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Federation of Euro-Asian Stock Exchanges

Spring Issue 2012



Literacy matters to financial markets

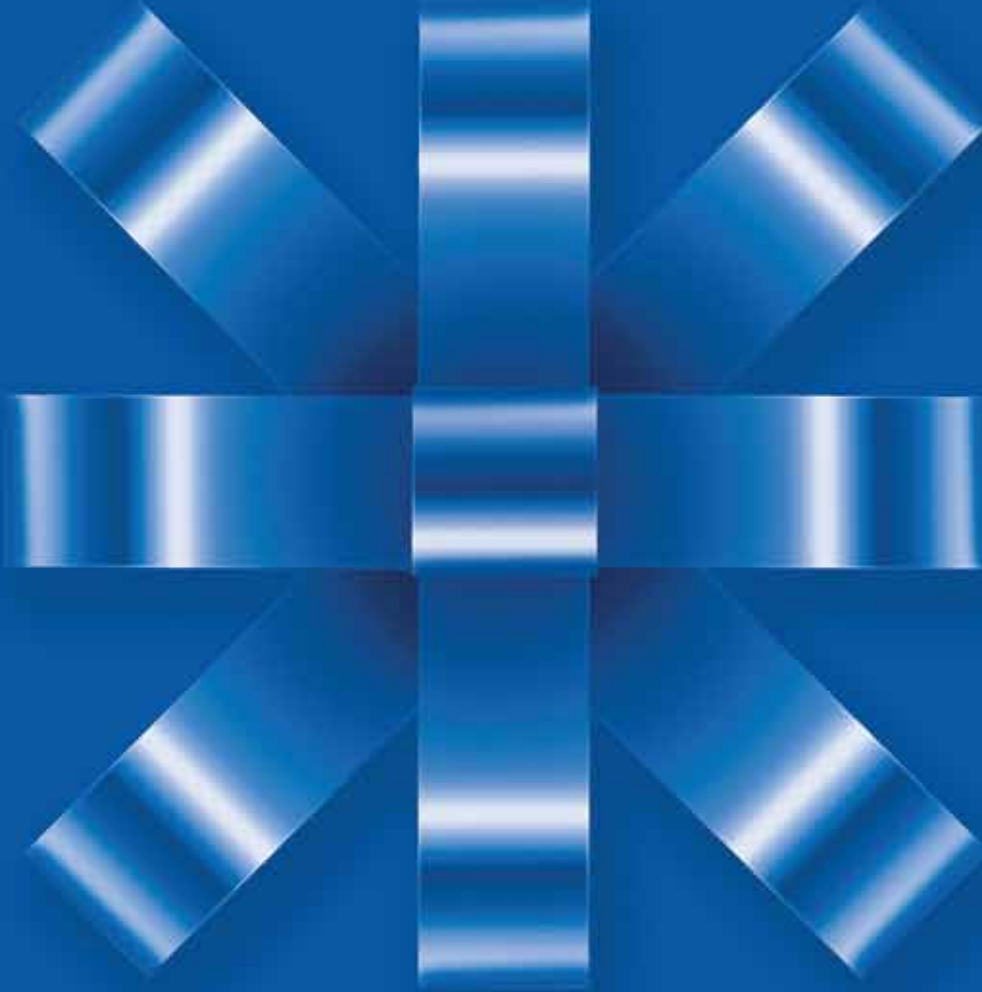
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F E A S

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Your gateway to the markets of tomorrow...

The Federation of Euro-Asian Stock Exchanges (FEAS) was established with its head quarters in Istanbul on 16 May 1995 with 12 founding members, and it has grown to 34 members and 14 affiliate members in 29 countries as a not-for-profit organization. Membership in the Federation is open to exchanges in Europe and Asia as affiliate membership is available for post trade institutions and dealer associations in the same region. FEAS Organizational Structure is formed by General Assembly, Executive Committee, Working Committee and the FEAS Secretariat.

The mission of FEAS is to help create fair, efficient and transparent market environments among FEAS members and in their operating regions. FEAS aims to minimize barriers to trade through the adoption of best practices for listing, trading and settlement. Federation also supports promoting linkages among members for cross-border trading.

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- Iraq Stock Exchange
- Istanbul Gold Exchange
- Istanbul Stock Exchange
- Karachi Stock Exchange
- Kazakhstan Stock Exchange
- Kyrgyz Stock Exchange
- Lahore Stock Exchange
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- Moldova Stock Exchange
- Mongolian Stock Exchange
- Montenegro Stock Exchange
- Muscat Securities Market
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- Palestine Exchange
- Sarajevo Stock Exchange
- Tehran Stock Exchange
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- The Association of Capital Market Intermediary Institutions of Turkey (TSPAKB)
- The South Asian Federation of Exchanges (SAFE)



FEAS Perspective



Mustafa Baltaci
Secretary General, FEAS

Dear Friends,

We are pleased to publish the Spring issue of INTERFEAS magazine with a focus on investor education and financial literacy.

In the previous issue, we tackled IPOs with articles sourced from our members and academicians, government officials and federations. We have gladly witnessed that the revised format of the magazine attracted further interest and was recognized by many investors.

We have co-operated with members again in this issue to be able to reflect how efficient literacy and awareness raising policies is in local markets.

Investor education is a lingering issue for the industry as it has been widely investigated in many instances. Exchanges, regulators and even some of the international entities have dealt with the issue, conducted researches and questionnaires, and provided guidelines. Yet, a renewed look towards emerging markets which have differing advantages and challenges from the developed ones on this particular matter seems quite timely to us.

Also, the products being offered to investors are no longer simple and basic. With the ever growing diversity and sophistication of products, consumers need to continuously enhance their knowledge and capabilities to maximize as well as protect their investments. This points to the key role of sectoral actors in educating investors for better market integrity and efficiency.

the experience of the brokerage firm in promoting warrants market.

Last but not least, our sponsors deserve an account of appreciation hereby.

Finans Asset Management, Is Investment, Nasdaq OMX, Bloomberg, Istanbul Stock Exchange and Tayburn have added value for

A renewed look on investor education towards emerging markets which have differing advantages and challenges from the developed ones seems quite timely.

In this issue, you will find articles addressing the investor education in a multi-faceted manner. Belgrade Stock Exchange, Egyptian Exchange, Palestine Exchange, Kazakhstan Stock Exchange and Tehran Stock Exchange have shared views and experiences.

Dan Nicola, President & CEO of the Financial Literacy Group and former Deputy Assistant Secretary at the US Department of Treasury, has contributed with a very educative article on the role of financial literacy in capital markets.

Arzu Cevik, Director Editor IR, and Steve Kelly, Managing Director IR from Thomson Reuters, has written an article on the importance of investor relations and how IROs can improve financial literacy.

Diane Faulks from Citi Group has contributed with a relevant piece of article. And finally from Deutsche Securities, Albert Krespin has shared

making this publication possible. Our website has a contributor section at www.feas.org which presents advertorial pieces of the sponsors.

Allow us to thank again for your support and interest as we hope you will find the Spring 2012 issue of the INTERFEAS Magazine enjoyable.

Sincerely,

Mustafa Baltaci
Secretary General

When Transparency is Not Enough

The Surprisingly Important Role of Financial Literacy in Well Functioning Capital Markets



Dan Iannicola
President & CEO,
The Financial Literacy Group

Transparency in a nation's capital markets has long been considered a prerequisite to a successful stock exchange and to the free flow of capital within and beyond a nation's borders. As individual investors increase participation in capital markets, however, mere transparency is not enough. For transparency is of little value if investors do not understand what they see. Financially unsophisticated investors have the potential to jeopardize not just their own futures, but the futures of their nations' markets and economies through the uninformed choices they might make. To prevent this outcome, national governments, exchanges and listing companies all have an important, but largely unrecognized need to help their population become financially literate.

But why should they care? With capital markets in many countries largely driven by institutional players, many from foreign countries, why does the financial literacy of the individual domestic investor even matter? The reasons are multiple and compelling. By cultivating a nation of financially literate citizens, a country can grow its domestic base of investors, enhance its ability to weather market shocks, complement its regulatory efforts

and strengthen the reputation of participating organizations.

Growing a National Investor Class

Anecdotal evidence and ample experience suggest that, with a few notable exceptions, many post-crash consumers fear the unknown and are unlikely to participate in investments they do not understand. Even the availability of professional advisors may not remedy this. As our firm found in its 2010 study of the market for financial advice in the US, middle income investors who are in need of financial guidance sometimes avoid advisors because they may not trust advisors' objectivity and are uncomfortable with the asymmetry of information between themselves and the advisors.¹ In other words, unless consumers have a basic knowledge of investments they may not have the confidence to work with an advisor.

The unavoidable conclusion to be drawn from this is that education is necessary to transform an individual with assets into an investor and, potentially, a consumer of advisory services. The collective result of such efforts could be a significant increase in the proportion of households having a direct stake in the success of the nation and its businesses. Such local buy-in also sends a powerful message to foreign investors that the people who know the country best are optimistic and willing to personally commit to their nation's future.

Reducing Market Volatility

Imagine two individual investors. One wishes to invest because he believes the unrealistic promises someone made to him about the riches one could quickly accrue investing in an emerging market. The other has been equipped with the financial knowledge to understand both the

benefits and risks of investing and to examine the underlying fundamentals about the listing company and the country hosting the exchange. Both individuals decide to invest in the same instrument. Then a market shock occurs and the value of the instrument falls significantly. The unknowledgeable investor immediately dumps his investment, which both locks in his individual losses and contributes to a growing contagion. By contrast, the financially educated investor analyzes the market turmoil and rationally decides what it might mean for her investment strategy. She may make adjustments to her portfolio, which might even include buying into market weakness, so that she is well-positioned to profit from a rebound.

The difference between these two investors is financial literacy. One benefitted from its presence, the other suffered from its absence. Now imagine this scenario playing out on a scale of hundreds of thousands or, perhaps, millions of individual investors. Is it hard to believe that educated individual investors could actually have an effect on market volatility – putting in a market floor on the downside and constraining the tendency toward bubbles on the upside? Even sophisticated institutional investors should recognize that a smarter individual investor is better for everyone.

Complementing Regulatory Efforts for Investor Protection

During my years at US Treasury two of my long-held beliefs were proven for me on numerous occasions: first, that strong consumer protection regulation is essential for a robust financial services marketplace and second, that such regulation has its limits. Regulators can ensure that financial products are designed fairly and disclosed accurately, but ultimately

the choice of if and how to use such products rests with the consumer. For example, an investment can be appropriate for one person, but not for his or her neighbor. Providing financial education for both will permit each to make the correct decision for his or her situation.

Moreover regulators are mistaken if they believe this issue can be addressed with disclosures alone. While adequate disclosures are necessary, it is equally true that the unread disclosure discloses nothing. Investors must be taught how to make intelligent use of disclosures, how to distinguish between investments and their particular risks and how to seek regulatory remedies should their rights be violated.

So long as there are free markets there will be investor choice, and, with it, the opportunity to make a uniformed and detrimental choice. Therefore one of the best forms of investor protection is investor education. Market regulators that recognize this will see financial education as one of several important tools at their disposal to protect investors' assets and preserve overall market confidence.

Enhancing Corporate Reputations

Just as companies that prey on investors' ignorance are viewed as disreputable, the reverse is also true. Those few companies that actually seek to educate potential investors can distinguish themselves as some of the most highly respected brands in the financial services marketplace. However it is important to note that the term "educate" as used here is not another word for "sell." If a company can provide truly objective investor education before and outside of the selling context, then that company will not only earn investor trust, but investor business. While it is true an investor, once educated, might

As we tell our clients, financial literacy no longer means just simple brochures and websites assembled by an organization's communications staff.

take his or her new knowledge and invest elsewhere, research suggests a strong link between trust and sales success.² It is almost as if investors are saying, "if you trust me with knowledge, I'll trust you with business."

The Way Forward

All of the goals described above can be achieved through active implementation and ongoing support of financial literacy initiatives. However financial education should not be mistaken for a panacea. Continued research is needed to better understand how financial education efforts affect investors, and nations must simultaneously pursue a number of other important priorities to develop thriving capital markets. Specifically emerging markets must continue to invest in their technological, regulatory, financial and management infrastructures. However the important point to take away here is that the work of financially educating investors and potential investors belongs on that critical list of tasks to achieve. That is likely why FEAS listed increasing financial literacy as one of its nine strategic objectives.

As we tell our clients, financial literacy no longer means just simple brochures and websites assembled by an organization's communications staff. Instead contemporary financial literacy is beginning to encompass a whole array of sophisticated educational interventions, informed by the latest research, strategically targeted, precisely executed and rigorously measured for outcomes, all with the objectives of engaging consumers, increasing knowledge and changing behavior.

As described above, stock exchanges, regulators and companies in emerging markets are well-positioned to tap the still unrealized potential of financial literacy as they all seek to brighten the futures of their investors, their capital markets and their national economies.

1. Dan Iannicola & Jonas Parker, Financial Literacy Group (2010), Barriers to Financial Advice for Non-Affluent Consumers, Society of Actuaries
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About Dan Iannicola, Jr.

Mr. Iannicola is an international leader in the financial literacy movement and since 2009 has headed The Financial Literacy Group (FinancialLiteracyGroup.com), a consulting firm which helps organizations design, produce and deliver research-based financial education programs, strategies, curricula, campaigns and program evaluations. From 2003-2009 he was the US government's top financial literacy official, serving as US Treasury's Deputy Assistant Secretary for Financial Education. In this role he coordinated 20 federal agencies to draft and execute the first US national strategy for financial education, commissioned the country's first national survey of adult financial capability and launched a number of national financial education programs for youth and adults. Additionally he was the first Executive Director of the President's Advisory Council on Financial Literacy. Prior to his government service, he practiced credit and banking law for eight years in the private sector. He is a graduate of the Wharton School of Business, the University of Illinois College of Law, and the American University Graduate School of Communication.

Investor Relations

General Electric ('GE') was the first company to create a function for shareholder relations: In 1953, Chief Executive Ralph Cordiner, decided to proactively communicate with the owners of the company, which were at that time mainly retail shareholders. The American public had started investing and companies were competing for their attention. GE wanted to understand the expectations of these shareholders, establish a channel to provide information to them and encourage them to invest. Over the years, "shareholder relations" became "Investor Relations" ('IR') with an increasing number of companies established IR functions. Today it is a respected profession and a valued member of an effective management team. The responsibility of the Investor Relations Officer (IRO) has grown tremendously over time and a recent study by Ernst & Young** found "excellence in investor relations" to be one of the ten opportunities for companies to distinguish themselves from the competition.

IRO Skill Set

"Investor relations is a strategic management responsibility that integrates finance, communication, marketing and securities law compliance to enable the most effective two-way communication between a company, the financial community, and other constituencies, which ultimately contributes to a company's securities achieving fair valuation."

