AIM Advisers, Inc.
Maximizing Present & Future Value

1223 Wilshire Blvd., Suite 1855, Santa Monica, CA 90403
mmcgowan@aimadvisers.com
+1 310 903 0322

About AIM Advisers
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 56 U.S.-based companies that are already listed on AIM.

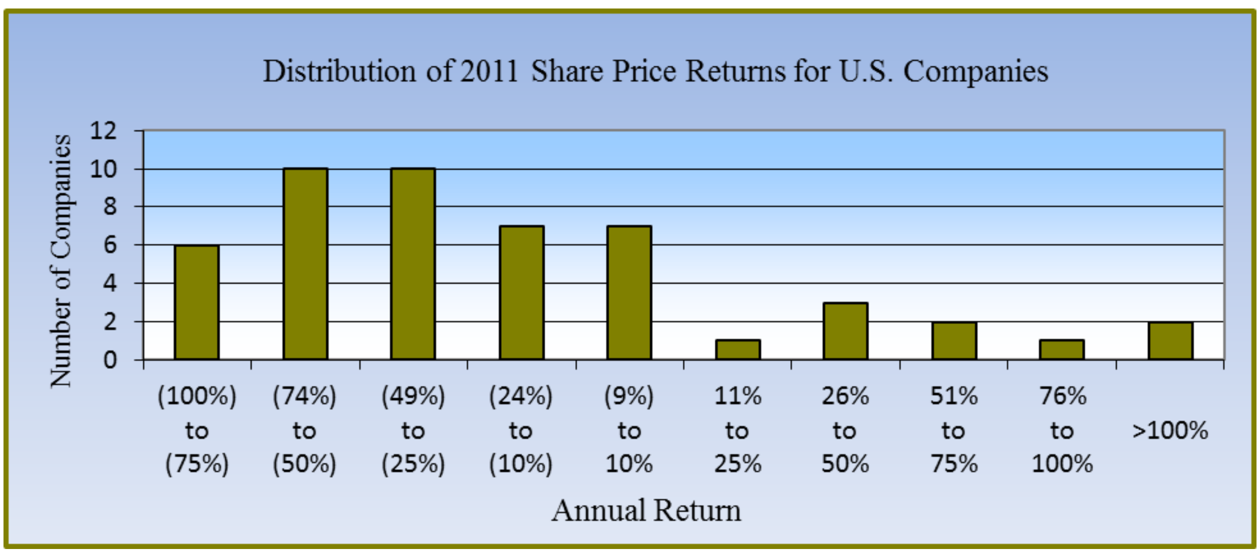
U.S. Company Performance – Share Price and Liquidity – 2011

Highlights

- U.S. domiciled companies* achieve a weighted return of 1%
- Foreign domiciled U.S. operating companies** achieve a weighted return of 23%
- In aggregate, U.S. weighted return of 20% vs. FTSE AIM All-Share Index loss of 26%
- Significant liquidity difference between U.S. and foreign domiciled U.S. companies

There were 23 U.S. domiciled and 33 foreign domiciled U.S. operating companies listed on AIM as of the beginning and end of 2011, with seven delisting and seven joining via IPO during 2011. Of the seven U.S. companies that left AIM; one was acquired by another U.S. AIM-listed company for six times its, arguably depressed, market cap, one completed its AIM IPO in 2003 and a NASDAQ IPO in 2007 and had now fully integrated itself into the U.S. public markets, one completed its AIM IPO in 2006 and a NASDAQ IPO during 2011 and chose to delist from AIM, one acquired a 70% stake in a NASDAQ listed company a couple years ago, recently acquired the vast majority of the balance and took over the targets NASDAQ listing and delisted from AIM and three failed with two going private and the other restructuring itself into a non-U.S. focused investment company. The seven additions to AIM from the U.S. were all via IPO.

The seven U.S. companies that left AIM are not included in the chart and analysis below because most happened to delist in January or their market caps were relatively small, therefore, the effect on the share price return analysis would be immaterial. The seven that joined AIM are also not included because their IPOs occurred during the second half of 2011.



* U.S. operating companies listed on AIM directly through a U.S. entity.
** U.S. operating companies listed on AIM through a U.K. or tax efficient jurisdiction with central operations and/or decision making in the U.S.

AIM Advisers, Inc.
Maximizing Present & Future Value

1223 Wilshire Blvd., Suite 1855, Santa Monica, CA 90403
mmcgowan@aimadvisers.com
+1 310 903 0322

The weighted returns in the table below were calculated using the average market capitalizations of the companies during the year, similar to how an index fund would calculate returns.

Index	Unweighted	Weighted
U.S. Domiciled Companies	(20%)	1%
Foreign Domiciled Companies	(15%)	23%
FTSE AIM All-Share Index	N/A	(26%)

The weighted return contributions for the U.S. domiciled companies were tightly packed between +1% and -3% with five exceptions; three companies contributed weighted losses in the 7% - 9% range (absolute losses ranging from 60% to 69%) and the other two companies contributed weighted gains of 13% and 24% (absolute gains of 82% and 237%). One of the gainers filed a registration statement with the SEC during 2011 for a proposed U.S. IPO and intends to remain listed on AIM after the completion of its U.S. IPO. The weighted return contributions for the foreign domiciled U.S. operating companies were also tightly packed at +/- 5% with one exception. This company contributed a 27% weighted gain (absolute gain of 141%) and is one of the largest companies on AIM with a market cap equivalent to $1.7 billion.

