



London
STOCK EXCHANGE

SETTING THE STANDARD FOR EXCELLENCE



A guide to the Main Market



The Main Market is the global listing environment of choice for established, ambitious companies.



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Main Market: the market of choice

The London Stock Exchange's Main Market is the world's most international market for the listing and trading of public equity and debt. Its location at the heart of the world's leading financial centre makes it the ideal home to over 1,600 companies from 60 countries, including many of the world's largest, most successful and most dynamic companies.

Underpinned by London's balanced and globally respected standards of regulation and corporate governance, the Main Market is regarded both by investors and companies as the world's most prestigious and sophisticated listing and trading environment. This is why it represents both a badge of quality for every company listed and traded on it, and an aspiration for companies worldwide.

Companies listed on the Main Market are as diverse as the locations from which they originate. Main Market companies come from some 42 sectors and vary widely in size, covering a spectrum from fledgling growth companies to global multinationals. The market now has a combined capitalisation of over £4.3 trillion (US\$8.42 trillion)¹.

The Main Market offers a choice of listing options. Equity, debt, depositary receipts (DRs) plus a range of other security types may be listed on the Main Market.

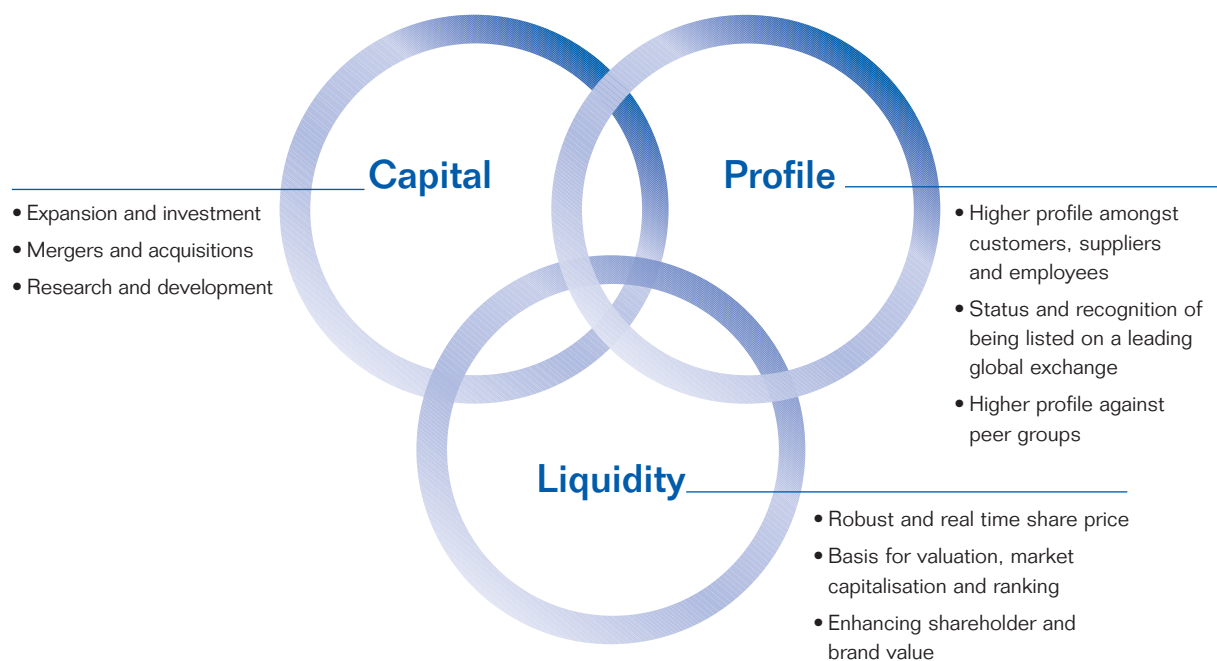
The Main Market also offers companies the choice between a primary listing and a secondary listing. A primary listing requires a company to meet the highest standards of regulation and disclosure in Europe; it is not necessarily that company's first or sole listing. To obtain a secondary listing a company must meet the standards set by the relevant EU directives; such a listing is not inevitably the issuer's second listing. For more detail please refer to page 15.



