



London
Stock Exchange Group

London Stock Exchange Group

Integrity Innovation Partnership Excellence

PIR ONE YEAR AFTER: INNOVATIONS, EXPECTATIONS, FUTURE

Tuesday, 5th December 2017

Borsa Italiana



London
Stock Exchange Group

London Stock Exchange Group

A leading diversified international exchange group with an open access philosophy

A diversified international market infrastructure business focusing on capital formation, intellectual property & risk and balance sheet management, with an open access philosophy

Capital Markets franchise listing companies from 115 countries; more than 500 members from nearly 50 countries; multi asset trading



London
Stock Exchange



Borsa Italiana



Turquoise



MTS

CURVEGLOBAL

Risk and balance sheet management services offered globally and across asset classes



CC&G

London Stock Exchange Group



Monte Titoli

London Stock Exchange Group

Global Information Services providing a wide range of information and data products

UnaVista

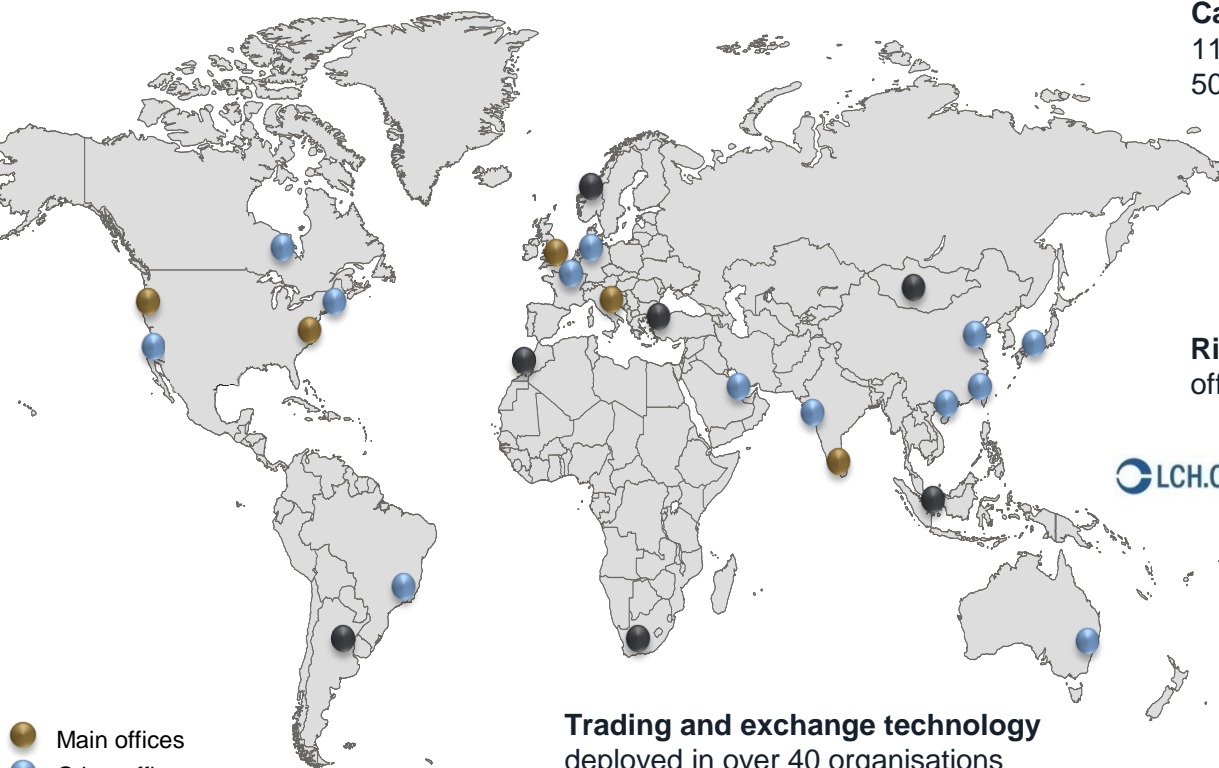
FTSE
Russell

SEDOL

Trading and exchange technology deployed in over 40 organisations around the world

