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Kestutis Adamonis and Tadas Milasius
Sorainen Law Offices
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The Law on the Securities Market (Vertybiniu popieriu rinkos istatymas), the amended version of which came into force on December 17 2001, together with the regulations issued by the Securities Commission, provide legal basis for the fair, open and efficient functioning of the Lithuanian securities market.

Over the past couple of years the Law on the Securities Market has been amended several times to harmonize it with EU legislation. The amendments have introduced major novelties with regard to mandatory takeover bids, squeeze-outs and compulsory bids.

Mandatory takeover bids

The Law on the Securities Market stipulates that where a person, acting independently or in concert with other persons, acquires more than 40% of votes at the general meeting of shareholders of a public company, they must, within 30 days, either: (i) transfer securities exceeding this threshold; or (ii) announce a takeover bid to buy up the remaining voting securities of the issuer and the securities confirming the right to acquire voting securities.

The price of a mandatory takeover bid cannot be lower than the highest price of the securities that the bidder acquired over the year before exceeding the threshold. In other cases the assessor should fix the price of the securities purchased under the mandatory takeover bid. The assessor is approved by the Securities Commission, on the proposal of the bidder. The Securities Commission has the right to refuse to approve the assessor if the assessor is related to the bidder or other persons holding a property interest in respect of the issuer's securities.

A person acting independently or in concert with other persons is deprived of all votes at the general meeting of shareholders from the moment the threshold is exceeded. Voting rights are regained on the day when: (i) the mandatory takeover bid is registered with the Securities Commission; or (ii) the amount of votes held is reduced at least to the threshold specified above due to a transfer of securities or other reasons.

Where, within one year from the expiry of the takeover bid, the bidder acquires the securities in respect of which they have submitted the mandatory takeover bid at the price indicated therein, they have to cover the difference in the price to the persons who responded to the mandatory takeover bid.

Squeeze-outs and compulsory bids

The shareholder of a public company, acting independently or in concert with other persons and having acquired shares representing not less than 95% of the total votes at the general meeting of shareholders of the issuer, has the right to require all the remaining shareholders of the issuer to sell the voting shares owned by them, and the latter are obliged to sell those shares.

The price offered for the shares should be fair, and thus established in accordance with the following principles:

- where the shareholder, acting independently or in concert with other persons and having acquired at least 95% of votes in the general meeting of shareholders of the issuer, submitted a mandatory takeover bid, the fair price will be the one paid to them for the shares while acquiring the shares in this manner;
- where a shareholder, acting independently or in concert with other persons and having acquired shares entitling it to no less than 95% of votes at the general meeting of shareholders of the issuer, submitted a *voluntary* takeover bid, the fair price will be the one paid to the shareholder for the shares of the issuer while acquiring the shares in this manner, provided that through the takeover bid the bidder acquired at least 90% of tendered shares; and
- in other cases, the price of the shares will be fixed in the manner chosen by the person acquiring the shares, provided the price is fair (in this case the purchase price has to be coordinated with the Securities Commission).

If a shareholder, acting independently or in concert with other persons, is obliged to submit a mandatory takeover bid, the transfer and the acquisition of shares according to the squeeze-out rules can only be executed after the shareholder's obligation to submit the mandatory takeover bid is fulfilled.

On the other hand, a minority shareholder can require another shareholder, acting independently or in concert with other persons and having acquired shares entitling it to at least 95% of votes at the general meeting of shareholders of the issuer, to purchase the shares of the minority shareholder. The price of the shares in this case should be determined following the same principles as established for execution of squeeze-outs.

Where the majority shareholder fails to fulfil its obligation to mandatorily buy the shares, and does not contest the price of the shares, the majority shareholder is obliged to pay the 10% annual interest in respect of the amount overdue.

Banking

Recommended firms

Tier 1

Lideika Petrauskas Valiunas ir partneriai LAWIN

Tier 2

Law Firm Bernotas & Dominas Glimstedt
Jurevicius Balciunas & Bartkus
Norcous & Partners
Sutkiene Pilkauskas & Partners

Tier 3

Anicas Okincic & Partners
Baublys & Partners
Foresta Business Law Group
Praemissa Teises Firma
Law Firm Saladzius & Partners
Sorainen Law Offices
Vilnius 7th Law Firm/Landwell
Zabiela Zabielaite & Partners

Lideika Petrauskas Valiunas ir partneriai LAWIN

Lideika Petrauskas Valiunas ir partneriai LAWIN is one of the undisputed leaders of the Lithuanian banking market. Headed by the widely acclaimed Giedrius Stasevicius, the banking practice has been involved in a number of large deals this year, proving that it deserves its reputation as one of the most impressive firms in Lithuania. One client confirmed this, saying that Lideika Petrauskas' banking team is "extremely professional" and is "without doubt one of Lithuania's leading banking firms" in terms of its "experience, credentials, attitude towards us as a client, and understanding of legal issues related to the financial service industry."

