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CIB 2016

Strategies
& forecasts



Francesco Gianni

LEGAL

Best teams and
deals in 1H 2015

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Francesco Perilli (left),
and Andrea Vismara,
CEO and head
of investment banking
of Equita, respectively

INDEPENDENCE

The Equita magic word to winning mandates, scale up
investment banking and profit more than competitors

. T . I . P .

10 YEARS

Dear shareholders,

exactly ten years ago TIP has been listed on the Italian Stock Market. We take the opportunity to thank everyone that has been close to us during such a period: colleagues, clients, entrepreneurs and colleagues of the investee companies, suppliers, advisers, but in particular yourselves - our shareholders - who have accompanied us in a certainly not easy period.

The attached table compares TIP's total return with the most common asset classes in these ten years. The result - that includes the effect of the warrants and treasury shares freely distributed, of the dividends paid and of their immediate reinvestment, as many people usually do and which is typical in activities like ours - is quite interesting and attests a reasonable value

creation, both in relative terms and in absolute value, even if within the normal inhomogeneities of such comparisons.

Our focus nowadays is on the next ten years, to the effective duration of the zero interest period, to the growing propensity towards the investment in equities and to the best ways to take profit from that.

The conviction of having given life to a peculiar model, the performances reached so far and the quality of the network generated induce us to continue to be determined in looking for even more ambitious results, if possible, for you and for us, but with the attention and focus that have always characterized us.

Very many thanks to all of you,

Giovanni Tamburi

Alessandra Gritti

Claudio Berretti



~1,7 BILLION EURO CONSIDERING DIRECT INVESTMENTS AND CLUB DEALS ^(*)



ASSET CLASS	9/11/05	10 YEARS LATER	CASH MULTIPLE
TIP	1.8	4.8 ^(**)	2.67 x
S&P GLOBAL PROPERTY	146.2	201.6	1.38 x
GOLD	461.4	1,088.9	2.36 x
SILVER	7.6	14.7	1.93 x
BRENT	59.7	44.4	0.74 x
S&P500	1,218.6	2,579.6	2.12 x
USD	0.8	0.9	1.10 x
S&P GLOBAL LUXURY	975.7	2,281.3	2.34 x
S&P PRIVATE EQUITY	139.6	137.2	0.98 x

AVG.
1.62x



INTERPUMP GROUP S.P.A.



HUGO BOSS



(*) CONSENSUS VALUE - FOR LISTED COMPANIES - REPORTED ON BLOOMBERG

(**) TIP VALUE IS CALCULATED CONSIDERING THE PRICE AS AT 6/11/2015, THE DIVIDENDS DISTRIBUTED (IN CASE OF REINVESTMENT OF PROCEEDS IN TIP SHARES ON THE EX-DATE), THE VALUE AS AT TODAY OF TREASURY SHARES ATTRIBUTED FOR FREE, THE PRICE OF WARRANTS 2010/15 ON THE LAST TRADING DAY AND THE PRICE AS AT 6/11/2015 OF WARRANTS 2015/20

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MILANO FINANZA GLOBAL AWARDS 2015

In the framework of the 13th Global Awards promoted by Milano Finanza, the Italian bankers received the awards named after Lombard and the former governor of the Bank of Italy, Guido Carli

Who's Who of Lombard-Guido Carli Awards

During the 13th Milano Finanza Global Awards in the prestigious setting of the Excelsior Hotel Gallia in Milan, the Lombard-Guido Carli awards were given out to the bankers who distinguished themselves in 2014 in terms of business strategies, innovation and the performances of their organizations. **Carlo Messina**, the CEO of Intesa Sanpaolo, won the banker of the year award. During a speech, he underlined that it is an absolute priority for banks to get problem loans under control. Meanwhile, **Gaetano Micciché**, the general manager of Intesa Sanpaolo and vice president of Banca IMI (which won the best corporate bank award), stated that it is a priority to support businesses that create value. Support for the business world is also provided by Deutsche Bank, which was named the best foreign bank in Italy for the second year running. «Over the years, we have faced the challenges in the sector and met customer requirements, assisting families and SMEs,» explained **Flavio Valeri**, Deutsche Bank's chief country officer



Above: Carlo Messina, CEO of Intesa Sanpaolo, receiving the award as the banker of the year by Paolo Panerai, CEO of Class Editori, the publisher of Lombard, and editor in chief of Milano Finanza. Below, the gala dinner held last April, in Milan and the Governor of the Bank of Italy, during his speech for the Global Awards



Guido Carli-Lombard Awards

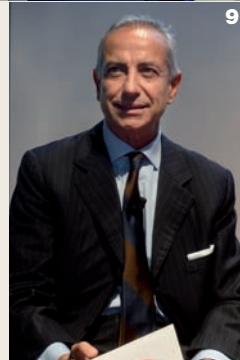
Name	Position	Bank	Award Category
Carlo Messina	CEO	Intesa Sanpaolo	Banker of the year
Giovanni De Censi	Chairman	Credito Valtellinese	Bank Lifetime Achievement
Alessandro Vandelli	CEO	BP Emilia Romagna	Retail bank of the year
Emanuele Giustini	Deputy Gm	BP Vicenza	Special Award CSR
D. Del Borrello	Head Private Banking	Banca Generali	Private bank of the year
Gaetano Micciché	General Manager	Intesa Sanpaolo	Corporate bank of the year
Salvatori/Samaja	Chairman/CEO	Lazard Italia	Investment bank of the year
Flavio Valeri	Chief Country Officer	Deutsche Bank	Foreign bank of the year
Giuseppe Castagna	Ceo	BP Milano	Turnaround of the year
Maurizio Beretta	Chief communication	Unicredit	Best banking group
Flavio Valeri	Chief Country Officer	Deutsche Bank	Best foreign bank
Paolo Fiorentino	Chief operating officer	Unicredit	Unicredit Tower project



- 1) **Alessandro Vandelli**, CEO of Banca Popolare dell'Emilia Romagna,
- 2) **Flavio Valeri**, Deutsche Bank's chief country officer in Italy,
- 3) **Gaetano Micciché**, general manager of Intesa Sanpaolo and vice president of Banca IMI,
- 4) **Domenico del Borrello**, head of private banking for Banca Generali,
- 5) **Giovanni De Censi**, chairman of Credito Valtellinese,
- 6) **Emanuele Giustini**, deputy general manager of Banca Popolare di Vicenza,
- 7) **Giuseppe Castagna**, CEO of Banca Popolare di Milano,
- 8) **Maurizio Beretta**, chief of communication at Unicredit,
- 9) **Paolo Fiorentino**, chief operating officer of Unicredit

in Italy. Staying on the corporate finance front, Lazard was named the best investment bank. During their contribution, Lazard's president **Carlo Salvatori** and chief executive officer **Marco Samaja** recalled the backing that they gave to Pirelli in the recent deal with ChemChina, which established a «model for mergers and acquisitions in the coming years because it safeguarded the Italian identity of the group's stakeholders.» Moving onto wealth management, Banca Generali followed up its outstanding net fundraising figures by winning the best private bank award, which was collected by the head of private banking, **Domenico del Borrello**. The importance of communication strategies for credit institutions was highlighted by **Maurizio Beretta**, the head of identity & communications at UniCredit, which was named the best banking group.

The real stars of the evening were the cooperative banks, starting with **Giuseppe Castagna's** Banca Popolare di Milano, which won the award for the best turnaround story. Banca Popolare dell'Emilia Romagna



claimed the award for the best retail bank thanks to the strategies introduced by its CEO **Alessandro Vandelli**, who praised «the great dedication shown by all of the staff in everyday customer relations.» Meanwhile, Banca Popolare di Vicenza (represented by its deputy general manager **Emanuele Giustini**) received a special award for fostering a spirit of mutual support among families and SMEs,

while the bank lifetime achievement award went to **Giovanni De Censi**, the president of Credito Valtellinese. He has been with Creval since 1958 and spent his entire management career there, climbing the ladder all of the way to his present role as the president. De Censi embodies the spirit of mutual support that is currently undergoing some difficult changes. During the Global Awards ceremony, the president of the Italian Banking Association (ABI) **Antonio Patuelli** gave an overview of the state of health of the Italian banking industry and underlined the risks and opportunities in its current phase. «Quantitative easing has had a positive impact by instilling a steady degree of trust in Italian sovereign debt, because Italy's real problem is the vast amount of public debt that it has built up in the last 40 years,» explained Patuelli. However, he drove home the point that «either the banking union must be fully established, with identical rules in all of the participating states, or some of the discrepancies will have explosive consequences.» He was referring in particular «to the fact that the directives are still applied in different ways in the different countries of Europe and they are still not specifically supervised in the same manner. This could lead to clear difficulties, because Italian banks have no way of knowing for certain what the rules will be in five or ten years.»



Carlo Salvatori and Marco Samaja, chairman and CEO of Lazard Italia, respectively, awarded as investment banker of the year

Honor to the Winners of the M&A Awards

The jury assigned the merits for deals completed in 2014 to the Massimo Zanetti Group, Meda, Hera and Generali

Meda, a Swedish company, thr Massimo Zanetti Beverage Group and Hera were awarded at the XI edition of the M&A Award, an initiative of Kpmg, Fineurop Soditic and Class Editori (the publisher of Lombard), under the patronage of Aifi, the Italian Association of Private Equity and Venture Capital, and the Bocconi University in Milan. The basic idea for the award is to give value to the M&A deals that help raise the competitiveness of the Italian industrial economy. Generali, the insurance group was also awarded as a serial acquirer, for its special knowledge of corporates used to driving their growth with M&A. M&A awards are organized in three categories: the best M&A deal of an Italia company on the international markets, the best acquisition of



a foreign investor in the Italian market and the best domestic deal. The short list of this last category included Davide Campari for the acquisition of Fratelli Aversa, Unipol Assicurazioni for the merger with Fondiaria Sai, Premafin Finanziaria and Compagnia di Assicurazione di Milano and Hera for the acquisition of Amga.

Alberto Minali, CFO of Generali, the insurance group, awarded as a serial acquirer



Massimo Zanetti (left), chairman and CEO of the group by the same name and Raffaele Jerusalmi, CEO of Italian SE





Roger Abravanel, chairman of the jury. Above, from the left: Giovanna Vitelli of the Azimut-Benetti Group, Federico Ghizzoni, CEO Unicredit, during his speech at the Awards ceremony and Eugenio Morpurgo, CEO Fineurop Soditic. Above, the ceremony

Stefano Venier (left) and Tommaso Tommasi di Vignano, CEO and Chairman of Hera, respectively



As for the Italia acquisition abroad, the jury chaired by Roger Abravanel, a McKinsey emeritus, chose Inalca for the Eurasia Holding deal, Snam for the acquisition of Trans Austria Gasleitung GmbH, and the Zanetti Group for the acquisition of Boncafé, a leader in the roasting and marketing of gourmet coffee as well as in coffee shop equipment in Southeast Asia and the Middle East. The award for the best deal in Italy by a foreign investor went to Jörg-Thomas Dierks, ceo of Meda, for the acquisition of Rottapharm, while in the short list included Jazz Pharmaceuticals for the acquisition of Gentium and Vodafone Global Enterprise for the Cobra Automotive Technologies acquisition.

Jörg-Thomas Dierks (left), CEO of Meda, being awarded by Franco Moschetti, past CEO of Amplifon and a jury member



Classeditori

KPMG

**FINEUROP
SODITIC**

AIFI

 **Università Commerciale
Luigi Bocconi**

THE JURY

Roger Abravanel, chairman, McKinsey emeritus and essayist

Gabriele Capolino, Associated Publisher of Milano Finanza

Stefano Caselli, Deputy Dean of Bocconi University

Alessandro Castellano, CEO of Sace

Innocenzo Cipolletta, Chairman of AIFI

Massimo D'Aiuto, CEO of Simest

Maximilian Peter Fiani, Partner of KPMG CF

Francesco Gianni, Managing partner Gianni, Origoni, Grippo & Cappelli

Raffaele Jerusalem, Managing Director of the Italian Stock Exchange

Andrea Merloni, Chairman of Indesit

Giuseppe Miroglio, Chairman of the Miroglio Group

Eugenio Morpurgo, CEO of Fineurop Soditic

Franco Moschetti, CEO of Amplifon

Michele Norsa, CEO of Ferragamo

Angelo Provasoli, Chairman of the RCS Mediagroup

Giovanna Vitelli, board member of the Azimut-Benetti Group

Margherita Zambon, Chairman of the Zambon Group

The winners of the eleventh edition

FOREIGN ACQUIRORS IN ITALY

- **Bidder:** Meda AB
- **Target:** Rottapharm|Madaus Group
- **Sellers:** Fidim (Rovati family)
- **Sector:** Pharma
- **Stake:** 100%
- **Price:** €2,275 million
- **Closing date:** October 10th, 2014
- **Bidder rationale:** creation of the largest specialty pharma player in Europe with a strong presence in all the main international markets. Increased scale, reach and profitability
- **Seller rationale:** to ensure a leadership continuity on a global scale



Jörg-Thomas
Dierks

On October 10th 2014, Meda AB acquired a 100% stake in the Rottapharm-Madaus group's share capital, for an overall valuation of €2.275 billion from Fidim, the Rovati family's holding company. All R&D activities in high-tech drugs of Rottapharm Biotech, the group's historical core research operations, are excluded from the deal. The consideration will include a cash payment to Fidim of €1.643 bn (further €275 mn will be paid in January 2017) and a €357 mn capital increase reserved for Fidim. Once the transaction is completed, Fidim will hold 9% of Meda AB's shares, becoming its 2nd largest shareholder. Meda is one of the world's major players within specialty pharma, primarily focusing on marketing & sales and late stage market adapted product development of prescription drugs, OTC and Consumer Healthcare products. This transaction will create the leading European player in the Specialty Pharma sector, focused on specific market niches and on products capable of delivering an innovative response to new customers' needs.

ITALIAN ACQUIRORS ABROAD

- **Bidder:** Massimo Zanetti Beverage Group
- **Target:** Boncafé Group
- **Seller:** Huber-Ting family
- **Sector:** Food and Beverage
- **Stake:** 100%
- **Price:** €62 mn (Enterprise Value)
- **Closing date:** 1 August 2014
- **Bidder rationale:** consolidation strategy for its geographical presence in Southeast Asia
- **Seller rationale:** exit strategy

In the month of August 2014, the Massimo Zanetti group and the MZB group, a leader in the coffee sector, completed the acquisition of Boncafé International Pte Ltd., an important player in the roasting and distribution of coffee in Southeast Asia and the Middle East, that is headquartered in Singapore. Besides the parent company, the perimeter of the operation comprised Boncafé International Pte Ltd, all its subsidiaries, i.e. Boncafé, (Thailand) Ltd, Boncafé (Middle East) Co LLC, Boncafé (M) Sdn Bhd, Boncafé (Far East) Ltd, BeanToCup (Thailand) Ltd, Boncafé



Massimo
Zanetti

(Cambodia) Ltd, Sino-Swiss Coffee Co Ltd, Boncafé (EM) Sdn Bhd and Boncafé (Guangzhou) Trading Co Ltd. The price of the operation amounted to € 62 million. Massimo Zanetti, the president of the MZB Group commented the successful outcome of the operation with these words: «With this acquisition our group will be able to further expand on the Asian market, guaranteeing production and distribution capacity sufficient to meet the growing demand for coffee in the area.»

ITALIAN ACQUIRORS IN ITALY

- **Bidder:** Hera
- **Target:** AMGA – Azienda Multiservizi
- **Seller:** Municipality of Udine (reference shareholder)
- **Sector:** multiutilities
- **Stake:** 100%
- **Price:** €116.9 mn
- **Closing date:** 25 June 2014
- **Bidder rationale:** Exploitation of synergies and knowhow for the creation of a industrial group capable of offering integrated solutions



Tomaso
Tommasi

On 25 June 2014 the merger by incorporation of Amga – Azienda Multiservizi into Hera was concluded pursuant to the letter of intent signed in September 2013, in which the Municipality of Udine, majority shareholder of the multi-utility Amga, gave the Hera group the exclusive right to develop a project for the merging of the two organizations. «The merger initialed today, successfully concludes the integration process of Amga into the Hera group that began in September 2013,» explained Tomaso Tommasi di Vignano, president of Hera. «In these months we were able to increase the solidity of the industrial project that will certainly bring advantages to the territory of Udine and, more in general, to the region of Friuli Venezia Giulia. Starting July 1st, AcegasAps will change its name to AcegasApsmga and become an industrial conglomerate capable of taking advantage of the technological platforms and the knowhow developed by the Hera group thus offering clients greater standards of efficiency and efficacy.»

INNOVATION

In 2014, IMA invested more than 36 million euros in Research & Development and filed over 160 patent and design applications.

Technological innovation is the key to achieving global goals such as food waste reduction and better access to more effective drugs.

*Numbers are important.
Especially when you figure them out.*



www.ima.it



Maurizia Villa, Managing Director
Korn Ferry Italy

How to drive governance towards a power transition

It's a crucial issue overall in Italian family-run businesses that represent 70% of the corporate market, out of an European average of 50%. And risks are on the rise since the founding generation is close to handing over control

by Martina Mazzotti

According to research conducted in 54 countries by Korn Ferry, world leader in Executive recruitment, only one manager out of three is satisfied with the succession policy in his or her business. The subject is one that affects Italy closely and the question of leadership succession can be seen as a true Italian problem. Compared with a European average of 50% of companies being family run, the figure for Italy is over 70% and of these 43% are headed by business men or women of over 60. Even so, only 35% of Italian companies have prepared a succession plan. This means that the remaining 65% of companies have no plan to deal with this delicate baton-change, exposing the business to significant risks. In Italy though, the problem is not only structural, it is also cyclical and involves the success of the transfer from one generation to the next once a path for succession has been adopted. The transfer from the first to the second generation is successfully completed in 70% of cases, from the second to the third in 20% of cases and only in 5% of cases in the transfer from the third to the fourth generation. Lombard asked Maurizia Villa, managing director of Korn Ferry Italia, how to organize a better governance to lower the changeover risks in family businesses.

Lombard: What are the most sensitive points of the business succession plan, if it exists?

Villa: Often succession management plans fail because they are essentially static. When deciding on the path to take it is important to look further into the future than just the moment when the need arises, concentrating on the business or the selection of talent in a given professional field.

L. In concrete, what is the need?

V. Plans must succeed in establishing an approach to

succession management which is systemic, more agile and above all permanent in nature. The research also highlights how more than three-quarters of executives, 78%, consider that business succession plans are only concerned with the positions of Vice-Chairman and above. When the instruments for succession do not go sufficiently deep, touching all points of the organization, this creates a significant risk.

L. What type of risk?

V. Today we have to think of Italy as a mini-market in all senses. The connective tissue of Italian business is found in the family. If we examine the governance of the majority of companies in the country normally it is clear that it is made up of family representatives or, in some cases, by consultants or other professionals connected with the business owner. It is in this context that the question of succession arises, compromised from the start by a basic misunderstanding, that succession must be passed on to children or relatives.

L. What it is wrong with this approach?

V. We have frequently seen how this idea translates into a path which children and relatives feel forced to take. Often when we interview them it is clear they do not have the DNA or a vision sufficiently free from, or unrestricted by, family-based logic to be able to rise to the challenges of business governance. In Italian capitalism we have seen too many examples of businesses which have reached the second or third generation and have then been sold.

L. What kind of tools can an advisor offer to organize the succession wishing to develop a plan for change?

V. We have to start from the assumption that businesses are depositaries of great value. There are often people

In Italy only in 5% of cases is the transfer of the family business from the third

with significant skills whose merit, abilities and level of professionalism in value creation are not sufficiently recognised. I often find myself reminding the top management of businesses that there are many potential CEOs and leaders internally but unfortunately not much is done to help them develop and prepare them to lead the company. What our research shows however, is that the failure to plan the business succession and to implement specific programmes which need to be encouraged over time is not unique to Italian business.

L. What advice would you want to give business people?

V. It is a good exercise to start to think about succession from day one and this should be introduced in all companies as soon as a governance structure has been set up. Even if the Managing director is a stable presence, the planning of how to prepare for what happens after should always be a priority in strategic planning. For this to be done the first step must always be an analysis of the resources available to the business internally.

L. So how is this type of situation to be dealt with in practice?

V. The path to be followed is to identify professionals within the business whose skills are worth capitalising on and to help them develop and measure themselves against an international benchmark. This is particularly true for a business which aims to be competitive at a global level - it is of fundamental importance that its governance meets particular parameters. Once this analysis has been carried out it is then possible to assess people external to the business who might be able to enhance particular business areas not currently covered.

L. So, the first step is to ensure your strategic goals are clear?

V. Yes, the strategic analysis of your business goals and the resources available to the business in terms of internal talent are of fundamental importance. If this is not done there is a risk of adopting a succession based on a vintage operational logic, that is, measured on previous success and not on future strategic goals.

L. To bring in an external manager is not that easy,

«It is a good exercise to start thinking about succession from day one and this should be introduced in all firms as soon as a governance structure has been set up»

what skills does a professional have to possess?

V. It could be someone who is introduced at the highest level in order to ensure the continuation of business trends, maintaining an already well-established pattern of growth. Another type of manager could be of the type we call a “succession ferry”. This might be appropriate where it has already been decided that the business will follow the path of family succession but there is a need to develop the skills of the relevant family members and prepare the designated successor. In these circumstances a highly skilled external manager could help in the transition stage, assisting the business heirs in taking on managerial roles.

L. But if the transition coincides with an extraordinary financial operation, like an acquisition?

V. It requires a manager who is able to personify the strategic change within the business if it is seeking listing on the Stock Exchange, a position on new markets or the acquisition of other businesses able

to facilitate growth plans. In Italy this kind of choice is made more difficult by the incumbent's sense of being the prime mover within the business which any professional coming from the outside must be able to deal with.

L. What can be done in these cases?

V. The psychological aspect becomes a variable which is far from being of secondary importance in the management of succession processes and must thus be assessed with great care. The generation of Italian entrepreneurs between 60 and 70, who have built industries out of nothing, contributing to the well-being and recognition of whole geographical areas of the country, is used to a high level of self-gratification. In such cases it is very common for them to feel expropriated and see the introduction of an external professional almost as a personal affront.

L. How can and must the consultant intervene?

V. Our job is to help the entrepreneur concerned. This kind of process can be facilitated by explaining that no-one wants to expropriate anything, it is simply important to make an inevitable process of transition easier with the implementation of long-term strategies or in any case, the maintenance of the business results.

to the fourth generation successful. This is a major risk for the economy



Francesco Perilli (left)
and Andrea Vismara
in the trading room of
Equita, in Milan

Independence as a Key Factor



FRANCESCO PERILLI

After two years as a mercantile marine deck officer, Francesco, 55, graduated cum laude in Business Economics from Bocconi University. He began serving in 1985 in Euromobiliare which became Equita in 2007 after a management buy-in led by Francesco with the US PE fund, JC Flowers, as a major shareholder. Francesco has been a member of the Assosim Management Committee.

ANDREA VISMARA

With a degree in Business Administration from Bocconi University and a postgraduate degree from New York University, Andrea, 50, worked as an independent consultant to major Italian industrial groups, before serving in Credit Suisse and Goldman Sachs International. He is also the key executive for the AIM in Milan.

The secret of the performance of **Equita**, the IB boutique, is maintaining the right **middle** between the market, some 500 global **investors** heard daily, and the **corporate** need for fresh capitals. The recipe is traditional, but **undervalued** by most. That's why Equita's top managers decided to launch an ambitious **growth** plan, in alliance with Alessandro **Profumo**. Here are their **next** moves

by Ettore Mazzotti

“We’ve just had a meeting with the landlord (Assicurazioni Generali – Ed.) to ask for another 1,000 m² of space,” said Andrea Vismara, who is a principal at Equita along with Francesco Perilli and also the head of investment banking. It is not easy to find a tenant in Milan who asks for a 50% increase in the space being leased in a modern, centrally located building. It is even harder to find tenants of this kind in the investment banking industry, which continues to cut its staff numbers and tone down its objectives in Italy and beyond, despite the optimism in the M&A market. However, there are some exceptions and one of the most significant examples – in terms of both size and prospects – is Equita, which plans to grow in all business areas and take on new recruits. An important building block in this strategy fell into place on Tuesday 15 September when the board of directors appointed a new president: Alessandro Profumo, 58, who recently left a similar position at Monte dei Paschi di Siena, the institution he joined after his famous career at UniCredit. It is not an honorary role: he will be playing a very active part.

The Genoa-born banker’s latest venture has the air of a challenge about it and he has invested a sizeable chunk of his €40 mn severance package from UniCredit in it. Through a new vehicle named Turati 9, Profumo has joined up with Perilli, Vismara, Fabio Deotto, Stefano Lustig and Matteo Ghilotti to buy a majority stake in Equita from JC Flowers. The American firm bought its controlling stake from Credem in 2007, during another management buy-out led by Perilli. «We were a natural fit for each other. Obviously we knew each other well, partly because many of our clients invested in UniCredit when he ran it,» explained Perilli. Having done his bit for the good of the nation in Siena and left without expecting a pay-off, Profumo was planning to launch his own corporate advisory firm, while JC Flowers was ready to sell off its investment after it reached its seventh year. The senior partners at Equita talked about potential suitors to take their business forward and the choice fell on the banker. «Our most precious asset is our independence. We are exactly halfway between the market and the investors. Until now, we have been independent in our minds and our conduct,

From Bank to Company

even though we have always had a majority shareholder,» stated Perilli, whose career has seen at least four shareholder switches in 25 years, following the change in ownership of the bank in which he worked from Euromobiliare to Midland Bank, then to HSBC, Credem and finally JC Flowers. «With the arrival of Profumo, 100% of the capital is in the hands of the operating partners. We have gained total independence». Alongside Turati 9, the rest of the shares in Equita are held by Manco. The latter vehicle is jointly owned by the whole management team, including the head of sales and trading Deotto and the two heads of research Lustig and Ghilotti, who have been the best Italian equity analysts for the last 23 years in a row according to Euromoney.

Equita's growth plan is built on its total independence. «There is every reason to believe that investment banking will become an important, profitable business in Italy and elsewhere,» underlined Perilli and Vismara, in defiance of current claims that it is on the decline. They can point to their estimable efforts in the market in the stormiest period in recent decades, which stretched from 2007 almost to the present day. Ever since Equita was founded, it has made good money and paid dividends to its shareholders. According to market estimates a, in 2014 its revenues from trading (excluding proprietary) and advisory services were double those of all of its peers: €40.5 mn for Equita, compared to €26 mn for Intermonte



Alessandro Profumo

(the biggest Italian broker), €26 mn for Lazard Italy, €25.5 mn for Rothschild Italy (in 2013) and €20 mn for Banca Leonardo. In the first half of this year, Equita's revenues were once again up by 23% YOY and the net profit by 10%. Perhaps the most interesting figure concerns initial public offerings in Italy. Since 2013, the boutique in Via Turati has served as the global coordinator for 13 of them, which is one more than Mediobanca and two fewer than UniCredit. Intesa stands at the top of the league table by Dealogic, having acted as the global coordinator for 21 such schemes. «However, we have not blown a single one of them, whereas countless IPOs overseen by the big banks were called off at the last minute,» emphasized Vismara, who previously worked at Credit Suisse and at Goldman Sachs with Claudio Costamagna.

From banker to entrepreneur in finance: Alessandro Profumo's turnaround at 58 did not come as a surprise to those who know the former mastermind of Unicredit well. For the last four years, Profumo was cleaning up the image and the accounts of Monte Paschi di Siena as the president alongside CEO Fabrizio Viola. After the completion in July of the last sharecapital increase of the Sienese bank, which brought two strong investors to the shareholder base, Profumo handed in his resignation on July 24th: mission accomplished. He then began thinking about his next 10 years of activity. «The partnership with Equita is perfectly in line with my project of acting in support of Italian medium-size businesses,» the Genovese banker told the press. From now on he will be openly competing with the traditional banking world that backs corporations. On the other hand, Profumo's views on the Italian banking system are well-known: at 120% of their assets, he believes Italian banks are over-exposed to the corporate world and this will make a drastic deleveraging and an opening, even for medium-size companies, towards the capital markets in all its forms inevitable. Obviously, the wealth of contacts and esteem Profumo has acquired since he began working, at barely 20, as a bank teller in Milan, will be a formidable lever that, if well used, can bring business to Equita's headquarters in Via Turati 9.

This was the starting point in Lombard's conversation with Perilli and Vismara, who explained their business model and future strategies.

Lombard: Recent research by Bocconi University showed that at 57%, the IPO withdrawal rate in Italy is more than double the European average of 25%. Why is that?

Vismara: There is an Italian disease which developed after the 2008 crisis, because since then half of the IPOs presented to the market have been withdrawn, partly due to a lack of competition in the market.

Lombard: If that is part of the reason, what is the rest?

Vismara: Market outlooks that are not in line with the real needs of companies. A new listing is a complete process that does not just involve the ability to assess an

asset well, but also its market positioning and the approach to communicating and marketing with institutional investors.

Lombard: Could you give us some examples of failures?

Vismara: Rottapharm, Intercos, Italiaonline, Fedrigoni, SEA and Rhiag are some striking examples. Even Moncler's IPO was withdrawn the first time it attempted to go to the market. It has a big impact on the companies and means the banks have wasted their time and money.

Lombard: Which ones have worked?

Vismara: We were advisers for Italia Independent, Space 2, one of the first SPACs on the market, and Masi on the AIM market. Then there was the €130 mn issue for Alerion CleanPower, when all of the bonds were sold in four days in February this year, half to retail investors and half to institutional investors. This was after the company ripped up a contract with a big bank to issue high-yield bonds for a greater amount than it needed. The bank insisted that the market would only respond favorably to issues of more than €250 mn and then it was unable to find anyone to invest.

