



(SPV), which consists of the consortium shareholders and is created as an independent legal entity that enters into contractual agreements with a number of other parties necessary in a project deal.

The public entity – the state and other public entities, the funds and autonomous services, and other public companies or entities incorporated to satisfy public interests – awards the SPV an agreement (public works concession agreement or public service concession agreement) granting it an exclusive ownership of a specific facility or asset for a certain number of years. At the end of the agreement the asset is handed back to the public sector. The agreement usually entitles the SPV to build, finance and operate for a fixed period of time, although there are variants.

The new law has created other types of agreements, such as: (i) the services agreement (*contrato de prestação de serviços*) where the public entity continues to operate the public service and the private entity cooperates in certain services; or (ii) the management agreement (*contrato de gestão*) according to which the private entity manages a public establishment rendering services to third parties and is paid a fixed or variable amount periodically by the public entity (these types of agreements are used in the health sector); or (iii) the cooperation agreement, which relates to establishments or infra-structures owned by charities or other private solidarity entities.

The new law tries to avoid situations where risks, such as those in relation to the environment or expropriation of land, have not been measured by the public entities, or where the state assumes certain payment obligations without having created the required budgetary allowances (for example, highway SCUT concessions or virtual tolls, where the payments are made by the public entity and not by the user of the highway). The law clearly requires the public entity to measure the risks and avoid future compensations to the private entities or payments unforeseen when the agreement was negotiated. The public entity must negotiate a PPP with a reasonable assurance of the stability of the agreement.

It is clear that the public entities will only be able to attract private entities to these projects if the agreements are complied with and, moreover, if unilateral modifications by the state that change the financial balance of the agreement are exceptional and not the rule and the private entity is totally compensated for these modifications.

### **The legal regime that applies to securitization**

Securitization operations in Portugal have received a boost in the last year. Apart from the execution of several asset-backed securities (ABS) operations in connection with bank and private company receivables, the first securitization of fiscal and para-fiscal receivables was carried out by the Republic of Portugal and the Portuguese social security system.

This was a pioneer securitization operation, not only in Portugal but also in the EU. For the first time, a state assigned credit rights in relation to non-performing tax and social security claims. Previously only social security claims had been sold and securitized, a transaction that occurred about two years ago in Italy.

In the first phase of the transaction, the state transferred several tax and social security non-performing credits arising from tax enforcement procedures initiated between January 1 1993 and September 30 2003, with a nominal amount of €11.44 billion (\$13.6 billion) and a price of €1.99 billion (\$2.38 billion). This transfer was made to a Portuguese securitization vehicle controlled by Citigroup through a true-sale transaction.

The securitization vehicle issued bonds, which were asset-backed by the acquired tax and social security credits, for a private placement with an institutional investor. In the second phase, the securitization vehicle refinanced the operation by issuing new bonds, collateralized by the same credits (listed on Euronext Lisbon and the Luxembourg Stock Exchange) and repaid the institutional investor.

The most innovative aspect of this transaction is the type of assets that were securitized: outstanding tax credit and social security receipts. Under Portuguese law, these credits may be assigned as long as the protection of taxpayers is assured. Thus, the legal framework that allowed for the execution of the securitization operation was carefully prepared to ensure taxpayers' rights and legal guarantees were not jeopardized as a result of the assignment. A specific legal framework was designed for this purpose, dealing with several crucial aspects, such as the effect on pending litigation files, bankruptcies and payments in kind. To achieve this goal, among other measures, the state maintains normal relations with taxpayers; acting as servicer of the securitization vehicle for the collection of the credits. These obligations were assumed under a servicing agreement, subject to remuneration to be paid by the securitization vehicle.

This operation was also structured to comply with Eurostat rules in relation to securitization of receivables held by EU states, in particular by assuring that the assignment only involved credit rights that were already due and that their assignment was made on a true-sale basis, without granting any ancillary guarantees.

The need to enact new legislation was also an opportunity for the government to introduce some general improvements in the securitization legal framework, based on the experience of the market during recent years. In this area, three novelties should be highlighted:

- the securitization legal regime now applies not only to receivables but also to other types of securitizable assets;
- non-performing receivables are now an available asset for securitization; and
- securitization vehicles are no longer bound to keep a record (for withholding tax purposes) of the period during which their issued securities were held by investors.

Other important provisions were also reviewed, such as those that relate to the notification of debtors. In fact, subject to authorization from the Portuguese Securities Market Commission (CMVM), the assignment does not necessarily need to be notified to the assigned debtors if the receivables are serviced by the entity that maintains the relations with such debtors.

