



2011

ANNUAL
REPORT

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Information on the company



Information on the company

Legal name:	SC BURSA DE VALORI BUCURESTI SA
Field of activity:	Financial market administration
CAEN Code:	6611
Fiscal code / Sole registration code:	1777754
Code with Trade Register:	J40/12328/2005
Address:	34 - 36 Carol I Blvd., 13-14 Floors, 2 nd District, Bucharest
Symbol	BVB
ISIN	ROBVBAACNOR0

Bucharest Stock Exchange SA (BVB) was established under the Romanian National Securities Commission (CNVM) Decision No 20/1995. BVB was established as a non-profit institution of public interest, and in 2005 it became Joint Stock Company. BVB shares were admitted to trading on BVB main market on June 8, 2010. The field of activity of the Company is the financial market administration. BVB is the may market operator in Romania and is a medium size stock exchange in the region.

Bucharest Stock Exchange administrates several markets:

- regulated spot market where shares and rights issued by Romanian and international entities; debt securities: corporate, municipal and government bonds issued by Romanian entities and international corporate bonds; equity in collective investment undertakings: shares and fund units; structured products are traded;
- regulated derivatives market where futures contracts underlying stocks, indices, commodities and currencies are traded;
- alternative trading system (ATS) where foreign shares listed on another market are traded and where the listing of securities issued by Romanian companies non-eligible for the regulated market (e.g. SMEs, start-ups and RASDAQ companies and "unlisted") is intended;
- RASDAQ market where shares and rights issued by Romanian entities, most of them resulting from the mass-privatisation programme, are traded.

BVB operational incomes are mainly generated by the trading of all instruments listed, as well as by the listing of companies and instruments on various markets and by selling information to data vendors and other users.

Main financial indicators for 2011



Main financial indicators for 2011

Indicators		Year		Variation
		01.01.2011	01.01.2010	
		31.12.2011	31.12.2010	
Individual profit and loss account				
Net turnover	Mil. lei	21.74	13.06	66.5%
Operational result	Mil. lei	6.39	0.30	2030%
Financial result	Mil. lei	12.41	6.19	100.5%
Net result	Mil. lei	16.97	5.71	197%
Individual balance sheet (on December 31st)				
Equity	Mil. lei	102.03	88.03	+15.9%
Asset total	Mil. lei	106.23	90.13	+17.8%
Performance indicators				
Net profit per share	lei	2.21	0.85	-
Operational margin	%	29.4%	2.3%	-
Net profit margin	%	78%	43.7%	-
Return on capital	%	16.6%	6.5%	-
Market indicators				
Transaction value for shares and fund units (including DEAL transactions)	Mil. lei	10,496	6,100	+72.0%
BVB Share Statistics ¹				
Opening price (previous day closing price)	lei	40.75	-	-
Maximum (intraday price)	lei	46.00	42.30	+8.8%
Minimum (intraday price)	lei	25.00	24.30	+2.9%
Closing price (on December 31)	lei	28.90	40.75	-29.1%
BVB Share Turnovers (including DEAL transactions)	Mil. lei	135.6	139.6	n/a
Daily trading average for BVB share (including DEAL transactions)		0.54	0.97	-44.25

¹ BVB became listed company on June 8, 2010. .

2011 at Bucharest Stock Exchange



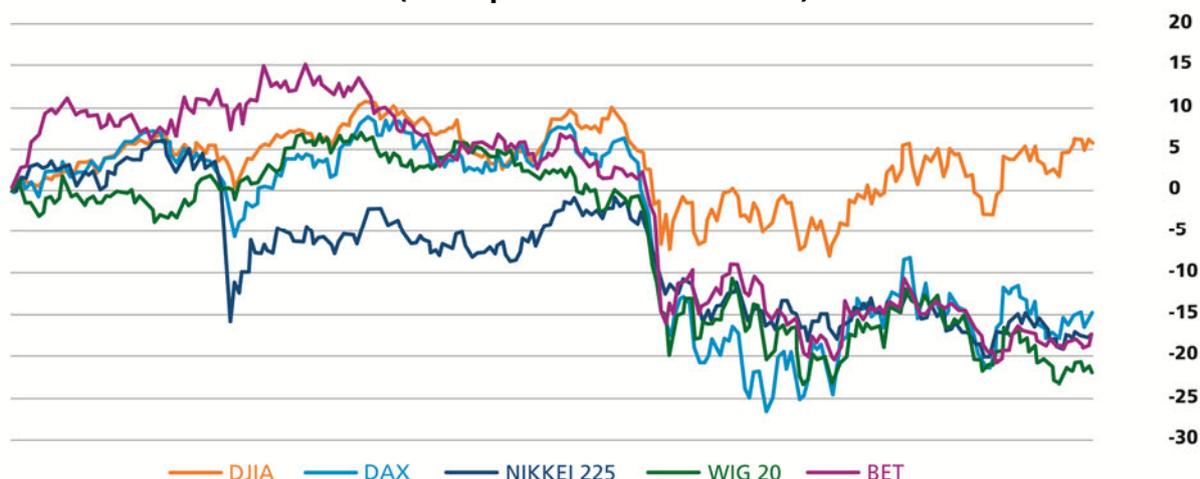
2011 at Bucharest Stock Exchange

Macroeconomic context and BVB evolution

The developments within the regulated market organised by Bucharest Stock Exchange shown in 2011, more than ever, how far the limits of the Romanian capital market universe expanded, universe that have stopped being only national or regional: it have become a universe deeply marked by the European and international financial markets. Therefore, any attempt to outline synthetically what the local stock exchange meant shall take into consideration the global context and financial, economical and even political dynamics.

The illusion of having overcome the effects of the international financial crisis started in mid-2007 in the United States of America shattered during the previous year, when concerns mainly on the sustainability of the level and the refinancing cost for the sovereign debts of certain European countries brought in the public space an amazing concept for the Western World: the austerity. Although the US economy did not give the impression of having finally overcome the recession prospect, the epicentre of the global financial crisis moved to Europe. The problems related to the public debts of certain countries, such as Greece, Ireland, Spain, Portugal or Italy, but also the European governments and common institutions failure to provide quick solutions heavily affected the investors trust and brought to discussion some scenarios, some of them hard to believe several years ago, which consider the dissolution of "Euro Zone" or even the extinction of the European single currency. Moreover, international specialised agencies communicated a series of negative changes of the ratings or rating prospects for certain European economically-developed countries, but also for credit companies or institutions representative for the economy and financial system of the Old Continent. The possible explosive mixture of events, decisions and happenings caused uncertainty among global financial market investors, and this state of mind was accurately reflected by the evolution of the main international stock indices.

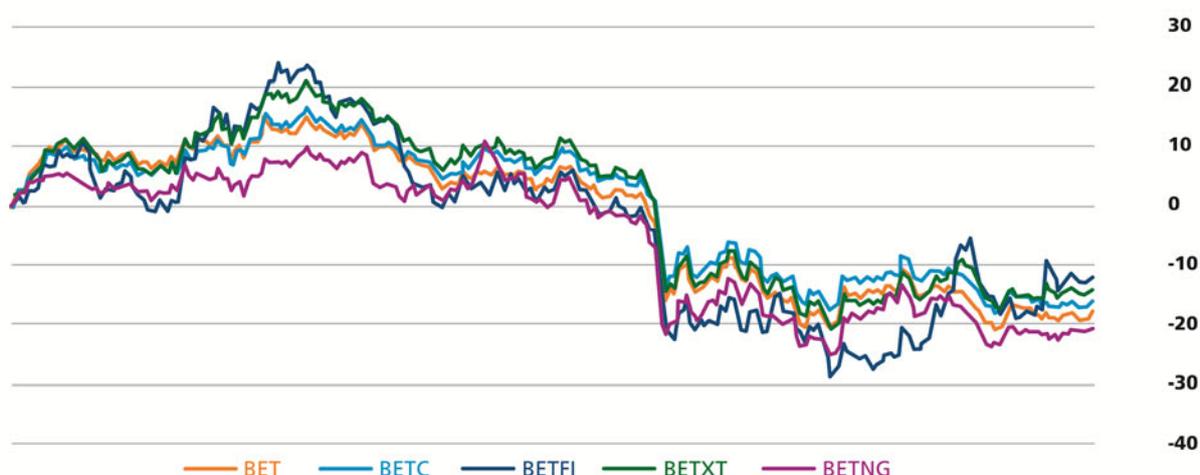
**2011 Evolution of the international stock indices
(% compared to the end of 2010)**



As one can note in the above chart, the summer of 2011 broke the relative quietness constant of that period and brought about spectacular movements of the financial markets and significant corrections of the international stock indices. The decline was started by the German share market index, DAX, which in only few weeks lost almost one third of its value, dragging along downwards the other European stock indices. At the end of the year DAX index recovered some of its loss and, at the end of the last trading session of 2011, was calculated for 5,898 points, 15% under the start value. The new-EU member states recorded higher annual declines of the stock indices. In respect to the performance prospect of the stock markets, the position of Central European countries outside the "Euro Zone" was not an advantage to the crisis, but it rather increased the volatility and investors' aversion to risk. Thus, the most representative stock index of the region, WIG20, lost almost 22% in 2011.

