

DEBUTS

June was a month full of trading debuts, in various sectors of the markets managed by BVB. In June, there was also a premiere recorded - the first real estate investment fund listed at BVB.

Stocks

The 14th of June marked the trading start of **SC Retrasib SA Sibiu** shares on the BVB regulated market, Equities Segment, Tier 2.

The main characteristics of the shares are:

- number of shares: 50,006,027
- nominal value: 0.1 lei
- ISIN: RORTRAACNOR6
- symbol: RTRA

June 20 was the first day of trading for the shares issued by **New Europe Property Investments PLC** on the BVB regulated market, Other International Financial Instruments Segment, Tier A (financial instruments equivalent to equities).

The main characteristics of NEPI PLC shares are:

- number of shares: 76,933,734
- nominal value: 0.01 Euro
- ISIN: IM00B23XCH02
- CFI: ESVUFR
- symbol: NEP
- securities class: shares
- depository: Euroclear UK & Ireland / Strate Ltd

About New Europe Property Investments PLC

NEPI is the first real estate investment fund listed at BVB, on the segment created for Real Estate Investment Trusts (REITs). REIT is the term to nominate both the companies that invest in real estate and the financial instrument. New Europe Property Investments PLC was founded on July 23, 2007, in Isle of Man, established under the Law of companies in Isle of Man in 2006. The issuer is listed on the AIM market of the London Stock Exchange since August 22, 2007 (NEPI symbol) and on Johannesburg Stock Exchange since August 4, 2007 (NEP symbol) after AltX to JSE transfer.

The issuer is a joint stock company with limited liability, with head office in Anglo International House, 2nd Floor, Lord Street, Douglas, Isle of Man, and website www.nepinvest.com.

The retail portfolio includes 11 assets with total area of 101,000 square meters, evaluated at 148 million euro and represents 50% of annual gross rent income on December 31, 2010.

The offices portfolio includes 20 properties with a total area of 84,500 square meters evaluated at 144.8 million euro, representing 44% of annual gross rent income on December 31, 2010.

The industrial portfolio is composed of a 23,000 square meters industrial property in Rasnov, Romania, and a logistical property of 4,800 square meters in Bucharest, Romania. The both real estate properties were evaluated at 17.3 million euro and represent 6% of the annual gross rent income on December 31, 2010.

ATS Market

June, 21 was the first day of trading of the shares issued by **Deutsche Telekom AG** (symbol: DTE), **Bayer AG** (symbol: BAYN) and **E.ON AG** (symbol: EOAN) on the BVB Alternative Trading System - The securities admitted also to trade on a regulated market Section (traded, but not listed on CAN-ATS). The shares benefit from the Market Making service provided by **SSIF Tradeville**.

The trading characteristics, as well as the Market Making parameters for these shares are available on the CAN-ATS dedicated section of the BVB website <http://www.bvb.ro/ats/?t=4>.

Government Bonds

June 24 was the first day of trading of the **new benchmark government bonds** issued by the **Ministry of Public Finance**, on debt securities, Treasury bonds tier.

The main characteristics of the treasury bonds are:

- Symbol: B2106A
- Number of government bonds: 50,000
- Nominal value: 10,000 lei
- Issue date: 05.30.2011
- Maturity date: 06.11.2021
- ISIN: RO1121DBN032
- Principal repayment: on the maturity date
- Interest rate: 5.95%
- Interest payment: annual

Municipal bonds

The second municipal bond issue in 2011

June 2 was the date of the trading start of the **municipal bonds** issued by **Timis County**, on debt securities, municipal bonds tier.

The main characteristics of the bonds issued by Timis County are:

- Symbol: TIM28
- Number of bonds: 1,000,000
- Initial nominal value: 100 lei/bond
- Issue value: 100,000,000 lei
- Issue date: 03.22.2011
- Maturity date: 04.07.2028
- ISIN code: ROTIMYDBL086
- CFI code: DBVSAR
- Principal repayment: in 68 quarterly blocks
- Interest rate: ROBOR6M + 0.39 %
- Interest payment: quarterly

Other financial instruments

Structured products

On June 9, nine new individual issues of **turbo certificates**, issued by **Raiffeisen Centrobank AG**, started trading on the Structured Products Sector - Certificates Tier. The new certificates (turbo long and turbo short) have as underlying the blue chips traded on BVB. Raiffeisen Centrobank AG acts also as a market maker for these certificates.

