



# Q2'12 Global IPO update

June 2012

# Q2'12 key highlights

Global IPO activity by number of IPOs was lower in Q2'12 (206 deals) compared to Q2'11 (383 deals) and higher than Q1'12 (196 deals):

**46%** less IPOs in Q2'12 than Q2'11

**5%** more IPOs in Q2'12  
than Q1'12

Total capital raised in Q2'12 (US\$41.8 billion) was significantly lower than Q2'11 (US\$65.6 billion) and higher than Q1'12 (US\$17.4 billion):

**36%** less capital raised in Q2'12 than Q2'11

**141%** more capital raised in  
Q2'12 than Q1'12

Note: The Q2'12 global IPO update covers global IPO activity from January to 21<sup>st</sup> June 2012.

# Q2'12 key highlights

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## Quarter on quarter analysis:

- ▶ **Global IPO volume reached US\$41.8 billion in 206 deals during the second quarter of 2012 (Q2'12).**
  - ▶ There was a 5% increase in the number of deals and a 141% increase in the capital raised compared to US\$17.4 billion raised via 196 deals in the first quarter of 2012 (Q1'12).
  - ▶ When compared with US\$65.6 billion raised via 383 deals in Q2'11, there was a 46% decrease in the number of deals and a 36% reduction in the capital raised. It should be noted that Q2'11 was a strong quarter by number of deals and capital raised; it was the highest Q2 since Q2'07 (US\$94.6b via 574 deals).
- ▶ **Q2'12 was the highest quarter in terms of capital raised since Q3'11 (US\$28.6 billion from 291 deals).**
  - ▶ Average deal size increased in many markets in Q2'12 compared to Q2'11 and Q1'12. The global average deal size increased from US\$171 million in Q2'11 and US\$89 million in Q1'12 to US\$203 million in Q2'12, due to large IPOs.

## Year on year analysis:

- ▶ **Global IPO volume reached US\$59.2 billion in 402 deals during the first half of 2012.**
  - ▶ There was a 41% decrease in the number of deals and a 47% reduction in the capital raised, compared to US\$112.2 billion raised via 679 deals in the first half of 2011.

Note: The Q2'12 Global IPO update covers global IPO activity from January to 21<sup>st</sup> June.

\*Please see the Appendix for the definition of emerging markets. Based on the listed company domicile.

Source: Dealogic, Thomson Financial, Ernst & Young

# Q2'12 key highlights

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## Capital markets in Q2'12 and outlook for Q3'12:

- ▶ Q2'12 show relative optimism for capital-raising. However, this optimism is in certain markets.
- ▶ Capital market activity continues to be hampered by lack of investor confidence and economic uncertainty, the latter stems from concern over the ongoing Europe's sovereign-debt crisis and a global economic slowdown.
  - ▶ In May, the equity markets corrected sharply and the CBOE Volatility S&P 500 Index (the VIX index) suddenly increased during the month and reached this year's highest level at start of June before falling steadily during the month of June. This suggests that capital markets may remain volatile in the near term due to deteriorating investor confidence. In fact, the IPO window was effectively shut in May and June in selected markets.
- ▶ However, there are a number of positive signs of global IPO activity and capital markets for Q3'12:
  - ▶ Balanced monetary policy in the developed and emerging economies will be important to restore investor and issuers' confidence.
  - ▶ Divergent macroeconomic conditions should also continue to create pockets of opportunity in the global IPO landscape in second half of 2012.
  - ▶ There is a huge pipeline of private companies globally who are waiting to go public as soon as market conditions improve. They are just waiting for the global market to stabilize, concerns over global growth to dissipate and the IPO window to open.
  - ▶ In the coming months, the windows for completing IPO deals are likely to open and close more quickly and often with little or no warning. Companies need to prepare earlier, and be ready to move fast once a viable market window opens.

Note: The Q1'12 Global IPO update covers global IPO activity from January to 21<sup>st</sup> June.

\*Please see the Appendix for the definition of emerging markets . Based on the listed company domicile.

# Q2'12 key highlights

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## ► The top three IPOs accounted for 50.2% of Q2'12 global capital raised:

- US social networking operator Facebook's IPO raised US\$16.0 billion in May, which constituted 38.3% of global capital raised in Q2'12. It is the largest IPO globally so far this year and the eighth largest IPO globally. It is the third largest IPO by an American issuer on record, behind Visa Inc's US\$19.7 billion listing in 2008 and General Motors Co US\$18.1 billion listing in 2010. This is the largest internet-related IPO globally on record. The deal is also the largest listing on NASDAQ so far.
- Malaysia's agricultural and agri-commodities company, Fleda Global Ventures, raised US\$3.1 billion on Bursa Malaysia in June. This deal constituted 7.5% of global capital raised in Q2'12 and is the second largest IPO globally so far this year. This is the third largest IPO on Bursa Malaysia on record.
- China's brokerage, trading and investment advisory firm, Haitong Securities Co Ltd, raised US\$1.9 billion in April, which constituted 4.4% of global capital raised in Q2'12. This was listed on Hong Kong Stock Exchange (HKEx). This is the third largest IPO globally so far this year.

## ► The top 20 IPOs accounted for 73.7% of the global capital raised in Q2'12:

- There were five deals with capital raised above US\$1 billion in Q2'12, compared to five deals in Q2'11 and one deal in Q1'12.
- **Emerging markets\* made up around 65% of the global number of deals and 41.5% of the amount of capital raised in Q2'12.** Of the top 10 IPOs (by capital raised), five deals were from emerging markets. Of the top 20 IPOs, 10 deals were from emerging markets.
- BRIC markets recorded 76 deals and US\$10.4 billion, or 37% of global number of deals and 25% of total capital raised in Q2'12. This compares with US\$6.7 billion via 65 deals in Q1'12 and US\$24.7 billion via 125 deals in Q2'11.

\*Please see the Appendix for the definition of emerging markets . Based on the listed company domicile.

Source: Dealogic, Thomson Financial, Ernst & Young

# Q2'12 key highlights

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- ▶ **In Q2'12, Asian issuers\* continued to dominate global IPO activity in terms of number of deals and capital raised:**
  - ▶ Asian issuers accounted for 35% of global capital raised or US\$14.5 billion in over 107 deals in Q2'12. However, if we exclude the Facebook listing, Asian issuers accounted for 56% of global capital raised this quarter.
  - ▶ Capital raised in Q2'12 was 87% higher by capital raised than Q1'12 (US\$7.8 billion via 96 deals), but 43% lower than in Q2'11 (US\$25.7 billion in 175 deals).
  - ▶ Bursa Malaysia ranked third among world exchanges by capital raised (US\$3.4 billion in 4 deals) in Q2'12. This is mainly due to hosting the quarter's second largest IPO listing.
- ▶ **Greater Chinese\*\* issuers still dominated the global IPO market. Greater China issuers made up 19.7% of global fundraising (including the Facebook listing) and 32% of global fund raising (excluding Facebook IPO) in Q2'12:**
  - ▶ Greater Chinese issuers raised US\$8.2 billion in 71 deals (at home exchanges or cross-border listings). This was 28% higher than Q1'12 by capital raised, but 59% lower than in Q2'11 (US\$20.1 billion in 108 deals).
- ▶ Shenzhen Stock Exchange (SME and ChiNext) (SZE) was fourth among world exchanges by capital raised (US\$3.3 billion in 41 deals) in Q2'12.
- ▶ Hong Kong Stock Exchange (HKEx) was ranked fifth by global capital raised (US\$2.4 billion via 9 deals) this quarter.
- ▶ Shanghai Stock Exchange (SSE) ranked sixth by global capital raised in Q2'12. SSE raised US\$2.3 billion via 11 IPO deals.

\*Please see the Appendix for the definition of Asian issuers. Based on the listed company domicile.

\*\*Greater China includes Mainland China (69 deals) and Hong Kong (2) issuers.

Source: Dealogic, Ernst & Young

# Q2'12 key highlights

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## ► US exchanges raised 53% of global proceeds, 88% of US proceeds are backed by PE and/or VC firms:

- US exchanges (NYSE, NASDAQ and AMEX) raised 53% of global proceeds, or a total of US\$22.1 billion in 28 deals in Q2'12. This was a 32% decrease in the number of deals and 243% increase in capital raised or 5% decrease (excluding the Facebook IPO) compared to Q1'12 (US\$6.4 billion via 41 deals). Q2'12 saw a 38% decrease in the number of deals and 60% increase in capital raised compared to Q2'11 (US\$13.8 billion via 45 deals).
- The US has maintained steady IPO activity. We are waiting to see the impact from the US government's Jumpstart Our Business Startups (JOBS) Act, which may help small businesses access the US capital markets and stimulate IPO activity in the long term.
- NASDAQ was ranked first by highest capital raised among global exchanges, due to hosting the quarter's largest IPO globally of Facebook. There were 12 deals that raised US\$17.5 billion in Q2'12.
- PE and/or VC sponsored deals made up 57% of the number of US new issuances (16 deals) and 88% by capital raised (US\$19.4 billion). Six of the top 10 US IPOs by capital raised were all PE backed.
- There were five technology deals which raised US\$16.6 billion. While the energy sector saw three IPOs which raised US\$1.4 billion and the consumer products and services sector had three IPO deals which raised US\$1.1 billion altogether.

## ► Central and South American issuers, led by Brazil, raised 7% of global capital raised:

- Issuers from Central and South America raised US\$3.1 billion in seven deals (3.4% of the global deal number) in Q2'12. Whereas, Q1'12 saw four deals which raised US\$330 million from this region.
- Brazil conducted three IPO deals raising US\$2.1 billion in Q2'12. This includes the fourth largest IPOs globally in Q2'12 by investment bank, Banco BTG Pactual SA which raised US\$1.7 billion via dual listed on BOVESPA and Euronext (Amsterdam).
- Mexico conducted one IPO listing which raised US\$792 million: petrochemical company Alpek Sa de CV listed on Bolsa Mexicana de Valores.

# Q2'12 key highlights

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- ▶ **European exchanges, led by the Italy and the UK, raised 2% of global proceeds:**
  - ▶ European exchanges launched 46 IPOs worth US\$915 million in Q2'12 (22% of global number of deals). Q2'12 saw a 17% increase in the number of deals compared to Q1'12 (US\$2.9 billion in 39 deals) and capital raised decreased by 68%. The increase in number of deals is due to smaller companies raising capital via equity financing, which resulted in smaller average deal size.
  - ▶ June 2012 may be the first June in more than 20 years where no European IPOs with capital raised over US\$100m have priced. European IPO volume in June may be the lowest volume for the month on record.
  - ▶ Borsa de Italia led Europe and was ranked fourteenth globally in fundraising with US\$230 million raised in one IPO offering: the largest European deal was the Italian luxury cashmere knitwear company, Brunello Cucinelli SpA.
  - ▶ London Stock Exchange (LSE) had the second highest capital raised within Europe and fifteenth globally. There was one IPO which raised US\$206 million – United Arab Emirates' medical care provider, NMC Health plc IPO in April.
  - ▶ Polish junior market NewConnect led the highest number of IPOs within European exchanges and ranked second globally by deal numbers. There were 17 deals which raised US\$6.4 million on NewConnect.
  - ▶ London's Alternative Investment Market (AIM) is ranked eighth globally but second within Europe exchanges by number of deals, with US\$141 million raised via nine IPO deals.
- ▶ **The Middle East and Africa IPO market remained relatively quiet in Q2'12 due to regional unrest and global market volatility:**
  - ▶ Middle East issuers raised US\$956 million in four IPOs in Q2'12. Whereas in Q1'12, there were three deals which raised US\$162 million.
  - ▶ African issuers conducted one IPO deal which raised US\$84.6 million in Q2'12. Whereas, Q1'12 saw three deals which raised US\$13.5 million altogether.



# Q2'12 key highlights

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## ► Financial sponsor-backed IPOs\* continue their presence:

- Globally, PE firms exited 22 companies via IPO in Q2'12 (11% of global number of deals), raising US\$3.4 billion (8.1% of total funds raised). In Q1'12, there were 35 PE backed IPOs which raised US\$6.0 billion (34.7% of global funds raised). This represents a 37.1% decrease by number of deals and 43.7% lower by total funds raised from Q1'12 to Q2'12.
- US PE-backed IPO listings continue to drive global PE-backed IPO activity in Q2'12. There were 12 IPOs which raised US\$3.1 billion on US exchanges which represents 7.4% of global capital raised.
- The largest PE-backed IPO in Q2'12 was the US\$595 million IPO of the US propylene manufacturer, PetroLogistics LP, which was listed on New York Stock Exchange. This is the ninth largest IPO globally this quarter.
- The second largest PE backed IPO this quarter is by the US distributor of pipe, MRC Global Inc. They raised US\$477m on New York Stock Exchange. This is the eleventh largest IPO globally in Q2'12.
- Globally, VC firms exited 18 companies through an IPO in Q2'12. These IPO deals raised US\$16.9 billion (40% of global capital raised).
- US VC backed IPO deals continue to drive global VC backed IPO activity in Q2'12. There were eight IPOs which raised US\$16.8 billion on US exchanges which represents 40% of global capital raised.
- The largest VC backed IPO in Q2'12 was the Facebook IPO which raised US\$16.0 billion on NASDAQ.

