

# Finland

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## The future of Finnish takeovers

**Mikko Eerola and Mårten Knuts  
Waselius & Wist  
Helsinki**

In 2005 the Finnish market witnessed much domestic consolidation through large takeovers in various business sectors, including SOK-group's takeover of Suomen Spar Corporation (retail trade), Elisa Corporation's takeover of Saunalahti Group Corporation (telecommunications), OKO Bank's takeover of Pohjola Corporation (insurance), Almanova Corporation's takeover of Alma Media Corporation (media) and Vapo Oy's takeover of Kekkilä Corporation (substrates, plant nutrition).

Market participants are expecting increased opportunities in the latter part of 2006 and 2007 for takeovers alongside a continuously active private M&A market.

On the regulatory side, 2006 brought along the welcomed implementation of the EU Takeover Directive. This implementation is expected to set the scene for a more active takeover market in Finland.

### The renewed Finnish takeover regime

The EU Takeover Directive (Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids) was due to be implemented throughout the EU by May 20 2006.

In 2004, as a part of the legislative process, the Finnish Ministry of Finance appointed a legislative working group to draft a proposal for the implementation of the EU Takeover Directive and to upgrade and modernize the national regulatory regime on takeovers.

This proposal formed the backbone of the new Finnish takeover regime, effective on July 1 2006.

The amendments were primarily incorporated into the Finnish Securities Market Act. This coincides with the pending modernization of the Finnish Companies Act, according to which regulations pertaining to the securities market will primarily be incorporated into the Securities Market Act instead of the Companies Act.

Further, the implementation also increases the use of self-regulation on the securities market in Finland. The increase in self-regulation concerns, among others, the voluntary provisions set out in Article 9 and 11 of the Takeover Directive.

### Mandatory bid thresholds lowered

For a cross-border M&A practitioner, probably the biggest amendments relate to the revised thresholds for mandatory bids and the removed obligation to launch a mandatory bid if mandatory bid threshold is exceeded in a voluntary bid concerning all securities of

the offeree company.

With reference to the existing UK and Swedish models, the threshold for a mandatory bid under the new Finnish regime is lowered from the previous threshold of two-thirds of the voting participation of the offeree company to a dual threshold of 30% and 50%. This change should encourage a more active takeover market in Finland as it removes the existing unusually high threshold of two-thirds, which stood out as an exception from the takeover regimes of other European jurisdictions.

In accordance with the Takeover Directive, contrary to the old rules, the new regime contains an exemption, according to which there is no obligation for an offeror to make a subsequent mandatory bid, if the mandatory bid threshold is exceeded through a voluntary bid of all the offeree company's securities. This amendment, in conjunction with the liberalized rules on the pricing of voluntary takeover bids in Finland (discussed below), is expected to facilitate voluntary bids.

### Changes to the pricing of takeover bids

Another big amendment to the Finnish takeover regime concerns the pricing of takeover bids. As regards mandatory bids, the pricing was based on the fair price calculated on the basis of the historic performance of the securities subject to the bid, which must also be paid to those that have accepted a previous voluntary bid at a possibly lower price. The old mechanism made reference to the historic 12-month weighted average price in defining the fair price, which has created some frustration, especially in the bearish stock markets experienced in Finland some years ago.

With the implementation of the Takeover Directive, the fair price in a mandatory bid will, at the outset, be the price paid by the offeror, or those acting in concert with it, for the same securities in the six months before the mandatory bid. Absent regulation in the Takeover Directive, if the offeror has not acquired any securities in the offeree company in the six months preceding the bid, the fair price in a mandatory bid will, at the outset, be the historic three-month weighted average price of the securities in question. A weighty reason to deviate from the fair price could, however, affect the pricing in both situations above.

As regards voluntary bids, provisions were included on the pricing of voluntary bids regarding all securities in the offeree company. The price will be the price paid by the offeror, or those acting in concert with it, for the same securities in the six months before the voluntary bid, again, unless a weighty reason to deviate from this price exists. If the offeror has not purchased any securities in the previous six months, the pricing in a voluntary bid is, as a rule, at the offeror's discretion.

Furthermore, the price of securities purchased by the offeror

subsequent to the launch of a bid, including after the bid's expiry, will in certain circumstances affect the pricing of the securities purchased by the offeror pursuant to the bid.

### Competing bids

Rules concerning the launch of a competing bid and the effects such a competing bid has on a pending original bid are enacted in connection with the implementation of the Takeover Directive.

The launch of a competing bid gives the original offeror the possibility to react to that launch by allowing the original offeror to amend its original bid. The original offeror can extend the offer period for the original bid to equal the competing bid and/or adjust the terms of the original bid.

