

[ANNUAL REVIEW 2008]



OUR RESPONSE TO THE MURKY BUSINESS LANDSCAPE?  
BRIGHTER IDEAS.



BORENIUS & KEMPPINEN

CONSIDER IT SOLVED.

## A YEAR OF CHANGE, CHALLENGE AND OPPORTUNITY

We will no doubt remember 2008 as a year that started with cautious optimism and ended with unprecedented economic uncertainty.

Rumblings of a recession loomed as a somewhat distant possibility in the early part of 2008, but the markets in Finland took a more dramatic turn in late autumn when the U.S. sub-prime mortgage crisis spread to international investment banks and across other major industries.

For our clients, the year ahead presents a challenge to business operations. Now more than ever, a strategic partnership is needed to carefully manoeuvre through the economic downturn and plan for long-term recovery.

Despite the dramatic developments on the global stage, overall the year was positive for Borenius & Kemppinen. For the corporate transactions market, the year started with the consummation of a number of significant deals. In early summer, however, pricing valuations fell and owners held onto expectations that did not match the new market realities. Deals in the pipeline halted, but it was only in late autumn did the Finnish markets realise that more than just a credit crunch was at issue. Companies' profitability dropped in line with the greater global economic malaise.

For the firm, dispute resolution cases have remained steady throughout the year. White collar litigation continued, as in previous years, and the firm also saw an increase in the number of disputes sent to arbitration stemming from transactions consummated in past years.

While intellectual property transactions remained low, patent litigation was strong, and so was ongoing advice on IP and technology issues, which are not market dependent. Similarly, attorneys in our antitrust and marketing practice were involved in a number of high-level cases.

This year B&K expanded its real estate and construction practice to cover the entire range of issues related to this industry. Our tax practice has also grown and is a source of particular strength for the firm.

Similarly, law firms in the Borenius Group located in Estonia, Latvia and Lithuania ended 2008 on a satisfactory note. The year ahead may nonetheless present challenges.

Predictions for improved market conditions are difficult and are dependent, in part, on when the U.S. and European economies begin a recovery phase. At B&K, the overall breadth of our practice groups and our strong insolvency experience will help us to overcome a slowdown in the transactions market.

In my new role as managing partner, I hope to keep B&K the kind of place that our employees feel proud to work for. For our clients, we will do everything in our power to continue to meet and exceed your expectations.

Thank you to our loyal clients for another memorable year of partnership. It is our hope that B&K will continue its role as a confidential advisor as we navigate the new business landscape. Together we go forward to meet the future.

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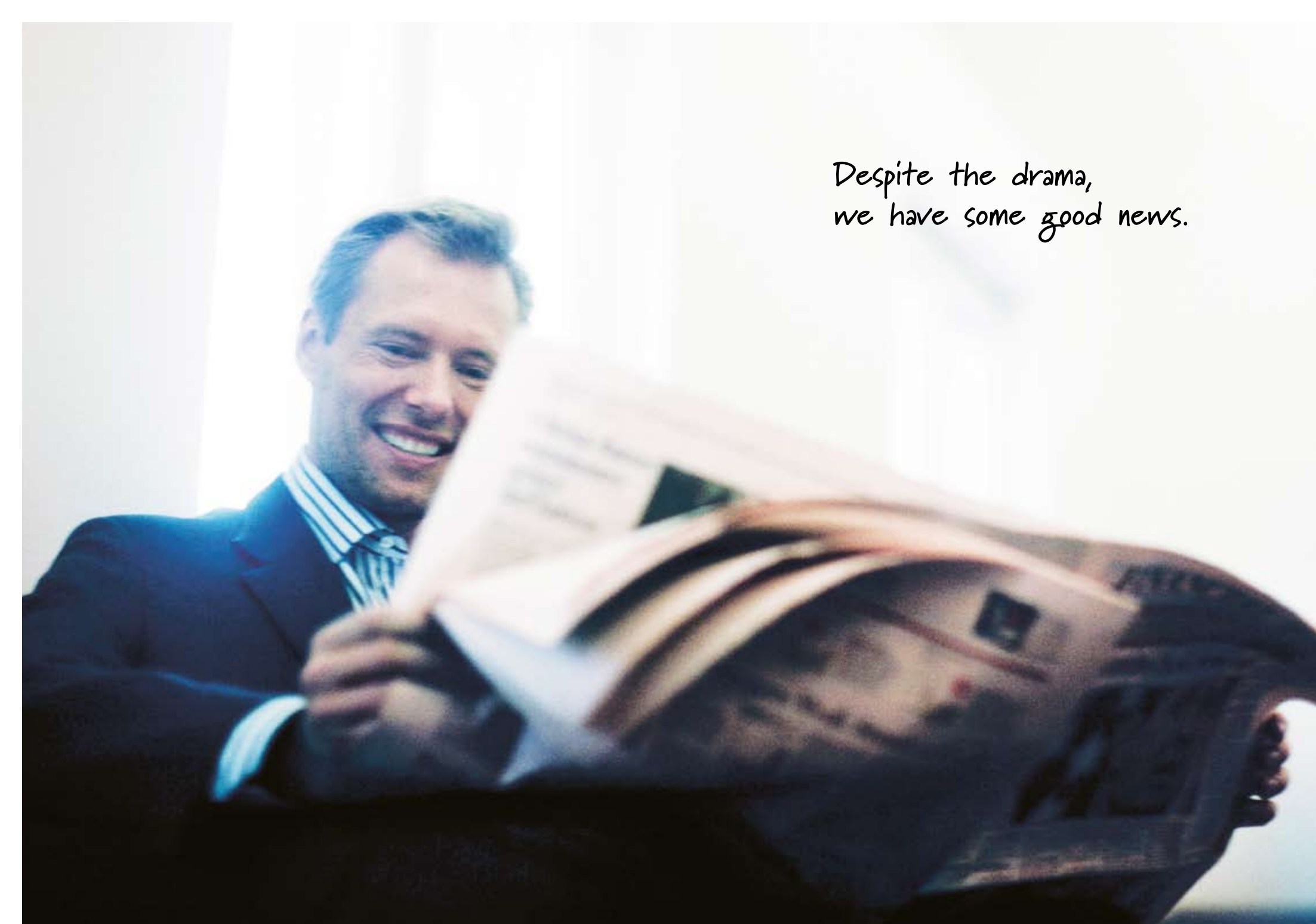
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Jari Vikiö  
Managing Partner



What if a law firm could, instead of just solving legal problems, produce ideas that open business opportunities as well?

A man in a dark blue suit and striped shirt is smiling broadly while reading a newspaper. The newspaper is held open, and the text on the page is partially visible. The background is a bright, slightly blurred office setting.

Despite the drama,  
we have some good news.

2008 *in* BRIEF

## JARI VIKIÖ SERVES *as* NEW MANAGING PARTNER

In April, Borenus & Kempainen warmly welcomed **Jari Vikiö** in his new role as managing partner for the firm. Jari replaces **Jyrki Tähtinen**, who now serves as senior partner and chairman of B&K's board of directors.

Jari plans to sustain the culture of B&K as an approachable law firm that provides clients with pragmatic solutions to real business challenges.

He is a respected transactional attorney who is widely-known for his hands-on involvement in headline-making deals. Jari has worked as a partner for the firm since 2001 and pre-

viously headed B&K's Transactions practice group. He has been involved in numerous large domestic and cross border acquisitions, and frequently represents domestic and international private equity houses in corporate transactions.

In this new role, Jari looks forward to maintaining the integrity of the important work entrusted by clients to B&K, in both years when the economic climate is positive and, most especially, during more challenging years, when strategic partnership between client and law firm is all the more important.

## SHIPPING PRACTICE *to* EXPAND FOLLOWING MERGER

As of January 2009 Aminoff & Weissenberg, a leading maritime, transport and insurance law firm merged into Borenus & Kempainen. With this merger, B&K strengthens its existing base in international ship finance to cover all major areas of shipping law.

Finland has traditionally experienced particularly high demand for maritime and transport law, as some 80 per cent of the country's foreign trade takes place by sea. Moreover, Finland's location guarantees the need for substantial warehousing as well as international carriage by road, rail and air.

