

March 2009



IPOs in Italy

A mergermarket report on the listing process in the Italian market



In association with

Deloitte.

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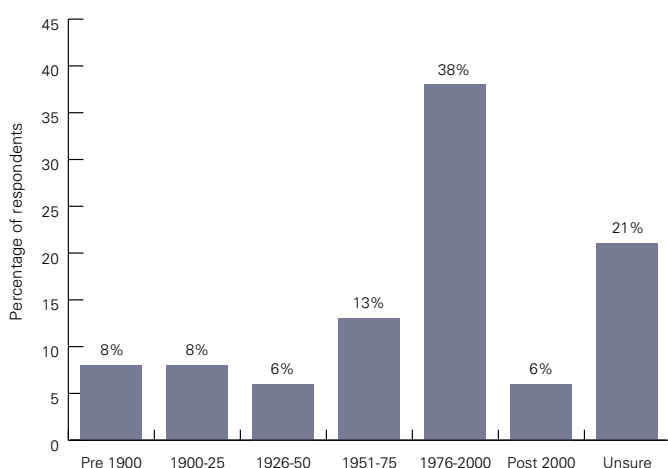
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Methodology

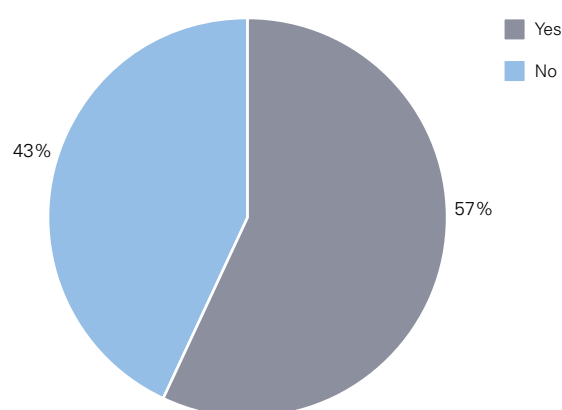
In H2 2008, mergermarket canvassed the opinions of 53 senior Italian corporate executives who have either undergone an IPO on the Borsa Italiana in the past two years, or are considering a listing in the future. In Q1 2009 mergermarket revisited the same respondents in order to garner their

updated sentiments on the Italian IPO market. Topics covered include the current state of play in the Italian IPO market, including the main reasons to list, the biggest challenges facing firms wishing to IPO and corporate governance and advisory considerations.

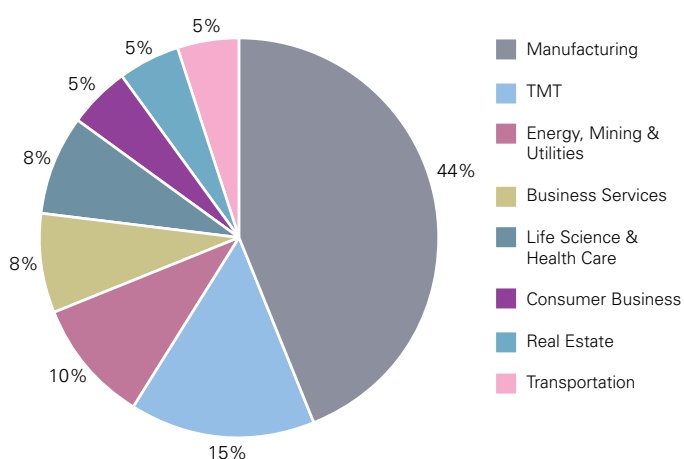
In which year was your company founded?



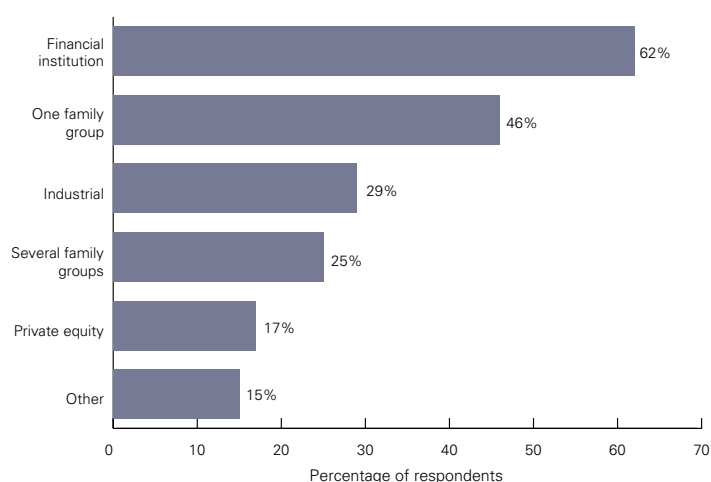
Have you listed in the past 12-24 months?



In which sector does your company operate?



Which of the following are stakeholders in your company?

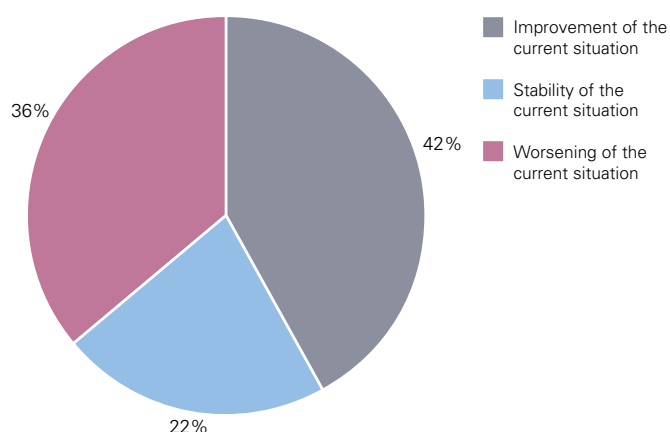




The economic downturn

The majority of respondents expect economic downturn to either stabilise or improve over the next 12/18 months

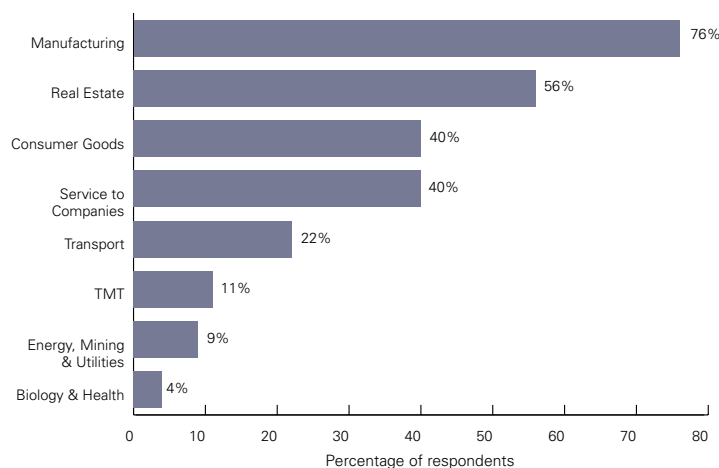
What are your expectations on the current economic downturn for the next 12/18 months?



- Around two thirds of respondents expect the current financial crisis to either stabilise (22%) or improve (42%) over the next 12 to 18 months. Elsewhere, a not insignificant 36% believe that the current economic climate will worsen over this time frame.
- It was notable that a number of respondents who believe that current conditions will improve caveat their answer by saying that the existing climate “will worsen appreciably” over the next six months before starting to recover.

Respondents believe that the Manufacturing and Real Estate sectors will be the most affected by the economic downturn

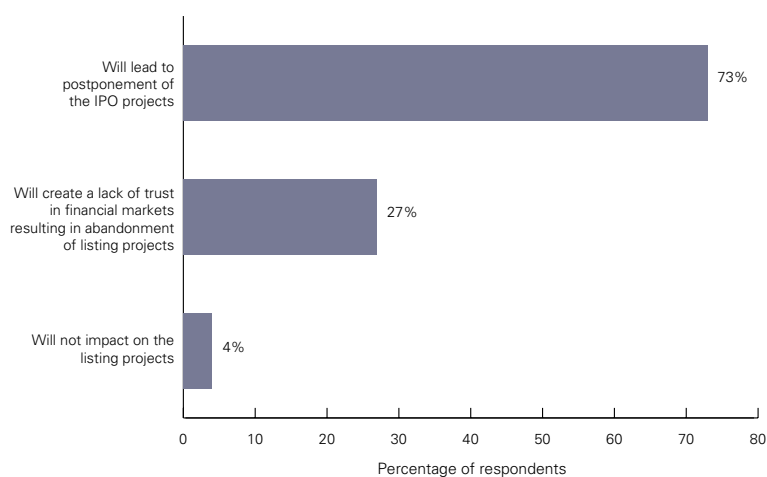
What areas do you think will be the industrial sectors affected most by the current economic downturn?



- 76% of respondents think that the Manufacturing space will be the industry sector most affected by the global financial crisis. Given falling property prices it is little surprise that a further 56% of respondents expect the Real Estate sector will be impacted the most by the financial crisis. Consumer Goods and Services to companies were also both cited by 40% with the former sector's acute exposure to falling consumer discretionary spending, especially at the top end of the niche, emerging as a key cause for concern amongst respondents.
- On the other hand, just 11% think that the TMT sector will the most affected by the current economic situation, followed by Energy, Utilities and Minerals (9%) and Biology and Health (4%).

The majority of respondents believe that the economic downturn will ultimately lead to a postponement of Italian IPO projects

What do you think will be the effect of the current financial crisis on listing in Italy?



