



News release

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Improved prospects for IPOs in 2012 after lacklustre end to 2011

The European market for company floats has suffered a difficult fourth quarter, rounding off a tough year for initial public offerings (IPOs) across the region. In Q4 2011, 78 IPOs raised just €866m, an 81% decrease in offering values compared to Q3 2011 and 83% down year on year, PwC's latest IPO Watch Europe report has found.

London dominated activity in a muted quarter, raising €800m, 92% of total European IPO value, with the London IPO of Polymetal raising €421m, 49% of all value raised in Europe. Q4 2011 has seen companies undecided on IPO timing because of the troubled market conditions and whilst companies are still looking to raise money, volatility continues to destabilise an already fragile market and unsettle potential investors.

Despite a subdued second half of 2011, annual European IPOs raised €26.5bn, in line with 2010. Volumes increased by 14% to 430 IPOs. London generated €14.6bn, more than half of money raised, despite only hosting a quarter of the IPO deals across Europe. The top 15 deals raised €20bn, 75% of total IPO value across Europe in 2011, with the IPOs of Glencore, Vallares and Justice in London and Bankia and Dia in Spain raising €14.6bn in their own right.

Martin Scholz, Director, PwC Slovakia said:

"In 2011, the markets failed to ignite after the summer as people had hoped, due to the continuing economic uncertainty in Europe and especially in the Eurozone.

Looking at the year as a whole, London has continued to lead the European IPO landscape with international and natural resources IPOs making up for the weakness of the domestic IPO market."

Hong Kong saw a 43% decline in money raised, despite having attracted the IPOs of a number of international luxury brand companies during the year, such as Prada. In the US, the return of a number of larger deals in the first half of 2011 saw IPO's raise €25.6bn in 2011, a 13.4% decrease on 2010, which was buoyed by the jumbo IPO of General Motors.



Looking forward, there will be a recovery for European exchanges in 2012 but it may take until the second half of the year before this recovery is seen, PwC predicts. There is also a substantial pipeline of companies 'ready to go' if a window of opportunity were to open with the right market conditions.

Martin Scholz, Director, PwC Slovakia added:

“Companies considering an IPO in 2012 should prepare and position themselves to be ‘ready to go’ when the windows open. Exactly when markets will pick up again is uncertain. The Olympics may be well under way by the time the markets get out of the starting blocks. In order to access the key IPO windows in 2012, companies will have to ensure that the groundwork is completed well in advance.”

The prospects for 2012 will hinge on the market instability and volatility that has plagued 2011 levelling out. These levels of volatility have made it difficult to price deals and attract investors, while potential IPO candidates have been dissuaded by gyrating stock market indices.

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Notes to Editor:

1. For the full, detailed breakdown of IPO activity on the European exchanges, please see the accompanying data tables and charts IPO Watch Europe Survey Q4 2011
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 July and September 30 2010 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 PwC

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