The firm is one of the largest in Lithuania, with 37 lawyers practising in its Vilnius office. And it continues to expand – Tomas Kontautas joined Lideika Petrauskas as an associate in October 2004 from the Insurance Supervisory Commission, bringing the number of banking specialists to four. Two of these lawyers – associates Dovile Burgiene and Gediminas Reciunas – are praised by clients for their legal competency, one saying that they are "results driven, and willing to take a stance, [rather than] giving typical caveated legal opinions."

Highly visible on most of the firm's banking deals is Rolandas Valiunas, the firm's managing partner who is renowned for his "professionalism and experience, as well as having very good relationships in the society."

This year Lideika Petrauskas advised Fortis Bank on a series of trade finance facilities, one of which was valued at €45 million. The firm has also built strong relationships with a number of local and international banks, acting for Kredyt Bank on the sale of its Lithuanian branch and in 2004 advising the European Bank for Reconstruction and Development on a subordinated loan. Other prestigious clients of the firm include HSH Nordbanc, Skandinaviska Enskilda Banken and Landesbank Schleswig-Holstein Girozentrale.

Lideika Petrauskas Valiunas ir partneriai has developed its resource network this year by becoming a member of LAWIN, a group of leading Baltic law firms also including Klavins & Slaidins from Latvia and Lepik & Luhaäär from Estonia. This network has over 70 lawyers, making it the largest legal presence in the Baltics, and the firm is able to draw upon its expansive breadth of expertise. This resource will certainly improve an already sterling practice. One client commended the firm for: "taking charge of my company's issues as if it was their own company, becoming a professional partner in the true sense of the word, and going beyond giving basic legal advice."

Leading lawyers
Dovile Burgiene
Giedrius Stasevicius

Key contact partner
Giedrius Stasevicius

Law Firm Bernotas & Dominas Glimstedt

Law Firm Bernotas & Dominas Glimstedt continues to be highly visible in the Lithuanian banking sphere, and the firm is regularly retained by a number of high-profile lenders and borrowers in regards to international and local lending transactions. Name partner Gediminas Dominas is consistently singled out by his peers as a lawyer of eminent standing. Although he mostly focuses on project finance and mergers and acquisitions, he was involved this year in advising a syndicate of banks in relation to a $29 million loan facility to the Mazeikiai oil refinery, the only refinery in the three Baltic states.

Law Firm Bernotas & Dominas Glimstedt has been retained by an illustrious list of banking clients in the recent past, including the European Bank for Reconstruction and Development, which the firm represented in regards to its €100 million ($123.2 million) debt financing of supermarket chain VP.

With three partners and four associates dedicated to banking work, this Vilnius firm is able to conduct business in English, Lithuanian and Russian, and acted for E.On Ruhrgas International and Andrew J Morris this year. It seems that the firm's recent merger with Jaaskutelis Stasiulis & Masiokas has added more visibility to Glimstedt, which continues to be a dominant force in the Lithuanian banking market.

Leading lawyers
Egidijus Bernotas
Gediminas Dominas

Key contact partners
Gediminas Dominas
Remigijus Jakutis
Kestutis Jaskutelis

Jurevicius Balciunas & Bartkus

Jurevicius Balciunas & Bartkus is a prestigious firm that retains its high ranking this year. It has grown in number, adding two new lawyers to its nine-strong banking team, including the distinguished Gytis Kaminskas, an ex-advisor to the prime minister. Kaminskas joins an exceedingly multi-lingual team that can conduct business in English, Lithuanian, Russian and French, and can call upon the collective wealth of knowledge offered by its membership of the EY law alliance. The firm is also a member of Baltic Legal Solutions, an association forming a full-service integrated network of three Baltic legal practices, each comprising one of the leading corporate and commercial law firms in its respective jurisdiction. The firm will now be able to draw upon the experience of Kronbergs & Ciukste in Latvia and Teder Glikman & Partnerid in Estonia, both of which are members of the network, which boasts over 60 lawyers.

Jurevicius Balciunas has had a successful year in banking. At the time of writing, the firm was providing debt financing advice to one of the largest Lithuanian electricity producers, and acting for a foreign banking institution on the acquisition of a majority shareholding in a Lithuanian bank. Other prestigious clients of the firm include OOO OMA, a large retail firm based in Belarus, and the Swedish Energy Agency.

Leading lawyer
Tomas Kairys

Key contact partners
Raimundas Jurevicius
Tomas Kairys
Gytis Kaminkas

Norcous & Partners

Norcous & Partners has a notable presence in the Lithuanian legal market and each year continues to rise in visibility. In May 2004 the firm became affiliated with a group of law firms in Latvia, Estonia and Finland. This new network, RoschierRaidla, consists of 170 lawyers and provides a great benefit to this expanding firm, enhancing Norcous & Partner's cross-border capabilities and adding value to the breadth of advice that the firm can offer.

Norcous & Partners has recently added renowned project finance and banking specialist Ruslanas Bronikovas to its banking team. He comes from AB SEB Vilniaus. He joins a team of four lawyers, highly regarded for their banking prowess, who speak English, Russian and Lithuanian. In January 2005 the team was strengthened further by the arrival of Rimantas Stanevicius, who brought to the firm the excellent experience he gained as deputy general counsel of the Lithuanian State Property Fund, where he was responsible for handling privatization transactions and complex litigation matters.

