WEIL GOTSHAL

INAUGURAL WEIL, GOTSHAL & MANGES PRIVATE EQUITY GROUP SURVEY

# SPONSOR-BACKED GOING PRIVATE TRANSACTIONS

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# Introduction

Welcome to our inaugural survey of sponsor-backed going private transactions prepared by the Private Equity Group of Weil, Gotshal & Manges LLP. We hope that you will find this information thought-provoking and useful.

We believe that this survey is unique in that it analyzes and summarizes for the reader the material transaction terms of going private transactions involving a private equity sponsor in both the United States and Europe. We believe that Weil Gotshal is uniquely positioned to perform this survey given our international private equity platform and network of offices throughout the United States and Europe.

We are happy to discuss with clients and friends the detailed findings and analysis underlying this survey at their request.

We want to pay special thanks to the many attorneys and consultants at Weil Gotshal who contributed to this survey, including Andrew Bailey, Jean Beauchataud, Karen Brooks, Matt Cammack, Carolyn Dunn, Gautier Elies, Sachin Kohli, Katherine Krause, Allan Lai, Jimmy Liao, Marianna Lopez, Gaia Morelli, Trudy Moshodi, Harsh Pais, Mariana Pargendler, Marc Rosen, Jessica Ryan, Aabha Sharma, Bjorn Stehl, Christian Tappeiner, Jennifer Tsai and Steven Zielinski.

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# Research Methodology

The Private Equity Group of Weil, Gotshal & Manges LLP surveyed 85 sponsor-backed public-to-private transactions announced from October 1, 2005 through December 31, 2006 with a transaction value (i.e., enterprise value) of at least $250 million (excluding target companies that were real estate investment trusts). Fifty of these transactions involved a target in the United States and 35 involved a target in Europe. The publicly available information for certain surveyed transactions did not disclose all data points covered by our survey; therefore, the charts and graphs in this survey may not reflect information from all surveyed transactions.

The 85 surveyed transactions include the following target companies:

ACE Cash Express, Inc.
Adesa, Inc.
Alain Afflelou SA
Aleris International, Inc.
Aramark Corporation
Associated British Ports Holdings plc
AWG plc
Beverly Enterprises, Inc.
Biomet, Inc.
Borsodchem RT
Burlington Coat Factory Warehouse Corporation
Caffé Nero plc
Center Parcs (UK) Group
Clear Channel Communications, Inc.
Cornell Companies, Inc.
Countrywide plc
Dave & Busters Inc.
Direct General Corporation
Duquesne Light Holdings, Inc.
DX Services plc
Eddie Bauer Holdings, Inc.
Education Management Corporation
Eircom Group plc
ElkCorp
Encore Medical Corporation
Enterasys Networks, Inc.
Freescale Semiconductor, Inc.
Goody's Family Clothing, Inc.
Harrah's Entertainment, Inc.
HCA Inc.
Incisive Media plc
Intergraph Corporation
Jacuzzi Brands, Inc.
John Laing plc*
Kinder Morgan, Inc.
La Quinta Corporation
Linens n' Things Inc.
Lone Star Steakhouse & Saloon, Inc.
Matalan plc
Mayborn Group plc
McCarthy & Stone plc*
Michaels Stores, Inc.
NCO Group, Inc.
Open Solutions Inc.
OSI Restaurant Partners, Inc.
Pages Jaunes SA
Parkdean Holidays plc
Party City Corporation
PETCO Animal Supplies, Inc.
Polimoon ASA
Quick Restaurants SA
RailAmerica, Inc.
The Reader's Digest Association, Inc.
Realogy Corporation
Retail Decisions plc
Richmond Foods plc
Sabre Holdings Corporation
Seitel, Inc.
Serena Software, Inc.
ShopKo Stores, Inc.
SIG Holdings AG
Somerfield Group plc
SOURCECORP, Incorporated
Specialty Laboratories
The Sports Authority, Inc.
Talarius plc
TDC A/S
Techem AG
Telent plc
Telepizza SA*
Thomas Nelson, Inc.
TransMontaigne Inc.
UICI
Univision Communications, Inc.
Urbium plc
Viridian Group plc
VNU NV
Water Pik Technologies, Inc.
West Corporation
WMF AG
Wyevale Garden Centres plc
The Yankee Candle Corporation

* *These target companies were each the subject of two competing bids.*

# United States

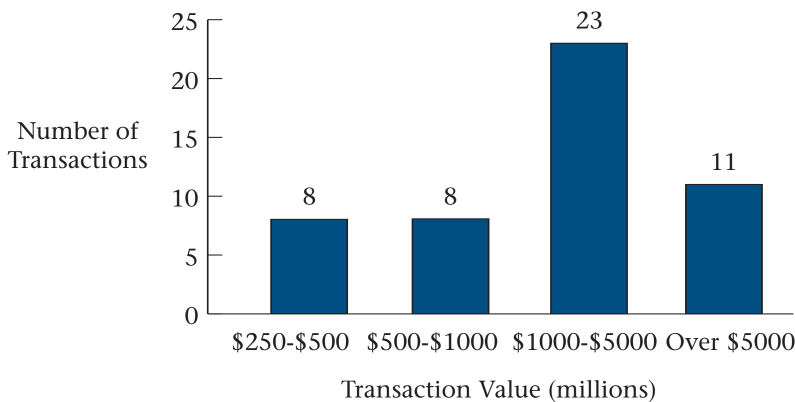
# Key Conclusions

This past year was a banner year for sponsor-backed going private transactions in the US. It saw a dramatic increase in the number of going private transactions involving private equity sponsors. Most experts believe that the number of these transactions will remain strong given the receptivity of public company management teams and boards to going private transactions, the large pool of committed equity capital available to private equity sponsors and the ready availability and low cost of debt capital.

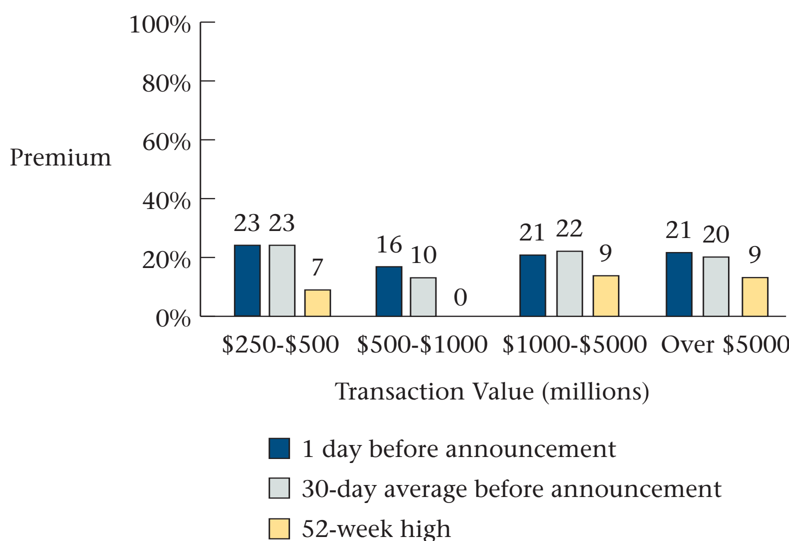
Certain of the notable conclusions and trends in 2006 in the US based on this survey include:

- The increasing size of sponsor-backed going private transactions. Of the surveyed transactions, 68% involved a transaction value in excess of $1 billion and 22% involved a transaction value in excess of $5 billion.
- Premiums to pre-announcement market value were relatively modest, particularly compared against the 52-week high stock price for target companies.
- Larger buyouts generally resulted in modestly more efficient capital structures for sponsors, with generally lower equity requirements and higher leverage ratios.
- High yield debt financing was not used in a majority of the transactions with a transaction value of less than $5 billion given the strength of the second lien and mezzanine market.
- A surprising 34% of target company boards did not form a special committee to evaluate the going private transaction.
- Target boards started negotiating for "go-shop" provisions, which appeared in 24% of the transactions. Surprisingly, there was some form of pre-signing market check in 50% of the transactions where a go-shop appeared.
- Two-tier break-up fees became increasingly common in transactions where a go-shop appeared, with 50% of those transactions providing for a reduced break-up fee for successful competing proposals solicited during the go-shop period.
- The reverse break-up fee is increasingly common at all transaction levels, with a significant majority of transactions providing for a reverse break-up fee in certain circumstances.
- Financing outs are "out." Only a minority of transactions in the $250 million to $5 billion transaction value range and no transactions in the over $5 billion transaction range included a financing out.
- Material adverse change conditions to closing are common in virtually all transactions but continue to be very limited in scope and offer limited protection to the buyer.

