

IPO Watch Europe Survey Q4 2008 (October – December): Full Analysis

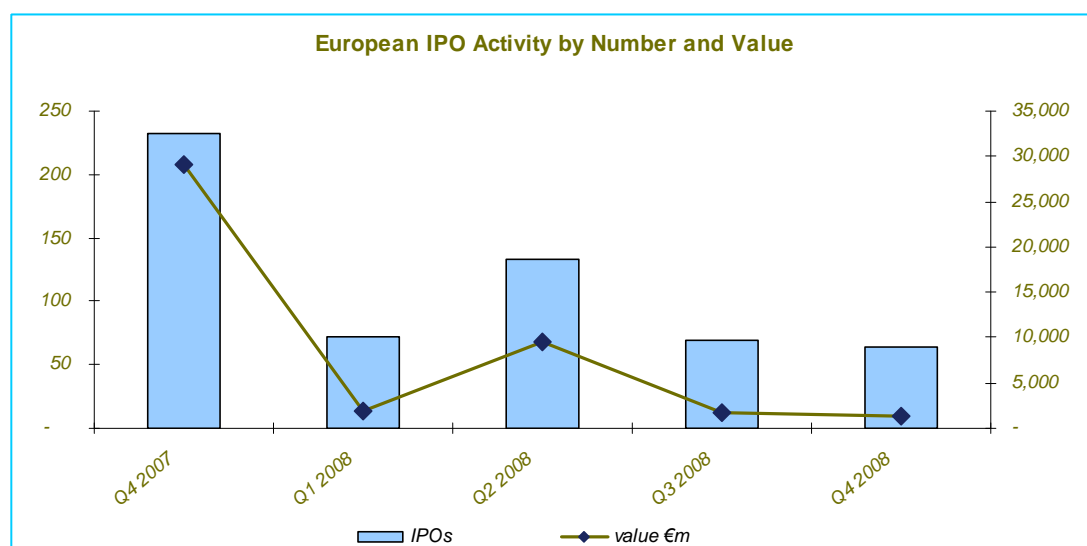
IPO Watch Europe, the PricewaterhouseCoopers survey tracking the volume and value of IPOs around Europe, paints an extremely gloomy picture across all of the main European exchanges as they continue to suffer from the worldwide loss of confidence in the capital markets and highly volatile market conditions.

The survey shows a decrease in both volume and value of IPOs compared to what was already a disappointing third quarter of 2008 and a dramatic decrease in IPO activity compared to the fourth quarter of 2007. The fourth quarter typically displays strong IPO activity, however due to the current global economic situation the fourth quarter of 2008 has recorded the lowest IPO activity since the first quarter of 2003, when market confidence was weakened by the uncertainty surrounding events in the Middle East.

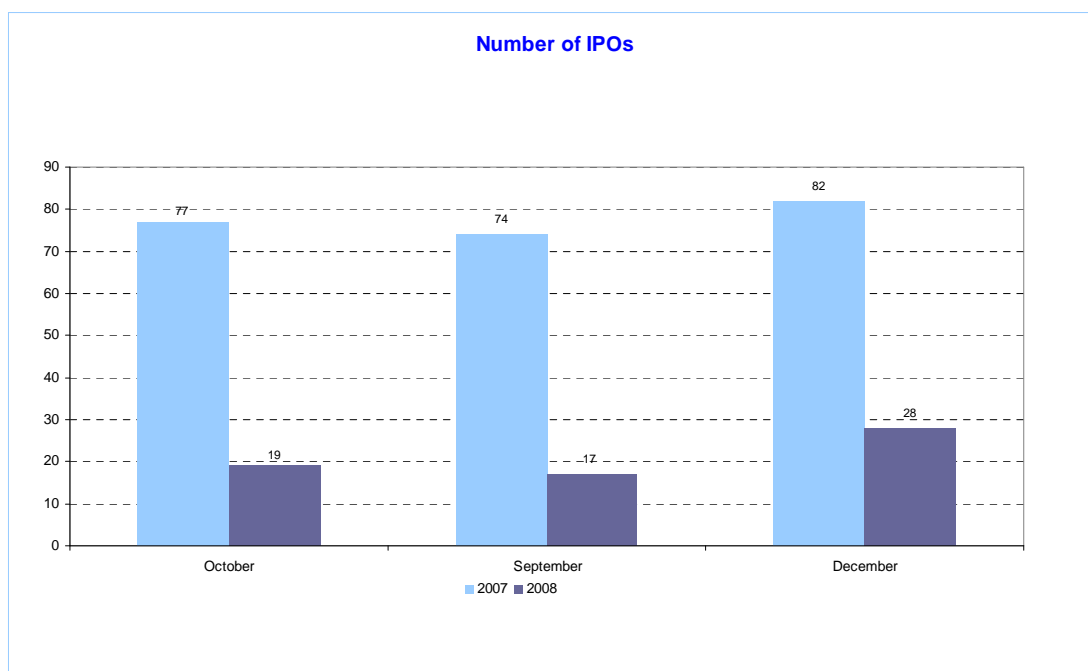
The overall trend in the fourth quarter of 2008 has seen a huge 73% reduction in the number of new listings (64 in the fourth quarter of 2008 compared with 233 in same quarter of 2007), and a dramatic 96% reduction in the new money raised (from €29,112m in the fourth quarter of 2007 to just €1,238m in fourth quarter of 2008). The largest two IPOs during the quarter accounted for 97% of the total money raised, leaving just €32m raised by the remaining 62. This reflects the fact that many IPOs were admissions raising no new money.