National Investor Relations Institute (NIRI), Definition of IR

IROs need to have a blend of skills. A fundamental skill, is an understanding of finance, which explains why today many IROs have a degree or MBA in finance and are frequently

The IR team is responsible for creating an understanding of the company, attracting information intermediaries and targeting a desired investor base.

recruited from the company's finance department. Increasingly we see IROs with a sell- or buy-side analyst background as well as investment banking experience. On par with the financial skills, however, strong communication skills are required in today's markets. It is easy for investors to get access to the

result announcements, investor presentations, one-on-one and group meetings and reviewing forecast models. Additionally, IR can cover areas such as the IR website content, production of the annual and corporate social responsibility reports, financial and business media communication, debt investor

Alongside the growth of IR has been the formation and expansion of professional bodies to support the function. As well as being involved in education and further best practice, many IR societies are involved in lobbying and responding to proposed regulatory changes. The oldest IR society is the National Investor Relations Institute ('NIRI') set up in 1969 in the US. In the UK the Investor Relations Society ('IRS') was founded in 1981. The last ten years has seen new local organizations to join the group. TUYID, the Turkish IR organisation founded in 2009, is a relative newcomer.

Most local IR organisations are connected through the international body, Global Investor Relations Network ('G.I.R.N.').

NIRI: www.niri.org IRS: www.irs.org.uk TUYID: www.tuyid.org GIRN: www.girnet.org

numbers, but what they expect from IR professionals is information on the "intangibles" of the business, such as the strength and depth of management, business drivers, the addressable market investment in and strength of R&D, the potential for future growth, what differentiates you from the competition as well as a detailed industry outlook.

IR Responsibility: The IR team is responsible for creating an understanding of the company, attracting information intermediaries and targeting a desired investor base. IROs are therefore in constant communication with sell side analysts and institutional investors. This involves preparing financial

meetings, organisation of site visits and investor days and occasionally retail investor events.



Diane Faulks
Director, EMEA Head IR Advisory, Citi
Depository Receipt Services

Communication and marketing skills help formulate the investment proposition. The continuing obligation for companies to provide timely disclosure of price sensitive information and the equal treatment of all shareholders has always been central to IR. The worldwide web empowered the IR department to better perform that task. Not surprisingly in a global IR community, expectation of the quality of the IR website has grown and companies pride themselves on recognition for their state-of-the-art IR websites. In the age of Social Media and 24/7 global connectivity, information travels fast. This has created more work for IR departments as investors have access to everything and anything being said about a company, both facts and rumours. This means that IROs have to constantly be in front of the news flow about their company and sector. Today the IR department is increasingly involved in reputation management and it is critical to work alongside other communication functions to ensure messages to all audiences are aligned.

IR is a two-way dialogue. An important part of the function is to listen to concerns and comments from the financial markets and present this information to management. IROs receive market opinion by noting investors' questions and comments, reviewing analysts' research and through the post meeting feedback from bankers. It is important for management to understand their investor base; to interpret and even anticipate buying and selling decisions and view their company and sector through investors' eyes. Knowing investors' views will help foster an understanding of the valuation the markets ascribe to the company's shares. Corporate

governance concerns, for instance, often have a negative impact on the share price.

Understanding the reporting and disclosure regulations is also essential, especially as these obligations are changing frequently. An IRO must demonstrate an understanding of these regulations and make sure to communicate them internally so that management is aware of the regulatory environment. It is the IROs job to prepare management ahead of one-on-one investor meetings and make sure they know what they can and cannot say.

also varies tremendously by country. IR Magazine's 2011 "European IR Survey" found the average size of a European large cap. company IR team to be five members, two at mid cap. and one at small cap companies. The size of an IR team may depend on the commitment of management to IR, the challenges of the company's investment story, and, importantly, the scope of IR responsibilities.

Best practice IR IR Magazine's survey also asked investors and analysts which qualities they most value in an IRO. Top of their list was 'responsiveness', demonstrating the importance investors place on

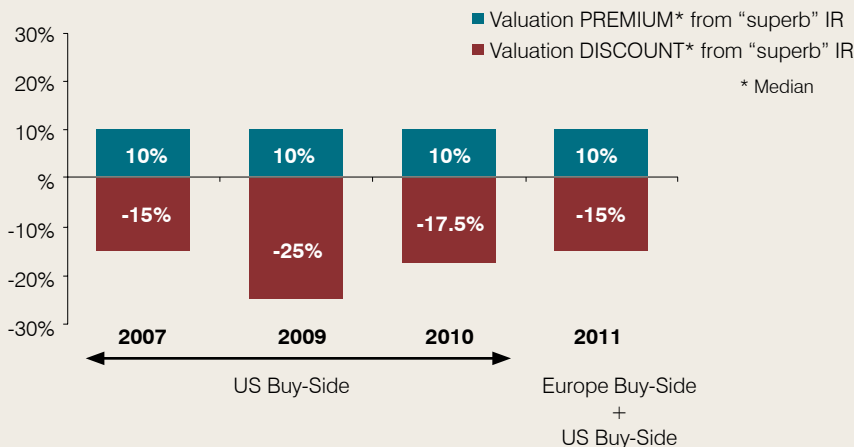
IR is a two-way dialogue. An important part of the function is to listen to concerns and comments from the financial markets and present this information to management.

The analyst and fund management community is also changing. IROs today face emerging market investors, global investors, long-only investors, hedge funds and socially responsible investors. The trading environment has changed drastically to include automated trading such as high frequency trading, algorithmic trading and "dark pools" of liquidity. It is more difficult than ever to identify shareholders and IROs are increasingly dependent on third-party intelligence providers.

IR team size IR team structures differ from company to company. Most IROs report to the CFO. According to survey by UK head hunters VMA*, 78% of IROs report into the CFO, 15% into CEO and 10% into Head of Corporate Affairs. Larger companies typically have larger IR teams, but the size

companies reacting to their requests. Other qualities cited as important were: knowledge of the company and industry, willingness to help, and being 'in the loop' with senior management. Interestingly, when IROs were asked which qualities they rate highest in peers, communication and financial skills were mentioned most. One might deduce that investors consider these skills as prerequisite to the role and so these did not feature at the top of their list.

Impact on Valuation of Superb versus Poor Investor Relations (Unaided)



IR Measurement An effective IR strategic plan builds in KPIs, key performance indicators that allow management to gauge how well the IR department is performing. Today most CEOs have acknowledge that

believed that superb IR has a positive effect on a company's valuation and interestingly that poor IR has an even greater discount effect. The 2011 survey found a 25% difference between superb and poor IR. This

IR is the department that day-to-day reaches out to the investment community to create a dialogue.

IR success cannot be measured by the share price as this is a reflection of the macro environment and general performance of the company. Relevant KPIs include quantitative and qualitative measures such as number of investor meetings, increasing the number of analysts covering the company and improving the accuracy of their coverage. But how do investors look at IR departments? Do they value IR efforts? Rival Research, a US company specializing in gathering and analyzing investment community feedback, asked around 300 investors what value they bestow on IR as a function. The results show clearly that most Investors believe in the importance of IR: 84% said that IR has a tangible effect on their view of the company. 80% of investors surveyed

gap has fluctuated over the four years the survey has been conducted with the greatest gap being in 2009, most likely attributable to a reluctance by companies to communicate negative messages during the global financial crisis. However, investors want open communication in good times as well as in bad times.

Corporate Governance Scandals such as Enron have led to increased investor focus on corporate governance. A company's approach to corporate governance is judged by many things including the commitment of the Board and Senior Management to enter into an open, long-term dialogue with shareholders, potential investors and analysts. This dialogue facilitates

an understanding of the company's performance, growth expectations and industry dynamics and seeks to appreciate investors' concerns. IR is the department that day-to-day reaches out to the investment community to create this dialogue. The high accolades given to top IR professionals by peers, the financial community and management is recognition of the pivotal role IR plays today.

References:

* VMA Search, Career and Salary Survey 2010-2011

Rival Research Effective IR Survey October 2011

** Ernst and Young, Turn risks and opportunities into results, Exploring the top 10 opportunities and risks for global organizations, 2011

About Diane Faulks

Diane has over 20 years experience in the discipline of Investor Relations having held in-house roles for UK corporates (Signet plc and BAA plc) and advisory roles with Citi Depositary Receipt Services assisting clients with cross border communication during listing, capital raising and shareholder expansion. Over the years she has advised companies of all sizes, sector and location on strategies and actions to identify and achieve their IR goals. Diane has been an active member of the UK's IR professional body, the Investor Relations Society (IRS) since 1994. She was a board member from 2000-2006 and Chairman from 2003-2005.

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Constant Communication Attains Investors' Confidence

In today's global business environment following the recent financial crisis, adherence to disclosure and transparency and building and performing an effective IR strategy among public shareholding companies became crucial to maintain investors' confidence.

stock, as well as achieve a fairer valuation of the company's stock.

Given the current local and global challenges, the Palestine Exchange (PEX) is making a great effort in promoting effective IR practices among public shareholding companies in Palestine. PEX Annual

In today's Palestine, IR is an essential effort. Much is said about Palestine in the news, but not much is said about business in Palestine. Therefore, effective IR practices offer a gateway to international capital pools and an opportunity to correct misperceptions about Palestine in the financial community. It will also familiarize many potential investors with the success stories of Palestinian listed companies.

Failing to communicate with investors will create passive investors who may abandon the company stock and cause price volatility.

Investors are a key source of capital and liquidity; in view of that, a constant flow of information is vital. The company should keep an open channel and communicate its story in good and in bad times. Failing to communicate with investors will create passive investors who may abandon the company stock and cause price volatility. "Trust" is the key word here; if the company manages to achieve and maintain investors' confidence, then these investors will hardly abandon the company's share even in times of decline. Effective and constant IR practices will not only contribute to maintaining current investors, it will also attract new capital, increase trading and liquidity on the company's

Palestinian Capital Market Forum in 2010 discussed how effective IR practices could mitigate crisis. The Forum aimed at boosting the value proposition of investor relations in Palestine and at creating a culture of constant and professional communication among the Exchange's community. PEX issued its IR guide in 2011 and distributed it widely. The guide included information on the concept of IR and its economic value for public shareholding companies, IR stakeholders, how to build an effective IR strategy, IR in crisis management, IR in an organizational chart, IR core functions as well as measuring IR performance.



Fida Musleh-Azar
Manager of PEX Representative Office in Ramallah, Manager of Public Relations and Investor Education



Maria Hunt (left) and Fida Musleh/Azar (right) signing the Palestine IR Chapter accord

The Middle East Investor Relations Society (ME-IR Society) and a number of Palestinian companies following IR best practices met in Ramallah to agree an Investor

Relations Charter. The Charter will improve the quality of investor relations practices and educational resources in Palestine. The Charter also creates an informal supervisory Board of ME-IR Society member companies which will assist with the development of IR initiatives in Palestine.

The Charter was ratified by the inaugural Chairwoman of the Palestine Chapter, Fida Musleh/Azar - Manager of the Palestine Exchange (PEX) Representative Office – Ramallah/ Manager of Public Relations and Investor Education Department and Maria Hunt, General Manager of the ME-IR Society.

Ahmad Aweidah, CEO of PEX commented "Our role is not limited to listing, and disclosure only, it naturally extends towards creating a culture for constant and professional communications among all the Exchange's community, especially at boosting IR best practices among publicly listed companies".

"Supporting and developing effective investor relations practices is essential for functioning capital markets' said Ms. Azar. "The establishment of a Palestine Chapter of the ME-IR Society will provide support and guidelines for our listed companies looking to develop or build upon a successful IR function."

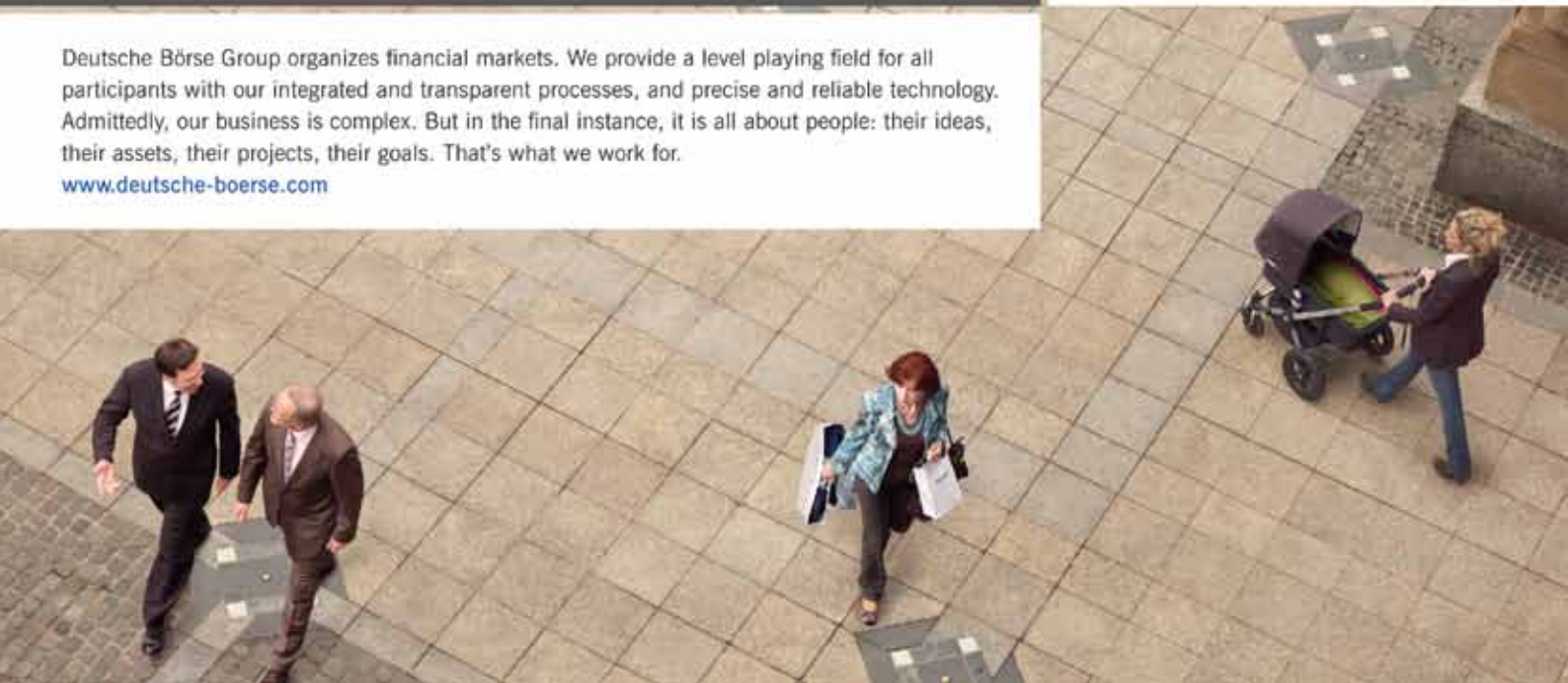


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Investor Education is Key for a Successful Listed Market

The Turkish warrants market launched in August 2010. Deutsche Bank's db-X markets business was a pioneer in the efforts to establish a warrants market at the Istanbul Stock Exchange (ISE) and later became the first warrants issuer in Turkey. Leveraging its global expertise, db-X markets has been implementing a marketing strategy based on the best market practices in other jurisdictions where db-X markets plays a dominant role. The strategy relies on three pillars which db-X markets dubs as the supermarket concept:

Launching Warrants in a New Market – The Supermarket Concept

Product diversity – Keep your shelves full of products for every need and risk appetite. Let investors decide what suits them best.

