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Recent developments in Swedish securities law

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In Sweden, all companies operating in the financial markets are authorized, supervised and monitored by the Financial Supervisory Authority (*Finansinspektionen*) (the FSA). At present, the FSA supervises about 3,500 Swedish banking companies, credit institutions and their subsidiaries and branches, securities companies, fund management companies, stock exchanges, authorized marketplaces, insurance companies, benevolent societies and insurance brokers, as well as the VPC (the central securities depository and clearing house) and the BGC (the Swedish central bank).

Securities regulations

The rules for financial operations in Sweden are defined by the Securities Operations Act (the SOA) and the Financial Instruments Trading Act (the FITA).

The SOA contains regulations in relation to companies which engage in business on the securities markets. It states the requirements regarding licences, operation rules, the requirements for acquisition of financial instruments, capital adequacy rules and so on.

Any company that plans to operate and offer services on the financial markets needs a licence from the FSA. To obtain a licence under the SOA, a company has to file an application with the FSA for a licence. The same applies when an institution with such a licence wishes to change its activities. The change may be due to product development, restructuring, or a change in the business direction. An application must contain a description of the organizational structure of the company, information concerning ownership, management, the board of directors, a budget and an account of the control routines and security measures.

The FITA contains regulations on trading in financial instruments, disclosure of shareholdings, and the pledging of collateral. The act also contains the rules for drawing up prospectuses in connection to offers to the public to purchase financial instruments, or when financial instruments are to be admitted to trading on a regulated market. These rules have newly been changed, and will be described in more detail in a separate section below.

The Securities Exchange and Clearing Operations Act (the SECOA) applies to any undertaking that conducts business operations with the aim of establishing regular trading in financial

instruments. An undertaking may receive authorization as a securities exchange or marketplace by the FSA. Clearing operations can only be conducted on a commercial basis by the Central Bank of Sweden and by undertakings that have been licensed as clearing organizations pursuant to the act.

FSA regulations and general guidelines are an important adjunct to this regulatory system.

Further guidance on good practice on the Swedish securities market can be found in recommendations issued by the Swedish Securities Council, the Swedish Industry and Commerce Stock Exchange Committee and the Stockholm Stock Exchange (the SSE).

New Swedish rules for prospectuses

As of January 1 2006 the EU Prospectus Directive has been implemented in Sweden, mainly through changes in chapter 2 in the FITA.

The new rules stipulate that a prospectus must be drawn up whenever a financial instrument is to be offered to the public or is admitted to trading on a regulated market. The FSA must review and approve all prospectuses.

Offer to the public is defined in Article 2.1(d) of the Prospectus Directive as "a communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the securities to be offered, so as to enable an investor to decide to purchase or subscribe to these securities. This definition shall also be applicable to the placing of securities through financial intermediaries".

The new rules are applicable in more situations than the previous rules regarding prospectuses in Sweden. For instance, the rules typically apply when the founder of a limited company advertises on the Internet for investors who may want to participate in the forming of a company. Moreover, an offer to the public is likely to have been made when information is sent in an e-mail or a letter to the shareholders in a company or to the inhabitants in a region.

At the time of writing there are three regulated markets in Sweden: the Stockholm Stock Exchange, the Nordic Growth Market and *Aktietorget*.

Responsibility for drawing up prospectuses

For all offers to the public that include an issue of financial instruments, the issuer must draw up a prospectus. In respect of offers to the public to purchase shares, convertibles and subscription rights from someone who holds such financial instruments, this responsibility falls to the limited company that issued the instruments. In cases of other offers to the public, such as options, futures and other derivatives, it is the offeror who must draw up the prospectus. Regarding admission to

trade a financial instrument on a regulated market, it is the applicant who is responsible for drawing up the prospectus.

Content and form of prospectuses

All prospectuses must be in Swedish when the offer is made to the public in Sweden, or when the financial instrument is to be admitted to trading in Sweden. A prospectus must include all such information regarding the issuer and the financial instruments that is necessary for an investor to be able to make a well-founded evaluation of the financial instruments and the issuer's assets and debts, financial position, earnings and profit forecasts. The information must be easily understood and analysed.

A prospectus is valid for 12 months from the date it has been published. It can either be drawn up as one document, or as the following three separate documents: (i) the registration document (information regarding the issuer); (ii) the securities note (information regarding the financial instrument); and (iii) the summary (essential information and risks).

The reason for drawing up the prospectus in three different documents could be that the issuer intends to make several offers during a 12-month-period – an issuer who has already registered a Registration Document and makes a new offer within the 12-month period only needs to submit a securities note and a summary regarding the new offer.

Where offers involve financial instruments that have a nominal value per unit of no less than €50,000 and that are not share-related, no summary is needed.

In some cases – for instance, regarding programmes to issue financial instruments and warrants that are not share-related – a less extensive basic prospectus can be drawn up instead of a regular prospectus.

Exceptions

There are a large number of exceptions to the obligation to draw up and distribute prospectuses. It is of course crucial to decide in each case if any of the exceptions apply. The exceptions can be divided into three different groups.

Common exceptions

The most important exceptions in this group are: (i) financial instruments that are not meant for public trading; and (ii) credits with shorter terms than one year.