# Market Information

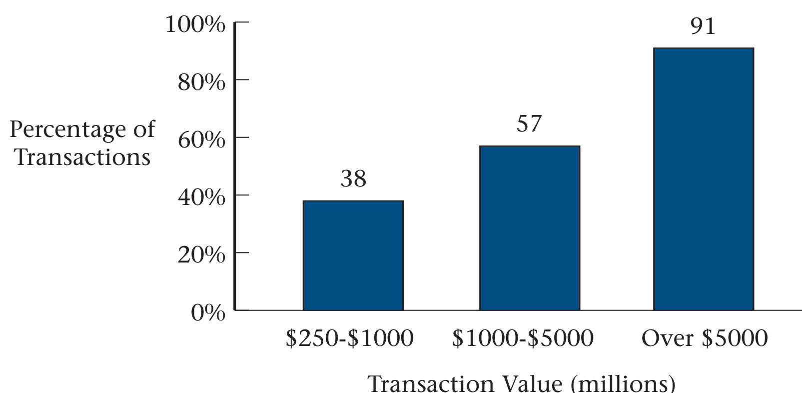



Transaction values in our study range from $291 million to $33.1 billion. While there continues to be a strong appetite for middle market going private opportunities, there was a dramatic increase in larger transactions in 2006 compared to 2005. From July to December 2006 alone, five going private transactions with a transaction value of at least $18 billion were announced. Two significant contributing factors were the willingness of sponsors to participate in club deals and the ability of sponsors to syndicate an increasing amount of equity to co-investors, limited partners and lenders.




Deal premiums for the day before announcement have generally been in the 20% to 25% range and are very similar between the day before and the 30-day average before announcement. Surprisingly, premiums over the target company's 52-week high stock price averaged a relatively modest 6%, which suggests that many going private opportunities emerge after disappointing stock market results for the target company.

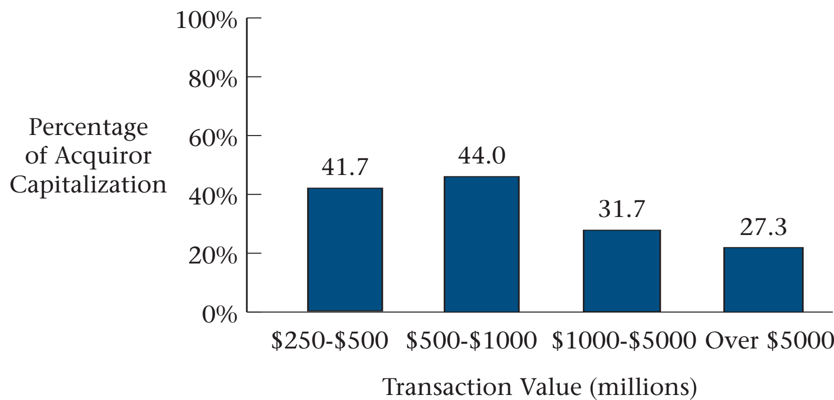
# Club Deals



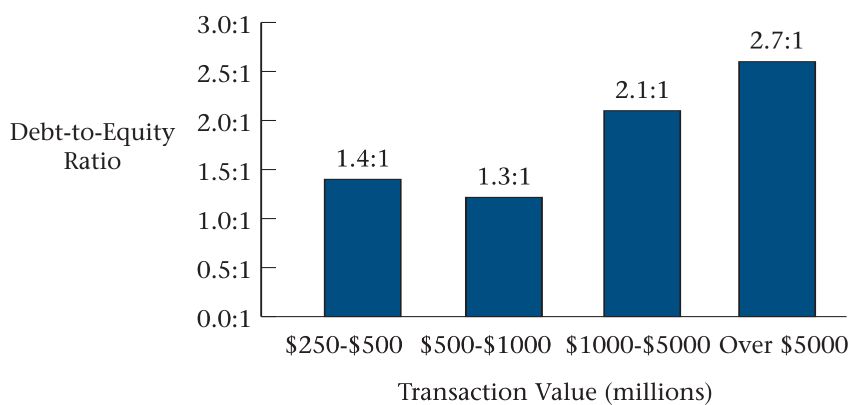

One consequence of the dramatic increase in transaction values in 2006 was the increase in the percentage of "club deals" involving two or more private equity sponsors. A majority of all going private transactions above $1 billion of transaction value (and 91% of such transactions above $5 billion of transaction value) were club deals. However, club deals were also common in going private transactions where the transaction value was between $250 million and $1 billion with a significant minority of those deals being club deals. Even in relatively smaller transactions, many sponsors elected to share the risk of the transaction and to pool resources to achieve a favorable result.

Another trend seen in 2006 compared to 2005 was a modest decrease in the number of sponsors comprising the clubs as sponsors increasingly obtained equity from co-investors, limited partners and lenders rather than from a larger group of sponsors. For example, in 2006 there was an average of slightly more than three sponsors in transactions above $5 billion of transaction value compared to an average of four sponsors in those transactions in 2005.

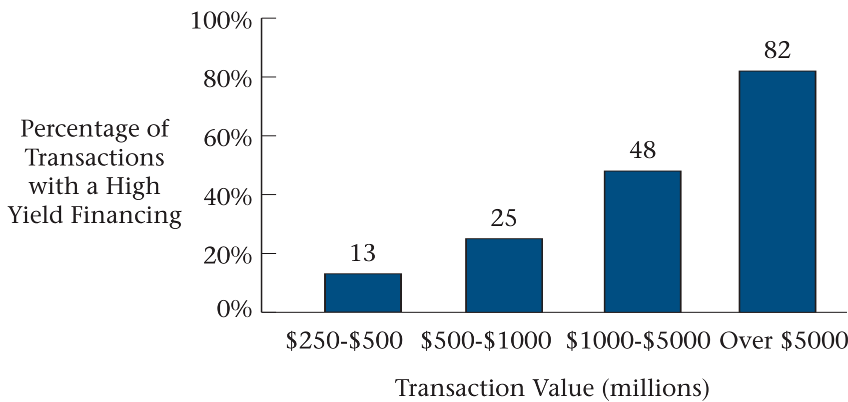
# Financing



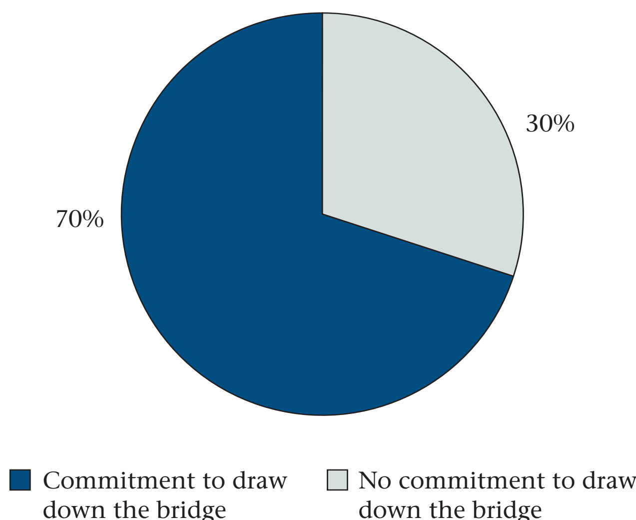

Generally, the larger the transaction size, the lower the percentage of equity used to finance the acquisition. This accords with general expectations, as larger companies frequently have more stable cash flows and, thus, a greater ability to sustain higher levels of debt. Although not apparent from this graph, some of the largest transactions had equity investments approaching 40% of acquiror capitalization due to circumstances unique to those transactions. As a result, there was a wide disparity (from 16% to 38%) in terms of the percentage of equity used to finance those transactions.



# Financing



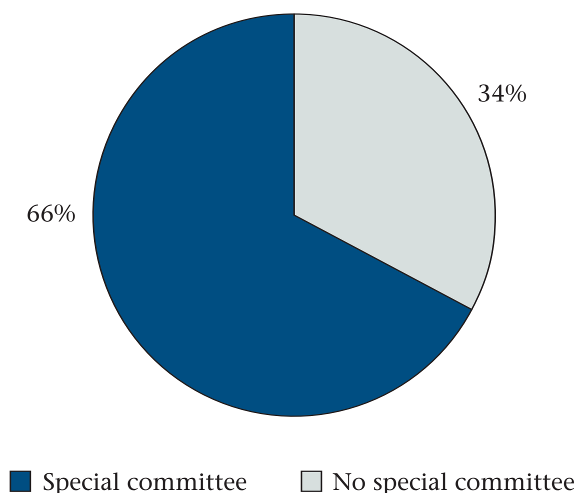

As one may expect, the larger the transaction, the more likely the buyer tapped the high yield debt market for financing, with 82% of sponsors in surveyed going private transactions over $5 billion doing so. In smaller transactions, the strong second lien and mezzanine markets made strong in-roads against high yield financing in 2006.




Surprisingly, in 30% of the transactions financed with high yield debt, the buyer was not contractually obligated to draw down bridge financing upon the buyer's inability to raise high yield debt. This may be a function of the increasing number of transactions where the buyer does not have a financing condition to closing so the buyer will be incentivized to draw down the bridge even in the absence of a contractual obligation.

