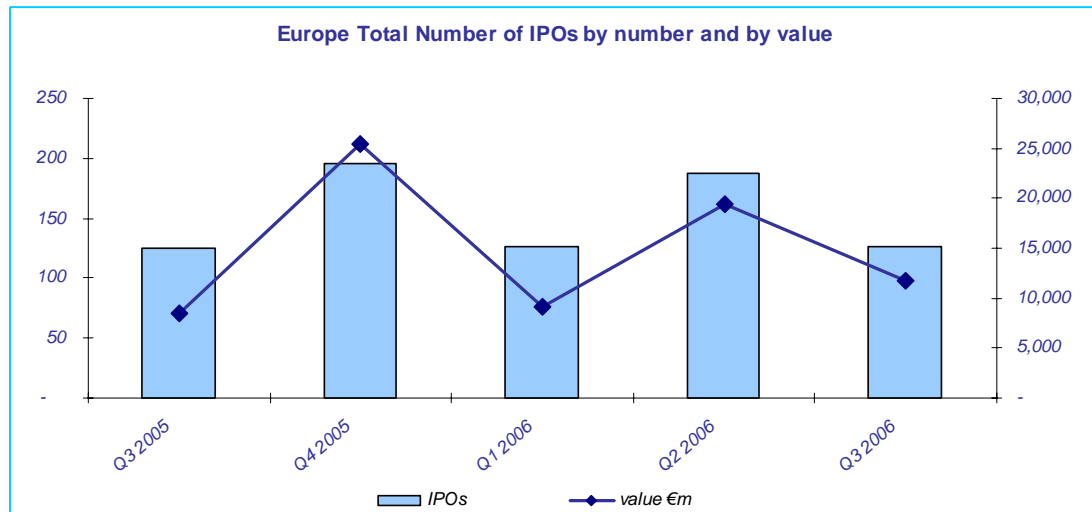
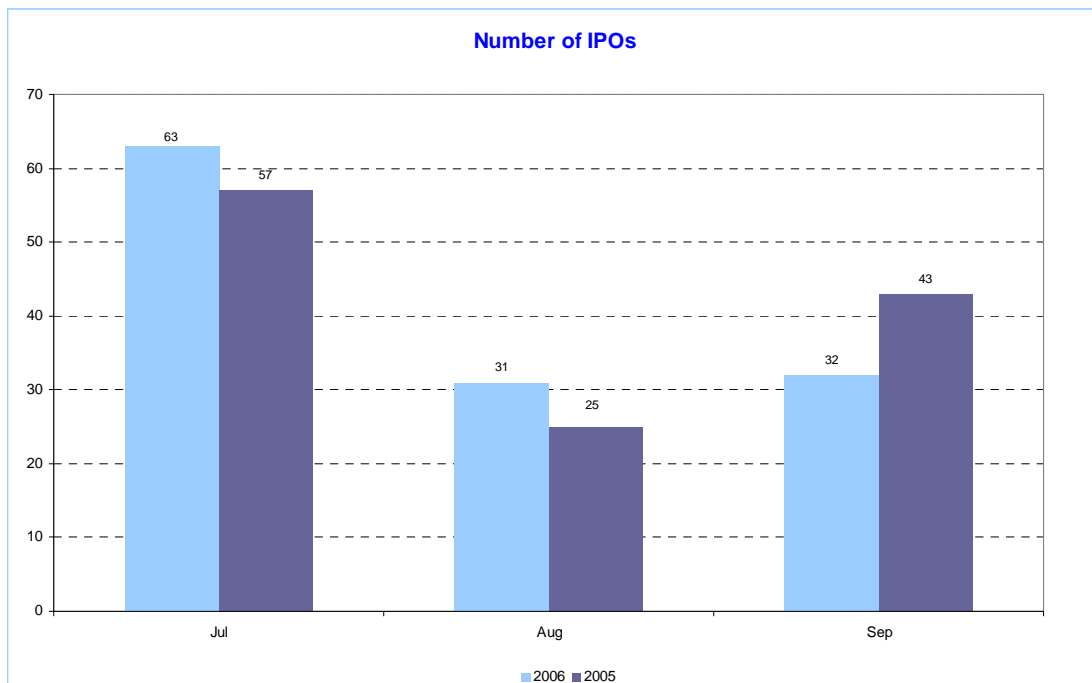


## IPO Watch Survey Europe Q3 2006 (July – September): Full Analysis

PricewaterhouseCoopers latest IPO Watch Europe survey, tracking volume and value of IPOs on Europe's main stock exchanges, shows London leading in both offering value and number of IPOs in the traditionally quiet third quarter.