Why join the Main Market?

Private sources of capital such as bank loans and venture capital may be insufficient to support the expansion strategies of successful companies. A listing on the Exchange's Main Market enables companies to access public capital to fund growth at the same time as gaining the key benefits of profile and liquidity.

The Main Market supports the strategic ambitions of companies as they evolve. The extensive benefits provided by the Main Market are supported by its intelligent and respected framework of regulation and corporate governance.





"A listing provides the issuer with the opportunity to engage with a wider investment base, and allows investors to access transparent company information."

FTSE 100 company IPO prospectus

Benefits to your company: capital, profile and liquidity

There are a wide range of benefits available on the Main Market, providing the flexibility for a company to pursue its individual strategy and priorities. A listing on the Main Market enables companies to respond to key strategic issues such as:

- financing the business model, for example to enable research and development
- maximising media profile and gaining international exposure
- attracting, retaining and rewarding employees
- measurement of success against other companies in peer group
- attracting initial and future investors.

Access to Europe's deepest pool of capital

Companies on the Main Market have access to Europe's deepest pool of public capital. The market is truly global, as it attracts keen attention from investors in the UK and worldwide. In 2006, there were 83 new issues on the Main Market, raising over £18.8 billion (US\$37 billion), and 712 further issues raising more than £14.5 billion (US\$28.4 billion)².

Global investment exposure in Main Market companies tends to be far higher as non-UK based funds buying UK equity exposure are attracted to Main Market securities.

The potential capital pool available to Main Market companies*

£2,400 billion³ in 5,000 pension, insurance, mutual funds and investment trusts – the equity holdings are predominantly Main Market listed.

£89 billion⁴ in 14 million Individual Savings Accounts & Personal Equity Plans held by retail investors.

£47 billion⁵ in 240 institutional funds explicitly benchmarking the FTSE UK Index Series.

£29 billion⁶ in 60 tracker funds that are obliged to have exposure to Main Market companies in the relevant FTSE UK index.

* these figures represent UK based funds

²London Stock Exchange, December 2006

³ABI; UK Insurance – Key Facts, 2005
AP/NAPF; Pension Funds & their Advisers, 2006
IMA; Summary statistics, May 2006

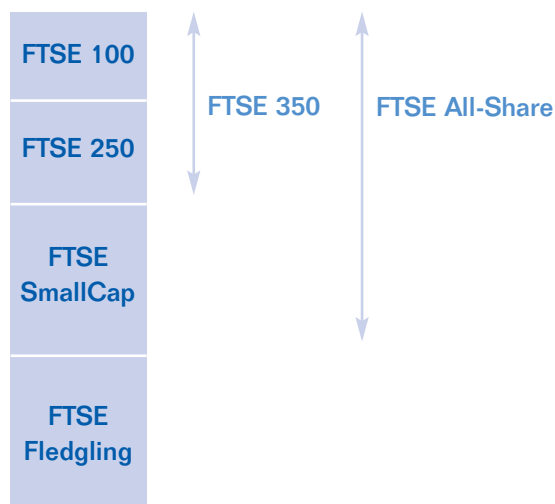
⁴IMA; Summary statistics, May 2006

^{5 & 6}www.trustnet.com & individual manager websites, July 2006

Generating global profile and peer group comparison

Primary listed Main Market companies are potentially eligible for the FTSE UK Index Series, one of the most recognised in the world, which includes the well-known FTSE 100 Index.

The structure of the FTSE UK Index Series



The FTSE UK Index Series is open to eligible primary listed Main Market companies.

Secondary listed companies and DRs are not eligible for inclusion in the FTSE UK Index Series.

Becoming a constituent of the FTSE UK Index Series helps to build greater liquidity for Main Market companies by providing investors with clear and independent benchmarking of stocks, sectors and the market as a whole. It also creates the basis for portfolio trading by both active and passive investors. Institutional investors offering retail funds, which explicitly benchmark the FTSE 100, FTSE 250, FTSE SmallCap and FTSE All-Share indices, account for over £47 billion of investment – over 60 per cent of which is held in tracker funds that are obliged to purchase exposure to the constituents of those indices⁷.