In 2011 significant decreases of stock indices were recorded also within the Asian stock exchanges, which in addition had to absorb the economic shock caused by the devastating earthquake that struck Japan in the first half of the year. Therefore, Nikkei 225 index closed the last trading session of the year 17% under the level calculated at the end of 2010. Although they were affected too by the events that took place in Europe and Asia, but also by US economic and political specific factors, the Dow Jones Industrial Average and Nasdaq 100 indices managed to detach themselves from the downwards trend of the European or Asian stock markets and rose by 6% and by 2.7% respectively during 2011.

**2011 Evolution of the BVB indices
(% compared to the end of 2010)**



In a highly volatile international context, marked by many uncertainties, the prices of most shares admitted to trading on the regulated market administered by BVB decreased on the Romanian stock market in 2011. Accordingly, "blue chips" BET closed 2011 at 4,337 points, 18% under the start value. The others stock indices calculated by BVB followed the same downwards trend, the most significant annual loss was registered by the sector index BET-NG: -21%. The most popular BVB sector index, BET-FI, closed the last trading session of the year at 19,341 points, 12% under the value of the previous year end.

Although the stock market had a general downwards trend, some securities brought major profits to their investors on BVB. Off this share category came the shares issued by Oltchim SA Ramnicu Valcea and Azomures SA Targu Mures, both companies are active in the production of fertilizers, which registered annual appreciations of 440% and 80% respectively .

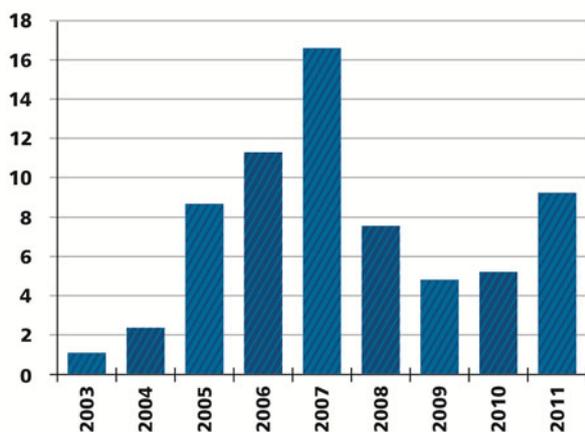
Top 5 companies after the 2011 reference price evolution

Symbol	Share name	Last transaction price (RON)	Variation (%)
OLT	OLTCHIM SA RM. VALCEA	1.0970	+440.39
AZO	AZOMURES SA	1.3500	+181.25
STZ	SINTEZA SA	0.5200	+116.67
CBC	CARBOCHIM SA	5.8000	+87.10
MEF	MEFIN SA	1.1000	+58.27

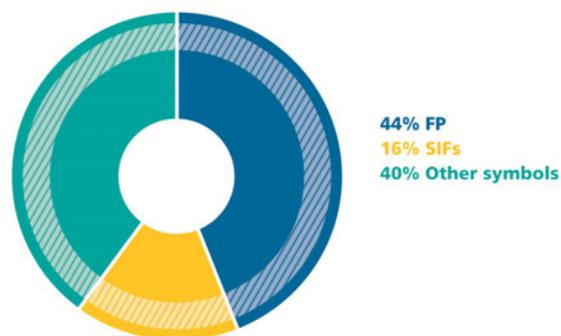
If in the light of the index dynamics the local stock market did not set itself apart from the general trend of the European stock exchanges, in 2011 BVB made itself noticed through one of the highest raise rates of the trading value. The daily average trading value of 2011 got very close to 10 million Euros threshold, 75% over the level of 2010.

The increase of the trading value on the markets administered by BVB was supported both by the operations carried out by the five investment companies (SIFs), as in the previous years, but mostly by those which subject were the shares issued by Fondul Proprietatea SA (FP) – company admitted to trading on the regulated market administered by BVB in January 2011.

Evolution of the daily average trading value on BVB (mil. EUR)



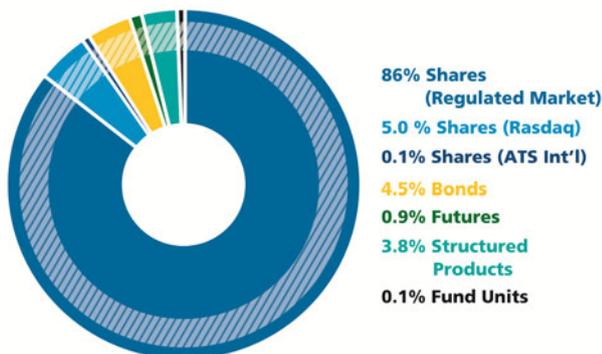
2011 Trading value structure on BVB



The FP share transactions led during the entire BVB trading year, thus the turnovers registered with this symbol represented 44% of the general economy of the stock exchange. The BVB trading activity with FP shares and the features of the Fund operation allowed the increase of the “free float” of Fondul Proprietatea from 60% in December 2010 to almost 100% at the end of November 2011, while the FP shareholder number increased to almost 11,000. According to the latest reporting available, on November 31, 2011 the foreign investors held over 50% of the share capital subscribed and paid of Fondul Proprietatea.

The high interest in FP shares led in the first half of the year to a decrease of the relative trading value of the shares issued by the five investment companies. However, at the end of 2011 the investor gained back their interest in the investment companies, after there were made publicly available the details of the understanding under which the investment companies sold the BCR share stocks in their portfolio to Erste Group AG and particularly after the Romanian Parliament discussed the proposal of legislative amendment concerning the increase of the maximum threshold of shareholding in SIFs, from 1% of the share capital of an investment company to 5%.

2011 Trading value structure on BVB, per market shares



In addition to the information provided by the stock market during 2011, the listing of Fondul Proprietatea and the change of the maximum threshold in shareholding in SIF, for Bucharest Stock Exchange and for all those interested in the capital market, 2011 marked a significant range diversification of the financial instruments traded on various markets administered and organised by BVB. Moreover, the admission to trading of the shares issued by Fondul Proprietatea, in the first month of the year, opened the way also for some trading techniques developments, such as short selling operations or the extension of the use of the global account system also to the securities issued by Romanian companies.

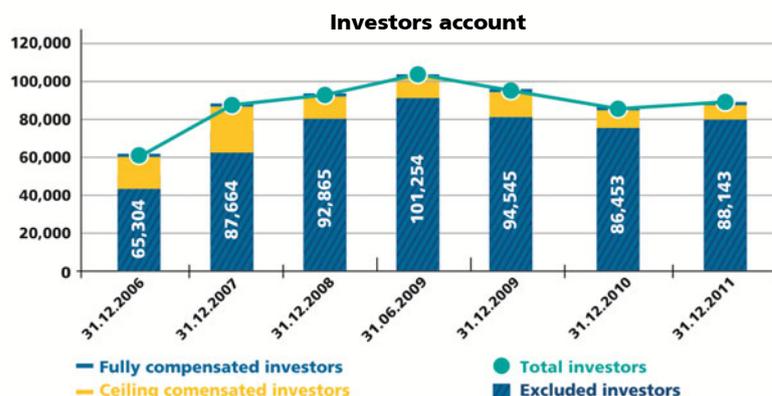
The signal of FP share listing on BVB was followed in the first part of 2011 by further transferring some RASDAQ-market traded shares to the regulated market. In addition, on June 21, 2011 the shares issued by New Europe Property Investments plc were launched on the regulated market, this being the first BVB-listed real estate fund on the market share specifically created to accommodate also financial instruments of Real Estate Investment Trusts (REITs) category. Only a day later, there were introduced to trading on the BVB alternative trading system (ATS) the shares issued by three new foreign companies: E.ON AG, Deutsche Telekom AG and Bayer AG. The access of the local investors to the liquidity related to the foreign shares introduced to trading on ATS – International Section is provided through brokerage companies participating to BVB trading system and where they took the role of market maker. By the closing of 2011, the number of foreign securities available for trading within BVB ATS rose to 10.

In 2011, BVB managed also to improve the offer of fixed income instruments, admitting to trading new issues of benchmark government bonds or municipal bonds. Thus, the total number of issues of fixed income instruments available for trading at BVB rose to 60 at the end of the year.

