

FLOATS STEADY AND FIRMS ARE AWASH WITH CASH

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Peter Cunliffe, City Editor, Daily Express, London, England

WHILE the number of new AIM flotations has held steady, there has been a boom in cash raised on AIM.

US-based AIM IPO specialist firm, AIM Advisers, said the overall strength of the London Stock Exchange's junior market showed investor confidence was still high.

AIM Advisers, which helps US firms seeking to float on AIM, has based its assessment on a study of listing activity during 2011.

It said 45 companies joined AIM through Initial Public Offerings (IPOs) during the year, one less than last year. Of those, 38 were operating companies rather than investment firms.

But they raised a total of £516 million (\$826 million) on AIM, an average of £14 million (\$22 million) each, giving them an average market value of £41 million (\$66 million).

Mark McGowan, Managing Director of AIM Advisers, said: "Generally speaking, the companies that completed IPOs during 2011 were smaller and stronger and simply required less growth capital."

While the number of IPOs was satisfactory, he said the secondary offering market was booming, with £3.6 billion (\$5.8 billion) raised last year.

McGowan continued: "The strength of the secondary offering market is a positive sign for IPOs over the medium-to-long-term as investors remain confident in the market."

Seven American companies floated on AIM last year, more than from any other country outside the UK.