

# Denmark

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## Recent trends in Danish corporate finance

**Henrik Juul Hansen, Jesper Schultz Larsen and Morten Jensen**  
**Rønne & Lundgren**  
**Copenhagen**

At the end of 2005 the Copenhagen Stock Exchange had 176 companies listed. The market value of these companies amounted to more than \$198 billion, and the market value has increased since. The Copenhagen Stock Exchange estimates shareholdings owned by foreign investors to exceed 25%.

In 2005, the Danish initial public offering (IPO) market slowly started to emerge, and a number of new listings are expected on the Copenhagen Stock Exchange in 2006. The market for private and public placements seems to be continuing at the same level as it has done in recent years.

The securities market is still dominated by public-to-private transactions. In recent years, private equity funds have acquired and delisted a high number of companies on the Copenhagen Stock Exchange. The number of listed companies on the Copenhagen Stock Exchange has been reduced by 18 since 2004.

## Legal framework

The legal framework governing corporate finance activities in Denmark includes (i) the Securities Trading Act, (ii) the Financial Businesses Act, (iii) Rules Governing Securities Listed on the Copenhagen Stock Exchange, and (iv) a number of executive orders, among which the Executive Order on the Conditions for Admitting Securities to Listing, the Executive Order on Prospectus Requirements, the Executive Order on (takeover) Bids and the Executive Order on Major Shareholdings are the most important. Also, the so-called Nørby Committee has issued guidelines for good corporate governance for companies listed on the Copenhagen Stock Exchange. A comply-or-explain principle applies.

## Notification of significant holdings, mandatory tender offers and squeeze-out

Any shareholder holding shares in a company being listed on the Copenhagen Stock Exchange shall immediately notify the Copenhagen Stock Exchange and the company if the portfolio of shares amounts to at least 5% of the voting rights or the total share capital of such company. The notification requirement also includes shares owned by third parties if voting rights by agreement or pledge are transferred to such shareholder. Any changes in the shareholding at 5% intervals, as well as at one-third and two-thirds, shall be

notified, as well as a subsequent reduction below such interval.

If a shareholder obtains control over a listed company, such shareholder is obliged to launch a mandatory tender offer to all remaining shareholders. Under Danish law, control can be obtained already when the shareholder possesses more than 33% of the votes in such company. If control is acquired under a voluntary tender offer, the offeror is no longer obliged to file a mandatory tender offer.

A shareholder holding more than 90% of the shares and votes can initiate a squeeze-out procedure of the minority shareholders and initiate a delisting procedure.

## Insider trading

Danish securities law provides a prohibition on insider trading similar to that of other European jurisdictions. Related rules comprise the prohibition on passing on inside information and price manipulation, respectively. Until recently, the Danish rules have not been fully aligned with EU Directive 2003/6/EEC. Alignment was created through a revision of the Danish Securities Trading Act, which came into force on April 1 2005.

Among the changes is a new definition of "inside information", according to which information must be specific and assumed to have a significant effect on the price of the relevant securities. Legal practitioners seem to agree that the new definition should not be expected to create a material change in practice.

Another relevant change stemming from said EU Directive is that a person or an entity obtaining inside information in connection with a due diligence investigation concerning a listed company (being a necessary step in the launch of a tender offer on such listed company) is no longer prevented from launching the bid until such inside information has been disclosed to the market, as was the case under the old rules.

## Offers of securities

If an offeror offers securities in Denmark it should be determined on a case-by-case basis whether a Danish prospectus is required.

Whether or not a prospectus is required it is determined by the value of the securities offered. The Prospectus Directive is incorporated as of July 2005, and sets out the overall rules of offering of listed securities above €2.5 million (\$3.2 million).

If the offering is between €100,000 and €2.5 million a prospectus generally still needs to be prepared. The related executive orders include, among other things, exemptions to the prospectus requirements described above and information on content requirements and filing authorities.