The FTSE International Classification Benchmark system means companies across the whole of the Main Market benefit from clear identification within their sectors.

The FTSE UK Index Series is designed to represent the performance of UK companies, providing investors with a comprehensive and complementary set of indices that measure the performance of all capital and industry segments of the UK equity market.

A focus on innovation

techMARK and techMARK mediscience are specialist segments of the Main Market providing a focus on innovative technology and healthcare companies and provides access to the investable FTSE techMARK indices.

techMARK is supported by an independent panel of industry experts – the techMARK Advisory Group – which includes representation from companies, trade bodies, the corporate finance, fund management, legal and accounting professions.



⁷www.trustnet.com and individual manager websites; July 2006

“Being listed on the Main Market was important to us so we could achieve as high a profile as possible. Coming to market has helped take the business to a completely different level.”

Chief Executive Officer, FTSE Fledgling company

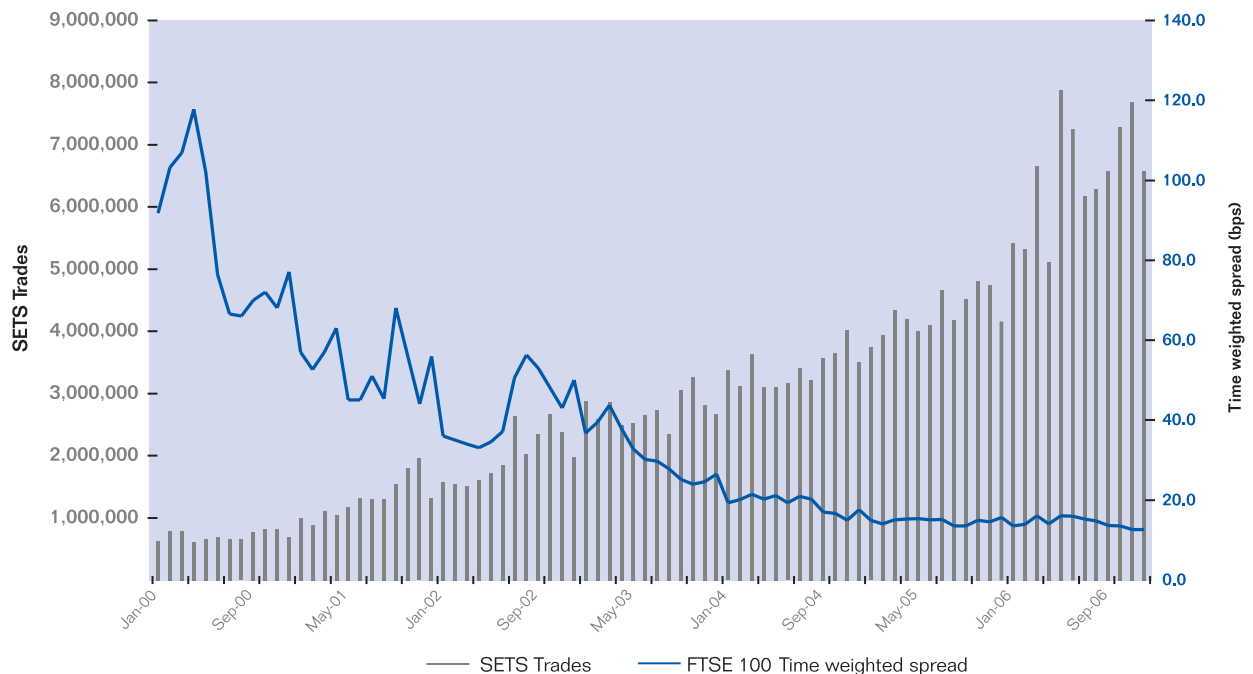
A world-class trading environment

A robust, real-time share price is a core benefit of being traded on the Main Market. Continuing to boost liquidity is of paramount importance to the Exchange through our investment in technology, lobbying on regulation, attracting new investors and facilitating the ever more efficient flow of information.

