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IPO Watch Europe Survey

Q4 2013

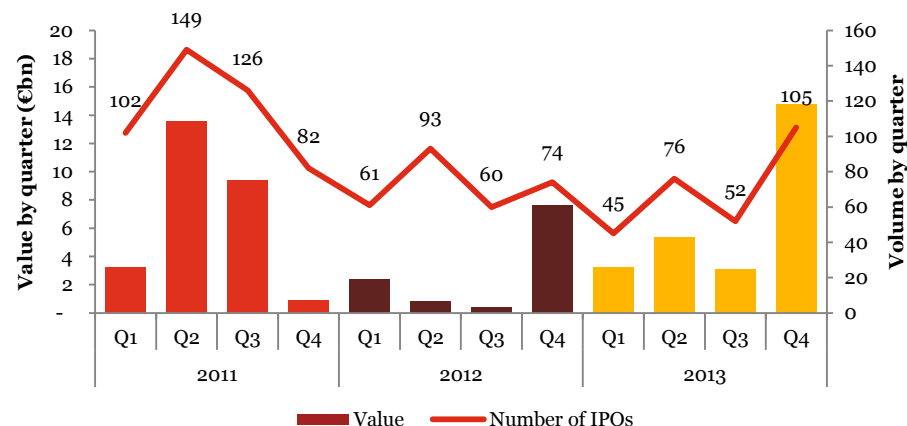
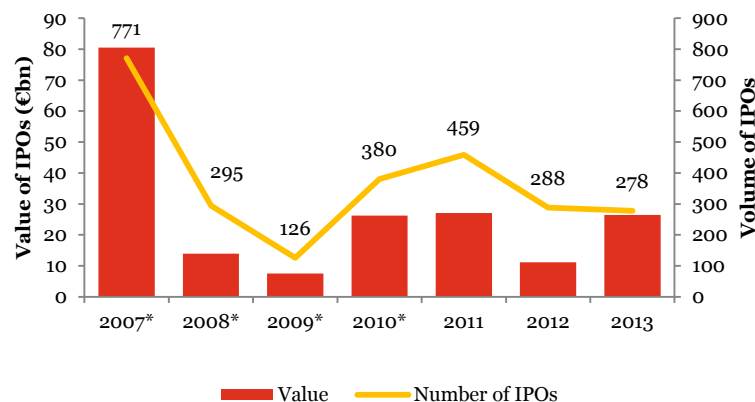


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European IPO proceeds topped €26bn in 2013, more than double the total raised in 2012. The year was led by large private equity exits and privatisations

Annual European IPO activity by value and volume

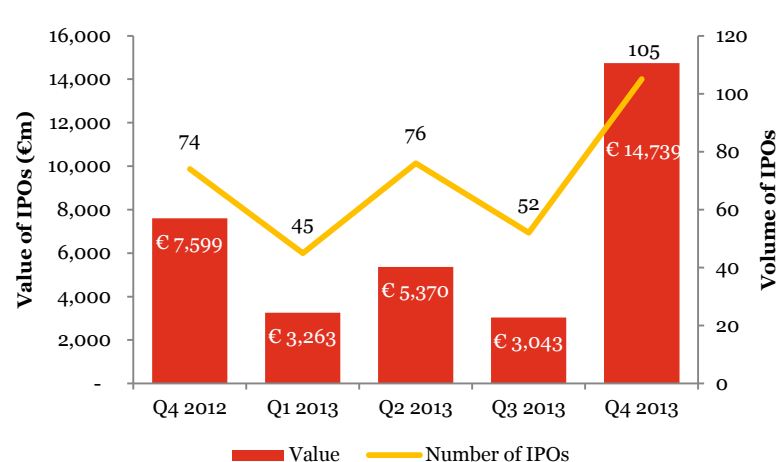


Private Equity – In 2013 PE-backed companies raised €10.6bn, which represented 40% of the total IPO proceeds raised on European markets. The largest PE-backed IPO of the year was Merlin Entertainments, raising €1.1bn.

