Denmark

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LETT is a leading Danish full-service law firm. The firm renders advice to domestic and international equity funds, financial institutions, blue-chip industrials and the public sector. LETT has roots going back to 1869, and the firm is today located all business centers of Denmark in order to act locally.

In 2011 the firm opened a sales office in Hamburg, which is integrated in its German Desk and part of its strong international network in the legal community. With more than 360 employees, LETT is a highly specialised law firm with dedicated experts within all practice areas.

LETT applies the most modern methods to project manage clients, transactions and cross-border work, and facilitates dedicated client relationship partners if relevant. LETT's corporate values are to apply top standards and be, direct, dynamic, unpretentious, straight-forward and decent.

"In the wake of the credit crunch aftermath, the Middle East crisis and nature/nuclear catastrophes in Japan, it is my opinion that cross-border investment, corporate/M&A and international trade in general, has picked up during 2011, however, regarding M&A and private equity, we are still not close to the 2003-2007 levels. We still see valuation issues – a gap between buyers' and sellers' expectations – and that strategic transactions are coming back. Though the 2010 EU bank stress test gave some comfort, there are still many questions on recovery, which is why the market is still volatile and I expect it to be for the rest of 2011", says corporate finance partner Søren Brinkmann. The current financial situation in Greece, Ireland, Spain and Portugal, supports this expectation.

Mr Brinkmann goes on: "We therefore see massive consolidation in the Danish market and particularly in the banking sector, which has been accelerated by the end of the supporting bank packages."

LETT has assisted numerous domestic and international banks and financial institutions in their attempts to acquire Danish companies (banks, insurance companies, etc.) from their owners or and some distressed banks from the Danish Financial Stability Company. E.g. senior partner N.E. Nielsen assisted Købstædernes Forsikring in the acquisition of Diba Forsikring from Diba Bank, Henrik Puggard assisted Kemp & Lauritzen in the largest private equity deal so far in 2011, by acquiring Semco, and Sebastian Ingversen assisted former national telecom provider TDC in the strategic acquisition of OnPhone.

"We still see massive activity on the dispute resolution side", says Mr Brinkmann. "Arbitration has become more important following the substantial Danish court reform in 2006. We see significant litigations revolving around professional negligence, banking and white collar crime. This obviously increased as a result of the financial crisis, however, not as substantially as expected."

LETT boasts impressive credentials within all aspects of dispute resolution. Georg Lett is the Danish member of ICC and Jesper Lett is chairman of Copenhagen Arbitration. Together with top litigator René Offersen, these fronts LETT's dispute resolution endeavors.

Germany

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Mütze Korsch Rechtsanwaltsgesellschaft mbH (MKRG) was established in 2004. Since then, the firm has successfully expanded its partnership internally as well as via lateral hirings. At present, MKRG has 23 lawyers of whom 16 are partners.

MKRG is a completely independent full-service law firm with offices in Dusseldorf and Cologne. Its main areas of legal practice are: corporate law and finance; insolvency advice and restructuring; labour law; real estate and construction law; public services; and IP/IT. MKRG renders legal and economic advice not only to domestic but in particular also to international clients and attends to mandates throughout the Federal Republic of Germany.

The German M&A business has been hit markedly by the global credit crisis. Dr. Maximilian Koch, partner, explained that firms in Germany were struggling to cope with the global economic crisis in 2009 and were mostly tied up with cutting costs. In addition, it was extremely difficult to obtain credit to leverage M&A transactions.

"The firms which did their homework, performed the necessary cost cutting exercises and managed to keep or even to gain a good competitive foothold are now in a position to pursue a growth strategy via mergers," commented Dr Koch. "Right now the business environment in Germany seems to be good. In fact the jobless rate has reached the bottom, which adds to the attractiveness of external growth by horizontal mergers."

In Dr Koch's opinion, the situation for private equity deals has improved as well. The M&A Report by the Centre for European Economic Research (ZEW), Mannheim, which was published in April 2011, confirms that the M&A activity in Germany is recovering after a lean time in the years before.

"M&A deals in Germany were declining even in 2010, while the M&A activity stabilising abroad already. The report states that this was due to the fact that in 2010 German firms were still focused on internal restructuring tasks rather than external growth," said Dr Koch. "Now the financing conditions even for M&A deals have improved markedly, and external growth via mergers becomes more and more an interesting option."

The report also says that in particular in the financial sector M&A transactions should be observed in the near future because banks have to part with their shareholdings in order to meet the requirements of the EU.

"However, it is obvious that from an international perspective the macroeconomic dangers, in particular the ones associated with the burden of the indebtedness of Western countries, become more and more oppressive and can pose a real threat to the world economy as a whole," said Dr Koch. He concluded: "A worldwide economic downswing would also stall the M&A activity in Germany, in particular (leveraged) mergers."