

Austria

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Recent legislative developments in Austria

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Vienna

The Austrian Takeover Act 2006

On April 30 2004 the European Directive 2004/25/EC on takeover bids (the Directive) came into force. The enactment is part of a process that will result in the harmonization of national takeover law with EU law. In Austria the Takeover Act 2006 is going through the legislative process at the time of going to press. The draft law is scheduled to come into force on May 20 2006.

Current Takeover Act

The current Takeover Act applies to public offers for the acquisition of shares of an Austrian stock corporation being admitted to the official or semi-official market of a stock exchange in Austria (the target company). A bidder, or parties acting in concert, acquiring a controlling interest (directly or indirectly) in a target company must launch an offer to all other shareholders to purchase their shares in the target company (mandatory offer). Further, the Takeover Commission must be notified within given time periods.

Takeover Act 2006

The definition of "controlling interest" is now incorporated into the Takeover Act 2006. An interest is generally presumed (rebuttable presumption) to be controlling if 30% of the voting stock of a target company is directly or indirectly held by an individual or a legal entity. The acquisition of voting rights not exceeding 30% will in no case trigger a mandatory bid (safe harbour). However, voting rights exceeding a participation of 26% are suspended unless explicitly lifted by the Takeover Commission. The Takeover Commission, upon application, can impose conditions on the bidder instead of suspending the voting rights.

In the case of a passive acquisition of control, a mandatory bid is not compulsory if the acquirer could not have reasonably expected the obtaining of control at the time of acquiring the participation. Nevertheless, the passive acquisition must be notified to the Takeover Commission.

The minimum price for shares in the target company in a mandatory or a voluntary offer aimed at the acquisition of a controlling interest shall be the higher of (i) the average share price traded on the stock exchange during the six months immediately preceding the acquisition of the controlling interest, or (ii) the highest price paid by the bidder during the past 12 months (minimum offer price). Before the Takeover Act 2006, this minimum offer price could be reduced by 15%. Upon

implementation of the Directive into Austrian law, such reductions are prohibited, to ensure all shareholders are treated equally.

From the time a bidder's intention to submit a public bid becomes public, a target company must not undertake measures to jeopardize the offer; the management board and the supervisory board must act neutrally. However, the search for a more competitive takeover bid is permitted (searching for the white knight). Also, the management board and the supervisory board must issue a statement on the takeover bid immediately after publication of the offer documents. Such statement can also point out reasons for rejecting the offer.

Pursuant to Article 12 of the Directive, the member states have the option to provide for any restrictions regarding the transfer of shares stated in the articles of association becoming ineffective after publication of the takeover bid. Austria did not implement this option. However, Austrian companies still have the possibility to include restrictions on the transfer of shares in their articles of association. Furthermore, if provided for in the articles of association, following the announcement of a takeover bid where the bidder holds 75% or more of the voting rights in the target company, the bidder is entitled to convene a general meeting of shareholders, in which he is free to remove supervisory board members delegated by shareholders and appoint new members (the breakthrough rule).

Upon request, the Takeover Commission issues an official notice stating whether the holder of interest in a target company is obliged to launch a takeover bid.

Under certain circumstances the Takeover Act 2006 might also be applicable (in parts) to Austrian target companies, which have their shares listed on a regulated market in the EEA, other than the market where the target company has its registered office.

In the course of the implementation of the Directive, a new law on the squeeze-out of minority shareholders will be enacted. Pursuant to the new law, a majority shareholder holding not less than 90% of the share capital of the company can squeeze-out the remaining shareholders at a fair price. The squeeze-out right will be general and not restricted by the need for a preceding takeover bid, as provided for in the Directive. The minority shareholders will not be entitled to block the squeeze-out, but will have the right to a separate judicial review of the accuracy of the compensation paid for their minority stake. In the event that a squeeze-out is followed by a takeover bid, the consideration offered in the takeover bid shall be presumed to be fair where, following acceptance of the bid, the bidder acquires shares representing not less than 90% of the share capital of the target company.

