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Guðmundur Oddsson

## Northern soul

The Nordic region is dynamic, highly sophisticated and very competitive, with a stable political and economic climate. ACQ's Phil Grainger speaks to experts from LOGOS, Borenius & Kempainen, ENVIRON and Hogan & Hartson LLP for their views on recent activity in the region, and what the rest of the year holds.

**Guðmundur Oddsson is a partner in the Corporate team of LOGOS, and head of the London office. He opened the firm's London office in late 2005, which has grown to a team of 9 lawyers.**

“Generally I think that the Nordic countries have gone from strength to strength in 2007. The larger businesses are traditionally very solid companies and they have experienced a good few number of years of solid growth. In the larger scheme of things I think that businesses in the Nordic countries have probably not been stronger for some time and are well equipped to take on the down turn we are currently in compared to many other countries.

“As a whole Q1 2008 is in line with the same quarter of 2007 with a modest growth. Our growth rate has slowed but we have not seen a down turn in our turnover yet and we are expecting to see a modest growth in the year as a whole. The big question is how will the credit crunch affect the banks in general and when will the squeeze on credit ease. The fluctuation of the Icelandic Krona is also a concern but most analyst's predict that the currency has stabilised after having gone through some rough waters in the past months.”

**Jari Vikiö has been managing partner of Borenius & Kempainen since April 2008 and, before that, headed the transaction practice group for many years.**

“In general, it can be said that the credit crunch has not yet arrived to Finland. Having said that, even though the effects are not yet to be seen, the market in Finland can currently be said to be cautious and many players do in fact survey the situation and consider postponing the sale processes especially when it comes to medium and large size deals.

“The year 2007 can be evaluated to be very good both inside Nordic area as well for neighbouring regions. The M&A market has been very active in Nordic countries during the past 12 months. The credit crunch did not affect the small and medium size deals. In comparison to 2007, we have noticed that the sale times have prolonged as well the large size deals are fewer than before. Also the real estate deals have decreased. In general, no such big difference is yet to be seen. The credit crunch will naturally have its own impact on the business overall, the effects of which will probably only start really showing during the summer.”

**Satu Juntunen is managing principal of the ENVIRON Helsinki office providing Environmental Due Diligence Services in the Nordic region.**

“ENVIRON is a 1,200-professional international environmental and health consulting firm with 70 offices worldwide. ENVIRON Finland is specialised in environmental due diligence services.”

“Due diligence business regarding real estate transactions has slowed compared to frantic pace in 2006 and early 2007. The role and activity of Nordic based investors appears to increase in M&As, i.e.: there are less UK or Germany based investors active in the Nordic market compared to the last few years. The industrial sector has seen the most activity in the Nordic region over the past 12 months”

**Jeff Hurlburt is a partner with the international law firm of Hogan & Hartson, and co-Chair of the firm's pan-European Private Equity and Venture Capital practice.**

“It is my sense that the Nordic region has not been impacted as harshly by the current “credit crunch” as many other European jurisdictions. In part, this may be a function of the number of middle-market transactions getting done in the region. Middle market deals typically require less bank syndication, and can be structured such that a solid Nordic financial institution can support the total required debt level on its own. Not having to syndicate the debt obviously enhances the ability to get certain transactions effectively completed.

“The first quarter of 2008 has been relatively solid for our team, in part through completion of some cross-border M&A transactions that were slowed during the end of 2007, as well as due to an increase in new mandates for transatlantic middle market transactions and fund raisings, we believe there will continue to be real opportunities in the Nordic region, especially for the top tier private equity and venture capital houses, with strong local and regional knowledge, advisory staff and infrastructure necessary to successfully complete transactions. Our clients continue to look at interesting opportunities in a variety of industry sectors and in particular with respect to middle market companies with potential for significant regional or international growth.” **ACQ**



Jari Vikiö



Guðmundur Oddsson

### DETAILS



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