GATE
lab

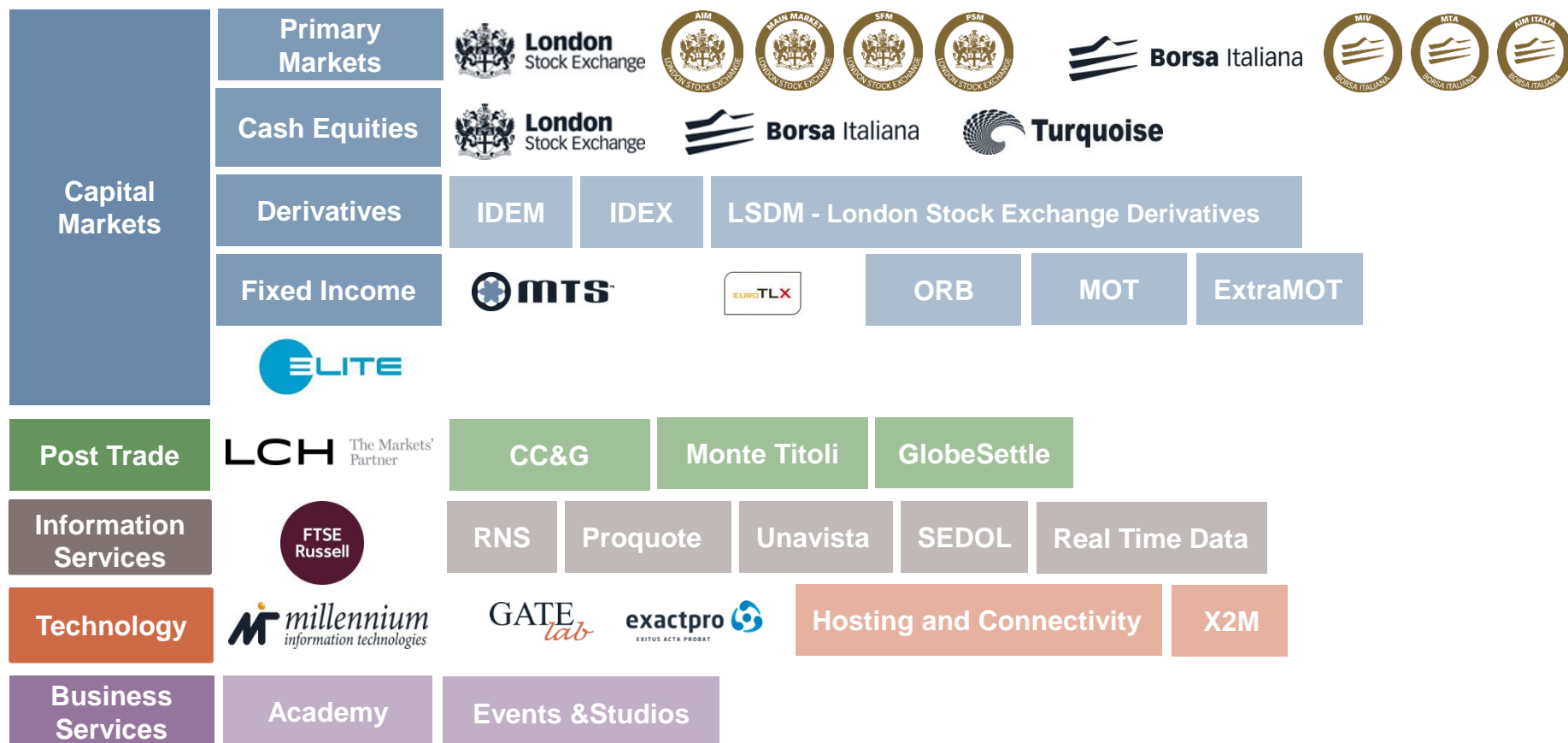
millennium
information technologies
'Innovation is power'



- Main offices
- Other offices
- Strategic partnerships



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LSEG Equities Overview

Strong European presence- Three Venues, One Group

UK Venues	Share of Trading (Sept 17)
LSE	72.0%
CXE	15.3%
Turquoise	6.8%
BXE	4.6%
Aquis	1.2%
Equiduct	0.2%



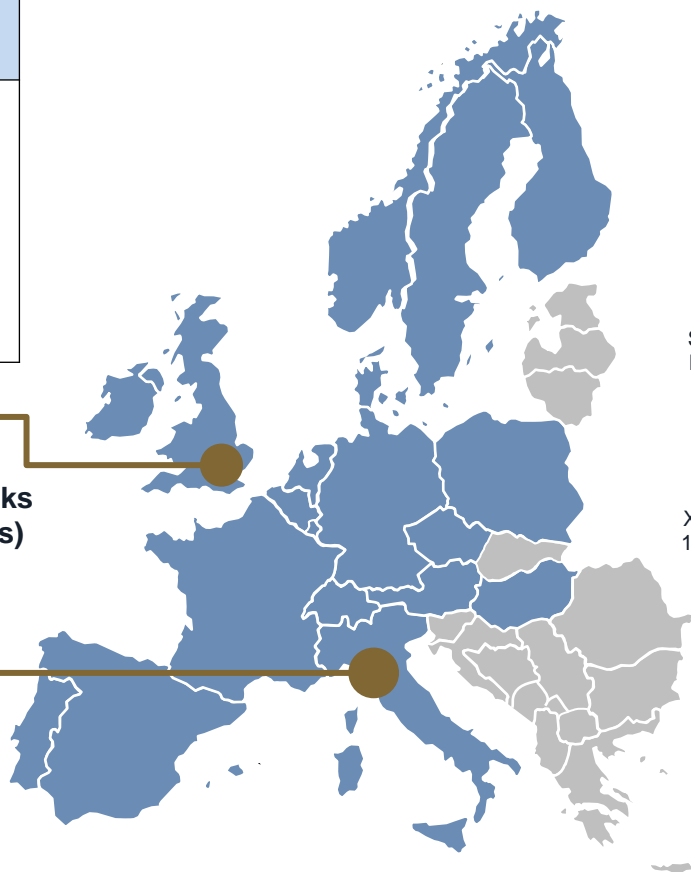
LSE covers over 2,500 stocks (including over 100 IOB DRs)



