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IPO Watch Europe Survey

Q2 2014



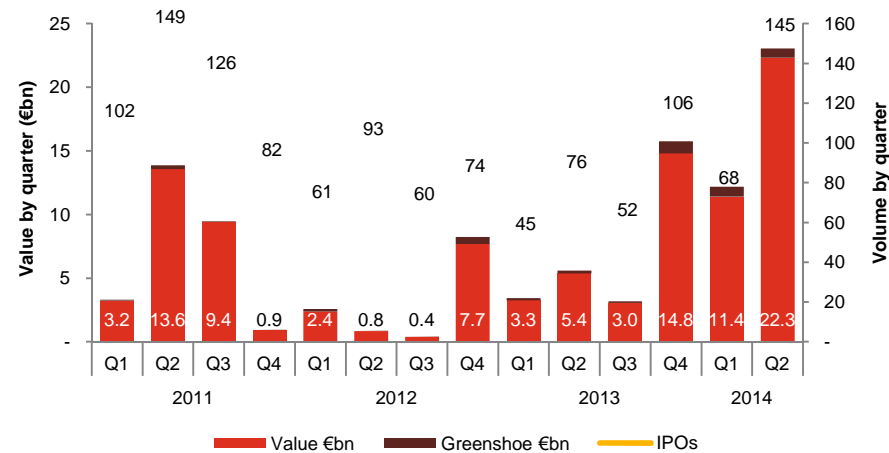
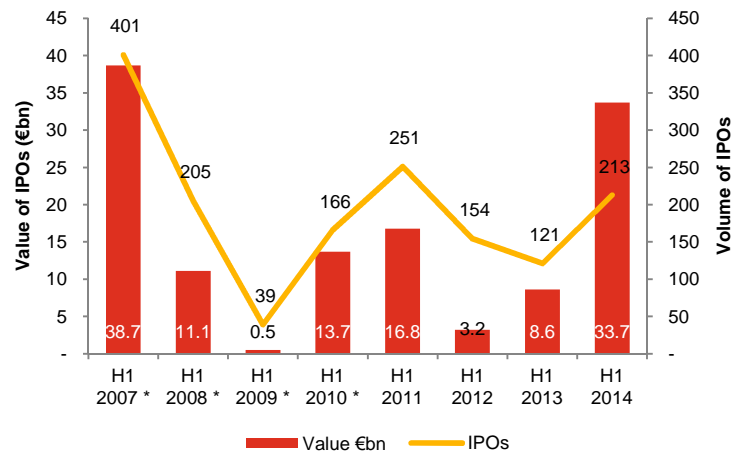
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European IPOs raised €22.3bn in Q2 2014, capping the strongest first half performance since 2007 with €33.7bn raised

Long term European IPO activity by value and volume

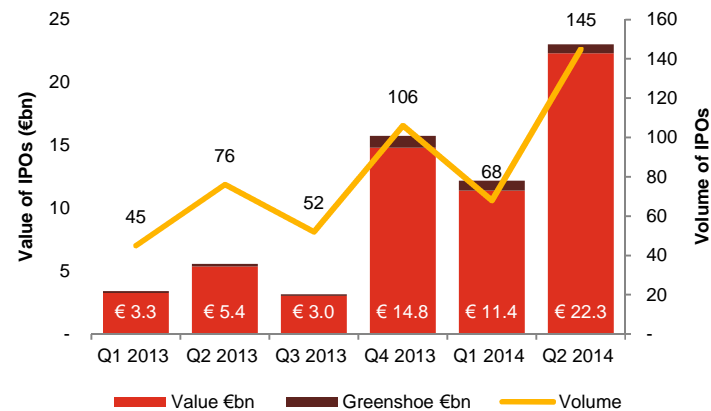


The revival of the European IPO market continued in the second quarter, which saw 145 IPOs raise €22.3bn, marking the strongest quarterly performance since 2007.

Private equity exits remained a key feature of the IPO landscape this quarter, with 37 PE backed IPOs raising a combined €13.0bn, excluding over-allotments, including the AA, B&M and Applus Services, each raising more than €1bn.

