

# KDW Assists Taiyo Nippon Sanso in a Complex Restructuring of German Joint Venture

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Kelley Drye completed the final closing of a complex joint venture restructuring for Taiyo Nippon Sanso Corporation (TNSC), a Japanese industrial and specialty gas company, of its German joint venture.

The restructuring was necessitated by the acquisition of TNSC's joint venture partner, Messer Griesheim, by Air Liquide, which triggered a "change of control" clause and certain related options in the original joint venture agreement. Over the course of approximately eight months, negotiations were conducted in parallel with Linde AG, which TNSC had identified as its new preferred partner, and Air Liquide, involving the purchase of the shares of the joint venture that had been held by Messer Griesheim, and significant transitional supply and service contracts between Air Liquide and the joint venture company. At the same time, negotiations took place with Linde concerning the terms of new joint venture arrangements.

The principal agreements were executed late last year and, following approval from the European Commission, an initial closing occurred in January 2005, whereby a special purpose entity formed by TNSC acquired the 51% interest in the joint venture then owned by Air Liquide. Upon obtaining requisite clearances from the merger control authorities of Germany and Austria, a second closing was held at the end of February, at which time these shares were transferred by TNSC to Linde and the new joint venture agreement became effective.