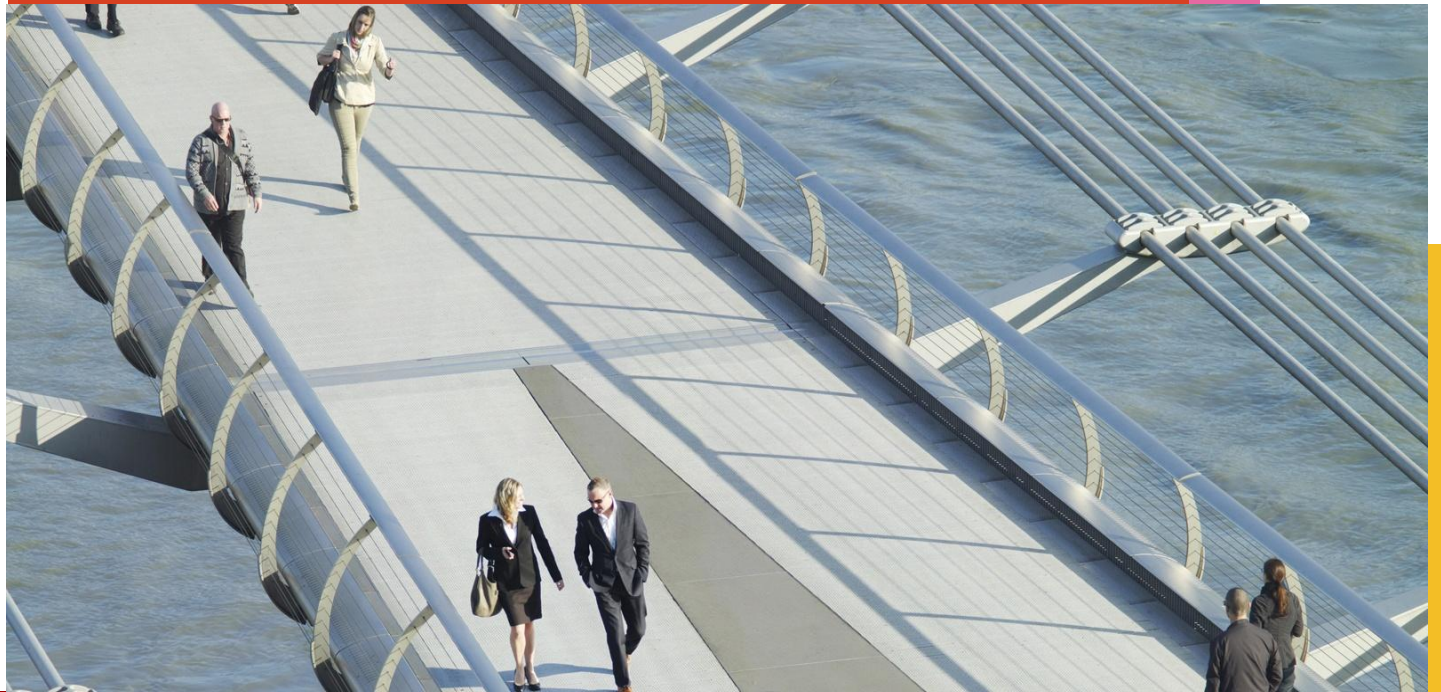


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IPO Watch Europe Survey

Q3 2012

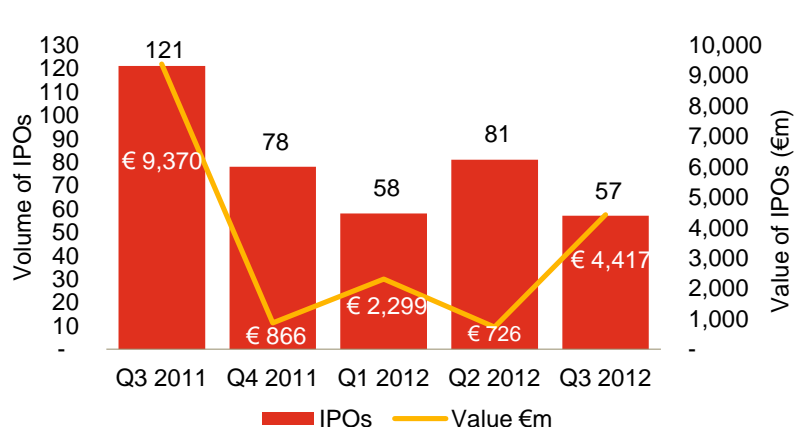


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In quarter three of 2012, 57 IPOs raised a combined total of €4,417m. The quarter was dominated by the Sberbank listing and capital raising in London.