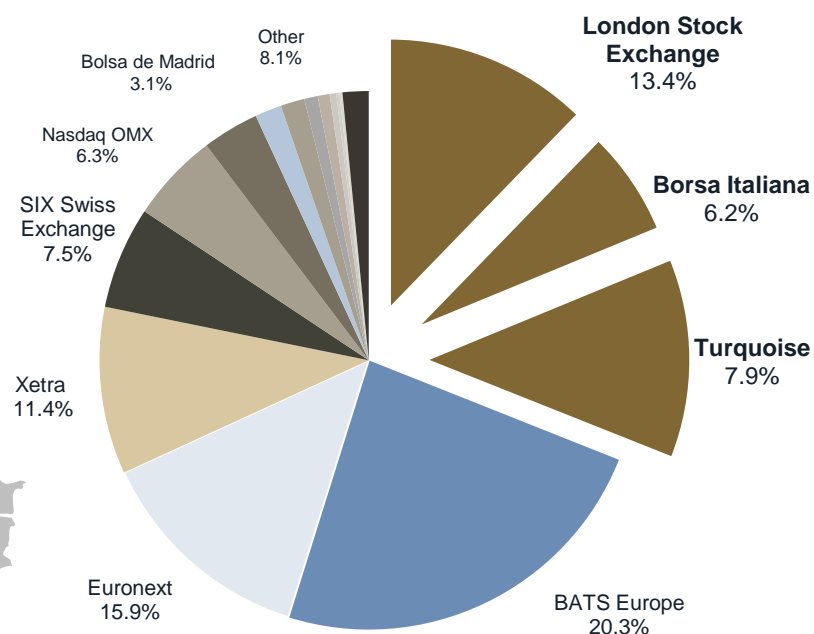
BiT boasts the most active retail investor base in Europe



Turquoise covers around 4,300 securities across 19 European markets



% of Pan European Trading in Sept 2017



Source: BATS Chi-X, (European Lit & Dark venues) single counted incl. auctions



Borsa Italiana

Liquidity Analysis of the Equity Markets



Asset Classes on Borsa Italiana markets

Equity

MTA is a regulated market subject to stringent requirements. **334** companies listed for an aggregate capitalisation of ca. **660 € Bn**

AIM Italia is dedicated to SMEs with a balanced regulatory approach and a flexible admission process.
90 companied for **€ 5.2 Bn** Mkt Cap



Numbers of IPOs has reached the **highest level** since 2009.
AIM listing is very active as well as the companies transitioning from AIM to MTA.

Debt

MTS is the wholesale government bond market. 20k+ securities

MOT is the regulated Fixed Income Market which host Italian government bonds, other debt securities, corporate bonds Eurobonds, foreign government/ supranational bonds.

ExtraMOT is the MTF dedicated to debt instruments.

256 listed instruments; 180 issuers;
12.5+ € Bn money raised.



In 2017 YTD, **54 Corporate Bonds** have been issued on Extra-Mot Pro for a total Money Raised = €5.07bn (vs 2016 52 Corp for €2.96bn)

Derivatives

IDEM is the Italian Derivatives Market managed by Borsa Italiana.

The product range of the equity derivative market includes: FTSE MIB index futures and mini-futures; FTSE MIB dividend index futures; FTSE MIB index options and weekly options; Italian and Pan-European stock futures; Italian and Pan-European single stock dividend futures; Italian single stock options.



FTSE ITALIA **PIR Mid Cap** Index TR **Future** started trading on the 4th December 2017.

ELITE

ELITE is a programme that helps fast-growing private companies:

- prepare and structure for further growth through sharing experiences
- access to financing opportunities and education.

ELITE offers a three-phase-programme, supporting private companies in a unique process of cultural and organizational change, introducing them to the capital markets, enhancing relations with the banking and enterprise systems, fostering internationalization.



632 private companies across 25 countries, 34 sectors, 50 € Bn total revenues and 224,000 employees.

