

The Capital Market

Chances for an Upswing

Bratislava

June 23, 2011

1. T-HT – An Example for Supporting Stock Exchange
2. Regional Stock Exchanges

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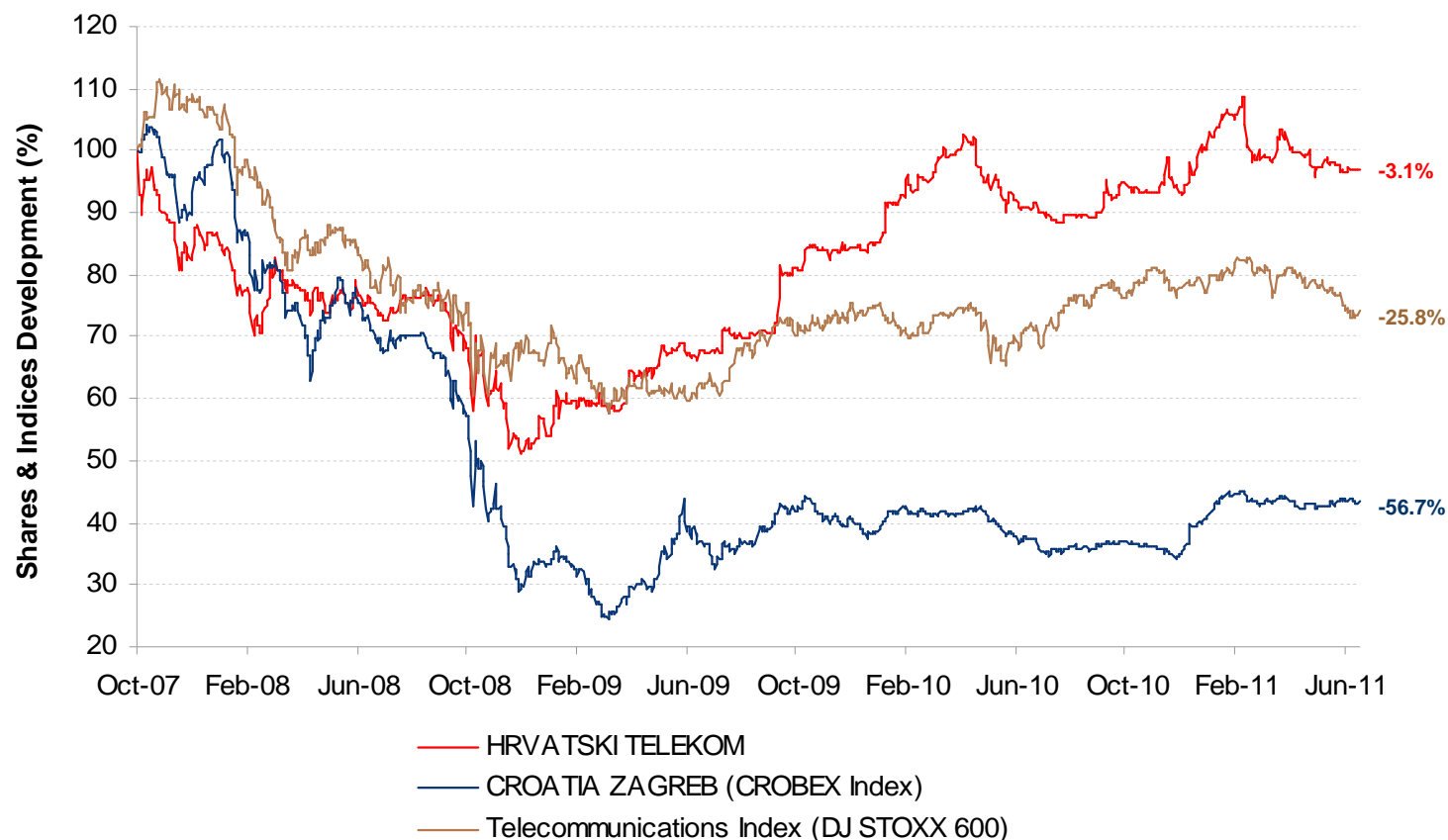
T-HT – A summary

Indices comparison

T-HT shares take more than 20% of total traded volumes on the Zagreb Stock Exchange.

