

A year like no other...

Our work in 2009



FRESHFIELDS BRUCKHAUS DERINGER

A year like no other...

This has been an extraordinary year for citizens, governments and businesses alike. Fortunes were lost, whole countries were rocked and fundamental belief in a globalised economy was shaken.



In the law, too, there has been turbulence: huge organisations sought protection they never dreamed they would need; political leaders have been forced to legislate to avert disaster; and populations – frightened by unfamiliar instability – have been demanding systemic change in the way the economy is managed and regulated.

2009 was a cyclical low point for enterprise and finance, and an extreme one. Lessons have already been learned, but there remains

much to be questioned. As it continues its recovery, the world will emerge with a different attitude to risk and an increased sense of circumspection.

After the turbulence of this year, caution will dominate for a while and, for many, short-term gain will become less enticing than long-term stability. As the economy picks up, the painful memories will fade. But this will remain the period referenced for decades as the point at which things changed...

A firm like no other...

Our firm has been around for a long time. But this is not a history book. It is the living account of our people, the organisations we work with and the community around us.

The year the world has just endured will be long remembered. It has challenged our firm and our clients more than any other in memory. We have been tested, certainly, but we have also been excited and motivated.

While the world's great economic minds ponder the shape of recovery, we are striving to ensure our clients are protected and prepared to recover well in cagey and volatile markets. Never before has innovation and constant improvement been so important in the law – and to our firm.

Whatever your relationship with Freshfields Bruckhaus Deringer may be, please take a few moments to look at what the year meant to us – and to the organisations and individuals we serve. There have been some tense moments and some extraordinary achievements.

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A year like no other...

02 OUR FIRM

This was a year to test any law firm. It was a time to stand in our clients' shoes, to dig deep together and battle against some of the worst market conditions imaginable. I am proud that Freshfields has been so actively involved in maintaining the *stability* of the organisations we work with – and helping them to ensure recovery and growth.

Ted Burke, *chief executive*



Sensitivity and understanding have become as important to our clients as technical wizardry in the law. The closeness and camaraderie between Freshfields people and the organisations they serve have long been characteristics of the firm. We are now working ever more tightly as an international team, so that we can mould precisely to the needs of our clients. We hope to remain *the* choice for complex and difficult domestic and international legal mandates.

Deirdre Trapp, *global client partner*



‘This was a year to test *any* law firm...’

A firm like no other...

03

‘Sensitivity and understanding have become as important to our clients as technical wizardry in the law...’



I would like to extend my sincere thanks on behalf of the whole firm to all our clients for choosing Freshfields. For many, this has been a tough year and one which has necessitated emergency measures and a revision of strategies. During this time we have helped our clients to adjust and protect themselves. As the world economy stabilises, we will continue to provide innovative, expert and *supportive* advice that helps them navigate safely through what will continue to be a challenging period.

Konstantin Mettenheimer,
joint senior partner



Freshfields has invested with care and confidence in its global operations to ensure that large client organisations can rely on best-practice legal advice whichever markets they are operating in. Deep in-country experience is now critical to the majority of our mandates. We strive at all times to offer a *truly* international service, but one that has all the fine detail required on a country-by-country basis.

Pratap Amin, *head of India group*

A year like no other...

04 OUR FIRM

‘For many, this has been a tough year and one which has necessitated emergency measures and a revision of strategies...’



This year we have had some of the most fascinating and challenging mandates in the firm's history. A highlight for me was advising the government on its Financial Market Stabilisation Act – and you can read more about that work in this document. As a firm, we have coped reasonably well with the downturn. And while the law is increasingly *competitive*, Freshfields remains determined to provide peerless legal advice and true value to all our clients.
Manfred Finken, regional managing partner, Germany and Austria



Freshfields continues to advise on some of the world's most challenging and sensitive areas of the law. Our clients, new and old, look to the firm for support in running their organisations within an increasingly complex and fast-moving legal framework. We are pleased that the mandates taken on this year – from clients as contrasting as the London Organising Committee of the Olympic and Paralympic Games, the German Federal Government and Save the Children – have allowed us to perform and *pioneer* in so many areas of the law.
Guy Morton, joint senior partner

A firm like no other...

05

2009 saw many strategic improvements to the way we work. This year has been marked by the roll-out of several *innovative* management and operational changes which are already benefitting staff and clients alike. The goal is to continue to build diversity in our firm and to ensure that we offer all our people industry-leading training and hands-on career management.
Caroline Stroud, global HR partner



China faced different challenges: initial decline in exports, a slowdown in foreign investment and continuing pressure to allow the yuan to appreciate. But the \$586bn Government stimulus programme has led a *remarkable* recovery. The World Bank has now revised China's 2010 GDP growth at 8.7 per cent, domestic consumption has been at an all-time high and the Hong Kong market, though volatile, has been flushed with liquidity. The Freshfields team in China has helped clients raise close to \$17bn through IPOs this year and is continuing to advise on many exciting China and cross-border mandates.
Teresa Ko, China managing partner



The downturn has both hit disadvantaged parts of society and the ability of charities and the free legal advice services to respond. I am delighted, therefore, that we have more than doubled our global pro bono effort over the past year. We believe that we have a responsibility to use our resources to help address problems in our society and to promote, *protect* and uphold the rule of law and, with it, human rights. Our pro bono clients challenge us, motivate us and expose us to fascinating and rewarding legal work. That helps make us better lawyers.
Paul Lomas, partner



‘Our pro bono clients challenge us, motivate us and expose us to some fascinating legal work...that helps make us better lawyers’

48 hours



Freshfields is adviser to the German government on its Financial Market Stabilisation Act. This mandate began at the climax of the world economic crisis in October 2008, and involved one weekend in particular.

Until Thursday 9 October 2008, Germany had felt that a general government intervention scheme would not be necessary – despite the fact that the US and the UK had by that time set up historically unique, large-scale financial rescue programmes. This attitude suddenly shifted when it became clear that only a similar general scheme, rather than individual interventions, could reassure the financial market.

