



**London**  
Stock Exchange

***London's markets -  
Opportunities for raising global capital***



Israel Corporate Finance Conference 2013

10<sup>th</sup> Nov 2013, Tel-Aviv Stock Exchange



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# Why list on LSE



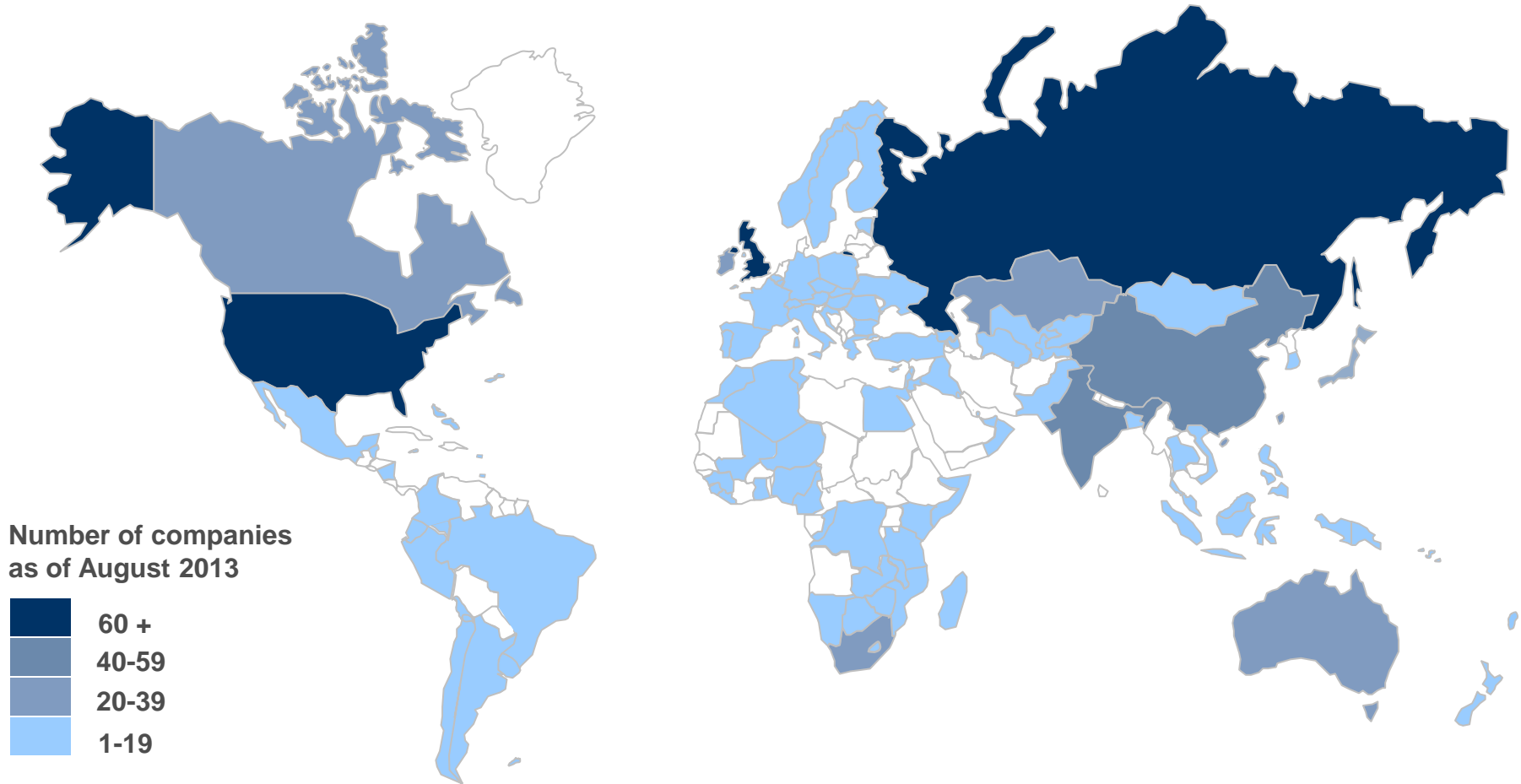
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- Access to deepest pool of international capital in the world
- Proven level of sustained liquidity
- Access to incremental sell-side research coverage
- An exit route for earlier stage investors
- Ability to incentivise key employees' commitment
- Significantly enhance profile & visibility, particularly with customers & suppliers
- Currency to fund business acquisitions & expand into new markets

# Our issuers operate in more than 115 different countries across the globe



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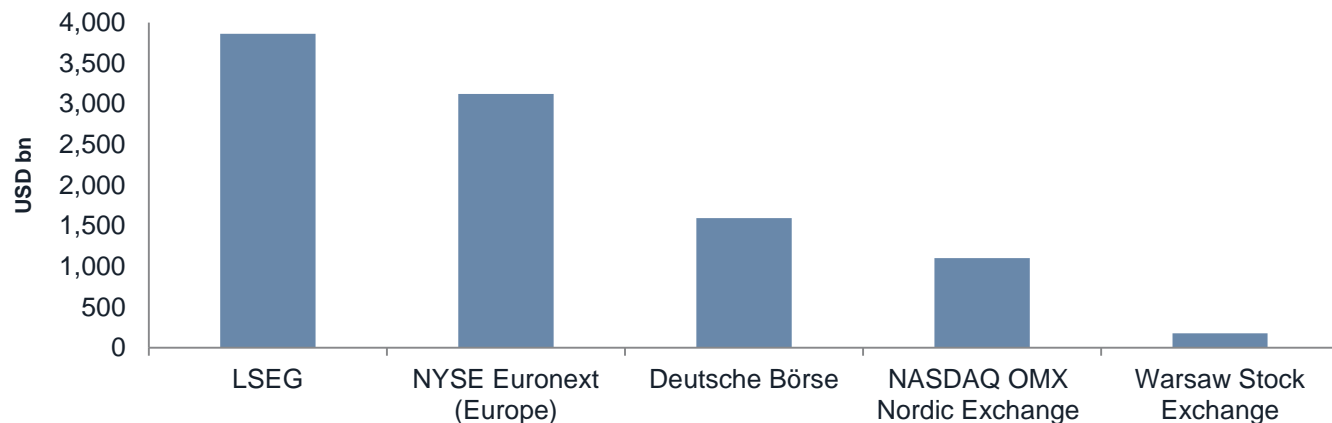
Source: London Stock Exchange statistics. Based on country of primary business.

