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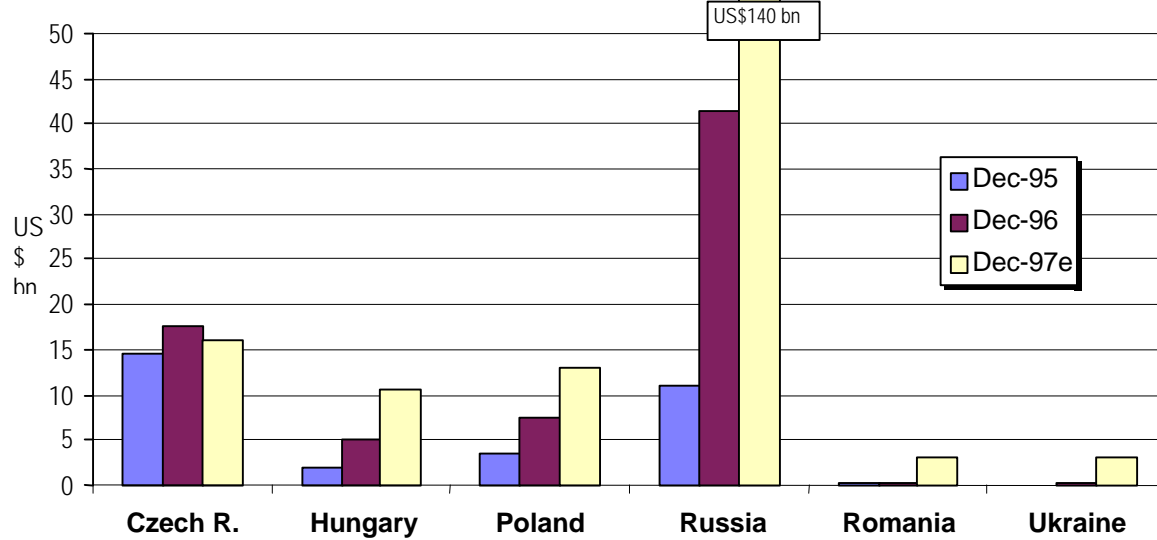
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APPENDIX

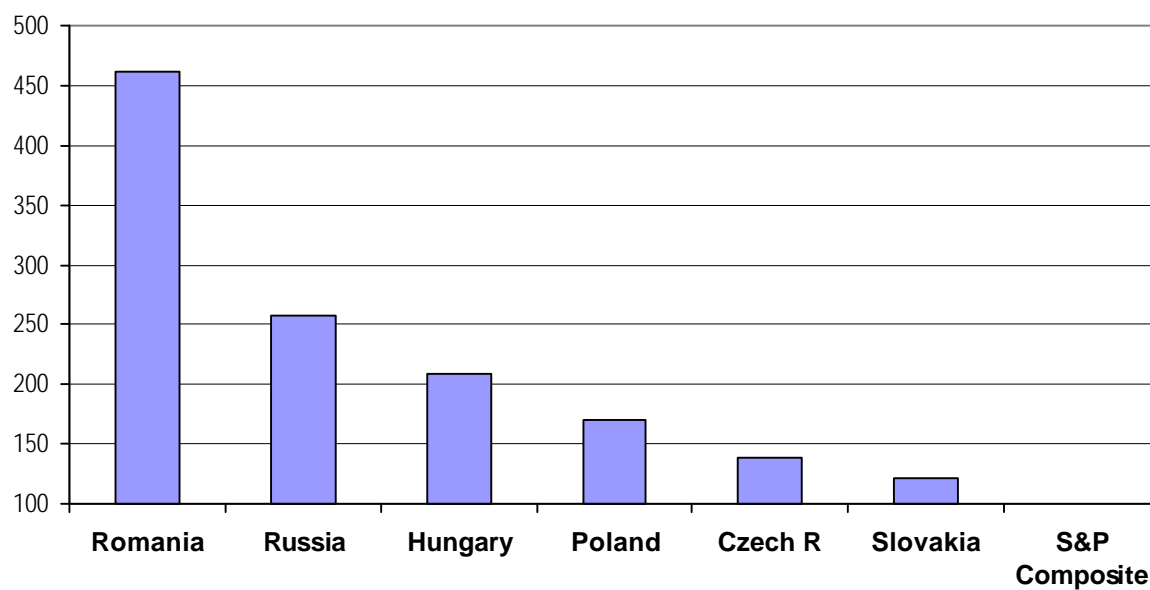
GRAPH 1: EVOLUTION OF MAJOR CEE & NIS MARKETS: MARKET CAPITALIZATION



Source: Daiwa Europe Ltd.

