AIM

The most successful growth market in the world
AIM: powering the companies of tomorrow

AIM is the world’s leading market for smaller, growing companies from all over the world. Since its launch in 1995, over 2,100 companies have chosen to join AIM, creating a unique community of innovative and entrepreneurial companies. AIM’s success is built on a simplified regulatory environment which has been specifically designed for the needs of smaller companies.

On AIM you will find a wide range of companies from young, venture capital-backed businesses to more established businesses looking to expand.

These companies are attracted to AIM for a variety of reasons. They may see it as a means of raising capital to fund future growth, a way of effecting acquisitions or as a stepping stone to a full listing.

AIM is also a diverse market with companies admitted from all business sectors from all over the world. Whatever their area of business, all of them have joined AIM because they found it the best way to fulfil their objectives.

This brochure tells you more about AIM and why it could be right for your company. If, having read it, you are interested in finding out more, you should contact one of our relationship managers who will be happy to talk to you in more detail.
“Since launch in 1995, AIM has provided a wide range of companies with higher visibility, improved liquidity and increased access to capital. It has allowed them to raise the capital they need to fund their future development and fulfil their aspirations.”

Tim Davis, Charles Stanley
Why join a public market?

Deciding to join a public market is a major milestone in the history of your company. It is important to make the right choice as this can have a big impact on the future success of your organisation.

Why choose the London markets?

A company might choose to join the London markets to:

• access capital for growth, both at the time of flotation and later through further issues
• create a market for its shares, broadening its shareholder base and potentially giving existing shareholders the chance to exit
• obtain an objective market value for its business
• raise its profile with a view to expanding its operations into new overseas markets
• obtain currency in the form of shares to make acquisitions
• reward and encourage employees through the introduction of share incentive schemes

Why join AIM?

A unique advantage of AIM is that it offers all the benefits of being traded on a public market but within a regulatory environment designed specifically for smaller companies.

Here are just some of the reasons why so many companies have chosen to join AIM:

Accessibility
Unlike most other markets, AIM does not stipulate minimum criteria in relation to: company size; track-record; or a set number of shares to be in public hands. Instead, all prospective companies will need a nominated adviser (‘Nomad’) from our approved register who will ensure that they are suitable for AIM and ready to be admitted to a public market.

This flexible approach ensures appropriate quality control of prospective AIM companies whilst making AIM as open as possible to a range of smaller, growing companies.

“We are delighted to have successfully floated on AIM; which will help our profile in the markets in which we operate, incentivise key staff through share ownership and will help our future development through the new monies raised on the AIM market of the London Stock Exchange.”

Andrew Newland, Chief Executive, ANGLE plc
A simple admission process

Part of the Nomad’s role is to take responsibility for co-ordinating the admission process alongside the company and other advisers, such as lawyers and accountants.

The Nomad will carry out extensive due diligence to ensure the company is suitable for AIM and that all the necessary information about the company is included within the admission document.

AIM has attracted a number of companies with operations outside the United Kingdom. In May 2003, we introduced a simplified fast-track admission process for international companies meeting certain criteria known as the AIM Designated Markets Route.

Appropriate regulation for smaller companies

All AIM companies are required to disclose details of their financial performance through scheduled interim and full year results announcements. In addition, the company will be required to make disclosures on an ongoing basis about other developments that might have an impact on the future performance of the company and/or its share price.

However, in most cases, AIM companies are not required to produce further documentation when effecting acquisitions and disposals thus enabling the company to expand or change direction quickly and cost-effectively.

Tax breaks for investors in AIM companies

There are a range of tax breaks available for investors in AIM companies. To find out more please visit the Exchange’s website on www.londonstockexchange.com/aim or talk to your adviser.

“AIM has been developed to meet the needs of smaller companies. A flexible approach to regulation and a streamlined admission process make AIM the ideal market for smaller growing companies seeking to develop their business in a supportive environment.”

Philip Secrett, Corporate Finance Partner, Grant Thornton
AIM – an international focus

Since its launch in 1995, AIM has attracted over 250 international companies, currently represented by 22 different countries and 33 business sectors. Between them they have raised over £2.2 billion on AIM.