# The largest and the most liquid equity market in Europe



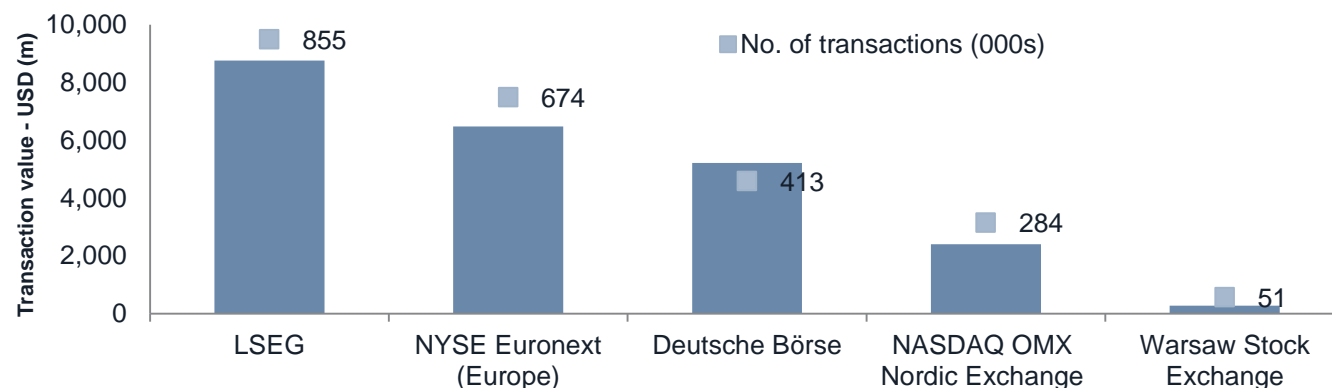
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## Domestic market capitalisation



- Close to 2,500 companies share an aggregate market cap of around USD 6.5 trillion
- Over 800 international companies with aggregate market cap of over USD 3 trillion

## Daily traded value and number of transactions



- Over 500 member firms have access to our trading systems
- As of September 2013, on average about USD 9bn worth of shares were traded daily on the LSEG's markets, more than any other exchange in Europe

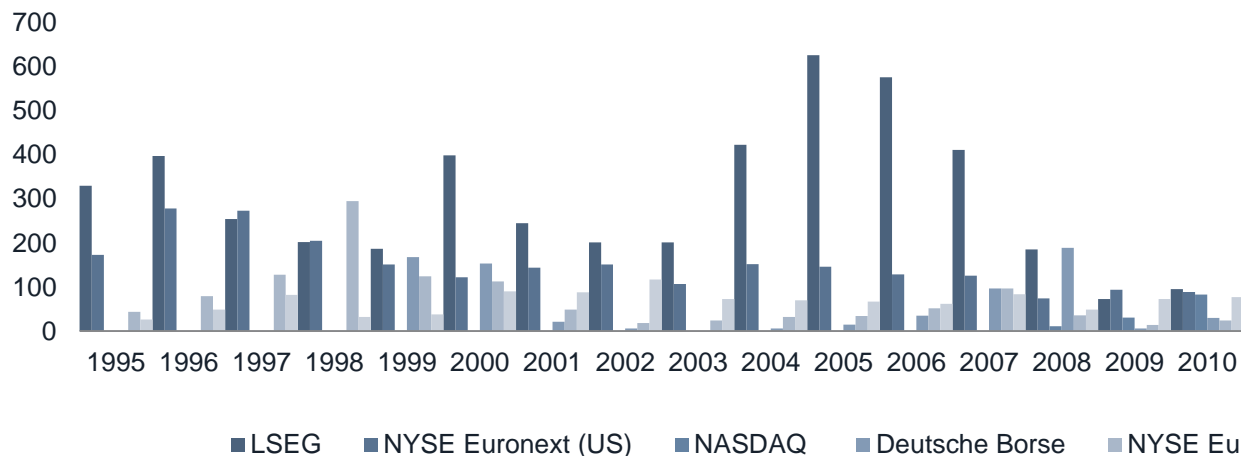
Source: World Federation of Exchanges, end of September 2013

# The venue of choice for companies conducting an IPO

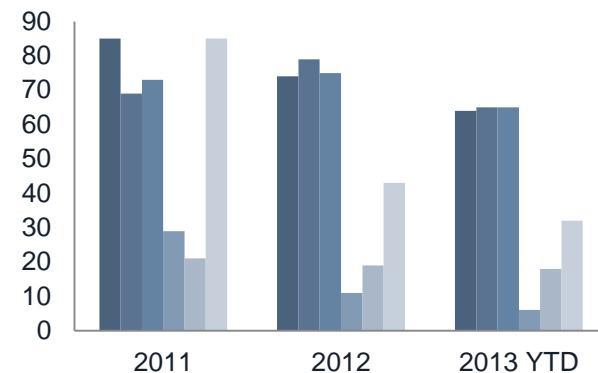


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Number of IPOs by listing venue, 1995-2010...



