

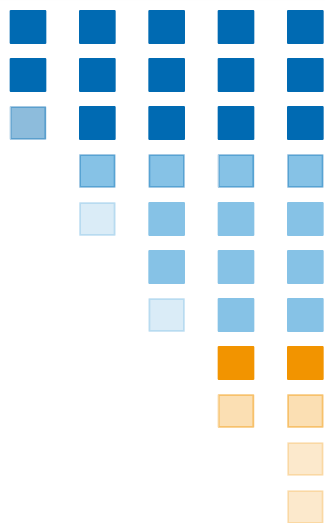


Ipreo Capital Markets

European ECM Review

New York • Washington D.C. • London • Paris • Vienna • Frankfurt • Hong Kong • Tokyo • Cape Town

September Edition



European New Issuance Commentary

The European Equity Capital Markets have continued along their downward trend throughout the summer months and as autumn draws in, the unremitting volatility arising from Europe's inability to put forward a viable solution to the debt crisis has brought deal volumes staggeringly low.

August and September are cyclically less active months, however, year on year figures highlight them to be significantly less active months for 2011. From the 1st of August till the 30th of September there were a total of 26 deals that priced in Europe, raising just over the \$2.1bn mark. In the same period in 2010 there were 5 more deals and these raised just over \$7.1bn, a sizeable amount more than this current year.

The downturn in capital raised through deals coming to market comes as little surprise given the constant battering the equity markets have taken since early July. Relative to the start of the year, at the end of September the Spanish IBEX was down 13.3%, the French CAC had lost 21.6% and the Italian FTSE MIB led the way down, losing 26.5%. The bleak outlook across the whole of Europe and tumbling loss of value is not conducive to capital raising and extends to the US where fears over recession and a historical credit rating downgrade in August saw September become the first month without an IPO since January 2009.

Four hefty European deals were officially postponed in September. All cited a mixture unfavourable and weak market conditions for deals that represent a combined \$27.75bn worth of proceeds. The largest of the four deals and most noteworthy was the intended state sale of "Sociedad Estatal de Loterías y Apuestas del Estado S.A.", the Spanish lottery manager. With the expectation of generating in excess of \$9.5bn from the sale of 30% of the sovereign asset, the deal was on course to be both the biggest IPO and state asset sale in Spanish history. The opinion of the finance ministry was that with current market appetite for equities, it won't "guarantee revenues that reflect the value" of the business. A very interesting statement given Spain's budget deficit is the third largest in Europe; the revenue generated from such a sale would have lessened the amount of debt that will now need to be issued to finance the government's budget deficit at a time of relatively high borrowing costs for the country.

The deferred offering has much wider implications for more than just that of Spain and Europe's equity markets. The Spanish lottery operator has zero debts, has run for 250 years in what is now the fourth largest lottery market and posted a €2.6bn profit in 2010 thanks in part to the famous "el Gordo", which in itself is the world's biggest lottery. Such an attractive investment was only enough to draw in institutional investors "at a price we didn't want to accept" according to Spanish Finance Minister Elena Salgado. As a result, this market response may be a worry for the Greek Government who at the end of September has already had to revise down targets for raising revenue to pay down debt from state-asset sales from €5bn to €4bn. One such Greek asset is the governments 34 percent stake in Europe's biggest gambling company Opap SA which has lost 42% this year. Whether Greece can bear to take such losses or whether more deals stand to get postponed will be a telling indicator of the ongoing crisis in Europe, as in the case of Greece, the sale of its state assets were part of the agreement with the EU and IMF in return for bailout funds.

Not all developments in September's deals were based upon negative outlook. The accelerated sale of Glencore convertible bonds by private equity group First Reserve (the only deal of considerable size for the month) was seen as a bullish move by the market as the net proceeds from the \$1.1bn deal were invested straight into Glencore ordinary shares. The basis for the switch was based on the belief that the 24 percent fall in Glencore shares since the May IPO is overdone. Through the combined sale of the convertible then purchase of stock, First Reserve has secured more than 150 million Glencore shares; 10 million more shares than would have been received on the conversion of the convertible bond in 2014. Other convertible holders are likely to make the same play if Glencore's market capitalisation remains above the €35bn valuation implied from the convertibles pricing, which currently stands at \$45.6bn. Given the ongoing volatility and chance of global recession consequently affecting demand for commodities, time will tell on the true value of this deal.

