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IPO Watch Europe Survey

Q2 2012



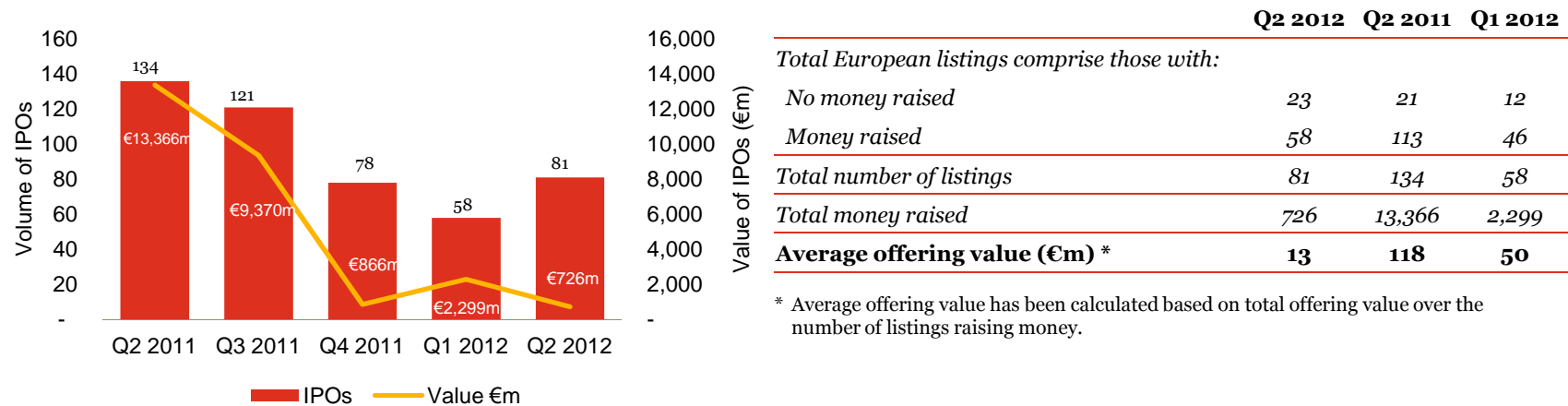
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Contents

European IPO activity by value and volume	3
Marker volatility index	4
IPO offering value	5
IPO volume	6
Top five IPOs	7
IPOs by sector and value	8
US and Greater China overview	9
IPOs by market	10
About IPO Watch Europe	11

81 IPOs raised just €726m in the second quarter of 2012, reflecting uncertain and volatile market conditions and a number of shelved floats