There were 126 IPOs in the third quarter of 2006 compared with 125 in the same period in 2005 and 187 in the second quarter of 2006. The number of IPOs in the quarter represents a 1% increase compared to the same period last year and a 33% decrease when compared to the second quarter of 2006.



The total offering value of IPOs was €11,808m in the third quarter of 2006, an increase of 40% compared to €8,448m in the third quarter of 2005, but down from €19,415m in the second quarter of 2006. The relatively high offering value in the quarter was driven by the IPOs of Rosneft and Standard Life, which raised €5,192m and €3,240m respectively. Rosneft,

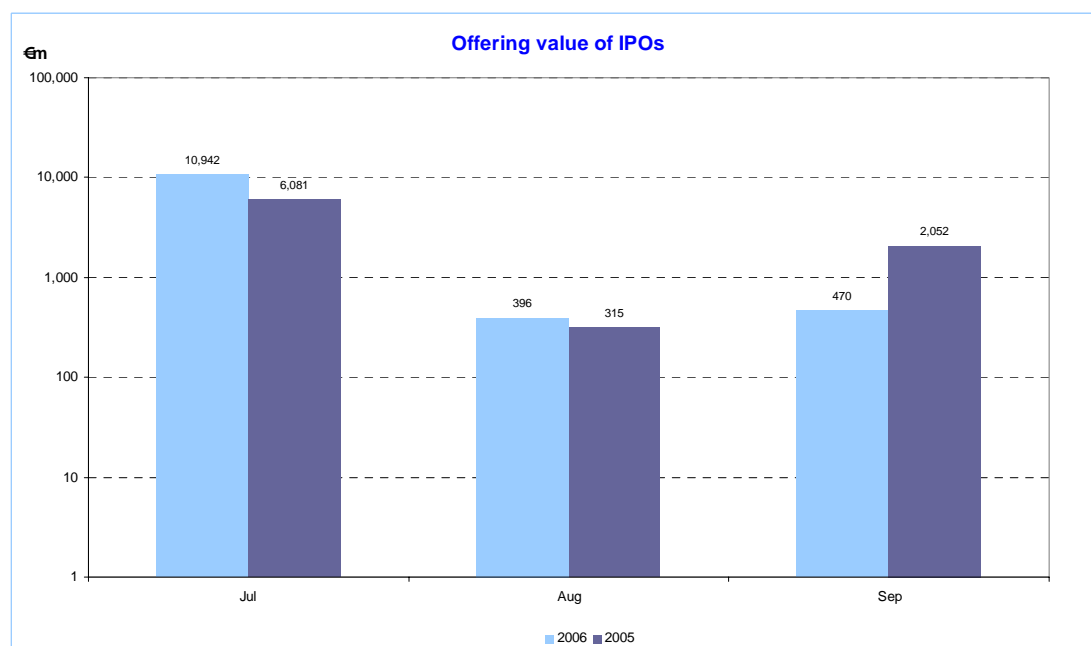
the Russian oil & gas conglomerate, raised a total of US\$10.4bn through its total offering of GDRs and Ordinary Shares. Only the GDRs were listed in London, and the figure quoted of €5,192m relates to those GDRs. Rosneft is the largest IPO of the year.

In accordance with our definition of an IPO we excluded certain investment companies from the above statistics. 25 investment companies raising €4,540m in the quarter have been excluded: 21 in London, two on Euronext and one each on Deutsche Börse and OMX. The largest of these were AP Alternative Assets and ProLogis European Properties which raised €1,635m and €715m respectively on Euronext. In the prior quarter 44 investment companies raising €6,709m were excluded: 34 in London, three on Euronext, five in Denmark, one in Switzerland and one in Ireland. The largest of these was KKR which raised €3,928m on Euronext.

