

ROUTE TO ITALY

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AIFI Associazione Italiana del Private Equity e Venture Capital
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Borsa Italiana
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INVITALIA

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Italy has a diversified industrial economy with roughly the same total and per capita output as France and the UK. The economy enjoys an exceptional strategic location as the gateway to the EU from Africa and the Middle East. The advanced transport infrastructure enables swift travel from the Calabrian coast to the northern cities of Milan and Turin.

According to GDP calculations, Italy was ranked as the seventh-largest economy in the world in 2006, behind the US, Japan, Germany, China, the UK, and France, and the fourth-largest in Europe. According to the OECD, in 2004 Italy was the world's sixth-largest exporter of manufactured goods. The economy remains divided into a developed industrial north, dominated by private companies, and a less developed agricultural south.

Invitalia is Italy's national agency for the attraction of investment and development in Italian companies. Invitalia acts on behalf of the Italian government to increase the competitiveness of the country, particularly the south, and to support the strategic areas for development. Its aims are to encourage the attraction of foreign investment; support innovation and growth of the production system; and harness the potential of the territories.

AIFI (Italian Venture Capital and Private Equity Association) was created in May 1986, in order to promote, develop and represent institutionally the venture capital and private equity activity in Italy. The Association is an organisation composed of different entities which, throughout direct investment of their own funds or through the management and advisory of independent funds (closed-end funds) are private equity and venture capital investors with the objective of purchasing, managing and divesting in unquoted companies.

Members can take advantage of becoming part of a private equity community and entering into networking of likeminded advisers and legal firms. Members also entitled to

acquire information and in-depth examination of the state of the market through the sending of circulars, monthly newsletters and researches and publications on issues related to the industry. At present AIFI puts together 129 private equity and venture capital players as Full Members, representing banks, financial intermediaries, management companies, advisors of international funds, and 130 Associate Members, representing institutions, consulting firms and legal firms.

Borsa Italiana S.p.A. is responsible for the organisation and management of the Italian stock exchange. The company, founded in 1997 following the privatisation of the exchange, has been operational since January 2nd, 1998. Borsa Italiana has been a part of the London Stock Exchange Group, following the agreement signed in June 2007.

Borsa Italiana's primary objective is to ensure the development of the markets, maximising their liquidity, transparency and competitiveness while pursuing high levels of efficiency. It organises and manages the Italian stock market with the participation of domestic and international brokers who operate in Italy or from abroad through remote membership, using a fully electronic trading system for the real-time execution of trades.

Corporate International spoke to a number of leading advisers in Italy about the roles they play and the sectors they represent.

BIRD & BIRD – EMPLOYMENT LAW



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BIRD & BIRD

Caterina Rucci has specialised in employment law since 1985. She joined Bird & Bird's Milan office after spending a total of 14 years in the employment law practices of two leading Milanese firms. Ms Rucci handles all aspects of employment law, both contentious and non-contentious, covering Italian and international issues. She regularly advises on employment contracts, senior executive contracts and terminations, restrictive covenants, collective redundancies, M&A, and transfers of undertakings.

From our offices in Milan and Rome we provide a range of corporate/ M&A, commercial, intellectual property, employment, EU & competition, finance, dispute resolution, data protection and outsourcing services to clients operating primarily in the communications, information technology, media, banking & financial services and life sciences sectors.

By combining a team of Italian lawyers, each of whom are highly respected in their areas of law, with Bird & Bird's existing capabilities in Europe and Asia, we are well placed to provide domestic and cross-border advice to national and multi-national clients. For each practice we have very strong international groups. If a client is referred to one of our French, English or Spanish colleagues we can guarantee their credentials and expertise. We follow up on all external work to ensure

the client does not feel abandoned once we have passed them over to another pair of 'safe hands'.

The current economic slow down has bought with it an increased workload for employment lawyers; though this is true in any 'critical' stage of the market economy. Recruitment freezes, staff cut-backs, non-renewal of contracts and compulsory/early retirement are all symptoms of the credit crunch and the casualties need and seek our legal counsel.

Italy has one of the most complex employment legislations in Europe, although similar levels of complexity can also be found in Spanish, French and German employment law. One of the most complex legislations of the Italian system is that employees can be reinstated by order of judge no matter what the reason for termination of employment. There are also a lot of mandatory procedures that require the involvement of trade unions; knowledge and expertise of these cases takes years of university study and hands-on experience. All of the employment lawyers at Bird & Bird are well experienced and have a 'trade unions' background.

Companies can have one or more trade union representatives, and these can be either elected or appointed. Trade union representatives hold a unique position in Italian employment law as nearly all negotiations, from restructuring and transferring to collective dismissals, all require the assistance of the trade unions involved.