Freshfields was called in to advise on the drafting of ground-breaking legislation which would allow the government to announce a package of measures to the market the following *Monday morning*. The firm was chosen for its expertise in

three areas – corporate, financial and regulatory law – and because of its long history advising banks and governments.

The 12-person team – led by partners Andreas Fabritius, Gunnar Schuster and Benedikt Wolfers – faced an extraordinary challenge. They had to advise on the development of an overarching legislative regime for the stabilisation of the German financial market as a whole, and its implementation in relation to a number of large financial sector enterprises of systemic relevance. In doing so, they needed to overcome a range of impediments based in German law and, of course, work within the constraints of German constitutional law, European law and international treaties.

The Freshfields advice gave the German government the tools with which to tackle the credit crisis and steady the markets in Germany. The legislative innovations introduced by the government have already been implemented to support institutions such as Commerzbank, HRE and Aareal Bank. The ongoing work has assisted in dealing with some of the most pressing aspects of the recession, and the bail-out measures are likely to change the face of the German financial market for years to come.

...to stabilise the German financial system

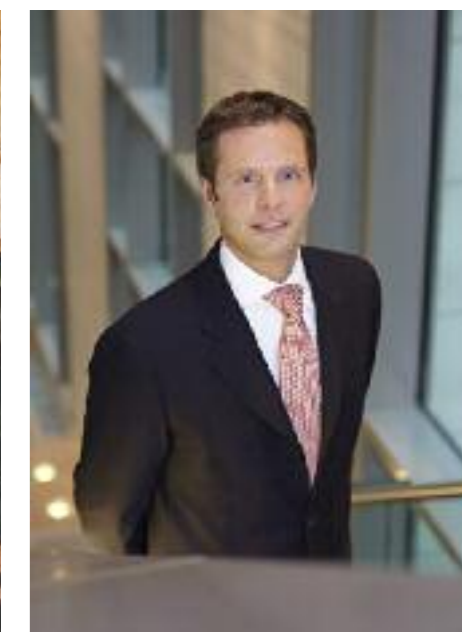


View from the inside:

Benedikt Wolfers, *partner*

‘Even with the critical importance of the project weighing upon the whole team, we had to remain calm and concentrate on the job in hand. It was a case of professional pride too: we all knew this was a great responsibility – and nothing short of an excellent job would do.’

‘Split over two offices, the Freshfields people needed to remain in close contact with each other and the government throughout the weekend. Three different areas of expertise had to be worked upon simultaneously – and each of the groups needed to cross-check progress at regular intervals by email and telephone. Things were tense.’



‘As the weekend progressed, the various essential elements were pulled together and the approach was quickly agreed. Andreas, Gunnar and I were overseeing our respective areas while liaising with our client, Dr Pöttsch, and his team to perfect the details together. It was smooth teamwork. The government’s drafting was ready and cleared in time to allow Chancellor Merkel to unveil the measures to the market before it opened.’

Regardless of where in the economic cycle the world finds itself, law firms need to be prepared to adapt to sudden change.

The combination of overheated credit markets and the near systemic collapse of the financial system left countless large organisations suddenly open to associated risks.

Throughout the boom years, Freshfields had invested in a sleeper programme to ensure that, should the economy falter, expertise would be on hand to help our clients survive and rebuild.

The deeply technical areas of restructuring and insolvency have, unsurprisingly, been central to the firm's 2009 operations. Our team – which works fluidly across borders – has been deployed in some of the largest and most complex global recovery programmes ever seen. Our mission has been to maximise value and minimise pain for these companies, their staff and all stakeholders.

Ken Baird, *partner*



Protecting investors: Northern Rock

Northern Rock was the first UK bank to experience a depositor run in over a century. Shocking footage of worried savers queuing outside branches in February 2008 was an early indicator of the global financial crisis to come. Freshfields acted for the company as its adviser in relation to a strategic review prompted by the credit crunch and during its subsequent nationalisation. The legal and commercial complexity of nationalising an institution with a £110bn balance sheet, combined with the political ramifications of the roles played by the government and the Bank of England in the rescue, made this one of the most demanding and difficult restructuring operations in history. The firm is currently advising the company on its capital and business restructuring which has recently received EU state aid approval.

Advising the administrators: Kaupthing Singer and Friedlander

Another casualty of its own overgearing and the credit crunch, Kaupthing Singer and Friedlander entered administration on 8 October 2008. Freshfields was appointed as adviser to the joint administrators. We have since provided them with guidance on all aspects of their operational and legal responsibilities – including pension and employment matters, loan repayment and trust analysis in relation to customer deposits. The number of governmental, regulatory and commercial interested parties, such as the UK government, the Financial Services Compensation Scheme and ING Direct, has demanded the use of complicated and novel questions of law and concurrent multi-party negotiations.

Spotlight on Spain

This was another country stung by the credit crisis. When sustained economic growth and easy access to liquidity came to a stop at the end of 2008, companies with significant debt looked exposed. The real estate sector, which had funded an acquisition spree with the abundant lending of previous years, was particularly vulnerable. Freshfields has pioneered on behalf of those companies affected and their financiers alike to minimise the negative consequences of plummeting property prices and reduced liquidity. Our Spanish restructuring and insolvency team advised on many of the most prominent transactions the country has seen, for clients including: Inmobiliaria Colonial, on the restructuring of its €7bn syndicated debt facilities; Reyal Urbis, on the restructuring of long-term secured financial indebtedness which the company incurred in acquiring Inmobiliaria Urbis in 2006; and Metrovacesa and its shareholders on the restructuring of its €3.2bn facility with RBS.

Restructuring *and* insolvency

Sweet deal: Mars and Wrigley



As the world economy turned sour in 2008, dealmakers started losing their appetite. One piece of M&A activity which did go ahead was the acquisition of listed gum giant Wrigley by family-owned Mars. The deal was to create the world's biggest confectioner, and it was closely observed by the industry and the financial markets alike.

