



ROMANIAN MARKET NEWSLETTER

“To speculate is human, to hedge is ... divine”

May 19th – 23rd, 2008

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Markets at a Glance

USD / RON Rate	2.3379	0.0062			Capital Market Indexes		Day ch.
EUR / RON Rate	3.6755	(0.0012)					
Interest Rates	BUBID	(+ / -)	BUBOR	(+ / -)	BET	7,323.60	-2.14%
Over-Week	10.24	-0.47	10.74	-0.47	BET-C	5,174.45	-1.78%
Three-Month	10.59	-0.03	11.09	-0.03	BET-FI	52,151.08	-2.01%
One-Year	10.61	0	11.36	0	RAQ I	3,536.54	+0.73%
	15.14		Issued	23-May	RAQ II	7,058.10	+2.93%

Macroeconomics, Sector Evolutions

Romania, 7th place as concerns the trade deficit

In the first two months of 2008, Romanian exports increased by 20% versus the similar period of 2007, while imports recorded a 14% rise, according to data published by the European statistics institute Eurostat. This means that exports' increasing pace is superior to imports' one, and this has been also confirmed by the National Statistics Institute (INS). On the other hand, as regards the absolute values, exports totaled EUR 5.3bn while imports amounted to EUR 8.2bn. So, in monetary terms, imports continue to surpass exports. Moreover, these two values show that, in the first two months, the trade deficit amounted to EUR 2.9bn. In comparison, in January-February 2008, Romania posted EUR 2.8bn trade deficit. This value places Romania on the seventh place in the European Union. At the European level, Great Britain recorded the largest trade deficit, respectively EUR 22.9bn, followed by Spain (EUR 17bn), France (EUR 10bn), Greece (EUR 5.9bn) and Italy (EUR 4.6bn). On the other hand, the largest surplus has been recorded by Germany (EUR 33.9bn). Eurostat has also published some preliminary estimates regarding EU commercial relations in March. On the whole, the Euro-zone recorded a EUR 2.3bn trade deficit, comparing to the EUR 7.5bn surplus posted in the similar period of 2007. EU trade deficit amounted to EUR 20.5bn, larger comparing to the value recorded in March 2007, respectively EUR 10.5bn.

Currency, Money & Financial Markets

Ghetea: CEC consolidation is a priority; then we can talk about a financial group

The most important target of CEC Bank management is to consolidate the market position. When this objective is fulfilled, developing a financial group will be taken into account, according to bank's president Radu Ghetea. In the near future, the process regarding the sale of the insurance company Asiban, in which CEC controls a 25% stake, will be finalized. French investors within Groupama won the auction and will take over Asiban for a price of EUR 350mln. In the latest years, CEC continuously reduced its market share from more than 30% in 2000 to 4.2% at present. CEC management targets to regain 1-2% in the market share until 2010. Of all the banks in top 10, only Transilvania Bank and CEC have a local majority shareholder, the rest of the banks being controlled by international financial groups. CEC's strategy focuses on reorientation towards low-income clients and entrepreneurs in rural regions. In addition, the bank must improve its profitability. Ghetea will try to use all the bank's employees in order to increase the efficiency of the operations, thus avoiding new dismissals. At present, the bank has around 6,400

employees, fewer comparing to 9,000 persons in 2005. CEC Bank is now facing a rebranding process, adopting a new visual identity, doubled by agencies' rearranging. The process requires EUR 50mln investments only in 2008 and is planned to finalize in 2010. The investment efforts are very important, considering that CEC is entirely controlled by the State, thus not being supported by an international financial group. The Economy and Finances Ministry, as State's representative in CEC shareholder structure, initiated a regulation which allows the bank to keep the entire profit in order to auto-finance.