The firm has been involved in a number of high-profile deals recently, and name partner Irmantas Norcous is highly recommended by clients and peers for the quality of his banking work. Recently he provided advice to the European Bank for Reconstruction and Development on its disposal of the interest in a Lithuanian company, and he led the team that advised Powszechny Zaklad Ubezpieczen on various issues related to its investments in Lithuania. Highly visible in the banking sector, he also acted on two other large banking transactions, advising Islandic Bank in relation to a security transaction in Lithuania, and the Latvian subsidiary of Parex Banka in relation to various shareholding and investment issues.

Developing an increasingly strong reputation in the insurance sector, Norcous & Partners recently acted for several of the leading global insurance groups on issues related to online distribution of their various products in Lithuania. The firm also advised Lindra and Nord LB Draudimas on the merger and reorganization of four Lithuanian insurance companies, and UK-qualified partner Zilvinas Kvietkus provided advice to a leading Scandinavian bank on the different aspects of taxation and social insurance systems in Lithuania.

Leading lawyers
Ausra Adomaityte
Zilvinas Kvietkus
Irmantas Norkus

Key contact partners
Ruslanas Bronikovas
Irmantas Norkus

Sutkiene Pilkauskas & Partners

After splitting from Jaskutelis Sutkiene & Masiokas in 2003, Sutkiene Pilkauskas & Partners Law Firm continues to move from strength to strength. It is viewed in the market as a leading Lithuanian banking firm, one client praising it for "always providing partner-level access." Although the firm recently lost Julius Bernatonis to Law Firm Gostautas & Partners, this well-regarded practice has hired a number of high-quality lawyers this year. These include Ceslav Okincic, a partner from Okincic & Partners, and ex-head of the Law and Enforcement Department at the Securities Commission, Vidmantas Drizga.

Jonas Pilkauskas and Marius Matonis are well regarded in the market for the quality of their legal advice, and both lawyers acted on the biggest greenfield investment in Lithuania this year. In this deal the firm assisted Petrochemical Trading (Cyprus), Nemuno Banga Group Holding and UAB Nemuno Bangos Grupe in relation to the €100 million ($123.2 million) construction of the Klai-Pet plant, financed by Raiffeisen Zentralbank Österreich.

In a €205 million transaction, Sutkiene Pilkauskas & Partners teamed up with Lovells to act for the Canadian

Imperial Bank of Commerce and Nordea Bank in relation to financing the acquisition of Finnish company FinVass and the related establishment of security over UAB Vilniaus Duona Plius' assets, which involved the preparation and negotiation of the senior facilities agreement, hedging documents and mezzanine agreement.

Name partner Eugenija Sutkiene paved the way for large tile manufacturer Opoczno to acquire shares in AB Dvarcioniu Keramika, Lithuania's leading tile manufacturer, for €20 million. Sutkiene, who is known among clients for her "ability to solve complicated problems," also led a team that helped Opoczno in negotiations with Swiss Credit Bank regarding the financing of future projects to be implemented in relation to Dvarcioniu keramika.

Real estate financing is a large part of the firm's banking practice, and in January 2005 it acted for Cofis Fiduciaire in relation to the €230 million-worth of funding from Ukio bankas for its acquisition of various properties in Vilnius, including the city's sports complex and main stadium.

Leading lawyers
Marius Matonis
Jonas Pilkauskas
Eugenija Sutkiene

Key contact partners
Jonas Pilkauskas
Eugenija Sutkiene

Law Firm Saladzius & Partners

Another newcomer to the rankings, Law Firm Saladzius & Partners has acted on number of notable transactions over the past year. Head of the firm, name partner Jonas Saladzius, is highly visible in the Lithuanian banking market. His practice is able to conduct business in Lithuanian, English, Russian and French, and has advised a number of esteemed clients including the largest Scandinavian bank, Nordea Bank, on various legal compliance issues in Lithuania.

In 2004 Saladzius & Partners advised PricewaterhouseCoopers in relation to an offshore bank liquidation. Leading lawyer Max Saveljev assisted Jonas Saladzius on the deal, and both lawyers teamed up again to act for industrial supplier Hanning Elelktro-Werke and Alltech on various group financing arrangements in 2004.

Leading lawyers
Rimtis Puisys
Jonas Saladzius
Max Saveljev

Key contact partner
Jonas Saladzius

Sorainen Law Offices

Sorainen Law Offices appears for the first time in the rankings, and boasts an enviable client list including Travelex Global and Financial Services and the Nordic Environment Finance Corporation. Four lawyers make up the firm's banking team, who are able to conduct business in English, Russian and Finnish.

In September 2004 Sorainen Law Office turned its attention to the proliferation of money laundering, advising Travelex Global and Financial Services in relation to its review of money laundering procedures in the Baltic states. At the time of writing the firm was advising the Nordic Environment Finance Corporation on a lending facility and subsequent collateral arrangements.

The firm is also advising one of the largest global life assurance companies in relation to its assessment of the Baltic legal framework for provision of financial insurance services and determination of the most suitable form of operations. Another esteemed client of the firm is HSH Nordbank, to which Sorainen regularly provides legal advice on Lithuanian banking issues.