On June 14, **three new individual issues of turbo certificates**, issued by **Erste Group Bank AG** (who acts also as a market maker), made their debut to trading, on the Structured Products Sector, Certificates Tier.

Launched on July 8, 2010, the BVB Structured Products market offers for trading, at present, 39 individual certificates.

New Market Makers

As of June 27, **SSIF KBC Securities Romania SA** has become **Market Maker** for the **FP Futures** contract, listed on the Derivatives Market managed by BVB.

PLANNED DEBUTS

In June, the Board of Governors admitted to trading the **Brent Crude Oil Futures** and **Silver Futures** contracts (with their specifications). The trading of these contracts will start after the issuing of the certificates of registration for the derivative financial instrument by RNSC.

According to the decision of the Board of Governors in the June 28 meeting, **Piraeus Bank Romania** will act as **Market Maker** on the treasury bonds market; the market making activity will effectively start on July 1.

NEWS

Decisions of the Board of Governors

- On June 8, the Board of Governors approved the amendments to the specifications of the futures contracts to properly align their trading hours to the extended trading session until 4:45 PM. The futures contracts for which it was approved to amend specifications are those tradable on the regulated Futures Market, with shares, indices, commodities and foreign exchange as underlying assets, as well as BVB Futures and ROTX Futures contracts, registered by RNSC, but not yet listed.
- In the same meeting, the Board of Governors also approved the amendment to the date of entry into force of the 10% reduction in commission for trades of shares listed on BVB regulated markets by an intermediary with the capacity of Market Maker on the Derivatives Market, on clients account, in the main market (REGS market), this date being June 10.
- Mr. Stere Farmache was appointed member on the Committee for Regulations, Development and New Products and alternate member on the Listing Committee for the vacant positions within the two committees.

BVB – included in the Dow Jones Global Exchanges Index

The Bucharest Stock Exchange was included in the Dow Jones Global Exchanges Index, an index that measures the performance of all publicly traded stock exchanges and trading floors. BVB was effectively included in the index after the close of trading on the June 17, 2011.

The Dow Jones Global Exchanges Index is reviewed on a quarterly basis and is calculated according to both price and total return. As of June 8, 2011, the date of the quarterly review, the float-adjusted market capitalization of the Dow Jones Global Exchanges Index is US\$ 115.5 billion, while the float-adjusted market capitalization of the BVB issuer is US\$ 107.4 million. By entering the Dow Jones Global Exchanges Index, BVB joins other 23 stock exchanges, members of this Index.

The BVB is included also in the FTSE Mondo Visione Exchanges Index, as of November 9, 2010 and in the BET Index, as of March 21, 2011.

New structure of BVB indices

In accordance with the Index Committee decisions, a new structure of the BVB indices (the symbols index weight) became effective as of June 20.

The new BVB index structure, respectively the free float factor (Ffi), the representation factor (Ri) and the price correction factor (Ci) were determined based on the shares number and the closing prices on June 15, 2011.

More information on the new structure of the BVB indices, can be found at the following address <http://bvb.ro/IndicesAndIndicators/indices.aspx>

Marketing campaigns developed by BVB

In June, BVB started a TV campaign with the objective of mass education regarding the capital market and the stock exchange mechanisms. Under the name „Minutul bursier”, the campaign was aired on Antena 3 throughout June, Monday to Thursday, at 9 AM, 10 AM, 4:58 PM and 19:59 PM.

The purpose of the campaign was presenting and explaining the 12 more frequently used terms referring to the stock market and the investment through the stock exchange. The spokesman of this campaign was a well-known singer, Tudor Chirila, who is also a passionate investor on the stock exchange.

This campaign is part of the BVB communication platform for capital market education, which aims at getting the target acquainted to the Romanian stock market and the opportunities it has to offer.

ROMANIAN REGULATIONS ON THE CAPITAL MARKET

According to the **RNSC Decision 516/1.06.2011**, the amendments to the BVB Rulebook-market operator regarding Deal transactions were approved. The respective amendments to the BVB Rulebook came into force on June 8 and are related to the Deal order, Deal trade and the negotiation of the terms for the Deal transaction. The revised form of the BVB Rulebook-market operator, with the respective amendments, is available on the webpage www.bvb.ro, in the Regulations section.

According to the **RNSC Regulatory Disposal 7/1.06.2011**, the effective application of the provisions at art. 30 of the RNSC Regulation 1/2006, as subsequently amended and supplemented, is suspended until the date of entry into force of the amendments of this Regulation. A sell public offer can be initiated after at least two working days from the date of publishing of the announcement provided at art. 5 par. (2) of the RNSC Regulation 1/2006.