To balance the increased possibilities of the original offeror, the Finnish regime introduces an opportunity for a shareholder having already accepted the original bid to revoke the acceptance during the offer period of the original bid if a competing bid is launched. The proposed amendment mirrors German practice where, in the case of a competing bid, a shareholder is entitled to revoke their acceptance of the earlier bid made before the launch of the competing bid.

If the competing bid is launched towards the end of the original offer period, the Finnish Financial Supervision Authority may require the original offeror to extend its offer period.

### Announcements by the offeree company

Also, in line with the Takeover Directive, the new regime imposes an obligation on the offeree company to make its opinion on the takeover bid public. This opinion must be made public without any delay once the offeree company has received the bid offer from the offeror, and in any case no later than five banking days before the close of the offer period. The offeree company must render an opinion on the takeover bid from the shareholders' perspective and the offeree company must make a statement on the strategic plan presented by the offeror, including its views on the effects of implementation on all the company's interests and, specifically, on employment.

### Prohibition on frustrative actions opted in

Article 9 of the Takeover Directive sets out a voluntary prohibition on the management of an offeree company to take defensive actions to frustrate a bid. Defensive actions by the offeree company are often pinpointed as a predominant feature for the success or failure of a takeover bid.

It was generally regarded in Finland that the implementation of Article 9 of the Takeover Directive to prohibit frustrative actions did not require amendments to the Securities Market Act, as corresponding provisions either already existed or were to be introduced in the new Companies Act.

Various Article 9 issues are also governed by corporations' self-regulation. To monitor this self-regulation, the Finnish regime introduces a new supervisory body. This supervisory body is subordinate to the Finnish Central Chamber of Commerce and is vested with powers to issue guidelines on corporate conduct based on the Takeover Directive. Such guidelines may be enacted on a company level by decisions of the general meeting of shareholders.

In addition to issuing guidelines, the supervisory body is vested with the power to issue non-binding recommendations on the application of corporate self-regulation, whether based on the provisions of the Takeover Directive, other self-regulatory provisions or on requests for interpretation by the Financial Supervision Authority.

Although the guidelines and recommendations of the supervisory body should not have binding effect, monitoring adherence to the comply-or-explain principle under corporate governance rules is, in practice, expected to lead to greater compliance and the establishment of so-called best practices under the Finnish takeover regime.

### Breakthrough rule opted out

Article 11 sets out provisions on contractual arrangements adopted to control the offeree company. The Article reduces the applicability of transfer restrictions on the securities of the offeree company if a takeover bid has been launched. It also provides for the so-called breakthrough rule.

Finland exercised the option conferred by Article 12 of the Takeover Directive not to require Finnish companies to comply with Article 11. Nonetheless, the Finnish implementation acknowledges the general principles of the Takeover Directive, while opting out of the measures stipulated under Article 11. Simultaneously, the amendments to the Finnish Companies Act will give detailed guidance on companies' decision-making that will also apply to offeree companies.

Under the Finnish regime, companies domiciled in Finland are able, on a company level, to opt in to Article 11. If a Finnish company resolves to opt in to the provisions of Article 11 by including such a resolution in its articles of association, it will have an opportunity to invoke similar rules in a takeover in relation to other companies within the EU that have opted in to a similar rule. Also, in relation to Article 11, the above-mentioned supervisory body is vested with powers to issue guidelines and recommendations on corporate conduct based on the Takeover Directive.

## Banking

### Recommended firms

#### Tier 1

Castrén & Snellman

Hannes Snellman

Roschier Holmberg

#### Tier 2

Waselius & Wist

#### Tier 3

Borenus & Kempainen

Luostarinen Mettälä Räikkönen

White & Case

#### Tier 4

Dittmar & Indrenius

Fennica

Krogerus Attorneys Ltd

Peltonen Ruokonen & Itäinen

### Castrén & Snellman

"They have some good individuals," said a rival lawyer, referring to Castrén & Snellman's admirable stable headed by the "very strong" Pekka Lehtinen. Among them, senior associate Tero Tuomisto came in for frequent praise, and his presence on most

of the firm's key deals corresponds with his image as a banking wunderkind.

Recent highlights include advising Skandinaviska Enskilda Banken (SEB) on its financing of German real estate investment fund Aareal's €55 million purchase of the Trigora complex, part of Helsinki's city-centre Kamppi development. The firm subsequently acted for Royal Bank of Scotland (RBS) regarding its joint acquisition of the Kamppi shopping centre with Boulton, a British land management company. The transaction was worth €300 million and closed in June 2005.

The banking and finance team funded a key purchase in the pharmaceuticals sector as the CapMan funds Finnventure V and Finnmezzanine III divested their 47% stake in Mehiläinen to Carema, a Swedish healthcare company, at a value of €152 million.

