



Sharper focus  
Business law for  
the real world

Annual report

Tite&Lewis

Tite & Lewis was successful in overcoming some very tough markets.



Mark Lewis  
Chairman

Christopher Tite  
Managing Partner

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To succeed in difficult times requires the courage to grasp nettles and the clarity of mind to know precisely where to concentrate an organisation's energies. This last year was indeed a difficult one for many. Tough trading conditions and, more generally, a struggling global economy struck a note of gloom right across the market for corporate legal services.

Nonetheless, thanks to our renewed focus on the firm's core strengths of M&A, outsourcing, real estate and structured finance, as well as our determination to carry

through difficult but absolutely necessary headcount reductions in certain areas of the business, we can now look back on a remarkable Tite & Lewis performance in 2002/03.

The firm is blessed with an exceptionally talented group of people, and our reorganisation and sharpening of focus has enabled them to deepen their relationships with clients and provide a greater level of service. Our reward: a 39.5% increase in revenues during our third year (up from £7.6 million to £10.6 million), with fees-per-lawyer rising to £225,000 and fees-

per-partner up by more than one third to £780,000. In fact, since our launch in May 2000 Tite & Lewis' revenues have very nearly doubled.

Results like these would be impressive during an economic boom. In the present climate they are a clear and welcome indication that the decisions we have taken, and the wider strategy from which those decisions spring, were and are absolutely right for the times. It is a particular source of pleasure and pride that others clearly think so too; the loyalty of our clients, old and new, contributes greatly to our confidence that what we do

and how we do it, the style of our delivery and the substance of our professional advice, is indeed just what businesses really want from their legal advisers.

Last year provided us with a solid platform from which to face future challenges. Looking forward we certainly see no shortage of these. Over the next five years the legal services marketplace will, we believe, experience significant change as new liberalising legislation takes effect. New entrants, increased commoditisation of certain (though mainly consumer-orientated) legal

# Revenue growth

5.4 million  
Year one

7.6 million  
Year two

10.6 million  
Year three

services, consolidation in the middle market, as well as a shortage of talent brought about by demographic change; all these will demand a bold response.

In such a world, simply providing the best technical advice will not be enough. Clients will seek to source their value-added services from lawyers who are also commercially-minded and who have a clear line of sight to, and a real understanding of their business goals. As importantly, lawyers will be expected to build that understanding on the back of a significant (un-billable)

investment in the client relationship, and then to wrap all of this in a much sharper awareness of the short and long-term consequences of the advice they give, both for the client organisation and its wider community of stakeholders.

These are exacting demands. Nonetheless, in our view, future success will come only to the firms that can deliver all of them, all of the time. It will take lawyers who can adopt a holistic view of their clients' needs to build deep, concentrated relationships with them, and who possess what it takes to prove daily that they have

the agility and presence of mind to share the burden of their clients' continuing commercial challenges, but in a way that does not break the bank.

In truth the changes that we foresee are already in the making. Major corporations and institutions are already looking much more closely at new and innovative ways to succeed. In M&A, outsourcing, real estate and structured finance, we see them on the look out for a particular kind of law firm to help them achieve their ambitions; a firm that has not only the requisite technical expertise but also the

means to deliver it with uncommon speed, agility and know-how.

At Tite & Lewis we recognise this description as if we had glimpsed it in a mirror. Developments in M&A, outsourcing, real estate and structured finance will, we believe, be in the vanguard of future change and innovation in commercial legal practice. It is no coincidence that Tite & Lewis has deep and demonstrable expertise, and now a much sharper organisational focus, in precisely these areas which we call our MORES strategy (M&A, Outsourcing, Real Estate and Structured Finance).

Undaunted by tough markets and regulatory distractions, we will continue to nurture our market recognition as an independent law firm, build on our core strengths, and work in alliance with EY Law's worldwide network of 2,000 lawyers.

  
Mark Lewis  
Chairman

  
Christopher Tite  
Managing Partner

# Our focus

Our strategic focus has enabled us to deepen our relationships with clients and provide a greater level of service.



## M&A

Getting to the bottom of why we have decided to focus so much of our energy on our M&A practice only takes a moment. Our corporate lawyers have made deep and telling in-roads into this market and now play a pivotal role in the wider firm because it is in the nature of corporate and finance transactions that clients tend to cry out for our fully integrated firmwide approach.

