Spain

Chamber of commerce:
Consejo Superior de Camaras de Comercio, Industria y Navegacion de Espana
Velazquez 157
Madrid 28002
Spain
Tel: +34 91 590 6900
Fax: +34 91 561 5812
Email: ext.boni@cscamaras.es
Website: www.camerdata.es

Professional body:
Consejo General de la Abogacia Espanola
Paseo Recoletos 13
Madrid 28004
Spain
Tel: +34 91 523 2593
Fax: +34 91 523 2593
Email: informacion@cgae.es
Website: www.cgae.es

New legislation aims to improve transparency

Pere Kirchner and Antonio Baena
Cuatrecasas
Madrid

To increase the protection to minority shareholders, there have been important changes in the Spanish corporate governance regime since July 2003, aiming to develop the transparency and disclosure obligations of listed companies, issuers of listed securities and savings banks.

The starting point of the new legislation was the Transparency Act (Ley de Transparencia or Ley Aldama), which was passed by the Spanish parliament on July 8 2003. The Act, based on the non-binding Aldama Report, amended the Securities Market Act and the Public Companies Act.

Despite its broad scope, the Transparency Act left certain matters pending further legislative action by the Treasury. The Treasury's regulation was passed on January 9 2004, when Regulation 3722/2003 of December 26 came into force.

The main amendments implemented by the Transparency Act and Regulation 3722/2003 are:

Directors

The Transparency Act sets out new duties for directors, such as: (i) bans on the exercise of voting rights in the event of a conflict of interest; (ii) duties to disclose transactions between the directors and the company or its group; and (iii) bans on the execution, or proposal, of transactions between the directors and the company if the directors are in possession of inside or confidential information.

The Transparency Act also includes amendments to the Public Companies Act regarding directors' duties of diligent administration, fidelity, loyalty and confidentiality.

Shareholders' agreements

Shareholders must immediately report the signature, extension or modification of any shareholders' agreement that may affect the exercise of voting rights or the free transferability of shares, convertible or exchangeable securities. The duty extends to agreements executed at the level of holding companies.

The shareholders' agreement must be communicated to the National Securities Market Commission (the CNMV); and registered at the Mercantile Registry. The agreement will be publicly disclosed as a so-called relevant event (*hecho relevante*). If the agreement has not been communicated, registered and published it will not be binding.

Any shareholders' agreement that existed before the enactment of the Transparency Act, and that affects more than 5% of the equity or voting rights of the company, must be disclosed before July 19 2006. In the event of a takeover bid for a company where such shareholder agreements are in place, disclosure must be immediate. Only in exceptional circumstances may the CNMV exempt the disclosure.

A significant development is that shareholders' agreements signed, modified or extended since the enactment of the Securities Market Act (July 1988) by shareholders that hold over 25% of the voting rights of a company who had not launched a takeover bid at that time will be null and void, regardless of whether such agreements have been registered and made public or will be made public in the future.

Internal regulations of the board of directors and of the general shareholders' meeting

The Transparency Act requires and regulates the preparation, before July 19 2004, of internal regulations both for the general shareholders' meeting and for the board of directors. Once they have been approved, they must be filed with the CNMV and registered at the Mercantile Registry.

Annual report on corporate governance

Listed companies and issuers of listed securities must issue an annual report on corporate governance disclosing the corporate governance structure and its practical implementation. The report will be sent to the CNMV and will be publicly available as a relevant event. It must be published for the first time in relation to the 2003 fiscal year, when calling the general shareholders' meeting to approve the 2003 annual accounts (for savings banks the first publication will be for the 2004 fiscal year).

Regulation 3722/2003 has initially developed the minimum content and structure of the report. They will subsequently be developed by a standard form of annual report to be issued by the CNMV. The report must include, at least, the following issues: (i) ownership structure; (ii) management structure; (iii) intragroup transactions and transactions with shareholders and directors; (iv) risk-control mechanisms; (v) procedure of the shareholders' meetings; and (vi) the degree of compliance with the recommendations on corporate governance.

Reporting rights and mechanisms

The Transparency Act regulates the information that shareholders may request before and during the general shareholders' meeting, and the way the directors must provide this information. Regulation 3722/2003 also regulates the disclosure of relevant events and imposes an obligation on listed companies to have a website before February 9 2004 that contains certain information regarding the company.

Votes in the general shareholders' meeting

The Transparency Act establishes that voting on matters listed on the meeting agenda may now also take place by electronic means, as well as by traditional means such as proxy, post, or any other, so long as "the identity of those exercising their voting rights is properly guaranteed". The votes sent by any of these means will be taken into account to calculate the quorum of the meeting.

Savings banks

The scope of the Financial Act extends to savings banks, imposing on them certain corporate governance duties, such as the publication of an annual report on corporate governance and the establishment of remuneration and investment committees. The obligations contained in Regulation 3722/2003, however, do not apply to savings banks. The Treasury has preferred, instead, to pass a specific new piece of legislation, Regulation 354/2004 of February 17, imposing on them, among other things, the obligation to disclose their loans to political parties.

Process not complete

Although subject to criticism, the new corporate governance regulation implemented in Spain has brought about significant developments. The process, however, is not completed yet. The CNMV must further develop the corporate governance regime. Additionally, it is expected that the recommendations of the Olivencia and Aldama Commissions will be consolidated into a single report.

Banking

Recommended firms
Clifford Chance
Uría & Menéndez
Allen & Overy
Cuatrecasas
Freshfields Bruckhaus Deringer
Garrigues
Linklaters
Gómez-Acebo & Pombo
Ramón & Cajal Abogados
Squire Sanders & Dempsey

Clifford Chance

"Clifford Chance is no doubt the best firm in this area," says one commentator, and banking expertise is at the core of the firm's reputation in Spain as a corporate and financial law firm. With the quality of the London office behind it, Clifford Chance Madrid is seen as the strongest in the market for both international and local advice.

The firm's banking practice, led by managing partner Jaime de San Román, advised the 11-bank syndicate on the largest deal of the past year – a €1.7 billion ($2.08 billion) loan to Sogecable to launch the new Digital Plus service. Clifford Chance's team on the deal, led by Alberto

Manzanares, helped pull the deal together in a compressed timeframe in the run up to the continental summer break.

Other syndicated lending work during the past 12 months saw Manzanares leading teams advising Citibank, BBVA and Barclays on acquisition financings. And the firm as a whole represented Banco Popular, Goldman Sachs and La Caixa on acquisition financing and general corporate financing deals. Manzanares also led Clifford Chance's team advising telecoms company Auna Group on its €4.5 billion financing, which was one of the largest and most complex of the past year.

Jaime de San Román is highly regarded by his peers, particularly for his commercial understanding. After spells working in-house at Sears Roebuck de Espana between 1980 and 1983 and later as in-house counsel for Citibank's Spanish operation between 1984 and 1990, San Román is one of the most experienced lawyers in the industry. Also well regarded is Javier Lopez Anton, who worked in-house in the corporate banking section of Deutsche Bank for four years in the early 1990s.

The firm has a strong relationship with Société Générale, working on its financing of the takeover of industrial components manufacturer Isolux, for example. Deutsche Bank and JP Morgan are also clients.