European IPO activity accelerated in the second quarter, with IPO proceeds raised in the year to date already exceeding the total money raised in 2013

Quarterly European IPO activity by value and volume

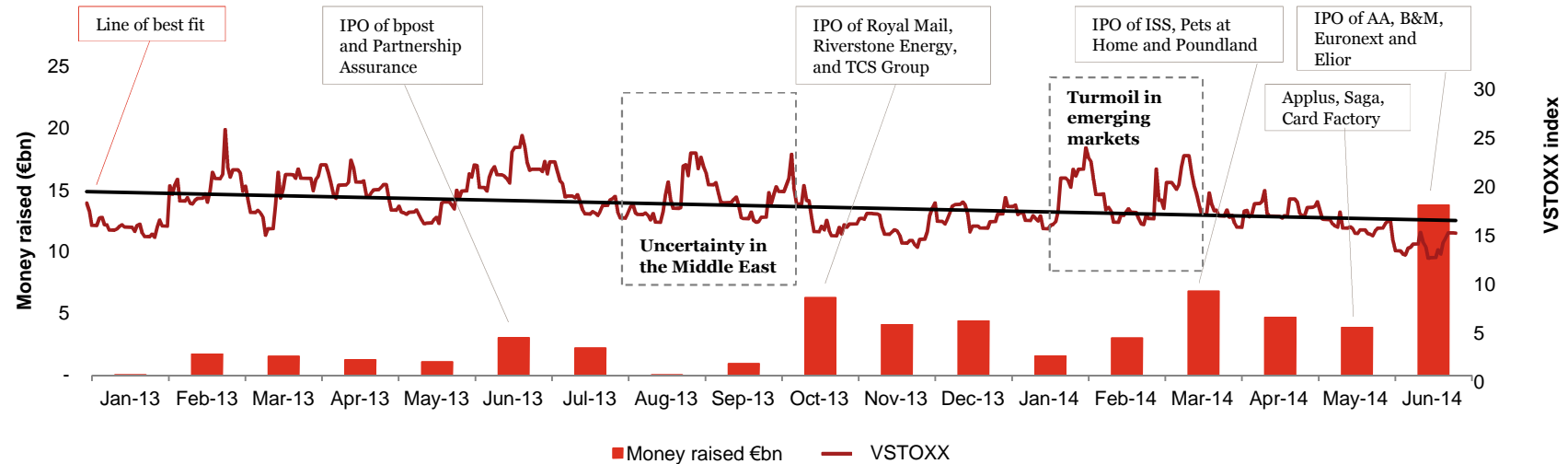


	H1 2013	Q1 2014	Q2 2014	H1 2014
Total European listings comprise those with:				
Less than \$5m raised	63	19	34	53
Greater than \$5m raised	58	49	111	160
Total number of listings	121	68	145	213
Money raised excl. greenshoe (€m)	8,633	11,391	22,325	33,716
Exercised greenshoe (€m)	374	796	713	1,509
Total money raised (€m)	9,007	12,187	23,038	33,225
Average offering value (€m) *	155	249	208	220
Total number of withdrawn IPOs	6	3	14	17

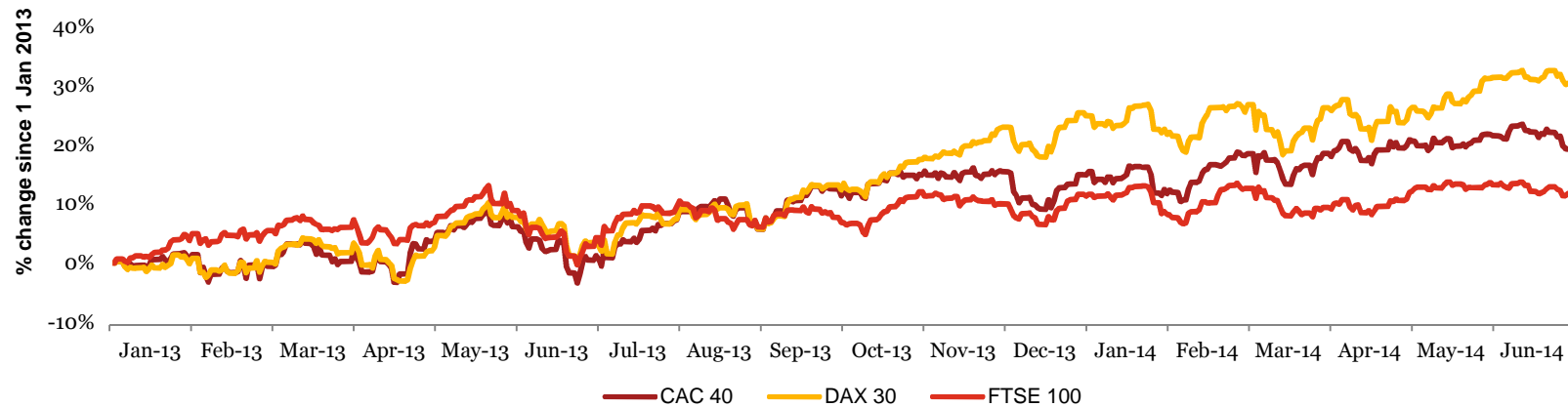
* Average offering value has been calculated based on total offering value, excluding listings raising less than \$5m