The number of international companies coming to the European markets also declined significantly in the fourth quarter of 2008, which saw just seven international IPOs raising a total €3m. This compares to €944m raised by international IPOs in the third quarter of 2008 and €7,514m in fourth quarter of 2007.

Looking to the future it is difficult to see when market conditions will improve especially in light of the continuing decline in European IPO activity witnessed in the fourth quarter of 2008, however it is unlikely that the European IPO market will improve before the fourth quarter of 2009 at the earliest.

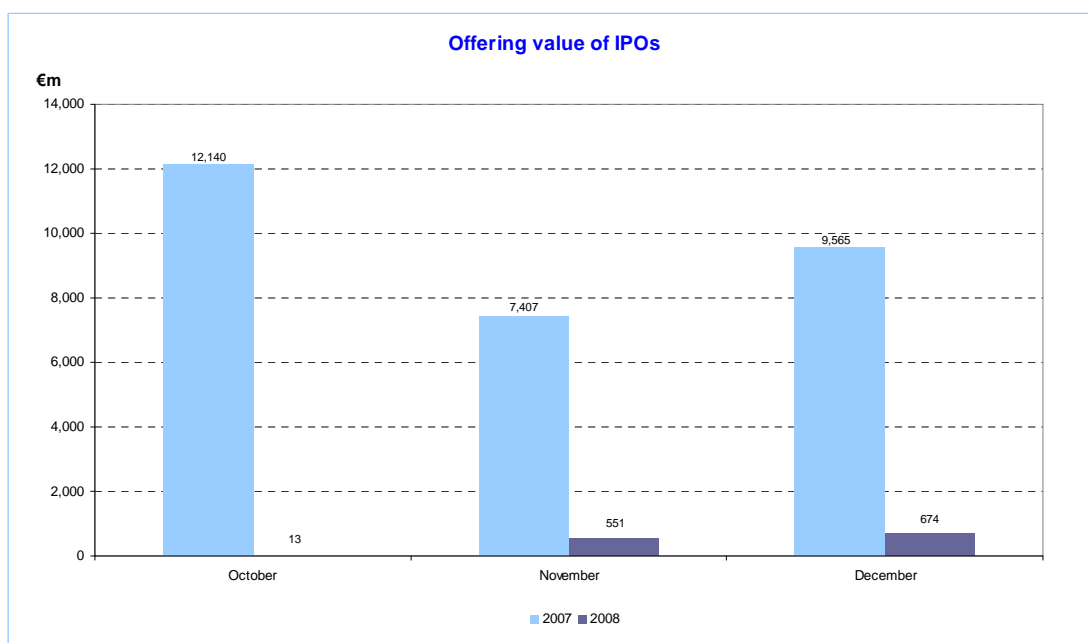


There were 64 IPOs on the European exchanges in the fourth quarter of 2008, a fall of 73% compared with the same period in 2007 which saw 233 IPOs. The volume of IPOs also decreased compared with the third quarter of 2008 which saw 69 IPOs. This reflects the fact that the fourth quarter of 2008 has seen the European equity markets effectively closed for business as the global economic situation remains unstable.