Key contact partner
Jaime de San Román

Leading lawyers
Alberto Manzanares
Jaime de San Román

Uría & Menéndez

Luis de Carlos is Uría & Menéndez's most respected finance lawyer, and one of the most respected lawyers in the Spanish market as a whole. His track record includes extensive work on Spain's privatization programme as well as banking and capital markets work. Also highly rated by peers is Salvador Sánchez-Terán.

The past year has seen Uría advise on two landmark banking transactions, the €4.5 billion ($5.5 billion) loan to Auna Operadores de Telecomunicaciones to refinance existing debt, and the $200 million restructuring and refinancing of Spain's Atlantic Copper's debt. The Auna financing, on which Uría led due diligence on the company and the renegotiation of existing lending agreements, was one of the largest in the sector and one of the largest in Spain last year. More recently, the firm has advised the banks, led by Citigroup, on the $835 million refinancing of BSN Glasspack after its sale to Owens-Illinois of the US.

The firm's clients include Banco Bilbao Vizcaya, Banco Santander Central, Bank of America, Crédit Lyonnais, Barclays and Citibank, among others.

Key contact partners
Emilio Díaz Ruiz
Juan Miguel Goenechea
Salvador Sánchez-Terán

Leading lawyers
Luis de Carlos
Emilio Díaz Ruiz
Juan Miguel Goenechea
Rafael Sebastián

Allen & Overy

Allen & Overy has built a strong banking practice in the short time since the firm launched its Madrid office in 2002. Despite being much smaller than UK rivals, the firm has won some impressive mandates over the past year.

These include advising the banks opposite Uría & Menéndez and Clifford Chance on the €4.5 billion ($5.5 billion) restructuring and refinancing of the debt of Auna Group and advising Sogecable on financing, as well as other aspects, its merger with Via Digital. Allen & Overy has also built a strong relationship with Iberia, acting as the airline's principal adviser on asset finance transactions. Other clients over the past 12 months have included the European Investment Bank and Société Générale.

The firm hired Fernando Torrente García de la Mata from Cuatrecasas in 2002, who covers corporate finance including banking and is highly regarded by his peers. Iñigo Gómez-Jordana, who joined Allen & Overy from Clifford Chance to launch the Madrid office is also strongly recommended both for advice in the area of banking as well as capital markets and structured finance work.

Key contact partner
Iñigo Gómez-Jordana

Leading lawyers
Fernando Torrente García de la Mata
Iñigo Gómez-Jordana

Cuatrecasas

The banking practice at Cuatrecasas is said to have suffered a little after losing partner Fernando Torrente García de la Mata to Allen & Overy, but five new hires have swelled the ranks of the banking team, including one new partner, Fernando Vivar Gozálvez, who joined from an in-house position with BBVA. In total, Cuatrecasas has seven partners and 35 associates dedicated to banking and finance work and draws on an international network of offices, including bases in New York, Brussels, Paris, Portugal, Argentina and Brazil.

Eduardo Ramírez, who heads the banking and insurance team, has particular experience on tax issues, having worked as deputy director general of the Office of Taxation of Financial Transactions, in the Ministry of Economy and Finance, between 1987 and 1995. Ramírez is also a former member of Spanish delegations in numerous EU working groups on financial matters.

The firm has advised Maxblue Americas Holding in relation to the development of a private banking and internet banking project in South America. And, acting for a selection of leading banks, the firm has designed and executed national and international structured products for private banking in Spain.

Clients include Lloyds TSB, MBNA American Bank, Deutsche Bank, Credit Suisse First Boston, Fidelity Investments International, Morgan Stanley Dean Witter and UBS Warburg.

Key contact partner
Eduardo Ramírez

Leading lawyer
Eduardo Ramírez

Freshfields Bruckhaus Deringer

The highly recommended Fernando Bautista ("a true star lawyer") heads a banking team of six partners and 10 associates at Freshfields, which counts Spanish banks Banco de Sabadell Banco Urquijo and BBVA among its most valued clients, as well as international banks such as Deutsche Bank, JP Morgan Private Bank and Lehman Brothers.

Last year, the firm advised on Spanish elements of a €336 million ($411.8 million) term facility and revolving credit agreement between the German manufacturer of car parts Edscha and Bayerische Hypo- und Vereinsbank as lead arranger. The firm also worked for Banco de Sabadell in relation to the financing for the acquisition by Molí Vell International of a 20% stake in and €115 million refinanincing of its subsidiary, Europastry.

Earlier landmark deals include advising the Royal Bank of Scotland on the €250 million permanent financing of the Hotel Arts in Barcelona. And in April 2003 the firm acted as counsel to Gas Natural as borrower on the €6.3 billion financing of its bid for Iberdrola.

Key contact partner
Fernando Bautista

Leading lawyer
Fernando Bautista

Garrigues

Garrigues has seven partners and 14 associates concentrating on banking work. The team, which is headed by banking partners Rafael González-Gallarza (Madrid) and Ramón Girbau (Barcelona), has worked on a series of eye-catching transactions over the past year. In October 2003, for example, the firm advised the lead managers (Banco Santander Central Hispano, Banco Bilbao Vizcaya Argentaria, Crédit Agricole Indosuez and Ahorro Corporación Financiera) on a €1.6 billion ($1.96 billion) facility to finance the acquisition of the Spanish public toll highway company, ENA, from Sepi.

The firm followed this, in November, with work on a €200 million syndicated financing for Tecmed, representing the banks. And in December the firm acted on a €237 million financing for the lease of subway trains by Barcelona's metropolitan transportation agency to a special purpose vehicle owned by Construcción y Auxiliar de Ferrocarriles and Caja de Ahorros y Monte de Piedad de Guipúzcoa y San Sebastián.

Previously Garrigues advised Red Eléctrica de España on €1.5 billion-worth of financing to fund its acquisition of Unión Fenosa and Endesa's transmission assets. Banco Santander Central Hispano, Crédit Lyonnais, Dexia, BBVA, Crédit Agricole and the European Investment Fund are clients of the firm, as are Caixa d'Estalvis I Pensions de Catalunya and Caja d'Ahorros y Monte de Piedad de Madrid.

Garrigues has 20 offices in Spain, with foreign outposts in New York and Brussels. The firm also boasts its own training college, the Centro de Estudios Garrigues, which offers tailor-made qualifications, including a banking and finance masters degree designed by lawyers at the firm.

Key contact partners
Ramón Girbau (Barcelona)
Rafael González-Gallarza (Madrid)

Leading lawyers
Carlos Loring
Javier Ybáñez

Linklaters

Two partners lead Linklaters' finance practice in Madrid: Iñigo Berricano, who joined the firm from Uría & Menéndez in 1999, and Alejandro Ortiz, who joined from Garrigues in 2000. Both Berricano and Ortiz are highly regarded in the market. Conrado Tenaglia, who has a particularly strong reputation for exchangeable and convertible bond work as well as advising on bank finance, has also moved to Madrid from Linklaters' New York office.

The firm has advised on several high-profile syndicated financings in Spain recently, most notable among them a €3 billion ($3.68 billion) multicurrency revolving credit facility for Telefónica and a €1.56 billion bridge facility for Red Eléctrica de España to finance the acquisition of assets from Endesa and Union Fenósa, on which Linklaters acted for the banks. Previous work includes advising Barclays Capital, Citibank and JP Morgan on a €2 billion facility for Adygesinval and Hidroeléctrico del Cantábrico, a utilities company, to refinance existing debt.

