AIM Advisers, Inc.
Maximizing Present & Future Value

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<u>About AIM Advisers</u>
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 54 U.S.-based companies that are already listed on AIM.

IPO Activity – 2010

Highlights

- IPO activity accelerates, 46 during 2010 compared to only 13 during 2009
    - 8 IPOs in each of Q1, Q2 and Q3
    - 22 IPOs in Q4

- £1.0 billion ($1.6 billion) raised for IPOs in 2010 (£5.0 billion for secondary offerings)

- 'Operating companies' return, account for 78% of IPOs, mirror image of 2009
- However, market remains selective and below trend (75 - 150) for foreseeable future
- Given market conditions, prospective issuers should carefully consider:
    - Suitability before embarking on the process
    - Key advisers, most notably Nomads and Brokers

- Average 'operating company' IPO raised £20 million ($32 million)
- 67% of IPOs raised between £5 million and £75 million ($8 million and $120 million)

- Average opening market capitalization of £69 million ($110 million)
- 74% of opening market caps between £10 and £300 million ($16 and $480 million)

- IPO dilution of existing shareholders of 'operating companies' amounted to 29%
- Average and median share price return of 44% and 21% since IPO (median date 9/24/10)
- Average post-IPO free float of 48%

- 13 of the 46 companies had revenues > £1 million (range £1 million - £156 million)
    - Concentrated in technology (4 of 4), industrials (3 of 7) and consumer svcs (2 of 4)
    - Those w/o meaningful revenues broadly in the natural resources space or financials

- 4 of the 46 had profits > £1 million (range £2 million - £10 million)
    - Average trailing PE and EBITDA multiples of 13.47 and 8.49, respectively

- Industry dispersion and insight into the 46 companies - see pages 6 and 7 for details
- Geographic dispersion and related commentary - see page 8 for details

All Companies	Number of IPOs	Gross Funds Raised (in £ millions)	Average Funds Raised (in £ millions)
2008	38	918	24
2009	13	610*	47*
2010	46	1,017	22
Total	**97**	**2,545**	**26**

* Includes two large IPOs focused on acquiring distressed real estate and distressed commercial businesses. If excluded, average drops to £23m.

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'Operating Companies'*	Number of IPOs	Gross Funds Raised (in £ millions)	Average Funds Raised (in £ millions)
2008	27	523	19
2009	3	16	5
2010	36	723	20
Total	**66**	**1,262**	**19**

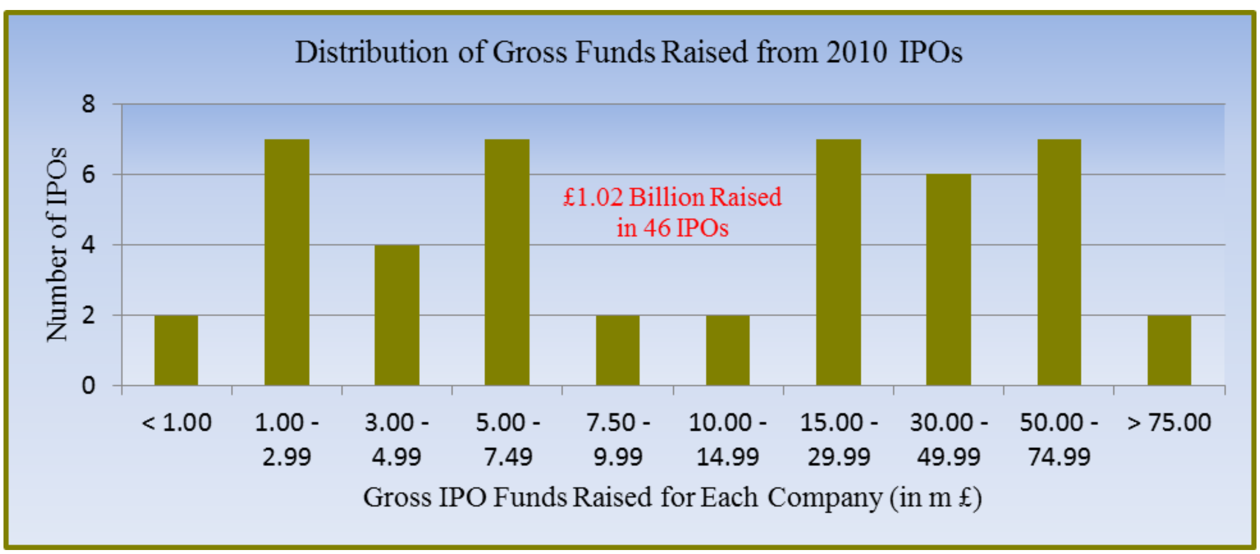
* Generally excludes SPACs, Investing Companies and Investment and Real Estate Funds.