European IPO activity by value and volume



	Q3 2012	Q3 2011	Q2 2012
Total European listings comprise those with:			
<i>No money raised</i>	13	16	23
<i>Money raised</i>	44	105	58
<i>Total number of listings</i>	57	121	81
<i>Total money raised (€m)</i>	4,417	9,370	726
Average offering value (€m) *	100	89	13

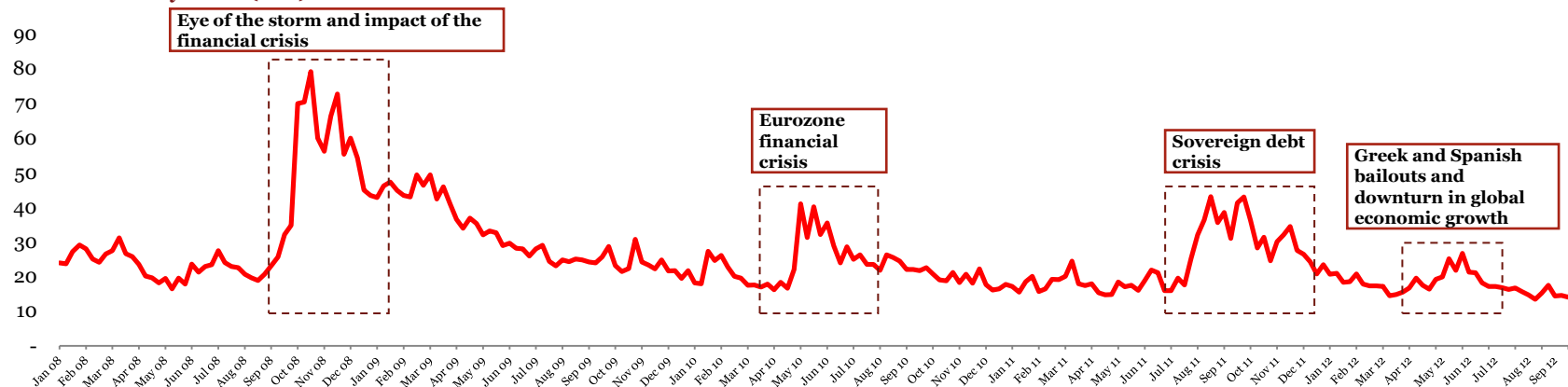
* Average offering value has been calculated based on total offering value over the number of listings raising money.

As anticipated, activity was low in first two months of the quarter reflecting the traditional summer lull and UK investors being preoccupied by the Olympics. However, Sberbank, Russia's largest commercial bank, boosted the European markets by raising €4,050m on the London Main Market in September 2012.

The outlook for quarter four is promising, with a number of high-profile companies signalling their intention to float. If the announced transactions do successfully complete and perform well in the aftermarket, this will go some way to stimulating investor confidence in European IPOs.

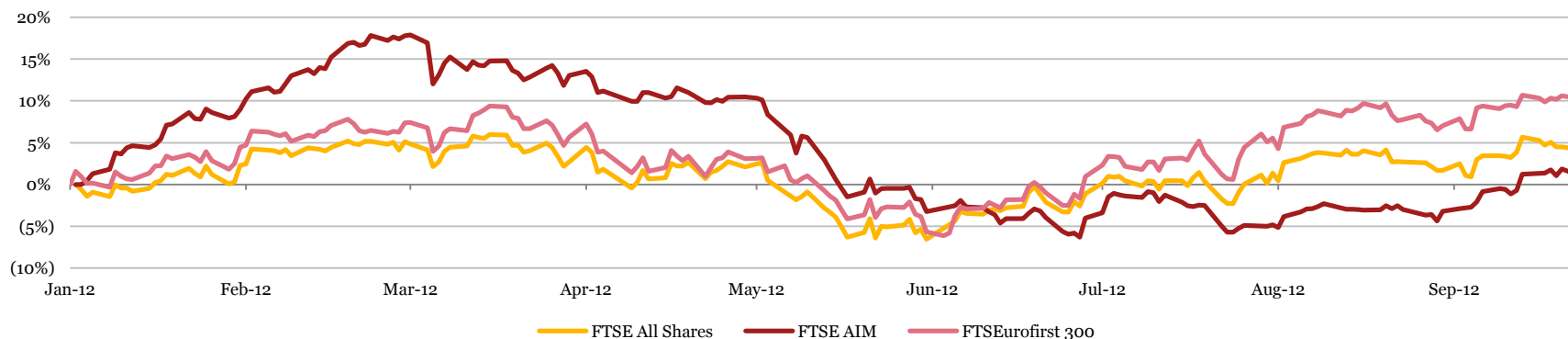
Traditional IPO indicators, including VIX and stock market indices, have improved as the quarter progressed leading to some encouraging signs for quarter four