### **The legal regime that applies to UCIs**

On October 17 2003, Decree-Law 252/2003 established the new regime for undertakings for collective investments (UCI) in

Portugal, in compliance with Directives 2001/107 and 2001/108 of the European Parliament and Council, which amended Council Directive 85/611. This new legal framework introduced important amendments in two distinct areas concerning UCI development. On one hand, it has innovated the UCI management companies' regime, creating new market access rules, as well as a wider circle of managing operations. On the other hand, it created the possibility of the opening of undertakings for collective investment on transferable securities (UCITS) investment policies by broadening the variety of assets in which it is possible to invest.

## Banking and capital markets

### Recommended firms

AM Pereira Sáragga Leal Oliveira Martins Júdice e Associados (PLMJ)

Morais Leitão Galvão Teles Soares da Silva & Associados\*

Vieira de Almeida & Associados

António Frutuoso de Melo e Associados

Gonçalves Pereira Castelo Branco e Associados

Linklaters

Simmons & Simmons Rebelo de Sousa

Uría & Menéndez\*\*

Abreu Cardigos & Associados

Abreu & Marques Vinhas e Associados

Teixeira de Freitas Rodrigues e Moura Costa

Albuquerque & Associates

Coelho Ribeiro e Associados

Macedo Vitorino & Associados

\* *Morais Leitão Galvão Teles Soares da Silva & Associados was created by the recent merger of Morais Leitão J Galvão Teles & Associados with Miguel Galvão Teles João Soares Da Silva e Associados.*

\*\* *Uría & Menéndez and Vasconcelos F Sá Carneiro Fontes & Associados have merged and will operate under the name Uría & Menéndez.*

### AM Pereira Sáragga Leal Oliveira Martins Júdice e Associados (PLMJ)

Portugal's largest firm, PLMJ, is seen as the firm to beat among Portugal's leading legal advisers. The firm includes several lawyers that are extremely well regarded by peers and clients alike, such as the experienced Jorge de Brito Pereira who "has been working on capital markets matters for years" and the "thorough" Maria Castelos.

The firm's unparalleled client roster of leading Portuguese corporates means it works more often on the borrower or issuer side of deals than for the banks. PLMJ lawyers have also taken roles advising the government on a number of transactions in recent years. Among these, the firm acted for the Ministry of Finance on the sale of Portucel to Semapa, and advised the government on the Explorer securitization of tax and social security receivables, one of the most innovative deals in Portugal, and in Europe, this year.

In syndicated lending PLMJ advised the banks on the €800 million (\$907 million) facility for state-owned broadcasting company RTP Rádio e Televisão Portuguesa as part of its restructuring plan. This was the largest single deal in Portugal outside the financial industry and secured the lowest interest rate without a government guarantee due to the innovative structure put together by the legal advisers. PLMJ also worked on a €250 million asset-backed issue for BNC in mid-2002 that was only the second Portuguese deal to securitize residential mortgages.

Luís Sáragga Leal, who founded the firm, is highly recommended, as are Fernando Campos Ferreira, who heads the banking department, and Gabriela Rodrigues Martins.

#### Key contact partner

Jorge de Brito Pereira

#### Leading lawyers

Maria Castelos

Fernando Campos Ferreira

Luís Sáragga Leal

Gabriela Rodrigues Martins

Jorge de Brito Pereira

### Morais Leitão Galvão Teles Soares da Silva & Associados

The merger of Morais Leitão J Galvão Teles & Associados with the smaller finance specialist firm Miguel Galvão Teles João Soares Da Silva e Associados has created a firm to rival PLMJ for size as well as quality.

For Morais Leitão, the deal repairs the damage caused when five partners quit the firm to launch Linklaters' Lisbon office in 2002. Among these was capital markets specialist António Soares, one of the most respected practitioners in the field in Portugal. Fortunately for Morais Leitão, capital markets activity in Portugal slumped into a quiet period for the next two

years and, as it now begins to recover, the firm's merger with Miguel Galvão strengthens it once more in the area.

Morais Leitão continues to benefit from a top-class client base. Described by one European investment banking client as "by far the best, especially in capital markets and M&A," the merged firms together represent eight of the 10 largest corporates in the country on capital markets issues.

The combination of the two firms also brings together some notable figures in the Portuguese legal market. From Miguel Galvão, João Soares da Silva brings with him a close relationship with Banco Comercial Português. Soares's team advises on all debt capital markets transactions for the bank, including securitizations. Meanwhile, Luís Branco, who joined Miguel Galvão from Abreu & Marques in 2001, is commended for his "personal authority with clients and counterparts" and his ability to "help deals progress". He is "one of the best financial lawyers we have in Portugal," says one peer. Nuno Galvão Teles is also highly thought of.

