



WARSAW  
STOCK  
EXCHANGE

# Warsaw Stock Exchange regional strategy in the context of European capital markets evolution

Novigrad, 12 October 2008

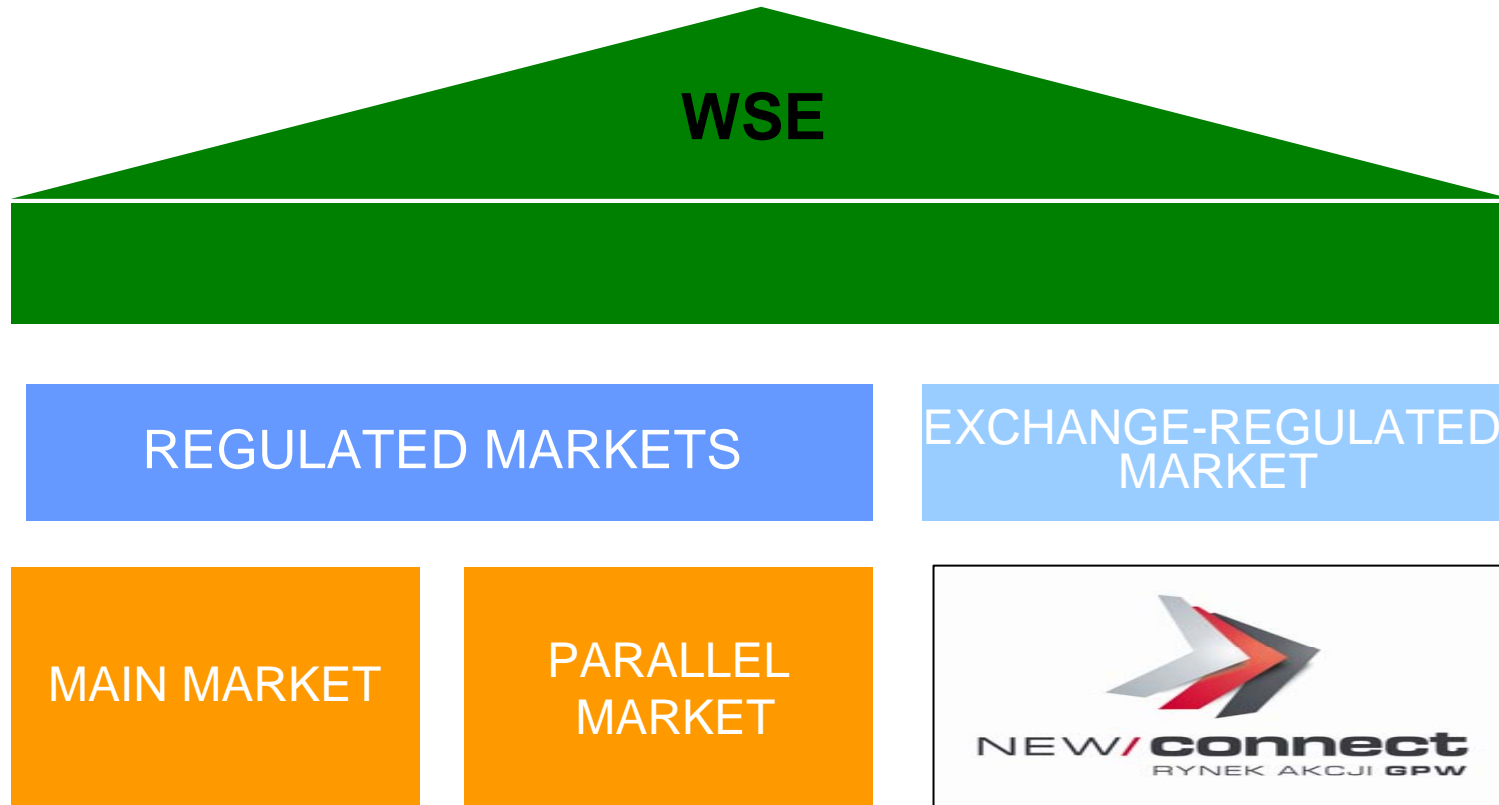




- **WSE – market overview**
- Regional strategy
- WSE – international market



## WSE market structure





# WSE – A CEE LEADER

### • WSE POSITION IN THE CEE REGION

- No. 1 in number of listed companies
- No. 1 in number of newly-listed companies
- No. 1 in derivatives trading
- No. 2 in capitalisation of domestic companies
- No. 2 in equity trading

### • WSE SUCCESSFULLY COMPETES WITH EUROPEAN LEADERS

- No. 2 Europe-wide in number of newly-listed companies
- No. 4 Europe-wide in index futures volume