Lehtinen's department was on the banking side of the largest public-private partnership (PPP) in Finland's history. The E18 motorway project between Muurla and Lohja was worth a reported €638 million, €299 million of which was in construction costs, and was financed by a consortium comprising the European Investment Bank (EIB), Handelsbanken, Nordea Bank, Nordic Investment Bank (NIB) and RBS.

A satisfied banking client said: "So far they have done a good job, and they are well aware of the Finnish market and the Finnish requirements [of deals]."

#### Leading lawyer

Pekka Lehtinen

#### Key contact partners

Merja Kivelä  
Pekka Lehtinen

### Hannes Snellman

The appointment of Kari Lautjärvi as president of the Finnish Bar Association is hardly surprising given his prominence at Hannes Snellman, one of the country's long-time leading firms. "He is at the top of most pyramids in that firm," said a competitor. A client commented: "Kari Lautjärvi is the man I would use. He's well organized and delivers on time."

The jury is still out on whether he will continue to be as active in the firm, but he has shown no definite signs of a slowdown. Lautjärvi continues to lead Hannes Snellman's finance and capital markets division, teaming up with Matti Engelberg to deliver a €400 million credit facility to Pohjolan Voima, a client in the energy sector.

Engelberg, "a very specialist guy in financial banking law," has valuable insider knowledge in commercial banking, having joined the firm from a senior position in Nordea Bank's debt capital markets group. In December 2005, he led the team advising Amer Sports in relation to the financing of its acquisition of Salomon. The €575 million syndicated credit facility was led by arrangers Barclays Capital, Nordea and OKO Bank.

Competitors praise the breadth of the firm's banking expertise, reflected in the distribution of deals among its leading partners. Henrik Mattson, another leading figure in the finance and capital markets department, recently advised Aareal Bank on its €200 million financing of the Kesko retail group's property portfolio. The firm also acted on the lender side for revolving credit facilities to Myllykoski and M-real, among other domestic businesses.

The firm's project finance activities, meanwhile, include advising the Finnish Road Authority with regard to the creation of the 50km E18 motorway.

#### Leading lawyers

Matti Engelberg  
Kari Lautjärvi

#### Key contact partners

Matti Engelberg  
Kari Lautjärvi  
Henrik Mattson

### Roschier Holmberg

Roschier landed a pivotal role in the E18 project, Finland's largest-ever road construction venture this year. Acting opposite Hannes Snellman, the firm advised Teyhtiö Ykköste as it sought €299 million from the European Investment Bank, NIB, Nordea Bank, Handelsbanken and the Royal Bank of Scotland.

The firm also broke new ground by advising a syndicate headed by Nordea Bank financing CapMan Real Estate I Fund, the first Finnish real estate fund, in its purchase of 17 commercial properties in Helsinki.

The banking practice's main selling point is the imposing presence of Gunnar Westerlund, "a highly regarded specialist in banking law in Finland" who draws acclaim from peers and clients alike.

"I have worked with them quite intensively over the years, especially with the banking and finance team ... on many occasions they have done an excellent job," said one client, adding: "they have a good understanding of what's important and what's not ... the reason for that is that Gunnar himself has worked in-house."

#### Leading lawyer

Gunnar Westerlund

#### Key contact partners

Dimitrios Himonas  
Gunnar Westerlund

### Waselius & Wist

Waselius & Wist has an exceptional reputation in traditional banking matters, frequently acting as local counsel in relation to credit facilities and the Finnish law aspects of cross-border deals. On such example is the advice given to Skandinaviska Enskilda Banken on a multicurrency bridge facility to fund Oslo-listed Norgani Hotels' expansion of its property portfolio in Finland. The deal value was NOK3 billion (€382 million), and was headed by name partner Tarja Wist. Wist also advised German borrowers Siegwerk Druckfarben in the financing of its acquisition of Sicpa, a security ink company.

Lauri Peltola is the firm's most visible partner, and is well known for his high-quality corporate banking work. In December he was instructed by Huhtamäki on a €475 million multicurrency revolving credit facility. The lenders were a consortium of banks consisting of Citigroup, Handelsbanken, HSBC, Nordea and OKO. Another focal deal saw Peltola advising CIBC in relation to Sinclair's purchase of Consolis Group, a manufacturer of concrete pre-cast elements.

Waselius & Wist has good relationships with a number of other international and regional financial institutions, including Barclays Capital, The Bank of Tokyo-Mitsubishi, Nordea Bank and Carnegie.

#### Leading lawyers

Lauri Peltola  
Jan Waselius

#### Key contact partners

Lauri Peltola  
Nina Rosenlew  
Jan Waselius  
Tarja Wist

### **Borenius & Kempainen**

2005 was a year of change at Borenius & Kempainen. The firm thoroughly restructured its practice groups, a reshuffle which left Ari Kaarakainen near the top of the pack as the firm's first dedicated banking partner. Keen to make a good first impression, Kaarakainen has provided advice in a number of sophisticated finance transactions on behalf of high-profile clients.

