



## Eastern Europe is our Home Market

While many large international law firms responded to “Lehman” by pulling out of Eastern and South-eastern Europe, well-known Austrian offices are successfully holding the fort. They now see their many years of experience in these difficult markets as an enormous competitive advantage.

**FOR PETER HUBER**, pulling out is not on the agenda. The Managing Partner of the well-known Austrian law firm CMS Reich-Rohrwig Hainz clearly sees the future of internationally active Austrian law firms as lying in Eastern and Southeastern Europe. “The economic ties between Austria and the CEE countries mean that we see Eastern and Southeastern Europe as a clear part of our home market.” This is confirmed by the blanket presence of CMS in the CEE Region. CMS Reich-Rohrwig Hainz alone has eight offices in the region and, taking partner firms into account, the international CMS network supports its clients in Eastern and Southeastern Europe through 15 offices with more

than 600 legal advisors. And the sometimes very difficult economic and political situation in some of the countries in the region, such as Hungary or the Ukraine, has done nothing to hinder the determined implementation of this eastward-facing strategy.

### Patience is Required

According to Erik Steger, Partner and Speaker of the Wolf Theiss Management Board, “a large proportion of our mandates in the region often require us to act across borders. Of course some of the countries in which we expanded are being more seriously affected by the ongoing economic crisis



“The strategy and objective of Wolf Theiss is to cover the entire region of Eastern and Southeastern Europe as a means of ensuring that our clients are always efficiently and appropriately supported.”

**Erik Steger,**

Partner of Wolf Theiss in Vienna and Speaker of the Management Board

than others. The position in Hungary is currently difficult because the government there has created an environment which is not exactly investor-friendly. And the situation is similar in Slovakia where it is not possible to precisely predict the effects of planned tax rises on a country which we have up until now regarded as an economic tiger. But when it is obvious that our clients are not leaving these countries en masse but are rather adapting their strategies there, the consequence for us is that we must both support them in the process and do the same ourselves.

### Two Expansion Strategies

Flexibility and adaptability are the keys to success in the East. And Austrian law firms appear capable of offering much more of both of these characteristics than international law factories. There are two basically differing strategies for doing this. The well-known commercial firm Dorda Brugger Jordis (DBJ) works with a network of Best Friends partner offices. In the words of Stefan Artner, DBJ partner, "the past two years have precisely shown us that transaction markets in the individual CEE countries are in a "post-Lehman" revival. Our firm has been increasingly active in the region - sometimes directly and sometimes via Best Friends partner firms - and we are also expecting that this year will bring good transaction business in Eastern



"For a large, internationally-oriented Austrian law firm it remains very important that we are able to offer our clients transnational support in the CEE region."

**Martin Brodey and Stefan Artner**, Managing Partner and Head of the CEE Desk of Dorda Brugger Jordis

Europe." Artner adds that it is exactly in such volatile markets that a network of Best Friends, which allows one to cooperate with leading law firms in each country rather than having one's own offices in Eastern Europe, brings great benefits. "It is advantageous from the point of view of



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“Real estate and construction projects in the CEE/SEE region often lead to cross-border line-ups with Austrian or German connections (developer, financing bank, construction company), which result in the need to coordinate contracts across several jurisdictions. Access to reliable partners in CEE/SEE, whether branch offices or long-term cooperation partners, is indispensable. Having supported our clients for more than 20 years in CEE/SEE, we have a proven network of partners to whom we can always turn.”

**Alfred Nemetschke,**

Nemetschke Huber Koloseus Rechtsanwälte GmbH

our clients that they are able to turn to well-known offices that are active as local market leaders.”

In contrast, Wolf Theiss is deliberately focusing on fully integrated offices. According to Erik Steger, “many of our experts are not in Vienna but in one of our other offices. For example, our work in the areas of energy projects and renewable energy is led from Budapest and Bucharest. It would not be possible to offer our clients the same, sustainable level of know-how and service in every location if we had to rely on cooperation partners.”

The approach of Binder Grösswang to international expansion is completely different. From the very start, the company decided against creating its own offices in CEE countries, but not against accepting lucrative mandates in the region. In the words of Thomas Schirmer, a partner with Binder Grösswang, “We have an excellent network. Whenever our clients require legal advice in CEE countries we are able to refer them to that country’s leading experts. We have no fixed alliances, because this is not in our clients’

interests. They should always be supported by the lawyers who have the most experience with the matter in question.”

### Growing Regional Business

Regardless of how they approach Eastern and Southeastern Europe, the belief of Austrian law firms in the region’s potential is unbroken. This is also helped by the fact that many mandates do not necessarily have Austrian origins. More business takes place today within and between the booming CEE countries, led by Poland and Serbia, than between Austria and the individual countries. “We have seen ourselves for some time now as a regionally active, rather than as an Austrian firm,” says Erik Steger, Managing Partner of Wolf Theiss. A result of this is that his firm, just like most other internationally active Austrian commercial firms, has ideas about expansion, above all in the direction of Turkey and Central Asia. “With strong growth and a rapidly changing market for legal services, Turkey is naturally interesting. But any move outside the EU must, of course, be considered with extreme care.” [NE]



“We are continuously evaluating expansion potential and in no way do we preclude the possibility of opening new offices in the region. In particular, Central Asian markets are very dynamic.”

**Peter Huber,**

Managing Partner of CMS Reich-Rohrwig Hainz