



PRESS RELEASE

**The Quoted
Companies Alliance**

THE EUROPEAN COMMISSION LEND A HAND TO SQCs

20 January 2009

The Quoted Companies Alliance (QCA), the representative body for small and mid-cap quoted companies, has been campaigning for a number of changes to the Prospectus Directive that will make raising capital easier for SQCs, especially in today's economic climate.

On 9th January 2009 the European Commission launched a consultation as part of its review of the application of the Prospectus Directive. The consultation covers a number of important issues affecting SQCs (Smaller Quoted Companies).

Following the QCA's active lobbying activities related to the review, it is pleased to note that the European Commission have included within the consultation the following proposals:

- Simplification of the prospectus document for SQCs.
- Increasing the current amount which can be raised annually without having to comply with the Directive from the current level of €2.5m. The QCA is recommending that this figure be raised to €10m.
- Removal of the need for a prospectus in relation to an offer to existing shareholders.
- Exemption of issues under Employee Share Schemes from the prospectus requirement.

When changed these proposals would simplify and speed up procedures for SQCs raising money as well as saving them considerable cost.

QCA member Mike McLaren, Group Finance Director of Alphameric plc, said that "These changes would help companies like ours continue to grow. With more appropriate regulation and more cost effective ways for us to raise money, this is a step in the right direction."

John Pierce, Chief Executive of the QCA, commented "After several discussions with the European Commission it is good to recognise that they have understood the need for changes and that SQCs have different needs from those of larger issuers. One size does not fit all!"

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Notes to editors

The Quoted Companies Alliance (QCA) represents the UK's Smaller Quoted Companies (SQC). The SQC sector is defined as those 2,000 companies that are listed on the London Stock Exchange outside the FTSE 350, plus those quoted on AIM and PLUS.

The QCA was founded in 1992 and has been consistently successful in campaigning among City, UK Government and EU circles on a range of issues affecting the sector, including corporate governance, taxation and market regulations.

The QCA was instrumental in the establishment of AIM and continues to fight for a regime of lighter touch regulation to assist growing companies. It represents them to Westminster, Whitehall and Brussels and is their advocate in all issues that affect them.