Looking forward to October and beyond, a number of rights offerings are expected to price and there have been several small cap companies who have filed for IPOs. Should debt talks finally yield positive outcomes and restore some stability to the Eurozone then perhaps the Equity Capital Markets can return to more usual pre-holiday volumes.

Top Priced Deals of 2011 by Proceeds

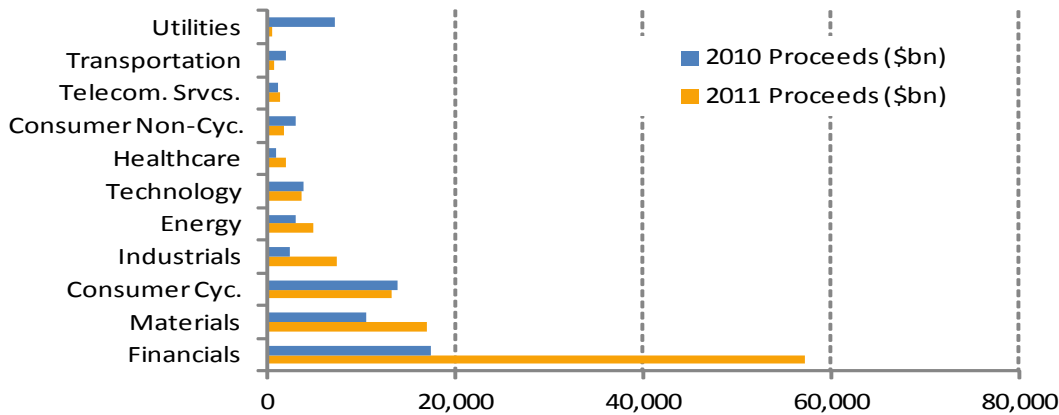
Price Date	Issue Name	Proceeds (\$mm)	Sector	Domicile Country	Exchange Country	Issue Type
05/19/2011	Glencore International Plc	10,011.0	Materials	CHE	HKG	IPO
06/07/2011	Commerzbank AG	7,753.9	Financials	DEU	DEU	FO
06/13/2011	Intesa Sanpaolo SpA	7,187.3	Financials	ITA	ITA	FO
07/19/2011	Bankia S.A.	4,321.3	Financials	ESP	ESP	IPO
04/06/2011	Danske Bank A/S	3,854.1	Financials	DNK	DNK	FO
04/12/2011	Porsche Automobil Holding SE	3,263.9	Consumer Cyc.	DEU	DEU	FO
07/08/2011	Banca Monte dei Paschi di Siena S.p.A.	3,068.3	Financials	ITA	ITA	FO
02/11/2011	Banco Popolare Societa Cooperativa	2,689.0	Financials	ITA	ITA	FO
03/28/2011	Continental AG	2,513.7	Consumer Cyc.	DEU	DEU	FO
06/17/2011	Prada S.p.A.	2,459.9	Consumer Cyc.	ITA	HKG	IPO

Top Deals in the Backlog by Proceeds

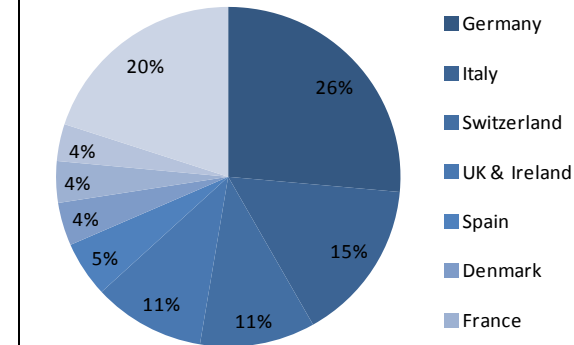
File Date	Issue Name	Proceeds (\$mm)	Sector	Domicile Country	Exchange Country	Issue Type
04/19/2011	Banca Popolare di Milano Società Cooperativa	1,717.6	Financials	ITA	ITA	FO
07/05/2011	Bluestar Adisseo Nutrition Group Limited	1,500.0	Materials	FRA	HKG	IPO
06/01/2011	Unione di Banche Italiane Scpa	1,423.5	Financials	ITA	ITA	FO
05/20/2011	Russian Copper Company ZAO	1,200.0	Materials	RUS	GBR	IPO
04/28/2011	Jimmy Choo Ltd.	1,073.7	Consumer Cyc.	GBR	HKG	IPO
06/16/2011	Megapolis Group	1,000.0	Consumer Non-	RUS	GBR	IPO
08/16/2011	Manchester United Ltd.	1,000.0	Consumer Cyc.	GBR	SGP	IPO
08/01/2011	TsentrObuv OAO	800.0	Consumer Cyc.	RUS	HKG	IPO
07/06/2011	SEA S.p.A.	667.9	Transportation	ITA	ITA	IPO
09/28/2011	Samvardhana Motherson Reflectec	392.2	Consumer Cyc.	DEU	IND	IPO

