

## IPO Watch Europe Survey Q3 2008 (July – September): Full Analysis

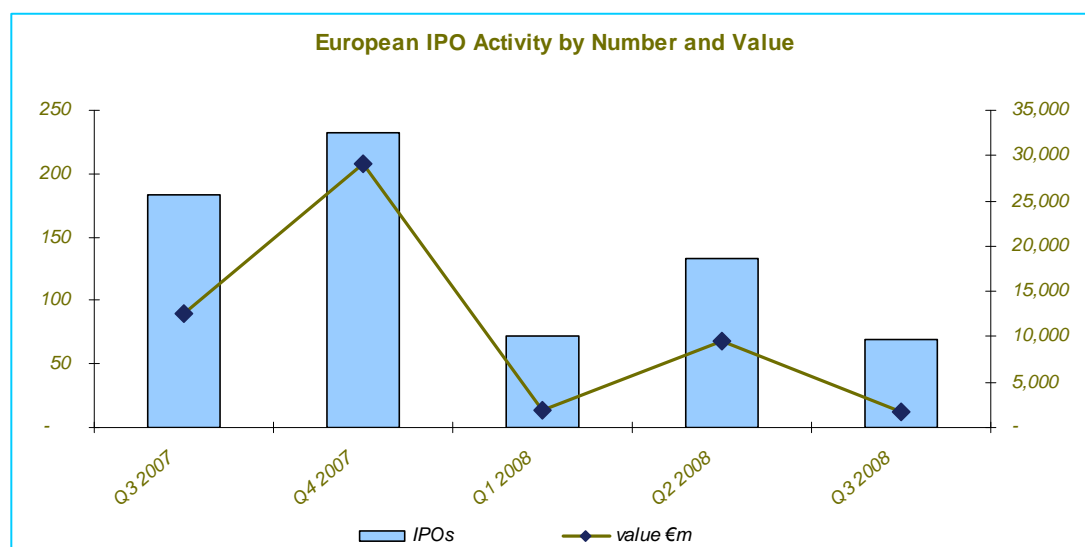
IPO Watch Europe, the PricewaterhouseCoopers survey tracking the volume and value of IPOs around Europe, shows the third quarter of 2008 has been highly disappointing for new listings, reflecting the worldwide loss of confidence in the capital markets.

The survey shows a dramatic decrease in both volume and value of IPOs compared to the second quarter of 2008. This is consistent with historical trends of lower IPO activity in the summer break; however the reduction in activity has been much more marked than that seen in the third quarter of 2007, reflecting the impact of the global economic situation.

