



LISTING ON THE ASX

Preparing for IPO



Why list on the ASX?

The ASX (Australian Stock Exchange) is one of the leading exchange groups in the Asia Pacific region. Australia has the world's third largest pool of investable funds and ASX is consistently ranked in the top five exchanges globally for raising capital.

The size and growth of those funds is underpinned by a mandatory superannuation scheme and associated tax benefits. At the same time, around 45% of investment in ASX listed companies comes from international investors in Asia, Europe and North America. With a large and diverse investor base, ASX provides companies with an opportunity to join the global capital stage.

Listing with ASX gives your company access to capital from a broad network of investors in Australia and across the world, driving growth opportunities as you join a very select group on the global stage.

Over 2,000 companies are now reaping the rewards of listing with ASX. ASX offers access to capital in the world's fastest growing region, within a robust regulatory environment, in a country that has recorded 23 years of uninterrupted economic growth.

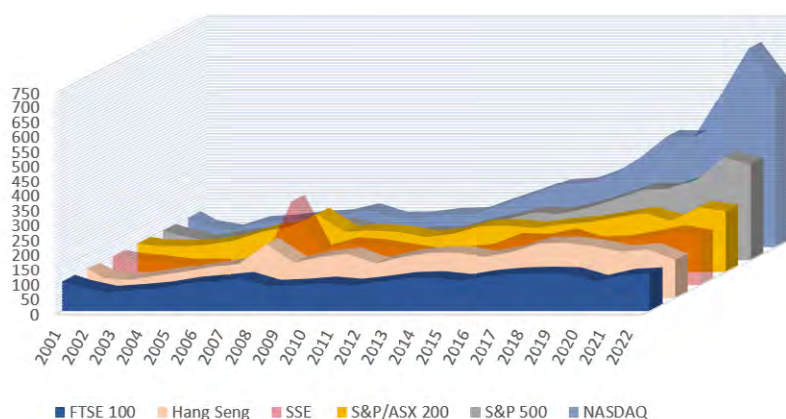
LEVERAGE THE ADVANTAGE OF LISTING

The world's stock exchanges have been listing companies for hundreds of years. There are a multitude of benefits that can enhance your business.

- Access to capital for growth
- Higher public and investor profile
- Institutional investment
- Improved valuation
- Reassurance of customers and suppliers
- A (secondary) market for your company's shares

45%
of ASX listed
investments
come from
international
investors

Global index performance since 2001



Source: Investing.com Rebased to 100 at 1 February 2001

How to have your company listed

There are a number of stages and steps involved in listing your business on the ASX.

MINIMUM REQUIREMENTS

A company must satisfy minimum admission criteria, including structure, size and number of shareholders. See table below.

WORKING CAPITAL

There is no working capital requirement if a company is seeking admission under the profit test (see table). However, if you are seeking admission under the assets test, the company must have at least A\$1.5 million of working capital; or if it does not have this amount, then the working capital must be at least A\$1.5 million if the company's budgeted revenue for the first full financial year that ends after the listing was included in working capital. The prospectus for the offer must also include a statement that the company has sufficient

working capital to carry out its stated objectives.

ONGOING REPORTING

Financial reporting is required on a half-yearly and annual basis in Australia. Certain companies that are listed without a track record of revenue or profit are required to also file quarterly cash flow statements. In addition, mining and oil and gas exploration companies are required to file quarterly reports on cash flow, and activities including changes in tenement interests, issued and quoted securities.

DUAL LISTING – RECOGNITION

Generally, overseas companies are required to comply with the ASX Listing Rules in the same way as an Australian company. However, in limited circumstances, ASX may exempt companies already listed on a major stock exchange from compliance with specific ASX Listing Rule requirements, on the basis of compliance with equivalent requirements on the company's home exchange.

ADMISSION CRITEREA		GENERAL REQUIREMENT
Number of Shareholders		Minimum 400 investors @ A\$2,000
		or Minimum 350 investors @ A\$2,000 and 25% held by unrelated parties
Company Size	Profit Test	A\$1 million net profit over past 3 years + A\$400,000 net profit over last 12 months
	Asset Test	A\$3 million net tangible assets or A\$10 million market capitalisation



WEIGH UP THE CHALLENGES

Meeting the requirements above is not a guarantee of a successful listing. ASX will decide whether listing is appropriate for your company based on the specific circumstances. This decision will impact the result of your application.

Before listing your company on a public market, you'll need to answer some questions about the future of your business. Your first step is to determine whether listing is appropriate, taking into account your company's long-term strategic goals. You should consider both the advantages and the challenges. In deciding whether listing is appropriate for your company, you should also consider the potential obligations and costs of being a publicly listed company.