Some of the world's largest cruise lines rely on B&K for financing and other legal issues involving luxury cruise liners built in Finland. The firm now provides an even more compre-

hensive range of services in areas including charter party disputes, collision matters and salvage, general average, cargo claims, environmental and ITF matters and arrest proceedings.

The merger also boosts the firm's expertise in road carriage, aviation and freight forwarding. The insurance law and arbitration know-how within A&W serve to add to B&K's service supply to Finnish and international clients alike.

The five strong members of Aminoff & Weissenberg have transferred to B&K. **Jan Aminoff** boasts an impressive track record in the fields of maritime, transport and aviation law, as well as arbitration. Together with **Ulla von Weissenberg**, he will take over as head of the expanded shipping practice.

*Combining the synergies of lawyers practising under the same roof will give clients broader access to unique services.*



## APPOINTMENT of NEW BANKING PARTNER

B&K is pleased to announce the appointment of **Andrei Aganimov** as a new partner for the firm. Andrei advises on banking, corporate and ship finance as well as on M&A related issues. Prior to joining B&K, Andrei worked as a lawyer at different units of Nordea Bank Finland Plc. During his time at Nordea Bank, he focused on leveraged and structured finance, ship finance, corporate finance and M&A transactions. Andrei also worked abroad during a stint at the London branch of Nordea Bank.

He has been involved in many of the largest leveraged finance transactions in Finland. He frequently lectures for professional audiences on financing issues. We warmly welcome the contribution Andrei adds to our firm.

## WELCOMING LATEST RECRUITS *to the FIRM*

The firm strengthened its base with the addition of 11 men and 10 women to its ranks this year, 16 of which are lawyers and the rest working in other positions. B&K welcomes the new personnel and believes that each of these talented individuals brings to the firm unique knowledge and resources that serve to enhance our focused practice areas.

We continue our dedication to hiring a diverse workforce and believe that an inclusive workplace that respects the role of each member of the firm only adds to everyone's quality of life. By

encouraging open communication and giving high levels of personal responsibility, we feel B&K serves to provide a challenging workplace to the personnel that join our team. We also encourage continuous learning and provide a competitive benefits system that rewards working for and reaching jointly agreed goals.

Through our personnel strategy, we seek to increase interest in B&K as an employer of choice and to secure the availability, commitment and continuous development of our personnel.

## RUSSIAN DESK EXPANDS NETWORK *to EASTERN MARKETS*

This year the firm established a new Russian Desk to serve clients looking to invest in Russia and appointed attorney **Andrei Kuznetsov** to head this assignment.

Andrei is a native speaker of Russian who has extensive experience in corporate law and a deep understanding of the practical workings of the Russian markets. The Russian Desk provides assistance with matters related to mergers and acquisitions, company establishment, business partner location and dealings with the authorities, among other things.

The enhanced service offering comes in response to the rising demand for expertise in

Russian business legislation and is fuelled by the increased volume of business between Russian and Finnish corporations.

Andrei specialises in Russian corporate law and in real estate, contracts and commercial law. He holds a law degree from the University of Moscow and has worked in Finland since 1995.

B&K also maintains close collaboration with firms that are based in Moscow, St Petersburg and Kiev in the Ukraine.



*We are hungry for challenges.  
Feed us, and you'll see how an  
idea-driven approach works.*

## B&K NOW HAS TWO MEMBERS *of* GERMAN BAR ASSOCIATION

B&K's unique offering of services in matters concerning German law is complemented by two members of the German Bar Association. B&K partner **Riku Paanila** heads the B&K German Desk team and has been a member of the German Bar Association since 1997. The team is also recently joined by B&K lawyer **Kare Hyvärinen**, who is admitted as an attorney at law to the German Bar Association.

No other first tier law firm in Finland has two members of the German Bar Association. The B&K German Desk offers transaction-related, contract and corporate law services in flu-

ent German. The team is also joined by **Mikko Leppä** and **Mika Liitola**, who have studied in Germany and have professional experience in corporate transactions with German speaking components.

The B&K German Desk team regularly advises German speaking clients who have business operations in Finland on contract and corporate law issues. This year team members were involved in providing due diligence and transaction document review for several high stakes mergers and acquisitions deals with significant monetary value.

## BUILDING *the* CONSTRUCTION *and* REAL ESTATE PRACTICE

B&K established a new Construction and Real Estate practice group in order to develop its leading market position in these services. The practice is headed by senior advisor **Veli Leinonen**.

Veli is a member of the Finnish Bar Association, the International Bar Association (IBA) and the Finnish Businessmen's Association. He is named as a leading expert in his field in *Legal 500* and *Chambers Europe 2008*.

B&K expanded its operations in response to the demand for more integrated construction and real estate legal services in Finland. The changes are designed to meet the needs of larger

clients, including property developers and real estate investors.

The firm has considerable expertise in real estate and construction, including property investments, real estate funds and transactions. The move to centralise the service under a new practice group represents a natural next step for B&K.

Construction and real estate law comprises contractual arrangements such as piecework, project planning and other consultancy agreements, construction contracts, lease agreements, planning, real estate development as well as dispute resolution.

## SPONSORING CLIENT-FOCUSED SEMINARS

### Bringing together leading companies and law firms

B&K hosted a Nordic seminar in June that gathered over 100 participants representing leading Nordic companies and law firms. This was the third time that B&K held this event, allowing professionals from a cross-section of disciplines to meet and talk about market and practice developments in the Nordic countries.

The seminar also featured presentations on tax issues related to investments in Russia, thus expanding the seminar's traditional focus to this market. The seminar included fresh updates on the Russian economy and a business perspective on investing in Russia from the Nordic countries.

Speakers included **Pekka Sutela**, head of BOFIT (Institute for Economies in Transition) at the Bank of Finland; **Petri Saavalainen**, a senior partner at CapMan Capital Management; and **Glenn Kolleeny**, a partner at Salans in Russia.

B&K tax experts, partner **Janne Juusela** and associate **Sanna Lindqvist**, also shared their views on tax issues related to foreign investment, together with colleagues from leading Nordic law firms.

### Where are the construction and real estate markets heading?

In the last few years Finland witnessed a dramatic increase in foreign investor interest in commercial properties, both in the greater Helsinki region and elsewhere. At the same time, Finnish investors increasingly look abroad for investment property acquisitions. While real estate markets slowed considerably at the end of the year, the internationalisation of the Finnish real estate environment nevertheless requires a thorough understanding of the complex issues related to cross-border investment holdings.

In October, B&K hosted a construction and real estate seminar aimed at market professionals that discussed current trends in this industry. Speakers at the event included **Aulis Kohvakka**, the managing director of Senate Properties, B&K's tax partner **Janne Juusela** and the new head of B&K's Real Estate and Construction practice group, **Veli Leinonen**.

Other speakers were **James Seppala**, the executive director of Goldman Sachs International and **Tarmo Pipatti**, the director general of the Federation of Finnish Construction Industries. B&K partner **Christian Fogelholm** hosted the event.

### On the cutting-edge in mobile technology

B&K served as a sponsor of Access Forum 2008, a networking and matchmaking event focused on cutting edge mobile technology, held in November at the Technopolis technology business park in the high-tech district of Espoo, Finland.

Access Forum hosted an Israeli delegation and included the largest venture capital firms and the most promising mobile companies showcasing their technology and creating valuable contacts.

The event was organised by Technopolis Ventures in association with the Finnish Israeli Gateway (FIG), a non-profit programme that seeks to achieve measurable growth and business success results in Israel and Finland by creating active long-term structures to promote co-operation.

## CONTINUING CORPORATE RESPONSIBILITY LEADERSHIP

Progress continues in the development of B&K's corporate social responsibility initiatives, as formalised in a CSR programme adopted by our board of directors last year.

The firm looks to continue its leadership as the first law firm in Finland to adopt a formal CSR programme and is energised by the positive response of our employees throughout the year.

The high-level interest of our people is the best evidence we have that smart business is compatible with responsible stewardship on issues related to environmental efficiency, employee well-being and involvement in the greater community.

