



MENA & India-China IPO Review

- Has the MENA IPO market come out of the woods?
- MENA IPO markets shrivel in 2009: Is the oil sector to blame?
- Which economies and sectors remained resilient during the crisis period?
- Will governments' market reforms lead MENA IPO market growth in 2010 and beyond?
- Has a long-term financing need by corporate sector led to the historical growth of MENA IPO market?
- How has China's IPO market remained unscathed by the global recession?
- What factors led to the growth of IPO markets in China?
- Did the Indian IPO market become prey to the global slowdown?
- Which IPOs must we keep an eye on?

Introduction

When an investor is evaluating an IPO, as much as fundamental and market research is essential to the eventual decision, a few key components need greater consideration in the overall IPO strategy.

The management of the IPO allocation once listed and the time duration the IPO is held is more often than not, the single driving force behind a successful or unsuccessful IPO investment.

In this IPO review report we have focused on these key components and the Return Analysis in each regional outlook is an important tool to decipher future IPO strategy.

Managing the IPO listing

Once the allocation is received, the investor needs to determine a holding period and form a relevant risk and reward scenario based on a best case and worst case scenario. In the case of anchor investors or founder shares, the holding period is automatically longer and will require a strategy that foresees a long term commitment to the IPO. On average, most mandatory holding periods last 3 months with some IPO's even having the option of exiting from the first day of listing. Therefore it is important to anticipate the exit options as this forms the foundation for future IPO market movement.

When an IPO shoots out of the gate and registers impressive first day gains, the natural inclination of investors is to exit as soon as possible. Retail investors will most likely exit when they hit a certain return mark. It is important to stick to this mark as indiscipline can cause long term damage to the overall return. Institutional or large IPO holders may not have this luxury as they are in a lock up period. However, there is a simple way to manage this situation.

Every IPO allocation strategy should have two components: 1. IPO allocation amount and 2. Market activity amount. The amount of cash allocated to each is an important consideration for the overall management of the IPO. The market activity amount needs to be deployed based on the performance of the IPO. For example, if the IPO performs poorly, the market activity amount should be used to enter the market at the appropriate entry point and establish a fresh position, one that can be reconciled with the IPO allocation position to form an overall portfolio position. This dynamic approach is especially effective for an IPO listing that does not have a strong first day performance. However, this approach can also be used even if the IPO is having a spectacular opening. The market activity amount can again enter the market at the appropriate entry and build and then exit positions that augment the overall return of the IPO holding.

By pursuing a dynamic IPO management approach and determining a time horizon in which to execute this IPO strategy, the investor is putting in place the necessary tools to gain maximum benefit from the IPO listing. Given the nature of emerging markets and the fluid volatility generally associated with their market movements, it is prudent to adopt an IPO strategy that reflects the dynamics of the market in which it is being listed.

While reading our IPO report on MENA, India and China, keep in mind the above concept and align the fundamental analysis and evaluation that we present with an IPO management strategy that properly utilizes the findings of the report.

IPO Market

MENA Region

MENA IPOs resuming the growth trend

After nose-diving in 2009, MENA IPO markets have started reviving

Although the global financial turmoil weakened IPO¹ activity in the MENA region since the second half of 2008, some signs of recovery emerged at the end of 2009 and the first quarter of 2010. The main driver of growth in the MENA IPO market would be government initiatives aimed at diversification in order to reduce dependence on the oil sector. Moreover, some regional indices that plummeted at the start of 2009 have rebounded since September 2009 and renewed investor interest in the stock markets is expected to increase momentum in regional IPO markets in 2010.

The MENA region raised USD6.8 billion from IPOs in Q1 2010 through 62 issues compared to USD3.7 billion in Q1 2009 through 29 issues, signaling a strong recovery in the IPO market. In Kuwait, Gulf Holding Company (GHC) has hired CapCorp Investment Company as a consultant for listing its shares on the Kuwait Stock Exchange; however, the planned date for the listing has not been announced yet. Among other MENA countries, Libya is also expected to see a surge in IPO activity in 2010 as the Libyan government is considering material changes in its regulatory capital market authority to adapt to international norms and attract regional as well as international investors to its stock market in 2010.

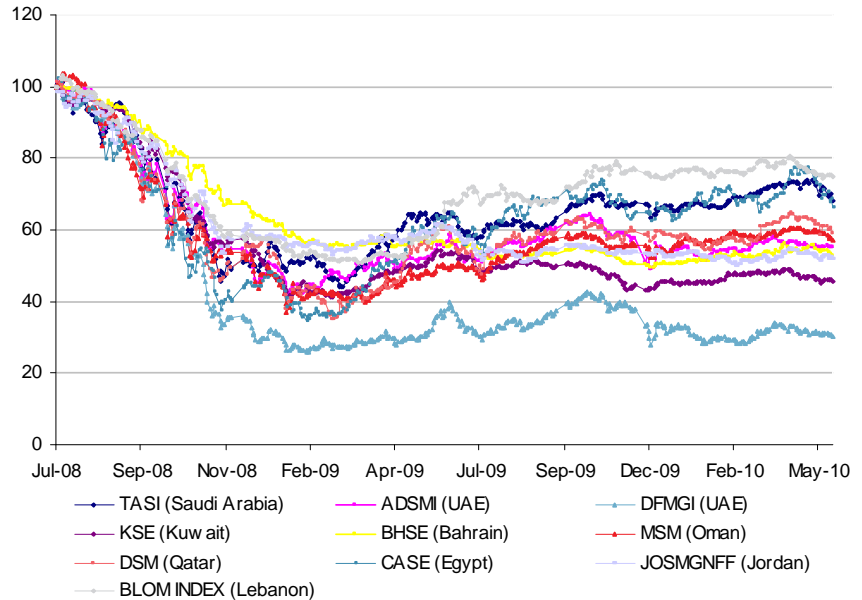
MENA IPO market withered in 2009

MENA IPO markets slowed in 2009 due to lack of corporate activity aggravated by global recessionary concerns

The economic slowdown that cast a shadow on markets across the globe from 2008-end until 2009 adversely affected IPO activity in MENA economies. Plummeting oil prices slowed down overall economic activity in the MENA region, impeding the diversification strategies of many oil-dependent economies in the Middle East. Slower growth in public spending dented business activity, forcing many investors to pull money out of stock markets. Consequently, stock markets in the MENA region plunged, reducing investor interest in IPOs and forcing many companies to either postpone or cancel their IPOs.

¹ References to IPO(s) throughout the report includes follow-on-offers or FPO(s)

Exhibit 1: Performance of Major MENA Indices (July 2008 - May 2010)



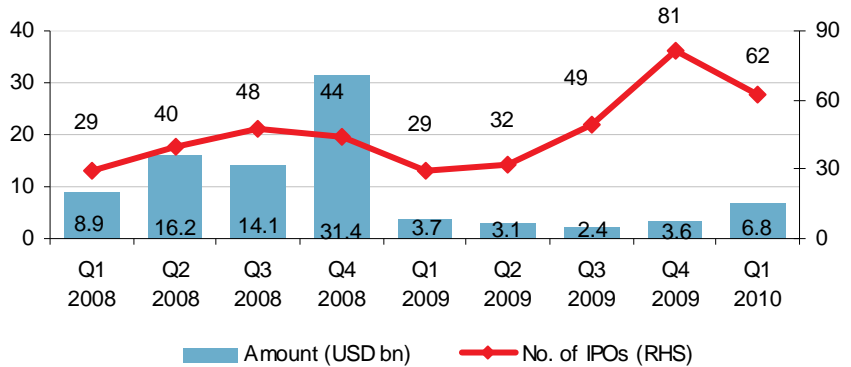
Source: Bloomberg

Performance of MENA region economies and sectors during the crisis

During 2009, MENA markets raised USD12.8 billion from 191 IPOs, a decline of 82% y-o-y in absolute figures. However, financial companies continued to launch the most IPOs in the MENA region with the sector attracting 85 IPOs worth USD7.9 billion in 2009. This was followed by industrials (USD1.2 billion), telecommunications and energy (raising USD1.0 billion each). With USD3.9 billion raised, Jordan led other MENA countries and Saudi Arabia followed with USD2.9 billion. Saudi Arabia's IPO market grew primarily due to the Saudi National Petrochemical IPO, which raised USD640 million. Of the four regional IPOs launched between October and November 2009, three were by Saudi insurance companies and one was by Syria's Albaraka Bank, which raised USD38.04 million. Saudi Arabia's Gulf General Cooperative Insurance Company (Al Khaleej Insurance) raised USD21.3 million whereas Al Alamiya Cooperative Insurance Company and Buruj Cooperative Insurance Company raised USD16.0 million and USD13.87million in 2009, respectively.

MENA to record positive GDP growth in 2009; weathering the worldwide recession reasonably well

Exhibit 2: Quarterly MENA IPO Growth Trend (Q1 2008 - Q1 2010)



Source: Thomson ONE Banker

Q1 2009 – Worst quarter for MENA IPO markets

Q1 2009 was the worst quarter for MENA IPO markets as the number of listings fell drastically

World markets witnessed a sharp downturn in 2009 due to the financial turmoil. The global IPO market was heavily affected; the MENA region was not spared either, as reflected from the 58% y-o-y decline in IPO values in this region in Q1 2009 when the slowdown was at its peak. The fall in IPO activity can be ascribed to the drying up of liquidity and the intense risk-averseness adopted by investors as a result of the financial shock. The steep fall in oil prices added to the woes and also affected the MENA government's diversification plan to boost its non-oil sector. Despite the slowdown, the MENA region still attracted USD3.7 billion of IPOs from 29 deals in Q1 2009. Kuwait emerged as the top performer with five FPO listings totaling USD2.0 billion in the quarter, of which Gulf Bank raised the largest amount (USD1.3 billion). Saudi Arabia's Banque Saudi Fransi also came up with an FPO of USD472 million during the same period.