Among the highlights was October 2005's refinancing of Dynea. The firm advised Nordea Bank on a syndicated €410 million multicurrency senior facility agreement. The loan was used to redeem outstanding notes and to refinance Dynea's existing senior credit facility. Nordea returned to the firm in February for counsel relating to a €70 million senior facilities agreement for the refinancing of Salcomp's debt. The firm cooperated with foreign counsel to prepare security packages in connection with both deals.

Kaarakainen's team flexed its acquisition finance muscle by advising ABN Amro on its purchase of the Loparex Group through Mountaintop Investments. The transaction entailed a €163 million syndicated senior facility and €86 million-worth of junior loans. Borenius & Kempainen also drafted the related intercreditor agreement and security documentation.

The firm's financial services and regulatory team, meanwhile, saw a flurry of activity in April and May, preparing analyses of Finnish banking, insurance and investment regulations on behalf of UBS, Ramius HVB and BlueBay Asset Management.

#### **Key contact partners**

Ari Kaarakainen  
Jari Vikiö  
Nina Wilkman

### **Luostarinen Mettälä Rääkkönen**

Luostarinen Mettälä Rääkkönen's banking department is typically seen on the lender side of transactions, and has played a part as local counsel in a number of large cross-border acquisitions over the past 12 months. The leveraged buyout of ISS in Denmark was a key moment in the Nordic region's year, accruing a total value of €1.9 billion. Kimmo Mettälä, who has a long tradition of advising banks in New York and London, appeared opposite Roschier Holmberg's Gunnar Westerlund to advise Citigroup and Goldman Sachs on the sale of ISS's Finnish subsidiaries.

Mettälä was also appointed by Citigroup to arrange Finnish aspects of the debt financing for Koch Forest Products' acquisition of the Georgia-Pacific Corporation, a deal valued at about \$15 billion.

Multinational companies recapitalizing their Finnish subsidiaries are also a staple of Luostarinen Mettälä Rääkkönen's banking practice. In December, Mettälä and his protégé Antti Niemi advised BNP Paribas in connection with the granting of €755 million-worth of senior facilities and €85 million in mezzanine facilities to the Autobar Group. This was followed by the arrangement of €160 million-worth of secured loan facilities for the Kendrion Group, in which the two lawyers acted for a consortium of international lenders including ABN Amro, Fortis, ING and Raiffeisen as arrangers and lenders.

The firm's regulatory practice is fronted by Raimo Seppälä, who has been advising Finnish banks on Financial Services Authority (FSA) regulations for direct debit and credit transfer schemes. He recently advised a mutual funds company owned by

a Finnish bank on a cooperation agreement with a French banking group.

#### **Leading lawyer**

Kimmo Mettälä

#### **Key contact partners**

Kimmo Mettälä  
Kaijo Rääkkönen  
Janne Tuulos

### **White & Case**

It is tempting to define White & Case as a tourist in a milieu dominated by locals, but the truth is that the firm has set up a comfortable home in Finland, and gained the acceptance of the market over the past 14 years.

The firm's lawyers are most often seen on the country's capital markets deals, but peers comment that "they are also doing quite a lot of financing work". Though the bank finance team is run by Petri Haussila, Timo Airisto is the most prominent partner in this area, and draws on a large pool of returning clients in the banking sector, to which were added Hypo Real Estate and ABN Amro this year.

Hypo collaborated with Württembergische Hypothekbank as senior lenders in O'Connor Capital Partners and Merrill Lynch's purchase of a property portfolio. The transaction had novel Finnish legal elements but also required a strong cross-border practice. The real estate conglomerate returned to Airisto for counsel regarding the acquisition of Nokia's office building by London and Regional Properties.

Nordic Capital is a rich source of mandates for White & Case, having appointed Airisto and Laura Huomo as advisers in the acquisitions of the Leaf Group's confectionary division and Outokumpu Copper Products. Both deals were the result of referrals from the firm's London office. White & Case also represented Nordic Capital in the recapitalization of Ahlsell, a Nordic distribution business. The financing for the recapitalization was arranged by Morgan Stanley and Nordea, and comprised senior, second lien, mezzanine and payment-in-kind facilities.