Exceptions regarding offers to the public

The most important exceptions in this group are: (i) offers that are intended only for qualified investors; (ii) offers that are directed towards 100 physical or legal persons (per EU member state) that are not qualified investors; (iii) offers to acquire securities with a minimum consideration of €50,000 per investor; and (iv) offers to acquire financial instruments with a nominal value per unit of no less than €50,000.

Exceptions regarding admission to trading

The most important exceptions in this group are: (i) when the number of shares during a 12-month period correspond to less than 10% of the number of shares that in the beginning of the 12-month period were admitted to trading on the same regulated market; and (ii) financial instruments that are offered as consideration in connection with a takeover bid, provided that the FSA has previously reviewed a document in the matter and has not demanded that a prospectus is drawn up.

Banking and finance

Recommended firms

Tier 1

Advokatfirman Cederquist
Advokatfirman Vinge
Mannheimer Swartling

Tier 2

Gernandt & Danielsson
Linklaters
Setterwalls Advokatbyrå

Tier 3

Advokatfirman Hammarskiöld & Co
Advokatfirman Lindahl
Baker & McKenzie
White & Case Advokat
Wistrand

Advokatfirman Cederquist

Cederquist has again justified its tier one position with a steady influx of acquisition and property finance work, identified by the market as the firm's main strengths. A working relationship with all of Sweden's top banks, as well as with international institutions like Citibank and Barclays, reflects the firm's status as a first-choice source of counsel.

In October, Svante Hultqvist advised a banking syndicate led by the Royal Bank of Scotland (RBS) on Swedish aspects of the financing for Permira and KKR's acquisition of the SBS media group. The loan comprised €1.53 billion senior facilities and a €200 million mezzanine facility. Hultqvist's team also advised the jurisdiction's four leading banks, Svenska Handelsbanken, SEB, FöreningsSparbanken and Nordea, in connection with the financing of Eniro's purchase of Findexa, which has directories operations in Norway. The cross-border deal resulted in facilities of NOK6.82 billion (€853 million), SKr2.9 billion (€316 million) and €100 million.

Another international transaction was CapVest's takeover of Findus' frozen food business, in which Cederquist acted as Swedish counsel to Barclays International and Merrill Lynch International as lead arrangers. In the real estate market, the firm advised SEB, Svenska Handelsbanken and RBS on a complex multicurrency loan, with an aggregate value of about €1.1 billion, to refinance a portfolio of Nordic properties.

The firm's banking practice has been accused of resting on the laurels of its prominent lawyer Svante Hultqvist, but it is busily setting up a legacy with a recent hiring spree. The group now has two partners and 13 associates.

Leading lawyers

Svante Hultqvist
Mattias Larsson

Key contact partners

Svante Hultqvist
Martin Rosell

Advokatfirman Vinge

Like Cederquist, Vinge has also embarked on a recruitment drive, and has taken on 10 new associates in the past year. The banking team is large, and it is often seen on the commercial side of banking transactions. For example, Hans Wibom recently represented Hi3G Access and Investor in relation to Nordea's SKr10.5 billion (€1.14 billion) term loan to finance the

Swedish arm of the 3 mobile phone network. He also led the team advising Investor on a SKr10 billion multicurrency revolving facility placed with a syndicate of multinational banks.

Wibom is regarded by peers as “the doyen of their practice” and “a really trusted adviser to investors”. But as he becomes less active, Vinge will be looking to partners Stefan de Hevesy and Bo Adrianzon to maintain its dominant role in the market. De Hevesy recently acted for a banking consortium in connection with a \$900 million revolving loan to Securitas, a Swedish security services group.

Mikael Ståhl is another influential partner, and recently advised Jernhusen on the refinancing of its revolving and working capital facilities, as well increasing the amount lent. The deal had a value of SKr5. Ståhl also led a team that advised Hypo Real Estate Bank on a SKr2.47 billion property deal. “He’s a very thorough and very experienced person,” said one of Ståhl’s clients.

In the private equity sphere, meanwhile, Vinge represented Permira in connection with the financing, through facilities and securities, of its acquisition of SBS.

Leading lawyers

Bo Adrianzon
Stefan de Hevesy
Hans Wibom

Key contact partners

Bo Adrianzon
Mikael Ståhl
Hans Wibom

Mannheimer Swartling

The third corner of Sweden’s banking law triangle is Mannheimer Swartling, whose partner list is a roll-call of both the country’s rising and best-established names. André Andersson, for example, is the head of the firm’s banking and insurance practice group, and in September 2005 he advised the lenders in one of the country’s most significant acquisition financing deals. Andersson’s team advised Mizuho Bank in relation to an €872 million credit facility extended to Fina Cold II to fund its purchase of Dometic, a manufacturer of equipment for leisure vehicles. Meanwhile, Mattias Lampe, “one of the rising stars”, took the lead in advising Hypo Real Estate Bank in relation to a SKr1.4 billion loan to Broadstrand, to finance its acquisition of 37 Swedish properties from Broadgate & Stendörren.

Royal Bank of Scotland (RBS) instructed the firm on another acquisition financing deal, in which it provided SKr5 billion to betandwin.com for the purchase on Ogame. In addition, Mannheimer provided advice to DnB Nor in relation to Altor’s buyout of Nimbus Boats and FSN Capital’s buyout of Alignment Systems.