Banking

Recommended firms

Tier 1

Wolf Theiss

Tier 2

Binder Grösswang

Cerha Hempel Spiegelfeld Hlawati

Dorda Brugger Jordis

Freshfields Bruckhaus Deringer

Tier 3

Dallmann & Juranek

DLA Weiss Tesson

Schönherr Rechtsanwälte

Tier 4

Doralt Seist & Csoklich

Hausmaninger Herbst

Preslmayr & Partners

Saxinger Chalupsky Weber & Partners

Wolf Theiss

Winner of the Austrian law firm of the year at *IFLRs* 2006 awards, Wolf Theiss boasts “an excellent banking practice” according to one rival – a consensus felt across competitors and clients alike. Commentators unanimously noted that the firm has considerable capacity and expertise in this practice area. In terms of individuals, praise was espoused for Richard Wolf, one pundit suggesting “he is the reason why they are a leading firm”. Managing partner Markus Heidinger was also pinpointed as a leading lawyer by rivals.

Austria as a jurisdiction continues to receive instructions from foreign banks on refinancing matters, largely as a result of the country’s relatively low exchange rates. Wolf Theiss seized upon the ripe market conditions as local Austrian counsel advising BNP Paribas in the refinancing of Intercompany and in senior loan facilities relating to the acquisition of the property portfolio of Brau Union/Heineken. In a deal worth €134 million, this proved to be a complex process because the exercise included a corporate restructuring of the entire group, which had to be completed simultaneously with the financial close. The firm’s expertise was called upon further when guiding Asset One Immobilien Entwicklungs and Square One Liegenschaftsverwertungs on the financing of acquisitions in Austria. The transaction involved a bridge financing round with Bank Austria Creditanstalt worth €270 million and a refinancing round with BNP Paribas worth €130 million.

Erste Bank continues to be a key client, and turned to the firm in the middle of 2005 for advice in relation to a credit facility concerning the acquisition of hotel located in Prague and the refinancing of exiting debt. Closing in July 2005, the deal was worth €98 million.

The firm continues to receive instructions from overseas too, advising Deutsche Bank (London) with respect to various public offers and private placements of financial products in Austria.

Leading lawyers

Markus Heidinger

Andreas Schmid

Richard Wolf

Key contact partners

Markus Heidinger

Richard Wolf

Andreas Schmid

Binder Grösswang

Binder Grösswang continues to gain praise for its banking work, with Stefan Tiefenthaler suggested as another leading lawyer in the Austrian banking arena. Apart from the firm’s office in Vienna, Binder Grosswang has reaped rewards from its Innsbruck office, which has seen an influx of key Italian clients. In a notable transaction closing in December 2005, the firm advised in the refinancing of Sappi.

Other clients of the firm include Investkredit Bank AG, Bank Austria and IKB Deutsch Industriebank.

Leading lawyers

Michael Binder

Tibor Fabian

Christian Klausegger

Stefan Tiefenthaler

Key contact partners

Michael Binder

Tibor Fabian

Christian Klausegger

Stefan Tiefenthaler

Cerha Hempel Spiegelfeld Hlawati

Although many market commentators feel that Cerha Hempel Spiegelfeld Hlawati (CHSH) is the capital markets leader, rivals noted that the firm boasts a considerable banking practice too. Leading lawyers Volker Glas and Peter Knobl have ensured that the last 12 months have been another fruitful period for the firm.

Closing in August 2005, CHSH advised J P Morgan in a multicurrency revolving facility agreement for Bear Sterns in a deal worth €1.5 billion. Among the year’s other highlights, the firm advised the Palmers Group on a number of credit agreements, including related security agreements, and lent its expertise to HSBC in its synthetic loan granted to VCP Industrie Betreibungen.