Privatisations - Royal Mail raised €2.0bn in its October IPO making it the largest European IPO this year and the first privatisation on the London stock exchange for some time. In 2013 there have been seven privatisation IPOs raising €4.7bn. This includes CTT Correios de Portugal in Lisbon and Energa in Warsaw, which both completed in December.

European IPO proceeds in Q4 2013 surpassed €14.7bn, eclipsing the €7.6bn raised in Q4 2012 and making it the most successful quarter since Q4 2007

Quarterly European IPO activity by value and volume

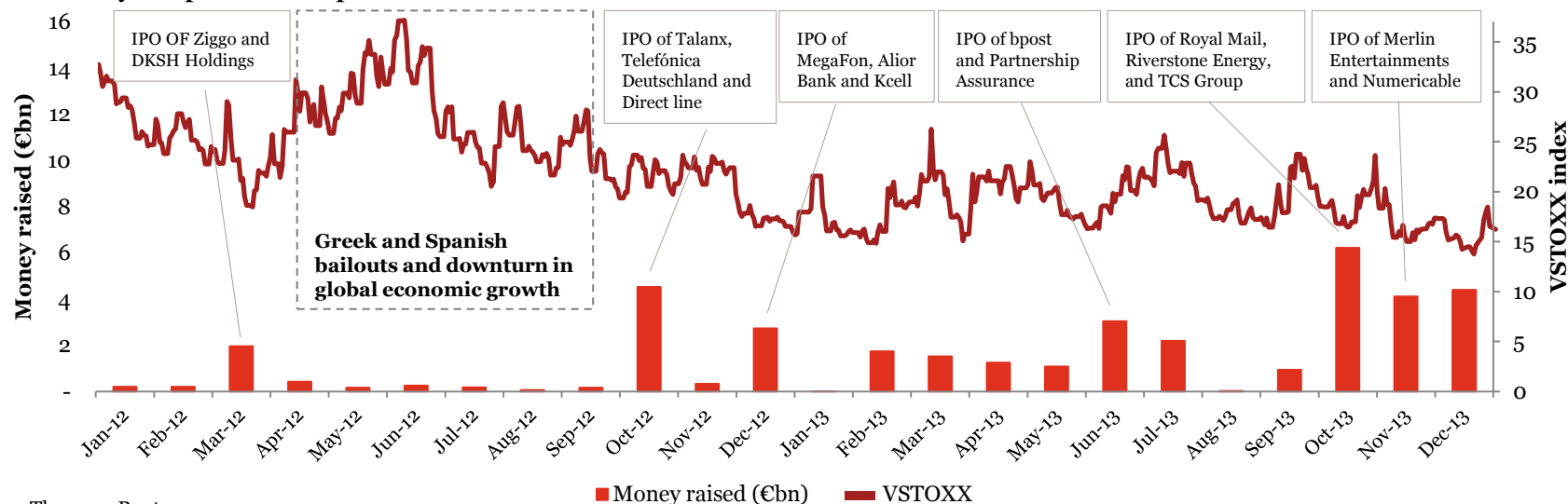


	Q4 2013	Q4 2012	Q3 2013
Total European listings comprise those with:			
<i>No money raised</i>	11	11	6
<i>Money raised</i>	94	63	46
Total number of listings	105	74	52
Total money raised (€m)	14,739	7,599	3,043
Average offering value (€m) *	157	121	66

