

## IPO Watch Europe Survey Q1 2009 (January – March): Full Analysis

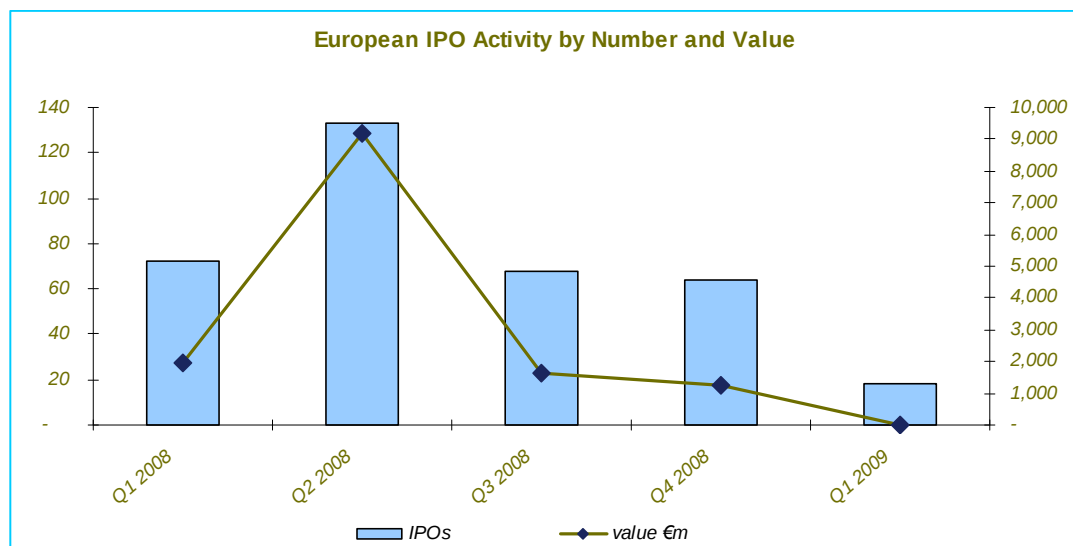
IPO Watch Europe, the PricewaterhouseCoopers survey tracking the volume and value of IPOs around Europe, shows the first quarter of 2009, as expected, to be largely devoid of new listings, reflecting the continued worldwide loss of confidence in the capital markets.

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

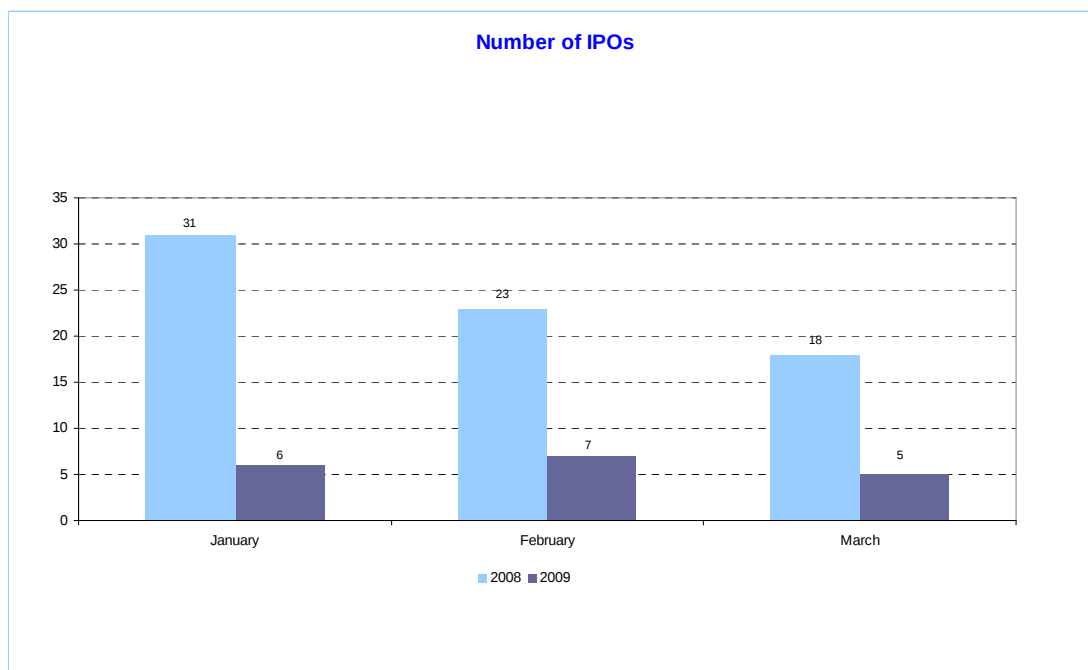
The overall trend was not only a reduction in the number of new listings (18 in Q1 2009 compared with 72 in same quarter of 2008), but also and most notably, in the average amount of new money raised from €34m in Q1 2008 to less than €1m in Q1 2009.

