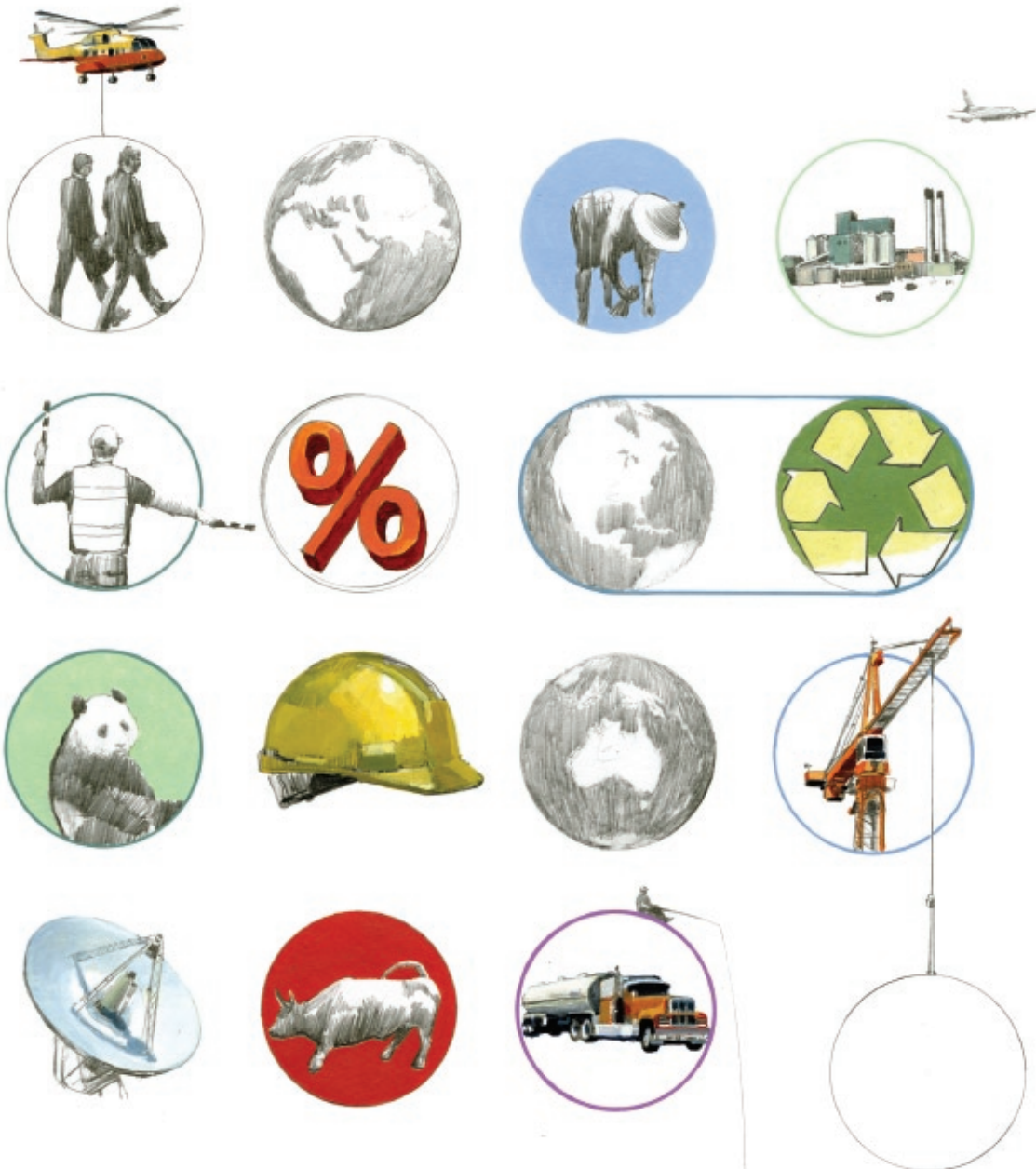


# AIM market review

For the six months ended 30 June 2008



The fall out from the global credit crisis and resultant market uncertainties impacted AIM, along with other global markets, significantly during the first six months of 2008. This resulted in a comparatively quiet period in terms of new listings and levels of funds raised. Notably, the slowdown in activity was significantly less severe on AIM than it was on the ASX and comparative returns on AIM outperformed those of the ASX.

### Funds raised on AIM

Following a particularly difficult start to the year, the value of funds raised almost doubled in the second quarter of 2008, however, expectations are that the remainder of the year will be challenging.

The value of secondary fundraisings by AIM companies continues to exceed new issues, a trend which started in 2007, as investors supported companies in their existing portfolios but were generally hesitant about new opportunities.