According to the **RNSC Regulatory Disposal 8/9.06.2011**, the provisions of the art. 6 par. (2) of the RNSC Regulation 7/2006, as subsequently amended and supplemented, do not apply to a sell public offer of shares held, on behalf of the Romanian state, by a public institution.

The **RNSC Regulatory Disposal 9/15.06.2011** suspends the effective entry into force of the provisions of the Instruction 3/2011 regarding the application of the Financial Reporting International Standards by the entities authorized, regulated and supervised by the RNSC, until December 31, 2011.

According to the **RNSC Decision 546 / 09.06.2011**, the term stipulated at art. 1 of the RNSC Decision 374/19.04.2011 is extended until November 16, 2011, in order for the intermediaries to remedy the aspects signaled by the IT auditors.

The **Government Decision 603** for the approval of the Rules regarding the supervision of the applicability of the international sanctions by The National Office for Prevention and Control of Money Laundering was published in the Official Journal of Romania, part I, no. 426/17.06.2011.

MACROECONOMIC OVERVIEW – ROMANIA

Euro area annual inflation is expected to be 2.7% in June, according to a flash estimate issued by Eurostat, the statistical office of the European Union. It was 2.7% in May.

According to the National Bank of Romania, in the first quarter of 2011, Euro area recorded a significant growth of 0.8% of the real GDP, after the increase of 0.3% in the fourth quarter of 2010. Statistic data and results of recent surveys indicate the persistence of the expansion of the economic activity in the Euro area in the second quarter of 2011, although the rhythm is moderate. The macroeconomic predictions for the Euro area made by Eurosystem experts in June confirm this evaluation, anticipating an annual growth rhythm of the real GDP between 1.5% and 2.3% in 2011 and between 0.6% and 2.8% in 2012.

The executive board of the International Monetary Fund (IMF) approved, on June 27, the first review under the new Precautionary Stand-By Arrangement with Romania and will enable the immediate disbursement of approximately 480 million EUR.

During his most recent visit to Romania, Jeffrey Franks, Mission Chief for Romania of the IMF, stated that the uncertainties related to the crisis in Greece caused an increase in the Romania's risk premium, in the last days of June, but that it ought to pass some time to see if the effects are on the long term.

France's Finance Minister, Christine Lagarde, was appointed, on June 28, chief of the International Monetary Fund by the institution's executive board, for a five-year term, beginning July 5.

PAST EVENTS

- On June 8, on the occasion of the first anniversary from the listing of BVB shares on its own market, the official opening was officiated by the BVB executive staff, along with Razvan Pasol, President & CEO of Intercapital Invest, the intermediary who handled the BVB listing.
- The official opening of the trading session of June 14 was carried out by Liviu Boruz, CEO of Retrasib Sibiu. The event was occasioned by the trading start on the BVB regulated market, Equities Segment, Tier 2 shares, of the RETRASIB Sibiu shares.
- On June 15, Bucharest Stock Exchange and Tradeville organized a seminary in order to present the companies E.ON AG, Deutsche Telekom AG and Bayer AG, in the perspective of their listing on the CAN-ATS market, managed by BVB. The spokesmen at this event were representatives of Tradeville: Mihaela Biciu, CEO, Bogdan Barbieru, Developing Director, Dragos Darabut and Ovidiu Dumitrescu, financial analysts, along with Valentin Ionescu, CEO BVB. Representatives of the intermediaries, analysts and media were present at the event.
- On the occasion of the trading start of New Europe Property Investments PLC shares on the BVB regulated market, the opening of the trading session of June 20, was officiated by Martin Slabbert, CEO NEPI. The official opening was followed by a press conference.
- Bucharest Stock Exchange trading session of June 21 was occasioned by the trading start of E.ON AG, Deutsche Telekom AG and Bayer AG shares on the alternative trading system CAN-ATS managed by BVB. The official opening was followed by a press conference.
- On June 28, 2011, the 50th event of the series „Open Doors Day at BVB” took place at the Bucharest Stock Exchange headquarters. Ileana Botez, communication & marketing director of BVB, gave a presentation on the Bucharest Stock Exchange for the participants, members of Junior Business Club in Sf. Gheorghe, an organization which reunites young people with a common interest in economics and financial markets.
- On June 29, the official opening of the trading session was carried out by Jean-Michel Godeffroy, President of TARGET2 Securities. The official opening was occasioned by the 14th meeting of the Consultative Group TARGET2 Securities, organized by the Central Depository, between June 30 - July 1, in Bucharest. At the event were present: Stere Farmache, President, Bucharest Stock Exchange, Adriana Tanasoiu, General Manager, Central Depository, Razvan Vartolomei, Deputy Director, Payments Department, National Bank of Romania, alongside Bogdan Chetreanu, Commissioner, Romanian National Securities Commission. The official opening was followed by a conference - “Integration and European market infrastructure development-the impact on the Romanian capital market”, meant to familiarize the Romanian financial community with the changes taking place at the European level.

