

Luxury Goods Growth May Slow to 3%, With \$318 Billion 2013 Sales

11/04/2013

	2013 ▼	2014 ▼	2015 ▼	2016 ▼	2017 ▼	2018 ▲
Global Luxury Goods Market, Retail Value US\$m						
Designer Apparel (Ready-to-Wear)	132,894.3	136,742.3	140,868.1	145,181.3	149,691.9	154,278.0
Luxury Jewellery and Timepieces	62,215.9	65,039.6	68,363.8	71,647.4	75,042.2	78,688.2
Luxury Accessories	52,294.5	54,729.0	57,470.2	60,047.5	62,988.7	65,805.2
Fine Wines/Champagne and Spirits	29,419.6	30,510.8	31,637.9	32,963.4	34,381.8	35,842.3
Super Premium Beauty and Personal Care	28,006.7	28,959.3	29,892.5	30,936.3	32,150.3	33,376.9
Luxury Cigars	5,516.0	5,635.0	5,726.2	5,814.7	5,939.6	6,077.0
Luxury Travel Goods	4,575.5	4,754.1	4,952.6	5,135.4	5,329.2	5,511.9
Luxury Writing Instruments and Stationery	2,124.1	2,159.7	2,205.0	2,257.8	2,315.1	2,376.4
Luxury Electronic Gadgets	1,114.0	1,148.2	1,207.0	1,274.8	1,353.2	1,431.4

Source: Euromonitor International 10/31/2013

Global luxury goods sales are expected to exceed \$318 billion in 2013, slowing to just more than 3% growth yoy, according to Euromonitor. Growth rates may improve to 4% a year in the mid term, driving global luxury goods revenue toward \$385 billion by the end of 2018. Of the largest categories, designer apparel (40% of luxury goods sales) is forecast to undershoot the market's 4% growth, at only 3%, while jewelry (20%) and accessories (10%) should each rise 4.7% a year.

Deborah Aitken
Luxury Goods Team
--Bloomberg Industries

Big Luxury Stock Sales Buck Trend Amid 2013's Broader Slowdown

11/04/2013

	2013 Q3	2013 Q2	2013 Q1	2012 Q4	2012 Q3	2012 Q2
1 Yr Constant Currency Sales (%)- average		10.6	10.9	10.3	8.5	9.8
Pandora A/S		54.4	41.2	6.9	6.8	-15.5
Yoox SpA		21.9	23.5	24.4	23.5	27.1
Hermes International		16.0	12.8	18.5	15.7	13.4
Prada SpA		14.5	15.2	14.0	25.0	19.0
Salvatore Ferragamo Italia SpA		13.0	9.6	11.0	8.0	16.7
Hugo Boss AG	4.0	11.0	-2.0	19.0	-3.0	14.0
Fossil Inc *		10.8	10.2	14.8	5.9	13.5
Kering - Luxury Segment *	5.6	9.4	6.4	13.9	11.9	17.4
LVMH Moet Hennessy Louis Vuitton	8.0	9.0	7.0	6.0	6.0	10.0
Tiffany & Co		4.0	13.0	5.0	5.0	3.0
Tod's SpA		2.2	0.6	7.3	7.3	7.5

Luxury goods' growth in the low single-digits in 2013 would represent a slowdown compared with last year's high single-digit expansion and 2010 and 2011's double-digit growth, based on company organic sales. Even so, growth at listed luxury companies reporting sales on an organic basis (excluding acquisitions and divestitures) was a relatively resilient 10.9% in 1Q and 10.6% in 2Q, seemingly buoyed by emerging-market demand for historically under-penetrated brands.

For interactive exhibit on Bloomberg, run:
 BI LUXGG 1090 |1097-2-Q-RATIO|Q12||R737<GO>

Luxury Goods Team
 --Bloomberg Industries

Europe Is Largest Luxury Region, Chinese Are Biggest Consumers

11/04/2013

	2008 ▼	2009 ▼	2010 ▼	2011 ▼	2012 ▼	2013 ▼
Global Luxury Goods Value, Retail Value \$m						
World	265,851.8	250,182.4	266,105.2	298,160.9	308,346.9	318,160.6
Asia Pacific	55,500.7	57,049.5	64,824.9	76,576.7	83,280.1	83,635.9
Australasia	3,896.7	3,722.5	4,493.5	5,293.5	5,583.0	5,793.7
Eastern Europe	12,888.2	10,022.2	11,447.9	13,170.3	13,855.9	15,135.6
Latin America	12,469.9	11,765.0	13,630.7	15,165.1	15,441.7	16,568.2
Middle East and Africa	8,380.9	8,535.7	9,012.4	9,469.9	9,923.7	10,460.4
North America	67,884.5	60,940.1	65,087.9	72,748.5	78,263.1	82,099.3
Western Europe	104,830.9	98,147.3	97,607.8	105,736.9	101,999.3	104,467.5