Main Market companies benefit from leading edge trading services, executing in excess of 90 million trades a year. Share price information is now transmitted to over 112,000 broker terminals internationally, exposing your company to a truly global audience. The graph below shows how investment in our trading system (SETS[®]) has helped increase the number of SETS trades (liquidity) and drive down the spread (costs).

London hosts a significant concentration of analysts and institutional fund managers with sector expertise and an international focus. In addition, London benefits from its favourable time zone between New York and Tokyo and the visibility that comes from inclusion in the globally recognised FTSE UK Index Series. These factors also help to increase liquidity.

SETS volumes (trades) vs FTSE 100 average spreads



London Stock Exchange, December 2006

[®] SETS – the Exchange’s premier trading platform

“We targeted the Main Market as most likely to optimise valuation and credibility with investors and key customers.”

Lead corporate adviser to a FTSE SmallCap company’s IPO

World class corporate governance standards

The quality of a market is core to its success, as maintaining investor confidence leads to further investment. Deepening the capital pool will fund new companies, while accommodating the needs of existing issuers for ever greater amounts of capital as they grow.

Market quality is the result of several factors, including the regulatory regime and the approach to corporate governance. Good regulation creates robust investor protection without overburdening companies with expensive and unnecessary obligations. The UK’s principle-based approach is fundamentally different from that of the US, which has followed a rule-based approach exemplified by its Sarbanes-Oxley Act. The result is the UK has created a more cost-effective and pragmatic framework than that of the US.

Internationally, the UK’s corporate governance system of best practice, known as the Combined Code, is considered to be amongst the very best in the world⁹. Principles-based corporate governance gives companies flexibility, empowering investors to make informed decisions. The global investment management community considers corporate governance standards to be essential to their decision making and likely to become more so¹⁰. There is evidence of increased shareholder value through demonstrating good corporate governance practice.

The overall cost to access capital on London’s public markets is less than in the US¹¹. Main Market companies in particular benefit from:

- **more efficient** price discounting at IPO
- **50% less** underwriting fees
- generally **lower** professional fees

⁹New Global Governance ratings: September 2006

¹⁰2006 Global Institutional Investor Study; Institutional Shareholder Service, 2006

¹¹The Cost of Capital: an international comparison; Oxera, June 2006





Wide range of Main Market securities

A range of listing options is available to companies joining the Main Market, including equity, debt, DRs and other security types.

Shares

Equity in the form of shares represents the risk-sharing part of a company's capital. Ordinary shares pay shareholders dividends that depend on the company's profitability. These shares usually carry voting rights at company general meetings. Preference shares, which normally pay a fixed income to shareholders, are equity securities which do not usually carry voting rights, but which give holders the right to receive dividends before ordinary shareholders. If preference shares are issued with the right of conversion into ordinary shares they are called 'convertibles'.

Depositary receipts (DRs)

Non-UK domiciled issuers from emerging markets typically choose to admit DRs to the Main Market. DRs are negotiable certificates that represent ownership of a given number of a company's shares and can be listed and traded independently from the underlying securities. DRs are typically traded in US dollars and issued by a depositary bank. Several forms of DRs can be listed and traded in London, including Global Depositary Receipts (GDRs) and American Depositary Receipts (ADRs).

Debt securities

UK domiciled or international issuers choosing to list debt on the Main Market have the option of listing any of the major debt instruments, including Eurobonds, convertible and exchangeable bonds and medium-term note programmes. Bonds provide investors with dependable income, relatively lower risk and the opportunity to diversify their portfolios. London is one of the world's leading centres for the listing of bonds. Indeed, close to 12,000 corporate bonds have been listed on the Main Market by issuers ranging from sovereign states to corporate entities. We work closely with the UKLA, ensuring companies issuing debt are clear on the requirements and documents, and that they receive prompt attention.

