



**THE Nigerian
STOCK EXCHANGE**

RC: 2321

**NSE INITIATIVE:
MARKET SEGMENTATION**
Markets & Boards,
Industry Sectors & Sub-Sectors,
Market Capitalization, Growth/Income & Liquidity

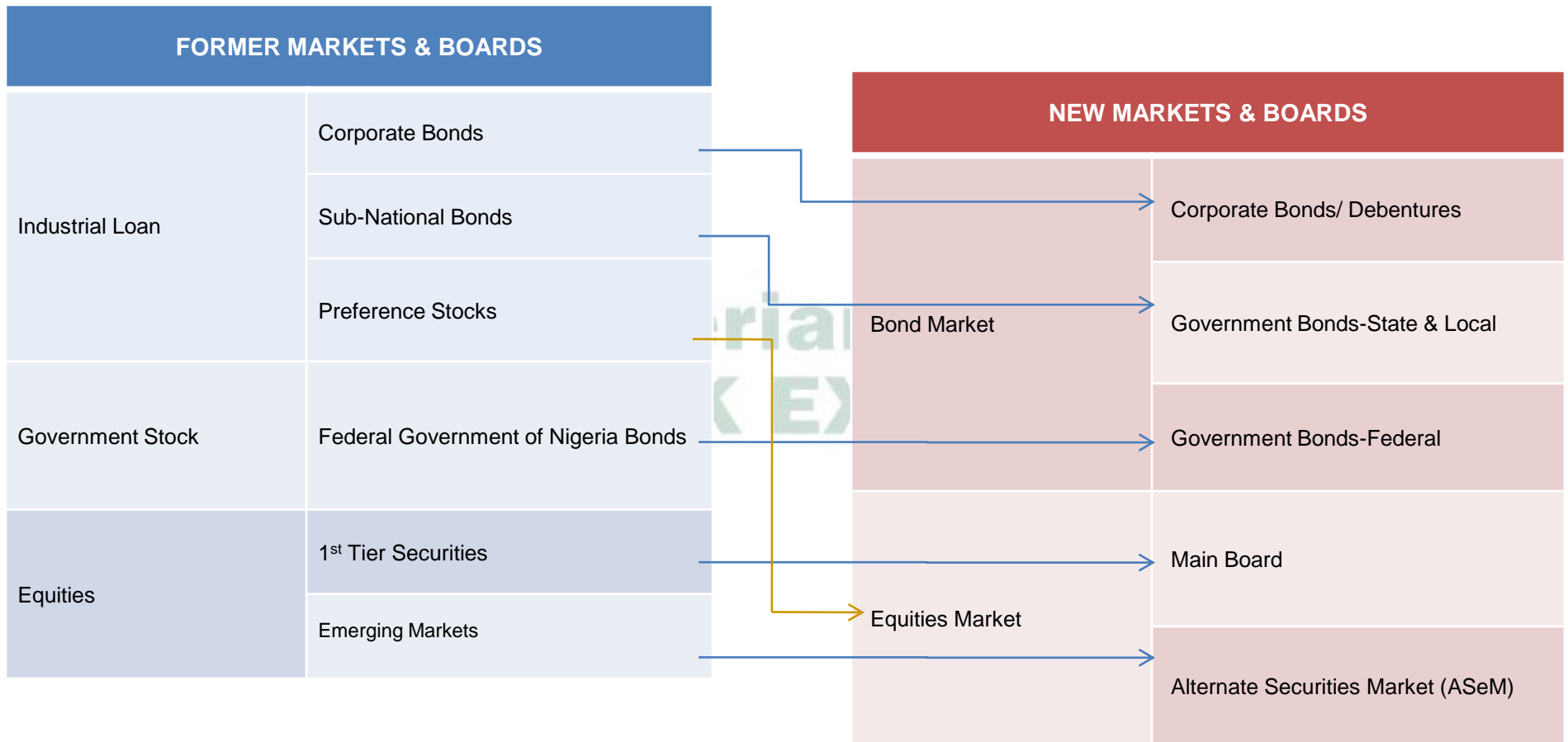
LAUNCH

1ST NOVEMBER, 2011

Objective and Scope

- Streamline markets and boards for accurate representation of investment instruments
- Streamline industry sectors to reflect Nigerian economic sectors
- Remove restrictions of current industry sectors to accommodate prospective issuers
- Provide a concise list of industry sectors that better reflect the listed stocks
- Conform to global standards
 - *Global Industry Classification System (GICS)*
 - *North American Industry Classification System (NAICS)*
 - *Australian and New Zealand Standard Industrial Classification (ANZSIC)*
 - *Standard Industrial Classification (SIC)*

