



بورصة القاهرة والإسكندرية  
CAIRO & ALEXANDRIA STOCK EXCHANGES



Jan 08



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## NILEX - Nile Stock Exchange



Launch of the new market

October 25, 2007

Nilex is the first mid and  
small cap market in the  
MENA Region



## Nilex Market

A market in CASE that offers growing medium and small size enterprises a chance to raise capital under an appropriate, secure, yet flexible regulatory framework, for both companies and investors, together with a streamlined admission process.



## Who is the Target Group of Issuers

- Closed and family owned companies with high growth potential.
- Joint stock mid and small cap companies.
- Companies from all industry sectors.
- **Micro enterprises will be excluded from his market.**



## Nilex : Benefits for The Economy

- Supports promising sectors in the economy which suffers from finance obstacles.
- Helps attracting more domestic and foreign investments to those fast growing companies.
- Helps promoting the concept of entrepreneurship and job creation.
- Provides an exit strategy to venture capital funds.



## Nilex : Benefits for Issuers

- Access to long term capital for the expansion of their businesses.
- Helps in determining a fair value of the company.
- Improved image among suppliers, customers, banks and other stakeholders.
- Helps in merger and acquisitions transactions to create more competitive entities.



## Nilex : Benefits for Investors

- **Protects investors' rights and helps shareholders phasing out from the company.**
- **Opportunity for investors to diversify their portfolios by investing in high growth companies.**



## Nilex: Regulatory Framework

- ...Reducing the Cost of Going Public for SMES
  - Relaxed listing requirements
  - Flexible corporate governance rules
  - Lighter, yet cohesive disclosure requirements
  - Low listing and maintenance fees





## Nilex: Regulatory Framework

### ...Ensuring Market Integrity

- Nominated listing advisor/ sponsor approved by CMA and CASE.
- Lock up period for majority shareholdings.
- Market surveillance enforcement.





## Nilex: Regulatory Framework

### Listing Rules

Requirements	SMEs Proposed Rules
Capital	Less than L.E. 25 million
Floating Shares	10% within 1 year of listing date
No. of Shareholders	25 shareholders within 1 year of the listing date
No of Shares	Not less than 100 thousand shares
Listing Fees	0.5 per thousand of the capital with a minimum of L.E 500 and a maximum of L.E 30 thousand
Qualified Sponsors	Obligatory
Par Value	Ranging from L.E 1 to L.E 5
Financial Statements	At least one year Audited Financials- exceptions is made in case of a viable business plan endorsed by Qualified Sponsor





## Nilex : Regulatory Framework

### Qualified Sponsors

➤ Only licensed companies to undertake the following activities, that are eligible for Qualified Sponsors :

- a. Financial Consulting Companies.
- b. Investment banks and underwriters
- c. Private equity firms
- d. Venture capital firms
- e. Direct Investment Funds





## Nilex : Regulatory Framework

### Role of Qualified Sponsors

➤ Advise and assist the applicant company on all its responsibilities during the application process and its responsibilities to maintain its status once listed.

➤ Assist the Company in preparing its financial statements and submitting in due time.

➤ Inform the CMA in case of the company's non compliance with the rules and regulations.

➤ Help the company in its initial public offering of its shares.

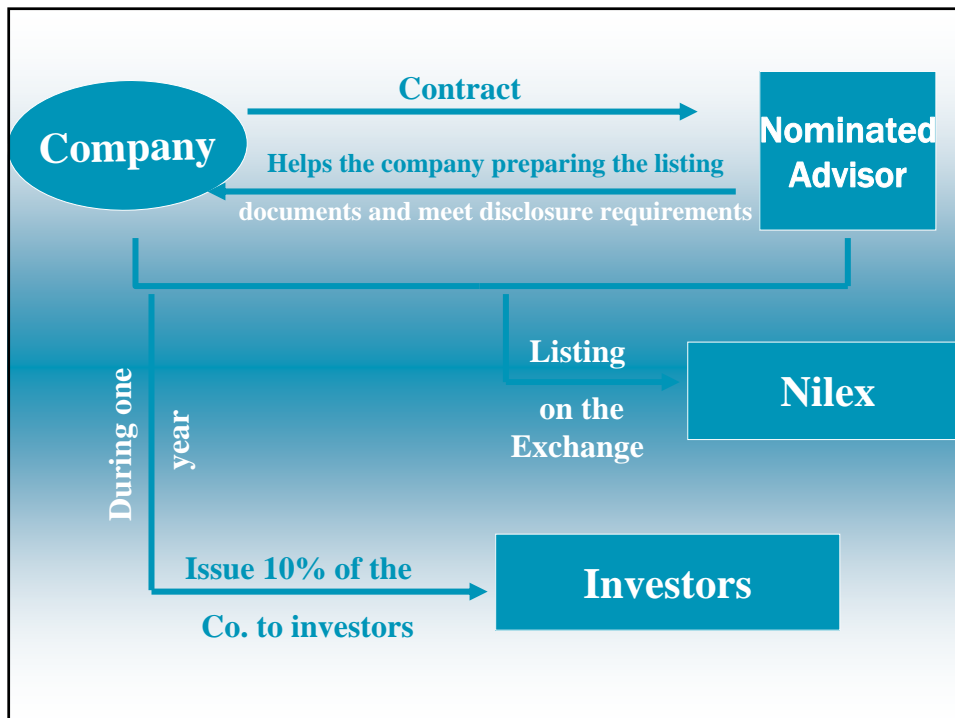
➤ The sponsor's obligations and responsibilities will be maintained for two years from the date of the company's listing.