The total offering value of IPOs on the European markets in the fourth quarter of 2008 was €1,238m, a massive reduction in money raised compared with the €29,112m raised in the fourth 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 was that of Resolution Limited, raising €660m on London's Main Market, followed by Enea which raised €546m on the Main Market of the Warsaw Stock Exchange (WSE).

These values were dwarfed by the two largest IPOs from the same quarter last year when Iberdrola Renovables and Criteria Caixa Corporation raised €4,070m and €3,452m respectively on the Spanish exchange, BME. The reduced IPO activity is highlighted by the fact that the total offering value across Europe in fourth quarter of 2008 represents only 30% of the single largest IPO value in the same quarter of 2007.



The average offering value for European IPOs raising new money reduced by 75% to €36m this quarter compared with €145m in the same period last year, but marginally increased from €33m in the third quarter of 2008.

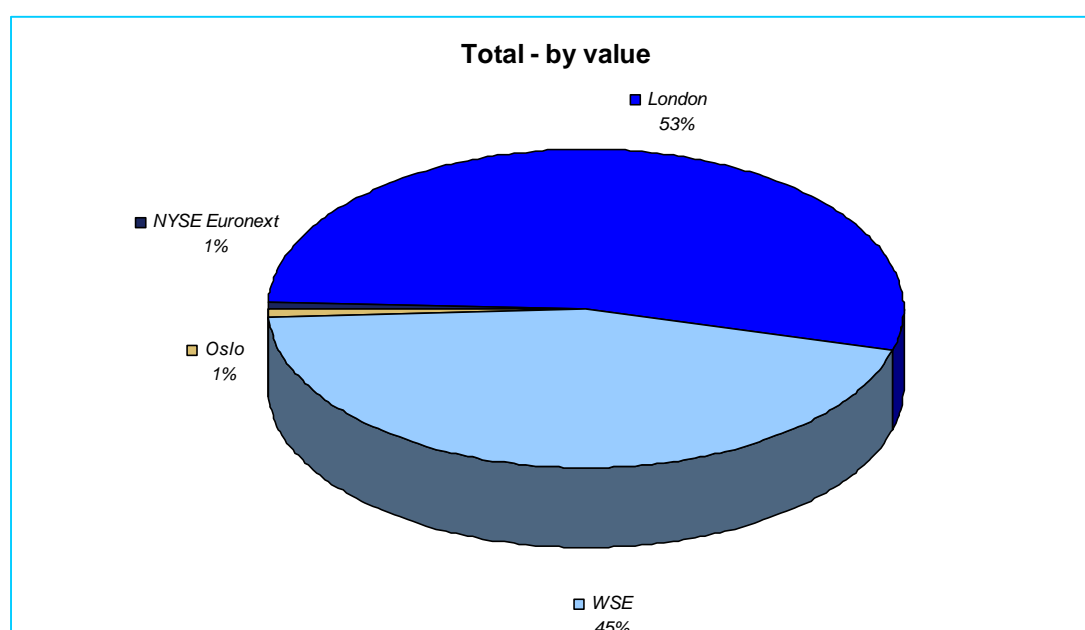
	Q4 2008	Q4 2007	Q3 2008
Total European listings comprise those with:			
- No money raised	30	32	19
- Money raised	34	201	50
Average offering value (€m)	36	145	33
Average offering value has been calculated based on total offering value over the number of listings raising money.			

This quarter, London continues to hold its lead as the largest market in terms of offering value, raising €666m through 12 IPOs and accounting for 53% of the total money raised across the major European exchanges. This was a dramatic decrease compared to the fourth quarter of 2007 which saw 80 IPOs raising a total of €9,349m. It should also be noted that 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 the London market in the fourth quarter of 2008 would have been almost 21% higher.

This quarter saw the WSE as the second largest market in terms of offering value, raising €555m through 23 IPOs and accounting for 45% of the total money raised across the major European exchanges. This represents a reduction in the volume of IPOs for the WSE, but an increase in the offering value compared to the fourth quarter of 2007, which saw 42 IPOs raise a total of €462m.