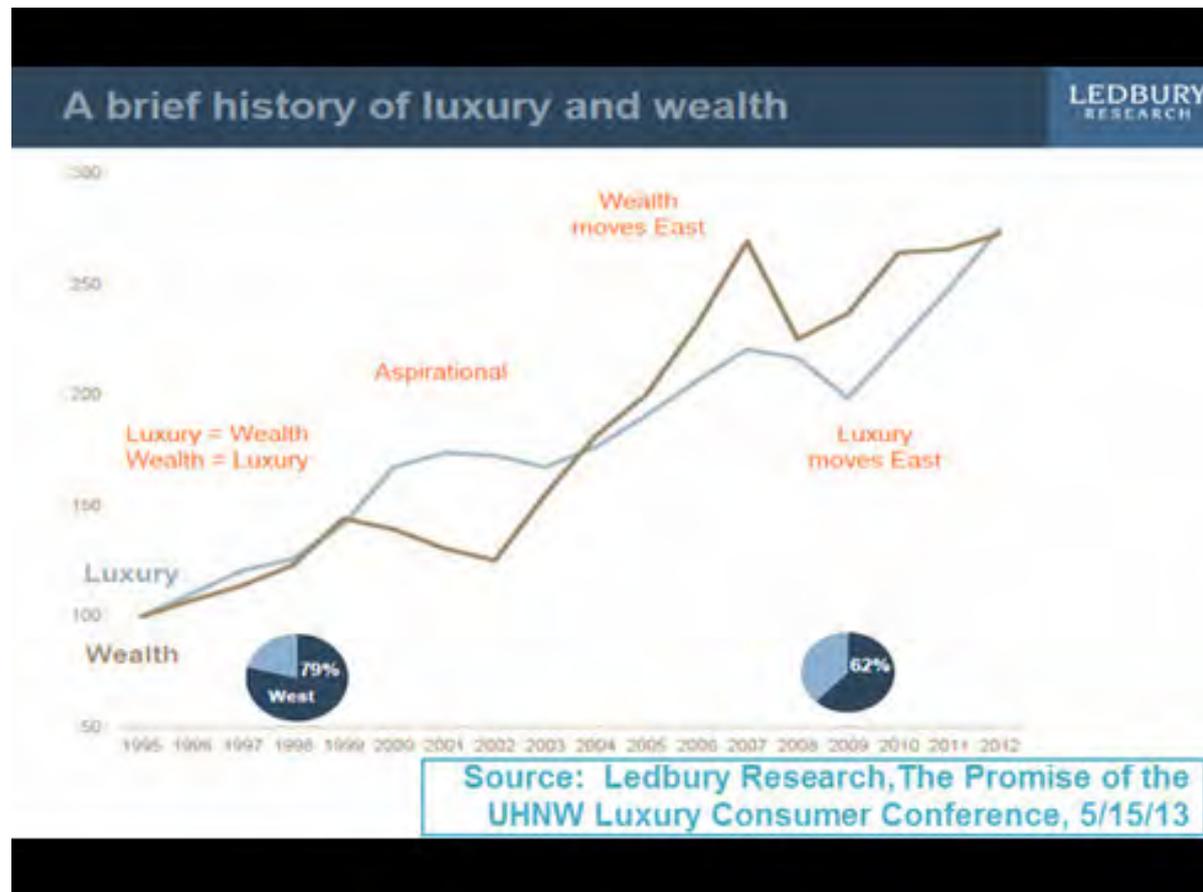
Source: Euromonitor International 10/31/2013

Europe is the largest region for luxury goods, with Euromonitor projecting sales accounting for 38% (\$122 billion) of global retail sales in 2013. Luxury sales may expand about 2% by the end of 2013, with rising tourist purchases more than offsetting slower local consumption. Chinese consumers make up 30% of global luxury goods sales, including those made abroad, and are forecast to spend more than \$100 billion on luxury goods by mid-2015.

Luxury Goods Team
--Bloomberg Industries

Wealth Moving Eastwards Draws Luxury Brands to China, Russia

11/05/2013



The East's share of global wealth has surged to almost 40% from 21% in a decade, according to Ledbury Research, fuelled by economic growth in China and Russia. The region's importance to luxury-goods makers has expanded similarly, prompting Burberry, Prada and others to open stores across Asia. Rising purchases by Asians, both locally and overseas, helped boost global luxury sales above \$300 billion last year.

For interactive exhibit on Bloomberg, run:
DOCC CF WD000000002088141972 P2<GO>

Luxury Goods Team
--Bloomberg Industries

Luxury Targets China's \$200,000 Burgeoning Income Households

11/05/2013

	2017	2016	2015	2014	2013	2012
Number of Households Above Disposable Income Bands						
Number of Households in '000 above \$200,000 Income Band						
USA	16,258.3	15,661.8	15,153.4	14,619.5	14,084.9	13,760.1
Japan	2,453.1	2,436.2	2,418.3	2,399.5	2,379.9	2,359.2
China	2,402.2	2,225.3	2,055.7	1,907.2	1,736.6	1,582.1
Australia	1,510.8	1,457.1	1,405.0	1,353.1	1,303.6	1,256.3
Germany	1,144.4	1,133.5	1,122.1	1,110.3	1,098.0	1,083.9
Canada	1,018.1	980.3	945.2	910.2	867.9	828.3
France	926.8	912.6	898.2	883.7	869.1	853.5
United Kingdom	849.7	833.8	818.1	802.7	787.2	769.5
Brazil	763.7	719.8	675.3	632.1	593.2	554.7
Italy	671.6	673.0	673.9	674.4	674.5	673.8
India	632.4	585.2	539.7	498.1	459.9	425.9
Russia	621.5	589.5	555.6	520.4	478.9	442.5
Switzerland	455.4	444.8	434.4	421.7	410.1	398.6
Spain	424.2	421.2	418.0	414.6	410.9	406.8