MENA IPOs – 2005-2008

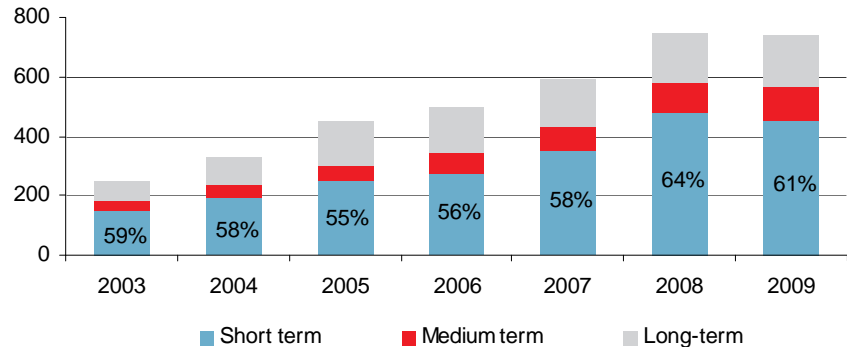
MENA region's historical IPO performance has been remarkable as it is an easy route for long-term financing

Long-term financing requirement – Key driver for growth in IPOs

MENA IPO markets gave an outstanding performance during 2005–2008, as the total value of IPOs expanded at a CAGR of 141%, while the number of deals increased at a CAGR of 91%. Historically, most companies in the MENA region, being either family-owned businesses or government-owned entities, met their funding requirements through internal reserves or government funds. However, as economic activity strengthened, most of these companies expanded globally. The onset of privatization and industrialization in the MENA region also increased the number of small companies and private sector entities. These newly established companies could not avail easy financing from banks since banks exercised more caution while lending to these relatively small companies that had short track records. This failure of traditional banks to fund the MENA region's rapid economic development increased demand for a system that could bridge the gap through efficient allocation of financial resources. Moreover, the banking system mostly catered to the short-term funding requirements of the corporate sector which was clearly evident in bank lending trends in Saudi Arabia, one of the largest nations in the MENA region. Short-

term bank lending in the Kingdom dominated overall bank lending during 2003-2009—61% of the total lending portfolio in 2009 as shown in Exhibit 3.

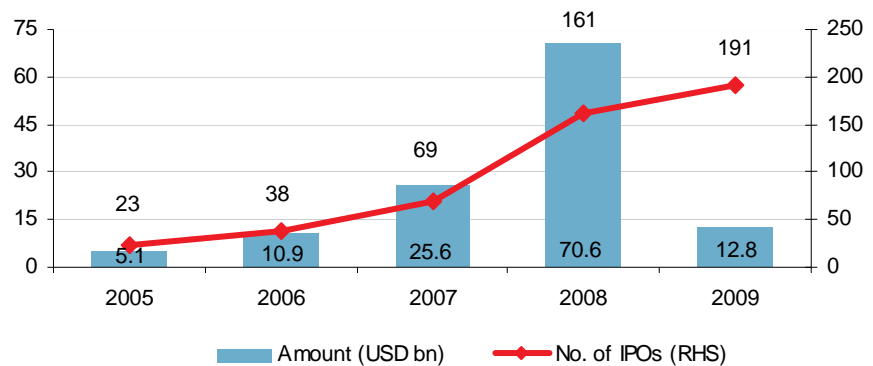
Exhibit 3: Bank Lending Pattern in Saudi Arabia (SAR bn)



Source: SAMA

This put the spotlight on capital markets and equity financing emerged as an alternative means to raise funds. IPO's became the most preferred route as they offered an easy way to get a large amount of long-term capital—something the traditional banking system could not provide. The consequent popularity of IPOs in the MENA region is reflected in both the growth in the amount of funds raised as well as the number of deals executed during 2005-2008.

Exhibit 4: IPO Growth Trend in the MENA Region (2005 - 2009)



Source: Thomson ONE Banker

Emergence of equities as an alternative investment avenue

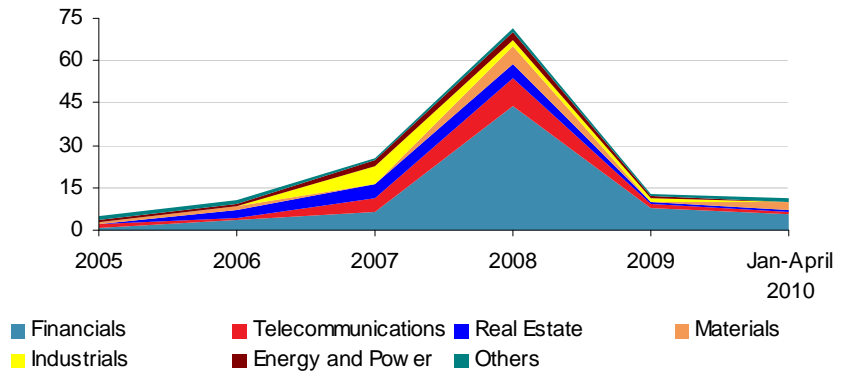
MENA markets offered a limited number of investment opportunities during 2003-2006. According to an Ernst & Young IPO report published in 2007, just about 1,600 companies were listed on 14 Arab bourses until 2006 and this limited number of listings offered investors fewer options. MENA bourses attracted 38 IPOs worth USD10.9 billion in 2006. The region's top IPO was Qatar's Masraf Al Rayyan Bank offering, which raised USD1.1 billion. Saudi Arabia had 12 IPOs worth USD3.8 billion in 2006 and the UAE followed with 8 IPOs worth USD3.2 billion.

Financial sector topped MENA IPO markets in 2006 led by Qatar's Al Rayyan Bank's USD1.1 billion offering

Financial sector led the MENA IPO market in 2006

The financial sector led the MENA market with the most number of IPOs in 2006, beating the telecommunications sector that dominated in 2005. Financial companies launched 10 IPOs worth USD3.8 billion in 2006. The real estate (five IPOs worth USD2.3 billion), materials (seven IPOs worth USD1.3 billion) and media and entertainment (four IPOs worth USD0.8 billion) sectors also contributed to the overall IPO activity in 2006.

Exhibit 5: Sector-wise Evolution of IPOs in the MENA Region (USD bn)



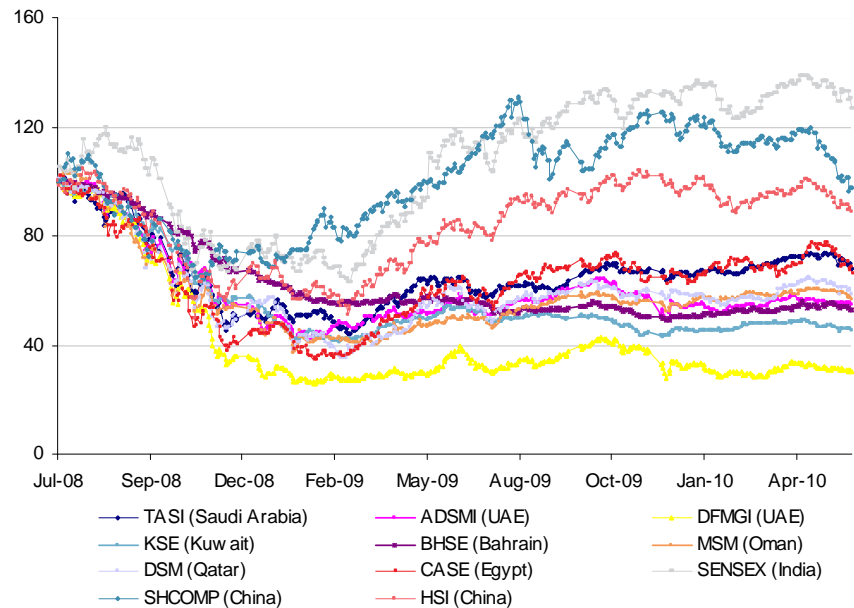
Source: Thomson ONE Banker

Easing of capital market regulatory norms in MENA region led to rise in IPO market activity in 2007

Capital market reforms encouraging companies to list

As a part of the capital markets liberalization process, regulators in the MENA region encouraged IPO activity by relaxing restrictions on foreign investments in 2007. Consequently, the number of IPOs in the MENA region increased to 69 (worth USD25.6 billion) in 2007 from 38 (worth USD10.9 billion) in 2006. The financial sector was at the forefront raising USD6.4 billion in 2007, followed by industrials (USD6.1 billion), real estate (USD5.0 billion) and telecommunications (USD4.6 billion). The UAE took the lead from Saudi Arabia and became the top performing country in terms of IPO activity in 2007. The UAE attracted nine IPOs worth USD7.3 billion with DP World's USD4.2 billion IPO being responsible for 58% of the total.

Exhibit 6: Major MENA indices vs. India and China (July 2008 - May 2010)



Source: Bloomberg

2008 – A golden year for the MENA IPO market

The year 2008 has been recognized as the golden year for IPOs in the MENA region. Companies in the region collectively raised USD70.6 billion through 161 listings, of which 52 were IPOs. Of these IPOs, 44% were oversubscribed reflecting the strong interest in the IPO market. Factors such as the boom in major MENA markets and high net worth retail investors seeking portfolio diversification also encouraged new issuances. The financial sector maintained its leadership status with 69 listings worth USD43.9 billion (62% of the total). Towards the end of 2008, the global financial crisis started spreading its tentacles across the globe and despite its limited exposure to toxic assets the MENA region was not immune to the global financial contagion, which resulted in a significant drop in activity starting 2009.

