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The Austrian Capital Market



cee stock exchange group

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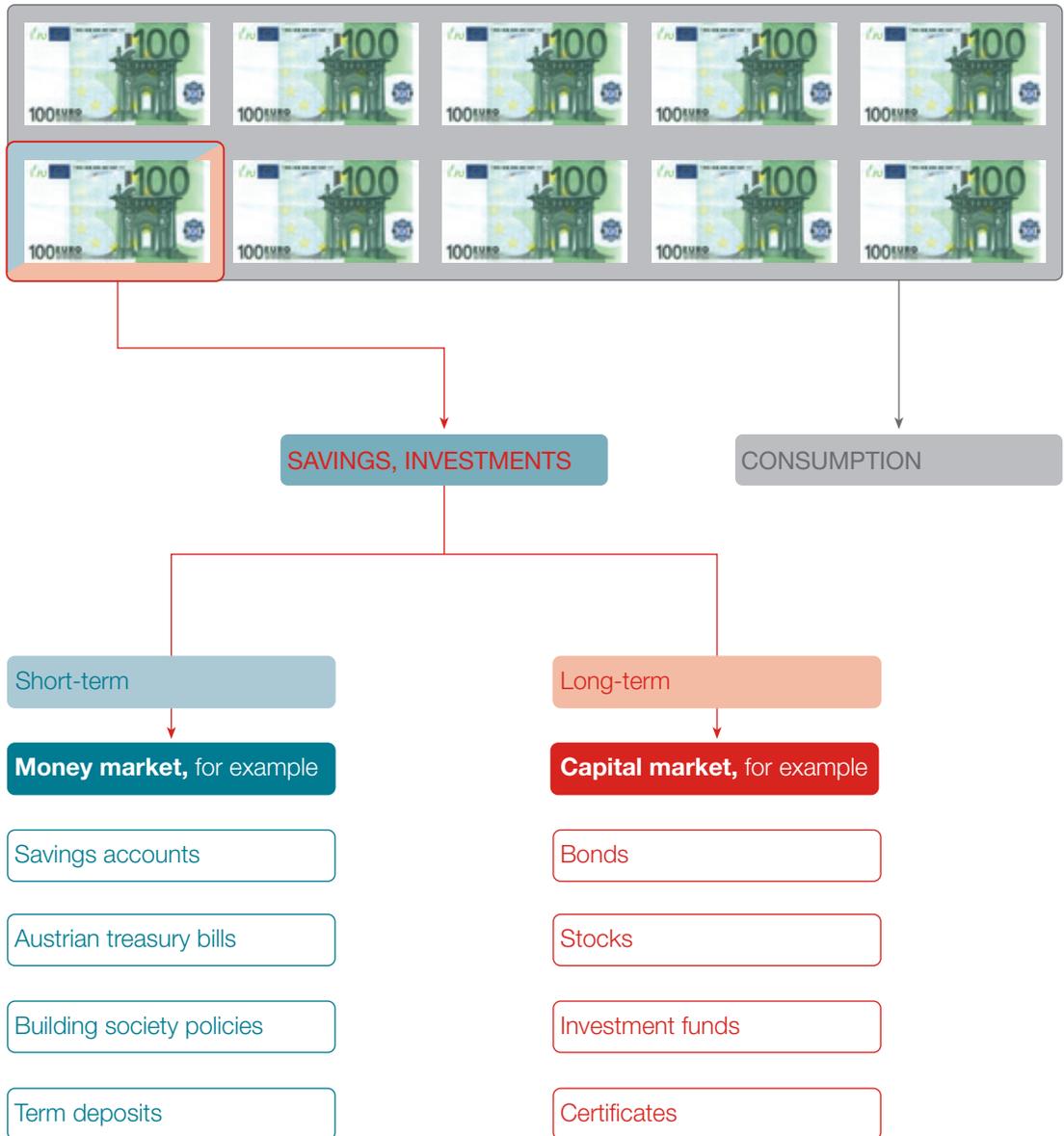
Wiener Börse AG would like to specifically point out that the data and calculations contained in the charts in this publication are based on values and figures from the past and are therefore not reliable indicators of future performance. For this reason, the data should not be used to draw conclusions regarding future developments.

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Money and Capital

How does money become capital?