# Special Committees

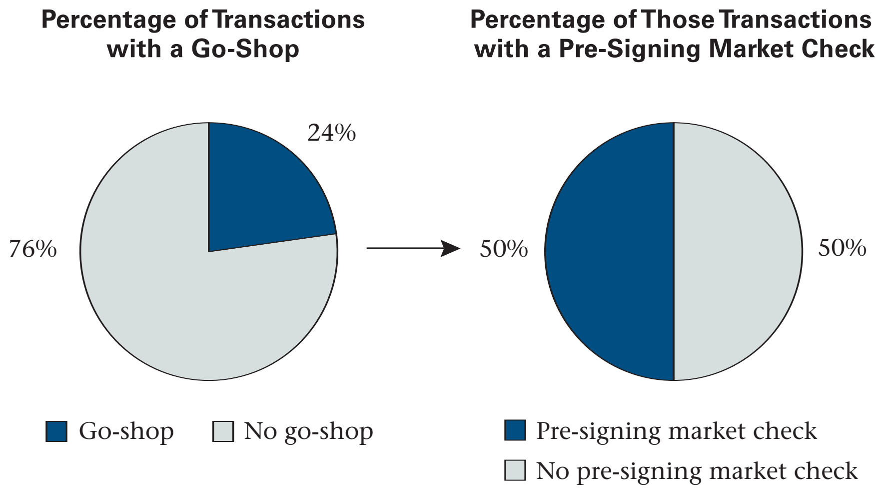
**Percentage of Transactions with a Special Committee**



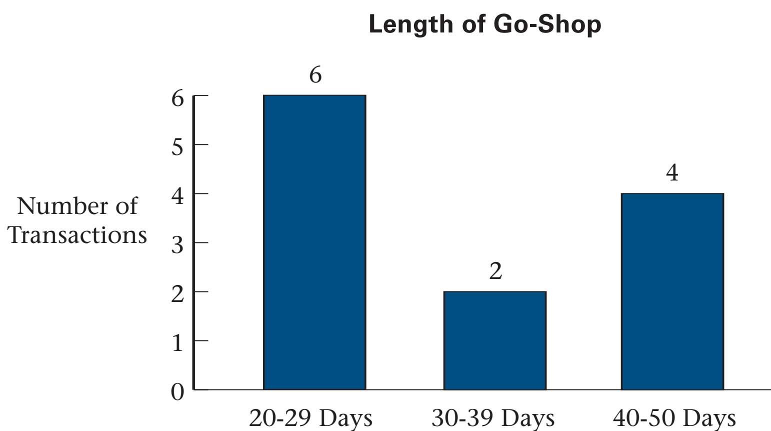

A surprising 34% of target company boards did not form a special committee to evaluate, negotiate and approve the proposed transaction. The use of special committees will of course be most prevalent in those deals where directors are either part of, or closely affiliated with, the buyout group. A private equity sponsor must keep in mind that it is normally "buying" the litigation that may, and often will, accompany going private transactions. Accordingly, it is in the interest of private equity sponsors to ensure that the target is following a defensible process in selling the company to reduce the settlement value of any litigation.

Although not reflected in any graph, a small minority of the surveyed transactions had special voting arrangements requested by the special committee to ensure that significant target shareholders participating in the transaction could not undermine the ability of the public stockholders to approve or disapprove of the transaction. These arrangements included increasing the vote required by stockholder approval, nullifying the "super" voting rights of a particular class of shares held by insiders and requiring the transaction to be approved by a majority of the minority stockholders.

# Go-Shops

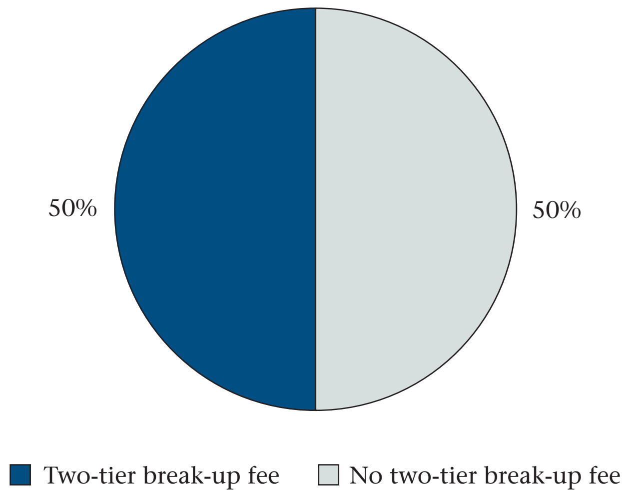


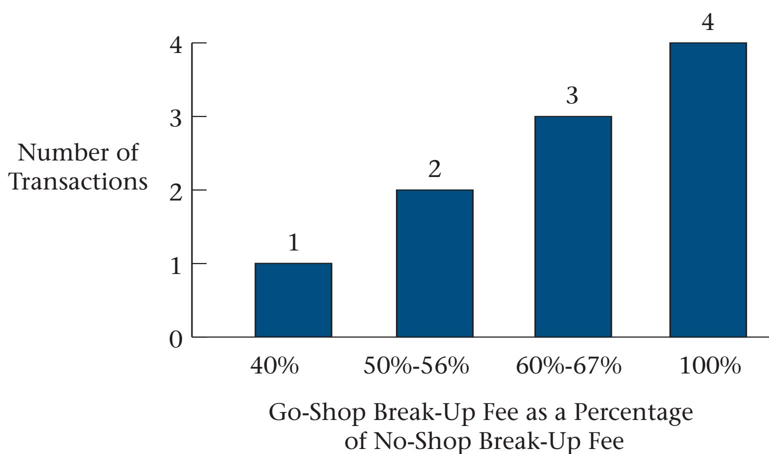

With 24% of the surveyed transactions including a go-shop provision (12 of the 50 surveyed transactions), this post-signing market check is still not the norm, but is certainly becoming a more common feature of going private transactions. Surprisingly, one-half of the transactions with a go-shop had some form of pre-signing market check. Sponsors need to consider the risk-reward calculus of agreeing to a target's request for a go-shop. On the one hand, a go-shop provision is not legally required. On the other hand, sponsors need to determine whether it's a fight worth fighting with the target board and may want to focus their efforts on narrowing the scope and duration of the go-shop.




Go-shops in sponsor-backed transactions have ranged from 20 to 50 days. However, sponsors should make sure that the length of any pre-signing market check is factored into the determination of the time period that the target needs to complete the sales process post-signing.

# Go-Shops

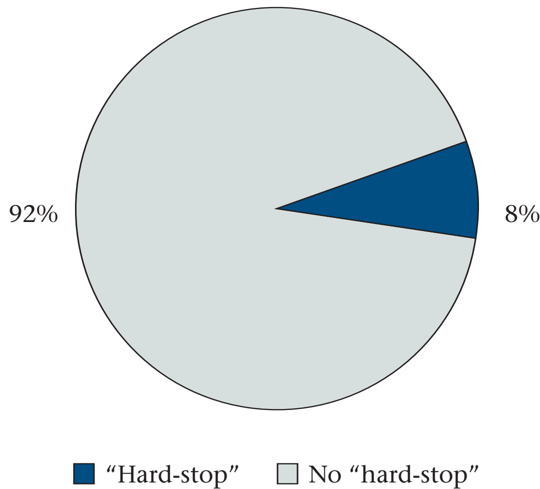



In almost all of the earlier deals in 2006, a superior proposal entered into during the go-shop period did not result in a lower break-up fee. However, the trend has recently moved toward a reduced go-shop break-up fee (typically ranging from 40% to 67% of the normal break-up fee) as target boards take the view that the traditional 2% to 3% of equity value break-up fee is not consistent with the spirit of the go-shop as a true post-signing "test the market" process. In a further effort to preserve the integrity of the go-shop, target boards are often requesting and some sponsors are agreeing to eliminate the matching right during the go-shop period. *(See the December 2006 issue of the Weil, Gotshal & Manges Private Equity Alert for further discussion on this topic.)*

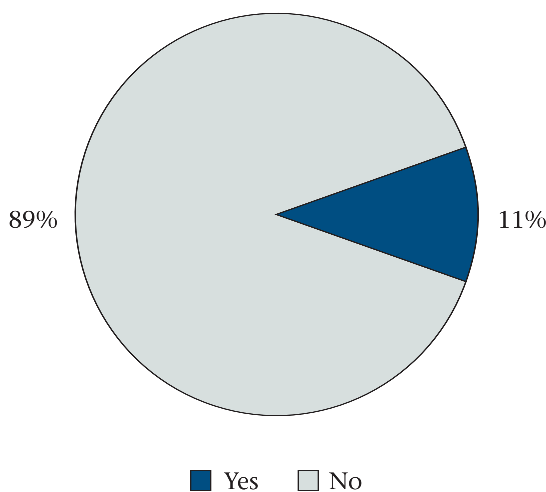
# Go-Shops

**Percentage of Go-Shop Transactions with a "Hard-Stop" on any Reduced Break-Up Fee for Competing Proposals Solicited During the Go-Shop Period**



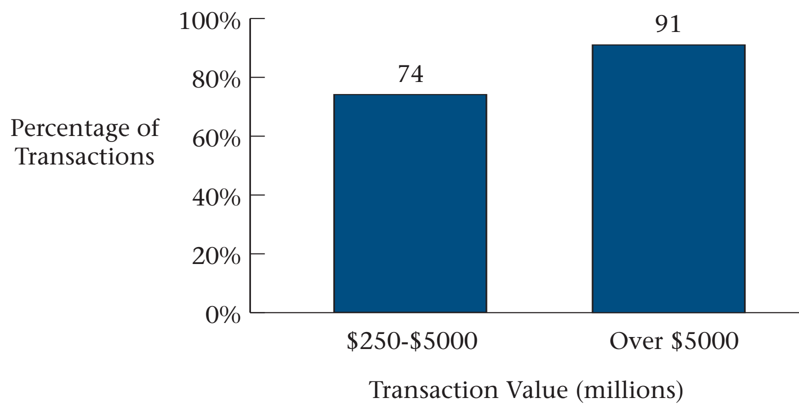

Many of the go-shop provisions in recent transactions have allowed the target board to effectively pay a lower break-up fee in respect of a competing proposal solicited during the go-shop period even though the proposal is entered into after the expiration of the go-shop period. In these deals, the target board can make a determination that a specified party has made overtures that could reasonably be expected to lead to a superior proposal. However, in one of the surveyed transactions, the sponsors turned the tide and successfully negotiated a hard-stop on the go-shop time period, consequently limiting the target's contractual right to pay a reduced break-up fee.

