



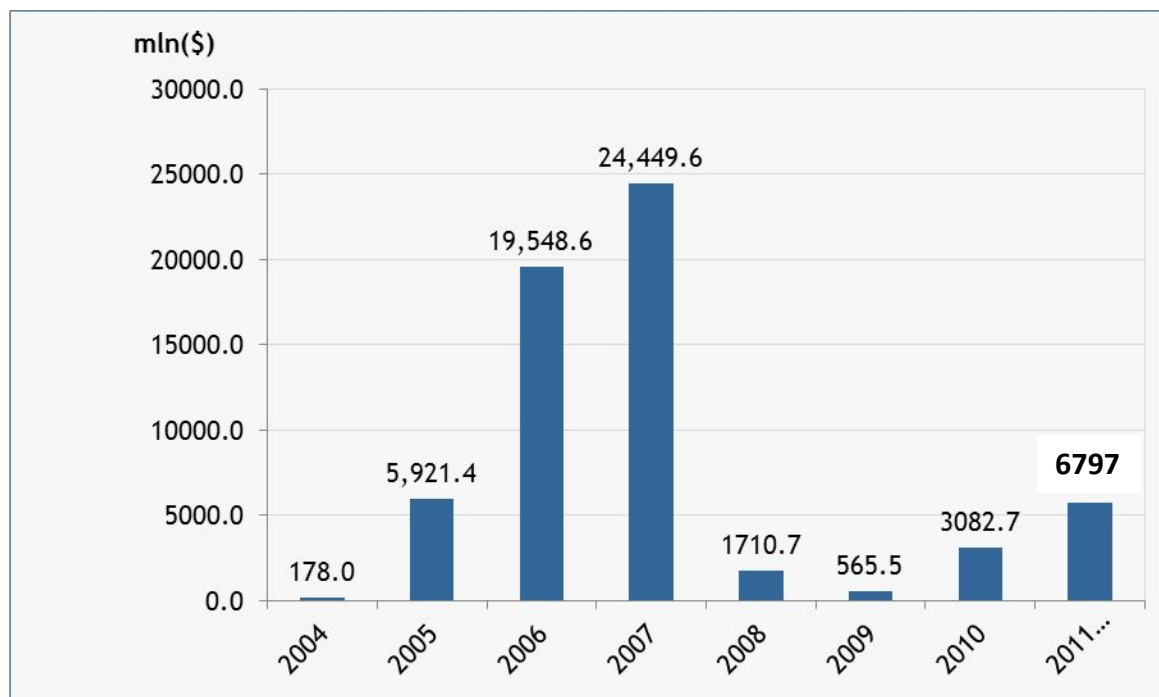
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Raising capital through IPO

September 15, 2011



Money raised in IPOs and SPOs by CIS companies on the LSE's Main Market



- In 2011, six Russian companies conducted IPOs, raising over \$3 bn.
- Despite market volatility, companies are still seeing interest from institutional funds in emerging markets.
- Overall market conditions are improving - Average and Median money raised by CIS companies in 2011(YTD) are comparable to 2006 & 2007 when the market was booming

