

Hill Smith King & Wood

i n t e r n a t i o n a l l a w f i r m



Taxation

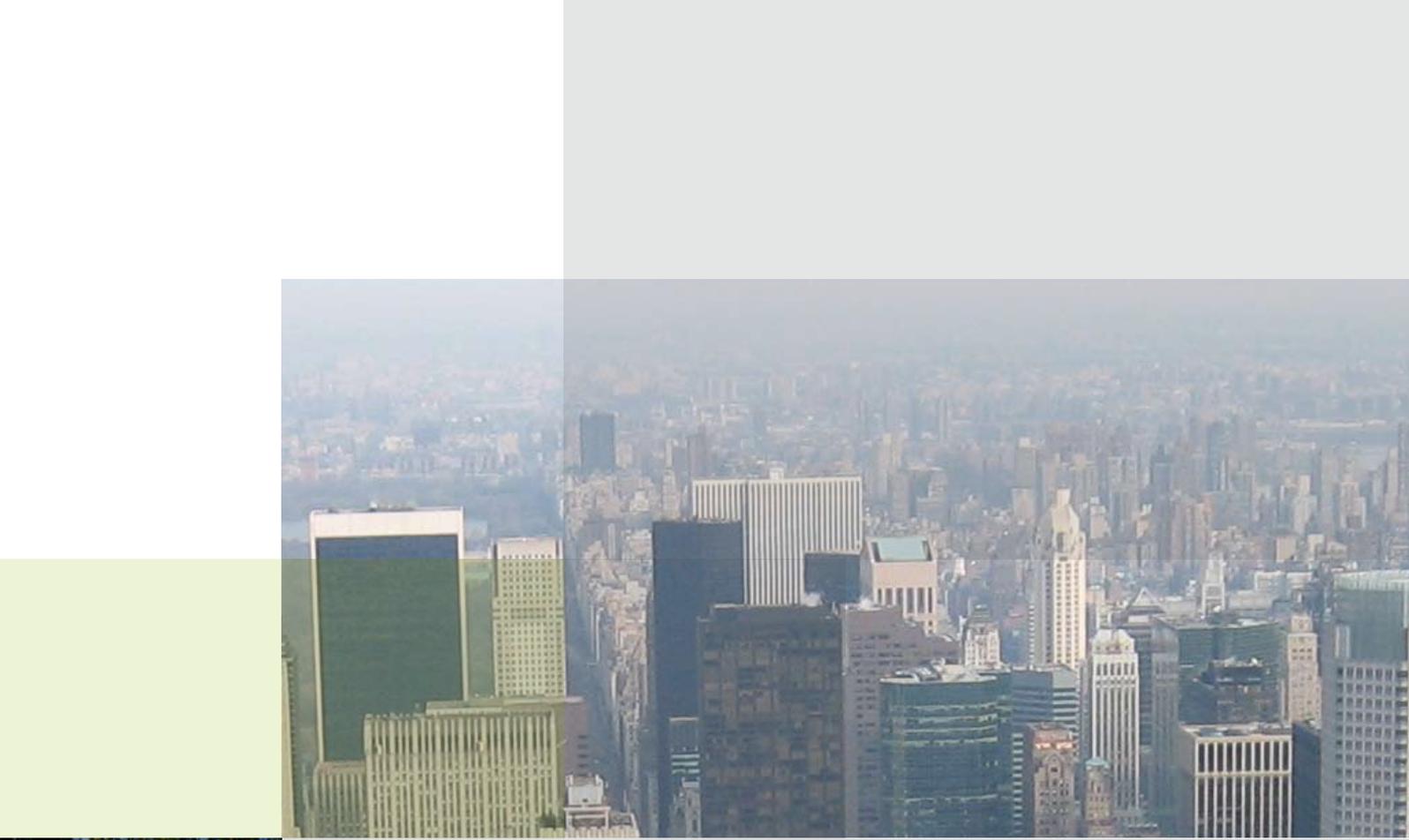


Introduction

At Hill Smith, we provide a unique level of service to our clients and, although branded recently, we enjoy a reputation with our clients as one of the most client orientated 'boutique' law firms in the world. We specialize in matters that require detailed attention, extensive experience, high-quality expertise and the reputation of our partners. We are privileged to be involved in some of the larger and more sophisticated merger and acquisition transactions, and we are routinely called upon to assist clients in their most sensitive and critical matters.



