

6 July 2011

**Press release**

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## Robust growth and investment: Allen & Overy announces financial results

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**LONDON – Allen & Overy LLP today announces its financial results for the year ending 30 April 2011. The results reflect the business' ongoing strategy of major investment in its global coverage and long term business efficiency.**

### **In summary**

- Turnover up 7% to GBP1.12bn (USD1.87bn; EUR1.26bn)
- Profit per equity partner stable at GBP1.1m (USD1.8m; EUR1.2m)
- Distributable profit up 6% to GBP455.8m (USD759.8m; EUR512.6m)
- Particularly strong performances posted by global banking and litigation
- New office in Jakarta; Washington, D.C. office opening on 18 July 2011

Performance reflects the multi jurisdictional nature of client work and demands for cross-border legal expertise; a trend that has accelerated significantly in recent years. Half of Allen & Overy's work this year involved three or more offices, and almost a quarter involved five or more.

Turnover generated by offices outside the United Kingdom rose again to almost 60% of the overall figure.

Wim Dejonghe, global managing partner, commented: "This has been a year of long term investment in our business. Despite tough economic conditions, we have continued to expand into growth markets, while bolstering our position in mature financial centres with strategic lateral hires and a focus on long term business efficiency.

"This strategy has served us extremely well. We see that the much talked about shift from the West to the East is now a reality; one highlighted by our exceptionally strong performance in the Asia Pacific region. We have been consistent in our pursuit of expansion opportunities and, as a result, we have ensured we are able to support our clients with an on the ground presence where they need us across today's evolving global markets."

Allen & Overy's continued investment in its global coverage which, at 37 offices, now provides a unique footprint and the most extensive coverage among the top tier law firms, is paying dividends. Asia Pacific was boosted by the launch of the Australian offices in February 2010 and more recently Jakarta, seeing partner numbers double in the region over the past two years. Existing offices and practices were bolstered with market leading talent during the financial year through 16 lateral hires in key financial centres, including Paris and Frankfurt, in addition to 17 in Australia.

Driven by a strategic focus on long term business efficiency, Allen & Overy announced that it is to launch an office in Belfast this autumn, containing support and legal service centres. It also invested heavily in technology and the working environment of its people. Seven Allen & Overy offices (over one sixth of its network) have relocated to new premises in the period.

For further information on the above, please contact Caroline Livesey at [caroline.livesey@allenovery.com](mailto:caroline.livesey@allenovery.com) or on **+44 (0)20 3088 4380**.

**Notes for Editors:**

1. Allen & Overy is an international legal practice with approximately 4,750 staff, including some 480 partners, working in 37 offices worldwide.
2. In this press release 'Allen & Overy' means Allen & Overy LLP and/or its affiliated undertakings.
3. The term 'partner' is used to refer to a member of Allen & Overy LLP or to an employee or consultant with equivalent standing and qualifications or to an individual with equivalent status in one of Allen & Overy LLP's affiliated undertakings.

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## Extract from consolidated income statement

	2011 £m	2010 £m
<b>Turnover</b>	1,119.6	1,050.1
Other income	16.3	16.5
<b>Revenue</b>	<b>1,135.9</b>	<b>1,066.6</b>
<b>Operating costs</b>		
Staff costs	(417.0)	(383.9)
Depreciation, amortisation and impairment	(32.7)	(33.1)
London property re-organisation	(24.6)	-
Other operating expenses	(229.8)	(216.6)
<b>Operating profit</b>	<b>431.8</b>	<b>433.0</b>
Finance income	1.8	0.2
Finance cost	(2.4)	(4.4)
<b>Profit before taxation</b>	<b>431.2</b>	<b>428.8</b>

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## Extract from consolidated balance sheet

	As at 30 April 2011 £m	As at 30 April 2010 £m
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible assets	6.8	8.5
Property, plant and equipment	110.3	124.3
Investments	0.3	0.2
Retirement benefit surplus	11.4	-
	<u>128.8</u>	<u>133.0</u>
<b>Current assets</b>		
Client and other receivables	502.0	447.0
Amounts due from partners	83.9	103.5
Cash and cash equivalents	106.6	91.0
	<u>692.5</u>	<u>641.5</u>
<b>Total assets</b>	<u>821.3</u>	<u>774.5</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	(228.4)	(210.3)
Current tax liabilities	(14.5)	(11.4)
Provisions	(18.9)	(6.3)
	<u>(261.8)</u>	<u>(228.0)</u>
<b>Non-current liabilities</b>		
Trade and other payables	(17.9)	(15.4)
Provisions	(77.3)	(65.2)
Retirement benefit obligations	-	(8.5)
Partners' capital	(139.7)	(127.0)
	<u>(234.9)</u>	<u>(216.1)</u>
<b>Total liabilities</b>	<u>(496.7)</u>	<u>(444.1)</u>
<b>Net assets</b>	<u>324.6</u>	<u>330.4</u>
<b>Partners' Equity</b>	<u>324.6</u>	<u>330.4</u>

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## Partners' share of profits

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On becoming partner, initially remuneration is predominantly a fixed prior share of profits. Thereafter most partners, referred to as full partners, receive 20 profit sharing points, rising by two points every year to a maximum of 50 points. The profit distribution will range from £642,000 for a partner with 20 profit sharing points to £1,604,000 for a partner with 50 profit sharing points (2010 – £661,000 to £1,652,000). The highest paid partner, excluding retirement payments, payments for tax equalisation and expatriate arrangements, will receive £1,604,000 (2010 – £1,652,000).

