

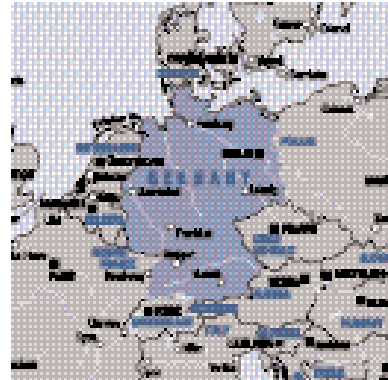
# Germany

**Chamber of commerce:**

Association of German Chamber of  
Commerce and Industry  
Breite Strasse 29  
101178 Berlin  
Germany  
**Tel:** +49 30 20 308 0  
**Fax:** +49 30 20 308 1000

**Professional body:**

Deutscher Anwalt Verein  
Adenauerale 106  
53113 Bonn  
Germany  
**Tel:** +49 228 26 07 0  
**Fax:** +49 228 26 07 57



## Developments in capital markets rules and regulations

**Hendrik Haag**  
**Hengeler Mueller**  
**Frankfurt am Main**

German equity capital markets remained quiet in 2003. The fact that there were no initial public offerings last year marks a new negative record in post-war Germany. In contrast, the debt capital markets continued to be active due to low interest rates and banks withdrawing from on-balance-sheet lending.

In the present sluggish environment, many of the sweeping changes that the legislator has put in place in pursuit of the liberalization and modernization of the legal environment for capital markets are still waiting for their stress test. This notwithstanding, the government continued to realize its Financial Market Promotion Plan 2006 for strengthening Germany as a competitive international financial market place.

On January 1 2004 a new Investment Act and a new Investment Tax Act came into force. The trigger for this almost complete revision of German investment law was the need to implement the amended UCITS Directive. At the same time, the taxation provisions of the Foreign Investment Act had to be revised in light of the treaty valuation proceedings, which the European Commission had initiated because of the discriminatory tax treatment of foreign investment funds in Germany.

Furthermore, the new legislation allows for the establishment of German hedge funds and funds of hedge funds, which is generally recognized as the most important innovation under the new legislation. Eligible investments include securities, money market instruments, cash, investments in other funds and derivatives (including commodity futures), but no direct investments in commodities other than precious metals. Investments in participations in unlisted companies are limited to 30% of the assets to avoid the creation of hedge funds that are substantially private equity funds. German hedge funds are not subject to any other investment restrictions except for compliance with the principle of risk diversification. Funds of hedge funds may only invest in German and foreign single hedge funds and may hold only up to 49% of their net asset value in cash and money market instruments. Funds of hedge funds organized as public mutual funds may be sold to retail investors, although purchases may only be made in writing and the prospectus must contain special risk warnings and has to be delivered to the investor before the purchase.

The law implementing the Financial Collateral Directive became effective in March 2004. The law has a broad scope and includes corporates and commercial partnerships as potential providers of financial collateral. However, with respect to these parties the only collateral constituting financial collateral within the meaning of the law is that which has been provided as security for liabilities from the purchase or sale of financial instruments, securities lending and repurchase transactions as well as loans taken up in connection with any of these transactions (so-called partial opt out).



The act implementing the Financial Collateral Directive also brought about an important change to the Mortgage Bank Act. In an effort to further promote the attractiveness of the German mortgage bond (the *Pfandbrief*) the legislator has addressed a point which had time and again been picked up by rating agencies as a black spot of this financial product. While the mortgage bonds are backed by an insolvency remote portfolio of mortgage loans, in the event of a mortgage bank's insolvency the administrator will take control over the portfolio and wind it up. Under the new law, it will now be possible to transfer the portfolio together with refinancing mortgage bonds to another mortgage bank, thereby continuing the original maturity of the bonds.

In response to the Counsel Regulation on Insolvency Proceedings (dated May 29 2000) and the EC Directive on the Reorganization and Winding-up of Credit Institutions and Securities Undertakings, Germany has made significant changes to its insolvency laws. Most importantly, under the new Section 340 (2) of the Insolvency Act, the law governing the effect of netting and set-off agreements for derivatives and other financial transactions will be governed by the law that also governs the respective netting or set-off agreement. This will reduce uncertainty resulting from the interaction of national insolvency laws with foreign law netting agreements, provided that the law chosen to govern the netting agreement contains clear rules on how netting works.

On November 19 2003 the BaFin published its long-awaited regulation on the definition of acts and circumstances constituting illegal market manipulation. The regulation describes the kind of information that an informed investor may be expected to review and in relation to which no wrong statements may be made. At the same time, it establishes a safe harbour for certain stabilization activities that would otherwise constitute illegal market manipulation. The lifetime of the regulation will be short as it will only bridge the time period until implementation of the EU Directive on Market Abuse, which the EU member states have to implement by October 12 2004.

Finally, the German government has taken the initiative to do away with the legal uncertainty associated with collective bondholder action. The enforceability of provisions for bondholder meetings under German law-governed bonds has traditionally been doubtful where those bonds are issued by a non-German issuer, or where the collective action is taken in circumstances other than to avert issuer insolvency. In addition, a partial waiver of the principal amount was very unlikely to be upheld if a dissenting bondholder sued for repayment. The legislator has now issued a draft bill giving ample freedom to issuers and underwriters to craft collective action clauses in note terms. While there remains some work to do on the draft to more appropriately reflect market practice, it may be expected to pass the parliamentary process before the end of this year.

## Banking

### Recommended firms

Freshfields Bruckhaus Deringer

Hengeler Mueller

Allen & Overy

Clifford Chance

Linklaters Oppenhoff & Rädler

White & Case

Baker & McKenzie

Lovells

Haarmann Hemmelrath

Latham & Watkins

Norton Rose Vieeregge

Shearman & Sterling

Ashurst

Cleary Gottlieb Steen & Hamilton

CMS Hasche Sigle

Sullivan & Cromwell

### Freshfields Bruckhaus Deringer

Freshfields remains "without a doubt at the top" of the banking table this year, after another year of acting on some of Europe's biggest, most high-profile financings. The firm represented global private equity sponsors Apax, Providence Equity and Goldman Sachs on financing their €1.73 billion (\$2.1 billion) acquisition of Deutsche Telekom's cable companies, and German media companies ProSiebenSat and Media on their debt refinancing following the insolvency of the companies majority shareholder, Kirsch Media. Freshfields also recently advised regular client Deutsche Bank on a €1.8 billion syndicated multicurrency revolving facility for engineering group Linde and a financing subsidiary.

The firm's other key clients include Messer Industrie and international investment group the Carlyle Group. Head of the finance practice Yorck Jetter is highly recommended, as is the "extremely knowledgeable" Andreas König.

### Key contact partners

Yorck Jetter

Andreas König

**Leading lawyers**

Yorck Jetter  
Andreas König

**Hengeler Mueller**

A formidable presence in the German banking market, particularly in the acquisition finance and syndicated lending sectors, Hengeler Mueller works both on domestic and international transactions for blue-chip clients, corporate clients such as Bayer and E.On, and retail and investment banks such as Citibank, Goldman Sachs, Deutsche Bank and Dresdner. The “superb” Hendrik Haag leads the practice, which also does a steady volume of restructuring and asset management work.

The firm is equally well known for its banking regulatory expertise, led by one of the elder statesmen of the German Bar, Hannes Schneider. In recent years the firm has served as counsel to Deutsche Bank on its acquisition of the custody solutions business of Dresdner Bank, and acted for the City of Stralsund on the landmark transaction relating to the proposed privatization of a local savings bank.