Market making – Always back your products with market making so that investors can build and exit position at their will. Market making eliminates liquidity risk and guarantees there is always a fair price tag available for every product in the market (barring extraordinary market conditions).

Investor education – This is the most crucial pillar. Investors should understand products and their dynamics before trading those products. Education is the key as no investor will be willing to trade a financial instrument without knowledge of its behaviour.

This article will focus on the investor education aspect around the initiation and early days of the Turkish warrants market. Before moving forward it is important to have an understanding of where Turkish capital markets stood just before warrants were introduced.

International experience suggests warrants are primarily a market for retail investors. In the Turkish case however, institutional investors' interest has also been relatively strong.

Historically, the Turkish equity market was considered to be one of the leading markets in its region, with relatively high liquidity compared to its peers and a sufficient number of blue chip stocks with a high level of foreign institutional ownership. A high inflationary environment and volatile macroeconomic backdrop during the two decades prior to 2002 inhibited new products initiation. Pricing derivatives securities had been particularly problematic when interest rates were high and underlying asset



Albert Krespin
Head of Equity Derivatives, Deutsche Securities Istanbul

volatilities were extraordinary. During those decades the product diversity in Turkey remained poor. Up until 2005, in the listed market there were only cash equities and Treasury bonds.

In 2005, with the launch of the futures market, Turkish investors were introduced to leveraged equities in the listed world. Investors for the first

time faced with the concept of short selling in a listed environment (short selling in stocks was possible but the stock lending market was dry). In the same year, exchange traded funds were launched, and became the first securitised product in the Turkish market. The warrants market was not only the first structured products market but also the first listed options market - in a securitised format - in Turkey.

International experience suggests warrants are primarily a market for retail investors. In the Turkish case however, institutional investors' interest has also been relatively strong. The lack of institutional products in the listed market (such as listed options), the ease of accessing warrants and operational efficiency in trading and transparency are the main reasons behind institutional interest.

The low level of financial literacy was a significant challenge for the issuers, especially for db-X markets, as education has been at the core of db-X markets' marketing strategy. Educating investors is one part of the challenge. There are other stakeholders, namely media representatives, brokers and banks and investor relations representatives.

Reaching Investors

Eight months before the launch of the warrants market, db-X markets started its series of now renowned warrants teach-ins and seminars. The first seminars targeted client representatives in the finance industry (such as brokers and banks)

who are the direct contacts for the investors. Some of the later seminars were designed exclusively for retail investors and also operated as public seminars. Separate teach-ins were held to educate media representatives. Teach-ins started in Istanbul, Turkey's financial centre. After the market launch, db-X markets kicked off a Turkey roadshow on warrants, organising teach-ins in 10 different cities across the country. To date, more than 300 such seminars and teach-ins were organised reaching thousands of investors.

Teach-ins and public seminars are progressive in the sense that a higher level teach-in adds to the information shared during previous sessions. Some of the latest seminars have

The warrants website includes downloadable educational documents, presentations, product videos, regular warrants bulletins along with a warrants calculator. Investors need to understand the dynamics of the products before actually investing in such products. In fact, this is one of the key messages in the public teach-ins db-X markets tries to communicate. Knowledge is the key.

Daily bulletins and regular warrants notes aim to provide up-to-date knowledge on existing products in the market. Warrants have a lifetime and expiry, and regular reports and case studies from live data try to explain how to pick the most suitable warrants available in the market for investors.

Based the experience on warrants, we feel that the only way to establish a successful market is by focusing on investor education.

effectively evolved into workshops where case studies from the live market are examined. Such case studies include warrants investment strategies, the behaviour of warrants under specific conditions, market making rules and market dynamics.

In tandem with the launch of the market, db-X markets introduced its warrants website (www.varant.db.com) aiming to provide free information to investors at large.

db-X markets' warrants hotline has been an effective channel to reach investors directly. Warrants experts can listen and understand client needs and guide them to pick the most suitable warrants from a wide selection. It has also proven to be an important channel to gather feedback from investors. Based on this feedback db-X markets fine tunes the content of its teach-ins to address common questions and issues delivered by investors.

The Effects of Educational Efforts

All these educational efforts have so far yielded positive results. Investor interest is increasing and investor general knowledge on warrants is improving. Whilst it is hard to measure how much investor understanding has progressed, feedback on the hotline alongside the questions that are now being asked have become much more sophisticated and succinct.

Turkey's capital market is undergoing a process of transforming itself. Istanbul is aiming to evolve into a regional financial centre. It is very likely that over the coming five years the product variety in the listed markets will increase substantially. Based the experience on warrants, we feel that the only way to establish a successful market is by focusing on investor education. Investors must understand product dynamics so that their expectations from the products are realistic. Only then can an investor decide whether or not a product is suitable for their needs and risk appetite.

The Importance of Investor Relations and Financial Literacy



Steve Kelly,
Managing Director IR, Thomson Reuters

Arzu Cevik,
Director Editor IR, Thomson Reuters

Investor Relations (IR) is an increasingly essential part of the company's communication strategy. Why? IR can help to attract and retain investors and compete for capital. And companies that perform the IR function well can be rewarded with higher valuations, less volatility and – over the long run – greater shareholder returns.

What Are the Challenges?

Global markets operate in a macro-driven investment climate – thus, individual stock stories are challenging to make visible. The decline in active equity funds and the increase in 'invest anywhere' approach of funds have added to the challenges. Thus, IR has to be done professionally.

Good IR

We believe there are three clear and interrelated components of good IR: building trust, improving knowledge (financials & overall business) and driving transparency. IR is about taking the company strategy and clearly defining it and helping the market to buy-in to that strategy.

Demand for IROs with a strong knowledge of the business and strong financial skills is growing. IR teams need to explain the corporate story clearly, show financial literacy (be able to navigate investors through the P&L, balance sheet and cash flow statements) and interact with savvy buy-side investors and sell-side analysts.

The market must have confidence in execution and delivery; and will build that confidence by assessing consistent performance over time.

The Importance of IR and Financial Literacy

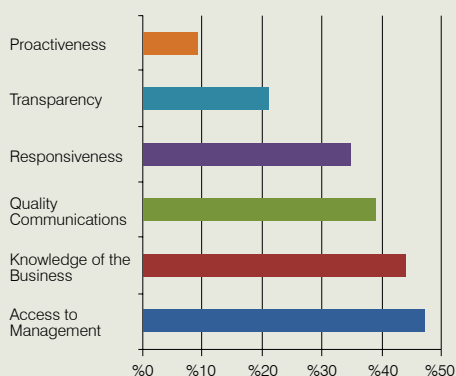
IR is the "window" explaining to the outside world how the company is performing financially, as well as operationally.

Investors and analysts need to trust the numbers and trust the guidance forecasts that the company provides. In order to do so, IROs must have a firm grasp of their company's financials and understand how the investment community works. IROs need to work closely with the financial team within their companies, with some IROs reporting directly to the CFO.

The way in which numbers are collected internally (management accounts) are not usually the way in which companies report their numbers externally (for example under IFRS). IR teams need to be able to understand both and speak about both intelligently.

In fact, results from our Thomson Reuters Extel Studies show that both buy-side and sell-side analysts value IROs who have a “knowledge of the business” very highly. This includes financial knowledge and IROs who are strategic (can speak to the numbers, are knowledgeable about all parts of the business and be a proxy for the CEO).

Buy-Side & Sell-Side - Most Valued IR Attributes



How Can IROs Improve Their Financial Literacy?

1) In theory, IROs can gain financial literacy by reading books and taking classes, thereby ‘training up’ their knowledge.

2) In practice, IROs have to experience the markets and work with analysts, investors and management in order to improve their financial literacy.

As an IRO, you need to carefully target the right funds, know their fundamental perspectives and understand their strategies for investments. You need to be able to understand why the market is more focused on some financial metrics (Return on Equity, which assesses management’s effectiveness) than others and which fundamentals can drive investment decisions (fundamental peers vs. industry and/or geographic peers).

Understanding these metrics and how they’re influencing investment decisions will impact how you craft your messaging to investors – are you helping them to understand how the company is performing and what management is doing to maintain or improve its results in the future?

In terms of experienced IROs, increasingly, sell-side analysts are being hired for IR positions, often by the companies they cover. Former sell-side analysts have a good understanding of what the markets want and the financial skill sets that are in demand.

Conclusion

If you want to do IR well, you have to do it professionally and with a strong understanding of financials and what the buy-side and sell-side want. If you are uncomfortable with financials, the market will not have trust in you or your company and this will likely be reflected in your company’s valuation.

For those who do IR well, who can communicate the company’s story effectively with both analysts and investors, these companies can be rewarded with higher valuations, less volatility and – over the long run – greater shareholder returns.

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Corporate Communications as a Vital Tool in Facing Volatilities



In 2011, the global economy confronted several critical challenges. Economically, the slow growth of the U.S. economy, the on-going debt crisis in Europe and the political turmoil in the Middle East and North Africa, have all pushed the global economy around. Accordingly, significant movements have taken place in the capital markets, which shoved the stock markets up and down, experiencing more volatility accompanied by changes in the speed and method of information dissemination.

As the stock markets reacted negatively, corporate communications and investor relations became very crucial tools in spreading sound and credible information among investors globally.

For quoted companies, it became a continuing challenge to attract and retain investment funds. Investor relations (IR) was thus vital to market the company to investors and market participants. An effective IR officer can save the management time and help bring a fair valuation for the company's equity and reduce funding costs.

To be effective however, the IR program and those carrying it out, must have the full commitment and support of the board of directors and the senior management. The IR team should represent the company in the market and will deliver valuable insight into the market outlook. The IR team

must not only provide a one way flow of information but rather establish a two-way communication. With a global market dealing only with bad news and concerned investors everywhere, the responsibility of IR is aimed at becoming superior everyday to effectively give the market an accurate picture of the company's performance as well as gain feedback from the

The Egyptian Investor Relation Association (EIRA) is a professional non-profit body of corporate officers and investor relations consultants responsible for communication among corporate management, the investing public and the financial community. The Investor Relations Association sets high standards designed to advance the practice of IR and to

We, at the Egyptian Exchange, encourage participation in EIRA in order to improve transparency and disclosure in the Egyptian market.

market in order to assist with planning and delivering the creative solutions and development strategies that will go from paper to execution.

The IR team of any quoted company must always engage investors in the conversation to communicate open, truthful and non deceptive information with regard to the company's performance, which will consequently reflect in a fair market valuation, higher frequency trading of its share as well as a lower cost of capital.

And with globalization, internationalization of markets, the importance of the role of IR and the adoption of best corporate governance standards (due to major international corporate failures) has become imperative in Egypt. The Egyptian Exchange has made it mandatory in its Listing rules for listed companies to appoint an Investor Relation Manager. Recently, in February 2010, The Egyptian Investor Relations Association (EIRA), an independent professional association was established. Founding members include investor relations professionals at top Egyptian issuers with the support of the Egyptian Exchange (EGX) and J.P. Morgan Chase.

meet the growing professional development needs of those engaged in this field. IRA aims at promoting good relations between listed companies, their shareholders and potential investors. The association also supports high ethical and professional standards in the practice of IR and increases the awareness of IR techniques and best practices. EIRA established a code of conduct to all EIRA members in Egypt.

We, at the Egyptian Exchange, encourage participation in EIRA in order to encourage transparency and disclosure in the Egyptian market, ensure best practices of corporate governance in listed companies and enhance the skills and standards of investor relations officers of listed companies.



The Egyptian Exchange
International Relations
Research & Markets Development

Investor Relations and Financial Literacy in Serbia

The importance of the investor relations and financial literacy in Serbia has been recognized within the past few years and since then, the Belgrade Stock Exchange has actively work in those areas, trying to increase both theoretical knowledge, as well as practical aspects of it. Although the current situation in the regional capital markets is not as good as it used to be, it is expected that educational activities aimed at aligning Serbian capital market with other developed markets will bring positive effects in the long term.

Investor Relations

Theoretical Background

The role of the Investor relations (IR) importance in the contemporary markets is constantly growing. Since its first definitions, dated to the end of 1970s, the IR has seen many changes, mostly induced both by the new legislation and needs of market participants. In its basic form, IR includes all kind of communication and relationships towards financial industry and other stakeholders that should result in the fair value of the securities traded on the market. The adjective "fair" in this sense is very

IR professionals have to possess both financial, marketing, presentation, legislation and other skills that would enable them to respond to the investor's inquiries in the most efficient way.

important, since simple marketing that would strive to increase a company's share prices to unreasonable levels wouldn't bring expected results to the company's position on the market, but on the contrary, would result in its complete failure in the long term.

It is also very important to stress that IR goes far beyond the simple financial reporting nowadays. Although communication to investors include a large portion of financial facts, investors are becoming more and more interested in the intangible data - company's management, plans, ability to adapt to global trends, goodwill, corporate and social responsibility and, above all, company's openness and honesty to the community. Therefore, IR professionals have to possess both financial, marketing, presentation, legislation and other skills that would enable them to respond to the investor's inquiries in the most efficient way. In communication with investors community a company has to deliver data that are relevant to investors, through channels that are available to investors and in a timely manner.

In the process of establishing and maintaining IR activities of one company, there are a lot of tools that can be used - from the traditional periodical and annual reports, press releases, annual shareholder meetings, road shows, presentations, direct individual meetings with potential investors and shareholders, conference calls, to web services,

such as up-to-date reporting, video and audio web casts or social media. The supporting activities for an efficient IR department also include research of the investors community (preferences, trends, segmentation), peers' activities, latest market and



Petar Spaic
PR and Marketing

regulatory developments, etc. In its activities IR departments have to work closely with the management of the company and finance department.

IR on the Belgrade Stock Exchange

The investor relations activities in Serbia were initiated by the Belgrade SE in 2008. Since then, the Belgrade SE has synchronously worked on the promotion of the local capital market to the international and local investment community and on raising the knowledge and awareness of the companies about the topic.