### Membership in WWF's Green Office programme

This year the firm has taken steps to become more energy efficient and is in the process of receiving certification from the World Wildlife Fund's Green Office programme. **Elina Väkevä** serves as the liaison between B&K and WWF in co-ordinating our energy improvements.

Our Green Office working group consists of 14 members, who regularly meet to discuss programme implementation. During the year, the working group reviewed the energy efficiency of the office and set areas for improvement.

The group also developed an environmental plan that includes instructions for firm personnel and held two firm-wide training courses. Our liaison attended four WWF lectures to learn the practical steps needed to make changes happen.

B&K is now in the process of developing indicators to track performance. The firm has purchased more environmentally-friendly paper and has convinced the landlord in the Helsinki office to separate trash for the entire building.

### Involvement with Helsinki Legal Aid

Last year the firm pledged its support to the Helsinki Legal Aid programme of the Finnish Ministry of Justice. B&K attorneys will train legal aid lawyers in contracts, company and tax law and will also directly work with needy clients.

The firm continues to develop its involvement with Helsinki Aid and looks to take on more cases in the coming year. Progress has been slower than initially expected, and B&K personnel are working with Helsinki Aid to build the processes needed to increase the level of co-operation.

### Showing our support for painter Sari Tenni

B&K has a tradition of supporting living Finnish artists, whose works serve to add to the lively fabric of cultural expression that is necessary for society's well-being. This year the firm gave a grant to painter **Sari Tenni**, some of which served as pre-payment for the purchase of a limited number of artworks.

The artist likes to paint children and believes that watching youngsters helps you to understand life itself. In Sari's paintings, the child is a symbol of innocence through which life is expressed. Oil paintings of adults and children alike have a hauntingly beautiful feel.

### Teaming up with Icehearts for a better tomorrow

This year the firm provided a gift to Icehearts, an ice hockey athlete club formed to prevent child and youth alienation that is based in the greater Helsinki region.

With this donation, B&K wishes to express its support for an organisation reaching out to young people who are at risk for being marginalised and whose families are not able to afford youth athletic programme membership.

Interaction with adult role models and team involvement coincide with learning the rules of hockey. Icehearts was established in 1996 and currently consists of five teams.

### Building bridges to SOS Children's Village

The firm is involved in SOS Children's Village Association through voluntary efforts led by partner **Seppo Kempinen** and through his board membership as vice chair in the association.

Last year the firm provided hundreds of hours of pro bono work in reforming the association's bylaws and administration and in re-vamping its fundraising efforts. Efforts were also undertaken for new forms of family welfare work based on the Children's Village ideology.

The role of the SOS Children's Villages in Finland is to provide a viable option for children and youngsters in need of long-term foster care. The continuity and commitment of parenthood and care are the key aspects in this work. The care provided by the villages is most suitable for children under the age of ten and siblings for whom a family setting is a suitable form of care.

B&K is proud of its efforts for this important charity, which provides an opportunity for the firm to do its part to protect the welfare of children.



There is  
always room for  
GOOD Ideas.

## RECOGNITION *for a JOB WELL-DONE*

### Legal advisor of the year

ACQ Acquisition Finance magazine recognised B&K as its Law Firm of the Year in its ACQ Country Awards 2008 – Finland.

The publication mentioned B&K's involvement in important corporate transactions of large monetary value and the firm's practical business-focused approach to providing legal services.

Also mentioned was the firm's opening of the Russian Desk to serve international clients looking to invest in Russia and recognition received for the tax practice.

### Leading tax transactional practice

B&K has Finland's leading tax transactional practice, so says the International Tax Review (ITR) in a first annual poll uncovering the world's top tax planning and tax transactional practices.

World Tax, the directory of the leading tax law and accounting firms that ITR publishes annually, identifies the world's leading tax firms. Criteria for standings include a review of the overall depth of practice, number of partners, international network and reputation.

Transfer pricing, indirect taxes, and tax structuring broadly made up the tax planning category. M&A and capital markets work was included in the tax transactional category.

## WORKING *with OUR FUTURE LEGAL LEADERS*

### Matching argumentation skill in debating championship

A group of 120 students turned out for the finals of the Borenius Group sponsored Baltic Debating Championships held in Helsinki this past April. Twelve teams from five universities across Finland and the Baltics matched wits in a challenge to see who had the winning debating skills.

Winners of the championship were team Tallinn B, consisting of **Maria Kesa** and **Mikhail Jevodokimov**. The event was hosted by the Helsinki University Debating Society.

Contestants were judged by three chief adjudicators who were invited from the United Kingdom, one of whom is the head of the World Debating Council. Nine judges from across the Baltics also joined the tournament.

Congratulations to the winning team! And thanks to all the other students for your participation in the debate. Good luck in your continued studies.

### Making music and protecting intellectual rights

"From Vinyl to the Net – Internet Challenges and the Opportunities for the Music Industry" was the seminar held in November for about 70 law students at a Helsinki night club.

**Jaakko Salovaara** and **Heikki Liimatainen**, two of Finland's most known music producers and DJs, provided real-life experiences to the discussion and capped the evening with live performances. B&K intellectual property partner **Pekka Tarkela** hosted the event, while B&K team provided insight into the legal challenges facing the music industry.

Other B&K attorneys from the firm's different practice groups were also on hand to talk with the students about the firm's areas of specialisation.

Student feedback following the seminar was extremely positive, with participants commenting that the format noticeably stood out from traditional student events.

## B&K BRAND FILM ATTITUDE IS AWARDED



*Attitude* is attention grabbing, bold and dares to admit the truth about the legal practice and B&K's role as a leading law firm whose involvement in transactions often crosses country borders. It is also the name of the firm's noted brand film.

This year B&K's brand film *Attitude* received an honorary mention at the *Vuoden Huiput* adver-

tising awards, the most significant graphic design and advertising awards in Finland. More than 1,300 entries were sent to the competition.

Judges applauded the visual component of the film, which worked well with the text and epitomised the workings of a law firm. The film represents the unique approach of B&K to inspire new ideas and ways of handling the law services entrusted to us that go well beyond the traditional roles of lawyer and client. See for yourself what the buzz is about by watching the short film clip on the firm's home page at [www.borenius.com](http://www.borenius.com).

## CHECK OUT *the NEW iDEAL MAGAZINE!*



Traditional law practice is changing, and Borenius Group law firms continue to move with the times. Customer orientation to us means communicating with our clients in a way that is approachable and conveys needed information without relying on excess legal jargon.

The Borenius Group is pleased to announce the start of a new customer magazine called *iDeal* intended for business professionals. Easy-to-read articles with a strong juridical point of view help to inform on the pressing issues facing companies operating in the greater Fennoscandian markets.

With *iDeal*, a new era in customer magazines for the legal business begins. We hope that you find *iDeal* useful and greatly welcome any feedback you may have about the content.

# 2008 *in* FIGURES

Despite the negative developments on the global stage, overall the year went well for Borenivus & Kempainen.

The turnover for 2008 stayed on the same level as in the previous year, totalling to more than EUR 26 million. The biggest practice area remained Transactions, which accounted for approximately 23 per cent of the firm's turnover. Growth was fastest in the insolvency practice area.

## Turnover by Practice Area

Transactions (incl. M&A, Capital Markets and Banking)	23%
Litigation / Arbitration / Mediation	15%
IP & Technology, IP Litigation	15%
General Corporate	10%
Antitrust & Marketing Law	6%
Construction & Real Estate	4%
Fund Formation	4%
Others, including Tax	23%
<b>Total</b>	<b>100%</b>

## Assignments by Practice Area

IP & Technology, IP Litigation	22%
General Corporate	12%
Litigation / Arbitration / Mediation	10%
Transactions (incl. M&A, Capital Markets and Banking)	9%
Antitrust & Marketing Law	5%
Fund Formation	3%
Construction & Real Estate	3%
Others, including Tax	36%
<b>Total</b>	<b>100%</b>



# 2008 *in the* BALTICS



## ESTONIA

Luiga Mody Hääl Borenius aims to provide business law services that give solutions to client challenges and also open new business opportunities. Our clients value the firm's ability to add value through having a large number of specialists practicing in important fields of business law. Our client portfolio includes enterprises from different sectors such as banking, media, agriculture, biotechnology, e-commerce, transit, renewable energy, construction and industrial manufacture.