**Percentage of Go-Shop Transactions that Eliminate a Matching Right During the Go-Shop Period**

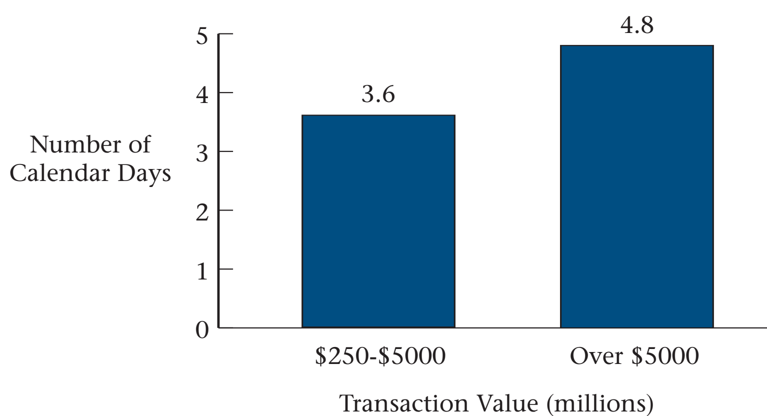



Of the 12 surveyed transactions with a go-shop provision, nine had a matching right. One of those nine transactions eliminated the matching right during the go-shop period.

# Fiduciary Outs



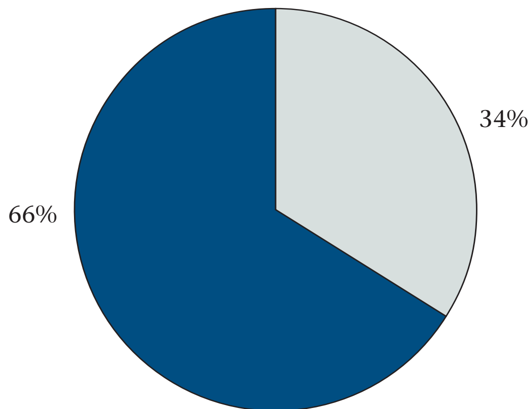

Regardless of the size of the transaction, a majority of private equity sponsors in the surveyed transactions have successfully negotiated the right to match a competing offer. However, this right was slightly more common in the largest transactions.




The time period to match for surveyed transactions less than $5 billion in value was consistently around three to four calendar days. Interestingly, the time period to match a competing offer for surveyed transactions over $5 billion in value was almost universally five calendar days. None of the transactions surveyed provided more than five calendar days to match a competing offer.

# Fiduciary Outs

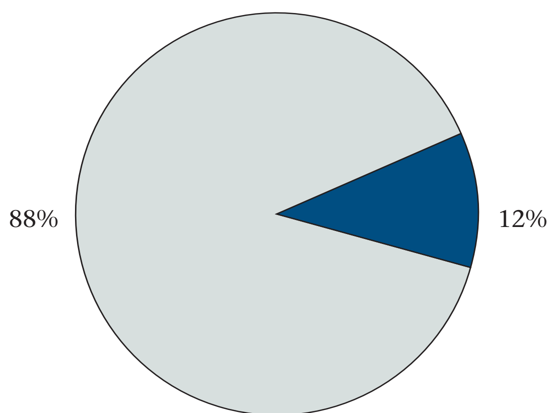
**Percentage of Transactions Permitting a Change of Board Recommendation for Reasons Other than a Superior Proposal**




■ Solely due to a superior proposal □ For reasons other than a superior proposal

A significant majority of surveyed transactions allowed the board of directors to change its recommendation solely due to the receipt of a superior proposal. One-third of the surveyed transactions permitted boards to change their recommendations even in the absence of a superior proposal, although most of those transactions did not permit the board to terminate absent a superior proposal.

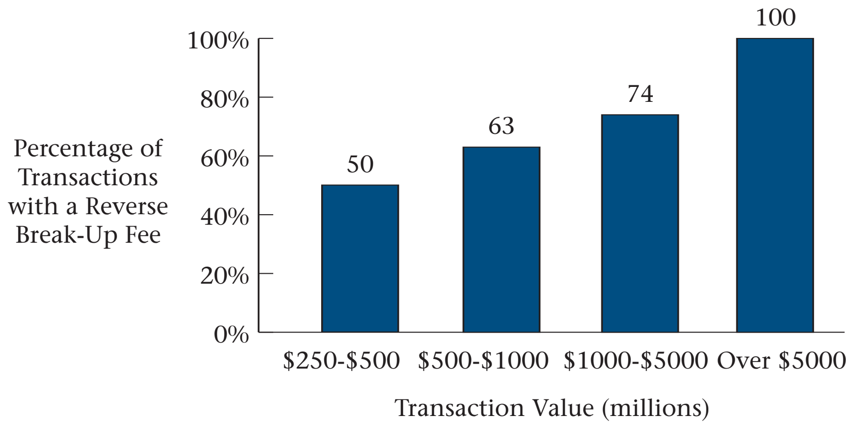
**Percentage of Transactions with a Forced Stockholder Vote Provision**



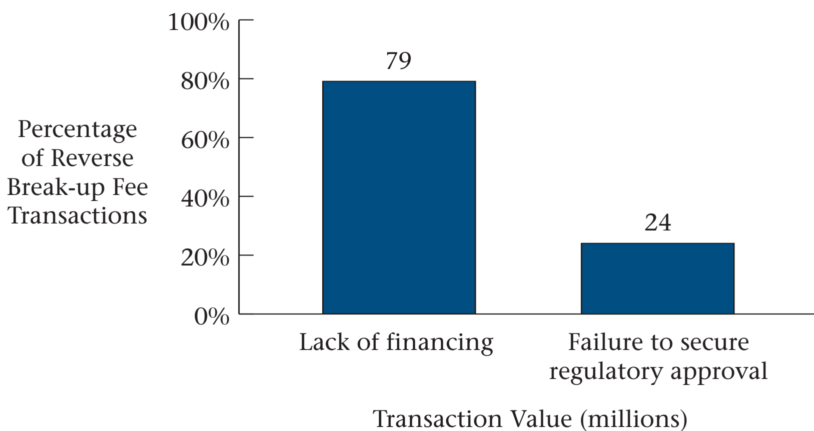

■ Forced stockholder vote provision □ No forced stockholder vote provision

Not surprisingly, the vast majority of surveyed transactions did not include a forced stockholder vote provision. A forced stockholder provision effectively neutralizes the target company's ability to exercise its fiduciary out by requiring a stockholder vote to be held even where the board has decided it can no longer recommend the transaction to stockholders.

# Break-Up Fees and Reverse Break-Up Fees

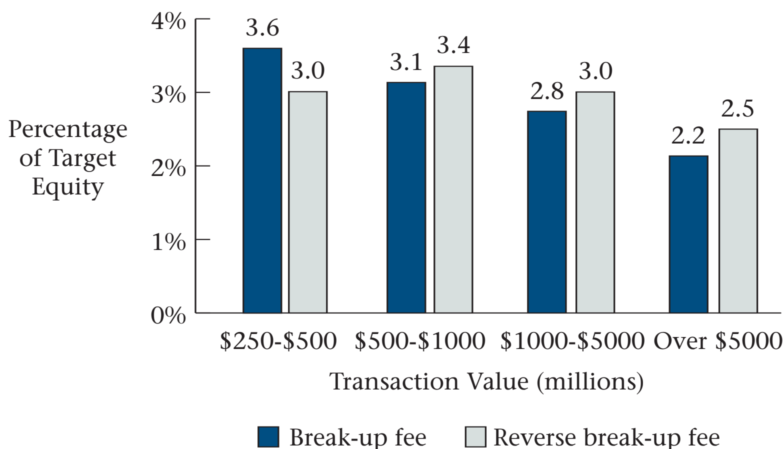



The reverse break-up fee has become increasingly common and now appears in a vast majority of larger deals (including 100% of deals above $5 billion) and half of smaller deals.

