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Implementation of the Savings Protection Act

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The law commonly known as the Savings Protection Act, passed in December 2005 and amended in December 2006, is considered to be a sort of Italian equivalent to the Sarbanes-Oxley Act. It deals, among other things, with the corporate governance of listed companies.

On May 3 2007, Consob, the regulatory authority of the Italian Stock Exchange, issued a regulation to implement the Savings Protection Act on a number of matters, including the corporate governance of listed companies. The Consob Regulation should guide listed companies in amending their by-laws to comply with the act by June 30 2007.

Appointment of the board of directors

According to the Savings Protection Act, board members of listed companies must be appointed from lists of candidates submitted by the shareholders. Only single shareholders or groups of shareholders who hold a minimum percentage of the share capital of a listed company, as determined by its by-laws, can submit lists of candidates. According to the act, this minimum percentage may not, in any event, exceed 2.5% or such other cap as determined by Consob. The Consob Regulation allows the cap to range from 0.5% of the voting shares (if the market capitalization of the listed company is more than €20 billion) to 2.5% (if its market capitalization is between €500 million and €1 billion).

If the market capitalization is less than €500 million, the maximum percentage is increased to 4.5%, provided that (i) the shares in public hands represent more than 25% of the voting shares and (ii) there is no single

shareholder and no voting syndicate holding the majority of the voting rights required to appoint the board of directors. The by-laws of listed companies may provide that only candidates from lists which have obtained at least half of the votes required to submit a list can be appointed to the board.

The Savings Protection Act requires at least one of the board members to be chosen from the list which has obtained the second highest number of votes, provided that the list is not in any way connected with the majority shareholder, as determined by the by-laws (nothing is provided with this regard in the Savings Protection Act, nor in the Consob Regulation).

The act also provides that at least one member of the board of directors (or two, if the board comprises more than seven members) must satisfy the independence requirements provided by the law for statutory auditors. The by-laws may provide other requirements in addition to those provided by the law, also by reference to codes of conduct approved by the stock exchange or by a business association.

Appointment of the board of statutory auditors

The Savings Protection Act requires at least one permanent member of the board of statutory auditors, and in any event the chairman, to be chosen from a list of candidates submitted by minority shareholders who are not in any way connected with the majority shareholder. The Consob Regulation specifies that this connection exists (a) if there are family links between a minority shareholder and the majority shareholder; (b) if a minority shareholder and the majority shareholder are part of the same group of companies, are members of the same voting syndicate in a group company, or are otherwise associated companies; or (c) if a minority shareholder is a director or manager in a company which is part of a group controlled by the majority shareholder. The regulation also contains other conditions not discussed here.

The appointment of the members of the board of statutory auditors is now governed by the Consob Regulation (before, this was a matter for the by-laws). The Consob Regulation provides that at least one permanent member and one alternative member of the board of statutory auditors be chosen from a list of candidates submitted by minority shareholders. If a permanent member appointed from a minority list ceases to hold his office for any reason, he will be replaced by an alternative member chosen from the same list. The regulation forbids any shareholder (or shareholders belonging to the same group of companies or to the same voting syndicate) to submit or vote for more than one list of candidates, whether directly or indirectly.

The Consob Regulation allows listed companies to provide in their by-laws that the shareholders or groups of shareholders who submit a list of candidates to the board of statutory auditors must hold a minimum percentage of voting shares, which may not be higher than that required to submit lists of candidates to the board of directors. In no event, however, can the by-laws provide that a minimum number of votes be required for candidates from a list to be appointed to the board of statutory auditors.

Capital markets

Recommended firms

Tier 1

Bonelli Erede Pappalardo
Chiomenti
Clifford Chance

Tier 2

Allen & Overy
Gianni Origoni Grippo & Partners

Tier 3

Cleary Gottlieb Steen & Hamilton
d'Urso Munari Gatti
Freshfields Bruckhaus Deringer
Labruna Mazziotti Segni
Latham & Watkins
NCTM
Shearman & Sterling
Simmons & Simmons

Tier 4

Dewey Ballantine
Grimaldi e Associati
Linklaters
Macchi di Cellere Gangemi
Norton Rose
Pedersoli e Associati
Studio Legale Beltramo
White & Case

Tier 5

Ashurst
Carnelutti
Giliberti Pappalettera Tricornia e Associati
Studio Grande Stevens
Tonucci & Partners
Ughi e Nunziantè
Vita Samory Fabbrini e Associati

Debt is back in Italy and making its presence felt. Companies that have traditionally looked to banks for revolving lines of credit are now choosing to issue large medium-term notes instead. The quest for easy capital to leverage acquisitions is driving debt capital markets as the M&A boom rolls on.

New types of securities are arriving on the scene. Italian covered bonds have arrived following a revision of the law last year and 2007 has seen the first direct Tier I issuances. Lawyers have also noticed an upsurge of interest in convertible bonds. Market commentators expect to see more of these instruments over the coming year.

And equity capital markets have been no less healthy: "It has been a fantastic year for Italian equity," commented one lawyer. 2006 saw a spate of mid-cap initial public offerings (IPOs) as companies from every sector rushed to list on the stock exchange. "Italian companies all want to grow and we have a very active

venture capital market," noted one market specialist. "They are raising more capital to finance their strategies worldwide."

Larger IPOs have a higher mortality rate. But the buoyant mid-cap market is keeping equity capital markets lawyers busy.

Bonelli Erede Pappalardo

Bonelli Erede Pappalardo has had an excellent year with market consensus that the firm belongs in tier one. "They are one of the best capital markets firms in Italy," one client commented. "They are very strong in terms of practice, in terms of their relationship with regulators and in terms of their deep knowledge of the Italian market." Competitors particularly emphasized the firm's strong equity and securitization practices.

In 2006 the firm acted for both issuers and investors on a number of diverse offerings on the equity capital markets. The "aggressive but not overly aggressive" Alberto Saravalle advised Ascopiave, a domestic gas distributor, on a public offering and private placement to institutional investors, while Carlo Montagna advised private-equity house Charme Investments during luxury furniture producer Poltrona Frau's €114 million IPO.

Montagna was repeatedly singled out for praise by rivals. One peer said: "He's very practical and is almost a financial adviser to his clients. He's easy to work with as he goes straight to the point," while another highlighted his ability to deliver results.

But equity work is by no means a one-man show. In 2007 the firm showed the breadth of its expertise assisting leading Italian bank Mediobanca during Eni's IPO and private placement.

Securitization mandates have also provided the firm with some high-value deals this year, cementing Bonelli's reputation in this field. Paolo Oliviero advised a consortium of banks including Lehman Brothers on a €1.44 billion residential mortgage-backed securities (RMBS) issuance by Berica 6 Residential MBS. Meanwhile Alberto Del Din assisted Intesa Sanpaolo on Intesa Sec 3 issuing €3.6 billion RMBS in 2007. Del Din also helped Imser Securitisation 2 issue €880 million asset-backed notes as part of the refinancing and restructuring of Imser Securitisation's €1.2 billion commercial mortgage-backed securities (CMBS) issue of 2002.

Although debt may not be regarded as the firm's strongest area, Bonelli has acted for several global investment banks on traditional debt issuances. In 2006 Riccardo Sallustio advised a consortium of banks led by Merrill Lynch on the Region of Piedmont's issuance of €1.8 billion floating-rate notes due 2036 and €56 million fixed-rate notes. This is part of a

€2 billion medium-term note (MTN) programme. Andrea Novarese meanwhile advised Citibank and BNP Paribas on a €1 billion high-yield bond from Fiat which was oversubscribed several times.

Leading lawyers

Roberto Cera
Alberto Del Din
Carlo Montagna
Andrea Novarese
Paolo Oliviero
Alberto Saravalle

Chiomenti

Chiomenti moves up to tier one this year in response to commendations from the market. As one peer said: "The firm is very good and very strong, particularly in equity."

Equity has indeed been the focus for Chiomenti this year. In October 2006 the firm acted for Newron, a pharmaceuticals company, and its shareholders – 3i, Atlas Ventures, Apax Partners and HBM – on its IPO and listing on the Zurich Stock Exchange. In the same month the same team assisted Allianz on its listing on the Mercato Telematico Azionario (MTA) International, part of the Borsa Italiana. This listing was part of a wider deal concerning Allianz's acquisition of RAS and demonstrated the capacity of Chiomenti's combined corporate department.

Enrico Giordano is regarded very highly by other capital markets lawyers. He is, according to one, a "very experienced guy in these transactions who works a lot and understands the numbers". Giordano represented JPMorgan and Banca Caboto, the underwriters, during Saras's €2.3 billion IPO in May 2006. The company was listed on the MTA and made a private placement to international investors in America under Rule 144A/Regulation S.