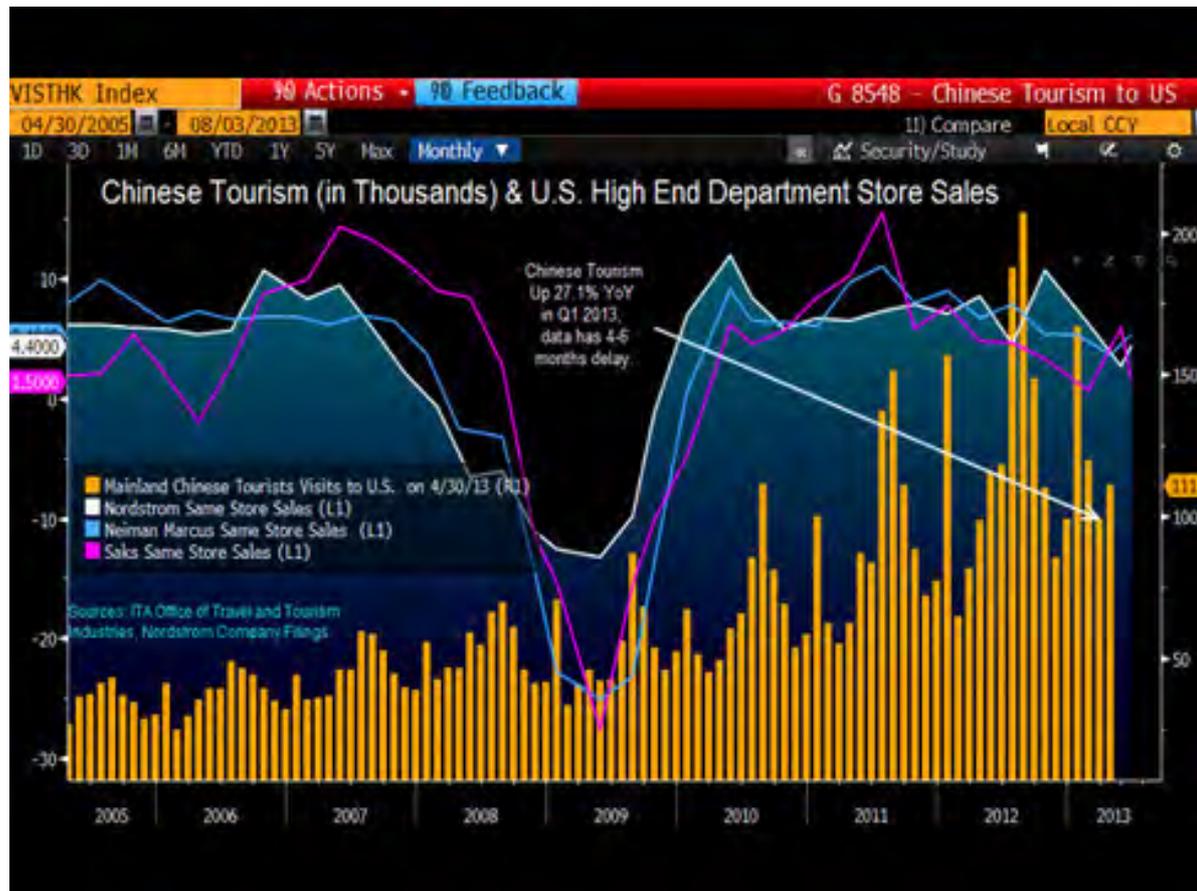
Luxury companies project the highest mid-term growth potential globally in China and emerging markets. Households with disposable incomes above \$200,000 will make up 0.5% of total Chinese homes by 2017, Euromonitor estimates. In absolute terms, this means 820,000 new households in five years to a total of 2.4 million. This equates to 8.7% annual household expansion in China, which compares with 8.2% in India, followed by Russia at 7% and Brazil at 6.6%.

For interactive exhibit on Bloomberg, run:
 BI LUXGG 1114 |1114-2-A-VALUE|A12||R297<GO>

Luxury Goods Team
 --Bloomberg Industries

Luxury Brands Cater to Chinese Tourism With Shops in More Cities

11/05/2013



Luxury-goods makers are opening more mono-brand stores in mid-sized cities across the U.S. and Europe, hoping to capture China's fast-growing middle-class leisure travelers who are often on repeat visits and seeking different city locations. Mainland Chinese visitors to the U.S. rose 27% in 1Q, exceeding the 20% annual increases of 2006-12. Chinese visitors now account for 19% of Asia tourists to the U.S., vs. 10% only five years ago.

