

How can  
we keep  
getting  
better?

Annual review 2008

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## Why an annual review? And why now?

In recent years our clients have been responding to growing demand for open and transparent disclosure of the way their businesses operate, how they are managed and how well they are performing. This demand has come not only from regulators and investors but from a broad spectrum of stakeholders including employees, customers, suppliers, NGOs, the media and neighbouring communities.

Although we are not required to produce an annual report at present, we are aware that there is growing interest in what we are doing and the thinking behind it. In today's climate of greater business openness, it seems appropriate for us to begin reporting regularly to interested stakeholders and also to publish a corporate responsibility report.

As we succeed in our strategy of building a truly global law firm, these reports provide an opportunity to show the big picture of how we operate as a single firm worldwide and how this benefits our clients and our people.

This is our first annual review, covering the period 1 May 2007 to 30 April 2008. We would like to know what you think of it. Please email us at [arfeedback@cliffordchance.com](mailto:arfeedback@cliffordchance.com)

Under the rules of certain US jurisdictions, this document may constitute Attorney Advertising. Prior results do not guarantee a similar outcome.

A separate corporate responsibility report is available to download at [www.cliffordchance.com/community](http://www.cliffordchance.com/community)

How can we keep getting better?

By recognising  
that there's always  
more to do.

We're ambitious for  
our clients and for  
our people. To keep  
doing better for  
them, we have to  
keep thinking ahead  
and asking:

“What will they need  
from us next?”

## The firm at a glance

**Where are we now?** Clifford Chance is one of the world's leading law firms and the only one able to serve clients with real scale and depth of legal resources across the key markets of the Americas, Asia, Europe and the Middle East, operating with a single profit pool. We have 3,800 legal advisers and 3,300 business services staff in 28 offices in 22 jurisdictions.

**Where do we aim to be?** Our ambition is to become the leader of the elite group of international law firms that will emerge over the next few years. This will require unrelenting investment in our strategic goals. We want to be the law firm of choice for all of our clients, helping them compete more successfully in their local markets and around the world by offering them the most commercially useful, integrated legal advice.

## How did we perform in 2007/08?

### Revenues

+11% to £1,329m (2007: £1,194m)

### New Partners

35 lawyers in 12 offices elected to the partnership across our six practice areas on 1 May 2008

### New offices announced

Abu Dhabi and Kyiv

### Revenue (year ending 30 April)

Year	2007/08	2006/07	2005/06	2004/05	2003/04
Revenue (£'000)	1,329,298	1,194,192	1,029,300	914,335	936,192

### Strong revenue growth

China +34% Middle East +54% Russia +61%

### Profit per equity partner

+14% to £1.156m (2007: £1.011m)

### Total partners and lawyers at year-end

+5% to 2,828 (2007: 2,688)

## Our Principles

### Ambition

#### Revenue growth (%)

##### China

08 34.1

07 29.4

##### Middle East

08 53.7

07 67.4

##### Russia

08 60.6

07 63.7

### An ambition for success see page 06

We are determined to be the leader of an elite group of international law firms and to be at the top of the profession in each market where we practise. Our aim is to be regarded as one of the world's leading professional services organisations.

### Thinking ahead see page 10

To be at the forefront of the legal profession requires foresight, a desire to share ideas and a willingness to have a voice on issues of importance. We have the confidence to challenge existing thinking and to push boundaries.

## Clients

### Clifford Chance offices used by the firm's top 50 clients

#### 5 or more offices

08 47

07 47

#### More than 10 offices

08 46

07 43

#### More than 20 offices

08 29

07 23

### Exceeding clients' expectations see page 16

We are committed to helping our clients achieve their goals by providing commercially focused legal advice of the highest quality that will consistently exceed their expectations.

### Local excellence, global standards see page 20

We ensure we can benefit our clients by combining the highest global standards of business and law with local excellence of service and by maintaining the depth, quality and scale of resources necessary to meet our clients' needs whenever and wherever they arise.



**Legal advisers** (Figures at 30 April 2008)

Amsterdam	172	Dubai	63	Milan	127	São Paulo	11
Bangkok	20	Düsseldorf	88	Moscow	111	Shanghai	36
Barcelona	41	Frankfurt	321	Munich	42	Singapore	37
Beijing	20	Hong Kong	132	New York	348	Tokyo	66
Brussels	57	London	1,310	Paris	231	Warsaw	100
Bucharest	37	Luxembourg	78	Prague	50	Washington, DC	64
Budapest	28	Madrid	123	Rome	39	2008 openings Abu Dhabi and Kyiv	

## People

Lawyers by region at 30 April 2008

Americas



Asia



Europe



Middle East



## Investing in talent see page 26

To deliver on our commitment to our clients, we recruit and develop the best people. We believe that, by delivering great client service, we will be involved in the most interesting and challenging client work and, as a result, achieve the reputation and the high levels of profitability which are essential to attracting and retaining the best people.

## An adaptable and approachable team see page 30

We believe in the power of collaboration, collegiality and teamwork and we have an open, approachable style. We expect our people to be flexible and creative and to have the desire and drive to embrace new experiences and challenges. We require everyone to put the interests of our clients and the firm before their own.

## Strength through diversity see page 34

We are proud of our firm and value the diversity of the people and cultures within it. In our firm people succeed according to their merits.

## Community see page 38

Our strength comes from our one firm approach and our partnership ethos. They underpin our ability to deliver excellent client service and create a working environment where talented people can succeed. We are ambitious for our clients and ourselves but we understand the importance of making a positive impact on the community at large.

# Still looking ahead



It's only by climbing the first hill that you see the hills beyond.

Clifford Chance didn't just grow. It was purpose-built, through a series of mergers and a great deal of investment. Our aim was to build a modern, business-centred law firm equipped to deliver the services clients need, when and where they're needed.

That remains our aim. As business becomes increasingly global, it's a constantly moving target. In pursuing it, we've become one of the world's largest law firms – and, more importantly, a leader in thinking about what law firms are for and what they should be doing next.

We've climbed the first hill. So we now have a better view of how much more there is to do and we've refined our strategy accordingly.

Our clients' needs keep changing. They're ambitious and we want them to succeed, so we have to keep changing too. We must be bold and pioneering – anticipating what they will want from us next and where they will want us to be, so that we can be ready when the time comes. Being among the first to enter new ground may be uncomfortable, but standing still is worse.

Lawyers like to look back, because precedent is important to them. This, our first annual review, is an opportunity to take stock. We have set out eight clear Principles that determine the way we behave towards our clients and each other and it's salutary to measure our progress against them.

But it's also an opportunity to look ahead, at the hills we have still to climb. We hope you'll enjoy sharing the view with us and we'd value your feedback.

**Stuart Popham** Senior Partner

# Our progress



In the financial year 2007/08, Clifford Chance was involved in some of the most important transactions and major litigations – around the world. The firm and the people that make it were recognised for prominence in a wide array of awards, league tables and independent rankings. And the year was a record one for us in revenue and profitability. We give details in the following pages.

By the end of our financial year, in April 2008, the effects of the credit crunch were evident: differences in activity levels had appeared between the first and second halves of the year, and between offices in emerging economies and those in the more mature markets. This pattern reflected what our clients were experiencing and we already see that 2008/09 will be a difficult environment – significantly lower growth rates in the US, UK and parts of Western Europe will be offset by continued opportunities in Central and Eastern Europe (especially Russia), the Middle East and Asia.

We are fortunate to be entering this challenging period with a strong balance sheet, enviable long-term client relationships and a strong business model that has been tested in previous cycles of growth and contraction.

We are committed to our strategy and to the Principles by which we operate.

Our international footprint will continue to expand to meet clients' needs: we will strengthen our position in the US, add to our resources in Central and Eastern Europe and Asia, and position ourselves to be one of the first firms to establish a significant presence in India when barriers are removed.

We will support our clients as they turn to us for assistance in navigating successfully through worsening economic conditions and we will expand our already widespread discipline of seeking regular and objective feedback from them on our performance.

Attracting, developing and retaining the very best people for our firm remains a strategic necessity and we will use a range of measures and benchmarks to quantify the improvements we make from year to year in the implementation of our people strategy.

Leadership in our profession requires us to have strong views on the issues that are most commercially important to our clients. We will create new channels and forums to share these views with clients and stimulate productive debate.

We will remain among the most profitable of the elite international firms in order to attract the best talent and will take further innovative steps to operate our firm more efficiently.

Through the pages of this annual review, we highlight the clarity of our approach and show some examples of how we have brought our Principles to life within the firm and of the difference we have made during the year to our clients and the communities in which we work.

**David Childs** Managing Partner





Our Ambitions

# How does a leader stay ahead?

By thinking ambitiously..<sup>[06]</sup> and by thinking ahead..<sup>[10]</sup>

We're driven by our determination to be at the forefront of our profession. We relish the challenge of groundbreaking work. As the world's largest and most adventurous businesses explore new opportunities, we want to be their legal partner of choice. To serve them well, we need scale and global presence; but leadership isn't about being biggest. It's about being better prepared for whatever happens next...

How does a leader stay ahead?

# By thinking ambitiously...

## **During the year we...**

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Ranked as the number one legal adviser on European buy-outs (FT mergermarket 1 January to 31 December 2007), advising on 55 transactions worth a combined value of €77.7bn.

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Cemented a 10-year working relationship with leading Kingdom of Saudi Arabia law firm Al-Jadaan & Partners in Riyadh, through a formal co-operating agreement.

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Celebrated 20 years of operations in Japan. Since opening in 1987, our Tokyo office has grown to include some 50 Japanese and foreign legal professionals. Half of these are *bengoshi* (locally qualified lawyers), allowing the firm to provide local and foreign law advice.

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## 20

Tier 1 rankings for Clifford Chance in the cross-border tables in *Chambers Global 2008* – seven more than the closest other law firm.

Size is the result, not the goal. What matters is having the right resources in the right places at the right time for our clients. That's why we aimed from the outset to build a new type of law firm – a single partnership with real depth of resource in the Americas, Asia, Europe and the Middle East. We've gained experience in integrating our knowledge to give clients more useful advice, and developed international standards for the complex work we do.

An ambitious strategy. An elite group of global law firms is emerging. To serve our clients best, we aim to be at its forefront. And we have a long-standing strategy for getting there. It's based on balanced growth and geographic expansion – in the past year we've made particular progress in three key markets: the Middle East, Asia, and Central and Eastern Europe. Our current priorities are building more resources in the US and Asia, and entering India as soon as non-Indian firms can do so. Quality counts: to be a recognised leader we must aim to be rated in the top tier wherever we operate.

These are not modest goals. To achieve them, we must take exceptional care of our clients and our people. We must be seen as a true thought leader. And we must generate enough profit to invest in making our ambitions reality.

# “¡Estupendo!”

Endesa shareholders received twice the original offer price



## Rising to the top in Spain: how we built a national leader

“We have a clear ambition,” says Ignacio Ojanguren, Managing Partner of Clifford Chance Spain, “to become the leading law firm in Spain. Not the biggest – but the preferred firm for the most important transactions and issues.”

