

# Denmark

## Chamber of commerce:

Danish Chamber of Commerce

Børsen

1217 Copenhagen K

Denmark

**Tel:** +45 33 95 05 00

**Fax:** +45 33 32 52 16

**Email:** mail@commerce.dk

handelskammeret@commerce.dk

## Professional body:

Advokatsamfundet

Kronprinsessegade 28

1306 Copenhagen K

Denmark

**Tel:** +45 33 96 97 98

**Fax:** +45 33 36 97 50

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

There are nearly 200 companies listed on the Copenhagen Stock Exchange. The market value of listed companies at the beginning of 2004 amounted to more than €97 billion (\$116.7 billion) and the market value has increased since. The Copenhagen Stock Exchange estimates that shareholdings owned by foreign investors exceed 25%.

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

The securities market is still dominated by public-to-private transactions. In recent years, private equity funds have acquired and delisted a large number of companies on the Copenhagen Stock Exchange (the latest example being the tender offer on Foras Holding A/S and ISS A/S).

### Legal framework

The legal framework governing corporate finance activities in Denmark includes the Securities Trading Act, the Financial Businesses Act, the Rules Governing Securities Listed on the Copenhagen Stock Exchange, and a number of executive orders – among which the Executive Order on the Conditions for Admitting Securities to Listing, the Executive Order on Prospectus Requirements, the Executive Order on (Takeover) Bids and the Executive Order on Major Shareholdings are the most important. Also, the Nørby Committee has issued guidelines for good corporate governance for companies listed on the Copenhagen Stock Exchange.

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

Any shareholder holding shares in a company listed on the Copenhagen Stock Exchange must immediately notify the Copenhagen Stock Exchange and the company if the portfolio of shares amounts to at least 5% of the voting rights or the total

share capital of the company. The notification requirement also includes shares owned by third parties if voting rights by agreement or pledge are transferred to that shareholder. Any changes in the shareholding at 5% intervals, as well as at one-third and two-thirds, must be notified, as well as a subsequent reduction below these intervals.

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

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

### Insider trading

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

Among the changes are a new definition of inside information, according to which information must be "specific" and assumed to have a "significant" effect on the price of the relevant securities to be considered inside information.

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

### Offers of securities

If an offeror offers securities in Denmark, the requirement to publish a prospectus should be decided on a case-by-case basis.

Whether a prospectus is required depends on the value of the securities offered. The EU Prospectus Directive is incorporated

as of July 2005, and sets out the overall rules of offering of listed securities above €2.5 million (Executive Order 306 of April 28 2005).

If the offering is between €100,000 and €2.5 million (Executive Order 307 of April 28 2005), a prospectus generally still needs to be prepared.

The executive orders include, among others, exemptions to the prospectus requirements described above, and information on content requirements and filing authorities.

## Banking and finance

### Recommended firms

Tier 1

**Bech-Bruun**

**Gorrissen Federspiel Kierkegaard**

**Kromann Reumert**

**Plesner Svane Grønborg**

Tier 2

**Accura**

**Hjelje Gersted & Mogensen**

**Jonas Bruun**

Tier 3

**DLA Nordic**

**The Lett Law Firm**

**Lind & Cadovius**

### Bech-Bruun

Last year was a busy one for banking work in Denmark, and the so-called big four of Danish corporate law were there to take advantage. Bech-Bruun completed a large number of international deals from the UK, France, Germany and Italy. The firm's team remains strong despite the departure of Michael and Jacob Winther, who left the firm earlier in 2005 for Accura.

Bech-Bruun has offices in Copenhagen, Aarhus and Moscow. There are eight partners and 13 associates dealing with banking work in Copenhagen alone, concentrating on syndicated lending and financial services regulatory advice. In the last 12 months, the firm has acted for Citigroup Global Markets on a €15.2 billion (\$18.21 billion) deal, and Steen Halmind, Ian Tockley and Morten Krosgaard represented Barclays Capital in connection with a €1.5 billion loan to DONG. In December 2004 Ian Tockley led a team that acted for 3i on an acquisition financing, and Halmind was busy again advising Danske Trælast on a property financing matter. Other clients include Goldman Sachs, and JP Morgan Chase.

