



Shares | Indices | Eastern/ | South-Eastern | Europe |



■ CECE-EURO Index

■ Characteristics

After Eastern Europe had gone through political and economic changes, Western investors, having recognized the commercial potential of former socialist republics, became increasingly interested in the countries of the former Soviet block. They had not been mistaken; competitiveness of these countries remarkably increased in the following years, as they were flooded by foreign capital and direct investments. Austrians were the first to start cooperation with the former Eastern block after the Iron Wall had fallen. Therefore, it is not surprising that the main stock barometer for the region of Eastern Europe is calculated by the Vienna Stock Exchange. Apart from regional stock indices – CTX for the Czech Republic, PTX for Poland and HTX for Hungary – this stock exchange determines value of the CECE EURO Index which associates those regional indices. The value of CECE EURO is quoted both in EUR and USD.

The index currently comprises of 26 companies. While constructing the index, its creators attempted not to overestimate the importance of strong regional companies. Thus the weight representation of individual countries corresponds to their real economic situation. Therefore, Poland takes up 50 per cent of the index weight, the Czech Republic 30 and Hungary 20 per cent. Sector structure is balanced as well. Roughly 85 per cent of the index value is taken up by sectors which are exceptionally important for development of these emerging markets. To be specific, we could name the financial, telecommunications, and energy sectors. From what we have said so far, one might think that a broad and thorough reflection of market situation is the most important principle to be used in composition of the index. Yet, there seems to be a more important one - the degree to which the particular economies are open to investments. In order to readjust the index, the CECE board pays attention only to shares with appropriate market capitalization. At the same time, these must have a high liquidity. Thanks to their political stability, the three countries fare well indeed. It is necessary to say that such a thing is not very typical of transforming economies.

■ Indicators to 30 June 2006

	1 year	3 years	5 years	10 years
Maximum value	3,058	3,058	3,058	n/a
Minimum value	2,292	1,510	819	n/a
Performance (EUR)	-6.5%	+64.3%	+213.7%	n/a
Volatility (EUR)	24.2%	22.4%	20.5%	n/a

■ Raiffeisen Centrobank Open End certificate

ISIN / WKN	Ratio	Spread	Fees	Notes
AT 000 048 903 4 / RCB OTY	100:1	0.68%	none	CTX+PTX HTX

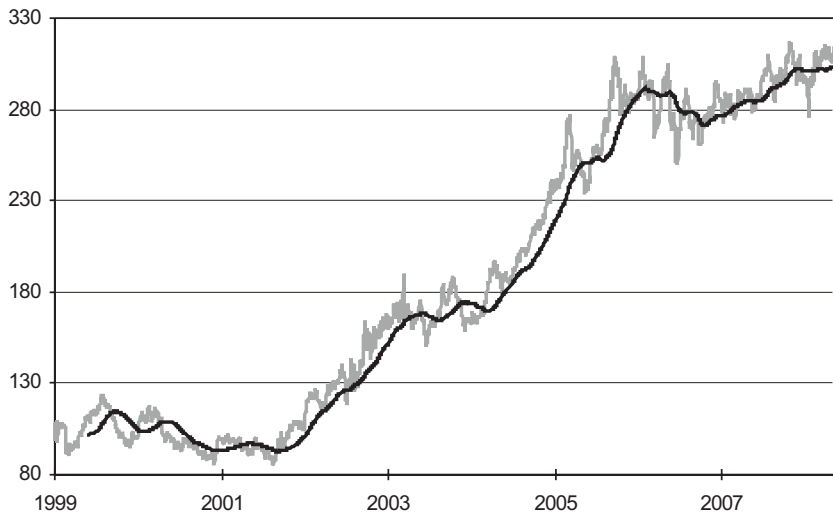
Index Provider: Wiener Börse (www.indices.cc)

Bloomberg Abbreviation: CECEEUR <Index>

Index Performance since 1 January 1999



Relative Performance versus EURO STOXX 50



■ DJ STOXX EU Enlarged Market Index

■ Characteristics

STOXX Ltd., a creator and provider of indices, takes its time! It was only at the end of October 2004 that it reacted to the enlargement of European Union. The DJ STOXX EU Enlarged Total Market Index is supposed to measure performance of stock exchanges in ten countries which became members of the EU on 1 May 2004: Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia. At the same time, this well-diversified stock basket is used as a universum for the DJ STOXX EU Enlarged 15 Index (a blue chip barometer for new European regions).