## Banking and finance

### Recommended firms

#### Tier 1

Gorrissen Federspiel Kierkegaard  
Kromann Reumert

#### Tier 2

Bech-Bruun  
Plesner Svane Grønberg

#### Tier 3

Accura  
DLA Nordic  
Jonas Bruun

#### Tier 4

Eversheds  
Hjejle Gersted & Mogensen  
Lett  
Lind & Cadovius  
Rønne & Lundgren

### Gorrissen Federspiel Kierkegaard

The banking group at Gorrissen Federspiel Kierkegaard has ushered in two new financial institutions this year. DnB Nord is the baby of DnB Nor, a Norwegian bank, and German bank Nord/LB. The firm was pivotal in obtaining a licence for the new bank, whose assets were estimated at €2.7 billion. It also advised the pan-European high-street bank Fortis when it established operations in Denmark.

Gorrissen Federspiel Kierkegaard provides legal opinions to a number of cross-border banking organizations including the Banking Federation of the European Union and ISDA.

Local clients have provided rich pickings too. For example, Jyske Bank instructed the firm with regards to a \$4 billion European medium-term note programme this year, following two successful issues of capital securities and floating rate notes in 2005.

The banking and finance department boasts the talents of Michael Steen Jensen and Herman Federspiel, along with three other partners. While Federspiel enjoys the status of name partner, it is Steen Jensen who drives the department and draws the praise of competitors.

#### Leading lawyers

Herman Federspiel  
Michael Steen Jensen

#### Key contact partner

Michael Steen Jensen

### Kromann Reumert

Kromann Reumert consolidated its position as a leading banking and finance firm with its role in the year's largest transaction. The sale of TDC to a consortium of private equity houses was the year's largest leveraged buyout in Europe, and widely perceived as the zenith of the country's commercial boom. Kromann Reumert was involved in both stages of the financing, advising TDC on a €6.5 billion senior facility agreement and the issue of €2.2 billion high-yield bonds.

Other highlights include the issue of €100 million perpetual capital securities by DLR Kredit in June, and a \$150 million private placement in the US, in which the firm's prominent lawyer

Kim Rasmussen was counsel to Danish Crown, a producer of beef and pork products. Clients praise Rasmussen for his adaptability: "He has a very profound knowledge of our needs and the way we want to do things," said one satisfied client.

With 15 partners and 25 associates, Kromann Reumert's specialized banking capabilities are wide-ranging, including shipping and aircraft finance, leasing agreements, financial instruments and restructuring. "I have had several good experiences," said a client. "It's one of the very professional firms with very skilled lawyers."

#### Leading lawyers

Ulrik Jacobsen  
Kim Rasmussen

#### Key contact partners

Christian Hennings  
Ulrik Jacobsen  
Kim Rasmussen

### Bech-Bruun

Bech-Bruun has a top market figure in Steen Halmind, who spearheads the firm's capital markets team and is respected for his expertise in all aspects of banking and finance law. Along with Ian Tokley, an English solicitor, Halmind's team advised HypoVereinsbank this year on its €370 million financing of Blackstone's acquisition of the Legoland theme park. The duo also teamed up to oversee the purchase of Aalborg Industries by Altor Equity Partners, a Nordic investment fund.

Bech-Bruun also acted on the financing of EQT's acquisition of ISS, valued at €4 billion, another deal that the market considered to be one of Denmark's highlights.

The firm has an unsurprisingly good standing with big-name financial institutions like JP Morgan Chase, Goldman Sachs, ABN Amro and Barclays Capital. On the home front, meanwhile, it advised Danske Bank on the synthetic securitization of a pool of €8 billion of residential mortgages.

In addition to the more established Halmind, competitors pointed to Jørgen Reimer Jensen as an up-and-coming name in the field of debt capital markets.

#### Leading lawyer

Steen Halmind

#### Key contact partners

Steen Halmind  
Steen Jensen  
Ian Tokley

### Plesner Svane Grønberg

"The lead has been taken by Jørgen Permin" at Plesner, according to competitors, joining Poul Flemming Hansen as one of the firm's banking kingpins. Along with "rainmaker partner" Jacob Bier, they are at the sharp end of an active banking and finance group that has had another strong year.