At Hill Smith, our specialists from a variety of practice areas work closely as a team to ensure that our clients are fully advised on the tax and legal issues surrounding mergers, takeovers, restructurings, private equity transactions, bankruptcy workouts, joint ventures, investment funds, and cross-border dispute resolution and negotiate, assist with or coordinate the implementation of any transaction, including legal maintenance and the full range of tax compliance. We operate in such a way that matters undertaken by this firm are afforded the direct personal attention of partners having expertise and sophistication with respect to the issues. Above all, the lawyers and tax advisors of Hill Smith deliver practical and commercial solutions to problems.



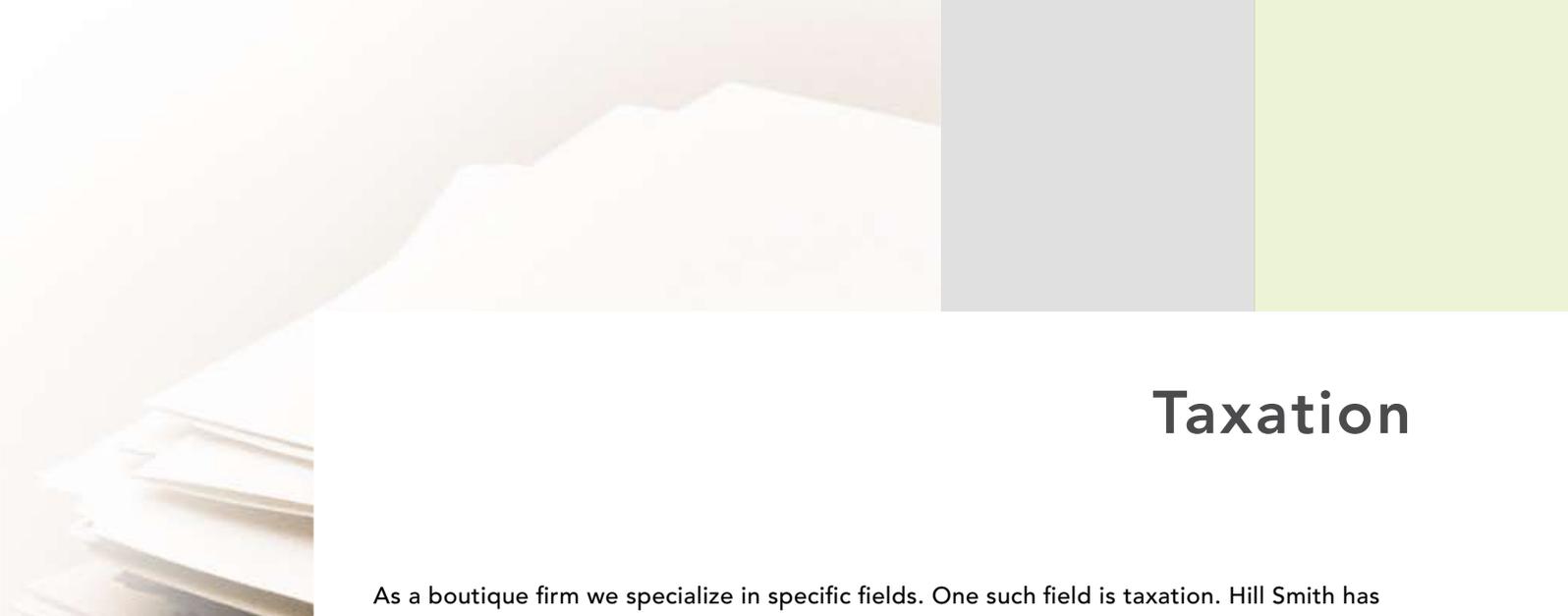
Focus of Hill Smith

Hill Smith is a boutique international law firm specializing in cross-border transactions. Our corporate, M&A, investment funds, taxation, and litigation attorneys provide counsel to global companies and organizations in all sectors and areas of the worldwide economy.