The flow of international companies coming to the European markets has stalled in this first quarter, with three IPOs by non-European companies raising a total of a mere €1m.

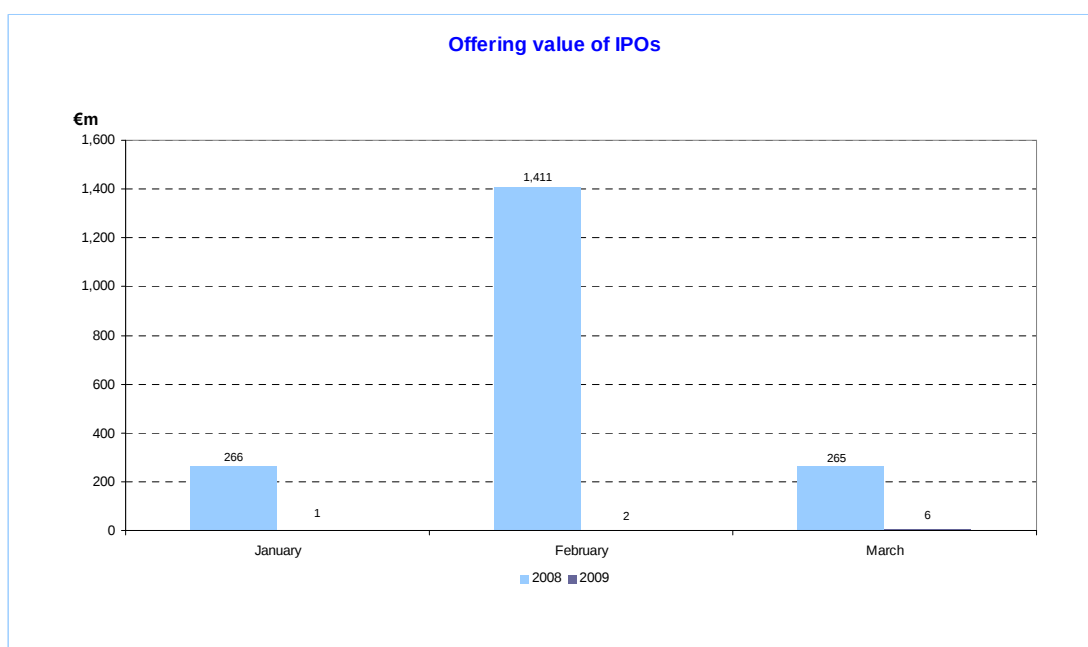
Looking to the future it is difficult to see when conditions will improve, as whilst there are numerous companies preparing to IPO, they may not find a window opening until 2010.



There were 18 IPOs on the European exchanges in the first quarter of 2009, a fall of 75% compared with the same period in 2008 which saw 72 IPOs. The volume of IPOs also decreased compared with the fourth quarter of 2008 which saw 64 IPOs.



The total offering value of IPOs on the European markets in the first quarter of 2009 was €9m, a huge reduction in money raised compared with the €1,942m raised in the first quarter of 2008. The fall in total offering value in this quarter was due to a large fall in the number of IPOs and in particular in the absence of any large transactions. The largest IPO of the quarter, raising €4m, was that of Hydrapres SA, a Polish manufacturing company, compared with the largest IPO in the same quarter last year which was Liberty International, raising €600m.



The average offering value for European IPOs raising new money reduced by 97% to €1m this quarter compared with €34m in the same period last year, also down from €36m in the fourth quarter of 2008.