Leading lawyers
Kestutis Adamonis
Rita Svedaite

Key contact partner
Kestutis Adamonis

Capital markets

Recommended firms

Tier 1
- Law Firm Bernotas & Dominas Glimstedt
- Lideika Petrauskas Valiunas ir partneriai LAWIN

Tier 2
- Jurevicius Balciunas & Bartkus
- Foigt and Partners/Regija Borenius
- Sorainen Law Offices
- Sutkiene Pilkauskas & Partners

Tier 3
- Advocato Savinijaus Katausko Biuras
- Foresta Business Law Group
- Norcous & Partners
- Praemissa Teises Firma
- Zabiela Zabielaite & Partners

Law Firm Bernotas & Dominas Glimstedt

The capital markets industry in Lithuania is not large, but Law Firm Bernotas & Dominas Glimstedt continues to be involved in many of the country's most important deals. For example, it recently advised the Ministry of Finance on its €600 million ($737.8 million) eurobond issue, and acted on the sale of 34% of the national gas transportation and distribution company Lietuvos Dujos to OAO Gazprom.

Five associates and three partners are dedicated to capital markets at Bernotas & Dominas Glimstedt, and the highly professional Remigijus Jakutis heads the team. This firm is extremely well regarded by its peers and is especially known for

its "experience and competence in field of privatization," a statement that is backed up its involvement in the recent high-profile privatization of Lithuanian Airlines.

Leading lawyers
Egidijus Bernotas
Gediminas Dominas
Remigijus Jakutis

Key contact partners
Egidijus Bernotas
Gediminas Dominas
Remigijus Jakutis

Lideika Petrauskas Valiunas ir partneriai LAWIN

With three partners and six associates, including excellent new hires Vitas Vasiliauskas and Tomas Kontautas, Lideika Petrauskas Valiunas ir partneriai LAWIN continues to be in the top echelons on capital markets advice in Lithuania. Vitas Vasiliauskas became a partner in 2004, directly from his role as Vice Minister of Finance for the Republic of Lithuania, bringing a wealth of experience to what was already an extremely strong practice. With this new recruit, and the firm's depth of experience, the recent loss of Gediminas Macys to the European Court of Auditors should not prove to be a significant handicap to the department's credentials.

The firm continues to be involved in the country's most noteworthy transactions, even though the size of the Lithuanian capital markets industry means that, for the time being at least, juicy deals are few and far between. However, on the debt side the firm advised UBS and Deutsche Bank on the Republic of Lithuania's issue of €600 million ($737.8 million)-worth of Eurobonds, and in 2004 acted for Bankgesellschaft Berlin on Nord/LB Lietuva's €50 million bond issue.

On the equity side, meanwhile, the firm advised the European Bank for Reconstruction and Development in relation to the Lit20.4 million ($7.3 million) acquisition of new shares in Siauliu bankas.

Leading lawyers
Gediminas Reciunas
Giedrius Stasevicius

Key contact partner
Giedrius Stasevicius

Jurevicius Balciunas & Bartkus

Jurevicius Balciunas & Bartkus retains its strong reputation for debt and equity work in Lithuania. Key capital markets' practitioner Tomas Kairys was involved in most of the firm's biggest transactions in 2004 and 2005. One of these deals saw him advise UAB VP Market, the largest Lithuanian retail group, on €35 million ($43 million)-worth of debt financing granted to it by the European Bank for Reconstruction and Development.

Jurevicius Balciunas & Partners also acted for the Belarus sponsor and borrower in relation to the debt and equity financing for a modern retail outlet development in Belarus.

Leading lawyers
Tomas Kairys
Iraida Zogaite

Key contact partner
Raimundas Jurevicius

Sorainen Law Offices

Sorainen Law Offices retains its notable presence in the Lithuanian capital markets sector. Recently the firm took advantage of the increase in consumer spending, advising on a €40 million ($49.2 million) private equity investment into one of Lithuania's largest retail chains. A four-strong team of capital markets lawyers advised Citigroup Venture Capital International on the deal, providing guidance on legal due diligence, assisting in negotiating transaction documents and navigating competition clearance issues. The deal was one of the largest private equity investment transactions in the Baltic countries in 2004; the Sorainen team was led by the highly recommended Kestutis Adamonis and Raminta Karlonaite.

In 2004, Karlonaite also spearheaded the firm's input into the Securities Markets Legislation assessment project for a large European bank. The project was aimed at a better understanding of the legal developments in Lithuania, by assessing the status of Lithuanian securities market laws and regulations.

In another deal highlight, the firm was involved in drafting a survey on equity derivatives and other equity transactions referencing the equity securities of the issuers registered in Lithuania.

Leading lawyers
Kestutis Adamonis
Raminta Karlonaite
Rita Svedaite

Key contact partner
Kestutis Adamonis

Sutkiene Pilkauskas & Partners

Sutkiene Pilkauskas & Partners is a firm of note in most areas of corporate and commercial work, and is praised by its competitors for having an "impressive track record." In terms of capital markets work, the firm has had a busy year despite the quiet market, winning a number of impressive mandates. In the €3 million privatization of Lithuanian Airlines, AB Lietuvos Avialinijos, the firm was selected to provide advice to the Lithuanian government on the due diligence process, as well as in relation to the drafting and negotiation process with potential investors.