...and in 2011-YTD 2013



London Stock Exchange has become the listing venue of choice due to:

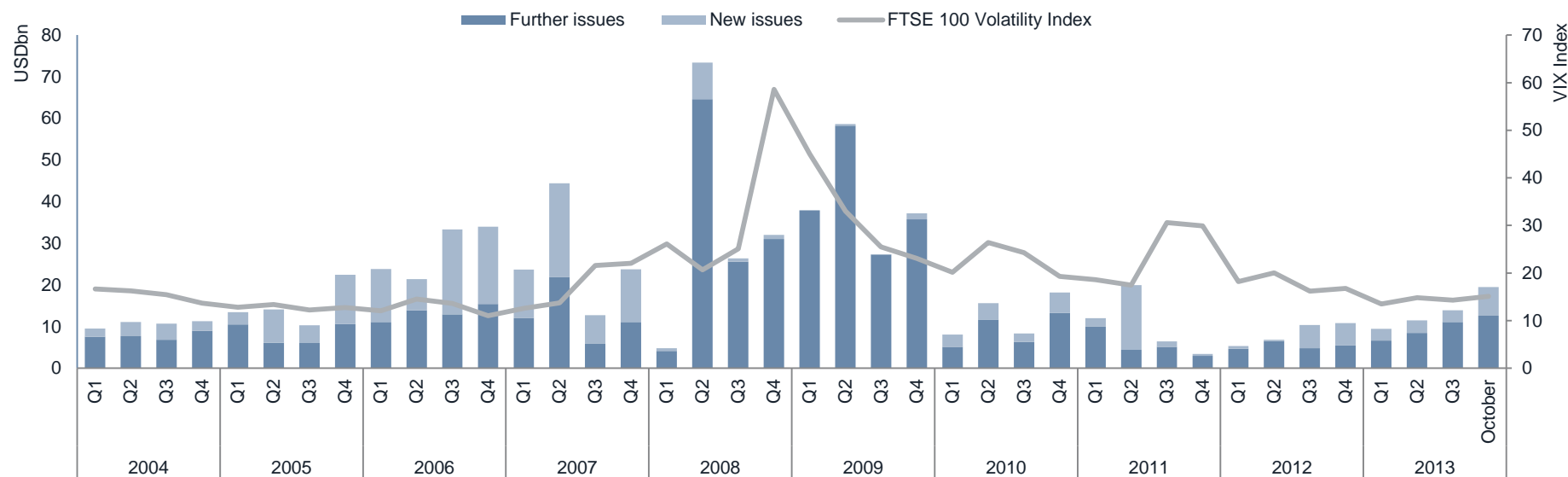
- Internationally minded investor community
- Unique concentration of advisors with experience in listing companies
- Robust and balanced regulation
- Peer group in a diverse range of sectors
- Unparalleled profile and prestige
- Widest choice of market and listing routes

# London – a vibrant capital market



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Number of IPOs	2012			Money raised (IPO) (USDm)	2012			Follow on Issues (USDm)	2012		
	2012	2012 YTD	2013 YTD		2012	2012 YTD	2013 YTD		2012	2012 YTD	2013 YTD
Main Market	24	10	30	Main Market	10,930	5,983	14,392	Main Market	17,677	13,528	38,797
AIM	43	26	43	AIM	1,011	596	1,385	AIM	3,724	2,404	2,982
Total	67	36	73	Total	11,941	6,579	15,777	Total	21,401	15,952	41,779



Source: Bloomberg and Dealogic, as of 31 October 2013



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## **London's investment pool**

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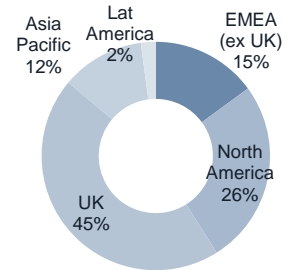
# The World's most international investors community



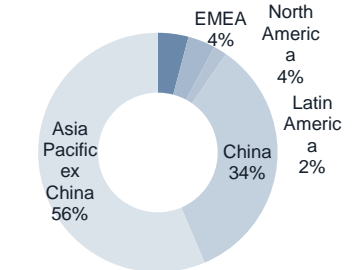
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London remains the largest international investment centre globally. Over the past two years UK investors increased their equity allocations in international equity by an average of 7% per quarter. Over Q2 2013 North American investors have reduced their exposure to international assets, their holdings of North America stock went from 77% to 82%, while in the same period UK investors have increased holdings of North American (+5%) and Asia Pacific (+1%) equities.

