

# Germany

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## Takeover activity in Germany

### Marius Berenbrok and Marcus Mackensen Freshfields Bruckhaus Deringer Hamburg

Germany, like other countries, has seen a big upswing in public M&A activity in 2005 and since the beginning of 2006. In 2005, 37 takeover offers were made, following 28 in the previous year. Even without the Unicredit/Hypovereinsbank takeover as the largest single transaction, public M&A volume in 2005 exceeded that of 2004 and 2003. In 2006, by the beginning of June 17 takeover offers had already been made.

Takeovers in Germany are regulated by the Securities Takeover Act (the WpÜG), which came into force in 2002. In connection with the WpÜG, squeeze-out rules were introduced in the German Stock Corporation Code (the AktG) for the first time, and many successful takeovers were followed by squeeze-out procedures.

### Transformation of the EU Takeover Directive

The EU Takeover Directive came into force in 2004 and was supposed to be implemented in the member states by May 2006. Germany did not quite comply with the deadline, but the Bundestag has passed the Takeover Directive Implementation Act, which is now awaiting a vote by the Bundesrat and publication.

While the existing WpÜG already codified many of the provisions which were discussed at the EU level at that time, the Takeover Directive requires some changes to the existing laws.

### Defensive measures

When the Takeover Directive was implemented Germany opted out of the strict prohibitions on defensive measures, but granted companies the opportunity to opt in, either in general or only in cases in which the bidder itself is also subject to the prohibition of defensive measures. The less strict German prohibition on defensive measures will apply in any case; under the German provisions, the management board can institute defensive measures not only based on a shareholder resolution but also with the approval of the supervisory board. However, defensive measures within the competence of the shareholders meeting (that is, stock repurchases, capital increases and so on) still require a vote by the shareholders, and can therefore only be used if the relevant shareholder resolution has been passed.

In practice, target companies have largely refrained from using major defensive measures against specific takeover offers. Protective defensive measures taken before a takeover offer has been published have occasionally comprised staggered tenures for supervisory board members, which makes it difficult for a bidder to replace a superviso-

ry board quickly. However, a German listed company has only limited powers to employ poison pills, such as high severance packages for executives in cases of a change of control. In cases of unsolicited offers, defensive measures tended to be limited to publicly denouncing the offer as too low and searching for a white knight. While these tactics occasionally succeeded, more often they led to an increase of the offer price and ultimately benefited the shareholders.

Whether many listed companies will opt to apply the European rules remains to be seen. If the European rules apply, any restrictions on the transfer of shares will cease to apply, as will voting restrictions at a shareholders meeting where the bidder holds 75%.

### Squeeze-out

A number of squeeze-outs have been implemented since 2002. While the squeeze-out provisions of the existing WpÜG have been viciously attacked in the courts (with the argument, for example, that a squeeze-out is unconstitutional in Germany) the courts have, in principle, allowed their use. However, a decision by the Federal Constitutional Court as final arbiter of this question is still pending. Most squeeze-out procedures have proved more costly than envisaged, as minority shareholders have attacked the prices paid as too low, and in many instances have succeeded in demanding a higher squeeze-out price in the courts. The squeeze-out rules mandate that the price is based on a company valuation which, being more of an art than a science, has been routinely attacked in the courts, and the courts have questioned all assumptions on which the valuation is based. Thus, the price per share paid during a squeeze-out has in the end often been significantly higher than the price paid during a preceding takeover offer, which in turn has made shareholders less willing to tender shares during a takeover offer but instead hold out for the potentially higher squeeze-out price.

The implementation of the Takeover Directive adds another squeeze-out opportunity. The existing squeeze-out provisions apply independently of a takeover, do not require a listed company and require an independent valuation for the price payable to minority shareholders. The new squeeze-out will only apply within three months of a successful takeover, and will allow the bidder to pay the price paid during the takeover (that is, not based on an independent valuation, but essentially on the quoted stock price) if 90% of the outside shareholders have tendered shares in course of the takeover offer. This provision waives the requirement for an independent valuation, and will thus both facilitate squeeze-outs as well as make them cheaper. Also, since the takeover-related squeeze-out does not require a shareholder resolution (which is routinely contested by minority shareholders, often known as shareholder activists), there is less scope for procrastination.

In conclusion, it can be expected that takeovers will become even more widespread in Germany, since a subsequent squeeze-out will be quicker and less costly.

## Banking

### Recommended firms

#### Tier 1

Allen & Overy  
Clifford Chance  
Freshfields Bruckhaus Deringer  
Hengeler Mueller  
Linklaters

#### Tier 2

White & Case

#### Tier 3

Gleiss Lutz  
Milbank Tweed Hadley & McCloy  
Shearman & Sterling

#### Tier 4

Baker & McKenzie  
Cleary Gottlieb Steen & Hamilton  
Latham & Watkins  
Lovells  
Norton Rose

#### Tier 5

Ashurst  
CMS Hasche Sigle  
Sullivan & Cromwell

## Allen & Overy

Despite recession striking Germany over the past four years, banking has been an area of growth – something not expected by pundits. Allen & Overy has certainly been partial to a share of headline-grabbing mandates and as a result, market commentators have ushered the firm into a top-tier positioning. Because of the international reputation of Allen & Overy, its capacity for complex work and “because of their ability to draft”, the practice is “seen very often on large transactions.” Among the team, the market perceives that Peter Stenz is “doing a good job” and Neil Weiland is “very active in the market”. In a further recognition of the firm’s personnel, rivals pinpointed Volter Eubelhoer as a rising star because he is “impressive” and “clued-up on the financial side”.

Recent examples of the firm’s work include advising RAG Beteiligungs in relation to a €2 billion syndicated loan and acting for Tui in relation to a €1.75 billion syndicated loan arranged by Bayerische HypoVereinsbank, Citigroup Global Markets, HSH Nordbank and RBS. Continental was also a beneficiary of the firm’s expertise in relation to the refinancing of an existing €1.5 billion multi-currency syndicated revolving facility.

Allen & Overy has also been representing leading investment banks in complicated negotiations with the German financial services regulator, on the risk of innovative asset-backed securities, as well as in relation to their eligibility for the cover pool of German mortgage banks. This work proved challenging because complex structured finance and securitization techniques had to comply with German regulatory requirements.

### Leading lawyers

Peter Stenz  
Neil Weiland

### Key contact partners

Cathy Bell-Walker  
Peter Stenz

## Clifford Chance

Rivals professed that Clifford Chance is “involved in large transactions and have a broad client base” and that it merits an advanced position in the rankings. With 17 lawyers capable of working on financing transactions, the firm has effectively built up its practice in recent times. Market observers spoke fondly of the personnel, variously describing leading lawyers Bettina Steinhauer and Barbara Mayer as “very professional and hard-working” and announcing that they “can rely on them on the other side”. Riko Vanezis is also highly recommended by the market.

On the lending side, Clifford Chance assisted HSH Nordbank, Landesbank Hessen-Thüringen Girozentrale and Deutsche Bank on the financing of the acquisition of Dresdner Bank’s Dresdner Grundfonds fund by Drive, a subsidiary of Eurocastle Investment.

Loyal client Société Générale gave Clifford Chance the nod during the financing of the acquisition of shares in German cable company EWT by a consortium of ABN Amro, Altheia, Quilvest and Hardt Group. In a further standout deal, Clifford advised the Swiss service provider, Jet Aviation Group, on the financing of the acquisition of Midcoast Aviation.

In other financings, the firm advised investment powerhouse Goldman Sachs on the secured second lien syndicated facility for Karstadt-Quelle, and advised HVB in relation to the financing of the acquisition of VTG. And finally, the practice assisted CVC Capital Partners with regards to the financing of its acquisition of Ruhrgas Industries, the German management holding company for the industrial affiliates of the E.On Ruhrgas Group, from E.On, for €1.5 billion.

Additional clients that the firm has been advising on an ongoing basis include ABN Amro, Citibank, Dresdner Bank, HVB, JP Morgan and UBS.

### Leading lawyers

Barbara Mayer  
Peter Scherer  
Bettina Steinhauer  
Riko Vanezis

### Key contact partner

Peter Scherer

## Freshfields Bruckhaus Deringer

Winner of the German law firm of the year at the *IFLR* Awards 2006, Freshfields Bruckhaus Deringer boasts “an excellent banking department”. Rivals noted that the sheer strength of the firm’s corporate practice helps to feed the banking department – it comes as no surprise then that Freshfields has once again advised on a litany of innovative and complex transactions involving working with new banks and good products. The names that continue to be chanted by the market are the well-respected Yorck Jetter and Andreas König.

In a deal that has attracted much media interest, Freshfields was seen advising Linde on the acquisition financing (comprising a sterling facility of £8.9 billion and a euro facility of €2 billion) for its public takeover bid of The BOC Group. In a further big-ticket deal, the practice guided the Fortress Investment Group through the €1.8 billion financing of the acquisition of a Dresdner Bank real estate portfolio.

Other standout deals saw the firm assisting Fresenius on the financing of the strategic acquisition of Helios Kliniken, which was quite substantial in relation to the size of the purchaser, given that it involved a financing package encompassing a €700 mil-

lion bridge loan, a rights issue and a high-yield take-out, and acted for KarstadtQuelle on the financing of the acquisition of all of KarstadtQuelle's real estate assets by a joint venture formed between KarstadtQuelle and Whitehall.

#### Leading lawyers

Yorck Jetter  
Andreas König

#### Key contact partners

Ian Frost  
Yorck Jetter  
Frank Laudenklos

### Hengeler Mueller

The might of a firm is evident when commentators note that despite boasting an "excellent" banking department, it is in fact even stronger in corporate transactions. Although Hengeler Mueller may have been caught up by others in terms of the number of banking instructions handled, consensus stipulates that the firm's quality of work nudges them ahead of the field. As in the other core practice areas, the leading lawyers listed from Hengeler are considered the premier names on the market. Commentators highlighted the sheer ability of the departing Hannes Schneider, and suggested that although his farewell is a loss to the firm, it has the strength in personnel to recover. This revitalization will surely be spearheaded by the "outstanding" Hendrik Haag and Stefan Krauss, and aided by star younger partner Thomas Cron.