After a vintage year, that ambition looks well within our grasp. October 2007 saw the conclusion of a long-running battle to acquire Endesa, the country’s largest energy business and a client since 2000. Our team advised on two bid defences and the eventual negotiation of a €43.7 billion sale to Enel and Acciona. It was Europe’s largest deal of 2007, Spain’s largest ever – and a great result for shareholders, as the eventual sale price was double the original offer.

Meanwhile, on Europe’s largest property deal of 2007, the firm’s Real Estate team advised Spain’s leading bank, Banco Santander, negotiating with international investors on the €4 billion sale and leaseback of all its branches and offices.

As leading international legal directory Chambers notes, Clifford Chance is known for “combining an international perspective with a truly local practice”. We now have 160 lawyers in our Madrid and Barcelona offices and our nine Chambers Tier 1 rankings across different areas of expertise testify, says Ignacio, to the quality that has come from systematic investment over many years.

“We overtook all other firms to top the M&A league tables in 2004,” he says. “Today, we’re the leading international firm and also truly local. All the 22 partners are Spanish, except one. And he’s been here since 1990: he’s more Spanish than I am!”

## “Always looking further.”

Craig Medwick takes a view of the future.



### **Building by acquisition:** how we made it work in the US

Ambition is not just a matter of setting bold goals. It's about having the conviction to see them through.

When we set out our strategic vision for a truly international law firm in the late 1990s, we knew that meant we would need a strong presence in the US. Today, we're firmly established there. We have substantial practices in New York and Washington, DC – with some 425 fee-earners, a growing reputation and rising revenues.

The early days after our merger with US firm Rogers & Wells were not easy – it takes time to change cultures. But we understood the enormous benefits – for us and for our clients – of seeing it through.

The transition truly took hold in 2004, says Craig Medwick – then head of M&A and now, since 2005, the Americas Regional Managing Partner. “At that point we became a partnership that saw the value of being a global firm,” he says. “We were able to integrate, grow and become partners with our clients around the globe.”

Since then, he says, the values of a lockstep partnership and the stimulus of a global client base have proved increasingly attractive to the brightest and most ambitious lawyers. In the past 18 months, eight lateral partners have joined from other top US law firms or government organisations, recognising the value of our platform in helping to serve clients in Europe and Asia, as well as the US.

Seven of our US practice areas improved their rankings in Chambers US 2008. Individual rankings have risen, too, with nine lawyers who were not ranked last year named as leaders in their respective fields.

“Clients are attracted by our international resources,” adds Craig. “The percentage of work we do for the firm's leading clients is now higher in New York and Washington, DC than in any other region, but we'll never be satisfied. We will always be ambitious to do more.”

## “First class.”

We helped Bridgepoint buy Poland's top rail freight operator



### The rise and rise of private equity: how to grow with your clients

The past few years have brought unaccustomed visibility to the traditionally low-profile private equity sector. By 2007 it held centre stage as a major driver in the global M&A and capital markets. As deals became larger and bolder, private equity firms attracted unprecedented attention – and the larger players are now almost household names.

We spotted the potential in this field long before many other law firms, building strong relationships with some of the key players and supporting their ambitions in a sector with an inherently global outlook. As their businesses have grown and diversified, we've grown with them.

From our core strength in Europe, we have built strong private equity practices supporting inward and outward investment in Asia, the Middle East and the US. We are the only firm to combine Tier 1 private equity rankings for transactional and fund formation work, according to Chambers UK 2008.

In 2007/08 we advised Permira and The Carlyle Group on their first-ever deals in Asia and Greece, respectively. We continued to attract the most complex and demanding mandates – including advising KKR on the market-shaping £11.1 billion acquisition of Alliance Boots (Europe's largest-ever leveraged buyout and the first of a FTSE 100 company), and Bridgepoint on the acquisition of CTL Logistics, Poland's largest rail freight operator.

#### Recent awards include

Private Equity International: Best European Law Firm Transactions (2001 to 2007, inclusive); Best Asian Law Firm Transactions (2006) and Fund Formation (2006 and 2007).

EVCJ Private Equity Law Firm of the Year (2001, 2002, 2003, 2005 and 2007).

FT/mergermarket Private Equity Legal Adviser of the Year (2007).

Private Equity News M&A Legal Team of the Year (2006 and 2007).

How does a leader stay ahead?

# ...by thinking ahead

## During the year we...

Published an authoritative survey with the Economist Intelligence Unit, *Doing business in Russia*. Its findings were reported worldwide by CNBC, Bloomberg and other key TV, online and print media.

Produced a proprietary study of business attitudes to international climate change, launched to coincide with the UN conference on climate change in Asia.

Became the first law firm to be a Strategic Partner of the World Economic Forum, contributing to a range of keynote sessions at the annual meeting in Davos.

Were the only law firm invited to join the UK Prime Minister's delegations to China and India, and provided the only lawyer on French President Sarkozy's visit to Morocco.

Attracted 350 clients and other leading representatives of Europe's increasingly strategic energy sector to a multimedia conference: our Düsseldorf Energy Law Day.

# 100

Staff in our shared service centre in Gurgaon, close to New Delhi, the first for a law firm in India, providing support services to the entire firm.

You don't have to be the biggest to do this, but scale confers some advantages. Our large portfolio of clients – buyers and sellers, lenders and borrowers, issuers and subscribers – gives us a multi-faceted view of the world. Our global breadth of knowledge provides a uniquely international perspective on issues. And our resources enable us to put in the necessary effort: to carry weight, views need to be based on thorough analytical work.

Informed thinking gives us increasing access to influential think tanks, government and business leaders. We believe it's important to have a voice on critical issues such as the regulation of financial institutions: though firmly apolitical, we have a responsibility to help shape the agendas of the day.

Our job is to enhance clients' competitiveness and increase their chances of success. We can do that better by listening to their views, but also being prepared to offer challenges based on our own understanding of markets and practice.

Forward thinking is shaping our future. We don't believe future success will come from 'more of the same'. We expect to evolve and break new ground, as we have in the past.

# “Enormous potential.”

Nick Fletcher is backing growth in Ukraine



## New openings: how we're realising the potential in Central and Eastern Europe

In 1991 the Soviet Union collapsed, Boris Yeltsin seized power and Clifford Chance opened its Moscow office.

As the USSR unravelled, our early entry into the region was the key to becoming the leading legal practice in Central and Eastern Europe. We built on our advantage of being a first mover in the region, advising clients across the region on deals that paved the way to, and capitalised on, its emergence. Within four years we had opened offices in Warsaw, Prague and Budapest. An office in Bucharest followed in 2006.

The latest step in our strategy is to open an office in Kyiv, meeting the growing demand for legal services in Ukraine from both regional and international clients. In addition to recruiting local lawyers, we are relocating Nick Fletcher, a senior English corporate law partner – supported by M&A and banking associates, as well as a team of four Ukrainian real estate lawyers and real estate counsel – from our Warsaw office to Kyiv.

We now have 35 partners and over 350 lawyers across the region, a depth that prompted Chambers Europe, guided by client feedback, to name us as C&EE Law Firm of the Year 2008.

“We were a first mover in the region, as is usual for Clifford Chance, and have applied a successful strategy of building practices capable of handling the most complex local, regional and international matters,” says Central & Eastern Europe Regional Managing Partner Michael Cuthbert. “Last year, Russia was clearly the biggest growth market and we’ve benefited from our top tier banking, capital markets, litigation and M&A skills. The reason we’re opening in Kyiv is that we also see enormous potential in Ukraine – one of Europe’s fastest-growing economies and very attractive to our clients.”

## Global warming: how we're leading the thinking in a climate of change

It's 20 years since we formed our Environment Group – now a worldwide practice with over 70 lawyers and expertise in fields ranging from environmental risk management to environmental taxation and insurance.

We were also the first law firm to establish a team specialising in environmental and climatic trading, helping to develop documentation, policy and best practice. And, in January 2008, readers of *Environmental Finance* magazine voted us Law Firm of the Year in several categories – for the second year running.

Our Climate Change Group, formed in 2007, is a direct response to clients' need for an internationally integrated approach to the risks and opportunities of climate change. The group advises on issues including carbon footprinting and offsetting, renewables, emissions trading, 'greening' real estate and the legal implications of climate change mitigation strategies.

In May 2007 the European Investment Bank, through co-lead managers Merrill Lynch, Dresdner Bank and Unicredit, took the radical step of launching a €600 million Climate Awareness Bond.

Italy, with one of the most active retail markets in the EU, was the natural place to launch the bond and Clifford Chance, with top tier finance and environmental capabilities in Italy, was the natural legal adviser to the deal.

Open to all 500 million citizens of the 27 EU member states, this novel instrument funds investment in climate protection projects and sectors. The yield is linked to the performance of environmentally responsible businesses, and the redemption value includes an option to use a portion of the yield, in lieu of cash, to withdraw carbon credits from the emissions trading market.

Our contribution demanded the finance, tax and securities expertise of our entire EU network. As well as developing the documentation to manage complex cross-border payment flows between issuer, bookrunners, investors and – uniquely – an agent overseeing cancellation of carbon emission certificates, we had to address the different tax and regulatory issues in 27 countries. While CO<sub>2</sub> recognises no frontiers, the EU member states most assuredly do.



“Savings that save CO<sub>2</sub>.”

Franco Grilli Cicilioni helps launch a bond with a mission



**Partnering Davos: how we make friends and influence the influential**

For four days every January, more than 2,500 world leaders come together for the annual meeting of the World Economic Forum (WEF) at Davos. Their goal is to help advance socially responsible global business agendas. Like many of our clients, we are a leader in our profession and recognise a responsibility to participate in and influence these discussions.

As the only law firm currently to enjoy WEF Strategic Partner status, we played an active part in several of the 2008 Forum's key sessions. Michael Smyth, our Head of Public Policy, was asked to contribute to the agenda for a session on the rule and role of law in business and to participate in this high profile meeting of business leaders and general counsels from the world's most prominent companies. "Increasingly lawyers are required not only to tell their commercial clients the shape of the law as it is currently," says Michael, "but also the shape it may assume in the future."

In a Davos session following-up the Gleneagles Dialogue on Climate Change, our contribution included an authoritative study of the way business attitudes to climate change are evolving. Its main findings were a surprise to many: businesses now see climate change as a significant opportunity rather than a threat and would prefer more regulation in this area rather than less. This session debated a policy framework from business leaders for the next G8 summit. Managing Partner David Childs was a signatory to the CEO Climate Policy Recommendations, which were presented to G8 leaders at the Hokkaido Summit in July 2008.



**Shared services: how we manage consistency efficiently**

Like many of our clients, we're working to take costs out of our business. Our strategic goal is a £30 million reduction by 2011/12. In September 2006 we took the decision to open a shared service centre in India to manage a broad range of administrative processes: we recognised that there was no need to have 28 ways of doing these things in 28 offices around the world, nor to do them in high-cost centres such as London and New York.

