


Fashion and Finance

Milano Fashion Global Summit 2012

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The London Stock Exchange group



A natural global home for global players

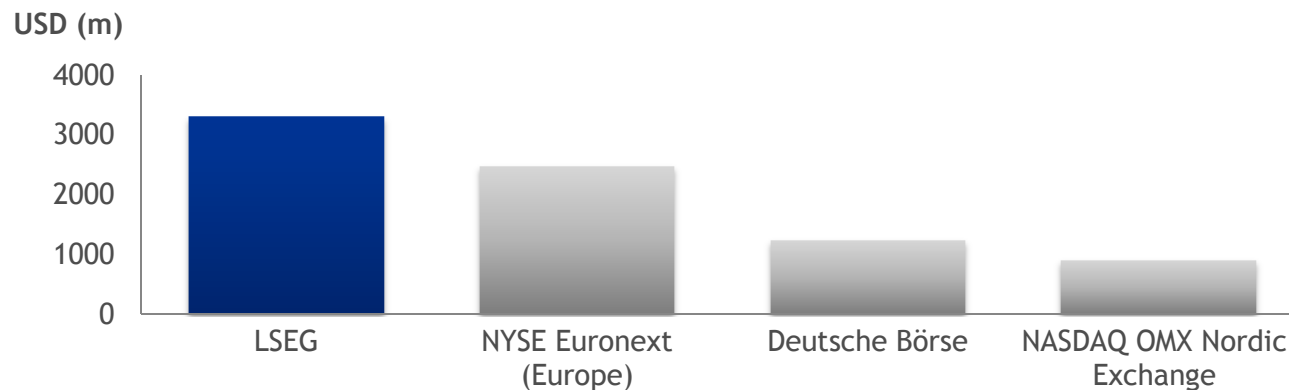


- 5,738bn USD total market cap
- 2,812 n. of listed companies (of which 586 international)
- 1,190bn USD annual share turnover
- Knowledgeable institutional investors base
- Experience with international issuers
- Strong retail investor base
- Unparalleled choice of routes to public market
- Sector specific strengths: luxury brands, energy, oil and gas, mining, investment funds



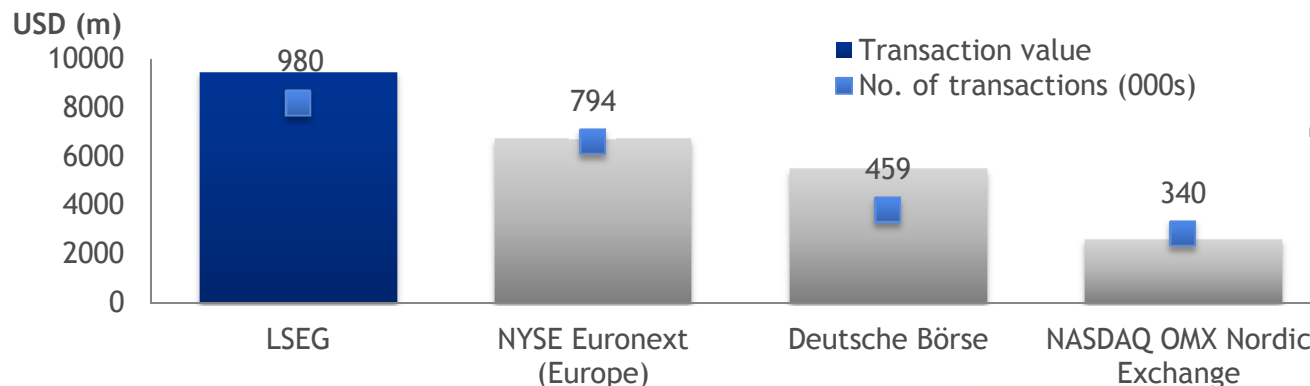
We operate the largest and the most liquid equity market in Europe

London Stock Exchange Group is the largest equity market in Europe⁽¹⁾



- Close to 3,000 companies share an aggregate market cap of around USD 6 trillion
- Close to 600 international companies

...and the most liquid secondary market⁽²⁾



- Over 500 member firms have access to our trading systems
- In 1H 2012, on average over USD 9bn worth of shares were traded daily on the LSEG's markets, more than any other exchange in Europe