The firm’s involvement in general financing arrangements comes mainly through partner Zoran Stambolovski. In June 2005, he jointly led a team that advised the Hilding Anders Group on the refinancing of its bed manufacturing activities. The financing structure consisted of an amended SKr4.83 billion senior facilities agreement with Credit Suisse First Boston, and a SKr650 million mezzanine facility with Citibank. This was followed in July with a deal to finance Höganäs, a producer of metal powders. Again, Stambolovski advised the borrower in relation to the €225 million revolving syndicated loan. His other recent clients include Securitas, which turned to him for advice on a \$1.1 billion multicurrency revolving facility.

More recently, Mannheimer’s lawyers advised Hexagon on a €1 billion multicurrency revolving facility with SEB Merchant Banking, in connection with its disposal of Hexagon Automation to Segulah.

Leading lawyers

André Andersson
Jan Kansmark
Mattias Lampe
Thomas Pettersson

Key contact partners

Jan Darnestam
Thomas Pettersson
Olof Stenström

Gernandt & Danielsson

Gernandt & Danielsson is widely reputed as a transactional firm, but its presence in the banking market is undeniable. Accordingly, most of the practice’s work relates to acquisitions, particularly in the real estate market. In January 2006 Marcus Johansson headed up a team advising RBS in a SKr1.35 billion (€147 million) deal to fund Linco Holding’s acquisition of Swedish properties. RBS also used Johansson’s counsel in its financing of the purchase of a SKr838 million property portfolio from AxFast by Wilfast Förvaltning in conjunction with Norwegian investors.

The firm also advised on the refinancing of the Nordic search group Eniro in connection with its acquisition of Findexa. Gernandt & Danielsson also acted for the company in obtaining finances for the takeover. The total value of the deals was SKr12 billion. Similarly, Karolin Machine Tool used the firm’s counsel in its refinancing and SKr400 million financing by SEB of its acquisition of Aqua-Dyne.

The firm’s regulatory credentials are also well recognized. In one highlight of the year, Niclas Rockborn was chosen by Inverness Fastighetsfond, a real estate investment fund, to advise on obtaining licences in Sweden and Ireland, creating the first regulated property fund in both jurisdictions.

Leading lawyer

Stefan de Geer

Key contact partner

Stefan de Geer

Linklaters

Some market sources have questioned Linklaters’ commitment to banking in Stockholm in the wake of Lena Hasselgren’s departure in 2004. But the evidence points to the contrary – the firm seems to have bounced back and the deals keep rolling in.

Jörgen Durban, the firm’s managing partner, and Fredrik Rydin are the key partners in this area. Durban represented Nordea Bank and RBS as lead arrangers of a SKr10.5 billion facility to finance the operation of Hi3G’s mobile phone network, 3. Hutchison Whampoa and Investor have guaranteed the investment, using a structure which conditionally reduces their liability over time.

Nordea returned to Rydin’s team for advice on loans of SKr5.9 billion and \$65 million in conjunction with Svenska Handelsbanken to fund the purchase of Sydsvenska Kemi and Perstorp by Pai Partners. White & Case also advised Ratos on the funding of its secondary buyout of Anticimex, a bedbug sanitation company, for SKr1.65 billion.

Key contact partners

Jörgen Durban
Fredrik Rydin

Setterwalls Advokatbyrå

Setterwalls has a team of 10 finance lawyers, headed by Åke Fors. According to competitors, the firm is experiencing a surge in banking activity. So far in 2006, the firm has landed some impressive roles, starting with a SKr5.9 billion (€640 million) acquisition financing deal with the Carlyle Group and Providence Equity Partners in January. In another high-value deal, the firm advised on the SKr1.8 billion refinancing of KappAhl Holding's debt.

Setterwalls has also taken part in some deals originating in the US. In February, for example, Åke Fors and three other lawyers from the firm's banking team represented Fortress Credit Corporation in the drafting and negotiation of Swedish documentation, a deal with a value of \$266 million. The firm also drafted and negotiated a \$40 million loan facility in spring 2006.

One of the firm's banking clients said: "They're quick. They also come up with good ideas and are very innovative."

Key contact partners

Jörgen Almelöv
Håkan Fohlin
Åke Fors

White & Case Advokat

White & Case has a close connection with Nordic Capital, a collection of private equity funds based in Stockholm and Copenhagen. This cash-cow client has consulted the firm on various financing deals lately, including the leveraged acquisition of Permobil, a wheelchair manufacturer, a deal which allowed the firm to exploit its international network to the full. White & Case also acted for Nordic Capital in the refinancing of BE Group, a metals company owned by the private equity house. Other private equity deals involving the firm include Altor Equity Partners' purchase of Flextronics Network Services, a transaction which took place across six jurisdictions, and a French private equity firm's takeover of a Swedish industrial chemicals company.

White & Case's practice is not restricted to private equity financings, however. For example, it advised Deutsche Bank this year on the leveraged acquisition and refinancing of an international company, and acted for Bayerische Landesbank on the financing of a real estate acquisition.

Lars Isacson, Bengt Åke Johnsson and Clas Romander, "a safe pair of hands", were identified by interviewees as leading practitioners at the firm. The firm also recently hired Magnus Håkanson, a promising senior associate, from Cederquist.