Understandably busy in the acquisition finance arena, Hengeler continued to advise on German niche transactions as opposed to cross-border work, something that preserves its position on the German market. Martin Geiger and Dirk Bliesener led a team that advised Citigroup and Morgan Stanley on the €3.1 billion secured financing of AHBR. Other substantial financings saw the firm guide Deutsche Bank and Credit Suisse First Boston through the €4.57 billion financing of Axel Springer's proposed acquisition of ProSiebenSat.1Media, aid Goldman Sachs in its substantial financing of a non-performing loan (NPL) portfolio acquisition from HypoVereinsbank, and advise Deutsche Bank in relation to a €500 million revolving credit facility for Altana. Cron was at the helm, meanwhile, when the practice assisted Linde with its €1.8 billion syndicated multi-currency revolving facility.

Hengeler has been doing much work on the corporate lending side, where the number of financings has been driven by favourable market conditions. The firm was active in lending its advice to adidas on the €1.5 billion multi-currency facility, relative to the acquisition of Reebok. And, among the other many highlights for the year, Hengeler could be seen providing advice to Strabag and Fimag in relation to a €1.5 billion syndicated guarantee facility.

#### Leading lawyers

Thomas Cron  
Hendrik Haag  
Stefan Krauss  
Hannes Schneider

#### Key contact partners

Hendrik Haag  
Hannes Schneider

### Linklaters

"In a credible manner they have merged German skills with English skills [and] are legitimately seen as one of the top players in the market." Now a force to be reckoned with after investing much man-power into finance, Linklaters is consolidating rapidly and winning a number of significant mandates. Described as an "up-and-coming firm" because of this meteoric rise, Linklaters

strikes a chord with clients for its expertise, and also because an "aggressive pricing" approach results in offering value for money to clients.

Once again over the past 12 months, Linklaters was frequently present on the large transactions. For example, the practice advised Barclays Capital as lead arranger of the €1.8 billion recapitalization for Springer Science & Business Media, which involved senior, second-lien and mezzanine facilities. This international deal was led out of the Frankfurt office by John Stansfield and Marc Trinkaus (who provided English and German law advice respectively), and included complex inter-creditor arrangements that had to be developed owing to the relatively new status of second-lien tranches in the European debt market.

Linklaters also proved its capability on the multi-jurisdictional leveraged transaction by advising ING Bank on the €195 million senior facilities and €60 million mezzanine facilities to finance the leveraged buyout of Jost-Werke. The "sheer firepower" of Linklaters was in full flow when assisting a large syndicate of banks providing a €2 billion multi-currency and revolving credit facility for adidas-Salomon. In a further complex transaction, the practice advised Société Générale as mandated lead arranger on the *shariah*-compliant Islamic financing of an acquisition of real property in Germany. The transaction marked one of the first such financings in the German market using a *murabaha* structure.

Among the year's other highlights, leading German bank Dresdner Kleinwort Wasserstein benefited from the firm's advice on a €275 million revolving credit facility granted to German pharmaceutical company Schwarz Pharma, and Bayerische HypoVereinsbank turned to Linklaters for guidance on a €75 million credit facility for the purpose of refinancing existing facilities of the Washtec Group.

#### Leading lawyers

Carl-Peter Feick  
Berthold Kusserow  
Eva Reudelhuber  
Marc Trinkaus

#### Key contact partners

Carl-Peter Feick  
Eva Reudelhuber

### White & Case

According to one rival, "White & Case has made impressive progress from humble beginnings ... it will take a while to make it into the first tier, but they have good clients and an impressive array of transactions." In fact, as late as 2001, White & Case did not really possess any institutional relationships to speak of on the finance side in Frankfurt. However, now the firm is approved by many leading financiers in Germany, including ABN Amro, Barclays, BNP Paribas, Citigroup, Commerzbank, CIBC, Deutsche Bank, Dresdner Bank and Société Générale. As a testament to its strength, it has recently been elected to the RBS panel for all types of work in Germany. Also, White & Case's team has been bolstered this year by the arrival of new partners Thomas Flatten and Sabine Schomaker.

"Growing and getting a lot of work" seems to be the market's perception of White & Case, therefore, and the firm's healthy deal roster over the past year exemplifies this. In one example, the firm assisted Deutsche Bank and Morgan Stanley with a €6.23 billion financing for the RAG Beteiligungs Group's acquisition and public offer of shares in Degussa from E.On. The practice also advised the arrangers (Deutsche Bank, Barclays and RBS) on

the €1.6 billion financing for the acquisition of MTU Friedrichshafen, the commercial division of DaimlerChrysler and the off-highway business of Detroit Diesel by EQT from Daimler-Chrysler. HSH Nordbank and Morgan Stanley also profited from the firm's expertise as lead arrangers in connection with €1.25 billion-worth of credit facilities for the acquisition of Nileg, the real estate group purchased by Fortress from NordLB.

Active on the borrower side, the firm advised Barry Callebaut, on an €850 million refinancing with ABN Amro, Fortis Bank, ING Belgium and Natexis Banque Populaire. White & Case also guided borrower Adecco Germany Holdings through a €695 million bridge loan financing for its acquisition of shares in listed DIS and subsequent acquisition of those shares through a public offer.

#### Leading lawyer

Annica Lindegren

#### Key contact partners

Annica Lindegren  
Eberhard Meincke

### Gleiss Lutz

Indigenous German firm Gleiss Lutz has "a strong corporate base" and has been "making huge steps in banking" over the past 12 months. Despite possessing a relatively small department, Gleiss Lutz has been "taking opportunities from referrals" and thus "deserve their position" in the rankings. Traditionally, the practice has benefited from its industrial base and has had a long-standing reputation in advising corporate borrowers. This foothold has developed in recent years, and the practice can now be seen advising private banks and financial investors. The alliance with Herbert Smith in London and Stibbe in the Netherlands has also proved fruitful.

An undeniable success in the banking arena, Gleiss advised Spohn Cement in relation to the financing of the takeover offer for HeidelbergCement, in what was one of the largest takeovers across Europe over the past year. Work of more recent vintage saw the practice guide Merck through the €15 billion takeover of Schering.

Indeed, Gleiss Lutz has been visible frequently on impressive, big-ticket work over the year. Among the highlights, it assisted a US bank with a \$1.3 billion loan agreement, advised another large US bank on the €1.8 billion acquisition financing of a residential estate, and could be seen advising a large Scottish bank on a €1 billion syndicated loan to a leading software manufacturer.

#### Key contact partners

Christian Cascante  
Burkhard Jäkel  
Olaf Otting

### Milbank Tweed Hadley & McCloy

"A small outfit, but one with a good reputation", *IFLR1000* respondents decided that Milbank deserved a promotion, especially due to the fact that the market "expect them to get a decent share of work, especially on the acquisition finance side".

A particular highlight of the past year involved the practice advising sole arrangers HVB in the €829 million acquisition financing for CBR Holding. In other deals over the period, Milbank assisted JP Morgan and Lehman Brothers with the €800 million acquisition financing for the buyout of Debitel by Permira, investment powerhouse Morgan Stanley benefited from

the firm's expertise in relation to €392 million-worth of credit facilities made available for the acquisition of shares in Wacker-Chemie, and Commerzbank sought the firm's advice in relation to a €750 million multi-currency credit facility for Georg von Holtzbrinck.

In summary, Milbank is considered "the one to watch", mainly because of its exposure to the market, but commentators also felt that the consolidation in personnel also bodes well for the future.

#### Leading lawyers

Rainer Magold  
Christina Ungeheuer

#### Key contact partners

Rainer Magold  
Christina Ungeheuer

### Shearman & Sterling

"Committed" and "involved in many banking transactions", Shearman & Sterling has profited immensely from the steady flow of deals coming its way from the London office. "They have a fantastic corporate practice, yet do the same standard on the finance side" enthused one rival, and that "they do quality work and therefore should move up the rankings". As a further seal of approval for the team skippered by Johannes Kremer and Hans Diekmann, a contemporary vouched that Shearman "have a pleasant team".

Among the many banking transactions handled by the firm over the past year, the firm advised the Bank of America on a \$4.6 billion refinancing of the existing bank liabilities of Fresenius Medical Care, and acted for Agravis Raiffeisen on the €400 million refinancing of debt by way of a syndicated loan.

In other financings, Credit Suisse First Boston and Morgan Stanley turned to Shearman & Sterling for advice on the bridge financing for the acquisition of Helios' clinical centres by Fresenius, which consisted of a €700 million high-yield bond and an €800 million capital increase, and the firm advised the Westfleisch Group on a senior secured syndicated loan and hybrid mezzanine financing.

#### Key contact partners

Hans Diekmann  
Andreas Diem  
Stephan Hutter  
Johannes Kremer

## Capital markets – debt

### Recommended firms

#### Tier 1

Hengeler Mueller

#### Tier 2

Allen & Overy

Clifford Chance

Freshfields Bruckhaus Deringer

Linklaters

#### Tier 3

Cleary Gottlieb Steen & Hamilton

Lovells

Shearman & Sterling

White & Case

#### Tier 4

Davis Polk & Wardwell

Gleiss Lutz

Latham & Watkins

Norton Rose Vieregge

Sullivan & Cromwell

### Hengeler Mueller

Some years ago Hengeler Mueller was by far and away the market leader for this kind of work, the first in the field in Germany. Nowadays, with the consolidation of firms in Germany that has occurred over the past few years, Hengeler is certainly facing a challenge. Nevertheless, “in straight debt work they are still the top firm,” and what sets them apart is the “quality that they can offer on a transaction”. In addition, rivals highlighted the sheer amount of lawyers able to undertake a debt mandate. “The team is full of highly regarded capital markets lawyers”, said one client, although market opinion suggested that the retirement of “debt specialist” Hannes Schneider “will be a huge blow”. However, Hendrik Haag and Wolfgang Gross, who are well-respected by the market, are thought to be up to the challenge as successors to Schneider, and it is unlikely that Hengeler’s position will slip as a result of Schneider’s departure.

The transaction list for the past year is, once again, formidable. The sum of 223 eurobond issues, 17 standalone syndicated issues and 35 medium-term note (MTN) programmes, and client list that includes Bayer, Deutsche Bank, Hypothekbank and Eurohypo, serves as a perfect demonstration that Hengeler is still the market leader.