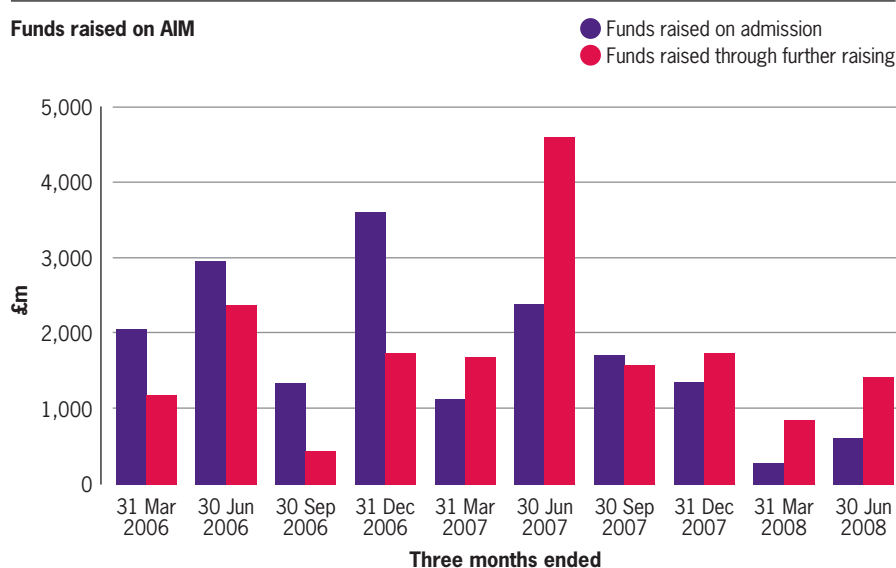
The reduction in the number of companies listing on AIM and the funds raised was consistent with most global markets, including the ASX. In fact new admissions to AIM raised over 80% more than new listings on the ASX, which is significant as the ASX is a primary market, whereas AIM is the London Stock Exchange's growth market.

In addition to funds raised on AIM, £2.1 billion was raised by companies admitting to the Main Market of the London Stock Exchange and £2.3 billion by Main Market listed companies in the first six months of 2008.

### Major AIM listings

The largest AIM listings in the first six months of 2008 included the KSK Emerging India Energy Fund, which raised £101 million on its admission to AIM in June 2008, to provide expansion capital to companies in the Indian energy sector as well as Kentz Corporation, an engineering contractor that undertook a placing of £67 million on its admission to AIM in February 2008.

Funds raised on AIM



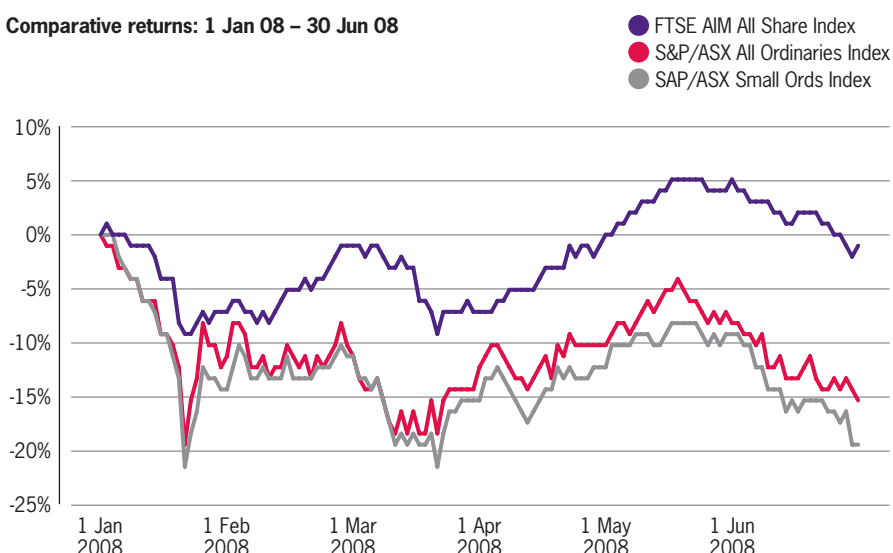
	6 months ended 30 Jun 07	6 months ended 31 Dec 07	6 months ended 30 Jun 08
<b>AIM</b>			
Number of companies admitted	138	146	69
Funds raised on admission	£3,516 m	£3,066 m	£904 m
Further funds raised	£6,280 m	£3,323 m	£2,273 m
<b>Total funds raised</b>	<b>£9,796 m</b>	<b>£6,389 m</b>	<b>£3,177 m</b>
<b>ASX</b>			
Number of companies admitted	137	171	57
Funds raised on admission	£4,002 m	£4,338 m	£495 m
Further funds raised	£12,491 m	£13,720 m	£8,680 m
<b>Total funds raised</b>	<b>£16,493 m</b>	<b>£18,058 m</b>	<b>£9,175 m</b>

\*Converted using average exchange rates.

