantastic, but the groups are built around one partner and suffer from resourcing issues.

Magic-circle firms have been vocal in their efforts to beef up their high-yield offerings, but few have made any big hires. Allen & Overy has made the biggest splash with the hire of Kevin Muzilla from Milbank; the only partner move in the sector. Freshfields hired counsel Gil Strauss from Simpson Thacher in July, but as clients (bank side in particular) repeatedly say that want a dedicated high-yield partner it will be interesting to see how much traction the firm gets.

The main aim for firms such as Latham and Allen & Overy is to build a finance practice that has strengths in bank lending, debt capital markets and high-yield debt, allowing them to advise clients across the full gamut of debt financing. With Latham's hire of the White & Case banking team and Allen & Overy's hire of Muzilla, the race is on to see which firm can provide the best one-stop bank-and-bond offering to clients.

Latham & Watkins

Known universally for its very strong market position in the US and Europe, Latham & Watkins is undoubtedly one of the masters of international high-yield debt offerings.

The team is known for its market knowledge and experience, and given Latham's traditionally high market share, clients note that it is well placed to be abreast of the latest trends; vital in a constantly changing market.

Richard Trobman is by far seen as the team's leading figure, cited by numerous banks and corporates as one of the top-two high-yield lawyers in Europe. Trobman is also praised by clients for his efforts in bringing younger lawyers through the ranks - a strategy which has led to Latham having arguably the deepest bench of talent in London.

Brett Cassidy is recommended by clients as one of the best young partners in the high-yield market. "He's a guy I like a lot," says one client. "He's very strong, very extraordinarily able, competitive and gets the deal done."

Tracey Edmonson is a key contact in London for many clients and is described as "fantastic" by one, while associate Scott Colwell is mentioned by some clients as an up-and-comer.

And while Bryant Edwards may have shifted to Dubai to head up Latham's Middle East push, one client notes that he is still in London enough to remain a presence.

"Latham has a very deep and wide team with good partners and associates," says one banking client. "On the underwriter side they are clearly the franchise most engaged - they're a powerhouse."

While at four partners the team is already one of the largest in London, due to its popularity clients note that Latham can have troubles with deal turnaround speed when particularly busy. Others note that the firm is quite expensive, but also admit that, like anything, if you want the best you have to be prepared to pay for it.

Latham has the skills to work on both the issuer and investment bank sides, however its deal list this year is very much weighted towards the banks. One of the team's highlights saw Trobman and Cassidy work with the Italian office to advise the banks on the €1.25 billion and \$2 billion issuance of senior notes due 2017 by Wind Acquisition Finance, and guaranteed by Wind Telecomunicazioni. The deal was the largest high-yield issue in three years.

Trobman and Cassidy also advised Morgan Stanley on the high-yield aspects of the restructuring of the Wind Hellas Telecommunications Group.

One particularly headline-grabbing deal saw Trobman advise a consortium of banks on football (soccer) club Manchester United's £500 million high-yield bond. Another deal to make headlines, albeit for a different reason, saw Trobman and Jocelyn Seitzman advise JPMorgan on Paper Escrow's €350 million and \$300 million 144A/Reg S high-yield senior debt offering - the first high-yield offering in Europe by a new issuer post-financial crisis.

Elsewhere on the bank side, Tracey Edmonson, Trobman and Cassidy teamed up with the Frankfurt office to advise the banks on UPC Germany's €1.43 billion and \$845 million senior secured and €665 million senior notes issue to finance its acquisition of Unitymedia.

On the issuer side Trobman and Seitzman advised Campofrio Food Group on its €500 million offering of 8.25% senior notes due 2016, while Edmonson acted for Owens-Illinois on its \$250 million offer to purchase for cash all outstanding 7.5% senior debentures due 2010.

Leading lawyers

Brett Cassidy

Tracey Edmonson

Richard Trobman

Cahill Gordon & Reindel

Cahill Gordon & Reindel's practice is very well respected by the market - in particular Jim Robinson, who is seen as one of the market leaders for high-yield work. "It's a small practice but very dedicated to high yield," says one competitor.

"Jim Robinson is great but it's a pretty small platform," says one client. "He's very great, very commercial and very smart, but they can only do so much at a time."

While the team is renowned for the quality of work it produces, some clients note that as Robinson's team has only a handful of associates it can be stretched in busy periods. Peers also echo this sentiment: "They're strong but they find it difficult to do many deals," says one.

However the firm has the benefit of being far and away the leading high-yield practice in high yield's spiritual home, the US, allowing it to bring years of experience and market knowledge to every deal.

The team has a good relationship with the underwriting banks, as shown when Jim Robinson led a team representing the bookrunners and managers of Seat Pagine Gialle's €550 million 10.5% senior secured notes offering under 144A/Reg S.

Robinson also led a team acting for Merrill Lynch as dealer manager in the private exchange offer by HTM Sport- und Freizeitgeräte, a subsidiary of sports equipment manufacturer Head, in its exchange offer of €135 million 8.5% senior notes for newly issued 10% senior secured notes, and ordinary shares of Head.

Elsewhere, Robinson represented Deutsche Bank as initial purchaser in Ifco System's €200 million Rule 144A/Reg S offering of its 10% guaranteed senior secured notes due 2016.

Leading lawyers

Jim Robinson

Cravath Swaine & Moore

Cravath Swaine & Moore is one of the best known practices in the UK for its high-yield prowess, and benefits from a very strong position in the US market at the same time.

"They are a first-class firm, at partner and associate level," says one client. Other clients also praise the Cravath team's knowledge and experience of the high-yield market.

Philip Boeckman heads the capital markets group in London, which the high-yield group operates under, and is consistently cited as one of the top-two partners in London for this work. While Boeckman's presence gives the team real clout, one client does note that at a partner level there is no obvious contact when Boeckman is busy.

Like most firms at the top-end of the high-yield market, Cravath's high-yield team is built for bespoke deals rather than volume work (and charges accordingly, say clients), which leads some clients to note that resources can be stretched at times.

Cravath however is lucky enough to be able to tap into its New York base for staff when needed, bringing over Alyssa Caples in February 2010 to replace Gregory Shaw, who moved back to the US the previous month.

While some clients say that the team sits somewhere between Latham (large) and Cahill (small) regarding numbers, they note that the team has great strength at the associate level. "They're a small outfit but they get very, very able associates. They give Rolls Royce service," says a client. Associate Francesco Lione is singled out by a counsel who worked across the table: "He was very courteous and a pleasure. He had some hard questions but he didn't make life difficult for us," says the counsel.

However some in the market note that given Cravath's policy of rotating associates between New York and London, the associates don't get the time to develop a very strong relationship with clients and the European market in general.

The practice has a roughly 50/50 issuer/investment bank split, with Boeckman tending this year to advise on the bank side. "Cravath can do either bank or issuer very well," says one client. "Whilst a lot of their business comes from banks, they enjoy working for the issuer as well."

"They are very effective to work with," says a counsel who worked across the table from Cravath. "They acted for the banks; they were very user friendly and they didn't look for trouble or be confrontational."

One highlight of Boeckman's this year was acting for the initial purchasers (Deutsche Bank and JPMorgan) on a £275 million 144A/Reg S high-yield offering by UK electricity company Infinis. The deal was the first high-yield offering by a European renewable energy company and the first dividend recap and all-sterling high-yield deal since the onset of the financial crisis.

Another of Boeckman's highlights saw him advise the banks on a \$400 million 144A/Reg S high-yield senior debt offering by Petroplus Finance 3, which included a concurrent rights and convertible bond offering.

But while Boeckman rightly gets many of the plaudits when talking about Cravath, a fair proportion of the innovative work this year was being done by other partners. ElizabethAnn Eisen advised the initial purchasers, led by Credit Suisse, on Reynolds Group's \$1.13 billion and €450 million high-yield and senior secured debt offering, which

was used to finance a complex cross-border acquisition.

On the issuer side, David Mercado worked alongside William Rogers (ex-London head who moved back to New York in 2007) to advise Kerling on the largest senior-secured bond offering for a first-time issuer in Europe since the financial crisis - Kerling's €785 million 144A/Reg S senior secured high-yield debt offering.

George Stephanakis, while primarily known for his corporate work, is also active on the issuer side of high-yield transactions. One highlight this year saw him act for Paper Escrow on its €350 million and \$300 million 144A/Reg S high-yield senior debt offering - the first high-yield offering in Europe by a new issuer post-financial crisis.

Leading lawyers

Philip Boeckman

Shearman & Sterling

"I think they're the best in the market. They're thorough and commercial, and know what they're doing," says one client of Shearman's high-yield team. "There are a lot of firms who don't know what they're doing in the securities market but they're certainly not one of them."

Like other US teams in London, Shearman benefits from its strong position in the US, but the firm is also praised by clients for its strong geographical coverage.

Shearman & Sterling's high-yield team has a strong presence in the UK through its figurehead Ward McKimm, who is noted by competitors for his strong work. "Ward McKimm is a high-yield regular and does a nice job," says one.

"I very much like Ward McKimm - he's extremely commercial, and very, very technical," says another client. "He's also one of the busiest lawyers I know and yet manages to juggle everything that clients throw at him and give it all his full attention."

Counsel Rob Ferguson is also noted by clients as a key figure in the Shearman team. "He's really smart, really good and very commercial," says one. "He knows what you need and what's going on - he knows the market like the back of his hand."

Jaques McChesney is also seen as an up-and-coming partner by clients. However one client does note that compared to the other top US firms, Shearman's junior level people are not as high quality.

One advantage Shearman has over some of its US rivals however is a strong UK banking practice. The practice was put to good use when McChesney advised Bank of America Merrill Lynch, ING and Barclays (a new client) on a €785 million high-yield debt

financing package under 144A/Reg S for Kerling, a subsidiary of Ineos, to refinance an existing loan facility on which the firm had initially advised on. Another refinancing highlight saw McKimm lead a team advising Citigroup on the \$150 million 144A/Reg S offering of senior notes in Greek company Fage Dairy Industry, as well as its wholly-owned US subsidiary. The notes were co-issued jointly by two issuers, one in Greece and one in New York.

One of McChesney's highlights saw him advise the US, German and French offices to advise the banks on Interxion's €200 million high-yield bond offering. The transaction involved the bonds and a €60 million revolving credit facility being secured by assets of Interxion across a number of jurisdictions.

One highlight on the issuer side saw the firm represent Dutch cable company Ziggo Bond Company, owned by Warburg Pincus and Cinven (a new client), on its €1.2 billion high-yield bond offering - one of the largest transactions in Europe in 2010 at time of writing. McKimm also led a team acting for long-term client Ardagh Glass Finance on its €180 million 144A/Reg S offering of high-yield senior notes.

Leading lawyers

Ward McKimm

Simpson Thacher & Bartlett

The traditional reaction when Simpson Thacher is mentioned tends to be "sponsor firm", however competitors note that the firm has been working hard to bring in new clients in recent years, most notably Deutsche Bank, which has provided a strong line of work this year.

However given the demanding nature of its private-equity client base, one bank client notes that it's tough to balance both bank and private-equity relationships. "It's difficult to try to be private equity and someone who is the banks' best friend," the client says.

Nevertheless clients are generous with their praise of the team, with one noting its "ability to work with the company personnel in preparing the offering memorandum ... and to work in a creative way to address problems and issues that arise in the course of the transaction". The team is also commended for its experience in the high-yield market, and its knowledge of the high-yield product, documentation and process.

One personnel change this year saw counsel Gil Strauss leave Simpson to join Freshfields Bruckhaus Deringer as an equity partner - a rare move, which indicates how keen magic-circle firms are to bulk up their high-yield offering. However much of

Simpson's work is done through partner Greg Conway, so the departure is unlikely to have any long-term effects.

One of the firm's highlights this year saw it advise new client Deutsche Bank, as well as the other initial purchasers, on two Rule 144A/Reg S offerings of 11.6% senior notes due 2016 by Central European Media Enterprises totalling €440 million. Completed within the cautious markets of September 2009, the offering was initially for €200 million but was so well-received that an add-on offering raised an additional €240 million that day. Practice head Greg Conway led the team for the offerings, while Nick Shaw led the team for the tender offer.

Conway again acted for Deutsche and JPMorgan as initial purchasers on the Swedish ferry company Stena's €200 million senior notes offering, which was done under Rule 144A/Reg S in March 2010. Deutsche also mandated the firm on the €400 million offering of 8.25% senior notes by Cirsa Funding Luxembourg under Rule 144A/Reg S in May 2010.

Again acting for JPMorgan, this time along with Nomura, Conway worked on ITI Media Group and Strateurop International's €100 million sale of TVN Group senior notes under 144A/Reg S. Conway had also acted for the same banks on the initial €405 million offering of high-yield notes by TVN Group in November 2009.

One of Nick Shaw's highlights was leading a team advising the underwriters on Virgin Media's \$2.4 billion dual tranche debt offering, which included \$1 billion of US dollar-denominated senior notes and £875 million of sterling-denominated senior notes. This transaction followed on from the firm's work for the underwriters on Virgin's US dollar, euro and sterling-denominated bonds during 2009.

Shaw was active on the issuer side, acting for Expro Group on the \$1.4 billion debt offering by Expro Finance Luxembourg, which was completed under 144A/Reg S in December 2009.

Simpson Thacher didn't ignore its private-equity clients this year however, acting for Infinis, a portfolio company of Terra Firma, on its £275 million offering of senior high-yield notes in December 2009 under Rule 144A/Reg S.

Leading lawyers

Greg Conway

Other ranked firms

Allen & Overy was the first magic-circle firm to make a move following the reopening of the European high-yield market when it hired

Kevin Muzilla from Milbank in September 2009.

Commentators note that the move is a smart one, making A&O one of the few in London to have a full bank and bond combination, and giving more reason for issuers to keep all their debt financing under one roof. "If as a UK issuer you have got very strong relations with a magic circle firm who's got a name in high yield then it's a very good reason to stick with them," says an issuer's advisor.

The hire also showed bank clients that it was taking the high-yield market seriously. "A&O hired Kevin Muzilla from Milbank which was a good move," says a senior bank counsel. "It gives them credibility. Many firms hire US securities lawyers but they're generally dogsbodies. You need a dedicated high-yield partner."

However the general feeling among bank clients is that the firm needs to spend some time working on issuer-side roles before they will start to mandate them on a more regular basis. "A&O's move is interesting and gives them a lot of traction but they're mostly on the issuer side," the bank counsel says. "If the market grows and gets busy we might say 'let's give A&O a go'. Before you know it they could become an established player. But while the market is only 30 deals a year it's Latham, Cravath, Shearman, Simpson and Cahill."

One of Muzilla's highlights this year saw it advise Manchester United on its offering of £250 million, 8.75% senior secured notes and \$435 million of 8.38% senior secured notes. Muzilla also advised Cable & Wireless on its issue of \$500 million of senior secured notes due 2017. Adlar Properties also turned to the firm on its Rule 144A/Reg S offering of \$1.25 billion 8/75% notes.

While the firm is better known for its work on the issuer side, it has also been landing roles on the underwriter side as well. One highlight saw it advise the lead managers on William Hill's £300 million high-yield issue, while the firm also acted for the banks on Virgin Media's £875 million and \$1 billion high-yield issues.

Elsewhere, the firm advised the banks of the steering committee on Heidelberg Cement's €2.5 billion high-yield bond offering.

Leading lawyers: Kevin Muzilla

Linklaters was one of the last magic-circle firms to laterally hire a high-yield debt partner, hiring Cravath counsel Mark Hageman in September 2010. While not a particularly well-known name among clients and peers, the hire nonetheless gives Linklaters a dedicated high-yield partner.

Before the hire, most of the firm's high-yield work was done through well-regarded US partners Cecil Quillen and Alex Naidenov.

The latter comes in for particular praise from a bank client: "He is incredibly good. Very, very bright - ridiculously bright, intimidatingly so. I don't know when he sleeps either."

Some peers note that the duo work more on emerging markets debt work, where sovereign risk affects the covenant packages, as opposed to specific high-yield issuances. However bank clients note that Cecil in particular has brought over his Russian high yield skills to western European work, and is useful for clients who want a high-yield covenant package with an emerging markets flavour.

Given its strong link with the senior banks the firm has more of an underwriter flavour to its practice than its closest magic-circle rival, Allen & Overy. "They've got the senior bank side so it's a natural fit," says a peer. One highlight saw Quillen work with the Moscow and New York offices to advise a consortium of underwriters on Russia's Alliance Oil Company on its \$350 million issue of 9.88% notes. This was the first Russian B-rated credit to access the international capital markets since 2007.

Linklaters also leveraged its strong Middle East practice to act for the joint lead managers on the UK and US law elements of Dar Al-Arkan International Sukuk Company II's \$450 million *sukuk al-wakala* (trust certificates). Andrew Roberts and Patrick Scheil worked with the Dubai and New York offices on the deal, which was the first 144A transaction in Saudi Arabia and the first high-yield *sukuk* issue globally.

Naidenov was also active on the issuer side, advising Spain's Abengoa on its €300 million issue of 9.63% notes, which were listed on the LSE. This was Abengoa's inaugural debt issue. *Leading lawyers:* Alex Naidenov

White & Case's high-yield work is headed by Colin Chang and Rob Mathews, although the latter is the name with most cache with peers and bank counsel. While the firm is well known generally for its work in the emerging markets, much of its high-yield work this year focused on representing western European issuers.

One of the most significant roles of the firm's year saw Mathews work with the New York office to act for UPC Holding on its \$400 million high-yield issue of 9.88% senior notes. The transaction was announced in May 2009, and was cited by the *Wall Street Journal* as a significant step to the reopening of the European high-yield market.

Mathews also worked with the New York office to act for Wind Acquisition Finance and Wind Telecomunicazioni on a €2.7 billion high-yield bond offering, which consisted of a \$2 billion and €1.25 billion issue of 11.75% senior notes.

White & Case's Saudi experience goes back decades, and it put this to use when Mathews teamed up with the Istanbul and New York offices to advise the Saudi Arabia's Dar Al-Arkan Real Estate Development Company on its \$450 million offering of high-yield *sukuk al-wakala* (trust certificates). The deal was the first 144A transaction in Saudi Arabia and the first high-yield *sukuk* issue globally.

The firm was also active on the bank side, advising the bookrunners and global co-ordinators on Rexel's €575 million offering of 8.25% senior unsecured notes on the Luxembourg Stock Exchange.

Freshfields Bruckhaus Deringer caught the expansion bug in July 2010 when it hired counsel Gil Strauss from Simpson Thacher. While not a noted name in the market, the hire indicates to the market that Freshfields is taking high yield seriously enough to employ a dedicated specialist. Prior to the hire, noted US debt capital markets partners Sarah Murphy and Don Guiney worked on most of the firm's high-yield issuances.

The firm works off its vaunted issuer practice, with one highlight seeing the firm advise Petroplus Holdings on its \$400 million offering of high-yield bonds, along with an offering of \$150 million of convertible bonds, a SFr290 million (€220 million) rights offering and a cash tender offer to repurchase \$500 million of its convertible bonds.

Another key matter saw Murphy and Stephen Revell advise Ukraine's MHP on its \$250 million high-yield exchange offering for existing high-yield bonds and a \$330 million new high-yield issuance.

On the bank side, Mark Strauch advised a consortium of banks as lead managers and bookrunners on a three-tranche high-yield offering of notes totalling €2.5 billion in October 2009.

Weil Gotshal & Manges' high-yield work is run by Peter Schwartz and James Cole.

The firm tends to advise on the issuer side, acting for Ifco Systems on its €200 million high-yield bond in June 2009 and Hal Holdings on its tender for the majority of the €300 million high-yield bonds of Safilo Group.

The firm's strong position in the Polish market meant that it was well placed to advise TVN on its offering of €405 million of fixed-rate senior notes, as well as its planned issue of a second tranche of €188 million of senior notes.

On the bank side, the London and Munich teams combined to advise Ifco Systems on its €200 million high-yield bond offering in June 2009 - the first European high-yield bond to be launched since the onset of the credit crisis in August 2007.

Capital markets - derivatives

Recommended firms

Tier 1

Allen & Overy

Tier 2

Linklaters

Tier 3

Ashurst
Clifford Chance
Slaughter and May

Tier 4

Freshfields Bruckhaus Deringer
Mayer Brown
Norton Rose
Shearman & Sterling
Sidley Austin
Simmons & Simmons
White & Case

"People thought credit derivatives were dead, but they're going great," says a partner. While from the outside you'd be tempted to assume that the derivatives departments of firms would be dead quiet, at the top end firms are reporting that they are rushed off their collective feet as more and more clients seek expert advice in a choppy regulatory environment.

With Basel III reforms, new industry-driven regulations and a possible change of ratings criteria by Standard & Poor's all on the horizon, clients are flocking to firms to keep up to date with the new requirements and to find out what it might mean for them.

But it's not just regulatory advice firms are dishing out - firms are advising on an effective restructuring of the derivatives infrastructure as a whole. For instance, Linklaters used the knowledge it derived from unwinding the Lehman positions to design the Repack 2.0 technology for the restructuring of derivatives assets, while Allen & Overy led discussions with the ratings agencies to agree a common approach to how the ratings criteria should be interpreted.

Synthetic CLOs are back, especially in emerging markets, while longevity derivatives have grown in popularity among insurance providers looking to transfer risk to the markets. "There's so much change in the market; there is an opportunity for firms to take charge and lead the market," says a partner.

However partners note that although things are healthy at the moment, the market can't get back to normal until the regulatory environment becomes clearer. "Where there's no regulation certainty it affects deal flow. Until you clarify with the regulators it will be uncertain," says one.

"The only way regulations will work are if its globally," says another partner. "The US is getting close to where they'll end up. Once this happens the rest of the world will follow. It must be a global response."

Given the small number of firms present in the market, and the increasing workload being reported by Linklaters and Allen & Overy, it is not surprising that other law firms are attempting to move into the space. Ashurst and Simmons & Simmons are the two firms most often mentioned by clients as good, value-for-money choices, while Sidley Austin's team has been established for some time and has a number of supporters in the market. It will be very interesting to see whether any other firms emerge as contenders over the next year as the deal flow continues to pick up.

With these contenders on the rise, clients are increasingly demanding that magic-circle firms work on their plain vanilla programme work as well as the high-end complicated work. "Five to six years ago I would described a number of magic-circle firms as arrogant," says a bank counsel. "They'd say: 'We're delighted to help with the funky stuff but we're not really interested in the flow transactional work'. If you think you can cherry pick the transactional work, dream on."

Allen & Overy

Allen & Overy holds onto its tier one position this year on the back of its fantastic position right at the centre of the derivatives industry. The firm boasts an enviable roster of talent which has been at the coalface of the changing derivatives environment over the past two years.

"They're comfortably the best in terms of strength in depth," says one bank counsel. "They understand a bit more about what the investment banks are doing and why they're doing the trades. They're more switched on to what the banks are doing," says another bank counsel.

The firm has spread its wings to not only advise clients, but take an active role in the direction of the industry. The team advised the industry following the ratings agencies' credit downgrades decisions in 2009, which triggered the requirement to post collateral or take other action on such products securitisation and covered bond swaps.

Allen & Overy also led discussions with the ratings agencies to agree a common approach on how their rating criteria should be interpreted. It was decided that legal opinions would not be required for every transaction in support of the collateral arrangements as industry-wide opinions were already available.

The firm is still deeply involved in the financial crisis fallout work, advising on the development of subordinate legislation to the Banking Act 2009 and addressing issues raised by the collapse of Lehman Brothers (such as the need for living wills) through the Investment Firm Advisory Panel, which two partners are a member of.

However it's the Isda (International Swaps and Derivatives Association) work that Allen & Overy is best known for - in fact the two share the same building down at One Bishops Square. While no longer an exclusive relationship, the firm works on a substantial proportion of matters for the industry body, including advising on the *big bang* and *small bang* protocols together with its New York office.

The firm has also advised each of the credit determination committees responsible for all determinations and interpretations, and is lead counsel to Isda on the first auction of a restructuring credit event for which Mod R was applicable.

While the firm lost Jeffery Golden to retirement this year, A&O has brought back partner David Wainer from the New York office. Another change in the group this year saw David Benton take over from Simon Haddock as head of the Derivatives & Structured Finance group. The move isn't surprising given the strength of client feedback Benton receives: "[He is] hugely influential across market, technically peerless," says one bank counsel, while another notes his work on pure credit derivatives.

"David Benton is an incredible guy, he advises the determinations committee of Isda," says one bank counsel. "If you need to pick a credit derivatives lawyer when your life depended on it I'd pick David Benton every time." Benton is also praised for his ability to utilise his role on Isda's determination committee to give practical advice.

"They have lots of stand-out people consistently and through the ranks; everyone you encounter is still good," says a competitor, adding that A&O is at the forefront of the industry, seeing and reviewing regulations as they develop. Ed Murray and Richard Tredgett's Isda work is also recognised by the market, while another client notes that "Richard Tredgett is brilliant for weird kinds of stuff," referring to his work on the more technical securitised derivatives.

The firm also has talent coming through the ranks, with partners Parya Badie and Tony Drake-Brockman noted by clients - Drake-Brockman in particular for his repack bond issuance and note work - while senior associates Alice Carpenter and Guy Antrobus are also praised. David Wainer has also returned to London from a stint in the New York office.

This deep bench of talent is also noted by clients; one of whom praises the A&O team for its "excellent knowledge of the products and international plus national legal issues". Another notes the strength of the firm's international network, while others note the firm's commerciality.

Among peers however, the consensus is that there is no longer the huge gap between A&O and its competitors. Allen & Overy is still mandated on a large proportion of Isda's work, but it is no longer the exclusive firm. Peers also point to the fact that the firm is not doing the next-generation equity derivatives documents, which in the past you would expect them to pick up.

On the client side all agree that the firm is technically brilliant, but some do note that some junior partners need to up their commercial skills, and that value for money was sometimes an issue.

But given the breadth of the firm's derivatives work, it is still a leader of the field. Apart from the regulatory and Isda work mentioned above, the team has advised financial institutions on the derivatives elements of the structures used to access Bank of England, US Federal Reserve and European Central Bank liquidity, and on techniques to achieve a cash or synthetic transfer of exposure to large portfolios of highly illiquid assets.

Allen & Overy was active in regards to retail and wholesale structured products, advising Deutsche Bank on its DB Investor Solutions platform for the offer of credit-linked products to retail investors in Europe, as well as its FX Select index platform.

The firm has also acted on a range of longevity risk, catastrophe bonds, transformer and reverse transformer structures for clients such as Barclays, BNP Paribas, Nomura and JPMorgan, as well as a number of pension funds.

While the Islamic finance derivatives market has yet to take off, Allen & Overy has been advising institutions on the development of bespoke template *shariah*-compliant derivatives documentation, for example the Isda/IIFM *tahawwut* Hedging Master Agreement. The firm also advised Deutsche Bank on the development of the Luxembourg-based Al Mi'yar capital issuance platform.

Elsewhere, Richard Tredgett has been active in the carbon market, and further developing its electronic delivery of legal advice, which extended the derivatives product range by covering other types of documentation and instruments such as repos.

Leading lawyers

David Benton
Simon Haddock

Edward Murray
Richard Tredgett
David Wakeling

Linklaters

Linklaters' derivatives team is seen by the market as on the rise and snapping at the heels of Allen & Overy's position in tier one. "The Lehman reputation they have is very significant," says one competitor. "Also, if you look at the important projects - the London clearing house for example - they acted for the members doing the documents." The firm also has a strong name in hedge fund-linked work, as well as securitised derivatives.

The team has remained stable this year, with the only change seeing Mark Fletcher take over as head of the derivatives and structured products practice from Michael Voisin.

Clients praise Linklaters for its ability to mobilise the entire firm on a deal, its responsiveness and its depth of knowledge, as well as the influence of the academically-minded Simon Firth. "[He has] excellent technical knowledge and is hugely intelligent," says one bank counsel. "If I had something that's really hard I'd pick the phone up to Simon," says another counsel. "If I wanted a derivatives geek to derivatives geek chat, Simon's the man I'd call." Deepak Sitlani is also praised by clients for his pure credit derivatives work.

Like it or not, the firm is characterised by its role on the Lehman administration - however some see the role as both a blessing and a curse. On one hand, the role gave the Linklaters team exposure to every type of derivative that the bank entered into, meaning the team can understand which products have been successful and which weren't. It also allowed the team to develop its prime brokerage knowledge as well as pioneer the Repack 2.0 technology, which allows companies to upgrade their repackaging programmes - shown in its role advising Nomura on Flexis' €10 billion repack programme.

On the other hand there is a lingering perception among peers that the Lehman mandate tied up the derivatives department too much (although Linklaters dispute this, saying only 30% of capacity is used for the Lehman job), and that fighting the Isda Master Agreement has put the firm on the wrong side of the industry.

Away from Lehman, Linklaters fielded a cross-Atlantic team led by Carson Welsh and Alan Davies in London and Stan Renas and Stephen Land in New York to advise Citigroup Global Markets as arranger on Cloverie's €143 million issue of perpetual fixed to floating notes as part of its secured notes issue programme. The notes were secured on capital notes of Zurich Insurance

Company, which are hybrid capital instruments and include subordination and interest deferral provisions.

On one of the firm's more visible deals, Linklaters' derivatives team combined with the regulatory team to act for OTCDerivNet and a consortium of 13 banks on the extension of OTCDeriv's Swapclear service to accommodate clearing for clients; primarily the buy-side including hedge fund managers, large insurers and pension funds. The firm developed a new method of segregation to make sure the model adopted was effective under the laws of each participating jurisdiction.

Linklaters was also active in the commodities sector, where a multi-jurisdictional team acted for Source UK Services on the development of the Source Commodity Markets Public Limited Company T-Bill-secured ETC (exchange-traded commodities) programme. The programme allows for the issue of ETCs which are designed to replicate the performance of one of the Standard & Poor's Goldman Sachs Commodity Index commodity or sub-indices, and was designed to reduce the exposure to counterparty credit risk and to deal with counterparty defaults.

The programme also included a complex collateral management mechanism and an issuance and redemption mechanism for secondary market liquidity.

Leading lawyers

Simon Firth
Mark Fletcher
Vinay Samani
Deepak Sitlani
Michael Voisin

Ashurst

"I'm seeing a hell of a lot of Ashurst - they're doing incredibly, incredibly well and have had a good recession," says one competitor, characterising peer feedback about the firm this year.

The team has been very visible in the past year in the UK, and once the US regulators decide where they stand on derivatives, last year's hire of 12 partners from McKee Nelson in New York and Washington will put Ashurst in a strong position. Add to this the firm's hires in Hong Kong and Europe and it would be safe to say that Ashurst is making a big push in this market.

Ashurst is best known in the market for its bank-side securitised derivatives work through Erica Handling, particularly for collateralised debt obligations (CDOs) repacks after the CDO market fell away.

Clients praise Ashurst's responsiveness and enthusiasm when it comes to CDO-related

transactions, as well as its depth of knowledge and expertise across all derivative products. Some clients however note that the firm can occasionally be difficult to deal with when on the other side.

This year newly promoted partner David Quirolo, Erica Handling, Christopher Georgiou and James Coiley have all been active in the repackaging area, advising on legacy issuers relating to Lehman Brothers, and using this information to work on repackaging platforms for Credit Suisse, Nomura, JPMorgan and BNP Paribas. Coiley and Georgiou have also advised a number of bank clients on the implementation of the Isda *big* and *small bang* protocols.

One highlight this year saw Michael Logie and Christopher Tang act for JPMorgan on its establishment of the *Jumbo* structured products programme, which consolidated nine existing issuance products into a single new platform which is now in use by the bank. The programme was so successful it has reportedly been used by other investment banks to conduct similar programmes. Since the programme's establishment the firm has continued to work for JPMorgan across all underlying asset classes.

Nomura was another key client this year, with one highlight seeing Coiley advise Nomura's International Fixed Income business on a new repackaging programme (Novus) through an Irish SPV, which was designed to put the investor back in control in stressed scenarios.

Ashurst also used the strength of its well-renowned PPP/PFI practice when Christopher Whitley acted for Connect Plus, a consortium comprising infrastructure companies such as Balfour Beatty, on the negotiation of inflation hedging contracts linked to the M25 widening PPP project.

Christopher Georgiou acted for a European bank as a creditor of French media company Thompson, advising it on potential outcomes in the credit-default swap market and possible event triggers arising out of restructuring proposals. The deal was also completed during the introduction of Isda's *big* and *small bang* protocols, complicating things further.

Elsewhere, the firm has advised JPMorgan and various pension fund clients on related derivatives matters, and acted for Babcock & Brown on an intra-group property derivative.

Leading lawyers

James Coiley
Christopher Georgiou
Chris Whiteley

Clifford Chance

Clifford Chance moves down a spot in the rankings this year after both in-house counsel and competitors noted a distinct drop-off in visibility. Competitors note that they have not seen the firm very often in recent transactions, and support from in-house counsel was low outside the Islamic space; the general consensus being that Linklaters has moved ahead of the Clifford Chance team in the UK.

However that's not to say the firm receives no praise. Habib Motani is still as strong a presence as ever, particularly in the fledgling Islamic finance derivatives area which is tipped to take off in coming years. Jessica Littlewood is again noted as a key junior partner, while senior associate Priya Uberoi, who was appointed as director of Islamic Derivatives & Structured Products in January 2010, is also noted by a client.

The Islamic finance team is praised for its ability to field and coordinate a cross-border team, as well as its conventional and *shariah* expertise. Clifford Chance's international network is also noted by in-house counsel as a strength - particularly its Frankfurt office. The team also works very closely with its regulatory team in order to provide clients with a wide range of advice.

