

Spain

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**Francisco J Bauzá, José M Delgado and R Bazán
Ramón & Cajal
Madrid**

M&A and corporate reorganization

The most noticeable development during the past few months in this area has been the slow but appreciable resumption of significant M&A activity in Spain. The most interesting feature in this area, as far as Spanish companies are concerned, remains the increasing international activity, in particular, of the leading Spanish banks. There is nothing particularly relevant to single out as far as the general legal framework for M&A activity and reorganization in Spain is concerned – which is maybe the best news that most players in this field can expect to receive. The large-scale internationalization of the Spanish economy over the past 20 years, and the significant M&A activity generated during that time, has already resulted in much harmonization in the way M&A deals are accomplished in Spain. Two noticeable exceptions are: a) M&A deals are mostly financed by pure bank lending with no resort to bonds or other capital markets instruments; and b) notary's involvement at closing.

This has been possible mainly because M&A agreements (whether by way of assets or shares acquisitions) are largely unregulated – or, to put it more accurately, are largely governed by the principle of freedom of contract. This makes it possible to easily tailor them to the particular needs or features of each transaction. Therefore, in preparing for an acquisition in Spain, the prospective acquirer will have to make the same preparations and think about the same legal and practical issues as would apply in any other European or US jurisdiction, and expect the process to run along basically the same pathways.

Spanish corporate law contemplates both mergers by consolidation (where at least two previously independent companies merge into a new company) and mergers by absorption (where one company takes over one or more companies). Mergers and spin-offs must be approved by the shareholders' meetings of all the companies involved. As is well known, while mergers provide great advantages from a legal point of view as a straightforward way of shifting assets and liabilities from one company to another, they are also complex processes governed by detailed rules of corporate law.

Public companies: takeover bids, squeeze-outs and corporate governance

Takeover bids have been regulated in Spain since the early 1990s. Mandatory tender offers must be filed together with a prospectus and certain relevant documentation with the National Securities Exchange Commission (Comisión Nacional del Mercado de Valores) for approval whenever any person or entity intends to acquire a "significant shareholding" in a listed or public company. The following are considered significant shareholdings:

- 25% or more of the capital (which triggers the obligation to launch a tender offer for shares representing at least 10% of the capital of the company).
- 6% or more of the capital during any 12-month period when the offeror holds a stake between 25% and 50% of the capital (which triggers the obligation to launch a tender offer for at least 10% of the capital of the company).
- 50% or more of the capital (which triggers the obligation to launch a tender offer for 100% of the capital of the company).

A 2003 reform of the takeover bid regulations (the OPA Regulations) has introduced new situations where a mandatory tender offer is required, in relation to certain transactions that involve the acquisition of shares representing less than 25% or 50% of the company. Moreover, the amended OPA Regulations allow the offeror to make a tender offer subject to certain conditions whose fulfilment requires the passing of a resolution by the target company (conditional OPAs). Competing tender offers must be filed within 10 calendar days from the beginning of the acceptance period of the last offer filed, provided that no more than 30 calendar days have elapsed from the beginning of the acceptance period of the first offer filed.

Public-to-private transactions will be facilitated when Spain implements the squeeze-out rules contemplated in the EU takeover directive (implementation is due before May 2006).

After the passing of the Transparency Act of 2003 (which brought about big changes to the Corporations Act and the Securities Exchange Act) and its implementing regulations, more stringent transparency requirements for listed companies have been put in place in line with the most widespread trends in the corporate governance movement. This includes mandatory adoption of internal regulations both for the general shareholders' meeting and

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for the board of directors, filing with the National Securities Exchange Commission and the Commercial Registry, approval of an annual corporate governance report disclosing the corporate governance structure and its practical implementation (also to be filed with the National Securities Exchange Commission and to be made publicly available), and reinforcement of directors' duties as far as independence and loyalty is concerned, including, for shadow directors, a concept that gains statutory recognition in Spanish corporate law for the first time. On another front, mandatory disclosure of the shareholders' agreement has also been put in place, and applies up to the level of holding companies.

Consolidation of existing corporate governance recommendations into a single text is expected, as well as new regulations on prospectuses.

Insolvency law

A new Insolvency Act, which came into force on September 1 2004, is going to undoubtedly have a big impact on the corporate finance scene. Pursuant to the new Act, filing for insolvency proceedings will no longer be a valid early termination event for bank loans, credit facilities or any other agreements. The accrual of interest is, however, suspended (unless the accrued amount is covered by a security interest). Secured creditors cannot enforce their collateral for 12 months, unless the borrower goes into liquidation or a creditors' agreement is approved before. Banks will therefore have to revise their security policies and early enforcement of their claims.

Shareholder loans granted by holders of more than a 10% stake in the company (5% for listed companies) and inter-company loans become subordinated by law. The same rule applies to claims by statutory and shadow directors. The new law has substantially modified the former rules on the voidability of transactions pre-filing, which will now be limited to acts detrimental to the insolvency estate made within two years before the institution of proceedings.

Banking

Recommended firms

Tier 1

Clifford Chance

Uría Menéndez

Tier 2

Allen & Overy

Freshfields Bruckhaus Deringer

Garrigues

Linklaters

Tier 3

Cuatrecasas

Gómez-Acebo & Pombo

Tier 4

Araoz & Rueda

Baker & McKenzie

Lovells

Ramón & Cajal

Squire Sanders & Dempsey

Clifford Chance

With the strength of the firm's London office behind it, Clifford Chance's Spanish banking practice is extremely well placed to secure the best deals in this jurisdiction. The firm's banking practice has had a busy year, and its peers consistently place it at the vanguard of the international and local market.

Jaime de San Román is the head of the banking practice and is widely admired by clients and peers for the quality of his structured finance and banking advice. In the largest-ever refinancing of a private company ever carried out in Spain, his colleague Alberto Manzanares led the team that acted for the borrowers on Auna Operadores de Telecomunicaciones' €44.5 billion (\$55.8 billion) refinancing. In the same month, the firm provided advice to Telefónica in relation to its €3 billion loan from a consortium of banks including Banco Bilbao Vizcaya Argentaria and Banco Santander Central Hispano.

Clifford Chance also acted for arrangers Royal Bank of Scotland, Morgan Stanley, Calyon and Banco Popular on the €7.6 billion loan to Metrovacesa for the purposes of an acquisition, and advised Barclays and the Royal Bank of Scotland on Endesa's €2 billion project finance loan. In early 2005 the firm acted for Cableuropa in relation to its €1.25 billion refinancing loan from a syndicate of banks including ABN Amro, Banesta and BNP Paribas.

Most recently, eminent lawyer Pablo Bieger advised Deutsche Bank on the Spanish aspects of its role as finance provider to Charterhouse Development Capital. The financing was in relation to its acquisition of the food packaging and vending businesses, the Autobar Group, from the Kuwaiti Investment Authority for €723 million.

Leading lawyers

Pablo Bieger
Alberto Manzanares

Key contact partners

Alberto Manzanares
Jaime de san Román

Uría Menéndez

Described by its peers as a “great player” in the banking and syndicated lending arena, Uría Menéndez continues to secure roles on an enviable number of lucrative transactions. This “admirable, traditional and homogenous” firm recently advised Caja de Ahorros del Mediterraneo on the joint incorporation with General Electric Capital Bank of Camge Financiera, through which both banks plan to develop their consumer finance business in the Spanish market. This deal was valued at €468 million (\$586.9 million), and in terms of size is the second largest finance entity specifically devoted to consumer finance in Spain.

Another deal highlight of the past year saw a team led by the well-regarded Carlos de Cárdenas Smith advise ING Bank and AIG-Mezz Vest Luxembourg in relation to a €141 million financing package made available to USPE Medical Investment. Carlos de Cárdenas Smith has once again been extremely prominent on the firm’s biggest deals, also leading a team that was involved in one of the largest financing transactions closed in local currency in Mexico this year. Uría Menéndez advised a syndicate of lenders in this Ps2.31 billion (\$216.3 million) credit facility granted to Concesionaria Mexiquense to finance the construction, operation and maintenance of Phase 1 of the group of motorways that makes up eastern Mexico’s road system.

Two other lawyers have been especially visible in the market this year – Juan Miguel Goenechea and Juan Perrotto. One client stated that both lawyers “have demonstrated to be qualified professionals, fully committed to any project to be developed and available 24 hours a day,” and another said of the two men that “both have very good qualifications and are very client-oriented”. Perrotto is further lauded as “a very hard worker with an outstanding ability to create goodwill in the negotiations, while defending his client’s interests”. The same client went on to point out that “it is impressive to realise that an Argentinean knows more Spanish law than most Spanish lawyers”.

With lawyers of this calibre, it is not difficult to see how Uría is able to retain such a strong standing in Spain. Among the year’s other highlights, in June 2005 the firm acted for Citigroup Global Markets in relation to the taking of a complex package of different guarantees to secure the refinancing offered

to BSN Glasspack, a European glass manufacturing group. Elena Úbeda from the firm’s Barcelona office advised on this \$835 million transaction.

Leading lawyers

Carlos de Cárdenas Smith
Luis de Carlos
Elena Úbeda
Carlos Viladás

Key contact partners

Luis de Carlos
Emilio Diaz Ruiz
Salvador Sánchez-Terán

Allen & Overy

Peers say that Allen & Overy has “ascended very quickly in the market.” Over the past year, the firm has appointed four new partners to its finance department, which is still smaller than most of its UK competitors’ practices but which has an excellent reputation. One of the new recruits, Mark Pennington, came to the firm from Clifford Chance in May 2004, adding value to what was already a strong practice. Allen & Overy now has 18 lawyers dedicated to banking work, and firm has been visible on a number of important deals. The renowned Iñigo Gómez-Jordana leads the team and is recommended highly by clients for his breadth of “experience and credibility”. Ignacio Ruiz Cámara is also highly regarded in the market, one commentator saying that he is “probably one of the best young lawyers in finance in Spain, being especially recommended in acquisition finance transactions for his ability to manage complicated transactions in short time periods”.

