

## How to go public on NYSE Euronext?

Companies looking to go public need to select their advisors and choose the market on which they want to be listed: Euronext, the regulated market of NYSE Euronext in Europe, or Alternext.

### Choosing the market best suited to the company's size and ambitions

**Euronext** is a regulated market. Companies listed on Euronext are only subject to a number of rules decreed by the EU and applicable to all regulated markets within the EU. This harmonised environment, particularly in terms of financial reporting and accounting standards, provides direct access to a very large base of investors. For greater clarity, Euronext is segmented according to market capitalisation:

- **Compartment A:** companies with a market capitalisation of more than €1 billion;
- **Compartment B:** companies valued between €150 million and €1 billion;
- **Compartment C:** companies with a market capitalisation of less than €150 million.

**Alternext** is a market offering simplified access and fewer obligations. Intended primarily for midcap companies, it is also open to a wide range of investors.

The market is controlled but not regulated in the sense of EU directives. Companies looking to be listed on Alternext have to choose a listing sponsor to help them during the admissions procedure and guide them throughout their life on the exchange.

### Choosing your country as point of entry

When going public on NYSE Euronext, companies have the choice of their point of entry: Belgium, France, Portugal or The Netherlands. The regulator chosen will be linked to the country's choice. Each company can find the market place which best suits to its activity.

MAIN ELIGIBILITY CRITERIA		
	Euronext	Alternext
Minimum distribution	Minimum of 25% of share capital or 5% if this represents at least €5 million	€2.5 million (public offer) €5 million (private placement)
Past financial statements	3 years certified financial statements	2 years financial statements, with the last year certified
Accounting standards	IFRS	Domestic or IFRS
Documents to be provided	Prospectus approved by the regulator	Prospectus approved by the regulator or offering circular without approval in the case of a €5 million private placement with a number of qualified investors

In addition to these two markets, there is also the *Marché Libre*, targeted at small and medium-sized companies looking to access the financial market without having to meet the eligibility criteria of other NYSE Euronext markets. This market targets primarily well-informed investors.

## Selecting advisors to support the company

### FINANCIERS

#### Investment services provider (ISP)

The investment services provider (ISP) is a financial intermediary, generally a bank, that acts as an intermediary between the company and other market operators to sell the company's shares to the public. It is a member of NYSE Euronext's markets. Its role also consists of advising management throughout the process, particularly in procedures concerning market authorities. The ISP also coordinates the work of the other parties involved. Its research department analyses and evaluates the company, while its sales traders help management to place the shares. During the early stages of the process, the ISP can carry out pre-marketing to test out investors' appetite for the company's shares and their position on the chosen valuation.

Depending on the size of the offer, the company chooses one or more ISPs. If more than one ISP is chosen, a specific role is allocated to each one and one is designated as lead manager.

In the past, these duties were performed by brokerage firms, which are now ISPs.

#### Listing sponsor

A company looking to be listed on Alternext must have a listing sponsor to help it with its listing preparations and guide it throughout its life on the exchange.

Listing sponsor status is granted by NYSE Euronext to investment services providers (ISPs), as well as audit firms or corporate finance specialists. The listing sponsor is responsible for putting together the prospectus and carrying out audits. It helps the company to meet its legal requirements and Alternext rules, once listed.

### ADVISORS

Before being listed, companies often have to carry out a number of legal and accounting procedures. If the company does not have the appropriate internal resources to carry out these procedures, it will be useful to surround itself with service providers with expertise in the stock market:

- solicitors or lawyers;
- accountants;
- statutory auditors;
- tax advisors;
- communications advisors.

#### A few tips on how to choose

*As with any business partner, it is important to talk to a number of service providers and check their references. Do not hesitate to challenge them with each other and make sure that they are right for the size of your company, its ambitions and the characteristics of the offer.*

## Communications: a key role in convincing investors

### Meeting with investors and the press

Going public is similar in a number of ways to launching a new product. In both cases, a marketing and communications phase is essential in order to sound out the market and create a feeling of expectation. This is the responsibility of the ISP, whose financial analysts enjoy close relationships with potential investors, and the communications agency, which is used to organising meetings with financial analysts and the financial press. Together, they help the company to prepare its presentations. At a later date, they organise group meetings (meetings with analysts and managers) or personalised meetings, as well as press conferences.

### The prospectus, a standard document

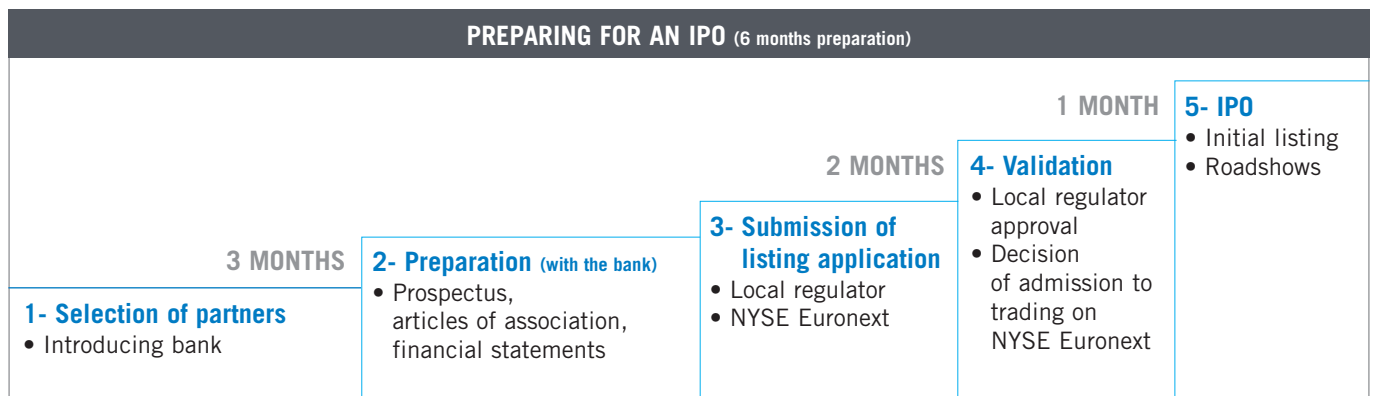
The prospectus, the main tool for a company to communicate with investors, is prepared by the investment services provider (ISP) or listing sponsor.

It comprises primarily:

- a legal and business presentation of the company;
- financial reports for previous years;
- the company's history and a presentation of its management team;
- the company's strategy and outlook;
- information about the offer.

The prospectus must be approved by the local regulator in order for the company to be listed.

The prospectus can take two forms: a single document or three separate documents (a registration document, a securities note and a summary note).



### GOING PUBLIC INVOLVES:

- **CHOOSING** the market on which your company wants to be listed, Euronext or Alternext;
- **SELECTING** the advisors that will help the company during the process;
- **ORGANISING** communications with investors and the financial press.