One of the firm's highlights this year was advising the London Clearing House on the extension of OTCDeriv's Swapclear service to accommodate clearing for clients, mostly on the buy-side.

The firm acts as European regulatory counsel for Isda, and has drafted the standard netting documentation for the British Banking Association, collateral documentation for the Futures and Options Association.

Clifford Chance has also drafted the Cross-Product Netting Agreement and is acting for The Bond Market Association and the International Securities Lending Association.

Leading lawyers

Habib Motani

Slaughter and May

The public profile of Slaughter and May's derivatives work is driven by the skills of Sanjev Warnakula-suriya, who is known particularly for his ability to work at a top level across structured finance, securitisation and derivatives products. "He's always innovative, he's very commercial and realistic. He won't tell you something that won't also appeal to the other side," says one client.

For a firm which usually works its corporate client base, an interesting development this year was an increase in praise from bank clients on the back of the firm's work during the UK banking crisis. "We've started using

them on one or two bespoke deals," says a bank counsel. "We need structured finance lawyers who can work across different product areas, and that's where Slaughter and May fits." Richard Levitt is a particular client favourite in this regard.

While competitors claim the firm struggles with a lack of strength in depth, clients still have nothing but praise for the team's "intellectual contribution and focus". "It's not a big team but we don't need one, we want high quality teams and Slaughters fits into that," says one bank counsel.

But looking at the deal submission you can see that, while many of the deals are confidential, there is a much wider spread of partners working in the derivatives space than competitors claim.

Richard Levitt and Matthew Tobin led the firm's work advising HM Treasury on the Asset Protection Scheme. This involved addressing issues which arose in credit derivatives; not only the ones governed by Isda (International Swaps and Derivatives Association) documentation but others in Germany or in-house.

A range of partners advised investment banks and the investment bank arms of UK clearing banks on structured derivative transactions on such matters as a dark pool trading platform, the extension of a derivatives trading platform, documenting total return swaps, equity derivatives and other hedges as part of structured transactions and regulatory capital management.

Matthew Tobin and Guy O'Keefe led teams acting for Cadbury, Whitbread and United Utilities on the creation or update of their Isda schedules, while Marc Hutchinson acted for insurer RSA on a longevity swap transaction with Goldman Sachs and Rothesay Life totalling £1.9 billion.

Warnakula-suriya advised a confidential client on its purchase of a European bank; specifically, he advised on the credit protection that the target bank would receive from the seller following the purchase. The contact was documented under Isda terms, however involved issues regarding the Asset Protection Scheme and the regulatory capital and accounting treatments of the underlying assets.

Elsewhere, the team has advised on a number of confidential commodities, insurance and pension-related derivatives transactions.

Leading lawyers

Sanjev Warnakula-suriya

Other ranked firms

Freshfields Bruckhaus Deringer's derivatives work is seen by banking clients as very skilled

and capable, however the corporate focus of the firm rides high in their opinion of the team. "They've got clever people like Simeon Rudin, but they don't do what we do, says a senior bank counsel. "They're more M&A focused; they're not really a pure derivatives shop."

Another senior bank counsel agrees: "I've used them on one or two deals. They're a bit like Slaughter and May; not an obvious choice but they have lawyers that are very high quality and have a broad reach for the odd things we tend to do."

However on pure skill alone, the firm comes in for praise from bank-side clients. "[They have] a number of leading market experts, [and] lots of conventional and Islamic expertise," the counsel says.

Simeon Rudin is mentioned often as the key member of the Freshfields team, and while James Grand isn't particularly visible to his peers in London, clients note that he is a strong practitioner. The firm also expanded its London presence this year by transferring Perry Sayles from the Hong Kong office in June 2010.

While many of the firm's deals are confidential, one publishable highlight saw the firm act for Citigroup on a number of strategic equity financing transactions using derivatives and stock-loan combinations. For example, Rudin led a team working with a advising the bank on a three-year structured stock-loan facility between Citigroup Global Markets and a Spanish company, which gave Citigroup access to a 5% pool of shares in a bank.

Freshfields also advised on a longevity risk transfer agreement for an investment bank, an innovative repo structure used in relation to a catastrophe bond issuance and a balance sheet transaction to deal with toxic assets.

Leading lawyers: James Grand and Simeon Rudin

While peers note that **Sidley Austin's** derivatives profile benefits greatly from its reputation for securitisation work, clients praise the team for the quality of its advice. "Sidley has a great bunch of guys, they do securitised derivatives," says an investment banking client.

"Partner attention is key," the client adds, "they have the ability to advise when you need it. We had three weeks to do a deal, and I knew the man to call." The firm also added counsel Antony Bryceson from Simmons & Simmons in March 2010.

One highlight this year saw Robin Parsons, Steven Pitt and Matthew Dening advise Perpetual Trustee Company, as trustee for investors in notes under the Dante programme, on the case where Lehman Brothers Special Financing sought to assert both in the English and in the US courts that certain stan-

standard provisions in synthetic CDO and other derivative transactions are invalid on a bankruptcy of the swap counterparty. The High Court has determined that such provisions are valid as a matter of English law, and that decision has been unanimously upheld by the Court of Appeal. The proceedings in the US bankruptcy court are still pending.

Another highlight saw Dening and David Howe advise JPMorgan in connection with the issuance by Ianus Capital, an Irish special purpose company, of €50 million of principal at-risk variable rate notes.

Elizabeth Uwaifo, Paul Matthews and Dening acted for a group of institutional investors and asset managers in analysing, protecting and enforcing their rights under various derivatives and structured products, while the team also advised a buy-side client in relation to its evaluation of LCH Clearnet's SwapClear client clearing arrangements.

Elsewhere, Uwaifo and Matthews advised a number of international financial institutions in the structuring and documenting of private structured credit derivative transactions.

Leading lawyers: Matthew Dening and Elizabeth Uwaifo

Competitors note that **Simmons & Simmons** has been pushing very hard for market share recently, and hence is seen more regularly on deals than in years gone by. The team is noted by one client as good value for money, however the client also notes that the team needs to improve its ability to think outside the box.

"They're very good on the client information thing," says a client. "My guys use it a lot and find it very useful. Their client information portal is best of breed."

The core derivatives team comprises Andre Allee, Sean Bulmer, David Roylance and Alan Yip; the latter being praised by a client for his repack SPV work. Antony Bryceson moved across to Sidley Austin in March 2010.

The Simmons team was active on the investment bank side this year, with Ian Sideris advising a UK bank on a bespoke financial guarantee structure for the purchase of credit protection on loans originated from a European insurance company. Sideris also advised a European investment bank on the sale by auction of a multi-billion euro portfolio of credit derivative positions.

Sean Bulmer was also active, advising on the establishment of a *shariah*-compliant structured securities programme. The firm has also advised banks on a number of confidential fund-linked, index-linked and foreign exchange-linked notes instruments.

Simmons & Simmons has also had some strong roles in the Lehman collapse, especially where derivatives and litigation work inter-

twined. The firm's strong hedge-fund client base also means it has a strong reputation advising them on related derivatives matters.

Leading lawyers: David Roylance

White & Case's derivatives work is praised by clients for its broad spread of knowledge. "They're the best general firm for solid work, responsiveness, and consistency," says a client. "They can easily handle huge transactions in an orderly and very organised manner."

Another client adds: White & Case is very efficient at turning documents around. They're a lean, mean, document producing machine."

The firm's derivatives work is headed by David Barwise, who also comes in for praise from clients and peers. "He's very responsive, can respond on any issue whatsoever in a consistent, responsive way," says a client. Josh Parbhu was noted as a key partner, however he transferred to the Johannesburg office in October 2010.

One highlight this year saw Barwise advise the lead arrangers and bookrunners on the negotiation of the derivative documentation on the \$2.6 million refinancing of Zain KSA, one of the largest Islamic financing deals of the year. Barwise also advised Weather Investments on the swap termination issues, assignment of swap claims and hedging consents and the credit event management process during the rescue of Wind Hellas in the UK's largest ever pre-pack administration.

Barwise also led a team advising Calyon on as arranger in relation to two €2 billion issuances of privately-placed, retail structured-notes repackaging various corporate bonds and dual-listed on the Irish Stock Exchange and Euronext.

The firm has also advised the sponsors and Nord Stream on the drafting and negotiation of hedging documentation regarding its gas pipeline from Russia to Germany, and advised the lenders and assisted the hedging counterparties on the project financing of the \$2.5 billion oil fired IPP (independent power project) project in Saudi Arabia.

Other notable firms

Shearman & Sterling's Patrick Clancy is praised for his derivative work by a client. "He's a very smart guy, always available and very responsive. He knows his credit default swaps. Some people say he's too cerebral, but I find him commercial and incredibly pragmatic."

Capital markets - structured finance and securitisation

Recommended firms	
Tier 1	Allen & Overy Clifford Chance Linklaters
Tier 2	Freshfields Bruckhaus Deringer
Tier 3	Ashurst Sidley Austin Slaughter and May
Tier 4	White & Case Simmons & Simmons
Tier 5	Cadwalader Wickersham & Taft Herbert Smith Hogan Lovells Latham & Watkins Mayer Brown Milbank Tweed Hadley & McCloy Shearman & Sterling Weil Gotshal & Manges

For a practice area that has been buffeted about on the winds of public disapproval, London's structured finance and securitisation lawyers are a cheery lot, and they have every right to be - business is going well, but only in the right areas. Gone are the days of cheap commoditised structures; in 2010 clients require out-of-the-box thinking on issues ranging from regulatory advice to restructuring, and even to new issuances. "The days of the simple securitisation are over," says a partner.

Utilities and infrastructure is one area which has been hot lately, with the magic circle clamouring to get involved in deals such as Electricity North West's whole business securitisation. Safe, dependable assets can get away with new issuances in the current economic climate, and the values are large.

The market for credit-card and auto-loan receivables is also healthy, shown when Emirates NBD bank got away its auto loan receivables portfolio in August 2010 - a remarkable turnaround given the problems in Dubai earlier in 2010.

Covered bonds were quick to bounce back, and have been used in conjunction with a number of RMBS issues. With new covered bond legislation coming into force in South Korea and the US, law firms will be looking to their London offices to drive the initial deals given Europe's long experience with covered bond issuances.

Uncovered RMBS issuances have been rare but there is life there, especially for prime assets. Alliance & Leicester's £4.1 billion RMBS securitisation in March 2010 went so far as to not include a put option or redemption guarantee, which is the closest the sector has come to a true-sale securitisation since the onset of the financial crisis. However partners note that CMBS issues are still a long way off yet, with the majority of work in that area still related to restructuring and refinancing.

Conduits have also stayed relatively strong, while some firms have even been talking about working on the securitisation of intellectual property revenues by pharmaceutical companies. But in general partners say that there's a feeling that the more aggressive end of activities are now seen as socially unacceptable. Until the markets start to even out and the regulatory picture becomes clearer, conservatism is name of the game in the securitisation market.

Allen & Overy

Allen & Overy holds its position in the top tier after another strong year, receiving universal praise for its very strong market position. Given the firm's market-leading position in the derivatives and structured finance sectors, A&O is well placed to advise on all aspects of structured debt transactions. The firm's US capability is also recognised by clients, with UK banks noting that they have been impressed by the firm's work.

As a team Allen & Overy is praised for its incisive, technical knowledge and innovative approach, and is described by one client as a "highly commercial, strong team always available irrespective of workload".

The firm wins strong praise from competitors and clients for its excellent covered bond work under Angela Clist. "She's excellent, and does a very good job with portfolio sales," says one competitor.

David Krischer is also praised for his covered bonds and CMBS work by clients, although competitors note that as head of the International Capital Markets group he is more involved in management work than client matters these days.

While generally known as a banking lawyer, Philip Bowen has been active on securitisation work says one client, while senior associate Alice Carpenter is seen as an up and coming lawyer by another client. Paul Cluley and Franz Ranero are also noted by a client for their CDO skills.

Allen & Overy was active throughout the financial crisis, advising on structures to access the central bank liquidity schemes of the Bank of England, European Central Bank and the US Federal Reserve. The firm has also acted

for more than 30 financial institutions on asset-backed transactions worth over £250 billion, including collateralised loan obligations (CLOs) and other securitisation structures.

In the CLO and CDO market the firm has advised Barclays Capital as arranger and Deutsche Bank as trustee on the Setter Capital I and II, Somerset Funding and QVS Funding.

On the securitisation side, the firm has been at the forefront of the slow revival of the RMBS market. Clist led a team advising Lloyds Banking Group on the £2.47 billion RMBS issue under its permanent master trust programme in February 2010 - the first public RMBS issue to access the 144A markets since the financial crisis.

Vanessa Hardman followed up one month later to lead a team advising Alliance & Leicester, part of the Santander group, on a landmark £4.1 billion RMBS securitisation. Completed in March 2010, the deal did not include a put option or redemption guarantee to back the sponsoring bank - the closest the sector has come to a true sale securitisation since the onset of the financial crisis.

More recently, Allen & Overy advised the bookrunner, guarantor and trustee on a securitisation of a revolving portfolio of auto loans originated by Dubai-based Emirates NBD; the first public securitisation in the UAE in the last two years. The deal was structured through an issuance of ¥19 billion (\$221 million) floating rate notes by an SPV, which were purchased by Jbic and a portion of which were sold to a second SPV, which issued ¥15.2 billion floating rate notes, guaranteed as principal by Jbic.

Leading lawyers

Angela Clist
Christian Lambie
Salim Nathoo

Clifford Chance

While Clifford Chance's reputation may have slipped in the derivatives and debt capital markets sections this year, in the structured finance and securitisation area Clifford Chance is clearly one of the market leaders. Clients note that while the firm is certainly not the cheapest around, the team has very good execution skills and a strong talent pool.

The firm's structured finance and securitisation partners are well recognised by both clients and peers, particularly Peter Voisey and Kevin Ingram. Covered bonds partner Chris Oakley and Stephen Curtis are also noted for their work, while Andrew Forryan, Emma Matebalavu and Neil Hamilton are also seen

by the market as key members of the Clifford Chance team.

New partner Anne Drakeford is seen as a rising star by one bank client, while Michelle Savage is seen by competitors as a "class act and head and shoulders above the rest".

One client sums up Clifford Chance's structured finance and securitisation group: "A comprehensive team with genuine strength below the lead partner."

While competitors note that the firm's strong cash CLO practice took a hit since the financial crisis, Clifford Chance is lucky to be active across a range of market sectors, and is keen to point out that it has a very strong profile in the water utilities and infrastructure sectors.

One highlight saw the firm advise Wales & West Utilities on the establishment of a £5 billion secured guarantee debt issuance programme, which includes new bonds and a refinancing facility. Clifford Chance is advising the company on the programme, the migration of its existing bonds into the new programme, the amendments to the existing hedging and the provision of new hedges, among other things.

In addition, the firm advised the banks on Yorkshire Water Services' whole business securitisation programme, and acted for Barclays on its update of Thames Water's £10 billion multicurrency guaranteed bond programme.

While new issues in the mortgage-backed market have been scarce, one highlight saw Voisey lead a team advising JPMorgan Securities as arranger and co-lead manager on the Co-Operative Bank's £2.5 billion prime RMBS issue in February 2010. The transaction included an investor put in 2015, which was structured so that the investor would put the notes back on the issuer, and the issuer would fund the redemption of the notes by drawing on a variable funding note with the originator.

The firm was also active in Europe, advising a number of Portuguese and Greek banks on RMBS and covered bonds matters.

On the CMBS side, Voisey advised Rothschild on the £200 million restructuring of a multi-property sterling CMBS, which was due to breach its covenants. Voisey has also advised the European Central Bank (ECB) on its attempts for greater and more standardised information about asset-backed securities collateral. In addition, the firm participates in the ECB's Asset-Backed Securities Technical Working group.

Like many large firms Clifford Chance advised a key bank on its entry into the UK Government's Asset Protection Scheme - in their case, Lloyds Banking Group. Kevin Ingram and Emma Matebalavu provided advice to the bank, which involved discus-

sions with HM Treasury in regards to the mechanics of the scheme.

Clifford Chance's trade receivables work was also strong, advising the arrangers and interest-swap counterparties on a notes issue by SPV Bumper 3 Finance backed by a portfolio of vehicle lease receivables originated by Leaseplan UK.

More recently, Jessica Littlewood led a team advising Dubai-based Emirates NBD as originator on the securitisation of its auto loan portfolio; the first public securitisation in the UAE in the last two years. The deal was structured through an issuance of ¥19 billion (\$221 million) floating rate notes by an SPV, which were purchased by Jbic and a portion of which were sold to a second SPV, which issued ¥15.2 billion floating rate notes, guaranteed as principal by Jbic.

Leading lawyers

Stephen Curtis
Andrew Forryan
Neil Hamilton
Kevin Ingram
Peter Voisey

Linklaters

Linklaters' structured finance and securitisation practice recorded yet another strong year, gathering strong praise from clients who appreciate the firm's ability to advise across multiple practice areas. "What we're really looking for is a law firm which can reach across all parts of the firm, from plain vanilla to complex stuff," says one client at an investment bank. The client sees Linklaters as one of the best firms in the UK for its ability to combine securitisation with others areas such as banking or project finance.

"[The firm has] a strong team open to, indeed promoting, innovation ... [they're] invariably highly commercial in their approach," says another bank client.

Head of the Structured Finance group James Harbach is seen as a key figure by clients, as well as junior partner Andy Vickery, who is gaining in reputation in the market. And while Jim Rice is still seen as a top partner, his role as head of global capital markets means he is less visible on deals these days.

Julian Davies also gets strong praise from a banking client. "He's one of the best, if not *the* best," says the client.

Linklaters has remained extremely busy over the last year. The firm was lucky enough to have good connections with the banks for utilities work, an area which was much less hit by the financial crisis than most, meaning the firm has had its fair share of deals this year. One highlight saw Davies and Vickery advise HSBC on Electricity North West's whole

business securitisation, which involved the issue of £200 million of fixed-rate notes by Electricity North West and a £300 million fixed-rate notes issue by its holding company. The programme was the first whole business securitisation in the electricity utilities sector.

Anne Hoe and managing associate Mark Nuttall also turned their hands to the gas sector, acting for the banks on Phoenix Natural Gas Finance's £275 million bond issue, which was guaranteed by Phoenix Natural Gas and Phoenix Distribution Holdings.

Hoe and Nuttall also advised the banks on Wales and West's Utilities' £715 million whole business securitisation, which involved a guaranteed secured-bond programme and ring-fenced whole business securitisation corporate group, the issue of a series of fixed and floating-rate bonds and a £465 million bank facility. This was the first whole business securitisation of a gas distribution network company.

Vickery was active in the covered bond market, acting for Barclays as arranger and dealer on the establishment of a £7 billion UK covered bond programme for the Norwich and Peterborough Building Society. The deal was the largest UK covered bond programme since the new regulations came into force in March 2008.

On the trade receivables side, Edward Hickman advised the banks as arrangers on the conduit securitisation of auto loan receivables originated by RCI Financial Services (the UK finance division of Renault). The firm also advised on the issue of £397 million of Class A loan notes (which were sold to three conduits) and variable funding Class C notes issued by the SPV Cars Alliance. The deal was the first rated deal done by one of the swap providers, which required extra work to get a AAA rating.

Elsewhere, Hoe, Stan Renas and Alex Shopov have also been advising the Royal Bank of Scotland on the securitisation issues relating to its accession to the UK Government's Asset Protection Scheme.

Leading lawyers

Julian Davies
James Harbach
Anne Hoe
Andrew Vickery

Freshfields Bruckhaus Deringer

Forming part of the structured and asset finance group, Freshfields' structured finance and securitisation work is seen as less of a focus of Freshfields compared to its peers. The firm is seen to be taking more of a Slaughter and May, corporate-style approach, servicing

its clients rather than targeting specific structured finance and securitisation work.

Nevertheless the firm is still seen as more than capable of handling complex matters, especially those with a restructuring angle.

Alan Newton is seen as a "safe pair of hands" by one competitor, although they note that since his appointment as head of finance in May 2008 he has been a bit less visible. Stuart Axford is also seen often on conduits, while another bank client rates Marcus MacKenzie highly.

Freshfields' restructuring work has been strong this year, with one highlight seeing Simeon Rudin lead a team acting for an investment bank on the restructuring of its \$5 billion investment in the Whistlejacket Capital SPV.

Chris Barratt and senior associate Alice King advised Electricity North West and North West Networks on the refinancing of its acquisition debt. The deal was the first securitisation of an electricity distribution utility and the first whole-business securitisation of a holding company. Barratt and King combined again to act for Northern Rock on a £2 billion RMBS - the bank's first public funding since its legal and capital restructuring.

Ian Falconer and Alan Newton have also been advising the Bank of England on the securitisation elements of the credit crisis as a whole, including the special liquidity schemes, the collapse of Lehman Brothers and the UK bank recapitalisations.

Leading lawyers

Marcus MacKenzie
Alan Newton
Simeon Rudin

Ashurst

Ashurst's structured finance team is best known among peers for its CDO and cash CLO work during the boom, and while that market is fairly quiet (to put it lightly), the client side see the firm as an excellent, value-for-money choice for structured finance transactions. "Ashurst was hungry for the work, more prepared to do it for a lower price and guess what - they got the work," says a senior bank client.

Other clients note the team's "responsiveness and depth of knowledge" which is good for very technical, one-off transactions. The team is praised by another client for its responsiveness and enthusiasm for CDO work in particular.

The firm suffered a blow this year with the departure of Erica Handling to become general counsel of Barclays Capital in September 2010. It will be interesting to see how the firm

responds to the loss given her stature in the market.

Before the move, the firm had been quietly building its UK team, promoting David Quirolo to partner and working closely with its new structured finance and securitisation team which moved over from McKee Nelson following its merger with Bingham McCutchen in 2009. Michael Smith this year also relocated to the New York office.

One of the highlights this year on the structured finance side saw Handling and Quirolo act for a European investment bank on the structuring of a fully managed \$2.5 billion CDO, which used US dollar-denominated senior and second lien leveraged loans as collateral. The transaction was structured to provide non-synthetic exposure to the loan asset without the need to transfer the loan portfolio to the SPV.

James Coiley advised Nomura International Fixed Income on the establishment of the Novus structured issuance programme, which established a new packaging programme using an Irish SPV. The programme is designed to put the investor back in stressed scenarios by applying the lessons learned from Lehman's collapse.

The firm has also been active on securitisation matters. David Quirolo acted for a Japanese investment bank on the €2.25 billion private securitisation of a portfolio of asset-backed securities by the *bad bank* arm of a European investment bank. The transaction was structured to provide a hedge-fund style risk/return to the investor, while at the same time achieving regulatory capital and accounting objectives for the originator.

The team has also advised borrowers, investors and developers regarding CMBS defaults, and has advised buyers and sellers in the sale of residential mortgage portfolios as the market begins to slowly pick up.

Sidley Austin

Sidley Austin is still seen as a force in asset-backed securitisation market, specifically the CMBS market. While CMBS structures are not exactly in vogue right now, the fact that the team at Sidley know the structures inside out mean they have a strong work flow unpicking and restructuring the packages. And with the wall of refinancing approaching the market in 2011, the firm will be in a good position to capitalise on the expected flood of restructuring mandates.

One banking client was very impressed with Sidley's CMBS work. "[They had a] very commercial approach to the problems we put in front of them, they think everything through thoroughly and provide ideas and solutions," says a bank client. A peer notes

about the firm's CMBS restructuring work: "They're really conquering that market, they're making waves."

Graham Penn, co-head of Sidley's global Structured Finance and Securitisation practice and head of the International Finance Group, is seen by competitors as the firm's key figure.

One highlight saw Graham Penn and Jason Richardson advise a consortium of sponsors and Cairn Capital as financial adviser in the restructuring of €1.19 billion of CMBS notes issued by Fleet Street Finance Two. The transaction was the first CMBS in Germany to be completely restructured.

Sidley has also been active in the RMBS market however, advising JPMorgan on the issue of £4 billion of notes under Lloyds Bank Group/Bank of Scotland master issuer PLC UK RMBS programme in September 2009. The team also acted for the banks on Nationwide Building Society's £3 billion note issue under its Silverstone master issuer PLC UK RMBS programme. Led by US partner Rob Torch, as well as Nick Brittain and Theresa Kradjian, the transactions were the first and second public UK RMBS issuances since the credit crisis started in 2007.

The same team followed up in February 2010 to advise a consortium of banks on Lloyds Banking Group's Series 2010-1 note issuance under Rule 144A, which was done as part of the bank's permanent master issuer PLC UK RMBS programme. The transaction was the first UK RMBS issuance into the US since the credit crisis started in 2007.

While many in the market associate Sidley with its securitisation work, the firm has an active presence in the structured finance market as well. One highlight saw Elizabeth Uwaifo advise Citibank as arranger of synthetic CLO relating to a €3 billion portfolio of corporate entities, which involved a €39 million issue of Class A notes by Terra II Senior CLO on the Irish Stock Exchange.

Leading lawyers

Graham Penn
Robert Torch
Marc Wassermann
John Woodhall

Slaughter and May

While not known for its specific focus on the structured finance and securitisation market, Slaughter and May receives wide praise for the quality of its partners and its ability to work broadly across all structured product areas.

"[Its] partners and associates are very good technically and commercially," says one client, also noting that the firm provided good value for money. Another client praises the firm's "intellectual contribution and focus".

One competitor goes so far as to recommend the firm for company-side work: "If I was a client of an FTSE company I would go to them."

Sanjev Warnakulasuriya's work is praised by both clients and peers, while Richard Levitt is praised for his work on the HM Treasury's asset protection scheme. One client also praises Mark Dwyer for his strong work.

Slaughter and May's ability to take on complicated and innovative mandates was perfectly demonstrated through its role advising HM Treasury on the Asset-Backed Securities Guarantee scheme. The scheme, developed by Marc Hutchinson, Guy O'Keefe and Matthew Tobin, involved the development of a set of rules that could cater for a wide range of UK RMBS transactions, including master trusts.

Tobin and Levitt also led a financing team advising HM Treasury on the UK Government's asset protection scheme, including the negotiations with Lloyds Banking group and the Royal Bank of Scotland on their entry into the scheme.

Hutchinson was also active in the RMBS restructuring market, acting for Holmes Master Issuer on the restructuring of its RMBS programme, and advised Santander UK as sponsor on the incorporation of Holmes Master Issuer 2. The firm also advised on the establishment of a new RMBS note-issuance programme and the substitution of Holmes Master Issuer 2 as debtor under notes previously issued by Holmes Master Issuer which were retained by Santander or swapped with the Bank of England as collateral under the Special Liquidity Scheme.

Slaughter and May was also active in the trade receivables market, with Christopher Smith advising Tata Steel on amendments to its receivables purchase framework agreement, as well as its master servicing agreement and note purchase facility agreement.

Ineos also mandated a team led by Christopher Smith on a €1.5 billion receivables securitisation programme for Ineos Holdings, and a €120 million receivables securitisation programme for Ineos Norway SPV. Slaughter and May called upon its *best-friends* network for the deal, which involved eight countries.

Leading lawyers

Marc Hutchinson
Guy O'Keefe
Sanjev Warnakulasuriya

Other ranked firms

While not particularly visible to peers, **White & Case** has a strong bank-side practice which

has the capability to work on issuances in the UK and Europe.

David Barwise heads the practice, although peers note that his position as head of the Europe, Middle East and African banking and capital markets department means he has been less visible on deals of late. Josh Parbhu is another noted figure, however he transferred to the Johannesburg in October 2009. Gavin McLean is also active in this area.

The team tends to focus more on complex issuances rather than high-volume commoditised work. A highlight saw McLean advise JPMorgan on an issue by Guaranteed Funding (DK) 2009-1, an Irish special purpose vehicle, of notes backed by a pool of senior unsecured loans to seven regional Danish banks in December 2009.

JPMorgan again turned to White & Case on the issue by Monte 2008 I, a Dutch SPV, of Class A, B, C and subordinated notes backed by a portfolio of asset-backed securities.

Barwise advised Piraeus Bank on two key deals. One saw him act for the Greek bank on the issuance by an SPV of *allilohreos* (a Greek revolving loan product)-backed notes by Axia III Finance. The transaction contractually replicated a two-tier master trust structure with two SPVs. Barwise also advised the bank the issuance by Gaia Lease, an SPV, of real-estate lease, vehicle lease and equipment lease-backed notes.

Elsewhere, Lloyds TSB mandated the team on Luxembourg securitisation company Recovery Finance Funding 2008's issue of senior and subordinated notes backed by a portfolio of leveraged loans.

Simmons & Simmons is seen by clients as a good value-for-money option, while peers note that the firm has a strength where funds and structured finance intertwine.

Simon Schiff is the name most often mentioned by clients. While the London team was boosted with the return of Tony Smith from the Moscow office in November 2009, Stephen Moller moved across to K&L Gates in February 2010.

Simmons & Simmons' work is more focused on the bank side, with one highlight seeing Schiff advise an investment bank on a CDO (collateralised debt obligation) of emerging markets loans and bonds, and act for JP Morgan on Paragon Mortgages (No 15)'s £1.5 billion non-conforming RMBS securitisation in relation to the remarketable Rule 2a-7 tranche.

Standard Bank turned to Schiff for advice on its Blue Granite securitisation programme of South African mortgage-backed notes, as did Caliburn Special Situations Fund on the restructuring and termination of its leveraged financing note structure.

Ian Sideris was also active this year, acting for a UK bank on a bespoke financial guarantee structure where the bank purchased credit protection on a portfolio of loans it had originated from a European insurance company. Sideris also acted for a UK bank on the securitisation of a portfolio of loans originated by it using an innovative originator trust structure.

In addition, Sean Bulmer showed the firm has capabilities in the burgeoning Islamic finance sector when he advised an unnamed party on the establishment of a *shariah*-compliant structured securities programme.

Other key clients of the firm include Bank of America Merrill Lynch, Barclays, Deutsche Bank and Morgan Stanley.

While peers note that Angus Duncan is the only recognised name left at Cadwalader **Wickersham & Taft** after its loss of three partners to Paul Hastings in early 2009, the firm has still been active with catastrophe bonds and the restructuring and unwinding of CDOs (collateralised debt obligations).

One highlight this year saw Cannon lead a team advising Hannover Re on the UK and New York law aspects of a €150 million catastrophe bond. This was the first time that a repurchase agreement had been used as collateralisation in such a structured transaction. Duncan also acted for Scor on a €75 million catastrophe bond issuance.

Elsewhere, the team acted for a French bank on the unwinding of a CLO governed by English law but which included US loans. As a result, the sale of the CLO's assets had to be conducted in accordance with both English law and also the US Uniform Commercial Code.

Herbert Smith moves back down to tier five this year after commentators noted that its peers in tier four were more active and visible in the market. Jake Jackaman heads the team.

The firm however does have a good reputation for restructuring work. One highlight saw the team act for a steering committee of bondholders (which together held approximately 70% of the notes) in the Fleet Street II CMBS transaction in regards to the €2 billion restructuring of the retail property company Karstadt. The deal was one of the few successful CMBS restructurings to date and one of the first to include an extension of maturity.

The firm acted for Invista Foundation Property Trust on the proposed tender offer for its CMBS debt, and has advised a number of investment banks and financial institutions looking to take positions in distressed CMBS transactions.

Elsewhere, Herbert Smith has also been advising banks on the use of securitisation to

access the European Central Bank; for example acting for Goldman Sachs on a €5.1 billion securitisation of a swap receivable for the National Bank of Greece.

While peers note that **Hogan Lovells'** team is best known for SIV (structured investment vehicle)-related work, the team's dealsheet shows that it has had a strong pipeline of deals in the auto-loan and CMBS restructuring sectors.

Clients praise the firm for its "constant partner level input throughout a transaction and going the extra mile in providing advice." The client does however note that the firm needs to raise its profile in the market a bit more. Tauhid Ijaz is seen as the most client-facing partner on the team.

A highlight saw Julian Craughan lead a team advising Merrill Lynch as purchaser and arranger on a €477 million RMBS transaction backed by second-lien mortgages over UK residential property and held through a Jersey trust structure. The deal was complex as the originators of the underlying residential mortgage loans were insolvent and a liquidator had been appointed prior to structuring of the transaction.

Julian Craughan and Sharon Lewis also worked with a number of the firm's European offices to advise FCE Bank (Ford Motor Company's European finance subsidiary) on its £3 billion of Globaldrive securitisations. This consisted of a €488 million securitisation of auto-loan receivables originated by FCE's German branches in September 2009, and a further €234 million public-term securitisation for FCE in November 2009. In addition, the firm acted on a £900 million privately-placed securitisation of auto-loan receivables originated by FCE in the UK in June 2009.

On the restructuring side, Tauhid Ijaz worked together with the Paris office to advise Sumitomo Mitsubishi Banking Corporation Europe and another junior noteholder on the restructuring of the €1.52 billion Windermere XII CMBS. In February 2010 the Court of Appeal in Paris overturned the judgment that controversially opened French safeguard proceedings over a special purpose company and its Luxembourg parent company, which the markets had not anticipated given the nature of the companies involved.

Elsewhere, Ijaz advised Exista and its subsidiary Lysing on the €500 million restructuring of an Icelandic auto-lease portfolio securitisation in December 2009. The receivables in respect of the portfolio were sold to a group finance company, Pera, which issued securities in a variety of currencies to fund its purchase. The restructuring was structured and negotiated during the height of the financial crisis in Iceland and forms part of a linked

restructuring in relation to the wider Exista group.

James Warbey heads the team at **Milbank Tweed Hadley & McCloy**, which this year has focused on amending existing positions and deals.