*Bolded if amended filing

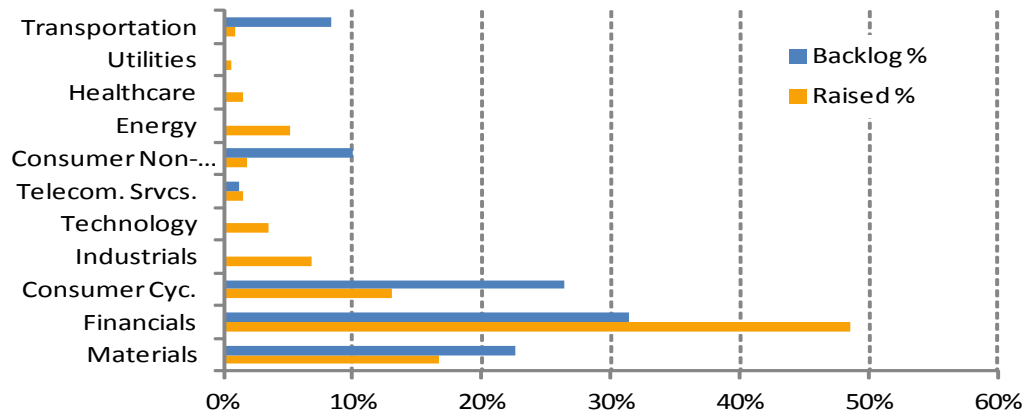
YTD Priced by Industry



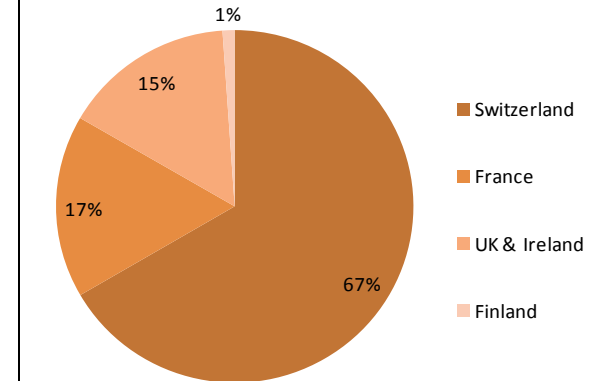
Top Market Share by Issuer Country - YTD



YTD Priced vs. Backlog



Top Market Share by Issuer Country - SEPTEMBER



**Expected Deals:**

Initial Filing Date	Expected Date	Issuer	Issue Type	Share Type	Proceeds (\$mm)	Shares Offered (mm)	Latest Filing Range	Domicile Country	Exchange Country	Industry	Bookrunner(s)
09/29/11	10/19/11	Codfarmers ASA	FO	Rights	15.6	13.2	1.18	NOR	NOR	Consumer Non-Cyc.	To be ann.
09/28/11	10/25/11	John Laing Infrastructure Fund Limited	FO	Rights	243.9	148.4	1.64	GBR	GBR	Financials	JPM
09/06/11	10/31/11	Opcon AB	FO	Rights	20.2	104.1	0.19	SWE	SWE	Utilities	To be ann.