This year, Permin's team assisted EQT Partners in securing Dkr1.3 billion (€180 million)-worth of debt financing to fund its purchase of Brandtex. The loan was provided by Svenska Handelsbanken. He also advised Contex Holding in relation to Nordea Bank's \$77 million funding for its acquisition of Z Corporation, a US manufacturer of 3D printers, and the refinancing of existing debt.

In addition, Permin advised Dong in relation to one of the first hybrid issues in Denmark. The issue, comprising €500 million bonds and €1.1 billion subordinated capital securities, was made on the Luxembourg Stock Exchange.

Poul Flemming Hansen proved his mettle once again by implementing a capital-protected risk advisory structure, including an

over-the-counter put option, for Danske Invest. The innovative structure provided \$400 million of finance and was the first of its kind in the Danish market.

A team headed by Jacob Bier and Thomas Maaberg Hansen advised a consortium of international banks in connection with a €2.15 billion high-yield note issue by Nordic Telephone Company Holding, the largest ever made by a Danish company. The consortium included Deutsche Bank, JP Morgan, Barclays Capital, Credit Suisse and the Royal Bank of Scotland.

Another highlight was the initial public offering (IPO) of TrygVesta, Denmark's leading insurance company. The listing raised €838 million, and was the jurisdiction's largest flotation since the privatization of TDC in 1994. The deal was also innovative in that it was the first Nordic IPO to use the EU Prospectus Directive.

#### Leading lawyers

Jacob Bier  
Jørgen Permin

#### Key contact partner

Jacob Bier

#### DLA Nordic

"DLA Nordic has a very fine banking practice. It is small but very skilled," said a competitor. The firm owes its position in no small measure to Søren Valerius, a widely praised practitioner with links to most of the region's biggest banks. Aside from Valerius, the banking team has five associates and concentrates mainly on leveraged and asset-backed finance.

The firm has acted as lead counsel for Danske Bank in three acquisition financing facilities over the past 12 months, and for FIH Erhvervsbank as agent and arranger of the financing of Singapore Technologies' purchase of SAS Component. It also followed up last year's €600 million acquisition of Falck by Nordic Capital with a refinancing in March.

#### Leading lawyer

Søren Valerius

#### Key contact partner

Søren Valerius

#### Jonas Bruun

Jonas Bruun owes its place in the financing sphere mainly to a sturdy capital markets practice. "I know from colleagues in the business that they are a highly recommended firm," said an in-house commercial lawyer.

Henning Aasmul-Olsen counts all but two of the OMXC20 companies among his clients. He teamed up with Gitte Lansner to act for Tryg Forsikring on a €150 million issue of fixed and floating rate subordinated Tier II notes. The duo also advised TrygVesta in connection with a syndicated loan facility to the value of €270 million.

In April, their colleague Christian Sinding advised Coloplast in relation to its acquisition of the urology division of Mentor, an American competitor. The multicurrency term loan facility agreement was valued at DKKr2.8 billion (€375 million).

On the equity side, meanwhile, the firm has earned the trust of local luminaries such as the corporate finance divisions of Nordea and Danske Bank. Aasmul-Olsen's team recently advised Danske Bank in relation to the flotation of Rella Holding, a holding company originally formed as a vehicle for the hostile takeover of a family media enterprise, on the Copenhagen Stock Exchange. It has also advised on equity offerings in Vestas Wind Systems and Danish Ship Finance.

Jonas Bruun has a thriving practice in derivatives and swaptions. Since July 2005, for example, Christine Jansby has advised PFA Pension on the acquisition of derivatives totalling €9.45 billion. One of Jansby's clients commented: "If she goes into an issue she keeps her hands on it ... she has her eye on all of the important things."