Over the past year the banking team has also worked closely with the M&A practice, acting for the borrowers on several high-profile acquisition financings. The highlight of 2005 occurred with the DKKr22 billion (\$3.53 billion) acquisition by private equity houses EQT and Goldman Sachs, where Halmind and Tockley acted for lenders Citigroup and Goldman Sachs International. The banking team also acted on the first successful securitization in Denmark.

### Leading lawyer

Steen Halmind

### Key contact partners

Steen Halmind

Steen Jensen

Ian Tockley

### Gorrissen Federspiel Kierkegaard

Gorrissen Federspiel Kierkegaard is an extremely strong firm for banking work, and maintains its top-tier status thanks to a combination of a thorough understanding of the sector and excellent individual practitioners. Standing out from among the strong team, Herman Federspiel was especially admired by interviewees. He is a member of the International Bar Association.

There are a total of 18 lawyers in the firm's banking practice, acting for clients in all areas of banking work, including setting up foreign banks in the domestic market, the acquisition and liquidation of financial institutions and banks, and providing regulatory advice to domestic and international bodies. The banking practice also deals with project finance work, and has advised on bond issues and the creation of other financial instruments such as derivatives and securitizations.

### Leading lawyer

Herman Federspiel

### Kromann Reumert

Kim Rasmussen heads Kromann's banking and finance practice, which, according to one peer, is "superb". Another competitor commented that "Kromann is doing an excellent job, and is probably the most homogeneous of the large law firms in Denmark," while a bank client stated that Kromann "has very good lawyers who know about the law and know about the bank and how it works." Over the past 12 months one associate, Thomas Kaas, has been promoted to the position of partner, which brings the number of practitioners in the banking department to 10 partners and 15 associates. One of those partners, and two associates, are US-qualified.

From among the team, Kim Rasmussen stands out, a client stating that he has "high professional standards, good contacts within an internal network, and an ability to answer more than just the financial questions."

The firm maintains an excellent client list, which includes Carnegie Bank, Sydbank, FIH Erhvervsbank and Danish Ship Finance. Danske Bank is another client, which the firm advised in relation to the refinancing of CVC's acquisition of Danske Trælast. Kim Rasmussen and Thomas Kaas oversaw the deal. Nordea was advised by its in-house team, and CVC was advised by a team from Bech-Bruun. The deal was concluded in December 2004 and was valued at DKKr4.6 billion (\$743.97 million).

Kromann also provided advice to TDC in connection with its exchange offer of €700 million (\$855.1 million) notes due 2011, exchangeable into the outstanding €665.5 million notes

due 2006. Kim Rasmussen and Susanne Schjølín Larsen advised on the deal, which was completed in November 2004. TDC was advised on English law by Clifford Chance London, while lead manager Citigroup was advised by Allen & Overy. In April 2005, Kromann advised TDC again, this time on a €750 million credit facility.

Also in April 2005, the pairing of Kim Rasmussen and Susanne Schjølín Larsen acted for Skandinaviska Enskilda Banken in connection with a DKr365 million secured financing in connection with Montagu Private Equity's acquisition of a division of Leo Pharma. Montagu Private Equity was advised in the deal by Accura's Claus Bennetsen, and the deal was concluded in April 2005.

Aside from Danish, the firm conducts business in English, German and French.

#### Leading lawyers

Susanne Schjølín Larsen  
Kim Rasmussen

#### Key contact lawyers

Christian Hennings  
Ulrik Jacobsen  
Kim Rasmussen

#### Plesner Svane Grønberg

Plesner Svane Grønberg is a perennially solid top-tier firm that is highly regarded as outstanding for banking work, a reputation reflected in its excellent array of clients and solid deal experience.