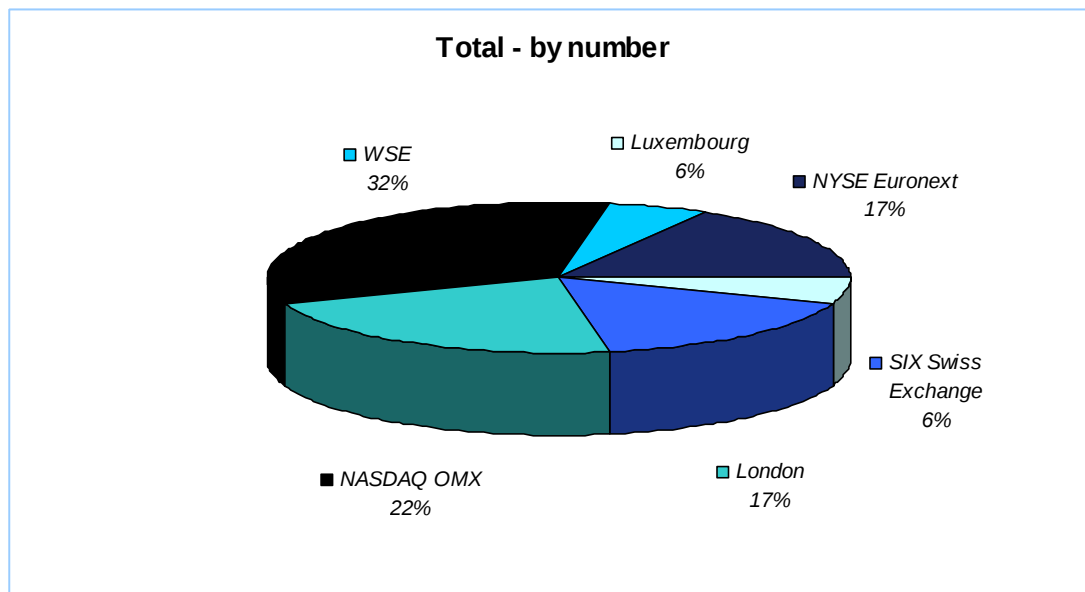
|                                              | Q1 2009  | Q1 2008   | Q4 2008   |
|----------------------------------------------|----------|-----------|-----------|
| Total European listings comprise those with: |          |           |           |
| - No money raised                            | 7        | 15        | 30        |
| - Money raised                               | 11       | 57        | 34        |
| <b>Average offering value (€m)</b>           | <b>1</b> | <b>34</b> | <b>36</b> |

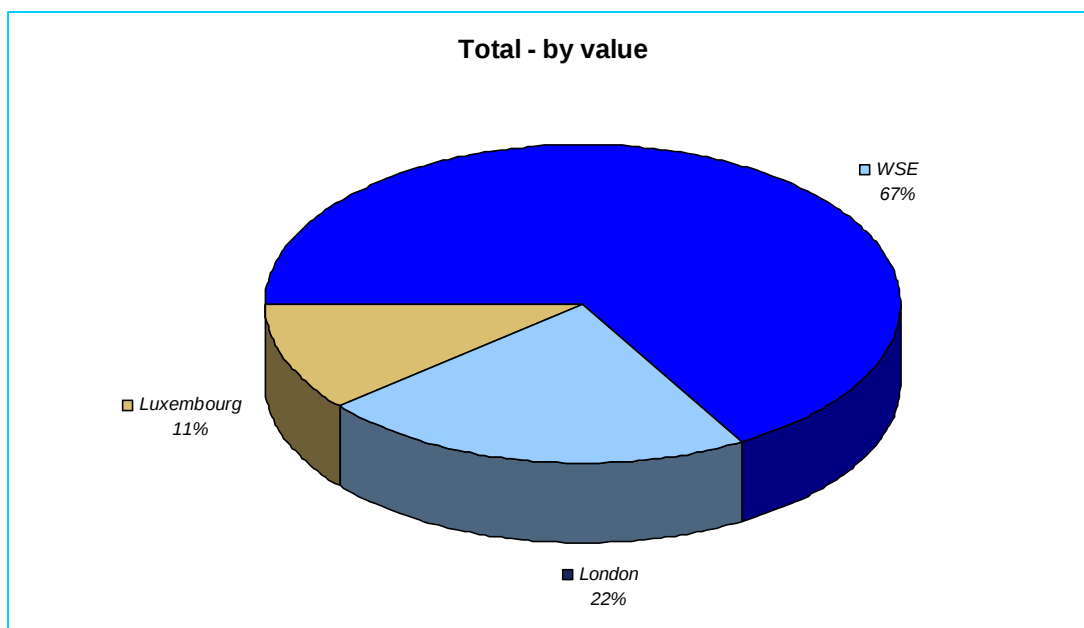
Average offering value has been calculated based on total offering value over the number of listings raising money.