Leading lawyers

Lars Isacson
Bengt Åke Johnsson
Clas Romander

Key contact partners

Bengt-Åke Johnsson
Clas Romander

Wistrand

Wistrand "has a few really good individuals", according to the competition. One of these is Monica Petersson, whose active clients this year have included Citibank, Akademiska Hus and Länsförsäkringar Bank. The firm has also provided counsel to BRF Kredit, one of Denmark's largest financial institutions.

One of Wistrand's highlights this year was its role advising Humlegården, part of the Länsförsäkringar group, in relation to the refinancing of a property portfolio. Petersson teamed up with

Robert Kullgren on the deal, which had a value of SKr4.5 billion (€488 million). Also in the real estate sector, the same team advised Diös on obtaining a SKr2.25 billion loan.

Leading lawyer

Monica Petersson

Key contact partners

Robert Kullgren
Monica Petersson

Capital markets

Recommended firms

Tier 1

Advokatfirman Vinge
Mannheimer Swartling

Tier 2

Advokatfirman Cederquist
Gernandt & Danielsson
Linklaters
Setterwalls Advokatbyrå
White & Case Advokat

Tier 3

Advokatfirman Hammarskiöld & Co
Advokatfirman Lindahl
Baker & McKenzie
Delphi & Co

Advokatfirman Vinge

Göran Nyström is settling in to his new home at Vinge since his transferral from long-time rival firm Mannheimer Swartling in 2005. Competitors say his arrival has strengthened the firm significantly, and are eyeing him as one of several potential heirs to "all-round guru" Hans Wibom. But for the time being Wibom continues to monopolize the praise of the market: "he is very calm, very straightforward and very honest," said one respondent.

One of the highlights of Vinge's year was advising Vattenfall, a media company wholly owned by the Swedish state, on the issue of €1 billion hybrid securities. The deal was not only large but also innovative: the issue of subordinated perpetual bonds by a Swedish public entity is highly unusual, and the transaction required the issuer and arrangers to clear various legal hurdles.

The firm also had a hand in the first securitization of unsecured loans in Sweden. It acted as Swedish counsel to Citigroup as lead manager of the deal, in which Nordax Finans securitized loans totalling €176 million. Scandinavian Consumer Loans, a Jersey-based investment vehicle, issued the resulting floating-rate notes.

Among Vinge's equity capital markets highlights was its role acting for Bilia, an automotive company, in relation to the issue of shares in Catena to its shareholders. The deal included the initial public offering (IPO) of Catena on the Stockholm Stock Exchange.

Leading lawyers

Johan Cederlund
Jan Lombach
Göran Nyström
Hans Wibom

Key contact partners

Jan Lombach
Peter Oscarsson
Torbjörn Sköld

Mannheimer Swartling

Mannheimer Swartling has a powerful industrial client base, among which are local heavyweights like Volvo, Electrolux, Sandvik and TeliaSonera. One of the firm's most recent triumphs was its role acting for Husqvarna and Electrolux on the de-merger and listing of Husqvarna on the Stockholm Stock Exchange's O-list. The transaction had a value of more than SKr30 billion (€3.26 billion) and was completed in April 2006. In a similarly sized deal, the firm is also advising Securitas on the spin-off of three of its divisions.

The Husqvarna and Securitas deals are at the pinnacle of a number of smaller equity issues. In 2005, Mannheimer advised Atlas Copco, a producer of industrial equipment, on a share redemption programme worth SKr4.2 billion, and participated in Tradedoubler's SKr3 billion IPO.

On the structured finance side, meanwhile, the firm provided Swedish counsel in connection with the €176 million programme to securitize Nordax Finans' unsecured loans. This transaction followed advice to Nordax on note issues worth NKr2 billion (€249 million) and SKr1 billion. In another pioneering structured debt deal, Mannheimer provided advice to the issuer of the jurisdiction's first two covered bond programmes. The deal comprised an offer of €10 billion-worth of medium-term notes (MTNs) and covered bonds, and the conversion of €15.2 billion in unsecured debt.

Mannheimer's reputation in this area remains fantastic, and played a big part in helping the firm to pick up *IFLR's* Swedish law firm of the year award for 2006.

Leading lawyers

Eva Hägg
Tom Hård
Hans Petersson

Key contact partners

Eva Hägg
Hans Petersson
Anders Wikström

Advokatfirman Cederquist

Cederquist's capital market group's deal list this year includes a €100 million rights issue by Kungsleden, a Swedish real estate group with property trading and management activities. It also had a share of the IPO market, advising Invik & Co in relation to its spin-off and listing on the Stockholm Stock Exchange. The transaction had a value of around €200 million. Cederquist is active in small-cap deals as well, such as advising Countermine in preparation for its listing on London's Alternative Investment Market (AIM), and related rights issues, with a combined value of €9 million.

Wilhelm Lüning, "a very theoretically minded, very technical lawyer", is the star of the firm's equity-linked practice. "He is an outspoken and honest guy," said one respondent. Lüning is supported by partners Hans Ramberg and Magnus Lindstedt, as well as eight associates.

Securitization work is conducted by banking partner Svante Hultqvist, whose team advised Lehman Brothers in May 2006 in connection with the securitization of a portfolio of property finance loans. The cross-border deal was valued at €782 million.

