



**annual  
review  
2014**



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**2014**

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White & Case had a strong year in 2014, as confidence in the global economy returned. Companies looked for growth, and we saw the resurgence of high-value M&A, dozens of well-received IPOs and a stream of innovative, cross-border financings. Our business reflected these trends.

We had a landmark year. Our revenue increased to more than US\$1.5 billion—our highest yet and the outcome of our long-term strategy to be a leading global law firm.

In 2014 we welcomed 35 new partners, 19 from within and 16 who are new to the Firm. I take great pride in the way all our partners work together to serve our clients. They make White & Case the great Firm that it is.

A highlight for me personally was the recognition we received from the Clinton Global Initiative for our work with the Kingdom of Bhutan to create the country's first law school. This is just one of many projects White & Case supports to improve legal education and build the rule of law around the world.

In this year's annual review, we focus on issues that affected our clients in 2014 and set the stage for 2015. We present eight themes covering a range of issues we addressed over the year as we worked with our clients to navigate challenges and seize opportunities.

The year ahead shows all the signs of being another exciting year for the Firm and for our clients. We look forward to it.



Hugh Verrier  
Chairman



# financing growth

THROUGH MULTIPLE SOURCES

**Alternative financing options have proliferated in recent years**, enabling companies to fund projects even as traditional bank lending remains tight. An increasing variety of formerly minor or untested debt instruments are becoming mainstream as a result, *changing debt markets for good.*





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## Beyond the banks: The rise in alternative financing

Although conditions for borrowers are looking increasingly positive, commercial banks have not been lending as freely as they did before the liquidity freeze that began in 2008. Consequently, borrowers have sought alternatives, and there has been a range of options from which to choose. High yield bonds, asset-based lending and debt from credit funds have all been widely available, leading many to believe that even as traditional loan liquidity has revived, alternatives to senior debt from banks have become an established part of the market.

The rise of credit funds and the revival of high yield bond markets have particularly benefited European borrowers. With a new mindset and a desire to find the best terms available, regardless of the source, the eyes

of European borrowers have been opened to the highly liquid US term loan market. Investors in the US term loan market are hungry for yield, and European borrowers have found the pricing and covenant-lite (“cov-lite”) terms on offer attractive. The private placement market, which allows issuers to avoid the reporting requirements of listed high yield bonds, has made raising debt in the United States even more appealing for European borrowers. Consequently, the European loan market has found itself needing to compete on terms with new rivals and has adopted cov-lite features to a degree not previously seen.

With borrowers now focused on obtaining the best available terms, and more comfortable with a variety of financing providers, credit funds have been putting

money to work at great speed. Their willingness to consider any type of structure and to build pricing, cash/payment in kind (PIK) coupon and covenant structures around a credit rather than around the market—combined with the borrower having access to a debt partner that moves swiftly and decisively with regard to amendment and consent decisions—makes credit funds very attractive.

Alternative forms of finance look set to continue into 2015, offering borrowers a wide variety of products at attractive prices and on favorable terms. As debt markets reopen following the financial crisis, European borrowers have more financing options available to them than ever before.

# European and US leveraged loan and bond markets converge, as cov-lite loans increase in number

Until 2014, European lenders resisted the aggressive loosening of covenants for leveraged loans, but 2014 saw a significant shift toward more flexible, borrower-friendly terms that resemble more closely those of high yield bonds. The US market has already seen a convergence between high yield bond terms and leveraged loan terms over the past two years, and there is now evidence that this trend is making its way to Europe.

While there were no domestic European cov-lite loans in 2013, a full 14 percent of European loans were arranged without maintenance covenants in 2014, according to Xtract Research. Indications are that the European

obligation (CLO) issuance in Europe (which was much slower to restart compared to the United States). While third-quarter 2014 volatility witnessed a slight shift back in favor of investors, the indications are that though cov-lite issuance may have taken a pause, this has become a more standard feature of the European market.

"As CLO issuance continues to grow in Europe, and as this capital is increasingly managed by people who operate on both sides of the Atlantic, cov-lite deals will continue to get done in Europe," said White & Case partner Jake Mincemoyer.

While the European cov-lite phenomenon is developing, there

# 2X

**number of cov-lite  
US leveraged loans  
in 2014 over 2013**

**Source:** Xtract Research

market is moving in many ways toward a US-style model, where cov-lite loans have gained a very strong position in the market over the past two years. According to Xtract Research, in 2014, 48 percent of US leveraged loans were cov-lite, double the 24 percent seen in 2013.

This change has been driven by competitive pressure from high yield bonds, which saw record issuance value in Europe during 2013, investor appetite for European exposure and a resurgence of collateralized loan

have still only been a relatively small number of cov-lite deals completed and therefore set standards have yet to emerge. In the United States, by contrast, the greater maturity of cov-lite means that strong precedents have been set, allowing borrowers to push on terms previously agreed upon in other deals. "In Europe, we've not yet seen deals done with the full package of high yield-style flexibility you would see in the United States, although this will creep across the Atlantic in 2015," said Mincemoyer.

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## £725 MILLION FINANCING FOR ACQUISITION BY BESTWAY GROUP

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We advised the lead arrangers on the financing for the Bestway Group's acquisition of the Co-Op Pharmacy. The £725 million all-senior loan financing included a £425 million term loan B that was allocated to institutional investors. Bestway Group is a UK-based family-owned conglomerate that includes the UK's second-largest independent wholesaler, Bestway Wholesale.

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## REFINANCING OF DELACHAUX GROUP

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We advised Deutsche Bank, as global coordinator and agent, on the refinancing of the existing financial indebtedness of the French-based DELACHAUX Group.

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## US\$590 MILLION FINANCING FOR ACQUISITION BY CINVEN PARTNERS, LLP

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We represented Jefferies Finance LLC, as administrative agent and joint lead arranger, in a US\$530 million senior secured term loan facility and a US\$60 million senior secured revolving credit facility to finance, in part, the acquisition of Medpace Holdings, Inc. by various funds managed by Cinven Partners, LLP. Medpace Holdings, Inc. is a global contract research organization that provides management services to R&D departments of pharmaceutical, biotech and medical device clients.

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## US\$1.35 BILLION FINANCING FOR ACQUISITION BY SALIX PHARMACEUTICALS, LTD.

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We represented Jefferies Finance LLC, as joint lead arranger, administrative agent and collateral agent, in the financing of the acquisition of Santarus, Inc., by Salix Pharmaceuticals, Ltd., both specialty pharmaceutical companies. The financing consisted of a US\$1.2 billion senior secured term loan facility and a US\$150 million secured revolving credit facility. The company also issued US\$750 million of senior unsecured notes.



# IPOs surge in Europe

Europe experienced strong levels of IPO activity in 2014, led by IPOs in the financial, retail and industrial sectors. In 2014, volume was up by 50 percent and proceeds were up by 82 percent, according to *Thomson ONE Banker*. All in all, in 2014, 259 IPO issues raised €66.6 billion on European markets.

“Financial sponsor-backed exits were, as expected, a key driver of IPO activity, and look to continue that role into 2015,” said White & Case partner Michael Immordino. Financial sponsors are highly reactive to market trends, and with the equity side performing so well over the past two years, it was expected that they would be leaders in the IPO arena. Private equity and venture capital-backed IPOs accounted for 27 percent of the total IPO volume and 43 percent of proceeds in 2014, according to *Thomson ONE Banker*.

While IPO activity surged above 2013 levels, investor selectivity grew in the fourth quarter with investor anxiety persisting over geopolitical tensions and variations in the strength of economic performance

from country to country on the continent. “In particular, challenges arose in Q3 and Q4 for small and mid-market IPOs, which were the first to feel the effect of market tension,” said Immordino. Long-term structural issues continue to exist in Europe, including the multiplicity of stock exchanges in Europe, which in most cases do not cover many specialist sectors. “Finally, if deflation arises in Europe in 2015, it will reflect itself in the market,” he added.

Nevertheless, 2015 looks to be a healthy year for IPOs in Europe. The European Central Bank has taken steps to support European markets, and the relative value of European equities versus US equities will ensure investors continue to buy into the region.

“Real estate IPOs in Europe will continue to be a trend,” said Immordino. The Middle East and Turkey are expected to be active markets, while Russia will be sharply down. And, with some of the European economies that are struggling, Immordino foresees continued IPO activity with privatization not only at the national level, but regional and local as well.

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## COFACE SA IPO

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We represented French credit insurer Coface SA in its €967 million IPO on the regulated market of Euronext Paris. The Coface Group has a direct presence in 67 countries and employs 4,400 people.

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## DX (GROUP) PLC IPO

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We represented DX (Group) plc, an independent logistics operator in the United Kingdom and Republic of Ireland, and a former portfolio company of private equity firm Arle Capital Partners Limited, in its successful IPO and admission to the AIM market of the London Stock Exchange, valuing its group at approximately £200 million.

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## AXIA REAL ESTATE, S.A. IPO

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We advised Axia Real Estate, S.A., a Spanish real estate investment trust, on its €360 million IPO on the Spanish Stock Exchange and private placement to institutional investors under Rule 144A.

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## ELIOR IPO

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We represented a syndicate of banks led by Deutsche Bank, J.P. Morgan, Crédit Agricole Corporate & Investment Bank and HSBC in the €955 million IPO of Elior, a French catering company, on the regulated market of Euronext Paris.

## European IPO Market 2014

€66.6 billion in 2014 for 259 issues,  
an 82 percent increase from 2013

Source: Thomson ONE Banker

A large, stylized graphic of the number 82 followed by a percentage sign (%). The numbers are in a bold, black, serif font, and the percentage sign is also in a bold, black, serif font. The graphic is positioned on the right side of the page, below the text about the European IPO market.

# High yield financing flourishes globally

In 2014, a record-high US\$550.7 billion of high yield bonds were issued worldwide. As in the past, the United States led the way in issuances, with US\$355.2 billion. But it was the Euromarket (including emerging markets) that showed tremendous growth, with a 31 percent jump from US\$139.4 billion in issuances in 2013 to US\$181.6 billion in 2014, according to *Bloomberg's Global Fixed Income League Tables*.

The strength of the high yield bond markets has greatly benefited borrowers refinancing existing bank debt or raising capital for acquisitions. High yield bonds, with incurrence-based covenants, are well-suited to businesses that are cyclical, highly leveraged or capital intensive. Without maintenance covenants in place, temporary reductions in cash flow or deterioration do not automatically result in default. As a consequence, borrowers do not find themselves having to renegotiate covenants or pay fees for consents or amendments.

Recently, some bond structures have allowed change-of-control "portability," enabling the debt structure to be carried over if the business owner sells without a requirement that an offer be made to resell the bonds. This provision is particularly sponsor-friendly because it is designed to make a future sale more economical and more attractive to potential buyers. Although portability is not a new concept, it has recently become more prevalent in the market. It remains to be seen whether the feature will become more widely accepted and whether the recent flexibility of the provision afforded to issuers in bond transactions will be translated favorably to borrowers in loan deals. As sponsors are starting to center their focus on more flexible exit options, the portability provision is likely to move to the forefront of negotiations.

Although the US high yield bond market was not as strong in the final quarter of 2014, we represented US energy giant

Dynegey Inc. in October 2014 in high yield note issuances totaling US\$5.1 billion. This offering was the largest domestic-dollar high yield deal of the year. "In 2015, there should be continued opportunities for companies to take advantage of the benefits of high yield bonds," said White & Case partner Gary Kashar.

Internationally "there will be a continued convergence of the US and European bank/bond markets in 2015," said White & Case partner Rob Mathews, and "now that high yield has been fully adopted as a preferred source of financing in the international markets, we expect to see more offerings in new industries and in new jurisdictions." For example, Mathews noted that 2014 saw the continued expansion of high yield in Western Europe, particularly in Italy and France, and the adoption of high yield financing into new markets, with White & Case working on the first high yield financings in Nigeria and Bangladesh.

## High yield bond issuances in 2014

**550.7**  
in US\$ billions  
Source: Bloomberg's Global Fixed Income League Tables



**US\$355.2 billion**  
US Corporate

**US\$181.6 billion**  
Euromarket Corporate  
including Emerging Markets

**US\$27.9 billion**  
Asia ex-Japan G3 Corporate

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#### LARGEST-EVER CEE HIGH YIELD DEAL

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We represented Poland-based mobile telecoms operator P4 sp. z o. in its inaugural €870 million and PLN 130 million dual-tranche high yield bond issue and entry into a new super-senior revolving credit facility. As of the transaction day, it was the largest debut high yield bond deal since 2010, the largest Central and Eastern European high yield deal ever, the second-largest European telecoms debut ever and the first-ever Polish zloty-denominated high yield bond issued on the international capital markets.