Within six months, our Global Shared Service Centre (GSSC) was up and running in Gurgaon, near New Delhi. In its first year it already employs over 100 people skilled in IT and accountancy and we expect it to employ some 300 by April 2009, representing almost 10% of our business services people.

Although several leading banks and financial institutions have established captive back office operations in India, Clifford Chance is the first law firm to set up one there. It's on track to deliver savings of some £8 million a year within four years – benefiting both the firm and our clients by ensuring that we focus our resources on the quality of our legal work rather than on overheads.



**"28 back offices in one."**

Deepak and colleagues save £8 million a year



Our Clients

# How do we give clients an edge?

By demanding more of ourselves...<sup>[16]</sup> ...by delivering consistently,  
everywhere.<sup>[20]</sup>

We want our clients to bring us their most challenging and cutting-edge work. We understand what we're here for: to give them a better chance of closing the deal, managing the risk or overcoming the obstacle. Our success depends on succeeding for them.

How do we give clients an edge?

# By demanding more of ourselves...

## During the year we...

Expanded our team of client service managers across Europe, the US and Asia – people who are dedicated to support partners in managing client relationships.

Extended the firm's award-winning FreeLaw inner-city pro bono advice scheme in London to include the in-house legal teams at longstanding clients Barclays and Citi.

Managed the media rights auction process (and associated logistical issues) for our Paris office's client the French Football League, in the run-up to the record €668m auction of the League's 2008–12 TV rights.

Received the 2007 Award from Managing Partners' Forum for Best Client Relationship Strategy, for a programme the judges described as "head and shoulders above the rest".

# 30,000

Subscribers to our six Online Legal Advisory Services, representing 270 organisations in 70 countries.

Our job is to give our clients an edge. We need to understand their business, their markets, their goals – if not as well as they do, at least well enough to avoid a “lengthy learning curve” and to structure our advice so that it makes commercial sense for them.

We aim to exceed their expectations. Anyone can say that, but we've invested time and resource in understanding those expectations through proprietary research – in-depth interviews that give us independent, objective feedback from our international client base. We also conduct our own matter reviews as necessary after assignments, to establish what went well, what didn't go so well, and how we can improve.

Relationships, not just transactions. To exceed expectations, we need to deliver the resources of a large international firm – with the attentiveness and client focus that come from treating every client as our only client. For all our clients we strive to have a dedicated relationship partner to whom they can turn, someone who can provide advice and 'deliver the whole firm', someone who knows their business and can address specific challenges or opportunities that go beyond the work in hand.

## “Model contracts.”

André Duminy and David Griffiths helped deliver Shell's IT on time



### Doing well for Shell: how we tied up complex contracts ahead of schedule

It's almost axiomatic that IT-related projects will overrun. So when Shell planned an ambitious US\$4+ billion multi-vendor outsourcing of its IT infrastructure – one of the largest-ever private sector outsourcings – its scheduling was rigorous from the start. It set a tight timetable for selecting contractors and negotiating contracts, and the completion date was fixed well before suppliers were even invited to submit bids.

The project itself is huge. Designed to secure the energy company's aim of a 'one Shell' IT infrastructure, it requires three global suppliers working together in over 140 countries. Following a competitive tendering process, the chosen suppliers negotiated their contracts with Shell simultaneously. Our team, which included lawyers from our London, Amsterdam, Frankfurt and New York offices, worked with Shell and its other advisers for almost two years, from the early planning stages to signature.

The stakes on such a crucial project were high. Shell entrusted us with advising on every aspect, including structuring the deal, identifying and mitigating against deal risks, and negotiating and preparing the contracts alongside the internal team and external advisers. We also advised on antitrust, public procurement, regulatory and HR/pensions issues in multiple jurisdictions.

Our team came up with a series of innovative ideas on structuring and implementing the process to further the principle of a 'one Shell' infrastructure. "Clifford Chance provided proactive and practical advice that helped Shell to negotiate and conclude world-class outsourcing contracts," said Shell legal team lead Siw Hendriks.

And despite the complex roll-out, cross-termination, liability and pricing challenges, the project was completed in just 10 months from when the request for proposals went out to potential suppliers – a record time and in line with Shell's original schedule.

### Joint shopping lists: how we built relationships with a global retailer

It took Carrefour less than 30 years to become the largest retailer in Europe and little more than 40 to become the second largest in the world. Founded in 1959 as a single store in provincial France, by the mid-90s it had reached the tipping point where its stores overseas began to outnumber those at home. And in 1997 it began a relationship with Clifford Chance that has been growing ever since.

Today two-thirds of Carrefour's stores are outside France – and more than half our work for the company is done in offices other than Paris. Last year, it was advised by Clifford Chance lawyers in 12 countries.

Yves Wehrli, our Managing Partner in Paris, has been client relationship partner since 2000. To deliver the skills and services Carrefour needs, he ensures the right balance of talents both in the core Paris team and for the international client team in other jurisdictions.

“Understanding local cultures and expectations is crucial for an international retailer. So we value the local knowledge and expertise of individual Clifford Chance offices,” says Carrefour's general counsel, Franck Tassan. “At the same time, our global relationship aims at guaranteeing the seamlessness and consistency of services delivered to the group and it is my experience that this is an area where Clifford Chance is doing better than many other law firms.”

That commitment is demonstrated by a substantial programme of international secondments and team meetings to share understanding of Carrefour's legal needs and the way its people like to work.

Another key element in the relationship is an annual high-level get-together to map out mutually agreed objectives. “It makes for good housekeeping,” says Yves. “We think of it as our joint shopping list for the year.”



“Act global, shop local.”

Yves Wehrli helps Carrefour source advice locally

**Correctly addressed:** how we ran an online prospectus for UAE eyes only

To do our job well, it's not enough to understand the law. We need to understand the context. In the case of DP World's US\$4.2 billion IPO on the Dubai International Financial Exchange (DIFX), that context had religious, political, technological and environmental dimensions.

The team had to consider not only local UAE and DIFX rules and market practice, but also the securities laws of many other jurisdictions in an approach that required our IT acumen as well as our deep-seated capital markets expertise in London, Dubai, New York and beyond.

The IPO itself was groundbreaking. It was the Middle East's largest-ever IPO and the Dubai exchange's first retail offering and involved the first redemption of a Sharia-compliant convertible bond: an award-winning instrument on which Clifford Chance advised in 2006. It was also the first combined offering to both global institutions and UAE retail investors.

The client was eager for local investors to have the chance to participate, not least because this was the first privatisation of a Dubai government-owned business. It is common practice on local

IPOs to prepare only a short offering document available directly to investors, but elsewhere much greater disclosure and a much longer prospectus are required.

All parties involved wanted to find an environmentally friendly, cost-effective solution and avoid printing over 100,000 copies of a 450-page document. Ideally, they wanted to make the prospectus available to retail investors online; but this could have breached regulations in other jurisdictions where the client was marketing only to institutions (or not offering at all), leading to claims that the client was making an unlawful public offering.

Our solution, developed with our in-house IT teams, was a dedicated website that filtered the Internet addresses of visitors: only those using servers hosted in the UAE could gain access to the offer documents.

The result was a heavily oversubscribed domestic retail offer for DP World, run in an environmentally friendly way without compromising arrangements for the client's much larger, and equally successful, global institutional offer.

“Nicely contained.”

We helped DP World control access to its prospectus



How do we give clients an edge?

# ...by delivering consistently, everywhere

## During the year we...

Advised on over 160 mergers and acquisitions that involved teams from more than one jurisdiction.

Introduced a new Career Development Framework, addressing the issue of 3,300 business services people performing different roles under a huge variety of titles. The streamlined structure of six career bands gives managers greater transparency – and individuals more effective and tailored training and development.

Worked more internationally than ever. Of our top 50 clients in 2007/08:

Just three used five of our offices or fewer.

46 used more than 10 offices.

29 used more than 20 offices.

Advised or represented a range of prominent industry bodies, including the: International Swaps and Derivatives Association, European Securitisation Forum, European High Yield Association, International Capital Markets Association, Centre for European Policy Studies, Futures and Options Association, EU-US Coalition on Financial Regulation, and International Association of Insurance Receivers

# 71%

Of M&A transactions on which Clifford Chance advised the buyer or seller were cross-border, according to mergermarket.com.

Far reaching, and close at hand. It's long been our declared intention to be a truly international firm. We're not alone in that. But the reason why firms want to be international will influence the way they go about it. Our reason was our clients: to serve them as 'one firm' in the places that matter to them. To do that well, we had to build a joined-up network with common standards. We have grown with our clients, aiming to ensure that each office ranks among the top tier of its local peers. So that wherever a client works with us, they're advised by a top local firm with global resources, not an offshoot of a firm that's good somewhere else.

That takes time. As well as instilling a consistent culture and standards, we've developed good knowledge management processes – and good networking – so that we can give more comprehensive advice. Last year we held over 500 events worldwide, often including client participation, on topics ranging from funds in New York through tax and pensions in Germany to arbitration in Asia. We also seconded a record 220 people internationally within the firm.

It's now routine for us to build cross-border project teams and advise on cross-jurisdictional matters. So when Chambers recognised 'Cross-jurisdictional M&A' as a new category in 2006, we were immediately listed in Tier 1.



## “Our reality Czech.”

Our insurance lawyers consolidate their knowledge



### Worldwide cover: how we keep insurance in focus

The business of insurance is truly global. The world's top 10 insurance companies now come from six different countries – the US, UK, Italy, the Netherlands, France and Germany. Our Global Insurance Group advises nine of those 10 and is an example of how we structure ourselves to address globalisation, creating groups of partners, lawyers and business services people who focus their attention on specific client sectors.

The group offers corporate, regulatory and litigation advice from 130 lawyers in the US, UK, Continental Europe, Middle East and Asia. To achieve the level of integration our clients expect in our service and advice, group members share knowledge and experience – not just through the usual email groups and intranet sites, but also face to face. This year, at their retreat in Prague, they brought together over 70 partners, lawyers and business development people from all over the globe to further their collective knowledge of the insurance industry as a whole: our industry speakers talked through the issues and challenges the sector is currently facing.

The group's wide-ranging work during the year included: advising LV= on its acquisition of the new business operations of Tomorrow, the former GE Life business, from Swiss Re; acting in the investigation of a fraud in the bond division of ESR, a London insurance broker, and subsequent insolvency; advising on a regulatory investigation for a major international insurer; and advising Equitas on the portfolio transfer of the 1992 and prior year liabilities of Lloyd's Names, hailed as the largest and most complex portfolio transfer to date.

## “Great call of China.”

Kathy Honeywood and Rupert Li lined up a US\$14 billion deal



### Shifting perspectives: how we took on China's largest foreign investment deal

While foreign investment continues to flood into the country, China's booming economy is enabling it to become increasingly acquisitive in the global marketplace. Its total outbound foreign direct investment in 2008 is forecast to reach US\$37 billion.