With this index which covers the whole market, STOXX Ltd. intends to cover around 95 per cent of shares which are freely traded in the new member countries. This is the reason why free float value of a particular company is probably the most important criterion for admission into the index. In addition to that, only equities are considered and traded. Those index members which were not traded in ten days of the last three months stay out. The index offers a Total-Market variant as well, and therefore, its value is increased by paid out dividends. Readjustment of the index composition is carried out quarterly.

In mid-2005, the DJ STOXX Enlarged Markets Index comprised of 109 shares. Poland represented by 40 per cent, is the most important region for the index. On the other hand, the contribution of, for example, Latvia is negligible indeed – only 0.2 per cent. In spite of all that has been said, the real heavyweight comes from Hungary. OTP, the largest commercial bank in the country, is represented by 14.08 per cent. Financial sector and its 33 per cent clearly dominate the index. Being represented by approximately 17 per cent, companies from the sector of telecommunications, energy and gas production. The index performance can be traced back to 31 December 2002. This is when the calculations of the EU Enlarged Total Market Index started at initial 100 points. Nowadays, the index has more than 200 points. During the same period, investment into the Dow Jones STOXX 600 would yield a profit of 'only' 40 per cent. It is not surprising that the EU newcomers are not allowed into the barometer. Guys at STOXX Ltd are taking their time again!

■ Indicators to 30 June 2006

	1 year	2 years	3 years	5 years
Maximum value	397	397	397	397
Minimum value	291	219	179	96
Performance (EUR)	-13.9%	+20.6%	+72.3%	+210.8%
Volatility (EUR)	21.1%	19.9%	19.6%	18.0%

■ Dresdner Bank Open End certificate

ISIN / WKN	Ratio	Spread	Fees	Notes
DE 000 DR1B78 9 / DR1 B78	10:1	1.48%	none	-

Index Provider: *STOXX Ltd. (www.stoxx.com)*
Bloomberg Abbreviation: *EUETMP <Index>*

Index Performance since 1 January 2003



■ WIG 20 Index

■ Characteristics

In the recent years, capital markets of the Eastern Europe have been the greatest and brightest stars of the stock exchange sky. The Warsaw Stock Exchange was one of those that achieved the greatest growth. One of the oldest stock exchanges started to trade securities with fixed interest as early as 1817. However, trading at the stock exchange gradually fell after the WWII. Immediately after the Iron Curtain was 'drawn up' the first resuscitation attempts started in order to pick up the threads of the stock exchange's "golden times".

And indeed, the Warsaw stock exchange reopened in 1991 and brought off a growth incentive for the young Polish economy. Three years later, the stock exchange was ready to launch its WIG 20 Index. This index comprises of 20 largest and most liquid Polish companies which are represented in the index according to their market capitalizations.

In the WIG 20, a single business sector can be represented by no more than five companies. Composition of the index is reviewed every March; individual weight representations are adjusted quarterly. In case of need, the index may be subjected to exceptional changes, e. g. in case that trading with a new share of adequate market capitalization is supposed to start. This Polish index is calculated every fifteen seconds of the exchange trading day. WIG 20 competes with the Austrian PTX Index. However, PTX currently comprises of only 11 companies, and is calculated on the basis of stock prices defined at the Vienna Stock Exchange. Both heavyweights are represented by roughly 14 per cent. Polski Koncern Naftowy Orlen (the largest oil mining and refining company in Central Europe) ranked first and is followed by KGHM, a producer of copper and silver. The imaginary bronze medal glitters on the chest of Pekao bank, and the unpopular fourth place belongs to TPSA telecommunication business group.