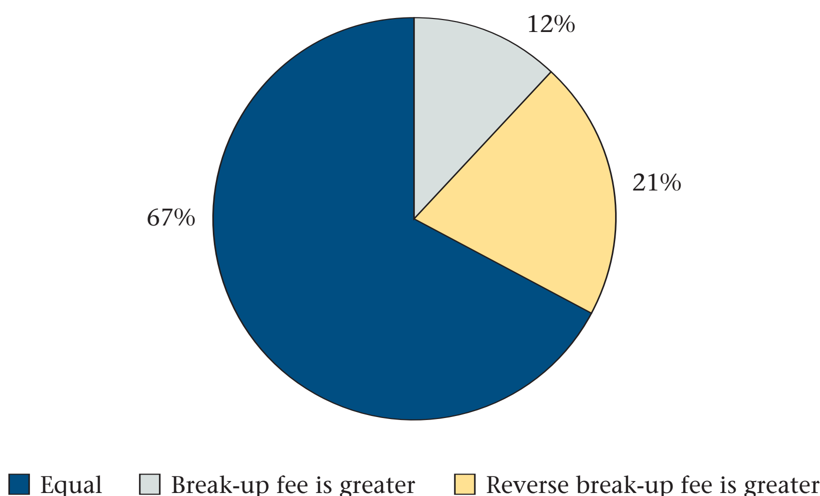



The situations in which a reverse break-up fee is paid by the buyer are not as varied as those situations in which a break-up fee is paid by the target. Some deals with increased regulatory risk had a reverse break-up fee for both a lack of financing and a failure to secure regulatory approval.

# Break-Up Fees and Reverse Break-Up Fees

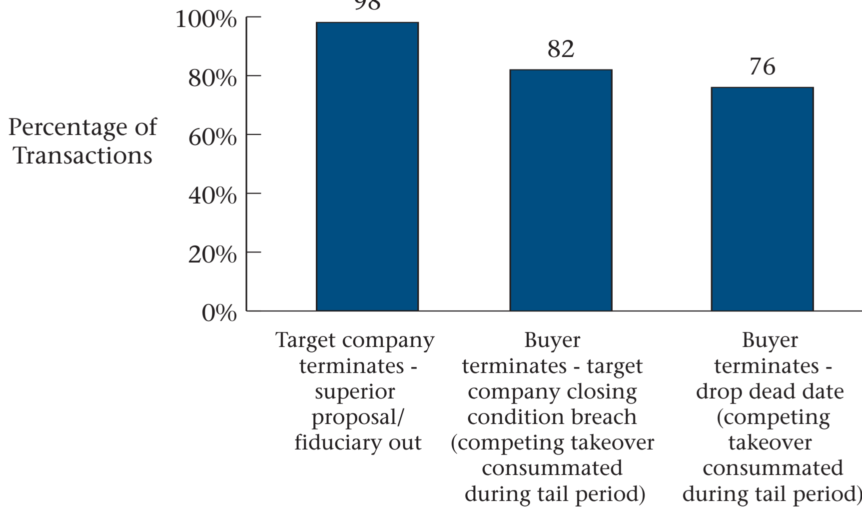



Break-up fees generally range from 2% to 3% of the target's equity value. However, the survey confirms that the size of the break-up fee as a percentage of the target's equity value is dependent on the size of the transaction and that smaller transactions frequently have a break-up fee that is modestly larger than 3% of the target's equity value.

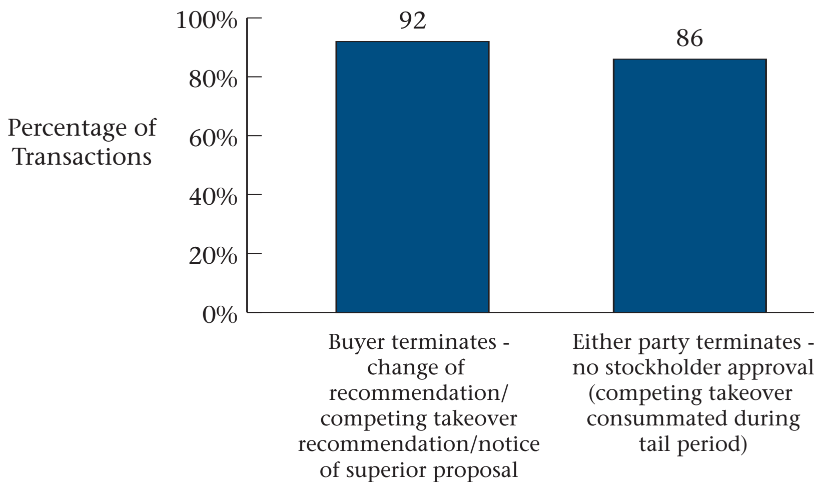



As this chart shows, the break-up fee and reverse break-up fee are frequently identical. Although the size of the break-up fee is subject to judicial scrutiny, the size of the reverse break-up fee is not similarly capped and the recent correlation in size between break-up and reverse break-up fees is a product of deal custom. Higher reverse break-up fees may have resulted in a minority of cases due to the specifics of the transaction (e.g., to compensate the target company for any additional regulatory risk associated with a particular buyer).

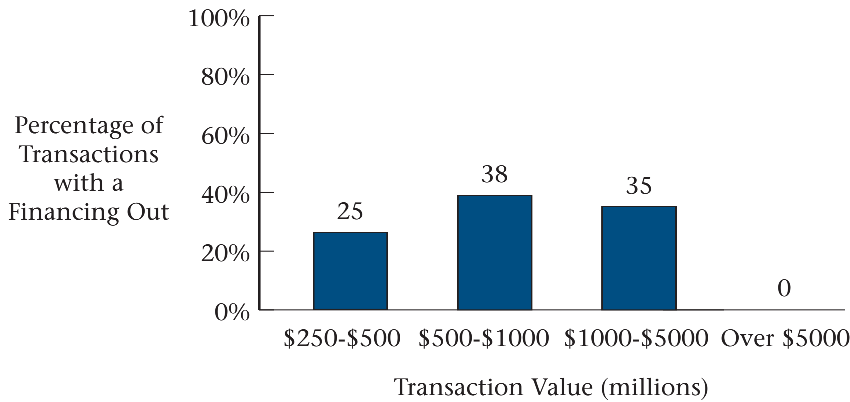
# Break-Up Fees and Reverse Break-Up Fees



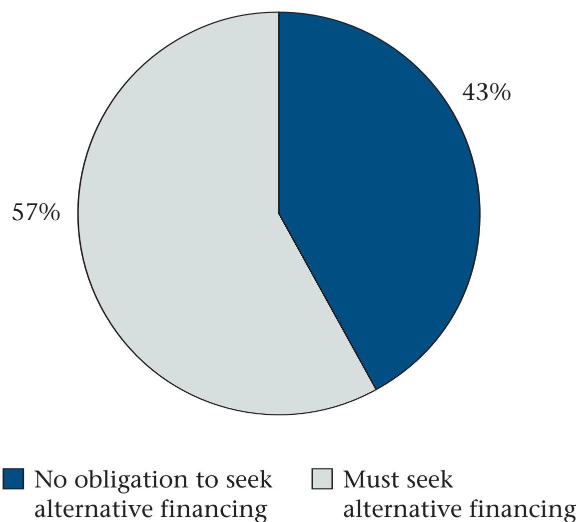

The five scenarios listed on the graph on this page are the most common scenarios in which a break-up fee must be paid. In addition to payment of a break-up fee, several transactions included target reimbursement of buyer's transaction expenses (often subject to a cap) when the agreement is terminated due to a failure to get stockholder approval, a target company breach leading to the failure of a closing condition or the passage of the drop dead date, in each case where no competing proposal is announced and completed during any tail period.



# Financing Outs



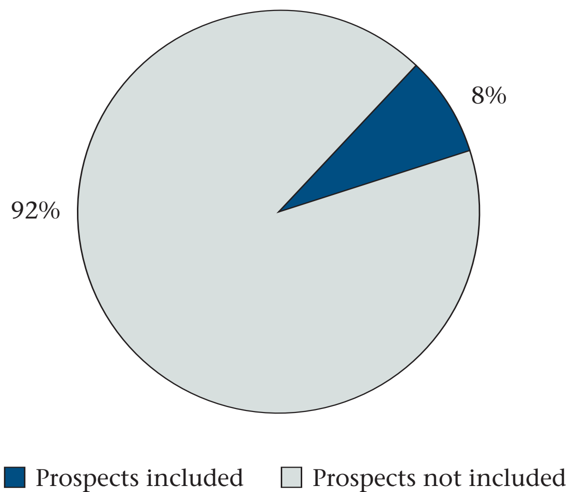

Not surprisingly, financing outs are "out." Financing outs, once prevalent in all deal sizes, are now seen with decreasing frequency, particularly in the larger transactions. As a result, sponsors should ensure that any conditionality in the debt commitment papers is limited to the level of conditionality in the merger agreement.




Of the transactions with a financing out, surprisingly only a slight majority of those transactions required a buyer to seek alternative debt financing if the debt financing contemplated by the original commitment papers was unavailable.