Insurance companies reported EUR 75.8mln losses in 2007

Last year, the insurance market faces its second consecutive year with a negative net financial result, respectively net losses of RON 253mln (approx. EUR 75.8mln), according to Angela Toncescu, the president of the Insurance Surveillance Commission (CSA). The net financial loss, accounted only to 3.5% in the total volume of the subscribed premiums of RON 7.17bn (EUR 2.15bn) in 2007. Last year, the life insurance activity reduced the net technical profile to RON 66mln (versus RON 106mln in 2006) and the general insurance activity recorded a net technical loss of around RON 324mln. Reported to the subscribed gross premiums from general insurance, in 2007 the net technical loss of this category accounted only to 5.7% versus 3.7% in 2006. "The 2007 results will not affect the market stability and the clients' security. Therefore, we would like to point out the fact that the insurance companies are the only ones to decide if they go on profit or loss, depending on their own strategies assumed by their own shareholders," stressed Angela Toncescu. CSA is permanently monitoring all the indicators and has the power to take all the necessary measures in order to ensure the market stability and to protect the clients' interests. In Q1 2008, the Romanian insurance market amounted to RON 2.3bn (EUR 645.25mln), up by 16.8% versus the similar period of 2007.

IT&C, Infrastructure, Utilities

Ten oil deposits on tender at National Authority for Mineral Resources (ANRM)

This fall, the National Agency for Mineral Resources (ANRM) will organized a tender for the auctioning of ten perimeters of exploration and exploration of oil and natural gas, stated the president of ANRM, Bogdan Gabundeanu; he also mentioned that the announcement will be published in two or three months and that the tender will take place in the fall. According to Gabundeanu, this is the ninth round of tenders organized by ANRM for the lease of oil and gas perimeters. Present in a congress of oil and natural gas organized by the Journal of Oil and Natural Gas, the president of ANRM stated that there are estimates that the existing reserves of oil, gas and coal from Romania are to be exhausted in the next 41, 65 and 200 years but the discovery of unconventional gas could counterbalance the exhaustion of the existing reserves. The main producers of natural gas from Romania are Romgaz and Petrom, the only company which also extracts crude. Romania has very little deposits of natural gas and most of them are operated by Romgaz; the construction of new such units could also be conducted through the lease of depleted deposits which could be transformed in underground storage units. But thus is only "a rough idea" as described by Gabudeanu. "There is nothing definite yet, but we do need new storage units" he added. Petrom owns 300 oil perimeters for exploration and exploration, the most important of them is the one from Suplacu de Barcau, close to Bihor, followed by the

continental platform of the Black sea where the company already leased perimeters for exploration and production.

ANRM already received offers for 15 perimeters

The last tender organized by ANRM includes the exploration perimeters from the Moldova area, in Iasi, Botosani, Dorohoi, Harlau, Siret, Prut and Husi, which rises the number of deposits on auction to 26; 15 of them already received offers. The agency received lease offers from 10 companies Romanian as well as foreign. Some of them are Amromco Energy (USA), Blackstairs (Ireland), Brent, Fora (USA), Sigma and Zeta (Canada) and from Romania there are offers from Aurelian Oil&Gas, Expert Petroleum, Foraj Craiova and Grupul Industrial Roman SA. The perimeters for exploration, development and exploitation of oil and natural gas which are auctioned by the ANRM used to belong to the companies Petrom SA si Romgaz SA Medias, which gave them up for financial reasons. The perimeters are included in the profitable category only for small operators. The offers were evaluated according to the technical and financial capacity of the investors, the program of exploration and exploitation and environment related programs, among others. The winners were notified on March 28th and the negotiations started on April 8th. Apart from those already mentioned the perimeters for exploration, development and exploitation of oil and natural gas are placed in the west of the country and those for exploitation are located in the south and the north-west of the country. The oil agreements for exploration, development and exploitation in the perimeters E VII -1 Maramures, E VII - 4 Giurgiu and E VII - 5 Rosiori were signed on August 14th 2006 by ANRM and Petrom.