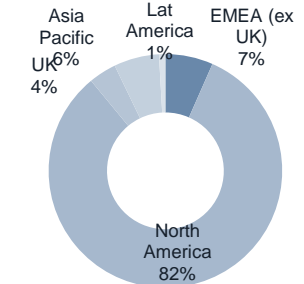
**Top 50 UK investors' holdings, by region (as at end Q2)**



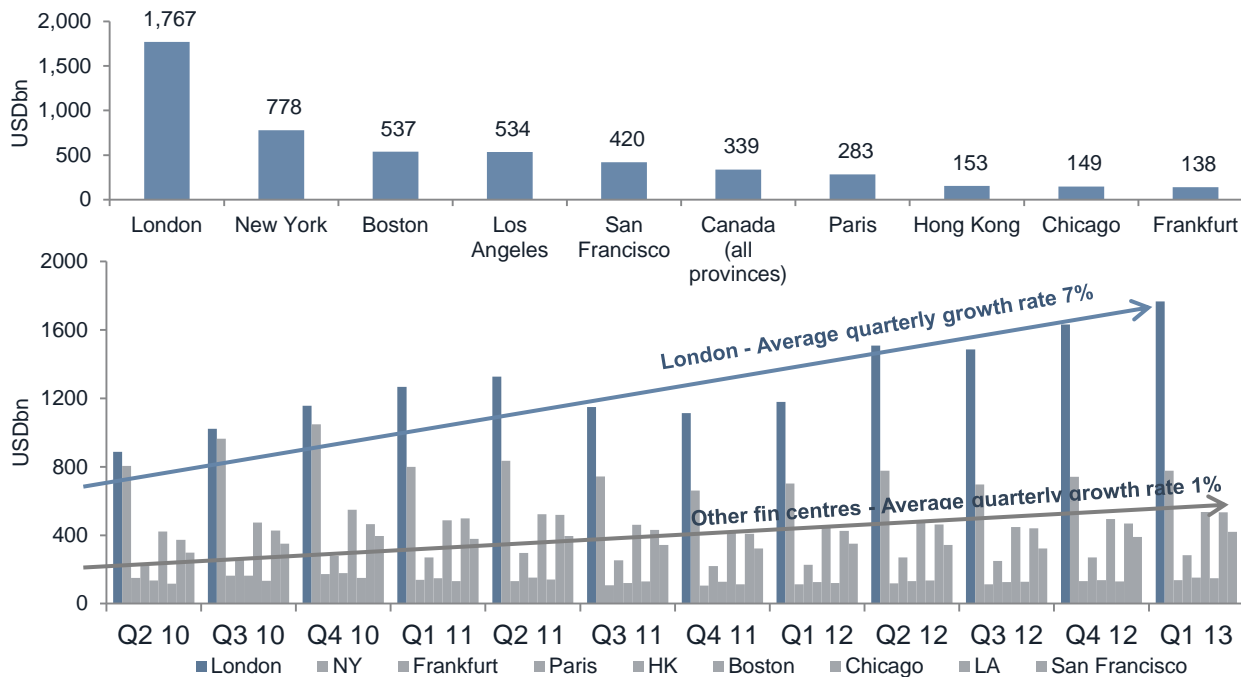
**Top 50 HK investors by region**



**Top 50 US investors' holdings, by region**



**International equity investment under management by financial centre Q2 2013**



Source: Facstet and Ipreo



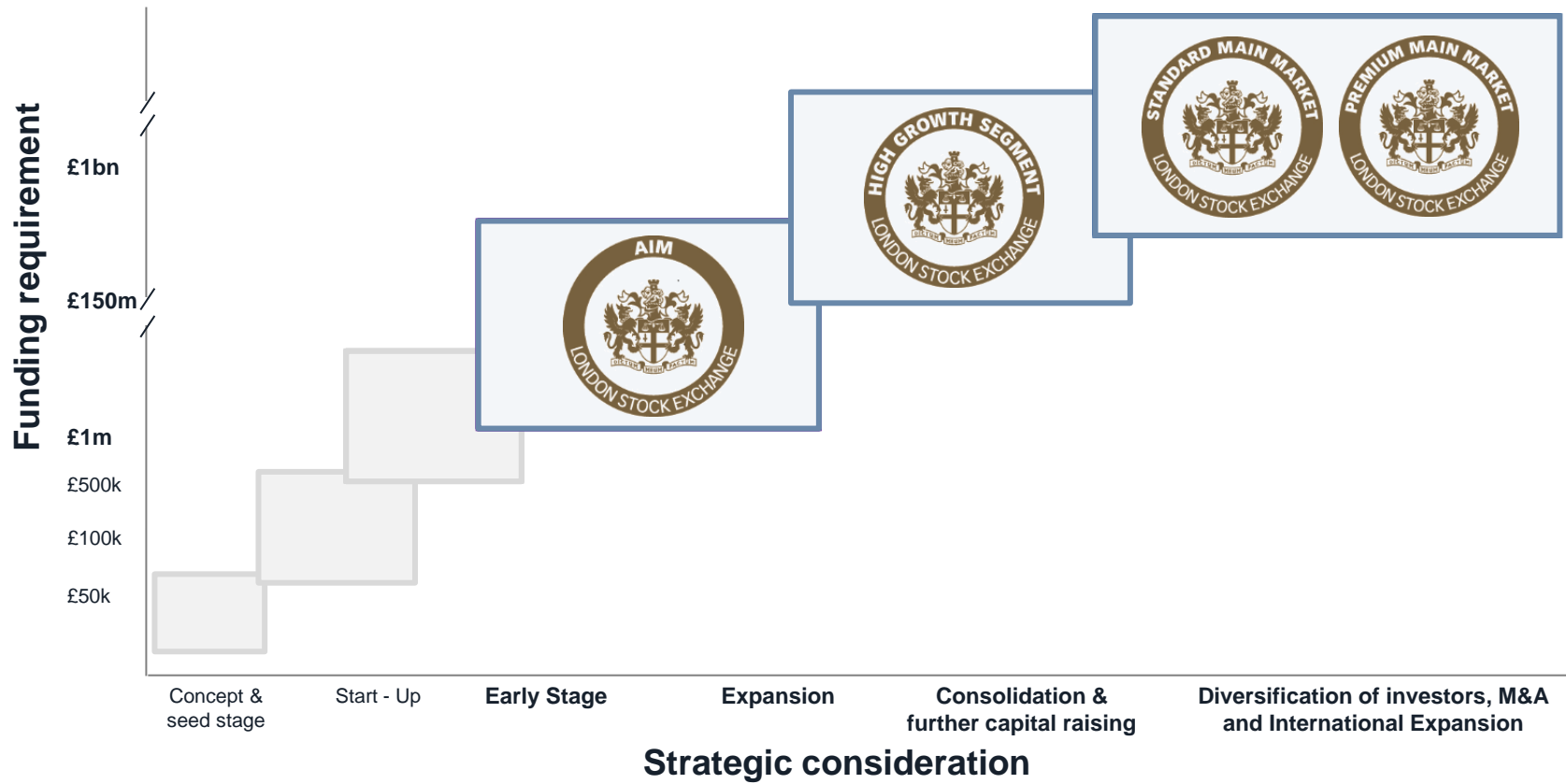
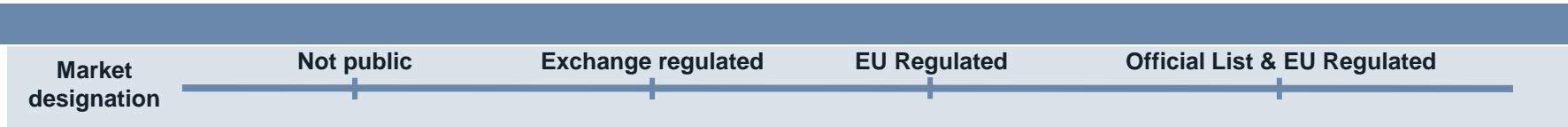