Lombard: Doesn't the fault lie with the increasingly volatile markets?

Perilli: They are volatile for everyone. The problem is that often the banks want to proceed at all costs: they draw up the prospectus, ask for authorization from Consob and then in the final stretch they realize that the right valuation is 60, rather than between 80 and 100 like they said.

Lombard: So is that the problem?

Perilli: The valuation is a delicate process but it is not everything.

Lombard: What is your secret to avoiding mistakes with timing and proposals?

Perilli: We have a traditional business model. It is built on both great sensitivity to the market (i.e. the investors) and on the ability to analyze what is on offer, i.e. Italian industry, which we have been watching closely, sector by sector, for 25 years.

Lombard: Is that all there is to it?

Perilli: No, we add a little

innovation and the fact that we have never dealt in or offered our clients the strange, exotic products invented by the banks in the last 20 years, which have only benefited the brokers and professional investors, but not private investors or companies.

Lombard: So has financial engineering proved harmful to issuers?

Vismara: Obviously we also offer coverage for positions, but we stick to simple, understandable products: plain vanilla all the way. We have never tried to convince clients to buy things they don't need.

Lombard: What action do you take on the innovation front?

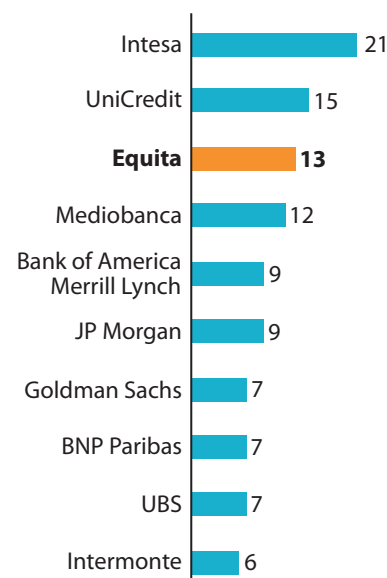
Vismara: We have tried to blaze new trails in distribution, including in terms of debt.

Lombard: Could you give us an example?

Perilli: The bond issue by Tamburi Investment Partners, an investment company that is not very well known among the general public of investors. We sold €150 mn in a few minutes in slices of between €5 mn and €7 mn, in an institutional and retail scheme that had never been attempted in Italy before. Basically, they were sold on the main circuit of the Italian stock exchange where government bonds are traded, as if they were BTPs. So they are liquid, tradable securities that are now already worth 105. It should be noted that courage and vision were also shown by the client in accepting a proposal of this kind.

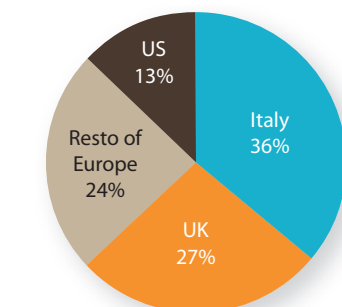
Lombard: So is there scope to do more and do it better?

Global IPO Coordinators*



Source: Dealogic - * for Italian issuers, excepts banks and financial companies, since 2013, including ABB

Equita's Clients* by country



Source: Company report - * Sales&Trading

Perilli: As long as there are innovative capabilities and a healthy business model.

Lombard: What do you mean exactly?

Perilli: Until two years ago, the debt market was split in two between institutional investors for public debt and retail for blue chips, Enel, Autostrade and Telecom. The great deceit by the banks was to act as if corporate bonds were only for institutional investors and then slip them into the portfolios of small savers. With the debt issues of Mittel, Tamburi and Alerion, we have shown that the two channels can be used at the same time for medium companies and not just blue chips, without the banks acting as middle men.

Lombard: What exactly do you mean by a «healthy model»?

Perilli: An organization that was founded and has grown without conflicts of interest, where the people are passionate about their jobs and first and foremost they want to carry out outstanding projects, without having to worry about meeting targets and going to any lengths to achieve them.

Lombard: What motivates them? The partnership?

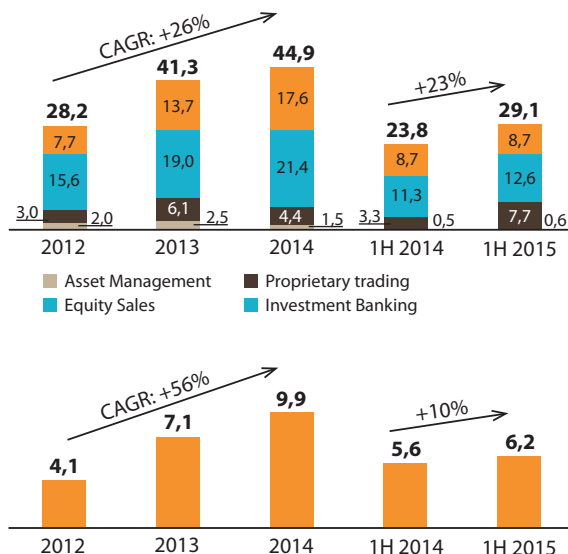
Perilli: Partly, but above all the fact that they know that in their jobs they have the intellectual freedom to make decisions based on their own values, without any background thoughts about favoring one thing or another because they have been asked to by a shareholder or the bank. It is a healthy working approach that is good for you, as shown by the loyalty of our partners.

Lombard: What is the staff turnover like at Equita?

Perilli: The company's average

Revenues and net profit of Equita

The main driver of the rise in revenues was advisory to Italian corporates in gathering fresh capital, in the extraordinary finance activities, as well as in Sales & Trading operations. A breakdown of 2014 revenues shows 48% came from investors in secondary Sales & Trading, while 28% was generated by Equity and Debt Offerings, and 11% from the pure M&A



seniority is over 20 years. This is of vital importance when we are presenting Equita to clients.

Lombard: But is the IB team a more recent addition?

Vismara: Yes, because it was actually created when JC Flowers came on board in 2007. There were two of us at the start and the number has now increased to 20. We benefit from the fact that we have built up a team at a time when everyone else was breaking theirs up, so we were able to put together a group of professionals with years of experience in global investment banking.

Lombard: How did you convince them to join you?

Vismara: By arguing that there was and still is a need for a return to the origins of IB, which means working without conflicts of interest or useless complications and with transparency for clients and a passion for the markets and improving the marketplace. That was how Goldman Sachs and Morgan Stanley grew until the 2000s.

Lombard: Have you ever cut your fees to below the market average to get jobs?

Perilli: We have never been discount operators. We are at the premium end of the market.

Lombard: So why do clients choose you?

Vismara: Because of our independence and our business model, which is balanced between IB and broking, meaning that we are close to the market and understand how it works. This can be seen in our accolade-winning analysts, in what is universally considered the best trading room around, and in our vision, which springs from our familiarity with the market.

Lombard: What is behind your intimacy with the market?

Perilli: It is part of our history and an upshot of having a plugged-in research department with a room of 50 professionals who have two telephones each and contact a group of 500 institutional investors on a daily basis. They are all over the world, from America to Hong Kong,

and they are in areas such as insurance, traditional or alternative funds, endowments and pension funds: basically anyone who can buy Italian securities. We give them news, whether it is good or bad, and we receive feedback from them that allows us to compare our offers with our global peers and assess their relative strengths.

Lombard: What idea are these investors giving you at the moment?

Perilli: That there will not be a bull market in the near future, but well-managed companies will always find willing investors. In addition, Italy is full of brilliant operators and outstanding managers of assets and savings, so the conditions are perfect for doing lots of things. What's more, loans are still being given out very selectively even though the banks are overflowing with liquidity. And often the companies that need money are unable to get it because they are not working with the right people to take them to market properly.

Lombard: What are the new initiatives that you mentioned?

Vismara: A natural next step in what we have built up over time and the launch of a private debt fund.

Lombard: When will it start operating?

Vismara: Next year. We expect to see a first closing at between €100 mn and €150 mn by the end of the year. A new team under Paolo Pendenza has been working on it for months.

Lombard: What professional characteristics were you looking for when you chose the manager?

Vismara: Pendenza worked in credit rating and acquisition finance at Goldman Sachs for ten years and then he gained experience of closed-end funds when he became a partner in



Matteo Ghilotti and Stefano Lustig, below, partners of Equita, are co-head of Equity research team, awarded by Extel and Institutional Investor as a top one in the last ten years



one of the top Italian private equity firms, which was founded by Luciano Balbo and Luigi Sala.

Lombard: Who are you targeting?

Vismara: Equita Private Debt aims to attract Italian and international investors, so it

will be based in Luxembourg. It will invest in a small number of medium-sized schemes.

Lombard: Many organizations have taken the plunge into this new market. What will be the plus points that make you stand out?

Vismara: Our traditional cornerstones in investment banking: sensitivity to investors' needs and the ability to value industrial businesses. These two factors make us think that it is an interesting business idea to organize a fund for the private placement of debt for medium-sized companies in which we can convey third-party funds.

Lombard: Yes, but it is also risky. What sort of insurance can you offer?

Vismara: The first form of protection for our investors will be our ability to assess the basics of companies, bearing in mind the sectors in which they operate, which we have been watching for decades. Therefore, we have decided that Stefano Lustig, who is one of our two heads of research, will be part of the investment committee.

Lombard: What do you expect to see on the international front?

Vismara: Fresh interest in Italian industry. So far only the blue chips have proved attractive, for a small minority of professional investors. Now there is growing interest in medium-sized companies and we hope that soon Italian institutional investors will also realize that it would be better to have some more high-quality domestic issuers in their portfolios, rather than always looking abroad. It is part of a cultural change that will eventually spread to Italy. **L**

Inalca Scores a Top Rate also in Sustainability

The first Sustainability Balance Sheet of the company of the Cremonini Group, made thanks to the contribution of its stakeholders, reported a Generated and Distributed Value equal to 96.5%, a top rate in the industry

Inalca, a company of the Cremonini Group, European leader in beef production, that controls the entire production chain, from breeding to meat processing and the distribution of the finished product, and Coldiretti, the most important organization in the Italian agricultural world, have signed an alliance to share methods of production, inspection procedures, economic values and strategies to place at the base of the Italian beef production supply chain. The participation of Coldiretti in the stakeholder engagement for the agricultural world is fundamental: in fact, to actually improve the environmental impact in the beef production chain, analysis and measurements of agricultural activities are necessary, as well as the application of the best techniques in breeding, where a large part of environmental impacts are concentrated.

«The creation of a fully integrated and sustainable beef industry is the consistent aim of our company. And in this context, the sharing of values with the farming community is an essential cornerstone,» Luigi Scordamaglia, the CEO of Inalca, explained, «in our view there can be no sustainable development without a full integration, functional, economical and ethical, with the primary agricultural production world. For this reason we place at the base of Inalca's

sustainability model the alliance with the leading Italian agricultural organisation, Coldiretti, which represents the ideal subject for reaching and engaging in this common goal the thousands of farmers with whom our company has solid relationships".



Luigi Scordamaglia, CEO of Inalca and chairman of Federalimentare

The cooperation between Coldiretti and Inalca for the content of the Sustainability Balance Sheet of the company will continue with the implementation of pilot projects and new integrated and sustainable agricultural production models, tailored to the various territorial specifications of the Southern and Northern regions and capable of relaunching the national beef industry overall, and valorising Italian meat in all sales channels and world markets in the over 70

countries where the company operates.

Inalca's Sustainability Balance Sheet

Inalca is today the protagonist of a new model of sustainable production based on an integrated management of the production chain in Italy and reproducible in different countries around the world. Thanks to the complete control of the supply chain, Inalca has today been able to achieve in a timely and analytical fashion the 2014 Sustainability Balance Sheet,

From Russia to Africa

Inalca, a company of the Cremonini Group, European leader in beef production, is one of the few Italian companies to control the entire production chain. The company in 2014 reported revenues of 1.49 billion Euro, of which 50% abroad. It has an international presence with 11 production plants (including 6 in Italy, 2 in Russia, 2 in Angola and 1 in Algeria) and 21 logistic distribution platforms (6 in Russia, 4 in Angola, 3 in Algeria, 3 in Congo, 3 in the Democratic Republic of Congo, 1 in Mozambique and 1 in the Ivory Coast). Inalca commercialises annually more than 500,000 tonnes of meat, produces 100,000 tonnes of hamburgers, 200 million cans, with 7,200 product references and 3,000 employees. Cremonini, with over 9,000 employees, and a turnover in 2014 of over 3.3 billion Euro, of which about 35% generated abroad, is one of the largest food groups in Europe and operates in three business areas: production, distribution and catering. The Group is leader in Italy in the production of beef and processed meat (Inalca, Ibis and Montana) and the commercialisation and distribution of food products to the foodservice (MARR). It is leader in Italy in train stations buffets, vaunts a significant presence in the main Italian airports and motorway catering and is the leading European operator in the management of on-board train catering (Chef Express). Finally, it is present in commercial catering with its steakhouse chain branded Roadhouse Grill.

prepared in accordance with the international standard GRI - Global Reporting Initiative (version G4 "in accordance core" option) and based on the four pillars constituted by

- › Sharing value with the agricultural world,
- › Creation of an Integrated and sustainable supply chain,
- › Control of impacts and consumption
- › Governance of company processes

The numbers relative to sustainability

From the numbers of the Sustainability Balance Sheet interesting data emerge demonstrating Inalca's commitment in three areas - economic, social and environmental - in which sustainability

is reached. For example, the Generated and distributed value, first indicator of the value created by the company for its stakeholders, results equal to 96.5%, demonstrating Inalca's high rate of economic sustainability.

With regards to the environment, from the energy saving point of view and from the use of renewable resources, Inalca self-produces over 70% of its energy needs by means of industrial cogeneration and the production of green energy (biogas) produced by waste processing: the production of green energy is equal to 6.43 GWhe per year. Overall, the contribution of Inalca towards climatic change is estimated at a reduction of CO2 emissions equivalent to 40,000 tonnes not emitted into the atmosphere over the last five years.

99% of waste is sent to recycling and more than 7,000 tonnes/year of compost is produced by processing waste and recuperated in agriculture as organic fertilisers.

The data on packaging is also important, 90% made by recycled paper, also those on the recycling of water: 82,000 cubic meters of purified water are recovered every year, and over 90% of water supplies are managed directly by the company, ensuring a management of water resources without wastes.

In the sphere of social responsibility, Inalca's commitment in the field of animal welfare has been particularly significant as well as its support of national organisations involved in the fight against crime and illegality in the food industry.

The complete Sustainability Balance Sheet is available on the website www.inalca.it (Quality, and Environment section).



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Euro 21,000,000

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acted as exclusive
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April 2015



acquired 100% stake of



from



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acted as exclusive financial
adviser to the Seller

March 2015



acquired a controlling stake in



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acted as exclusive financial
adviser to the Sellers

January 2015



acquired 100% stake of

Atento Česká republika a.s.

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January 2015

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of players,
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In the Investment banking

The main Italian bankers are **optimistic** regarding the potentials of business but the key is how to be **competitive** on costs and **revenues** in a highly regulated market with many **competitors**



Federico Imbert

The core business? Banks and blue chips

Imbert has the tricky task of holding onto Credit Suisse's place in the investment banking world and actually enhancing its status while the group as a whole is undergoing a global restructuring process in the business. The leading players on Imbert's team are Guido Banti (FIG), Andrea Donzelli (the head of investment banking), Paolo Celesia (equity), Marco Bugarza (debt) and Lorenzo Ceretti (high-yield bonds). With 30 years of experience at JP Morgan behind him, Imbert has focused his strategy on a number of big clients such as Saipem, Enel and Mondadori the banking industry, an area in which Credit Suisse is particularly strong, and some large family-owned groups which are well diversified and full of potential

Hold, Upgrade



Massimo Della Ragione

M&A and Equity for Goldman Sachs

Massimo della Ragione (the senior of the two) and Francesco Pascuzzi are the co-heads of the Wall Street giant's Italian business. They will soon successfully complete the challenging transition from the Costamagna management team to the bank's new recruits. The group put together by the most recent president of CDP spread far and wide after he left, but thanks to the virtues of the Goldman Sachs school, the new bankers have managed to reclaim a place at the forefront of the Italian business scene, as underlined by its regular presence at the top of the M&A rankings in recent years. Della Ragione and Pascuzzi are backed by a team of 16 who have taken GS to the top not only in advisory services but also in equity, with a deals worth a total of €10 bn.



Marco Samaja

Take it all is the Samaja&Co drive

Five partners ensure that the Italian branch of the world's number one boutique has a part to play in all of the biggest deals on the market. They form a close-knit group and focus on the advisory business, which for Lazard also includes debt restructuring. The Fiat, CDP, Pirelli, Poste Italiane, Yoox, AC Milan and Bologna Airport deals and the main privatization projects have all seen the active involvement of the team under Marco Samaja, who always has his eye on every little movement in the vast world of M&A. Alongside him are the deputy CEO Igino Beverini, Massimo Pappone, Michele Marocchino and Giacomo Liberti, while the highly esteemed senior banker Carlo Salvatori is the president and a sort of father figure.

The French challenge in the major round

Drawing on BNL's longstanding ties with medium-large and large industrial groups and the financial clout of its parent company, Filippo Boria has ensured that the C&IB division at BNP Paribas is now competing on an even footing with the traditional domestic players IMI, UniCredit and Mediobanca, especially in the debt capital markets area. This has gradually opened the way to the more profitable equity business and a number of prestigious appointments as a manager and sole global coordinator.



Filippo Boria

or Retrench...



With the boost of a big bank, on the way to the European market

Under Andrea Mayr, the investment banking division at Banca IMI has created a value chain that has taken its profitability to record levels and helped it to lead the way in all business areas, especially debt. In recent years, IMI has invariably been at first or second place in the league tables of bookrunners for Italian issuers and it is also establishing itself at the high end of the European market. Vincenzo De Falco is a consummate winner of M&A mandates, with 35 deals to his name both in 2014 and in 2013, when KPMG beat Banca IMI into second place by a whisker. The arrival of the new CEO Mauro Micillo, who is one of the Intesa Sanpaolo group's new recruits, could lead to a few changes in the strategy.

Andrea Mayr

Leveraged finance, that's our speciality

As a woman at the head of an investment bank, the former Lehman Brothers banker Patrizia Micucci is a rarity, at least in Italy. She serves as both the head of C&IB and the chief country manager. She leads a packed, all-male team of managers that focuses on business with financial institutions (under Davide Grignani) and big industrial groups. SG offers the latter a sophisticated array of equity and debt instruments, many of which are built on its direct experience in proprietary business management. In addition to working on countless issues as a joint bookrunner, in 2014 SG acted as a lead arranger for leveraged finance.



Patrizia Micucci

Deutsche Bank: the hard way to restructuring



Lorenzo Frontini

Following Leopoldo Attolico's departure for Citigroup, Frontini has recently taken the helm of the Deutsche Bank division that is responsible for C&IB and is integrated with capital markets and treasury solutions, an area that Frontini runs throughout Western Europe. Working alongside him are Giuseppe Baldelli (advisory and investment banking), Vito Lo Piccolo (equity market in Italy, Spain and Portugal) and Renato Grelle (debt). Thanks to the influential contacts in the corporate world that DB has built during its long presence on the Italian market, it performs particularly well in the advisory sphere and always makes the top ten.



Vittorio Ogliengo

Ahead of rivals thanks to debt

Thanks to its leading role in the debt market, the division run by Vittorio Ogliengo (who is also the global head of financing and advisory services) has gained ground in the equity and advisory fields. In the latter area, it came in fifth in the 2014 league table, ahead of its traditional rivals IMI and Mediobanca. However, its pre-eminence in the debt market has produced the most impressive results in both Italy and Europe. UniCredit came third in the EMEA rankings for the value of issues in euros in the first half of this year, while also posting record revenues of €2 bn.

Lombard: Which will be the most interesting C&IB areas in the next 18 months?



Imbert: The outlook remains positive, especially in Europe, where the relative strength ratings are still attractive. They will be supported by an accommodating monetary policy and flows of liquidity from the United States to Europe, \$10 bn in the first two months. M&A will continue to be an important driving force in the capital markets, for both debt and equity. After a record-breaking €103 bn in issues in 2014, further growth of 20% is expected in the high-yield debt market this year.



Della Ragione: I agree that the equity and debt markets will be driven by plentiful liquidity and the

low cost of financing. The very low rates should aid the development of the bond market and issues of hybrid securities for companies that are already involved in the capital markets, while also offering further encouragement for small companies to move away from traditional banking channels in favor of the debt market, especially following the recent changes to the regulations.



Boria: I would also count on seeing another increase in the volumes of high-yield issues due to the fall in all-in rates, which have dropped below 3% and 5% for BB and single-B ratings respectively. Furthermore, there is no doubt that all of the companies that still have high financial leverage will be greatly motivated to refinance their debt so that they can benefit from better economic terms and conditions.



Samaja: In the next 18 months, we will see the best possible market conditions for private equity companies to sell the assets in their portfolios because of renewed interest in Italy from big international groups, the return of motivated financial investors and substantial market multiples. Financial and industrial buyers such as sovereign wealth funds will be prepared to offer better prices because they aim for returns of between 8% and 10%, which is lower than the figure of around 15% targeted by private equity funds. That makes a big difference.



Micucci: In terms of debt capital markets, the volumes are forecast to be in line with the record levels of 2013 and 2014. We expect an intense pipeline of many inaugural issuers, rated and unrated, to

THE OPINION OF THE STRATEGIC ADVISOR

Be careful, post-Lehman issues are not overcome

While business is languishing – at least in terms of returns, though not so much when it comes to volumes – advisers are prospering. This is particularly true if they deal with turnarounds, or even better transformations like AlixPartners. This small (compared to its big counterparts McKinsey and BCG), specialized boutique is continuing to see double-digit growth in its turnover both globally and in Italy. Claudio Scardovi is the EMEA manager for business with financial institutions, which is one of the firm's main areas. Lombard asked him about the state of the investment banking market.

Lombard: Two years ago, you published a report that revealed that profound change was urgently needed in the investment banking business model, especially in Europe. What has happened since then?

Scardovi: There is perhaps even greater need for structural change in investment banking now than there was two years ago. It was necessary to make urgent alterations because the new rules were expected to have a bigger impact on the accounts and the overly rigid cost structure meant that the cost-income ratio would become too high. As predicted, this is exactly what is happening.

L. What were the consequences for the market?

S. All of the business has gone to the big American banks.

L. Not in Italy, not everyone seems to be struggling...

S. There are players who are still on their feet in a market that is collapsing and so they are gaining market share, but nobody is getting close to the returns of 10 years ago anymore. Under the current regulatory regime, if investment banks invest their capital they are penalized by the regulator. The situation will get even worse with Basel IV from 2018 because the asset calculation rules will be even stricter.

L. However, in M&A – and to a lesser extent in the debt market – business is flourishing. Has the need to resolve the issues become less pressing?

S. Take a good look behind the numbers and the aggregated data. M&A is traditionally a cyclical business, so I wouldn't call it a big comeback. Some big American investment banks are performing better but there are some giants whose ROE still stands at 2% or 3%. The post-Lehman Brothers picture is far from straightforward.

L. Could you give us some examples?

S. Goldman Sachs has come out of it best and Morgan Stanley has also made a strong return to the market thanks to its competitive positioning. JP Morgan and Citigroup survived because of their size. The big news is that Wells Fargo is really turning a profit, thanks largely to its wholesale business. It now wants to reposition itself in the M&A and corporate fields.

L. What about the European banks?

S. Not a single one of them has fully confirmed its desire to go all out in investment banking. Deutsche Bank had perhaps the best positioning in the

tap the public Eurobond market. Meanwhile, frequent rated issuers are now benefiting enormously from a significant extension in the average duration of bonds that investors are willing to buy. With these favorable circumstances in the debt capital markets, we expect

many corporates to proactively manage upcoming redemptions through liability management transactions that will be mainly financed either by new bond issues or cash.

Lombard: The verdict on debt is unanimous: there do not seem to

market, but step by step it is continuing to redraw the boundaries of its business. Barclays and HSBC have left the boundaries behind altogether, Credit Suisse and UBS have mainly focused on asset management and advisory services and the French banks have regional roles and businesses.

L. And how about Italy?

S. Banca IMI was already being cited as a success story two years ago and it is proceeding with its hybrid business model. Its substantial profits are largely down to carry trading, because it can count on very beneficial funding costs.



Claudio Scardovì, Alix Partners EMEA manager for FIG

Mediobanca is growing in the European market but it still can't call itself a national champion with an international presence and capabilities.

L. Do you think that is something that is needed?

S. Yes, it needs to be contemplated in the economic policies of any country. DB and BNP Paribas have helped businesses from their home countries expand internationally and the same should happen in Italy. Without a national champion, we will be left on the sidelines.

L. What is the really big issue here?

S. Creating a European champion that is capable of competing with the American banks and perhaps also the Chinese banks, which have the assets to do anything even when they're making a loss.

L. What is behind the misperception about the situation in investment banking?

S. Investment banking – especially in Italy – has always been largely associated with M&A, an area which is actually only responsible for 5% to 10% of the revenues of an investment bank. The real driving force behind the revenues has historically been the FICC (fixed income, currencies & commodities) market, which is the very area that has the most structural issues. In Europe, I am not aware of a consolidated, successful business model that does not have cost issues or organizational problems which are too complex to manage.

L. Where do the real profits come from in the investment banking business?

S. In Italy in particular it is a strange market that does not have a culture of paying fees, so the banks add them on in other ways. Advisory services is the area that is worst affected by this. Capital increases are the big earners, especially when things are looking desperate. However, there are obviously lots of associated risks, including in terms of reputation in the medium term.

L. Is the situation the same in the rest of Europe?

S. In Anglo-Saxon countries, fees are paid and they are based on percentages, but the revenues are cyclical. The real point is that the banks will be forced into exponential capital increases compared to those of the past because the equity requirements are doubling or tripling while the revenues are stable. What's

continued on page 74

be contrarian views. How about if we broaden the horizons a little?

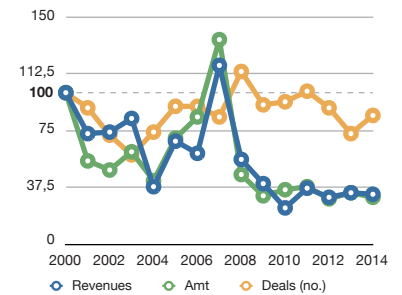


Ogliengo: Risk management solutions will further increase the importance of protecting profitability.

For example, the increase in for-

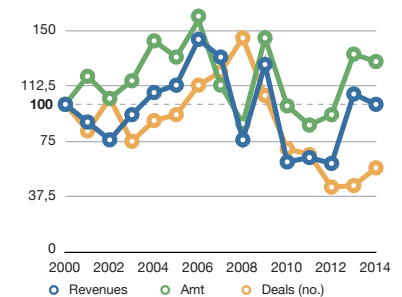
eign trade puts the spotlight in protecting the income statement from FX fluctuations. In general from the asset side, all C&IB products that can help companies optimize their investments, for example by getting rid of non-core assets and buying into new opportunities, will

Revenue trends in M&A...



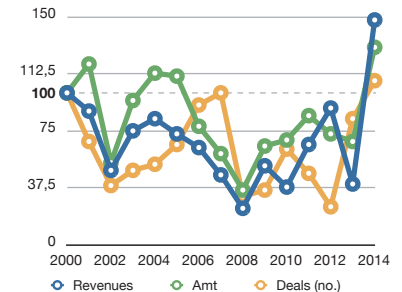
Source: Dealogic for the domestic and cross-border Italian market

... DCM...



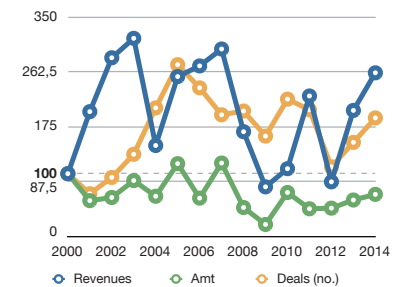
Source: Dealogic, all kinds of debt products, for Corporate, Fig, Sovereign, Local Authorities, covered bonds and securitization

... ECM...



Source: Dealogic for all kinds of equity-linked facilities, Abb, convertible, right issues

... and Syndicated loans



Source: Dealogic for the Italian market - Revenues are intended for investment banks

be in demand. From the liability and equity side, the ability to find the right mix to fund the assets can easily be supported by the Capital Markets.



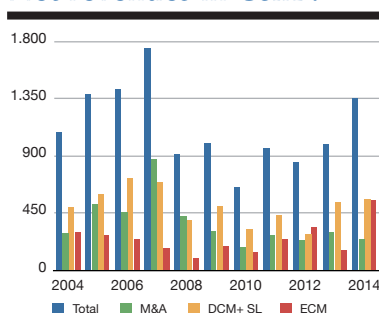
Frontini: In Q1 2015 we have seen a strong rally in risk asset prices as falling rates and flattening yield curves drive demand for riskier assets; as ECB policy diverges from US policy we have also seen rising volatility in FX and Rates markets. We expect rising trading volumes in risk asset classes (equity, credit) and wider bid-offer spreads and higher activity in macro asset classes (G10 Rates, G10 FX), giving stronger revenue performance across most products.

Lombard: The early signs this year are also positive for the equity market. What will help support this trend in the next cycle?



Micucci: 2015 and 2016 may stress a true return to an active market as evidenced by the strong IPO pipeline in Europe and in Italy. We anticipate this trend to last, considering the already announced transactions of Cartiere Fedrigoni, Enel, Enav, Ferrovie dello Stato, Gruppo Statuto, IDEA Real Estate, Inwit, Massimo Zanetti, Poste Italiane and Sorgente.