Profits payable to partners as directors of companies, employees or consultants, and amounts agreed between Allen & Overy and leaving partners, are charged as an expense to the income statement.

Profits are allocated on a gross basis before income tax charges, which are mainly the personal liability of the individual partners. Partners do not receive any interest on their capital contributions or any remuneration other than their share of the profits.

The Board decided that as the cost of exiting the Canary Wharf office is only payable in the future and benefits the partners in the future, for the purposes of determining the distributable profit for the current year the charge would not be taken into account.

	2011 No.	2010 No.
Average number of partners	487	451
Average number of full partners	398	355

  

	2011 £m	2010 £m
Profit before taxation	431.2	428.8
Cost of London property reorganisation	24.6	-
Profit before property reorganisation and taxation	455.8	428.8
Profits allocated to partners who are not full partners	(35.4)	(40.7)
	420.4	388.1

  

Average profit per full partner	1.1	1.1
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# ALLEN & OVERY

## Annual results factsheet – 2011

### *Key accolades 2010/11*

1st in Eastern European M&A by volume of deals

Thomson Reuters

2nd in European M&A of volume of deals

Mergermarket

1st in Capital Markets as adviser to issuers and managers in EMEA all international bonds

Thomson Reuters 2010

Securitisation and Structured Finance Team of the Year

IFLR European Awards 2011

Law Firm of the Year 2010

Project Finance International Awards

North America Infrastructure Firm of the Year

Infrastructure Investor 2011

European Pensions Law Firm of the Year

European Pensions Awards 2010

Best Luxembourg Law Firm

IFLR European Awards 2010

Luxembourg Tax Firm of the Year

ITR European Tax Awards 2011

China – International Firm of the Year

Chambers Asia Pacific Awards 2011

Derivatives Law Firm of the Year

Asia Risk Awards 2010

Best Derivatives Law Firm, Asia

The Asset Triple A Asian Awards 2011

Debt and Equity Linked Team of the Year

IFLR Asian Awards 2011

M&A Team of the Year

IFLR Asian Awards 2011

Best Law Firm for Syndicated Loans

Euroweek Loan Awards 2010

Project Finance Team of the Year

IFLR Middle East and Americas 2010

Legal Adviser of the Year in Central & Eastern Europe

The Financial Times and The Mergermarket Group European M&A Awards 2010

Benelux Legal Adviser of the Year

Financial Times & Mergermarket European M&A Awards 2010

Graduate Employer of Choice for Law 2011

The Times

Pro Bono Team of the Year

IFLR Asian Awards 2011

CSR Programme of the Year

Legal Business 2011

### AVERAGE LAWYER NUMBERS FOR FINANCIAL YEAR 2010/11

# 487

Partners

# 2,639

Total Fee Earners

### GLOBAL REACH

# 37

Offices

1930	London
1978	Dubai & Brussels
1985	New York
1988	Hong Kong & Tokyo
1989	Paris
1991	Warsaw & Madrid
1992	Singapore
1993	Moscow & Budapest
1994	Frankfurt
1995	Prague
1997	Beijing
1998	Milan, Rome & Bangkok
1999	Bratislava
2000	Amsterdam & Luxembourg
2001	Antwerp & Hamburg
2002	Shanghai
2007	Riyadh (associated office), Mannheim, Düsseldorf & Abu Dhabi
2008	Bucharest (associated office), São Paulo, Munich and establishment of referral agreement with Trilegal in India
2010	Doha, Sydney, Athens (representative office), Perth & Jakarta (associated office)
2011	Belfast & Washington, D.C.*

\*Opening mid-July 2011

### *Lateral hires 2010/11*

**Benjamin Bai**, Shanghai (Litigation)  
**Daniel Busse**, Frankfurt (Litigation)  
**Meredith Champion**, Perth (Corporate)  
**Jean-Yves Charriau**, Paris (Tax)  
**Marc Castagnede**, Paris (Corporate)  
**Jason Denisenko**, Sydney (Corporate)  
**Christian Eichner**, Düsseldorf (Corporate)  
**Angela Flannery**, Sydney (Banking)  
**John Geraghty**, London (Corporate)  
**Sonia Goumenis**, Sydney (Banking)  
**Paul Griffin**, London (Corporate)  
**Frank Herring**, Frankfurt (ICM)  
**Jason Huinink**, Sydney (Banking)  
**Barry Irwin**, Sydney (Corporate)  
**Angus Jones**, Perth (Corporate)  
**Paul Keller**, New York (Litigation)  
**Grant Koch**, Sydney (Corporate)

