



Q1'12 Global IPO update

March 2012

Q1'12 key highlights

Global IPO activity by number of IPOs was lower in Q1'12 (157 deals) compared to Q1'11 (296 deals) and lower than Q4'11 (255 deals):

47% less IPOs in Q1'12 than Q1'11

38% less IPOs in Q1'12 than Q4'11

Total capital raised in Q1'12 (US\$14.3 billion) was significantly lower than Q1'11 (US\$46.6 billion) and lower than Q4'11 (US\$29.1 billion):

69% less capital raised in Q1'12 than Q1'11

51% less capital raised in Q1'12 than in Q4'11

Q1'12 key highlights

Geographical analysis

By number of IPOs:

- ▶ Asia Pacific issuers continue to be the leading region with 59.2% market share in Q1'12.
- ▶ EMEA and North America regions had 18.5% and 20.4% market share respectively. Central and South America had 1.9% market share.
- ▶ Greater China, US and Poland issuers were market share leaders with 59, 28 and 12 IPOs respectively.

By capital raised:

- ▶ Asia Pacific issuers were the market share leaders with 43.4%.
- ▶ North America and EMEA were ranked second and third with 35.1% and 19.4% market share respectively, while Central and South America had 2.1%.
- ▶ Greater China, US and Netherlands' issuers were market share leaders in Q1'12 with 37.7% (US\$5.4 billion), 30.1% (US\$4.3 billion) and 7.4% (US\$1.1 billion) respectively.

Industry analysis

By number of IPOs:

- ▶ The leading sectors by number of deals were technology (35 IPOs); industrials (29); and materials (21). The top three sectors accounted for 54% of total deal numbers.

By capital raised:

- ▶ The top three sectors accounted for 49% of total deal value; industrials (US\$2.7 billion), consumer products and services (US\$ 2.2 billion) and technology (US\$2.1 billion).

Exchange analysis

By number of IPOs:

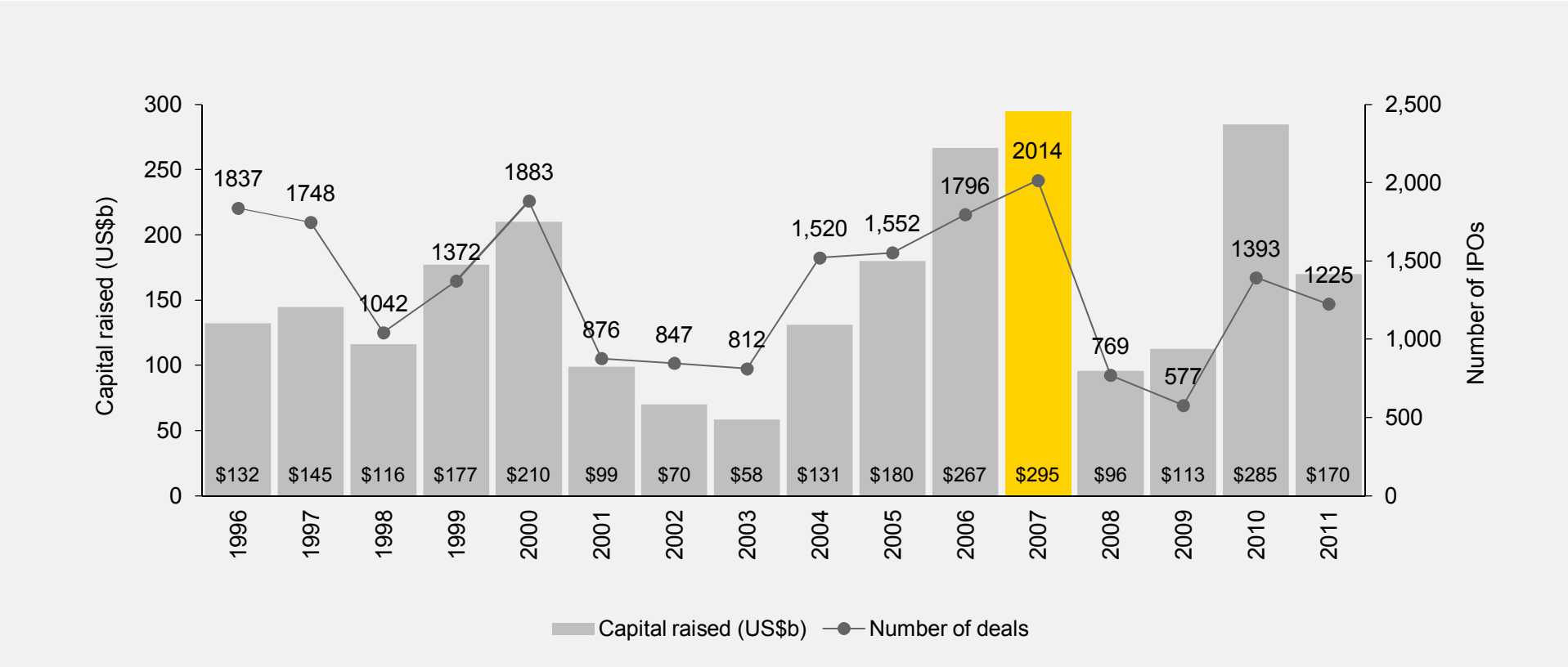
- ▶ Shenzhen Stock Exchange (SME board and ChiNext) was the most active by number of deals, with 37 deals (23.6% of total numbers).
- ▶ New York Stock Exchange saw 20 deals (12.7%), and the Hong Kong Stock exchange hosted 13 deals (8.3%).