This quarter, WSE was the largest market in terms of offering value and volume of IPOs, although it only raised €6m through six IPOs.

Unsurprisingly, all European markets have been significantly affected by the volatility in the financial markets, with the total money raised representing less than 1% of that raised in the same quarter of 2008.

Three of the five largest IPOs, including the largest, were hosted by WSE. The largest of those three was that of Hydrapres SA, a Polish manufacturing company, raising €4m. The second largest IPO was that of Downing Protected Opportunities, an investment company, listing in London and raising €2m. The next three largest IPOs all raised €1m. These were Bumech, a Polish engineering company; Read-Gene, a Polish health care company and HDFC Bank, an Indian GDR listing in Luxembourg.





#### **International listings on European markets**

The European markets have continued to attract non-European companies. There were three IPOs by non-European companies in the quarter raising a mere €1m in total, a significant fall in both volume and offering value from quarter one of 2008 when there were 18 international IPOs raising €1,484m. This fall is consistent with the overall decline in IPO activity experienced this quarter.

The money raised by non-European companies represented 11% of the total money raised on the European exchanges in quarter one of 2009, compared to 76% in quarter one of 2008. Non-European companies chose London and Luxembourg as their destination.

London's Main Market attracted a single non-European IPO, a Lebanese Bank that did not raise any funds.

AIM also attracted one non-European IPO, Yujin International Ltd, a Singapore based marine transportation company, which did not raise any funds. The other non-European listing was an Indian bank that listed in Luxembourg and raised €1m via a GDR.