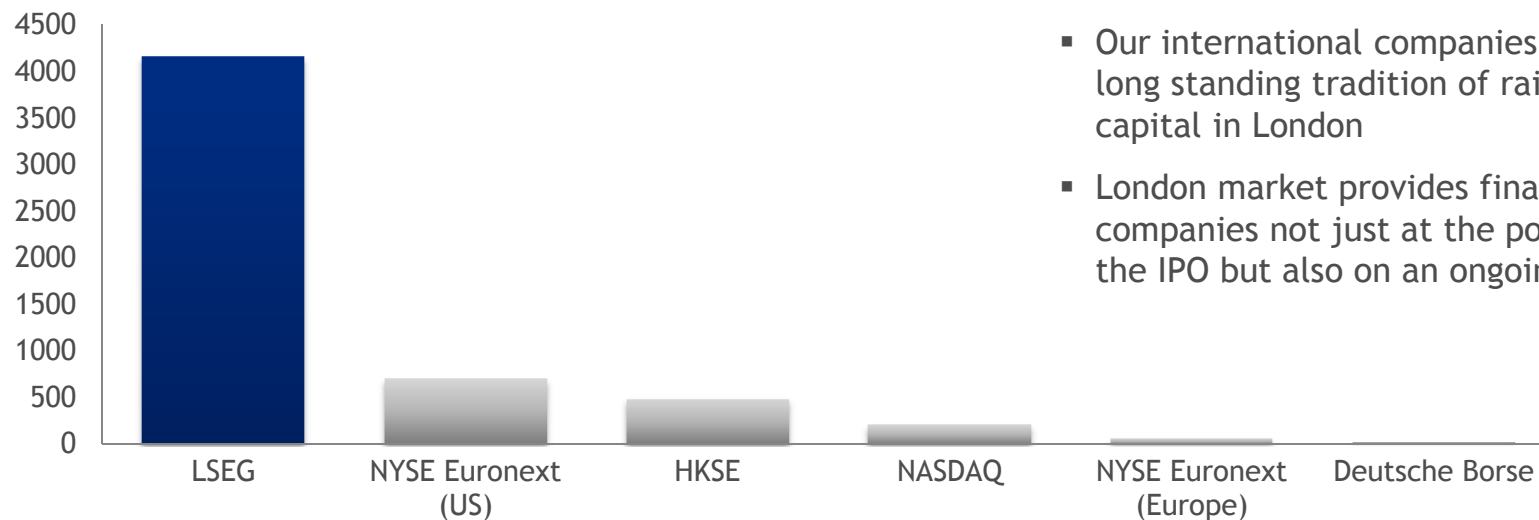
(1) By number and market capitalisation of listed companies. Chart shows only market capitalisation of companies incorporated in exchange country. Source: World Federation of Exchanges, July 2012.

(2) By value of transacted shares. Source: World Federation of Exchanges, 1H 2012.

We host more international issuers than any other leading exchange

Market cap of international companies, by listing venue

USD (bn)