Note: Market cap calculation methodology used here diverges from that adopted by the IFC. Unlike the latter, Daiwa does not deduct the value of stakes held by the state or/and strategic investors. Thus, given figures tend to exceed those reported by the IFC.

GRAPH 2: RELATIVE VOLATILITY OF CEE/NIS EMERGING MARKETS (vs. US S&P 500=100).



Source: *Flemings.*

Note: *Volatility is calculated as annualized standard deviations of weekly percentage changes in the index of each country in US\$ terms over the previous year (as of late January 1998).*

TABLE 1: DATA SHEET FOR CEE/NIS (PRE)EMERGING MARKETS.

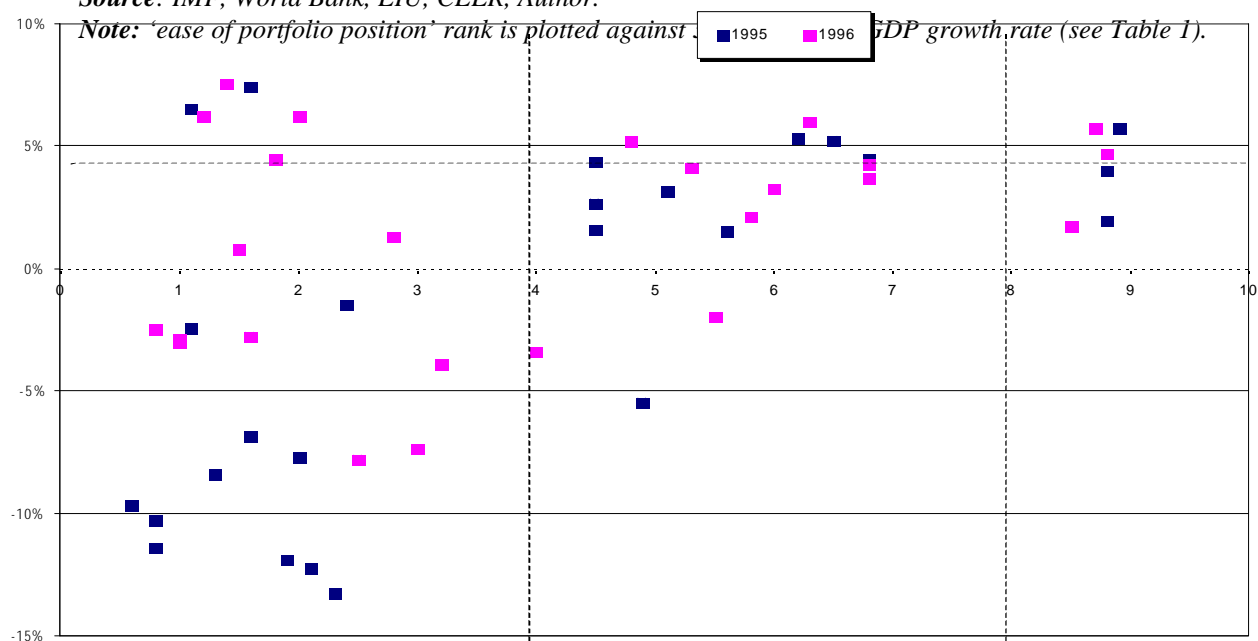
	Real GDP growth %							Ease of portfol. position		Foreign PEI (\$m)		Mkt Cap (\$m)		PER (x)	
	1994	1995	1996E	94-96 avg	96' actual	1997E	95-97 avg	1995	1996	1995	1996	1995	1996	1995	1996
Albania	7.4%	8.9%	5.4%	7.2%	8.2%	5.6%	7.6%	1.6	1.4	-	-	-	-	-	-
Armenia	3.0%	6.9%	7.3%	5.7%	5.8%	6.0%	6.2%	1.1	1.2	-	-	2	5	-	-
Azerbaijan	-21.9%	-11.0%	-1.3%	-11.4%	1.3%	2.3%	-2.5%	0.8	0.8	-	-	-	-	-	-
Belarus	-21.5%	-10.4%	-3.8%	-11.9%	2.6%	-0.7%	-2.8%	1.9	1.0	-	-	-	-	-	-
Bulgaria	0.0%	2.1%	2.7%	1.6%	-10.9%	-1.4%	-3.4%	4.5	4.0	400.0	500.0	30	34	-	6.40
Croatia	1.8%	2.4%	3.8%	2.7%	4.7%	5.3%	4.1%	4.5	5.3	-	111.0	548	581	-	neg
Czech R	2.6%	4.8%	4.7%	4.0%	4.1%	5.2%	4.7%	8.8	8.8	82.0	164.0	10,801	16,871	16.30	11.21
Estonia	6.0%	4.3%	5.7%	5.3%	4.0%	4.6%	4.3%	6.2	6.8	7.0	5.0		400	-	9.88
Georgia	-28.2%	2.4%	0.7%	-8.4%	10.5%	5.8%	6.2%	1.3	2.0	-	-	-	-	-	-
