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Brokerage firm Newedge postpones its initial public offering
(Translation made by Calyon from the Reuters' article in French)

by Matthieu Protard

PARIS, January 22 (Reuters) – A year after its operational launch, Newedge, a joint subsidiary of Calyon (Crédit Agricole Group) and Société Générale in the brokerage of listed derivatives, stated that it was “reasonably optimistic” about 2009 and was postponing its initial public offering.

"Given the situation on the financial markets, the partial initial offering has been delayed. It is not a current priority", said Patrice Blanc, the CEO of Newedge, a brokerage firm formed by the merger of Calyon Financial and Fimat, at a press conference on Thursday.

At the time of the operational launch in January 2008, Calyon and Société Générale stated that they were planning an initial public offering within 18 to 24 months.

"The idea is to offer between 20% and 25% of Newedge's capital. The company's two shareholders wish to retain a majority stake", added Patrice Blanc after the meeting.

Asked about acquisitions and a possible opening to new investors separately from the planned IPO, he replied that a change in Newedge's shareholder structure “was currently not planned and that the company would look at all opportunities to make acquisitions.”

Unable to comment on Newedge's 2008 financial statements, Patrice Blanc said that the company had EUR 63 billion in client assets on deposit in 2008.

Last year the company executed and cleared more than three billion listed derivatives contracts and claimed global market share in 2008 of 11.9% in clearing listed futures and options and 10.8% in execution.

"We are above all an international company with two French shareholders that is. Less than 10% of our staff is in France, and less than 10% of our revenues are generated in France," insisted Newedge's CEO.

Updating the merger of Calyon Financial and Fimat, Patrice Blanc said that half of the integration was carried out last year and that it would be completed by “the end of 2009 or early 2010”.

"Integration is already complete in Asia," he stated, adding that there were no plans to reduce costs. "There is no question of cutting costs. Our aim is to invest in our development".

Whereas the Kerviel scandal broke almost exactly one year ago to the day (the trader allegedly responsible for a trading loss of EUR 4.9 billion at Société Générale), Patrice Leblanc assured us that this scandal had had no impact on his business.

One of his brokers, who worked with Jérôme Kerviel as part of his duties at Fimat, testified last February (with a lawyer's assistance) before the examining magistrates in charge of the case.

(edited by Jacques Poznanski)

Source: Reuters News