Italian municipalities have also flocked to Chiomenti for assistance issuing bonds. The firm advised the Region of Abruzzo on two Eurobond transactions: the team helped restructure two Eurobonds listed on the Luxembourg Stock Exchange worth €750 million and advised on the issue of a further €138 million Eurobond. The Region of Veneto also used the firm on a €300 million Luxembourg-listed Eurobond while the City of Verona sought its advice on a €256 million security. Meanwhile Carmelo Raimondo counselled Sella Holding Banca on a €1.5 billion Tier I, Tier II and Tier III MTN programme.

Raimondo also specializes in securitization. He assisted Banco Popolare Verona e Novara, the originator, on the €1.45 billion securitization of performing mortgage loans and advised the arrangers, Centrobanca and Ixis Credit

Investment Banking Felsina Funding, on a €300 million securitization of similar assets.

Francesco Ago, despite his absence on many deals, maintains an excellent reputation. One competitor said: "He's a lawyer with a very good professional personality, traditional experience and a good presence in the market," while another described Ago as an "experienced and sound lawyer who has incredible communication with the regulators".

Leading lawyers

Francesco Ago
Roberto Ghio
Enrico Giordano

Clifford Chance

Clifford Chance consolidates its position in the top tier this year acting on a staggering array of IPOs, bond issuances and securitizations. The firm was distinguished by competitors as "the top magic-circle firm in Italy".

Filippo Emanuele is Clifford Chance's capital markets star. Described by one rival as "a good guy, very talented and easy to deal with because he's very commercial", Emanuele led some of the year's most important equity and debt work. In October 2006, he advised Goldman Sachs and Mediobanca on Banca Generali's €250 million secondary offering and in the same month he and Paolo Sersale acted for UniCredit Banca Mobiliare and JPMorgan on Elica's €128 million IPO. Both were again involved in listing Aicon Yachts for €144 million on the Italian Stock Exchange in April 2007.

Clifford Chance's relationship with the big Italian banks is also apparent in its debt work. In 2007 Emanuele advised Banca IMI, Deutsche Bank and Caboto regarding the update of Intesa Sanpaolo's €35 billion EMTN programme as well as counselling Banca di Credito Finanziario, the arranger, on updating Mediobanca's €16 billion MTN programme.

The firm is gaining a reputation for its work on hybrid securities. In 2007 Clifford Chance acted on the first direct Tier I issue since the law was changed to permit these last year and has acted on all further Tier I issues to date. In February 2007 the firm advised JPMorgan, HSBC and Mediobanca on hybrid debt instruments issued by Generali Finance and Assicurazioni Generali worth €1.75 billion. And in June 2007 the firm assisted the same banks on structuring and executing a similar €4 billion deal.

Securitization continues to pull in some big-ticket deals. In October 2006 Tanja Svetina helped the originators and arrangers, Banca Nazionale del Lavoro, on a €2.3 billion RMBS carried out by Vela Home while

Anna Bessant and Franco Grilli represented Citigroup Global Markets as arranger and manager on a €2 billion RMBS issued by BPM Securitization 2.

Leading lawyers

Paolo Calderaro
Filippo Emanuele
Alberta Figari
Nicholas Wrigley

Allen & Overy

Allen & Overy hangs on to a place in tier two this year as market commentators noted that although "the firm is fairly strong on debt capital markets and on straight international debt, it is not very big in equity or securitization and is less all-round than the others".

Debt has certainly been the firm's focus this year. Merrill Lynch International has repeatedly endorsed the office's capital markets skills, choosing Allen & Overy to help on three passporting issues and on three issues of structured bonds. The distributors of the bonds were Capitalia, Poste Italiane and Banca IMI Sanpaolo. The firm has also assisted Deutsche Bank on restructuring EMTNs issued by the Region of Abruzzo and Banca Nazionale del Lavoro on updating the Region of Abruzzo's EMTN programme.

On the structured side, Allen & Overy again acted for Deutsche Bank on transferring and restructuring healthcare receivables owned by companies in the Region of Abruzzo and acted on a similar transaction for a consortium of banks including Deutsche Bank in the region of Piedmont. The assets were passed on to suppliers such as private hospitals and pharmacies.

IPOs are not Allen & Overy's chief focus but the firm still plays a role in the equity capital markets. In June 2006 the firm assisted Mediobanca on listing Antichi Pellettieri, an accessories and footwear company, on the Expandi market of the Borsa Italiana. The firm also helped petrol company API Anonima Petroli Italiana on its offering.

Competitors also praised Allen & Overy's lawyers: Giovanni Luppi was described by peers as "a very creative lawyer who finds very clever solutions" and Craig Byrne was also singled out.

Leading lawyers

Max Aaron
Massimiliano Danusso

Gianni Origoni Grippo & Partners

Gianni Origoni Grippo & Partners seems to have recovered from the loss of four partners and 20 associates last year and has, according to

one market insider, "moved up a gear in equity capital markets".

This year the firm helped d'Amico International Shipping on a private placement and public offering of shares on the Star segment – for medium-sized firms – of the MTA. The transaction closed in May 2007 and was worth between €207 million and €310 million. The firm showed the depth of its expertise acting for the coordinators and sponsors – Deutsche Bank and Euromobiliare SIM – during Gruppo MutuiOnline's €77 million offering in June 2007. Equity specialist Bruno Bartocci is "well respected in the market and amenable and willing to find solutions", according to one competitor. He advised Antichi Pellettieri on its €110 million IPO in June 2006.

Investment bank Goldman Sachs chose the firm to advise it on two big debt issuances. In June 2007 Marco Zaccagnini advised Goldman Sachs on issuing up to €50 million non-principal protected certificates linked to the bank's Absolute Return Tracker. Goldman Sachs was also the guarantor. And in July 2007 Gianni Origoni Grippo assisted Goldman Sachs on the issuance of reload notes worth up to €1 billion. The notes are linked to five international share indices and are due in 2013. The firm also helped Morgan Stanley buy 250 series of bonds issued by 25 issuers for more than €41 billion in May 2007.

Securitization work has also flooded in, with leading lawyer Andrea Giannelli tipped as a star still on the rise. In June 2006 Giannelli led the team representing Agos, the originator, in a €5 billion securitization of consumer loans and this year he advised the managers – Banca Aletti, Citigroup and Credit Suisse – on issuing €1.5 billion RMBS.

Leading lawyers

Alberto Giampieri
Andrea Giannelli
Francesco Gianni

Cleary Gottlieb Steen & Hamilton

Cleary Gottlieb Steen & Hamilton's strength in capital markets lies in its equity practice. And since May 2006 the firm has worked on some outstanding mandates.

In 2006 the firm advised Saras and its shareholders regarding the energy company's €2.1 billion IPO, the largest in Italy last year. The firm also worked on the largest IPO in continental Europe in the first five months of 2007, representing Goldman Sachs, JPMorgan and Mediobanca during Prysmian's €1.2 billion flotation. In other equity work for banks, Cleary Gottlieb counselled Merrill Lynch International and UBM on Poltrona Frau's €114 million listing and, during the €144

million listing of Aicon Yachts, represented Credit Suisse Securities and UBM, the coordinators.

Despite focusing on equity work, the firm has also played a role in some significant debt issuances. Michael Volkovitsch, Pietro Fioruzzi and Vania Petrella helped Fiat return to the capital markets for the first time since losing its investment grade status in 2003. Fiat Finance and Trade issued two €1 billion Regulation S notes in May 2006. Volkovitsch and Petrella also assisted Citigroup on the multi-tranche issuance of \$4.2 billion senior and subordinated notes by UniCredit Luxembourg Finance in October 2006.

Leading lawyers

Michael Volkovitsch

Freshfields Bruckhaus Deringer

"I think they are very professional and we have worked with them on a number of different types of transactions," said one client of Freshfields. "They have lots of experience on structures. It is a long-standing relationship."

Despite this expertise in structured finance and securitization, Freshfields Bruckhaus Deringer moves down a tier this year, reflecting market concern that the firm's practice does not have enough breadth.

The firm has however worked on a raft of big-ticket securitizations. In May 2006 Corrado Angelelli represented a consortium of banks including ABN Amro who were variously arrangers, managers and bookrunners during Atlante Finance's €1.5 billion securitization of multi-asset backed notes issued by Grecale ABS. In the same month Angelelli again advised ABN Amro as a subscriber on the €508 million securitization of non-performing loan receivables by Eris Finance.

