Freshfields Bruckhaus Deringer

Our leisure sector group

May 2008

FRESHFIELDS BRUCKHAUS DERINGER

Leisure sector group contacts

The following pages provide an overview of our leisure sector group. If you would like to talk to us about how we can help you, please contact your usual relationship partner or either of the following co-heads of the group:

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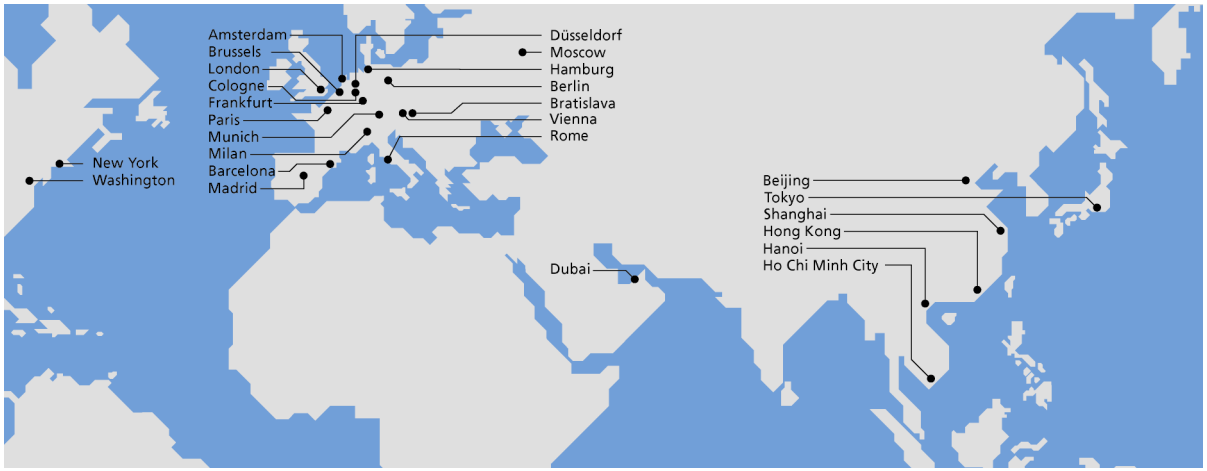
The firm

We are one of the world's leading international law firms, providing the highest quality legal advice – domestically and internationally – in the practice areas of key importance to our clients.

We are proud of our history, our reputation for excellence and our independence.

We have 26 offices in key business centres around the world.



Strategy

- We practise a unique brand of creative, commercial and proactive business law.
- Our international network of first class business lawyers crosses many of the world's key financial centres.
- Our emphasis is on quality of advice: we have no ambition to become the largest law firm or to practise law in every jurisdiction.
- We are committed to a 'lock-step' system, which means that partners in every jurisdiction and practice share equally in the firm's success. Lock-step allows our clients to receive the same standard of service throughout our network.
- Our priority is to build long-term relationships with our clients.
- We understand the issues that are important to businesses and so, to apply this expertise within a particular industry, we have divided ourselves into different industry groups.

Each group comprises lawyers from our various practices and offices around our network. This means we can put together specialist teams, backed up by international expertise, to anticipate and respond rapidly to your needs and provide practical and realistic advice, domestically and internationally.

Automotive	Chemicals	Consumer products and retail	Energy and natural resources
Family-owned businesses	Financial institutions	General industries	Leisure
Healthcare	Private equity	Telecoms, media and technology	Infrastructure and transport

Leisure sector group

'Thanks to its large leisure sector clients, lawyers here are an "inevitable and accomplished" feature of the hotels and leisure sector.'
Chambers 2005/6

Leisure is one of the most dynamic sectors in the western economy as people choose to spend an increasing amount of their income on leisure related activities. Our leisure sector group was established to serve the needs of corporates, investors and advisers with interests in the leisure sector, covering gaming; hotels; holidays, fitness and leisure; pubs and sports.

Our leisure team helps us to stay at the forefront of relevant industry and regulatory developments across practices and jurisdictions. Our members share knowledge on the developments and issues facing our leisure sector clients. We pride ourselves on being a dynamic team whose success is based on the quality and enthusiasm of our lawyers, our industry knowledge and our team spirit.

In 2007 Freshfields Bruckhaus Deringer was, for the second year running, the number one law firm in the European leisure sector for mergers and acquisitions in value, advising on deals worth €8,178m, significantly ahead of the second ranked firm. Freshfields Bruckhaus Deringer was also the number one law firm in the European leisure sector mergers and acquisitions league table in 2006 for both the number of deals and their value.

The pages that follow focus on the group's five sub-sectors:

- gaming;
- hotels;
- holidays, fitness and leisure;
- pubs & bars; and
- sports.

Gaming

In the gaming sub-sector we advise bookmakers, casino operators, bingo club operators, internet betting companies, lottery operators, racecourse owners, regulators, private equity investors and investment banks.

