BUDAPESTI ÉRTÉKTŐZSDE
BUDAPEST STOCK EXCHANGE

Budapest Stock Exchange in a nutshell

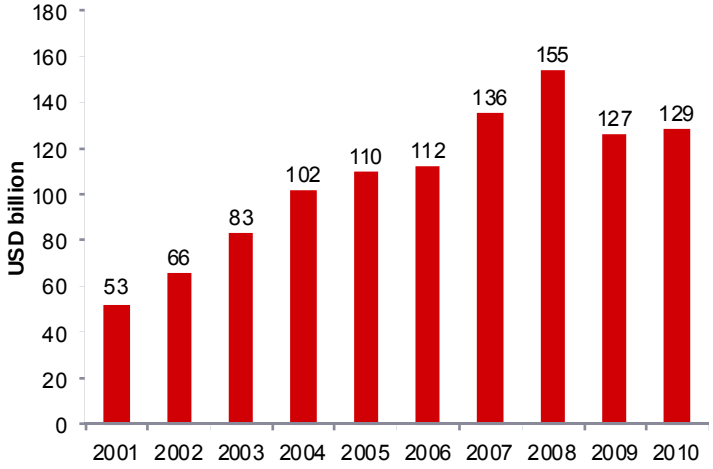
24 July 2012

cee stock exchange group

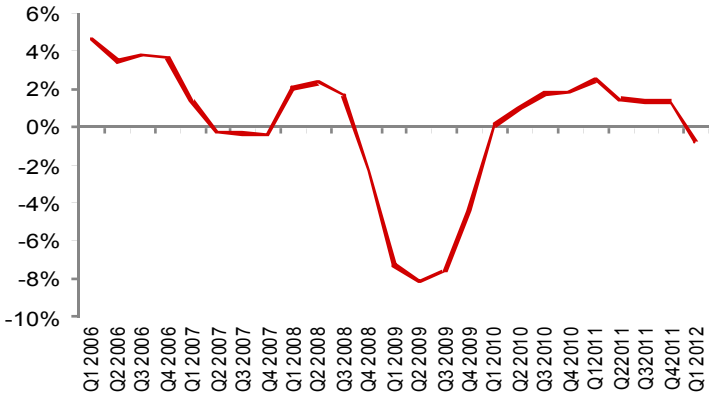
Key facts about Hungary

Area	93,036 km^2
Population (2011)	9,962,000
GDP (2011)	EUR 94 bn
GDP/cap (2011)	EUR 9400
GDP growth (1Q2012)	-0.7%
Inflation (May 2012)	5.3%
Unemployment (May 2012)	11.2%
Trade balance (2012 y-t-d)	EUR 2865 m
Fiscal balance (June 2012)	EUR -2060 m
Credit ratings Moody's S&P Fitch	 Ba1 BB+ / B BB+ / BBB- / B

Hungarian GDP 2001-2010



Quarterly GDP growth



 Source: KSH, National Bank of Hungary

Key facts about Hungary

Main economic sectors

- Oil and gas
- Chemicals
- Pharmaceuticals
- Banks
- Information technology
- Machinery
- Trade
- Electricity
- Telecom

TOP 10 Hungarian companies*

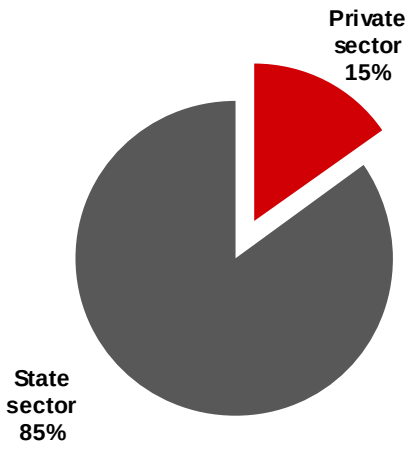
Ranking	Company name	Net Income (2011) EUR bn
1	MOL Hungarian Oil Company	18.561
2	Audi Hungary Motor Ltd	6.035
3	GE Hungary Industrial and Commercial Company	4.103
4	E.ON Gas Trading Company	2.758
5	Samsung Electronics Hungary	2.757
6	Nokia Komarom Ltd	2.44
7	Philips Hungary	2.342
8	MVM Hungarian Electricity Supply Company	2.245
9	Tesco	2.129
10	Magyar Telekom Telecommunication Company	2.076

