

News Release

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European IPO markets suffer their worst ever quarter

Europe's Initial Public Offering (IPO) market has suffered its worst ever quarter with 18 listings in the three months up to 31 March raising just €9m, reflecting the continued worldwide loss of confidence in the capital markets, according to PricewaterhouseCoopers latest IPO Watch Europe survey.

The survey, which tracks the volume and value of IPOs around Europe, shows that volumes and values were massively down on the first quarter of 2008 which saw 72 IPOs raise €1,942m and even on the disappointing last quarter of 2008 when 64 IPOs still raised €1,238m.

The total money raised in Europe was less than 1% of the figure recorded in the first quarter of 2008. Only 11 of the 18 IPOs that made it to market raised any money. The average amount raised was less than €1m compared with €34m in the same period a year ago.

The Warsaw Stock Exchange was the largest market in terms of value and volume with six IPOs raising €6m. It also hosted three of the five largest IPOs of the quarter, the biggest being Polish manufacturing company Hydrapres SA which raised €4m. London and Luxembourg were the only other exchanges to host IPOs that raised any money – €2m and €1m respectively. With so few listings raising any money this quarter, Warsaw captured two-thirds of the European IPO market by value.

Richard Weaver, partner, Capital Markets Group, PricewaterhouseCoopers LLP said:

"These continue to be dire times for the IPO market globally. Things have rapidly gone from bad to worse as Europe's IPO markets appear to have shut up shop. In these unprecedented times, even Nostradamus would be hard pressed to forecast how the next quarter will shape up.

"There is undoubtedly pent-up demand from companies seeking to access the IPO market but it would be a brave person who could foresee the market returning before 2010. When the market does re-open, it will be the companies with strong cash flows and compelling business propositions that are the winners."

London's Main Market attracted two IPOs and AIM had just one admission. NASDAQ OMX hosted four IPOs, none of which raised any funds, which put it in second place in volume terms. This was a decline from the €15m raised there a year ago. NYSE Euronext came joint third with London in terms of volume with three listings but again no money was raised. In the first quarter of 2008 it saw 17 IPOs raise €620m. All three IPOs listed on the Marché Libre. Luxembourg hosted just one IPO in the quarter raising €1m in Global Depositary Receipts.

There were three IPOs by non-European companies in the quarter, raising a mere €1m in total, compared with the 18 that raised €1,484m a year ago. London and Luxembourg were the chosen destinations. A Lebanese bank and a Singapore-based marine transportation company listed in London but raised no funds. Luxembourg saw an Indian bank raise €1m.

Of the remaining European markets, the Swiss SIX exchange hosted just one IPO, an investment company that raised no money, while there were no IPOs at all on the Norwegian, German, Italian, Spanish, Austrian, Greek or Irish exchanges.

In the US, just two IPOs were hosted but did raise €564m, compared with the 25 that raised €14,698m in quarter one of 2008, a 92% plunge in volume and 96% in value, although that quarter included the biggest IPO in US history, that of Visa. One of the US IPOs was a Chinese manufacturer of electronic goods that raised €1m.

The Russian market saw three IPOs, none of which raised any money and all were from the utilities sector. This compared with the six that came to market in the same period of 2008 but again raised no money.

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Notes to Editors:

1. For the full, detailed breakdown of IPO activity on the European exchanges, with accompanying data tables and charts, please see the attached report IPO Watch Europe Survey Q1 2009.

2. Previous IPO Watch Europe Surveys and annual reviews are available at http://www.pwc.co.uk/eng/publications/IPO_Watch_Europe_previous_editions.html

3. About IPO Watch Europe

IPO Watch Europe surveys all new primary market equity IPOs on Europe's principal stock markets and market segments (including exchanges in Austria, Belgium, Denmark, France, Germany, Greece, Holland, Ireland, Italy, Luxembourg, Norway, Poland, Portugal, Spain, Sweden, Switzerland and the UK) on a quarterly basis. Movements between markets on the same exchange and greenshoe offerings are excluded. This survey was conducted between 1 January and 31 March 2009 and captures new market IPOs based on their transaction date. All market data is sourced from the stock markets themselves and has not been independently verified by PricewaterhouseCoopers LLP.

4. About the Capital Markets Group in London

The Capital Markets Group in London is part of the Assurance practice of PricewaterhouseCoopers LLP. It comprises a core team of specialists who provide a broad range of services to companies and investment banks in connection with London capital market transactions. These include preparations for becoming a public company, selecting the right market and advisory team, assisting with reviewing accounting policies and GAAP conversion projects, advising on regulatory issues and undertaking financial and business due diligence investigations. The Capital Markets Group in London is part of the PricewaterhouseCoopers global network of capital markets specialists.

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