Timid price rises on the province land market

The demand represents the main reason for which acquisition prices begin to rise. After a general stagnation of prices, things begin to move again on the province land market. Botosani and Targu Jiu are the two cities with over 100,000 inhabitants which recorded increased in the acquisition prices in the last month. The main cause is the rising demand of the land plots located inside the city. Individuals or medium companies that want to extend their activity outside Bucharest express their interest in such land plots. Around two months ago, the cheapest land plot situated in a semi-central area was located at Targu Mures. In regions like Unirii or Libertatii, an investor was able to purchase surfaces ranging between 600sqm and 4,000sqm for prices varying between EUR 50/sqm and EUR 100/sqm, according to data provided by local real estate agency Euroimobil. At present, such land plots can be bought for prices ranging between EUR 50/sqm and EUR 300/sqm. There are situations when the owners can ask even EUR 500/sqm in a central area, considering that there are no more free land plots, according to Imobinvest manager Trella Tamas. At present, the most serious lack is felt on the segment of large plots, added Tamas.

Investors in Bucharest increase land prices in Targu Mures

Even though the supply is more and more limited, the in-city land demand continues to rise, mostly generated by the investors in Bucharest. This means that a large number of medium companies are interested in extending their operations in Targu Mures. This is why most of these players are looking for land plots to be used in large projects. As concerns land plots situated at the city outskirts, the demand recorded lower rises in the last month, from EUR 10-30/sqm to EUR 10-50/sqm. This might be caused by the fact that pressure on prices for land located in these regions is much smaller.

Speculative price rises at Botosani

If price increases in Targu Mures can be explained – at least partially – things are different as regards the second city affected by price rises in the last month. In Botosani, the price of semi-central land plots increased by around EUR 35/sqm, ranging between EUR 11/sqm and EUR 385/sqm. On the other hand, price of land plots locate on the city outskirts remained unchanged, amounting to around EUR 5-50/sqm. These rises – much smaller comparing to the ones in Targu Mures – can be determined by the owners' speculative tendencies.

EON: We understand that elections are coming, but we must increase electricity price

As of July 1st, electricity price paid by the population should increase by 10%, considering that the National Regulatory Authority in the Energy Field (ANRE) rejected the 5% rise requested for the beginning of this year, according to E.ON Energie Romania Board's of Directors president Guenther Schubert. The claim is grounded, considering that costs for the acquisition of equipments necessary to unroll the investments increased and the energy price is also rising following the investments conducted by the producers in order to reduce CO2 emissions in order to comply with EU standards. However, economy and finances minister Varujan Vosgianian recently said that he does not think that electricity prices will rise as of July 1st, even though ANRE, the only institution that may decide on the evolution of electricity prices for domestic consumers, warned that it is very possible for this scenario to happen. "We do not pressure, we understand that elections are coming. Wage rises will not continue in the same pace which could have allowed a 5% increase in tariffs. Within two years, taking into account that wages will record limited rises, a significant rise in electricity prices to cover the years of tariff blockages will be a lot more difficult to support," said the representative of E.ON Energie Romania, the holding controlling E.ON Moldova Distributie and E.ON Moldova Furnizare. According to Schubert, since the beginning of the year, the company borrowed RON 100mln from its majority shareholder in Germany in order to be able to finance its investment projects. Besides the lack of money for investments, another factor affecting the company budget is the RON 100mln debt that the Romanian railway company (CFR) has to pay to E.ON. "In no other European country, the State allows own companies to report such huge debts towards the business partners," said Schubert. Still, the group does not intend to exit the Romanian market, E.ON plans are set for long term. "However, our biggest problem is that we have no one to discuss with, nobody tells us anything, we have no information on when these issues will be solved and we are not taken seriously. And this represents a big disappointment for a private investor and a bad signal for the others interested in this market," added Schubert.