Market Volatility Index (VIX)



Source: Yahoo Finance

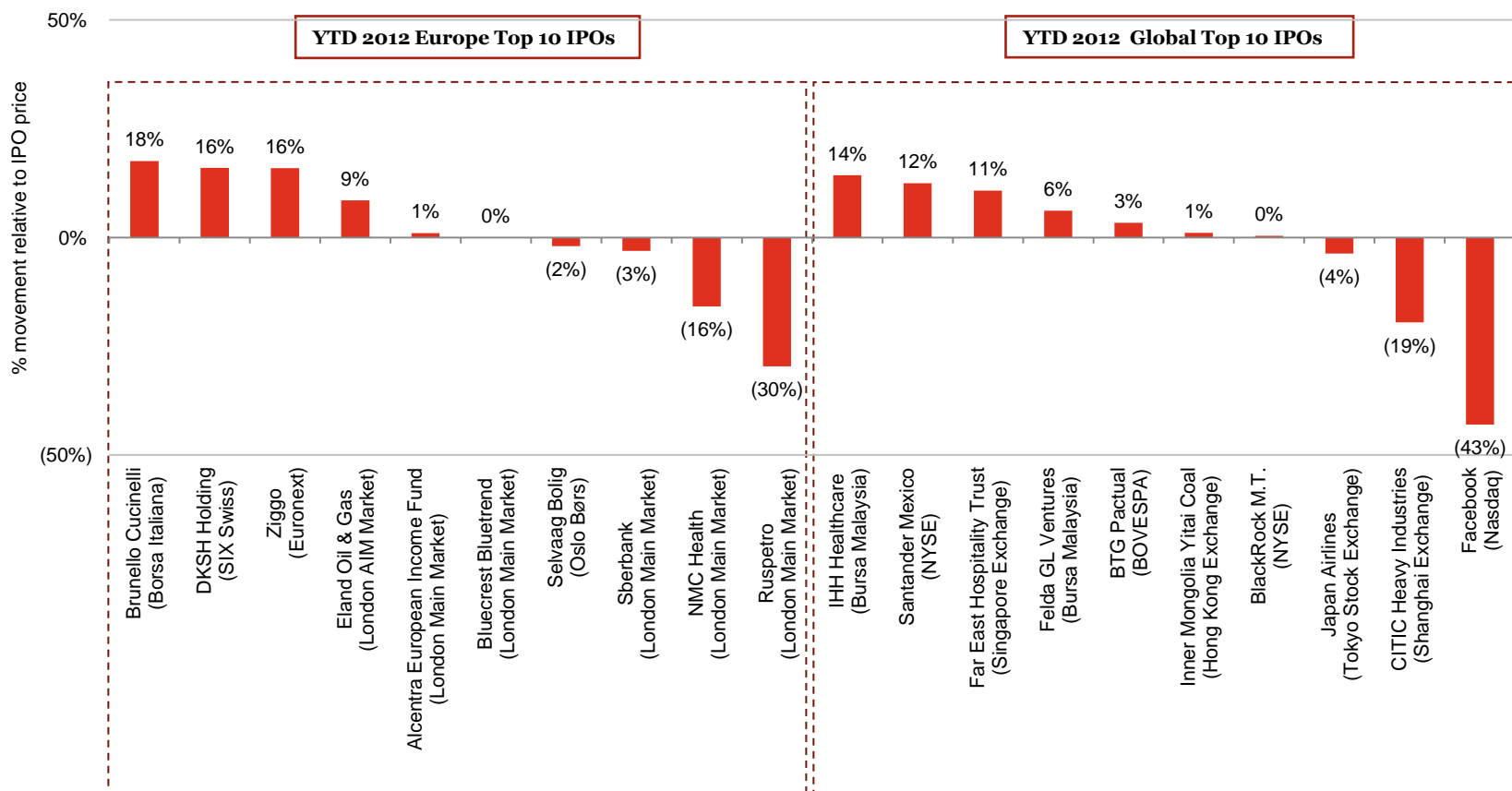
YTD Indices - trading performance



Source: Yahoo Finance

Post listing share price performance has been mixed across Europe and globally, with cross-border IPOs into London among the poorest performers