By capital raised:

- ▶ The NYSE, buoyed by hosting nine of the top 20 IPOs by capital raised, raised US\$3.9 billion in 20 IPOs (27.7% of global proceeds).
- ▶ Shenzhen Stock Exchange (SME and ChiNext) raised US\$3.1 billion in 37 IPOs (22% of global proceeds).
- ▶ Shanghai Stock exchange came in third, raising US\$1.5 billion (10.2%) via five deals.

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

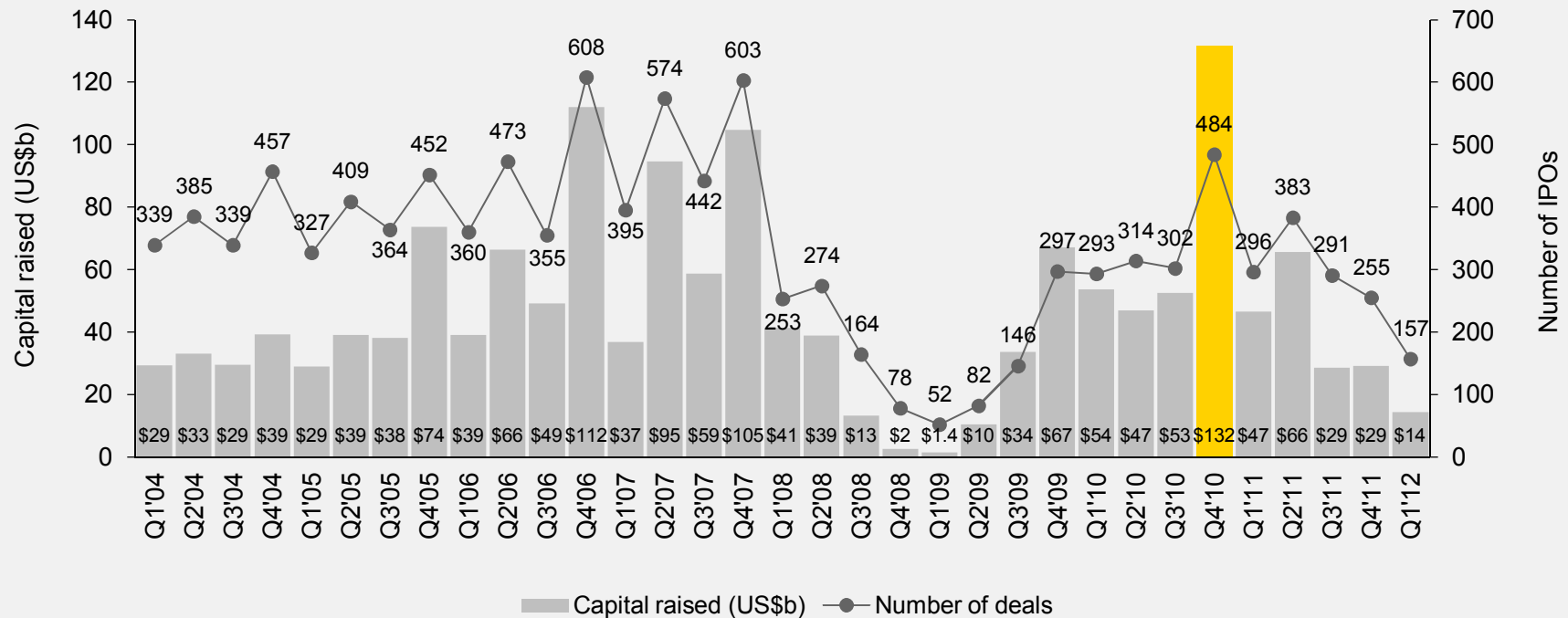
Global IPO activity in 2011 was 40% lower than 2010 in terms of global capital raised. The unresolved Eurozone debt crisis, concerns about global economic growth and falling equity markets had a deep impact on global IPO activity in 2011.



Source: Dealogic, Thomson Financial, Ernst & Young

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

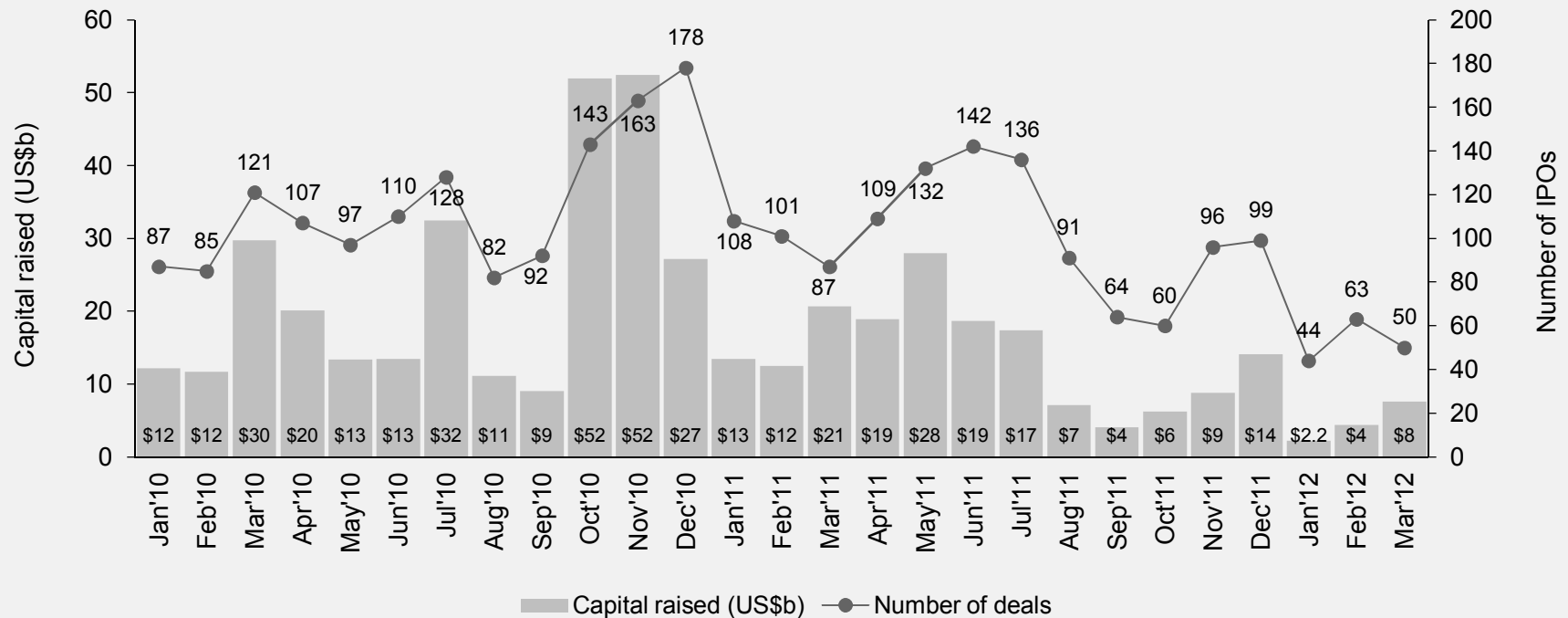
In Q1'12, there was one deal with capital raised above US\$1 billion. Of the top 10 IPOs (by capital raised), three deals were from emerging countries. Of the top 20 IPOs, nine deals were from emerging countries.