The firm this year has advised portfolio managers looking to relax investment criteria or obtain waivers in relation to specific investments, as well as senior noteholders keen to identify opportunities for de-levering transactions to recover their capital. _

As official counsel to the unsecured creditors committee of Lehman Brothers, the firm has been analysing, unwinding, settling and litigating a number of complex structured finance and derivative transactions

Elsewhere, the firm has advised hedge funds and distressed debt investors in their trading in and out of specific debt tranches.

While **Shearman & Sterling** is not particularly visible to its peers, the team has been involved in a range of structured finance transactions. One client praises the team for its depth of knowledge, but also notes that the team needs to improve its turnaround speed.

Another notes: "Julian Tucker is good at pulling stuff apart."

A highlight this year saw Patrick Clancy, Tucker and Clifford Atkins lead a team advising the Qatar Investment Authority (QIA) on the acquisition of cash-settled options on Volkswagen shares from Porsche as part of the QIA's investment in the two carmakers.

Tucker also advised Crown Mortgage Management on the mortgage servicing arrangements regarding sub-prime and prime mortgage books, both residential and commercial, which were acquired by various funds. Advice was also given regarding the servicing transition of certain Northern Rock-originated commercial mortgage loans.

While Jacky Kelly is generally seen as the key figure at **Weil Gotshal & Manges**, one client notes that Stephen Ong is increasing prominent on deals. "I'd give them a six-and-a-half to a seven out of ten, at times they were above that," says the client. However the client does note that the lack of resources in the team caused problems at times.

The firm retained its place on the Barclays Capital securitisation panel this year and advised the bank, as arranger and lead manager, on the restructuring of Newcastle Building Society's €2 billion global covered bond programme in July 2009, and the £12 billion 2009-1 issuances from Barclays Bank's Gracechurch RMBS master trust programme in September 2009.

The firm also advised on the structured finance and securitisation aspects of the Lehman bankruptcy, particularly the transactions which were governed by English law

and/or entered into with non-US counterparties. Examples include addressing numerous cross-border insolvency issues, analysing various questions of interpretation of the terms of the Isda master agreement and unravelling and analysing the legal rights related to complex intra-group structured and derivatives transactions.

The team also acted for JPMorgan as dealer's counsel on a multi-billion dollar credit-card securitisation issuance by Lloyds HBOS using its Penarth master trust structure, and continue to advise Investec Bank on the RMS 23 mortgage-backed securities issue.

Other notable firms

Paul Hastings Janofsky & Walker's hire last year of Christian Parker, Charles Roberts and Conor Downey from Cadwalader has boosted its reputation in the market. "They're super impressive; so available even though they have so much going on," says a client.

A highlight this year saw the firm advise CB Richard Ellis Loan Servicing as special servicer of the £1.15 billion White Tower 2006-3 commercial mortgage securitisation. The transaction is a securitisation of nine trophy office buildings in central London including the Aviva Tower, the JPMorgan headquarters building on London Wall and the Leadenhall Market. Following a financial covenant breach, the underlying loan failed to repay on its scheduled maturity date in October 2009; to protect the integrity of the structure, Paul Hastings London arranged for Ernst & Young to be appointed as receivers to the seven affected properties and administrators to the affected companies.

An investment bank turned to Paul Hastings on the sale of a €2.6 billion portfolio of legacy CMBS bonds and commercial real-estate loans secured over properties in six countries.

Elsewhere, the firm represented Capita Asset Services (Ireland) and Capita Asset Services (UK) as servicer in the Fleet Street Finance Two CMBS transaction, which will be the first European CMBS deal to extend the maturity date on the CMBS notes. The transaction involves the restructuring of a €1.2 billion commercial mortgage loan secured by over one hundred retail assets located throughout Germany and leased to the Karstadt department store.

Bank lending - lender side

Recommended firms

Tier 1

Allen & Overy
Clifford Chance
Linklaters

Tier 2

Ashurst
Freshfields Bruckhaus Deringer
Latham & Watkins

Tier 3

Hogan Lovells
Shearman & Sterling
SNR Denton
White & Case

Tier 4

Baker & McKenzie
CMS Cameron McKenna
Herbert Smith
Norton Rose
Simmons & Simmons
Slaughter and May

Bank lending - company side

Recommended firms

Tier 1

Clifford Chance
Freshfields Bruckhaus Deringer
Linklaters
Slaughter and May

Tier 2

Allen & Overy
Herbert Smith

Tier 3

Ashurst
Cleary Gottlieb Steen & Hamilton
Skadden Arps Slate Meagher & Flom
White & Case

Tier 4

Baker & McKenzie
CMS Cameron McKenna
Hogan Lovells
Latham & Watkins
Macfarlanes
Milbank Tweed Hadley & McCloy
Shearman & Sterling
SNR Denton
Travers Smith

Bank lending - sponsor side

Recommended firms	
Tier 1	
Clifford Chance	
Freshfields Bruckhaus Deringer	
Kirkland & Ellis	
Simpson Thacher & Bartlett	
Tier 2	
Ashurst	
Latham & Watkins	
Skadden Arps Slate Meagher & Flom	
Tier 3	
Allen & Overy	
Baker & McKenzie	
Cleary Gottlieb Steen & Hamilton	
Linklaters	
Macfarlanes	
Shearman & Sterling	
Travers Smith	
Weil Gotshal & Manges	
White & Case	

The bank lending market has come a long way since the dark days of early 2009. In the past 18 months the market has moved from a phase where partners estimated around 70% of deals were restructuring driven, to a phase now where only 30% are restructuring; the rest is “other stuff” according to a leading lawyer.

Make no mistake, the waters are still very choppy, but partners say that there are a lot of healthy new deals out there.

Even in difficult times liquidity is available for large listed companies with a good credit rating. Liquidity has been available for anything from secured financing, for example Cable & Wireless’ \$800 million package, to acquisition finance, shown by Kraft’s \$9.2 billion unsecured financing package for its buyout of Cadbury.

The market for leveraged finance for private-equity buyouts re-emerged in late 2009 as well. CVC Capital Partners’ buyout of Anheuser Busch Inbev’s central and eastern European operations in October 2009 kicked things off, while KKR’s buyout of Pets at Home from Bridgepoint in January 2010 was a good sign for law firms as it was structured as a dual track, with the owners eventually going with a sale.

However the Dubai and Greek debt crises put a brake on the activity as the year went on. “The activity continues but not at the giddy levels of the start of the year,” says a partner.

With a number of companies looking to potentially list later in 2010, partners have reported a strong flow of pre-IPO financing deals as companies focus on reorganising their capital structures. Refinancing has also con-

tinued to provide a large amount of work - Dubai World’s debt restructuring being the most high-profile - but partners now have a greater emphasis on the upcoming wall of debt refinancing which is due to hit the market in 2011.

Firms with strong hedge-fund connections such as Kirkland & Ellis have had a good year on the back of their clients’ increasing role as new money providers.

Law firms have also been undergoing a re-evaluation of their priorities in relation to their client base. One lawyer at a leading firm says that in the past they had concentrated more on the large, traditional investment banks as the greatest sources of liquidity, but given the market changes over the past year are starting to look at smaller providers who are either more liquid or have grown into a key player in recent years such as Unicredit and Santander.

The banking market has also been one of the most active areas in relation to lateral partner moves. The most headline-grabbing move saw Latham & Watkins hire the bulk of White & Case’s bank lending team to beef up its lending capabilities to go with its exceptional high-yield and developing debt capital markets practices. With hybrid financing (a combination of bank lending and finance from the high-yield and debt capital markets) expected to be on the rise in coming months, the legal market will be watching to see how significant the move will be.

Allen & Overy

Allen & Overy is unsurprisingly best known for its bank-side work, boasting relationships with the senior lenders that go back years. The banking team is often described as technically the most proficient in the City, but over the years a number of both clients and peers have noted that the team was not particularly commercial. As one peer puts it: “They’re the LMA defenders.”

But times are apparently changing. Bank clients are noting that the new crop of partners coming through are much more balanced between technical skill and commercially minded - a high priority for all types of clients.

“A&O were great lawyers but bad businessmen,” says one senior bank counsel. “But the newer generation coming through are good at business. They can do work on fee arrangements, working for free, and invest in the relationship.”

“Intelligence is impressive but you’ve got to be a good businessman,” adds the counsel.

David Campbell and Nicholas Clark are singled out by clients as good up and coming lawyers, while Tim Polglase and Stephen

Kensell are also noted for their work this year. The hire of high-yield partner Kevin Muzilla from Milbank in 2010 also gives the firm a very strong position for bank and bond financing.

On the lender side, Conrad Andersen this year led a team advising the lenders, Royal Bank of Canada and the Royal Bank of Scotland, on Ontario Teachers’ Pension Plan’s £389 million acquisition of Camelot Group and Camelot Group Services.

Andersen also advised the banks on the financing for Global Infrastructure Partners’ £1.51 billion purchase of Gatwick Airport from Ferrovial subsidiary BAA.

On the restructuring side, Allen & Overy advised BNP Paribas and various export credit and commercial lenders on the restructuring of two facilities for Compañía Sud Americana de Vapores, with a combined value of over \$550 million.

While the firm’s borrower-side client base is not as well developed Allen & Overy is still seen as more than capable of advising clients on that side of the table.

Leading lawyers

Trevor Borthwick
Sanjeev Dhuna
Mike Duncan
Robin Harvey
Stephen Kensell
George Link
Timothy Polglase

Clifford Chance

The reach of Clifford Chance’s well-recognised finance group is enormous, spanning everything from leveraged finance to asset finance, emerging markets lending and sponsor-led LBOs. The firm simply has the presence, strength in depth and contacts to top the market in all three tables in the *IFLR1000* bank lending section - the only firm to do so.

The team is praised by lenders for its breadth of experience and commerciality, as well as its strong technical knowledge. The firm is also described as a safe pair of hands on a deal and its training sessions are well recognised by lenders, while private-equity clients note the firm’s bench strength and scale. The firm’s relationship with clients was mixed however, with some clients noting that they would like more hands-on partner involvement in the relationship, while others praise the firm’s ability to maintain the relationship.

While Clifford Chance contains a large number of highly-skilled partners, some in the market believe the firm has an over-reliance on the big partners which could cause problems down the line. “On the lending side they’re a big brand but they’ve got genera-

tional issues,” says a bank counsel. “Their lending department generally relied on being a franchise, less on grooming the next generation of market leaders.”

But for the time being at least, the combination of Malcolm Sweeting, Michael Bates and Charles Cochrane (to name a few) is one of the most potent teams in the market. Under the big names, junior partner Emma Folds, Richard Sharples and Simon Williams are mentioned by bank counsel as partners to look out for, while Lucinda Rotheroe is singled out for her infrastructure financing work and Despina Pantelia for her social housing finance work.

Mark Stewart meanwhile retired from the partnership in March 2010, with Michael Bates and Robert Lee taking over as joint heads of the London finance practice.

The firm was very active on the lender side on debt refinancing transactions, with one highlight seeing Sweeting and Nicholas Frome act for the banks on Cemex’s \$15 billion refinancing facility. The firm combined with its Madrid office to advise six banks as co-ordinators of a committee of lenders on the refinancing, which involved more than 50 banks spread over nine syndicated and several bilateral facilities, as well as a series of US note issuances.

Clifford Chance’s strong position with the banks on Russian work was highlighted by its role advising a syndicate of five banks on the \$800 million refinancing of the bank and bond debt of Russian automobile retailer Rolf Group. The team was led by Robert Lee in London alongside the Moscow and Amsterdam offices.

Another interesting role saw Deutsche Bank mandate Sweeting and Stephen Gallagher on a pre-IPO financing for Germany’s Brenntag Management.

On the company side one of the firm’s highlights was undoubtedly its role acting for Dubai World and its subsidiaries (particularly Nakheel) on its headline-grabbing \$40 billion debt restructuring, which involved support funding from the Dubai Financial Support Fund and addressing issues relating to contractors and *sukuk* (Islamic bond) holders. Adrian Cohen and restructuring partner Mark Hyde (who has temporarily relocated to the Dubai office to work on the transaction) is leading the London team on the transaction.

Another high-profile transaction saw Karen Hodson advise Kraft on the financing of its £11.9 billion takeover of Cadbury in February 2010 - one of the largest cross-border LBOs since the onset of the credit crunch.

Clifford Chance’s phenomenally strong private-equity practice unsurprisingly gives it a great position in the market for sponsor-driven financings. While LBO activity in the pri-

vate-equity market is low, the firm has been prominent in the few that are around. John Dawson and Caroline Jury advised Bridgepoint on the £2.57 billion financing of its acquisition of chemical company LGC in February 2010.

Alan Inglis and Taner Hassan also led a banking team which advised EQT Partners on the debt restructuring of its portfolio company SSP Group.

Leading lawyers

Michael Bates
Mark Campbell
Charles Cochrane
Alan Inglis
Malcolm Sweeting

Linklaters

Linklaters presence in the banking market is very strong, with a good reputation for commercial and pragmatic advice. While the firm boasts a plethora of talent including Philip Spittal, Gideon Moore and Bruce Bell, Stephen Lucas is the one praised most often by clients for the quality of his work. Nick Syson is also praised by a competitor: “He picks his battles; he’s one of the good guys,” says the competitor.

While some peers mention that the firm’s relationship with the banks might be a bit difficult due to its role acting for the Lehman Brothers administrators, they acknowledge that the high quality of the firm’s bank lending offering means that they are unlikely to lose any work in the longer term.

One client says the team possesses “strong technical and deep market knowledge, excellent responsiveness and support in negotiations”. Another notes the firm’s turnaround speed, but, invariably, says costs can be an issue. Annette Kurdian and Adam Freeman are praised by a client for their work, while junior partner Toby Grimstone and associate Karen McMaster are also cited by clients.

Linklaters’ banking practice focuses two-thirds on the lender side, and works across all aspects of bank financing such as LBOs, debt restructurings and forward start facilities. The firm also has the benefit of a recognised high-yield practice through the hire of Alex Naidenov in April 2009 (particularly for Russian work) which gives the firm the ability to handle all types of financing structures.

One highlight this year saw Nick Syson advise the mandated lead arrangers on the financing to KKR for its £955 million LBO of Pets at Home from Bridgepoint. The deal was one of the largest LBOs since the credit crunch and was KKR’s first debt-funded investment in Europe post-Lehman Brothers.

Linklaters is also active on the lender side of private-equity transactions, advising 14 mandated lead arrangers and underwriters on CVC Capital Partners’ LBO of Anheuser-Busch Inbev’s central and eastern European operations. Gideon Moore worked along with the Amsterdam and Luxembourg offices on the deal, which effectively reopened the European leveraged loan market following the banking crisis. Moore backed this up to advise Lloyds Banking Group on the financing for the £975 million LBO of pharmaceutical company.

On the debt restructuring side, Moore advised Nordea Bank on the restructuring of Swedish manufacturer Thule Group’s debt. Syson also acted for ING Bank on the €450 million debt restructuring, which saw the lenders use non-cash consideration to undertake a sale to themselves. Stephen Lucas also worked with the German offices to advise the banks as arrangers on Schaeffler’s €12 billion debt restructuring following its bid for Continental.

Elsewhere, Spittal acted for the lenders on Cable & Wireless’ \$800 million secured financing and Robert Burt acted for Calyon (now Crédit Agricole) on two forward start facilities for ArcelorMittal; \$3.25 billion and \$2.76 billion.

Linklaters’ borrower side work is only around one-third of its banking practice, and given the firm’s strong public M&A team it is dominated by company-side rather than sponsor-side work.

One publishable highlight saw Jeremy Stockeld lead a team acting for Vattenfall on a €5 billion facility for the acquisition of Nuon PLB Holding. The deal was structured as a bridge to a bond, with a capital markets issue ultimately taking out the financing.

Adam Freeman was also mandated by Linpac Group Holdings on its debt restructuring, which involved for the first time a combination of a company voluntary arrangement and a scheme of arrangement used to facilitate a debt-for-equity swap to restructure a leveraged finance deal.

Leading lawyers

Bruce Bell
Bryan Gray
Stephen Lucas
Gideon Moore
Philip Spittal
Nick Syson

Freshfields Bruckhaus Deringer

Known best for its borrower-side work for companies and sponsors, Freshfields has a strong track record for cross-border debt restructurings, acquisition finance and pre-

IPO financings. The team also has a recognised high-yield presence through US partners Sarah Murphy and Don Guiney, which allows the firm to offer clients a wide range of financing options.

The arrival and subsequent departure of Maurice Allen and Mike Goetz is still a talking point, with some commentators noting that the firm hasn't been as visible on the lender side since their departure.

That's not to say the firm doesn't work on the lender side; the firm has had a strong flow of work on restructuring mandates, with one key role seeing new partner Alex Mitchell lead a team acting for Fortis, ING Bank and GE on automotive parts supplier VCST Industrial Products' €230 million of senior and mezzanine facilities. The transaction involved the acquisition of a majority stake in VCST by two Belgian private-equity investors, a new money tranche by the senior lenders and a restructuring of senior and mezzanine debt facilities.

Presley Warner was active on the company side this year, combining with the New York, Frankfurt, Hamburg and Hong Kong offices across a number of practice areas to advise shipping container company Zim on its debt restructuring. The deal required bilateral negotiations on over 60 debt facilities (many which were syndicated) and was managed with the company remaining in full practical control despite being in default.

Also on the company side, Reed Elsevier mandated Edward Evans on a \$2 billion multi-currency forward start credit facility, which was syndicated by 19 relationship banks.

Without a doubt Freshfields has one of the leading practices for sponsor-side borrowing, with one highlight this year seeing Martin Hutchings advise CVC Capital Partners on the financing on its \$2.23 billion acquisition of Anheuser-Busch Inbev's central and eastern European operations. The deal included additional rights to a future payment contingent on CVC's return on initial investment.

Ian Frost also advised Springer Science+Business Media (a portfolio company jointly owned by Cinven and Candover) on its debt refinancing and subsequent sale to EQT and the Government of Singapore Investment Corporation (GIC).

Leading lawyers

Chris Howard
Martin Hutchings
Sean Pierce
Presley Warner
David Winfield

Ashurst

Ashurst's practice is seen by the market as a fairly balanced practice across the three areas, with strong links on both the lender side and the sponsor side in particular.

While competitors note that on the bank side the firm has been unlucky enough to have had both Royal Bank of Scotland (RBS) and Lehman Brothers as key banking clients, Ashurst still has good relationships with the likes of Lloyds Banking Group and Mizuho Bank. And the firm's bank-side skills are certainly not in doubt. "Ashurst is a force on the bank side," says one peer.

While sponsor-side lending is far from active at the moment, Ashurst does have a strong position on the sponsor side given its traditional strength in the private-equity market in London.

Mark Vickers is the firm's standout name in the market, while Helen Burton is known for her RBS work and Nigel Ward is described as a "good technical lawyer" by a peer. Clients praise Ashurst for its partners' willingness to have a hands-on approach, as well as its commercial and technical skills.

The firm has had a few personnel changes this year, with Lee Doyle joining the Loan Markets group in December 2009 from RBS, where he was head of UK corporate and global restructuring. Ugo Giordano and Fabio Pizzoccheri joined the firm from Dewey & LeBoeuf and will split their time between London and Milan; they replace Riccardo Agostinelli and Lorenzo Verneti who left in late 2009.

Add into the mix the transfer of Paul Stewart out to Milan and the HR team must have had a job on their hands. The movements haven't gone unnoticed however, with one client noting that the team needs to improve its internal coordination.

Ashurst this year has had a good flow of roles advising the senior lenders on debt restructuring work through its hire of restructuring partner Dan Hamilton from White & Case in 2009. Highlights include winning roles with the senior lenders on the restructurings of SSP, Park Resorts and Ideal Stelrad. Nigel Ward also showed that the firm could work down the capital structure when he advised the adhoc committee of senior and junior mezzanine lenders on the £1.7 billion restructuring of the Four Seasons Healthcare Group.

Vickers was active in the acquisition finance market, advising senior and mezzanine lenders to Candover Partners for its £553 million purchase of research and consultancy company Wood Mackenzie. Helen Burton acted for Lloyds and Macquarie Bank on a \$75 million term facility and a €3 million

revolving facility for Web Reservations International.

On the company side Simon Thrower advised Johnson Press on the restructuring of its debt facilities, which included £234 million of bank facilities, and also acted for William Hill on its £838 million bank refinancing (including existing facilities).

Thrower also advised homebuilder The Berkeley Group on a £300 million revolving facility, while Doo-Soon Choi acted for Markit on its \$205 million refinancing.

Leading lawyers

Helen Burton
Simon Thrower
Mark Vickers
Nigel Ward

Latham & Watkins

All talk about Latham & Watkins this year was its high-profile raid on White & Case's London and Middle East finance team in January 2010. In London alone the firm hired key partner Christopher Kandel, Brian Conway, Jayanthi Sadanandan and Sam Hamilton. Kandel's hire was seen by clients as a particularly strong move as he had developed a very good reputation with the banks for his work through the more difficult periods of the financial crisis.

"If you look at the credit crunch, with all its issues and problems, it was a chance for lawyers to show what they're made of," says a senior bank counsel. "Chris grew as a person and is someone the bank turned to in its hour of need, and he delivered. A lot of lawyers went into hiding."

The counsel adds: "The move Latham made on White and Case - especially taking Kandel - was impressive; it was a big investment. Latham has got potential on the lending side; they're not strong now but are building up to challenge."

With a potent combination of bank lending, restructuring and high-yield experience, Latham has a finance offering that few can match. "They've really beefed up their practice in the past year," says a competitor. But it takes time to build a following in the market, so it will be interesting to see the impact the finance practice makes over the next 12 months.

On the bank side one highlight this year saw Reena Gogna advise JPMorgan on a €209 million revolving credit facility for Sappi Papier Holding. Gogna also advised Morgan Stanley on a term-loan bridge facility for the acquisition for the Wind Hellas pre-pack group, and acted for Goldman Sachs on the refinancing of Expro's senior credit facili-

ties with a \$1.4 billion loan from Expro Finance Luxembourg.

Dan Maze also acted for Morgan Stanley and Barclays Capital on the \$1.1 billion financing of the acquisition of Skillsoft by a consortium of private-equity investors, and advised Morgan Stanley on a number of LBO financings including the aborted bid by a private-equity buyer for Springer Sciences+Business Media.

On the sponsor side Ross Pooley advised Highbridge Mezzanine Partners and Alpinvest Partners as subordinated lenders on KKR's £955 million acquisition of Pets at Home. Dominic Newcomb also advised BC Partners on the financing of its acquisition of Future Lab.

The firm was also active on the company side, with Newcomb combining with its strong Milan office to act for Enel on the €8 billion financing of its acquisition of a 25.1% stake in Endesa.

Leading lawyers

James Chesterman
Christopher Hall
Christopher Kandel

Other ranked firms

Well regarded duo Stephen Gillespie and John Markland head the **Kirkland & Ellis** bank lending team, which has a market-leading position acting for private-equity houses on LBO and debt restructuring work.

The firm also has a strong client base of new money providers such as hedge and mezzanine funds, particularly on the purchase of debt to trade onwards or to turn it into equity. The firm's strong restructuring and insolvency department dovetails into this as well, especially given the firm's lack of conflicts with the senior lenders.

Clients praise the firm for its smart and quick work, and also cite the firm's strong Germany office as a good link to European work. "They're very high-quality, do great deals and only act at the top end," says a peer.

However note that while the firm is seen as very good at sponsor-driven deals, one client notes that the firm could improve on the "small range of activities covered" in its London office. Peers make a similar point. "They have a great relationship with Bain, we see them quite a bit," says one peer at a magic-circle firm, "but they're small and only do that work."

Philip Crump is also praised by a sponsor-side client for his leveraged finance abilities. "On LBOs Phil Crump is an incredibly commercial lawyer. He has a good dealbook and awareness of what is going on," the client says.

Bain Capital is one of Kirkland's key clients, and this relationship paid off when the firm acted for the private-equity house on its \$3.2 billion purchase, along with Advent International, of the Royal Bank of Scotland's payment-processing unit in August 2010. Bain had also turned to Neel Sachdev in July 2010 to represent its portfolio company FCI Group a in the sale of its electrical division to Hubbell Inc for \$360 million.

John Markland led a team advising the mezzanine steering committee on the restructuring of the €200 million mezzanine facilities which were lent as part of Permira's €1.6 billion acquisition of BorsodChem, one of the largest companies in Hungary.

The firm was also involved in debt buybacks, with Markland advising long-term client SmurfitKappa on a €100 million debt buyback of its senior loan facilities by way of reverse Dutch auction. The firm also advised SmurfitKappa on an amendment to its €3.2 billion senior credit facilities in July 2009 to allow it to extend maturities, to reset covenants and to permit the refinancing of senior debt with bonds, and on the subsequent €1 billion senior-secured bond issue.

Leading lawyers: Stephen Gillespie and John Markland

There was unanimous agreement in the market that, given the strength of its corporate client base, **Slaughter and May** should top the company-side rankings. One client praises the firm's "commerciality, responsiveness and expertise", while the talents of acquisition finance head Philip Snell and loan finance head Andrew Balfour are recognised by legal market peers. "They're very good, I have a lot of time for Slaughters," says a client.

Matthew Tobin is another partner who comes in for praise from peers. "He's very practical, and gives extraordinarily smart, creative solutions," says one. Another notes: "He's very good, knowledgeable and understands the overall business."

Tobin this year advised Cadbury on a £450 million refinancing of its existing revolving credit facility from 2005. Andrew Balfour was also active, advising Tomkins on a \$450 million forward-start facility which will replace an existing £400 million facility; a unique deal where the new facility is in a different currency to the existing one. The new \$450 million facility also had a forward start mechanism, giving certainty to Tomkins of its future borrowing arrangements.

Robert Byk and Ian Hodgson also led a team acting for Cemex on its \$15 billion refinancing, which involved nine different syndicated facilities, three different note purchase agreements with multiple series of notes; and three bilateral facilities. All of these were amended under one master agreement, with

the note purchase agreements also being amended under one master agreement.

The firm also advises the Association of Corporate Treasurers, which represents the interests of borrowers in discussions on all changes to the Loan Market Association forms of loan agreement for investment grade borrowers.

Given its high proportion of FTSE100 clients, Slaughter and May tends to have a hand in many of the large-cap takeovers in the UK. A highlight saw Simon Hall advise Global Infrastructure Partners on the £1.46 billion financing for the purchase of Gatwick Airport. The deal, done on a cash-free, debt-free basis, included a consideration of up to £55 million which may be payable on a deferred basis if certain defined targets relating to passenger numbers and future capital structure are exceeded. The £1.13 billion debt financing comprised acquisition, capital expenditure and working-capital facilities arranged by a club of banks, and was the largest leveraged financing in the UK in 2009.

Another highlight saw the team advise SAV Credit, a UK credit-card provider, and CC Asset Management (CCAM) on the financing of CAM's purchase of the Citi-branded credit-card portfolio in the UK from CitiFinancial Europe in March 2010. Financing for the acquisition came from SAV's investment partner Värde Partners, as well as its existing private-equity investors.

The firm also advised Premier Oil on the \$563 million and £60 million credit facilities to finance its acquisition of Oilexco North Sea in May 2009.

Leading lawyers: Andrew Balfour, Robert Byk and Philip Snell

Herbert Smith has a balanced client base of both lenders and company-side clients, however peers and clients note that the firm is stronger on the latter.

Clients praise the team for its "depth of knowledge" and its "innovative and detailed advice and ability to explain complex issues clearly". Another client in the TMT sector praises the firm for its "sector expertise and experience".

Practice head Malcolm Hitching is praised by peers and clients for his approach to a transaction. "Malcolm Hitching I know, he's got a lot of common sense," says a peer. Clients also single out Ian Yeo and Louise Shelford for praise.

Herbert Smith also added to its ranks this year with the hire of Matthew Job and Martin Kavanagh from Linklaters. The duo joined as counsel.

On the borrower side Hitching advised Yell Group on a £3.8 billion refinancing, which involved an innovative structure to re-schedule and adjust the key terms of its senior

debt, circumventing the need to obtain 100% approval from more than 1,200 lenders of record.

Northgate turned to Ewen Fergusson on its £880 million refinancing related to its £114 million placing and rights issue. The refinancing was tied to an equity issue by the company. The deal was required to help the company pay-down debt and ensure survival following difficulty securing new bank finance due to the credit crisis.

Tata Motors and its subsidiary, JaguarLandRover, also mandated Peter Long on its \$1 billion financing to JaguarLandRover, guaranteed by Tata Motors, as part of the refinancing of the \$3 billion acquisition of Jaguar Cars and Land Rover by Tata Motors.

On the lender side, the firm's expertise in the energy sector led Adrian Cheng to advise Standard Chartered Bank and International Finance Corporation on a \$750 million facility to Cairn Energy Hydrocarbons - the first large reserve-based lending facility to be underwritten by a single bank the start of the credit crunch.

Cheng and Jason Fox also advised a consortium of lenders on a \$2 billion reserve-based facility for Tullow Oil, while Bank of Scotland turned to Fox and Ewan Fergusson on a \$300 million three-year revolving credit facility to Dana Petroleum, for corporate purposes, including the acquisition of Bow Valley.

Elsewhere, Kirsten Roberts advised a consortium of banks and private capital-lenders on a €200 million restructuring of the VNU Media business, and Clive Barnard worked with the Hong Kong office to advise Standard Chartered Bank and BNP Paribas as joint bookrunners on a \$250 million term loan facility to India's IDBI Bank - the first syndicated loan for an Indian financial institution since the credit crisis.

Leading lawyers: Malcolm Hitching

Skadden Arps Slate Meagher & Flom's UK bank lending work has more of a European focus, and has a strong position in both the sponsor and company-led areas given its strong M&A background. Peers also note that the firm has a number of big-name clients.

The firm is praised by both types of clients, with one sponsor client citing Skadden's "technical ability and dedication", and a corporate client noting the team's "client knowledge and focus".

The London-based team is headed by Mark Darley, however it is Clive Wells who comes in for most praise from peers. "Clive Wells is a good guy to be opposite. I always recommend him," says one.

One of Wells' highlights this year saw him act for Glick Investments, a 28% shareholder

in Songbird Estates, as borrower of a £135 million investor credit facility of with Songbird as borrower.

Mark Darley was active as well this year, advising UCB as borrower of a €1.5 billion multicurrency revolving credit facility for general corporate and working capital purposes. Darley also advised Lamda Partners on the acquisition and debt restructuring of Greek chemicals group Neochimiki, which occurred simultaneously with the acquisition.

Andrew Shutter is seen as **Cleary Gottlieb Steen & Hamilton's** bank lending figurehead by peers, with one praising him for his wide range of capabilities. "He's very good, a broader lawyer than most leveraged finance lawyers and very good, very thoughtful. He does debt restructuring as well," says a peer.

The firm is seen as having a good track record working for TPG, with one highlight seeing Shutter act for the private-equity house on the committed senior bank and private high-yield financing from Goldman Sachs for its ultimately unsuccessful bid for Pets at Home. As part of the financing, TPG put up more than 40% equity and the debt was financed with straight bank lending from Goldman Sachs together with a high-yield note offering with no financial covenants. Shutter also advised ArcelorMittal as borrower of two forward start facilities totalling approximately \$6 billion.

Cleary's strong Russian presence was again on show, with Glen Scarcliffe advising Rusal in the refinancing of its approximately \$16 billion of bank debt. Simon Ovenden also acted for Tatneft in a \$1.5 billion syndicated pre-export financing.

While primarily known as a borrower-side firm Cleary was also active on the bank-side this year, with Raj Panasar advising BNP Paribas in the €11.5 billion financing of a portfolio of structured products in connection with the acquisition of Fortis Bank by BNP Paribas. The financing included separate \$5.5 billion, \$6 billion and €500 million facilities. *Leading lawyers:* Andrew Shutter

Shearman & Sterling's very well regarded finance practice is headed by Clifford Atkins and boasts a balance of lender and company-side clients. A lender client praises the firm for its leveraged loan work, while a corporate client cites the firm's "technical excellence, commercial and good relationships".

Clients are very quick to praise Atkins for its mix of technical skills and availability. "Clifford I go to if something requires cerebral work," says a borrower client who mandates a number of leading firms. "He's calm, and he makes the complicated look easy; it's a very good skill to have. He can break something down to explain to a thicko like me. That skill is very, very rare."

The client adds: "He's calm, concise, detailed and thorough. He's always available and has a lot of experience. He's not the kind of person to go on a conference call and lose his rag."

Anthony Ward also comes in for praise from a lender client. "Anthony Ward is pretty good, he knows the market, is very commercial and is a very good lawyer." Another client notes: "He's very commercial, very thoughtful and very experienced. He's more on the sponsor lender side."

Newly promoted partner Mei Lian also comes in for praise. "She's very, very bright; a star in the making. She's very sharp and very quick," says a client. "She applies herself across all disciplines and has a fantastic broad understanding. They've brought Mei through on everything from debt trading issues, eurobonds to restructuring. She's always on my special dial list."

Ian Goalen, who spends part of his time in the Abu Dhabi office, is also praised by clients. Senior associate Apostolos Gkoutzinis is also noted by clients as someone to watch.

One interesting point that clients and peers bring up is that the firm's lack of a strong restructuring and insolvency presence in London holds it back a bit. "Their strength has always been LBOs and bank lending and they're trying to move into restructuring through a banking partner. But they lack live restructuring experience. In analysis they're very good, but they're not like Bingham and Kirkland," says a client.

A peer adds: "In terms of bank, bond and restructuring they got there in 1998, and they must be scratching their heads at that lost opportunity."

One highlight this year saw the team act for Abu Dhabi's Advanced Technology Investment Company in the \$5.6 billion (€3.16 billion) financing of its proposed acquisition of Singapore's Chartered Semiconductor Manufacturing of Singapore in June 2009.