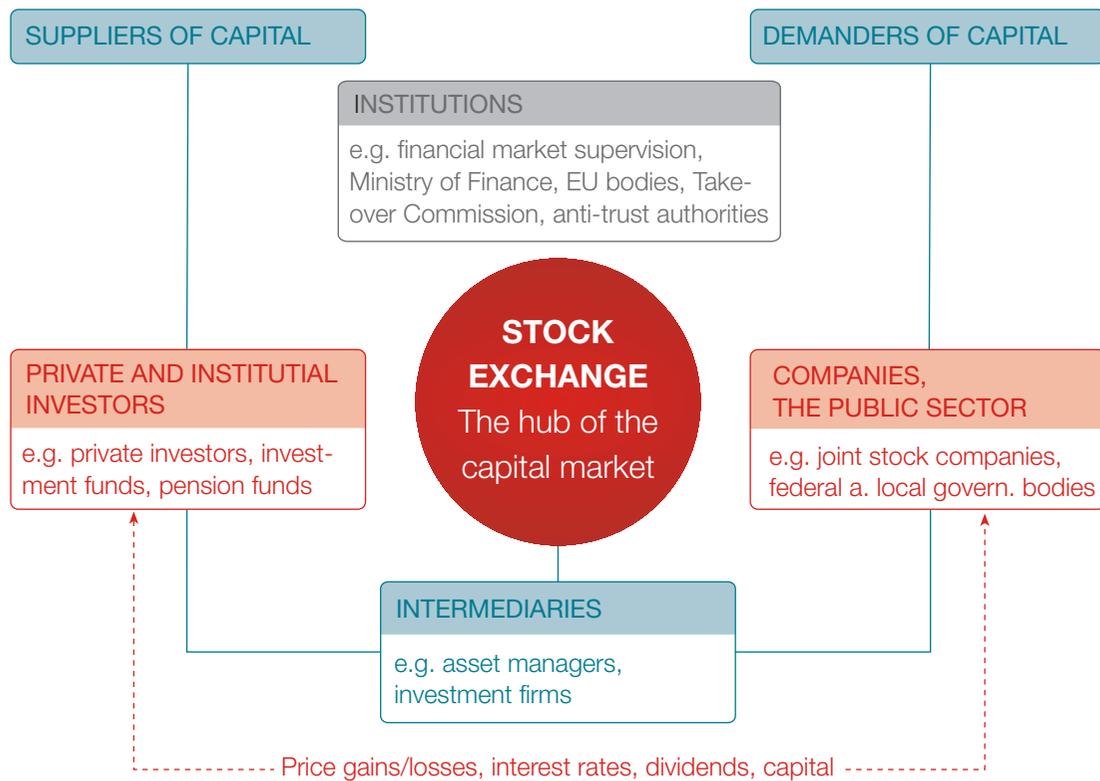
Money that is not intended for consumption is saved – in Austria about ten percent of disposable income over the long-year average. There are many different options for investing money, for example, securities or savings accounts.



- What options are available for investing money?
- What is the difference between the money market and the capital market?

The Market for Capital

What is the capital market and how does it work?



The capital market is a market for trading securities. A significant flow of capital flows through the capital market to companies and the public sector. This flow stimulates the overall economy and helps safeguard employment and create new jobs. Capital markets stimulate growth and innovation and are therefore an important factor of success for any economy.



- Who takes part in the capital market of an economy?
- Who profits from price gains and dividends on stocks?

Exchanges

What kinds of exchanges exist and how does exchange trading work?

Securities Exchange

Trading, for example, in

Debt instruments

= Debt securities that carry interest such as bonds

or

Equity instruments

= Co-ownership instrum. that offer variable returns such as shares

Commodity Exchange

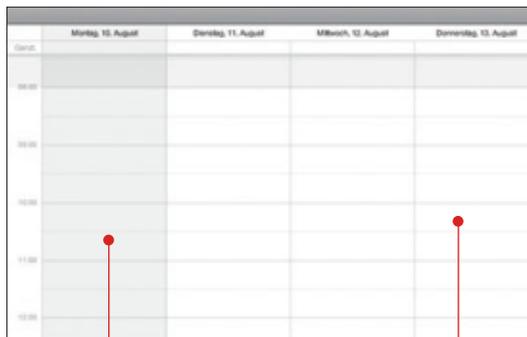
Trading, for example, in

Agricultural goods

Energy

Commodities

SPOT (CASH) MARKET (e.g. shares)



Trade execution

Trade settlement

Trades executed are settled within three days.

DERIVATIVES MARKET (e.g. options)



Trade execution

Trade settlement

Trades executed are settled at a later time at predefined terms.

Securities and specific so-called fungible goods are traded on stock exchanges within a strictly defined legal framework. They are precisely defined as regards type, quality, features and quantity. Trading is not conducted directly between buyers and sellers, but rather using the services of authorized intermediaries.



- What types of exchanges exist?
- What is the difference between a spot (or cash) market and a derivatives (or futures) market?

Wiener Börse AG

How did the Vienna Stock Exchange develop historically?



Exchanges with floor trading:

Traders conduct trading directly on site

Exchanges with computer trading:

Trading takes place fully electronically

¹⁾ The CEE Stock Exchange Group (CEESEG), which comprises the stock exchanges of Budapest, Ljubljana, Prague and Vienna, is the largest stock exchange group in the region. The Vienna Stock Exchange is a 100% subsidiary of the holding company, CEESEG AG. CEE = Central Eastern Europe

As the operator of the only securities exchange in Austria, Wiener Börse AG is responsible for ensuring the smooth and efficient execution of exchange trades through its internationally recognized electronic trading systems. The Vienna Stock Exchange is a customer-oriented private sector service organization that operates an exclusively computerized exchange which runs on state-of-the-art infrastructure. The Vienna Stock Exchange also makes data and information available on all securities trading in Austria.