## ► There were three IPOs from global state-owned enterprise (SOE) privatization in Q2'12 which raised US\$3.2 billion (7.6% of the global funds raised). This includes:

- Malaysia's Fleda Global Ventures which raised US\$3.1 billion on Bursa Malaysia. This is the second largest IPO globally so far this year.
- We continue to see a slowdown of former SOE listings on Greater Chinese stock exchanges. The other two deals in Q2'12 were from China and Japan (one deal each).

\*Financial sponsor-backed IPOs refer to private equity backed IPO deals. A financial sponsor is defined by data provider Dealogic as "a private equity investment firm that acquires existing and operating companies through a leveraged or management buyout, engages in restructuring activities for the acquired companies and eventually monetizes its positions through a sale of equity, recapitalization, secondary buyout or trade sale."

Source: Dealogic, Ernst & Young

# Q2'12 key highlights

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- ▶ **Around 84 out of every 100 global IPOs\* priced within or above their initial filing range in Q2'12:**
  - ▶ 76% of global IPOs were priced within their initial filing range, compared to a historical 10 year average of 79%.
  - ▶ 8% of IPOs were priced above their initial filing range.
  - ▶ Only 16% of IPOs were priced below their initial filing range.
- ▶ **Withdrawals/postponements:**
  - ▶ In Q2'12 there has been 79 postponed or withdrawn IPOs according to Dealogic. Many issuers have cited market uncertainty as the reason for postponing the listing.
  - ▶ Globally, there were 17 postponed deals and 62 withdrawn IPO deals in Q2'12. Of the 79 deals:
    - ▶ 25 deals were from the US, 23 deals were from Mainland China, while Australia had 9 deals.
    - ▶ 17 deals were financial sponsor-backed (ie PE backed) deals, while 11 were VC backed deals.
    - ▶ 23 deals were from NASDAQ, 18 deals from Shenzhen – SME and ChiNext, and eight deals each from New York and Australian Stock Exchanges.
    - ▶ 15 deals were from materials issuers while 13 deals were from energy and 11 from the technology sector.
  - ▶ By comparison, there has been four postponed deals and 44 withdrawn IPO deals in Q1'12. In Q2'11 saw 18 postponed deals and 77 withdrawn IPO deals.
  - ▶ The proportion of postponed and withdrawn IPOs compared to completed IPO deals was highest in 2008, at 40%, whereas the proportion was 23% in 2011 and 32% in the first six months of 2012.
  - ▶ On a quarterly basis, the proportion of postponed and withdrawn IPOs was highest in Q4'08 at 100%. On a related note, during Q4'08, the VIX index started around 40% and at one point hitting almost 80%. In Q1'12 and Q2'12, this ratio was 24% and 38% respectively. Whereas the ratio in Q2'11 was 24%.

\*Analysis focuses on open-price IPOs with deal value above US\$50 million that is priced above, below or within their initial filing range.

# Q2'12 key highlights

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## ► Follow-on offerings:

- There were 623 follow-on offerings globally, which raised US\$79.4 billion in Q2'12. This compares to 929 follow-on deals that raised US\$132.5 billion in Q1'12 and 1,219 follow-on deals that raised US\$165.2 billion in Q2'11.
- Follow-on offerings constituted 62% of global equity capital markets activity in Q2'12 by capital raised, while IPOs represented 30%.
  - **The three largest follow-on deals for April – June 2012 are:**
    - The US\$5.7 billion listing of the US insurance company, American International Group Inc (AIG) on NYSE in May.
    - US investment management firm, BlackRock Inc, completed its US\$5.6 billion offering on NYSE in May.
    - The US\$2.5 billion listing by Chinese commercial bank, Industrial & Commercial Bank of China(ICBC) on Hong Kong Stock Exchange in April.
  - In Q2'12, there were 17 deals with capital raised above US\$1 billion – nine were from developed markets, eight were from emerging markets. 5 of the 17 deals were priced in April, nine deals were priced in May and three deals were priced in June.
  - In Q2'12, emerging markets made up around 26% of the global number of follow-on deals and 31% of the amount of capital raised (US\$24.3 billion, 161 deals). Developed markets made up around 74% of the number of deals and 69% of capital raised (US\$55.1 billion, 462 deals) via follow-on offerings globally.
  - The top three stock exchanges by capital raised are New York Stock Exchange (US\$25.4 billion via 48 follow-on deals), Hong Kong (US\$10.2 billion via 40 deals) and NASDAQ (US\$6.8 billion via 66 deals).
  - The top three industries by capital raised are financials (US\$24.7 billion via 34 follow-on deals), energy (US\$12.8 billion via 74 deals) and real estate (US\$6.7 billion via 44 deals).

ECM = Equity Capital Markets, it includes IPO deals, follow-on deals and convertibles deals.

# Q2'12 key highlights

## Geographical analysis

### By number of IPOs:

- ▶ Asia Pacific issuers continue to be the leading region with 58.3% market share in Q2'12.
- ▶ EMEA and North America regions had 22.8% and 15.5% market share respectively. Central and South America had 3.4% market share.
- ▶ Greater China\*, US and Poland issuers were market share leaders with 71, 28 and 19 IPOs respectively.

### By capital raised:

- ▶ North America issuers were the market share leaders with 53.1%.
- ▶ Asia Pacific and Central and South America were ranked second and third with 35.1% and 7.4% market share respectively, while EMEA had 4.4%.
- ▶ US, Greater China\* and Malaysia's issuers were market share leaders in Q2'12 with 52.7% (US\$22 billion), 19.7% (US\$8.2 billion) and 8.0% (US\$3.4 billion) respectively.

## Industry analysis

### By number of IPOs:

- ▶ The leading sectors by number of deals were technology (32 IPOs); industrials (30); and materials (28). The top three sectors accounted for 44% of total deal numbers.

### By capital raised:

- ▶ The top three sectors accounted for 67% of total deal value; technology (US\$17.9 billion), financials (US\$5.7 billion) and consumer staples (US\$ 4.5 billion)

## Exchange analysis

### By number of IPOs:

- ▶ Shenzhen Stock Exchange (SME board and ChiNext) was the most active by number of deals, with 41 deals (19.9% of total numbers).
- ▶ Warsaw- NewConnect saw 17 deals (8.3%), and the New York Stock Exchange hosted 15 deals (7.3%).

### By capital raised:

- ▶ The NASDAQ, buoyed by hosting Facebook, raised US\$17.5 billion via 15 IPOs (41.9% of global proceeds).
- ▶ New York Stock Exchange raised US\$4.6 billion in 15 IPOs (10.9% of global proceeds).
- ▶ Bursa Malaysia ranked third, raising US\$3.4 billion (8.0%) via four deals.

\*Greater China includes Mainland China (69 deals raising US\$8.2b) and Hong Kong (2 deals raising US\$28m) issuers.

# Q2'12 key highlights

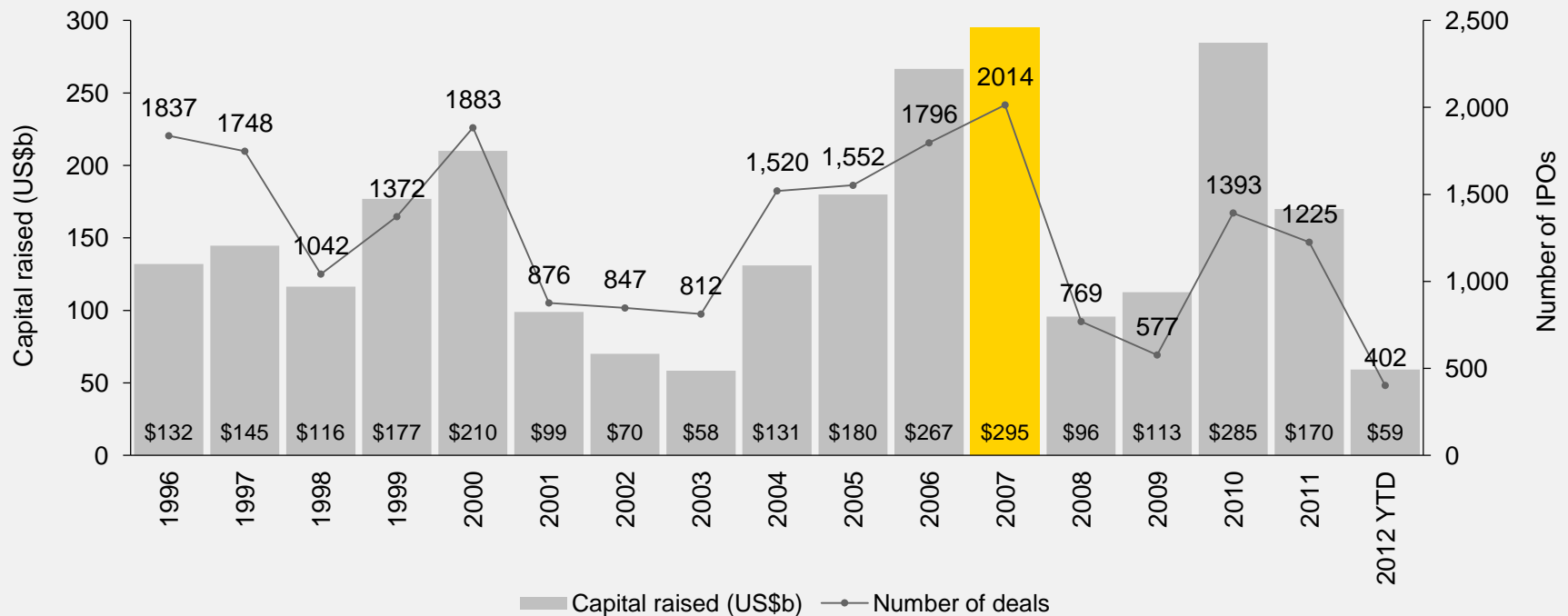
The global “Top 20 Club” (top 20 IPOs by capital raised)

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- ▶ **Emerging markets represent five of the top 10 IPOs and 10 of the top 20 IPOs:**
  - ▶ 5 of the top 20 deals were private equity-backed IPOs. One of the top 20 IPOs was venture-capital backed.
- ▶ 19 of the top 20 listed on their home exchange (as their primary exchange). One of the top 20 deals was dual-listed on their home exchange and a foreign exchange.
- ▶ The three largest deals (by capital raised) are:
  - ▶ US social networking operator Facebook IPO, which was listed on NASDAQ.
  - ▶ Malaysian palm oil and sugar producer, Felda Global Ventures Bhd, which was listed on Bursa Malaysia.
  - ▶ China's brokerage, trading and investment advisory firm, Haitong Securities Co Ltd, which was listed on HKEx.
- ▶ The top 10 IPOs together raised US\$27.1 billion which represents about 65% of global proceeds.
- ▶ The top 20 IPOs together raised US\$30.8 billion which represents about 73% of global proceeds.
- ▶ US was the source of nine of the top 20 IPOs, while Greater China was the source of five deals:
  - ▶ Other IPOs in the top 20 were from Brazil, Malaysia, Japan, Mexico, Philippines and Saudi Arabia issuers. Each country accounted for one deal each.
- ▶ The minimum deal value required to make the “top 20 club” was US\$319 million in Q2'12, compared to the US\$188 million for Q1'12.
- ▶ The minimum deal value to join the global “top 10 club” was US\$504 million compared to US\$329 million in Q1'12.
- ▶ The energy and the financial sectors generated four IPOs each, whereas consumer products and services and consumer staples sectors generated three IPOs each:
  - ▶ Industrial sector generated two deals.
  - ▶ Materials, retail, real estate and technology sectors generated one IPO each respectively.