Certain details of the Wrigley acquisition – beyond its dimensions and timing – were of particular interest to commentators. One of these was that a significant proportion of the financing for the \$23bn value was put in by Berkshire Hathaway, the investment firm headed by economic bellwether Warren Buffett. When questioned by CNBC on the deal, Buffett spoke of total confidence in the prospect of the corporate marriage, adding that he had ‘been conducting a 70-year taste test on the products, and they passed!’. Another intriguing nuance of the acquisition lay inside the deal itself. Rather than simply suck in the Wrigley portfolio, Mars decided that its own sugar business – home to delights such as Skittles and Starburst – would be moved to sit within Wrigley in the new order. And so Wrigley was to become a new division of Mars, but integrated from the start.

In preparation for this deal, Freshfields – in partnership with the Mars antitrust team, the company's US advisers McDermott Will & Emery and Wrigley's firm, Skadden – first performed a thorough multi-jurisdictional merger analysis in order to determine where filings were to be made. The firm then defined the appropriate strategy for smooth merger-control proceedings. It was agreed that a thorough pre-notification phase was to be run to help shorten the review process by antitrust agencies and prevent lengthy market investigations. As the deadlines drew near, the critical importance of

clearance at the end of the phase-1 investigation became clear. When Freshfields partner Helmut Bergmann fed back that the deal might be held up at phase-1, Stuart Guthrie Brown, GC for Mars Corporate Development, was unequivocal: ‘I told the guys we just had to go for it. The whole of the antitrust team locked itself away in a room in Berlin with one goal in mind: success at the first phase. We were totally focused on that.’ The deal was closed in October 2008. It was passed through at phase-1 in all jurisdictions with no conditions.

Beyond the transaction itself, Freshfields and the Mars team have been busy ensuring that shared activities on the tail of the deal run smoothly. The firm's corporate, IP and pensions lawyers have been working in a large number of countries since the acquisition to ensure integration of the Mars sugar business within Wrigley. Elsewhere the firm is advising on other opportunities for the two brands – which continue to operate with their own separate management teams and financials – to seek value from co-operation. Recently, Mars began bringing the two IT functions together – with Wrigley entering an outsourcing contract with the parent company. Such an arrangement – the legal side of which was handled by Freshfields, together with Simpson Thacher – allows Mars and Wrigley to benefit from each other's scale and infrastructure while remaining discrete businesses.

The Mars/Wrigley deal ignited ambition within the industry for consolidation and innovation, and led to heavyweight rivals racing to catch up. In an economic period which will long be regarded as one of the bleakest in history, the Mars/Wrigley deal is set to stand out as a rare sweet spot.

‘Freshfields and Mars go back a long way – and the firm truly understands how we operate. That gave us a great deal of confidence going into the Wrigley acquisition. Freshfields' network and its outstanding reputation with the most important antitrust agencies around the globe helped us secure the necessary approvals in record time. Beyond that, the rapport and professionalism with other law firms on this work made us feel that we had one joined-up team around the globe.’
Stuart Guthrie-Brown, Mars Incorporated

A year like no other...

12 CLIENT STORIES

All over the world...

... it's been a tough year to be a soldier. One company working hard to improve the lives of personnel in action is Paradigm, the world's leading provider of military grade satellite communications. Its pioneering efforts allow UK and NATO forces access to reliable and secure communication tools wherever they are. This means soldiers are well equipped to maintain contact with their colleagues in the field, and they can also keep in touch with their friends and families back home.

'Private finance initiatives in the military have, in the past, been eyed with cynicism. But Paradigm stands out as a model for success. It is profitable and breaks new ground in technology. More importantly, our services improve the safety of UK and NATO armed forces and allow military people to stay connected with those back home they are parted from.'

'The sensitivity and complexity of Paradigm's government customers and the

capital-intensive nature of building and launching satellites have challenged our company since the beginning. Diplomatic efforts and multiple refinancing phases have been critical to our progress, and throughout we have relied on the guidance of Freshfields. Each step of the journey has thrown up legal obstacles demanding innovation, expertise and hard graft – and the lawyers have overcome them all.'

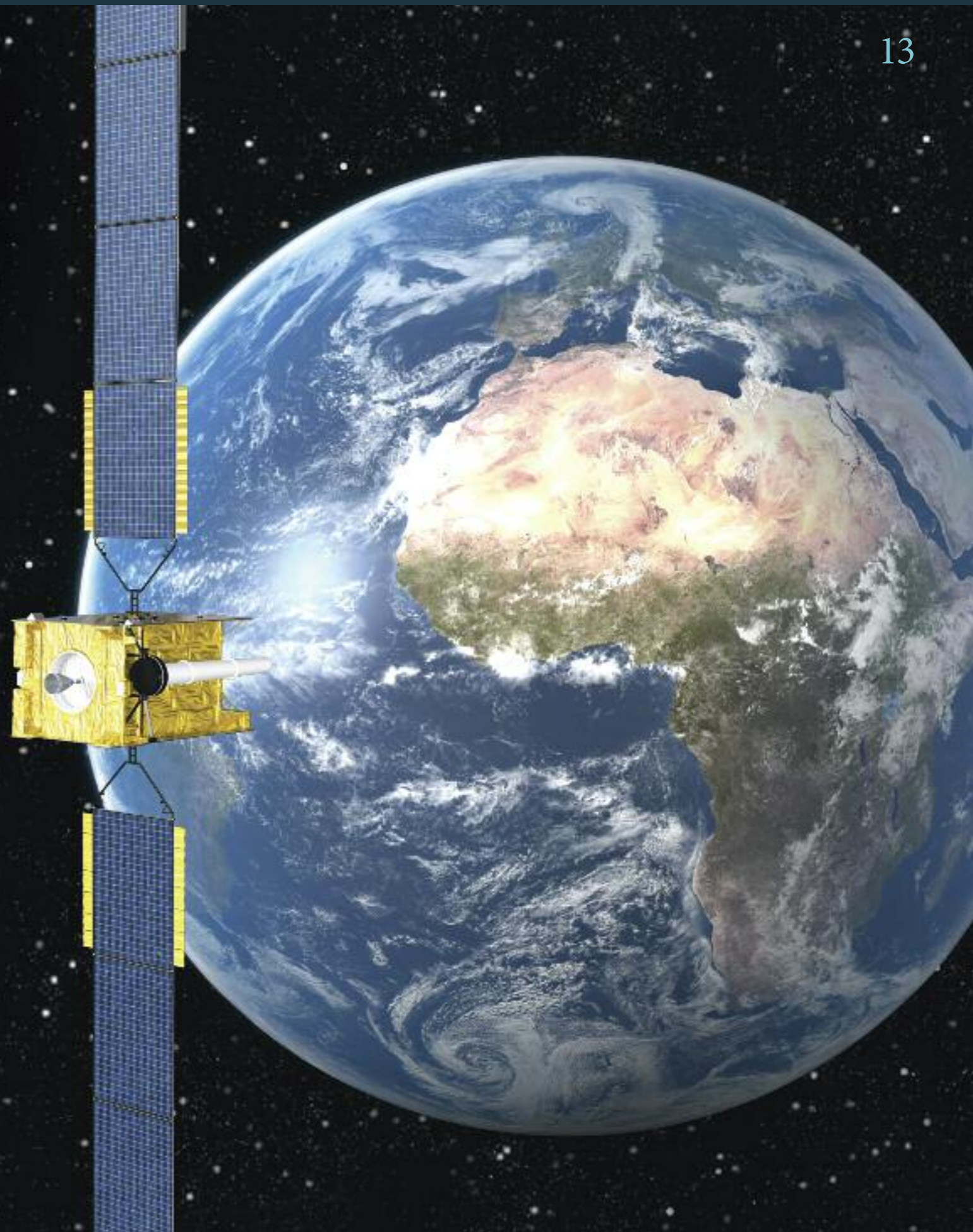
Throughout Paradigm's history, the firm has been a very good friend to us.