Having in mind that Serbian capital market is relatively small and especially, that individual quoted companies usually don't have enough sources and/or knowledge to perform their own IR activities, the Belgrade SE has been working on the common promotion of the Serbian market and individual companies. Several roadshows have been organized up to now and the first one was organized in Zagreb, Croatia in year 2008. Since then 3 similar events took place in Vienna, Austria and two in Belgrade. The latest road show for Serbian

companies was held on November 17th, along with the 10th International Conference of the Belgrade SE, where around 10 investors from Serbia and abroad had one-to-one meetings with management of the quoted companies.

In order to increase the knowledge about IR and its importance the Belgrade SE has organized several seminars and presentations for the representatives of the companies, including the one held in March 2011: "Investor relations, importance and practical aspects of it", where representative of the Vienna Stock Exchange and Thomson Reuters gave presentations about their experiences on the IR and current best practices recognized on the developed markets. The publication "Tools for investors relations" was published at the beginning of year 2011, and was distributed to all companies who cooperate with the Belgrade SE in this area. The publication includes a description of traditional and contemporary tools for the IR and possibilities to implement those tools on the Serbian capital market.



Natalija Nedeljkovic
Business Operations

In year 2010 the Award for the Best IR in Serbia has been introduced. A commission composed of Serbian brokers, fund managers, analyst and journalists has awarded a company that had the best performance in the area of investor relations in previous period on the Belgrade SE 9th International Conference in November, 2010. The revised criteria for the Award were presented at the beginning of 2011, and the second Award was delivered to the best performing company on the Belgrade SE 10th International Conference, this November.

Financial Literacy

The Belgrade Stock Exchange is very dedicated to widening public education about the basics of stock market operations and, in general, basic facts about the functioning of financial markets.

In this sense, the Belgrade Stock Exchange has formulated special educational programs - courses and application software, providing adequate access to each of the pre-determined target groups, including student groups and the dominant retail sector (Exchange's courses have been attended by more than one thousand participants in the previous years). Previously developed and validated over time as quality, educational activities of the Belgrade SE; the exchange had full recognition in the preparation for the trading of privatized public enterprises, whose part of the capital - shares were distributed to Serbian citizens (nearly 5 million people).

In the future the Belgrade SE will focus its activities towards increasing the level of engagement of the professionals in the IR as well as investment activities, detailed analyses of the needs of the investment community and further promotion of the local securities internationally. We hope that we will have a chance to increase the international cooperation in the areas of investor relations and financial education of the public, with the aim to gain mutual benefits by exchanging knowledge and experience between different markets.

Investor Relations in Iran's Capital Market



Abolfazl Shahrabadi

Former International Director, Tehran Stock Exchange

Iran's capital market has no special rule regarding investor relations.

However, a guideline in this regard has been provided by the board of Tehran Stock Exchange and forwarded to the Securities and Exchange Organization for the final approval.

The main issues in these instructions include demanding the listed companies' boards to approve: 1) investor relations policy that must contain the basic principles of relations with audience, appointing a speaker, communication programs, targeting investors, determining minimum items that should be published on the website; 2) appointing a qualified head for investor relations department with related education and experience; 3) assigning tasks and duties to this department such as tracking timely disclosure of information and arranging the relations between the issuers and analysts, media and investors.

Before an IPO, companies hold an introduction meeting with investors and make it possible for their visiting the factories or production lines.

Although currently there is no specific regulation in this area, but with a review of other existing regulations and measures, we find out that the regulator has concerns about it.

The regulations are as follows:

1) Instructions for "information disclosure of companies registered with Securities and Exchange Organization"

Information disclosure is here defined as "sending information to the Organization and timely dissemination to the public in accordance with the provisions of this instruction".

Based on this instruction, issuer is required to submit Information subject to this directive, which has three main chapters, and details to the Organization in electronic and/or paper format and release to the public in the way that the Organization will determine.

The guidelines stipulated that providing information to analysts, journalists, shareholders and other parties should not be done individually and selectively, unless the information has been disclosed already in compliance with the provisions of this instruction.

Also, the instructions determined issuers' duties regarding releasing rumors, fraudulent or misleading information in the market or false documents.

2) Launching CODAL

Issuers are required to disseminate corporate actions to the public in the way that Organization has determined.

This website was launched in a few stages about three years ago for effective and reliable access of Investors and other stakeholders to corporate actions.

"CODAL" stands for Comprehensive Database of All Listed Companies.

One or two persons in any registered companies, typically CEO and CFO have access to this site through a special confidential token and digital signature and update issuers' information.

Since launching this site, systematic disclosure and investor access to information have been facilitated.

3) Approval of “listed issuer’s disciplinary directive” by the Securities and Exchange Organization

Although the instruction recalls disciplinary issues, it considers the issuers’ assignments.

Various materials are observed in this instruction in line with special attention to the shareholders rights.

Considering issuers’ duties on paying dividend, it requires listed companies to “facilitate the shareholders affairs through entrusting all measures, including paying dividend to CSD if it undertakes it”. Also in the issuer is obliged to determine the venue of

An article of the instructions more explicitly concerns with the issues related to investor relations. According to that, the chairman of the assembly is required to manage the meeting so that “questions and comments of the shareholders” shall be provided in the agenda.

4) Sample article of association for listed companies, approved by Securities and Exchange Organization

Prior to the approval of this article of association template that all issuers are required to adopt, listed companies were not obliged to have an official website for communicating with the shareholders. According to



Maryam Ebrahimi
Legal Director, Tehran Stock Exchange

In addition to the above cases, based on the Exchange’s tradition, before an IPO, companies hold an introduction meeting with investors and make it possible for their visiting the factories or production lines. This is an important step in the field of investor relations.

A new poll by Tehran Stock Exchange with a sample of 100 real investors indicates that within recent 5 years, after the Exchange’s Demutualization and enacting new regulation and supervision policy on issuers, investor relations issue has improved and experienced some progress.

A new poll by Tehran Stock Exchange with a sample of 100 real investors indicates that within recent 5 years, after the Exchange’s Demutualization and enacting new regulation and supervision policy on issuers, investor relations issue has improved and experienced some progress.

GA in a location where shareholders, especially minority shareholders can take part. In addition, for preventing issuers’ fraudulent activities about holding GA in the city that a smaller number of shareholders may be present, a clause of the article declares that “if the issuer is provided to change the city where the GA is held, before releasing its announcement, the Organization shall be notified.”

this approval, all listed companies are implicitly (not explicitly) required to create an official website.

Concerning the release of capital raising notice, the article of association requires listed companies to publish the prospectus of new shares through its official website, as well as its official newspaper. Besides, listed companies have to publish GA notice to the public through company’s official newspapers, and also on its website.



Essential Elements for Successful “People’s IPO” in Kazakhstan



Amina Turgulova

Head of International Relations, KASE

Since the announcement of the “People’s IPO” program last April, the issue of Investor Relations (IR) and financial literacy has become increasingly important. The “People’s IPO” program is aimed at bringing Kazakhstani government owned blue-chips to the local market, where companies that belong to the Sovereign Wealth Fund “Samruk-Kazyna” will be partially privatized on the Kazakhstan Stock Exchanges (KASE). This would allow Kazakhstani citizens the opportunity to buy a total of 5-15 % of the shares, thus bringing retail investors to the local securities market and boosting the market’s liquidity.¹

IR is a new concept for some of these companies (given that most are 100% government owned), while financial literacy is important for their potential shareholders among the Kazakhstani population.

As the program is aimed at attracting retail investors to the market, increased public awareness and financial literacy will be essential. It will not be enough to allow potential retail investors to learn about the IPO participation process, it will be important to help them increase their confidence in securities markets by means of improving their knowledge and skills.

For this reason, the Government of Kazakhstan has indicated in the “People’s IPO” program adopted in September 2011 that one of the most important areas will be information and awareness raising campaigns aimed at information provision, as well as improving financial literacy of the population by means of creating and broadcasting TV programs, distributing printed materials, as well as creating a dedicated web-site for the “People’s IPO” program, among other initiatives.

The National Bank and other institutions are also running awareness programs – all aimed at improving financial literacy of Kazakhstani population. Kazakhstan Stock Exchange is working on the establishment of a Call Center to allow the general population to receive information about the Kazakhstan financial market and IPO processes, printing brochures and other materials, as well as organizing trainings and market awareness campaigns.

IR is a new concept for some of these companies (given that most are 100% government owned), while financial literacy is important for their potential shareholders among the Kazakhstani population. Some may question, why Investor Relation Organizations (IROs) should be concerned about the level of financial literacy of their shareholders and potential investors? Shouldn’t they just be concerned that the more investors that buy the stocks of the company will thereby increase the demand and valuation? And is it sufficient to just provide the investors with abundant information about the company?

¹ It is planned that the first group of companies consisting of KazTransOil JSC (transportation of crude oil, oil refineries, oil and gas pipelines), AirAstana JSC (national carrier) and KEGOC JSC (electricity grid operator), will go public in May 2012. The second group would include KazTransGas JSC (production,

processing, transportation and sales of gas), KazMorTransflot JSC (maritime shipping company), Samruk-Energo JSC (generation, transmission and distribution of electric energy) offering their shares in 2013. And in 2 013-2014 the shares of Kazakhstan Temir Zholy JSC (national railway company) and Kaztemirtrans

JSC (cargo carload park operator) will be offered to public. It is also possible that the largest Kazakhstan companies KazMunaiGas JSC and KazAtomProm JSC will conduct their IPO in 2015.

There are certainly many reasons why IROs care about the financial literacy of the shareholders. When investors are not properly informed and/or do not possess sufficient knowledge, they make blind decisions, which may bring unintended consequences. In the context of the “People’s IPO” program in Kazakhstan it may even

While IR and financial literacy is important during the companies’ pre-IPO preparation stage, it is essential during the after the IPO period. Assuming that the financial literacy of the retail investors has improved, although it is never a simple short-term task, investors should be able to understand financial reports and other

A well structured and sufficient corporate strategy and communication program will be important for the success of the “People’s IPO” program in Kazakhstan. The companies may start feeling increased pressure to enhance their governance structures, start focusing more on the shareholder value and corporate responsibility, as well as the need for better disclosure of relevant financial information. It may require more efforts and resources from the newly listed companies’ IR Departments, but it is definitely worth it, as it would keep the value creation process growing.

Companies’ IROs could and should help improve this situation, especially in countries where the population is still learning to be financially savvy.

question the success of this program. Uninformed investors with little knowledge tend to panic and often their first reaction is to get rid of the assets. Being badly informed and/or uneducated is a risk by itself, which “comes from not knowing what you’re doing” (Warren Buffet).

Companies’ IROs could and should help improve this situation, especially in countries where the population is still learning to be financially savvy. IROs may do a great job of providing information to investors, but unless it is correctly perceived and understood, it will not bring the expected results. There is little point in preaching the gospel, unless your audience understands what this gospel is about. IROs should make sure that investors understand the information they have been provided.

company information they receive after the IPO. In this regard, IROs should also focus on improving the quality of information, customizing it and segregating material information from something that might be of a less importance. Information should be well perceived and comprehended, therefore providing too much information may cause inconvenience to the investors, just as a lack of it could be equally inconvenient.

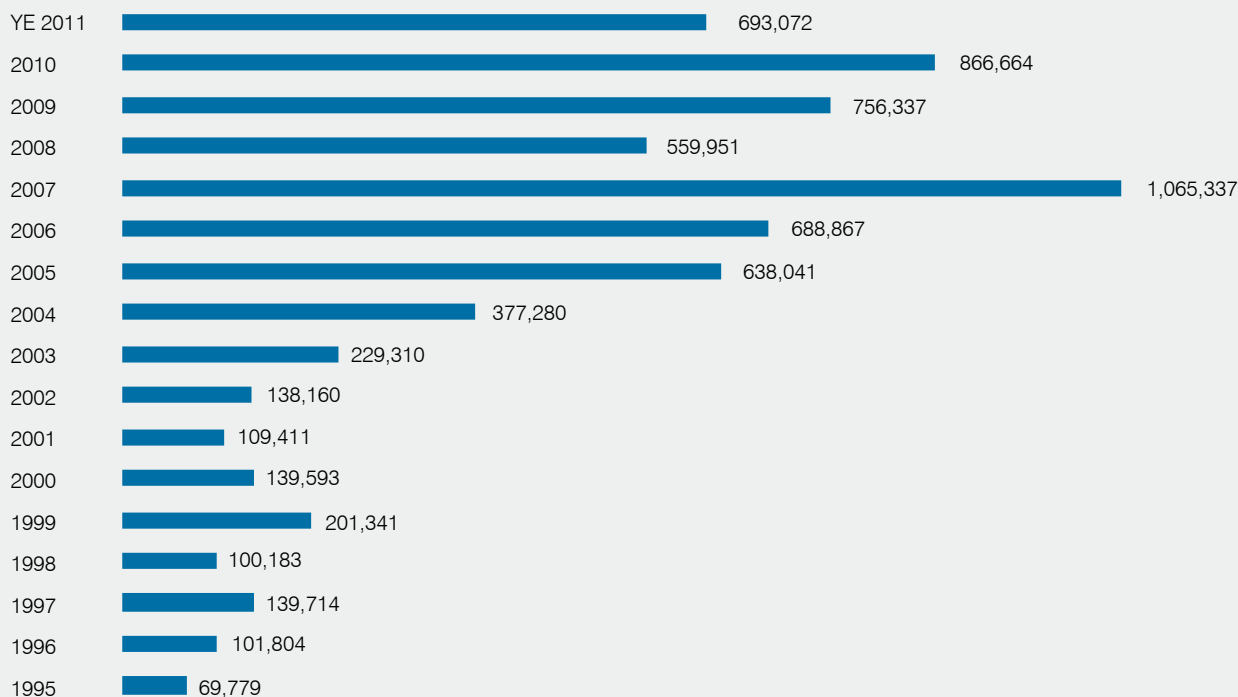
Good governance is a significant factor in making investment decisions and IROs recruited by the companies should be experts not just in the companies’ business, industry, operations and strategies, but also know about investor and market behavior. It will be a challenge ahead of the newly listed blue-chips, especially in the increasingly complex global marketplace; however, the benefits of it are obviously in the best interest of these companies, and while there is a debate over economic value of corporate governance, it seems to pay high dividends. After all, “if you think education is expensive, try ignorance.”