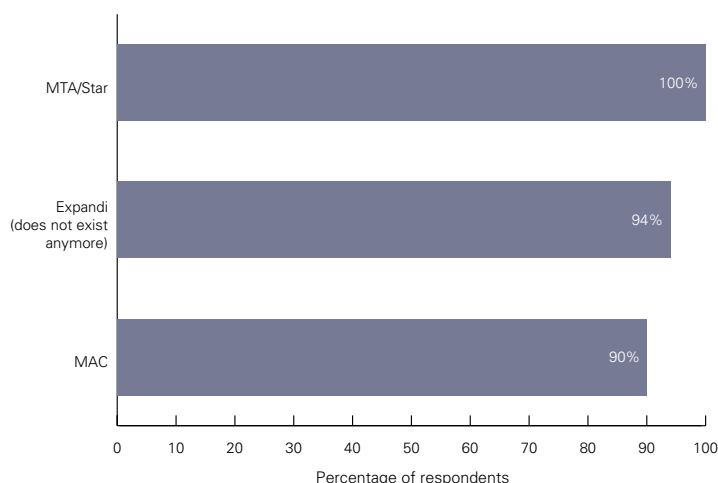
- Given the huge hit that global equity markets have taken in recent months, it is unsurprising that the majority of respondents (73%) believe Italian IPO projects will be postponed. Just over one-quarter of respondents (27%) believe that the crisis will result in the abandonment of listings while only 4% think that there will be no impact on the Italian IPO market.



IPO awareness

Borsa Italiana's MTA/Star, Expandi and MAC markets are known by the vast majority of respondents

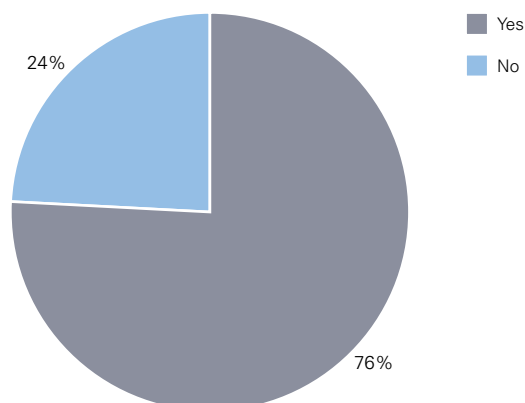
Are/were you aware of the existence of the following markets of Borsa Italiana



- Unsurprisingly, all respondents state that they are aware of Borsa Italiana's MTA/Star market. The Borsa Italiana's Alternative Capital Market (MAC) is recognised by 90% of respondents, while 94% were familiar with Borsa Italiana's Expandi market. However, one respondent who knew little about the MAC market said that "MAC has very little visibility."

76% of respondents are aware of the requirements for listing on the stock market

Are you aware of the requirements needed to list in the opposite segments/markets



- Some 76% of respondents state that they are familiar with the listing requirements of the MTA/Star, Expandi and MAC markets, while 24% note otherwise. Of those who are aware of the requirements, 100% know about MTA/Star listing regulations, 77% were aware of MAC's and 91% were aware of Expandi's requirements when it existed. Of the minority of respondents who are not aware of listing procedures, over half apiece are not familiar with MTA/Star and Expandi requirements, while 93% are not aware of MAC listing processes.

At the moment, the Borsa Italiana Electronic Stock Exchange (Mercato Telematico Azionario - MTA) consists of three segments: Blue Chip for large enterprises with a market capitalisation above €1 billion; STAR for medium-sized/large enterprises with a market capitalisation between €40 million and €1 billion which comply with stringent transparency, corporate governance and liquidity requirements; and finally Standard, for other businesses not included in Blue Chip and STAR.

As well as the MTA, to support the STAR segment (mainly targeted at companies in the upper mid-market band) and bring small and medium-sized enterprises towards quotation, a process has been started in recent years which, via the creation of the MAC market, and following the integration in 2007 between Borsa Italiana and the London Stock Exchange, has arrived at the recent launch of AIM Italia, a new market based on the experience of the established English AIM. As a direct consequence of the birth of AIM Italia which will become the natural market for small and medium-sized enterprises, since 1 December 2008

applications for admission to the Expandi market are no longer being accepted, and their companies will join the MTA during 2009.

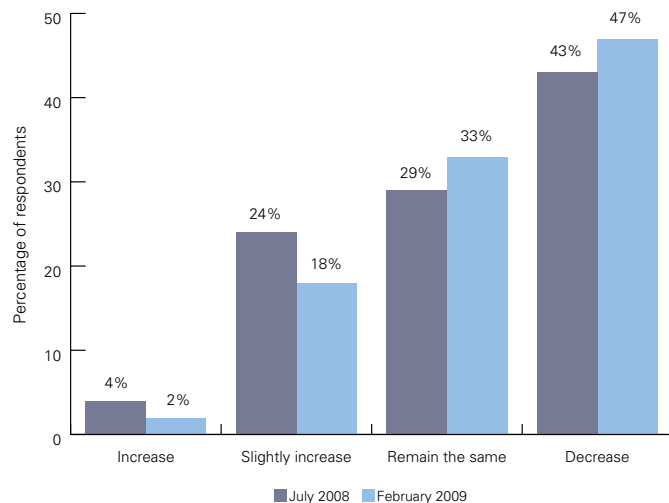
The Alternative Capital Market (Mercato Alternativo del Capitale – MAC) is an alternative exchange system, dedicated to small businesses. The admission procedure is simple and fast and there is no requirement for an information prospectus. However, trading on the MAC market is restricted to professional investors only, who are capable of assessing investment risks.

AIM Italia (which will be operative from the start of 2009) is based on the English AIM model and is a multi-lateral exchange system open to Italian and foreign retail and institutional investors alike, to which small and medium-sized enterprises, supported by a special adviser (the NOMAD), can have access via a simplified procedure with no specific requirements in terms of minimum capitalisation, shares issued on the market, financial results or corporate governance.

IPO expectations

Majority of respondents still believe that the level of Italian IPOs will either remain the same or increase over 2009/2010

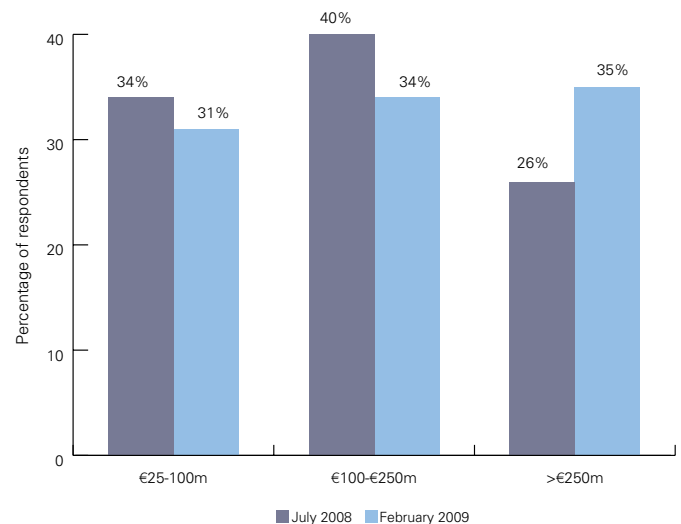
What do you expect to happen to the level of listings in Italy in 2009/2010?



- Despite the economic downturn, respondents remain fairly bullish regarding the level of Italian IPO activity over the next two years. Indeed a combined 53% of respondents interviewed in February 2009 believe that IPO activity will at least remain at current levels.
- However, respondents are becoming more cautious about Italian IPO prospects in 2009/2010. Of those respondents interviewed in July 2008, a combined 72% believed that the level of IPOs would either remain the same or decrease. In February 2009, this percentage had risen to 80%.
- One respondent says: "I don't think we'll see new companies come to market in the near future. They will prefer to wait until the market improves." Elsewhere another respondent is slightly more positive in his outlook and notes, "I think the market will slightly increase in 2009."

Sentiment has shifted to 35% seeing activity above the €250m Euro mark

Which size of bracket of offering do you expect to see the most IPOs in Italy in the next 12 months?

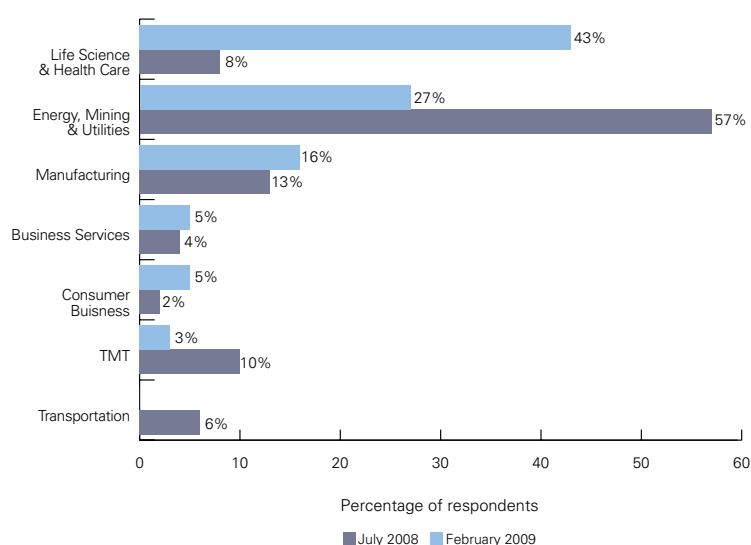


- A combined 65% respondents interviewed in February 2009 believe that Italian IPOs over the next 12 months will most likely fall in the €25m-250m range. This echoed the sentiment amongst respondents in the initial survey in July 2008 where 74% cited this value range.
- However, it would seem that respondents increasingly believe that larger IPOs will materialise with 35% of respondents interviewed in 2009 believing that the majority of listings will be valued above €250m, compared to just 26% in July 2008.
- Nevertheless, around a third of respondents (31% in February 2009) think that smaller IPOs will predominantly materialise over the next 12 months as "...small-cap markets, like MAC, have fewer listing requirements."



Respondents now believe that the Life Science and Health Care IPOs will dominate the Italian listing market over the next 12 months

What sector do you expect to witness the most IPOs in Italy in the next 12 months?