Declining volatility combined with surging market indices across Europe contributed to stronger market conditions for flotations in the quarter

Volatility compared to IPO proceeds



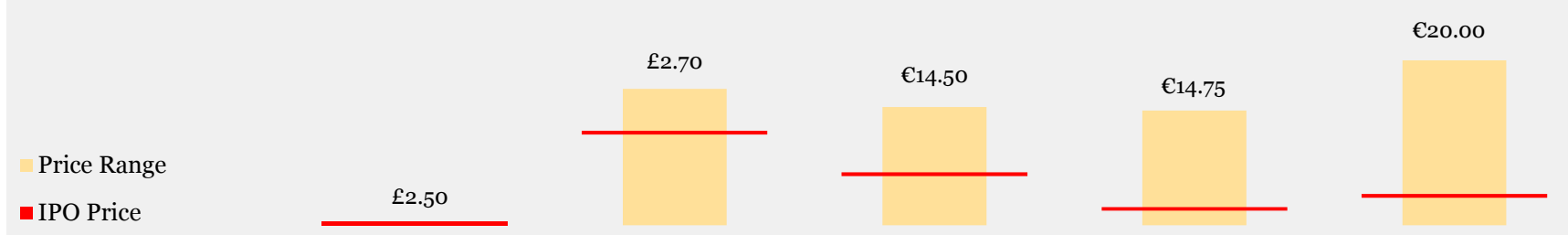
Historical performance of major market indices since January 2013



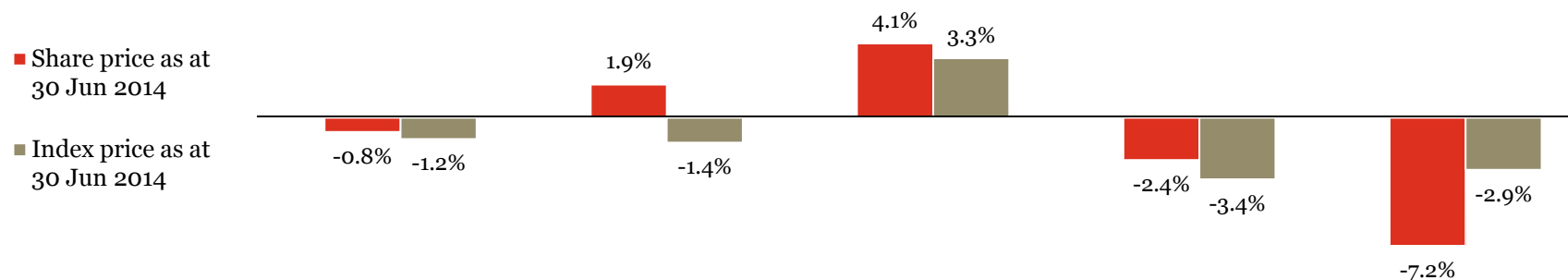
Four of the top five IPOs have outperformed the index at the end of the quarter, although three are trading below the offer price

Top 5 (Q2 2014) *	AA	B&M European Value Retail	Applus Services	Elior	Euronext
Exchange	London	London	Bolsa de Madrid	Euronext Paris	Euronext Paris
IPO date	23-Jun-14	12-Jun-14	09-May-14	11-Jun-14	20-Jun-14
PE backed	Yes	Yes	Yes	Yes	No
Money raised (€m) **	€1,733	€1,336	€1,210	€954	€845
Price range	£2.50	£2.30 - £2.90	€13.25 - €16.25	€14.35 - €17.50	€19.00 - €25.00