The firm is becoming increasingly involved in advising on deals in the chemical and pharmaceutical sphere. Over the past year, for example, it advised Swedish company Svenska

Lantmannen Energi in connection with its acquisition of a major chemical products company in Lithuania and assisted large European chemicals company Tamro, a company engaged in the wholesale and retail trade of medicine and other pharmaceutical products, in relation to its acquisition of a controlling block of shares in Lithuania's network of pharmacies. This transaction was led by name partner Jonas Pilkauskas, who is highly visible in Lithuania's capital markets sphere and active on most of the firm's biggest transactions.

Fellow name partner Eugenija Sutkiene also advised on the two deals, and led the team that acted for the purchasers in relation to the first stage of the €205 million of the acquisition of the Finnish company FinVass.

Leading lawyers
Jonas Pilkauskaus
Eugenija Sutkiene

Key contact partners
Jonas Pilkauskaus
Eugenija Sutkiene

Other notable firms

Norcous & Partners has been involved in a large number of privatizations recently, including those of power distribution company Rytu Skirstomieji Tinklai, Lithuanian shipping company Vilniaus Dgtine, and the largest Lithuanian road transportation company. The firm also advised Icelandic Bank and the largest Latvian Bank on two large security transactions. In one high-value deal, the eminent **Foresta Business Law Group** acted for a local company in relation to its private placement of secured bonds. Foresta has an eight-person capital markets team, and is held in high regard by peers in this sphere.

Mergers and acquisitions

Recommended firms

Tier 1
- **Law Firm Bernotas & Dominas Glimstedt**
- **Lideika Petrauskas Valiunas ir partneriai LAWIN**

Tier 2
- **Jurevicius Balciunas & Bartkus**
- **Foigt and Partners/Regija Borenius**
- **Foresta Business Law Group**
- **Norcous & Partners**
- **Sorainen Law Offices**

Tier 3
- **Advocato Savinijaus Katausko Biuras**
- **Baublys & Partners**
- **Hough Gabartas Sarzickas ir partneriai**
- **Law Firm Pukas & Partners**
- **Praemissa Teises Firma**
- **Law Firm Saladzius & Partners**
- **Sutkiene Pilkauskas & Partners**

Law Firm Bernotas & Dominas Glimstedt

Bernotas & Dominas Glimstedt retains its top ranking in the mergers and acquisitions field this year, and partners Gediminas Dominas, Kestutis Jaskuterlis and Egidjius Bernotas are consistently singled out by clients and peers for acclaim. Many in the market suggest that there is no other firm in Lithuania with such a breadth of international experience, and leading lawyer, Remigijus Jakutis, is viewed by one client as a "first-class professional."

Mergers and acquisitions form the bulk of Bernotas & Dominas Glimstedt's bread-and-butter deals, and in 2004 the firm saw a considerable increase in the number of deals it handled. The firm advised global fertilizer producer Lifosa on the $10 million sale of its stake in the Klaipeda Sea Port and the Kemira-Lifosa joint venture.

Practice head Gediminas Dominas is viewed by the market as a leading mergers and acquisitions lawyer, and in 2004 he advised the Eika/Achema consortium in relation to the €10 million ($12.3 million) privatization of the Klaipeda ship repair yard. And at the end of 2004, Elijus Burgis advised one of the owners of Tub Nemuno Banga, a pan-European producer of PET performs, on the multimillion-dollar sale of the company.

In 2004, Bernotas & Dominas Glimstedt benefited from the rapid advances made in Lithuania's technology sector by advising the owners of one of the leading national IT companies on the sale of part of its equity. Kestutis Jaskutelis and associate Paulius Gruodis represented the firm on this high-value deal.

Leading lawyers
Egidjius Bernotas
Gediminas Dominas
Remigijus Jakutis
Kestutis Jaskuterlis

Key contact partner
Gediminas Dominas

Lideika Petrauskas Valiunas ir partneriai LAWIN

Zilvinas Zinkevicius is the head of Lideika Petrauskas Valiunas ir partneriai's mergers and acquisitions department, which one client considers "the most professional law firm in Lithuania because of its size and the calibre of lawyers it employs." The firm has recently hired a number of new associates – among them Mindaugas Zolynas, who joined the firm from Norcous & Partners in August 2004 to replace Audrius Perkauskas, who left to join the Commission of the European Union in early 2005.

In the largest real estate company acquisition in the Baltics at the time of writing, the firm advised UAB Baltic Property Trust Secura, the leading property investment fund in Lithuania, on its share acquisition of the operator of Europa, a large shopping mall in Vilnius. Indeed, the firm maintains a strong reputation in the field of real estate M&A, and partner Rolandas Galvena was singled out by one client for being "very professional, knowledgeable and having experience in real estate-related legal matters." Recently his team advised the State Property Fund on two matters – the privatization of four Lithuanian alcohol production

companies to the value of €70 million ($85.6 million), and the disposal of shares in large credit insurance company LEID to the value of Lit21 million ($7.4 million).