In one of Spain’s largest syndicated loans of the year, the firm advised the local and foreign lead arrangers, including ABN Amro, in relation to the €4.5 billion (\$5.6 billion) syndicated financing transaction for Auna Telecommunication Operator. The main purpose of the transaction was to refinance the existing debt incurred by the Auna Group. On another of Spain’s largest transactions, the firm advised Iberdrola on the refinancing of its €1.8 billion debt, and more recently, Allen & Overy acted for HSBC Investment Bank on the £850 million (\$1.06 billion) syndicated financing for the take-over bid by Abertis and Aena for TBI. In another smaller but equally noteworthy deal, the firm advised Telefónica on the €600 million financing granted in connection with the acquisition of Nokia and Ericsson telecommunication equipments.

The team is highly multi-lingual, and boasts lawyers who speak Spanish, English, German, Portuguese and French.

Leading lawyers

Iñigo Gómez-Jordana
Ignacio Ruiz Cámara

Key contact partners

Iñigo Gómez-Jordana

Eduardo Sebastián de Erice

Freshfields Bruckhaus Deringer

Freshfields' Spanish operation has 16 lawyers dedicated to banking, and a good number of them are dual qualified in UK and US law. Fernando Bautista is the head of the banking practice and earns plaudits for the quality of his financial advice; he is also singled out for his mergers and acquisitions work. The multi-lingual Madrid and Barcelona offices are able to conduct business in English, French, Portuguese and German.

In one of Spain's biggest banking deals, leading lawyer Iñaki Gabilondo advised Cinven and BC Partners on financing their buyout of Madrid travel reservations company Amadeus Global Travel Distribution for €4.3 billion (\$5.4 billion). Gabilondo was also integral to the team that advised the lead arrangers in relation to the €150 million syndicated bid financing granted to Cementos Molins for the public takeover of a proportion of the share capital of Cementos Molins, a deal that also required the firm to negotiate a €279 million bank guarantee.

Meanwhile, the newly appointed Carlos Perez advised Permira Funds on its €595 million syndicated loan arranged by Bank of Scotland, Sucursal en Espana, Caja de Ahorros y Monte de Piedad de Madrid and Soci t  G n rale in relation to the acquisition of Ahold's assets in Spain. And his acclaimed colleague, Antoni Valverde, acted for Banco Sabadell, in its capacity as agent and the lead arranger, in the syndicated credit facility granted to Landscape Group, the wholly owned real estate subsidiary of Banc Sabadell. The loan was for €600 million and granted to refinance the borrower's existing debt and corporate financing needs.

Leading lawyers

Eduard Arruga
Iñaki Gabilondo
Ana L pez

Key contact partners

Fernando Bautista
Iñaki Gabilondo
Antoni Valverde

Garrigues

One client said of Garrigues: "It is the best by far ... its professionals are really qualified people and their commitment with clients is fabulous". While it is impossible to ignore the fantastic banking practices of several other firms operating in Spain, Garrigues is certainly making its push towards the top tier in the banking market. This sterling banking department has 14 associates and five partners, all of them locally qualified and able to conduct business in English, French and German. It wins roles on transactions of various types, peers commenting that it is equally visible in the top and middle of the market.

Garrigues recently advised a syndicate of banks on the Enagas corporate financing transaction, which was implemented through a six-year term loan facility. The deal amounted to €1 billion (\$1.2 billion) and closed in October 2004. The firm also advised the Ahrro Corporacion Financiera and Caja de Ahorros de Murcia on the €502 million financing for the construction of a tourist residential complex comprising 2,658 houses by Polaris in the region of Murcia, Spain. Head of the banking practice, Rafael Gonz lez-Gallarza led a team that represented the lead arrangers on a €190 million financing package for equity sponsor Babcock and Brown's acquisition of six wind farms from Gamesa.

In November 2004 the firm advised Esther Koplowirtz on financing the purchase of Veolia Environnement Societe Anonyme's stake in B-1998, a limited liability holder of the majority of the capital and voting rights in Fomento de Construcciones y Contratas, the head of a leading Spanish construction and services group. Gonzalo Rivera assisted on this €850 million transaction along with Fernando Vives, who is singled out by the market for his "professional standards, emphasis on quality and dedication".

Leading lawyers

Fernando de las Cuevas
Rafael Gonz lez-Gallarza
Fernando Vives

Key contact partners

Rafael Gonz lez-Gallarza
Ram n Girbau
Fernando Vives

Linklaters

Linklaters has been involved in a number of high-profile deals recently, and peers say that this “excellent” practice is making some good contacts through its work on a number of interesting projects. Alejandro Ortiz and Inigo Berricano are considered to be “extremely competent” by their peers and are highly visible on international deals.

One highlight saw the firm act for the arrangers on €2.3 billion (\$2.9 billion)-worth of term and revolving credit facilities for Iberdrola, one of the largest corporate facilities in Spain this year. Although the two firms are ranked apart, one client said “Linklaters and Uria are very similar in the financial area, however Linklaters is slightly more helpful when the deal involves UK law”.

Leading lawyer Iñigo Berricano recently advised Enagás on a €1 billion facility provided by a syndicate of banks. In another €1.4 billion transaction, the firm advised a syndicate of banks acting as the mandated lead arrangers and agents in relation to drafting and negotiating a €590 million term loan facility for EDP’s subsidiary in Spain, HidroCantábrico. And in the creation of the first continental pan-European real estate company, which was also the largest financing ever provided to a Spanish company, the firm advised Metrovacesa, Spain’s largest real estate company. The team was led by the well-regarded Conrado Tenaglia, who is based in the Madrid office and whose 10 years’ experience with Linklaters in New York and London are a real boon for the practice.

Among the year’s other highlights, Tenaglia led the team that advised a consortium of banks on a €6 billion multicurrency syndicated revolving credit facility for Telefónica, granted to fund its purchase of Cesky Telecom. One of the firm’s key clients is the Royal Bank of Scotland, and Linklaters recently represented the bank (along with Banco Popular Español) in arranging €2.7 billion-worth of acquisition financing for a takeover bid by Metrovacesa, a Spanish property development company.

Leading lawyers

Iñigo Berricano
Andrés Lorrio
Alejandro Ortiz
Pedro de Rojas
Conrado Tenaglia

Key contact partners

Iñigo Berricano
Pedro de Rojas
Conrado Tenaglia

Cuatrecasas

Dealing mostly with small to medium-sized transactions, Cuatrecasas enjoys a strong reputation in the market, and ex-Landwell lawyer Miguel Trias is considered to add exceptional value to the team. Over the course of the past year the firm has hired four new lawyers, and has appointed Jose Antonio Monreal to partner. The banking team is large, boasting 38 asso-

ciates and 10 partners who are able to conduct business in English, German, French and Italian. As well as its size, it is also well-respected, one client saying that “their attitude and willingness to work is very impressive” and that all the lawyers “are excellent professionals”.

This “high-quality and very good full-service firm” had a busy year, advising Cambio Sol on its purchase by Banesto Grupo Santander and, in early 2005, acting for Inversis in relation to its purchase by the Safei Group for €190.5 million. Leading lawyer Jesus Mardomingo led the team on the latter deal, and also took the wheel when the firm represented Fortis on the establishment of a leasing business in Spain and Portugal. And in a €600 million transaction, Cuatrecasas acted for a syndicate of banks on a syndicated credit facility granted to Grupo Ferrovial.

The firm recently hired Jose Maria Garrido, a professor of corporate law at the University of Castilla-La Mancha and an ex-secretary of the Spanish Securities and Exchange Commission Council.

Leading lawyers

Florentino Carreño
Jesús Mardomingo

Key contact partners

Florentino Carreño
Jesús Mardomingo
Eduardo Ramírez

Gómez-Acebo & Pombo

Gómez-Acebo & Pombo hired two new associates to join its banking department over the past year – Ramon Ozores, who came from Castro Sueiro & Varela, and Rafa Aguilera, who came from the telecommunications area. They replace Joaquín Sales, who left the firm in January 2005. Gómez-Acebo & Pombo has a strong reputation among its clients, due mainly to the firm’s “deep experience in Spanish deals.” Ángel Varela and Miguel Lamo de Espinosa are particularly noted for the quality of their legal skills. Carlos Rueda is the head of the banking department and, according to clients, “a very good finance lawyer” who is “wise in negotiations and a very nice person to work with”.

Leading lawyer Varela has been visible on many of the firm’s most noteworthy deals. In 2004, for example, Varela advised Auna Operadores de Telecomunicaciones on the provision of a €125 million (\$156.3 million) subordinated syndicated loan, and in 2005 acted on a €320 million syndicated loan for Grupo antolin-Irausa. Varela was assisted in both transactions by Miguel Lamo.

Among the year’s other highlights, Carlos Marina recently assisted Ahorro Corporacion Financiera on the high-profile refinancing of Ausur, achieved through a syndicated loan under which Caja de Ahorros del Mediterraneo acted as the agent. Marina was also on the team that advised the financing entities on a €70 million financing for a number of debt and development projects this year.

Leading lawyers

Miguel Lamo
 Carlos Marina
 Ángel Varela

Key contact partners

Fernando Igartua
 Carlos Rueda
 Ángel Varela

Araoz & Rueda

Araoz & Rueda's name partner Fernandez Araoz is considered by one market commentator to be "one of the best Spanish banking lawyers ... he has a very deep legal knowledge, is very client-oriented and a very good team builder". The firm enters the rankings this year on the back of the numerous recommendations of its peers and on the strength of the deals it has closed.

On one of these deals, the firm advised a consortium of banks on one of the biggest syndicated financing transactions ever undertaken in the Spanish telecommunications sector, the banks granting a €4.5 billion (\$5.6 billion) loan to Auna operadores de Telecomunicaciones. And in May 2004 Araoz & Rueda advised the International Finance Corporation in relation to the entry of Cofides, a Spanish development entity, into the shareholding of the Occidental Hotels Group.

Among the year's other highlights, Clifford Hendel and Ainhoa Veiga provided advice to BNP Paribas in connection with the financing of the Sener Group's acquisition of the capital of Turbo 2000 it did not already own, and Maximino Montero led a team that represented Deutsche Bank in connection with the Spanish aspects of exit financing for the Exide Group.