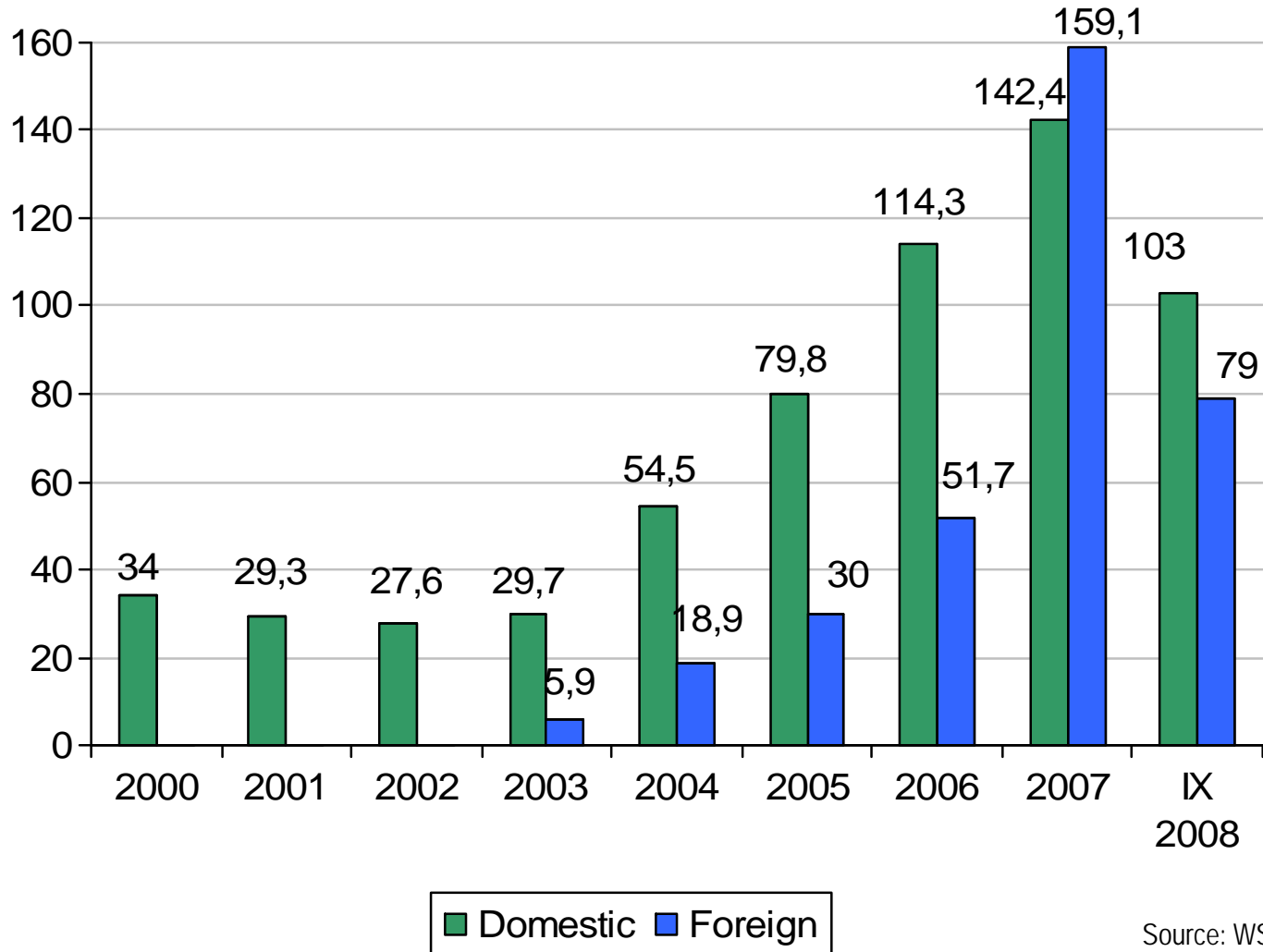


### WSE – basic characteristics (September 2008)

- 49 member brokerage firms, including 19 remote members
- 368 listed companies, including 25 foreign
- equity market capitalisation: Euro 103 bn domestic companies  
Euro 79 bn foreign companies
- 51 bond issues (mainly T-bonds)
- derivatives market (index, currency and stock futures, index and stock options, T-bond futures, index participation units)
- equity market :
  - 2007 value traded - Euro 127 bn
  - Jan-Sept value traded – Euro 74 bn
- derivatives market :
  - 2007 value traded - Euro 178 bn
  - Jan-Sept value traded – Euro 145 bn