IPO price versus range

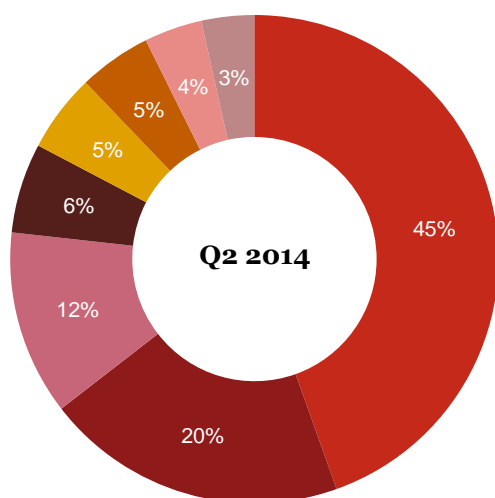


Post IPO performance



Six European exchanges surpassed €1.0bn of IPO proceeds in the quarter, with continental Europe raising 55% of proceeds

IPO offering value by exchange *



- London
- Euronext
- BME
- OMX
- Borsa Italiana
- SIX Swiss
- Deutsche Börse
- Other

Stock exchange offering value (€m)	H1 2013	Q1 2014	Q2 2014	H1 2014
London Stock Exchange	4,511	5,925	9,942	15,867
NYSE Euronext	925	2,113	4,457	6,570
BME (Spanish Exchange)	-	900	2,731	3,631
NASDAQ OMX	371	1,947	1,332	3,279
Borsa Italiana	325	72	1,154	1,226
SIX Swiss Exchange	-	-	1,073	1,073
Deutsche Börse	1,879	-	857	857
Oslo Børs & Oslo Axess	53	147	239	386
Irish Stock Exchange	-	265	218	483
Wiener Börse	-	-	194	194
Warsaw	102	18	89	107
Borsa Istanbul	432	4	39	43
Luxembourg	35	-	-	-
Total	8,633	11,391	22,325	33,716

Top 3 Exchanges

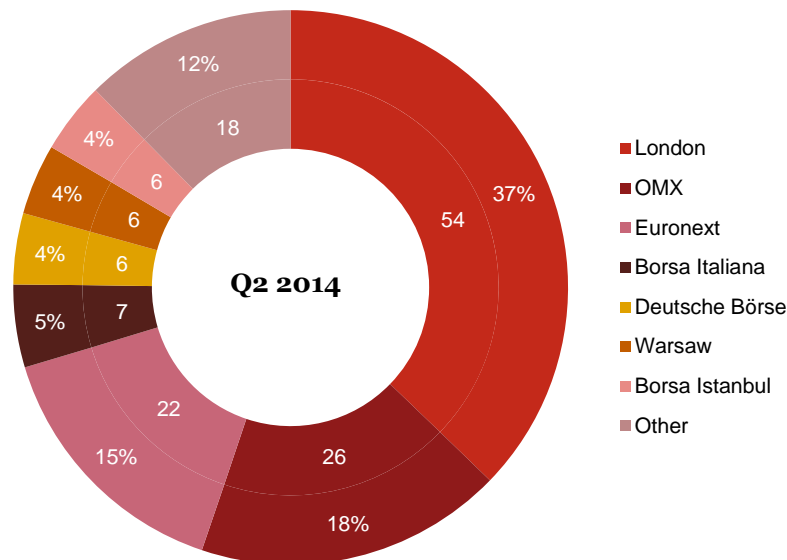
London Stock Exchange **
46 IPOs raised €9.9bn
Average IPO proceeds €216m
Largest IPO – AA €1,733m

NYSE Euronext **
19 IPOs raised €4.5bn
Average IPO proceeds €234m
Largest IPO – Elior €847m (€954m including greenshoe)

BME **
4 IPOs raised €2.7bn
Average IPO proceeds €683m
Largest IPO – Merlin Properties €1,250m

Nine exchanges hosted at least five IPOs in the quarter, highlighting an increased appetite for new equity issues throughout Europe

