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# An insight into the London Stock Exchange

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European Energy Venture Fair, Zurich - 27 October 2003



# Agenda

- Choice of markets
- Overview of recent activity

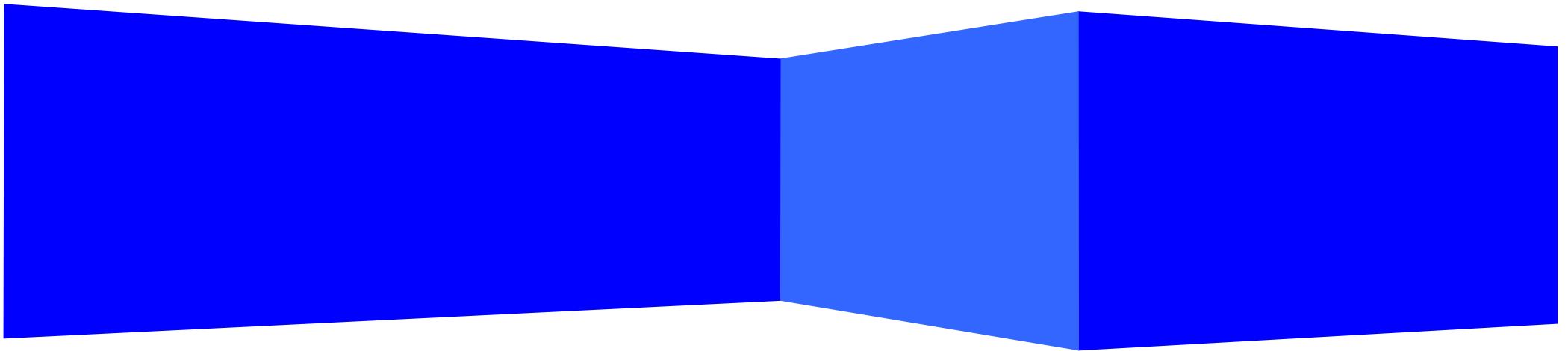


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## Choice of markets



# Markets tailored to the needs of companies



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## 1. Main Market



Regulation: UK Listing Authority (UKLA)

2.



Regulation: Nominated Advisors  
(appointed by London Stock Exchange)



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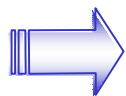
**AIM - the  
international market  
for smaller growing  
companies**



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## Key statistics

- Created in 1995
- 707 companies
- 52 international companies
- Average market cap €27m
- 32 sectors
- Money raising:
  - ✍ 25 IPOs in 2003 raising €641m
  - ✍ Further money raised: €549m