*excluding banks and insurance companies
Source: Dun & Bradstreet ; Figyelő

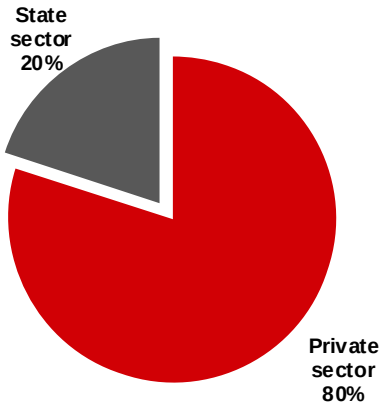
The transition to market economy

BUDAPESTI ÉRTÉKTŐZSDE
BUDAPEST STOCK EXCHANGE

Size of the state sector (1990)



Size of the state sector (2006)



Key historical events

- Member of the Soviet block, one party system, centrally directed economy, minor elements of the market economy
- 1989-1990: Peaceful introduction of democracy and market economy

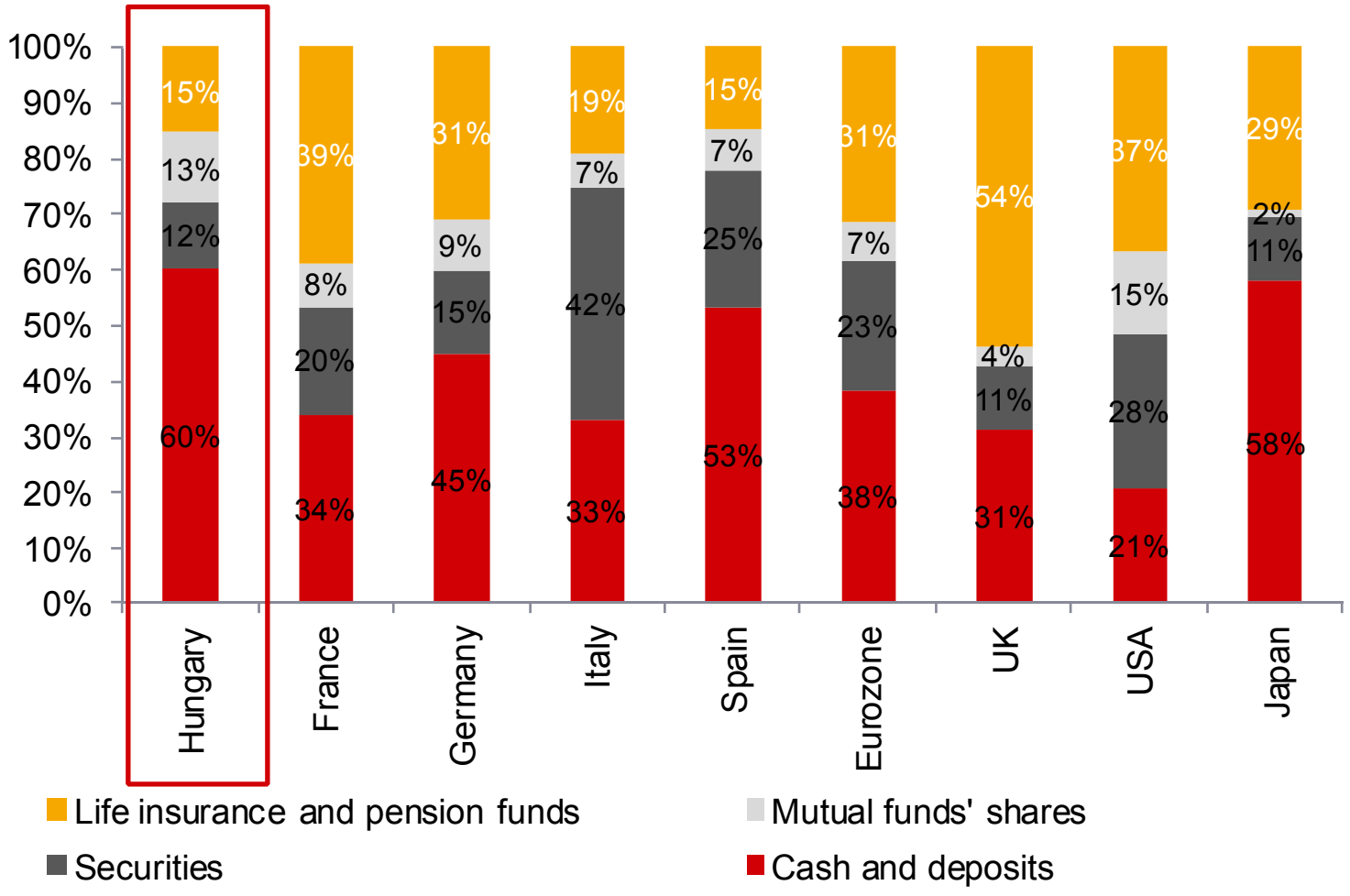
Society

- No capital accumulation in the economy
- Financial capabilities of the households: non-existent
- A new phenomenon: unemployment
- Beginning of the privatisation, foreign direct investment, bankruptcies

Source: ÁPV Zrt.

cee stock exchange group

Savings structure of households (2011 Q4)



Source: Banque de France, National Bank of Hungary

Milestones in BSE's history

- 1864 – Budapest Commodity & Stock Exchange