Hungary	2.5%	1.5%	1.9%	2.0%	1.0%	2.7%	1.7%	8.8	8.5	483.0	1,004.0	2,002	3,836	neg	12.01
Kazakhstan	-25.0%	-8.9%	-2.8%	-12.2%	1.1%	N/A	-3.9%	2.1	3.2	-	-	-	-	-	-
Kyrgyzstan	-26.5%	5.4%	0.7%	-6.8%	5.6%	2.4%	4.5%	1.6	1.8	-	-	2	5	-	-
Latvia	0.0%	0.4%	4.3%	1.6%	2.8%	3.2%	2.1%	5.6	5.8	-	-	5	79	-	4.30
Lithuania	2.0%	3.1%	4.5%	3.2%	3.6%	3.2%	3.3%	5.1	6.0	4.0	21.0	79	529	-	neg
Macedonia	-5.7%	-1.4%	2.7%	-1.5%	1.1%	4.2%	1.3%	2.4	2.8	-	-	-	-	-	-
Moldova	-22.1%	-3.4%	2.5%	-7.7%	-8.0%	3.1%	-2.8%	2.0	1.6	-	-	-	-	-	-
Poland	5.5%	6.5%	5.3%	5.8%	5.5%	5.2%	5.7%	8.9	8.7	921.0	722.0	3,811	6,477	12.90	6.99
Romania	2.4%	7.1%	3.6%	4.4%	4.1%	4.4%	5.2%	4.5	4.8	1.0	11.0	50	81	-	4.90
Russia	-12.6%	-4.0%	0.3%	-5.4%	-2.8%	0.9%	-2.0%	4.9	5.5	141.0	5,008.0	8,007	26,547	-	7.30
Slovakia	4.8%	6.8%	4.1%	5.2%	6.9%	4.4%	6.0%	6.5	6.3	60.0	-	1,164	1,709	8.60	10.10
Slovenia	4.0%	4.1%	5.3%	4.5%	3.1%	3.9%	3.7%	6.8	6.8	-	360.0	453	487	8.00	24.10
Tajikistan	-15.0%	-12.5%	-3.2%	-10.2%	-7.0%	-3.9%	-7.8%	0.8	2.5	-	-	-	-	-	-
Turkmenistan	-20.0%	-8.2%	-0.7%	-9.6%	-3.0%	2.3%	-3.0%	0.6	1.0	-	-	-	-	-	-
Ukraine	-24.3%	-11.8%	-3.7%	-13.3%	-10.0%	-0.3%	-7.4%	2.3	3.0	-	-	-	200	-	2.00
Uzbekistan	-4.5%	-0.9%	-1.9%	-2.4%	1.6%	1.8%	0.8%	1.1	1.5	-	-	-	64	-	-

Source: IMF, World Bank, EIU (real GDP growth); CEER (GDP growth estimates, 'ease of portfolio investment'); World Bank (foreign PEI); IFC, Daiwa Europe Ltd., ING Barings, Author's estimates (Market cap, PER).