**Key contact partners**

Hendrik Haag  
Hannes Schneider

**Leading lawyers**

Hendrik Haag  
Stefan Krauss  
Hannes Schneider

**Allen & Overy**

Allen & Overy owes its tremendous success in the German banking market principally to the firm’s strong international network and its large team of English- and German-qualified lawyers. A&O has had a particularly busy year in the syndicated lending market, advising Citigroup, Société Générale and The Royal Bank of Scotland, as lead arrangers, on a €2 billion (\$2.4 billion) bridge financing and a €3 billion follow-up financing for Energie Baden-Württemberg, and acting for tire maker Continental on a €1.5 billion syndicated loan. Other highlights include advising Goldman Sachs and Morgan Stanley on the €1.4 billion acquisition of Deutsche Telekom’s cable network by a consortium of investors, and representing Bank Austria Creditanstalt, as arranger, on a European Investment Bank-backed financing for a large infrastructure project in Poland. A&O also has strong asset finance and US leasing practices.

The firm’s financial services and regulatory group is led by partners Okko Behrends and Peter Stenz, serving clients such as EDS, ABN AMRO, GMAC, Barclays and Bear Stearns. Earlier this year the firm advised ABN AMRO on the establishment of a German branch to launch a German custody business.

**Key contact partners**

Cathy Bell-Walker  
Peter Stenz  
Neil Weiland

**Leading lawyers**

Peter Stenz  
Neil Weiland

**Clifford Chance**

Despite the departure of banking and capital markets specialist and former German managing partner Peter Nägele in April, Clifford Chance has had another strong year, particularly in the syndicated lending and acquisition finance markets. Of the 12 acquisition finance deals the firm acted on, four had a volume of more than \$1 billion. The firm also advised on more than 10 jumbo syndicated loans, including representing Dresdner Kleinwort Wasserstein on a €1.5 billion (\$1.8 billion) multicurrency revolving facility for tyre maker Continental and acting for CSFB and Merrill Lynch on refinancing a €600 million syndicated loan upon the listing of the original borrower.

Led by partner Riko Vanezis, Clifford Chance has built one of the best asset finance and leasing practices in Germany. Recent highlights include advising Norddeutsche Landesbank on the \$140 million financing of a Boeing 746 for Singapore Airlines’ cargo unit, and representing HSH Nordbank on the cross-border operating lease financing of more than 4000 railway carriages by a German limited partnership. The firm is also one of the few German firms with an independent financial regulatory group, led by partner Peter Scherer. Representative work includes advising international investment banks on the German market regulator, BaFin’s, new positions on lobbying and cross-border activities and on the use of transitional agreements in relation to the guarantee mechanisms for German public sector banks.

**Key contact partner**

Peter Scherer

**Leading lawyers**

Barbara Mayer  
Peter Scherer  
Bettina Steinhauer  
Riko Vanezis

**Linklaters Oppenhoff & Rädler**

Linklaters’ impressive German banking practice continues to build market share, winning an increasing number of mandates on jumbo and complex financings particularly. For example, the firm advised Citibank and the other senior lenders on the restructuring of the iSH cable television company, the first major leverage workout in Germany to use an auction sale of the operating company. Linklaters also recently advised Dresdner Kleinwort Wasserstein as the

arranger of an innovative €390 million (\$471.8 million) loan facility for Techem Energy Services, a deal that combined both syndicated, senior and asset-backed loans, the first transaction of its kind in the German market. Other recent highlights include representing Barclays Capital as arranger of a €1.07 billion senior and mezzanine facility to finance the LBO of Bertlesman's publishing unit by private equity sponsors Cinven and Candover. Other key clients include BNP Paribas, JP Morgan, Commerzbank and HypoVereinsbank.

The firm's well-respected banking supervisory practice advises a number of long-term clients, most notably in the field of structured products. Linklaters also has a growing asset finance practice, serving clients such as CSFB, Dow Chemical Company, and several international investment banks. Partners Carl Peter Feick, Berthold Kusserow and Eva Reudelhuber are highly recommended.

#### Key contact partners

Carl-Peter Feick  
Eva Reudelhuber

#### Leading lawyers

Carl-Peter Feick  
Berthold Kusserow  
Eva Reudelhuber  
Marc Trinkaus

#### White & Case

Under the leadership of Annica Lindegren and Eberhard Meincke, White & Case's German bank finance team has an ever-improving reputation, particularly in the field of acquisition finance, and so has been in the rankings this year. The group has been joined by Stephen Hodgson, a highly regarded finance lawyer who moved to the firm from Baker & McKenzie. Sibylle Niesen and Kai-Michael Hingst were also elected to the partnership in January 2004.

In July 2003 White & Case advised the private equity firms Deutsche Beteiligungs and Harvest Partners on their joint acquisition of Casco Impregnated Papers from Akzo Nobel for €112 million (\$135.5 million), and the following month acted for Deutsche Bank on financing the acquisition of the Linpac Group business by Montagu Private Equity from the Cornish family for £860 million (\$1.57 billion). Also in August, the firm represented Gontard & MetallBank on the \$200 million sale of a portfolio of mainly distressed loans to a subsidiary of the US investment fund Lone Star, the first loan portfolio deal of its size in a German insolvency proceeding.

More recently, in March 2004 White & Case advised the lead lenders (Commerzbank and Indigo Capital) on the acquisition of Betapharm Arzneimittel, a German pharmaceuticals manufacturer, from Santo Holding (Deutschland). The acquisition was financed by the private equity house 3i Deutschland Gesellschaft für Industriebeteiligungen. The deal was structured as a management buy-in/management

buy-out and financed through senior secured loans from Commerzbank, mezzanine secured loans from both lenders, and a secured payment-in-kind facility from Indigo Capital, in total valued at €135 million. At the time of writing, White & Case is advising the senior lenders, Deutsche Bank and Morgan Stanley, in the €3.1 billion purchase by US private equity company The Blackstone Group of Celanese, the leading chemicals company.

#### Key contact partner

Annica Lindegren

#### Leading lawyer

Annica Lindegren

#### Baker & McKenzie

Best known for its acquisition finance practice, Baker & McKenzie's banking clients include domestic and international banks, particularly Dresdner Bank and HypoVereinsbank, as well as top-flight corporates such as Daimler-Chrysler and EQT. The firm recently expanded its practice hiring structured finance expert Mark Odenbach to the team, bringing experience in complex syndicated loans and bonds and commercial paper conduit transactions. Head of banking and finance Rainer Magold is also highly recommended by the market.

#### Key contact partner

Rainer Magold

#### Leading lawyer

Rainer Magold

#### Lovells

Lovells has banking partners in its Frankfurt, Berlin and Düsseldorf offices, and acts on both transactional and regulatory work. The firm has a strong acquisition finance practice, particularly on behalf of private equity sponsors, and a leading asset finance practice.

#### Key contact partner

Thomas Lindemann

## Capital markets – debt

### Recommended firms

Hengeler Mueller

Cleary Gottlieb Steen & Hamilton

Freshfields Bruckhaus Deringer

Linklaters Oppenhoff & Rädler

Allen & Overy

Clifford Chance

Sullivan & Cromwell

Davis Polk & Wardwell

Lovells

Norton Rose Vierregg

Shearman & Sterling

White & Case

### Hengeler Mueller

Hengeler simply dominates the German debt market, representing German and foreign banking syndicates in connection with global bond and eurobond issues, medium-term note (MTN) programmes, commercial paper programmes and *Pfandbrief* offerings. In 2003 alone the firm represented the underwriters in 122 syndicated and non-syndicated eurobond offerings governed by German law, as well as establishing six new MTN programmes and performing 37 programme updates. In September 2003 the firm advised Deutsche Bank and JP Morgan on a €5 billion (\$6 billion) offering for KfW, the world's largest exchangeable bond. Other recent highlights include representing industrial engineering group Linde on the first ever hybrid bond issue by a German industrial entity, and acting for Morgan Stanley and Goldman Sachs on a €2.3 billion convertible bond offering by Deutsche Telekom, one of the largest ever convertible bonds and only the second ever mandatory convertible bond in Germany.