■ Indicators to 30 June 2006

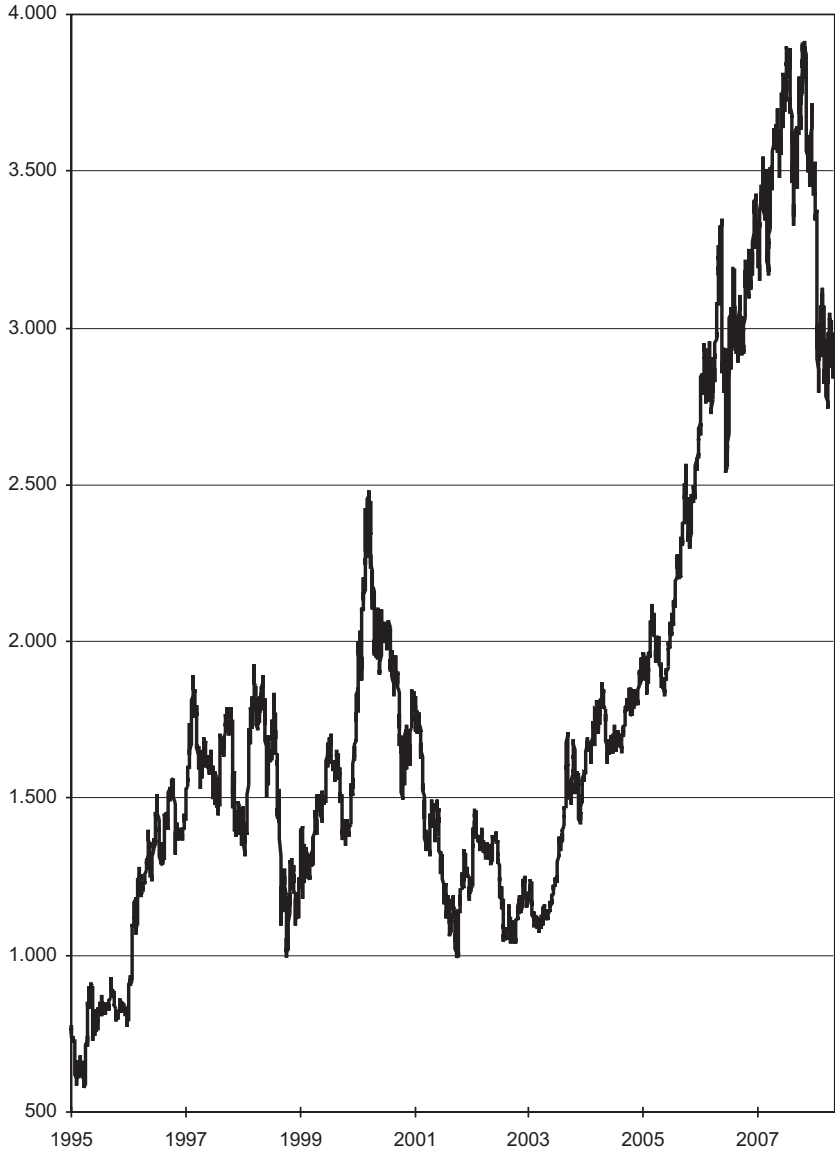
	1 year	3 years	5 years	10 years
Maximum value	3,918	3,918	3,918	3,918
Minimum value	2,742	1,895	1,175	990
Performance (POZ)	-18.5%	+53.0%	+149.3%	+77.0%
Performance (EUR)	-10.2%	+84.5%	+216.4%	+99.9%
Volatility (POZ)	26.7%	24.0%	22.3%	27.1%
Volatility (EUR)	27.1%	25.7%	24.4%	30.6%

■ ABN Open End certificate

ISIN / WKN	Ratio	Spread	Fees	Notes
DE 000 393 750 4 / 393 750	10:1	1,97%	1.00 % p.a.	including dividends

Index Provider: *Warsaw Stock Exchange (www.wse.com.pl)*
Bloomberg Abbreviation: *WIG20 <Index>*

Index Performance since 1 January 1995



PTX-EURO Polish Traded Index

Characteristics

Closely watched benchmark PTX-EURO Polish Traded Index shows performance of Polish stock market in EUR. However, PTX was not created in Poland but by the Vienna Stock Exchange in Austria. Austrians soon realized what their spatial proximity to countries of former communist block could mean and thus they created the CECE index family. Apart from the Polish PTX index, this family consists of CTX (Czech Republic) and HTX (Hungary). According to data from Vienna, only standard stock companies with high market capitalization and liquidity are included into these indices. In principle, all exchange barometers are calculated both in EUR and USD.

The fact that East European markets are still in the 'emerging' phase of their development is demonstrated on relatively narrow selection of companies included into the indices mentioned earlier. In spite of the fact that Warsaw has the second largest East-European stock exchange, the index and its mere 11 blue chips represents 52 per cent of the aggregate market capitalization and approximately 44 per cent of all trades. The Polish "eleven" thus represents a concentrated form of the WIG 20, the national index.