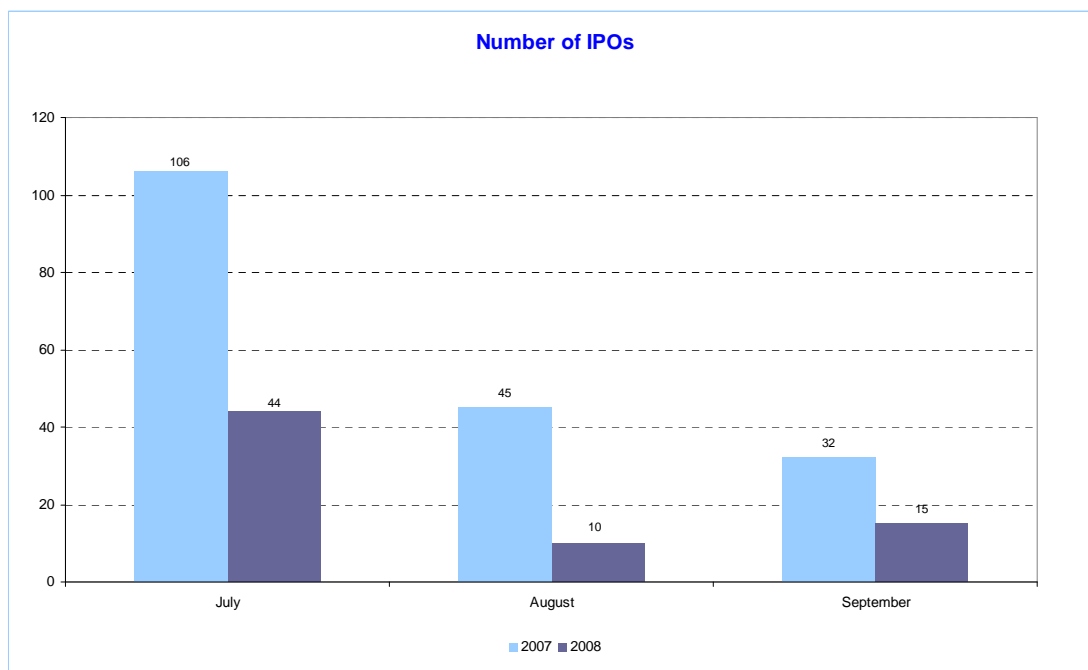
The overall trend was not only a reduction in the number of new listings (69 in Q3 2008 compared with 183 in same quarter of 2007, but also in the average amount of new money raised from €80m in Q3 2007 to €33m in Q3 2008. To an extent this reflects the fact that admissions have been completing while offerings have significantly declined.

The trend of international companies coming to the European markets continued in the third quarter, with IPOs by non-European companies representing 58% of the total offering value this quarter.

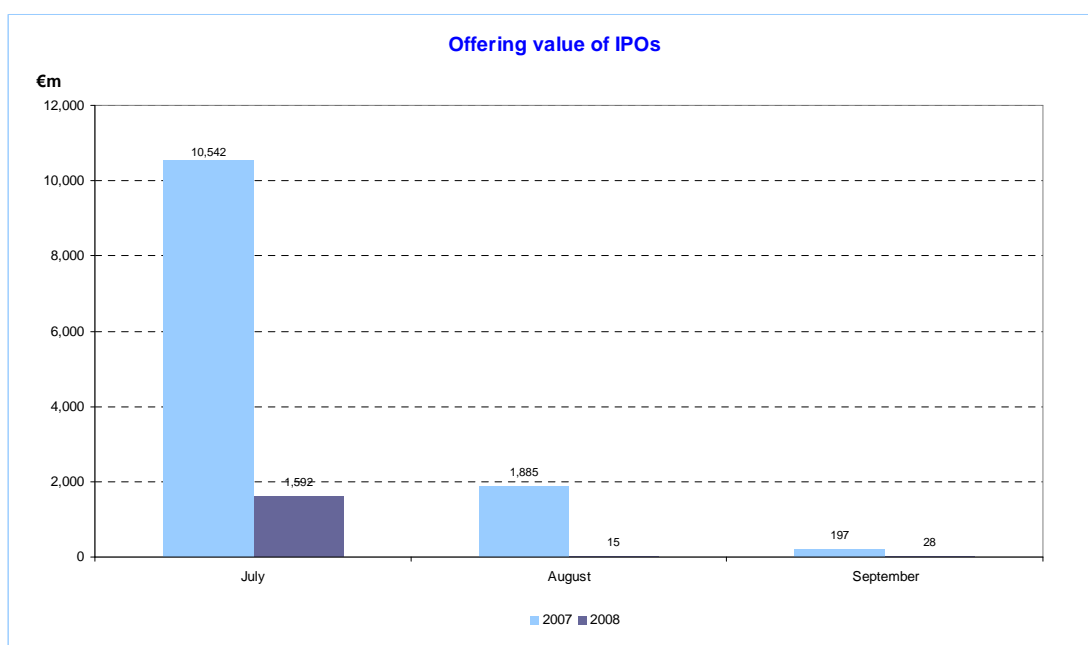
Looking to the future it is difficult to see when conditions will improve, although there are numerous companies preparing to IPO and they may find a window opening in the second quarter of 2009.