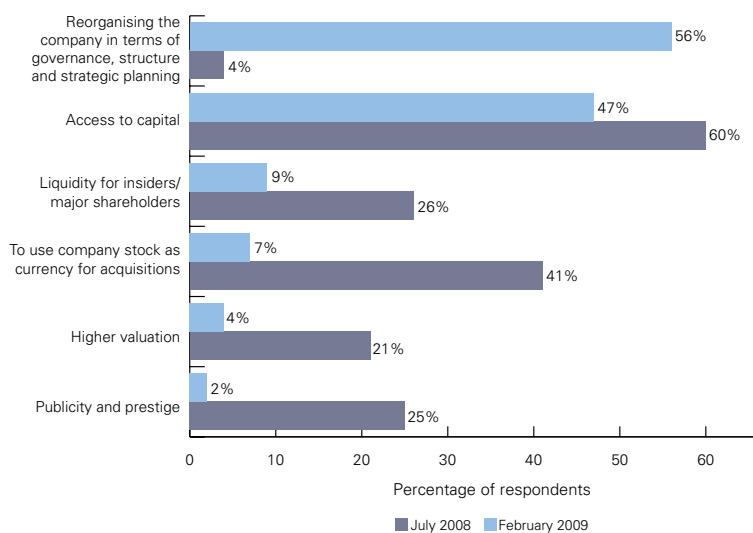


- 43% of respondents interviewed in February 2009 believe that Life Science and Health Care IPOs will come to lead Italian IPO activity over the next 12 months. This figure represents a marked difference to the previous survey findings where only 8% of respondents cited the niche.
- Elsewhere, 57% of respondents interviewed in July 2008 cited the Energy, Mining & Utilities as most likely to witness the bulk of IPO activity in Italy. However, this figure fell by over half to 27% in February 2009, arguably driven by the sharp fall in commodity prices witnessed over the second half of 2008.

IPO drivers

Restructure businesses to comply with IPO regulations cited by over half as the most important driver for Italian IPOs

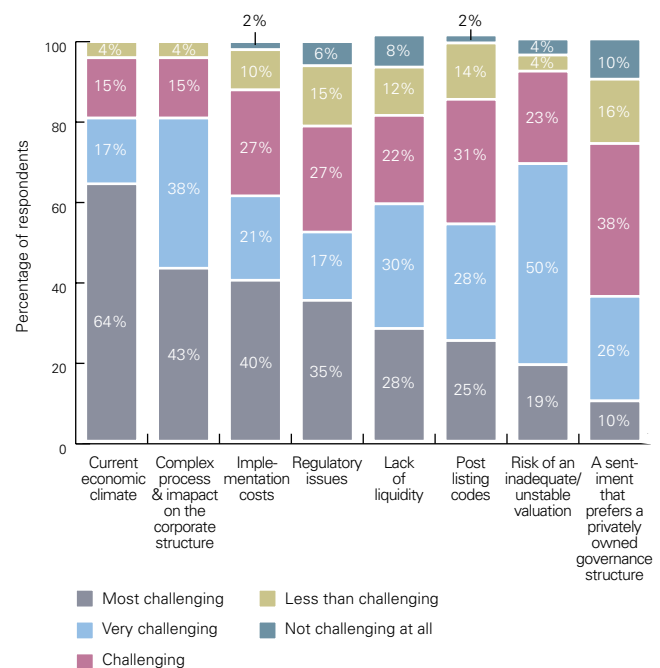
What do you believe are the most important factors driving IPOs in Italy?



- Over half of respondents (56%) now believe that reorganising a firm in terms of governance, structure and strategic planning is currently the most important driver of Italian IPO activity – in stark contrast to just seven months ago, when just 4% of respondents believed that this was the case.
- In fact, respondent opinion between July 2008 and February 2009 has changed markedly in this respect. Just 7% of respondents now believe that the main driver for conducting an IPO is to use company stock as currency for future transactions – in July 2008, this proportion stood at 41%. Similarly, the publicity and prestige factor seems to have become much less important, perhaps representative of firms now simply looking to survive the pronounced economic slump in Italy and beyond. Indeed in February 2009, just 2% of respondents cited it as the most important driver, compared to 25% in July 2008.

The current economic climate is cited by 64% of respondents as the most challenging issue to listing in Italy

What do you believe to be the most challenging issue to listing in Italy?

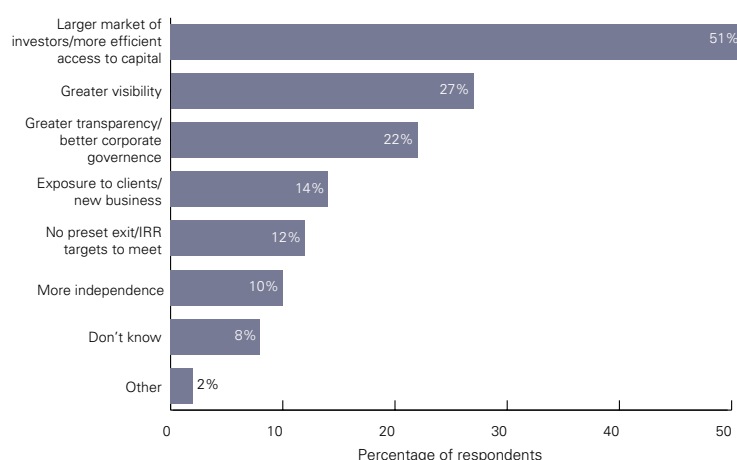


- Over 50% of respondents believe that the most pressing issue to listing in Italy is the current economic climate. 43% also consider that complex IPO processes and their impact on corporate structures is the most challenging concern.
- In comparison, only 19% of respondents think that the risk of inadequate/unstable valuations is the most pressing issue to listing in Italy. Nevertheless, some 50% still feel that this is still a “very challenging” issue. Meanwhile, just 10% believe that sentiment against public-owned corporate structures is the most serious concern.
- One respondent goes on to say that: “A lack of competition among agencies creates a challenge – they often decide whether to have you as a client or not.” Other concerns include: “Increased taxes, an inability to assume business control of a company as well as inadequate corporate structures.”



The larger market of investors/more efficient access to capital is seen as the greatest benefit of listing for just over half of respondents

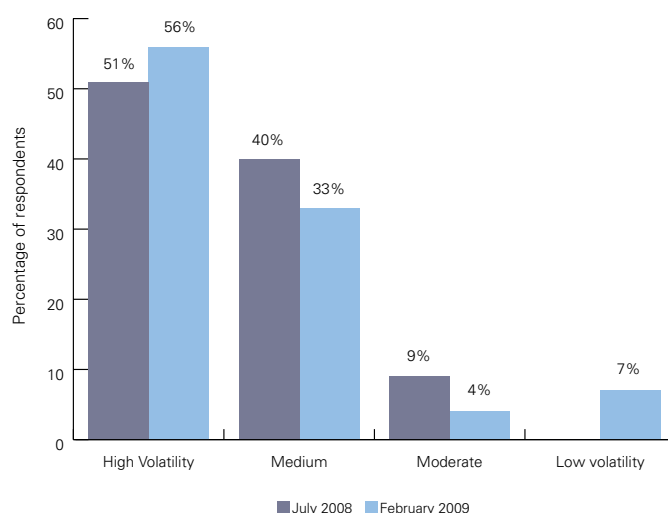
Regardless of whether you have listed or not, what do you think are the benefits of the Italian IPO as opposed to raising capital through private equity or other such means?



- Some 51% of respondents believe that one of the benefits of listing as opposed to raising capital through private equity or other such means is that it allows for a larger market of investors/more efficient access to capital. Otherwise 27% of respondents also consider that going public allows for greater corporate visibility and, similarly, 22% believe it allows for better transparency/corporate governance. Only 8% are unsure that going public confers any advantages over seeking private funding.

The majority of respondents believe that Italian primary market volatility outlook remains medium to high over 2009

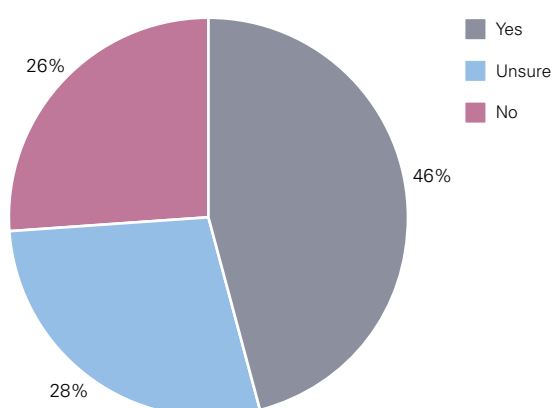
What is your outlook on volatility in the Italian primary market in 2009?



- A combined 89% of respondents now consider that the volatility outlook for the Italian primary market is at least at a medium level, with just 11% suggesting that the outlook is either moderate or low. This is broadly in line with responses from July 2008, with a combined 91% of respondents then believing that the volatility forecast was either high or medium.
- One respondent believes that volatility will only decrease "...when companies are confident of the solidity of the banking system." Similarly another respondent notes that "...high levels of speculation results in volatility – at the moment, there is scarce consideration for economic fundamentals."

The majority of respondents expect that state privatisations will re-emerge given the current economic climate

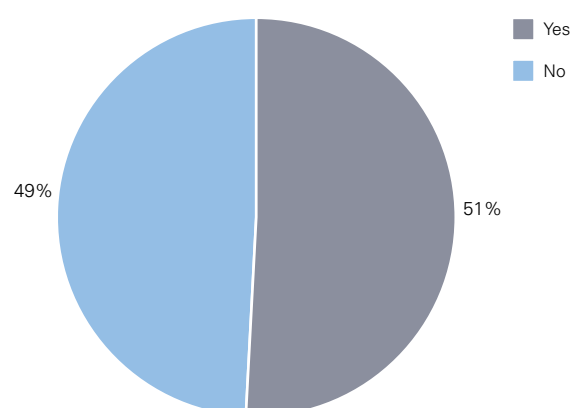
Could the privatisation trend of European governments selling stakes in order to raise capital re-emerge in Italy at both national and regional level in light of the current economic crisis?