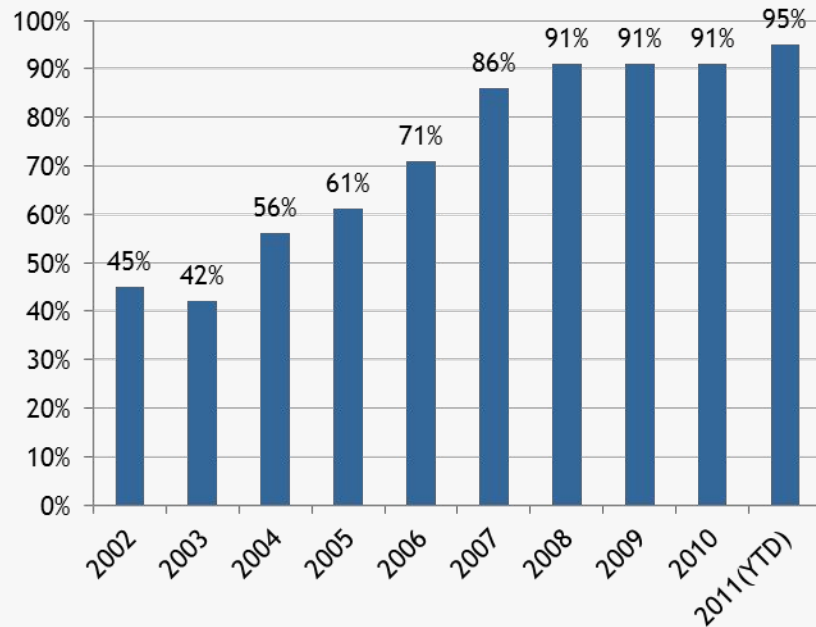
	2004	2005	2006	2007	2008	2009	2010	2011(YTD)
No. of CIS IPOs (MM)	1	9	13	19	6	1	4	6
No. of CIS SPOs (MM)	-	-	-	-	-	2	3	1
Average raised (\$mn)	178.0	657.9	1503.7	1,286.4	285.1	188.5	440.4	954.3
Median raised (\$mn)	178.0	638.8	748.0	800.0	334.5	101.0	400.0	554.5

Companies from Russia & CIS are an integral part of the LSE's business and enjoy high levels of liquidity

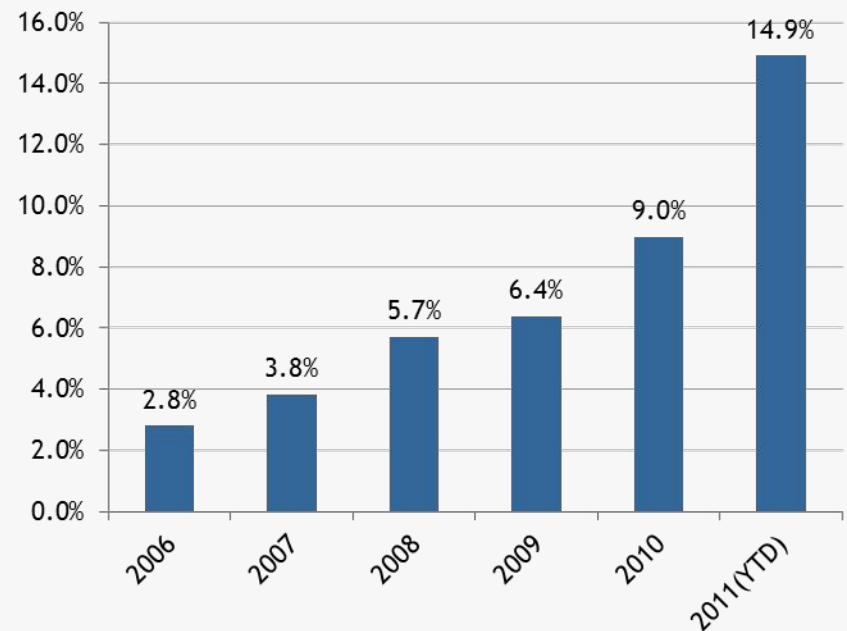


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CIS companies' trading as a percentage of total IOB value traded



