Austria

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Martin Brodey
Dorda Brugger Jordis
Vienna

The tax reform of 2005 was a big step towards enhancing Austria's attractiveness as a location for international holding companies. The cornerstones of the 2005 tax reform are the reduction of corporate income tax from 34% to 25%, and a new modern group taxation system enabling the pooling of profits and losses of Austrian resident group companies.

Decrease of the corporate income tax rate to 25%

The reduction of the corporate income tax rate was the Austrian legislator's response to the EU enlargement process and was devised to forestall the migration of companies based in Austria to low-tax accession countries such as Hungary or Slovakia.

The 2005 Austrian Tax Reform Act became effective on January 1 2005. As of this date, the corporate income tax rate was reduced from 34% to 25% for profits derived after December 31 2004. Even though the nominal tax rate in Austria is slightly higher than in some of the accession states, Austrian tax law allows generous tax deductions for expenses as well as loss carry-forward provisions – taken together, these offset the higher tax rate in Austria. The corporate income tax rate reduces the overall tax burden for Austrian corporations (for example, stock companies and limited liability companies). Both limited and general partnerships, however, are treated as *transparent entities* for tax purposes – meaning that the shares of profits or losses are attributable to each partner, and are to be included in and taxed as part of the partner's business income.

Because the limited liability company is the predominant legal form for companies in Austria, the 2005 tax reform has had a major impact on the Austrian corporate landscape.

Group taxation

The 2005 tax reform did not only affect corporate income tax. The Austrian legislator also used it to dispense with the more than 100 year-old system of the Austrian tax (fiscal) unit (*Organschaft*).

Qualifying as a tax unit under the former system required not only a majority participation of 75% in another company, but also economic and operational control of this company (subsidiary) by the parent company, and a profit and loss transfer agreement between the parent company and its subsidiary. The new group taxation, however, no longer requires economic and operational control or a profit and loss transfer agreement.

To fall within the ambit of the new group taxation regime, the only condition for group membership will be a direct or indirect majority investment in a target corporation (subsidiary). Joint taxation is also available within a syndicate of shareholders who together hold an equity participation of over 50% and the majority in voting rights. It is mandatory that the stake of the major shareholder within the syndicate amounts to at least 40%, and that other syndicate members have a minimum stake of at least 15%. Financial control must be exercised throughout the accounting period of the subsidiary.

The new group taxation enables a resident corporation to use the tax losses of foreign subsidiaries directly held by Austrian group companies. Unlike domestic subsidiaries, tax losses of foreign subsidiaries are limited to the percentage of the shareholding of the Austrian parent company. Due to the fact that tax losses are not limited within domestic group companies, an adjustment (*Ausgleich*) is mandated by law.

Group taxation is optional, meaning that the group members have to file an application with the tax authorities, list the shareholdings held by all group members and declare that they have entered into a tax sharing agreement. The group has to have existed for at least three years, otherwise group taxation is not applicable. If a group member leaves before the period expires, the calculations have to be corrected.

Whereas pre-group loss carryforwards, and losses incurred outside the group (*Außergruppenverluste*) of group members, can only be offset against profits of the group company itself, tax loss carryforwards of the group parent can be offset against the group profit.

Equal treatment of share and asset deals

The 2005 tax reform enables the purchaser to benefit – as in an asset deal – from a step up in basis. Formerly, only an asset deal qualified the purchaser to amortize goodwill and deduct hidden reserves.

Due to the 2005 Tax Reform Act, a part of the acquisition costs of shares in a corporation (provided that the corporation in question is eligible for group membership) will be treated as goodwill. The goodwill is calculated as the difference between the equity capital of the target plus hidden reserves in non-depreciable assets on the one hand, and the acquisition costs of the shares on the other hand. The amount of goodwill is limited to 50% of the acquisition costs of the shares, and may be amortized within a period of 15 years. Also, the interest expenses in a debt financing of the shares will be deductible against the profits of the parent company.

From an M&A perspective, the 2005 tax reform will enhance the attractiveness of share deals, which in turn will be an incentive for the Austrian M&A market.