- 46% of respondents believe that, given the current economic climate, Italian national and regional governments could increasingly sell stakes in state-owned entities in order to raise capital. 26% think otherwise, while 28% are unsure.
- Of those who believe that this trend could re-emerge, the vast majority – some 71% – think that privatisations of state-owned Energy, Mining & Utilities businesses could dominate the spotlight. A further 38% believe that Transportation privatisations (such as Alitalia, the Italian national airline) could also occur.
- One respondent who did not think that renewed privatisations will occur says that: “The minister of the economy is not favourable to privatisations. The enormous dividends of companies such as Enel and Eni are a ‘hidden’ fiscal yield for the state.”

Respondents are closely divided over impact of Italian regulatory regime on IPOs

Do you believe the Italian regulatory environment discourages companies from listing in Italy?



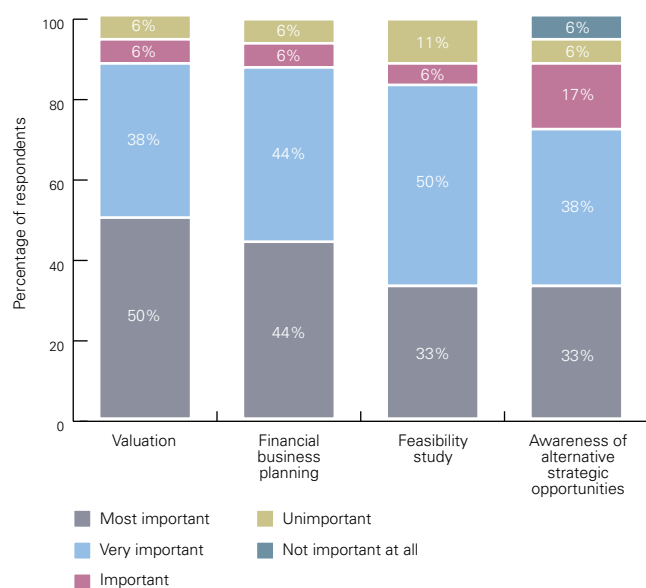
- Respondents are nearly split 50:50 on whether or not the Italian regulatory environment discourages companies from listing in Italy. 51% think that this is the case while 49% believe otherwise.
- Generally, those respondents who believe that Italian regulations discourage IPOs do so because “regulatory fulfilments are too costly for small and medium companies.” However, those who believe otherwise expect that: “The new government will introduce changes to the process. Furthermore, IPO requirements are getting better now because the authorities are following EU guidelines.”



Advisory considerations

External advice is most useful on valuation, according to half of respondents

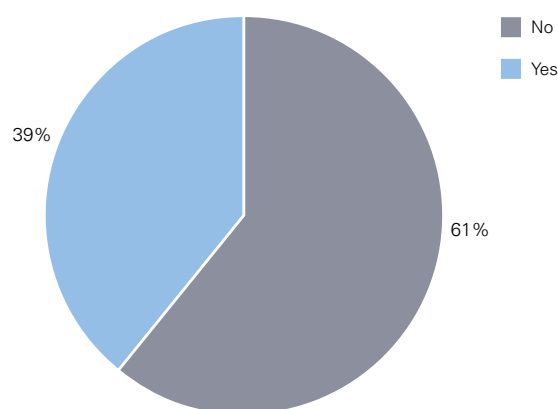
What external advice do you think a company needs most when conducting an IPO?



- 50% of respondents believe that valuation advice is the most important advice needed when conducting an IPO while 44% think that financial business planning is the most important. The provision of feasibility studies and alternative strategic opportunities are also cited as the most important by 33% of respondents apiece.

The majority of respondents are not planning, or did not undertake, a pre-listing examination of IPO income tax implications

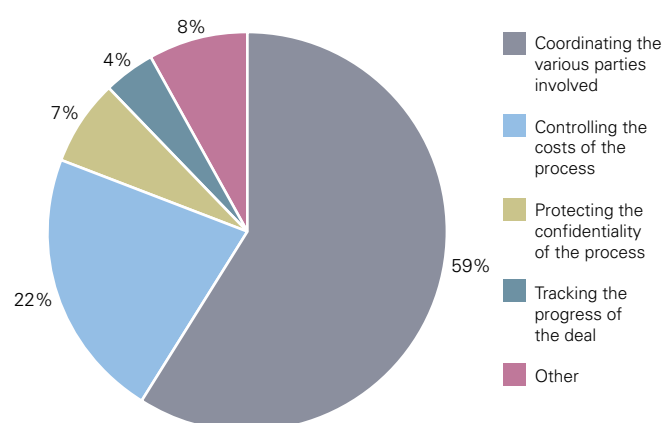
Since Italian listed companies are required to adopt the IAS/IFRS, are you planning/did you plan to make a pre-listing examination of the income taxation impact of the transaction?



- 61% of respondents did not plan/are not planning to undertake an assessment of the income tax implications of listing while the remaining 39% are.
- The bulk of respondents add that they "already used international accounting principles, such as IAS/IFRS before listing" and therefore did not need to study the taxation impact of listing on the Borsa Italiana. However, one respondent notes that: "We made a mistake because we didn't consider that aspect," highlighting the need to examine accounting standards prior to an IPO.

Co-ordinating parties is the biggest challenge when preparing for an IPO say over 50% of respondents

What is the biggest challenge when preparing for an IPO?



- 59% of respondents believe that the biggest challenge facing businesses preparing to list is co-ordinating the various parties involved. A further 22% consider that controlling the cost of listing is also a significant concern when preparing for an IPO. On the other hand, just 4% think that tracking the progress of an IPO is the biggest challenge.
- One respondent also adds that: "Small companies, accustomed to having a very light structure of corporate governance, find it difficult to manage a large number of internal and external advisers that come on board during an IPO."

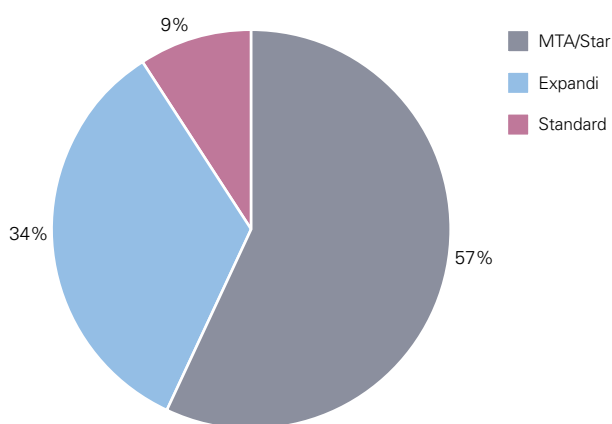


The listing process

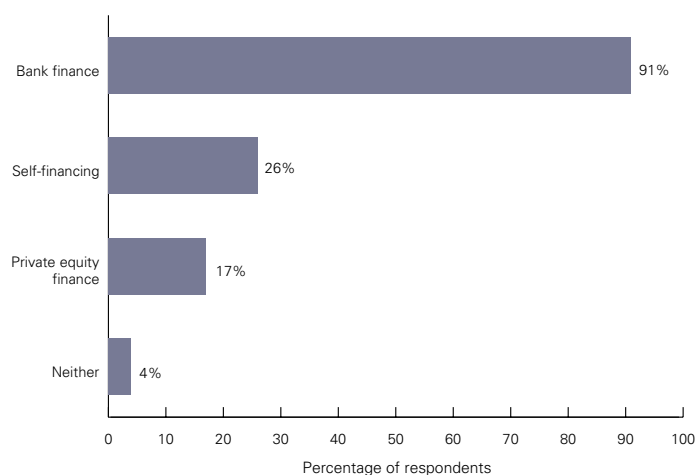
Over half of respondents who had recently listed did so on the MTA/Star market

Bank finance was the most popular method of financing pre-IPO

Where have you listed?



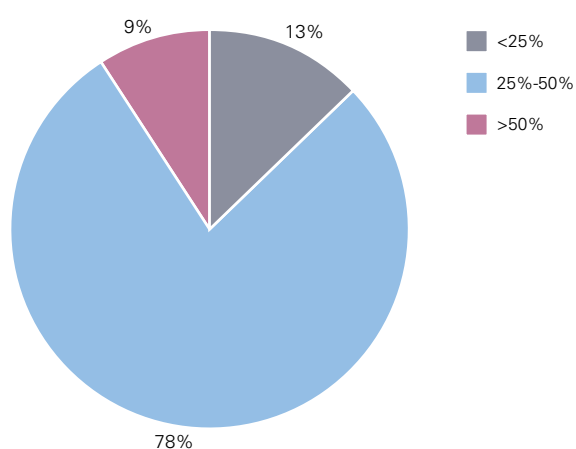
What other financing options have you used in the past?



- 57% of respondents who listed in the past two years note that they did so on the MTA/Star market, while a further 34% listed on Expandi. Just 9% listed on the Borsa Italiana's Standard market.
- A respondent who listed on the Expandi market did so because "it is easier, cheaper and quicker." Others who listed on the MTA/Star market chose that segment because "it has good valuation prospects and because many other companies are listing on the market."
- Some 91% of respondents who recently undertook a listing used bank finance as a method of raising capital. A still sizeable minority of 17% utilised private equity capital while a small minority – 4% – used none of these options.

Over three quarters of respondents' businesses floated between 25%-50% of their company's capital

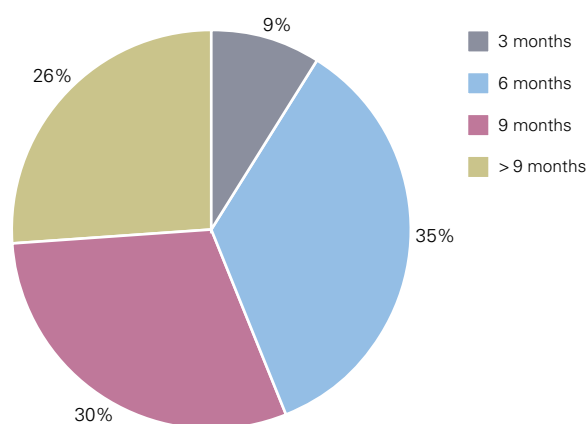
What percentage of capital did you float on the market?



