AIM Advisers, Inc.
Maximizing Present & Future Value

1223 Wilshire Blvd., Suite 1855, Santa Monica, CA 90403
mmcgowan@aimadvisersinc.com
+1 310 903 0322

About AIM Advisers
AIM Advisers helps small and medium-sized, growth-oriented U.S. companies complete IPOs on the Alternative Investment Market (AIM) of the London Stock Exchange. AIM Advisers also provides a range of services to the 57 U.S.-based companies that are already listed on AIM.

U.S. Company IPO and Secondary Offering Activity 2009 vs. 2008

Highlights

- Unsurprisingly, IPO activity has been virtually non-existent
- However, secondary offering activity on AIM remains resilient

- U.S. companies account for 8% of all AIM IPOs since 2008
    - Also account for 8% of gross funds raised from AIM IPOs
- U.S. companies account for 14% of all AIM 'operating company' IPOs since 2008
    - Account for 24% of gross funds raised from AIM 'operating company' IPOs

- £420m ($672m) raised in secondary offerings for 34 U.S. companies since 2008
- 60% of all U.S. companies on AIM have completed at least one secondary since 2008
- U.S. companies make up 4.4% of AIM but capture 5.2% of secondary offering funds

- Selling shareholder activity continues at historic levels since 2008
- U.S. accredited investor and Qualified Institutional Buyer participation increases slightly

- Criteria AIM Advisers uses to vet potentially suitable companies for IPOs (see last page)

IPOs
The IPO market on AIM during 2009 was challenging with 77% of the IPOs (10 of 13) for 'investment vehicles' which were funded to target distressed real estate / commercial businesses, or small specialty finance companies.

Entire Market All Companies	Number of IPOs	Gross Funds Raised (in £ millions)	Average Funds Raised (in £ millions)
2008	38	918	24
2009	13	610	47
Total	**51**	**1,528**	**30**

Exclusive of 'investment vehicles':

Entire Market 'Operating Companies'	Number of IPOs	Gross Funds Raised (in £ millions)	Average Funds Raised (in £ millions)
2008	25	507	20
2009	3	16	5
Total	**28**	**523**	**19**

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All of the U.S. companies in the table below that completed IPOs in 2008 are 'operating companies'. Historically, U.S. companies on AIM have not been investment vehicles.

U.S. Companies	Number of IPOs	Gross Funds Raised (in £ millions)	Average Funds Raised (in £ millions)
2008	4	123	31
2009	-	-	N/A
Total	**4**	**123**	**31**

U.S. companies have accounted for 8% of all IPOs and 14% of all 'operating company' IPOs since 2008. While activity has been muted over the last two years, it is relevant to note that these companies have garnered 8% and 24%, respectively, of the gross IPO funds raised since 2008.

While the limited number of U.S. company IPOs since 2008 makes it difficult to draw firm conclusions, it is believed that the upward trend will persist from the £24 million average raised by the 50 U.S. 'operating companies' that completed IPOs on AIM from 2005 – 2007.

Secondary Offerings

While the 57 U.S. companies currently listed on AIM account for 4.4% of the 1,293 companies listed on the market, they have captured 5.2% of the secondary offering funds raised since 2008. However, when two large secondary offerings during 2008 that raised an aggregate of £101 million for one U.S. company are excluded, the remaining U.S. companies are in line with the broader market at 4.0%. Excluding this company also brings the average funds raised by the U.S. companies during 2008 down to £6.75 million which is also more in line with the broader market and the U.S. company average of £8.00 million for 2009.

Entire Market All Companies	Number of Secondaries*	Gross Funds Raised (in £ millions)	Average Funds Raised (in £ millions)
2008	597	3,214	5.38
2009	762	4,861	6.38
Total	**1,359**	**8,075**	**5.94**

* This is the number of discrete secondary offering transactions. Some companies completed more than one secondary offering in each year.

All U.S. Companies	Number of Secondaries*	Gross Funds Raised (in £ millions)	Average Funds Raised (in £ millions)
2008	21	236	11.24
2009	23	184	8.00
Total	**44**	**420**	**9.55**

* This is the number of companies that completed secondary offerings as opposed to the number of discrete secondary offering transactions.

Of the 44 U.S. companies that completed secondary offerings since 2008, 10 completed secondary offerings in both years, therefore, 60% of the U.S. companies (34 of 57) have completed at least one secondary offering since 2008.

The distribution of the gross funds raised by these 44 U.S. companies is illustrated by the chart on the next page. Since 2008, 89% (39 of 44) of the U.S. companies that have completed secondary offerings have raised between £1 and £30 million.