In banking work, Poul Flemming Hansen recently led the Plesner team that advised Nordea Bank Danmark on the financing raised in connection with the merger of NEG Micon and the Vestas Group, and Jørgen Permin served as counsel to DONG in relation to a €1.5 billion (\$1.8 billion) loan provided to it by Barclays Capital. Other clients include KPMG Corporate Finance, GlaxoSmithKline and UBS, the latter of which was advised by a team from the firm led by Jacob Bier in connection with Group 4 Falk's reorganization and merger with Securicor. Most recently, in June 2005 Plesner Svane Grønberg acted for EQT in connection with Svenska Handelsbanken's provision of financing to enable EQT to acquire Brandtex.

#### Leading lawyer

Jacob Bier

#### Key contact partner

Finn Lernø

#### Accura

It has been a good year for Accura, a firm regarded to be closing the gap on the traditional market leaders in Denmark. Accura is a young firm, regarded by market observers as being in the ascendant. The firm has a solid reputation for banking work, and also manages to escape the conflicts of interest that

sometimes dog larger firms. One client said that she was "impressed with Accura, especially for its timely response to all queries."

The firm continues to expand, and was the beneficiary of perhaps the biggest personnel move in the Danish market in 2005, as brothers Michael and Jacob Winther both joined the firm from Bech-Brunn Dragsted. This brings the number of practitioners in the banking team to one partner and five associates. Senior lawyer and securitization expert Kim Toftgaard was also hired from Gorrissen Federspiel Kierkegaard. The team has strength in depth; one client picked out Karsten Kielland as "professional and easy to cooperate with." Another client described Kim Toftgaard, meanwhile, as "an expert in securitization, very professional and efficient."

In June 2005 Claus Bennetsen and Kim Toftgaard acted for Svenska Handelsbanken when the bank provided financing to EQT for its acquisition of Brandtex. EQT was advised by Plesner Svane Grønberg. Bennetsen and Toftgaard teamed up again to advise issuer Keops Subsiting on financing its acquisition of a €270 million (\$327.33 million) property portfolio from Lehman. The acquisition was financed in part by an issue of junior mortgage backed bonds, and also involved input from Swedish law firms Mannheimer Swartling (which advised Lehman) and Lindahl (which advised Aareal Bank). The deal was brought to a close in December 2004.

The Royal Bank of Scotland turned to Accura for banking law advice in relation to the €465 million financing of Condoover's acquisition of Thule/Brenderup from EQT. The deal was valued at €456 million and again was handled by the pairing of Toftgaard and Bennetsen, who also provided advice to New Zealand's Sky City Group in connection with a \$300 million private placement of notes in the US.

Accura's other banking and finance clients include Carnegie Asset Management, Danske Bank, Dexia Bank, DnB NOR Bank, Frank Russell, Islandbanki, Invesco, JP Morgan, Morgan Stanley Capital Management, Nordea and Jyske Bank. As well as Danish, the firm also conducts business in French, German and English.

#### Leading lawyer

Claus Bennetsen

#### Key contact partner

Claus Bennetsen

#### DLA Nordic

DLA Nordic is new to the Danish rankings this year, and appears after a raft of recommendations both from competitors and from market observers. One interviewee commented: "We've seen DLA on banking work and it has been impressive ... it is a young, diversified firm." DLA also looks set to benefit from the conflicts of interest faced by larger firms, by stepping into roles on deals that the larger firms are conflicted out of.

The firm's presence in the Danish banking market has been strengthened this year by the arrival of a new head of banking and finance, partner Søren Thyssen Valerius, who moved to the

firm from Kromann Reumert. One client praised Valerius' "24/7 commitment and availability, high standards, insight into what he needs to deliver and what is expected of him." The market perceives that the move has consolidated DLA's position in the market as a reliable source of banking advice; it will be interesting to see how the firm manages to build on this solid foundation over the coming years.

DLA's client list includes Danske Bank, Nordea Bank, HSH Nordbank, FIH Erhvervsbank, Kaupthing Bank, Carnegie Bank, Barclays Bank, Bank of Scotland, Deutsche Bank, Royal Bank of Scotland, and Credit Suisse First Boston.