There were 69 IPOs on the European exchanges in the third quarter of 2008, a fall of 62% compared with the same period in 2007 which saw 183 IPOs. The volume of IPOs also decreased compared with the second quarter of 2008 which saw 133 IPOs. This reflects the fact that in 2008 the third quarter witnessed a significant downturn in the global economic situation.



The total offering value of IPOs on the European markets in the third quarter of 2008 was €1,635m, a huge reduction in money raised compared with the €12,624m raised in the third quarter of 2007. The fall in total offering value in this quarter was due to a fall in the number of IPOs and in particular in the number of large transactions. The largest IPO of the quarter, raising €444m, was that of Commercial Bank of Qatar compared with the IPO of Tognum AG, raising €1,800m as the largest IPO in the same quarter last year.



The average offering value for European IPOs raising new money reduced by 59% to €33m this quarter compared with €80m in the same period last year, also down from €82m in the second quarter of 2008.

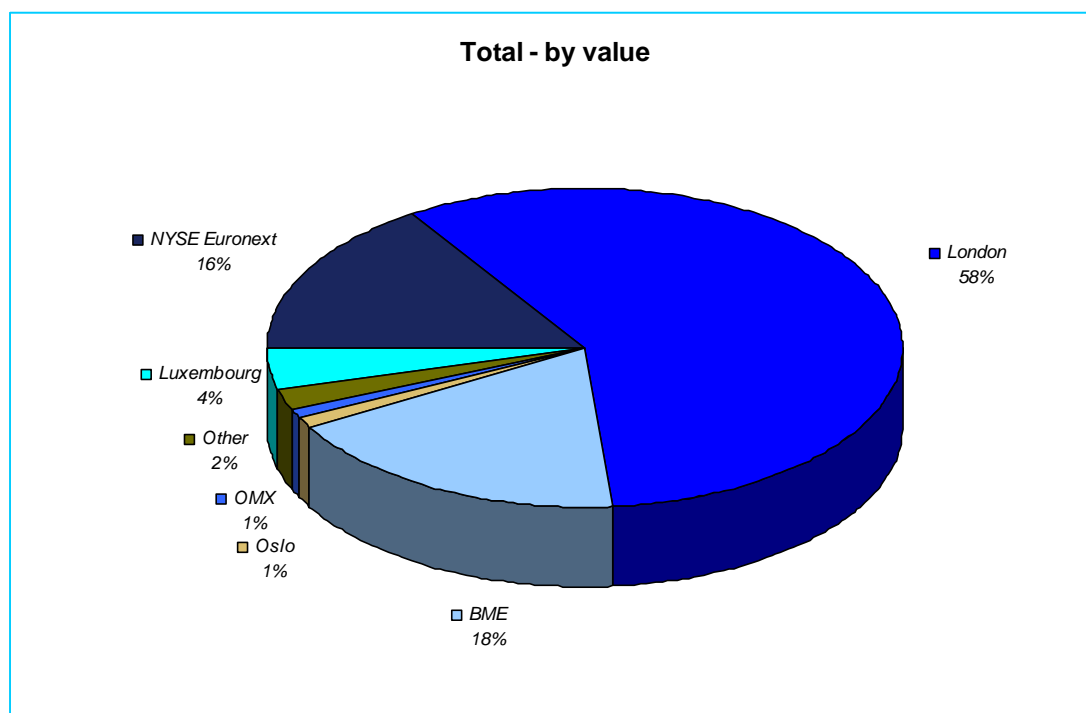
	Q3 2008	Q3 2007	Q2 2008
Total European listings comprise those with:			
- No money raised	19	25	18
- Money raised	50	158	115
<b>Average offering value (€m)</b>	<b>33</b>	<b>80</b>	<b>82</b>
Average offering value has been calculated based on total offering value over the number of listings raising money.			