'Beyond technical problem-solving and strategic guidance, we have in Freshfields a team that understands our business and cares as much as we do about what is being achieved. When we launched Skynet 5C, partner Nick Bliss was as excited as I was. That means a lot to us.'

Malcolm Peto, Paradigm

A firm like no other...

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A year like no other...

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London 2012: Something for us all to look forward to...

Although a gloomy year for the UK as a whole, 2009 saw the stepping up of London's preparation to host the London 2012 Olympic and Paralympic Games. With the Olympic Park taking shape ahead of schedule, and the eyes of the world watching the plans for the 2012 Games, the event has the potential to be an amazing showcase for the UK. In February 2009 Freshfields was appointed as the official legal services provider to the London 2012 Games – something everybody in the firm is immensely proud of.

"The sheer scale of the 2012 Games makes this an immense legal task. But beyond the raw numbers – thousands of suppliers, billions of viewers and the contracts to bind everything together – there is the fact that each Olympic Games and Paralympic Games is unique. While one can look at past events for precedent and guidance, every new Games operates in its own legal environment. So, within IOC rules, we must be prepared to innovate and be creative to ensure efficiency and distinctiveness in the run up to 2012.

"The London 2012 brand embodies the power of the Games to inspire change; it must be protected for sponsors' use and so that it can help deliver the Games' legacies. Construction deadlines must be met and we must work with suppliers to make sure they understand and will comply with the

A firm like no other...

contracts they sign. The scope and detail are extraordinary. Take just one of our signature events, the Olympic Torch Relay, which will involve moving the Torch from Athens to London and then throughout the UK. This will be a wonderful event and a national celebration and must be seen to happen fluidly. But it takes an astonishing amount of contractual work and negotiation. We need to cover off every single city, town, village and hamlet the relay runs through to make sure we have addressed any bylaws which might, for example, say something about carrying fiery torches through the streets!

"Freshfields secondees represent nearly half of my whole team. They are fully integrated and work in a genuinely in-house environment. I was delighted with the decision to appoint Freshfields as they had for many years been outstanding advisers during my time at Goldman Sachs. LOCOG and the London 2012 Games are lucky to have them on board. In return, I am sure that the experience of working on this historic event will give the Freshfields team new skills and proud memories." Terry Miller, *general counsel*, The London Organising Committee of the Olympic Games and Paralympic Games Ltd

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‘Innovative application of the law will remain essential in defending the rights of our clients.’

Dispute

resolution



ConocoPhillips: *Innovation in dispute resolution*

Freshfields is trusted with protecting assets worth tens of billions of dollars belonging to ConocoPhillips. As the world's oil has fallen increasingly under the control of the national oil companies (NOCs), the international oil companies (IOCs) have had to become vigilant, and fiercely defensive of their investments.

ConocoPhillips is currently involved in what is arguably the biggest investment arbitration in history as it battles for the

return of the \$30bn assets seized by the Venezuelan government. Freshfields has been advising ConocoPhillips with respect to this dispute since it began. A hearing on the merits will take place in 2010.

Elsewhere, Freshfields helped the company develop an innovative strategy to cope with the Ecuador government's decision to impose a commercially crippling 99 per cent tax on oil revenues generated in the country. Our strategy – which won interim approval from an international tribunal – was to start arbitration proceedings but, in the interim, to insist on paying the tax into an off-shore, segregated account pending resolution of the arbitration.

On the other side of the globe, Freshfields advised ConocoPhillips on its dispute with the Vietnamese government after it chose to quintuple export taxes on crude as oil prices rose steeply in 2008. The result was a retraction of the policy.

We expect disputes between the NOCs and IOCs to continue to be a feature of the international energy industry. Innovative and resolute application of the law will remain essential in defending the rights of our clients.



Danone *and Wahaha*

Meanwhile, Freshfields dispute resolution lawyers have been busy elsewhere in the world. The Danone/Wahaha case was a long-running fight over the sale of drinks branded with the trademark 'Wahaha' in China. The dispute spread itself over several jurisdictions.

Partners Peter Turner of Freshfields' Paris office and Peter Yuen in Hong Kong were co-lead counsel for Danone in eight Stockholm Chamber of Commerce arbitrations, involving disputes in

connection with the joint ventures in China. This was the largest and most high-profile foreign investment dispute in China to date, and was closely watched by the governments of China and France throughout this struggle.