# Global IPO activity: number of deals and capital raised by year

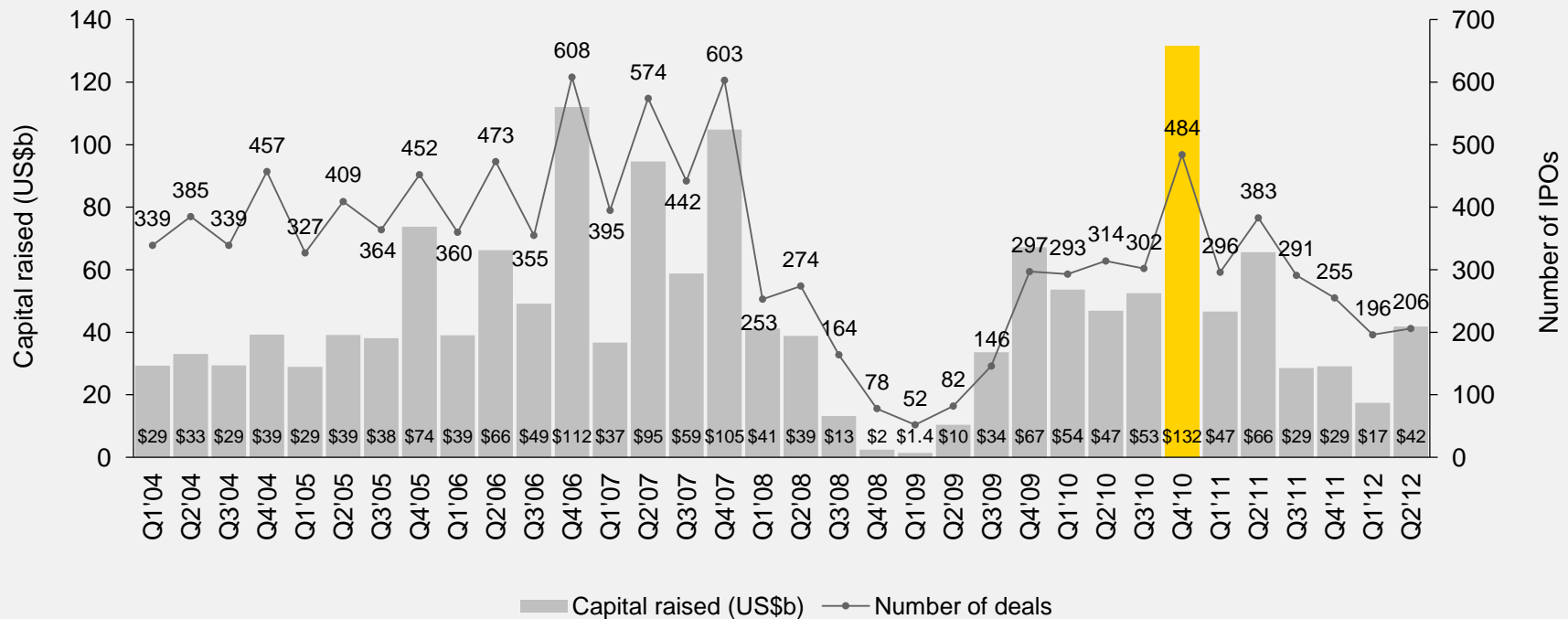
Global IPO activity in 2011 was 40% lower than 2010 in terms of global capital raised. The unresolved Eurozone debt crisis, concerns about global economic growth and falling equity markets had a deep impact on global IPO activity in 2011.



\*Date up to end of 21<sup>st</sup> June  
Source: Dealogic, Thomson Financial, Ernst & Young

# Global IPO activity: number of deals and capital raised by quarter

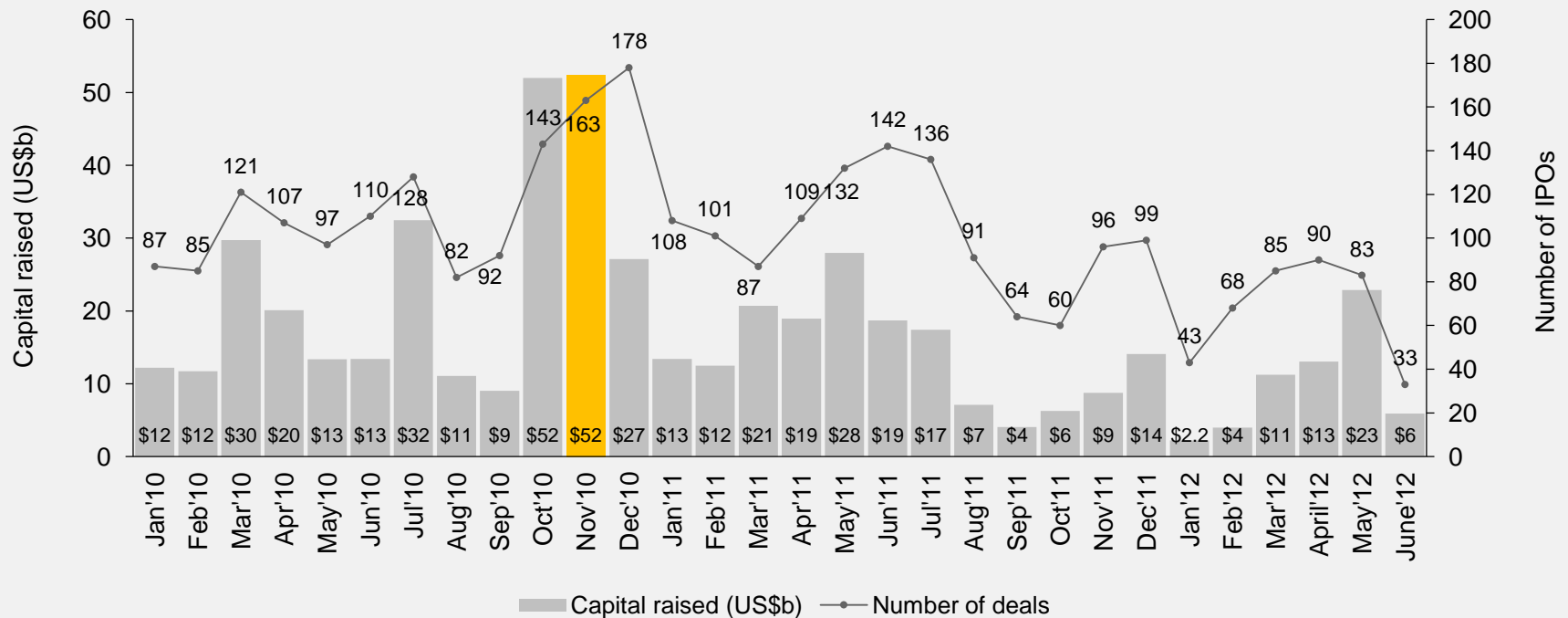
In Q2'12, there were five deals with capital raised above US\$1 billion. Of the top 10 IPOs (by capital raised), five deals were from emerging markets. Of the top 20 IPOs, 10 deals were from emerging markets.



\*Date up to end of 21<sup>st</sup> June  
Source: Dealogic, Thomson Financial, Ernst & Young

# Global IPO activity: number of deals and capital raised by month

May 2012 saw 83 IPO listings which raised US\$22.9b in total, bolstered by the US\$16.0b Facebook IPO. January 2012 generated 44 IPO listings which raised US\$2.2b combined – the lowest monthly capital raised since May 2009 (US\$2.4 b from 27 deals).

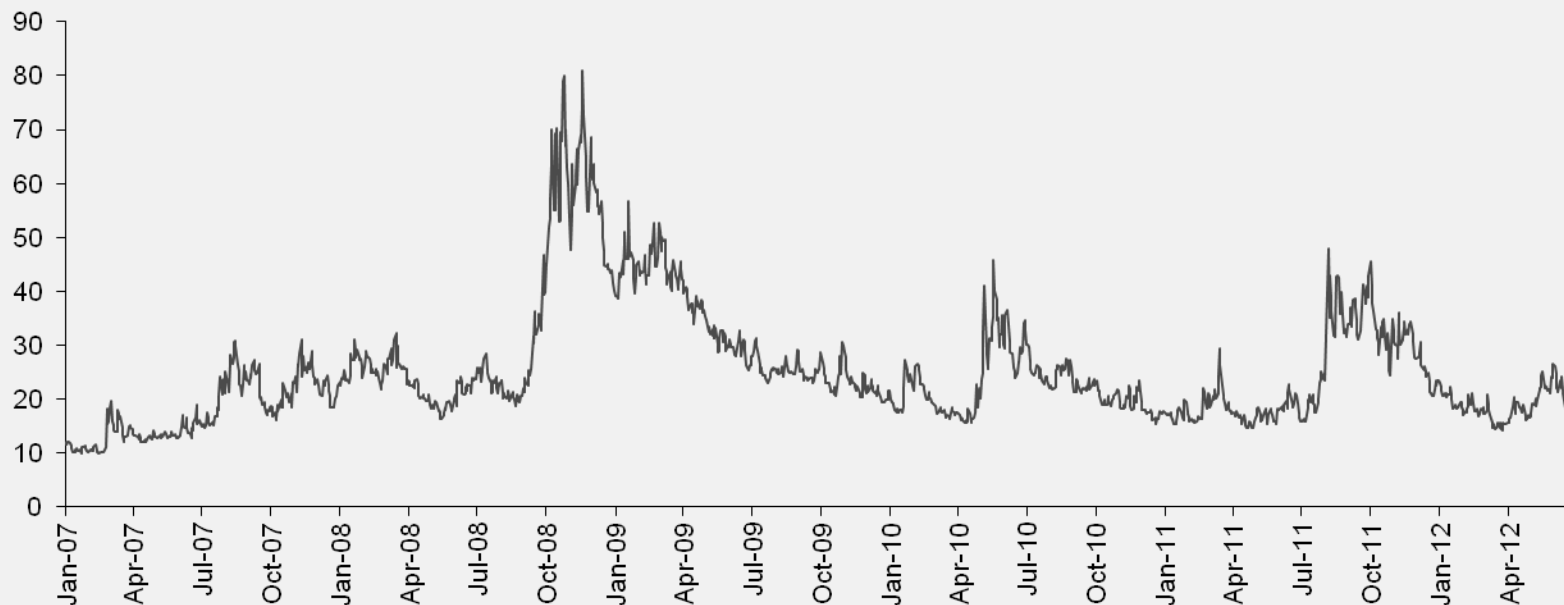


\*Date up to end of 21<sup>st</sup> June  
Source: Dealogic, Thomson Financial, Ernst & Young



# CBOE Volatility S&P 500 Index® (VIX®)

At the end of 2011 and for Q1'12, the VIX index reflected an improving environment for IPO candidates. However, the VIX index in May indicated capital markets will remain volatile in the near term due to deteriorating investor confidence.

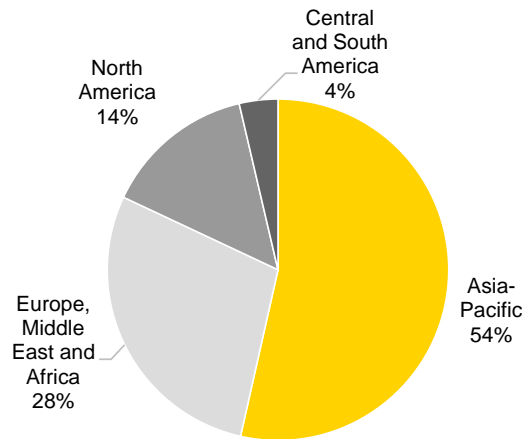


**The VIX index tracks volatility of S&P 500 index options.** Often described as “the fear index,” it’s a useful marker of investor sentiment. When the VIX is above the 20%–25% range, it becomes much harder to complete a successful IPO.

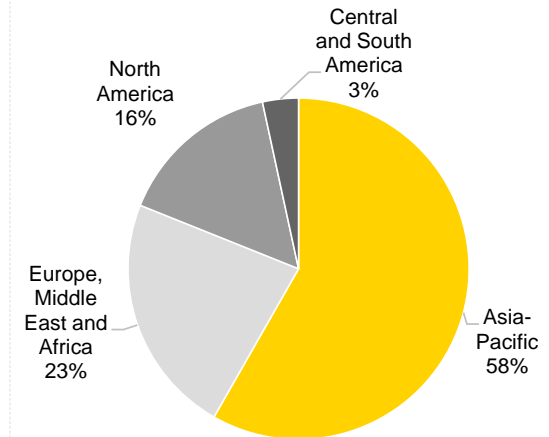
\*Date up to end of 22<sup>nd</sup> June  
Source: S&P Capital IQ

# Global IPO activity: distribution of IPOs by world region (by number of deals)

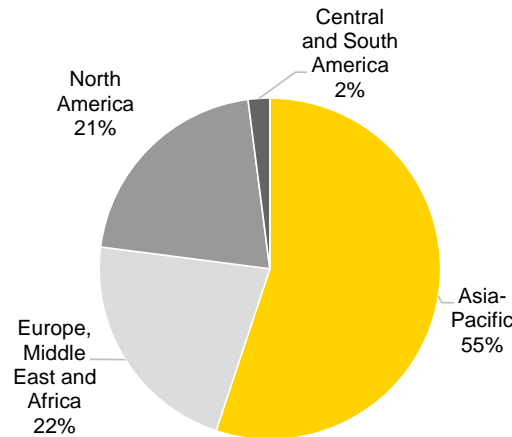
Q2'11



Q2'12



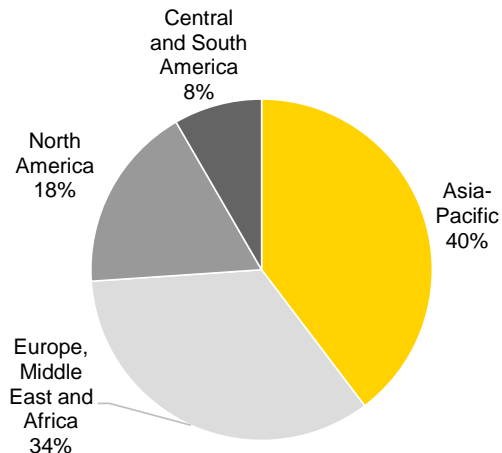
Q1'12



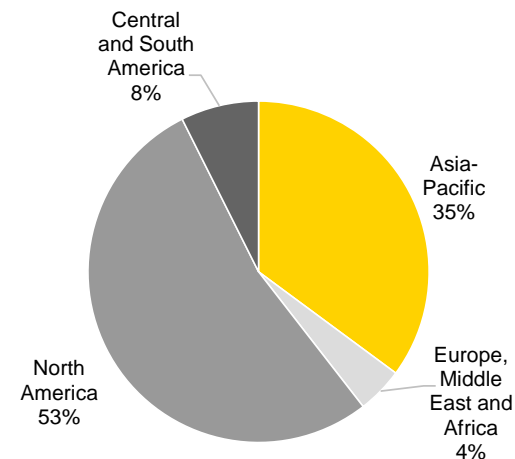
Source: Dealogic, Thomson Financial, Ernst & Young