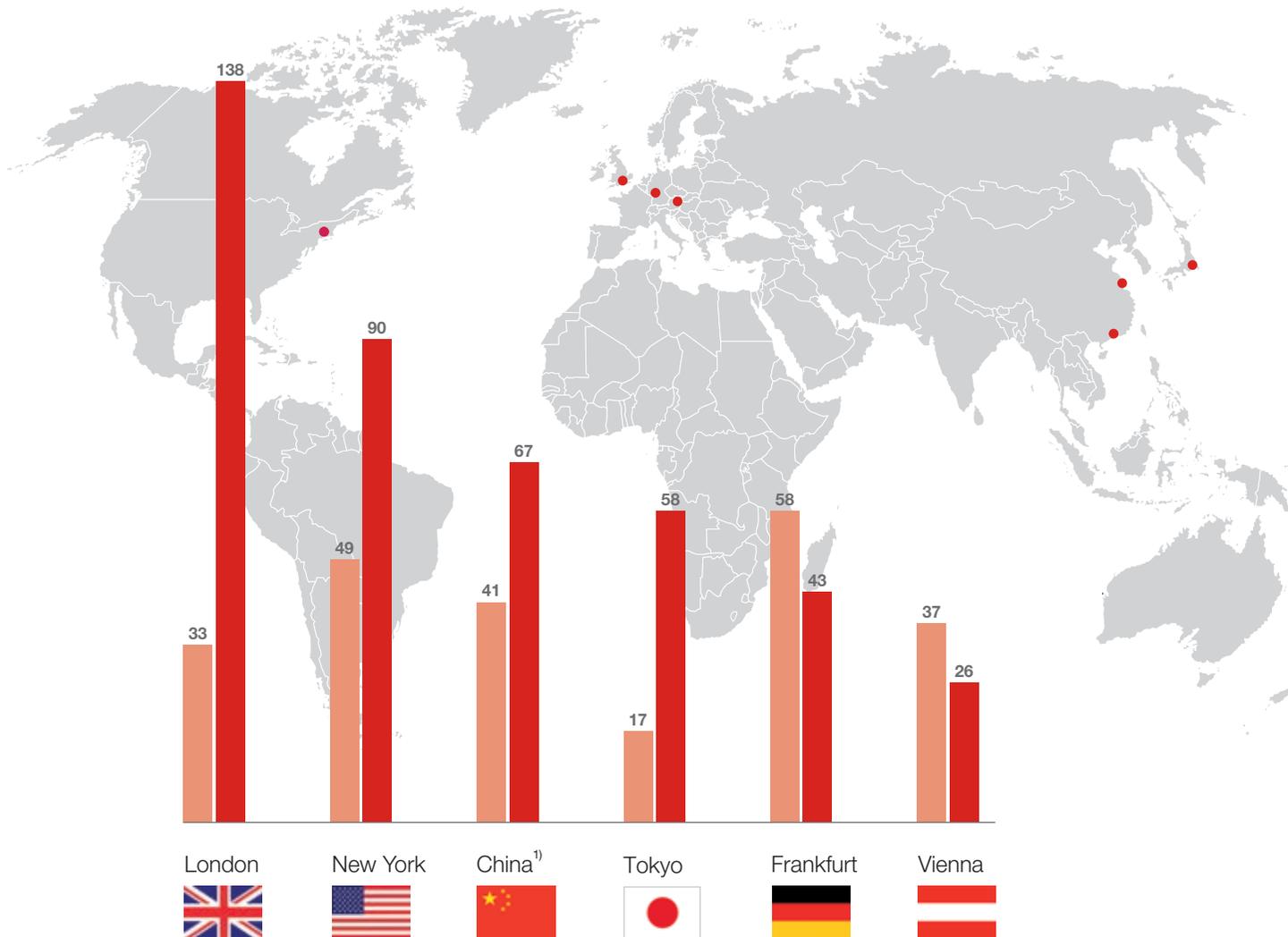


- Who founded the Vienna Stock Exchange?
- What are the advantages of a computerized stock exchange?

The Leading International Stock Exchanges

How do international stock exchanges compare?

■ Four-year performance of the leading index (year-end 2008 – year-end 2012) in %
 ■ Market capitalization in % of GDP at year-end 2012



Source Market capitalization: WFE (World Federation of Exchanges)
 Sources GDP: IMF (International Monetary Fund)
¹⁾ Hong Kong and Shanghai Stock Exchanges

The significance of a stock exchange depends strongly on which companies and how many of them are listed on it. The market value of a company is referred to as market capitalization, which is computed by multiplying the number of shares by their current market price. Therefore, the market capitalization of a stock exchange results from the multiplication of the total number of listed stocks by their respective market prices.



- What does the term “market capitalization” mean?
- What does the concept “leading exchange” refer to?

Shares and Price Trends

What are shares?

Shares are equity instruments

Issuer: An issuer of shares for the purpose of raising capital

Dividend: Refers to the annual share in the profit of the company distributed to shareholders

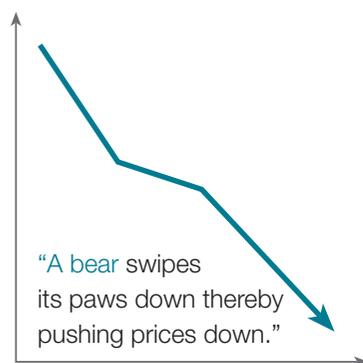
The return on a share is derived from the dividend and the price development.