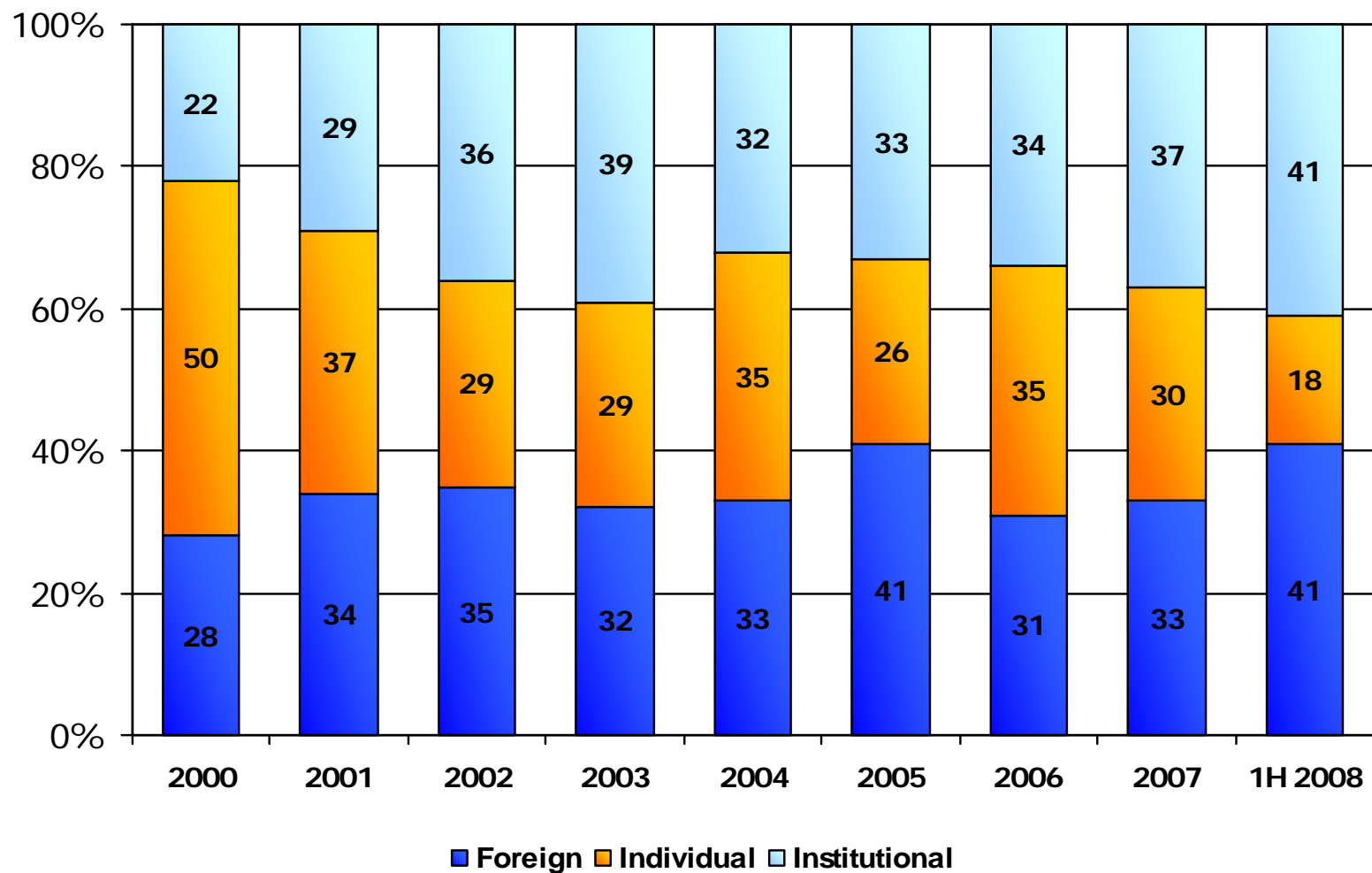


## Market capitalization (EUR bn)





# Diversified investor structure on the equity market



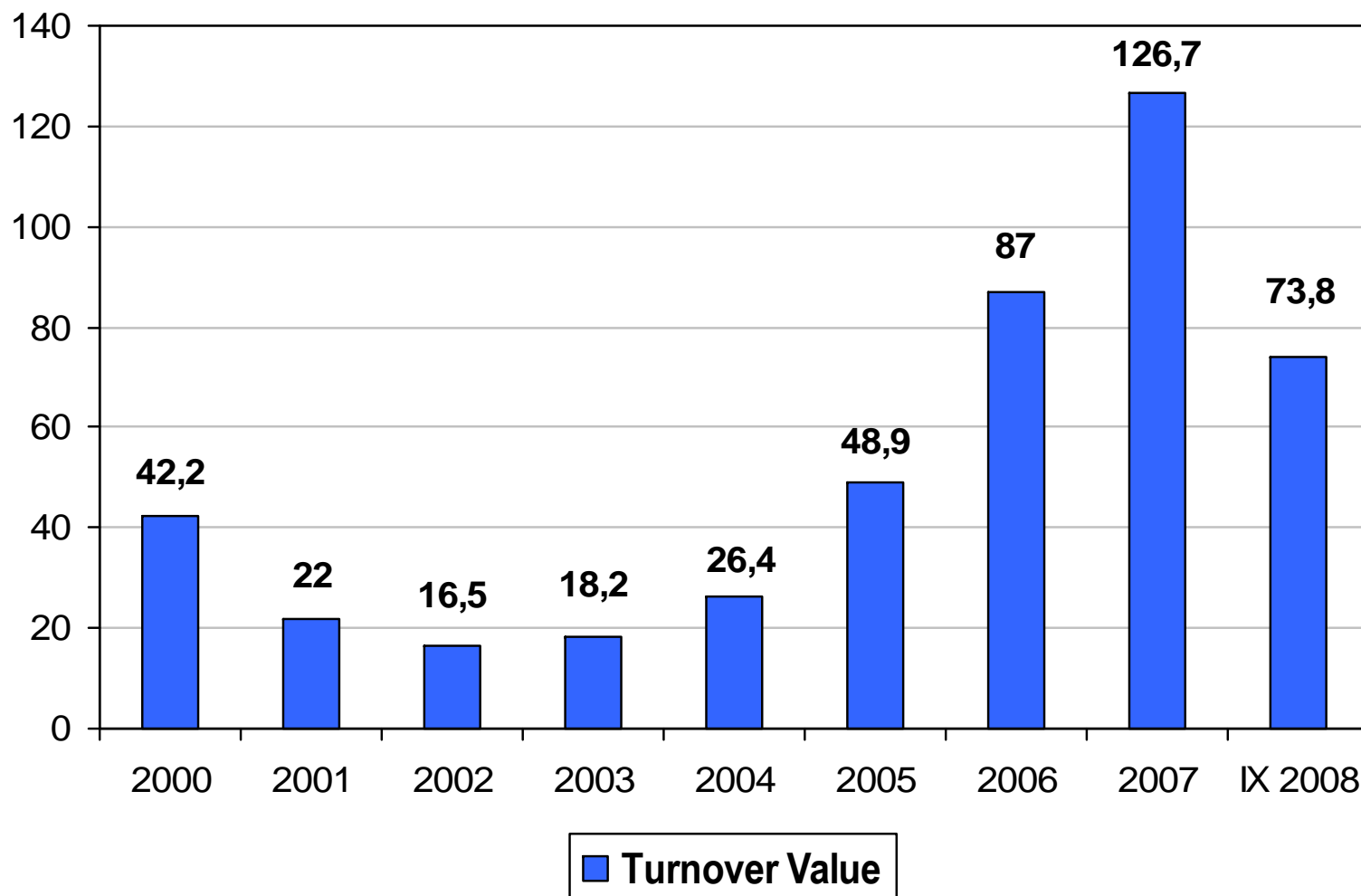


## Polish open pension and investment funds

- ❖ **Open pension funds operating in Poland**
  - **Very important investors on WSE**
  - **Constantly growing financial resources at disposal**  
**EUR 41 bn at the end of August 2008**
  
- ❖ **Investment funds**
  - **Net assets of Polish investment funds totalling over EUR 27 bln**  
**at the end of August 2008**