#### Leading lawyer

Henning Aasmul-Olsen

#### Key contact partner

Henning Aasmul-Olsen

#### Other notable firms

The Copenhagen office of leading English law firm Eversheds is widely seen as a corporate finance boutique, and has a client base firmly rooted in the financial sector. The firm enjoys a close relationship with ABN Amro, guaranteeing a respectable market share.

Rønne & Lundgren advised on various regulatory matters in 2005, including the establishment of Fair Forsikring in Sweden, including a portfolio transfer, and Scottish Widows Investment Partnership in Denmark. The firm's corporate finance group has hired three associates from Kromann Reumert, all of whom will be partners from January 2007. The young team has advised Meil European Land on a DKKr975 million tender offer for Foras Holding, among other capital markets transactions. "I think they're on their way up in the market," said a partner of a rival firm.

## Insolvency and restructuring

### Recommended firms

#### Tier 1

Bech-Bruun  
Kromann Reumert  
Plesner Svane Grønberg

#### Tier 2

Gorrissen Federspiel Kierkegaard  
Philip & Partners

#### Tier 3

Accura  
DLA Nordic  
Law Firm Poul Schmith  
Lind & Cadovius  
Mazanti-Andersen Korsø Jensen & Partners

With the economy reaching the top of the bell curve this year, Danish insolvency lawyers are learning the value of flexibility. Many younger practitioners are exploring other avenues of commercial law, while there have been some retirements among their more established colleagues. Market observers expect a raft of insolvency and restructuring assignments after a couple of years of boom time, but in the meantime, there are slim pickings except among small and medium-sized companies.

Despite the quill, the hole left by Thore Andersen's retirement from Bech-Bruun was filled with the addition of two new associates in the department, one of which was an internal appointment from the firm's M&A group. Annette Dam Ryt-Hansen and Kim Sommer Jensen join a team of 16 lawyers advising on

all aspects of insolvency, restructuring and related litigation. The star of the show is Ole Borch, regarded by many as the jurisdiction's leading restructuring lawyer.

**Kromann Reumert** has a similarly sized department, led by Søren Aamann Jensen. Jensen has led insolvency and restructuring proceedings this year relating to Bie & Berntsen, TK Development and TriVirix. His colleague Hans-Jørn Andersen advised Jysk Spåntagning, a Danish manufacturer of cutting machinery, on its bankruptcy last year. Kromann Reumert also saw the retirement of leading specialist Kurt Skovlund, whose departure is seen by some as a blow to the firm's insolvency group.

Michael Ziegler and Peter Bang are the names normally associated with **Plesner Svane Grønborg's** insolvency and restructuring group, though the group numbers one additional partner, Pernille Bigaard, and an associate partner. The firm has been involved in insolvency proceedings in relation to three listed Danish shipping companies over the past year: Rederiaktieselskabet Knud I Larsen, Elite Shipping, and Dampskibsaktieselskabet Progress Shipping. Insolvencies in progress include eHuset, Incentive and SystemForum.

Unusually, **Gorrissen Federspiel Kierkegaard's** insolvency practice is steered by a partner based in the firm's Aarhus office, Aage Tang-Andersen. Anne Birgitte Gammeljord acts as vice-head of the department in Copenhagen, and is an administrator in the Copenhagen Maritime and Commercial Court's insolvency division.

Finally **Law Firm Poul Schmith** has an exclusive contract with the Danish government, which brings a steady stream of work – although this does to a large extent prevent it from representing private clients in most insolvency cases.

## Mergers and acquisitions

### Recommended firms

#### Tier 1

Bech-Bruun  
Gorrissen Federspiel Kierkegaard  
Kromann Reumert  
Plesner Svane Grønborg

#### Tier 2

Accura  
Jonas Bruun

#### Tier 3

Højle Gersted & Mogensen

#### Tier 4

DLA Nordic  
Lett  
Lind & Cadovius  
Nielsen & Nørager  
Philip & Partners  
Rønne & Lundgren

## Bech-Bruun

Along with Kromann Reumert, Bech-Bruun's size gives it considerable clout in the M&A market. The team, which comprises 18 partners and 36 associates, is headed by Søren Meisling, described by one client as “not only the leading M&A figure in Bech-Bruun but also one of the leading M&A figures in the market”. He is joined by Jens Christian Hesse Rasmussen in a department with access to an impressive list of private equity and commercial clients.