## Nilex : Regulatory Framework

### Disclosure Rules

- Maintaining the majority of the main market disclosure rules to ensure market efficiency and investor protection.
- SMEs to submit quarterly and semi-annual financial statements approved by the company's management to CASE and CMA
- SMEs to submit audited annual financial statements to CASE & CMA.
- Joint responsibility of the qualified sponsor and the company in case of non compliance to the disclosure rules.







## Nilex : Regulatory Framework

**Trading Rules**

Criteria	Proposed Regulations
<b>Trading System</b>	<p style="text-align: center;"><b>Auction System:</b></p> <ul style="list-style-type: none"> <li>-allows investors to place their orders throughout the auction session.</li> <li>-Allows brokerage companies to place orders on the same security with different prices as per its clients' orders.</li> <li>- Investors are allowed to cancel or change their orders anytime during the auction session.</li> <li>-Execution takes place after the closing of the auction session.</li> <li>-The closing price chosen is the best price offered during the auction allowing the execution of the highest volume traded.</li> </ul>





## Nilex : Market Regulations for SMEs Market

**Trading Rules**

Criteria	Proposed Regulations
<b>Session duration</b>	One hour
<b>Session time</b>	12:00 to 1:00
<b>Price Limits</b>	No price Limits
<b>Trading Fees</b>	1/10 per thousand of the total value of the transaction with a maximum of L.E 100
<b>Settlement</b>	(T+2)



## Progress On Nilex

- The Capital Market Authority has finalized the regulations and procedures of the Nominated Advisors.
- One company was granted an approval for Nominated Advisor and four other companies submitted their documents to get an approval from CMA.
- **CASE hold continuous meetings with potential nominated advisors who are integral to Nilex success.**



## Attracting Investors to Nilex

- Nilex is subject proper surveillance enforcement to ensure investor protection.
- Nilex will be targeting high-growth companies with good success stories to ensure quality of issuers on board.
- Reduction of both trading and clearing fees and hence transaction cost.
- **CASE has launched a new website dedicated for Nilex including all related information about the new market.**

Address: <http://nilex.egyptse.com/en/>

**NILEX** Nile Stock Exchange  
The First Mid and Small Cap Market in the MENA Region  
Cairo & Alexandria Stock Exchanges  
بورسيتي القاهرة والإسكندرية

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**About Nilex**

- Getting Listed
  - Why Joining Nilex?
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- Nominated Advisors
  - Role of Nominated Advisor
  - How to Become a Nominated Advisor?
- Member Firms
- Trading Mechanism
- Market Data
- News
- Publication

**Conference Agenda**

**NILEX**  
*A New Dimension for Expansion*



The Minister of Investment; Dr. Mahmoud Mohei El Din, together with CASE Chairman; Mr. Maged Shawky, have launched today October 25 th 2007, CASE new market for medium and small enterprises (NILEX), which is the first mid and small cap market in the MENA region. The new market will provide medium and small companies with a long term access to capital, which helps them grow their businesses and increase their competitiveness as well as raise their contribution to the economic growth.

Guest of honor, Mr. Gamal Mubarak, General Secretary of Policies Committee at the National Democratic Party (NDP), together with Engineer Rasheed Mohamed Rasheed, Minister of Trade and Industry, Dr. Osman Mohammed Osman, Minister of Planning and Economic Development, Dr. Ahmed Saad Abd Al-Latif, Chairman of Board of Trustees, have attended the event, in addition to other market participants and a group of promising mid and small cap companies.

NILEX is the Cairo & Alexandria Stock Exchanges' market for growing medium and small companies, which offers an appropriate, secure, yet flexible regulatory framework, for both companies & investors, together with a streamlined admission process.

NILEX provides medium and small fast growing businesses, including Family-owned businesses, from any country and any industry sector, a clear access to capital and the benefits of being traded.

**NILEX: Your Gateway to Finance**

- Why Join NILEX?
- Listing Requirements.
- How to List on NILEX?
- Listing Fees.

**NILEX Nominated Advisors**

- Nominated Advisors are integral to NILEX success.
- Nominated Advisors guides the company in the admission process and in the initial public offering of its shares.

[Learn how you can choose your advisor?](#)

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**NILEX**  
*A New Dimension for Expansion*

**NILEX**  
*A New Horizon for Investment*

**NILEX**  
*Join Today to Lead Tomorrow*

**Thank you**  
[Nilex.egyptse.com](http://Nilex.egyptse.com)