STUDIO LEGALE CANNATA

PIERALLINI & ASSOCIATI – AVIATION LAW



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CANNATA PIERALLINI & ASSOCIATI

Laura Pierallini has been practicing aviation law since 1988, offering a complete range of assistance to airlines, banks, leasing companies and manufacturers in aircraft financing, including negotiation and drafting of their agreements as well as registration, de-registration and repossession of aircraft. Ms Pierallini also assists airlines in regulatory matters, including advisory services and assistance, planning and compliance in connection with representation before governmental agencies, having continuous contacts with the Civil Aviation Authorities, mainly in Italy and EU.

Cannata Pierallini is a multidisciplinary law firm based in Rome and Milan. Established in 1986, Cannata Pierallini was for years teamed with the legal and tax department of Arthur Andersen Worldwide Organisation, before spinning-off in 1992. From March 2001 to December 2005, the firm was affiliated to the international law firm Coudert Brothers. Since 2006, the firm has been a member of L2B Aviation Group, a worldwide network of corresponding law firms, particularly experienced in aviation.

Cannata Pierallini enjoys a distinguished reputation as one of Italy's finest aviation law firm capable of offering advice in all aspects of buying, selling, leasing and financing aircraft. The firm also advises in regulatory matters, having a significant international aviation practice that includes the representation of domestic and foreign companies engaged in air transport. The firm has been devoted to aviation for

over 20 years and holds a team of lawyers fully experienced in aviation law, which makes it unique in the Italian market.

Ms Pierallini represents and advises manufacturers and Italian and foreign lenders in connection with the acquisition, disposition and operation of commercial aircraft, including purchase, lease, charters and financings for such transactions. The regulatory work includes advisory services and assistance, planning and compliance in connection with representation before governmental agencies, having continuous contacts with the Civil Aviation Authorities, mainly in Italy and EU, but also across the globe.

The firm has a consolidated experience with registration and de-registration of aircraft in Italy and has assisted, with grounded opinions, Italian carriers in their contacts with the Italian Government and Ministry of Transportation to simplify registration and de-registration procedure. Ms Pierallini assisted the first non EU wet leases, with non EU crews, to Italian carriers and the two most recent IPOs of airlines in the Italian market as well as M&A transactions of domestic airlines by foreign airlines.

Industry clients represented by the firm include major European airlines for which the firm provides aircraft insurance work, Italian labour and regulatory advice, financial and corporate assistance, as well as the international work for the airlines' handling companies. At present Ms Pierallini is representing an investor in the air cargo business, bidding for the Alitalia's cargo assets as well as various lessors in the repossession of aircraft from Alitalia's insolvency procedure.

HOFER LOESCH TORRICELLI – INTERNET/E-COMMERCE



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HOFER LOESCH TORRICELLI
STUDIO LEGALE ASSOCIATO

Florence based law firm Hofer Lösch Torricelli provides legal services to domestic and foreign clients whose businesses require legal assistance either under the "Community Law" (i. e. the Directives and Regulations issued by the European Union) or Italian regulations; national as well as local. The firm has more than 15 years of experience in servicing international clients and is therefore familiar with business needs and models in use by foreign companies.

Hofer-Lösch-Torricelli has, for almost 20 years, acted as general counsel for a number of local municipalities, achieving significant experience in the area of regulated businesses from both sides; the inside - under the public administration's perspective as to reviewing and approval procedures as well as to handling administrative proceedings, and the outside - from the position of the applicant seeking official approval or initiating administrative procedures with a local authority.

Italy is currently stumbling behind other European countries in terms of Internet access/use. Nevertheless there is a steadily increasing trend which allows us to forecast that the country, during the years to come, will soon catch up with European levels. In addition, there

are geographic areas where infrastructures for on-line business are still in the process of being properly developed and will therefore, once completed, offer appealing business opportunities.

The firm is frequently involved in both the IP and IT sectors and offers counseling and litigation in the areas of: e-commerce, data protection and privacy issues, contracts dealing with IP rights, advertising, marketing, sales promotion campaigns and commercial communication performed on TV, radio, press and the Internet. These areas of practice are not exactly common among local general service law firms and are therefore to be held as a niche sector covered only by a select number of legal experts.

It is the characteristics of the country's economic structure that makes Italy attractive to foreign investment and E-Commerce business. The country's true backbone is represented by small and medium enterprises (SMEs), disposing of a sometimes truly astonishing potential of inventiveness and craftsman's abilities, capable to put local products and services into international markets and to compete in certain sectors with truly global players. This seems to be exactly the typical humus for developing on-line businesses (and among them E-Commerce). In such a scenario the rule of "those coming first are likely to make the big figures, while those coming late will struggle for success" will certainly apply.