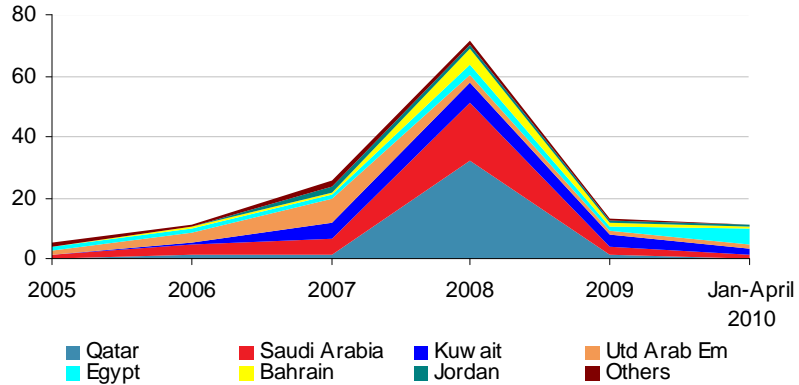
Qatar led in terms of amounts, Jordan in terms of numbers of IPOs

Qatar led the MENA IPO market in 2008, raising USD32.3 billion through 15 IPOs. This was primarily due to the follow-on offer of Commercial Bank of Qatar (CBQ) that raised USD25.0 billion in 2008. Qatar, Saudi Arabia and Kuwait, the top three Middle East markets for IPO fund raising in 2008, accounted for 45.4%, 26.2% and 9.3% of total funds raised, respectively. In terms of number of IPOs, the top three MENA markets were Jordan, Egypt and Saudi Arabia with 32, 29 and 24 deals, respectively. Saudi Arabia, the Middle East's largest economy and chief oil exporter, became the world's third largest IPO market in 2008 in terms of IPO activity (excluding follow-on offerings). The top three IPOs in the MENA – the USD2.8 billion offering of Alinma Bank, the USD2.8 billion flotation of mining company Ma'aden, and the USD1.9 billion offering of the mobile telecommunications company Zain KSA – were all launched in Saudi Arabia.

The year 2008 proved to be the golden year for MENA IPO markets due to record listings, both in terms of number of deals executed and size

During 2008, while Qatar dominated the MENA IPO markets in terms of total amount raised, Jordan took the lead in number of IPOs issued

Exhibit 7: Country-wise Evolution of IPOs in the MENA region (USD bn)



Source: Thomson ONE Banker

Return Analysis

The telecom sector was the most prominent in terms of issue size in 2005

In order to compare the return characteristics of IPOs in the MENA region, we considered prominent IPOs wherein the issue size exceeded USD500 million. There were 25 such IPOs in the MENA region during 2005-2009. Four of these IPOs that took place in 2005 had an average first day return of 90.1%, first month return of 30.8%, and were oversubscribed 51.1x on average. The Omantel IPO, the largest in 2005, raised USD760.33 million with an oversubscription ratio of 2.4x and was followed by Telecom Egypt SAE's USD749.9 million offering (with an oversubscription ratio of 58.0x) making the telecom sector the most prominent in terms of issue size that year. UAE-based Dana Gas's IPO, the most oversubscribed issue (140.0x) in 2005, raised USD561.1 million. Dana Gas also posted the highest first day return (307.9%) among prominent stocks.

Banks took the lead in 2006 with Masraf Al Rayan's USD1.1 billion offering and Albarka Islamic Investment Bank's USD581.8 million IPO

During 2006, Qatar's Masraf Al Rayan launched a huge USD1.1 billion offering. The issue was oversubscribed 7.0x, returning 81.0% on the day of listing and 34.0% one month later. The UAE's second telecommunications company Emirates Integrated Telecommunications Company's (DU's) USD660 million offering was the most oversubscribed issue with an oversubscription ratio of 167.0x. The financial sector dominated the IPO market in 2006 largely due to Masraf Al Rayan's USD1.1 billion offering and Albarka Islamic Investment Bank's USD581.8 million IPO. Saudi petrochemical stock Sipchem's USD660 million IPO issue was oversubscribed 1.5x. Although the stock fell 17.7% on the day of listing, it gained momentum thereafter and yielded a return of 33.6% after one month. For the full year, the average first-day and first-month returns for IPOs stood at 78.9% and 7.8%, respectively.

2007 featured large IPOs from DP World, Saudi Kayan and Taameer Jordan Holdings

In 2007, the UAE's DP World launched a USD4.2 billion IPO that was oversubscribed 15.0x. However, this stock's performance post listing was exceptionally bad due to investors' displeasure with the share pricing post subscription. Although the stock yielded 4.6% on the day of listing, its value has been deteriorating ever since, worsened by deteriorating conditions in the global trade and shipping sector. KSA's Saudi Kayan Petrochemical Co and Jordan's Taameer Jordan Holdings also launched huge IPOs (USD1.8 billion and USD1.1 billion, respectively) in 2007. Saudi Kayan returned 30.0% on the first day of listing.

Saudi dominated the IPO market in 2008

Saudi Arabia dominated the IPO scene in 2008 with the top five regional IPOs in terms of total value. Alinma Bank's USD2.8 billion IPO, the largest offer, was oversubscribed 1.74x, returning 60% on the first day and 9.5% after a month.

The economic slowdown that took its toll on markets across the globe in 2H 2008 and lingered until 2009 led to a steep fall in major indices. Consequently, the number of IPO listings declined significantly during this period.

Real estate and transportation sectors expected to lead future IPO activity in the MENA region

Financial sector IPO listings grew at a CAGR of 27.5% during 2006-2009 led by large IPO issues such as Alinma Bank and Al Rayan Bank.

The financial sector has dominated the IPO market in the MENA region since 2006. The total issue size of financial sector-related IPOs increased at a CAGR of 27.5% during 2006-2009. In fact, the year 2008 has been a remarkable period in the history of the MENA IPO market. The total issue size reached USD70.6 billion—the financial sector alone accounted for USD44 billion of this in 2008. Telecommunication was another lucrative sector in the MENA IPO market. The total issue size of telecommunication-related IPOs grew at a CAGR of 11.0% during 2006-2009. Although real estate IPOs also dominated the MENA IPO markets in 2008, their contribution to the total issue size declined drastically once the real estate bubble burst (mostly in the UAE). However, the MENA real estate market has started stabilizing now and is strengthening in tandem with the global recovery. Consequently, the real estate sector may emerge as a major driver of growth in the MENA IPO market. Until May 2010, real estate IPOs contributed USD747 million to the MENA IPO market.

Real estate and transport are expected to be the major sectors driving the future IPO market activity in MENA region.

Going forward, we expect the real estate and transportation sectors to take the lead in IPO market activity of MENA region. As reflected from the MENA IPO pipelines (announced as well as rumored), USD16.6 billion worth of IPOs might come from the real estate sector and USD9.9 billion from the transportation sector in 2010. While the real estate sector is expected to come up with 27 IPOs in 2010, 19 IPOs are expected from the transportation sector. Apart from these, the financial services sector is also expected to come up with 23 IPOs worth USD3.8 billion in 2010.

Small IPO issues to continue in the near term; trend may reverse eventually

As the global economic recovery strengthens, MENA region is likely to witness larger issues

The number of IPOs in the MENA region increased during 2009; however, the size of issues declined significantly. This can be ascribed to the slowdown in global economic activity and investor appetite that made the corporate sector reluctant to come up with large issues. We expect the trend to continue until late 2010 as the global economic recovery is still in its nascent stage. UAE based real estate developer Nakheel plans to come up with an IPO worth USD15.0 billion in 2010, which if executed will be the largest IPO in MENA region so far.

Saudi Arabia, UAE have strong IPO pipelines

Saudi Arabia has the highest number of announced IPOs from the 2010 pipeline (47 out of the total 106 announced issues in the region). Planned IPOs range from various sectors such as telecommunications, construction and real estate. The UAE follows with 25 IPOs, mostly from the real estate sector, whereas Bahrain and Kuwait announced six and five IPOs, respectively.

Exhibit 8: Country-wise List of MENA IPO's in the Pipeline

Country/Year	2010E	2011E	2012E	2015E	Total
UAE	25,330 *	436	-	487	26,253
Bahrain	3,842	800	-	-	4,642
Saudi Arabia	1,028	1,091	400	-	2,519
Egypt	1,000	-	-	-	1,000
Kuwait	395	-	-	-	395
Tunisia	176	-	-	-	176
Syria	92	-	-	-	92
Oman	-	-	-	-	-
Morocco	-	-	-	-	-
Sudan	-	-	-	-	-
Jordan	-	-	-	-	-
Lebanon	-	-	-	-	-
Qatar	-	-	-	-	-
Total	31,863	2,326	400	487	

Source: Zawya; Note: Amount in USD million, Includes announced as well as rumored IPO pipeline in MENA region

* Includes expected IPO of UAE-based Nakheel worth USD15 billion and Emirates Airline worth USD8.25 billion

Exhibit 9: Sector-wise List of MENA IPO's in the Pipeline

Sector	2010E	2011E	2012E	2015E	Total
Real Estate	16,601 *	-	-	-	16,601
Transport	9,937 #	600	-	-	10,537
Financial Services	3,831	800	-	-	4,631
Food and Beverages	213	436	400	-	1,049
Industrial Manufacturing	90	-	-	487	577
Power and Utilities	-	467	-	-	467
Health Care	255	-	-	-	255
Construction	250	-	-	-	250
Services	245	-	-	-	245
Education	198	-	-	-	198
Leisure and Tourism	150	-	-	-	150
Telecommunications	67	-	-	-	67
Agriculture	27	-	-	-	27
Consumer Goods	-	24	-	-	24
Oil and Gas	-	-	-	-	-
Information Technology	-	-	-	-	-
Media	-	-	-	-	-
Conglomerates	-	-	-	-	-
Retail	-	-	-	-	-
Mining and Metals	-	-	-	-	-
Total	31,863	2,326	400	487	

Source: Zawya; Note: Amount in USD million, Includes announced as well as rumored IPO pipeline in MENA region

* Includes expected IPO of UAE-based Nakheel, worth USD15 billion

Includes expected IPO of UAE-based Emirates Airline worth USD8.25 billion

Exhibit 10: Top 10 Announced MENA IPO's in the Pipeline for 2010

Issuer	Subscription Period	Country	Sector	Size of Offering (USD mn)	Equity Offered
Nakheel * #	2010	UAE	Real Estate	15,000.00	-
Istikhlaf Bank	H1 2010	Bahrain	Financial Services	3,500.00	35.00%
Emirates Post #	2010	UAE	Transport	272.26	49.00%
Damac for Commerce and Services	2010	UAE	Services	245.03	NA
Sahaab Leasing	2010	Kuwait	Transport	206.11	NA
Esdarat Holding Company	2010	Kuwait	Financial Services	189.00	NA
Hail Cement Company	2010	Saudi Arabia	Construction	159.99	50.00%
Aujan Group	2010	Saudi Arabia	Food and Beverages	186.66	30.00%
Alpha Tours	2010	UAE	Leisure and Tourism	150.00	50.00%
Al Yousuf Motors	2010	UAE	Transport	122.52	30.00%

Source: Zawya;

Indicates Privatization through an IPO

* Nakheel IPO might be delayed significantly post Dubai World debt crisis and restructuring plans

The five most prominent IPOs in the pipeline

Of the top ten IPOs planned in the MENA for 2010 that of UAE-based Nakheel is the largest in the list with the state-owned entity planning to raise USD15.0 billion. This is followed by Bahrain-based Istikhlaf Bank's USD3.5 billion IPO for 35% of its equity. UAE-based transportation company, Emirates Post is also planning to raise USD272.3 million whereas Kuwait-based transportation company, Sahaab Leasing has a planned USD206.1 million offering in the pipeline. Saudi food & beverage company, Aujan Group has also planned to dilute 30% of its equity and raise USD159.9-USD213.2 million through a secondary offering.