The key takeaway from comparing the tables above is the return of 'operating companies' to AIM which accounted for 78% of the companies and 71% of the gross funds raised. The £20 million ($32 million) average raised by the 'operating companies' is very consistent with 2008 when the average was £19 million ($30 million) and even 2007 when the average was £18 million ($29 million). 2009 is viewed as an anomaly given the lack of activity.

While the return of 'operating companies' to AIM is a positive sign, the IPO market remains below trend (75 - 150) and is expected to remain so for the foreseeable future. In addition to the current macroeconomic situation, the Secondary Offering market on AIM has been booming (£5.0 billion or $8.0 billion raised during 2010) as a result of attractive valuations for companies that are 'known quantities'. The strength of the Secondary Offering market is a positive sign for IPOs over the medium to longer term as investors remain confident in the market; however, the shifting of their risk profiles towards IPOs is sure to be gradual.

The types of 'operating companies' that completed IPOs during 2010 generally fell into two very distinct categories; those with revenue traction and profits, or very close to profitability, and natural resource plays (mining and oil and gas) at a very nascent stage. The latter all had owned or identifiable assets, solid geological studies and exceptional management teams with demonstrable track records of success.

The chart below provides the distribution of gross funds raised from AIM IPOs during 2010. The sweet spot for AIM IPOs is between £5 million ($8 million) and £75 million ($120 million).



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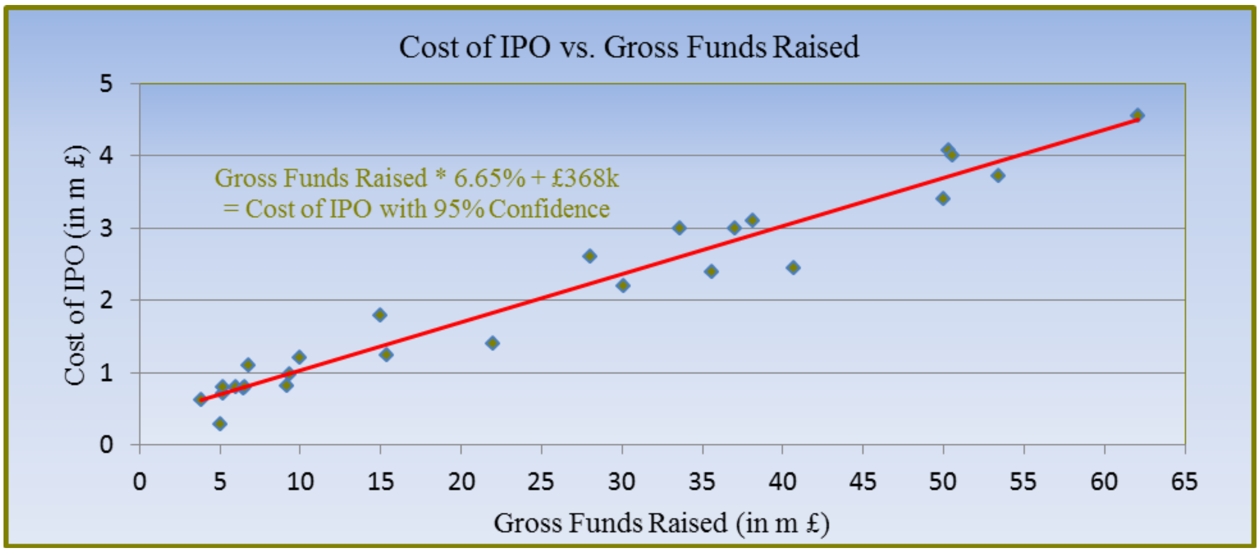
Of the aggregate gross funds raised, 92% was for the companies and 8% was for selling shareholders which were present in seven of the IPOs, although, only five sold a meaningful stake. While the average amount of gross capital raised was £22 million ($35 million), the median was £11 million ($18 million).