Long term holders: More than 64% of initial shareholders of T-HT are still invested

Comparison of Hrvatski Telekom since IPO against selected indices



Source: Bloomberg as of 21/6/2011

T-HT – A successful deal

The working group and activities

Global Coordinator and Sole Bookrunner
J.P.Morgan

Institutional Syndicate

International offering

J.P.Morgan

Domestic offering



Retail Syndicate

Selling Agents



Responsibilities

- § Due Diligence
- § Investment story
- § Analyst presentation
- § International roadshow
- § Bookrunner,
- § Coordination of both tranches

Shared responsibilities

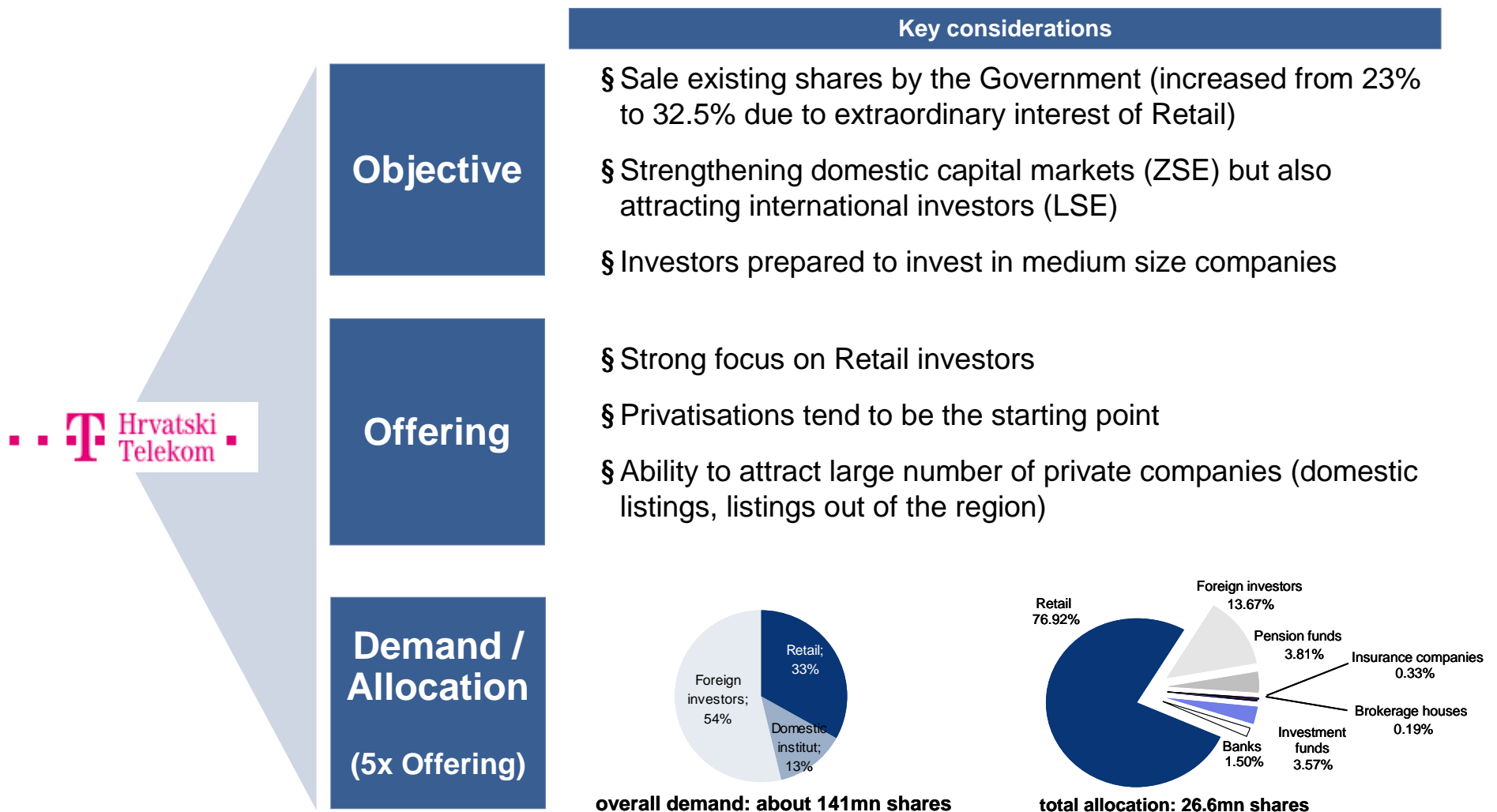
- § Deal structure
- § Prospectus
- § Listing agendas