Investment entities

The Main Market is also an attractive venue for the listing of investment entities. An investment entity is a vehicle that invests pooled funds and has an objective to spread investment risk. Vehicles may be based in the UK, overseas or offshore and can list on the Main Market through a choice of options appropriate to their situation. The listing process for investment entities in London is principles based, allowing investment strategies and policies to flourish and develop within the context of a balanced regulatory framework.

UK Real Estate Investment Trusts (REITs)

A UK REIT is a company that owns and operates income-producing real estate, which may be commercial and/or residential. REITs are tax transparent vehicles, which offer advantages to both issuers and investors. UK REITs can only list on the Main Market.

Other instruments

Companies can also list other specialised instruments including securitised derivatives and securitised commodities. Please contact us to find out more about these types of instrument.

Variety of securities available on the Main Market

- Ordinary shares
- Preference shares
- Complex equity structures (such as stapled units, stub equity)
- Venture Capital Trusts
- Eurobonds
- Convertible bonds
- Exchangeable bonds
- Medium Term Notes
- DRs
- Investment entities
- Securitised derivatives
- Securitised commodities
- UK Real-Estate Investment Trusts

A choice of listing routes

The Main Market is a tiered market, with a primary listing of equity representing the apex of Main Market participation. The choice between each listing route will depend on several factors, most notably the domicile of the company concerned and the type of security being listed. Such flexibility allows companies to achieve the right balance between:

- strategic needs for raising capital, accessing liquidity and generating profile
- the particular investor audience sought
- appropriate corporate governance standards.

Example scenarios	Security	Listing route
A UK domiciled company wishes to raise equity capital from a wide retail and professional investor base	Equity	UK companies listing shares must opt for the primary listing route
A company domiciled outside the UK in a country with developed capital markets (perhaps where its shares are already listed or traded) wishes to raise capital in London from a wide retail and professional investor base	Equity	Non-UK domiciled companies listing shares can seek either a primary listing or secondary listing
A non-UK company domiciled within the European Economic Area wishes to access liquidity in the UK markets as well as in its home state	Equity	Non-UK companies may use their prospectus as approved by an EEA competent authority as a 'passport' to admit to the Main Market or make a public offer in the UK
A company domiciled outside the UK in a country with developing capital markets wishes to raise capital in London from professional investors	Depository receipts	Non-UK domiciled companies listing depository receipts will follow the listing route for depository receipts ¹²
A UK or non-UK domiciled company wishes to raise debt capital from a wide retail and professional investor base	Debt securities	UK or non-UK domiciled companies listing debt will follow the listing route for debt securities ¹³

¹² Chapter 18 of the UKLA Listing Rules

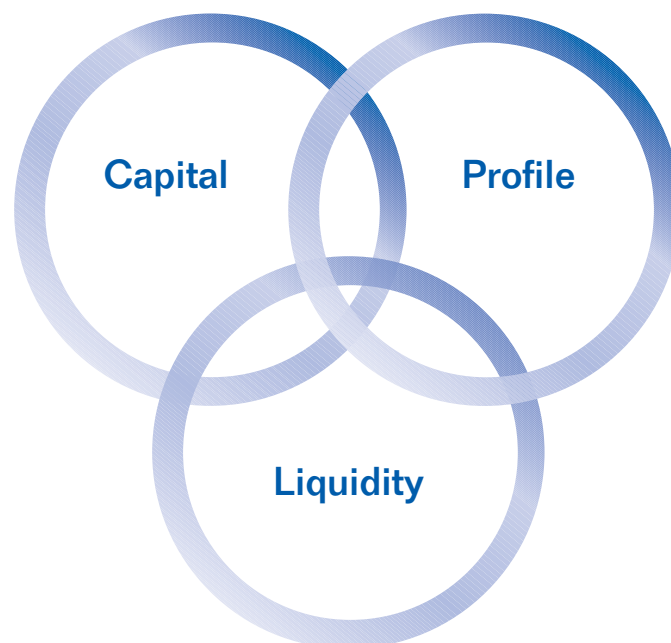
¹³ Chapter 17 of the UKLA Listing Rules



Is the Main Market right for your business?