Bull market



A trend of rising prices is referred to as “bullish”.

Bear market



A declining price trend is referred to as “bearish”.



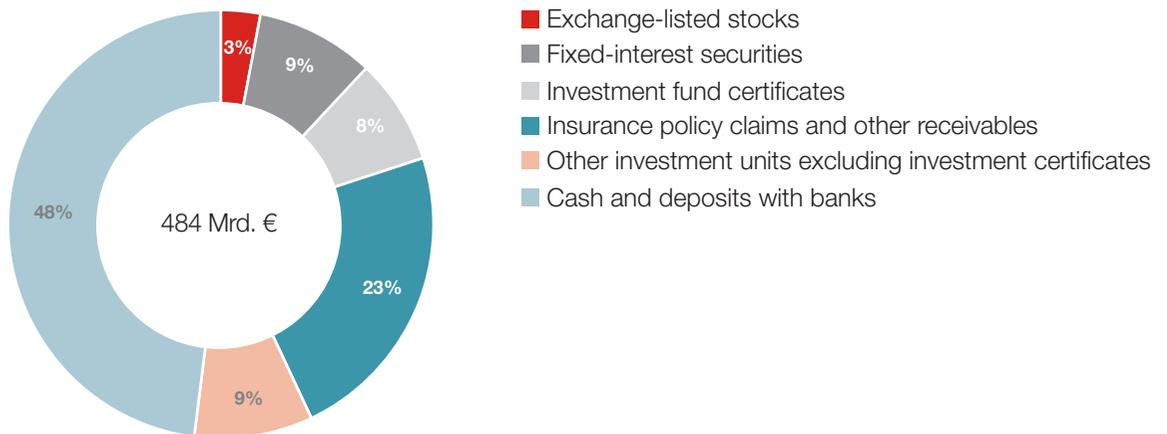
A share is a security that certifies ownership of a percentage in the share capital of a joint stock corporation (in Austria: Aktiengesellschaft) and assures the holder a share in the assets of the company and basic co-determination rights. The return on a share results from the dividend and the price development. Phases of rising price trends are referred to as bull markets and phases of decreasing prices are referred to as bear markets.



- What are the components of returns on shares?
- What do the terms “bullish” and “bearish” mean?

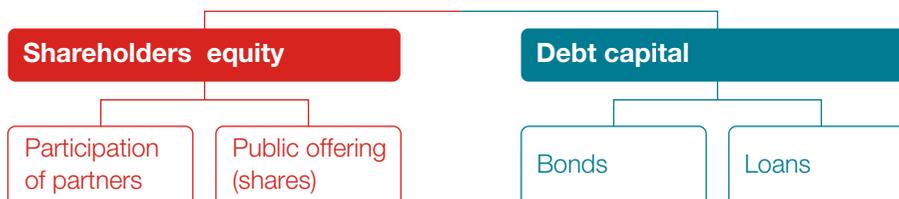
Investment forms and Corporate financing

How do private households invest their money?



Source: OeNB, year-end 2012

How do companies obtain funding?



Shareholders equity: suppliers of capital ...

- participate directly in the company and become co-owners;
- have a chance to make a profit, but also carry the risk of loss;
- have the right to vote on decisions on important issues at general shareholders meetings.

Debt capital: suppliers of capital ...

- make a certain amount of money available to the issuers (debtor) for a certain period of time;
- have a claim to interest and repayment of the principal;
- The returns are limited; the risk depends on the creditworthiness of the debtor.

The most popular form of saving money of Austrian households is still the savings account. Savings passbook accounts and building society savings schemes are relatively safe forms of investment. The financing needs of Austrian companies are covered partly by the issuance of shares and bonds through the capital market. Most small and medium-sized Austrian companies traditionally raise funds by taking out loans.