Romanian telecom market, EUR 4bn in 2007

Last year, the Romanian telecommunication field reached a value of EUR 4.1bn, up by 30% versus 2006, which makes Romania one of the most dynamic markets in the region, based on a report conducted by PMR Consulting, a consultancy and research company operating on the British-American market and headquartered in Poland. "The mobile phone market, which contributed with two thirds in the total value of the telecom market, represents the largest segment and will continue to increase in 2008 too. On the other hand, in 2007 the landline phone market decreased versus 2006, mainly because the larger popularity of the mobile phone segment and the developing VoIP services," shows the report named "The Romanian telecommunication market in 2008, forecasts for 2008-2011." Thus, PMR analyst Ovidiu Oancia, the author of the report, evaluates the mobile phone market at EUR 2.66bn, the landline phone market at EUR

1.15bn and the internet services segment at EUR 300mln for 2007. Last year, the internet market increased by 25% versus 2006, when the increase pace accounted to 50% versus 2005. On the mobile phone market, Orange posted EUR 1.23bn incomes and Cosmote EUR 0.15n incomes last year. Vodafone will announce the financial results next week, while Zapp will publish them this summer.

Investments, Privatizations

Top five foreign investments in Romania; total value: EUR 1.2bn

At the end of last year, French group Renault was the leader of the foreign investors on the Romanian market. The French car producer is followed by Egger (Austria), Calsonic Kansei (Japan) and Saint Gobain (France), according to data provided the Romanian Agency of Foreign Investments (ARIS). Through investment performed by the two divisions, namely Renault Mechanique and Renault Technologie, the French car producer ranks first, with a total volume of investments of EUR 676mln and a number of employees of 3,650. The second place is taken by the Austrian wood processing company Egger, whose investments total EUR 210mln. Egger unrolls activities at Radauti and has 700 employees. Third and fourth places are occupied by Calsonic Kansei and Saint Gobain, both with investments of EUR 120mln. American company Delphy Diesel ranks fifth, with total investments of EUR 100mln. Delphy Diesel is a car parts supplier and has over 1,000 employees in Romania. Finish company Nokia is also in the top; they have recently entered the Romanian market and unrolled EUR 60mln investments, thus taking the sixth place. Cumulated, the total investments of the first five companies exceed EUR 1.2bn. Last year, the total value of the foreign investments in Romania amounted to EUR 7.06bn, according to data provided by the National bank of Romania. Still, 2006 was the best year, when the total volume of the investments reached EUR 9.1bn. As concerns 2008, we must notice that the volume of foreign direct investments increased versus 2007. In Q1 2008, the investment volume increased by 27.5% versus the similar period of 2007.

EUR 140mln real estate projects for Ozer

The company with Turkish shareholders Ozer Construction will develop three real estate projects whose value rises to almost EUR 140mln this year and next year; the biggest of these projects is to be a residential complex in the south of the capital. "We want to take advantage of the considerable advancement of the real estate market from Romania and as a result, the activities of the company will focus more on development, in the next two years. The basic activities will continue to be constructions while the developer activity will have a weight of 40% in the operations of the company in the Romanian market" stated Ileana Stanciu, general manager of Ozer Construction Romania. At the moment, the company is conducting the project Belleview from Sinaia, which comprises two apartment buildings with 344 apartments, from apartments with one room to duplexes. The investments surpass EUR 25mln and the officials of the company sustain they already sold 40% of the project until the present. Prices for the project from Sinaia vary between EUR 58,000sq m for an apartment with one room and 118,000 for a duplex, placed on the eight floor - the last of the building. "For Belleview we estimate a profit rate between 15 and 17% of the initial value" stated Izmail Ozer, CEO of the Turkish company. Apart from the investments from Sinaia, the Turkish company also announced the development of two more real estate projects in the capital, whose value will rise to around EUR 115mln. This

year, Ozer Construction will invest EUR 15mln for the construction of a luxury residential complex in the Aviatiei area from Bucharest; the complex will comprise two buildings with 4 stories and 150 apartments. The works will start in September and will last for 18 – 20months. The second project that the Turkish company intends to develop in Bucharest is in the south of the capital, in Berceni and requires investments around EUR 100mln. The project is still in the stage of preparations and the number of apartments was not established yet. Nevertheless, the project will be placed on a surface of 11 hectares while the built surfaces will vary between 100,000 and 150,000sq m. The starting date of the works was announced for next year.