Hill Smith is a multi-practice law firm with a global approach. We serve corporate, public sector and private clients with specialty practices that are designed to complement each other to deliver the most effective, efficient solutions. In an effort to meet the ever-evolving needs of our clients, we strive for continuous improvement in our practice offerings. We routinely provide U.S. and international tax and corporate legal advice to our clients relying on our multi-jurisdictional offices and associations. In addition to our offices in the United States and The Netherlands, we have close working relationships with lawyers and (tax) law firms in more than 50 countries. These relationships allow us the flexibility of choosing the best lawyer in a particular location for the type of work required.

We are a new breed of law firm. In comparison to traditional law and accounting firms Hill Smith offers low cost services, working in a lean and mean organization and efficient manner. Our mission is to serve our clients with subject matter expertise of the highest level, professional excellence, mutual respect, and an uncompromising dedication to client service that is unparalleled anywhere in the world. Simply put, we strive to be the best cross-border boutique on the globe.

Hill Smith is a partnership organized pursuant to the laws of the Netherlands with key offices in the United States and in the Netherlands.



Taxation

As a boutique firm we specialize in specific fields. One such field is taxation. Hill Smith has a strong reputation for its focus on international tax matters. Our Taxation practice covers a wide range of (international) business activities and taxes. We provide ongoing advice to multinational businesses concerning all U.S. federal income tax rules relevant to foreign operations, as well as specific advice concerning foreign taxation, with a particular focus on the countries of the European Union. We advise from the inception of business operations in a foreign country to the disposition of a business. On many occasions members of our Taxation practice have served as direct assistant to finance and tax departments and directors in day to day operations and managing special projects and external (foreign) tax advisors.

We work extensively with our clients on overseas business structures for start-up operations. This includes structuring finance, distribution and purchase arrangements overseas that mitigate foreign taxation. We advise concerning structures of sales and manufacturing operations in foreign countries to maximize the beneficial tax use of losses and to minimize taxation of transfers of assets outside the United States. In addition, we structure operations maximizing opportunities for deferral of U.S. tax on foreign earnings. In this regard, we consider the classification for U.S. tax purposes of various foreign entities such as corporations, partnerships and branches. We structure operations throughout the world, with a particular emphasis on European Union countries. We also have substantial experience in structuring operations in Russia and other jurisdictions the former Soviet Union, Switzerland, Luxembourg, Hungary, the Czech Republic, Romania and Poland, as well as in the People's Republic of China, Hong Kong, Korea, Singapore, Australia and South Africa.

We often advise clients about ways to reduce their worldwide effective foreign tax rate. Some of our techniques include leveraging non-U.S. subsidiaries to reduce foreign taxes and increasing low-taxed foreign source income to utilize excess foreign tax credits. In this regard, we work with clients to develop capital structures and repatriation strategies for minimizing worldwide taxation. This includes for example establishing and documenting transfer prices under between affiliates; restructuring foreign operations to minimize overall taxes, allowing optimal use of net operating loss carry forwards, and other tax attributes; dividend planning with respect to the most tax-efficient means of repatriating funds from subsidiaries; foreign tax credit planning; determining the optimal structure for foreign operations and establishing foreign branches or foreign subsidiaries as appropriate.