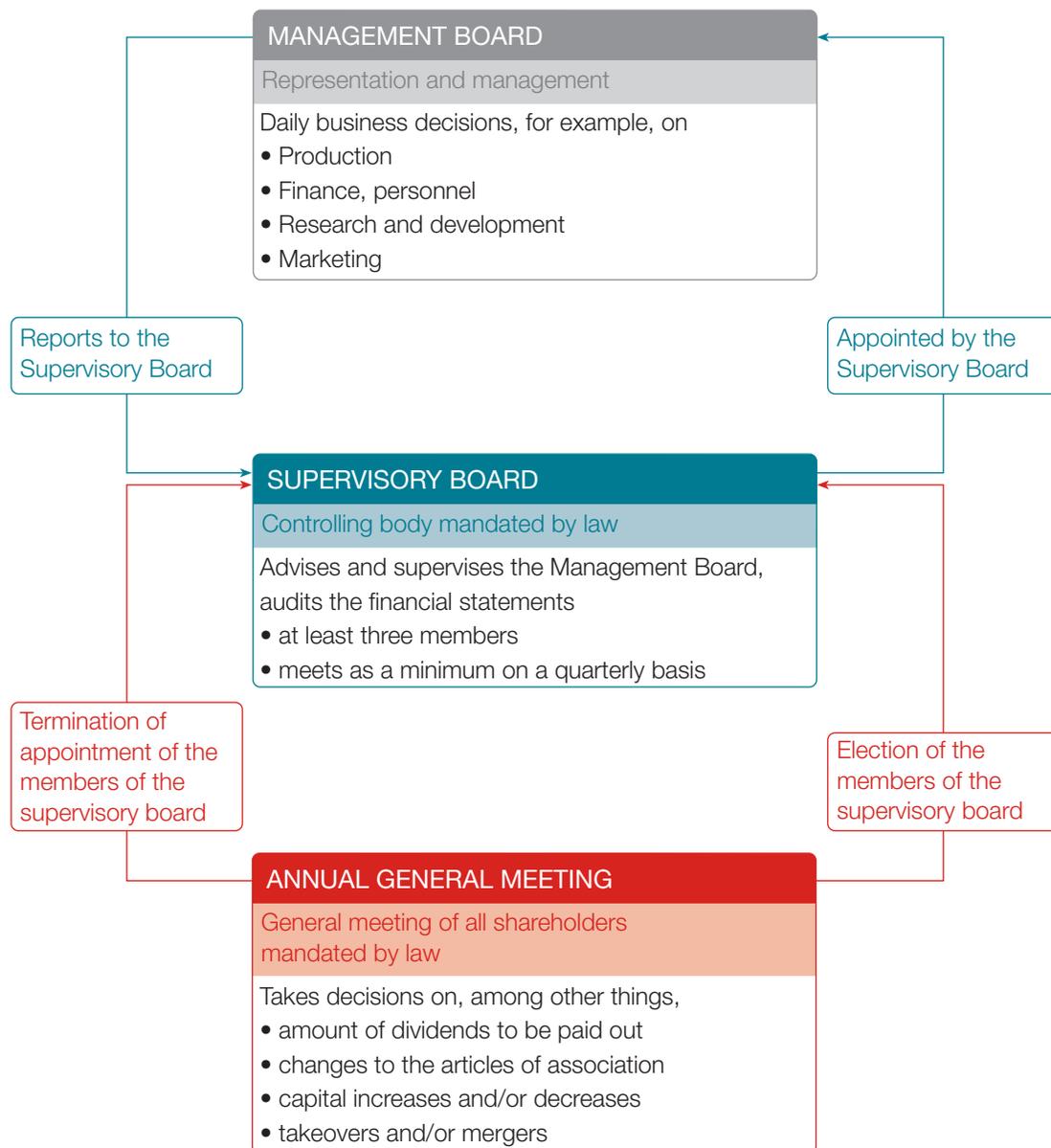


- What are the most popular forms of savings in Austria?
- What is the difference between shareholders equity and debt capital?

Joint Stock Corporation

What is a joint stock corporation?

The executive bodies and legal form of Austrian joint stock corporations



A joint stock corporation (AG) is a company with its own legal personality (legal entity). The shareholders participate in the company by owning shares in it. The percentage they hold in the share capital (nominal value) of the joint stock corporation is the limit of their liability.



- What are the executive bodies of a joint stock corporation?
- What happens at the general shareholders' meetings?

Stocks and Stock Exchanges in Austria

What were Austria's top stocks in 2012?

By capitalization

(in EUR million)

Erste Group Bank	9,480
OMV	8,953
Raiffeisen Bank Intern.	6,150
Vienna Insurance Group	5,168
Andritz	5,048

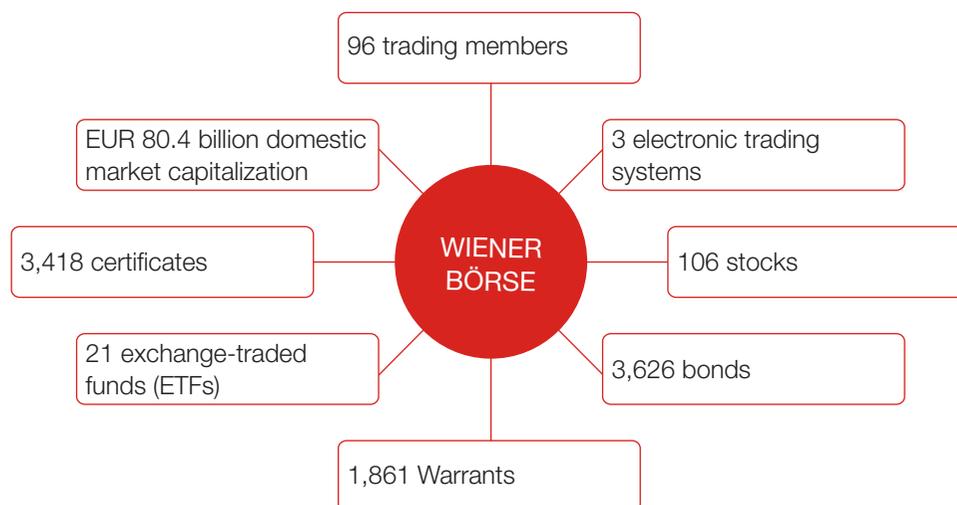
By exchange trading volume

(in EUR million)

Erste Group Bank	7,411
OMV	3,978
voestalpine	3,775
Andritz	3,485
Immofinanz	2,650



The Vienna Stock Exchange in figures



Source: Wiener Börse AG; as of 28 December 2012

The quality segment, prime market, lists the most liquid stocks of the Vienna Stock Exchange. Twenty of these stocks constitute the Austrian Traded Index (ATX). The ATX is the leading index of the Vienna Stock Exchange and has been calculated since 1991. Apart from the prime market, which defines special requirements for companies included in this segment, there are further market segments on the Vienna Stock Exchange.

