Introduction

- This survey is being conducted since 2007.

- The domestic market capitalization was broken down in four segments according to thresholds. The same threshold levels were kept for the last 5 surveys for consistency reasons. The segments were defined as follows:
  
  • Large market cap segment : market cap > USD 1.3 bn
  
  • Mid market cap segment : USD 1.3 bn > market cap > USD 200 m
  
  • Small market cap segment : USD 200 m > market cap > USD 65 m
  
  • Micro market cap segment : market cap < USD 65 m
Exchanges were asked to distribute their domestic market cap, number of domestic listed companies, EOB trading value and EOB number of trades into these 4 segments.

Since 2008, an important change in the methodology has been introduced: only EOB trading is now considered while total trading was used for the first survey.

Companies delisted during the year were excluded.

In market capitalization, number of companies, EOB trading value and number of trades: Main board + SMEs/Alternative markets data are consolidated.
Received answers

The study is based on **50 answers** received from the following members in 2012

(2 exchanges did not reply: Bolsa de Valores de Colombia and Australian Securities Exchange)

All the indicators are not available for every member and for each year. On each graph the excluded members are mentioned.

<table>
<thead>
<tr>
<th>Americas (9)</th>
<th>Asia – Pacific (16)</th>
<th>EMEA (25)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Bermuda Stock Exchange</td>
<td>• BSE Limited</td>
<td>• Amman Stock Exchange</td>
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<tr>
<td>• BM&amp;FBOVESPA</td>
<td>• Bursa Malaysia</td>
<td>• Athens Exchange</td>
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<td>• Bolsa de Comercio de Buenos Aires</td>
<td>• Colombo Stock Exchange</td>
<td>• BME Spanish Exchanges</td>
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<td>• GreTai Securities Market</td>
<td>• Bourse de Casablanca</td>
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<td>• Hong Kong Exchanges and Clearing</td>
<td>• Bourse de Luxembourg</td>
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<td>• Budapest Stock Exchange</td>
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<td>• Deutsche Börse</td>
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<td>• Osaka Securities Exchange</td>
<td>• Irish Stock Exchange</td>
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<td>• Philippine Stock Exchange</td>
<td>• Istanbul Menkul Kiyimetler Borsası (İMKB)</td>
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<td>Johannesburg Stock Exchange</td>
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<tr>
<td></td>
<td>• Singapore Exchange</td>
<td>• London Stock Exchange Group</td>
</tr>
<tr>
<td></td>
<td>• Stock Exchange of Thailand</td>
<td>• Malta Stock Exchange</td>
</tr>
<tr>
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<td>• MICEX-RTS</td>
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<td>• Tokyo Stock Exchange</td>
<td>• NASDAQ OMX Nordic</td>
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<td>• NYSE Euronext Europe</td>
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<td>• Oslo Børs</td>
</tr>
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<td></td>
<td></td>
<td>• Saudi Stock Exchange (Tadawul)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• SIX Swiss Exchange</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Stock Exchange of Mauritius</td>
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<td>• Tel-Aviv Stock Exchange</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• The Egyptian Exchange</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Warsaw Stock Exchange</td>
</tr>
<tr>
<td></td>
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<td>• Wiener Börse</td>
</tr>
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</table>

4
General overview
Market segments in 2011

- Micro-cap accounted for half of the total number of listed.

- The weight of mid-cap in number of trades remains important especially in Asia-Pacific region.

- Companies generally called “mid-cap” in the US are included in the WFE definition of large-cap.

Market segments in 2011 by region

Number of domestic listed companies

- At WFE global level, the number of micro cap companies makes the largest part of domestic listed companies.

- 49% of listed companies against 44% in 2010.

Excluding: Bolsa de Valores de Colombia, GreTai Securities Market, BME Spanish Exchanges, Malta Stock Exchange, MICEX-RTS and NASDAQ OMX Nordic.
Listed companies - breakdown by region

- Twice as many large cap in Americas than in two other regions (26% in the United States in 2011). TSX Venture accounts for 56% of the number of micro cap listed in Americas and 86% of the micro cap listed on TMX Group.