- Susceptibility to market conditions
- Disclosure and reporting requirements
- Media exposure
- Costs and fees
- Reduced level of control
- Management time
- Director responsibilities

GETTING PREPARED

Directors and managers need to examine a wide range of factors to gauge the organisation's readiness for listing. Professional advisers are usually used to help understand matters, which include:

- What are the organisation's long-term goals and strategies?
- Are there skill gaps at senior management and board level? If so, how will these be filled in a listed environment?
- Are directors and senior managers prepared for greater disclosure, accountability and transparency?
- Is the organisation's culture ready for listing?
- Are there any tax considerations?
- Are strategies in place to retain key employees and customers?
- What initiatives (e.g. acquisitions) need to be completed before listing?

The listing process

STEP 1

APPOINTING ADVISERS

Appointing an experienced team of advisers is essential to the success of an IPO.

Professional advisers typically include:

- A lead manager or corporate adviser
- Investment bank and/or stockbroker
- Lawyers
- Accountants
- Advisers required to provide expert reports in relation to the IPO (e.g. a geologist)

Professional advisers are involved with the preparation of the prospectus (offer document), participate in the due diligence process for the IPO, price the offering and market the offering to investors. They also help with other advice, where necessary, throughout the IPO process.

STEP 2

PREPARING THE PROSPECTUS AND DUE DILIGENCE

The Australian Corporations Act contains a general disclosure test for prospectuses. It stipulates a prospectus must contain all the information that investors and their professional advisers would reasonably require to make an informed assessment about:

(a) The rights and liabilities attaching to shares offered

(b) The assets and liabilities, financial position and performance, profits and losses and prospects of the share issuer

The due diligence process is run at the same time as the prospectus is drafted.

The due diligence process is guided by a committee, comprised of representatives of the company and other parties potentially liable under the prospectus. This is to help ensure the prospectus meets legal requirements, and that any parties with potential liability can rely on due diligence defences in law.



STEP 3

COMMENCE INSTITUTIONAL

The Corporations Act strictly limits advertising of an IPO prior to lodgement of the prospectus with Australian Securities and Investment Commission (ASIC). However, certain marketing activities can be undertaken to institutional investors, including IPO roadshows. These are a series of meetings between the company, investment bankers and institutional investors used to generate interest in the offer.

STEP 4

LODGE PROSPECTUS WITH ASIC

An 'exposure period' of seven days starts from the date of lodgement. During this time the prospectus is made available for public review and comment, and during this period the company cannot accept any applications under the offer.

ASIC can extend the exposure period to up to fourteen days after lodgement if it needs time to review the prospectus in detail.

Applications from investors can be processed after the end of the exposure period. After this period, ASIC has the power to issue an interim and/or final order to stop the offer if ASIC has concerns about the disclosure in the prospectus.

STEP 5

LODGE LISTING APPLICATION WITH ASX

The formal listing application is lodged with ASX within seven days of lodgement of the prospectus with ASIC. Typically, the review and approval of the application by ASX is completed within six weeks.

STEP 6

MARKETING AND OFFER PERIOD

The offer to retail investors starts after the exposure period and usually is open for a period of 3 – 5 weeks.

STEP 7

CLOSING THE OFFER

In the final step, the offer closes, shares are allocated and trading commences.

LISTING FEES

There are a number costs and fees associated to listing your business on the ASX. These range from auditors to marketing and should be taken into consideration before listing your business.

INITIAL COSTS	AMOUNT(AUD)
Auditors	\$100,000 to \$200,000
Lawyers	\$100,000 to \$200,000
Bodyguard Institutions	4% to 6%
Auditors	\$200,000 to \$250,000
Listing costs (market value ranging from 10,000,000 to 500,000,000)	\$73,500 to \$330,770
Other	\$100,000
<ul style="list-style-type: none"> • Marketing research • Public relationship • Printing 	

Why appoint Moore?

At Moore Australia, we partner with you to confirm your IPO-readiness and deliver a successful listing.

While an initial public offering (IPO) can deliver substantial benefits, the preparation required to achieve a successful listing is significant. Detailed strategic planning and careful project management will place your business in the best position to optimise the timing of your listing and maximise fundraising opportunities to achieve your long term objectives.

At Moore Australia, we work with you at every stage of IPO preparation to ensure you receive a valuation that reflects your organisation's true worth. Initially, we'll help you to consider the pros and cons of listing and consider alternative options. If you decide to proceed with an IPO, we'll perform a thorough company review and IPO-readiness assessment, determine the most appropriate capital market for your business and assess market appetite and the anticipated timing of the IPO.

Our team has a strong track record of guiding companies across the globe through the IPO process for capital markets internationally.



34,000+

people and over 2,000 emerging leaders is what makes Moore different

WHERE WE OPERATE



About Moore Australia

Moore Australia is a network of independent accounting, audit, tax and business advisory firms with offices across Australia, and an independent member of the Moore Global Network, the 11th largest professional services network, globally.

Being part of the Moore network ensures you receive the best advice and highest quality service wherever you do business in Australia.

Our focus is about understanding you, your business, your needs, your challenges and, most importantly, how you define success. At Moore, we're here to help you thrive in a changing world.



For more information, contact
ma@moore-australia.com.au
www.moore-australia.com.au



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