CIS companies' trading as a percentage of total LSE order book value traded





Top 15 Investors in Russian IOB securities

	Investor Name	# RIOB Stocks Held	Average position (\$)	Country
1	The Vanguard Group, Inc.	12	322,744,489	United States
2	Van Eck Associates Corporation	15	158,991,567	United States
3	BlackRock Fund Advisors (formerly Barclays Global)	13	179,298,760	United States
4	J.P. Morgan Asset Management (U.K.), LTD	8	207,914,909	United Kingdom
5	Grantham Mayo Van Otterloo & Co., LLC	13	127,677,637	United States
6	DWS Investment GmbH	14	116,221,192	Germany
7	BlackRock Investment Management (U.K.), LTD	11	124,641,556	United Kingdom
8	Aberdeen Asset Managers, LTD (U.K.)	7	184,634,417	United Kingdom
9	Dimensional Fund Advisors, L.P. (U.S.)	12	107,574,229	United States
10	Baring Asset Management, LTD (U.K.)	11	109,047,484	United Kingdom
11	Swedbank Robur Fonder AB	15	68,970,509	Sweden
12	East Capital Asset Management AB	12	85,499,632	Sweden
13	SKAGEN Fondene	3	315,582,157	Norway
14	Schroder Investment Management, LTD	10	94,091,501	United Kingdom
15	Halbis Capital Management (U.K.), LTD	14	64,624,408	United Kingdom

Russian & CIS companies on LSE markets



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Main Market

Supports the capital raising activities of more established companies

Supports the capital raising activities of earlier stage companies



- 9 Companies
- \$41.3bn Aggregate Market Cap
- \$5.1bn Total Money Raised in IPO



- 54 Companies
- \$655bn Aggregate Market Cap
- \$48.9bn Total Money Raised in IPO

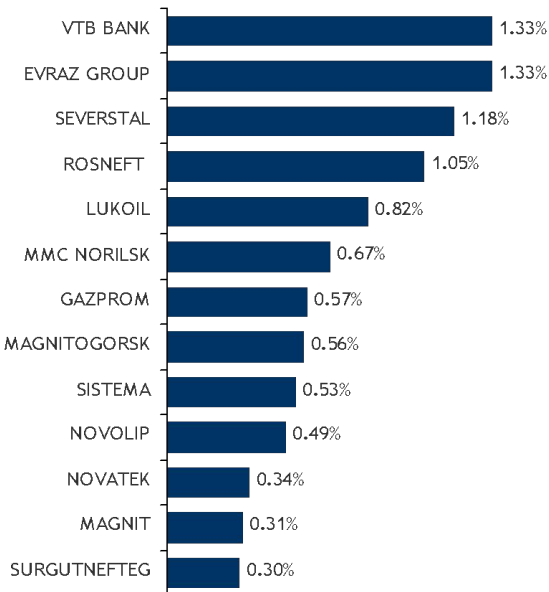


- 45 Companies
- \$6.25bn Aggregate Market Cap

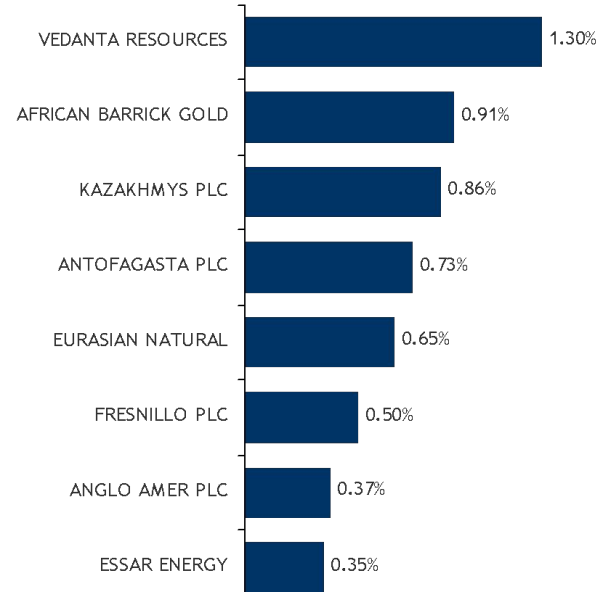


London Stock Exchange Group is a leader in trading emerging market securities

Average Daily Value traded (6m) as a percentage of free float market cap - for emerging market securities trading on IOB