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#### €7.75 BILLION OF HIGH YIELD FINANCING FOR CORPORATE REFINANCING

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We represented Wind Acquisition Finance S.A. and Wind Telecomunicazioni S.p.A., a leading Italian telecommunications operator, in a series of high yield issuances totaling €7.75 billion for corporate refinancing purposes.

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#### US\$5.1 BILLION OF HIGH YIELD FINANCING FOR POWER AND ENERGY ACQUISITIONS

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We represented independent power producer Dynegy Inc. in the issuance of US\$5.1 billion in aggregate principal amount of high yield notes. The proceeds were placed into two separate escrows pending Dynegy's acquisitions of (1) certain of Duke Energy Corporation's Midwest generation and a retail energy business and (2) EquiPower Resources Corp. and Brayton Point Holdings.

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#### FIRST-EVER INTERNATIONALLY MARKETED HIGH YIELD BOND ON TEL AVIV STOCK EXCHANGE

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We represented B Communications Ltd. in its innovative debut US\$800 million senior secured high yield bond offering, the first-ever internationally marketed high yield bond listed on the Tel Aviv Stock Exchange. B Communications is the controlling shareholder of Bezeq Telecommunications, Israel's largest communications company.

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#### FIRST-EVER BANGLADESHI HIGH YIELD BOND

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Bangladesh made its first international bond offer and its first high yield bond offer, opening up the international bond market for other names from Bangladesh to follow. We represented Citigroup Global Markets, Inc. in the US\$300 million high yield notes offering by Banglalink Digital Communications Limited, the second-largest mobile telecoms operator in Bangladesh.

## **Businesses face cross-border investigations by multiple authorities**

*Regulatory scrutiny is rising* as government agencies worldwide increasingly work together on bribery, antitrust and corruption issues and countries expand their extraterritorial reach.



In the wake of the financial crisis, there has been a sustained rise in the number and variety of investigations and enforcement actions taken by regulatory authorities globally. Multinational corporations and financial institutions are now more likely than ever to find themselves subject to cross-border investigations conducted in parallel by multiple authorities.

Regulatory authorities worldwide are continuing to investigate and prosecute business conduct aggressively and to impose record-setting penalties in the process. And there is no sign that this trend will abate. Quite the contrary. While US authorities remain in the vanguard of such initiatives, now more than ever non-US authorities can be expected

not only to cooperate with and facilitate US enforcement initiatives, but also to pursue their own criminal or regulatory investigations and to exact their own significant penalties.

This trend of global scrutiny of certain business conduct and enforcement against it is facilitated by the broad jurisdiction of anti-corruption laws, such as the US Foreign Corrupt Practices Act and the UK Bribery Act, as well as various antitrust sanctions and anti-money laundering regimes. Enforcement authorities, particularly in the United States, have used such laws and accompanying legal doctrines to prosecute corporate and individual misconduct in far-flung markets that may have little apparent nexus, for example, to the United States.

BUILDING RESILIENCE IN AN ERA OF INCREASING

# **invest**

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### Anti-corruption legislation by number of countries

40 OECD Anti-Bribery Convention signatories 173 UNCAC states parties  
140 UNCAC signatories 7 UNCAC not signed or ratified 2 National legislation with  
global coverage (FCPA, UK Bribery Act) 4 Recent national anti-corruption legislation

Source: 2014 Business Anti-Corruption Portal

# igations



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## Sanctions and export controls can materialize unexpectedly and expand rapidly

EU, US and Japanese sanctions in response to the Ukraine crisis show how sanctions can materialize unexpectedly and expand rapidly. Their effects deliberately extend beyond the designated organizations and individuals themselves, presenting challenges for business and nations. Sanctions are complex and multilayered, imposed by different international and regional organizations, such as the United Nations and the European Union, and by individual states, such as Canada, Japan and the United States.

US sanctions can be comprehensive: country- or territory-based (e.g., against Crimea, Iran, Syria and Sudan) or “list-based” (e.g., against specific entities and individuals engaged in activities such as terrorism, narcotics trafficking and efforts to undermine democratic processes). Measures for EU sanctions are either “list-based” or impose wider restrictions on certain

sectors, products or transactions. The Russia sectoral sanctions are a new form of US and EU sanctions targeting the finance, energy and defense sectors by restricting narrow categories of activities involving certain identified entities or products.

US enforcement is increasing, with tough penalties and settlements on US and non-US banks and corporations. In the European Union, licensing and enforcement activity is also up, though it does vary between countries (national authorities are responsible for enforcement). Sophisticated compliance procedures, therefore, have become essential for international businesses to ensure they are not unwittingly conducting business with sanctioned parties. Furthermore, if found to be subject to or in violation of sanctions, individuals and businesses may wish to consider challenging that determination. Recent EU cases and, to a more

limited extent, US cases suggest that although very difficult, a meaningful challenge could be mounted.

In the future, sanctions and export controls are likely to expand further—and continue to appear without warning. They may also be suspended unexpectedly. President Obama announced his intention to ease the US embargo against Cuba in December 2014. Selective imposition and easing of sanctions have become preferred foreign policy tools. As a result, companies must continually adapt to the changing sanctions landscape, the increased risk of potential sanctions violations and the number of sanctions audits and investigations needed to ensure compliance. Extraterritorial application of economic sanctions restrictions, particularly by the United States, places even more of a premium on robust and comprehensive sanctions compliance procedures.

# EU continues tough stance against anticompetitive behavior

In 2014, the European Union showed no signs of relaxing its tough stance against anticompetitive behavior. In 2014, it imposed fines of more than €1.67 billion, which included one fine of €953.3 million.

The scope and targeting of the EU's fines were also expanded. In 2014, for the first time, a private equity fund was fined more than €37 million by virtue of its controlling stake in a suspected cartel, without any evidence that it was aware of any infringement.

EU fines are significantly higher than fines imposed by antitrust authorities in the United States and China. "EU authorities tend to use the size of fines as a benchmark to show they are doing a good job," said White & Case partner James Killick. "The underlying idea is that the best way to get people to comply is to fine their companies increasing amounts of money. On top of that, each successive competition

commissioner wants to show they are more successful than the previous one, so there is a tendency to increase fines."

While imposing high fines, the EU system does not afford companies the usual criminal due process guarantees. Separation of powers is lacking, and the final decision is made by a political body sensitive to public perceptions. In addition, the appeals process before the EU Court of Justice is inadequate because there is no hearing of witnesses and no full court review.

The appointment of the new European Commission (EC) president and teams of commissioners offers an opportunity for reform. But until reforms take place, the current environment makes it even more critical for companies to embed a robust compliance program to lower the risk of an investigation and fines. Trade associations and consultancies should also consider compliance programs to ensure their clients stay on the right side of antitrust rules.



**€1.67**  
billion in EC fines for anticompetitive behavior  
January 1, 2014 to October 21, 2014

Source: European Commission—Cartel Statistics 2014

**EU authorities tend to use the size of fines as a benchmark to show they are doing a good job. The underlying idea is that the best way to get people to comply is to fine their companies increasing amounts of money.**

**James Killick, Partner, Antitrust**



CLOSING THE GLOBAL **infra**





**The shortfall in investment for essential projects around the world is estimated to exceed US\$1 trillion annually, and *companies and countries are taking a range of innovative new approaches* in an effort to build the infrastructure required for the future.**



# structure gap

## Project bonds go mainstream

The G20 and the World Economic Forum put global infrastructure improvement at the top of their strategic agendas in 2014. But because bank lending remains tight and public funds are scarce, sponsors have had to look beyond traditional loan finance to fund infrastructure development. As a result, project bonds have become increasingly popular, and they are now a viable option for sponsors in a growing number of markets.

As a result, project bonds can be issued in several forms for both greenfield and brownfield projects: privately placed or publicly listed; rated or unrated; and with or without external credit enhancement.

Infrastructure projects are well-suited to debt investors, particularly in a low-interest rate environment, because they provide attractive yields

and significant credit spreads. They also provide investors with collateral in the form of real assets that are often deployed in quasi-monopolistic contexts.

Several major projects are now being financed under the European Commission's Europe 2020 Project Bond Initiative (PBI), whose mission is to facilitate the development of bond finance in the European infrastructure market. The European Investment Bank provides credit enhancement for PBI projects, encouraging insurance companies, pension funds and other institutional investors to take positions in debt for infrastructure projects for the first time. Outside Europe, other multilateral institutions, such as the African Development Bank, are considering how they could support similar initiatives.

Non-bank debt is also increasingly a component of infrastructure finance in emerging markets, and countries such as Peru, Mexico, Colombia and the Emirate of Abu Dhabi are looking to bond investors to help fund essential programs.

Many sponsors have been reticent about using project bonds to finance infrastructure projects because they perceive them to be complex or expensive relative to bank lending, but this situation is changing.

It is important to note that project bond issuance must be supported by a robust legal framework. Many countries around the world are working to establish the appropriate contractual frameworks or legislation for public-private partnerships to attract institutional investors to infrastructure projects.

# Capital markets enable infrastructure development in Latin America

Countries throughout Latin America are advancing ambitious infrastructure programs, particularly in energy and transportation, to support regional integration and strong economic growth.

To finance these projects, sponsors and financial institutions are increasingly turning to the international debt capital markets. Latin American and Caribbean issuers raised US\$139.2 billion in bonds in international capital markets in 2014, a 10.2 percent increase from 2013.

While certain Latin American countries have healthy domestic banking systems and stock exchanges for financing projects, the sheer scale of ongoing and planned projects means financing from international investors is

essential. This is particularly true for projects in the Andean region, where the mountainous terrain can make infrastructure development more expensive than elsewhere.

Rule 144A/Regulation S project bonds by Latin American issuers have proven particularly attractive in the past year. In part, this is because US interest rates remained at historic lows, and these bonds encourage US investors to pursue opportunities in Latin America for higher yields. The reduction in political risk in the region has also given new confidence to US investors and fund managers.

While pension funds and insurers have become increasingly comfortable investing in infrastructure bonds for new projects in mature markets such as Europe, most bonds in Latin America have been issued to finance brownfield projects or

to refinance projects that are already under way. But in the past year or so, a number of bonds were issued for greenfield projects in the region, and the trend is expected to continue.

A number of countries are establishing robust frameworks for public-private partnerships (PPPs) to attract international investors for greenfield projects, many of which may be financed with project bonds. Brazil has indicated that it will open more concessions and initiate more PPPs. Colombia recently passed a new PPP law to attract international financing for what is being hailed as the biggest road-building project in Latin America. Chile plans to open new concessions and is putting a new focus on infrastructure investment. Peru sees continuing activity in PPPs focused on roads, hospitals and water. And Mexico's historic reforms include PPP reforms that provide greater certainty for infrastructure investors and contractors.

US\$

57

global infrastructure  
investment needed for  
2013 – 30

trillion

# Financing high-speed broadband infrastructure

Countries need high-speed broadband infrastructure to compete in the digital era, but existing broadband capacity is limited around the world. Trillions of dollars are required to fund the deployment of broadband networks through to 2030. Consulting firm McKinsey & Company estimates that Organisation for Economic Co-operation and Development (OECD) countries, plus Brazil, China and India, need to invest US\$10 trillion in broadband infrastructure. The needs are huge, but how will they be financed?

Government grants and subsidies are covering some of the costs of building infrastructure. For instance, the US Department of Commerce's National Telecommunications and Information Administration has invested more than US\$4 billion since 2009 to increase broadband access to underserved communities across the United States.

Equally vital is the support governments can offer through loans, guarantees and project bonds. As the European Commission's Digital Agenda for Europe report points out, "These instruments can be an effective means of support for infrastructure projects which have potential for commercial

revenues, but which face constraints in accessing usual sources of financing."

Many countries are making private sector partnership and infrastructure investments a priority.