European IPO activity by value and volume



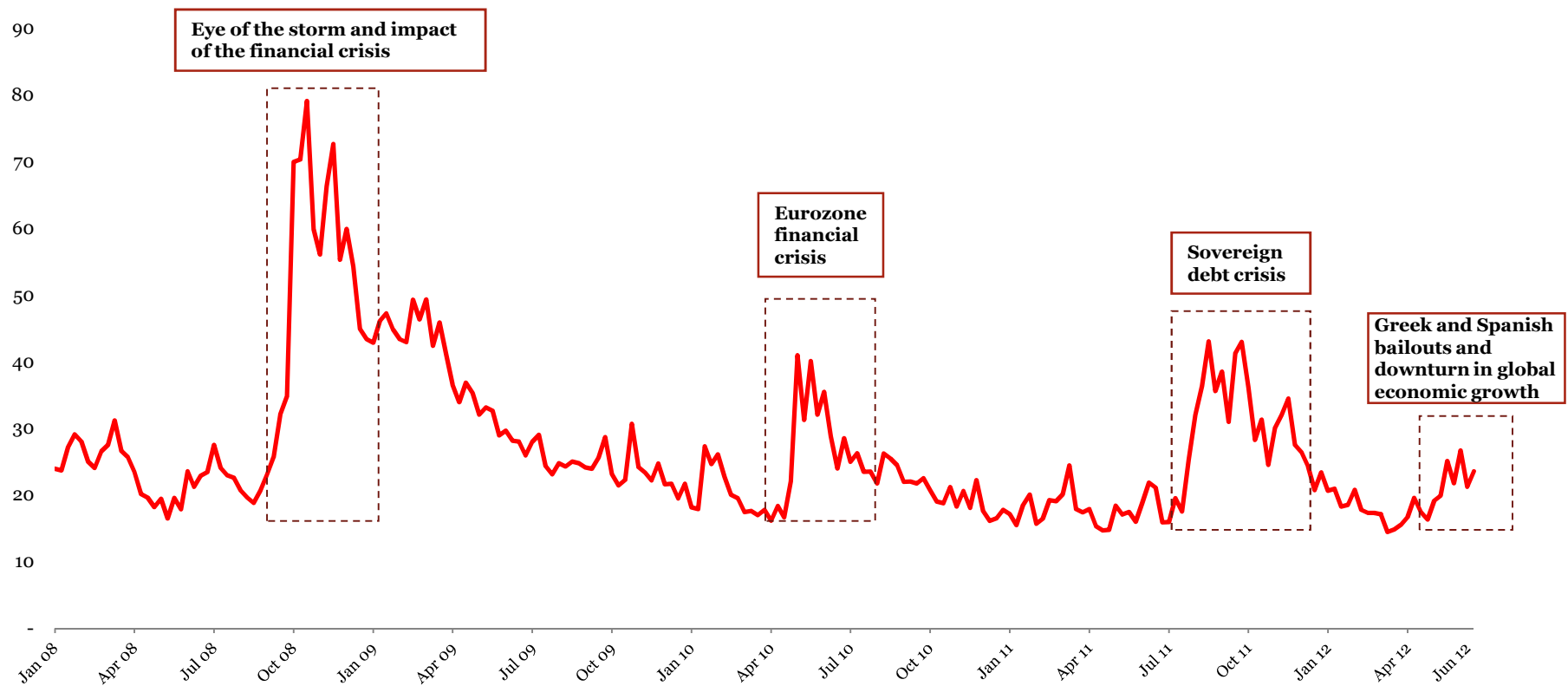
	Q2 2012	Q2 2011	Q1 2012
<i>Total European listings comprise those with:</i>			
<i>No money raised</i>	23	21	12
<i>Money raised</i>	58	113	46
<i>Total number of listings</i>	81	134	58
<i>Total money raised</i>	726	13,366	2,299
Average offering value (€m) *	13	118	50

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

The latest findings from the PwC IPO Watch Europe survey show that in Europe, after some encouraging signs in the first three months of the year, IPO activity slowed dramatically in the second quarter with some 81 IPOs raising just €0.7 billion, a 40% decline in volume and a 95% decline in proceeds from the same period in 2011 when 134 IPOs raised €13.4 billion (which includes the €6.9 billion IPO of Glencore). The weakness of the IPO market reflects not only the tough market conditions but also the number of companies that postponed their IPO plans by 6-12 months following the challenging market conditions in the second half of 2011.

After encouraging signs in the first quarter of 2012, volatility returned to the markets in the second quarter

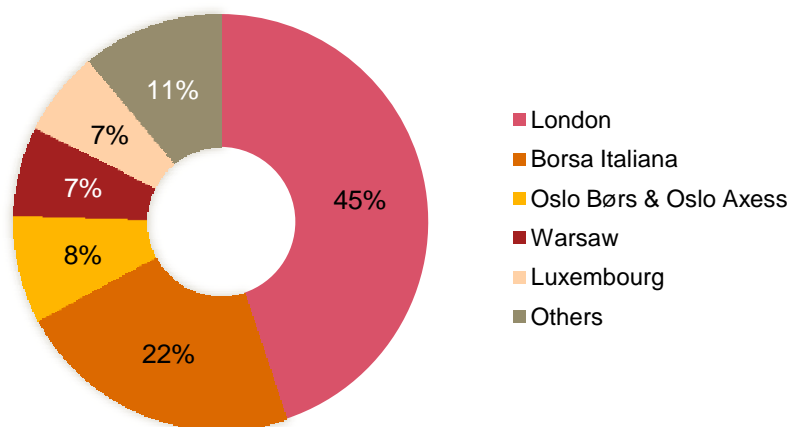
Market Volatility Index (VIX)