Hengeler has been involved on many commercial paper programmes, many of which were considered big-ticket transactions. Highlights included acting for Bayerische Landesbank on a €20 billion programme, advising Deutsche Bank on \$15 billion and \$25 billion programmes, and assisting JP Morgan with setting up a €12.5 billion programme.

The jumbo-bond market continues to be dominated by Hengeler. Over the year the firm advised on multi-billion transactions for DaimlerChrysler, Deutsche Telekom, E.ON, IKB Deutsche Industriebank and RWE. In structured bond work, the practice continues to advise on many high-yield and hybrid bonds.

In the first-ever foreign currency bond in the jurisdiction, Hengeler’s ability to handle complex transactions was on full

view when it advised the Federal Republic of Germany. The firm was responsible for devising the novel structures of the transaction and for drafting and negotiating the documentation. Hengeler also assisted the Federal Republic of Germany with the country’s first-ever inflation-linked bond. In this deal, worth €5.5 billion, the practice was responsible for the issue of documentation and the negotiation of the documentation with the banking syndicate.

#### Leading lawyers

Thomas Cron

Wolfgang Gross

Hendrik Haag

Hannes Schneider

#### Key contact partners

Hendrik Haag

Hannes Schneider

### Allen & Overy

Allen & Overy has been promoted to the second tier this year after receiving much praise from rivals, who invariably noted its “outstanding ability” and “sheer visibility on the market”.

During the year, Allen Overy assisted Merrill Lynch on the issue of a principal protected index-linked note by the Federal State of Brandenburg. Through a reference index arranged by Merrill Lynch, the note was linked to a notional dynamic portfolio of corporate bonds, credit default swaps, government bonds and bond futures. The practice also advised WestLB on an issuing platform for the securitization of derivatives and German savings bank bonds (Vivaldis), which marked the first issuing platform of its kind, and represented the first regulator-approved programme applying the ABS model in accordance with the EU Prospectus Directive.

DZ Bank looked to Allen & Overy in relation to the issue of a structured microfinance certificate linked to a bond of the Belgian Impulse Microfinance Investment Fund, as well as German and Luxembourg Liga Pax investment funds and its investment in the underlying fund instruments. By purchasing the bond issued by DZ Bank, investors provide funds to the Belgian Impulse Microfinance Investment Fund, which will be used to refinance micro-financial institutions in developing and threshold countries.

In a further complex transaction, Allen & Overy assisted Deutsche Bank on the set-up of the credit select programme for the issue of baskets of credit-linked notes to German retail investors, significant because it enables retail investors for the first time to acquire secured credit derivatives of this type.

#### Leading lawyers

Johannes Bruski

Philip Smith

#### Key contact partners

Okko Hendrik Behrends

Frank Bierwirth

Johannes Bruski

### Clifford Chance

Clifford Chance prides itself on its visibility on some of Germany’s biggest syndicated trades. The firm has been seen advising joint-lead managers BNP Paribas, Commerzbank and the Royal Bank of Scotland in relation to DaimlerChrysler Canada Finance’s €1 billion issue, assisting Citigroup Global Markets and HSBC as lead managers of Siemens’ \$500 million offering, and guiding Landesbank Baden-Württemberg für Würth Finance through its €100 million issue. A further highlight saw the practice advise joint-lead manager Morgan Stanley in relation to the structuring and documentation of a €200 mil-

lion bond for an EU member state. Also active on the issuer side, Clifford Chance advised FC Köln on a €5 million issue and acted for Bayerische HypoVereinsbank in relation to its €125 million bond issue.

Lively in specific programme work, Clifford Chance advised investment powerhouse Goldman Sachs on the documentation of a certificate programme for the issue of a broad range of certificate structures on various underlyings, including shares, indices, commodities, interest rates and baskets, and acted for Credit Suisse International on the issuance of certificates and bonds.

In other work, Clifford Chance acted as counsel to a number of leading banks, including Barclays Capital, Dresdner Bank, Morgan Stanley, Rabo Nederland and UBS, in relation to more than 20 updates to MTN programmes.

#### Leading lawyer

Sebastian Maeker

#### Key contact partner

Sebastian Maeker

### Freshfields Bruckhaus Deringer

Freshfields Bruckhaus Deringer boasts a fluid deal flow, and rivals noted that is certainly one of the key players in this area. Typically working on dynamic mandates, the firm has been focussing on more complex products, especially ones that are structured on the basis of specific regulatory and tax requirements. The market once again pinpointed the well-regarded Andreas König as a leading lawyer, and rivals decided that Christoph Gleske was worthy of the rising star tag.

Usually hovering near the debt market's cutting-edge, this year Freshfields advised the underwriters on the first-ever inflation index-linked bond issued by the Federal Republic of Germany, worth €5.5 billion. The practice also guided Fresenius through its dual-tranche €1 billion offering of high-yield bonds issued by its wholly owned subsidiary. Winning another significant mandate, Freshfields skilfully aided German car maker Porsche on its €2 billion issue of bonds and \$1 billion hybrid issue. The transaction served to replenish Porsche's liquidity reserve following its acquisition of a 20% stake in Volkswagen. The hybrid bond, which was targeted at an Asian investor base, was structured to enhance Porsche's senior lending capacity, and will be recovered as equity on Porsche's consolidated IFRS balance sheet.

In another big-ticket transaction, Freshfields advised Commerzbank on the issue of €2.2 billion bonds (comprising a euro-dominated tranche of €1 billion and an £800 million tranche) through Delaware special purpose entities, the largest hybrid capital financing of its kind by a German bank to date. The sterling tranche also marked the largest of its type ever issued by a non-British bank.

The firm's impressive client base also includes BNP Paribas, Deutsche Bank, Tui, the Capital Efficiency Group, Dresdner Kleinwort Wasserstein, Credit Suisse and Morgan Stanley.

#### Leading lawyer

Andreas König

#### Key contact partners

Christoph Gleske  
Andreas König

### Linklaters

Having "their share of large deals over the past year", debt capital markets is another area where Linklaters is ramping up its activities. Peter Waltz's team is reputed to be the leader in the area of struc-

ured equity (that is, hybrid equity capital instruments and equity-linked bonds) and liability management transactions. The practice also remains considerably strong in matters relating to debt issuance programmes and structured investment products.

Recent highlights include Linklaters advising JP Morgan and Morgan Stanley on a €2.4 billion EADS hedging transaction with DaimlerChrysler, assisting Allgemeine Hypothekenbank Rheinboden on two transactions concerning the buyback of a total of eight *pfandbrief* series worth a total of €5.82 billion, and guiding joint-lead managers Citigroup Global Markets and Credit Suisse Securities through a placement of a junior mandatory convertible bond, worth €2.3 billion – the largest-ever mandatory convertible bond by a German company.

In other work, Linklaters advised Deutsche Bank, Dresdner Kleinwort Wasserstein and UBS as lead managers, and Bayerische Landesbank, Hypovereinsbank, Helaba and WestLB as co-lead managers, on the placement of an €800 million hybrid eurobond by Allianz, one of the first real pan-European debenture offers to retail investors since the EU Prospectus Directive came into force.

Linklaters has advised on number of debt issuance programmes over the past year. In the most notable of these, which constitutes one of the most comprehensive debt issuance programmes on the German market, the practice was recruited to assist HSH Nordbank and the dealers in relation to the update of HSH's €20 billion debt issuance programme. Other clients that have benefited from Linklaters' programme-related guidance include Dresdner Bank, Commerzbank, Investkredit, JP Morgan International Derivatives and JP Morgan Chase.

#### Leading lawyers

Herbert Harrer  
Berthold Kusserow  
Peter Waltz

#### Key contact partners

Herbert Harrer  
Berthold Kusserow

### Cleary Gottlieb Steen & Hamilton

One of the foremost practices in Germany for debt work, Cleary Gottlieb Steen & Hamilton has acted as issuer or underwriter counsel in some of the most innovative transactions in Germany and central Europe, as well as providing ongoing advice to a number of leading German corporations in connection with their reporting obligations under the US securities law.

In a substantial transaction for the German market, the firm acted as counsel to Goldman Sachs and Morgan Stanley as initial purchasers on a €1 billion Regulation S/Rule 144A extendible senior note offering by HSH Nordbank. The practice also assisted Deutsche Postbank with its €300 million offering of Tier I trust preferred securities via Deutsche Postbank Funding Trust III, and guided the bank through a €300 million offering of Tier II trust preferred securities by Deutsche Bank Capital Finance I.

In other standout transactions, Cleary won a role assisting Escada on its €200 million Rule 144A/Regulation S offering of 7.5% senior notes, acted for Rheinmetall on its €350 million bond issue and the repurchase of an outstanding bond issue, and advised the underwriters as initial purchasers of two offerings of €450 million and €151 million.

#### Leading lawyers

Christof Von Dryander  
Ward Greenberg

#### Key contact partners

Gabriele Apfelbacher  
Christof Von Dryander  
Ward Greenberg

## Shearman & Sterling

Shearman & Sterling's six-partner, 18-associate debt capital markets practice is led by the well-respected Stephan Hutter and has advised on some notable deals over the past year. In fact, this caught the eye of virtually all *IFLR1000* respondents, who duly noted that Shearman should move up a tier this year. Observers noted that the firm's promotion is "largely because of the structured bond work that they have been doing."

High-volume transactions have been plentiful for Shearman & Sterling. In the first of four key deals, the practice acted for Citigroup Global Markets, Dresdner Bank and HSBC as German and US counsel on a \$1.5 billion bond issue by Landeskreditbank Baden-Württemberg Förderbank. The practice also acted as international and US counsel on the €250 million issue of a convertible bond by Voestalpine, and assisted with Landeskreditbank Baden-Württemberg Förderbank's \$1.5 billion global bond offering. Lastly, Hutter presided over \$2 billion-worth of global bonds issued by Österreichische Kontrollbank.