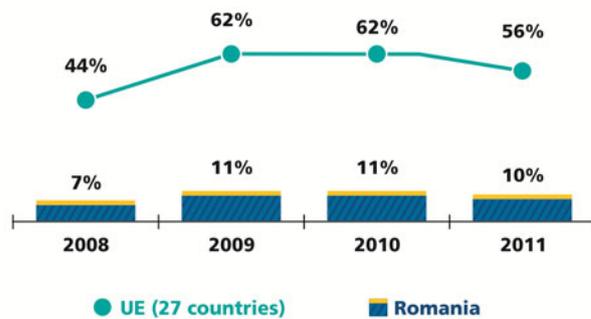
In response to the stock market participants' typology and needs, in 2011 BVB increased significantly the number of derivative financial instruments which investors can use for hedging strategies or for speculative purposes. The new futures contracts admitted to trading at BVB provided new possibilities to diversify the investor portfolio, and the issues of index or turbo certificates listed during the year helped to improving the popularity of structured product market among the Romanian investors.

Even if in 2011 several new financial instruments started trading, BVB has remained a market operator dedicated to operations with shares issued by Romanian companies and therefore in 2011 the negotiated transaction with such securities maintained a significant percentage of the total value of the stock exchange transactions (86%).

In 2011 the number of investors active on the capital market of Romania, notwithstanding if an investors calls one ore several brokers, recorded a progress of 2%, up to 88,143. As shown in the next chart, on December 31, 2011, most investors were fully compensated, having portfolios under 20,000 Euros, according to the data of Investors Compensation Fund.



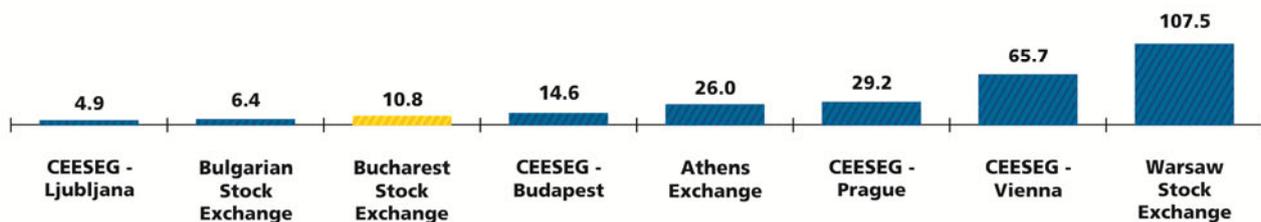
Market Cap to GDP (%)



Although BVB experienced increases of the trading value, of the number of instruments available for trading or of the market capitalization, Romania still has to overcome the gap between it and other European countries concerning the stock exchange representative in economy. Information provided is based on Capitalization / GDP index, which in 2011 was of 15%, compared to EU countries average of 56%, according to Eurostat data.

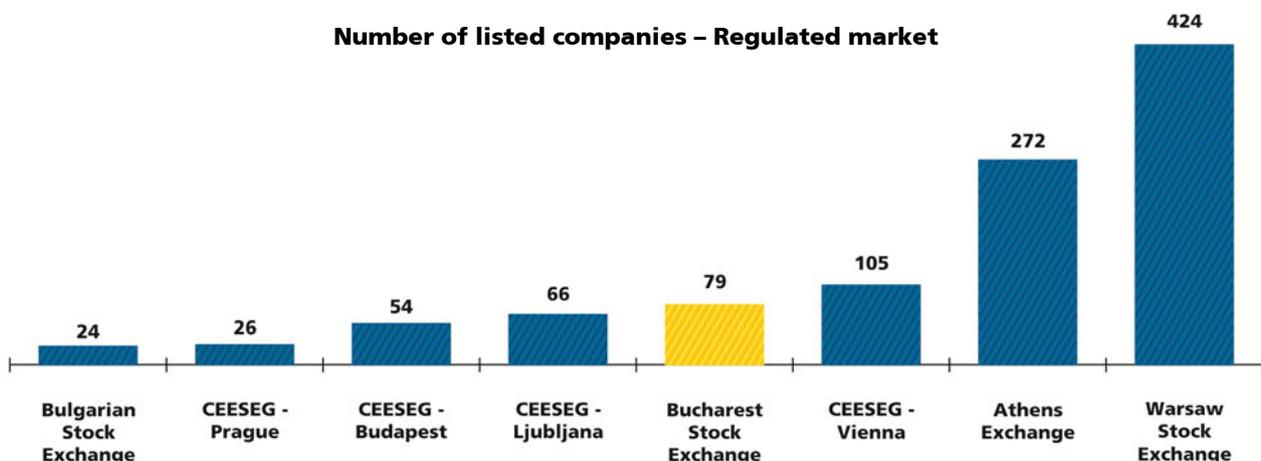
In the region, BVB remains a medium size stock exchange, placed between Bulgarian Stock Exchange and Budapest Stock Exchange to what concerns the capitalization of the local companies traded on the regulated market, according to FESE data.

Market Cap (EUR bn)



To what concerns the number of listed companies, BVB is placed between Budapest Stock Exchange and Vienna Stock Exchange, with 79 companies traded on the regulated market.

Number of listed companies – Regulated market



Compared to other indices of FESE member stock exchanges (Federation of European Securities Exchanges), the evolution of BVB main index, BET, is as follows:

Blue chip index	2007 EOY	2008 EOY	2009 EOY	2010 EOY	2011 EOY	Variation % YTD
FTSE/ATHEX 20	2,752.48	932.50	1,125.38	663.10	264.91	-60.0
IBEX – 35	15,182.30	9,195.80	11,940.00	9,859.10	8,566.30	-13.1
FTSE MIB	38,554.00	19,460.00	23,248.39	//	//	//
BET Index	9825.38	2901.1	4690.57	5268.61	4336.95	-17.68
BUX Index	26,235.33	12,241.69	21,227.01	21,327.07	16,974.24	-20.4
Slovene Blue-chip Index - SBI Top	2,518.92	854.26	982.67	850.35	589.58	-30.7
PX	1,815.10	858.20	1,117.30	1,224.80	911.10	-25.6
Austrian Traded Index (ATX)	4,512.98	1,750.83	2,495.56	2,904.47	1,891.68	-34.9
FTSE/CySE20	1,653.11	379.80	543.53	357.45	104.60	-70.7
DAX - Performance Index	8,067.32	4,810.20	5,957.43	6,914.19	5,898.35	-14.7
ISEQ® 20 Index	1,069.08	357.30	467.59	462.86	468.57	1.2
ISE 30		35,001.85	66,992.07	81,338.13	61,698.29	-24.1
FTSE 100	6,456.91	4,434.17	5,412.88	//	//	//
Lux X Price Index	2,419.28	980.91	1,371.47	1,542.12	1,135.10	-26.4
OMX Nordic 40 (OMXN40)	1,264.78	625.80	829.44	1,105.03	899.75	-18.6
OMX Copenhagen 20 (OMXC20)	464.14	247.72	336.69	457.58	389.95	-14.8
OMX Helsinki 25 (OMXH25)	3,010.11	1,515.65	2,032.59	2,628.48	1,942.06	-26.1
OMX Iceland 15 (OMXI15)	6,318.02	352.16	//	//	//	//
OMX Stockholm 30 (OMXS30)	1,081.44	662.33	951.72	1,155.57	987.85	-14.5
Euronext 100	995.23	544.92	683.76	690.80	592.85	-14.2
AEX	515.77	245.94	335.33	354.57	312.47	-11.9
BEL 20	4,127.47	1,908.64	2,511.62	2,578.60	2,083.42	-19.2
PSI 20	13,019.40	6,341.34	8,463.85	7,588.31	5,494.27	-27.6
CAC40	5,614.08	3,217.97	3,936.33	3,804.78	3,159.81	-17.0
OBX	422.08	199.13	339.32	400.40	357.60	-10.7
SMI	8,484.46	5,534.53	6,545.91	6,436.04	5,936.23	-7.8
WIG20 Index	3,456.05	1,789.73	2,388.72	2,744.17	2,144.48	-21.9

To what concerns the evolution and positioning of BET-C index, compared to other general European indices, according to the statistics published by FESE, BVB presents as follows:

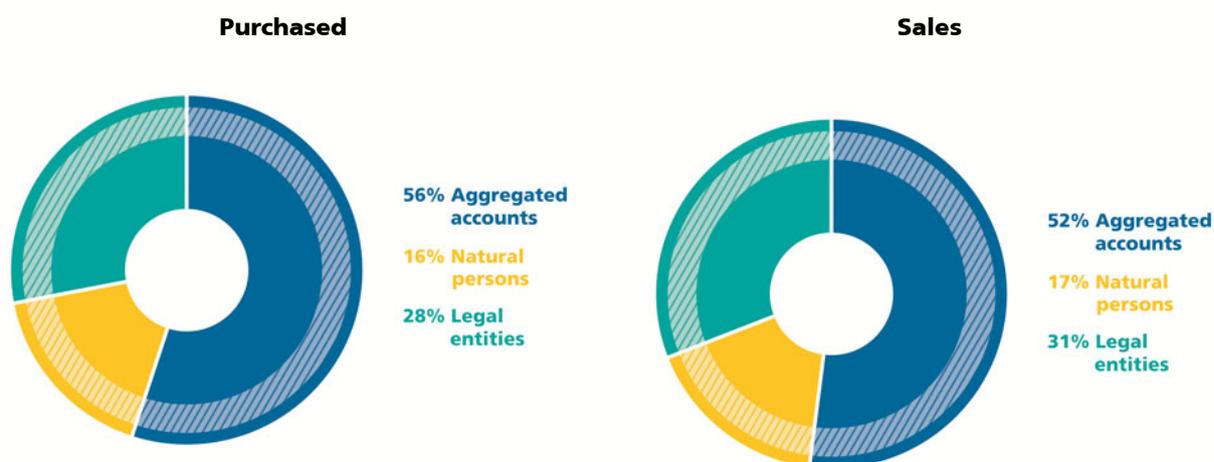
Composite index	2007 EOY	2008 EOY	2009 EOY	2010 EOY	2011 EOY	Variation % YTD
ATHEX Composite Share Price Index	z	1,786.51	2,196.16	n/d	680.42	n/d
Barcelona: Bcn Global 100 Index	1,193.94	694.44	935.54	655.16	649.00	-13.6
Bilbao: Indice Bolsa de Bilbao 2000	2,626.55	1,589.90	1,921.55	1,398.65	1,366.61	-15.4
Madrid: IGBM Index Indice General	1,642.01	975.97	1,241.72	884.67	857.65	-14.6
Valencia: IGBV Index	1,359.19	844.79	1,138.56	838.65	887.82	-9.1
FTSE ITALIA MIB STORICO	28,525.00	14,623.00	17,651.79	//	//	//
BET-C Index (Bucharest Exchange Trading Composite)	6,665.49	1,977.1	2,714.77	2,658.23	2,621.41	-15.74
LJSEX - LJSE Composite	11,369.58	3,695.72	4,078.64	//	//	//
PX-GLOB	2,268.40	1,096.40	1,401.40	1,365.30	1,160.50	-24.0
Wiener Börse Index	1,653.79	644.72	926.49	846.37	764.56	-30.8
CSE General Index (Main and Parallel Market Index)	4,820.72	1,101.42	1,597.23	1,011.35	295.94	-72.0
CDAX – Price	478.65	266.33	320.32	293.83	304.60	-17.4
ISEQ Overall	6,934.35	2,343.27	2,974.93	2,607.97	2,901.82	0.6
ISE 100 Price Index	//	26,864.07	52,825.02	48,080.16	51,266.62	-22.3
FTSE All Share Index	3,286.67	2,209.29	2,760.80	//	//	//
LUX General Price Index	1,929.39	780.74	1,206.67	983.90	831.89	-33.0
Malta Stock Exchange Share Index	4,937.75	3,208.22	3,460.55	3,330.42	3,094.80	-18.2
OMX Nordic Eur PI (All-Share)	229.67	110.19	154.74	156.20	167.61	-19.1
OMX Copenhagen (OMXC)	446.69	227.98	301.26	308.26	325.19	-17.7
OMX Helsinki (OMXH)	11,598.42	5,403.52	6,456.13	6,134.78	5,355.06	-30.1
OMX Iceland All-Share PI (OMXIPI)	5,803.35	581.76	496.48	491.58	580.73	2.0
OMX Stockholm (OMXS)	351.84	204.22	299.50	291.74	307.04	-16.7
AAX All Share Index	784.78	380.61	521.04	1.00	488.83	-12.4
BAS Price	12,947.59	6,572.80	8,191.60	7,502.87	7,493.50	-12.4
SBF 250 Price Index	3,956.31	2,251.35	2,789.32	2,414.99	2,344.44	-16.3
OSEBXP	347.09	153.87	246.37	204.46	243.83	-13.4
SMI Index	8,484.46	5,534.53	6,545.91	5,934.95	5,936.23	-7.8

Compared to other stock exchanges, BVB ranks per capitalization, according to the statistics published by FESE, is reflected by the table below.

Stock Exchange Capitalization	2007 EOY (mil. EURO)	2008 EOY (mil. EURO)	2009 EOY (mil. EURO)	2010 EOY (mil. EURO)	2011 EOY (mil. EURO)	Variation % 2011/2010 in EURO
Athens Exchange	181,233.20	64,736.54	78,504.78	50,378.92	26,019.88	-48.4
BME (Spanish Exchanges)	1,231,086.44	680,632.44	999,874.71	873,329.26	794,169.71	-9.1
Borsa Italiana	733,613.72	374,702.41	457,126.23	//	//	//
Bratislava Stock Exchange	4,554.99	3,907.29	3,614.36	3,379.51	4,183.36	23.8
Bucharest Stock Exchange	21,523.88	6,474.07	8,402.47	9,776.315	10,817.67	10.65
Bulgarian Stock Exchange	14,820.75	6,371.03	6,030.96	5,498.48	6,358.35	15.6
CEESEG – Budapest	31,527.90	13,325.60	20,887.90	20,624.40	14,630.28	-29.1
CEESEG – Ljubljana	19,740.12	8,468.42	8,462.22	7,027.89	4,872.81	-30.7
CEESEG – Prague	47,987.44	29,615.12	31,265.36	31,922.18	29,203.22	-8.5
CEESEG – Vienna	161,730.70	54,752.40	79,511.02	93,944.22	65,683.11	-30.1
Cyprus Stock Exchange	20,160.41	5,732.94	7,157.40	5,094.29	2,197.91	-56.9
Deutsche Börse	1,439,955.31	797,063.00	900,771.65	1,065,712.58	912,420.47	-14.4
Irish Stock Exchange	98,431.20	35,518.91	42,719.91	44,998.54	83,495.26	85.6
Istanbul Stock Exchange	//	84,852.60	162,190.76	226,644.50	152,452.85	-32.7
London Stock Exchange	2,634,577.30	1,352,327.00	1,950,048.38	//	//	//
Luxembourg Stock Exchange	113,597.35	47,809.39	73,218.59	75,381.20	52,093.40	-30.9
Malta Stock Exchange	3,854.02	2,566.69	2,843.97	3,222.22	2,641.29	-18.0
NASDAQ OMX Nordic	849,923.31	404,136.57	569,604.28	776,821.40	648,670.30	-16.5
NYSE Euronext	2,888,313.00	1,508,423.00	1,999,967.00	2,184,076.00	1,884,745.00	-13.7
Oslo Børs	241,682.84	101,981.71	157,774.15	219,511.86	170,047.51	-22.5
SIX Swiss Exchange	869,377.30	616,234.10	738,706.67	916,706.58	835,089.80	-8.9
Warsaw Stock Exchange	144,323.31	65,177.59	105,157.15	142,272.23	107,482.95	-24.5
TOTAL	11,752,014.49	6,264,808.82	8,403,839.92	6,756,322.58	5,807,275.13	

Natural persons vs. legal entities investors

In 2011 over half of the value of the shares traded on the regulated market at BVB was registered on global accounts, which renders irrelevant the statistics concerning the investor type (natural persons / legal entities, residents / non-residents). As far as individual account trading is concerned, natural persons were around 1/3, as shown in the charts below.



Resident vs. non-resident investors

Resident / Non-resident / Aggregated	Type	Purchases (RON)	Sales (RON)
A	A	5,475,789,204.21	5,216,185,273.23
R	NP	1,583,423,176.60	1,606,457,044.49
N	NP	57,091,616.90	73,368,742.42
R	LE	1,643,958,566.98	1,458,912,520.17
N	LE	1,186,805,611.55	1,592,144,595.93
A - Aggregated	A - Aggregated		
R - Resident	NP - Natural Person		
N - Non-resident	LE - Legal Entity		

BVB communication and promotion

BVB and Romanian capital market promotion

In the context of investor's interest increase upon the listing of Fondul Proprietatea, and also of the launch of new products, the promotion activity targeted several directions. First of all there were targeted the companies that would be interested to use the capital market financing, and in this respect a national road show was carried in order to attract share and bond issuer to BVB. The events were supported by bilateral meetings. In order to attract and train investors, there were organised seminars, webinars and conferences presenting the structured products, derivative products and foreign companies available for trading on the alternative trading system ATS. The educational programmes were further carried out in secondary schools, high schools and universities in Romania, by involving the BVB employees in the educational process, by providing presentations concerning the capital market mechanisms. A national campaign was launched together with a general television broadcaster to popularize stock exchange terms.

In order to attract foreign institutional investors and to promote BVB as listed issuer, first international road show of the Romanian capital market was carried in London, where BVB most liquid listed companies were presented. For the same purpose, formal events were run by representatives of the embassies or international financial institutions of United States of America, Canada, Austria, Egypt, Czech Republic or Great Britain. A new collaboration memorandum was signed, respectively with Bulgarian Stock Exchange, primary to facilitate the double listing of Bulgarian companies to BVB.