- A large majority of recently-listed respondents (78%) state that their business floated between 25% and 50% of its capital. A further 13% note that less than 25% of their capital was floated while 9% assert that more than 50% of their capital was made public.

The bulk of Italian IPOs take between three and nine months say 74% of respondents

How long did your IPO process take from the kick-off meeting to the first day of listing?



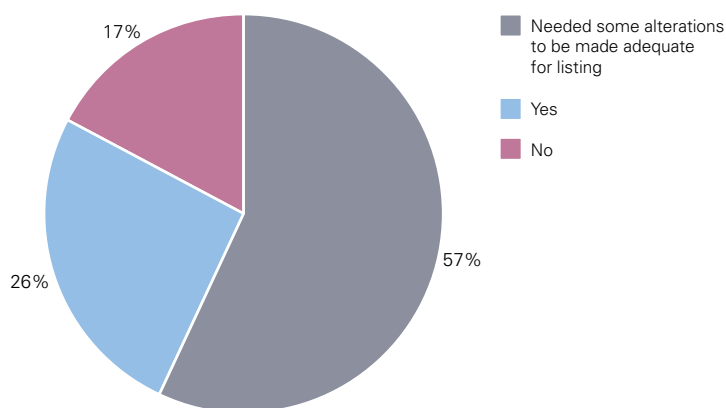
- A combined 74% of respondents who recently listed, state that their IPO processes took from three months to nine months to complete. The remaining 26% of respondents claim that the process took over nine months to finalise.
- One respondent writes that: "The process took almost one year due to the quality of our advisers." Others note that: "The process was nine months long due to the large amount of bureaucracy, however, this has changed now."



IPO preparation: corporate governance and advisory issues

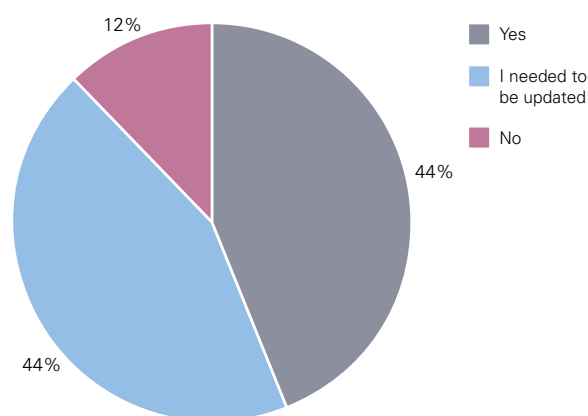
Over 70% of respondent businesses were not in compliance with Italian corporate regulations prior to listing

Before the IPO, was your Corporate Governance system in compliance with Italian Corporate Regulations?



Over half of respondents were not aware of corporate governance and filing requirements of their particular market before listing

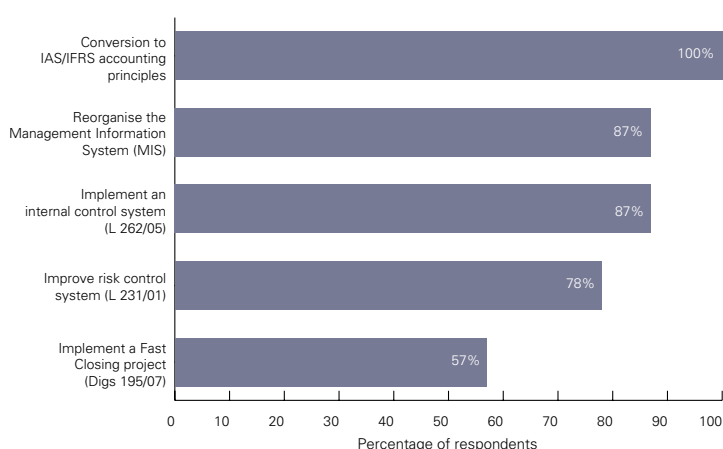
Before starting the IPO process were you aware of the Corporate Governance and other Filing requirements applicable to the market in which you were going to list your company?



- A combined 74% of respondents state that their corporate governance was not in compliance with Italian corporate regulations prior to listing. Indeed, the majority (57%) went on to admit that their structure needed to be made adequate in order to list. Only 26% noted that their corporate governance was in line with regulations.
- One respondent admits that: "Our company governance system was completely redesigned for the listing." Another, however, had merely to tweak their structures: "It was okay for the Expandi market but didn't fulfil the MTA/Star requirements. We had to adjust business governance structures." Another admits that: "We chanced a lot of things during the IPO, especially our governance and IT structures."
- A combined 56% of respondents state that they were either not aware of the corporate governance and filing requirements of their particular market before listing or had to be updated, with the remaining 44% of respondents claiming to have been fully aware.

All respondents considered converting to IAS/IFRS accounting principles prior to listing

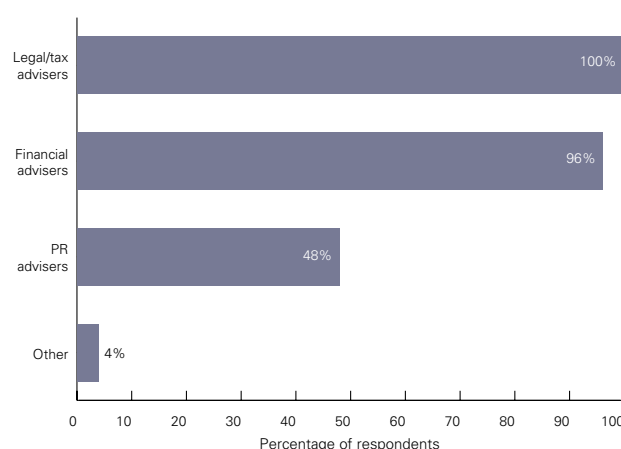
Did you consider implementing the following actions before the listing process?



- 100% of recently-listed respondents state that they considered implementing IAS/IFRS accounting principles before listing. Otherwise, a significant 87% apiece also contemplated reorganising their management information systems and implementing an internal control system. In comparison, 78% considered improving their risk control systems and over half (57%) weighed up whether to employ a fast closing project system.

Legal, tax and financial advisers were employed by more than 96% of respondents during the IPO process

What advisers did you employ before and during the listing process?

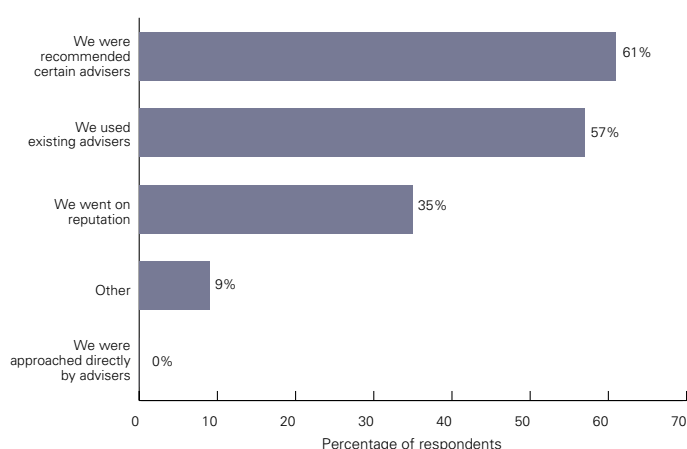


- All respondents who listed in the past two years employed legal/tax advisers while a very high proportion – 96% – also hired a financial adviser. PR advisers were less popular, with only 48% of respondents retaining them.
- A respondent states that: “We used several advisers at different points during an IPO – for example, we employed an advertising agency almost at the end of the listing process in order to promote our company and mission.”



Word of mouth counts: 61% of recently-listed respondents selected advisers on the basis of recommendations

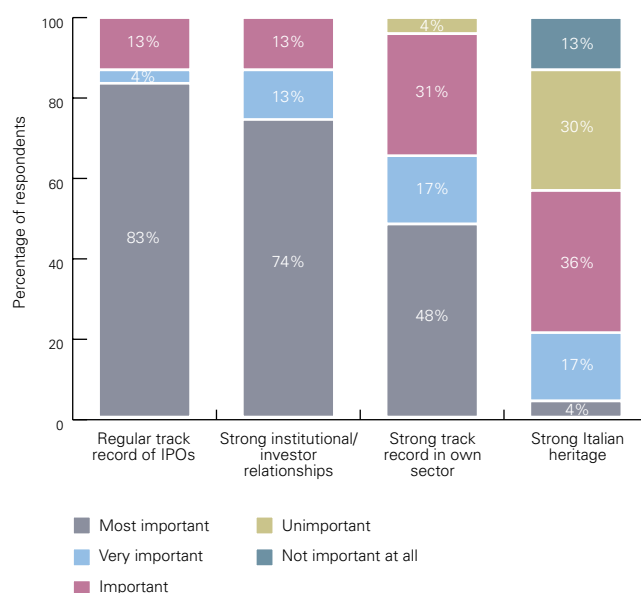
How did you select your advisers for your IPO?



- 61% of respondents note that their legal, tax and financial advisers were selected primarily on the basis of recommendations, while 57% state that they used existing advisers. Only 35% of respondents based their decision on the adviser's reputation while, interestingly, no respondent selected an adviser because they were actively approached by them.
- A number of respondents say that "a market screening process" was employed, which aided them in their decision. Other advisers were selected because "we knew them from other business transactions," while further respondents state that: "Other internal and external advisers suggested them to us." One respondent believes that: "Money is no object – we have always sought the best without worrying about the cost."

Respondents rank IPO experience and strong relationships as the most important adviser attributes

What do you believe to be the most crucial attributes of an adviser for a company undertaking an IPO?