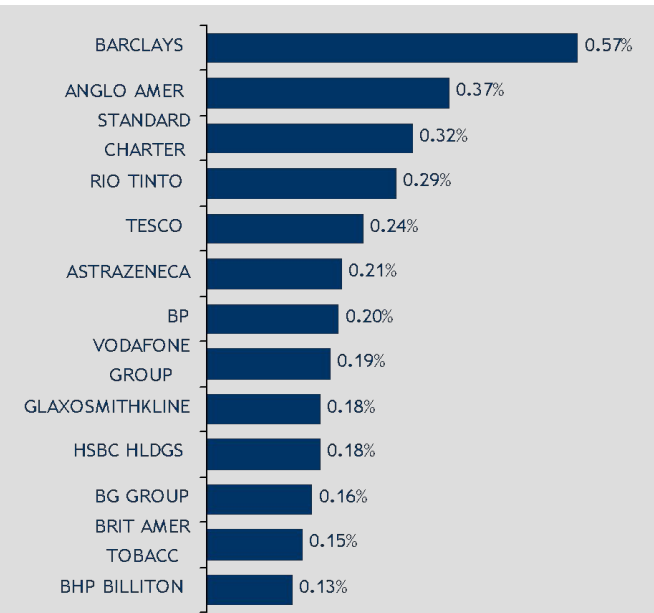


Average Daily Value traded (6m) as a percentage of free float market cap - for emerging market securities trading on SETS



Allocation of a security on IOB or SETS does not affect its liquidity

Average Daily Value traded (6m) as a percentage of free float market cap - for top FTSE 100 constituents



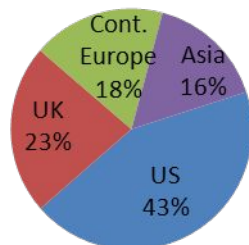
On the London Stock Exchange, issuers from emerging markets enjoy comparable liquidity with the world's most liquid securities.



Issuer	United Co Rusal
Exchange	HKSE
Listing date	27 th Jan 2010
Offer size	US\$2,240m
Offer price	HK\$ 10.80
Cornerstone Investors	Vnesheconombank, NR Investments, Paulson & Co, Robert Kuok, Kerry Trading, Cloud Nine and Twin Turbo subscribing to an aggregate amount of US\$833m

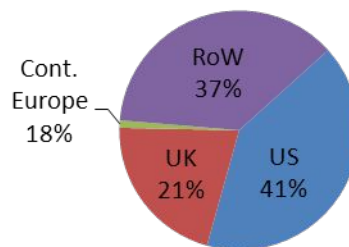
Issuer	IRC Limited
Exchange	HKSE
Listing date	21 st Sep 2010
Offer size	US\$240m
Offer price	HK\$1.80
Cornerstone Investors	Marbella Holdings and CEF Holdings subscribing to an aggregate amount of US\$60m

Rusal free-float shareholder base



- 40% of the offer was allocated to cornerstone investors, which prompted some parties to question whether the deal was an IPO
- The offer was effectively closed to Chinese retail investors
- Rusal's post IPO price was 21% down over the first three months and 40% down by June 2010
- Its free-float adjusted average daily liquidity (defined as value traded) is 19% lower than the daily liquidity average for top 20 Russian companies on LSE

IRC free-float shareholder base



- Priced at 20% below the price range of HK\$2.20-3.00
- IRC reduced the number of shares offered due to subdued investor demand
- Despite having very strong links with China, domestic tranche of the offering was only 24% filled
- Company's post IPO performance was poor: the price was 27% down over the first three months and is still below the offer price

○ Evidence suggests that going to HKSE does not necessarily attract Asian Investors:

- Rusal and IRC's investor base is still largely dominated by the UK, Cont. Europe and the US emerging markets funds
- Strong links with China do not guarantee demand from Asian investors
- Several HKSE IPOs have been recently pulled during the premarketing stage due to lack of Asian demand and listing location has been reconsidered

○ London has an unmatched depth of the UK, US and Continental Europe investor demand