**AIM Designated Markets Route**

For international companies, admission to AIM not only provides access to capital and a broad range of both institutional and private investors, but it also helps them to raise their profile if they wish to expand their operations into new overseas markets. International companies can join AIM through the standard admission route or, if applicable, via the AIM Designated Markets Route.

Our Designated Markets Route offers a further benefit for international companies. It is designed to simplify the AIM admission process for companies that have been traded on certain major markets (known as ‘AIM Designated Markets’) for at least 18 months. These companies can use their existing annual report and accounts as a basis for a complementary quotation on AIM.

Other exchanges may be added to this list from time to time.

“The objective from a London quotation is to raise our profile within Europe to help us move into this important market.”

George Taylor, CEO, Ocean Power Technologies

The current AIM Designated Markets

- Australian Stock Exchange
- Euronext
- Deutsche Börse
- JSE Securities Exchange South Africa
- NASDAQ
- NYSE
- Stockholmsbörsen
- Swiss Exchange
- Toronto Stock Exchange
Is AIM right for you?

A quotation on AIM can be an incredibly powerful way to continue your company’s growth and development. However, before you make the decision to join there are some key issues that you need to consider.

Admission to AIM requires commitment from the company and its directors. However, if you are prepared to take full advantage of the opportunities that AIM can provide, you will find a warm welcome to the most successful growth market in the world.

**Benefits**

- Allows you to raise capital for funding organic growth and/or acquisitions
- Offers existing shareholders an exit strategy and the chance to realise their investment
- Raises your visibility and enhances your status with your customers and suppliers around the world
- Enables you to broaden your shareholder base
- Provides you with an objective market valuation for your business
- Allows you to boost employee motivation by creating a share ownership scheme
- Enables you to make acquisitions using your shares as currency
- Increases your credibility with a high quality and broad range of investors

**Considerations**

- Board members and other employees must accept the disciplines of having shares traded publicly and be prepared for closer scrutiny of the company and its performance
- The directors will face increased accountability for key management decisions and actions and must ensure that they run the company in the interests of shareholders
- Quotation on a public market brings with it the uncertainty of market conditions and other factors which may affect your share price, such as general market sentiment or developments in the same sector
- The board must be prepared for greater openness, in terms of disclosing the company’s financial position and details of other developments such as corporate activity
- In most cases, admission to AIM will mark the start of the company’s relationship with new investors and it will be important to maintain an active programme of activities to keep investors aware of the company’s development and plans for the future
“I am delighted with Huveaux’s performance since we joined the market back in December 2001. AIM has enabled the company to grow (based on market cap) to a size that is 15 times greater than when we first floated.

In 2 years, we have returned to the market on 4 occasions to raise substantial amounts of capital to fund our recent acquisitions.

AIM has been the perfect market environment, allowing me to achieve my aspirations and take the business to a whole new level.”

John Van Kuffeler, Chairman, Huveaux plc
Who will you find on AIM?

AIM’s flexibility attracts a huge range of dynamic companies – from young, venture capital-backed businesses to more established businesses looking to expand. These are just some of the companies from a broad range of sectors and from around the world who have chosen to come to AIM.