Improving the communication and collaboration with regulatory institutions/government authorities

The stakeholders addressed by BVB are very various: public authorities, investors, private companies or state-own companies, businessmen associations, journalists or general public. The collaboration with regulatory institutions plays a key role, particularly in setting the primary and secondary rules regulating the activity of Bucharest Stock Exchange and capital market, in general. Moreover, the collaboration with government authorities, competent in initiating and adopting regulation on business environment, influences BVB activity both directly, and indirectly, through the companies listed or the participants to the trading system.

As CNVM is concerned, BVB carried out monthly meetings where there were debated current problems and projects which BVB wish to implement and for which it tried to find solutions (extension of global accounts use, introduction of new instruments, such as foreign shares on ATS, REITs, ETFs and options, improvement of the framework required to carry public tenders, etc).

At the level of the government, ministries and specialized parliamentary commissions, the collaboration was improved in order to support the capital market financing alternative for the state portfolio companies included in the Privatisation Programme of the Government. To this end, a collaboration memorandum was signed with the State Participation and Privatization in Industry Office (OPSPI) and the Ministry of Transports and Infrastructure.

Within the scope of entrepreneurship and capital market financing, during the national road show, BVB developed various partnerships with line associates, chambers of commerce, audit and consulting companies, institutional investors, a rating agency, as well as media partnerships.

Continuation of CSR activity (Corporate Social Responsibility)

CSR strategy of Bucharest Stock Exchange focuses on supporting certain fields that directly contribute to the positive evolution of the community, prioritising its policy and responsibility in two directions: education and volunteering.

Education is for BVB a priority in its Corporate Social Responsibility Policy, wishing to familiarise the pupils and students with the capital market, and to support the entrepreneurship from an early age, the acquisition of basic knowledge to start their own business after graduation, and knowledge to access available funding resources.

With regard to educational programs, during 2011 Bucharest Stock Exchange had a large involvement on several levels:

- the organisation in partnership with student associations of conferences, seminars, summer schools (Junior Achievement Romania, Volunteers Association for Ideas and Projects);
- the support of several educational competitions, both in secondary and high schools, and universities (Capital market, VIP Investment School);
- providing internships within BVB, during the year, involvement in and support of programs of vocational guidance (Job Shadow Day, Partnership with FABBV and REI Departments of Bucharest Academy of Economic Sciences (ASE), CNAM Paris);
- the organisation of the programme **Open Doors Day at BVB**, together with Junior Achievement Romania and partner brokerage firms, launched in January 2009 and dedicated, in particular, to pupils and students interested in capital market, stock mechanisms and their role in financing economic development.

The BVB volunteering projects aimed at regularly involving the BVB employees in the educational process by providing presentations concerning the capital market mechanisms in schools, high schools and universities in Romania.

Organisation and functioning

How the Bucharest Stock Exchange is organised and functions is described in the BVB Bylaws and Regulation on the Organization and Functioning.

Within the Bucharest Stock Exchange, 4 consultative committees (Listing Committee, Appeal Committee, Committee for Regulations, New Products Development and Index Committee) and one Arbitration Chamber activate.

The executive management is provided by two managers, i.e. one General Manager and one Deputy General Manager. The two managers are supported by a management structure consisting of one Deputy General Manager – company employee, whose responsibilities are set by the General Manager, according to BVB priorities, besides the coordination of the activities related to RASDAQ market and the alternative trading system ATS, one Operations Director – coordinating operational activities on trading, surveillance and issuer operations, one Communication and Marketing Director – coordinator for the activities of admission to trading on regulated market, participants, shareholding, marketing and international alliances, and one Finance Manager coordinating the economic, financial and administrative activities. The organizational structure, the specific tasks and responsibilities, the conflicts of interests administration procedures, the information systems' control and security mechanisms, the safe management measures regarding technical operations and emergency procedures, as well as the trading license regime are described in the Regulation on the Organization and Functioning.

Bucharest Stock Exchange holds shares in:

Central Depository	69%
Bucharest Clearing House	52.5%
Investors Compensation Fund	61.8%
Corporate Governance Institute	100%

Information on the institution's relations with the subsidiaries, associated companies or other companies within which it holds strategic equity

On December 31, 2011, the Bucharest Stock Exchange holds equity in the share capital of other companies, as follows:

- Participation to the share capital of Central Depository (DC), Bucharest, 34 - 36 Carol I Blvd., 2nd District, 3rd, 8th and 9th Floors, in amount of 22,656,932 lei, respectively 69.04% of the share capital of the DC; on December 31, 2011 the subsidiary registered an equity value of 32,132,580 lei and an accounting profit of 2,972,809 lei;
- Participation to the share capital of Bucharest Clearing House (CCB), 34 - 36 Carol I Blvd., 12th Floor, 2nd District, Bucharest, in amount of 3,651,494 lei (52.5080 % of the share capital of the CCB); on December 31, 2011 the subsidiary registered an equity value of 6,402,473 lei and an accounting profit of 117,404 lei;
- Contribution to the initial assets of the BVB Corporate Governance Institute Foundation, 34 - 36 Carol I Blvd., 12th Floor, 2nd District, Bucharest, in amount of 50,000 lei (100.00 %); on December 31, 2011 the subsidiary registered an equity value of 36,950 lei and an accounting profit of 29.393 lei;
- Participation to the share capital of Investors Compensation Fund, Bucharest, 34 - 36 Carol I Blvd., 2nd District, Bucharest, in amount of 214,520 lei (62.30%); on December 31, 2011 the subsidiary registered an equity value of 15,916,184 lei and an accounting profit of 285,213 lei;
- Participation to the share capital of Sibiu Romanian Clearing House in amount of 209,250 lei (1.94%);
- Participation to the share capital of Chisinau Stock Exchange BVC in amount of 19,341 lei (5%).

Transactions with affiliated entities	lei	
	Year 2010	Year 2011
Operational income	411,333	320,212
Dividend income	1,379,781	8,200,000
Goods and services purchases	9,450	367,982
Balance amounts to be paid (debts) on December 31	100	317
Balance amounts to be received (claims) on December 31	-	110

The operational income received from entities in which BVB has participations is based on management and maintenance information services for equipment that ensure the carry out of the field of activity and on dividend income distributed by Central Depository and income per share of derivative financial instruments (DFI) transactions for Bucharest Clearing House. The expenses incurred with the affiliated entities consist of DFI transaction clearing, settlement and guaranteeing services and management services of risks related to the derivative market operations, services provided by SC Bucharest Clearing House.

BVB stock evolution in 2011

2011 was the first full year in which the BVB shares were traded, the company being listed on June 8, 2010. After 2010 when the BVB securities almost doubled their price during the few months from the listing, 2011 was a consolidation one for the shareholders, and the BVB securities followed the general trend of the market, with a specific decline in July and August 2011, due to the sovereign debt crisis.

The BVB securities opened the year at a price of 40.75 lei, and at the end of the year 2011 their price was of 28.9 lei, with a maximum of 36 lei and a minimum of 25 lei during the year. Price decrease in 2011 was of 29%.

Evolution of BVB share in 2011



BVB and BET comparative evolution in 2011 (%)



BVB shares were included in the BET index on March 21, 2011, being among the 10 most traded shares on the Bucharest Stock Exchange. Since June 17, 2011, BVB was included in the Dow Jones Global Exchanges index which enables a comparison of the BVB shares evolution with other listed stock markets. Starting with September 19, 2011 the BVB is part of the ROTX index structure.

In February 2011, BVB organized for the first time meetings with the interested analysts and investors where the company's financial results and development perspective were discussed. After the quarterly financial results publication in May, August and November, BVB organised phone conferences with analysts and investors.

From listing to the end of the year, 6 analysts included the BVB issuer in their analysis portfolio. According to the latest reports issued, out of the 6 analysts one has a recommendation to buy and the other 5 have a recommendation for maintaining the BVB securities

Corporate governance

According to art. 94, Title II of the Bucharest Stock Exchange Rulebook – market operator,

“The issuers will include in the Annual Report the Statement regarding the compliance or non-compliance with the Corporate Governance Code issued by BVB. In case of non-compliance with the provisions of the Corporate Governance Code issued by BVB, the Issuers will provide complete explanations.”

The BVB Rulebook – market operator states that this reporting requirement (Comply or Explain Statement) will apply from the date the 2010 Annual Report is published. Therefore, starting with the financial statement reports for 2010, the companies listed on the regulated market can voluntarily adhere to the BVB Corporate Governance Code, case where the Comply or Explain Statement will be prepared.