Cerha Hempel regularly receives referrals from London’s magic circle firms and also counts Vienna Airport, Telecom Austria and Fortis Bank as key clients.

Leading lawyers

Volker Glas

Peter Knobl

Key contact partners

Volker Glas

Peter Knobl

Edith Hlawati

Dorda Brugger Jordis

The five-partner, six-associate team at Dorda Brugger Jordis gained consistently positive feedback from market commentators this year. Tibor Varga was highlighted as a leading lawyer in the banking arena because “he is easy to work with” and because “he does not create problems”, as a result of which they “like to see him on the other side”.

The past 12 months have been another solid period, with the firm advising on a number of syndicated lending and regulatory matters. Notable deals include acting as Austrian counsel to Citibank and Landsbanki Islands in arranging senior and mezzanine loans to refinance Viva Ventures Holding. The firm has also advised Mezzanine Management in the provision of mezzanine finance and an equity contribution in the context of the acquisition of the Bulgarian Devin group. Dresdner Bank, as arranger of €100 million-worth of revolving facilities to a major Austrian industrial group, also benefited from Dorda’s expertise.

Further clients of the firm’s banking team include Bank Austria Creditanstalt and Bank der Oesterreichen. Dorda has

also acted for a variety of international banks, including Barclays, Dresdner Bank, CSFB and Deutsche Bank.

Leading lawyer

Tibor Varga

Key contact partners

Florian Kremslehner
Tibor Varga
Andreas Zahradnik

Freshfields Bruckhaus Deringer

The five-partner, six-associate team at Freshfields Bruckhaus Deringer has been consolidating in this practice area recently. Commentators certainly feel that this trend is apparent, one rival noting that “they are gathering steam in banking work”.

In one standout deal, Freshfields acted for Porsche on a €1.4 billion multicurrency revolving facility arranged by Bank Austria, BNP Paribas, Caylon, Dresdner Kleinwort Wasserstein, Fortis Banque Luxembourg, Raiffeisen Zentralbank Österreich and the Royal Bank of Scotland. Another notable lending transaction saw the firm advise Bank Austria on the structuring of an €800 million staple financing package offered to potential bidders in connection with the acquisition of the VA Tech Hydro Group. Sappi also called on the banking practice’s expertise in relation to a €600 million revolving facility and a €500 million term loan facility financed by Österreichische Kontrollbank.

Over the past year, Freshfields Bruckhaus Deringer also assisted ReiseBank in obtaining an Austrian banking licence for a branch of a German credit institution.

Leading lawyers

Friedrich Jergitsch
Maria Th Pflugl

Key contact partners

Friedrich Jergitsch
Maria Th Pflugl

Dallmann & Juranek

Dallmann & Juranek is revered by rival practitioners as being “a quality banking firm”. Name partner Armin Dallmann is singled out as a leader in this field, invariably described by peers and clients as “a very competent lawyer”. It is smaller than many of the firms it competes with, and as such it is the capacity of the practice rather than its expertise that necessarily affects Dallmann & Juranek’s positioning.

In one transaction that was ongoing at the time of writing, the firm was visible in advising Bawag on its €8 billion medium-term note programme, as well as assisting Erste Bank on a €40 million financing in the Czech Republic. In a further standout deal, Investkredit and the European Bank for Reconstruction and Development benefited from the firm’s services during a €300 million syndicated senior debt and mezzanine financing.

Other clients of the firm include Western Union, Bloomberg and Raiffeisen Zentralbank Österreich.

Leading lawyer

Armin Dallmann

Key contact partners

Armin Dallmann
Laurence Yansouni
Thomas Zivny

Schönherr Rechtsanwälte

Despite being more renowned for its mergers and acquisitions work, Schönherr continues to receive many compliments from rival practitioners for its ability to attend to complex matters.

One contemporary in particular noted that the firm has a “constant deal flow”. Martin Ebner was noted once again as a leading lawyer for this field.