We also structure and negotiate acquisitions and dispositions of multinational companies, planning for the most tax-efficient structures from both non-U.S. and U.S. business and tax viewpoints. Typical issues include stock versus asset purchases, manner of ownership and the form of business entity. Acquisition planning ideas include leveraged holding companies to reduce foreign taxes, mitigate legal liability, maximize cash flow flexibility and elections to treat certain stock purchases as asset acquisitions. Our professionals also advise clients on a wide range of business transactions, including capital formation, joint ventures, private equity, financing and cash pool structuring as well as performing due diligences and issuing opinions.

Our tax practice members have a long tradition of advising clients on complex tax planning and controversy matters. In line with Hill Smith's philosophy members of the Taxation practice form an integral part of the Corporate and M&A and Investment Fund practice groups in order to ensure tailor-made advice in each transaction. Hill Smith has also been greatly successful in obtaining rulings from tax authorities in numerous jurisdictions.

The Taxation practice also handles other continuing needs of many multinational corporations and other large business organizations. For example, our clients come to us for advice and assistance regarding domestic and international tax planning in connection with restructurings, domestic and international joint ventures and other specific business plans, the reporting of specific material tax items for tax or financial reporting purposes as well as filings and miscellaneous tax issues arising in the ordinary course of business.

Our tax controversy practice successfully represents clients in a broad range of industries in tax matters at all stages: examination, administrative appeals, trial and appellate review.

Hill Smith is highly flexible in using the services of reputable local counsels and service providers in jurisdictions where the firm has no presence or capacity is restricted. Through the vast respective experience in reorganizations, mergers, acquisitions and financing transactions of the firm members, Hill Smith has built excellent relations with an extensive network of law firms and other service providers, which helps maintain flexibility and cost efficiency whilst able to offer full services of the highest standards around the globe, tailor made for the specific requirements of any restructuring.



Clients

Hill Smith represents multinational corporations, private companies, individuals and emerging business enterprises. Whether it's the global and national economies' traditional industries, or an emerging area of technology, our attorneys have practical experience that applies to any form of commerce. Listening acutely to the objectives of our clients and understanding the framework of their businesses lets us go beyond the conventional to achieve their goals.

Hill Smith lawyers have recently worked on behalf of the following clients:

The second largest bottler of one of the world's largest and most recognized soft drink companies. Over the past several years, the company has expanded its bottling territory primarily throughout the southeast United States via acquisitions and, combined with internally generated growth, has net sales in excess of \$1.2 billion.

Four of the top twenty of largest financial institutions in Europe.

A world-renowned multinational insurance conglomerate with more than \$157 billion in statutory assets, the company is one of the largest insurance and financial services companies in the world.

Several new ventures as well as well established companies operating in the upstream oil and gas industry.

One of the world's most notable privately held video game developers. The company has recently released the world's #1 selling Xbox 360 game.

A Fortune 100 publicly traded (NYSE) company that is a leading international provider of staffing, consulting, and solutions in the disciplines of information technology, finance and accounting, law, engineering, and healthcare.

A \$1 billion private diversified technology company with a long history of developing breakthrough adhesive, coating and motion management technologies.

The world's largest privately held provider of training, enterprise learning services, and software solutions for information technology and management professionals. The company has numerous international locations.

A publicly traded (NASDAQ) international agricultural biotechnology company focused on developing patented biological and mechanical products specialized in the poultry industry.

A German global supplier for the automotive vehicle industry. While specializing in wire harnesses, the company's wide range of products include emission control, brake systems, belt-restraint systems, tank modules, engine harnesses, and highly complex cable sets for the commercial vehicle industry.



Contact



We appreciate your interest in our firm and we acknowledge your desire to contact us. We would like to hear from you. However, due to certain ethical rules applicable to lawyers, we cannot discuss specific legal issues with you or represent you until we know that doing so will not create a conflict of interest involving one of our existing clients. Accordingly, we ask that you please do not send us any information about any matter that may involve you until you receive and return a written statement from us that we represent you.

If you wish to initiate possible representation, please feel free to contact one of our attorneys directly. Alternatively you may send an e-mail to info@hskwlaw.com. For more information please visit our website at www.hskwlaw.com.