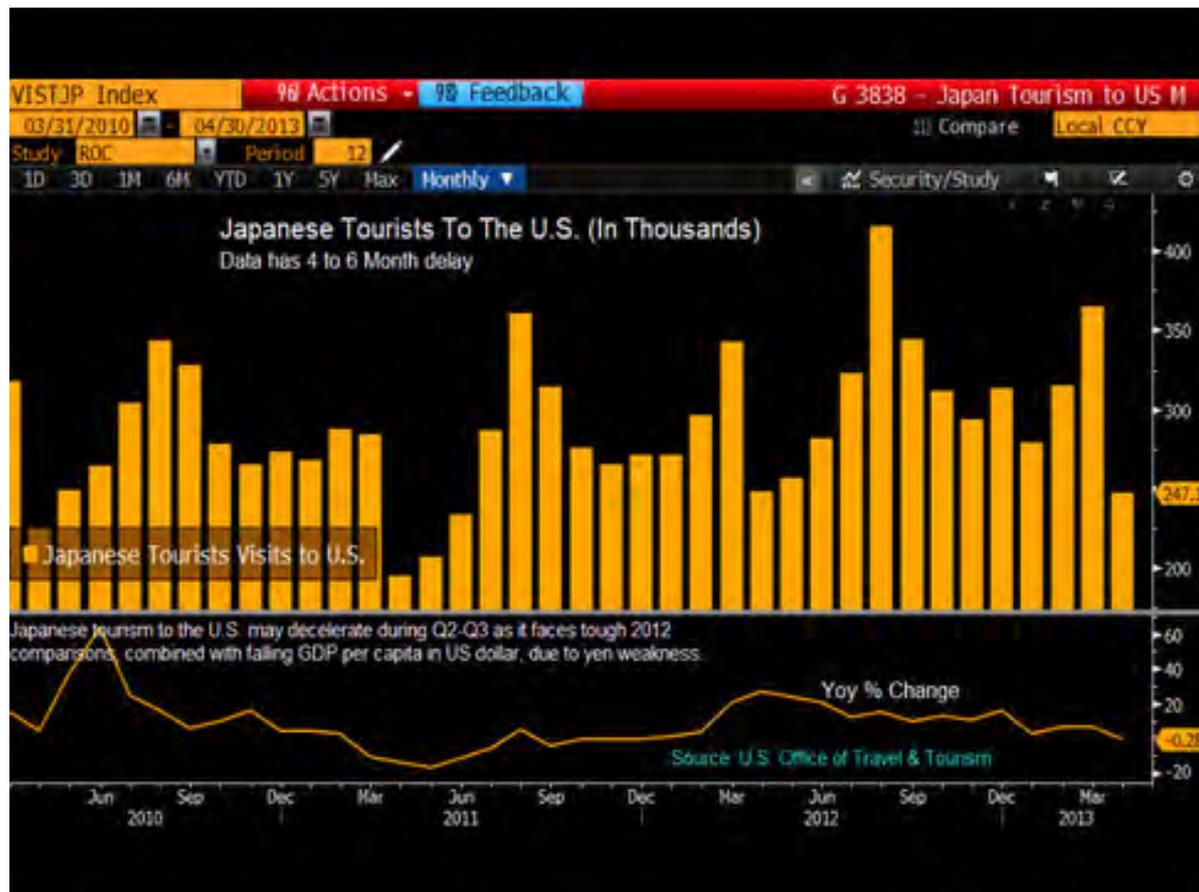
For interactive exhibit on Bloomberg, run:
G BI 8548<GO>

Luxury Goods Team
--Bloomberg Industries

Themes > Pambianco Luxury Event, November >> Exhibit 7 of 17

Japan Tourists Cut U.S. Travel, Luxury Spending on Yen Weakness

11/05/2013



Japanese tourists and spending may fall further in 2013 vs. 2012, on yen weakness. Latest data (with a four-to-six-month delay) indicate Japanese tourists to the U.S. fell 0.3% in April, after 5.6% growth in 1Q. A 12% ytd decline in the yen vs. the dollar means more-recent trips are likely to have declined, with high 3Q12 visitor levels making for a tough comparable. Japanese tourists to the U.S., at 3.7 million in 2012, made up 45% of total Asian visitors.

For interactive exhibit on Bloomberg, run:
G BI 3838<GO>

Luxury Goods Team
--Bloomberg Industries

Flagging Yen Dents Luxury Goods Sales, Margins in Japan

11/05/2013

View	8 Ann	Growth	None	Select Companies	Curr		
				2012	2011	2010	2009
Prada SpA				35.2	34.2	30.0	25.4
Samsonite International SA				33.7	33.6	30.3	25.0
Kering - Luxury Segment				32.0	32.0	30.0	27.8
Hermes International				31.6	28.4	26.3	22.1
LVMH Moet Hennessy Louis Vuitton				28.1	27.2	24.6	22.6
Tiffany & Co				21.4	20.5	17.8	15.7
Coach Inc (Asia & Canada excl. Japan)				19.3	14.2	12.2	9.8
Harry Winston Diamond Corp					35.7	39.2	34.2
Japan							
Tiffany & Co				16.8	16.9	17.7	18.9
Hermes International				15.6	16.6	18.9	21.3
Coach Inc				15.0	17.7	18.2	20.0
Kering - Luxury Segment				12.0	13.0	14.0	15.5
Salvatore Ferragamo Italia SpA				11.6	13.0	16.2	17.9
Cie Financiere Richemont SA				8.9	9.4	10.7	12.1
Prada SpA				8.9	10.0	10.8	12.1
LVMH Moet Hennessy Louis Vuitt				8.4	8.3	8.8	9.9

A weaker yen is denting sales and margins of some luxury goods companies deriving a large portion of revenue from Japan and Japanese tourists. Swatch's Harry Winston (20% of sales from Japan), Coach (17%), Tiffany (17%) and Hermes (16%) are most exposed. The yen has weakened 12.1% vs. the dollar since the beginning of 2013, and 14% vs. the euro. Translation effects may be offset by price increases on the most-sought-after luxury brands in Japan.

