



*London*  
**STOCK EXCHANGE**



**EVERSHEDS**

## **NEW RESEARCH SAYS 80 PER CENT OF RECENT IPOS IN LONDON HAVE BEEN SUCCESSFUL, DESPITE DIFFICULT MARKET CONDITIONS**

**An extensive new survey of companies that floated on the London Stock Exchange between July 2001 and November 2002 has revealed that 80 per cent of those questioned felt that their original objectives for achieving a flotation have been met. This is despite the continued fall in global stock markets during this period.**

The Exchange has recently opened an office in the Nordic region and has stepped up efforts to attract Nordic companies to its markets. There are currently 15 Nordic companies listed in London and the Exchange says that other Nordic companies that are considering the move should be encouraged by the survey's results. The Exchange and Eversheds believe that companies seeking to go public this year or in the near future could learn from the advice and experiences outlined in the report.

The report, entitled 'Going Public 2', has been produced by law firm Eversheds in partnership with the London Stock Exchange. It demonstrates that IPOs remain an effective method for raising capital in London and 77 per cent of the companies surveyed said they were happy with the valuation they received.

Evidence suggests that IPO candidates should start preparing as soon as possible; according to the survey those companies aiming for a Main Market float began preparing thirteen months ahead on average, while those planning to float on AIM – the Exchange's international market for smaller growing companies – took an average of six months to prepare.

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Companies highlighted seven points they saw as being key to a trouble-free flotation. By following these steps, companies are putting themselves in a stronger position to achieve their IPO objectives:

- Be aware of your business plan and viability.
- Understand the full costs involved.
- Choose your advisers carefully.
- Ensure that you have sufficient management time to devote to the demands of the process. Twenty-one per cent of companies underestimated the workload involved.
- Be ready in advance and be prepared for verification of listing documents.
- Continue to spend management time running and growing the business. Almost 30 per cent of respondents found the flotation process very disruptive to their day-to-day operations.
- Ensure you can carry on trading regardless of whether you achieve flotation.

Marcus Hamberg, Nordic Regional Manager for the London Stock Exchange, said: *“Although market conditions have been tough, companies still continue to join our markets, and Nordic companies considering the same move will find some useful tips and pointers in this survey. Companies clearly value going public in order to raise long term capital and increase their visibility, and the level of satisfaction highlighted in this survey is encouraging.”*

Neil Matthews, Corporate Partner at Eversheds in London, added: *“Last year was a very challenging one for many companies seeking to float, while 2003 promises to be even more so. That is why it is vital that any company contemplating this move does their homework. The results from this survey have demonstrated that an IPO is an effective means of raising money to fund expansion.”*

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*“This survey allowed companies that floated recently to highlight what worked and what didn’t. By taking these issues into account, private companies looking to float this year or in 2004 are more likely to reach a successful outcome. Of those companies we surveyed, 13 per cent said that an unsuccessful float would have resulted in their business folding.”*

Free copies of the Going Public 2 report in English are available from [www.londonstockexchange.com/newsroom](http://www.londonstockexchange.com/newsroom).

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**Notes to editors**

Marcus Hamberg is Nordic Regional Manager for the London Stock Exchange. He is based at the Exchange’s Nordic office in Stockholm, which opened in October 2002.

In 2002 there were a total of 97 IPOs on the London Stock Exchange’s markets. 60 of those were on AIM, the Exchange’s international market for smaller growing companies.

In 2002, AIM accounted for 45% of all IPOs in western Europe.

The Exchange recently announced proposals that would allow companies listed on Stockholmsbörsen ‘fast-track’ access to AIM. The proposals would make it more cost-effective, quicker and easier for listed in Sweden to access London’s markets.

A London listing offers international Nordic companies unrivalled access to capital, global visibility to investors and a stable and well-respected regulatory environment.

Eversheds has over 2,000 legal and business advisors providing services to the private and public sector business and finance community. Access to all these services is provided through 17 European offices and three associated offices in Asia. Eversheds combines local market knowledge and access with the specialisms, resources and international capability of one of the world’s largest law firms.