



28 December 2012

BORSA ITALIANA - MARKET REVIEW

- *New historical highs for fixed income trading on MOT and ExtraMOT with 6.4 Million contracts traded (36.6 per cent up on 2011) at €324.8 Billion (+57.1 per cent up on 2011)*
- *Borsa Italiana confirms its leadership in Europe for electronically traded contracts on ETFPlus and MOT (as at end of November 2012)*
- *Borsa Italiana is European leader in share turnover velocity on electronic systems (145.6 per cent as at end of November 2012)*
- *FTSE MIB up 9.79 per cent; FTSE ITALIA ALLSHARE up 8.74 per cent; FTSE MIB up 8.25 per cent; FTSE ITALIA STAR up 15.80 per cent on the year.*

2012 demonstrated the continued importance of Milan and Italy as a centre for international finance in Europe. Despite a complex backdrop, Borsa Italiana made continued efforts to develop its markets, enlarging its offer to customers and focusing on technological innovation.

Below is a review of the main activities undertaken in 2012, together with our annual report devoted to “market data”.

2012 HIGHLIGHTS

- **Elite:** 63 fast growing SMEs joined Elite. Launched in April of this year by Borsa Italiana in partnership with the Italian Ministry of Economy and Finance, Confindustria, ABI, Bocconi and Academy, the aim of the new initiative is to offer concrete support to fast-growing Italian SMEs. Using a portfolio of tools and services

companies can boost their visibility and attractiveness to potential investors.

- **Brunello Cucinelli IPO:** Listed on the 27 April, 2012, the company raised €2.6 billion and was 17 times oversubscribed. The IPO undelined Milan's status as the centre for fashion and luxury IPOs. Ferragamo (2011 IPO) and Brunello Cucinelli were the most successful IPOs in the world with a performance of 86.7 per cent and 71.0 per cent listing.

The strong participation of foreign institutional investors in both IPOs underlines Borsa Italiana's ability to attract international capital.

- **Luxury and Finance:** Highlighting its leading position as a centre for fashion and luxury, Borsa Italiana hosted an exclusive road show in partnership with Vogue in October. The event was dedicated to listed and non-listed companies in the luxury sector, with more than 100 international investors attending and a record of more than 500 meetings taking place. During the event, some world renowned brands represented the 'Made in Italy' campaign, introducing themselves, their results and future strategies to international investors.
- **STAR Conference, Italian Equity Road show, Small Cap Conference:** Borsa Italiana contributed to the promotion of Italy and its economy during a period of diverse market conditions. The continued promotion of companies listed on Borsa Italiana to domestic and international investors remained a key focus. In 2012 more than 1,700 meetings took place across three continents involving more than 460 institutional investors. Events were hosted in Milan, London, New York, Tokyo, Toronto, Singapore and, for

the first time, Hong Kong and Boston, helping Italian companies to rank among Europe's most liquid with the highest participation of international investors.

These events confirmed the role of Borsa Italiana as a global financial marketplace, with 7,000 funds (of which more than 90% are foreign) from 40 countries, investing in Italian listed companies. In November Borsa Italiana organised its second Small Cap Conference, fully dedicated to small cap companies, with the aim of providing listed SMEs with a higher profile amongst Italian investors.

- **BTP Italia:** There was great success for all the three issues of BTP Italiana, including the first Italian inflation-linked bond raising more than €27 billion. The Italian Treasury's choice to use MOT's extensive electronic distribution network to access online traders with the new 'BTP Italia' bond also contributed to this success.

The third issue (in October 2012) was the largest bond issue in Europe with more than €18 billion raised in 4 days.

- **ETF:** Borsa Italiana celebrated the 10 year anniversary of Exchange Traded Funds (ETFs) on the Italian market. ETFs made their debut in Italy in 2002 and have seen year-on-year growth reaching nearly €18 billion in November with a CAGR of over 50 per cent since 2003.
- With the listing of 147 new products this year, including the first Italian bond linked ETF, ETFplus reached a record 800 instruments available to trade. Today there are 11 issuers with 616 ETFs and 184 listed ETCs/ETNs.

- **Millennium Exchange:** Since 25 June 2012 Borsa Italiana has adopted a new trading platform for its cash markets and has migrated its servers from London to Milan to ensure greater efficiency in the trading between equity and derivatives markets.

Millennium Exchange provides high levels of performance and capacity, offering new orders types and functionalities and increasing trading and investment opportunities for all market operators.

- **10th Online Trading Expo:** On 18 and 19 October Borsa Italiana hosted the annual TOL Expo dedicated to online trading and investments at Palazzo Mezzanotte. The hugely successful event attracted more than 5,000 attendees.

As part of the 10th anniversary of the Trading Online Expo, Borsa Italiana in partnership with Gfk Eurisko and the main online brokers carried out a private investor survey. The survey focused on equity investors, who directly hold shares in their portfolio, and online investors, who regularly trade online financial products.

- **Mini FTSE 100:** Borsa Italiana launched a new futures contract on FTSE 100, the UK's leading benchmark equities index. The new product has been available to trade on IDEM since October.
- **Bi-weekly MIBO:** Borsa Italiana increased its range of derivatives products introducing a new expiry for stock options on IDEM.
- **MTA International in Trading After Hours:** In November the largest European stocks on MTA International were made available to trade in the Trading After Hours market.

- **Monte Titoli:** Monte Titoli confirmed its participation in the first part of T2S, the project coordinated by the European Central Bank (ECB) to agree rules for European bonds. Monte Titoli signed a Framework Agreement in the presence of Mario Draghi, ECB's President.

Monte Titoli also launched X-Com, a service for tri-party collateral management, dedicated to the Treasury and back office function of banking institutions, supporting their investment strategies and financial operations.

- **Charitable Trading Day:** On 2 April 2012 London Stock Exchange Group hosted its first charitable trading day. The Group raised £529,400 and proceeds were donated to the LSEG Group Foundation including charity partners: Italian youth charity, "In-presa" and UK mentoring charity, "Friendship Works". Given the success of this initiative, the Charitable Trading Day will be held again in 2013.

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