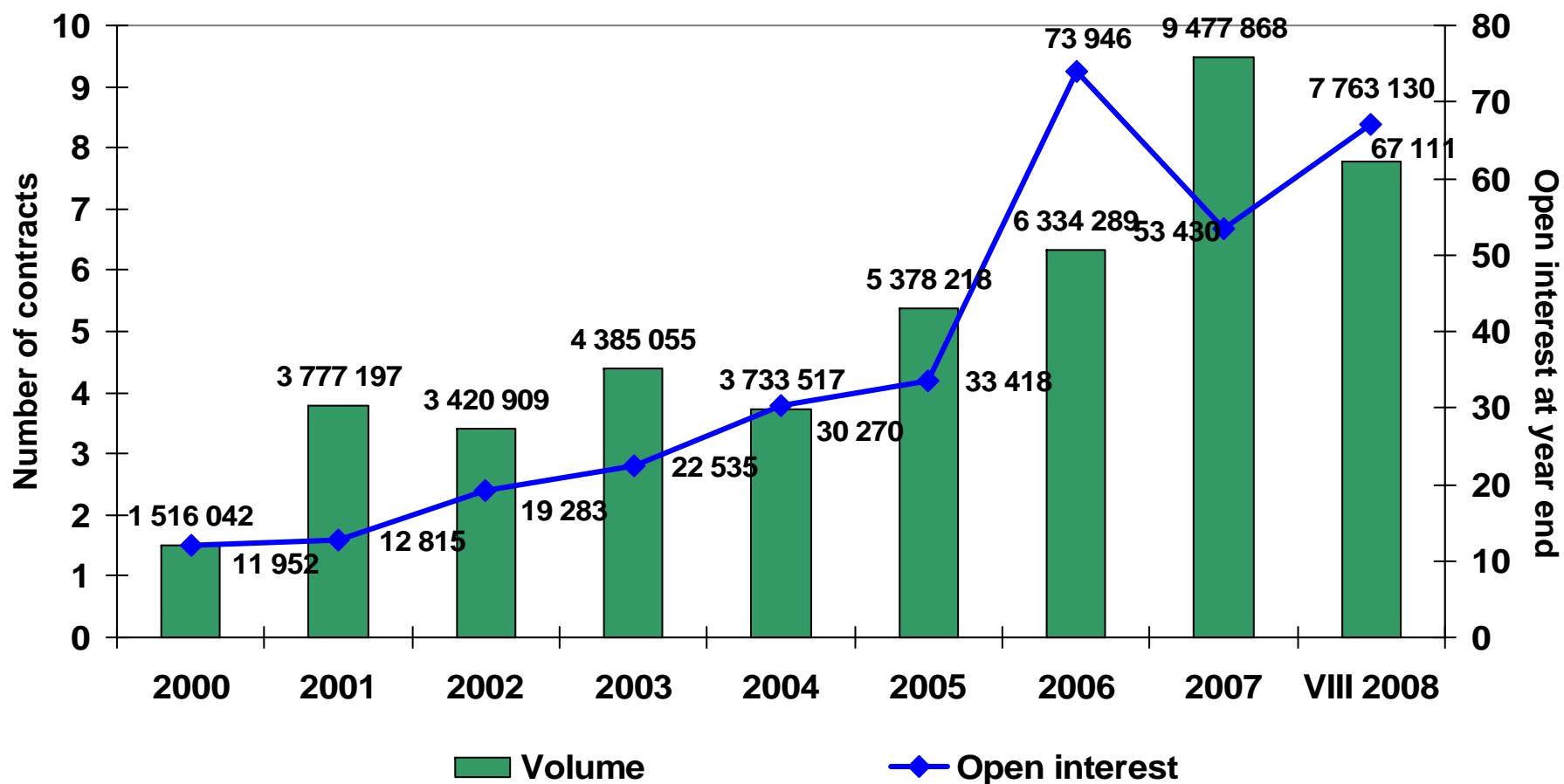


# Turnover value – cash market (EURO bn)



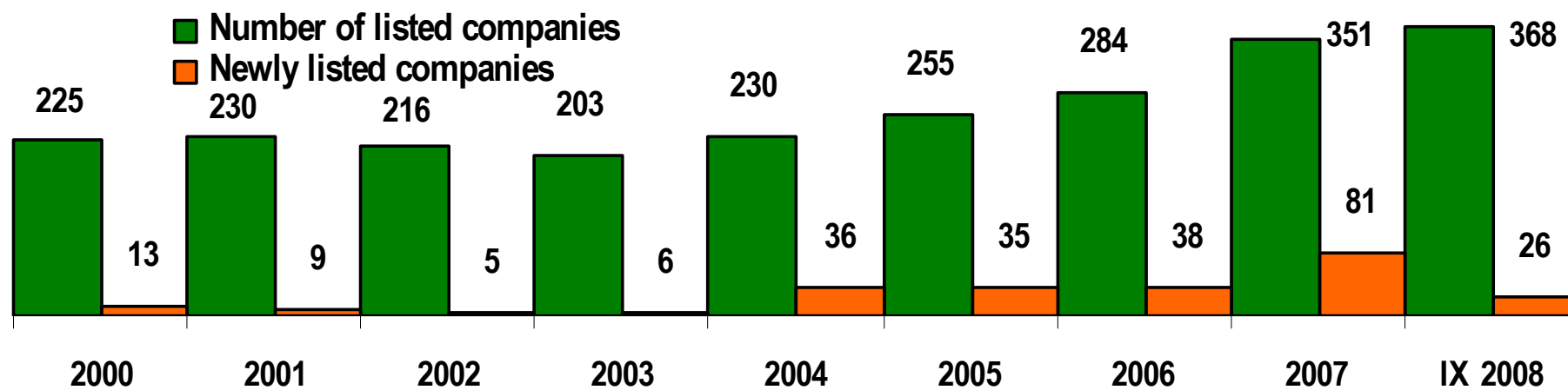


## Futures contracts – traded volume and open interest





# WSE and new issuers



Source: WSE



# WSE Main List – attractive for issuers

WSE – one of the most dynamic IPOs markets in Europe

- **No 2** in Europe in 2004 - 36 IPOs
- **No 3** in Europe in 2005 - 35 IPOs
- **No 5** in Europe in 2006 - 38 IPOs
- **No 2** in Europe (after LSE) in 2007 – 81 IPOs\*
  
- value of IPOs in 2004 - Euro **2.85 bn**
- value of IPOs in 2005 - Euro **1.66 bn**
- value of IPOs in 2006 - Euro **1 bn**
- value of IPOs in 2007 - Euro **4.8 bn**
- value of IPOs in 1H 2008 – Euro **1.9 bn**
- **4,5% weighted average cost of IPO (WSE average for 2005-2007)\*\***

\*Source: PriceWaterhouse Coopers

\*\*Source: WSE; weighted average of cost of capital increase



## THE NEWCONNECT MARKET



NEW/**connect**  
WSE STOCK MARKET

### Issuers:

- **small-cap companies with a capitalisation up to PLN 20 million and a public offer value between several hundred thousand and several million PLN**