As a benchmark for capital markets worldwide, a listing on the London Stock Exchange's Main Market represents the ultimate aspiration for thousands of companies. In general, the Main Market is for ambitious and more mature companies that are confident in their ability both to exploit the benefits that the Main Market offers, and to meet the standards of disclosure, governance and regulation that it requires.

Our principal market for larger, more established companies



Snapshot

- Company at later stage of growth exploring new markets and considering large acquisitions
- Track record and product strategy are established

Strategy

- Demands from financing greater as is need to drive shareholder value
- Global profile means that being seen as 'world class' is important
- Peer group comparison and demonstrating credibility (for example in trade negotiations) are vital

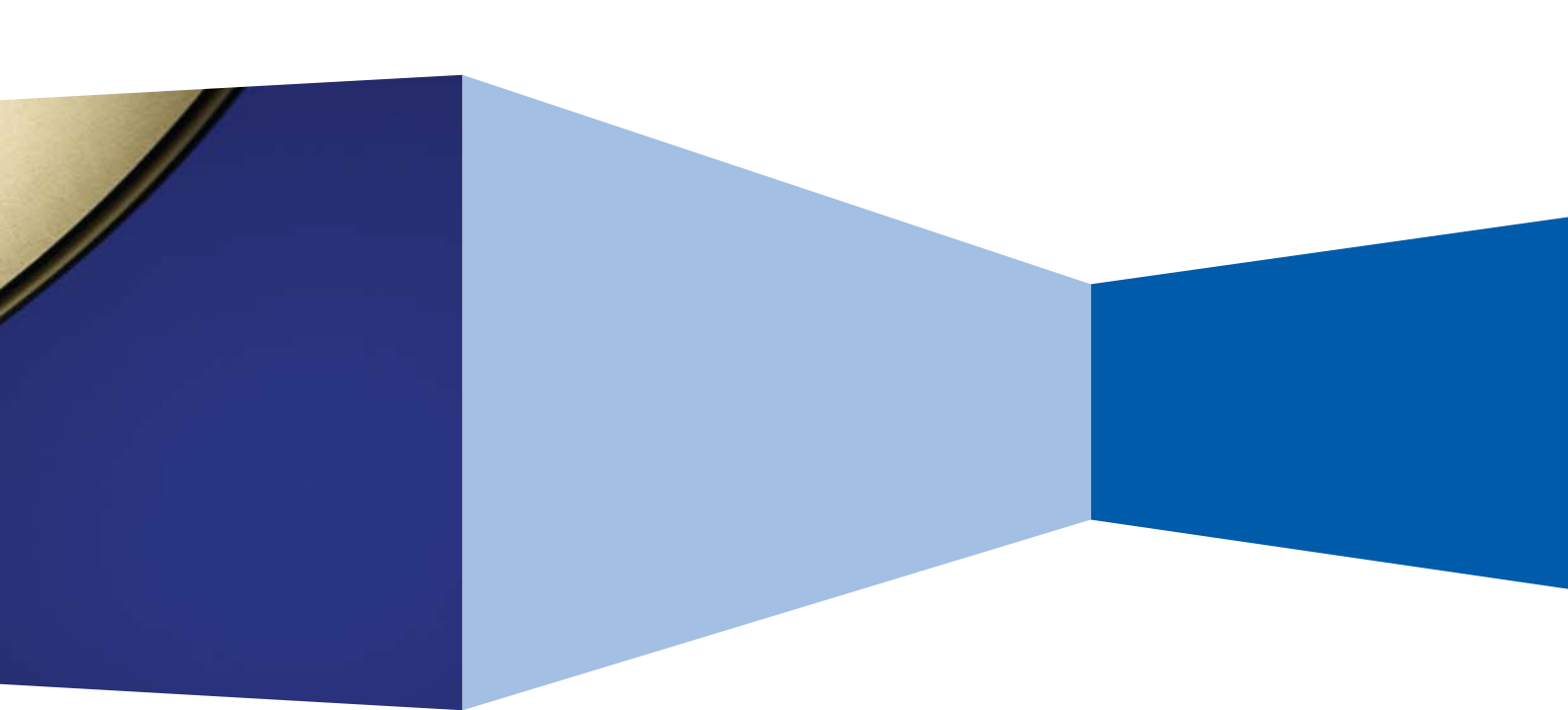


Joining the Main Market

Responsibility for the approval of prospectuses and admission of companies to the Official List lies with the UK Listing Authority (UKLA), a division of the Financial Services Authority (FSA). The Exchange is responsible for the admission to trading of companies to the Main Market.