### Leading lawyer

Stephan Hutter

### Key contact partner

Stephan Hutter

## White & Case

Starting on the debt side two years ago with a blank sheet of paper, White & Case has since experienced a sustained period of growth in client base and a consistent rise in the number of debt lawyers on the payroll. Over the past year in particular, White & Case has consolidated its capital markets team through the recruitment of lateral partners and associates to meet client demand. At the time of writing, 12 mandates had come in for the firm since January 2006 – a sure sign that the practice is on the up. The team is led out of the Frankfurt office by "debt specialist" Jochen Artzinger-Bolten.

In recent times, the firm was seen advising underwriters on a number of standalone bond issues (including various hedge fund certificates), on more than 100 issues of structured notes, and a raft of new MTN programmes, *pfandbriefe* and *schuldscheine* issues. Among the highlights, White & Case acted for Dresdner Bank, Citigroup and ABN Amro as lead managers of an issue of €500 million bonds by Merck-Finanz, and guided Rhön Klinikum through its debut bond issue of €110 million, which was underwritten by a syndicate led by Bayerische HypoVereinsbank.

In a further standout transaction, White & Case advised Morgan Stanley and Morgan Stanley (Jersey) on the establishment of its €1 billion German note programme for the issue of structured notes and certificates.

### Leading lawyer

Jochen Artzinger-Bolten

### Key contact partners

Jochen Artzinger-Bolten  
Matthias von Oppen

## Capital markets – equity

### Recommended firms

#### Tier 1

Hengeler Mueller  
Linklaters  
Sullivan & Cromwell

#### Tier 2

Allen & Overy  
Clifford Chance  
Freshfields Bruckhaus Deringer  
Shearman & Sterling

#### Tier 3

Cleary Gottlieb Steen & Hamilton  
White & Case

#### Tier 4

Baker & McKenzie  
CMS Hasche Sigle  
Davis Polk & Wardwell  
Gleiss Lutz

## Hengeler Mueller

As for all the leading firms, Hengeler's equity department suffered during the recessive years. With the inability to offer US advice, the prospects could have appeared precarious for an average firm, but now the markets have picked up, clients have flocked back to Hengeler during this relatively prosperous time.

Working on a cross-section of equity transactions, Hengeler was seen advising adidas on its €648 million capital increase and advising Deutsche Bank, Dresdner Kleinwort Wasserstein on the €2.1 billion capital increase of Allianz.

Deutsche Bank was a client again, this time together with Credit Suisse First Boston, when advised by Hengeler in relation to the €4.57 billion proposed acquisition by Axel Springer of a majority shareholding in ProSiebenSat.1 Media. In a further high-value mandate, the practice offered its expertise to E.ON during the proposed takeover of Endesa – a deal worth €47.5 million. The firm was also ever-present when representing Freenet.de in relation to the €1.9 billion merger with MobilCom. The firm also advised on the initial public offering (IPO) of Jerini.

### Leading lawyers

Torsten Busch  
Wolfgang Gross  
Hannes Schneider

### Key contact partners

Torsten Busch  
Hendrik Haag

## Linklaters

It is no surprise that Linklaters' vast capital markets practice has had a hand in some of the most lucrative equity work in the jurisdiction over the past year. The four-partner, eight-associate team, led by the well-regarded Herbert Harrer, advises foreign and domestic banks acting as lead managers, as well as companies on equity and equity-linked offerings, listings, restructurings, public takeovers and associated regulatory aspects of such activities.

In one significant transaction, which represented a major step in Germany's continuing privatization process, the practice

advised KfW on the sale of a €2.68 billion block of shares in Deutsche Telekom to Blackstone. In a further example of Linklaters' visibility the firm had a role in the largest capital-raising to have taken place in Austria, advising managers Goldman Sachs and JP Morgan, as well as Erste Bank, in relation to Erste Bank's €2.9 billion acquisition of Banca Comerciala Romana in Romania.

Another standout deal saw the practice assist the Federal Republic of Germany in relation to its direct sale of 10.6 million shares (worth €675 million) by means of an accelerated book-building process. This proved to be a complex privatization achieved by the combination of a sale of shares and call options.

#### Leading lawyer

Herbert Harrer

#### Key contact partners

Herbert Harrer  
Berthold Kusserow

### Sullivan & Cromwell

According to one peer, "Sullivan & Cromwell's equity practice has grown, and they have taken full advantage of the IPO revival". This development was particularly evident in spring 2006, when two important mandates arrived. In the first, the firm acted as German and US counsel to the underwriters in Patrizia Immobilien's €404 million initial public offering (IPO), and in the second, Krystian Czerniecki led a team that advised the Partners Group in relation to its €555 million IPO.

In other work, Sullivan & Cromwell assisted Fresenius with its €896 million international rights offering with Rule 144A tranche, and guided Österreichische Post through its €651 million international equity offering with Rule 144A tranche.

Rivals decided that Sullivan and Cromwell "fully deserves to go up the rankings" because it has been particularly active on headline-grabbing deals, one client summing things up nicely with his feeling that the firm "had done a really good job recently".

#### Leading lawyer

Wolfgang Feuring

#### Key contact partners

Krystian Czerniecki  
Wolfgang Feuring  
David Morrison

### Allen & Overy

Allen & Overy's seven-partner, six-associate team is led by the "fantastic" Michael Schlitt and presided over a litany of high-profile transactions this year, crystallizing an already enviable reputation for equity work.

In one impressive instruction, Allen & Overy advised Merrill Lynch on the convertible bond of EM-TV pursued by way of a rights issue. With a total volume of €87 million, the bonds were offered by way of a public rights issue in Germany and in an international private placement, excluding the US, to institutional investors. Schlitt's outfit was also present advising a syndicate of banks (led by Dresdner Kleinwort Wasserstein) on the rights issue of Repower Systems of more than two million shares, with a transaction volume of some €80 million.

The firm's dexterity also proved invaluable when guiding global coordinators and joint bookrunners Deutsche Bank and Morgan Stanley through the €96 million IPO of Tipp24, while in another standout deal, Allen & Overy advised Munich Re on the sale of 185 million shares in UniCredito Italiano. The shares

were sold in an auction procedure at a price close to the market, the proceeds amounting to €1 billion.

#### Leading lawyers

Johannes Bruski  
Michael Schlitt

#### Key contact partner

Michael Schlitt

### Clifford Chance

In the previous edition of the *IFLR1000* it was predicted that Clifford Chance would win an advisory role upon a slew of impressive private placements and block trades over the coming year. Needless to say, it succeeded – and assisted upon numerous IPOs and bond issues for good measure.

This year the four-partner, 10-associate team, led by Sebastian Maerker and Markus Pfüller, advised joint bookrunners UBS, Goldman Sachs and Deutsche Bank on the IPO and listing of MTU Aero Engines, acted for AIG International Real Estate on a capital increase and international private placement, aided the placement agent, HVB Capital Markets, in the \$252 million private placement of the Messer group, and guided selling shareholder Grammer through a €205 million block trade.

The winds of change in the IPO market saw Clifford Chance land roles on a number of big-ticket transactions, including acting for Volkswagen as selling shareholder on the €3.3 billion dual track trade-sale or IPO for Europcar International and advising Praktiker Bau-und Heimwerkermärkte Holding on its €500 million IPO and listing.

Bond issues continue to occupy a sizeable chunk of Clifford Chance's work. Loyal clients Bayerische HypoVereinsbank sought the firm's advice as lead manager on a €110 million bond for Rhön-linikum, and the firm also assisted joint-lead managers Bayerische Hypo- und Vereinsbank, Citigroup Global Markets and JP Morgan Securities on the €500 million bond issue of Lanxess Finance and advised lead managers Commerzbank and Deutsche Bank on the €250 million bond issue of Sixt.

In other transactions, Morgan Stanley required assistance from Clifford Chance when acting as financial adviser to Lanxess on its €200 million repurchase of convertible bonds, and Clifford Chance advised manager JP Morgan Securities on Hannover Finance's €500 million Tier I bond issue and exchange offer.

#### Leading lawyers

Sebastian Maerker  
Markus Pfüller

#### Key contact partner

Markus Pfüller

### Freshfields Bruckhaus Deringer

It was a strong year for Freshfields, in which it was involved in seven IPOs and a raft of other complex deals. Rivals also stressed that it was a bright period for the firm, and picked out Rick Van Aersson as a rising star.

At the time of writing, Freshfields could lay claim to advising on the year's largest European IPO to date – the €1.2 billion listing of Wacker Chemie. The aggregate proceeds were raised in a decoupled process through a public offer in Germany and an international private placement. In another big ticket deal, Freshfields assisted the underwriters (Citigroup, Credit Suisse and UBS) on German drug and chemical group Bayer's capital increase, which raised €1.2 billion – this represented the second-largest German capital increase placed by means of an accelerated bookbuilding.

In a further show of strength, Freshfields assisted German gases producer Linde on its capital increase of €1.8 billion and on the successful placement of €1.05 billion-worth of hybrid bonds. In another tricky transaction, Andreas König's team assisted Fresenius, the world's largest provider of kidney dialysis services and products, in completing its dual tranche €1 billion offering of high-yield bonds. The offering was substantially oversubscribed and priced at record interest rates for a high yield issue – 5 % for the €500 million non-callable seven-year notes, and 5.5 % for the €500 million 10-year notes.

Freshfields also rose to the challenge of advising on the first German decoupled IPO under the new prospectus rules, guiding Deutsche Bank and Sal Oppenheim as underwriters through the IPO of real estate financier Interhypo on the Frankfurt Stock Exchange.

#### Leading lawyer

Andreas König

#### Key contact partner

Andreas König

### Shearman & Sterling

The equity team at Shearman & Sterling consistently handles offerings by German, Austrian and Swiss companies. Prominent clients that routinely seek advice include high-profile corporates and international investment banks.

In one standout deal, Hans Diekmann and Roger Kiem led the practice advising Allianz on its capital increase and rights offering worth €2 billion. Shearman also won a further significant role, guiding Commerzbank and Morgan Stanley as international and US counsel on the €444 million IPO of Air Berlin.

In other capital markets work, Shearman's expertise was also required by Erste Bank der österreichischen Sparkassen and Goldman Sachs International on the €910 million capital increase and global placement of shares (including in the US under Rule 144A) of Wiener Städtische Allgemeine Versicherung. In a further standout deal, the firm advised Zumtobel on its €525 million IPO on the Vienna stock exchange, which marked the largest IPO of a private industrial company in Austria.