Leading lawyer

Fernandez Araoz

Key contact partner

Fernandez Araoz

Other notable firms

Baker & McKenzie has secured roles on a number of enviable transactions over the past year, advising Macquarie Bank on a €1.6 billion listing of shares on the Spanish stock exchange and an international offering. The firm also advised Telepizza on its €63 million issue of convertible bonds through a public offering, and acted for Aguas Argentinas in a \$145 million interim debt restructuring.

Joaquín Sales at **Lovells** comes in for plenty of praise, described by one client as "the type of lawyer you want on your side ... he understands the client's needs and does what it takes to meet them. He is also a very hard worker with a lot of legal knowledge".

And **Ramón & Cajal** is a boutique firm with a team of lawyers that is considered by its peers to be very strong in the area of banking, although its strongest practice is not traditionally this area.

Capital markets**Recommended firms**

Tier 1

Uría Menéndez

Tier 2

Clifford Chance

Freshfields Bruckhaus Deringer

Garrigues

Linklaters

Ramón & Cajal

Tier 3

Allen & Overy

Cuatrecasas

Gómez-Acebo & Pombo

Tier 4

Araoz & Rueda

Baker & McKenzie

Squire Sanders & Dempsey

Uría Menéndez

Uría Menéndez retains its capital markets ranking this year, after being involved in some of the biggest deals around. It has a strong reputation in the market, one client referring to it as "the most impressive firm in financial and securities matters". Its peers consider it to be "the top firm in the country, with a mix of excellent professionals and very good contacts".

From among the team, Juan Miguel Goyeneche and Gabriel Núñez are praised by clients for "being very good professionals". The renowned Luis de Carlos, meanwhile, has a wealth of experience in the securities market. He was one of the first lawyers to specialize in this field in Spain, and clients comment on the strength of his "legal knowledge and relations with regulators".

In May 2005 Uría Menéndez, which one client commented "always delivers very accurate documents, more warranties and a worldwide point of view," advised Apax Partners in the creation of Vueling Airlines, the first Spanish airline based in Barcelona. Partner Alberto Nunez-Lagos advised on this €30 million (\$37.6 million) deal, which was the largest capitalization received by a greenfield airline in Europe since 1995. Another of the firm's noteworthy deals saw the firm advise Banco Santander Central Hispano in its capacity as lead manager, and Unión Fenosa Distribución and Unión Fenosa Comercial as originators, on the first-ever Spanish asset securitization transaction involving credit rights from electrical energy supply services, hailed in the market as one of the most innovative securitizations ever seen in the Spanish financial market. Luis de Carlos, Rafael Fuster, and Salvador Sanchez-Teran worked on the deal.

The firm also had the opportunity to work on Spain's first initial public offering (IPO) in two years, advising Fadesa Inmobiliaria on its €1.4 billion offer to retail investors resident in Spain. Gabriel Núñez led the firm's team advising on this share offering, which represented around 33% of the company's share capital. And in the largest IPO in the Spanish market in the last three years by volume of shares, the firm acted for Cintra Concesiones de Infraestructuras de transporte on its €1.5

billion IPO. Luis de Carlos and Cándido Paz-Ares led the team that advised on this complex transaction.

Among the many other top-flight deals the firm has handled over the past year, on the €28.9 million offering of shares in Dogi International Fabrics the firm acted for Santander Investment Services as lead arranger. Elena Úbeda led the team that advised on this public offering of leading global manufacturer of lingerie, swimwear and sportswear with factories in Spain, Germany, Thailand, China and the Philippines.

Leading lawyers

Luis de Carlos
Gabriel Núñez
Cándido Paz-Ares
Rafael Sebastian

Key contact partners

Luis de Carlos
Salvador Sánchez-Terán

Clifford Chance

Clifford Chance's Stuart Percival can conduct business in English and Spanish and comes recommended highly by clients, who describe him as being "an excellent professional" who is "experienced, hard-working, and very comfortable with international and local issues". His colleagues are recommended just as highly by market commentators, and the firm remains at the top of this sector due to its "diversity, experience, level of coverage, quality of partners and cost". Alberto Manzanares is considered to be one of the leading capital markets lawyers in Spain, and is praised by clients for his "very good knowledge of the securities market".

The firm recently acted for Bank of America and HSBC as lead managers of Bancaja's €1.2 billion (\$1.5 billion) debt issue. It was also instructed by Barclays to act as its legal adviser in relation to the securitization of a new portfolio of mortgage loans, and by the European Investment Bank on the first-ever Spanish securitization of billed and unbilled electricity suppliers in Spain in a deal worth €202 million. Clifford Chance also advised Merrill Lynch, BBVA, SCH and Caja Madrid in relation to the sale of stranded costs generated by the Spanish electricity generators to a special purpose vehicle (SPV), funding the acquisition by a syndicated loan. This followed the banks' decision not to securitize these stranded costs by issuing bonds.

On the debt side, the firm acted for Morgan Stanley on the creation of a new medium-term (MTN) note programme for Banco Santander, to replace its previous Cayman Islands programme. It was the first Spanish MTN programme to be set up using a Spanish SPV issuer since the introduction of recent tax reforms.

Leading lawyers

José Manuel Cuenca
Alberto Manzanares

Key contact partner

José Manuel Cuenca

Freshfields Bruckhaus Deringer

Freshfields' prominent capital markets practice has hired two new associates this year, Carlos Pérez and Javier Mateos, hailing from Linklaters and Albiñana & Suárez de Lezo respectively. The team of 15 associates and five partners has a good reputation for work in the capital markets sphere and is regarded highly in the market for the quality of its UK and Spanish law advice. It is praised by its peers as a "firm on the rise with very good networks" and it has had a busy year in the capital markets.

In the equity markets, the firm has been particularly successful, recently advising Morgan Stanley on an initial public offering (IPO) and assisting Corporacion Mapfre with its €500 million (\$626.9 million) rights issue. On the latter deal the firm was sole deal counsel, Citigroup acting as global co-ordinator and Mapfre Mutualidad underwriting the issue. Monica McConville and Armando Albarrán advised on both deals, and are highly visible on many of the practice's biggest transactions. In July 2004 the firm acted for Dresdner Bank in its capacity as selling shareholder in the Spanish and international tranches of the €850 million IPO and listing of Spanish television company, Gestevisión Telecinco.

In the debt arena, the firm has also had an interesting time, advising Credit Suisse First Boston on Spanish legal matters in connection with a €1 billion domestic bond issue by BSCH in September 2004. The firm also advised on around 15 securitization transactions over the past year, including big-ticket multi-jurisdictional transactions such as the CDC Ixis Mitsubishi and CNH programmes.

Leading lawyers

Armando Albarrán
Fernando Bautista
Monica McConville

Key contact partners

Armando Albarrán
Fernando Bautista
Monica McConville

Garrigues

According to the market, Garrigues is "one of the best [advisers on] bond issues and the securitization processes". The firm's highly visible capital markets practice is led by the renowned Fernando Vives. This year the firm added value to the team by hiring Monica Martin de Vidales, who came from Telefónica in June to join as a partner. The practice now has 14 associates and six partners and has an eminent client base, including Banco Bilbao Vizcaya Argentaria and Unión Fenosa. The talented capital markets team is able to conduct business in French, English and German, and is recommended by one client as consisting of a number of "excellent professionals capable of understanding our needs and assisting us in the negotiations with the clients".

In November 2004 and March 2005 the firm advised Bancaja on two separate bond issues, worth €500 million (\$626.9 million) and €290 million respectively. In the first, Bancaja issued guaranteed perpetual step-up subordinated notes,

including interest deferral and loss absorption, and in the second it issued fixed/floating rate non-cumulative perpetual guaranteed preferred securities. Leading lawyer Javier Ybañez led the team that advised on both issues. Ybañez is a well-regarded capital markets lawyer, one client praising the “soundness of his analytic and qualitative background” and his “confidence in closing deals”. Meanwhile, in a takeover bid launched by Retail Airport Finance over 100% of the stock capital of Aldeasa, Garrigues advised Altadis, which held a 35% stake in Aldeasa. As a result of this €768 million transaction, Retail Finance Airport held a 96% participation in Aldeasa.

Garrigues has also been involved in most of the country's largest securitizations, including the issue of €2 billion-worth of notes by Intermoney Valores in February 2004, and TDA CAM 3 Fondo de Titulización de Activos' issue of €1.2 billion-worth of notes underwritten by JP Morgan. Garrigues completed 15 securitizations in 2004, and in 2005 the firm advised on the covered bond securitizations IM Cédulas 1, IM Cédulas 2, Cédulas TDA 4 and Cédulas TDA 5, together worth €1.4 billion. Ybañez was integral to the team that advised Caja de Ahorros del Mediterraneo, Ibercaja y Caja Madrid and EBN Banco in relation to the incorporation of a closed asset securitization fund to the value of €1.5 billion, and advised Gestion de Activos Titulizados and Caixa Catalunya on the incorporation of a closed asset securitization fund to the value of €1.4 billion in June 2004. And Garrigues' involvement in the IM Ceres 1 Cajamar loan, meanwhile, was the first securitization transaction to include rural loans, a breakthrough feature that the firm hopes will foster the financing of agricultural exploitations in Spain.

In terms of derivatives, the firm acted for Caja Madrid, a leading savings bank, in a complex transaction aimed at hedging part of its financial exposure in Spanish listed company Sogecable and consisting of a combination of equity collars and stock loans to the value of €94 million.

Leading lawyer

Javier Ybañez

Key contact partners

Ramon Girbau
Fernando Vives
Javier Ybañez

Linklaters

Linklaters is considered by its peers to be an up-and-coming capital markets firm in Spain, and has “the trust and international reputation” to secure a solid amount of work. Three partners and 11 associates are dedicated to this field, the team being headed by the well-respected Iñigo Berricano. He has been a finance partner since he joined Linklaters from Uría Menéndez in 1999, and has a good breadth of experience in the field. He is also highly regarded by his clients, one commenting that he is “always very helpful and able to coordinate different tasks being performed in different parts of the vast Linklaters organization worldwide”.

His “excellent” Madrid team has had a successful year, serving clients of the calibre of Goldman Sachs, Deutsche Bank, Merrill Lynch, Morgan Stanley and Barclays and participating in the largest equity offerings in the market. Although some clients comment that the firm's fees are at the top end of the market, they agree that you get value for money, as the firm's lawyers are “very helpful, resourceful and ready to work limitless hours”. Another client said that Linklaters provided “an experienced level of partners and is seen as a firm that wants to prove itself, offering the best service ... it will go out of its way to bring us ideas and educate us on legal changes”.