For interactive exhibit on Bloomberg, run:
 BI LUXGG ST |1232-2-A-RATIO|A8||R298,292,290<GO>

Luxury Goods Team
 --Bloomberg Industries

Themes > Pambianco Luxury Event, November >> Exhibit 9 of 17

LVMH in M&A Mode Spends \$10.4 Billion to Lead 97 Luxury Deals

11/06/2013

Deal Type	Announce Date	Target Name	Acquirer Name	Seller Name	Announced Total Value (mil.)
1) ACQ	03/07/2011	Bulgari SpA	LVMH Moet Hennessy Louis ...		3,023.97
2) ACQ	07/08/2013	Loro Piana SpA	LVMH Moet Hennessy Louis ...		2,573.60
3) ACQ	03/07/2011	Bulgari SpA	LVMH Moet Hennessy Louis ...		2,563.19
4) ACQ	10/23/2010	Hermes International	LVMH Moet Hennessy Louis ...		2,018.83
5) DIV	12/09/2010	Conforama Holding SA	Steinhoff International Hol...	Kering	1,595.90
6) DIV	01/14/2013	Harry Winston Inc	Swatch Group AG/The	Dominion Dia...	1,000.00
7) DIV	07/26/2012	CFAO SA	Toyota Tsusho Corp	Kering	844.80
8) ACQ	04/01/2010	Net-A-Porter Ltd	Cie Financiere Richemont SA		534.55
9) DIV	12/05/2012	OSP Group Inc	Multiple acquirers	Kering	525.00
10) ACQ	05/02/2011	Volcom Inc	Kering		511.92
11) DIV	02/25/2013	Multiple Targets	Nordic Capital Svenska AB	Kering	362.78
12) DIV	11/08/2012	Multiple Targets	Northern Tool & Equipment...	Kering	215.00
13) DIV	01/03/2013	Cyrrillus and Vertbaudet ...	Alpha Groupe	Kering	156.02
14) ACQ	10/07/2011	Heng Long International...	LVMH Moet Hennessy Louis ...		128.38

LVMH disclosed spending of more than \$10.4 billion across 30 deals since the start of 2010, ranking it as the most acquisitive luxury company globally, accounting for 31% of total deals and 61% of deal value. Bulgari was LVMH's single largest purchase, at \$5.6 billion, followed by an 80% stake in Italian cashmere clothier Loro Piana for \$2.6 billion. LVMH's stake in Hermes ranks third. Premiums paid both by the largest acquirer LVMH and others average 33%.

For interactive exhibit on Bloomberg, run:
MA T:5942331521938753142<GO>

Luxury Goods Team
--Bloomberg Industries

Themes > Pambianco Luxury Event, November >> Exhibit 10 of 17

Moncler Winter-Warmer IPO Adds to Luxury Goods Industry Deals

11/04/2013

Offer Stage	Count	YoY (%)	Region	Value	Perf. (%)	Industry	Value
Announced	24	.00	Global	13,128	249.44	All	13,128
11) Pending	0	.00	21) Europe	6,948	168.74	51) Consumer Cycl	10,115
12) Priced	22	.00	22) Asia Pacific	3,458	218.03	52) Consumer Ncycl	2,975
13) Trading	23	.00	23) North America	2,738	499.40	53) Industrial	40,408
14) Postponed	0	.00					
15) Withdrawn	1	.00					
16) Upcoming	0	.00					
17) Lock-up Exp.	0	.00					

N	Announced	Issuer Name	Size (M)	Type	S	Offer Price	Last Close	Perf. (%)
101)	12/13/2011	Tumi Holdings Inc	388.74	IPO	T	18.00	19.37	11.68
102)	12/02/2011	Michael Kors Holdings Ltd	1,085.60	IPO	T	20.00	74.03	270.15
103)	11/25/2011	Chow Tai Fook Jewellery Group	2,051.06	IPO	T	15.00	11.70	-22.00
104)	05/31/2011	Brunello Cucinelli SpA	249.86	IPO	T	7.75	23.47	202.84
105)	02/21/2011	Samsonite International SA	1,296.34	IPO	T	14.50	21.75	50.00
106)	10/06/2010	Prada SpA	2,479.23	IPO	T	39.50	78.25	98.10
107)	09/07/2010	Pandora A/S	1,942.56	IPO	T	210.00	249.80	18.95
108)	02/19/2008	Salvatore Ferragamo SpA	558.49	IPO	T	9.00	25.79	186.56

Following a cancelled attempt in 2011, Italian ski-wear company Moncler plans to list before the end of the year. The deal may value the company at about 3 billion euros (\$4.07 billion), raising 800 million euros to 1 billion euros, based on a 30% to 35% stake sale. The IPOs of Brunello Cucinelli (2011), Prada (2010) and Salvatore Ferragamo (2008) have proved some of the most successful in the industry, with Cucinelli up 203%, Prada up 98% and Ferragamo 187% higher since flotation.

For interactive exhibit on Bloomberg, run:
 IPO T:5934897989941986344<GO>

Luxury Goods Team
 --Bloomberg Industries

Themes > Pambianco Luxury Event, November >> Exhibit 11 of 17

Tiffany Mulls Watches Plan as Swatch 2027 Deal Nears Early Close

11/04/2013

Brand Name	Brand Owner	Licensee	License Start	License End	License First Signed
adidas	adidas	Fossil		2017	
Tory Burch	Tory Burch	Fossil			2014
Tommy Hilflger	Tommy Hilflger	Movado			
Tiffany & Co.	Tiffany & Co.	Swatch	2007	2027	2007
Union Glashutte	Swatch Group				
Balmain	Swatch				
Blancpain	Swatch				
Breguet	Swatch				
Certina	Swatch				
CK	Swatch				
Flik Flak	Swatch				
Glashutte Original	Swatch				
Hamilton	Swatch				
Harry Winston	Swatch				
Jaquet Droz	Swatch				
Leon Hatot	Swatch				

Swatch's 20-year license to manufacture Tiffany & Co. watches, which began in 2007, seems set to end prematurely. A Form 8-K submitted by Tiffany on Oct. 11 says that it is proceeding with plans to design, produce, market and distribute Tiffany watches via alternative arrangements. Royalties to Tiffany have not been significant, constituting 1% of sales (about \$36 million) in 2012, 2011 and 2010. Swatch also holds a watch license with PVH for Calvin Klein.