Responsibilities

- § Domestic institutional and retail bookrunner
- § Setting up the branch infrastructure
- § Coordination of retail campaign
- § Organization of the retail offering
- § Coordination of selling-group
- § Cooperation with the Govt.
- § Cooperation with the local regulator (HANFA)
- § Coordination with ZSE

T-HT – A model privatization

A listed company with strong domestic participation



T-HT – A deal for the public

Oversubscription by > 2x retail and > 9x domestic institutional

Key considerations



Retail Offering

- § Specific retail bonus (1 share per 10 shares hold for 12m)
- § 293 branches throughout Croatia (FINA 155, Erste 114, HPB 24)
- § Separate training & IT application testing

Education

- § 500 Erste sales force in full day trainings at 2 locations
- § Dedicated IPO Help centre for sales force & investors
- § Extensive Q&A procedures for sales force & investors

Marketing

- § Extensive two stage retail information & marketing
- § Capital markets promotion campaign and T-HT IPO promotion



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CEE capital market development

An Overview

Slower recovery after financial crisis visible on Austrian stock exchange in comparison with CEE stock exchanges (e.g. Warsaw, Prague)

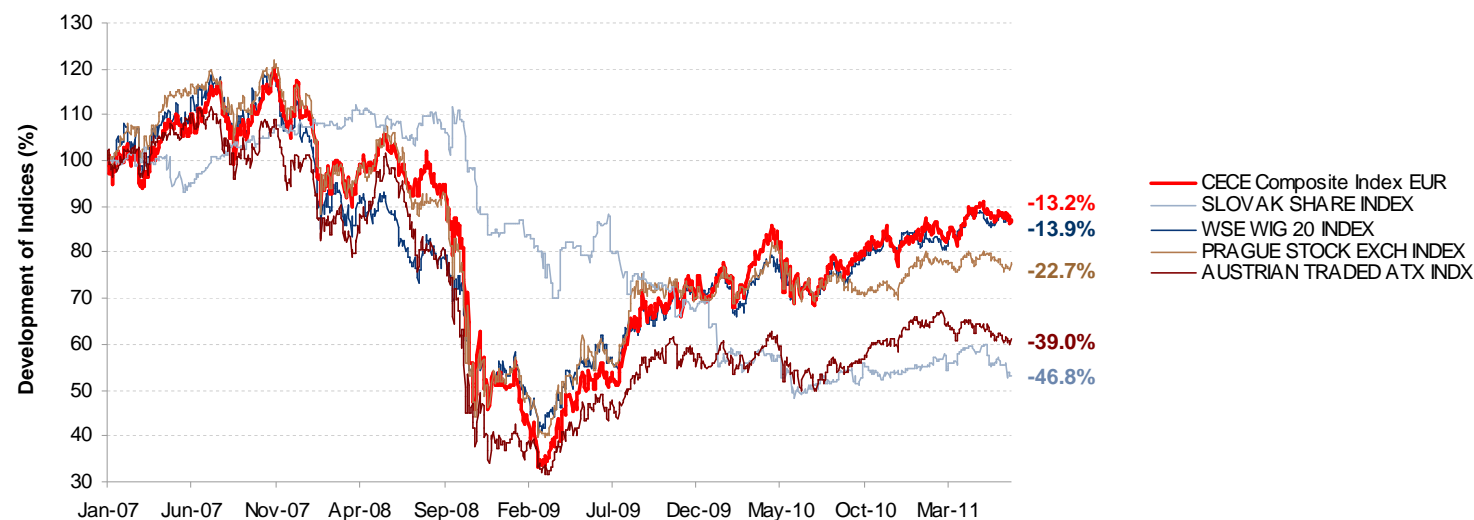
Bratislava stock exchange still shows no sign of correlation with other CEE stock exchanges

Strong listing activities in Poland, still driven by privatisations and SMEs primarily from Ukraine.