- 1990 – Budapest Stock Exchange
- 1995 – Launch of the derivatives market
- 1998 – Launch of electronic trading system (MMTS)
- 2002 – Incorporation
- 2005 – Merger with Budapest Commodity Exchange
- 2010 – BSE became member of CEESEG
- 2013 H2 – Planned change of the trading system

BSE in figures

Equity market capitalization (30 June 2012)	EUR 15.3 billion	Number of trading members in all Sections	39
Capitalization/GDP	17.1%	Number of data vendors (30 June 2012)	Vendor 41 New Original Works 25
Average daily equity turnover* (2012 y-t-d)	EUR 40.0 million		
Share turnover velocity (May 2012)	55.3%	Exchange data end-users: (2011 Q1)	Professional 7 789 Non-professional 14 612
Number of share issuers	54		

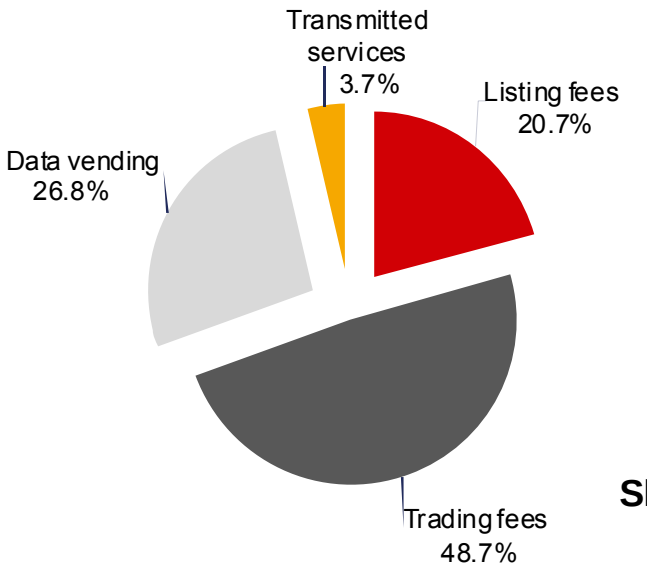
BSE's fees

- No initial fee is charged for joining any sections of the Budapest Stock Exchange as of May 2009.
- Transaction fees
  - Equities: 1.5 bps
  - Debt Securities: 1.0 bps