Source: Yahoo Finance

London returned to pole position in Q2 2012, however it remained down on prior quarters, and at some of the lowest levels since Q2 2009

IPO offering value by exchange



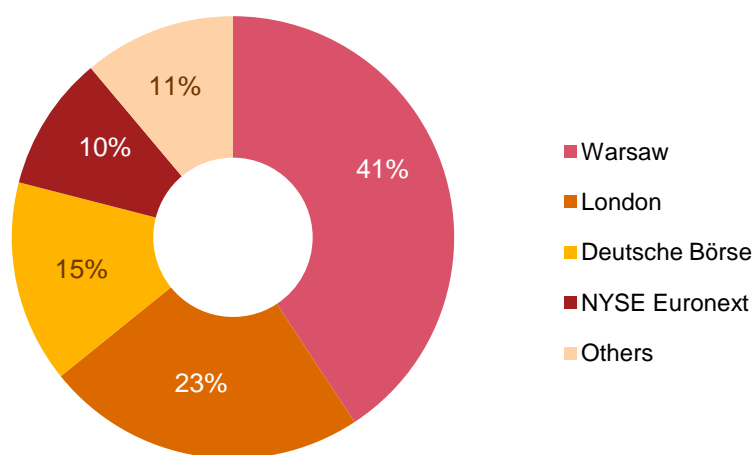
Stock exchange offering value (€m)	Q2 2012	Q2 2011	Q1 2012
London Stock Exchange Group (1)	487	10,661	621
Oslo Børs & Oslo Axess	61	257	-
Warsaw	50	600	14
Luxembourg	48	205	-
NYSE Euronext	43	44	975
Deutsche Börse	35	959	-
BME (Spanish Exchange)	2	5	6
NASDAQ OMX	-	198	2
SIX Swiss Exchange	-	-	681
Wiener Börse	-	366	-
Irish Stock Exchange (ESM)	-	17	-
Total (2)	726	13,295	2,299

(1) The London Stock Exchange Group comprises the London and Borsa Italiana stock exchanges.
 (2) IPOs by market are shown gross of dual listings.

IPO activity in London has been muted to say the least. However, we are continuing to see significant interest from companies wishing to list in London, particularly natural resources companies from the emerging markets.

Warsaw and London were the most active exchanges, however IPO volume was down across most European exchanges

IPO volume by exchange



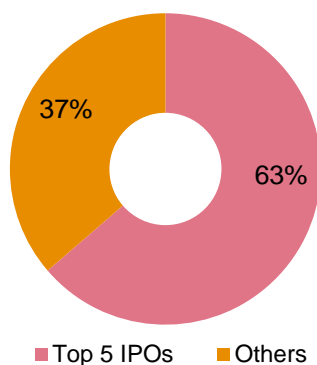
Stock exchange volume	Q2 2012	Q2 2011	Q1 2012
Warsaw	33	55	25
London Stock Exchange Group (1)	21	36	16
Deutsche Börse	12	6	1
NYSE Euronext	8	12	8
NASDAQ OMX	2	12	3
Oslo Børs & Oslo Axess	2	3	-
BME (Spanish Exchange)	1	1	3
Luxembourg	1	8	1
SIX Swiss Exchange	1	2	1
Irish Stock Exchange (ESM)	-	1	-
Wiener Börse	-	1	-
Total (2)	81	136	58

(1) The London Stock Exchange Group comprises the London and Borsa Italiana stock exchanges.
 (2) IPOs by market are shown gross of dual listings.