Outlook

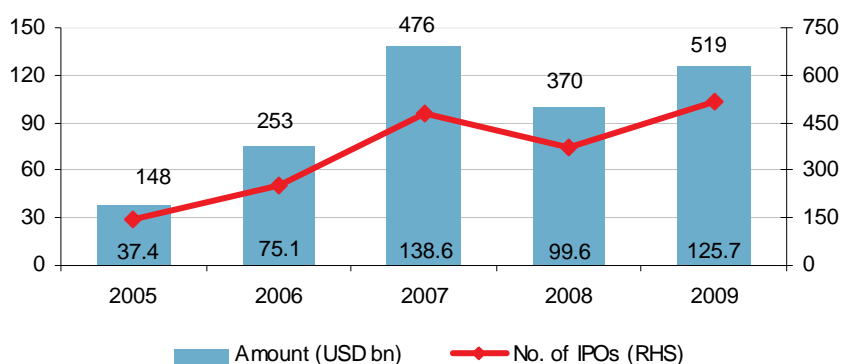
The MENA IPO market has started showing improvements as witnessed from the rise in the number of listings and the amount of funds raised during Q1 2010. Companies in the region will be eager to enter the IPO market as investor appetite grows stronger. The UAE leads in value terms with USD25.3 billion worth of IPOs planned in 2010 followed by Bahrain with USD3.8 billion and Saudi Arabia with a total of USD1.03 billion. Egypt plans to come up with two IPOs, one in the financial services and the other in the transportation sector, for a total of USD1.0 billion. These four countries will account for the majority of MENA IPO activity in 2010.

China – IPO Market

Privatization of state-owned firms aided Chinese IPO market during 2005–2009

Chinese stock exchanges (mainly Shanghai and Hong Kong) performed commendably during 2005-2009 with many banks and real estate companies launching IPOs. Robust IPO activity in China was largely driven by state-owned companies seeking to benefit from the deep liquidity and rich valuations.

Exhibit 11: IPO Growth Trend in China (2005 - 2009)



Source: Thomson ONE Banker

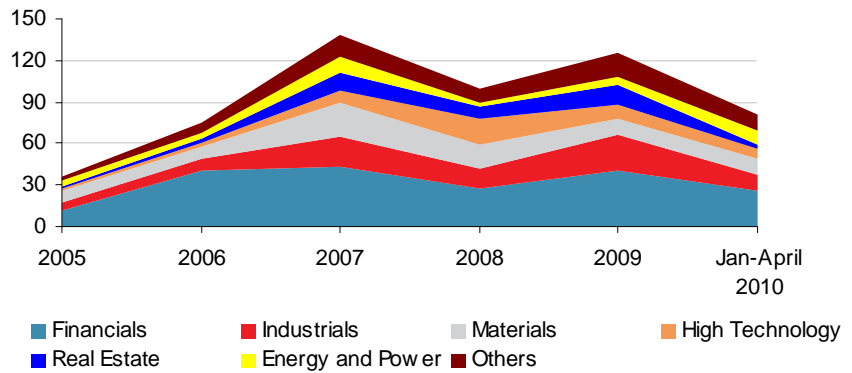
Financial companies such as Industrial & Commercial Bank of China and Bank of China led to the huge growth of financial sector IPOs in China in 2006

China's IPO market grew 101% y-o-y in value terms in 2006 while the number of IPOs increased 71% y-o-y. The 253 IPOs that took place in 2006 collectively raised USD75.1 billion and financial companies were at the forefront, raising USD40.5 billion through 16 IPOs. The industrials and materials sectors raised USD9.1 billion and USD8.3 billion, respectively. The Hong Kong Stock Exchange (HKSE) hosted the world's largest IPO ever (until that time), that of the Industrial & Commercial Bank of China (ICBC), which raised USD19.1 billion. The ICBC issuance was also the first time in China that shares were dual-listed on both the HKSE and Shanghai Stock Exchange (SSE) simultaneously, at the time of the IPO. The Bank of China (BOC) also raised USD9.7 billion in the same year.

During 2007, Chinese government's policy to promote Shanghai exchange resulted in large IPO activity in China

During 2007, the Chinese government came up with a policy to promote the Shanghai exchange. Consequently, about two-thirds of funds raised on the Shanghai exchange were H-share returns (i.e., first-time domestic IPOs by China's biggest companies, which had previously listed on the Hong Kong exchange). The financial sector was the leader, contributing USD42.9 billion, equivalent to 31% of total funds raised in 2007. The largest Chinese IPO in 2007 was of China Construction Bank Corp, with an issue size of USD8.0 billion. Consequently, China became the global leader in terms of both IPO funds raised (USD138.6 billion) and number of deals (476).

Exhibit 12: Sector-wise Evolution of IPOs in China (USD bn)



Source: Thomson ONE Banker

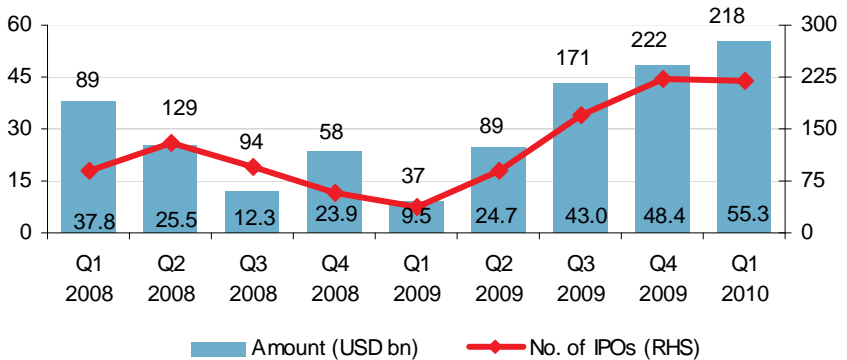
IPO activity decelerated slightly in 2008; infrastructure privatization continued to grow

China raised USD99.6 billion through 370 IPOs in 2008. This represented a drop of 28% in terms of number of IPOs and 22% in terms of value. In fact, Chinese IPO activity slowed down in 2008, with most IPOs trading below their offer prices. In spite of this, China still ranked first in the world in terms of number of IPOs, and second (after the US) in terms of capital raised. China also hosted four out of the top 20 global IPOs in 2008. The phenomenal growth in the Chinese IPO market can be ascribed primarily to infrastructure privatization.

During 2007, the Chinese government's policy to promote Shanghai exchange resulted in large IPO activity in China

China's largest IPO in 2008 (and the second largest globally) was the USD5.5 billion offering of China Railway Construction Corp. Ltd (CRCC). China Coal Energy's USD1.7 billion IPO and the USD1.5 billion offering of China South Locomotive & Rolling Stock Corp Ltd were the other frontrunners. Both of these top two privatizations dual-listed on the SSE and the HKSE and were trading above their offer price at the end of 2008. The leading sectors in terms of funds raised were financials (USD27.5 billion), high technology (USD19.3 billion), materials (USD16.7 billion) and industrials (USD14.9 billion). The top sectors in terms of number of deals in China during 2008 were materials (62), industrials (56) and high technology (44).

Exhibit 13: Quarterly IPO Growth Trend in China (Q1 2008 - Q1 2010)



Source: Thomson ONE Banker

Chinese IPO market escaped the global recession unscathed as activity increased 26% YoY in 2009

Chinese IPO markets defied recessionary headwinds — the size of IPO raised and the number of deals executed rose significantly

IPO activity in China strengthened 26% YoY in 2009 backed by the privatization of government-owned entities. In contrast, IPO markets in Western countries were dragged down by the global financial crisis. Although there was a decline in IPO activity in Q1 2009 as reflected from the 75% y-o-y decrease in the value of IPOs raised, it gained pace thereafter, recording strong growth for 2009. The 519 IPOs worth USD125.7 billion (Exhibit 11) that listed on Chinese exchanges in 2009 represented a 26% y-o-y rise in total amount and 40% increase in number of deals in 2009. The financial and industrials sectors continued to dominate the IPO market, contributing USD39.7 billion and USD25.8 billion, respectively, in 2009. In terms of number of deals, the industrials sector emerged as the leader with 84 IPOs, followed by materials (76) and high technology (70). The largest IPO in 2009 was the offering of China State Construction Engineering Corp, which listed in Shanghai in July at USD7.34 billion. The USD7.32 billion follow-on offer by China Construction Bank Corp was also one of the largest share offers in the Chinese IPO market in 2009.