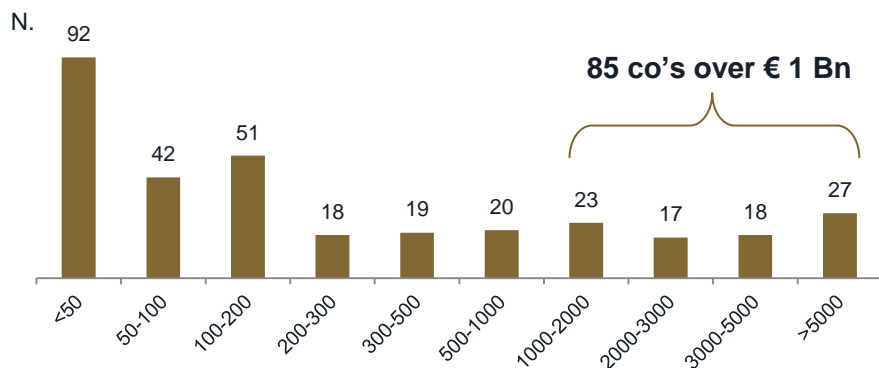


Listed companies: key figures

Listed Companies

N. of listed companies	334
N. of Italian listed companies	330
N. of domestic non financial co's	258
N. of domestic non fin. SMEs	178

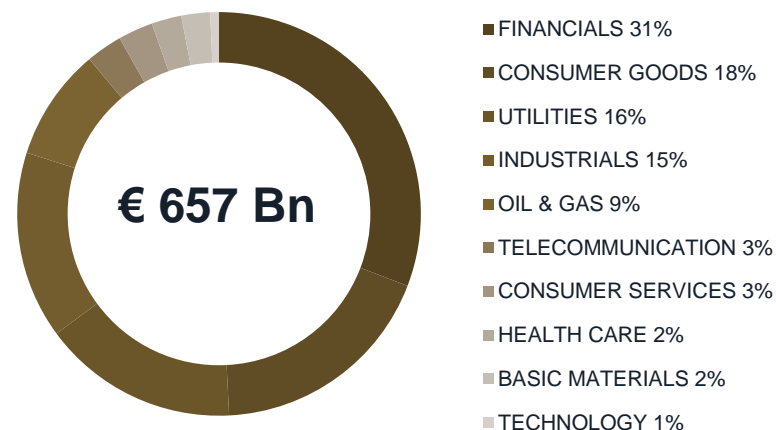
Breakdown by Market Capitalisation ranges



Mkt Cap ranges – Data in €M – Italian companies only, not suspended.

Source: Borsa Italiana, MA PMK, October 2017

Market Capitalisation by Industry



Index

Index	N.	Mkt Cap (€Bn)
FTSE MIB	40	501.5
FTSE Italia STAR	72	42.2
FTSE AIM Italia	89	5.2



Highlights for 2017 and pipeline

Key highlights from Italian Markets

€ 4.5 Bn

Money raised at IPO during 2017

€ 3.6 Bn on MTA
€ 0.9 Bn on AIM Italia

34

MTA+AIM:
Newly admitted
companies during
2017, of which 24
IPOs

21

AIM ITALIA:
21 Admissions of
which 18 IPOs

MTA Case studies for 2017



DoBank is a leader, among independent servicers, in the business of managing primarily non-performing loans for banks and public and private financial institutions. Listed on MTA; money raised € 343 Mn and market cap at IPO of € 720 Mn.



Avio is an international group, leader in the design and production of space launchers and liquid and solid propulsion systems for space transport. Listed on the STAR segment following a business combination with a SPAC.



GIMA TT operates in the tobacco industry and specifically in the design and manufacture of complete packaging lines. Listed on the STAR segment, the company raised € 385 Mn with a market cap of € 1.1 Bn at the top of the price range, with 8x oversubscription.



One of the world's largest tyre manufacturers focused in the Consumer segment where, thanks to a distinctive high-end positioning, it holds leading positions in the Premium and Prestige market segments. Largest IPO in Europe for money raise (€ 2,398 Mn).

Pipeline 2017-2018

~5

Additional 5 companies
expected on the market
within the end of 2017

50

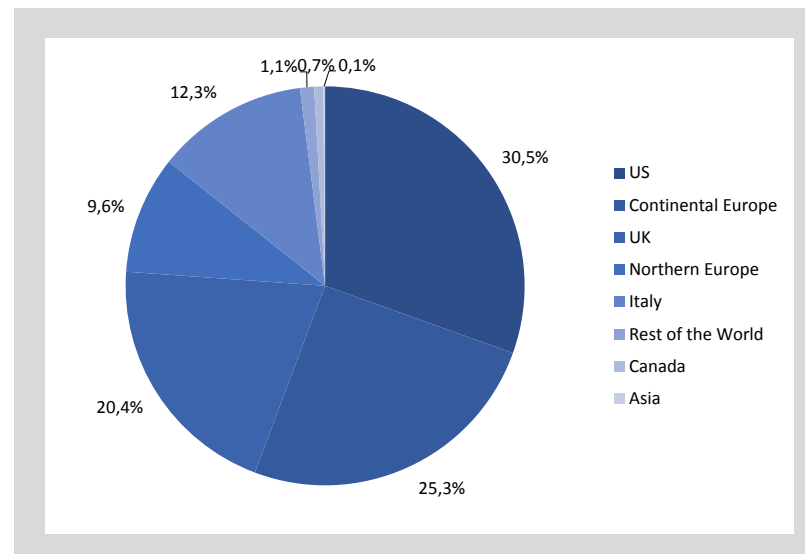
Ca. 50 companies
expected on the market in
2018