Net revenues in C&IB:



Source: Dealogic for the Italian market



Della Ragione: The equity market will undoubtedly benefit from the shift from the USA towards Europe by investors in a natural rebalancing of their portfolios, as well as the privatization processes that are expected in the coming months following the increase in valuations and the low levels of volatility at the start of the year.



Imbert: I am also optimistic about the equity capital market, even though it reached a five-year peak in 2014 with global volumes of over \$931 bn and growth in Europe that topped the 2013 figures by 25%. While M&A-related equity issues stood at just \$16 bn in 2013, the amount increased to more than \$45 bn (16% of the total) in 2014.



Boria: There will be at least four big driving forces behind the equity market: new listings, including those part of privatization processes; rights issues to bolster capital or fund acquisition/consolidation schemes; rationalization of stake portfolios through direct sales on the block trading market (ABBs), partly following the dissolution of many shareholders' agreements; and finally taking advantage of the highly favorable current conditions to fund company operations by issuing convertible/exchangeable bonds.

Lombard: Regarding financial institutions in particular, what sort of demand do you expect to see?



Ogliengo: Demand for C&IB products from financial institutions will be sustained, mostly driven by the impact of new regulations that is reshaping part of the industry.



Micucci: I too believe that the new regulatory capital requirements such as the TLAC and new "bailable" senior bonds could trigger a new wave of capital-driven issues by the main banks, while the new Solvency II capital requirements will also lead to new issuances.

Top banks by revenues in C&IB...

Pos 2014	Pos 2013	Bank (Parent)	2014		2013	
			€mn*	%	€mn*	%
1	1	UniCredit	112.3	8.3	102.2	10.3
2	6	Mediobanca	111.9	8.3	54.2	5.5
3	2	Banca IMI	96.7	7.1	94.7	9.5
4	4	Goldman Sachs	85.6	6.3	59.5	6.0
5	5	JPMorgan	84.3	6.2	55.5	5.6
		average	80.8		58.5	
6	11	Citi	68.7	5.1	35.8	3.6
7	10	Barclays	65.5	4.8	36.6	3.7
8	3	BNP Paribas	64.5	4.8	68.2	6.9
9	13	UBS	62.5	4.6	29.6	3.0
10	7	Deutsche Bank	55.7	4.1	48.9	4.9
		Total in the table	807.8		585.2	
		Total market	1356.1	100.0	994.8	100.0

Source: Dealogic - * Net revenues in € mn

... in the Equity Capital Market...

Pos 2014	Pos 2013	Bank (Parent)	2014		2013	
			€mn*	%	€mn*	%
1	3	Mediobanca	62.3	11.3	14.8	9.4
2	10	Goldman Sachs	49.1	8.9	6.1	3.9
3	6	UBS	48.5	8.8	10.2	6.5
4	1	JPMorgan	47.0	8.5	16.1	10.3
		average	37.2			
5	11	Citi	32.0	5.8	5.0	3.2
6	2	UniCredit	31.7	5.7	15.6	10.0
7	5	Banca IMI	28.7	5.2	13.4	8.6
8	15	Barclays	26.4	4.8	2.7	1.7
9	7	Credit Suisse	24.7	4.5	9.1	5.8
10	8	Morgan Stanley	21.3	3.9	8.9	5.7
		Total in the table	371.7		101.8	
		Total market	553.2	100	156.5	100

Source: Dealogic - * Net revenues in € mn

A Major Cultural Project by Intesa Sanpaolo

In the Bank's museum in Piazza della Scala, at Milan, one of the most important exhibition of the Romantic period, in collaboration with Brera Academy, the Pinacoteca di Brera and the Gallerie dell'Accademia in Venice, opened

On Friday 6 November, Intesa Sanpaolo opened Hayez, a major exhibition on the greatest artist of the Romantic period, curated by Fernando Mazzocca with the general coordination of Gianfranco Brunelli, at Gallerie d'Italia – Piazza Scala, the Bank's museum in Milan. This important new event follows the major exhibition on the First World War held at the three Gallerie d'Italia in Milan, Naples and Vicenza until 23 August 2016, and also forms part of the activities of the Culture Project, a structured series of initiatives promoted by the Bank which, beginning with the endorsement of its own collections, promotes temporary exhibitions and cultural events in its three museums. In accordance with its traditional role as corporate partner of the most important Italian cultural associations, Hayez has been produced in collaboration with the prestigious Milanese and Venetian institutions intimately connected with the history of the great artist: the Brera Academy, the Pinacoteca di Brera and the Gallerie dell'Accademia in Venice.

The exhibition represents the most complete and up-to-date collection of the work of Francesco Hayez (Venice 1791 – Milan 1882), more than thirty years after the important Milan exhibition of 1983, bringing together around 120 paintings and frescoes by the artist under one roof, including three from the Cariplo Foundation collection on display in the permanent exhibition dedicated to the 19th century at the Gallerie in Piazza Scala, *The Death of Abradates*, produced in 1813, *Pope Urban II Preaching the First Crusade in the Square of Clermont* of 1835 and *The Last Meeting between Jacopo Foscari and his Family*, known as *The Two Foscari*, painted between



The Kiss (1867) by Francesco Hayez

1838 and 1840.

The exhibition places important emphasis on themes - from Melancholy to Meditation and through to the famous *The Kiss*, one of the most reproduced and iconic paintings in the entire history of art - which are dealt with using modern allegories to express the expectations and anxieties of the Risorgimento, an era in which Hayez, together with Giuseppe Verdi and Alessandro Manzoni, played a leading role, contributing to constructing the cultural unity of Italy before the country was unified in political terms. The different versions of these masterpieces are compared, such as the two versions of *Melancholy* and,

in particular - for the first time - the three versions of *The Kiss*, one of which was exhibited at the Universal Exposition in Paris in 1867.

The exceptional sequence of works, with his most famous masterpieces alongside others presented to the public for the first time, unveil the life and artistic experiences of a painter who was continuously able to reinvent himself. The greatness of his genius was therefore confirmed, both in his incredible mastery of style and technique - skilled in both oil painting (also on panels) and frescoes - and in his continuous invention and re-elaboration of his favourite iconographic themes. The various sections of the exhibition reflect the changes in the cultural, historical and social climate of which Hayez was a sensitive and versatile interpreter, master of various genres such as historical paintings and portraits - those of Manzoni and Princess Belgioioso are very famous - mythology, religious paintings and the still very fashionable genre of Orientalism.

... in the Debt Capital Market...

			2014		2013	
Pos 2014	Pos 2013	Bank (Parent)	€mn*	%	€mn*	%
1	1	UniCredit	39.2	11.7	47.5	12.9
2	2	Banca IMI	25.5	7.6	38.3	10.4
3	6	JPMorgan	23.4	7.0	17.2	4.7
4	3	BNP Paribas	22.6	6.7	36.3	9.8
		average	20.4			
5	4	Deutsche Bank	19.7	5.9	23.9	6.5
6	19	BofA Merrill Lynch	17.0	5.1	7.4	2.0
7	9	Goldman Sachs	16.4	4.9	15.1	4.1
8	17	SG C&IB	13.6	4.1	10.3	2.8
9	16	HSBC	13.5	4.0	10.5	2.8
10	12	Morgan Stanley	13.2	3.9	11.3	3.1
		Total in the table	203.9		217.7	
		Total market	335.1	100.0	369.1	100.0

Source: Dealogic - * Net revenues in € mn

... and in M&A

			2014		2013	
Pos 2014	Pos 2013	Bank (Parent)	€mn*	%	€mn*	%
1	22	Jefferies LLC	27.5	11.0	2.5	0.8
2	1	Lazard	25.1	10.1	30.4	10.2
3	3	Banca IMI	24.6	9.8	24.4	8.2
4	4	Mediobanca	22.3	8.9	21.9	7.4
5	6	UniCredit	20.4	8.1	20.0	6.7
		average	18.0			
6	2	Goldman Sachs	17.2	6.9	30.3	10.2
7	11	Rothschild	16.8	6.7	10.4	3.5
8	13	BNP Paribas	9.9	3.9	8.0	2.7
9	12	Leonardo & Co	8.4	3.4	10.1	3.4
10	7	Deutsche Bank	7.5	3.0	17.0	5.7
		Total in the table	179.7		175.0	
		Total	250.1	100.0	298.6	100.0

Source: Dealogic - * Net revenues in € mn

Lombard: Which areas of the advisory scene will be most involved in integration/consolidation processes?



Frontini: One of the most interesting features of the last wave of M&A is the fact that it is highly driven by integration / consolidation processes. Across Europe, the overall organic revenue outlook is challenging and hence companies across sectors and financial institutions are increasingly targeting M&A as the most effective strategy to accelerate growth. Interestingly enough, the consolidation processes this time around happen throughout all sectors. But it would still appear that record levels of activity are and will be achieved in telecoms - where scale matters hugely, healthcare - where R&D investments over long periods of time are highly relevant - and financial institutions, through both domestic and, over time, cross-border consolidation.



Mayr: We also believe that the consolidation trend will be particularly prominent in telecoms/TMT because of the desire for a step up in scale, opex savings and infrastructure sharing. Evidence of the movement is already plain to see in the towers sphere, as demonstrated

by the recent sale by Wind, the RaiWay IPO and the forthcoming Inwit IPO, as well as the expected NGN operations. In the power & utilities sector, the push for consolidation is coming from the Italian Stability Law, which allows local bodies that sell stakes in companies that are being merged to exclude the proceeds from sales from the Italian Stability Pact and extend the duration of authorizations for newly merged organizations.



Della Ragione: Nonetheless, it should be noted that consolidation in the TLC market has been expected for some time as a consequence of a bitter price war. What's more, cost synergy and a lower churn rate, together with the associated improvements in the margins, could lead to growing revenues in the sector once again in less harsh legislative and macro-economic conditions, as we have seen in Austria, Ireland and the UK.

Lombard: How about financial institutions and the fashion and luxury industry, which is the other quintessentially Italian field?



Samaja: The FIG area will be revolutionized by consolidation among the cooperative banks, but the deals will take place in 2016.

For now, the banks are maneuvering into position. We believe that there will be consolidation in luxury goods and the industrial sector.



Della Ragione: I also believe that we will have to wait until 2016 for the cooperative banks, but there is no doubt that the reforms that have brought an end to the "one shareholder, one vote" system in these organizations will lead to numerous mergers and acquisitions, with a new wave of domestic and cross-border consolidation guided by strong industrial synergy. The pace of the consolidation process in the world of utilities will also pick up in the coming months because the municipalities will have to make decisions about the rationalization of their stakes.



Ogliengo: We foresee four main work streams. In the energy sector, a combination of sluggish demand, overcapacity and global trend of commodity prices is forcing consolidation in an environment of profitability under pressure in most of the segments (marketing, refinery, generation, supply, E&C). As for consumer goods, the sector performance and intense M&A activity is reducing the number of actionable opportunities in fashion, while we anticipate

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continued on page 74

IN A CHANGING WORLD,
**EACH PART OF AN INVESTMENT
CONTRIBUTES TO RESPONSIBLE
DYNAMICS.**



TBWA/CORPORATE - © Jasse Kyttanen

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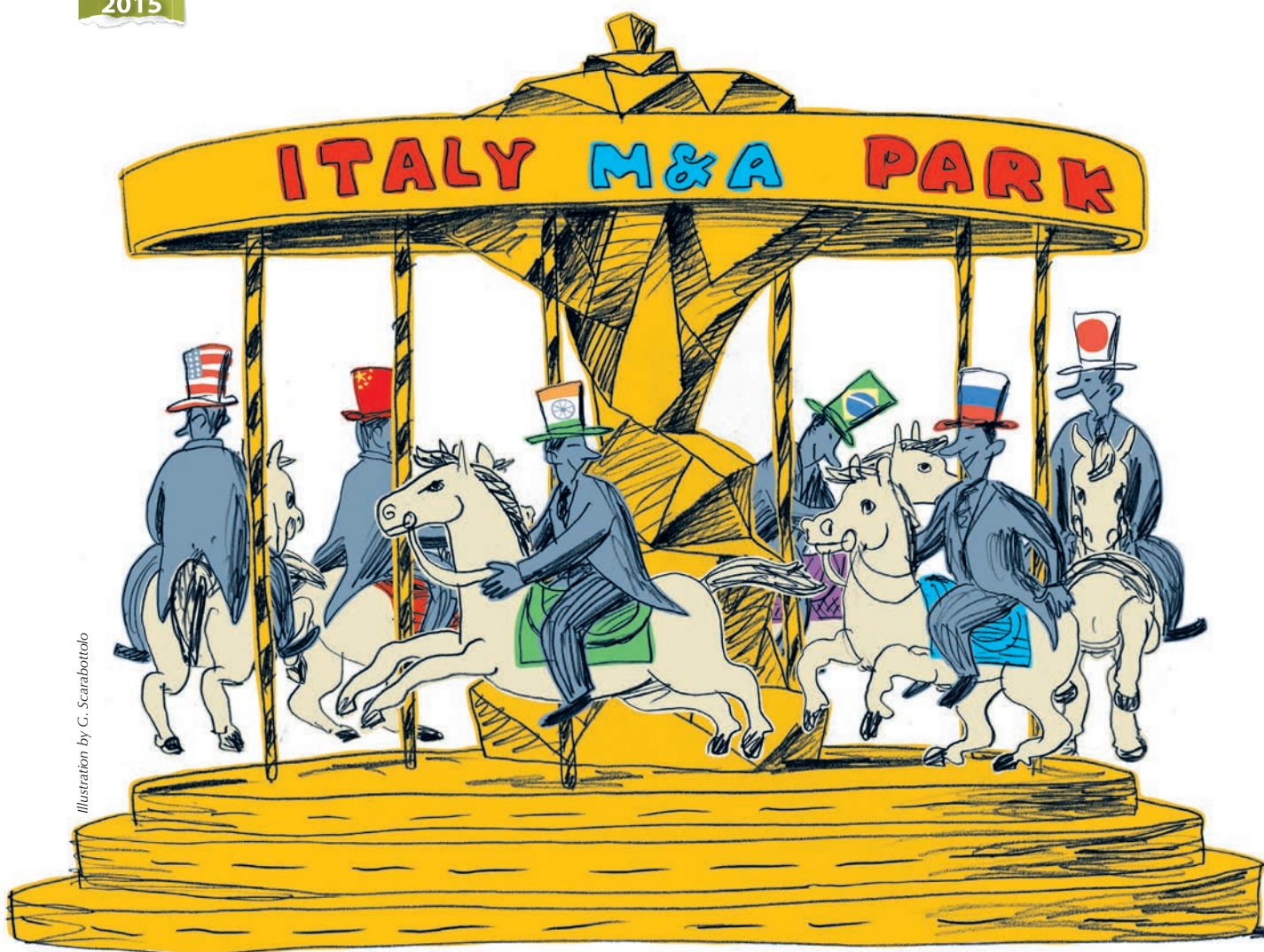


Illustration by G. Scarabottolo

Abundant liquidity, financial investor appetite, mainly from the **East**, for the Italian **champions** and **brands**, and a strong trend towards **consolidation** in strategic business are combining together to boost forward the business

by Marcello Conti

M&A BACK TO BIG ONES

Top advisors in M&A 2014 by volumes

... and by number of deals

Rank	Bank	€ ml	Deal	Rank	Bank	Deal	€ ml
1	Morgan Stanley	8,909.5	6	1	KPMG	36	2,275.4
2	Lazard	6,513.7	21	2	Banca IMI	35	5,142.4
3	Goldman Sachs	4,360.8	8	3	Mediobanca	27	5,107.2
4	Barclays	3,519.2	5	4	UniCredit	26	5,948.0
5	Deutsche Bank	3,424.0	7	5	Lazard	21	10,907.1

Source: Lombard analysis

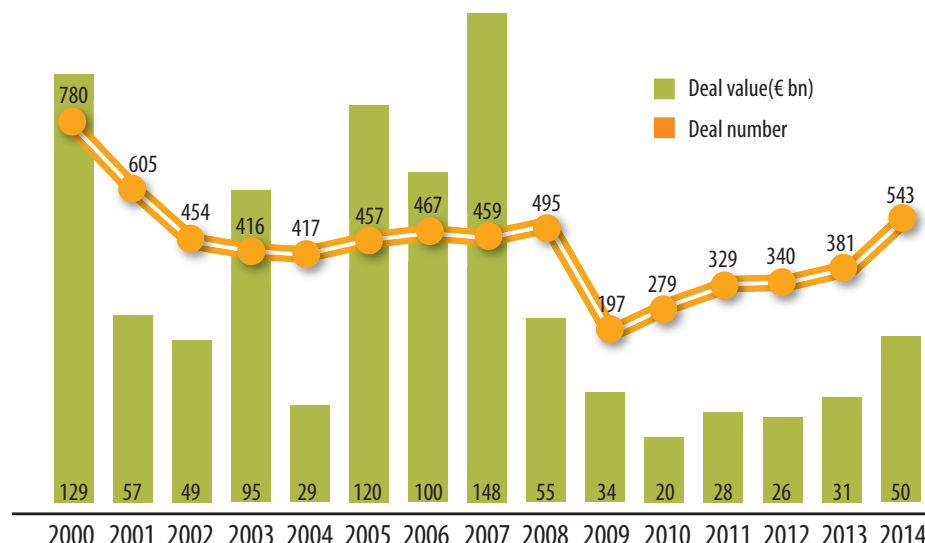
You don't have to be Sherlock Holmes to deduce that the Italian M&A market is positively effervescent. But it needs a little more in-depth analysis to discover that 2015 shows the comeback of big deals. As of the end of October, 16 deals up to € 1 bn were already signed, 9 worth €15 bn, 7 totalled €22 bn in value, 25% more than the same period of the last year, while in the pipeline there are €24 bn of other disclosed deals. Although the threshold of €50 bn by the end of the year is within reach, the fact remains that the market is still at a third of the level of 2007 (€148), while it has already come close to reaching this goal at the global level. «Usually, the presence of operations of such large scale precedes considerable increases in the M&A market,» underlined **Max**

Fiani, Partner KPMG, «the most interesting aspect is the dynamic of the large industrial operations, many of which see great names in industry being targeted by foreign investors». Among the major deals the acquisition of Partner Re by the Exor Group, the investment company controlled by the **Agnelli** family,

“The signals of macroeconomic improvement suggest that M&A activities are likely to grow throughout the year”

reached \$6.9 bn, just below the €7bn of the acquisition of Pirelli by China Chemical Corporation, including in the value the amount of the public offer to delist the company. Well below were the acquisition of the American International Game Technology by GTECH (De Agostini Group) for some €3.4 bn, followed by the investment of the French Vivendi in Telecom Italia for €2.2 bn. But the outstanding deal was, at the end of October, the acquisition by Walgreens Boots Alliance, built and led by two Italians, **Stefano Pessina** and **Ornella Barra**, of Rite Aid, the third American network of drugstores, for some \$ 9.4 bn (see also article on page 38). As for number of deals 2015 is well below the previous year, 326 deals announced against 433. Indeed, 2014 saw a record number of deals:

The M&A Italian market breakdown



A snapshot of the Italian M&A activity of the last three years shows a market that has substantially adjusted to the 'new normal' levels, as a result of both the structural credit crunch and the continuing macroeconomic challenges facing Italy and Europe, which have in many cases engendered profound structural and business changes, as well as the entrance of sovereign wealth funds and financial investors

Source: KPMG Corporate Finance on Thomson Reuters data (M&A completed target)

Top advisors in M&A 2014 by volumes
... and by number of deals

Rank	Bank	Share	Deal value	Deals	Rank	Bank	Deals	Deal value
1	Morgan Stanley	8,909.5	11,186.5	6	1	KPMG	36	2,275.4
2	Lazard	6,513.7	10,907.1	21	2	Banca IMI	35	5,142.4
3	Goldman Sachs	4,360.8	8,916.2	8	3	Mediobanca	27	5,107.2
4	Barclays	3,519.2	8,656.2	5	4	UniCredit	26	5,948.0
5	Deutsche Bank	3,424.7	7,604.2	7	5	Lazard	21	10,907.1
6	UniCredit	3,126.0	5,948.0	26	=	Rothschild	21	1,777.0
7	Leonardo	2,891.0	3,695.3	12	7	BNP Paribas	18	1,745.7
8	Mediobanca	2,691.5	5,107.2	27	8	Tamburi & Associati	16	120.0
9	Banca IMI	2,669.4	5,142.4	35	9	Vitale & Co	13	548.5
10	UBS	2,534.9	2,534.9	3	10	Leonardo	12	3,695.3
11	Citi	2,242.6	5,610.9	4	11	PWC	11	287.0
12	JP Morgan	1,855.6	4,592.0	4	12	Ethica CF	10	320.0
13	Rothschild	1,629.5	1,777.0	21	13	Fineurop	9	610.0
14	Credit Suisse	1,537.5	4,612.5	2	=	K Finance	9	441.0
15	KPMG	1,304.1	2,275.4	36	15	Goldman Sachs	8	8,916.2
16	BNP Paribas	1,281.6	1,745.7	18	16	Deutsche Bank	7	7,604.2
17	Merrill Lynch International	596.7	2,782.1	2	17	Morgan Stanley	6	11,186.5
18	Vitale & Co	548.5	548.5	13	18	Barclays	5	8,656.2
19	Fineurop	497.5	610.0	9	19	Citi	4	5,610.9
20	K Finance	441.0	441.0	9	=	JP Morgan	4	4,592.0
21	Ethica CF	320.0	320.0	10	21	UBS	3	2,534.9
22	PWC	287.0	287.0	11	=	Nomura	3	266.0
23	Nomura	266.0	266.0	3	23	Credit Suisse	2	4,612.5
24	Tamburi & Associati	120.0	120.0	16	=	Merrill Lynch International	2	2,782.1
25	Banca MPS	6.0	6.0	1	=	Caretti & Associati	2	-
26	Caretti & Associati	-	-	2	=	Translink Stempel & Co	2	-
27	Translink Stempel & Co	-	-	2	27	Banca MPS	1	6.0
28	Société Générale	-	-	1	=	Société Générale	1	-

Source: Lombard analysis on bank reports (on page 42 credits and criteria)

«The renewed confidence among investors has also spread to Italy, despite the structural decline in credit and the macroeconomic difficulties»



543, with a total value of €49.9 bn. This marked an increase of 60% on the €30.9 bn in 2013, which came from just under 400 deals. However, the numbers for 2014 are significantly skewed by several company restructuring operations, including Enel's purchase of Enersis (€8.3 bn), British Sky Broadcasting's acquisition of Sky Italia (€2.9 bn) and Italcementi's takeover of Ciments Français (€500 mn). On the whole, they add up to almost €15 bn. Take this away from the total and you get a more contained increase in purely industrial M&A of 16%.

«The renewed confidence among investors has also spread to Italy, despite the structural decline in credit and the ongoing macroeconomic difficulties of the country and the rest of Europe,» Lombard was

told by **Giuseppe Latorre**, head of Corporate Finance at KPMG, the adviser with the most deals in the Italian market in 2014. «The big investors, who were cautious about venturing into our market in the previous two years, have shown fresh interest in Italian assets. This positive outlook was shared by Italian investors, who are increasingly determined to go up alongside international players and adopt growth strategies that focus on external channels» he added. On the legal advisory front, **Paolo Ghiglione**, a corporate partner at Allen & Overy in Italy, acknowledged that things are much better on the Italian scene at the moment and predicted a growth trend. «A further boost to the domestic market will be given by the arrival of debt funds, the

Giuseppe Latorre, KPMG FOCUS

A lot of business to do

Lombard: What will be the most interesting C&IB areas in the next 18 months?

Latorre: We are seeing interesting signs of recovery. Some recent transactions, including China National Chemical Corporation's investment in Pirelli, the takeover of World Duty Free by Switzerland-based Dufry and the merger between the leading online retailers Yoox and Net-a-Porter, seem to suggest that many Italian companies are prepared to undergo mergers in order to become genuine global players, even if this means dilution and consequently a loss of control.

L. What will the drivers be?

L. Some of the noteworthy drivers in the Italian M&A market will be privatization processes, which involve Poste Italiane, SACE, Ferrovie dello Stato and ENAV and consolidation processes in the banking industry following the recent governance reforms for cooperative banks and the redefinition of the role of bank foundations, which is currently underway.

L. Do you believe that the expansionary monetary policy introduced by the European

Central Bank has a big influence on C&IB?

L. Unlike in the past few years, there is fresh liquidity in the markets. This is due both to the ECB's expansionary monetary policy and the fact that the banks cleaned up their books after the AQR, so they are now able to provide credit once again. Obtaining financing for M&A schemes is no longer a problem if the growth plans are feasible.

L. In the medium term, which industrial sectors will see the most integration/consolidation?

L. We expect to see further consolidation in the pharmaceutical industry. It is a field in which substantial amounts are invested in research & development and licensing costs, and companies compete on a global scale, so size is crucial. In addition, we believe that Italian telecommunications, media and internet players will begin to consolidate as part of the gradual convergence not only between fixed and mobile but also between internet and TV.

L. Why?

L. This is a process that is already underway elsewhere in Europe and it will spread to Italy. Interest from foreign investors will lead to more acquisitions of Italian industrial firms and brands with distinctive know-how.



Giuseppe Latorre is the managing partner of KPMG Corporate Finance business

FOCUS Massimiliano Ruggieri, Morgan Stanley

Liquidity leverages the market

Lombard: In the medium term, 18 months or like, which segment of investment bank will be the brightest?

Ruggieri: We see a strong focus on M&A, with financial sponsors willing to lead the acquisition wave. Moreover, as a consequence of the current low yield environment, issuers would look at several debt financing opportunities while investors would turn to equity sales & trading in search for yields.

L: Do you think there is a strong correlation between the intense activity on the M&A market and the liquidity put in by the ECB?

R: C&IB activities will be significantly driven by the current liquidity market conditions, with access to financing at record highs while the cost

of funding is at historical lows. We anticipate the financial markets to go through a process of liquidity recycling, moving from low risk asset classes (i.e. Government bonds) towards higher yield products such as corporate credit, equities, infrastructure assets as well as real estate portfolios



Massimiliano Ruggieri is the head of IB Italy for Morgan Stanley

L. In the medium term which industries will become more interesting from the point of view of an M&A advisor focused on large business and on cross-border deals?

R. In the Italian market we foresee a consolidation wave in numerous sectors, among which the lion's share would likely be represented by banks, asset management players, local utilities, infrastructure companies (e.g. airports, toll roads, etc.) as well as pharmaceuticals.

L. Are the multiples of the last acquisition deals lower, stable or higher than those of the last two, three years?

R. As far as recent M&A transactions are concerned, we are seeing a gradual increase in implied valuation multiples on the back of strong equity markets (reflecting better business conditions and the return to economic growth) and wide-open debt capital markets (ensuring financing opportunities at very attractive terms). We envisage this trend to continue in the next 12-18 months.

FORECASTS Transaction multiples

Consensus of the number ones: a rising trend



• The gradual transformation of Italian companies into potential targets from international buyers, supported by a moderate amelioration of the overall macro conditions will likely result in a slight increase in transaction multiples, also due to the considerable amount of liquidity available in the credit markets (**Pier Luigi Colizzi**, Barclays)



• Multiples are steadily increasing in the TMT sector in particular and they are picking up in the FIG area. Meanwhile, they are decreasing in the Oil & Gas industry, largely because of the falling oil prices. The latter field is likely to see mergers, acquisitions and restructuring of both capital and debt (**Leopoldo Attolico**, Citigroup)



• Average 2015 acquisition multiples show an approximately 10% increase as compared to last year's multiples. However, it should be noted that this statistic does not take into account any deal specific features (e.g. governance, cash/stock consideration, etc.). Data suggests that investors' confidence and the M&A market have picked up and are substantially more active than last year (**Camillo Greco**, JP Morgan)



• The acquisition multiples are growing, thanks in part to the positive trends in the stock markets, the favorable debt market conditions and renewed confidence in the macroeconomic situation (**Marco Morelli**, Bofa Merrill Lynch)



• Although it depends on the sector and the type of deal, in general the implied multiples in completed transactions have increased. This is particularly true in cases involving high-quality assets with exposure to international markets and fields with growth potential based on the gradual improvement in the global macroeconomic situation (**Alessandro Daffina**, Rothschild)



Current M&A transactions are exploited, on average, at increasing multiples with respect to recent years. The latter is especially true for those transactions involving fashion companies, whose EV/EBITDA acquisition multiples increased by 5 times between 2002 and 2014. The main factors influencing this trend are: lower number of available and valuable investment opportunities, increased availability of acquisition debt facilities, favorable equity market conditions (**Patrizia Micucci**, SogGen)



• The multiples we have seen in recent deals are essentially in line with those in the last two years (**Marco Tanzi Marlotti**, PriceWaterhouseCoopers)



• The multiples are growing thanks to the greater availability of financing at more favorable conditions and the strong performances in the stock markets (**Diego Pignatelli**, UBS)

cooperative bank reforms and the outcome of the current battle over the incentive spreading decree in Italy,» he forecasted.

The words of the top managers were backed by the figures put together by KPMG, which showed that cross-border activities were a cornerstone of the market, with

290 deals worth €39.7 bn. This is the best result since 2007, when the total value of the cross-border transactions stood at a huge €88.1 bn. Driven by growth in both foreign investments in Italy and Italian acquisitions abroad, 49 deals worth €6 bn, the cross-border activities made up no less than 80% of the Italian market, which actually took a step backwards in terms of domestic activities: the total value more than halved, going from 44% of the overall figure in 2013 to 20%. Foreign investments in Italy reached a historical high in terms of volumes, with 201 deals last year. They made up 37% of the overall market. With a total value

of €26.6 bn, they took the volumes back to pre-2008 levels (such as €28.4 bn in 2007).