For interactive exhibit on Bloomberg, run:
 BI LUXGG 1094 |1094-A-VALUE|12||R44695552<<GO>

Luxury Goods Team
 --Bloomberg Industries

Themes > Pambianco Luxury Event, November >> Exhibit 12 of 17

Luxottica-Licensed Armani, Coach Eyewear Bring Superior Growth

11/04/2013

Brand	Owner	Licensee	License Start	License End	License First Signed
A/x Armani Exchange	Armani	Luxottica	Jan-13	Jan-23	1988
Brooks Brothers	Retail Brand Alliance	Luxottica	Dec-09	Dec-14	1992
Bulgari	LVMH	Luxottica	Jan-11	Dec-20	1997
Burberry	Burberry	Luxottica	Jan-06	Jan-16	Jan-06
Chanel	Chanel	Luxottica	Jan-08	Mar-14	1999
Coach	Coach Inc	Luxottica	Jan-12	2016	Jan-12
Coach Poppy	Coach Inc	Luxottica	Jan-12	2016	Jan-12
D&G	D&G	Luxottica	Dec-10	Dec-15	Jan-06
DKNY	Donna Karan	Luxottica	Apr-09	Dec-14	2005
Dolce & Gabbana	D&G	Luxottica	Dec-10	Dec-15	Jan-06
Donna Karan	Donna Karan	Luxottica	Apr-09	Dec-14	2005
Emporio Armani	Armani	Luxottica	Jan-13	Jan-23	1988
Giorgio Armani	Armani	Luxottica	Jan-13	Jan-23	1988
Miu Miu	Prada	Luxottica	Dec-12	Dec-18	2003
Polo Ralph Lauren	Polo Ralph Lauren	Luxottica	Jan-07	Jan-17	Jan-07
Prada	Prada	Luxottica	Dec-12	Dec-18	2003
Reed Krakoff	Coach Inc	Luxottica	Jan-12	2016	Jan-12

Luxottica, which sells eyewear under license from a range of luxury brands, increased 3Q organic wholesale sales by 13%. The company projects 2014 sales growth of more than 20% for Armani eyewear, and says Coach eyewear is also expanding, outpacing Coach group's handbag and accessories sales growth. Ranging from Armani to Versace, Luxottica holds 23 eyewear licenses. It also owns global eyewear brands, such as Oakley and Ray-Ban.

For interactive exhibit on Bloomberg, run:
 BI LUXGG 1094 |1094-A-DATA|12||R33882112<GO>

Luxury Goods Team
 --Bloomberg Industries

Top Luxury Watch Markets, Hong Kong and U.S., Rise Significantly

11/04/2013

Swiss Watch Exports

Click on image to view entire release

Swiss Watch Exports To Main Countries for September 2013

Countries	Mio. De CHF	Change in %	Share in %
Hong Kong	366.9	10.0%	19.3%
USA	207.3	17.4%	10.9%
China	126.5	-3.0%	6.7%
Germany	114.1	8.7%	6.0%
France	111.1	9.2%	5.8%
Italy	107.9	-1.4%	5.7%
Total 6 countries	1,033.8	8.1%	54.4%

Source: Federations of Swiss Watch Industry, 10/22/2013

Swiss watch exports rebounded 8.5% in September, amid the best growth since January. An extra day and easier comparables enhanced results. Even so, shipments to the top-six markets (totaling 54% of exports) rose 8.1%. The two biggest improved most, with Hong Kong up 10% (after a 3% decline in August) and the U.S. 17% higher (1% drop). China exports fell 3%, though are clearly recovering after a 4.7% decline in August and 15% drop ytd.

For interactive exhibit on Bloomberg, run:
DOCC CF WD000000002110648484 P1<GO>

Luxury Goods Team
--Bloomberg Industries

Asia-Exposed Luxury Jewelry Surpasses Peers in Past Three Months

11/06/2013

Name	Last Price	Daily Price Chg (%)	Weekly Return (%)	1M Price Chg (%)	3M Price Chg (%)	6M Price
Median	47.52	0.06%	0.28%	-0.30%	1.63%	10.21%
Average	89.65	0.18%	0.35%	1.16%	3.30%	14.59%
100) Chow Sang Sang Holdings Intern	3.22	-0.80%	2.24%	7.78%	37.69%	20.24%
101) Chow Tai Fook Jewellery Group	1.63	-1.56%	4.55%	14.88%	26.10%	20.80%
102) Luk Fook Holdings Internationa	3.61	1.08%	2.59%	15.46%	25.28%	29.93%
103) Movado Group Inc	46.29	-0.92%	0.19%	5.68%	25.28%	57.34%
104) Yoox SpA	36.01	0.75%	6.47%	6.80%	20.65%	87.24%
105) Folli Follie SA	29.94	1.37%	3.01%	13.50%	20.00%	39.80%
106) Pandora A/S	48.75	2.94%	2.95%	17.32%	16.46%	51.89%
107) Brunello Cucinelli SpA	30.90	-0.39%	-0.86%	-4.86%	12.69%	40.90%
108) Fossil Group Inc	127.39	0.33%	0.28%	8.63%	11.65%	34.15%
109) Michael Kors Holdings Ltd	75.59	-1.81%	0.01%	-0.34%	10.11%	33.79%
110) Hugo Boss AG	129.66	0.34%	1.83%	2.41%	7.85%	8.59%
111) Mulberry Group PLC	17.11	7.39%	-4.21%	10.82%	7.72%	20.79%
112) Swatch Group AG/The	637.61	0.26%	-1.02%	-0.51%	5.82%	9.30%
113) Emperor Watch & Jewellery Ltd	0.08	1.61%	-1.59%	-7.35%	5.00%	-18.18%
114) Prada SpA	9.78	0.33%	-2.20%	-1.04%	4.48%	10.17%