#### **Leading lawyer**

Timo Airisto

#### **Key contact partners**

Timo Airisto  
Petri Haussila  
Risto Ojantakanen

## Capital markets

### Recommended firms

#### Tier 1

Hannes Snellman  
Roschier Holmberg  
White & Case

#### Tier 2

Castrén & Snellman  
Merilampi Marttila Laitasalo  
Waselius & Wist

#### Tier 3

Borenus & Kempainen  
Fennica

#### Tier 4

Dittmar & Indrenius  
Krogerus Attorneys Ltd  
Luostarinen Mettälä Räikkönen

### Hannes Snellman

Before the bottom fell out of the equity markets in 2001, there were plenty of initial public offerings (IPOs) and spin-offs for large and small firms alike. Nowadays the market is far more concentrated, but this doesn't worry the top-tier firms, which are "in a different league" from their smaller cousins.

"Hannes Snellman really has been quite strong in the past year," said one lawyer, a view shared by a number of respondents. This is evidenced in the firm's deal list, which includes a two-stage arrangement with Osuuspankkien Keskuspankki Oyj (OKO Bank). OKO made a public tender offer for all issued and outstanding shares in the Pohjola Group totalling €2.1 billion, followed by an offering of up to 78,585,304 series A shares (general listed shares) and up to 22,003,176 series K shares (restricted to OP Bank Group members and carrying five votes per share, but with a lower dividend value) with a combined value of €725 million. Juhani Mäkinen led teams acting as lead counsel to the bank in both transactions.

The firm has acted on two IPOs so far in 2006, for issuers Ahlstrom and Salcomp. Both deals used the services of Mikko Heinonen, who leads the firm's corporate activities. Ahlstrom was the larger of the two, valued at €176 million compared to Salcomp's €54 million. Johan Aalto, the firm's managing partner, is also closely associated with Hannes Snellman's equity capital markets practice.

On the debt side, Kari Lautjärvi advised the UPM-Kymmene Corporation on its €5 billion global medium-term note (MTN) programme, following acting on a similarly sized MTN programme for Nordea Bank in January. He also joined ex-Nordea lawyer Matti Engelberg advising the banks on the structured financing of Industri Kredit's acquisition of Tradeka.

Henrik Mattson is reportedly "gaining prominence" in the finance and capital markets team. His role as counsel to the dealers in Sampo Housing Loan Bank's €5 billion covered MTN programme was highly notable because the jumbo mortgage-backed note programme was the first of its kind in the region.

### Leading lawyer

Johan Aalto

### Key contact partners

Matti Engelberg  
Mikko Heinonen  
Kari Lautjärvi  
Henrik Mattson

### Roschier Holmberg

Dimitrios Himonas heads a strong capital markets outfit at Roschier Holmberg, practising alongside high-quality partners Gunnar Westerlund, Tomas Lindholm and Vesa Rasinaho. The firm lost star associate lawyer Juhani Mäkinen to an in-house appointment at TietoEnator in March, described by one commentator as "a big loss for Roschier Holmberg", but this blow is unlikely to leave the sure-footed firm reeling for long.

Himonas and Westerlund landed a lead role in Sampo Housing Loan Bank's jumbo mortgage-backed note programme, advising the issuer. The year's equity high spots included acting for the government in relation to the country's largest equity offering of 2005. The €770 million offering of shares in Fortum was made to institutional investors in Finland and abroad. The listed healthcare group Orion also selected the firm to advise on the €2 billion demerger of its diagnostic and commercial operations into two separate companies, to be listed on the Helsinki Stock Exchange.

Finally, the firm exploited its strong Baltic links in November as it acted as transaction counsel to the Tallink Grupp, an Estonian ferry operator. The €200 million flotation on the Tallinn Stock Exchange included a Rule 144A offering to US investors; it was the first simultaneous Estonian and Finnish IPO and the first in the region to be completed under the EU Prospectus Directive.

### Leading lawyer

Dimitrios Himonas

### Key contact partners

Dimitrios Himonas  
Gunnar Westerlund

### White & Case

The first name to spring to any Finnish lawyer's lips in relation to capital markets work is Petri Haussila. "It was very much Petri who built up the [White & Case] office," said one rival. Others describe him as "very much the guy to mention", "the leading lawyer in this respect" and "*the* name, especially in capital markets." Haussila's team draws similar praise from clients, one of whom described them as "exceptional, very commercial, with a great capacity to foresee issues and a great capacity to deal with issues that come up unexpectedly".

Haussila's unassailable reputation has cemented the firm's position in the market, and it was largely thanks to its capital markets prowess that the firm won *IFLR's* Finnish law firm of the year at the 2006 Annual Awards.

Once again, Haussila and his team have had a hand in just about every big capital markets transaction in the jurisdiction this year. The biggest of all was the simultaneous spin-off and listing of Neste Oil, a subsidiary of Fortum worth €3.85 billion. 85% of the shares were distributed among Fortum's shareholders, and the remainder offered up to domestic and international investors. In the IPO of Estonian ferry company the Tallink Grupp, meanwhile, the firm represented the consortium of banks including Citigroup, Nordea, Suprema Securities and SEB Eesti Uhispank.