In 2004 the firm also advised HEX, the operator of northern Europe's largest securities marketplace operator, on the privatization of National Securities Exchange and Central Securities Depository of Lithuania, in a deal worth Lit15 million. Other clients of this leading mergers and acquisitions outfit include Mazeikiu nafta, TeliaSonera and Lithuanian Airlines.

Leading lawyers
Rolandas Galvenas
Rolandas Valiunas
Zilvinas Zinkevicius

Key contact partners
Rolandas Valiunas
Zilvinas Zinkevicius

Jurevicius Balciunas & Bartkus

Jurevicius Balciunas & Bartkus maintains its second-tier ranking this year due to the positive recommendations of its peers and the continued strength of its mergers and acquisitions work. Eminent partner Gintautas Bartkus is the head of the mergers and acquisitions practice at Jurevicius Balciunas & Partners, which one client praises for possessing a number of "excellent professionals in various areas of law." Among these professionals, Tomas Kairys is viewed by clients in a very positive light, one describing him as "both very professional, and a respectable gentleman."

In April 2005 the firm advised Kaunas Energy on the €6.5 million ($8 million) sale of Naujasodzio Energija's shares and assets. The firm also provided legal advice in relation to the merger of two retail operators to the value of €200 million. Gintautas Bartkus, who led the team on this deal, is singled out as one of the firm's best M&A lawyers, described by one client as "a very strong and reliable lawyer, with very strong political and government relations."

The firm also provided advice to Baltic Metal in relation to the €13 million privatization of one of the biggest municipal waste management companies in Lithuania, Vilniaus Specialus Autotransportas.

Other clients of the 10-member mergers and acquisitions team include Hermis Capital, Koncernas, Rimi-Lietuva and Baltic Beverage Holdings.

Leading lawyers
Gintautas Bartkus
Tomas Kairys
E Lauraityte
D Tamasauskaite

Key contact partners
Gintautas Bartkus
Gediminas Lisauskas
Lina Mikaloniene

Foigt and Partners/Regija Borenius

In September 2004, Regija, one of the first post-independence Lithuanian business law firms, merged with the Borenius Group, a leading law firm in Finland and the Baltic countries. The resulting firm, Foigt and Partners / Regija Borenius, should benefit from the strong expertise of the Helsinki office as well as a strong presence in Riga and Tallinn.

By joining the Borenius Group the firm is aiming to increase its market share in Lithuania, but it is still too early to tell if this will eventuate. Before its merger, Regija represented Yukos on its purchase and sale of shares, and on investment and equity matters resulting from its sale of Mazeikiu Nafta.

Key contact partners
Dalia Foigt
Ausra Mudenaite
Tomas Rymeikis

Foresta Business Law Group

Foresta Business Law Group's eight-member mergers and acquisitions practice is able to conduct business in Lithuanian, English and Russian, and clients praise the firm for its "flexibility and ability to work as a team." From among the team, partner Tomas Saulenas comes highly recommended by clients, who comment that as well as being a talented practitioner himself, "any other lawyers appointed by him are also very skilled," giving the firm the ability to field teams that have strength in depth rather than relying on the talents of the lead partner.

Over the past year the firm performed due diligence and drafted the relevant documentation in relation to the acquisition of a local wholesaler by an international office goods distribution company, and represented a local utility company when it was acquired by an international financial institution.

The firm has also been active in Lithuania's increasingly busy privatization sphere. It represented the purchaser on the privatization in February 2005 of Elektros Tinklu Statyba, a company engaged in construction of power networks, and in the high-profile privatization of the national air carrier, Lietuvos avialinijos, the firm performed legal due diligence on behalf of the consortium bidding for the company.

Foresta continues to be regarded as a "most efficient, results-oriented and understanding firm," and leading lawyer Sigitas Groblis is seen by clients to combine "good professional performance with a talent to communicate his case."

Leading lawyers
Sigitas Groblys
Tomas Saulenas

Key contact partners
Sigitas Groblys
Tomas Saulenas

Norcous & Partners

Norcous & Partners' most eminent M&A lawyer, Irmantas Norcous, has been highly visible in the mergers and acquisitions market this year, acting on a number of high-profile deals. These include representing the largest CEE insurer Polish PZU on its acquisition of a controlling stake in UAB Nord/LB Draudimas, advising Kemirea GrowHow on its acquisition of a controlling stake in Kemira-Lifosa, and acting for the Baltic Investment Fund on its acquisition of a minority stake in the leading Lithuanian office stationary retailer Alnos Biuro Sistemos.

The firm has expanded its mergers and acquisitions practice this year, and seven locally qualified lawyers now dedicate their time to this work. Zilvinas Kvietkus joined the firm in March 2004 from rival firm Bernotas & Dominas Glimstedt, and Mindaugas Civilka hailed from Foigt and Partners / Regija Borenius, joining Norcous & Partners in May 2004. The firm has also hired two lawyers from the State Property Fund: Miroslav Nosevic and Rimantas Stanevicius.