Considering that BVB is a listed company on Tier 2 of the regulated market since mid of 2010, with an over 1 year trading history, the company’s management approved, by the Board of Directors Decision No 130/29.09.2011, that BVB adheres, as listed issuer, starting to the 2011 financial statement to the Bucharest Stock Exchange’s Corporate Governance Code under the best possible conditions for BVB.

Therefore, after this decision, the BVB management initiated the steps necessary for implementing the Corporate Governance Code, which will be disseminated to shareholders and investors during 2012, as they will be made, in the section dedicated to the relations with the investors on the BVB website www.bvb.ro/Investors.

Currently, in the Investor Relations section, shareholders and interested investors may find useful information about the BVB issuer:

- General information about the company and its management
- Reference documents, such as BVB Bylaw, Regulation on the Organization and Functioning of BVB, Code of Ethics and Listing Prospectus summary.
- Financial Calendar, as well as Current and Periodic Reports
- Price Information
- News and events related to the company

Delegating competencies



Delegating competencies

The Regulation on the Organization and Functioning of BVB provides the possibility of delegating competencies. Thus, the General manager-leader of BVB may be substituted by the second manager-leader of BVB during the rest leave, in case of temporary unavailability or during his/her business trips, by complying with the legal provisions.

The second manager-leader is substituted by the general manager-leader. As exception, the second manager-leader can also be substituted by Company's employed managers appointed by the General manager-leader, within the limits expressly provided at art. 14 143¹ line 1) of the Law no. 31/1990, republished, as further amended and supplemented.

Usually, unless otherwise expressly provided, BVB' Managers-employees are substituted by subordinated department heads, depending on their training, considering their overall seniority cumulated with seniority within BVB. Department heads within BVB are substituted by subordinated employees, depending on their training, considering their overall seniority cumulated with seniority within BVB. Execution personnel are substituted by other employees within the same department, appointed by the head of the concerned department.

Internal control system



Internal control system

The BVB internal control system is an integral part of daily activities and is conducted by staff at all levels, such as the Stock Exchange Board of Governors, executive management and all staff. In particular, according to the company's organizational chart, the internal control tasks are assigned to the legal department, and, as regards the economic and financial issues, the preventive internal control is provided by the economic directorate.

Separation of operational and control tasks

BVB has taken measures for separating the operational and control activities by an appropriate allocation of the duties, a proper authorization of the activities' operations, the preparation of the appropriate evidence documents, the physical control of the assets and accounting records. A key issue for the proper conduct of the BVB activities is the separation of the activities of BVB as issuer from the activities of BVB as market operator.

In addition, any employee who, while performing his duties, is responsible for carrying out activities related to a subject about which he/she has a personal interest, must immediately bring this to the attention of his / her chief superior. This potential conflict situation must be reported in writing to the chief superior who, in case of a conflict of interest, will decide to challenge the employee concerned and will assign the work to another employee.

The BVB staff is obliged to avoid any action that might lead to the application of the provisions concerning criminal liability or unfair competition. After consultation of the workers, who were given an opportunity to make their contributions in 2011, BVB has adopted a series of principles that have been organised in the Code of Ethics of the BVB. This is in addition to legal documents such as the rules of Regulation on the Organization and Functioning and the Rules of procedure and is aimed at raising standards governing the daily activities and the relations of the BVB staff with foreign partners (issuers, participants, investors, press, consultants, suppliers and recipients of services, authorities etc.), promoting an environment based on trust and respect.

The control tasks shall be carried out by the superior structures, the Stock Exchange Board of Governors and the executive management, but also at the operational level by analysis at the department level and analysis both at the level of the Stock Exchange Board of Governors and the executive management:

- operational analysis at the department level and monitoring how the non-compliance situations are solved;
- segregation of duties;
- recommendations, judgements, decisions, approvals, appraisals, programs, analysis, reports;
- revenue and expenditure budget, profit and loss account, balance sheet.

Control activities are designed so as to form an integral part of the institution, taking into account the BVB objectives, the risks that could affect the achievement of these objectives and the relationship between the control elements.

The main objectives of the in-house control process within the operator are:

- operational objectives, which ensure efficient use of the institution's assets and other resources and their protection against losses;
- the information objectives, allowing the timely preparation of reports and with a high degree of sincerity, necessary for making decisions within BVB;
- the compliance objectives which ensure that all work is conducted in accordance with applicable laws and regulations, supervisory requirements and internal policies and procedures.

In 2011, the structure of the operator's internal control system was the following:

- internal financial control – is carried out in advance for the institution's property operations and shall be performed by the Economic-Administrative Manager;
- legislative control of compliance with legal based and specific regulations, which is carried out by the legal department;
- hierarchical control – carried out vertically at different hierarchical levels;
- managerial control – carried out by the managers at all levels, aiming general issues relating to the effective organization and functioning of the institution;
- management control – having as its principal object the control of property, assets and values, it is mandatory according to the law and it is carried out at least once per year;
- mutual control carried out horizontally for the works received and handed over, control carried out downstream and upstream, control carried out on the basis of the rules of procedure of the operations.

Monitoring and correcting irregularities: BVB management has responsibilities as regards the adequate and effective monitoring and the functioning of the internal control system by the continuous surveillance of all activities and the fulfilling by the management staff of the obligation to act promptly and responsibly whenever they find certain infringements of legality and regularity in the performance of some operations or activities in an uneconomically, inefficient or ineffective manner.

Heads of departments have responsibilities as regards the BVB daily activities, in accordance with the company's policies, applicable laws and regulations, evaluate and recommend to the Stock Exchange Board of Governors plans and strategic modifications for being approved and provide the information they need in order to carry out their responsibilities, coordinate the elaboration of policies, standards and identification procedures, ensure that assigned responsibilities with regards to the establishment of policies and internal control procedures are properly fulfilled, implement an effective internal control system, which includes the ongoing assessment of all significant risks.

For fulfilling their duties, BVB managers take at least the following measures:

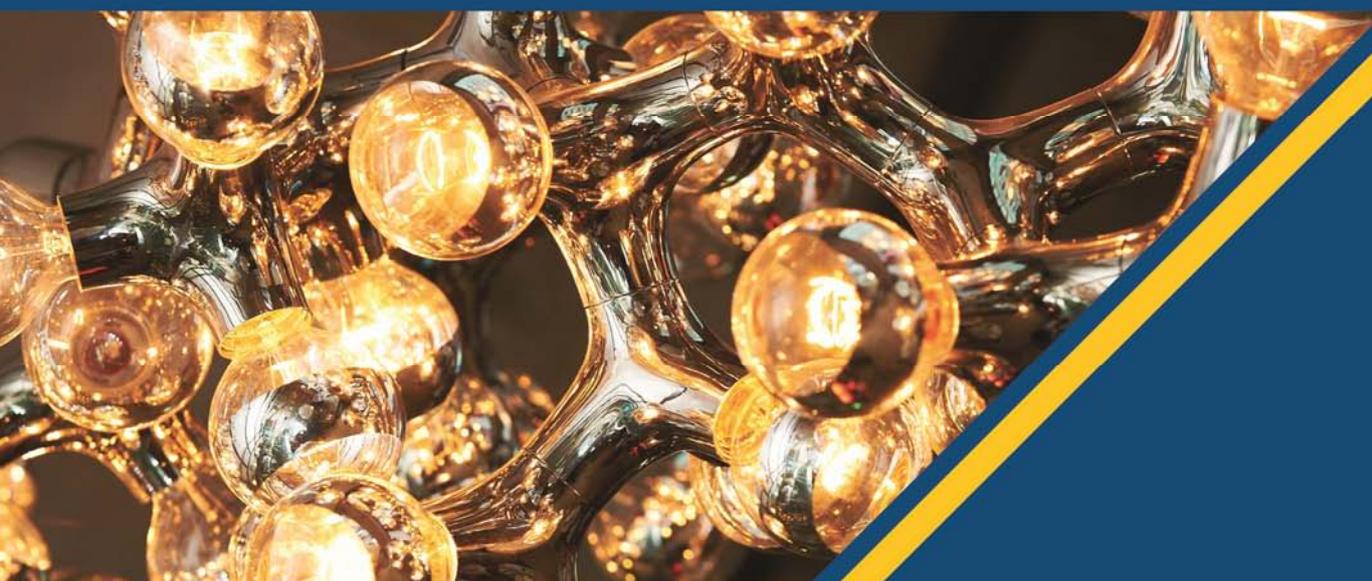
- ensure systems to monitor and control the significant risks of BVB, in strict accordance with the applicable law and their own procedures;
- monitor the compliance with the limits of competence in conducting transactions, so that any abuses can be identified and removed;
- carry out with efficiency the correction of any significant problems recorded during the operational activity.

Reporting procedures in order to improve the control and to prevent the impact on significant risks require that staff in all departments, in accordance with their working obligations, must notify the chief superior whenever it finds irregularities, errors or deviations that can disrupt the proper performance of the BVB activities.