Leading lawyer

Wilhelm Lüning

Key contact partners

Magnus Lindstedt
Wilhelm Lüning
Hans Ramberg

Gernandt & Danielsson

Capital markets work is one of Gernandt & Danielsson's main strengths. The firm's prominence is mainly thanks to Dick

Lundqvist, a hugely respected practitioner noted for his broad expertise and a keen commercial sense.

Lundqvist teamed up with Manfred Löfvenhaft this year to lead a team that advised Hakon Invest on its IPO and the sale of 8% of the private equity company's share capital by its main shareholder, ICA Handlarnas Förbund. The transaction had a value of SKr1 billion (€109 million).

Lundqvist also took a leading role in the firm's representation of Industrivärden as it floated Indutrade, a hi-tech components manufacturer, on the Stockholm Stock Exchange, a SKr1.6 billion deal. Industrivärden subsequently divested 65% of the company's shares.

Leading lawyers

Manfred Löfvenhaft
Dick Lundqvist

Key contact partner

Dick Lundqvist

Linklaters

The IPO of Gant, a clothing retailer, was seen by some not only as a coup for Linklaters, but also as a landmark deal in the recovery of Sweden's equity capital markets. The SKr2.26 billion (€245 million) listing was targeted not only at Swedish investors, but also Gant's franchisees in 15 jurisdictions. A Rule 144A offering also enhanced the international element of the deal.

Linklaters recently acted for the healthcare group Capio in relation to the issue of nearly 20 million new shares, with a value of SKr2 billion. The issue was underwritten by Deutsche Bank and Nordea Bank, and was complex in that the prospectus required translation to be valid in the UK. The firm also advised Old Mutual on its secondary listing in Stockholm, following its acquisition of Försäkringsaktiebolaget Skandia, a Swedish insurance group.

Other notable deals this year included advising on the spin-off and listing of Catena, valued at SKr2.02 billion, and on a share split and mandatory redemption programme initiated by the Modern Times Group for shares in Metro International. Linklaters also advised Vostok Nafta on its \$500 million secured notes issue to refinance an existing obligation of SKr2.3 billion-worth of variable interest bonds.

Leading lawyer

Jörgen Axelsson

Key contact partner

Jörgen Axelsson

Setterwalls Advokatbyrå

Setterwalls has had a respectable share of Sweden's equity markets since the arrival of Jan Jensen and Sören Lindström from ABN Amro in 2004. The firm's biggest deal lately was the IPO and listing of KappAhl, a Swedish retail group, with a total market value of SKr4.2 billion (€456 million).

Jensen took charge of a team which also included Lindström to advise Hemtex on its IPO and listing in October 2005. As well as the issuing company, which has a market capitalization of SKr1.6 billion, the firm provided counsel to its financial advisors, Enskilda Securities.

Finally, at the time of writing a team led by Lindström was working on the IPO of SysTeam, an information technology business, and serving as legal advisor to the company's majority owner, Bure Equity.

Key contact partners

Jan Jensen
Sören Lindström

White & Case Advokat

White & Case has a healthy mix of clients from Sweden and abroad, and maintains a presence in many of the country's key capital markets deals. For example, the firm provided advice to KappAhl, along with shareholders Nordic Capital and Accent Equity Partners, during its SKr1.61 billion (€175 million) flotation in Stockholm, incorporating a Rule 144A offering. It also completed an IPO on the Nordic Growth Market (NGM), Sweden's equivalent of Nasdaq, comprising SKr12 billion-worth of shares in Central Asia Gold.

The firm's capital markets expertise extends to underwriters as well as issuers. Clas Romander and Mathias Strand this year advised Deutsche Bank and Nordea Bank on Capiro's SKr2 billion IPO, and the same pairing assisted Carnegie and ABG Sundal Collier as underwriters of Orexo's SKr333 million IPO. Both deals included Rule 144A offerings.

White & Case's recent debt activities, meanwhile, included a SKr2 billion (€217 million) issue of commercial paper by Toyota Industries Finance International.

Leading lawyer

Clas Romander

Key contact partner

Clas Romander

Insolvency and restructuring

Recommended firms

Tier 1

Advokatfirman Lindahl
Hamilton & Co Advokatbyrå
Setterwalls Advokatbyrå
Wistrand

Tier 2

Advokatfirman Fylgia
Advokatfirman Glimstedt
Delphi & Co

Insolvency and restructuring in Sweden is described by one respondent as "a shrinking business". The economy is at full tilt, and lawyers in this area are lying low or looking at alternative practice areas until the market reaches maturation and casualties start to emerge. Some firms, such as **Linklaters**, have already begun preparing specialized teams in anticipation of a downturn.

There was one notable item of news in the insolvency market this year: **Vinge's** team of three lawyers defected *en masse* to **Setterwalls** in August 2005. In such a quiet field, the move represents a ticket to the top tier. The firm has justified its new status with several assignments, including Sweden's largest-ever bankruptcy: Rolf Åbjörnsson was appointed as official receiver during the insolvency of the €5 billion Folksam International Reinsurance Company. A similar value was ascribed to the restructuring of Concordia Bus, a deal in which Odd Swartling's team represented an international group of creditors. Åbjörnsson also acted as receiver in the dissolution of the Energisystem Group, while Swartling's recent experience also includes advice to the UK administrator of Collins & Aikman's insolvency. Both deals had a value of €1 billion.