This exchange barometer for Polish blue chips was introduced in April 1994; however, it did not manage to succeed. High degree of selection in the PTX-EURO Index goes hand in hand with creation of large units: four of the index members take up approximately two thirds of the whole benchmark. Total market capitalization of EUR 25 billion is divided among several heavyweights. Telekom Polska represents 24.5 per cent of the capitalization, PKN Orlen, an oil refining company and a provider of a network of gas stations, takes up more than 20 per cent as well. These two companies are followed by representatives of the financial sector. Bank Pekao, largely owned by Italian UniCredito, represents 15 per cent of the index value. The centre of the PXT-EURO Index is created by PKO Bank Polski (13 per cent) and BPH owned by Bank Austria (10 per cent). Representatives of the hi-tech sector occupy the bottom of the company ranking: Prokom Software, the Polish competitor of SAP, is the absolute lightweight of the index. If investors intend to put their money into Eastern Europe, they may very likely prefer a wider index which focuses on the three companies: CECE-EURO. This index is diversified in a much better way.

Indicators to 30 June 2006

	1 year	3 years	5 years	10 years
Maximum value	2,271	2,271	2,271	n/a
Minimum value	1,604	1,031	588	n/a
Performance (EUR)	-9.6%	+70.0%	+213.2%	n/a
Volatility (EUR)	30.8%	28.2%	26.6%	n/a

HypoVereinsbank Open End certificate

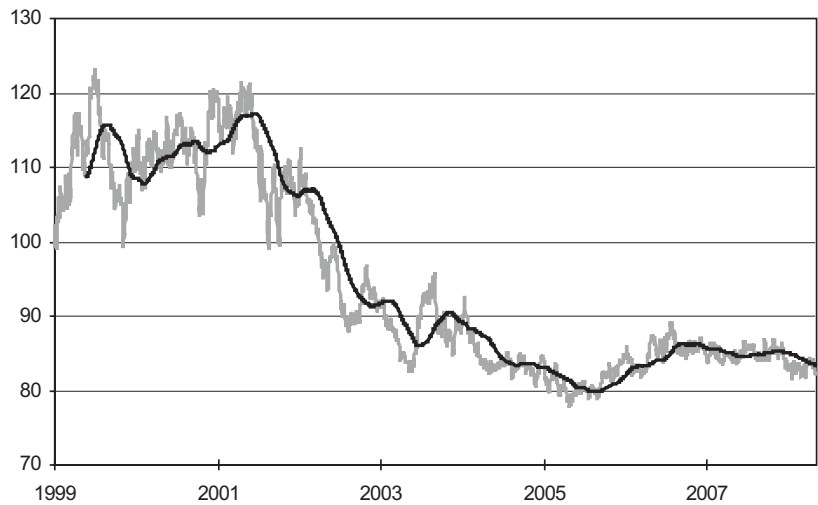
ISIN / WKN	Ratio	Spread	Fees	Notes
DE 000 HVO AYU 3 / HVO AYU	100:1	0.68%	none	Price index

Index Provider: Wiener Börse (www.wiener-boerse.at)
 Bloomberg Abbreviation: PTXEUR <Index>

Index Performance since 1 January 1995



Relative Performance versus CECE-EURO



■ BUX Index

■ Characteristics

In Formula 1, Hungary has played an important role for a long time already. The prestigious series of races made its debut in Budapest in 1986. It was the first F1 race ever in a state from the Eastern Bloc. By its fast growth, the Hungarian stock exchange somehow resembles F1. The leading BUX Index doubled its value since the beginning of the new millennium. The real stock exchange pyrotechnics was caused by Hungarian admission into the EU in May 2004. Since this historic moment, the BUX Index has gained more than 9,000 points and on 20 July it exceeded 20,000 points for the first time. Remarkable performance indeed, especially if we consider that in 1991, the BUX Index started with 1,000 points.

However, the engine of Hungarian rising economy has seized up a bit recently. After the economic growth had reached 4 per cent in 2004 – the highest figure in the past four years – it fell to 2.9 per cent in the first quarter of 2005.

In spite of that, the country of Csabai sausages, Puszta and Danube soon broke free from the manacles of communism and created an economically favourable environment. For example Audi, a daughter company of Volkswagen, has had its factory in Győr for more than ten years, and presently, it is the largest exporter and investor in Hungary. Though this German company is not included in the BUX Index at all, its example is a symbol of the change and rise of Hungary.

The market capitalization of the BUX Index is EUR 25 billion, which represents roughly 58 per cent of all companies quoted at the Hungarian stock market. The BUX Index is dominated by four companies out of twelve. Nearly 90 per cent of the index weight is taken up by Magyar Telecom, OTP Bank, MOL oil and gas company and Gedeon Richter, a company producing pharmaceuticals. Out of these, it is OTP Bank that stands out with 32 per cent. This largest commercial bank in Hungary concentrates on private customers; 60 per cent of means invested into housing in Hungary were provided by this bank.