DYNASTIES BACK TO THE MARKET

If more skeptical observers were waiting for some big action on the markets, they got it with the return of the Agnelli family to the global scene in the Exor-PartnerRe deal, one of the most exiting, this year. It was a shot in the arm for the M&A industry and sent out a strong signal to everyone in the trade, marking yet another global success for Italy. In August, after months of talks, denials and increased bids, a definitive agreement to buy the American reinsurance group PartnerRe was



FORECASTS Most interesting industries (in order of importance)

Financial institutions in the forefront

- Banking, Utilities, TMT, Industrials (**Leopoldo Attolico**, Citigroup)
- Banking sector, TMT, multi-utilities (**Camillo Greco**, JP Morgan)
- Industrials, Infrastructures, Media/Telecom, FIG and Consumer (**Marco Morelli**, Bofa Merrill Lynch)
- Luxury, food & beverage, mechanical, retail, pharmaceuticals and infrastructures (**Alessandro Daffina**, Rothschild)
- Financial institutions, automotive and oil&gas (**Diego Pignatelli**, UBS)
- Energy, financial institutions, infrastructure, pharma & medical, real estate, telecommunications, media & tech (**Patrizia Micucci**, SocGen)
- Utilities, Tlc, banking (**Marco Figus**, Nomura)
- Financial institutions, industrials, utilities (**Gianni Tamburi**, TIP)
- Financial services, IT, TMT, retail and food (**Orlando Barucci**, Vitale & Co)

announced by the Agnelli family's investment company Exor, which has a capitalization of \$12 bn. «The goal is to become one of the top four reinsurance groups in the world in terms of shareholder equity,» pledged **John Elkann**, the chairman of Exor, with Sergio Marchionne as his powerful deputy. The transaction is due to be completed in the first quarter of 2016. The Agnelli family scion was

determined to push it through and a deal was eventually sealed after a long, hard-fought battle with the US insurance group Axis, which already had a merger agreement with PartnerRe. Exor managed to tempt PartnerRe away from Axis with a bid of \$6.9 bn, which amounts to \$137.5 a share plus a special dividend of \$3 per share. In September the activism of the Agnelli's investment company was also proven by

the acquisition of the controlling stake (43.4%) in the *The Economist* publishing house, for €392 mn and the sale of the total stake of C&W to the German DTZ for \$2 bn with a capital gain of \$722 mn.

On the opposite end, i.e. foreign investors acquiring in Italy, another big Italian business dynasty, the Pesenti family from Bergamo, took center-stage last September. They have been the kings of cement in Italy for over a century and are among the world's leading players in the industry through Ciment Francais. In the summer, they sold 45% of Italcementi to Germany's Heidelberg Cement for €1.6 bn to create the world's biggest player in aggregates, the second biggest in cement and the third biggest in ready-mixed concrete. The Italcementi deal immediately caused a sensation and led to scaremongering about a national champion fleeing abroad, but in actual fact it is a strategic move to counteract the merger between another two big cement companies: Holcim from Switzerland and Lafarge from

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Eugenio Morpurgo, CEO of Fineurop Seditic, a rewarded boutique in advisory



OPINION Buyers are on the move, here's why

The Italian M&A market is registering a high level of activity. Both corporate strategic buyers and private equity funds played an important role in the resurgence of the market. In terms of total number of deals the market has reached pre-crisis levels, although in volumes we are still quite below that benchmark. Corporate strategic buyers have been inspired by a different perception of country risk. So far they were not even particularly influenced by the recent volatility of the financial markets. They have come from many different areas, China, Japan, US, France, Germany, Scandinavia, Arabic countries and Southeast Asia, and have heavily invested in industries such as

pharma and consumer brands. Private equity funds have also showed a very serious commitment to the market, both on majority and minority deals. On larger deals foreign funds dominated the arena and took particular benefit from the very good conditions of the acquisition financing market and also from the favorable development of the hybrid capital market. The industries most targeted by PE funds were consumer brands and retail, but with an increasing interest in services, machinery and industrial components as well. Over the last few months the market has seen an increasing portion of deals performed under the technical form of the merger. As

a consequence, average multiples reached record levels, also thanks to the successful outcome of a good number of auctions, with a strong competition on the buy side until the very last stages. But the market is more and more dependent on foreign investors, with very few Italian strategic players acting as domestic consolidators. On the other hand, the contribution of domestic private equity funds in the SMEs market is quite remarkable. Our forecast remains positive, thanks to the high liquidity available and the strong attractiveness of investments in Italy despite turbulences in the financial markets and some uncertainties in the international geo-political arena.

Top 5 acquisitions in Italy by foreign investors in 2014

Bidder	Industry	sh%	€ ml	Target	Country	Industry
Investitori	Financial investors	21.9	3,133	Endesa SA	Spain	Electricity/Gas/Water
British Sky Group	Media	100.0	2,885	Sky Italia	UK	Publishing/Media
Meda AB	Pharma	100.0	2,275	Rottapharm	Sweden	Pharma
Yamal Development °	Electricity/Gas/Water	60.0	2,160	Arctic Russia (Eni)	Russia	Electricity/Gas/Water
State Grid Corp China	Electricity/Gas/Water	35.0	2,101	CdP Reti SpA	China	Electricity/Gas/Water

° joint venture tra Novatek e GazpromNeft

Top 5 acquisitions of Italian investors abroad in 2014

Bidder	Industry	sh%	€ ml	Target	Country	Industry
Enel Group	Electricity/Gas/ Water	60.6	8,253	Enersis	Cile	Electricity/Gas/ Water
Fiat	Automotive	41.5	2,704	Chrysler Group	USA	Automotive
Snam	Electricity/Gas/ Water	84.5	505	Trans Austria Gasleitung	Austria	Electricity/Gas/ Water
Italcementi	Diversified Industrials	13.9	476	Ciments Fran ais	France	Diversified Industrials
Le Generali	Insurance	4.0	228	Generali Deutschland	Germany	Insurance

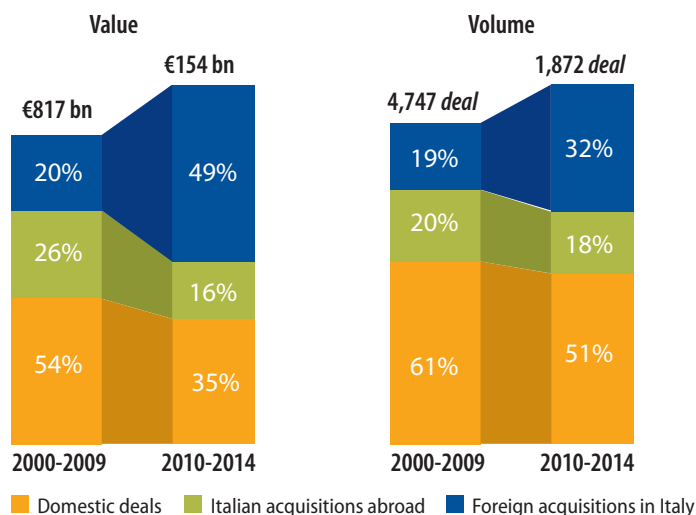
* jv con Knightsbridge

Top 5 domestic (Italy on Italy) acquisitions 2014

Bidder	Industry	sh%	€ mn	Target	Industry
Fondiarai Sai	Insurance	100	2,678	Unipol, Premafin, Milano	Insurance
Private investors	-	55.0	693	Anima Holding	Asset management
Private investors	-	30.0	673	FincoBank	Banking
Private investors	-	30.9	563	Salini Impregilo	Construction/Engineering
Private investors	-	38.2	549	Fincantieri	Shipping

Source: KPMG

The Italian market in 2000-2014 period



Fonte: KPMG Corporate Finance

Most active countries investing in Italy (2008-2014)

1. China	€11.8 bn 35 deal
2. Russia	€8.8 bn 16 deal
3. Gulf Countries*	€3.4 bn 17 deal
4. Brazil	€1.7 bn 5 deal
5. India	€0.5 bn 25 deal

* AUE, Qatar, Saudi Arabia



The main players on the Italian investment scene were those from the Far East and emerging countries, who sealed deals worth almost €10 bn altogether in 2014. The number one spot goes to China, which was behind 36 acquisitions worth approximately €12 bn between 2008 and 2014. Through the People's Bank of China, last year China bought minority stakes (of around 2%) in Assicurazioni Generali, ENI, Enel, Telecom Italia, FCA, Prysmian, Mediobanca and Saipem. On top came acquisitions of strategic Italian assets such as the State Grid Corporation of China's purchase in July 2014 of a 35% stake in CDP Reti, the subsidiary of CDP with shares in Terna and Snam (a long-term investment of €2 bn), as well as the €400 mn acquisition of Ansaldo Energia by the Shanghai Electric Corporation. The main Gulf countries have also gradually increased their presence in Italy and they were behind deals worth approximately €600 mn altogether in 2014. Etihad Airways, the flag carrier from the United Arab Emirates, paid €386 mn for Alitalia.

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The Pessina & Barra model:

France. In June, the two organizations came together to form a behemoth with enormous economies of scale that was double the size of its rivals. When business is done on a global basis, mergers between market leaders are the only way to go. What's more, the product in the cement industry has been the same for 200 years, so size matters a lot more than innovation. Consequently, Heidelberg and Italcementi have come together to form a group of a comparable size to the market leader, with the third-placed player a very long way behind them. «Entrepreneurs know that the

Ornella Barra, 61, from Chiavari, is currently Executive Vice President of Walgreens Boots Alliance, Inc. and President and CEO of Global Wholesale and International Retail. She has been the partner of the Italian billionaire Stefano Pessina in carrying out their dream of building a global giant in the distribution of pharmaceutical, health and wellbeing products

Thanks to the last coup, announced October 28, the long lasting Pessina&Barra jv at the top of Walgreens Boots Alliance, the global leader in pharmaceutical distribution, moved to the record of some \$ 130 bn in revenues. Indeed the acquisition of Rite Aid, the third drugstore network in the US, will add another \$ 26 bn to its annual revenues, which stood at \$76.4 bn in the first 9M of 2015. And the acquisition campaign cannot be ended, as Barra recently said in an interview. The recent history of the group founded by the couple of manager-investors is characterized by this kind of surprises. Less than a year ago, at the end of December, Walgreens Boots Alliance signed the last chapter of a process that led to the group's current size, active in 25 countries with 12,800 stores and 370,000 employees, managing more than 340 distribution centers serving more than 180,000 pharmacies in the world. The sale of 55% of Alliance Boots for \$ 15.3 bn was the second and last stage of an agreement which, in 2012, had led to the sale of a first stake (45%) in the British-Swiss pharmaceutical group to Walgreen & Co for \$6.7 bn in cash and shares. That agreement had granted the leading US drugstore chain the option to acquire full ownership of Alliance Boots over the following three years; an option which Walgreen duly exercised two years later. The subsequent merger of the two companies at the end of December 2014, followed by listing on the Nasdaq, brought together two complementary brands in terms of geographical presence and shared values, as well as a large portfolio of healthcare services offered through intermediate distribution and pharmacies. The result was the establishment of a company with a number of notable firsts. In terms of business, it is the largest company in the world operating in the wellbeing/distribution/ pharmaceutical sector. In terms of management, the group counts among its executives Stefano Pessina, Executive Vice Chairman, and Ornella Barra



«The goal is to become one of the top four reinsurance groups in the world in terms of shareholders' equity»
John Elkann

important thing is to guarantee the future development of the business rather than trying to hold onto your own place at the top,» commented **Carlo Pesenti**, the CEO of the company, who has been advised by Mediobanca and Morgan Stanley, while Gattai, Minoli, Agostinelli & Partners, were the legal advisor.

ENERGY AND MEDIA ON THE SPOT

At the sectorial level, the Energy & Utilities sector was the number one contributor to M&A in 2014 with 35% of the total recorded



THE ADVISORS OF THE WALGREENS BOOTS DEAL

Walgreens financial advisors were Goldman Sachs and Lazard, and its legal advisors were Wachtell, Lipton, Rosen & Katz and Allen & Overy. Alliance Boots financial advisor was Centerview Partners and its legal advisors are Darrois Villey Maillot Brochier and Simpson Thacher & Bartlett LLP. Walgreens plans to finance the cash payment deliverable at the initial closing through existing cash and new borrowings. Commitments for a \$3.5 billion bridge facility have been received from Goldman Sachs and Bank of America Merrill Lynch and are subject to customary conditions. Walgreens financed the initial investment using this bridge facility and to subsequently replace that facility with permanent financing.

winning a global player through minorities

(Executive Vice President and CEO Global Wholesale and International Retail). In terms of the stock exchange, it is the first case in the US of a group being listed and led by an Italian manager whose business is not directly related to Italy.

STEP BY STEP

It all began in the seventies, when Stefano Pessina restructured his family business and in 1977 founded Alleanza Farmaceutica, thus starting a long series of acquisitions and restructurings of other drug distribution companies which continued without interruption up to the present day. Among the many deals he completed, mention should be made of:

- the acquisition of Di Pharma, in 1986, a company set up four years earlier by Ornella Barra,
- the expansion abroad starting from France, in 1988, at

The group highlights after the merger

\$ bn	2015 9M	2014 9M	ch%
Sales	74.9	57.3	30.7
Gross profit	19.6	16.3	20.2
Net earnings	4.1	2.1	95.2
Free CF	3.2	na	

Source: company report for 9M ending may of each fiscal year

- the beginning through agreements with local distributors, that enabled Alleanza Farmaceutica to become France's second largest pharma distribution group,
- the establishment of Alliance Santé, which combines Alleanza Farmaceutica and French operators ERPI and IFP (1991), and in Italy the transformation of Alleanza Farmaceutica into Alleanza Salute Italia (1996),
- the merger of French Alliance Santé and British UniChem, in 1997, which marks the creation of Alliance UniChem Plc, in which Stefano Pessina holds a 30% stake,
- the further consolidation of activities in the Italian market, including through the entry into the share capital of Unifarma, the largest pharmacist cooperative in the north of Italy (2000),
- entry into the Russian market through the acquisition of a controlling interest in AP Apteka Holding Ltd (2006),
- the marriage between Alliance UniChem and Boots Group Plc, in 2006, an equal merger (the previous shareholders of Boots will hold 50.2% of the new entity, those of Alliance UniChem the remaining 49.8%) which combines the French group's experience in wholesale and retail with the British company's reputation of leading retailer with a globally renowned brand. Alliance Boots Plc, after the merger, is listed on the LSE,
- the joint venture with Guangzhou Pharmaceuticals

- Corporation, China's fourth most important distributor, in 2007, enables Alliance Boots to start operations in Asia,
- the renewal of Alliance Boots' wholesale division brand, in 2007, which changes its name into Alliance Healthcare in all the countries in which this division is present.

A KEY YEAR

2007 is the year which marks a turnaround for Alliance Boots and paves the way to a new phase of expansion leading the group to become the world's top player in the sale of drugs and wellbeing products. US private equity giant KKR and Stefano Pessina, Executive Vice Chairman and shareholder, together with Ornella Barra, from Alliance Boots with a 15% stake in the capital, announce the acquisition of the British group, in a deal which goes down in history as the biggest buy out ever in the City and in Europe and the first one involving a FTSE 100 company. After raking in Alliance Boots shares, AB Acquisitions Ltd (the special-purpose vehicle set up by KKR and Stefano Pessina to carry out the transaction) launched a tender offer to acquire the residual 88.95% of the British group for \$ 22.78 per share, equal to a total amount of \$ 19.6 bn, the completion of which led to its delisting from the LSE.

BANKS ROLE

Indeed, banks did not play a secondary role in the Alliance Boots takeover. Thanks to an equity bridge, the first one ever implemented in Europe, seven banks, including UniCredit, managed to acquire approximately one third of the British group's equity, worth around £3.4 bn, subsequently sold to institutional investors and pension funds. The deal involved the banking sector also in terms of debt. Indeed, the mega loan granted to KKR (roughly £8.2 bn) saw the exposure of international giants such as Bank of America, Barclays and Merrill Lynch. The Alliance Boots acquisition, strongly

desired by Stefano Pessina and Ornella Barra, who have always had a clear long-term business vision, was carried out in order to place the company back in private hands and maximise its growth prospects by making it more flexible and competitive. In Pessina's vision, the group's strategic development involves additional investments in distribution activities (in order to improve existing stores as well as increase the number of stores), the assessment of potential acquisitions in Continental Europe and Asian and Latin American emerging countries, while focussing on two brands only: Boots for the retail business and Alliance for the wholesale business. The Pessina-Barra dream of building an international giant in the distribution of pharmaceutical, health and wellbeing products was fulfilled in 2012, when Alliance Boots announced the



Stefano Pessina, 74, from Pescara, is Executive Vice Chairman of the Group

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The breakdown by year of the top advisors in deals on the Italian market

Rank					2014		2013		2012		2011		2010		
2014	13	12	11	10	Bank	€ mn	Deal	€ mn	Deal	€ mn	Deal	€ mn	Deal	€ mn	Deal
1	13	-	28	17	Morgan Stanley	8,997.0	6	766.7	1	na	na	472.3	4	500.8	6
2	3	-	21	4	Lazard	6,513.7	21	5,113.2	16	na	na	3,272.9	18	6,733.7	24
3	1	2	19	11	Golman Sachs	4,360.8	8	7,393.3	8	4,436.0	5	786.8	3	1,363.0	4
4	2	10	20	24	Barclays	3,519.2	5	6,161.3	7	1,172.0	1	286.7	2	92.0	2
5	6	3	24	1	Deutsche Bank	3,424.7	7	3,190.6	10	3,819.0	20	1,481.1	9	9,420.4	9
6	-	-	-	18	UniCredit	3,126.0	27	na	na	na	na	1,079.4	7	1,537.2	18
7	9	-	17	15	Banca Leonardo	2,891.0	12	2,502.5	7	na	na	1,289.7	9	573.8	3
8	5	1	23	6	Mediobanca	2,691.5	27	3,252.5	20	4,508.0	16	2,696.5	28	3,988.9	48
9	4	6	22	7	Banca IMI	2,669.4	35	4,349.7	35	1,918.0	14	2,349.1	31	2,276.8	22
10	18	12	33	2	UBS	2,534.9	3	217.0	1	300.0	2	1,770.0	6	8,039.9	5
11	16	-	31	9	Citi	2,242.6	4	369.1	1	na	na	713.2	4	1,900.9	4
12	8	5	16	8	JP Morgan	1,855.6	4	2,653.0	5	2,445.0	8	956.1	4	1,977.5	8
13	11	-	19	5	Rothschild	1,629.5	21	1,340.0	12	na	na	2,230.5	12	4,847.2	18
14	19	8	1	3	Credit Suisse	1,537.5	2	135.0	4	1,849.0	6	3,823.2	6	6,902.3	13
15	15	-	30	12	KPMG	1,304.1	36	690.6	23	na	na	757.0	15	1,030.5	12
16	10	4	18	26	BNP Paribas	1,281.5	18	2,345.5	14	2,662.0	10	2,145.3	14	27.5	8
17	7	9	25	13	Merrill Lynch	596.7	2	2,700.0	3	1,309.0	3	2,187.5	10	805.6	3
18	-	-	-	-	Vitale &Co	548.5	13	na	na	na	na	872.0	19	165.0	7
19	12	-	27	19	Fineurop Soditic	497.5	9	916.0	12	na	na	103.2	8	220.0	5
20	-	-	-	-	K Finance	441.0	9	na	na	na	na	na	na	na	na
21	-	-	-	-	Ethica CF	320.0	10	na	na	na	na	na	na	na	na
22	-	-	-	-	PWC	287.0	11	na	na	na	na	1,041.0	7	125.0	9
23	14	11	29	18	Nomura	266.0	3	692.0	4	620.0	4	720.3	3	310.2	3
24	-	-	-	-	Tamburi & Associati	120.0	16	na	na	na	na	na	22	na	15
25	-	-	-	-	Banca MPS	6.0	1	na	na	na	na	na	na	na	na
26	-	-	-	-	Caretti &Associati	-	2	na	na	na	na	na	na	na	na
27	20	-	2	20	Translink Stempel	-	2	86.0	3	na	na	80.0	5	195.0	6

Source: Lombard analysis

«Entrepreneurs know that the important thing is to guarantee the future development of the business rather than trying to hold onto your own place at the top»
Carlo Pesenti



market (€20.2 bn, +152% on 2013). However, the figure is inflated by the Enel Group's reorganization, which accounted for 41% of the overall value in the field by itself. In terms of Italian investments abroad, in September 2014 Enel's Spanish subsidiary Enel Energy Europe SL paid €8.3 bn for a 60.6% stake (which was directly held by Endesa SA, another Enel subsidiary) in Enersis SA, the group's parent company for operations in Latin America. As for foreign investments in Italy, the group led by CEO **Francesco Starace** sold 21.92% of Endesa to Spanish investors on the market for more than €3 bn in total. «It was an important form of recognition both for the investment in Endesa and for the vision and strategy of the Enel group,» stated

Starace. Elsewhere in the energy industry in September 2014, Snam was involved in one of the biggest Italian investments abroad. The gas infrastructure company paid €505 mn for CDP's stake in Trans Austria Gasleitung, the company that owns the rights for the Austrian stretch of the gas pipeline that connects Russia to Italy. «This means that Snam can count on a new key asset in the East-West energy corridor, partly in view of a potential reverse flow towards Central Europe,» underlined **Carlo Malacarne**, the CEO of Snam. After getting a fairness opinion from Banca IMI, Snam turned to Rothschild and UniCredit for financial advice and to Cleary Gottlieb Steen & Hamilton for assistance with legal and contractual matters. Also the **L**

continued on page 74

Fidelity GMAI

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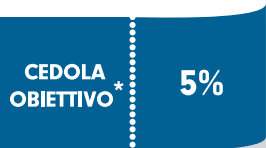
Per meglio soddisfare le tue esigenze, il fondo è disponibile sia nella versione a distribuzione della cedola che a reinvestimento automatico dei proventi, sia in Euro che in Dollari USA.

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MIGLIORE SOCIETÀ MULTI ASSET

Morningstar Italia, marzo 2015

*La cedola non è garantita, non è fissa, può variare nel corso del tempo e si riferisce alle sole classi di azioni MINCOME e QINCOME.

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Edizione: novembre 2015

Credits of **M&A** Deals in 2014

All transactions are reported on an equal apportionment basis. In other words, the deal's consideration, for each side, is divided by the number of advisers. In case of doubts concerning the attribution of the advisory mandate to a specific advisor, Lombard retains the acquirer and/or the target company as the source of last resort. The Enterprise Value of the total consideration of the deal only qualifies for the ranking. Whenever a portion lower than 100% of equity is transacted, if not specified by the reporting bank, the countervalue corresponds to the transacted stake of equity. In case of intercompany transactions,

only the portion involving third party shareholders, i.e. minority stakes, account for ranking. Fairness opinions are excluded from the ranking. Only mandates to negotiate with a counterpart are taken into consideration. Hostile take over bids qualify for the ranking. Proprietary deals, i.e. those transactions where the advisory team assists its parent group, qualify as well. IPOs, capital increases and other equity-linked rights issues, instead, do not qualify. Deals of undisclosed amount do not qualify for the ranking by amount. The names in bold in the table means that the advisor assisted the acquirer.

Acquiror /target	Share	Total value	Deals
Morgan Stanley	8,909.5	11,186.5	6
Gtech/International Game Technology	4,612.5	4,612.5	
BSkyB/Sky Italia	1,031.0	3,093.0	
F2i/EDF Edison	na	na	
State Grid Corporation of China/CDP Reti	2,101.0	2,101.0	
BNP Paribas/DAB Bank (unicredit)	215.0	430.0	
American Tower Corp/Telecom Participacoes (Brazil)	950.0	950.0	

Lazard	6,513.7	10,907.1	21
Fiat/Chrysler Group	529.6	2,648.0	
Blackstone Group International Partners/Atlantic 1	654.9	654.9	
Polaris/Louis Poulsen (Gruppo Targetti)	70.0	70.0	
Terna Plus/Tamini	24.0	24.0	
Blackstone Group/Gianni Versace	210.0	210.0	
Bekaert/Pirelli Steel Cord Division	255.0	255.0	
Fintech Advisory Inc- BTG Pactual/Banca MPS	18.0	18.0	
Banco di Desio e della Brianza/BP di Spoleto	70.0	140.0	
Ergon Capital Partners/Ipe (Alto Partners)	na	na	
Shanghai Electric /Ansaldo Energia (40%)	400.0	400.0	
Investire Immobiliare/Beni Stabili	na	na	
NK Rosneft/Lauro Sessantuno	249.2	747.7	
Ambienta/IP Cleaning	145.0	145.0	
Columna Holdings/Pilosio	na	na	
Manitex International/PM Group	80.5	80.5	
BSKYB/Sky Italia	1,546.5	3,093.0	
State Grid Corporation of China/CDP RETI	2,101.0	2,101.0	
F2i/EDF Edison	na	na	
Investindustrial/Flos	160.0	320.0	
ITAS/RSA Insurance Group	na	na	
Investindustrial/Goldcar	na	na	

Goldman Sachs	4,360.8	8,916.2	8
BSkyB/Sky Italia	1,031.0	3,093.0	
Fiat/Chrysler	529.6	2,648.0	
Whirlpool/Indesit	1,634.0	1,634.0	
Mapfre/Direct Line (Italian & German Businesses)	550.7	550.7	
GK Renova/Octo Telematics	135.0	405.0	
01 Group/CA Immobilien Anlagen	295.0	295.0	
Blackstone Group/Gianni Versace	105.0	210.0	
Cushman & Wakefield/Massey Knakal	80.5	80.5	

Barclays	3,519.2	8,656.2	5
Gtech/International Game Technology	1,537.5	4,612.5	
BskyB/Sky Italia	1,031.0	3,093.0	
Mapfre/Direct Line (Italian & German Businesses)	550.7	550.7	
Società Elettrica Altotesina/SE Hydropower (40%)	345.0	345.0	
Società Elettrica Altotesina/SF Energy (33.3%)	55.0	55.0	

Deutsche Bank	3,424.7	7,604.2	7
Fiat/Chrysler	529.6	2,648.0	

Acquiror /target	Share	Total value	Deals
GK Renova/Octo Telematics	405.0	405.0	
Ramsay Healthcare/Generale de Sante	394.1	788.2	
BSkyB/Sky Italia	1,546.5	3,093.0	
01 Group/CA Immobilien Anlagen	295.0	295.0	
TPG Capital/M&G Chemicals	120.5	241.0	
Quatar Investment Authority/Deutsche Bank	134.0	134.0	

UniCredit	3,126.7	5,948.0	26
Fri-El Green Power/Sper (80%)	na	na	
Comdata/Atento	na	na	
Gnutti Carlo/Vici Industri	na	na	
Gnutti Carlo/Ljunghall	na	na	
G.R.S. Petroli/ERG Oil Sicilia	15.0	30.0	
Investors/Angelo Randazzo	na	na	
Lion Capital/Pittarosso	na	na	
Metelli/Fri.Tech	na	na	
Metelli/Trusting	na	na	
Ariston Thermo/ATAG Heating	na	na	
Investindustrial/Flos	160.0	320.0	
Snam/Trans Austria Gasleitung (85%)	0.0	898.0	
Dufry Group/The Nuance Group	423.7	1,271.0	
BNP Paribas/DAB Bank	215.0	430.0	
Clessidra/Metalcam	na	na	
Investindustrial/Club Méditerranée	717.0	717.0	
Alessandro Calligaris/Calligaris (40%)	na	na	
Ardian/RGI	80.0	80.0	
Rosneft/Camfin (50%)	748.0	748.0	
Eurofood/D&C (44.9%)	na	na	
Italmobiliare/Ciments Francais (16.8%)	118.6	474.6	
Iren-SMAT/Acque Potabili	14.4	14.4	
Allianz/UnipolSai Assicurazioni	440.0	440.0	
Clubitaly/Eataly (20%)	60.0	120.0	
Novamont/Mayer-Biopolymer (78%)	na	na	
GK Renova/Octo Telematics	135.0	405.0	

Leonardo	2,891.0	3,695.3	12
Apollo Global Management/Carige Vita Nuova- Carige Assic.	155.0	310.0	
Ares Life Sciences/Esaoe	231.7	231.7	
Axa-Apollo/Real Estate Portfolio	303.0	303.0	
Astorg Partners/Megadyne	na	na	
Chelsfield-The Olayan Group/Risanamento French Portfolio	1,300.0	1,300.0	
UnipolSai Assicurazioni/Hines Italia	na	na	
Vistaprint/Pixartprinting	160.0	160.0	
Fila/Maimeri	na	na	
Italmobiliare/Ciments Francais (16.8%)	118.6	474.6	
Europa Plus-Res Opportunity/Unicredito Immobiliare Uno	476.0	476.0	
Investors/Astaldi	na	na	
Allianz/UnipolSai Assicurazioni	146.7	440.0	

