

PRESS CUTTING

FINANCIAL TIMES

25 August 08

All eyes on Norcon IPO

Next week will see that rarest of beasts, an initial public offering on Aim.

Not surprisingly, London's junior market has been feeling the pinch this year. There were just 31 listings in the first six months compared with 90 in the first half of last year and just £830m has been raised this year compared with £3.3bn a year ago.

Nevertheless, the company stepping up to the plate next Monday is Norcon, a project management company. It will not significantly boost Aim's statistics for the second half as it is raising just £1.5m, giving it a market capitalisation of £28m.

Norcon is Isle of Man-registered, with a management team composed of Norwegians and Cypriots. More than 90 per cent of its revenues are from Saudi Arabia.

Norcon wants to use its listing to enhance its business profile, incentivise staff, and provide another currency for acquisitions.

But what it hopes will separate it from being just another company with a dream is its 50-year track record of performance. Its project management and outsourcing services mainly facilitate the planning and deployment of telecom networks and it has been active in Saudi Arabia since 1969. It even managed the implementation of the telecom network from 1994-2001, so it is not a new company jumping on the bandwagon.

JM Finn, its broker and nominated adviser, is forecasting sales of \$75m (£38m) and pre-tax profits of \$10.9m.

Investors will no doubt be wary of new issues after the experience of Cadogan Petroleum this week. Listed a month ago, its shares were initially suspended, then halved as trading resumed amid uncertainty over ownership of its Ukrainian oil licences. Although Cadogan was on the main market, London could do with a successful IPO.

philip.stafford@ft.com