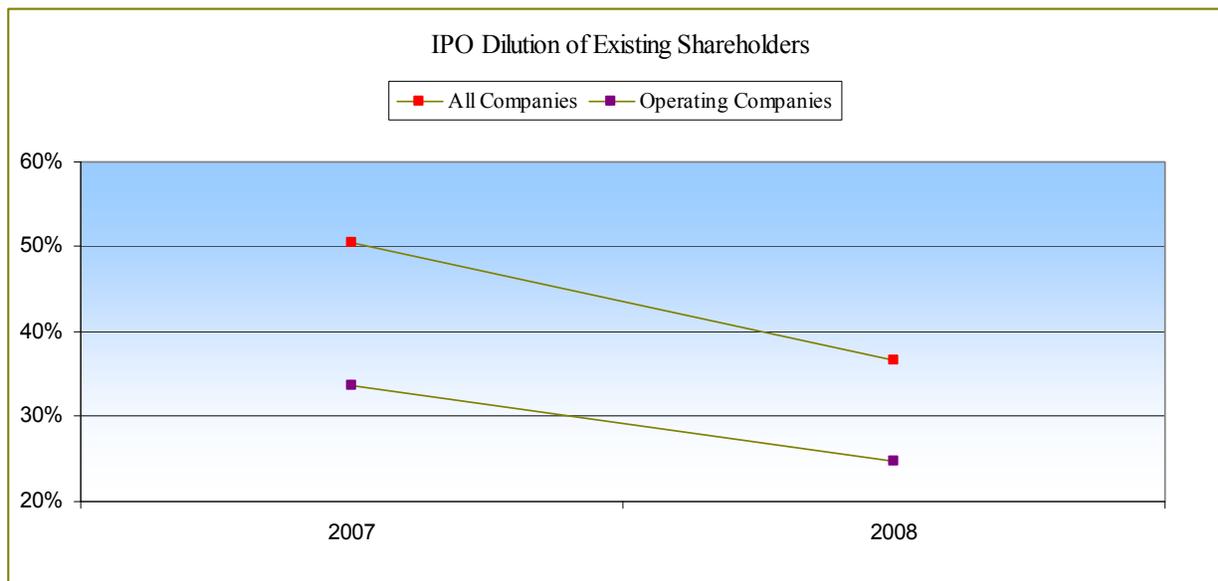


While AIM has certainly not been immune to the global slowdown in IPOs, the codification of the AIM Rules for Nominated Advisers in early 2007 has increased the scrutiny of prospective new entrants by Nomads since the Nomad vouches to the London Stock Exchange as to a company’s suitability for admission to AIM. Consequently, the quality of the companies being admitted to AIM has increased and, as a result, the IPO dilution of existing shareholders has decreased.



The outlook for 2009 is for IPO activity during H1 to be very slow with a tepid recovery during H2. It is believed that the market will shift strongly back to its original purpose of funding growth-oriented SMEs and that there will be an extreme flight to quality with IPO fundraisings for more mature ‘operating companies’ pushing up above £20 million.