Hamilton & Co, described by one competitor as being "like an insolvency boutique", has a history of involvement in the formation of Sweden's bankruptcy laws. Consequently, its 28 lawyers have an excellent reputation in the field, as well as the capability to advise on restructurings and provide counsel to distressed companies.

Advokatfirman Lindahl and **Wistrand** are both also recommended highly by the market, and will do well should activity pick up in the future. Wistrand's insolvency practice is headed by Leif Ljungholm, whose recent experience includes acting as trustee during the insolvency proceedings of Jomed i Helsingborg International, which had 30 subsidiaries in 22 countries. He is also trustee to the bankruptcy of PNB, a construction company with a turnover of €300 million.

Mergers and acquisitions

Recommended firms

Tier 1

Advokatfirman Vinge
Mannheimer Swartling

Tier 2

Gernandt & Danielsson
Linklaters
White & Case Advokat

Tier 3

Advokatfirman Cederquist
Advokatfirman Hammarskiöld & Co
Advokatfirman Lindahl
Setterwalls Advokatbyrå

Tier 4

Baker & McKenzie
Delphi & Co
DLA Nordic
Wistrand

Advokatfirman Vinge

"Mannheimer Swartling and Vinge are so far untouched at the top," said a competitor. They are the binary stars of the Swedish M&A market, with the gravity to pull in an unrivalled number of large deals. Vinge now has 60 M&A lawyers, including a share of Sweden's top corporate names. In particular, Bertil Villard is applauded for his "hands-on commercial approach", but an injection of talent from Mannheimer Swartling means he is in good company. Peers picked out Göran Nyström as a serious rival, as well as Carl Gustaf de Geer: "I suspect we'll see more of him," said one lawyer.

Fredrik von Baumgarten is another lawyer noted for his business acumen. A client said: "He's a commercial lawyer, and that's one of the most important things for us. He doesn't dwell on things that turn out to be unimportant in the end."

Many of Vinge's deals are in the private equity sector, often with EQT Partners as a client. The firm has assisted the group in various transactions recently, one of the most substantial of which was its sale of Comhem, a Swedish telecoms company

which the private equity house had bought from TeliaSonera in 2003. EQT divested the business to a consortium made up of the Carlyle Group and Providence Equity Partners for €1 billion.

In another momentous deal, Vinge represented EQT and Investor in their €2.6 billion take-private of the Gambro, the world's leading dialysis business. Hans Wibom, Göran Nyström and Christoffer Saidac were involved in the transaction.

The firm also advised EQT on the €550 million sale of Findus Sverige, a frozen foods business, to CapVest Equity Partners, and EQT selected Vinge again when it required advice on the acquisition of Dometic International by BC Partners.

The firm also has a number of active commercial and industrial clients, such as Boliden, Bilia and the Scandinavian Beverage Group. In one such deal, Vinge acted for HeidelbergCement's Nordic arm in its acquisition of Randers Cement and DK Beton from Bach-Gruppen.

Leading lawyers

Carl Gustaf de Geer
Göran Nyström
Bertil Villard
Fredrik von Baumgarten
Hans Wibom

Key contact partners

Christina Kokko
Malin Ohlin-Åkermark
Michael Wigge

Mannheimer Swartling

Unusually for the M&A market, Mannheimer Swartling's practice tends to be seen as more of a team effort than the usual top-down hierarchy, though the firm does have its celebrities. "Jan Holmius is very much a people person ... he knows how to handle people and get his way," said one respondent, while another described Bo Soderberg as "a very good lawyer and quite a skilled negotiator". Biörn Riese also received widespread praise from the market. But the firm is still smarting after one of its best commercial lawyers, Axel Callissendorff, defected to Finnish firm Roschier Holmberg, whose new Stockholm office has been grist for the Swedish gossip mill this year. Despite the loss, there is no doubt that Mannheimer Swartling retains a large, quality practice with a presence in most of the jurisdiction's focal deals.

A large proportion of these have been in the real estate sector. Sweden is at the hub of an escalating Scandinavian property market, and deals such as Torner's disposal of a SKr2.17 billion (€236 million) portfolio of Malmö properties are putting Mannheimer in the eye of the storm. The firm also advised Torner on the sale of 48 buildings, worth SKr3.8 billion, to GE Real Estate.

In a key transaction in the healthcare industry, the firm represented Biacore International in connection with its divestment to GE Healthcare. The target company, Biacore, is a listed producer of medical analysis equipment, and the purchase price in the deal was SKr3.2 billion. In June, Bo Soderberg headed up a group of five lawyers that acted for Ericsson when it sold its defence division, Ericsson Microwave Systems, as well as a 40% stake in Saab Ericsson Space, to Saab. The transaction was valued at SKr3.8 billion.

Mannheimer Swartling also acts extensively for private equity houses. This year, it has completed transactions on behalf of private equity houses 3i, Accent Equity and Altor Equity Partners, among others.

Leading lawyer

Biörn Riese

Key contact partner

Biörn Riese

Gernandt & Danielsson

The tier one firms may be "the usual suspects", in the words of one observer, but some clients are starting to complain of a lack of choice. Furthermore, the possibility of conflicts of interest rises as the firms increase in girth. The Swedish Bar Association is taking a close interest in the situation, and indeed has issued guidelines on avoiding such conflicts in transactions.