So whatever the issue, and no matter how complex, our M&A team offers a complete service, always prepared and equipped to add value well beyond the narrow

bounds of pure legal advice and the closing of transactions. And in cross-border transactions the team's close alliance with EY Law renders no multi-jurisdictional deal too large or too complex.

Such flexibility and breadth is a distinguishing mark of the best M&A legal support. After all, M&A deals tend to generate all manner of supplementary challenges and it is our job to solve every one of them. Our burgeoning portfolio of post-merger integration services offers many a case in point; these are highly innovative and as diverse as the myriad challenges

they are designed to resolve. This might include support for clients wishing to use outsourcing to rationalise business processes such as HR and IT. Or, it could involve law department consulting, helping a newly-merged business to assess and realign its in-house legal services.

## Outsourcing

Having recognised early on that most buyers and suppliers of outsourcing services need, but cannot always find, a fully integrated technical and legal solution, Tite & Lewis has developed an enviable track record in managing the great many legal complexities that tend to attach themselves to outsourcing projects.

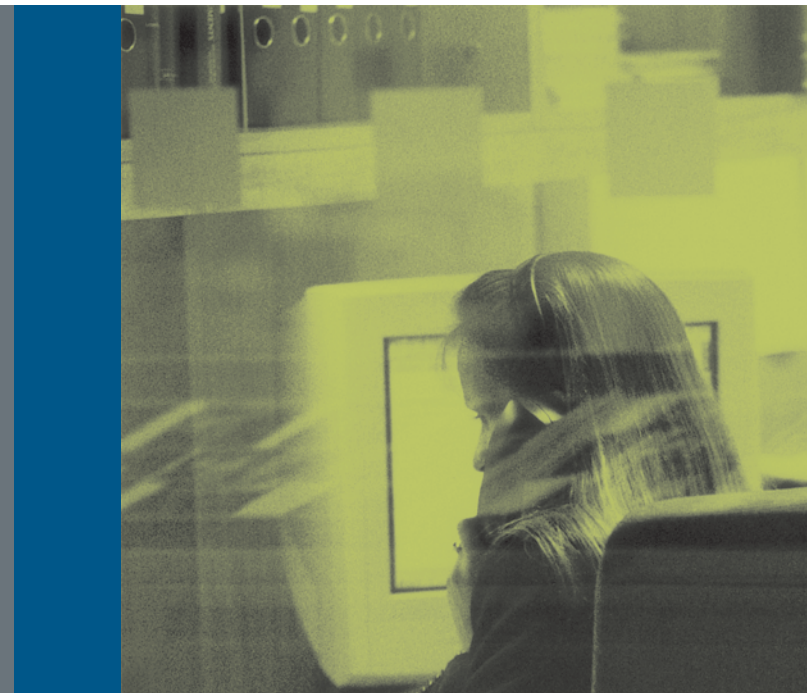
Of course an experienced team like ours is perfectly positioned to help companies realise the full benefits of their plans (often denominated in terms of cost reduction and operational certainty) as well as to avoid the many pitfalls (such as ineffective contracts and suppliers unwilling to

improve their service levels even when unfavourably benchmarked).

Today, as offshoring grows in popularity, that founding insight into the need for a one-stop legal solution is, if anything, all the more apposite.

Offshoring arrangements very often offer the added challenge of requiring intensive and simultaneous legal input on both domestic and overseas issues. So our lawyers routinely provide integrated multi-jurisdictional solutions that incorporate real estate, finance, tax, HR and IT.

We not only have the requisite technical expertise but also the means to deliver it with uncommon speed, agility and know-how.



## Real estate

If anyone still doubts the merits of our highly integrated approach to legal practice they should take a close look at our real estate team. Its counterparts in the traditional firms fulfil the need for large-scale traditional services like conveyancing, but not much else. The Tite & Lewis team, on the other hand, prides itself on delivering a truly holistic real estate solution.

Our real estate clients are often involved in complex projects which would ordinarily require them to source a number of niche professional services from a variety of suppliers.

Now, as Tite & Lewis clients, they need make only a single telephone call to have instant access to the fullest range of real estate skills any new property project could demand; from inception to successful completion; from initial financing and the securing of planning permission to, say, managing the response to local and national environmental concerns.