■ Indicators to 30 June 2006

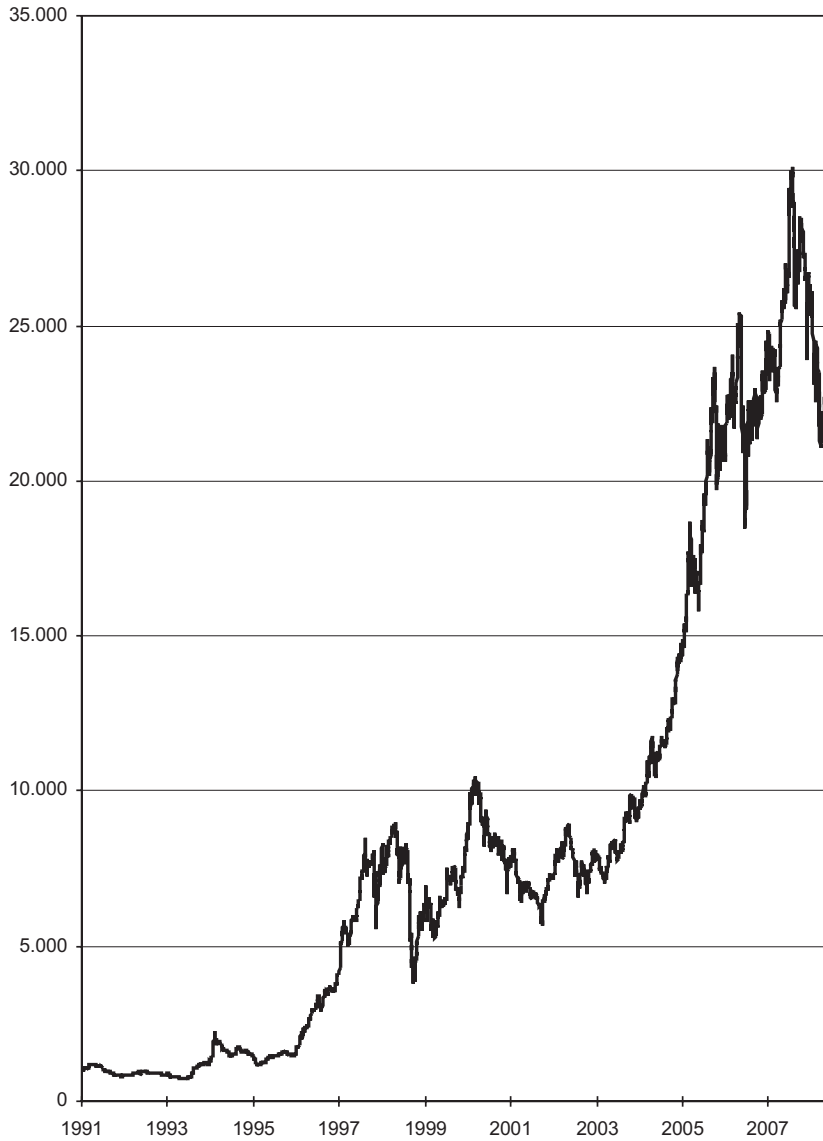
	1 year	3 years	5 years	10 years
Maximum value	30,118	30,118	30,118	30,118
Minimum value	21,073	16,633	7,732	3,775
Performance (HUF)	-13.5%	+34.4%	+169.6%	+207.2%
Performance (EUR)	-14.8%	+35.8%	+163.2%	+183.6%
Volatility (HUF)	22.1%	22.3%	21.0%	26.3%
Volatility (EUR)	24.1%	24.7%	23.2%	28.7%

ISIN / WKN	Ratio	Spread	Fees	Notes
DE 000 SG2 3SS 0 / SG2 3SS	1:10	1.98%	none	-

■ Société Générale Open End certificate

Index Provider: *Budapest Stock Exchange (www.bse.hu)*
Bloomberg Abbreviation: *BUX <Index>*

Index Performance since 1 January 1991



■ HTX-EURO Hungarian Traded Index

■ Characteristics

The Hungarian HTX Index attracts attention not only by its relative performance, but also by its real gains. The same trend, however, could be seen in all other barometers that focus on economies of new member states of the EU. The HTX benchmark, calculated by the Vienna Stock Exchange, has managed to more than double its value in the recent three years. Thus its performance perfectly reflects changes in Hungarian economy. In 2004, Hungarian economy grew by 4 per cent per year, which was slightly less than in any other transforming post-communist states of Eastern Europe. However, the current growth of Hungarian economy has surpassed economic growth of original member states of EU. Hungary excelled in keeping the unemployment rate down too; it oscillated around 6 per cent. It is remarkable especially if we consider the fact that unemployment rates in new member countries of the EU were by nearly 8 per cent higher.