At the 17th Party Congress in October 2007, State Council urged Chinese companies to step-up their investment abroad. As they spoke, Beijing-based partner Rupert Li and London-based partner Kathy Honeywood were already building relationships that would result in our appointment to advise on the largest overseas investment ever made by a Chinese enterprise. Worth over US\$14 billion, this involved Aluminum Corporation of China ("Chinalco") teaming up with US aluminium producer Alcoa to buy 12% of iron ore giant Rio Tinto. The deal required careful timing and a series of clearances reflecting Rio Tinto's dual listing and global asset base.

Clifford Chance knows China well. We've been there for over 20 years. Our lawyers in Beijing, Shanghai and Hong Kong work closely with many of China's leading corporations and institutions. Recognising the changing requirements of Chinese businesses and their increasingly global perspective, we have developed a focus on China throughout our firm. As part of this Kathy spent a six-month secondment in Shanghai and immersed herself in Chinese business culture. "The global/local issue has particular resonance in China," she says. "Chinese businesses are becoming global very rapidly and a lot of our business is about having people who can advise them, both on the ground in China and across the world."

The Chinalco deal was a case in point: close co-operation and co-ordination between Rupert in Beijing and Kathy in London enabled us to deliver a service reflecting both global reach and local application.

# “Far-sighted.”

A joined-up approach to projects worldwide



## International depth: a creative pool of projects talent

The Millau Viaduct in France (above), the world's tallest road bridge, is refinanced. The first PPP for the airport sector in North Africa reaches financial close in Tunisia. The Globeleq Group sells a portfolio of power stations in Latin America, the Caribbean, Egypt and Asia. A geothermal power project in Indonesia seeks funds for expansion. That's a cross-section of the deals on which our projects lawyers advised in 2007/08.

The scale of today's major infrastructure and energy projects makes their financing, construction and operation increasingly international. To provide relevant advice, our worldwide Energy and Infrastructure Group includes over 250 lawyers and recognises the importance of focused expertise.

“We realigned our projects practice along sector lines a number of years ago,” explains joint head of the group Andrew Grenville. “Clients have supported this approach and value our understanding of their businesses and the markets in which they operate.”

The teams have had an outstanding year – confirmed by a third successive No.1 Global Legal Adviser ranking from *Project Finance International Journal*.

The group's enthusiasm for innovation has earned it a leading position in fields such as renewable energy: 2007 deals included the US\$1.3 billion refinancing of Babcock & Brown's global wind farm portfolio. Thinking further ahead, it is currently in discussions with clients on carbon capture and storage projects, and on opportunities in new nuclear development.

“With English, New York and locally qualified lawyers round the world – often on secondment to other offices – we have the ability to provide quality advice with a wide geographical reach and local knowledge,” says Anthony Giustini, a partner in the Paris office who co-heads the group with Andrew. “We look forward to helping our clients make the most of the increasingly international outlook, wherever in the world they might be.”



Our People

# How do we attract and keep the best people?

By investing in talent...<sup>[26]</sup> by working well together...<sup>[30]</sup>  
by making difference make a difference...<sup>[34]</sup> and by taking  
social issues personally.<sup>[38]</sup>

We measure our success by what we achieve for our clients. To do the best job for them, we seek people who are clever and technically able, but also commercially astute, team players who can work in partnership with both clients and colleagues. Our people come from all types of background and, despite their commitment to work, find time for involvement in their communities as well.

How do we attract and keep the best people?

# By investing in talent...

## During the year we...

Recruited Michel Petite, the former Director-General of the Legal Service of the European Commission, to our international Competition team. Other lateral hires in 2007/8 included litigator Brian Gilchrist, who joined as a partner in Hong Kong, and a team of white collar/criminal defence lawyers comprising Juan Morillo, Steven Cottreau and Stephen Nickelsburg, who joined our Washington, DC office as partners.

Launched a unique initiative in the German legal market, joining forces with legal trainers from Bucerius Law School and KAISERSEMINARE, to help students prepare for and pass their Second State Examinations.

# 375

Entry-level lawyers recruited across more than 20 offices.

It's a virtuous circle. If you invest in attracting, developing and retaining people who are successful and stimulating to work with, you attract the most complex, cutting-edge work from clients who want new solutions. Which, in turn, attracts the most talented and lively-minded people.

We want people to enjoy working with us. It's important to invest in a good working environment and consistent HR policies. Clifford Chance was recognised by UK daily newspaper *The Times* as the Graduate Employer of Choice for Law in 2008 (for the third time in five years). We have a supportive and collaborative culture. But the real attraction is the challenging work and our commitment to delivering quality service and results. This is an *interesting* place to work, where ambitious people find opportunities to stretch themselves and build their careers.

It's also why profit is a strategic priority. We're not squeamish about making profitability one of our goals. Indeed, our aim is to be among the most profitable of the elite international law firms. Not just because it's one measure of success in business, but because continuous and substantial investment, funded by profit, has been a central element in our strategy from the outset. Investment in expanding our reach and resources, in developing our skills and above all in ensuring that we can put the very best people on our client teams.

“My 24-hour Academy.”

Mark Chan can study anytime, anywhere



#### **Clifford Chance Academy: how we help the best to be better**

There's not one person in the firm who wouldn't benefit from further education and training. We never stop learning. And if we're intent on being the best, we must ensure that everyone, not just our lawyers, has access to top-quality training and education.

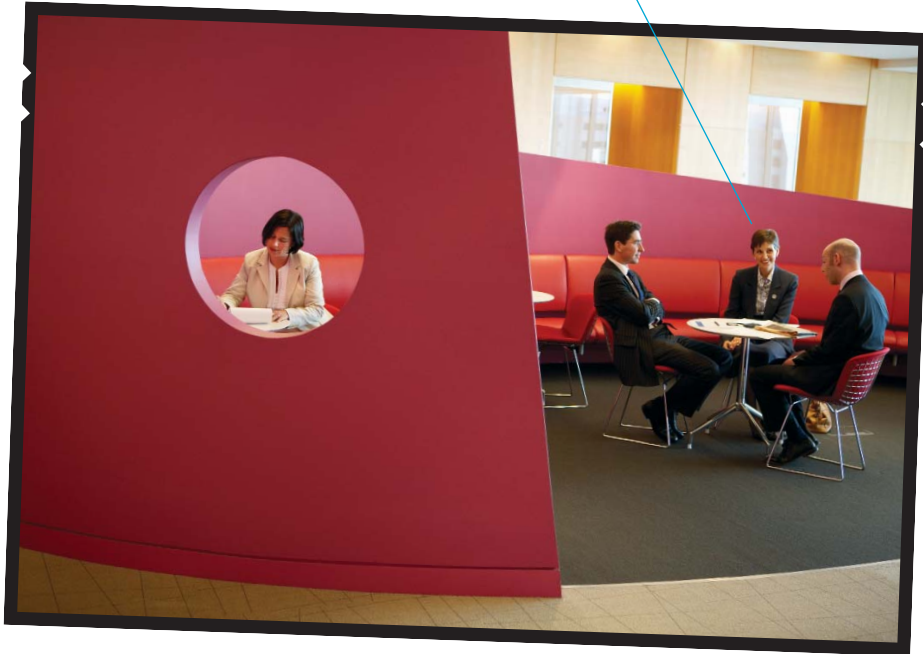
That is why in 2000 we formed the Clifford Chance Academy to provide consistent business skills and legal training across the firm. In 2007/08 our team of local and central development managers organised courses for more than 2,700 people. Some courses are geared towards developing competencies that transcend geographies, specialisms and roles. Other programmes, particularly the legal training, are tailored to specific areas of business or locations.

Access is the essence of the Clifford Chance Academy, for lawyers and for business services people. In addition to their legal training, lawyers can sharpen their client focus, leadership and business skills; business services professionals at all levels can take a range of courses designed to improve their skills in their current or future role. And it's not just classroom-based: it also includes a suite of nearly 50 desktop-accessible e-learning courses, streamed onto PCs and laptops for easy access and reference.

To ensure global reach, the Clifford Chance Academy is accessed through a single intranet site. This enables members of the firm to see what's available, update their personal training and development records, and use course-finder navigation tools to browse opportunities at central Academy, practice area and local office levels.

## “Welcome to the partnership.”

Kate Howles and three new partners



### Partner selection: how we ensure the best make it

A Clifford Chance partnership is not the culmination of a successful career: it's a step on a continuing path that will involve training, learning and development right through to retirement. It's not the goal of all our lawyers and we do offer attractive and fulfilling alternative paths.

For those intent on partnership we've developed an unusually rigorous process to bring forward those who can make the fullest contribution. "It's not just about picking people," says Kate Howles, who chairs our Partner Selection Group. "Yes, the main focus of the partnership selection process is to choose the next generation of partners, but everyone learns more by going through it. It's part of the development cycle that helps lawyers fulfil their potential."

The process itself is tough. "We were one of the first law firms to apply assessment centre techniques in the 1990s," says Kate, "and I believe ours are still the most exacting. We appoint a group of people who can take the time to delve into the candidacies. Clients can be confident that there's consistency of quality across the firm and it's also absolutely fair: everyone's treated the same way and reviewed against the same criteria."

The process begins with confidential soundings to gather feedback from partners. This is followed by formal interviews with the Partner Selection Group. Finally, there's an offsite assessment session with HR professionals, experienced partners and former partners. Those who aren't selected receive detailed feedback: many return in a year or two, earning selection with the benefit of further experience and development.

For lateral hires the process is no less exhaustive. "I thought they were going to interview my children at one point," Brynn Peltz told *The American Lawyer* earlier this year after joining as a partner in our New York Corporate Finance practice.

"It is a lengthy process," Kate acknowledges. "But rigour takes time. We look for people with commercial insight, judgement and leadership skills, who can earn respect and develop their teams. People who are going to make a difference and benefit the firm through the way they look after clients, the business and its people."

So is there an identikit ideal partner? "No. There are many ways to be a successful partner in Clifford Chance: it's important to remember that."



## “Oxford educated.”

Our senior managers' skills offer us competitive advantage



### **Business services:** how we ensure the learning never stops

Leading the profession demands investment in the quality and skills of all our professionals, not only our lawyers, and two initiatives demonstrate our seriousness in this respect.

We provide our senior managers with an executive education programme in exclusive association with Oxford University's Saïd Business School. Sixty people from 14 different offices have graduated from the course since 2005/06 and the class of 2008/09 will bring that number to over 80.

The intensive programme, which takes place over three, three-day weekends between September and April, is led by Professor Tim Morris, who heads the Clifford Chance Centre for the Management of Professional Service Firms, which brings together an elite group of academics, practitioners and policymakers.

In addition, we run an annual two-day forum for all senior managers in business services, where people can exchange ideas and experiences with colleagues from other countries. This year, over 100 of the firm's senior managers gathered for the fifth of these, over a weekend in Paris. "It's a major investment for us to fly everyone to a single location from the US, India, China and all the other offices involved," says Amanda Burton, Director of Global Business Services, "but it's absolutely essential if we are to gain real competitive advantage from the 3,300 IT, Finance, Business Development, HR and other professionals that these managers represent."

How do we attract and keep the best people?

# ...by working well together...

## During the year we...

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Completed over 120 client secondments to more than 50 different clients.