The Mid Cap shareholding base is global and diversified

- 88% of FTSE Italia Mid Cap market value is owned by international investors
- U.S. investors account for 30% of overall market value

Country	# Inv. Firms	% of # Inv. Firms	Market Value (€)	% on Total Market Value
United States	162	22%	6.281.561.353	30%
United Kingdom	109	15%	4.207.060.026	20%
Italy	42	6%	2.535.439.517	12%
France	76	10%	2.384.122.672	12%
Norway	5	1%	1.407.682.059	7%
Germany	72	10%	781.842.379	4%
Switzerland	48	7%	707.269.571	3%
Netherlands	7	1%	479.693.820	2%
Belgium	10	1%	317.705.190	2%
Spain	42	6%	287.956.111	1%
Australia	10	1%	227.652.559	1%
Sweden	15	2%	195.450.394	1%
Denmark	9	1%	192.970.378	1%
Luxembourg	20	3%	180.259.753	1%
Canada	24	3%	150.312.930	1%
Ireland	9	1%	106.864.454	1%
Other	69	9%	173.235.819	1%
	791	100%	20.723.045.620	100%



Company	Mkt Value (€mn)	Country
Norges Bank Investment Management	1.405	Norway
The Vanguard Group, Inc.	856	United States
Fidelity Management & Research Co.	634	United States
Dimensional Fund Advisors LP	591	United States
Lyxor International Asset Management SAS	581	France
BlackRock	552	United States
Azimut Capital Management SGR SpA	447	Italy
Amber Capital (UK) LLP	430	United Kingdom
JPMorgan Asset Management (UK) Ltd.	420	United Kingdom
Threadneedle Asset Management Ltd.	383	United Kingdom

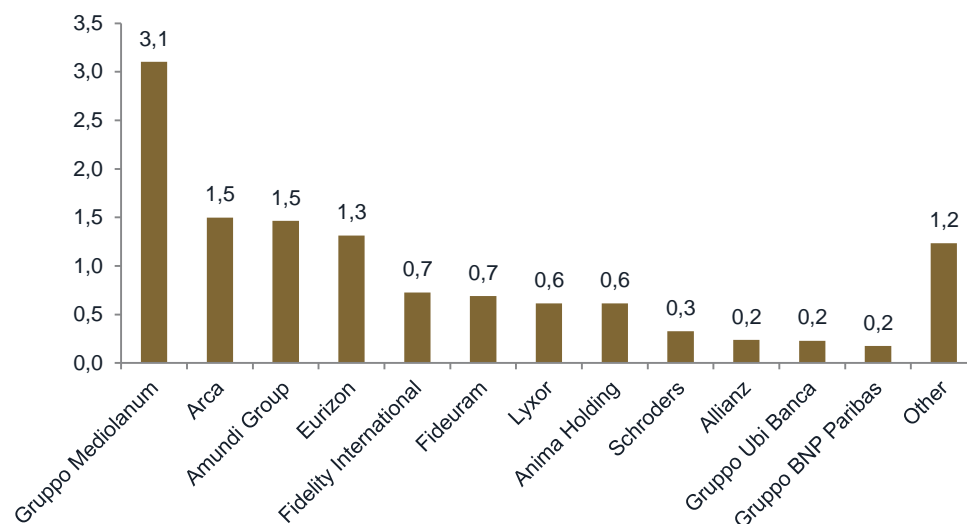
Focus PIR: i fondi attivi oggi

- ✓ I PIR hanno consentito il lancio di nuovi fondi e generato nuova raccolta con stime sensibilmente più importanti rispetto a quanto stimato inizialmente dal Governo

Statistiche PIR

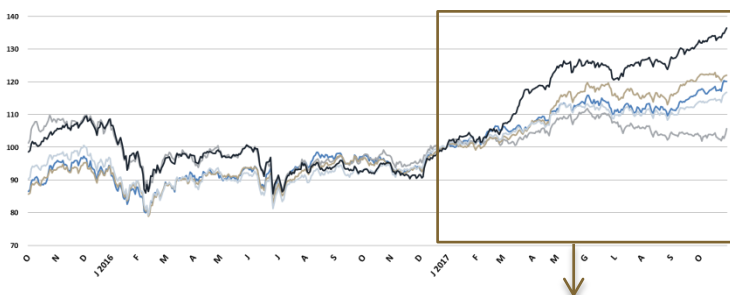
- **44 Fondi PIR Compliant**
- **€ 7.5 miliardi di raccolta netta** da inizio 2017 a fine Settembre (di cui € 5.2 miliardi da nuovi fondi e € 2.3 miliardi da fondi pre-esistenti) suddivisa tra:
 - azionari: € 1,4 miliardi
 - bilanciati: € 4,3 miliardi
 - obbligazionari: € 0,04 miliardi
 - flessibili: € 1,8 miliardi
- **€ 10.8 miliardi di Asset Under Management** complessivi
- **€ 10 miliardi** ultima stima del Governo su raccolta 2017, rispetto alla stima iniziale di €1.8 miliardi
- **Totale patrimonio promosso** (incluse le performance dei fondi): **€ 12,2 miliardi**