The office operates currently with nearly 40 professionals and partners **Sten Luiga, Jaanus Mody, Marti Hääl, Margus Mugu, Peeter Kutman and Priit Pahapill**. We welcome the addition of **Kaja Leiger**, a known expert in the field of competition law, as a new specialist partner. This year we restructured our practice groups in order to provide more specialised teams headed by respected experts.

Like in previous years, we participated in contributing to developing our future legal talent by financing Tartu University students in the Telders International Moot Court competition and the Willem C. Vis International Commercial Arbitration Moot competition.

As a result of intense interest in our office during the annual recruitment event at Tartu University last spring, we were honoured to train and tutor eight outstanding law students in the master's programme.

Luiga Mody Hääl Borenius seeks to act in a socially responsible manner by operating the law office according to the highest standards of corporate governance, while insuring a good working environment for our valued employees.

This year we opened a nursery room for employees' children in the Kawe Plaza office building. Additionally, our dedicated staff took part in a national clean-up day, which involved hundreds of organisations and more than 50,000 volunteers. We were also involved in several fund raising charity programmes that aimed to help the financially challenged.

The year saw some changes in market concentration, which will impact the future development of the legal services market. The focus of financing transactions has changed since the peak of the economic boom. While financing with bank assets was easily accessible and either foreign companies were buying local ones or domestic companies merged, the current situation is an advantage to private equity and venture capitalists, who are looking to enter into transactions more aggressively.

The latest edition of *IFLR 1000* states that "the clients increasingly see the firm as the go-to practice for complex issues." Luiga Mody Hääl Borenius holds a solid position as a top-tier service provider in demanding and challenging legal matters and has the flexibility to adapt its services to meet clients' business goals.

### Representative Assignments

#### Mergers & Acquisitions

- We advised GILD Bankers and Moon Fish Media on the sale of shares in the company operating the leading Internet sites in Estonia *osta.ee*, *kv.ee* and corresponding sites in Lithuania to a London-based Tradus Plc.
- We advised Swedbank, SEB Bank, Sampo Bank, and the Estonian branch of Danske Bank on the sale of national card transactions processor Pankade Kaardikeskus (PKK) to a leading Scandinavian processor of card transactions, Northern European Transaction Services (NETS).
- In association with GILD Bankers, we advised Agrowill Group, the largest listed agricultural development and investment group in the Baltics, on the purchase of shares of Põlva Agro, which is one of the largest milk dairies in Estonia.
- We participated in the sale of leading Estonian recruitment portal CV Keskus to international investment firms Digital Sky Technologies Ltd in Russia, Tiger Global Private Investment Partners IV in the United States and Bexley International Investments Ltd in London, which jointly own the popular Russian recruitment portal HeadHunter.
- We advised Forticom on the acquisition of majority shareholding in the leading social networking site in Poland (*nasza-klasa.pl*).
- We advised the world's leading producer and seller of optical instruments and lenses, Essilor International S.A., on the purchase of 70 per cent of the shares of Optika Hulgikaubanduse.

#### Banking and Finance

- We advised BaltCap Private Equity Fund on the purchase, financing of the purchase and consequent restructuring of Interinfo Group companies in the Baltics and the Netherlands.
- We advised the leading private equity investor in the Baltics BaltCap on the purchase of the largest private medical diagnostics company in Estonia, Quattromed HTI Laborid.

- We advised the leading Central and Eastern European investment and corporate advisory firm Trigon Capital on a secondary offering of the shares of Trigon Agri on the First North marketplace in Stockholm.
- We advised a syndicate of banks granting a senior term loan and multicurrency revolving facilities to an emerging food industry group operating in the Baltics and Poland.
- We advised the shareholders of Reksoft AG, a Russian offshore software development company, on the sale of the company to Technoserv BV, one of the largest Russian IT companies.

#### Competition

- We advised Swedbank on the market analysis proceedings on multiple interchange fees initiated by the Competition Board based on the MasterCard ruling and other EU competition developments.
- We have been engaged in drafting the legislation for an Estonian leniency programme to compete against cartels (analogous to a leniency programme that is applicable in the European Union).
- We represented the leading Estonian waste handler Ragn Sells in cartel investigations carried out by the Competition Board.
- We advised the leading Scandinavian ice cream and dairy products producer on drafting a compliance programme and conducting compliance training.

#### Dispute Resolution

- We represented the leading Estonian investment bank GILD against the accusations of acquiring and possessing shares in Latvijas Naftas Transits.
- We represented the Ministry of Justice regarding VEB Fund (founded by the Bank of Estonia) against claims filed by Estonian enterprises whose accounts were frozen by Russian banks in 1992.
- We represented the former chief executive officer of the Estonian Land Board regarding accusations that he violated his public position.



## LATVIA

The year continued at a dynamic pace for Liepa, Skopiņa/BORENIUS. Due to the transforming market environment, the firm had to adjust its practice by strengthening the capacity of the restructuring advisory team.

The Dispute Resolution practice group saw also an increase of caseload, both in traditional areas of litigation and pre-trial activities, as well as in the field of alternative dispute resolution. The firm represented clients, amongst others, in many disputes regarding claims in business transactions, public procurement, compensation of damages and complex debt collections.

The Competition and Antitrust practice led by senior associate **Ieva Azanda** had a considerably active year.

In the banking and finance sector the firm participated in several large financing transactions in the first half of the year. Towards the end of the year, the firm continued to provide legal assistance to domestic and foreign financial institutions, mainly on regulatory issues.

The firm currently consists of 23 lawyers. This year we warmly welcomed attorney at law **Gatis Flinters** as a new partner with the firm. He specialises in commercial law, corporate

and energy law, as well as in the area of public private partnership (PPP). We are entering the new year with a professional and enthusiastic team, led by four partners – **Laine Skopiņa, Lauris Liepa, Indriķis Liepa** and **Gatis Flinters**.

International commentators have called our experts leading attorneys in the jurisdiction. *Chambers Europe* gave us a leading firm status in the areas of banking and finance, competition law, corporate/commercial, employment and real estate.

Our office is described as "a young firm gaining increasing prominence" and "leader among the country's competition law groups". "The very impressive" Laine Skopiņa "enjoys a sterling reputation for her work in real estate and M&A". Lauris Liepa is an "active young lawyer" with an "extensive academic background".

*IFLR 1000* also quoted Liepa, Skopiņa/BORENIUS as leading in financial and corporate matters.

This year we also welcomed **Edgars Lodziņš** as a new lawyer with the firm. He specialises in the area of banking and finance, and previously worked in the legal department of Swedbank.

## Representative Assignments

### Mergers and Acquisitions

- We advised the acquiring company on a cross border acquisition of 100 per cent of the shares of Latvian gaming company A/S Admirāju klubs by Austrian Gaming Industries GmbH, the subsidiary company of Novomatic Group. We provided advice in structuring the financing, negotiating the transaction and regulatory issues.
- We advised the buyers on the purchase of one of Latvia's largest telecommunication and electronic data processing services providers, SIA IZZI, by SIA Contaq Latvian Cable and on the respective competition clearance.
- We represented the sellers in the acquisition of the building machinery and equipment lease company Tapeks rent by Cramo SIA.
- We advised on the participation of the Pan-Baltic acquisition of Interinfo group companies in Estonia, Latvia and Lithuania from Interinfo Holding SCA by the private equity investment fund BaltCap.
- We represented the seller in the sale of shares of SAF Tehnika Sweden AB to company Procotech AB, registered in Sweden, from AS SAF Tehnika.

### Banking and Finance

- We participated in a European Commission study on the implementation of Directive 2006/48/EC relating to the taking up and pursuit of the business of credit institutions and Directive 2006/49/EC on the capital adequacy of investment firms and credit institutions into Latvian law.
- We advised an international bank on providing a loan in the amount of €25,000,000 to a Latvian bank.

