



NEWS ADVISORY

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Trans-Atlantic Talks Between Law Firms: Kirkpatrick & Lockhart LLP and Nicholson Graham & Jones Announce Discussions to Combine Firms

New York and London -- Kirkpatrick & Lockhart LLP (K&L) and English law firm Nicholson Graham & Jones (NGJ) today announced that they have commenced discussions aimed at a possible combination of the firms later in 2004. If the combination occurs between K&L, with 800 lawyers located in 10 offices across the United States, and NGJ, with 135 lawyers in London, it would rank as one of the larger trans-Atlantic law firm mergers and the largest involving an American firm without an existing presence in the United Kingdom. The combined firm is expected to have fee revenue exceeding US\$500 Million in 2005, its first full year of existence.

Peter Kalis, K&L's Chairman, and Michael Johns, NGJ's Chairman, stated: "With substantial offices in New York and London and with offices across the U.S from New England to California, we believe that our combined firm will be well positioned for the globalization challenges of the 21st Century. Chief among those challenges is the ability to serve the needs of our clients with a seamless efficiency no matter where they arise. By combining our firms, K&L and NGJ will meet this challenge with talented lawyers, critical mass, and practice diversity on both sides of the Atlantic. Further expansion into continental Europe as well as into other key U.S. markets will be an early priority for our combined firm."

They went on to say: "Our firms share a culture of dedicated client service, collegiality and commitment to the highest callings of our profession. Our practices also synchronize along a

broad range of disciplines, including investment management and related funds work, mergers and acquisitions, private equity, property/real estate, litigation, intellectual property, construction, and insurance coverage."

Messrs. Kalis and Johns emphasized that, in addition to expected synergies in both the U.S. and the U.K. arising from these many disciplines, several practices would differentiate the combined firm in the U.K. marketplace. In particular, K&L's current leading positions in the funds, insurance coverage, and construction practices would contribute to the London office's planned growth in these areas and in NGJ's other core practices, while ensuring that U.S.-based clients would have their trans-Atlantic requirements met efficiently within a single firm. At the same time, NGJ's corporate, litigation, and property practices would produce further development opportunities in the U.S. while also benefiting from the expected inbound work into the U.K. The two firms have already started working together on a range of client engagements.

Johns also said: "For some time, NGJ has desired to participate in the continuing consolidation in the U.K. legal market and the internationalisation of the practice, so as to broaden our areas of expertise, enlarge our resources and thus better serve our clients. We believe that a combination with K&L will achieve these aims."

The two firm leaders indicated that the talks between the firms commenced in March of 2004 and have continued since then with meetings in both countries. The Management Committee of K&L and the Partnership Board of NGJ have approved the talks, and partners in both firms have been briefed on the discussions.

Although discussion on various details continues, the firm leaders have already proposed to their respective partnerships that the combined firm would be known as Kirkpatrick & Lockhart Nicholson Graham.

It is anticipated that, if the talks proceed satisfactorily, formal proposals will be put to the respective partnerships in September/October 2004.

A further press announcement will be made upon the resolution of the talks.

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For more than a century, Nicholson Graham & Jones has used its commercially-focused approach to law and in-depth understanding of business sectors to deliver legal advice and business advantage to clients ranging from start-ups to the FTSE 100. With 135 lawyers resident in London, the firm's core practices encompass corporate, commercial and banking; property; construction and engineering; litigation and dispute resolution; intellectual property and new technologies, and private client services. For more information, please visit www.ngj.co.uk.