The internal audit activity on the operational processes identified and evaluated with a high risk or a significant impact was carried out as part of an internal audit assignment and under a professional services contract with a company that enjoys international prestige and reputation and is the subject of a separate internal audit report.

The internal audit assignment aimed mainly the development and the improvement of the internal procedures and policies that guide the work of the departments within the Bucharest Stock Exchange. It was examined how the proceedings are issued or updated so as to reflect the activities carried out, the way in which they are communicated, and how their implementation in the current activity is monitored.

Financial statements



Financial statements

Accounting policies, accounting principles and methods

The annual financial statements have been drawn up in accordance with the general chart of accounts established by Regulation No 4/2011 on the accounting Regulations in accordance with the Fourth Directive of the European Economic Communities applicable to entities authorized, regulated and supervised by the National Securities Commission (CNVM) ("the Fourth Directive of EEC"), approved by the President of the National Securities Commission Order No 13/2011 and other legislation such as:

- Accounting Law No 82/1991, republished;
- Instruction no 1/2010 amending the Instruction no 2/2007 regarding the preparation and submission of annual financial statements by entities authorized, regulated and supervised by CNVM, approved by the Order no 7/2012;
- Ministry of Finance Order No 907/2005, approving the categories of legal persons who apply accounting rules in accordance with International Financial Reporting Standards (IFRS), rules that comply with European Directives, published in Official Journal of Romania No 597/2005;
- Ministry of Finance Order No 2861/2009 approving the Norms on the organization and inventory of assets, liabilities and equity.

Other legal specific regulations :

- Law no 297/2004 regarding the capital market;
- Law no 31/1990 regarding legal entities, republished with amendments and completions;
- Minister of Finance Order No 1.775/2004 regarding some accounting regulations published in the Official Journal of Romania number 27/2005;
- Law no 26/2010 for the amendment and completion of the Emergency Ordinance number 75/1999 regarding financial audit activity, republished, published in the Official Journal of Romania number 145/2010.

The submitted annual financial statements include the individual financial statements of Bucharest Stock Exchange.

Annual financial statements are prepared on the trial balance arising from the application of the understandings contained in the accounting regulations for entities supervised and regulated by CNVM.

These individual financial statements have been drawn up not to reflect the financial position, results of operations and cash flows of the company in accordance with International Financial Reporting Standards.

In accordance with CNVM Order no 116/21.12.2011 approving the Instruction no 6/2011, on the application of International Financial Reporting Standards by the entities authorized, regulated and supervised by the National Securities Commission, the company shall be required to draw up the annual financial statements in accordance with International Financial Reporting Standards, for information purpose, for the years 2011 and 2012.

BVB ended the year 2011 with a net profit of about 17 million lei

- The financial results of the Bucharest Stock Exchange (BVB) for 2011 indicate an increase of 66.5% of the turnover compared to the year 2010. Operationally, the greatest influence on the financial results had the increased trading activity on almost all market segments, and, financially, the collection of dividend for the years 2007 and 2010 from Central Depository significantly influenced the result obtained.
- The BVB turnover increased in 2011 up to 21.74 million lei (2010: 13,06 million lei) due to higher revenues resulted from trading activities, registration of new participants, admission and maintenance to trading of issuers and sale of stock exchange data.
- Operational expenses cumulated 15.35 million lei in 2011 (2010: 12.90 million lei), their growth trend being lower than that of the operating revenues. In 2011, decreases were recorded in operating expenses and those associated to permanent staff, as well as increases of expenses for marketing activities, other taxes and services provided by third parties. Other factors that contributed to the increased expenses in 2011 have been the provisions recorded at the end of 2011 and the expenses resulted from the restructuring of the executive management and the Board of Directors – non-recurring expenses.
- BVB recorded in 2011, an increase of more than 21 times of the operational profit up to 6.39 million lei (2010: 0.30 million lei).
- Based on the higher revenues resulted from the operational activity and from the financial one in 2011, a 197% increase in net profit to 16.97 million lei was recorded (2010: 5.71 million lei).

Analysis of financial results

Financial statements shall be made in accordance with the Romanian Accounting Standards (RAS) and consistent with the rules of CNVM. These individual financial statements have not been drawn up in accordance with International Financial Reporting Standards (IFRS). Financial results on December 31, 2011 are audited.

Operational results in 2011

The trading value on the stock exchange (including DEAL) was of 10,496 million lei compared to 6,100 million lei in 2010, increasing up to 72%. 2011 marked the beginning of trading by using the mechanism of global accounts without pre-validation for Romanian shares: since January, for the shares of Fondul Proprietatea, since July for the shares of Petrom and since November for the other 8 BET member companies. The mechanism that uses global accounts allows the convergence of BVB with the mechanisms used on developed markets, increasing market attractiveness and accessibility among investors.

Structured products market in 2011 had one of the highest rates of growth in the region, and the value traded in this segment was of 439 million lei (2010: 45.7 million lei).

The BVB derivatives market doubled its traded volume in 2011 up to 54,000 futures contracts, due to the launch of new instruments, underlying the shares of Fondul Proprietatea and BVB, gold, silver, oil and wheat bread.

Improving trading indicators in almost all sectors operated by BVB led to an increase by 76% of the BVB revenues resulted from trading in 2011 to 17.86 million lei (2010: 10.17 million lei).

On the data sale segment, the revenues recorded were of 2.14 million lei, increasing by 66% compared to 2010. Of the revenues resulted from data sale in 2011, the amount of 0.83 million lei results from the VAT correction for the invoices for provision of external services issued during the previous years and during the current period.

The revenues resulted from the admission and maintenance to trading activities were of 1.12 million lei, by 10% higher compared to those recorded in 2010.

Increasing revenues were recorded due to authorisation of new participants, their value being of 292 million lei.

² Financial data is audited and show in the results of the Bucharest Stock Exchange, prepared in accordance with Romanian accounting standards (RAS); the financial indicators are expressed in million lei and are rounded to the nearest full number, therefore small reconciliation differences may result.

Thus, in 2011 the BVB turnover increased by 66.5% compared to 2010, up to 21.74 million lei (2010: 13.06 million lei).

Indicator (million lei)	2011	2010
Turnover	21.74	13.06
Operational expenses, total out of which:	15.35	12.91
-Personnel expenses	7.02	6.80
Operational profit (EBIT)	6.39	0.30
Financial result	12.41	6.19
Gross profit	18.80	6.49
Net profit	16.97	5.71
Net profit per share (lei)	2.21	0.85

Operational expenses were between January and December 2011 of 15.35 million lei (2010: 12.91 million lei). Almost 19% increase is due to the advance of expenses for promotion and marketing activities (increase of 22% compared to 2010, up to 0.65 million lei), to the increasing of the value of the services provided by third parties, including of the auditing ones, to the recording of a provision corresponding to the outstanding days of leave of employees, to the recording of a provision for the Board of Governors restructuring, to the costs caused by the restructuring of the General manager, as well as to the costs associated with non-deductible VAT for 2011. Personnel expenses have dropped to 45% in the total operational expenses. Reductions have been achieved for the maintenance and operation expenses.

Operational profit of BVB increased up to 6.39 million lei, in December 31, 2011 (2010: 0.30 million lei), due to a higher rate of growth of operational revenues compared to the operational expenses.

Financial result obtained in 2011 amounted to 12.41 million lei, almost double compared to 2010 (2010: 6.19 million lei), under the conditions of registration of dividends from Central Depository, amounting to 8.20 million lei.

Thus, **the net profit** of BVB increased up to 16.97 million lei (2010: 5.71 million lei).

Financial position

Cash Flow Statement

In 2011 BVB has generated a positive cash flow from the operational activities of 6.27 million lei, well above the cash flow from operational activities in 2010 (2010: 0.84 million lei). A positive cash flow of 0.78 million lei was generated also by the investment activity (2010: -57.34 million lei). Cash outflows from financing activities totalled 5.42 million lei (2010: 7.79 million lei) and they represented the payment of dividends from the profits obtained in 2010 except the interests earned during 2011. The net increase in the availability of money in 2011 has totalled 1.63 million lei (2010: -64,29 million lei).

In 2012, cash equivalents (bank deposits, treasury certificates, securities) have been reclassified from investment activity and considered cash given their quality to be very liquid, easily convertible into cash known amounts and that are subject to an insignificant risk of change in value, reclassification being carried out in accordance with the provisions of Regulation 4/2011 on the accounting Regulations in accordance with the Fourth Directive of the European Economic Communities applicable to entities authorized, regulated and supervised by the National Securities Commission (CNVM) ("the Fourth Directive of EEC"), approved by the President of the National Securities Commission Order No 13/2011.

In these circumstances, in order to ensure comparability, the cash flow from investment activity has been influenced and in 2010 investment activity consisted only of the acquisition and the disposal of fixed assets and other investments not included in cash equivalents.

