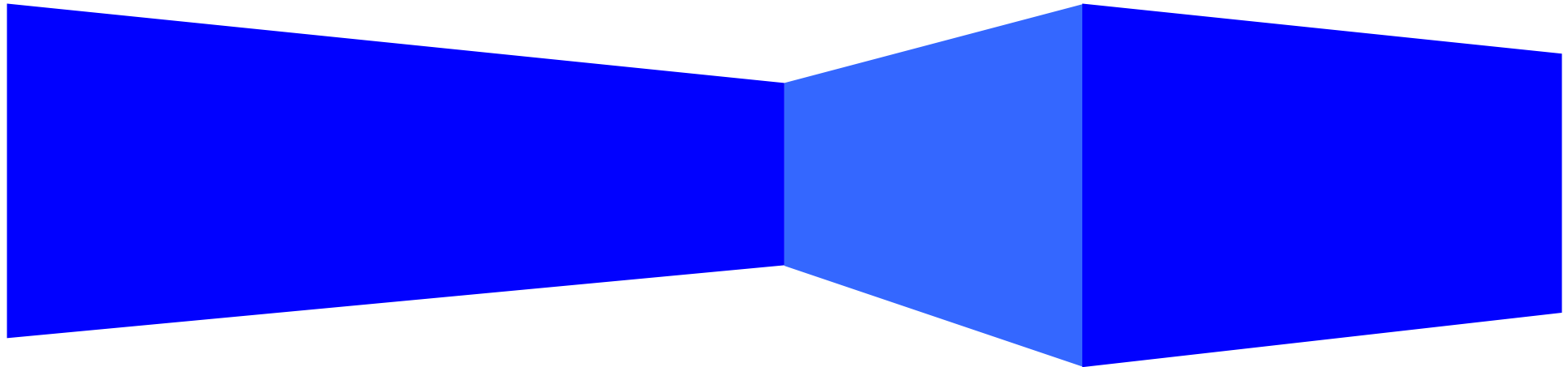




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Shari'ah financing alternatives on the London Stock Exchange

Raquel Hughes
Head of Product Management



London, June 2008

Shari'ah products on the London Stock Exchange

- # Sukuk - stand alone securities and issuance programs
- # Shares of Shari'ah compliant companies (banks, funds...)
 - # The widest choice of markets
- # Global Depositary Receipts
- # Exchange Traded Funds
- # Indices



Evolution of Islamic finance offering on the Exchange markets



4 sukuk

4 sukuk



3 ETFs

3 ETFs

2 programs

1 program

14 sukuk

3 sukuk

11 sukuk



IBB

EIIB
IBB
SC

EIIB
IBB
SC

EIIB
IBB
SC

2004

....

2006

2007

2008



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Sukuk admissions

<i>Sukuk Issuers</i>	<i>Money raised (£m)</i>	<i>Date</i>	<i>Due Date</i>
	6,526.46		
Aldar - Sukuk funding No2	521.00	17/062008	17/062013
Tabreed 08	238.00	19/05/2008	19/05/2011
Central Bank of Bahrain	176.00	20/03/2008	20/03/2013
RAKIA Sukuk	158.00	10/12/2007	10/12/2012
JAFZ Sukuk Ltd	1,000.00	21/11/2007	27/11/2015
Dana Gas Ltd	500.00	02/11/2007	31/10/2012
Nig Sukuk	232.00	16/08/2007	16/08/2012
Qatar Alaqaria Sukuk Company	150.00	03/08/2007	03/08/2012
DP World Sukuk Limited Trust	750.00	03/07/2007	02/07/2017
GFH MTN drawdown	100.00	26/07/2007	26/07/2012
EIB Sukuk	176.00	13/06/2007	12/06/2007
URC Sukuk ktd	100.00	13/06/2007	13/06/2012
IIG Funding Limited	100.00	10/06/2007	10/07/2012
DIB SUKUK CO LTD	384.09	26/03/2007	22/03/2012
Al Dar Funding Ltd	1,295.67	09/03/2007	10/11/2011
ADIB Sukuk Company Ltd	417.72	31/12/2006	12/12/2011
SIB Sukuk Company	118.61	16/10/2006	12/10/2011
Tabreed 06 Financing Corporation	109.37	21/07/2006	20/07/2011
<i>Issuance Programs:</i>			
HSBC - HBME Sukuk company ltd	5,000	08/01/2008	08/01/2009
NIG Sukuk Programme	750	15/08/2007	15/08/2008



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Why choose the London Stock Exchange?