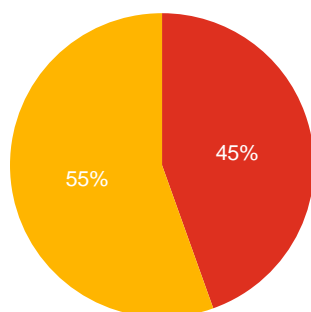
IPO volume by exchange



Stock exchange*	H1 2013	Q1 2014	Q2 2014	H1 2014
London Stock Exchange	38	32	54	86
NASDAQ OMX	14	7	26	33
NYSE Euronext	12	6	22	28
Borsa Italiana	6	5	7	12
Warsaw	31	10	6	16
Borsa Istanbul	4	2	6	8
Deutsche Börse	5	1	6	7
Oslo Børs & Oslo Axess	4	2	5	7
SIX Swiss Exchange	-	-	5	5
BME (Spanish Exchange)	1	2	4	6
Irish Stock Exchange	-	1	2	3
Wiener Börse	1	-	2	2
Luxembourg	5	-	-	-
Total	121	68	145	213

The average offering value of the top ten IPOs reached €1.0bn in the second quarter, seven of which were PE backed

Top 10 IPOs



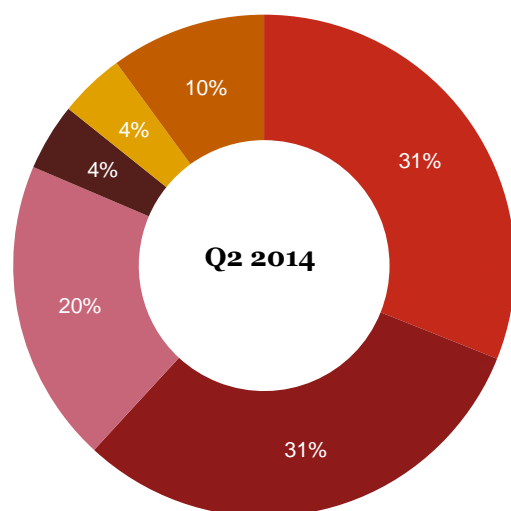
■ Top 10 IPOs ■ Others

10 largest IPOs of Q2 2014	€m *	Sector	Market	Country of Origin	PE Backed
AA	1,733	Consumer Services	London	UK	Yes
B&M European Value Retail	1,336	Consumer Services	London	UK	Yes
Merlin Properties	1,250	Financials	BME	Spain	No
Applus Services	1,100	Industrials	BME	Spain	Yes
Elior	847	Consumer Services	Euronext	France	Yes
Euronext	845	Financials	Euronext	Pan-Europe	No
Coface	832	Financials	Euronext	France	No
Anima Holding	693	Financials	Borsa Italiana	Italy	Yes
Saga	678	Consumer Services	London	UK	Yes
Com Hem Holding	630	Telecommunications	OMX	Sweden	Yes
Total	9,944				

10 largest IPOs of Q1 2014	€m *	Sector	Market	Country of Origin	PE Backed
Altice	1,305	Telecommunications	Euronext	France	No
ISS	1,098	Industrials	OMX	Denmark	Yes
Kennedy Wilson Europe Real Estate	1,017	Financials	London	UK	No
Lenta	696	Consumer Services	London	Russia	Yes
Gaztransport & Technigaz	621	Industrials	Euronext	France	Yes
Pets at Home	589	Consumer Services	London	UK	Yes
AO World	513	Consumer Services	London	UK	No
Hispania Activos Inmobiliarios	500	Financials	BME	Spain	No
Poundland	451	Consumer Services	London	UK	Yes
Lar Espana Real Estate	400	Financials	BME	Spain	No
Total	7,190				

The Consumer Services and Financials sectors accounted for almost two thirds of the total IPO proceeds including eight of the quarter's top ten IPOs

IPO value by sector *



- Consumer Services
- Financials
- Industrials
- Technology
- Consumer Goods
- Other

Sector (IPO Proceeds)	H1 2013	Q1 2014	Q2 2014	H1 2014
Consumer Services	642	3,153	6,935	10,088
Financials	4,385	3,100	6,876	9,976
Industrials	1,557	2,745	4,367	7,112
Technology	59	19	970	989
Consumer Goods	589	-	942	942
Health Care	309	435	661	1,096
Telecommunications	-	1,514	646	2,160
Basic Materials	1,021	9	541	550
Oil & Gas	71	391	385	776
Utilities	-	25	2	27
Total Value (€m)*	8,633	11,391	22,325	33,716