Mercedes plant to be constructed at Timisoara

German luxury car producer Daimler could develop the small and mini class car plant in Northern Timisoara, on a 140ha land plot. 1,000 persons will be initially employed, according to Marius Popovici, the vice president of Timis County Council. He also added that negotiations are directly conducted by the Government. “Mercedes might settle in the Northern region of the city, 10-15 minutes away from Timisoara, where several individuals own a 140ha land plot. The advantage of this location is that it benefits from a high capacity power plant, which was built recently, and is situated close to the motor way to be constructed starting next year,” said Popovici.

Corporate

Romgaz, 195% increasing profits in Q1 2008

In Q1 2008, Romgaz recorded a turnover of RON 1.09bn, an increase of 123% compared to the similar period of 2007 and the net profits recorded an increase of 195% because of the increase of the amounts of natural gas delivered, according to the information provided by the company. On May 16th, Romgaz announced the turnover and net profits recorded in the first three months of this year, an increase of 100% compared to the same period of 2007. Thus, the turnover of the company, recorded in the period January – March 2008 was of RON 1.09bn, an increase of 123.6% compared to the business conducted in the same period of 2007, RON 882.86mln. In addition, the net profits obtained by Romgaz in the above mentioned period was of RON 274.52mln, an increase of 195.18% compared to January – March 2007, according to the information offered by the natural gas producer. “The increase recorded in Q1 2008, compared to the same period of 2007, is due especially to the increase of the amount of natural gas delivered from both current production and of natural gas extracted from the storage units. Further more, the increase of the amounts of natural gas delivered occurred because of the lower temperatures recorded this year, compared to 2007, for the same period of time”, according to Romgaz. The quantities of natural gas delivered in Q1 2008 were 20.7% higher compared to the ones delivered during the same period of 2007 and the storage services recorded an increase of 134.8%, increase due to the increase of quantities of natural gas extracted as well as to the increase of the storage tariffs according to the legislation in force. Recorded results are superior to the ones forecasted in the budget of incomes and expenses for January – March 2008, explain the representatives of Romgaz. The Ministry of Finances approved in April the budget of incomes and expenses of Romgaz for 2008, through which the company estimates net profits of RON 644.12mln (around EUR 175mln) and decided that RON 92mln (around EUR 25mln) should be

transferred to the Social Fund of Natural Gas. For this year, Romgaz forecasts a turnover of RON 3.928bn and total expenses of RON 3.169bn, which would bring gross profits of almost RON 759mln. Exploitation expenses rise to RON 3.039bn, out of which RON 92mln will go to the Social Fund of Natural Gas. Total financial expenses rise to RON 129.8mln, out of which the expenses with interests represent RON 1.5mln and the rest of RON 128.3mln are in the category “other financial expenses”. The dividend for the national companies and the trade companies, entirely or partially owned by the state, rises to RON 322.04mln. SNGN Romgaz SA is the most important supplier of natural gas from Romania, with a market share of 41.2% on the internal market.