Berricano recently led a team that advised Banco de Sabadell on the concurrent four-for-one rights offering to existing shareholders of new ordinary shares, and an institutional offering of new ordinary shares, to finance the acquisition of Banco Atlántico. This was the first transaction to be carried out in Spain that involved the concurrent offer of rights and shares in respect of simultaneous capital increases. The firm also advised Deutsche Bank on the €84 million (\$105 million) block trade of a stake held by Caixa Galicia in Banco Pastor, Alejandro Ortiz leading the team.

Pedro de Rojas was integral to the team that advised Morgan Stanley Securities on the issue of new shares of Banco Bilbao Vizcaya Argentaria through an accelerated institutional offering, which raised €2 billion to part-finance the tender offer launched in respect of Mexican leading credit entity BBVA Bancomer. Another team, led by the “user-friendly and creative” Conrado Tenaglia, was instructed by Barclays Capital on the issue of €150 million-worth of exchangeable bonds by Sol Melia Europe, the first issue under the new Law 19/2003. This transaction was voted “best equity-linked deal in western Europe” by *Euromoney* magazine. In a \$1.8 billion transaction, de Rojas advised Citigroup Global Markets, HSBC Bank and Merrill Lynch International on Delaware Statutory Trust's issue of perpetual bonds, which was the largest-ever bond sale by a Latin American company and the first time a Latin American company has ever issued perpetual bonds.

In another high-value transaction the firm advised UBS, JP Morgan Securities and Merrill Lynch on RepCon Lux's issue of exchangeable bonds, guaranteed by Petroleos Mexicanos. And Tenaglia acted for BNP Paribas on updating a €6 billion medium-term note programme, involving 17 Dutch and Cayman Island issuers and 12 Spanish guarantors. One client praised Tenaglia for his “good approach and provision of good advice”.

This team is able to conduct business in English, Portuguese, French and German and has benefited greatly from the appointment of the widely admired Sebastián Albella, who joined the firm from Ramón & Cajal this year. He was one of its founding partners of his previous firm and is regarded as the one of the leading corporate lawyers in Spain, advising on three of the four initial public offerings that took place in Spain last year.

Leading lawyers

Sebastián Albella
Iñigo Berricano
Conrado Tenaglia

Key contact partners

Iñigo Berricano
 Pedro de Rojas
 Conrado Tenaglia

Ramón & Cajal

Ramón & Cajal Abogados merged this year with Alonso Ureba Bauzá & Asociados. The resultant firm has two offices in Madrid and around 60 lawyers. The practice is considered by the market to be “very solid” and the departure of Sebastian Albella for Linklaters, though not a positive move for the firm, is not expected to affect the quality of its service.

The firm has had a significant presence in the capital markets sphere over the last year. Pedro Ortiz has been in the driving seat on two of the firm’s top deals. In the first, he advised fund management company Itulizacion de Activos on the €2 billion (\$2.5 billion) incorporation of an asset-backed securitization fund, and on the subsequent issue of bonds. And in the second, he acted for Europea de Titulización de Activos on the incorporation of an asset-backed securitization fund and on the subsequent €1 billion bond issue in February 2005. In another deal of a similar value, the firm served as Spanish counsel to Repsol International Finance in relation to its fixed rate note draw-down under its euro medium-term note programme in October 2004.

Among the other highlights, Ramón & Cajal landed a plum role advising the joint-global coordinators as to Spanish law on the initial public offering (IPO) of Cintra, Concesiones de Infraestructuras de Transporte, a subsidiary of Grupo Ferrovial. This IPO represented a free float of 38% of Cintra’s share capital, and at €1.5 billion was the largest in Spain in 2004. The firm also advised Spanish real estate company Fadesa Inmobiliaria and the selling shareholder in relation to Fadesa’s €455 million IPO in April 2004.

Leading lawyer

Pedro Ortiz

Key contact partners

Javier Menchén
 Francisco Palá

Allen & Overy

Allen & Overy’s finance and capital markets team is highly regarded in the market and has secured some noteworthy transactions. Although it is a relatively small practice compared to some of its rivals, the firm is considered “highly capable” and viewed warmly by clients. The firm hired three new associates this year.

The renowned Iñigo Gómez Jordana, who leads the finance department, is considered by peers to be an “outstanding professional” in the capital markets field. He recently advised the joint global coordinators on the initial public offering (IPO) of Spain’s leading television broadcaster Telecinco, and the subsequent listing of Telecinco on the Madrid, Barcelona, Bilbao and Valencia stock exchanges. In other high-profile deals, the firm

advised Cintra as to US law on its €2.3 billion (\$2.88 billion) IPO and acted for DrKW on Lufthansa’s accelerated book building of a €394 million participation in Amadeus.

The team has been involved in a number of high-value securitizations this year. In the €2.1 billion issue of mortgage-backed securitization bonds issued by Bancaja 6, the firm advised ratings agency Standard and Poor’s. Allen & Overy also acted for Standard and Poor’s on three other large securitizations this year, including the €2 billion issue of asset-backed securitization bonds issued by IM Cédulas 1 Banco Popular and a €3.3 billion asset-backed securitization bond issue by AYT Cédulas Cajas VI.

In the debt markets, Allen & Overy acted for the managers on two high-value bond issues by BBVA; the first, a €2.5 billion issue managed by Morgan Stanley in September 2004 and the second, a €1 billion Citigroup and JP Morgan-managed issue. The firm also acted for UBS on an \$80 billion exchange offer by the Republic of Argentina and advised Iberia on its innovative combined capital markets and bank syndicate programme for its fleet improvement financing of 20 new Airbus A320 family aircraft. The capital markets portion of the transaction involved the issue of a \$148 million senior tranche and a €120 million tranche of enhanced secured aircraft notes supported by rental streams from Japanese operating leases and finance leases.

Leading lawyer

Iñigo Gómez Jordana

Key contact partners

Carlos Albiñana
 Iñigo Gómez Jordana
 Fernando Torrente

Cuatrecasas

Cuatrecasas is “making real inroads” into the capital markets sector, according to its peers, and it has forged ahead specifically in the securitizations arena, securing roles on a number of high-value transactions. The firm has been extremely active in the industry this year, and has expanded by hiring four new associates to bring the number of lawyers dedicated to capital markets work to nine.

In July 2004 a team of four lawyers led by Pere Kirchner advised Arcelor on the public offer and admission to trading of *bons de souscription d’actions* (warrants) exercisable into new shares of Arcelor, and on the admission to listing of Arcelor’s new shares. More recently, in February 2005, the firm acted for Recolietos Grupo de Comunicación on the €941 million public tender offer proposed by Retos Cartera, an investment vehicle formed by a consortium of Spanish investors. Kirchner again spearheaded the firm’s advice, this time with the assistance of Antonio Baena.

In the securitization market, Europea de Titulización turned to the firm for advice three times over the past year. Fernando Navarro led teams that advised the client on three issues of asset-backed securitization notes originated by Bancaja and relating to

credit card receivables. The firm also advised Gesticaixa on a €1.2 billion issue of asset-backed securities originated by Banco Sabadell.

In March 2005, Cuatrecasas advised Deutsche Bank and Achie SÁRL in relation to Service Point Solutions' recapitalization achieved through an issue of €46.4 million convertible notes. Lastly, Emilio Coco, Xavier Freixes and Ana Gamazo acted for Areas in relation to a €690 deal tender offer launched by Dufry Holding and Dufry Investment for Aldeasa's shares.

Leading lawyers

Antonio Baena
Pere Kirchner

Key contact partners

Emilio Coco
Pere Kirchner

Gómez-Acebo & Pombo

Although Gómez Acebo & Pombo has a small team, the firm hired two new associates this year – Ramón Ozores, hailing from Castro Sueiro & Varela, and Rafa Aguilera, who brings some useful telecommunications expertise to the practice. The firm's three partners and six associates are able to conduct business in English and French as well as Spanish, and one client commented that its "experience with them has always been excellent".

Securitizations are the firm's specialty. In 2004 the firm advised Ahorro y Titulización and 34 Spanish local banks on the securitization of Cédulas Hipotecarias to the value of €5 billion (\$6.3 billion), and acted for Desarrollos Eolicos Promocion on the securitization of loans for the financing of wind farm projects in Galicia. This project was the first retail securitization in Spain, and was valued at €26 million.

In the biggest insurance initial public offering (IPO) ever completed in Spain, the firm acted for the General Electric Company on Genworth's IPO, helping the issuer's Spanish subsidiaries adapt their structure in the Genworth Group reorganization to simplify the structure.

Ángel Varela has been visible on most of the firm's biggest deals, advising Ahorro y Titulización on the €475 million securitization of promoter loans in 2004 and acting for Caja Madrid on Ayt Bonos Tesorería, the €1.2 billion securitization of treasury bonds in 2005. Fernando de las Cuevas is recommended by clients as a leading capital markets lawyer at the firm, one market commentator saying that he is part of a practice that is "one of the best, given its overall experience and good client handling"

Leading lawyers

Fernando de las Cuevas
Ángel Varela

Key contact partners

Fernando Igartua
Carlos Rueda
Ángel Varela

Other notable firms

Araoz & Rueda gains plenty of praise from the market, described by one client as "an excellent, small but highly focused team with quality lawyers that dedicate partner time to the client". **Baker & McKenzie** has also been visible in the market this year, advising Telepizza in relation to its €63 million (\$79 million) convertible bond issue, and the subsequent listing of the securities on the Spanish stock exchange, acting for Macquarie Bank on the €1.56 billion public offering of shares of Cintra, and representing a large Spanish financial company on a €50 million financing package for the acquisition of convertible bonds issued by a fast food company.

