

# News Release

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## European IPO markets remain largely closed as secondary issues absorb investors' funds

Europe's Initial Public Offering (IPO) markets have endured another poor quarter with just 28 new listings in the three months up to 30 June, although the €456m raised was a huge improvement over the €9m recorded in the first quarter of the year, according to the latest PricewaterhouseCoopers IPO Watch Europe survey. IPO activity continued to suffer from the global loss of confidence in the capital markets and the fact that there is pressure on investors to put their money into listed companies looking to strengthen their balance sheets through secondary offerings.

The survey, which tracks the volume and value of IPOs around Europe, shows that, although volumes and values in the April-June period were well up on the first quarter, they still lagged way behind the second quarter of 2008 when there were 133 listings raising €9,171m. The four largest IPOs of the quarter accounted for 88% of the total money raised.

The largest IPO this quarter was Max Property Group, hosted by London's AIM market and raising €226m. In second place was Lubelski Wegiel Bogdanka, a Polish coal mining company which listed on the Main Market of the WSE raising €116m. The third largest IPO was Altus Resources Capital, a Guernsey-domiciled investment company which listed on London's SFM market raising €30m.

Tom Troubridge, head of the Capital Markets Group, PricewaterhouseCoopers LLP said:

"Europe's IPO markets remain shut to all intents and purposes, with a continued low level of activity in what is traditionally a busy quarter for listings. One of the main reasons for this is the huge level of secondary fund raising activity we have seen in recent months. In the first six months of 2009 more than €50bn was raised in London alone. By way of comparison, in 2007, a good year for listings, the funds raised by all IPOs in London was €39bn.

"While there is no indication at the moment of the IPO markets re-opening in the sense of a spate of new listings, there are some early signs of companies thinking about preparing for listing. Given the fact that it typically takes six months to prepare for an IPO, we are sticking to our forecast that the IPO markets will not return until the second quarter of 2010. When the markets do re-open, the initial listings are likely to be largely domestic companies, with little cross-border activity expected until the end of next year or beyond."

London regained its lead in terms of IPO value, raising €258m from three IPOs, two of which were on its AIM market and one on the SFM market. This compares with €6,298m raised from 46 IPOs in the same quarter of 2008. Its share of the European IPO market by value fell slightly to 57% in Q2 2009 from 60% in the same quarter of 2008. There were no IPOs on London's Main Market this quarter compared to the 21 that raised €5,459m a year ago.

The Warsaw Stock Exchange (WSE) was again the largest market by volume with seven IPOs raising €126m but this was a significant fall from the second quarter of 2008 when €1,890m was raised from 37 IPOs.

NASDAQ OMX hosted two IPOs this quarter, one on its Main Market which raised €28m and one on its First North market which did not raise any funds. In the same quarter of 2008 €178m was raised from 10 IPOs.

Luxembourg hosted four IPOs raising €22m compared to the six that raised €49m in Q2 2008. The four IPOs were all Indian companies offering Global Depositary Receipts (GDRs), emphasising once again that Luxembourg remains the market of choice for Indian companies issuing GDRs in Europe.

Borsa Italiana hosted two IPOs last quarter raising a total of €16m, both of them on the AIM Italia market, which opened in December 2008 and is closely modelled on London's AIM market. Deutsche Börse hosted three IPOs, all on its Entry Standard market, raising €5m.

NYSE Euronext was the second largest exchange in terms of volume with six IPOs in the second quarter raising just €1m. In the second quarter of 2008 it saw 15 IPOs raising €1,615m. The SIX Swiss Exchange hosted one IPO, an industrial goods and services company, which did not raise any funds. The Oslo exchanges, Børs and Axess, BME (the Spanish exchanges), ISE, Wiener Börse and Athens Stock Exchange reported no IPO activity this quarter.

The European markets have continued to attract some non-European companies. There were eight IPOs by non-European companies in the quarter raising a €24m in total, a major fall in both volume and offering value from the second quarter of 2008 when there were 35 international IPOs raising €3,616m. This fall is consistent with the overall decline in IPO activity. Favoured destinations were Deutsche Börse, Luxembourg and NYSE Euronext.

### **Non-European exchanges**

The US exchanges saw a decline in IPO activity with 12 IPOs raising €1,156m, compared with 18 IPOs raising €3,269m in the second quarter of 2008, a 33% fall in volume and a 65% decline in the offering value of IPOs. The US attracted three international IPOs, all of which were from China, which together raised €206m.

There were two IPOs in Russia this quarter, one in each of the financial services and industrial goods and services sectors but neither raised any money. In the second quarter of 2008 three IPOs together raised just €0.1m.

Recent figures issued by PricewaterhouseCoopers in Hong Kong show the total IPO money raised for the first six months of 2009 was €1,643m (HK\$17 billion) from 18 IPOs compared to €4,215m from 23 IPOs in the first half of 2008. Industrials dominated new listings (50%) in terms of number, followed by retail, consumer goods and services (38%), information technology and telecommunications (6%) and energy and utilities (6%). There have been no IPOs on either the Shanghai or Shenzhen Stock Exchanges in the first half of 2009, compared to four IPOs raising €6,184m and 54 IPOs raising €2,130m respectively.

### **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 Q2 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](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.

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