...the only successful growth market in Europe



Figures as at 28 August 2003



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# Profile of AIM investors

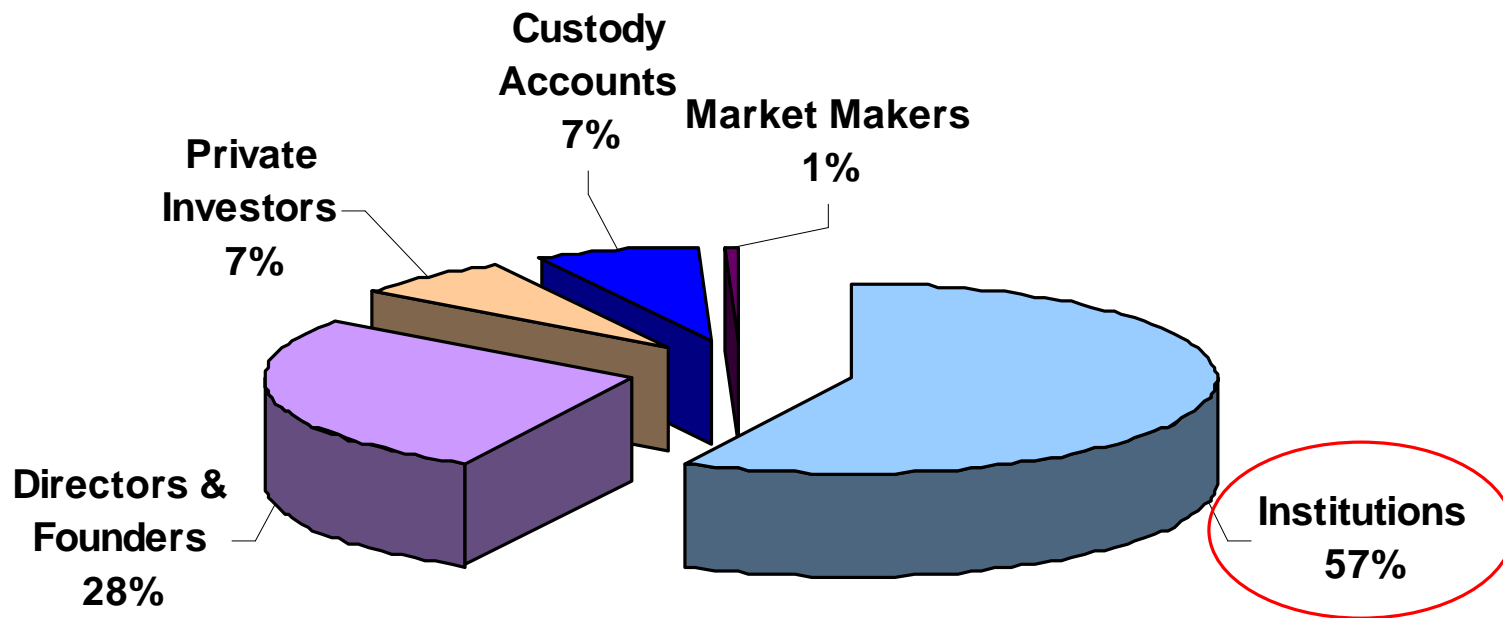


Figure represents share holding (Jan 2002)



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## Feedback from the market

" Good growth companies will find the AIM investor community receptive to them. AIM has proved to be the **best market anywhere in the world for financing small but growing companies**"

Ray Zimmerman, Managing Director - International,  
Teather & Greenwood (Nominated Adviser & Broker, London).

"Our experience shows that the **depth of understanding** amongst UK-based investors of companies and their technologies contributes strongly to the attractiveness of the London markets"

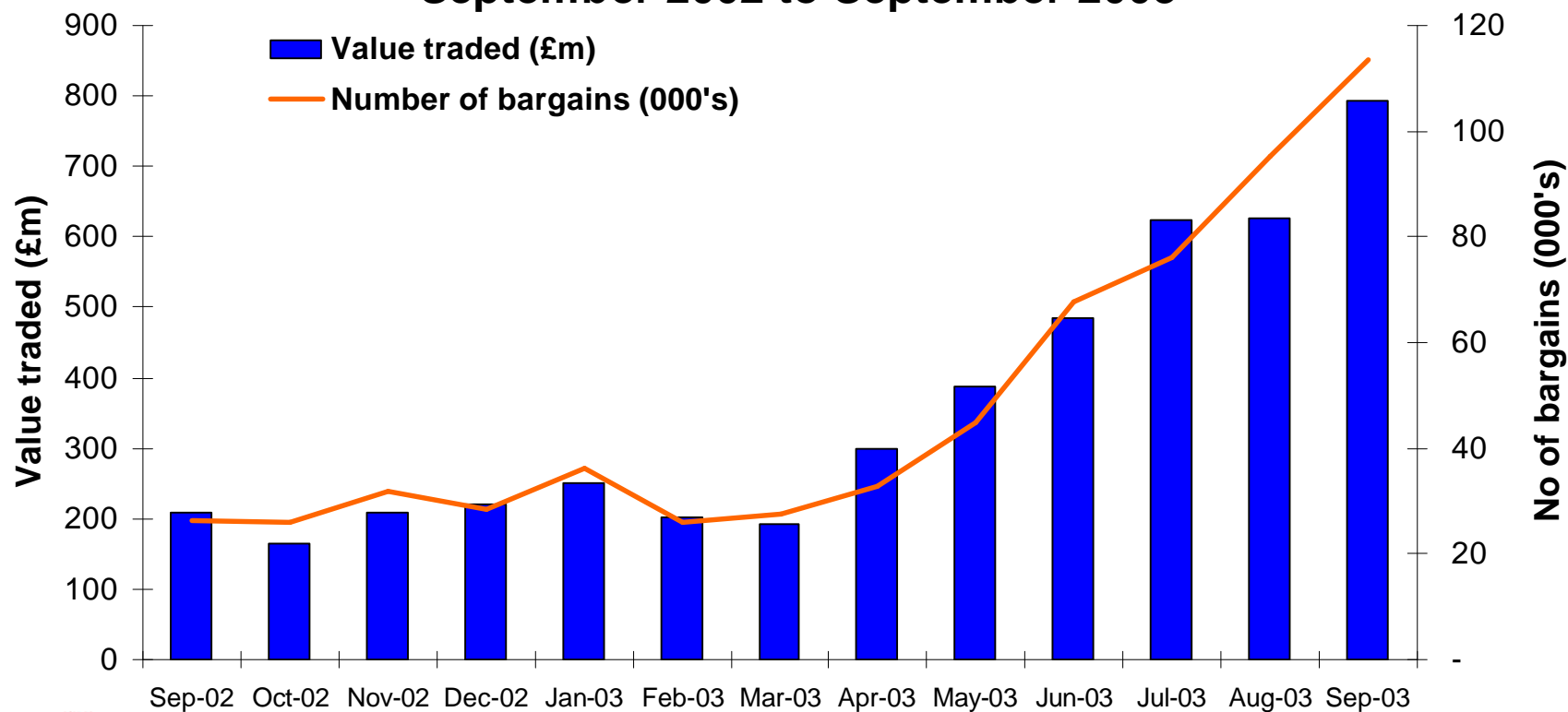
Bankside Consultants, AIM PR Consultant of the Year 2003