Post IPO performance

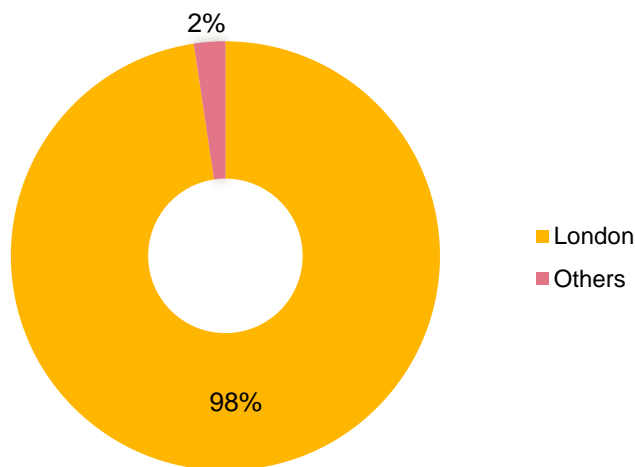


* IPO performance has been calculated based on 28 September 2012 closing price

Source: Yahoo Finance, Dow Jones

London topped the European IPO markets this quarter, driven by the Sberbank capital raising and the quarter's second largest transaction, Eland, which raised €148m on AIM

IPO offering value by exchange



Stock exchange offering value (€m)	Q3 2012	Q3 2011	Q2 2012
London Stock Exchange Group (1)	4,320	1,169	487
Luxembourg	54	136	48
Deutsche Börse	26	315	35
Warsaw	14	1,464	50
NYSE Euronext	3	65	43
NASDAQ OMX	-	60	-
Oslo Børs & Oslo Axess	-	83	61
BME (Spanish Exchange)	-	6,078	2
Total	4,417	9,370	726

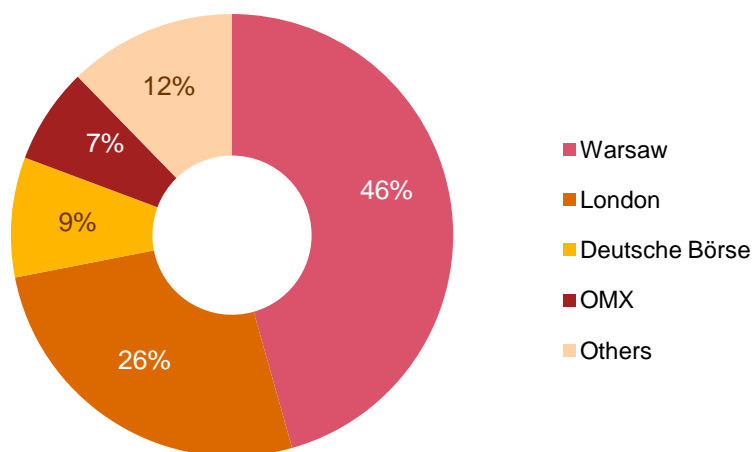
(1) The London Stock Exchange Group comprises the London and Borsa Italiana stock exchanges.

Total offering value was 47% down on the same quarter in the prior year, however, quarter three 2011 saw a number of privatisations of government-owned assets in Spain and Poland, each raising in excess of €0.5bn. Since then, very few transactions have raised over €0.2bn leading to low activity across most of the major exchanges in 2012.

Total offering value was over six times the amount raised in quarter two of 2012 due to the proceeds from the listing of Sberbank.