# Material Adverse Effect

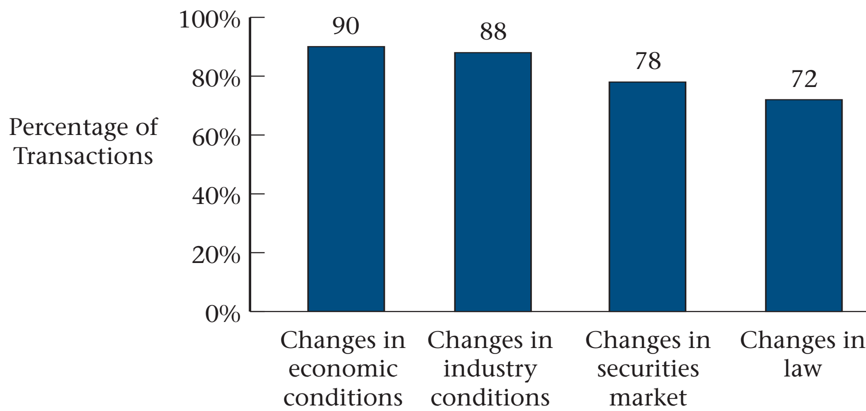
**Percentage of Transactions with an MAE Definition that Includes "Prospects"**

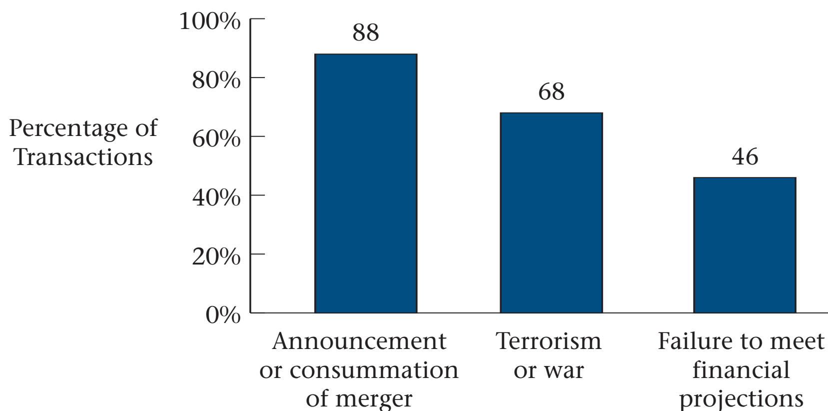



Prospects included   Prospects not included

A small minority of transactions included "prospects" in the MAE definition. In addition, a small minority of going private transaction agreements define MAE to include specified quantitative measurements (e.g., percentage decline in revenue or earnings).

# Material Adverse Effect




Target companies have continued to erode MAE protections for buyers as evidenced by this graph where a significant majority of deals have material carveouts to the MAE definition, including 46% of surveyed transactions that explicitly provided that a target company's failure to meet the financial projections provided to the buyer (either completely or by up to a specified percentage) would not constitute an MAE. Nevertheless, some of these transactions provide that the underlying cause of the failure to meet financial projections (e.g., a loss of a key customer) could be deemed an MAE. *(See the July 2006 issue of the Weil, Gotshal & Manges Private Equity Alert for further discussion on this topic.)*

# Europe

# Key Conclusions

The going private market varies widely across different European jurisdictions, as indeed do the rules and regulations applicable to takeovers in the many different jurisdictions covered by the term "Europe." This perhaps reflects the fact that, in some jurisdictions, the public takeover market generally, as well as the private equity market, is still at an early stage of development and public takeovers are rare, making going private transactions the exception for sponsor-backed deals. That said, some of the largest European deals have been going private transactions – the takeover of TDC A/S, a Danish telecom company, is one such example where the size of the deal dwarfs the remaining private equity activity in that jurisdiction.

The most common jurisdiction for going private transactions within Europe is the most mature of the private equity markets, and by far the most mature public takeover market, the UK. Here, the story of 2006 lies in the companies that were NOT taken private rather than the ones that were – there were rumors and even preliminary announcements issued for several FTSE 100 companies, but, as we go to press, none have yet had a formal offer launched by a private equity bidder. Whether this is because of fears that such offers are increasingly unacceptable to institutional shareholders at the prices sponsors are prepared to pay, or are too difficult to structure in companies with significant pension deficits that require shoring up, financially or otherwise, remains to be seen.

We have tried to examine those points on European going private transactions that illustrate the similarities and differences with respect to going private transactions in the US. Many of the areas of moving market practice in the US are not applicable to European transactions where the regulatory environment, generally speaking, does not permit public offers to be launched without full financing commitment and with extremely limited conditionality (e.g., financing outs, go-shop provisions and variations in MAE).

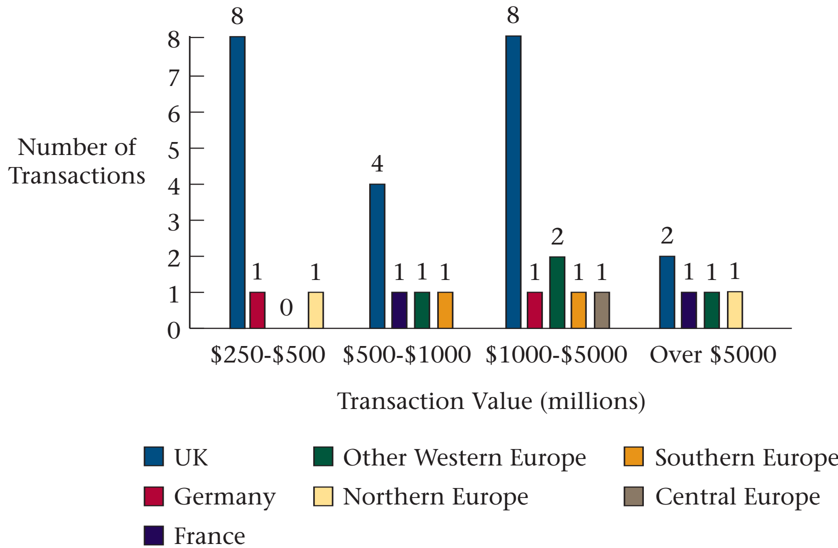
Despite the wide variety of deal sizes and jurisdictions covered, it is noteworthy to find some common features and trends – for example, in the size of break-up fees, which nowhere was greater than 1%, and in the average amount of equity financing in deals, between 36% and 37% for deals below $5 billion.

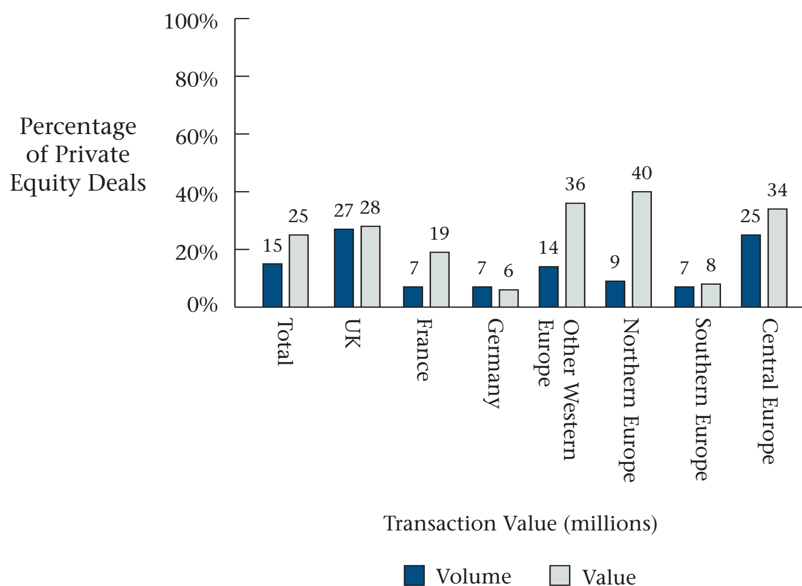
One particular area of contrast between the US and Europe is the reverse break-up fee. In the US, a significant majority of all going private transactions featured a reverse break-up fee. In Europe, there was only one deal with a reverse break-up fee and it will be interesting to see if this is the start of a trend.

Another potentially significant difference revealed by the survey is the average equity percentage of deals and the levels of debt, where for transactions below $1 billion, the level of debt in going private transactions is higher on average in Europe than in the US. This reverses in transactions above $1 billion, where European transactions have a lower level of debt on average.

One large transaction also contained an unusual and interesting feature – a form of additional consideration payable if the sponsors dispose of the target within twelve months. This reflects the type of "anti-embarrassment" clauses more usually negotiated by governments for privatisations (or occasionally in private deals) and this deal involved the sale of a majority stake by France Telecom that was then followed by the mandatory tender offer for the remaining shares. The circumstances in which an additional payment can be negotiated will be rare, and dependent on the existence of a significant controlling shareholder with the appetite to negotiate such a clause. However, it may be an interesting precedent for those looking to structure a transaction to appeal to reluctant institutional shareholders.