Exhibit 14: China IPO Returns Analysis (2006 - 2010)

Issue Date	Average Returns Since Issue Date *				
	2006	2007	2008	2009	2010 YTD
2006	113%	278%	48%	129%	144%
2007	-	28%	-62%	-24%	-43%
2008	-	-	-23%	16%	5%
2009	-	-	-	-4%	-20%
2010 YTD	-	-	-	-	-17%

(more details can be found in Table 26 on Page 31)

Source: Thomson ONE Banker, Reuters Knowledge

* Numbers represent average returns from the issue date until the end of the year mentioned, or YTD for 2010

Return Analysis

In order to compare the return characteristics of IPOs in China, we considered prominent IPOs with issue size exceeding USD1.0 billion, of which there were 35 IPOs in total. Most IPOs that took place in China during 2006 and 2008 exhibited positive returns since floatation, whereas the remainder exhibited negative returns influenced mainly by the recent decline in Chinese equity markets.

Four prominent IPOs took place in 2006 and the IPO of Industrial and Commercial Bank of China (ICBC) worth USD19.1 billion was the largest IPO in the world during 2006. Among the four IPOs, ICBC and Daqin Railway Co Ltd yielded positive returns of 566.1% and 31.5% respectively since floatation. The average returns since floatation for 2006 IPOs are 143.8%, while average first day returns are negative 10.3%.

During 2007, the returns on the day of IPO listings in China averaged 3.5%, although average return since float exhibited negative return of 43.4%

There were 14 prominent IPOs in 2007 whose size exceeded USD1 billion. China Construction Bank Corp's USD8.0 billion IPO was the largest of these. The stock yielded a marginal negative return of 0.2% on the day of listing, 15.5% by the end of 2007 and -43.9% to date. China Citic Bank Corp Ltd's USD5.4 billion IPO – the second largest among all 2007 IPOs, returned 23.5% on the listing day while returns since floatation were negative 39.7%. With regards to all IPOs issued in 2007, returns on the first day of listing averaged 3.5% and -43.4% since floatation.

China saw nine IPOs with over USD1.0 billion issue size in 2009

Out of the five prominent IPOs launched during 2008, China Railway Construction Corp's USD5.5 billion IPO, the largest issue, returned 5.8% on the first day. Want Want China Holdings Ltd and China South Locomotive yielded the highest return since floatation of 116.7% and 25.6%, respectively among all of the IPOs listed in 2008. Average returns since floatation for all the IPOs in 2008 were 5.1%

Although 2009 was a relatively weak year for IPO markets across the globe, China's IPO market was not affected much, as reflected from the nine IPOs with issue size exceeding USD1.0 billion. China State Construction Engineering's USD7.3 billion IPO was the largest of these. Sinopharm Group Ltd's USD1.1 billion IPO returned the highest 51% since floatation, while China Longyuan Power Group Corporation returned the highest first day return of 9.4% among all of the IPOs listed in 2009.

The IPO activity in China remained buoyant in 2010. The year until May 2010 witnessed 3 IPOs in China, the size of each exceeding USD1.0 billion. Huatai Securities Co Ltd's USD2.3 billion IPO was the largest one with the stock returning 0.2% on the first day of listing, but dropping -33.8% since floatation. China First Heavy Industries' IPO returned 0.7% on the day of listing and 3.8% since floatation.

Financial, Industrial and Materials sectors – Future growth drivers of Chinese IPO markets

Financials, industrials and materials sectors are expected to boost the future IPO market activity in China

The financial sector has always dominated the Chinese IPO markets. The Chinese government's efforts to privatize state-owned financial entities were catalytic to the sector's growth. Although the financial sector's growth rate fell by 36% y-o-y in 2008, it has continued to be a leading sector in the Chinese IPO market. In 2009, the financial sector contributed USD39.7 billion to the total value of IPOs listed on Chinese stock exchanges, equivalent to 32% of the total. The other dominant sectors in the Chinese IPO market are the industrial and materials sectors. While the industrial sector grew at a CAGR of 41.8% during 2006-2009, the materials sector grew at CAGR 15.2% during the same time. Energy & power also emerged as one of the lucrative sectors with an aggregated contribution of USD6.3 billion to 2009 IPOs, a growth rate of 162% y-o-y. In 2010, energy & power sector IPOs amassed USD9.2 billion until May 2010.

Outlook

Chinese IPO markets continued exhibiting strong growth trends, as evidenced in the number of listings during Q1 2010. Chinese exchanges attracted 218 IPOs worth USD55.3 billion during Q1 2010 as the recovery in global financial markets strengthened the domestic economy. As global financial markets regain strength, many more listings are expected in the Chinese IPO market and the recent strong activity suggests continued strength going forward. The newly announced IPO of Agricultural Bank of China Ltd., China's largest bank by customers, is expected to raise USD20.1 billion and might be increased by 15% to USD23.1 billion, which will make it the world's largest IPO. Attracted by a reasonable valuation of the bank relative to its peers, a number of institutional investors and GCC sovereign wealth funds announced plans to subscribe to more than 15% of the IPO.

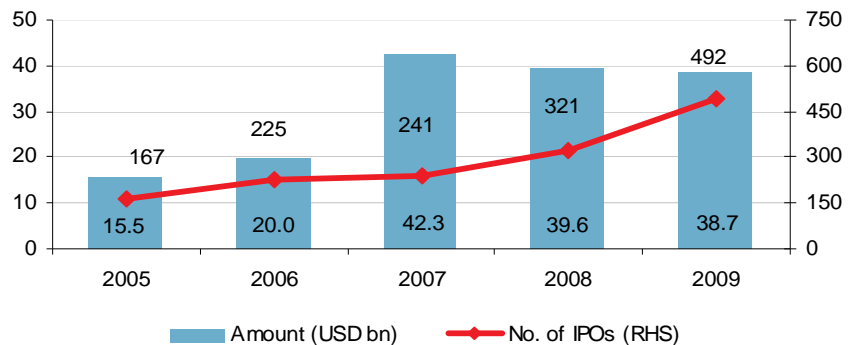
India – IPO Market

Corporate sector growth strengthened by increased economic activity aided growth in the IPO market in India

Strong corporate sector growth supported IPO market activity in India

The major driver of growth in India's IPO market during 2005-2008 has been the strong performance by Indian companies and their need for additional capital in order to expand businesses. Rising M&A activity across the globe also encouraged Indian companies to make acquisitions, for which they needed funds. Fuelled by strong economic growth, unprecedented foreign inflows and surging stock markets, India's booming IPO markets maintained their rapid momentum during 2005-2008. Although there were IPOs in several sectors, IPO activity peaked most in the industrials, financial, real estate and telecommunications sectors.

Exhibit 15: IPO Growth Trend in India (2005 - 2009)



Source: Thomson ONE Banker

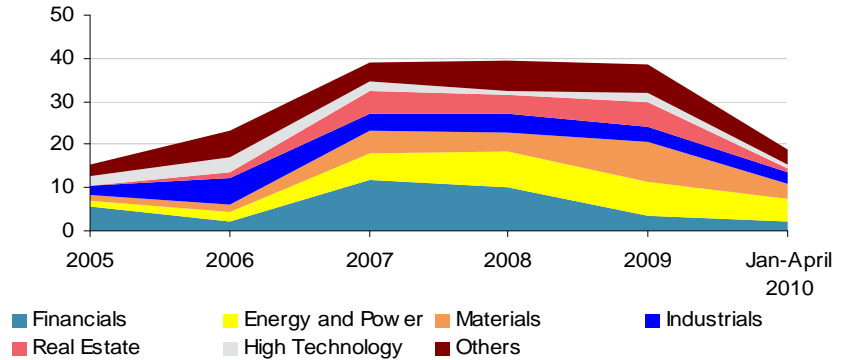
During 2006, large FPO offerings resulted in huge IPO activity in Indian IPO markets

During 2006, 225 IPOs worth USD20.0 billion were listed on Indian exchanges. Sector-wise, industrials led in terms of amount with USD4.0 billion, followed by high technology (USD3.3 billion) and energy & power (USD1.4 billion). The largest listing in 2006 was a follow-on USD1.6 billion offer by Infosys Technologies. In fact, all of the large offers in 2006 were follow-on offers. The largest IPO was that of Lanco Infratech, which was worth USD238.2 million.

The financial sector retained the lead in 2007 thanks to ICICI Bank's follow on offer worth USD4.3 billion

In 2007, India's dynamic IPO market raised USD42.3 billion through 241 deals. The financial sector, the frontrunner in that year, raised USD11.8 billion or 28% of the total. It was followed by energy & power (USD7.5 billion), materials (USD5.2 billion) and real estate (USD5.1 billion). As India's commercial and residential construction market grew, the real estate sector, which only began listing in 2006, also became very active. The largest IPO listing in 2007 was real estate developer DLF's USD2.0 billion offering; however, a follow-on offer by ICICI Bank was the largest in terms of total amount raised (USD4.3 billion).

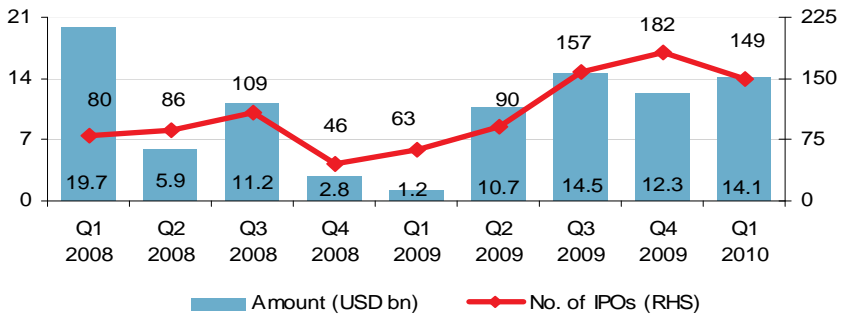
Exhibit 16: Sector-wise Evolution of IPOs in India (USD bn)



Source: Thomson ONE Banker

During 2008, heightened economic activity and vast foreign inflows led to a surge in stock market activity. The IPO market witnessed a surge as the number of listings increased to 321 and the amount rose to USD39.6 billion. Financials and energy & power, the two leading sectors, raised USD9.9 billion and USD8.7 billion, respectively. Reliance Power Ltd. had the largest IPO, which was worth USD2.9 billion or 33% of the sector's total.