The firm has represented most of the leading international investment banks, including Goldman Sachs, Morgan Stanley, Merrill Lynch, BNP Paribas, RBS, Barclays and Société Générale. Leading Spanish banks (BBVA, Banco

Cooperativo Español, Endesa, Amadeus, Banesto and Unión Fenosa) are also clients. In particular, Linklaters has sought to strengthen its ties with BBVA, BNP Paribas and BSCH, which the firm sees as an active source of business on financings for leveraged buyouts.

Key contact partner
Iñigo Berricano

Leading lawyers
Iñigo Berricano
Alejandro Ortiz

Other notable firms

Among the other notable firms for banking work, **Gómez-Acebo & Pombo** is well regarded both for syndicated lending work and for bank regulatory advice. Fernando Igartua and Fernando de las Cuevas are especially commended. Clients of the firm include Ahorro Corporación Financiera, Caixanova, WestLB, Banco Español de Crédito and BBVA. **Squire Sanders & Dempsey** is strong in the area of telecoms in particular, although the firm is seen as stronger for projects work than for straight bank lending. Javier Santos is recommended. **Ramón & Cajal Abogados** is a highly respected boutique focused mainly on capital markets work, but worthy of mention for banking advice also.

Capital markets

Recommended firms
Uría & Menéndez
Clifford Chance
Cuatrecasas
Freshfields Bruckhaus Deringer
Garrigues
Ramón & Cajal Abogados
Allen & Overy
Gómez-Acebo & Pombo
Linklaters
Albiñana & Suárez De Lezo
Baker & McKenzie
Squire Sanders & Dempsey

Uría & Menéndez

Uría & Menéndez continues to be the outstanding Spanish firm for capital markets work, standing "head and shoulders above the rest for its uniformity of service." Partner Luis de Carlos is one of the figureheads of the securities market in the country, being the first lawyer truly to specialize in the field and "one of the most prestigious lawyers in Spain". Capital markets specialists recount how during the 1980s de Carlos was one of only two lawyers (the other being Sebastián Albella Amigo from Ramon & Cajal) to enjoy a close relationship with the securities regulators. Partner Gabriel Núñez, who worked on the recent €1.38 billion ($1.69 billion) Fadesa initial public offering (IPO) in Spain (the first for some years) is also highly respected.

The equity markets in Spain have been quiet, with the Fadesa deal breaking a two-year drought for IPOs. Besides Fadesa, the landmark transaction of 2004 has been the €750 million flotation of Telecinco in June, and Uría underlined its reputation for equity capital markets advice by winning the role as adviser to the company on that deal also.

Other innovative transactions included advising on the first securitization of receivables from the sale of electricity, a deal that cuts a path for energy-related securitizations in Europe. Uría's David García Ochoa, Luis Pastor and Rafael Sebastián worked for Banco Santander Central Hispano (as lead manager) and Unión Fenosa Distribución and Unión Fenosa Comercial (as originators) on the deal.

The firm's practice advising on mortgage-backed transactions is also strong, and Uría advised on the Bancaja 6 deal at the end of 2003. Worth €2 billion, this was the largest Spanish mortgage-backed securitization to date and the second largest transaction of its type in the Euro-zone.

The highly commended Ramiro Rivera leads the firm's securitization team, while Rafael Sebastián and García Ochoa (who did a "tremendous job" on the Unión Fenosa transaction) are also well regarded.

In convertibles, Uría advised on the first transaction to secure the recognition of Spanish tax residency for a wholly owned foreign subsidiary. The €162.3 million deal for media group Prisa was also the first to develop a way of identifying the end holders of securities to comply with new Spanish regulations on the movement of capital. Gabriel Nuñez and Luis de Carlos advised Prisa.

Uría previously advised Morgan Stanley on Iberdrola International's issue of $740 million bonds exchangeable into Repsol shares, the first exchangeable bond issue in Spain.

Key contact partners
Carlos de Cárdenas
Luis de Carlos
Ramiro Rivera
Salvador Sánchez-Terán
Rafael Sebastián

Leading lawyers
Luis de Carlos
Ramiro Rivera
Rafael Sebastián

Clifford Chance

The capital markets team at Clifford Chance, led by Jaime de San Román, formerly in-house counsel at Sears Roebuck de España and head in-house counsel at Citibank Spain, is seen as a clear leader for debt capital markets advice in Spain and is highly regarded for securitization work also. The firm's reputation for equity work is a little less strong.

Alongside Jaime de San Román, Manuel Sánchez de Movellán, who was made partner in 2001, is seen as a star lawyer in the firm's capital markets team. For securitization work, the "outstanding" José Manuel Cuenca is highly regarded.

Clifford Chance's international reputation for securitization deals is matched in the Spanish market where the securitization group continues to advise on groundbreaking deals. One example was the securitization of regulatory payments to Union Fenosa for electricity sold below market value in preceding years. This deal, on which a team led by José Manuel Cuenca advised the banks, was the first securitization for a utility in Spain.

Clifford Chance has also advised on a steady flow of global and European medium-term note work. Debt capital markets clients include Caja Madrid, Bankinter, and Telefónica as well as UBS, HSBC, Lehman Brothers, Morgan Stanley, Goldman Sachs and JP Morgan.

The firm also represented Credit Suisse First Boston, Dresdner Kleinwort Wasserstein and JP Morgan as lead managers of Banco Popular's groundbreaking preference share issue. This was the first such issue to follow new laws passed in July 2003 that discourage the use of offshore centres for raising regulatory capital.

Key contact partner
Jaime de San Román

Leading lawyers
José Manuel Cuenca
Carlos Hernández-Canut
Jaime de San Román
Manuel Sánchez de Movellán

Cuatrecasas

Cuatrecasas has moved senior capital markets specialist Pere Kirchner to the capital from Barcelona, in part to fill the gap left in Madrid after Fernando Torrente García de la Mata left to join Allen & Overy in 2002. Torrente was the driving force behind the firm's capital markets practice, but Cuatrecasas has faired reasonably since his departure, most notably in the area of securitization.

Here the deal flow looks good, although Cuatracasas is noted more for its work on reasonably conventional deals rather than groundbreaking transactions. Rafael Mínguez leads the securitization group, which over the past year has advised on the incorporation of a €950 million ($1.17 billion) securitization guaranteed by the Generalitat de Catalunya, plus further deals by Banco Pastor (€225 million) and Bancaja (€1 billion and €1.5 billion). Clients include Credit Suisse First Boston, WestLB, Bank One, UBS Warburg and Europea de Titulización.

Equity capital markets work has been slow in Spain over the past few years, and Cuatrecasas did not win a place advising on either of the two large initial public offerings this year, Fadesa and Telecinco. The firm has been active, however, advising on a number of block deals, such as the €69 million purchase by Smithfield Foods of a 15.2% stake in Campofrío Alimentación in which Cuatrecasas represented the buyer, and the offering by Saint Louis Sucre of its 14.2% stake in in Ebro Puleva through an accelerated bookbuilding worth €196.4 million.

In straight debt capital markets, the firm advised Barclays Capital on a €150 million issue of exchangeable bonds by Sol Meliá, as well as working on a guarantee scheme for Global Crossing's Spanish branches in the context of its $200 million issuance of senior secured notes. The work for Sol Meliá follows previous advice on the company's issue of preference shares.

In the past Cuatrecasas advised Banco Santander Central Hispano and Merrill Lynch on the $477 million public offering of Spanish airline Iberia, one of the biggest capital markets deals in the country of recent years.

