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 **Isle of Man Funds**
Giving you Freedom to Flourish

Isle of Man International AIM Flotation Jurisdiction of Choice

in association with
The London Stock Exchange



Isle of Man
Government

Reiltys Ellan Vannin

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Welcome and Introduction

- **Brian Donegan**
- Director of Foreign Direct Investment
- Isle of Man Government, Treasury



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Isle of Man - Overview

- Crown Dependency (Not part of UK/EU)
- Politically and economically stable
- AAA Standard & Poor's and Moody's Sovereign Rating
- Leading edge communications infrastructure
- Convenient location to London

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Isle of Man - Overview

- Financial services represents approximately 39% of GDP
- Mature and extensive corporate and fund administration sector
- Zero rate of corporate tax
- Personal tax cap of £100K per year

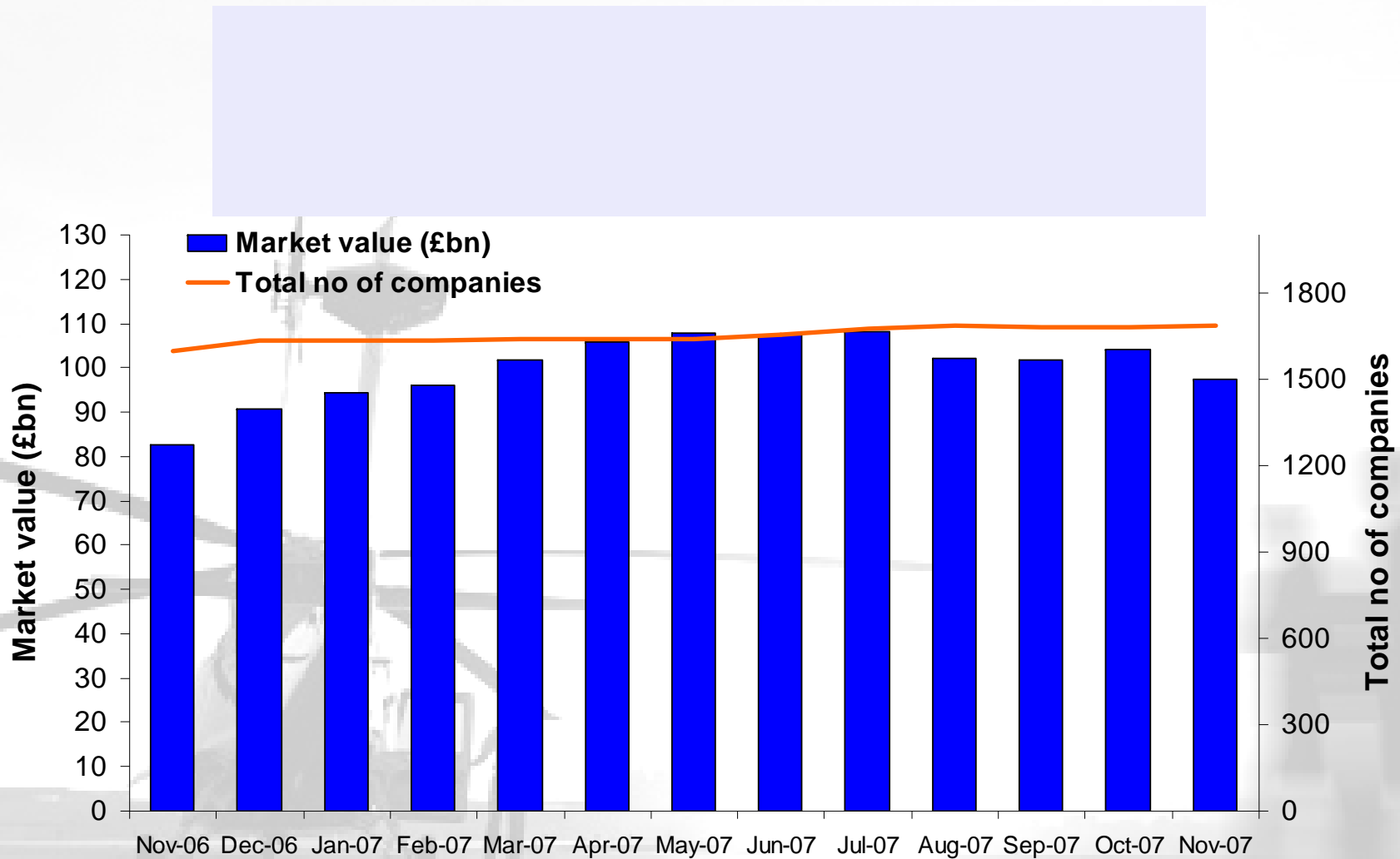
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The AIM story so far