FEAS Region Statistics

Statistical Comparison 2007 THRU YE 2011 / FEAS REGION

Category	Statistics					YE 2011 % Change over			
	2007	2008	2009	2010	YE 2011	2010	2009	2008	2007
# Companies Traded	9,498	11,298	10,261	10,504	9,716	-7.5%	-5.3%	-14.0%	2.3%
Market Capitalization (US\$ Millions)	1,065,337.3	559,951.0	756,336.7	866,664.0	693,072.1	-20.0%	-8.4%	23.8%	-34.9%
Total Volume (US\$ Millions-Stocks)	615,732.9	562,159.6	480,548.1	528,779.2	496,631.1	-6.1%	3.3%	-11.7%	-19.3%
Total Volume (# Shares Millions-Stocks)	444,847.4	452,445.8	643,070.6	666,820.0	848,330.7	27.2%	31.9%	87.5%	90.7%
Average Daily Volume (US\$ Millions-Stocks)	2,478.0	2,269.1	1,921.8	2,126.6	1,978.1	-7.0%	2.9%	-12.8%	-20.2%
Average Daily Volume (# Shares Millions-Stocks)	2,389.5	2,306.7	3,196.3	2,741.7	3,555.3	29.7%	11.2%	54.1%	48.8%
Total Volume (US\$ Millions-Bonds)	478,517.5	453,592.0	330,879.4	337,498.9	317,633.5	-5.9%	-4.0%	-30.0%	-33.6%
Total Volume (# Shares Millions-Bonds)	314,274.6	222,225.0	131,256.0	194,525.4	564,840.4	190.4%	330.3%	154.2%	79.7%
Average Daily Volume (US\$ Millions-Bonds)	1,911.5	1,819.7	1,319.1	1,360.7	1,260.3	-7.4%	-4.5%	-30.7%	-34.1%
Average Daily Volume (# Millions-Bonds)	1,257.7	892.6	527.3	801.1	2,286.7	185.5%	333.7%	156.2%	81.8%
Total Volume (US\$ Millions-Other)	2,102,671.9	2,284,445.1	2,075,692.5	2,715,695.7	2,385,919.7	-12.1%	14.9%	4.4%	13.5%
Total Volume (# Millions-Other)	4,131.1	4,142.5	8,454.4	6,334.6	3,952.4	-37.6%	-53.3%	-4.6%	-4.3%
Average Daily Volume (US\$ Millions-Other)	8,354.1	9,146.2	8,247.4	10,986.1	9,451.9	-14.0%	14.6%	3.3%	13.1%
Average Daily Volume (# Millions-Other)	17.04	17.23	34.09	25.81	16.40	-36.5%	-51.9%	-4.8%	-3.8%

1995-2011 YE Market Capitalization (US\$ millions)

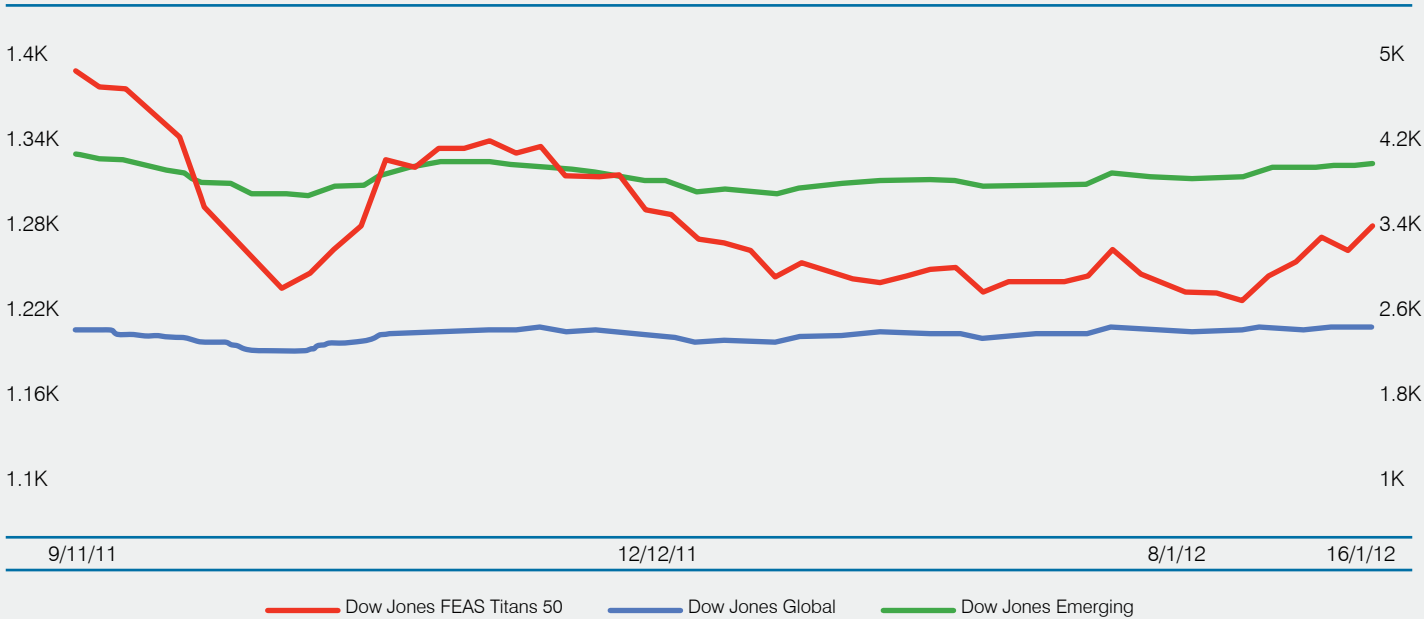


Dow Jones Feas Indices

Dow Jones FEAS Composite Index Performance (in US\$)

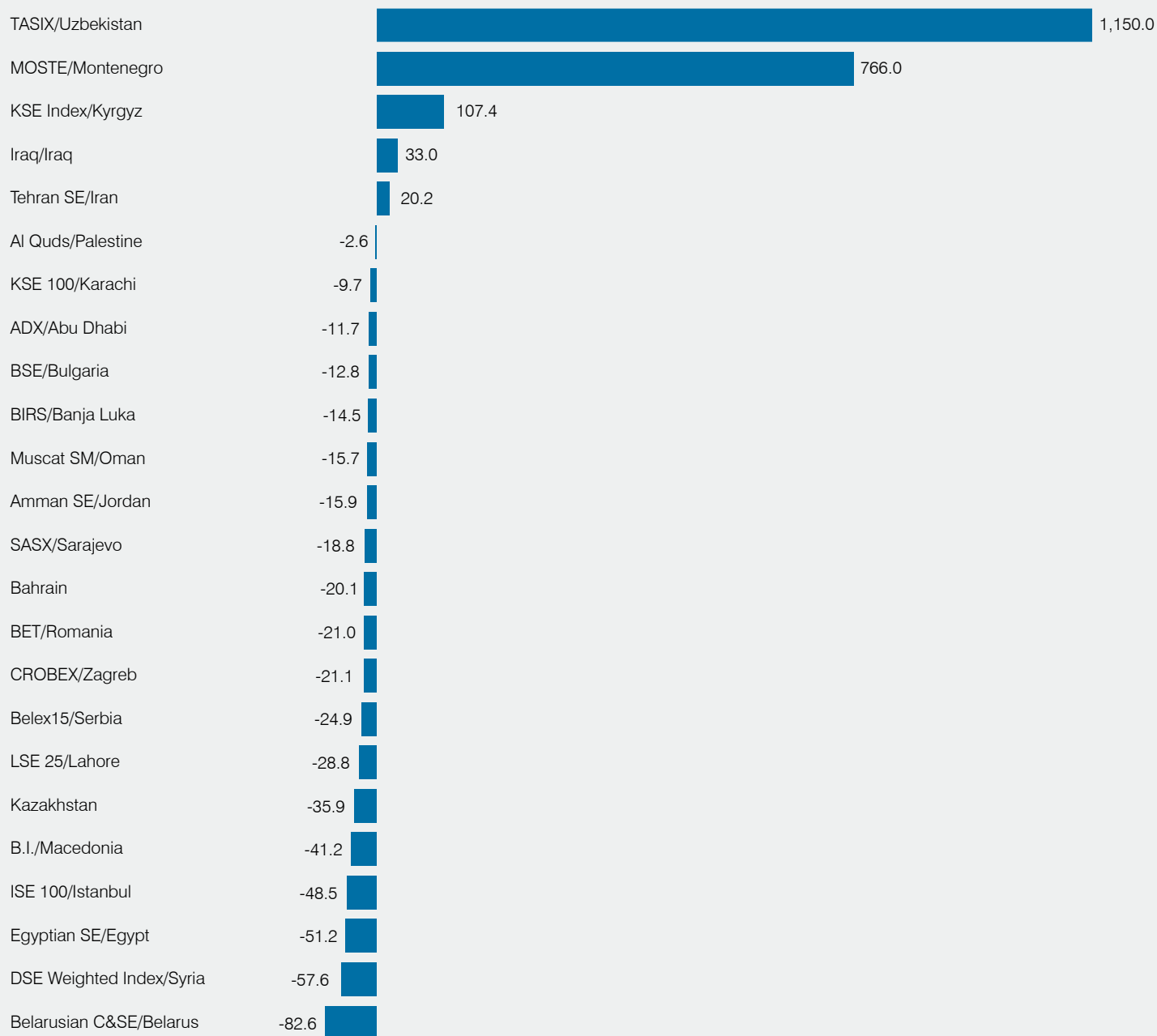


Dow Jones FEAS Titans 50 Equal Weighted Index Performance (in US\$)



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2011 Annualized Return on Index (June)



Indices are adjusted for currency fluctuations. (Formula: $1 + (\text{return}) = ((1 + \% \text{chg. index}) / (1 + \% \text{chg. currency}))$)

Eurasian Trading Systems (ETS)

Futures Market (USD)			
	Gold	Silver	Oil
Jul-11	10,887,207	934,919	3,168,900
Aug-11	34,003,102	6,808,361	7,163,286
Sep-11	23,018,401	12,474,608	32,815,412
Oct-11	93,008,989	17,574,447	24,952,369
Nov-11	153,187,379	47,390,269	70,459,204
Dec-11	316,046,876	95,365,270	119,029,125

Spot Market Data (USD)			
	Agricultural Trade	Petroleum Trade	Industrial Trade
Jul-11	367,919	14,026,455	25,547,843
Aug-11	5,957,231	25,781,443	22,122,421
Sep-11	76,373,648	40,396,184	24,258,077
Oct-11	36,570,192	40,695,331	18,363,517
Nov-11	91,951,023	38,610,209	30,670,791
Dec-11	351,457,230	49,943,765	7,001,292

Turkish Derivatives Exchange - Trading Volume - TURKDEX (Number of Contracts Traded)

		Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011
ISE-100 Index Futures	Equity	558	988	711	471	541	329
ISE-30 Index Futures	Equity	3,439,268	6,038,401	4,647,541	4,928,552	4,209,483	4,530,302
ISE 30-100 Index Spread	Equity	169	464	167	146	188	80
U.S. Dollar Futures	Foreign Exchange	1,294,464	1,759,665	1,623,922	2,368,147	1,539,305	1,370,529
EURO Futures	Foreign Exchange	172,685	150,168	95,81	203,125	77,371	93,496
Euro/U.S. Dollar Cross Currency	Foreign Exchange	154,176	56,31	112,556	166,02	254,235	145,115
Physically Delivered U.S. Dollar Futures	Foreign Exchange						
Physically Delivered EURO Futures	Foreign Exchange						
T-Benchmark Futures	Interest	4	2			2	
Cotton	Agriculture	1					
Wheat	Agriculture				2		
Gold	Precious Metal	11,586	30,876	28,364	14,717	13,133	14,121
USDollar/Ounce Gold	Precious Metal	18,703	42,666	112,896	116,738	109,391	123,78
Base Load Electricity	Energy			7	10	11	4
Physically Delivered Live Cattle	Agriculture				2		
Futures		5,091,614	8,079,540	6,621,974	7,797,930	6,203,660	6,277,756
TURKISH DERIVATIVES EXCHANGE (TurkDEX)		5,091,614	8,079,540	6,621,974	7,797,930	6,203,660	6,277,756

Istanbul Gold Exchange Statistics

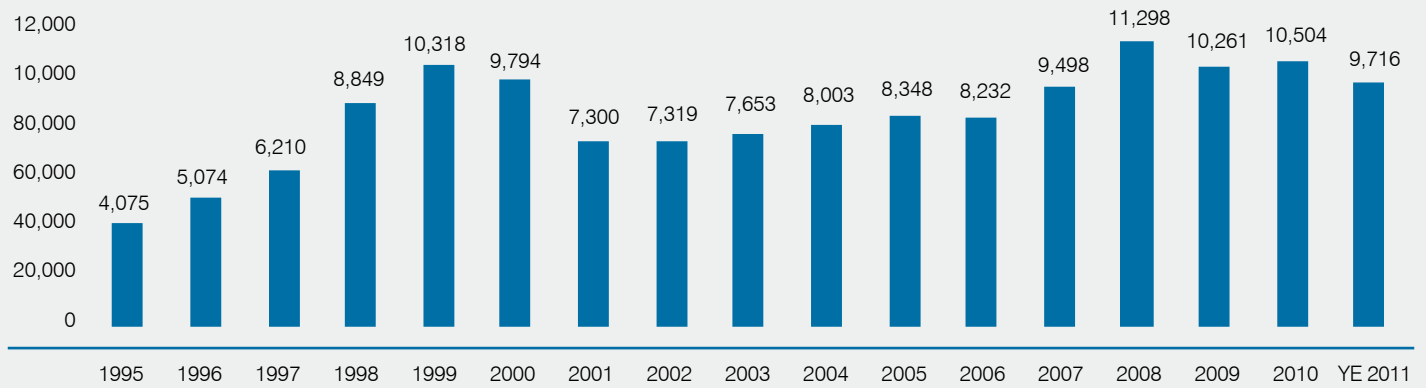
Gold Transactions - Istanbul Gold Exchange				
	Volume (USD)	Avg. Daily Volume (USD)	Volume (kg)	Avg. Daily Volume (kg)
Jul-11	55,106,421.00	2,624,115.29	44,863.00	2,136.33
Aug-11	24,201,487.00	1,152,451.76	18,677.00	889.381
Sep-11	42,359,895.00	2,017,137.86	36,303.00	1,728.71
Oct-11	32,841,520.00	1,563,881.90	32,071.00	1,527.19
Nov-11	27,953,972.00	1,471,261.68	26,442.00	1,391.68
Dec-11	39,087,565.00	1,776,707.50	40,411.00	1,836.86

Silver Transactions - Istanbul Gold Exchange				
	Volume (USD)	Avg. Daily Volume (USD)	Volume (kg)	Avg. Daily Volume (kg)
Jul-11	1,087,057,681.00	51,764,651.48	21,394.00	1,018.76
Aug-11	2,304,005,422.00	109,714,543.91	40,010.00	1,905.24
Sep-11	1,785,402,659.00	85,019,174.24	31,563.00	1,503.00
Oct-11	1,075,431,127.00	51,211,006.05	20,115.00	957.86
Nov-11	1,198,933,298.00	63,101,752.53	21,574.00	1,135.47
Dec-11	1,218,602,679.00	55,391,030.86	23,439.00	1,065.41