Transelectrica (TEL) shares up 20%

The value of Transelectrica shares increased to RON 28.3/unit, thus the electricity transporter’s capitalization reached EUR 570mln. The recently published financial results increased the investors’ interest, which was affected starting H2 2007 following the decreasing profits. Presented before its listing by the analysts as a stabile company, with predictable results on long term following the very strictly regulated field in which it operates, Transelectrica recorded the biggest fluctuations in its results in the latest two years, mainly because of the changes in electricity tariffs operated by the regulatory authority. In 2006, when the company was listed, it recorded a record profit of RON 280mln; last year, profit decreased to RON 50mln. Still, in Q1 2008, the company again posted a record profit of RON 82mln. The profits’ large variations were determined by the decisions of the National Regulatory Authority in the Energy Field (ANRE) have seriously influenced company’s profit, according to analysts. More than that, the analysts of the most important brokerage companies have unanimously agreed that ANRE decisions represent the biggest risk for the company results. However, their opinions on the evolution of the company are very different. Raiffeisen Capital & Investment (RCI) and KBC Securities analysts see an increasing potential for Transelectrica shares, which are evaluated at RON 35/share, while ING Bank analysts present a target price of RON 22.5/share and recommend “sell”. Even though Transelectrica shares are traded with a discount comparing to most of the similar companies in Europe, ING analysts say that “the discount is entirely justified by the severe regulatory regime, which will probably maintain as long as the privatization of the energy sector is not finalized.” The profitability of the capital invested by the company is smaller than the costs, so “instead of creating value through the EUR 76mln investments approved by the regulatory authority, the company destroys it,” added ING analysts. The Q1 company financial results are spectacular, but not sustainable. The 8% rise in the operating profit was determined by the higher quantity of transported electricity, four times larger than the level estimated by the company, by the larger incomes from interconnection capacities and by the small costs. In Q1 2008, Transelectrica reported 8% bigger net profit versus the profit expected for the entire year. Even so, ING estimates that this year company’s consolidated profit will reach RON 164mln, up by 160% versus 2006 (RON 63mln).

TEL	RON pr	ch	EPS	Sales 07 mil USD	NPr 07 mil USD	Mk cap mil USD
23-May	27.30	0.71%	0.6868	949.49	20.66	855.97
TEL	RON pr	PER	Npr/Sales 06/05	Sales 07/06 mil USD	NPr 07/06 mil USD	Div yld 07
16-May	27.11	39.75	0.02	8.61%	-79.08%	0.00%

Panasonic, 16% larger sales on the Romanian market

For the current financial year, the sales of the Japanese company Panasonic, electronic and IT equipment producer, are estimated at EUR 70mln on the Romanian market, according to company representatives. The estimated value is 16% larger versus the one recorded in the precedent year. "In 2007-2008 financial year, concluded on March 31st 2008, the turnover recorded by Panasonic Romania increased from EUR 46mln to EUR 60mln. 60% of the turnover has been generated by plasma TV and LCD sales. The profit rate accounted to 1% in the turnover and we intend to maintain this level next year too," said Panasonic Romania general manager Catalin Savulescu. On the plasma TV segment, Panasonic is a market leader, while on the LCD TV segment, it ranks fifth. "For the current financial year, we intend to maintain the position as a leader on the plasma TV segment and to climb of the second place on the LCD segment," added Savulescu. In addition, for the 2008-2009 financial year, Panasonic Romania estimates sales of at least 60,000 photo cameras, 50% larger versus the similar period of the precedent year.

Petrom (SNP) to pay dividends of 2007

On May 22nd, Petrom will start the payment of the dividends afferent to 2007 financial year to the shareholders registered on May 9th 2008, according to an announcement submitted by the company to the Bucharest Stock Exchange. The value of the dividends granted by Petrom for 2007 in 6.7% larger versus 2006 and reaches RON 0.0191/share (gross value), respectively RON 1.081bn, representing 61% in company's net profit of 2007. Last year, Petrom recorded a net profit of RON 1.778bn, down by 22% versus 2006 (RON 2.285bn), following the smaller operating result and the higher tax on profit. For this year, the oil company expects a net profit of RON 2.422bn, up by approx. 36% versus 2006. Petrom is 51% controlled by Austrian group OMV, while AVAS controls a 20.6% stake. Propretatea fund owns 20.1% in company shares, BERD 2.026% and other shareholders 6.214%.