Source: Dealogic, Thomson Financial, Ernst & Young

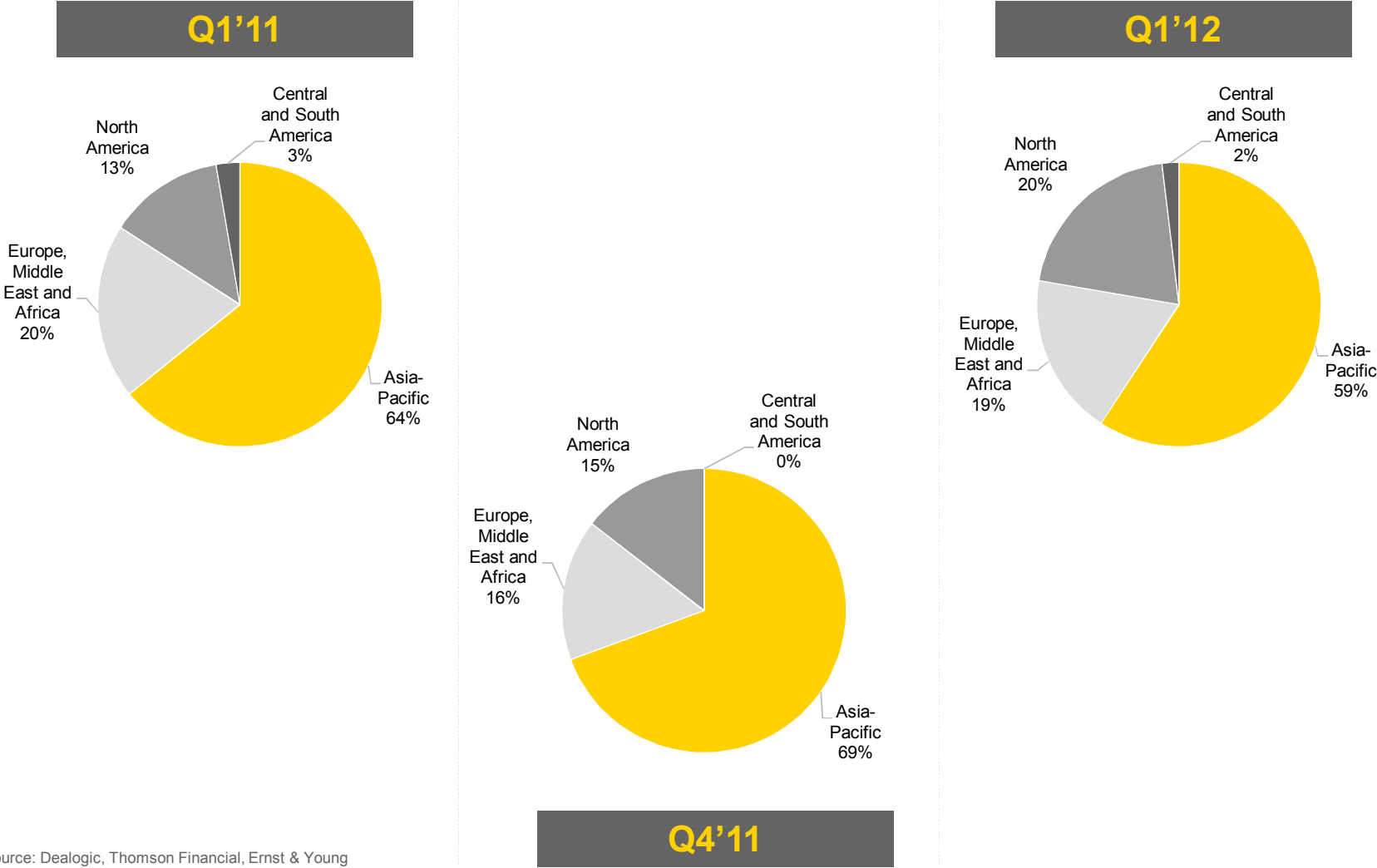
Global IPO activity: number of deals and capital raised by month

March 2012 saw 50 IPO listings which raised US\$7.6 billion in total. January 2012 generated 44 IPO listings which raised US\$2.2 billion combined – the lowest monthly capital raised since May 2009 (US\$2.4 billion from 27 deals).