Mediobanca	2,691.5	5,107.2	27
Amiat V/Amiat	10.8	21.7	

Acquiror /target	Share	Total value	Deals
Lucchini UK/Unipart Rail	na	na	
Investcorp Bank/Dainese	130.0	130.0	
Apollo Global Management/Carige Vita Nuova-Carige Assoc.	155.0	310.0	
Shanghai Yimin No 1 Foods/Salov	na	na	
AF Logistics/Geodis Zust Ambrosetti	na	na	
Ares Life Sciences/Esaoite	231.7	231.7	
Banco BTG Pactual/BSI	618.0	1.236.0	
Westinghouse Electric Co/Mangiarotti	na	na	
Vodafone Global Enterprise/Cobra Automotive Technologies	173.4	173.4	
Investors/Fida	na	na	
Dufry/The Nuance Group	423.7	1.271.0	
Ardian/RGI	80.0	80.0	
Alessandro Calligaris/Calligaris	na	na	
Investire Immobiliare/Beni Stabili	na	na	
Ramsay Healthcare/Generale de Sante	394.1	788.2	
Lincolnshire Management Inc/Gruppo Fabbri Vignola	na	na	
Oceano Immobiliare/QF Atlantic 1	34.5	69.0	
TeamSystem/24Ore Software	104.5	104.5	
Iren Energia/AES Torino	na	na	
BP di Vicenza/Banca Popolare dell Etruria	217.2	217.2	
Tim/Rete A	na	na	
Italgas/AES Torino (51%)	na	na	
Italmobiliare/Ciments Francais (16.8%)	118.6	474.6	
21 Partners/Forno d'Asolo	na	na	
Mayhoola for Investments/Forall Confezioni (65%)	na	na	
Investors/EcorNaturaSi SpA	na	na	
Banca IMI	2,669.4	5,142.4	35
Valitalia/Silvani	10.0	10.0	
La Doria/Althea	65.0	65.0	
CAME Group/Parkare Group	na	na	
Italgas/Metano Arcore (50%)	2.0	2.0	
Snam/Trans Austria Gasleitung (84.5%)	299.3	898.0	
F2i/EDF Edison	na	na	
Ebro Foods/Pastificio Lucio Garofalo (52%)	63.0	63.0	
Dufry/The Nuance Group	423.7	1.271.0	
Alessandro Calligaris/Calligaris (40%)	na	na	
Sit Technologies/SIT la Precisa (60%)	na	na	
Iren/TRMV (24%)	36.0	36.0	
Oceano Immobiliare/QF Atlantic 1 (39.4%)	34.5	69.0	
Intesa San Paolo-VEI Capital/Rina	25.0	25.0	
NH Hoteles/NH Italia (44.5%)	191.7	191.7	
Tim/Rete A	na	na	
Italgas/AES Torino (51%)	na	na	
Fila/Maimeri	na	na	
Adolfo Valsecchi/Generale Conserve	na	na	
NK Rosneft/Lauro Sessantuno	249.2	747.7	
Ares Management/Creval-NPL Portfolio	36.0	36.0	
Atlante Ventures Mezzogiorno/Expert System Solutions	na	na	
Blackstone Group/Gianni Versace	105.0	210.0	
Terna/Tamini Trasformatori	12.0	24.0	
GK Renova/Octo Telematics	135.0	405.0	
Hager/Bocchiotti	na	na	
Carlyle Group/Sematic	na	na	
Lion Capital/PittaRosso	na	na	
B. di Desio e della Brianza/BP di Spoleto (72.2%)	70.0	140.0	
SEL/SE Hydropower (40%)	345.0	345.0	
SEL/SF Energy (33.3%)	55.0	55.0	
Neuberger Berman Group/Intesa SanPaolo Private Equityna	na	na	
Hera/AMGA	119.0	119.0	
FSI Investimenti/Trevi Finanziaria Industriale (15.7%)	101.0	101.0	
Bekaert/Pirelli Steel Cord Division	255.0	255.0	
CentraGas Holding /KB Praxev-Bank	37.0	74.0	
UBS	2,534.9	2,534.9	3
Catterton/Intercos (43%)	na	na	
Whirlpool/Indesit	1,634.0	1,634.0	
Mediaset Premium/Telefonica	900.9	900.9	

Acquiror /target	Share	Total value	Deal
Citi	2,242.6	5,610.9	4
Gtech/International Game Technology	1,537.5	4,612.5	
Allianz/UnipolSai Assicurazioni	146.7	440.0	
Etihad Airways/Alitalia	388.0	388.0	
FinTech Group/Sofora Telecomunicaciones (Telecom)	170.4	170.4	
JP Morgan	1,855.6	4,592.0	4
Fiat/Chrysler Group	529.6	2,648.0	
Etihad Airways/Alitalia	388.0	388.0	
Banco BTG Pactual/BSI	618.0	1.236.0	
Investindustrial/Flos	320.0	320.0	
Rothschild	1,629.5	1,777.0	21
KSM/IVRI	71.0	71.0	
Terna/Tamini Trasformatori	12.0	24.0	
Kinexia/Sostenya	100.0	100.0	
Tim/Rete A	na	na	
Kingsbury and AuSable Capital Partners/Negri Bossi	na	na	
LBO France-Yarpa Investimenti-Managers/Fine SoundS Group	na	na	
Shanghai Electric/Ansaldo Energia (40%)	400.0	400.0	
Astorg Partners/Megadyne	na	na	
Carlyle Group/Moncler	215.0	215.0	
Yankee Candle/Millefiori	na	na	
Capital Shuttle/Banca IPIBI	33.0	33.0	
Investors/BIM (51.4%)	289.0	289.0	
Camation Hospitality/Barista Coffee Company (Lavazza)	na	na	
Recipharm/Corvette	120.0	120.0	
Snam/Trans Austria Gasleitung	0.0	898.0	
TPG Capital/M&G Chemicals	120.5	241.0	
BP dell'Alto Adige Volksbank/BP di Marostica	170.0	170.0	
Kinexia/Geotea	84.0	84.0	
G.R.S. Petroli/ERG Oil Sicilia	15.0	30.0	
Catterton/Intercos (43%)	na	na	
Lion Capital/PittaRosso	na	na	
Credit Suisse	1,537.5	4,612.5	2
Gtech/International Game Technology	1,537.5	4,612.5	
Mayhoola for Investments/Forall Confezioni (65%)	na	na	
KPMG	1,304.1	2,275.4	36
Jarden/Calzaturificio Dalbello	30.0	30.0	
SAT/Aeroporto di Firenze	93.5	93.5	
Holding dei Giochi/Bimbo Store	na	na	
Sviluppo Lazio/Banca Impresa Lazio	na	na	
Ariston Thermo/ATAG Heating	na	na	
OSRAM Licht/ Clay Paky	na	na	
Assicurazioni Generali/La Caja de Ahorro y Seguro	na	na	
Banca Generali/Credit Suisse Italy-Private Banking	45.0	45.0	
Starhotels/Thurloe Hotels	na	na	
Starhotels/Eyre Hotels	na	na	
Guangzhou Wanbao Group Co/ACC Compressors	13.3	13.3	
Ardian/Italmatch Chemicals	112.5	225.0	
Investors/CF Gomma	na	na	
Investors/Findomestic Banca	na	na	
Investors/Fida	na	na	
BPER/ Banca Popolare di Ravenna	na	na	
BPER/Banca della Campania	na	na	
BPER/Banca Popolare del Mezzogiorno	13.4	13.4	
Massimo Zanetti Beverage Group/Boncafe	62.1	62.1	
RIFA PM/ Machining Centers Manufacturin	11.0	11.0	
Trifast/Viterie Italia Centrale	28.0	28.0	
China Paper Machinery/PMT Italia	na	na	
NH Hoteles/NH Italia (44.5%)	191.7	191.7	
Istituto Centrale Delle Banche/C-Card	na	na	
BCC di Piove di Sacco/Branches/BCC di Piove di Sacco	na	na	
Alba Leasing/Credito Valtellinese-Leasing	na	na	
NK Rosneft/Lauro Sessantuno	249.2	747.7	
Enplas(Europe)/NIKAD Elettronica	na	na	

Acquiror /target	Share	Total value	Deals
Fire Group/Creset	3.6	3.6	
Corporación América/ SAT	71.0	71.0	
Cedior/Aeroporto di Firenze	59.0	59.0	
Haworth/Poltrona Frau (58.6%)	67.1	134.1	
OTP Banka Hrvatska/Banco Popolare Croatia	107.0	107.0	
Allianz/UnipolSai Assicurazioni	146.7	440.0	
Galileo Network/Iside	na	na	
BCC Pachino/BCC San Marco di Calatabiano	na	na	

BNP Paribas	1,281.6	1,745.7	18
CentraGas Holding /KB Pravex-Bank	37.0	74.0	
Italmobiliare/Ciments Francais (16.80%)	118.8	475.0	
Clubitaly/Eataly (20%)	60.0	120.0	
ASO Siderurgica/Cromsteel Industries	na	na	
Investors/Sofregaz	na	na	
Fluxys/Snam	na	na	
Nexter/Simmel Difesa-Mecar	168.0	168.0	
Abertis Infraestructuras/Tow erCo	95.0	95.0	
IGD SIQ/Unicoop Tirreno- RE Portafoglio	na	na	
IGD SIQ/Coop Adriatica- RE Portafoglio	93.0	93.0	
Bnp Paribas/DAB Bank	430.0	430.0	
Bnp Paribas Cardif- Ageas/Ubi Assicurazioni	75.0	75.0	
Bavaria Industries Group/Prinovis (Italian and German Business)	na	na	
Constellation Hotels/The St. Regis Rome	110.0	110.0	
Investors/Enerci	na	na	
Amiat V (Iren)/Amiat	10.8	21.7	
Generali Asia/Multi-Purpose Insurans	84.0	84.0	
Terna Rete Elettrica Nazionale/Ferrovie dello Stato-Rete Elettrica	na	na	

Merrill Lynch International	596.7	2,782.1	2
Haworth/Poltrona Frau (58.6%)	67.1	134.1	
Fiat/Chrysler	529.6	2,648.0	

Vitale &Co	548.5	548.5	13
Paladin Capital Partners/Greci	na	na	
Albertini Cesare/Form	na	na	
Aldel Holding (Gruppo Klesch)/Gruppo Leali	40.0	40.0	
Gruppo Campari/Averna	104.0	104.0	
Mubadala/Piaggio Aero	na	na	
TeamSystem/24Ore Software	104.5	104.5	
Investors/Fida	na	na	
Ambienta/IPC	145.0	145.0	
Fomas Group/Ajax	na	na	
Mercedes-Benz/MV Augusta	20.0	20.0	
La Doria/Althea	65.0	65.0	
Polaris/Louis Poulsen (Gruppo Targetti)	70.0	70.0	
Cameo/Fratelli Rebecchi	na	na	

Fineurop	497.5	610.0	9
Invicta/Caminetti Montegrappa	na	na	
Ergon Capital Partners/lpe(Alto Partners)	na	na	
Ardian/Italmatch Chemicals	112.5	225.0	
Biochim/Cifo	30.0	30.0	
Capvis Equity Partners/Faster	215.0	215.0	
Rhiag/Era	40.0	40.0	
Tubacex/lbf	100.0	100.0	
Brembana & Rolle/Villa & Bonaldi	na	na	
Comdata/Atento	na	na	

K Finance	441.0	441.0	9
Investors/Lediberg	104.0	104.0	
Elfi/Dei	15.0	15.0	
Imr Industries/Sommer	9.0	9.0	
Imr Industries/FPK Lightweight Technologies	20.0	20.0	
Bidvest/Gruppo DAC	150.0	150.0	
Synergo/Raccortubi	10.0	10.0	

Acquiror /target	Share	Total value	Deals
Raccortubi/Petrolraccord	25.0	25.0	
Park Ohio/SAET	25.0	25.0	
Ferro/Vetriceramics	83.0	83.0	

Ethica CF	320.0	320.0	10
Oakley Capital/North Sails	50.0	50.0	
Kiian/Tech	95.0	95.0	
Italglobal/Maus	20.0	20.0	
RF Biocidics /Stalam	na	na	
Arix/Ramo "Home Cleaning" (Gruppo Nespoli)	30.0	30.0	
21 Partners/Nadella	60.0	60.0	
Gruppo Finateme (D)/Mini Gears	30.0	30.0	
Deltatre/Impire	10.0	10.0	
Investors/eWork	10.0	10.0	
Fam. Lucca/Assiteca	15.0	15.0	

PWC	287.0	287.0	11
Melchioni/Comprel (Esprinet)	12.0	12.0	
Interpump/Walvoil	140.0	140.0	
Coexpan/RPC Montonate	na	na	
Wolong Electric Group/Sir	20.0	20.0	
SeAH Steel Corporation/Inoxtech	100.0	100.0	
Eco Eridania/Sameco	15.0	15.0	
Carrefour/Billa(Rewe)	na	na	
Conad/Billa(Rewe)	na	na	
Agorà Network (Sogegross-Tigros)/Billa(Rewe)	na	na	
Nuova Distribuzione (SuperDi-IperDi)/Billa(Rewe)	na	na	
Nuova Castelli/North Coast	na	na	

Nomura	266.0	266.0	3
Banca d'Italia/Bonifiche Ferraresi Holding	136.0	136.0	
Corporation América/SAT	71.0	71.0	
Corporation América/Aeroporto di Firenze	59.0	59.0	

Tamburi & Associati	120.0	120.0	16
Olives & Co/Agrozur	na	na	
Txr/Furn-Invest (19%)	na	na	
Giuseppe L' Abbate/Emmegi Detergents	na	na	
TIPO/Advanced Accelerator Application (1.6%)	na	na	
Clubitaly/Eataly (20%)	120.0	120.0	
Investors/Datalogic (min)	na	na	
Cifin/CIPI	na	na	
Servizi Italiani/Shubham Hospital Solutions Private Limited (51%)	na	na	
iFuture Power in Action/Data Holding 2007 (48.62%)	na	na	
Tamburi Investment Partners/Gruppo IPG Holding	na	na	
Maggioli/Noemalife (2.18%)	na	na	
Steris Corporation/Servizi Italia (min)	na	na	
Falck Renewables/Vector Cuatro	na	na	
Clubsette/Ruffini Partecipazioni	na	na	
Ocean and Oil Development Partners/Oando PLC	na	na	
ArcaTech Systems/CTS Group	na	na	

Banca MPS	6.0	6.0	1
Coller Capital/MPVenture	6.0	6.0	

Caretti & Associati	-	-	2
Sabbia Brenta/Magnetti	na	na	
Investors/Magnetti	na	na	

Translink Stempel &Co	-	-	2
Marcegaglia Italia/Marsaal Italia	na	na	
Ariston Thermo/ATAG Heating	na	na	

Société Générale	-	-	1
F2i/EDF Edison	na	na	

Banque SYZ, a Swiss Top Boutique In Private banking

A jury of 15 influential figures from the global finance industry honoured the Genevian private bank, founded in 1996, as Best Boutique thanks to its asset management expertise and service for its clients

For the second year running, Banque SYZ has been voted 'Best Private Banking Boutique' by the jury of the Global Private Banking Awards 2015. Organised by PWM Professional Wealth Management and The Banker, both Financial Times Group publications, the award ceremony was held in Singapore on 4 November 2015. This year the 'Best Private Banking Boutique' category was particularly hotly contested, with entries from many European and American institutions. The judges praised Banque SYZ not only for its asset management expertise but also for catering to the real needs of its clients.

Made up of 15 influential figures from the global finance industry, the jury felt that Banque SYZ was playing a vital part in the transformation of the Swiss private banking model into an asset management-led proposition. «We are very honoured to have received this award for the second time. We are delighted that the jury has again recognised our determination to create a Swiss private bank that combines the benefits of an independent private bank with a management team clearly focused on performance,» said Eric Syz, CEO of Banque SYZ



Eric Syz is the majority shareholder and CEO of the SYZ Group. Born in 1957, Eric Syz comes from a Zurich industrial family, which was notably among the founders of a major Swiss bank and a large insurance company. In 1979, he began his financial career with SG Warburg, where he worked in asset management and merchant banking, before joining Wall Street in 1981. In 1984,

he returned to Geneva to join private bank Lombard Odier & Cie where he was active in asset management, mergers & acquisitions. Convinced that the Swiss financial centre should adopt a more Anglo-Saxon approach to investment management, he founded the SYZ Group in 1996, together with Alfredo Piacentini and Paolo Luban. Clearly focused on performance and service, the Group has enjoyed a strong growth both in Switzerland and abroad, thanks to its innovative positioning.

A really global boutique

Founded in 1996 in Geneva, Swiss banking group SYZ focuses exclusively on asset management via two complementary pillars: high-end private banking and institutional management. SYZ has around 580 staff and CHF 40 billion (EUR 37 billion) of assets under management. Based in Geneva, the Group has offices in Zurich, Lugano, Locarno, London, Edinburgh, Luxembourg, Brussels, Paris, Milan, Reggio Emilia, Bologna, Madrid, Barcelona, Bilbao, Zaragoza, Dubai, Miami, Nassau, Johannesburg and Hong Kong.

www.syzgroup.com

FIG and Family Business, Time to **Reap the Rewards**

Players are positive on the trend of the primary and **secondary** markets, despite volatility and geopolitical challenges. They focus on the health business, mainly managed by family groups and the next changeover in the banking system. But margins are squeezing

by Claudia Cervini

Things are looking up for the Italian equity capital market, as a number of operations got underway in the first half of 2015 boosted by family-run business and banks. The IPO by Zanetti, a big family-run food and beverage company that made its MTA debut in June. In addition, there were capital increases by Monte dei Paschi di Siena (€3 bn) and Banca Carige (€850 mn), bringing to a close a difficult time for Italian institutions, which have been asked to strengthen their capital bases a number of times. So there is hope for the Italian market, which saw deals worth a total of €6.8 bn in the first six months of

the year, according to Dealogic, marking an increase of 20% on the first half of 2014 and more than doubling the figure from 2013.

The above-mentioned deals have symbolic value, while also highlighting a trend. «The listing of the coffee group marked the return of family-run companies to the main market: the last IPO by a company like this outside the fashion industry was back in 2008,» explained **Lorenzo Langella**, the head of equity capital markets in Italy at BNP Paribas, which acted as bookrunner together with JP Morgan and Intesa Sanpaolo. «Meanwhile, the recapitalizations at MPS and Carige have brought to a close a period in which companies have turned to the capital markets to get back on level ground and they may signal the start of a new phase in which



Top above: Marco Graffigna, head of ECM at Banca IMI, Alessandra Pasini of Barclays and, left, Diego Selva, head of IB Italy at Bofa Merrill Lynch



companies decide to start asking investors to back acquisitions once again,» continued the banker, who believes that the most encouraging sign is the return of family-run companies to the stock market. «Italy needs family-run companies to venture into the stock market because

The Italian market snapshot

Deals in 2015 (1H)

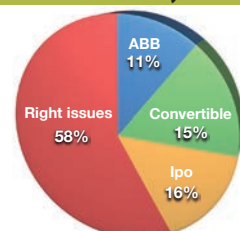
Issuer	Pricing Date	Deal Type	Amt €mn	General Industry	Bookrunner Parent
Monte dei Paschi	16 June15	FO	3,035.5	Finance	UBS, Citi, GS, MB, Barclays, Commerzbank, D*,
ENEL	26 Febr15	FO	2,160.5	Utility & Energy	GS, Bofa ML, MB, UniCredit
Telecom Italia	20 March15	CONV	2,000.0	Telecom	BNP Paribas, JPMorgan, Barclays, Citi, CS, UniCredit
Inwit	17 June15	IPO	875.3	Telecom	ISP, DB, MB UBS
Banca Carige	25 June15	FO	849.7	Finance	MB, Bofa ML, CS, DB, JPMorgan, UniCredit°
OVS	25 Febr15	IPO	445.6	Retail	ISP, Bofa ML, GS, UniCredit, CS, HSBC
Mediaset	13 Febr15	FO	377.2	Telecom	Bofa ML, UniCredit
Moncler	14 May15	FO	335.4	Retail	Bofa ML
Mediobanca	12 Febr15	FO	333.1	Finance	MS
Atlantia	11 March15	FO	228.0	Transportation	MS
Azimut Holding	19 May15	FO	210.3	Finance	MS, CS
Cerved	19 May15	FO	203.2	Professional Services	JPMorgan
Banca Sistema	29 June15	IPO	146.2	Finance	Barclays, Akros, Intermonete, Jefferies LLC
Zanetti Beverage Group	29 May15	IPO	135.2	Food & Beverage	ISP, BNP Paribas, JPMorgan
IMA	26 March15	FO	107.7	Machinery	UniCredit
Anima Holding	4 Febr15	FO	100.3	Finance	UBS
Brunello Cucinelli	29 Jan15	FO	62.9	Textile	Bofa ML
Sorin	17 April 15	FO	61.4	Healthcare	Equita
Banzaì	12 Febr 15	IPO	54.0	Technology	Jefferies LLC, Sator, Akros
Masi Agricola	26 June 15	IPO	29.6	Food & Beverage	UniCredit, Equita

Source: Dealogic - * and also Bofa ML, SG C&IB - ° and also Santander, Commerzbank, Nomura

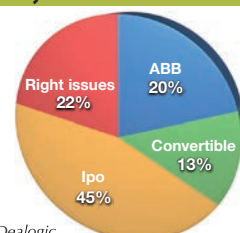
1H: Top ECM Bookrunner for Italian Issuers

Rank 15	Rank 14	Bookrunner	Amt € mn 2015	No.	%sh	Amt € mn 2014	No.	%sh
1	9	Bofa ML	1,620.6	7	13.8	214.0	1	3.0
2	2	UniCredit	1,353.2	7	11.5	1,033.4	10	14.7
3	1	Mediobanca	1,178.2	4	10.0	1,167.4	10	16.6
4	7	Goldman Sachs	939.3	3	8.0	297.7	3	4.2
5	13	Barclays	691.1	3	5.9	180.0	2	2.6
6	12	JPMorgan	676.0	4	5.8	195.4	3	2.8
7	6	Morgan Stanley	666.2	3	5.7	367.0	2	5.2
8	15	Citi	658.2	2	5.6	132.5	2	1.9
9	4	UBS	644.0	3	5.5	898.7	5	12.8
10	11	Deutsche Bank	638.1	3	5.4	195.4	3	2.8
		Subtotal	9,065.0	18	77.2	4,681.4	17	66.5
		Total	11,736.0	32	100	7,042.7	34	100

ECM 2014: breakdown by values...



... and by number of deals

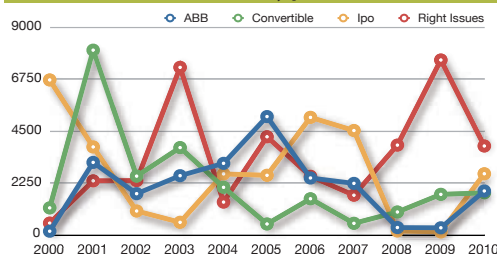


Source: Dealogic

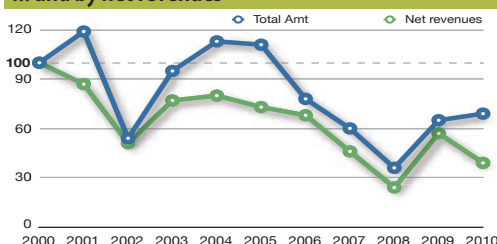
listing paves the way to a step up in size,» he explained. These specifically Italian trends come against a rather volatile broader European backdrop. «At the same time as the tension about Greece staying in the euro and the growth in bond market rates, the European stock market is becoming more volatile, albeit at historically low levels, following the positive trend that began last October,» explained

The first notable thing in the graph to the right, according to data collected by Dealogic, is that, since 2005, the market has continuously declined in the total amount of deals and the net revenues trend obviously followed suit, albeit with a strange path. The spread between the two lines was narrowing in the last years, but in the first half of 2015, the trend inverted. In terms of products, IPOs represent only a small part of the market in 2014, while the large majority was for right issues

ECM, the breakdown trend by product (volumes)...



... and by net revenues



Marco Graffigna, the head of equity capital markets (ECM) at Banca IMI, which in 2014 scored a record of 38 deals in the segment, mostly for banks, but only two of these as global coordinator. According to the banker the market scenario is still positive thanks to substantial liquidity, with a helping hand being given by the ECB's quantitative easing program and renewed interest on the part of big international investors. 2014 was also a year of two halves. «In the first six months of the year, Italy had one of the best performing markets in Europe,» noted **Alessandra Pasini**, the head of banking at Barclays Italy. «In the first part of the year, Europe in general and Italy in particular benefited from a significant influx of capital from American investors, who were looking to diversify their investments at a time when the American earnings cycle was beginning to show signs of leveling out. However, from June 2014 there was a sudden market correction that was triggered by the global geopolitical situation deteriorating rapidly and towards the end of 2014 the plummeting crude oil prices and the growing problems in Greece further cooled the enthusiasm about the equity capital markets.» According to Dealogic, €19.4 bn of deals were completed in 2014. It was a very busy year for issues in the EMEA region. «The number of issues was second only to 2007 and there was a 28% increase on the previous year in terms of volumes,» explained Pasini. «Italy was once again one of the busiest markets (it was fifth with €10 bn, behind the United Kingdom, Germany, Spain and France). In terms of products, we believe that capital



Stefano Rangone,
head of
ECM at
Mediobanca

Italy's appeal boosts Mediobanca

Mediobanca is at the top of the podium for equity capital market operations in Italy according to the 2014 figures from Dealogic. Data shows that the bank worked on deals worth a total of €2,252 mn in 2014, which was almost three times the amount of deals completed in 2013. This earned it first place in the rankings, with a market share of 11.6%. What was the secret to its success? «Our leading role in Italy and our growing prominence in Europe are down to a number of factors, including our positioning as the number one bank for the banking, luxury goods, energy and telecommunications sectors,» said **Stefano Rangone**, the central director and head of ECM at Mediobanca. In 2014, Mediobanca worked on 32 corporate & investment banking deals, which is roughly twice as many as in 2013. They were worth more than €40 bn in total. The lion's share was made up of the vast wave of recapitalization operations by banks in Italy and other countries. Leaving aside the targets achieved in 2014, how has 2015 been so far? «We got off to an encouraging start. Amongst other things, we completed an ABB scheme for Enel worth more than €2 bn, the IPO for Inwit and the Poste privatization is ready for take-off, then of course we are at the tail end of the bank recapitalizations (MPS and Carige). We coordinated all of these operations and this will soon be reflected in the official rankings.» Rangone is optimistic about the whole of 2015 and he expects Italy to hold great appeal for institutional investors. «While the specter of a Grexit still hovers over us, in 2015 there continue to be some particularly favorable and in some respects unprecedented conditions for the equity capital market. Institutional investors are prepared to pay the right price for convincing equity stories. Therefore, in the next 18-24 months I expect to see a decent amount of activity, with things starting to balance out again between the banking and financial industry and other sectors in particular energy, luxury goods and telecommunications,» said the banker in conclusion.

increases dominated the scene and accounted for just over half of the recorded volumes. The EBA's stress tests for banks are behind this spike in issues.» For Banca IMI, equity capital markets (ECM) in the EMEA region (Europe, Middle East and Africa) were worth approximately \$290 bn in 2014, marking significant growth of 23% on 2013 and more or less doubling the figure for 2012. Secondary public offerings (ABBs and block trades) remained at roughly the same level as the previous year and accounted for 45% of the market, while there was strong growth in IPOs, to approximately \$78 bn, compared to \$39 bn in 2013 and \$17 bn in 2012, especially in terms of large, prominent schemes.

The trend continued in the early months of 2015. «This first glimpse of 2015 has underlined the positive status of the market for special purpose operations (SPOs), which are managed on a best effort or back stop basis,» explained Graffigna. In addition to the hive of activity on the IPO market, where investors admittedly continue to take a selective approach, there have been two substantial (€3 bn) capital increases from Telefonica and Monte dei Paschi di Siena, as well as positive patterns on the equity-linked securities market, even for organizations with negative yields like Unibail-Rodamco. In addition to the one by the Massimo Zanetti Group, the sizeable IPOs in 2014 and 2015 were by OVS



continued on page 74



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Thanks to Corporates the Market **Holds On**

Unicredit, BNP Paribas and Banca IMI compete for leadership focusing in turn on **corporates**, syndicated loans or large government debt issues. But even in this IB segment, the main **problem** is holding on to market **share** without sacrificing **revenues**. An increasingly challenging exercise

by Marcello Conti

While the debt capital market has stabilized at pre-crisis levels, with issues worth a total of €66.4 bn in the first half of this year, Italian corporate issues have been decreasing slightly since 2014. Last year, Italian companies took this funding route 67 times and raised almost €31.5 bn, whereas in 2013 there were 96 issues worth just over €32 bn. Historically, in the Italian market (and elsewhere) more than 50% of the total market volume has come in the first half of the year and the first six months of 2015 seem to confirm this trend, despite the slight increase in volumes. Since January, there have been 30 Italian corporate bond issues worth €18 bn, compared to 31 worth €16 bn in the first half of 2014.