Consistent privatization policies and general legal conditions set in such a way that they do not hamper the influx of investments were the most important factors that led to the success of Hungarian economy. After the privatization of Hungarian economy had been finished, competition from new member states of the EU grew stronger. Hungarian government initiated certain projects that were supposed to compensate for the decrease of investment. Having done this, the government attempted to promote the strategic location of Hungary and attract research centres into the country. They also wish to stick to their knitting, which is evident in the fact that Hungary once again focuses on traditionally strong technological sector and IT.

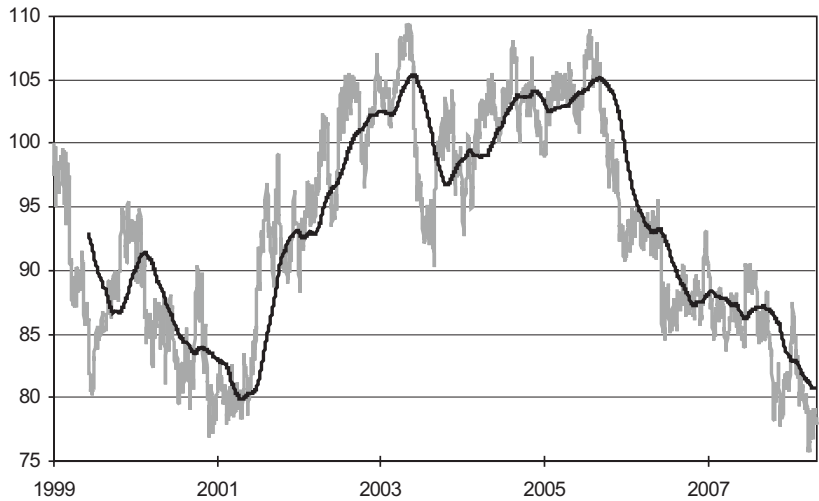
Whoever wishes to invest in Hungary should be aware of the fact that the HTX Index is not diversified to a large extent. It comprises of only 8 selected companies. At the first glance, sector composition of the index seems to be well balanced. Each of the four most important sectors (energy, telecommunications, finance and pharmaceuticals) takes up 25 per cent of the index value. However, the four heavyweights, Magyar Telekom, Magyar Olay Gazi, OTP Bank and Gedeon take up nearly 90 per cent of the index weight. This is a logical consequence of the fact that only ex-monopolists have market capitalization high enough to enable liquid trading.

■ Indicators to 30 June 2006

	1 year	3 years	5 years	10 years
Maximum value	4,737	4,737	4,737	4,737
Minimum value	4,130	3,318	1,860	1,787
Performance (EUR)	-12.8%	+24.5%	+122.1%	+131.1%
Volatility (EUR)	12.0%	9.2%	7.8%	12.8%

ISIN / WKN	Ratio	Spread	Fees	Notes
DE 000 HVO AYT 5	100:1	0.54%	none	-

HypoVereinsbank Open End certificate



■ CTX-EURO Czech Traded Index

■ Characteristics

Among all post-communist countries, Czech Republic stands out as an excellent student of market economy. Governments in Prague managed to turn an underdeveloped country into a modern society in 15 years. It was only in 2002 that the Czech economy rested for a while, just to carry on growing. Last year, Czech GDP rose by six per cent. The rising tendency is predicted for this year as well.

Such positive development was mainly brought about by vast investments of foreign companies. In 2005, total volume of investment reached USD 11 billion and surpassed the record from 2002. However, we should bear in mind the fact that approximately half of direct investment in 2002 was tightly connected to privatization project of gas engineering sector. Though it may seem that the Czech economy does not have any problems, lightheartedness is not appropriate. Unemployment rate in the Czech Republic is still fairly high and situation of public budgets is quite tense. The state budget deficit has been reduced recently again to approximately EUR 3 billion. The real indebtedness rate (five per cent of GDP) of Czech Republic is still noticeably higher than the average.

