

Restructuring, Insolvency and Bankruptcy in Central and Eastern Europe

Overview

Staying afloat is tough, succeeding even tougher. If you think your business risks going under or, alternatively, you are an aggrieved creditor, rely on Dentons for an immediate, focused response.

Our team in Central and Eastern Europe offers the full range of legal services in the fields of corporate rescue, restructuring and workout matters, distressed investing and debt trading, debt recovery and representation including in insolvency disputes as well as bankruptcy proceedings. You can approach insolvency and restructuring proceedings with confidence because we're by your side every step of the way—listening, advising and advocating.

Planning ahead, you may want to 'bankruptcy proof' asset acquisitions or secure corporate and financial transactions to manage insolvency-related risk. We'll show you how.

Our clients include the whole spectrum of leading international and local financial institutions and corporations ranging from major commercial and investment banks, leasing companies, insurance companies, international and local corporate borrowers, asset management companies, hedge funds, professional securities traders and other financial institutions.

Dentons' long-term commitment to Central and Eastern Europe means we are uniquely placed among international law firms in the region, operating for over three decades in some countries. Many of our lawyers divide their time between their local offices and major international financial centers, so they can provide you with in-depth local knowledge and a global perspective. Turn to Dentons for comprehensive solutions that will keep you positioned to succeed in the future.

Representative Experience

- **Czech energy company:** Representing the debtor in the first pre-packaged sale of an engineering business out of insolvency in the Czech Republic. The sale was prepared before the filing of the insolvency petition and signed and closed, with all the court approvals and other decisions, within 41 days, with almost unanimous support of the creditors.
- **Group of bondholders, incl. RBS, UniCredit Bank, Credit Suisse, administrators of Lehman Brothers and Maple Leaf:** Representing in the multi-jurisdictional litigious insolvency proceedings regarding an exchange-listed, Luxembourg-based Czech developer with assets in Czech Republic, Poland, Hong Kong and Russia. The claims of the bondholders were first denied, but accepted after several court decisions in favour of the bondholders through a complex settlement. The case involved preparation of a reorganization plan for the holding company, which was later withdrawn, and several complex deals with respect to particular properties, including a structured pre-packaged reorganization. On behalf of the bondholders, we initiated territorial insolvency proceedings in Hong Kong, which significantly increased their leverage in the proceedings.
- **ING and RBS:** Representing ING Bank, ING Lease and RBS in the insolvency proceedings against MSV Metal Studénka in the Czech Republic, a railway equipment manufacturer, involving a creditor-driven reorganization and a debt-equity swap, with a very high final recovery.
- **Leading commercial bank:** Assisting a leading commercial bank in Ukraine in developing a restructuring plan and related documentation for the restructuring of its debt.
- **PJSC "Kreditprombank":** Advising on the restructuring of US\$300 million of the bank's external debt.

- **Polbita:** Providing the owner of Polbita, one of Poland's largest drugstore chains, with comprehensive restructuring advice, including on existing €50 million credit facilities, bridge financing of €12 million, standstill and workout with more than 100 suppliers, and preparation of bankruptcy filings envisaging the procedure for an accelerated voting on composition (during the so-called preliminary meeting of creditors). As a result of a successful out-of-court restructuring and bridge financing, the client regained liquidity and withdrew bankruptcy filings.
- **Vivendi:** Advising on the structuring and implementation of a complex €1.4 billion settlement transaction with Elektrim (in bankruptcy) and T-Mobile, involving Elektrim's exit from bankruptcy proceedings in order to enter into an out-of-court composition, the satisfaction of Elektrim's creditors, the transfer of assets and the settlement of around 100 pending litigations and arbitrations. The settlement ended a 10-year dispute for the control over the leading Polish mobile telephone operator (ERA). It was preceded by successful representation of the client in Elektrim bankruptcy proceedings, the successful challenge of around 95% of the claims accepted by an administrator and an award adjudicating payment of damages to Vivendi of €1.9 billion plus interest.
- **Volvo Financial Services:** Advising on debt restructurings and debt recovery, including representation in litigations.
- **Zolfo Cooper:** Representing an English administrator of companies in the telecommunications industry in relation to the bankruptcy of the Polish subsidiary. Work included the structuring of an accelerated private pre-bankruptcy sale of the company's assets in order to secure and maximize the satisfaction of the creditors in the bankruptcy proceeding. The solution, inspired by English pre-packs, was implemented in order to avoid a lengthy asset sale procedure in bankruptcy proceedings.

Your Key Contacts

Central and Eastern Europe



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