

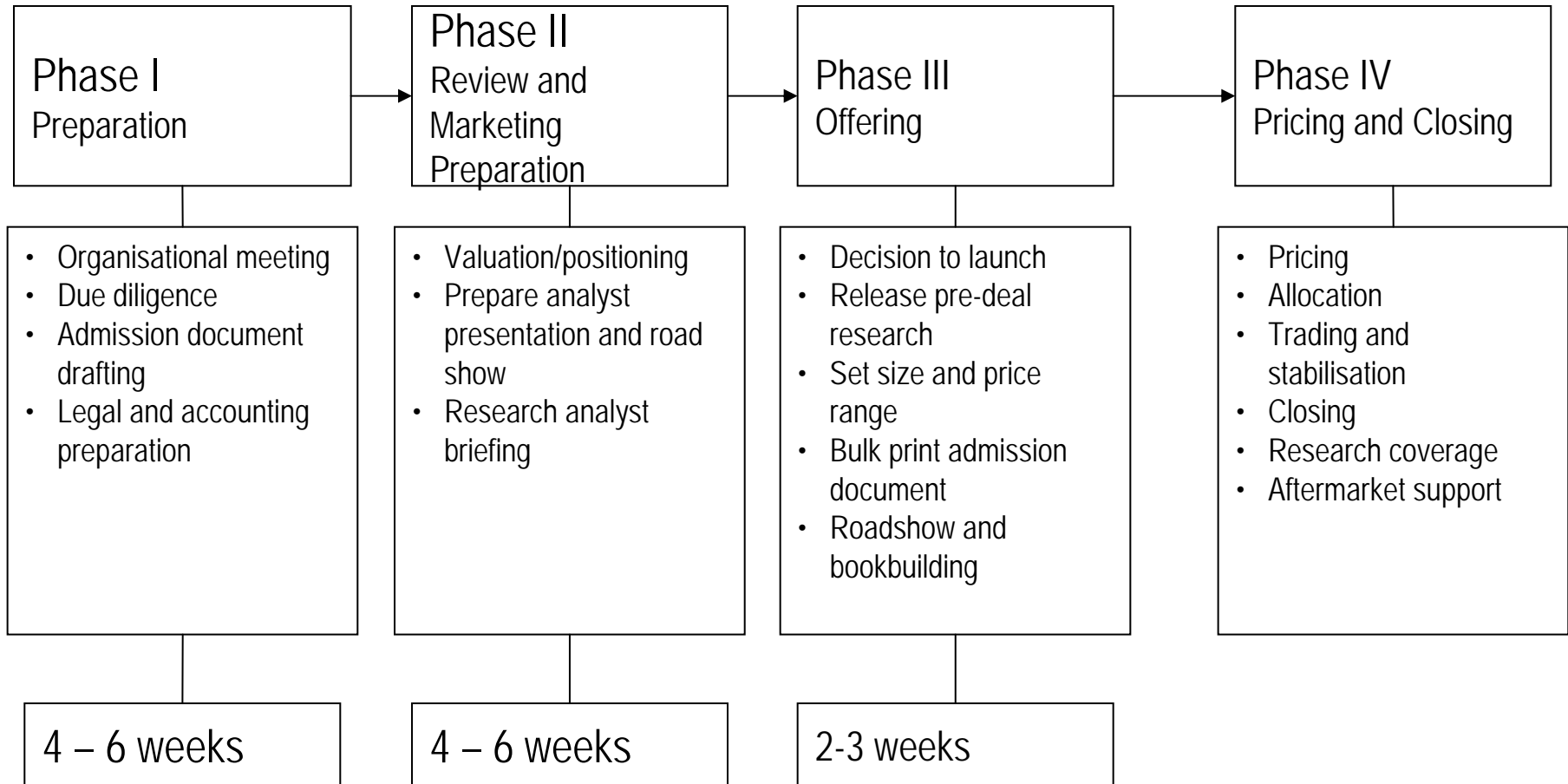


The legalities of fund-raising and an IPO

25 March 2010



IPO Timing in Context - AIM



Key Legal Requirements for IPO

	PREMIUM LISTING SHARES ON LONDON STOCK EXCHANGE (1)	STANDARD LISTING OF SHARES ON LONDON STOCK EXCHANGE (1)	AIM (assuming no prospectus required)
Prospectus approved by UK Listing Authority	Yes	Yes	No. Admission Document approved by Nomad required
Number of Years' audited historical financial information	3. Must not be older than 6 months	3 (or such shorter period that the issuer has been in operation). 6 month interims required if older than 9 months	3 (or such shorter period that the issuer has been in operation). 6 month interims required if older than 9 months
IFRS or equivalent for Non-EEA issuers?	Yes	Yes	Yes
Sponsor required?	Yes	No	No. A nomad is required.
Minimum market capitalisation	£700k	£700k	None
Minimum of 25% of shares in public hands	Yes	Yes	No requirement
At least 75% of issuer's business must be supported by a 3 year revenue earning track record	Yes	No requirement	No requirement

(1) From 6 April 2010, segments will be Premium Listing and Standard Listing – information given is as from 6 April 2010

