



## May 2008 Market Comment

Global markets look to have bottomed out in mid March and have been rebounding since. The AIM All-Share rose steadily through April posting a gain of 2.0% over the month. This was broadly in line with the US small cap Russell 2000 Index (+2.1%) but lagged the FTSE 100 which rose 3.6% in April, helped by the large resource companies.

Investor sentiment remained somewhat fragile and this was reflected in the fact that only four companies IPO'd in April raising a total of \$163m and over half of this was for a Vietnamese property fund. Encouragingly however three of the four companies were international companies from the USA, Vietnam and Tanzania. Once again secondary fund raising activity was much stronger with a total of 65 different companies raising over \$1bn of additional finance. This was the largest month so far in 2008 for secondary fundings and up 200% on March. A strong secondary market is usually a good precursor to a pick up in investor appetite for new issues.

First Columbus will shortly publish a 26 page research note which looks at the North American company experience on AIM. Key findings include:

- 156 North American companies had listed on AIM by 2007 split between 88 US and 68 Canadian companies.
- They have raised over \$7.4bn at IPO and \$3bn in follow-on financings.
- 39 are dual listed on exchanges such as TSX, OTC, Amex and Nasdaq.
- A wide variety of sectors are represented though Canadian companies are skewed to resources.
- Over 70% IPO'd with a market cap between \$20m and \$200m.
- Since 2005 in aggregate both US companies (+12.6%) and Canadian companies (+42.6%) have outperformed AIM (+4.6%).

If you would like to receive a copy of this research please email us at:

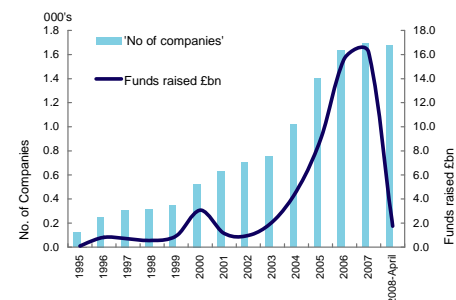
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## Significant AIM Admissions – April 2008

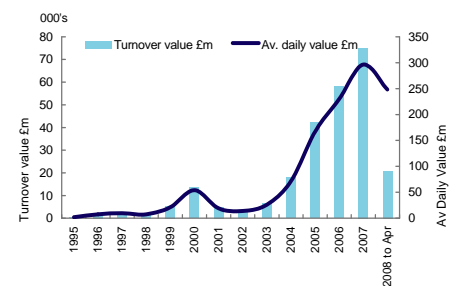
New Companies Admitted:	4	Secondary Funds Raised:	\$1,007m
Number of Internationals Admitted:	3	Average IPO Market Cap:	\$125.8m
Total Funds Raised:	\$1170m	Largest Fund Raise:	\$90.7m
New Funds Raised:	\$163m	Smallest Fund Raise:	\$6.0m

COMPANY	DESCRIPTION	MARKET CAP \$M	FUNDS RAISED \$M
<b>International</b>			
Phibro Animal Health Corp (USA)	Veterinary services	346.2	45.16
Vietnam Property Fund (Vietnam)	Equity investment in Vietnamese property	90.7	90.7
Obtala Resources plc (Tanzania)	Mining in Tanzania and East Africa	71.0	7.0
<b>UK</b>			
Longships plc (UK)	European property investment	9.2	6.0

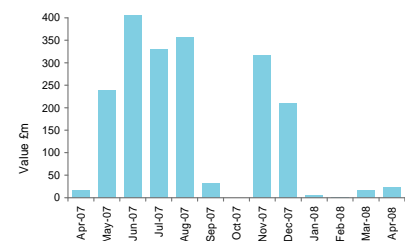
Total companies on AIM and funds raised £bn



Total turnover value & daily trading value on AIM in £m



Funds raised by North American and Chinese companies on AIM



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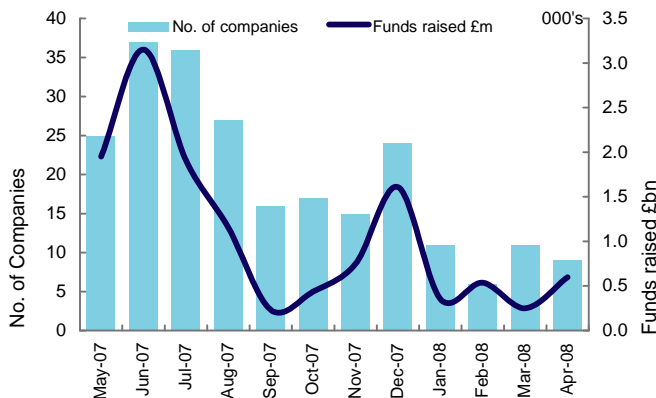
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## Key IPO Highlights – April 2008