Schönherr’s role acting as counsel to Bain Capital in the €848.2 million acquisition finance of FCI Group certainly ranks as one of the firm’s key transactions of 2006. Further deals from 2005, meanwhile, include advising Goldman Sachs on the sale of non-performing loans by an Austrian bank and guiding Barclays Capital and Citigroup on the €750 million syndicated loan to Verbund International Finance.

Leading lawyer

Martin Ebner

Key contact partners

Martin Ebner
Peter Feyl

Capital markets

Recommended firms

Tier 1

Cerha Hempel Spiegelfeld Hlawati
Dorda Brugger Jordis
Wolf Theiss

Tier 2

Freshfields Bruckhaus Deringer
Saxinger Chalupsky Weber & Partners

Tier 3

Binder Grösswang
Schönherr Rechtsanwälte

Tier 4

Doralt Seist & Csoklich
Hausmaninger Herbst

Cerha Hempel Spiegelfeld Hlawati

The strong team at Cerha Hempel Spiegelfeld Hlawati is led by managing partner Edith Hlawati, “the most respected capital markets lawyer in Austria” according to many peers and clients. The expertise of the firm stretches to six partners and eight associates who focus their attentions on capital markets work. Consensus among rivals was that Cerha Hempel had been slightly less visible on big-ticket transactions over the past year, but that key deals were to come to fruition shortly after the time of writing. As one pundit noted, “Cerha Hempel is definitely a tier one firm”.

Among the year’s highlights, the firm advised Telecom Austria on the €5 billion update of its euro medium-term note programme and advised Goldman Sachs in relation to its €500 million offering of index-, commodities- and basket-linked certificates and warrants in Austria. Société Générale also chose to benefit from Cerha Hempel’s expertise in relation to its €400 million structured note offering in Austria.

On the equity side too, CHSH has been involved in some noteworthy transactions. Among the highlights, the firm guided UBS, Morgan Stanley and Bank Austria as joint bookrunners on the initial public offering (IPO) of 29.4 million shares in Zimlobei and its listing on the Vienna stock exchange, a deal worth €600. In another standout deal, Hlawati’s team advised Dresdner Kleinwort Wasserstein in its capacity as lead arranger

on the IPO of 19.55 million shares in Cat Oil and its listing on the Frankfurt stock exchange.

Leading lawyers

Volker Glas
Edith Hlawati

Key contact partners

Albert Birkner
Edith Hlawati

Dorda Brugger Jordis

Dorda Brugger Jordis wins promotion into the top tier this year, after *IFLR1000* respondents praised the firm for its ability to handle key transactions. In particular, commentators highlighted the strength of leading lawyer and practice head Andreas Mayr, who was invariably described as a “wonderful capital markets lawyer”. The firm has experienced a fair bit of personnel change over the past year, as partner Michael Pramberger left the firm to found his own firm, and four associates also moved elsewhere – but overall numbers have remained steady following the recruitment of Jürgen Kittel from Schönherr and four associates.

Standout deals over the period saw the firm advise lead manager Bank Austria in the issue of the first Austrian bundle bond in the jurisdiction. Dorda also acted as counsel to Egger Group and lead manager Bank Austria in the issue and offering of €165 million bonds of Egger Finanzservice, and represented arrangers Hypovereinsbank, Deutsche Bank and DZ Bank in connection with the issue of a €200 million secured bond by Raiffeisenlandesbank Niederösterreich.

The impressive list of equity transactions is demonstrable of a buoyant capital markets arena in Austria. By acting as counsel in the €2.918 billion increase by Erste Bank, the firm advised in the largest ever capital markets transaction to have taken place on the Vienna stock exchange. Other standout deals saw the firm advise Nasdaq-listed Century Casinos in a capital increase and an initial listing of Austrian depositary certificates on the Vienna stock exchange. The firm also served as sole transaction counsel on Convert Immobilien Invests’ recent €138.4 million capital increase.