Proceeds: 279.7**Deals: 3****Initial Filed Deals:**

Initial Filing Date	Expected Date	Issuer	Issue Type	Share Type	Proceeds (\$mm)	Shares Offered (mm)	Latest Filing Range	Domicile Country	Exchange Country	Industry	Bookrunner(s)
09/30/11	To be ann.	KappAhl Holding AB	FO	Rights	88.8	N/A	N/A	SWE	SWE	Consumer Cyc.	To be ann.
09/19/11	To be ann.	Bilfinger Berger Global Infrastructure SICAV S.A.	IPO	Ord Shares	387.0	N/A	N/A	DEU	GBR	Blank Check	RBSCOT, ORIEL
09/15/11	To be ann.	PCH International Ltd.	IPO	Ord Shares	250.0	N/A	N/A	IRL	HKG	Industrials	To be ann.
09/14/11	To be ann.	Golden Prospect Precious Metals Ltd.	FO	Ord Shares	181.6	N/A	1.91	GBR	GBR	Financials	SINGER
04/05/10	To be ann.	Samvardhana Motherson Reflectec	IPO	Ord Shares	392.2	N/A	N/A	DEU	IND	Consumer Cyc.	STANDARD, JPM

Proceeds: 1,299.5**Deals: 5****Withdrawn or Postponed Deals:**

Initial Filing Date	W/P Date	Issuer	Issue Type	Status	Proceeds (\$mm)	Shares Offered (mm)	Latest Filing Range	Domicile Country	Exchange Country	Industry	Bookrunner(s)
05/24/11	09/28/11	Sociedad Estatal de Loterías y Apuestas del Estado S.A.	IPO	Postponed	9,886.4	N/A	N/A	ESP	ESP	Consumer Cyc.	BBV, CS, GS, JPM, SANTANDER, UBS, CITI, DB, MS
09/12/07	09/23/11	Evonik Industries AG	IPO	Postponed	9,719.9	N/A	N/A	DEU	DEU	Materials	DB, GS, BAML, CS, JPM
07/01/11	09/21/11	Mechel Mining OAO	IPO	Postponed	4,000.0	3,644.0	N/A	RUS	GBR	Materials	MS, JPM, UBS
02/28/11	09/14/11	Osram GmbH	IPO	Postponed	4,143.6	N/A	N/A	DEU	DEU	Industrials	DB, GS, UBS

Proceeds: 27,750.0**Deals: 4**



IPOs:

Offer Date	Issuer	Share Type	144A Offering	Proceeds (\$mm)	Shares Offered (mm)	Offer Price (\$)	Latest File Range	Domicile Country	Exchange Country	Industry	Bookrunner(s)	Midpoint / Offer (%)	
09/20/11	Radiant Growth Investments Limited	Ord Shares		9.9	63.2	0.16	N/A	GBR	GBR	Financials	DSCP	0.00	
09/30/11	African Potash Limited	Ord Shares		6.6	83.7	0.08	N/A	GBR	GBR	Blank Check	GMPSECLTD, SEYMOUR	0.16	
				Proceeds:	16.4							Mean:	0.1
				Deals:	2							Median:	0.1

Follow-ons:

Offer Date	Issuer	Share Type	144A Offering	Proceeds (\$mm)	Shares Offered (mm)	Offer Price (\$)	Accelerated Deal	Domicile Country	Exchange Country	Industry	Bookrunner(s)	Latest File / Offer (%)	
09/08/11	HICL Infrastructure Company Limited	Ord Shares		7.4	4.0	1.84		GBR	GBR	Financials	N/A	0.35	
09/12/11	Healthcare Locums plc	Ord Shares		94.8	600.0	0.16		GBR	GBR	Healthcare	FAIRFAX	(91.45)	
09/13/11	International Public Partnership Ltd	Ord Shares		82.2	46.4	1.77		GBR	GBR	Financials	NUMIS	(2.54)	
09/15/11	Fluormin plc	Ord Shares		5.8	3.5	1.65		GBR	GBR	Materials	WHOUSESEC	(0.99)	
09/26/11	AssetCo plc	Ord Shares		21.8	7.0	3.11		GBR	GBR	Consumer Non-Cyc.	ARDEN, EXECN	11,394.18	
09/27/11	Tiimari Oyj	Rights		17.8	145.0	0.12		FIN	FIN	Consumer Cyc.	NORDAB	(5.53)	
09/27/11	Victoria Oil & Gas plc	Ord Shares		14.8	292.3	0.05		GBR	GBR	Energy	FOXDAV	(9.72)	
09/28/11	Ipsos S.A.	Rights		272.2	11.0	24.82		FRA	FRA	Consumer Cyc.	CREDITAG, HSBC, SOCGEN, UBS	(3.10)	
09/29/11	HICL Infrastructure Company Limited	Ord Shares		9.4	5.2	1.81		GBR	GBR	Financials	DEXION	0.09	
				Proceeds:	526.2							Mean:	1,253.5
				Deals:	9							Median:	(2.5)