## Structured finance

Our structured finance team has an industry-wide reputation for helping clients devise, test and implement truly innovative answers to their financing problems; from restructuring and refinancing debt using derivatives or similar instruments, to property sale and leasebacks which help mitigate tax liabilities. Talking of tax, the team's close working relationship with Ernst & Young's tax consultants has already produced some of the market's most highly creative and effective corporate tax solutions.

But innovation does not stop there. We also advise banks and

finance houses on imaginative techniques for risk reduction, a fine example of which was the team's support for financial institutions seeking ways round new legislation designed to limit bank powers to use administrative receivers in the event of a repayment default.

In fact, whatever the need – be it cost saving, fund raising or risk mitigation – the Tite & Lewis structured finance team is constantly seeking out fresh solutions in an increasingly regulated and highly competitive arena.



# Winning greater recognition

An independent poll of FTSE 250 companies found that Tite & Lewis was voted one of the group's most popular law firms.

For the second year running the Legal 500 rated Tite & Lewis as one of the UK's Top 100 commercial law firms, this time with recommendations for eight practice areas including MORES.



For us every year begins and ends with our clients. Even so, for 2002/03 to have produced so many new relationships, and seen the deepening of so many existing ones, has been a source of great satisfaction for all of us.

Through 2002/03 we have advised on everything from offshore outsourcing to international corporate and finance transactions, accepting and relishing a very wide range of new challenges, each an opportunity to impress clients old and new. We have forged new relationships with a significant number of blue chip organisations

including leading financial institutions and international telecommunications businesses. Gaining the confidence, support and continuing custom of organisations of such calibre means everything to a firm like ours; one that prides itself on being able to make a real difference to every business, including the most discriminating and successful.

Our clients often tell us that they enjoy working with us because we are less stuffy, as well as more commercially aware, than other law firms, and that they really do appreciate the speed and

efficiency of our integrated service delivery, particularly when allied to EY Law. As you would expect this is music to our ears. But in managing and developing the firm we never forget that direct client feedback only ever reveals a part of what we need to know about how the world views our practice. The independent research conducted for legal publications helps us to gauge our overall impact on the market at large, and in 2002/03 we were delighted to receive strong endorsements from some of the most authoritative titles.

The Legal 500 rated Tite & Lewis as one of the UK's Top 100 commercial law firms during 2002/03, with market recommendations for eight practice areas: M&A, outsourcing, real estate (commercial property), structured finance (derivatives), administrative and public law, public affairs, IT and telecoms. Meanwhile, Commercial Lawyer reported the findings of an independent poll of the FTSE 250, which identified us as one of their most popular law firms for corporate legal advice.

# A sharper service



## A sharper service that promises to be straightforward and effective.

### Direct

We speak our clients' language; succinct, business orientated, liberating and enabling; solving business problems not putting up legal barriers; telling them what we think, not what we think they want to hear.

### Creative

We make a real linkage between ideas and actions and we determinedly establish and maintain a clear line of sight to clients' business goals, helping them find the best way forward.

### Committed

We are part of the client's team, sharing challenges and triumphs; always there when needed, now and in the future.

### Open

What you see is what you get; the right mix of people and skills, the best service at the right cost – with no surprises.

### Agile

Our teams are fast and flexible, delivering multiple solutions in multiple jurisdictions to help clients gain the competitive edge they seek.

### Efficient

We can, if clients choose, eliminate the distraction of competing and/or conflicting advice within and across borders; as project manager we can remove the need for clients to search, select and control multiple advisers.

# Delivering on our promise

“...I value their commercial approach”

“...complex projects completed within challenging time-frames”



Lloyds TSB Group plc is a leading UK-based financial services group that provides a comprehensive range of banking and other financial services in the UK and overseas. This includes Lloyds TSB Bank plc, Scottish Widows plc and Cheltenham & Gloucester plc. A large and diverse group, yet one that manages to remain agile, well integrated and successful in a fiercely competitive marketplace.

This has been achieved, for the most part, by making the best use of innovative technology, both within and between the various group companies. Tite & Lewis has

provided the Lloyds TSB Group plc with legal advice on many of these technology initiatives over the past few years.

Angela Main, Head of Group IT Legal, remarked: “Over the last year Tite & Lewis have helped us with outsourcing transactions, high-tech joint ventures, IT infrastructure procurement and e-commerce projects. I value their commercial approach and dedication in getting complex projects completed within challenging time-frames.”