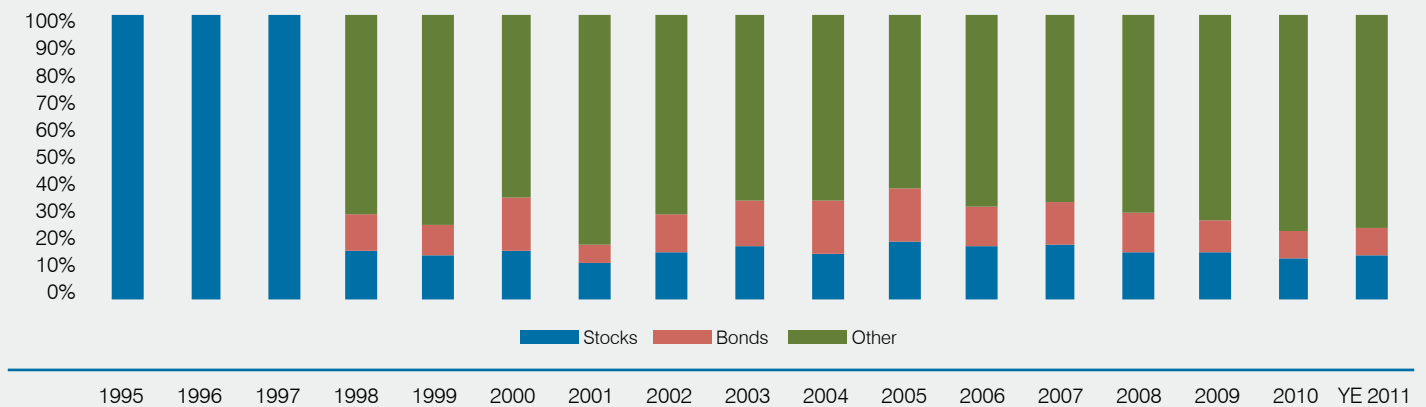
Monthly Stock Volume vs Market Capitalization



1995-2011 YE Traded Companies



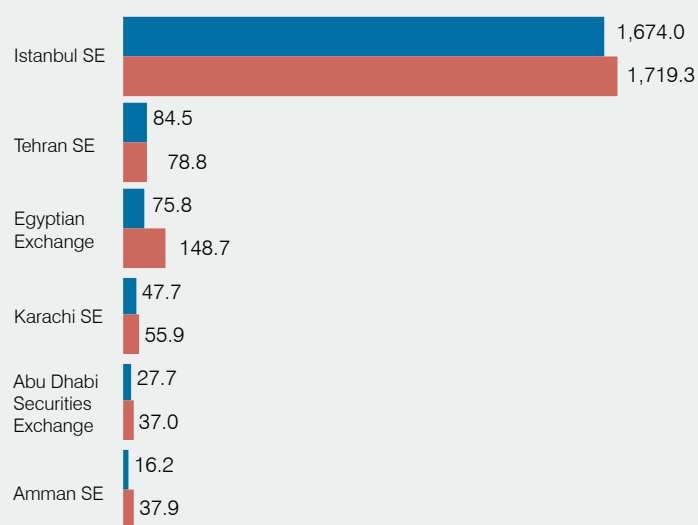
1995-2011 YE Volume by Type



Average Daily Trading Volume-Stocks YE 2011 vs YE 2010

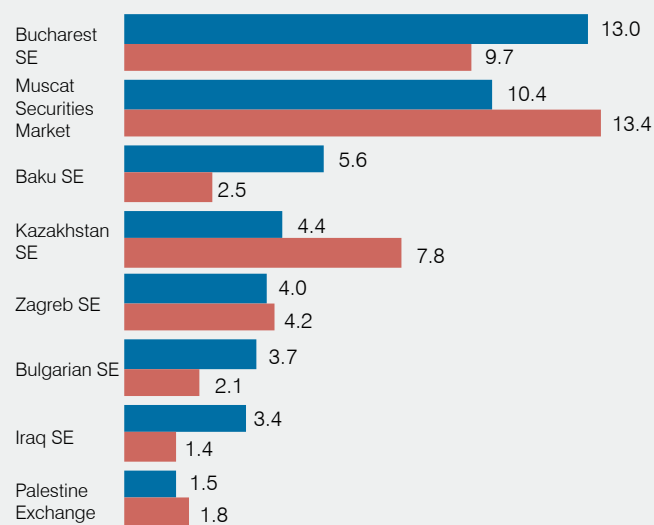
Members over US\$16.0 (US\$ millions)

■ YE 2011 ■ YE 2010



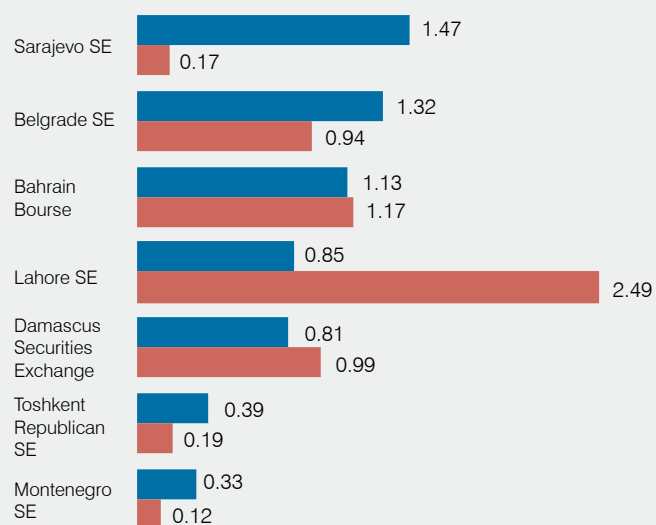
Members from US\$ 1.5-15.0 (US\$ millions)

■ YE 2011 ■ YE 2010



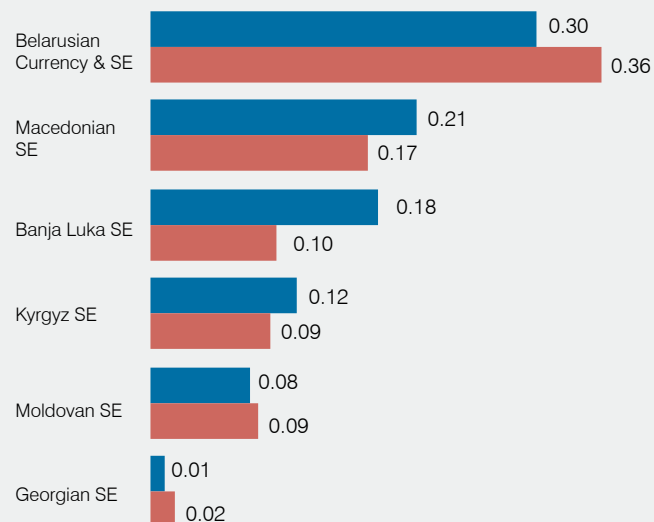
Members from US\$ 0.3-1.5 (US\$ millions)

■ YE 2011 ■ YE 2010



Members under US\$ 0.3 (US\$ millions)

■ YE 2011 ■ YE 2010

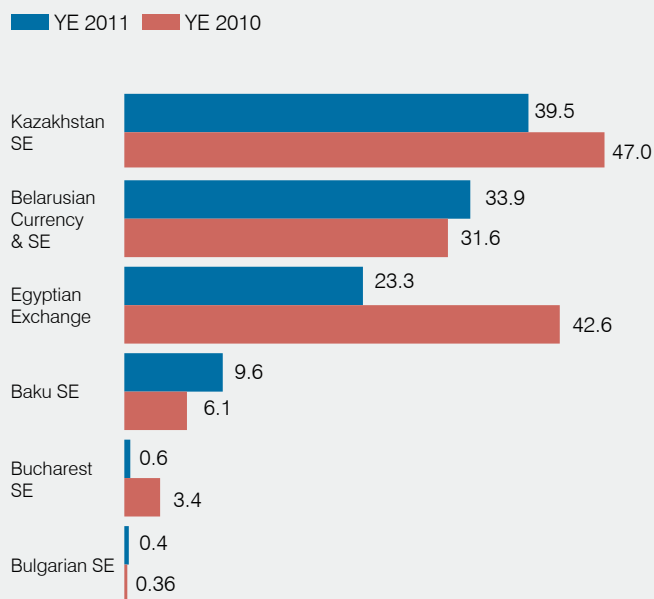


Average Daily Trading Volume-Bonds YE 2011 vs YE 2010

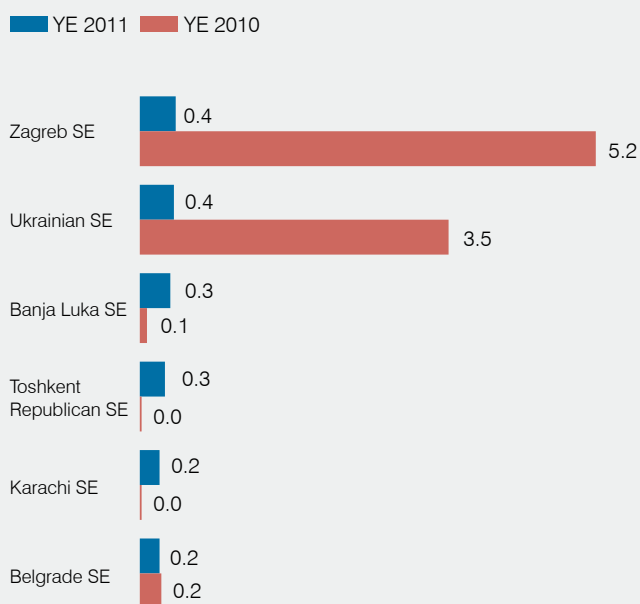
Members over US\$ 1,000 (US\$ millions)



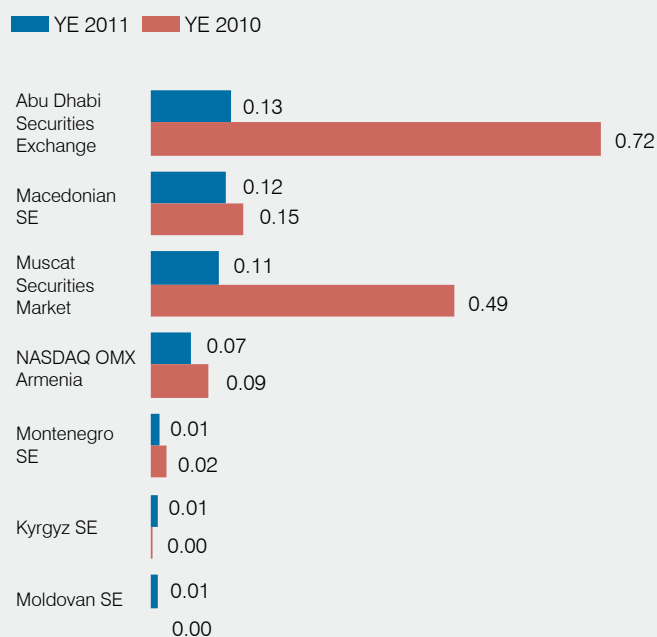
Members from US\$ 0.4-40.0 (US\$ millions)



Members from US\$ 0.4-0.2 (US\$ millions)

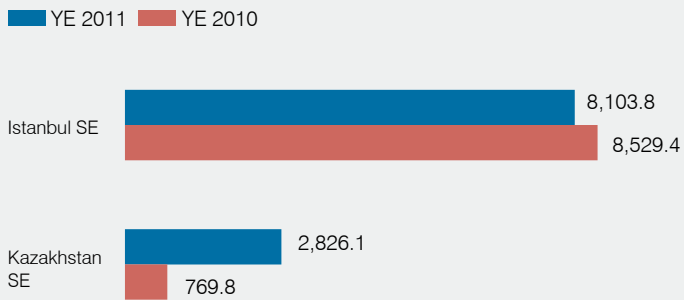


Members under US\$ 0.15 (US\$ millions)

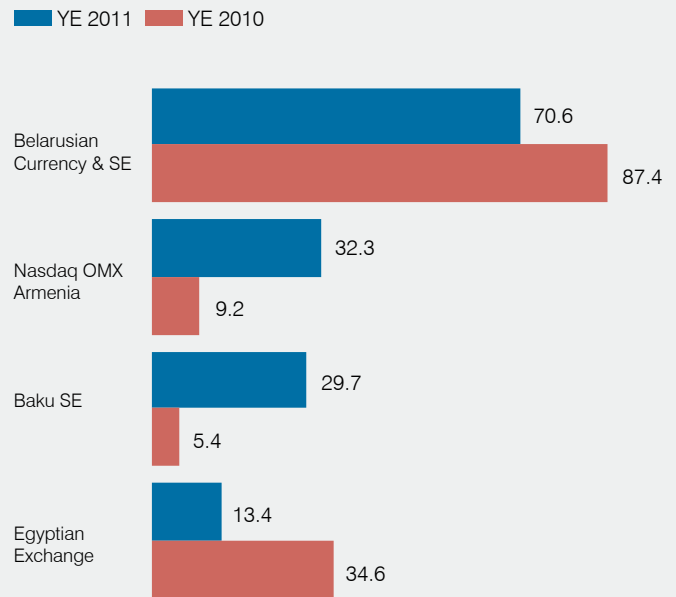


Average Daily Trading Volume-Other YE 2011 vs YE 2010

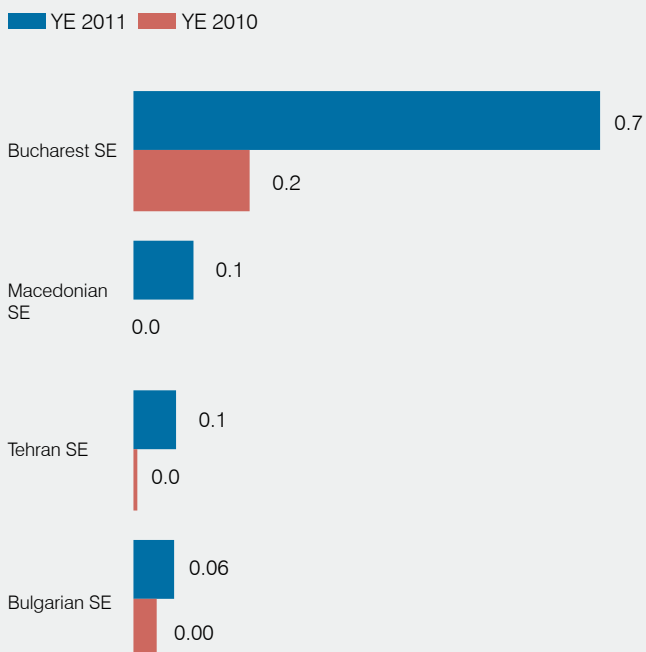
Members over US\$ 650 (US\$ millions)



Members from US\$ 10.0-75.0 (US\$ millions)