Key contact partners
Emilio Coco
Pere Kirchner
Rafael Mínguez

Leading lawyer
Pere Kirchner

Freshfields Bruckhaus Deringer

Since setting up in Spain in 1991, Freshfields Bruckhaus Deringer has successfully built a practice that is recognized for the quality of its coordination of UK and Spanish law advice in particular.

Over the past year the firm has advised on a number of innovative equity deals, capped by a role advising Dresdner Bank on the €750 million ($919.8 million) Telecinco offering in June. Before that, Freshfields worked on high-profile rights issues for Corporación Mapfre ($500 million) Banco Sabadell ($1.2 billion) and Red Eléctrica de España (€415 million), acting for the company on the first deal and the underwriters on the second and third.

In October 2003, Freshfields advised the financial advisors on the distribution to Telefónica shareholders of shares in its subsidiary Antena 3 and the admission to listing of those shares. And in early 2004, a team from the Madrid office worked on Spanish aspects of German airline Lufthansa's innovative accelerated bookbuilding to raise €394 million.

In the area of securitization the firm has an extensive deal list, including a wealth of mortgage-backed transactions on which it has represented clients such as the European Investment Bank, Deutsche Bank and Credit Foncier de France. Freshfields also acts as a regular adviser to Fitch ratings on the assessment of deals. And in the area of auto loan securitizations, the firm has acted on a number of groundbreaking transactions, such as a €1.44 billion deal for Peugeot, which used a new type of Spanish special purpose vehicle for the first time. The firm has also advised on deals for Ford Group, under the Globaldrive programme.

Fernando Bautista, who has extensive experience advising on Spanish securitizations, is highly regarded in the market for his work on securitizations as well as more straightforward debt work. Almando Albarrán is also highly thought of.

Looking a little further back, Freshfields secured a role on Spain's only initial public offering of 2002, the global offering of ordinary shares of Enagás and the listing of Enagás on the Spanish stock exchange. The transaction, on which the firm advised Gas Natural and Enagás itself, was valued at €917 million.

Freshfields also advised the International Securities Market Association (Isma) on monitoring the enactment of Spain's new Draft Financial Law and drafting a Spanish annex to the global master repurchase agreement to cater for the peculiarities of the Spanish public debt market system. Merrill Lynch, Schroder Salomon Smith Barney, UBS Warburg and JP Morgan are all regular users of the firm in Spain.

Key contact partners

Fernando Bautista
John Byrne
Monica McConville

Leading lawyer

Fernando Bautista

Garrigues

Led by the well-respected Fernando Vives, the securities practice at Garrigues is a strong one. The highly commended Javier Ybáñez in Madrid, seen by the market as the firm's most outstanding lawyer, and Lluis Esquerra in Barcelona lead the firm's work on debt capital markets. Ybáñez is particularly respected for his securitization expertise.

On structured deals Garrigues has enjoyed a good 12 months, acting on a range of transactions that together won the firm *IFLR*'s award for Spanish law firm of the year. The most innovative of these was the €300 million ($368 million) receivables securitization launched by construction company Dragados, which was the first receivables deal of its kind in the Spanish market.

Elsewhere the firm advised on a range of transactions backed by portfolios of mortgage bonds (*cédulas hipotecarias*),advising Banco Sabadell, Caja Madrid, EBN, Caja de Ahorros del Mediterráneo and Intermoney Valores on deals worth between €500 million and €2 billion.

This success builds on the previous year's work advising on similar deals for some of the same clients, such as the €696 million Hipocat 5 deal, for Caixa Catalunya; TDA Pastor, for Banco Pastor, worth €500 million; and the €999 million TDA CAM 1 securitization for Caja de Ahorros del Mediterráneo. Garrigues has worked on some high-profile securitizations of other assets too, for example, the €850 million issue of bonds backed by consumer car loans originated by Hispamer.

The firm maintains an impressive client list for straight debt work, including Banco Bilbao Vizxaya Argentaria, Unión Fenosa, Caja de Ahorros de Salamanca y Soria, Iberia Líneas Aéreas de España and Torras Papel Group. Eye-catching deals over the past 12 months have included a €100 million issue of preferred securities and €150 million issue of subordinated notes by Caja Duero, on which Garriues advised the issuer, and a €700 million issue of a bond covered by loans granted to public administrations (*cédulas territoriales*) for Dexia Sabadell Banco Local. Garrigues advised Dexia.

These deals follow a recent track record of advising on the innovative end of the spectrum of straight debt work. Among the high-profile deals that the firm has worked on in recent years, Garrigues acted on a €2.2 billion issue of subordinated financial contributions by supermarket chain Eroski. This was the first issue of fixed interest securities to be governed by Basque regional laws.

On the equity side the firm advised state shareholder Sociedad Estatal de Participaciones Industriales on the $477 million public offering of Spanish airline Iberia, one of the biggest deals in the recent past in Spain. And Garrigues lawyers advised on two stand-out deals during the past year: the listing of Antena 3 Televisión and a €2 billion capital increase for Banco Bilbao Vizcaya Argentaria (BBVA). Fernando Vives, Javier Ybáñez and José Luis Palao together represented Telefónica and Antena 3 in the first deal. Javier Ybáñez again led the team on the second, this time alongside Luis de la Peña and Pablo San Gil.

Key contact partners

Carlos Loring
Fernando Vives
Javier Ybáñez

Leading lawyers

Carlos Loring
Javier Ybáñez

Ramón & Cajal Abogados

Ramón & Cajal is extremely highly regarded as a boutique capital markets firm in Spain, in large part due to the quality and experience of founding partner Sebastián Albella. Alongside Uría's Luis de Carlos, Albella is one of the most widely respected figureheads of Spanish capital markets law. During the 1980s he was seen as one of the few individuals to go to when seeking quick and reliable access to national securities regulators.

The firm is seen as "a magnificent firm to work with, very professional and with excellent lawyers" and "an excellent boutique". And clients praise Albella individually for his "technical level, creativity and flair".

Albella is a former secretary to the board at Hidroeléctrico del Cantábrico and a former director of Spanish mortgage bank Banco Hipotecarion de España. He was secretary of the board and head of the legal department at the Spanish securities committee for three years and, before that, worked in the government's Treasury and Financial Policy Department as head of the legal department and then as deputy director of financial legislation and policy. During this time he worked on the reform of securities legislation. Albella also sat on several working groups of the European Council and the European Commission, including acting as chairman of the European Council working group that finalized the text of the 1989 EU directive on insider trading.

The view that the quality of the firm's advice rivals that of market leader Uría & Menéndez is widely held, although the difference in size of the two firms means Ramón & Cajal is focused on fewer areas, being less active in securitization, for example.

In equity capital markets, the firm took a role advising on the €500 million Fadesa initial public offering (IPO), which was the first new offering in Spain for two years. Ramón & Cajal has also worked for 15 of the 35 companies on the Ibex-35 index, the leading index of the Spanish stock exchange.

Previous landmark deals on which the firm advised include the $120 million privatization of the state-owned paper and pulp company ENCE, the only privatization in Spain during 2001, and the $2 billion IPO by Inditex, one of the few initial public offerings that year.