#### Leading lawyer

Stephan Hutter

#### Key contact partners

Hans Diekmann

Stephan Hutter

Roger Kiem

### Cleary Gottlieb Steen & Hamilton

Although "playing a major role", one of Cleary's competitors suggests that the firm "is fighting less". It is true that the firm has been involved on fewer big-ticket deals this year compared with some competitors, but observers note that the quality of work remains extremely high – this is largely due to the "brilliant" Christof von Dryander.

Underwriters Bayerische HypoVereinsbank, Citigroup Global Markets and Deutsche Bank sought Cleary's expertise in relation to Tui's €1.015 billion capital increase, which included a rights offering in Germany and a Regulation S private placement to institutional investors outside the US.

Active on IPOs too, this year the firm assisted listing agent Deutsche Bank with Grammer's offering of 3.5 million shares on the Frankfurt and Munich stock exchanges, as well as advised Deutsche Bank in relation to its acquisition of 8.7 million shares in Grammer from numerous shareholders and in the €205 million offering of these shares to institutional investors in Germany

and other European countries by way of an accelerated book-building process. Cleary also served as counsel to Deutsche Bank and Commerzbank as joint-lead managers and joint bookrunners in Conergy's IPO, the first transaction in Germany in which the roadshow to institutional investors was decoupled from the public offer.

Cleary also acted as counsel to Q-Cells in its €313 million Regulation S/Rule 144A IPO, and acted as counsel to Bayer with respect to the US securities law aspects of the spin-off of Lanxess and the listing of the spun-off company's shares on the Frankfurt Stock Exchange.

#### Leading lawyers

Christof Von Dryander

Alan Dunning

Ward Greenberg

#### Key contact partners

Gabriel Apfelbacher

Christof Von Dryander

Ward Greenberg

### White & Case

Over the past year, the team at White & Case has grown significantly to meet client demand. Deal flow has increased considerably, with the practice assisting on five out of eight IPOs in 2005 under the newly forged European prospectus regime. In addition, the firm advised on a number of delistings and public takeovers.

DIC Asset was a beneficiary of the firm's advice during its €244 million IPO on the Prime Standard of the Frankfurt Stock Exchange. Another key client of the firm, DZ Bank, sought assistance in relation to the €100 million IPO of Lloyd Fonds on the Prime Standard of the Frankfurt Stock Exchange.

Among the year's other highlights, White & Case guided Tipp24, Germany's leading online broker for state-owned lottery products, through its IPO of 4.1 million shares, and acted for Camberwell Associated in connection with the IPO of 9.6 million shares in Thielert.

Additional clients of the firm include the Bank of New York, Bayerische Landesbank, BMW, BNP Paribas and Eurohypo.

## Capital markets – structured finance

### Recommended firms

#### Tier 1

Hengeler Mueller

#### Tier 2

Allen & Overy

Clifford Chance

Freshfields Bruckhaus Deringer

#### Tier 3

Baker & McKenzie

Linklaters

Lovells

White & Case

## Hengeler Mueller

Seemingly dominating the securitization market in the mid 1990s, Stefan Krauss placed Hengeler Mueller on the map for such transactions. Despite there being more competitors in this field nowadays, Hengeler still heads the field with an enviable client list and a plethora of substantial mandates to match. Rivals note that the “important players” at Hengeler lead the way in synthetic securitization, but that further activity in mortgage-backed securitization by other firms means that they are no longer lonesome in the top tier.

HSH Nordbank, Vitterra, kfw and Hypo Real Estate Bank have all incurred the firm’s services recently. In addition to Krauss, Martin Geiger “is extremely hard working and has contributed a lot”. The line-up is strengthened furthermore by the rising star Ralph Defren.

### Leading lawyers

Martin Geiger  
Stefan Krauss

### Key contact partners

Martin Geiger  
Stefan Krauss

## Allen & Overy

Bolstered by the hiring of four associates this year, Allen & Overy has announced its intentions of preserving its status as a leader in advising on German commercial mortgage-backed securitization (CMBS) matters. Rivals decided that the firm was worthy of a considerably higher positioning, and moves up the rankings on the strength of those recommendations and a healthy deal flow over the year.

In what was recognised as the securitization deal of the year at the *IFLR* European Awards 2006, Allen & Overy won an impressive mandate assisting ABN Amro on the launch of its \$25 billion SovRisc structured medium-term note programme. SovRisc provided structured finance investors with a new asset class, and represented capital markets disintermediation that is tipped to transform the \$50 billion export loan-guarantee business. The deal’s structure provided an innovative two-stage process to achieve a bullet maturity despite the underlying assets being amortizing loans. Those underlying assets in the \$25 billion programme were export guarantee loans.

Allen & Overy also advised Barclays Capital on the successful completion of the third conduit loan CMBS transactions under Barclays Capital’s Eclipse programme, a €652 million issuance of commercial-backed securities by Centaurus.

In other work, the firm was an adviser to Landesbank Hessen-Thüringen (Helaba) Bayerische Landesbank and the German Savings Bank Association on the creation of several innovative platforms for the synthetic pooling of loan portfolios of German saving banks, and advised ABN Amro as arranger and lead manager of a €554 million CMBS by Talisman-1 Finance, the first issue under its new CMBS conduit programme.

### Leading lawyers

Okko Hendrik Behrends  
Johannes Bruski  
Matthew Howard

### Key contact partners

Okko Hendrik Behrends  
Matthew Howard

## Freshfields Bruckhaus Deringer

BPS-PT proved to be a welcome client for Freshfields Bruckhaus Deringer’s perennially impressive structured finance practice, the firm having advised it on an €8 billion securitization followed by €7.5 billion worth of pension claims that the entity had against

the postal successor company. DZ Bank was another significant client for the firm, this year seeking advice on the €447 million securitization of motor vehicle leasing receivables. This deal was noteworthy as it marked the first time that open residual values had been securitized, meaning that investors assumed the market risk relating to used motor vehicles.

In a fine example of Freshfields’ ability to handle complex cross-border work, the firm advised on a €360 million Preps transaction (Preps 2005-2), in which 62 German, Austrian, Belgian, Italian and Swiss medium-sized companies obtained subordinated financings. A further example of Freshfields’ capabilities in this area occurred when advising on setting up the initial Preps structure, which securitized €313 million-worth of participation rights in 51 German and Austrian companies.

In other work, Freshfields has also been advising on all types of certificates, repackagings of collateralized debt and bond obligations, hedge fund certificates, actively managed certificates and certificates linked to a variety of other underlyings. The firm has also offered advice on certificates linked to carbon dioxide emission rights and certificates securitizing a portfolio of US life insurance policies. Lastly, the firm has advised upon a number of structured bonds over the past 12 months.

### Leading lawyers

Andreas Bartsch  
Bernhard Kaiser

### Key contact partners

Klaus-Albert Bauer  
Walburga Kullmann  
Christoph Gleske  
Bernhard Kaiser  
Andreas Bartsch

## Linklaters

Linklaters advises leading companies, financial institutions, government institutions, investors and rating agencies on complex national and international transactions, as well as standard transactions in respect of true-sale and synthetic securitizations.

In a landmark transaction for the year, Linklaters assisted ProCredit Holding and ProCredit Bank (Bulgaria) in the first securitization of Bulgarian loan receivables. In another significant transaction, the firm advised Barclays Capital as the lead manager and arranger, and the intermediary KfW, on the first public synthetic securitization in Denmark, worth €3 billion.

In a deal which was to close shortly after this publication went to press, Linklaters was advising Depfa in relation to the third securitization of a loan portfolio consisting of multi-jurisdiction and multi-currency PFI loans in Germany, again featuring KfW as intermediary. Also at the time of writing, the firm was serving as transaction counsel on a large true-sale securitization of bank loans, and on numerous conduit true-sale transactions.

Another firm active in the en vogue arena of commercial mortgage-backed securitization transactions, Linklaters was in the process of advising an international investment bank in relation to an issue of €640 million-worth of class A to class E notes.

### Leading lawyers

Kurt Dittrich  
Berthold Kusserow

### Key contact partners

Kurt Dittrich  
Berthold Kusserow

## Lovells

Lovells has had a solid year in structured finance, Sven Brandt leading a team that advised DZ Bank and Landesbank Hessen-Thüringen on the €500 million structured refinancing of credit

card receivables, and, in a deal closing in March 2006, acted for the same pair of banks in relation to the €60 million securitization of farm receivables.

The firm also advised Claas KG, Landesbank Hessen-Thüringen and Société Générale on the €250 million securitization of receivables originating from the sale of farming machinery, and in a further notable transaction, guided Balda through the securitization of trade receivables from the sale of mobile phone components.

#### Key contact partners

Sven Brandt  
Isabelle Knoché-Hess

#### White & Case

Ulf Kreppel's German securitization practice has experienced a boost in its national and international mandates over the past year, especially so in relation to innovative and market-first real estate securitizations.

For example, White & Case advised Barclays as arranger of a senior and a mezzanine term loan for the acquisition of a €450 million non-performing and sub-performing loan portfolio, and guided BNP Paribas, as arranger and joint-lead manager, through the first real estate whole-business securitization.

In a further standout deal, White & Case advised GMac-RFC Investments on its first German true-sale securitization of residential mortgage loans in 2005, involving the issue of €302 million notes. Following the success of this transaction, the firm aided GMac-RFC Investments with its second German true-sale securitization of residential mortgage loans in 2006, this time involving €502 million-worth of notes.

In another notable transaction, the firm assisted Deutsche Bank as lender in relation to a €136 million structured financing for the construction of a proton therapy centre sponsored by Ion Beam Application and Strabag Projektentwicklung.