This quarter, London continues to be the largest market in terms of offering value, raising €945m through 19 IPOs. The deterioration of Sterling against the Euro in 2008 has adversely impacted the quarter on quarter comparison of London IPO values as presented in Euros. On a constant exchange rate basis, money raised on London market in Q3 2008 would have been almost 20% higher.

Noticeably, all European markets have been significantly affected by the volatility in the financial markets, with the total money raised representing only 13% of that raised in the same quarter of 2007.

The two largest IPOs were on the Main Market in London. The largest IPO of the quarter was that by Commercial Bank of Qatar, raising €444m. The second largest IPO was that of investment company Global Mena Financial Assets Limited, which raised €318m. The third largest IPO was by Caja de Ahorros del Mediterraneo, a Spanish based bank, raising €292m on BME; the fourth largest IPO this quarter was by Germany1 Acquisitions Ltd, a Dutch investment company, which raised €250m from listing on NYSE Euronext; and the fifth largest IPO was by Resaca Exploitation Inc, an oil and gas exploitation company headquartered in the US which raised €67m on London's AIM market.

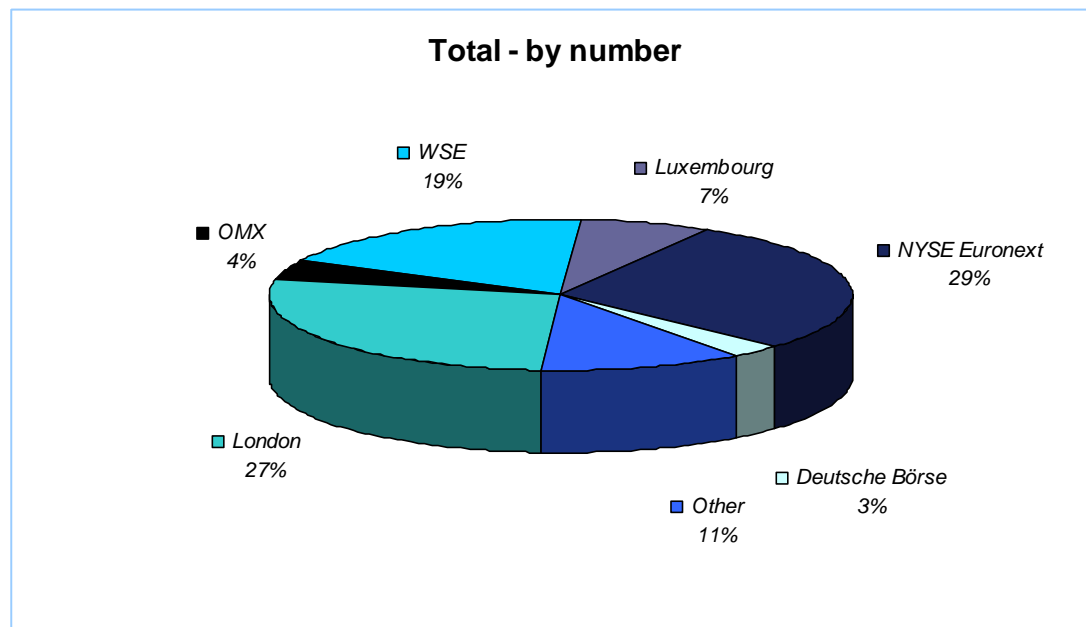
It is interesting to note in the current economic climate that the top five IPOs of the quarter are largely banks and investment companies.



In the third quarter London lost its lead by volume of IPOs to NYSE Euronext, which hosted 29% of all European IPOs. London's share of the market amounted to 27% and decreased compared to quarter three of 2007 when it hosted 43% of all European IPOs. London's market share decreased also in comparison with second quarter of 2008 when it hosted 34% of all European IPOs.

Three of the largest IPOs by value were hosted by London and consequently the other markets are still significantly behind London in terms of offering value.