Key contact partner
Sebastián Albella

Leading lawyer
Sebastián Albella

Allen & Overy

Allen & Overy's office in Madrid has developed a good reputation as a team capable of providing top-quality advice despite its small size, and is rising in the estimation of clients steadily. "Allen & Overy is entering into a new phase of trying to be more aggressive and will probably be more active from now on," says one.

Led by the highly respected Iñigo Gomez-Jordana, who joined from Clifford Chance in 2001, the office is able to compete for the most high-profile deals. The firm recently won the mandate to advise the banks on Telecinco's €750 million ($920 million) initial public offering, for example, which was the biggest equity deal in Spain for over two years.

In securitization A&O has carved out a healthy practice, advising on a number of significant deals, such as a €1.250 billion asset-backed issue by FTA UCI 9, a €1 billion mortgage-backed issue by FTA Bancaja 5 and a €800 million mortgage-backed issue by AyT Génova Hipotecario II. The firm has also worked on drafting government regulations on the electricity tariff deficit with a view to securitizing the due payments to electricity suppliers. Clients for structured finance work include Endesa, SCH, Standard & Poor's, Iberdrola and Royal Bank of Scotland.

In straight debt capital markets the firm represents a number of entities on medium-term note and commercial paper programmes, including recent deals for Generalitat Valenciana and Madrid Finance as well as conventional Eurobond work for clients such as BBVA, Crédit Agricole and HSBC.

Equity capital markets work that the firm has completed includes a recent capital increase for Sogecable before its merger with Vía Digital. Allen & Overy is also principal counsel to Iberia.

Key contact partner
Iñigo Gomez-Jordana

Leading lawyer
Iñigo Gomez-Jordana

Gómez-Acebo & Pombo

Gómez-Acebo & Pombo has a smaller team working on capital markets transactions than other Spanish firms, but clients report that the quality of the firm's service is excellent.

In securitization, especially, Gómez-Acebo has done some impressive work, advising as sole transaction counsel on the first cashflow securitization backed by loans to the public sector (*cédulas territoriales*) issued by 16 Spanish savings banks, a deal worth €1.4 billion ($1.7 billion). The firm also advised recently on the biggest securitization of Spanish mortgage bonds to date.

In the area of debt capital markets Gómez-Acebo has recently advised on two bond issues for Banco Gallego, while Caixanova, El Monte, BEI and CECA are all regular clients. Says one in-house lawyer: "The only difference between Gomez-Acebo and Uría & Menéndez is that Gomez-Acebo is more competitive on price. The level of service is the same." Others praise the firm for the availability and helpfulness of its lawyers and for its flexibility on fee structures. Fernando Igartua is highly commended by clients.

Key contact partners

Fernando de las Cuevas
Fernando Igartua

Leading lawyers
Fernando de las Cuevas
Fernando Igartua

Linklaters

Under the guidance of Iñigo Berricano, Alejandro Ortiz and Conrado Tenaglia, the capital markets group at Linklaters has won a solid reputation as a good quality firm without quite challenging the position of Freshfields or Clifford Chance just yet. Berricano, though, is highly regarded by clients and peers alike, and Ortiz is also well respected and well known in the market.

Conrado Tenaglia joined the Madrid office this year from the firm's team in New York and has already built a niche for himself advising on exchangeable and convertible bonds. In Spain, Linklaters has replicated the near monopoly it holds on issues for UK companies, advising the lead managers on every convertible or exchangeable during 2003, with Tenaglia leading the Linklaters team on most deals.

Still being relatively new to Madrid, the firm continues to consolidate relationships with the leading international investment banks active in the Spanish market and with local clients. Goldman Sachs, Merrill Lynch and Morgan Stanley have all used the Madrid team on Spanish deals.

Highlights of the past year, for example, included advising Goldman Sachs on a €2 billion ($2.45 billion) offering by Repsol YPF of shares in Gas Natural, the first deal on which Spanish securities regulators agreed to an accelerated bookbuilding process with a cut-down prospectus, and representing the banks on a €551 million offering by Banco Santander Central Hispano to subscribe for shares in Banesto, on which Linklaters provided both Spanish and US law advice. The firm has also advised Goldman Sachs on a €837 million exchangeable bond offering by Caixa Finance, and advised Ford Credit on an asset-backed issue under its Globaldrive programme.

In straight debt, Linklaters acted for Goldman Sachs once again on a €5 billion medium-term note programme, set up by Sabadell International Finance and Sabadell International Capital and guaranteed by Banco de Sabadell.

Key contact partner
Iñigo Berricano

Leading lawyers
Iñigo Berricano
Alejandro Ortiz
Conrado Tenaglia

Other notable firms

Other respected firms in Spain for capital markets work include **Albiñana & Suárez De Lezo**, **Baker & McKenzie** and **Squire Sanders & Dempsey**, the latter primarily for its telecoms-related work. **Albiñana**'s Luis Miguel de Dios, who is especially highly thought of, led the firm's team advising Banco Santander Central Hispano on two standout subordinated secured debt issues by Eroski and Fagor. These were the first issues of subordinated secured debt by cooperatives in Spain. Clients value the firm for its "professional, fast and highly respected service". **Baker & McKenzie**'s Madrid office wins praise from in-house lawyers for its broad scope and "proactive approach". The firm's Maria Gracia Rubio de las Casas is seen as an "outstanding professional".

Insolvency and restructuring

Recommended firms
Garrigues
Uría & Menéndez
Clifford Chance
Cuatrecasas
Gómez-Acebo & Pombo
Albiñana & Suárez De Lezo
Allen & Overy
Bufete M Vega Penichet
Castro Sueiro & Varela
Freshfields Bruckhaus Deringer
Landwell Abogados y Asesores Fiscales
Linklaters
Ramos & Arroyo
SJ Berwin
Squire Sanders & Dempsey
Ventura Garcés & López-Ibor Abogados
Broseta Abogados Estudio Juridico y Tributario
Deloitte & Touche Juridico y Fiscal
Lupicinio Eversheds
Ernst & Young Abogados
KPMG Abogados
Mullerat
Pintó Ruiz & Del Valle

Garrigues

As insolvency and restructuring work in Spain requires detailed knowledge of the domestic court system, it is not surprising that the two firms with the widest geographical spread, Garrigues and Uría & Menéndez, dominate the insolvency market. Garrigues has six partners and 16 associates working across its 24 Spanish offices.

The firm spent most of 2003 advising Andersen Worldwide on its termination and settlement agreements with all the former firms of the AW Group, which dissolved the previous year. José María Alonso, Garrigues' most highly rated insolvency lawyer, led the team advising Andersen.

At the time of writing, the firm is busy advising Antibióticos as the creditors to the insolvent Chemifarma (and acting as judicial controller on Antibióticos' behalf), advising Synera Systems on its voluntary declaration of bankruptcy and acting for Dutch company M&R De Monchy on the voluntary bankruptcy of Grand Tibidabo.

Key contact partners
José María Alonso
Antonio Fernández
María José Mora

Leading lawyer
José María Alonso

Uría & Menéndez

Uría & Menéndez could hardly help having a leading insolvency and restructuring practice in Spain given the sheer number and expertise of its lawyers across the country. Of particular note is leading lawyer Rafael Sebastián, who is highly recommended by his peers.

The firm's work in recent years has included the Spanish implications of Enron's bankruptcy, the $130 million restructuring of Telefónica Communicaciones Personales' debt, in which it represented the company, and the restructuring of AOL Spain, on which it advised Banco Santander Central Hispano. Uría has also been active advising Caja Ahorros del Mediterráneo on several insolvency cases involving the company in and out of court.