«Until mid-April, the conditions were very positive for companies that looked to bond issues for funding, but greater volatility in the second quarter caused the market situation to become



Giulio Baratta, the head of Emea Investment Grade Finance at BNP Paribas, and, below, Christophe Hamonet, the head of Corporate ECM Origination at Banca IMI



less favorable,» explained **Christophe Hamonet**, the head of Corporate ECM Origination at Banca IMI. In addition to a natural drop after a long positive period of almost 18-24 months in the markets, the reason for the change lies in the growing doubts among investors worried about

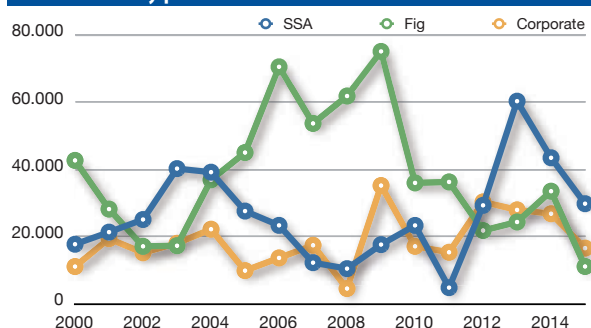
The Italian market snapshot

Top Corporate Issuers of DCM deals in 2015

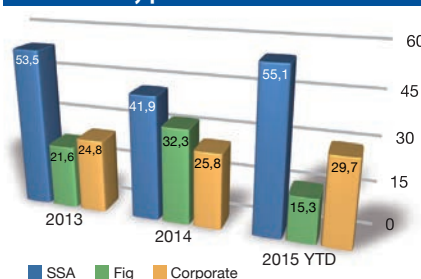
Issuer	Rating	Launch	Maturity	Amt € mn	Coupon	Listing
Telecom Italia	Ba1/BB+	12-Jan-15	16-Jan-23	1,000	3.25	Lux
SNAM	Baa1/BBB	21-Jan-15	21-Apr-23	250	1.5	Lux
TERNA	Baa1/BBB	23-Jan-15	2-Feb-22	1,000	0.875	Lux
ENI	A3/NR	27-Jan-15	2-Feb-26	1,000	1.5	Lux
HP Pelzer	B2/B+	15-Jan-15	15-Jul-21	50	7.5	
Prima Industrie	NR/NR	30-Jan-15	6-Feb-22	40	5.875	Lux
Georgia Worldwide plc *	Ba2/BB+	9-Feb-15	15-Feb-20	4,378	5.625	Dublin
Georgia Worldwide plc *	Ba2/BB+	9-Feb-15	15-Feb-22	4,378	6.25	Dublin
Georgia Worldwide plc *	Ba2/BB+	9-Feb-15	15-Feb-25	4,378	6.5	Dublin
Georgia Worldwide plc	Ba2/BB+	9-Feb-15	15-Feb-20	4,378	4.125	Dublin
Georgia Worldwide plc	Ba2/BB+	9-Feb-15	15-Feb-23	4,378	4.75	Dublin
A2A	Baa3/BBB	18-Feb-15	25-Feb-25	300		Lux
Wind Acquisition Finance SA	Ba3/BB	12-Mar-15	15-Jul-20	775	4	Lux
Wind Acquisition Finance SA	Ba3/BB	12-Mar-15	15-Jul-20	775	°	Lux
ENEL Finance Int. NV	Baa2/BBB	22-Jan-15	27-Jan-25	1,463	1.966	Dublin
Prysmian Cables & Systems	NR/NR	30-Mar-15	11-Apr-22	750	2.5	Lux
Autostrada Br Vr Vi Pd	NR/BBB-	12-Mar-15	20-Mar-20	600	2.375	
Intercos	NR/NR	23-Mar-15	28-Mar-22	120	3.875	Dublin
Miro Radici	NR/NR	25-Mar-15	27-Jun-17	15	6.75	Frankfurt
Ansaldo Energia	NR/NR	21-Apr-15	28-Apr-20	350	2.875	Lux
Metro 5	NR/NR	05-May-15	31-Dec-35	150		Unlisted
RAI Radiotelevisione Italiana	Baa3/NR	20-May-15	28-May-20	350	1.5	Dublin
CDP RETI	Baa3/NR	21-May-15	29-May-22	750	1.87	Dublin

Source: Dealogic - * in \$ - ° 3-mth Euribor +412.5bp. °° 6-mth Euribor +300bp

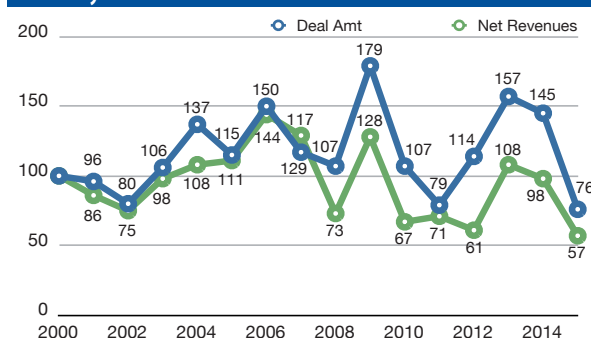
DCM: trends by product...



Breakdown by product



... and by revenues



Even in the debt capital markets the amounts and net revenues are volatile. This trend accelerated in the last few years with numbers declining with respect to the 2007-2008 high. As to the products, corporate bond issues account for an increasing share of the total while FIG issues are down and the greatest part of the market consists of public debt and local government issues

the impact of a Grexit and the substantial amounts raised by issuers in 2013. «In addition, since the second half of 2014, the relatively low rates and credit spreads have spurred the market for liability management operations aimed at cutting the average cost of debt and extending deadlines,» Lombard was told by **Pier Luigi Colizzi**, head of IB EMEA at Barclays Italy. Despite everything, he notes that investors are still very keen thanks to the yield pick-ups on offer compared to core-Europe issuers.

«This is underlined by the amount of orders that come in: on average it is almost 4.2 times the notional amount offered, compared to a European average of approximately 3.5 times.»

His views were echoed by **Giulio Baratta**, the head of Emea Investment Grade Finance at BNP Paribas, which is one of the strongest players in the Italian market for the corporate bond issues. In 2014 and 1H 2015, BNP Paribas was running second in corporate bond issue scores with 37 deals for €4.2 bn in value, one notch below Banca IMI (38 deals for a value of €4.6 bn) and above Unicredit (37 deals for €4bn). Baratta painted a picture similar to that described by his colleagues at Barclays and Banca IMI. Among the causes, he added the sudden return of volatility among government bonds, which brought about losses for institutional investors who had become accustomed to a one-way market in recent years, even for corporate bonds. «However, the scenario before us is certainly not negative and the outlook for the second half of the year is very promising

TOP PLAYER IN DCM

Falco: Outstanding prospects for Corporate

Lombard: Now that the threat of a Grexit has passed, is a promising market window opening even though the European scenario is not yet stable?

Falco: We must distinguish between the core European markets and peripheral countries. For core issuers, the DCM has always been open. Nonetheless, the premium increased significantly recently due to the extremely volatile rates in the eurozone. This was not because of the credit risk but because of the underlying volatility. For issuers from peripheral countries, a credit risk premium was added on top of the premium for the underlying volatility, essentially shutting down the market. Following the agreements concerning Greece, there was a drop in both of these premiums and we saw a number of issues throughout the rating spectrum.



Luca Falco, global co-head of origination, UniCredit CIB

L. What is the situation on the DCM in Europe?

F. Almost all of the listed issuers will be looking at the market again with outstanding prospects.

L. Why have the orders for Italian corporate bond deals been higher than the European average?

F. In the years before the crisis, European funds were mainly interested in completing the geographical diversification of their investments by taking in the biggest Italian companies in the main industrial sectors. The waves of the financial crisis meant that this investment strategy had to be altered, because of the risk of contagion among the peripheral economies.

L. Why has the situation now changed?

F. The interest rates on the market have become stable at historically low levels and the credit spreads are rapidly falling, so the search for decent yields was the first factor to get many investors hurrying back towards Italian debt securities, which were initially much more attractive than those on offer from core European countries. Meanwhile, the highly internationalized businesses of many Italian companies helped mitigate the country risk and encouraged investments. Essentially, the appeal lay in the more interesting yields, but there was also recognition of the greater investment diversification opportunities.

L. In mid-March, UniCredit was part of the pool of banks behind the successful bond for a Brescia-Padua motorway the first one after the approval of the project bond law. How will this market unfold?

F. The new project bond regulations provide important support for an infrastructure investment revival policy. In addition to that scheme, there was also the Metro 5 bond issue to fund Line 5 of the Milan subway system. The measure allows companies in the infrastructure sector to expand and diversify their sources of financing. They can look beyond the banking market, thus cutting the funding times and potentially also the completion times for works of public interest.

L. What sort of interest has there been from the market?

F. Interest was high right from the start because project bonds are the ideal instruments for investors whose main strategy for maximizing yields on investments is increasing the duration while still taking a prudential approach. After all, infrastructure companies mostly work with public concessions and they can be relied upon to produce highly stable financial flows over time.

DCM, Top Bookrunners for Italian issuers

2015 1H					2014 12M				
Rank	Company	€mn	No.	%sh.	Rank	Company	€mn	No.	%sh.
1	UniCredit	11,938.8	52	18.0	1	UniCredit	19,793.6	117	16.2
2	Banca IMI	10,188.2	29	15.3	2	Banca IMI	18,342.1	46	15.1
3	Barclays	5,002.2	13	7.5	3	BNP Paribas	9,342.2	42	7.7
4	Citi	3,768.3	12	5.7	4	Monte dei Paschi	5,743.2	5	4.7
5	JPMorgan	3,641.6	14	5.5	5	Deutsche Bank	5,692.9	24	4.7
6	Credit Agricole C&IB	3,493.2	14	5.3	6	Barclays	5,302.8	23	4.4
7	SG C&IB	3,296.9	13	5.0	7	HSBC	4,516.8	22	3.7
8	HSBC	2,470.6	10	3.7	8	SG C&IB	4,415.4	21	3.6
9	Goldman Sachs	2,431.3	4	3.7	9	JPMorgan	4,398.4	24	3.6
10	RBS	2,235.4	5	3.4	10	Credit Agricole C&IB	4,374.4	29	3.6
	Total	66,440.4	96	100.0		Total	121,889.8	201	100.0

Source Dealogic

Syndicated Loans, Top Bookrunner Ranking

2015 1H					2014 12M				
Rank	Company	€mn	No.	%sh.	Rank	Company	€mn	No.	%sh.
1	UniCredit	4,306.0	19	14.9	1	Banca IMI	3,814.9	37	12.1
2	Banca IMI	3,897.1	16	13.5	2	UniCredit	3,634.8	35	11.5
3	JPMorgan	2,588.7	3	9.0	3	Citi	3,623.6	7	11.5
4	BNP Paribas	1,921.6	13	6.6	4	Barclays	3,503.5	6	11.1
5	China Construction Bank	1,700.0	1	5.9	5	Credit Suisse	2,902.4	3	9.2
6	Credit Agricole CIB	1,503.4	7	5.2	6	BNP Paribas	2,218.5	20	7.1
7	SG C&IB	989.9	4	3.4	7	RBS	1,141.9	7	3.6
8	Mediobanca	925.5	3	3.2	8	SG C&IB	1,110.1	8	3.5
8	Citi	925.5	3	3.2	9	Credit Agricole CIB	1,108.0	8	3.5
8	Barclays	925.5	3	3.2	10	Mediobanca	1,024.7	8	3.3
	Total	28,926.9	27	100		Total	31,487.2	60	100

Source Dealogic

for new issues. The market is working and open, with a number of operations in the pipeline, just waiting for better conditions.» Perhaps like the conditions that proved so helpful to Terna back in January. The seven-year corporate bonds from the company led by CEO Matteo Del Fante, which has higher ratings than the State, went like hot cakes. The starting target was €500 mn and the initially proposed spread was around 65 basis points over the mid-swap rate, but the high demand from investors saw orders reach €3.75 bn (interest mainly came from other countries, with 29% from Germany and Austria, 28% from France, 14% from the United Kingdom,

8% from Spain and 7% from Italy), thus convincing the company to raise its target. It eventually went to market with a €1 bn issue and a spread of



Carolina Marazzini,
director of DCM at UniCredit

52 basis points. «It was a very important operation because it took place in a very tight market window and above all because it had the lowest ever fundraising costs for an Italian company. Below 1% for seven years is an absolute record,» explained **Carolina Marazzini**, the director of the debt capital markets team at UniCredit, which came in first place in this year's rankings (2015 1H) for the volume and number of deals concluded both for bond issues and syndicated loans, where Banca IMI was a traditional market leader. It worked on the operation with Banca IMI, Bank of America, BNP Paribas, JP Morgan and SocGen as the joint lead manager and joint bookrunner.

L

Strong bounce-back in Business

Lombard picked some senior and promising talents who signed the most significant and complex deals in a booming but competitive market

by Gabriele Ventura

Business was booming in the first half of the year for Italian law firms working in investment banking. They experienced exponential growth compared to 2014 in the value of the deals covered and the two biggest Italian firms comfortably secured the top spots. First place went to Gianni, Origoni, Grippo, Cappelli & Partners, which topped the Mergermarket charts in mid-2015 with 25 deals worth approximately \$14.5 bn. Its turnover was almost 10 times higher than in the equivalent period in 2014. On the second highest step on the podium was Bonelli Erede, which suffered the loss of one of its founders this summer when Franco Bonelli passed away on 25 August. Meanwhile, Sergio Erede seems to be devoting more and more time to finance, away from the practice. In general, all of the highest placed law firms in the Mergermarket rankings more than doubled their business. Bonelli Erede oversaw 12 deals worth approximately \$10 bn, marking an increase in value of 500.9%. Latham & Watkins came in third place and saw 422.7% growth in M&A, while there were increases of 445.6% for Chiomenti and 197.8% for Clifford Chance. Having topped the rankings for 2014, the UK-based law firm was

The ranking of legal advisors in 2015 (1H)...

Ranking 2015	Ranking 2014	Company Name	Amt \$ mn	Deal n.	Ch%
1	21	Gianni Origoni, Grippo, Cappelli	15,833	25	964
2	11	Bonelli Erede	11,044	12	500.9
3	13	Latham&Watkins	9,037	7	422.7
4	20	Chiomenti	8,659	25	445.6
5	7	Clifford Chance	7,578	9	197.8
6	12	Pedersoli & Associati	7,534	13	311.5
7	27	Freshfields Bruckhaous Deringer	6,864	3	912
8	6	Lombardi Molinari Segni	6,543	9	120.9
9	-	JunHe	6,537	1	-
10	-	Slaughter and May	4,671	2	-
11	23	Linklaters	4,136	9	243.8
12	15	Homburger	3,896	1	125
=	19	Wachtell, Lipton, Rosen&Katz	3,896	1	-
14	37	Legance	3,181	11	504
15	43	Grimaldi	2,629	3	762

... and in 2014 (Full Year)

Ranking 2014	Ranking 2013	Company Name	2014		2013	
			Amt \$ mn	Deal n.	Amt \$ mn	Ch%
1	15	Clifford Chance	21,185	20	4,860	336
2	6	Linklaters	17,449	13	8,188	113
3	17	Cleary Gottlieb Steen & Hamilton	15,070	6	4,431	240
4	1	Bonelli Erede Pappalardo	14,920	23	14,943	-0.2
5	9	White&Case	11,731	17	5,404	117
6	33	Covington& Burling	11,091	2	2,406	361
7	-	Byrne Wallace	11,091	1	-	-
7		A&L Goodbody	11,091	1	-	-
7		Cadwalader, Wickersham & Taft	11,091	1	-	-
7		Procopio, Cory Hargreaves	11,091	1	-	-
11	32	Uria Menendez	10,888	3	2,406	352
12	87	Allen&Overy	10,756	17	157	6751
13	130	Cuatrecavas, Goncalves Pereira	10,214	1	25	nm
14	2	Chiomenti	10,157	42	14,364	-29.3
15	72	Lombardi Molinari Segni	9,899	10	291	3301

Deal Focus /Etihad Alitalia M&A

DLA Piper assisted Etihad Airways in its agreement with Alitalia, which resulted in a €1.76 bn investment to revitalize and develop the company, making it sustainable and more competitive. «Our team made an innovative contribution by structuring, negotiating and executing one of the most complex and significant corporate transactions ever completed in the Italian market, because it involved a combination of new equity, acquisition of assets and other types of financing,» explained **Michael Bosco**, who was the partner in charge of the deal. Things were made even more complicated by the need to comply with the EU aviation regulations while Alitalia was in very stormy financial waters. In addition to the usual cross-border M&A matters, during the negotiations it was necessary to contemplate the need to reform a number of aspects of the air transport system in Italy, in order to launch a business plan capable of instigating a definitive business and financial turnaround of the new Alitalia. Furthermore, non-insolvency-based mechanisms had to be used to restructure the debts of the old Alitalia, which had become unsustainable. This was done by turning the creditors into shareholders. «The key was the ability to illustrate and explain quintessentially Italian legislative and environmental complexities and factors to the client, in a situation that was made even more challenging by the number of stakeholders sitting around the table,» revealed the DLA Piper partner. Stakeholders included representatives of Air France/KLM, Delta and Poste Italiane, shareholders of Alitalia, the banks involved in the debt of the Italian company, the airport industry, the Italian railways, leasing companies for the planes, the political world and trade unions. «We had to coordinate the different demands made during the talks and guide them towards a single goal in the very limited window of time made available by the economic and financial conditions of the target company,» concluded Bosco.

THE TEAM IN THE DEAL

Michael Bosco, Leonida Cagli, Giovanni Salatiello, Nino Lombardo, Ugo Calò, Alberto Angeloni, Francesca Sutti, Gualtiero Dragotti, Sara Balice, Gianluigi Marino, Antonio Tomassini, Christian Montinari, Giovanni Iaselli, Fabrizio Morelli, Pasquale Siciliani, Bruno Giuffrè, Stefano Modenesi, Simone Ferrara, Giampiero Priori, Giovanni Ragnoni, Claudio D'Alia, Raffaella Quintana, Benedetta Cicconi



Attorney-at-law admitted with the Supreme Court of New York Michael Bosco graduated from Georgetown University and has a Master in BA and International Relations from the John Hopkins University. He focuses on cross-border capital markets and M&A transactions, with a particular interest in Europe and the US. His practice includes advising on IPOs, privatizations, high yield and leveraged lease financings, acquisitions, disposals, joint ventures and the representation of sovereign wealth, private equity and real estate funds.

Michael is well respected for his thorough knowledge of the US law

riding high once again this year, as it was one of the advisers in what remains the biggest deal in the first half of 2015: the acquisition of Pirelli & C. by the China National Chemical Corporation. The partners **Charles Adams** and **Giuseppe De Palma** assisted ChemChina with the financing. Pedersoli e Associati (which increased its M&A turnover by 311.5% in the first half of 2015) was also involved on the ChemChina side of the deal, while Chiomenti aided Nuove Partecipazioni and Camfin with a team led by the partners **Michele Carpinelli** and **Francesco Tedeschini**. Lombardi Molinari Segni, which came eighth in the Mergermarket rankings with nine deals worth almost \$6 bn, sent its partner Mara Fittipaldi to help Camfin with the financing side of things. In the latest chapter of the Pirelli saga so far, in early June ChemChina sealed a joint investment agreement with the Silk Road Fund, a \$40 bn Chinese state-owned fund that was created in late 2014. The fund is being advised by King & Wood Mallesons in the person of the partner **Davide Proverbio**, with **Agata Todarello** overseeing aspects of Italian law, while assistance with Chinese legal matters is provided by the partner **Rebecca Chao** and the associates Mo Chen and Vincent Chen. The fund has bought a minority stake in CNRC International Holding HK, the vehicle formed to buy Camfin's ordinary shares in Pirelli through its affiliates and then launch a tender offer for Pirelli at €15 per share. In this procedure, ChemChina was once again advised by Pedersoli e Associati, through the partners **Antonio Pedersoli** and **Andrea**

Gandini, while support was provided by Giulio Sandrelli for Italian legal matters and a team from Jun He Law Offices for Chinese legal matters.

As for the biggest deals in 2014, the acquisition of a 49% stake in Alitalia by Etihad Airways is certainly high on the list, if nothing else because of the complexity of the deal and the number of lawyers and law firms involved. As well as Italy, there were contributions from legal experts in the United Kingdom, elsewhere in Europe and the Middle East. The most delicate part of the deal from a legal point of view was explaining all of the quintessentially Italian legislative and environmental complexities and factors to a foreign client, in a situation in which the stakeholders sitting around the table were representatives of Alitalia, Etihad Airways, Air France/KLM, Delta, Poste Italiane, the banking industry, the airport industry, the Italian railways, leasing companies, the political world and trade unions. Consequently, part of the lawyers' role was to coordinate the different demands made during the talks and guide them towards a single goal in the limited window of time made available by the economic and financial conditions of the target company. Assisting Etihad Airways, DLA Piper had an international, multidisciplinary team of more than 50 people led by Michael Bosco. The Italian contingent took on a supervisory role and coordinated the technical solutions, opinions and negotiations. Bonelli Erede aided Alitalia CAI with the

Craig Byrne is co-managing partner of Allen & Overy Italy. Craig's particular emphasis is acting as counsel to investment banks and issuers in connection with a variety of transaction types, such as stand-alone



bond transactions, including convertible and exchangeable bonds and capital securities

Cristiano Tommasi. His main area of practice is in both international and domestic capital markets work. He is a member of the Italian ICM team based in Rome and has extensive experience of public and private debt and equity issues, including transactions involving an offering in the United States

Deal Focus/Unicredit AT 1 issue

Allen&Overy helped UniCredit with the structuring and preparation of the documents for the issue of Additional Tier 1 instruments. **Craig Byrne** was the partner in charge of the deal. It was the first issue of financial instruments of this kind to be made by an Italian bank and carried out in accordance with the 'Basel 3/Crd 4 rules. «The issue presented a number of challenges in terms of both the general structuring and civil, corporate and fiscal law matters, especially when it came to the loss absorbing mechanism and its potential impact on the face value of the securities»,» explained Byrne. As for the structure of the operation, UniCredit's AT1 instruments were the first with detailed provisions outlining the possible impact of any losses within the group, with reference to the thresholds that will trigger a write down (reduction in the face value to a consolidated level. «Bear in mind that although the Crd 4 package was already in force when the structure of the operation was established, the finer aspects of some characteristics of AT1 instruments were – and still are – in the development phase on a European level,» underlined Byrne, «consequently, as well as taking into consideration the measures in force, during the structuring of the operation it was also necessary to look into areas where there was still some doubt about regulatory and interpretative matters, in order to ensure that the documents prepared would remain valid and effective even after foreseeable future developments».



THE TEAM IN THE DEAL

Team leaders, Craig Byrne and Cristiano Tommasi, were assisted by senior associates Elena Radicella Chiaramonte, Alessandra Pala and Patrizia Pasqualini. The partner Francesco Bonichi oversaw the fiscal aspects of the proceedings with the aid of the associate Michele Milanese

«The issue presented a number of challenges in terms of both the general structuring and civil, company and fiscal law matters, especially when it came to the loss absorbing mechanism and its potential impact on the face value of the securities»

Deal Focus/Fincantieri IPO

Lombardi Molinari Segni and its name partner **Antonio Segni** assisted UniCredit, Banca IMI, Credit Suisse, JP Morgan and Morgan Stanley with Fincantieri's IPO and listing on the MTA market. It was the first privatization in the cycle started by the new government and a complex undertaking that involved legal advisers from the earliest stages in the organization of the structuring, during which it was necessary to conciliate market needs with the objectives of the public shareholder and the company's strategies. «The relevance and magnitude of the scheme, in political as well as strategic terms, meant that a large number of banks served as joint global coordinators, thus increasing the number of people involved and the complexity of managing proceedings,» stated Segni, «moreover in the latter stages the market conditions had changed for the worse, so it was necessary to substantially alter the scheme. Unprecedented changes were made to the market offer and this meant that some sizeable technical and legal matters had to be examined and resolved, in close cooperation with Consob and Borsa Italiana». In the end, although the overall amount sold was smaller, the scheme was successfully completed, paving the way for subsequent public operations.

THE TEAM IN THE DEAL

Lidia Caldarola, Federico Vermicelli and Alberto Recchia were the members of the team led by Antonio Segni.



Antonio Segni, 50 graduated at the Law University of Rome "La Sapienza" and Master of Laws at Harvard Law School, served as an officer at the legal department of CONSOB from 1989 through 1994. In 1994 he turned to private practice with Gianni, Origoni & Partners, where he became Partner and head of the Capital Markets Group in 2000. In 2006 he left his position to found Labruna Mazziotti Segni, where he continued his practice through 2013. From 2014 he joined Lombardi Molinari Segni. Antonio Segni concentrates his practice in corporate finance, capital markets and M&A

Deal Focus/Hera Green Bond Issue

The Legance legal firm advised Hera on the issue of the first Italian green bonds and a partial exchange offer for existing bonds. In total, €500 mn in 10-year bonds were issued. Green bonds are securities that are already used by other big utility companies elsewhere in Europe. With this form of financing, the resources gathered are invested specifically in projects to improve the environment. In particular, the green bonds issued by Hera, with support from our firm in the structuring and issuing stages, were used to finance and refinance sustainability projects in four fields: the fight against climate change, cutting emissions, the quality of water purification and the waste cycle. In general, bonds of this kind allow issuers to open up the offer to investors that are obliged by their investment policies to use some of their funds to finance environment-friendly projects. «Among other things, the structures of these issues involves a third-party, independent expert assessing the compatibility of the projects to be financed/refinanced with eco-friendly objectives, as well as the adequacy of the traceability methods for the proceeds from the issue of the bonds, so investors can be certain that the proceeds are really being used to finance the green projects described by the issuer,» said **Andrea Giannelli** the partner responsible for the scheme.

THE TEAM IN THE DEAL

Andrea Giannelli (Partner), Antonio Siciliano (Counsel) and Silvia Cecchini (Associate), with tax matters overseen by Claudia Gregori (Partner) and Francesco Di Bari (Counsel).

Andrea Giannelli graduated, maxima cum laude, from the University of Milan in 1994 and obtained a PhD in Corporate and Capital Markets Law from Bocconi University in 1999. He was admitted to the Italian Bar in 1997. Andrea is a member of the faculty of Bocconi University in Milan, where he teaches Banking Law, Capital Markets Law and Financial Regulation. He currently heads the Banking and Debt Capital Markets departments of Legance. He is widely acknowledged as a key player in banking, structured finance and DCM transactions. He has been involved in a large number of complex transactions, being always at the forefront of the major bond issues under EMTN / GMTN programs or on a standalone basis



Focus/Unicredit Securitization

Pavia&Ansaldo assisted UniCredit Credit Management Bank (UCCMB) with a securitization transaction in which a portfolio of loans was sold through a special vehicle for €1.9 bn. The partners in charge of the operation were **Mario Di Giulio** and **Caterina Luciani**. The process involved the sale of a portfolio of loans through a securitization vehicle. The lawyers assisted as the servicer of the securitization of the selling vehicle in the sale-related activities and in its role as a servicer in the management of part of the portfolio acquired from a different vehicle. «The distinctive features of the new servicing system negotiated by the firm on behalf of UCCMB essentially lie in the singularly dynamic management requested by the investors in the new securitization operation,» stated Di Giulio and Luciani.

THE TEAM IN THE DEAL

Mario Di Giulio and
Caterina Luciani



Caterina Luciani, 46, from Milan, graduated from the University of Milan and was admitted to practice in 1999. She specialized in finance, corporate and aviation law. Mario di Giulio 52, from Rome, graduated from University of Rome. His practice areas are banking and public finance

sale of the 49% stake in the new Alitalia to Etihad Airways, as well as the talks about the deals for the launch of the partnership between the two airlines and the company reorganization process that took shape through debt restructuring and the approval of the necessary intervention in the capital of Alitalia CAI. Meanwhile, Chiomenti aided Etihad Airways with matters relating to antitrust and labor law. The banks involved (UniCredit, Intesa Sanpaolo, MPS and BP Sondrio) were able to count on the assistance of Lombardi Molinari Segni and Pedersoli e Associati. **L**

Focus/Metro 5 Project Finance

DLA Piper aided Metro 5, a project company set up by Astaldi, Ansaldo STS, AnsaldoBreda, Alstom and ATM, and its sponsors with its now-completed plans for Line 5 of the Milan Metro. A single agreement was made to entrust it with the construction and management of the whole of Line 5 (Bignami-San Siro) and the creation of the project funding scheme. It will involve an innovative mixed structure, with €430 mn in project financing and a €150 mn project bond issue, both of which will run until 2035. **Ugo Calò** led the team from the law firm. The total investment in the scheme amounts to approximately €1.7 bn. In addition to the mixed project financing/project bond structure, both the part already completed and the part that is under construction have been funded by the resources of the Metro 5 shareholders, public contributions and the unlevered free cash flow. Top finance institutions and private institutional investors from Italy and beyond were involved in the financing, as was Cassa di Risparmio di Milano e Prestiti. The structure involves bank loans and the issue of €150 mn in project bonds to institutional investors, pursuant to art. 157 of the Italian Code of Public Contracts.

THE TEAM IN THE DEAL

Ugo Calò was at the helm of the team, which consisted of the associate Riccardo Pagotto on financial contracts, the partner Francesco Ferrari on matters relating to the project contracts, the partner Domenico Gaudiello and the associate Vincenzo La Malfa on the contracts for derivatives, and the partner Christian Montinari on fiscal matters.



Ugo Calò focuses on banking and project financing transactions, especially on infrastructure, real estate and acquisition financing. He also has extensive experience with the debt structuring and structured finance transactions. Ugo graduated from University of Rome La Sapienza and has collaborated with the faculty of Economics at the same University. Before joining DLA Piper, Ugo worked for leading Italian and international law firms

Main deals and professionals in charge in the last 18 months

ALLEN & OVERY ADVISED:

- **Unicredit** in the 7-year senior bond issue for the amount of €1.25 bn,
- **Fga Capital** in the €750 mn bond issue,
- **A pool of financial institutions** in the €1bn Telecom Italia bond issue,
- **Banks** in the €600 mn Pirelli bond issue.



Francesco Bonichi

In charge: Craig Byrne, Cristiano Tommasi, Francesco Bonichi

acquisition of a minority stake (45%) in Comecer, a medical equipment producer.