Patrimonio Promosso, € Miliardi



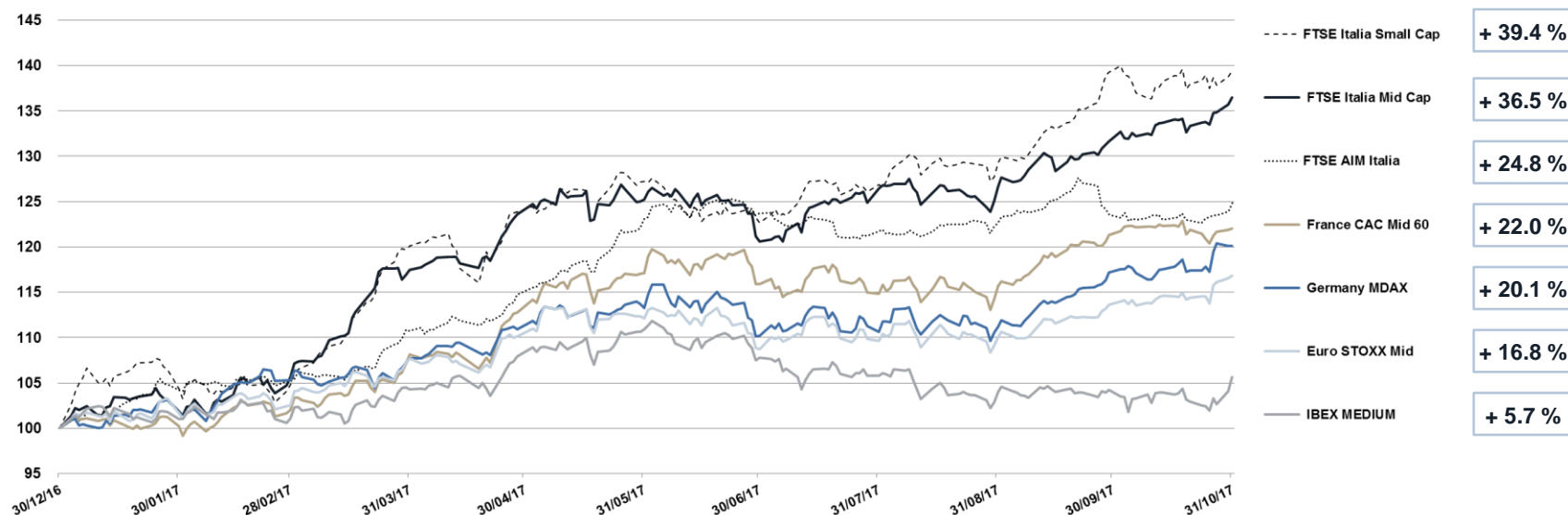


Indices performance comparison



- Positive performance confirmed vs EU MID Cap indexes
- Outperformance FTSE Italia MID vs European MID Cap Indexes