# Global IPO activity: distribution of IPOs by world region (capital raised)

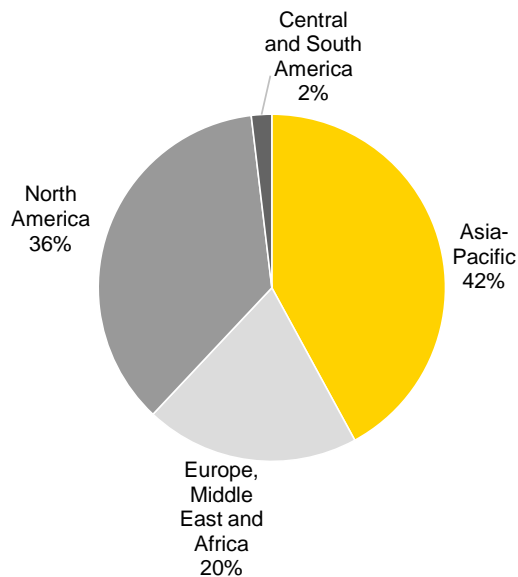
Q2'11



Q2'12

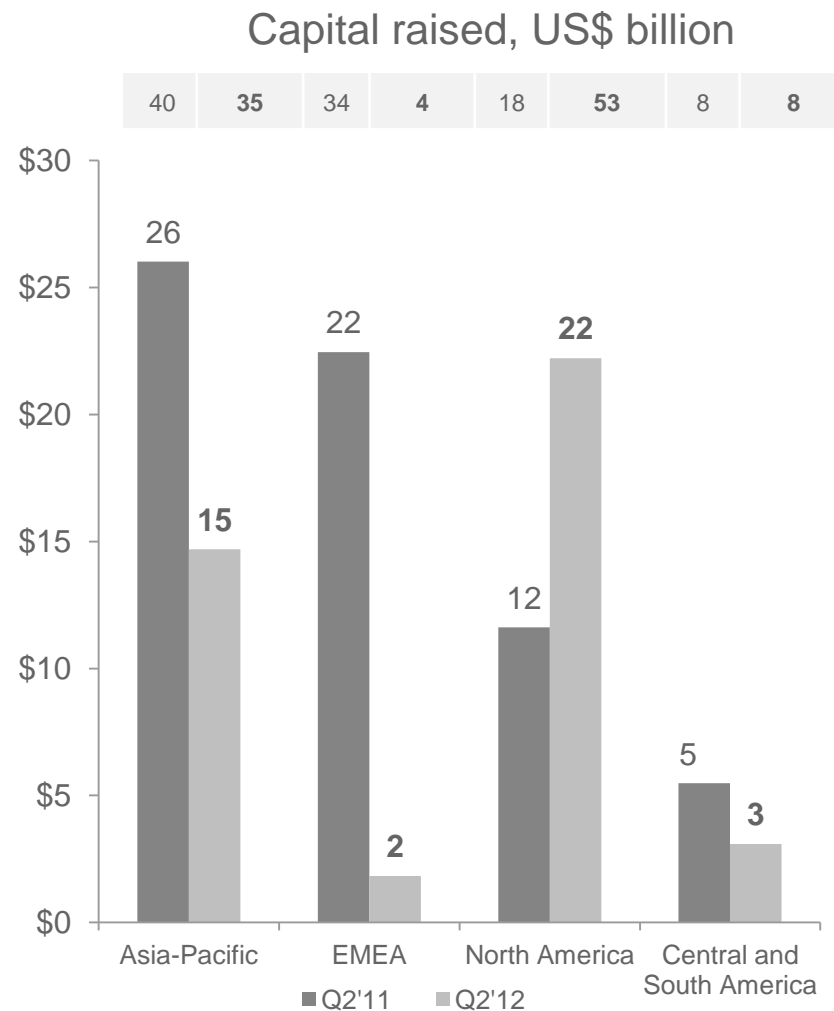
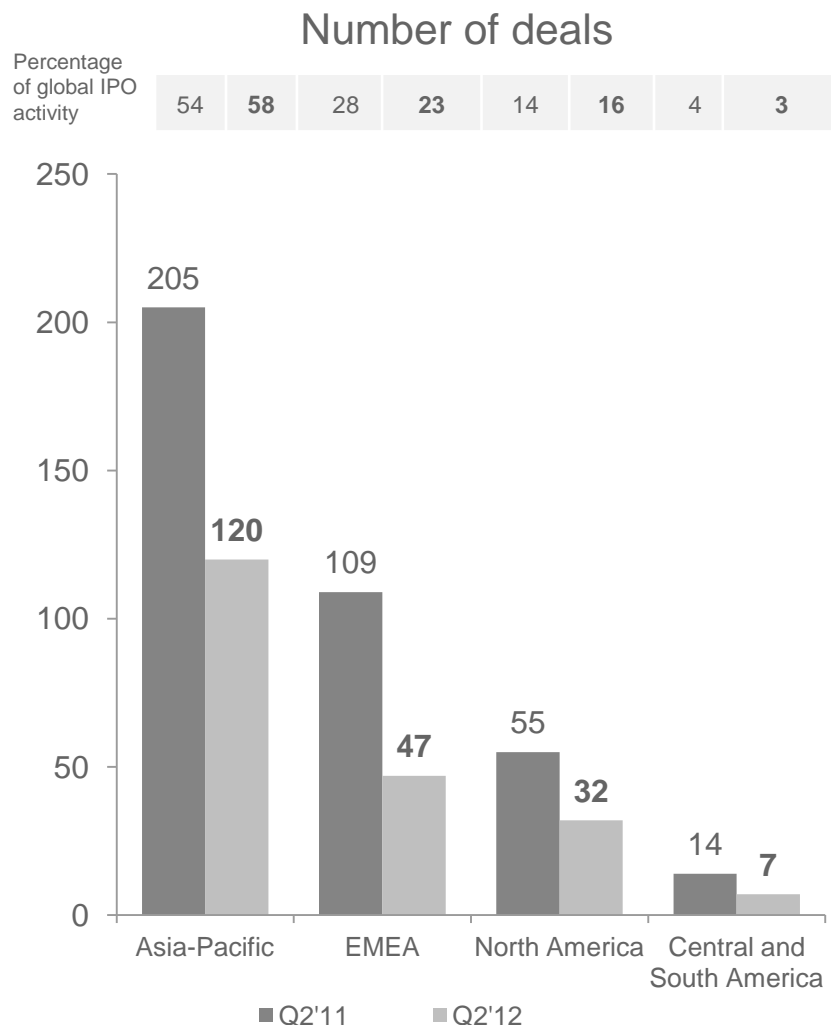


Q1'12



Source: Dealogic, Thomson Financial, Ernst & Young

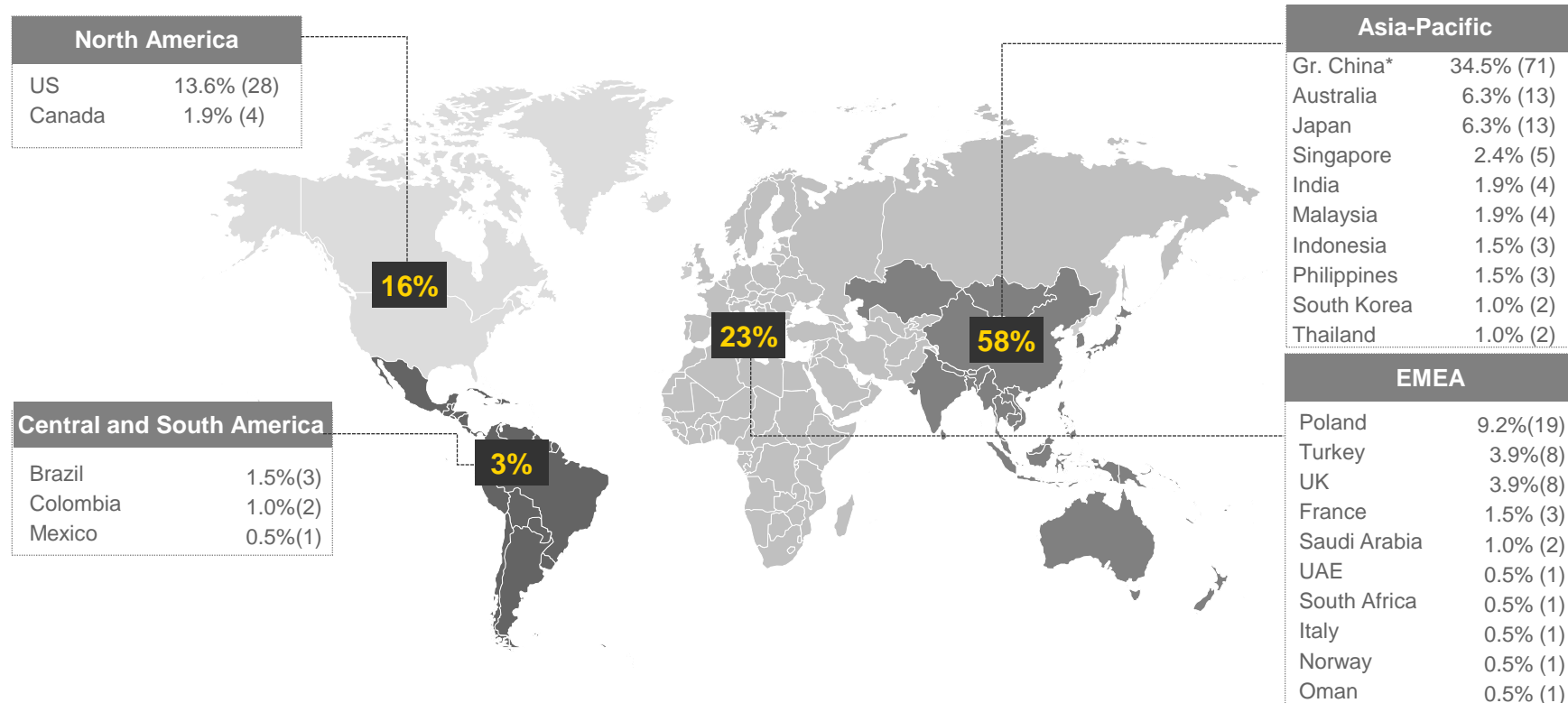
# Q2'11 versus Q2'12 global IPOs by region



