

Luxembourg,
your IPO hub of choice





Contents

Initial Public Offerings	04
– Key issues to consider in IPO	04
Why Luxembourg?	06
– Why Luxembourg vehicles for Initial Public Offerings?	07
– Why Luxembourg for prospectus approval and listing?	07
Post-Initial Public Offerings Practice	08
– Key issues to consider	08
– Why Luxembourg vehicles for Post-Initial Public Offerings Practice?	08
Our Luxembourg Equity Capital Markets practice	10
Our track record	12
– A&O Luxembourg office IPO and ECM experience highlights	12
– Wider EMEA IPO experience highlights	14
Your key contacts	15

Initial Public Offerings

Key issues to consider in IPOs

Pre-IPO legal and tax structuring:

- Conversion of existing financing in place to enable equity offering
- Efficient tax structure
- Implementation of any required corporate structuring (eg creation of a new holding company)
- Structuring exit for selling shareholder(s).

Key documentation for IPO:

- New articles of association for IPO company and related corporate steps
- Corporate governance regime
- IPO prospectus and pricing announcements
- Underwriting agreement
- Publicity and research report guidelines
- Clearing and custody arrangements for the shares
- Auditors' comfort letters
- Lawyers' legal opinions
- Listing application, etc.

Determination of management structure:

One-tier (board of directors) or two-tier systems (board of directors and supervisory board).

Choice of form of vehicle:

Possibility also to list a partnership limited by shares (*société en commandite par actions*) with a double shareholder (general partner and limited partner) structure.

Implementation of structural defense tools to help avoid hostile takeovers post-listing (possibility to opt in or not to board neutrality and breakthrough rules).

Overall timing for pre-IPO restructuring, due diligence, prospectus approval, roadshow, etc.

Interaction between all intervening parties, typically the selling shareholders, the IPO company, the underwriting and bookrunner bank(s), auditors, the issuer's corporate services provider, company's and bank's counsel, CSSF, stock exchange, agents, depository, clearing system, etc.

Why Luxembourg?

Safe yet user-friendly
business environment

AAA rating

At the forefront of
implementation of relevant
corporate and capital
market related EU directives

More than 60 double
tax treaties

Political and
economic stability

Founding member of the
European Union and
the eurozone

Fully developed infrastructure
of financial services
resources and
support functions

Highly educated workforce
and multilingual culture

Predictability of tax and
regulatory planning
(tax ruling practice,
grandfather rules)

Flexible legal and
tax framework

Tradition of customised and
pragmatic, financial regulation

Central location in
Western Europe

Why Luxembourg vehicles for Initial Public Offerings?

- Luxembourg hosts a large number of corporate structures owned by PE houses and other sponsors which have a predisposition to serve as listing vehicles whether or not the listing is made on the Luxembourg Stock Exchange
- Flexible corporate law:
 - To facilitate the pre-IPO (re-)structuring
 - Flexibility to structure hostile take-over defences
 - In general, corporate law-driven EU directives are implemented quickly and in a business-orientated way
- Possibility to issue shares (under certain conditions) in bearer, registered or dematerialised form.

Why Luxembourg for prospectus approval and listing?

- Luxembourg has a proactive, and pragmatic yet investor protective regulator, the *Commission de surveillance du secteur financier (CSSF)*, which is in charge of the approval of the IPO prospectus:
 - Efficient review process for an IPO prospectus (first comments usually within ten working days; subsequent reviews within only a few days)
 - Possible to obtain early (informal) clearances on key points for prospectus (ie financials)
 - ‘Same-day’ passporting notifications can be sent out of Luxembourg to public offer and listing jurisdictions
- Prospectus approved by CSSF can be in English, German and French
- A listing on one of Luxembourg’s markets (regulated market or Euro MTF market of the Luxembourg Stock Exchange) can be considered, especially for dedicated atypical structures in an international context. Luxembourg is, for instance, a large listing location for Global Depositary Receipts (**GDRs**)
- Dual listings on the Luxembourg regulated market and other regulated markets can also be considered.

Our Luxembourg IPO practice

Allen & Overy's Luxembourg office offers its clients a market-leading IPO practice. We advise on the full spectrum of issuances of equity and equity-linked instruments of Luxembourg companies, including shares, warrants, convertible and exchangeable bonds, be they made as a part of IPOs (primary and/or secondary offerings) or private placements (followed by listings on a stock exchange, or not), or be they structured as rights issues.

Our team is well connected with relevant Luxembourg authorities and regulatory bodies. For instance, we are in permanent contact with the Luxembourg supervisory authority of the financial sector, the CSSF, as well as with the Luxembourg Stock Exchange, enjoying good relations with both.

In addition, thanks to our fully integrated network comprising 40 offices in over 30 jurisdictions, and strongly established relationships with “best-friend” law firms in countries where we have no physical presence, the mix of our local knowledge and global reach places us in pole position to structure and execute large and complex cross-border IPO-related transactions. This is a major competitive advantage compared to local Luxembourg law firms – the international nature of our teams makes us very well placed to advise on the cross-border impact of regulations, trends, and market practices. This is of particular relevance with respect to IPOs of Luxembourg companies and other equity capital market transactions, as it is typical that the listing jurisdiction of a Luxembourg company is a foreign jurisdiction and that other cross-border aspects need to be addressed.

“Sources say: “The team has been fantastic. Intelligent lawyers and a quality outfit in the most general sense – I am comfortable giving the firm any work.”

Chambers and Partners

“Allen & Overy is one of the best firms in Luxembourg. At least that’s the consistent message from clients across all departments. They describe the firm as having a ‘strong brand’, ‘good knowledge through to junior levels’ and being ‘leaps and bounds above the rest’. One even goes so far as to say that ‘every lawyer was perfect.’”