Mid Europa Partners turned to the team for the financing of a series of transactions for it to acquire a controlling stake in Hungarian telecoms group Invitel. Mid Europa Partners bought Danish telecommunications provider TDC's 64.6% stake in Invitel, and put in cash to buy-back existing debt. Each transaction in the series depended upon the closing of the other transactions.

On the lender side, the team advised Barclays Capital and JPMorgan on the changes to the senior credit facilities of the Ineos Group which have been requested in connection with a proposed offering of senior secured notes by Ineos.

Elsewhere, the team acted for Banc of America Securities as lead arranger and Bank

of America as administrative agent in a \$200 million senior secured asset-based revolving credit facility for Solo Cup Company.

Leading lawyers: Anthony Ward

To say that it has been an unstable year for **White & Case's** bank lending team may perhaps be an understatement. As was widely reported in the press, Latham & Watkins raided the banking team for Christopher Kandel, Brian Conway, Jayanthi Sadanandan, and Sam Hamilton in January 2010. Other departures included Claire Denison to Addleshaw Goddard, Emma Menzies to Greenberg Traurig Maher and senior associate Tania Bedi (a rising star according to one peer) headed to Ropes & Gray.

The firm countered by bringing Jake Mincemoyer across from New York in March 2010, and adding Chris Pilkington from Skadden in the same month. White & Case also added Christopher Czarnocki from Gide Loyrette Nouel in May 2010. The firm also promoted five new partners in March 2010.

Of the current White & Case team, clients recommend Mark Glengarry and Barbara Choi, while associate Jessica Albrecht is noted as one to watch.

However, the new partners are not considered by the market as particularly heavy hitting, and there is a sense among peers and in-house counsel that the firm has taken a big hit. "White & Case still has the capacity but is not in our league any longer," says a partner at a leading firm. A client at an investment bank notes: "To maintain their franchise I would advise taking on a well-known senior partner, or senior partners, in the bank finance practice."

Kandel's move was a particularly tough departure for the firm to swallow according to a bank-side client. "White & Case are clearly extremely committed to banking in London but the departures leave a hole. Chris is a major go-to person and is a big score by Latham," says the client.

However the lender client also makes the point that the upheaval actually couldn't have come at a better time. "It's a big blow. The question is whether they can regroup? The lending market is quiet and ironically it gives White & Case a chance to regroup. They're not being tested."

Also, given that the firm has a noted presence in the debt and equity capital markets (including high yield) as well as restructuring and insolvency, given the interest among some clients for a bank, bond and restructuring one-stop shop, commentators should write off White & Case at their peril.

"They understand a client's needs, have in-depth knowledge of the leveraged finance sector and, like Latham, are one of the few firms on the street that can service both leveraged

finance and high yield, and have remained a strong presence even after a turbulent year of partner defections," says a client at an investment bank, who also praises the firm's strong international network.

Another client notes the firm's "very responsive and thorough approach", also describing it as technically sound, while another praises the "seamless integration between CEE private equity and the London banking and finance teams".

Magdalene Bayim-Adomako heads the bank lending team after Kandel's departure, and has worked on a number of debt restructuring deals this year. She advised WestLB as coordinator of a steering committee of the \$1.7 billion reconstruction of the facilities of Kuwait's Global Investment House. The matter, which involved the firm's restructuring and Islamic finance teams, was the first for a Kuwait investment entity.

Banking partner Antonia Rawlinson worked with the Germany office to advise the steering committee of lenders on the financing aspects of the Linpac Group consensual restructuring, while Stephen Phillips advised the steering committee of lenders in relation to the financial restructuring of a \$3 billion loan to the shareholders of an Austrian bank.

On the debtor side, Chris Utting advised Wind Hellas on the banking aspects of the pre-pack administration of Wind Hellas, where Weather Investments successfully re-acquired the business through this process after receiving almost unanimous support from the company's €1.8 billion senior bank and bond creditors.

White & Case was also active away from restructuring, with Andrew O'Keefe working with the well-regarded Kazakhstan office to act for ABN Amro and the European Bank for Reconstruction and Development on a \$90 million pre-export finance loan, secured on commodity exports, for Kazexportastyk.

Hogan Lovells' lender-side work is well recognised in the market, with the firm boasting a range of transactions from some enviable clients.

One client notes that the firm is a good value-for-money option with a quick turnaround speed. Another describes the banking practice as "a boutique specialist team with excellent technical skills". However clients note that the firm could improve partner involvement on deals, and raise its profile further in the market.

The well regarded Matthew Cottis heads the team, while partners Penny Angell and Mark Donald are recommended by clients.

On the refinancing side one highlight this year saw Angell and Stephen Foster advise the senior coordinating committee (in particular, group coordinator Mizuho) on the £1 billion

refinancing of Select Service Partners Group. The refinancing of the senior debt was completed using eleven schemes of arrangement, and nine of the eleven borrowers that proposed the Schemes of Arrangements were not English companies.

A syndicate of senior lenders including Lloyds Banking Group and Royal Bank of Scotland turned to Cottis for advice on the provision of new loan facilities as part of the £3.5 billion financial refinancing of Pearl Group. The transaction required the negotiation of new loan facilities for the group and the refinancing of existing banking facilities.

Away from refinancing deals, Andrew Gamble teamed up with the firm's strong Moscow office to advise Deutsche Bank as mandated lead arranger for a \$1.2 billion pre-export term loan facility to Lukoil in August 2009.

Elsewhere, Cottis showed the firm's abilities on the subordinated lender side when he acted for long-term clients Ares and Babson Capital as mezzanine lenders to Advent International for its £190 million LBO of Xafinity.

Leading lawyers: Matthew Cottis

Baker & McKenzie's bank lending team tends to focus more on European cross-border transactions. While the firm is often known for representing CEE companies looking to tap the European lending markets, the firm also has a growing lender-side client base.

A highlight this year saw Ian Jack and Michael Foundethakis team up with the firm's very well-regarded Kazakhstan office to advise the 12-member creditors' steering committee on the financial restructuring of BTA Bank, Kazakhstan's largest bank. The restructuring is the second largest in the CIS to date, and tests a new legislative restructuring procedure under Kazakh law involving a cram-down of creditors.

On another restructuring mandate Jack worked with the Brussels office to advise the senior creditors' committee on Icelandic bank Spron's €750 million debt restructuring. The restructured debt consisted of multiple syndicated facilities, a number of bilateral and money market loans from commercial and development banks, exposures under foreign exchange and other swap agreements, bondholders and subordinated creditors.

Away from restructuring work, JPMorgan Chase turned to Frances Okosi for advice on a £27.6 million loan to Shine to finance the purchase of Nordic television production company Metronome Film and Television in May 2009.

Leading lawyers: Bernard Sharp

Weil Gotshal & Manges' strong presence in the UK private-equity market unsurprisingly drives its finance practice. One private-

equity client describes the team as commercial and responsive, and also praises the strength of its relationship.

Debt restructurings were the dominant feature of the firm's work this year. One highlight saw the team advise Dubai International Capital on the restructuring of its portfolio investment in the Almatris Group. Fluctuations in commodities prices in the first half of 2009 put significant pressure on the group's ability to comply with the terms of its various debt obligations, which include first lien, second lien, mezzanine and junior mezzanine facilities.

Michael Nicklin, Andrew Edington and Andrew Bishop advised Lion Capital on the restructuring of its investment in Russian juice producer Nidan Soki. The restructuring of the LBO facility (the first western-style LBO in Russia) involved a debt-for-equity swap by the mezzanine lenders via a partnership structure and a renegotiation of the senior credit arrangements. Barclays also turned to Weil Gotshal for advice as senior lender in the restructuring of Bridgepoint portfolio company 1st Credit.

The firm was also active on new money deals as well. A highlight saw Michael Nicklin and Andrew Bishop act for Teachers' Private Capital on the financing of its acquisition of Acorn Care and Education from Phoenix Equity Partners.

Advent International also turned to the duo for the financing of its acquisition of Xafinity Holdings from Duke Street Capital. During the negotiations the Weil team resisted a number of attempts by the lender clubs (both senior and mezzanine) to introduce new documentary precedents relating to financial covenants, intercreditor provisions and security into the deal and the market.

Other notable firms

Ropes & Gray's hire of high-profile duo Maurice Allen and Mike Goetz from Freshfields Bruckhaus Deringer in August 2009 kicked off the Boston firm's expansion into the banking market in London. The firm also added Matthew Cox from Freshfields, while senior associate Tania Bedi joined as a partner from White & Case. "She will be a rising star," says a peer about Bedi.

The hires have certainly got plenty of tongues wagging in the market. Although Allen and Goetz worked the lender side during their time at White & Case, peers believe that the best way for the firm to get a foothold in the market is through borrower-side representation. "I can't see them making inroads to the senior bank lending practices of A&O, Clifford Chance etcetera like at White &

Case," says a peer. "White & Case does it [lender side] in the US, Ropes doesn't."

Another peer says: "Maurice and Mike are great but it's difficult to break into the bank side, but they can do the borrower and sponsor side."

Given the firm's strong relationship with Bain Capital in the US, some commentators speculate that the firm is looking to build a private equity and bank finance practice to emulate (or rival) Bain's European counsel, Kirkland & Ellis.

But while on paper the firm has a strong offering, it has yet to make its presence really felt among peers in the London market. "I saw them on one thing. They have a good size in the US but have not made the impact here," says a peer. "They're focusing on sponsors from North America. Given Maurice's track record I won't be surprised if he picks up a handful of deals from those sponsors."

Another peer concludes: "I assume they'll win business, the question mark is whether they [Allen and Goetz] can build another team."

Headed by Tom Budd, Gibson Dunn & Crutcher's finance team is praised by clients for its strong knowledge.

Greg Campbell comes in for specific praise from a corporate client. "He really is outstanding - very, very strong, and a great negotiator. He fights for every point and does a lot of winning," the client says. Another client however notes that the firm could drive greater cost effectiveness by avoiding double and triple teaming on transactions.

A highlight this year saw the firm advise Swiss-headquartered Gate Gourmet on its SFr850 million (€646 million) corporate reorganisation and amendment to its credit facilities to allow for its listing on the Six Swiss Exchange in June 2009.

Morrison & Foerster has a strong position in the technology and biotech sectors, particularly on the lender side. One client praises the team for its "strong relationship and commercial ability", while another cites its "commerciality, responsiveness, and expertise in specific areas".

Dan Leventhal is the key banking partner at the firm, with one highlight seeing him advise Banc of America Securities as lead arranger and Bank of America as administrative agent, letter of credit issuer and lender in \$290 million cross-border, multicurrency revolving credit and letter of credit facilities for Jacobs Engineering Group.

Lloyds TSB turned to Leventhal on its £10.5 million bilateral secured term loan facility to DVD rental company Lovefilm, and mandated him as US counsel in a \$150 million unsecured syndicated multicurrency revolving credit facility (with a letter of credit

sub-facility) and a \$93 million unsecured syndicated term loan facility for aerospace company Umeco.

Financial services regulatory - non-contentious

Recommended firms	
Tier 1	Clifford Chance Freshfields Bruckhaus Deringer Linklaters
Tier 2	Allen & Overy Slaughter and May Norton Rose Travers Smith
Tier 3	Ashurst CMS Cameron McKenna Herbert Smith Shearman & Sterling Simmons & Simmons
Tier 4	DLA Piper Hogan Lovells SJ Berwin White & Case

Financial services regulatory - contentious

Recommended firms	
Tier 1	Freshfields Bruckhaus Deringer Herbert Smith
Tier 2	Allen & Overy Clifford Chance
Tier 3	Linklaters Norton Rose CMS Cameron McKenna Bingham McCutchen
Tier 4	Ashurst Hogan Lovells Simmons & Simmons Stephenson Harwood

What a time to be a regulatory lawyer. If the regulatory work relating to the crisis and the subsequent response, including Basel III and the ban on short-selling, wasn't providing enough for them to do, throw in the changing Isda (International Swaps and Derivatives Association) regulations, the development of

the London Clearing House for derivatives transactions, the payment services directive and M&A-related regulatory work and you end up with some seriously overworked lawyers.

Partners say that they are still getting a lot of questions in regard to regulatory capital requirements - the impact of regulations, the next practical steps etc. - given the FSA's focus on significant risk transfer. "Banks would usually use securitisation to sell to an SPV, then on to the capital markets," says a partner. "The FSA says banks pretend to transfer the risk but can still support the structure."

The new risk rates for re-securitisation are another area of interest for clients. If a deal involves a CDO or a re-securitisation it is much riskier. If the original deal was categorised incorrectly (say an aircraft loan instead of securitised loan) the risk profile changes, and advice needs to be sought from the lawyers. In some cases partners need to re-examine old transactions and give banks an argument to justify the risk transfer.

Another area of interest to clients is the regulatory requirements regarding hedge funds and other non-bank entities acting as lenders.

Contentious lawyers are also extraordinarily busy, especially with regards to FSA enforcement work. There has been an increasing focus on market conduct issues, and the FSA has launched a number of investigations.

"FSA enforcement teams are now looking to get involved at an earlier stage," says a partner. "The relationships with the FSA supervisor is not as cosy as it once was. There's more aggression - they're on the hook to do a better job."

"There's also the issue of whether the FSA will actually survive. It's difficult to give advice as the FSA is rather unpredictable at the moment." The partner adds: "How you deal with and present a case has to take into account the political spectrum and what the FSA is looking to achieve through credible deterrents."

There has also been an increase in the prosecution of individual board members and executives. A disciplinary case was brought against the CEO, credit and finance directors of Northern Rock for failing to report the level of mortgage arrears.

When looking at these cases however, it is important to remember that most of them are confidential for a long period, and when they hit the media they suffer from a time lag compared to the issues the FSA is actually looking at at the time. "The FSA was talking about market abuse last year but the cases have only just hit the media," says a partner.

Clifford Chance

Clifford Chance's market-leading non-contentious practice is seen as the regulatory team's strong point, and with key partners Chris Bates and Simon Gleeson on board, few could argue.

The non-contentious team is praised by clients for its "depth of knowledge and international reach", while a senior bank counsel says Simon Gleeson is his first port of call for pure regulatory advice. "He knows his shit; he's technically spot on, and understands our business and why we do what we do," says the counsel.

Dermot Turing is also recognised by a client for his work at identifying issues to clients which may be on the horizon. "I get bombarded by endless emails on broad subjects - I delete most of them, but what CC understands is the need for a market focus, saying this issue is out there, and this is why your business needs to be concerned," the client says.

While Gleeson, Bates and Turing are the best known partners in the Clifford Chance non-contentious team, Katherine Coates and Clare Swirski are also noted by clients for their recent work.

Clifford Chance is particularly active on M&A-related advice, advising Morgan Stanley on the international aspects of its wealth management joint venture with Citigroup, and advising Man Group on its acquisition of GLG.

The team has also advised Barclays on the regulatory aspects of its proposed disposal of its iShares business to CVC, and its eventual disposal of the Barclays Global Investors business to Blackrock. In addition the team advised E*trade on the regulatory aspects of its sale to TD Waterhouse.

Clifford Chance has a particular niche at advising on derivatives and structured finance-related regulatory issues, with highlights including advising the London Clearing House on the development of an OTC derivatives clearing service.

Elsewhere, the team acted for an international securities exchange on the establishment of a derivatives market, and advised an emerging market government on the establishment of an international financial centre.

Leading lawyers

Chris Bates
Simon Gleeson
Dermot Turing

Freshfields Bruckhaus Deringer

Freshfields takes top spot in both the new contentious and non-contentious financial services regulatory tables this year following

strong feedback from the market regarding its capabilities.

The non-contentious regulatory team is headed by the well-regarded Michael Raffan, and has a strong work flow from banks mandating the firm to advise on the regulatory aspects of M&A transactions made during the financial crisis. Long-term client the Bank of England turned to Michael Raffan for advice on the transfer of the core parts of the Dunfermline Building Society to Nationwide following a sale process conducted by the Bank of England and the transfer of the social housing loans to a bridge bank owned by the Bank of England. The firm also advised the Bank of England on the creation of its asset purchase facility for the implementation of its quantitative easing policy in 2009.

James Smethurst also led a team advising Barclays Bank on the regulatory issues regarding its £226 million acquisition of Standard Life Bank from Standard Life.

Mark Kalderon showed the firm's ability to advise on complex regulatory matters when it advised the London Stock Exchange Group on the regulatory matters regarding its purchase of a 60% interest in Turquoise Trading. Turquoise was the multilateral trading facility set up by a consortium of investment banks as a response to the trading opportunities offered by the implementation of Mifid.

Smedhurst also advised the Association of Financial Markets in Europe (AFME) on the development of an industry protocol to provide a standard set of default provisions for OTC cash equity trades - protocols which were a significant issue following the Lehman collapse. In addition, Kalderon advised AFME on its challenge of the Lehman administrators' proposal to return assets to Lehman Brothers Europe's clients through a scheme of arrangement, both in the High Court and at the Court of Appeal.

Freshfields' contentious work, led by David Scott out of the dispute resolution department, is seen as one of the market leaders in the UK. "Freshfields' contentious practice is very strong, it's our major direct competitor," says a competitor.

While many of the firm's contentious matters are confidential, one highlight saw Raj Parker, Jonathan Rawlings, Ali Sallaway and David Scott advise Aon on the regulatory issues regarding third-party payments in a number of jurisdictions. The matter involved the review of thousands of documents and interviews with witnesses in the UK, Middle East, central and eastern Europe and Asia. A settlement of £5.25 million was agreed between Aon and the FSA, and the firm is providing advice to ancillary issues from outstanding matters, particularly in the US.

Sallaway is also advising Cattles on the accounting issues regarding impairment provisioning at Welcome Financial Services (the principal trading subsidiary of Cattles). The matter involved leading a forensic investigation into the matter along with Deloitte. Sallaway is also advising on all related aspects of the matter including the FSA's investigation into the issues raised.

Elsewhere, David Scott and Simon Orton are leading a team advising a retail financial institution on the legal and regulatory issues regarding its sale of payment protection insurance (PPI) products, in particular the strategic management of the connected Country Court litigation. The matter comes after the firm's previous work advising the financial institution about its telesales process for a range of PPI products, and advising two other financial institutions on their strategies and response to concerns raised by the FSA into its mortgage payment protection insurance products.

Leading lawyers

Andrew Hart
Mark Kalderon
Simon Orton
Michael Raffan
David Scott

Linklaters

Again, Lehman Brothers is a central discussion point about Linklaters this year, but given the size and scope of the mandate, it is hard not to. The firm's advice to administrators PricewaterhouseCoopers is led by Stephen Fletcher on the non-contentious side and Euan Clarke, James Gardner, Nick Porter and Satindar Dogra on the contentious side, and requires Linklaters to advise on the regulatory aspects of the insolvency across dozens of jurisdictions. While much of the work is confidential, the firm is advising the administrators on the appeal to the Court of Appeal of the judgement in December 2009 regarding a scheme of arrangement for Lehman Brothers International Europe.

Away from Lehman, Linklaters' non-contentious team is well known for its ability to advise on derivatives-related regulatory work in conjunction with its well-regarded derivatives team. The firm's work with OTCDerivNet was a great example of its capabilities; Michael Kent and Mark Middleton worked with the derivatives and structured products team to advise the OTCDerivNet consortium, consisting of 13 international investment banks, on the regulatory elements of the extension of the Swapclear clearing service to accommodate clearing for clients on the buy side, including

asset managers, hedge funds, large insurers and pension funds.

The matter involved ensuring that the model adopted was effective under the laws of each jurisdiction involved in the service through a new method named segregation. The structure was approved by counsel in all relevant countries, as well as by the London Clearing House (LCH) and then the FSA.

Peter Bevan led a team advising the Royal Bank of Scotland on the FSA pilot scheme to introduce living wills or recovery and resolution plans to banks. The FSA proposals could very well lead to significant structural changes to banking groups should it be adopted.

Linklaters also showed the benefit of its growing private-equity presence when Michael Kent and Olivia McKendrick advised Blackrock on all regulatory issues outside the US regarding its \$13.5 billion merger with Barclays Global Investors. The deal, the largest acquisition of an investment management company, required coordination across 15 Linklaters offices and required sign-off by Jersey regulators and the establishment of a holding company in Jersey.

While Linklaters' contentious side is not as well recognised as its non-contentious side, the firm's work is still seen as very strong, and this year added litigator Christa Band from Herbert Smith.

While much of the firm's work is confidential, one publishable highlight this year saw Andrew Hughes, James Gardner and Eamonn Doran advise the Royal Bank of Scotland group on the challenges by personal current account customers regarding the fairness of overdraft charges applied to their accounts. The hearings were held in the Commercial Court and appealed to the Court of Appeal and then the Supreme Court, which ruled in favour of the banks and the building society involved in the case.

Leading lawyers

Peter Bevan
Stephen Fletcher
Michael Kent

Herbert Smith

Competitors agree almost unanimously that Herbert Smith's contentious regulatory work is among the best available in London. The team is led by ex-FSA counsel Martyn Hopper, who gains praise from clients and peers alike. "Martyn Hopper knows what he's doing and does it well," says a peer. "If I was to recommend someone or want them to be very well represented, Herbert Smith is the best choice."

While fellow ex-FSA alumni David Mayhew moved back to New Zealand this

year to take up a position as commissioner at the New Zealand securities commission, peers don't think it will have a big effect on the team. "I don't think it will impact on their team as Martyn is their real powerhouse," says one peer.

In response the firm hired Graham More from the Serious Fraud Office in August 2009, while Jenny Stainsby returned to Herbert Smith in January 2010 from her position as head of regulatory in the legal group at Lloyds Banking Group.

The well-regarded Patrick Buckingham heads up the non-contentious side which, while not as well-recognised as its contentious department, still receives praise from clients. One client of both the contentious and non-contentious practices praises the firm for its "responsiveness and eloquence".

One highlight this year saw Buckingham act for an investment bank regarding a survey of counsel in five European jurisdictions to establish the regulatory restrictions or impediments that would apply where the firm provided services to clients in those jurisdictions.

Buckingham and Tim Parkes combined to advise Lehman Brothers Finance on proprietary claims to securities held by Lehman Brothers International Europe (LBIE) as custodian. Advice is also given in relation to the application of the FSA's client assets sourcebook to LBIE when holding its affiliate's securities and depositing them with sub-custodians.

Leading lawyers

Patrick Buckingham
Martyn Hopper

Allen & Overy

Allen & Overy captures a spot in the second tier of both tables this year following strong support for its practice from peers and clients alike. Clients of both the contentious and non-contentious sides of the practice praise the firm for its knowledgeable and innovative approach to a transaction.

Sidney Myers' 2009 departure to Berwin Leighton Paisner is still a key discussion point among competitors, with some noting that the firm has been less visible since his departure. Bob Penn however still receives recognition for his financial institution and transactional work; one banking client of the contentious team says of Penn: "I don't go to A&O for my plain vanilla regulatory advice, but if I did Bob would be the one I'd go to."

One of Penn's highlights in the past year was advising Barclays Capital on how to deal with and manage regulatory changes.

Allen & Overy's contentious side also receives strong plaudits from the market, par-

ticularly for Calum Burnett's work. While much of the team's work is confidential, one publishable highlight this year saw the team advise a financial services provider and its CEO and COO on alleged mis-sold mortgage products and systems and control failings.

While Arnondo Chakrabarti tends to be more focused on criminal litigation, this year he advised the board of directors of a high-profile bank in an FSA investigation into their handling of credit crunch issues following the collapse of Lehman Brothers.

Leading lawyers

Calum Burnett
Bob Penn

Other ranked firms

Simmons & Simmons has a good presence across the contentious and non-contentious sides of the financial services regulatory market, with market commentators noting that the latter is its strength.

The firm has a particular strength advising hedge funds and other asset managers. "They're never cheap, but they're lovely. Financial services is a real strength for them," says one asset manager client. Another investment manager client praises the firm's technical knowledge and its "incredible representation of the market", although notes that the firm could improve its responsiveness.

Jonathan Melrose and Darren Fox are particular client favourites. "They know the company well, and take an innovative approach," says a client. "They know what drives clients. Darren in particular gives succinct and clear advice."

On the non-contentious side Richard Bunce and Robert Turner are the name most referenced by the market. The team is recognised for the efforts it puts into client development.

While most of the firm's work is confidential, a publishable highlight this year saw the Simmons & Simmons team combined its contentious and non-contentious teams to advise two representatives of the unsegregated class of Lehman claimants in the client money application, in which the UK court was being asked to consider the scope and effect of the FSA's client money rules and related European directives, including Mifid.

The firm has also advised over 20 funds on contentious and potentially contentious regulatory issues.

Leading lawyers: Darren Fox

Slaughter and May's regulatory work is largely centred on advising its very strong corporate client base. While the firm has capacity for both contentious and non-contentious

work, it is seen by the market as more capable at the latter.

"They have a different model, they're very focused on the regulatory issues which are thrown out of corporate work. Advising the government on the banking crisis was a special feather in their cap," says a peer. "Being Slaughter and May the quality, particularly on the non-contentious side, is very, very high indeed."

A client notes that the firm's non-contentious work is "technically superb", however the client also notes that the team "sometimes could demonstrate more on-the-ground experience".

Ruth Fox's non-contentious work is praised by peers. "Ruth is a very, very impressive woman," says one.

Slaughter and May's work advising HM Treasury on the banking crisis is still keeping the team busy. Ben Kingsley (described as a lawyer to watch by one senior peer) has been advising HM Treasury on the regulatory aspects of the crisis since 2007, including the restructuring of Northern Rock, support measures for the Royal Bank of Scotland and Lloyds Banking Group (including Lloyds' redemption of £4 billion of preference shares) and the stabilisation of Dunfermline Building Society.

The firm was also active advising on the regulatory aspects of M&A deals. Fox and Kingsley teamed up to act for Guernsey-incorporated Resolution on the regulatory aspects of its £1.59 billion acquisition of Friends Provident including advising on the acquisition structure in light of FSA supervisory and regulatory capital requirements and the impact of Solvency II.

The Post Office also turned to Kingsley on the establishment of its Post Office Financial Services joint venture with the Bank of Ireland, while Prudential mandated Jan Putnis for regulatory advice regarding its proposed (and ultimately abandoned) merger with AIA Group.

On the contentious side, Nationwide Building Society turned to Ewan Brown for advice on the high-profile test case launched by the OFT (Office of Fair Trading) against eight key current account providers to determine the validity of unarranged overdraft charges. Nationwide was the only party in the case to run an alternative, and complementary, argument to the joint case presented by the other banks at the House of Lords' hearing.

Elsewhere, Elizabeth Barrett advised a financial institution regarding the FSA's involvement in, and the potential exposure arising out of, the collapse of Keydata Investment Services, where the client had rec-

ommended its customers to invest in certain Keydata products.

Leading lawyers: Ruth Fox

Travers Smith's non-contentious work is the focus of most of the praise it receives from peers. "Margaret Chamberlain is excellent," says one peer. "They have a very, very strong non-contentious practice which punches above its weight." The firm expanded its team this year with the addition of retail financial services lawyer Jane Thornton from Northern Trust.

The firm has a good track record advising on a wide range of matters. A highlight this year saw Chamberlain combine with Mark Evans and Tim Lewis to advise Metro Bank on its establishment of a new retail bank with a branch network; the first new retail bank to be established in the UK in a century.

Evans had a particularly active year, also advising new client ChapsCo on its new contractual framework with its members and acting for the UK Payments Administration on measures designed to mitigate against systemic risk in the event of a participant bank's insolvency in the Northern Irish cheque clearing system.

Euroclear was an active client, mandating Evans on the legal issues arising out of the participation of one of its central bank collaborative parties in the Target 2 system, the international payment system for euro, and turning to Jane Tuckley on the second phase of its dematerialisation of the funds market.

On the contentious side, Tony Robinson acted for Darren Morton, one of the Dresdner bond traders publicly censured by the FSA in October 2009, in only the second publicly reported market abuse case arising out of the debt markets. This was the first time that a financial penalty was not imposed on someone found to have engaged in market abuse.

Rob Fell also advised Richard Barclay, managing credit director at Northern Rock, who was sanctioned along with the former deputy chief executive in April 2010 by the FSA in relation to misreporting of the bank's mortgage arrears position.

Leading lawyers: Margaret Chamberlain, Mark Evans, Tim Lewis and Jane Tuckley

Barney Reynolds is seen as **Shearman & Sterling's** leading light in the UK financial services regulatory market. "A very successful practice he's built on the non-contentious side," says a peer.

A client praises the firm for its "in-depth knowledge" and "good responsiveness", however peers suggest that the regulatory team's small size suggests that depth is an issue.

This hasn't stopped the firm landing some strong and innovative mandates this year however; Reynolds was very involved in the development of clearing and counterparty ser-

ices for structured finance products this year along with derivatives head Patrick Clancy. The duo advised ICE (Intercontinental Exchange), the exchange and clearer originally operating in the energy and commodity markets, in setting up the first clearing service for credit default swaps in Europe. The team also advised ICE on the regulatory aspects of its proposed acquisition of Climate Exchange.

Reynolds also led a team acting for SIX x-clear, a central counterparty and licensed Swiss bank, on providing clearing and central counterparty services for leading equity exchanges and quasi-exchanges (known as multilateral trading facilities, or MTFs) in the UK and Europe both on a sole provider and on a multi-counterparty (interoperable) basis. The work included organising bespoke arrangements between each incumbent counterparty, x-clear and the market to permit people to choose their preferred counterparty. The team is also assisting x-clear in seeking various European regulatory approvals to enable co-clearing. Further complicating the matter, the work was done during a fluid regulatory landscape.

Other similar mandates saw the team advise ICE Clear US on its launch in the US of a clearing house for credit default swaps (CDS) and on its proposed application to the FSA for recognition as an overseas clearing house in the UK. LMAX also turned to Reynolds for advice in establishing the world's first multi asset-class retail derivatives exchange.

Reynolds was also active on the transactional side, acting for Abu Dhabi's International Petroleum Investment Company on the regulatory aspects of its disposal of 13.5% of Barclays issued share capital and £1.25 billion of 14% step-up callable reserve capital instruments of Barclays Bank.

Leading lawyers: Barney Reynolds

Ashurst has been winning some impressive mandates over the past few years, and demonstrated its commitment to the regulatory field by hiring Nabarro's financial services head Rob Moulton in August 2010.

Moulton joins a team which already boasts the likes of James Perry and David Page. The team is described by one client as "very responsive and commercial", while another designates Ashurst's strengths as its internal credibility and brand name.

On the contentious side one peer singles out litigator Ed Sparrow for his strong financial services work. "Ed Sparrow is never exclusive to FSR but he's very good," the peer says. "I refer a lot of work to Ed for conflicts."

Ashurst was active in transactional-related regulatory work this year, advising Cerberus on its bid for Northern Rock, and Santander in the accelerated auction of Bradford &

Bingley's savings and deposit business. The Royal Bank of Scotland turned to Ashurst for advice on a confidential disposal, while the firm also acted for Aviva, Old Mutual and RSA Insurance Group in relation to confidential group matters.

The firm also advised the Home and Savings Bank, one of the new entrants into the retail mortgage and deposits market, along with another prospective launch of a new bank.

FSA work has also kept Ashurst busy. The firm advised clients in relation to skilled person reports commissioned by the FSA, and has been helping financial services groups in relation to FSA's steps to restrict transfers of cash and assets within and outside the group.

Other highlights include advising clients including Liquidnet on the evolving regulatory landscape relating to exchange and market infrastructure, and acting for numerous counterparties and clients of Lehman Brothers in relation to their position as creditors of the bank.

Leading lawyers: James Perry

Bingham McCutchen's regulatory work is a strong choice for FSA enforcement work, boasting ex-FSA in-house lawyers Helen Marshall and Peter Bibby. "On contentious they punch above their weight," says a peer. "They focus on retail issues and are making very good headway with large institutions."

The firm's client base includes hedge funds, banks, brokerages, insurance intermediaries and other financial services institutions which require advice in connection with FSA investigations and enforcement actions.

Bibby this year advised an insurance broking business in connection with an FSA investigation into its sale of a particular insurance product, and is advising a financial institution under investigation by the FSA for issues relating to its complaints handling of certain investment products.

Marshall was also active with FSA-related instructions, advising an FSA-regulated financial services firm under investigation by the FSA for issues relating to its sales practices and systems and controls, and acting for the risk management team of a UK retail bank to review the ways in which its business units were complying with the FSA's requirement that authorised firms "treat customers fairly".

Marshall also won a role advising the chief executive of a financial services firm under investigation by the FSA in his personal capacity.

Counsel Christopher Leonard was active on non-FSA matters, advising a new UK fund distributor on establishing its fund platform, its regulatory position and its relationships with a number of UK and European fund complexes. Leonard also acted for a US invest-

ment manager on its new commercial relationship with a UK investment trust.

Elsewhere, the team advised the Financial Services Compensation Scheme regarding the collapse of a number of investment product providers, including Lehman Brothers and Keydata.

Leading lawyers: Helen Marshall and Peter Bibby

Mergers and acquisitions

Recommended firms	
Tier 1	Freshfields Bruckhaus Deringer Linklaters Slaughter and May
Tier 2	Allen & Overy Clifford Chance Herbert Smith
Tier 3	Ashurst Cleary Gottlieb Steen & Hamilton Macfarlanes Skadden Arps Slate Meagher & Flom Sullivan & Cromwell Weil Gotshal & Manges
Tier 4	Hogan Lovells Latham & Watkins Mayer Brown Norton Rose Shearman & Sterling Simmons & Simmons Travers Smith White & Case
Tier 5	Baker & McKenzie CMS Cameron McKenna DLA Piper Jones Day Sidley Austin

It has been a steady year for M&A partners in the UK, with business not exactly booming, but not dead either. On one hand liquidity is there for huge corporates with great credit profiles, for example to Kraft for its takeover of Cadbury, but for the more speculative potential buyers, the leveraged finance market is choppy at best.