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

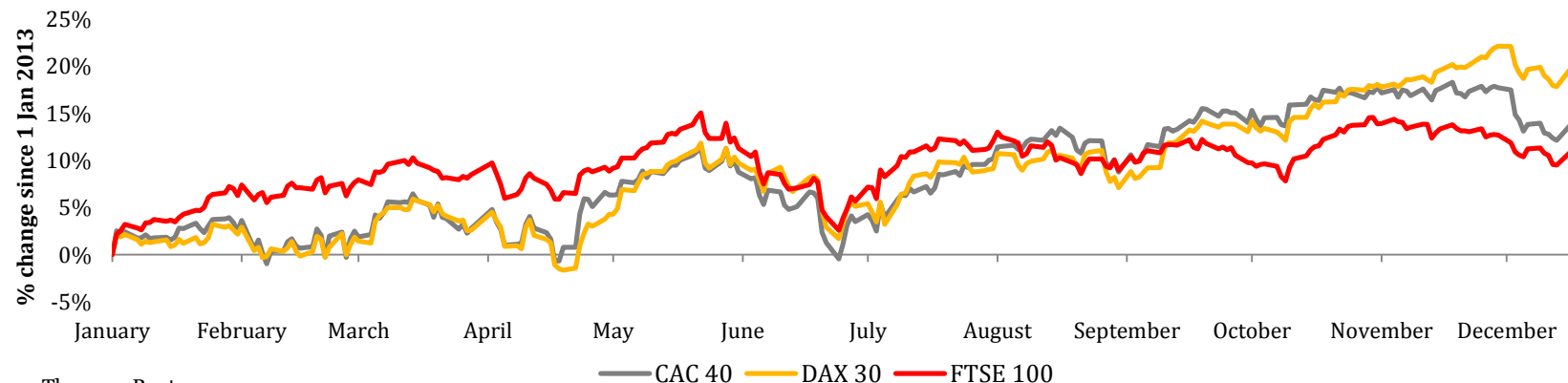
Reduced volatility and improving market indices provided a springboard for 2013 IPO activity

Volatility compared to IPO proceeds



Source: Thomson Reuters

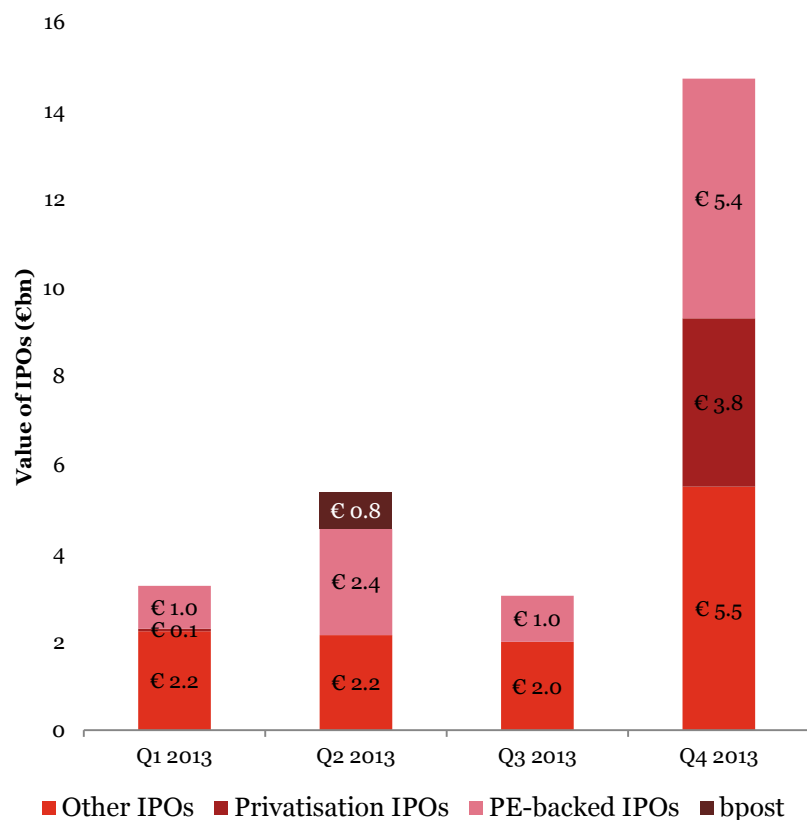
Historical performance of major market indices



Source: Thomson Reuters

Private equity exits and privatisations drove IPO activity this quarter with PE-backed companies raising €5.4bn and privatisations raising €3.8bn