Moderate listing activities on CEE stock exchanges, with focus on private transactions (dual listing of Fortuna – 2010, listing of AMAG – 2011)

Source: Bloomberg / Ipreo as of 21/6/2011

CEE indices since 2007 and most recent IPOs on CEE stock exchanges



Price Date	Issuer Name	Industry	Exchange Country	Domicile Country	Proceeds (USDm)	Offer Price (USD)	Price range (USD)
18-May-11	Bank Gospodarki Zywnosciowej SA	Financials	Poland	Poland	113.35	21.80	27.01 - 36.83
21-Apr-11	Industrial Milk Company S.A.	Consumer Non-Cyclicals	Poland	Luxembourg	29.77	3.98	7.58 - 7.58
7-Apr-11	AMAG Austria Metall AG	Materials	Austria	Austria	526.10	27.26	26.98 - 34.08
22-Mar-11	Kino Polska TV S.A.	Consumer Cyclical	Poland	Poland	13.34	3.34	2.94 - 3.46
17-Dec-10	Sadovaya Group S.A.	Energy	Poland	Luxembourg	30.57	2.84	5.59 - 5.59
1-Dec-10	Milkiland N.V.	Consumer Non-Cyclicals	Poland	Netherlands	76.34	10.91	15.75 - 15.75
29-Oct-10	Warsaw Stock Exchange	Financials	Poland	Poland	422.40	16.08	14.69 - 18.77
21-Oct-10	Fortuna Entertainment Group N.V.	Consumer Cyclical	CR / Poland	Netherlands	102.31	6.01	6.25 - 6.25
22-Sep-10	Centrum Wspierania Projektów Europejskich S.A.	Industrials	Poland	Poland	0.20	1.33	1.33 - 1.33
22-Jun-10	Tauron Polska Energia SA	Utilities	Poland	Poland	1,274.60	1.55	0.25 - 0.25
11-May-10	Kulczyk Oil Ventures Inc.	Financials	Poland	Poland	107.07	0.64	0.74 - 0.74
30-Apr-10	PZU SA	Financials	Poland	Poland	2,738.49	106.06	99.07 - 109.20
30-Apr-10	AS Premia Foods Ltd	Consumer Non-Cyclicals	Estonia	Estonia	17.25	1.19	1.09 - 1.38
24-Mar-10	Berling SA	Consumer Cyclical	Poland	Poland	14.77	2.40	2.45 - 3.33

Stock Exchange Comparison

Market capitalization and turnover (year end)

Warsaw attracted a large number of listings, driven primarily by a large number of small & micro cap companies

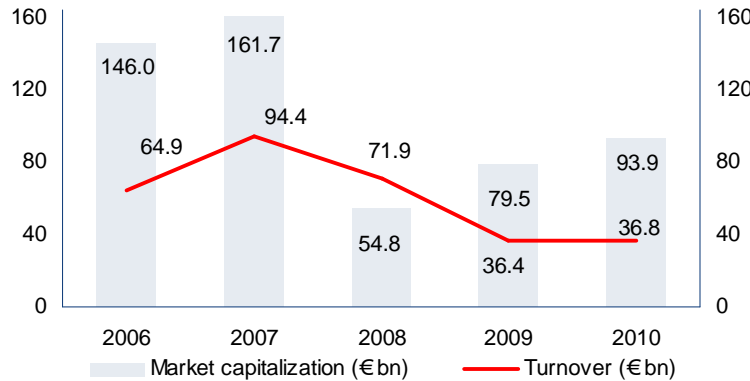
Large number of listings in Warsaw (641 listed companies) as compared to Prague (27) or Vienna (108)

Vienna and Prague benefit from XETRA platform, Warsaw from its strong domestic investor base