# Jurisdiction



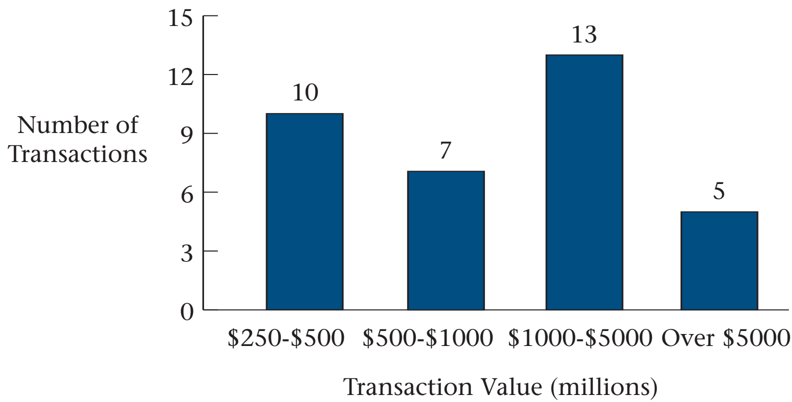




The majority of going private transactions during the period surveyed took place in the UK, with a significant number of deals in each category size. This is a reflection both of the market generally, as well as the more developed going private market in the UK, where such deals have been commonplace for a number of years.

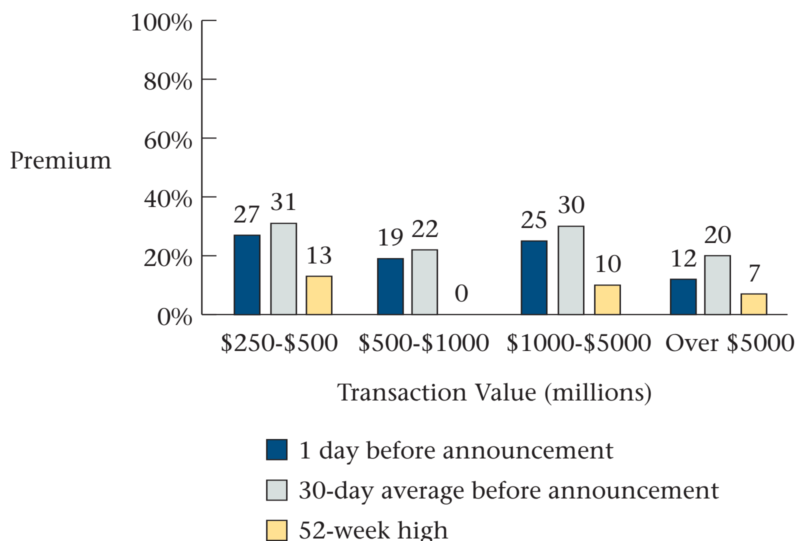
Going private transactions make up a small but still significant percentage of the private equity market generally. With an average of 15% of the market by volume and 25% by value across those jurisdictions where a going private transaction took place, these transactions tend to dominate the larger end of the buy-out spectrum (although at 13% by volume and only 9% by value of all public M&A, are still at the lower end on average of the public deal market).

In some jurisdictions (such as Norway and the Netherlands), one or two mega-deals have dominated the local market. Interestingly, Germany is the jurisdiction with the lowest proportion of going private transactions as a percentage of the overall private equity market, reflecting perhaps both the legal risks inherent in the taking private process in Germany and the unattractiveness of a taking private transaction in comparison to other forms of majority shareholder control.

# Market Information

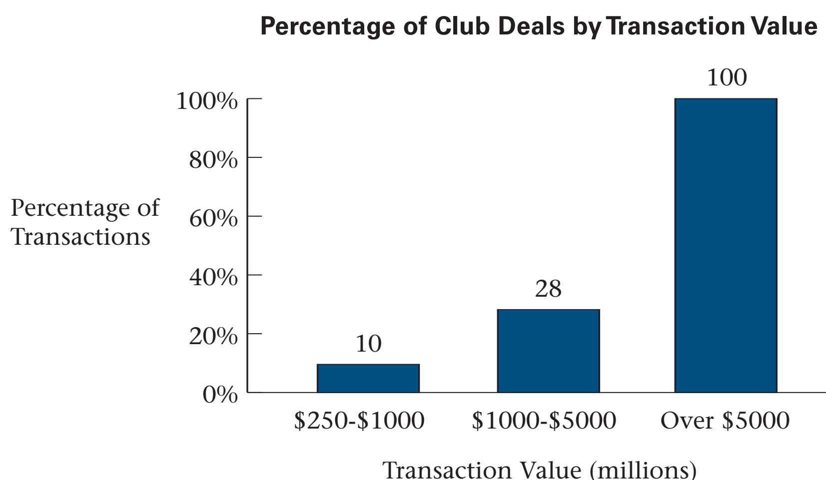



Transaction values in our study range from $257 million to $16.8 billion. As with the findings in the US, there is an increasing trend towards larger going private transactions, as private equity sponsors form clubs that enable them to acquire higher value target companies. Although during the period of our survey there had yet to be a going private transaction involving a FTSE 100 company in the UK, market commentators believe that such a transaction is inevitable.




Deal premiums prior to the commencement of the offer period (generally speaking, when the target first announced that it was in talks, which might or might not lead to an offer) vary by deal size, unlike the US findings, which demonstrate premiums generally in the 20% range. As in the US findings, premiums over the 52-week high are relatively modest.

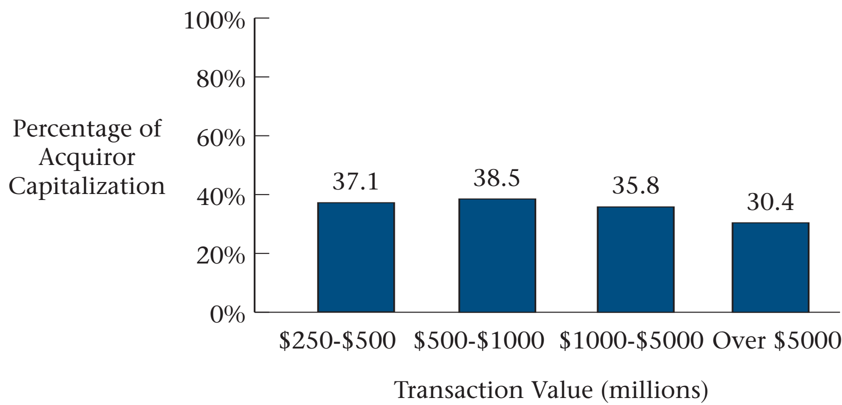
# Club Deals



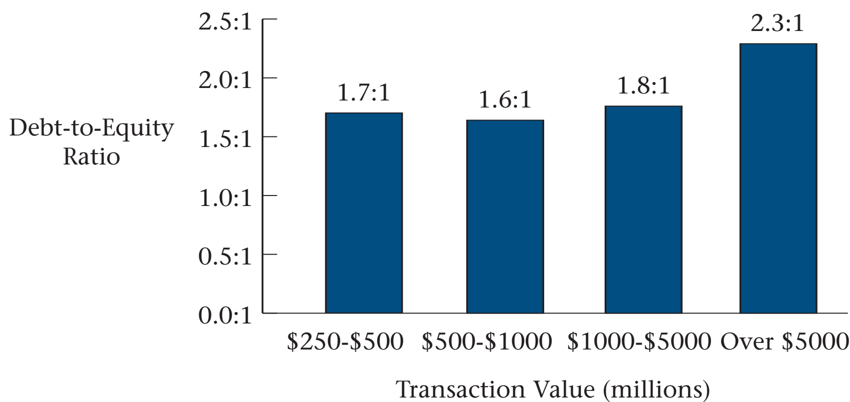

Transactions at the top end are all club deals (defined as involving two or more private equity sponsors), reflecting the desire and need of the sponsors to share the risk and spread the equity check required by the larger deals.  This is similar to the findings in the US survey. What is more surprising is that the percentage for the transactions at the mid level is not higher. Five of the 13 deals within this transaction size band were club ones, but the percentage by transaction value reflects the fact that there were three deals of over $4.5 billion done by single sponsors in the infrastructure sector – perhaps more a reflection on the dynamics of that sector than on the popularity of the club deal.

At the lower end of the scale, only one transaction out of the 17 in the $250 million to $1 billion range involved more than one private equity sponsor, giving a very low percentage of 9.6% of deals in that size range in contrast to 38% of equivalent size deals in the US survey. This indicates that deals below $5 billion are less likely to be club deals in Europe than in the US.