- 1,684 companies admitted to trading
- 340 international/1,344 are domestic (including IOM)
- 72 approved nominated adviser firms
- Total market capitalisation of AIM companies is £97 billion
- 5 per cent of all AIM traded companies are Isle of Man incorporated

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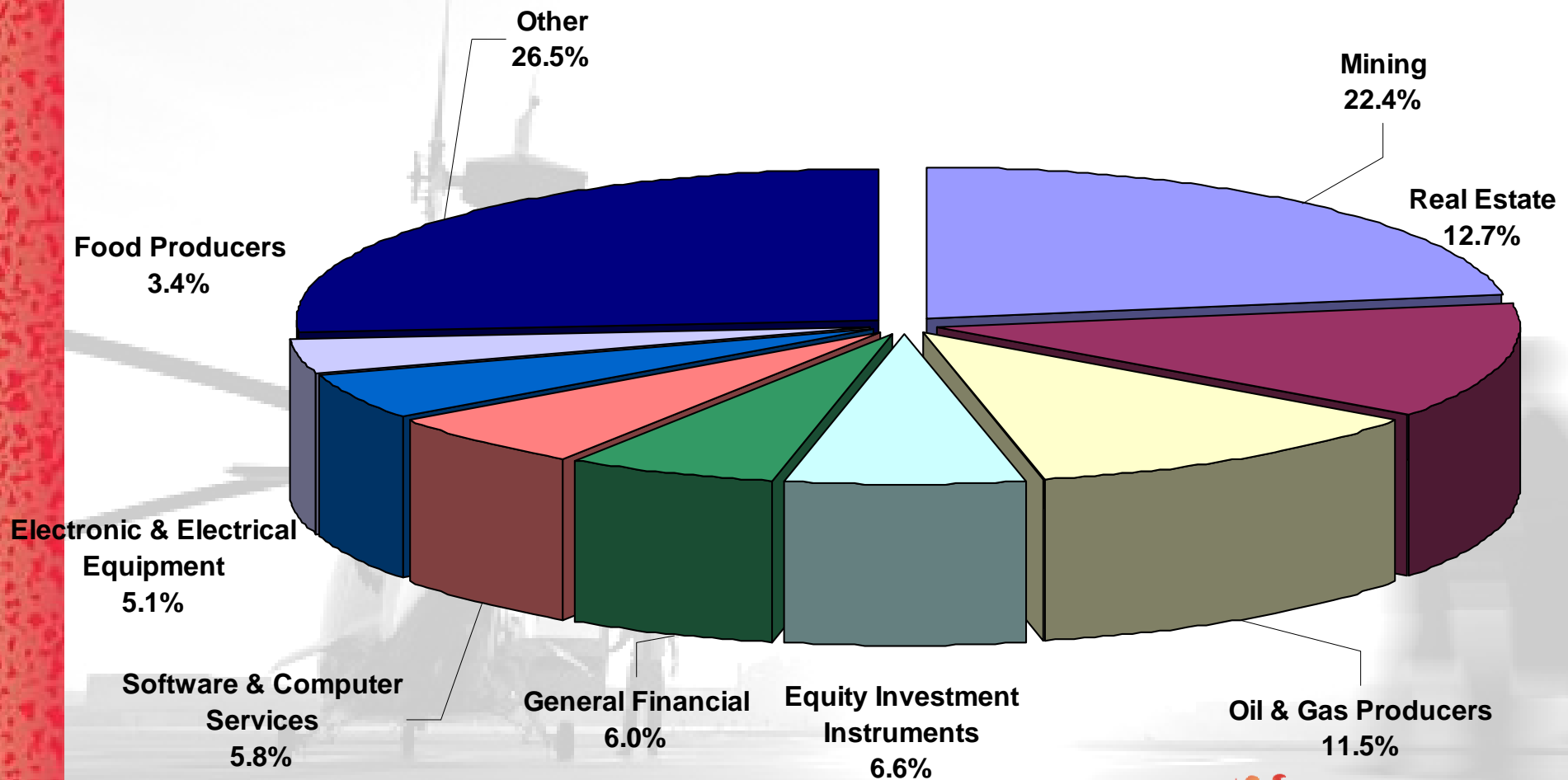
AIM market value and total no of companies November 2006 to November 2007