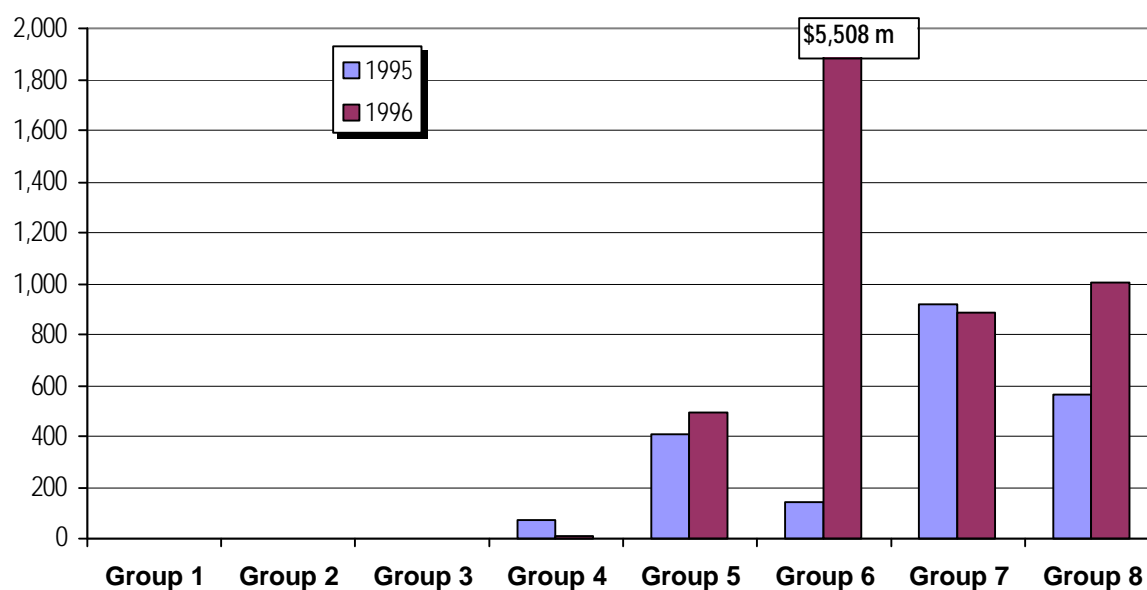
Note: Market capitalizations are calculated as averages (half-sums of those at the start and end of a period); PEI=portfolio equity investments; Price-earning ratios (PER) are given as of start of period.

GRAPH 3: DIFFERENTIATION OF CEE/NIS MARKETS BY GROWTH AND MARKET DEVELOPMENT.

Source: IMF, World Bank, EIU, CEER, Author.