## Analysis of European Exchanges

| Stock Exchange                                                                                                               | IPOs Q1-2009 | Offering Value (€m) Q1-2009 | IPOs Q1-2008 | Offering Value (€m) Q1-2008 | IPOs Q4-2008 | Offering Value (€m) Q4-2008 |
|------------------------------------------------------------------------------------------------------------------------------|--------------|-----------------------------|--------------|-----------------------------|--------------|-----------------------------|
| <b>TOTAL</b>                                                                                                                 |              |                             |              |                             |              |                             |
| WSE                                                                                                                          | 6            | 6                           | 18           | 43                          | 23           | 555                         |
| London                                                                                                                       | 3            | 2                           | 22 (1)       | 975 (1)                     | 12           | 666                         |
| Luxembourg                                                                                                                   | 1            | 1                           | 5 (1)        | 196 (1)                     | 4            | -                           |
| NASDAQ OMX                                                                                                                   | 4            | -                           | 4            | 15                          | 9            | -                           |
| NYSE Euronext                                                                                                                | 3            | -                           | 17           | 620                         | 13           | 6                           |
| SIX Swiss Exchange                                                                                                           | 1            | -                           | 1            | -                           | -            | -                           |
| Oslo Børs & Oslo Axess                                                                                                       | -            | -                           | 3            | 5                           | 2            | 11                          |
| Deutsche Börse                                                                                                               | -            | -                           | 1            | -                           | 1            | -                           |
| BME (Spanish Exchanges)                                                                                                      | -            | -                           | -            | -                           | -            | -                           |
| Borsa Italiana                                                                                                               | -            | -                           | 2            | 106                         | -            | -                           |
| ISE                                                                                                                          | -            | -                           | -            | -                           | -            | -                           |
| Wiener Börse                                                                                                                 | -            | -                           | -            | -                           | -            | -                           |
| Athens Stock Exchange                                                                                                        | -            | -                           | -            | -                           | -            | -                           |
| <b>Europe Total</b>                                                                                                          | <b>18</b>    | <b>9</b>                    | <b>72</b>    | <b>1,942</b>                | <b>64</b>    | <b>1,238</b>                |
| Stock Exchange                                                                                                               | IPOs Q1-2009 | Offering Value (€m) Q1-2009 | IPOs Q1-2008 | Offering Value (€m) Q1-2008 | IPOs Q4-2008 | Offering Value (€m) Q4-2008 |
| <b>EU REGULATED</b>                                                                                                          |              |                             |              |                             |              |                             |
| London (Main)                                                                                                                | 2            | 2                           | 5            | 178                         | 3            | 663                         |
| WSE (Main)                                                                                                                   | 2            | 1                           | 4            | 26                          | 6            | 552                         |
| NASDAQ OMX (Main)                                                                                                            | 2            | -                           | 1            | -                           | 2            | -                           |
| SIX Swiss Exchange                                                                                                           | 1            | -                           | 1            | -                           | -            | -                           |
| NYSE Euronext (Euronext)                                                                                                     | -            | -                           | 6            | 615                         | 2            | 5                           |
| Luxembourg                                                                                                                   | -            | -                           | 1 (1)        | 18 (1)                      | 3            | -                           |
| Oslo Børs                                                                                                                    | -            | -                           | -            | -                           | -            | -                           |
| BME (Spanish Exchanges)                                                                                                      | -            | -                           | -            | -                           | -            | -                           |
| Borsa Italiana                                                                                                               | -            | -                           | 2            | 106                         | -            | -                           |
| ISE                                                                                                                          | -            | -                           | -            | -                           | -            | -                           |
| Deutsche Börse                                                                                                               | -            | -                           | -            | -                           | -            | -                           |
| Wiener Börse                                                                                                                 | -            | -                           | -            | -                           | -            | -                           |
| Athens Stock Exchange                                                                                                        | -            | -                           | -            | -                           | -            | -                           |
| <b>EU regulated sub-total</b>                                                                                                | <b>7</b>     | <b>3</b>                    | <b>19</b>    | <b>925</b>                  | <b>16</b>    | <b>1,220</b>                |
| <b>EXCHANGE REGULATED</b>                                                                                                    |              |                             |              |                             |              |                             |
| WSE (NewConnect)                                                                                                             | 4            | 5                           | 14           | 17                          | 17           | 3                           |
| Luxembourg (EuroMTF)                                                                                                         | 1            | 1                           | 4            | 178                         | 1            | -                           |
| NYSE Euronext (Marche Libre)                                                                                                 | 3            | -                           | 10           | -                           | 9            | 1                           |
| London (AIM)                                                                                                                 | 1            | -                           | 16 (1)       | 613 (1)                     | 9            | 3                           |
| NASDAQ OMX (First North)                                                                                                     | 2            | -                           | 3            | 15                          | 7            | -                           |
| Oslo Axess                                                                                                                   | -            | -                           | 3            | 5                           | 2            | 11                          |
| NYSE Euronext (Alternext)                                                                                                    | -            | -                           | 1            | 5                           | 2            | -                           |
| Deutsche Börse (Entry Standard)                                                                                              | -            | -                           | 1            | -                           | 1            | -                           |
| London (PSM)                                                                                                                 | -            | -                           | 1            | 184                         | -            | -                           |
| ISE (IEX)                                                                                                                    | -            | -                           | -            | -                           | -            | -                           |
| <b>Exchange regulated sub-total</b>                                                                                          | <b>11</b>    | <b>6</b>                    | <b>53</b>    | <b>1,017</b>                | <b>48</b>    | <b>18</b>                   |
| <b>Europe Total</b>                                                                                                          | <b>18</b>    | <b>9</b>                    | <b>72</b>    | <b>1,942</b>                | <b>64</b>    | <b>1,238</b>                |
| (1) Enegi Oil dual listed on London (AIM) and Luxembourg (Main) raising €18m                                                 |              |                             |              |                             |              |                             |
| Note: IPOs by market are shown gross of dual listings; however these are netted off in the total number and offering values. |              |                             |              |                             |              |                             |

WSE was the largest exchange, in terms of both IPO volume and money raised, in the first quarter of 2009 with six IPOs raising €6m. This is a significant fall from the first quarter of 2008 when they raised €43m from 18 IPOs. WSE hosted the largest IPO of this quarter, that of Hydrapres SA, a manufacturing company, which raised €4m. Of the six IPOs hosted on WSE, four listed on NewConnect.

It is worth noting, because of the extended WSE listing process, that Hydrapres and Read-Gene raised their funds in June and September of last year respectively.

In the first quarter of 2009 London also lost its lead by volume of IPOs to WSE, hosting 17% of all European IPOs compared to 31% in the same quarter of 2008. London's share of the market by value fell to 22% in Q1 2009, down from quarter one of 2008 when it hosted 50% of all European IPOs by value.