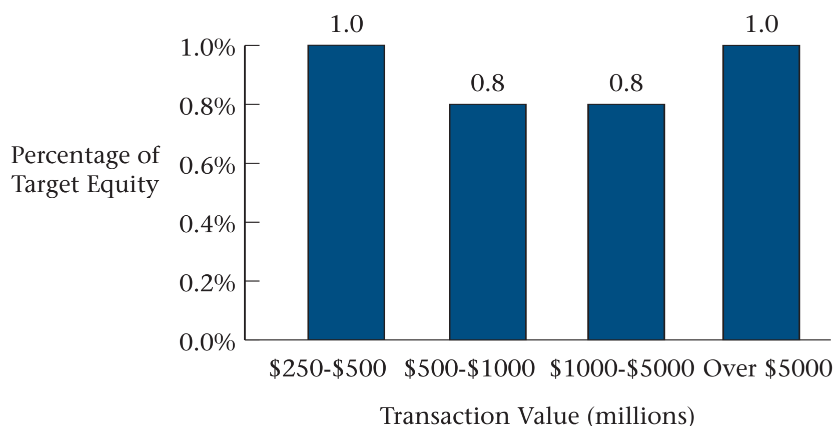
# Financing



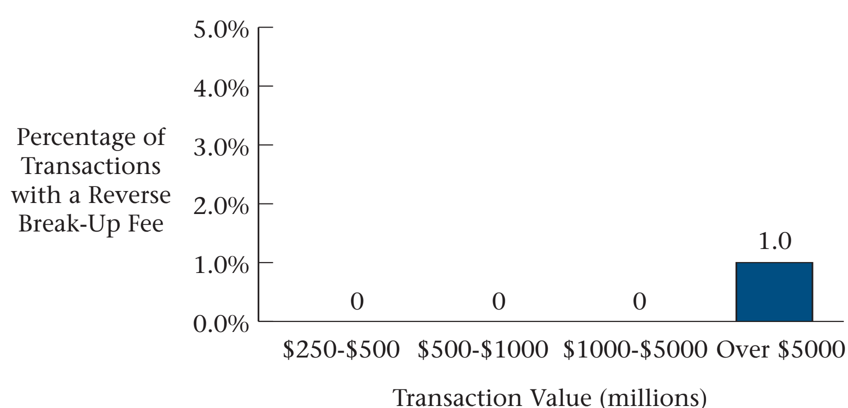

The average percentage of equity commitment diminishes as the transaction size increases, as would be expected. However, the averages mask some significant swings (for example, in the third level of deal size, the range of equity percentage was from 11% to 75.8%). Interestingly, the average equity percentages are higher than the equivalent in the US for deals above $1 billion. This indicates that below $1 billion, deals in Europe have more leverage, but above $1 billion, US deals carry a greater level of debt.



# Break-Up Fees and Reverse Break-Up Fees

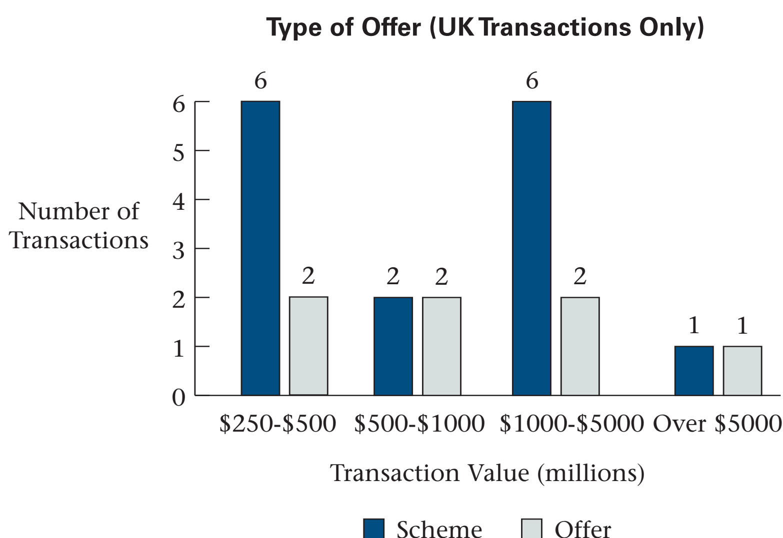



Break-up fees in the UK are effectively capped at 1% of target equity value. Although such limitations do not expressly apply elsewhere in Europe, it appears to be a widely held standard, and no fee in our sample was greater than 1%. Occasionally fees are below 1% where a fixed fee has been agreed and the offer price has subsequently been increased. One target company agreed to a much lower fee of 0.45% as a "due diligence" fee payable in all circumstances given to encourage the bidder to launch a competing offer.




Reverse break-up fees are a relatively unknown concept in the European market, although their use is beginning to grow in private transactions. However, only one transaction in our sample contained a reverse break-up fee, set at 0.98% of the total transaction value (the amount of equity in this deal was not disclosed). Within the UK market, such arrangements are unlikely in the context of a going private transaction as the bidder is required to be fully committed to the offer, with committed funds, at the point of making an announcement.

# UK Transactions – Type of Offer



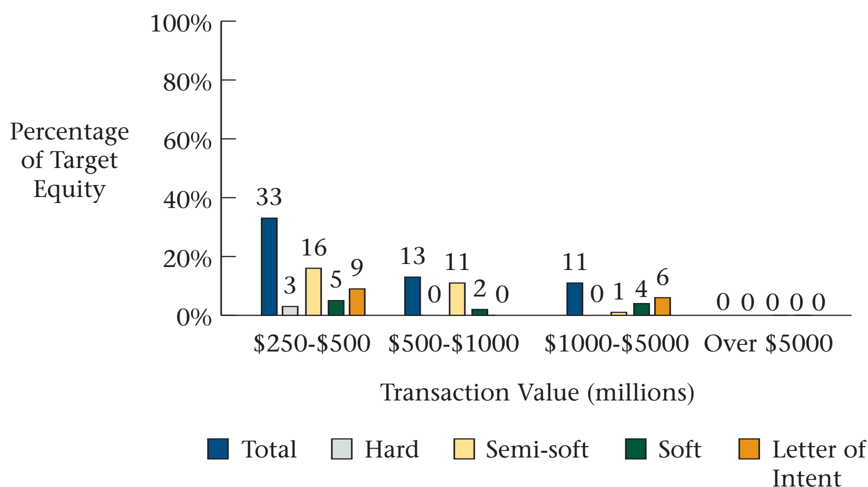

There are two ways in which a going private transaction can be structured in the UK – either by way of an offer made to all shareholders, or using a technique known as a scheme of arrangement, whereby all the shares of the target are cancelled or transferred, and new shares are issued to the bidder in exchange for the payment of consideration to the target company's shareholders.

A scheme has the advantage both that no stamp duty (at a rate of 0.5% of the value of the transaction) is paid, and also that once the threshold for the scheme is reached (75% of the shares not already held by the bidder and its associates), 100% control is obtained.

By contrast, under an offer, the bidder will set the threshold for acceptances for the offer to become unconditional (usually set at 90% but often later relaxed to a lower level). Statutory provisions apply under which the bidder can squeeze out minority shareholders if certain percentages are acquired (90% in the UK), but if this threshold is not reached, the bidder will have to deal with any remaining minority shareholders who have not accepted the offer.

As a consequence of the advantages of the scheme of arrangement, this is the most popular route for bidders to choose. However, a word of caution: this method is primarily suitable for uncontested, recommended bids. The small but significant use of the offer route rather than a scheme reflected in the numbers set out above demonstrates the increased willingness of private equity sponsors to mount rival bids for public target companies, which by necessity must be carried out by way of offer (and indeed within our sample, three companies were the subject of two competing bids).

# UK Transactions – Irrevocable Undertakings




Irrevocable undertakings are used in UK transactions for bidders to get comfort in advance of making an offer that they will have target shareholder support for their bid. In a recommended offer, a bidder will usually expect the recommending directors to enter into some form of irrevocable undertaking in respect of the shares held by them personally.

Similarly, any shareholders with significant stakes will also be approached to gauge their interest in the bid. However, bidders must pay heed to the rules set out in the UK Takeover Code, requiring disclosure of the full terms of any irrevocable, and also be aware that the seeking of an irrevocable will make the counterparty an insider to the offer. Due to the need to limit the number of parties who are aware that a potential offer may be made, in practice this means that only a very limited number of parties should be approached to give such an undertaking.

The different types of commitment that can be given are: hard undertakings – being genuinely irrevocable commitments, which will be binding unless the offer lapses; soft undertakings – which will be binding only if there is no higher competing offer made; and in the middle so-called semi-soft undertakings – which are binding until an offer is made that is higher by a threshold amount. In our survey, the range for a semi-soft undertaking was between 2% and 10% higher than the original offer. Non-binding letters of intent were also given in six out of the eight transactions in the lowest transaction bracket.

The results of our survey show very clearly that irrevocables are a feature of smaller going private transactions but are uncommon in larger transactions. This reflects the much more disparate shareholder base of larger target companies.

# About the WGM Private Equity Group

Weil Gotshal provides private equity clients with one-stop, global service for both fund formation and transactional work. With over 200 private equity lawyers worldwide, including a number of Chambers Global's highest ranking lawyers, we represent private equity sponsors and investors on the full range of private equity matters.

We represent a number of first-tier private equity sponsors in establishing a wide variety of funds, including buyout, infrastructure, distressed debt, mezzanine, real estate opportunity, venture and hedge funds. We design structures and terms to facilitate fundraising on a tax-efficient basis and to withstand the challenges of difficult economic and regulatory environments. Our experience is enhanced by extensive representations of large institutional investors.

On the transactional side, our integrated international experience covers the entire range of legal areas relevant to the successful completion of complex regional and cross-border transactions, including corporate/commercial, banking and finance, tax structuring, structured finance, capital markets, executive compensation and benefits, ownership incentives, regulatory, intellectual property, corporate governance and restructuring.

We understand the changing environment of the private equity market and can respond quickly with innovative structuring and financing for all types of transactions. Our lawyers have extensive experience with acquisitions and financings of public and private companies and with a variety of exit strategies, including spin-offs, divestitures, recapitalizations, mergers and IPOs. We also have extensive experience with "club" transactions involving the representation of multiple private equity sponsors.

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