#### Leading lawyer

Søren Thyssen Valerius

#### Key contact partner

Søren Thyssen Valerius

## Insolvency and restructuring

### Recommended firms

Tier 1

**Bech-Bruun**

**Kromann Reumert**

**Plesner Svane Grønberg**

Tier 2

**Gorrissen Federspiel Kierkegaard**

**Philip & Partners**

**Poul Schmith Law Firm**

Tier 3

**Accura**

**DLA Nordic**

**Lind & Cadovius**

**Mazanti-Andersen Korsø Jensen & Partnere**

Insolvency and restructuring work has been slow in Denmark over the last 12 months. A combination of economic stability, low interest rates and patient banks has slowed the market, and has coincided with the banks' development of a series of tools for monitoring companies. As a result, there are market commentators who see the possibility of some small and mid-sized firms being squeezed out of the insolvency and restructuring market. A new act is expected shortly whereby banks take floating pledges in companies.

**Bech-Bruun** has six partners and 11 associates in its insolvency department, which is led by partners Troels Tuxen and Ole Borch in Copenhagen and Steen Jensen in Aarhus. The firm conducts its insolvency work in English, German and French, as well as the Scandinavian languages, and has a fine, long-standing reputation for advice in all areas of insolvency, including out-of-court reconstruction, suspension of payments, debt reconstruction and bankruptcy.

**Kromann Reumert** is also regarded as excellent for insolvency work. Søren Aamann Jensen heads the seven-partner, 11-associate insolvency practice, and is particularly recommended

for his outstanding work in this area. Other leading lawyers in the insolvency practice are Kurt Skovlund and Hans-Jørn Andersen. Recent clients have included Intertec, Bie & Berntsen, TK Development, F Junkers Industrier and ErgoIDP.

**Plesner Svane Grønberg** has a strong insolvency and restructuring practice, and in Michael Ziegler has one of the most respected insolvency practitioners in the country. The department has 12 lawyers, of which three are partners, and has acted for a string of high-profile clients. These include the Danish subsidiary of the Swiss Micron/Axxicon Corporation, in relation to which Plesner lawyer Peter Bang managed a successful transfer of the firm's activities to Finnish company Foxconn.

**Gorrissen Federspiel Kierkegaard** retains a solid reputation for insolvency and restructuring work, and retains close ties to the Danish Maritime and Commercial Court's bankruptcy division.

**Accura** has hired an associate into its insolvency team, recruiting Rune Richelsen from Kromann Reumert in August 2004. The practice is headed by Jesper Trommer Volf and consists of one partner and two associates. Trommer Volf is the best-known partner at the practice, one client saying that he "knows the market very well, but is also very much attuned to the needs of cross-border deals." Accura's clients include Nordea Bank, Phoenix Kapitalclient, Amagerbanken and PricewaterhouseCoopers. Accura also advised IRS International in a suspension of payments matter. The **Poul Schmith Law Firm** was also involved in the deal, with partner Boris Frederiksen advising. Poul Shmith remains chief adviser to the Danish government.

Lastly, **DLA Nordic**'s insolvency team is led by partner Casper Moltke, a permanent trustee with the Maritime and Commercial Court of Copenhagen. The firm provides assistance to shareholders, creditors, debtors, directors and all stakeholders in financially troubled entities, and its burgeoning reputation sees the firm included in the insolvency and restructuring rankings for the first time. DLA was also bolstered this year by the arrival of Piya Mukherjee, a senior associate from Bech-Bruun.

DLA was appointed by the court to represent Time Systems Group to administer its bankruptcy estate after an unsuccessful restructuring procedure. A team led by Casper Moltke managed to sell off intellectual property held by the company for €3.5 million (\$4.23 million), funds that were then provided to the main creditor of the company. DLA was also appointed by the court to advise GT-Linien and Østersøens Færgedrift, ferry operators running a service in competition with state-owned entity DSB. The bankruptcy estate asserted that DSB had abused its position, in doing so contravening Article 82 (86) of the Amsterdam Treaty. The estate consequently secured a €4.3 million judgment in favour of DLA's client.