Activity on London's AIM market plummeted compared with the same quarter in 2007, with 10 IPOs raising €108m in the third quarter of 2008, compared with 56 IPOs in the third quarter of 2007 raising €2,736m.



### International listings on European markets

Although IPO activity in the third quarter of 2008 has been significantly lower than in the same period in 2007, the European markets have continued to attract non-European companies which represent a greater proportion of IPO activity than in prior years. The money raised by non-European companies represented 58% of the total money raised on the European exchanges in quarter three of 2008, compared to 21% in quarter three of 2007. There were 22 IPOs by non-European companies in the quarter raising a total of €944m, a fall in both volume and offering value from quarter three of 2007 when there were 24 international IPOs raising €2,652m. This fall is consistent with the overall decline in IPO activities experienced this quarter.

Non-European companies chose London, Luxembourg, NYSE Euronext and Oslo as their destination.

London's Main Market attracted a total of four non-European IPOs raising a total of €764m, of which the majority related to the largest two IPOs this quarter, being the Commercial Bank of Qatar which raised €444m and Global Mena Financial Assets Limited which raised €318m. The first of these was a Global Depositary Receipts (GDR) offering by the second largest bank in Qatar. The latter was the IPO of a Kuwaiti private equity fund, incorporated in Guernsey, which is to be managed by a wholly owned subsidiary of the Kuwaiti investment bank, Global Investment House, which was the fourth largest IPO in the previous quarter.

AIM attracted eight non-European IPOs raising €106m, including Resaca Exploitation Inc, a USA based oil and gas company which raised €67m, and The Family Shariah Fund Limited, a Cayman Islands based investment company which raised €20m. Luxembourg had five GDR IPOs, raising €69m, all of which were from India. NYSE Euronext attracted four non-European IPOs including one on each of its NYSE Euronext (previously called Eurolist)

and Alternext markets and two on its Marche Libre market. The Alternext listing was a Chinese utilities company which raised €5m. The two listings on the Marche Libre market raised less than €1m in aggregate and the listing on the NYSE Euronext market did not raise any money. The Oslo Børs exchange attracted a US telecommunications company which did not raise any funds.

