

### About AIM Advisers

AIM Advisers helps small and medium-sized, growth-oriented U.S. companies complete IPOs on the Alternative Investment Market (AIM) of the London Stock Exchange. AIM Advisers also provides a range of services to the 82 U.S.-based companies that are already listed on AIM.

## Secondary Offering Activity – 2005 to 2007

### Highlights

- Number of secondary offerings increases by 64%
- Average size of secondary offerings grows by 143% and now exceeds £10m
- 50% of AIM-listed companies complete secondary offerings
- 50% of secondary offerings in all three years raise between £1m and £15m
- £9.7b raised in secondary offerings in 2007....55% more than raised in IPOs
- Outlook: Relatively cautious and selective market with average retracing to £7m

The success of the secondary offering market on AIM is indisputable; however, that success should not be viewed in isolation, but rather through the lens of the broader market for AIM IPOs. The emergence of Special Purpose Acquisition Corporations (SPACs) and Investment and Real Estate Funds in 2006 bifurcated the IPO market between ‘investment vehicles’ and ‘operating companies’. The effect on the IPO market was dramatic but the effect on the secondary offering market was more modest.

‘Operating companies’ captured 60% of the IPO funds raised in 2005 but only 30% in 2006 and 2007. The comparable metrics for secondaries were 80% in 2005 and 70% in 2006 and 2007.

<b>All Companies</b>	<b>IPO Funds Raised (in £ billions)</b>	<b>Secondary Offering Funds Raised (in £ billions)</b>
2005	5.63	2.43
2006	9.32	5.73
2007	6.26	9.71

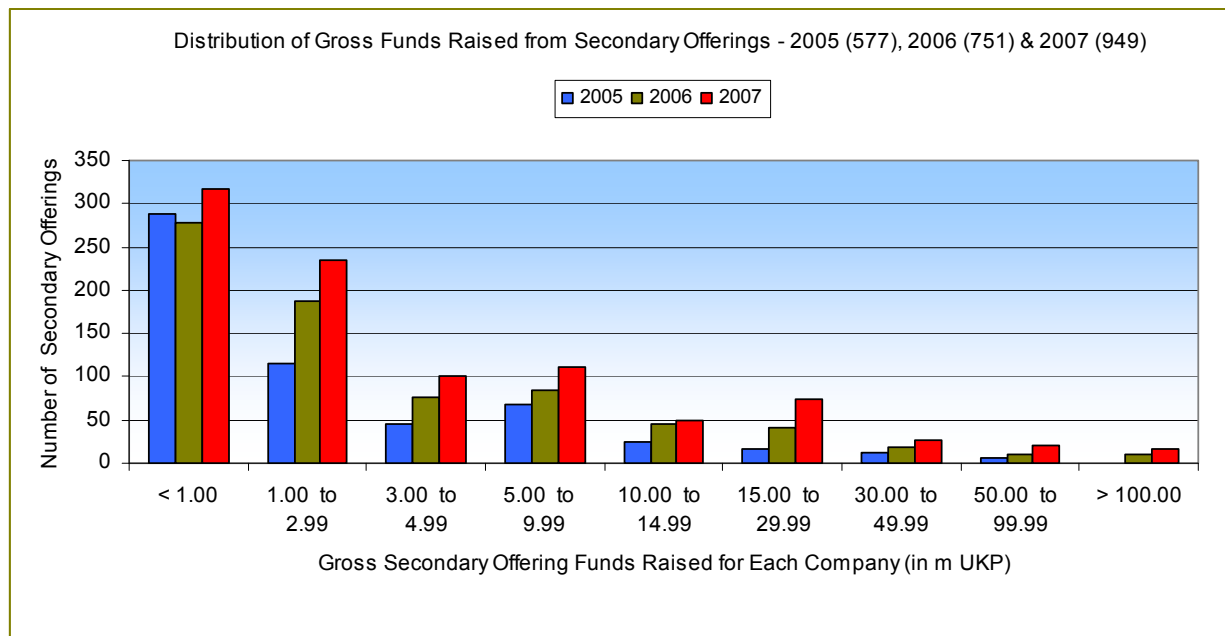
Exclusive of SPACs and Investment and Real Estate Funds:

<b>‘Operating Companies’</b>	<b>IPO Funds Raised (in £ billions)</b>	<b>Secondary Offering Funds Raised (in £ billions)</b>
2005	3.44	1.97
2006	2.77	3.85
2007	1.99	6.59

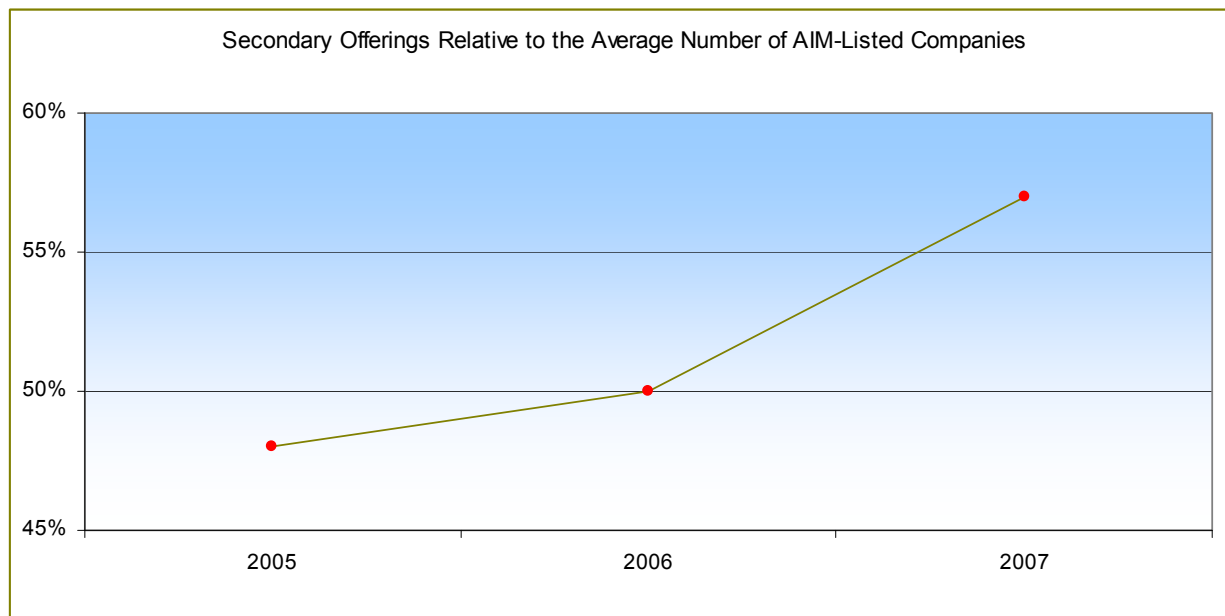
The number and average size of secondary offerings have grown dramatically.

<b>All Companies</b>	<b>Number of Secondary Offerings</b>	<b>Gross Funds Raised (in £ billions)</b>	<b>Average Funds Raised (in £ millions)</b>
2005	577	2.43	4.21
2006	751	5.73	7.63
2007	949	9.71	10.23

While the average size of secondary offerings has grown by 143%, it's interesting to note that 50% of secondary offerings still raise between £1 million and £15 million. The sub-£1 million offerings have decreased on a relative basis from 50% to 37% to 34% from 2005 to 2007 with a noticeable increase in offerings in the £15 million to £30 million range during 2007.



While the number of companies listed on AIM has grown over the years, the number that have been able to complete secondary offerings has grown even quicker.



The outlook for 2008 is for a relatively cautious secondary offering market. Companies that are performing well and properly communicating with their investors, and the market as a whole, will be able to complete secondary offerings, however, the average may decrease to £7m million.