#### Key contact partner

Ulf Kreppel

## Insolvency and restructuring

### Recommended firms

#### Tier 1

Grub & Partner  
Görg Rechtsanwälte  
Schultze & Braun  
Wellensiek Rechtsanwälte

#### Tier 2

Clifford Chance  
Freshfields Bruckhaus Deringer  
Hengeler Mueller  
Heuking Kühn Lüer Wojtek  
White & Case

#### Tier 3

Gleiss Lutz  
Linklaters  
Lovells  
Metzeler-van Beteray  
Westpfahl & Spilker

### Freshfields Bruckhaus Deringer

It has proved to be a fruitful 12 months for Freshfields' insolvency and restructuring practice, the market noting that the firm has been involved in more matters than in previous years. The dynamics at work in the firm mean that although the restructuring practice continues to play an important role in the banking law and financing practice, Freshfields also has the ability to call upon lawyers from other disciplines should a complicated matter arise. Lars Westpfahl, who is pinpointed as a leader in this field by commentators, is also the president of the Technical Research Committee of Insol International.

Assisting financial investors with regards to distressed assets and distressed debt constituted a significant portion of mandates this year. At the turn of the year, Freshfields advised Goldman Sachs as the main creditor in connection with the preparation and implementation of the substantial restructuring of the drug-store chain 1hr Platz on the basis of an insolvency plan in debtor-in-possession insolvency proceedings. The matter was a first for the practice where a company was restructured in connection with creditor-financed insolvency proceedings.

An arena which has, broadly speaking, required the services of specialist legal advice has been the car industry. In this area, the firm advised JP Morgan on the €490 million financial and operative restructuring of components suppliers Dürr, HP Pelzer, TMD and TWB.

Other standout deals saw Freshfields advise a syndicate of banks, under the leadership of Bayerische Landesbank, on the restructuring of the KarstadtQuelle Group's €1.75 billion-worth of debt, and guide Apollo Management, Blackstone, Golden Tree and Pequot as junior lenders through the €375 million refinancing of cable television network operator PrimaCom, which included the representation of the clients in several court proceedings.

#### Leading lawyer

Lars Westpfahl

#### Key contact partners

Franz Aleth  
Daniel Reichert-Facilides  
Lars Westpfahl

### White & Case

White & Case's 16-partner, 21-associate insolvency and restructuring practice continues to be well regarded by the market. Boasting the largest number of court-appointed insolvency administrators at a global firm in Germany, the aggregate know-how is readily available for the complex matters.

In the largest bank insolvency ever in Germany (with assets totalling more than €700 million), this year White & Case has been representing Gontard & MetallBank in its insolvency, involving the winding-up of numerous complex credit facilities and foreign exchange forward transactions. In other insolvency matters, the firm assisted Krülland Andreas Krüll, one of Europe's leading producers of swimming pools, after it filed for insolvency in March 2005. White & Case partner Biner Bähr, in his function as insolvency administrator of the assets of Krülland, subsequently divided the company into two business groups.

In a further case, Sven-Holger Undritz acted as insolvency administrator for Triton-Format Schiffstechnik Umweltschutzsysteme, which has now been acquired out of insolvency by a Hamburg investor group by means of an asset deal.

Since April 2002, White & Case has represented Premiere Fernsehen and its subsidiaries in their restructuring efforts after

insolvency proceedings were opened against several companies of the former KirchGroup. MobilCom has also been a significant client for the firm, with White & Case advising the telecoms company in its restructuring efforts.

#### Leading lawyers

Biner Bahr  
Axel Bauer  
Klaus Pannen  
Bettina Schmudde  
Sven-Holger Undritz

#### Key contact partners

Axel Bauer  
Klaus Pannen

### Gleiss Lutz

Gleiss Lutz has long-standing experience in providing comprehensive legal advice in all types of company insolvencies. This includes advising companies, managing directors, members of the executive or supervisory board and shareholders in the restructuring and reorganization of the company. With a proud record of advising German and foreign clients in complex cases, Gleiss Lutz is particularly active in the area of bond restructurings and debt-equity swaps.

This year Gleiss Lutz acted for JP Morgan as a creditor of listed company PrimaCom on the planned acquisition by the creditors' consortium of all shares in PrimaCom's operating subsidiary by means of a debt-equity swap. The BOC Group also turned to the firm for advice on material elements of its restructuring plan, including refinancing and securing, support for negotiations with creditor banks, preparation for the sale of business units in crisis, redundancies, and support in various disputes with contract partners, minority shareholders of subsidiaries and creditors.

Among other highlights, the firm assisted drug store chain 1hr Platz with individual reorganization measures, advised the English parent company of Interdean on measures to prevent its Germany subsidiary becoming insolvent, and guided legwear company Kunert through its restructuring process.

#### Key contact partners

Burkhard Göpfert  
Burkhard Jäkel  
Andreas Spahlinger

### Linklaters

Having the distinct advantage of being able to call upon experts from its excellent banking and corporate departments, Linklaters remains particularly active on international cross-border insolvency, restructuring and refinancing transactions.

Standout cases over the past 12 months included advising on the restructuring of PrimaCom, which involved strategic advice and representation before courts in Germany and the UK, assisting a large German bank in relation to the insolvency of the Heros group, and guiding a large international automotive supplier through its restructuring.

In other matters, Linklaters advised Private Equity Investor in connection with the restructuring of Kunert, and represented French supermarket chain Intermarché in relation to the restructuring of German retailer, Spar, and its subsequent sale to Rewe.

#### Key contact partners

Kornelius Kleinlein  
Eva Reudelhuber

## Mergers and acquisitions

### Recommended firms

#### Tier 1

Clifford Chance  
Freshfields Bruckhaus Deringer  
Hengeler Mueller  
Linklaters

#### Tier 2

Cleary Gottlieb Steen & Hamilton  
Gleiss Lutz  
Shearman & Sterling

#### Tier 3

Allen & Overy  
Baker & McKenzie  
Latham & Watkins  
Lovells  
Nörr Stiefenhofer Lutz  
Sullivan & Cromwell  
White & Case

#### Tier 4

Ashurst  
CMS Hasche Sigle  
Debevoise & Plimpton  
Holters & Elsing  
P + P Pollath + Partners

### Clifford Chance

When analysing the top tier, "Clifford Chance definitely belongs there, largely because of the volume of deals that they are doing", say the market. Among the firm's litany of big-ticket deals over the past year, Clifford Chance advised Volkswagen on the sale of Europcar to the French investor Eurazeo through a dual-track procedure. Assicurazioni Generali, and its subsidiary Generali Beteiligungs, also sought guidance from the firm in relation to the public tender made to the shareholders of AMB Generali Holding.

The firm also won a role advising DIS Seutscher Industrie Service in connection with its intended takeover by Adecco Switzerland, acted for the shareholders of GZS (Gesellschaft für Zahlungssysteme) in connection with the sale of all its shares to Telecash, and guided French insurance group Axa Paris through the acquisition of shares in Axa Konzern in connection with a voluntary public acquisition offer.

Further noteworthy clients over the year included RAG, Montagu Private Equity, Siemens, Coca-Cola Erfrischungsgetränke and Stadt Frankfurt.

#### Leading lawyers

Thomas Gasteyer  
Daniela Weber-Rey

#### Key contact partner

Andreas Dietzel

### Freshfields Bruckhaus Deringer

*IFLR1000* respondents commented unanimously on the "firepower" of Freshfields, explaining that the firm's client list is "extremely impressive". In fact, as one rival noted, "the strength of its corporate department feeds other areas". The 61-partner and 134-associate team, led by leading lawyer Andreas Fabritius,

has had another successful year, again boasting a formidable reputation for advising corporate and leading private sponsors. Rick Van Aersson, a fresh face last time round, was awarded the mantle of being the market's rising star, after several positive recommendations from peers and clients.

Linde, the listed German glass maker and distributor, was one of the aforementioned clients, which Freshfields advised on the recommended cash offer for the entire issued share capital of the BOC Group (its listed British counterpart) in a deal worth €12.9 billion.

In another standout transaction, the practice assisted loyal client Unicredito Italiano, the Italian banking group, on the €15.3 billion acquisition of HypoVereinsbank, its German counterpart. In a further big ticket deal, Freshfields lent its expertise to E.On, the listed German industrial group, on the disposal of Viterra, the German real estate company, to Deutsche Annington Immobilien in a deal worth €7 billion.

On the domestic front, meanwhile, Freshfields also remains a popular choice. For example, the German cement and materials producer Heidelberg Cement chose the firm for advice on its €10 billion takeover by Spohn Cement, a German company owned by the Merckle family.

#### Leading lawyers

Andreas Fabritius  
Matthias-Gabriel Kremer

#### Key contact partner

Andreas Fabritius

### Hengeler Mueller

*IFLR1000* respondents highlighted the sheer volume of mandates making their way to Hengeler Mueller, and yet gave even greater consideration to the quality that the firm provides on top-end transactions. Market observers also enthused about each of the leading lawyers.

Standout deals for the year saw Hengeler advise the acquirer E.On in relation to its €47 billion proposed takeover of Endesa, act for Schering when it sought the firm's advice on its €16.3 billion takeover by Bayer, and represent Schering again during the proposed takeover by Merck.

Like other top-tier firms, it is the presence of such high-profile corporate clients that gives Hengeler its steady supply of work. BOC is one such client, giving Hengeler the nod during the complex cross-border takeover by Linde in a €13 billion deal. As well as representing German and international corporates, Freshfields continues to reap the rewards of its strong relationships with the foremost investment banks. One such financial institution is Deutsche Bank, which the firm advised in relation to the €4.5 billion sale of shares in Eurohypo to Commerzbank.

Hengeler is also an active player in the public sector, this year representing Deutsche Telekom on its €3.6 billion tender purchase offer and subsequent merger of T-Online into Deutsche Telekom.

Additional clients that have been advised by Hengeler Mueller over the past 12 months include Freenet.de, Cadbury-Schweppes, Allianz Capital Partners, Apax and the KLA-Tencor Corporation.

#### Leading lawyers

Andreas Austmann  
Michael Hoffman-Becking  
Burkhardt Meister  
Maximilian Schiessl

#### Key contact partner

Oleg de Lousanoff

### Linklaters

Linklaters' German operation boasts staggering resources, giving it the capacity to advise on mergers, demergers and reorganizations, business and share sales, leveraged buyouts, controlled auctions, public and private takeovers and post-acquisition restructurings.

In one standout mandate, a team led by the well-regarded Ralph Drebes advised Kingsbridge Capital in its acquisition of Märklin Group, which proved to be a significant deal because it showed how private equity investors, who used to be regarded as "locusts" by German politicians, are now more and more accepted as an essential part of the German economy.