Consumer Services **

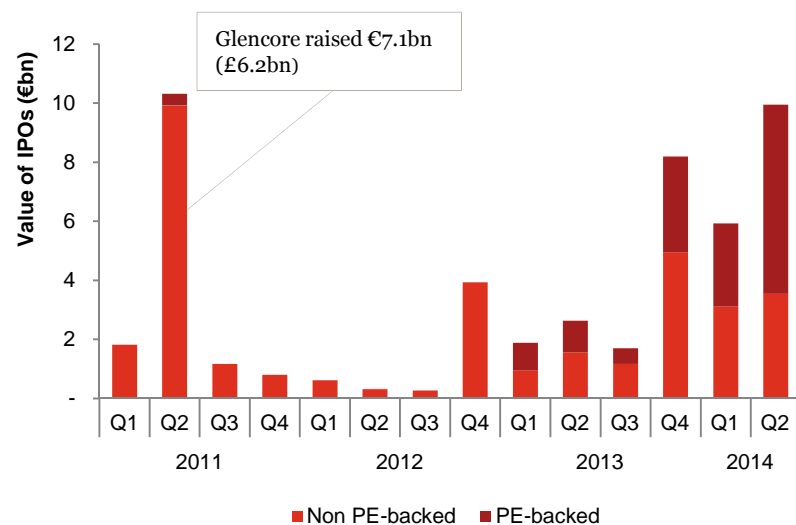
- 19 IPOs raised average IPO proceeds of €365m
- 9 of the 19 IPOs were Retail and raised a total of €4,837m
- Largest IPO – AA €1,733m

Financials **

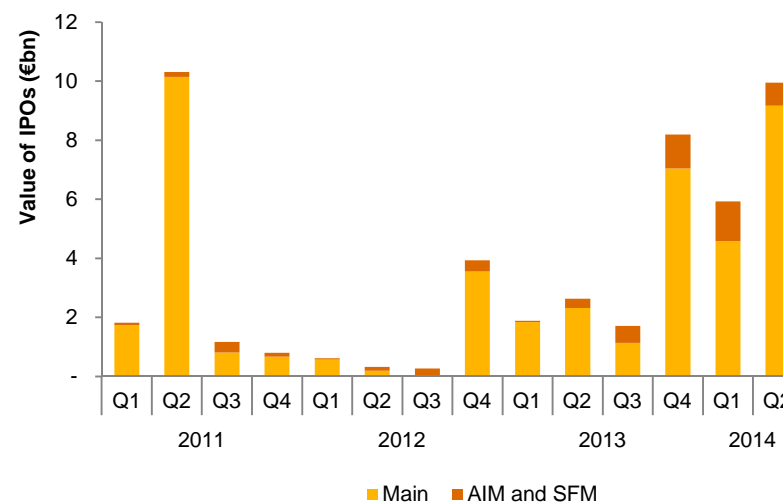
- 31 IPOs raised average IPO proceeds of €215m
- 15 of the 31 IPOs were Financial Services (€3,897m) and 11 of the 31 IPOs were Real Estate (€2,021m)
- Largest IPO – Merlin Properties €1,250m

Private equity backed IPOs accounted for more than two thirds of UK IPO proceeds in the quarter

PE-backed vs non PE-backed IPO trends in London *



London IPO trends by market *



5 largest UK IPOs of Q2 2014

	Proceeds *		Sector	Market	Country	PE Backed
	€m	£m				
AA	€1,733m	£1,385m	Consumer Services	Main	UK	Y
B&M European Value Retail	€1,336m	£1,080m	Consumer Services	Main	UK	Y
Saga	€678m	£550m	Consumer Services	Main	UK	Y
TSB Banking Group	€569m	£455m	Financials	Main	UK	N
Zoopla Property Group	€441m	£352m	Consumer Services	Main	UK	N