Banking

Recommended firms
Tier 1
Wolf Theiss
Tier 2
Binder Grösswang
Cerha Hempel Spiegelfeld Hlawati
Dorda Brugger Jordis
Freshfields Bruckhaus Deringer
Tier 3
Dallmann & Juranek
Ortner Pöch Foramitti
Schönherr Rechtsanwälte
Tier 4
DLA Weiss Tessbach
Doralt Seist & Csoklich
Hausmaninger Herbst
Preslmayr & Partners
Saxinger Chalupsky Weber & Partners

Wolf Theiss

Austria's largest banking firm, Wolf Theiss, regularly receives instructions from UK firms and also enjoys ties with the most active banks operating in central and south-eastern Europe. Market commentators say Erste Bank is a particularly important client for the firm.

Lead arrangers Bank Austria Creditanstalt and Banca OPI instructed Wolf Theiss as Austrian counsel on the project financing of the installation, operation and maintenance of a $255 million Austrian electronic road tolling system.

Wolf Theiss also provided advice to Credit Suisse First Boston (Europe) and Nordea Bank Danmark on the $650 million refinancing of the secondary buyout of the Nycomed Group in December 2004, advised HVB Banque Luxembourg, HypoVereinsbank and ING Bank in relation to the drafting of security documents for a $700 million syndicated loan, and represented the borrower on the €180 million ($219.1 million) financing of the German Kalle Group, the world's leading producer of artificial sausage casings.

The firm also advised Royal Bank of Scotland and Mizuho Corporate Bank in connection with the $325 million financing of the acquisition of Eco and its Austrian subsidiary by Compass Partners.

Clients of the firm include Erste Bank, WestLB, ABN Amro, Citibank and Deutsche Bank.

Leading lawyers

Markus Heidinger
Andreas Schmid
Richard Wolf

Key contact partners

Markus Heidinger
Andreas Schmid
Richard Wolf

Binder Grösswang

The effective end of cross-border leasing work in Austria last year altered the dynamic of finance advice for all the top firms, including Binder Grösswang. The firm's six-partner, 10-associate team has, however, remained active in other areas of finance. For example, the firm advised the Export-Import Bank of the United States on a $150 million aircraft financing for an Austrian airline, acted for lessee OBB on an $80 million lease financing of rolling stock for Austrian Railways, and represented JP Morgan on the structuring of a syndicated loan and security package.

Other clients of the firm include: Investkredit Bank, Bank Austria Creditanstalt, Raiffeisen-Landesbank Oberösterreich and Kommunal-Kredit Austria.

Leading lawyers

Michael Binder
Tibor Fabian
Christian Klausegger

Key contact partners

Michael Binder
Tibor Fabian
Christian Klausegger

Cerha Hempel Spiegelfeld Hlawati

Although some market commentators feel the firm is more fully focussed on its impressive capital markets practice, Cerha Hempel enjoyed a productive winter last year. One impressive deal in December 2004 saw the firm advising WestLB on the €1.2 billion ($1.46 million) sale of a stake in Lockner & Co to private equity fund Lindsay Goldberg & Bessemer. At the time of writing, the firm's banking team is advising on the restructuring of the Austrian arm of the German Voith Group, a member of the Heineken Group. Other work over the past year has included acting for Premier on a €425 million multi-currency term and revolving syndicated credit facility combined with an Austrian share pledge agreement, and advising a leading Austro-German garden toolmaker on its refinancing by way of a €350 million Austrian law facility agreement.

The Cerha Hempel team regularly advises a range of corporate clients, including Telekom Austria, Heineken and Pfizer, as well as investment banks Société Générale, Morgan Stanley, JP Morgan, Goldman Sachs and Credit Suisse First

Boston. From among the talented team, Peter Knobl was singled out by rival banking lawyers for his expertise in financial regulation work.

Clemens Hasenauer, formerly of Haarmann Hugel, has joined the practice recently, bringing the total number of partners in the group to five.

Leading lawyers
Volker Glas
Peter Knobl

Key contact partners
Volker Glas
Edith Hlawati
Peter Knobl

Dorda Brugger Jordis

Although some rival practitioners feel the firm is more active in the corporate arena, Dorda Brugger Jordis does have recognized expertise in financial services and regulatory work. The firm counts Citibank, Fidelity and Capital Bank as clients, and has also acted as Austrian counsel for Merrill Lynch, Pimco, Ixis, Franklin Templeton and Bank Austria Creditanstalt.