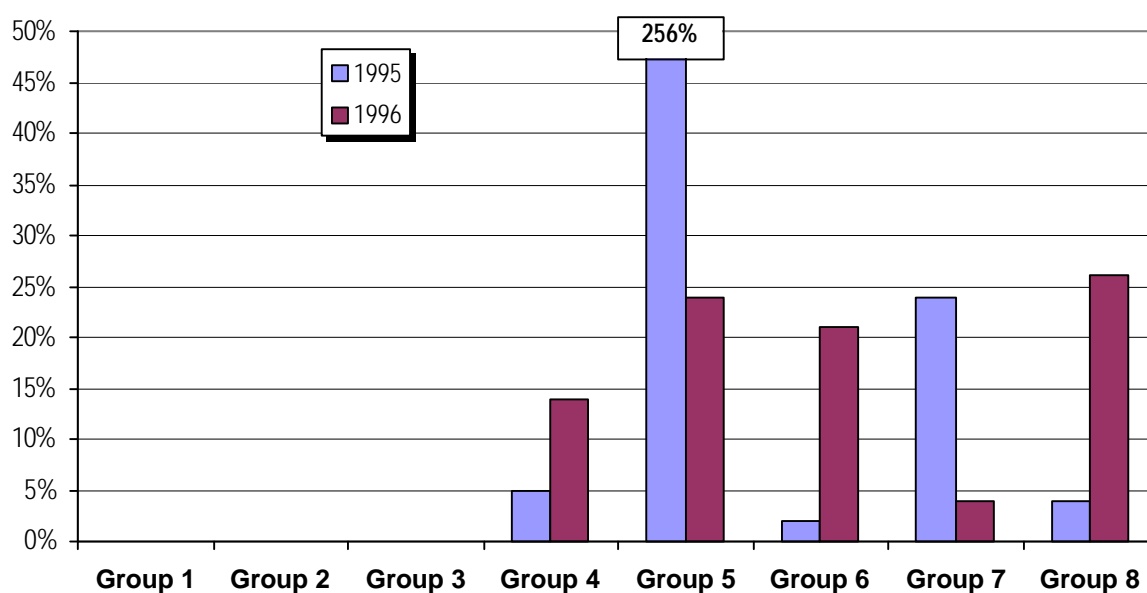


GRAPH 4: DISTRIBUTION OF PORTFOLIO EQUITY INFLOWS (US\$ MM) AMONG CEE/NIS MARKETS



Source: World Bank, Author.

GRAPH 5: DISTRIBUTION OF PORTFOLIO EQUITY INFLOWS (AS % OF MARKET CAP) AMONG CEE/NIS MARKETS



Source: World Bank, IFC, Author's estimates.

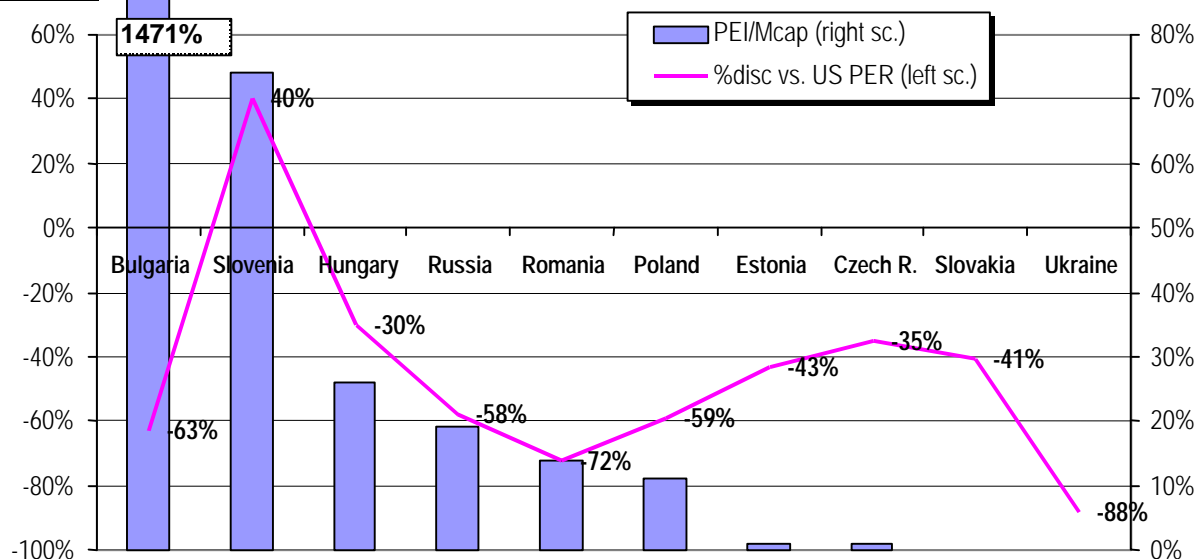
TABLE 2: FOREIGN INVESTORS' ATTRACTIONS IN CEE/NIS.