But it is Stefano Sennhauser who competitors call "the experienced lawyer on securitization". One client commented: "He's been working in this market for a long time and definitely knows different structures and ways to overcome problems." Sennhauser put this experience to good use in December 2006, acting on three securitizations. Sennhauser assisted regular client ABN Amro and Lloyds TSB as arrangers on Tigr's €800 million securitization of car loans; worked with arranger Natixis on the purchase of 10 pools of trade receivables from a listed Italian fashion company and its subsidiaries; and advised Credit Suisse as arranger on IVA Acquisizioni's securitization of VAT receivables. This final deal was the first securitization of VAT receivables in Italy.

Freshfields has not been entirely absent in equity. In December 2006 Bruno Castellini helped Gas Plus list shares on the Italian Stock Exchange and in January 2007 advised Banca

IMI and Intermonete SIM on Omnia Network's listing.

Leading lawyers

Enrico Castellani
Stefano Sennhauser

Labruna Mazziotti Segni

Labruna Mazziotti Segni enters the rankings for the first time this year, after spinning off from Gianni Origoni Grippo & Partners in February 2006. The firm's strength lies in corporate work so it is unsurprising that firm focuses its capital markets talent on equity. This year the firm have acted for coordinators, underwriters, arrangers and issuers.

Antonio Segni was repeatedly singled out by his peers. "He was and is one of the best individuals in equity capital markets," said one, while another praised him as "a very strong lawyer; in fact the best Italian capital markets lawyer I've seen".

Segni counselled Credit Suisse, the arranger, on the €470 million accelerated book-building of RCS Media Group shares and advised a consortium of investment banks underwriting the aborted IPO of Pirelli Tyre.

But the firm's work is not dominated by Segni's presence. Federico Vermicelli assisted Credit Suisse and UBM on Aicon's IPO in March 2007 and represented Prysmian on its €1.2 billion listing in April 2007.

Leading lawyers

Antonio Segni

Simmons & Simmons

Simmons & Simmons moves up a tier this year to reflect the firm's excellent reputation in securitization, particularly regarding the healthcare sector. As one client said: "For public transactions, particularly in healthcare, Simmons & Simmons has good experience and we've used them for several deals."

Securitization of healthcare receivables has certainly dominated the firm's work this year. In May 2006 the firm advised Mediobanca and Nomura – the arrangers, managers, and bookrunners – on the €1.8 billion securitization of healthcare receivables in the Lazio region. Since then the firm has acted on two other securitizations of healthcare receivables in the Region of Lazio: In August 2006 the firm assisted Banca Intesa, UBS and Citigroup on a €964 million transaction and in December 2006 represented JPMorgan on a €198 million deal.

Intesa Sanpaolo, Nomura and Citigroup all returned to the firm for advice on a similar €230 million securitization in the Region of Abruzzo in March 2007, while a consortium of

banks including Lehman Brothers sought guidance from the firm in May 2007 regarding a €450 million securitization of healthcare receivables in Campania.

In other capital markets work, the firm advised new client Capitalia on updating its €20 billion EMTN programme and several bond issues, and advised Borgosesia on a €104 secondary offering.

Clients have only good things to say about the firm: "They are extremely good, reliable and commercial, which is what you need when you're in such a business," said one. Another commented: "Possibly because they are smaller, they are more flexible, able to cope and can tackle issues in a different way." Simmons & Simmons is showing that bigger isn't necessarily better.

Other notable firms

Equity work is the focus of d'Urso Munari Gatti. In 2006 the firm advised Piaggio on its €274 million IPO and both Goldman Sachs and Mediobanca on the €407 million listing of Ansaldo STS, a transport technology company. Mediobanca and Goldman Sachs chose the firm again in 2007 to advise on Prysmian's €1.2 billion offering while Mediobanca used the firm to help issue €700 million Lower Tier II subordinated notes. Stefano Valerio is well regarded by fellow lawyers.

Latham & Watkins was recommended by one rival partner as "very proactive with a very good team. They work very well on the international side." Michael Immordino is particularly well regarded. In June 2006 he helped the issuers during BioXell's €36.9 million listing on the Swiss Stock Exchange, the first Italian company to offer in Zurich, and in May 2007 the firm advised underwriters JPMorgan on d'Amico's €210 million listing. In debt the firm counselled Merrill Lynch, the manager, on a €2 billion EMTN programme for the Region of Piedmont. Next year the firm might be challenging for a spot in tier two.

Giuseppe Labianca at NCTM has an excellent reputation: "He is very able, very good, and very commercial, and has very good relationships with his clients," commented one competitor. In 2006 Labianca advised Deutsche Bank on a €50 million bond issuance, and with Alberto Toffoletto assisted Mediobanca and Goldman Sachs on Value Partners' IPO, and Rasfin SIM regarding the IPO of Noema Life on the Expandi market.

Shearman & Sterling moves up to tier three this year thanks to praise from the market. Michael Bosco is particularly well respected: "He combines a cultural understanding of Italy with US sensibilities and judgement," one peer said. Bosco put this experience to use advising Terna Participações, a subsidiary of Italy's elec-

tricity operator Terna, on its IPO on the São Paulo Stock Exchange.

Tier four welcomes two new entries. **Linklaters** has been on a recruiting mission in Italy this year and it seems to have paid off. Dario Longo, a structured finance and securitization specialist, joined the firm in March 2007 boosting the “highly respected” Luigi Sensi’s team. The firm advised a consortium of banks coordinating the Piaggio IPO in July 2006 and at the time of going to press was acting on a number of confidential offerings and securitizations.

And **Norton Rose** also rises up to tier four. In June 2006 the firm advised the coordinators Banca IMI and Banca Caboto on Bolzoni’s listing on the Star section of the stock exchange.

Banking

Recommended firms	
Tier 1	Bonelli Erede Pappalardo Chiomenti Clifford Chance
Tier 2	Allen & Overy Freshfields Bruckhaus Deringer Gianni Origoni Grippo & Partners Linklaters
Tier 3	Ashurst Giliberti Pappalettera Triscornia e Associati Grimaldi e Associati NCTM
Tier 4	Cleary Gottlieb Steen & Hamilton Dewey Ballantine Macchi di Cellere Gangemi Pavia e Ansaldo Pedersoli e Associati Simmons & Simmons Tonucci & Partners Ughi e Nunziante Vita Samory Fabbrini e Associati
Tier 5	Baker & McKenzie Carnelutti Delfino e Associati Wilkie Farr & Gallagher DLA Piper Latham & Watkins Lovells Studio Legale Sutti White & Case

“Real estate is still very sexy,” declared one Italian banking lawyer. And judging by the number of property deals this year it would be hard to disagree. Whether financing projects to

build offices, funding portfolio acquisitions or setting up real-estate funds, finance lawyers have spent much of their year knee-deep in bricks and mortar.

But houses of a different kind have also made their mark. The demand from private-equity houses for loans to fund their numerous acquisitions continues unabated. Apax, for example, turned to the banks for cash to acquire Sisal, Conforma and Farmafactoring this year. And domestic entities such as Clessidra are also getting in on the action. One partner at a leading Italian firm estimates that he spends 80% of his time working on acquisition financings.

Lawyers have also noticed that more and more banks are involved in mid-size acquisition financings of around €150 million. But as one partner commented, this is not necessarily a good thing: “I’m not in favour of this development as you spend the same effort for less money. I will be leaving that work for the smaller firms.”

Bonelli Erede Pappalardo

“Bonelli Erede Pappalardo is the strongest local firm,” one client said. “It includes a layer of very good younger partners and associates who can step into the footsteps of the older partners going forward. They have a very good breadth of coverage.”

Bonelli Erede Pappalardo remains firmly in tier one this year after consistent praise from the market. In April 2007 Andrea Novarese advised Delphin and Luxottica on obtaining a €800 million loan from Mediobanca and May 2007 helped Autogrill with an €800 million facility from BNP Paribas, Citigroup, Intesa Sanpaolo and MCC Capitalia.

In further pure banking work, Riccardo Sallustio, described by one peer as “very good; a good lawyer and a sensible and balanced person”, assisted Banca Antonveneta on a €6 billion facility from ABN Amro. Sallustio also helped Crownstone European Properties secure a €200 million loan from Calyon to finance its acquisition of three Italian real-estate companies from Curzon.

Meanwhile “rainmaker” Alberto Del Din led two other acquisition financings: in February 2007 he secured Gruppo Minerali a €100 million facility from Intesa Sanpaolo for its acquisition of Maffei; and he advised Lehman Brothers during a complicated transaction in which Evagore, Actea, Argentaria and Eunice obtained €118 million senior and VAT financing from Banca Italease, and €11 million junior financing from Calimmacco Finance, to fund costs and buy a real-estate portfolio.

Other clients in a busy year include Magnetar Capital Management, Royal Bank of Scotland and ING Real Estate.