The equation in the next chart can be used to predict the cost of an AIM IPO with 95% confidence. The 26 data points represent the gross funds raised and associated costs for the 'operating company' IPOs that raised between £3 million ($5 million) and £75 million ($120 million). Since the average 'operating company' IPO raised £20 million ($32 million), the expected cost would be £1.70 million ($2.72 million) or 8.50% of the gross funds raised.



For the entire market, the average and median offering costs amounted to 14% and 9%, respectively, of the gross funds raised, however, the average is skewed by two 'failed' IPOs where the offering costs consumed 59% and 100% of the gross funds raised. When these two are 'normalized' with their offering costs set at 10% of the gross funds raised, the average offering costs amounted to 10% of the gross funds raised and the median remained the same at 9%. When the same analysis is applied to all of the 'operating companies', the result is similar where the average and median offering costs drop from 15% and 11%, respectively, to 11% and 10%, respectively, of the gross funds raised.

The chart at the top of the next page provides the distribution of opening market capitalizations. The average company's opening market capitalization was £69 million ($110 million) whereas the median was £36 million ($58 million). 74% of the companies commanded opening market capitalizations that ranged from £10 million to £300 million ($16 million to $480 million).

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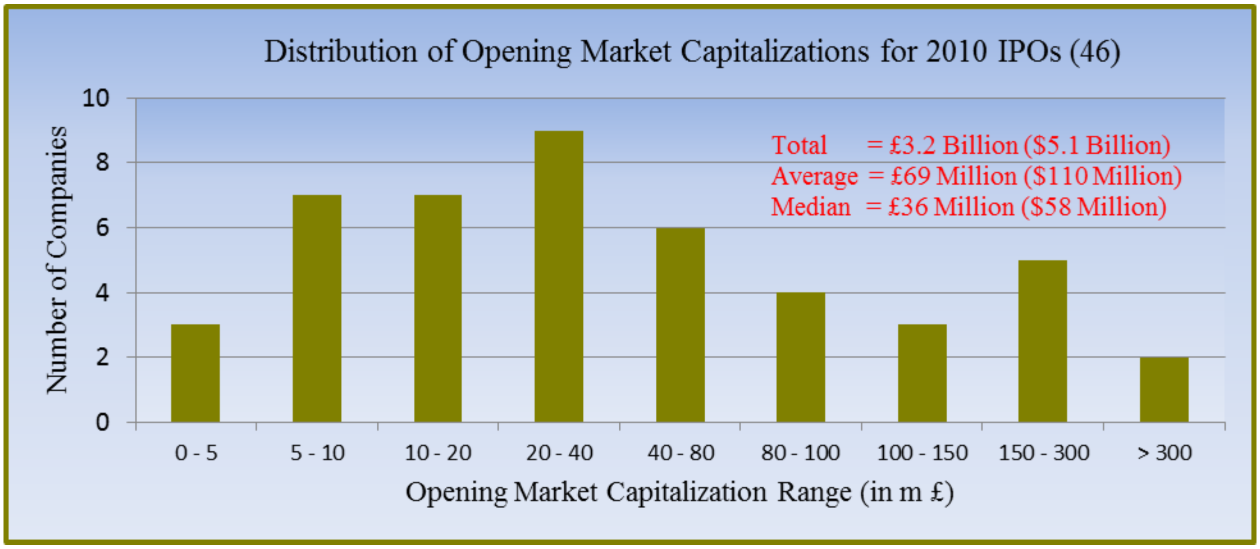

The aggregate opening market capitalization of the 46 companies that completed IPOs on AIM during 2010 was £3.2 billion ($5.1 billion). The average and median post-IPO free float of these companies was 48% and 49%, respectively.

The next chart highlights an interesting shift in the market that occurred during 2008, a substantial decrease in IPO dilution of existing shareholders. 2009 is viewed as an anomaly given the lack of activity.

There are two main reasons for this shift. First, the LSE codified the AIM Rules for Nominated Advisers in early 2007 which increased the scrutiny of prospective new entrants by Nomads since the Nomad vouches to the LSE as to a company's suitability for admission to AIM. Second, investors have become more risk adverse. Consequently, the quality of the companies being admitted to AIM has increased and, as a result, the IPO dilution of existing shareholders has decreased.