SNP	RON pr	ch	EPS	Sales 07 mil USD	NPr 07 mil USD	Mk cap mil USD
23-May	0.53	0.42%	0.0318	5,039.92	729.48	12,575.50
SNP	RON pr	PER	Npr/Sales 06/05	Sales 07/06 mil USD	NPr 07/06 mil USD	Div yld 07
16-May	0.52	16.54	0.14	8.21%	-10.38%	0.00%

Capital Market Overview

Foreign banks try to take control on BSE

Four brokerage companies belonging to some financial groups with foreign shareholders requested the BSE bylaws to be amended so that the banks could obtain voting shares within the company. This proposal is to be analyzed during the General Assembly of BSE shareholders. Foreign banks succeeded in supervising, directly and indirectly, through some brokerage companies, around 21% out of the BVB equity. Still, their influence in taking decisions on BSE is reduced comparing to their position on the market, where they control around 40% of the total value of transactions. BSE bylaws allows only the brokerage companies participating in the trading system to own voting shares and, implicitly, to involve in taking decisions within the

company. The foreign banks are trying to increase their influence at BSE, which might become one of the most important stock exchanges in the region in the following years. Transactions unrolled with BSE shares in the latest period indicate a company value of over EUR 240mln. Some of the large brokerage companies' representatives are not satisfied of the fact the large influence of small brokerage companies in the BSE General Assembly stalls the development of the institution and of the market. The four brokerage companies that proposed for the banks to become shareholders within BSE, respectively BRD Securities, EFG Eurobank Securities, Alpha Finance and Piraeus Securities, own a 5.2% stake in the company. They have asked before for the brokerage companies controlled by financial groups to be able to transfer ordinary shares they own to the mother-bank without granting the preemption right to the other shareholders. In the last year, Morgan Stanley bank became the biggest shareholder in BSE, controlling around 5.5% in the company shares. Brokerage companies controlled by the Greek banks operating on the Romanian market also represent an important group, owning almost a 7% stake in BSE, while the Austrian banks control 4.44%. The Bucharest Stock Exchange also has 124 shareholders as natural persons, most of them being brokers that bought shares in the last year, thus controlling almost 2%. In 2007, BSE reported almost EUR 9mln profit, twice larger versus 2006. The BSE management has proposed for the profit to be used in order to increase company's equity.

Romanian investors to have access to Eurex futures market

Romanian brokers will be able to offer their clients the possibility of doing operations on Germany's future market and not only through Frankfurt Stock Exchange (Eurex). The latter is one of the most important markets of derivative instruments worldwide and recently reached a profit of 19 million contracts concluded in one day only. Eurex will facilitate the far-distance access, connection and trade on the regulated market and the alternative trade system it administers for the Romanian brokers, according to a notification submitted by the German stock market watchdog (BAFIN) to the National Securities Commission (CNVM). Romanian investors will be able to similarly trade shares on the Vienna stock exchange and to conclude forward contracts through Eurex, with the support of indices and indexes all over the world.

CNVM opposes Romanian exchanges' takeover

The National Securities Commission (CNVM) supports the 5% threshold in the voting rights of the local exchanges but also the entry of a foreign operator in the exchanges' shareholder structure, pointed out CNVM president Gabriela Anghelache. "We must not forget that, at the European level, there is a globalization trend. Our purpose is to develop the exchange and, if the interest of a foreign exchange targets the market's development, then the foreign market operator can control as many shares as it wants in the equity of the Romanian operator. The Government has also asked our opinion and we supported the same issue, namely the market development, but we also support the limiting of the voting rights," said Anghelache at a press conference on the stock exchange. Based on the current legislation, no operator of a stock exchange on the Romanian market can control, directly or indirectly, more than 5% in the total voting rights. This reduces their power to decide. In February, the Economy and Finances ministry has elaborated a project amending the stock market law, which settles the increase of the 5% ownership threshold for the foreign market operators.