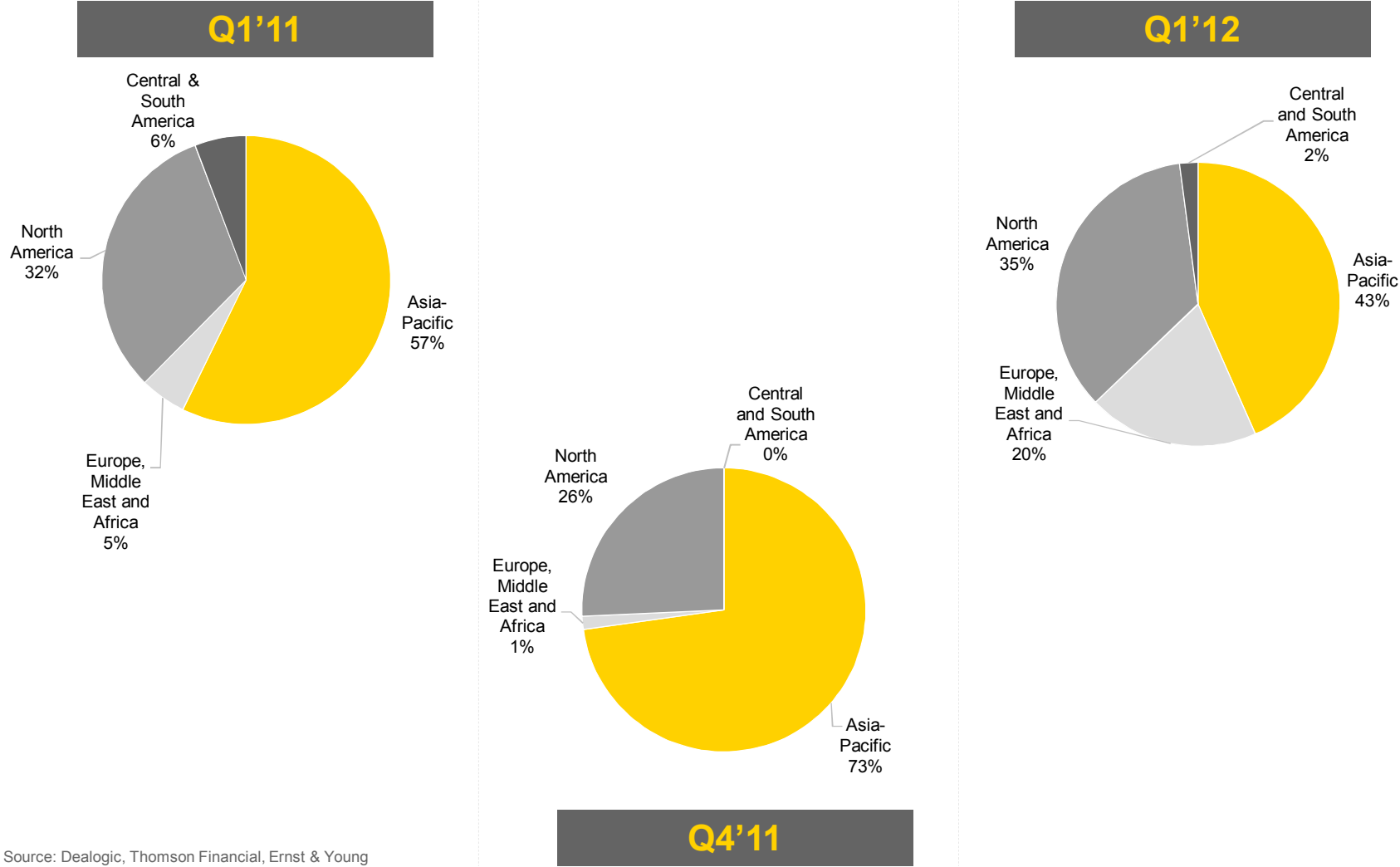
*Date up to end of 27th September
Source: Dealogic, Thomson Financial, Ernst & Young