Private sector involvement will be key, and the investment case for private entities will depend on the level of return and the timing of cash flow for each broadband project, as well as the availability of finance and the relative attractiveness of alternative investments. Governments will need to create a favorable environment for attracting investment and financing; developing a stable regulatory regime that encourages investment and a clear government strategy for doing so is paramount. But the outlook is promising: At least 140 countries already have a national broadband strategy or policy in place.

However broadband infrastructure is financed, its development is essential for all countries. According to *The State of Broadband 2014: Broadband for All*, a report issued by the Broadband Commission, "Broadband for all can transform policy, social and development outcomes around the world" and is "essential for national competitiveness and success in the modern economy."

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## EUROPE'S FIRST PROJECT BOND FOR DIGITAL INFRASTRUCTURE

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Demonstrating the effectiveness of public-private partnerships in broadband infrastructure financing, we represented the European Investment Bank (EIB) in the issuance of the first project bond in Europe for digital infrastructure. The project bond refinanced 11 French telecoms concessions owned by Axione Infrastructures, which will continue and extend its implementation of fast and superfast digital infrastructure in sparsely populated areas.

The project bond was issued with a debt enhancement, using the Project Bond Credit Enhancement structure launched by the European Commission and EIB in 2012. In addition to being the first European project bond issued for digital infrastructure, it was also the first project bond to be issued in France, governed by French law and listed on the regulated market of Euronext Paris.

**2.9**  
  
**billion people**

**40.4% of the world's population was online at the end of 2014**

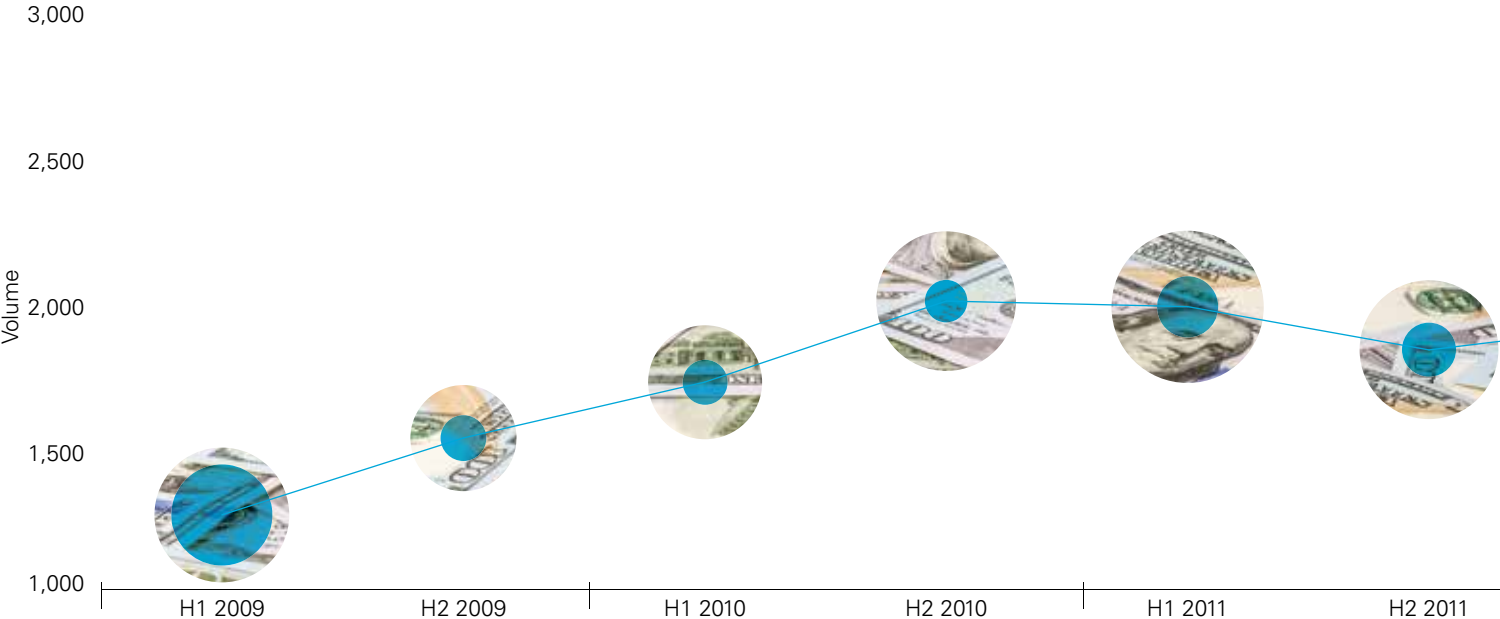


Source: *The State of Broadband 2014: Broadband for All*

RIDING THE  
GLOBAL WAVE IN

# M&A

After years in the doldrums, **M&A markets have rebounded in many markets and industries around the world**, benefiting corporates and private equity firms alike. And indicators suggest that *dealmaking will remain robust into and beyond 2015*.



## US M&A roared back in 2014

After a number of tough years, 2014 marked a turning point for US M&A. Companies announced 4,795 deals worth US\$1.4 trillion, a 22 percent increase in volume and a 57 percent rise in value compared to 2013. Indeed, deal value was the highest since 2007.

Telecommunications, media and technology was the most active sector in terms of number of deals, with a total of 1,029 transactions worth US\$302 billion. By value, the energy, mining and utilities sector was on top, with a total of US\$318 billion from 495 transactions (more than double the US\$139.6 billion logged in 2013).

The private equity (PE) industry also performed strongly. Exit volumes were up 31 percent, and the value of exits rose 70 percent

to US\$262 billion. Corporates eager to deploy unspent cash bought 698 companies worth US\$192 billion from PE firms, up from 526 deals worth US\$120 billion in 2013. Secondary buyouts (PE-to-PE deals) were also up.

Deal activity eased a bit toward the end of the year as equity and debt markets cooled in the final quarter. But the fundamentals remain in place for US and international M&A markets to support robust deal activity in 2015. Positive indicators include:

### Companies have the means and motivation to transact.

US stock markets, while experiencing certain volatility toward the end of 2014 and the beginning of 2015, remain strong. Many companies have substantial cash piles to invest, and many have visions of growth and the backing of shareholders to pursue their vision.

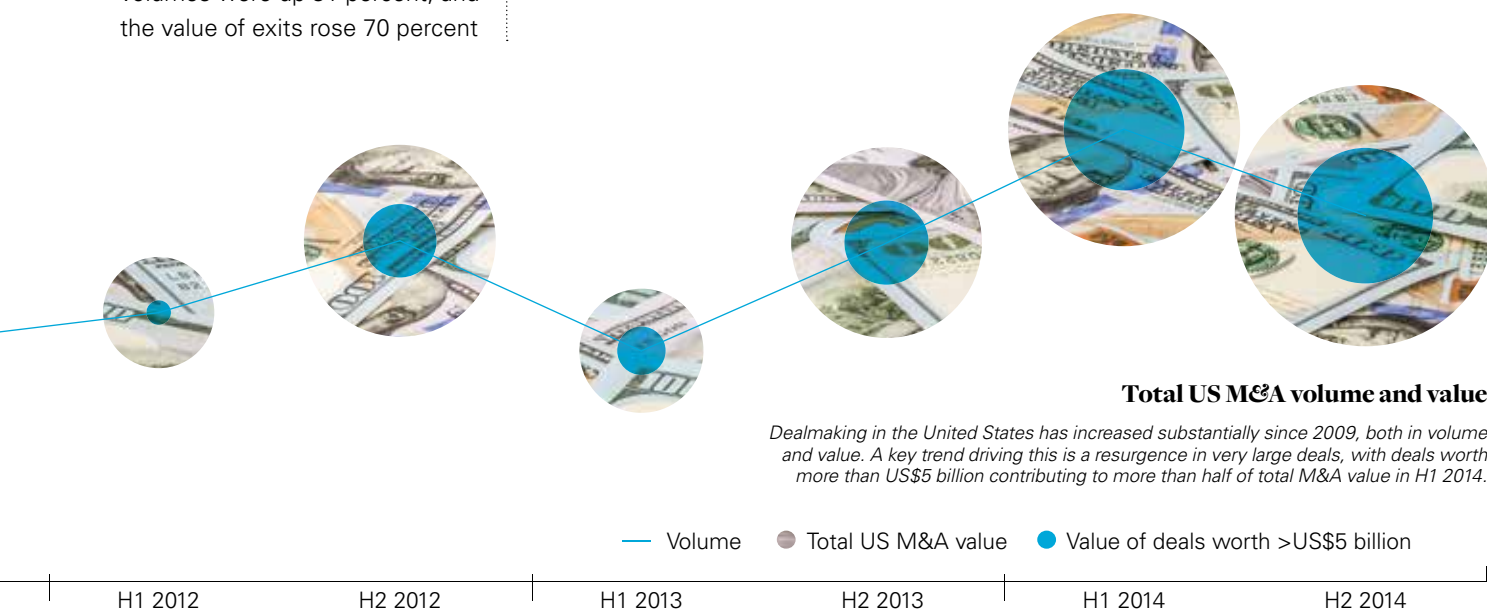
### Rising middle-market activity could extend the M&A surge.

Megadeals drove the increase in value in 2014. The number of deals also rose, but not as much as value. We expect the market to deepen and broaden beyond megadeals during 2015.

### Overseas buyers have a strong appetite for US targets.

The US economy is stable and growing, particularly compared to markets in Europe and Asia, which is attracting non-US buyers. International interest in the US market reached heights not seen since 2007, with 822 inbound deals worth US\$374 billion recorded in 2014.

Indeed, recovery in US M&A has led a wider rebound in global M&A markets, which recorded total deal value of US\$3.2 trillion in 2014, a 45 percent increase compared to 2013. At 16,554 deals, global transaction volume was 14 percent higher than in 2013. Corporates and buyout firms in virtually all markets are turning to M&A as they shift their focus back to growth.





## New tech hubs benefit as more PE firms pursue start-up opportunities

Traditional venture capital (VC) firms still dominate the funding landscape for start-ups, but other types of investors are pursuing start-up opportunities at an accelerating rate. These include PE firms eager for returns in a highly competitive, low-yield environment, as well as companies seeking strategic opportunities to invigorate their innovation pipelines through corporate venture investments.

At the same time, decreasing costs of entry now allow start-ups to achieve world-class success

without relocating to traditional hubs such as Silicon Valley. Indeed, the majority of the 140 start-ups that reached a billion-dollar valuation in the last decade were not located in Silicon Valley, but were spread around the world according to Atomico, the London-based VC firm.

This trend will only accelerate as talent pools develop in new locations around the world. For example, Central and Eastern Europe has already emerged as a rich pool of programming expertise.

Rising competition for good investments is driving valuations sky-high for start-ups located in traditional hubs, which is leading an increasing number of investors to look for opportunities in newer hubs, such as New York, Berlin, Tel Aviv, Beijing, Stockholm and London. This is shoring up a trend that is enabling new hubs to take root and allowing promising new start-ups to blossom regardless of where they are located.



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## M&A matters

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### ZIMMER HOLDINGS, INC. ACQUISITION OF BIOMET INC. TO CREATE LEADER IN MUSCULOSKELETAL INDUSTRY

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We represented Zimmer Holdings, Inc., a world leader in musculoskeletal health solutions, in its proposed US\$13.35 billion acquisition of Biomet, Inc., one of the world's leading medical device manufacturers. The merger of Zimmer and Biomet will position the combined company as a leader in the US\$45 billion musculoskeletal industry. The transaction is expected to be completed in the first quarter of 2015.

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### BARWA REAL ESTATE COMPANY SALE OF STAKES IN THREE COMPANIES, ONE OF QATAR'S LARGEST-EVER M&A DEALS

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In one of the largest-ever merger and acquisition transactions in Qatar, we advised on the US\$5.3 billion sale of stakes in three companies by Barwa Real Estate Company Q.S.C. to a subsidiary of Qatari Diar. We advised Labregah Real Estate Company Q.S.C., a wholly owned subsidiary of Qatari Diar Real Estate Investment Company Q.S.C., and Barwa Real Estate Company Q.S.C. on the purchase by Labregah of a 95 percent stake in Barwa Commercial Avenue Company for US\$2.5 billion, the US\$2.1 billion acquisition of the entire share capital in Barwa City Company, and the sale of a 37.34 percent stake in Barwa Bank for US\$660 million.