Rebranded Markets & Boards



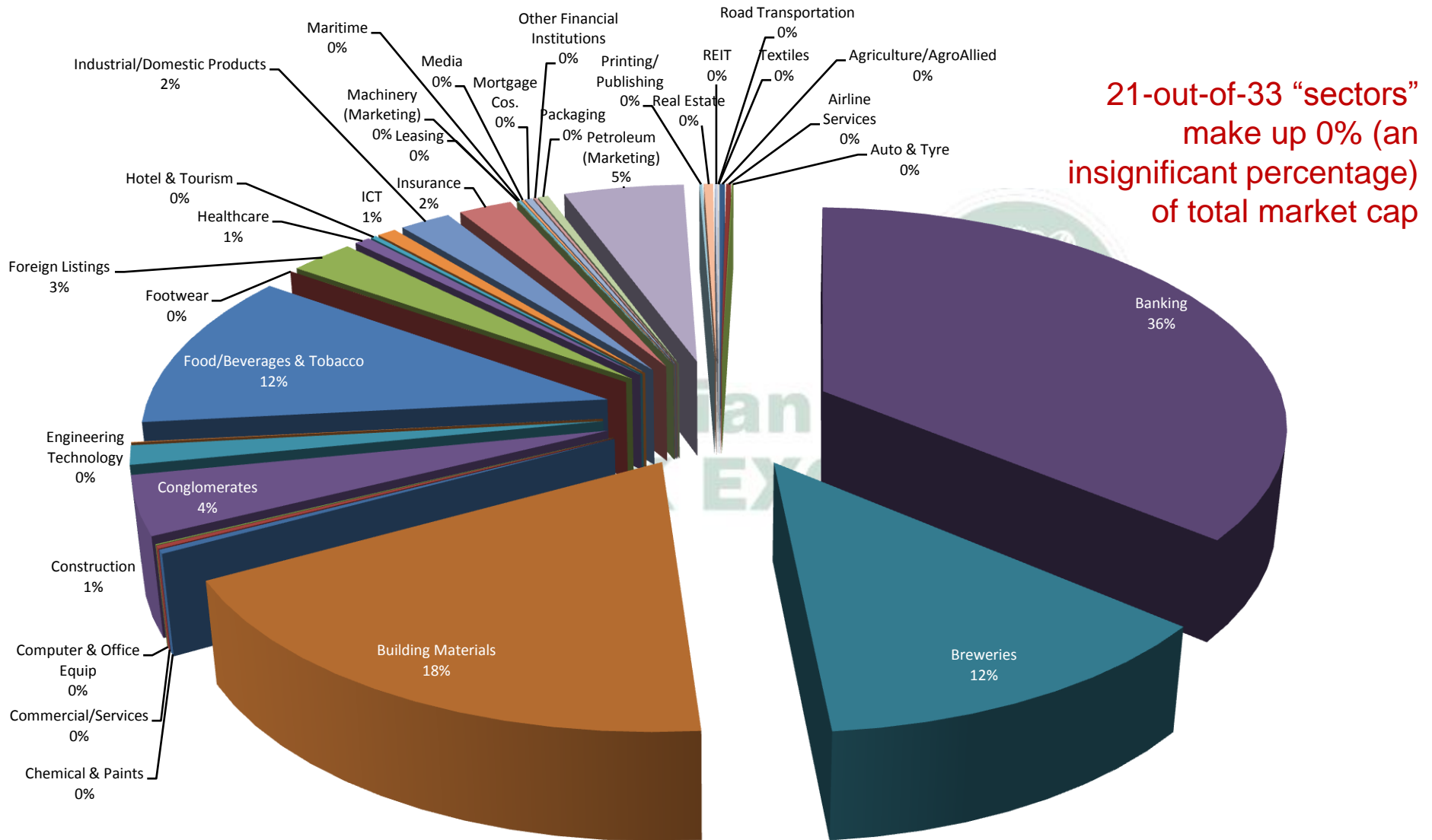
Sector Mapping

FORMER SECTORS	NEW SECTORS
Agriculture/Agro-Allied	1. Agriculture
Construction, Real Estate, REITs, Foreign Listings, ASeM	2. Construction/Real Estate
Automobile & Tyre, Breweries, Conglomerates, Food/Beverages & Tobacco, Industrial/Domestic Products, Textiles, ASeM	3. Consumer Goods
Banking, Insurance, Machinery (Marketing), Mortgage Companies, Other Financial Institutions, Preference Stock, Foreign Listings	4. Financial Services
Chemical & Paints, Healthcare, ASeM	5. Healthcare
Building Materials, Chemical & Paints, Engineering Technology, Machinery (Marketing), Packaging, ASeM	6. Industrial Goods
Commercial/Services, Computer & Office Equipment, ICT	7. Information & Communications Technology (ICT)
Computer/Office Equipment, Construction, Industrial/Domestic Products, ASeM	8. Natural Resources
Maritime, Petroleum (Marketing), ASeM	9. Oil & Gas
Airline Services, Automobile & Tyre, Commercial/Services, Conglomerates, Engineering Technology, Food/Beverages & Tobacco, Footwear, Hotel & Tourism, Leasing, Media, Packaging, Printing/Publishing, Road Transportation, ASeM	10. Services
-	11. Utilities
Conglomerates	12. Conglomerates