Source: Dealogic, Thomson Financial, Ernst & Young

# Q2'12 Global IPO activity (by region and number of deals)

**Greater China led in the number of deals, followed by the US and Poland**

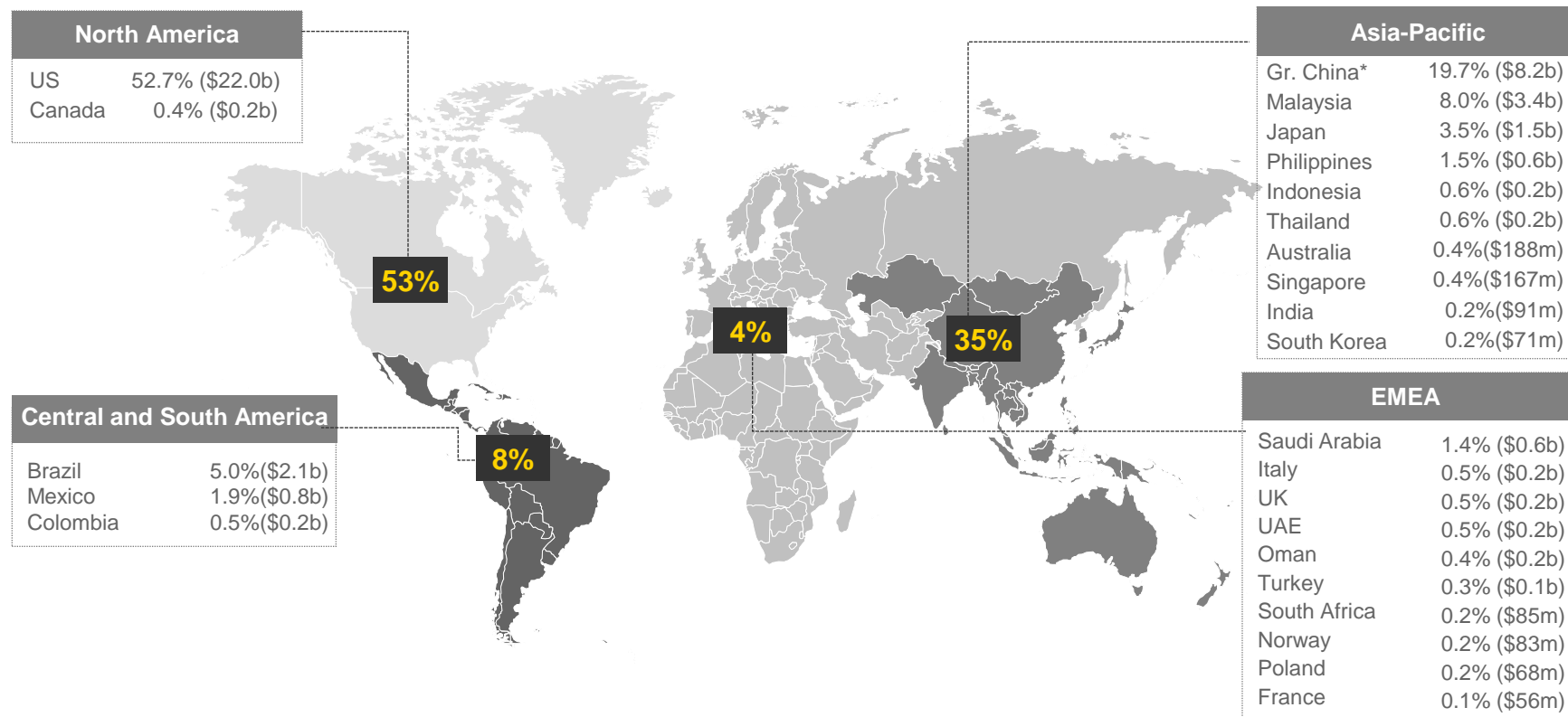


Developing countries made up 65% of the number of deals globally and 41% of the total global capital raised. BRICs together raised US\$10.4 billion (25% of total capital raised) in 76 deals (37% of total deal numbers).

\*Greater China includes Mainland China (69 deals) and Hong Kong (2) issuers. Based on the listed company domicile.  
Source: Dealogic, Ernst & Young

# Q2'12 Global IPO activity (by region and capital raised)

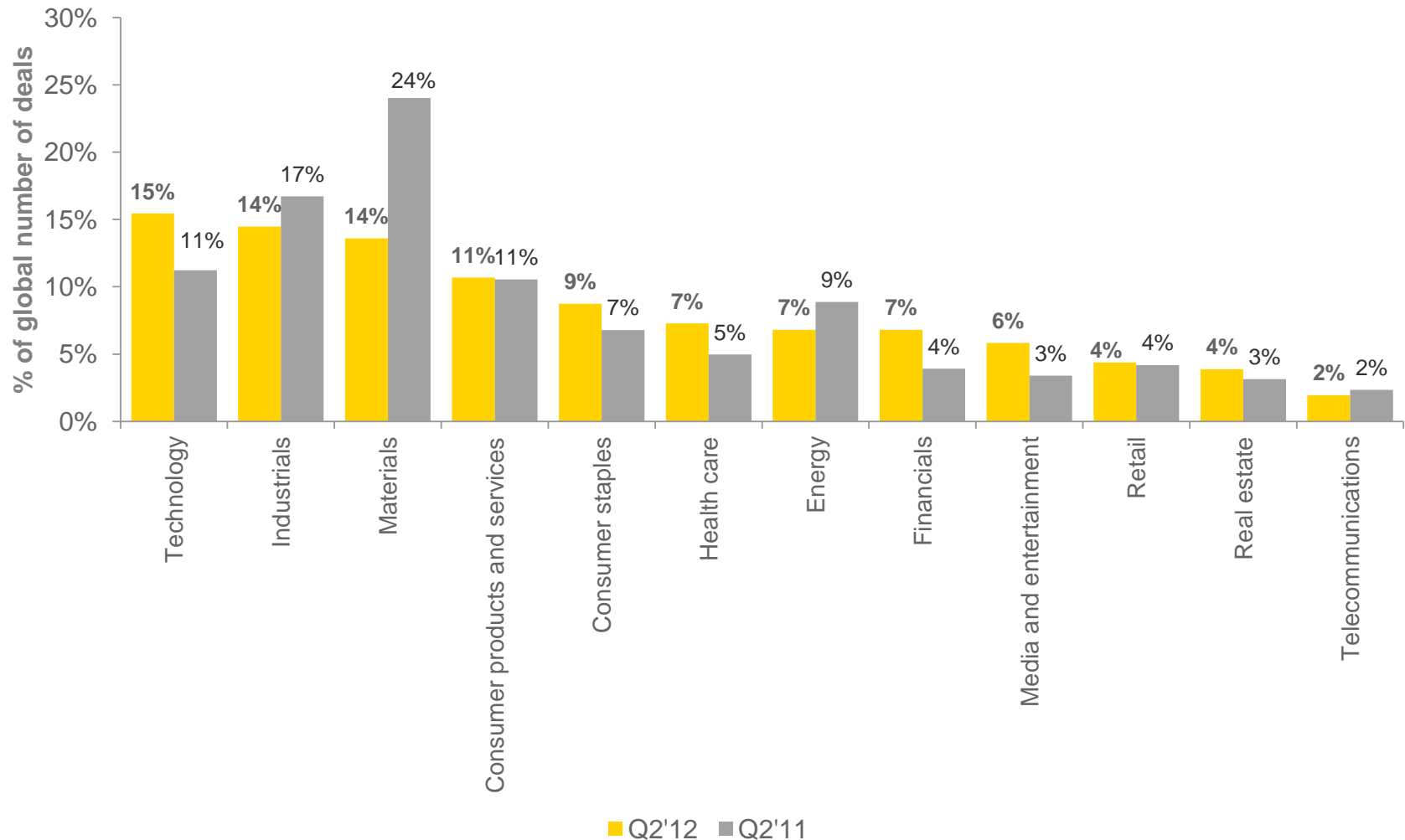
**US led in total capital raised (US\$22.0b), followed by the Greater China and Malaysia**



There were five deals with capital raised above US\$1 billion, of which three were from the emerging markets. 5 of the top 10 IPOs and 10 of the top 20 IPOs (by capital raised) were from emerging markets.

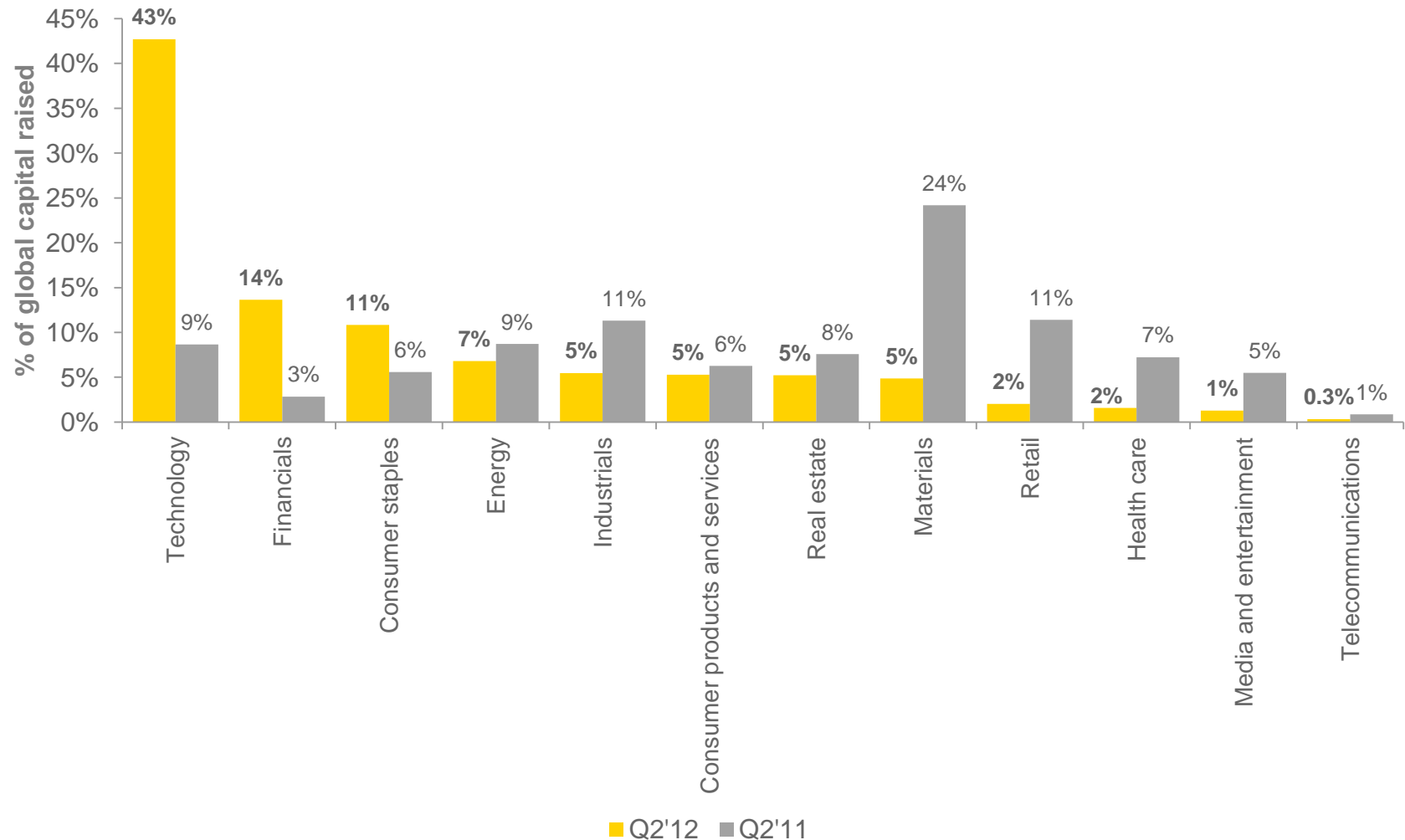
\*Greater China includes Mainland China (US\$8.2b) and Hong Kong (US\$28m) issuers. Based on the listed company domicile. Capital raised for whole slide is based on US\$.  
Source: Dealogic, Ernst & Young

# Global IPO activity: by industry and percentage of global number of deals



Source: Dealogic, Ernst & Young

# Global IPO activity: by industry and percentage of global capital raised



Source: Dealogic, Ernst & Young



# Q2'12 Global IPO activity: by stock exchanges<sup>1</sup>

## Top 12 by number of deals

| Exchange                                      | No. of deals | percentage of global total |
|---|--------------|----------------------------|
| Shenzhen Stock Exchange (SZE)**               | 41           | 19.9%                      |
| Warsaw – NewConnect                           | 17           | 8.3%                       |
| New York Stock Exchange (NYSE)                | 15           | 7.3%                       |
| Australian Securities Exchange (ASX)          | 13           | 6.3%                       |
| NASDAQ  | 12           | 5.8%                       |
| Shanghai Stock Exchange (SSE)                 | 11           | 5.3%                       |
| Hong Kong Exchanges & Clearing Limited (HKEx) | 9            | 4.4%                       |
| London Alternative Investment Market (AIM)    | 9            | 4.4%                       |
| Istanbul Stock Exchange (ISE)                 | 8            | 3.9%                       |
| JASDAQ  | 6            | 2.9%                       |
| Singapore Stock Exchange (SGX)                | 4            | 1.9%                       |
| Bursa Malaysia                                | 4            | 1.9%                       |
| <i>All other exchanges</i>                    | 57           | 27.7%                      |
| <b>Global total</b>                           | <b>206</b>   | <b>100%</b>                |

## Top 12 by capital raised

| Exchange                                      | Capital raised (US\$m) | percentage of global total |
|---|------------------------|----------------------------|
| NASDAQ  | \$17,510               | 41.9%                      |
| New York Stock Exchange (NYSE)                | \$4,574                | 10.9%                      |
| Bursa Malaysia                                | \$3,352                | 8.0%                       |
| Shenzhen Stock Exchange (SZE)**               | \$3,348                | 8.0%                       |
| Hong Kong Exchanges & Clearing Limited (HKEx) | \$2,352                | 5.6%                       |
| Shanghai Stock Exchange (SSE)                 | \$2,321                | 5.6%                       |
| Sao Paulo Stock Exchange (BOVESPA)            | \$2,099                | 5.0%                       |
| Tokyo Stock Exchange (TSE)                    | \$1,369                | 3.3%                       |
| Bolsa Mexicana de Valores (BMV)               | \$792                  | 1.9%                       |
| Philippines Stock Exchange (PSE)              | \$633                  | 1.5%                       |
| Saudi Stock Exchange (TADAWUL)                | \$591                  | 1.4%                       |
| Singapore Stock Exchange (SGX)                | \$349                  | 0.8%                       |
| <i>All other exchanges</i>                    | \$2,544                | 6.1%                       |
| <b>Global total</b>                           | <b>US\$41,834</b>      | <b>100%</b>                |

<sup>1</sup>Data based on domicile of the exchange, regardless of the listed company domicile

<sup>2</sup>Shenzhen Stock Exchange includes listings on Mainboard (SME) and ChiNext

<sup>3</sup>Capital raised from Brazil's Banco BTG Pactual SA US\$1.7 billion was attributed to BOVESPA, the primary stock exchange.