In spite of all that, the Czech Republic has performed exceptionally well, which was reflected in stock prices. Since 2002, the value of CTX has risen by more than 300 per cent and the barometer scored 1,500 points. The Czech Traded Index is calculated by the Vienna Stock Exchange. The fact that the index comprises of only eight companies can be viewed as potentially problematic, as it certainly is not what is generally regarded to as 'optimum diversification.' CTX is thus a perfect index for speculatively oriented investors. Conservative investors are usually interested in East European CECE Index.

■ Indicators to 30 June 2006

	1 year	3 years	5 years	10 years
Maximum value	2,927	2,927	2,927	n/a
Minimum value	2,214	1,382	671	n/a
Performance (EUR)	+3.3%	+86.8%	+291.0%	n/a
Volatility (EUR)	22.9%	20.8%	20.3%	n/a

■ HypoVereinsbank Open End certificate

ISIN / WKN	Ratio	Spread	Fees	Notes
DE 000 HVO AYS 7	100:1	0.45%	none	-

Index Provider: Wiener Börse AG (www.wiener-boerse.at)

Bloomberg Abbreviation: CTXEUR <Index>

Index Performance since 1 January 1995



Relative Performance versus CECE-EURO



■ PX-D Index (PX Index)

■ Characteristics

Boom on East European markets had a positive effect on the Czech Republic as well. Since 1 May 2004 when Czechs entered the EU, the domestic share index PX-D has strengthened by more than 70 per cent. This market barometer is published by Prague Stock Exchange. Emissions traded in the SPAD system can be included into its basis; the number of companies included in the index is not fixed. The index is calculated as a price index and currently, it shows performance of nine Czech shares.

Great demand of foreign investors for Czech shares has been recently reflected in high volume of trade as well. In this respect, the Prague Stock Exchange outperformed its Viennese counterpart. This is surprising only if we deliberately omit the fact that in comparison to Vienna, Warsaw or Budapest, the Prague Stock Exchange has lower capitalization. The market value of the Czech blue chip index is approximately EUR 40 billion. To compare: only DaimlerChrysler would weigh more.

Out of the current nine members of the index, it is the Erste Bank and ČEZ, a representative of power industry that stand out. These two companies take up almost 60 per cent of the index weight. Another important company is Český Telecom, owned by Spanish Telefónica since July 2005. Besides those blue chips, it was some smaller companies that stirred the stock exchange in Prague. Thanks to superb sales channels, Zentiva, the leading domestic producer of pharmaceuticals, has won itself a great position in Eastern Europe, where sales of generic pharmaceuticals increase dramatically. Within a year, value of Zentiva shares gained more than 100 per cent.

The perspective of the Czech stock market is supposed to be positive, yet, it can hardly be expected to reach an overall growth of a hundred per cent in the short run. A new main index named PX was launched by the Prague Stock Exchange on 20 March, 2006. Its basis replaced PX-D Index which had been dissolved after seven years of its existence.

■ Indicators to 30 June 2006

	1 year	3 years	5 years	10 years
Maximum value	1,936	1,936	1,936	1,936
Minimum value	1,405	1,121	532	316
Performance (CZK)	-8.1%	+48.9%	+202.0%	+258.2%
Performance (EUR)	+3.6%	+63.7%	+263.0%	+416.2%
Volatility (CZK)	22.5%	19.4%	18.5%	+20.8%
Volatility (EUR)	21.1%	18.7%	17.3%	+51.7%