Other flotations involving White & Case lawyers included those of the FIM Group, Ahlstrom, Salcomp and Bergesen

Worldwide Gas. The team represented the underwriters in OKO Bank's €725 million rights offering, and Carnegie in a €131 million accelerated offering of shares in Nokian Tyres.

Rounding off another stellar year, Haussila also advised a banking syndicate on a €500 million senior note issue for M-Real, and represented Stora Enso in its \$750 million exchange offer for its outstanding 7.375% notes.

#### Leading lawyer

Petri Haussila

#### Key contact partners

Timo Airisto  
Petri Haussila  
Risto Ojantakanen

### Castrén & Snellman

Castrén & Snellman is "a good quality firm" with a steady foothold in both the debt and equity markets. The capital markets division is headed by Merja Kivelä and has expanded through taking on three new associates over the past 12 months.

Castrén & Snellman's equity capital markets clients tend towards Finnish multinationals like Kone, Reka and Suomi Mutual. In September 2005 the firm acted for Suomi Mutual as it divested shares in the Pohjola Group, a transaction worth €1.2 billion. Kivelä and Pauliina Tenhunen advised Reka in relation to its purchase of Norvestia's €31.1 million stake in Neomarkka. Kivelä also collaborated with Pekka Lehtinen and Jari Sonninen to advise Rakentajain Konevuokraamo in a share exchange offer made to shareholders in Cramo.

Lehtinen, meanwhile, has led teams this year advising on bond issues by Fortum, Elisa and Metsäliitto. The three deals had a combined value of €5.3 billion. The firm has also been involved in a number of structured finance deals, advising a range of high-profile clients including Royal Bank of Scotland and Alma Media, the latter of which divested its broadcasting division last April.

#### Key contact partners

Merja Kivelä  
Pekka Lehtinen  
Jari Sonninen

### Merilampi Marttila Laitasalo

Described by peers as "a serious actor in the capital markets" and "a very able firm", Merilampi Marttila Laitasalo has a small team with a robust track record. Among the year's key deals, the firm acted on Axfood on its disposal of €39 million shares in Spar's Finnish operations, headed by Ari Keinänen. Some of the firm's capital markets work is overseen by name partner Pekka Merilampi, known as "a well-known Finnish companies law expert" with a long list of domestic contacts. Merilampi was instructed by Pohjola, a Finnish insurance company, when OKO Bank purchased the business at an estimated €720 million.

#### Key contact partner

Ari Keinänen

### Waselius & Wist

The prominence of Waselius & Wist in debt capital markets reflects its presence in the banking market, and the firm's links with financial clients of the calibre of JP Morgan, Merrill Lynch and Barclays have bought it a significant share in the securitization market too.

"Jan Waselius is heavily involved in these kinds of assignments," comments a rival lawyer, borne out by Waselius's role as counsel for Merrill Lynch in OKO Bank's issuance of €50 million Tier I perpetual capital securities. But it is his counterpart Tarja Wist who draws more recognition in the field of capital markets, particularly on the equity side. This year she followed up Neste Oil's €3.85 billion initial public offering with deals including acting for Kekkilä in its €5.7 million public takeover by Vapo.

Wist is also active on the debt side, providing advice to Credit Suisse in connection with the listing of a series of securitized products the Helsinki Stock Exchange. Much of the debt issuance work is steered by Lauri Peltola, who advised UBS in December on Sampo Bank's issue of Tier I securities, a deal worth €125 million. Three days later, he concluded a transaction in which he led a consortium of international banks with regards to Fingrid's €750 million euro medium-term note programme.

#### Leading lawyers

Jan Waselius  
Tarja Wist

#### Key contact partners

Lauri Peltola  
Nina Rosenlew  
Jan Waselius  
Tarja Wist

## Mergers and acquisitions

### Recommended firms

#### Tier 1

Hannes Snellman  
Roschier Holmberg

#### Tier 2

Borenius & Kempainen  
White & Case

#### Tier 3

Castrén & Snellman  
Fennica  
Merilampi Marttila Laitasalo

#### Tier 4

Dittmar & Indrenius  
Krogerus Attorneys Ltd  
Luostarinen Mettälä Räikkönen  
Waselius & Wist

### Hannes Snellman

Finnish corporate law isn't much of a team game – the market tends to be dominated by highly visible rainmakers. Fortunately for Hannes Snellman it has several such players, and a few more in the making. The M&A team is co-headed by Carl-Henrik Wallin, Tuomo Vähäpassi and Mikko Heinonen, all of whom have earned the respect of the market. Among them, Tuomo Vähäpassi stands out as "a rising star – he has established his position very well", in the words of a competing lawyer. Juhani Mäkinen is a leading name in the firm, and has been present in almost all of the firm's principal deals of the past decade. Mäkinen is now one of the firm's senior partners, and took a leading role advising OKO Bank in relation to its purchase of a 53% stake in, and public tender offer for the remaining 47% of, the

Pohjola Insurance Group. The transaction was one of Finland's key deals of 2005, amounting to €2.1 billion.