- 24% of the mid cap listed in Asia-Pacific are listed on Shenzhen Stock Exchange.

- The number of micro cap increased in the three regions. Is it only due to threshold effects?

Excluding: Bolsa de Valores de Colombia, GreTai Securities Market, BME Spanish Exchanges, Malta Stock Exchange, MICEX-RTS and NASDAQ OMX Nordic.
Domestic market capitalization

- Large cap account for 90% of the market capitalization.

- The lower threshold for defining large cap (1.3 bn USD) is corresponding to generally accepted definition in Europe but is much lower than the US one (10 bn USD).

Excluding: Bolsa de Valores de Colombia, GreTai Securities Market, Malta Stock Exchange, MICEX-RTS and NASDAQ OMX Nordic.
Large-cap account for 92% of the total market capitalization in Americas and 94% in the United States, but the lower threshold rather corresponds to mid-cap definition in the United States.

In Asia-Pacific region the weight of Shenzhen Stock Exchange leads to a significant higher share of mid-cap.

Excluding: Bolsa de Valores de Colombia, GreTai Securities Market, Malta Stock Exchange, MICEX-RTS and NASDAQ OMX Nordic.
Parallel evolution of Num. Co. and M. Cap

The growing number of micro cap is, at least partly, explained by threshold effects.

Excluding: Bolsa de Valores de Colombia, GreTai Securities Market, Malta Stock Exchange, MICEX-RTS and NASDAQ OMX Nordic.
Evolution over the last five years

- Different pictures from one region to another.

**Total number of listed companies between 2007 and 2011**

<table>
<thead>
<tr>
<th>Region</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>+15%</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>+14%</td>
</tr>
<tr>
<td>EAME</td>
<td>-13%</td>
</tr>
</tbody>
</table>

The number of EOB trades decreased by 19% for large cap whereas it increased by 6% for mid and small cap.

The highest growth rate was observed for small cap (+29%).

Threshold effects can partly explain those evolutions.

Number of trades - breakdown by region

- The picture differs from one region to another. In Asia Pacific, large cap and mid represent the same number of trades.

- In Americas, the growing importance of mid cap trades was driven by Nasdaq. The same trend was observed on NYSE, but less markedly.

- In other regions, the increase for mid cap was less pronounced.

Value of share trading

- In monetary terms, the same trend was observed.
- No significant variation of the average trade sizes.

In Americas and EAME, the weight of mid cap in share trading value is twice lower than their weight in number of trades. In Asia-Pacific, the two percentages are much closer (mid cap account for 39% of share trading value and 41% of number of trades).

The liquidity can be measured by the ratio: number of trades / number of listed companies on each segment.

The improvement of liquidity for mid cap and small cap was not sufficient to counterbalance the decrease of liquidity for large cap.

Turnover velocity – by region

- Liquidity improvement on all segments in EAME, decrease in Asia Pacific and contrasted trends in Americas.

**Americas**

<table>
<thead>
<tr>
<th></th>
<th>Large</th>
<th>Mid</th>
<th>Small</th>
<th>Micro</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>2010</td>
<td>1,483</td>
<td>194</td>
<td>43</td>
<td>55</td>
<td>508</td>
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<tr>
<td>2011</td>
<td>1,315</td>
<td>313</td>
<td>53</td>
<td>48</td>
<td>461</td>
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</table>

**Asia Pacific**

<table>
<thead>
<tr>
<th></th>
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<th>Small</th>
<th>Micro</th>
<th>TOTAL</th>
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<tr>
<td>2010</td>
<td>2,026</td>
<td></td>
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<td>2,026</td>
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<tr>
<td>2011</td>
<td>1,985</td>
<td>747</td>
<td>672</td>
<td>100</td>
<td>1,985</td>
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**EAME**

<table>
<thead>
<tr>
<th></th>
<th>Large</th>
<th>Mid</th>
<th>Small</th>
<th>Micro</th>
<th>TOTAL</th>
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<tr>
<td>2010</td>
<td>526</td>
<td></td>
<td>50</td>
<td>25</td>
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<tr>
<td>2011</td>
<td>669</td>
<td>78</td>
<td>32</td>
<td>11</td>
<td>669</td>
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Thresholds analysis
## Thresholds definition

- No harmonized definition for large cap versus mid and small cap.