Partner Hannes Schneider remains the first choice of many for capital markets work, with colleagues Thomas Cron and Torsten Busch also highly recommended.

#### Key contact partner

Hannes Schneider

#### Leading lawyers

Torsten Busch

Thomas Cron

Hannes Schneider

### Cleary Gottlieb Steen & Hamilton

Cleary Gottlieb's German offices have used the continued lull in the European equity markets to strengthen the firm's well-respected debt practice, adding lawyers to the ranks and attracting more blue-chip banking and corporate clients.

The firm has recently acted on some of the country's biggest issues, including advising Deutsche Telekom on a \$750 million offering of five-year bonds and a \$1.25 billion offering of 10-year bonds, and representing Deutsche Bank on a €1 billion (\$1.45 billion) offering of Tier I notes by a Deutsche Bank Capital funding trust. Cleary also recently acted for chemical company Degussa on a €1.25 billion offering of 10-year eurobonds.

Cleary Gottlieb is strong advising underwriters too. The firm recently acted as counsel to the managers, led by Deutsche Bank and Dresdner Kleinwort Wasserstein, in Adidas-Salomon's €400 million offering of convertible bonds, and represented the managers on a €385 offering by travel group TUI, in Europe's first convertible bond deal to be combined with a simultaneous call spread.

#### Leading lawyers

Christof von Dryander

Thomas Kopp

### Freshfields Bruckhaus Deringer

Andreas König heads Freshfield's "superb" debt capital markets practice, which advises on a wide range of transactions for most of Germany's largest corporates, as well as leading domestic and international banks such as Commerzbank, UBS, JP Morgan and Lehman Brothers. Lutz Kramer is recommended for his expertise on convertible deals.

#### Key contact partners

Christoph Gleske

Andreas König

Walburga Kullmann

#### Leading lawyer

Andreas König

### Linklaters Oppenhoff & Rädler

Linklaters Oppenhoff & Rädler has been mounting a strong challenge to the top tier in the debt capital markets over the past few years, and took further steps in the right direction this year, advising on several of the most complex and high-profile domestic and cross-border deals around.

It recently represented Vodafone, for example, on a €6.3 billion (\$7.6 billion) solicitation for offers to sell for eurobonds originally issued by Mannesman, in the largest ever bond repurchase, and acted for UBS Warburg on a €3 billion offering by Munich Re Finance in the largest hybrid subordinated debt issue by a German corporate. Linklaters also advised Morgan Stanley on Russian gas company

Gazprom's \$1.75 billion bond offering, the biggest emerging markets deal by a non-public issuer in history.

Other highlights include representing KfW on a €5 billion exchangeable bond offering, the largest ever exchangeable bond deal, and acting on establishing two new German law debt issuance programmes for German corporates. In the corporate bond sector, clients include Bank of America, BNP Paribas, Commerzbank, ING, UBS Warburg and Standard Bank. Berthold Kusserow is highly recommended, while Oliver Dreher has been tagged as a rising star by his peers.

#### Key contact partners

Berthold Kusserow  
Peter Waltz

#### Leading lawyers

Oliver Dreher  
Berthold Kusserow

#### Allen & Overy

Allen & Overy's three-partner debt capital markets practice in Germany had another solid year, representing regular clients such as Munich Re, Dresdner Kleinwort Wasserstein, Deutsche Bank and UBS on a range of new offerings. The firm recently advised Munich Re on a €3 billion (\$3.63 billion) offering of subordinated bonds as well as on £300 million (\$546.7 million)-worth of subordinated fixed-rate reset bonds, and acted for Dresdner Kleinwort Wasserstein on a €129 million exchangeable bond issue by the City of Gelsenkirchen.

Other highlights include representing Dresdner as the arranger on the first euro mortgage bond programme, the only platform to facilitate the international offer and sale of Hungarian law governed securities, and acting for Deutsche Bank on a €2.5 billion pan-European tender offer by Vodafone for bonds issued by Mannesman. Peter Stenz and Johannes Bruski are singled out by peers and clients for their work on some of the most complex transactions this year.

#### Key contact partner

Johannes Bruski

#### Leading lawyers

Johannes Bruski  
Peter Stenz

#### Clifford Chance

Clifford Chance's debt capital markets team, led by partner Sebastian Maerker, has in recent years expanded the range of offerings and products that it can advise on, and has acted on a number of prominent deals over the past 12 months. The firm recently represented the syndicate banks, including Commerzbank, on DaimlerChrysler's offering of €1 billion (\$1.4 billion) floating rate notes on the Luxembourg stock

exchange, and acted for JP Morgan Securities and other syndicate banks on a €500 million bond offering by the Republic of Turkey.

Other highlights of the past year included representing Siemens on its €2.5 million convertible offering, and acting for Deutsche Bank and Dresdner Bank, as the joint lead managers, in relation to an €850 million drawdown by Metro under its euro medium-term note programme.

Clifford Chance also offers substantial expertise in credit-linked notes and index certificates.

#### Key contact partner

Sebastian Maerker

#### Leading lawyer

Sebastian Maerker

## Capital markets – equity

### Recommended firms

Hengeler Mueller

Cleary Gottlieb Steen & Hamilton

Freshfields Bruckhaus Deringer

Shearman & Sterling

Allen & Overy

Clifford Chance

Linklaters Oppenheim & Rädler

Sullivan & Cromwell

White & Case

Baker & McKenzie

CMS Hasche Sigle

Davis Polk & Wardwell

Gleiss Lutz

### Hengeler Mueller

Having advised on some of the biggest equity deals in the world in 2003, including multibillion dollar rights offerings by both Allianz and Munich Re, Hengeler Mueller continues to advise on almost every major equity offering to come out of the German market.

This past year, for example, the firm acted on the initial public offering of Postbank, and represented German energy group RWE on the combined share placement and exchangeable bond issue in connection with the sale of its

50% stake in Heidelberger Druckmaschinen, a leading printing company. Hengeler also recently represented Citigroup, as the arranger, on Siemens' sale of 150 million shares in semiconductor company Infineon. Other highlights include advising Bayer on its plans to spin-off its chemicals and polymers business on the German stock exchange.

#### Key contact partners

Torsten Busch  
Hendrik Haag

#### Leading lawyers

Torsten Busch  
Wolfgang Gross

### Cleary Gottlieb Steen & Hamilton

---

According to rival firms, Cleary Gottlieb has the top equity capital markets practice in Germany among the US firms, regularly advising top clients such as Commerzbank, HypoVereinsbank, Citigroup and Deutsche Bank on both German and US law governed securities offerings.

The firm has remained busy despite the difficult market, recently representing Bank Julius Baer, as the lead underwriter, in a SFr131 million (\$102.9 million) offering of ordinary shares by BKW FMB Energie, Switzerland's third largest power company. Cleary's Frankfurt office also served as US and international counsel to Bank Austria Creditanstalt on its €1 billion (\$1.4 billion) initial public offering (IPO) last July, the largest continental IPO in 2003. Other highlights include acting for Commerzbank on a €760 million private placement in the US.

Christof Von Dyander, Ward Greenberg and Alan Dunning are all highly recommended by the market.

#### Key contact partner

Christof von Dryander

#### Leading lawyers

Christof von Dryander  
Alan Dunning  
Ward Greenberg

### Freshfields Bruckhaus Deringer

---

Freshfields may have slipped a bit in the rankings in recent years as the economy has slowed, but it still remains the first choice of many of Europe's most prolific underwriters and issuers in the German market, including Commerzbank, JP Morgan, and ABB. Andreas König, the head of the firm's equity and debt capital markets practice, is highly recommended.