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# AIM trading volume

## AIM turnover: value traded and total number of bargains September 2002 to September 2003



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## Joining AIM

- No minimum number of shares in public hands
- No prior trading record required
- Appoint and retain a Nominated Adviser at all times
- Admission documents vetted by Nominated Adviser

## Key considerations

- Multiple accounting standards accepted: International Accounting Standards, UK or US GAAP
- More flexible regulatory environment than Main Market
- Flexible acquisition rules - in most cases no prior shareholder approval required for transactions -> key for expansion

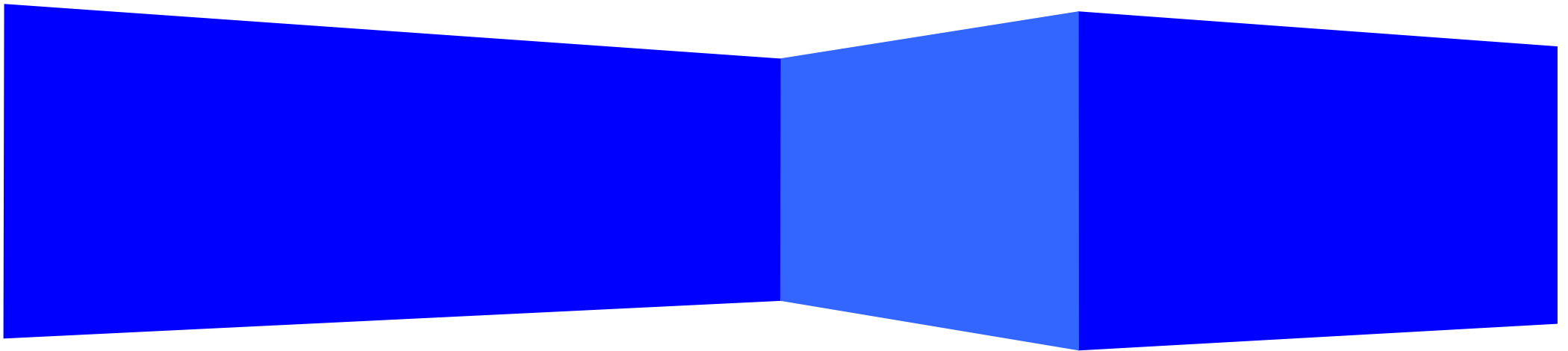


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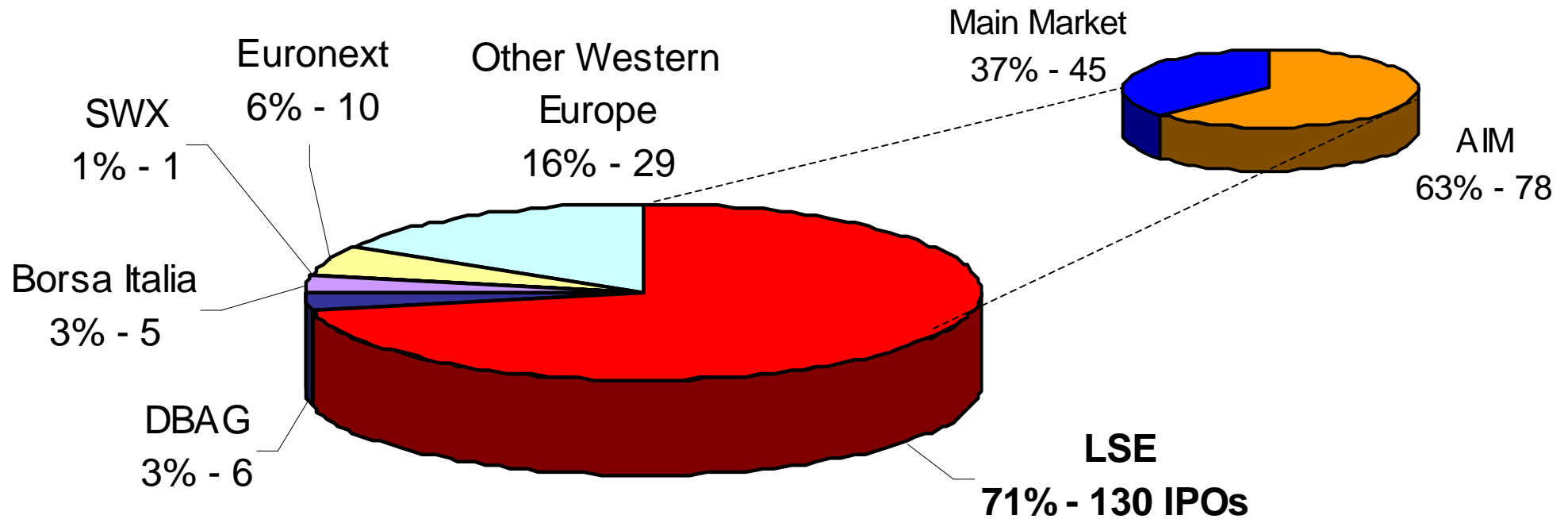