Vähäpassi took charge of the team instructed by Wärtsilä as it entered into a long steel production joint venture with SKF and Ruukki. The combined net capital of the project was €533 million. This was followed by a deal in which Tomas Holmberg acted as local counsel to EADS Defense and Security Systems as it acquired the professional mobile radio operations of Nokia, Finland's largest company.

Besides these key deals, the firm attracts a steady stream of domestic and international business from buyers and sellers. So far in 2006, it has advised Tracker, A-lehdet, RomMON, TopNordic and G W Sohlberg in M&A transactions. It has also benefited from Finland's recent real estate boom, picking up work from the Internationales Immobilien-Institut, SEB Immobilien Investment and LB Immo Invest in property-related transactions headed by Heli Teräväinen.

"They have a wide offering of services. It's important that they are a one-stop shop," said a client.

#### Leading lawyers

Johan Aalto  
Juhani Mäkinen  
Tuomo Vähäpassi

#### Key contact partners

Mikko Heinonen  
Tuomo Vähäpassi  
Carl-Henrik Wallin

### Roschier Holmberg

Roschier Holmberg's corporate practice is structured as five streams (M&A, private equity, public M&A transactions, public M&A advisory, and venture capital), each with a separate head. Until recently Ulf-Henrik Kull was the best-known personality – "You face Ulf-Henrik Kull in transactions and as a team leader also ... he leaves a positive mark," said one competitor. But it is a mark that is now set to be left elsewhere, as he has been seconded to Roschier's brand new Stockholm office. Kull's presence in Sweden should strengthen the firm's ties with private equity houses with a presence in Stockholm such as Industri Kapital, Altor Equity Partners and Bridgepoint.

Before his relocation, Kull represented a Helsinki private equity fund, MB Funds, alongside several other Finnish investors in their sale of A-Katsastus, a vehicle inspection company, to Bridgepoint. He also worked with Gunnar Westerlund, the firm's lead banking partner, to advise SEB Finans on its acquisition of ABB Credit, a big-ticket equipment leasing and receivables financing company.

Kull's move does not leave Roschier's Finnish corporate practice floundering, however. Tomas Lindholm, seen by competitors as a good general adviser and "a big name in Finland", remains in Finland and continues to handle big-ticket work. In the past year, for example, he landed a mandate from the City of Espoo in relation to its divestiture of E.On Finland, a listed energy company, to Fortum. The deal had a value of €364 million.

#### Leading lawyers

Tomas Lindholm  
Lennart Simonsen

#### Key contact partners

Tomas Lindholm  
Lennart Simonsen  
Carita Wallgren

### Borenus & Kemppinen

Borenus & Kemppinen's strong private M&A practice earns it a place among Finland's top firms for corporate advice. In Jari Vikiö the firm has "one of the prominent private equity lawyers"

in the jurisdiction, and he is supported by a competent stable including Nina Wilkman and Jyrki Tähtinen. The department is also expanding – four new hires at associate level over the past year have brought the size up to 30 lawyers.

The firm was involved in a number of cross-border deals over the year, such as the €650 million sale of TDC Directories in Denmark. Counsel to the buyers, the Macquarie Capital Alliance Group, was provided by Jari Vikiö, who also acted as local counsel to 3i, Veronis Suhler Stevenson and the Yellow Brick Road Group (YBR) in relation to the sale of YBR. The deal's total value was €1.825 billion; Allen & Overy was the group's lead counsel.

One of the firm's private equity clients praised its "problem-solving attitude", adding: "Borenus & Kemppinen stands out in being able to set up funds in the most constructive way."

Among other highlights, Wilkman advised ABN Amro in connection with its €230 million takeover of the Finnish branch of Loparex, a producer of siliconized paper. Meanwhile, Jyrki Tähtinen acted for Capman and Procurator as their funds disposed of a €120 million stake in the Finnish Holiday Club Finland to London & Regional Properties.

"It is very easy to call them and they are very proactive – when they need any assistance from our side, they call us," said one of the firm's M&A clients. He added: "Jari Vikiö has been the man in charge of the projects but his team is also excellent."

#### Leading lawyer

Jari Vikiö

#### Key contact partners

Jyrki Tähtinen  
Jari Vikiö  
Nina Wilkman

### White & Case

White & Case owes its solid position in the Finnish M&A market to an unsurprisingly powerful cross-border set-up. One competitor commented that the firm is automatically involved in any transaction in which more than a tenth of shareholders are American, while another said: "With their international network they can do things very well."