Leading lawyers

Roberto Cera
Sergio Erede
Andrea Novarese
Riccardo Sallustio

Chiomenti

Elder statesmen Luigi Bendi and Francesco Ago continue to be lauded by clients and competitors. As one client said: “They know their business and they know our business, and they are smart and effective.”

But Chiomenti’s banking practice is not reliant on these two big names for success. The firm acted on a plethora of deals this year in which Ago and Bendi had minimal if any involvement.

The Europe-wide real-estate boom has also helped fuel Chiomenti’s asset and acquisition finance work. In October 2006 Giulia Battaglia led the team advising MCC and Banco Bilbao Vizcaya Argentaria on the €220 million financing of the Porta di Roma real-estate project. On the leveraged finance front, Giorgio Cappelli – highlighted by clients as a star lawyer – represented Lehman Brothers during the senior and mezzanine financing of investment fund Fondo Catullo’s acquisition of properties from Catolica Assicurazioni. Francesco Tedeschini and Vincenzo Troiano advised on regulatory aspects of the deal.

Cappelli and Battaglia also showed the breadth of their talents assisting MCC regarding the €250 million financing of Apax’s acquisition of a majority interest in Conforma and Farmafactoring.

And the firm still pulls in high-value pure banking work: Carola Antonini put her energy expertise to use advising Edipower on a €2 billion term and revolving facility agreement in January 2007.

Leading lawyers

Francesco Ago
Luigi Bendi

Clifford Chance

Clifford Chance strikes a balance between international and Italian law. “What we like about Clifford Chance is the local presence but at the same time the international networks – both are an advantage,” commented one client. “It is very important when negotiating deals to have a domestic base, rather than having lawyers flying in from London who don’t necessarily speak the language.”

This year Charles Adams acted on the other side to Chiomenti advising a consortium of banks on the €2 billion refinancing of Edipower. Adams epitomizes Clifford Chance's dual expertise. "He is a very good mixture of an English background and knowledge of Italian deals and the Italian legal system," one client said. "That makes him one of the leading players."

In October 2006 Adams gave advice on two acquisition financings. He represented Royal Bank of Scotland, the arranger and underwriter, on funding Candover's acquisition of Ferretti and counselled a consortium of banks including Royal Bank of Scotland, Lehman Brothers and ABN Amro on a €1.1 billion loan for the acquisition of Sisal.

Massimo Novo worked on both these deals and in the same month represented Bayerische Hypo- und Vereinsbank on €300 million financing for Doughty Hanson to support the management buyout of Zobe Industri Chimiche. In December 2006 he again worked for the German bank, advising it along with Landesbank Baden-Württemberg as lenders on KKR's €3.6 billion takeover of Kion Group.

Giuseppe De Palma was also praised by competitors. In the past year he acted for the arrangers, a consortium of banks, on the €2 billion financing of Cinven's acquisition of Avio Group, and advised Barclays on the €662 million refinancing of Coin Group.

Leading lawyers

Charles Adams
Giuseppe De Palma
Massimo Novo

Allen & Overy

Allen & Overy moves down a tier this year following two high-profile departures from its banking team. Giancarlo Castorino left the firm in April 2007 to join boutique firm MBL & Partners while in the same month Davide Mencacci joined Linklaters' team. London-based Fiona Fitzgerald is helping the Milanese team in the short term and Paul Flanagan has moved to the Italian office. The firm is also planning a lateral hire to boost its acquisition finance expertise.

Catia Tomasetti takes over as head of the banking department. Tomasetti is well known for her project finance work but competitors believe she will adapt well to her new role. As one said: "She has always been labelled a projects lawyer but only because other A&O partners covered banking and finance. She is very professional and someone that I think will go good places in banking deals and be recognized as a leading individual."

2006 and the first few months of 2007 were very busy for Allen & Overy. In October 2006

the firm represented Candover as sponsor on the €1.28 billion financing of Sestante 3's takeover of Ferretti Group and in February 2007 the firm represented lender Intesa Sanpaolo and arranger Banca IMI on Grappa Minerali's €100 million financing to acquire Maffei. The firm also demonstrated its strong reputation with private-equity houses, advising Apax Partners on financing its bid for a majority interest in Sisal while Castorino helped Clessidra, Italy's largest private-equity fund, acquire Fratelli Elia for €200 million.

The firm also did its fair share of general lending. The team assisted a consortium of banks on a €3 billion term loan for H3G to refinance its debt, and guided Intesa Sanpaolo on a term loan to refinance an existing €280 million facility from Silver Point Finance for borrower Tiscali International.

Competitors expect Allen & Overy to recover from the loss of Castorino and Mencacci but the firm is likely to suffer in 2007.

Freshfields Bruckhaus Deringer

Dutch bank ABN Amro chose Freshfields Bruckhaus Deringer for two very different deals this year. In June 2006 Corrado Angelelli advised ABN and Tecnocasa on the main investment for non-performing loan receivables from issuer BPI group and in March 2007 Angelelli again assisted the bank on structuring a €170 million loan to Comes, part of the Corio group. This latter deal was secured by the Campania shopping centre in Macianise, Caserta.

Meanwhile Stefano Sennhauser represented Natexis Banques Populaires and Banca Intesa during the €800 million medium-term refinancing and additional portfolio acquisitions of Italy's first authorized speculative property fund relating to its listing on the Alternative Investment Market in London. Sennhauser also advised Mediobanca and MCC on financing Finanziaria Sviluppo Utilities' €665 million bid for Iride group in December 2006.

Elena Pagnoni dominates the firm's regulatory work. This year she advised Macquarie on establishing a real-estate investment fund with CBREI.

Leading lawyers

Stefano Sennhauser

Gianni Origoni Grippo & Partners

Gianni Origoni Grippo & Partners moves down a tier this year due to mixed feedback from the market but some clients remain very happy with the service: "Gianni is probably the most international firm but its capacity in the Italian market; I rate it sec-

ond to none," said one. They successfully helped us on the most complex transaction I've ever made."

In 2007 the firm advised Enel on obtaining €35 billion financing from a consortium of banks to fund its bid for Endesa. This was the largest financing in the Italian market in the first half of 2007. The team is also assisting a consortium of banks including Mediobanca on a €1.4 billion bridge loan to Gemina to buy a 44.7% share in Aeroporti di Roma from Macquarie.

In other deals the firm helped Banca Intesa arrange a €255 million facility as part of NH Italia's acquisition of Jolly Hotels, and advised Swisscom on obtaining a loan to fund its bid for Fastweb.

Alberto Giampieri heads the banking department. One client said: "He works like a dog, like I do, and given his seniority that's not guaranteed. We've spent nights at work together and he doesn't disappear. He is so capable in structuring that nothing unexpected happens later on." And partners agree: "He is a first-quality lawyer and has a good team. He works until 3am every day."

Leading lawyers

Alberto Giampieri

Linklaters

Linklaters' recent hires mean it has "the cream of the crop in finance", according to one competitor. The firm recruited Andrea Arosio and Dario Longo from Pedersoli e Associati in March 2007 and Davide Mencacci from Allen & Overy in May 2007. As a result Linklaters enters the banking table for the first time this year, moving straight into tier two.

"Both Davide and Andrea are very good and now the two have joined together there's a very good combination of qualities," said one rival. "Frankly speaking I would mention Davide's name first if I wanted someone of quality in front of me."

Since arriving at Linklaters, Mencacci has already proved himself a worthy addition to the team. In June 2007 he advised Morgan Stanley on financing Gamma's €380 million offer for Tecla and its €308 million bid for Berenice as Pirelli and Morgan Stanley's joint venture sought to acquire the two listed real-estate funds. In the same month Mencacci – "a good negotiator, a very straightforward guy, and a pleasure to work with on the other side" – acted for Citibank, Mediobanca and HVB on the €7 billion financing of Permira's takeover of Valentino Fashion Group.

Arosio worked on the Permira deal and has dedicated himself to a string of high-profile acquisition financings. In March 2007 he advised Intesa Sanpaolo and Mezzanove

Capital on senior, second-lien and mezzanine debt for the leveraged buyout of AEB by a group of funds and in the same month advised Interbanca and AF-Mezzanine on a second leveraged buyout.

The firm also counselled RBS, Citibank, BNP Paribas and UniCredit on a €1.5 billion facility for the Barilla Group and assisted Pai Partners and Gruppo Coin on arranging a €630 million refinancing.

Leading lawyers

Andrea Arosio
Davide Mencacci

NCTM

NCTM maintains its position in tier three this year.

Stefano Padovani advised San Carlo and several private-equity funds regarding a bridge loan and a medium-term loan from ING Bank to finance the acquisition of the Limoni Group's holding company. The transaction was worth €400 million and closed in July 2006. Padovani also assisted TR Estate Uno, a Zunino company, on a €231 million multi-line medium term loan from Deutsche Bank to buy a real-estate portfolio.