The opportunities and challenges we have helped our clients with in recent years include:

- acquisitions and investments in anticipation of deregulation in the UK and the further development of internet gaming;
- establishing the infrastructure, software, patent rights and systems necessary to facilitate internet gaming;
- lobbying for regulatory change at a national and EU level;
- making the most of the opportunities, and helping to deal with the threats arising from, the deregulation of gaming in the UK and a number of other jurisdictions;
- real estate, financing and planning issues arising from significant new developments; and
- responding to regulatory enquiries and litigation arising in the more heavily regulated countries from internet gaming.

Our experience includes advising:

- **Arena Leisure** on its *attheraces* joint venture with BSkyB and the sale of picture rights to UK horse racing for showing in licensed betting offices;
- **Betfair** on the acquisition of PokerChamps and of Portway Press Limited (trading as 'Timeform');
- **Globet, Ladbrokes, William Hill, Sportingbet, Coral Eurobet, Bwin, Interwetten, Victor Chandler, bet365, Expekt, Parbet** and **Unibet** on litigation brought by the Spanish Professional Football League (La Liga) in the Spanish Commercial Court;
- **PartyGaming** on its acquisition of Gamebookers;
- **Rank** on its acquisitions of Blue Square and Casino de Mallorca and on the disposal of its Deluxe business and of its Hard Rock Cafes business;
- **Sportech**, the operator of Littlewoods Football Pools, on its acquisition of the Vernons Football Pools business from Ladbrokes; and
- **William Hill** on its IPO, refinancing and listing on the London Stock Exchange; on its dealings with: the BHB; the regulators of internet gaming in Germany, Italy and the Netherlands, including litigation and a reference to the European Court of Justice, and on software, television and internet infrastructure agreements.

Hotels

In the hotels sub-sector we advise financiers, hotel operators, outsourcing companies, private equity investors and real estate companies.

In addition to acquisitions, restructurings, sales and financings, such as those below, we have advised on hotel management contracts, sale and leaseback arrangements and other outsourcing arrangements. Our team does not work only on portfolio transactions – we have recently worked on single hotel acquisitions, developments and sale and leasebacks in cities such as Barcelona, Berlin, Dusseldorf, Frankfurt, Hong Kong, London, Madrid, Paris, and Vienna.

Our experience includes advising:

- **Compass Group** on its hotel disposal programme, including the sale of **Le Meridien Hotels** and **Cumberland Hotel** to Nomura for more than £2bn; the sale of **Posthouse Hotels** to Bass for £810m; the sale of **Strand Palace Hotel** to Barclay Brothers and Ellerman Investments; and the auction sale of **Little Chef** and **Travelodge** to Permira for £712m;
- **De Vere Group**, the British hotels and leisure clubs operator, on its takeover by AHG Venice**;**
- **Dubai International Capital LLC**, the international investment arm of Dubai Holding, on its £675m acquisition of Travelodge Hotels Ltd from Permira Funds;
- **Dubai International Properties** on its $12bn series of agreements for real estate development projects in partnership with CDG, a subsidiary of the Moroccan Government. The agreements include the $500m Marina de Casablanca development comprising hotels, residential accommodation, offices, retail and entertainment facilities;
- **HOST** on the acquisition of Marriott Hotels in Brussels;
- **Lehman Brothers** on its disposal of the Forte Village in Sardinia;
- **Lehman Brothers** on its acquisition of Le Meridien Hotels and Resorts, in a 50-50 joint venture with Starwood Capital Group and the subsequent sale by Meridien of its management and brand business to Starwood Hotels and Resorts;
- **Morgan Stanley Real Estate Fund** on the acquisition of 10 Hilton Hotels from Hilton for €566m;
- **Queens Moat Hotels** on its restructuring, refinancing, disposals and takeover by Whitehall; and
- **Starman Hotels** on the disposals of the Penina and Dona Filipa Hotels in Portugal, the Gallia Hotel in Milan, the Apollo Hotel in Amsterdam and Phoenicia Hotel in Malta.

Holidays, travel and leisure

After a period of economic difficulties and industry change, much of our recent work in the holidays, fitness and leisure sector has focused on corporate reorganisations, acquisitions and disposals, investments and re-financings.

Our experience includes advising:

- **Carlson Companies** and **One Equity Partners** on the acquisition of a 50 per cent stake in Carlson Wagonlit Travel Inc (CWT), a US based business travel management company, from Accor SA;
- **Carlson Wagonlit España, SA** in connection with the acquisition of the Spanish travel agency Viajes Mapfre;
- **Carnival** on various aspects of its UK and European businesses since its acquisition of P&O Princess Cruises;
- **Cinven** on the sale of Fitness First, the world's largest fitness company, to funds advised by BC Partners for an enterprise value of £835m. We also advised Cinven on the Fitness First acquisition in 2003;
- **Dubai International Capital** on the combination between The Tussauds Group (controlled by Dubai International Capital) and Merlin Entertainments Group (controlled by the Blackstone Group) for £1.03bn and a 20 per cent stake in the resulting combined enterprise;
- **eDreams, Inc.**, the leading on-line travel agency and fastest growing travel company in Southern Europe, on its sale to private equity firm TA Associates for €153m;
- **Esporta**, the UK-based leisure clubs chain, on its defence of the £133m hostile bid from Duke Street Capital;
- **Eurodisney** on its financial restructuring;
- **Gondola Acquisitions Limited**, a company formed at the direction of funds managed and advised by Cinven Limited, on its acquisition of Gondola Holdings plc for £559m;
- **P&O Princess Cruises** on the takeover by Carnival for £4.75bn;
- **Thomas Cook** on its merger with MyTravel Group Plc;
- **TUI AG** on the merger of its travel subsidiary TUI Travel with First Choice Holidays Plc; and
- **Tussauds** on the real estate aspects of the acquisition and financing of 100 per cent of the shares in the London Eye Company, and on a new 25 year lease granted by South Bank Board.