#### Leading lawyer

Andreas König

### Shearman & Sterling

---

Alongside Cleary Gottlieb, Shearman & Sterling is the leading US firm in Germany, and its equity capital markets team remains one of the firm's showpiece practices. Stephan Hutter is well known for his expertise on equity offerings, as are Georg Thoma and Hans Dickman. Local clients include Dresdner Kleinwort Wasserstein, UBS Warburg and Merrill Lynch.

#### Leading lawyers

Stephen Hutter  
Georg Thoma

### Allen & Overy

---

According to other firms, Allen & Overy's five-partner equity capital markets group has improved and expanded in recent years, pushing it up the rankings. The firm has been involved in a number of headline transactions, including representing insurer Munich Re on its €4 billion (\$4.8 billion) rights issue last November, the third largest rights issue by a German corporate in history, and acting for Dresdner Kleinwort Wasserstein on a €530 million share offering by Hannover Re.

Other recent highlights include advising Merrill Lynch on a €1.3 billion share placement by DePfa Bank, one of the biggest equity transactions in the European banking sector in 2003, and again representing Dresdner on Lufthansa's sale of its 13% stake in Amadeus Global Travel Distribution through an accelerated bookbuild.

#### Key contact partner

Johannes Bruski

#### Leading lawyer

Johannes Bruski

### Clifford Chance

---

Clifford Chance's equity capital markets team, led by partners Markus Pfüller and Sebastian Maerker, remains one of the largest and most experienced capital markets teams in Germany, and is frequently seen advising the issuer on initial public offerings (IPOs) and capital increases.

Recent highlights include acting for Banco Commercial Portugues in relation to an international capital increase, and representing AIG International Real Estate on its IPO. The firm is also active in the convertible market.

#### Key contact partner

Markus Pfüller

#### Leading lawyer

Markus Pfüller

## Linklaters Oppenhoff & Rädler

Linklaters' four-partner equity capital markets team in Germany has had a hand in almost all of the big deals to come to market in Germany over the past few years, and is increasingly active in Switzerland, Austria and central Europe. The firm recently advised KfW on its €5 billion (\$6 billion) offering of bonds exchangeable into shares of Deutsche Post, the largest ever convertible bond issue by a German corporate. Linklaters also acted for telecommunications company Telegate on a complex combined share capital increase in cash and in kind with a reciprocal exclusion of subscription rights.

Other highlights included representing the underwriters on Eurobike's initial listing in Frankfurt and Düsseldorf, and acting for the underwriters, led by JP Morgan, on a consortium of private equity sponsors' disposal of its shares in industrial manufacturer Andritz through a secondary public offering.

Herbert Harrer once again received many plaudits from peers and clients for his experience; he is listed in Euromoney's *Guide to the World's Leading Capital Markets Lawyers*.

### Key contact partners

Herbert Harrer  
Berthold Kusserow

### Leading lawyer

Herbert Harrer

## Sullivan & Cromwell

Sullivan & Cromwell has performed more strongly than many firms in an extremely difficult equity market, winning the mandate for the underwriters on reinsurer Munich Re's jumbo €4 billion (\$4.8 billion) rights offering, the third largest by a German corporate, and acting for the underwriters on KfW's €1.15 billion German and international offering of bonds exchangeable into ordinary shares of Deutsche Post.

Other highlights for the five-partner team, which is headed by stand-out partners David Morrison and Wolfgang Feuring, included advising electronic component maker Epcos on its €126 million convertible bond offering and again acting for the underwriters on pharmaceutical company Merck's July 2003 €106 million international share offering.

### Key contact partner

David Morrison

### Leading lawyer

Wolfgang Feuring

## Capital markets – structured finance

### Recommended firms

Hengeler Mueller

Clifford Chance

Freshfields Bruckhaus Deringer

Allen & Overy

Baker & McKenzie

Linklaters Oppenhoff & Rädler

Lovells

White & Case

### Hengeler Mueller

Hengeler Mueller continues to be the clear leader in the German structured finance market, with a vice-like grip on the local market and a growing presence on international securitizations. Its dominance is reflected not only in the volume of deals it acts on, but also in the complexity of those deals.

This year the firm was instrumental in introducing a new kind of sovereign debt obligation into the international securitization market, when the firm acted for KfW on the Federal Republic of Germany's synthetic securitization of part of its loan receivables owed to it by the Russian Federation. Hengeler is also very active in the collateralized debt obligation and mortgage-backed market, as well as in the traditional asset classes.

Martin Geiger and Stefan Krauss lead a deep and experienced team, serving domestic retail and investment banks as well as international financial houses.

### Key contact partners

Martin Geiger  
Stefan Krauss

### Leading lawyers

Martin Geiger  
Stefan Krauss

### Clifford Chance

Clifford Chance's German securitization group has 14 lawyers, led by well-known partner Kirti Vasu. While not as deep as Hengeler Mueller, the firm continues to work on a substantial number of innovative deals, including advising on non-German synthetic transactions under KfW's Promise and Provide platforms and acting as lead counsel for Germany's 13-member True-Sale Initiative consortium.

Other recent highlights include representing ABN AMRO and JP Morgan on the first European whole-business real estate securitization (the Prologis deal) and advising Dresdner Kleinwort Wasserstein and HSBC on the first European cash flow collateralized bond obligation with a Luxembourg fiduciary structure in the €600 million (\$722.7 million) Rendite Finance deal.

#### Leading lawyers

Kirti Vasu  
Michael Weller

#### Freshfields Bruckhaus Deringer

Andreas König leads Freshfields' German structured finance practice, representing domestic and international banks as well as corporate originators on a wide variety of deals, with particular expertise in commercial paper conduit and medium-term note (MTN) programmes.

Recent highlights include helping to establish a paperless €800 million (\$963.3 million) asset-backed MTN programme and a \$250 million asset-backed commercial paper programme, supported by the trade receivables of German the paper manufacturer Burhrman, one of the nominees for the *IFLR's* European securitization deal of the year in 2003. As well as König, partners Andreas Barsch and Bernhard Kaiser are also highly recommended by peers and clients.

#### Key contact partners

Bernhard Kaiser  
Andreas König

#### Leading lawyers

Andreas Bartsch  
Bernhard Kaiser  
Andreas König

#### Allen & Overy

Allen & Overy's German securitization practice has had an impressive year, highlighted by the firm's representation of Deutsche Bank, as lead manager and sole book runner, on the €550 million (\$661.9 million) Deco series 2003-Centro Limited commercial mortgage-backed securitization (CMBS). The deal was the first loan conduit securitization of German assets and, more importantly, among the first true sale CMBS transactions in the German securitization market.

Other noteworthy transactions include acting for Lehman Brothers, as arranger and lead manager, on the £600 million (\$1.09 billion) PRS 7 residential mortgage securitization, and advising CIBC World Markets on the Stanton ISA collateralized debt obligation (CDO), a \$500 million issue of fixed and floating rate notes linked to a portfolio of CDO and asset-backed securities.

#### Key contact partners

Okko Hendrik Behrends  
Matthew Howard

#### Leading lawyers

Okko Hendrik Behrends  
Johannes Bruski  
Matthew Howard

#### Baker & McKenzie

One of the top firms for structured finance work in Germany, Baker McKenzie continues to win mandates on some of the biggest and most innovative deals to come to market, particularly for its roster of long-standing clients, which includes Daimler Chrysler, Dresdner Bank and KGAL.

In January 2004 Baker & McKenzie strengthened its practice with the addition of seasoned debt and securitization lawyer Mark Odenbach to the Frankfurt office, although this hire was in part a reaction to the defection the previous month of partner Stephen Hodgson, who moved to White & Case.