The mid-sized firms stand to gain from these circumstances, and they are starting to offer more specialized, efficient services at more competitive prices. Part of this vanguard is Gernandt & Danielsson. "You see them very, very often," commented a rival lawyer. Most of that visibility can be attributed to Dick Lundqvist, a prolific figure who is "very well known in the market, and a very good partner".

Gernandt & Danielsson's heavyweight transactions this year included representing Gambro during its takeover by EQT and Investor. Also on the seller side, the firm advised Försäkringsaktiebolaget Skandia on its sale to Old Mutual. The company was valued at SKr 44.9 billion (€4.89 billion). Eniro used the firm's counsel as purchaser of Findexa, a directories company, worth SKr10.5 billion.

Other standout deals included BC Partners' secondary buy-out of Dometic International. Gernandt & Danielsson served as Swedish counsel to the UK private equity firm, in a deal valued at €1.1 billion. In addition, the firm advised Cloetta Fazer, a confectionary company, in relation to Oy Karl Fazer's mandatory offer for the company's remaining €640 million capital.

Leading lawyer

Dick Lundqvist

Key contact partner

Dick Lundqvist

Linklaters

Competitors have been impressed by Linklaters's latest strategy to focus on transactional work, one commenting that the firm is "currently doing everything right". Others have noticed an upturn in quality this year, and the practice is starting to threaten the top-tier establishment. Martin Börresen is the head of the M&A group, but some say Peter Högström is driving the comeback. In either case, they are supported by a talented line-up featuring Jörgen Axelsson and Fredrik Lindqvist, among others.

The firm secured the business of Old Mutual during its SKr44.9 billion (€4.89 billion) acquisition of Försäkringsaktiebolaget Skandia. The deal was one of many in an "absolutely wild" market for cross-border M&A deals, and involved subsidiaries in several countries. It was also the largest insurance acquisition in Europe for five years.

Lindqvist led teams in both the Old Mutual deal and the Vodafone Group's disposal of its Swedish subsidiary, Europolitan Vodafone, to Telenor. The latter transaction had a value of £704 million. Although it started as a straightforward sale, the deal attracted interest from external parties, and was only completed after a competitive auction.

In April 2006, EQT Partners agreed to acquire most elements of Select Service Partner and Creative Host Services from the Compass Group, with a reported aggregate value of £1.82 billion. Krister Hansen was the lead adviser to EQT, and the target of the transaction comprised operations in 26 countries. The need for a transitional service agreement and tri-par-

tite negotiations due to a separation issue lent extra complexity to the deal.

Leading lawyers

Martin Börresen
Peter Högström

Key contact partner

Martin Börresen

White & Case Advokat

Claes Zettermarck “manages to be seen around”, according to rivals, but it is his strong relationship with Nordic Capital that guarantees White & Case a certain share in the market, and so far in 2006 the firm has advised the private equity house on two noteworthy deals. In February, Nordic Capital divested Anticimex Europe to Ratos for SKr1.64 billion (€178 million). Ulf Johansson, “a very good guy to work with”, took the lead in this deal, but Zettermarck advised Nordic Capital Fund VI as purchased ICA Meny, a Scandinavian food company with revenues of €625 million, in June.

White & Case’s other clients include Ahlsell, which it represented in connection with the purchase of refrigeration company Tempcold in June. It also acted for the Metso Corporation in its acquisition of Aker Kvaerner’s pulping and power activities for €355 million. In another pulping industry deal, Aikawa Iron Works, a Japanese company, instructed White & Case in relation to its takeover of Advanced Fiber Technologies, which produces pulp screening components.

The firm again exploited its international capabilities in advising Kisel Microelectronics during its \$405 million sale to SIRF Technology Holding, a Nasdaq-listed producer of technology for global positioning systems.

Leading lawyers

Ulf Johansson
Claes Zettermarck

Key contact partner

Ulf Johansson

Advokatfirman Cederquist

Cederquist has a booming practice among mid-cap private equity houses. Segulah retains the firm for many of its transactions, and this year sought its counsel on its SKr1.05 billion (€114 million) purchase of Hexagon Automation, as well as its acquisition of Skanska Prefab Mark. Lennart Kanter was Cederquist’s lead lawyer in both deals.

Bonnier, a Swedish media company, provided one of the firm’s most noteworthy deals this year, as Petter Wirell led a team which advised the company on its merger with Ratos, valued at SKr2.3 billion (€250 million). Much of Cederquist’s bread and butter this year was derived from IT Provider Funds, for which it completed a number of multi-million euro deals, including investments in Tracab, Atenit Communication, Kanal Lokal and The Cloud, among others. In April, this work culminated in the firm’s advice to IT Provider, along with 30 other sellers, in its disposal of a SKr365 million stake in Tradera to eBay.

Cederquist is playing a role in Sweden’s booming real estate market too, picking up some tasty mandates. Among the year’s highlights, Erika Åslund’s practice group represented Boultee as the buyer of a portfolio of retail properties worth SKr1.7 billion, as well as a SKr1.6 billion deal to acquire shopping centres in Uppsala and Västerås.