Leading lawyer
Rafael Sebastián

Cuatrecasas

The insolvency and restructuring department at Cuatrecasas is headed by partner Javier Castrodeza, who leads a team of three partners and 12 associates. The firm's reputation has grown over the last few years, particularly for its work on restructurings in Catalonia.

In the last year Cuatrecasas has advised Lauren Films on its €120 million ($147 million) debt restructuring, ING Belgium on its defence as the main creditor to the bankrupt Recuperación de Cultivos in Tenerife, Estampaciones Sabadell on its €100 million debt restructuring, and publishing group Grupo CEAC on the refinancing facilities provided to it by La Caixa, Banco Bilbao Vizcaya Argentaria, Santander Central Hispano and 14 other financial institutions.

Javier Castrodeza is the firm's leading lawyer, highly recommended both by his peers and clients.

Key contact partners
Javier Castrodeza
Alejo López-Mellado
Vicente Luis Montés

Leading lawyer
Javier Castrodeza

Gómez-Acebo & Pombo

José María Álvarez is both the head of the department at Gómez-Acebo & Pombo for insolvency and restructuring work and a leading lawyer in Spain for debt restructuring. As the *IFLR1000* went to press he was busy advising Teleconsorcio on the debt owed to it by Spanish company Avazit. The case began when Avazit suspended a €99 million ($121 million) payment to Teleconsorcio earlier in the year. Álvarez is also working with Francisco Peña and José Ángel Cano on the bankruptcy of Sylvan Learning Spain.

There are only three partners and five associates working on insolvency and restructuring at Gómez-Acebo, less than its peers in the second tier. Half of those lawyers are fluent in French as well as, like the other four, speaking English and Spanish.

Key contact partner
José María Álvarez

Leading lawyer
José María Álvarez

Other notable firms

Clifford Chance is the best of the international firms for insolvency and restructuring, with partner Jaime de San Román standing out as the best lawyer at the firm in this area. Fellow English firm **Allen & Overy** is also good, with two partners and eight associates working under Iñigo Gómez-Jordana.

Local firm **Albiñana & Suárez De Lezo** has a strong reputation for restructuring, with some peers even suggesting the firm should be in the second tier alongside its far larger rivals. The firm was involved with the insolvency of listed company Avanzit, which was one of the most important cases in Spain in recent years, and advised on the suspension of payments, insolvency proceedings and subsequent voluntary bankruptcy for Mecánica De La Peña.

Broseta Abogados Estudio Juridico y Tributario, meanwhile, has one of the best reputations among local firms in the region of Valencia.

Mergers and acquisitions

Recommended firms

Uría & Menéndez

Clifford Chance
Cuatrecasas
Garrigues

Allen & Overy
Linklaters
Freshfields Bruckhaus Deringer
Gómez-Acebo & Pombo

Albiñana & Suárez De Lezo
Araoz & Rueda
Baker & McKenzie
SJ Berwin

Uría & Menéndez

Uría & Menéndez is "undoubtedly the leader" for mergers and acquisitions work in Spain "for its consistent, excellent work". The firm has 20 partners and 83 associates available for M&A deals, among which was Advent International's takeover of Parques Reunidos, one of the most important of the past year. Uría advised American private equity house Advent on the deal, the first public-to-private transaction by a private equity fund in Spain. The US investor bought the shares and convertible bonds of Parques Reunidos for €170 million ($210 million) in November 2003.

At the time of going to press the firm was acting for Banco Santander Central Hispano on the recommended acquisition of Abbey National, the UK's sixth largest bank, for €13.4 billion. Assuming the deal completes it will be Europe's largest cross-border deal in retail banking, and will make Banco Santander the eighth largest bank in the world.

Uría also advised Teekay Shipping on one of the biggest takeovers in the Spanish shipping industry, the $1.35 billion acquisition by Teekay of Naviera F Tapias. Teekay is a leading transporter of crude oil and petrol and Tapias an independent owner and operator of natural gas and oil tankers. Uría also advised Teekay on its agreement with Tapias shareholders to establish a 50-50 joint venture. Among Uría's other deals during the last 12 months were the cash takeover of 16% of Cepsa by Banco Santander, the acquisition by Sacyr Vallehermoso of a majority share in Portuguese construction company Soamague SGPS, the reverse merger of Metrovacesa and Bami Inmobiliaria de Construcciones y Terrenos and the privatization of Basque gas holding company Naturcorp.

The M&A partners that receive the most praise from their peers in the market are Salvador Sánchez-Terán, Jose Miguel Goenechea and head of the department Christian Hoedl.

Key contact partners
Eduardo Geli
Juan Miguel Goenechea
Christian Hoedl

Leading lawyers
Juan Miguel Goenechea
Christian Hoedl
Salvador Sánchez-Terán

Clifford Chance

Clifford Chance has 40 M&A lawyers in Madrid that work on large M&A deals, a good example from last year being the takeover of Banco Zaragozano of Barclays Bank for $1.43 billion. Clifford Chance advised Barclays opposite Garrigues, who advised Banco Zaragozano. The due diligence was complicated by two former co-chairmen, Alberto Cortina and Alberto Alcocer, who had a holding of 40% and corresponding voting rights but had also been sentenced to 40 months in jail earlier in the year for fraud and falsifying documents. Another problem was the fact that 30% of Banco Zaragozano's shares were already pledged to Spanish credit entities. An innovative guarantee structure to replace the pledge over the shares by a pledge over credit rights was put in place to deal with the difficulty.

Clifford Chance also advised on the only other large banking acquisition last year, Banco Sabadell's acquisition of Arab Banking Corporation's majority stake in Banco Atlántico and San Paolo IMI's acquisition of 50% of Allfunds Bank from Santander Central Hispano.

Key contact partners
Javier Amantegui
José María Fernández-Daza
Ignacio Ojanguren

Cuatrecasas

The mergers and acquisitions practice at Cuatrecasas has undoubtedly suffered from the departure of partners such as Fernando Torrente García de la Mata to Allen & Overy, Sanchez Pedreno to Linklaters and, most recently, José Maria Balañá to Lovells. But it has fought back, boosting the team by transferring Javier Villasante from the firm's New York office and hiring three new associates, Ana Brandao, Carlos del Rio and Borja Andreu.

Evidence of this recovery comes in the firm's deal list over the past year. Cuatrecasas worked on the purchase of a stake in Airtel Móvil by Vodafone, the acquisition by Liberty Mutual of insurance company Génesis from MetLife Iberia, the restructuring of the Maxblue internet joint venture between Deutsche Bank and Banco do Brasil in Latin

America and the sale by business travel group Carlson Wagonlit of its Spanish leisure travel interests to Globalia Group.

Cuatrecasas also has one of the country's best-known M&A lawyers in Enric Picanyol, a highly recommended lawyer among both clients and peers.

Key contact partners
Miguel Ángel Melero
Federico Roig
Javier Villasante

Leading lawyer
Enric Picanyol

Garrigues

Although Garrigues has 14 partners and 56 associates working on M&A deals, fewer than its rivals in the second tier, the quality of the firm's work cannot be questioned. Some competitors even believe the firm should belong to the top tier alongside Uría & Menéndez, despite that firm's staff of 103 M&A lawyers.