Furthermore, the firm strengthened its domestic links with the hire of Risto Ojantakanen last year. One lawyer described his arrival as "a new spring for White & Case ... he has a reasonable number of blue-chip clients that he is very close to and has been for a number of years."

But it is Petri Haussila who heads up, and is dominant in, White & Case's corporate team, and together they generate a significant volume of M&A work. The firm recently represented Metso Corporation, a Finnish engineering and technology group, in its €335 million acquisition of Aker Kvaerner's pulping and power business. Another commercial client is the Novator Group, which consulted the firm on its public tender offer for Saunalahti Group, a listed mobile telecoms operator. White & Case also advised on the company's subsequent sale of its holdings to Elisa, in a transaction valued at €320 million.

The firm continued its advice on a run of private equity deals this year. Among them was advice provided to Altor Equity Partners on its purchase, through an auction, of GE Healthcare's dental imaging business and on the negotiation of a debt package.

#### Leading lawyers

Petri Haussila  
Risto Ojantakanen

#### Key contact partners

Timo Airisto  
Petri Haussila  
Risto Ojantakanen

### **Castrén & Snellman**

Castrén & Snellman's M&A department has exercised an aggressive expansion policy with the hire of nine associates since June 2005. The team now numbers 36, but the firm's commanding position in the market ensures that there is plenty of work to go round. The firm concentrates on mid- to large-sized transactions; among its larger assignments was advising RBS on its acquisition, with Boulton Construction, of €345 million shares in the holding company of the Kamppi shopping centre. But Finnish transactions do not come any bigger than Suomi Mutual Life Insurance Company's divestment of shares worth €1.2 billion in Pohjola Group. A team combining the expertise of Pekka Jaatinen and Jari Sonninen advised on seller in the deal, which was one of the biggest M&A transactions in Finnish history.

"Castrén's lawyers are all very well qualified," commented a rival. Pekka Jaatinen is described as "a very able man", while another interviewee praised Jari Sonninen's business connections: "He has got a lot of cash flows from private equity houses for Castrén & Snellman."

Recent standout private equity deals include acting for Niam Fund III and Crown Asset Management in their purchase of Kesko's property portfolio. The deal's value was not made public, but it is understood to be in excess of €200 million. Also, in May, Castrén & Snellman represented 3i and Carema Vård och Omsorg as they acquired Mehiläinen, a private healthcare company, for €152 million.

#### **Leading lawyers**

Pekka Jaatinen  
Mårten Janson  
Jari Sonninen

#### **Key contact partners**

Jan Kuhlefelt  
Jari Sonninen

### **Fennica**

Described by peers as "a firm that has constantly improved" and as comprising "a group of young, smart lawyers", Fennica's M&A practice is still seen by some as a work in progress, but few doubt that the firm is quickly climbing from its roots as an IT and intellectual property boutique towards the upper branches of the Finnish corporate law market.

One of the clear high spots of the past 12 months came with Elisa's three-stage acquisition of the entire share capital of the Saunalahti Group. The deal included a public tender offer and a subsequent mandatory redemption offer, and was valued at €350 million; Fennica acted for Elisa. The firm also advised the European Directories consortium, led by Macquarie, in relation to the €1.825 billion acquisition of YBR.

Fennica has a reputation for handling a large number of small and medium-sized deals, and this year has been no exception. Among the highlights, the firm represented BioFund Management, Comptel and Satama Interactive on both the buy and sell sides of M&A transactions.

#### **Leading lawyer**

Matti Ylä-Mononen

#### **Key contact partners**

Jori Taipale  
Matti Ylä-Mononen

### **Merilampi Marttila Laitasalo**

Merilampi Marttila Laitasalo quickly plugged the hole left by Matti Ylä-Mononen's departure with the appointment of a new partner. Jani Ylä-Autio defected from Roschier Holmberg in

September, and joins Ari Keinänen in the firm's expanding corporate division.

The M&A team's bread and butter comes from high-calibre Finnish corporate clients. "They have a quality stamp," said a rival lawyer. Keinänen acted for Axfood in its disposal of €39 million shares in Spar Finland to SOK, and for Werner Söderström in the sale of Ajasto Oy and Lönnberg Painot for an undisclosed sum.

Soon after his arrival at the firm, Ylä-Autio teamed up with Pekka Merilampi to deliver a €720 million deal as OKO Bank made a public offering for Pohjola. This was followed in May by the sale of a real estate portfolio worth €42 million. Merilampi Marttila Laitasalo represented the sellers in both transactions.

#### **Key contact partners**

Ari Keinänen  
Jani Ylä-Autio