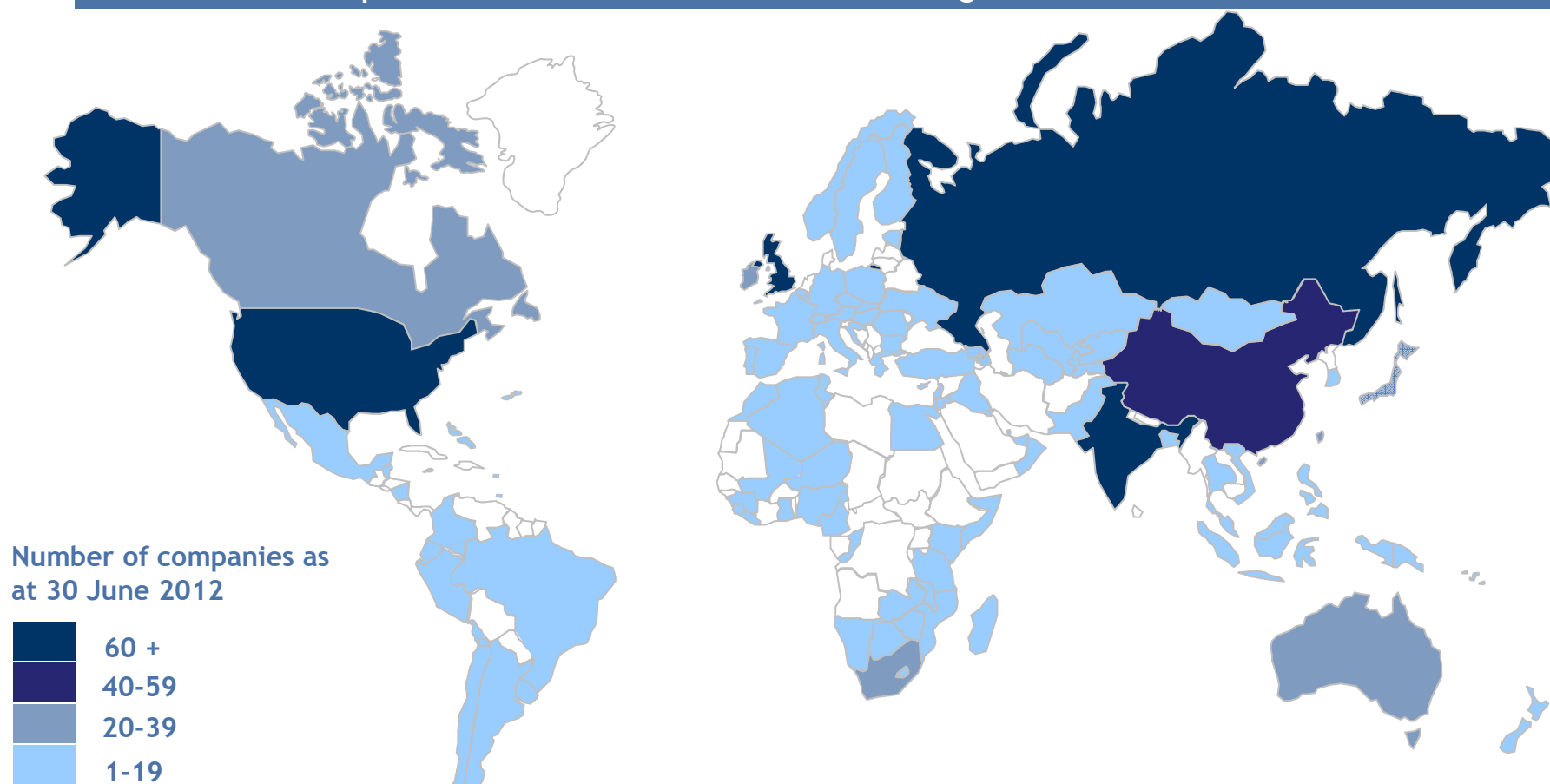
- London Stock Exchange is a home for some of the largest global companies
- Our international companies have a long standing tradition of raising capital in London
- London market provides financing to companies not just at the point of the IPO but also on an ongoing basis.

Over the past decade international companies on London Stock Exchange markets have raised:

USD 83bn in IPOs and USD 82bn in further issues

Our issuers operate in more than 115 different countries across the globe

Countries with companies traded on the London Stock Exchange



Source: London Stock Exchange statistics. Based on country of primary business.

Milan is a central venue for fashion companies

- Italy is the first country in EU for sales, investments and export in the fashion segment
 - With total sales of 49.7 €Bn and a YoY growth of 7.2%, Italy represents more than 30% of European textile and apparel industry
 - Italy accounts for 31.5% of total European investments, thanks to 53,000 companies that invested 1.5 €Bn (+8.3% YoY)
 - Italy is the second country in Europe for export (18.3% of the total), second only to Germany, while considering only tailor-made segment Italy is top ranked (19%)
 - Milan is the city with the highest concentration of luxury brands in the world
- The Italian lifestyle also excels in the fields of cosmetics, jewelry and fine watch, furniture, luxury cars, soft drinks and top class winery
 - "Made in Italy" cosmetics achieved a turnover of 9 €Bn, (+ 4.6% compared to 2010) exporting more than 30% (2.7 €Bn, +14% compared to 2010)
 - Jewelry and watches exceeded 2.2 €Bn total sales
 - Design plays a fundamental role in furnishing and luxury cars segments
 - Food and beverage also help differentiating Italy in the world