Source: Dealogic, Ernst & Young

# Q2'11 Global IPO activity: by stock exchanges\*

## Top 12 by number of deals

| Exchange                                   | No. of deals | Percentage of global total |
|--|--------------|----------------------------|
| Shenzhen Stock Exchange (SZE)**            | 66           | 17.2%                      |
| Warsaw – NewConnect                        | 35           | 9.1%                       |
| Australian Securities Exchange (ASX)       | 31           | 8.1%                       |
| New York Stock Exchange (NYSE)             | 28           | 7.3%                       |
| Hong Kong Exchanges & Clearing Ltd (HKEx)  | 19           | 5.0%                       |
| NASDAQ                                     | 16           | 4.2%                       |
| Shanghai Stock Exchange (SSE)              | 12           | 3.1%                       |
| Warsaw Stock Exchange (WSE)                | 12           | 3.1%                       |
| Istanbul Stock Exchange (ISE)              | 12           | 3.1%                       |
| KOSDAQ                                     | 11           | 2.9%                       |
| Bombay Stock Exchange (BSE)                | 11           | 2.9%                       |
| London Alternative Investment Market (AIM) | 11           | 2.9%                       |
| All other exchanges                        | 119          | 31.1%                      |
| <b>Global total</b>                        | <b>383</b>   | <b>100%</b>                |

## Top 12 by capital raised

| Exchange                                  | Capital raised (US\$m) | Percentage of global total |
|---|------------------------|----------------------------|
| London Stock Exchange (LSE)               | \$12,604               | 19.2%                      |
| Hong Kong Exchanges & Clearing Ltd (HKEx) | \$11,764               | 17.9%                      |
| New York Stock Exchange (NYSE)            | \$10,060               | 15.3%                      |
| Shenzhen Stock Exchange (SZE)**           | \$6,986                | 10.7%                      |
| NASDAQ                                    | \$3,699                | 5.6%                       |
| Shanghai Stock Exchange (SSE)             | \$3,569                | 5.4%                       |
| Sao Paulo Stock Exchange (BOVESPA)        | \$2,109                | 3.2%                       |
| Deutsche Borse                            | \$1,815                | 2.8%                       |
| Toronto Stock Exchange (TSX)              | \$1,413                | 2.2%                       |
| Singapore Stock Exchange (SGX)            | \$1,371                | 2.1%                       |
| Korea Stock Exchange (KRX)                | \$1,215                | 1.9%                       |
| Santiago Stock Exchange (SSE)             | \$1,052                | 1.6%                       |
| All other exchanges                       | \$7,918                | 12.1%                      |
| <b>Global total</b>                       | <b>\$65,575</b>        | <b>100.0%</b>              |

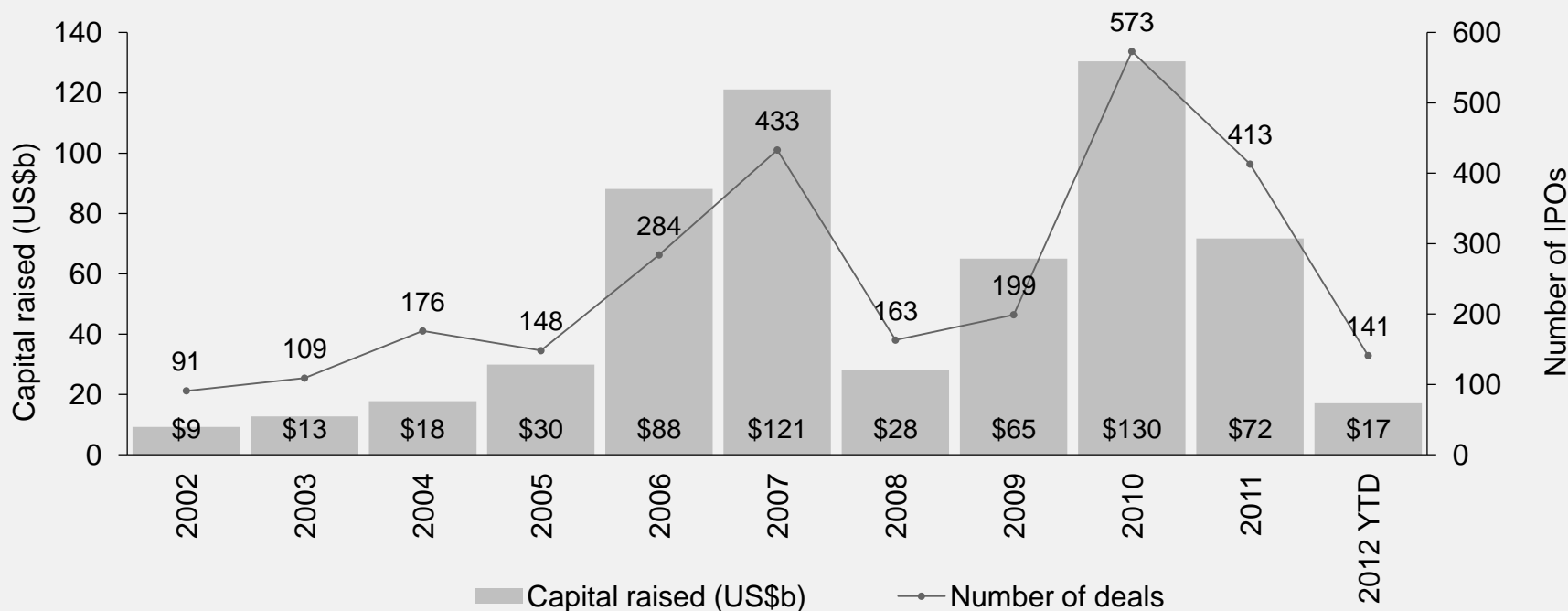
\*Data based on domicile of the exchange, regardless of the listed company domicile

\*\*Shenzhen Stock Exchange includes listings on Mainboard (SME) and ChiNext

Source: Dealogic, Thomson Financial, Ernst & Young

# Emerging markets: IPO activity by year in the BRIC countries

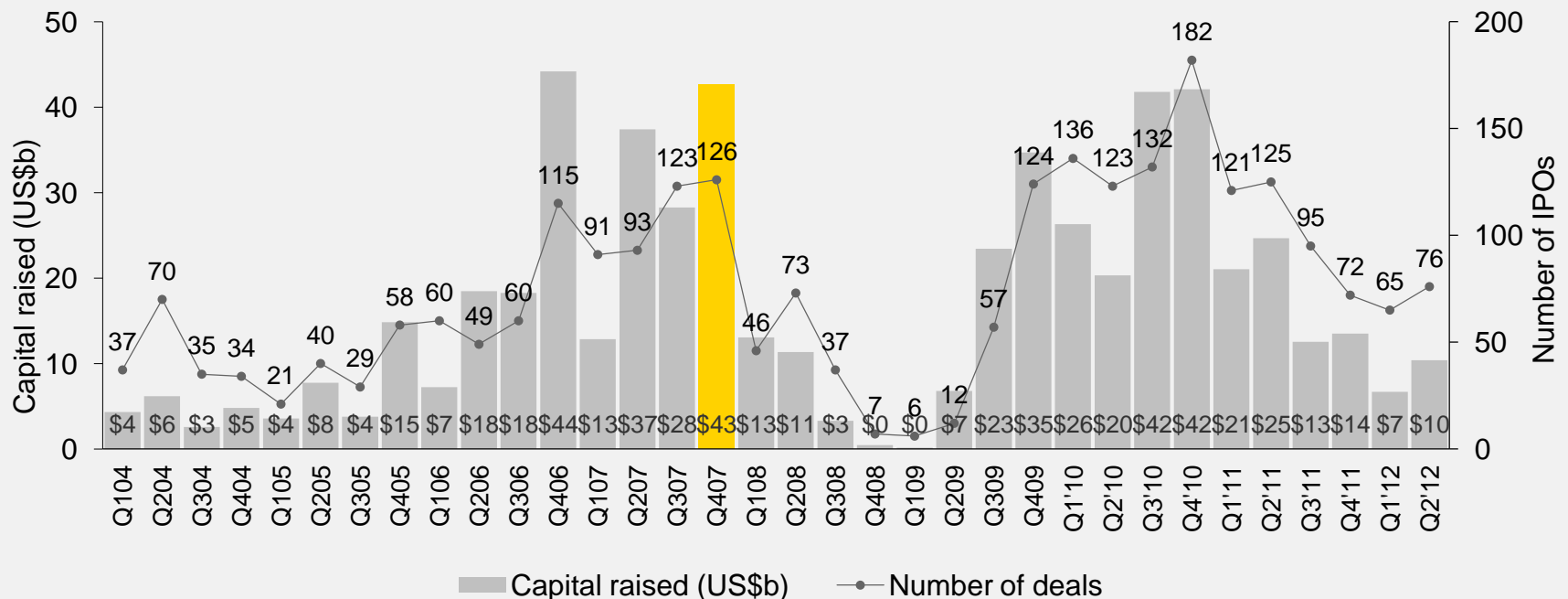
Emerging markets continued to drive global IPO activity in Q2'12 (65% of global deals and 41% of global capital raised). Emerging markets issuers raised US\$17.3 billion from 134 IPO deals and BRIC issuers had 76 IPOs raising US\$10.4 billion.



Source: Dealogic, Thomson Financial, Ernst & Young

# Emerging markets: IPO activity by quarter in the BRIC countries

In Q2'12, there were five deals with capital raised above US\$1 billion, out of which three were from the emerging markets. Of the top 10 IPOs (by capital raised), five deals were from emerging markets. Of the top 20 IPOs, 10 deals were from emerging markets.



Source: Dealogic, Thomson Financial, Ernst & Young

# Q2'12 top 20 IPOs by capital raised

| Issue month | Issuer name                        | Domicile      | Sector                         | Issuer business description  | Capital raised (US\$m) | Exchange(s)                     | Type of IPO   |
|-------------|------------------------------------|---------------|--------------------------------|--|------------------------|---------------------------------|---------------|
| May         | Facebook                           | United States | High technology                | Social networking company operating worldwide. The company allows users to connect and communicate with each other                     | 16,007                 | NASDAQ                          | VC backed IPO |
| June        | Felda Global Ventures Holdings Bhd | Malaysia      | Consumer staples               | Engaged in oil palm plantation and sugar manufacturing   | 3,123                  | Bursa Malaysia                  | Former SOE    |
| April       | Haitong Securities Co Ltd          | China         | Financials                     | Engaged in securities broking and trading, investment advisory, underwriting and sponsorship   | 1,853                  | Hong Kong                       |               |
| April       | Banco BTG Pactual SA               | Brazil        | Financials                     | Investment and merchant bank   | 1,726                  | Sao Paulo; Euronext (Amsterdam) |               |
| June        | Activia Properties Inc             | Japan         | Real estate                    | Real estate investment trust   | 1,192                  | Tokyo                           |               |
| April       | Alpek SA de CV                     | Mexico        | Energy                         | Petrochemical group that produces and commercializes Polypropylene (PP) resins   | 792                    | Mexican                         |               |
| May         | Carlyle Group LP                   | United States | Financials                     | Private equity firm  | 671                    | NASDAQ                          |               |
| April       | SandRidge Mississippian Trust II   | United States | Consumer products and services | Statutory trust that owns oil and natural gas wells  | 627                    | New York                        |               |
| May         | PetroLogistics LP                  | United States | Energy                         | Manufacturer of propylene and provider of pipeline transportation and storage services to the petrochemical and natural gas industries | 595                    | New York                        | PE backed IPO |
| April       | GT Capital Holdings Inc            | Philippines   | Financials                     | Conglomerate with interests in banking, real estate development, power generation, automotive and life insurance                       | 504                    | Philippines                     |               |