### Competition

- We represented AS Latvijas Krajbanka before the Competition Council by submitting the notification on acquisition of decisive influence over life insurance company Baltikums Dzīvība and by receiving the permit of the Competition Council for the transaction.
- We represented McCann Erickson in a successful settlement with the Competition Council in a case of violation of the Latvian equivalent of Article 81 (prohibited agreement). It is the second biggest cartel case decided by the Competition Council and the first amicable settlement.

### Real Estate

- We advised on Fletcher Priest Architects in a contract with Riga City Council on the preparation of a master plan for the construction of a new administrative district in Tornakalns, Riga.
- We advised Kesko Group on various transactions related to acquisition, sale and lease of real estate for supermarkets and other stores and warehouses, as well as advised in relation to construction projects.
- We advised Koger Kinnisvara on the acquisition and development of a multifunctional residential and office area in Riga.
- We advised the international entertainment company CINAMON Group on the construction and opening of a new multiplex cinema and entertainment centre.
- We represented Depo projekts architects in a contract with Linstow property development group on the design of a new area at the Riga Central Railway station and surrounding metropolitan area.



## LITHUANIA

2008 was particularly noteworthy for Foigt & Partners / Regija Borenius, as we celebrated 15 years of providing legal services in Lithuania. During these years, we have grown to become one of the most trusted and experienced law firms serving the Lithuanian corporate market. In 2008 we welcomed new lawyers and several of our associates were admitted to the Lithuanian Bar.

This year we further developed our expertise in domestic and international transactions and provided in-depth representation in all relevant areas of business law and dispute resolution. We also have a strong intellectual property and information technology law practice and acknowledged expertise in environmental law.

For the Lithuanian market, the year ended on a fairly turbulent note, as the world financial crunch also impacted our country. The amount of corporate transactions declined and is expected to remain lower than during past years, in which Lithuania experienced significant high economic growth. Litigation is anticipated to increase and so is the potential number of insolvencies and reorganisations, as companies look to adjust to the new market realities. The firm is prepared for the new market conditions and is actively assisting clients operating in Lithuania to successfully navigate the current market turbulence.

The law firm continues its longstanding tradition of

sponsoring various projects that help the greater community. In 2008, we promoted the sixth annual International Christmas Charity Bazaar. The event is a collective effort to alleviate hardships felt by the ill, less fortunate and disadvantaged.

At the beginning of April, Foigt & Partners / Regija Borenius held its regular annual seminar for clients on corporate risk management. The seminar engaged lawyers and managers from various professional levels. Regija Borenius lawyers delivered presentations on distribution and franchise agreements, commercial secrets and IP and IT issues, along with real estate and corporate transactions. In 2008, our lawyers also wrote legal articles and commentaries on intellectual property rights, developments in Baltic private capital investments in past years and recent developments in the real estate markets.

This year international ranking publication *Chambers Europe* noted that the Regija Borenius team is "solution-oriented and responsive". The publication also stated that clients are "impressed with its deep understanding of the market and technical precision". Another publication, *IFLR 1000*, highlighted that clients appreciate Regija Borenius lawyers for the quality, speed and value for money.

Our staff is currently represented by three partners: **Dalia Foigt, LL.D.**, **Tomas Rymeikis** and **Zygmantas Pacevicius**, and is supported by 16 lawyers.

## Representative Assignments

### Mergers and Acquisitions

- We represented Stappert Spezial Stahl Handel GmbH (a member of IMS Group) in the acquisition of Antera UAB shares (and its Latvian subsidiary), which is the leading local company engaged in stainless steel products.
- We provided legal assistance to Tebūnie švara UAB shareholders in the sale of Tebūnie švara UAB shares, a leading Lithuanian company engaged in cleaning services, to the Danish company Berendsen A/S.
- In co-operation with the Norwegian law firm Arntzen de Besche, we represented Swedbank AS in providing consultations on transferring company shares to employees in the implementation of a system of incentives in Lithuania.
- We represented a worldwide leader and supplier of ingredients for the bakery, confectionery, ice cream and catering industries in the acquisition of 100 per cent of the shares of Lithuanian company Gereja UAB.
- We advised Motorola GmbH on the implementation of a sales purchase agreement regarding the introduction of digital radio communication systems in the entire Lithuanian territory.

### Intellectual Property and Information Technology

- We represented the Finnish company V&S Finland Oy in a trademark opposition procedure and other trademark issues.
- We advised Disney Enterprises on the destruction of counterfeit goods.
- We represented an international producer of energy drinks regarding infringement of trademarks.



B&K will continue its role as a confidential advisor as we navigate the new business landscape.

## B&K PRACTICES *in* 2008

## M&A and PRIVATE EQUITY

This year was extraordinary for mergers and acquisitions, and most especially in the private equity market. The beginning of the year started with cautious optimism and we managed to sign and close many significant deals with geographical reach in e.g. Sweden, Russia, Poland and the Baltic countries in addition to Finland. The credit crunch and downturn in the global economy finally hit the Finnish market, especially during the second half of the year, as many of the pending private equity driven deals were halted or cancelled.

As in many other markets, the biggest problems came from the unavailability of bank financing and impossibility to predict the future. This ended in a situation where the price expectations and the actual bidding prices often did not match.

However, there were a lot of discussions and planning of deals, with the consensus that deal flow will come back as soon

as the effects of the recovery plans issued in the United States and Europe are crystallised.

Private equity investors have a lot of funds to be invested. At the same time, industrial players concentrate on their core businesses and thus divest non-core assets.

B&K attorneys are leading participants in the Finnish M&A market and are regularly assigned to headline-making deals with significant monetary value. Despite of the challenging market conditions M&A transactions continue to form a significant practice area for the firm. *ACQ Acquisition Finance magazine* recognised B&K as its Law Firm of the Year in its ACQ Country Awards 2008 – Finland. The publication mentioned B&K's involvement in important corporate transactions of large monetary value and the firm's practical business-focused approach to providing legal services.

### Representative Transactions

- We advised Metso Corporation on the establishment of a joint venture with Wärtsilä. The new joint venture will be one of Europe's leading providers of medium- and small-scale power and heating plants, focusing on renewable fuel solutions.
- We advised Rocla as the target in relation to the friendly public tender offer by Mitsubishi.
- We advised the management in its acquisition of FIM corporation from Glitnir Bank.
- We advised on the sale of the Finnish asset management business of Kaupthing Bank to Aktia Bank.
- We advised on several mid-market private equity deals such as the sale of Reima, Staffpoint and Plenware and acquisition of Arme.
- We advised Winwind (a supplier of wind turbines) on the EUR 120 million investment by Masdar Energy Limited from Abu Dhabi.
- We advised the sellers on the sale of Empower in the large secondary buyout transaction.
- We advised Elbion NV from Belgium on negotiating and executing a combination with Biotie Therapies.
- We advised also on several cross-border transactions involving trade buyers such as Rohm & Haas and Aldata Solutions.

## FUND FORMATION

In 2008, our Fund Formation practice, headed by partner **Paulus Hiden**, continued to advise fund sponsors on setting up funds, drafting all fund-related documentation and evaluating tax issues, among other things. We also continued to represent Finnish institutional investors in connection with their global investments in different types of funds.

However, due to events stemming from the global market downturn, the year was not simply business as usual. One noteworthy development was the growing interest in infrastructure investments. In 2008, we helped a client close an infrastructure fund, and there are signs indicating that this may not be the last one.

Infrastructure funds could well become another typical fund in the Finnish market, in the same manner that property funds did so in past years, and as common as traditional PE funds. In fact, it seems that infrastructure finance and its impact on the economy and employment will be one of the discussion topics for the upcoming year.

Towards the end of 2008, the financial crisis had an impact on fund-raising. As the stock market fell, many institutions took a slower pace on investing. On the other hand, and most obviously as a related matter, a few fund sponsors extended the fund-raising periods of their latest funds.