BVB STATISTICS

Total market capitalization on 06.30.2011 (mil. EUR)	Daily average turnover 06.01 – 06.30.2011		Daily average traded volume 06.01 – 06.30.2011	
	Absolute value (mil. EUR)	Var compared to 2010 (%)	Absolute value (mil. units)	Var compared to 2010 (%)
27,055.5	12.55	+120.18	85.65	+61.42

BVB indices	Absolute value 06.30.2011	Var (%) compared to 12.31.2010
BET	5,508.7	+4.56
BET-XT	508.39	+8.03
BET-FI	22,552.76	+2.6
BET-NG	771.61	-0.05
BET-C	3,312.27	+6.46

ISSUERS OF THE MONTH interview with Martin Slabbert, CEO NEPI



You are the first company listed on the REITs tier of BVB. How do you feel about this? What advantages will it bring for NEPI?

Martin Slabbert: Although we are pleased to be the first income distributing real estate company to be listed on the BVB, the benefits will not be immediate. We develop and invest for the long term and

the Bucharest listing is the first step in a process to build a reputation for managerial excellence with Romanian investors, similar to the reputation that we have developed in other markets. I would like to make a technical correction: NEPI is not a REIT, but rather a company like any other with a commercial property focus and a regular dividend payment profile.

Being a dividend payer but also an investor in the real estate is a good posture. How do you believe investors owning your shares will benefit of this on short and medium term?

Martin Slabbert: Our dividend distribution as a percentage of share price is considered attractive by shareholders, as is evident from the recent capital increase that we have completed. Our objective is to continue to pay attractive dividends and to grow these.

How correlated is your price evolution to the real estate sector?

Martin Slabbert: There is no direct correlation. Our share price is a function of our (i.e. The management team) ability to continue to grow per share profitability at above market related levels. To be more precise, if you had owned a property in 2009 with a long term lease contract and no bank finance you would have seen growth of some 2% in your profit before tax to 2010. Our shares delivered growth in dividends of some 12% over the same period. This is the result of an active management team investing, developing and re-developing our properties.

NEPI has significant investments in Romania. Was this one of the reasons for listing on BVB?

Martin Slabbert: Yes.

What are your next steps in real estate investments? What needs this sector in order to restart growing?

Martin Slabbert: We prefer to focus on our own operations rather than to be focused too much on the overall sector's performance. We have four retail development and redevelopment projects ongoing and are considering a few further projects that we believe will be our growth engines for the next three years. We focus on our per share profitability.

ISSUERS OF THE MONTH interview with Liviu Boruz, CEO Retrasib SA



What determined you to transfer on the BVB regulated market?

Liviu Boruz: The decision of listing on the BVB market was made in the first quarter of 2010, as a part of our company development strategy. The company has always been interested in business and

reputation growth. Attracting capital is a permanent subject on the Board of Governors meetings' agenda. First of all, we pursued growing the company's credibility on external markets. The first serious contact between partners is made after a correct analysis of the other's potential and BVB is the guarantor that the listed information is accurate. Listing on BVB is a „blank check” for Retrasib.

Our objectives of this listing are:

- growing the firm's visibility among business partners, collaborators and clients;
- free advertising in the mass-media and in business circles;
- increasing the level of trust from business partners, especially the foreign ones;
- the possibility to establish a correct market value of the company;
- diversifying financing sources through stocks and bonds issues;
- simplifying registry and shares transfer operations;
- increasing the value of the founding shareholders' holdings, by establishing a market price;
- even the acquisition of other firms using Retrasib shares as a payment method.

What do you think of the reporting requirements for the regulated market: are they in favor of increasing investors' trust or not?

Liviu Boruz: Increasing credibility was our main argument. As a result, the following week after the listing, we signed a 1.01 million Euro worth contract. Do you think this happened by chance?

What are your projects for the next period?