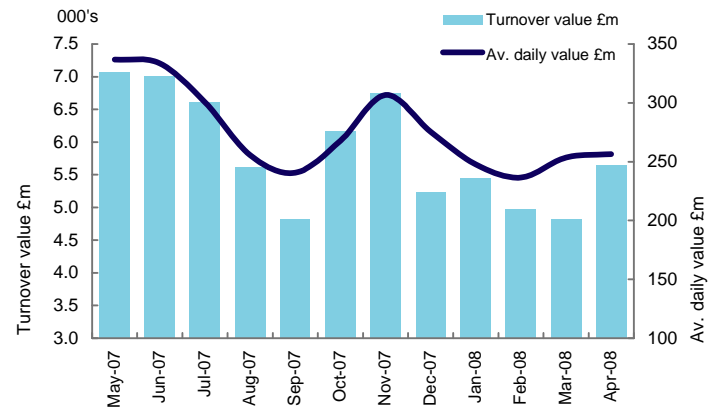
- **Phibro Animal Health Corp (USA)**- Phibro is a diversified global supplier of animal health and nutrition products. The company raised \$45m placing shares at 251p giving it a market cap of \$346m. Funds raised will be used to pay down debt and expand its product range.
- **Vietnam Property Fund (Vietnam)** - Vietnam Property Fund is a closed end real estate fund focused on Vietnam. The fund raised \$91m. Funds will be used to invest in the fast growing Vietnamese real estate market.
- **Obtala Resources (Tanzania)** – Obtala is engaged in the exploration and mining for precious and industrial metals in Tanzania and East Africa. The company raised \$7m placing shares at 20p giving it a market cap of \$71m. Funds will be used for exploration and working capital.

No. of IPOs and funds raised per month



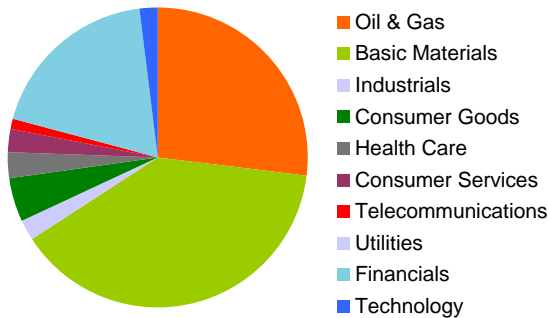
IPOs in April were slightly lower than in March however funds raised increased as deal size increased. While overall numbers of IPOs are down this year AIM has weathered rocky markets with continued fund raisings.

Turnover value & daily trading value per month



Liquidity on AIM has begun to recover from the lows of the year as both average daily value and turnover value have increased in April. As the economic situation begins to settle investors are reentering the market to purchase oversold stocks.

Amount raised by sector – April 2008



April continued the trend of large basic materials and oil and gas companies raising capital on AIM. As commodity prices continue their climb investors continue to invest in production, construction, and exploration.

Top 10 AIM performers\* – Last 30 Days

Stock	30 Day Performance	Business Description	Reason for Rise
Empyrean Energy	238%	Oil and Gas	Gas discovery
TripleArc	214%	Business Services	Bid approach
Independent Resources	110%	Oil and Gas	Operational
Blinkx	110%	Video Search Engine	Operational
Mediasurface	100%	Content Management	Acquisition approach
Deuxmil Marine	88%	Marine gas oil provider	Reverse takeover
Minorplanet System	85%	Vehicle management	Possible bid
Artiliium	77%	Telecom Integration	Operational
Managed Support Services	75%	Business Services	Operational
Titan Europe	70%	Engineering and design	Takeover Bid

\* Minimum market cap of \$20m

In contrast to the oil and gas and basic materials dominance in fund raising a healthy mix of companies performed well over April. Business services, technology, and telecoms all performed driven by positive operational developments and M&A.

## ABOUT FIRST COLUMBUS

First Columbus Investments works principally with North American and other international corporations and their equity shareholders to help potentially maximise value for companies either seeking pre-IPO or IPO funds in London. We have a comprehensive network of relationships in the UK with the NOMAD/brokers, lawyers, accountants and Financial PR agencies in order to ensure that the best appointments are made according to the profile and size of the company. Please visit our website for further details: [www.first-columbus.com](http://www.first-columbus.com)

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This newsletter was written by First Columbus LLP. All statistics and figures were obtained from the London Stock Exchange website.