Several Asia-exposed jewelry stocks extended gains vs. other luxury peers in the past three months, as demand for jewelry and mid-priced watches beat consensus. Asian jewelry retailers Chow Sang Sang (up 38% in three months), Chow Tai Fook (26%) and Luk Fook (25%) were among the top performers. The average stock performance of Bloomberg Industries global luxury-goods peers undershot the MSCI World Index by 3.6% in the period, rising only 3.3%.

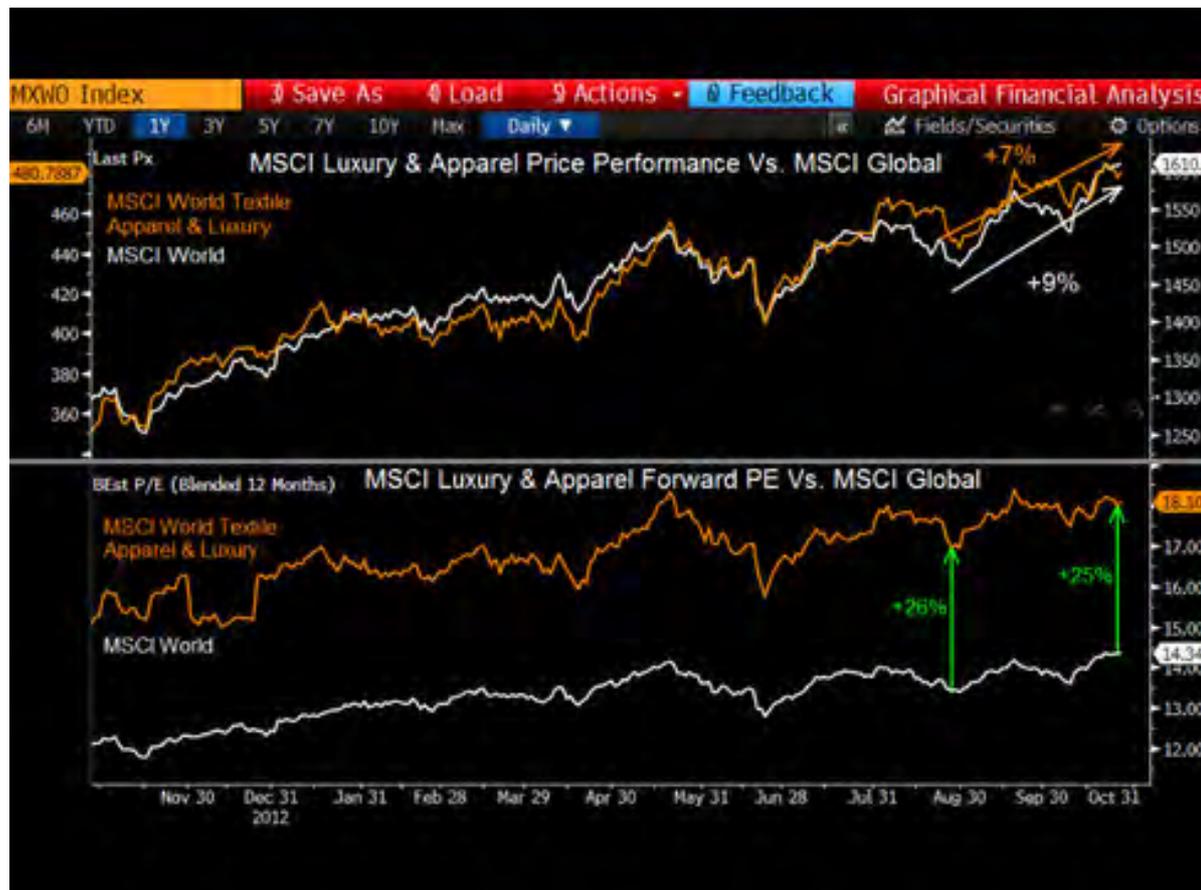
For interactive exhibit on Bloomberg, run:
 BI LUXGG MARKETS |8-3-7149|/#7149|USD<GO>

Luxury Goods Team
 --Bloomberg Industries

Themes > Pambianco Luxury Event, November >> Exhibit 15 of 17

Luxury Weakness vs. MSCI Linked to Saturated Big Brands In China

11/04/2013



MSCI apparel and luxury stocks rose 7% in the past two months, underperforming the MSCI by 2%, on slowing China demand for some luxury brands, including Louis Vuitton and Gucci. Even so, the luxury group climbed 37% ytd, 13% ahead of the broader index. At 17.9x, the luxury forward P/E still holds a 25% premium to the broader group. This may be being propped up by long-term consensus estimates calling for high single-digit luxury goods sales.