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Sector distribution of international AIM companies by market value

November 2007



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Source: London Stock Exchange

Success factors for IOM with AIM

- High quality and certainty of legal, fiscal and regulatory environment
- No fund regulation of closed-ended investment companies
- Public/private sector joint marketing initiatives
- Quality of professional infrastructure (Lawyers/Administrators/Accountants)
- Value for money (fees etc)

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Success factors for IOM with AIM

- Island perceived as investment grade
- Viable alternative to Channel Islands and Caribbean
- European time zone
- English speaking
- Speed and ease of access from London to IOM meetings

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Some recent examples of Isle of Man incorporations are:

- **Speymill Deutsche Immobilien Company Plc**
- IOM incorporated Public Company
- Investing in German real estate
- Floated on AIM, March 2006
- Capital raised: £170 m

- **Nikanor**
- IOM incorporated Company
- Investing in Cobalt / Copper mining
- Largest valued (\$400 m) AIM floatation in 2006.

- **Clean Energy Brazil**
- Isle of Man incorporated company.
- Investing in integrated sugar and bioethanol production in Brazil.
- Floated on AIM December 2006.
- Capital raised: £100 million.

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What is the IOM AIM opportunity

- **International Businesses**
 - - Take advantage of increasing popularity of AIM to raise capital
 - - International businesses with international shareholder base may benefit from using an offshore vehicle
- **Closed-ended Investment Companies**
 - - Alternative funds expertise on Island makes it a good base for closed-ended investment companies
 - - Not subject to fund regulation
- **E-Commerce Businesses**
 - - Island keen to attract e-commerce businesses to relocate
 - - Inward investment incentives available
 - - Flexible regulatory framework – e.g. E-gaming

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IOM Key features

- Zero rate corporate tax
- Personal income tax cap of £100K
- Familiar and simple corporate vehicle
- Closed-ended investment companies not subject to fund regulation
- No regulatory pre-approvals or fees

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IOM Key features

- Shares can be held through CREST
- Wide-ranging prospectus exemptions
- Need a licensed corporate service provider to act
- CSP is a mature sector with many providers and range of expertise
- Alternative fund administration experience

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Forthcoming developments

- **Protected cell companies**
 - - Currently only available for funds and insurers
 - - Expected to be rolled out for all companies soon
- **New corporate legislation being introduced**
 - - Based on latest international models
 - - Speed of incorporation, flexibility and ease of administration

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Professional Services provided to the company from the Isle of Man

- Tax advisors
- Advocate
- Administrators
- Custodian
- Property Manager
- CSP services (for SPVs)
- Director (main board)

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Professional Services provided from the U.K

- Nominated advisor
- Solicitors
- Placing Agent

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The role played by Isle of Man Finance

- To carefully position the Isle of Man as a desirable jurisdiction in which to incorporate and administer AIM vehicles by raising awareness via
 - Relationship building with London based AIM lawyers, NOMADs and corporate advisers
 - Building profile and awareness of the Isle of Man opportunity at key conferences.
 - Selling the Isle of Man proposition to international businesses and convincing them of the compelling business case for using the Island.

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A Competitive Location

	Channel Islands	Isle of Man
Square Miles	150	225
Population	160,000	75,000
Detached House Price	£600,000	£300,000
Average Accountant Salary	£40,000	£30,000
Staff Turnover	30%	7%
Average time to obtain work/housing permit	1 month	4 days
Closed-ended companies regulated as funds ?	Yes	No
Speed to Launch	6-8 weeks	3-4 weeks
Corporate Tax Rate	20%	Zero

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The quality international AIM vehicle

- Lawyers increasingly using IOM
- Capacity for new business
- Speed and flexibility
- Highly cost effective
- Strong skill base/fund expertise
- Reputation for quality – key to Institutional Investors
-a growing success story...
- ***and Freedom to Flourish***

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Contact details

- **For more information, please contact**

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