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



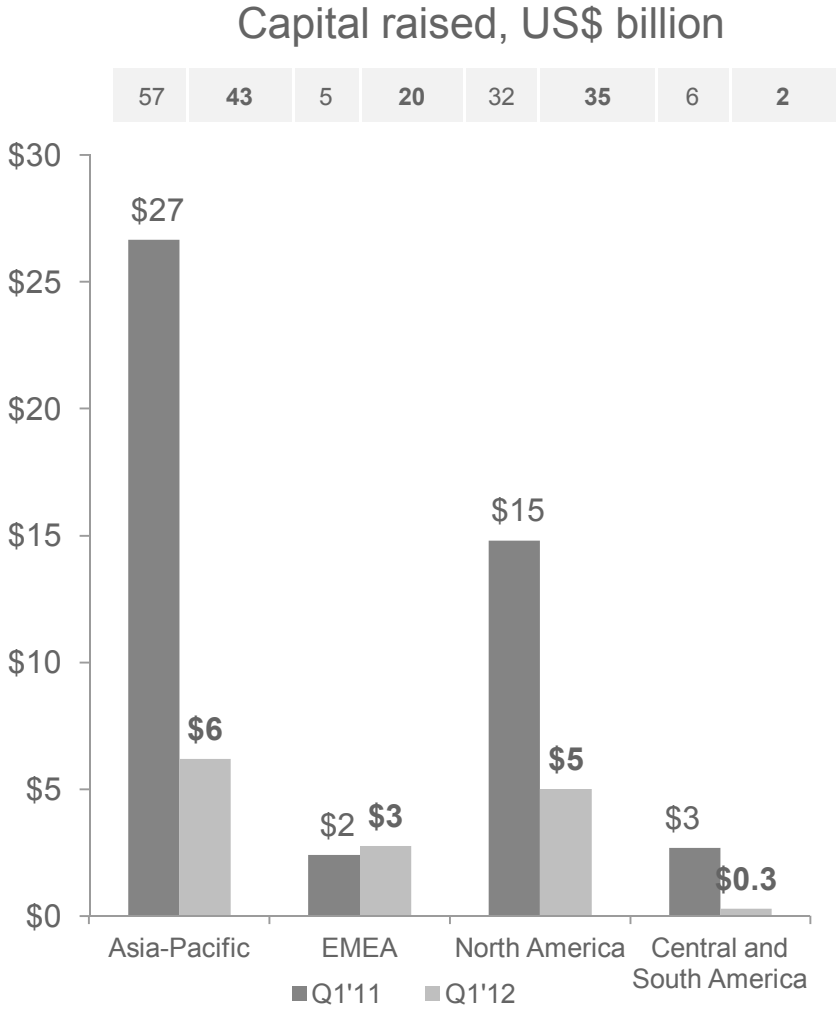
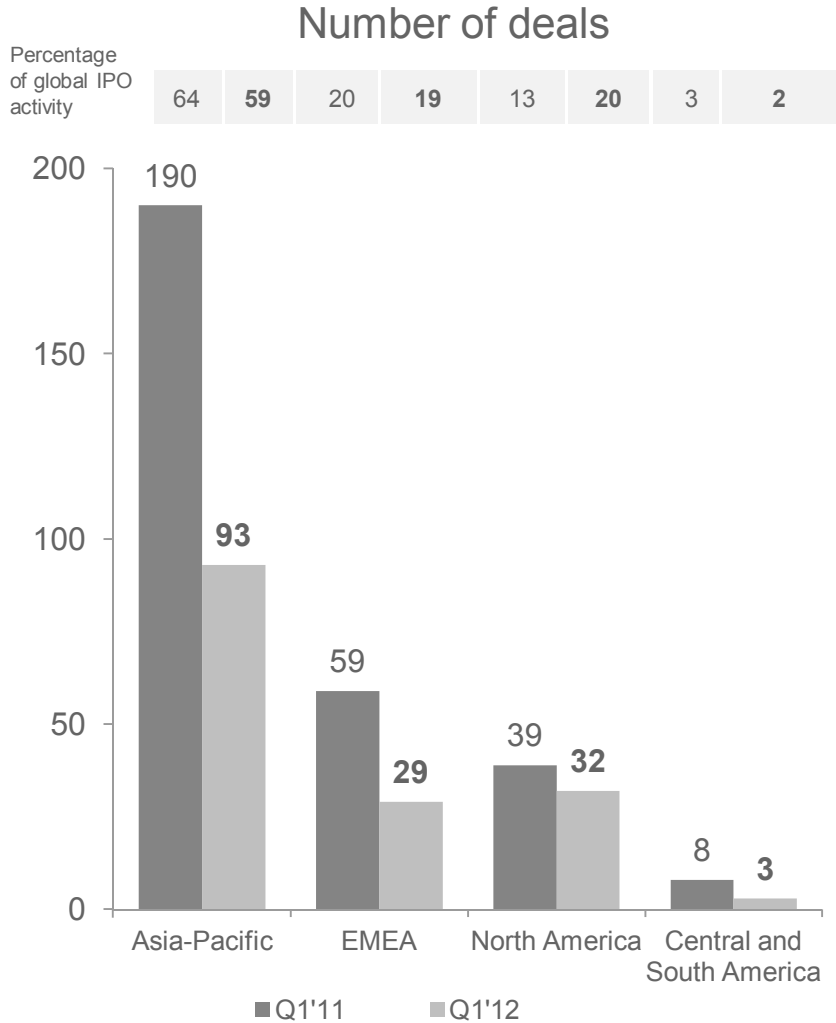
Source: Dealogic, Thomson Financial, Ernst & Young