<table>
<thead>
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<th></th>
<th>WFE</th>
<th>United States</th>
<th>Europe</th>
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<td>…</td>
<td>200 000</td>
<td>…</td>
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<td></td>
<td>1300</td>
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<td>1 298</td>
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<td>10 000</td>
<td>1 298</td>
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<td></td>
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<td>250</td>
<td>…</td>
</tr>
<tr>
<td>Micro</td>
<td>65</td>
<td>250</td>
<td>…</td>
</tr>
<tr>
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<td>0</td>
<td>50</td>
<td>…</td>
</tr>
<tr>
<td></td>
<td>50</td>
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<td>…</td>
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</table>

- The US thresholds would not be suitable for smaller exchanges.
Comparison of Large-Cap and Blue-Chips

Number of Large Cap
Number of Blue-Chip Index Components
Blue-Chip Index Components / Large-Cap
## Comparison of Large-Cap and Blue-Chips

<table>
<thead>
<tr>
<th>Market Seg. Survey - Large Cap (1)</th>
<th>Blue-Chip Indices (2)</th>
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<tbody>
<tr>
<td>Exchange</td>
<td>Nber of Co.</td>
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<tr>
<td>NYSE</td>
<td>1114</td>
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<td>NASDAQ</td>
<td>347</td>
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<tr>
<td>LSE Group</td>
<td>260</td>
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<td>Euronext</td>
<td>170</td>
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<td></td>
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</tbody>
</table>

1) At the end  
2) As of 7 June 2012 except for Euronext (end of 2011)
Weight of M&S cap in number of co.
Weight of M&S cap in market cap.
## Micro-cap and SMEs markets

<table>
<thead>
<tr>
<th>Region</th>
<th>Exchange</th>
<th>Market</th>
<th>Nber of co.</th>
<th>Av. size</th>
<th>Nber of Micro</th>
<th>Av. size</th>
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<td>505</td>
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<td></td>
<td>Buenos Aires SE</td>
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<td>TMX Group</td>
<td>TSX Venture</td>
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<td><strong>2,973</strong></td>
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<td>8</td>
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<td>90</td>
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<td>London SE Group</td>
<td>AIM + AIM Italia + MAC</td>
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<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>2,994</strong></td>
<td><strong>6,944</strong></td>
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</table>

**TOTAL** | 8,401 | 14,201 |
Definition of SMEs

- No harmonized definition of SMEs at a worldwide level.

- In the United States, the Securities and Exchange Commission (SEC) uses the thresholds of USD 75 million of public equity float for defining “Small Reporting Companies”: under this threshold, financial disclosure requirements are scaled and streamlined.

- In Europe, the Prospectus Directive defines SMEs as companies fulfilling at least two out of the three following criteria:
  - an average number of employees during the financial year of less than 250
  - a balance sheet not exceeding EUR 43 million
  - an annual net turnover not exceeding EUR 50 million
2007-2011 evolution
Number of listed companies

Excluding:
- Bolsa de Valores de Colombia
- Australian Securities Exchange
- BSE Limited
- GreTai Securities Market
- National Stock Exchange of India
- Osaka Securities Exchange + Jasdaq
- Shenzhen Stock Exchange
- Amman Stock Exchange
- BME Spanish Exchanges
- Bourse de Casablanca
- Bourse de Luxembourg
- Deutsche Börse
- Ljubljana Stock Exchange
- Malta Stock Exchange
- MICEX-RTS
- NASDAQ OMX Nordic
- Saudi Stock Exchange (Tadawul)
- SIX Swiss Exchange
Number of listed companies by region