Corrado Verna has worked on some smaller-cap deals. In November 2006 he represented Sanpaolo IMI on a €55 million debt restructuring and in December 2006 he helped Banca Intesa amend several medium-term loans to allow a new facility to be agreed.

Leading lawyers

Stefano Padovani
Corrado Verna

Other notable firms

Ashurst rises up in the rankings this year following several commendations from the market. Highlights from a year of standout deals include advising ING Bank, BNP Paribas and Banca Intesa on a €400 million financing for Bridgepoint's acquisition of the Limoni group in July 2006, and assisting a consortium of banks on a €280 million senior facility to refinance Zi.Fi's existing indebtedness in January 2007.

American firm **Dewey Ballantine** also moves up a notch this year to enter tier four. Private-equity house 3i and GPA chose the firm to advise on €310 million financing to acquire toy manufacturer Giochi Preziosi in 2006 while in 2007 the firm advised ABN Amro and GDP Group on the first- and second-lien refinancing of GDP Group's debt.

Cleary Gottlieb Steen & Hamilton may be strongest on corporate work but the firm still worked on some prominent financing deals

this year. The team counselled Perfetti Van Melle on obtaining a syndicated loan facility to finance its acquisition of Chupa Chups Group in 2006 and in March 2007 advised an Italian food and wine group on restructuring its existing facilities under the new debt restructuring legislation.

Pedersoli e Associati moves down from tier three following the loss of key partners Andrea Arosio and Dario Longo to **Linklaters**. Clients also raised doubts about the firm's domestic focus: "They're an Italian firm so even though we have a good working relationship with them they suffer from the lack of an international network."

Simmons & Simmons also drops a tier this year in response to feedback from the market. But the firm did act on several interesting deals. In August 2006 the team advised UniCredit Banca d'Impresa on a €120 million loan to the American vehicle of an Italian real-estate company to buy property on Fifth Avenue in New York and the rights to build a skyscraper. And Michael Dodson helped Avea, a leading Turkish GSM operator, on a \$1.6 billion multi-tranche syndicated loan to refinance existing debt and finance its operations. On the regulatory side Romeo Battigaglia was commended by one client as "extremely reliable and fast at getting answers and if he's not the right person to ask then he's able to get someone else who can help".

Tier five hosts a diverse group of firms and a range of transactions. **Tonucci & Partners** advised Banc of America Securities on a €250 million loan to American Italia Pasta Company while **Studio Legale Sutti** focused on regulatory work including the marketing of a Luxembourgian open-ended collective investment scheme in Italy. **DLA Piper** assisted banks on several loans to Italian vehicles to fund real-estate developments. The largest involved advising Eurohypo on a €1.7 billion facility to construct offices, shops and housing in Milan. Meanwhile **Baker & McKenzie** maintains its reputation as an international firm employing its Milanese office on several multi-jurisdictional financings.

Mergers and acquisitions

Recommended firms

Tier 1

Bonelli Erede Pappalardo
Chiomenti
Cleary Gottlieb Steen & Hamilton

Tier 2

Gianni Origoni Grippo & Partners
Gilliberti Pappalettera Triscornia e Associati
Grimaldi e Associati
Pedersoli e Associati

Tier 3

Clifford Chance
d'Urso Munari Gatti
Freshfields Bruckhaus Deringer
Labruna Mazziotti Segni
Studio Grande Stevens
NCTM

Tier 4

Allen & Overy
Delfino e Associati Willkie Farr & Gallagher
Dewey Ballantine
Lombardi Molinari e Associati
Pavia e Ansaldo
Simmons & Simmons
Vita Samory Fabbrini e Associati

Tier 5

Agnoli Bernardi e Associati
Ashurst
Baker & McKenzie
Carnelutti
De Berti Jacchia
Galgano
Latham & Watkins
Lovells
Macchi di Cellere Gangemi
McDermott Will & Emery
Paul Hastings Janofsky & Walker
Studio Legale Montanari e Associati
Studio Legale Sutti
Tonucci & Partners
Ughi e Nunziante
White & Case

Consolidation is the engine behind Italian M&A. Banks and utilities companies have contracted what one lawyer described as "mergermania" and it looks like the disease is spreading.

Following Banca Intesa's merger with San Paolo IMI from January 1 2007, other big banks are following suit. Capitalia now plans a merger of similarly epic proportions with UniCredit. Once combined, the bank is expected to be worth €100 billion.

But the M&A bug has not just infected the country's larger banks. *Banche popolari*, Italy's numerous regional banks, have been merging

and acquiring all over the country as the smaller entities seek to avoid being driven out of an increasingly competitive industry. As one corporate lawyer said: "There are rumours every day about *banche popolari* merging."

And signs are that smaller companies in other sectors will have to do the same to survive. Utilities companies in the municipalities are seeking to consolidate their positions with strategic takeovers and lawyers predict the financial services industry will be next to succumb to this merger frenzy.

Bonelli Erede Pappalardo

Bonelli Erede Pappalardo's position in tier one was consistently confirmed by clients and peers alike. One client said: "Bonelli is first class on M&A. Each house has its own centre of excellence and if the project is M&A-driven then Bonelli is best."

This year the team has worked on a swathe of multi-billion euro deals. The firm won the sought-after mandate to advise Enel on acquiring a stake in Endesa and its subsequent bid for 100% of the company. The transaction was pending at the time of writing and will be worth €43.7 billion.

Named partners Sergio Erede and Franco Bonelli are the firm's rainmakers. Erede – described by a client as "a strong professional with a very deep knowledge and understanding of business" – is leading the Enel deal and also advised Crédit Agricole on its €6 billion acquisition of Cariparma, FriulAdria and certain Intesa branches in 2006. Although legal circles perceive Erede to be less present on transactions, one client said: "When we worked with them there was the strong impression of Mr Erede himself and his team were always aligned behind him."

Up-and-coming partners Luca Picone and Giorgio Fantacchiotti have also proved their worth advising BCV Investments (a group of funds advised or managed by Cinven) on acquiring Avio's holding company Aero Invest 1 from The Carlyle Group for €2.57 billion. Fantacchiotti was described by one client as "very smart and very business-oriented", while Picone achieved recognition from fellow lawyers: "Among the young lawyers he is certainly the most talented," said one

Meanwhile Roberto Cera – described by a client as "one of the best M&A lawyers in Italy" – led the team advising Autostrade on its aborted €24 billion merger with Abertis Infraestructuras in 2006, and in June 2007 advised Beni Stabili on a €1.83 billion mandatory exchange offer launched by Foncière des Régions on its ordinary shares.

Further proving the depth of the firm's team, Umberto Nicodano was named by rivals as a "really really good operator who is gen-

uinely excellent, very urbane and very understated. He is not a *prima donna* at all but very calm, and is head and shoulders above the rest."

Leading lawyers

Franco Bonelli
Roberto Cera
Sergio Erede
Umberto Nicodano

Chiomenti

"The firm is excellent in terms of availability, quality of work and effectiveness," commented one client of Chiomenti. "The lawyers are very helpful and particularly good at having a proactive vision of the transaction."

Consolidation in the banking sector has kept Chiomenti's M&A department very active over the past 12 months, with the firm landing key roles on three big deals. Michele Carpinelli won one of the top mandates of 2007, advising Capitalia on its proposed merger with UniCredit to create a bank worth €100 billion.

In October 2006 Carpinelli also advised Banca Popolare Italiana on its €8.2 billion merger with Banco Popolare di Verona e Novara. And in the same month he and "go-getter" Carlo Croff helped Banca Intesa sell its 76% stake in Banca Popolare FriulAdria and Cassa di Risparmio di Parma e Piacenza to Crédit Agricole for €4.6 billion. One peer said: "Without Carpinelli, Chiomenti would be a lot less."

Carpinelli was also present on Telco's €4.1 billion deal to take over Olimpia from Pirelli and Sintonia, assisting Mediobanca and Telco with Francesco Tedeschini in April 2007. Tedeschini was repeatedly praised by other lawyers. One described him as having "a nice touch, and he is technically impeccable and a good guy". Another highlighted his experience: "He has a very traditional expertise and deals with the old Italian problems which arise from M&A."

Leading lawyers

Michele Carpinelli
Carlo Croff
Francesco Tedeschini

Cleary Gottlieb Steen & Hamilton

Cleary Gottlieb Steen & Hamilton consolidates its position in tier one this year. One client described the firm: "They are very good; I can only speak very well of them. They have excellent people who are hardworking and very responsible. I rate them among the best."