IPOs by market

Stock exchange	H1 2013		Q1 2014		Q2 2014		H1 2014	
	IPOs	Offering value (€m)	IPOs	Offering value (€m)	IPOs	Offering value (€m)	IPOs	Offering value (€m)
TOTAL								
London Stock Exchange	38	4,511	32	5,925	54	9,942	86	15,867
NYSE Euronext	12	925	6	2,113	22	4,457	28	6,570
BME (Spanish Exchange)	1	-	2	900	4	2,731	6	3,631
NASDAQ OMX	14	371	7	1,947	26	1,332	33	3,279
Borsa Italiana	6	325	5	72	7	1,154	12	1,226
SIX Swiss Exchange	-	-	-	-	5	1,073	5	1,073
Deutsche Börse	5	1,879	1	-	6	857	7	857
Oslo Børs & Oslo Axess	4	53	2	147	5	239	7	386
Irish Stock Exchange	-	-	1	265	2	218	3	483
Wiener Börse	1	-	-	-	2	194	2	194
Warsaw	31	102	10	18	6	89	16	107
Borsa Istanbul	4	432	2	4	6	39	8	43
Luxembourg	5	35	-	-	-	-	-	-
Europe total	121	8,633	68	11,391	145	22,325	213	33,716
EU-REGULATED								
London Main	15	4,150	14	4,637	27	9,165	41	13,802
NYSE Euronext (Euronext)	8	849	6	2,113	14	4,410	20	6,523
BME (Spanish Exchange) (Main)	1	-	2	900	3	2,726	5	3,626
Borsa Italiana (Main)	1	269	-	-	2	1,121	2	1,121
SIX Swiss Exchange	-	-	-	-	5	1,073	5	1,073
NASDAQ OMX (Main)	5	356	4	1,945	7	1,042	11	2,987
Deutsche Börse (Prime and General Standard)	4	1,879	1	0	4	857	5	857
Oslo Børs	1	26	2	147	2	204	4	351
Irish Stock Exchange (Main)	-	-	-	-	1	200	1	200
Wiener Börse	1	0	-	-	2	194	2	194
Warsaw (Main)	4	98	2	17	3	88	5	105
EU-regulated sub-total	40	7,627	31	9,759	70	21,080	101	30,839
EXCHANGE-REGULATED								
London AIM and SFM	23	361	18	1,288	27	777	45	2,065
NASDAQ OMX (First North)	9	15	3	2	19	290	22	292
NYSE Euronext (Alternext)	4	76	-	-	8	47	8	47
Borsa Istanbul	4	432	2	4	6	39	8	43
Oslo Axess	3	27	-	-	3	35	3	35
Borsa Italiana (AIM)	5	56	5	72	5	33	10	105
Irish Stock Exchange (ESM)	-	-	1	265	1	18	2	283
BME (Spanish Exchange) (MAB)	-	-	-	-	1	5	1	5
Warsaw (NewConnect) (2)	27	4	8	1	3	1	11	2
Luxembourg (EuroMTF)	5	35	-	-	-	-	-	-
Deutsche Börse (Entry Standard)	1	-	-	-	2	-	2	-
Exchange-regulated sub-total	81	1,006	37	1,632	75	1,245	112	2,877
Europe total	121	8,633	68	11,391	145	22,325	213	33,716

US IPO proceeds of €15.6bn in the second quarter represent a 95% increase over the first quarter, however, for the second consecutive quarter it was unable to match Europe's €22.3bn of IPO proceeds

US and Hong Kong overview

Stock exchange	H1 2013		Q1 2014		Q2 2014		H1 2014	
	IPOs	Offering value (€m)*	IPOs	Offering value (€m)*	IPOs	Offering value (€m)*	IPOs	Offering value (€m)*
Europe	121	8,633	68	11,391	145	22,325	213	33,716
US	97	15,953	71	8,007	89	15,641	160	23,648
Hong Kong	23	3,857	25	4,334	27	3,296	52	7,630

Total IPO proceeds in the US reached €15.6bn in the second quarter, a significant increase over the €10.1bn of proceeds raised in the second quarter of 2013. The Healthcare sector continued its high level of IPO activity with 24 IPOs in the quarter, however the Technology and Consumer sectors attracted the highest level of investment, raising €3.7bn and €3.6bn respectively.