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3-4%
underwriting fees
compared to 6.5-7% in US

Cost

The cost of capital at both IPO stage and beyond is lower in London than in other major European and US financial centres

Regulation

Intelligent approach to regulation and high standards of corporate governance

Gateway to European Union the largest market in the world, accounting

for

31%

of global GDP

The globalisation of international companies

London is the gateway to the European Union for companies who want to access the world's largest market.

Why choose the London Stock Exchange?

US\$ 4,000 bn

are managed out of London

**Access to the world's largest pool
of international investment funds**

London based institutional
investors are more internationally
focused with 43.5% of total UK
equity assets under management
invested in international equities



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6 milliseconds

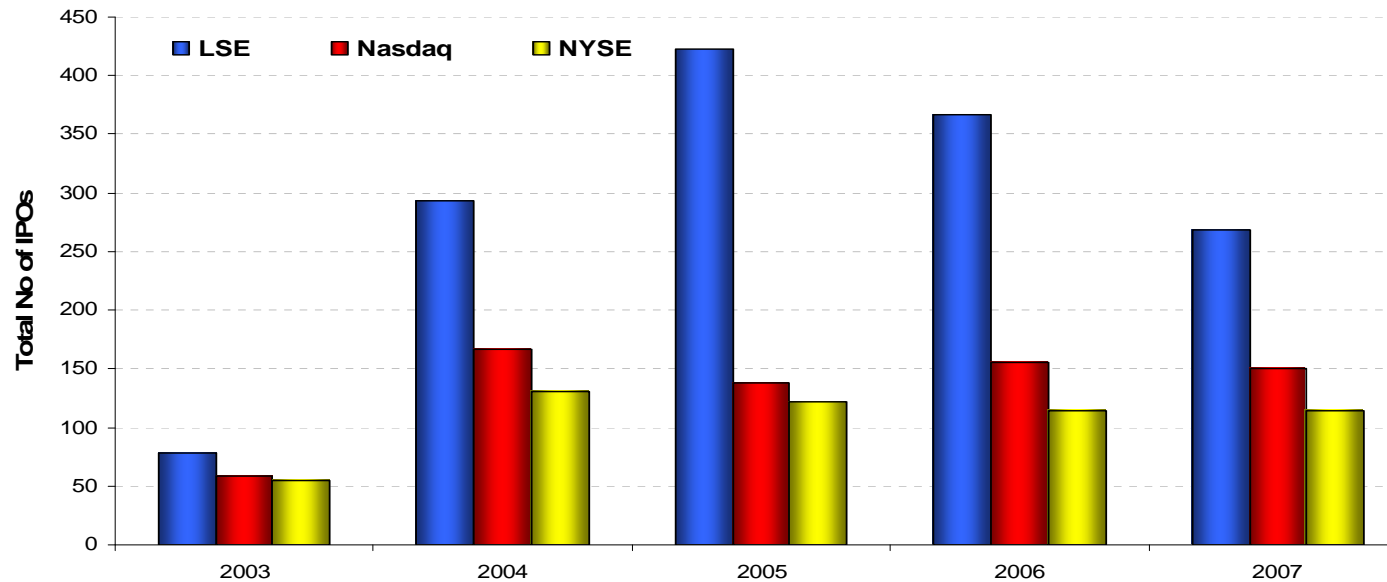
average latency on our systems

**The most liquid international
trading market**

Last year the London Stock
Exchange completed a major
overhaul of its new trading
systems with the introduction of
the TradElect trading system

London – the international capital market

Total number of IPOs on the LSE, Nasdaq and NYSE (last 5 years)



The most international market in the world

There are now over 700 overseas companies on the London Stock Exchange from 70 countries, with a combined market capitalisation of over \$4.6 trillion.

In 2007, London saw 269 IPOs raising US\$ 52 billion – of these 95 were international companies representing 24 different nations



Global centre and partner of choice

- # London's experts have considerable experience with Islamic finance
- # Five Islamic banks exist in the UK and most of the London based banks have Islamic finance desks
- # Favourable tax regime avoids over taxation of Islamic products
- # Most of the worldwide deals are done under English law
- # The regulatory regime in the UK is principles based and regarded as efficient, fair and open minded. The UKLA maintains teams of dedicated readers that provide full support and direct access to the regulator
- # The UK government is keen to promote Islamic Finance



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Outlook for the future

- Role of the conventional and Islamic banks.
- The UK sovereign issue
- Standardisation and Shari'ah Boards
- Establishment of a liquid secondary market.
- MTS, part of the London Stock Exchange Group, the global bond platform
- Position of London as the partner of choice for the Islamic Finance industry



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