Among the year's highlights, Dorda acted as Austrian counsel to the senior and mezzanine lenders in respect of the €261 million ($313 million) financing of the acquisition of Bulgarian Telecommunication Company (BTC) by a consortium led by Advent International. Leading lawyer Tibor Varga also led a team that advised Erste Bank der österreichischen Sparkassen as agent, arranger and lender on a secured senior loan for financing relating to commercial real estate in Prague.

Regulatory work, meanwhile, has included acting for Invest Equity on setting up a private equity fund, the DKM Group on setting up hedge funds, and representing T-Mobile on issues surrounding e-payment services. At the time of writing, Andreas Zahradnik and Florian Kremslehner are advising the International Finance Corporation and the government of Bosnia and Herzegovina on the restructuring of state-owned banks in Bosnia and Herzegovina.

Other clients of the firm's banking team include Bank Austria, Raiffeisen Zentralbank, Erste Bank and the European Bank for Reconstruction and Development. Dorda has also acted for a variety of international banks, including Barclays, Dresdner Bank, Société Générale, Mitsui, CSFB and Deutsche Bank as Austrian counsel on a range of cross-border and acquisition finance deals.

Leading lawyer
Tibor Varga

Key contact partners
Florian Kremslehner
Tibor Varga
Andreas Zahradnik

Freshfields Bruckhaus Deringer

Freshfields Bruckhaus Deringer's Austrian practice is variously described as being "very strong in banking" and "one of the country's leaders". The market feels Freshfields has recently become stronger in banking and finance, building on its traditionally strong corporate links. The firm is well respected by clients, and has a great position in PPP work through the experience of its firm-wide international network.

Standout deals for the Freshfields team last year included representing joint bookrunner Bank Austria Creditanstalt in connection with the financing of Wienerberger, the Austria-listed construction materials company, and advising the Austrian subsidiaries of the Messer Griessheim Group with regard to the structuring and implementation of a €525 million ($630 million) multicurrency term loan, traditional revolving credit facility and a €107 million credit facility.

The firm also provided Austrian law advice to Bayerische Landesbank in connection with its €1.75 billion financing to the Quelle Karstadt Group. The financing, which closed in January 2005, featured a security package granted by Austrian subsidiaries of the group.

On the projects side, the firm's team advised EADS, as bidder, in respect of the €150 million public procurement procedures relating to the Austrian public authorities' telecommunication network. Freshfields also acted for Asfinag in structuring its toll road charging system tender procedure, and in negotiations of the operation agreement with Autostrada.

Other clients of the firm include Porsche Bank, AMAG and Vakif Bank.

Leading lawyer
Maria Th Pflügl

Key contact partners
Friedrich Jergitsch
Maria Th Pflügl

Dallmann & Juranek

Name partner Armin Dallmann is described as "experienced and highly knowledgeable" as well as being "well connected with the Austrian financial industry". The "well-focused" boutique firm has a solid reputation for the quality of its financial law advice, with one respondent remarking: "They always do a very fine job." Only the small size of the practice prevents the firm joining the other leaders in the top two tiers.

The firm boasts an impressive client list, regularly advising Western Union, Investkredit, RZB, Bawag and the European Bank for Reconstruction and Development (EBRD) as well as state privatization agency ÖVAG. Over the past year it has advised Erste Bank on two financings (worth €40 million and €20 million respectively) in the Czech Republic, and acted for the EBRD on €300 million-worth of syndicated senior and mezzanine financing for Europolis. And at the time of writing, Armin Dallmann (who has a hand in almost all the firm's finance deals) is leading a team acting for Raiffeisen Zentralbank

Oesterreich on the €50 million financing of Raiffeisen's Polish leasing subsidiary.

Leading lawyer
Armin Dallmann

Key contact partners
Armin Dallmann
Laurence Yansouni
Thomas Zivny

Schönherr Rechtsanwälte

Respondents to *IFLR1000*'s research identified Schönherr as a "renowned firm" and singled out partner Martin Ebner as "a leading figure for cross-border banking work".

