



## **MEDIA RELEASE**

19 September 2012

### **ASX BookBuild brings efficiency, fairness and transparency to the primary equity market**

The Australian Securities Exchange (ASX) today announces a proposed new facility that will improve the pricing and allocation process for bookbuilds. ASX BookBuild is expected to be operational prior to the end of 2012, subject to regulatory approval.

Bookbuilds are one of the key mechanisms used by companies to price and allocate new securities issued as part of a capital raising such as a placement or an IPO. To help support this process, ASX will develop and operate a new electronic facility called ASX BookBuild using a pricing and allocation method based on the intellectual property of On-Market BookBuilds (OMB).

ASX BookBuild will add to the capital raising options for companies and for the first time will allow a bookbuild to be conducted electronically on-market using ASX technology. Companies using ASX BookBuild will continue to appoint a lead manager to act as their agent in the conduct of the offer of securities and to manage the bookbuild process. Any ASX Participant will be able to electronically submit bids on behalf of their eligible clients in ASX BookBuild. The price and allocations are determined by ASX BookBuild according to a defined set of rules. Settlement of those allocations occurs in the same manner as for any off-market bookbuild.

The benefits of ASX BookBuild include:

- Greater price transparency throughout the bookbuild process;
- Greater capital raising efficiency with lower discounts;
- Broader broker participation with more investors gaining access to investment opportunities; and
- Significant flexibility that allows companies and lead managers to reward early bidders, existing shareholders or expected long-term investors by setting the pricing and allocation parameters.

ASX Deputy CEO, Peter Hiom, said: "The ASX BookBuild initiative will improve the transparency and efficiency of raising capital in Australia, and strengthen our competitiveness as a regional centre for raising capital. ASX is determined that Australia should remain a leading market in which to list and raise capital, and is continuing to invest in its listings and issuer services to ensure it meets the needs of the 2,200 listed businesses that want to access capital to fund their growth."

OMB CEO, Ben Bucknell said: "ASX BookBuild will enable companies and lead managers to capture more of the available demand, while retaining sufficient control to ensure orderly pricing, respond to market conditions and reward key investors. It combines the most effective capital raising practices with principles of market integrity. This will produce better price discovery for companies and greater transparency and participation opportunities for all market participants."

OMB has received a grant from Commercialisation Australia (part of the Commonwealth Department of Innovation, Industry, Science and Research) to support the education of companies and market participants about the ASX BookBuild initiative.

## **Media**

Kristen Kaus  
Media and Communications Executive  
Tel +61 2 9227 0410  
Mobile: +61 421 380 773  
Email: [Kristen.kaus@asx.com.au](mailto:Kristen.kaus@asx.com.au)  
[www.asxgroup.com.au/media-releases.htm](http://www.asxgroup.com.au/media-releases.htm)

## **Company Enquires**

Richard Murphy  
General Manager, Capital Markets  
Tel +61 2 9227 0720  
Mobile: +61 419 271 624  
Email: [richard.murphy@asx.com.au](mailto:richard.murphy@asx.com.au)  
[www.asx.com.au/bookbuild](http://www.asx.com.au/bookbuild)

Ben Bucknell  
CEO  
On-Market BookBuilds Pty Ltd  
Tel +61 2 8211 2773  
Mobile: +61 417 044 062  
Email: [ben.bucknell@onmarketbookbuilds.com.au](mailto:ben.bucknell@onmarketbookbuilds.com.au)  
[www.onmarketbookbuilds.com](http://www.onmarketbookbuilds.com)

## **ASX**

ASX Limited is the listed holding company for a number of licensed operating subsidiaries, together forming the ASX Group (ASX), which offer a range of market services linked by a common purpose: to provide core financial markets services and infrastructure to meet the needs of a wide range of financial markets stakeholders, and for a globally competitive and vibrant Australian economy.

ASX is a multi-asset class, vertically integrated exchange group, ranked one of the world's top-10 largest by market capitalisation. Its activities span primary and secondary market services, central counterparty risk transfer, and transaction settlement for both the equities and fixed income markets. ASX functions as a market operator, clearing house, payments system facilitator and central securities depository. It also oversees compliance with its operating rules, promotes standards of corporate governance among Australia's listed companies and helps to educate retail investors.

By providing its systems, processes and services reliably and fairly, ASX seeks to promote confidence in the markets that depend on its infrastructure. This is integral to ASX's long-term commercial success.

For more information, please visit: [www.asxgroup.com.au](http://www.asxgroup.com.au)

## **OMB**

On-Market BookBuilds comprises a team of experienced executives that have worked at the world's leading investment banks, legal and financial services firms. On-Market BookBuilds has conceived, developed and patented a business method that will provide an electronic process of pricing and allocating new securities 'on-market'.

For more information, please visit [www.onmarketbookbuilds.com](http://www.onmarketbookbuilds.com).