## Analysis of European Exchanges

Stock Exchange	IPOs Q3-2008	Offering Value (€m) Q3-2008	IPOs Q3-2007	Offering Value (€m) Q3-2007	IPOs Q2-2008	Offering Value (€m) Q2-2008
<b>TOTAL</b>						
London	19	945	79	6,354	46 (2)	6,298 (2)
BME	1	292	-	-	-	-
NYSE Euronext	20	260	34	1,969	15	1,615
Luxembourg	5	69	2	9	6	49
SWX	2 (1)	12 (1)	1	107	3	412
Oslo Børs & Oslo Axess	2	19	1	30	7	30
OMX	3	15	10	294	10	178
WSE	13	14	31	402	37 (2)	1,890 (2)
Borsa Italiana	2	9	9	938	2	14
Deutsche Börse	2	-	13	2,319	8	330
ISE	1 (1)	- (1)	1	50	-	-
Wiener Börse	-	-	1	21	-	-
Athens Stock Exchange	-	-	1	131	-	-
<b>Europe Total</b>	<b>69</b>	<b>1,635</b>	<b>183</b>	<b>12,624</b>	<b>133</b>	<b>9,426</b>
Stock Exchange	IPOs Q3-2008	Offering Value (€m) Q3-2008	IPOs Q3-2007	Offering Value (€m) Q3-2007	IPOs Q2-2008	Offering Value (€m) Q2-2008
<b>EU REGULATED</b>						
London (Main)	9	837	23	3,618	21 (2)	5,459 (2)
BME	1	292	-	-	-	-
NYSE Euronext (Euronext)	4	250	11	1,913	4	1,596
SWX	2 (1)	12 (1)	1	107	3	412
OMX (Main)	2	15	5	208	5	137
Borsa Italiana	2	9	9	938	2	14
WSE (Main)	3	2	21	380	17 (2)	1,875 (2)
Oslo Børs	1	-	-	-	3	2
ISE	1 (1)	- (1)	-	-	-	-
Luxembourg	-	-	-	-	-	-
Deutsche Börse	-	-	5	2,292	2	324
Wiener Börse	-	-	1	21	-	-
Athens Stock Exchange	-	-	1	131	-	-
<b>EU regulated sub-total</b>	<b>24</b>	<b>1,417</b>	<b>77</b>	<b>9,608</b>	<b>56</b>	<b>8,429</b>
<b>EXCHANGE REGULATED</b>						
London (AIM)	10	108	56	2,736	23	699
Luxembourg (EuroMTF)	5	69	2	9	6	49
Oslo Axess	1	19	1	30	4	28
WSE (NewConnect)	10	12	10	22	20	15
NYSE Euronext (Alternext)	2	9	6	40	2	17
NYSE Euronext (Marche Libre)	14	1	17	16	9	2
Deutsche Börse (Entry Standard)	2	-	8	27	6	6
OMX (First North)	1	-	5	86	5	41
London (PSM)	-	-	-	-	1	71
London (SFM)	-	-	-	-	1	69
ISE (IEX)	-	-	1	50	-	-
<b>Exchange regulated sub-total</b>	<b>45</b>	<b>218</b>	<b>106</b>	<b>3,016</b>	<b>77</b>	<b>997</b>
<b>Europe Total</b>	<b>69</b>	<b>1,635</b>	<b>183</b>	<b>12,624</b>	<b>133</b>	<b>9,426</b>
(1) Arysta AG listed on the Swiss and Ireland (Main) Stock Exchanges with no money raised.						
(2) New World Resources listed on London (Main), WSE (Main) and on the Prague Stock Exchange raising €1,390m.						

BME was the second largest exchange by money raised in the third quarter of 2008. All the money was raised by the IPO of Caja de Ahorros del Mediterraneo, a Spanish savings bank which raised €292m. BME had no IPOs in the third quarter of 2007 or in the second quarter of 2008.

NYSE Euronext was the third largest exchange in terms of money raised and the largest exchange by volume in the third quarter of 2008, with 20 IPOs raising €260m. The majority of the money raised was attributable to the IPO of a Dutch special purpose acquisition company (an investment vehicle set up to raise money from the public in order to acquire existing companies), Germany1 Acquisition Ltd, which raised €250m on the NYSE Euronext market. In line with the overall IPO trends this quarter, activity on the exchange fell compared to the third quarter of 2007 when it saw 34 IPOs raising €1,969m

Luxembourg hosted five IPOs in the third quarter of 2008 raising €69m, an increase in IPO activity and money raised compared with the same quarter of 2007 which saw 2 IPOs raising a total of €9m on the exchange. All five IPOs were by Indian companies offering GDRs which demonstrates that Luxembourg remains the market of choice for Indian companies issuing GDRs in Europe.

SWX hosted two IPOs raising €12m in the third quarter of 2008. All the money was raised by Edisun Power Europe AG, Swiss utilities company. The second IPO on SWX was that of the dual listed company Arysza AG, which listed on both SWX and the ISE and raised no money. This activity represents a decrease in the money raised when compared with the same quarter in 2007 which saw €107m raised from one IPO.

The Oslo exchanges, Børs and Axess, together hosted two IPOs this quarter raising €19m. The funds raised were solely attributable to the IPO of a Norwegian technology company on the Oslo Axess market. This represents a fall in money raised when compared to the same quarter in 2007 which saw €30m raised from one IPO.