Although others suggested that the firm is more focussed on its market-leading corporate practice, recent banking mandates indicate a solid presence in that market too. Among the year's highlights, the firm acted for arrangers Barclays Capital and Citigroup on the €750 million ($900 million) syndicated loan financing of the Verbund group, advised Barclays Capital in relation to its €795 million post-acquisition financing of the Ontex group, acted for WestLB on its $400 million syndicated loan financing to Banca Comerciala Romana, and represented Sachsen in relation to the acquisition financing of Millennium City.

Leading lawyer
Martin Ebner

Key contact partners
Martin Ebner
Peter Feyl

Capital markets

Recommended firms
Tier 1
Cerha Hempel Spiegelfeld Hlawati
Wolf Theiss
Tier 2
Binder Grösswang
Dorda Brugger Jordis
Freshfields Bruckhaus Deringer
Tier 3
Saxinger Chalupsky Weber & Partners
Schönherr Rechtsanwälte
Tier 4
CMS Reich-Rohrwig Hainz
Doralt Seist & Csoklich
Haarmann Hügel Rechtsanwälte
Hausmaninger Herbst

Cerha Hempel Spiegelfeld Hlawati

IFLR's Austrian law firm of the year at the IFLR European Awards 2004, Cerha Hempel Spiegelfeld Hlawati's capital markets practice consistently received plaudits from peers and clients alike. Particular attention was drawn to the firm's "professional and businesslike approach". The "really quite excellent" Edith Hlawati is renowned among peers, one leading practitioner describing her as "the shining star of Cerha Hempel". A commentator at an international investment bank in London, meanwhile, said that he was particularly impressed by the "quality and clarity of their communications".

The firm's capital markets partners have developed an impressive client list. Cerha Hempel regularly advises large corporates, such as Telekom Austria, as well as leading domestic and international investment banks such as JP Morgan, Merrill Lynch, CSFB and Morgan Stanley. The firm also has an enviable relationship with state holding company Österreichische Industrieholding (ÖIAG), allowing the firm to develop a strong reputation for capital markets work relating to Austria's ongoing privatization programme.

Of the firm's work for ÖIAG, a number of deals stand out, including the €1.01 billion ($1.21 billion) sale of ÖIAG's 17% stake in Telekom Austria and its €123 million sale of VA Tech as part of Siemens' takeover bid. Cerha also acted for Wienerberger in relation to the Austrian brickmaker's €231 million rights offering and combined global offering.

Among Cerha Hempel's other work, in January 2005 it advised Telekom Austria on a €1 billion drawdown under the company's euro medium-term note programme, acted on Intercell's initial public offering; and advised Energie Baden-Württemberg on the sale of its 6.3% participation in Verbund and Wienerberger.

Leading lawyer
Edith Hlawati

Key contact partners
Albert Birkner
Volker Glas
Edith Hlawati

Wolf Theiss

The "highly professional" Wolf Theiss has a large banking and capital markets team, with a strong network of offices throughout central and eastern Europe. The firm advises on an impressive volume of deals, regularly securing roles on most of the region's highest-grossing transactions. According to one leading Austrian lawyer at a rival practice, Richard Wolf is "the outstanding personality" and "the star of the show" for capital markets work.

Austrian brick-maker Wienerberger's €400 million ($480 million) bond issue was one of Austria's standout deals of the year. Wolf Theiss was instructed as Austrian law transaction counsel in this hugely oversubscribed deal, which included a change of control covenant.

In other recent highlights, Wolf Theiss acted for arrangers ABN Amro, ING Bank and Citibank on the $260 million refinancing of MobilTel EAD Bulgaria, which marked Bulgaria's first corporate bond issue. With a total value of €1.2 billion, the transaction represents the largest-ever leveraged buyout in central and eastern Europe, and the largest-ever capital markets financing for a Bulgarian bank.

The firm also advised Erste Bank der oesterreichischen Sparkassen in connection with the issue, Vienna Stock Exchange listing and private placement of Wiener Städtische's €314 million supplementary capital bonds.