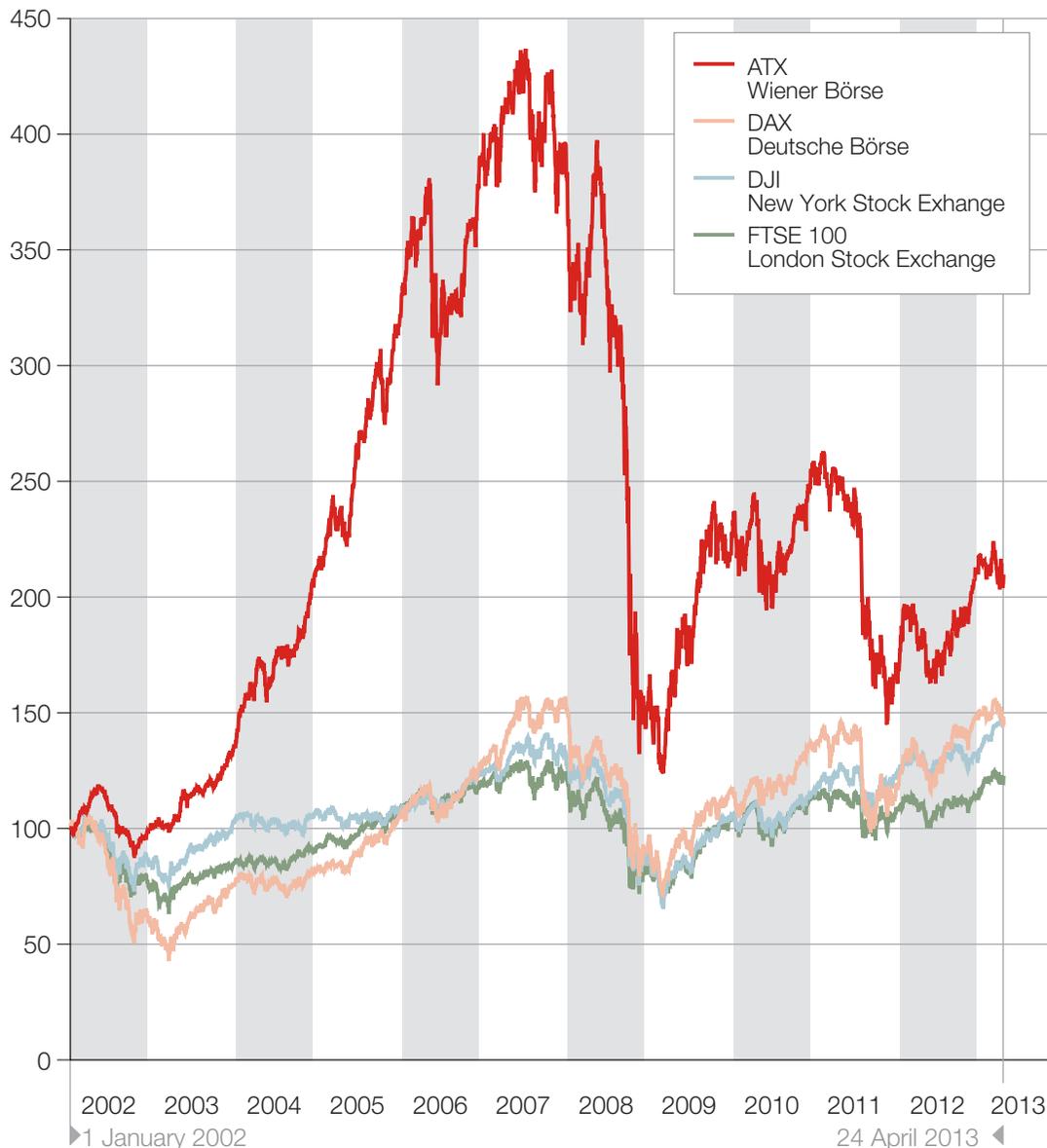


- What is the ATX?
- What advantages does inclusion in the ATX have for exchange-listed companies?

ATX and International Stock Indices

What is a stock index?