Roberto Casati worked on a number of high-profile cases. He assisted FastWeb, the second-largest fixed network operator in Italy during the €3.1 billion bid by Swisscom in May

2007 and counselled AEM, the Milanese energy company, on its merger with ASM Brescia for a combined capitalization of €8.6 billion. This was the first merger of two large utilities companies and more are expected to follow.

Casati was widely praised by peers: "He's an excellent lawyer – very competent, confident, and effective, and he looks after his client's interest. But he is still a pleasure to work with as he plays fair and is polite."

Cleary Gottlieb also advised the Texas Pacific consortium on its aborted takeover of Alitalia and counselled Perfetti Van Melle on acquiring Chupa Chups Group for several hundred million euros. Perfetti has been a client for more than 30 years.

As one client commented: "It's not just the name of the firm you work with that's important but the people, and we work very well with these people."

Leading lawyers

Roberto Casati

Gianni Origoni Grippo & Partners

Gianni Origoni Grippo & Partners drops a tier this year in response to a market perception that the firm has been "slowing down a bit" since the departure of Antonio Segni, Andrea Mazziotti di Celso and Fabio Labruna in February 2006.

Clients however continue to rate the firm highly. One said the firm was "good in difficult situations with difficult clients and difficult problems", while another commended the firm saying: "They are professional and able to dedicate a team to our projects, and when we need more people working on a project they can dedicate more people to it."

Named partner Francesco Gianni has acted on a number of deals this year. He advised Carlyle on its €3.5 billion bid for a stake in Valentino Fashion Group and led the team assisting AT&T on privately acquiring €2.7 billion shares in Olimpia. Gianni was described by peers as "a very senior, very balanced person who is a presence in the meeting room".

The firm also represented Swisscom on its €3.7 billion offer for FastWeb's shares. Filippo Troisi led this deal. Troisi was praised for his international outlook and his adaptability: "He's very flexible on the solution when we have a problem," said one client. Lawyers meanwhile described him as "a very good professional who is patient but precise and is often underrated".

Leading lawyers

Francesco Gianni
Filippo Troisi

Giliberti Pappalettera Triscornia e Associati

Private-equity specialist Giliberti Pappalettera Triscornia e Associati moves up a tier this year reflecting recommendations from the market for being “superb at the sophisticated approach required by private-equity houses. They have excellent clients and excellent partners.”

Alessandro Triscornia was highlighted as a key partner by fellow lawyers: “Even if he is quite young, he has worked a lot and is very experienced – particularly with private-equity and acquisition transactions. He knows the market and is a fair guy so it’s easy-peasy to find solutions.”

This year Triscornia advised Permira on selling its entire shareholding in Ferretti – held by Impe Lux – to Candover, and Permira’s subsequent reinvestment as a minority shareholder.

In other work the firm counselled Goldman Sachs on a €405 million voluntary tender offer by its funds on Berenice and Tecla real-estate funds, and helped investment fund Investitori Associati IV take over 40% of Kedrion through a €207 million leveraged buyout.

Leading lawyers

Alessandro Triscornia

Grimaldi e Associati

Grimaldi e Associati moves up a tier this year following 12 months of high-profile deals.

The UniCredit-Capitalia banking merger announced in May 2007 has been keeping the firm busy this year with well respected lawyer Roberto Cappelli guiding UniCredit through the deal. When complete, the merged bank will be the largest Eurozone bank by market capitalization.

UniCredit is a regular client of the firm, previously choosing Cappelli to advise on selling 2S Banca, its securities services business, for €579 million to Société Générale Security Services in October 2006.

The firm is also assisting Alitalia on selling 39.9% of its shares and the convertible bonds owned by the Ministry of Economy and Finance for €1 billion, as well as helping a LVMH investment fund – L Capital 2 – acquire joint control over Calligaris Holding, a producer of home furniture.

Pedersoli e Associati

Pedersoli e Associati advised on the Italian M&A deal of 2006, counselling Banca Intesa on its merger with Sanpaolo IMI to create an entity with a market capitalization of €71 billion.

The firm received substantial praise from rival lawyers for winning this impressive mandate and as a result moves up a tier this year.

Banca Intesa and, since August 2006, Intesa Sanpaolo, has repeatedly used Pedersoli to consolidate its position in the Italian banking market and overseas. The firm represented the bank on the acquisition of Banca di Risparmio di Firenze, the takeover of Ukrainian Ukrspotsbank, and the divestiture of Peruvian subsidiary Banco Wiese Sudameris to Scotiabank.

In other deals, the firm advised Comit Pension Fund on selling a real-estate portfolio to Beni Stabili for €1.1 billion.

Clifford Chance

Magic-circle firms are not very present on Italian M&A deals, according to competitors and their clients. Clifford Chance’s move to tier three this year reflects this perception.

The firm has however advised on some big-ticket transactions. Paolo Sersale is representing Endesa during the €43.7 billion joint takeover bid from Enel and Acciona, while Alberta Figari assisted Tidus when it and the Marzotto family sold 16% of Valentino Fashion Group’s shares to Permira and led the team advising Air One on its ultimately aborted bid for Alitalia.

Sersale advised Abertis Infraestructuras on another aborted deal, its €22.9 billion merger with Autostrade, but had more success acting for Telefónica on its €6.8 billion takeover of Olimpia which closed in April 2007.

A complicated mandatory tender offer is occupying Gianandrea Rizzieri who is assisting Finanziaria Internazionale Holding on the merger of Progetto 23 and Agorà Investimenti and the subsequent offer on the ordinary shares issued by Aeroporto di Venezia Marco Polo. The transaction will be worth €405 million.

Leading lawyers

Silvio Riolo
Nicholas Wrigley

Freshfields Bruckhaus Deringer

Like Clifford Chance, commentators felt that Freshfields Bruckhaus Deringer has been less visible in the Italian market in M&A of late.

The firm did however advise Sanpaolo IMI on its €55 billion merger with Banca Intesa in August 2006 and department head Mario Ortu has since advised the merged entity on acquiring Banca CR Firenze as Italy’s banking consolidation continues apace.

In other standout deals, the firm counselled Pirelli & C Real Estate on acquiring a 96.8% stake in DGAG Deutsche Grundvermoegen and its subsequent joint venture with Morgan Stanley Real Estate and Rreef to acquire and manage DGAG Deutsche Grundvermoegen’s real-estate portfolios.

Nicola Asti received praise from contemporaries. In August 2006 he helped private-equity fund Cinven acquire Avio Holding from Finmeccanica and The Carlyle Group for €2.57 billion and is representing Macquarie Airports which is selling its 44.7% stake in Aeroporti di Roma to Gemina. This deal, still pending at the time of writing, will be worth €1.24 billion.

Leading lawyers

Mario Ortu

Other notable firms

Labruna Mazziotti Segni enters the M&A rankings at tier three. As one partner said: “Antonio Segni is excellent, I really rank him. His and the other partners’ departure last year was a huge blow for Gianni [Origoni Grippo & Partners].” This year the firm is helping Pirelli & C sell its controlling stake in Telecom Italia for €4.1 billion to a newco set up by Telefónica, Mediobanca and Intesa Sanpaolo.

Carlo d’Urso received praise from his peers “because he has extremely good experience and although he has decided to remain at a small firm he is often involved in very important cases and is able to resolve very complicated M&A transactions”. Over the past year d’Urso Munari Gatti advised NH and Banca Intesa on acquiring a majority stake for €495 million in Jolly Hotels and assisted DeA Capital on purchasing a €405 million interest in Generale De Santé.

Generale de Santé was also targeted by a French newco indirectly controlled by Santé Holdings. NCTM advised Santé Holdings, Santé Sarl, Santé Développement and the sole shareholder on obtaining 60% of the shares and launching a €1.5 billion offer for the remaining equity.

Dewey Ballantine remains well positioned in tier four this year. In 2006 the firm helped Weather Investments II and Wind Acquisition Holding Finance acquire 26.1% of Weather investments from Enel for €1.9 billion. Peers described the firm as “big players and good guys”. The firm’s capacity will be further boosted by a collaboration agreement with Galgano signed in March 2007; 22 Galgano lawyers have joined Dewey’s Milanese office.

Fellow tier-four firm Macchi di Cellere Gangemi was praised by one client who said: “I’ve seen them in an M&A deal on the other side and their approach from a US investment bank perspective is very thorough. They are highly competent.” But the client’s only reservations were that the firm was “too slow moving and not as sensitive to timing issues of clients or as international as some of the other firms”.

Allen & Overy and Delfino e Associati Willkie Farr & Gallagher were perceived to have been a diminished presence in the Italian market this year. Allen & Overy advised Clessidra Capital Partners, Italy's largest private-equity fund, on acquiring Fratelli Elia, while Delfino advised Pai Partners on acquiring Lafarge's roofing business for €2 billion.