Key Legal Requirements for IPO (cont'd)

	PREMIUM LISTING SHARES ON LONDON STOCK EXCHANGE (1)	STANDARD LISTING OF SHARES ON LONDON STOCK EXCHANGE (1)	AIM (assuming no prospectus required)
Issuer must have controlled the majority of its assets for the 3 year period	Yes	No requirement	No requirement
Compliance with Listing Principles	Yes	No requirement	No requirement
Clean working capital statement (sufficient working capital for at least 12 months from date of prospectus)	Yes	No requirement	Yes
Continuing obligations	Yes	Yes	Yes
Corporate governance standards	Must comply with the UK Combined Code on Corporate Governance or explain any non-compliance	No requirement to comply with UK Combined Code or explain non-compliance although must include a corporate governance statement in accounts	Although not formally required, the Nomad usually requires compliance with either the Combined Code (or explanation of non-compliance) insofar as appropriate or the Quoted Companies Alliance Corporate Governance Guidelines.

(1) From 6 April 2010, segments will be Premium Listing and Standard Listing – information given is as from 6 April 2010

Key documentation requirements - AIM

■ Document

- Admission Document
- Placing Agreement
- Comfort Letters
- Roadshow Presentation

■ Primary Responsibility

- Nomad, Company's lawyers
- Nomad's lawyers
- Auditors
- Nomad, Company, Roadshow consultant (if used)

Admission document contents

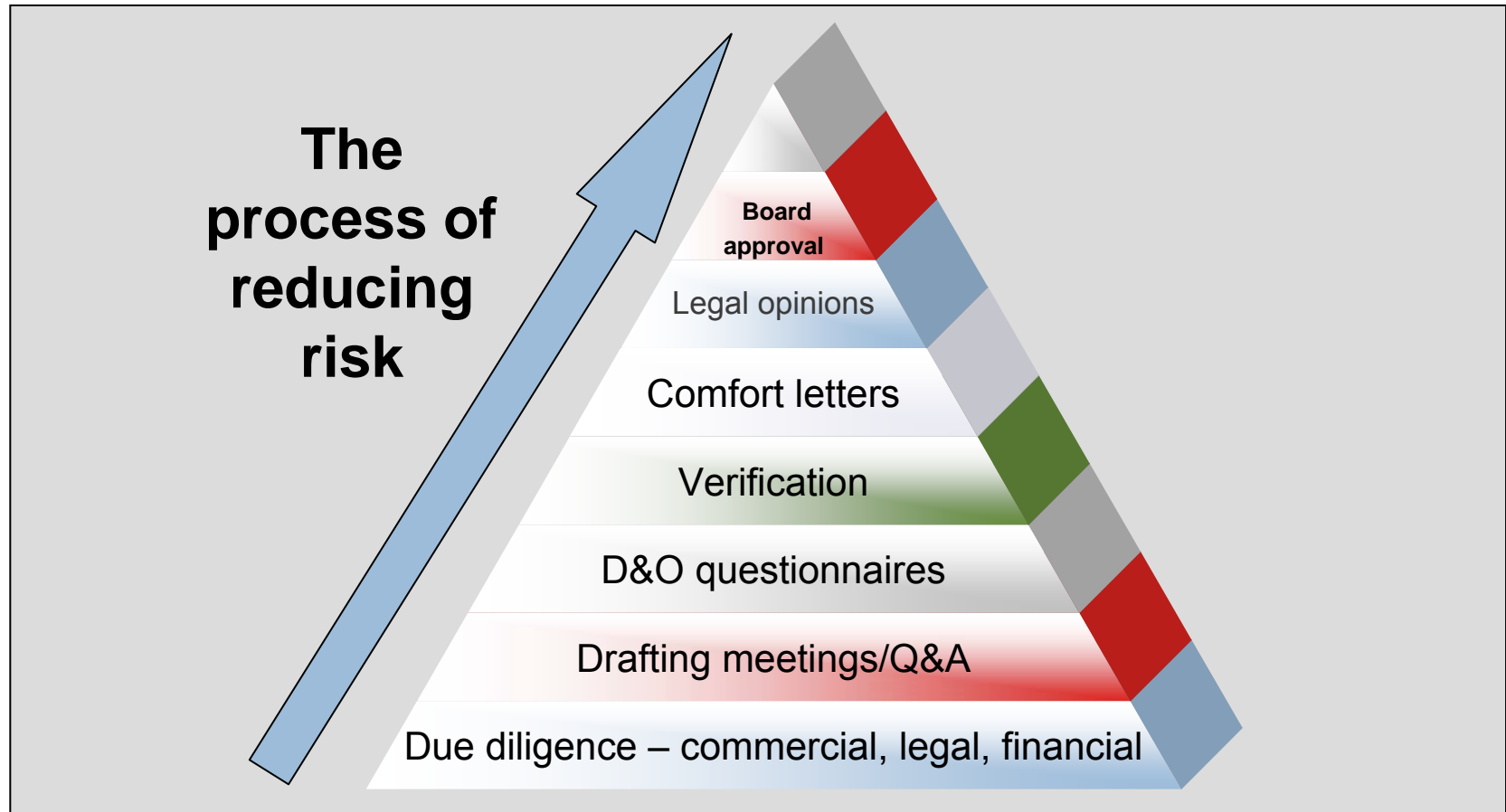
- Unless a prospectus is required, detailed requirements are contained in the AIM Rules for Companies and the “AIM PD” – based on the European Prospectus Directive but with carve-outs appropriate for the AIM market and applicants