“There's no doubt that Søren Meisling has had a fantastic year,” said a competitor, and the clear highlight was representing a consortium of private equity houses in their almighty acquisition of TDC, Denmark's largest telecoms operator. Valued at €13 billion, the leveraged buyout is the largest in Europe to date. The Apex Partners-led consortium also included the Blackstone Group, Kohlberg Kravis Roberts, Permira, and Providence Private Equity Partners.

TDC was not the firm's only high-value transaction. In November 2005, Royal Numico instructed the firm regarding its €1.2 billion purchase of the East Asiatic Company's Nutrition division. In September the firm advised BNS Industrier on simultaneous interdependent public offers for Aarhus United and Karlshamns, listed in Copenhagen and Stockholm respectively. The deal had a combined value of €985 million, resulting in an entity called AarhusKarlshamn.

More recently, Bech-Bruun continued to ride the private equity wave with the divestiture of Vest-Wood, a lumber company, to Jeld-Wen, a British company. The venture, worth €536 million, was previously owned by private equity houses Axcel and Polaris.

### Leading lawyer

Søren Meisling

### Key contact partners

Søren Meisling  
Jens Hesse Rasmussen

## Gorrissen Federspiel Kierkegaard

Gorrissen Federspiel Kierkegaard was excluded from the TDC transaction due to managing partner Niels Heering's position as vice-chairman of the company's board of directors. But there were no such conflicts in the jurisdiction's other blockbuster deals. The firm acted as legal advisor to EQT and Goldman Sachs in the takeover and delisting of ISS, a provider of facility services, and landed a plum role advising Macquarie Airports in its bid to acquire Copenhagen Airports.

The corporate team's raft of private equity clients also includes CVC Capital and Nordic Capital. It recently advised Nordic Capital in its purchase of a DKr6.8 billion controlling stake in Nycomed Holding. For CVC, the team advised on the acquisition of 22% of the share capital in Post Danmark.

The firm has been busy on the sell side too, acting for the East Asiatic Company opposite Bech-Bruun in the sale of EAC Nutrition to Royal Numico. Other sellers instructing Gorrissen Federspiel Kierkegaard have included AP Møller-Maersk, which divested its airline operation to Fons Eignarhaldsfelag, an Icelandic investment group. The group subsequently rebranded the airline under the name of its recent acquisition, Sterling Airlines.

### Leading lawyers

Niels Heering  
Henrik Lind

### Key contact partners

Niels Heering  
Henrik Lind

## Kromann Reumert

Kromann Reumert played an integral role in the Maersk Air deal, advising Fons Eignarhaldsfelag Airlines on the acquisition of the company, the merger with Sterling Airlines, and the sale of the new entity to FL Group. It was an opportunity for the firm to show off its ability to work to a tight timescale – the entire set of transactions was completed in six months. Marianne Philip, described by one client as “definitely our top choice in Denmark for M&A work”, led the team.

Henrik Møgelmoose, another respected corporate partner, advised ISS on its sale to a private equity consortium. It was the largest ever public tender offer in Denmark at the time and one of the five largest leveraged buyouts worldwide since the end of the LBO heyday in the 1980s. But besides its value, the deal was novel in that the consortium comprised Nordic and American private equity funds for the first time.

The firm’s role in the TDC buyout, in which the firm also advised the target, was steered by Christian Lundgren, who also teamed up with Philip last year to act for Nowaco in its sale of Nowaco Central Europe to private equity houses JP Morgan and Bancroft.

Peers identify Peter Ketelsen, a partner in the firm’s M&A group, as a rising star in the market. “He’s been involved in various transactions. He’s young and does an excellent job,” said a competitor.