*Not duplicated
Source: BSE

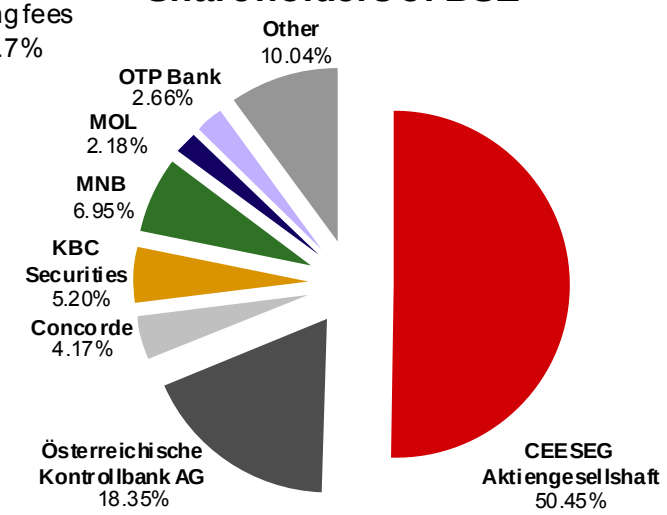
BSE as a company

Breakdown of income (2011)



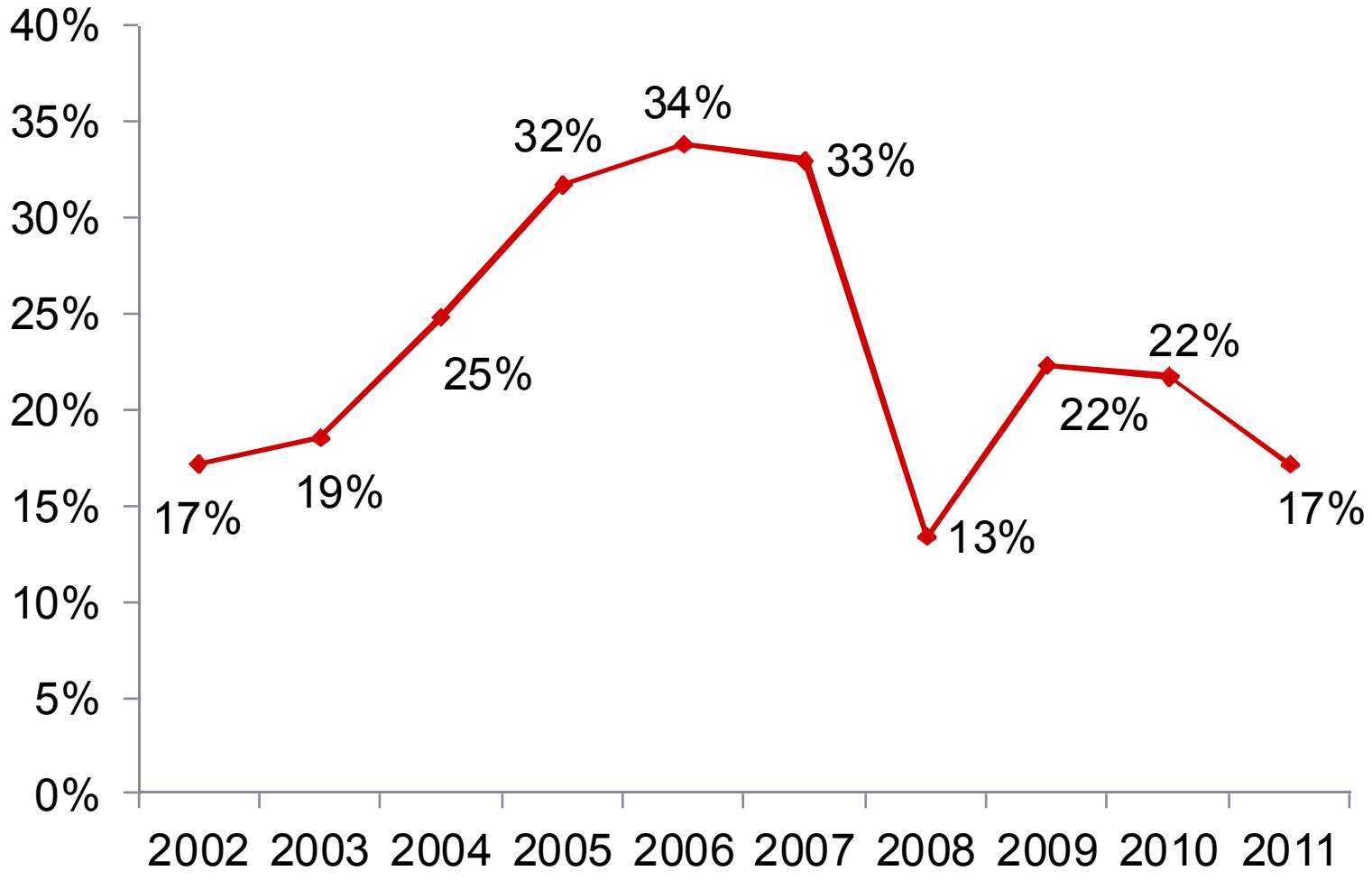
*EUR million**	2010	2011
Net sales	12	10
Operating costs	6	6
EBITDA	7	5
Profit/loss after taxation	5	4