**Zeyad Koshaim**, Riyadh (Corporate)  
**Pablo Mayor**, Madrid (Corporate)  
**Tobias Neufeld**, Düsseldorf (Employment)  
**Michael Parshall**, Sydney (Corporate)  
**Dave Poddar**, Sydney (Antitrust)  
**Karolina Popic**, Sydney (Banking)  
**Michael Reede**, Sydney (Corporate)  
**Harun Reksodiputro\***, Jakarta (Corporate)  
**Kai Andreas Schaffelhuber**, Frankfurt (ICM)  
**Edward De Sear**, New York (ICM)  
**Geoffrey Simpson**, Perth (Corporate)  
**Andrew Stals**, Sydney (Tax)  
**Adam Stapledon**, Sydney (Banking)  
**Thomas Ubber**, Frankfurt (Employment)  
**David Wilkie**, Sydney (Corporate)  
**Peter Wilkes**, Perth (Corporate)

\*Associated office

## Key deals and cases 2010/11

### AMERICAS

Novartis AG on its USD12.9bn all share direct merger with Alcon for the remaining 23% minority stake in Alcon following Novartis' acquisition of a 77% majority stake from Nestlé S.A.

– **New York**

Normandy Real Estate Partners on a joint venture that acquired and repo financed a USD75m participation interest in a USD750m mezzanine loan, secured by the equity interests in a portfolio including The John Hancock Tower in Boston and 10 Universal City Plaza in Los Angeles.

– **New York**

Fabrice Tourre, Vice President of Goldman Sachs, in defence of SEC charges, and high profile testimony before the U.S. Senate committee, alleging fraud in marketing a CDO tied to subprime mortgages.

– **New York**

### ASIA PACIFIC

The largest ever IPO in South-East Asia: advised the underwriters on the USD5.8bn Singapore-listed IPO by Hutchinson Port Holdings Trust.

– **Singapore**

[Asian Development Bank](#) on its RMB1.2bn offshore bond offering, the first of its kind to be issued by a supranational issuer.

– **Hong Kong**

[The underwriters on the USD22bn dual listing](#) in Hong Kong and Shanghai of Agricultural Bank of China.

– **Hong Kong**

Equinox Minerals on the AUD1.18bn Citadel Resource Group takeover, AUD4.8bn bid for Lundin Mining, proposed takeover by Minmetals, and the Barrick Gold offer to purchase all Equinox shares for AUD7.1bn.

– **Sydney**

Advised SABMiller on its non-binding, conditional proposal to buy Foster's Group Limited for approximately AUD11bn.

– **Sydney**

### CENTRAL & EASTERN EUROPE

Dexia Kommunalkredit Bank AG on the sale of its majority stake in Dexia banka Slovensko to Penta Investments, a leading Central European private equity fund.

– **Bratislava**

The underwriters on the CZK6.5bn financing for the acquisition of Česká Radiokomunikace, the Czech broadcasting group, by infrastructure funds operated by Macquarie.

– **Prague**

### WESTERN EUROPE

[The largest ever offshore financing:](#) C-Power and its sponsors on the EUR1.289bn phase II and III financing for the Thorntonbank offshore wind farm project.

– **Brussels**

[UniCredit](#) on its innovative hybrid tier 1 security: the first to be structured to comply with existing (CRD I) hybrid capital guidelines as well as the CRD II hybrid capital guidelines which were not yet in force.

– **Milan/Rome**

Vivendi on the signing of an agreement to acquire Vodafone's 44% stake in SFR. The amount of the transaction is EUR7,950m. Additionally, SFR and Vodafone will extend their commercial cooperation for another three years. The agreement between Vivendi and Vodafone is subject to Competition Authority approval.

– **Paris**

[Representing a group of 15 international investors](#) bringing an Energy Charter Treaty claim against the government of Spain in relation to retroactive changes to the solar photovoltaic tariff regime.

– **London/Madrid**

The underwriters on Porsche's EUR5bn rights issue.

– **Frankfurt**

### MIDDLE EAST

Saudi Aramco Total Refining and Petrochemical Company (SATORP) on the award winning USD14.2bn Jubail Refinery and Petrochemical project.

– **Riyadh**

Advising Qatar Holding LLC in relation to USD1.7bn and CHF2.5bn bonds held by it and issued by Credit Suisse into innovative contingent convertible bonds.

– **Doha**

### UNITED KINGDOM

[The lenders' coordinating committee](#) on the restructuring of GBP1.6bn of debt lent to financial services group Cattles plc.

– **London**

[Standard Chartered Bank](#) on the financing of Bharti Airtel's purchase of Zain Africa BV – the largest financing ever raised for an acquisition by an Indian corporate.

– **London**

[Bank of New Zealand](#) on the country's first covered bond (issued domestically) and first euro offering of EUR1bn covered bonds.

– **London**

Shell on the divestment of its shareholding in most of its downstream businesses in Africa to Vitol and Helios Investment Partners for a total consideration of USD1bn.

– **London**

News Corp on the proposed acquisition of shares in BSkyB that it did not already own, on regulatory aspects and the media plurality review initiated by the Government.

– **London**