Among the year's other highlights, DLA Nordic advised EMTS in relation to a suspension of payments, and acted for the creditor's committee of the Publisher's Association in connection with booksellers in financial distress and negotiations for restructuring agreements. Piya Mukherjee was the lead solicitor in the matter.

## Mergers and acquisitions

### Recommended firms

Tier 1

**Bech-Bruun**

**Gorrissen Federspiel Kierkegaard**

**Kromann Reumert**

**Plesner Svane Grønberg**

Tier 2

**Accura**

**DLA Nordic**

**Hjelje Gersted & Mogensen**

**Jonas Bruun**

Tier 3

**Lind & Cadovius**

**Nielsen & Nørager**

**Osborne Clark**

**The Lett Law Firm**

**Philip & Partners**

**Rønne & Lundgren**

### Bech-Bruun

Bech-Bruun's top-quality M&A and corporate practice is well respected for its work, and continues to win the best clients, who are attracted by what is generally regarded as superb legal advice. Partner Søren Meisling heads operations, and oversees a team of 17 partners and 28 associates dedicated to this line of work.

The firm recently acted for AP Møller Maersk and Danske Bank in relation to the sale of Mearske Data and DM Data to IBM. From Bech-Bruun, Meisling, Tue Frandsen and Simon Evers Hjelmberg advised on the deal, which was finalized in late 2004.

Bech-Bruun lawyer Mikkel Baaring Lerche recently advised UK insurance group Royal & SunAlliance on the sale by its subsidiary Codan of further life insurance and pension businesses. Eversheds also advised on the deal, which was valued at €363 million (\$440.46 million). France Télécom was another client, turning to the firm for advice in connection with its €600 million sale of Orange to TeliaSonera. From Bech-Bruun, Jens Hesse Rasmussen and Morten Lau Smith advised on the deal.

The private equity market has grown rapidly in Denmark over the past couple of years, and Bech-Bruun has been well-placed to win mandates on many of the deals that have reached the market. According to one market observer, "private equity funds are everywhere, paying prices that have so far been unthinkable." Though some have suggested that this influx of funds work can create conflicts of interest for the larger law firms, Bech-Bruun has managed to benefit, recently advising Chr Hansen Holding on the sale of its ingredients group to the French private equity fund PAI Partners. Søren Meisling, Philip Risbjørn and Tue Frandsen advised on the deal, opposite Weil Gotshal & Manges, PAI's adviser. The deal was slated for completion by July 2005 and was valued at €1.2 billion (\$1.45 billion).

### Leading lawyer

Søren Meisling

### Key contact partners

Søren Meisling

Jens Hesse Rasmussen

### Gorrissen Federspiel Kierkegaard

Gorrissen Federspiel Kierkegaard is well respected for the high quality of its M&A advice. Indeed, M&A was the core of the firm's practice, but recently it has branched into other practice areas.

Recent clients of the firm include international software conglomerate Microsoft, which the firm advised on a \$1.5 billion acquisition, and also Securicor, which the firm represented in relation to its \$1.3 billion merger with Group 4 Falck. The firm also acted for TeliaSonera when it bought Orange from France Télécom for €600 million.

### Leading lawyers

Niels Heering

Henrik Lind

### Kromann Reumert

The M&A practice at leading firm Kromann Reumert conducts its business in all Scandinavian languages as well as English, German and French. There are 15 partners and 45 associates in the group, which counts amongst its clients EQT, Radiometer, DONG. Kromann also advised Danske Trælast in connection with a public tender offer.

From among the excellent team, Søren Johansen stands out – one client said that he is "a straightforward guy who is not afraid to put demands on the client ... when he requires basic material from the bank needed for his line of enquiry he will ask for it to be of a high standard, and in return he delivers a high standard of service."