Shareholders of BSE



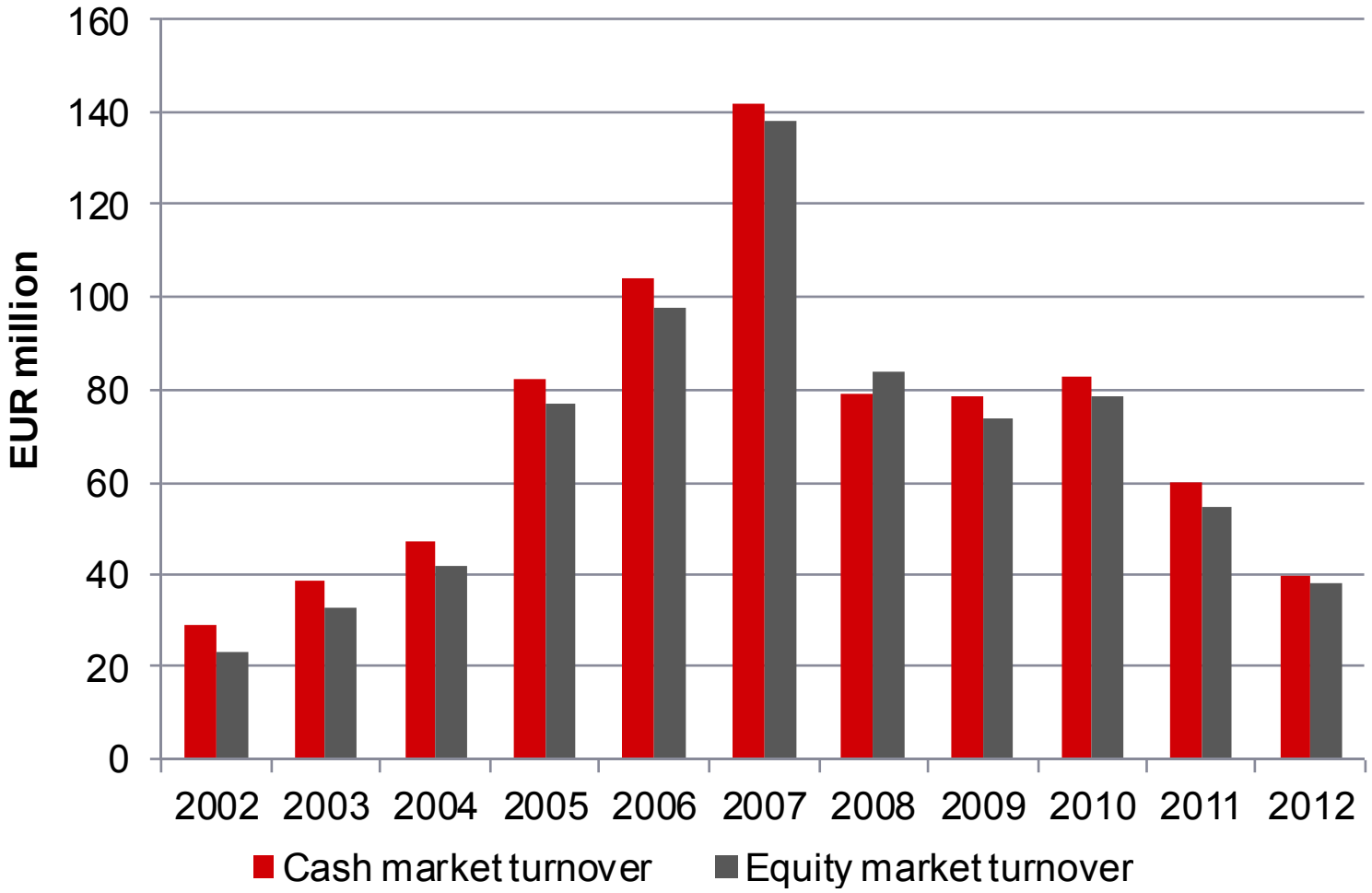
*Calculated with year-end exchange rates
Source: BSE