Members under US\$ 0.7 (US\$ millions)



Stocks

Member Stock Exchange	Volume (\$) (Millions)	Previous Month Change (%)	Same Period Previous Year Change (%)	Volume (#) (Millions)	Previous Month Change (%)	Same Period Previous Year Change (%)	Avg. Daily Volume (\$) (Millions)	Previous Month Change (%)	Same Period Previous Year Change (%)	YE 2011 Change (%)	Avg. Daily Volume (#) (Millions)	Previous Month Change (%)	Same Period Previous Year Change (%)	YE 2011 Change (%)
Abu Dhabi Securities Exchange UAE	428.9	32.6	-32.3	1,125.7	41.5	-6.2	21.4	26.0	-32.3	-25.3	56.3	34.4	-6.2	-22.2
Amman SE Jordan	255.5	30.2	-48.9	197.3	22.5	-59.7	13.4	23.3	-46.2	-57.2	10.4	16.1	-57.5	-45.1
Baku Interbank Currency Exchange Azerbaijan ⁽¹⁾	0.0	#N/A	#N/A	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A
Bahrain Bourse Bahrain	29.3	325.8	2.8	34.4	283.9	-19.0	1.7	350.8	8.9	-2.7	2.03	306.5	-14.2	-8.2
Baku SE Azerbaijan	1,126.0	15,653.0	212.3	42.8	1,894.9	-60.3	51.2	11,356.7	183.9	125.5	1.95	1,350.8	-63.9	-27.6
Banja Luka SE Bosnia&Herzegovina	2.8	25.8	-53.0	8.1	-87.2	-51.7	0.13	20.1	-50.9	81.3	0.37	-87.8	-49.5	31.4
Belarusian Currency&SE Belarus ⁽²⁾	3.3	-88.9	-71.6	16.38	1,656.0	10.7	0.15	-89.4	-70.3	-14.5	0.74	1,576.2	15.7	-97.8
Belgrade SE Serbia	20.5	1.6	-29.5	1.4	3.8	-51.0	0.93	1.6	-26.3	39.7	0.06	3.8	-48.8	40.6
Bucharest SE Romania	158.2	-24.7	52.9	1,144.6	-28.4	307.3	7.9	-17.2	52.9	33.7	57.2	-21.3	307.3	28.8
Bulgarian SE Bulgaria	240.9	570.9	26.5	139.1	540.5	42.0	11.5	602.9	26.5	78.6	6.6	571.0	42.0	101.7
Damascus Securities Exchange Syria	3.6	-74.7	-79.5	1.5	-22.1	109.0	0.3	-76.8	-72.6	-17.7	0.1	-28.6	178.6	144.2
Egyptian Exchange Egypt	874.9	7.8	-66.7	920.7	-13.0	-52.2	41.7	-12.8	-66.7	-49.0	43.8	-29.6	-52.2	-32.3
Georgian SE Georgia	0.08	170.7	-60.4	1.32	555.0	-61.2	0.01	96.86	-49.6	-46.1	0.1	376.3	-50.6	-68.4
Iraq SE Iraq	50.8	-66.5	117.8	27,347.2	-69.2	65.3	3.9	-58.8	151.3	138.9	2,103.6	-62.1	90.8	97.1
Istanbul SE Turkey	19,686.8	-10.3	-59.3	12,554.9	-3.8	-46.7	894.9	-22.5	-57.5	-2.64	570.7	-16.9	-44.23	-3.3
Karachi SE Pakistan	501.6	-21.4	-66.2	1,336.5	15.5	-60.8	1,640.2	4,786.4	-0.9	-14.7	66.8	9.7	-55.0	-24.6
Kazakhstan SE Kazakhstan	122.1	888.7	216.5	359.9	2,925.33	-45.1	6.1	987.6	232.3	-43.1	18.0	3,227.9	-42.4	-74.0
Kyrgyz SE Kyrgyzstan	1.5	0.9	278.9	26.6	-17.0	344.2	0.07	-8.3	296.1	23.3	1.2	-24.5	364.4	138.4
Lahore SE Pakistan	5.9	-36.2	-84.4	21.2	-15.5	-85.2	0.3	-39.4	-83.7	-65.8	1.1	-19.7	-84.4	-79.7
Macedonian SE Macedonia ⁽⁹⁾	2.7	-28.0	-35.2	0.09	-28.1	-52.5	0.1	-24.4	-32.0	21.9	0.005	-24.5	-50.1	-64.9
Moldovan SE Moldova	2.3	36.7	-10.6	3.0	199.7	-63.4	0.11	36.7	-6.6	-8.5	0.1	199.7	-61.7	-11.2
Montenegro SE Montenegro	8.9	-4.2	90.0	23.6	-0.2	-41.8	0.41	0.2	98.6	158.3	1.1	4.3	-39.2	-22.0
Muscat Securities Market Oman	241.1	165.0	-17.2	265.7	175.1	30.8	11.5	89.3	-36.9	-22.6	12.7	96.5	-0.4	-21.3
NASDAQ OMX Armenia ⁽⁴⁾	0.01	1.0	-59.6	0.004	33,436.4	86.7	0.0005	1.0	-59.6	52.8	0.0002	33,436.4	86.7	-96.8
Palestine Exchange Palestine	47.0	269.1	6.8	16.6	199.1	-11.6	2.4	213.7	6.8	-18.6	0.8	154.2	-11.6	-19.6
Sarajevo SE Bosnia&Herzegovina ⁽⁵⁾	3.1	-33.2	-25.3	0.7	-37.4	6.2	0.15	-36.3	-18.2	37.5	0.03	-40.4	16.3	20.6
Tehran SE Iran	988.3	-3.6	-37.2	3,293.4	-23.9	-27.8	52.0	1.5	-33.9	7.3	173.3	-19.9	-24.0	-23.8
Tirana SE Albania	0.0	#N/A	#N/A	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A
Toshkent Republican SE Uzbekistan	17.4	170.2	-15.3	7.3	-55.5	-93.2	0.9	127.5	-6.4	101.2	0.4	-62.5	-92.5	18.7
Zagreb SE Croatia	36.3	-0.75	-86.8	1.9	-3.1	-46.1	1.7	-0.7	-85.5	-4.2	0.1	-3.1	-41.0	74.7
TOTAL	24,860.0	-2.9	-56.2	48,892.0	-56.0	-8.5	2,765.1	104.6	-32.5	-7.0	3,129.7	-53.4	13.1	29.6

1. In total trades of BBVB on US dollar in December, 2011 has taken part 13 banks. For the given month were carried out 44 trading sessions and were made 51 deals. The total amount of trades in currency section of BBVB in last month has made 201.606 million AZN, and in a dollar equivalent of 256.590 million. It is necessary to note, that average USD/AZN rate has made in December 0.7857 AZN for 1 USD.

2. * "Other" instruments refer to currency and futures market (only turnover), and OTC market registration totals (purchase and sale of bonds and stocks of open JSC) in a dollar equivalent ** Number of companies includes number of Issuers of both stocks and bonds.

3. Turnover is without block transactions and public auctions

4. Since the Central Bank of Armenia does not disclose information on the "buy" exchange rate of AMD to the USD, official exchange rates were used in calculations. Value traded for Bonds and Stocks include values of the trades concluded through manual trades mechanism. "Bonds" includes trading statistics of Corporate and Government Bonds markets. "Other" includes trading

statistics of FX market, Credit Resources market and Repo agreements statistics. Starting from 2011 Market capitalization calculation includes only stocks traded through continuous two-way auction.

5. The Sarajevo SE is now publishing the data of its SASX (primary) index rather than the BIFX index (secondary).

6. The SC&RM Exchange is trading commodities only at this time.

7. % change calculations on indices do not take into account currency fluctuations on this table. See Charts - Adjusted Return on Index.

8. Currency depreciation against the dollar is represented as a positive number, appreciation as negative.

9. Companies are those available for trading via both listed and unlisted or registered markets.

*Statistics provided herein are as reported by the Members and are not audited by the FEAS Secretariat.

Member Stock Exchange	Market Cap. (US\$ Millions)			Index			Exchange Rate (US\$ 1)			Companies						
	Market Cap. (\$ Millions)	Previous Month Change (%)	Same Period Previous Year Change (%)	Y/E 2010 Change (%)	Index	Previous Month Change (%) (8)	Same Period Previous Year Change (%) (8)	Y/E 2010 Change (%) (8)	Exchange Rate	Previous Month Change (%) (9)	Same Period Previous Year Change (%) (9)	Y/E 2010 Change (%) (9)	Comp. Listed/ Unlisted (10)	Previous Month Change (%)	Same Period Previous Year Change (%)	Y/E 2010 Change (%)
ADX UAE	71,326.9	-0.5	-7.5	-7.46	2,402.3	-1.7	-11.7	-11.7	3.7	0.0	0.0	0.0	67.0	0.0	4.7	4.7
Amman SE Jordan	27,183.0	3.1	-11.8	-11.8	1,995.1	1.6	-15.9	-15.9	0.7	0.0	0.0	0.0	247.0	-0.4	-10.8	-10.8
BBVB Azerbaijan	0.0	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	0.79	0.01	-1.4	-1.4	44.0	0.0	-2.2	-2.2
Bahrain SE Bahrain	16,634.1	-1.6	-17.3	-17.3	1,143.7	-1.7	-20.1	-20.1	0.4	0.0	0.0	0.0	28.0	12.0	-6.7	-6.7
Baku SE Azerbaijan	0.0	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	0.79	0.0	-1.4	-1.4	2.0	0.0	0.0	0.0
Banja Luka SE Bosnia&Herzegovina	2,415.0	-7.0	-4.1	-4.1	582.2	-7.9	-11.6	-11.63	1.5	5.13	3.4	3.4	859.0	-0.12	-1.2	-1.2
Belarusian C&SE Belarus	0.0	#N/A	#N/A	#N/A	70.2	-8.47	-51.5	-51.5	8,350.0	-2.91	178.3	178.3	2,419.0	-0.1	27.2	27.2
Belgrade SE Serbia&Montenegro	8,364.8	-4.3	-13.7	-13.7	499.1	1.5	-23.4	-23.4	80.9	3.65	2.0	2.0	1,339.0	-2.26	-16.4	-16.4
Bucharest SE Romania	21,196.7	0.57	-33.1	-33.1	4,337.0	2.16	-17.7	-17.7	3.3	1.9	4.2	4.21	79.0	1.3	-54.6	-54.6
Bulgarian SE Bulgaria	8,195.3	6.4	13.5	13.5	322.1	4.29	-11.1	-11.1	1.5	3.5	1.9	1.9	393.0	0.5	0.8	0.8
Damascus SE Syria	1,488.6	-6.7	-52.6	-52.6	869.5	2.7	-49.4	-49.4	55.6	10.0	19.4	19.4	21.0	0.0	10.5	10.5
Egyptian SE Egypt	48,681.4	-7.2	-42.1	-42.1	3,622.4	-9.9	-49.3	-49.3	6.0	#N/A	3.9	3.9	204.0	#N/A	-49.1	-49.1
Georgian SE Georgia	795.7	3.3	-24.9	-24.9	78.8	-0.6	#N/A	#N/A	1.7	1.2	-98.6	-98.6	135.0	0.0	-2.2	-2.2
Iraq SE Iraq	4,108.5	5.0	41.3	41.3	136.0	6.84	34.7	34.7	1,200.0	0.0	1.3	1.3	56.0	12.0	-12.5	-12.5
Istanbul SE Turkey	201,982.7	-8.1	-34.3	-34.3	1,580.5	-8.4	-36.8	-36.8	1.9	2.6	22.9	22.9	363.0	0.6	7.4	7.4
Karachi SE Pakistan	32,803.8	-3.7	-13.8	-13.80	11,347.7	-1.6	-5.6	-5.61	89.8	1.81	4.54	4.54	638.0	0.0	-0.9	-0.93
Kazakhstan SE Kazakhstan	43,301.5	0.6	-28.7	-28.7	1,105.6	-0.4	-35.7	-35.7	148.0	0.2	0.4	0.4	114.0	0.0	-3.4	-3.4
Kyrgyz SE Kyrgyzstan	165.0	2.9	107.8	107.8	220.1	2.1	105.1	105.1	46.5	-0.7	-1.1	-1.1	34.0	-10.5	30.8	30.8
Lahore SE Pakistan	31,227.6	-3.1	-15.3	-15.34	2,794.2	-5.56	-25.1	-25.1	89.9	1.35	5.15	5.15	496.0	0.0	-1.4	-1.4
Macedonian SE Macedonia	2,504.3	-2.92	-5.4	-5.4	1,374.9	-31.2	-39.7	-39.7	47.5	3.1	2.6	2.6	70.0	7.7	-15.7	-15.7
Moldovan SE Moldova	0.0	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	11.7	-1.4	-3.6	-3.6	1,017.0	-0.2	-0.3	-0.3
Montenegro SE Montenegro	3,321.7	-5.6	-7.8	-7.8	4,265.3	-50.2	714.5	714.5	1.3	-5.72	-5.9	-5.9	55.0	7.8	0.0	0.0
Muscat SM Oman	26,863.3	3.90	-5.13	-5.1	5,695.1	5.1	-15.7	-15.7	0.39	-1.3	0.0	0.0	114.0	48.1	-4.20	-4.2
Armenian SE Armenia	139.6	6.6	-3.6	-3.6	0.0	#N/A	#N/A	#N/A	385.8	1.04	6.14	6.1	11.0	0.0	0.0	0.0
Palestine Xchange Palestine	2,782.5	2.9	13.6	13.6	476.9	1.1	-2.6	-2.6	0.7	0.0	0.00	0.0	46.0	0.0	15.0	15.0
Sarajevo SE Bosnia&Herzegovina	2,901.0	-4.3	-41.3	-41.3	791.3	0.8	-16.2	-16.2	1.5	3.45	3.3	3.3	153.0	0.66	-71.7	-71.7
Tehran SE Iran	107,171.2	-1.3	23.8	23.8	24,403.1	1.6	29.4	29.4	11,164.0	2.8	7.7	7.7	347.0	0.0	-6.0	-6.0
Tirana SE Albania	0.0	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	107.5	2.2	4.7	4.7	0.0	#N/A	#N/A	#N/A
Toshkent RSE Uzbekistan	5,065.4	-0.3	#N/A	1.8	602.0	508.1	1,268.2	1,268.2	1,795.0	#N/A	9.5	9.5	132.0	#N/A	-4.3	-4.3
Zagreb SE Croatia	22,452.4	-6.2	-11.2	-11.2	1,740.0	0.0	-17.5	-17.5	5.8	4.1	4.5	4.5	233.0	0.0	-2.9	-2.9
TOTAL	691,583.4	-3.5	-20.8	-20.8									9,716.0	0.4	-8.28	-8.28