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



Source: Dealogic, Thomson Financial, Ernst & Young

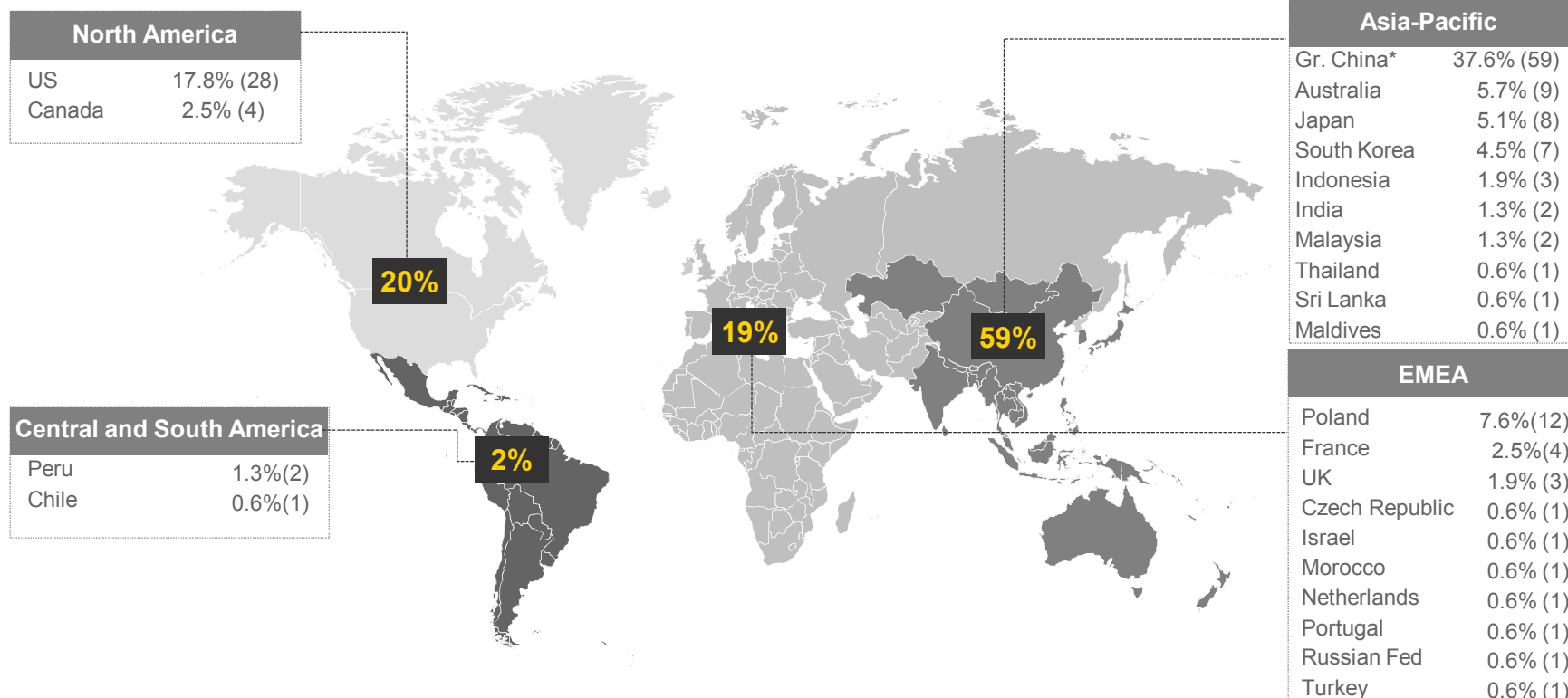
Q1'11 versus Q1'12 global IPOs by region



Source: Dealogic, Thomson Financial, Ernst & Young

Q1'12 Global IPO activity (by region and number of deals)

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

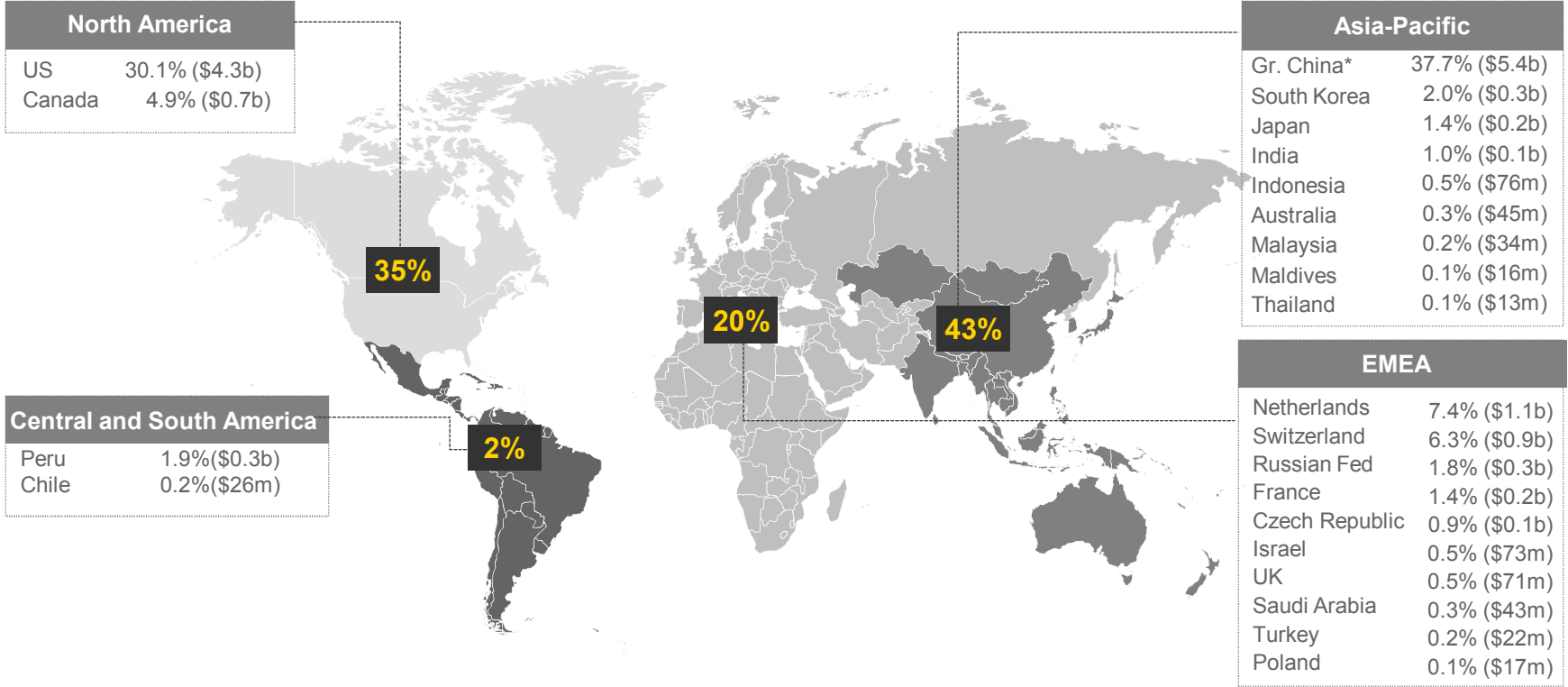


Developing countries made up 62% of the number of deals globally and 48% of the total global capital raised. BRICs together raised US\$5.7 billion (40% of total capital raised) in 55 deals (35% of total deal numbers).