Insolvency and restructuring

Recommended firms

Tier 1

Garrigues

Uría Menéndez

Tier 2

Clifford Chance

Cuatrecasas

Tier 3

Allen & Overy

Baker & McKenzie

Bufete M Vega Penichet

Castro Sueiro & Varela

CMS Albiñana & Suárez de Lezo

Freshfields Bruckhaus Deringer

Gómez-Acebo & Pombo

Landwell Abogados y Asesores Fiscales

Linklaters

Ramos & Arroyo

SJ Berwin

Squire Sanders & Dempsey

Ventrua Garcés & López-Ibor Abogados

Tier 4

Broseta Abogados Estudio Jurídico y Tributario

Deloitte & Touche Jurídico y Fiscal

Lupicinio Eversheds

Mullerat

Ernst & Young Abogados

KPMG Abogados

Pintó Ruiz & Del Valle

Garrigues

Garrigues remains one of the leaders of the insolvency and restructuring market in Spain, with 24 offices in the country and 19 lawyers working across these locations. The highly multilingual practice can advise clients in English, French, German, Italian and Japanese. From among the team, Jose María Alonso and Antonio Fernandez are the most highly regarded, and are described by one respondent as "second to none" in their field.

In one of the largest transactions of its kind in Spain, the firm acted for distressed company Terra Mítica, an entertainment park

in Alicante, which went into receivership. In December 2004 the firm advised Promek which petitioned for voluntary insolvency with liabilities of €18 million (\$22.6 million), and the month beforehand acted for the Dorlast Group when it petitioned for voluntary insolvency with aggregate liabilities of €56 million.

In the mining sector, the firm acted for Boliden Apirsa when it petitioned for voluntary insolvency after having received claims from central and local authorities for an amount exceeding €100 million, while in manufacturing the firm acted for AEP Industries Packaging after it petitioned for Chapter 11-type insolvency in July 2004 with liabilities of €19.5 million. In this mid-size transaction, Garrigues helped to close the industrial plant and terminate the contracts of 450 workers.

Leading lawyers

Jose María Alonso
Antonio Fernandez

Key contact partner

Antonio Fernandez

Uría Menéndez

Uría Menéndez leads the market in insolvency and restructuring due to the size of its firm and the quality of its lawyers across the country, its peers commenting that it is “top among the local firms in Spain”. Leading lawyer Rafael Sebastian comes highly recommended by his peers and is involved on the firm’s most notable deals.

Clients of the firm have included Telefónica Comunicaciones Personale, Banco Santander Central Hispano and Cajaa Ahorros del Mediterráneo, and its reputation for consistency and quality of work remains unsurpassed among its peers.

Leading lawyer

Rafael Sebastián

Cuatrecasas

Cuatrecasas is able to conduct business in English, French and German and has acted on a number of key matters this year. It is highly recommended by market players, one client commenting that it possesses “very good professionals with young spirit who are very aggressive”. One of these lawyers is Alejo Lopez Mellado, who is considered by peers to be a star in the insolvency and restructuring area. Partner Javier Castrodeza has played a key role on many of the firm’s biggest deals, including acting for four Spanish subsidiaries, and eight others outside Spain, in relation to the bankruptcy proceedings of Transportes Continuos Interiores, a company involved in the design, engineering and construction of equipment and assembly lines for companies in the automobile industry.

In one landmark transaction for the Spanish market, the firm landed a role on the €70 million (\$87.8 million) Grupo Carneus insolvency, the first time several companies of a group have entered into joint insolvency proceedings in Spain. The firm also acted as legal counsel in the \$120 million Grupo Guascor debt

restructuring, which involved 15 creditor banks. The group makes gas and diesel engines, engineers and constructs cogeneration plants and treats pig waste, biomass, oils and tyres. In another notable transaction, the firm acted as counsel to the debt restructuring process for the Lauren Group, worth €140 million.

Leading lawyers

Diego Bilbao
Javier Castrodeza

Key contact partners

Diego Bilbao
Javier Castrodeza
Alejo López-Mellado

Gómez-Acebo & Pombo

Gomez Acebo & Pombo has been highly active this year, and its seven-member insolvency and restructuring department is well regarded by market commentators. Recently the firm advised a consortium of 23 banks on Terra Mitica’s insolvency process, which was estimated at €210 million (\$263 million), and leading lawyer José María Álvarez advised on a €99 million suspension of payments by Avanzit, acting for Avanzit’s creditor, Teleconsorcio.

The firm also acted for the Hexcel Corporation on its €60 million debt restructuring, and in another noteworthy deal that was ongoing at the time of writing, the firm turned its attention to the movie business, acting for Columbia Tristar Films de Espana in regards to the insolvency proceedings related to the Lauren Group.

Leading lawyer

José María Alvarez

Key contact partners

Miguel Angel Fernandez-Ballesteros
Joaquin Garcia Romanillos

Other notable firms

Baker & McKenzie is one of the top international firms for insolvency in Spain, this year advising RSL Spain on its €68 million (\$85.3 million) insolvency procedure and acting for Homestore in relation to Inmocllick’s restructuring. The firm also acted for Game Pro on its insolvency, providing advice both to stockholders and the company in this insolvency, which amounted to about €1 million.

Clifford Chance was involved in a large deal this year, advising Shell in relation to the restructuring of its petroleum products retail business in Spain and the subsequent disposal of its 338 petrol stations.

And **CMS Albiñana & Suárez de Lezo** continues to retain its strong reputation for restructuring. Over the past year it has been involved in some of the country’s highest-profile insolvencies, including that of Avanzit. The firm, which is associated with Cameron McKenna, is considered by peers to be “a very good multi-disciplinary practice”.

Mergers and acquisitions

Recommended firms

Tier 1

Uría Menéndez

Tier 2

Clifford Chance

Cuatrecasas

Garrigues

Linklaters

Tier 3

Allen & Overy

Araoz & Rueda

Freshfields Bruckhaus Deringer

Gómez-Acebo & Pombo

Lovells

Pérez-Llorca Abogados

Squire Sanders & Dempsey

Tier 4

CMS Albiñana & Suárez de Lezo

Baker & McKenzie

SJ Berwin

Uría Menéndez

“World class” law firm Uría Menéndez retains its rank and reputation as the leading mergers and acquisitions practice in Spain. It is considered by peers to be at the top of its game, providing “an excellent well-rounded service,” and has been one of the firms to benefit from the domination of private equity deals flooding the market recently.

The firm is consistently involved in the country’s highest-profile mergers and acquisitions. For example, it advised Ahold on the sale of its Spanish retail interest to Permira Funds for €685 million (\$859 million), and in July 2004 acted for Banco Santander Central Hispano, the largest bank in Spain, on its recommended acquisition of Abbey National, the UK’s sixth-largest bank, for €13.4 billion.

Uría is also active in the lucrative shipping and transport industries. In one of Spain’s biggest shipping transactions to date, Luis Figaredo and Carlos Lopez Quiroga advised the Teekay Shipping Corporation, a leading provider of crude oil and petroleum product transportation services, on its \$1.4 billion acquisition of Naviera F Tapias. “The insightful and sound” Luis de Carlos headed the team that advised the shareholders of Spanish logistics and transport company Grupo Logístico Santos on its sale to a subsidiary of the group Fomento de Construcciones y Contratas. The deal closed in February this year and was valued at €128 million, and created one of the leading logistics operators in the Spanish and Portuguese markets.

In December 2004 the firm advised a consortium of three financial investors in relation to their takeover bid for airport retail company Aldeasa. This transaction was only the second public-to-private deal launched in Spain by financial and private equity sponsors. Last year the firm also advised on the Parques Reunidos takeover, the first-ever Spanish public-to-private

deal. The firm drew upon its helpful best-friend relationship with leading UK firm Slaughter and May, which advised the consortium on the English law financing agreements.

Lastly, the firm advised Vidrala in relation to its acquisition of Owens-Illinois’ glass manufacturing productive plants in Castellar del Balles and Corsica. A group of lawyers from the firm’s Bilbao office, led by partner Mario Fernandez Pelaz, worked on the deal.

Leading lawyers

Luis de Carlos

Rafael Sebastian

Key contact partners

Juan Miguel Goenechea

Christian Hoedl

Salvador Sánchez-Terán

Clifford Chance

Clifford Chance is considered to be “exceptional” in the M&A sphere, and according to peers “has a great profile in the private equity area.” Javier Amantegui and Ignacio Ojanguren are singled out by the market as “excellent” in this field, and have also benefited from the increase in private equity deals recently. Clifford Chance is considered by clients to be a strong firm in this area.

Clifford Chance’s presence in the Spanish M&A market has grown markedly over the past 12 months. The firm has received instructions from a healthy mix of referrals and domestic mandates, and has consequently built a solid reputation. The firm has a large office in Madrid dedicated to mergers and acquisitions work, which last year advised on a deal that created one of the biggest broadcasting networks in Spain. Clifford Chance advised TdF in relation to the merger of Medialatina Holdings, Net Radio Medialatina and Red de Banda Ancha de Andalucía, in a transaction valued at €113 million (\$148 million).

In November 2004 Clifford Chance advised BBVA and Cajamadrid on the purchase by the Mrs Kopolowitz investment vehicle of Veolia Environnement’s stake in B-1998, a limited liability holder of the majority of the capital and voting rights in Fomento de Construcciones y Contratas. Meanwhile, the firm’s renowned partner María José Menéndez also recently advised the Arab Banking Corporation and BBVA in relation to the sale of their respective holdings in Banco Atlantco for a combined value of €1.5 billion. Leading lawyer Ignacio Ojanguren advised this year on another landmark transaction, when Banco Santander Central Hispano acquired UK bank Abbey for €13.4 billion. The deal was Europe’s largest cross-border deal in the retail banking sector, and resulted in Banco Santander Central Hispano becoming the world’s eighth-largest bank.

The firm also advised Ice Finance when it disposed of its stake in Gestevisión Telecinco, the owner of Spain’s largest commercial television station, Telecinco; advised Telefónica Contenidos in the sale of its stake in Telefónica to Citigroup Global Markets for €350 million deal; and represented Abertis on its successful €917 million bid to acquire TBI.

In terms of private equity, leading lawyer and esteemed partner Javier Amantegui has been busy this year, advising Corpfín Capital in relation to its €100 million acquisition of the copper processing assets of Atlantic Copper and acting for Dinamia and European Paints on their €68 million disposal to Lafarge Peintures of the leading Portuguese paint manufacturer Tintas Robbialac. The firm recently advised ABN Amro Capital, Corpfín Capital and Dinamia on the €72.8 million disposal of their holding in Spanish cleaning services company Universal Cleaning Services Unica, and at the end of 2004 it won a role on MBNA's acquisition of a project company and the leveraged buyout of its headquarters.