WSE hosted 13 IPOs raising €14m in the third quarter of 2008, a significant fall in both volume and value of IPOs compared to quarter three of 2007, which hosted 31 IPOs raising €402m. There has also been a significant decrease in terms of both volume and money raised as compared with quarter two of 2008, which hosted 37 IPOs which raised €1,890m, of which €1,390m was due to the listing of New World Resources on the WSE, London's Main Market and the Prague Stock Exchange.

Borsa Italiana hosted two IPOs this quarter raising €9m, which represents a significant decrease in activity from the same quarter in 2007 when the exchange saw 9 IPOs raising €938m.

Deutsche Börse hosted two IPOs on its Entry Standard market in the second quarter of 2008, neither of which raised any funds. This is a significant fall in both volume and value of IPOs compared with quarter three of 2007 where it hosted 13 IPOs raising €2,319m.

The ISE hosted one IPO this quarter, being the dual listed company Arysza AG, which also listed on the SWX but did not raise any funds. In the same quarter of 2007 this exchange hosted one IPO which raised €50m.

Weiner Börse and the Athens Stock exchange had no IPO activity this quarter.

## Sector Breakdown

The most active sectors by number of IPOs this quarter were the Industrial Goods and Services and the Investment Companies sectors with 10 and 9 IPOs respectively. This however represents a decrease from 38 and 31 IPOs, respectively, in the same quarter of 2007 and from 21 IPOs each in quarter two of 2008. The third most active sector was the Technology sector with eight IPOs, followed by the Oil and Gas sector with six IPOs.

It is important to note that the slowdown in the European IPO market this quarter has been felt across the majority of sectors, with all but three sectors, being Utilities, Banks and Health Care, seeing a reduction compared with quarter three in 2007. The most significant decreases occurred in the Industrial Goods and Services sector and the Investment Companies sector which each saw decreases of 28 and 22 IPOs respectively.

Similarly all but three sectors, being Media, Banks and Health Care, have seen a decrease in the volume of IPOs when compared to quarter two of 2008.

Sector	Company IPOs Q3- 2008	Company IPOs Q3- 2007	Company IPOs Q2- 2008
Industrial Goods & Services	10	38	21
Investment Companies	9	31	21
Technology	8	13	14
Oil & Gas	6	8	9
Financial Services	5	10	8
Media	5	12	4
Utilities	4	2	5
Mining	3	5	5
Telecommunications	3	3	4
Banks	3	1	-
Travel & Leisure	2	11	2
Personal & Household Goods	2	9	8
Retail	2	5	8
Real Estate	2	7	7
Food & Beverage	2	2	7
Construction & Materials	1	8	4
Chemicals	1	1	2
Health Care	1	-	-
Pharmaceuticals & Biotech	-	5	4
Insurance	-	4	-
Basic Resources	-	5	-
Automobiles & Parts	-	3	-
<b>Total</b>	<b>69</b>	<b>183</b>	<b>133</b>

## The US Exchanges

In the third quarter of 2008 the US exchanges saw a decline in IPO activity with 12 IPOs raising €1,210m, compared with 44 IPOs raising €8,402m in the third quarter of 2007, a decrease of 73% in the volume and of 86% in the offering value of IPOs. The US exchanges have also experienced a decrease in both the volume and offering value of IPOs compared with the second quarter of 2008, with the number of IPOs falling from 17 to 12 and the money raised falling from €3,447m to €1,210m.

The US attracted five international IPOs raising €408m, including three from China and one from each of Korea and Singapore.