- Always subject to the overriding requirement of to disclose:

“...any other information which [the applicant] reasonably considers necessary to enable investors to form a full understanding of:

- (i) the assets and liabilities, financial position, profits and losses, and prospects of the applicant and its securities for which admission is being sought;*
- (ii) the rights attaching to those securities; and*
- (iii) any other matter contained in the admission document.”*

Managing the legal risk



Planning your strategy

- Appointment of advisers
- Tax planning
- Board/senior management composition
- Financial reporting
- Development of equity story/valuation modelling
- Review company website
- Capital structure
- Selling shareholders
- Environmental audit
- Expert reports
- Management/employee incentivisation
- Corporate housekeeping
- Timing of potential acquisitions

Checklist for Success

- Early identification of any special accounting work
- Anticipate due diligence requirements – will external reports be required?
- Carefully plan for availability of management

Greenberg Traurig at a Glance

- **Greenberg Traurig is one of the world's largest law firms**
 - » Founded in 1967 and now has 1800+ attorneys in 31 offices principally across the U.S. but also in Europe and Asia
 - » We serve clients from 32 offices across the United States and in Europe and Asia, including more U.S. offices than any other major firm
 - » The firm is ranked No. 8 on *The American Lawyer's* 2009 Am Law 100, based on total number of lawyers
 - » Greenberg Traurig lawyers and practice areas are consistently recognized in the various guides published by Chambers & Partners, including *Chambers Global*, *Chambers UK*, *Chambers USA* and *Chambers Latin America*
 - » USA Law firm of the Year, Chambers Global Awards 2007
 - » Renowned client-focused services and commercial acumen

Greenberg Traurig Maher at a Glance

■ Greenberg Traurig Maher

- » The London office of Greenberg Traurig
- » GTM was established in July 2009 by Paul Maher
- » Our lawyers are recognized in multiple editions of *Chambers UK* and the *UK Legal 500*
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Greenberg Traurig Maher at a Glance

- Custom-tailored, shareholder-led legal advice: it's what you demand – and what we deliver – around the clock and around the globe
- We are committed to working with you to assemble the right team of lawyers to provide high-quality legal services tailored to your unique needs
- We have rethought the traditional law firm approach to all that we do
- Our lawyers are innovative – both in our legal work and in the ways that we will deliver value to you

The team

Andrew Caunt – Equity Capital Markets, London

Andrew Caunt is a shareholder in the Corporate & Securities Practice. He specialises in advising issuers and underwriters in capital markets transactions with particular emphasis on equity offerings across both developed and emerging markets. Andrew's experience includes IPOs on the main market of the London Stock Exchange and AIM as well as other stock exchanges throughout the world, secondary offerings, private placements (including into the United States under Rule 144A) and quick to market transactions.

Tim Jevons – Equity Capital Markets, London

Tim Jevons is a shareholder in the Corporate & Securities Practice. Tim has broad capital markets experience, advising both issuers and underwriters on cross-border securities transactions (in both developed and emerging markets) and across all product areas. He has been consistently recognized by both UK Legal 500 and Chambers UK and is praised for his "great client skills". He has worked on equity offerings on the London Stock Exchange (Main Market and AIM) and various recognized "local" exchanges around the world, secondary offerings, private placements under both Reg S and Rule 144A and numerous equity linked transactions.

Andrew Croxford – Equity Capital Markets, London

Andrew Croxford is a shareholder in the Corporate & Securities Practice. Andrew has extensive experience of advising issuers and underwriters in capital markets transactions. His practice has a particular emphasis on equity and equity-linked offers on both the main market of the London Stock Exchange and AIM. Andrew is recommended by UK Legal 500.

The Team

Cate Sharp – Environmental, London

Cate Sharp is the co-managing shareholder of Greenberg Traurig Maher's London office. Cate has broad experience in a wide range of environment- and health and safety-related work, especially in the energy, chemicals and manufacturing fields. She also advises clients on regulatory matters, environmental claims, sustainability and climate change issues. Cate offers specialist and commercial support on transactions and projects, frequently with a cross-border element, and works closely with her colleagues to support other areas of practice from an environmental and health and safety perspective, including finance, projects, real estate and litigation and dispute resolution. Cate has been ranked in the legal directories for many years.

Neil Upton – Energy, London

Neil Upton leads the UK Energy Practice at Greenberg Traurig Maher. His global practice involves advising utilities, governments, banks and financial institutions on all aspects of the energy and water business, including oil and gas, power generation, renewables, networks and trading.

Neil is rated as one of the Top 5 Energy Lawyers in the UK (PLC, 2008) and rated as a leading project finance and power lawyer by Chambers UK and Legal 500.

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