Leading lawyers

Javier Amantegui
Pablo Bieger
María José Menéndez

Key contact partners

Javier Amantegui
José María Fernández-Daza
María José Menéndez

Cuatrecasas

For “excellent international and local corporate law expertise,” Cuatrecasas is the firm of choice for a number of prestigious clients, including British Petroleum, Procter & Gamble and Lehman Brothers, seeking M&A advice. The firm's M&A practice has expanded recently, hiring 14 new associates this year as well as two new partners: Miguel Trías Sagnier and José María Garrido. Peers suggest that this firm is one of Spain's up-and-coming practices, which in the words of one client, “has now grown into a very respectable player in the Spanish M&A arena.” The practice has been given a substantial boost recently too, with the news that leading lawyer Fernando Torrente is to rejoin Cuatrecasas as a partner in September 2005. Torrente joins the firm with partner Juan Aguayo and four other lawyers; the whole group moves over from Allen & Overy.

Deal highlights have included advising Sociedad General de Aguas de Barcelona on an integration agreement in which the company, through its subsidiary Applus+, acquired Soluziona Calidad y Medio Ambiente for €130 million (\$163 million). The acquisition involved a share capital acquisition in exchange for a 25% stake in Applus+; leading lawyer Javier Villasante led the team advising on the deal. In one of Spain's highest-profile deals of the year, Villasante also acted for the Peugeot family in relation to its €100 million acquisition of 6% of the share capital of B-1998, a company that owns a majority shareholding of B-1998's share capital.

Cuatrecasas is a truly multi-lingual firm, which serves the firm well when it comes to instructions to act on complex cross-border deals. For example, Jose Luis Branco advised on Procter & Gamble's €172 million acquisition of the commercial business of Laboratorios Vita in Spain.

The firm has been active in the burgeoning private equity markets, advising the Carlyle Group in relation to its acquisition of the

Spanish and Portuguese subsidiaries of ConAgra Food for €130 million and acting for Dinamia-Mmas1 on its acquisition, through its subsidiary General de Alquiler de Maquinaria, of Grupo Alquioviedo, Grupo T Cabrera Alquiler de Maquinaria, Grupo Aldaiturriaga, TC RentaMas and Safe 2000. In mid-2004, the firm also advised MBNA on the acquisition of a project company and leveraged buyout (LBO) of its headquarters.

In another high-value LBO the firm advised JP Morgan and CIBC World Markets as the lenders of a financing package granted to CVC Capital Partners in relation to its acquisition of the Basf Drucksysteme Group for €700 million, and the firm acted for Qualitias Equity Partners and Lombard Odier Private Equity on the €50 million buy-in/management buyout of the Spanish Grupo Azuvi, together with Lombard Odier Private Equity.

Leading lawyer

Javier Villasante

Key contact partners

José Luis Blanco
Raimon Segura
Javier Villasante

Garrigues

Garrigues secures roles on plenty of Spain's quality transactions, and is able to cope with a large number of deals – 80 associates support a team of 30 partners dedicated to mergers and acquisitions work. The firm enjoys an outstanding reputation in the market, one client saying that it “provides insight into Spanish corporate and equity markets law, and has enough resources to fulfil all needs.” This year the firm has been fortunate to secure the services of Mónica Martín de Vidales, who came to the firm as a partner from Telefónica Media in June 2004.

One of the highlights of the year saw the firm advise investment vehicle Mrs Koplowitz in relation to its acquisition of Veolia Environnement's stake in B-1998, a limited liability holder of the majority of the capital and voting rights in Fomento de Construcciones y Contratas, one of the biggest construction and services groups in Spain, and in relation to the subsequent sale of 18.03% of B-1998 to the Ibersuizas Group (which bought 12.3%) and an investment vehicle under the control of the Peugeot family (which bought 5.73%).

In April 2005 the firm advised on the €768 million takeover bid for Aldeasa launched by Retail Airport Finance, an investing vehicle owned by Autogrill and Altadis. A team of four lawyers, including leading lawyer Fernando Vives, advised on this deal, which saw Retail Airport Finance gain ownership of a 95.89% participation in Aldeasa. Vives was described by one satisfied client as having “valuable insight and sound opinions.” The firm also advised Fernandez Tapias and the remaining shareholders of Naviera Fernandez Tapias on the €1.2 billion sale of their company to the Teekay Shipping Corporation. The sale, which was completed in May 2005, was seen as the first step in a long-term relationship between the parties in relation to their Spanish oil and shipping business.

The parties incorporated a Spanish limited liability company to jointly develop the business.

In another high-value deal, Ramon Girbau acted for Inmobiliaria Colonial on the €1.6 billion acquisition of a stake corresponding to half of the stock capital of Société Foncière Lyonnaise from Aviva France, the Exor Group, Geneval and Grosvenor.

Private equity is one of Garrigues' cornerstone practices and it has been well placed to benefit from the increased activity in this "mature but still exciting" market over the past year. The firm was involved in a number of the country's top private equity deals in 2004, including acting for the sellers of Seur, a prime courier company that was put for sale in a competitive process targeting private equity purchasers. The €168 million transaction closed in October 2004, and Garrigues was represented by the "highly visible" Fernando Vives. In another high-profile deal, the firm acted for CVC Capital Partners in relation to the disposal of a large car technical inspections company to fellow private equity houses Apax and Vista for €310 million.

Among the year's other highlights, Garrigues acted for the buyer on the €200 million sale by a private equity division of Natexis of its equity interest in media and publishing company Anaya, a three-lawyer team led by Rafael González-Gallarza; advised Nmas1 Private Equity, Corpfm Capital and Espiga on the €160 million leveraged buyout of leading Spanish security company Securiberica; and represented pan-European fund Bridgepoint Capital in relation to its purchase of a 24% equity interest in wind power leader Corporación Eólica.

Leading lawyers

Fernando Vives
Rafael González-Gallarza

Key contact partners

Fernando Vives
Ignacio Urbistondo
Ramón Girbau

Linklaters

Linklaters is continuing to expand its Spanish operations, and recently hired Alexander Kolb and Victor Manchado as partners into the firm's corporate and M&A department. Sebastián Albella, who joined the firm from Ramón & Cajal this year, is regarded as the one of the leading corporate lawyers in Spain, and will provide a further boost to the corporate practice.

Lead lawyer Alejandro Ortiz is visible on many of the firm's biggest deals, and last year acted on JP Morgan Partners' and Bridgepoint Capital's leveraged buyout of Servicio e Información Urgente de Transportes. Financing for the acquisition was provided by the Bank of Scotland, Sucursal en España, Royal Bank of Scotland and Société Générale.

High-profile deals that the firm has acted on recently included advising Grupo Corporativo Ono on its €197 million (\$247 million) acquisition of a Spanish cable operator in Castilla y León, and advising Mayr-Melnhof Karton on its €18.7 million

acquisition of Packaging Alzira and on the execution of a construction agreement for new industrial premises.

Private equity transactions have been a lucrative source of work too, and Ortiz, who also runs Linklaters' private equity department, has had a successful year in this field. For example, in 2005 the firm advised Amadeus and its management team on the €4.3 billion public-to-private bid for a controlling stake in the company by BC Partners and Cinven, acted for Advent International and the joint offerers in relation to the tender offer filed and launched for the €651 million acquisition of Adeasa, Spain's leading travel retail shops, and represented Capio on its acquisition of the IDC Group, Spain's largest private healthcare group.

Ortiz also led the team that provided advice to Amadeus GTD on its €62 million acquisition of a stake in Opodo, the European online travel agency, and the renegotiation of its joint-venture arrangements with the nine European airlines that originally set up and owned Opodo.

Among the year's other private equity highlights, Linklaters acted for Banesto, Calyon and Caja Madrid y Cam on the €998 million financing of the management buyout and tender offer for listed Spanish media group Recoletos Grupo de Comunicación, and acted for BNP Paribas and the Royal Bank of Scotland on the leveraged refinancing of Twistoff and Mivisa, a leading Spanish bottling group that was acquired by Suala Partners and Pai Partners through a leveraged buyout.

Leading lawyers

Sebastián Albella
Alejandro Ortiz
Alvaro Sáinz

Key contact partners

Alvaro Sáinz
Antonio Sánchez-Pedreño

Allen & Overy

Allen & Overy has a sterling reputation as a specialist in banking and finance, yet it is often involved in some of the biggest Spanish mergers and acquisitions deals too. The firm's multilingual team of 21 lawyers can conduct business in Spanish, English, French, Italian and German, and this skill serves the firm well on cross-border deals. The firm's biggest deal of the past year was also one of Spain's biggest – Allen & Overy acted for Iberia Airlines on the deal with private equity funds BC Partners and Cinven to launch an offer for the Spanish reservation firm Amadeus' class A shares to the value of €4.3 billion (\$5.4 billion).

Allen & Overy has advised a number of key clients this year, including Energie Baden-Württemberg in relation to the sale of its stake in Spanish electricity firm Hidrocanabrico to a Portuguese electricity supplier. The deal was valued at €1.2 billion.

In the €525 million acquisition of Mivisa Envases, the Spanish manufacturer of metal packaging containers for the food industry, the firm advised the purchaser CVC Capital Partners. In another landmark deal, Allen & Overy advised

United Surgical Partners International on the management buyout of the company for €210 million, the largest management buyout in Spain in 2004. Mercapital Servicios Financieros, the Spanish private equity fund, backed the management of USP Europe (USPE), the independent Spanish hospital network, in the buyout.

Allen & Overy has hired four new associates into the corporate practice recently, so the losses of José Antonio Sánchez Dafos and Eduardo Coca to DLA will hopefully not affect the firm's strong corporate practice too much. However, the news that leading lawyer Fernando Torrente is to rejoin Cuatrecasas as a partner next September will not be welcome to Allen & Overy, especially seeing as he will be accompanied by partner Juan Aguayo and four other lawyers. The firm's strength in depth and international prowess should mean that it rides out any negative effects of the move though, and it will be interesting to see how the firm progresses in the coming year.