Stock indices 2002 to 2013 in international comparison (start of 2002 = 100)



Source: Bloomberg, Wiener Börse AG, as of 24 April 2013

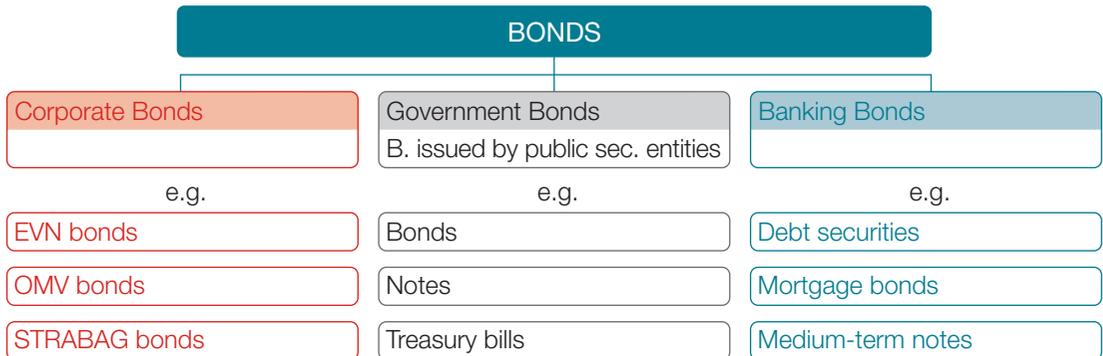
An index represents the average price trend of the shares it contains. The price of a share results from the ratio of supply to demand which is influenced by many factors such as corporate earnings, economic situation and political events.



- Which internationally recognized indices are there?
- Which factors influence stock market prices?

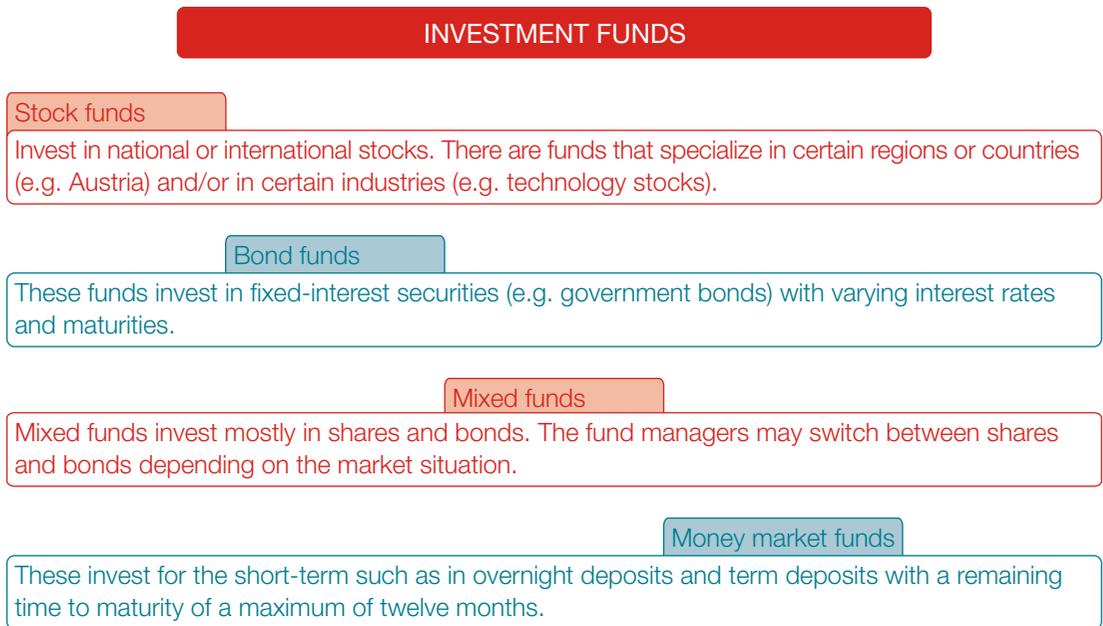
Bonds and Investment funds

What are bonds?



Bonds are securities that document a claim to repayment of a debt (receivable) with interest and repayment of the principal invested. Bonds issued by the public sector, but also increasingly corporate bonds, are the most common forms.

What is an investment fund?



An investment fund is made up of the assets of many investors (usually several thousand) in which each investor acquires an investment fund unit. Investment funds are managed by investment management companies. The assets of the fund are invested in different types of securities by professional fund managers following the principle of risk diversification and in compliance with the investment policies defined.



- What types of bonds are there?
- What are the advantages of investment funds and who manages these funds?

Official Price List

What is an exchange's official price list and how do you read it?