Index Base = 100 30.12.2016

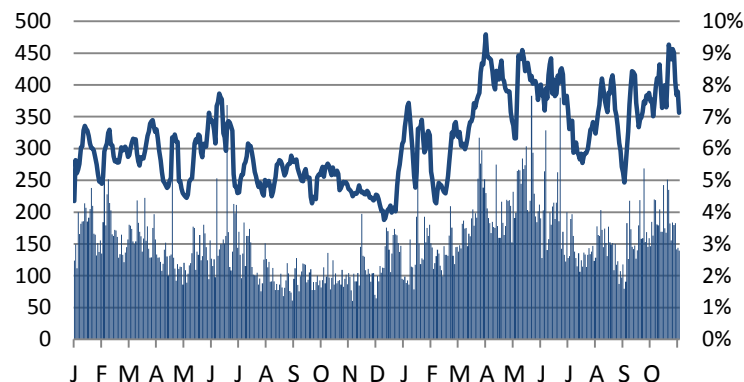




Italian Indexes daily turnover increased across the board

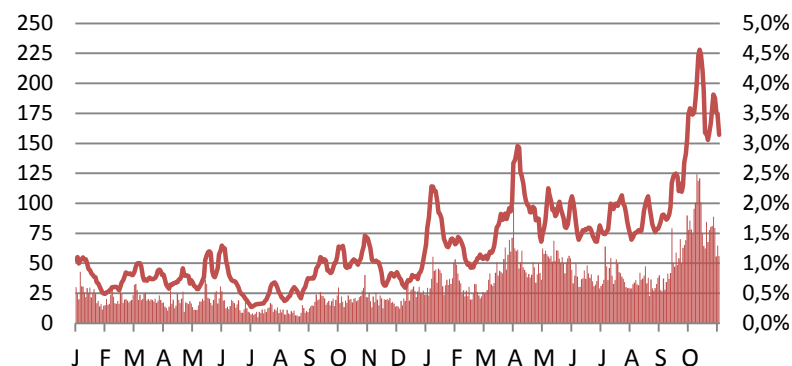
FTSE ITALIA MID CAP SHARES

daily turnover (left, €m) and % of MTA (right) - Jan 2016 - Oct 2017



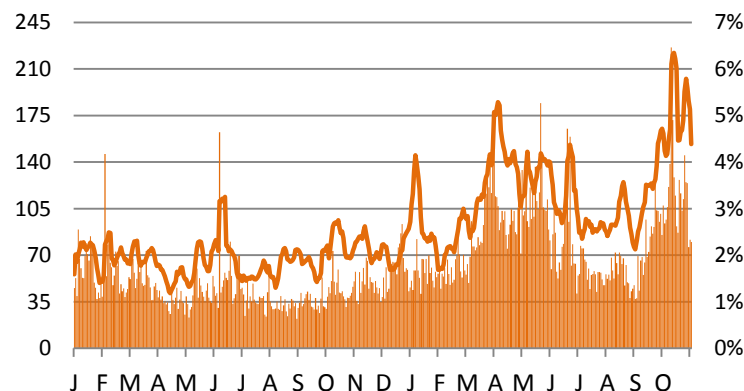
FTSE ITALIA SMALL CAP SHARES

daily turnover (left, €m) and % of MTA (right) - Jan 2016 - Oct 2017



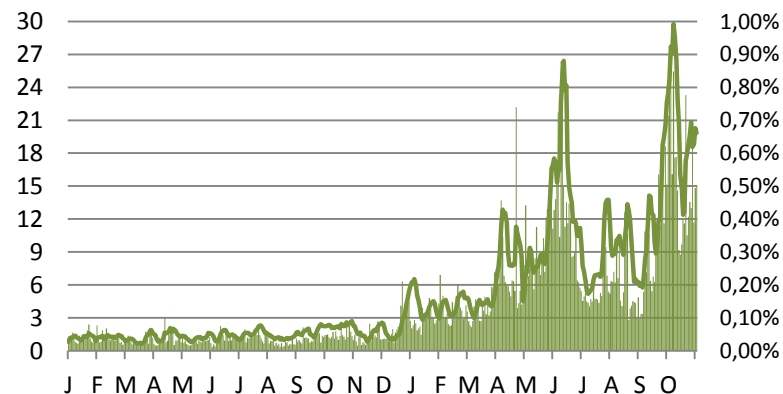
FTSE ITALIA STAR SHARES

daily turnover (left, €m) and % of MTA (right) - Jan 2016 - Oct 2017



FTSE ITALIA AIM CAP SHARES

daily turnover (left, €m) and % of MTA (right) - Jan 2016 - Oct 2017

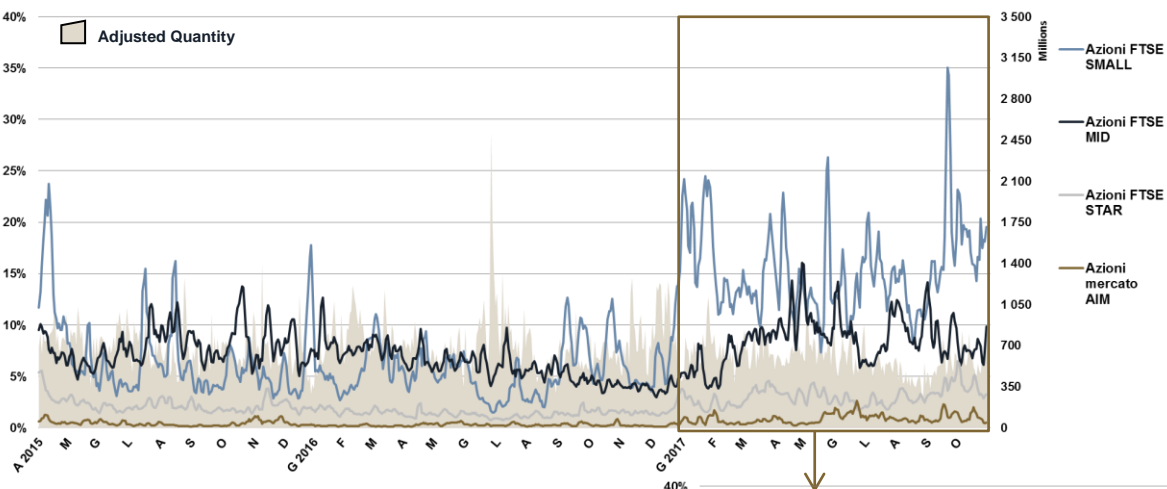


Equity Transaction

% SME shares quantity vs overall equity shares



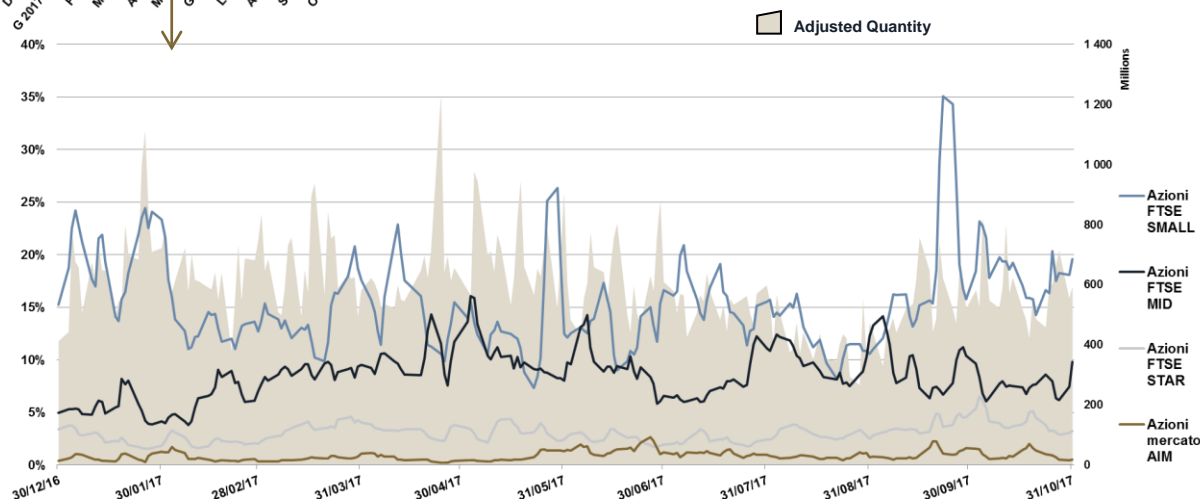
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Increased % weight of SMALL, MID, STAR ed AIM transaction without increasing overall number of share exchanged

(% weight : 3 days moving average)