Leading lawyer

Andreas Mayr

Key contact partners

Mag Christoph Brogyani
Andreas Mayr
Tibor Varga
Andreas Zahradnik

Freshfields Bruckhaus Deringer

A significant player in the Austrian market, rivals noted that Freshfields Bruckhaus Deringer is often seen on the other side of capital markets transactions. Client noted the dedication that the team offer, with one noting that “they have time for us”. The “competent” team, led by Maria Th Pflügl, did indeed have a tight grip on the influx of IPO activity, as predicted in the previous edition of the *IFLR1000*.

Freshfields’ capacity and expertise for debt work was evident when it advised Capital Efficiency on its third Preps transaction, with a volume of €313 million, and on the following one, worth €360 million, with 62 companies participating in the deal. Further examples of the practice’s capital markets experience includes advising Newson in relation to two issues of corporate bonds with major Austrian banks, and acting for Sauber-Macher Dienstleistungs on a €40 million bond issue for the financing of the acquisition of Rumpold.

Spring 2006 proved a buoyant period, as Freshfields advised the International Finance Corporation and the European Bank for Reconstruction and Development in relation to the €1 billion IPO of Raiffeisen International, and acted for Cat Oil on its IPO and listing on the Frankfurt stock exchange.

At the time of writing the firm was also advising on its third IPO of the year, representing OIAG as selling shareholder in relation to Post’s IPO.

Leading lawyers

Freidrich Jergitsch
Maria Th Pflügl

Key contact partners

Freidrich Jergitsch
Maria Th Pflügl

Wolf Theiss

“One of the top firms for capital markets work” according to one rival, Wolf Theiss has created an enviable hub in both Austria and the central European region. Clients are also more than satisfied, with one enthusing that “they really are an excellent firm”. Once again, Richard Wolf is described as a “leader” for this type of transaction.

In one standout deal, which was four times over-subscribed and one of only a handful by Austrian issuers this year, Wolf Theiss advised Weinerberger, ABN Amro and Bank Austria, as Austrian counsel with respect to Wieberger’s corporate bond. The deal closed in 2005 and was worth €400 million. In another noteworthy transaction, the practice advised Vostalpine on its €250 million issue of convertible bonds and the listing of the bonds on the Vienna stock exchange. Furthermore, Wolf Theiss advised the Erste Bank and the domestic arranger on the update and restatement of Erste Bank’s €20 billion debt issuance programme.

Wolf Theiss also landed a role on the high-profile IPO of Raiffeisen International Bank, acting as issuers’ counsel on the deal, which at €1 billion, was the largest IPO ever in Austria and the sixth largest worldwide at the time of closing in April 2005. Wolf Theiss was also seen advising Erste Bank on its €2.9 billion capital increase and rights issues in Austria.

Leading lawyers

Markus Heidinger
Richard Wolf

Key contact partners

Markus Heidinger
Peter Oberlechner
Richard Wolf

Binder Grösswang

Binder Grösswang’s capital markets capabilities are well respected by the market, but the firm is probably more admired for its work in banking than in capital markets. The firm has nonetheless enjoyed an active year. Tibor Fabian was once again pinpointed as a leader lawyer in the market, and Stefan Tiefenthaler was also noted as being “among the most competent lawyers in Austria”.

An active term for Binder Grosswang saw the firm advise Pfandbriefstelle Hypo Voranberg, Hypo OÖ and Investkredit in relation to a number of debt issuance programmes between September 2005 and February 2006, worth a total of €21 billion. In addition, the firm closed another significant debt issuance programme worth €2 billion in May 2006, this time advising Dexia Kommunalkredit.

In the structured finance area, meanwhile, the firm acted for Investkredit Bank when it set up its asset-backed securitization programme, guided Raiffeisen Leasing through a wind farm refi-

nancing, and acted for the Us Ex-Im Bank in relation to an aircraft lease financing.