Garrigues worked on several high-profile deals last year, including the joint venture between Polestar, Prisaprint and Ibersuizas, the privatization of Empresa Nacional de Autopistas and subsequent acquisition by a consortium led by Sacyr Vallehermoso, the sale by Fortis of insurance company Seguros Bilbao to Catalana Occidente and the takeover of Supermercados Alcosto and subsequent acquisition of a stake in Caprabo by La Caixa. These four deals, totalling €2.4 billion ($2.96 billion), were all closed in the last four months of 2003.

The team is led by partner Ignacio Urbistondo and two of the other partners, Ramón Bustillo and Daniel García-Pita, are considered to be among Spain's leading M&A lawyers. They are both mentioned in Euromoney's *Guide to the World's Leading Mergers and Acquisitions Lawyers*.

Key contact partners
Ramón Girbau
Javier Urbano
Ignacio Urbistondo

Leading lawyers
Ramón Bustillo
Daniel García-Pita

Allen & Overy

The reputation of partner Fernando Torrente García de la Mata is enough for Allen & Overy to receive wide praise for its M&A work in Spain. De la Mata now heads the practice alongside UK-qualified lawyer Graham Donnell with a team of 17 associates behind them. That number has grown in the last year with the hiring of three new junior lawyers, two of them from rival firm Cuatrecasas.

A&O, like fellow English firm Clifford Chance, has a reputation for specializing in banking and finance work. Yet its peers also recognize that it "worked on some of the largest mergers of the year". The obvious example is the Dragados and ACS merger, on which A&O advised ACS. The deal put the new company among the five largest contractors in Europe and the 10 biggest in the world. A&O also advised on the largest media deal last year, the merger of digital TV platform Sogecable and Via Digital, the digital subsidiary of Grupo Telefónica. After several months of negotiations the companies managed to create a broadcaster with 2.5 million subscribers and annual turnover of €1.3 billion ($1.59 billion).

Other work includes the management buyout of Spanish charter airline Futura International Airlines by Corpfin Capital, the takeover of Cepsa by SCH (where A&O advised financial advisor Lehman Brothers) and Sage's acquisition of software manufacturer Grupo SP.

Key contact partners
Graham Donnell
Fernando Torrente García de la Mata

Leading lawyer
Fernando Torrente García de la Mata

Linklaters

The Linklaters office in Madrid, led by partner Miles Curley, has been growing steadily in recent years, and 2003/2004 was no exception. It now has eight partners and 43 associates, working mostly on corporate and finance deals.

The mergers and acquisitions department, for its part, spent time advising Ford on the €150 million ($185 million) sale of its Hertz car lease business in Spain, advising on the private offer by FCC (Fomento de Construcciones y Contratas) to acquire Grupo Cespa from Aguas de Barcelona and Suez, and acting for Global Travel Distribution on the purchase of a 16.667% stake in Opodo and its subsequent entry into a joint-venture agreement with nine European airlines.

Álvaro Sáinz is the partner at the firm recommended most highly and consistently by his peers. He is a product of Linklaters' tactic in Spain of hiring high-quality lawyers from competing firms, having come from Garrigues in November 2000. The other notable hire under this scheme in the M&A department is Antonio Sánchez-Pedreño, who joined from Cuatrecasas in 2000.

Key contact partner
Miles Curley

Leading lawyer
Álvaro Sáinz

Freshfields Bruckhaus Deringer

Despite the fact that the Spanish elections in 2004 brought a degree of regulatory uncertainty to the M&A market, Freshfields managed to work on a growing number of transactions throughout last year.

Examples of work are advising Endesa Gas on the build-up acquisition of its stake in Dicogexsa, acting for Lehman Brothers on the successful takeover bid for Terra Lycos (Telefonica's internet subsidiary) by Telefonica, advising Citigroup Global Markets (as financial advisors to the target) on the takeover of Banco Zaragozano by Barclays and advising La Caixa on the investment through its development capital subsidiary of a 20% stake in supermarket outlet Caprabo. The firm was also involved with Advent International's takeover of Parques Reunidos, which was the first public-to-private transaction by a private equity fund in Spain. Freshfields advised Parques Reunidos opposite Uría & Menéndez.

Two lawyers are particularly recommended – Joaquín Hervada, who was one of the principal partners of the Madrid law firm Hervada & Klingenberg before joining Freshfields in 1998, and Antoni Valverde, known especially for his work on private deals.

All of the firm's lawyers are qualified in Spain except one UK-qualified partner, two UK-qualified associates and one US-qualified associate; a further associate is qualified both in the US and in Spain.

Key contact partners
Joaquín Hervada
Monica McConville
Antoni Valverde

Leading lawyers
Joaquín Hervada
Antoni Valverde

Gómez-Acebo & Pombo

With 10 partners and 40 associates, the M&A department at Gómez-Acebo is one of the largest in Spain outside the top few firms. The firm worked on several interesting transactions last year including the takeover bid by Banco Sabadel to acquire Banco Atlántico (where the firm advised Allianz as a shareholder of Banco Atlántico), the purchase of BBVA's stake in Direct Seguros by AXA Seguros, the purchase of Iberia's stake in Iber Swiss by Gate Gourmet and the acquisition from BSN Medical GmbH of a division of Johnson & Johnson.

The firm also worked on the privatization of state-owned company Empresa Nacional de Autopistas, the holder of the shares of three highway concessions (Aucalsa, Autoestradas and Audasa) and holder of half of the shares of the highway concession Audenasa. The structure of the deal was innovative in creating a competitive bidding process, while the size of the transaction made it one of the biggest acquisitions of the year in Spain.

Key contact partners
José María Beneyto
Fernando de las Cuevas

Other notable firms

SJ Berwin, although small, is building a reputation for itself in Spain, particularly with its focus on private equity work. **Araoz & Rueda** is a "very good boutique" for mergers and acquisitions, a spin-off from **Gómez-Acebo & Pombo**. Although it does not have the same scale, number of clients or capacity as **Baker & McKenzie**, the Spanish firm comes in for enthusiastic, consistent recommendation. **Despacho Albiñana & Suárez De Lozo** is a "very good" firm with "excellent professionals" and "very consistent quality of work".

Project finance

Recommended firms
Clifford Chance
Garrigues
Uría & Menéndez
Allen & Overy
Cuatrecasas
Gómez-Acebo & Pombo
Albiñana & Suárez De Lezo
Baker & McKenzie
Castro Sueiro & Varela
Freshfields Bruckhaus Deringer
Linklaters
Ramón & Cajal Abogados
Squire Sanders & Dempsey

Clifford Chance

Since the 2004 elections, project finance in Spain is going through something of a reassessment. The new government is revising the plans for railway, roads and hydrological projects. This affects Clifford Chance in particular, being "the best infrastructure firm in Spain".

Yet Clifford Chance has been involved with many of the deals around, including advising BBVA on the financing of the construction of Madrid's R4 toll highway for €556 million ($685 million), acting for Banco Español de Crédito as co-financer of a €300 million loan to finance Madrid's Barajas airport access highway, advising EIL and Babcock & Brown on financing Terranova Energy Corporation's wind farm and acting for BNP Paribas on partially financing the €250 million management buyout of Esmalglass. The firm also advised Santander Investment as joint financier, together with La Caixa and Deutche Bank, of a €520 million credit facility for Caprabo, a Catalan supermarket and distribution company, part of which was used for the purchase of Alcosto supermarkets. The purchase made Caprabo the fourth largest supermarket chain in Spain.