Financial constraints on portfolio asset levels were also becoming increasingly evident, and B&K was involved in tai-

loring some amendments to fund agreements in order to enable funds to operate in changed circumstances. Unlike some of their foreign competitors, Finnish management companies have not yet experienced material limited partner liquidity or outright default problems. As with the markets in general, it is difficult to predict to what extent all of this will impact fund-raising in 2009.

Similar to past years, in addition to the core fund formation work and representing fund sponsors and investors in connection with the formation of funds, we advised clients in connection with carried interest schemes and marketing funds. We also worked on a few feeder funds and the sale of a management company.

This year we also represented a client in connection with the formation of a venture capital fund focusing on technology investment – a type of fund that may not have been that popular during the past years.

In 2008, B&K continued following and advising clients on legislative changes affecting the fund management industry, such as changes to the Mutual Funds Act. B&K chairman **Jyrki Tähtinen** continues to act as the chairman of the Legal Committee of the Finnish Venture Capital Association and a member of the EVCA Tax and Legal Committee.

### Representative Transactions

- We advised Finnish Industry Investment on the formation of a EUR 135 million fund of fund.
- We advised Forum Capita on establishing a new real estate fund. The debt free value of the properties transferred to the fund in connection with its formation was EUR 490 million.
- We advised Enfia Infrastructure on the final closing of Enfia Infrastructure Fund I Ky, the first Finnish infrastructure fund.
- We represented CapMan on the formation of its third property fund, which at inception acquired a hotel property portfolio valued at approx. EUR 800 million.
- We advised Amanda Capital in relation to its fourth fund of funds.
- We acted as the lead counsel for a client in raising a venture fund structured as a Guernsey partnership.
- We represented Evli Property Investments in the formation of its second property fund investing in Russia.
- We advised several private equity firms on carried interest arrangements and ownership structures.
- We represented Finnish institutional investors in connection with the evaluation of their investments in several funds, including funds sponsored by Aberdeen, Altor, Apollo, Babcock & Brown, Capricorn, CB Richard Ellis, CVC, Danske Private Equity, Darwin Private Equity, Grosvenor, Horizon Capital, KKR, Macquarie, Meyer Bergman, Nordic Capital, PAI Europe, Partners Group, Towerbrook and VSS.

## CAPITAL MARKETS *and* PUBLIC M&A

Traditional capital markets activity, such as IPOs and listings, remained virtually non-existent in Finland also in 2008, as various prospective or planned listings were postponed indefinitely due to deteriorating market conditions. However, our Capital Markets practice was kept busy with various public M&A transactions and increasingly crucial day-to-day advice to listed companies and their shareholders on a myriad of securities law related regulations. The team also advised on certain large scale white collar securities law investigations and litigations.

On the public M&A side, we continued to advise target companies, prospective bidders – such as international private

equity houses – and interested shareholders in numerous contemplated public to private transactions and other combination transactions involving listed shares.

Prevailing market conditions also proved a challenge for takeovers, as common understanding on valuation issues and bid premiums seemed hard to reach, or third party financing for the bid became elusive. Hence, several discussions between the target's board and the bidder did not materialise in a launched bid. Some target boards also flatly declined an interested suitor. In 2009, we expect to see further takeover and de-listing activity, and perhaps also secondary offerings, as listed companies seek to strengthen their financial position.

## BANKING *and* FINANCE

The market environment this year was very turbulent due to the international financial crisis and decline in economic outlook for many industries. Despite this, B&K's Banking and Finance practice had a strong year and was involved in many of the largest financial transactions in Finland. The practice is led by **Andrei Aganimov** who joined B&K as a partner from Nordea Bank in 2008.

Many of our experts have previous work experience at major Finnish and Nordic financial institutions. This gives them in-depth understanding of complex banking issues that

arise both during periods of economic expansion and times of turbulence. Towards the end of the year, our attorneys placed increased emphasis on restructuring and regulatory issues, a focal point that is anticipated to continue next year.

In 2008, we advised leading commercial banks, investment banks, borrowers and private equity funds in the financing of public tender offers, the financing of leveraged corporate and real estate acquisitions, in ship financing, as well as debt restructurings. We also advised on bank regulatory issues.

### Representative Transactions

- We advised several issuers on secondary public or directed offerings and related regulatory issues.
- We advised Cencorp on its proposed combination into Savcor and various other related undertakings and structurings.
- We advised Rocla as the target in relation to the friendly public tender offer by Mitsubishi.
- We advised Elbion NV from Belgium on negotiating and executing a combination with Biotie Therapies.

### Representative Transactions

- We represented the financial institutions in the establishment of a EUR 52 million senior credit facility for the purpose of an acquisition of a Swedish company.
- We represented a group of syndicated banks in the establishment of a EUR 1,100 million facility for a public tender offer by a major private equity investor.
- We advised a private equity fund on the establishment of a EUR 805 million senior credit facility for real estate investments.
- We advised a private equity fund on the establishment of a SEK 1,250 million senior credit facility for the purpose of acquiring a target company.
- We acted for a major cruise shipping company in acquiring one of the largest cruising vessels of the world.

## CONSTRUCTION & REAL ESTATE

Real estate related services are provided by several of the firm's practice areas. Our Real Estate Transactions practice deals with all aspects related real estate transactions, advising real estate investors and other parties in acquisitions and sales of single properties and real estate portfolios, sale and lease-back transactions and other matters.

The Construction practice deals with general construction and real estate related matters, such as construction contracts (including project management construction, design-build projects and other related contracts), disputes related to construction projects, real estate development (including zoning matters) and environmental law. In addition, our Fund Formation, Banking and Finance and Tax practices are heavily involved in matters related to real estate projects and investments.

Our Construction and Real Estate practice was substantially strengthened this year with the addition of senior advisor **Veli Leinonen**, a recognised expert in the field in Finland. His experience also benefits B&K's transactional practice areas in connection with due diligence investigations and investments into real estate development projects, among other things.

The current economic recession, and in particular its impact on the availability of financing, has negatively affected the real estate investment market. There was a clear downturn in the value and volumes of deals completed in Finland in 2008, as compared to the total deal numbers in 2007.

Despite this, B&K was involved in high profile transactions in the earlier part of the year. Economic recessions tend to cause an increase in the volume of disputes between businesses, including construction related disputes, and we noticed this upturn already in 2008.

### Representative Transactions

- We advised Niam and Goldman Sachs's Whitehall Street Real Estate Funds on their sale of the Stockmann department store located in Turku, Finland.
- We advised Citycon on its EUR 132 million sale of 40 per cent of the Iso Omena shopping centre in Espoo, Finland to GIC Real Estate.
- We advised Cramo on its sale and lease-back of nine properties located in various parts of Finland to Aberdeen Property Investors.
- We advised Kenmore Property Group on its acquisition of a portfolio consisting of ten properties located in Turku.
- We acted for contractors, their clients and other related parties in several construction related disputes with significant interests involved.

## IP & TECHNOLOGY

The number of B&K's intellectual property and technology assignments grew significantly this year. One of the most active areas was information technology and telecommunications, especially large ICT procurement cases, ICT system and related service deliveries. Several major IT/telecom procurements were also conducted under the Finnish Public Procurement Act, as many of our information technology clients operate in the public sector. We also participated in several M&A transactions in which communications sector companies and assets were sold or operationally restructured.

Our IT and Telecommunications practice is well respected for its involvement in major IT supply and procurement projects. B&K's specialist partner **Samuli Simojoki** is an internationally regarded expert in complex ICT issues and related transactional assignments.

In 2008, the head of B&K's IP & Technology practice group partner **Pekka Tarkela** was elected to the board of the association of international IT and technology lawyers, the Information Technology Law Association (ITechLaw). Founded in 1971, ITechLaw is the world's premier organisation representing lawyers in the field of technology law. The organisation enjoys worldwide membership, representing six continents and a broad spectrum of expertise.

B&K's Media & Entertainment practice continued

to serve a wide range of domestic and international clients this year. Convergence, centralisation and internationalisation continued within the media business. In recent years, new business models have evolved in music, television, film, publishing and other fields of media and entertainment, raising also new legal challenges. B&K's attorneys are known as leading experts in the media and entertainment practice area. **Pekka Tarkela** and the head of the media and entertainment practice area senior advisor **Kristiina Harenko**, are leading experts in Finland and internationally renowned in the fields of copyright and media law.