Although the substantive disputes between the parties were being resolved in the Stockholm arbitrations, ancillary litigations in several other jurisdictions (including China, the British Virgin Islands, Samoa, the US and Hong Kong) were also commenced by both sides. Freshfields played a central role in co-ordinating these proceedings on a global level. The firm led the collection of evidence and acted as

intermediary between Danone and its local counsel appointed to the case. Our lawyers also played a quality-control role to ensure that all in-country work conformed to the consistent high standard set centrally.

Danone and Wahaha have now reached a settlement of their disputes.

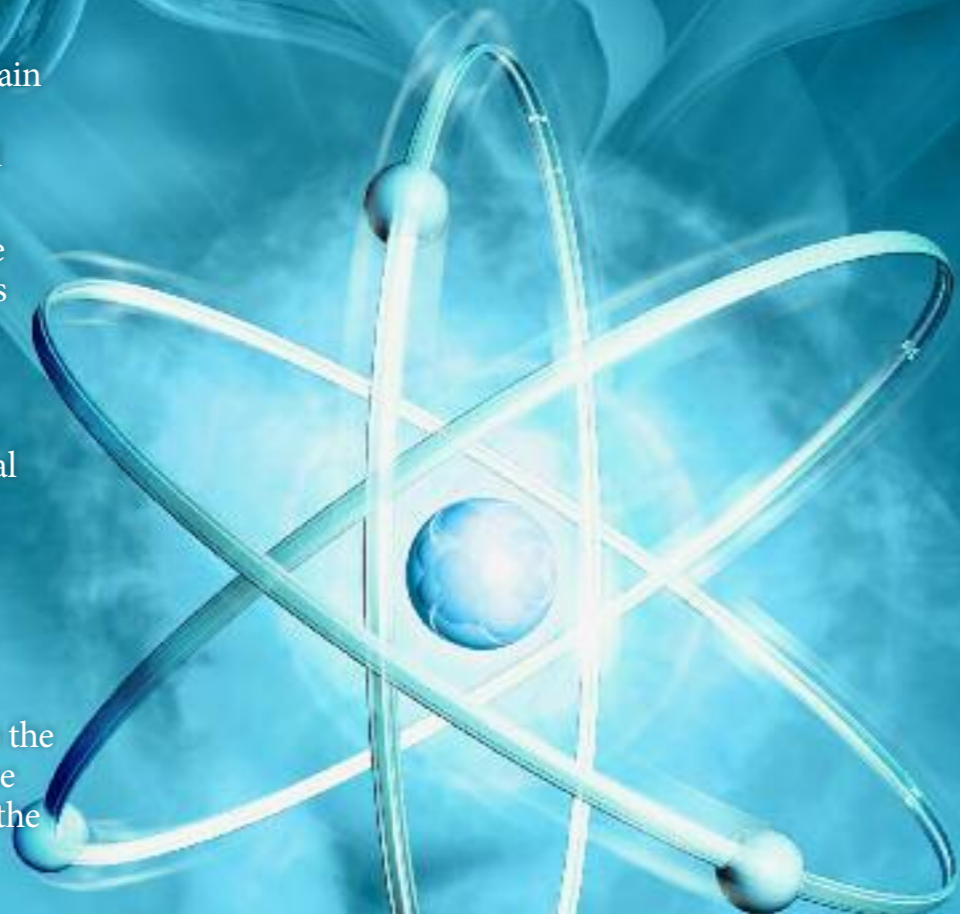
A year like no other...

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The energy to succeed

Some of our commitments this year:

- ↘ Working with the Bahrain government on the development of a national nuclear power policy
- ↘ Advising Westinghouse on a wide range of matters throughout the nuclear fuel cycle
- ↘ Chairing the World Nuclear Association's Legal Policy Group
- ↘ Leading the European Nuclear Energy Forum's Anti-Trust and State Aid Working Group
- ↘ Acting for applicants to the UK new-build programme and working closely with the government's Office for Nuclear Development



A firm like no other...

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The fuelling of a nation is as fundamental as feeding it. We believe in the important contribution of nuclear power, and are determined to act and innovate on its behalf.



Above: Westinghouse AP1000 nuclear reactor

In support of nuclear power by Paul Bowden, Joe Huse, Jonathan Isted and Herbert Posser, partners
Freshfields has been the foremost provider of legal advice to the nuclear power industry since its birth in the 1950s. Our firm worked alongside the UK Atomic Energy Authority during its foundation and was subsequently advisor to British Nuclear Fuels throughout the company's lifecycle. We have a similar heritage in supporting the growth of German nuclear power. We now advise prominent companies around the world at every stage in the nuclear supply chain, and provide strategic input to governments as they assess energy strategy.

Civil nuclear power generation has progressed at different speeds during its half-century history. Some countries, such as France, moved purposefully towards a dominant nuclear energy programme. Others, such as the UK and the US, have varied their level of investment depending on prevailing political sentiment and economic conditions. The majority of nations, though, either took the decision not to exploit the technology at all, or allowed it to play only a fractional role in total supply. The reasons for such hesitancy are well understood: costs, especially in times of cheap oil and gas, have been proportionately high; health risks – both real and perceived – made some governments and citizens nervous about nuclear; accidents at Three Mile Island and Chernobyl compelled the industry to review reactor design; a psychological connection between nuclear power and nuclear conflict during the Cold War induced discomfort; and, most recently, terrorism concerns and the potential for rogue military use of uranium enrichment technology have been seen as risk factors.

In 2009, though, the world is looking at the industry with renewed respect and more rational criticism. Prompted by increasingly demanding climate change commitments and a looming 'energy crunch' during the coming decade, the race for cleaner fuel and security of supply is on. Nuclear power is now presenting itself as a safe, flexible, cost-effective and ecologically-sound component of many countries' future energy policies. Huge growth is forecast.