The dealmaking capacity of the merged firm is beyond question as well. Recent transactions on which its lawyers have advised include the highly innovative Explorer securitization of unpaid tax and social security payments – a deal that stood out not only in Portugal, but in Europe. Morais Leitão also advised EDP on the sale of its 3% stake in Iberdrola worth €400 million (\$482.2 million). The firm also represents Bank of New York on securitization matters and its general capital markets activity in Portugal.

Before merging, the two firms worked together on one of the few stand-out equity deals of the past two years, the €1 billion rights offering in March 2003 by Banco Comercial Português. Another highlight saw João Soares da Silva lead a team advising the originator (Banco Comercial Português Group) on the first mortgage-backed securitization under Portugal's new securitization law. The €1 billion deal was the first to use a Portuguese law securitization fund, setting precedents that have been followed on subsequent transactions.

#### **Key contact partner**

Nuno Galvão Teles

#### **Leading lawyers**

Luís Branco  
Nuno Galvão Teles

#### **Vieira de Almeida & Associados**

Clients and peers praise Vieira de Almeida for its good understanding of commercial issues, an attribute that has enabled the firm to win some high-profile mandates, particularly in the securitization area. João Vieira de Almeida and Vasco Vieira de Almeida are both rated for their advice on banking matters, while the market sees Manuel Protásio as one of the leading capital markets lawyers in Portugal. Their colleague Pedro Cassiano Santos is described as "meticulous," and someone who "manages well," and his peers "admire his capacity to deal with the details".

João Vieira de Almeida, known for his meticulous preparation, his practical experience and his creativity, led the firm's team advising on the €1.9 billion (\$2.29 billion) Explorer securitization last year. This innovative deal was the first to be backed by tax credits and has done more to raise the profile of the firm than perhaps any other deal in the recent past. "Vieira is above all good in banking and by far the most advanced firm in securitization," says one banker.

The firm has targeted the more complex – and so more lucrative – end of the securitization market. Vieira de Almeida worked on deals originated by Banco Espírito Santo (Lusitano Mortgages no 1) in December 2002, Montepio Geral (Pelican Mortgages no 1) in December 2002 and Banco Comercial Português (Nova 3) in October 2002. The firm also advised on the €207 million Galp whole-business securitization, which was the first corporate deal in Portugal. BES, Deutsche Bank, Citigroup, ABN AMRO and BNP Paribas are clients.

#### **Key contact partner**

Pedro Cassiano Santos

#### **Leading lawyers**

João Vieira de Almeida  
Vasco Vieira de Almeida  
Manuel Protásio  
Pedro Cassiano Santos

#### **António Frutuoso de Melo e Associados**

Boutique firm António Frutuoso de Melo e Associados is held in high regard by clients, which include JP Morgan and Goldman Sachs among others. Clients describe António Frutuoso de Melo himself as "undoubtedly one of the best lawyers in Portugal" and "a great contact in financial services". An example of the types of transactions on which the firm has advised is the €700 million (\$844 million) securitization of residential mortgages by Caixa Económica Montepio Geral. The firm advised the originator alongside Linklaters and opposite Vieira de Almeida and Clifford Chance.

#### **Key contact partner**

António Frutuoso de Melo

#### **Leading lawyer**

António Frutuoso de Melo

#### **Gonçalves Pereira Castelo Branco e Associados**

Gonçalves has benefited from the completion of the first merger between a Portuguese and a Spanish firm, which saw it link with Cuatrecasas in March 2003. The firm has a long history, having trained the incumbent senior partners of three of Portugal's leading firms. Gonçalves's own senior partner André Gonçalves Pereira served as foreign minister

during the 1980s and the firm advised on the privatization of the state-owned tobacco company and airline in past years. The firm's capital markets and banking transactions during 2002 won it IFLR's award for Portuguese law firm of the year.

Lease-related financing continues to be a strong area of activity for the firm, which during the past year has worked for clients such as Portugal Telecom and Metro do Porto. Previously, Goncalves worked on the first US-style lease service contract in Portugal, advising Metropolitan de Lisboa on the sale and leaseback of its trams to a US trust in a deal arranged by Banco Santander.

Meanwhile, companies such as CP-Caminhos de Ferro Portugueses and Refer – Rede Ferroviária Nacional – use the firm regularly for structured finance and straight eurobond issues. The star lawyer at Goncalves is managing partner Manuel Castelo Branco, who peers describe as combative, but in a professional manner. “He defends fiercely the interests of clients,” says one commentator. The firm is commended by clients for its ability to coordinate legal and business issues during deals.

