

Winner

On the move

Nawras



A FAST-GROWING BUSINESS DIVERSIFIED ITS FUNDING SOURCES BY UNDERTAKING AN INITIAL PUBLIC OFFERING.

Nawras (Omani Qatari Telecommunications) is now Oman's fourth-biggest company by market capitalisation. Its initial public offering (IPO) in October 2010 raised a total of OMR 182m (around \$472m), at an average book-build price of 702 baiza (there are 1,000 baiza in one Omani rial), giving Nawras an initial market capitalisation of OMR 456m (\$1.18bn). It was the largest IPO since 2005 and the second-biggest of all time in Oman. It was also the first IPO in Oman to employ the use of book-building.

The IPO enabled Nawras to diversify its funding sources from bank loans to equity market investors, made up of retail and institutional investors from Oman, other GCC countries and internationally. As the IPO did not represent an issuance of new shares, the net proceeds accrued to the selling shareholders. The success of the offering took place against a background of challenging and uncertain market conditions that saw many other planned IPOs postponed.

The IPO raised a total of OMR 182m (over \$472m) and positioned Nawras as a top-five Omani company by market capitalisation. At the end of the first day of trading, the share price closed at 740 baiza, with 8,413,003 shares traded, increasing the company's market capitalisation to OMR 480.6m.

The bookbuilding process involved a concerted effort by the Capital Market Authority, the bookrunners and Nawras to inform and

educate investors. It also represented the most efficient market-driven means to balance demand and supply in arriving at a fair market price for the IPO.

Jorgen Latte, chief financial officer of Nawras, says: "Nawras has always adopted a pleasingly different approach and the IPO continued this tradition. The Nawras IPO was the largest in the sultanate of Oman since 2005 and the largest to take place in the GCC since 2009, as well as being the first ever offer in Oman to be completed using the book-build method."

He says one of the key points learnt from the IPO was never to underestimate the need for public information, especially in the retail market and if, as was the case with Nawras, you introduce a first. "Nawras was the first company in Oman to introduce the book-build process and we devoted a lot of time to ensuring that this was communicated clearly both in Arabic and English through various mediums."

PRINCIPAL TERMS

Offering: 260,377,690 common shares, representing 40% of Nawras' total share capital

Subscription closing date: 21 October 2010

Listing: Muscat Stock Market. **Listing date:** 1 November 2010

Bookrunners: Morgan Stanley and BankMuscat

Highly commended

Wataniya Palestine Mobile

The \$50.3m IPO launched by Wataniya Palestine Mobile Telecommunications (WPT) on the Palestine Stock Exchange in December 2010 was one of the largest and most high-profile deals in Palestine. It marked the culmination of the company's financial transformation from a startup in November 2009 to a high-growth, dynamic operator. The IPO offered 38,700,000 common shares priced at \$1.30 per share, representing 15% of WPT's authorised share capital of \$258m. This IPO enabled

the company to diversify its funding from bank loans to equity. Fadi Abdellatif, finance director of WPT, said: "The IPO is the largest of its kind in Palestine since 2000, presenting a unique opportunity for investors to contribute to building the Palestinian national economy."

"Wataniya Mobile ranks second in the number of shareholders on PEX. The IPO showed the interest of the regional and international investors in addition to the Palestinian investors in the Palestinian market in general and in Wataniya Mobile in particular."