As a result, joining the Main Market involves two parallel processes. A company applies for its securities to be admitted to the Official List (a 'listing') through the UKLA and the listing is dependent on those securities gaining admission to trading on the Main Market through satisfying the Exchange's Admission and Disclosure Standards.





Primary and secondary listing of equities and 'passporting in'

International companies wishing to list equity on the Main Market can choose between a primary listing and a secondary listing.

Primary listing

Primary listed companies must meet the highest standards of regulation and disclosure in Europe – such companies are demonstrably engaging with shareholders in a highly transparent manner.

A primary listing does not necessarily mean a company's first or sole listing, it simply means the company is required to meet the UK's highest standards – the gold standard – which are described as super-equivalent to the EU directives, implemented as part of the Financial Services Action Plan. A company which is already listed in its home jurisdiction may choose a primary listing in the UK without relinquishing its home listing. Only ordinary shares can be primary listed (debt and DRs cannot).

Primary listed companies access the full range of benefits available from the Main Market and as a consequence may enjoy a lower cost of capital through greater investor involvement.

Secondary listing

Secondary listed companies meet harmonised European standards, rather than the additional or 'super-equivalent' requirements that apply to primary listed companies.

A secondary listing might suit international companies that are already quoted on their home market and want exposure to London's pool of capital as well as attract wider investor participation. However, a secondary listing does not inevitably mean a company's second listing, rather it signifies that the company has chosen to meet EU harmonised standards as opposed to the UK super-equivalent standards required by a primary listing. To become secondary listed, companies do not need to have a listing on their home exchange, or indeed elsewhere.

'Passporting in'

A company may use its prospectus approved by a competent authority within the EEA¹⁴ for raising capital (via a public offer) or admitting securities to another regulated market in the EEA, including the Main Market.

A company which has chosen to passport its prospectus into the UK would be considered to be secondary listed as it is meeting the EU harmonised standards; although again it would not necessarily be listed in its domestic market or elsewhere.

¹⁴EEA – European Economic Area includes all current EU member states and Iceland, Liechtenstein and Norway

“The key to success is preparation and planning, anticipating the deal-breaking issues and dealing with them in a co-ordinated fashion.”

Lead corporate adviser to a FTSE SmallCap company’s IPO

Listing requirements

The main regulatory requirements for listing on the Main Market are summarised below. There is flexibility within the listing criteria to accommodate certain types of company whose business models make it difficult for them to demonstrate the usual

track record and controlling interest requirements for a primary listing – generally scientific research based companies and mineral companies.

Key regulatory requirements for primary and secondary listings of the main types of security

	Primary listing of shares	Secondary listing of shares	Specialist securities: debt & DRs	
Admission requirements – all types of listing	✓	✓	✓	Minimum market capitalisation of £700,000 for equity (shares & DRs) and £200,000 for debt
	✓	✓	✓	Production of a prospectus for approval by the UKLA
	✓	✓	✓	Admission to trading on the Main Market
	✓	✓	✓	A minimum of 25 per cent of shares must be in public hands ¹⁵
The ‘super-equivalent’ requirements for a primary listing	✓			3 year trading record normally required
	✓			Clean annual report
	✓			Clean working capital statement
	✓			3 year revenue earning record covering at least 75% of the business
‘Passporting in’		✓	✓	

¹⁵this does not apply to debt securities



Timetable for listing

The run-up to a flotation on the Main Market can be described in terms of a timetable counting down to admission. This timetable can be broadly divided

into two phases – pre-float preparation and the listing process itself. The main activities in each phase are described in the summary table below.

