

AIM market survey

Update for the six months ended 30 June 2007

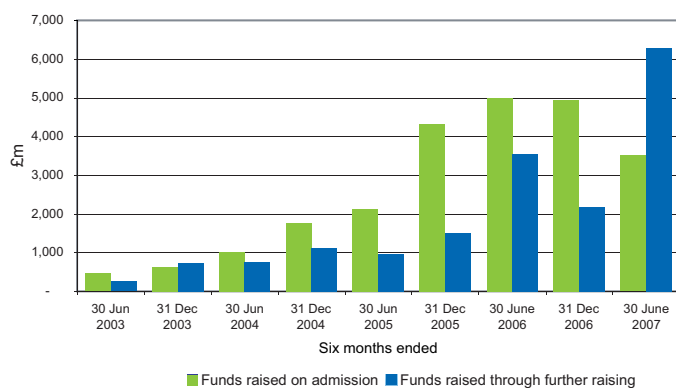
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The key feature of the first six months of 2007 is that the value of secondary fundraisings on AIM has exceeded that of new issues for the first time in several years.

Funds raised on AIM



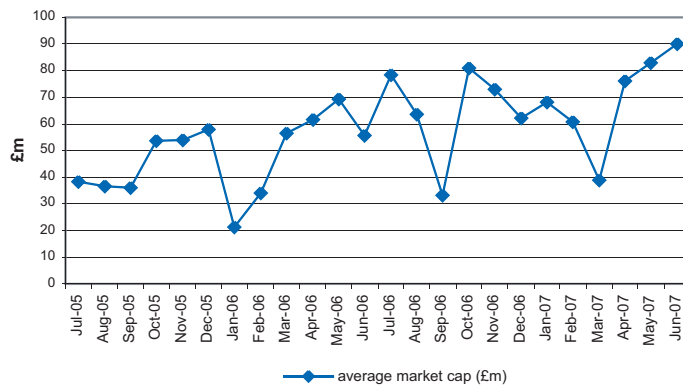
Contributing to this increased level of secondary fundraising were a substantial number of large fundraisings. For example, Mecom Group, a European media group focused on regional publishing and related media assets, raised £570m in April 2007 for further acquisitions. Dolphin Capital Investors raised £303m in June 2007 to fund the company's ongoing investment programme focused on the residential resort sector in south-east Europe. Nikanor raised £400m in June 2007 to fund the further development of its assets in the Democratic Republic of Congo.

The number of admissions fell in the first six months of 2007 compared to the previous six months, however the second quarter was stronger than the first, with 84 admissions in Q2 2007, compared to 54 in Q1 2007.

	6 months ended 30 Jun 06	6 months ended 31 Dec 06	6 months ended 30 Jun 07
Number of companies admitted	236	226	138
Funds raised on admission	£5,007 m	£4,937 m	£3,518 m
Further funds raised	£3,547 m	£2,187 m	£6,280 m
Total funds raised	£8,554 m	£7,124 m	£9,798 m

This fall in admissions is part of a continuing trend towards fewer, but larger companies joining the market.

Average market capitalisation of companies on admission to AIM



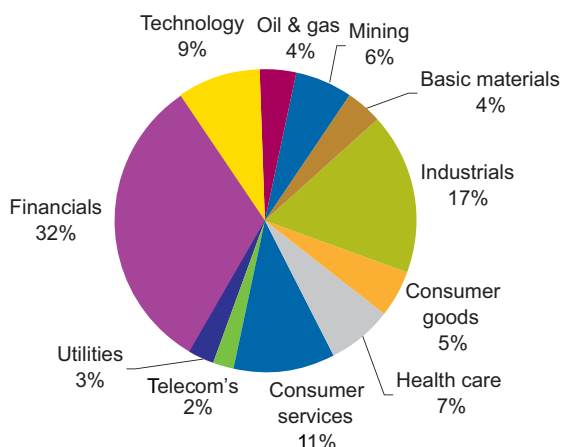
Another interesting trend this year is the increase in the number of companies moving from AIM to the Main Market of the London Stock Exchange. In the first six months of 2007 six companies moved from AIM to the Main Market, compared to only three companies in the full year ended 31 December 2006 and two companies in the year ended 31 December 2005. Companies that have moved this year include Yamana Gold and First Quantum Minerals, previously the largest companies on AIM, each with market capitalisations of over £2 billion at the time of their move to the Main Market.

Conversely the number of companies moving from the Main Market to AIM has slowed with only three companies moving to AIM in the first six months of 2007. In the year ended 31 December 2006, 31 companies moved from the Main Market to AIM and 40 in the year ended 31 December 2005. This suggests that the number of smaller companies on the Main Market interested in making the move to AIM has diminished as many have already made the move.