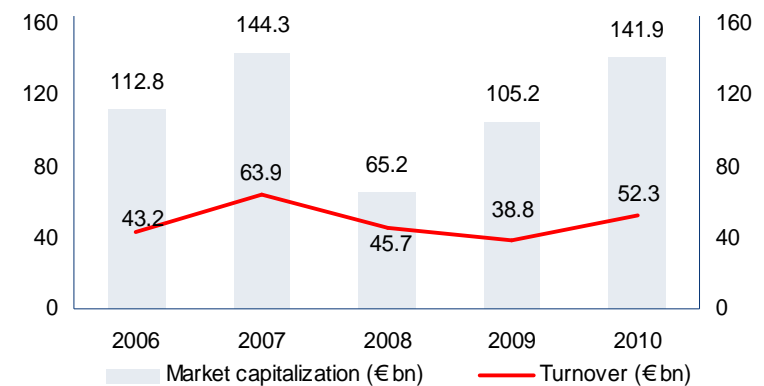
Bratislava Stock Exchange is suffering from low market capitalisation and low liquidity

Figures include domestic shares in all markets
Source: Federation of European Securities Exchanges (FESE)

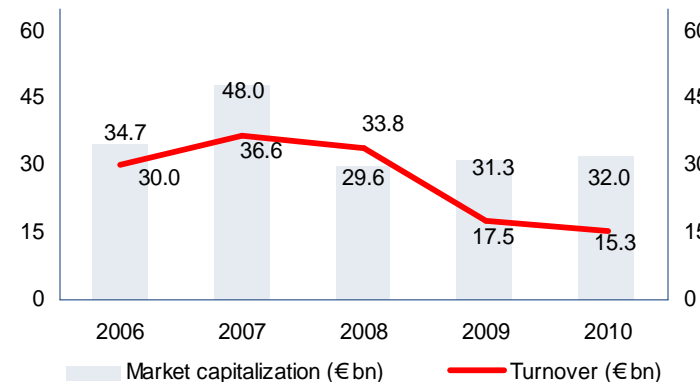
wiener börse.at **Vienna Stock Exchange**