	Mediana 2 Y	Mediana Gen-Oct 2017
SMALL	8.1 %	14.4 % ↑
MID	6.8 %	8.3 % ↑
AIM	0.4 %	0.7 % ↑
MIB	78.0 %	70.3 % ↓

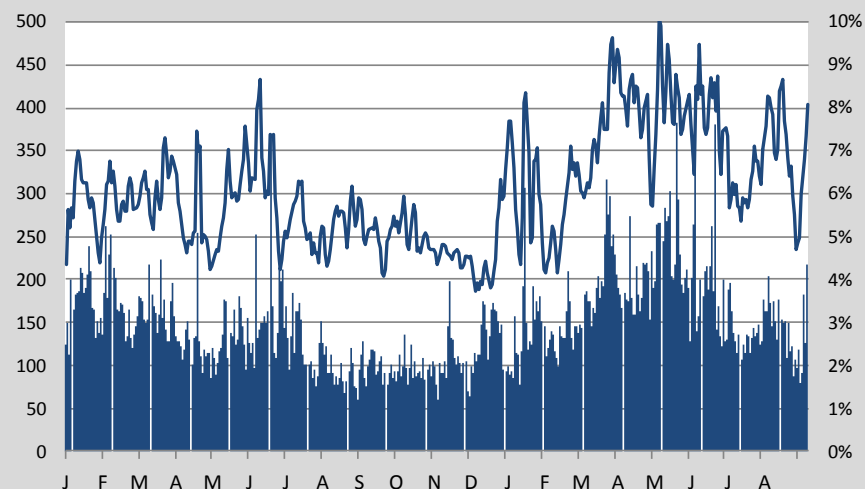


FTSE Italia PIR Mid Cap Total Return Index Futures

- Borsa Italiana listed a **new future contract**, compliant with the portfolio allocation requirements set by the government compliant to the PIR requirement:
- **FTSE Italia PIR Mid Cap TR Index Futures**
 - Trading started on 4th December 2017
 - Liquidity supported by the electronic market making community
 - A Total Return index reduces the effects of dividends, not included in the price discovery of the futures contract, minimizing the operational risks
 - Expiries: 4 quarterly maturities as DEC17, Mar18, Jun18, Sept18
 - Cash settled
 - 1 index point = 1€
 - 9:00 – 17:50 continuous trading
 - Bloomberg code: PIRA index

FTSE ITALIA MID CAP SHARES

daily turnover (left, €m) and % of MTA (right) - Jan 2016 - Aug 2017





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