Equity market capitalisation / GDP 2002 – 2011



 Source: KSH, BSE

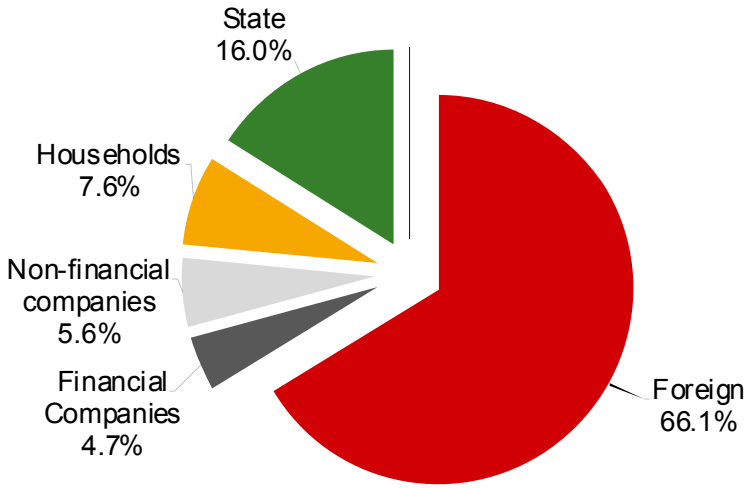
Average daily turnover 2002 – 2012 y-t-d



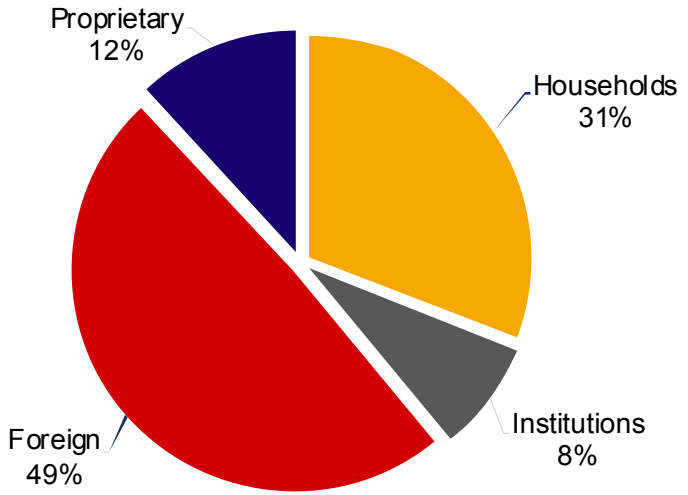
 Source: BSE

Investor structure

Breakdown of equity market capitalization by investor groups (2012 Q1)