Exhibit 17: Quarterly IPO Growth Trend in India (Q1 2008 - Q1 2010)



Source: Thomson ONE Banker

The Indian IPO market was briefly affected by the global slowdown

The global recession took its toll on the Indian IPO market in 2009

Toward the end of 2008, the wide-spreading financial crisis triggered a steep downtrend in India's stock markets which continued until 2009. This impacted the IPO market marginally, as evident in the 2.2% Y-o-Y decline in the total amount raised to USD38.7 billion in 2009. The plunge started in Q2 2008 where the value of IPOs fell 70% Q-o-Q to USD5.9 billion. A recovery took place in Q3 2008 with the total amount rising by 89% to USD11.2 billion but a severe drop followed in Q4 2008, when the value fell 75% to USD2.8 billion. The scenario worsened in Q1 2009, when the total amount raised through IPOs plunged 59% to USD1.2 billion compared to Q4 2008. However, a quick recovery was seen in Q2 2009 and activity has been strong ever since.

Materials, the leading sector in 2009, raised USD9.2 billion followed by energy and power with USD7.6 billion. NHPC Ltd. had the single largest IPO (USD1.3 billion), followed by Adani Power Ltd's USD637.5 million offering.

Exhibit 18: India IPO Returns Analysis (2007 - 2010)

Issue Date	Average Returns Since Issue Date *			
	2007	2008	2009	2010 YTD
2007	74%	-34%	2%	-1%
2008	-	-54%	20%	40%
2009	-	-	-5%	-5%
2010 YTD	-	-	-	-1%

(more details can be found in Table 27 on Page 32)

Source: Thomson ONE Banker, Reuters Knowledge

* Numbers represent average returns from the issue date until the end of the year mentioned, or YTD for 2010

IPOs of Tata Steel, IDFC and Jaiprakash Ventures Ltd. resulted in huge IPO activity in Indian stock exchanges in 2005

Return Analysis

In order to compare the return characteristics of IPOs in India, we have considered prominent IPOs with issue size greater than USD300 million. There were 22 such IPOs in India during 2005-2010. In fact, seven of these 22 IPOs were launched during 2005. The IPOs of Tata Steel, Infrastructure Development Finance Company (IDFC) and Jaiprakash Ventures Ltd raised USD1.0 billion each. While Tata Steel returned 57.9% since flotation, IDFC and Jaiprakash Ventures Ltd. returned 206.5% and 124.1%, respectively.

None of the IPOs in 2006 managed to raise more than USD300 million. However, there were six prominent issues in 2007. Real estate major DLF Ltd's USD2.0 billion IPO was the largest of these but the stock did not perform well, as reflected from its negative returns (-2.1%) on the day of listing and returns since flotation (-51.5%). Cairn India Ltd. also launched a USD1.2 billion IPO, which dropped 1.8% on the listing day but bounced back to generate 118.3% since flotation. The IPO of Power Grid Corp of India Ltd. also performed well as the stock posted returns of 18.4% on the day of listing and 20.6% since flotation.

In 2008, two IPOs with issue size greater than USD300 million were listed on Indian exchanges. Reliance Power's USD2.9 billion IPO was one but the stock did not perform well on Indian bourses—returns fell 32.0% on the day of listing and the stock yielded negative returns of -50.5% since flotation.

Energy sector IPOs (such as NHPC and Adani Power) dominated the Indian IPO markets in 2009

The energy sector dominated the Indian IPO market during 2009. NHPC's USD1.2 billion IPO was the largest, however, the stock did not yield good returns on its listing date and total returns since flotation are 26.2%. The other major issues were Adani Power Ltd's USD637.5 million IPO and Oil India Ltd's USD570.6 million issuing. While the Adani stock has returned 17.1% since flotation, Oil India has yielded 24.3%.

Until May 2010, there were just three major IPO issues with JSW Energy Ltd's USD575.6 million issuing being the largest one. Although returns turned -1.2% on the first day of listing, the stock has returned 25% since flotation.

Strong performance of financial and energy and power sector IPOs are likely to boost the IPO market activity in India

Financials and Energy & Power are the most important sectors in India's IPO market

The Financial sector grew at a CAGR of 22% during 2006-2009 and became the leading sector in India's IPO market. Although the total value of financial sector IPOs fell 16% y-o-y in 2008 and 63% y-o-y in 2009 due to the global economic slowdown, activity in the IPO market is gaining momentum, raising USD2.3 billion between January and May 2010. Energy & Power, the other leading sector in the Indian IPO market, grew at a CAGR of 44% during 2006-2009. The surging demand for electricity in India has encouraged large companies as well as government-owned entities to raise capital through the IPO route. Until May 2010, Energy & Power related IPOs raised USD5.1 billion on Indian stock exchanges.

Exhibit 19: List of BSE100 Companies Having Free-Float of Less than 25%

BSE 100 companies	Free float (%)	Current Enterprise Value (INR bn)	Current Market Cap (INR bn)
MMTC	0.67	1,730.8	1,731.5
NMDC	10.00	943.5	1,038.8
Power Finance	10.22	683.3 *	340.3
National Alum	12.85	108.3 *	271.0
NHPC	13.64	472.4	354.9
Power Grid	13.64	746.2	434.6
SAIL	14.18	733.5	827.9
Reliance Power	15.22	402.9	422.6
NTPC	15.50	1,950.6	1,663.9
Mundra Port	19.83	297.5	280.9
Wipro	20.48	989.2	999.3
Indian Oil Corp	21.08	804.1	802.3
DLF	21.36	633.5	464.8
Tata Comm	23.85	122.6	71.5

Source: Business Standard * Enterprise Value is available as of March 2010

New regulation by Indian government to boost future IPO activity

Indian government has set out new rules for listing of companies on Indian stock exchanges. In June 2010, India's finance ministry announced that all listed companies are required to have a public float of at least 25%. This move by Indian government could prompt tens of billions of dollars in share sales and further crowd the pipeline for new issues in Indian IPO market. The government also said that listed companies with a free float of less than 25% must increase it by a minimum of 5% a year. According to Prime database, an Indian capital markets information provider, the new rule is expected to force companies to raise as much as USD60 billion by selling stakes over the next few years. Currently, there are 14 companies listed on BSE100 Index which have a free-float of less than 25%.

Outlook

The Indian IPO markets revealed strong growth during Q1 2010 with Indian exchanges raising USD14.1 billion through 149 IPOs compared to USD1.2 billion (63 IPOs) in Q1 2009. The FPO of NMDC Ltd. (worth USD2.2 billion) in March 2010 was the largest capital increase in Q1 2010 and helped place the Materials sector in the top position in Q1 2010 after raising a total of USD3.3 billion. The surge in Indian IPO markets can be attributed to the recovery in global markets which led to the execution of many stalled projects, for which additional capital is required. Further enhancements in liquidity should continue to boost IPO activity in India and the fact that annual IPO activity has been stable despite the crisis bodes well for the coming months.

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Table 1: Top IPO's in the Pipeline - Saudi Arabia

Status	Issuer	Subscription Period	Sector	Average Size of Offering (USD mn)	Equity Offered
Announced	Zamil Group Holding Company	2010	Industrial Manufacturing	-	-
Announced	National Air Services	H1 2011	Transport	600.2	30%
Announced	Power and Water Utility Company for Jubail and Yanbu*	H2 2011	Power and Utilities	466.6	30%
Rumored	AJWA Group for Food Industries	2012	Food and Beverages	400.0	-
Announced	Knowledge Economic City Company	24-May-10	Real Estate	272.0	30%
Announced	Aujan Group	2010	Food and Beverages	186.7	30%
Announced	Hail Cement Company	2010	Construction	160.0	50%
Rumored	National Company for Unified Purchase of Medicines and Medical Appliances	2010	Health Care	160.0	30%
Announced	City Cement Company	H1 2010	Industrial Manufacturing	73.3	50%
Announced	Saudi Integrated Telecom Company	2010	Telecommunications	66.7	25%
Rumored	Al Bayt Development Company	2010	Real Estate	40.0	30%
Announced	Al Akhawain Company	2010	Agriculture	26.7	30%
Announced	Al Rabie Saudi Foods Company	2010	Food and Beverages	26.7	-
Announced	Mouawad National Jewellery and Watches	2011	Consumer Goods	24.0	30%
Announced	Cable Factories Union Company	H1 2010	Industrial Manufacturing	16.5	30%

Source: Thomson ONE Banker

Table 2: Top IPO's in the Pipeline - UAE

Status	Issuer	Subscription Period	Sector	Average Size of Offering (USD mn)	Equity Offered
Announced	Nakheel*	2010	Real Estate	15,000.0	-
Rumored	Emirates Airline*	2010	Transport	8,250.0	-
Rumored	Al Qudra Holding	2010	Real Estate	997.0	55%
Delayed	Future Pipe Industries Group	2015	Industrial Manufacturing	487.2	35%
Announced	Al Rawabi Dairy Company	2011	Food and Beverages	435.6	55%
Announced	Emirates Post*	2010	Transport	272.3	49%
Announced	Damac for Commerce and Services	2010	Services	245.0	-
Rumored	Al Nahda International Education Company	2010	Education	198.0	72%
Announced	Alpha Tours	2010	Leisure and Tourism	150.0	50%
Announced	Al Yousuf Motors	2010	Transport	122.5	30%
Rumored	Al-Khaleej for Medical Projects	2010	Health Care	95.3	-

Source: Thomson ONE Banker

Table 3: Top IPO's in the Pipeline - Bahrain

Status	Issuer	Subscription Period	Sector	Average Size of Offering (USD mn)	Equity Offered
Announced	Istikhlaf Bank	H1 2010	Financial Services	3,500.0	35%
Rumored	Seera Investment Bank	2011	Financial Services	800.0	40%
Delayed	Naseej	2010	Real Estate	265.3	40%
Rumored	Solidarity Group Holding	2010	Financial Services	50.0	18%
Announced	Bahrain and Kuwait Housing and Construction	2010	Real Estate	26.5	-