#### **Key contact partner**

Manuel Castelo Branco

#### **Leading lawyer**

Manuel Castelo Branco

#### **Linklaters**

António Soares, who leads the finance team at Linklaters, is almost universally acknowledged as one of the most capable capital markets lawyers in Portugal. Before joining the firm, Soares spent four years as a member of the board of directors of the Portuguese Securities Market Commission before joining Morais Leitão and took an active part in Portugal's review of its Securities Market Code. He has worked on several privatizations in Portugal, including those of Portucel, a pulp paste company, and EDP, Portugal's power utility. Managing associate Rita Oliveira Pinto also spent a period working at the Securities Market Commission, as an in-house lawyer, before joining Morais Leitão.

Clients praise the firm in particular for its “business acumen”. During the past year, the firm has shown its ability to win high-profile mandates, establishing its place in the market as one of the leading advisers on securities and financing deals. For example, the firm advised the buyer on the sale of Portucel to Semapa, as part of the continuing privatization of the state pulp and paper company.

Before that, Linklaters showed its credentials on deals such as a €2.3 billion (\$2.6 billion) treasury bond issue for the Republic of Portugal, on which the firm advised Société Générale, ABN AMRO, BNP Paribas and Caixa Geral de Depósitos as the lead managers.

Other clients of the firm include BP Portuguesa, Secil, Banco Santander Central Hispano, Banco Totta & Açores and Celulose de Caima.

#### **Key contact partner**

António Soares

#### **Leading lawyer**

António Soares

#### **Simmons & Simmons Rebelo de Sousa**

Simmons & Simmons' finance practice in Lisbon has been highly successful at winning work in structured finance, advising on around 70% of all securitizations in Portugal to date. These deals tend to be at the less complex and less lucrative end of the market, but Simmons has found a steady stream of business nevertheless.

William Smithson, who heads the finance team in the Lisbon office, is the partner most often recommended, while the firm is commended by clients for its proactive approach and its ability to “stitch together the legal and corporate framework” on transactions.

Simmons & Simmons closed eight securitizations in 2003, and advised on about 25 structured finance deals overall for clients, including Barclays, Merrill Lynch and the Royal Bank of Scotland. At the time of going to press the firm was advising on several more deals, including two transactions for HSBC, a new entrant to the market. Repackagings are also a strong source of business for the office.

Much of Simmons' success in the area of structured finance is owed to a close relationship with Deutsche Bank, established when the firm advised the German bank on its first deal in Portugal several years ago. Simmons has also completed a number of deals for ABN AMRO. Since the asset-backed market was first launched in Portugal, Simmons has completed deals securitizing assets as diverse as car loans and leases, residential mortgages, consumer loans and long-term rental contracts.

In 2003 the firm advised on the first deal to use a Portuguese vehicle as established under the country's new Decree Law 453/99. In straight debt and equity capital markets, the firm advised investors on the first private placement of shares into the US by a Portuguese company and advised Banif on its first preference share issue.

Simmons & Simmons completed a formal merger with its Portuguese joint venture partner F Castelo Branco P Rebelo de Sousa & Associados at the beginning of 2003 after 10 years operating together. Pedro Rebelo de Sousa has taken on the role of managing partner.

#### **Key contact partner**

William Smithson

#### **Leading lawyer**

William Smithson

#### **Uría & Menéndez**

The merger between Vasconcelos F Sá Carneiro Fontes & Associados and Spanish firm Uría & Menéndez makes

Vasconcelos the second firm to pursue an Iberian tie-up. Uría is seen as the leading law firm for finance and securities work in Spain, but is new to the Portuguese market. Vasconcelos, meanwhile, is highly respected but seen as too small to truly challenge the position of Portugal's biggest firms. So the merger, which should be officially complete by the end of the year, should benefit both.

Francisco Sá Carneiro continues to be one of the star lawyers most often mentioned by peers in Portugal. Clients appreciate the firm's focus on financial work as well as its business acumen and approach. "It is traditional with a good track record," comments one. The size of the firm can be an advantage – other clients say larger offices tend to staff deals with more junior lawyers.

Vasconcelos has done a lot of work for rating agencies on securitization deals, as well as advising leading international investment banks such as UBS and Citigroup on capital markets and financial transactions. Joining with Uría will add 20 lawyers to the team, as well as some lucrative client relationships.

Uría, meanwhile, has worked on deals for JP Morgan, Commerzbank, Morgan Stanley, the Royal Bank of Scotland, ABN AMRO, Banco Bilbao Vizcaya Argentaria, Société Générale and BNP Paribas in Portugal. The past 12 months have seen the firm advise Commerzbank on two innovative issues of reverse convertibles for Portugal Telecom and Nokia.

#### Key contact partner

Francisco Sá Carneiro

#### Leading lawyer

Francisco Sá Carneiro

#### Other notable firms

**Abreu & Marques Vinhas e Associados** is traditionally a strong firm, but the market perceives that its strength in banking and finance has diminished a little since losing highly regarded Luís Branco to Miguel Galvão. Since then, the firm has tended to focus more on M&A work. However, Jorge de Abreu and Luís Vinhas are especially commended by peers for their experience.