For interactive exhibit on Bloomberg, run:
 MXWO Index GF /LNK:00007DD00000004A<GO>

Luxury Goods Team
 --Bloomberg Industries

Rich Luxury Valuations Led by Online, New and Exclusive Brands

11/06/2013

Name	Market Cap	Free Float %	Enterprise Value	P/E FY1	P/E FY2	EV/Sales FY1	EV/EBITDA FY1
Median	6.82B	50.56	6.86B	19.77	17.24	2.70	12.24
Average	14.40B	58.43	15.51B	23.40	19.52	2.79	13.16
100) Yoox SpA	2.17B	78.33	2.17B	103.16	73.80	3.44	36.86
101) Brunello Cucinelli SpA	2.12B	31.16	2.16B	53.09	44.48	4.97	27.38
102) Hermes International	36.67B	7.11	35.95B	33.18	29.66	7.00	19.61
103) Salvatore Ferragamo SpA	5.73B	25.54	5.88B	28.69	24.73	3.43	16.13
104) Luxottica Group SpA	25.55B	27.64	27.69B	28.09	24.58	2.75	13.82
105) Mulberry Group PLC	1.00B	42.59	970.30M	27.85	23.23	3.31	16.76
106) Michael Kors Holdings Ltd	15.32B	88.71	14.68B	27.18	22.22	4.91	15.22
107) Ted Baker PLC	1.21B	63.88	1.26B	26.06	21.62	2.53	15.55
108) Prada SpA	25.19B	20.02	24.94B	25.31	21.19	4.96	14.88
109) Tumi Holdings Inc	1.45B	70.70	1.45B	26.36	20.76	3.12	13.95
110) Tod's SpA	5.01B	39.78	4.86B	23.30	20.56	3.51	13.45
111) Remy Cointreau SA	4.96B	45.13	5.31B	23.44	20.26	3.35	15.06
112) Tiffany & Co	10.11B	86.46	10.60B	21.83	19.28	2.64	11.17
113) Movado Group Inc	1.17B	94.24	1.02B	23.66	19.02	1.77	12.38
114) Safilo Group SpA	1.24B	46.05	1.50B	28.57	17.93	0.98	9.65

Amid expectations of low single-digit global luxury goods growth in 2013, consensus valuations across the group vary widely. Forward P/Es are led by luxury online retailer Yoox (74x), possibly driven by its strong position to capture the under-penetration of online sales. These account for only 3.5% of total luxury goods purchases, according to McKinsey. Brunello Cucinelli (44x), Hermes (30x) and Salvatore Ferragamo (25x) are also highly ranked.

For interactive exhibit on Bloomberg, run:
 BI LUXGG COMPS |113-3-RATIO-7149||#7149|USD<GO>

Luxury Goods Team
 --Bloomberg Industries

Themes > Pambianco Luxury Event, November >> Exhibit 17 of 17

Luxury Trades 9% Above Targets; Kweichow, Mid-Tier Brands Lead

11/06/2013

Name	Currency	Best Composite Rec	Total Buy Recs	Total Hold Recs	Total Sell Recs	Last Price	Best Target Price	Return Potential (%)
Median		3.89	10	7	2	75.87	83.97	9.01
Average		3.73	10	8	2	207.95	232.05	8.43
100) Kweichow Moutai Co Ltd	CNY	4.64	22	3	0	136.34	211.48	55.11
101) Tumi Holdings Inc	USD	3.91	6	4	1	21.38	24.83	16.15
102) Ted Baker PLC	GBP	4.11	6	2	1	1704.00	1975.00	15.90
103) Ralph Lauren Corp	USD	4.11	10	8	0	168.80	192.23	13.88
104) Christian Dior SA	EUR	4.47	12	2	1	141.65	159.33	12.48
105) Coach Inc	USD	3.82	17	21	1	50.42	56.69	12.44
106) PVH Corp	USD	4.56	15	2	1	124.53	139.60	12.10
107) Safilo Group SpA	EUR	4.00	7	5	0	14.76	16.52	11.90
108) Samsonite International SA	HKD	4.40	16	2	2	21.30	23.78	11.63
109) Burberry Group PLC	GBP	3.73	11	13	2	1532.00	1709.05	11.56
110) Movado Group Inc	USD	4.20	4	0	1	45.98	51.25	11.46
111) Remy Cointreau SA	EUR	3.25	9	9	6	72.31	80.58	11.44
112) Michael Kors Holdings Ltd	USD	4.19	15	4	2	75.43	83.89	11.21
113) Mulberry Group PLC	GBP	3.00	1	2	1	1085.00	1203.20	10.89
114) Prada SpA	HKD	4.06	22	10	3	76.30	84.36	10.56

The average luxury consensus price-target differential vs. current levels is 8%, with a composite recommendation of 3.73 (where 3 equals a "hold"). The price-target gap has narrowed to 8% from 16% through 3Q, on positive price performance. Kweichow Moutai leads the ranking, followed by several mid-tier brands, with Ted Baker, Ralph Lauren, Coach and PVH (owner of CK, Hilfiger) offering an average target 12% to 16% above current stock levels.

For interactive exhibit on Bloomberg, run:
BI LUXGG -1 |1239-3-7149||#7149|LCL<GO>

Luxury Goods Team
--Bloomberg Industries