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### MMG LIMITED-LED CONSORTIUM'S US\$7 BILLION ACQUISITION OF LAS BAMBAS COPPER PROJECT IN PERU

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We represented MMG Limited (MMG) and the MMG-led consortium including Guoxin International Investment Corporation Limited (22.5 percent) and CITIC Metal Peru Investment Limited (15 percent) in the US\$7 billion acquisition of the Las Bambas copper project in Peru from Glencore plc. We advised MMG on the consortium shareholder arrangements and the consortium on the merger and acquisition, Hong Kong Stock Exchange approvals and financing of the acquisition (including ongoing project development costs) through a combination of equity and long-term debt facilities from a banking syndicate arranged by China Development Bank. The Las Bambas project is a world-class copper asset with prospective, near-mine exploration opportunities located in the Cotabambas, Apurimac region of Peru. The estimated mine life exceeds 20 years and is expected to produce over two million tons of copper in concentrate in its first five years of operation. MMG will become one of the world's largest copper producers.

# 137

out of 140

start-ups that reached a billion-dollar valuation in the last decade were not located in Silicon Valley

Source: Atomico

# European PE is reborn four slow years after the sovereign debt crisis

2014 was a banner year for the European private equity industry. Exits were up, with buyout firms selling 762 businesses worth €121.9 billion—the highest value since 2007 by a significant margin. Buyouts recovered too, with 1,110 deals worth €100.9 billion closed in 2014—again the highest value of activity since 2007.

The industrials and chemicals sector was the busiest, with 260 buyouts and 183 exits. Deal activity in consumer goods (156 buyouts and 102 exits) and technology, media and telecommunications (158 buyouts and 155 exits) was also well up in comparison to 2013.

The United Kingdom, traditionally Europe's largest PE market, led the way through 2014. The country accounted for 28.4 percent of European buyout value in 2014.

And while deal activity eased a little as the year came to a close, and some concerns arose about slow economic growth in Europe, there are a number of reasons for optimism in the asset class.

**The initial public offering (IPO) market has proven especially lucrative.** In 2014, there were 43 PE-backed IPOs

worth €44 billion, a record high since 1998, according to the Centre for Management Buyout Research.

**The rebound is not only a UK phenomenon.** France recorded 182 buyout deals worth €20.9 billion in 2014, and Germany had 131 buyouts worth €8.9 billion—both up from 2013. Spain and Italy also showed encouraging signs, with investors drawn to attractive valuations. In the Nordic region, especially in Denmark and Norway, deal flow was consistent with 2013.

**US firms are looking to Europe.** During 2014, US-sponsored buyouts increased year-on-year in terms of value and volume. The United Kingdom led the way as the region of choice for the growing number of US firms aiming to gain a foothold in Europe, capturing 61 US-sponsored deals in 2014—almost triple the 21 transactions recorded by its nearest rival, Spain.

Challenges remain, but thriving debt markets, large war chests and a more stable economic backdrop for the region as a whole mean there is reason for optimism about the prospects for PE in Europe.

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## NORDIC CAPITAL FUND VIII IN €2.3 BILLION ACQUISITION OF LINDORFF GROUP

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We represented Nordic Capital Fund VIII in its €2.3 billion acquisition of the Lindorff Group from Altor funds and Investor AB (publ), the third-largest secondary buyout ever completed in the Nordic countries.

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## AVAST SOFTWARE AND SELLING SHAREHOLDER CONSORTIUM IN SALE OF A MINORITY STAKE

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We represented Avast Software, one of the world's major players in the antivirus market, and a selling shareholder consortium in the sale of a significant minority stake to CVC Capital Partners, a private equity and investment advisory firm. Supporting the successful completion of the deal included advising on the new US borrower financing that supported CVC's acquisition of an approximately 40 percent interest in Avast, which values the Prague-based business at around US\$1 billion.

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## BC PARTNERS IN €940 MILLION SALE OF SPOTLESS GROUP

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We represented BC Partners in the €940 million sale of Spotless Group, the French maker of laundry and cleaning products, to Henkel AG.

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## FALCON GROUP IN €828 MILLION SALE OF ITS ENTIRE STAKE IN T-MOBILE CZECH REPUBLIC

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We represented Falcon Group, a consortium of investors 75 percent controlled by funds managed or advised by Mid Europa Partners, the leading buyout investor focused on Central and Eastern Europe and Turkey, in the €828 million sale of its stake in T-Mobile Czech Republic a.s. to Deutsche Telekom AG.



# Helping women make a greater impact in private equity

Few women work in private equity today. One problem is finding mentors, sponsors and role models who will help them stay in the field and flourish. To help address this, White & Case launched an initiative in 2014 to help women make a greater impact in the PE world.

The initiative, led by White & Case partner Carolyn Vardi, launched a quarterly breakfast series—“PE and Finance Breakfast for Women”—that brings junior women in the PE world together and offers them a high-level approach to topics from a deal perspective. Each breakfast features a presentation from a woman White & Case partner. Participants receive materials about the discussed topics, including relevant White & Case articles

and alerts, as well as a “cheat sheet” providing them with quick tips on the topic addressed at each particular breakfast. All materials are packaged in a branded notebook that can be expanded to hold all course materials. Participants come from PE shops and banks in New York City.

White & Case also launched a LinkedIn group called “Women in PE and Finance” where we continue the conversations started at the quarterly breakfasts.

“The ultimate goal,” said Vardi, “is creating a community for junior women in private equity that will help them bring value to transactions, be valued members of transaction teams and develop long-lasting careers in the private equity field.”

**The ultimate goal is creating a community for junior women in private equity that will help them bring value to transactions, be valued members of transaction teams and develop long-lasting careers in the private equity field.**

**Carolyn Vardi, Partner, M&A**

NAVIGATING

# geo- political risk

Uncertainty abounds for global businesses that are subject to rules in multiple jurisdictions, particularly when they operate *in regions that are undergoing rapid transformation or facing political or economic unrest*. Routes exist to navigate the risks involved.



# Q&A

Richard Haass on global concerns—and reasons for confidence in 2015

*Richard Haass is president of the Council on Foreign Relations and former director of policy planning for the US Department of State*

## **What world regions give you the most cause for concern in 2015?**

**RH:** The Middle East will continue to churn—it will remain the most unstable region in the world. North Korea is wildly unpredictable, with the potential to embroil the Korean peninsula, China, the United States and Japan in a terribly complicated and dangerous situation. Pakistan is a “weak” state—the government is unable and/or unwilling to assert authority over all its territory, and there are competing power centers. The country’s growing nuclear arsenal combined with terrorists based there could create major difficulties for India and the world. Terrorism overall gives cause for concern. As we have seen, it is very difficult for open, democratic societies to deal with the threat of “retail” homegrown terrorism.

## **Do you have any concerns regarding the cyber world?**

**RH:** The huge gap between the importance of the cyber world and the lack of rules or regimes for governing cyberspace should give anyone pause. It is in some ways reminiscent of the 1940s and ‘50s when nuclear weapon technologies emerged and the world of diplomacy lagged far behind. As President Obama has said, “It’s sort of the Wild West,” and there are no clear rules and no sheriff.

## **Are there reasons for hope in 2015?**

**RH:** The fall in the price of energy is a boon for consumers and oil-importing countries and has put useful pressure on countries such as Iran, Venezuela and Russia. We want these countries to modify many of their policies and behaviors, and the price fall has placed pressure on them to do so. The United States is looking much better both in relative and absolute terms, with growth rates and real wages trending upwards. In Asia, Japan and China have made some progress in managing their differences, and China has given some signals that it’s pursuing a more careful foreign policy. And in both Africa and Latin America, a number of countries are putting in place some of the prerequisites for sustained economic growth.

## **How do you view 2015 overall?**

**RH:** At any moment in history you always have things on both sides of the scale, with reasons for optimism and concern. What matters are the balance and the trend. I believe the balance and trend have moved in the wrong direction in the past few years, but it is not inevitable that this continues to be the case in 2015.

Well-advised investors, when investing in a country presenting higher levels of political risk, structure their investments to benefit from the protections offered by investment protection treaties such as those contained in most bilateral investment treaties, which typically include the right to submit claims to arbitration if a dispute arises with the host country.

Abby Cohen Smutny, Partner, International Arbitration

## Recourse to arbitration reduces cross-border investment risks

Political risks are inherent in cross-border investments. Host-country governments may implement unfavorable financial policies, regulate aggressively or unfairly, or, in a worse-case scenario, seize assets. When it comes to seeking legal redress in the host country, foreign investors may face a biased or ineffectual judicial system. To mitigate these risks, foreign investors prefer to have the right to submit claims to arbitration in a neutral international forum governed by established rules and procedures.

To secure this right, “well-advised investors, when investing in a country presenting higher levels of political risk, structure their investments to benefit from the protections offered by investment protection treaties such as those contained in most bilateral investment treaties, which typically include the right to submit claims to arbitration if a dispute arises with the host country,” according

to White & Case partner Abby Cohen Smutny. More than 3,000 bilateral investment treaties—agreements establishing minimum standards of treatment for investment by nationals and companies of one country in another country—currently exist. Typically, these treaties provide for arbitration of an investor’s claims by the World Bank’s International Centre for Settlement of Investment Disputes (ICSID).

Investment protection is particularly important in those industries impacted by the rise of resource nationalism. Investment in the extractive industries typically involves very substantial sums over many years of development before any return is received. Once development is complete or near complete, the investment is highly vulnerable to government interference. Having recourse to international arbitration to mitigate such long-term project risk can be critical.

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CANADIAN MINING COMPANY  
AWARDED US\$740 MILLION IN  
ARBITRATION WITH VENEZUELA

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The value of having bilateral investment treaty protections was recently highlighted by the ICSID Additional Facility arbitration award of US\$740.3 million issued in favor of our client Gold Reserve Inc., a Canadian mining company, as a result of Venezuela’s violations of the Canada-Venezuela bilateral investment treaty. The award is one of the largest rendered by an ICSID tribunal to date.

Gold Reserve started arbitration in 2009 after Venezuela stalled its development of the Brisas gold and copper mining project in Venezuela—one of the largest undeveloped gold and copper deposits in the world—by withholding and then revoking key permits. Gold Reserve had worked for more than 16 years exploring the deposit and engineering the project for commercial production. After the arbitration was started, Venezuela seized physical control of the property and expelled Gold Reserve’s personnel.

The hard-fought arbitration included hearings in both Washington, DC and Paris. But in the end, the ICSID tribunal concluded that Venezuela had not accorded fair and equitable treatment to Gold Reserve’s investment and found Venezuela’s conduct to be “egregious.” Venezuela’s obligation to pay the award is a duty arising under its investment treaty with Canada and is binding on Venezuela as a matter of international law. The award is enforceable globally in the more than 140 countries that are party to the New York Convention on the enforcement of foreign arbitral awards.

# China's relaxation of cross-border security and guarantee restrictions fosters outbound activity

In the past, the People's Republic of China's (PRC) State Administration of Foreign Exchange (SAFE) subjected the provision of both inbound and outbound security and guarantees (security/guarantees) to a review of whether a set of requirements had been met. Meeting these requirements was difficult, and they often, in effect, barred outbound security/guarantee arrangements or made them impractical or too costly.

But, in 2014, SAFE issued new rules that relax the PRC's cross-border security and guarantee restrictions, making the requirements for both inbound and outbound security/guarantees easier to meet. The new SAFE rules are intended to promote outbound acquisitions by both Chinese state-owned and private enterprise.

The new rules, which went into effect on June 1, 2014, allow PRC companies to provide security/guarantees in favor of an offshore entity without the need to obtain any approval or quota from SAFE. Any outbound security/guarantee is still subject to the requirement that it be registered with SAFE within 15 days of its execution, but such registration is no longer

a condition to the validity of the security interest.

The "No Flow-Back of Loan Proceeds" restrictions remain. Unless special approval from SAFE is obtained, proceeds of an offshore loan supported by outbound security/guarantees cannot be used for equity investment or a shareholder loan into PRC entities or to refinance existing debt that was originally used for equity investment or a shareholder loan into the PRC. They also cannot be used to acquire an offshore company/group with more than 50 percent of its assets in the PRC or to make the initial payment for certain types of trade transactions.

Despite these remaining restrictions, financing structures are likely to evolve to take advantage of the SAFE rules moving forward. The new SAFE rules greatly facilitate the grant of security and issuance of guarantees by Chinese companies in favor of offshore international lenders, and more innovative finance structures are being developed, adopting such rules in cross-border financing between Chinese companies and international banks for outbound transactions.