Source: Thomson ONE Banker

Table 4: Top IPO's in the Pipeline - Kuwait

Status	Issuer	Subscription Period	Sector	Average Size of Offering (USD mn)	Equity Offered
Announced	Sahaab Leasing	2010	Transport	206.1	-
Announced	Esdarat Holding Company	2010	Financial Services	189.0	-
Announced	Kuwait Airways Corporation*	H2 2010	Transport	-	40%

Source: Thomson ONE Banker

Table 5: Top IPO's in the Pipeline - Tunisia

Status	Issuer	Subscription Period	Sector	Average Size of Offering (USD mn)	Equity Offered
Announced	Carthage Cement	24-May-10 to 02-Jun-10	Construction	90.0	50%
Announced	Société Ennakl	Q2 2010	Transport	85.7	40%

Source: Thomson ONE Banker

Table 6: Top IPO's in the Pipeline - Egypt

Status	Issuer	Subscription Period	Sector	Average Size of Offering (USD mn)	Equity Offered
Rumored	EgyptAir Airlines Holding Company*	2010	Transport	1,000.0	20%

Source: Thomson ONE Banker

Table 7: Top IPO's in the Pipeline - Syria

Status	Issuer	Subscription Period	Sector	Average Size of Offering (USD mn)	Equity Offered
Announced	Syrian Iranian Commercial Bank	2010	Financial Services	92.0	23%

Source: Thomson ONE Banker

Table 8: Top 10 Book Runners in MENA - 2005

Book Runner	Proceeds Amount + Over allotment Sold This Market (USD mn)	Rank	Market Share	Number of Issues
Saudi British Bank	997.1	1	21.3	2
HSBC Holdings PLC	950.1	2	20.3	2
Bank Muscat Al Ahli Al Omani	760.3	3	16.2	1
EFG Hermes	432.1	4	9.2	1
Credit Suisse	432.1	4	9.2	1
Citi	389.0	6	8.3	1
National Bank of Abu Dhabi	160.0	7	3.4	1
SHUAA Capital Plc	149.8	8	3.2	1
Barclays Capital	135.1	9	2.9	1
William Blair & Co	56.0	10	1.2	1

Source: Thomson ONE Banker

Table 9: Top 10 Book Runners in MENA - 2006

Book Runner	Proceeds Amount + Over allotment Sold This Market (USD mn)	Rank	Market Share	Number of Issues
HSBC Holdings PLC	889.9	1	16.1	4
Saudi British Bank	739.1	2	13.4	2
National Commercial Bank	660.0	3	11.9	1
Samba Financial Group	471.4	4	8.5	2
JP Morgan	461.3	5	8.4	1
Dubai Bank	435.7	6	7.9	1
SHUAA Capital Plc	247.8	7	4.5	1
EFG Hermes	225.6	8	4.1	1
Deutsche Bank AG	218.5	9	4.0	1
Morgan Stanley	218.5	9	4.0	1

Source: Thomson ONE Banker

Table 10: Top 10 Book Runners in MENA - 2007

Book Runner	Proceeds Amount + Over allotment Sold This Market (USD mn)	Rank	Market Share	Number of Issues
Samba Financial Group	3,697.3	1	21.3	5
SHUAA Capital Plc	2,619.1	2	15.1	3
Bank of America Merrill Lynch	1,574.4	3	9.1	4
Deutsche Bank AG	1,188.1	4	6.8	2
Dubai Islamic Bank Ltd	1,054.7	5	6.1	1
Bank Al Bilad	537.2	6	3.1	1
HSBC Holdings PLC	476.9	7	2.7	3
JP Morgan	445.1	8	2.6	3
Safabourse Groupe CDG	432.5	9	2.5	1
EFG Hermes	429.6	10	2.5	1

Source: Thomson ONE Banker

Table 11: Top 10 Book Runners in MENA - 2008

Book Runner	Proceeds Amount + Over allotment Sold This Market (USD mn)	Rank	Market Share	Number of Issues
Samba Financial Group	3,251.3	1	16.4	3
HSBC Holdings PLC	2,628.3	2	13.3	6
JP Morgan	2,473.6	3	12.5	1
Credit Agricole CIB	1,895.0	4	9.6	2
EFG Hermes	467.7	5	2.4	2
Attijari Bank	339.6	6	1.7	2
Al Mal Capital	326.3	7	1.7	1
Morgan Stanley	252.2	8	1.3	2
UBS	199.2	9	1.0	1
Goldman Sachs & Co	193.0	10	1.0	1

Source: Thomson ONE Banker

Table 12: Top 10 Book Runners in MENA - 2009

Book Runner	Proceeds Amount + Over allotment Sold This Market (USD mn)	Rank	Market Share	Number of Issues
Riyadh Bank Ltd	656.0	1	10.2	2
HSBC Holdings PLC	564.4	2	8.8	2
Qatar National Bank	476.4	3	7.4	1
Gulf International Bank	106.7	4	1.7	1
Saudi Hollandi Bank	93.6	5	1.5	4
SEB Enskilda	62.6	6	1.0	1
ABG Sundal Collier	62.6	6	1.0	1
NCB Capital Corp	40.1	8	.6	1
Banque Bemo Saudi Fransi SA	38.0	9	.6	1
ING	33.7	10	.5	1
Bank of America Merrill Lynch	33.7	10	.5	1
Mirabaud Securities Limited	33.7	10	.5	1

Source: Thomson ONE Banker

Table 13: Top 10 Book Runners in MENA - 2010 YTD

Book Runner	Proceeds Amount + Over allotment Sold This Market (USD mn)	Rank	Market Share	Number of Issues
Aldukheil Financial Group	175.0	1	9.2	2
EFG Hermes	143.6	2	7.5	1
Deloitte & Touche	137.3	3	7.2	1
Jadwa Investment Co	137.2	4	7.2	1
Swicorp	136.0	5	7.1	1
NCB Capital Corp	136.0	5	7.1	1
Falcom Financial Services	34.1	7	1.8	1
Saudi Hollandi Bank	8.0	8	.4	1
Amwal Invest Plc	3.2	9	.2	1

Source: Thomson ONE Banker

Table 14: Top 10 Book Runners in India - 2005

Book Runner	Proceeds Amount + Over allotment Sold This Market (USD mn)	Rank	Market Share	Number of Issues
Goldman Sachs & Co	354.4	1	7.5	6
Enam Securities	338.8	2	7.1	12
Bank of America Merrill Lynch	327.8	3	6.9	6
Morgan Stanley	255.7	4	5.4	6
ICICI Bank Ltd	172.9	5	3.6	8
HSBC Holdings PLC	112.6	6	2.4	2
Citi	108.2	7	2.3	2
IL & FS Merchant Banking Svcs	101.2	8	2.1	8
Deutsche Bank AG	72.6	9	1.5	1
UBS	72.6	9	1.5	1

Source: Thomson ONE Banker

Table 15: Top 10 Book Runners in India - 2006

Book Runner	Proceeds Amount + Over allotment Sold This Market (USD mn)	Rank	Market Share	Number of Issues
Morgan Stanley	881.8	1	8.3	11
Bank of America Merrill Lynch	839.2	2	7.9	9
Enam Securities	580.3	3	5.5	15
RBS	527.4	4	5.0	3
ICICI Bank Ltd	347.5	5	3.3	10
Kotak Mahindra Bank Ltd	308.6	6	2.9	4
State Bank of India	156.5	7	1.5	7
Deutsche Bank AG	152.1	8	1.4	2
IL & FS Merchant Banking Svcs	118.2	9	1.1	8
Goldman Sachs & Co	102.4	10	1.0	3

Source: Thomson ONE Banker

Table 16: Top 10 Book Runners in India - 2007

Book Runner	Proceeds Amount + Over allotment Sold This Market (USD mn)	Rank	Market Share	Number of Issues
Kotak Mahindra Bank Ltd	1,351.2	1	7.1	17
Enam Securities	1,168.3	2	6.1	20
Bank of America Merrill Lynch	935.4	3	4.9	8
Citi	902.8	4	4.7	9
ICICI Bank Ltd	596.7	5	3.1	7
UBS	478.1	6	2.5	5
Morgan Stanley	467.5	7	2.4	6
Nomura	382.7	8	2.0	2
Deutsche Bank AG	374.3	9	2.0	2
JP Morgan	284.1	10	1.5	3

Source: Thomson ONE Banker

Table 17: Top 10 Book Runners in India - 2008

Book Runner	Proceeds Amount + Over allotment Sold This Market (USD mn)	Rank	Market Share	Number of Issues
Deutsche Bank AG	619.7	1	2.2	3
ICICI Bank Ltd	536.6	2	1.9	4
Kotak Mahindra Bank Ltd	440.9	3	1.5	5
JM Financial Group	350.5	4	1.2	2
UBS	350.5	4	1.2	2
Enam Securities	350.5	4	1.2	2
RBS	319.1	7	1.1	1
JP Morgan	319.1	7	1.1	1
Liberum Capital Limited	199.4	9	.7	1
IL & FS Merchant Banking Svcs	137.2	10	.5	1
State Bank of India	137.2	10	.5	1

Source: Thomson ONE Banker

Table 18: Top 10 Book Runners in India - 2009

Book Runner	Proceeds Amount + Over allotment Sold This Market (USD mn)	Rank	Market Share	Number of Issues
Morgan Stanley	626.2	1	7.3	4
Kotak Mahindra Bank Ltd	621.3	2	7.2	6
State Bank of India	593.5	3	6.9	5
Enam Securities	554.1	4	6.4	5
JM Financial Group	301.3	5	3.5	4
Citi	196.9	6	2.3	3
HSBC Holdings PLC	161.8	7	1.9	2
Infrastructure Dev Finance	158.8	8	1.8	3
ICICI Bank Ltd	158.8	8	1.8	3
Indiainfoline Ltd	132.1	10	1.5	1
Bank of America Merrill Lynch	33.7	10	.5	1
Mirabaud Securities Limited	33.7	10	.5	1