Norcous & Partners has benefited from the rising number of privatizations that have been occurring in Lithuania recently, advising Estonian investor Eesti Energia on the privatization of the power distribution company Rytu Skirstomieji Tinklai, and acting for Trident Marine on the privatization of a Lithuanian shipping company. The firm was also integral to the privatization of Lithuanian insurance company Lietuvos Eksporto Ir Importo Draudimas.

The firm has twice been involved in the lucrative alcoholic beverage trade this year, advising the investor on the privatization of alcohol manufacturer Bilniaus Degtine and acting for a Rietumu Banka-led consortium on the privatization of alcohol firm Anyksciu Vynas. Renowned managing partner Irmantas Norkus spearheaded the firm's advice on all of these deals, as well as playing a pivotal role in the privatization of Lithuania's largest road transportation company.

Among the year's other highlights, Norcous & Partners provided representation and advice to a management consortium in relation to the management buyout of the largest Lithuanian dairy, and acted for Lithuania's leading IT firm, the Sonex Group, twice: first, in relation to a large share swap transaction and more recently in relation to its acquisition of the IT business of one of the leading enterprise groups active in the fields of production, trading, real estate and mass media. Ausra Adomaityte, an associate at the firm, has worked on a number of high-end deals for Sonex in the past and is singled out by her peers as a "rising star" for the quality of her work.

Leading lawyers
Ausra Adomaityte
Lauras Butkevicius
Irmantas Norkus
Arunas Sidlauskas

Key contact partners
Ausra Adomaityte
Zilvinas Kvietkus
Irmantas Norkus

Sorainen Law Offices

Sorainen Law Offices has developed an impressive presence across the Baltic region, and is regarded by clients as a good quality firm with "reasonable rates." It has had a particularly successful year in mergers and acquisitions. In August 2004 the firm acted for a group of minority shareholders of the largest Lithuanian mobile telecommunications operator. Leading lawyer, Raminta Karlonaite, provided assistance to the exiting shareholders in the $63.5 million sale of the minority shareholding in this telecommunications company.

In one of the largest private equity investment transactions to take place in the Baltic countries in 2004, the firm advised Citigroup Venture Capital International, on the €40 million private equity investment into one of the major retail chains in Lithuania. Practice leader Kestutis Adamonis, and his highly commended colleague, Raminta Karlonaite, conducted legal due diligence, assisted in negotiating transaction documents, competition clearance issues and closed the transaction.

Among the year's other highlights, Sorainen provided advice to Geopost in relation to the acquisition of one of the largest Baltic courier services and parcel delivery companies, and acted for one of the world's leading insulation firms, Kaefer, in relation to the acquisition of a majority stake in a local technical insulation group.

Leading lawyers
Kestutis Adamonis
Raminta Karlonaite

Key contact partners
Kestutis Adamonis
Renata Berzanskiene

Law Firm Saladzius & Partners

Law Firm Saladzius & Partners has made impressive inroads into the mergers and acquisitions market in Lithuania this year and, with a client roster that includes the Alphatec Group, Gazprom and Bosca, the firm looks well placed to build on its efforts over the coming year. The firm's M&A practice comprises two partners and four associates, and is headed by the well-respected name partner Jonas Saladzius.

Saladzius & Partners has been party to a number of high-value deals over the past year. For example, the firm advised a large American technology company in relation to its acquisition of the largest cable TV operator in Lithuania, and acted for Baltic Cosmetic Holding and a leading Scandinavian equity fund on the acquisition of Sarma, Lithuania's largest cosmetic and make-up chain. The firm also represented the Rakvere Group in relation to the group merger of this leading food product wholesaler, and provided legal advice to one of the world's largest waste management companies on the acquisition of a business in Lithuania.

Most recently, Saladzius & Partners advised on the buyer side in regards to the privatizations of several alcohol production companies, and acted for one of the world's largest producers of baby food on the acquisition of the shares of a Lithuanian distributor.

Leading lawyers
Rimtis Puisys
Jonas Saladzius
Max Saveljev

Key contact partner
Jonas Saladzius

Sutkiene Pilkauskas & Partners

To boost its M&A practice, Sutkiene Pilkauskas & Partners has hired three lawyers into the practice over the past year. Liutauras Baikstys joined the firm from the State Enterprise State Property Fund, Vidmantas Drizga joined from the Securities Commission of the Republic of Lithuania (where he was head of the Law and Enforcement Department) and Ceslav Okincic hailed from Okincic & Partners.

Among the year's standout instructions, Sutkiene Pilkauskas & Partners assisted one of eastern Europe's largest metal traders and ship repairers, the BLRT Grupp, in relation to its acquisition of a controlling block of shares in one of Lithuania's largest producers of metallic constructions, and acted for Finnish investor Vapo in relation to the acquisition of a Lithuanian company engaged in the production, wholesale and retail of peat.