While in mid 2009 partners were preparing for an influx of distressed M&A deals, this didn't come to pass. The banks haven't forced companies to sell assets as the market hasn't been strong enough to get the desired value. "Most of the distressed work has been refi-

nancing and restructuring, not having to dispose of assets on the cheap,” says a partner.

The UK election also caused some concern for the market. Investors adopted a wait-and-see attitude, preferring to see which party would win and how the new government was going to approach monetary policy decisions. Before the election, one partner said: “UK corporates will feel more comfortable in six weeks [after the election]. They’re holding back a bit, they’re not sure what the new world will look like.”

The partner continued: “A number are keeping their powder dry for when they need it. If there’s no catastrophe such as a big tax people will be more relaxed. If there is a hung parliament there will be uncertainty.”

While in the end there was a hung parliament, the market has steadily picked up since. August alone saw India’s Vedanta buy a \$8.48 billion, 51% stake in Cairn India, and GDF Suez effect a multi-billion pound reverse takeover of International Power.

As the market comes back partners are also reporting that multi-bid auctions are back in vogue, providing an increasing pipeline of work to UK law firms.

However one of the quirks of a market where valuations and volume have fallen is that the large firms move down the pecking order and pick up deals to keep their balance sheets ticking over, to the detriment of smaller firms. “Every cycle mid-market firms tend to suffer as the magic circle is able, and has the capacity and will, to take on deals which are normally too small at the peak of the cycle,” says a partner.

Freshfields Bruckhaus Deringer

Freshfields’ corporate group is without a doubt one of the most powerful in the UK and has been for a number of years. The firm’s corporate client base and international network, coupled with the strength in depth of its corporate team, its volume and the sheer spread of sectors it covers puts Freshfields in a leading position in the market.

Mark Rawlinson’s influence is still very strong among his peers, while Edward Braham’s move up to global head of corporate in May 2009 has not seen him disappear off the radar as partners who move into management tend to do. Peers however do note that Barry O’Brien has been less visible than in recent years.

One of the firm’s most headline-grabbing deals this year saw Laurie McFadden advise BAA Airports on its £1.51 billion sale of Gatwick Airport to an entity controlled by Global Infrastructure Partners. The deal included deferred consideration mechanics and the extraction of the company from secu-

ritisation refinancing (of which Freshfields also advised BAA on).

Also in the UK, Mark Rawlinson and Sundeep Kapila acted for Anheuser-Busch Inbev on the £180 million sale of the Tennant’s Lager brand to manufacturer C&C Group. Completed in September 2009, the deal came three months after Freshfields was appointed to Anheuser-Busch Inbev’s global legal panel.

Freshfields’ London and Chinese offices were working very closely this year; one highlight saw Graham Watson and Braham act for Sinochem International Corporation on its £532 million recommended cash acquisition of Emerald Energy. Completed in October 2009, the deal was Sinochem’s first public takeover and the first City Code offer by a Chinese state-owned company for the LSE.

Christopher Bown, Braham and Neil Radford followed this up to lead a London team advising Zhejiang Geely Holding Group on its \$1.8 billion agreement with Ford Motor Company to purchase Volvo Car Corporation. The deal was the largest international automobile acquisition by a private Chinese company.

Julian Long again showed Freshfields’ cross-border capabilities when he advised Mexican brewer Fomento Económico Mexicano on the \$7.6 billion sale of its brewing division to Heineken.

Elsewhere, Robert Sterling and Ian Poynton advised Pearl Group on its €852 million sale to a Euronext-listed, British Virgin Islands special purpose acquisition company. The firm also advised on Pearl’s subsequent restructuring to write-down Pearl’s £400 million debt in exchange for a £75 million convertible bond and a holding in the equity.

Leading lawyers

Edward Braham
William Lawes
Barry O’Brien
Mark Rawlinson

Linklaters

Following on from its very strong 2009, Linklaters’ team has remained in the top tier with another excellent year advising on a large number of quality M&A deals in a range of sectors. “[They’re] very knowledgeable, experienced, responsive, creative, and easy to get on with in pressured situations,” says one client.

Richard Godden, Matthew Middleditch and Jeremy Parr are still seen as leading partners in the M&A market, while Charlie Jacobs again is increasingly noted for his ability to run client relationships. Meanwhile,

peers note that David Cheyne’s increasing management focus means he is not seen on deals as much as he was in the past. Clients also single out Mark Stamp and Simon Branigan for their work.

Linklaters’ work for Rio Tinto was indicative of the kind of high-end, cross-border and cross-practice work the firm excels at. The firm advised Rio Tinto on its \$19.5 billion proposed strategic partnership with Chinalco, and its subsequent \$100 billion iron ore joint-venture with BHP Billiton and \$15.2 billion rights issue.

The proposed Chinalco partnership involved the Chinese state-owned company’s \$19.5 billion investment in Rio Tinto’s aluminium, copper and iron ore businesses, as well as the issue of convertible bonds - a first for a Chinese state-owned company.

However the deal was terminated in June 2009 due to market conditions, and instead Rio Tinto conducted a rights issue and entered into a joint venture with BHP Billiton.

In the energy sector, the firm acted for long-term client Centrica in its £2.3 billion joint venture with EDF, under which the company bought a 20% shareholding in EDF subsidiary, nuclear power company British Energy. The firm also advised Centrica on the sale of a 51% shareholding in Belgium’s SPE to EDF for €1.3 billion.

The deal was included scope for bringing in new investors and adjusting parties’ interests in the venture, and included a clause which ensured that no future partners would enter into arrangements with EDF that were more favourable than those offered to Centrica. The breadth of Linklaters’ practice means that the firm also worked on Centrica’s rights issue which financed the joint venture. Owen Clay led a six-partner corporate team on the deal, which included 10 different practice groups across the firm.

Clay was again active leading another cross-practice team advising insurer Friends Provident Group on the recommended acquisition by Resolution. The sale followed a long process where the target company Friends Provident attempted various defensive manoeuvres including a *pacman* defence where Friends Provident approached Resolution with an acquisition offer.

Elsewhere, construction company Balfour Beatty mandated the firm on its acquisition of US professional services company Parsons Brinckerhoff, including a £353 million rights issue to finance the acquisition. Mark Stamp led the corporate team on the deal, which involved the gathering of approval from 75% of Parsons shareholders - usually no problem, although in this case the shareholders consisted of over 4,000 individual employees.

Leading lawyers

Richard Godden
Charles Jacobs
Matthew Middleditch
Jeremy Parr

Slaughter and May

Slaughter and May's excellent corporate department tops the M&A table for yet another year and, given the strength of feedback about the firm, it is unlikely to be shifting any time soon. Given its core FTSE100 client base, the simple fact is that if there is a large corporate M&A transaction in the UK, chances are that Slaughter and May will be working on it.

The team's focus on its corporate client base is unparalleled in the UK, and clients note that Slaughter and May really understands their business and the issues that are important to them.

The strength in depth of the corporate team at Slaughter and May is simply fantastic. The firm's M&A team boasts one of the longest lists of leading lawyers in the UK section of the *IFLR1000*; something rival firms often complain about, but, when pressed further, admit that Nigel Boardman, Stephen Cooke, Frances Murphy, Charles Randell, Jeff Twentyman and William Underhill should be considered as leading lawyers.

However there is a change in the leading lawyers list this year, with Chris Saul moving off the list as his position as senior partner means he is not visible on deals.

Up and comers in the team include Roland Turnbull: "He's such a sensible advisor," says one peer. "Simon Nicolls is also very good ... and Rob Stern is one of the cleverest people in the City."

Slaughter and May's role on Cadbury's sale to Kraft is a perfect example of the firm's work. Stephen Cooke led a team advising long-term client Cadbury on its attempted defence from a hostile takeover by Kraft, and then on the eventual £11.9 billion sale.

William Underhill and Nilufer von Bismarck were active on one of the other large headline-grabbing deals of the year; Prudential's attempted acquisition of AIG Group's Asia Pacific arm, AIA. The team combined with its Hong Kong office to advise portfolio client Prudential on the \$10.5 billion deal (ultimately aborted), which would have made Prudential one of the largest insurers in the Asia-Pacific region.

Simon Nicholls advised Cazenove Group on the structural change where by JPMorgan Cazenove, an investment banking joint venture with JPMorgan, became a fully-owned part of JPMorgan. The transaction was valued at £1 billion.

Slaughter and May was also active in the busy pharmaceutical sector, advising GlaxoSmithKline (GSK) on its agreement with Pfizer to create a new specialist HIV-focused company, which will have a product portfolio of 11 products and a pipeline of six targeted medicines. The deal was structured such that the ownership split between GSK and Pfizer can change depending on sales and regulatory milestones, while dividend payments included preferential payments based on sales thresholds.

Leading lawyers

Nigel Boardman
Stephen Cooke
Frances Murphy
Charles Randell
Jeff Twentyman
William Underhill

Allen & Overy

While Allen & Overy's corporate work tends to be overshadowed by its top-notch finance work, the team still packs enough quality to win roles on a wide range of M&A deals, although more recently its work in the financial services sector has been particularly strong.

Peers note that the firm has been a bit unlucky due to the relative inactivity of its big clients (which is hardly its fault). But nevertheless clients praise the firm for its geographical coverage across Europe and Asia.

"Alan Paul is still one of the best takeover lawyers in the City," says one competitor, while Mark Gearing and David Wootton also have strong reputations in the market. Allen & Overy added to its corporate roster this year with the additions of John Geraghty and Paul Griffin, who focused on energy-related corporate deals at Herbert Smith.

As mentioned, financial services was a big driver of the firm's corporate department this year. Britannia Building Society mandated Richard Slynn and Alistair Asher on its merger with Co-operative Financial Services to create a *super mutual*. The deal was enabled by new legislation which allowed for mergers between such groups.

Asher was again active, this time advising Nationwide Building Society on its acquisition of retail and wholesale deposits, as well as residential mortgages, from Dunfermline Building Society - the first such acquisition under the Banking Act 2009. The assets were transferred under a property transfer instrument made by the Bank of England under the Special Resolution Regime provisions of the Banking Act 2009.

Mark Wippell also advised Daiwa Securities SMBC on its £75 million acquisi-

tion of the corporate finance business of Close Brothers Group.

Dominic Morris was active in the oil sector, acting for Emirates National Oil Company on its recommended £1.2 billion offer for Dragon Oil, which involved the acquisition by a Dubai entity of an Irish-incorporated vehicle with a dual primary listing on the Irish and London Stock Exchanges. The deal was completed during the Dubai debt crisis and had a significant element of shareholder activism, which created particular challenges.

Also in the oil sector, Jeremy Parr advised Shell on the £245 million sale of its downstream business in Greece to Motor Oil (Hellas) Corinth Refineries.

Allen & Overy also acted for Pfizer on its joint-venture with GlaxoSmithKline to create a specialist HIV company focused on research and development of new vaccines. The deal was structured such that the ownership split between GSK and Pfizer can change depending on sales and regulatory milestones, while dividend payments included preferential payments based on sales thresholds.

Eileen Kelliher also advised Rio Tinto on the restructuring of its South African joint venture with BHP Billiton, and Richard Evans acted for Thomson Reuters on its acquisition of Abacus.

Leading lawyers

Mark Gearing
Alan Paul
David Wootton

Clifford Chance

All talk about Clifford Chance this year was about its role advising Kraft on its headline-grabbing £11.9 billion acquisition of Cadbury. The corporate team for the transaction is headed by Kraft relationship partner Sarah Jones in New York alongside Robert Crothers and Guy Norman in London.

Questions about the depth of Clifford Chance's partner base in London produces mixed reports. Competitors say that the firm has less strength in depth than the top-tier firms, however one client praises the firm for its "global coverage [and] depth of team".

The firm has taken steps to boost its partner base this year with the hire of well-respected Macfarlanes partner Tim Lewis. "Tim is a very impressive operator. He's quiet and there's no grandstanding," says one competitor.

Clifford Chance nonetheless contains some very strong names. Guy Norman is a well-known name in the market, although he will be shifting out to the Dubai office from October. David Pudge is seen often on deals

according to peers, while David Pearson stepped down as London head of corporate in July 2010 in favour of Simon Tinkler, so is likely to be more active in the coming months. Daniel Kossoff is less visible to peers but is still seen as a strong operator.

The firm was active on M&A work within the energy and infrastructure sector this year, with one highlight seeing Anthony Oldfield and Pudge advise Vale on its \$2.5 billion purchase of a 51% interest in BSG Resources (Guinea), which indirectly holds iron ore concession rights and exploration permits in Guinea.

Pudge, Brendan Moylan and Kathy Honeywood also led a team acting for International Power on its entering into a memorandum of understanding with GDF Suez, which details the terms and conditions of a proposed combination of the companies' international business areas outside Europe, as well as certain GDF Suez assets in the UK and Turkey.

Elsewhere, Honeywood worked alongside the Milan, Amsterdam and Luxembourg offices to act for Thai Union Frozen Products Public Company on its €680 million acquisition of MW Brands from Trilantic Capital Partners.

Leading lawyers

Daniel Kossoff
David Pearson
David Pudge

Herbert Smith

"Herbert Smith are having an excellent year, they're doing very well," says one competitor. "They're getting onto some very good things. You make your own luck - they've been going after corporate clients for some time and happen to have had some success."

The firm's corporate practice had yet another strong year, advising on transactions across a wide range of practice areas. The firm has also had a number of new clients this year and also won appointment to the UK Financial Investments panel.

Unsurprisingly, clients particularly praise the firm for its experience in the energy sector. "[They have the] best knowledge of the oil and gas business sector in Europe," says a client, adding that the firm is very responsive.

There were a number of departures from the team this year, with Michael Shaw moving in-house to Barclays to act as deputy general counsel, and energy-focused partners John Geraghty and Paul Griffin shifting to Allen & Overy. Christopher Rees also transferred from the London office to the Riyadh office in November.

Nevertheless, the firm's London partners are still very well regarded for their work. James Palmer's work is recognised by peers, while Ben Ward is seen as an up-and-coming partner.

Michael Walter and Alan Montgomery teamed up to advise new client, India's Bharti Airtel, on its \$10.7 billion acquisition of Zain Africa, a Dutch subsidiary of Kuwaiti-listed company Mobile Telecommunications Company. The deal is the second-largest overseas acquisition by an Indian company.

Gillian Fairfield led a team on Arriva's £1.58 billion takeover offer from Deutsche Bahn. Fairfield is advising Arriva on the deal, which involves an undertaking by Deutsche Bahn to dispose of Arriva's German rail business if required to obtain anti-trust approval.

Before he moved on to Allen & Overy, John Geraghty led a team advising Serica Energy on a \$105 billion disposal of upstream oil and gas assets in Indonesia and Vietnam, as well as Serica's subsequent corporate restructuring.

Gareth Roberts advised BAA Airports on its £447 million sale of a 50% stake in Airport Property Partnership to Segro, while Alex Kay acted for long-term client Coca Cola on its acquisition of a further 42% stake in Fresh Trading - the owners of the Innocent smoothie brand.

Leading lawyers

Malcolm Lombers
James Palmer
Michael Walter

Other ranked firms

Peers note that the instability of Ashurst's private-equity team has spilled over into its M&A team, with Andrew Edge and Jonathan Angell heading to Stephenson Harwood and Deschert respectively in March 2010. Gavin Gordon left for Kirkland & Ellis in June 2010, while Nick Williamson shifted out to the Dubai office in October 2009.

But while peers are quick to note the perceived failings of Ashurst's corporate department, clients on the other hand are equally as effusive with their praise of the team. One cites the firm's "commerciality, responsiveness, background and personality" as its strengths, while another says Ashurst is "very commercial and value client relationships".

Clients single out Steven Fox and associate Tom Mercer for praise, while Adrian Clark is a peer favourite yet again. "Adrian Clark is a good guy, one of the 'what you see is what you get' guys," says one. "He's calm, straightforward, doesn't rush or talk about useless points. He's gets it done." Richard Gubbins also

comes in for praise from peers: "Richard Gubbins is another *sensible* chap," says one.

A highlight this year saw Fox and Jonathan Earle advise National Express in its discussions with the Department for Transport in relation to the exit of its special purpose vehicle NXEC Trains from the East Coast mainline rail franchise. The firm also advised on a series of unsolicited takeover approaches by First Group, the CVC-Cosmen consortium and Stagecoach, as well as a contested recapitalisation culminating in the announcement of a £375 million rights issue.

Randgold Resources turned to Michael Robins for advice on its \$500 million acquisition, in conjunction with AngloGold Ashanti, of Toronto- and Aim-listed Moto Goldmines. The firm also advised, in conjunction with AngloGold, on the acquisition of an additional 20% stake in the Moto Gold Project, through their acquisition of 20% of Kibali Goldmines SPRL.

Elsewhere, Jonathan Earle acted for Markit on a series of transactions, including the acquisition of environmental registry business TZ1 from the New Zealand Stock Exchange the joint venture with the Depository Trust & Clearing Corporation to create MarkitServ.

Leading lawyers: Adrian Clark and Richard Gubbins

Cleary Gottlieb Steen & Hamilton has a smaller team than many of its rivals but focuses almost exclusively on high-end, cross-border deals. "Cleary only do two or three deals a year, but they're huge deals and cutting edge," says a competitor.

"I've got lots of respect for Cleary," says another peer. "Simon Jay is a very good guy. He's very sensible and very intelligent. He knows his law." The competitor adds: "They're a bit small, but on quality of work and the people they're very good."

Michael McDonald is praised by peers for the quality of his work, as is Tahir Sarkar. "He's sensible and very calm," says a peer.

Sarkar this year advised Vale do Rio Doce in its \$1.6 billion acquisition of holding interests in a potash project in Argentina, and the Corumbá iron ore mine in Brazil, from Rio Tinto.

Sarkar also played a part in the headline-grabbing Cadbury-Kraft merger, acting for the financial advisers to Cadbury on the \$19 billion takeover - one of the largest and most significant deals of 2010 to date. Another key deal saw Sarkar advise Mittal Investments in its \$240 million purchase, in two tranches, of a 20% stake in Ophir Energy.

Cleary's strong Russia practice again fed the London office a number of good deals, particularly in the telecoms sector. One highlight saw Michael McDonald advise Mobile TeleSystems (MTS) and its board of directors

in the \$1.3 billion acquisition of a 51% stake in Comstar-UTS from Sistema, MTS' majority shareholder.

Long-term client Tele2 Group again turned to Sarkar and US partner Sebastian Sperber in the acquisition of 25.5% of shares in Udmurtia Cellular Communications, a telecommunication holding company in the Udmurtia Republic (a region of the Russian Federation) in July 2009.

Leading lawyers: Simon Jay

The departure of key **Macfarlanes** M&A partner Tim Lewis to Clifford Chance was a big talking point within the market this year. "He's a really good guy; a solid lawyer, his own man. It will hurt them," says a peer.

Another competitor speculates that one of the reasons for his departure is the perceived limit of the type of work he could do at the firm. "There's a glass ceiling on the work you can do. Once the deals get big they go to international firms," the peer says. "He has a desire to get involved in international deals with a UK component."

And with corporate partner Charlie Martin effectively lost to senior management, you'd be tempted to suggest that hard times might be ahead for the firm. But peers say that this isn't necessarily the case - the firm has continued its work landing roles on a number of transactions, whether through direct relationships or referrals, and remains a force to be reckoned with. "Macfarlanes always somehow keep on grinding," says a peer.

Matthew Blows was one of the most active partners this year, being brought in by Paul Weiss Rifkind Wharton & Garrison to advise Pernod Ricard on the €125 million disposal of Tia Maria to Illva Saronno. Paul Weiss also referred Mitsubishi Rayon to Blows for advice on the company's €1.6 billion acquisition of Lucite International.

Kevin Tuffnell was also active, advising Just Retirement Holdings on its £230 million sale to a newco backed by Permira, which was implemented by way of a scheme of arrangement.

Elsewhere, Howard Corney acted for ARC International in its recommended cash takeover by Virage Logic Corporation. During the deal the bidder, Virage Logic Corporation, agreed its pre-announcement break fee following a leak prior to announcement for which it was not responsible.

Skadden Arps Slate Meagher & Flom boasts a high-quality practice focused on servicing its portfolio clients on cross-border M&A work. The firm is praised by clients for its US expertise and its "technical ability and market understanding".

US partner Scott Simpson's work is noted by a fellow US partner: "Scott has a good M&A practice, I see him a fair bit."

The firm is a strong choice for deals with US and UK elements. A highlight this year saw John Adebisi, Michael Hatchard and Shaun Lascelles work with the New York and Washington offices to advise Validus Holdings in connection with its \$1.67 billion hostile acquisition of IPC Holdings. The deal was run as a scheme of arrangement in parallel with a tender offer and an amalgamation on the basis of 'which ever got there first', and a rare example of a hostile scheme of arrangement.

Another highlight saw US partners Michal Berkner and Scott Simpson advise Nokia Siemens Networks in its proposed, but terminated, acquisitions of the CDMA business, LTE Access and MEN assets of Nortel Networks Corporation; part of Nortel's Chapter 11 restructuring in the US and its Company Creditors Arrangement Act proceedings in Canada.

Skadden is also strong on European cross-border deals, particularly involving Russian companies. Pranav Trivedi, Lorenzo Corte and Bruce Buck worked with the Frankfurt, Moscow and Brussels offices to act for VimpelCom and Altimo in the \$30 billion exchange offer for VimpelCom, a Russian telecommunications company. The firm also advised the companies on the business combination with Ukraine's Kiyvstar.

Leading lawyers: Michael Hatchard, Adrian Knight and Scott Simpson

Given its market-leading position in the US, it is no surprise that **Sullivan & Cromwell's** London office has a reputation for acting on the UK end of some of the largest M&A deals in the market.

US partner William Plapinger is the most recognisable name to peers, while Richard Morrissey is also a noted practitioner. UK partner Tim Emmerson is also praised by competitors.

A highlight this year saw US partners George White, Benjamin Perry and Brian Hamilton, as well as UK partner Emmerson, work with the Los Angeles office to advise Barclays in the \$15.2 billion sale of its Barclays Global Investors business to BlackRock, which included the iShares business.

Rio Tinto was a strong client this year, turning to Emmerson and US partner Nikolaos Andronikos in its \$1.2 billion sale of Alcan's US packaging business to Bemis, and in the \$2.03 billion sale of Alcan's packaging businesses in Canada, France, Singapore and the UK to Amcor Australia.

US partners Richard Morrissey and Brian Hamilton and UK partner Benjamin Perry teamed up with the New York office to advise Silver Lake Partners as the lead member in a consortium acquiring a 65% interest in Skype Technologies and its subsidiaries from eBay, while US partners Jay Clayton and Morrissey

and UK partner Craig Jones acted for Sweden's TeliaSonera in its English law agreement with Russia's Altimo to combine their stakes in MegaFon and Turkcell, forming a new firm with majority ownership of both companies.

Sullivan & Cromwell also acted as US law advisors on a number of key deals. One highlight saw Plapinger advise Centrica in the \$1.9 billion acquisition of Venture Production, and another saw him act for Goldman Sachs as financial advisor to Union Fenosa in its \$11 billion sale to Gas Natural.

Leading lawyers: William Plapinger

Weil Gotshal & Manges has a strong corporate team including Peter King and Mike Francies. One client praises the team for its "sound advice" and describes it as "highly responsive and commercially focussed".

Much of the firm's strongest M&A work comes from its strong restructuring and insolvency department. Following on from its work last year on the corporate elements of the Songbird, General Motors and Premier Foods restructurings, this year Mike Francies led a team advising Cobra Beer on the sale out of administration to Molson Coors. The deal was initially structured as a Company Voluntary Arrangement but after unsecured creditors of Cobra took formal action to recover their debts the deal was structured as a pre-packaged administration sale.

Weil Gotshal was also active on straight M&A work as well. The well-regarded James Gubbins acted for Nuance Communications on the acquisition of the voicemail messaging business of SpinVox in the UK, while Mark Soundy led a team advising Kipco and Showtime Arabia on the merger of Showtime Arabia and the Orbit in July 2009. Although based in the Gulf region, the parties opted for English law as the governing law of choice for the key transaction documentation.

Leading lawyers: Mike Francies

Latham & Watkins moves up a tier after peers recognised the firm's work in the UK market over the past few years. Clients are also quick to praise the firm. One notes its "standardised quality and cooperation across regions" as well as its technical ability and market understanding, and another praises its responsiveness.

Peers single out new partner Rod Brown for praise. "He's a real nice guy. He actually gets it done and is a sensible lawyer," says one.

Given the firm's strong European network many of its highlights had cross-border elements this year. Rod Brown led a team working alongside the Paris, Milan, Hamburg and New York offices to advise Starman Hotels, a joint venture by Lehman Brothers and Starwood Capital Group, on its disposal strategy of its global hotel portfolio.

Rory Negus acted for Biovitrum on the disposal of Cambridge Biotechnology to

Proximagen, while Michael Immordino acted for Enel Capital on the €11.1 billion acquisition by Enel of a 25.1% stake in Endesa.

Elsewhere, Negus and Martin Saywell worked with the Paris, Frankfurt, Moscow, New York and Hong Kong office to advise KCC in its \$103 million joint acquisition with Ericsson of the UK European GSM and global GSM-R businesses of Nortel Networks out of Chapter 11.

Shearman & Sterling has a reputation for advising on high-end, cross-border deals with a US or Middle Eastern element. While peers note that the team in London is on the small side, they note that the firm's move bringing over noted US M&A partner Creighton Condon was a good one. "He's definitely a heavy hitter," says a competitor.

Peers also note that the firm has had a good year, landing roles on high-profile deals such as the Cadbury/Kraft merger. "They've got the Cadbury connection and also have a strong Middle East connection. They also still have a great German practice," says the competitor.

Clients are also keen to praise the team. "They're great, we rely on them heavily. We've done several very large transactions in the last year," says a corporate client. "The team in London is good for managing very large projects in the Middle East, and particularly in global deals."

The client adds: "The interesting thing about Shearman is that the quality of their work is consistent across the globe; rarely do you find an associate who is not quality. That is rare."

The Cadbury/Kraft merger was arguably the firm's highlight this year; Condon led a team acting as US counsel to Cadbury on the hotly contested bid by Kraft Foods for the UK confectionary maker.

Laurence Levy led a corporate team advising the International Petroleum Investment Company (owned by the Government of the Emirate of Abu Dhabi) in its disposal of 13.5% of Barclays' issued share capital.

Shearman was also active in the mining sector, particularly through AngloGold Ashanti. One highlight saw US partner George Karafotias advise the mining company in the \$1.1 billion sale of its indirect 33.3% joint venture interest in the Boddington Gold Mine in Western Australia to Newmont Mining Corporation.

In addition, Levy acted for AngloGold Ashanti in its \$488 million acquisition, along with Randgold Resources, of Moto Goldmines.

Simmons & Simmons expanded its presence this year with the hire of communications specialist Andrew McMillan from Ashurst.

The firm had a good flow of work from Japanese clients this year. One highlight saw Jason Daniel act for Tokyo Stock Exchange-list-

ed Renown Incorporated on its sale of the Aquascutum brand. He also advised Yasuaki Kagami and Kabushiki Kaisha K&K Shonan Management on an agreement with the directors of Plymouth Argyle Football Company (Holdings) and Mastpoint to establish a global and local partnership between the parties.

Chris Wilkinson was also active this year, advising ABC Learning Centres on the sale of the Busy Bees Group to Knowledge Universe, while Gavin Weir showed the firm's strength in the life sciences sector by advising Leo Pharma on its \$1 billion acquisition of Warner Chilcott's dermatology division.

Commentators note that **Travers Smith** is a strong choice for mid-market UK M&A transactions. Clients praise the team for its "accessibility, technical knowledge for transactions, speed and commerciality".

Andrew Gillen has been the most active partner this year, while peers note that Philip Cheveley is an up-and-coming partner and Richard Spedding is a very solid corporate partner.

A highlight this year saw Gillen advise new client e-Rewards on its £85.1 million takeover of Research Now. Gillen also acted for Clinton Cards on the sale of 196 stores of its insolvent subsidiary Birthdays from the administrator in July 2009.

Another highlight saw Gillen lead a team advising Dunnhumby, a subsidiary of Tesco, on the £12.9 million acquisition of KSS Retail.

White & Case is praised by a client for its international network, as well as its "continuity of relationship and client focus". Another describes the team as containing "great lawyers who are easy to work with".

The firm was active with emerging markets deals this year, with one highlight seeing Ashley Ballard advise Russia's Sberbank on a proposed joint acquisition (subsequently terminated), together with Canadian auto-parts manufacturer Magna International, of a 55% interest in Adam Opel from General Motors.

However while many peers describe the firm as having an emerging markets focus, White & Case was also active in the UK as well. One publishable highlight saw Greg Stonefield advise the Mitie Group on its acquisition of Dalkia Energy and Technical Services and Parkersell for £130 million.

Baker & McKenzie had an active year, advising General Motors on the international aspects of its acquisition of the global steering business from Delphi Corporation (in chapter 11). The total value of the transaction exceeded \$1 billion.

The team also advised an international client looking to enter the UK market, when Jane Hobson and Peter Knight teamed up to act for Atlas Elektronik UK on the £24 million

DLA Piper this year advised Towergate Partnership on its acquisition of PaymentsShield Group Holdings. The deal was complicated by a condition to the restructuring of covenants making the acquisition take place earlier than anticipated.

This led to conflicts of interest within the Towergate and PaymentsShield shareholder group, meaning the deal had to be structured to ensure oppression of minority claims and new provisions within the Companies Act 2006 relating to conflicts of interest were addressed and reflected in the acquisition structure.

Sidley Austin has a focus on M&A transactions within the financial services, (credit cards, e-commerce etc), asset management, hedge fund and insurance sectors. The team, praised by a client for its "understanding of the Law", expanded this year with the hire of insurance M&A specialist Matthew Griffith from Pinsent Masons in May 2010.

A highlight this year saw Tom Thesing and Jonathan Wallace advise eBay on the \$2.75 billion sale of 65% of its Skype communications unit to an investor group led by Silver Lake Partners and includes Andreessen Horowitz and the Canada Pension Plan. Investment Board.

Elsewhere, UTV Software Communications turned to Struan Oliver for advice on its \$270 million public offer to acquire the shares in Aim-listed UMP which it did not already own. The deal was effected by way of court-approved transfer schemes of arrangement in the Isle of Man, India and Mauritius. The transaction involved several unique submissions to the UK Takeover Panel and was the first cross-border merger into a listed Indian company.

Other notable firms

While **Cravath Swaine & Moore** does not practice UK law in London, it routinely acts as US counsel on some of the largest, cross-border corporate deals in the market. There was a personnel change in London this year with Gregory Shaw heading back to the US in January 2010 and Alyssa Caples moving to the UK in February 2010.

A highlight this year saw Mark Greene and Andrew Thompson act as US counsel for France's Mangas Gaming and casino owner Société des Bains de Mer de Monaco in their acquisition of 60% of the online gambling software business of GigaMedia, including the Everest poker and casino brands

Another highlight saw the team act as US counsel for Brazil's Sadia in its R\$3.8 billion (\$1.64 billion) merger with Perdigão (now known as BRF - Brasil Foods).

Private equity - fund formation

Recommended firms	
Tier 1	Clifford Chance Kirkland & Ellis SJ Berwin
Tier 2	Ashurst Macfarlanes
Tier 3	Debevoise & Plimpton Linklaters
Tier 4	Akin Gump Strauss Hauer & Feld Allen & Overy Berwin Leighton Paisner Covington & Burling Freshfields Bruckhaus Deringer White & Case

Private equity - transactions

Recommended firms	
Tier 1	Clifford Chance Freshfields Bruckhaus Deringer
Tier 2	Linklaters Weil Gotshal & Manges
Tier 3	Ashurst Dickson Minto Kirkland & Ellis Macfarlanes Simpson Thacher & Bartlett Travers Smith
Tier 4	Allen & Overy Cleary Gottlieb Steen & Hamilton Slaughter and May Latham & Watkins
Tier 5	CMS Cameron McKenna DLA Piper Herbert Smith Hogan Lovells Milbank Tweed Hadley & McCloy Skadden Arps Slate Meagher & Flom White & Case

Nothing excites the market more than an active private-equity market, and after two relatively quiet years the buyout houses have hit the headlines again; albeit for differing reasons. After their buyout spree from 2005 to

2007, private-equity firms have bulging portfolios of companies, but also pressure from investors looking to get returns on their money.

With this in mind private-equity houses have been looking to exit from their investments via a sale or IPO. Bridgepoint's sale of Pets at Home to KKR kicked things off, and there has been a steady flow of transactions since - in fact the European Private Equity and Venture Capital Association says investment activity was up 16% to €8.6 billion in the second quarter of 2010 compared with the first, and is almost double compared to the second quarter of 2009.

Partners say that their workload is approximately 70% new money deals and 30% restructuring, a reversal of last year. New money deals are there but depend heavily on a private-equity house's ability to get finance. While it's a lot easier to get funding than it was 12 months ago, it's still far from the covenant-lite days of 2007. "Bank debt is back, you can get it but it's expensive," says a partner. "There are a lot more deals and it's getting more and more borrower friendly."

However the last 12 months haven't been completely positive, with Candover the first large private-equity firm to announce that it will hand back cash to its investors after winding up its Candover Investments fund. Terra Firma has been bogged down by its investment in EMI, while other private-equity firms face tough refinancing negotiations with the banks when their lending facilities come to maturity.