	PEI/MCap 1995	%disc/ prem vs. US PER	%disc/ prem vs. UK PER		PEI/MCap 1996	%disc/ prem vs. US PER	%disc/ prem vs. UK PER
Bulgaria	1333%	N/A	N/A	Bulgaria	1471%	-63%	-58%
Poland	24%	-24%	-13%	Slovenia	74%	+40%	+60%
Hungary	24%	Prem*	Prem*	Hungary	26%	-30%	-20%
Slovakia	5%	-49%	-42%	Croatia	19%	Prem*	Prem*
Lithuania	5%	N/A	N/A	Russia	19%	-58%	-52%
Estonia	4%	N/A	N/A	Romania	14%	-72%	-68%
Romania	2%	N/A	N/A	Poland	11%	-59%	-54%
Russia	2%	N/A	N/A	Lithuania	4%	Prem*	Prem*
Czech R.	1%	-4%	+10%	Estonia	1%	-43%	-35%
				Czech R.	1%	-35%	-26%

Note: * negative market PER; PEI=portfolio equity investments; at early 1995 US PER=16.9, while UK PER=14.8; early 1996 US PER=17.2, UK PER=15.1.

Source: World Bank, IFC, Daiwa Europe Ltd., ING Barings, Author.

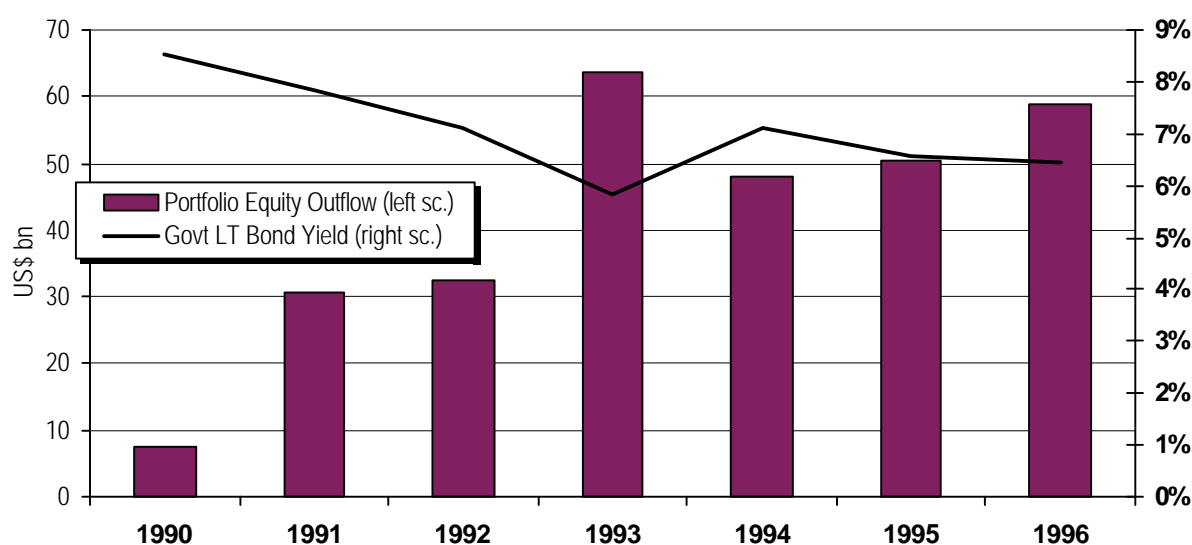
GRAPH 6: LOOKING FOR PATTERNS...



Source: World Bank, IFC, Author's estimates..