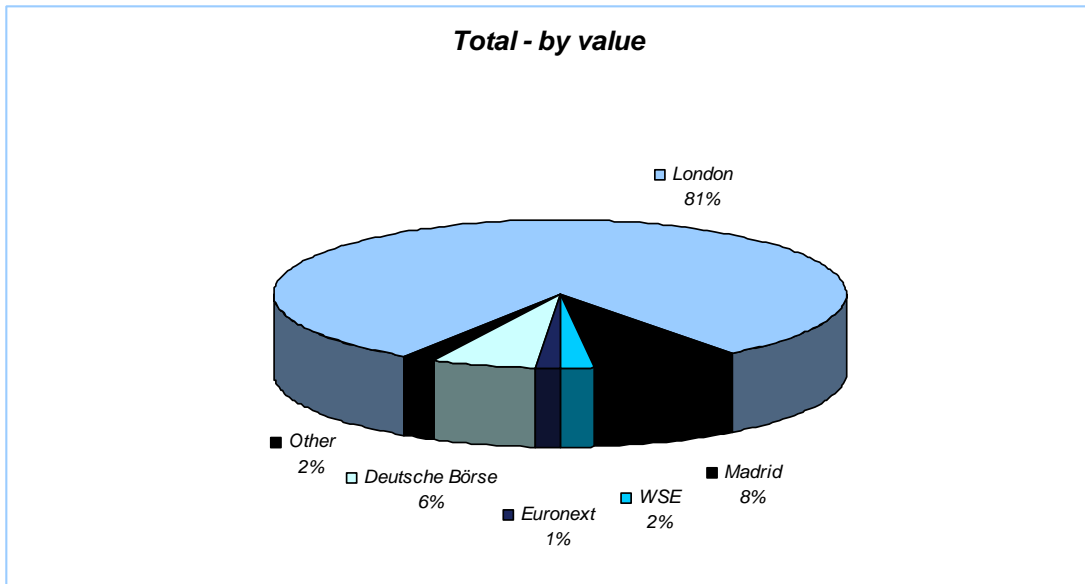
The average offering value for European IPOs rose to €120m compared with €83m in the same period last year and €117m in second quarter of 2006. This increase can largely be attributed to the high value IPOs of Rosneft and Standard Life.

	Q3 2006	Q3 2005	Q2 2006
Total European listings comprise those with:			
- No money raised	28	23	21
- Money raised	98	102	166
<b>Average offering value (€m)</b>	<b>120</b>	<b>83</b>	<b>117</b>

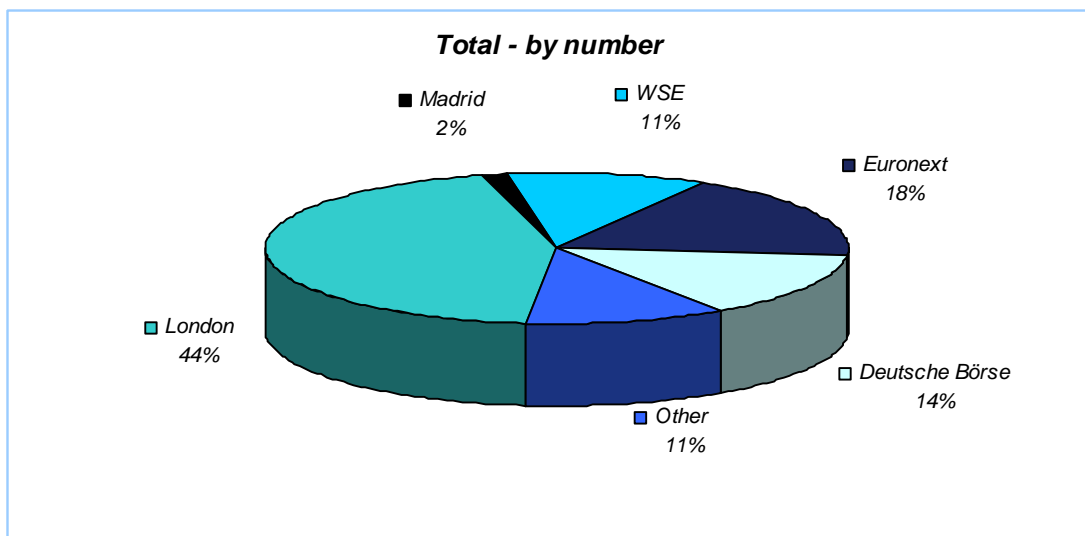
Average offering value has been calculated based on total offering value over the number of listings raising money.