European IPO activity has been the hardest hit of the major markets and is likely to remain subdued until well into the second half of the year, dependent on renewed investor confidence and an improvement in market sentiment.

The top five IPOs of the quarter accounted for 63% of the total proceeds raised, although none of which would have entered the top 5 in Q2 2011

Top five IPOs



The two largest IPOs in Europe this quarter were Brunello Cucinelli, an Italian maker of cashmere sweaters that raised €158 million on the Italian Borsa and NMC Healthcare, an Abu Dhabi-based healthcare provider which raised €142 million on the London Main market

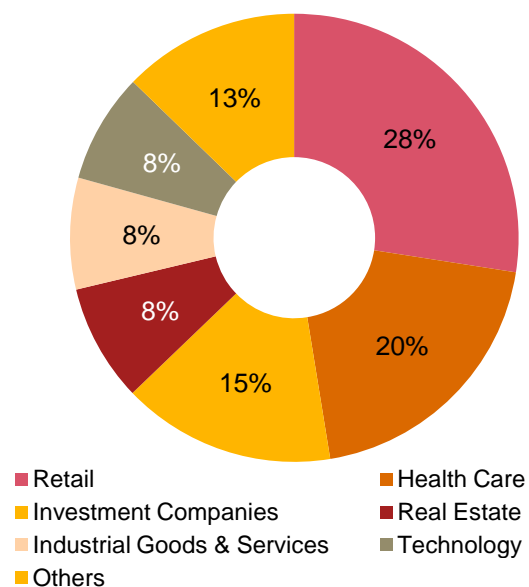
	€m		
Five largest IPOs of Q2 2012	raised	Sector	Market
Brunello Cucinelli	158	Retail	Borsa Italiana
NMC Health	142	Health Care	London
Selvaag Bolig	61	Real Estate	Oslo
DCG Iris	50	Investment Company	London
Industrial Investment Trust	48	Investment Company	Luxembourg
Total	459		

	€m		
Five largest IPOs of Q2 2011	raised	Sector	Market
Glencore International	6,867	Basic Resources	London
Vallares	1,182	Investment Company	London
Nomos Bank	497	Banks	London
GSW Immobilien	407	Real Estate	Deutsche Börse
Etalon Group Limited	398	Real Estate	London
Total	9,351		

	€m		
Five largest IPOs of Q1 2012	raised	Sector	Market
Ziggo	804	Telecommunications	Euronext
DKSH Holding	681	Industrial Goods & Services	SIX Swiss
Bluecrest Bluetrend	198	Investment Company	London
Ruspetro	196	Oil & Gas	London
Alcentra European Floating Rate	97	Investment Company	London
Total	1,976		

The retail and healthcare sectors led the way in terms of proceeds raised, underpinned by the two largest IPOs of the quarter. The technology sector was top in terms of volume due to a number of smaller IPOs on AIM and NewConnect in Warsaw

IPOs by sector and value



Sector	Company	Company	Company
	IPOs	IPOs	IPOs
	Q2 2012	Q2 2011	Q1 2012
Technology	16	15	13
Industrial Goods & Services	10	26	8
Pharmaceuticals & Biotech	7	3	4
Investment Companies	6	9	5
Retail	5	2	1
Travel & Leisure	5	4	-
Oil & Gas	4	11	3
Real Estate	3	2	6
Media	3	3	4
Telecommunications	3	2	3
Health Care	3	7	1
Utilities	3	3	-
Mining	2	7	4
Financial Services	2	7	3
Construction & Materials	2	6	1
Personal & Household Goods	2	8	-
Food & Beverage	2	8	-
Banks	1	3	1
Chemicals	1	-	1
Automobiles & Parts	1	3	-
Basic Resources	-	4	-
Insurance	-	1	-
Total	81	134	58

US activity plummeted after the IPO of Facebook in mid-May. Furthermore the markets in Asia were significantly impacted by a number of large IPOs being pulled