Leading lawyers
Markus Heidinger
Richard Wolf

Key contact partners
Markus Heidinger
Peter Oberlechner
Richard Wolf

Binder Grösswang

Although changes in tax regimes mean that the firm and its competitors no longer benefit from cross-border leasing instructions, Binder Grösswang remains active in other areas of finance and capital markets work. Both Tibor Fabian and Michael Binder come highly recommended by the market for their strong capabilities advising on top-level capital markets work.

Recent examples of the practice's capital markets experience include advising on regular client Investkredit's €3 billion ($3.6 billion) medium-term note programme, and, on the equity side, acting for UBS in relation to Austriamicrosystems' €129.5 million initial public offering (IPO).

Over the past year Binder Grösswang's capital markets specialists also advised on a number of structured financing matters, including advising on the legal structuring of Investkredit's asset-backed commercial paper programme. In addition to its work for Investkredit, the firm advised on other debt issuance programme updates, for clients such as Hypo Vorarlberg, and won roles on the AMS IPO and on the Telekom Italia No 2 transaction.

Leading lawyers
Michael Binder
Tibor Fabian

Key contact partners
Michael Binder
Tibor Fabian
Florian Khol

Dorda Brugger Jordis

Dorda Brugger Jordis's capital markets team is one of Austria's leading practices, winning a large number of instructions and enjoying particular success in the mid-market. "Great expert" Andreas Mayr is described by his peers as "a very active and energetic operator".

In one standout transaction that, the market noted, was a particularly important deal for the practice, Andreas Mayr and Tibor Varga led the Dorda team advising the joint global coordinators, Deutsche Bank, Erste Bank and Merrill Lynch International, on a €1.2 billion ($1.44 billion) combined share capital increase and convertible bond issue by OMV. The deal is reported to be the largest capital markets transaction ever launched on the Vienna Stock Exchange.

Another highlight saw the firm advising Goldman Sachs on the sale of 17% of Telekom Austria by Österreichische Industrieholding (ÖIAG, Austria's privatization agency) to institutional investors under a €1.1 billion accelerated bookbuilding procedure. The five-partner practice also advised Goldman Sachs in relation to Intercell's initial public offering, the first IPO of a biotech company to list on the Vienna Stock Exchange, and acted for Schoeller-Bleckmann Oilfield Equipment, together with joint-lead managers Raiffeisen Centrobank and Bank Austria Creditanstalt, on the company's €84 million capital increase and secondary public offering.

Leading lawyer
Andreas Mayr

Key contact partners
Andreas Mayr
Tibor Varga
Andreas Zahradnik

Freshfields Bruckhaus Deringer

Whenever international investment banks are involved in an Austrian capital markets transaction, Freshfields Bruckhaus Deringer is usually involved in some capacity. According to a source at one such investment bank, "they understand where investment houses are coming from." From among the solid team, Thomas Zottl is singled out for the quality of his work, and the firm is widely predicted to win a good share of work advising on the new wave of Austrian initial public offerings (IPOs).

The practice's three capital markets specialists enjoy close ties with the international firm's Frankfurt office, and have recently been particularly active on the equity side. For example, Freshfields advised Permira on the €385 million ($462 million) IPO of Austrian semiconductor-producing company Austriamicrosystems, acted for Intercell in connection with its €50 million IPO in Austria, and assisted the International Finance Corporation as selling shareholder in relation to Raiffeisen International's IPO.

Freshfields also boasts an excellent securitization practice, and here too the firm has had a strong year. In July 2004 the firm acted as transaction counsel on an asset-backed commercial paper securitization of Porsche Bank's auto lease and loan receivables, arranged by ABN Amro through FACT-2004, and in April 2005 it advised on the privately placed €80 million Alps securitization of Porr's construction receivables. At the time of writing, Freshfields is advising various large Austrian banks on new mortgage and covered bond legislation.

Other clients of the firm's capital markets practice include Austrian banks Erste Bank, Raiffeisen Zentralbank Osterreich and Banque AIG. This strong domestic clientèle is backed up by an equally impressive international client base, which includes CSFB and Lehman Brothers.