Bonds

Member Stock Exchange	Volume (\$) (Millions)	Previous Month Change (%)	Same Period Previous Year Change (%)	Volume (#) (Millions)	Previous Month Change (%)	Same Period Previous Year Change (%)	Avg. Daily Volume (\$) (Millions)	Previous Month Change (%)	Same Period Previous Year Change (%)	YE 2011 Change (%)	Avg. Daily Volume (#) (Millions)	Previous Month Change (%)	Same Period Previous Year Change (%)	YE 2011 Change (%)
Abu Dhabi Securities Exchange UAE	0.0	#N/A	#N/A	0.00	#N/A	#N/A	0.00	#N/A	#N/A	-81.9	0.00	#N/A	#N/A	-57.2
Amman SE Jordan	0.1	#N/A	#N/A	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A
Baku Interbank Currency Exchange Azerbaijan	0.0	#N/A	#N/A	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A
Bahrain Bourse Bahrain	0.0	#N/A	#N/A	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A
Baku SE Azerbaijan	308.4	113.4	97.8	0.76	24.4	-21.3	14.0	55.2	-32.0	57.8	0.03	-9.5	-32.0	-90.6
Banja Luka SE Bosnia&Herzegovina	8.0	-33.4	147.6	5.4	22.0	-24.9	0.36	-36.4	-21.5	345.6	0.25	16.5	-21.5	5.6
Belarusian Currency&SE Belarus	814.5	84.3	8.9	50.9	39.1	230.4	37.0	75.9	245.5	7.2	2.3	32.7	245.5	105.2
Belgrade SE Serbia	24.1	1,728.6	595.4	23.2	1,964.3	707.4	1.1	1,728.6	744.1	-9.0	1.1	1,964.3	744.1	-7.5
Bucharest SE Romania	36.7	472.5	751.1	0.1	-41.2	-5.5	1.8	529.8	-48.0	-83.5	0.003	-35.3	-48.0	-64.0
Bulgarian SE Bulgaria	1.4	-38.7	-76.3	0.001	-27.7	-72.6	0.07	-35.8	-72.6	18.8	0.0001	-24.3	-72.6	19.7
Damascus Securities Exchange Syria	0.0	#N/A	#N/A	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A
Egyptian Exchange Egypt	47.4	-90.1	-93.7	0.3	-89.5	-94.2	2.3	-92.0	-94.2	-45.2	0.01	-91.5	-94.2	-38.2
Georgian SE Georgia	0.0	#N/A	#N/A	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A
Iraq SE Iraq	0.0	#N/A	#N/A	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A
Istanbul SE Turkey	14,376.3	2.1	-51.4	0.01	-25.1	-50.2	653.5	-11.8	-47.9	-5.5	0.001	-35.3	-47.9	-8.7
Karachi SE Pakistan	7.5	-1.5	933.3	0.13	-1.7	989.9	0.37	-6.4	1,153.4	1,498.9	0.01	-6.6	1,153.4	1,552.2
Kazakhstan SE Kazakhstan	773.5	2.9	-2.9	9,480.3	-73.4	-64.9	38.7	13.2	-63.2	-16.0	474.0	-70.8	-63.2	195.0
Kyrgyz SE Kyrgyzstan	0.24	50.8	147.8	0.004	77.3	383.3	0.011	37.1	405.3	197.6	0.0002	61.2	405.3	24.6
Lahore SE Pakistan	0.0	#N/A	#N/A	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A
Macedonian SE Macedonia	1.0	-27.0	-85.7	0.87	-27.7	-85.9	0.05	-23.4	-85.2	-18.4	0.04	-24.1	-85.2	0.2
Moldovan SE Moldova	0.0	#N/A	#N/A	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A
Montenegro SE Montenegro	0.19	-29.4	-72.3	0.3	-31.5	-75.4	0.01	-26.2	-74.3	-48.5	0.01	-28.4	-74.3	-51.6
Muscat Securities Market Oman	3.8	131.4	-91.7	1.40	130.2	-19.7	0.25	131.4	-73.2	-77.4	0.09	130.2	-73.2	20.44
NASDAQ OMX Armenia	2.1	10.9	62.5	8.3	42.6	101.0	0.10	10.9	101.0	-28.5	0.4	42.6	101.0	44.7
Palestine Exchange Palestine	0.0	#N/A	#N/A	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A
Sarajevo SE Bosnia&Herzegovina	1.5	51.5	-57.0	4.7	149.1	-52.6	0.07	44.3	-48.0	-3.7	0.22	137.2	-48.0	-32.5
Tehran SE Iran	0.0	#N/A	#N/A	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A
Tirana SE Albania	0.0	#N/A	#N/A	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A
Toshkent Republican SE Uzbekistan	9.1	#N/A	#N/A	0.02	#N/A	#N/A	0.5	#N/A	#N/A	7,126,535.0	0.001	#N/A	#N/A	9,616.6
Zagreb SE Croatia	9.2	356.5	-91.6	8.9	1.3	-97.8	0.44	356.5	-97.5	-92.0	0.43	1.3	-97.5	-94.5
TOTAL	16,425.1	3.1	-49.0	9,585.5	-73.2	-65.1	709.3	-10.1	-63.4	-7.3	478.9	-70.5	-63.4	185.5

1. The TSE is trading debt instruments only at this time, but there is no volume to-date.

*Statistics provided herein are as reported by the Members and are not audited by the FEAS Secretariat.

Others

Member Stock Exchange	Volume (\$) (Millions)	Previous Month Change (%)	Same Period Previous Year Change (%)	Volume (#) (Millions)	Previous Month Change (%)	Same Period Previous Year Change (%)	Avg. Daily Volume (\$) (Millions)	Previous Month Change (%)	Same Period Previous Year Change (%)	YE 2011 Change (%)	Avg. Daily Volume (#) (Millions)	Previous Month Change (%)	Same Period Previous Year Change (%)	YE 2011 Change (%)
Abu Dhabi Securities Exchange UAE	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A
Amman SE Jordan	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A
Baku Interbank Currency Exchange Azerbaijan	260.4	143.6	75.6	0.3	143.6	75.6	11.8	99.3	75.6	26.2	0.01	99.3	75.6	26.1
Bahrain Bourse Bahrain	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A
Baku SE Azerbaijan	948.8	109.1	493.3	7.5	109.0	484.3	43.1	80.5	412.4	448.7	0.3	80.5	404.6	522.2
Banja Luka SE Bosnia&Herzegovina	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A
Belarusian Currency&SE Belarus	3,026.1	-34.2	-30.3	15.2	-98.1	489.3	137.5	-37.1	-27.1	-19.2	0.7	-98.2	516.1	6,305.9
Belgrade SE Serbia	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A
Bucharest SE Romania	16.9	-54.4	6,851.8	1.1	-53.9	240,019.8	0.8	-49.8	3,723.5	302.3	0.1	-49.3	131,965.9	38,552.3
Bulgarian SE Bulgaria	0.4	-5.7	-19.4	2.1	-91.5	-68.2	0.02	-1.3	-19.4	76.1	0.1	-91.1	-68.2	126.9
Damascus Securities Exchange Syria	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A
Egyptian Exchange Egypt	842.6	1,337.0	41.3	207.6	331.8	-39.7	40.1	1,063.3	41.3	-61.2	9.9	249.6	-39.7	-68.8
Georgian SE Georgia	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A
Iraq SE Iraq	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A
Istanbul SE Turkey	365,123.4	27.3	134.6	0.12	25.7	85.5	16,596.5	10.0	145.2	5.3	0.005	8.5	93.9	3.2
Karachi SE Pakistan	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A
Kazakhstan SE Kazakhstan	13,586.9	-3.7	-25.5	0.0	#N/A	#N/A	679.3	6.0	-21.7	-72.8	0.0	#N/A	#N/A	#N/A
Kyrgyz SE Kyrgyzstan	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A
Lahore SE Pakistan	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A
Macedonian SE Macedonia	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A
Moldovan SE Moldova	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A
Montenegro SE Montenegro	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A
Muscat Securities Market Oman	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A
NASDAQ OMX Armenia	825.5	7.2	67.7	82.4	30.2	14.5	37.5	7.2	67.7	251.3	3.7	30.2	14.5	8.4
Palestine Exchange Palestine	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A
Sarajevo SE Bosnia&Herzegovina	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	#N/A	#N/A	-100.0	0.0	#N/A	#N/A	-100.0
Tehran SE Iran	0.0	-100.0	#N/A	0.0	-100.0	#N/A	#N/A	-100.0	#N/A	872.1	0.0	-100.0	#N/A	623.1
Tirana SE Albania	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A
Toshkent Republican SE Uzbekistan	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A
Zagreb SE Croatia	0.0	#N/A	#N/A	0.0	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	0.0	#N/A	#N/A	#N/A
TOTAL	384,630.9	25.3	114.1	316.3	-67.1	-25.9	#N/A	9.52	122.3	-14.6	14.8	-67.9	-26.5	-36.6

1. "Other" instruments refer to the OTC market registration totals (purchase and sale of bonds and stocks of open JSC) in a dollar equivalent. Number of companies includes number of issuers of both stocks and bonds.

2. EGY other volume this month stands for OTC and funds.

3. MSM carries out OTC transactions for closely held companies, which primarily transfers ownership between family members.

4. Other instruments include FX and repo agreements with corporate bonds. Since the Central Bank of Armenia does not disclose information on "buy" exchange rate, official exchange rates were used in calculations.

*Statistics provided herein are as reported by the Members and are not audited by the FEAS Secretariat.



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<p>February 2011</p> <p>Bayraktar Holding</p> <p> Bayraktar</p> <p>has acquired 100% of</p> <p>odelo:</p> <p>Automotive Signal Lights</p> <p>Financial Advisor to Buyer</p>	<p>February 2011</p> <p>Mahle GmbH</p> <p>MAHLE</p> <p>has acquired 40% in</p> <p>MOPISAN</p> <p>Financial Advisor to Seller</p>	<p>September 2010</p> <p>Investcorp acquired minority shares in</p> <p> Tiryaki</p> <p>Tiryaki Agro</p> <p>Financial Advisor to Seller</p>	<p>August 2010</p> <p>Asseco South Eastern Europe has acquired 99.7% shares of</p> <p> ITD</p> <p>ITD İletişim Teknoloji Danışmanlık Tic. A.Ş.</p> <p>Financial Advisor to Seller</p>	<p>August 2010</p> <p>Privatization Administration has sold</p> <p>Treksya Elektrik Dağıtım A.Ş.</p> <p> AKSA ENERJİ</p> <p>to</p> <p>Akso Elektrik Perakende Satış A.Ş.</p> <p>Financial Advisor to Buyer</p>	<p>May 2010</p> <p>Privatization Administration has sold</p> <p>İluyurt, Gemisgerek and Girlevik HEPP</p> <p> Boydak</p> <p>HOLDING</p> <p>to</p> <p>Boydak Elektrik Üretim A.Ş.</p> <p>Financial Advisor to Buyer</p>	<p>February 2010</p> <p>Privatization Administration has sold</p> <p>Firat Elektrik Dağıtım A.Ş.</p> <p> AKSA ENERJİ</p> <p>to</p> <p>Akso Elektrik Perakende Satış A.Ş.</p> <p>Financial Advisor to Buyer</p>
<p>December 2009</p> <p>Birbir Gıda Tarım Ürünleri has acquired Çamaltı Turuldası Belonging to</p> <p> tta</p> <p>Financial Advisor to Seller</p>	<p>May 2009</p> <p>Ministry of Culture and Tourism has provided operating rights for Museums and Historical Sites Ticketing Services</p> <p> BKG</p> <p>www.bkg.com.tr</p> <p>to Bilkent Kültür Girişim</p> <p>Financial Advisor to Buyer</p>	<p>October 2009</p> <p>Tway Oil</p> <p> TREADOR</p> <p>TURKEY LTD.</p> <p>has acquired</p> <p>Treador Turkey</p> <p>Financial Advisor to Seller</p>	<p>January 2009</p> <p>Anadolu Efes Biraşlık ve Malt San.</p> <p> ANADOLU GİBİSİ</p> <p>has acquired</p> <p>Ekap Tarım ve Gıda Ürünleri Ambalaj San. ve Tic.</p> <p>Financial Advisor to Buyer</p>	<p>June 2008</p> <p>Coca Cola İçecek</p> <p> Coca-Cola</p> <p>has acquired</p> <p>Coca Cola Beverages Pakistan Ltd</p> <p>Financial Advisor to Buyer</p>	<p>February 2008</p> <p>Privatization Administration has sold</p> <p>Tekel Tobacco</p> <p> TEKEL</p> <p>to</p> <p>British American Tobacco</p> <p>Financial Advisor to Seller</p>	<p>February 2008</p> <p>Moonlight Capital has acquired</p> <p> MIGROS</p> <p>Migros Türk A.Ş.</p> <p>Purchase of Shares through a Tender Call</p> <p>Financial Advisor to Buyer</p>
<p>August 2007</p> <p>Danone Hayat</p> <p> DANONE</p> <p>has acquired</p> <p>Çağlar Su (Water)</p> <p>Financial Advisor to Buyer</p>	<p>June 2007</p> <p>Şişecam A.Ş. has sold 100% shares of</p> <p> FERRÖ DÖKÜM</p> <p>Ferro Döküm Sanayi (Foundry) to</p> <p>Efesun Demir Çelik A.Ş.</p> <p>Financial Advisor to Seller</p>	<p>October 2005</p> <p>İş Bank has sold</p> <p> İDÇ</p> <p>İzmir Demir Çelik A.Ş. to</p> <p>Şahin Koç Çelik Sanayii A.Ş.</p> <p>Financial Advisor to Seller</p>	<p>October 2005</p> <p>Coca Cola İçecek A.Ş. has acquired 51.9% shares of</p> <p> MERSİNVEST</p> <p>Efes Sanat Yatırım Holding A.Ş.</p> <p>Financial Advisor to Buyer</p>	<p>March 2004</p> <p>Privatization Administration has sold</p> <p> İGSAŞ</p> <p>İSTANBUL GÜBRE SANAYİ A.Ş. (fertilizer)</p> <p>to</p> <p>Yıldız Entegre Ağaç</p> <p>Financial Advisor to Seller</p>	<p>December 2003</p> <p>Privatization Administration has sold</p> <p> TEKEL</p> <p>TEKEL Alkollü İçkiler (alcoholic beverage)</p> <p>to</p> <p>Nurul-Lamak-Oraltın-Tutsab Consortium</p> <p>Financial Advisor to Seller</p>	<p>July 2005</p> <p>Tepe Group has sold</p> <p>Cinemaxx Cinema Chain to</p> <p> TEPE GRUBU</p> <p>Cinemaxx Mars Entertainment Group</p> <p>Financial Advisor to Seller</p>

Selected transactions between the years 2002-2011

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(**) source: morgmarket.com

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