“...fully accustomed to managing deals of this size and complexity”

“...they could operate seamlessly and with apparent ease across borders and legal jurisdictions”



**INTERNATIONAL  
SURFACE PREPARATION**

International Surface Preparation Corporation (ISPC), a consortium of four US private equity houses (Bard Group, First Atlantic Capital Ltd., GlenRock Group LLC and Hunt Capital Group Fund II) acquired US Filter Corp's surface preparation business from Veolia Environnement for US \$100 million.

ISPC now operates manufacturing and distribution facilities across 15 countries, primarily in Europe and North America, and it employs over 1,700 people worldwide. The business already generated annual revenues of approximately \$350 million, making and distributing

equipment used to clean, finish, deburr and polish surfaces of all kinds for manufacturers and industrial contractors.

Hans Magnus Andresen, Managing Director of European Operations, commented: “The acquisition of US Filter Corp's surface preparation business provides our consortium with a strong portfolio of internationally recognised industrial brands and a loyal client base. It's a fantastic business and one that we can develop further.

“The acquisition itself was complex, not least because it

covered multiple jurisdictions. And the time-frame for its completion was ambitious too. For these reasons we had to appoint a group of legal advisers who were fully accustomed to managing deals of this size and complexity, and advising clients like us who expect nothing less than absolute quality and professionalism.

“This we found in Tite & Lewis who, together with EY Law and King & Spalding, did an outstanding job. The legal team showed they could operate seamlessly and with apparent ease across borders and legal jurisdictions. Thanks to their

help International Surface Preparation Corporation is now off to a flying start.”

“...cost saving and speed of response”

“...a law firm that could integrate with our team”



Grundon Waste Management Limited, a privately owned waste management company, is the largest of its kind in the UK and is in the vanguard of the waste industry. It was the first company to introduce the 'Waste Wheeler' collection system and it pioneered high density baling of waste in the UK. The company has also developed a high temperature clinical waste incinerator and currently owns three material recovery facilities with another four planned in the future.

In June 2000 Grundon Waste Management Limited received

planning consent to build an energy-from-waste facility with front-end recovery close to Heathrow Airport. Covering six acres, the plant will process over 1,300 tonnes of waste every day once completed. But to build a plant of this size and complexity requires detailed and sensitive planning, as well as intricate financing. So Grundon Waste Management Limited was on the look out for a law firm that had a deep understanding of the potential issues and a proven ability to manage them.

Richard Skehens, Managing Director, commented: "We appointed Tite & Lewis because we needed a law firm that could integrate with our existing team with multidisciplinary capabilities to service a complicated project such as this, whilst acknowledging the sensitivities and intricacies of the scheme. The ability to show cost savings and speed of response was also a major factor in their appointment.

"They advised us on a broad range of commercial issues and requirements over the year. This ranged from bank financing,

land-leasing and sub-leasing, to construction and engineering contracts, general project management and the incorporation of new companies."

“...the link with EY Law offers excellent international reach”

“...a superior understanding of both our product and the difficulties inherent in its implementation”

## Burdale Financial Limited

Burdale Financial Limited is the UK's leader in comprehensive asset based lending and is a subsidiary of Wachovia Corporation, America's fifth largest banking group with assets in excess of \$330 billion. The company helps businesses to finance their growth, development and/or turnaround plans by matching exactly their borrowing needs against the value of their assets.

A growing number of these clients are now looking for cross-border financing which, for the most part, can cover assets in any one or

combination of jurisdictions across Europe and North America. However, the diversity of these regions and complexity of assets are set to grow and it was out of recognition of this that Burdale Financial Limited sought a team of legal advisers they could trust: partners with a proven capability in, and genuine penchant for, this type of international finance.

Dennis Levine, Chief Executive, commented: “We have developed a strong relationship with the Tite & Lewis team, who have shown strength and breadth when dealing with complex legal issues.

We enjoy a long standing and highly effective relationship with Andrea Cropley, with whom we have worked for many years, and this has been enhanced by the expertise provided by Charles Proctor. We placed confidence in his ability to deliver which has been justified on numerous occasions.

“Tite & Lewis was appointed on a number of deals for us, including cross-border financings. The most recent transaction covered five jurisdictions in Europe and North America.