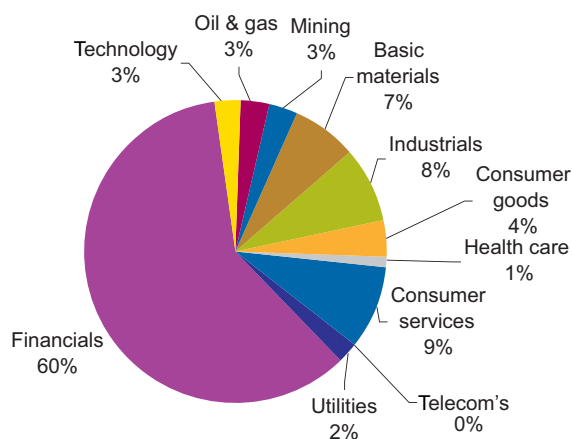
With the growth of AIM and significantly increasing levels of funds being raised, companies are growing to unprecedented sizes for AIM. When the AIM market was established in 1995, it was expected to be a stepping stone to the Main Market. In fact, historically few companies have moved in this way and many more have moved from the Main Market to AIM. As AIM matures, it now appears appropriate for some of the very large AIM companies to seek a full listing on the Main Market.

In terms of sectors, the financials sector continued to dominate the admissions to AIM in the six months ended 30 June 2007, accounting for 32% of the companies admitted and 60% of the funds raised.

Number of admissions to AIM in 6 months ended 30 June 2007 by sector



Funds raised by companies admitted to AIM in 6 months ended 30 June 2007 by sector



Of the 46 companies in the financials sector admitted to AIM in the first six months of 2007, 19 were real estate investment companies raising a total of £1.1 billion on admission. The remainder are mainly investment funds focused on a particular geographic area and/or sector, such as Leaf Clean Energy Co which was admitted to AIM in June 2007, raising £200m to invest in clean energy projects predominantly in North America.

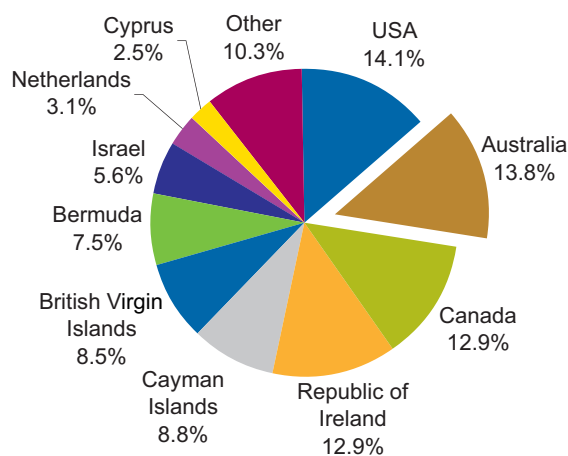
Australian companies admitted to AIM

There were three Australian incorporated companies admitted to AIM in the first six months of 2007.

Admission Date	Company	Business activity	Market cap at admission (£m)	Money raised (£m)
06-May-07	Zeehan Zinc	General Mining	25.7	9.0
23-May-07	Plantic Technologies	Specialty Chemicals	50.9	20.0
29-Jun-07	Discovery Metals	Nonferrous Metals	17.7	-

For the first time in several years, the number of Australian companies on AIM were overtaken by another country outside the UK. There were 45 US registered companies on AIM at 30 June 2007 and 44 Australian registered companies.

International companies on AIM at 30 June 2007



The 44 Australian companies on AIM at 30 June 2007 included 32 mining and oil and gas companies and a number of technology companies.

Conclusion

The appeal of the AIM market to companies from an increasingly wide range of countries around the world continues. With the maturing of the AIM market, increasingly large companies are choosing AIM and raising significant levels of funds at the time of admission and as follow on fundraisings. However, there are still substantial numbers of smaller companies raising more modest levels of funds, attracted by the access to capital and the sophisticated investor base of the London market. It will be interesting to see the effects of recent global market stress on AIM's statistics during the latter part of 2007.

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If you would like to find out more about how Grant Thornton Corporate Finance can assist you, please contact your nearest Nomad or reporting accountant representative:

Nomad

Sydney

Rozanne Ichikowitz

T +61 (0)2 8297 2522

E richikowitz@gtnew.com.au

Holly Stiles

T +61 (0)2 8297 2498

E hstiles@gtnew.com.au

London

Gerry Beaney

T +44 (0)870 991 2589

E gerry.d.beaney@gtuk.com

Fiona Owen

T +44 (0)870 991 2318

E fiona.owen@gtuk.com

Reporting accountant

Sydney

Scott Griffin

T +61 (0)2 8297 2755

E sgriffin@gtnew.com.au

Neil Cooke

T +61 (0)2 8297 2521

E ncooke@gtnew.com.au

Brisbane

Trevor Cuss

T +61 (0)7 3222 0371

E tcuss@gtqld.com.au

Adelaide

Simon Gray

T +61 (0)8 8372 6666

E sgray@gtsa.com.au

Melbourne

Simon Trivett

T +61 (0)3 8620 6000

E strivett@gtcvic.com.au

Perth

Chris Parkinson

T +61 (0)8 9480 2024

E cparkinson@gtwa.com.au