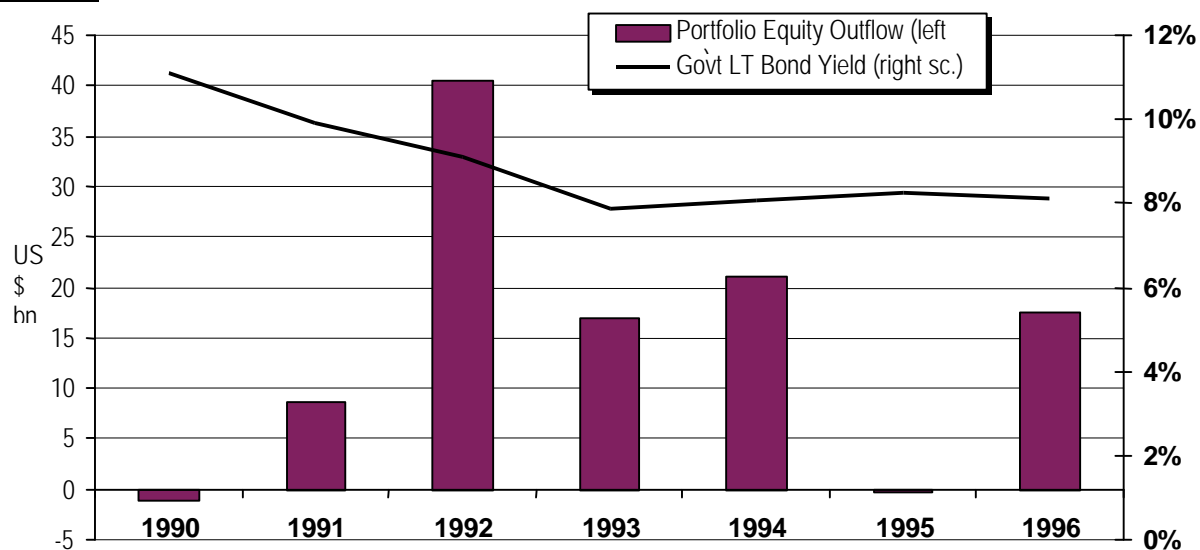
Note: Here only markets with positive and available PERs are plotted. If plotted against UK PER, the pattern of discounts will only shift upwards a bit.

GRAPH 7: INTEREST RATE IMPACT ON SUPPLY OF PORTFOLIO CAPITAL: USA



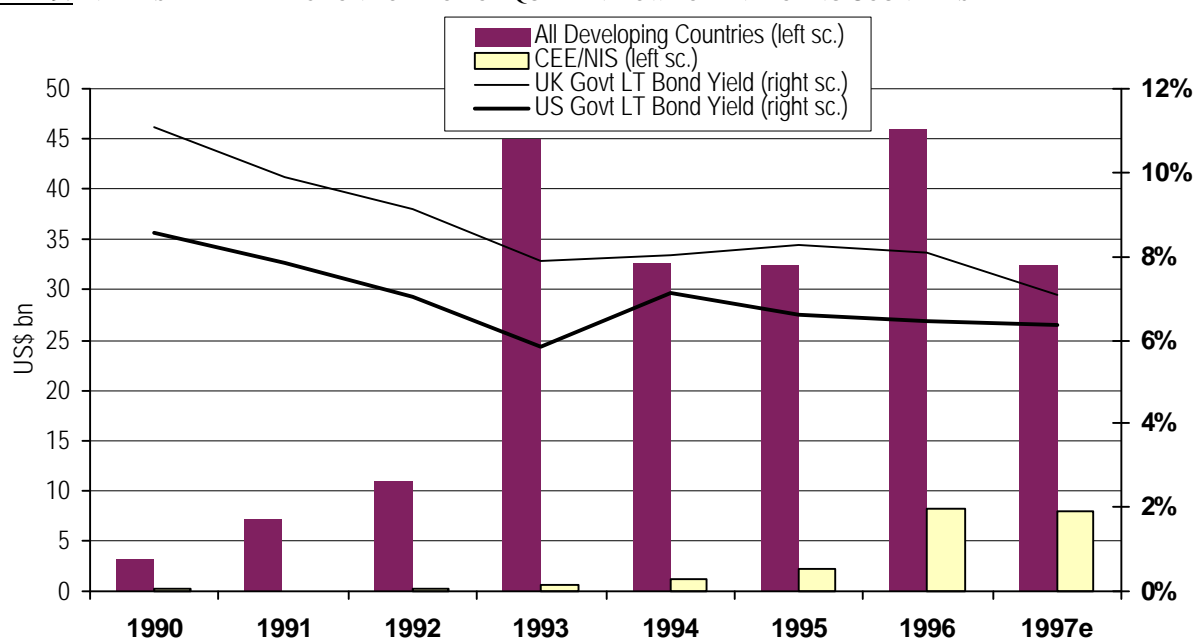
Source: IMF's 'International Financial Statistics'.