*Greater China includes Mainland China (52 deals) and Hong Kong (7) issuers. Based on the listed company domicile.
Source: Dealogic, Thomson Financial, Ernst & Young

Q1'12 Global IPO activity (by region and capital raised)

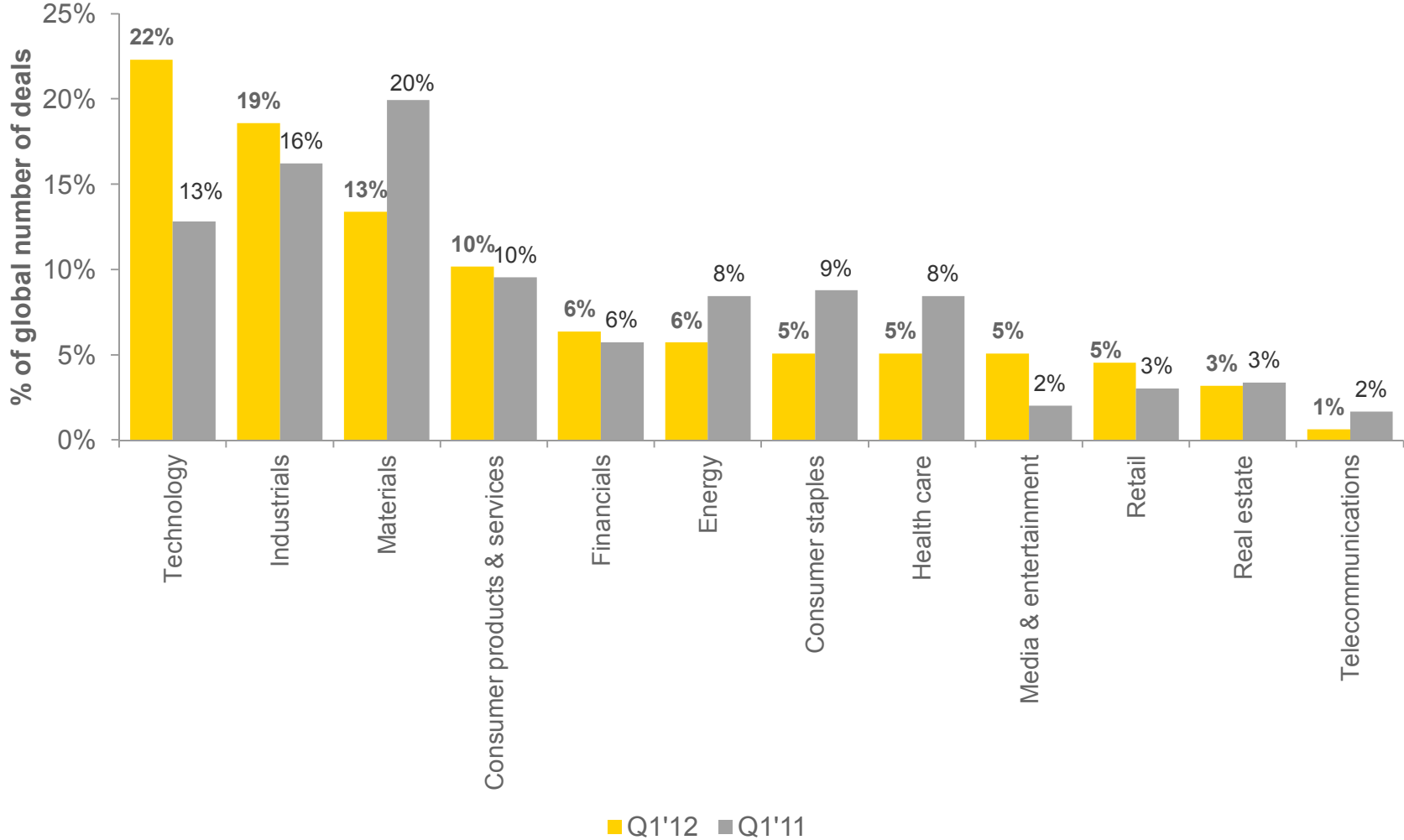
Greater China led in total capital raised (US\$b), followed by the US and Netherlands



There was one deal with capital raised above US\$1 billion, which was from developed markets. Three of the top 10 IPOs and nine of the top 20 IPOs (by capital raised) were from emerging markets.