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## Overview of recent activity



## Number of IPOs by market (Jan 02 - Aug 03)



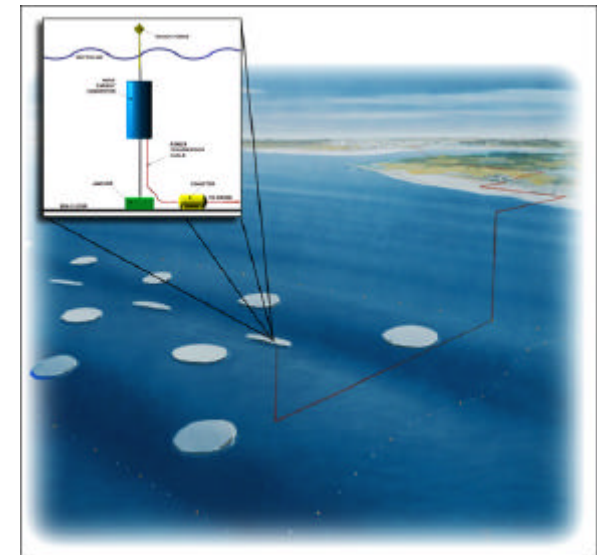
Source: LSE and other exchange websites



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## Case Study - Ocean Power Technologies, Inc

- Wave energy technology
- Incorporated in the USA, operations in Hawaii
- Joining AIM on 28 Oct 03\*
- Raising €38.5m\*
- Market Value €98m\*
- Financials:
  - ✍ Annual turnover: €2,4m (2003)
  - ✍ Net loss: €779m (2003)



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## Most Recent IPOs

Date	Market	Company	Mkt Cap at joining €m	Money Raised €m	Sector
28/08/2003	AIM	CORPORA	4.90	2.05	Software
14/08/2003	AIM	QUIKTRAK NETWORKS PLC	22.76	0.97	Wireless Telecommunications Services
07/08/2003	AIM	MICAP	22.20	7.52	Medical Equipment & Supplies
04/08/2003	AIM	CAMBRIAN MINING	7.98	2.54	Other Mineral Extractors & Mines
01/08/2003	AIM	TELLINGS GOLDEN MILLER GROUP	21.43	2.80	Rail, Road & Freight
15/07/2003	Main	YELL GROUP	2,772.41	1,596.00	Publishing & Printing
01/07/2003	AIM	MILESTONE GROUP	30.24	14.70	Television, Radio and Filmed Entertainment
27/06/2003	AIM	FAROE PETROLEUM	61.71	21.00	Oil & Gas - Exploration & Production
25/06/2003	AIM	AFRICAN EAGLE RESOURCES	4.92	2.04	Gold Mining
18/06/2003	Main	BENFIELD GROUP	804.65	140.00	Insurance Brokers
12/06/2003	Main	SONDEX	54.35	37.80	Oil - Services
29/05/2003	AIM	TRADINGSPO RTS EXCHANGE SYSTEMS	16.90	5.60	Gambling
23/05/2003	AIM	NORTHUMBRIAN WATER GROUP PLC	726.07	544.56	Provision of water and the removal of sewage
22/05/2003	AIM	BIOPROGRESS	18.33	7.00	Medical Equipment & Supplies
05/03/2003	AIM	HPD EXPLORATION	26.37	2.36	Gold Mining
20/01/2003	AIM	2 TRAVEL GROUP	3.88	1.20	Rail, Road & Freight

## Conclusion

The AIM market of the London Stock Exchange:

- The most successful growth market in Europe
- Quality market with significant mass and strong institutional investor participation
- Excellent vehicle for growth:
  - ✍ easier entry criteria
  - ✍ flexible acquisition rules
- London markets are open for business for large and small quality companies

***.... we believe our markets are well suited to the growth companies of Europe.***



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## Contact

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