Project finance

Recommended firms

Tier 1

Allen & Overy
Gianni Origoni Grippo & Partners

Tier 2

Ashurst
Bonelli Erede Pappalardo
Chiomenti
Clifford Chance
Freshfields Bruckhaus Deringer
Grimaldi e Associati
Norton Rose

Tier 3

Baker & McKenzie
DLA Piper
Lombardi Molinari e Associati
NCTM
Pedersoli e Associati

Tier 4

Carnelutti
Cleary Gottlieb Steen & Hamilton
Giliberti Pappalettera Triscornia e Associati
Macchi di Cellere Gangemi
Lexjus
Paul Hastings Janofsky & Walker
Simmons & Simmons
Studio Legale Sutti
Ughi e Nunziante
Vita Samory Fabbrini e Associati

Poorly conceived project finance is holding the Italian market back as legislators and regulators fret over so-called spaghetti deals. "Project finance is very risky," remarked one lawyer, "particularly if it's not well structured."

Projects already require both local and national approval, and lawyers expect Basel II to create more barriers to project finance by requiring banks to analyze risk. Lawyers are increasingly advising clients before they have even obtained a permit: "Sometimes public authorities change their minds," said a partner, "and the courts are not very consistent – there is quite a lot of litigation – so clients should seek advice at the very beginning of a deal."

Risk, and the perception of risk, has kept Italian project finance small. It can take three or four years for deals to get off the ground and most are relatively modest. One partner esti-

ated that 95% of power projects were worth less than €10 million with a mere 2% bringing in €50 million-plus.

But project finance finally seems to be starting to shake off its dangerous image. The progress of projects in the infrastructure and energy sectors suggests that regulators are now keen to facilitate projects and as one lawyer said: "Banks and sponsors are gradually understanding that there are certain requirements they must fulfil to get projects off the ground."

Allen & Overy

"Projects last a long time so we tend to work on a personal relationship apart from the formal relationship," said one client. "I prefer Allen & Overy because of its experience and capability."

Allen & Overy has worked on a diverse array of deals this year, particularly in the renewable-energy sector. The firm has advised on seven substantial wind farm projects. It assisted the arrangers on the €170 million financing of a 170MW wind-powered energy plant on five different sites and acted on a large refinancing of various wind farms in Italy and Europe. This deal was worth \$1 billion and involved 36 banks.

The firm also closed the first solar project in Italy, advising the arrangers on financing four plants for Solar Ventures.

In the water sector, the firm advised the arrangers of a €100 million loan regarding the integrated water system for Pisa, and the arrangers of a €150 million facility for a similar system, also in Pisa.

Leading lawyers

Catia Tomasetti

Gianni Origoni Grippo & Partners

Named partner Eugenio Grippo is the star partner of Gianni Origoni Grippo's project finance team. Rival partners describe him as "a good negotiator" and "a lawyer with good experience and personal history".

This year Grippo advised the arrangers and Sorical, the concessionaire for water in Calabria, on financing the integrated water system in Sicily.

The firm also assisted on projects in a number of different sectors. It counselled UniCredit and Monte dei Paschi di Siena on financing Niguarda Hospital, represented Royal Bank of Scotland on a €1.3 billion refinancing of three wind farms – together the largest wind farm project in Italy – and advised GSE, the state's electric services agency, on financing receivables connected to its core activity in renewable energy.

Leading lawyers

Eugenio Grippo

Ashurst

Ashurst has consolidated its position in tier two this year after its conspicuous entry into the 2007 edition. Franco Viglione leads the team and is active on all the big deals. One partner said: "He knows the market very well and focuses on infrastructure."

This expertise has not however restricted the firm's work. In December 2006 the firm advised a consortium of banks including MCC, Banca Nazionale del Lavoro and Banco Bilbao Vizcaya Argentaria on a €55 million revolving facility. The loan to ERG CESA Eolica will be used to finance the development of wind farms already owned by the company, as well as the acquisition of new farms.

The project finance team has also supported its colleagues in the M&A department on a number of deals. Viglione provided guidance to Golar LNG on the acquisition of a 20% stake in OLT Offshore LNG Toscana, the developer of the Livorno floating liquefied natural gas (LNG) regasification project, in November 2006.

Leading lawyers

Frank Viglione

Bonelli Erede Pappalardo

Bonelli Erede Pappalardo has had a solid year in project finance under the joint leadership of Alberto Del Din and Riccardo Sallustio.

This year the firm advised Autopiste do Pacifico, a subsidiary of Autostrade, SIAS and Mediobanca, on the €160 million financing of its bid for Sociedad Concesionaria Costanera Norte. Star lawyer Andrea Novarese led this deal.

Novarese and Sallustio are both advising Pirelli RE in relation to the financing of a hospital in Como.

Leading lawyers

Andrea Novarese

Chiomenti

"I have a very good impression of Chiomenti as a law firm that works very well in Italy and abroad," one client said. "The quality of its work is really, really excellent." Chiomenti retains its position in tier two this year with several impressive mandates.

The firm advised Sace, as guarantor, on the production of a new vehicle by Tofas Türk Otomobil Fabrikası, a Turkish car manufacturer. The vehicle will be distributed by Fiat and PSA.

In banking work, Chiomenti is advising the Mexican operations of Société Générale on an export finance deal between Danieli & Co Officine Meccaniche and Tubos Iusa worth €30 million. BNP Paribas is also a client. This

year the firm advised the bank on restructuring a \$163 million existing facility granted to Rio Polimeros in 2001 to construct an ethylene and polyethylene plant in Brazil.

The firm is also representing MCC on a project to build a regional system of aqueducts in Calabria. Sorical has been loaned €125 million for the aqueducts' construction and management.

One competitor commented: "Chiomenti would like to improve its position in the market – it's being quite aggressive." 2008 looks like it might be an even better year for the firm.

Clifford Chance

Clifford Chance acted on a number of notable projects this year. Among several standout deals, well respected lawyer Charles Adams is representing Falck on the €1.8 billion financing of three waste-to-energy facilities in the west of Sicily.

One client said: "In project finance, they definitely have better, larger and longer experience than other lawyers. And they give answers more rapidly than their competitors." The firm has had ample opportunities to prove this in 2006 and 2007.

Giuseppe De Palma advised SACE regarding a \$3.5 billion loan to finance a grassroot integrated petrochemical plant in Saudi Arabia in June 2006 and showed his versatility this year assisting Sanpaolo IMI on the €48.8 million financing for two wind farms in the Basilicata region.

Meanwhile Banca Intesa, the arranger, is employing Massimo Novo's guidance on the €401 million financing of another waste-to-energy facility in eastern Sicily.

Leading lawyers

Charles Adams

Freshfields Bruckhaus Deringer

The project finance team at Freshfields Bruckhaus Deringer has had a successful 12 months advising both banks and companies.

In June 2006 Franco Campomori counselled the concessionaire of the transalpine Brenner Base Tunnel. The project, valued at more than €6 billion, will be carried out by the special-purpose vehicle – which is jointly owned by the Italian and the Austrian governments – and is part of a bigger plan to create a high-speed railway from Berlin to Palermo.

The firm also assisted Banca OPI on the €200 million first phase of financing to Irisacqua, the water concessionaire of the ATO Orientale Goriziano, and represented a consortium of banks financing the construction and operation of a shopping centre near Prague airport.

Grimaldi e Associati

Head of project finance Claudia Brusciaglioni received praise from the market. One partner at a rival firm said: "I still prize Claudia Brusciaglioni. I think she's good and I like her quality. I just wish she had a larger team."

Size however doesn't seem to be holding Grimaldi back. The firm advised on one of the project financings of the year, counselling Falck on the Italian law aspects of three waste-to-energy plants in Sicily – a transaction worth €1.8 billion.

Wind farms have dominated much of Grimaldi's activity this year. Brusciaglioni advised the sponsors, Fri-El Green Power, on several projects including a €100 million plan to build wind farms in Ricigliano and Grottole which would generate 100MW of electricity. The firm is additionally assisting a consortium of banks including MCC on a 40MW €60 million wind project in Faeto.

Grimaldi is also acting on an innovative project involving a new type of biomass plant which, when completed, will be the first of its kind in Italy.

Norton Rose

Norton Rose moves up a tier this year.

Stefano Zappalà joined the firm in August 2006, boosting the firm's project finance capabilities. Described as "a very, very good lawyer" by one peer, Zappalà is advising the sponsors of a 93MW wind farm in Calabria. Although only at the auction stage, the project is expected to be worth more than €30 million. The firm is advising on several other wind projects.