SEIZING NEW

# energy

OPPORTUNITIES

**Technological innovation, political shocks and regulatory reforms** *are transforming global energy dynamics*, threatening some players' business models while opening new doors for others, and forcing countries to forge new export and import strategies.



## Conflict in Ukraine alters global energy dynamics

The crisis in Ukraine may cause countries to rethink how energy resources flow within and across their borders, and this could result in an increase in development of energy infrastructure around the world.

In response to the crisis, the European Union and the United States issued sanctions targeting selected Russian energy companies and restricting the provision of technology, equipment and services to Russian entities that develop certain types of energy resources, including natural gas from shale.

Many countries in Eastern and Western Europe depend on Russian gas and oil, and they could face shortages if Russia curbs European exports. It could do so in response to sanctions or due to complications arising from relations with Ukraine, which is home to a major pipeline for distributing gas from Russia to Europe. That possibility has led many European countries to consider developing pipeline and liquefied natural gas (LNG) infrastructure to diversify their access to supplies, increase their storage capacity and speed development of their own fracking capabilities.

Indeed, geopolitics related to Ukraine may already be having an impact on the development of distribution infrastructure as evidenced by Russia's cancellation of its South Stream pipeline project, which was intended to transport Russian gas across the Black Sea to Bulgaria and on to Serbia, Hungary, Slovenia and Austria.

The implications extend beyond Europe. The crisis has fueled arguments for the United States to help fill the supply gap by expanding its LNG capacity and increasing gas exports. To diversify its energy opportunities, Russia is looking to strengthen relationships with Asian countries—particularly China and India. And countries in the Middle East will adjust their export pathways to meet shifting demand.

Exogenous factors, such as changes in oil prices, could further complicate energy dynamics, adding to the uncertainty about how events in Ukraine will affect global investment. What is clear is that energy companies are keeping a close eye on the situation.



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# The US shale revolution: Capturing its full value

The US shale and gas revolution has radically changed the country's energy outlook. But pipeline capacity is lacking and, for various reasons, investors have been slow to support additional pipeline development. The recent drop in oil prices has further complicated the situation.

"The United States has a golden opportunity to become a powerhouse in global energy markets, to truly achieve energy independence and to use natural gas to power our economy. But that path is far from assured without a major expansion of the long-distance pipeline network," said White & Case partner Daniel Hagan.

To realize the potential of the US shale revolution, the Interstate Natural Gas Association of America estimates that US\$641 billion of transport infrastructure investment in the United States and Canada is needed.

To achieve that level of investment, fresh ideas are needed, such as:

#### **Investment incentives**

Insufficient incentives currently exist. One way to make pipeline investment more attractive is

to add revenue streams from pipeline systems. The proposed Master Limited Partnerships (MLP) Parity Act before the US Congress extends the benefits of MLPs to infrastructure firms and renewable energy concerns and would provide strong incentives for investing in pipeline expansion and boosting clean power generation development.

Innovative investment models have also brought together the pipeline builder, the gas producer and the gas purchaser and seller as equity owners in infrastructure projects—for example, the 177-mile greenfield Central Penn Line scheduled to go into service in 2017.

#### **Improving gas-electric coordination**

Lack of coordination between gas and electric power companies contributes to the unwillingness of power generators to commit



**US\$641 billion**  
**of transport infrastructure investment in the United States and Canada is needed**

**Source:** Interstate Natural Gas Association of America

**The United States has a golden opportunity to become a powerhouse in global energy markets, to truly achieve energy independence and to use natural gas to power our economy. But that path is far from assured without a major expansion of the long-distance pipeline network.**

**Daniel Hagan, Partner, Project Finance**



# Energy matters

to firm, long-term gas contracts. Federal Energy Regulatory Commission and industry participants are exploring possible solutions, and stakeholders are pursuing various regional initiatives. For example, the New England States Committee on Electricity proposal includes a request that regional grid operators develop tariff provisions enabling parties to recover the cost of pipeline construction or expansion investment in New England.

## **Pushing through the bottleneck in LNG export authorization**

Tapping into world LNG demand is critical to spurring pipeline investment, but the US Department of Energy (DOE) has been cautious about issuing permits to countries without free trade agreements with the United States. Several bills in the US Congress promote LNG exports to US allies. In addition, treaty negotiations could affect the authorization process. For example, the Trans-Pacific Partnership Agreement, if executed by the United States and Japan, would cause the DOE to automatically approve LNG exports to Japan.

## **Forging a solid partnership between industry and regulators**

The United States needs a national energy strategy to kick-start pipeline expansion. In January 2014, US President Barack Obama ordered a Quadrennial Energy Review that will focus, in part, on determining the country's infrastructure needs for transmitting, storing and distributing oil, gas and electricity, as well as recommending necessary steps to promote infrastructure investment.

## **Solving North Dakota's flaring problem**

Much dry natural gas is lost through flaring at the wellhead, particularly in North Dakota. In January 2014, the Flaring Task Force made recommendations that, if implemented, could significantly increase natural gas capture. They include: requiring producers and relevant midstream companies to develop gas capture plans; establishing policies and legislation to facilitate acquisition of the necessary Right of Way for pipeline infrastructure development; and creating financial incentives for advanced capture technologies.

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## FINANCING ONE OF THE WORLD'S LARGEST NATURAL GAS LIQUEFACTION AND LNG EXPORT FACILITIES

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The rapid development of horizontal shale drilling and hydraulic fracturing technology resulted in a momentous shift in the US natural gas market. To take advantage of this market shift, our client Freeport LNG pivoted 180 degrees to develop one of the world's largest natural gas liquefaction and LNG export facilities alongside its existing LNG import and regasification facility on the Gulf Coast of Texas.

We represented Freeport LNG and its subsidiaries in equity and debt financing of the first two liquefaction trains of the liquefaction project. This landmark transaction brought together a wide range of equity and debt investors with aggregate commitments of approximately US\$11 billion, making it the largest financing of any project on any basis in 2014. Moreover, with each of the debt facilities for Train 1 and Train 2 of the facility structured without completion support from the sponsors, the combined debt financing was the largest fully nonrecourse construction project financing in history. We are also representing Freeport LNG in the third liquefaction train, which is expected to close in 2015.

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## INDEPENDENT PETROLEUM COMPANY AND ALLIANCE GROUP CREATE US\$6 BILLION ENERGY JOINT VENTURE

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We represented the Independent Petroleum Company (IPC) in the establishment of a joint venture with Alliance Group (Alliance), a leading independent oil and gas player with vertically integrated operations in Russia, Kazakhstan and Ukraine, and the subsequent buyout by IPC of the counterparty's interest in the joint venture. The aggregate value of all of the assets contributed to the joint venture was estimated to be US\$6 billion. The transaction also involved the US\$3.9 billion financing of Alliance and the joint venture provided by VTB Bank.

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## EXPANDING THE PRESENCE OF CANADA'S FORTIS INC. IN THE US ELECTRICITY MARKET

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We represented Fortis Inc., Canada's largest investor-owned gas and electric distribution utility, in its US\$4.3 billion acquisition of UNS Energy Corporation, an energy holding company headquartered in Tucson, Arizona.

## Main reforms in Mexico

Reform Bill	Constitutional reform needed?	Senate	House of Representatives	State assemblies	Enacted?
Education	Passed / Yes	Passed / Yes	Passed / Yes	Passed / Yes	Enacted
Telecommunications	Passed / Yes	Passed / Yes	Passed / Yes	Passed / Yes	Enacted
Transparency	Passed / Yes	Passed / Yes	Passed / Yes	Passed / Yes	Enacted
Political/Elections	Passed / Yes	Passed / Yes	Passed / Yes	Passed / Yes	Enacted
Energy	Passed / Yes	Passed / Yes	Passed / Yes	Passed / Yes	Enacted
Financial services	Pending / No	Passed / Yes	Passed / Yes	Not applicable	Enacted
Fiscal	Pending / No	Passed / Yes	Passed / Yes	Not applicable	Enacted
Anti-corruption	Pending / No	Passed / Yes	Passed / Yes	Not applicable	Enacted
Federal district political reform	Pending / No	Passed / Yes	Pending / No	Not applicable	Pending / No
National criminal procedural code	Pending / No	Passed / Yes	Passed / Yes	Not applicable	Enacted
Right to respond	Pending / No	Pending / No	Passed / Yes	Not applicable	Pending / No

As of November 2014:

- Passed / Yes
- Pending / No
- Not applicable

Sources: *Forbes*; White & Case

## Sweeping energy reforms open up Mexico to foreign investment

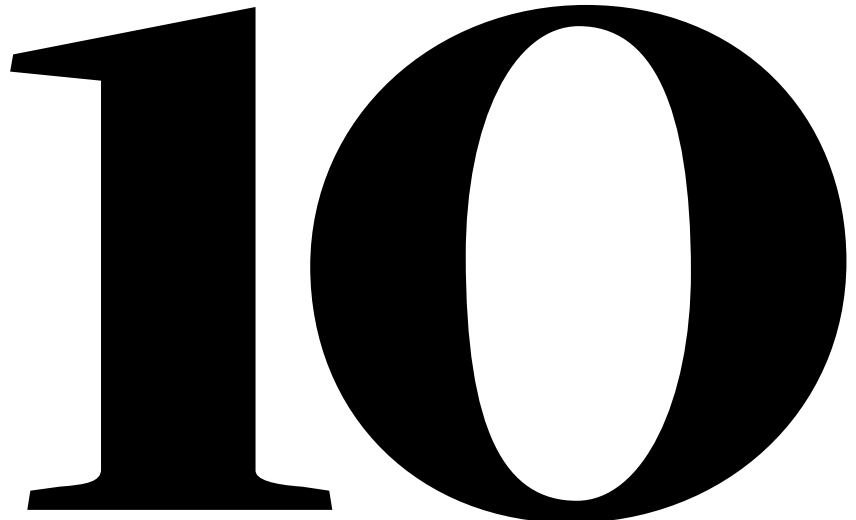
Mexico's sweeping energy reforms implemented in 2014 make it "among the best opportunities for investment in the world," said White & Case partner Vicente Corta Fernández.

In August 2014, Mexico's President Enrique Peña Nieto signed reform bills allowing private companies—foreign and domestic—to participate in Mexico's oil, gas and electricity sectors. Previously, Mexico's government had maintained state ownership of these sectors, declaring them off-limits to foreigners and effectively monopolizing much of the country's economy. Former US Ambassador to Mexico and White & Case Counsel Antonio Garza has characterized the change as "profound and potentially transformational" but cautions that the hard work of "implementing the legislation, putting projects together and then

having Mexico truly compete for investment" now begins.

Mexico's state-owned oil company Pemex, which controls 83 percent of the country's proven and possible reserves and 21 percent of Mexico's prospective reserves, will be restructured and intends to seek joint-venture partnerships with private firms. In 2015, private investors will be able to bid on 109 exploration blocks, covering more than 14 billion barrels of prospective reserves, and 60 production blocks. President Peña Nieto has estimated that reforms will attract US\$50.5 billion of investment to explore, produce and refine oil by 2018. Although investment is expected to be impacted by the decline of oil prices in the second half of 2014, significant opportunities remain for long-term investors in the sector and in Mexico.

Equally important is the reform of the electricity sector.





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Similar to Pemex, Mexico's Federal Electricity Commission (CFE) had nearly exclusive control over generating, transmitting, distributing and marketing electricity. CFE will now be one of many competitors in the new generation market, which is welcome news for manufacturers dependent on lower electricity costs and those looking at opportunities for further North American energy integration.

Additionally, the reforms allow suppliers to render services and products throughout the supply chain, with a premium being placed on a combination of local knowledge and access to both technology and capital from foreign partners. Given tumultuous oil markets and Mexico's urgency in moving forward, these are likely to be exciting times, Garza noted. "I think you'll first see some shaking out in the US energy sector, and then those with liquidity and know-how will consolidate, look south, and find in Mexico a country ready to do business."

In February 2014, Mexico became only the second country in Latin America to earn a single A rating for its sovereign debt, as credit agency Moody's upgraded it from Baaa1 with a stable outlook to A3, based on the reform process. That, combined with President Peña Nieto's plan to spend US\$316 billion on infrastructure by 2018 and additional reform to Mexico's public-private partnership framework, makes it clear, Corta Fernández said, that investors see Mexico "as doing the right things and making some very bold moves."