In charge: Alessandro Balp, Matteo Bonelli, Stefano Cacchi Pessani, Andrea Carta Mantiglia, Eliana Catalano, Roberto Cera, Paolo Daino Vittoria Giustiniani, Sergio Erede, Vittorio Lupoli, Fulvio Marvulli, Stefano Micheli, Carlo Montagna, Alessandro Musella, Barbara Napolitano, Umberto Nicodano, Mario Roli, Silvia Romanelli Alberto Saravalle, Gianpiero Succi Gianfranco Veneziano, Mauro Cusmai Giovanni Domenichini



Roberto Casati

equity offering of Salini Impregilo and Salini Costruttori, for € 513 mn,

- **Banca MPS** and Banca Popolare di Milano in the Anima Holding IPO and for the shareholders agreement,
- **Jefferies International** and Banca Profilo as JG Coordinators and Banca Akros as sponsor in the Banzai IPO,
- **Cnh Industrial** in the GMTN Program issue for € 10 bn.

In charge: Roberto Casati, Claudio Di Falco, Pietro Fioruzzi

BONELLI EREDE ADVISED:

- **Direct Line Insurance Group** in the sale of 100% of Direct Line Insurance and Direct Line Versicherung to the Spanish group Mapfre,
- **A private equity consortium**, formed by Advent, Bain Capital and Clessidra, in the acquisition of the majority (85%) of the Istituto Centrale delle Banche Popolari,
- **Ardian** and Crédit Agricole Assurances in the acquisition of 49% of F2i Aeroporti,
- **Roberto Cavalli**, the fashion group, in the sale of the majority of its stake to Clessidra, the private equity fund, on the basis of an EV of €390 mn,
- **Alitalia CAI** with the sale of the 49% stake in the new Alitalia to Etihad Airways, as well as the talks about the deals for the launch of the partnership between the two airlines and the company reorganization process,
- **Idea capital** in the listing of its shares at the MTA segment of the Italian Exchange,
- **Idea capital** in the acquisition of a minority stake (28%) in Italchimici,
- **Principia sgr** in the



Umberto Nicodano

CHIOMENTI ADVISED:

- **Nuove Partecipazioni** and Camfin to create an industrial partnership with China National Tire & Rubber Co (Chem China Chemical group) to acquire the Pirelli shares held by Camfin,
- **Intesa Sanpaolo** in the acquisition of the Banca Monte Parma 20% share from Fondazione Monte di Parma and Fondazione Piacenza e Vigevano,
- **Mediaset** in the ABB sale of 25% of El Towers,
- **SACE** in the € 500mn bond issue, listed on the Luxembourg SE,
- **E.ON Italia** in the sale to F2i of the E.ON Italian photovoltaic business,



Michele Carpinelli

In charge: Michele Carpinelli, Carola Antonini, Massimo Antonini, Stefania Bariatti, Giulia Battaglia, Gregorio Consoli, Carlo Croff, Michele Delfini, Marco Di Siena, Enrico Giordano, Antonio Tavella, Francesco Tedeschini

CLEARY GOTTlieb STEEN & HAMILTON ADVISED:

- **Generali Italia** in the sale of the 1.4% share of Atlantia for € 223 mn
- **Goldman Sachs Int.**, Mediobanca and Banca IMI as JG coordinators and bookrunners in the private

CLIFFORD CHANCE ADVISED:

- **China Chemical Corporation** in the acquisition finance of Pirelli & C 100%,
- **JG Coordinators** in the Rai Way IPO for € 240mn,
- **Poste Italiane** in the privatization and listing on the Milan Stock Exchange,
- **Ministry of Economy** in the ABB of 5.74% of Enel,
- **Joint Lead Managers** in the € 500 mn first perpetual bond issue of SACE,



Giuseppe De Palma

In charge: Charles Adams, Giuseppe De Palma, Filippo Emanuele, Alberta Figari, Gioacchino Foti, Carlo Galli, Carlo Felice Giampaolino, Aristide Police, Paolo Sersale

DLA PIPER ADVISED:

- **Italian-Spanish** consortium and the project company formed by Salini Impregilo, Ansaldo STS, Ansaldo Breda, ACS Dragados, FCC and Cosapi, in the financing structure for the second line of the Lima (Peru) underground,
- **Banca IMI** and Intermonte (as Global Coordinator) in the Gruppo Favini



Francesco Aleandri

listing on MTA of the Milan SE,
• **Artemide** in the listing process,

In charge: Michael Bosco, Francesco Maria Aleandri, Ugo Calò



Francesco Gianni

**GIANNI ORIGONI GRIPPO
CAPPELLI & PARTNERS ADVISED:**

- Vivendi in the sale of the controlled stake of Gvt - Global Village Telecom to the Spanish Telefonica, for € 7.2bn,
- **Dufry** in the World Duty Free acquisition from Edizione Holding for € 3.6 bn
- **Sorin** in the € 2.4 bn merger with Cyberonics, an American listed pharmaceutical company,
- **ETF Securities** (UK) in the listing on the Italian SE Etf-plus of Robo-Stox Global Robotics and Automation Go Ucits Etf,
- **Società Cattolica di Assicurazione** in the offering to shareholders and listing of the shares issued in a capital increase of € 500mn.

In charge: Roberto Cappelli, Francesco Gianni, Emanuele Grippo, Andrea Aiello, Rosario Zaccà

LEGANCE ADVISED:

- **Sunrise**, an Agos Ducato company, in the € 1.6bn securitization of stocks listed on the Luxembourg SE,
- **A2A** in the updating and increase of the € 4bn EMTN program,
- **FCA N.V.** in the € 2.875bn bond issue, with a mandatory conversion and maturity December 2016, and in the offering of 100 mn of ordinary shares,
- **Société Générale** in the contract for a standby equity facility agreement with Tiscali.



Bruno Bartocci

In charge: Bruno Bartocci, Emanuela Campari Bernacchi, Andrea Giannelli, Giorgio Vanzanelli

**LOMBARDI MOLINARI
SEGNI ADVISED:**

- **Telecom Italia** in the \$ 5 bn bond issue on the Us market,
- **Trevifin** in the €200 mn capital increase to sustain the industrial plan and the entry of Fondo Strategico Italiano as shareholder,
- **Intercos** in the IPO and listing on the Star segment of the Italian SE,
- **Sol**, in the private placement of € 40 mn in non-convertible bonds on the US market.

In charge: Ugo Molinari, Sara Belotti, Daniele Colicchio, Lidia Caldarola, Dorella Concadoro, Alberto Recchia, Antonio Segni, Federico Vermicelli



Ugo Molinari

NCTM ADVISED:

- **Pasta Zara** in the €5mn mini-bond issue,
- **Waste Italia** (Kinexia group) in the € 200 mn high yield bond issue and a € 15mn revolving credit facility,
- **Tech Value** in the listing on the AIM market of €1.7 mn in stocks,
- Green Power in the listing on the AIM market,
- **Enertronica** in the convertible 2014-2016, 7.5% bonds, to be listed on the AIM market.

In charge: Stefano Padovani, Andrea Iovieno, Pietro Maria Tantalò, Andrea De Tomas, Matteo Gallanti, Lukas Plattner, Eleonora Parrocchetti



Stefano Padovani

PAVIA E ANSALDO ADVISED:

- **Trumpf GmbH & Co. KG** in the acquisition of Codatto,
- **Fassi** family in the sale of the Palazzo del Freddo (100%) to Haitai Confectionery and Foods Co of Korea,
- **Vam Investments** in the majority stake acquisition of Yalla Yalla,



Sven von Mensenkampff

In charge: Michele Cicchetti, Luca Cuomo, Mario Di Giulio, Caterina Luciani, Sven von Mensenkampff

**SIMMONS & SIMMONS
ADVISED:**

- **Banca IMI** in the issue of Certificates and Structured bonds and in the listings of these stocks,
- **Deutsche Bank** in the founding of DB x-trackers EFTs (Exchange Traded Funds) and of ETC (exchange traded commodities) issued by DB ETC Index and DB ETC plc (Precious Metals),
- **Iren** in various debt issues,
- **IKF** and the nomad Unipol Merchant S.p.A. in the first reverse take over in the Italian market,
- **Cogeme Set** in the process for admission to a composition with creditors on a going concern basis in Italy.



Michael Dodson

In charge: Giulia Arenaccio, Romeo Battaglia, Michael Dodson, Annalisa Feliciani, Augusto Santoro, Benedetta Troisi

WHITE & CASE ADVISED:

- **Mediobanca**, as arranger and dealer, and Crédit Agricole CIB, Société Générale and UniCredit Bank AG, also dealers, in the updating of the EMTN Program of SIAS,
- **Banca IMI**, UniCredit, Banca Iccrea and Credit Agricole CIB, as dealers and co-dealers, in the € 20.6 bn BTP Italia bond issue,



Michael Immordino

- **BNP Paribas** (Banca Nazionale del Lavoro) and Monte dei Paschi di Siena Capital Services, as dealers, and Aletti & C. and Banca Akros, as co-dealers, in €7.5 bn 6-Y BTP Italia with a fixed rate of 1.25 % yearly,
- **Banca IMI**, JP Morgan, Mediobanca and UniCredit CIB as Joint Global Coordinator in € 428.4 mn Cerved Information Solutions listing on the MTA of the Italian SE,
- **BNP Paribas** and Banca IMI as underwriters in the IGD – Immobiliare Grande Distribuzione SIIQ capital increase.

In charge: Paul Alexander, Iacopo Canino, Ferigo Foscari, Michael Immordino, Paola Leocani

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(1) Dati perimetro Amundi Group - Il maggiore asset manager Europeo per totale di asset in gestione (AUM) - Fonte IPE "Top 400 asset managers" pubblicato in giugno 2015 e basato sugli AUM a dicembre 2014. Tutti gli AUM sono stati ricalcolati da Amundi escludendo gli asset manager con capogruppo al di fuori dell'Europa.

* Più convenienti e di qualità. Cheaper - Dati al 31/07/2015: Amundi ETF confronto tra il Total Expense Ratios (TERs) medio ponderato per le masse in gestione di tutti i Fondi: 0.26%, e quello di tutti gli ETF europei (inclusi i Fondi) come riportato nella DB ETF Research: 0.32%. Importante: alcuni singoli Fondi possono non essere più convenienti rispetto ai loro omologhi europei o possono non avere un peer group con il quale essere confrontati e viceversa. Il TER corrisponde alle spese correnti riportate nel documento contenente le informazioni chiave per gli investitori (KIID). Sono escluse le commissioni e altri costi di terzi sostenuti direttamente dagli investitori per la negoziazione. | W

The great challenge of the **AIM**

With 16 **IPOs** in the first eight months of this year, the segment of the stock market for **small** and **mid-sized** companies proved to be the most appealing **tool** to get financing for **growth**. And **green economy** players took performance to the forefront

by Claudia Cervini

They are small, but they can grow very quickly. This is the hope of the investors – most of whom are professionals – in the dozens of companies that have livened up Italy's Alternative Investment Market (AIM) in the last two and a half years. Furthermore, since the start of 2015 there have been strong overall signs of vitality and a desire and capacity to grow on the part of the firms listed in AIM Italia, which is run by Borsa Italiana. «The AIM now has a capitalization of nearly €3 bn – with more than €600 mn raised – and a turnover of €3.4 bn. In the first eight months of 2015, it saw 16 IPOs and on the whole, it is showing increasing signs of maturity, as emphasized by the growth in the key figures (revenues were up 24% in 2014),» explained **Anna Lambiase**, the CEO of IR Top, an investor relations and executive consultancy firm. Through the AIM Italia Research Centre, IR Top constantly monitors the SME market and reports on the main patterns, investment trends, IPOs, financial results, stock market performances and stakes held by institutional investors.

The overview presented by IR

Top highlighted the fact that revenues are not the only indicator of growth. Liquidity has always been the AIM's Achilles heel, but it too is improving in terms of average daily value, the ratio of days with trade to the total number of business days and the speed of turnover. «The poor communication capabilities of many companies still have



Right, Giovanni Natali of Ambromobiliare. Above: Rinaldo Denti of Frendy Energy, best company by revenue growth, and (right) Marco Astorri, CEO of



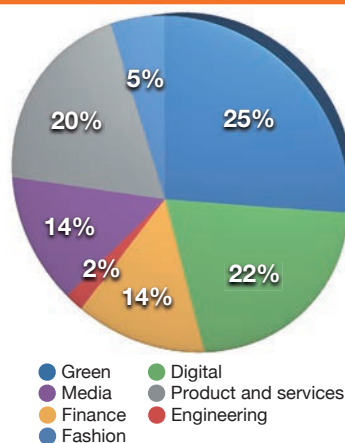
Bio-on, best performer by price since the IPO. On top, Anna Lambiase, the CEO of IR Top, the investor relations and executive consultancy firm



an excessive impact, limiting trade and resulting in poor visibility, especially among potential foreign investors,» stated Lambiase. The green sector is the most heavily represented area, with 23% of the companies and 28% of the capitalization. It is followed by the digital industry, with 20% of the companies and 17% of the capitalization. The average AIM company has revenues of €32.2 mn, EBITDA of €4.7 mn (with an EBITDA margin of 10%) and a capitalization of €42 mn.

The green economy's positive trend in AIM Italia is reflected in the revenue rankings: four of the top ten companies are from the green sector (Frendy Energy, TE Wind, Bio-on and Enertronica). In the EBITDA rankings, there are two

AIM breakdown by sectors



green companies among the top five. The number increases to three out of five for the EBITDA margin (Iniziativa Bresciane, Frendy Energy and Ecosuntek).

The same field also leads the way in IPO performances: three of the top six companies that have successfully made their debut in the market are from the green sector (Bio-on, Fintel Energia Group

Top listed companies by revenue growth in 2014...

Rank	Company	Sector	IPO date	Revenues € mn	1y Ch %
1	Frendy Energy	Green	22-06-2012	4.0	239%
2	Notorious Pictures	Media	23-06-2014	26.8	196%
3	IKF	Finance	8-05-2009	30.6	117%
4	Ambromobiliare	Finance	23-12-2011	7.0	112%
5	TE Wind	Green	11-10-2013	0.2	92%
6	Bio-on	Green	24-10-2014	2.7	80%
7	Neurosoft	Digital	8-05-2009	10.3	76%
8	Caleido Group*	Services	24-03-2015	8.2	68%
9	Enertronica	Green	15-03-2013	10.2	66%
10	Digital Magics	Digital	31-07-2013	2.7	61%

Source: IR Top; * Proforma

... and by EBITDA growth...

Rank	Company	Sector	EBITDA	CH %
1	Notorious Pictures	Media	14.3	409%
2	Moby (dati proforma)	Digital	1.8	371%
3	Frendy Energy	Green	2.7	270%
4	Bio-on	Green	1.0	131%
5	Neurosoft	Digital	3.1	110%

Source: IR Top

... and by EBITDA amount (% on revenues)

Rank	Company	Sector	IPO date	EBITDA %
1	Iniziativa Bresciane	Green	15-07-2014	78%
2	Frendy Energy	Green	22-06-2012	68%
3	Leone Film Group	Media	18-12-2013	61%
4	Ecosuntek	Green	8-05-2014	56%
5	Notorious Pictures	Media	23-06-2014	54%

Source: IR Top

Best listed companies by IPO performance

Rank	Company	Sector	IPO date	Performance
1	Bio-on	Green	24-10-2014	206%
2	Giorgio Fedon	Fashion	18-12-2014	141%
3	Modelleria Brambilla	Industry	5-12-2014	116%
4	BioDue	Services	20-05-2015	79%
5	Fintel Energia Group	Green	23-03-2010	76%

Source: IR Top as of September 2

and Enertronica). It can be a good area in which to invest, as long as a little discretion is shown. Bio-on is a bio-sustainable chemicals company that has patented a number of systems for making products such as 100% biodegradable plastics that are suitable for numerous purposes, including the manufacturing of cars. It has seen an increase of 206% in its share

price in the year since its IPO in October 2014, despite the fact that some big brokers failed to see its growth and stock market potential and classified it as unlistable. «This underlines that the figures involved must show insight and organizational skills in the listing process, although that in itself is not enough to guarantee success,» noted Giovanni Natali, the CEO

The green economy's positive trend in the Italian Alternative Market is reflected in the revenue rankings: four of the top ten companies are from the green sector

of Ambromobiliare, who decided with the company president Alberto Franceschini to accompany Bio-on during the listing procedures. Another interesting example is Fintel Energia Group, which has seen an increase of 76% since it was listed on 23 March 2010. Meanwhile, the share price for the renewable energy and energy saving company Enertronica has gone up 37% since 15 March 2013. In other fields, one of the stand-out performers is the eyewear and leather goods company Giorgio Fedon, which has seen an increase of 141% since its market debut on 18 December 2014. Modelleria Brambilla has also hit the ground running. The Emilian manufacturer of cylinder heads and engine blocks for the automotive industry comes third in the rankings for post-listing market performance: since 5 December 2014, its share price has increased by 116%. Pushing for a place on the podium is BioDue, which develops, makes and sells cosmetics, dietary supplements and medical devices. Since its IPO in May this year, it has gained 79%.

Despite these results, many analysts and potential investors still believe that the lack of liquidity among AIM stocks means that they are too risky to offer good deals. «It is not the markets that are illiquid but the individual stocks,» explained Natali. For investors of all kinds, including retail investors, it is a big mistake to generalize, because in the AIM at the moment there are lots of stocks that are traded much more than the majority of the stocks in the STAR index.» Nonetheless, there is a golden rule that investors must always bear in mind: regardless of where they are listed, small caps can experience substantial fluctuations precisely because of their small capitalizations. Therefore, the exceptional returns seen in the AIM and elsewhere in the last year should not give rise to over-exuberance but to prudence, which should be backed by sound risk diversification in portfolio composition.



The listed companies on Italian AIM

company	Sector	IPO date	Flottante %	Funding*	Capitaliz ^o	Perf. YTD %
Giglio Group	Media	7-08-2015	23	6	23.5	
Capital for Progress	Finance	4-08-2015	na	51.1	49.1	
Piteco	Services	31-07-2015	17	11.5	60.4	
Assiteca	Services	27-07-2015	13	7.35	60.2	
Masi Agricola	Food	30-06-2015	20	29.6	157.5	
Bomi Italia	Prod.&serv.	26-06-2015	27	12.1	39.2	
Bio Due	Services	20-05-2015	10	4	70.8	97.1
Cover 50	Fashion	13-05-2015	24	19.3	76.3	-5.5
Elettra Investimenti	Green	21-04-2015	21	4.7	20.4	-2.8
Mondo TV Suisse	Media	13-04-2015	11	0	24.4	-0.3
Clabo	prod.&serv.	31-03-2015	33	7.4	16.2	-1.6
Caleido Group	prod.&serv.	24-03-2015	19	1.5	7.1	-30.2
DigiTouch	Digital	16-03-2015	28	8.9	30.6	-1
Mobyt	Digital	5-03-2015	15	4.5	25.9	-7.8
Italian Wine Brands	prod.&serv.	29-01-2015	61	0	51.4	-5.6
Giorgio Fedon	Fashion	18-12-2014	21	0	35.2	155.3
Axélero	Digital	11-12-2014	33	24.8	65.3	-7.3
Modelleria Brambilla	prod.&serv.	5-12-2014	18	1.5	20.5	47.4
Bio-on	Green	24-10-2014	10	6.9	222.1	152.6
Tecnoinvestimenti	Digital	6-08-2014	21	22.8	109.1	17.5
GO Internet	Digital	6-08-2014	30	5	20.8	25.1
Tech-Value	Digital	5-08-2014	13	1.7	8.3	-36.3
Mailup	Digital	28-07-2014	15	3	23.8	8.9
Blue Note	prod.&serv.	22-07-2014	22	1	4.4	2.1
Lucisano Media Group	Media	16-07-2014	12	6.4	29.8	-14.8
Mp7 Italia	Media	7-07-2014	28	3.9	73.3	1.1
Iniziative Bresciane	Green	15-07-2014	26	20.2	12.0	-4.9
Notorious Pictures	Media	23-06-2014	10	7	64.7	7.5
PLT Energia	Green	4-06-2014	16	10.5	45.4	-4.3
Energy Lab	Green	20-05-2014	17	3.7	18.6	-13.8
Ecosuntek	Green	8-05-2014	17	5.3	23.5	-27.2
Agronomia	Green	6-05-2014	19	6.2	11.1	-23.5
Triboo Media	Digital	11-03-2014	38	27.6	57.3	9.2
Gala	Green	10-03-2014	12	24.9	119.6	-17.5
Expert System	Digital	18-02-2014	43	17.1	46.9	17.6
Sunshine Capital Inv.	Finanza	24-01-2014	100	3.2	n.d.	-10.7
Gruppo Green Power	Green	22-01-2014	11	3.3	15.5	-14.8
Greenitaly1	Green	27-12-2013	100	35	35.9	1.9
WM Capital	prod.&serv.	23-12-2013	12	1.4	9.3	25.7
Innovatec	Green	20-12-2013	30	5.3	8.6	74.7
Net Insurance	Finanza	19-12-2013	9	13	136.5	-1.3
Leone Film Group	Media	18-12-2013	25	16.1	40.4	7.2
Ki Group	Green	18-11-2013	14	5	19.5	8.8
TE Wind	Green	11-10-2013	42	3.7	6.8	-21.8
Safe Bag	prod.&serv.	12-09-2013	12	3.5	13.1	42.4
Digital Magics	Digital	31-07-2013	18	4.6	25.8	23.9
Industrial Stars of Italy	Finanza	22-07-2013	n.s.	50.1	210.0	22.3
Italia Independent Group	Fashion	28-06-2013	27	15.7	61.7	-2.2
Enertronica	Green	15-03-2013	10	0.9	16.3	-9.2
Mondo TV France	Media	1-03-2013	25	3	12.3	54.2
Mc Link	Digital	22-02-2013	10	2.6	20.0	9.7
Compagnia Della Ruota	Finanza	30-07-2012	52	3.5	8.8	-0.9
Primi sui Motori	Digital	26-07-2012	14	3.5	16.8	-53.9
Frendy Energy	Green	22-06-2012	15	2.7	36.7	-2.9
Softec	Digital	5-03-2012	3	0.3	5.8	-10.6
Ambromobiliare	Finanza	23-12-2011	13	1.9	12.9	-10.1
Soft Strategy	prod.&serv.	9-08-2011	4	0.3	3.2	-19.2
Valore Italia	Finanza	27-04-2011	3	0.7	2.4	-67.5
Imvest	prod.&serv.	29-03-2011	0	0.05	13.3	-15.3
HI Real	prod.&serv.	19-01-2011	39	3	1.6	-13
First Capital	Finanza	22-12-2010	59	14.1	22.8	16.4
Vita Società Editoriale	Media	22-10-2010	31	2.5	1.6	-4.6
Methorios Capital	Finanza	14-07-2010	11	7.9	50.7	-25.4
Fintel Energia Group	Green	23-03-2010	11	5.6	103.5	13.1
Visibilia Editore	prod.&serv.	16-03-2010	10	1.5	6.8	-42.4
Poligrafici Printing	Media	16-03-2010	10	3.2	8.4	39.9
Rosetti Marino	Ingegneria	12-03-2010	5	6	144.9	3
Tbs Group	prod.&serv.	23-12-2009	7	6.3	62.9	6.8
Vrway Communication	Media	23-07-2009	n.s.	0	0.0	6.8
IKF	Finanza	8-05-2009	98	8	5.8	19.2
Neurosoft	Digital	8-05-2009	17	7.6	42.6	44.8
Average			24	7.6	39.7	6.64
Total				494.5	2582.6	

Source: IR Top - * in € mn - ° as of 2 September 2015

BIO-ON

Marco Astorri, Exec. Chairman

Sector: Bio-tech

IPO Date: 24/10/2014

Market Cap*: € 198.7 mn

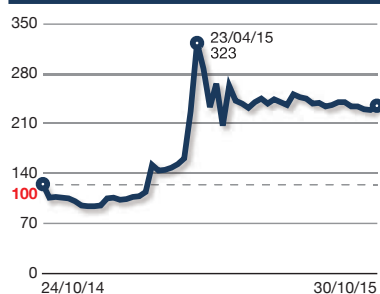
Revenues 2014: € 2,8 mn

Bio-on is a specialist manufacturer of 100% biodegradable plastics (PHAs) made from organic waste. It recently finished developing technology to make bioplastics from glycerol, which is a major byproduct of biodiesel manufacturing. «In Europe alone, approximately 4 mn tons of it are produced every year and this figure is constantly growing. It amounts to 10% of the biodiesel produced in transesterification processes,” explained Marco Astorri, the chairman of the company. In September, Bio-on signed an agreement with Moore Capital in London to build the most advanced biopolymer production site in South America. The facility in Brazil will have an output of 10,000 tons and involve an investment of €80 mn. The agreement follows a deal sealed in France in late July for the construction of another important production site where 100% biodegradable plastic will be made for computers and the automotive and biomedical industries. Bio-on also signed an exclusive contract with the University of Hawaii to develop technology for the production of bioplastics from wood processing and household organic waste.



Marco Astorri

Price performance



TE WIND

Ciro Mongillo, CEO & Vice Pr.

Sector: Renewable Energy

IPO Date: 11/10/2013

Market Cap*: € 6.6 mn

Revenues 2014: € 0.25 mn

TE Wind produces electricity using mini-wind power units. The company's business model involves managing the entire process for the creation of a mini-wind plant, from the selection of the site and environmental feasibility studies to the production of electricity. It uses both in-house and outsourced advisory services to ensure that every single phase of the process is optimized. The structure is also very streamlined and it benefits from substantial cost rationalization, but the business is still unprofitable (€3.5 mn loss in 2014). Though the activity grew significantly: it installed 80 turbines in 2014 (+60% on 2013), 50 of which are hooked up to the grid (+47% on 2013). The overall installed capacity is 3 MW (+114% on 2013). The total value of the plants is €12.4 mn (+61% on 2013). In early April, this year, TE Wind raised a total of €1 mn for its growth plans in an accelerated book building process, during which it sold 1.291 mn shares to accredited investors.



Ciro Mongillo

Price performance



EXPERT SYSTEM

Stefano Spaggiari, CEO

Sector: Software & Big Data

IPO Date: 18/02/2014

Market Cap*: € 46.4 mn

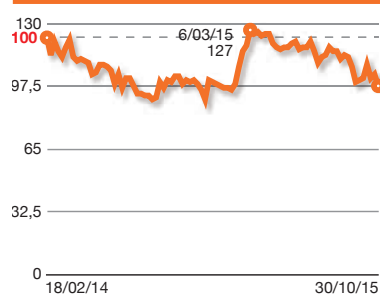
Revenues 2014: € 17.2 mn

Expert System is a leading player in semantic technology for big data and information management. Its patented Cogito software combines language capabilities and the technological ability to make the most of unstructured content. After the opening of its office in Silicon Valley, in late 2014 Expert System bought the ICM and iLab divisions of ISOCO in Spain, bringing about the creation of Expert System Iberia. In February, the company joined the Google for Work Partner Program as a Google Cloud Platform Technology Partner, extending the benefits of its Cogito semantic technology to the platform. In March, it announced a partnership with MongoDB, a leading provider of databases for big data management. In September, the group finalized the acquisition of the French Temis, leader in text analytics solutions, becoming the global leader in the segment with an aggregated turnover of € 20 mn. In 2014, Expert System achieved significant results (82% to €2.5 mn) in terms of orders, especially in the USA.



Stefano Spaggiari

Price performance



Source: MF database, performance are calculated since the IPO - * as of end of October

CALEIDO GROUP

Cristiano Uva, CEO & Pr.

Sector: Tourism

IPO Date: 24/03/2015

Market Cap*: € 6.3 mn

Revenues 2014: € 8.2 mn

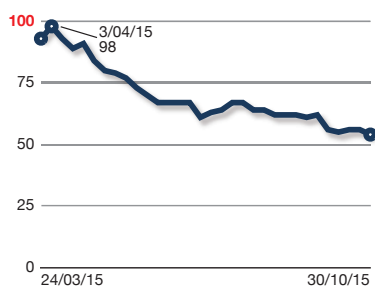
Caleido Group is a specialist provider of tailored travel solutions for tour operators, travel agents and end customers. It is the leading player in Central/Southern Italy for medium- and long-range journeys for business and high-end consumers. It was founded in 2014, when the Caleidoscopio, Travelab and Dreambox brands were brought together by the Oltremare Group. The latter group has been in the trade for more than 40 years and it provides

high-quality services to the consumer and business markets through three main channels: wholesale to approximately 2,500 travel agents under contract, web with Travelab a web-booking B2B service with online travel agencies such as Expedia, eDreams and Booking. Third is Dreambox is an innovative gift pack service for end consumers. In 2014, its value of production was €8.2 mn (+68% on the €4.9 mn in 2013) and the EBITDA was up by 54.4% from €0.6 mn in 2013 to €0.95 mn (with an EBITDA margin of 11.6%).



Cristiano Uva

Price performance



NOTORIOUS PICTURES

Guglielmo Marchetti, Pr.&CEO

Sector: Entertainment

IPO Date: 23/06/2014

Market Cap*: € 55.1 mn

Revenues 2014: €26.8 mn

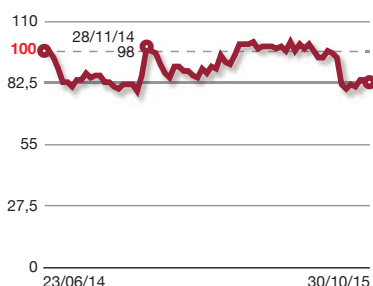
Notorious Pictures is a Rome-based independent company, founded in 2012, buys full rights to film productions and markets them through all distribution channels (cinema, home video, pay TV, free TV and new media), for an average period of 18 years. In

the first two years, the films, mostly from US and Europe, are distributed in cinemas and then on home video. Subsequently, the television and new media rights are sold in specific timeframes. In 2014, the company had total revenues of €26.8 mn (+196% on 2013), EBITDA of €14.3 mn, more than five times the figure in 2013, giving a margin of 54% and net profit of €6.5 mn. In January, it signed long-term agreements worth €9 mn with RAI Cinema and Mediaset. In mid-February, the company announced that it had bought the rights to 12 new films at the 65th Berlin film festival. In early May, Marchetti signed an exclusive licensing agreement for the rights in Italy to the new film "Belle & Sebastian, the Adventure Continues", which will be distributed at Christmas.