Partners Javier López Antón and Alberto Manzanares are singled out as the firm's leading lawyers. Antón led the Clifford Chance team on the two highway deals.

Key contact partners

Javier López Antón
Alberto Manzanares

Leading lawyers

Javier López Antón
Alberto Manzanares

Garrigues

Garrigues wins praise from its peers for the number of deals it is involved in. The firm was involved with most of the important deals of last year, including the R-3 and R-5 toll highways, the Eolic park sponsored by Marubeni and J-Power, the Tramvía Metropolita del Besòs tramway in Barcelona and the project finance of ENA (Empresa Nacional de Autopistas). This last deal won awards for its size and complexity, setting several precedents for the Spanish sector.

Other work worthy of mention is Agua Blanca Mines (a mining project in Huelva and Badajoz), the refinancing of the M45 toll highway in Madrid and the Gerocentros del Mediterraneo project (a network of homes for the elderly in the Valencian community). The firm also includes ACS, Crédit Agricole Indosuez, Caja de Ahorros y Monte de Piedad de Madrid, FCC and Santander Central Hispano Investment among its clients.

Garrigues' project finance team has grown by one partner and two associates over the past year, and now comprises 17 lawyers. Partners Javier Pérez-Ardá and José Guardo win praise from their competitors for their standard of work, sufficiently so to justify their position as leading lawyers in the project finance sector.

Key contact partners

Ramón Girbau (Barcelona)
Rafael González-Gallarza
José Guardo

Leading lawyers

José Guardo
Javier Pérez-Ardá

Uría & Menéndez

The project finance department at Uría & Menéndez tends to advise the sponsors on more project finance deals than its contemporaries. For example, it advised sponsor AES on the innovative Cartagena power project. Cartagena was the first independent power project (IPP) to deal with the documentation hurdles in Spain's recently liberalized gas and electricity markets. AES's much-publicized problems with its Drax plant in the UK also created commercial problems. The plant has become a template for all Spanish IPPs, and for many IPPs across Europe. Norton Rose advised AES alongside Uría & Menéndez, while Allen & Overy advised the lenders and Freshfields Bruckhaus Deringer acted for the supplier.

On the lender side, Uría advised on two wind farm projects – the Santa Quiteria and Biovent Energía deals. The second deal was the second largest wind farm deal in Spain at €318 million ($390 million) and with a capacity of 496MW, and gave Biovent unprecedented flexibility in defining the project. Other innovative Uría deals were the project financings of CVC-Iberdrola, BBG, ESB Amorebieta, the refinancing of Elcogas and the securitization of the energy system deficit.

The two partners who lead the Uría team, Carlos de Cardenas and Juan Ignacio González Ruiz, are both leading lawyers. Cardenas is, in particular, arguably the highest-rated project finance lawyer in Spain.

Key contact partners

Carlos de Cardenas
Juan Ignacio González Ruiz

Leading lawyers

Carlos de Cardenas
Juan Ignacio González Ruiz

Allen & Overy

There is a clear distinction in Spain between the project finance departments with extensive local contacts – who win work on deals such as wind farms, road concessions and railways – and those without, who focus instead on the fewer but larger cross-border deals. The former category is dominated by the firms in the *IFLR1000*'s top tier – Clifford Chance, Garrigues and Uría & Menéndez. Allen & Overy is one of the best in the second group.

A good example of the firm's work last year was its role on the Cartagena independent power project, on which it worked with Norton Rose, Freshfields Bruckhaus Deringer and Uría & Menéndez. A&O advised ABN AMRO, Crédit Agricole and Société Générale, the arrangers on the €665 million ($820 million) project financing of the 1200MW gas-fired power station in Cartagena. The deal was the largest project-financed deal of its kind in Europe last year, and the largest non-recourse project financing in Spain to date.

A&O has two partners and six associates available for project finance work, and it is the quality of partners Graham Donnell and Eduardo Sebastián de Erice that place the firm above its UK rivals Linklaters and Freshfields.

Key contact partners
Graham Donnell
Eduardo Sebastián de Erice

Cuatrecasas

Some of Cuatrecasas' competitors gripe that the firm's only justification for being ranked highly for project finance work is its extensive Latin American network. And it is true that the alliance Cuatrecasas has set up with Machado Meyer Sendacz e Opice in Brazil and Pérez Alati Grondona Benites Arntsen & Martinez in Argentina is providing the Spanish firm with a lot of extra work.

But Cuatrecasas also deserves a strong ranking for infrastructure work in Spain itself, something borne out by the firm's deal list. The firm advised SCH, BBVA, La Caixa and the Generalitat de Catalunya on the structuring and financing of the new number nine underground in Barcelona in October 2003, for €3.35 billion ($4.13 billion), and at the beginning of 2004 worked on the financing of the line's rolling stock advising lenders Caja Madrid, La Caixa, Société Générale and Institut Català de Finances. Cuatrecasas also advised on the financing of the high-speed train link between Figueres in Spain and Perpignan, in France. The firm advised concessionaire Acs-Dragados & Eiffage on the €750 million deal in December 2003.

The firm's other key deal last year was advising on the financing of the watering channel network Canal Segarra-Garrigues, which will irrigate 71 hectares of dry agricultural land. Cuatrecasas advised SCH, La Caixa and Caja Madrid on the deal.

Key contact partners
Fernando Bernad
Emilio Coco
Rafael Mínguez

Gómez-Acebo & Pombo

The stand-out deal for Gómez-Acebo & Pombo's project finance department last year was the €686 million ($1.1 billion) financing of the R-3 and R-5 toll roads, the largest ever infrastructure project in Spain. The firm advised arrangers Caja Madrid, ICO and ING on the financing of the construction, operation and maintenance of the R-3 Madrid-Arganda del Rey toll highway, the R-5 Madrid-Navalcarnero toll highway and a stretch of the Madrid M-50 beltway. The roads will ease congestion on the parallel non-toll motorways for commuter and long-distance traffic around Madrid. Garrigues advised the borrower, and Clifford Chance provided an extra legal opinion on the international syndication.

The firm's other regular project finance clients include MBIA, WestLB, Caixanova and Unicaja. Fernando Igartua, who leads the project finance department, is recognized as a leading lawyer for project financing in Spain, as is partner Carlos Rueda.

Key contact partners
Fernando Igartua
Carlos Rueda

Leading lawyers
Fernando Igartua
Carlos Rueda

Other notable firms

Freshfields Bruckhaus Deringer has been active in the energy sector in recent years, working for ratings agency Fitch on the gas project in the Bay of Biscay and advising on the tolling agreement involved in the Cartagena power project. Other work includes the Perpignan to Figueres train line, the Xanadu commercial centre and the Hotel des Arts in Barcelona. **Castro Sueiro & Varela** does "a lot of asset finance work," while **Squire Sanders & Dempsey** benefits from strong connections in Latin America for much of its project finance work.

Most of the firms in the third tier are either international or local firms that are trying to break into the local market but are finding it hard in the face of the breadth and scope of Garrigues and Uría & Menéndez. **Linklaters** is no exception, yet the firm has managed to win work on some big deals, including the Bay of Biscay gas project and the combined cycle power station in the port of Malaga. It therefore deserves its reputation as an "up and coming" firm for project finance.