JONES DAY - CAPITAL MARKETS



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In selecting a law firm to assist in a capital market deal in Italy, clients would usually look at a well structured (also in terms of best practice documentary know how) and highly reputed firm with good and long term relationships with the competent authorities (i.e. Borsa Italiana S.p.A. and Consob). Such approach is likely to be even more important in the current difficult times in the global markets. With an established presence in the financial center of Italy and relying on the outstanding capital markets experience of its lawyers, Jones Day (Milan) is well equipped to provide high quality and effective legal services to Italian and international clients.

It is worth noting that the relevant Italian legal framework has been strongly affected in recent years by the growing EU harmonisation process which aimed at creating an integrated and competitive legal system in the various EU jurisdictions in order to facilitate access for issuers to the EU regulated markets and to provide a common standard of protection for investors. These directives have been recently implemented in Italy and include, among others, the principles contained in the Takeover Directive (Dir. 2004/25/CE), the MiFID Directive "Market in Financial Instruments Directive", the Market Abuse Directive (2003/6/CE) and the Prospectus Directive (2003/71/CE).

Another recent change to the Italian capital markets scenario followed the recent merger between Borsa Italiana S.p.A. (the company

who managed the Italian regulated markets) and the London Stock Exchange. As a result of such concentration, Italian regulated markets are now part of an integrated system and they, most likely, will benefit from this synergy in terms of an increase of business opportunities (taking into consideration that, in terms of number of listed company, the Italian domestic markets are still somewhat behind the most developed EU markets).

As a result of the legal harmonisation process and business concentration, issuers and investors, on one hand, should find in Italy an appropriate environment to develop their business opportunities and, on the other hand, professional operators should be able to provide their financial services in a well integrated and more transparent system.

The Italian markets have also recently shown the capacity to attract, as a result of the country's position and location, foreign investors. At Jones Day (Milan), have been directly witnessing a significant growth of Middle East investments in our country.

For a number of these reasons we expect that, as previous global economic downturns have demonstrated, capital markets in Italy will also be in the front line to develop the business opportunities that will emerge when economic conditions stabilise. For this reason, the Jones Day Milan office shall keep investing in a team which possesses a strong background in the Italian capital market sector and is able to provide clients with the best assistance possible.

UGHI E NUZIANTE – COMMERCIAL LITIGATION



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Assisting clients in litigation matters represents a material portion of Ughi e Nunziante's (UeN) activity. The firm's Commercial Dispute Resolution Group also has a solid tradition of providing assistance in the negotiation for the prevention and/or amicable settlement of existing or potential disputes.

The professionals in UeN's Commercial Dispute Resolution Group have a consolidated expertise in all the major areas of commercial litigation, including contract, corporate and securities litigation, and litigation arising in the areas of banking and finance law, unfair competition, intellectual property and information technology, product liability, bankruptcy, labour and telecommunications law; various partners have also acted as expert witnesses on Italian law in several foreign court proceedings. Furthermore, they are regularly involved, as counsel and also as arbitrators, in domestic and international arbitrations, both ad hoc and conducted under the auspices of the most accredited domestic and international institutions.

In light of the fact that most UeN attorneys obtained postgraduate degrees from leading universities abroad and have accumulated foreign work experience, particularly in the United States and the United Kingdom, the firm is uniquely positioned to provide assistance in complex transnational litigation matters, including assistance in

foreign languages such as English, French, German and Spanish. Furthermore, in its 40 years of operation, while remaining fully independent; Ughi e Nunziante has established relations with a wide network of law firms in many countries, which enable it to efficiently coordinate multi-jurisdictional matters.

Italy is undoubtedly an attractive place to do business as, among other reasons, litigation costs are lower than in other jurisdictions. In particular, under Italian law judicial proceedings do not involve a "discovery" phase, which is often responsible in other (especially Anglo-Saxon) jurisdictions for driving legal fees skywards, thus discouraging the pursuit of litigation.

In the past fifteen years the Italian Code of Civil Procedure has undergone no less than three major reforms, which have increasingly rationalised the course of the ordinary proceeding, and accelerated deadlines; it is not unreasonable to expect that in the present environment a judicial proceeding could soon be resolved within a one year period with the delivery of an enforceable first-instance judgment.

Although the foundations for a streamlined judicial proceeding have been laid by the legislator, activities aimed at the acquisition of evidence can still drive the duration of a proceeding to years. Litigants should look for experience, deep knowledge of the various special tools available (particularly "emergency" proceedings) and strategy skills in their counsel, as these are all critical assets for the successful management of a dispute. UeN's litigation tradition and proven track record make it the ideal partner in approaching litigation.