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Raising Funds on AIM

Grant Thornton 

London's AIM takes on International flavour

Companies attracted by investors base and flexible rules

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Kuala Lumpur: More international companies are seeking listing on London's Alternative Investment Market (AIM), attracted by the institutional investor base and flexible regulations, according to Grant Thornton Capital Markets director Fiona Owen.

This is not lost on Malaysian companies, which have shown interest in pursuing a listing on that market.

Owen told StarBiz the number of initial public offerings (IPOs) heading for the AIM had taken on a more international flavour.

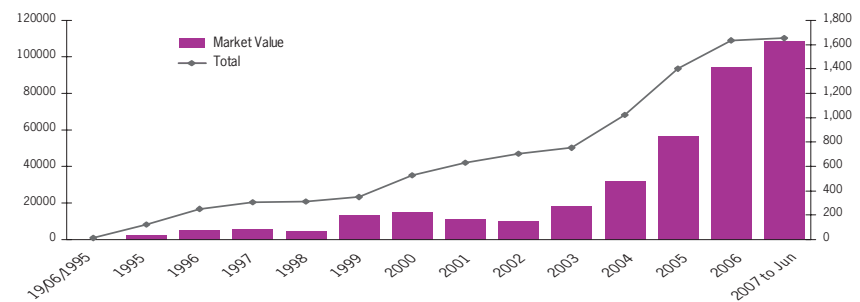
She said a survey showed that 75% of new IPOs going to AIM were from international markets.

"Also the quality of deals and the quantity of funds being raised has increased a lot over the past two years," she said.

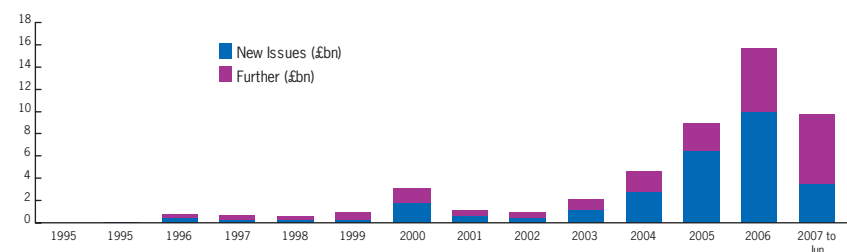
Owen said the attraction of AIM was its deep pool of capital. She also said investors on AIM had a good understanding of certain sectors such as natural resources and London's ability to provide analyst coverage on listed companies.

AIM – key market highlights

Number of companies and market value



IPO funds raised



Money raised

Large institutional investors are investing in AIM

- new IPO capital raised exceeded £9bn in 2006 – more than AIM's first 10 years of fundraising
- new IPO capital raised exceeded £3bn in 2007 to June (total funds raised nearly £10 billion)
- total amount raised in Q2 2007 was highest ever in history of AIM

Grant Thornton leading your way to AIM

She said depending on the sector a company is involved in, it could mean, with the profile London offers, potentially getting a better valuation.

A key advantage of AIM was the ease of follow-up fund raising, which was helpful for growth companies in terms of the time it takes and costs, she said.

“For a company looking at acquisition or growth, it means they can move quickly,” she added.

The London Stock Exchange created AIM in 1995 and started with just 10 companies. Today, there are now over 1,600 listings on AIM.

Owen said the AIM started with listings from British businesses and then evolved into companies with growth strategies involving Britain and Europe.

“But now you are starting to see the market saying, if you have a good

business and a good growth strategy and the returns are timely, then investors will back that company,” she said.

“Ultimately investors are looking at the size of the returns they are going to get.”

Shamsir Jasani Grant Thornton managing partner Datuk N.K. Jasani said there had been good feedback from Malaysian companies on potentially listing on AIM as it offered the advantage of greater flexibility and the time taken to list.

He said many would want to expand into other countries like Indonesia, China and India and therefore find a listing on AIM would give them the benefit of faster secondary fund raising.

“We also see potential of listed Malaysian companies wanting to list on AIM,” he added.

Among the benefits to Malaysian companies listing on AIM is the funding of greenfield operations.