Equity-linked Offerings:

Offer Date	Issuer	Share Type	144A Offering	Proceeds (\$mm)	Coupon	Premium	Maturity	Domicile Country	Exchange Country	Industry	Bookrunner(s)	Coupon Talk	Premium Talk
09/08/11	Glencore International Plc	CVT		1,082.5	5.00	4.70	12/31/14	CHE	GBR	Materials	CS, MS	N/A	N/A
				Proceeds:	\$1,082.5								
				Deals:	1								

Americas

	Close 30/09/11	1-Month Change	YTD Change	52 Wk High	52 Wk Low
DJ Industrial Average	10,913.38	-6.03%	-5.74%	12,876.00	10,404.49
S&P 500	1,131.42	-7.18%	-10.04%	1,370.58	1,074.77
NASDAQ Composite Index	2,415.40	-6.36%	-8.95%	2,887.75	2,298.89
PHLX / Semiconductor	338.82	-4.77%	-17.73%	474.44	322.24
CBOE Market Volatility Index	42.96	35.86%	142.03%	48.00	14.27
S&P/TSX Composite	11,623.84	-8.97%	-13.53%	14,329.49	10,848.19
Mexico IPC	33,503.28	-6.21%	-13.09%	38,876.76	31,561.51
Brazil Bovespa	52,324.42	-7.38%	-24.50%	73,103.28	47,793.49
Colombia IGBC	12,915.80	-3.76%	-16.65%	16,278.88	12,518.78

EMEA

	Close 30/09/11	1-Month Change	YTD Change	52 Wk High	52 Wk Low
Euro STOXX 50	2,179.66	-5.32%	-21.95%	3,077.24	1,935.89
FTSE 100	5,128.48	-4.93%	-13.08%	6,105.77	4,791.01
France CAC 40	2,981.96	-8.44%	-21.63%	4,169.87	2,693.21
Germany DAX (TR)	5,502.02	-4.89%	-20.42%	7,600.41	4,965.80
Spain IBEX 35	8,546.60	-1.97%	-13.31%	11,165.00	7,505.30
Italy FTSE MIB	14,836.33	-4.67%	-26.46%	23,178.38	13,474.14
Netherlands AEX	280.18	-4.35%	-20.98%	374.19	256.36
OMX Stockholm All-Share	283.56	-6.03%	-23.06%	375.82	270.24
Ireland ISEQ Overall	2,503.19	-2.86%	-13.24%	3,025.81	2,366.13
Israel TA-100	969.77	-4.31%	-20.77%	1,247.52	897.98
DJ DIFC Arabia Titans 50	274.97	-4.25%	-19.23%	351.41	270.21
FTSE JSE All Share	29,674.20	-4.29%	-7.61%	33,334.55	28,305.41

Asia-Pacific

	Close 30/09/11	1-Month Change	YTD Change	52 Wk High	52 Wk Low
Japan Nikkei 225	8,700.29	-2.85%	-14.94%	10,891.60	8,227.63
Hang Seng Index	17,592.41	-14.33%	-23.63%	24,988.57	16,170.35
China Shanghai SE Composite	2,359.22	-8.11%	-15.98%	3,159.51	2,359.22
S&P ASX 200	4,008.60	-6.70%	-15.52%	4,976.40	3,765.90
India SENSEX	16,453.76	-1.34%	-19.77%	21,108.64	15,745.43
Korea KOSPI Composite	1,769.65	-5.88%	-13.72%	2,231.47	1,644.52
New Zealand NZX 50(CAP)	2,015.52	-0.86%	-3.18%	2,210.07	1,878.71