### Leading lawyers

Henrik Møgelmoose  
Marianne Philip

### Key contact partners

Jørgen Kjergaard Madsen  
Henrik Møgelmoose  
Marianne Philip

## Plesner Svane Grønberg

Christian Kjølbye is Plesner’s main M&A partner, but in total the firm has 50 lawyers specializing in the field, including 25 partners. “They’ve been consistently very good,” said a client, adding: “They are like an international firm ... they are available on a 24-hour basis and they’re right there in terms of overnighting.”

The firm appears on both sides of the M&A table, and a recent sell-side highlight was Lego’s divestment of its Legoland theme park to a joint venture between Lego and Blackstone. Plesner acted as local counsel in the \$375 million deal, which was coordinated in London by Clifford Chance. Another seller, Post Danmark, used Plesner’s services in connection with the sale of a 22% stake in the company to CVC Capital Partners by the Danish state. The firm followed up the deal by advising a new consortium on the purchase of a €300 million holding in De Post-La Poste, the Belgian postal service.

Kjølbye led a team advising Telenor, a public Norwegian telecoms company, in a Dkr1.4 billion (€188 million) deal to acquire the broadband internet provider CyberCity. In another prominent transaction, Zygmunt Auster and Nicolai Ørsted assisted DSV, a listed Danish transportation and logistics provider, in relation to the acquisition of the Dutch Koninklijke Frans Maas Groep for €425 million.

### Leading lawyer

Christian Kjølbye

### Key contact partner

Christian Kjølbye

## Jonas Bruun

“If the tier one firms were conflicted, most people would point at Jonas Bruun,” said a tier-one rival. The firm benefits greatly from its status as the alternative to the Danish big four. Its six M&A partners have taken part in several of the year’s significant transactions, including Dong’s shopping spree in the Danish energy market. Per Magid and Henning Aasmul-Olsen advised the Ministry of Finance in relation to the €7.5 billion deal.

Elsewhere, Aasmul-Olsen also advised Norsk Hydro as it divested its controlling interest in Biomar Holding, a fish food company, to Schouw & Co. The transaction, which featured Gorrissen Federspiel Kierkegaard on the buy side, was valued at €215 million. Jonas Bruun also advised the buyers Finland Post Corporation in its purchase of the Combifragt Group, and steered the Gerresheimer Group through its acquisition of Superfos Pharmapack.

2007 will see the appointment of Henrik Rossing Lønberg as a partner. Lønberg joined the firm as a senior associate in October 2005 from the New York office of White & Case. The firm will have a total of seven partners that are engaged mostly in M&A.

### Key contact partners

Henning Aasmul-Olsen  
Mogens Ebeling

### Other notable firms

DLA Nordic was adviser to the state during the Dong restructuring transactions, and also advised Dong in its acquisition of €52 million shares in Intergas supply. It also advised timber company Dalhoff Larsen & Horneman in an €84 million acquisition, and acted for Hard Work Studio Holding on its €20 million merger with Fitness.dk. A client of the firm said: “We are very satisfied with the firm and they more or less handle all cases we send outside the company.” In particular, the client praised Jim Øksnebjerg: “He is a very good lawyer and very company-minded.” But the firm was struck in April by the departure of partner Dan Moalem and two associates to Lett, and a number of interviewees reported that the firm is becoming generally less visible in corporate work. Meanwhile, Lett has announced its intention to keep growing after its formation from last year’s merger between Lett Vilstrup & Partnere and Lett & Co. A key step in this plan was the firm’s absorption of more than 20 employees of Norsker & Jacoby in January 2006.

Rønne & Lundgren has had a few successes in the M&A field this year, and is another firm developing a taste for expansion, particularly when it is Kromann Reumert-flavoured. Henrik Juul Hansen defected to the firm from Kromann in 2005, and is due to be joined by his colleagues Morten Jensen and Jesper Schultz Larsen in January 2007. The strategy seems to be paying off, as the firm received a mandate from Industri Kapital this year to advise on its acquisition of Kwintet, a manufacturer of work wear, in a transaction reportedly worth more than Dkr3 billion (€402 million).