“We have been delighted with the speed, efficiency and professionalism of everyone with whom we have collaborated, and have received ample proof that the partners have a superior understanding of both our product and the difficulties inherent in its implementation. Additionally, the link with EY Law offers excellent international reach at a time when we have a requirement for this very resource.”

“...no-nonsense  
straightforward  
approach”

“...their commitment and ability  
to deliver never disappoints”



Queen Mary University of London is world-renowned for its breakthroughs in science. It was at the forefront of high profile issues like the prevention of deep vein thrombosis and it has made recent award winning discoveries in the production of biomedical materials. Not surprisingly its commercial activities and student population have grown exponentially, representing more than 100 countries and reflecting the university's academic and commercial flair.

To help increase Queen Mary University of London's capacity still further, a new campus and various

related facilities are under construction thanks to imaginative and flexible funding.

Dean Curtis, Director of Resources, remarked: "To help move our business forward we asked Tite & Lewis to devise a debt facility to help raise £58 million. This included a £36 million project finance facility for our new residential campus.

"Their no-nonsense straightforward approach enabled us to meet our objective with relative ease and this has given us the added confidence and enthusiasm to entrust them with other related

projects. For example, they arranged the finance leasing of plant facilities that will be installed in the new campus and they have also supported the development of our revolutionary medical research facilities.

"In addition to all this, other specialist lawyers from Tite & Lewis are now helping us with the establishment of our open and distance learning facilities across the Far East. So, all in all, our relationship with Tite & Lewis just keeps growing and their commitment and ability to deliver never disappoints."

“...we wanted to close the deal fast... with the minimum of fuss”

“...advice delivered in a proactive and supportive manner”



Dennis Publishing Limited is one of the fastest growing independently owned magazine publishers in the world, operating in both the UK and the US. It publishes 19 magazines in the UK (including Maxim – which is also published in 32 other countries – Auto Express, PC Pro, Viz and The Week) and four titles in the US (Maxim, Stuff, Blender and The Week). The combined US and UK turnover for 2002 was \$293 million.

In June 2003 the company, which is renowned in publishing circles for its agility and commercial focus, acquired I Feel Good plc, a company

listed on the UK AIM market which publishes Viz, Bizarre, Fortean Times and Jack. Ernst & Young was advising Dennis Publishing Limited at the time, and in this capacity they introduced Tite & Lewis.

Ian Leggett, Group Finance Director, commented: “When making a bid of this type it is critically important to assess both intangible and tangible assets and although this is familiar territory to us, we were unfamiliar with the complexities of acquiring a public company.

“We wanted to move quickly and had little time or patience to go

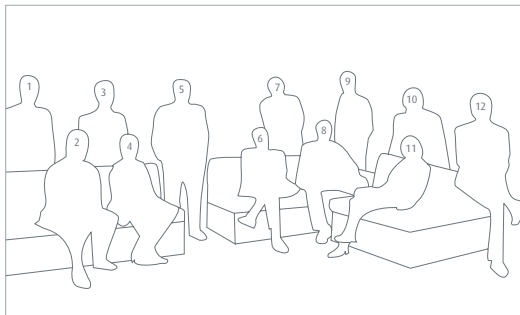
round shopping for different advisers. We wanted to close the deal fast and at a good price, but with minimum fuss. For this reason the prospect of getting all the necessary expertise in one bundle seemed ideal and Ernst & Young could offer a one-stop-shop solution by introducing their allied law firm Tite & Lewis.

“We accepted the offer and I am delighted to say that the transaction went through in less than four weeks within the £5.1 million consideration we considered acceptable.

“We are grateful to Ernst & Young and Tite & Lewis for their advice, delivered in a proactive and supportive manner.”



# The Partners



1. **Christopher Fellowes**  
Real Estate

2. **James Robinson**  
Competition & Regulatory

3. **Jim Hillan**  
Tax Transactions

4. **Andrea Cropley**  
Mergers & Acquisitions

5. **Mark Lewis**  
Chairman

6. **Christopher Tite**  
Managing Partner

7. **Charles Proctor**  
Finance

8. **Jon Edgell**  
Technology & Outsourcing

9. **Iain Young**  
Mergers & Acquisitions

10. **Alison Welterveden**  
Technology & Outsourcing

11. **Louise Gowman**  
Real Estate

12. **Malcolm Hurley**  
Mergers & Acquisitions  
Tax Transactions





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