In the legal market there has been somewhat of a shift, with US firms beefing up their presence in London to try to capture the European end of their US relationships. Last year saw Simpson Thacher hire Adam Signy from Clifford Chance to boost its transactional relationship with KKR, a key relationship for Simpson Thacher in the US. Clifford Chance traditionally did KKR's transactional work in Europe, but it was telling that the private-equity house went with Simpson Thacher on its purchase of Pets at Home earlier this year.

Bain Capital's European counsel Kirkland & Ellis boosted its presence in the UK with the hire of two key partners from Ashurst, with some commentators noting that this could be to head off expected competition from Bain's US counsel Ropes & Gray, which has been hiring heavily in the UK acquisition finance and restructuring and insolvency areas since it hit the market in 2009.

In contrast, the traditional UK private-equity firms have been having a hard time of it. Firms without a connection with the private-equity firms in their home market of the US are seeing market share slip, and those

without a significant European network are slipping even more. Ashurst has been the highest-profile casualty so far, losing three key partners and losing its private-equity talisman Charlie Geffen to upper management.

It's not all bad news for UK firms though - large firms such as Linklaters have stepped up and are pushing their very strong cross-practice abilities and international network, and by and large are getting results. The next few years will be fascinating to watch as the UK transactional private-equity market effectively reshapes itself.

The funds side has been less exciting but no less active. Reorganisations have taken over from fund raising as the key activity, while money is moving toward more regulated environments as regulators catch funds in their wider net.

Another trend has been the shift to an eastern focus from investors as the Asian markets continue to expand. This shift hands advantage to the large international firms who have the reach and the local expertise, so it will be interesting to see how the legal markets in both the UK and Asia develop to take this on board.

Clifford Chance

Clifford Chance claims top spot in the new fund formation and transactional tables after yet another year of strong positive feedback from the market. Commentators note that the firm's client base is simply enormous, which gives it strong volume and therefore connects it with the latest trends in the industry.

"Just in terms of the sheer geographical spread, I think their coverage is carpet bombing stuff," says one competitor, while a client notes that for both funds and transactional work the team has "excellent technical and industry knowledge, is very responsive, proactive and always commercial". Another private-equity client notes that the firm is "extremely commercial, pragmatic and responsive".

The funds practice is also seen by competitors as a market leader. "We bump into them on most of the shortlists and pitches," says one peer. "They're weaker in the US and outside the UK but they have a very good client list and have been in the industry for a long time."

However the practice suffered a blow with the departure of funds chief Jason Glover to Simpson Thacher in July 2010. Following on from transactional partner Adam Signy's departure to the same firm last year, the market will be watching to see how Clifford Chance will react to the move.

Following on from Glover's departure, the other recognised funds figure at Clifford Chance is Ed Gander.

There is a feeling in the market that the firm's sole grip on the top tier of the transactional rankings is an old view, and that Freshfields is an equal in terms of quality and ability to do the complex, cross-border work. Last year there was mention of some possible generational issues facing Clifford Chance's top-end partners, and this year it will be interesting to see whether Simon Tinkler's appointment as London head of corporate will make him less visible in the market.

Long-term client KKR's decision to go with former partner Adam Signy and the team at Simpson Thacher & Bartlett (its long-time US advisors) on the Pets at Home deal this year was also met with much interest by the market.

But given the array of talent on the payroll, the sector and geographical coverage, its ability to attract new clients such as Hellman & Friedman and PCP Capital Partners, its excellent finance practice and its work across private-equity exits, platform spin-outs, restructurings, buyouts and fund formation, Clifford Chance is still a stand-out leader in the private-equity market.

One of the firm's highlights this year saw Tinkler lead a team advising Clayton Dubilier & Rice on its £400 million acquisition of British Car Auctions from Montagu Private Equity. This was Clayton Dubilier's first secondary transaction in Europe and the largest non-distressed secondary buy-out in the UK in 2009, and was made challenging by British Car Auctions' opco/propco structure.

Another highlight saw Warburg Pincus mandate Spencer Baylin and Kem Ihenacho on its £282 million acquisition, by an English SPV indirectly owned by funds managed by Warburg Pincus, of SGL (parent company of the Survitec Group) from funds managed by Montagu Private Equity. Completed in February 2010, the deal was structured as an acquisition of share capital and existing shareholder notes and required anti-trust clearance in Norway, Germany, Ireland and Ukraine.

Some of Clifford Chance's more recent work is partly confidential as it is ongoing, but publishable highlights include: advising Avalon Acquisitions (formed by funds advised by Permira) on its £228 million offer for Just Retirement; advising funds managed by CVC Capital Partners on its aborted acquisition (together with Cosmen family investment funds) of National Express; and advising Actis on its \$244 million acquisition of a 9.33% stake in Commercial International Bank (Egypt) from a consortium of shareholders led by Ripplewood Partners.

The team has also been busy with restructuring work this year, with one highlight seeing David Walker act for funds advised by EQT Partners, and EQT portfolio company

SSP Group, on the private-equity aspects of the restructuring of the equity and debt financing of the SSP Group. The transaction, completed under a number of schemes of arrangement, had an eye-watering 100+ senior lenders and an initially difficult group of mezzanine lenders, while returns to equity and debt investors were structured via a proceeds sharing deed.

Leading lawyers

James Baird
Daniel Kossoff
Matthew Layton
David Pearson
Simon Tinkler
David Walker

Freshfields Bruckhaus Deringer

Freshfields claims a spot in the top tier in the new transactional rankings and the third tier in the fund formation rankings after a very active year. The firm's clients have been particularly active this year giving the team visibility in the market. And private-equity transactional clients of both Clifford Chance and Freshfields say that, on quality and ability to do the complex, cross-border deals, they are equals. "I'm happy to go to either of them," says one private-equity transactional client.

"They're very good, very knowledgeable and responsive," says the client about Freshfields, praising Chris Bown in particular: "He's commercial, knowledgeable and experienced - he's got it all." David Sonter is also noted by peers for his work.

But not everyone is absolutely convinced about Freshfields' approach to private-equity work. "They're sensible, grown up and have done very well with their practice," says one peer. "The question is how committed are they to private equity with the return of the M&A market? Is there a long-term commitment?"

But the general consensus is that the firm's top-notch skills at corporate work, its growing volume and its strong client base mean that the firm can be considered one of the market leaders for transactional private-equity work. Freshfields' fund formation is also recognised, but the market sees it as less strong.

Freshfields demonstrated the breadth of its practice when it advised Springer Science+Business Media on its debt refinancing and subsequent sale to EQT Partners and the Government of Singapore Investment Corporation (GIC). David Sonter led a team working on the private-equity elements of the deal, which was the largest European private-equity acquisition since the collapse of Lehman Brothers.

Chris Bown led a team advising CVC Capital Partners on the headline-grabbing \$3 billion purchase of Anheuser-Busch Inbev's eastern European operations, which included additional rights to a future payment contingent on CVC's return on initial investment. The deal was one of the largest private-equity transactions ever in eastern Europe.

Warburg Pincus turned to Adrian Maguire and his team on its subsidiary FN Cable Cooperative's sale of Eurocom Cable Management Bulgaria to Bultel Cable Bulgaria, a subsidiary of EQT. The sale was conducted while CVC was acquiring another Bulgarian cable company with a view to merge the two.

Elsewhere, Sonter advised Hellman & Friedman on its acquisition of Irish online hostel reservation company Web Reservations International via an auction process from a group of 20 selling shareholders; each of whom held a number of different classes of shares and convertible securities. The deal was one of the few LBOs of 2009, and needed complex drafting to ensure that all the shares and securities were acquired by Hellman at close.

"They're fantastic, very much on top of things technically, and they know what they need to know," says a client.

Leading lawyers

Chris Bown
Edward Braham
David Sonter

Linklaters

Linklaters appears in tier two for both the transactional and fund-formation tables this year as a reward for its strong work over the last two years. Linklaters has been working hard to win market share, and is noted by peers as being one of the more active firms in the market over the past 12 months.

One private-equity client mentions that they have been increasingly using Linklaters for private-equity work over the past few years on the back of the firm's "strength of service and the quality of the relationships".

Another client singles out Charlie Jacobs for praise: "Charlie is excellent; he's a brilliant lawyer and is very close to the file. He's a very involved person and is extremely good, accurate technically and very commercial."

Richard Youle receives praise from a client at a private-equity house: "We've got a very strong relationship with Richard Youle, who's the lead partner there," says the client. "He's our primary contact and he delivers a pretty good service."

Other clients note the firm's responsiveness, and describe it as "commercial and sen-

sible". Peers note that the firm has a knack for getting on the big deals, and has an increasingly strong client base including Terra Firma and HgCapital.

Ian Bagshaw and Youle are the two recognised names in the London practice, and while peers note that the team is fairly small, Linklaters does boast the backing of a very well-renowned, full-service, multi-jurisdictional practice. The team is itching to expand and will be one to watch in the coming years.

Youle's standout deal this year was advising OCM European Principal Opportunities Fund II, a fund of Oaktree Capital Management, on the restructuring of Countrywide. The deal, which was named Private Equity Deal of the Year at the *IFLR magazine's* 2010 European awards, was the first successful loan-to-own strategy by a private-equity house, and the first time a scheme of arrangement was used in the UK at the same time as a Cayman scheme and a US Chapter 15 organisation.

On the new money side the firm advised HgCapital on its recommended bid for Goldshield Group, which involved a number of revised bids, an aggressive stake-building strategy and an unrecommended scheme of arrangement.

Another highlight saw Montagu Private Equity mandate Linklaters on the sale of its subsidiary British Car Auctions to Clayton Dublier & Rice. The deal, one of the largest secondary buyouts in the UK in the past year, involved structural challenges due to the complex opco/propco relationship.

CVC also mandated the firm on the €373 million acquisition of Post Denmark's stake in Belgian Post. "I have only good words to say about the guys there," says one client at an investment bank.

Leading lawyers

Ian Bagshaw
Richard Youle

Weil Gotshal & Manges

Weil Gotshal's team has gone from strength to strength this year, expanding to take on new clients such as Canada's Teachers Private Capital and winning roles in a wide range of transactions in the process. This builds on the firm's already strong and loyal client base including Lion Capital, Advent and Terra Firma.

The firm has a sweet spot at combining its strengths in cross-border restructuring (the firm has a top-tier bankruptcy practice in the US) with private equity - a combination which is very much in demand from clients given the market conditions. "They've got several good guys there with loyal relation-

ships, and good guys in New York and London," says a competitor.

Michael Francies is the name that first comes to mind for most peers, while Marco Compagnoni and Jonathan Wood are recognised by clients for their strong work. One private-equity client praises the team for its "experience, responsiveness and commerciality".

One of the firm's highlights this year saw Michael Francies advise Lion Capital and Blackstone Group International on the €2.6 billion sale of Orangina to Suntory Holdings - one of the biggest private-equity exits of 2009.

Marco Compagnoni and Geoffrey Bailhache led a team advising CCMP Capital and Bancroft Private Equity on the \$356 million sale of Poland's Farutex and Czech Republic's Nowaco to The Bidvest Group. The sale was conducted by traditional auction which attracted interest from nearly 30 buyers.

Weil was also involved with new money acquisitions, with Compagnoni leading a team advising Advent International and its portfolio company Equiniti on its acquisition of the Xafinity group from Duke Street Capital. Jonathan Wood also led a team advising new client Teachers Private Capital on its debut European acquisition - its buyout of Acorn Care and Education from Phoenix Equity Partners. The deal was notable for the short time frame it was completed in.

On the restructuring side Mark Soundy advised Belgium's Truvi Group on the restructuring of its debt and equity capital structure; a challenging task due to its complex debt structure comprised of *covenant lite* senior facilities, high-yield notes and a payment-in-kind facility.

Mike Francies also worked with a cross-practice group to advise Dubai International Capital on the restructuring of its portfolio investment in Almatris Group. The firm advised the firm on developing the restructuring proposal and avoiding formal insolvency proceedings.

Leading lawyers

Marco Compagnoni
Mike Francies
Mark Soundy

Ashurst

Ashurst has had another bumpy year in the transactional private-equity market, losing a number of key partners and struggling to get out from under the shadow senior partner Charlie Geffen casts over the practice area he led until September 2008. Graham Ward was the first to go, moving over to Latham & Watkins in January 2010. David Arnold and

Gavin Gordon followed suit in June by moving across to Kirkland & Ellis.

Gordon is arguably the biggest loss, as he was seen by competitors as one of the firm's rising stars. "They have good young partners but they've missed a generation to take over," says one peer. "They've expanded other areas of their practice but taken their eye off the ball. They're trending the wrong way."

But not all private-equity counsel necessarily agree. "[Ashurst] gets transactions done quickly and efficiently," says one client. Another notes that the team is "commercial and responsive", and another praises the team's "great all-round lawyering". And while Stephen Lloyd and Bruce Hanton are the most recognisable names in the team to peers, clients praise David Evans and associate Karan Dinamani for their work.

Ashurst was active with private-equity restructurings this year, with one highlight on the transactional side this year seeing Gordon and Geffen advise Gala Coral on its £2.8 billion debt restructuring. Hanton also advised Candover Investments on its restructuring, which included approaches from various suitors with offers for a takeover.

The firm proved the breadth of its practice when Hanton advised LGC Holdings and its shareholders on its £257 million sale to Bridgepoint, which included a separate team advising the lenders as debt providers to Bridgepoint. In another highlight David Arnold advised the seller on its sale of a stake in Chiltern International Group to Greenhill Capital Partners Europe.

The firm's funds work is also well regarded by clients, with one noting its "overall professionalism and knowledge of private equity". Peers note that the team has a mezzanine funds focus, with Jeremy Sheldon seen as one of the firm's leading private-equity funds lawyers.

Highlights on the private funds side include advising on the joint venture arrangements of the formation of the \$600 million ADIC-UBS Infrastructure Fund I, and acting for Capman on the establishment of Capman Buyout IX - a Nordic private-equity buyout fund with target investor commitments of €650 million.

Elsewhere, the London and Dubai teams combined to act for Masdar Venture Capital, a subsidiary of Mubadala Development Company and DB Climate Change Advisers, on the establishment and \$265 million closing of the DB Masdar Clean Tech Fund.

Leading lawyers

Bruce Hanton
Stephen Lloyd

Kirkland & Ellis

Kirkland & Ellis is best known for its private-equity fund formation work, headed by the market-leading duo of Mark Mifsud and Richard Watkins. The duo moved over to Kirkland from SJ Berwin in 2007 along with some clients, and their efforts at building a successful London presence have been repaid with recognition by the market.

The London team also has the benefit of a top-tier presence in the US private-equity fund formation market, giving the firm extra clout with sponsor clients.

While much of the team's work is confidential, the team has been busy with reorganisation work this year, and has closed funds in the clean tech and energy sectors.

The transactional side of the firm raised its profile this year after the hire of respected partners David Arnold and Gavin Gordon from Ashurst. Gordon in particular is seen as a rising star by peers. It takes time for new hires to make an impact, but Kirkland will definitely be a firm to watch.

Jim Learner and Graham White are the most recognised names on the private-equity transactional side, while Erik Dahl and associate Dan Oates are also recognised by clients.

"If you want nasty American lawyers then they're great," says a private-equity client about Kirkland's private-equity transactional team. "They're very, very tough negotiators; sometimes that can piss people off, but that's fine with me." The team is also praised by clients for its availability and accessibility.

The firm is best known for its work with Bain Capital, although peers note that Bain's relative inactivity this year has meant the Kirkland team hasn't been very visible. What the market will be watching however is whether Bain's US counsel Ropes & Gray continues its expansion and adds a private-equity capability, in which case Kirkland may have a fight on its hands for the role of European counsel.

Leading lawyers

Jim Learner
Mark Mifsud
Richard Watkins
Graham White

Other ranked firms

Macfarlanes has a very strong reputation in the market and a client base to match. Clients love the fact that the firm can give a high-quality service along with close partner attention. "They're a mini-me Slaughters," says a client.

A transactional client notes the firm's thorough legal knowledge and commercial approach on the transactional side, while a

funds client praises the firm's "strong private equity coverage and fund expertise".

While corporate partner Tim Lewis departed for Clifford Chance this year, clients recommend Rob Boyle and Ian Martin for transactional work. Peers also note Bridget Barker for her funds work.

One client however notes that although the firm does have some strong talent, depth can be an issue. "They have a lot of solid guys but limited bandwidth," says one. "But what I respect is that they will say 'no I can't' if they don't have the capacity."

Peers also note that the firm hasn't grown its presence in the UK in recent years, and with its private-equity talisman Charlie Martin in the senior partner role, the firm needs strong leadership going forward.

A highlight this year saw the firm advise Just Retirement Holdings on its £230 million sale to a newco backed by Permira. The offer included a stub equity alternative for the Just Retirement shareholders to opt to receive part of their consideration in ordinary and preferred shares and loan notes in the bidder.

Hermes Investment Management turned to Luke Powell for advice on the disposal of its private-equity investment funds management business to Bridgepoint Capital, while Ian Martin advised the management of ALcontrol on its corporate restructuring in 2009.

Before his departure Tim Lewis advised BPP Holdings on its £304 million sale to Apollo Global, a joint venture owned by Apollo Group and the Carlyle Group. This was the largest announced private equity-backed deal in Europe during 2009 at the deal's completion. During the deal Apollo agreed to the release of a possible offer announcement, publicising its name and possible offer price prior to announcing a firm offer, putting the target in play.

Simpson Thacher & Bartlett provided the biggest talking point of the year (again) by poaching arguably the UK's highest-profile funds partner Jason Glover from Clifford Chance in July 2010. One competitor says about Glover: "He has the jump and everyone else is in his shadow." The market will be following the progress of the firm's funds practice very closely over the next couple of years to see how the hire impacts on Simpson Thacher's market presence.

Following on from its move on Adam Signy in 2009, Simpson Thacher is seen as making a big push to develop its European capabilities to compliment its market-leading reputation in the US. "They're top-drawer for quality," says a UK peer.

The hires have also upped the ante in the battle for KKR's European work. Simpson Thacher has a long-standing relationship with KKR in the US, but in Europe it didn't have a

corporate practice so handed off the work to Clifford Chance.

March 2010 brought along the first big test as KKR bid for Pets at Home. In a telling move, KKR went with new arrival Adam Signy and the bank finance team at Simpson Thacher, creating headlines in the process. The acquisition, valued at £950 million, was seen as one of the key private-equity transactions of 2010.

The team followed this up a month later when Greg Conway acted for KKR and Triton on their €850 million joint investment in Nordic healthcare company Ambea.

But while the firm has made an immediate impact in the market, peers note that it still has to develop its periphery practice areas to be able to keep clients such as KKR away from Clifford Chance. "They have such a fantastic client base it would be difficult not to do well," says a peer, "but they need to develop. Some of the larger transactions need a sizable team doing regulatory, IP and so on."

Away from KKR work, Signy acted for Primus Financial Holdings on its \$2.15 billion acquisition of Nan Shan from AIG in October 2009, and teamed up with Farhad Karim, Stephen Short and David Vann to advise Blackstone Real Estate Partners on its joint venture in which it is acquiring a 50% interest from The British Land Company in the Broadgate Estate in the City of London.

Elsewhere, Michael Wolfson acted for Denmark's TDC on its €sale of a 64.6% holding in Hungarian telecoms company Invitel Holdings to affiliates of Mid Europa Partners.

Leading lawyers: Adam Signy

A veteran of the UK private-equity market, **Travers Smith** claims second spot on the transactional table on the back of its strong reputation in the market and equally strong client base. "Travers Smith has done well, they're not just doing the management team stuff," says a peer. Another notes: "They've always had pretty good relations with mid-market funds in the UK. They're at the smaller end but they have good people."

A client also praises the firm for its private-equity experience and its commerciality.

Peers however note that given the international outlook of many private-equity houses in the present market, its lack of a cross-border network holds it back somewhat. "Nowadays you need a proper international footprint, especially in the US," says a partner. "You're not seeing the new technologies."

Following on from the departure of Charlie Barter to Bridgepoint in 2008, the firm suffered again with the departure of David Innes to Debevoise & Plimpton in September 2010, and funds partner Robert Barry to Proskauer Rose in January 2010.

However the firm still boasts the talents of Chris Hale and Philip Sanderson, and Edmund Reed is seen as an up-and-coming lawyer.

Before his departure, David Innes provided one of the firm's highlights by advising long-term client Bridgepoint Capital on its £955 million sale of Pets at Home to Kohlberg Kravis Roberts (KKR). The deal was structured as a dual-track, with the IPO element handled by Spencer Summerfield.

Paul Dolman led a team advising mid-market focused Barclays Private Equity on the £325 million sale of Deb Group to a newco backed by funds advised by Charterhouse Capital Partners. Travers Smith originally advised on the sale of Deb Group in March 2004, when Barclays backed the £135 million management buyout, taking a 55% stake in the business.

Travers Smith also advised new client Intermediate Capital Group and George Topco, the purchaser, on its investment in legal outsourcing company CPA Global. The transaction involved a multi-jurisdictional due-diligence exercise, purchasing the interests of hundreds of beneficial owners in a number of different countries, offering them a choice of consideration including instruments in the purchaser as well as cash, putting together a club of banks to help finance the deal and effecting the transaction through one of the first schemes of arrangements used in Jersey.

The firm was also active on the management side. Hale teamed up with Helen Croke to advise the sellers and sellers of Marken to a new company backed by Apax Partners, and advised the management on the sale of Montagu Private Equity portfolio company British Car Auctions to Clayton Dubilier & Rice.

Leading lawyers: Chris Hale and Philip Sanderson

While **Allen & Overy** is seen by the market as more finance-focused, peers note that, given the difficulty of having both senior lenders and private-equity houses as clients, they do a good job pleasing all parties.

"They produce a good account of themselves without hiding behind the management teams," says a peer. "They're so focussed on banks and they don't want to upset them. It's an institutional constructional constraint. Now debt is back and they want to press for their market share."

Derek Baird is seen as the firm's key partner, and he was particularly active this year. Baird worked alongside Gordon Milne to advise Apax Partners on the £975 million acquisition of Marken from Intermediate Capital Group. Apax also turned to Baird to advise as UK counsel on its agreement to pur-

chase a majority shareholding in Israel's Psagot Investment House.

Charterhouse are a key client of Allen & Overy's private-equity team, turning to the firm on its £325 million buyout of Deb Group from Barclays Private Equity and management, and on the £553 million buyout of Wood Mackenzie. The latter deal was one of the first key new money deals after the collapse of Lehman and one of the first significant underwritten debt packages (from non seller-affiliated banks) to a private-equity buyer in Europe in 2010.

Other notable roles include advising IK Investment Partners on the buyout of Vistra Holdings, and acting for AlpInvest Partners on its £136 million purchase, along with Palamon Capital Partners, of a majority stake in Associated Dental Practices.

Leading lawyers: Derek Baird

Cleary Gottlieb Steen & Hamilton's London office has a strong reputation for private-equity work in emerging markets, Russia in particular, and has the benefit of a very strong position in the US.

The firm's long-term relationship with TPG has provided dividends given the private-equity house's strong activity over the past year. Cleary's strong Russian presence won it roles on a number of key transactions, with one highlight seeing the London and Moscow offices combine to advise long-term client TPG on its acquisition of 35% of Russian supermarket Lenta.

The firm's Middle East and India work has been on the rise thanks to the influence of up-and-coming partner Tahir Sarkar. One highlight saw Sarkar advise TPG Growth on its acquisition of 10% of Greenko Group; a company incorporated in the Isle of Man and listed on London's Aim market. The transaction was TPG's first investment in clean energy in India.

Cleary's London office has also been picking up some work closer to home, with the firm advising TPG on its high-profile bid to acquire UK pet supplies store Pets at Home in January 2010. Simon Jay advised on the M&A aspects while Andrew Shutter provided financing advice on the proposed deal, which was eventually abandoned.

In another high-profile role, Simon Jay advised TPG in its bid to acquire Greek telecoms company Wind Hellas from owner Weather Investments Group in November 2009.

Cleary also has a strong relationship with Renaissance Capital, with corporate partner Daniel Braverman advising the private-equity house on its sale of a \$500 million, 50% stake in subsidiary Renaissance Capital to Russian investment fund Onexim Group in June 2009.

Practically all **Slaughter and May's** peers claim that the firm can do private-equity work on account of its market-leading general corporate skills, it isn't really focused on the sector. "They're really good, can do any deal, but do it because they're good M&A lawyers," says a peer, while another adds: "They're brilliant people but they're not in the club."

While the firm's overall set-up doesn't lend itself to specialisation, one client praises the firm for its "commercial view, responsiveness and ongoing relationship", and another cites its "strategic thinking, effectiveness and intelligence". Both clients however note that the firm could improve its cost effectiveness.

But to characterise Slaughter and May's private-equity work as opportunist is perhaps unfair. Together with its best friends network across Europe the firm has advised on a large number of deals this year, particularly in the restructuring area.

The firm's role advising Global Infrastructure Partners on its acquisition of London Gatwick Airport was also a key role this year. Mark Horton, Roland Turnill, Simon Hall led the team for Slaughter and May, which included a number of innovative features, including a share purchase agreement which included characteristics similar to those of an asset purchase agreement, the use of a locked-box mechanism as the seller wished to avoid completion accounts and a sharing of the debt risk between the vendor and the purchaser pursuant to heavily negotiated provisions, to name a few.

Another notable role saw the firm advise Castle HoldCo 4, the parent company of Countrywide (and owned by Apollo Management) on its restructuring via a loan-to-own strategy, which brought in Oaktree Capital Management, Alchemy Special Opportunities and hedge fund Polygon as new co-owners. The deal was named the Private Equity Deal of the Year at *IFLR Magazine's* 2010 European awards.

Latham & Watkins made its move in the market in January 2010 with the hire of prominent Ashurst private-equity partner Graeme Ward. Peers see the move as a sign that the firm wants to grow, and with its increasing strong debt finance practice and a strong European network behind it, the firm is certainly one to watch in this space.

While peers note that the firm's relationship with Carlyle drives the practice, its highlights this year came from a variety of sources. Candover turned to Graeme Sloan for advice on its £553 million sale of Wood Mackenzie to Charterhouse Capital Partners; one of the largest leveraged buyout deals in the UK in 2009.

Genband Inc, a One Equity Partners portfolio company, also mandated Martin Saywell

and Rod Brown on its \$282 million acquisition of the assets of Nortel Networks' Carrier Voice over Intellectual Property (VoIP) and Application Solutions business (CVAS) via a bankruptcy sale process.

Latham's strong Qatar links also brought it some strong mandates this year. Nick Cline and Nigel Champion-Smith teamed up with the New York office to advise Qatar Holding, an investment subsidiary of the Qatar Investment Authority, on the \$200 million purchase by NYSE Euronext of a 20% stake in the Doha Securities Market.

Elsewhere, Mike Bond advised Bluebrook, the holding company of IMO Car Wash, on its acquisition and complicated restructuring to various senior lenders, and Sloan worked with the Munich office to advise Silverfleet Capital on its €213 million acquisition of Kalle Group in August 2009.

White & Case is active across both transactional and funds work, with a recognised presence in both practice areas. A client describes the team as "commercial, fast, responsive and practical".

White & Case's European network drove a number of deals this year. Andrew Weiler and David Eisenberg acted for AlpInvest Partners on its acquisition from Fortis Bank of its interests in Fondo Nazca II, a Spanish private equity fund managed by Nazca Capital. Ilan Taylor also advised Mid-Europa Partners on the financial restructuring of its portfolio company the Norican Group.

Eisenberg also advised HSBC Investment Bank Holdings as existing preference shareholder and noteholder in O3b Networks in its sale of a \$75 million stake to SES.

While many of the firm's funds work is confidential, one publishable highlight saw funds head Matthew Judd work alongside the Hong Kong, New York and Tokyo offices to advise Pacific Century on its acquisition of AIG's investment advisory and asset management business. Judd also advised Deutsche Bank, as arranger and distributor, on the establishment of the Carlyle Global Credit Fund

Judd also worked alongside the Prague office to advise the Genesis Capital Fund II in structuring and establishing its second private-equity fund, focused on investment in the Czech Republic and Slovak Republic.

DLA Piper has more of a mid-market focus, but as usual has recorded a strong volume of transactions, particularly in the real-estate sector. A notable move this year saw Julian Mathews move out to the Bulgaria office to head the corporate team.

This year a highlight saw Sean Scanlon and Elizabeth Walters lead a team advising Funderburk Europe 2, an SPV owned by the Oman Investment Fund, on its £445 million

75:25 joint venture with Hammerson UK Properties to acquire Bishops Square in Spitalfields, London.

Herbert Smith boosted its private equity presence in January 2010 with the hire of James MacArthur from Kirkland & Ellis. A client praises the team for providing "high quality, commercially-focused advice", but also notes that the firm could further improve the breadth of its team.

While the firm isn't particularly visible to its peers, it was nonetheless involved in a number of private-equity transactions. A highlight saw Mark Geday and Michael Poulton lead a team advising Cabot Square Capital on the restructuring and settlement of its portfolio companies' arrangements with the administrators of Lehman. Associate Stephen Newby also advised DAM Capital on the MBO, sponsored by RHJ International, of a mezzanine debt provider now named Belvell Capital.

On the funds side, Thiha Tun and Karen Ip acted for the Energy Efficiency Project Investment Company on the launch of CEEF I; the first to be launched focused on energy efficiency projects in China.

Herbert Smith has also advised on a number of fundraisings, including NB Private Equity Partners' closed-end private equity fund of funds on Euronext Amsterdam, the Channel Islands Stock Exchange and the Specialist Fund market of the LSE, and JPMorgan Private Equity.

Skadden Arps Slate Meagher & Flom's private-equity practice is headed by Allan Murray-Jones, and is best known to its peers for its relationship with Doughty Hanson. Julie Bradshaw is also praised for her work by peers.

A highlight this year saw Murray-Jones and Bradshaw team up with the New York office to act for Asset Management Finance in its £30 million minority investment in Towry Law, a UK independent fee-based wealth adviser. The deal involved a combination of high-return PIK (payment-in-kind) notes and warrants and enabled the continuing majority shareholder, Palamon Capital Partners, to take cash out.

Bradshaw acted for Och-Ziff as cornerstone investor for a new fund, Max Property Group, managed by Prestbury Investments, investing principally in UK real-estate assets.

Skadden showed off its European credentials when Lamda Partners turned to Bradshaw in the €600 million acquisition of Greek chemical producer Neochimiki LV Lavrentiadis from The Carlyle Group and 17 Greek and international banks.

Other notable firms

Ropes & Gray has had the market talking given its private-equity pedigree (it acts as Bain Capital's US counsel) and aggressive lateral hiring in London to build a debt financing team.

Although the firm has yet to hire a dedicated private-equity partner in London, there is an assumption that is just a matter of when, not if. "They have a very nice private-equity practice in the US, so I'm surprised it took them so long to do the same here. All their competitors have a footprint in Europe," says a competitor.

However the peer says it's not just a simple case of opening the doors and expecting the work to flood in: "They're ten years behind, and it's pretty tough to crack in."

Project finance

Recommended firms

Tier 1

Allen & Overy
Clifford Chance
Linklaters

Tier 2

Latham & Watkins
Milbank Tweed Hadley & McCloy
Shearman & Sterling
White & Case

Tier 3

Ashurst
CMS Cameron McKenna
Freshfields Bruckhaus Deringer
Herbert Smith
Norton Rose
Sullivan & Cromwell

Tier 4

Baker & McKenzie
Chadbourne & Parke
Dewey & LeBoeuf
DLA Piper
Hogan Lovells
Simmons & Simmons
Slaughter and May

In contrast to other practice areas which are entirely dependent on market forces, the project finance sector has been a haven of peace. Roads, hospitals and power plants still need to be built regardless of the financial markets, so project finance partners have plodded on nicely while private equity and acquisition finance partners have been pulling their hair out.

That's not to say the project finance market is immune from the financial crisis; with the commercial banks struggling for liquidity post-Lehman, projects need to tap a number of financing sources to get off the ground.

Export credit agencies (ECAs) have stepped up into the gap where the commercial banks were, and despite some early doubts from the market as to their commercial sensibilities, have distinguished themselves as key players. "ECAs have grown in importance in the last two to three years," says a partner. "Most are becoming more commercial in their approach. A lot of them had a reputation for being slow, but they're fully engaged and committed to deliver their commercial objectives; the natural resource deals are able to bring a commercial benefit to their home country." The partner adds: "Jbic is now as quick as any commercial bank."

Project bonds have been another hot talking point in the market as a good source of finance, although only for strong assets such as rail and oil and gas. The highest-profile was Dolphin Energy's \$1 billion bond to finance a Qatari gas project, while UK rolling stock operator Porterbrook's £520 million project bond got away in April.

Bank counsel note that for the large 144A bonds such as Dolphin's there is a preference for US project finance firms given their better resourcing and experience on US securities law. "The UK firms can claim that they can do it [144A bonds], but I don't think they have the expertise and track record," says one.

Islamic finance tranches are also becoming popular for Middle Eastern deals. "There are social and political benefits in the Middle East to be able to include Islamic financing; it brings in new money and meets social needs," says a partner.

In the face of these financing sources, it is absolutely key for leading firms to be able to cover all financing structures, and cover them to a very high standard, to keep clients happy.

In the legal market the biggest news was Latham & Watkins' raid on White & Case's Middle Eastern offices. "The project finance world is relatively stable, the movement is always on the fringes. You always pitch against the same firms with an extra one thrown in to keep it cheap. To see something of that magnitude happen is pretty remarkable," says a partner.