Net assets

On December 31, 2011, the total assets of BVB are of 106.13 million lei (December 31, 2010: 90.13 million lei) out of which: fixed assets worth 28.67 million lei (December 31, 2010: 25.37 million lei), and current assets worth 77.32 million lei (December 31, 2010: 64.65 million lei). In the structure of fixed assets, the land value has been adjusted as a result of the existing dispute over ownership. Value of the shares held at affiliated entities increased in the 4th quarter of 2011 by 2.41 million lei as a result of the registration of the shares received for free of charge from Central Depository, this amount being included in the company's reserves.

The BVB debts at December 31, 2011 included only the debts for a period of less than one year and are worth 2.45 million lei (December 31, 2010: 1.48 million lei).

The BVB cash increased up to 73.81 million lei (December 31, 2010: 63.31 million lei), in the context of BVB distributed this year dividends of 5.39 million lei.

Assets elements (million lei)	31.12.2011	31.12.2010	Liabilities elements (million lei)	31.12.2011	31.12.2010
Fixes assets	28.67	25.37	Equity	102.03	88.03
Current assets - total, out of which:	77.47	64.65	Debts - total, out of which:	2.60	1.48
-house, accounts in banks and other short-term financial investments	73.80	63.31	-less than 1 year	2.60	1.48
			-more than 1 year	0	0
Prepayments	0.09	0.11	Provisions	0.86	0
			Revenues in advance	0.74	0.62
Asset total	106.23	90.13	Liabilities total	106.23	90.13

Distribution of profit

Destination	2011
A. Distributed net profit, out of which:	16,966,325
1. For setting up legal reserves	530,300
2. For statutory or contractual reserves	-
3. Reserves constituted as own financing sources	-
4. Other reserves	-
5. To cover the accounting loss of the previous years	-
6. For dividends	-
7. Others distributions	-
B. Retained profit	16.436,025

Of the profit of 16,966,325 lei obtained in the period from January 1, 2011 to December 31, 2011 by the Bucharest Stock Exchange, the amount of 530,300 lei was allocated for setting up the legal reserves in accordance with the provisions of art. 183 of Law 31/1990. Net profit in the amount of 16,436,025 lei was distributed to shareholders in the form of gross dividends, according to destinations agreed by the General Meeting of Shareholders, on the proposal of the BVB Board of Governors.

In accordance with Decision no 2 of the General Meeting of Shareholders of April 29, 2011, BVB announced the distribution in 2011 to the shareholders registered in the Shareholder Register on the reference date April 18, 2011, of the retained profit corresponding to 2010 in amount of 5,383,497 lei, in the form of dividends. The dividend was of 0.7015 lei gross per share.

Shares and funding sources

The amount of the share capital on 31.12.2011 has not changed from the beginning of the year, being of 76,741,980, consisting of 7,674,198 shares with a nominal value of 10 lei/share.

By the Decision no 632/18.05.2010 issued by CNVM, the prospectus drawn up with a view to admission to trading on the regulated market operated by BVB of its own shares was approved. June 8, 2010 was the first day of trading for BVB shares, as issuer. The closing price for the last trading session of 2011 was 28.90 lei / share.

On December 31, 2011, the shareholders structure is as follows:

Type of shareholder	Number of shares	% in share capital
Legal entities, of which:	6,632,470	86.42
- Romania	5,547,686	72.29
- International	1,084,784	14.14
Natural persons, of which:	1,041,728	13.57
- Romania	1,028,292	13.40
- International	13,436	0.18
Total	7,674,198	100.00

In accordance with the provisions of article 129 paragraph 1 of the Law 297/2004 on the capital market, any shareholder of a market operator will not be able to hold, directly or indirectly, more than 5% of the total voting rights. Also, according to the BVB Bylaw, subscription, acquisition and holding of the company's shares will be subject to the condition that no shareholder holds, directly or indirectly, more than 5% of the total voting rights. By December 31, 2011 any BVB shareholder was not significant shareholder, and BVB had no own shares.

Information about employees, managers and directors

Indicator	Personnel December 31 2010	Personnel December 31 2011	Evolution
Individuals total, of which:	60	60	-
Higher education personnel	55	56	+1
Secondary education personnel	5	4	-1

Number of employees at December 31, 2011 changed compared to the same period of the previous year, reducing by cessation of individual contracts of employment and increasing (by new hires), so that the number of employees remained unchanged until December 31, 2011. Out of a total of 60 employees at December 31, there were 5 persons with the individual contract of employment suspended in accordance with the legal provisions.

The company was managed by the Board of Governors approved by CNVM, composed of the following members:

■ Mr. Stere Constantin Farmache	President
■ Mr. Mircea Botta	Vice-president
■ Mr. Ciprian Zah	Vice-president
■ Mr. Siminel Andrei	Secretary General
■ Mr. Daniel Tepes	member until March 25, 2011
■ Mr. Grzegorz Konieczny	provisional member starting with March 25, 2011 approved by CNVM on May 10, 2011 and member until December 7, 2011
■ Mr. Cosmin Gheorghiu	member
■ Mr. Lucian Isac	member
■ Mr. Ionel Uleia	member
■ Mr. Octavian Molnar	member

Executive management was ensured by:

■ Mr. Valentin Marcel Ionescu	General Manager – first leader until November 17, 2011
■ Mr. Alin Barbu	Deputy General Manager – the second leader and empowered and having the same responsibilities as the General Manager starting with November 18, 2011
■ Mrs. Anca Dumitru	Deputy General Manager
■ Mr. Marcel Tanasescu	Financial Director until July 27, 2011
■ Mr. Virgil Stroia	Financial Director starting with September 15, 2011
■ Mr. Calin Macedon	Director
■ Mrs. Ileana Botez	Director

During the reporting period have been recorded the following:

■ expenditure on salaries, pensions and insurances:	5,486,868 lei
■ <i>out of which: management salaries expenses</i>	<i>1,607,243 lei</i>
■ expenses on social protection and insurances	1,533,419 lei
■ expenses with meal tickets	119,749 lei
■ expenses with allowances for the members of the Board of Governors and of the Special Committees	526,809 lei

The company does not have contractual obligations on behalf of the administrators and not granted loans or advances to directors or managers. In addition, the company has no future obligations assumed such as guarantees on behalf of the managers. BVB makes monthly payments to the pension, health and unemployment funds, on behalf of their employees, to the quotas provided for in the legislation in force. In the reporting period the company did not incurred, on behalf of their employees, expenses with the pension schemes or expenses with the optional health insurance premiums, contributing only to national pension/health program, in accordance with the legislation in force.

Economic and financial indicators on December 31

	Indicator	Formula	2010	2011
Liquidity indicator	Current ratio	Current assets / Current liabilities	43.81	29.81
	Quick ratio	(Current assets - inventories) / Current liabilities	43.80	29.80
	Indebtedness	(Borrowed Capital / Equity)*100	BVB has not credit contracts	BVB has not credit contracts
Activity indicators	Client debit turnover	(Average receivables / Net turnover)*182 days	31.29 days	18.84 days
	Payment average period for the commercial debts	(Average payables / Net turnover)*182 days	11.27 days	9.37 days
	Fixed assets turnover	Net turnover / Fixed assets	0.51	0.76
	Assets turnover	Net turnover / Total assets	0.14	0.20
Profitability indicators	Net profit margin	Net profit / Net turnover*100	43.72 %	78.03%
	Return on equity (ROE)	Net profit / Equity*100%	6.48 %	16.62%
	Return on assets (ROA)	Net profit / Total assets*100%	6.33 %)	15.98%
Market indicators	EPS	Net profit / Total shares outstanding	0.7015 lei / share	2.21 lei / share
	Market capitalization	Market price * Total shares outstanding	312,723,569 lei	221,784,322 lei
	Current ratio	Equity / Total shares outstanding	11.47 lei / share	13.29 lei / share

Events subsequent to the date of the balance sheet

On January 9, 2012 the BVB General Meeting of Shareholders took place and decided to dismiss the Board of Governors elected in February 2010 and to elect a new Board of Governors, approved by CNVM on January 31, 2012, which consists of the following members:

Lucian Anghel	President
Pompei Lupsan	Vice-president
Dan Paul	Vice-president
Robert Pana	Secretary General
Stere Farmache	member
Octavian Molnar	member
Narcisa Oprea	member
Valerian Ionescu	member
Matjaz Schroll	member

Otherwise, no other events have occurred after the balance sheet date which failure to be presented could affect the users' capacity to carry out assessments and make the correct decisions.



BUCHAREST STOCK EXCHANGE

34 - 36 Carol I Boulevard, 13 - 14 Floors

2nd District, 020922, Bucharest, Romania

Tel.: +40.21 307 95 00 • Fax: +40.21 307 95 19

bvb@bvb.ro • www.bvb.ro