Leading lawyers

Tibor Fabian
Stefan Tiefenthaler

Key contact partners

Tibor Fabian
Stefan Tiefenthaler

Schönherr Rechtsanwälte

The past 12 to 18 months has been an active time for Schönherr. Among the highlights, the firm advised Morgan Stanley and RCB in relation to the €228 million secondary public offering of ordinary shares of Agrana Beteiligungen on the Vienna Stock Exchange, and provided its expertise to Intercell on the first biotech IPO on the Vienna stock exchange.

In a further standout deal, the firm advised Merrill Lynch, ABN Amro, BNP Paribas, Deutsche Bank, HVB and JP Morgan on Tier I issues by Bank Austria, the first of its kind.

Leading lawyers

Martin Ebner
Peter Feyl

Key contact partners

Martin Ebner
Peter Feyl

Mergers and acquisitions

Recommended firms

Tier 1

Cerha Hempel Spiegelfeld Hlawati
Dorda Brugger Jordis
Freshfields Bruckhaus Deringer
Schönherr Rechtsanwälte
Wolf Theiss

Tier 2

Binder Grösswang
Skadden Arps Slate Meagher & Flom

Tier 3

CMS Reich-Rohrwig Hainz
Eiselsberg Natlacen Walderdorff Cancola
Fiebinger Polak Leon & Partner
Graf & Pitkowitz Rechtsanwälte
Saxinger Chalupsky Weber & Partners

Cerha Hempel Spiegelfeld Hlawati

A bullish period for mergers and acquisitions work saw Cerha Hempel Spiegelfeld Hlawati advising on number of key deals. The geopolitical position of Vienna has meant that “Austrian firms have become strategic lenders’ counsel to corporations stopping past Austria to develop their know-how before going east”. Not only did this apply to CHSH, but the firm has continued to develop across central and eastern Europe, particularly with the opening of a new office in Bratislava.

Rivals note that although the firm’s M&A capacity may be shy of other market leaders, Cerha Hempel is “very good ... certainly a top tier practice.” Commentators pinpointed Edith Hlawati as “a name on the market” and another noted that “she is a personality that everyone would recognise”. Further praise for CHSH’s personnel came in for Volker Glas – “a hungry young guy” according to a contemporary.

Big ticket transactions were plentiful. Closing in May 2005, the firm advised the Austrian management on the sale of YBR

Group by 3i and Veronis Suhler Stevenson to Macquarie. October 2006 saw the closing of two further considerable deals: in the first, the firm advised En BW Energie Baden-Württemberg in relation to the acquisition of a 30% stake in EVN worth €840 million, while in the second, CHSH guided UBS and Bank Austria through the takeover of Unicredit, worth €1.3 billion.

In another standout deal worth \$1.05 billion, CHSH confirmed its strong ties with central and eastern Europe by advising OMV on its acquisition of a 34% stake in Petrol Ofisi, Turkey’s leading company in fuel marketing, from Grubu holding.

Leading lawyers

Volker Glas
Edith Hlawati

Key contact partners

Albert Birkner
Edith Hlawati

Dorda Brugger Jordis

Promoted to the top tier as a result of numerous recommendations from peers, Dorda Brugger Jordis has developed its reputation for mergers and acquisitions work after sustained appearances on notable deals. Partners Martin Brodey and Christian Dorda continue to be regarded as leading lawyers, while the 10-partner, 12-associate team as a whole has been strengthened by rising star Stefan Artner, described by one rival as “a very good, reliable lawyer”. Clients noted the impressive capacity of the firm in this area and believed it to be beneficial, particularly when a complicated matter arises. As one client put it, “we think that they do a good job – otherwise we wouldn’t use them!”