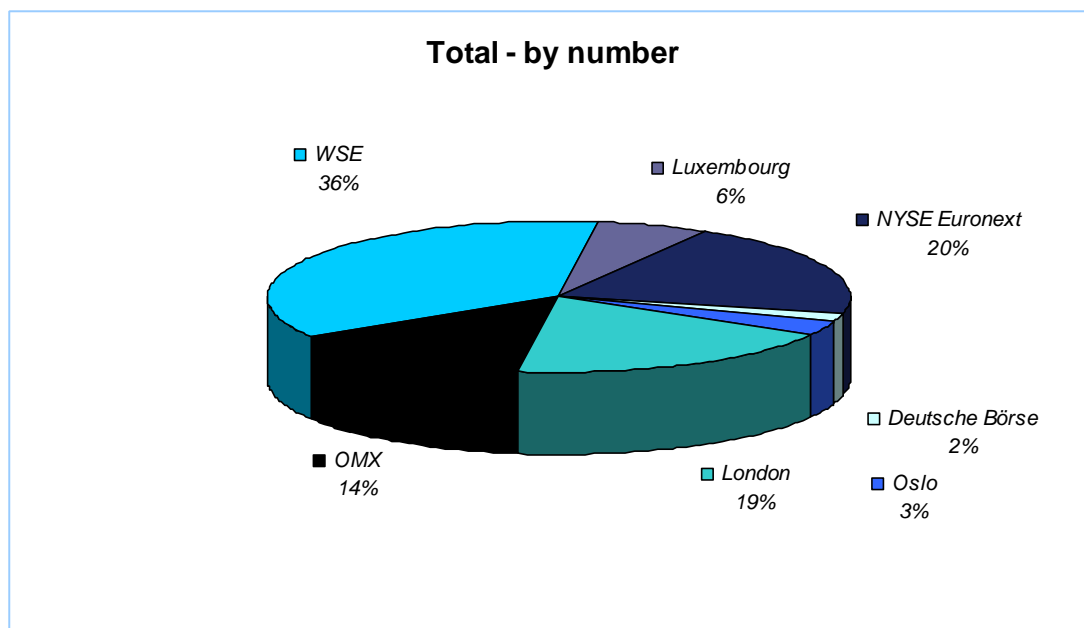
Predictably, all of the European markets have been significantly affected by the volatility in the financial markets caused by the global credit crisis and recession, with the total money raised representing only 4% of that raised in the same quarter of 2007.

As stated above, the largest IPO this quarter was that of the Guernsey incorporated special purpose acquisition company, Resolution Limited, which raised €660m on London's Main Market. The second largest IPO was Polish energy company Enea which raised €546m on the Main Market of the WSE. Together these two largest IPOs accounted for 97% of the total money raised this quarter. The third largest IPO was that of Norwegian industrial goods and services company Borgestad Industries raising €11m; the fourth largest IPO this quarter was by Atrem, a Polish engineering company, which raised €6m from listing on the Main Market of the WSE; and the fifth largest IPO was by Foncière Sepric, a French based company engaged in real estate operations, which raised €5m on NYSE Euronext.



In the fourth quarter of 2008 the WSE led by volume with 36% of all European IPOs, followed by NYSE Euronext with 20%, and London with 19%. WSE's market share has increased compared to both the fourth quarter of 2007 and the third quarter of 2008 when it hosted 18% and 19% of all European IPOs respectively. NYSE Euronext's market share has also increased from the same quarter last year when it hosted 13% of all European IPOs, however it has decreased from 29% in the previous quarter of 2008. London's share decreased compared to both quarter four of 2007 and quarter three of 2008 where it hosted 34% and 28% respectively of all European IPOs.

Activity on London's AIM market plummeted compared with the same quarter in 2007, with nine IPOs raising just €3m in the fourth quarter of 2008, compared with 54 IPOs in the fourth quarter of 2007 raising €1,848m.



International listings on European markets

The global credit crisis has had a significant impact on the number and value of international IPOs across the European markets in the fourth quarter of 2008 with a major reduction compared to prior years. The money raised by non-European companies represented less than 1% of the total money raised on the European exchanges in quarter four of 2008, compared to 26% in quarter four of 2007. There were just seven IPOs by non-European companies in the quarter raising a total of €3m, a dramatic fall in both volume and offering value from the fourth quarter of 2007 when there were 48 international IPOs raising €7,514m. This fall is consistent with the significant decline in IPO activity across the European exchanges this quarter.