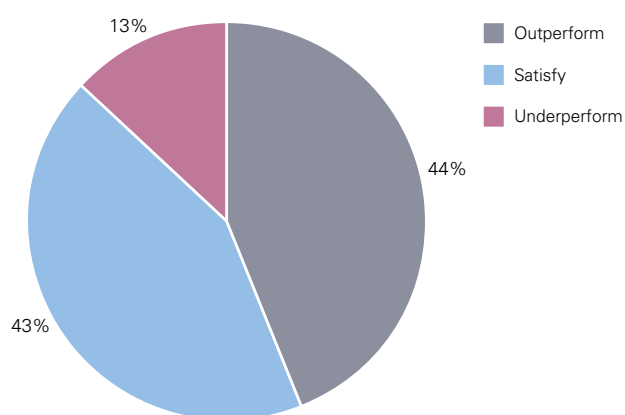


- Over 83% of respondents believe that the most important attribute their advisers should possess is a regular track record of IPOs. A further 74% think that strong institutional/investor relationships are the most important quality an adviser can have. On the flip side, only 4% consider having a strong Italian heritage as the most important characteristic an adviser should possess.
- Other traits that respondents think advisers should possess include flexibility, dynamism and professionalism, as well as being price-competitive.

IPO performance

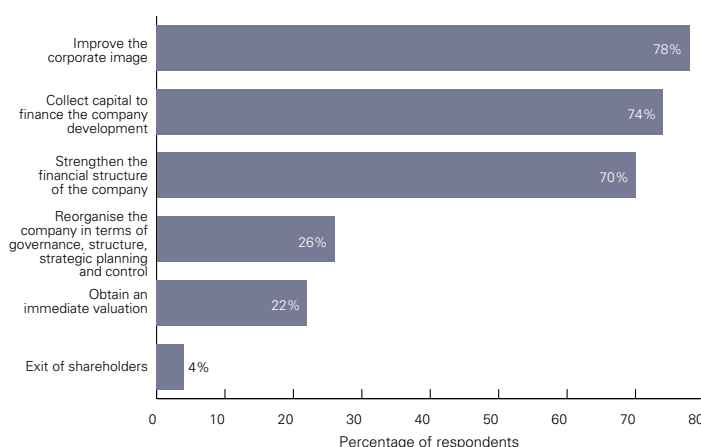
87% of respondents expectations pre-IPO were met after the process was complete

Did the IPO outperform, underperform, or satisfy your expectations?



Improving corporate image is cited as the main benefit of undergoing an IPO

What have been the main benefits of undergoing an IPO?



- The bulk of recently-listed respondents (87%) consider that their IPO at least satisfied their expectations, with 44% thinking that the listing exceeded their predictions. Only 13% think otherwise.
- One respondent notes: "Since the listing, we have increased our turnover and profits" while another writes that "the company is now the leader in its field following the IPO process." Yet others state that: "Order books were over-subscribed by 20 times – despite the economy and the bearish stock market."
- Another respondent was not so positive: "The IPO wasn't completed to our expectations in the sense that we didn't think that there would be that much bureaucracy to clear."
- Interestingly, given that 60% of respondents believe the most important reason to list in Italy is to gain access to capital, some 78% of recently-listed respondents think, with the benefit of hindsight, that the most significant benefit of listing was an improvement in their corporate image. Admittedly, just behind is gaining funding, which is selected by 74% of respondents. Meanwhile, just 4% of respondents judge that the main benefit of an IPO is the exit of existing shareholders.

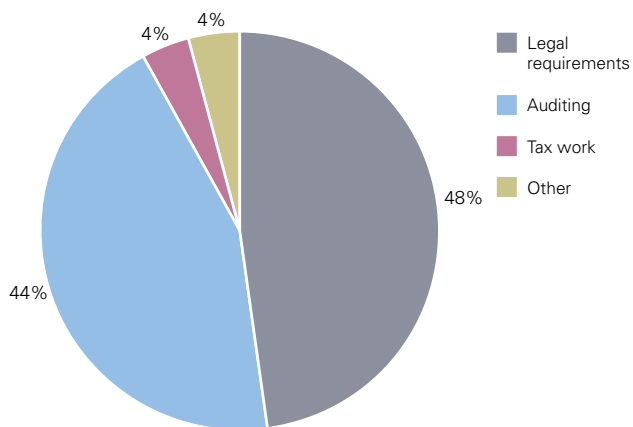


Considering a listing

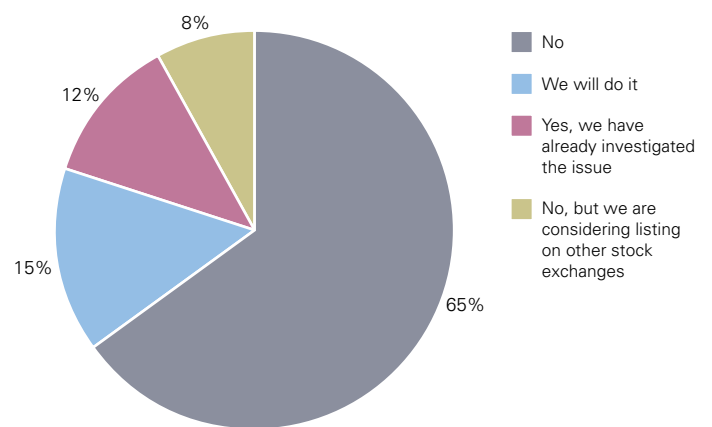
Legal requirements/auditing take the most time preparing an IPO, say over 90% of respondents

The majority of respondents who have not listed are not considering doing so

What takes the most time when preparing a listing on the Italian stock exchange?



Are you considering investigating the listing process in Borsa Italiana?



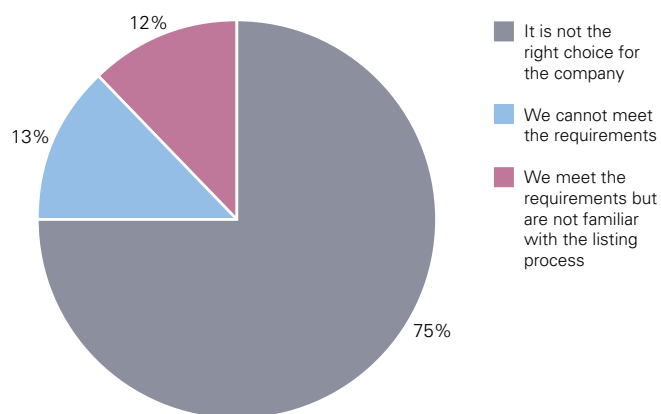
- The legal and auditing aspects of an Italian IPO take the most time according to a combined 92% of respondents who listed in the past two years, with 48% believing that legal requirements took the longest. A further 44% think that the auditing process took the most time. Just 4% consider that tax requirements took the longest. Many respondents note that auditing an IPO took a long time "because of the transparency that the market requires."

- Of the 57% of respondents who have not listed on the Borsa Italiana, 65% state that they are not considering doing so at the moment while 15% note that a listing on the exchange will be contemplated. Of the remainder, 12% have already investigated the process while 8% are looking to list on another exchange.

Critical information exchange

The majority of non-listed respondents believe that listing is not the right choice for the company

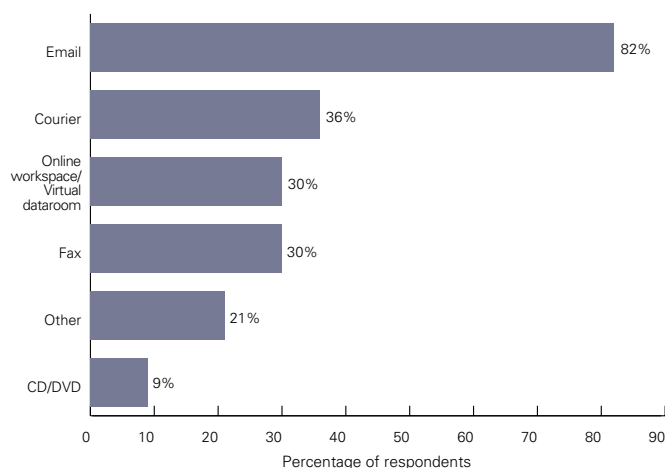
If you have not considered listing, why is this the case?



- Exactly 75% of respondents who are not considering a listing believe that an IPO is not the right growth avenue for their business. Of the remaining 25%, 13% state that they cannot meet Italian IPO requirements while 12% meet the requirements but are not familiar with the listing process.

Email is used by the vast majority of respondents to disseminate confidential information

What is your most common distribution method for exchanging confidential information with advisers relating to an IPO?



- Email is utilised by the vast majority of respondents (82%) to disseminate confidential information while 36% use couriers. Virtual datarooms and faxes were also relatively popular choices with 30% apiece of respondents employing them.
- Other methods of circulating sensitive information highlighted by respondents include paper documentation and face-to-face meetings.

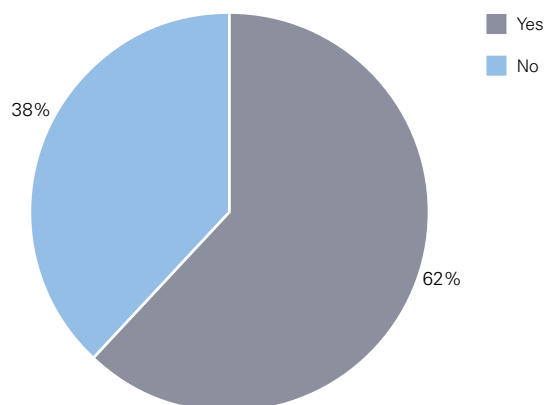
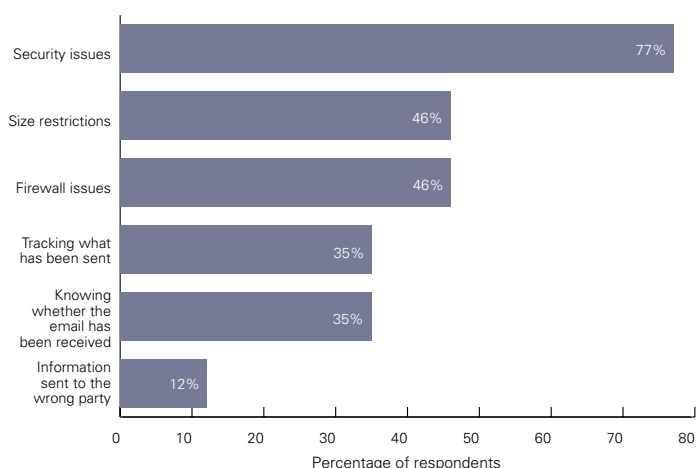


Security is by far the most pressing concern with document distribution say 77% of respondents

The majority of respondents say that their company has a policy against the distribution of confidential information by email

What problems have you had distributing documents via email?