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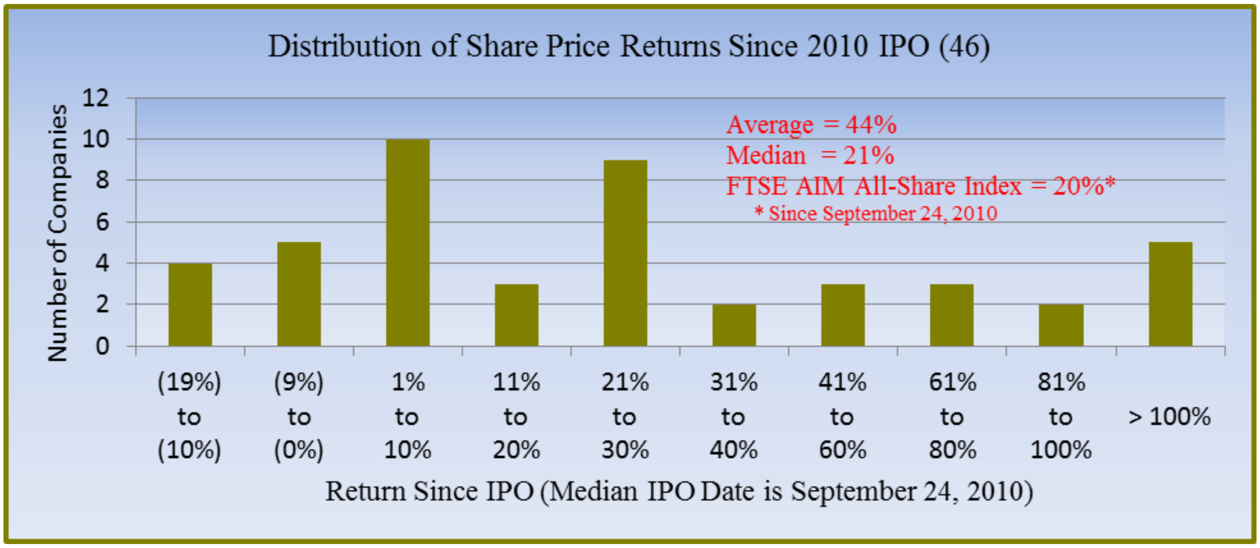
For the entire market, the average and median dilution of existing shareholders was 38% and 28%, respectively. With respect to the 'operating companies' it was 29% and 25%, respectively. The expectation for the foreseeable future is for IPO dilution of existing shareholder to remain in the 25% to 30% range.

The final chart in this section provides the distribution of share price returns since each of the 46 companies completed their AIM IPOs. It's important to note that the median IPO date is September 24, 2010, therefore, the average and median returns of 44% and 21%, respectively, only represent, on average, the last 98 days of 2010. As a point-of-reference, the FTSE AIM All-Share Index rose 43% during all of 2010 and only 20% from September 24, 2010 through the end of the year, therefore, the aftermarket performance of the 46 AIM IPOs has been quite strong.



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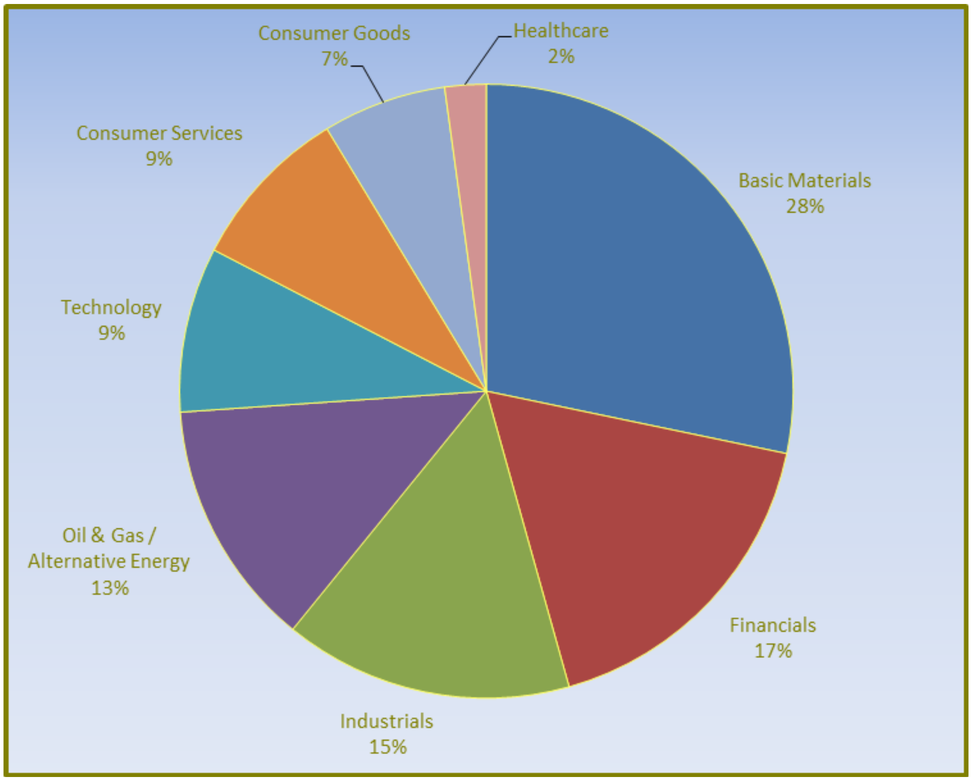
Industry Dispersion