Guglielmo Marchetti

Price performance



MC-LINK

Cesare Veneziani, CEO

Sector: TLC

IPO Date: 22/02/2013

Market Cap*: € 19.5 mn

Turnover 2014: € 37.1 mn

MC-link is one of the leading players in the field of digital tlc, thank to its three data centers and a nationwide network based on innovative Carrier Ethernet technology that enables superior copper and fiber optic access. Through partnership with Dedagroup, one of its biggest shareholders, MC-link is the first company that can provide a complete array of cloud computing development solutions for the business world. MC-link targets Executive, Small & Medium Enterprise and SOHO users with its data services, broadband and ultra-broadband internet access, telephone and virtual services. In March, MC-link finalized a deal

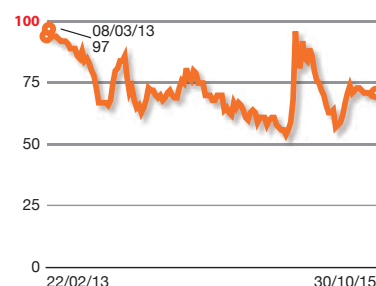


Cesare Veneziani

with the ICCREA banking group to provide innovative network services and in April it bought 100% of the shares in Simple Solutions, a prominent Italian company that advises SMEs.

Having posted a value of production of €37.1 mn and EBITDA of €7.2 mn, in 2015 the company expects to take its revenues to nearly €40 mn (in the 1H were € 19.5 with an EBITA margin at 22%).

Price performance



Source: MF database, performance are calculated since the IPO - * as of end of October

MODELLERIA BRAMBILLA

Giancarlo Brambilla, *President*

Sector: Automotive

IPO Date: 05/12/2014

Market Cap*: € 18.7 mn

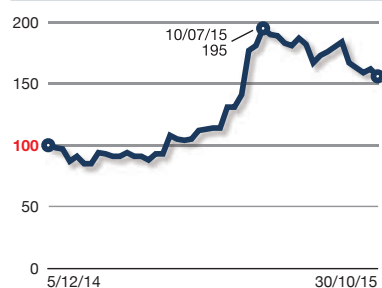
Revenues 2014: € 16.5 mn



Giancarlo Brambilla

It is one of the biggest players in precision components production for the automotive industry. Founded in 1951 by Eugenio Brambilla, the company has become an established partner and strategic supplier of the world's biggest manufacturers, including BMW, Ferrari, Volkswagen, Ford, GM and Chrysler, thanks to the significant resources that it pours into technological innovation and research, as well as its design study and implementation work alongside clients, through its foundries. 80% of its turnover comes from international markets and in January it started a JV with Continental Engines Ltd (Baxi Group) in India. Its strategic plan is to boost its presence in the global market, especially in emerging countries, and to innovate its products and processes by investing in high-precision machinery and systems. The 2014 revenues increased by 30% to €16.5 mn in 2014. The EBITDA stood at €2.0 mn (with an EBITDA margin of 12.2%). In 2015 1H the revenues also increased by 33% to €9.3 mn with an EBITDA Margin at 13.1%.

Price performance



GALA

Luca Calvetti, *CEO*

Sector: Energy

IPO Date: 10/03/2014

Market Cap*: € 82.8 mn

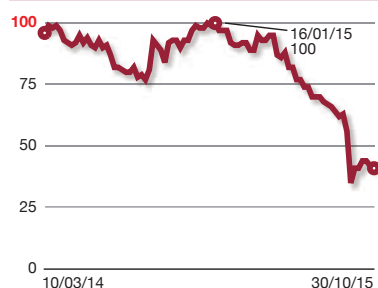
Revenues 2014: € 1,346 mn



Luca Calvetti

GALA, founded in 2001, is one of the top ten Italian players in electricity sales on the free market, with a 3% share. It is also one of the main Italian electricity suppliers to public authorities and publically owned companies, not to mention the official supplier of green energy to EXPO 2015. In addition, the group sells gas, produces renewable energy and provides integrated engineering and advisory services for complex projects. In 2014, the GALA group had EBITDA of €104.2 mn (+80%) and net profit of €41.1 mn (+101%), while in 2015 1H the revenues increased by 21% to €721 mn, but EBITDA was down to €12.8 mn from €55 mn in 2014. On March 4, 2015 the board of directors of EEMS resolved to accept an offer from GALA Holding. In May, the company completed the acquisition of the Tradecom business complex, which will bring with it more than 5,000 contracts to supply electricity (around 350 GWh/year) to SMEs. The majority of its 5,000 or so new clients are part of Confcommercio, with which GALA sealed a five-year deal in 2014.

Price performance



ENERTRONICA

Vito Nardi, *President & CEO*

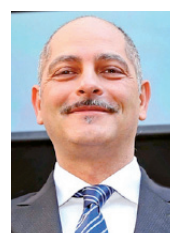
Sector: Renewable energy

IPO Date: 15/03/2013

Market Cap*: € 12.2 mn

Revenues 2014: € 9.7 mn

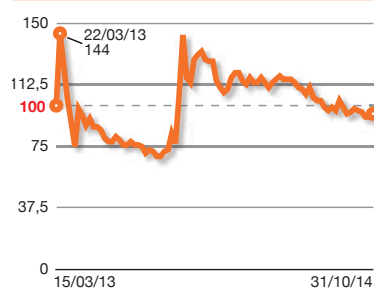
Enertronica has been in the renewable energy and energy saving industry since 2005. It builds photovoltaic power stations to generate electricity, designs and distributes components for photovoltaic systems, designs and makes high-quality LED lighting systems and provides ESCO and electricity retail services. In October 2014, it won its largest contract in South Africa for the construction of two photovoltaic power stations worth approximately



Vito Nardi

€170 mn. But the start of the works were delayed, with a negative impact of the company's finances, to the last March when began the construction of the plant with a total capacity of 82.5 MWp. Enertronica has also won a contract in Eritrea to build 73 photovoltaic plants with storage batteries worth approximately €7 mn, thus making the company a leading player in the smart grid markets. In 2015 1H revenues reached € 19.8 mn, 4x the data of 2014, with an EBITDA at € 2.9 mn, from the negative last year.

Price performance



DIGITAL MAGICS

Enrico Gasperini, Pr. & CEO

Sector: Services

IPO Date: 31/07/2013

Market Cap*: € 27.9 mn

Revenues 2014: € 2.4 mn

Digital Magics is an incubator for innovative start-ups offering high-tech contents and services, as well as digital scale-ups experiencing growth and expansion. The two pillars of its model are a team that plans, selects, launches and develops new initiatives and the Angel Network of private, industrial and financial investors that provides industrial and financial support for the incubated digital start-ups. In the last three months, shares have gone up by more than 14%. In 2014, the company saw 49% growth in its incubation services, with revenue of €2.4 mn (up from €1.6 mn in 2013) and EBITDA at €127,000 (up from €8,000 in 2013). In 2015 1H revenues were flat but EBITDA nearly doubled. The aggregated turnover from its new selection of investments amounted to €18.8 mn in total, which was almost 80% higher than the aggregated turnover of the previous year. On March 26, it announced details of a partnership with Talent Garden and Tamburi Investment Partners to create the biggest Italian innovation platform for homegrown digital schemes.



Enrico Gasperini

Price performance



MAIL UP

Matteo Monfredini, President

Sector: Services

IPO Date: 28/07/2014

Market Cap*: € 24 mn

Revenues 2014: € 9 mn

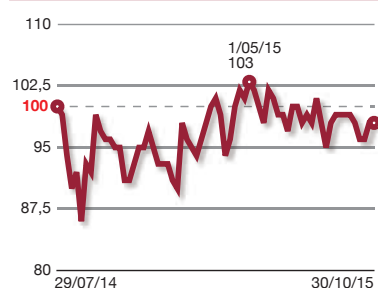
MailUp has developed a cloud computing digital platform that is used by SMEs and large companies to create, send and monitor newsletters, emails and text messages. With more than 25 bn messages sent every year and 7,800 clients (direct and indirect), MailUp is a leading ESP player in terms of both emails sent and number of clients. More than 600 retailers, many outside Italy, have chosen to embrace MailUp's culture of professional, responsible email marketing, which is available in five languages. In 2014, its value of production was up 26% on the previous year and in 2015 1H the revenues increased by 15%, but the

EBITDA was nearly flat. Last May, the company announced the release of a new version of its free BEE drag & drop editor. In a few weeks, it became one of the best known and most widely used online instruments for email marketing professionals.



Matteo Monfredini

Price performance



CLABO

Pierluigi Bocchini, Pr. & CEO

Sector: Food

IPO Date: 31/03/2015

Market Cap*: € 12.2 mn

Revenues 2014: € 33.7 mn

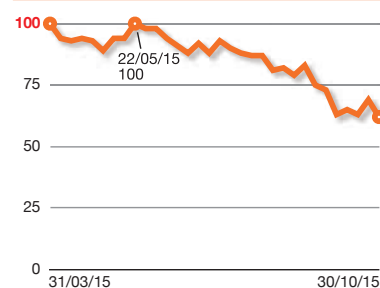
Clabo specializes in making and selling professional display cases for ice cream parlors, confectioners' stores, bars, cafés and hotels. Over the years, it has become a leading name in the field of catering units in Europe and across the globe. Its biggest clients include Nestlé, Häagen-Dazs, Grom, Puro Gusto, Eataly, Casa Bianca, the Google Campus and Walt



Pierluigi Bocchini

Disney Parks and Resorts. It has a range of more than 1,100 models that come in a number of versions, with numerous potential setup, accessories and color combinations. The products are renowned for their sophisticated technology and designs. The company has production plants in the USA (California), in Shanghai and in Sao Paulo, meanwhile commercial branches have been opened in Southeast Asia, the Arabian peninsula and the main European markets. In 2014, Clabo's net revenue was up by 4% on the previous year due to a significant increase in sales in foreign markets while in 2015 1H were nearly flat with an EBITDA margin at 13%, the same of 2014 1H.

Price performance



Source: MF database, performance are calculated since the IPO - * as of end of October



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Who's Who in Investment Banking

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Banca IMI Largo Mattioli, 3 - 20121 Milano	andrea.mayr@bancaimi.com + 39 02 72611 - 72614747	2002 350	Mauro Micillo (CEO), Andrea Mayr (head of IB), Vincenzo De Falco (head M&A), Marco Graffigna (head ECM), Pantaleo Cucinotta (head of DCM), Alfredo Ambrosio, Riccardo Barili, Filippo Bruno, Massimo De Lisio, Andrea Falbo, Antonino Indriolo, Matteo Invernizzi, Luca Matrone, Stefano Monza, Massimiliano Massari, Clemente Paveri Fontana; Carlo Parmigiani, Michele Pedercini, Fabio Pappalardo, Andrea Salvati, Fabio Silva, Fulvio Solari, Alfonso Zuloaga
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Bank of America Merrill Lynch Via A. Manzoni, 5 - 20121 Milan	marco.morelli@baml.com + 39 02 655 301 - 65530601	1997 130	Marco Morelli (VC Europe Middle East Africa GCIB), Diego Selva (head IB Italy), Alessandro Gumier (Corporate banking), Gianluca Savelli (head of Debt Capital Markets and FIG)
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Deutsche Bank Via Turati, 25/27 - 20121 Milan	giuseppe.baldelli@db.com + 39 02 4024 5215	1992 200	Lorenzo Frontini (head of CF), (Giuseppe Baldelli (head of IB Italy), Vito Lo Piccolo (head of ECM Italy & Iberia), Massimiliano Ottocian (head of FIG), Gianluca Ricci (head M&A Italy), Riccardo Grelle (head CM), Paolo Maestri (head Corp. Banking)

Source: company data - * total CIB deals since the beginning

Name and Address	E-mail/Tel./Fax	Start-up/Deals*	Partners/Director
Deloitte Via Tortona, 25 - 20144 Milan	emilantoni@deloitte.it + 39 02 83325111 - 83325112	1998 na	Elio Milantoni (head), Lorenzo Parrini, Elena Vistarini, Antonio Solinas, Andrea Casella, Luca Petroni
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Ernst & Young Corporate Finance Via Wittgens, 6 - 20122 Milan	franz.schutz@it.ey.com + 39 02 806691	1988 na	Franz Schutz (head), Davide Salvatore (M&A), Francesco Pau Luca Annibaletti, Giacomo Bugna
Equita Via Filippo Turati, 9 - 20121 Milan	f.perilli@equitasim.it + 39 02 62041	2008 na	Alessandro Profumo (Ch), Francesco Perilli (CEO), Andrea Vismara (head of IB), Stefano Lustig (equity research), Matteo Ghilotti (equity research), Fabio Deotto (head sales&trading)
Ethica Corporate Finance Via Dante, 14 - 20121 Milan	cosimo.vitola@ethicacf.com + 39 02 92880400 - 92880404	2010 28	Cosimo Vitola (Managing Partner), Fausto Rinallo, Nuccia Cavalieri,
Fineurop Soditic Via S. Margherita, 6 - 20121 Milan	emorpurgo@fineuropsoditic.com +39 02 7749352 - 7749353	1998 250	Eugenio Morpurgo (CEO), Germano Palumbo, Umberto Zanuso, Gilberto Baj Macario (Partners)
Finint Corporate Advisors Via Orefici, 2 - 20121 Milan	gianluca.banfi@finint.com +39 02 3668 7100	1997 na	Gianluca Banfi (CEO), Mauro Brunelli (head CF), Francesco Lorenzoni, Alessandro Bartolini, Alessandro Sbicego
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K Finance Via Durini, 27 - 20121 Milan	fguicciardi@kfinance.com + 39 02 76394888 - 76310967	1999 80	Giuseppe R. Grasso (Ch), Filippo Guicciardi (CEO), Antonio Scarabosio (Partner), Andrea Scarsi, Andrea Bianchini, Andrea Dubini, Massimo Banfi, Maximiliano Turelli
KPMG Corporate Finance Via Vittor Pisani, 27 - 20124 Milan	glatorre@kpmg.it + 39 02 67643647 - 67643657	1988 460	Giuseppe Latorre (head CF), Maximilian Peter Fiani TMT), Fabrizio Montaruli (Financial Services), Alessandro Carpinella (Public Sector), Simone Maurizio (valuations), Marco Serifo (Project finance), Fabio Scisciò, (Energy), Maurizio Nitrati (Real Estate), Alessandro Zanca (E&U), Enrico Pilat (Industrial Markets), Giulio C. Dell'Amico (Strategy), Pierpaolo Ciuoffo (Financial Services), Michele Spartà (China Desk)
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MIT.FIN Compagnia Finanziaria Piazza Meda, 5 - 20121 Milan	paolo.cusmano@mitfin.it + 39 02 76005932 - 76023851	2000 40	Paolo Cusmano (Managing Director), Vittorio Bragadin, Aldo Cattapan, Paolo Cattapan, Piermario Croce, Filippo Dalponte, Diego Pampallona
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Morgan Stanley C.so Venezia, 16 - 20121 Milan	massimiliano.ruggieri@morganstanley.com 39 02 76331 - 783057	1989 282	Massimiliano Ruggieri (head of Investment Banking Italy), Luca Passa
Nomura Italia P.za del Carmine, 4 - 20121 Milan	Marco.Figus@nomura.com + 39 02 76464200 - 76464250	1987 200	Marco Figus (Co-Chairman Nomura Italy), Francesco Mele (head IB), Rodolfo Diotallevi (head of DCM), Simone Bergonzi, Sandro Cardinali, David Calvo Platero, Alberto Ferri, Roberto Ferraris (VP Investment Banking)
Price WaterhouseCoopers Via Monte Rosa, 91 - 20149 Milan	Marco.Tanzi.Marlotti@it.pwc.com + 39 02 806461 - 80646380	1998 na	Marco Tanzi Marlotti (head M&A), Luca Lupone (Valuation & Strategy), Nicola Anzivino, Fedele Pascuzzi (Recovery Services), Fabrizio Cigliese (Rome), Gianandrea Perco
Rothschild Via S. Radegonda,8 - 20123 Milan	alessandro.daffina@it.rothschild.com, + 39 02 724431 - 7244 3310	1989 >500	Giampietro Auletta Armenise (Chairman Italy), Paolo Scaroni (Deputy Chairman), Alessandro Daffina (CEO), Irving Bellotti, Alessandro Bertolini Clerici, Alessio De Comite, Luca Jelmini, Nicola Pains, Edoardo Subert (Senior Advisor)
Société Générale Via Olona, 2 - 20123 Milan	patrizia.micucci@sgcib.com + 39 02 8549302 - 8549378	1993 >100	Patrizia Micucci (chief country manager), Alberto Bottolo (corporate clients), Lorenzo Costanzo (Senior Banker), Claudio D'Eletto, Marco Belletti, Davide Grignani (Senior Banker), Diego Collaro (head CF), Matteo Zenari (deputy head of Corporate), Mario Cortesi (head Global Finance), Antonio Guadagnino (head of Corporate), Massimo Bianchi (head of FIG), Massimiliano Battisti (head of Infrastructure), Sergio Tengattini (head of Leverage), Gael Mattone (head of RE)
Translink Strempe & co. Via Nirone, 2 - 20123 Milan	dstrempe@translinkcf.it + 39 02 94555600 - 02/94555614	2005 22	Davide Strempe (Managing Director), Gianni Laudato (Senior Partner) Alberto Parisi Presicce (Partner), Mauro Bussotti, Gianni Campici (Partner), Sabina Grisorio, Pier Paolo D'angelo, Massimo Bianchi, Renato Circosta, Luciano Rodeghiero
Tamburi & Associati Via Pontaccio, 10 - 20121 Milan	giovanni@tamburi.it + 39 02 8858801 - 8900421	1993 363	Giovanni Tamburi (Ch and CEO), Alessandra Gritti (CEO), Claudio Berretti (DG), Alessandro Martinoni (M&A)
UBS Via S. Margherita, 16 - 20121 Milan	diego.pignatelli@ubs.com + 39 02 721001 - 72100772	1989 166	Diego Pignatelli (Chairman of IB EMEA), Riccardo Mulone (head of IB Italy), Angelo Maresca (corporate clients)
Unicredit Pza Gae Aulenti, 3 - 20154 Milan	vittorio.ogliengo@unicredit.eu + 39 02 88628910 - 02 88623876	1999 na	Jean Pierre Mustier (head of CIB), Olivier Khayat (Deputy head of CIB), Vittorio Ogliengo(head of CIB Italy, America, Asia, MENA), Piero Munari and Vincenzo Tortorici (Co-head of Global CFA), Pietro Rey (head of CFA Italy), Alfredo Maria De Falco (head of F&A Italy), Angelo Brizi (head of FIG), Francesco Salvatori (head of Markets Italy), Luca Falco (head of DCM Italy)
Vitale & Associati Via San Paolo, 7 - 20121 Milan	obarucci@vitaleeassociati.com + 39 02 6200121- 6200120	2001 142	Guido Roberto Vitale (chairman), Orlando Barucci (MP), Alberto Gennarini, Daniele Sottile, Riccardo Martinelli, Paola Tondelli

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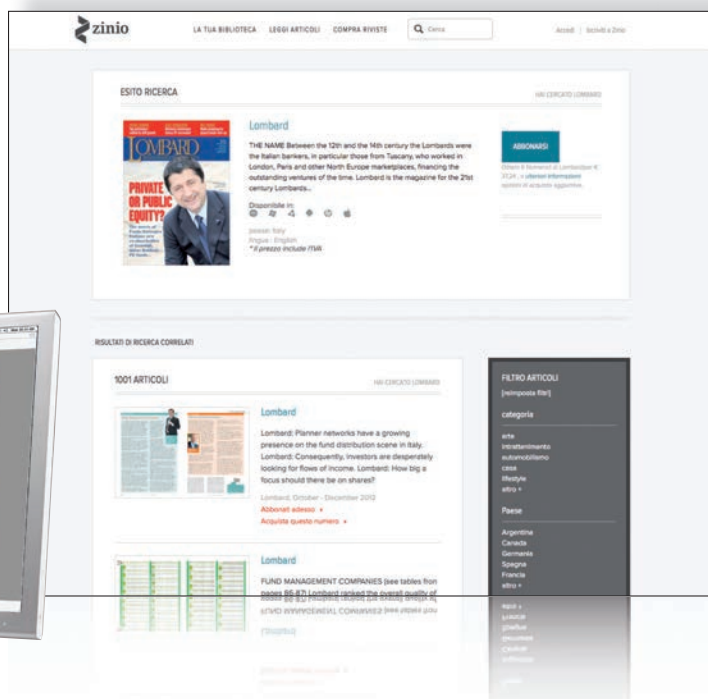
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SCARDOVI

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more, the cost structures are rigid beyond certain points.

L. Why is that?

S. Because behind a lot of the operating costs is the use of very expensive technology. We are talking about investments adding up to numerous tens or even hundreds of millions. The costs of satisfying the reporting and compliance regulations are growing at an insane rate.

L. Why do you expect the revenues to be stable?

S. There is competition of all kinds, from traditional boutiques to shadow banking. Investors are going directly to the market and gradually driving down revenues and margins.

L. So what is the best model?

S. It needs to be assessed in each case on an individual basis. There is the traditional route of investment banking + broker, as favored by Goldman Sachs, but very few organizations can afford it. There are big names tied to the bank in the style of J.P. Morgan and Bank of America Merrill Lynch. They have very broad scopes in terms of scale and investments, but they are closely scrutinized by the regulators because they are too big or too complex. Then there are those who focus on niche product areas, such as boutiques that concentrate on M&A or risk solutions and debt restructuring, but we are talking about a completely different scale and businesses that are essentially built on talents, which means that they are inherently at risk of being instable.

FORUM CIB

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more intense activity in the food sector at both domestic and cross-border levels. Strong corporate and infra fund liquidity is pushing demand and prices in the infrastructure sector, particularly in Motorway, Tower, Airport and Energy infrastructure. In the industrial scope, the trend of cross-border mergers geared to increasing scale in the most competitive and global sectors will continue.

Della Ragione: In fashion and luxury, the fact that many companies are medium-sized and family-run provides an interesting opportunity for mergers with bigger groups that have greater financial, advertising, branding and location procurement capabilities.

Mayr: Another interesting sector is pharmaceuticals, where the reasons for deals lie in the growing need to specialize or refocus the business on the fastest growing segments, make bigger savings and share R&D, in keeping with the public spending cuts in the field. Similarly, we expect to see renewed concentration efforts in industrials and especially in mid-corporate businesses, partly due to a more dynamic private equity scene.

PESSINA & BARRA

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signing of a strategic agreement with Walgreen Co, the number one US drugstore

chain, with 8,000 stores in all the federal states. The terms of the deal are well known: Walgreen first invested \$ 6.7 bn to acquire 45% of the British-Swiss group. Of these, around \$ 4.0 bn was paid to KKR, whose investment in Alliance Boots was diluted from 50% to 27.5%, while \$ 2.7 bn shares of the Wall Street listed company were assigned to Stefano Pessina and Ornella Barra, which jointly owned, together with small share packages held by other managers, 50% of the British parapharmacies and medical wholesalers brand.

FULFILLING A DREAM

Therefore, Pessina and Barra became Walgreen's largest shareholders owning approximately 8% of its share capital, while maintaining a 27.5% interest in Alliance Boots. Walgreen's purchase option exercised in 2014 on the residual 55% of the British-Swiss group was the last step of a process which led to the birth of Walgreens Boots Alliance. The US group paid around \$5.3 bn in cash and \$10.0 bn in shares for the purchase of the residual capital. Based on the consolidated merger with dilution model which the group had already successfully adopted in previous transactions, KKR further diluted its interest in the company's share capital to 4.6%, while the Italian shareholders increased their investment in Walgreens Boots Alliance Inc, the company set up in December 2014 as a result of the Walgreens-Alliance Boots merger, to 15%. The new group maintained its registered office in the US, without taking advantage of the Tax Inversion practice, much contested by the US authorities, but adopted by some US operators precisely in 2014, which would have meant relocating the headquarters to the United Kingdom with tax benefits. The spirit of the deal is fully in line with the 'Pessina-Barra Model': the numerous acquisitions this couple of entrepreneurs completed over the decades were carried out without worrying about losing the absolute majority of the share capital. On the contrary, these deals usually led to the dilution of their investment. Rather, they focussed on carving out important management roles for themselves, thanks to which they successfully consolidated complementary business activities aimed at ensuring the group's geographical development and achieving economies of scale and cost savings.

M&A TREND

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consumer market remained particularly lively with approximately 30% of the total volume recorded in the first nine months, thanks to the transfer of 50.1% of the capital of Dufré to Dufré Free from the Benetton family to Dufré, for €1.3 bn, to the acquisition of 7% of Hugo Boss (held by Permira) on the part of the Marzotto family for €500 mn; to the merger by incorporation between Soring ad Cyberonics. Italian companies are beginning to play a prominent role abroad in mergers and acquisitions once again. It is no surprise that the Generali insurance group has joined long-standing players in the market such as

Campari, which snapped up Canada's Forty Creek Distillery for €120.5 mn in 2014. The Trieste-based giant splashed out twice in 2014, first acquiring approximately 4% of its subsidiary Generali Deutschland Holding for €228 mn in a squeeze-out and then in December making an agreement with Multi-Purpose Capital Holdings Berhad (a subsidiary of the Malaysian group controlled by MPH Capital) for the acquisition of 49% of the accident insurance firm MPiB for €81.4 mn. «Our arrival in the Malaysian market is a significant step for the development of Generali in Asia. It is an important area for the future growth of the group on which we are already working», said the group CEO Mario Greco. Insurance proved to be one of the most vibrant areas right from the start of January 2014. The merger (worth almost €2.7 bn) of Unipol Assicurazioni, Premafin and Milano Assicurazioni under Fondiaria-Sai at the start of the year was followed by a €245 mn merger between Banco Popolare and Credito Bergamasco, which appointed Mediobanca and BofA Merrill Lynch as their respective financial advisers.

EQUITY CM

► from page 48

(retail), Rai Way (broadcasting), Cerved (databases), Anima (asset management), Fincantieri (shipbuilding) and Inwit (broadcasting). The pipeline remains packed on this front in terms of both privatization projects and listings for corporate firms.

Financial institutions such as Cattolica, Banca Popolare di Sondrio and Credito Valtellinese, as well as big corporate names such as Trevi, Beni Stabili and IGD also went to the market. Leading the way on the international scene were the recapitalization of Telefonica and the combined share sale and convertible bond issue by Fiat Chrysler Automobiles in December, which was worth \$4 bn in total. Among the SPOs, there were numerous accelerated book buildings (ABB) for the blue chips including Atlantia, Salini Impregilo and Pirelli. As for convertible bond issues, perhaps the star of the show was Telecom Italia's €2 bn effort.

Smaller companies that want to access capital markets are supported by AIM Italia, the market that was created in 2012 by the merger of AIM Italia and MAC (see article page 62). «Together with the Elite program launched by Borsa Italiana (which was designed specifically to attract SMEs to the stock market – Ed.), this segment provides very fertile ground for bringing SMEs into the capital markets», emphasized Langella. However, the banker believes that now it is necessary to resolve the liquidity issues on the market and start boosting the currently very thin ranks of institutional investors once again. What are the expectations for the coming months? «The IPO trend will continue in the months ahead and – I firmly believe – also in 2016», predicted Langella. There are at least four or five projects similar to Zanetti's on the horizon.



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KPMG Corporate Finance
acted as the financial advisor to
Banco Popolare in the sale of Banco
Popolare Luxembourg to

€ 70,9 mln
August 2015



KPMG Corporate Finance
acted as sole financial advisor
to Assicurazioni Generali in the
acquisition of 100% stake in



Value not disclosed
July 2015



Fondazione Luigi Maria Monti
KPMG Corporate Finance
acted as lead financial advisor to
FLMM in the acquisition of healthcare
assets (Gruppo IDI Sanità)
€ 131 mln
May 2015




Project Verdi
KPMG Corporate Finance
acted as financial advisor to a US
investment bank on the secondary
sale of an Italian non-performing
mixed loan portfolio out of the existing
securitisation structure
€ 2.1 bln
April 2015



KPMG Corporate Finance
acted as financial advisor to
Findomestic Banca for the sale of
a loan portfolio of €350-400 million
face value
€ 400 mln
March 2015




Aeroporto di Firenze
KPMG Corporate Finance
acted as a joint financial advisor to
the Board of Directors of Società
Aeroporto Toscano S.p.A. and
Aeroporto di Firenze S.p.A. for the
merge of the two companies
February 2015



KPMG Corporate Finance
acted as sole financial advisor in the sale
of Dalbello Group to the winter sport
division of the US-based Jarden Group



Value not disclosed
February 2015



KPMG Corporate Finance
acted as sole financial advisor to the
shareholders in the disposal of Clay
Paky S.p.A. entire share capital to

Value not disclosed
October 2014


BONCAFÉ
KPMG Corporate Finance
acted as financial advisor in the sale
of the global operations of Boncafé
Group to the Italian-based Massimo
Zanetti Beverage Group

US\$85 million
August 2014

KPMG Corporate Finance

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