<table>
<thead>
<tr>
<th>Name</th>
<th>Country</th>
<th>Business</th>
<th>Mkt cap £m (as at 31 Oct 2005)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TeleUnit SPA</td>
<td>Italy</td>
<td>Fixed-Line Telecommunication Services</td>
<td>40.06</td>
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<tr>
<td>Solar Integrated Technologies Inc.</td>
<td>USA</td>
<td>Electrical Equipment</td>
<td>54.38</td>
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<tr>
<td>First Calgary Petroleum Ltd</td>
<td>Canada</td>
<td>Oil &amp; Gas – Exploration &amp; Production</td>
<td>669.23</td>
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<tr>
<td>BKN International AG</td>
<td>Germany</td>
<td>Television, Radio and Filmed Entertainment</td>
<td>30.52</td>
</tr>
<tr>
<td>Palandri</td>
<td>Australia</td>
<td>Beverages – Distillers &amp; Vintners</td>
<td>5.50</td>
</tr>
<tr>
<td>Peter Hambro Mining</td>
<td>UK</td>
<td>Gold Mining</td>
<td>588.49</td>
</tr>
<tr>
<td>Nelson Resources</td>
<td>Bermuda</td>
<td>Oil &amp; Gas – Exploration &amp; Production</td>
<td>844.71</td>
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<tr>
<td>Majestic Wine</td>
<td>UK</td>
<td>Food &amp; Drug Retailers</td>
<td>174.11</td>
</tr>
<tr>
<td>Domino’s Pizza UK &amp; IRL</td>
<td>UK</td>
<td>Restaurants, Pubs &amp; Breweries</td>
<td>158.60</td>
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<tr>
<td>Civica</td>
<td>UK</td>
<td>Software</td>
<td>118.93</td>
</tr>
<tr>
<td>M&amp;C Saatchi</td>
<td>UK</td>
<td>Media Agencies</td>
<td>58.54</td>
</tr>
<tr>
<td>Titan Europe</td>
<td>UK</td>
<td>Commercial Vehicles &amp; Trucks</td>
<td>85.91</td>
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<td>Sinclair Pharma</td>
<td>UK</td>
<td>Pharmaceuticals</td>
<td>77.50</td>
</tr>
<tr>
<td>Monstergroup Group</td>
<td>UK</td>
<td>Publishing &amp; Printing</td>
<td>183.63</td>
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<td>Oakdene Homes</td>
<td>UK</td>
<td>Real Estate Holding &amp; Development</td>
<td>38.22</td>
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<tr>
<td>Coffee Republic</td>
<td>UK</td>
<td>Food &amp; Drug Retailers</td>
<td>4.13</td>
</tr>
<tr>
<td>CEPS</td>
<td>UK</td>
<td>Clothing &amp; Footwear</td>
<td>2.12</td>
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<tr>
<td>121 Media Inc</td>
<td>USA</td>
<td>Media Agencies</td>
<td>13.87</td>
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<tr>
<td>Galapagos</td>
<td>Belgium</td>
<td>Biotechnology</td>
<td>65.97</td>
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<tr>
<td>Jump! ASA</td>
<td>Norway</td>
<td>Electrical Equipment</td>
<td>13.05</td>
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<tr>
<td>BKN International AG</td>
<td>Germany</td>
<td>Television, Radio and Filmed Entertainment</td>
<td>30.52</td>
</tr>
<tr>
<td>Orca Interactive Ltd</td>
<td>Israel</td>
<td>Software</td>
<td>21.52</td>
</tr>
</tbody>
</table>

Companies by Sector

International

- Electronic & Electrical Equipment 3%
- Information Technology Hardware 2%
- Investment Corporations 2%
- Leisure & Hotels 2%
- Media & Entertainment 5%
- Support Services 6%
- Specialty & Other Finance 10%

National

- Automobiles 2%
- Electronic & Electrical Equipment 2%
- Engineering & Machinery 3%
- Household Goods & Textiles 2%
- Leisure & Hotels 5%
- Other 18%
- Media & Entertainment 9%
- Support Services 7%
- Mining 7%
- Oil & Gas 4%
- Pharmaceuticals & Biotechnology 3%
- Real Estate 3%
- Software & Computer Services 11%
- Specialty & Other Finance 15%
AIM investors and the secondary market

AIM attracts a broad range of investors, and it will be important to develop a relationship with this essential stakeholder group as part of your AIM quotation.

As a publicly quoted company, you undertake to abide by a number of ongoing requirements. These are primarily requirements for regular disclosure to the market to ensure that investors can take investment decisions on a fully informed basis. Your Nomad will ensure that you are fully briefed on these requirements and will be able to guide you on an ongoing basis.

Once your shares are admitted to AIM, trading will commence and your share price will be visible across the Exchange’s information network of 90,000 terminals worldwide.

Liquidity in the secondary market is provided by market makers who are member firms of the London Stock Exchange and are obliged to quote a price in your shares between 8am and 4.30pm UK GMT time. Trading by investors is carried out through the Exchange’s network of member firms.

What next?