■ ABN Open End certificate

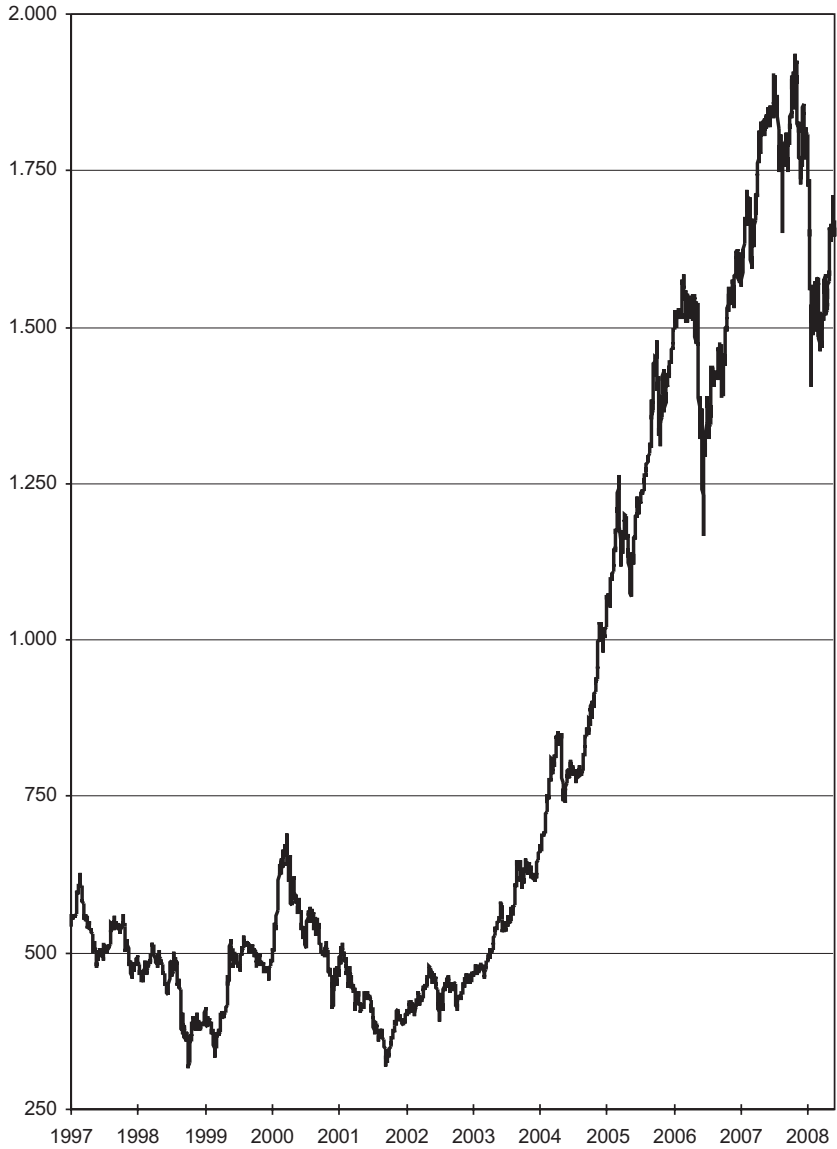
ISIN / WKN	Ratio	Spread	Fees	Notes
DE 000 393 752 0 / 393 752	1:1	2,25%	1.00 % p.a.	-

■ Raiffeisen Centrobank Open End certificate

AT 000 0A0 16Q 4 / RCB 4SX	10:1	1.95%	none	PX index
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Index Provider: *Prague Stock Exchange (www.pse.cz)*
Bloomberg Abbreviation: *PX-D <Index>*

Index Performance since 15 January 1999



■ ROTX (Romania)

■ Characteristics

Different countries have different customs. Should we judge from the ROTX (Romanian Traded Index), we would say that customs in Romania are really different to ours. Having been established in 2005 as a common product of Vienna and Bucharest stock exchanges, the index has been in action for a short time only. ROTX is a price index, the value of which is calculated both in local currency and EUR or USD.

It is necessary to get accustomed to the conception of the ROTX Index. Whilst membership in German DAX and similar market barometers is based on quantitative parameters in the first place, composition of ROTX is based on purely individual consideration. The index committee considers both of the objective indicators – market capitalization and stock exchange turnovers – however, criteria such as sector affinity, negotiability or market attractiveness offer a lot of freedom in selection. The ROTX Committee, which meets every three months, decides upon which companies will be included into or excluded from the index. Examination and readjustment of the index composition is the common interest of both Vienna and Bucharest stock exchanges. But there is a peculiarity here as well. Only companies quoted in a special watch list may be accepted into the index. The decision about accession is made by the committee. Apart from that, number of index members is not fixed either. Annually, the ROTX Index comprises of only six companies, three of which take up together nearly 75 per cent of the index weight. In local currency, ROTX gained more than ten times. Great expectations were decelerated by the European crisis caused by French rejection of Euro-constitution and unsuccessful negotiations among representatives of individual EU countries.

■ Indicators to 30 June 2006

	1 year	3 years	5 years	10 years
Maximum value	21,616	21,616	21,616	n/a
Minimum value	11,268	7,120	2,119	n/a
Performance (EUR)	-25.4%	+63.6%	+503.6%	n/a
Volatility (EUR)	32.6%	27.4%	27.9%	n/a

■ Raiffeisen Centrobank Open End certificate

ISIN / WKN	Ratio	Spread	Fees	Notes
AT 000 048 140 3 / RCB ODS	100:1	1.81%	none	-