The "outstanding" Hans-Georg Feick leads a small yet experienced team advising on the full-range of securitization and structured finance transactions.

#### Key contact partner

Hans-Georg Feick

#### Leading lawyer

Hans-Georg Feick

#### Linklaters Oppenhoff & Rädler

Linklaters Oppenhoff & Rädler's two-partner structured finance practice advises both domestic and international banks and corporates on a steady stream of securitizations, and has a particular expertise in synthetic structures, national and pan-European sale transactions of differing asset classes, and asset-backed medium-term note programmes.

Linklaters continues to serve as one of three advisers to KfW and to the True-Sale Initiative, aimed at boosting true sale transactions in Germany. On the transactional side, the firm recently acted for Merrill Lynch and Egg on the Provide Release 2003/1, the first synthetic securitization of a non-German portfolio under KfW's Provide programme, and represented Commerzbank on a €1 billion (\$1.4 billion) transaction under Commerzbank's Kaiserplatz programme. Berthold Kusserow and Kurt Dittrich are highly recommended by the market.

#### Key contact partners

Kurt Dittrich  
Berthold Kusserow

## Lovells

---

Lovells continues to build on its strong securitization practice in Germany, justifying its place in the rankings with advice to regular clients such as Dresdner Kleinwort Wasserstein, BNP Paribas, WestLB and KfW. Highlights include representing FCE Bank on a series of €300 million (\$361.6 million) German auto loan securitizations, and acting for Dresdner on two synthetic residential mortgage-backed securitizations.

### Key contact partner

Oliver Kessler

### Leading lawyers

Oliver Kessler  
Jens Rinze

## White & Case

---

White & Case appears in the securitization rankings for the first time this year, on the strength of market recommendation and a demonstration by the firm that it both has invested in improving this area and has worked on the deals to back up this investment. This is exemplified by two lateral partner hires – Jochen Artzinger-Bolten, a German-, US- and UK-qualified debt and structured products lawyer joined the firm from the Frankfurt office of Allen & Overy, and the highly regarded Stephen Hodgson moved to the firm from Baker & McKenzie.

Among White & Case's stand-out deals of the past year, the firm acted for Credit Suisse First Boston (CSFB) as co-arranger, and Bank of New York as trustee, on the €354 million (\$426.6 million) Daphne Finance I collateralized loan obligation (CLO), a deal that comprised seven classes of credit-linked floating rate notes totalling €354 million and €30 million combination notes. It also advised CSFB and Natexis as joint-lead managers on the issue of €270 million credit-linked notes by Igloo II Finance, as part of a €2 billion balance sheet CLO for Natexis Banques Populaires.

### Key contact partner

Markus Hauptmann

### Leading lawyer

Stephen Hodgson

## Insolvency and restructuring

### Recommended firms

Schultze & Braun

Wellensiek Grub & Partner

Clifford Chance

Görg Rechtsanwälte

Haarmann Hemmelrath

Hengeler Mueller

Heuking Kühn Lüer Wojtek

White & Case

Freshfields Bruckhaus Deringer

Gleiss Lutz

Linklaters Oppenhoff & Rädler

Lovells

Metzeler-van Betteray

Westpfahl & Spilker

### Schultze & Braun

---

Along with Wellensiek Grub, Schultze dominates the German insolvency market, giving advice on a full range of insolvency issues from the firm's 25-branch network. In addition to general legal and tax consultancy services, the firm's services extend from the preparation of annual financial statements, to advice relating to labour legislation, drawing up expert reports, addressing questions of corporate restructuring and the handling of company insolvencies. Name partner, Eberhard Braun, and Edgar Gronda are highly recommended.

### Key contact partner

Eberhard Braun

### Leading lawyer

Eberhard Braun  
Edgar Gronda

### Wellensiek Grub & Partner

---

Volker Grub and Jobst Wellensiek, who are both listed in Euromoney's *Guide to the World's Leading Insolvency and Restructuring Lawyers*, remain two of the best-known names in the German insolvency market, and their firm continues to act on some of the biggest and most complex administrations to come to market. The firm recently advised Deutsche Telekom, for example, on the insolven-

cy proceedings of Callahan Kabel, and also acted on the insolvencies of automotive manufacturer Peguform and M+S Electronic. The firm now has 10 offices in Germany, including all of the main financial centres.

#### Leading lawyers

Volker Grub  
Jobst Wellensiek

#### Clifford Chance

---

Clifford Chance's German network is involved principally in larger insolvency proceedings for its international client base. For example, recent mandates have included advising Sony Pictures and Columbia Tri-Star International Television on the Kirsch Group insolvency, and representing Lehman Commercial Paper and JP Morgan Chase on the Formula 1 insolvency proceedings.

#### Key contact partner

Kolja von Bismarck

#### Görg Rechtsanwälte

---

Insolvency specialist Görg Rechtsanwälte has offices in Berlin, Cologne, Essen, Frankfurt and Hamburg, advising both debtors and creditors on all types of insolvency issues with particular expertise in cross-border insolvencies. Since March 2001 the firm has had an alliance with UK firm DLA, but this arrangement is, at the time of writing, in the process of breaking up as DLA has decided instead to set up its own presence in Germany. Görg will continue to work as part of the DLA alliance until DLA's Cologne office opens in September 2004. Name partner Klaus Hubert Görg is highly recommended for his insolvency work.

#### Key contact partner

Klaus Hubert Görg

#### Leading lawyer

Klaus Hubert Görg

#### Haarmann Hemmelrath

---

Haarmann Hemmelrath continues win its fair share of work in the German insolvency market, acting on a series of complex insolvency matters for clients such as Goldman Sachs and Bankgesellschaft Berlin. Over the past year the firm has represented Bankgesellschaft Berlin on the €250 million (\$301.3 million) insolvency proceedings of the Lausitzring Corporation. Other highlights include acting for Ottmar Hermann, as the liquidator, on the billion-dollar insolvency of Holzmann, and drawing up an insolvency plan for Munich restaurant group Wienerwald.

It will be interesting to see, however, the effects recent partner losses will have on the practice's visibility and capabilities going forward. Leading lawyers Thomas Illy and

Michael Thierhoff recently left the firm (along with other Harmann Hemmelrath partners) to form their own insolvency and restructuring boutique, Thierhoff Illy & Partner.

#### Key contact partners

Stefan Denkhäus  
Andreas Ziegenhagen

#### Leading lawyers

Thomas Illy  
Michael Thierhoff

#### Hengeler Mueller

---

Although better known for its work in the banking and capital markets, Hengeler Mueller also boasts an increasingly respected insolvency team, frequently acting on complex insolvency matters for its unmatched list of corporate clients. Recent highlights include representing the bank syndicate on the sale of ProSiebenSat1.Media to the Saban Capital Group and acting for Deutsche Bank on restructuring its former cable operations in two German states. Hengeler also acted for Kirsch Media and KGaA, as the insolvency administrator, on its insolvency proceedings.

#### Leading lawyers

Reinhold Ernst  
Gerd Sassenrath

#### Heuking Kühn Lüer Wojtek

---

Heuking Kühn remains one of Germany's premier insolvency practices, with seven offices in Germany and an outpost in Brussels. The firm has acted on more than 90 insolvency proceedings since 1999. The firm also specializes in counselling clients on non-judicial reorganizations and the development of insolvency plans. Partners Hans-Jochem Lüer, Ben Elsner and Peter Fissenewert are all highly recommended; Hans-Jochem Lüer is listed in Euromoney's *Guide to the World's Leading Insolvency and Restructuring Lawyers*.