Leading lawyer
Maria Th Pflügl

Key contact partners
Friedrich Jergitsch
Maria Th Pflügl

Schönherr Rechtsanwälte

One of Austria's top firms for structured finance work, over the past year Schönherr has secured a role on most of the country's collateralized debt obligation (CDO) work. One such deal saw the practice advise Uniqa Alternative Investment on the €300 million ($360 million) Stanton CDO, and acting as transaction counsel to Uniqa and Raiffeisen Zentralbank on Uniqa's €150 million corporate bond issue.

In other deals, in 2005 Schönherr advised Merrill Lynch, ABN Amro, BNP Paribas, Deutsche Bank, HVB and JP Morgan on Bank Austria's €250 million Tier 1 issue, acted for InterCell on the biotech company's initial public offering, and represented Agrana Beteiligungs on its €228 million secondary public offering of shares on the Vienna Stock Exchange. 2004 saw the firm acting on a number of Tier 1 issues by, among others, Bank Austria (where it advised the arrangers) and Hypo Alpe Adria Bank International (where it advised the issuer), and advising HVB as arranger of the €200 million securitization of Sixt's sale and leaseback receivables.

Leading lawyers
Martin Ebner
Peter Feyl

Key contact partners
Martin Ebner
Peter Feyl

Saxinger Chalupsky Weber & Partners

In the opinion of its rivals, Saxinger Chalupsky Weber & Partners' capital markets team enjoyed an excellent 2004, and this trend is continuing in 2005. The firm has won roles on some high-level deals, including acting on Wienerberger's €400 million ($480 million) bond issue and advising on OMV's €1.2 billion combined share capital increase and convertible bond issue, the largest ever Vienna Stock Exchange-listed capital markets transaction. The firm also advised on Intercell's initial public offering (IPO), the first IPO of a biotech company to take place on the Vienna Stock Exchange.

Of the firm's capital markets specialists, Stefan Weber is highly recommended by the market.

Leading lawyer
Stefan Weber

Mergers and acquisitions

Recommended firms
Tier 1
Cerha Hempel Spiegelfeld Hlawati
Freshfields Bruckhaus Deringer
Schönherr Rechtsanwälte
Wolf Theiss
Tier 2
Binder Grösswang
Dorda Brugger Jordis
Tier 3
CMS Reich-Rohrwig Hainz
Eiselsberg Natlacen Walderdorff Cancola
Fiebinger Polak Leon & Partner
Graf Maxl & Pitkowitz Rechtsanwälte
Haarmann Hügel Rechtsanwälte
Saxinger Chalupsky Weber & Partners

Cerha Hempel Spiegelfeld Hlawati

Cerha Hempel Spiegelfeld Hlawati's mergers and acquisitions group comes highly recommended by peers, particularly for the strength of its telecoms practice. The firm also has close ties with the state privitization agency, Österreichische Industrieholding (ÖIAG), which has helped it win roles on almost all of the country's privitization deals to date.

In terms of key personnel, fellow practitioners regard Edith Hlawati as a "great lawyer," who "handles client relationships expertly". Albert Birkner also comes in for praise, being a lawyer who commands "tremendous respect, " who can "safely handle any large cross-border acquisition" and who is one of few Austrian practitioners who "performs on a level with the magic circle firms".

Over the past year Cerha Hempel has advised Oetker on its acquisition of Unilever's frozen pizza business, acted for Parmalat Austria in relation to the sale of its shares in NÖM, represented TietoEnator on its acquisition of CSC Austria's paper business, advised BET Finance and Rentokil Initial UK on the acquisition of PTV-Pointner Textilversorgungs, and acted for the Segafredo Group when it acquired Woodland.

In one of Austria's largest transactions this year, Cerha Hempel also advised OMV, the central European oil and gas group, when it sold 50% of its subsidiary company AMI Agrolinz Melamine International to International Petroleum Investment Company for €241 million ($289 million).

Among the year's other highlights, Cerha Hempel advised AON Holding on its acquisition of Hans Windischgrätz Versicherungsmakler, guided Hotel Sacher through the process of setting up a franchise system in China, acted for Henkell & Söhnlein in relation to its acquisition of Kupferberg and Scharlachberg, and advised Camoplast Industrial when it acquired Bombardier's BRP-Rotax.