At **Abreu Cardigos & Associados**, name partners Miguel Teixeira de Abreu and the "very intelligent" Pedro Cardigos dos Reis are well thought of and are seen as two of the most dynamic individuals in the Portuguese legal market. The firm is among the best at winning new mandates, say peers. Miguel Castro Pereira, who heads the securitization team, is also recommended. The firm's capital markets clients include Group Banco Espírito Santo, Credit Suisse First Boston, Banco Português de Negócios and Banco Efisa.

Clients pick out partner Maurício de Mora Costa at **Teixeira de Freitas Rodrigues e Moura Costa** for special praise. The firm has advised Deutsche Bank, Dresdner Kleinwort Wasserstein, Crédit Agricole, SanPaolo Bank, Société Européenne des Banques and Morgan Stanley on

capital markets issues and counts JP Morgan Chase, Citibank, Bayerish Hypo- und Vereinsbank, ING Bank and UBS among its clients for syndicated lending. Recent landmark deals on which the firm has advised include a €2.2 billion (\$2.65 billion) syndicated loan for the acquisition of Invista, Dupont's fibre business, by Koch Industries, with JP Morgan Chase as administrative agent, a syndicated loan for the acquisition of Brenntag and Stinnes-Interfer, two German groups in the industrial chemical industry, by Bain Capital Partners, with Citibank as facility agent, and a syndicated multicurrency revolving facility granted to Numico/Nutricia Group, a Dutch food group, with ING Bank as facility agent.

## Mergers and acquisitions

### Recommended firms

AM Pereira Sáragga Leal Oliveira Martins Júdice e Associados (PLMJ)

Morais Leitão Galvão Teles Soares da Silva & Associados\*

Vieira de Almeida & Associados

Gonçalves Pereira Castelo Branco e Associados

Linklaters

Abreu Cardigos & Associados

Abreu & Marques Vinhas e Associados

Albuquerque & Associates

António Frutuoso de Melo e Associados

Simmons & Simmons Rebelo de Sousa

Uría & Menéndez\*\*

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\*\* *Uría & Menéndez and Vasconcelos F Sá Carneiro Fontes & Associados have merged and will operate under the name Uría & Menéndez.*

### AM Pereira Sáragga Leal Oliveira Martins Júdice e Associados (PLMJ)

PLMJ continues to be the most widely respected firm for M&A advice in Portugal, although the firm's lead is perhaps a little less clear now than it once was. The merger of Morais Leitão J Galvão Teles & Associados and Miguel Galvão Teles João Soares Da Silva e Associados has created a powerful competitor and the rise of Vieira de Almeida also places it in the top tier for this area as well.

Critics of PLMJ occasionally suggest that it functions as a collection of individuals rather than a single unit, yet clients continue to see the firm as the most recognized name in the market and the incumbent number one M&A legal adviser. Luís Sáragga Leal is among the most highly commended M&A lawyers in the market, while Gabriela Rodrigues Martins and Vasco Marques Correia are highly thought of. Also recommended is Jorge de Brito Pereira.

Deals on which the firm has advised include, for example, the February 2002 merger of the Lisbon stock exchange with Euronext, on which PLMJ advised Euronext. Jorge de Brito Pereira led the team working on the deal. The merger employed an unprecedented structure to execute a private offer in a way similar to a public takeover, and was made possible only after amendments to Portuguese securities regulations.

#### Key contact partner

Jorge de Brito Pereira

#### Leading lawyers

Vasco Marques Correia  
Luís Sáragga Leal  
Gabriela Rodrigues Martins  
Jorge de Brito Pereira

#### Morais Leitão Galvão Teles Soares da Silva & Associados

The merger of Miguel Galvão Teles João Soares Da Silva e Associados and Morais Leitão J Galvão Teles & Associados has resolved some split opinions on where each firm should rank for M&A advice. Now clients are sure the merged firm will be well placed to challenge PLMJ in the top tier of advisers in this area.

This is not least because of the number of star lawyers that are partners of the firm. Clients speak glowingly of rising star Tomás Vaz Pinto (“excellent, particularly in M&A”) and partner Filipa Arantes Pedroso. And the firm as a whole offers “thorough and professional advice,” say clients. Also highly rated and considered a leading figure in EU law in Portugal is Carlos Botelho Muniz. Luís Branco is described by clients as “grand” and he is seen as a great addition to the Morais Leitão team after joining Miguel Galvão from Abreu & Marques.