Project finance

Recommended firms

Tier 1
- **Law Firm Bernotas & Dominas Glimstedt**
- **Lideika Petrauskas Valiunas ir partneriai LAWIN**

Tier 2
- **Jurevicius Balciunas & Bartkus**
- **Sorainen Law Offices**

Tier 3
- **Baublys & Partners**
- **Foigt and Partners/Regija Borenius**
- **Foresta Business Law Group**
- **Zabiela Zabielaite & Partners**
- **Law Firm Saladzius & Partners**
- **Sutkiene Pilkauskas & partners**

Law Firm Bernotas & Dominas Glimstedt

Bernotas & Dominas Glimstedt continues to possess a thriving Lithuanian project finance practice, despite the relatively quiet market. The practice has retained clients of the calibre of the European Bank for Reconstruction and Development and Inter-Ikea.

The success of Bernotas & Dominas Glimstedt is evident in its involvement in Lithuania's most important project finance deals in 2004. Leading lawyer Egidijus Bernotas has been highly visible in this area this year, acting on the development of the Novotel Hotel by the Accor Group, advising on the rehabilitation of the Kaunas hydro-electric power plant, and working on the development of two new Vilnius shopping malls.

Leading lawyers
Egidijus Bernotas
Petras Navardauskas

Key contact partners
Gediminas Dominas
Remigijus Jakutis
Kestutis Jaskutelis

Lideika Petrauskas Valiunas ir partneriai LAWIN

Lideik Petrauskas Valiunas ir partneriai still possesses one of the country's most eminent project finance practices. Giedrius Stasevicius heads the project finance department, this year leading teams that advised the European Bank for Reconstruction and Development, the International Finance Corporation, Deutsche Investitions Entwicklungsgesellschaft and UAB Hansalizingas.

The firm acted for the Ignalina nuclear power plant on the financing of its decommissioning and, in 2005, advised Scandinavian finance group Nordea, German finance group KfW and its division DEG on a €52.5 million ($64.3 million) syndicated loan to finance the construction of a PET factory in Klaipeda free economic zone. In another transaction, the firm advised Raiffeisen Zentralbank Österreich in relation to a €100 million syndicated project loan.

Leading lawyer
Giedrius Stasevicius

Key contact partner
Giedrius Stasevicius

Jurevicius Balciunas & Bartkus

Gytis Kaminskas has recently joined Jurevicius Balciunas & Bartkus, increasing the firm's breadth of experience and talent in the project finance sector. He now heads the nine-member team, and works beside the highly respected practitioner Iraida Zogaite.

The firm continues to be extremely well regarded in the market, acting for the municipality of Kaunas on a number of public-private partnership projects. Jurevicius Balciunas & Bartkus benefited from the increase in retail spending in the region, acting for the Belarus sponsors in relation to the development of modern retail outlets in Belarus.

At the time of writing, a four-lawyer team, including leading lawyer Tomas Kairys, was advising the acquirers and developers on the privatization and restructuring of a waste management transport company in Vilnius.

Leading lawyers
Tomas Kairys
R Zasciurinskaite
Iraida Zogaite

Key contact partners
Gytis Kaminskas
Tomas Kairys
Iraida Zogaite

Sorainen Law Offices

With a four-member team of lawyers dedicated to project finance work in Lithuania, Sorainen Law Offices has an impressive reputation. Recently, a group led by practice head Kestutis Adamonis advised the Nordic Environment Finance Corporation in relation to a lending facility and collateral arrangements.

In May 2005 the firm advised BNP Paribas on trade finance law issues, including pledges, mortgages, transportation and other issues, and the month beforehand it acted for Castrade in relation to a complex project financing arrangement involving financial leasing and an inter-party guarantee arrangement.

Sorainen Law Offices is also visible in the real estate arena, acting for the Global Real Estate Investment Fund on the debt and equity financing of a large commercial real estate acquisition.

Leading lawyer
Kestutis Adamonis

Key contact partner
Kestutis Adamonis

Other notable firms

Tomas Saulenas and Sigitas Groblys are the leading lawyers at **Foresta Business Law Group**'s project finance practice. In the firm's highlight project finance deal of 2004, it advised financing company Hanseatic Capital on the co-financing of its acquisition of controlling interest of local beverage producer, Birstono Mineraliniai Vandenys Ir Ko. **Law Firm Saladzius & Partners** has been increasingly visible in the project finance sector over the past couple of years, and is regularly retained by Kausta, a large Scandinavian construction company. The firm has also recently been advising a large number of foreign real estate developers on large-scale real estate acquisitions in Lithania.

Sutkiene Pilkauskas & Partners is moving steadily into project finance, one client commenting that "the firm's knowledge of the leveraged acquisition finance market is increasing over time and, given that many of the concepts and structures used are relatively new to the Lithuanian market, they have been quick to learn these concepts and structures." From among the team, Robert Juodka is commended by clients for "always being very enthusiastic to help." Certainly, the firm has a number of significant project finance deals to its name, recently assisting one of the leading PET manufacturers in eastern Europe, Petrochemical Trading (Cyprus) and Nemuno Banga Group Holding, in relation to the biggest greenfield investment in Lithuania, the construction of the Klai-Pet plant, which was financed by Raiffeisen Zentralbank Österreich. The firm also assisted Northway Holdings in connection with its negotiations with SEB Vilniaus bankas concerning the financing of two private medical centres in Lithuania.