US and Greater China overview

Stock exchange	H1 2012		H1 2011	
	IPOs	Offering value (€m)	IPOs	Offering value (€m)
Europe	139	2,304	231	16,255
US (1)	75	21,336	85	18,515
Greater China (2)	212	12,480	206	29,248

(1) US comprises Nasdaq and NYSE

(2) Greater China comprises Shenzhen, Shanghai, Hong Kong and ChiNext

In the US, the second quarter started strongly with 27 IPOs in the first two months, but IPO activity stalled in May due to ongoing US domestic and global macroeconomic concerns. Including the €12.5 billion proceeds from the Facebook IPO, total IPO proceeds raised in the second quarter of 2012 amounted to €16.5 billion, 66% higher than the comparable period in 2011 and the third highest quarterly proceeds since 2007.

The markets in Asia, particularly Hong Kong, were significantly impacted by a number of large IPOs being pulled (Graff Diamonds, China Nonferrous Metal Mining and China Yongda Automobile Services). Across the Greater China markets, in the first half of 2012 there have been 117 IPOs raising €10.5 billion, a decline of 49% in volume and 74% decline in proceeds from the same period last year (229 IPOs raising a total of €40.2 billion). Elsewhere in Asia, the Malaysian Stock Exchange had the second largest IPO of the year globally after Facebook with Felda raising €2.4 billion in June 2012.

IPOs by market

Stock exchange	Q2 2012		Q2 2011		Q1 2012	
	IPOs	Offering value (€m)	IPOs	Offering value (€m)	IPOs	Offering value (€m)
TOTAL						
London Stock Exchange Group (1)	21	487	36	10,661	16	621
Oslo Børs & Oslo Axess	2	61	3	257	-	-
Warsaw	33	50	55	600	25	14
Luxembourg	1	48	8	205	1	-
NYSE Euronext	8	43	12	44	8	975
Deutsche Börse	12	35	6	959	1	-
BME (Spanish Exchange)	1	2	1	5	3	6
NASDAQ OMX	2	-	12	198	3	2
SIX Swiss Exchange	1	-	2	-	1	681
Wiener Börse	-	-	1	366	-	-
Irish Stock Exchange (ESM)	-	-	1	17	-	-
Europe total (3)	81	726	136	13,295	58	2,299
EU-REGULATED						
London Stock Exchange Group (London Main)	4	196	16	10,147	7	569
London Stock Exchange Group (Borsa Italiana Main)	1	158	1	344	-	-
Oslo Børs	1	61	-	-	-	-
Warsaw (Main)	5	46	13	567	4	8
NYSE Euronext (Euronext)	4	29	4	-	6	972
Deutsche Börse (Prime and General Standard)	1	3	5	948	-	-
SIX Swiss Exchange	1	-	2	81	1	681
NASDAQ OMX (Main)	1	-	7	198	1	-
EU-regulated sub-total (3)	18	493	49	12,651	20	2,230
EXCHANGE-REGULATED						
London Stock Exchange Group (London AIM)	15	130	19	170	9	52
Luxembourg (EuroMTF)	1	48	8	205	-	-
Deutsche Börse (Entry Standard)	11	32	1	11	1	-
NYSE Euronext (Alternext)	4	14	6	34	2	3
Warsaw (NewConnect) (2)	28	4	42	33	21	6
London Stock Exchange Group (Borsa Italiana AIM)	1	3	-	-	-	-
BME (Spanish Exchange) (MAB)	1	2	1	5	3	6
NASDAQ OMX (First North)	1	-	5	-	2	2
Oslo Axess	1	-	3	257	-	-
Exchange-regulated sub-total (3)	63	233	85	715	38	69
Europe total	81	726	134	13,366	58	2,299

