



Stock Exchange is Optimistic in the Future

The European Times - BULGARIA

The outstanding performance of the Bulgarian Stock Exchange over the past few years (BSE) reflects the rapid development of the Bulgarian economy and the growing presence of foreign investors in Bulgaria. During the period 2001 to 2007, the SOFIX index grew by 1,900%, and 2007 -- the year Bulgaria joined the EU -- was a record year for IPOs, traded shares and turnover.



Bistra Ilkova, CEO Bulgarian Stock Exchange

Bistra Ilkova, CEO, explains, “The BSE’s market capitalisation reached 55% of the country’s GDP in 2007, with over 40% of the capital of registered companies on the exchange in the hands of foreign investors. These achievements led to a new understanding among the public of the key role the stock exchange plays in Bulgaria’s economy, and many managers of private companies saw the benefits of being a publicly traded company.” In fact, the BSE received a prestigious award in 2007 for its economic contributions.

A parallel trend has been increasing interest in the BSE among individual investors, whom the exchange is working to attract through educational campaigns. The BSE’s electronic trading system, COBOS, has also made it easier for individual investors to get involved.

Operating According to All EU Directives

A significant achievement for the BSE last year was to connect its trading system to the Deutsche Boerse's XETRA platform. "This was a major step forward in our programme to modernise our infrastructure, boost liquidity and increase the visibility of the BSE," Bistra Ilkova says.

The BSE operates according to all EU directives. As Bistra Ilkova explains, "This guarantees maximum protection for all domestic and foreign investors."

Despite the fact that the last year was a very difficult one for the BSE, as for most stock exchanges; the SOFIX index lost 80% of its value and market capitalisation decreased by 57%. Nevertheless, almost 100 new issues were registered on the BSE over the year and 13 new issues were registered in the first months of 2009, indicating that the BSE can continue to perform even in a difficult situation. The BSE has adopted a new business plan for 2010 entitled "Crisis Gives New Opportunities."

The BSE is in the process of further upgrading its offerings by delisting fragile companies. Bistra Ilkova concludes, "Our efforts will make our market even more attractive for foreign investors. In spite of the crisis, Bulgaria's business climate remains very favourable." The BSE will continue to play a key role in boosting the development of Bulgaria's private sector.

06.10.2009

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