Milan is the home to some of the most relevant global luxury companies

Recent IPOs



27 April 2012

Salvatore Ferragamo

23 June 2011

Some of the past IPOs

LUXOTTICA

December 2000



November 2000



03 December 2009

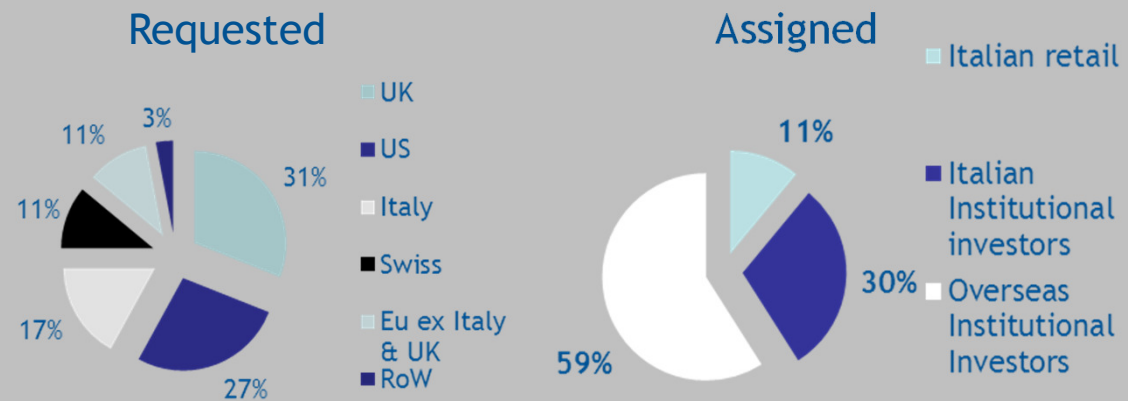
Brunello Cucinelli

Investment case

- Brunello Cucinelli, one of the very few brands in the “absolute luxury” segment started trading on Borsa Italiana’s main market (MTA) last 27 of April
- The offer period was closed largely in advanced, with an oversubscription of 17x
- Performance from the IPO: +73.4%
- The results are even more impressive considering the difficult market conditions (FTSE MIB: May11/Apr12 -34%)

IPO results

- Capital raised: 173.9 €Mn
- Oversubscription: 17x
- Demand for over 2.6 €Bn
- Start of trading: 27 April 2012



Salvatore Ferragamo

Investment case

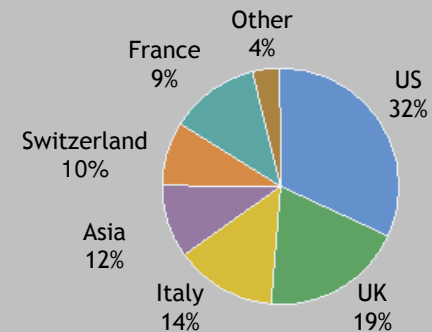
- Very positive performance: +86.1% since IPO
- The performance is even more significant considering the adverse market conditions
- Performance supported by the high liquidity (Turnover Velocity: 105%)

Performance	1d post IPO	1w Post IPO	Since IPO
Ferragamo	10.6%	15.4%	+86.1%
FTSE MIB	2.1%	1.7%	-21.5%

IPO Results

- Capital raised: 380 €Mn
- Oversubscription: 3.6x
- Overseas Institutional Investors: 78%
- Italian Institutional investors: 14%
- Retail presence: 8%

Overseas Institutional investors



Luxottica

History & IPO objectives

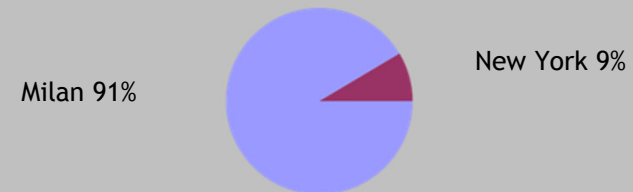
- Listing on the NYSE in 1990
- International development
- In 2000, Luxottica made an offer of 2% on the Italian market
- Italian retail investors subscribed 4 times the offer

Objectives reached

- A well balanced portfolio of house and license brands
- More than 10 acquisitions (e.g. Ray-ban, Sunglass Hut, Oakley, Persol)
- Vertically integrated business model
- Presence in more than 130 countries