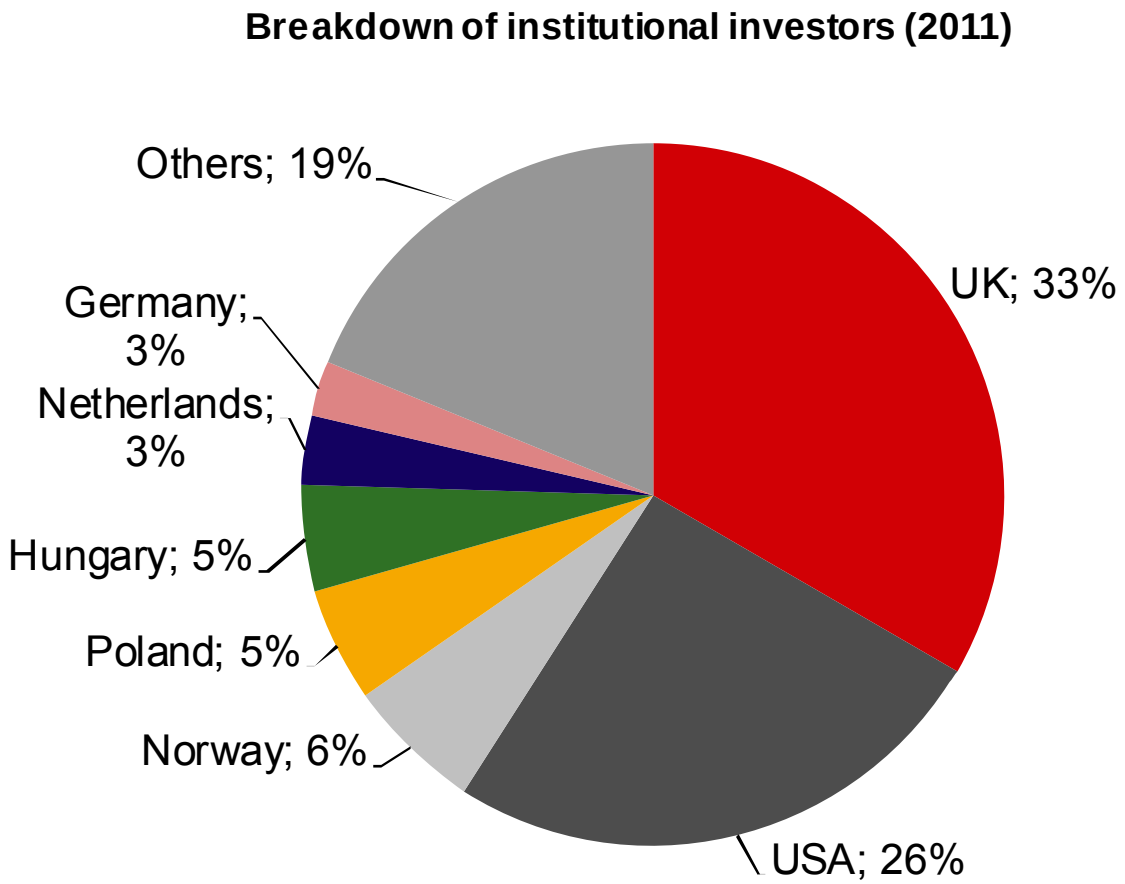


Equity market turnover by investor groups (2012 Jan-May)



 Source: National bank of Hungary, Investment service providers

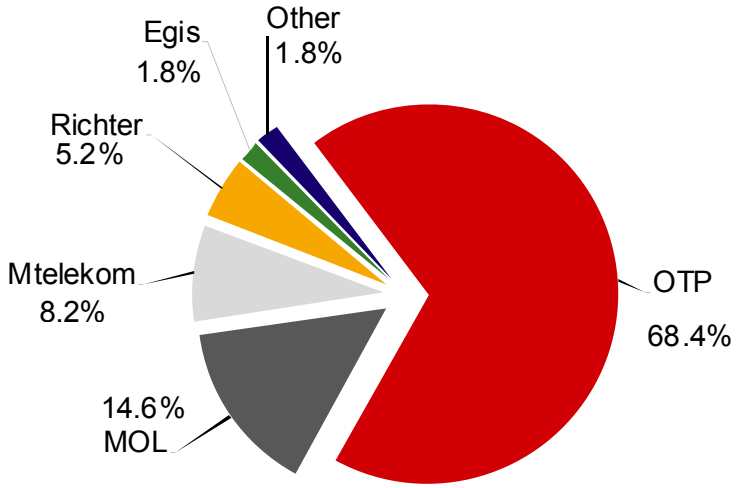
Decisive role of foreign portfolio investors