Source: Thomson ONE Banker

Table 19: Top 10 Book Runners in India - 2010 YTD

Book Runner	Proceeds Amount + Over allotment Sold This Market (USD mn)	Rank	Market Share	Number of Issues
Kotak Mahindra Bank Ltd	377.5	1	9.9	6
Enam Securities	330.1	2	8.6	7
State Bank of India	239.1	3	6.2	7
JM Financial Group	169.1	4	4.4	4
Infrastructure Dev Finance	131.1	5	3.4	3
ICICI Bank Ltd	106.3	6	2.8	3
Morgan Stanley	103.8	7	2.7	2
Axis Bank Ltd	96.0	8	2.5	3
IDBI Bank Ltd	71.0	9	1.9	2
Aventus Capital Pvt Ltd	58.7	10	1.5	2

Source: Thomson ONE Banker

Table 20: Top 10 Book Runners in China - 2005

Book Runner	Proceeds Amount + Over allotment Sold This Market (USD mn)	Rank	Market Share	Number of Issues
Morgan Stanley	4,535.9	1	18.3	6
Credit Suisse	3,842.0	2	15.5	7
Goldman Sachs & Co	1,803.9	3	7.3	5
HSBC Holdings PLC	1,491.7	4	6.0	2
Bank of America Merrill Lynch	1,430.2	5	5.8	3
China International Capital Co	1,288.4	6	5.2	2
Deutsche Bank AG	1,288.4	6	5.2	2
UBS	857.4	8	3.5	4
BNP Paribas SA	533.1	9	2.2	3
JP Morgan	409.0	10	1.7	1

Source: Thomson ONE Banker

Table 21: Top 10 Book Runners in China - 2006

Book Runner	Proceeds Amount + Over allotment Sold This Market (USD mn)	Rank	Market Share	Number of Issues
China International Capital Co	7,993.9	1	14.6	5
UBS	5,428.9	2	9.9	8
Goldman Sachs & Co	4,533.0	3	8.3	7
Bank of America Merrill Lynch	4,176.3	4	7.6	4
Deutsche Bank AG	3,561.8	5	6.5	3
Credit Suisse	3,526.6	6	6.5	4
CITIC	1,809.5	7	3.3	4
Guotai Junan Securities	1,635.7	8	3.0	2
Shenyin & Wanguo Securities	1,504.0	9	2.8	2
Bank of China Ltd	1,152.9	10	2.1	5

Source: Thomson ONE Banker

Table 22: Top 10 Book Runners in China - 2007

Book Runner	Proceeds Amount + Over allotment Sold This Market (USD mn)	Rank	Market Share	Number of Issues
UBS	12,273.1	1	15.4	20
Morgan Stanley	6,534.6	2	8.2	17
Bank of China Ltd	6,157.5	3	7.7	9
China International Capital Co	5,817.6	4	7.3	4
CITIC	4,103.5	5	5.1	10
Goldman Sachs & Co	3,502.8	6	4.4	9
JP Morgan	2,423.4	7	3.0	9
Bank of America Merrill Lynch	2,023.8	8	2.5	11
Deutsche Bank AG	1,564.5	9	2.0	7
HSBC Holdings PLC	1,478.0	10	1.9	2

Source: Thomson ONE Banker

Table 23: Top 10 Book Runners in China - 2008

Book Runner	Proceeds Amount + Over allotment Sold This Market (USD mn)	Rank	Market Share	Number of Issues
CITIC	4,389.7	1	13.9	4
China International Capital Co	1,423.0	2	4.5	2
Macquarie Group	1,170.7	3	3.7	2
Citi	895.0	4	2.8	2
UBS	891.5	5	2.8	5
Bank of China Ltd	747.8	6	2.4	2
Morgan Stanley	651.0	7	2.1	5
Industrial Securities Co Ltd	515.6	8	1.6	2
Guosen Securities Co Ltd	508.0	9	1.6	9
Credit Suisse	506.7	10	1.6	3
State Bank of India	137.2	10	.5	1

Source: Thomson ONE Banker

Table 24: Top 10 Book Runners in China - 2009

Book Runner	Proceeds Amount + Over allotment Sold This Market (USD mn)	Rank	Market Share	Number of Issues
China International Capital Co	11,321.6	1	18.6	7
CITIC	4,537.3	2	7.4	8
UBS	3,871.9	3	6.4	9
Morgan Stanley	3,350.8	4	5.5	9
Goldman Sachs & Co	2,013.0	5	3.3	6
China Securities Co	1,762.8	6	2.9	5
Orient Securities Co Ltd	1,681.7	7	2.8	2
Guosen Securities Co Ltd	1,677.9	8	2.8	14
Credit Suisse	1,358.8	9	2.2	8
JP Morgan	1,347.7	10	2.2	5

Source: Thomson ONE Banker

Table 25: Top 10 Book Runners in China - 2010 YTD

Book Runner	Proceeds Amount + Over allotment Sold This Market (USD mn)	Rank	Market Share	Number of Issues
Haitong Securities	2,789.4	1	7.0	5
Guosen Securities Co Ltd	2,263.3	2	5.7	14
Pingan Securities Co Ltd	2,181.7	3	5.5	16
China Merchants Bank	2,177.1	4	5.5	16
China International Capital Co	2,039.4	5	5.1	4
Bank of China Ltd	1,974.5	6	5.0	3
CITIC	1,381.7	7	3.5	5
Hongyuan Securities Co Ltd	1,320.9	8	3.3	8
Sinolink Securities Co Ltd	1,162.9	9	2.9	4
GF Securities	1,007.9	10	2.5	8

Source: Thomson ONE Banker

Table 26: China IPO Returns Analysis - Detailed (2006 - 2010)

Issuer	Issue Year	Returns From Issue Date to Year End				
		2006	2007	2008	2009	2010 YTD
ICBC	2006	389%	584%	170%	451%	566%
Bank of China Ltd	2006	36%	66%	-26%	9%	-13%
China Commun Constr Co Ltd	2006	-2%	162%	23%	-5%	-10%
Daqin Railway Co Ltd	2006	27%	301%	26%	61%	32%
China Construction Bank Corp	2007	-	15%	-55%	-28%	-44%
China CITIC Bank Corp Ltd	2007	-	10%	-58%	-11%	-40%
China Pacific Ins(Grp)Co Ltd	2007	-	-3%	-78%	-50%	-58%
China Shenhua Energy Co Ltd	2007	-	110%	-44%	11%	-26%
Industrial Bank Co Ltd	2007	-	97%	-45%	53%	-6%
Bank of Beijing	2007	-	-12%	-61%	-16%	-47%
BoCOMM	2007	-	10%	-67%	-34%	-55%
Soho China	2007	-	-3%	-60%	-49%	-47%
Country Garden Holdings Co Ltd	2007	-	29%	-73%	-59%	-69%
Sino-Ocean Land Holdings Ltd	2007	-	-11%	-68%	-34%	-45%
Alibaba.com Ltd	2007	-	-8%	-81%	-40%	-46%
Fosun International Ltd	2007	-	-21%	-73%	-41%	-43%
China COSCO Holdings Co Ltd	2007	-	175%	-52%	-10%	-38%
Sinotruk (Hong Kong) Ltd	2007	-	3%	-56%	-23%	-44%
China Railway Constr Corp	2008	-	-	-9%	-17%	-34%
China Coal Energy Co Ltd	2008	-	-	-73%	-43%	-62%
China South Locomotive	2008	-	-	12%	47%	26%
Jinduicheng Molybdenum Group	2008	-	-	-51%	11%	-21%
Want Want China Holdings Ltd	2008	-	-	7%	81%	117%
China State Constr Engineering Metallurgical Corp of China	2009	-	-	-	-30%	-48%
China Longyuan Elec Power Grp	2009	-	-	-	23%	-4%
China Shipbuilding Ind Corp	2009	-	-	-	-7%	-11%
China CNR Corp Ltd	2009	-	-	-	6%	-15%
China Merchants Securities Co	2009	-	-	-	-16%	-40%
Everbright Securities Co	2009	-	-	-	-15%	-47%
China Zhongwang Holdings Ltd	2009	-	-	-	-9%	-24%
Sinopharm Group Co Ltd	2009	-	-	-	42%	51%
Huatai Securities Co Ltd	2010	-	-	-	-	-34%
China First Heavy Industries	2010	-	-	-	-	4%
China XD Electric Co Ltd	2010	-	-	-	-	-20%

Source: Thomson ONE Banker, Reuters Knowledge

Table 27: India IPO Returns Analysis - Detailed (2007 - 2010)

Issuer	Issue Year	Returns Since Issue Date to Year End			
		2007	2008	2009	2010 YTD
DLF Ltd	2007	85%	-52%	-38%	-52%
Cairn India Ltd	2007	84%	23%	101%	118%
Power Grid Corp of India Ltd	2007	69%	-2%	30%	21%
Idea Cellular Ltd	2007	50%	-43%	-37%	-42%
Mundra Port & Special Eco Zone	2007	65%	-58%	-28%	-8%
Housing Dvlp & Infrastructure	2007	89%	-71%	-18%	-45%
Reliance Power Ltd	2008	-	-65%	-55%	-51%
Rural Electrification Corp Ltd	2008	-	-42%	95%	131%
NHPC Ltd	2009	-	-	-13%	-26%
Adani Power Ltd	2009	-	-	-6%	17%
Oil India Ltd	2009	-	-	22%	24%
Indiabulls Power Ltd	2009	-	-	-23%	-36%
JSW Energy Ltd	2010	-	-	-	25%
Jaypee Infratech Ltd	2010	-	-	-	-8%
DB Realty Ltd	2010	-	-	-	-19%

Source: Thomson ONE Banker, Reuters Knowledge



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