Morais Leitão has acted on a clutch of large-scale mergers during the past 18 months. Most recently, the firm advised Electricidade de Portugal (EDP) on the €1.2 billion (\$1.45 billion) acquisition of an additional 56% stake in Hidroeléctrica del Cantábrico in Spain. This follows a previous €3 billion takeover of Hidrocantábrico, on which Morais Leitão also advised.

EDP again turned to partner Nuno Galvão Teles to advise on the recent sale of its indirect 25% stake in Optimus, the third mobile telecommunications operator in Portugal, for €315 million. And Morais Leitão advised the company on the purchase of stakes in two gas companies: Setgás and Portgás.

In 2003 the firm acted for Cadbury Portugal on the Portuguese aspects of its acquisition of Pfizer Adams, a deal worth \$4.2 billion worldwide and as much as \$3 billion in Portugal. Other high-profile work has included advising on the sale of a 41% holding in Secil, the second largest cement group in Portugal, worth €340 million, and Morais Leitão acted for Grupo Pestana as bidder in its purchase of the privatized state hotels business Enatur.

From the part of the firm that formerly operated as Miguel Galvão, João Soares da Silva’s team has advised on some of the largest deals of recent years, most notably acting as counsel to Banco Comercial Português in the €950 million purchase of Portugal’s leading insurance company, Seguros & Pensões, from Eureko and the subsequent restructuring of the Eureko joint venture.

#### Key contact partner

Nuno Galvão Teles

#### Leading lawyers

Luís Branco  
Filipa Arantes Pedroso  
Nuno Galvão Teles

#### Vieira de Almeida & Associados

João Vieira de Almeida of Vieira de Almeida & Associados is one of the best-regarded M&A advisers in Portugal, while the firm as a whole is seen as excellent by clients. Margarida Couto is also well thought of, as is Pedro Cassiano Santos.

The firm worked on the July 2003 sale by Solac Méditerranée of its holding in Lusosider Projectos Siderúrgicos (on which Vieira advised the buyer), the acquisition of Pharmacia by Pfizer, and the September 2003 sale of Rosenlew Portugal Embalagens by UPM-Kymenne. The firm also advised on the merger between SGALD Automotive and Axus Portugal, and the purchase by Lusomundo Cinemas of the remaining 50% stake in Warner-Lusomundo-Soc Ibérica de Cinemas.

Previously the firm advised on the acquisition of a controlling shareholding in Brisa by Grupo Mello, one of the outstanding Portuguese M&A deals of recent years.

#### Leading lawyers

João Vieira de Almeida  
Margarida Couto

#### Gonçalves Pereira Castelo Branco e Associados

Two lawyers at Gonçalves win the most plaudits from their peers: Manuel Castelo Branco (recommended for his tough but diplomatic style) and Frederico Pereira Coutinho, whose reputation as an expert in M&A is growing rapidly. Meanwhile, clients talk of the firm’s “undisputed excellence”.

In September 2003, Gonçalves advised Somague Concessões e Serviços and BPI on the €90 million (\$108.5 million) change of control in the first private Portuguese highway concessionaire. And in 2002, the firm acted on two high-profile transactions in the insurance industry.

Goncalves was instructed by Liberty on the purchase of Europeia by Winterthur, and advised CGU on the sale of its non-life insurance business to the Victoria Group. The firm has also worked on some innovative private equity purchases of stakes in Portuguese private hospitals.

#### Key contact partners

Manuel Castelo Branco  
Frederico Pereira Coutinho  
Diogo Perestrelo

#### Leading lawyers

Manuel Castelo Branco  
Frederico Pereira Coutinho

#### Linklaters

Headed by Lisbon managing partner Jorge Bleck, the corporate team at Linklaters has progressed rapidly. The firm “has a great record with a great team, which has about 20 years of experience and excellent contacts,” says one commentator. “Bleck has the political connections,” adds another; his team is equally highly thought of. And the firm’s ability to draw on its international network is also an asset.

Bleck was a partner at Morais Leitão J Galvão Teles & Associados before leaving to set up his own firm, which then joined with Linklaters. His long standing in the market means his connections among the corporate, financial and political community are extensive.

Bleck led the firm’s team advising on its highest-profile recent transaction: the €348 million (\$391.6 million) purchase by Scottish & Newcastle of Portugal’s leading mineral water seller Sociedade Águas do Luso and number two brewery in the country, Sociedade Central de Cervajas. The transaction shows the benefit of the firm’s international network.

The firm can also draw on the services of EU and antitrust specialist Carlos Pinto Correia, who taught as an assistant professor at the Lisbon Law School and worked in the European Court of Justice in Luxembourg as legal secretary of the president and judges of the Court of First Instance.