Non-European companies continued to choose London, Luxembourg and NYSE Euronext as their destination.

London's AIM Market attracted one non-European IPO this quarter which raised €3m, being the Malaysian based healthcare company Medilink-Global UK Limited. NYSE Euronext attracted a total of five non-European IPOs this quarter, including one on its NYSE Euronext (previously called Eurolist) and two on each of its Alternext and Marche Libre markets. None of the Alternext listings, of a US biotechnology company and a Chinese tool making company, or the NYSE Euronext listing, of a global travel and leisure company, raised any money. The two listings on the Marche Libre market raised less than €0.1m in aggregate and were both

Hong Kong based companies. Luxembourg attracted one Global Depositary Receipt (GDR) IPO of a BVI based real estate investment company which did not raise any funds. This quarter saw Luxembourg move away from its recent trend of hosting a number of Indian GDR transactions.

Analysis of European Exchanges

Stock Exchange	IPOs Q4-2008	Offering Value (€m) Q4-2008	IPOs Q4-2007	Offering Value (€m) Q4-2007	IPOs Q3-2008	Offering Value (€m) Q3-2008
TOTAL						
London	12	666	80	9,349	19	945
WSE	23	555	42	462	13	14
Oslo Børs & Oslo Axess	2	11	15	607	2	19
NYSE Euronext	13	6	30	3,489	20	260
OMX	9	-	24	1,057	3	15
Luxembourg	4	-	7	672	5	69
Deutsche Börse	1	-	15	1,395	2	-
BME	-	-	7	8,337	1	292
SWX	-	-	4	1,578	2 (1)	12 (1)
Borsa Italiana	-	-	5	626	2	9
ISE	-	-	1	8	1 (1)	- (1)
Wiener Börse	-	-	1	1,184	-	-
Athens Stock Exchange	-	-	2	348	-	-
Europe Total	64	1,238	233	29,112	69	1,635
EU REGULATED						
London (Main)	3	663	22	6,014	9	837
WSE (Main)	6	552	28	443	3	2
NYSE Euronext (Euronext)	2	5	6	3,392	4	250
Luxembourg	3	-	-	-	-	-
OMX (Main)	2	-	12	828	2	15
Oslo Børs	-	-	6	453	1	-
BME	-	-	7	8,337	1	292
SWX	-	-	4	1,578	2 (1)	12 (1)
Borsa Italiana	-	-	5	626	2	9
ISE	-	-	-	-	1 (1)	- (1)
Deutsche Börse	-	-	7	1,308	-	-
Wiener Börse	-	-	1	1,184	-	-
Athens Stock Exchange	-	-	2	348	-	-
EU regulated sub-total	16	1,220	100	24,511	24	1,417
EXCHANGE REGULATED						
Oslo Axess	2	11	9	154	1	19
London (AIM)	9	3	54	1,848	10	108
WSE (NewConnect)	17	3	14	19	10	12
NYSE Euronext (Marche Libre)	9	1	14	1	14	1
OMX (First North)	7	-	12	229	1	-
NYSE Euronext (Alternext)	2	-	10	96	2	9
Luxembourg (EuroMTF)	1	-	7	672	5	69
Deutsche Börse (Entry Standard)	1	-	8	87	2	-
London (PSM)	-	-	4	1,487	-	-
ISE (IEX)	-	-	1	8	-	-
Exchange regulated sub-total	48	18	133	4,601	45	218
Europe Total	64	1,238	233	29,112	69	1,635
(1) Anyta AG listed on the Swiss and Ireland (Main) Stock Exchanges with no money raised.						
Note: IPOs by market are shown gross of dual listings; however these are netted off in the total number and offering values.						

The Oslo Axess exchange was the third largest exchange by money raised in the fourth quarter of 2008, with two IPOs raising a total of €11m. The funds raised were solely attributable to the demerger and IPO of a Norwegian industrial goods and services company, Borgestad Industries. Oslo Børs had no IPOs this quarter. This represents a fall in money raised across both Oslo exchanges when compared to the same quarter in 2007 which saw €607m raised from 15 IPOs and from the third quarter in 2008 which saw €19m raised from two IPOs.