IPO value by type of IPO per quarter



Top five privatisations and PE-backed IPOs

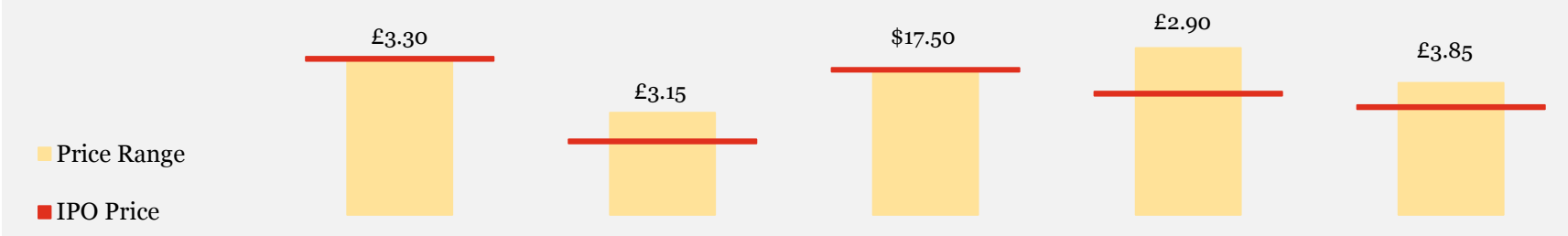
Q4 2013	€m raised	Market	Type of IPO
Royal Mail	2,032	London	Privatisation
Merlin Entertainments	1,141	London	PE-backed
TCS Group Holding	797	London	PE-backed
Moncler	681	Borsa Italiana	PE-backed
Numericable Group	652	NYSE Euronext	PE-backed
Total	5,303		

Q1 - Q3 2013	€m raised	Market	Type of IPO
bpost	812	London	PE-backed/ Privatisation*
esure	703	London	PE-backed
Partnership Assurance	569	London	PE-backed
Deutsche Annington Immobilien	500	Deutsche Börse	PE-backed
Foxtons Group	462	London	PE-backed
Total	3,046		

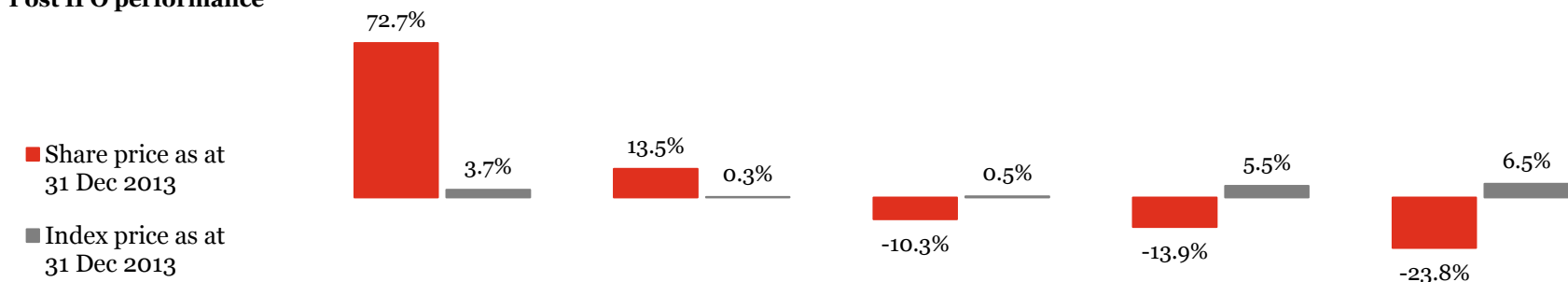
All of the top five UK IPOs in 2013 priced above the mid point of the quoted range. Royal Mail and Merlin Entertainments raised a combined €3.2bn and are both trading ahead of their IPO price

Top 5 (2013)	Royal Mail	Merlin Entertainments	TCS Group ¹	esure	Partnership Assurance
IPO date	15-Oct-13	13-Nov-13	25-Oct-13	27-Mar-13	12-Jun-13
PE backed	No	Yes	Yes	Yes	Yes
Money raised (€m)	€ 2,032m	€ 1,141m	€ 797m	€ 703m	€ 569m
Pricing range	£2.60 - £3.30	£2.80 - £3.30	\$14.00 - \$17.50	£2.40 - £3.10	£3.25 - £4.00