#### Leading lawyers

Ben Elsner  
Peter Fissenewert  
Hans-Jochem Lüer

#### White & Case

---

White & Case continues to build remarkable market share in the German insolvency market, having now advised on more than 700 insolvency administrations since the practice was formed. Recently the firm has acted on almost every big insolvency to come to market, including representing local bank Gontard & MetallBank on its liquidation, Germany's biggest-ever bank insolvency, and acting for motorcycle accessories company Eurobike on its restructuring, the largest in Germany in 2003.

Other highlights include representing Premiere on its ongoing restructuring proceedings, including the introduction of international private equity sponsor Permira as a new investor in February 2003, and acting for Mobilcom, one of northern Germany's largest telecoms companies, on its restructuring efforts.

Klaus Pannen, the head of the practice, is one of the leading names in the market. Partners Biner Bähr, Sven-Holger Undritz and Bettina Schmutde are also recommended.

#### Key contact partner

Sven-Holger Undritz

#### Leading lawyers

Biner Bähr  
Klaus Pannen  
Bettina Schmutde  
Sven-Holger Undritz

## Mergers and acquisitions

### Recommended firms

Freshfields Bruckhaus Deringer

Hengeler Mueller

Allen & Overy

Clifford Chance

Gleiss Lutz

Linklaters Oppenheim & Rädler

Shearman & Sterling

White & Case

Baker & McKenzie

Cleary Gottlieb Steen & Hamilton

CMS Hasche Sigle

Haarmann Hemmelrath

Lovells

P + P Pöllath + Partners

Hölters & Elsing

Nörr Stiefenhofer Lutz

### Freshfields Bruckhaus Deringer

Freshfields' 77-partner German M&A team remains at the top of the tables after another strong year, advising on most of the major deals in both the domestic and international market.

The firm recently acted for Messer Griesheim on the \$3.2 billion sale of its gas activities in Germany, the UK and the US to French gas company Air Liquide. Other highlights include acting for Deutsche Bahn on the €1.4 billion (\$1.69 billion) sale of its chemical and steel units to global private equity sponsor Bain Capital, and advising beer maker Interbrew on its €750 million strategic partnership with Spaten-Franziskaner and the buyout of the August von Finck family.

Freshfields also represented German cosmetics company Beiersdorf on the reorganization of the shareholders' structure, and the takeover of shares held by Allianz by a consortium led by consumer goods conglomerate Tchibo.

Munich partner Hans-Jörg Ziegenhain and his Düsseldorf colleague Ralph Wollburg are recommended by the market, as are Frankfurt partners Andreas Fabritius and Burkhard Bastuck. The M&A team has considerable strength in depth, which will help to cushion the effects of the departure in May 2004 of the well-known and experienced Peter Nussbaum. Nussbaum left to join Milbank Tweed Hadley & McCloy when it opened its Munich office.

The firm is also mourning the sad loss of leading lawyer Christian Wilde, who passed away in May 2004.

#### Key contact partner

Andreas Fabritius

#### Leading lawyers

Burkhard Bastuck  
Andreas Fabritius  
Ralph Wollburg

### Hengeler Mueller

Along with Freshfields, Hengeler Mueller is the dominant force in the German M&A market, acting on almost every major deal to come to market as well as scores of smaller domestic and multi-jurisdictional transactions for an exhaustive list of financial and corporate clients. Comment from some of those clients show just why Hengeler sits at the top of the M&A tree, being a firm that has "tremendous focus," whose lawyers are "strong negotiators, who always have the interests of the client in mind."

The firm advised consumer goods conglomerate Tchibo on its €4.4 billion (\$5.3 billion) acquisition of a 40% stake in cosmetics company Beiersdorf from Allianz. The City of Hamburg took a 10% stake, while Beiersdorf itself acquired a stake from Allianz as part of a share buy-back offered to all shareholders.

Hengeler also represented MG Technologies on its sale of Dynamit Nobel to US specialty chemicals group Rockwood Specialties Group for €2.25 billion, and acted for Allianz

Capital Partners on the sale of its majority stake in German industrial gas company Messer Griesheim's to Air Liquide. More recently, in February 2004, it acted for the Oetker Group on its €359 million public acquisition of a 61.7% shareholding in Brau und Brunnen.

Other clients include Deutsche Telekom, Bertelsmann, and longtime client Deutsche Bank. The "outstanding" Michael Hoffman-Becking, Andreas Austmann and Maximilian Schiessl lead the practice, which is described as "very balanced ... Hengeler has a lot of good people."

Young Dusseldorf partner Jochen Vetter is also proving himself to be a favourite among clients, described as "Hengeler's best M&A lawyer" who "is beginning to assume more of a leading role on the largest transactions." Another client said that Vetter "gives you comfort as a customer ... he prepares you for a negotiation and works hard in a critical situation, but always has your interests in mind."

#### Key contact partner

Oleg de Lousanoff

#### Leading lawyers

Andreas Austmann  
Michael Hoffmann-Becking  
Burkhardt Meister  
Maximilian Schiessl

#### Allen & Overy

Allen & Overy's 15-partner German M&A team may not work on quite the same volume of deals as some of its rivals, but it does continue to win its fair share of mandates on complex high-profile and cross-border deals for its international client base.

Over the past 12 months the firm advised Morgan Stanley in its capacity as financial adviser on private equity sponsor Blackstone's €3.1 billion (\$3.74 billion) bid for German chemical group Celanese, Germany's largest public-to-private transaction to date. Allen & Overy also recently represented Bankgesellschaft Berlin on the sale of its interest in Hanover consumer credit bank Allbank to GE Capital.

In October 2003 the firm acted for Münchener Rückversicherung (Munich Re) on the sale of its 25.7% share in Hypo Real Estate Holding. The shares, which derived from the spin-off of the industrial real estate division of Hypo Vereinsbank, were sold before the first trading day in shares of Hypo Real Estate Holding.

In July 2004, A&O advised H&R Wasag, a Salzberg specialty chemicals group, on the acquisition of the European specialty refinery business of oil group BP. The acquisition covers both production and selling structures in South Africa, Australia, south-east Asia, the US and the UK which represents an annual sales volume of €50 million.

Arndt Overlack and Hartmut Krause are highly recommended by the market.

#### Key contact partners

Johannes Bruski  
Reinhard Hermes  
Hans-Christoph Ihrig

#### Leading lawyers

Hartmut Krause  
Arndt Overlack

#### Clifford Chance

Andreas Dietzel runs Clifford Chance's M&A operations in Germany, which comprises 40 partners, 78 associates and eight of-counsel working out of offices in Frankfurt, Munich, Berlin and Dusseldorf.

In October 2003, Dietzel led a team advising ThyssenKrupp Automotive on its acquisition of Mercedes-Benz Lenkungen from DaimlerChrysler. As a result of the acquisition, Mercedes-Benz Lenkungen became part of the DaimlerChrysler Powersystems division, active in the field of high-quality innovative steering systems for a range of motor vehicles. The following month the team acted for the Japanese company Shin-Etsu on the German aspects of its €241 million (\$291 million) acquisition of Clariant's cellulose ethers business. The target will become a subsidiary under Shin-Etsu International Europe, a Shin-Etsu Chemical Group company headquartered in the Netherlands. Also in November, Clifford Chance advised the management of the Billerbeck Group on its management buyout from Hilding Anders, the Swedish bed company. And in December 2003, Daniela Weber-Rey led a team that advised Uniqa Versicherungen, the parent company of Austria's biggest insurance group, on the takeover of the majority of Mannheimer AG Holding, as a result of which Uniqa acquired a stake of around 87 % in Mannheimer by way of a capital increase.