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## **Listing considerations**

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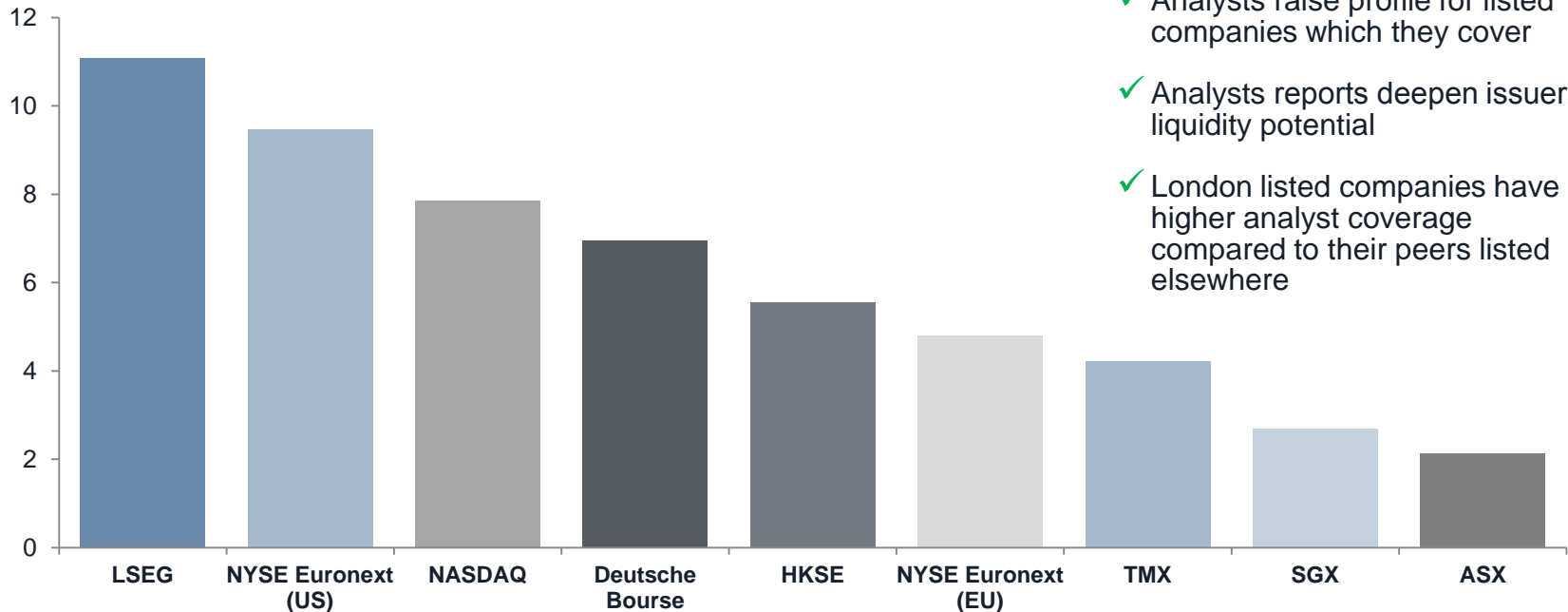
# A choice of routes to market to cater for all sizes, strategies and development stages



# Enhanced analyst coverage across all sectors

A London listing provides for the largest average analyst exposure compared to any other financial centre

Average number of analyst recommendations following listed companies, by listing venue



- ✓ Analysts raise profile for listed companies which they cover
- ✓ Analysts reports deepen issuers' liquidity potential
- ✓ London listed companies have higher analyst coverage compared to their peers listed elsewhere