In terms of offering value, London was the largest market this quarter raising €9,509m compared with €2,968m in the same period last year and €3,655m in the second quarter of 2006. This was mainly due to the IPOs of Rosneft and Standard Life on the London Main Market, which together accounted for 89% of total offering value of London IPOs and 71% of total offering value of European IPOs. The second largest market in value terms was Madrid where two IPOs raised €991m. The BME (Bolsas y Mercados Espanoles), the holding company for the Spanish exchange, raised €779m.



In terms of the number of transactions, London continued to lead, with a combined market share for the Main Market and AIM of 44% of all European IPOs. Although London's market share has increased from the 40% in the second quarter of 2006, it has decreased when compared with 62% in the third quarter of 2005. AIM continued to drive activity accounting for 91% of total London IPOs and 40% of all European IPOs, although in absolute terms the number of AIM transactions has fallen compared to the prior year and the prior quarter.



### International listings on European markets

The European markets continued to attract non-European companies in the third quarter of 2006. In total, there were 16 listings by non-European companies of which all but one were in London. AIM attracted 13 non-European IPOs: three from Canada, two each from Australia, BVI and the USA, one each from the Cayman Islands, the Channel Islands, Hong Kong and Japan. London's Main Market attracted two non-European IPOs: one each from Russia (Rosneft) and the USA. The non-European IPOs in London raised €5,381m. In addition, the Warsaw Stock Exchange attracted a Ukrainian food producer, Astrata Holdings, which raised €24m.

## Analysis of the European exchanges

Stock Exchange	Company IPOs Q3- 2006	Offering Value (€m) Q3-2006	Company IPOs Q3- 2005	Offering Value (€m) Q3-2005	Company IPOs Q2- 2006	Offering Value (€m) Q2-2006
<b>TOTAL</b>						
London	56 *	9,509 *	77 ***	2,968 ***	74	3,655
Madrid Exchange	2	991	1	157	6	1,435
Deutsche Börse	18	687	3	225	26	2,828
WSE	14	219	9 **	178 **	5	61
Euronext	23	169	15	3,604	36	4,157
Borsa Italiana	3	142	2	28	7	2,589
OMX	5	72	4	5	9	68
Oslo Børs	2	19	1	26	3	1,918
ISE	4 *	12 *	1 ***	- ***	1	30
Wiener Börse	1	-	1 **	71 **	3	1,214
Luxembourg	-	-	8	463	13	811
Athens Stock Exchange	-	-	1	11	1	612
SWX	-	-	4	783	3	37
<b>Europe Total</b>	<b>126</b>	<b>11,808</b>	<b>125</b>	<b>8,448</b>	<b>187</b>	<b>19,415</b>
<b>EU REGULATED</b>						
London (Main)	5	8,765	4	1,812	8	1,938
Madrid Exchange	2	991	1	157	6	1,435
Deutsche Börse	9	506	3	225	11	2,493
WSE	14	219	9 **	178 **	5	61
Borsa Italiana	3	142	2	28	7	2,589
Euronext (Eurolist)	4	106	3	3,572	9	3,987
OMX	5	72	4	5	9	68
Oslo Børs	2	19	1	26	3	1,918
Wiener Börse	1	-	1 **	71 **	3	1,214
Athens Stock Exchange	-	-	1	11	1	612
SWX	-	-	4	783	3	37
Luxembourg	-	-	6	243	-	-
ISE	-	-	-	-	-	-
<b>EU regulated sub-total</b>	<b>45</b>	<b>10,820</b>	<b>38</b>	<b>7,040</b>	<b>65</b>	<b>16,352</b>
<b>EXCHANGE REGULATED</b>						
London (AIM)	51 *	744 *	73 ***	1,156 ***	66	1,717
London (PSM)	-	-	-	-	-	-
Luxembourg (EuroMTF)	-	-	2	220	13	811
Deutsche Börse (Entry Standard)	9	181	-	-	15	335
Euronext (Alternext)	10	59	4	25	17	167
Euronext (Marche Libre)	9	4	8	7	10	3
ISE (IEX)	4 *	12 *	1 ***	- ***	1	30
<b>Exchange regulated sub-total</b>	<b>81</b>	<b>988</b>	<b>87</b>	<b>1,408</b>	<b>122</b>	<b>3,063</b>
<b>Europe Total</b>	<b>126</b>	<b>11,808</b>	<b>125</b>	<b>8,448</b>	<b>187</b>	<b>19,415</b>
*Amarin Corp and Petronet Resources dual listed in London (AIM) and Ireland (IEX). ** SkyEurope dual listing on the WSE and the Wiener Stock Exchange. *** Irish Estate plc dual listed in London (AIM) and Ireland (IEX).						