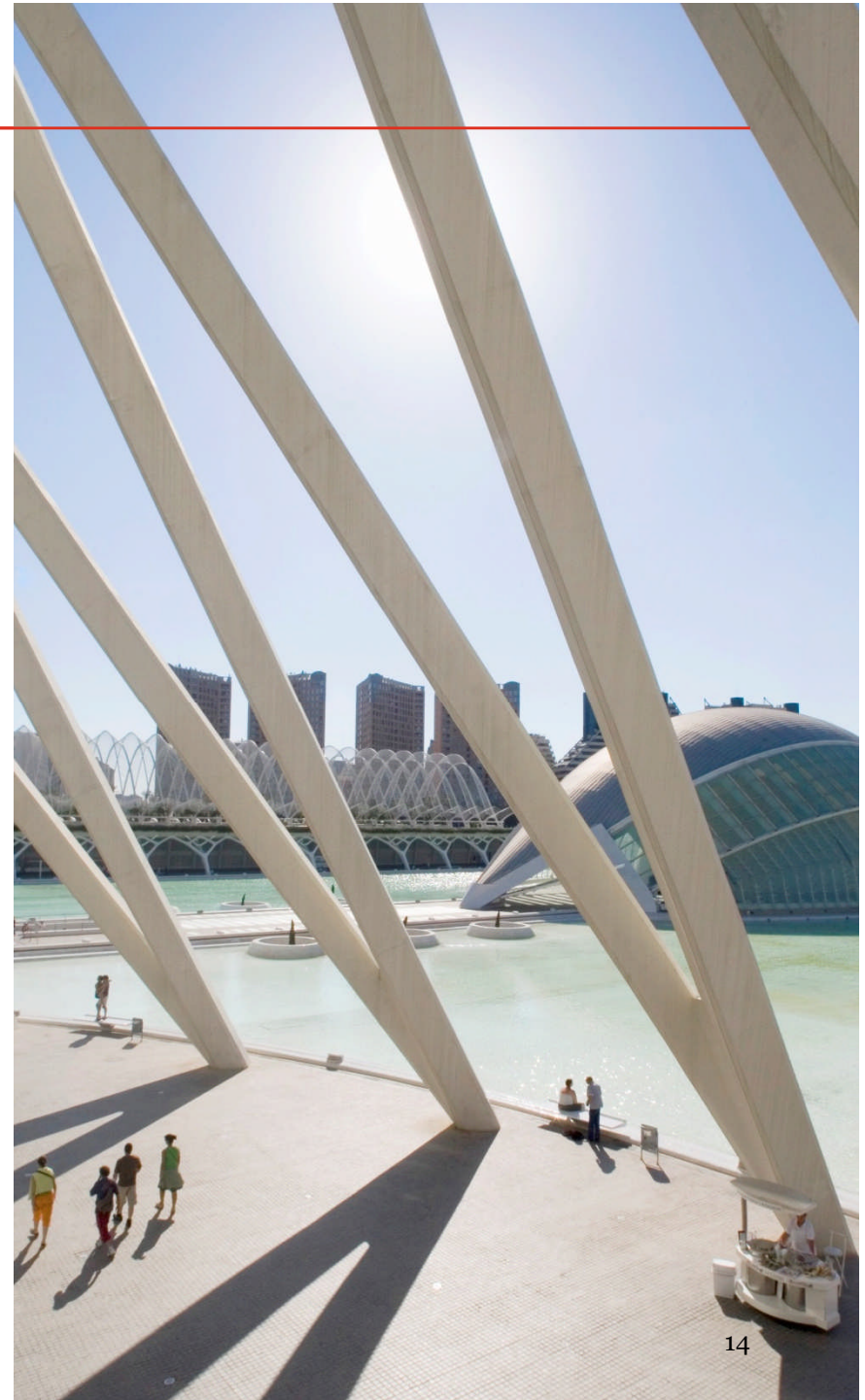
US IPOs demonstrated impressive aftermarket performance in the second quarter with an average 20.3 percent return over the issue price as at quarter end, significantly outperforming the US indices despite both the Dow Jones and the S&P500 reaching record highs in the quarter.

Hong Kong was unable to better the €4.3bn raised in the first quarter, however the €3.3bn raised in the second quarter exceeded the €3.1bn raised in the second quarter of 2013 bringing the total IPO proceeds raised in the first half of 2014 to €7.6bn, a significant increase over the first half of 2013.

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, Romania, Spain, Sweden, Switzerland, Turkey and the UK) on a quarterly basis. Movements between markets on the same exchange are excluded.

This survey was conducted between 1 April and 30 June 2014 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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