



*London*  
**STOCK EXCHANGE**

**STANDARD LISTING**

FSX

Washington D.C.

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# INVESTMENT NEWS

## JULY 16, 2012

GO GLOBAL, YOUNG MAN

# THE FUTURE IS IN GLOBAL SECURITIES MARKETS

- US USED TO REPRESENT 70%-80% OF THE WORLD'S EQUITY MARKETS
- MARK HAGGERTY FIDELITY INSTITUTIONAL SAYS THAT HAS FLIP-FLOPPED
- FRANK LASALLA MANAGING DIRECTOR GLOBAL OPERATIONS PERSHING SAYS:

“GOING GLOBAL IS A MATTER OF SURVIVAL”

# WHAT'S GOING ON HERE IN US? IPOs- CAPITAL RAISING

Market is stagnate

# LET'S TAKE A LOOK AT LONDON

LONDON STOCK EXCHANGE

ESTABLISHED 1698



# STATISTICS

- LSE: 2,500 Companies- £4 trillion market cap
- Standard: 1,359 £3.6 trillion market cap
- 300 companies STANDARD

# STATISTICS

## **Mkt Cap of Recent admissions (2010 – 2012)**

- **£20 million or under: 30 raising, £113 million-most under £10 mil**
- £50 million: 15, raising £370 million
- £100 million: 16, raising £509 million
- £150 million: 16, raising £850 million

FACEBOOK WAS GOING TO  
OPEN THE US-IPO GATES  
Bloomberg July 23 says  
Down 37%

CURRENT OUTLOOK  
NOT GOOD

# US Capital Markets

- Lengthy, Costly, Over-regulated
- Issues with Chinese companies-Bloomberg July
- Fraudulent accounting practices

# European Opportunity

- Listing/trading on the Main Market of the London Stock Exchange (LSE)
- Affordable solution for US companies; open to all companies as of April 2010
- Capital can be raised throughout EU/US

# European Opportunity

- LSE – the most international exchange in the world with the largest IPO market in Europe
- Access to capital for growth both upon and post admission
- Liquidity provided by institutional and retail investors

ADRs

VALUEABLE ALLY

What is bundling?

SOLVE PENNY STOCK PROBLEM

CAN TRADE IN US

**WHAT'S DIFFERENT?**

**ATTITUDE!!**

**WE WANT YOU!**

**THE LONDON STOCK EXCHANGE**



# LSE vs. US

- Balanced regulatory environment
- Investor protection – practitioner certainty – flexibility
- Main Market – lower on-going costs; no 10-K, 10-Q, 8-Ks
- News filed on TR-1 by our advisor team

# LSE Advantages

- ***Pricing and valuation*** – in 7 of the last 10 yrs, more than half of London IPOs were trading at a share price above their offer price a year after they were floated
- **Offer Price**- the largest percentage of IPOs trading above their offer price compared to NYSE and HKEx since the financial crisis

# LSE Advantages

- ***Health of London's IPO market*** – in the first 9 months of 2011, 67 IPOs listed in London, more than any other major exchange, raising £12.8 billion
- **Last 4 years-** LSE had the lowest rate of withdrawn IPOs compared to its major competitors
- ***Fee structures and incentives*** – gross average bank fees in London are consistently lower than on either NYSE or NASDAQ and were the lowest of any major international last year

# Main Market - Standard Listing

- Main Market of the LSE – established in 1698
- Broad range of sectors, nationalities and sizes
- 2 listing categories

*Premium-*

*Standard –*

# Requirements for Admission

- £700,000 Market Cap
- 3 year audit (or since formed) IFRS or equivalent
- 25% of shares in public hands
- 12 month working capital statement

# Main Market - Standard Listing

- **TIMING** – approximately 4 months, subject to financials being prepared on timely basis
- **ADVISORS** – project management, lawyers, accountants/auditors, brokers (optional), IR/PR (optional)

# Main Market - Standard Listing

- Prospectus approved by the UKLA (eligible for passporting throughout the EU)
- EU legislation – lighter compliance
- No listing sponsor or NOMAD is required

# TIMELINE to IPO

## 4 MONTHS

### Month-1

- Appoint advisors
- Transaction structure
- Legal and financial due diligence
- Working capital statement

### Month-3

- Eligibility
- Prospectus drafting
- Prospectus verification
- IR/PR meetings



# Timeline

## **Month-4**

- Submit 1<sup>st</sup> draft of the prospectus to UKLA
- Submit application form and pay fee to UKLA
- 1<sup>st</sup> meeting with LSE
- Valuation of any key assets

## **'Impact Day'**

- Announcement of IPO, offer price goes public
- UKLA approves the prospectus

## **Admission Day**

- UKLA/LSE announcements
- Dealing in shares commences

# INITIAL LISTING COSTS

- UKLA- Listing Application £225
- UKLA-Eligibility, Processing £15,000
- LSE-Admission Fee £7,043-up to £48,000
- Turn Key Advisory Team £250,000

**EXPRESS AN INTEREST TODAY**

DISCOUNT

PART OF FEES AFTER CAPITAL RAISE

# ONGOING COSTS

- LSE- up to £4,631
- Professional Advisors- £18,500

# Main Market – Standard Listing

Example:

## **Worldlink Group Plc (LSE: WGP)**

- IP/technology UK company, admitted to the market in November 2011
- Market cap on listing £55 million, opening share price £2.50
- Trading should be resumed mid-August at higher price

# Post-admission

## **Continuing obligations**

- Compliance with the Disclosure and Transparency Rules
  - Disclosure of inside information to the market in a timely manner
  - Notification of major interests in shares
  - Notification of board changes and directors' details
  - Notification of financial statements

# Q & A

- Questions now from audience?
- Would you like to meet after presentation?
- Would you like to express an interest and set up a meeting or conference call?