Market feedback on Clifford Chance was, as one would expect, generally positive. One client pointed out that the firm has "a number of very experienced and very good people." Daniela Weber-Rey came in for particular praise, another client saying that she is "so dominant that you don't see anyone behind her" – although this client did then question whether this reflects a lack of depth to the practice. The volume of comment to the contrary, however, seems to negate this potential cause for concern.

#### Key contact partner

Andreas Dietzel

#### Leading lawyers

Thomas Gasteyer  
Daniela Weber-Rey

#### Gleiss Lutz

Gleiss Lutz has had an excellent year in the M&A market, despite a sluggish economy. The firm's alliance with UK heavyweight Herbert Smith has allowed it to increase its pres-

ence on larger international deals, while it continues to expand its domestic client base.

The firm represented French gas company Air Liquide on its \$3.2 billion purchase of Messer Griesheim's industrial gas activities in Germany, the UK and the US. Gleiss Lutz also represented private equity sponsor Blackstone Group on its €3.1 billion (\$3.74 billion) acquisition of German specialty chemicals manufacturer Celanese. Other recent deals include advising Pierre & Vacances on its purchase of the remaining outstanding shares of Center Parcs Continental Europe from MidOcean Partners, and advising DaimlerChrysler on its sale of steering system manufacturer Mercedes-Benz Lenkungen to ThyssenKrupp Automotive.

### Linklaters Oppenhoff & Rädler

Linklaters' German M&A practice is headed by Stephan König, and comprises 27 partners working across the firm's Cologne, Frankfurt, Munich and Berlin offices. The Cologne office boasts the largest corporate team in Germany, and was further strengthened recently by the return of Rüdiger Thiele from London, where he acted as the German resident partner.

The practice has had a steady year, advising on both domestic and international deals from its four offices. Recent highlights include representing Barclays Capital on a €155 million (\$187 million) leveraged buyout of the Rodenstock Group, and advising the Royal Bank of Scotland on its €459 million acquisition of Santander Direkt Bank. Linklaters also acted for Johnson on its acquisition of all of the shares in Borg Luxembourg and Borg Instruments.

#### Key contact partners

Stephan König  
Detlev Schuster  
Jochen Winter

#### Leading lawyers

Stephan König  
Michael Lappe  
Georg Maier-Reimer  
Hans-Ulrich Wising

### Shearman & Sterling

The top US firm in Germany, Shearman & Sterling has invested heavily in the German M&A market, and continues to expand its 15-partner, 38-associate team. Partners Georg Thoma, managing partner of Shearman's German practice, Martin Winter and Heino Rück are already highly recommended by the market. Winter is described by one peer as "one of the best corporate lawyers around ... he has an excellent legalistic mind."

This past year, the firm was again involved in a number of complex deals, including representing E.On in the sale of Gelsenwasser to a consortium of the municipal utilities of Dortmund and Bochum and advising EADS on reorganizing its ownership of its telecommunication activities in Nortel

Networks. Shearman also acted for Gerling-Konzern Versicherungs-Beteiligungs on the sale of its stake in Gerling NCM Credit and Finance to Deutsche Bank.

#### Key contact partners

Hans-Rolf Koerfer  
Thomas König  
Jochem Reichert

#### Leading lawyers

Hans-Rolf Koerfer  
Heino Rück  
Georg Thoma  
Martin Winter

### White & Case

Thirty-nine partners and 40 associates handle M&A work at White & Case, which is the cornerstone of the firm's German operations. The strength and reputation of the firm's M&A practice makes it an attractive proposition to high-level lawyers considering a move, and the past year has shown evidence of this. In January 2004 the firm recruited three partners from leading rival firms – Angelika Schmittner from Freshfields Bruckhaus Deringer, private equity specialist Roland Mörsdorf from the Frankfurt office of Allen & Overy, and Manfred Ungemach from Clifford Chance.

This bolstered partnership, combined with the firm's visibility on some complex deals, results in White & Case's promotion to the second tier this year. In June 2003 the firm advised Dräger Medical, one of the world's leading manufacturers of medical equipment, on its €1.1 billion (\$1.3 billion) joint venture with Siemens Medical Solutions. The deal included a complex global reorganization of the Siemens operations, and intensive deliberations with the EU Commission, resulting in Siemens' obligation to divest its Life Support Systems unit to a third party.

In another tricky deal, in December 2003 White & Case acted for Tarmac Central Europe in connection with its purchase of Bilfinger & Berger Baustoffe, to enhance Tarmac's hardstone and readymix concrete business. The deal included a complex due diligence, because before the purchase Bilfinger & Berger Baustoffe owned about 1,000 pieces of real estate and held shares in 25 German subsidiaries and one Czech subsidiary.

The firm also advised Gelsenwasser, the biggest private water utility in Germany, on the sale by E.On of its 80.5% share in Gelsenwasser to a syndicate of Stadtwerke Dortmund and Stadtwerke Bochum (municipal utilities) for €835 million. At the time of writing it is representing the Trelleborg Group on its £495 million (\$904 million) acquisition of UK company Polymer Sealing Solutions.

#### Key contact partners

Frank Evers  
Andreas Stilcken

## Baker & McKenzie

Bernd Mayer heads up Baker & McKenzie's M&A team, which has experienced considerable personnel changes over the past year. Most significantly, partner Andreas Hoffmann moved to Ashurst in December 2003, taking two associates with him. Also in December 2003, associate Martin Huttermann left private practice to work in the industry sector, and another associate left in July 2003. But the firm stabilized its numbers – at least at the more junior end – by hiring four new associates, bringing the number of lawyers handling M&A work to 13 partners and 18 associates.

In January 2004 the firm has advised Henry Schein on the €255 million (\$307.7 million) acquisition of a dental business held by several Permira funds, the previous month having acted for Clariant International on the €200 million sale of Tylose Holding. At the time of writing, Baker & McKenzie is representing MVV Energie on the proposed acquisition of Gelsenwasser, and advising the state and city of Hamburg in connection with the €350 million privatization of state-owned health services.

### Key contact partners

Wilhelm Hebing  
Matthias Jaletzke  
Bernd Mayer

## Haarmann Hemmelrath

With more German offices than any other firm in the top tiers (Berlin, Bielefeld, Cologne, Düsseldorf, Frankfurt, Hamburg, Leipzig, Munich and Stuttgart), Haarmann Hemmelrath's reach across the country is enviable. Heinrich Rodewig manages the 33-partner and 35-associate practice from the Munich office.

In October 2003 Klaus Riehmer and Frank Weber advised Rheinmetall on its sale of Preh-Werke to Deutsche Beteiligungs, and two months later the firm acted for EMR, Pesag and Elektrizitätswerk Wesertal on their merger with E.ON Westfalen Weser. More recently, in January 2004, it advised SuSE Linux on its purchase by Novell and acted for Renegys on the €92 million (\$111 million) acquisition of wind farms and the respective engineering activities of ABB.

### Key contact partners

Heinrich Rodewig  
Mirko Sickinger  
Werner Michael Waldeck

## Lovells

Like Baker & McKenzie, Lovells has undergone considerable personnel changes over the past year. The practice lost four associates at the back end of 2003 and the beginning of 2004, but gained four associates too, as well as Justine Jones, who moved over from the firm's London office on secondment. But overall the capacity was boosted, because in addition to the

associate moves, the practice gained a partner in the shape of Tim Oliver Brandi, formerly of Gleiss Lutz, who joined in December 2003. Twenty-one partners and 60 associates now handle M&A work at the firm.

In July 2003 the practice was busy advising banks on two sizeable deals: in the first, it acted for WestLB on the acquisition by a WestLB-led bank consortium of a 51% stake in real estate holding company Aurelis, and in the second, representing DZ Bank on its €447 million (\$539 million) acquisition of Norisbank, HVB Group's consumer credit banking arm.