Meanwhile Arturo Sferruzza is assisting the arrangers Interbanca on a €100 million loan to finance an 18MW biomass project in Enna, Sicily, and is helping Banca Intesa Infrastrutture on a public-private partnership in Lecce.

Other notable firms

One DLA Piper client said: "I was absolutely comfortable dealing and negotiating with them. They had a very good attitude about taking care of the different positions such as banks and sponsors." DLA Piper moves up to tier three in the rankings this year following many similar comments. Federico Sutti was singled out by peers for the most praise: "He is very good and commercial and has very good experience on project finance, particularly in healthcare and on new hospital constructions. He's pretty active for the contractors, sponsors and authorities alike." Competitors believe that the firm has ambitions to expand further and is in the market for new partners.

Baker & McKenzie had a steady year. In 2007 the firm assisted Fisia Italimpianti on an \$850 million deal to build several water potabi-

lization and power plants in the gulf. Partner Alfredo Lucente was described by one client as "fantastic, very very good, very savvy with a good business sense. He is a good lawyer. If you're ever in Rome and get into trouble, he's your guy. He seems to know a lot of people."

Meanwhile Lombardi Molinari e Associati advised Siram, an energy services firm, on a deal to build new cogeneration powerhouses at Cittadella and Campo San Piero hospitals, near Florence.

Restructuring and insolvency

Recommended firms

Tier 1

Bonelli Erede Pappalardo

Tier 2

Chiomenti
Clifford Chance
Gianni Origoni Grippo & Partners
Lombardi Molinari e Associati

Tier 3

Allen & Overy
Cleary Gottlieb Steen & Hamilton
Freshfields Bruckhaus Deringer
Grimaldi e Associati
Macchi di Cellere Gangemi
NCTM
Pedersoli e Associati
Simmons & Simmons

Tier 4

Carnelutti
Giliberti Pappalettera Triscornia e Associati
Paul Hastings Janofsky & Walker
Pirola Pennuto Zei e Associati
Studio Legale Bruni Gramellini e Associati
Tonucci & Partners
Ughi e Nunziante
Vita Samory Fabbrini e Associati

Tier 5

Baker & McKenzie
CMS Adonno Ascoli e Cavasola Scamoni
De Berti Jacchia
Studio Legale Sutti
White & Case

Restructuring is rampant in Italy. Legislation brought in last year has created a new means of restructuring which makes it easier for businesses to avoid insolvency.

As a result, restructurings and out of court settlements are on the rise while bankruptcy is declining. And investors are making the most of it. "Investors and hedge funds now understand the new improved opportunities presented by those instruments created by the reform," said one lawyer. "The market is very proactive and everyone is looking for opportunities."

Distressed debt and non-performing loans (NPLs) provide some of these opportunities. NPLs have proved very popular with banks like Goldman Sachs in the past but price increases have tainted this asset recently. But commentators expect prices to go down and NPLs to become an attractive option again.

Although insolvencies are decreasing, litigation resulting from insolvency proceedings is increasing. Receivers and administrators are going to court with claims that shareholders are liable for their bankrupt companies' guarantees and that banks negligently issued bonds. Despite the dominance of restructuring, there is still a place for litigators in the insolvency and restructuring departments of Italian firms.

Bonelli Erede Pappalardo

"My impression of this law firm is absolutely positive," said one client of Bonelli Erede Pappalardo. "They guarantee a complete and qualified assistance and they are always really careful and professional about every legal request that one may have. If I can I always choose to work with them just because I think they are one of the best law firms in Italy."

Bonelli Erede Pappalardo stands alone in tier one this year. This year the firm worked on a variety of cases including pre-bankruptcies, bankruptcies and restructurings. The firm's restructuring work benefits from the skills of the corporate department. As one peer put it: "Bonelli's outstanding corporate department is able to support the most sophisticated restructurings."

The firm's prime restructuring mandate is advising Teksid's noteholders on restructuring the Teksid group.

In insolvency matters Bonelli Erede Pappalardo is assisting Moser Baer India on issues arising out of the acquisition of companies in financial difficulties and the pre-bankruptcy composition agreement of an Italian company. Meanwhile Giovanni Domenichini, praised by one peer as "a lawyer with excellent technical skills and an excellent team who help him do the best deal", is representing several American and British noteholders before the court of Parma on whether Parmalat's sole shareholder is liable for guarantees issued by the company.

Marco Arato provides "a ready, quick and deep consultancy", said one peer. He is advising Tecdis on its extraordinary receivership.

Leading lawyers

Franco Bonelli

Chiomenti

Chiomenti has also been involved in the Parmalat insolvency, assisting a number of banks in court.

This year the firm has also acted on a number of other cases. Most notably, the four-strong insolvency team advised the bondholders of Damova on the group's restructuring though a debt-to-equity swap and on making an arrangement with creditors before the bankruptcy of its Italian subsidiary, Enterprise Digital Architects. This arrangement is pending.

Clifford Chance

Clifford Chance adopts a three-pronged approach to restructuring and insolvency cases, drawing on expertise from its corporate, financial and insolvency departments.

The restructuring market is very active at the moment and these cases unsurprisingly dominate the firm's work. This year Charles Adams, Giuseppe De Palma and Marco Passalacqua advised BNL, the senior lender, on restructuring SEA's debt; assisted BNP Paribas on a similar arrangement for CFP; and represented Deutsche Bank on the debt restructuring of Fabbrica Italiana Accumulatori Motocarri Montecchio (Fiamm) using a new reorganization structure. Giuseppe De Palma was described by one rival as "very talented".

In bankruptcy matters the firm is advising Citigroup on the Parmalat case and counselling GATX on Volare's default, including repossessing aircraft and re-leasing aircraft to Volare.

Other work includes assisting Elliot Advisors UK on managing claims regarding Federconsorzi, advising Fortelus on buying claims regarding Cirio, and counselling Goldman Sachs's Archon Group, on buying distressed entities from Capitalia. The firm is also helping Goldman Sachs on a €1 billion acquisition of non-performing loans from Banca Antonveneta.

Gianni Origoni Grippo & Partners

Parmalat has occupied the insolvency and restructuring team at Gianni Origoni Grippo for a number of years. The firm is helping restructure all of the group's companies as well as assisting the extraordinary administration on pending litigation.

Fiamm also chose the firm to assist on its restructuring and to represent it in front of the European Commission regarding the sale of a going concern. The firm also advised Fiamm on selecting a potential partner to invest in the corporate capital of the company and the best structure to implement this.

Leading lawyer Antonio Auricchio guided Gias through its restructuring and with Francesco Gianni counselled FBC Group on its reorganization following an out-of-court settlement with creditors.

Leading lawyers

Antonio Auricchio

Lombardi Molinari e Associati

Giuseppe Lombardi is "excellent", according to one peer. "He is an outstanding litigator and has an excellent sensibility on how to structure deals in insolvency."

Lombardi Molinari e Associati is a well respected insolvency expert. The firm won the high-profile mandate to advise Enrico Bondi, Parmalat's administrator, on the company's collapse.

In other work the firm is helping Palamon negotiate the debt restructuring of Viaggi del Ventaglio. Sanpaolo IMI and Banca Popolare di Milano also consult the firm for advice.

Leading lawyers

Giuseppe Lombardi

Other notable firms

Investment banks make up the bulk of Allen & Overy's clientele on insolvency and restructuring matters. Credit Suisse sought advice from the firm on a €275 million claw-back action connected to Parmalat's insolvency and the firm is also advising several other financial institutions – including Merrill Lynch, Morgan Stanley and Goldman Sachs – on several debt recovery actions worth €800 million in total. In other work the firm is assisting Rabobank on a €30 million debt recovery action connected to Cirio's insolvency and representing a group of international leasing companies in a €60 million action to recover debt after Volare's bankruptcy.

Freshfields Bruckhaus Deringer is advising Capitalia and Banca di Roma on the Cirio insolvency, specifically regarding two cases brought by the insolvency commissioner. The actions are claiming €500 million for Capitalia's alleged interference in strategic assets sales while the other is claiming €2 billion for the banks' alleged negligence when issuing Cirio's bonds. The firm is also counselling Deutsche Bank, Merrill Lynch and HSBC on litigation brought by Parmalat's commissioner. Enrico Castellani, who leads this case, was described by rivals as "a good litigator with a good reputation".

Macchi di Cellere Gangemi partner Claudio Visco was also praised by fellow lawyers: "He's a banking lawyer who has now received strong experience on insolvency matters," said one.

Baker & McKenzie has had a steady 2007, working on a number of small-cap receiverships. The firm is advising Azzurra Air on claw-back procedures worth €20 million and is working on the Siltra Food case, providing assistance to the receivership.