**US\$50.5 billion**  
private investment estimated in oil exploration, production and refining by 2018



**US\$316 billion**  
planned to be spent on infrastructure in Mexico by 2018

**exploration blocks open to private bidding in 2015 covering 14 billion+ barrels of prospective reserves**



THRIVING IN THE

# digital age

*Security and privacy concerns continue to multiply*  
as companies bring digital capabilities to every aspect of  
their operations and **technology is embedded in every**  
**product and service.**





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## Good governance critical to managing digital risk

Organizations across sectors are using new digital technologies to revolutionize their businesses, even as headlines about data breaches and system glitches highlight the peril in the digital opportunity.

Although safeguarding information is key to maintaining the trust of consumers and strategic partners, a focus on technical aspects of data protection can distract companies from the bigger issue of information management, which is critical for competitive as well as security reasons. Indeed, cybersecurity should be considered part of the larger discipline of information governance.

Poor information governance can diminish an organization's competitive advantage by limiting

the use of information, one of the most valuable resources for innovation and growth. It also creates vulnerabilities to hackers and opens the door to mishandling and misusing information from within the organization and among partners and vendors (as some high-profile incidents in 2014 demonstrated).

This commonly occurs when ineffective policies allow risky practices to persist or when employees, partners or vendors aren't required to comply with effective policies. And the challenge multiplies as the "Internet of things" expands the ability to collect data and increases the number of entities with which organizations are connected.

Robust information governance involves comprehensive controls,

processes and technologies that optimize the value of information while minimizing the risks and costs of collection and use. This can start with a few simple questions: What types of information does the organization collect and keep? Where is this information stored? And how is it used?

Data breaches can result in serious bottom-line impact—for example, stiff regulatory penalties, class-action suits, or disruptions to business or reputation. Even the best-prepared organizations should assume breaches will occur, and they should develop clear cyber response protocols to minimize the damage and engage regulators and consumers as the law requires.



© David Burton/Media Bakery

## Legal issues converge across sectors as healthcare goes digital

The digital revolution is transforming healthcare at an accelerating rate, affecting virtually every aspect of the industry—from basic research and product development to marketing, service delivery and billing. As a result, many more tech companies are rushing into the health space—and an increasing number of healthcare companies can stake a credible claim to being tech companies.

But this salubrious convergence—sometimes called digital health—increasingly raises unfamiliar regulatory, legal and ethical issues for many companies. Tech companies offering health products or services may find themselves subject to new rules, and healthcare companies may often find the dynamics of

their businesses altered or the complexity of certain issues compounded as technology becomes increasingly important to their offerings.

For example, tech companies that develop devices or services for monitoring health may be subject to unfamiliar US Food and Drug Administration rules that require scrupulous reporting about safety or that restrict how they market their products to consumers.

Privacy issues are often more complex in the healthcare space than they are in other areas. Rules about how health information can be gathered and used may be more restrictive and complex as a result. In addition, wearable, implant and cloud technologies could test privacy standards to unprecedented degrees.

Companies operating at the intersection of health and technology may also have to alter their business practices for competitive reasons. Healthcare companies have expertise in managing intellectual property through the patent system, for example. But tech companies often eschew patents when they believe that filing for them involves divulging too much information to competitors. Digital health companies may have to make tough choices about when to pursue trade-secret strategies to protect tech-based IP in the future.

Savvy innovators will learn lessons from other sectors to ensure they are able to manage unfamiliar regulatory, legal and ethical issues as they build new digital health offerings.

# Scrutiny rises as digital trading approaches light speed

Regulators around the world are stepping up their scrutiny of high-frequency trading (HFT). They have also trained their sights on so-called “dark pools”—unregulated, private exchanges that are usually owned and operated by large investment banks—which have facilitated the growth of HFT (an estimated 40 percent of US equities are now traded in dark pools).

This has resulted in proposals from a number of US authorities—including one by the US Securities and Exchange Commission that would require high-frequency traders to register as broker-dealers and comply with the stricter rules that govern that group. Other US bodies—including the Commodity Futures Trading Commission, the Financial Industry Regulatory Authority, the Department of Justice, the Federal Bureau of Investigation and the New York State Attorney General’s office—are also investigating high-frequency traders and other industry participants.

European regulators have taken an interest in HFT too. The European Commission has published legislative proposals, known as “MiFID II,” which introduce closer regulation and

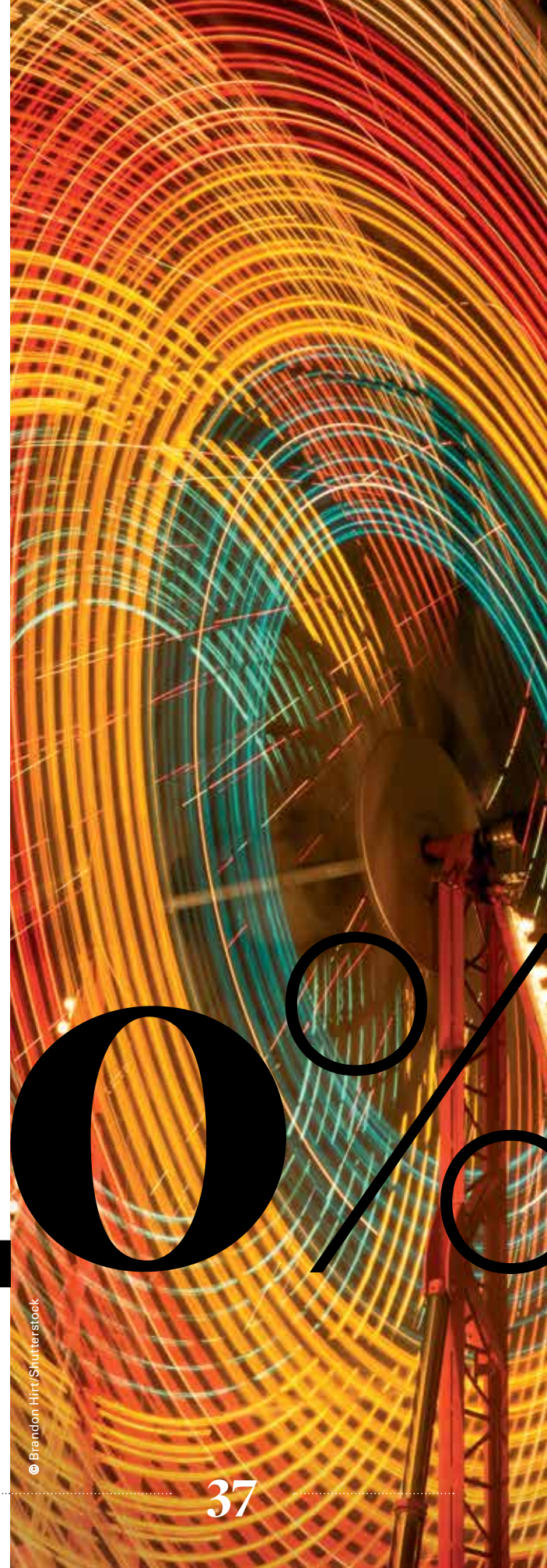
monitoring of HFT. Germany has already implemented regulations covering HFT. Italy has introduced a tax on high-frequency equity and derivative trades. And the UK Financial Conduct Authority is developing a three-pronged approach for addressing HFT, with one prong aimed primarily at implementing MiFID II.

Even with the specter of heightened regulation, further legal enforcement action and private lawsuits, HFT is likely to remain a significant feature of equities markets around the world. It will probably become more prominent in non-equities markets as well. Indeed, future advances, including the use of microwave technology, could enable trading on the basis of increasingly smaller increments of time. But as technology and practices evolve, scrutiny from regulators, the media and the public is only likely to increase.

**40**

**of US equities  
are traded  
in dark pools**

**Source:**  
*The New York Times*



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# innovating

FOR CLIENTS

**Clients expect efficient service and clear communication from their lawyers.**

*White & Case launched several innovations that helped to improve client service*, provide a consistent client experience and enhance our communications with clients.





## Portfolio company team focuses on long-term relationships

When a portfolio company is newly acquired by a financial sponsor, a key issue it faces is learning how to live with the new leveraged debt and equity structure put in place by the sponsor to acquire the portfolio company. To help support the relationship between financial sponsors and portfolio companies, White & Case has invested in a portfolio company team of PE, corporate and banking lawyers who work across practice areas, advising portfolio companies on everything affecting their capital structures, management incentivizations, strategic issues and any other day-to-day needs, such as advice on contentious intellectual property issues or a query relating to employment issues.

The portfolio company team helps chief financial officers and general counsels come to grips with the deal documentation, which impacts their day-to-day operations. The team is on hand immediately following the deal to give “teach-ins” on the various equity and debt documents to help management teams avoid pitfalls and ensure compliance.

By assisting companies throughout the investment life cycle, the portfolio company team focuses on getting the company ready for exit by rolling data rooms forward and ensuring the preparation of the full paper train of activity that buyers of the business will expect, as well as planning around potential issues to simplify exit transactions.

Our portfolio company team served DX (Group) plc—the British mail, courier and logistics company—while it was a portfolio company with Arle Capital Partners and throughout its 2014 IPO, and DX remains a client today. “What sets the White & Case team apart,” said DX CEO Petar Cvetkovic, “is its focus on our long-term relationship, not just the next transaction.”

One of the team’s tactics includes developing and guiding 100-day plans that detail post-deal-completion workstreams and provide clarity about which items of work are included in the deal fee. For new items, it provides a fee estimate, offering full transparency and total clarity about next steps.

Following the sale of part of the web security company Avast to PE investor CVC Capital in 2014, for example, a member of the portfolio company team was seconded part time to the portfolio client to coordinate the 100-day plan across White & Case’s Prague, London and New York offices, ensuring the client’s access to necessary international capabilities.

The new portfolio company team enables clients to maintain continuity between deals, supported by a firm that strives to understand them. And it provides a “one-stop shop” with full-service cross-border capabilities.



© EschCollection/Getty Images

# Matter Pathways provides tools to ensure globally consistent and cost-effective client service

Like other global law firms, White & Case has access to a huge and constantly expanding volume of internal and external know-how and information, much of it contained in document management systems, knowledge banks, CRM tools and the intranet. But how do we ensure that the information is used in the most effective way?

To meet this challenge, the Firm built Matter Pathways, which provides online tools for our lawyers with a step-by-step guide through a transaction or process. Matter Pathways goes beyond a simple enterprise-wide search; it ensures the right people receive the relevant information, at the point they need it and in the right format, so they can do their jobs more effectively. The result is consistent client service around the world and more effective and efficient work—at a lower cost.

Each pathway maps the life cycle of a matter by overlaying a user interface onto existing content, showing the bigger picture as well as the building blocks, and for the first time giving access to different types of resources in one place. Because the information is delivered to the user via the White & Case intranet, adoption of the service has been effortless. It allows our lawyers to gain access to, share and efficiently use the wealth of valuable data that are available to them.

The global focus of Matter Pathways facilitates collaborative work on multijurisdictional deals involving multiple offices and promotes a consistent approach to the different stages of a matter, regardless of where the members of the team are based. What's more, new joiners are brought up to speed very quickly on the

White & Case way of working by using Matter Pathways.

Matter Pathways also increases efficiency—the right information is accessed more quickly—and manages risk by reducing the chance of anything being overlooked. Also, Matter Pathways assists our profitability. Due diligence, for example, is a notoriously time-intensive and potentially expensive procedure, but thanks to the global due diligence toolkit it provides, the process has been streamlined and made more cost-effective.

While both the increase in efficiency and management of risk provided by Matter Pathways are internal to the workings of White & Case, clients benefit from the premium, cost-effective and efficient service they receive as a result.



**90%**  
of the world's data has been produced in the last two years  
Source: IBM



## Nestlé's Trevor Brown on the Alliance for YOUth

**Nestlé launched the Alliance for YOUth in 2014 to tackle youth unemployment in Europe, which in some countries has risen to 50 percent for people under the age of 30 years. White & Case is proud to be the only law firm among the 14 global partners that Nestlé invited to help establish the Alliance—an innovative collaboration that enables White & Case to combine resources with a global client to advance the shared goals of creating opportunities for young people and ensuring readiness for work.**

**In this interview, Trevor Brown, Nestlé's general counsel for Europe, the Middle East and North Africa, highlights the program's genesis and objectives as well as discusses White & Case's participation.**

### **When did Nestlé begin to focus on youth unemployment?**

**TB:** We launched the Nestlé needs YOUth Initiative at the end of 2013, pledging by 2016 to hire 10,000 people in Europe who are under 30 years of age and also open 10,000 apprenticeship and training opportunities for this group. By September 2014, Nestlé had already created more than 8,600 such opportunities.