## Comparative returns on AIM versus ASX

Whilst there has been significant uncertainty on AIM over the past 6 months, comparative performance has outperformed the ASX. The chart on the right shows comparative returns over the period from 1 January 2008 to 30 June 2008 of the FTSE AIM All Share index, the S&P/ASX All Ords and the S&P/ASX Small Ords indices.

Comparative returns: 1 Jan 08 – 30 Jun 08

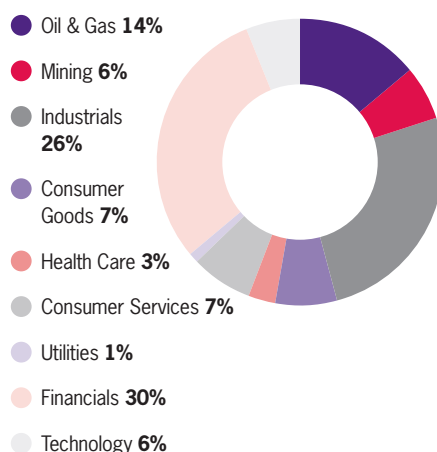


## Overview of sectors

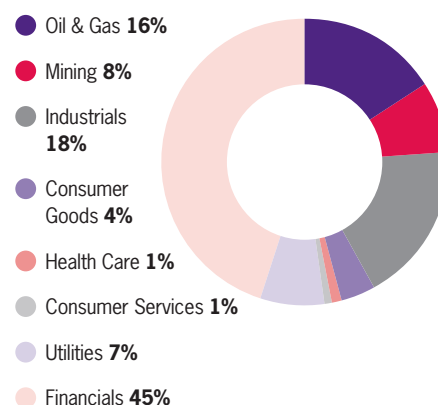
In terms of sectors, the financials sector (including specialist investment companies, brokers and asset managers) continued to attract investors, with £413 million raised in the first six months of 2008, accounting for 45% of the funds raised by companies admitting to AIM. However, this proportion is significantly lower than the same period of 2007 when this sector accounted for 60% of funds raised.

Sectors that have become of increasing interest to investors include oil and gas and the industrials sector, a broad sector which includes construction and materials companies, business support services and training and employment agencies.

Number of admissions to AIM in 6 months ended 30 June 2008 by sector



Funds raised by companies admitted to AIM in 6 months ended 30 June 2008 by sector

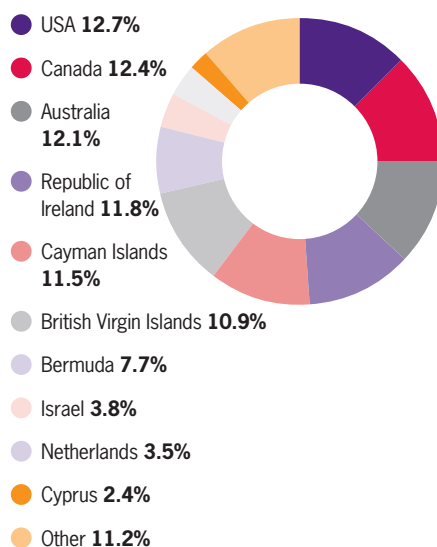


## International companies on AIM

Australia continues to account for the third highest number of AIM companies outside the UK. At 30 June 2008 there were 41 Australian registered companies, compared to 42 Canadian registered companies and 43 US registered companies.

The 41 Australian companies on AIM at 30 June 2008 included 24 mining, 7 oil and gas and a number of technology companies. The largest Australian companies on AIM at 30 June 2008 were Coal of Africa Limited with a market capitalisation of £759 million, Centamin Egypt Limited with a market capitalisation of £446 million and Platinum Australia Limited with a market capitalisation of £351 million.

International companies on AIM at 30 June 2008



## Conclusion

The AIM market is experiencing a difficult period with low levels of activity in terms of IPOs and fund raisings. Investor attitudes have hardened and it is unlikely that there will be much of a change in this position for the rest of the calendar year. Investors are looking for companies with robust business plans, solid growth strategies and particularly, opportunities in niche sectors. Other major markets are also experiencing difficult times and the attractions of a London listing continue to appeal to international companies, so AIM remains well positioned to maintain its status as the world's leading growth market.

If you would like to find out more about how Grant Thornton can assist you in relation to AIM, please contact your nearest Nomad or Reporting Accountant representative.

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