### Investors:

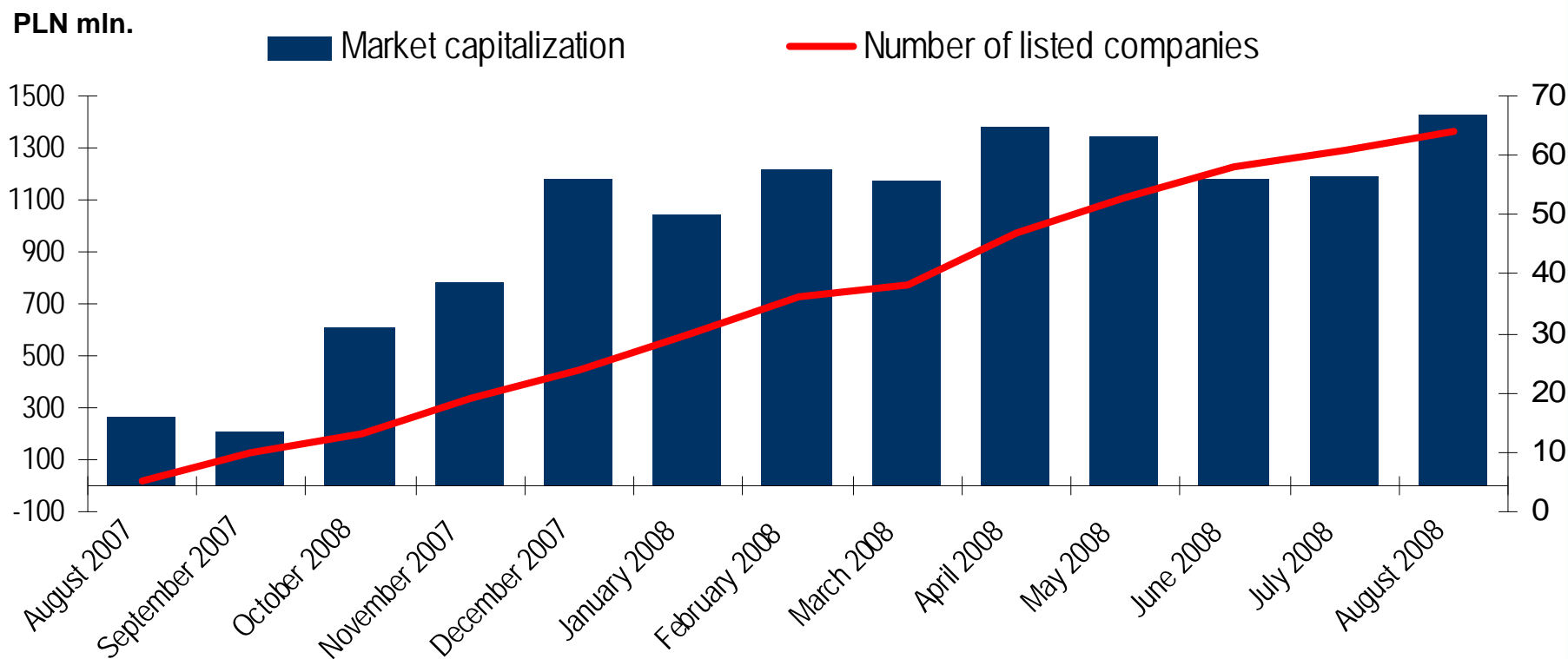
- **VC/PE**
- **specialised closed-end funds, AM and investment funds**
- **private individuals with significant assets (business angels)**
- **individual investors with a higher risk appetite**

### Legal Form of the Trading Platform:

- **companies admitted to trading, quoted in an alternative trading system operated by the WSE**



## MARKET CAPITALIZATION AND NUMBER OF LISTED COMPANIES





- WSE – market overview
- **Regional strategy**
- WSE – international market



## The future of the stock exchanges

### ❖ Towards consolidation

- **There is a drive towards a single market where just key players will count**
- **Stock exchanges have been undergoing process of consolidation and establishing alliances**
- **CEE region will not avoid that process- stock exchanges have to foresee their position on the future capital markets**



## The future of the stock exchanges

### ❖ Reasons for consolidation

- **Larger stock exchanges enjoy economies of scale– reduced costs attract investors, issuers and create additional liquidity**
- **Cooperation of stock exchanges gives brokers and investors access to wider range of investment opportunities – makes possible to trade securities on all cooperating markets**
- **Threat of liquidity fragmentation resulting from MiFID (MTFs)**
- **Investors will place their money where it is cheaper, easier and more efficient**



# The potential of regional cooperation

- ❖ **The main goals of regional cooperation: retain existing and attract new investors and issuers**
  - **Create the regional marketplace for equities, bonds and derivatives**
  - **Provide issuers, traders and investors with a broader range of investment services and products at competitive prices**
  - **Establish a well-known brand of the regional market**



# The potential of regional cooperation

- **Joint marketing activities and PR events promoting the regional marketplace brand and investment products**
- **Joint market data distribution to data users and information providers**
- **Cross-membership and cross-access for brokerage firms**
- **Harmonization of rules and market practices**



## WSE's unique know-how

- ❖ **Building IPO investments culture and attracting new issuers**
  - WSE gained significant and unique know-how in the region in attracting IPO of small and medium sized companies and is becoming one of the preferred destinations for foreign IPOs in the region
  
- ❖ **Building active retail investor base**
  - WSE has experience in organic development of local market and in development of an investment culture among retail investors
  - 997.000 investment accounts at the end of 2007
  
- ❖ **Establishing market for small and growth companies**
  - In August 2007 WSE launched exchange-regulated market „NewConnect”, dedicated to small & medium companies with a large growth potential