#### Key contact partner

Jorge Bleck

#### Leading lawyer

Jorge Bleck

#### Other notable firms

Opinion is split on **Abreu Cardigos & Associados**, some in-house lawyers saying the firm has become much more visible and should be included in the second tier of advisers this year. As yet, though, the consensus of opinion is not as strong as that in favour of Linklaters or Gonçalves.

At **Abreu & Marques Vinhas e Associados**, Jorge de Abreu is highly rated, and the firm has placed special emphasis on corporate work since losing Luís Branco to what has now become **Morais Leitão Galvão Teles Soares da Silva & Associados**. The market view is that the firm may seek a merger soon to gain critical mass. Miguel Castro Pereira is the key contact.

**António Frutuoso de Melo e Associados** is recommended, particularly António Frutuoso de Melo himself, although his strength is thought to be capital markets work.

**Simmons & Simmons Rebelo de Sousa** is worthy of mention, although again its strength is considered to be capital markets work. The firm has been particularly active on deals in the telecommunications industry, acting for UK telecoms company Inquam on two acquisitions and for Jazztel on a series of acquisitions of internet companies. Simmons & Simmons previously acted for Portugal Telecom Group on the sale of its shareholding in Porto TV to state-owned broadcaster RTP.

Francisco Sá Carneiro at **Vasconcelos F Sá Carneiro Fontes & Associados** (now part of **Uría & Menéndez** following the merger of the two firms earlier this year) is regarded as a “very good individually,” and is described as “intelligent, competent, reliable and resourceful” by peers. His firm’s tie-up with Uría & Menéndez will bring some well-known clients with it, notably Credit Suisse Financial Services, Klockner Pentaplast, Corus Staal, Motorpress (Bertelsmann Group) and GE Plastics, all of which have instructed Uría since it opened in Lisbon.

## Project finance

### Recommended firms

AM Pereira Sáragga Leal Oliveira Martins Júdice e Associados (PLMJ)

Gonçalves Pereira Castelo Branco e Associados

Linklaters

Morais Leitão Galvão Teles Soares da Silva & Associados\*

Vieira de Almeida & Associados

Uría & Menéndez\*\*

Abreu & Marques Vinhas e Associados

António Frutuoso de Melo e Associados

Simmons & Simmons Rebelo de Sousa

Jardim Sampaio Caldas e Associados

Sérvulo Correia & Associados

\* *Morais Leitão Galvão Teles Soares da Silva & Associados was created by the recent merger of Morais Leitão J Galvão Teles & Associados with Miguel Galvão Teles João Soares Da Silva e Associados.*

\*\* *Uría & Menéndez and Vasconcelos F Sá Carneiro Fontes & Associados have merged and will operate under the name Uría & Menéndez.*

### AM Pereira Sáragga Leal Oliveira Martins Júdice e Associados (PLMJ)

The project finance team at PLMJ, led by Fernando Campos, ranks once again in the first tier of advisers. The firm enjoys a close relationship with the Portuguese government, advising the state, for example, on the liberalization and restructuring of the energy industry that recently culminated in the disposal by Galp Energia of Gás de Portugal. Besides work for the state, however, the firm has also worked on some landmark projects in recent years, such as the financing for Lisbon's North Highway concession. Peers rate the skills and experience of Maria Castelos highly in this field.

#### Key contact partner

Fernando Campos Ferreira

#### Leading lawyers

Maria Castelos

Victor Réfega Fernandes

Fernando Campos Ferreira

Luís Sáragga Leal

### Gonçalves Pereira Castelo Branco e Associados

Political contacts are a strength at Gonçalves Pereira – managing partner Manuel Castelo Branco was a former assistant to the Portuguese secretary for finance – and the firm continues to rank in the top tier in this area. Castelo Branco is highly commended by his peers, especially for his uncompromising but diplomatic style. Maria João Ricou is also well thought of.

The firm's clients include Electricidad de Portugal, Alstom, Moniz da Maia Serra Fortunato (MSF), Empreiteiros and Somague. Deal highlights of the past couple of years include advising on the concessions for a toll highway linking Lisbon and Oporto worth €694 million (\$837.2 million). Gonçalves has also advised on a number of international public tenders including deals for the construction of toll highways in Ireland and Greece.

#### Key contact partners

Manuel Castelo Branco

Diogo Perestelo

#### Leading lawyers

Manuel Castelo Branco

Diogo Perestelo

Maria João Ricou

#### Linklaters

Partner Pedro Siza Vieira, who peers pick out as the leading adviser at Linklaters, has extensive experience in project finance. Siza Vieira has advised on projects to construct a railway over the Tagus river bridge and to build a new football stadium in Lisbon. His clients include Auchan, Espírito Santo Group, BPI, Barraqueiro Group and Somague.

