

'European stock exchanges future alternative to US'

By NADAV SHEMER
10/28/2012 23:55

European stock exchanges are more welcoming to Israeli companies than 2 decades ago and will provide long-term alternative to US.



PHOTO: COURTESY CUKIERMAN AND CO.

European stock exchanges are more welcoming to Israeli companies than they were two decades ago and will provide a real long-term alternative to the US, according to the chairman of Cukierman and Co. Investment House, Israel's largest European-focused investment house.

Speaking to *The Jerusalem Post* on Sunday, one day ahead of his firm's annual Go4Europe conference, Edouard Cukierman said European investors perceived Israeli companies as risky when his investment house was established in 1993. But increasing European familiarization with Israeli technology has helped overturn that perception, he said.

"It was not easy to sell Israeli equities to Europeans," Cukierman said about the first attempts to take a company public. In addition to European reluctance, it was too difficult to find an Israeli company that was ready to move to a stock exchange on the continent, he said.

No Israeli company conducted an initial public offering in Europe before 1997, but things have changed markedly since then.

Eighty-four Israeli companies raised money on the continent through IPOs by the end of 2011. Israeli firms conducted more IPOs in Europe than they did in the US between 2005 and 2011.

Cukierman and Co. Investment House has engaged in transactions worth almost 4 billion euros through private placements, IPOs and mergers and acquisitions. It has facilitated more than half the IPOs involving Israeli companies in France, Germany and Switzerland. But it has been less involved in the UK, where most Israeli companies have gone public on the Alternative Investment Market for smaller growing companies.

In addition to greater awareness, Cukierman believes Europe is an attractive long-term alternative to the US because going public on the Nasdaq requires a market cap of at least \$200 million – an unattainable figure for most Israeli companies.

Plus, he added, regulatory issues will ensure that things do not get any easier in the US.

Cukierman's father, Roger, a board member of Cukierman and former CEO of the Edmond de Rothschild banking group, also participated in Sunday's interview. He provided a general view of the economic situation in Europe, arguing that the worst of the euro zone's currency problems are in the past, but that growth can only be spurred by embracing "the innovative spirit" of countries such as Israel.

Cooperation between Europe and Israel could prove effective for the Europeans, Cukierman senior said.

While big American multinationals such as Google, Apple and Motorola conduct much of their research and development activities in Israel, European companies have not yet taken full advantage of Israeli expertise, he said.

"All the big American companies adopted this as a general policy," he said, but "the Europeans can do much more."