VIENNA STOCK EXCHANGE												wiener borse.at	
Market Segment												ATX PRIME	
Div.	Div.Y.	Market cap.	Share	Price	Price prev. day		Change in % vs. Prev. day	Start of year	High 52W	Low 52W	P/E ratio 2013	Turnover in units	
3,60	3,45	1481,98	Agrana Beteiligungs-AG	104,35	105,30	▼	-0,90	+6,63	111,0	82,50	10,42	1634	
0,32	5,08	163,25	AT&S Austria Systemtechn.	6,30	6,31	▼	-0,10	-21,80	9,25	6,15	6,00	48608	
-	-	51,20	Century Casinos Inc	2,11	2,14				2,34	1,88	8,80	1400	
0,45	1,17			38,40	38,30	▲	+0,26	+14,59	39,00	26,03	17,61	3438	
1,05v	2,24v	982,91	Flughafen Wien	46,81	47,34	▼					19,50	39332	
0,10	1,16	65,19		8,35	8,35	▲	+3,59	-1,72	10,60	8,11		13650	
-	-	11,62	HTI	0,39	0,37	▲	+5,38	+26,45	0,89	0,25	1,70	16000	
			Kapsch TrafficCom AG	36,50	37,11	▼	-1,64					25222	
0,38	1,62	839,66	Palfinger AG	23,50	24,22	▼	-2,97	+42,94	24,50	15,33	14,42	8590	
0,35	5,32	146,84	Polytec Holding AG	6,58	6,58				7,03	7,40	5,02	103816	
1,20v	2,15v	380,32	Rosenbauer International AG	55,93	54,13	▲	+3,33	+21,44	58,10	37,76	12,48	2474	
0,15v	3,14v	325,74	S Immo AG	4,78	4,74				5,14	3,78	13,28	143322	
0,80v	2,67v	617,20	Semperit	30,00	29,63	▲	+1,27	-4,32	33,80	26,65	10,14	15010	
0,20v	1,15v	1987,59	Strabag SE	17,44	17,52	▼	-0,49	-14,64	22,00	15,30	11,18	35096	
0,25v	2,45v	1458,45	UNIQA Versicherungen AG										
-	-	71,12	Warimpex Finanz- und Bet. AG	1,32	1,30	▲	+1,46	+35,77	1,50	0,64	43,90	58158	
0,40	1,94	103,10	Wolford AG		20,62	▶		-17,52	28,90	20,53	12,65		

As of 7 May 2013

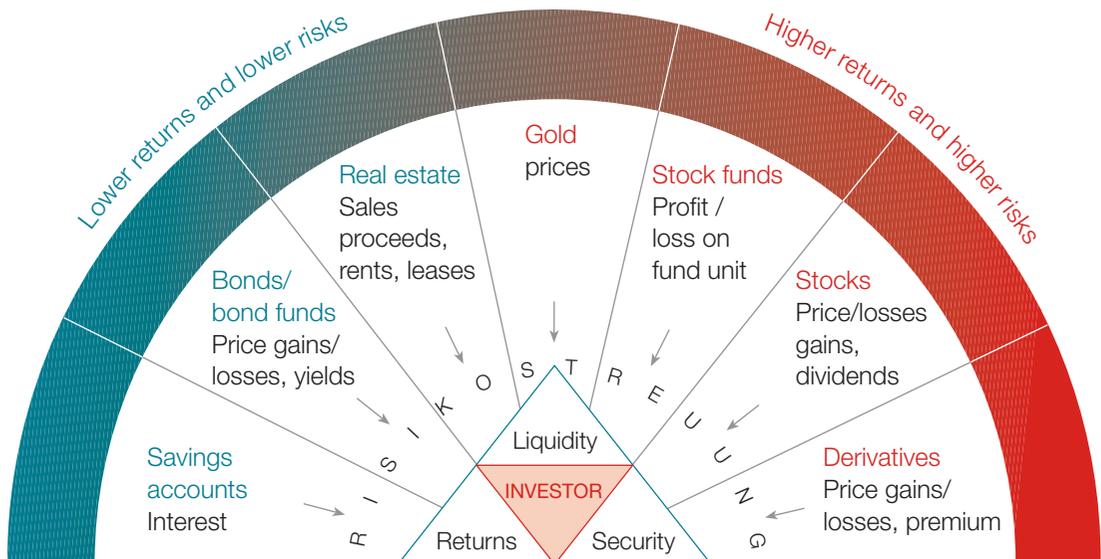
An official price list is a list of the prices of the securities listed on an exchange and serves as an important source of information for investors. An official price list provides investors with information on the closing prices, the high/low prices within certain time periods, dividend yields, the price-to-earnings ratio of a security and much more. It is a basic document needed for reaching buy and sell decisions.



- In which media do you find prices and information on the capital market?
- What is generally meant by liquid stocks?

Investments

What is a good investment?



How do I invest successfully?

- Obtain thorough and high quality advice from your regular bank
- Diversification of investment forms
- Investing has priority over speculation!
- Long-term orientation (>10 years)

How do I buy my first own stocks?

1. Decision on the amount to be invested
2. Obtain information and investment advice
3. Order placement and execution on the stock exchange
4. Booking and crediting to your securities account held with a custodian bank

When investing, one should look carefully at the investment mix, the risks and the investment horizon. The portfolio should also include a savings account that holds a portion of your funds that you may need on short notice. Another portion may be invested for the long term such as in shares, bonds and investment funds, which usually have higher returns, but also carry a higher risk. Before reaching a buy or sell decision, investors should consult professional investment advisors!



- How are returns and risk related in capital investments?
- How do I obtain my first share?

www.borse4me.at

Everything you need to know about the stock market, shares and securities is available at **www.borse4me.at**, the information portal of the Vienna Stock Exchange for school and university students.

- Information on the Austrian capital market
- Career options and jobs relating to the investment industry
- Quizzes to test your knowledge and e-learning possibilities
- Information on interesting events and stock market games
- Informative videos on stock markets
- Brochures and learning materials that can be downloaded free of charge and much more.

If you want to know more, visit us at **www.borse4me.at**

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0,74% ▼

Das Quiz
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Herausforderungen und Chancen in der Finanzwelt.

E-Learning
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