Pre-float preparation	36 – 24 months	Develop a robust business plan and a detailed review of ownership and tax issues, customer/supplier contracts, management information systems, and operational and compliance controls.
	24 – 12 months	Acquire information about what a Main Market flotation involves, review corporate governance and complete any strategic initiatives or acquisitions.
	12 – 6 months	Develop an investor relations strategy and ensure the necessary financial statements and non-executive directors are in place. Decide on the method of flotation and interview potential advisers.
The listing process	6 – 3 months	Appoint and instruct advisers and agree on the timetable.
	12 – 6 weeks	The company and its advisers review pricing issues, host analyst presentations and produce drafts of key documents – including the prospectus.
	6 weeks – 1 week	UKLA sees and approves all documents. The company and advisers complete their due diligence, hold PR meetings and analyst roadshows.
	1 week – admission	The company makes its formal application for listing and admission. Once this is granted trading begins.



How your shares are traded

Effective trading mechanisms are crucial in creating a vigorous stock market. Main Market securities are bought and sold on some of the world's most efficient systems, each designed to maximise trading opportunities. Our commitment to continual investment in our technology ensures that this remains the case.

Domestic trading systems		
Name	Overview	Notes
SETS	The premier domestic trading service for UK securities	Securities traded on SETS include all the constituents of the FTSE 100 Index, FTSE 100 Index reserve stocks, and the most liquid FTSE 250 Index securities. The value traded on SETS has grown faster than any other major global cash equity exchange, faster recently than even that of the major global derivatives platforms.
SETSm	A trading service for Main Market mid cap and all FTSE SmallCap Index securities in addition to the most liquid AIM securities	SETSm has increased transparency and attracted new institutional participants to the market, resulting in an increase in trading activity, and a significant reduction in the cost of trading for all transaction sizes.
SETSq ¹⁶	A trading service for less liquid securities quoted on the Main Market ¹⁷	SETSq is a new service that will replace SEATS Plus and SEAQ for the Main Market with effect from the introduction of MiFID. The development of SETSq will provide continuous liquidity via Market Maker quotes throughout the trading day alongside periodic order book uncrossings.

¹⁶ available from mid 2007

¹⁷ includes AIM securities

International trading systems

Name	Overview	Notes
International Order Book (IOB)	A trading service for depositary receipts (DRs) from fast growing economies such as Central and Eastern Europe, Asia and the Middle East	IOB offers direct access to DRs from almost 40 countries. In 2006, IOB trading exceeded \$289 billion executed from almost 1 million trades.
International Bulletin Board (ITBB)	Offers access to trading international equity securities with a secondary listing in London	There are some 240 securities trading on ITBB from all over the world, including equities of blue chip companies from Japan, Hong Kong and the USA.
International Retail Service (IRS)	Offers UK based private investors the ability to trade international stocks and indices quoted in sterling	There are around 330 stocks trading on IRS, including nearly 130 US stocks.



**“A listing allows the company to pursue a wider corporate strategy
and take advantage of potential acquisition opportunities”**

FTSE 100 company IPO prospectus

Ongoing commitment to your success

A Main Market listing is the beginning of a new and exciting phase in a company’s development and growth. The Exchange is committed to supporting companies and their advisers at every step of their journey to the Main Market and throughout their life as a listed company.

Our team of relationship managers are dedicated to answering any questions that companies and their advisers may have, and ensuring companies on the Main Market make the most of their London listing.

Ultimately, the success of the Main Market is due to the success of the companies listed and traded on it. As your business and its strategy evolve and grow we will try to maximise your opportunities for business growth by working together to **‘set the standard for excellence’**.

For further information please visit our website www.londonstockexchange.com/MainMarket

London Stock Exchange Company Services contacts

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International companies +44 (0) 20 7797 4208

Other useful documents

- Guide to Capital Markets
- Fees for Companies
- Admission & Disclosure Standards
- UK Listing Authority Rules (available from the Financial Services Authority)
- Ground Rules for the Management of the FTSE UK Index Series (available from www.ftse.com)



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