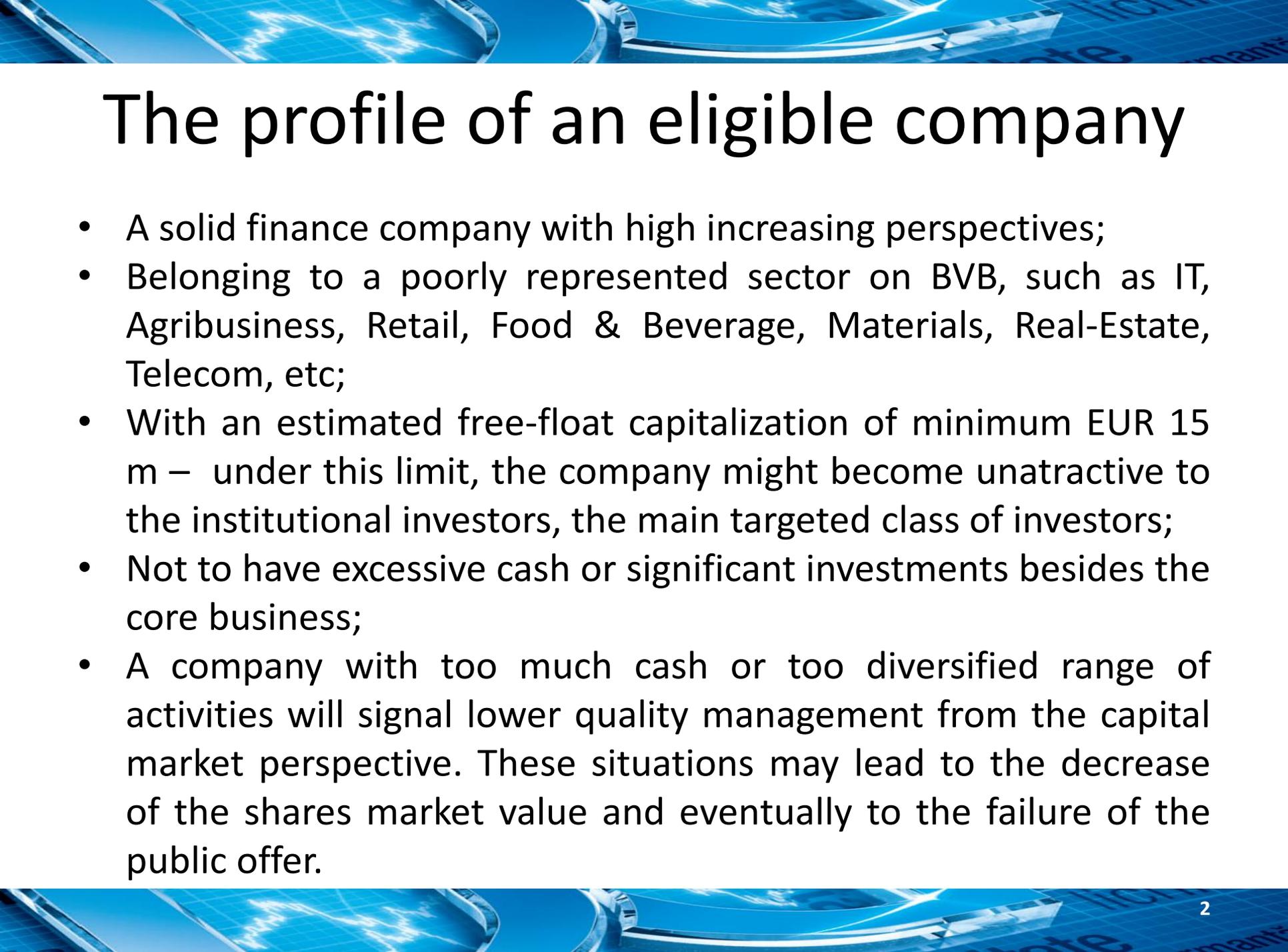


CRITERIA FOR A SUCCESSFUL IPO



Opinion of Romanian
institutional investors

October 1, 2012,
BUCHAREST



The profile of an eligible company

- A solid finance company with high increasing perspectives;
- Belonging to a poorly represented sector on BVB, such as IT, Agribusiness, Retail, Food & Beverage, Materials, Real-Estate, Telecom, etc;
- With an estimated free-float capitalization of minimum EUR 15 m – under this limit, the company might become unattractive to the institutional investors, the main targeted class of investors;
- Not to have excessive cash or significant investments besides the core business;
- A company with too much cash or too diversified range of activities will signal lower quality management from the capital market perspective. These situations may lead to the decrease of the shares market value and eventually to the failure of the public offer.

Justifying the offer

- To be based on one or several projects which justify the capital demand of the company. Other situations will raise questions on the legitimacy of the approach, which can thus lead to the failure of the offer;
- To be run by using mainly the share capital increase method, not the sale of a stake from the existing shareholders – in order to eliminate the suspicion that the existing shareholders want only to transfer their risks without a real need of capital. May be accepted also a sell offer of shares from the main shareholder, depending of the development and maturity of the business involved;
- The shares issue to be justified from the perspective of its equity or borrowed capital structures :
 - The existence of previous loans from banks is beneficial up to a level, since it provides a higher security level – the company was checked and it is under a bank's supervision. A company without loans to banks may be regarded as too conservative from the financial management perspective or may raise questions on eligibility towards banks; By contrast, an over indebted company is unlikely to be convincing if the amounts drawn from the public offer are to be used to cover the loan repayments. Partial usages for loan repayments are acceptable since they intend to reach the optimal degree of indebtedness, a point of equilibrium between several currencies or an improvement of the maturities profile;
 - The drawn amounts would rather be used for development.

Technical requirements

- To generate a free-float of minimum 25%-30%;
- To have an attractive price, for determining a strong and consistent demand (oversubscribe the offer). It is considered to be more important the success generated by a greater demand (determined by an attractive price) than the actual price obtained during the transaction;
- For further evaluating the company prior to a potential exit of the initial shareholders, it is more important the price after the listing than the one of the offer; a good price after the listing is reached if there is potential liquidity coming from the oversubscription of the IPO;
- To exist a significant retail tranche of the total sold shares (at least of 20-30% from the total offered by the market) in order to ensure liquidity and diverse participation of investors, with different profiles in owning portfolios;
- The shares to start trading in a short time after the closing of the offer, being needed here the support of CNVM and Central Depository.

Post-listing requirements

- To fulfill the plan/projects included in the prospectus;
- To implement/respect the corporate governance principles (respecting the rights of minority shareholders, the quality of financial reporting, the structure and obligation of the Board of Governors, the existence of the special committees, etc., according to the Corporate Governance Code);
- To offer a high degree of transparency on the actual and future status of the company;
- To assume to shareholders a dividend policy, in order to attract investors and to offer predictability.

NOTE

- This paper consolidates the opinion of the asset management industry, of private pension funds from Romania, as well as of several intermediaries of the BVB;
- Opinion represents a catch of investors thoughts, based on the current market circumstances; explicitly, were taken into consideration the investment requests, and not the legal or regulatory ones

DISCLAIMER

The presentation of these information represents exclusively an informative landmark designed for potential issuers on the capital market, but also for other categories of participants to the capital market.