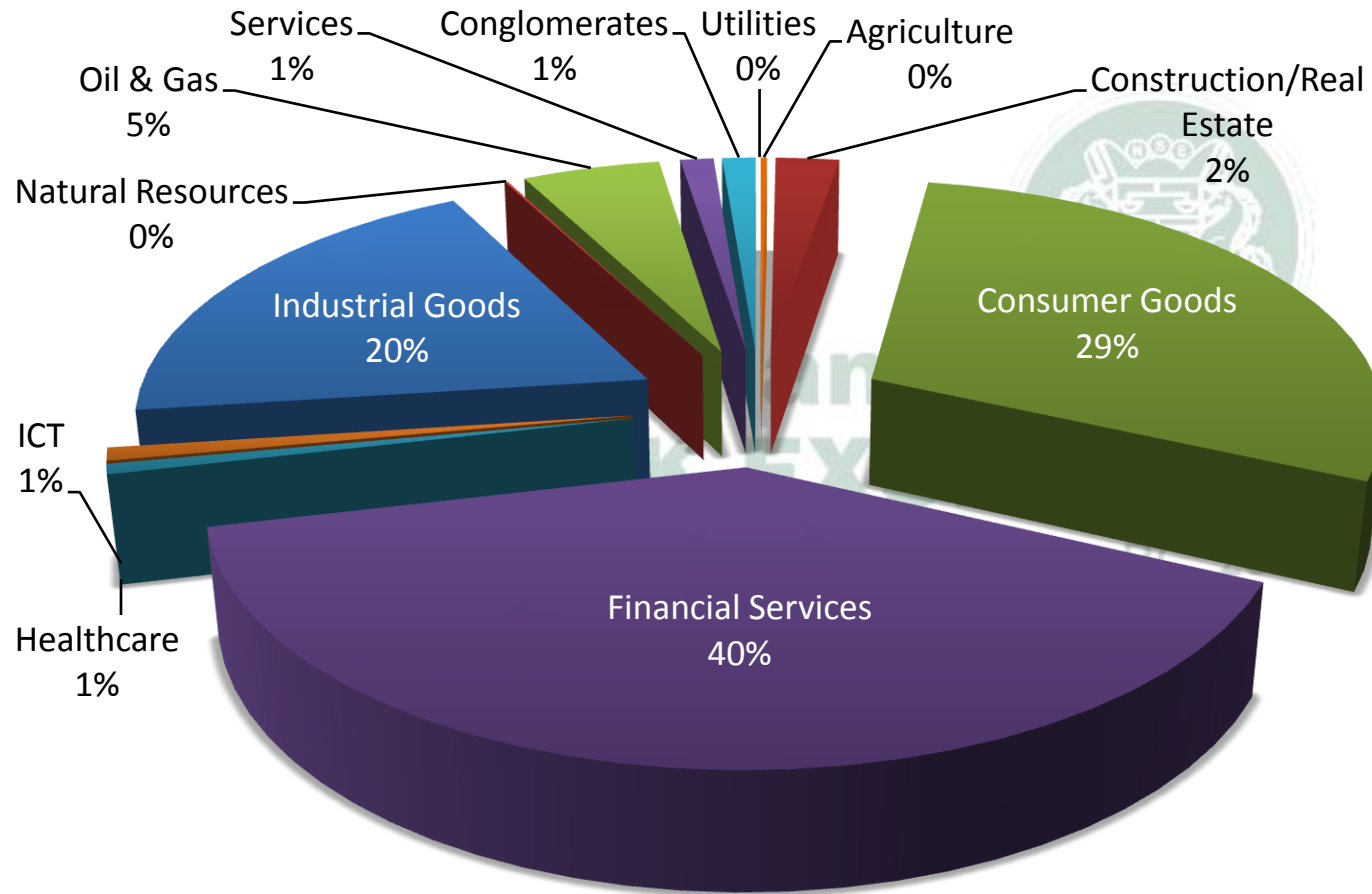
Sector Breakdown

NEW SECTORS	COS.	MARKET CAP - Naira (12-Mo. Avg., end May 2011)	MARKET CAP - USD (12-Mo. Avg, end May 2011) - N150.90:\$1 as of July 14, 2011 (CBN)
1. Agriculture	Main: 5	16,040,944,287.64	106,301,817.68
2. Construction/Real Estate	Main: 10	166,660,731,305.67	1,104,444,872.80
	ASeM: 1	38,610,000.00	255,864.81
3. Consumer Goods	Main: 30	2,077,409,463,016.71	13,766,795,646.23
	ASeM: 2	223,923,041.70	1,483,916.78
4. Financial Services	Main: 59	2,794,606,236,640.70	18,519,590,700.07
5. Healthcare	Main: 10	47,861,536,704.97	317,173,868.16
	ASeM: 1	12,449,425.00	82,501.16
6. Industrial Goods	Main: 24	1,372,522,740,837.87	9,095,578,136.77
	ASeM: 1	230,634,686.25	1,528,394.21
7. Information & Communications Technology (ICT)	Main: 10	60,926,411,492.36	403,753,555.28
8. Natural Resources	Main: 6	7,816,625,813.00	51,800,038.52
	ASeM: 1	3,325,000.00	22,034.46
9. Oil & Gas	Main: 10	361,848,728,275.54	2,397,937,231.78
	ASeM: 4	2,956,500,000.00	19,592,445.33
10. Services	Main: 21	87,518,265,131.84	579,975,249.38
	ASeM: 2	604,808,500.00	4,008,008.61
11. Utilities	Main: 0	-	-
12. Conglomerates	Main: 5	88,289,958,898.65	585,089,190.85