Leading lawyer

Graham Donnell

Key contact partner

Graham Donnell

Araoz & Rueda

Araoz & Rueda is an interesting firm because it is structured differently to most of its rivals – indeed, it remains essentially undepartmentalized, meaning that all its lawyers can turn their hand to all types of corporate and finance transactions. That said, the firm has a real specialty in advising on private equity matters, and in this area the firm handles plenty of work under the guidance of partners Francisco Aldavero, Lourdes Ayala and name partner Pedro Rueda.

For example, in July 2004 it acted for private equity company Catalana D'Iniciatives in relation to its acquisition of an interest in Tecnipublicaciones, and two months later acted for Electra Europe on the Azelis Group's acquisition of the Impex Group. More recently, in January 2005 it was busy on two deals, representing Sagard on Sagard's acquisition of Grupo Hermès Metal Investissements-Yudigar, one of the world's leading metal shelf makers, and acting for 3i on its management buyout of kitchen furniture company Xey.

Other private equity highlights have seen Araoz & Rueda act for 3i on three matters: its reinvestment in Maninvest Oficina de Negocios, its partial divestment and ultimate reinvestment in computer equipment company Servicios Centrales Davinci XXI, and its divestment of its stake in Pomar Instalaciones Comerciales.

The firm does not just handle private equity work however. In May 2004 it acted for Sistemas Informáticos Abiertos on its acquisition of Portugal's Cesce Soluções Informáticas, and two months later acted for Celesio when it bought Seur Pharma. This year, in February 2005 it represented USP Europe on its purchase of 90% of the shares of Clínica La Colina Nuestra Señora De Fátima, and the following month acted for Ferroatlántica, part of the Villar Mir Group, when it acquired

all the share capital of French company Péchiney Electrometallurgie and its subsidiaries in France and South Africa.

Key contact partners

Francisco Aldavero

Lourdes Ayala

Pedro Rueda

Freshfields Bruckhaus Deringer

Freshfields' Spanish mergers and acquisitions team has hired three new lawyers this year, two of them coming from leading local firms – Rocio Escudero joined from Gómez-Acebo & Pombo and Javier Mateos came from CMS Albiñana & Suarez de Lezo, while Ana Burgos brings a wealth of expertise from KPMG, where she worked as an associate. The number of associates dedicated to mergers and acquisitions work at the firm is now 16, Vicor Manchado having left to work for Linklaters and Gary Stewart having left to set up his own practice.

In August 2004, leading lawyer Fernanda Bautista led the team that advised Cajastur on the €1.2 billion (\$1.5 billion) exchange of its 25% stake in Hidrocanabrico for a small stake in EdP, leading to the takeover by EdP of Hidrocanabrico and the creation of the first pan-Iberian energy company. Two months later, in October 2004, an eight-member team advised Permira on the acquisition of Ahold's assets in Spain, consisting of 600 retail stores, for €685 million. At the time of writing, the firm was advising Aldeasa on a number of takeover bids worth a total of around €768 million.

The private equity practice is led by Javier Gómez-Acebo and Antoni Valverde, and this strong department has acted on a number of high-value deals recently. In one of the largest private equity deals ever to take place in Spain, the firm advised Cinven and BC Partners on the €4.3 billion transaction buyout of Madrid travel reservations company Amadeus Global Travel Distribution. In January 2005 the firm advised Permira on the sale and leaseback of its real estate portfolio, leading lawyer Jesus Conde heading up the Freshfields team on this €211 million deal. Among the year's other highlights, the firm helped Lazora to set up and launch a €350 million real estate private equity fund in May 2004, and advised Pearson in relation to the €743 million sale of its stake in Spanish publisher Recoletos.

Leading lawyers

Fernando Bautista

David Franco

Alfonso de Marcos

Key contact partners

Armando Albarrán

Joaquín Hervada

Antoni Valverde

Gómez-Acebo & Pombo

Gómez-Acebo & Pombo has five partners and 41 associates dedicated to M&A work, all of them qualified locally and fluent in

both English and French. Fernando de las Cuevas is present on most of the firm's high-value deals. In May 2004, for example, he led a team that advised the General Electric Company in relation to the due diligence process conducted on its Spanish subsidiaries of the firm, and was also recently involved in providing advice to Osaka Gas in the negotiations with Esbi regarding the CCGI plant in Amorebieta.

In April 2005 the firm has acted for Deutsche Lufthansa in relation to its €4.3 billion sale to Wam Acquisition, and José María Álvarez and Iñigo Erlaiz recently advised One Bank Group in relation to the attempt to purchase an international industrial group for €30 million.

The firm's private equity practice has had a successful time of late too, winning instructions on a steady number of transactions. For example, it advised Texas Pacific and Gate Gourmet Switzerland on the €20 million purchase of a stake of Iberia in Iber-Swiss, and in February 2005 acted for the Laureate Group in regards to a private equity transaction with the Carlyle Group.

Leading lawyer

Fernando de las Cuevas

Key contact partners

Fernando de las Cuevas

Manuel Martín

Francisco Pena

Lovells

Lovells was singled out by one client as "by far the most impressive" firm, adding that "quite simply, they delivered the highest calibre legal services for a reasonable price." From among the team, Alex Dolmans comes in for high praise, one client stating that "although he is still a fairly young lawyer, I would stack him against many a senior partner at the finest law firms." It is in response to this praise that the firm appears in the rankings for the first time this year.

José Balañá – who, along with four associates, joined the firm in April 2004 from Cuatrecasas – heads up the firm's Spanish M&A practice, which has been involved in a number of notable transactions over the past year. One of these saw it act for Sacyr Vallehermoso, the listed Spanish construction group, in an agreement to buy all the outstanding capital in Sufi, the Spanish services group, for €142 million. Among the year's other standout deals, in December 2004 it acted for a subsidiary of BNP Paribas in a share swap transaction related to an indirect participation of the BNP Paribas Group in the Spanish media and telecom sector. In March 2005 it represented Iberpotash in relation to Rabobank's subscription of a minority shareholding in the company, and the following month the firm advised ADP – Automatic Data Processing, Inc when it acquired a majority stake in Spanish information processing company Audatex.

Key contact partner

José Balañá

Pérez-Llorca Abogados

Pérez-Llorca Abogados has been visible on a number of top-level transactions recently, often stepping in when other firms are conflicted out of certain deals. The firm remains a solid choice of counsel for a full range of M&A advice.

This year the firm advised Abbey National, the UK's sixth-largest bank by capital and second-largest by mortgage lending, on the Spanish legal aspects of its acquisition by Banco Santander, the first large cross-border banking merger in Europe. The purchase made Banco Santander the fourth-largest bank in Europe and the eighth-largest in the world. At €13.4 billion (\$16.8 billion) it was also the largest transaction in Spain in 2004.

A smaller but also notable deal on which the team advised was the bid by leading Spanish oil distribution company Cepsa to acquire a large portfolio of downstream assets. The firm also advised leading Italian mobile content provider Buongiorno Vitaminic on the Spanish aspects of its acquisition of GSM Box from Telecinco, one of Spain's biggest TV broadcasters, and acted for leading European and US catering group Autogrill on its takeover of Aldeasa. This €6.9 billion deal was the first to be carried out since the implementation of a royal decree stating that counter-bids no longer have to be at least 5% more than the original bid.

Examples of the team's most recent M&A work include advising US electricity producer and distributor PPL Global on the disposal of its stake in three Spanish electricity generation companies controlled by the Hydrocontracting Group, and acting for Cinebox on the acquisition of a portfolio of cinemas from Lauren Films. In a high-profile domestic deal, meanwhile, the firm advised Motorola on the merger of two of its Spanish subsidiaries.

In response to the rapid growth in private equity in Spain, the firm decided to create a devoted practice team, which works closely with its corporate and finance departments. This decision has begun to pay off for the firm, and venture capital fund MCH now retains Pérez-Llorca on a regular basis. This year the firm advised on the secondary buyout of Grupo Segur, on the acquisition of Integral Press, a leading Spanish printing company, and on the acquisition of an additional stake in Grupo Harol, one of Spain's largest providers of fire protection services. The firm also recently advised a new company set up by Grupo Planeta and Apax Partners on the creation of a new low-cost airline, Vuelling, based in Barcelona. Pérez Llorca continues to advise this client on the daily running of its business.

Leading lawyers

Iván Delgado

Marta Eizaguirre

Pedro Pérez-Llorca

Key contact partners

Iván Delgado

Marta Eizaguirre

Pedro Pérez-Llorca

Other notable firms

Baker & McKenzie consistently performs well in the Spanish market, this year representing the holder of a minority interest in Gas Natural in connection with the €1 billion merger of Gas de Euskadi with the Naturcorp Group. The firm also advised Campofrio, a Spanish listed company leader in the European meat processing sector, in relation to the disposal of its fresh meat business.

CMS Albiñana & Suárez de Lezo has a small practice but a number of noteworthy clients, including Holcim, Banco Pastor, and Iberdrola.

Project finance

Recommended firms

Tier 1

Clifford Chance

Garrigues

Uría Menéndez

Tier 2

Allen & Overy

Cuatrecasas

Gómez-Acebo & Pombo

Linklaters

Tier 3

CMS Albiñana & Suárez de Lezo

Baker & McKenzie

Castro Sueiro & Varela

Freshfields Bruckhaus Deringer

Ramón & Cajal

Squire Sanders & Dempsey

Clifford Chance

Clifford Chance has a well-deserved reputation for being one of the top infrastructure firms in Spain, and this was confirmed in the past year when the firm advised the European Investment Bank in its capacity as senior financier in relation to several infrastructure projects. In another high-profile Spanish transaction, the firm was involved in the total refinancing of Cable Telecom's Onu project. Leading lawyer Javier López Antón is highly recommended by his peers, and was integral in advising the Caja de Ahorros de Vigo y Orense in relation to its financing of the Radio Galicia cable project in Galicia.

Clifford Chance's Madrid office is renowned in the market, one client saying the office has "very good teams for both project finance and securities law, and the service they provide is excellent." As well as Antón, Jose Manuel Cuenca also comes highly recommended by clients for the quality of his project finance advice.