Leading lawyers
Albert Birkner
Volker Glas
Edith Hlawati
Benedikt Spiegelfeld

Key contact partners
Albert Birkner
Edith Hlawati
Benedikt Spiegelfeld

Freshfields Bruckhaus Deringer

Willibald Plesser heads Freshfields' M&A team, which, after hiring three associates, now comprises nine partners and 13 associates. The team has enjoyed another strong year, winning roles on many of the country's top M&A deals and solidifying its position in the top tier for another year.

Most recently, in June 2005 Freshfields advised Italian bank UniCredito on its planned acquisition of Germany's HypoVereinsbank. The deal allowed UniCredito to make acquisition bids for HypoVereinsbank, as well as the Austrian subsidiary, Bank Austria Creditanstalt, and the Polish subsidiary, BPH. With a combined market capitalization of around €45 billion ($54 billion), the deal is the largest ever cross-border bank merger in Europe. Lawyers from Freshfields advised UniCredito in all relevant jurisdictions and across all practice areas. The team comprised more than 70 lawyers from 13 jurisdictions, and was led by Frankfurt partners Andreas Fabritius and Matthias-Gabriel Kremer.

Among the year's other highlights, the firm represented Vereinigte Telekom Österreich Beteiligungs on its €220 million sale of UTA Telekom to Swedish company Tele2 Group, advised EnergieAllianz (a consortium comprising EVN, Wiener Stadtwerke Holding, Bewag, Begas, Energie Oberösterreich and Linz) on a €1 billion deal with Verbundgesellschaft to set up Energie Austria, and represented Austrian oil-trading company the Roth Heizöle Group in relation to the sale of 74.99% of the shares in Roth Heizöle to MOL Hungarian Oil & Gas, and the development of an option structure for the remaining 25.01%.

Leading lawyer
Willibald Plesser

Key contact partners
Paul Luiki
Willibald Plesser
Thomas Zottl

Schönherr Rechtsanwälte

Schönherr's corporate group comprises 10 partners. The team is capable of advising on the full range of M&A matters, but has carved out a particular niche for itself in relation to insurance sector M&A advice. It also has considerable experience acting on deals in the energy and pharmaceutical sectors. In the opinion of corporate partners at its top-tier rivals, Schönherr is "quite simply an excellent firm" comprised of "very good lawyers".

Schönherr won roles on two of Austria's largest and most prominent deals last year. In the first, Schönherr advised Siemens on its €995 million ($1.2 billion) public takeover of Vienna Stock Exchange-listed VA Tech, and in the second it acted for Övag in relation to its €750 million offer for Investkredit in March 2005.

The firm's recent cross-border work includes an instruction to advise HKW Privatstiftung in connection with the €320 million sale of 30% of Frantschach to Mondi and Anglo-American. It has also acted for EVN on its €271 million acquisition of two Bulgarian power companies, represented Raiffeisen Holding on the €213 million sale of its stake in UTA Telekom to Tele 2, and advised BE Semiconductor in relation to its €72.6 million acquisition of Datacon.

In addition to its cross-border M&A work, Schönherr acts for numerous mid-sized Austrian, Slovenian and Croatian corporates, ensuring that it maintains good deal flow as well as a stable presence on bespoke high-value transactions.

Leading lawyers
Stefan Frotz
Christian Herbst
Christof Lindinger

Key contact partners
Christian Herbst
Christof Lindinger

Wolf Theiss

A hesitant year for mergers and acquisitions in Austria did not stop Wolf Theiss enjoying a record year in 2004. The maintenance of high transaction volume during a relatively lean period demonstrates that, with one of the country's largest M&A teams, the firm has strength in depth that few others in Austria can match.

Horst Ebhardt wins many accolades, with one client at an Austrian bank noting that Ebhardt "is more than a lawyer, he is a friend who always puts legal advice into a commercial context." And Markus Bruckmüller, partner in the firm's Ljubljana practice, is described as "confident, highly competent and a thoroughly decent guy," while the firm as a whole is considered "very strong in south-east Europe," reflecting Austrian investors' growing appetite for central and eastern European corporates.

