

Italian M&A Expected to Rebound on Private Equity, Gianni Says

By Sonia Sirletti

Feb. 18 (Bloomberg) -- Italian merger and acquisition activity will rebound in 2010, led by private equity deals, as stock market confidence rises and more cash is available for transactions, according to corporate lawyer Francesco Gianni.

"We had several positive indications from private equity funds we have met in the first two months of the year," Gianni, a senior partner of Gianni, Origoni, Grippo & Partners, said in an interview. "Funds are more interested in looking at files and making investments," he said.

Companies announced 33 billion euros (\$45 billion) of mergers and acquisition in Italy in 2009, compared with 42 billion euros a year earlier, according to data compiled by Bloomberg. The value of Italian takeovers last year, when Italy suffered its worst recession since the Second World War, was about 83 percent below the peak of 195 billion euros in 2007.

Italian deals may be spurred by liquidity generated from corporate bond sales made in 2009, when the pace of takeovers was penalized by the global financial crisis, Gianni said.

European companies sold a record \$1.5 trillion of bonds last year, according to Bloomberg data.

The energy, utilities and banking industries may be among the most active in 2010, according to the lawyer.

Bank Mergers

Several lenders, including Banco Popolare SC and Banca Monte dei Paschi di Siena SpA, may need to sell assets to boost capital, Gianni said. "I don't rule out mergers among small, mid-sized banks to reduce the gap between the biggest five Italian lenders and all the others," he said.

In the energy segment, oil company Eni SpA on Feb. 4 offered to sell stakes in three natural-gas pipelines valued at

1.5 billion euros to meet a European regulator request. In addition, Enel SpA, Italy's biggest utility, is considering a sale of shares in its Enel Green Power unit. A consolidation in the Italian renewable energy industry is likely because it's currently dominated by "too many small" companies, Gianni said.

His law firm advised on 3.5 billion euros of M&A deals in 2009. Those included advisory work for investment fund F2I in its acquisition of an 80 percent stake of Enel Rete Gas for 516 million euros, and Banca CR Firenze SpA in its 1 billion-euro purchase of Casse del Centro SpA.

Gianni, Origoni, Grippo & Partners has more than 300 lawyers based in Rome, Milan, Bologna, Padua, Turin, Brussels, London and New York. The company is the third-biggest Italian law firm by sales, according to data compiled by Top Legal, with 90 million euros of revenue in 2008.