IPO price versus range



Post IPO performance



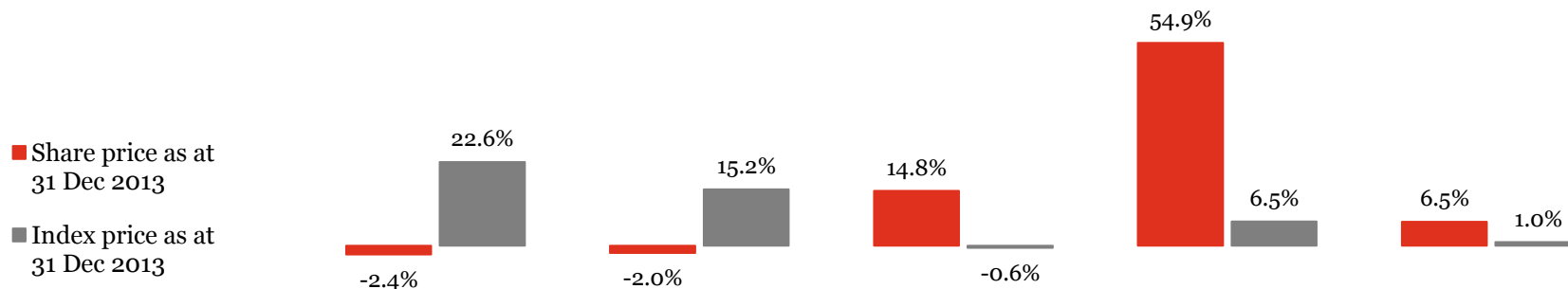
Three of the top five continental European IPOs priced at the top of the quoted range and are trading ahead of their IPO price

Top 5 (2013)	LEG Immobilien	bpost	Cembra Money Bank	Moncler	Numericable
Exchange	Deutsche Börse	Euronext Brussels	SIX Swiss Exchange	Milan	Euronext Paris
IPO date	01-Feb-13	21-Jun-13	30-Oct-13	16-Dec-13	08-Nov-13
PE backed	No	Yes	Yes	Yes	Yes
Money raised (€m)	€ 1,165m	€ 812m	€ 745m	€ 681m	€ 652m
Pricing range	€41.00 - €47.00	€12.50 - €15.00	€43.00 - €51.00	€8.75 - €10.20	€20.30 - €24.80

IPO price versus range

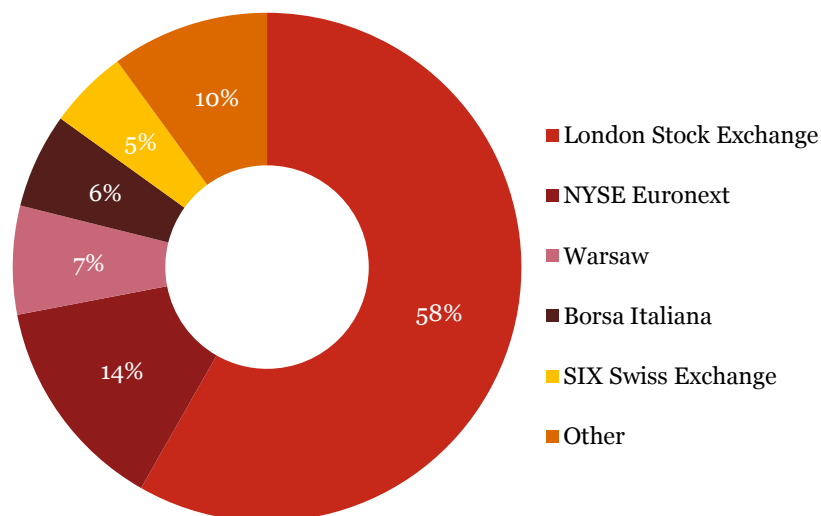


Post IPO performance



London maintained its position as the leading market for IPOs in Europe with €8.6bn raised in Q4