Highlights from the past year include advising the Albanian government on the $90 million Tirana International Airport concession, acting for Bank Austria Creditanstalt, Central Profit banka (Sarajevo) and HVB on the $495 million merger between Central Profit banka and HVB, representing Cerberus Capital on the $150 million stock and asset acquisition of GenCorp's automotive business, advising Equita Management on its acquisition of AHT Cooling, acting for Forstinger Handelsges on the demerger and sale of the company's retail business, and advising retailer McArthurGlen on the $105 million sale of its Austrian centre.

In another standout deal of last year, the firm's M&A specialists advised OEBB (Austrian Federal Railways) in connection with its $2.5 billion restructuring. The transaction was prescribed by the Federal Railways Structure Act 2004 and represents the largest restructuring ever conducted in Austria. Another restructuring deal saw Wolf Theiss advise Veronis Suhler Stevenson and 3i on the $183 million restructuring of their jointly held Austrian and central European telephone-directory assets.

In addition to its high-profile M&A work, the firm acted on a host of mid-market deals last year for clients including Futurelab Holding, the Institute for Medical and Chemical Laboratory Diagnostics, Istrabenz Energetski Sistemi, Tyrolit Schleifmittelwerke Swarovski and the RTL Group.

Wolf Theiss also advised Bank Austria Creditanstalt on its acquisition of Serbian financial institution Eksimbanka and, in a joint venture with HVB, the $131 million deal for Bulgarian bank Hebros Bank.

Leading lawyers

Horst Ebhardt
Markus Heidinger
Richard Wolf

Key contact partners

Markus Heidinger
Peter Oberlechner
Richard Wolf

Binder Grösswang

Binder Grösswang's M&A team might not be as high-profile as its banking or capital markets counterparts, but it certainly has the expertise, as demonstrated through numerous transactions for publicly traded companies. Michael Kutschera is well respected by his fellow practitioners, one contemporary singling him out as "one of Austria's great corporate lawyers".

Of the firm's M&A work over the last year, standout deals include advising Tele2 on the €218 million ($261.6 million) acquisition of UTA Telekom, acting for Riedel Glas on the acquisition of FX Nachtmann Crystal, representing Tigas on the acquisition of Energas and Südgas, and advising Montanwerke Brixlegg on its sale to A-Tec Industries.

In other deals, Binder Grösswang's lawyers acted on the sale of Herold Business Data, advised Areva France on the acquisition of transmission businesses from Alstom, and represented Lenzing on the sale of Lenzing Instruments to Textechno Herbert Stein. The firm's corporate partners also advised on the $600 million restructuring of the Exide group.

Leading lawyer

Michael Kutschera

Key contact partners

Michael Binder
Michael Kutschera
Ivo Rungg

Dorda Brugger Jordis

The market noted that Dorda Brugger Jordis is developing a solid reputation for advising on mergers and acquisitions work, at a time when the practice as a whole has made ambitious inroads into the capital markets sphere. Name partner Christian Dorda is highly rated by his peers, and Martin Brodey drew consistent praise throughout this year's research process.

Recent M&A work saw Dorda advise on the €140 million ($168 million) sale of Citec Immobilien to Ermione Privatstiftung. Other deals handled by the firm's corporate practice included advice to the Readymix Group on a number of corporate and M&A deals, acting for GEF Beteiligungs in relation to its the acquisition of a German printing company, representing regular client Verbund on the sale of APC to Slovenian energy group Istrabenz, and advising Cetco Europe on the acquisition of Linteco Geotechnische Systeme.

In common with fellow Austrian firm Cerha Hempel, Dorda is highly rated for its advice on privitization deals. Last year the firm won instructions from Goldman Sachs' Whitehall fund, Austrian electricity provider Verbund and the Vienna Medical University to act on privitization transactions. The firm also advised Bundesimmobiliengesellschaft in relation to the €145 million privatization of Republic of Austria real estate.

Leading lawyers

Martin Brodey
Christian Dorda

Key contact partners

Martin Brodey
Christian Dorda
Theresa Jordis