Key contact partners

Olle Jansson
Lennart Kanter
Petter Wirell

Advokatfirman Hammarskiöld & Co

Peder Hammarskiöld, described by a client as “a good negotiator” with a strong commercial sense, runs Hammarskiöld’s M&A practice jointly with Jacob Melander. Their combined deal list contains some of Sweden’s top transactions, such as advising EQT on the €500 million acquisition of Munsjö, which reached its conclusion in June 2005. The firm also represented Scania in the purchase of Ainax, a listed holding company in the automotive sector. The €1 billion deal drew widespread publicity because of its complexity, due in part to competition from Volvo, whose previous attempt to take over Scania had been blocked by the EU for competition reasons.

Melander’s team acted for Keops this year in seven simultaneous real estate acquisitions. The total value of the transactions was SKr11.5 billion (€1.25 billion), and they were partly financed by a bond issue in Copenhagen. He also led a team in a cross-border deal relating the medical industry: the firm’s client, Fisher Scientific International, divested Atos Medical Group, the medical device business of Perbio Science, to Nordic Capital for \$110 million.

Key contact partners

Peder Hammarskiöld
Jacob Melander

Advokatfirman Lindahl

Lindahl recently appeared opposite Linklaters as advisor to Telenor during its acquisition of Vodafone’s Swedish operations. The SKr10 billion (€1.09 billion) deal was one of several high-profile takeovers that benefited from the firm’s expert guidance this year. Another was Kemwell Pvt’s purchase of one of Pfizer’s manufacturing plants for an undisclosed sum, a transaction that ably demonstrated Lindahl’s international reach as its client, the purchaser, is based in India.

Carl-Olof Bouveng is the head of the firm’s corporate department, and took a leading role on two recent focal deals. In late 2005 his team acted for the private equity firm Norvestor Equity as it acquired Hälsofack i Sverige, Natura Poteket and United Care Scandinavia. Bouveng is also advising Electronic Arts, a video games producer, in its merger with Digital Illusions, which was announced in March 2006.

Key contact partners

Carl-Olof Bouveng
Robert Hansson
Lars Widhagen

Setterwalls Advokatbyrå

Setterwalls is picking up momentum in the private equity sphere, a trend which was spiked in January by its involvement in the buyout of the ComHem triple-play operator by a joint venture comprising the Carlyle Group and Providence Equity Partners. Richard Åkerman took the helm for Setterwalls, which advised the investors in the €1 billion transaction. They must have been impressed with the service received, because the same team represented Carlyle and Providence in another media acquisition

signed off in April 2006, in which they took over UPC Sverige from the US group Liberty Global for SKr3.3 billion (€359 million).

Åkerman also advised Polaris Equity in a further deal in the TMT sector. In June, the equity house agreed to acquire AddPro for an undisclosed sum, following a successful €180 million exit in February 2005. Among its other private M&A activities, Setterwalls represented Nimbus Boats and its shareholders as the target of a takeover by Altor Equity Partners, which acquired a 60% interest in the Swedish boat manufacturer.

Key contact partners

Richard Åkerman
Jan Jensen
Sören Lindström

Other notable firms

Baker & McKenzie's Stockholm office is a key link in its international network, provided mainly through US lawyer Carl Svernlöv. As such, the firm is perhaps most notable for its role as Swedish counsel to EQT in its acquisition of ISS. Although the deal was based in Denmark, its influence was felt across the Nordic region. The firm has also completed some locally originated work, such as acting for ING Real Estate in its acquisition of 25 Swedish supermarkets for €93 million.

Similarly, **DLA Nordic** is not as prominent in Sweden as it is in neighbouring Denmark, but it should not be discounted from the market altogether. The firm has a history of working with private equity firm 3i. Recent deals include advising EssNet on the sale of its lottery gaming business to the Scientific Games Corporation for €60 million, guiding Nordic Biotech and Gastrotech Pharma through the sale of Gastrotech Pharma, and acting for a Swedish venture capital syndicate in relation to its SKr84 million investment in Nanoradio.

Wistrand is a "very professional" firm with some well-respected M&A practitioners including Lars Hasp and Robert Kullgren. In addition, Peter Lexenberg was recommended by some respondents for IT-related corporate work. Wistrand's commercial lawyers have recently advised retained client Schibsted on numerous TMT deals, including the acquisition of a 25% interest in TV4, a public bid for Alma Media, a Finnish media business, and Schibsted's merger with Aspiro.

The "surprisingly strong" firm **Delphi & Co** was also praised for its IT capabilities. "They have a very solid practice among Swedish mid-cap companies but also among transnational and US companies," said a rival lawyer.

No discussion of Sweden's M&A market this year would be complete without mention of the arrival of leading Finnish firm **Roschier Holmberg**, which has set up shop in Stockholm to be closer to its private equity client base. Every lawyer in the city has an opinion on the move, ranging from admiration to apprehension. "It came as a guerrilla attack on the market," commented a competitor. "It'll be interesting to see how it takes off," said another. Others are reserving their judgment until they can gauge whether or not their new neighbours come in peace. Whatever the future holds for Roschier's Swedish operation, the firm's procurement of Axel Callissendorff from Mannheimer Swartling was a potent show of strength: "He was Mr Mannheimer for a long time," said an observer.