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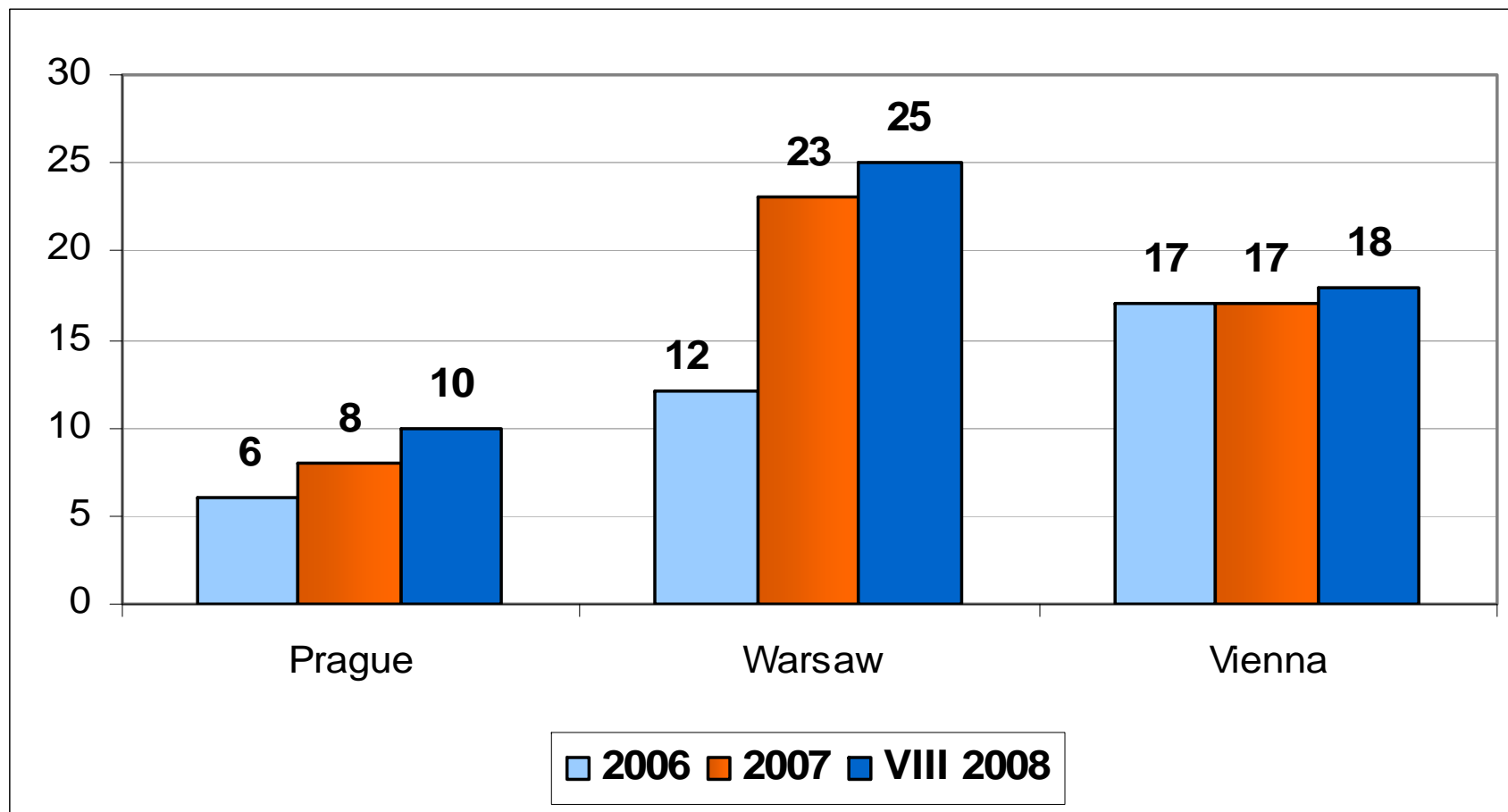


# WSE an international market





# Number of foreign listed companies\*



\* Number of foreign listed companies at year end  
Source: Federation of European Securities Exchange



## Foreign companies – 12 listings in 2007

#	Company	Domicile (country)	Dual – listed (Exchange)	Offering value (M PLN)
1	Warimpex	Austria	Vienna SE	428,3
2	Immoeast	Austria	Vienna SE	10.720,2
3	ACE	Spain	-	256
4	Orco Property Group	Luxembourg	Euronext	652,5
5	Silvano Fashion Group	Estonia	OMX	123,2
6	Olympic Entertainment Group	Estonia	OMX	-
7	Plaza Centers	The Netherlands	London SE	-
8	ASBISc	Cyprus	-	48,7
9	Ronson Europe	The Netherlands	-	264
10	Kernel	Ukraine	-	546,2
11	Reinhold Polska	Sweden	-	-
12	UniCredit	Italy	Borsa Italiana	-



## Foreign companies – 3 listings in 2008

#	Company	Domicile (country)	Dual – listed (Exchange)	Listing date	Offering value (M PLN)
1	Atlas Estates Limited	Guernsey	AIM	29.01.2007	-
2	Belvedere	France	Euronext	21.04.2008	-
3	New World Resources	Netherlands	London SE Prague SE	12.05.2008	5.544

**Atlas Estates** – company registered in Guernsey – invests in real estate assets situated in CEE; listed on AIM, transferred quotations to WSE on a dual listing basis without conduct of public offering;

**Belvedere** – company registered in France – producer of alcoholic beverages; listed on Euronext, transferred quotations to WSE on a dual listing basis without conduct of public offering;