Since opening in Portugal in 2001, Linklaters has also been involved in bidding for government contracts to build hospitals under Portugal's new healthcare initiative, and is advising the government on the first public-private partnership project under new guidelines – a €500 million (\$603.1 million) deal to build an emergency telecoms system.

During 2002, the firm worked on the high-profile €330 million Metro Sul do Tejo light rail concession, advising the sponsors. This was the first build-operate-transfer project in Portugal. Other work has seen Linklaters advise Fertagus on the €200 million renegotiation of the financing for the Tagus Rail Link project.

Linklaters' other work has included advising on the West Highway concession (the first project financing of a highway in Portugal), acting for HypoVereinsbank and BCP on toll road projects, representing Transgás on a project involving a liquid natural gas terminal and advising Somague on a tender for the Azores Shadow toll highway concession.

**Key contact partner**

Pedro Siza Vieira

**Leading lawyer**

Pedro Siza Vieira

**Morais Leitão Galvão Teles Soares da Silva & Associados**

The newly merged Morais Leitão J Galvão Teles & Associados combines two already noteworthy project finance practices, each of which would have been close to making the top tier on its own. Luís Branco, who left Abreu & Marques to join Miguel Galvão Teles João Soares Da Silva e Associados in 2001, is seen as one of the leading individuals in the market, while the team at Morais Leitão, led by Filipa Arantes Pedroso, is described by clients as “clearly a winner” due to its extensive work on infrastructure projects.

In fact, Morais Leitão advised on Portugal’s first project of this type (the Vasco de Gama Bridge over the Tagus river) in 1991 and has advised on every Portuguese infrastructure project since. The firm also advised on the project financing for the construction of three new football stadiums for the Euro 2004 football championships: one for Sporting Clube de Portugal worth €104 million (\$117 million), a second for Futebol Clube do Porto and a third for Sport Lisboa e Benfica. The firm also acted for Natexis and Fortis Bank on several water projects, and has been active on toll road and healthcare projects over the past few years.

At Miguel Galvão, Luís Branco’s team has carried out work for Caixa BI, BESI, BCPI, Vivendi Water Portugal and AGS Aquapor. Branco also worked on financing Sporting Clube de Portugal’s new stadium in time for Euro 2004, as well as previously working on the €700 million financing of Electricidad de Portugal opposite Allen & Overy, the financing being provided by Barclays Capital and BNP Paribas.

**Key contact partner**

Filipa Arantes Pedroso

**Leading lawyers**

Luís Branco

João Morais Leitão

Filipe Marques

Filipa Arantes Pedroso

**Vieira de Almeida & Associados**

The project finance team of four partners and 10 associates at Vieira de Almeida is headed by the much-lauded Manuel Protásio.

Among the deals that have earned the firm a growing reputation for its work in this field, Protásio advised the sponsors on one of the government’s new public-private partnership projects to build the Hospital Loures. Vieira de

Almeida has also worked on the Paço Ferreira water concession, and acted for the sponsors of Brisa on the Litoral Centro project, with Joao Vieira de Almeida advising.

**Key contact partner**

Manuel Protásio

**Leading lawyers**

Manuel Protásio

Vasco Vieira de Almeida

**Uría & Menéndez**

While it is difficult to distinguish between the top-tier firms for project finance in Portugal, the Lisbon office of Uría & Menéndez (formerly Vasconcelos F Sá Carneiro Fontes & Associados until the two firms merged earlier this year) sits in the second tier on its own. When it was a separate firm, Vasconcelos was smaller than its tier-one rivals, but the quality of its advice was rarely questioned and the tie-up with Uría will certainly extend its international reach. Having said that, Vasconcelos was seen to be first and foremost a capital markets specialist firm.

The merger with Spain’s Uría & Menéndez will give it some of the critical mass that is so sought after among the smaller Portuguese firms. This should help the combined firm to build on some of Vasconcelos’s already impressive transactional work, such as advising NAB Capital Bank on a 4MW wind farm deal that closed in August 2002, a deal that, according to some rival firms, should be a contender for Portugal’s project financing of the year. The firm also advised Caixa de Depósitos and Banco Espírito Santo alongside Linklaters on the project to build the Lisbon light train line.

**Key contact partner**

Francisco Sá Carneiro

**Other notable firms**

**Abreu & Marques Vinhas e Associados** is seen as weakened because of the highly rated Luís Branco’s move to Miguel Galvão. But the firm does retain Jorge de Abreu, who continues to be a respected name in the projects field. As in other areas of practice, António Frutuoso de Melo at **António Frutuoso de Melo e Associados** is also highly regarded, although the firm is small by comparison with some of its rivals in higher tiers. And **Simmons & Simmons Rebelo de Sousa** is well thought of, although it too is stronger in areas other than projects.