The complexity of building new global nuclear generating capacity should not be underestimated. Politically, adding a nuclear power policy to the statute books is fraught with challenges which must be diplomatically overcome. Additionally, assessment of relevant technologies – down the many links in the supply chain – takes time and expertise. Each stage of preparation for the use of nuclear power, covering the planning and construction phases, the operational lifespan and the all-important disposal strategy, needs to be managed with precision and within the confines of existing international and domestic legal frameworks.

We are proud to be offering ongoing support to the nuclear power industry, and have built the largest specialist legal team in the world. Our client base spans industry leaders such as Westinghouse, Urenco, E.ON and RWE, pioneers like Hyperion, governments of nations new to nuclear such as Bahrain, and long-established international nuclear authorities.

The fuelling of a nation is as fundamental as feeding it. Helping ensure that political and commercial efforts to safeguard future energy needs are legally sound and fairly conducted provides us with great motivation. We believe in the important contribution of nuclear power, and are determined to act and innovate on its behalf.



Rough

We choose a number of local and global causes to support with our time and our expertise – or they choose us. Our pro bono work tends to be in three areas that the firm cares deeply about: promoting access to justice, helping disadvantaged children and fighting social exclusion.

Our pro bono clients are treated in just the same way as the organisations that pay us, and they enjoy the same commitment to excellence and delivery. To us, they form an important part of life at Freshfields. We hold the work of these charities in great esteem – and are proud to play a part in their achievements.

justice

Reprieve – Justice at work

‘Ethiopian-born Binyam Mohamed came to the UK in 1994 aged 15 seeking political asylum. In 2000, he was granted leave to remain in the country. Two years later, he was arrested while attempting to travel from Pakistan back to the UK.

‘What followed was seven years of imprisonment in Morocco, Afghanistan and, finally, in Guantánamo Bay, Cuba. During this period, he was tortured both mentally and physically.

‘Eventually, all charges against Binyam Mohamed were dropped, and he was released from Guantánamo Bay in February 2009 and returned to the UK.

‘Freshfields lawyers put thousands of hours into this case on behalf of Reprieve – as part of the essential, ongoing role the firm performs for us. Their expert analysis of files and supporting documentation was a critical factor in the success of the charity’s campaigning for Binyam’s release.’

Clare Algar, *executive director*, Reprieve

Save the Children

‘Right at the pitch stage, Freshfields truly stood out. Since taking on our global brief in June 2009, they have delivered on all they promised. The firm’s advice is integral to making Save the Children a more effective and efficient organisation. The team is currently helping the International Save the Children Alliance on a hugely important global restructuring project. This will transform us into a much more integrated global federation, with one common strategy. A key feature of the change is that Save the Children will have a single delivery mechanism for all its international programmes, overseen by a global board. This will enable us to reach more children and have an even greater impact on their lives.

‘The Freshfields team plays a vital role in guiding, advising and supporting us during this transformation process.’

Tara Camm, *general counsel*, International Save the Children Alliance



Above: Mother and child at a therapeutic feeding centre in Ethiopia (Karin Beate Nosterud/Save the Children).

A year like no other...

A firm like no other...

22 CLIENT STORIES

‘Innovative thinking and a breadth of experience’



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Nomura *and* Lehman Brothers

The collapse of Lehman Brothers in September 2008 remains the most prominent marker of the financial crisis. Certain parts of the group were attractive acquisition prospects for rival banks – and it was Nomura that quickly moved to secure Lehman’s Europe, Middle East and Asian Equities and Investment Banking businesses.

Freshfields was instructed to implement the acquisition and to co-ordinate the integration phase of the transaction. The firm’s challenge was to conduct a multi-jurisdictional operation offering quick and considered advice on a complex, multi-layered transaction – all in the context of a deal with companies in administration. This was a people and assets deal – all the liabilities were to be left behind. This raised unique and challenging issues in virtually every involved jurisdiction.

The acquired Lehman Brothers franchises had to be separated before integrating them cleanly into Nomura’s existing operations. The multi-jurisdictional nature of the deal meant that 17 of our offices were involved and external local counsel was instructed in a further 13 jurisdictions.

This was a transaction of unprecedented scale in a period of market turmoil. The Freshfields team was able to provide responsive and considered advice, innovative thinking and a breadth of experience that enabled Nomura to implement the acquisition and integration swiftly and successfully.

A year like no other...

24 CLIENT STORIES



Pioneering

Bank of England Special Liquidity Scheme

As the systemic threat posed by the credit crunch became apparent, the Bank of England moved to kick-start the economy by instituting unprecedented measures to increase liquidity in the financial system. In April 2008, the Bank launched its Special Liquidity Scheme. This allowed banks to swap temporarily their high-quality mortgage-backed assets and other securities for Treasury Bills which in turn could be converted into cash. The Scheme allowed a total of £185bn of additional liquidity to be moved onto the market by February 2009.

Freshfields' role was to devise an innovative legal structure to implement the Bank's proposals. There was no precedent for such a scheme, and the time frame was

extremely tight. The legal advice set out terms between the Bank and participants, and also terms on which the Bank would source Treasury Bills from the Government. Further, Freshfields assisted in devising operational procedures for the scheme, and advised on navigating European state-aid approval. Critically, the structure we proposed not only met the Bank of England's objectives (particularly in regards to risk allocation) but was produced in a form easily understood by participants – so speeding up banks' access to the Scheme.

A firm like no other...

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'A landmark ruling from the Competition Appeal Tribunal.'

in the law

Tesco vs the Competition Commission

Freshfields advised Tesco on its successful challenge of the UK Competition Commission's decision to recommend new legislation to the Government in the light of its groceries market investigation. Despite the fact that the Commission's findings were widely seen as giving the sector a clean bill of health, it went on to recommend a "competition test" within the planning system. This test would have forced local planning authorities to reject construction

or extension plans from firms with a significant local presence.

With the Tesco team, we identified two critical flaws in the Commission's assessment: firstly, it had failed to consider properly the costs and benefits of new legislative proposals; secondly, the Commission had not clearly articulated the benefits such a competition test might bring. Tesco successfully challenged on both these grounds.