# Technology companies on our markets

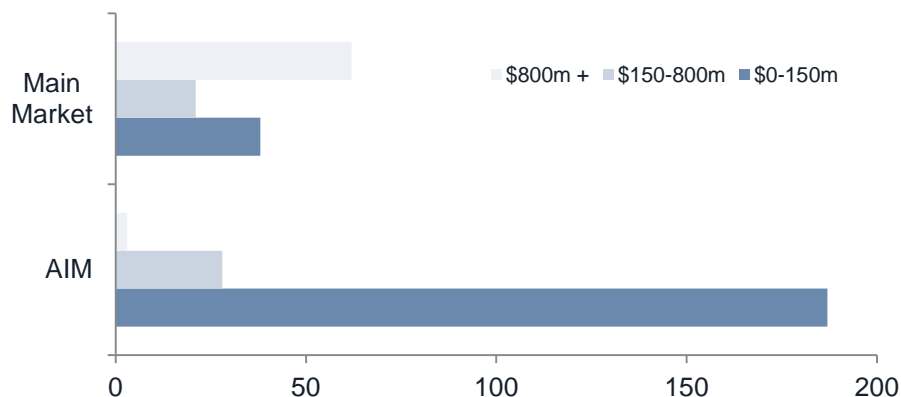


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Sector	AIM	Main Market
Electronic & Electrical Equipment	33	19
Fixed Line Telecommunications	4	17
Health Care Equipment & Services	28	11
Mobile Telecommunications	8	9
Pharmaceuticals & Biotechnology	38	18
Software & Computer Services	89	26
Tech Hardware & Equipment	18	21
<b>Total</b>	<b>218</b>	<b>121</b>
<b>Total market cap (\$m)</b>	<b>19,645</b>	<b>1,149,637</b>

- There are currently 339 companies in automatically qualifying tech sectors worth a combined £731bn.
- Recent IPOs have been from innovative, fast growing companies including the likes of: CentralNic (\$11m), Outsourcery plc, (\$18m) Cambridge Cognition Holdings (\$18m), Cloudtag (\$2m), Starcom (\$3m), Wandisco (\$24m), Fusionex (\$18m) and Kada Tech (\$2m).

## Market cap profile of technology companies on our markets



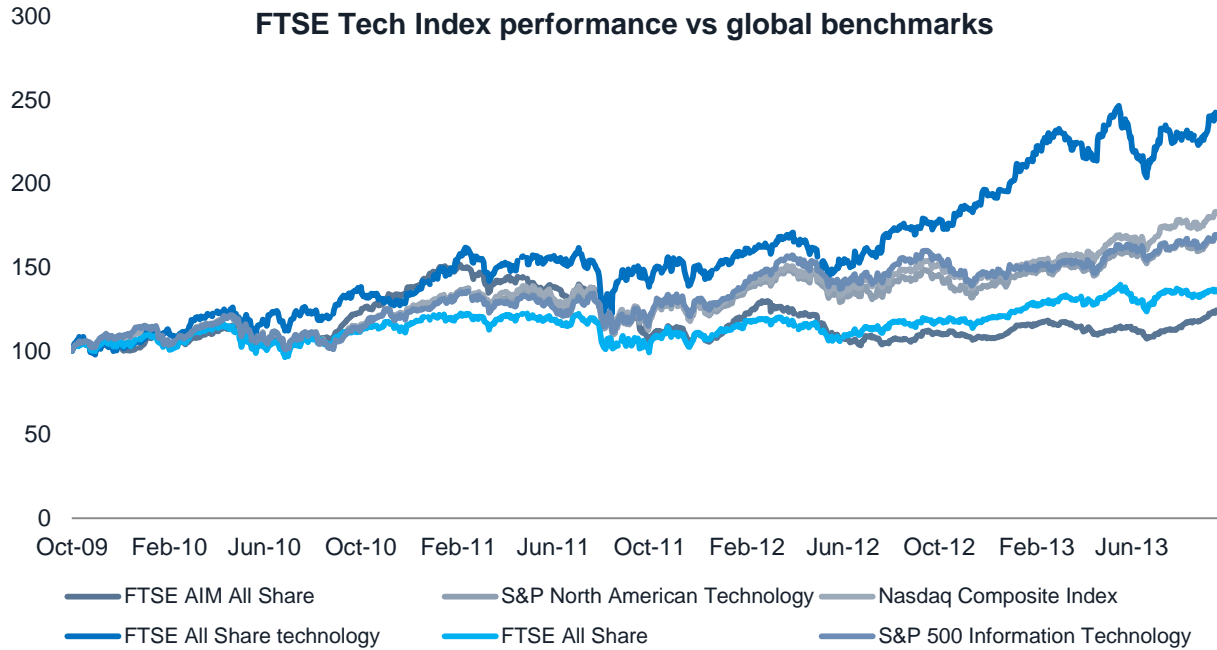
	Market cap band		
	\$0-150m	\$150-800m	\$800m +
<b>AIM</b>	187	28	3
<b>Main Market</b>	38	21	62

Figures do not include PSM and SFM. August 2013. Based on country of domicile. Source: London Stock Exchange statistics.