A team led by Brodey advised Sandoz on the spin-off of Vienna’s Antibiotic Research Institute, and at the same time oversaw a first-round private equity financing with a volume of €42 million. This deal represented one of the largest private equity financing transactions of the past few years, and one of the largest-ever biotech financings in Austria. In October 2005 the firm advised the sellers on the €120 million sale of Citec Immobilieninvest to an international consortium, and represented Wing Equity, an Austrian private equity fund company focusing on acquisitions in central and eastern Europe, in the acquisition of Devin, one of Bulgaria’s leading mineral water producers. The firm also guided Verbund when it acquired a participation in Poweo, the leading independent provider of electricity and gas in France, in a deal worth €40 million.

At the time of writing the firm was advising on the €28 billion merger of OMV, central Europe’s leading oil and gas group, and Österreichische Elektrizitätswirtschafts, Austria’s leading power provider. The combined stock market value will represent the largest transaction in the jurisdiction’s history.

Leading lawyers

Martin Brodey
Christian Dorda

Key contact partners

Martin Brodey
Mag Christoph Brogyani
Christian Dorda
Theresa Jordis

Freshfields Bruckhaus Deringer

Freshfields Bruckhaus Deringer is rated in the top tier for mergers and acquisitions in Austria following an overwhelming number of positive comments from competitors, clients and market observers. The “very capable firm” has the “ability to call upon their own market leaders,” according to a rival. The practice is headed by the well-regarded Willibald Plesser, with the up-and-

coming Thomas Zottl adding depth to the six-partner, 15-associate team.

A market commentator noted that “Freshfields deserves to be in tier one because of the Unicredit offer”, which saw the firm advising on the acquisition of HypoVeriensebank (HVB), which included representing Unicredit before the Austrian Takeover Commission in the first share-for-share offer ever made under Austrian Takeover Law. The deal, worth €45 billion, represented the largest-ever cross-border bank merger in Europe. The firm also advised Enegie Allianz on a merger with Verbundgesellschaft, and Rohol Aufsuchungs also turned to the firm for advice in relation to a €250 million joint venture with Wingas (Germany) and Gazexport (Russia) with regard to the construction and start-up of the second-largest gas storage facility in central Europe.

Rivals noted that they come across Freshfields often across the negotiating table, and that the firm was “an obvious choice when it comes to multinationals”. It comes as no surprise, then, that at the time of writing the firm was advising (together with Dorda Brugger Jordis) OMV on its proposed merger with Österreichische Elektrizitätswirtschafts to form a new leading energy group. At €28 billion, this will represent the largest ever transaction in the jurisdiction.

Leading lawyer

Willibald Plessner

Key contact partners

Paul Luiki
Willibald Plessner
Thomas Zottl

Schönherr Rechtsanwälte

Schönherr Rechtsanwälte has been well suited to the growth in the mergers and acquisitions market in Austria and, indeed, across central and eastern Europe. With an office in Vienna as well as branch operations in Belgrade, Bucharest, Ljubljana, Zagreb and Kiev, the firm has the ability to offer clients the apt capacity and expertise for a complex transaction. Market commentators responded positively to Schönherr, variously describing it as a “fine firm” and one that “is seen very often on transactions”. According to one rival practitioner, “individual partners lend depth” to what is overall an excellent team; respondents highlighted Christian Herbst in particular as a leading lawyer.

Public M&A proved to be lucrative for the practice during 2005, as the firm advised on three public takeovers. The firm advised Siemens on its €997 million acquisition from core shareholders and via a public takeover of Va-Tech with subsequent squeeze out. ÖVAG was also a beneficiary of Schönherr services on the €813 million public takeover of the speciality bank Investkredit.

Private M&A headline deals, meanwhile, saw the firm act for Italian Autostrade on the sale of its stake in the Austrian tolling system to Asfinag, advise listed building material group CRH Dublin on its acquisition of the Austrian building material chain Quester, and guide French utilities company EDF through its sale of Austrian waste disposal company ASA in a public auction to Spain's FCC.