Allen & Overy

Allen & Overy's excellent project finance practice again holds top spot in the rankings table on the back of its recognised abilities across the full range of projects, from mining deals in Africa to road infrastructure work in Hungary. The firm has a rough 50/50 split between energy and infrastructure work, and has a particular specialisation on waste-to-energy and water projects.

"They cover the Middle East well, and they have a decent office in Tokyo. And

they're doing well in London," says a competitor. "But they're not as strong in the Americas, in Latin America in particular."

Most talk about Allen & Overy's project finance capabilities this year was centred around the impact of Graham Vinter's move last year to BG Partners. "I've not seen A&O as much since Graham Vinter left," says a counsel at an export credit agency. Peers observe that while the firm is still terrific in the Middle East, since Vinter's departure the firm has been more active on UK PPP and PFI deals rather than big-ticket projects.

While not as high-profile as Vinter, the departure of partner Alan Rae Smith for Freshfields in April 2010 was another loss to the firm. But under the leadership of the very well-regarded Anne Baldock, the firm is still a key competitor for roles on every type large-scale project in the market.

There's no doubting that the firm has had a very busy year. On the energy side, the firm has been active in all stages of oil and gas project work. One highlight saw Rae Smith (before he left for Freshfields) advise Polskie LNG on the financing of an LNG (liquefied natural gas) receiving terminal in Poland. On the downstream side, Andrew Castle acted for a consortium of sponsors on the \$868 million Egypt vinylchloride monomer (VVC) and polyvinyl chloride (PVC) project, which involved the expansion of a VCM/PVC chemical plant in Port Said, Egypt.

In the power sector, Mark Walker and Lorraine Ball acted for the project company on the \$334 million 373MW Al Qatrana combined-cycle gas turbine power project, while Walker and Werner Runge advised Dong Naturgas on the financing of the Severn power plant in Wales and the Enecogen power plant in Rotterdam. On the renewables side, one highlight was acting for the sponsor, Sunray Renewables, on the €142 million Montalto di Castro photovoltaic project in Lazio, Italy.

The firm was also active in the nuclear power sector, acting for the engineering, procurement and construction contractor and supplier of the nuclear island, Atomstroyexport, on the construction of the Belene nuclear power plant in Bulgaria.

On the infrastructure side, the firm advised one of the shortlisted consortia on the Thameslink rolling stock and Dublin Metro projects. The team also advised a consortium on the Brabo 1 tram project in Antwerp, Belgium, and acted for GSM-R on the first PPP in the rail sector in France.

Airports and ports were another active area. The team acted for DP World as the sponsor of the London Gateway port project, and advised on the financing of the Cai Mep Thi Vai container terminal in Vietnam.

Allen & Overy also has a strong deal flow from utilities projects, advising the lenders on the development of the Hadera desalination plant and on the long-term financing of the Al Wathba and Al-Saad sewage plants in Abu Dhabi.

PPP and PFI projects were another source of work. The team advised the funders on the Enniskillen Hospital PFI project in Northern Ireland, the Southmead Hospital in Bristol, UK, and the Liverpool Library. Allen & Overy also acted for the project company on the Zayed University PPP project in the UAE.

Elsewhere, the team advised the lenders on the funding of the A2 motorway in Poland.

Leading lawyers

Anne Baldock

Clifford Chance

With a very large team and breadth of practice, Clifford Chance is undoubtedly one of the pre-eminent project finance firms in the UK. The firm covers virtually every sub-sector of project finance, from infrastructure public-private partnerships (PPP) and emerging markets oil and gas projects to renewable energy and utilities projects.

The team is also more decentralised than its tier one rivals, with strong teams in Paris (especially with the transfer of Nicholas Wong from Frankfurt) and Dubai providing a lot of the heavy lifting. While this decentralisation does lead some commentators to suggest that Clifford Chance is downplaying its UK projects team, the firm has a very strong flow of renewable energy and nuclear power, and has a strong presence in the UK transport infrastructure sector.

Another advantage of Clifford Chance's broad practice is its ability to service its project finance clients with other debt financing instruments through its market-leading debt capital markets and structured debt teams.

This year the firm has also attempted to shift its focus to sector as well as practice groups. While it is still early days, clients are already positive about the firm's customer-oriented approach. "They were very positive overall, and gave good support ... in a complex negotiation," says one sponsor-side client. "They have experience of similar deals available in the firm, and [experience] with the individuals of our team. They have a broad and deep understanding of all major stakes of the deal."

Andrew Grenville heads the global energy and infrastructure group, and works alongside the global head of projects Tony Giustini, who works out of the well-regarded Paris office.

Partner John Wilkins comes in for praise from one sponsor-side client for his knowl-

edge of the specifics of the client's deal and for his experience. "John has a very good balance between accuracy of advice and diplomacy and pushes his points very efficiently," says the client.

The client adds: "Ashvin Seetulsingh is a very skilled and dedicated lawyer ... very reliable and an enjoyable person to work with."

While Clifford Chance has continued to advise on oil and gas deals in the CIS and the Middle East, it has been also been carving out a strong reputation for African work. One downstream highlight saw the firm continue to advise the lenders on a \$825 million financing to Kosmos Energy for the phase-one development of the Jubilee offshore oil project in Ghana.

A highlight on the upstream side has seen the firm act for PetroSA (one of three firms in a joint-venture) on the development of the \$15 billion Mthombo refinery in South Africa. Clifford Chance also advised a Madagascan government agency on the development of a new petroleum code for the country.

The firm was also active in the power sector, advising the Horizon Nuclear Power joint venture between Eon and RWE Npower on the £20 billion development of a new generation of nuclear power facilities in the UK. In Europe, the firm advised the lenders on Spanish and UK law on a €120 million thermal solar project in Spain, and acted for Fortis Bank on the €535 million development and construction of an 870MW combined-cycle gas turbine power station in the Netherlands.

In addition Clifford Chance has been involved in the burgeoning wind power sector, acting for Zorlu Holding on the financing for a €135 million wind farm in Turkey, and advising InfraCo on the \$80 million Cape Verde wind power project.

On the infrastructure side, Clifford Chance advised the lenders on the London Gateway Ports project - the UK's first modern deep-sea container port - and acted for the lenders on the development of the €401 million Ionia Odos motorway in Greece.

UK PFI/PPP projects are also key for the firm, with the team acting for the lenders on the Manchester Waste Project and the Sheffield Highway Maintenance PFI deals and for the consortium of lenders on Thameslink's £2.2 billion upgrade of rolling stock, done under a PPP structure.

Elsewhere, the firm advised on road and infrastructure PPP projects in Europe, and acted for the lenders on the \$2.65 billion Mafrag-Ghweihaat highway PPP project in Abu Dhabi.

Leading lawyers

Andrew Grenville

Linklaters

Linklaters' project finance team is one of the most respected in the UK, with a market-leading presence in the energy and infrastructure sectors. And given that the firm has access to one of the world's leading debt and structured products teams, the firm can offer clients innovative solutions to any liquidity issues they might be facing.

One example of this is the firm's work on the Jubail refinery project in Saudi Arabia. Manzer Ijaz and Dubai-based Sarosh Mewawalla are advising the lenders on the deal, which has involved structuring the funding through a combination of 144A issuances, Islamic finance debt, export credit agencies, commercial banks and the Saudi Arabian Public Investment Fund.

The projects team is praised by one sponsor-side counsel for the way it approaches a transaction when representing lenders. "They were quick, pragmatic and didn't represent the lenders in too aggressive a way. They fought for their client in a way that you could still do the deal," says the counsel.

The counsel adds: "They were quite decent, and they were under pressure with time. The documents were good and I enjoyed working with them." Another client notes that the firm is very strong technically, especially in the oil and gas sector.

The team has been very stable this year, with the only notable move seeing Asia banking and projects head John Maxwell transfer to London from Hong Kong, while Stuart Salt moved out to Hong Kong in February 2010 to take up the role of Asia managing partner.

Clients praise the quality of the London team - Fiona Hobbs is singled out for her dedication to getting the deal done, while Ian Andrews and counsel Martin Kavanagh are also noted for their work on the lender side.

The firm's energy team has been very active this year and is praised by a client for its contacts in the Middle East. While the Jubail deal is a key highlight, the firm was also active in other emerging markets. One highlight saw Matthew Hagopian and Richard Coar advise Colombia's Refineria de Cartagena on the financing of a \$4 billion expansion of an oil refinery in Colombia.

The firm works widely across the power sector as well. Charlotte Morgan has continued to act for RWE on the design, construction and financing of units one and two of the Belene nuclear power plant in Bulgaria, while Fiona Hobbs and Owen Clay have advised Centrica on a joint-venture for the development of a new nuclear build in the UK.

Wind farms have been a strong area for Linklaters this year, with John Pickett and Mark Cheney acting for a consortium of 14

banks on the £340 million financing of Centrica for the Boreas Windfarm portfolio. Clive Ransome worked with the Frankfurt office to advise the banks on the \$1.2 billion financing of the 400MW Bard I windfarm in Germany, while John Pickett and Andrew Jones advised the banks on the €130 million windfarm in Turkey - the country's first internationally financed windfarm.

On the infrastructure side, Linklaters had a strong flow of road deals, with one highlight seeing practice head Bruce White and Stuart Rowson advise the lenders in the £5 billion PPP (public-private partnership) project to widen the M25 motorway in the UK. In Europe, Ian Andrews advised the Vinci Meridiam consortium on its tender for the €1.5 billion development and maintenance of four sections of the R1 Expressway in Slovakia. Alan Black also worked alongside the Moscow team to advise on the concession agreement for the construction of a new exit to the Moscow ring road from the M1 highway in Belarus.

Linklaters was also involved in the establishment of the Infrastructure Finance Unit, acting for HM Treasury. Subsequent to this, the firm advised HM Treasury on the £3.8 billion Greater Manchester waste and recycling PFI contract.

Other infrastructure projects include acting for the lenders on the £189 million construction of a new wing at Victoria Hospital in Fife, Scotland, and advising the Abu Dhabi Education Council on a \$1 billion PPP project for a new campus for Zayed University in the UAE.

Leading lawyers

Alan Black
Jeremy Gewirtz
Clive Ransome
Bruce White

Latham & Watkins

Latham & Watkins' project finance work out of London again receives high praise from the market, particularly for its Middle East oil and natural gas work. "Their London office looks straight to the Gulf and doesn't look left or right on the way there," says one peer.

Nevertheless, a client of its Qatari work raves about the firm's top-notch 144A bond capabilities, which, given the difficulties in raising finance at present, is critical to the success of energy projects. "Latham can claim very legitimately that they are one of the prime firms that have got the skill set across the bank, bond and export credit sides," says one client at an investment bank. "Very few practices can say they have that."

Another client notes the firm's familiarity with both Export Credit Agencies (ECAs) and lenders. "They know how to deal with multiple ECAs, which is great as it's like herding cats," says one bank client. The client adds: "They get deals done on schedule, and they deal equally with all the lenders and don't favour a particular one."

Bill Voge retains the same strong following as he always has among energy clients. "Bill Voge is client orientated, which seems to be underestimated in this industry," says one client. "He's always available and contactable."

While Dennis Nordstrom now splits his time between London and Washington, DC, London-based clients still regard him as a key contact. "He's not in the legend category yet but if he's leading a transaction we're always delighted, as we know he's very sound, very, very good to work with and can deliver," says a bank client.

But just as competitors started to suggest that Nordstrom's new split-office role could cause problems, following on from Joe Blum's move to Global Infrastructure Partners in 2007, Latham & Watkins responded with a high-profile raid on White & Case, which brought extra talent to the firm in the form of Craig Nethercott and Glen Ireland, along with a number of hires in Saudi Arabia and Abu Dhabi. The move is seen by peers as a "quantum leap" to diversify the firm's focus away from Qatar and into the wider Middle East - especially into the metals and mining sector, where Glen Ireland is a specialist. Nethercott has taken up the role of co-head of Islamic finance along with Mohammed El-Sheikh in Riyadh.

One of the firm's stand-out Qatari deals saw Nordstrom and Simon Dickens advise the sponsors of the Ras Girtas Power Company, a Qatari joint stock company, on the financing of the development of the \$3.25 billion Ras Laffan C power plant. The financing consisted of loans from the Japan Bank for International Co-operation (Jbic), Istituto per i Servizi Assicurativi del Credito all'Esportazione and a syndicate of 21 international and regional banks, as well as an Islamic tranche from Qatar Islamic Bank and the Islamic Development Bank.

Simon Dickens was also instructed by Qatar Gas Transport Company, and its subsidiary Nakilat, in the \$6.8 billion debt programme to finance the construction and acquisition of a fleet of LNG (liquefied natural gas) vessels. The deal, which is the largest ship financing ever done, involved multiple tranches; the \$940 million third tranche closed in 2009, and included the first loans made to a Qatari project by Chinese lenders.

Bill Voge and Ross Pooley teamed up to act for Morgan Stanley and Bank of Tokyo-Mitsubishi as lead arrangers and bookrunners regarding the export credit facility to Petroleum Export III for the forward sale of crude oil. Voge and Dickens also advised RasGas on a term loan financing to develop the RasGas 3 LNG project.

Nordstrom this year tended to work on the non-Qatari deals. One highlight was advising ABN Amro as lead arranger on the project financing of the Borco oil storage facility in the Bahamas. Nordstrom also acted for Nigerian National Petroleum Corporation and Exxon Mobil as project sponsor on a \$220 million financing for the expansion of its natural gas liquids facilities.

Leading lawyers

Bill Voge

Milbank Tweed Hadley & McCloy

Milbank Tweed's London projects team forms part of Milbank's formidable global projects group, which has pioneered many developments in the project finance industry over the past 30 years. The London team has a distinct emerging markets flavour, particularly for Middle East and African energy projects. The team has strong experience working as both sponsors and lenders counsel; however clients note the team's particular prowess on the lender side.

"If you've got Milbank on the other side of the table you know that the people are not just learning on the job," says one competitor.

The team in London may not match the numbers of a tier-one UK projects group, however the team works closely with the firm's leveraged finance, capital markets and corporate partners to provide a wide range of advice.

Milbank has a lock on the power sector in the Middle East recently, working on the vast majority of projects in the region this past year. Cathy Marsh worked alongside associate Ben Farnsworth on one of the firm's more innovative deals - the \$2.5 billion Al Dur independent water and power production (IWPP) plant. The duo acted for the sponsors on the financing, which included two Islamic tranches and financing from the US Export-Import Bank and the Korea Export Insurance Corporation.

Another notable deal saw Marsh advise GDP Suez on a \$238 million bond issuance into the US to fund the company's equity investment in an IWPP project - a capability which many projects clients are finding very useful in the current market.

The Milbank team was involved in the Barka 3 / Sohar 2 independent power produc-

er (IPP) project in Oman, fielding two separate teams on a bid - one advising the sponsors, and the other advising the lenders supporting a consortium's bid. John Dewar also advised the lenders on the financing of the \$1 billion Salalah IWPP in Oman, and the lead arrangers on Tenaga Nasional and SBG's bid for the \$3.5 billion Yanbu IWPP in Saudi Arabia.

The firm's oil work was also strong, with the team advising the commercial lenders in the financing of a \$265 million gas liquids expansion project in Nigeria. The team again represented the lenders on the development, design, engineering and operation of a \$12 billion petroleum refinery in Yanbu, Saudi Arabia.

Milbank was particularly active on African mining deals this year. One highlight saw the firm advise the lenders on the financing of the Moma titanium project in Mozambique, while the firm also advised the lenders on the Kolwezi copper tailings project in the Democratic Republic of Congo and the Kouilou potash project in the Republic of Congo.

The firm is also strong in the satellite and telecoms sectors.

Leading lawyers

John Dewar
Phillip Fletcher
Cathy Marsh

Sullivan & Cromwell

Sullivan & Cromwell's strong project finance reputation was reinforced by its role as lender/underwriter counsel on the landmark \$4.14 billion Dolphin Energy refinancing. The deal, regarding a gas field in North Qatar, included a \$1.25 billion project bond, a \$1.14 billion bank debt tranche (involving 22 banks) and a \$218 million export credit tranche from Abu Dhabi government investment arm Mubadala.

The closing of the Dolphin Energy deal made big news in the Middle East given the large scale of the project and difficult market conditions at the time, and has put Sullivan & Cromwell on the radar of all bank counsel in the region. The deal was led out of London by the very well regarded duo of Stewart Robertson and Jamie Logan.

One bank client notes that the firm's abilities at 144A project bonds are outstanding. "Their selling point is that the team is incredibly high calibre. There are no weak links - including associates," the client says. "All their associates seem to have been hand picked; they're all incredibly bright and hardworking."

Given the quality of the firm's lawyers, the client says that despite higher fees, Sullivan & Cromwell is very good value for money in the longer term. "At the end of the day their teams are quite lean and mean. Individually they're so strong and are very efficient, so in the long run the billable hours are less."

While Sullivan & Cromwell receives plaudits for its work on the lenders side, its borrower/sponsor side clients are equally pleased with their work. One borrower client praises the firm's overriding concern for its interests as opposed to the lender, and notes the firm's diligence, timely delivery of service and attention to detail.

The firm's project finance team regularly works in tandem with its New York headquarters on other matters. One example sees Jamie Logie lead the London team along with Fred Rich in New York to act for Australia Pacific LNG on the proposed financing of an LNG (liquefied natural gas) project in Queensland, Australia.

Jamie Logie is also advising the project company in the financing of a West African LNG project and is acting for Kenmare Resources on the restructuring of its titanium mining and processing project in Mozambique.

Leading lawyers

Jamie Logie

Sheaman & Sterling

Kenneth MacRitchie is the stand-out name at Shearman & Sterling's UK project finance team. The US firm specialises in power projects, but also completes a variety of oil and gas work in the Middle East out of its Abu Dhabi office. MacRitchie also has a niche working on Egyptian deals.

One highlight this year saw MacRitchie team up with Tim Pick to act for the project sponsor, Egyptian-listed private-equity firm Citadel Capital and project company Egyptian Refining Company, on the \$3.5 billion financing for the redevelopment of its refinery at Mostorod, near Cairo - the largest-ever project financing in Africa.

MacRitchie also advised Barclays Capital and HSBC on a \$430 million bridge loan to Israeli companies Delek Drilling, Avner Oil Exploration and Dor Gas to finance their share of exploration and development costs in the Tamar natural gas field off Israel's northern coast.

Leading lawyers

Kenneth MacRitchie

White & Case

White & Case provided the biggest news in the traditionally stable project finance market in perhaps five years when it lost Craig Nethercott and Glen Ireland to Latham & Watkins in January. The firm also lost Greg Hammond to Akin Gump in November 2009. Along with similar losses in the London banking department and the Middle East, the moves were perceived as a huge blow to the team's project finance capabilities.

But is it actually a huge blow? Not everyone believes this is the case. Despite suggestions to the contrary key sponsor client Saudi Aramco didn't shift across to Latham, and other clients don't report any desire to jump ship any time soon.

"White & Case would be happy - they've taken a bunch of partners off their overheads and have kept their business," says one competitor. "But if they don't find a solution to their Saudi problem soon they might have problems."

The firm is reported to still have good relationships with its Qatari clients, and has been in the project bonds market. The firm is also described by another client as "a very competent law firm for providing advice to lenders".

Thankfully for White & Case Philip Stopford, "one of the legends" of the industry according to one client, is still on staff and continues to pull in strong praise from the market. "Philip Stopford is an incredibly good lawyer in every way," says one bank client. "He's hugely admired in bank circles - he's very robust and very straightforward, which is what everyone wants in a project finance lawyer. He's a partner of very, very high calibre."

"If they lost Stopford it would have been interesting," adds a competitor.

Leading lawyers

Philip Stopford

Other ranked firms

There is some confusion in the market about Freshfields Bruckhaus Deringer's project finance practice. Last year the general feeling in the market was that the London office was moving away from the projects area to focus more on its corporate activities; Charles July's move to Dubai in July 2008 and subsequent departure for Watson Farley & Williams in May 2010 was another indication of this, say competitors.

However peers note that the firm has done something of an about-face. The firm pulled off the high-profile lateral hire of Alan Rae-Smith from Allen & Overy to help renew its attack on the UK market, while other partners report that their phones have been running

hot. "They rolled up the shop. But then six months later we all got phone calls," says a competitor. The general market perception is that the firm is keen on regaining the market presence it has lost to its peers over the last few years. "Watch this space," says a competitor.

With Rae-Smith on-board the firm boasts some strong names, with Nicholas Bliss and Alex Carver the stand-outs according to commentators. Senior associate Marc Fevre also comes in for praise. "Nick Bliss and [structured finance partner] Marcus Mackenzie - I rate them a lot," says a client. "If you've got the right people on the deal it helps enormously."

The firm receives plaudits from clients for its approach to a transaction. "They were very quick, professional, had a good work environment and know what they're doing. I like their approach as it's very commercial," says a client. Another client however notes that while Freshfields is a good group to work with and "very accomplished", conflicts with the firm's government roles conflict it out a lot.

Alex Carver had a good number of Russia-related infrastructure deals this year on both the lender and bidder sides of the table. Carver led a team advising a consortium of lenders on the construction and operation of the first section of the Moscow to St Petersburg toll road. The deal is implemented under a BOT (build-operate-transfer) scheme and is valued at €1.43 billion.

Carter also led a team advising the preferred bidder consortium on the \$1.8 billion Pulkovo PPP project in St Petersburg for the reconstruction and operation of the city's airport; the first international airport PPP project in Russia.

Another interesting deal saw Bliss work with the New York and Paris offices to act for the lenders on the \$215 million New Dawn satellite project, which included the construction, launch and operation of a new commercial communications satellite to serve the continent of Africa.

The deal involved a financeable contractual matrix of asset, service delivery and regulatory contracts encompassing English, Mauritian, French, Bermudan laws (and entities) and the laws of the States of New York and Delaware (and entities). The deal also involved space insurance and a host of communications regulations across a number of jurisdictions.

In the UK, the firm is advising the Department of Transport on Thameslink's procurement through PPP and PFI structures of 900-1200 rolling stock vehicle and related depots, as part of the Thameslink programme, and for IEP's 30-year rolling-stock procurement programme.

In the energy sector, the team is also acting for the Department for Energy and Climate

Changes in relation to its project to demonstrate the use of carbon capture and storage technology on a commercial scale at a coal-fired power station in the UK.

Elsewhere, the firm acted for the European Investment Bank on the financing to up to six offshore transmission owners regarding the transmission assets of the Greater Gabbard, Sheringham Shoal, Ormonde, Thanet, Waley 1 and Waley 2 wind farms in the UK.

Leading lawyers: Alex Carver and Nicholas Bliss

Herbert Smith is best known for its energy work, with power being a particular strength of the firm.

Mark Newbery heads the power group and was involved in a large proportion of its highlights this year. In one, Newbery teamed up with Caroline Powell to advise Visagino Atomine Elektrine on its €5 billion plans to finance, construct and operate new nuclear plants in Lithuania in joint venture with Poland, Estonia, Latvia and other international utilities companies. The firm is also advising the Lithuanian government on structuring the opportunity offered to international utilities, and in particular, reforming its existing nuclear laws and regulation to facilitate the development.

Long-term client EDF provided a strong pipeline of work this year, with one highlight seeing Pyke and Newbery advise the energy company on its £20 billion nuclear new-build programme in the UK. The matter included advice regarding the National Nuclear Policy Statement and the first funded decommissioning programme to be developed with the Department for Energy and Climate Change and the Nuclear Liabilities Funding Assurance Board.

EDF also turned to Henry Davey, Adrian Clough and Jennifer Bell for advice regarding the €4 billion disposal of its ownership of the three distribution networks in the south east of England. In addition, Newbury worked with the Paris office to advise the company on a €4 billion joint venture to develop and operate France's second European Pressurised Reactor nuclear power station at Penly, Normandy. Herbert Smith beat three other competitors to secure the mandate - its first French mandate for EDF.

Elsewhere, Adrian Clough and Henry Davey acted for Ofgem (the UK Office of Gas and Electricity Markets) on the £15 billion development and implementation of the regime for the competitive tender of the financing, construction, operation and maintenance of offshore electricity transmission systems for connecting offshore generation

(particularly offshore wind farms) to the onshore transmission network.

Baker & McKenzie boosted its project finance team this year with the hire of Calvin Walker from Allen & Overy in September 2009. The firm has an emerging markets focus, particularly Saudi Arabia and Kazakhstan where the firm has market-leading practices.

Saudi Arabian Mining Company (Ma'aden) was a key client this year, mandating Mike Webster and Neil Donoghue on the development of a \$10 billion bauxite mine, alumina refinery, aluminium smelter and related infrastructure in Saudi Arabia. The firm is also advising Ma'aden on the development of a phosphate mine and sulphuric acid, phosphoric acid, ammonia and diammonium phosphate plants in the country.

In Kazakhstan, Webster teamed up with Richard Blunt to act for Kazakhstan Petrochemical Industries on the development of an integrated petrochemical project in Kazakhstan. The project involved using gas feedstock to produce polypropylene products, including connecting pipelines, all related utilities and offsite facilities.

Elsewhere, Webster worked with Ian Jack to advise Autostrada Wielkopolska II as concessionaire in the €1.6 billion project financing for the construction and operation of Section II of the A2 toll motorway in Poland, which is a section of the Berlin to Moscow highway. The firm had previously advised Autostrada Wielkopolska II on the first section of the motorway.

While **Slaughter and May's** setup doesn't allow for a specific project finance department, the firm is still more than capable of advising on a wide variety of matters.

Peers note that the team has been active in Egypt-related mandates of late. One highlight saw Helen Griffiths lead a team advising the European Investment Bank, African Development Bank and Pathfinder commercial bank on the financing of a new hydro-cracker and coking facility adjacent to an existing refinery facility in Mostorod, Egypt.

Long-term corporate client Centrica was a good source of work this year, mandating Paul Stacey and David Bicknell on the £343 million non-recourse project finance facilities from a consortium of 14 banks for the financing of Centrica's wind farm portfolio. Interestingly the money came from some banks which have in the past said that they would not lend to offshore wind projects.

Centrica also turned to the duo on the project financing of the 270MW Lincs offshore wind project in England. Through its subsidiary British Gas Trading, Centrica will also enter into a 15-year power purchase

agreement to offtake 75% of the electricity production and 50% of the renewable obligation certificates generated by the Lincs wind farm. The project was also notable for the use of larger wind turbine rotor (120 metre) and the involvement of the wind turbine manufacturer in the equity.

In addition the firm advised Centrica on the sale of a 50% stake in Lincs to Dong Energy and Siemens Project Ventures.

Other notable firms

Watson Farley & Williams specialises in renewable energy projects, in particular wind energy. The team expanded this year with the hire of the well-regarded Charles July from Freshfields in May 2010.

A highlight this year saw Evan Stergoulis and Simon Kavanagh act for Belwind (a company owned by a consortium of Belgian and Dutch investors) as sponsor on the financing, construction and operation of the €613 million 165MW Belwind project, located offshore of Belgium. This is the largest offshore wind farm project financing with risk to date, and was the first offshore wind deal to close during the liquidity crisis.

The firm also advised Dong Energy and Siemens Project Ventures on their €375 million acquisition of a 50% equity stake in the 270MW Lincs offshore wind farm project from Centrica. The acquisition is being made through a newly incorporated joint venture company, owned in equal shares by Dong Energy and Siemens.

Restructuring and insolvency

Recommended firms

Tier 1

Allen & Overy
Clifford Chance
Freshfields Bruckhaus Deringer
Linklaters

Tier 2

Bingham McCutchen
Latham & Watkins
Slaughter and May

Tier 3

SNR Denton
Weil Gotshal & Manges
White & Case

Tier 4

Kirkland & Ellis
Hogan Lovells
Sidley Austin
Jones Day
Skadden Arps Slate Meagher & Flom

Tier 5

Ashurst
Cadwalader Wickersham & Taft
CMS Cameron McKenna
Herbert Smith
Simmons & Simmons
Macfarlanes

Patchy is the word most often used by partners to describe the restructuring and insolvency market in the UK this year. Banks have held off pulling the trigger and forcing companies into insolvency as they don't want to cause issues with their balance sheets, or force the economy to slide into a deep depression.

"Banks now don't mind about their debt looking shaky - it's common," says a partner. "Deals are being made that are artificial constructs where it seems like the debt is forgiven but isn't. It's a very unreal market."

In this market subordinated lenders have been under pressure in distressed situations. IMO Car Wash's highly-contested £435 million scheme of arrangement was a talking point given that it effectively left the mezzanine creditors out of the money, while private-equity sponsors are also making life difficult for mezzanine lenders. While it's bad news for subordinated lenders, the resultant legal work is great for specialists such as Bingham McCutchen.

Partners have also reported a good line of work for renegotiating covenant-lite loans, while structured finance-related restructurings are also hitting the market. There are a large number of CMBS restructurings which will need to be done in the coming years, but as it

stands there are no real experts for this kind of work.

"It's an illusion that those who put the CMBS together are good at pulling them apart. The dynamics of putting the deal together are much different than the people pulling them apart," says a partner. "CMBSs are very, very hard to unwind. If we went out and told clients that we could do this we'd have more work than we can handle."

The lateral hire market has been busy due to the arrival of US firms Ropes & Gray and Greenberg Traurig Maher onto the market. Ropes & Gray hired Weil Gotshal's restructuring head Tony Horspool, while Greenberg hired Lyndon Norley and Jason Salman from Kirkland & Ellis.

Allen & Overy

Given its market-leading leveraged finance practice Allen & Overy is recognised as having a particular strength on multi-bank workouts, both in the UK and across Europe and the Middle East. However its debtor side work is not to be sneezed at; the firm has landed a number of plum roles on the company side over the years, with the Monier Group and Incisive Media mandates restructuring proof of its capabilities.

"They've got some very high-calibre restructuring partners who have got a lot of deep experience which they can bring to bear on restructuring transactions for their clients," says a client. "They've been around the block. Sometimes you're in the situation where you're working with law firms who don't have the right mindset, and that can make it harder to get things done."

The firm's spread of offices means it is well placed to advise on all manner of cross-border R&I work, and the strength in depth of its partners is the envy of the market. "They've got a very good bench, very good restructuring partners, and leveraged partners with restructuring experience," says a client.

While Gordon Stewart is the head of the Global Restructuring group and therefore more client facing, Mark Sterling is seen by peers as having stepped into his shoes. Katrina Buckley's great work on Metronet is cited in particular by one peer, while a client praises her for her balance of skills. "She's very thorough and very commercial," says the client.

Ian Field and Earl Griffith are still well-recognised names in the market, while Jennifer Marshall and associate Nicola Simson are noted as strong up-and-coming names.

Randall Weeks comes in for specific praise from a client for his skill set. "He's very commercial, very practical and very much on the ball," says a bank client. "I think he's very good." A senior client does note however that

Allen & Overy's restructuring lawyers could project themselves as a team a bit better, rather than as a collection of individuals.

Allen & Overy's strength is on the creditor side of restructuring work, and the \$40 billion Dubai World restructuring was a good example. Mark Sterling, Carolyn Conner and Michael Duncan acted for the committee of senior lenders on the high-profile matter.

Another good example is Buckley and Nicholas Clark's work on the Wind Hellas debt restructuring. The duo led a team advising 17 senior lenders on the deal, which was the largest pre-packaged insolvency in England to date.

Griffith also advised Hatfield Philips International as servicer and special servicer of the Four Seasons whole loan in connection with the restructuring of the Four Seasons Healthcare Group.

On the debtor side the firm advised PAI Partners and the Monier Group on the restructuring and refinancing of the Monier Group. The deal, led by Mark Sterling and Robin Harvey and valued at €2 billion, was the first effected through the enforcement of a share pledge governed by Luxembourg law.

Sterling and Harvey combined with David Lines to act for Apax Partners and its portfolio company Incisive Media on Incisive's \$304 million restructuring and refinancing. The deal involved separating the US business from the UK business which involved two separate, complex restructurings.

Elsewhere, Stewart showed he wasn't too occupied with management to get involved in legal work when he teamed up with Randal Weeks and Dan McGown to advise Mecom on its €1 billion debt restructuring and issue of warrants to a bank syndicate.

Elsewhere, Jennifer Marshall has been advising over 150 counterparties regarding the collapse of Lehman Brothers, and acted for two parties regarding an application brought by the Lehman administrators regarding how to deal with \$2 billion Lehman Brothers Europe had set aside for certain clients in accordance with the FSA.

Leading lawyers

Ian Field
Earl Griffith
Mark Sterling
Gordon Stewart

Clifford Chance

Clifford Chance has had another extremely strong year, picking up roles on some of the most high-profile restructuring and insolvency work in the market. While best known for its work with creditors, the team has been developing its debtor side practice over the

years. Given that the team advised Dubai World on its financial restructuring - one of the most high-profile in the market - you could argue that its efforts have largely paid off.

Clients are keen to praise Clifford Chance's team for its debt restructuring work in particular, citing its experience and ability to handle complex cases. Nicholas Frome is by far the client favourite, with one describing him as a "true advisor" for his role advising a large number of banks across a number of different facilities in a very big (and confidential) cross-border restructuring.

Adrian Cohen is also praised by a senior bank counsel, although his large workload means that he can be difficult to get hold of at times. "He's a strong lawyer and good colleague person but he has a lot on his plate," says a client.

Peers note that Mark Hyde and David Steinberg are very practical and easy to work with, and don't push as aggressively as you might think. Says another competitor: "Frome and Hyde are really good lawyers, really good advisors to clients. And *sensible*."

Philip Hertz's recent work is also noted by peers and clients. "He's excellent; he delivers the firm in totality. He was very, very good," says a bank client. "I hadn't worked with him before and he was a nice, pleasant surprise with an ability to step up." Ian Field is also seen a lot on senior lending syndicates. Associate David Towers is also noted as an up-and-coming lawyer.