Does your company have a policy against distributing confidential or client information by email?

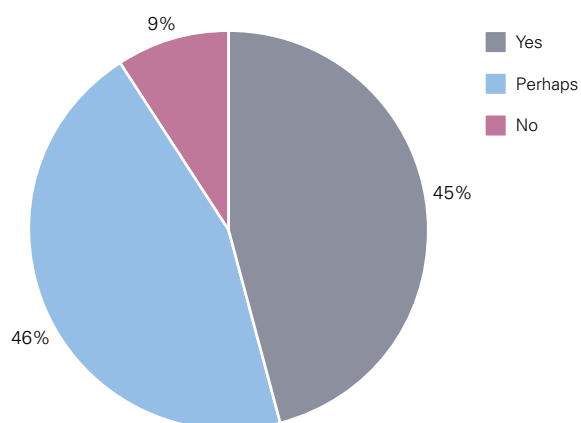


- 77% of respondents believe that the most pressing concern when sending confidential information by email is the lack of security. Size restrictions and firewall issues are also cited by 46% of respondents apiece, whereas sending information to the wrong party is the main concern according to 12% of respondents.
- One respondent comments: "With the exception of security issues, the problems above are easily controllable." Another respondent underlines the seriousness of security concerns: "Looking back, I think we needed to choose more secure instruments." Yet another writes that: "It's a problem. We've sent confidential email messages and subsequently found out that they were addressed to the wrong person."
- In order to alleviate issues of security, 62% of respondents' firms have implemented a policy against the distribution of confidential information by email; as opposed to 38% that have not.
- It is interesting to note that although the above chart indicates that over 60% of respondents have a policy against distributing confidential information by email, on the previous page it emerged that 82% of respondents continue to use email to exchange sensitive information.

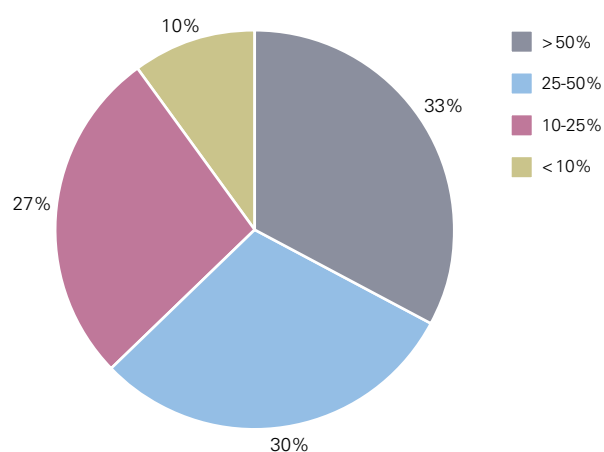
Over 90% of respondents would recommend/consider using a virtual dataroom during an IPO

63% of respondents consider that using a virtual dataroom shortens the IPO process by at least a quarter

Would you recommend/consider using a virtual dataroom to manage the IPO process?



How much time does an online dataroom save as part of the process?



- 91% of respondents state that they would consider/recommend a virtual dataroom during a listing process, with just 9% noting that they would not recommend or consider using a dataroom.

- An overwhelming majority of 90% believe that using an online dataroom shortens an IPO process by at least 10%, with over 63% believing that a virtual dataroom can condense a listing process by at least a quarter.



Case Study

Going public and sharing your future...

21 March 2007

Among the companies that joined the Italian public market in 2007, Pedersoli e Associati assisted Toscana Finanza S.p.A. in connection with its IPO. Toscana Finanza S.p.A. was established in Florence at the beginning of the 90s with the aim of cornering the national market of the pro-soluto purchases of collectable credits. Toscana Finanza's business – considered a pioneering one for the Italian market – has led the company to quickly grow, and develop skills in acquiring new clients from bankruptcy procedures but also from other financial milieux such as factoring companies and merchant banks, which are finding the services offered by Toscana Finanza increasingly attractive.

The fast commercial growth supported by the skill of its management has led Toscana Finanza to focus on the opportunity for going public, which aims at implementing its financial services, exploring new markets and, more into the future, making acquisitions.

The IPO started in spring 2006, when the company began evaluating the strategic and financial viability of going public and the decisions to take in order to achieve such a goal.

In the perspective of becoming a public company, Toscana Finanza has indeed started a radical process of adjusting its corporate organisation and financial structure to the standards dictated by the future status of public company. New corporate compliance systems and corporate structures have become the preliminary targets for its debut on the Italian Stock Exchange.

The far reaching corporate restructuring, carried out with the assistance of its legal and financial advisers, has taken in these main areas:

- Management and corporate area: corporate governance system, organisational structure, strategic planning and management control systems, appointment of an independent director pursuant to Art. 147-ter of Italian Legislative Decree No. 58/1998;
- Legal area: amendments to the Articles of Association, acknowledgement of the discipline concerning the corporate information, protection of minority shareholders, management of confidential information, investor

protection, adjustment of share face value, ownership structure and investee companies structure to achieve greater transparency and visibility;

- Accounting area: adjustment of the Italian accounting principles system to the international accounting system (IAS/IFRS), certification of the financial statements pursuant to Art. 156 and 159 of the Italian Legislative Decree No. 58/1998 and appointment of a Manager responsible for drawing up the company's financial statements in compliance with Art. 154-bis of Legislative Decree No. 58/1998.

Once the authorisations for going public were obtained from the Italian Securities Commission (Consob) and the Italian Stock Exchange (Borsa Italiana) and the IPO prospectus filed with Consob on 9 March 2007, the road-show and offer could begin. At this stage the investors (customer and institutional investors) actually began to purchase the company's shares thus generating the capital necessary for Toscana Finanza to become a public company, on 21 March 2007.

The complex IPO has led a traditionally local company to measure itself in the securities market and allowed Toscana Finanza to raise new liquidity to fund the company's growth, also by acquiring other businesses. After only 9 months of becoming a public listed company, Toscana Finanza indeed reached its first strategically important result: the acquisition of the Fast Finance group – a deal that has allowed Toscana Finanza to broaden its operating business especially in the strategic sector of tax credits.

This experience of Toscana Finanza has taken place in a context of regulation complexity as Italian Law acknowledges the very large EU regulation that includes (i) Directive 2003/6/EC on insider dealing and market manipulation (market abuse), (ii) EU Regulation No. 809/2004 on financial information in IPO prospectus and (iii) EU Regulation No. 1606/2002 on the application of International Accounting Standards (IAS).

Such complexity has made it all the more necessary to receive the services of such expert legal advice from Pedersoli e Associati.

Toscana Finanza S.p.A. financial advisor for the operation has been Deloitte Financial Advisory Services S.p.A.

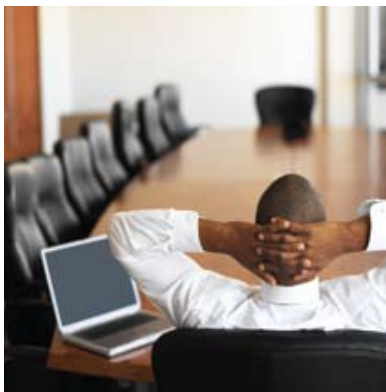
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Success Story: Enìa – Powered by IntraLinks

“The VDR allowed anywhere, anytime access to the deal team allowing them to stick to the timeline, while maintaining an audit trail and archive to maintain a record of activity and disclosure.”

– Patrizia Mantovi
Corporate Action Officer
Enìa

Utilities giant Enìa was looking for investors that could help it fulfill the next step in its development. It turned to IntraLinks to power the initial public offering (IPO) that would provide the new investment that it needed to build for the future.

Italian utilities company Enìa was created by the merger of the three local utilities firms. The amalgamation created a business that provides power, water, gas and waste across more than 100 municipalities in Northern Italy in the provinces of Reggio Emilia, Parma and Piacenza.

Keen to continue its development in this competitive sector, Enìa wanted to raise new capital. Its success at providing the multi-utility offering, convinced the city authorities, who own and control it, to opt for an IPO to provide funds for the further development of the business and to give private investors the opportunity to share in the success as a public company.

The decision to IPO was authorised by a general meeting of shareholders in March 2007. With a target market of Italian and foreign institutional investors, it was important to develop a strategy that would maximise the reach of the offer by increasing the level of participation, but without adding to the timeline of the deal.

Making the Right Choice

Banca IMI was chosen as the financial advisor with Studio Chiomenti providing legal advice for the deal. Patrizia Mantovi, assistant to the director of legal affairs at Enìa says the law firm had previous experience of using virtual datarooms (VDRs) and recommended that using IntraLinks' online workspace would speed Enìa's IPO process.

Enìa's operations staff met with IntraLinks for a demonstration that showed a VDR in action. Following a run through the system, looking at live examples of datarooms, the team submitted a proposal to the chairman and CEO of Enìa, who decided to bring IntraLinks on board for the project.

As with any IPO process, the success depends upon the preparation work done long before the deal becomes public. For Enìa, collating and checking documents from its various operations was necessary but time-consuming. Working with its lawyers and banks, 2,000 documents were assembled in support of its IPO.

Mantovi, who coordinated the process internally at Enìa and organised the dataroom, said that the speed that a deal could be completed using a VDR was a major attraction. “Our advisers and partners could find documents without needing to travel to a physical dataroom, and answers to any question could be supplied immediately. With all the data online in a single repository, we could also track the workflow throughout the process. If there were documents or questions outstanding, we could easily tell from the dataroom. At crucial points during the IPO process, the VDR ensured that we kept things moving along at all times.”