Despite intervention from several of Tesco's rivals in support of the Commission, in a landmark ruling on 4th March 2009, the Competition Appeal Tribunal upheld the application on the basis of the disputed points.

A successful judicial review of a remedy recommended by the Competition Commission in a market investigation is unprecedented, and has already sparked a number of similar cases before the Competition Appeal Tribunal.

'Freshfields has given us unstinting support over many years on matters of strategic importance to our business. We see them as an integral part of our team. The successful Competition Commission challenge was a great outcome.' *Lucy Neville-Rolfe, executive director, Tesco*

A year like no other...

26 OUR COMMUNITY

We sent some of our top lawyers *back to the classroom*

A firm like no other...

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‘A good understanding of the law is essential for future business leaders, and the firm’s courses and guidance make a crucial addition to our curriculum.’

HEC Paris

2009 was the year that asked fundamental questions of commercial organisations around the world. Belief was challenged and trust shaken. In the business schools, crisis was quickly turning into case study. The leaders of the future were suddenly given a new chapter to contemplate, and were put to work analysing just what went wrong. It was a year when the concept of risk and its management was moved up to the highest level of importance.

Freshfields chose this year to take its expertise to the heart of the business education community and joined the HEC Foundation. We believe arming corporate leadership teams with a sound knowledge of the law makes them better placed to serve and protect their companies. So our partners now lecture frequently to some of the brightest and best students of business – ensuring that a new wave of leaders gains an early insight.



‘I’m pleased and proud that Freshfields has joined the HEC Foundation. A good understanding of the law is essential for future business leaders, and the firm’s courses and guidance make a crucial addition to our curriculum.’

Bernard Ramanantsoa, dean of HEC Paris (ranked by the FT as Europe’s top business school)



Bucerius Law School

Our collaboration with the world’s best law schools is closer than ever. We offer financial support, partner-taught courses and management guidance to several noted institutions around the globe.

‘Freshfields has been a close partner of Bucerius Law School since its conception. For ten years the firm has played a critical role in ensuring we offer our pupils the finest and most current legal training. Ours is a pioneering programme, and its reputation is growing in Germany and internationally through our exchange programme. Freshfields’ guidance to our board and tutorship in our classrooms helps ensure the pupils are truly ready to join the legal elite when they graduate.’

Dr Hariolf Wenzler, chief executive/provost of Bucerius Law School, Hamburg

A year like no other...

28 OUR COMMUNITY

Making

‘It is right that a firm of Freshfields’ size should take its responsibilities to the community seriously. Firmwide, our guiding principles are to minimise our contribution to climate change, to have a positive impact on the communities around us and to promote human rights and access to justice. Within these ambitions, we are involved with many important global and local initiatives. Here you can see just a few from around the world.

We produce an externally-assured international CSR report and constantly evaluate and improve our own efforts. Details of the progress we have made can be found on our website.’

John Blain, partner

A firm like no other...

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a difference

↘ Reading to children, Belgium
Visiting local schools and helping young children from disadvantaged areas learn to love books

↘ New York Cares
Spending time helping clean up public parks, playgrounds and schools

↘ Final Hour, Hong Kong and China
Giving our last hour's salary to a different charity each Christmas

↘ Medicine for charity, Italy
Buying medicine for ill children which is then distributed among various charities in Italy

↘ Asylum support, The Netherlands
Hosting the SAMAH annual conference – and working to help improve the skills of young asylum seekers

↘ Building links between schools and business, UK
Getting involved with the new Education and Employers Taskforce, which brings together businesses, education organisations and the government to help improve young people's skills and preparation for employment

↘ Operation Smile, Vietnam
Helping support children in Vietnam who have been born with facial deformities

↘ Job coaching, Germany
Helping disadvantaged young people with poor qualifications ready themselves for work

A year like no other...

30 LIFE AT FRESHFIELDS



2009 saw the introduction of several firm-wide initiatives aimed at further improving working life and client service at Freshfields.



A firm like no other...

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People and development

Our new *Career Milestones* programme has been designed to help our lawyers manage their progress closely, gain the full support of the partnership and reach their highest potential. This cycle of assessment and meaningful feedback, conducted annually, will allow us to ensure that clients work with people who have exactly the right level of skills and experience for their business. The goal is to offer consistently high standards across our global network and to develop our people in ways that reflect the complex roles performed by the modern-day legal professional. It will also allow us to recruit well, and correctly place new people. Importantly, it will give our associates a clear vision of the steps they need to take to move up in their careers and will provide the support and guidance to help them succeed.

In addition to the *Career Milestones* programme, a new *Learning and Development Committee* is steering efforts

within the firm to ensure that all of our people receive the very best training available. Finally, we have just opened the *Freshfields Alumni Network* to extend our involvement with staff beyond their time with us.

Meanwhile, this year saw the launch of our *Global Diversity Committee* – an important step forward in the firm's diversity and inclusion programme. We need to ensure that we encourage the widest possible range of people to consider us as an employer around the world and that we reflect the diversity of our clients and the communities in which we live and work. We are aware that the legal sector often lags behind in terms of progress in this area, and are working on a number of initiatives (both with the government and with others in the legal industry) to promote equal access to the profession for all. The firm's global priority is to improve the retention

and development of our women lawyers, while we are also working hard on other diversity strands: we are a founding signatory of the Law Society of England and Wales' Diversity and Inclusion Charter, and this year we participated in benchmarking exercises for Race for Opportunity, Employers' Forum on Disability and Stonewall. The findings will help us shape future diversity strategy.

Our aim is to provide a collegiate and convivial working environment. The high-performance nature of the mandates we advise on requires a strong system of support and encouragement for all staff. With the measures we have put in place and our commitment to consistent review and improvement, our people can be assured of the opportunity to enjoy fulfilling and rewarding careers at Freshfields.

A year like no other...

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A firm like no other...

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Investing in collaboration and efficiency

The expert management of information has an intrinsic role to play in any business.