**New World Resources** – mining company registered in the Netherlands – public offer of shares in Poland and Czech Republic and non-public offer for international institutional qualified investors



# STRENGTHENING INTEREST OF FOREIGN INVESTORS AND INTERMEDIARIES

**SIGNIFICANT** growth of trading activity by remote members:

- GLITNIR AB( Sweden)
- CONCORDE SECURITIES LTD (Hungary)
- RAIFFEISEN CENTROBANK AG (Austria)
- CREDIT SUISSE SECURITIES (EUROPE) LTD (UK)
- WOOD & COMPANY FINANCIAL SERVICES (Czech Republic)
- LANDSBANKI KEPLER EQUITIES SA (France)
- JP MORGAN SECURITIES LTD (UK)
- BAYERISCHE HYPO- UND VEREINSBANK AG (Germany)
- BANK AUSTRIA CREDITANSTALT AG (Austria)
- EVLI SECURITIES SA (Estonia)
- SOCIETE GENERALE SA (France)
- CASHLINE SECURITIES LTD. (Hungary)
- CYRRUS (Czech Republic)
- NEONET SECURITIES AB (Sweden)
- DEKABANK DEUTSCHE GIROZENTRALE (Germany)
- AS HANSAPANK (Estonia)
- HSBC BANK (UK)
- FIO o.c.p. (Slovakia)
- Goldman Sachs International (UK)



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## WSEInfoSpace



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### Markets

- Poland
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- Slovakia
- Ukraine
- Hungary
- other

### Quotations

- WSE Main List

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### Dispatches:

#### NBP Referential Fixing - Table nr 28/A/NBP/2008

08.02.2008 12:04

National Bank of Poland referential fixing rates for Polish zloty (PLN) to foreign currencies, as announced for 2008-02-08

Foreign Currency Code Rate %\* Australian Dollar 1 AUD 2.2354 1.91 Baht (Thailand) 1 THB 0.0759 1.61 Brazilian Real 1 BRL 1.4261 2.14 Bulgarian Lev 1 BGN 1.8501 0.57 Canadian Dollar 1 CAD 2.4796 1.59 Croatian kuna 1 HRK 0.4970 0.44 Czech Koruna 1 CZK 0.1411 0.28 Danish Krone 1 DKK 0.4855 0.58 Estonian Kroon 1 EEK 0.2313 0.61 Euro 1 EUR 3.6185 0.57 Hong Kong Dollar 1 HKD 0.3201 1.62 Hungarian Forint 100 HUF 1.3626 -0.07 Iceland Krona 100 ISK 3.7139 0.47 Japanese Yen 100 JPY 2.3220 0.62 Latvian Lats 1 LVL 5.1975 0.62 Lithuanian Litas 1 LTL 1.0480 0.57 Malaysian Ringgit 1 MYR 0.7635 0.57 Mexican Peso 1 MXN 0.2315 2.07 New Zealand Dollar 1 NZD 1.9660 1.33 Norwegian Krone 1 NOK 0.4502 0.96 Philippine Peso 1 PHP 0.0614 1.49 Pound Sterling 1 GBP 4.8695 1.40 Romanian Leu 1 RON 0.9821 0.31 Rupiah (Indonesia) 10000 IDR 2.7035 1.64 Russian Ruble 1 RUB 0.1008 1.00 Singapore Dollar 1 SGD 1.7595 1.32 Slovak Koruna 1 SKK 0.1076 0.47 South African Rand 1 ZAR 0.3230 1.13 Swedish Krona 1 SEK 0.3833 0.39 Swiss Franc 1 CHF 2.2596 0.65 Turkish Lira 1 TRY 2.0748 0.63 Ukrainian Hryvnia 1 UAH 0.4936 1.54 US Dollar 1 USD 2.4971 1.64 Won (Rep. Of Korea) 100 KRW 0.2651 1.61 Yuan Renminbi (China) 1 CNY 0.3473 1.61 SDR (IMF) 1 XDR 3.9260 0.89

[more...](#)

08.02.2008 10:37 Czech jobless rate up at 6.1 pct in Jan - ministry

08.02.2008 10:37 Czech Jan inflation soars to 7.5 pct, beats market estimates

[1] [2] [3] [4] [5] [archive]

### Market filings (ESPI)

#### 08.02.2008

10:15 ELEKTROBUDOWA SA: conditional agreements for purchase of shares in Energotest - Energopomiar Sp. z o.o.

#### 07.02.2008

22:42 Changes to the PKN ORLEN Supervisory Board  
21:09 Disposal of shares by person holding managerial position in Aocra

### WSE statements

#### 07.02.2008

18:13 WSE: Resolution No. 110/2008 - AGORA  
12:32 WSE: Communiqué - HAWE SA  
09:49 WSE: Resolution No. 108/2008  
09:48 WSE: Resolution No. 102/2008

[1] [2] [3] [4] [5] [archive]



# **Warsaw Stock Exchange**

**4 Książęca Str. 00-498 Warsaw  
Poland**

**phone: +48 22 628 32 32**

**e-mail: [wse@wse.com.pl](mailto:wse@wse.com.pl)**