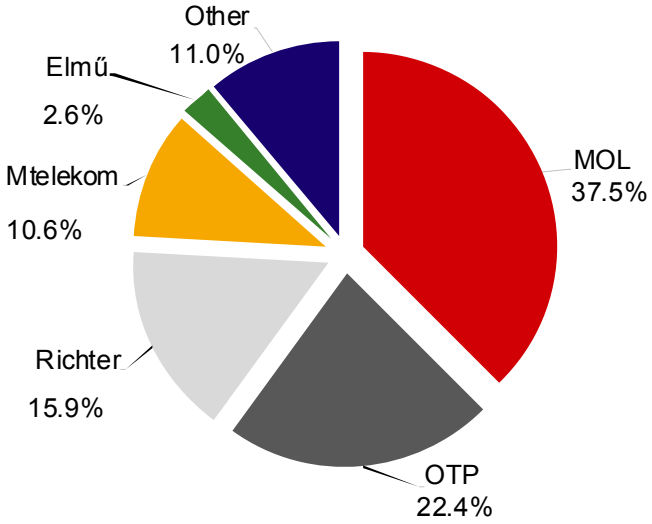
 Source: IPREO

Issuers – Equity market

Turnover of top 5 issuers (2012 y-t-d)



Capitalisation of top 5 issuers (30 June 2012)



June 2012	Freefloat capitalisation (EUR million)
MOL	3 315
OTP	2 575
Richter	1 245
Mtelekom	655
Elmű	129

 Source: BSE

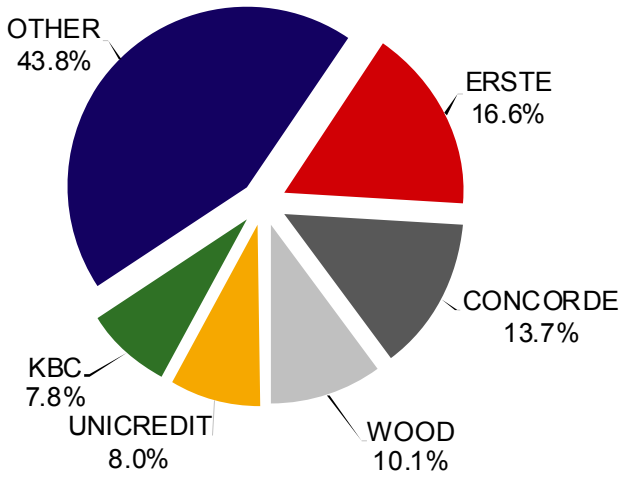
SMEs on BSE

- 31 of 54 listed companies are SMEs in terms of the official EU categorisation
- SMEs represent 2,4% of the total equity capitalisation (Aug. 2012)
- SMEs generate less than 1% of the total equity turnover of BSE (2012 ytd)

 Source: BSE Statistics

Members

Turnover of Top 5 members (2012 y-t-d)



Number of members

- Total number of members: 38 of which
  - Brokerage firms: 18
  - Banks: 10
  - Remote members: 10
- Equity Section: 26
- Debt Securities Section: 20
- Derivatives Section: 21
- Commodity Section: 6

 Source: BSE

Product portfolio

Equities Section	Debt Securities Section	Derivatives Section	Commodities Section	BETa Market
Equities	Public Debt Securities	Futures	Grain	Foreign Equities
Investment Fund Shares	Mortgage Bonds	Options	Grain Futures	
ETF	Corporate Bonds		Grain Options	
Certificates				

Thank you for your attention!

For further information please visit our website:

www.bse.hu

www.ceeseg.com

Budapest Stock Exchange Ltd.