### **How did the Alliance for YOUth take shape?**

**TB:** To fully leverage our scale, we realized we would need to involve partners in addressing this challenge. In early 2014, Nestlé joined forces with 14 of its strategic providers, including White & Case, to create the backbone of the Alliance for YOUth, which is supported by the European Commission's European Alliance for Apprenticeships. About 200 companies are now involved, collectively pledging to create 100,000 jobs and training opportunities as well as provide career mentoring and training programs to prepare young people for the job market.

### **What will be the impact of the Nestlé alliance with White & Case?**

**TB:** Nestlé and White & Case are working together to establish a powerful mentoring network for young people in Europe who want to pursue a career in law or for whom we can provide more general career counseling and training. The mentoring initiative is led by senior lawyers at Nestlé and White & Case who are based in countries spanning the continent, including Switzerland, Germany, the United Kingdom, Spain and Russia. This unprecedented partnership gives young people access to successful practitioners who can provide invaluable guidance on the full range of opportunities in the field. I'm not aware of any other initiative that involves close collaboration of this scale between an in-house legal team and a major law firm.

# RESOLVING disputes

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## **US Supreme Court leaves intact dismissal of terrorism claims against Saudi Bank**

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In a nearly 12-year, multidistrict litigation brought by heirs of 9/11 victims and insurance companies, we successfully defended Al Rajhi Bank, by some measures Saudi Arabia's largest bank, against claims that the Bank was complicit in the 9/11 attacks. In 2005, a US federal court dismissed the claims, and in 2013 the US Second Circuit affirmed the dismissal. In 2014, the US Supreme Court—after receiving the Obama Administration's view that the lower court dismissals accorded with established law—left the dismissals intact. Throughout the litigation, we and the Bank addressed every allegation head on, demonstrating that it was a reputable institution with appropriate respect for the US judicial system and that it condemned terrorism generally and the 9/11 attacks in particular. As a result, our client achieved a fair and just outcome.

## **Total victory for Google Inc. in software/business patent infringement case**

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Google, along with eight other defendants not represented by White & Case, was sued by Walker Digital LLC, a prolific patent assertion entity, over two patents. We represented Google in the US District Court for the District of Delaware and won the dismissal of all claims in the case. The patents were directed to methods and systems for controlling the release of confidential or sensitive information between two parties. Based on US Supreme Court precedent, we argued that Walker Digital's patent claims were directed to an unpatentable "abstract idea," that the claims lacked any "inventive concept" that might save them and thus, that it was irrelevant that the claims referred to using a computer to perform the steps. Ours was one of the few early cases where a district court held patents at issue invalid by applying the two-step analysis in the US Supreme Court's *Alice* decision.

## **Nestlé Nespresso wins before the French Competition Authority**

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Coffee maker and coffee machine distributor Nestlé Nespresso's products have become so popular that many competitors prefer to sell Nespresso-compatible capsules rather than develop their own systems. Rivals D.E. MASTER BLENDERS 1753 and the Ethical Coffee Company complained to the French Competition Authority (FCA), accusing Nespresso of abusing its alleged dominant position by prohibiting or discouraging consumers from using compatible capsules in Nespresso machines.

We represented Nestlé Nespresso in negotiated procedures before the FCA. Responding to the FCA's preliminary assessment of the French market, Nespresso submitted commitments to address concerns raised. The FCA issued its final decision accepting Nespresso's commitments, thereby closing the case without a penalty and with no acknowledgment of anticompetitive practice. The FCA had previously flagged the Nespresso case as a worldwide "first of its kind."

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## Victories in multibillion-dollar pharma “reverse payment” litigations

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For two major pharmaceutical clients, Pfizer Inc. and Warner Chilcott, we secured the dismissal of claims worth potentially billions of dollars that raise complex antitrust and patent law issues. We continue to represent Pfizer in consolidated class and opt-out antitrust actions brought by direct purchaser and end-payor plaintiffs regarding the blockbuster anti-cholesterol drug LIPITOR® and in separate consolidated proceedings regarding the antidepressant EFFEXOR XR. We represent Warner Chilcott in similar actions regarding the oral contraceptive LOESTRIN® 24 FE.

The plaintiffs in the LIPITOR, EFFEXOR XR and LOESTRIN 24 FE actions allege that the defendants violated antitrust laws by, among other things, resolving patent litigation through settlements that allow generic entry before the brand’s patent expires—labeled by plaintiffs as so-called “reverse payment” settlements. Plaintiffs claim that the patent-shortening settlements are anticompetitive because the innovator companies allegedly paid the generic competitors some sort of consideration for what plaintiffs depict as a “delay” in generic entry. In each set of actions, the district courts agreed with us that the plaintiffs failed to state a claim that the settlement agreements at issue contained “reverse payments” and that the challenges to the settlements, therefore, must be dismissed. In the LIPITOR actions, the district court also agreed with our argument that Pfizer’s conduct before the US Patent and Trademark Office was lawful and thus dismissed the fraud and other claims against Pfizer.

These cases were among the first to be decided under the new antitrust standard for analyzing pharmaceutical patent settlement agreements announced in the US Supreme Court’s landmark *Actavis* decision and will have a significant role in shaping the developing law in this area. Plaintiffs in the LIPITOR, EFFEXOR XR and LOESTRIN 24 FE actions have appealed the dismissals, and certain plaintiffs in the LIPITOR and LOESTRIN 24 FE actions have also moved for reconsideration.

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## €300 million ICSID victory for Hungary

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We represented Hungary before a World Bank International Centre for Settlement of Investment Disputes (ICSID) tribunal regarding claims that Hungary expropriated an investor’s rights arising out of a contract between a Hungarian subsidiary of Vigotop Limited and the Hungarian Ministry of Finance for the concession to build and operate a mega-casino. Seeking damages of more than €300 million under the Cyprus-Hungary Bilateral Investment Treaty, Vigotop claimed Hungary had, through unlawful measures ending in the contract’s termination, “expropriated” its investment and thus breached treaty obligations. The tribunal found that the termination was based on public policy reasons (environmental and tourism policies) and valid contractual grounds, had been in good faith and did not amount to an expropriation.

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## Toshiba win in major LCD antitrust case

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We won a major victory for Toshiba in ongoing multibillion-dollar TFT-LCD (Flat Panel) litigations. The US Court of Appeals for the Seventh Circuit affirmed a lower court ruling under the Foreign Trade Antitrust Improvements Act of 1982 (FTAIA) dismissing 99 percent of Motorola’s Sherman Act claims.

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## Exclusive market for LYRICA® preserved

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We represented Pfizer Inc. in a major patent infringement court victory with co-plaintiff Northwestern University against seven generic drug companies over patents covering the active ingredient in Pfizer’s drug LYRICA and certain of its therapeutic uses. Pfizer sued each defendant after each applied for FDA approval to market a generic version of LYRICA. The US Court of Appeals for the Federal Circuit affirmed a lower court decision that the LYRICA patents were not invalid and would be infringed by the defendants’ proposed products. This decision preserves Pfizer’s exclusive market for LYRICA, which generates more than US\$1 billion in US yearly sales, until December 2018.

# CLOSING deals

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## **Easing strain of diminishing global coal demand**

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We represented New World Resources (NWR) in its comprehensive, cross-border balance sheet restructuring, allowing it to focus on its operational turnaround and survive the prolonged downturn in the global coking and thermal coal markets. This transaction involved a UK Scheme of Arrangement and a rights issue and placing on the London, Warsaw and Prague Stock Exchanges. We also advised NWR on the divestment of its €95 million coke subsidiary OKK Koksovny, a.s. to Metalimex, a class 1 transaction under the UK Listing Rules. NWR is one of the largest hard coal producers in Central Europe.

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## **Largest private sector-led solar initiative in the Middle East/North Africa**

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We advised International Finance Corporation (IFC) and a group of other lenders on seven solar power projects in Jordan with a combined capacity of 102 megawatts. They will become Jordan's first private industry-scale solar photovoltaic park. The IFC provided US\$91.5 million in loans from its own account with US\$116 million mobilized from other financial institutions.

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## **US\$6.2 billion follow-on equity offering by Brazilian telecommunications giant**

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We advised Oi S.A., one of Brazil's largest wireless and fixed-line telecommunications companies, as issuer, on its R\$14 billion (US\$6.2 billion) international follow-on equity offering of common and preferred shares, including in the form of American Depositary Shares (ADSs).

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## **Refinancing for the Budapest Airport**

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We advised the Budapest Airport on the Hungarian legal aspects of an approximately €1.4 billion debt refinancing and €1.1 billion swap restructuring. The refinancing and restructuring will assist the Budapest Airport's mission to be the most successful airport in Central and Eastern Europe in terms of passenger growth, service quality and operational efficiency.

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## **Asia's largest bank acquires stake in global markets business from Africa's largest bank**

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We advised Industrial and Commercial Bank of China (ICBC), the world's largest bank by assets, on its acquisition of a 60 percent equity stake in Standard Bank Plc, a London-headquartered subsidiary of Standard Bank Group of South Africa, a transaction involving lawyers from ten Firm offices in the United States, Asia and EMEA. Standard Bank Plc primarily engages in commodities, foreign exchange and derivatives trading. This transaction will make ICBC the first large Chinese bank to set up significant commodities trading operations in London.

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## **Panama Canal expansion project construction contract amendments and US\$400 million funding**

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We represented Grupo Unidos por el Canal, S.A. (GUPC), as contractor for the design and construction of the Panama Canal expansion project, one of the world's largest civil works projects, in the negotiation and execution of a Variation Agreement restructuring the financing of the US\$1.8 billion overrun on the project's construction contract and in the US\$400 million financing for additional project funding. The Agreement and the financing will help implement the extensively negotiated Memorandum of Understanding (MOU) signed between GUPC and the Panama Canal Authority (ACP) in March 2014, after issuance of a notice of the suspension of the works arising from disputes relating to nonpayment for unforeseen project costs. The restructuring involved ACP and GUPC contributing additional project funding, a moratorium on repayment of certain ACP advance payments and provisions relating to dispute resolution in accordance with agreed arbitration mechanisms. The financing involved orchestrating the simultaneous release by ACP of a US\$400 million Zurich performance bond and by Zurich of indemnities from export credit agencies and coordinating disbursements under a facility involving three export credit agencies and the bank lenders. The restructuring permitted the works to progress to completion while the dispute over who was ultimately responsible for the overrun could proceed under the agreed dispute resolution mechanisms. We continue as part of the counsel team before the Dispute Adjudication Board, the International Chamber of Commerce and others representing GUPC and the shareholders in proceedings.

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## **US\$2.275 billion senior secured credit facilities for Endo Health Solutions, Inc.**

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We represented Deutsche Bank AG, New York Branch, as lead arranger, administrative agent, collateral agent, issuing bank and swingline lender, in a US\$1.1 billion senior secured term loan A facility, a US\$425 million senior secured term loan B facility and a US\$750 million senior secured revolving credit facility provided to Endo Luxembourg Finance I Company S.à.r.l. and Endo LLC, both wholly owned subsidiaries of Endo International PLC. The financing was to (i) provide a portion of the consideration for the approximately US\$1.6 billion acquisition by Endo Health Solutions Inc. of Paladin Labs Inc., a Canadian specialty pharmaceutical company, and (ii) refinance existing debt, provide for general working capital and pay costs and expenses related to the transaction.

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## **Investing in African mobile network services**

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We advised Novator, an international investment firm, on its investment in MoDe, a technology company that provides mobile value-added services to mobile network operators in emerging nations. Novator made its investment by way of a convertible loan, providing MoDe with the resources to expand its operations beyond the 13 African countries where it currently operates.

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## **Joint venture to build US\$700 million airport in the Philippines**

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We represented GMR Infrastructure Limited, an Indian infrastructure company, in a joint venture with Megawide Construction Corporation to develop and operate the Mactan-Cebu International Airport in the Philippines on a build, operate and transfer basis pursuant to a 25-year concession. The total cost of completing the airport is expected to be approximately US\$700 million.