In some respects, weighted results are a self-fulfilling prophesy. Companies with increasing share prices, and therefore increasing market capitalizations, become more heavily weighted relative to those with decreasing share prices/market capitalizations. In addition, a company that is performing well has a better chance of completing a secondary offering and for its share price to hold up relative to the dilutive effects, further increasing its market capitalization and relative weighting. When these factors are controlled for by weighting the companies' returns by their market capitalizations as of the beginning of 2011, as expected, the 21 U.S. domiciled companies lost 33% and the 28 foreign domiciled U.S. operating companies gained 9%.

In terms of average monthly liquidity (see the table below), the foreign domiciled U.S. operating companies outperformed the U.S. domiciled companies on both measures and the AIM market as a whole on one of two measures. In more normal times, all of the weighted results exceed all of the unweighted results, reflecting the positive relationship between a company's liquidity and its market capitalization. The unweighted results represent the level of monthly liquidity that the average company can expect to achieve.

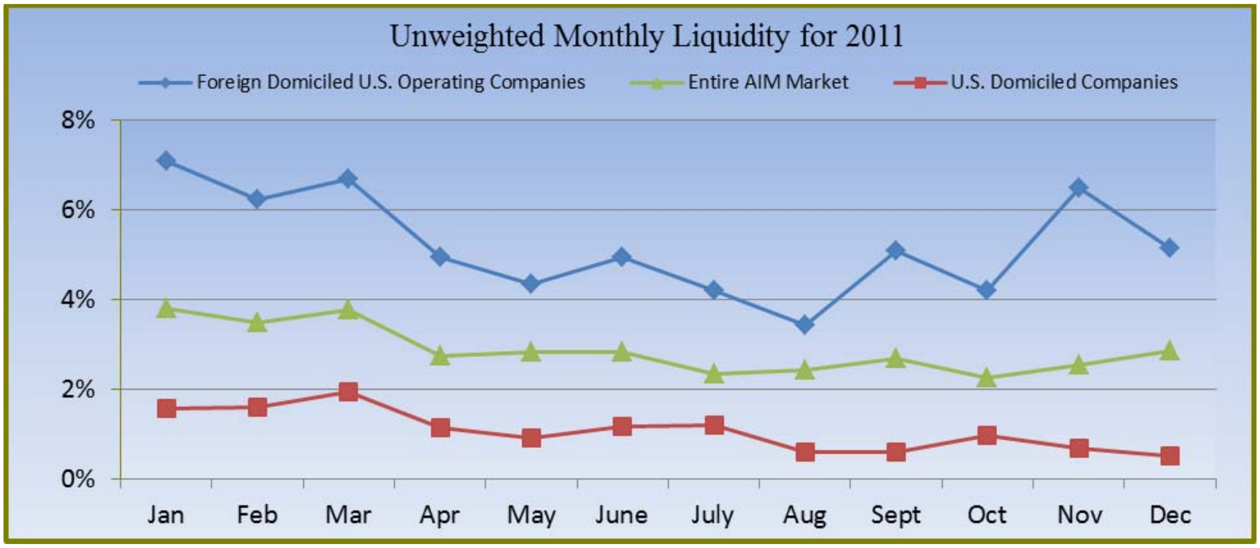
The reversal of this relationship for both categories of U.S. companies indicates that relative trading volumes were slightly larger for companies with smaller market capitalizations. For the U.S. domiciled companies, this was likely the result of investors exiting small companies in which they were no longer comfortable with the risk/reward relationship, as evidenced by their share price underperformance relative to the foreign domiciled U.S. operating companies. For the foreign domiciled U.S. operating companies, the reversed relationship likely reflects a slight bias towards investment in smaller companies that are viewed as undervalued.

Average Monthly Liquidity	Foreign Domiciled U.S. Operating Companies	U.S. Domiciled Companies	Entire AIM Market
Weighted	3.82%	0.94%	4.31%
Unweighted	5.23%	1.07%	2.87%

AIM Advisers, Inc.
Maximizing Present & Future Value

1223 Wilshire Blvd., Suite 1855, Santa Monica, CA 90403
mmcgowan@aimadvisers.com
+1 310 903 0322

The chart below provides the monthly detail of the unweighted liquidity for each of the three categories in the table on the previous page. The slight negative slope during the first eight months of 2011 and the slight positive slope during the final four months of 2011 is identical to the pattern exhibited during 2010, although, this is not because of seasonality. The launch of QE2 during the summer of 2010 and the debt ceiling debate et al. during the summer of 2011 created volatility within the global equity markets.



The key takeaway from the chart above is that there is a liquidity advantage for U.S. companies that list on AIM via a U.K. holding company. The four main reasons being:

1. Once the Reg. S period expires, the IPO shares can trade directly within CREST
2. Pre-IPO shares not subject to Reg. S can immediately trade directly within CREST
3. Articles of incorporation fully conform to U.K. law, providing comfort to U.K. investors
4. Institutional investors only allocate a portion of their investments to non-U.K. companies

Nevertheless, irrespective of where a company is domiciled, liquidity can be improved. The reasons for a lack of liquidity are often company specific and not obvious. As a consequence, thoughtful and thorough investigation is needed in order to formulate actionable solutions. Several strategic decisions can be taken during the planning of the IPO to minimize the risk of lack of liquidity becoming a problem in the first instance; including, selection of the most appropriate Nomad, Broker(s), financial PR/IR firm and Independent Equity Research firm.