Hostile and competing bids rarely occur in Germany, particularly those with a high transaction volume, yet Linklaters defied this notion when advising Credit Suisse International and Citigroup Global Markets as lead arrangers and bookrunners in relation to Bayer's €16.3 billion bid for Schering. An extremely solid choice for buyers seeking advice on complex cross-border transactions, Linklaters assisted EQT when it formed a consortium to acquire Select Service Partner (a subsidiary of the British Compass Group) for €2.62 billion.

Among the year's other highlights, the firm advised Sal Oppenheim on its acquisition and share swap with IAM, and guided Polytechnische Gesellschaft as the owner of the Frankfurt Public Savings Bank on its transformation from a membership corporation to a private limited company, as well as on the sale of the company's shares to the state bank Hesse-Thuringia. The sale marked the first transfer of a savings bank's ownership to a state bank.

Already a market leader, Linklaters intends to extend its pedigree, and indeed is well on the way to doing so – first by extending its relations with German corporates such as Linde, and secondly by establishing a German India desk in its Cologne office in anticipation of the increased interest of Indian companies wishing to invest in the German market.

#### Leading lawyers

Stephan König  
Michael Lappe  
Georg Maier-Reimer  
Hans-Ulrich Wilsing

#### Key contact partners

Stephan König  
Detlev Schuster  
Jochen Winter

### Cleary Gottlieb Steen & Hamilton

US powerhouse Cleary Gottlieb has forged an impressive stronghold in the notoriously tough arena of German mergers and acquisitions work. A significant proportion of the firm's work includes cross-border and multi-jurisdictional instructions, both in Europe and globally. Over the past year, the already strong team has been further strengthened by the recruitment of leading lawyer Jürgen Sieger from Freshfields Bruckhaus Deringer.

Cleary Gottlieb's standout deal of the year was its role assisting HypoVereinsbank on its merger with Unicredito Italiano. With a transaction volume worth €19.2 billion, the transaction was the largest cross-border M&A deal in Europe to date, and resulted in the creation of one of the world's 10 biggest banking groups.

#### Key contact partners

Thomas Buhl  
Christof von Dryander  
Klaus Riehmer

## Gleiss Lutz

A “high profile practice” that has been especially visible over the past six months, Gleiss Lutz has been conscientious in its attempts to develop “a good M&A reputation.” Despite having a smaller team than some of its rivals, the firm has managed to assert itself on the market; in the last few years the team has advised 23 of the DAX-30 companies, and its relationship with Herbert Smith enables continuous international referrals.

The firm’s standout deal for the year saw Gleiss Lutz advise Swiss Re on its acquisition of GE’s reinsurance business. Strategically important in the reinsurance market, Gleiss Lutz coordinated the \$6.8 billion deal across 25 jurisdictions, notable in itself since it is unusual for a German law firm to be appointed to lead and coordinate a transaction involving so many jurisdictions and with only relatively minor German dimensions.

T-Online was another key client for the firm, seeking help from Gleiss Lutz in connection with the public tender offer of, and merger into, Deutsche Telekom, which marked the largest national merger in Germany in 2005 by market capitalization. And in further proof of its strength in advising on cross-border matters, Gleiss Lutz advised Fortune Brands on its acquisition of various Allied Domecq spirits brands, as well as its distribution business in Germany, England and Spain.

Procter & Gamble was a further loyal customer of the firm, seeking advice upon a variety of matters including on the squeeze-out of Wella, on the domination and profit and loss agreement between P&G Holding & Co Operations and Wella, and on the worldwide consolidation of the consumer business of Wella and P&G Clairrol.

### Key contact partners

Christian Cascante  
Gehard Wegen

## Shearman & Sterling

Commentators unanimously decided that Shearman & Sterling was ranked too low in the previous edition of the *IFLR1000* and that it deserves a promotion in the rankings. The 16-partner, 40-associate practice is led by Georg Thoma, described as “well connected”, one rival stating that he was “impressed at the way he generates business” and that “he is a rainmaker in the marketplace”.

Standout deal for the year saw the firm assisting Allianz in the €5.7 billion cross-border merger with Riunione Adriatica di Sicurtà (RAS) and the conversion of Allianz into a European company (*societas Europaea*). Shearman also won a role advising Gerling on the sale of its holding Gerling Beteiligungs to Talanx.

Advising international corporates on significant mandates is a sign of a leading firm, so it came as no surprise that this year Shearman advised DaimlerChrysler on the sale of its subsidiary MTU Friedrichshafen, as well as the US Off-Highway business, to Swedish investor EQT. In a further deal of merit, the practice assisted Sanofi-Aventis on the \$1.3 billion sale of its semi-interest in the joint venture relating to the inhalative human insulin Exubera to Pfizer.

Equally comfortable advising German and international corporates, banks and private sponsors, Shearman has advised a plethora of important clients including Andlinger & Company, Axel Springer, CVC Capital Partners (Deutschland), Dresdner bank, General Electric, E.On, Gruner + Jahr, Hypo Real Estate

Holding, JP Morgan Real Estate Asset Management and Siemens.

### Leading lawyer

Georg Thoma

### Key contact partners

Hans Rolf Koerfer  
Jochem Reichert  
Heino Rück  
Georg Thoma

## Allen & Overy

Although more focussed on the finance side of the German market, Allen & Overy has had a solid 12 months in the M&A arena, advising upon a number of impressive deals.

Hartmut Krause’s team guided Dawnay, the Day Group and Hilco UK through the acquisition of 74 department stores from KarstadtQuelle, in a deal worth €470 million, and Tui sought the firm’s advice on the auction process regarding the sale of VTG to Investor in Private Equity.

In another big-ticket deal for the year, Allen & Overy acted for Morgan Stanley on the €15.4 billion exchange offer for HypoVereinsbank by Unicredito. Morgan Stanley was acting as exchange agent for Unicredito and, in such capacity, structured and handled the settlement of the offer. In a further transaction, the practice advised Pamplona Capital Management on the secondary buyout of Otto Sauer Achsenfabrik.

### Leading lawyers

Hartmut Krause  
Arndt Overlack

### Key contact partners

Hartmut Krause  
Helge Schäfer

## Baker & McKenzie

Much of the talk surrounding Baker & McKenzie during this year’s research was to do with departures in the firm’s personnel. Although a partner and six associates have departed the firm, Baker & McKenzie was bolstered by the acquisition of Udo Henkel as partner and associates Michael Bartosch, Joerg Woessner, Dorothee Stracke and Petra Kottmeier.

Naturally experiencing some contractions as a result of the personnel departures, Baker had a relatively successful year nevertheless. Standout deals for the year saw the practice advise BenQ in relation to its acquisition of the German mobile business of Siemens, assisting DaimlerChrysler with its \$1 billion sale of Debis AirFinance to Cerberus Capital, guiding Fresenius through its €1.5 billion acquisition of the Helios Group, and advising Primacom on the sale of Multikabel to Warburg Pincus.

### Key contact partners

Wilhelm Hebing  
Udo Henkel  
Florian Kästle

## Latham & Watkins

Latham & Watkins has consolidated substantially over the past year, particularly through the hiring of Jörg Kirchner, which led to a notable increase in instructions for the firm. The future looks bright for the strong team, which has asserted itself on the market in only a few years.

In two sizeable transactions that were pending at the time of writing, Latham & Watkins was advising Bayer in the €17 billion public takeover bid for the shares of Schering, and was acting for the City of Hamburg on the privatization of all nursing

homes held by the city, a project that will be the largest-ever privatization of nursing homes in Germany.

Among other highlights, Latham & Watkins was on hand to aid the Saban Capital Group in the €2.47 billion sale of the majority of shares in ProSiebenSat.1 Media to Axel Springer, and advise BAE Systems in relation to the sale of German Defence Corporation Atlas Elektronik, a supplier of submarine equipment in Bremen, to ThyssenKrupp and EADS.

#### Key contact partners

Joachim von Falkenhausen  
 Marcus Herrmann  
 Jörg Kirchner

#### Lovells

Lovells moves up the rankings after multiple recommendations from rivals, with Michael Witzel's team notching up a successful year advising a number of corporates and banks.

Standout deals this year saw the firm advise RWE Energy on the sale of RWE Solutions to Advent International, guide Dresdner Bank through the sale of its real estate portfolio to funds managed by the Fortress Investment Group, act for Cognis and Cognis Deutschland on the sale of its Oleo Chemicals business, and advise First Data Corporation on the acquisition of Gesellschaft Für Zahlungssysteme.

#### Key contact partners

Tim Oliver Brandi  
 Christoph Louven  
 Michael Witzel

#### Nörr Stiefenhofer Lutz

Nörr Stiefenhofer Lutz asserted its presence in the market this year with its role advising Pernod Ricard on the €7.2 billion public takeover of AlliedDomecq, focusing its attentions on the acquisition of the German subsidiaries such as Kummerling, Weinbrennerei Jacobi and Fürst von Bismark'sche Weinbrennerei. Aside from proving to rivals the firm's capability of handling a complex transaction, Nörr can also lay claim to having advised on one of the biggest deals of the year.

Axel Springer gave Nörr the thumbs-up when it required advice on its €4.2 billion purchase of a majority interest in ProSiebenSat.1, and foreign strategic investors also sought the firm's expertise, with Stora Enso, the Finnish paper business, instructing the firm in relation to its takeover of paper wholesaler Schneider & Söhne to become the second-largest paper wholesaler in Europe.

The practice has grown over the past year, hiring Thorsten Reinhard into the partnership and recruiting new associates Peter Zsernaviczky, Michael Bergmann and Bianca Noke.

#### Key contact partners

Christian Pleister  
 Alexander Ritvay  
 Thomas Schultz

#### Sullivan & Cromwell

This year Sullivan & Cromwell represented Goldman Sachs in its capacity as financial adviser to Heidelberg Cement on its €12.7 billion acquisition by Spohn. Indeed, financial institutions readily rely upon Sullivan & Cromwell, with Morgan Stanley select-

ing the firm to provide the necessary expertise during Deutsche Postbank's \$2.16 billion acquisition of BHW Holding.