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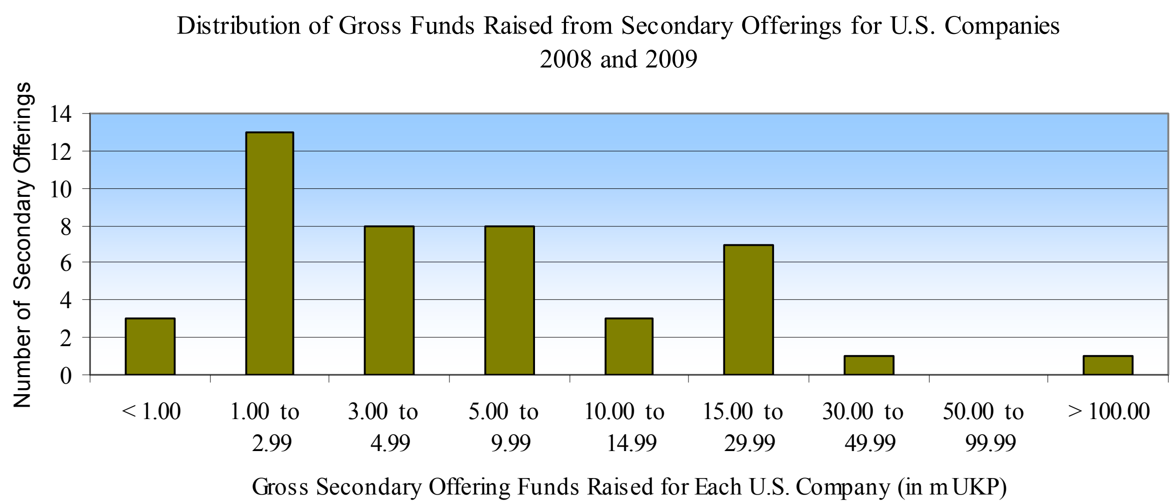
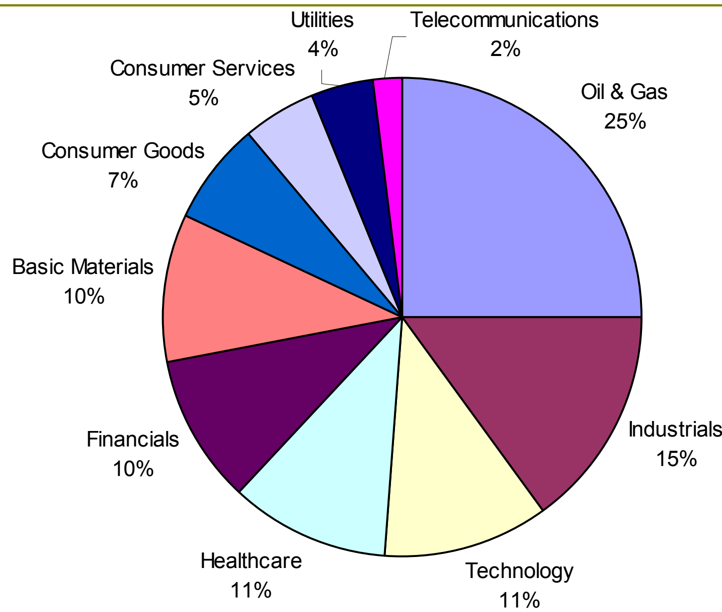


Industry Dispersion

AIM-listed companies are organized into 90 sub-sectors which feed into 40 sectors which feed into 10 super sectors. The 57 U.S. companies that are listed on AIM are quite diverse and operate in all 10 super sectors; however, there is a concentration of oil and gas producers in Texas and concentrations in technology, including; computing, biotech and cleantech, between Boston and Washington D.C., in Florida and in California. Industrials contain a mixture of cleantech companies (fuel cells and solar) and B2B electronic payment companies. Within Basic Materials, 50% produce chemicals/compounds for the health and growth of fish, plants and agriculture. Within Consumer Goods, 50% are developing fuel cells for vehicles. Within Consumer Services, 67% are media companies with some unique technology.



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Selling Shareholder Activity

The ability of existing shareholders to sell some or all of their holdings in an AIM IPO depends on a variety of factors; the most important of which are the strength of the company and the level of investor support. Historically, from 2005 – 2007, 22% of U.S. company IPOs on AIM included selling shareholders who were often either founders of the company, longstanding members of executive management or the board of directors, commercial partners who had made a strategic investment in the company or VCs/PEGs who invested in and nurtured the company for several years prior to its IPO. Two of the four U.S. company IPOs on AIM during 2008 included selling shareholders. In one of those IPOs, the Chairman and President, who had been with the company since 1969, sold 30% of his stake for £26 million.

While selling shareholders are most common in conjunction with an IPO, U.S. company insiders have sold in the aftermarket in organized transactions on three occasions since 2004; twice as part of secondary offerings and once on a standalone basis. In all three instances, the companies were performing exceptionally well with the organized insider selling driven by a need to "satisfy excess demand" for the company's shares. There were no such transactions during 2008 or 2009.