Received Team of the Year awards in areas including Global Real Estate, European Securitisation, Asian M&A, Banking and Insolvency, and Islamic Financing.

Developed effective, international working relationships with colleagues and clients – in 78 different languages.

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# 70

Separate global and regional team meetings conducted around the 2008 global partners' meeting.

One firm. We pride ourselves on being 'one firm worldwide', with all partners sharing in a single profit pool. And we want to align ourselves with clients, so that our working relationships are enjoyable as well as successful.

"We share their experiences and are determined to see the deal through for them," is how one of our partners puts it. "That's one of the big motivators for our people."

We don't believe a 'star' system works best for clients. Constellations work better. If you measure your success by what you achieve for your clients, not for yourselves, collaboration is crucial. That's why we foster an approachable, informal, non-hierarchical, open-door culture in every office.

Our team-based approach goes to the heart of the firm. We believe that much of our success comes from the power of the team and from clients feeling the strength of a team around them. Partners responsible for the management of a client relationship are expected to 'deliver the whole firm' to that client.

# “Citi connections.”

Our associates get to know Citi better



## **Team association:** how we deepened our relationship with Citi

We build teams around each client's unique requirements because we want clients to feel we're an extension of their own teams. We make sure that relationships are built at all levels, not just the top. It's essential to ensure that partners and senior clients are working well together – and that the associates and their peers do too.

With that in mind, we took a fresh look at the way we work with a major client, Citi, in London. Looking across our six practice groups we found some 85 associates who had worked closely with Citi in the previous year. So we brought them together to form the Associate Citi Team (ACT).

Working with the bank, we then launched a programme of activities designed to give them a broader understanding of the Citi relationship, key product areas, and client objectives and concerns. The aim was also to help them build closer relationships with their Citi counterparts.

Senior bankers and legal team members from Citi have attended a series of meetings at Clifford Chance, providing direct insights on Citi's culture, business practices, goals and priorities, which have in turn helped us to gather a deeper understanding of how Citi operates.

In February 2008 we hosted a social event for ACT members and their bank peers at a London restaurant. This was welcomed as a 'first' by senior managers at Citi and will certainly not be the last.

The programme continues with meetings and briefings from both Citi and Clifford Chance management at least once a month. As well as sending the client a clear signal about our commitment it has strengthened working relationships, helped our teams to be more client focused and supported a number of other initiatives in individual practice areas. The feedback from all sides has been excellent and similar initiatives with other clients are now being planned.



#### **Welcome and goodbye:** how we keep pace with footloose clients

One effect of globalising markets is that law firms need adaptable people. Alex Erasmus qualified as a lawyer in South Africa, was moved to London by his firm and switched to Clifford Chance because he wanted to stay in London. And that's how he ended up in South Africa.

We find client secondments are a good way to help our lawyers think commercially. So three years into his career with us, we seconded Alex to Barclays for three months. Within days, Barclays had made good use of his South African qualification by sending him to Johannesburg to help with the £3 billion acquisition of a South African bank – at the time, the country's largest-ever inward investment. The three months turned into 17 as Alex found himself a key member of the Barclays deal team while also working with his colleagues at Clifford Chance.

Back in London at last, Alex quickly earned his reward. Within 18 months he'd been made a partner – and shortly afterwards was seconded to Russia. Moscow is the fastest-growing office in our network. Since arriving there in August 2007 Alex has worked on a string of major financial institution deals – including Barclays' entry into the market with the US\$745 million acquisition of a leading Russian bank.

"This kind of mobility is essential nowadays, if you want to keep pace with clients who are sending their people around the world," he says. "It's also an exciting opportunity to get involved in their most strategic deals as they break new ground across the globe." So where will he go next? "Back to London for a while, maybe. But then... hey, who knows?"

## "Who knows?"

Alex Erasmus considers his next stop

# “Offside!”

UK players balance work and life



## Knowing our cookies: how we pull it all together for clients

New York M&A partner Sarah Jones advised Kraft Foods on its 2006 purchase of the Iberian operations of United Biscuits – a declaration of strategic intent by one of the world’s largest food companies, and owner of the iconic Oreo and Ritz biscuit brands.

Sarah was delighted when she was called again by Gerd Pleuhs, Senior Vice President and Deputy General Counsel of Kraft, to support the company on the 2007 acquisition of the US\$7.2 billion global biscuit business of Groupe Danone. The successful completion of the transaction made Kraft the No.1 biscuit company in the world and expanded its reach dramatically in developing markets such as China, Russia, Indonesia and Malaysia.

The transaction required a carve-out of assets in more than 20 jurisdictions and the timetable was aggressive – from agreeing heads of terms to completion in under five months. Sarah worked closely with then Corporate senior associate (now partner) Robert Crothers in London to manage a team of over 100 lawyers in 21 of our own offices, plus the contributions of 10 other law firms.

Gerd Pleuhs was impressed by how the firm worked with the Kraft lawyers and the other advisers to deliver a transaction of this scale on time. “Clifford Chance was the natural choice for us after our experience with them on the United Biscuits acquisition,” said Gerd, “and it made it much easier for me to be working with one firm managing all the jurisdictions seamlessly and providing critical advice on IP and tax matters as well as on all the corporate aspects of the deal.” Sarah sees it as a two-way street: “Our relationship with Kraft is important to the firm, so we are glad to be chosen for our capabilities in various areas of expertise. The success of deals like this, however, depends on teamwork and good communication and Gerd and his team make this easy.”

## Back-of-the-net work: how we share goals across the firm

If you seek evidence of work-life balance in the firm, look no further than the Clifford Chance Football and Hockey World Cup. This tournament provided an opportunity for people from all over the firm to trade their normal working environment for days of training and the driving ambition, competitive professionalism and goal-focused teamwork of the sports field.

Motivated largely by the opportunities for cross-border networking, over 450 people descended on the fields of Ciudad Deportiva Valle de las Cañas in Madrid for the weekend-long, September 2007 event. Representative teams from the firm’s Madrid, Barcelona, Paris, Milan, Rome, London, Frankfurt, Düsseldorf, Munich, Brussels, Amsterdam, New York, Hong Kong, Tokyo, Singapore, Warsaw, Moscow and Budapest offices were joined by a 50-strong team of volunteer ‘stewards’ from our Madrid office. Partisan colleagues, friends and family were on hand with vocal support.

Two fine days’ sportsmanship involving over 90 games, enriched by lawyerly exculpations for underperformance (injuries, tiredness, sunburn), culminated in Spain beating Italy in the football final and the UK holding the Netherlands to a goalless draw in the hockey final. In the penalty shoot-out – a perennial English nightmare – the UK took the trophy.

How do we attract and keep the best people?

# ...by making difference make a difference...

## During the year we...

Introduced a Global Diversity Committee to advise the firm's Management Committee, improve learning and engender greater understanding of diversity issues.

Launched our London lesbian, gay, bisexual and transgender (LGBT) network, Arcus, complementing the firm's existing LGBT network in New York.

Appointed a Diversity Manager to lead the development of our diversity policies, launched a women's network and introduced maternity coaching in London.

Received the Washington Lawyers' Committee 2007 Outstanding Achievement Award in the field of disability rights, in recognition of the firm's pro bono work in litigating a discrimination and consumer protection case against a Washington, DC hotel.

## Top 50

Ranking in *The Times/Aurora* Places Where Women Want to Work 2007 (UK).

Better solutions don't just happen. We see a commercial imperative to be more innovative than other firms – it's why clients bring us their more interesting challenges. And we believe a key factor in our ability to innovate is our diversity.

We've never believed that a strong common culture depends on having the same educational, social or cultural background. As an international organisation, we are able to recruit people in many different countries – and move them around the firm, which broadens their horizons and makes them more adaptable.

Diversity produces more sparks. Bringing together teams of bright people with different perspectives helps us to get a fresh angle on problems and brainstorm better solutions. So you won't find a Clifford Chance 'type'. There isn't one – though our people do tend to share a hunger for results and a strong determination to achieve them.

Our diversity is a competitive strength, so we're doing more to acknowledge its value and make use of it. We're explicitly committed to "enhancing diversity and fostering a supportive work environment in which all employees can develop to their fullest potential". Our three offices in Germany (Düsseldorf, Frankfurt and Munich) employ people from 24 different countries. We have introduced diversity awareness training to some of our offices. On a practical level, flexible working and improved work allocation are making it easier for people to adjust their working arrangements to meet childcare, eldercare or other personal needs. It's an approach that's won us recognition as a great place to work.

## “Culturally mobile.”

Mohamed Hamra-Krouha feels at home with international clients



### **Outward mobility:** how we built relationships in the Middle East

At Clifford Chance there are many people whose talents reflect richly varied backgrounds – like Mohamed Hamra-Krouha, who has lived and worked on four continents.

Born in Algeria, brought up in the United Arab Emirates, educated mainly in France and the US, Mohamed gained qualifications from the Pantheon Sorbonne, Paris (Master in Business Law) and Northwestern University, Chicago (LLM).

He joined Clifford Chance Paris in 2001, as a lawyer in the international Energy and Infrastructure Group. Drawn by the team’s ‘fluidity and mobility’, he was soon on the move, advising the International Finance Corporation and the European Investment Bank on Algeria’s first ever private sector limited recourse project financing – the Algerian Cement Company Project.

He transferred to Dubai in early 2005 for what was meant to be a short secondment. But it’s a feature of life at Clifford Chance that some secondments stick and his growing projects experience flourished in the Middle East.

He found himself working alongside Mohammed Al-Jadaan, the Managing Partner of Al-Jadaan & Partners Law Firm, the law firm we have a co-operation agreement with in Saudi Arabia. His expertise made him a natural choice to work on the Al-Waha polypropylene project in the Kingdom, the first ever 100% Shari’a-compliant project financing and subsequently named by *Project Finance Magazine* as the Middle East Islamic Deal of the Year 2006. Working on mega-transactions in petrochemical, energy and infrastructure has its own technical challenges, but he acknowledges that cultural awareness can make as much of a difference for clients as in-depth legal expertise:

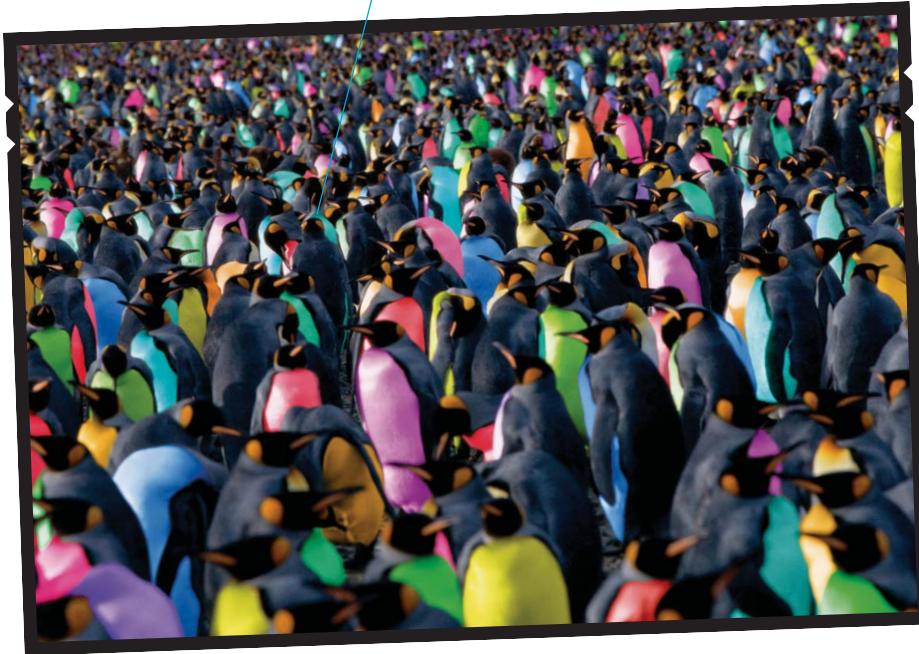
“It’s important to have an international network and the ability to share and apply knowhow among offices,” Mohammed says. “But ultimately it comes down to how the client wants you to staff the deal – and that often means combining an understanding of cultural nuances with technical skills.”