In a further notable transaction, Wolfgang Feuring's team advised InBev (Belgium), the parent of sellers Brauerei Beck (Germany), in relation to the \$165 million acquisition of Bremer Erfrischungsgetränke.

At the time of writing, Sullivan & Cromwell was assisting Goldman Sachs again, as financial adviser to the target, Degussa, in its \$3.3 billion acquisition by BASF.

#### Key contact partners

Wolfgang Feuring  
 David Morrison  
 Konstantin Technau

#### White & Case

Over the past few years White & Case's M&A practice has benefited from a fruitful lateral hiring drive, and now the practice has the ability to offer the full range of domestic, US and English law advice. In the past 12 months the firm's German M&A lawyers have been involved in many cross-border M&A deals, especially in eastern Europe and Scandinavia.

In one headline transaction, White & Case provided a legal opinion to DZ Bank in relation to its merger with WGZ Bank. The opinion was heavily analysed in the media, and led to a general discussion about the corporate structures used in mergers. Active on the buyer side too, the practice won a role advising Edeka, Germany's leading retail group, on its takeover of Spar and Netto Sud and on the acquisition of a 25% of Netto Nord from French supermarket chain Intermarché.

Also this year, Jacobs Holding sought the firm's advice on its €1 billion purchase of 24 million shares in Adecco, the global Fortune 500 company and world's largest recruitment agency, and Swedish private equity investor Nordic Capital selected White & Case for advice in relation to its acquisition of all the shares in Dynamit Nobel Kunststoff from the Gea Group.

Additional clients of the firm include Commerzbank, Deutsche Börse, Lufthansa, Mobilcom, Morgan Stanley and Tui.

#### Key contact partners

Frank Evers  
 Andreas Stilcken

## Project finance

### Recommended firms

#### Tier 1

Allen & Overy  
Clifford Chance  
Linklaters  
White & Case

#### Tier 2

Baker & McKenzie  
Cleary Gottlieb Steen & Hamilton  
Freshfields Bruckhaus Deringer  
Gleiss Lutz  
Hengeler Mueller  
Linklaters  
Lovells

#### Tier 3

Ashurst  
Norton Rose Vierregg  
Shearman & Sterling

### Allen & Overy

In a market that many consider to be flat-lining because of “money tied up too long in high-risk deals”, Allen Overy’s transaction sheet seemingly defies this trend. The team, spearheaded by the well-regarded Peter Stenz and Neil Weiland, remained active this year. For example, it acted for WestLB in connection with the €359 million project financing of the Trianel gas power station in Hamm-Uentrop, the first independent power project (IPP) financing in Germany, and advised KBC Finance Ireland in relation to the project financing of the AVS Zorbau waste disposal plant in eastern Germany.

In another notable deal, Stenz led the team once again, this time guiding DEG-Deutsche Investitions und Entwicklungsgesellschaft in connection with the financing of a cacao plantation in the Dominican Republic.

#### Leading lawyers

Peter Stenz  
Neil Weiland

#### Key contact partners

Peter Hoegen  
Peter Stenz

### Clifford Chance

With five partners and 25 associates qualified to advise on German and English law, Clifford Chance in Germany is distinguished from its competitors by its long track-record of advice on transactions not only in Germany, but across central and eastern Europe, Turkey, the Middle East and Asia. The practice is particularly renowned for its expertise in developing airports, roads, power plants, industrial facilities and telecommunications.

Another area of specialization is international financings involving multisourced funding and/or export credit agency (ECA) guarantees, such as Hermes, the US Export-Import Bank, GKA and others. Also, the firm continues to play a leading role in the market for PPPs in Germany, central and eastern Europe and Turkey. Finally, Clifford Chance in Germany can attribute much of its market leadership in project finance to its know-how in energy, infrastructure and public law.

As the largest international project finance practice in Germany, Clifford Chance continues to experience high levels of

growth and demand. Among the clients are project sponsors, lenders and governments.

#### Leading lawyers

Riko Vanezis  
Beda Wortmann

#### Key contact partners

Riko Vanezis  
Beda Wortmann

### Linklaters

Linklaters receives a steady stream of projects work, and the team is particularly active in the German public-private partnership (PPP) arena as that market continues to gain momentum. Recently, the team has been mandated by various German public institutions on a federal, state and municipal level, as well as by internationally active companies and financial institutions.

In the first of its kind, and one of the largest PPP projects in the European market, Linklaters assisted the bidding consortium composed of Bilfinger Berger and Laing in the tender procedures for the award of long-term concession agreements for the extension and operation of motorways according to Model A. The City of Regensburg also sought guidance from Linklaters on the structuring and tender of a PPP model for a local congress and cultural centre, in a mandate which proved tricky because the integration of hotel, parking space and city in the project structure intensified the complexity of the matter.

The firm boasts considerable strength in the multi-jurisdictional corporate field, something which Hastings Fund Management took advantage of in relation to its acquisition of a €343 million stake in Hochtief Airport Capita (comprising Hochtief investments in Athens, Düsseldorf, Hamburg and Sydney airports).

The German government required Linklaters’ expertise on the ongoing dispute with the Toll Collect Consortium over the delayed introduction of a nationwide lorry toll system, while in another notable deal Linklaters advised a bidding consortium on the financing of the first toll system for Austria.

#### Leading lawyer

Eva Reudelhuber

#### Key contact partners

Ian Andrews  
Jan Endler  
Stephan Müller  
Eva Reudelhuber

### White & Case

Despite losing the highly regarded Stephen Hodgson, which commentators believed “could be a problem”, White & Case went on to win some important mandates this year, preserving its fine record in the energy sector.

For example, the firm advised Concord Power on the first independent power project in Germany, worth €600 million. This landmark deal was the first project in Germany eligible for tax exemption status under a federal government tax, designed to secure environmentally sustainable energy production. In a further €420 million financing granted for the development of the first offshore wind park in Germany, the firm has been representing HSH Nordbank.

White & Case was also mandated to advise Mark-E for the €215 million erection, financing and operation of a 400MW gas-fired power plant in Herdecke, one of the first power plants in Germany to be financed through project financing techniques. And finally, the practice offered comprehensive advice to the sponsor in a Brazilian coking and power plant financing.

White & Case has also proved to be a particularly good choice when it comes to multi-jurisdictional projects thanks to its extensive international network. The network was put to good use when the firm advised a German and French bank on the project financing of a deluxe hotel complex and international conference centre in east Africa, which involved English law-governed credit agreements as well as advice on the law of the east African country in question and that of Germany and France, being the jurisdictions of the financing banks.

Over the past 12 months the firm also developed its public sector credentials for its work on complex mandates. In a landmark transaction worth €300 million, which was one of the first PFI projects in the public military and defence sectors, White & Case represented a consortium of helicopter simulator manufacturers comprising Eurocopter, Rheinmetall Defense Electronics, CAE and Thales on a project with the German Ministry of Defence for the design, construction, ownership, operation and financing of helicopter flight training facilities. Further evidence of the firm's ability was on view when it advised the German Ministry of the Interior on the financing of a nationwide digital radio system for security related offices and agencies, using a PPP structure.

Further clients of the firm include ASKK Holding, Commerzbank, Mitsubishi Heavy Industries, DaimlerChrysler Services, Toll Collect, KfW, Dresdner Bank, EBRD and Deutsche Bank.

#### Key contact partners

Sebastian Kühl  
Claus Wecker

#### Baker & McKenzie

Announcing its intentions by hiring four associates in the past year, Baker & McKenzie subsequently busied itself by advising on a number of interesting transactions.

First, the firm advised Suez Environment in relation to the \$300 million project financing of Maynilad Water Services. Prominent client the German Ministry of Foreign Affairs looked to the firm for guidance on the \$50 million construction of the Deutsches Haus in Tokyo, and the practice was also on hand to guide Commerzbank through the \$80 million financing for the expansion programme of a Russian energy company.

In a further noteworthy deal, Baker & McKenzie was instructed by OTP Bank to provide advice on the €46 million financing of a power plant refit and fuel switch project in Romania.

Other recent clients include Companhia Vale do Rio Doce, the African Export-Import Bank, Siemens and Dresdner Bank.

#### Key contact partners

Michael Foundethakis  
Olaf Gebler

#### Freshfields Bruckhaus Deringer

Freshfields has enjoyed decent exposure in the past 12 months as the market for infrastructure and project financings recovered. The energy sector proved particularly fruitful, with the firm advising on a number of projects in both traditional and renewable energies, and road construction and PPP projects also saw an increase in activity. Freshfields Bruckhaus Deringer's projects

practice is led by the well-regarded Christian Bunsen and Daniel Reichert-Facilides.

Closing in April 2006, Freshfields advised an international consortium, led by Bilfinger Berger, on the €430 million restructuring of the M6 motorway project in Hungary, the first transaction of its kind in central and eastern Europe and the second time that the firm has been involved in the financing of the motorway since its original financing in December 2004. The practice was also on hand to assist Striba Rotontherapie-Zentrum Essen on the realization of the Westdeutsche Protonentherapie-Zentrum project.

In another standout deal, Freshfields guided Landesbank Baden-Württemberg, KfW-Ipex Bank and Landesbank Hessen-Thüringen Girozentrale as lead arrangers of the project financing of the Gud power station. At the time of writing, the firm was also advising the lead arranger, HSH Nordbank, on the financing of a photovoltaic energy project in Spain.

#### Leading lawyers

Christian Bunsen  
Daniel Reichert-Facilides

#### Key contact partners

Christian Bunsen  
Daniel Reichert-Facilides

#### Lovells

A Lovells team led by Alexander von Negenborn was active this year advising a bidding consortium comprising EADS Space Services and ND SatCom on the construction and operation of a military satellite communication system worth more than €800 million. Lovells was also active aiding another bidding consortium, which included Autobahnplus, this time on the financing and 30-year operation of franchised motorway sections according to the Model A structure.

In another big-ticket deal worth €800 million, Lovells assisted Bilfinger Berger on an Austrian motorway project, and acted for another bidding consortium in matters of planning, erecting, financing and operating a new prison close to Magdeburg.

#### Key contact partners

Ulrich Helm  
Alexander von Negenborn  
Olav Wagner