Warsaw and London continue to be Europe's most active listing destinations, nevertheless volumes across Europe still remain at muted levels

IPO volume by exchange

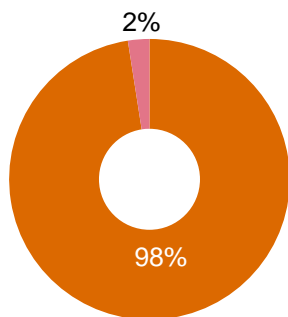


<u>Stock exchange volume</u>	<u>Q3 2012</u>	<u>Q3 2011</u>	<u>Q2 2012</u>
Warsaw	26	61	33
London Stock Exchange Group (1)	17	29	21
Deutsche Börse	5	5	12
NASDAQ OMX	4	4	2
Luxembourg	2	4	1
NYSE Euronext	1	8	8
Oslo Børs & Oslo Axess	1	4	2
SIX Swiss Exchange	1	-	1
BME (Spanish Exchange)	-	6	1
Total	57	121	81

(1) The London Stock Exchange Group comprises the London and Borsa Italiana stock exchanges.

Sberbank dominated the quarter, raising €4bn, the largest European transaction since Glencore raised €6.9bn in quarter two of 2011

Top five IPOs



■ Top 5 IPOs ■ Others

Four out of the top five largest transactions of the quarter were hosted in London, whilst the third largest IPO, Parade Technologies, the Taiwanese display screen manufacturer, raised €48m in Luxembourg.

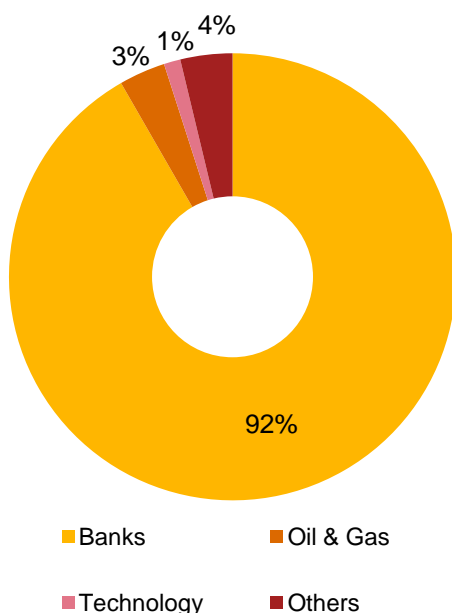
Five largest IPOs of Q3 2012	€m raised	Sector	Market	Segment	Country of Origin
Sberbank	4,050	Bank	London	Main	Russia
Eland Oil and Gas	148	Oil & Gas	London	AIM	Nigeria
Parade Technologies	48	Technology	Luxembourg	EuroMTF	Taiwan
Revolymmer	32	Chemicals	London	AIM	UK
Ground Rents Income Fund	30	Investment Company	London	Main	UK
Total	4,308				

Five largest IPOs of Q3 2011	€m raised	Sector	Market	Segment	Country of Origin
Bankia	3,092	Banks	BME	Main	Spain
Dia	2,378	Retail	BME	Main	Spain
Jastrzębska Spółka Węglowa	1,346	Mining	Warsaw	Main	Poland
Banca Cívica	600	Banks	BME	Main	Spain
OJSC Phosagro	530	Chemicals	London	Main	Russia
Total	7,946				

Five largest IPOs of Q2 2012	€m raised	Sector	Market	Segment	Country of Origin
Brunello Cucinelli	158	Retail	Borsa Italiana	Main	Italy
NMC Health	142	Health Care	London	Main	UAE
Selvaag Bolig	61	Real Estate Development	Oslo	Børs	Norway
DCG Iris	50	Investment Company	London	Main	UK
Industrial Investment Trust	48	Investment Company	Luxembourg	MTF	India
Total	459				

Although the Technology and Industrial Goods & Services sectors achieved the largest IPO volume in quarter three of 2012, the Banking sector raised the most value due to the Sberbank transaction

IPOs by sector and value



Sector	IPOs Q3 2012	IPOs Q3 2011	IPOs Q2 2012
Technology	9	12	16
Industrial Goods & Services	7	26	10
Retail	5	2	5
Utilities	4	1	3
Mining	4	8	2
Construction & Materials	4	3	2
Oil & Gas	3	9	4
Financial Services	3	5	2
Chemicals	3	1	1
Pharmaceuticals & Biotech	2	7	7
Investment Companies	2	8	6
Travel & Leisure	2	4	5
Health Care	2	6	3
Real Estate	2	4	3
Food & Beverage	2	3	2
Telecommunications	1	2	3
Personal & Household Goods	1	5	2
Banks	1	3	1
Media	-	4	3
Automobiles & Parts	-	4	1
Basic Resources	-	3	-
Insurance	-	1	-
Total	57	121	81

The US finishing strongly with eight IPOs raising €3.3bn in September 2012 and was buoyed by the IPO of Banco Santander's Mexican unit, which raised €2.3bn. Activity in Hong Kong remained low.