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## **US\$1.275 billion financing for Indonesian conglomerate CT Corpora subsidiaries**

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We represented the mandated lead arrangers and the original lenders in a US\$1.275 billion senior secured financing provided to various retail, entertainment and media subsidiaries of Indonesian conglomerate CT Corpora. The complex borrowing involved three separate loan agreements for three different subsidiaries, all aimed at moving the company's debt closer to its operating assets. The financing allowed the subsidiaries to boost leverage to 4.0x, 5.5x and 7.0x.

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## **Sale of power assets in Panama, Costa Rica**

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We represented GDF Suez S.A., a French multinational energy company that operates in the fields of electricity generation and distribution, natural gas and renewables, in the US\$840 million sale of power assets in Panama and Costa Rica to Celsia S.A. E.S.P., one of Colombia's largest power generators.

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## **Japanese acquisition of German tier 1 automotive supplier**

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We advised Japanese motor manufacturer Nidec Corporation on the acquisition of Germany-based automotive supplier Geräte- und Pumpenbau GmbH Dr. Eugen Schmidt (GPM) from several private shareholders. GPM is a leading automotive pump tier 1 supplier in the European market. Through this transaction, one of the largest Japanese direct investments in a tier 1 automotive supplier in Germany in recent years, Nidec expects to further transform its business model from one based solely on motors to one based on modularization/systematization and to accelerate its shift to high value-added businesses.

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## **First Austrian green bond**

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We represented the Austrian energy company VERBUND AG as first Austrian issuer of a green bond for €500 million. The bond was placed with institutional investors by a syndicate of banks. Bond proceeds will be used for the financing and refinancing of energy efficiency measures in Austrian hydropower stations and renewable energy projects in Austria and Germany involving wind power.

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## **Largest 2014 M&A transaction in Mexico**

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In the largest merger and acquisition transaction in Mexico in 2014, we represented Consorcio Comex and its shareholders in the all-cash US\$2.3 billion acquisition of Consorcio Comex by PPG Industries, Inc. Comex is a landmark Mexican family-owned company dedicated to the manufacturing of paint and coatings with over 3,600 points of sale in Mexico through independent dealers, operations in Mexico and points of sale in Central America.

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## **German A7 PPP highway project financed by project bonds with EIB PBCE**

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We advised the joint lead arrangers, lenders and institutional investors on the first project bond with European Investment Bank project bond credit enhancement (EIB PBCE) in Germany, for the financing of the extension and operation of the A7 federal highway (between Hamburg and Bordesholm) with construction costs of around €600 million. It is also the first project bond-bank financing in Europe combining the EIB PBCE with bank debt.



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## **Eleven White & Case offices work on US\$1.44 billion acquisition by Regal Beloit Corporation**

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We represented Regal Beloit Corporation, a global manufacturer of electric motors, mechanical and electrical motion controls and power generation products, in its US\$1.44 billion acquisition of the Power Transmissions Solutions business of Emerson Electric Co. This complex carve-out transaction required coordination among 11 White & Case offices and other local law firms.

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## **Largest capital increase in France since 2009**

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We advised a syndicate of banks led by Deutsche Bank and Morgan Stanley and including Barclays, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Credit Suisse Securities Limited, Goldman Sachs and J.P. Morgan Securities, acting as joint lead managers and joint bookrunners, on Numericable Group's €4.7 billion capital increase. The capital increase with preferential subscription rights is France's largest since 2009 and will allow Numericable Group to finance the €13.5 billion cash element of its acquisition of SFR, France's leading alternative telecommunications operator.

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## **Largest-ever acquisition of Israeli technology by Japanese company**

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We represented Viber Media Ltd., one of the largest and fastest-growing mobile messaging and VoIP services globally, in its US\$900 million all-cash acquisition by Rakuten, Inc. The transaction will allow Rakuten to enter new markets with multiple digital content offerings and open new markets and opportunities for Viber.

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## **Expansion of Santiago, Chile subway system**

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We represented Empresa de Transporte de Pasajeros Metro S.A. (Metro), the state-owned owner and operator of the subway system in Santiago, Chile, in the US\$1.3 billion financing for the construction of new subway lines and improvements on existing lines. The financing is a key component in Metro's approximately US\$2.8 billion Proyecto 63.

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## **SSAB's recommended €1.1 billion exchange offer for Rautaruukki Oyj**

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We represented SSAB AB (publ), a Swedish steel producer, in its tender offer for all shares in Rautaruukki Oyj, a Finnish manufacturer of metals and metal products, through a recommended share exchange offer valued at €1.1 billion, and the listing of SSAB shares on Nasdaq OMX Helsinki.

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## **Landmark Italian data center deal**

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We represented DATA4, the European owner, developer and operator of carrier-neutral, multi-tier data centers, in one of the largest commercial data center agreements ever to be completed in Italy. The transaction between DATA4, which is backed by privately held independent global real estate investment company Colony Capital, and a global IaaS (Infrastructure as a Service) provider is the second data center on DATA4's Milan campus, increasing the facility's total capacity to 7.8 MWs of net IT load.

# 35

In 2014, **16 new partners** joined White & Case and **19 Firm lawyers** were promoted to partnership, resulting in *a total of 35 new partners.*



# NEW PARTNERS

## Antitrust

Rebecca H. Farrington  
Washington, DC

## Banking

Joshua Apeadu-Siaw  
Johannesburg

Rob Bennett  
London

Gareth Eagles  
London

Martin Forbes  
London

Colin Harley  
London

Eric L. Klar  
Miami

David Li  
Beijing

Natalia Nikitina  
Moscow

## Capital markets

Jill Concannon  
London

Inigo Esteve  
London

Victor G. Mendoza III  
Miami

Gernot Wagner  
Frankfurt

Karsten Wöckener  
Frankfurt

Ingrid York  
London

## Commercial litigation

Claudine Columbres  
New York

Ismael Reyes Retana  
Mexico City

Angela D. Daker  
Miami

## Financial restructuring & insolvency

Riaz K. Janjuah  
Hamburg

Andreas Kleinschmidt  
Frankfurt

## Mergers & acquisitions

Ian Bagshaw  
London

Matthew Griffin  
London

Henrik Patel  
New York

Piotr M. Szelenbaum  
Warsaw

Richard Youle  
London

## Project finance

John W. Anderson Jr.  
São Paulo

Joz Coetzer  
Johannesburg

Mukund Dhar  
Johannesburg

Craig Whitley  
Johannesburg

## Tax

Stephen J. Weerts  
Los Angeles

## White collar

Thomas J. Benedict  
Los Angeles/Singapore

Daniel Fridman  
Miami

Michael Garcia  
Miami

Kathleen Hamann  
Washington, DC

Daniel Levin  
Washington, DC

# EVENTS

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## **10th anniversary in Beijing**

APRIL

Our Beijing office helps clients navigate the legal issues and practicalities of inbound business to China and the rest of Asia and work with Chinese corporations and financial institutions on their outbound investments worldwide.

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## **2014 White & Case Jessup International Rounds**

APRIL

Law students from the University of Queensland in Australia won the White & Case Jessup Cup, the top prize of the Philip C. Jessup International Law Moot Court Competition. In its 55th year, the Jessup is the world's oldest and largest moot court competition, with more than 2,000 law students participating from nearly 85 countries. For results and photos from the International Rounds, please visit the White & Case Facebook page at [facebook.com/WhiteCaseJessup](https://facebook.com/WhiteCaseJessup).

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## **40th anniversary in Washington, DC**

MAY

Our Washington, DC office helps clients in the United States and abroad deal with issues such as antitrust, international trade, litigation and international dispute resolution, government inquiries and enforcement proceedings, Internet technology and media, taxation, corporate and commercial transactions, financial restructuring and insolvency, international project finance and energy.

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## **15th anniversary in Frankfurt**

JUNE

Our Frankfurt office provides a broad range of legal services to clients in Germany and throughout the region and the world. Our lawyers in Frankfurt focus on corporate law, mergers and acquisitions, private equity, banking, capital markets, labor law, real estate, litigation, taxation and private client services.

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## **White & Case Football and Volleyball World Cup**

SEPTEMBER 5 – 7

We held our annual World Cup in Budapest with more than 400 participants from 25 offices. The Berlin office won in football, and the Moscow team in volleyball. The event raised money for Right To Play, a pro bono client of the Firm that uses play and sports to teach important life skills to millions of children around the world.

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## **Announcement of Bhutan's first law school**

SEPTEMBER 23

Our collaboration with the Kingdom of Bhutan to create the country's first law school was highlighted at the 2014 Clinton Global Initiative Annual Meeting. "Working with White & Case in this regard allows us to lay a path that over time will transform the legal profession in Bhutan," said Her Royal Highness Princess Sonam Dechan Wangchuck of Bhutan.

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# 2014

HIGHLIGHTS

# RECOGNITION

## Back-to-Business event

OCTOBER

Our Tokyo office hosted its annual Back-to-Business event, which was attended by more than 370 guests from 181 companies and included an inaugural seminar series titled “Japan: Succeeding on a Global Stage.”

## 20th anniversary in Almaty

OCTOBER

Our Almaty office helps clients do business in Kazakhstan, advising foreign investors on joint venture, privatization, oil and gas, minerals, banking, capital markets and real estate transactions.

## Risk in a Recovering Market seminar series

OCTOBER – NOVEMBER

We hosted a series of autumn seminars in London on the theme of Risk in a Recovering Market. A keynote event on “Europe – What are the risks of the future?” was held on November 18, with speakers including the Rt Hon Alistair Darling, former Chancellor of the Exchequer; UK economist Roger Bootle; and Nicola Horlick, Chairman and Chief Investment Officer of Glentham Capital Limited. Broadcast journalist John Humphrys was the moderator.

## 15th anniversary in Silicon Valley

NOVEMBER

Our Silicon Valley office helps Silicon Valley trendsetters—and cutting-edge innovators everywhere—navigate the increasingly complex intellectual property (IP) issues that arise in this highly competitive industry through comprehensive IP protection, litigation and dispute resolution advice.

## First among the Top Global 20 Law Firms

*LAW360*

## European Law Firm of the Year

*CHAMBERS EUROPE AWARDS FOR EXCELLENCE*

## Top five: Most Innovative Law Firm in North America

*FT NORTH AMERICA INNOVATIVE LAWYERS 2014 REPORT*

## Top ten: Most Innovative Law Firm in Europe and Asia-Pacific

*FT INNOVATIVE LAWYERS 2014 REPORT, FT ASIA-PACIFIC INNOVATIVE LAWYERS 2014 REPORT*

## Best International Firm Mentoring Program

## Best International Law Firm for Pro Bono

*EUROMONEY LEGAL MEDIA GROUP*

## First in Diversity

*THE AMERICAN LAWYER DIVERSITY SCORECARD 2014*

## Top Firm in World Bank Investment Arbitration

*CREDIBILITY INTERNATIONAL*

## Two Global “Deal of the Year” Legal Awards

*THE AMERICAN LAWYER*

## Competition Practice and Life Science Practice Groups of the Year

*LAW360*

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ABOUT

# White & Case

Our  
people

**93**  
nationalities

**79**  
languages  
spoken

Our global  
reach

we advised  
clients from  
**131 countries**

on matters in  
**178 countries**

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Our approach to client service



- Deliver One Firm to our clients*
- Keep an eye on the big picture*
- Provide clarity and judgment*
- Find a way through*
- Step into our clients' shoes*
- Build lasting relationships*

**Our  
offices**

**38  
offices**

**26  
countries**

**5  
continents**

**Our  
lawyers**

**648  
Americas**

**1,096  
EMEA**

**134  
Asia**

**1,878  
total**

**Our  
revenues**

**US\$1.503 billion  
2014**

**US\$1.44 billion  
2013**

**4.4%  
growth**

TO LEARN

# more

Our annual review and  
social responsibility review  
are also available online.



[annualreview2014.whitecase.com](http://annualreview2014.whitecase.com)  
[srreview.whitecase.com](http://srreview.whitecase.com)

#### Our socially responsible printing

This annual review is printed on elemental chlorine free Mohawk Via. Mohawk Fine Papers purchases enough Green-e certified renewable energy certificates (RECs) to match 100 percent of the electricity used in its operations.

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