B&K provides a full range of contentious and non-contentious trademark, design and accessory services aimed at facilitating the development, commercial exploitation and protection of brands and designs. B&K is one of the few Finnish law firms that have an active practice in trademark portfolio management, providing all necessary services under a one-stop service concept. It currently has under its representation several of the most prestigious brands in Finland. B&K Brands & Designs practice is also strong in contentious work and is presently handling several landmark cases in litigation or administrative prosecution.

Our Franchising & Distribution practice assisted both internationally regarded chains and domestic players in the

negotiation of franchise contracts, as well as distribution and agency law related questions. A franchise seminar focusing on contract and competition law related issues was held this year together with the Finnish Franchising Association. The practice also continuously advises major international clients in trademark and marketing law questions and disputes.

Our IP & Tech data protection experts continued to advise clients on data protection compliance, clearance and other complex data protection and privacy issues, often in cooperation with B&K labour lawyers. We serve international companies with operations in Finland and those who want to establish themselves in the Finnish market on issues related to Finnish privacy regulation and cross border flow of personal data.

The year was, in many respects, a contentious period in the Finnish intellectual property arena. Our IP Litigation team, headed by partner **Ben Rapinoja**, handled a number of complex IP disputes in the areas of patents, trademarks, designs and copyrights on a wide variety of technologies, such as construction industry, chemicals, pharmaceuticals, engineering, electronics, diagnostics and paper and pulp industries.

In the field of patent litigation, the B&K team was involved in many demanding and rapidly developing injunction proceedings, as well as in infringement, non-infringement

and invalidity proceedings before the District Court of Helsinki (the sole venue for patent cases in Finland), the Court of Appeals and the Supreme Court as we represented, amongst other, major international and Finnish pharmaceutical and life science companies in major pharmaceutical patent disputes on blockbuster medicines with worldwide significance.

B&K's IP Litigation practice was again broadly acknowledged in international publications. Partner **Seppo Kempinen** has been praised for his work in patent litigation and commercial disputes. **Ben Rapinoja** was quoted in *Chambers Europe 2008* for his "complete and comprehensive work" in the field of intellectual property as well as pharmaceuticals and life sciences.

On the non-contentious side, our Life Sciences and Pharmaceuticals practice advised pharmaceutical companies and companies in the foodstuff business in various administrative proceedings concerning classification of their respective products by the National Agency for Medicines. The team was involved also in a number of regulatory issues regarding pharmaceutical substances, medical devices and marketing authorisations.

### Representative IT and Telecommunication Assignments

- We advised on a multitude of IT procurement deals including outsourcing and procurement of IT services for a major real estate company, Finland's leading retail chain, major state authorities and some of the largest cities in Finland.
- We advised one of Finland's leading telecom operators on a wide variety of contractual matters, including advice on core telecom contracts.
- We advised domestic and international clients on several disputes concerning provision of ICT based products and services in the telecom sector.
- We advised Finland's leading IT & telecom distribution company on vendor contract processes.
- We advised one of the leading Finnish retail chains on a complex software and hardware procurement arrangement of critical importance.

### Representative Media & Entertainment Assignments

- We advised a Finnish copyright society on restructuring its business activities relating to international co-operation as well as renewing its licensing structures, and related contractual work.
- We advised several production companies on all aspects of film production and other legal matters, including acting as the legal advisor in production of the all-time biggest Finnish motion picture, *Mannerheim*.
- We advised a major Finnish pay-TV service provider on strategic IP planning, contract drafting, regulatory matters and matters related to marketing and consumer protection.

- We represented one of the largest Finnish publishing companies on a broad basis in the commercialisation of their content products in different fields of media, in particular, within the film industry.
- We assisted a major international film industry association in copyright questions.
- We advised a major Finnish sport organisation on their television and marketing rights negotiations.
- We successfully represented Eppu Normaali Oy, a company of a countrywide-famous pop group, in litigation regarding its right to certain trade and company names based on its copyright protected song. The case is currently pending before the Supreme Court.

### Representative Brands & Designs Assignments

- We provided trademark portfolio management service package on a day-to-day basis to several major companies, including, among others, the Finnish state owned lottery company Veikkaus, cosmetics company Lumene Group, confectionary manufacturer Fazer Confectionery and spirits company V&S Vin & Sprit.
- We represented a client in a landmark trademark litigation currently pending before the Supreme Court related to the parallel importation of goods.
- We acted as advisors and coordinators in a multi-jurisdiction trademark infringement case.
- We successfully acted in several domain name disputes.
- We advised on several major licensing arrangements involving some of the most prestigious brands in Finland.

## TECHNOLOGY TRANSACTIONS

Although the global M&A market slowed in 2008, the year nonetheless saw a reasonable number of technology-related deals in the Finnish market. Consistent with the general trend, there has been a rise in asset deals in contrast to share deals. Additionally, valuations have been more cautious than in recent years.

We established our Technology Transactions practice group in 2006, and since then, the team has developed into a leading expert in this targeted field. Our experts offer clients comprehensive advice in transactions where a substantial part

of the value of the deal comes from technology (patents, software, trademarks, and the like).

Technology transactions require an understanding of the often complicated legal issues surrounding the relevant technology, along with M&A expertise. Our project teams include lawyers specialised in both M&A and IP/ICT. Other experts, such as employment and tax lawyers, are also regularly involved at an early stage. Through a coordinated team effort, we are able to provide clients with comprehensive legal services designed to maximise the technology assets at issue.

## B&K ESPOO OFFICE

### AGILE SERVICES *in the* LARGEST TECH HUB *in the* NORDICS

B&K Espoo office in Otaniemi offers agile legal services for growth companies since 2002. In addition to B&K's Espoo team members several B&K's lawyers regularly advise growth companies in various legal issues. Many of our growth company services, such as contract tools and tax reviews, have been packaged in order to offer certainty of cost and time for young entrepreneurs.

In 2008, B&K Espoo office also offered soft landing services for companies setting up operations in Otaniemi, the leading technology hub in the Nordic countries located in Espoo, Finland.

B&K Espoo has actively participated in major growth company events. In 2008, B&K sponsored the Money Talks Special Forum in May and Access Forum 2008 in November.

### Representative Transactions

- We represented Aldata Solution in its acquisition of the Apollo Retail Space and Assortment Planning business from Information Resources, Inc.
- We represented Igglo Oy in the sale of its residential property web portal to the Sanoma Group.
- We represented private equity investor CapMan's portfolio company The New Black Oy in its acquisition of the Varesvuo Group.
- We represented Sweco Industry in the sale of its engineering services business unit to Comatec Oy.
- We represented Matila Röhr Nordisk in its acquisition of the television production business of Nordisk TV & Film Oy.
- We advised a number of technology companies on their financing rounds, including Multi Touch Oy.

### Representative Assignments

- We advised Muxlim Inc., the world largest Muslim social media company, on various legal issues.
- We advised several software companies in connection with the SaaS (software as a service) business model.

## DISPUTE RESOLUTION *and* INSOLVENCY

B&K's Dispute Resolution and Insolvency Group led by partner **Kai Kotiranta** experienced another extremely active year. The number of assignments involving dispute resolution, including both national and international arbitration, litigation and conflict management, increased strongly.

B&K's Dispute Resolution practice with over 40 litigators in the group is the largest in Finland. Our dispute resolution practice and its individuals are also broadly acknowledged in international publications and rankings.

Our Litigation practice headed by specialist partner **Markus Kokko** represented clients successfully in almost all major high profile litigation taking place in Finland during the year, making our position as a leading law firm for dispute resolution well established. B&K's white collar defence team was especially busy in closely watched securities litigation cases.

B&K's dispute resolution specialists participated also in several national and international arbitration proceedings conducted under different rules of arbitration, including ICC, SCC and LCIA.

In 2008, B&K's expertise was called in disputes related to banking and financial services, competition and marketing law issues (including unfair trade practices), construction and engineering, corporate matters (including restructuring and insolvency), labour, M&A transactions, real estate, regulatory and administrative proceedings, transportation and shipping as well as securities law and white collar defence. Also patent and other IP and IT related litigation continued to increase.