IPO offering value by exchange



Stock exchange offering value (€m)	Q4 2013	Q4 2012	Q3 2013
London Stock Exchange	8,585	3,929	1,704
NYSE Euronext	2,026	17	43
Warsaw	1,017	653	15
Borsa Italiana	890	-	58
SIX Swiss Exchange	745	120	-
NASDAQ OMX	505	46	-
Oslo Børs & Oslo Axess	479	230	409
Irish Stock Exchange	415	-	310
Borsa Istanbul	47	61	2
Deutsche Börse	30	2,080	500
Luxembourg	-	462	-
BME (Spanish Exchange)	-	1	2
Total	14,739	7,599	3,043

Top Three Exchanges

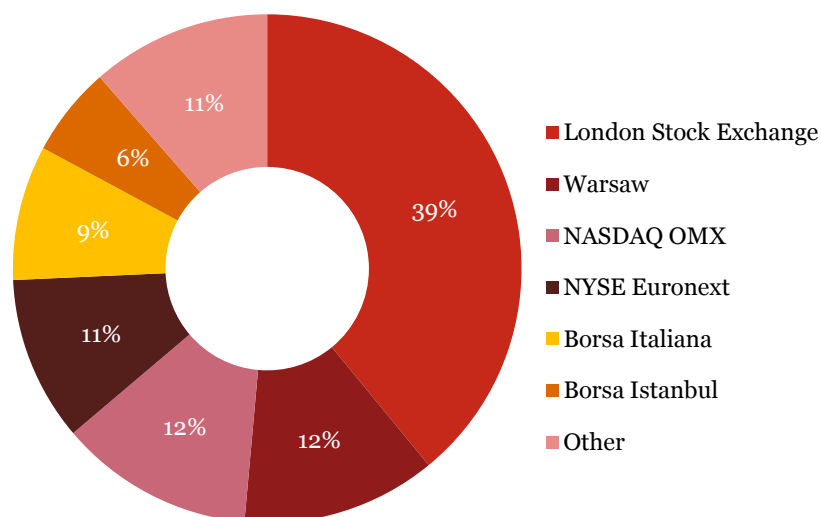
London Stock Exchange
41 IPOs raised €8.6bn
Average IPO proceeds €209m
Largest IPO – Royal Mail €2.0bn

NYSE Euronext
11 IPOs raised €2.0bn
Average IPO proceeds €184m
Largest IPO – Numericable Group €652m

Warsaw
13 IPO raised €1.0bn
Average IPO proceeds €78m
Largest IPO – Energa €515m

European markets generated 105 IPOs in the quarter the highest level since Q3 2011. London remained the most active exchange with 39% of deal activity

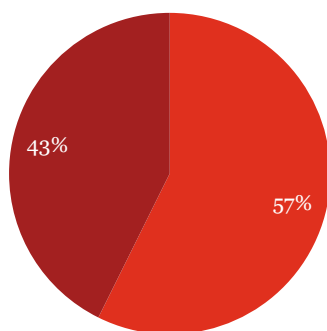
IPO volume by exchange



Stock exchange	Q4 2013	Q4 2012	Q3 2013
London Stock Exchange	41	26	25
Warsaw	13	21	10
NASDAQ OMX	13	8	4
NYSE Euronext	11	2	3
Borsa Italiana	9	-	3
Borsa Istanbul	6	4	1
Oslo Børs & Oslo Axess	5	1	2
Deutsche Börse	2	7	2
Luxembourg	2	3	-
Irish Stock Exchange	2	-	1
SIX Swiss Exchange	1	1	-
BME (Spanish Exchange)	0	1	1
Total	105	74	52

Five of the top ten IPOs in the quarter were PE backed including Merlin Entertainments which raised €1.1bn