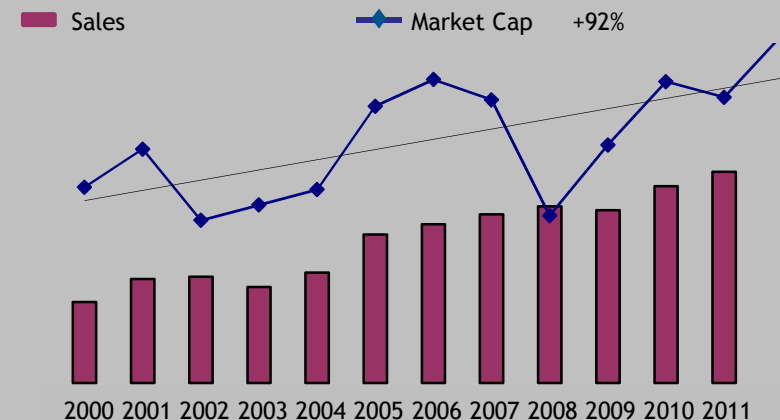
Milan is the natural listing venue

Volume by Stock Exchange



Since 2003, the majority of its shares is traded on the Italian market

Market cap and Sales trend



Tod's

History & IPO objectives

- Consolidation of brands
- Development of the distribution channels
- Geographical diversification of revenues
- Development of new products

Objectives reached

- Brands growth: Tod's (219%), Hogan (342%) and Fay (152%)
- Expansion in different geographic areas (overseas sales +249%)
- Development of new products (Shoes +245%, Leather goods +401%, Apparel +191%)

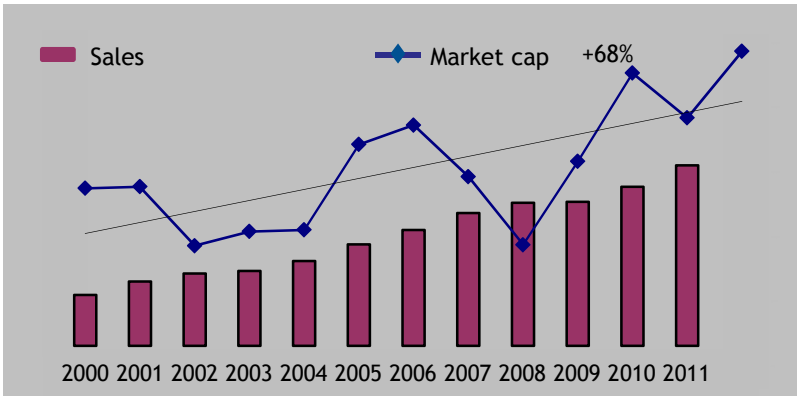
Distribution Channels

	DOS	WS
2000	38	31
2012-1H	182	71

From 2000 to 1H-2012:

- 144 new DOS opened
- 40 new Wholesales
- Sales by DOS: +508%⁽¹⁾
- Sales by WS: +142%⁽¹⁾

Market cap and Sales trend



Yoox

History & IPO objectives

- Exit of financial shareholders
- Injection of new capital to finance business expansion and new technology
- Higher commercial visibility
- Attract new talents

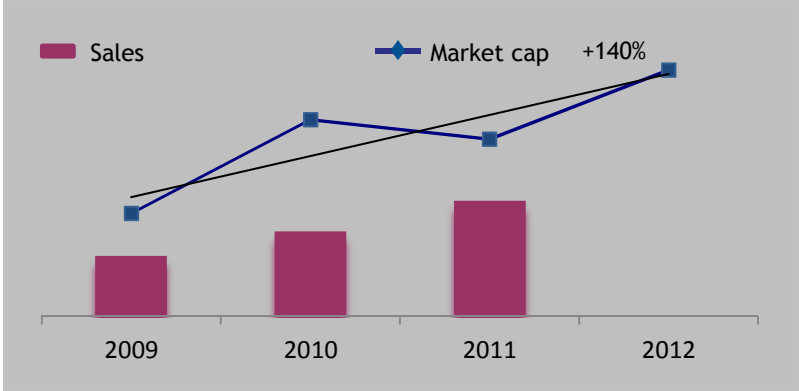
Key numbers

- Start of trading: 03 Dec 2009 (209 €M market cap)
- Market Segment: STAR
- Money raised: 105 €M, o/w 11 €M capital hike
- Free float: 50%
- Performance from IPO: +118%

Objectives reached

- Broadening of multi-brand offering
- Launch of several new mono-brand online stores
- Partnership with key players (i.e. PPR)
- Development of new technologies

Market cap and Sales trend



Final remarks

- Financial markets consistently reward the fashion/luxury sector
- The London Stock Exchange Group remains a key market for global luxury companies
- Milan is the excellence venue for the luxury sector and Borsa Italiana is home to some of the most relevant global fashion brands
- Asia is the key to the luxury sector's future growth