NYSE Euronext was the fourth largest exchange in terms of money raised and the second largest by volume in the fourth quarter of 2008, hosting 13 IPOs which raised €6m. The majority of the money raised on NYSE Euronext was attributable to the IPO of Foncière Sepric, a French based company engaged in real estate operations, which raised €5m and was the fifth largest IPO this quarter. In line with the overall IPO trends this quarter, activity on the exchange fell compared to the fourth quarter of 2007 when it saw 30 IPOs raising €3,489m.

OMX hosted nine IPOs in the fourth quarter of 2008, none of which raised any money. In the same quarter of 2007 this exchange hosted 24 IPOs which raised €1,057m.

Luxembourg hosted four IPOs in the fourth quarter of 2008, none of which raised any money. This was a decrease from the IPO activity and money raised in the same quarter of 2007 which saw seven IPOs raising a total of €672m on the exchange.

Deutsche Börse hosted a single IPO on its Entry Standard market in the fourth quarter of 2008, which also did not raise any funds. This is a substantial fall in both volume and value of IPOs compared with quarter four of 2007 where it hosted 15 IPOs raising €1,395m.

BME, SWX, Borsa Italiana, ISE, Wiener 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 11 and eight IPOs respectively. This however represents a decrease from 42 and 32 IPOs, respectively, in the same quarter of 2007. The Investment Companies sector also saw a fall in the number of IPOs from nine in the third quarter of 2008, while the Industrial Goods and Services sector saw an increase from 10 in the third quarter of 2008. The third most active sectors were the Real Estate and Construction and Material sectors which each had six IPOs.

It is important to note that the slowdown in the European IPO market this quarter has been felt across all sectors, with all but two categories seeing a reduction compared with quarter four in 2007 and the remaining two remaining unchanged. The most significant decreases occurred in the Industrial Goods and Services sector, the Technology sector and the Investment Companies with each seeing decreases of 31, 24 and 24 IPOs respectively.

Sector	Company IPOs Q4- 2008	Company IPOs Q4- 2007	Company IPOs Q3- 2008
Industrial Goods & Services	11	42	10
Investment Companies	8	32	9
Real Estate	6	9	2
Construction & Materials	6	6	1
Technology	5	29	8
Utilities	4	6	4
Telecommunications	4	5	3
Travel & Leisure	3	8	2
Food & Beverage	3	11	2
Health Care	3	4	1
Personal & Household Goods	2	7	2
Retail	2	8	2
Automobiles & Parts	2	2	-
Financial Services	1	9	5
Media	1	10	5
Chemicals	1	2	1
Pharmaceuticals & Biotech	1	11	-
Basic Resources	1	2	-
Oil & Gas	-	15	6
Mining	-	7	3
Banks	-	6	3
Insurance	-	2	-
Total	64	233	69

The US Exchanges

In the fourth quarter of 2008 the US exchanges saw IPO activity plummet with only three IPOs raising €189m, compared with 101 IPOs raising €14,080m in the fourth quarter of 2007, a decrease of 97% in the volume and of 99% 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 third quarter of 2008, with the number of IPOs falling from 11 to three and the money raised falling from €935m to €189m. The US attracted no international IPOs this quarter.

Stock Exchange	IPOs Q4-2008	Offering Value (€m) Q4-2008	IPOs Q4-2007	Offering Value (€m) Q4-2007	IPOs Q3-2008	Offering Value (€m) Q3-2008
NASDAQ	3	189	44	3,102	7	707
NYSE	-	-	32	6,785	1	125
AMEX	-	-	25	4,193	3	103
US Total	3	189	101	14,080	11	935

Russia

There were two IPOs in Russia this quarter, both of which were in the Utilities sector and neither of which raised any money. This compared with seven IPOs in the fourth quarter of 2007 which together raised €442m, and to the activity in quarter three of 2008 when Russia hosted six IPOs, none of which raised any funds.