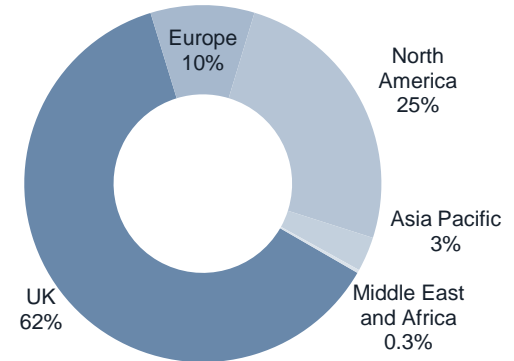
# Strong technology support in London



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## Diversity of investors in London listed technology companies



- FTSE tech indices continue to outperform their global peers.
- UK tech investors are geographically diversified and are supported by an experienced advisory and analyst community.

# AIM: the largest growth market in the world

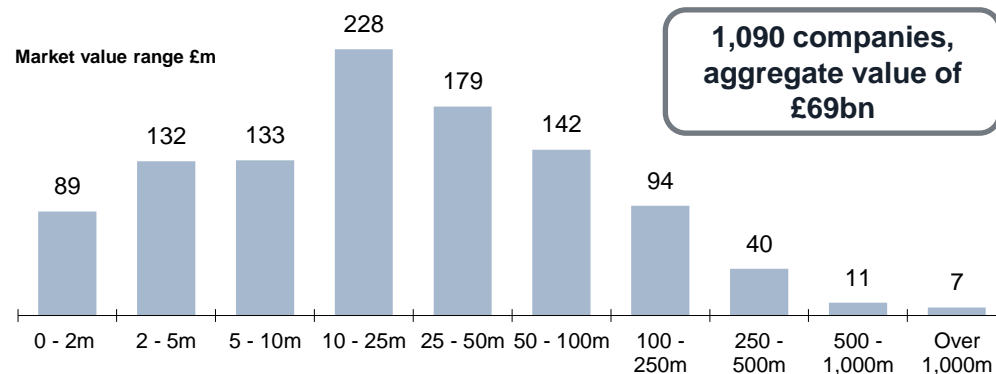


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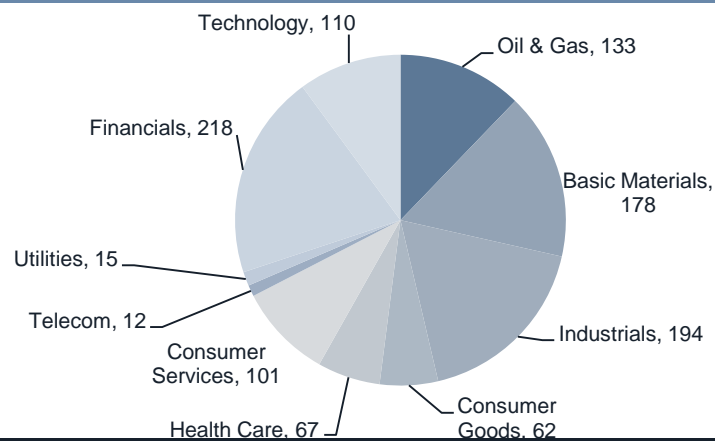
## A snapshot of AIM

Total market capitalisation	£69bn
Number of companies	1,090
Number of IPOs YTD 2013	43
Money raised YTD 2013 (of which at admission)	£4.3bn (£1.4bn)
Total number of admissions	Over 3,400
Total money raised	£81.3bn

## AIM market cap profile



## Sector representation - by number of companies



Source: London Stock Exchange statistics – September 2013

\* By country of incorporation



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## Case studies

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# Case Study: Plus500



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Company Details	
Company	PLus500 Ltd
Market	AIM
Sector	Investment Services
Trading System	SETSqx
Country of incorporation	Israel

Transaction Details	
Admission date	24 Jul 2013
Money raised at admission	\$75m
Market cap at admission on AIM	\$219m
Current Market cap	\$240m
NOMAD	Liberum Capital



## Company profile

- Plus500 Ltd. is a holding company, which is engaged in the development and operation of online trading platform. It provides contracts for difference to retail customers to trade in underlying financial instruments such as equities, exchange traded funds, foreign exchange, indices, and commodities.
- The company was founded by Omer Elazari, Alon Gonen, Gal Haber, Elad Ben Izhak, Shimon Sofer, and Shlomi Weizmann on May 26, 2008 and is headquartered in Haifa, Israel.

## Listing story

- Plus500 raised US\$25m whilst the selling shareholders also sold US\$50m in the IPO to over 45 institutions in one of the biggest placings on AIM in 2013 to date.
- Liberum, acting as Nominated Advisor and Broker for the company, held over 60 investor meetings and the fundraising was more than twice oversubscribed; subsequently the deal size was increased due to over-demand.
- Since IPO, the share price has been strong, driven by investor demand for yield and now stands at a 15% premium to the listing price of 115p.

## Leading Investors

Leading Investors	Value held \$m
Odey Asset Management LLP	10.9
Hargreave Hale Ltd.	8.5
Newton Investment Management Ltd.	6.3
Artemis Investment Management LLP	3.8
Goldman Sachs & Co.	3.3
Northern Trust Global Investments Ltd.	3.0
Miton Capital Partners Ltd.	2.9
Rathbone Investment Management Ltd.	2.8
Majedie Asset Management Ltd.	2.2
JPMorgan Asset Management (UK) Ltd.	1.8