Liviu Boruz: Mainly, we focus on the objectives proposed in 2010:

- growing production capacity: from a technological point of view, we tripled the production capacity, compared

to 2008 and we formed a core of specialists who ensure workforce stability. Now we concentrate on growing workforce capacity and performance, by progressively hiring new people and organizing specialization programs for the employees. We have already hired 7 persons in June, 6 of who are under the age of 25. Based on the perspectives and the deals we make, we plan to accelerate the hiring and professional development policy, in stages;

- the development program based on investments will be maintained, especially in the area of testing laboratories and quality control means;
- consolidating our position as the no. 1 Romanian producer of transformers with a power up to 600 MVA and voltage up to 500 kV and the international recognition of the company competences;
- active participation in scientific conferences, with the objective of changing and improving energy prescriptions under CIGRE signature;
- increasing the trust of business partners, especially foreign investors.

This is basically our development direction. Each activity is considered a project that implies money, time and workforce efforts. Each contract is a project that ends with a success rate analysis. Risks are carefully evaluated. The small steps policy is our motto.

To what extent are you correlated with the Romanian energy market?

Liviu Boruz: We represent a logistic support for all the companies that operate in the National Electro energetic System in Romania (production, transport, distribution). Beside a wide range of transformers (there isn't a transformer necessary to the National Electro energetic System that we cannot produce), we produce equipment for transformers maintenance and we offer services of technical consultancy, diagnosis and transformers maintenance.

Lately, wind energy is a hot topic in Romania. Have you ever thought of extending the range of Retrasib products in order to get involved in this energetic sector?

Liviu Boruz: We have already delivered transformers for wind energy parks. We have the capacity to produce and we offer the whole range of transformers for this area. We are aware of all the events on this market and of the supply and demand. We are open to any requirement of technical consultancy regarding the technical specifications for transformers, without soliciting any fee or forcing the signing a preferential contract with us.

We haven't considered building wind energy parks, neither as an investor nor as an entrepreneur. This activity isn't included in our range of activities.

ISSUERS OF THE MONTH interview with Constantin Ostaficiuc, President of the Timis County Council

What projects have you financed through this bond issue?

Constantin Ostaficiuc: Timis County, through the process of bonds issuing on the capital market, refinanced an internal loan, in the form of a revolving bank credit line type "Bridge Loan", worth 100 million lei. The loan was contracted for the pre-financing and co-financing of the following investment projects: rehabilitation and revitalization of the fortification of Timisoara Citadel – Theresia Bastion; rehabilitation of DJ 572, between Berzovia (Caras-Severin county)- Buzias (Timis county) – Lipova (Arad county); rehabilitation of DJ 691, between Timisoara-Pischia-Masloc – the limit of Arad county, L-40 km; rehabilitation of DJ 592 Buzias-Lugoj, L-29.9 km; developing the North-West Buzias belt road; rehabilitation of DJ 682 – the limit of Arad county – Periam – Saravale – Sannicolau Mare; business infrastructure in the industrial area of Sacalaz and the Integrated waste management system in Timis county – Ghizela warehouse.

What was the duration of this bond issue and what were the costs?

Constantin Ostaficiuc: The public offer of the municipal bond issue was run between March 9-15, 2011, a period in which all the 1,000,000 bonds issued by Timis County were sold, at an initial nominal value of 100 lei per bond.

Which was the biggest challenge you encountered? What would you advise the other local authorities who intend to issue municipal bonds?

Constantin Ostaficiuc: We haven't encountered significant problems in this process. When we made this decision, we initiated collaboration with a consultant and the intermediary bank. Under these circumstances, I think that the advice for local authorities would be to thoroughly analyze the opportunity of this process and the implications on the budget, in general. And also to seek support from specialists.

How many employees from Timis County Council were involved in the bond issue project and what is their professional background?

Constantin Ostaficiuc: There were 3 employees from Timis County Council involved in this process, as follows:

Mircea MIHUT, Executive Director - Budgeting-Finance Department

Professional background:

Doctor in Economics – Babes - Bolyai University, Cluj-Napoca

Bachelor's Degree in Economics and Mathematics, West University of Timisoara

Violeta REUT, Inspector – Budgeting-Finance Department

Professional background:

Master in European funds audit – West University of Timisoara

Bachelor's Degree in Economics – West University of Timisoara, Economics and Business Administration Faculty

Danut FINICHIU, Superior Counselor Budgeting-Finance Department

Professional background:

Master in Public administration – Aurel Vlaicu University, Arad

Bachelor's Degree in Economics – West University of Timisoara, Economics and Business Administration Faculty

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