In March 2008 Mohamed was made up to the partnership. We extended our commitment to Al-Jadaan & Partners – and the Kingdom of Saudi Arabia – by making him our first partner secondment to that firm.

“I’m excited about the opportunity to enhance our presence,” he says. And he is also making good use of his Saudi experience, in mentoring the seven other Clifford Chance secondees at Al-Jadaan.

# “Snap!”

Our networks provide mutual support



## Considered response: how our gay community came out for the firm

Our diversity policy is designed to create ‘an inclusive work environment where everyone has the opportunity to succeed without obstacles based on...’ and there follows a lengthy list of origins, beliefs, orientations and conditions.

An integral part of this development was Arcus, launched in London in March 2008. This lesbian, gay, bisexual and transgender (LGBT) network resulted from a coalescence of initiatives that were already underway in various quarters of our London office. Members of the LGBT community within the firm felt strongly that the time had come to take these to the next stage. Encouraged and supported by senior management and assisted by Diversity Manager Sarah Twite, the launch event attracted 60 people from Clifford Chance and over 120 client contacts, alumni and colleagues from other law firms.

“The firm has supported the formation of the Group because it has recognised that its LGBT people need, as much as everyone else, to be respected and affirmed by the wider community, and the group is there first and foremost to ensure that this happens,” says Stephen Shea, partner in Tax, Employment and Pensions.

Arcus, which is complemented by our Americas LGBT Employees Group (formed 2005), has established a pro bono partnership in the European and international arena, with ILGA-Europe (the International Lesbian and Gay Association).

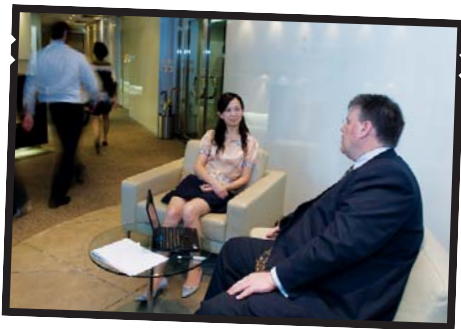
Already the network is significantly influencing communities both inside and outside the firm through engagement in HR work, pro bono work, international arts initiatives, involvement of clients and alumni, and sustained high profile press coverage – while ensuring complete privacy for those who wish it.

In celebration of Gay Pride, the firm hosted a successful Pride Art Exhibition in New York in 2007. This was extended in 2008, when both the London and New York offices hosted simultaneous Pride Art Exhibitions, featuring a stimulating selection of works by LGBT artists. It was the first event of its kind – and unlikely to be the last.



# “Celebrate!”

Our India Group marks the festival of lights



## Workplace rules: how we're supporting change in China

Sexism in the workplace is not just a Western problem. In China, the law bans sexual harassment at work – but it provides no details of what that should mean in practice or any framework for enforcement.

Change will have to be driven by education and awareness. So the Beijing University Center for Women's Law Studies is working to move the issue up the agenda for employers and legislators. Last year lawyers in our Hong Kong, Beijing, New York, London and Frankfurt offices put their support behind the Center, which is preparing a voluntary 'best practice' code for businesses on the practicalities of dealing with workplace harassment.

The code will be offered free to employers, and the Center hopes it will become the gold standard for responsible employers throughout China. To help inform the debate about what the code should say, our lawyers provided a comparative overview of how sexual harassment is dealt with in the US, Europe and Asia.

Joanna Wei, a senior associate, and Jim Jamison, partner, (above) from our Hong Kong Litigation team, attended the International Symposium on Establishing Workplace Sexual Harassment Policies With Enterprises in Beijing where they presented our draft report and advised on the drafting of the voluntary code.

“We were very encouraged by the level of those attending the conference,” says Joanna. “There were government officials, trade unionists, leading employers and academics from around China – and also from Taiwan and the US. This is a serious issue for women all over China and we're confident that the voluntary code will be the first step in making a real difference.”

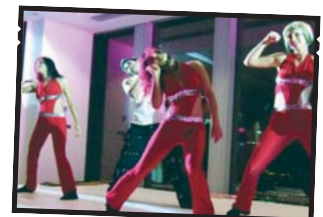
## Festival of lights: how we celebrate diversity

'Celebrating diversity' needn't be an empty phrase. In October 2007, Clifford Chance's India Business Group sponsored an evening of food and entertainment for Diwali, the Indian 'festival of lights', inviting clients and colleagues.

The top floor of the London office was filled with the colours, music and delicious aromas that are synonymous with modern Indian culture.

More than 250 guests attended, including representatives of financial institutions and corporations with interests in India, providing a forum for lawyers and clients to discuss their views of the future.

We threw equally good parties last year for Chanukah, Christmas and Eid – and plan to continue exuberantly celebrating our cultural differences.



How do we attract and keep the best people?

# ...by taking social issues personally

## During the year we...

Provided more than 72,000 hours of our lawyers' time on pro bono and community affairs activities (in 2008/09 we have introduced a mechanism for people in business services to record their time on community initiatives).

Gave over £1m to charity in the form of cash donations and sponsorships.

Established a Corporate Responsibility Committee chaired by our Senior Partner and Managing Partner.

Received the Corporate Responsibility Award at the FT Innovative Lawyers Awards in London, for developing – on a pro bono basis and in association with Citi – a legal template that helps microfinance institutions gain access to large-scale funding.

Entered six teams comprising trainees, associates, partners and business services people in the Wooden Spoon Four Peaks Challenge 2007. With match funding from the firm, they raised £40,000. UK charity Wooden Spoon, a pro bono client for over 15 years, helps disadvantaged children by funding a range of activities and development centres.

## £18.61m

The value of the time lawyers spent on pro bono and community work in 2007/08 (in offices where data is available).

There's more to life than profit. One thing that draws people to a career in law is a sense of justice and a belief that the rule of law makes for a better world. So it's no surprise that there's a strong desire throughout the firm to act in a socially responsible way.

**Who benefits?** The communities around us, the people we work for and with. Our pro bono advice aims to benefit those who would not otherwise have access to justice – typically those who are disadvantaged by lack of money, education or political influence. But these are not the only beneficiaries. Getting involved with pro bono work, volunteering and fundraising benefits us, too – as a firm and as individuals. It helps to keep us in touch with local communities. It's also opening up perspectives that we cannot gain from our day jobs and producing satisfactions that are different from those we get from our everyday work.

**Raising the bar.** Politicians, regulators, customers and society at large look increasingly to business organisations to recognise and act on an ever-broader range of social responsibilities. Like most of our clients, we are adopting a more systematic approach to managing our corporate responsibility activity – and communicating it to key stakeholders. And we're responding to feedback: in spring 2007 a survey of our people in our London office revealed their concerns about the environment. Within a year we had developed a global environmental policy and targets.

This year we are publishing our first corporate responsibility report: for more information, visit our website at [www.cliffordchance.com/community](http://www.cliffordchance.com/community)

“ ————— ”

We're making sure Charles Taylor's hearing doesn't go unheard



### Court on the web: how we're ensuring that justice is seen to be done

Charles Taylor – African rebel leader, US ex-convict and former President of Liberia – was put on trial by a UN-backed Special Court after surrendering in 2006. He was charged with 11 counts of war crimes, crimes against humanity and other serious violations of international humanitarian law.

Originally planned to take place in Sierra Leone, the trial was switched to The Hague over fears for political stability in West Africa if it went ahead in Freetown. It finally began in June 2007, was promptly adjourned, and restarted in January 2008.

Despite the rationale for the trial's relocation, many international lawyers were concerned that it risked depriving people in West Africa of day-to-day information on proceedings in a trial of particular importance to them.

So since January 2008 a team of Clifford Chance lawyers has been working pro bono to observe the trial and publish a daily Internet blog giving millions of people across Africa access to details of the proceedings. The blog is published on an independently funded website that takes no view on Mr Taylor's guilt or innocence; its object is purely to ensure that justice can be seen to be done.

Producing the blog has involved 19 lawyers from our Amsterdam, Paris, New York and Washington, DC offices, attending the court in pairs. Both lawyers compare notes before posting information at [www.charlestaylortrial.org](http://www.charlestaylortrial.org). During the trial's first week the site received an average of 2,500 page views each weekday, mostly from West Africa. It continues to receive a steady level of 1,400 –1,800 visits a week and is used as a source by a wide range of news media and websites.

"The cutting-edge phenomenon of 'trialblogging' is gathering momentum," explains Nathan Miller, Human Rights Program Officer at the International Senior Lawyers Project. "Clifford Chance's valued support of the Charles Taylor trial has already informed efforts to blog the trial of former President Alberto Fujimori in Peru and influenced the design of a project to blog the first trial in the International Criminal Court."

Says Juliette Luycks, counsel in Amsterdam: "It makes me appreciate that I work for a firm that is prepared to do more than speak up on human rights – it's prepared to use its resources to do something about it."

## “College knowledge.”

Opening doors to higher education



### Academic uplift: how we're casting the net wider to find the best talent

Clifford Chance recruits over 350 entry-level lawyers each year. This year, they include the first people to join the firm from two Clifford Chance scholarship programmes on either side of the Atlantic that are helping students to access the education they deserve.

In the US, we were the first law firm to back the AnBryce programme at New York University Law School. The programme provides full scholarships and extensive mentoring to outstanding but demographically and financially disadvantaged students who are the first in their immediate family to pursue a graduate degree. We use the same criteria to sponsor our own Clifford Chance Scholars programme. As part of that programme, we select a number of first-year law school students to work at the firm during the summer.

In London we are encouraging school students in some of the city's poorest boroughs to aim for the top, through our Clare Partnership for Schools joint venture with KPMG and Morgan Stanley.

This unique education outreach initiative was developed by Clare College, Cambridge with the London Borough of Tower Hamlets and is now expanding to Hackney and Newham. With KPMG and Morgan Stanley, we provide funding, strategic programme input and practical support, including business mentors, for local students.