Top ten IPOs

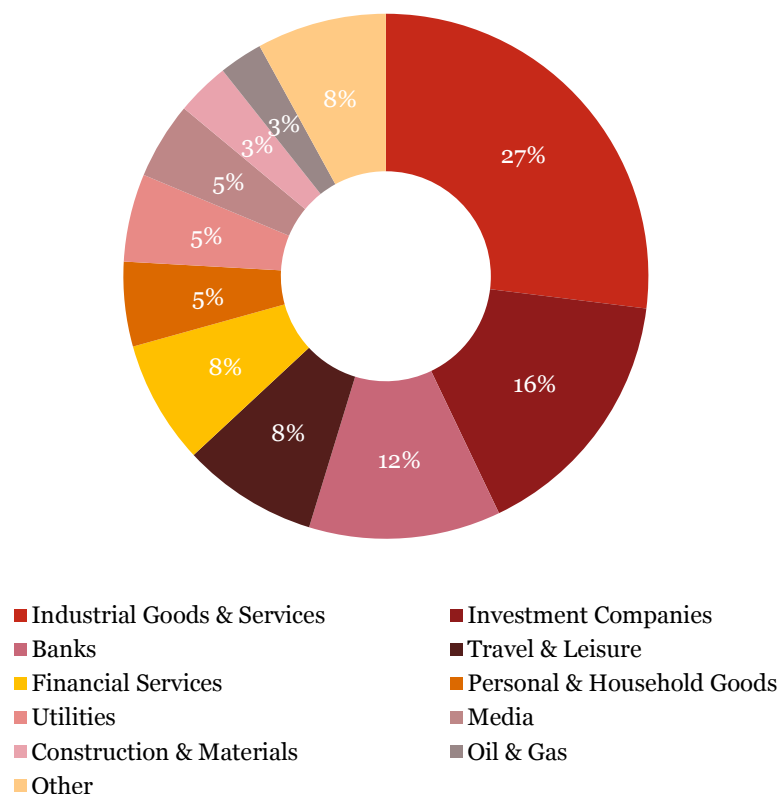


■ Top 10 ■ Other

Q4 2013	€m raised	Sector	Market	Country of Operations	PE-backed
Royal Mail	2,032	Industrial Goods & Services	London	UK	No
Merlin Entertainments	1,141	Travel & Leisure	London	UK	Yes
Riverstone Energy	897	Investment Company	London	USA	No
TCS Group Holding	797	Banks	London	Russia	Yes
Cembra Money Bank	745	Banks	SIX Swiss	Switzerland	No
Moncler	681	Retail	Borsa Italiana	Italy	Yes
Numericable Group	652	Media	Euronext	France	Yes
CTT Correios de Portugal	580	Industrial Goods & Services	Euronext	Portugal	No
Energa	515	Utilities	Warsaw	Poland	No
Tarkett	462	Construction & Materials	Euronext	France	Yes
Total	8,449				
Q3 2013	€m raised	Sector	Market	Country of Operations	PE-backed
Deutsche Annington Immobilien	500	Real Estate	Deutsche Börse	Germany	Yes
Foxtons Group	462	Real Estate	London	UK	Yes
The Renewables Infrastructure Group	348	Investment Company	London	UK	No
Green REIT*	310	Investment Company	Irish Stock Exchange; London	Ireland	No
Odfjell Drilling	294	Oil & Gas	Oslo	Norway	No
Total	1,914				

Industrial Goods & Services accounted for 27% of money raised in the quarter driven by the privatisations of Royal Mail and CTT Correios de Portugal

IPO value by sector



Sector (proceeds of IPOs €m)	Q4 2013	Q4 2012	Q3 2013
Industrial Goods & Services	3,974	57	42
Investment Companies	2,350	1,052	1,158
Banks	1,742	511	-
Travel & Leisure	1,231	21	2
Financial Services	1,121	159	260
Personal & Household Goods	768	8	5
Utilities	798	116	-
Media	698	-	5
Construction & Materials	484	35	-
Oil & Gas	396	4	414
Food & Beverage	330	2	2
Real Estate	299	16	980
Technology	278	325	33
Transport	101	-	-
Retail	79	24	77
Pharmaceuticals & Biotech	34	35	59
Chemicals	29	230	-
Insurance	13	1,743	-
Health Care	9	211	-
Telecommunications	4	3,030	-
Mining	1	18	6
Automobiles & Parts	-	2	-
Basic Resources	-	-	-
Total value (€m)	14,739	7,599	3,043