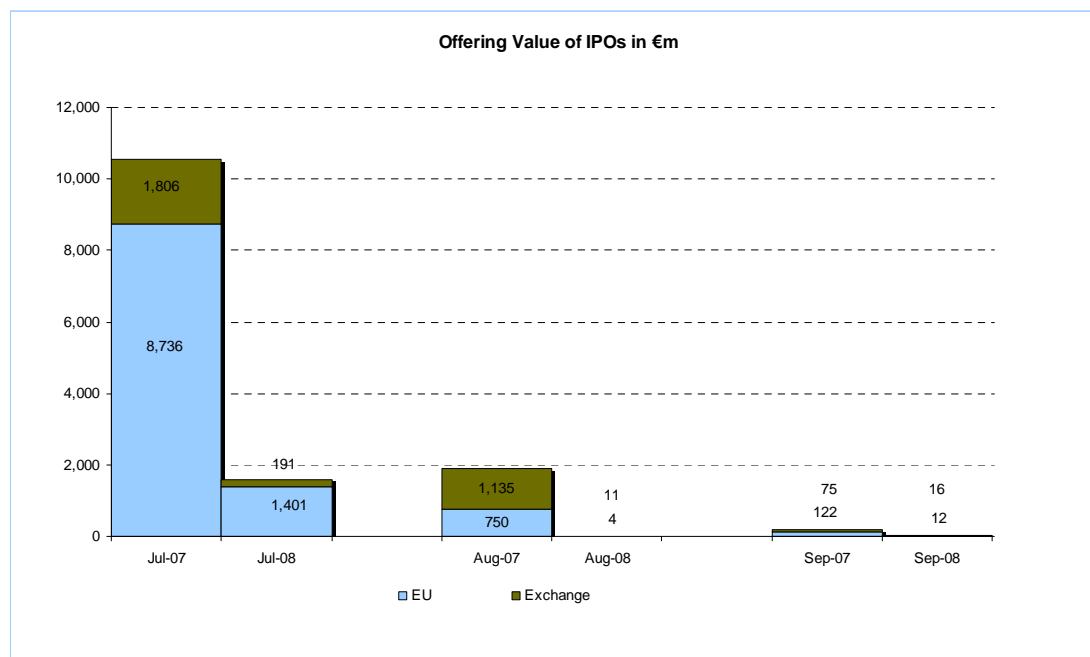
Stock Exchange	IPOs Q3-2008	Offering Value (€m) Q3-2008	IPOs Q3-2007	Offering Value (€m) Q3-2007	IPOs Q2-2008	Offering Value (€m) Q2-2008
NASDAQ	7	733	23	1,984	6	603
NYSE	4	445	17	6,058	10	2,839
AMEX	1	32	4	360	1	5
<b>US Total</b>	<b>12</b>	<b>1,210</b>	<b>44</b>	<b>8,402</b>	<b>17</b>	<b>3,447</b>

## Russia

There were six IPOs in Russia this quarter, none of which raised any money. Three of these were from the Utilities sector, two from the Food and Beverage sector and one from the Mining sector. This compared with two IPOs in the third quarter of 2007 which also raised no money, and to the activity in quarter two of 2008 when Russia saw three IPOs which together raised €0.1m.

## Additional data tables

### Split between EU-regulated and Exchange-regulated markets



### Five Largest IPOs

Five largest IPOs of Q3 2008			
	€m raised	Sector	Market
Commercial Bank of Qatar	444	Banks	London
Global Mena Financial Assets Limited	318	Investment Company	London
Caja de Ahorros del Mediterraneo (CAM)	292	Banks	BME
Germany1 Acquisition Ltd	250	Investment Company	Euronext
Resaca Exploitation Inc	67	Oil & Gas	London
Five largest IPOs of Q3 2007			
	€m raised	Sector	Market
Tognum AG	1,800	Industrial Goods & Services	Deutsche Börse
Guaranty Trust Bank	558	Banks	London
Alliance Bank JSC	524	Banks	London
Vimetco NV	428	Basic Resources	London
Third Point Offshore Investors Ltd	387	Investment Company	London
Five largest IPOs of Q2 2008			
	€m raised	Sector	Market
EDP Renováveis SA	1,566	Utilities	NYSE Euronext
New World Resources NV	1,390	Mining	London/WSE
Fresnillo Plc	1,143	Mining	London
Global Investment House	735	Financial Services	London
BH Global Ltd	674	Investment Company	London