US overview

Stock exchange	Q3 2012		Q3 2011		Q2 2012	
	IPOs	Offering value (€m)	IPOs	Offering value (€m)	IPOs	Offering value (€m)
NYSE	12	3,894	7	1,015	17	3,235
NASDAQ	17	1,307	14	1,218	14	13,733
US total	29	5,201	21	2,233	31	16,968
Hong Kong	17	1,422	22	1,789	14	2,113

The US IPO market continued to demonstrate discrete periods of activity in the third quarter, reflecting the continued compression of IPO windows of opportunity. As volatility decreased and the US equity markets climbed to levels not seen since 2007, well-prepared companies were able to execute on their IPO plans.

The financial and technology sectors continued to drive the US IPO markets, with 58% and 13% of the proceeds, respectively. Financial sponsor backed IPOs continued their strong presence, with 69% of IPOs in Q3, generating 43% of the total proceeds. The outlook in the US remains positive with a healthy registration pipeline expected to support momentum into the fourth quarter.

In Hong Kong, IPO activity was substantially down due to a slump in the number of Chinese companies seeking to list. Consequently at the end of 2012, Hong Kong may lose its dominance as the top global exchange for IPOs by value, which it has maintained for the last three years.

Other notable global capital markets activity could be seen in Japan and Malaysia, with the relisting of Japan Airlines and IPO of IHH Healthcare. Both IPOs featured in the top four global deals of the quarter.

IPOs by market

Stock exchange	Q3 2012		Q3 2011		Q2 2012	
	IPOs	Offering value (€m)	IPOs	Offering value (€m)	IPOs	Offering value (€m)
TOTAL						
Warsaw	26	14	61	1,464	33	50
London Stock Exchange Group (1)	17	4,320	29	1,169	21	487
Deutsche Börse	5	26	5	315	12	35
NASDAQ OMX	4	-	4	60	2	-
Luxembourg	2	54	4	136	1	48
NYSE Euronext	1	3	8	65	8	43
Oslo Børs & Oslo Axess	1	-	4	83	2	61
SIX Swiss Exchange	1	-	-	-	1	-
BME (Spanish Exchange)	-	-	6	6,078	1	2
Total (2)	57	4,417	121	9,370	81	726
EU-REGULATED						
London Stock Exchange Group (London Main)	2	4,080	6	810	4	196
Deutsche Börse (Prime and General Standard)	5	26	4	300	1	3
Warsaw (Main)	2	9	7	1,427	5	46
NASDAQ OMX (Main)	2	-	2	59	1	-
Oslo Børs	1	-	2	83	1	61
SIX Swiss Exchange	1	-	-	-	1	-
London Stock Exchange Group (Borsa Italiana Main)	-	-	-	-	1	158
NYSE Euronext (Euronext)	-	-	2	43	4	29
BME (Spanish Exchange) (Main)	-	-	3	6,070	-	-
EU-regulated sub-total	13	4,115	26	8,792	18	493
EXCHANGE-REGULATED						
London Stock Exchange Group (London AIM)	13	233	22	205	15	130
Luxembourg (EuroMTF)	2	54	4	136	1	48
London Stock Exchange Group (Borsa Italiana AIM)	2	7	-	-	1	3
Warsaw (NewConnect) (2)	24	5	54	37	28	4
NYSE Euronext (Alternext)	1	3	6	22	4	14
NASDAQ OMX (First North)	2	-	2	1	1	-
Deutsche Börse (Entry Standard)	-	-	1	15	11	32
BME (Spanish Exchange) (MAB)	-	-	3	8	1	2
Oslo Axess	-	-	2	-	1	-
London Stock Exchange Group (London SFM)	-	-	1	154	-	-
Exchange-regulated sub-total	44	302	95	578	63	233
Europe total	57	4,417	121	9,370	81	726

(1) The London Stock Exchange Group comprises the London and Borsa Italiana stock exchanges.

(2) Cumulatively the WSE NewConnect raised €8m in Q3 2012. However, certain transactions raised an amount that rounded down to nil and the figure above is the sum of the rounded values.

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, the Netherlands, 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 30 September 2012 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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