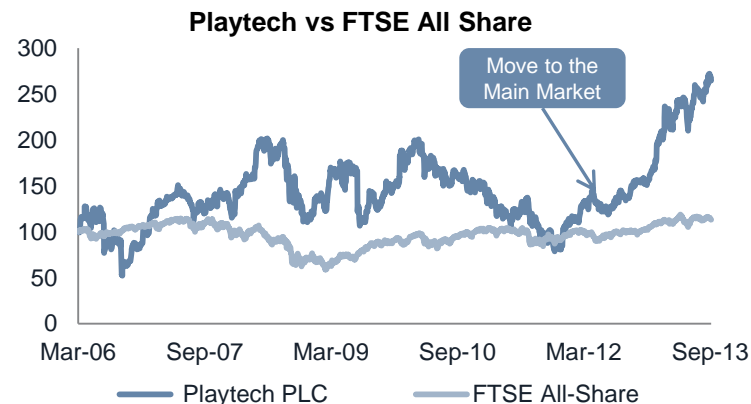
# Case Study: Playtech



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Company Details	
Company	Playtech Ltd
Market	Main Market
Sector	Travel & Leisure - Gambling
Trading System	SETS
Ticker	PTEC
Country of incorporation	UK

Transaction Details	
Admission date	02 Jul 2012
Money raised at admission	\$424m
Market cap at admission on AIM	\$877m
Market cap at admission on Main Market	\$1.6bn
Current Market cap	\$3.4bn



## Company profile

- Playtech is the leading international designer, developer and licensor of software and services for the online, mobile and land-based gaming industry. It offers cutting edge, value-added solutions to the online gaming industry's top operators
- Founded in 1999, the Company has over 2,400 employees principally located in five countries and engaged in research and development of current and future gaming technologies or in providing marketing support and other ancillary services.
- Playtech's leading gaming applications include casino, poker, bingo, sports betting, live, mobile and social gaming, as well as VLTs and FOBTs, casual and fixed odds games.

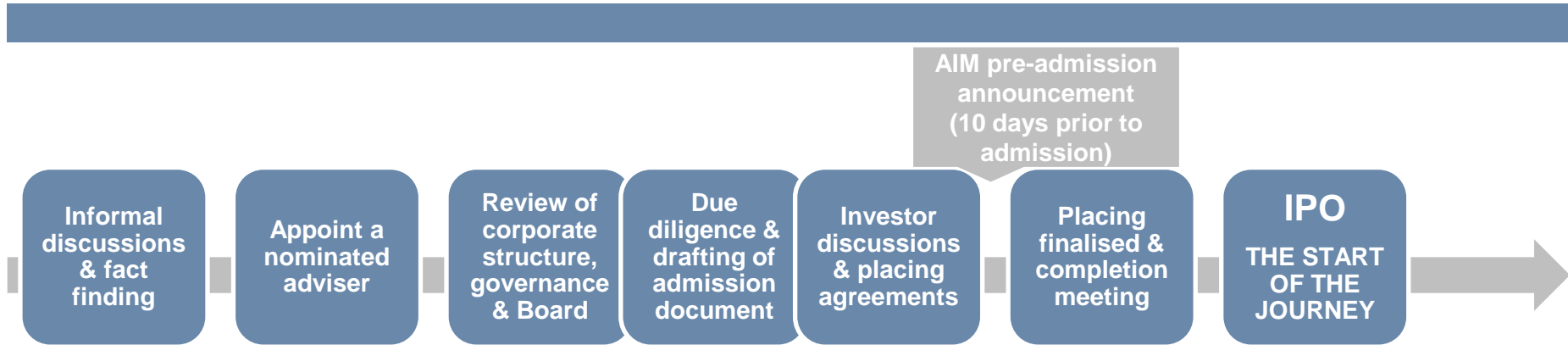
## Listing story

- Playtech was admitted to AIM in 2006 raising an initial \$424m at IPO. Since then, the company has enjoyed strong growth both in terms of profitability and in its market capitalisation
- Since floating on London Stock Exchange, Playtech has undertaken a number of different transactions including: joint venture licensing deals, and acquisitions (Sportech, GTS, and Virtue Fusion).
- Whilst on AIM, Playtech returned to the market on two separate occasions raising a combined \$339m. In July 2012 Playtech moved to the Main Market and has seen its share price climb 115%

Leading Investors	Value held \$m
Capital Research & Management Co.	172.4
BlackRock Investment Management (UK) Ltd.	171.8
Greenlight Capital, Inc.	129.8
FIL Investments International	125.1
JPMorgan Asset Management (UK) Ltd.	37.1
Artemis Investment Management LLP	32.8
Investec Asset Management Ltd.	30.5
Norges Bank Investment Management	30.4
State Street Global Advisors Ltd.	27.3
Legal & General Investment Management Ltd.	24.6

Source: Factset and LSE trading data September 2013

# Understanding the AIM admission process



## Costs of IPO

Advisory & due diligence	These include nomad, reporting accountants, lawyers and other due diligence costs. They mainly dependent on complexity of the business & sector, but can be significantly higher for the Main Market due to legal costs of producing a Prospectus approved by the UKLA
Exchange fees	Incremental based on company's market value
Broker commission	Actual % depends on the quantum & can be affected by sector and complexity of deal

## Ongoing compliance – can vary with corporate activity

Nomad/Corporate adviser	Similar for AIM & Main Market companies – as Main Market companies usually retain a corporate adviser
Auditors	<ul style="list-style-type: none"> <li>• Similar for comparable companies on AIM &amp; the Main Market</li> <li>• Can vary dependent on complexity of the business</li> </ul>
Internal Costs	Include corporate governance costs including non-executive directors as well as increased public relations & investor relations efforts
Other	Include exchange fees, registrars, website, AGMs etc

Fees are indicative only and can vary significantly depending on the size, complexity and sector of a company.

# Primary markets contacts



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