Pubs & bars

We have been very active in the sale and purchase of large portfolios of pubs and bars in the UK since the brewing companies first started to dispose of such assets. Several of these transactions are mentioned below.

We have also been active in the re-financing and securitisation of pub companies and estates.

Our experience includes advising:

- **Barclays, Citigroup, Goldman Sachs, The Royal Bank of Scotland** and **Merrill Lynch** as managers of a £2.125bn refinancing by Spirit Group of the Scottish & Newcastle pubs estate;
- **Fuller, Smith & Turner Plc**, the London-based pubs, hotels and brewing group, on its bid for the regional brewer George Gale and Company;
- **Goldman Sachs**, as lead manager, on its £100m tap issue for the Spirit Group to finance the acquisition of Tom Cobleigh Pub Company;
- **Laurel Pub Company** on modification of existing outsourcing arrangements with CSC;
- **Marston's Plc** on the disposal of 279 tenanted pubs to the aAim Group for £32.5m;
- **Marston's** on its acquisition of Eldridge Pope estate for £155.1m from Michael Cannon;
- **Scottish & Newcastle** on the £2.51bn sale of its retail activities, comprised of its managed pubs, hotels, and pub/restaurants business including 1,450 pubs to Spirit;
- **Scottish & Newcastle** on the £345m acquisition by Globe Pub Company of a portfolio of 364 managed pubs from Spirit with long term management, beer supply and trade loan arrangements from Scottish & Newcastle;
- **The R20 Limited** consortium on its £4.6bn bid for pub chain Mitchells and Butler;
- **The Royal Bank of Scotland Financial Markets** as lead arranger on the £600m whole business securitisation of 904 pubs belonging to pub and brewing group Greene King plc;
- **The Royal Bank of Scotland** on its £1.82bn refinancing of two pub securitisations for **Punch Taverns**; and
- **Wolverhampton & Dudley Breweries** on its £805m refinancing of the Group's debentures and bank debt via a securitisation of the Group's managed and tenanted pub estate. The deal involved 1,592 managed and tenanted pubs.

Sports

In the sports sector we advise a range of sports regulators, such as the English Football Association; sports clubs, such as Manchester United, Juventus and Bayern Munich; commercial organisations, such as Formula One Administration; and financiers, such as lenders for the new Wembley Stadium in England and the arrangers of the FIFA bond for the football World Cup.

We also have significant practices in television (covered by our Media sector group) and sports retailing (covered by our consumer products group). We also advise on sports gaming.

Our experience includes advising:

- **Bayern Munich** on the construction and financing of its new stadium;
- **The Court of Arbitration in Sport**, as arbitrator, for the Olympics in Atlanta in 1996, the Winter Olympics in Nagano in 1998 and the Olympics in Sydney in 2000;
- **English Football Association** on all aspects of its role governing English football including its relationship with FIFA and UEFA, the OFT's investigation in to the sale of England football shirts, constitutional issues, the behaviour of fans and disciplinary proceedings against clubs, players and others;
- **Formula One Administration** on corporate, tax, anti-trust and financing matters for the group organising Formula One motor racing;
- the underwriters on the IPO of **Juventus Football Club**;
- **London Olympic Bid** on its bid to host the 2012 Olympics;
- **Manchester United Football Club** on matters arising from its London Stock Exchange listing, its relationship with various shareholders, various M&A proposals and commercial arrangements to exploit its brand;
- **Mike Ashley** on the acquisition of Newcastle United FC;
- **Rugby Football Union** on the review of the structure of the professional game in England; and
- the mezzanine financiers to the new **Wembley Stadium** project in London.

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A list of the members (and of the non-members who are designated as partners) of Freshfields Bruckhaus Deringer LLP and their qualifications is available for inspection at its registered office, 65 Fleet Street, London EC4Y 1HS. Any reference to a partner means a member, or a consultant or employee with equivalent standing and qualifications, of Freshfields Bruckhaus Deringer LLP or any of its affiliated firms or entities.

Freshfields Bruckhaus Deringer LLP has taken over the practice of Freshfields Bruckhaus Deringer with effect from 1 May 2008. Please refer to www.freshfields.com/support/legalnotice for information on the transfer of the business and regulatory information (including in relation to the provision of insurance mediation services).