Clifford Chance's jewel in the crown this year was arguably the Dubai World financial restructuring; it is so large that Mark Hyde has temporarily relocated out to Dubai to work on the matter. But while his move might be great for Dubai World, not all London clients are pleased. "One criticism is that they need to make sure they have other people around," says a bank client. "Mark Hyde is in Dubai, so I need to see more of other people."

Hyde and Adrian Cohen in London combined with the excellent Dubai team on the \$40 billion deal, which involved advising the company regarding support funding from the Dubai Financial Support Fund, negotiations with various creditor classes and other issues to do with *sukuk* (Islamic bond) and subsidiary Nakheel.

While many other of its debtor-side roles are confidential, Frome acted for Kuwait's Global Investment House on its \$1.7 billion debt restructuring, and David Steinberg advised Russian baby food manufacturer Nutritek on the €200 million restructuring of its domestic and international debt.

Clifford Chance was prolific on the creditor side this year; one highlight saw Hyde

advise the senior co-ordinating committee and the agent in connection with the restructuring of Monier's (previously known as Lafarge) €2 billion debt. Frome also advised the co-ordinating committee of lenders on the €950 million restructuring of Independent News & Media's debt.

One of Philip Hertz's highlights saw him mandated by JPMorgan Chase (as agent for a syndicate of lenders) on the €700 million restructuring of the British Vita group. The restructuring was run as a debt-for-equity swap, which involved the reduction of Vita's syndicated debt to €100 million and the injection of €95 million of working capital. The deal was also one of the first to be implemented by a UK Scheme of Arrangement.

Clifford Chance's strong private-equity practice also provides its fair share of mandates, with one highlight seeing Iain White act for the Alcontrol Group, a subsidiary of key client Candover, on its €200 million financial restructuring following its sale to funds managed by its senior lender, GSO Capital. The innovative deal had three tiers of debt lenders as well as shareholder debt, involved a consensual agreement between all parties to avoid a formal insolvency process and reduced existing debt by 75%.

Leading lawyers

Adrian Cohen
Nicholas Frome
Philip Hertz
Mark Hyde
David Steinberg

Freshfields Bruckhaus Deringer

Freshfields Bruckhaus Deringer's well-regarded R&I team is well known for its mix of debtor and creditor roles, but given its corporate client base it tends to lean more towards company-side representations.

"They're very good in the restructuring space," says a bank client. "Richard Tett and Chris Howard I have a lot of time for, and Ken Baird I know quite well. Richard and Chris are two strong lawyers and if we're not happy about something we can have a straight chat about it."

The bank client continues: "I've actually moved some things to Freshfields when I've had the opportunity, and they haven't let us down.

The firm's work is certainly popular with competitors. "I like the team. Ken [Baird] is very steady and is always in for the corporate," says one peer. "He keeps his head when everyone else is losing theirs." Clients praise the firm for the knowledge it brings to a transaction.

Howard is also known for his work on the creditor side in the early stage of workouts, while Tett's role advising the Bank of England means he has been particularly visible in the past 18 months.

Associate Ryan Beckwith is also noted by a peer as one to watch. "He's someone who understands what the banks need," says one competitor.

Predictably Freshfields landed a string of debtor-side roles this year, with one highlight seeing Baird lead a team advising McCarthy & Stone on its restructuring. Led by Tett and Catherine Balmond, the restructuring involved two schemes of arrangement which interlinked and effectively left behind over £250 million of junior creditors who no longer had an economic interest - the first time in decades that courts have approved a scheme and where it was actually implemented. The two schemes were also combined with two pre-packaged administration sales, leading to a quick and clean restructuring.

Baird worked with a cross-practice team to advise Independent News & Media on its discussions with bondholders and the banks on its debt restructuring, which included a £177 million debt-for-equity swap, £82 million rights issue and £133 million disposal programme.

Another strong mandate saw the firm work with its German, New York and Hong Kong offices to advise shipping container company Zim on its debt restructuring. Freshfields negotiated more than 60 debt facilities, many of them syndicated, and negotiated with shipyards and ship-owning counterparties on charter arrangements. What is more, the restructuring was completed in nine months and was led by Freshfields without a steering committee.

Freshfields has also been active advising administrators. Ernst & Young mandated Baird, Tett and Anne Sharp on the administration of Icelandic bank Kaupthing Singer & Friedlander, which involved advising on the emergency legislation regarding Kaupthing's transfer of depositors' savings to ING, as well as issues regarding trust analysis and negotiations with borrowers regarding repayment and refinancing of loans. The firm is also advising the Bank of England on the matter.

Ernst & Young also mandated Nick Segal and James Watson on the administration of Heritable Bank, one of Icelandic bank Landsbanki's subsidiaries. The matter included the transfer of Heritable's retail deposit book to ING, negotiating the reinstatement of direct debit facilities and the management of structured property finance

loans and mortgages given to borrowers before Heritable's administration.

While the majority of Freshfields' key mandates are on the debtor side, the firm is more than capable of advising the senior creditors. In one highlight RBS, Alcentra, Bank of Ireland and Allied Irish Bank turned to Chris Howard on the £530 million restructuring of Incisive Media. The deal allowed the lenders in the UK to become majority shareholders in the restructured UK business, and reduced UK debt from £230 million to £110 million.

Leading lawyers

Ken Baird
Chris Howard
Nick Segal
Richard Tett

Linklaters

The Lehman Brothers mandate still hangs heavily over all discussions about Linklaters; as having the lead role on the largest ever corporate insolvency is likely to do. The firm still receives strong plaudits for its role on the matter, and, given that the firm also advised the administrators on the Enron collapse, makes it a prime contender for all large cross-border insolvencies.

"They're all very diligent, all very good and all very proactive," says a bank client. "They've got very good experience, and are very capable restructuring practitioners," says another client.

The Lehman work is still ongoing and will likely be for some time. David Ereira (usually known for his banking work) and the very well-regarded Tony Bugg have been working on the deal, which has involved advising PricewaterhouseCoopers on the drafting of a claim resolution agreement for the return of trust assets. The matter has also involved the analysis of the financial promotion of securities offerings in nine key jurisdictions.

However to claim that Linklaters is all about Lehman is misleading. Yes it is an important matter for the firm, but the team has been very active in the market this year outside of Lehman. There is also less of a feeling in the market that the firm is "swamped", and given that the firm has won roles in a string of pre-pack and debt restructuring work in the past year, its position in the top tier was not under threat. "A couple of guys worked on Lehman but not everybody," says a bank client.

Linklaters' leading lawyers are also roundly praised: "It's not just one guy, there's quite a few guys," says a bank client. "I work with Richard Bussell - he's top drawer; he's both commercial and practical. He's very good with the theory and is very experienced," says one bank client.

"He knows what lawyers do and what bankers do, and he gives banks the tools to make the right decisions."

Tony Bugg also comes in for praise for his communication skills. "Bugg is pragmatic and not afraid to speak his mind," says a client. "He's direct when he needs to, but keeps his mouth shut when he needs to. He knows when to be in listening mode."

"Richard Holden is incredibly accessible and has a phenomenal retention of facts," says a client. "He's pragmatic in his advice and is incredibly well organised as well." Rebecca Jarvis also wins plaudits from competitors and clients alike.

Junior partner Euan Clarke is also cited by one peer as one to look out for in the coming years, while associate Richard Hodgson is praised by a client for his insolvency work. "He's a toned-down version of Tony Bugg," says the client. "He's pragmatic, knows insolvency law really well and is very measured in the advice he gives." Associates Nick Le Masurier and Andrew Pirrie are also praised by a bank client.

However Rob Elliott's continuing role in management has led market commentators to note his lack of visibility on deals.

One of the firm's standout deals saw it act for Oaktree Capital on its £740 million investment in Countrywide's debt. The deal was conducted as a loan-to-own restructuring via a debt-for-equity swap, and involved English and Cayman schemes as well as a US Chapter 15 recognition process.

The firm's practice has a creditor bias given its strong links with the lender banks. One highlight saw Bussell advise the senior lenders on Tiscali's €500 million financial restructuring, which involved the disposal of its UK operations to Carphone Warehouse, bank facilities and a public equity raising.

Linklaters also advised the banks as arrangers of the restructuring of Schaeffler's €12 billion debt it took on for its purchase of Continental. The deal, one of the largest debt restructurings in Europe in 2009, required (confidential) bespoke instruments to restructure the company's balance sheet.

Yushan Ng won a role advising the senior noteholders on the €1.23 billion restructuring of Hellas Group. The matter was one of the largest pre-pack administrations to date and involved the transfer of one of Hellas' companies from Luxembourg to London to take advantage of UK insolvency procedures.

On the insolvency side, Linklaters showed that it was capable of doing non-Lehman work when Rebecca Jarvis won a role advising Grant Thornton as liquidators of several companies within the Saad Investments Group, which is owned by a (confidential) prominent Saudi Arabian national. The liquidations involve allegations of fraud on a massive scale, perpetrated

by the owner, and reportedly could ultimately affect the banking community's willingness to do business in the country. The process is expected to take a number of years and, while too early to say exactly, is valued at many billions of dollars.

"They're incredibly commercial, pragmatic, thorough and well resourced," says a client.

Leading lawyers

Tony Bugg
Richard Bussell
David Ereira
Richard Holden
Rebecca Jarvis

Bingham McCutchen

While Bingham McCutchen's focus on representing subordinated creditors makes it a bit tricky to compare the firm to its tier one and two peers, the feedback that the firm gets for its work in its niche is very, very strong. "They're very, very good - it's quite frightening really," says one client.

"If you look at just bondholders they're a super tier one," says one competitor. "With the demise of Cadwalader they are the leading London bondholder practice, so it's sensible to have them there. They're clearly the top of what they do by a long way."

The competitor adds: "They've gone from a good number two to totally dominating number one." And it's true - if the *IFLR1000* had a subordinated creditor table, Bingham would be top by a mile.

Clients are keen to praise the firm, in particular its "great technical ability and commercial application" and its ability to deliver "comprehensive, careful and critical insights". James Roome's reputation continues to be strong among investment manager and corporate clients. "James Roome of Bingham is a strategic counselor and shrewd negotiator," says one client.

"Barry Russell has it all - top shelf understanding of the law; deep relationships with his peers and the bank community; very responsive and hard working," says another client. James Terry is praised by clients for his strategic thinking and his "depth of knowledge married with commerciality". Liz Osborne is described by clients as an "outstanding tactician with an endless command of the facts", as well as responsive, accurate and very knowledgeable. Tom Bannister is also praised for his work by a client.

"Their senior associates are all very capable, and that's why we tend to use them when they're available," says a restructuring client.

Given that the team is so in demand there are times when capacity can become an issue, but clients note that they know their limitations. "They're quite good at turning around

and saying that they've got too much on," says a client.

Bingham also added to its team this year with the hire of structured finance partner Sarah Smith from Sidley Austin to give a bridge across to the US securitisation lawyers who joined when Bingham merged with McKee Nelson in mid-2009. Her knowledge of complex CMBS structures will likely come in handy when the refinancing wall hits in 2011 and 2012.

Bondholder work is a staple of Bingham's practice, as its lack of strong bank-side relationships means that it's not afraid to go take on the banks. One highlight saw James Roome lead a team advising the *ad hoc* committee of bondholders on the financial restructuring of Independent News & Media. The transaction involved the exchange of €123 million of bonds into equity through a cash-box structure and underwritten right issue.

Barry Russell and Natasha Harrison and the US office have also continued their work advising the bondholders of Icelandic banks Kaupthing, Glitnir and Landsbanki on the recovery efforts to preserve the upside in the *new* and *old* Icelandic banks, which involve composition arrangements under Icelandic law.

On the mez side Roome led another team acting for a group of mezzanine lenders on Gala Coral's €2 billion restructuring. The matter is expected to involve a deleveraging of the group through the capitalisation of interest on the mezzanine loans, as well as the issue of shares in the group to mezzanine lenders.

While best known for its subordinated work, Bingham is also very adept at working with the senior lenders. One highlight saw Roome lead a team advising the ATY consortium of senior lenders (consisting of three private-equity houses) on the €2.07 billion financial restructuring of German company Monier. The restructuring involved a resuction in cash pay debt and cash interest expense, as well as a €150 million credit line from the senior lenders and a share issuance to the senior lenders.

Given that some clients and partners criticise Bingham's lack of a European network, the Monier deal shows that the firm is more than capable of handling cross-border European financial restructurings.

Bingham has also advised holders of private-placement notes this year, with one highlight seeing Barry Russell and Neil Devaney work with the US office to advise Thomson's private-placement noteholders in its €2.84 billion restructuring. Russell also led a team acting for Johnston Press' private-placement noteholders in the company's £485 million debt restructuring.

Leading lawyers

James Roome
Barry Russell

Latham & Watkins

Latham & Watkins moves up a tier this year on the back of strong client feedback and a wide-ranging deal sheet across debtor, creditor and insolvency work. Unlike some of its US rivals the London office drives much of its own deal flow, and the well-regarded Italian and German offices give the firm clout in European matters.

The team is praised by one client for its "breadth of international experience", while another notes that the Latham team has "good knowledge, [is] very responsive and accessible".

John Houghton is the strongest true R&I name at the firm, although peers and clients note that Jackson Taylor's brand is becoming equally as strong. The firm's financial lawyers are well regarded by R&I peers and clients, with Christopher Hall and James Chesterman attracting specific praise. Dan Maze is recognised by a client for his deal handling skills, while the "always available" Ross Pooley is described by one client as having a "good commercial grasp [and] sensible advice".

Holly Neavill, who joined from Bingham McCutchen in early 2009, is also praised by a client: "She's very responsive, hardworking and cracks through the documents."

The firm's hire of four banking partners from White & Case in early 2010 can also give the firm extra bodies to deal with debt restructurings.

While the firm is arguably best known for its creditor work, its sponsor and company representations are not to be sneezed at. One highlight saw Houghton lead a team advising IMO Car Wash on its £435 million restructuring, which included advising on a highly-contested Scheme of Arrangement which left the mezzanine creditors out of the money.

Houghton also led a team advising Gallery Group on its \$175 million financial restructuring, while James Chesterman and Holly Neavill acted for Schoeller Arca on its cross-border debt restructuring, which involved advising on English, Spanish, French, German and US law.

On the senior creditor side Houghton and Jackson Taylor advised the committee of noteholders on the restructuring of a \$1 billion project finance transaction in the Middle East.

German-related deals were a strong source of work this year, with Houghton and Maze advising the senior creditors' committee on Honsel Group's debt restructuring. The firm also teamed up with the New York office to advise Goldman Sachs as agent and security agent and the senior creditors' committee on the debt restructuring of German auto parts company Global Safety Textiles, which involved a Chapter 11 of the US Bankruptcy code and a transfer of shares to the senior creditors.

On the subordinated credit side, Houghton advised the mezzanine lenders to the Warburg Pincus portfolio company Ideal Stelrad during

its debt restructuring, while Dominic Newcomb acted for the mezzanine lenders on British Vita's restructuring.

Pooley also advised Aviva Life & Pensions as sole noteholder on the £25 million private placement note issue to Southampton FC Group and its subsequent sale out of administration of the club and its assets.

The firm was active on insolvencies as well, advising Grant Thornton as administrators of the Bell Leisure Investment companies (holding companies of the Esporta group) and working with the Madrid office to advise a creditor in the Martinsa-Fadesa insolvency.

Leading lawyers

John Houghton
Jackson Taylor

Slaughter and May

Slaughter and May holds its position in the second tier after another strong year advising on a range of UK and cross-border work. While the firm's company-side and government links means it has a ready-made client base, Slaughter and May has this year also been active advising funds and accountancies.

Competitors' general point about Slaughter and May is that it's not really focused on hunting R&I work, and that the work they do get comes from its corporate department. But when pushed, one partner admits that "they're brilliant in terms of technical competence"; which, at the end of the day, is one of a client's top priorities.

Sarah Paterson's work has been increasing recognised over the years by peers (particularly for her finance work), while George Seligman is still a strong name in the market. One criticism however from peers is that the work does tend to be very formal and can therefore slow down the process at times.

One highlight this year saw Paterson team up with Miranda Leung to act for Ernst & Young as administrators of Greece's Hellas Telecommunications, which involved Hellas' (in administration) sale of subsidiary Wind Hellas to Weather Finance. This was the largest-ever UK pre-pack administration, and was an example of the ability of an EU company to move its insolvency jurisdiction to England to take advantage of its insolvency laws (Wind Hellas was based in Luxembourg).

Paterson and Leung also combined to advise an investment company of Morgan Stanley Real Estate Funds on Four Seasons Health Care group's £1.5 billion debt restructuring. The lenders were spread out across 11 tranches of debt and involved a consensual debt-for-equity swap which reduced the group's debt by around 50%.

General Motors UK mandated George Seligman and his team on matters connected to the Chapter 11 filing by the General Motors Corporation and the restructuring of General Motors Europe. The restructuring involved advising on the implications of the Chapter 11 filing in the US, as well as German bridge financing and trust arrangements for Adam Opel.

Seligman was also active with private funds, advising American Capital and a European member of the American Capital group on the restructuring of its European debt facilities. The restructuring involved negotiated waiver and amendment letters to address failures under certain covenants, and required a cross-border security package across four European countries.

On the debtor side, Seligman and Ian Hodgson acted for Raymarine on its £15 billion debt restructuring and possible pre-pack administration, while Matthew Tobin acted for long-term client Lupus Capital on the refinancing of its \$230 million and £25 million bank facilities.

The firm is also providing ongoing advice to HM Treasury on the £20 billion Northern Rock restructuring.

Leading lawyers

Sarah Paterson
George Seligman

Other ranked firms

All talk regarding Weil Gotshal & Manges' restructuring and insolvency team this year was about the departure of department head Tony Horspool to Ropes & Gray in January 2010 - two years after he joined Weil from Cadwalader. Daniel Martin followed Horspool to Ropes & Gray in July 2010.

The moves came a year after the firm lost previous R&I head Chris Mallon to Skadden. Dominic McCahill has taken over the department and is working closely with Mike Francies, however the changes have not gone unnoticed by commentators. "For a firm like Weil that's pretty astonishing," says one peer.

There was division among clients about the firm's responsiveness, with one saying that the firm suffers from a lack of resources in London which has affected its response rate on some of the larger cases, while another designates the firm's responsiveness as a strength.

However looking at the firm's deal sheet there is no doubt that it has a knack for attracting some key mandates. Weil operates primarily as a global group, taking on the UK and European ends of larger international mandates such as Lehman and General Motors - roles which have rolled on into this year given their size and complexity.

But what distinguishes Weil Gotshal from its competitors is the London office's ability to win roles on high-profile UK and European mandates on its own merits. The team has continued to represent Kaupthing following its collapse, and a group of senior debt holders in the Four Seasons Healthcare Group restructuring.

This year a team led by Francies acted for Dubai International Capital on the restructuring of its portfolio investment in the Almatris Group, which involved advising the company on its efforts to deal with a fluid class of creditors, many focusing on sophisticated workarounds to the restrictions contained within the current finance documents.

The Songbird Estates restructuring is another strong mandate. The team advised Canary Wharf Group owner Songbird Estates on its £1.03 billion recapitalisation, primarily advising on its arrangements with its existing and future majority shareholders. Lion Capital also turned to Weil on the restructuring of its investment in Russian juice producer Nidan Soki, which involved a debt-for-equity swap by the mezzanine lenders via a partnership structure and a renegotiation of the senior credit arrangements.

Elsewhere, the team advised the Truvo Group and Apax on the restructuring of Truvo's debt and equity capital structure, which was made complex given that a number of the holding companies were incorporated in Delaware.

White & Case sought to rebuild following the departure of Dan Hamilton to Ashurst last year with the hire of Chris Pilkington from Skadden. Pilkington joined Mark Glengarry, who is praised by clients for his work. "Mark Glengarry is very commercial and you won't find anyone that works harder for his clients," says one.

However many peers and clients make the point that, while Glengarry is a very capable partner, the fact that he was only made up to partner in October 2009 means that he lacks the experience to head up a department. "He's a quality guy but only just made up - it's tough to put out a newly made-up partner as your head of department," says a peer. A client, while praising Glengarry, says: "The loss of Dan Hamilton is big - the remaining partners are very junior and lack big-ticket experience."

But despite the concerns about experience, clients are largely happy with the service that White & Case has provided. One praises the team for its commerciality and pragmatism, while another cites its ability to innovate. Yet another client praises the firm's "quality of work, innovation and teamwork across departments".

Another client praises the firm's strength in eastern Europe. "I do believe they have the bench strength and reach across Europe, and in places like the Russian Federation it dovetails with what I do."

The firm's work on the Wind Hellas restructuring drew praise from competitors. Glengarry led the restructuring advice for Wind Hellas in its pre-pack administration, where Weather Investments successfully re-acquired the business after receiving almost unanimous support from the company's €1.8 billion senior bank and bond creditors. The deal is the UK's largest ever pre-pack, and was made even more interesting due to the movement of the company's centre of main interest from Luxembourg to England.

White & Case's strong European and CIS links gave it a strong work flow this year. The London team worked with the Kazakhstan office to advise BTA Bank and Alliance Bank on their respective restructurings. Colin Chang also worked with the firm's German and New York offices to advise Treofan on its restructuring via a debt-equity swap involving high-yield bonds; an area with few precedents in Europe.

Elsewhere, the team advised the steering committee of banks on the consensual restructuring of the Linpac Group. The restructuring was done via a court-administered scheme of arrangement, reducing Linpac Group's debt burden by around 45% and results in a new two-pronged capital structure.

Hogan Lovells had a change at the top this year with Stephen Foster taking over as global head of business restructuring and insolvency from Robin Spencer.

A client notes that compared to other firms, the Hogan Lovells team is more a collection of individuals than a solid unit. "They're more individual practitioners, they have niches that don't overlap. They have a big partner pool in R&I and each know what they're doing," the client says. The client adds: "Lovells need to embrace the merger and to be enthusiastic about it."

Joe Bannister and Deborah Gregory are noted by clients for their work, while another client praises the firm for its "strength and depth of advice".

While peers often describe the firm as more focused on SIV restructuring work, a bank client notes that the firm has been doing a lot of bank- and corporate-side R&I work of late.

A highlight saw Paul McLoughlin team up with the Netherlands and German offices to advise the senior lender co-ordination committee in relation to the contested restructuring of the IMO Car Wash Group. The restructuring utilised a combination of

schemes of arrangement and sale of assets through a pre-packaged administration to burn off the mezzanine creditors.

Another highlight saw Alexander Wood act for Phoenix & London Assurance, a subsidiary of the Pearl Group, in the restructuring of part of its £4.5 billion business using an innovative Part 26 scheme of arrangement under the Companies Act 2006. This was the first time a scheme of arrangement has been used for a life insurer not experiencing financial difficulties, and contained a number of features novel to solvent insurance company schemes.

On the administrator side, Foster and Bannister acted for the joint administrators of First Quench Retailing in its administration. The firm had advised the company previously on the restructuring of its pension and lease liabilities. This was the largest retail administration since the collapse of Woolworths, and one of only a small number of trading insolvencies to have taken place in the current downturn where pre-packs have been far more common.

Leading lawyers: Joe Bannister, Stephen Foster and Robin Spencer

Kirkland & Ellis has also had a bumpy year staff-wise, losing R&I head Lyndon Norley to Greenberg Traurig Maher in October 2009 followed by Jason Salman to the same firm in March 2010. Paul Atherton reportedly entertained the option of heading to Greenberg at the same time as Salman but eventually decided to stay put.

A client notes that since Norley's move Kon Asimacopoulos and Philip Crump have been in charge of distressed restructuring work. Another notes that the team is "very thoughtful on complex transactions".

Peers note that the firm needs to recruit to rebuild its team, however they don't see the loss of the two partners as particularly bad given the firm's reliance on private equity-related restructuring work.

While the firm's private-equity work is well known, Kirkland's push into representing alternative new-money providers such as hedge funds makes it a strong choice for these providers if the deals tip into a restructuring phase.

While not particularly visible to peers, **Sidley Austin** is praised by clients for its US and UK cross-border expertise, and for its innovation, delivery and accessibility. The London team is led by Patrick Corr and Robin Parsons.

The firm leveraged its strong structured finance practice when it advised Perpetual Trustee Company as trustee for investors in notes under the Dante programme on the Lehman Brothers Special Financing Inc case. Lehman sought to assert both in the English

and in the US courts that certain standard provisions in synthetic CDO and other derivative transactions are invalid on a bankruptcy of the swap counterparty.

The High Court has determined that such provisions are valid as a matter of English law, and that decision has been unanimously upheld by the Court of Appeal, however the US Bankruptcy Court has determined that the provisions are invalid as a matter of US law. The issues are relevant to a larger number of synthetic credit-linked note and other structured finance transactions both in the UK and in the US.

In more conventional R&I work, the team advised a senior lender committee in the restructuring of TI Automotive Group. Meanwhile, the firm advised Smurfit-Stone Container Corporation and its affiliated debtors, including in Canada, on the UK elements of its Chapter 11 and CCAA (Companies' Creditors Arrangement Act) proceedings.

While **Skadden Arps Slate Meagher & Flom** partner Christopher Pilkington departed for White & Case this year, Chris Mallon is still seen as the main driver of the practice. "I quite like him, he's very good at working on eurobond restructurings," says a client.

Peers note that Skadden tends to work on the UK end of US-originated mandates, with many claiming that Pilkington's departure shows that the firm doesn't have a strong ambition to grow its practice in the UK. But while the firm does have its fair share of US-led R&I work, it has also won some interesting European mandates over the past couple of years.

Skadden this year advised Koenigsegg Group, a consortium led by Swedish luxury sports car maker Koenigsegg Automotive, in its proposed acquisition of Saab Automobile AB from General Motors Corporation. The team also advised the Escaline group on the restructuring of its debt financing, including the negotiation of standstill arrangements with senior, second lien and mezzanine lenders and the initiation of an M&A and equity injection process.

However arguably the larger cases the firm was involved in did come across from New York, however given the firm's position as one of the leading firms in the US R&I market, these deals are nothing to be sneezed at. For example, the firm advised Nokia Siemens Network in its proposed purchase of various business lines from Canada's Nortel Networks, which is in Canadian CCAA (Companies' Creditors Arrangement Act) and US Chapter 11 proceedings.

Elsewhere, the team acted for Hayes Lemmerz International and its European subsidiaries in its US Chapter 11 cases, including

a debtor-in-possession loan from a group of pre-petition lenders led by Deutsche Bank and GE Capital.

Leading lawyers: Chris Mallon

The main talking point about **Ashurst** was regarding the hire last year of Dan Hamilton to replace Nick Angel. While peers are quick to use it as evidence of instability at the firm, clients are quick to praise the experience Hamilton brings. "The partners tend to have a corporate rather than financial background, but this gap has been plugged by the recruitment of Dan Hamilton, who is one of the most able financial restructuring lawyers out there and is technically very strong," says a bank counsel.

While one client says that strength in depth is a question, another notes that Simon Baskerville is a partner to watch. "Simon Baskerville is a young up and coming partner, very commercial, and a calm way about him in many fraught sittings. He's quite calm in tough situations - going overly aggressive in some situations doesn't always suit." Another notes that he is "very practical and commercially minded [with] good committee experience".

Ashurst is seen by other bank clients to be increasing its profile in the market through its high profile on bondholder committees. "They're very commercial in their outlook - they tend to work with us to try and develop mutually beneficial opportunities," the client says. Another bank client praises the firm's "ability to deploy a broad-skill base from different parts of the firm".

A highlight this year saw Baskerville advising the ad hoc committee of bondholders on the restructuring of Cattles, while Matt Macdonald advised EN+ Group (the investment vehicle of Oleg Deripaska) on its restructuring of £1.12 billion of debt.

Giles Boothman was active this year, advising Gala Coral its £3 billion restructuring involving negotiations with the company's private-equity investors, senior lenders and junior lenders, and acting for Jessops on its restructuring via a debt-for-equity swap and a compromise arrangement with the Pension Regulator regarding the group's pension liabilities.

Boothman teamed up with Sian Robertson to act for Focus on its restructuring involving a company voluntary arrangement with its landlords, while Giles Boothman and Sian Robertson advised GSO Capital as senior lender to the Alcontrol Group in a lender-driven debt-for-equity swap.

Leading lawyers: Dan Hamilton

While peers note that **Cadwalader Wickersham & Taft** is not the practice it was three years ago, clients praise Richard Nevins for his aggressive and innovative approach.

Cadwalader largely concentrates on note and bondholder representations, with one highlight seeing the team act for an ad hoc committee of bondholders in connection with their investment in bonds issued by CIS advertising company Gallery Capital.

The firm advised the committee of holders of €1.3 billion floating-rate subordinated notes issued by Hellas Telecommunications (Luxembourg) II in the pre-pack administration of Wind Hellas.

However the firm also has the ability to work on debtor-side representations. A highlight saw Nevins act for France's Akerys Holdings and its private-equity sponsor Qualis SCA on the design and implementation of Akerys' successful financial restructuring. Akerys was eligible to enter French *sauvegarde* (safeguard) proceedings, however Cadwalader chose to negotiate with the bondholders. This allowed the private-equity sponsor to retain voting control of the de-leveraged business without having to provide case of its own.

Herbert Smith boasts a strong corporate client base and a well-recognised dispute resolution practice, giving it all the tools needed to advise on a range of R&I matters. Kevin Pulham and Stephen Gale are the most recognised practitioners in the group.

The firm's role advising Ernst & Young on Nortel's administration in the UK is still the main talking point about the firm. Gale is leading the team on the group's pan-European filing for administration in the UK, the company's global restructuring and the sale of a number of its key business divisions.

Pullen this year led a team advising the lenders and administrators on Oilexco's administration - the first time a company holding UK oil and gas exploration licences has entered administration. In addition, after the firm underwent collateral attack in the New York courts, the firm prepared a company voluntary arrangement which returned Oilexco to solvency and maximised value for creditors.

Another insolvency mandate saw Simon Chadney and Don Rowlands act for Lloyds Banking Group and Deloitte on the administration of Thornfield Ventures, while the firm is also advising JJB Sports on its ongoing £83.4 million financial restructuring and company voluntary agreement.

Macfarlanes' private-equity client base is seen by commentators to be the main driver of its R&I work. "They have an extensive private equity client base, and given the issues with leveraged buyouts they will be drawn upon in those situations," says a client.

The team expanded this year, adding Francis Bridgeman from Allen & Overy and

Barry Donnelly from Jones Day in September 2009.

One of the firm's highlight this year was its role advising Four Seasons Healthcare group on the restructuring of its £1.7 billion debt package; the first major CMBS restructuring in the UK. The high-profile role was led by Bronwen Jones and Ian Martin; the latter who, while not strictly a restructuring partner, was praised by a client for his work. "He's calm, has a good bedside manner and helped the board through," says the client.

Christopher Lawrence and Rachel Bond led a team advising Montagu on the restructuring of its investment in Linpac, while Francis Bridgeman and Bronwen Jones worked with Willkie Farr & Gallagher's Paris office to act as English counsel to Investec Trustees Guernsey, trustees of a number of Tchenguiz family trusts, on its entry into a French conciliation process under which it will reschedule much of its multi-billion euros of financing arrangements.

Elsewhere, Francis Bridgeman and Richard Rogerson acted for the shareholder and a secured creditor of a number of leading high street brands including Threshers and Wine Rack on the rescue financing, the entry of the group into administration and the secured lender's claim in that administration.

Simmons & Simmons is best known for its work representing hedge funds on R&I matters.

The firm has been advising over 100 hedge funds on the Lehman Brothers International Europe insolvency. This included recovery of trusts assets; commencing the first piece of litigation to reach the High Court and advising the representative bodies for the UK and US hedge fund industries. Following on from its role on the Lehman insolvency the firm has won a number of new asset management and hedge fund clients looking to benefit from the experience the firm gathered from the matter.

However the firm has form in more traditional restructuring and insolvency work. John Davies and Peter Manning led a team advising Prudential as security trustee on the enforcement of security and appointment of Deloitte as administrative receivers to the Pinton Group of property companies owing £75 million. The team subsequently advised Deloitte as receivers, including the unusual step of the receivers appointing independent administrators over one of the companies in the group and subsequently purchasing hotel assets from those administrators.

Manning advised Grant Thornton as the joint administrators of Alizyme regarding potential sales of its assets, and, in the absence of a sale of the business as a whole, negotiated and completed the sale of a product for the treatment of obesity and type two diabetes.

Alan Gar was also active, advising the independent valuer appointed by HM Treasury on the English law insolvency aspects following the Dunfermline Building Society's administration.

Other notable firms

Ropes & Gray's hire of Tony Horspool was a key talking point in the market this year, with most peers concluding that the move was more suited to his skills developed at his previous firm Cadwalader Wickersham & Taft. "I see no reason why Tony would not be successful there. He's got the connections in all the bondholder and credit committees," says one.

However others question the extent that the firm will focus on its portfolio clients as opposed to chasing new mandates. "They're relevant; it's difficult to see how it fits into the model though," says one competitor. "But it's a strong firm and one to take seriously."

The firm however got off to a very strong start by winning a role advising hedge funds GoldenTree Asset Management (through its long-term relationship with ex-White & Case high-yield partner Jonathan Bloom) and Sankaty Advisors as euro note purchasers in connection with the issuance of €110 million eight-year senior secured notes, refinancing its debts and allowing it to exit from bankruptcy.

Greenberg Traurig Maher made a splash this year with the hire of Lyndon Norley and Jason Salman from Kirkland & Ellis.