Our first recruit from the London programme recently graduated from Cambridge and begins training with us in August – around the same time as the first three Clifford Chance scholars (graduates of Columbia, Fordham and Georgetown universities) begin in New York. We look forward to helping them and all our recruits fulfil their true potential.



In praise of the performance of Shapla School



### Primary partnership: how we help local children get ahead

In the 13 years since we began our partnership with Shapla Primary School in Tower Hamlets, London, 900 members of the firm have joined in. In 2007/08, around 90 volunteers from the London office spent up to an hour each week helping to develop the reading and numeracy skills of Shapla's pupils, who are from three to eleven years old. Every Christmas we hold a party in our Canary Wharf office for the Shapla children and teachers – a chance for everyone to review the year.

The links we've developed were recognised by UK education standards body OFSTED as benefiting pupils' progress and we continue to find new ways of supporting the school.

We were delighted when long-standing pro bono client and children's charity Wooden Spoon refurbished the Shapla playground, and during 2007/08 the children have enjoyed a series of contemporary art 'make and play' workshops thanks to our affiliations with leading London galleries.

The transition to secondary education doesn't mean an end to our volunteer/pupil partnerships. Many of the girls from Shapla go on to Mulberry School for Girls, where Clifford Chance also participates in a mentoring scheme.

# What have we achieved?

Client	Value (£m)	Description	Office
<b>AirTanker</b>	13,000	MoD PFI project to provide fleet of refuelling aircraft to the RAF	London
<b>Babcock &amp; Brown Wind Partners</b>	840	Releveraging of global wind farm portfolio	London
<b>Banco Santander</b>	2,700	Sale and lease-back of approx. 1,220 real estate assets	Madrid
<b>Bank of New York</b>	N/A	Ongoing action filed by the Russian Federal Customs Service	Moscow, New York
<b>Barclays</b>	45,793	Announced share exchange offer for ABN AMRO Holding NV	London, Amsterdam
<b>Barclays</b>	N/A	Representation before the Dutch Supreme Court in takeover battle for ABN Amro	Amsterdam
<b>Barclays Capital</b>	100	First convertible sukuk in Kuwait, for Kuwait International Investment Group K.S.C.C.	Dubai, London
<b>Barclays Capital, Dresdner Kleinwort, HSBC &amp; RBC</b>	900	Whole business securitisation in respect of the regulated business of Thames Water	London
<b>Binariang GSM</b>	1,526	Sale of stake in Maxis to Saudi Telecom	Singapore
<b>Blizzard Entertainment</b>	N/A	Largest copyright infringement brought in mainland China	Hong Kong
<b>BNP Paribas, Calyon, J.P. Morgan plc, Natixis, The Royal Bank of Scotland plc and Société Générale Corporate &amp; Investment Banking</b>	4,478	Financing of Pernod Ricard's acquisition of Vin & Spirit (owners of the Absolut Vodka brand)	Paris
<b>Bridgepoint</b>	5,000 (approx.)	Bridgepoint Europe IV Fund formation	London
<b>Broad Peak Investment Management</b>	500	Broad Peak Fund formation	Hong Kong
<b>Calyon</b>	10,000	Secured loan to Willis Lease Finance Corporation	New York
<b>Chinalco</b>	7,124	Acquisition of approximately 12% of Rio Tinto	London, Beijing
<b>Citigroup &amp; UBS</b>	375	Republic of Ghana's debut sovereign bond offering	London

Client	Value (£m)	Description	Office
<b>Companhia Vale do Rio Doce</b>	Not disclosed	Proposed acquisition of Xstrata (lapsed)	London, São Paulo
<b>Co-operative Group Limited</b>	1,560	Competition aspects of the acquisition of Somerfield	London
<b>Deutsche Bank</b>	9,127	Financing the acquisition of Hanson plc by Heidelberg Cement	Frankfurt
<b>Deutsche Bank Real Estate Special Situations Group</b>	N/A	Formation of joint venture to acquire and develop warehouse projects in Russia	Moscow, London
<b>DP World Limited</b>	2,500	Global medium term note programme	Dubai, London
<b>Emirates National Securitisation Corporation, ABN AMRO Bank N.V. &amp; Calyon</b>	500	ABS-CP transaction securitising receivables originated by Dubai Electricity and Water Authority	Dubai
<b>Endesa</b>	27,668	Public offer by Enel and Acciona	Madrid
<b>Global Investment House (Kuwait)</b>	558	Listing of GDRs on main market of LSE	London
<b>Goldman Sachs &amp; Deutsche Bank</b>	2,840	Loan refinancing (and subsequent repackaging) of Eurotunnel	London, Paris
<b>JPMorgan Chase</b>	N/A	Long-running US\$1bn mis-selling case brought by Greek investors	London
<b>JPMorgan Chase</b>	1,000	Loan facility to a joint venture created by LG and Philips	Hong Kong, London
<b>Khazanah Nasional Berhad</b>	275	Issue of Shari'a-compliant exchangeable trust certificates (sukuk) exchangeable into shares of Parkson Retail Group	Singapore, Dubai, Hong Kong
<b>KKR</b>	12,069	Acquisition of Alliance Boots plc	London
<b>Kraft Foods Inc</b>	3,576	Acquisition of the global biscuit business of Groupe Danone	New York
<b>Lehman Brothers</b>	1,145	Commercial mortgage backed securities issued by Diversity Funding No.1 Limited on LSE	London
<b>Macquarie</b>	2,500	Acquisition of National Grid Wireless	London
<b>Merrill Lynch</b>	1,500 (approx.)	Merrill Lynch Asian Opportunity Real Estate Fund formation	New York
<b>Merrill Lynch</b>	N/A	US class action lawsuit regarding IPOs during 1990s tech bubble	New York, Washington
<b>Morgan Stanley</b>	5,730	Bank of Montreal Covered Bond Programme	New York

Client	Value (£m)	Description	Office
<b>Morgan Stanley Mortgage Servicing Limited</b>	1,250	Pan-European syndicated loan facility	New York
<b>Morgan Stanley and CA IB Corporate Finance</b>	254	IPO of Vimetco	Amsterdam, Bucharest, London, Shanghai
<b>Oger Telecom</b>	3,635	Financing and subsequent refinancing of bid for 55% of shares in Türk Telekom	London
<b>Oracle</b>	3,377	Competition advice on the acquisition of BEA Systems	Brussels
<b>Pfizer</b>	N/A	Upholding Spanish patents for Lipitor	Barcelona
<b>RBS Aerospace Ltd.</b>	502	Airspeed operating lease securitisation of 36 aircraft	London
<b>Reuters plc</b>	9,200	Competition aspects of the recommended offer by Thomson	London
<b>Royal Bank of Scotland plc, Deutsche Bank AG, Credit Suisse and Société Générale</b>	21,538	Financing of Rio Tinto's bid for Alcan	London
<b>Rodamco Europe N.V.</b>	9,788	Merger with Unibail	Amsterdam, Paris
<b>RREEF Alternative Investments</b>	N/A	Serious fraud action against vendor of property assets in Beijing	Hong Kong
<b>Siemens</b>	3,271	Acquisition of Dade Behring	New York
<b>Star Cruises</b>	1,538	Disposal of 50% stake in NCL	Hong Kong
<b>Tenex</b>	N/A	Arbitration regarding non-delivery of nuclear materials	Moscow, London
<b>Terra Firma</b>	2,600	Acquisition of Pegasus Aviation Finance Company	New York
<b>Türkiye Garanti Bankasi</b>	630	Financing of KKR's acquisition of U.N. Ro-Ro Isletmeleri	London
<b>Vivendi</b>	4,472	Planned acquisition of Neuf Cegetel	Paris
<b>Volkswagen</b>	51,353	Acquisition of stake by Porsche	Frankfurt
<b>Yahoo!</b>	35,150	Competition aspects of Microsoft's proposed takeover	Brussels

## Awards (announced in 2007/08)

**Acquisitions Monthly 2008:** Law Firm of the Year.

**Who's Who Legal 2007:** Global Banking Law Firm of the Year.

**Islamic Finance News 2007:** Best Law Firm in Islamic Finance.

**Legal Business 2008:** Real Estate Team of the Year.

**FT/mergermarket 2007:** Law Firm of the Year; Private Equity Legal Advisor of the Year; Russia Law Firm of the Year; Energy, Mining and Utilities Law Firm of the Year.

**Chambers Europe Awards for Excellence 2008:** Central & Eastern Europe Law Firm of the Year.

**The Times Top 100 Graduate Employers 2008:** Employer of Choice for Law for 2008.

**Top Legal Magazine 2007, Italy:** International Law Firm of the Year.

**Futures and Options World 2007:** Derivatives Law Firm of the Year.

**The Times/Aurora Where Women Want to Work 2007:** One of the top 50 places in the UK 'Where Women Want to Work'.

**IFLR Asia 2008:** M&A Team of the Year.

**Euromoney Islamic Finance 2008:** Best Legal Advisory Firm.

**Forbes Magazine 2008:** Best Law Firm in Poland (awards for full service firm, banking & finance, real estate).

**Washington Lawyers' Committee 2007:** Outstanding Achievement – in the field of disability rights.

**Europaproperty 2007:** Russian Real Estate Law Firm of the Year.

**LawWorks Pro Bono 2008:** Best Contribution by a Law Firm.

**FT Innovative Lawyers 2007:** Winner: Corporate Social Responsibility (for work alongside Citi in microfinance).

**Best Place to Work in London 2008:** One of top 30 best places to work in London.

**Euromoney Liquid Real Estate 2007:** (First place awards) Global Legal Advisor; Legal Services in Western Europe; Legal Services in MENA. Country Awards for legal services in: China, France, Germany, Greece, Poland, Russia, Spain, Turkey, United Arab Emirates, United Kingdom, Japan (joint first), Philippines (joint first), and United States (joint first).

**British Legal Awards 2007:** Litigation and Regulatory Team of the Year.

**IFLR Middle East 2007:** Middle East Law Firm of the Year; Equity Team of the Year; Project Finance Team of the Year.

**IFLR Europe 2007:** Law Firm of the Year (Belgium, Netherlands, Poland); Securitization Team of the Year.

**Romanian Legal Awards 2007:** Best Legal Team, Banking & Finance.

**NLADA's Exemplar Awards 2007:** US National Legal Aid and Defender Association's Beacon of Justice Award.

**MIP Global 2008:** Intellectual Property Law Firm of the Year, Spain.

**Rzeczpospolita 2008:** Best Law Firm in Poland (banking & finance, and real estate).

# How do we run the firm?

**Overview** Our overall governance aims to confer on our elected leaders the authority to run the firm, while maintaining appropriate checks and balances through a matrix of geography, practice groups and global client teams, and a two-body structure.

The Partnership Agreement requires that certain issues are subject to a vote of partners. In particular, the Senior, Managing and Executive Partners are elected, each serving four-year terms. Partners also vote on new partners, mergers or acquisitions and amendments to the Partnership Agreement. Each partner has a single vote, although on certain matters (such as the arrangements for remuneration of equity partners), only equity partners are entitled to vote.