### Leading lawyer

Søren Johansen

### Key contact partner

Anders Stubbe Arndal

### Plesner Svane Grønberg

Plesner Svane Grønberg has a staff of 45 lawyers handling M&A work, of whom 23 are partners. The firm is building an excellent reputation in the M&A market, causing one client to comment that "Plesner Svane Grønberg is being very aggressive at the moment ... it has some really good people who will gain a greater part of the market share."

The firm recently advised MAT Automotive, a US automotive manufacturer, when it acquired Rolunds Braking from the AP Møller group of Denmark. Other clients of the firm include Orkla, which turned to Plesner for advice in connection with its sale of 40% of its stake in Carlsberg Breweries, Suez Environment, and Siemens. Kims, a leading manufacturer of snack foods, instructed the firm when it acquired Trope Snacks.

Plesner has also been involved in Denmark's growing private equity market. Most recently, a team from the firm headed by Zygmunt Auster and Torben Nørskov advised DSV, a Danish-listed company, in relation to the sale of all the shares in DSV Miljø to Triton Investment Partners, a private equity fund.

#### **Leading lawyer**

Jacob Bier

#### **Key contact partner**

Zygmunt Auster

#### **Accura**

Four partners and 10 associates dedicate themselves to M&A work at Accura, a "smaller, but growing" firm that is really making its mark.

In one standout deal, Accura provided advice to Montagu Private Equity in relation to the acquisition of animal health assets from Leo Pharma. The team from Accura included Thomas Weincke, Claus Bennetsen, Lars Fogh, and Anne Kathrine Schön, and was completed in April 2005. This was one example of the increase in private equity work flowing into the country, from which the small to mid-sized firms such as Accura benefit. One market commentator remarked: "This big area is the due to the trend of large private equity firms going for the smaller law firms, so as not to lose out when the lawyer of choice turns out to be conflicted." Other voices remarked that "the auction process tends to tie up larger firms, leaving the way open for the smaller ones to step into the breach."

Other deals involved Accura providing advice to Skandinaviska Enskilda Banken in relation to its acquisition of Eurocard from PBS International for €75 million (\$91 million), and advising leading Swedish private equity house EQT on its public-to-private bid for Falck. The deal was valued at €750 million, and was overseen by Accura lawyers Thomas Weincke, Kim Toftgaard and Lars Bruun.

#### **Key contact partners**

Kaare Stolt  
Thomas Weincke  
Jacob Vinther

#### **DLA Nordic**

DLA Nordic raised its client profile further this year, gaining new business from Nordic Venture Partners. The firm acted as legal counsel to Nordic Venture and VækstFonden in connection with their private placement in Rovsing Dynamics and Giritech. DLA also provided advice to Copenhagen Energy in relation to the sale of KE Partner to Eltel Networks Corporation. Nordic Biotech was another client, coming to the firm for advice in connection with its venture capital investments in Gastrotech Pharma, Hyscite Discovery, Aditech Pharma and Nordic Bone. From among the team, Nicolai Horten stands out.

#### **Leading lawyer**

Nicolai Horten

#### **Key contact partner**

Nicolai Horten

#### **Other notable firms**

**Osborne Clark** was involved in the consortium of businesses looking to acquire Ilva, the Danish furniture retailer. The €90 million deal was steered by Advent International, the US private equity firm. The corporate and commercial department at **Rønne & Lundgren** is headed by leading lawyer Lars Petersen, who this year has seen his team expand by three, bringing the numbers to five partners and five associates. In one landmark deal the firm assisted the US company Kerr-McGee Corporation and its Danish subsidiaries in its sale of all offshore oil and gas activities in the North Sea to Maersk Olie og Gas for DKr 17.8 billion (\$2.9 billion), the largest oil and gas transaction ever in Denmark. Recent clients include the WPP Group, the ACE European Group, Kompan, IC Companies and Korean Air Cargo. The firm has 18 partners and 15 associates overall, and can provide advice on banking, capital markets, project finance, insolvency and M&A.