Euronext saw a significant decrease in value terms, with 23 IPOs raising €169m in the third quarter of 2006, compared with 36 IPOs raising €4,157m in the previous quarter and 15 IPOs raising €3,604m in the same period last year.

London has regained its leadership in value terms and continues to attract the most European IPOs. Five IPOs on London's Main Market raised €8,765m. AIM, the exchange regulated market, continues to be the most active European market with 51 IPOs, raising €744m in the third quarter of 2006.

Despite experiencing a decrease in both the number and offering value of IPOs, the Madrid Stock Exchange, with €991m raised by its two IPOs, ranked second in the third quarter of 2006. Also, it hosted the third largest IPO of the quarter, BME, which raised €779m and accounted for 79% of the total money raised on Madrid

The Deutsche Börse hosted 18 IPOs which raised €687m in the third quarter of 2006. This represents a decrease in volume and value terms when compared to the 26 IPOs raising €2,828m in second quarter of 2006. However, it shows a significant increase in both value and volume terms when compared to the same period last year when three IPOs raised €225m.

The WSE saw a significant turnaround in the third quarter of 2006. The volume of IPOs has increased by 180% when compared to quarter two of 2006; as a result it ranked as the fourth

most active market this quarter with 14 IPOs raising €219m. The largest IPO was that of Famur, a Polish construction company, which raised €75m.

The Borsa Italiana experienced a significant drop in offering value from €2,589m to €142m, with no individually high value IPOs to match that of Saras in the previous quarter. Similarly, Oslo Børs saw a significant drop in offering value from €1,918m in the second quarter of 2006 to €19m in the third quarter of 2006, with no individually significant IPOs to match that of Renewable Energy Corporation in the previous quarter.

In the third quarter of 2006, the ISE's exchange regulated market, IEX, attracted four IPOs which raised €12m (two of which were dual listed on IEX and AIM).

OMX attracted five IPOs in the quarter, raising €72m. Wiener Börse had one introduction in the quarter, while Athens, Luxembourg and SWX had no IPOs in the quarter.

### Sector breakdown

The industrial goods & services sector continued to dominate activity for the fourth quarter running with 25 IPOs. The second most active was the financial services sector with 13 IPOs, followed closely by the technology sector with 12 IPOs.

Mining sector activity has decreased in the third quarter of 2006, with seven IPOs compared to 14 in the same period last year and 11 in the second quarter of 2006. It is still, however, too early to assess whether the tightening of the rules for mining companies on AIM has had an effect on new IPOs in the sector, which to date has been one of the most active sectors on AIM.

Sector	Company IPOs Q3- 2006	Company IPOs Q3- 2005	Company IPOs Q2- 2006
Industrial Goods & Services	25	19	43
Financial Services	13	8	10
Technology	12	15	32
Travel & Leisure	9	5	5
Health Care	8	4	5
Media	7	5	17
Mining	7	14	11
Oil & Gas	7	12	8
Basic Resources	6	2	3
Construction & Materials	5	2	6
Retail	5	3	4
Pharmaceuticals & Biotech	4	4	11
Real Estate	4	4	10
Personal & Household Goods	4	2	6
Food & Beverage	4	6	5
Telecommunications	3	9	1
Insurance	2	-	1
Automobiles & Parts	1	2	1
Chemicals	-	4	4
Banks	-	1	3
Utilities	-	4	1
<b>Total</b>	<b>126</b>	<b>125</b>	<b>187</b>

## The US Exchanges

In the third quarter of 2006 the US exchanges continued to experience a decrease in IPO activity as well as a decrease in offering value. Overall there were 32 IPOs, raising €4,685m compared with 65 IPOs raising €7,746m in the third quarter of 2005 and 51 IPOs raising €8,270m in the second quarter of 2006. European exchanges have therefore continued to outperform the US exchanges in both IPO volume and offering value.

NASDAQ hosted the largest IPO of the quarter, namely Warner Chilcott, a pharmaceutical company which raised €834m. The second and third largest IPOs took place on NYSE: the second largest being that of a German, semi-conductor company, Qimonada, which raised €430m; and the third largest being that of Security Capital Assurance, which raised €362m. The US exchanges attracted three international IPOs, all of which went to NYSE. As well as Qimonada there was also one international IPO from India and one from China. Together these three international IPOs raised €695m.