IPOs by market

Stock exchange	Q4 2013		Q4 2012		Q3 2013	
	IPOs	Offering value (€m)	IPOs	Offering value (€m)	IPOs	Offering value (€m)
TOTAL						
London Stock Exchange	41	8,585	26	3,929	25	1,704
NYSE Euronext	11	2,026	2	17	3	43
Warsaw	13	1,017	21	653	10	15
Borsa Italiana	9	890	-	-	3	58
SIX Swiss Exchange	1	745	1	120	-	-
NASDAQ OMX	13	505	8	46	4	-
Oslo Børs & Oslo Axess	5	479	1	230	2	409
Irish Stock Exchange	2	415	-	-	1	310
Borsa Istanbul	6	47	4	61	1	2
Deutsche Börse	2	30	7	2,080	2	500
Luxembourg	2	-	3	462	-	-
BME (Spanish Exchange)	-	-	1	1	1	2
Total	105	14,739	74	7,599	52	3,043
EU-REGULATED						
London Main	16	7,431	13	3,554	5	1,140
NYSE Euronext (Euronext)	9	2,013	1	14	2	43
Warsaw (Main)	7	1,015	5	632	2	10
Borsa Italiana (Main)	2	811	-	-	-	-
SIX Swiss Exchange	1	745	1	120	-	-
NASDAQ OMX (Main)	5	499	4	38	1	-
Oslo Børs	4	475	1	230	2	409
Irish Stock Exchange (Main)	1	365	-	-	1	310
Deutsche Börse (Prime and General Standard)	2	30	4	2,080	2	500
Luxembourg	1	-	-	-	-	-
EU-regulated sub-total	48	13,384	29	6,668	15	2,412
EXCHANGE-REGULATED						
London AIM and SFM	25	1,154	13	375	20	564
Borsa Italiana (AIM)	7	79	-	-	3	58
Irish Stock Exchange (ESM)	1	50	-	-	-	-
Borsa Istanbul	6	47	4	61	1	2
NYSE Euronext (Alternext)	2	13	1	3	1	-
NASDAQ OMX (First North)	8	6	4	8	3	-
Warsaw (NewConnect) (2)	6	2	16	21	8	5
Oslo Axess	1	4	-	-	-	-
Luxembourg (EuroMTF)	1	-	3	462	-	-
BME (Spanish Exchange) (MAB)	-	-	1	1	1	2
Deutsche Börse (Entry Standard)	-	-	3	-	-	-
Exchange-regulated sub-total	57	1,355	45	931	37	631
Europe total	105	14,739	74	7,599	52	3,043

***The US and Hong Kong markets performed strongly in the final quarter.
In the US PE-backed IPOs raised more than 70% of total proceeds***

US and Hong Kong overview

Stock exchange	Q4 2013		Q4 2012		Q3 2013	
	IPOs	Offering value (€m)	IPOs	Offering value (€m)	IPOs	Offering value (€m)
US*	77	17,630	34	4,870	63	8,921
Europe	105	14,739	74	7,599	52	3,043
Hong Kong	61	10,253	15	4,490	20	1,784

* US data Q4 2013 up to 17 December 2013

Total US proceeds raised during the fourth quarter were €17.6 billion, bringing the total proceeds raised in the year to date to €42.8 billion. Energy and consumer were the strongest performing sectors in the fourth quarter, combining to raise 50% of the total IPO proceeds during the period.

Private equity activity remained high in the US IPO market during Q4 2013, with a total of 46 PE-backed IPOs raising €12.6 billion, which represents more than 70% of total Q4 proceeds.

The US IPO pipeline is encouraging, 58 companies entered the IPO registration process in Q4, a decrease from Q3 2013, but a sharp increase from the 29 companies that entered in Q4 2012.

The Hong Kong IPO market came to life in the fourth quarter of 2013. The strong end to the year ensured that full year proceeds were 88% higher than 2012.

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, Turkey 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 October and 31 December 2013 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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