Activity on London's AIM market plummeted compared with the same quarter in 2008, with only one IPO raising no money in the first quarter of 2009, compared with 16 IPOs in the first quarter of 2008 raising €613m.

Luxembourg hosted one IPO in the first quarter of 2009 raising just €1m, a decrease in IPO activity and money raised compared with the same quarter of 2008 which saw five IPOs raising a total of €196m on the exchange. The only IPO in Luxembourg was an Indian company offering GDRs which demonstrates that Luxembourg remains the market of choice for Indian companies issuing GDRs in Europe.

NASDAQ OMX hosted four IPOs this quarter, none of which raised any funds. This represents a fall in money raised when compared to the same quarter in 2008 which saw €15m raised again from four IPOs.

NYSE Euronext was the joint third largest exchange in terms of volume with three IPOs in the first quarter of 2009. However, no money was raised. In line with the overall IPO trends this quarter, activity on the exchange fell compared to the first quarter of 2008 when it saw 17 IPOs raising €620m. All three IPOs listed on the Marché Libre.

The SIX Swiss Exchange hosted one IPO in the first quarter of 2009, an investment company, which did not raise any funds.

The Oslo exchanges, Børs and Axess, Deutsche Börse, ISE, Borsa Italiana, BME (Spanish Exchanges), Wiener Börse and Athens Stock Exchange had no IPO activity this quarter.

## Sector Breakdown

The most active sectors by number of IPOs this quarter were the Technology sector and the Industrial Goods and Services sector with five and four IPOs respectively. This represents a decrease from 10 and 18 IPOs, respectively, in the same quarter of 2008. There was no change in the number of IPOs in the Technology sector compared to quarter four of 2008; however a decrease from 11 IPOs to four was seen in the Industrial Goods and Services sector.

It is important to note that the slowdown in the European IPO market this quarter has been felt across nearly all of the sectors. Interestingly, Banks are the only sector that have shown an increase from the same quarter in 2008, with two IPOs from non-European companies in the first quarter of 2009 compared to none in the first quarter of 2008. Most of the other sectors have shown a decrease with Investment Companies being particularly badly hit, from 12 IPOs in the first quarter of 2008 to two in the first quarter of 2009.

| Sector                      | Company<br>IPOs Q1-<br>2009 | Company<br>IPOs Q1-<br>2008 | Company<br>IPOs Q4-<br>2008 |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Technology                  | 5                           | 10                          | 5                           |
| Industrial Goods & Services | 4                           | 18                          | 11                          |
| Banks                       | 2                           | -                           | -                           |
| Investment Companies        | 2                           | 12                          | 8                           |
| Real Estate                 | 1                           | 3                           | 6                           |
| Food & Beverage             | 1                           | 3                           | 3                           |
| Personal & Household Goods  | 1                           | 2                           | 2                           |
| Financial Services          | 1                           | 5                           | 1                           |
| Pharmaceuticals & Biotech   | 1                           | 4                           | 1                           |
| Retail                      | -                           | 1                           | 2                           |
| Health Care                 | -                           | 2                           | 3                           |
| Construction & Materials    | -                           | 2                           | 6                           |
| Utilities                   | -                           | 1                           | 4                           |
| Telecommunications          | -                           | 3                           | 4                           |
| Travel & Leisure            | -                           | 2                           | 3                           |
| Automobiles & Parts         | -                           | -                           | 2                           |
| Media                       | -                           | -                           | 1                           |
| Chemicals                   | -                           | -                           | 1                           |
| Basic Resources             | -                           | -                           | 1                           |
| Oil & Gas                   | -                           | 3                           | -                           |
| Mining                      | -                           | -                           | -                           |
| Insurance                   | -                           | 1                           | -                           |
| <b>Total</b>                | <b>18</b>                   | <b>72</b>                   | <b>64</b>                   |

## The US Exchanges

In the first quarter of 2009 the US exchanges saw a decline in IPO activity with just two IPOs raising €564m, compared with 25 IPOs raising €14,698m in the first quarter of 2008, a decrease of 92% in the volume and of 96% in the offering value of IPOs. It is worth noting that the largest IPO offering in US history took place in the first quarter of 2008 when Visa raised €11,510m. This represented 78% of the total amount of money raised in the first quarter of 2008.

The US attracted one international IPO, a Chinese manufacturer of electronic goods, raising €1m.