U.S. Accredited Investor and Qualified Institutional Buyer (QIB) Activity

U.S. accredited investors and QIBs are permitted to participate in AIM IPOs and secondary offerings. Historically, from 2005 – 2007, they have provided 20% of the funding for U.S. company IPOs on AIM and 20% of the secondary offering funds raised for those companies.

While none of the four U.S. company IPOs on AIM during 2008 included accredited investors or QIBs, 24% (5 of 21) of the U.S. companies that completed secondary offerings during 2008 included such investors, contributing 40% of the total funds raised, however, this is skewed by £76 million of the £101 million discussed above and would have otherwise been only 11%. During 2009, 26% (6 of 23) of the U.S. companies that completed secondary offerings were at least partially financed by accredited investors or QIBs, providing 29% of the total funds raised.

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The following is a non-exhaustive list of the criteria that AIM Advisers uses to vet potentially suitable U.S. company for AIM IPOs, effectively looking through the lens of prospective Nomads and Brokers. Obviously, overall consideration necessitates the use of judgment. This list is meant to provide a starting point for discussions.

1. 'Growth-oriented' company[1]
2. Minimum opening market cap. of £30 million ($48 million), with acquisition strategy[2]
    - At least $24 million of annual revenue and $2.4 million of net income[3]
3. Minimum opening market cap. of £50 million ($80 million), without acquisition strategy
    - At least $40 million of annual revenue and $4.0 million of net income
4. Maximum opening market cap. of £250 million ($400 million)[4]
5. International scope (sales and/or operations), current or post-IPO, preferably UK/EU[5]

6. Outstanding management team with a real track record[6]
7. Solid Board of Directors or the ability to formulate one during the IPO process[7]
8. Willingness to fully and fairly disclose any potential 'skeletons in the closet'[8]
9. Sound internal controls and good corporate governance, or willingness to put in place

10. Reasonable valuation expectations, willingness to take a long view[9]
11. Free float of at least 25% post-IPO, ideally around 50%[10]
12. Strategic investor(s) and/or existing shareholder(s) anchoring the IPO[11]

While historically 15% of the U.S. companies that have listed on AIM have been backed by VCs/PEGs, given the changing landscape of AIM and the factors above, the future outlook is that closer to 50% of the U.S. companies listing on AIM will come from VC/PE portfolios.

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[1] This would be characterized by growth of revenues and/or profits of at least 20% per annum, whether organic or through acquisition.

[2] Current market appetite is for a minimum opening market cap. of £50 million ($80 million), however, with a credible acquisition strategy that can executed with the capital raised from the IPO and/or the company's new public shares over the first year or two on AIM, the opening market cap. can be as low as £30 million ($48 million).

[3] This is a rule-of-thumb. Valuation is ultimately determined by reference to the company's DCF model. There is no requirement that companies joining AIM be profitable, however, the market is currently risk adverse, therefore, companies will either already be profitable or will be able to clearly demonstrate self-sufficient post-IPO.

[4] Above this level, U.S. companies are better served on the U.S. public markets from the perspectives of valuation and liquidity and should be large enough to bear the internal and external costs of Exchange Act reporting and SOX compliance. London's Main Market might be a consideration but the rationale is weak. No U.S. company has its primary listing on the Main Market.

[5] Many technology companies meet this test since they are often not reliant on physical locations. London-based investors will not accept U.S. companies seeking to raise capital on AIM as the 'venue of last resort' and/or because of an inability to be able to comply with the Exchange Act or SOX; however, a conscious decision to avoid onerous U.S. regulation for companies in the $48 million - $400 million market cap. range is viewed as sensible.

[6] An added bonus would be a management team that has previously made money for public company investors.

[7] In a U.S. context, many companies considering AIM are quite small and often need to augment their BOD.

[8] Voluntary disclosure of any personal bankruptcies, corporate bankruptcies, companies that havc gone into administration, liquidation, etc. will typically not cause a company / management team to be deemed unsuitable.

[9] If these are present, companies that consider completing an IPO on AIM during 2010 should be able to negotiate lower professional fees, given increased competition for fewer listings, and attract meaningful media attention.

[10] UK institutional investors are very reluctant to invest in AIM-listed companies that will not have a free float of at least 25% (this is a requirement on the Main Market) for fear of Special Resolutions being 'crammed down' and to increase the chance of achieving strong aftermarket liquidity and the derivation of a 'fair' share price / market cap. The 50% free float target is usually achieved through a combination of new shares issued by the company for cash and existing shareholders reducing their positions.

[11] Given current market conditions, this would likely be a requirement in the ultra-high-risk biotech space, however, moving down the continuum of less risky sectors, the traditional view of institutional investors is that pure financial investors can exit entirely at the time of the IPO and insiders / management can sell down 20 - 25% of their holdings, all on a case-by-case basis.