Rates and Bonds

	Close 30/09/11	1-Month Change	YTD Change	52 Wk High	52 Wk Low
United States Treasury Note (2 Y) Yield	0.25%	30.26%	-57.45%	0.85%	0.15%
United States Treasury Bond (10 Y) Yield	1.93%	15.15%	-41.64%	3.72%	1.71%
United States Treasury Bond (30 Y) Yield	2.92%	22.93%	-31.47%	4.70%	2.76%
United States Dollar Libor Rate (30 Day)	0.24%	-7.48%	-8.14%	0.27%	0.19%
United States Dollar Libor Rate (90 Day)	0.37%	-12.58%	23.61%	0.38%	0.25%
United States Dollar Libor Rate (180 Day)	0.56%	-12.91%	22.35%	0.57%	0.39%

Commodities

	Close 30/09/11	1-Month Change	YTD Change	52 Wk High	52 Wk Low
GS Commodity (CME)	591.00	-12.52%	-6.78%	760.25	547.00
Crude Oil (NYM \$/bbl)	79.20	-10.82%	-13.33%	114.00	75.67
Natural Gas (NYM \$/btu)	3.67	-9.57%	-17.10%	4.92	3.43
High Grade Copper (NYM \$/lbs)	3.15	-25.03%	-29.12%	4.63	3.03
Gold (NYM \$/ozt)	1,622.30	-11.43%	14.13%	1,907.00	1,314.30
Silver (NYM \$/ozt)	30.08	-27.98%	-2.76%	48.60	21.93
Sugar #11 (NYF \$/lbs)	0.25	-14.79%	-21.26%	0.36	0.20
Coffee (NYF \$/lbs)	2.29	-20.82%	-4.82%	3.06	1.72
Cotton #2 (NYF \$/lbs)	1.00	-5.31%	-30.81%	2.27	0.93

Foreign Exchange

	USD	EUR	GBP	JPY	CAD	CHF	BRL	CNY	AUD	INR	ZAR	NZD
USD	1.0000	0.7517	0.6471	76.7000	1.0538	0.9212	1.8575	6.3859	1.0464	49.4800	8.1313	1.3178
EUR	1.3303	1.0000	0.8609	102.0356	1.4019	1.2255	2.4711	8.4953	1.3920	65.8243	10.8172	1.7531
GBP	1.5453	1.1616	1.0000	118.5246	1.6284	1.4235	2.8704	9.8682	1.6170	76.4615	12.5653	2.0364
JPY	0.0130	0.0098	0.0084	1.0000	0.0137	0.0120	0.0242	0.0833	0.0136	0.6451	0.1060	0.0172
CAD	0.9490	0.7133	0.6141	72.7859	1.0000	0.8742	1.7627	6.0600	0.9930	46.9550	7.7163	1.2505
CHF	1.0856	0.8160	0.7025	83.2628	1.1439	1.0000	2.0164	6.9323	1.1359	53.7137	8.8270	1.4305
BRL	0.5384	0.4047	0.3484	41.2920	0.5673	0.4959	1.0000	3.4379	0.5633	26.6379	4.3775	0.7094
CNY	0.1566	0.1177	0.1013	12.0108	0.1650	0.1443	0.2909	1.0000	0.1639	7.7483	1.2733	0.2064
AUD	0.9557	0.7184	0.6184	73.2990	1.0071	0.8803	1.7751	6.1028	1.0000	47.2860	7.7707	1.2593
INR	0.0202	0.0152	0.0131	1.5501	0.0213	0.0186	0.1639	0.1291	0.0211	1.0000	0.1643	0.0266
ZAR	0.1230	0.0924	0.0796	9.4327	0.1296	0.1133	0.2284	0.7853	0.1287	6.0851	1.0000	0.1621
NZD	0.7589	0.5704	0.4911	58.2044	0.7997	0.6990	1.4096	4.8460	0.7941	37.5483	6.1705	1.0000

Report Methodology:

- Excludes PIPEs and Best Efforts offerings
- Excludes closed-end funds
- All deals statistics are quoted using most current exchange rate before pricing

Ipreo Capital Markets Analytics is a consultative service focused on providing strategic intelligence on the equity capital markets. Our dedicated team of experienced analysts combine best-of-breed data and innovative solutions to help clients understand the new issuance market and win mandates for both marketed and non-marketed deals.

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