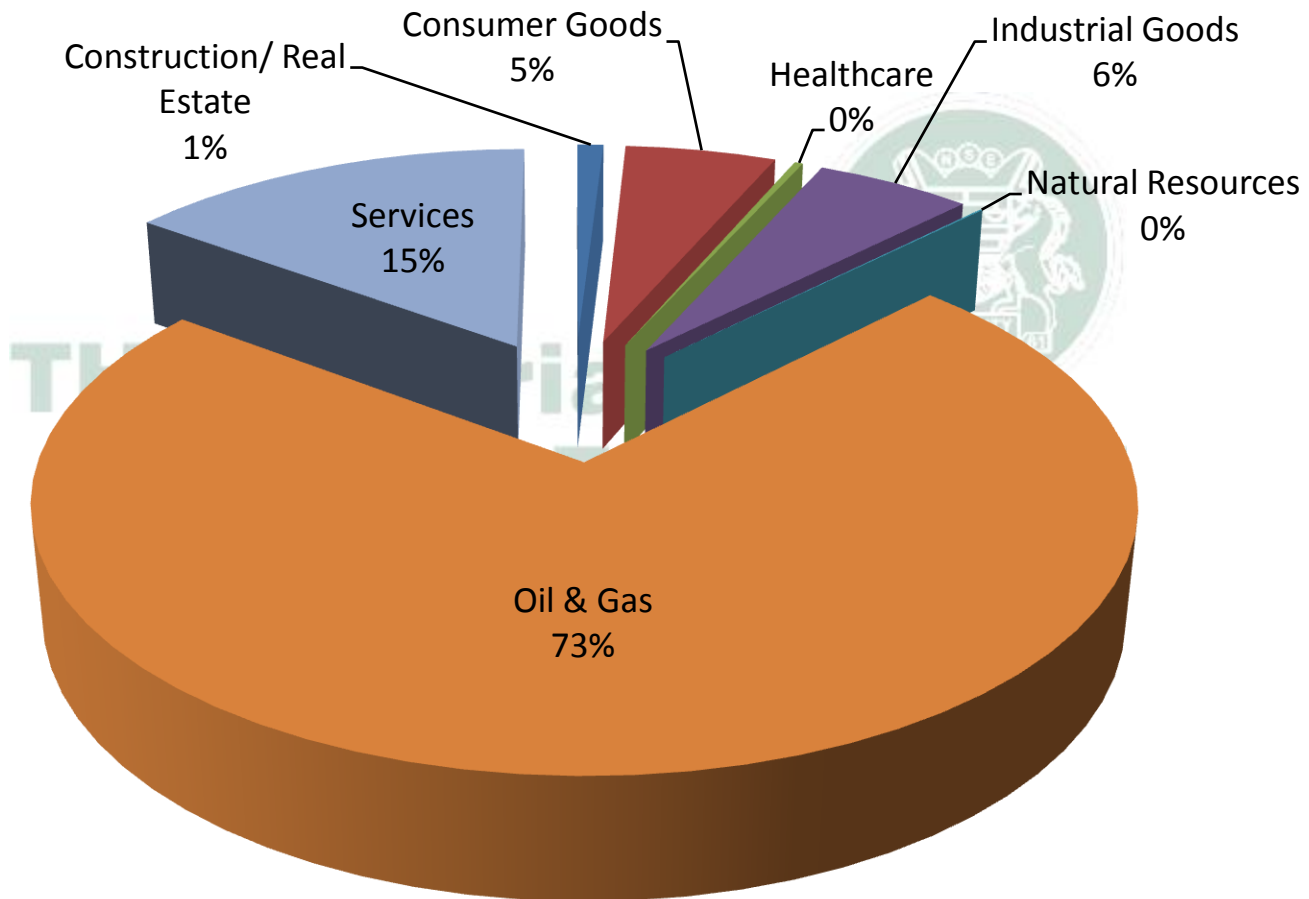
Former Sectors by Market Cap



New Sectors by Market Cap – Main Board



New Sectors by Market Cap - ASeM



Market Capitalization Classifications

Classification	Market Capitalization	No. of Listed Companies
Large	≥ \$1 billion	9
Medium	> \$150 million but < \$1 billion	28
Small	< \$150 million	170

Growth/Income Classifications

Classification	Criteria
Income	Avg. dividend payout for 5 years ≥ 30% of Earnings
Growth	Avg. dividend payout for 5 years < 30% of Earnings

Liquidity Classifications

Classification	Parameters	No. Listed Companies
Liquid	<p>> 70% of Tradable Day</p> <p>Volume Traded/No of Shares in Issue > 5%</p> <p>Average Value Traded per Day \geq N5 million</p>	42
Less Liquid	<p>30% - 70% of Tradable Days</p> <p>Volume Traded/No of Shares in Issue 4.99% - 1%</p> <p>Average Value per Day = N1 million – N4.99 million</p>	116
Illiquid	<p>< 30% of Tradable Day</p> <p>Volume Traded/No of Shares in Issue < 1%</p> <p>Average Value Traded per Day < N1 million</p>	49

Outcome

Contribute to improving liquidity in the market, and to renewing investor and issuer confidence, by increasing competitiveness, and creating greater visibility into our capital market for global investors, analysts and data vendors.

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For More Information

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