Owen said there were currently two Malaysia incorporated companies listed on AIM. Seven others are incorporated in other jurisdictions that could be identified with Malaysia through their directors or shareholders.

There has also been a listing on AIM to raise funds for investment in Sabah and Sarawak.

Grant Thornton is a leading adviser in terms on funds raised on AIM.

Article from StarBiz dated 22/9/2007 (Saturday)

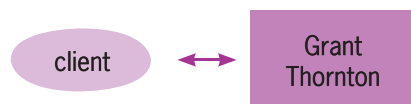


Dato' N. K. Jasani (right), Managing Director of Grant Thornton Consulting, Malaysia with **Fiona Owen**, Director of Capital Markets, Grant Thornton Corporate Finance London.

Advisers to the independently minded

Independent advice

- Grant Thornton has one client and that is you
- autonomous from any broking house we offer truly independent advice



- do not have the conflicts of interest which may arise at integrated nomad/ broker organisations which have to balance their obligations to investors and corporate clients



- long established relationships with all major brokers who are active in the AIM market
- experienced in identifying brokers that are appropriate for the size of fund raising and your sector
- our detailed market knowledge allows us to select the right target broker based on their:
 - analyst and sector specialisms
 - recent track record
 - research capabilities
 - pipeline and workload

Why Grant Thornton?

- International network
- Dedicated South East Asia Group
- Independent Nomad
- Other advisory services
- Local offices in Malaysia
- Close working relationship with Grant Thornton Malaysia

Experienced Nominated Adviser

- active as an AIM Nomad since 1996 and top Nomad by gross amount raised at admission for H1 2007 (£395m)
- advised companies with a combined market cap of over £1bn in 2006
- worked on over 190 Nomad mandates and admitted over 50 international companies on AIM
- ongoing portfolio of over 60 retained Nomad clients
- largest dedicated Nomad team in London
- close involvement with the LSE in promoting AIM internationally and continuously working with new growth markets

AIM new issues

Advisers' performance, by total raised

Nomad	Number of floats	Total raised (£m)	Average price performance (%)
Collins Stewart	26	1484.32	16.74
GRANT THORNTON	13	898.41	23.57
Deutsche Bank	5	768.49	16.68
Credit Suisse First Boston	4	632.47	3.39
HSBC	3	441.31	13.42
Evolution	14	386.56	16.11
JP Morgan Cazenove	6	375.96	11.66
Numis	4	362.47	0.06
Smith & Williamson	5	325.40	19.49
Ernst & Young	4	268.33	1.50
KBC Peel Hunt	13	265.53	2.48
Panmure Gordon	7	260.84	(2.06)
Citigroup	1	235.78	(2.82)
UBS	2	230.70	(14.33)
Canaccord Adams	14	208.03	0.64
Arbutnot	7	169.78	5.27
Bridgewell	7	164.65	(0.32)
KPMG	2	155.80	17.47
Seymour Pierce	11	154.46	1.24
Investec	7	147.16	35.56

The AIM Concept

Key attractions of AIM

Funding

- access to London capital market, one of the deepest pools of capital in the world
- both at the time of listing and for future raisings

Investors

- access to institutional investors
- UK investors tend to be more sophisticated and have a greater understanding of international businesses, which may lead to higher valuations

Regulatory environment

- flexible regulatory environment
- no entry criteria related to size, track record, minimum number of shareholders, etc

Profile

- raises the international profile of a company which is likely to help in international expansion plans

AIM – “A Balanced Approach” to regulation

Flexible admission requirements

- No minimum market capitalisation allows younger companies to access public capital markets
- No trading track record allows new companies to access public capital markets
- No minimum public float allows existing shareholders to seek an AIM admission while maintaining a significant shareholding in the company
- Admission documents not pre-vetted by LSE or UKLA but by Nomad

Streamlined regulatory process once listed

- Secondary raises can be completed without costly public documentation and shareholder approval
- Significant acquisitions / disposals can be completed without costly public documentation and shareholder approval

Key Requirement:

- NOMAD REQUIRED AT ALL TIMES – FLOAT & ONGOING

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