AIM-listed companies are organized into 90 sub sectors which feed into 40 sectors which feed into 10 super sectors. The only super sectors that were not represented with IPOs during 2010 were Telecommunications and Utilities. The chart below provides a breakdown of the eight super sectors in which one or more IPO occurred during 2010. Since the classifications can be deceptive, the table below the chart provides some insight into the individual companies.



Basic Materials (13)	Mining; gold (5), iron ore (3), copper (2), diamonds (1) and coal (1) and one cleantech company
Financials (8)	One that intends to invest in a U.K. public company for a turnaround, one that would like to acquire and invest in natural resource related assets, one involved in real estate investment and development, one that intends to acquire or invest in hydropower projects, one that is a country-specific investment company, one that is a new bank to be built primarily through acquisition, one that is a full service broker-dealer and one that intends to acquire or invest in the TMT sector
Industrials (7)	One intends to acquire businesses that are focused on homeland security and defense, one designs and manufactures tracking devices and provides related monitoring services, one provides business process outsourcing services for the financial services, entertainment and telecommunications industries, one intends to develop and operate port and logistics facilities, one intends to acquire and develop a portfolio of wind farms, one is an operator of privately owned jet aircraft and one designs and manufacturers LED light engines and laser diodes modules

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Oil & Gas / Alternative Energy (6)	Exploration and Production (4), one is a materials discovery company and one is a renewable energy and cleantech investment company
Technology (4)	One is a data center, one is a healthcare software and related services provider, one is a provider of software applications for drug and chemical development and one develops set-top boxes for the delivery of Internet-based TV
Consumer Services (4)	One is an online dating service, one is a franchisee of an international pizza delivery company, one is a film production company and one is a provider of mobile marketing solutions
Consumer Goods (3)	One produces palm oil, one supplies potatoes and one has healthcare related technology that enhances the taste and mouth feel of medicines
Healthcare (1)	This company has IP surrounding a variety of medical applications

Revenue and income/loss figures for most of the companies are not particularly meaningful given their early stage profiles. Of the 46 companies, 13 generated revenues > £1 million during their most recent financial year with the range being £1 million - £156 million ($2 million - $250 million). Of those 13 companies, six were profitable; two with small profits and four with 'normal profits'. The average of the four with 'normal profits' was a trailing PE and EBITDA multiple of 13.47 and 8.49, respectively.

The most interesting aspect of the financial details of these companies is that fact that those with meaningful levels of revenues and profits are concentrated in just three of the eight super sectors. All four of the technology companies generated meaningful revenues and two of the four generated meaningful profits. Three of the seven industrial companies met the revenue test and one met the profits test. Two of the four consumer services companies met the revenue test but none met the profits test.

Four of the 46 companies that completed IPOs on AIM during 2010 are dual listed on the Australian Stock Exchange with two utilizing the Designated Markets Route (i.e. the fast track route) to AIM. An entirely different four companies were previously admitted to and trading on the PLUS Stock Exchange (the old OFEX) in the U.K. The two U.S. companies that completed IPOs on AIM during 2010 remained domiciled in the U.S. and continue to prepare their financial statements in accordance with U.S. GAAP. One of the two U.S. companies trades in the U.S. over-the-counter on the Pink Sheets.

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Geographic Dispersion (Main Place of Operation)

Unsurprisingly, the U.K. is the main place of operation for more companies than any other country, region or continent. The U.K. is well represented in each of the eight super sectors with between one and three companies. It is also unsurprising that Basic Materials (i.e. mining) is the focus of many of the African companies. The only other significant concentrations are Industrials in India and Consumer Services in Continental Europe.