Breakdown of number of listed companies by size

Americas

Asia Pacific

EAME

Number of listed companies in each market segment

Americas

Asia Pacific

EAME
Market capitalization

Breakdown of domestic market capitalization by size (Total WFE)

Excluding:
Bolsa de Valores de Colombia
Australian Securities Exchange
BSE Limited
GreTai Securities Market
National Stock Exchange of India
Osaka Securities Exchange + Jasdaq
Shenzhen Stock Exchange

Amman Stock Exchange
BME Spanish Exchanges
Bourse de Casablanca
Bourse de Luxembourg
Deutsche Börse
Ljubljana Stock Exchange
Malta Stock Exchange
MICEX-RTS
NASDAQ OMX Nordic
Saudi Stock Exchange (Tadawul)
SIX Swiss Exchange

Domestic market capitalization of each market segment (base 100 in 2007)
Market capitalization by region

Breakdown of domestic market capitalization by size

Domestic market capitalization of each market segment (base 100 in 2007)
Number of trades

Excluding:
Bermuda Stock Exchange
Bolsa de Comercio de Buenos Aires
NASDAQ OMX US
TMX Group Inc.

Australian Securities Exchange
BSE Limited
Bursa Malaysia
GreTai Securities Market
National Stock Exchange of India
Osaka Securities Exchange + Jasdaq
Shenzhen Stock Exchange
Singapore Exchange
Tokyo Stock Exchange Group

Amman Stock Exchange
BME Spanish Exchanges
Bourse de Casablanca
Bourse de Luxembourg
Deutsche Börse
Ljubljana Stock Exchange
Malta Stock Exchange
MICEX-RTS
NASDAQ OMX Nordic
Saudi Stock Exchange (Tadawul)
Tel-Aviv Stock Exchange
Value of share trading

Excluding:
Bermuda Stock Exchange
Bolsa de Valores de Colombia
NASDAQ OMX US
TMX Group Inc.

Australian Securities Exchange
BSE Limited
Bursa Malaysia
GreTai Securities Market
National Stock Exchange of India
Shenzhen Stock Exchange

Amman Stock Exchange
BME Spanish Exchanges
Bourse de Casablanca
Bourse de Luxembourg
Deutsche Börse
Ljubljana Stock Exchange
Malta Stock Exchange
MICEX-RTS
NASDAQ OMX Nordic
Saudi Stock Exchange (Tadawul)
Tel-Aviv Stock Exchange
Value of share trading by region

Breakdown of value of share trading by size

Value of share trading for each market segment (base 100 in 2007)
Velocity (number of trades per listed co.)

Excluding:
- Bermuda Stock Exchange
- Bolsa de Comercio de Buenos Aires
- NASDAQ OMX US
- TMX Group Inc.

- Australian Securities Exchange
- BSE Limited
- Bursa Malaysia
- GreTai Securities Market
- National Stock Exchange of India
- Osaka Securities Exchange + Jasdaq
- Shenzhen Stock Exchange
- Singapore Exchange
- Tokyo Stock Exchange Group
- Amman Stock Exchange
- BME Spanish Exchanges
- Bourse de Casablanca
- Bourse de Luxembourg
- Deutsche Börse
- Ljubljana Stock Exchange
- Malta Stock Exchange
- MICEX-RTS
- NASDAQ OMX Nordic
- Saudi Stock Exchange (Tadawul)
- SIX Swiss Exchange
- Tel-Aviv Stock Exchange
Velocity by region

Number of trades per listed company

Americas

Asia Pacific

EAME

Focus on Small and Mico Cap

Focus on Small and Mico Cap

Focus on Small and Mico Cap

Thousands of trades

Thousands of trades

Thousands of trades

Small

Small

Small

Micro

Micro

Micro

2007 2008 2009

2007 2008 2009

2007 2008 2009

2007 2008 2009

2007 2008 2009

2007 2008 2009

2007 2008 2009

2007 2008 2009