Stock Exchange	Company IPOs Q3-2006	Offering Value (€m) Q3-2006	Company IPOs Q3-2005	Offering Value (€m) Q3-2005	Company IPOs Q2-2006	Offering Value (€m) Q2-2006
NASDAQ	20	2,426	45	3,419	35	2,634
NYSE	10	2,027	17	4,285	14	5,599
AMEX	2	232	3	42	2	37
<b>US Total</b>	<b>32</b>	<b>4,685</b>	<b>65</b>	<b>7,746</b>	<b>51</b>	<b>8,270</b>

## Russia

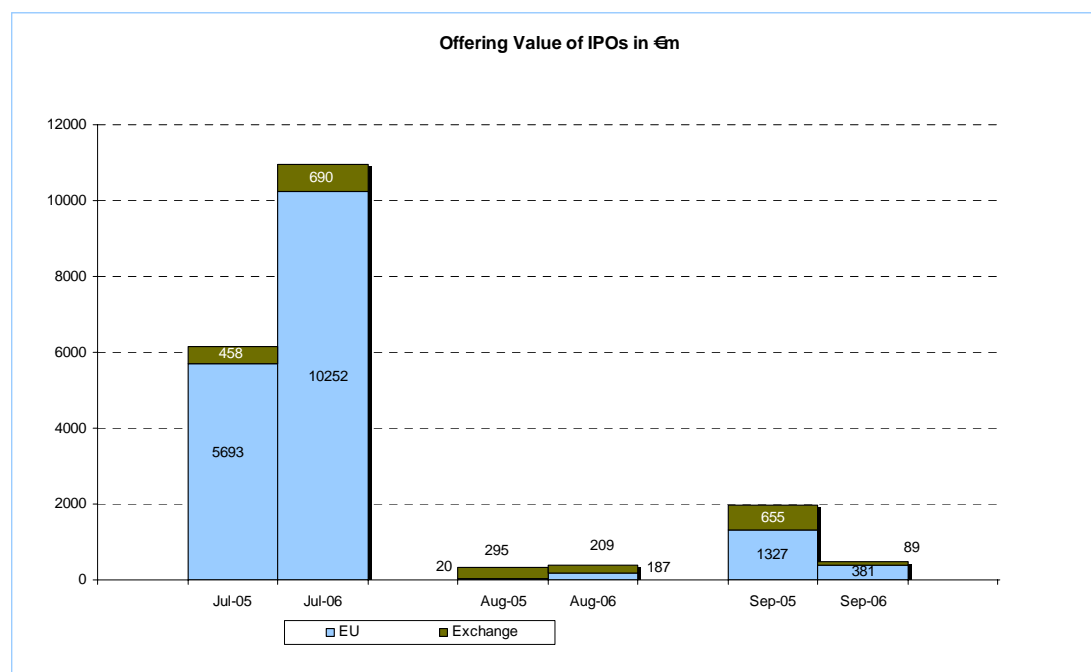
The only Russian IPO activity in the quarter was the domestic admission of Rosneft, which raised US\$10.4bn through a combination of its London GDR listing and private placement of its Ordinary Shares.

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## Additional data tables

### Split between EU regulated and Exchange regulated markets



### Five largest IPOs

<b>Five largest IPOs of Q3 2006</b>			
	€m raised	Sector	Market
Rosneft	5,192	Oil & Gas	London
Standard Life	3,240	Insurance	London
BME	779	Financial Services	Madrid
Southern Cross	319	Health Care	London
Nikanor	314	Basic Resources	London

<b>Five largest IPOs of Q3 2005</b>			
	€m raised	Sector	Market
Gaz de France	3,482	Oil & Gas	Euronext
RHM	985	Food Producers & Processors	London
Novatek	773	Oil & Gas	London
Panalpina	658	Transport	Swiss
Wistron	212	Information Technology Hardware	Luxembourg

<b>Five largest IPOs of Q2 2006</b>			
	€m raised	Sector	Market
Saras	2,069	Industrial Goods & Services	Borsa Italiana
Renewable Energy Corporation	1,791	Technology	Oslo Børs
Debenhams	1,378	Retail	London
SNS Reaal	1,190	Financial Services	Euronext
ADP	1,117	Industrial Goods & Services	Euronext