**Management Committee** The management of the firm is the responsibility of the Management Committee, chaired by Managing Partner David Childs. The Committee also includes the firm's two Executive Partners (its General Counsel and Finance Partner), the Finance Director, the Director of Global Business Services, six Practice Area Leaders and five Regional Managing Partners. The names of all the office holders and the dates on which their terms of office expire are shown in the box (opposite).

The Committee meets monthly. It is responsible for our strategy, finances and profitability, our growth and the development of our competitive position. It oversees the relationships with our major and strategic clients and leads our immediate and longer term business planning. The Committee monitors the performance of each practice area and office, and determines the size of the partnership and the business case for prospective new partners.

**Partnership Council** The firm's Partnership Council provides appropriate checks and balances to the executive management of the firm. The Council is chaired by Senior Partner Stuart Popham and comprises 11 other elected partners. David Childs is an ex-officio member. The Council's role is to monitor the performance of the Management Committee and its members, to ensure that the firm is managed in a way that is fair to all partners, to safeguard the reputation of the firm and to organise votes and elections required under the Partnership Agreement.

**Global Operations Group** A Global Operations Group chaired by the Director of Global Business Services, Amanda Burton, is responsible to the Managing Partner and the Management Committee for the firm's support services. The Group has 17 members, comprising regional chief operating officers, the Director of IT, the People Partner, the Head of Internal Communications, Head of Business Development and the Finance Director. The Group also oversees the successful management of internal projects, ranging from major technology initiatives to the establishment and running of the firm's Global Shared Service Centre in India.

**General Counsel** The General Counsel function, led by Chris Perrin, reports to the Managing Partner and Management Committee. It is responsible for compliance, risk management, insurance and legal issues affecting the firm. It also manages the firm's conflict clearance processes. Conflict laws and regulations vary from country to country: our approach is to apply the rules that apply in the country where the work is to be done. On multi-jurisdictional work, we will apply the rules of the country where they are most restrictive. Where a lawyer is based abroad, we also ensure that he/she complies with the rules of the bar where he/she is admitted. All new clients and new matters are cleared centrally through our clearance centres, staffed by experts in the relevant rules.

**Partner Selection Group** The Partner Selection Group reports to the Partnership Council. This Group reviews and reports on the personal qualities of all candidates for partnership.

**Audit Committee** The five-member Audit Committee also reports to the Partnership Council. It reviews and approves the firm's accounts and recommends which firm should be appointed as auditors. It also monitors the firm's risk management processes.



## Management Committee

		Term ends
Managing Partner	David Childs	30 Apr 2010
Executive Partner (General Counsel)	Chris Perrin	30 Apr 2010
Executive Partner	Ignacio Ojanguren	30 Apr 2010
Finance Director	Stephen Purse	–
Practice Area Leader – Capital Markets	David Dunnigan	31 Dec 2010
Practice Area Leader – Corporate	Peter Charlton	30 Jun 2009
Practice Area Leader – Finance	Mark Campbell	31 Dec 2010
Practice Area Leader – L&DR	Mark Kirsch	30 Apr 2010
Practice Area Leader – Real Estate	Cliff McAuley	31 Dec 2009
Practice Area Leader – TPE	David Harkness	31 Dec 2009
Regional Managing Partner – Germany	Hans-Josef Schneider	31 Dec 2010
Regional Managing Partner – Asia	Jim Baird	31 Dec 2010
Regional Managing Partner – Americas	Craig Medwick	30 Apr 2009
Regional Managing Partner – London	Jeremy Sandelson	31 Dec 2009
Continental Europe Representative	Ignacio Ojanguren	31 Dec 2008
Director of Global Business Services*	Amanda Burton	–
Central & Eastern Europe Representative*	Michael Cuthbert	13 Jun 2009

\* in attendance – non-voting

## Partnership Council

		Term ends
Senior Partner	Stuart Popham	31 Dec 2010
Managing Partner*	David Childs	30 Apr 2010
London/Dubai	Esther Cavett	31 Dec 2009
London/Dubai	Steve Curtis	31 Dec 2008
London/Dubai	Andrew Forryan	31 Dec 2009
London/Dubai	Alex Panayides	31 Dec 2009
Continental Europe	Jeroen Koster	31 Dec 2009
Continental Europe	Thomas Gasteyer	31 Dec 2008
Continental Europe	Bernd Meyer-Witting	31 Dec 2008
Americas	Thomas Schulte	21 Sep 2008
Americas	Sara Hanks	31 Dec 2008
Americas	James Moyle	22 Apr 2009
Asia	Tim Jeffares	31 Dec 2008

\* in attendance – non-voting

# How have we performed?

The summary financial information below is based upon the audited statutory consolidated financial statements of Clifford Chance LLP, which are prepared in accordance with International Financial Reporting Standards (IFRS).

Revenue by region was as follows:

Year ended 30 April	Growth %	2008 £m	2007 £m
Americas	3%	172	167
Asia	20%	100	83
Continental Europe	17%	494	424
UK and Dubai	8%	563	520
	11%	1,329	1,194

Overall growth in the first half of the financial year was substantially faster, but slowed in the second half. Particularly strong growth was achieved in the growth markets in Asia, central and eastern Europe and Dubai. The growth rates above include the effects of changes in average foreign exchange rates relative to Sterling. Compared to the previous year the US Dollar depreciated by 5% and the Euro strengthened by 5%.

Operating costs grew by 10% in Sterling. Staff and related costs account for 64% of total operating costs and grew by 15% in Sterling. Average headcount increased by 6%.

Profits for the financial year before members' remuneration and profit shares on the basis of IFRS increased by 14% compared to the previous year.

The balance sheet and cash position strengthened during the year principally as a consequence of growth in profits earned during the year that will be paid out to partners after the balance sheet date.

## Consolidated income statement

Year ended 30 April	2008 £m	2007 £m
<b>Revenue</b>	<b>1,329</b>	1,194
<b>Expenditure</b>		
Staff and related costs	(542)	(473)
Other operating costs	(304)	(293)
<b>Profit from operations</b>	<b>483</b>	428
Investment income	6	1
Financing costs	(11)	(10)
<b>Profit before tax for the financial year before members' remuneration and profit shares</b>	<b>478</b>	419
Members' remuneration charged as an expense	(30)	(45)
<b>Profit before tax for the financial year available for profit share among members</b>	<b>448</b>	374
Taxation	(23)	(22)
<b>Profit for the financial year available for profit share among members</b>	<b>425</b>	352

## Consolidated balance sheet

As at 30 April	2008 £m	2007 £m
<b>Assets</b>		
Property, plant and equipment	81	86
Intangible assets	38	43
<b>Total non-current assets</b>	<b>119</b>	129
Accrued income	197	162
Receivables	465	417
Amounts due from members	48	51
Cash at bank and in hand	149	91
<b>Total current assets</b>	<b>859</b>	721
<b>Total assets</b>	<b>978</b>	850
<b>Liabilities</b>		
Bank overdrafts	3	3
Payables	265	223
Provisions	18	16
<b>Total current liabilities</b>	<b>286</b>	242
Long-term payables	113	100
Provisions	129	121
<b>Total non-current liabilities</b>	<b>242</b>	221
<b>Total liabilities excluding members' interests classified as liabilities</b>	<b>528</b>	463
<b>Net assets attributable to members</b>	<b>450</b>	387
<b>Represented by:</b>		
<b>Loans and other debts due to members:</b>		
Members' capital – current liability	121	128
Provisions for annuities due to current members – non-current liability	85	85
	206	213
<b>Equity:</b>		
Capital reserve	30	34
Undistributed earnings classified as equity	204	154
Foreign exchange reserve	10	(14)
<b>Total equity</b>	<b>244</b>	174
	450	387
<b>Total members' interests:</b>		
Amounts due from members	(48)	(51)
Loans and other debts due to members	206	213
Equity	244	174
	402	336

## Consolidated cash flow statement

Year ended 30 April	2008 £m	2007 £m
<b>Net cash from operating activities</b>	<b>432</b>	368
<b>Investing activities</b>		
Investment income received	6	1
Proceeds from sale of investments	6	–
Purchase of tangible fixed assets	(14)	(20)
<b>Net cash used in investing activities</b>	<b>(2)</b>	(19)
<b>Financing activities</b>		
Borrowings drawn/(repaid)	14	(15)
<b>Net cash used in financing activities</b>	<b>14</b>	(15)
<b>Transactions with members</b>		
Drawings, distributions and remuneration of members	(385)	(271)
Capital net (repayments to)/contributions by members	(6)	4
<b>Net cash paid to members</b>	<b>(391)</b>	(267)
<b>Net increase in cash and cash equivalents</b>	<b>53</b>	67
Cash and cash equivalents at beginning of year	88	22
Effects of foreign exchange rate changes	5	(1)
<b>Cash and cash equivalents at end of year</b>	<b>146</b>	88
Borrowings	(74)	(60)
<b>Net cash at end of year</b>	<b>72</b>	28

### Revenue £m

08	1,329
07	1,194
Profit before tax*	
08	478
07	419

### Revenue by region £m

Americas	
08	172
07	167
Asia	
08	100
07	83
Continental Europe	
08	494
07	424
UK and Dubai	
08	563
07	520

\* Profit before tax is before members' remuneration and profit shares.

## Profit attributable to equity partners

Year ended 30 April	2008 £m	2007 £m
<b>Profit before tax for the financial year before members' remuneration and profit shares on the basis of IFRS</b>	<b>478</b>	419
Adjustments for partnership structure and accounting policies	(32)	(29)
<b>Profit before tax for the financial year attributable to equity partners</b>	<b>446</b>	390

The profit on the basis of IFRS is attributable to those partners of the firm who are members of Clifford Chance LLP. However, certain members of Clifford Chance LLP are not equity partners in the firm and certain equity partners of Clifford Chance LLP are not members of it.

In addition, the profit attributable to equity partners is determined in accordance with the accounting policies set out in the partnership agreement, which differ from IFRS. The principal differences relate to the accounting treatment of annuities, pension schemes, property leases and software.

Accordingly, in order to arrive at the profit attributable to equity partners, adjustments are made to the IFRS profit to reflect the equity partnership structure instead of the membership structure and to reflect the differences between the accounting policies set out in the partnership agreement and IFRS.

The average number of equity partners during the year was 395 (2007: 394). The firm operates a lock-step system of partner remuneration. Equity partners accounting for 99% of profit sharing units in issue are remunerated on the main lock-step ladder and the average profit per equity partner relating to those partners was £1,156,000 (2007: £1,011,000). The average profit per equity partner is based on the profit before tax for the financial year attributable to equity partners together with the value of annuities earned during the year that are payable after retirement.

**Statutory accounts** The financial information included in this statement does not constitute the statutory accounts of Clifford Chance LLP for the year ended 30 April 2008, but is derived from those accounts, which have been delivered to the Registrar of Companies. The auditors have reported on them; their reports were unqualified, did not draw attention to any matters by way of emphasis without qualifying their reports and did not contain statements under Section 237(2) or (3) Companies Act 1985, as applicable to limited liability partnerships.

# Why not get in touch?

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