Obvious Appeal

For companies looking to gain efficiencies by having organised, centralised data, the benefits of using an IntraLinks' VDR are clear. By creating an electronic dataroom containing all relevant deal information, the process is streamlined by permitting access to all registered and authorised parties simultaneously.


INTRALINKS®
The workspace is virtual. The trust is real.™


enìa

Speed without security is not a trade off Enia would consider, and IntraLinks more than met the company's requirement for absolute security of its documentation. With multiple parties having access to sensitive data during the due diligence process, there is potential for calamity if data falls into the wrong hands. Enia's VDR served as central hub for all parties involved in the due diligence necessary for IPO. Enia was able to upload documents to the workspace as and when they became available, keeping the pace of the due diligence process up. Its advisers were able to work in a focused and concentrated manner, while working at the time and location of their choice. In addition to flexibility, the online workspace enabled costs to be controlled.

IntraLinks' VDR allows the dataroom manager to authorise who has access to particular materials, blocking access where necessary, or making it selectively available. The flexibility of the system means that companies can adapt to changing situations throughout the deal, such as introducing new materials to the dataroom, or changing individual or group access privileges. While Enia's strategy was always clear, the online workspace does allow companies the flexibility to pursue a dual-track process. With all the information online, the dataroom can be re-purposed to conduct a traditional due diligence process.

All told, some 2,000 documents were uploaded to the Enia dataroom in four folders. This included such key documentation as finances, budgets, details of corporate governance, legal information, contracts, operations, financial, HR, and environmental factors. Some of the information was already available electronically, while others had to be scanned prior to uploading.

"Without IntraLinks, the deal would have been subject to much higher costs and to more time in proceedings

(weeks – if not months)," says Mantovi. "We would have had to arrange a dataroom using a company office, photocopy many documents and organise a list that would have to be checked every day before advisers' control started. A person would have been involved at all times to ensure that no documents went missing."

Up to Speed

As dataroom manager, Mantovi was charged with the important role of organising the dataroom and co-ordinating the incoming questions. A first time user of the system, she found it easy and quick to get to grips with the system's functions.

"Dedicated support was on offer in Milan, but frankly, the system is so easy to use I didn't need it. The company provided initial training and helped with the scanning of documents. It was a comfort to know that if there had been problems there was ongoing support and solutions for any problems that might have arisen."

Closing Stages

With the help of IntraLinks, Enia got its IPO away in July 2007, just over three months after taking the decision to do so. It floated up to 38 per cent of its capital on the Milan stock exchange, raising €446.9million. The main investors were Fidelity, Pictet Asset Management, Ecofin and Amber.

The speed and smoothness of the deal were testament to IntraLinks' ability to provide a robust framework for the IPO process. By opening the deal up to potential investors from around the world, it helped provide Enia with a strong choice of suitors. "The VDR allowed anywhere, anytime access to the deal team allowing them to stick to the timeline, while maintaining an audit trail and archive to maintain a record of activity and disclosure," says Mantovi. "You could say it was the power behind the deal."

About Enia

Enia was created in 2005 by the merger of AGAC, AMPS and TESA, all local companies that provide public utility services in the provinces of Reggio Emilia, Parma and Piacenza. Today it is one of the main examples of Italian multi-utilities aimed at providing services and creating infrastructures to improve and develop the territory where it operates, respecting the environment and the needs of the citizen-users.

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On-Demand Workspaces for Initial Public Offerings

The IPO process is document-intensive and time-sensitive, involving many players. With IntraLinks, you can streamline the process and improve the information exchange.

Are you or your clients preparing for an Initial Public Offering (IPO)? Are you working with company executives, finance, legal, investment banks, auditors and the investor relations firm to prepare critical documents? Can all of these parties efficiently and securely share a large volume of sensitive information? What if you could run a faster, more efficient IPO process?

IntraLinks® On-Demand Workspaces™ help your entire deal team run a better IPO. Leading law firms, investment banks and companies rely on IntraLinks to streamline their IPOs by enabling secure, online information exchange. Prepare and share key IPO documents such as logistical information, prospectuses, roadshow presentations, market analyses and legal documentation. Use IntraLinks to conduct underwriter and legal due diligence, track deal progress, communicate during the roadshow and facilitate a “dual-track” process if needed.

Streamline the IPO Process

Create a central place of record and provide anywhere, anytime access to key documents. Eliminate travel, mail delays and email bounce-backs. Leverage access reports to effectively manage your team. By smoothing and speeding information exchange, IntraLinks helps you accelerate your IPO process so that you can capitalise on market conditions.

Minimise Operational Disruption

IPOs demand tremendous attention from management at a time when they need to focus more than ever on their core business. By enabling a more organised and efficient process, IntraLinks frees management to spend more time running the business, and less time traveling, confirming receipt of materials, juggling versions, emailing large files and dealing with administrative tasks.

Facilitate a “Dual-Track” Process

It is increasingly common for today's IPO candidates to simultaneously pursue selling their companies. Running the IPO process on IntraLinks enables you to have the flexibility to instantly, easily and securely invite prospective buyers to view due diligence information for a potential sale of the company.

Maintain a Comprehensive Archive

At the end of your IPO, IntraLinks can provide a DVD that includes all IPO documentation, as well as a full record of disclosure and document access. This not only allows bankers, lawyers and corporations to easily prove the integrity of the process, but also provides a useful database of corporate records.

Protect the Confidentiality of the Process

Your most sensitive documents can be watermarked or locked to prevent printing, saving or forwarding. In addition, IntraLinks enables you to eliminate the leaks that can occur in a physical process when delivery packages pile up at reception, or conference rooms fill up with investment bankers.



INTRALINKS®

The workspace is virtual. The trust is real.™

Why IntraLinks

IntraLinks® On-Demand Workspaces™ provide a secure, virtual environment where business communities can exchange sensitive, high-value information across enterprise boundaries. We work with you as trusted partners to help you transform and streamline your processes, improve overall efficiencies and reduce cycle times. So you not only can do business anytime, from anywhere – you can do it better.

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Our systems meet the highest levels of security required by the world's leading financial institutions. Rigorous independent SAS 70 Type II audits verify that our operational controls comply with industry best practices. Confidential information is protected by database-level file encryption, stringent password protections and 128-bit security encryption.

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Your information is stored in fully redundant servers hosted in world-class, geographically dispersed facilities. Authorised users can easily access the information they need – any time, anywhere, through any standard web browser.

24/7/365 Service & Support

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Audit Trails for Compliance

Real-time access reports are an integral part of your workspace, and show you which information has been reviewed, how often and by whom. You can also archive all your information – including access history – to DVD for future compliance needs.



Since 1997, more than 700,000 participants representing over 80,000 organisations worldwide have used IntraLinks On-Demand Workspaces to communicate and collaborate on thousands of projects and transactions.

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— Andy Mason
Managing Director
SunTrust Robinson Humphrey

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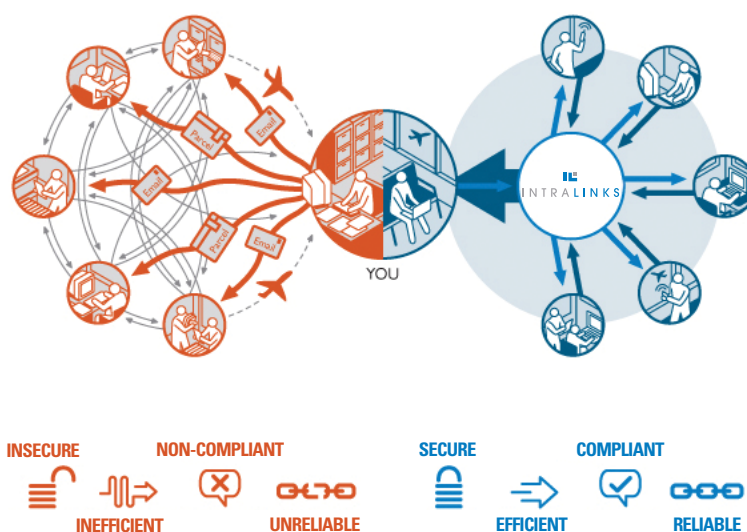
IntraLinks was founded in response to the needs of financial institutions for a more efficient way to manage the flow of critical business information. Our On-Demand Workspaces™ have been widely adopted throughout the financial community to facilitate M&A deals, syndicated and commercial loans, as well as fundraising and fund reporting processes in the alternative investments community.

IntraLinks is the leading provider of critical information exchange solutions. To date we've managed projects for more than 750,000 users representing over 90,000 organisations worldwide. We've earned the confidence of global clients with the rock-solid reliability of our technology. And we've won their long-term loyalty by continually demonstrating our unwavering commitment to their success.

Our secure online exchanges are accessible from anywhere around the world, and offer you and your associates a more efficient way to exchange information during every phase of the IPO process.

Technology is important, but you'll also find great value in our processes and our people. Our project managers are consultants, too. They know how your business works; they speak your language, and can help you get your workspace up and running – in days, not weeks. And if any questions should arise, our in-house customer care professionals are ready to provide friendly, knowledgeable support, 24/7/365.

By bringing all the necessary information together in a single, secure online location, IntraLinks can streamline and improve the way you do business



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*Since it was established in the late 1950's **expertise, fairness, discretion and independence** have been the key values on which Pedersoli e Associati has built his reputation. These values continue to be the cornerstones of the Firm's success. The result is that Pedersoli e Associati is a leading Italian law firm able to provide high calibre advice based on considerable experience. The Firm, which mainly advises clients in the **banking sector**, is considered a **powerhouse in Italy**.*

*Pedersoli e Associati is a major player in **corporate** (including M&A and private equity) and **commercial law**, both in **transactional** and **litigation** matters. The Firm also advises domestic and international clients on innovative and sophisticated **banking & finance, capital markets** (including IPOs), **competition** and **tax** transactions.*

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