In October 2003 the team acted for Mitsui & Co and Argo Kanesho as they acquired BASF's soil fumigant business, through a joint-venture arrangement, for €70 million, and at the end of 2003 Eckart Wilke and Thomas Schrell led a team that advised Fairschild on its €85 million acquisition of the Eurobike Group.

Client comment on Lovells was not extensive, but every comment we did receive was positive, one client in particular stressing that his company was "extremely satisfied with the quality of the firm's work."

### Key contact partners

Volker Triebel  
Michael Witzel

## Project finance

### Recommended firms

Allen & Overy

Clifford Chance

Freshfields Bruckhaus Deringer

Baker & McKenzie

White & Case

Cleary Gottlieb Steen & Hamilton

Hengeler Mueller

Linklaters Oppenheim & Rädler

Lovells

Ashurst

Gleiss Lutz

Norton Rose Vieeregge

Shearman & Sterling

## Allen & Overy

---

Peter Stenz leads a team of two partners and four associates at A&O in Frankfurt for project finance advice. And although the team has shrunk in the last year, it is still winning more than its fair share of deals.

A steady flow of work over the past year has seen the firm advise Helaba on the financing of Tekfor Cologne, a joint venture between Ford and a German supply company in the automotive industry, act for WestLB on a bid to finance the public-private partnership (PPP) set up to finance public schools in the district of Offenbach, advise Bayerische Landesbank on financing a PPP for military flight simulators, and represent HypoVereinsbank, Crédit Lyonnais and WestLB on financing an electronic toll collection system for heavy trucks on the German autobahn. Freshfields Bruckhaus Deringer advised the state on the last deal.

As well as German, languages spoken by the various members of the team include English (which all the practice's lawyers speak), French, Italian and Afrikaans.

### Key contact partner

Peter Stenz

### Leading lawyer

Peter Stenz

## Clifford Chance

---

Clifford Chance's reputation for project finance work in Germany was boosted by its central role on the €1 billion (\$1.2 billion) Stendal pulp mill project. Pretty much the only deal of note on grounds of innovation that year, the deal was sponsored by Zellstoff Stendal, a joint venture set up by Mercer International, RWE Industrie-Lösungen and AIG Altmark Industrie. Clifford Chance's role was as advisor to HypoVereinsbank on the senior bank facility to the project company.

Clifford Chance was promoted into the first tier last year, and it is work like Stendal that shows the firm deserves to be up there with English rivals Allen & Overy and Freshfields Bruckhaus Deringer. Clifford Chance's partners are equally important to its reputation, and the firm has a couple of highly recommended lawyers in Beda Wortmann – described as “very pragmatic,” “a very good lawyer” and “good for negotiations” and Riko Vanezis – who one peer calls “one of the best lawyers out there”.

### Leading lawyers

Riko Vanezis

Beda Wortmann

## Freshfields Bruckhaus Deringer

---

With the retirement of leading lawyer Ulrich Mannsfeldt, Freshfields' project finance department has undergone something of a reorganization in the last year. The head of finance Jorck Jetter now manages the department, with partners Christian Bunsen, Daniel Reichert-Facilides and Thomas Wagner the key transaction personalities.

Bunsen, a leading lawyer in his own right, led the Freshfields team that advised on the Offenbach school pilot project. The deal, to finance the operation and maintenance of publicly owned schools in the Offenbach region, set a precedent for all future German public-private partnerships. Freshfields advised the Offenbach public administration.

Other work the firm has been involved with over the past year includes advising the City of Hamburg on the privately financed extension of the Hamburg fair, acting for Veolia Water Deutschland on the debt financing and debt restructuring of the City of Weisswasser's waste water system and advising Aareal Bank on financing the new headquarters of T-Online International in Darmstadt. Michael Schäfer, Friedrich Heilmann and Annedore Streyl respectively led the Freshfields advice on these deals.

### Key contact partners

Christian Bunsen

Daniel Reichert-Facilides

Thomas Wagner

### Leading lawyer

Christian Bunsen

## Baker & McKenzie

---

Rainer Magold heads the Baker & McKenzie project finance team in Germany. Despite not having an office on the scale of Freshfields Bruckhaus Deringer or Allen & Overy, the Chicago firm manages to have one of the best projects practices around, and is certainly knocking on the door of the top tier.

The firm recently acted for ABN AMRO on the project financing of a semiconductor plant in Frankfurt/Oder, and represented Dresdner Kleinwort Wasserstein and the other underwriters in connection with the €2.5 billion (\$2.8 billion) financing of another semiconductor manufacturing facility in Dresden.

In the past the team has represented KfW on financing a sewage plant in Zagreb, Croatia and, in March 2003, advised a project sponsor in relation to one of the first private finance initiatives by the German Ministry of Defence, regarding simulation projects for helicopter training.

### Key contact partner

Rainer Magold

### White & Case

---

Sebastian Kühl and Claus Wecker are the co-heads of the projects department at White & Case's Frankfurt office, a group that has grown in the last year with the hiring of two partners from rival firms – Manfred Ungemach from Clifford Chance in January 2004, and Stephen Hodgson from Baker & McKenzie in the previous December.

The firm has developed a strong reputation in project finance largely due to its prowess on energy projects, its ability to field both large domestic and global project finance teams in Germany and its success on a range of high-profile deals.

Examples of work include advising Concord Power on the first independent power project in Germany, the environmentally friendly, €600 million (\$662 billion) 1200MW combined cycle Lubmin power station. It was the first project in Germany eligible for tax exemption status under a federal government tax designed to secure environmentally sustainable fuel production. White & Case also advised energy company EWE on its €1 billion takeover of VNG-Verbundnetz Gas in the projects sector. In addition to the purchase of a 48% stake, White & Case helped EWE secure an agreement with VNG's remaining primary shareholder so that it will be possible to consolidate VNG in the future.

#### Key contact partners

Sebastian Kühl  
Claus Wecker

### Cleary Gottlieb Steen & Hamilton

---

The size of Cleary Gottlieb's German team has exploded in the last year. In September 2003 it hired Stephan Krampe as an associate from Hengeler Mueller, in November it hired associates Knut Sauer, Alexander Gebele and Christian Borschel, as well as partners Romina Polley and Dirk Schroeder (the last three all from rival Linklaters Oppenhoff & Rädler), in December it took on associate Christoph Schauenburg from Baker & McKenzie and in January 2004 it hired another associate from Linklaters – Philip Matthey. Since then the firm has hired seven more associates, most from law school or from Cleary Gottlieb's New York office. The team now comprises 12 partners and 32 associates – four partners and two associates are in Cologne and the rest are in Frankfurt.

Although the most of the firm's practice is based around capital markets and M&A work, project finance is an integral part of the framework. Thomas Buhl takes responsibility for the firm's projects work, supported by one other partner and one associate. Cleary's reputation won it a role on one of the most important projects in recent years – the €1 billion (\$1.1 billion) Stendal pulp mill project. The firm acted as borrower's counsel to Zellstof Stendal.

#### Key contact partner

Thomas Buhl

### Linklaters Oppenhoff & Rädler

---

Last year Linklaters was experiencing a run of bad luck, winning roles on several deals – such as the Metro-rapid wheel-less train project and the Berlin air project – that never reached completion. Since then, fortunately, the firm's luck has changed. One of its key deals was the €250 million (\$278 million) Austrian lorry toll project, the first major public-private partnership (PPP) and the largest project financing to date in Austria. Linklaters, led by partner Ian Andrews, advised winning bidder Autostrade on what was also the first limited-recourse financing in Austria.

The firm also recently advised Bilfinger Berger and Walter Bau on their bid for the €3.5 billion motorway-widening project in Germany, financed by heavy goods vehicle tolls.