Leading lawyers

Stefan Frotz
Christian Herbst
Sascha Hödl
Christof Lindinger

Key contact partners

Christian Herbst
Sascha Hödl
Christof Lindinger

Wolf Theiss

Wolf Theiss possesses a formidable practice for mergers and acquisitions work in Austria, and indeed in central Europe. Commentators noted the capacity of the firm, evident by the fact that 29 partners and 32 associates focus their attentions on the full range of M&A matters. Regarded highly by rivals, the firm was complimentarily described as “aggressive on the market”. Wolf Theiss continue to boast a plethora of leading lawyers, with Horst Ebhardt the most revered.

Work of relatively recent vintage has seen the firm advise Future Lab Holding on the sale of 33% of shares to the Austrian equity fund, Unternehmensinvest. The firm has also advised Save on its acquisition of Airst from Austrian Airlines, and served as counsel to Royal Ten Cate when it acquired all the shares of Polyfelt.

At the time of writing, the firm was busy advising on the €1 billion Baca/Unicredit sale of Splitska banka, Croatia's third largest bank, to Société Générale.

Leading lawyer

Horst Ebhardt
Markus Heidinger
Richard Wolf

Key contact partners

Horst Ebhardt
Dieter Spranz
Richard Wolf

Binder Grösswang

Respondents to *IFLR1000* research identified Binder Grösswang as a competent M&A firm. The seven-partner, 14-associate team, led by Michael Kutschera and Thomas Shirmer, has had a successful year offering its services on a number of noteworthy transactions.

Recent M&A work saw Binder Grösswang advise the purchasers, Andritz, in relation to the €180 million sale of the VA Tech Hydro Group by Siemens, act for IPIC on its €900 million joint venture in Borealis, and advise Bayerische und-HypoVereins Bank on the €12 billion public offer by Unicredit.

Leading lawyer

Michael Kutschera

Key contact partners

Michael Binder
Florian Khol
Michael Kutschera
Thomas Shirmer

Skadden Arps Slate Meagher & Flom

US corporate powerhouse Skadden Arps Slate Meagher & Flom makes its debut appearance in the Austrian rankings this year, after winning some notable mandates. The firm's strength crosses both M&A and private equity, and for a young Austrian practice, it is performing extremely well. Key Austrian partner Rainer Wachter has been noted for his skill in landing some notable mandates for the firm, while referral work from the global network also serves the firm well.

Among the year's M&A highlights, the firm advised Citigroup as financial advisor on two high-profile deals: the first, in relation to Bayerische Hypo- und Vereinsbank's acquisition by UniCredito Italiano, and the second, on Investkredit's public takeover by Österreichische Volksbanken. It also acted for OMV in several acquisitions of oil product distribution companies in Germany, and guided Ukraine's Aval Bank when it was sold to Raiffeisen International Bank Holding.

Private equity, meanwhile, was a source of plenty of work. Wachter led teams that acted for Allianz Capital Partners in its

bid for VA Tech Hydro, advised the Pari Capital Group on its sale of Eracom, and represented leading UK private equity house Doughty Hanson on its acquisition of the Moeller Group. Wachter is by no means the only lawyer handling private equity matters, however – for example, Markus Haberfellner advised US private equity house Castle Harlan Partners when it bought Polypipe Building Products from IMI for £293 million, and Philipp Wahl guided Quadriga Capital through its \$110 million acquisition of Francotyp-Postalia, a leading manufacturer of postage meters and related devices, from the Röchling Group.

Key contact partner

Rainer Wachter

Other notable firms

Rival practitioners highlighted **Eiselsberg Natlacen Walderdorff Cancola** (ENWC) as “an up-and-coming firm”, and rivals noticed that the firm “is very visible in the central and eastern European region”. It will be interesting to chart ENWC’s progress over the coming year, especially in light of increased activity in central and eastern Europe.

Saxinger Chalupsky Weber & Partners is also a firm of merit, described by one commentator as “the one to watch for M&A”.