IFLR1000



Our track record

Our sample relevant experience includes advising the likes of, among others:

Athanor Equities

on the conversion of an unregulated company into a SICAR and its admission to trading on the Luxembourg stock exchange's Euro MTF market (first SICAR listed in Luxembourg).

Commerzbank

in connection with the private placement and public offering of shares in SAF Holland SA, a large independent supplier to the commercial vehicle market in Europe, for around EUR140 million.

Corestate Capital Holding

a Luxembourg-based real estate investment firm, on its successful IPO and on the uplisting of its shares to the Prime Standard of the Frankfurt Stock Exchange with a volume EUR1.1 billion.

Corporacion America Airports

a Luxembourg-based company which focuses on acquiring, developing and operating airport concessions, on its initial public offering on the New York Stock Exchange.

Ella media group

a Swiss media tech group, on their public offering of up to 3,351,100 participation certificates in Luxembourg, Germany, Austria and the Netherlands.

Eurofins Scientific

a world leader in bioanalytical testing headquartered in Luxembourg and listed on Euronext Paris and included in the CAC 40 Index, on:

- the raising of EUR535m following the issuance of 1,000,000 new shares to institutional investors.
- the raising of EUR600m via a senior unsecured Eurobond public issuance.
- its capital raising of c. EUR299m following the issuance of 550,000 new shares to institutional investors.
- on its issuance of EUR400m undated subordinated notes.

Finda Telecoms

a wholly owned subsidiary of Finda Oy, on its offering of up to 6,850,000 shares in DNA Oyj, a Finnish telecommunications company.

Insight Investment Management

on the IPO on the London Stock Exchange of its closed ended pan European real estate fund, Invista European Real Estate Trust SICAF, and on its successful deleveraging in 2009, through the issue and the listing of a combination of ordinary shares, preference shares and warrants. This was the very first time that a Luxembourg retail fund issued preference shares and warrants.

Ivanhoé Cambridge

a Candian real estate asset management firm, on the sale of 3,23 million shares in Paris-based real estate investment trust Gecina for EUR473m through an accelerated bookbuild.

Senvion

a German wind turbine manufacturer, on its IPO and a private placement of shares by its shareholders Centerbridge and Arpwood, with institutional investors.

Shurgard Self Storage

the largest owner and operator of self-storage centers (stores) in Europe, on its IPO on Euronext Brussels.

Stabilus

a designer, manufacturer and distributor of high-quality precision spring systems for the automotive, industrial and office furniture industries and electromechanical opening-and closing systems, on a capital increase by issuance of 3,976,744 new shares (approx. 19.2% of the share capital) and placing these shares with institutional investors.

Stella Jones International

on the sale of 5,000,000 common shares of Stella-Jones, a Canadian company listed on the Toronto stock exchange which is a leading North American manufacturer of pressure treated wood products, to an underwriters syndicate composed of, amongst others, Morgan Stanley Canada and TD Securities as lead underwriters.

Technisys

a digital banking software platform provider incorporated in Luxembourg, on the raising of USD50m via the issuance of equity, with the aim of growing its investments in technology, expanding its product portfolio and achieving global reach.

UBS Deutschland

on the structuring and implementation of a capital increase by incorporation of reserves of Braas Monier Building Group in connection with the tender offer by Standard Industries.

WPP

a British multinational communications, advertising, public relations, technology, and commerce holding company, as selling shareholder, on its offering of 5,815,259 common shares of Globant SA, a global IT and software development company, listed on both the New York Stock Exchange and the Luxembourg Stock Exchange.

An American multinational e-commerce corporation

on the sale, by way of a secondary share offering, of its interest in a South American online marketplace company, the share of which are registered with New York's Securities and Exchange Commission.



Key A&O Luxembourg contacts



Jacques Graas
Partner – Corporate and M&A
Tel +352 44 44 5 5415
jacques.graas@allenoverly.com



Victoria Woestmann
Counsel – Corporate and M&A
Tel +352 44 44 5 5612
victoria.woestmann@allenoverly.com



Frank Mausen
Partner – Banking & ICM
Tel + 352 44 445 5329
frank.mausen@allenoverly.com



Paul Péporté
Partner – ICM
Tel + 352 44 44 5 5132
paul.peporte@allenoverly.com



Caroline Motzer
Senior Associate – ICM
Tel +352 44 44 5 5205
Caroline.motzer@allenoverly.com

“Market-leading team advising clients on a broad range of capital markets services. [...] provides expertise in ECM mandates, advising issuers and underwriters on public offerings and book buildings.”

Chambers and Partners

For more information, please contact:

Luxembourg

Allen & Overy LLP
5 avenue J.F. Kennedy
L-1855 Luxembourg
PO Box 5017
L-1050
Luxembourg

Tel +352 44 44 55 1

GLOBAL PRESENCE

Allen & Overy is an international legal practice with approximately 5,500 people, including some 550 partners, working in over 40 offices worldwide.

Allen & Overy means Allen & Overy LLP and/or its affiliated undertakings. Allen & Overy LLP is a limited liability partnership registered in England and Wales with registered number OC306763. Allen & Overy LLP is authorised and regulated by the Solicitors Regulation Authority of England and Wales.

The term **partner** is used to refer to a member of Allen & Overy LLP or an employee or consultant with equivalent standing and qualifications.

A list of the members of Allen & Overy LLP and of the non-members who are designated as partners is open to inspection at our registered office at One Bishops Square, London E1 6AD.