2008 Overall

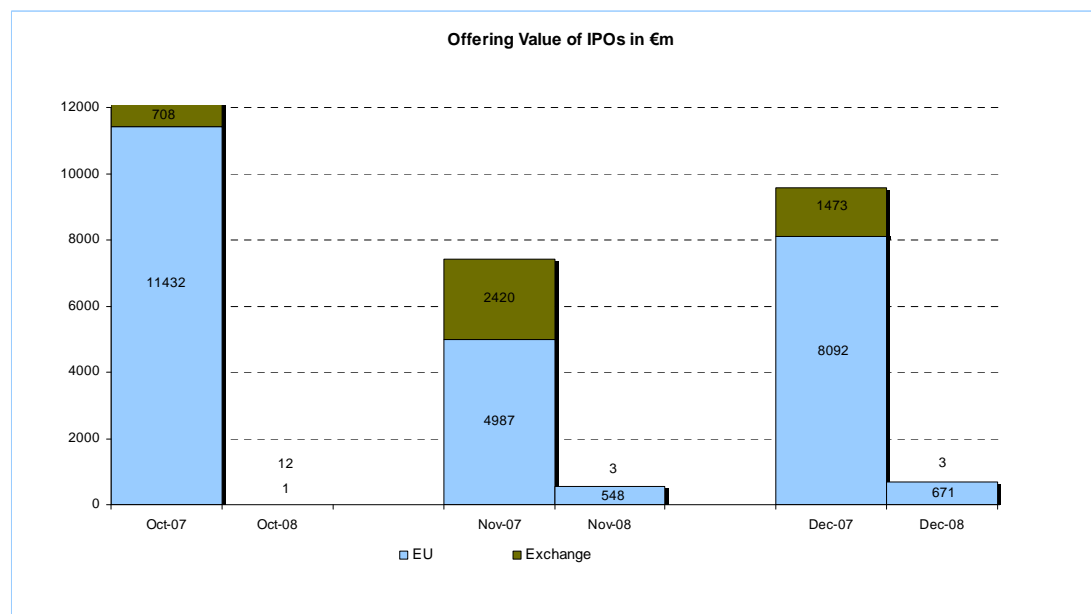
The global credit crisis and recession has had a significant adverse impact across all the major European exchanges in 2008 as investor confidence has plummeted in light of the instability experienced within the global capital markets. There was a total of 338 IPOs in the year, down 58% when compared to the 813 IPOs in 2007. Total offering value in 2008 was €14,241, down a massive 82% on the €80,367m raised in the previous year. The US exchanges saw 57 IPOs raising €19,409m including the Visa Inc IPO in the first quarter of 2008 on the NYSE which raised €11,510m. This has put the US markets in first place by offering value in 2008 ahead of both Europe and Asia.

The reduction in activity in Europe is consistent with the fall in IPO activity that has also been experienced across the Asian markets. Hong Kong hosted 49 IPOs in 2008 raising €5,760m in 2008, compared to 86 IPOs in 2007 raising €27,758m. In China (Shanghai and Shenzhen stock exchanges) there were 77 IPOs during the year raising a total of €10,115m, compared to 124 IPOs raising €48,158m during 2007.

The European exchanges attracted 81 international IPOs in 2008 raising €5,930m, a decrease in both the volume and value compared with 2007 which saw 126 IPOs by international companies raising €21,431m. In value terms international IPOs represented 42% of the total IPOs in Europe in 2008. By comparison, the US exchanges had a total of 17 IPOs by non-US companies raising €1,217m representing 6% of total IPOs by value.

Additional data tables

Split between EU-regulated and Exchange-regulated markets



Five Largest IPOs

Five largest IPOs of Q4 2008			
	€m raised	Sector	Market
Resolution Ltd	660	Investment Company	London
Enea	546	Utilities	WSE
Borgestad Industries	11	Industrial Goods & Services	Oslo
Atrem	6	Industrial Goods & Services	WSE
Foncière Sepric	5	Real Estate	NYSE Euronext
Five largest IPOs of Q4 2007			
	€m raised	Sector	Market
Iberdrola Renovables	4,070	Utilities	BME
Criteria Caixa Corporation	3,452	Investment Company	BME
Eurasian Natural Resources Corporation	1,888	Mining	London
Nyrstar	1,739	Basic Resources	NYSE Euronext
Strabag SE	1,184	Construction & Materials	Wiener Börse
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