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# Actively makes a difference

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**Here's a tale that proves how, with the right political leadership, the eurozone's dire state need not prevent corporates in the direst parts of it from flourishing.**

Knight Vinke, the American activist investor, took a 1 per cent stake in Eni five years ago and, since 2009, has been calling for the state-controlled Italian oil and gas group to break itself up. It argued Eni's ownership of the gas pipeline operator Snam left both with the wrong capital structure: Eni was overgeared for

an exploration and production company, while Snam, as a regulated utility, was undergeared.

Unfortunately, while Silvio Berlusconi was Prime Minister, Rome was not inclined to change this state of affairs. The arrival of Mario Monti's technocratic Government in November, however, brought a more pragmatic approach and, in January, Eni said it would demerge Snam. Repayment of the €11 billion that Snam has borrowed from Eni will give the latter enough firepower to develop recent finds in Mozambique, Angola,

Indonesia and the Barents Sea. As Knight Vinke pointed out yesterday, the move is one of the most visible and emblematic elements of the Monti reform package.

It's also a win for responsible shareholder activism, too.

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