Source: Dealogic, Thomson Financial, Ernst & Young

# Q2'12 top 20 IPOs by capital raised

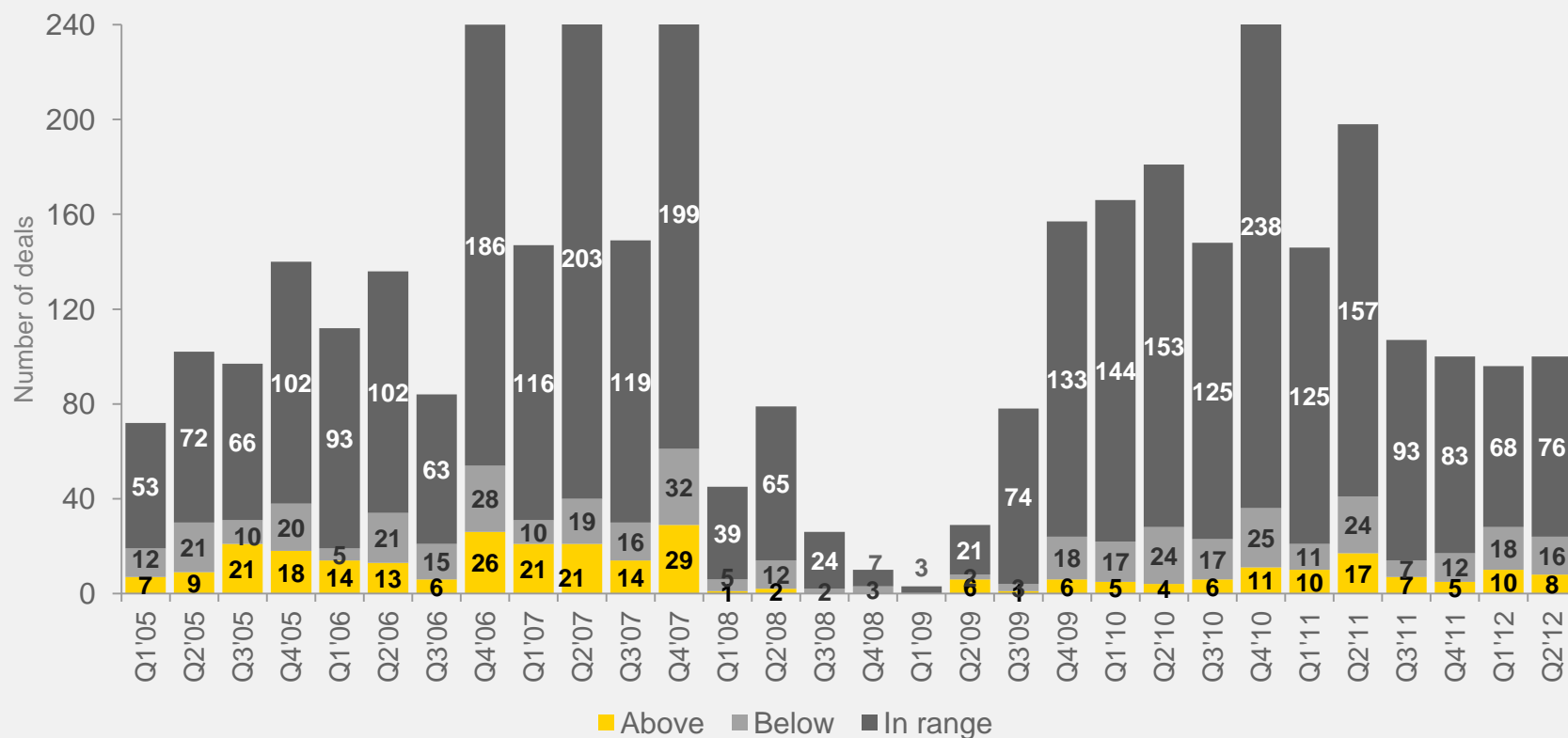
| Issue month | Issuer name                         | Domicile      | Sector                         | Issuer business description   | Capital raised (US\$m) | Exchange(s)  | Type of IPO   |
|-------------|-------------------------------------|---------------|--------------------------------|---|------------------------|--------------|---------------|
| April       | MRC Global Inc                      | United States | Materials                      | Distributor of pipe, valves and fittings and related products and services to the energy industry       | 477                    | New York     | PE backed IPO |
| April       | Forum Energy Technologies Inc       | United States | Energy                         | Broad-based supplier of equipment and technology for the oil, gas, and drilling and production industry | 435                    | New York     | PE backed IPO |
| April       | Tumi Holdings Inc                   | United States | Retail                         | Maker of travel and business goods  | 388                    | New York     | PE backed IPO |
| May         | Pacific Coast Oil Trust             | United States | Consumer products and services | Oil trust formed to own interests in the oil & gas producing properties                                 | 370                    | New York     |               |
| May         | Al-Tayyar Travel Group              | Saudi Arabia  | Consumer products and services | Integrated travel and tourism services  | 365                    | Saudi Arabia |               |
| April       | Midstates Petroleum Company Inc     | United States | Energy                         | Oil exploration and production company  | 359                    | New York     | PE backed IPO |
| May         | Jiangsu Sunrain Solar Energy Co Ltd | China         | Industrials                    | Engaged in developing and producing solar heating system and refrigeration and air conditioning system  | 341                    | Shanghai     |               |
| April       | ZheJiang AoKang Shoes Co Ltd        | China         | Consumer staples               | Engaged in the design, manufacturing and distribution of footwear and leather goods                     | 327                    | Shanghai     |               |
| June        | Bros Eastern Co Ltd                 | China         | Consumer staples               | Engaged in research, development, manufacturing and marketing of top-dyed melange yarn                  | 321                    | Shanghai     |               |
| June        | Huadian Fuxin Energy Corp Ltd       | China         | Industrials                    | Engaged in development, management and operation of hydropower projects and coal-fired power plants     | 319                    | Hong Kong    |               |

**Total capital raised by top 20 IPOs:** US\$30.8b  
**Total global capital raised in Q2'12 :** US\$41.8b  
**% of top 20:** 74%

Source: Dealogic, Ernst & Young

# Global number of IPOs by pricing range

While price-sensitive investors grew more cautious after the mixed performances of some high-profile IPOs, 76% of global IPOs\* in Q2'12 were priced within their initial filing range and 8% were priced above. Only 16% of IPOs were priced below their initial filing range.

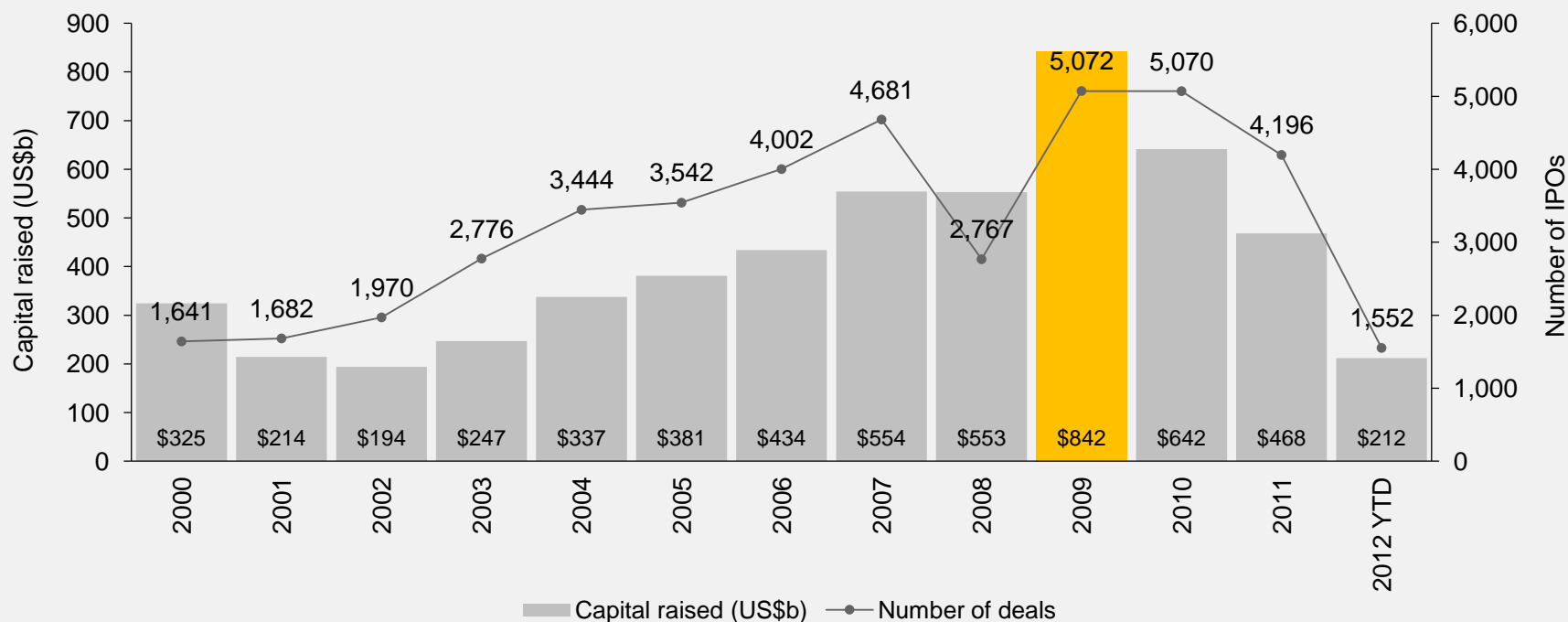


\*Chart shows the number of open-price IPOs with deal value above US\$50m that is priced above, below or within their initial filing range.  
Source: Dealogic

# Global follow-on activity: number of deals and capital raised by year

Global follow-on activity reached record highs worldwide in 2009, accounting for 78% of global equity issuance. In 2011, there were 75 deals with capital raised above US\$1 billion – 46 were from developed markets, 29 were from emerging markets.

| FO as % of global ECM activity | 50 | 45 | 51 | 50 | 57 | 59 | 52 | 53 | 69 | 78 | 62 | 67 | 72 |
|--------------------------------|----|----|----|----|----|----|----|----|----|----|----|----|----|
|--------------------------------|----|----|----|----|----|----|----|----|----|----|----|----|----|

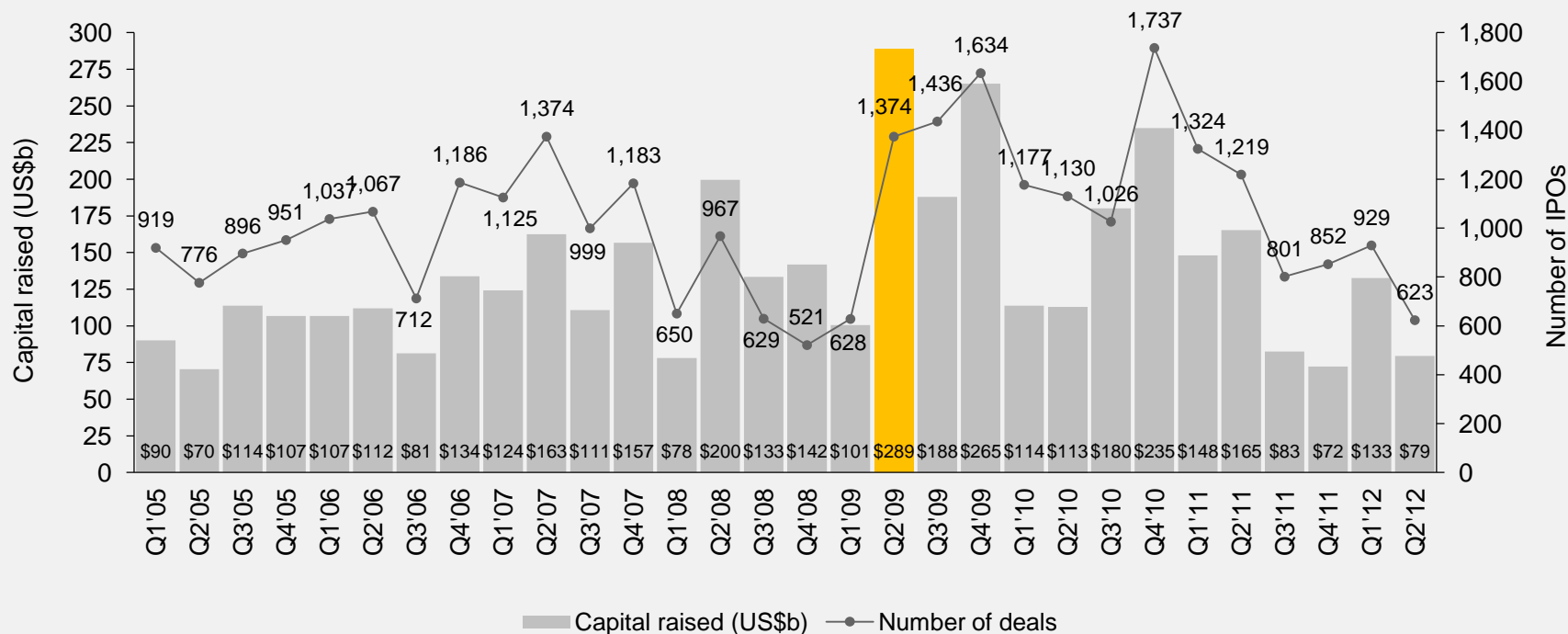


ECM = Equity Capital Markets, it includes IPO deals, Follow on deals and Convertibles deals  
Source: Dealogic, Ernst & Young