GRAPH 8: INTEREST RATE IMPACT ON SUPPLY OF PORTFOLIO CAPITAL: UK



Source: IMF's 'International Financial Statistics'.

GRAPH 9: INTEREST RATE IMPACT ON PORTFOLIO EQUITY INFLOW TO DEVELOPING COUNTRIES



Source: World Bank's 'Global Development Finance 1998', IMF;s 'International Financial Statistics'.

TABLE 3: STOCK MARKET PERFORMANCE OF CEE/NIS MARKETS (AS OF LATE JAN-98).

Index		US\$ terms	
		'97	3M
Czech R.	px50	-27.9%	-15.3%
Hungary	BSE BUX	53.2%	-2.8%
Poland	WIG ALL	-17.0%	-6.6%
Romania	BIG BSE	60.0%	-28.3%
Russia	ASP100	209.4%	-31.0%
Slovakia	SAX	-7.4%	-19.3%
Ukraine	PFTS (adj)	N/A	-35.8%

Source: Flemings, Author.

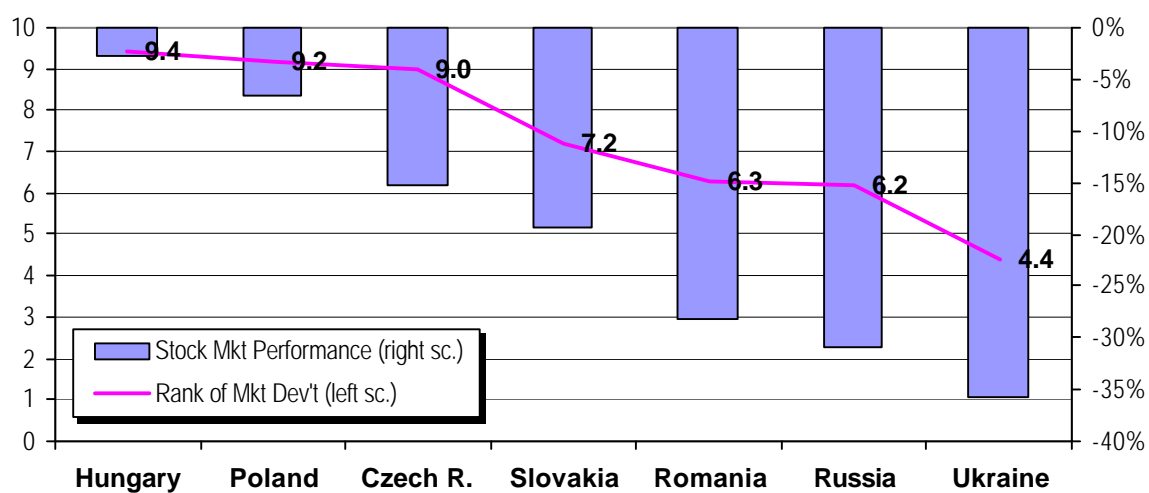
TABLE 4: ANTICIPATED GDP GROWTH PROFILE OF KEY CEE/NIS MARKETS.

1997E	1998F	1999F	Ease of portfolio
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				investment ('97 rank)
Bulgaria	-7.4%	3.5%	N/A	4.9
Czech R.	1.0%	3.0%	3.5%	9.0
Hungary	4.0%	4.2%	4.0%	9.4
Poland	7.0%	4.5%	5.5%	9.2
Romania	-6.6%	1.0%	3.0%	6.3
Russia	0.4%	1.0%	2.5%	6.2
Slovakia	6.5%	2.2%	3.5%	7.2
Ukraine	-3.2%	0.5%	2.0%	4.4

Source: Flemings, EIU, CEER.

GRAPH 10: STOCK MARKET DEVELOPMENT VS. STOCK MARKET PERFORMANCE (11/97-1/98).



Source: CEER, Flemings, Author.