A firm like Freshfields, with an extensive and international practice, needs to ensure that knowledge flows freely but can also be restricted where necessary. We have spent years adapting and improving our internal systems to help exactly match access to information with the right audience.

Freshfields was the first major firm to streamline its IT, business services and knowledge management efforts – giving staff anywhere in the world access to all the information they need to best serve their clients. Spanning the network is a global 'knowledge team', consisting of lawyers and professional support staff. Together they make certain that matrix structures and country borders are no longer barriers to understanding. This minimises delay and prevents unnecessary duplication of work.

IT progress in 2009 included the roll-out of a bespoke search interface and an internal information-sharing platform, and the wider adoption of market-leading enterprise software from Autonomy. Our systems are managed with a high degree of security, so clients can be comfortable in knowing that, as we increase the accessibility of information in pursuit of a more efficient service, their privacy is never compromised.

'No matter what the client request, I need to know that I have access to the right information – regardless of where it originated.'

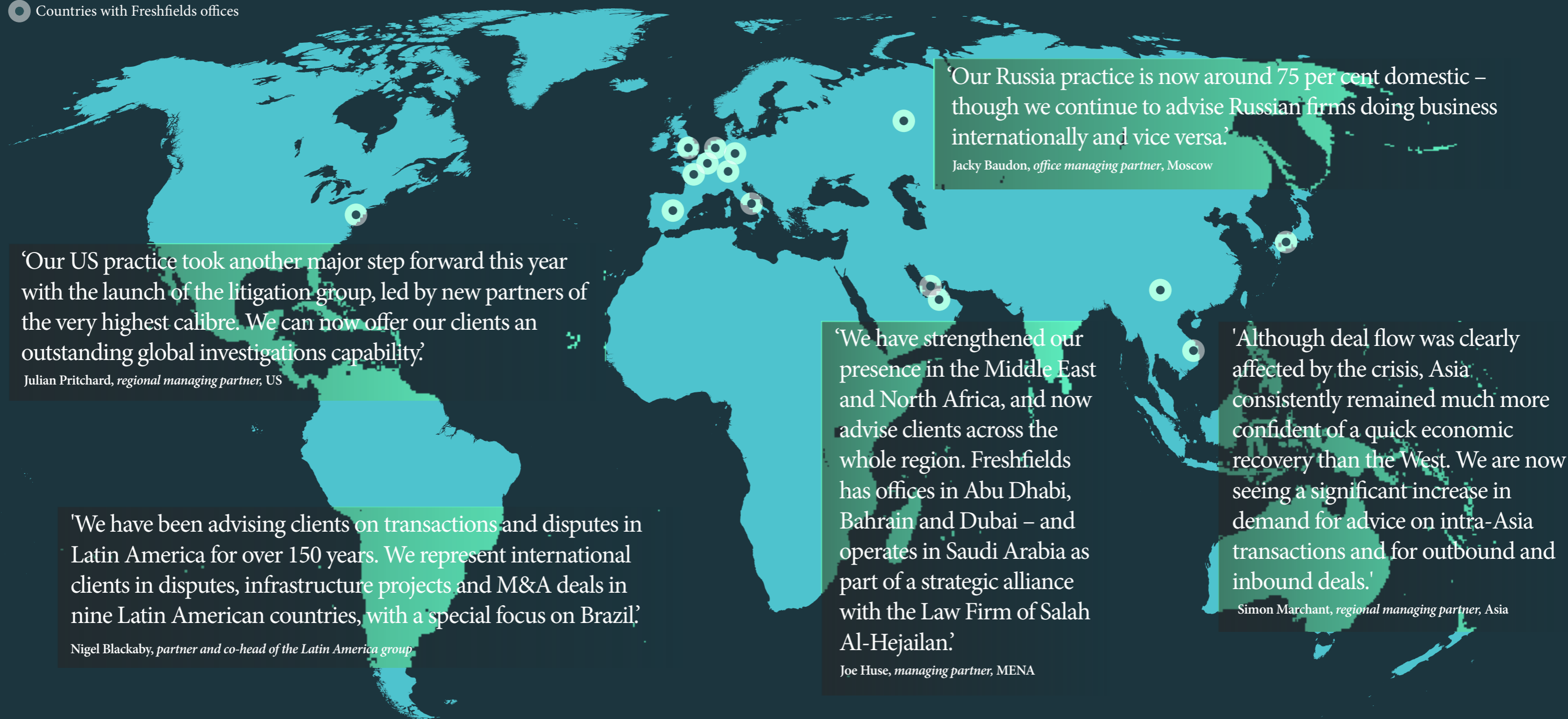
Briana Young, *head of knowledge and business development, China*

A year like no other...

34 GLOBAL COVERAGE

Over 2,500 lawyers in 27 key business centres around the world

● Countries with Freshfields offices



A firm like no other...

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↘ Freshfields has the globe covered. We have partner and associate ‘country teams’ which take an active interest in virtually every country in the world. They build and develop relationships with selected law firms, leading financial institutions, intermediaries and government agencies. This means that we can offer our clients the very best legal advice anywhere they need it, and no matter which jurisdictions are involved.

A year like no other...

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View from
the new guy...

‘My early opinions of Freshfields were formed more by chatter in the legal market than by a disciplined study. It was a firm I had greatly admired from afar, but one I never found myself working with closely. Its decision not to come blazing into America via a risk-laden merger actually gained a lot of respect: instead its reputation has grown year after year by doing work of the highest possible quality.

‘To be offered the chance to build a new litigation practice within a law firm of such provenance was an honour indeed, and I am loving being here. Joining Freshfields with me this year were three brilliant US lawyers – Aaron Marcu, Adam Siegel and David Onorato. The four of us have been welcomed with warmth and kindness into the global dispute resolution team. At my very first DR board meeting, I was amazed to see all those tough litigators working in so friendly and collaborative a way. Everybody’s voice was heard. And that’s how things are at Freshfields.’

Benito Romano, *partner*

A firm like no other...

‘Most innovative law firm’
FT innovative lawyers, 2009

A firm like no other..