# Global follow-on activity: number of deals and capital raised by quarter

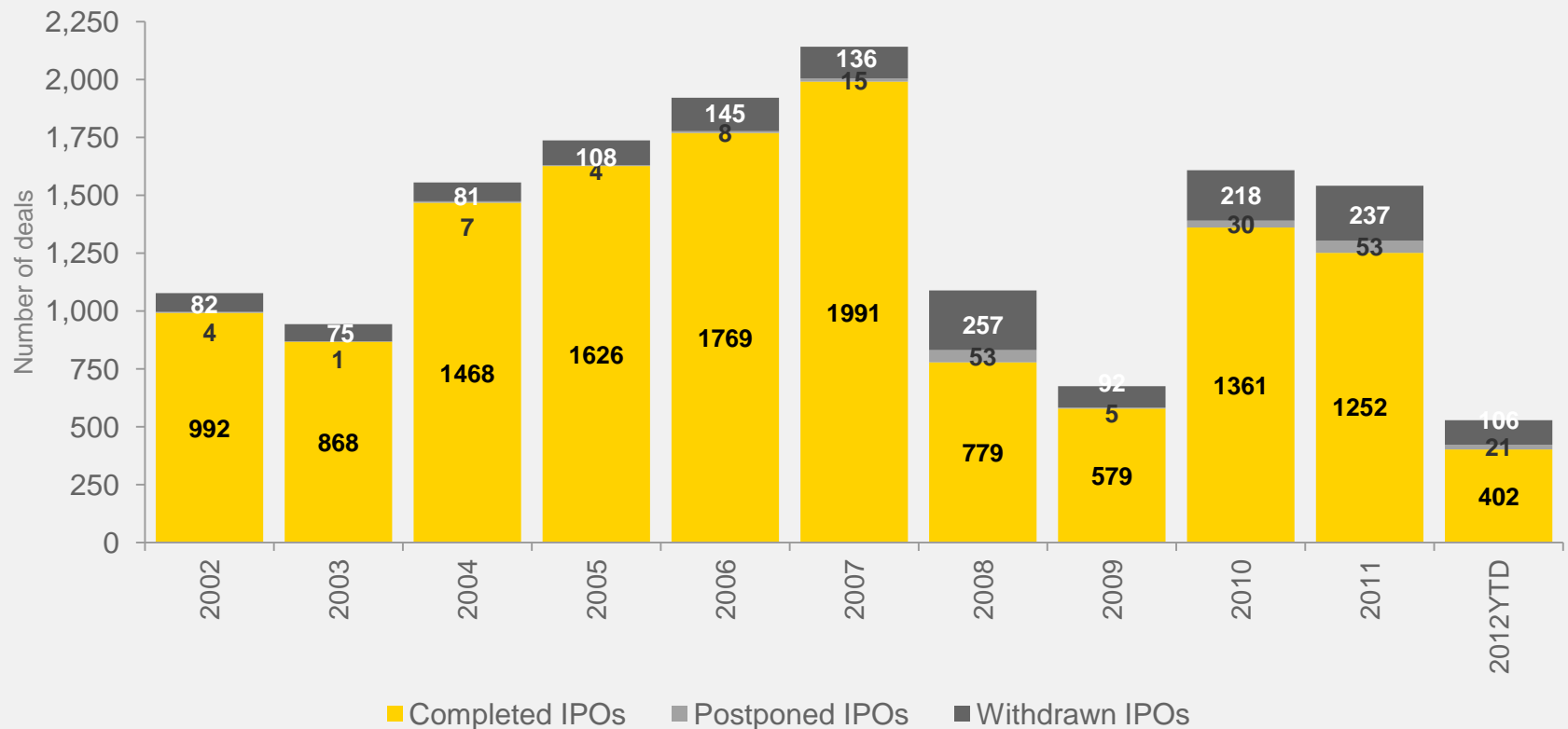
In Q2'12, the top three stock exchanges by capital raised are New York (\$25.4 billion via 48 deals), Hong Kong Stock Exchange (\$10.2 billion, 40 deals) and NASDAQ (\$6.8 billion, 66 deals). 17 deals had capital raised above US\$1 billion – 9 were from developed markets.



Source: Dealogic, Ernst & Young

# Comparison of global completed IPOs with withdrawn and postponed IPOs

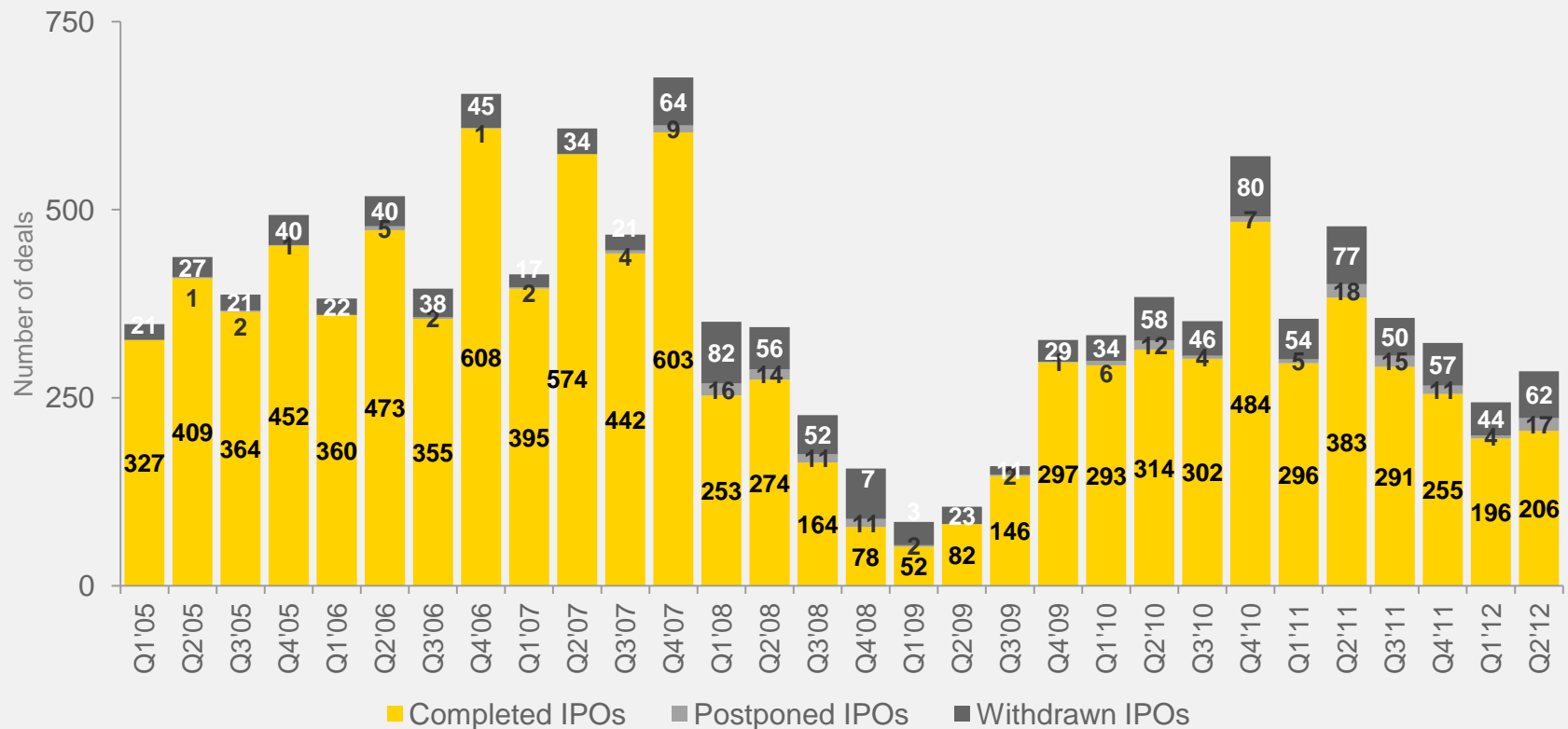
| Withdrawn and Postponed IPOs as % of Completed IPOs | 9 | 9 | 6 | 7 | 9 | 8 | 40 | 17 | 18 | 23 | 32 |
|---|---|---|---|---|---|---|----|----|----|----|----|
|---|---|---|---|---|---|---|----|----|----|----|----|



\*Data for 2012YTD is up to 21<sup>st</sup> June. Data includes only operating companies.  
Source: Dealogic, Thomson Financial, Ernst & Young

# Comparison of global completed IPOs with withdrawn and postponed IPOs by quarter

The proportion of postponed and withdrawn IPOs compared to completed IPO deals was highest in 2008, at 40%, whereas the proportion was 23% in 2011. On a quarterly basis, the ratio was highest in Q4'08 (100%). In Q1'12 and Q2'12, this ratio was 24% and 38% respectively.



\*Data for 2012YTD is up to 21<sup>st</sup> June. Data includes only operating companies  
Source: Dealogic, Thomson Financial, Ernst & Young

# Appendix: definitions

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- ▶ The data presented in the Ernst & Young *Global IPO trends 2012* report and *Q2'12 Global IPO update* and press releases are from Dealogic, Thomson Reuters and Ernst & Young. **The Q2'12 global IPO update covers global IPO activity from January to 21<sup>st</sup> June 2012.**
- ▶ For the purposes of these reports and press releases, we focus only on IPOs of operating companies and define an IPO as a company's first offering of equity to the public.
- ▶ This report includes only those IPOs for which Dealogic, Thomson Reuters and Ernst & Young offer data regarding the issue date (the day the offer is priced and allocations are subsequently made), trading date (the date on which the security first trades) and proceeds (funds raised, including any over-allotment sold). Postponed IPOs or those which have not yet been priced are therefore excluded. Over-the-counter (OTC) listings are also excluded.
- ▶ In an attempt to exclude non-operating company IPOs such as trusts, funds and special purpose acquisition companies (SPACs), companies with the following Standard Industrial Classification (SIC) codes are excluded:
  - ▶ 6091: Financial companies that conduct trust, fiduciary and custody activities
  - ▶ 6371: Asset management companies such as health and welfare funds, pension funds and their third-party administration as well as other financial vehicles
  - ▶ 6722: Companies that are open-end investment funds
  - ▶ 6726: Companies that are other financial vehicles
  - ▶ 6732: Companies that are grant-making foundations
  - ▶ 6733: Asset management companies that deal with trusts, estates and agency accounts
  - ▶ 6799: Special Purpose Acquisition Companies (SPACs)
- ▶ We also applied the above SIC exclusion criteria for the follow on activity analysis.
- ▶ In our analysis, unless stated otherwise, IPOs are attributed to the domicile of the company undertaking an IPO. The primary exchange on which they are listed is as defined by Dealogic, Thomson Reuters and Ernst & Young research. A foreign listing is where the stock exchange nation of the company is different from the company's domicile (i.e., issuer's nation). For IPO listings on HKEx, SSE, SZE, WSE, NewConnect, TSX and TSX-V exchanges, we use their first trading date in place of issue date.

# Appendix: definitions

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## ► Geographic definitions:

- Asia includes Bangladesh, Greater China, India, Indonesia, Japan, Laos, Malaysia, Pakistan, Philippines, Singapore, South Korea, Sri Lanka, Thailand and Vietnam
- Greater China includes Mainland China, Hong Kong, Macau and Taiwan only
- Asia Pacific includes Asia (as stated above) plus Australia, New Zealand, Fiji and Papua New Guinea
- Central and South America includes Argentina, Bermuda, Brazil, Chile, Colombia, Ecuador, Jamaica, Mexico, Peru and Puerto Rico
- Europe includes Armenia, Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Isle of Man, Italy, Kazakhstan, Luxembourg, Lithuania, Netherlands, Norway, Poland, Portugal, Russian Federation, Spain, Sweden, Switzerland, Turkey, Ukraine and United Kingdom
- Middle East includes Bahrain, Iran, Israel, Jordan, Kuwait, Oman, Qatar, Saudi Arabia, Syria, United Arab Emirates and Yemen
- Africa includes Algeria, Botswana, Egypt, Ghana, Kenya, Madagascar, Malawi, Morocco, Namibia, Rwanda, South Africa, Tanzania, Tunisia, Uganda, Zambia and Zimbabwe
- North America consists of the United States and Canada
- **Emerging markets** include issuers from Argentina, Armenia, Bangladesh, Bolivia, Brazil, Bulgaria, Chile, Colombia, Croatia, Cyprus, Egypt, Ethiopia, Greater China, Hungary, India, Indonesia, Ireland, Israel, Kenya, Kuwait, Kazakhstan, Laos, Lithuania, Malaysia, Mauritius, Mexico, Namibia, Pakistan, Peru, Philippines, Poland, Qatar, Russian Federation, Saudi Arabia, Sierra Leone, Singapore, Slovenia, South Africa, South Korea, Sri Lanka, Tanzania, Thailand, Tunisia, Turkey, Ukraine, United Arab Emirates, Vietnam, Zambia etc.
- **Developed markets** include issuers from Australia, Austria, Belgium, Bermuda, Canada, Denmark, Finland, France, Germany, Greece, Guernsey, Isle of Man, Italy, Japan, Jersey, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom and United States etc.
- **State-owned enterprise (SOE)** privatizations refers to former state-owned entities that have completed their IPO listings to become public companies.

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