Leading lawyers

Javier Lopez Anton

Jose Manuel Cuenca

Key contact partner

Javier Lopez Anton

Garrigues

With five partners and 14 associates in its project finance department, Garrigues is lauded by market commentators for the quantity of transactions that it closes and the quality of its advice. It is considered by its peers as "the leader in the project finance area, with great market penetration and an enviable number of projects to its name."

In the first project finance deal in which the project risks were guaranteed by a monoline insurance company, Garrigues advised Calyon, Corporate and Investment Bank Ahorro and Corporacion Financiera Caja Navarra in relation to building a highway between Pamplona and Logono. The financing was divided into two tranches, one provided by the European Investment Bank and the other provided by a group of financing entities. The total transaction was worth £338 million (\$623 million) and closed in July 2004.

Leading lawyer José Guardo was also involved in advising XL Capital Assurance in a landmark €192 million (\$240.8 million) deal that closed in October 2004. It was a novel transaction involving project bonds, and required Garrigues to negotiate a sophisticated intercreditor arrangement between the bondholders, XL Capital Assurance, the European Investment Bank and the other banks. In relation to the financing of three separate projects involving two kinds of renewable energies, the firm respectively acted for Banco Bilbao Vizcaya, Banco Santander Central Hispano and MCC on the development of power facilities worth a total of £257 million.

In the year's other highlights, in November 2004 Garrigues advised the monoline insurers on the €213 million restructuring and refinancing of a bond issue intended to free up funds for new hydraulic projects in Spain and Portugal, and a team of four lawyers provided advice to Banco Bilbao Vizcaya, Banco Espanol de Creditor, Caja Madrid, ING Belgium and the Royal Bank of Scotland in relation to financing the construction of a 45km high-speed rail link between Perpignan and Figueres. The £531.3 million concession was granted both by the Spanish and French states.

Leading lawyer

José Guardo

Key contact partners

Ramón Girbau

Rafael González-Gallarza

José Guardo

Uría Menéndez

Uría Menéndez continues to be a formidable presence in the project finance sphere, and is traditionally viewed by clients as "the most reputable law firm in Spain, with very good teams and service of the highest quality." From among the team, partner Emilio Diaz is recommended highly by clients for the quality of his project finance advice.

This year the ubiquitous firm was involved in a number of notable deals. In one – the largest local currency financing ever closed in Mexico – the firm advised a syndicate of lenders

formed by BBVA-Bancomer Banobras and the Instituto de Credito Oficial in relation to the Ps2.3 billion (\$214.4 million) credit facility granted to Concesionaria Mexiquense.

The firm advised the European Investment Bank (EIB) on granting €175 million (\$219.3 million)-worth of financing to Autovia del Camino to finance the construction of the Pamplona-Logroño toll road. The deal marks the first time a toll road construction project in Spain has been rated by an agency. Standard & Poor's issued a preliminary triple-A rating of the loan insured by Capital Assurance and a triple-B rating of the underlying debt (the €175 million EIB loan).

In the biggest public-private partnership initiative in the Spanish railway sector to date, the firm advised a syndicate of banks, led by Banco Bilbao Bizcaya Argentaria, in relation to the financing of a light rail project in the metropolitan area of Santa Cruz de Tenerife in the Canary Islands. Uría also acted for Italcementi's Spanish subsidiary, Sociedad Financiera y Minera, on the process of selecting a contractor to design and construct a new mill and burning line in Malaga. The new plant is expected to begin operations in 2008; Uría's team was led by partner Fernando Azofra.

Among the year's other highlights, Uría Menéndez advised Aigües del Segarra Garrigues in relation to the €880 million design, negotiation and implementation of a structure for the sale of credit rights that will allow the company to carry out works related to the redistribution of plots of land and to construct an irrigation network linked to the Segarra-Garrigues canal.

Clients are impressed with the quality of work provided by the firm, one praising the "expertise they have in project finance, infrastructures and utilities ... we use them because they have very important know-how."

Leading lawyers

Tessa Paz-Ares
Antonio Herrera

Allen & Overy

The Allen & Overy team continues to focus on the larger cross-border deals, and over the past year has won mandates to advise on a number of high-profile road deals. The practice received a boost recently with the hire of Mark Pennington from Clifford Chance; Pennington joins an increasingly strong project finance team that comprises five associates and two partners. Graham Donnell and Edduardo Sebastián de Erice, who head the practice, are widely regarded for their project finance acumen.

This year the firm advised the European Investment Bank on financing several road projects in relation to the M-30 in Madrid, and advised the Financial Security Assurance on its guarantee relating to the refinancing of the debt of Concesiones de Madrid, the licence holder of the M-45 toll road.

Other deal highlights saw the firm advise Union Fenosa Gas on continued work relating to the Damietta project, and act for Enel Unión Fenosa Energías Renovables on the financing of three wind farms and two hydro-electric plants in the north of Spain for Energías Especiales del Noroeste.

Leading lawyers

Graham Donnell
Eduardo Sebastián de Erice

Key contact partners

Graham Donnell
Eduardo Sebastián de Erice

Cuatrecasas

Cuatrecasas has an extensive Latin American network and strong alliances with Machado Meyer Sendacz e Opice in Brazil and Argentina's Perez Alati Grondona Benites Arntsen & Martinez, which provide it with a strong and wide-ranging client base. The firm has hired a new associate in the shape of Beatriz Causapé Ruiz.

In what was the largest project finance deal in Spain this year, the firm advised BBVA, La Caixa and the government of Catalonia on the €3.6 billion (\$4.5 billion) design and structure of the financing alternatives for the construction of the new metro Line 9 in Barcelona. The highly visible Fernando Bernad, meanwhile, led a team that advised a consortium of banks on its provision of a €522 million financing package for the construction of the Ocana-La Roda toll road and the A-42 Atalaya del Canavet road.

Alongside Cristobal Cotta, Bernad also acted on the Madrid-Toledo project, which involved negotiating a finance facility for the construction of the Madrid-Toledo toll road and the north bellway of Toledo. In the Eje Bajo Llobregat project, Héctor Bros spearheaded the firm's advice to Caja De Ahorros y Monte De Piedad de Madrid on the €140 million finance facility for the construction of the C-16 road and subsequent €26 million VAT facility.

In another notable project, the widely admired Frederico Roig led a team that represented a consortium comprising British Petroleum, Gaz De France, Cipsa, Iberdrola, Endesa and Sonatrach on the high-profile Medgaz project. The consortium was formed to build and operate a natural gas pipeline between Algeria and Spain to the value of £1 billion.

Leading lawyers

Fernando Bernad
Héctor Bros
Cristobal Cotta
Rafael Minguez

Key contact partners

Fernando Bernad
Rafael Minguez

Gómez-Acebo & Pombo

Gómez-Acebo & Pombo is developing an excellent reputation for project finance work in Spain, and peers now consider it to be getting up there with some of the more international firms. Gómez-Acebo & Pombo's project finance department has benefited from two high-profile hires recently – Ramon Ozores, who came from Castro Sueiro & Varela, and telecoms

expert Rafa Aguilera. The practice now counts six associates and three partners, and is headed by the esteemed Fernando Igartua.

The firm is heavily involved in motorway and toll road projects. In one such example, it advised Auvisa on the financing of a concession structure for the road between Consuegra-Tomelloso through a shadow toll system. In 2004, Iguarta led a team that acted for monoline insurer MBIA in relation to financing the Sagunto regassification plant.

More recently, Carlos Rueda has been involved on two notable transactions. In the first he acted on the €192 million refinancing of the Acciona Eolica wind farm in the region of Lugo, representing the lead arranger BBVA, and in the second he advised Banco Sabadell, HBOS and Caixa Banco Inwestimento on the €103 million Palma-Manacor highway project in March 2005.

Leading lawyers

Fernando Igartua
Carlos Rueda

Key contact partners

Fernando Igartua
Carlos Rueda
Ángel Varela

Linklaters

Linklaters has made notable inroads into the Spanish project finance market, this year focusing mainly on infrastructure and energy, acting on a number of high-profile renewables projects. Miguel Riaño leads a team of five associates that focus on projects work for the firm's Spanish office.

In one standout instruction the firm recently advised Escal UGS on the initial stages of a €600 million (\$751.9 million) strategic storage of gas in Spain and the subsequent financing of the project. In another, Linklaters advised Urbaser on its public-private partnership (PPP) contract to finance, build and operate a unit for processing 300,000 tons of waste. The deal marks the first time a foreign company has been involved in a French PPP of this kind.

Among the year's other highlights the firm acted for Sea Energy in relation to the project financing for several concessions in Galicia to produce wave energy, acted for BBVA on the finance provided for a container dock in the port of Malaga, the first financing of this kind carried out in Spain after the implementation of new legislation relating to ports, and advised Cobre Las Cruces on the financing of a €600 new mining project. In another mining sector deal, Linklaters acted for Río Narcea Gold Mines in relation to the mining project at Aguablanca, the only project of its kind located between the regions of Andalucía and Extremadura.

Other notable firms

Baker & McKenzie continues to have a presence in the project finance market, advising a large Spanish company in the primary industry in its negotiation of mandate letters with the

International Finance Corporation and acting for a large Spanish bank in relation to the \$550 million financing of a project in Latin America. The firm also acted for Aguas Argentinas on its \$145 million debt restructuring achieved by means of a debt acquisition.

Freshfields Bruckhaus Deringer has worked on a number of notable transactions recently, advising The Royal Bank of Scotland on the €39.6 million secured credit line provided to ING LPFE Spain for the acquisition of property in Spain. It was also retained by Hypo Real Estate Bank International, Sucursal en Espana and The Royal Bank of Scotland to advise on the €250 million (\$313.5 million) permanent financing of the Hotel Arts in Barcelona.

Ramón & Cajal is a boutique firm that according to peers "is well connected with the local government." It has had a busy year, advising a bank syndicate on the financing of Centro Hospitalario Quirón, the largest private hospital in the region of Madrid and representing the lead manager on a €60 million syndicated loan facility agreement for the partial financing of the Amazonas satellite. Other clients of the firm include Banco Popular, EBN Banco and Banco Santander Central Hispano.

And **Lovells** has been involved in advising the European Investment Bank in relation to the financing of a number of roads in the Basque Country. According to one peer, the firm's three-lawyer team "certainly holds its own" in Spain's project finance market.