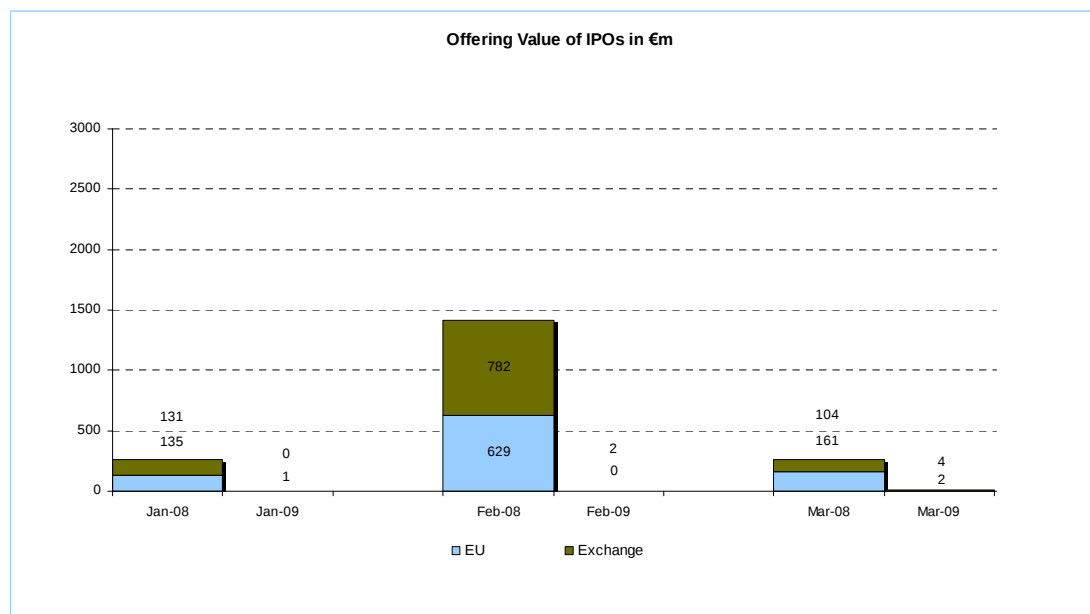
| Stock Exchange  | IPOs Q1-2009 | Offering Value (€m) Q1-2009 | IPOs Q1-2008 | Offering Value (€m) Q1-2008 | IPOs Q4-2008 | Offering Value (€m) Q4-2008 |
|-----------------|--------------|-----------------------------|--------------|-----------------------------|--------------|-----------------------------|
| NASDAQ          | -            | -                           | 10           | 474                         | 3            | 189                         |
| NYSE            | 2            | 564                         | 5            | 12,083                      | -            | -                           |
| NYSE Amex       | -            | -                           | 10           | 2,141                       | -            | -                           |
| <b>US Total</b> | <b>2</b>     | <b>564</b>                  | <b>25</b>    | <b>14,698</b>               | <b>3</b>     | <b>189</b>                  |

## Russia

There were three IPOs in Russia this quarter, none of which raised any money. All three were from the Utilities sector. This compared with six IPOs in the first quarter of 2008, again none of which raised any money.

## Additional data tables

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



### Five Largest IPOs

| Five largest IPOs of Q1 2009          |           |                             |            |
|---------------------------------------|-----------|-----------------------------|------------|
|                                       | €m raised | Sector                      | Market     |
| Hydrapres                             | 4         | Industrial Goods & Services | WSE        |
| Downing Protected Opportunities VCT 1 | 2         | Investment Company          | London     |
| Bumech                                | 1         | Industrial Goods & Services | WSE        |
| Read-Gene                             | 1         | Health Care                 | WSE        |
| HDFC Bank                             | 1         | Banks                       | Luxembourg |

| Five largest IPOs of Q1 2008     |           |                             |               |
|----------------------------------|-----------|-----------------------------|---------------|
|                                  | €m raised | Sector                      | Market        |
| Liberty International            | 600       | Investment Company          | NYSE Euronext |
| Terra Catalyst Fund              | 311       | Investment Company          | London        |
| Taewoong Co                      | 184       | Industrial Goods & Services | London        |
| Kentz Corporation                | 178       | Construction & Materials    | London        |
| JP Morgan Income & Capital Trust | 139       | Investment Company          | London        |

| 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 |