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

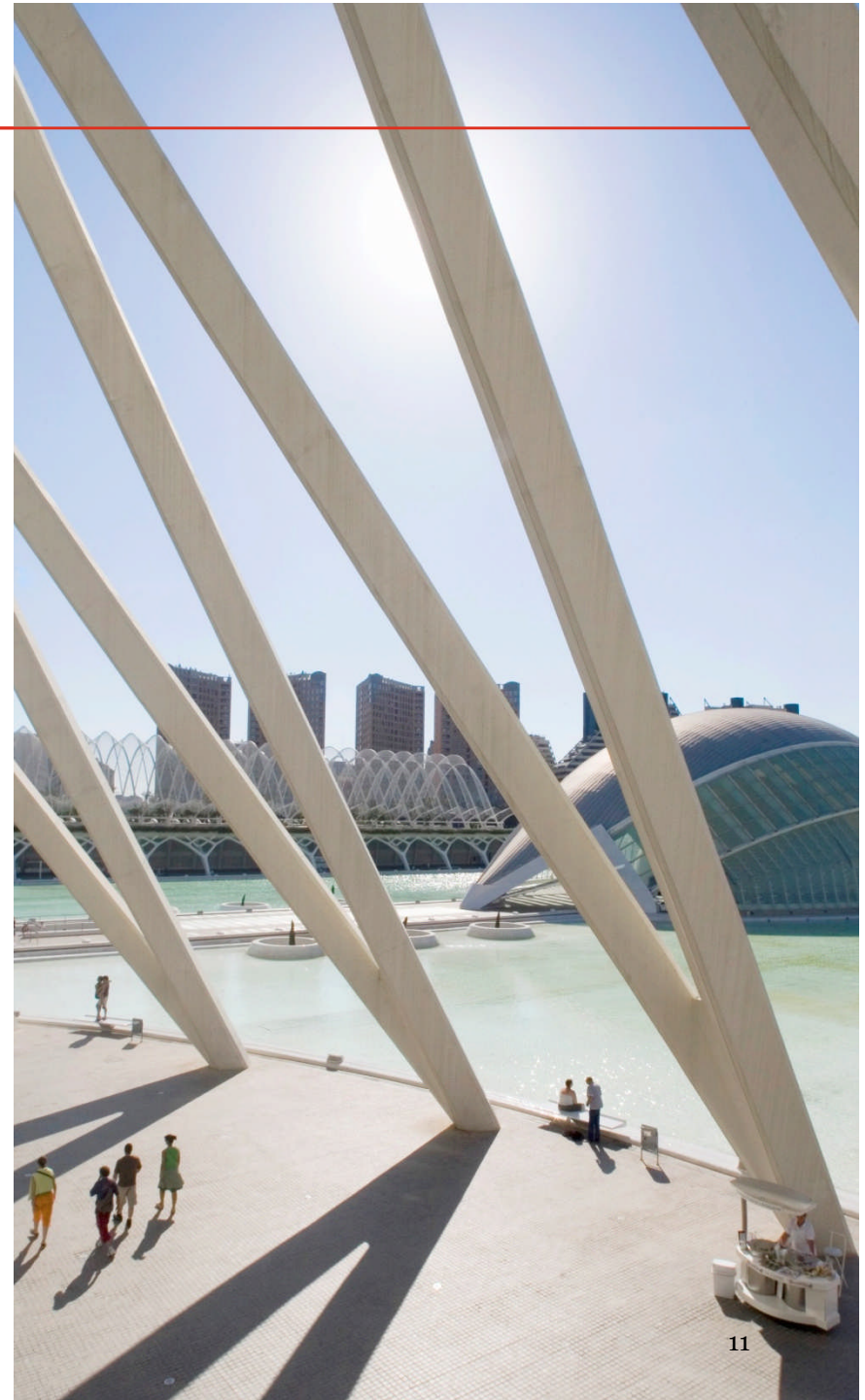
(2) Cumulatively the WSE NewConnect raised €6.5m in Q2 2012. However, certain transactions raised an amount that rounded down to nil and the figure above is the sum of the rounded values.

(3) IPOs by market are shown gross of dual listings; however these are netted off in the Europe total number and offering 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, 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 April and 30 June 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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