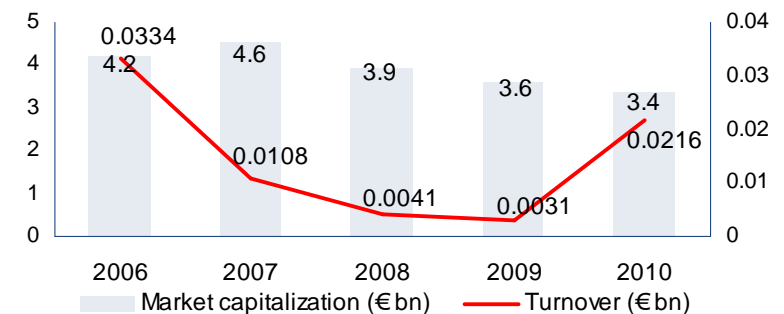
Warsaw Stock Exchange



Prague Stock Exchange



Bratislava Stock Exchange



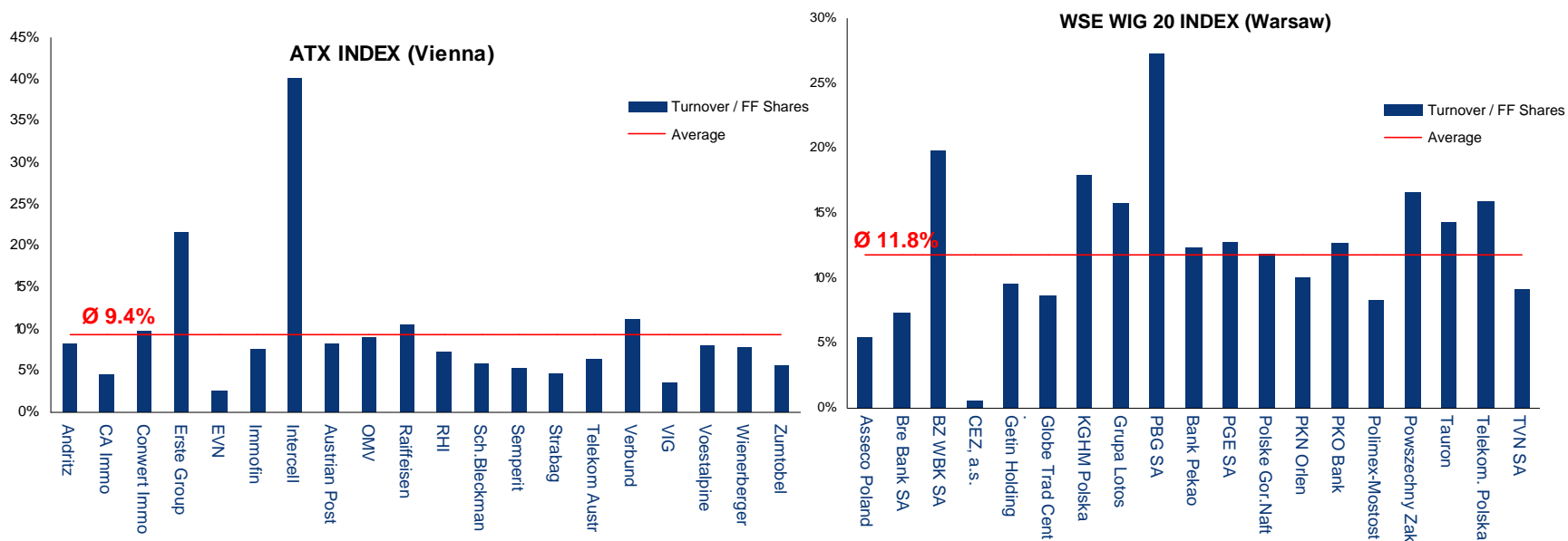
Stock Exchange Comparison

30 Day trading volume in percent of free float capitalization



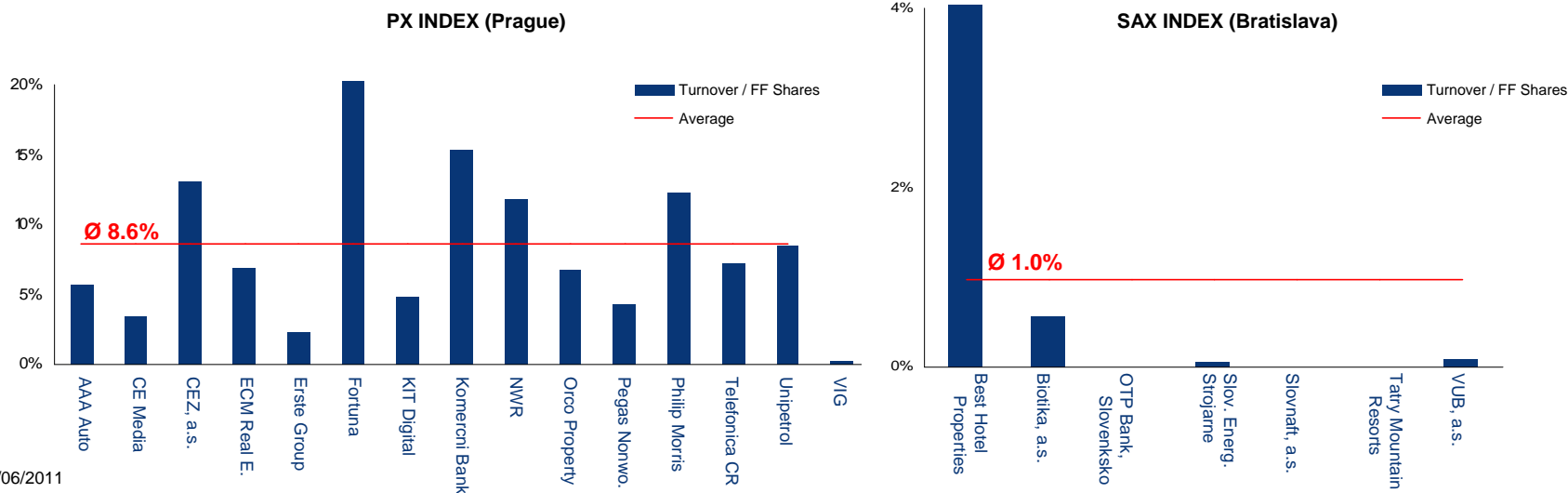
ERSTE GROUP

Warsaw followed by Vienna shows the highest liquidity among the compared stock exchanges



Explanation:
The free float capitalization is measured by the free float factor times the market cap of a company (number of free float shares)

The 30Day trading volume is calculated by the average 3 months daily volume times 30.



Source: Bloomberg as of 21/06/2011

Regional Capital Markets

Challenges and Lessons learned