B&K is consistently ranked as one of the top tier Finnish law firms in insolvency law. Our insolvency expertise, combined with our IP and IT sector know-how, makes our firm the leading expert in the liquidation of Finnish technology-based businesses. The members of B&K's Insolvency team are also among Finland's leading experts on director liability issues, which often arise in the insolvency context.

B&K's Insolvency team has proven expertise in providing general preventative analysis and risk management advice for creditors and distressed companies, as well as their managers and directors. It has also produced restructuring solutions that are regarded as innovative both from the financing and from the business point of view.

### Representative Assignments

- We represented a worldwide leading machinery supplier in a multimillion euro M&A dispute. The dispute also included precautionary measures.
- We represented a listed real estate investment company in a multi million euro dispute relating to a loan arrangement.
- We defended an international retail trade chain company in a dispute that is akin to a class action brought by dozens of storekeepers against our client related to delivery of the chain's products and compensation of damages.
- We represented an Austrian trade company against a Finnish public listed oil company in a precautionary measure process with an interest of over USD 100 million concerning a dispute related to supplying of oil raw materials.
- We represented a large international machine manufacturer in a dispute regarding product liability.
- We represented shareholders in the redemption of their shares in a large arbitration squeeze-out procedure under the Companies act.
- We represented the Republic of Finland in an indemnification dispute regarding type approval.
- We represented the Republic of Finland in an EU law and harmonisation related dispute on damages concerning a decision on excise tax.

## EMPLOYMENT *and* LABOUR

In 2008 we witnessed continuing growth in all areas of employment and labour law assignments, which is partly due to rapidly weakening forecasts for most industries. According to certain estimates, redundancies doubled and co-operation procedures tripled in Finland this year, as compared to 2007.

B&K has proven expertise in general contractual, restructuring and dispute-related employment law matters. In 2008, these often came into play in conjunction with the turbulent labour law markets, creating an increasing number of complex non-competition and employment related redemption disputes, as well as co-operation procedure and redundancy related questions.

B&K's Employment Law practice, which continued to grow in number of lawyers in 2008, has particular experience in employment law conflict management, dispute resolution, co-operation procedures as well as in tailoring management and shareholder agreements and related non-competition and incentive packages.

The vast majority of our employment law clients are major domestic and international corporate employers, such as Aina Group, Air France, Aldata Solutions, Eaton Power Quality, Electronic Arts, Honeywell, Iittala Group, Paroc Group and PKC Group.

Our employment law and litigation experts, led by partner **Minna Saarelainen**, deal with disputes relating to termination of shareholders agreements, option schemes and management employment agreements.

Providing advice in the drafting and negotiating of various incentive arrangements is an important service element.

We also regularly conduct in-house training for employers confronting a wide range of employment law matters, including down-scalings, reorganisations and redundancies. Additionally, we are involved in the creation of internal corporate policies on the protection of privacy in the workplace and compliance sanctions.

## ANTITRUST & MARKETING LAW

### Representative Assignments

- **TV4's acquisition of C More**

We represented TV4 Group in its notification procedure to the Finnish Competition Authority regarding C More Entertainment, the leading premium pay-TV company in the Nordic countries. Through this purchase, TV4 acquired the flagship of C More Entertainment, Canal+, which is one of the leading broadcasters in premium pay television in the Nordic. The transaction was opposed by a number of Nordic media companies. Their allegations were primarily based on the alleged overlaps of C More's and TV4's Finnish affiliate company, MTV Oy's, operations. However, the Finnish Competition Authority approved the transaction conditionally. The case is now pending before the Finnish Market Court.

- **The Finnish Generic Pharmaceuticals Association**

We represented the Finnish Generic Pharmaceuticals Association by providing information to the Finnish legislators and the European Commission concerning the need to change the law on generic substitution.

In generic substitution, the prescribed medicinal product is substituted with a cheaper generic alternative by a pharmacy. However, the scope of generic substitution was significantly limited

This year was very active for the Antitrust and Marketing Law practice group. We have substantially reinforced our position as a leading competition practice in Finland and are involved in all major state aid cases that are currently active in the country. Our role in traditional antitrust law, merger notifications and public procurement cases also remained strong this year.

The Borenius Baltic Antitrust practice group consists of B&K's competition lawyers and antitrust attorneys in the Borenius Group associated offices in the Baltic region. The number of antitrust attorneys in the cross-border practice group has increased to 18. The B&K antitrust and marketing law group is led by B&K partner **Ilkka Aalto-Setälä**.

This year we welcomed **Panu Pöykkylä** as a lawyer with the team. Panu advises on public procurement related questions. He is specialised in common and special sector public procurements, electronic procurement procedures and procurement processes, with all of its phases. He has earlier worked as an editor-in-chief for the public procurement notification service HILMA. Panu strengthens our role in advising contracting authorities in preparing procurement documents.

in 2006 when medicinal products where the active ingredient is protected by an analogy process patent or supplementary protection certificate based thereon and where the same active ingredient is protected with a valid product patent or a supplementary protection certificate in at least five EEA countries, were excluded from generic substitution. According to the Finnish Generic Pharmaceuticals Association, the change in law in 2006 restricted competition, breached the EU state aid rules and created excessive costs to patients and Finnish tax-payers (approximately EUR 85 million per year).

The limitation of the scope of generic substitution was finally lifted with the change in the Finnish legislation. This legislative change will come into effect on 1 April 2009.

- **Danish Baltic Agro Re-organisation**

B&K, together with the Borenius Group Baltic member firms, advised a Danish Baltic Agro Holding A/S, a subsidiary of the DLA Group, in the assessment and multiple merger control procedures in the Baltic States in connection with the acquisition of a majority of shares from global fertilizer supplier YARA in their jointly-owned Kemira GrowHow Baltic companies.

## TAX

The year was very active for B&K's Tax practice, headed by partner **Janne Juusela**. We provided tailored domestic and international tax services to clients in all areas of tax law, including corporate taxation, personal taxation and value added taxation. We took part in several large international M&A project as a general tax advisor and in preparing tax due diligence. We also conducted tax due diligence in connection with legal due diligence assignments.

This year we advised Finnish authorities in relation to several tax legislation reforms. Some of them will come into force in 2009. We were also appointed to a foreign government's advisory team in tax treaty negotiations.

International assignments constitute a noteworthy portion of our daily work. Our membership in the Taxand global alliance allows us to connect with a global network of independent tax advisors in nearly 50 countries.

During the past year, B&K took part in several global taxation competitive biddings and acted successfully as a service provider in co-operation with other Taxand teams. Inter-

national clients have found Taxand as a skilful, flexible and reliable tax service partner. In 2008, Taxand won *The International Tax Review's* Best Newcomer category in Europe, Asia and the Americas.

This year the *International Tax Review* ranked B&K's Tax practice as a top tier tax transactional practice in Finland.

The number of our tax lawyers increased in 2008. This enabled us to provide advanced transfer pricing and financing related tax services to publicly listed companies. We have also strengthened our expertise in the taxation of charitable associations by assisting several associations and foundations with their tax matters.

We continued assisting clients in domestic and international structuring transactions, including real estate and investment fund structures. Purely domestic tax assignments consisted of assisting with tax returns and other daily tax management, planning of change in generation, advance ruling application procedures, tax complaints and assistance relating to individual taxation matters.

### Representative Assignments

- We provided tax advice to Huhtamäki Oyj related to financing matters.
- We assisted Assa Abloy AB in relation to international tax planning.
- We assisted Farnos Oy in corporate restructuring issues
- We provided tax advice to Elematic Group concerning tax-optimal corporate restructuring.
- We assisted OneMed Group in various tax related matters, e.g. concerning planning of group structure.
- We provided tax advice to Whitehall Street Real Estate Funds and Niam Nordic Investment Fund III related to the structuring of a Finnish real estate portfolio.



We thank our clients for another memorable year of partnership and look forward to continuous co-operation.





BORENIUS GROUP

CONSIDER IT SOLVED.

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