If, having assessed the advantages and responsibilities involved in being traded on a public market, you believe your company is right for AIM, then your first step is to contact one of our relationship managers. They will be able to talk you through the process in more detail, but broadly speaking these are the key stages:

- appointing your Nomad and broker. You will also need to bring on board other advisers such as accountants and lawyers
- decide whether you will work with a Public Relations or Investor Relations company. They can help the success of your quotation by raising awareness of your company and its business
- with your Nomad and other advisers, prepare the necessary documentation for your admission to AIM
- talk to potential investors by embarking on a series of roadshows. This can be critical to the success of your quotation and it is also the beginning of your ongoing communication with your shareholders

You may want to visit our website at www.londonstockexchange.com/aim. You can also download our Practical Guide to Listing at www.londonstockexchange.com/practicalguide.
“We are continually searching for well-managed companies across all areas of the economy which have the potential to deliver strong growth and shareholder value. AIM has been a prime source of such companies.”
Andrew Impey, Chief Investment Officer, Singer & Friedlander Investment Management
“AIM is undoubtedly Europe’s leading market for smaller growing companies. AIM’s success has been underpinned by the community of advisers and investors who understand the needs of smaller companies combined with access to a deep pool of capital.”
Adam Hart, KBC Peel Hunt

**Admission timetable**

<table>
<thead>
<tr>
<th>Weeks before admission</th>
<th>&gt;&gt;</th>
<th>12 weeks</th>
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</thead>
<tbody>
<tr>
<td>24 weeks</td>
<td>Appoint and instruct advisers. Agree timetable</td>
<td>&gt;&gt;</td>
<td>Review problem areas</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Produce draft prospectus</td>
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<td></td>
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<td></td>
<td>Produce other documents in first draft</td>
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<td></td>
<td></td>
<td></td>
<td>Initial review of pricing issues</td>
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<td></td>
<td></td>
<td></td>
<td>Review PR presentations</td>
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<td></td>
<td></td>
<td></td>
<td>Host analyst presentations</td>
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</table>
Choosing your Nomad

You must have a Nomad at all times – both before and after admission. Once your company has been admitted to AIM your Nomad will continue to give you advice and guidance on the AIM Rules on a continuing basis. In the run up to admission they will:

- assess whether your company is appropriate for the market
- explain the AIM rules to your company’s board and ensure that the directors are aware of their responsibilities and obligations
- co-ordinate the work of other professionals – such as accountants and lawyers who are involved in preparing your company for the market
- help you put together your admission documents
- give you ongoing advice and guidance on the AIM rules once you have been admitted

For a full list of Nomads see www.londonstockexchange.com/aim

Choosing your broker

Brokers are securities houses that are also members of the London Stock Exchange. Whilst they may be part of the same organisation as your Nomad, procedures will be in place to avoid conflicts of interest as they work together on any fundraisings.

In particular, your broker will play an important role in:

- bringing buyers and sellers of your shares together
- preparing and accompanying you on your roadshow to promote your shares to investors
- trading in the secondary market
- providing research on your company

6 weeks

- Continue drafting meetings
- Carry out due diligence
- Hold PR meetings and roadshows
- Submit 10 day announcement to Exchange of intention to join AIM

1 week

- All documents completed and approved
- Pricing and allocation of the offer
- Register admission document
The Exchange’s ongoing commitment to you

We are committed to supporting you every step of the way – before, during and after your admission. We have a team of relationship managers to assist you with any queries you may have and to help you make the most of your quotation. We have also developed a wide range of products and services, drawing on resources and expertise from all parts of the Exchange. Your relationship manager will be able to advise you on which solutions are most suited to your business and goals.

Want to know more?

For training services, please visit www.londonstockexchange.com/training
You can download copies of the following documents from www.londonstockexchange.com/aim

Publications:
The AIM rules
A guide to AIM tax benefits
The AIM Designated Markets Route
AIM fees

Practical Guides:
A practical guide to listing
A practical guide to Investor Relations
A practical guide to Corporate Governance

Other useful information on our website:
The register of nominated advisers and brokers
Declaration forms for companies and advisers
Statistics on AIM and its companies
AIM notices