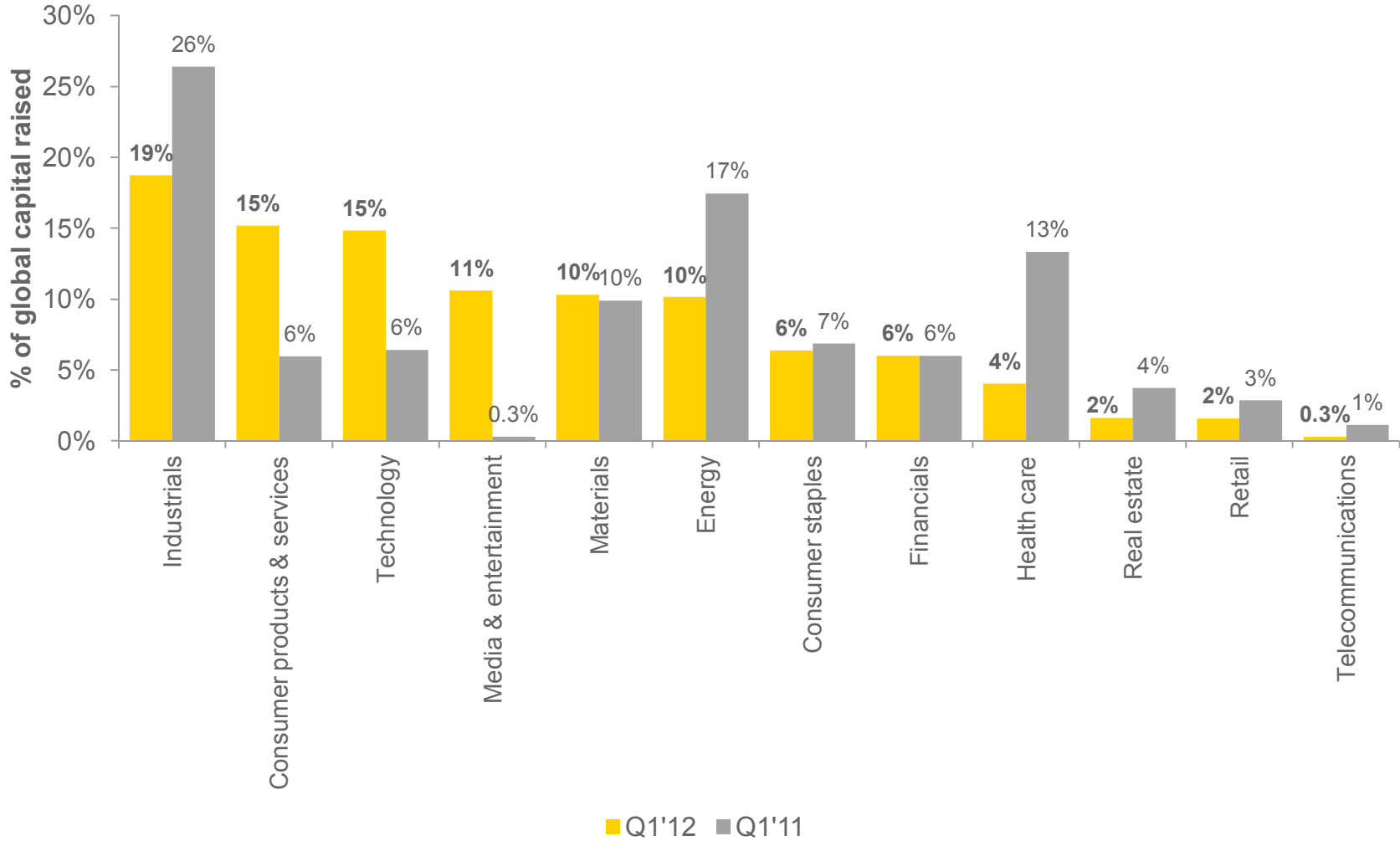
*Greater China includes Mainland China (US\$5.3b) and Hong Kong (\$0.1b) issuers. Based on the listed company domicile
 Source: Dealogic, Thomson Financial, Ernst & Young

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



Source: Dealogic, Thomson Financial, Ernst & Young

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



Source: Dealogic, Thomson Financial, Ernst & Young

Q1'12 Global IPO activity: by stock exchanges*

Top 12 by number of deals

Exchange	No. of deals	Percentage of global total
Shenzhen Stock Exchange (SZE)**	37	23.6%
New York Stock Exchange (NYSE)	20	12.7%
Hong Kong Exchanges & Clearing Ltd (HKEx)	13	8.3%
NASDAQ	12	7.6%
NewConnect - Warsaw	11	7.0%
Australian Securities Exchange (ASX)	9	5.7%
Shanghai Stock Exchange (SSE)	5	3.2%
Tokyo MOTHERS	5	3.2%
KOSDAQ	5	3.2%
NYSE Euronext – Amsterdam & Paris	5	3.2%
London Alternative Investment Market (AIM)	3	1.9%
Jakarta	3	1.9%
All other exchanges	29	18.5%
Global total	157	100%

Top 12 by capital raised

Exchange	Capital raised (US\$m)	Percentage of global total
New York Stock Exchange (NYSE)	\$3,948	27.7%
Shenzhen Stock Exchange (SZE)**	\$3,132	22.0%
Shanghai Stock Exchange (SSE)	\$1,462	10.2%
NYSE Euronext – Amsterdam & Paris	\$1,256	8.8%
Hong Kong Exchanges & Clearing Ltd (HKEx)	\$1,196	8.4%
Swiss Exchange	\$897	6.3%
NASDAQ	\$850	6.0%
London Stock Exchange (LSE)	\$307	2.2%
Korea Stock Exchange	\$218	1.5%
Tokyo MOTHERS	\$161	1.1%
Bombay Stock Exchange (BSE)	\$136	1.0%
Toronto Stock Exchange (TSX)	\$113	0.8%
All other exchanges	\$585	4.1%
Global total	\$14,261	100%

*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

Q1'11 Global IPO activity: by stock exchanges*

Top 12 by number of deals

Exchange	No. of deals	percentage of global total
Shenzhen Stock Exchange (SZE)**	78	26.4%
Warsaw – NewConnect	29	9.8%
Australian Securities Exchange (ASX)	26	8.8%
New York Stock Exchange (NYSE)	16	5.4%
NASDAQ	15	5.1%
KOSDAQ	11	3.7%
Shanghai Stock Exchange (SSE)	11	3.7%
Bombay Stock Exchange (BSE)	10	3.4%
Hong Kong Exchanges & Clearing Limited (HKEx)	10	3.4%
Toronto Venture Exchange (TSX-V)	10	3.4%
Istanbul Stock Exchange (ISE)	6	2.0%
Sao Paulo Stock Exchange (BOVESPA)	5	1.7%
<i>All other exchanges</i>	69	23.2%
Global total	296	100.0%

Top 12 by capital raised

Exchange	Capital raised (US\$m)	percentage of global total
New York Stock Exchange (NYSE)	\$13,820	29.7%
Shenzhen Stock Exchange (SZE)**	\$11,218	24.1%
Singapore Stock Exchange (SGX)	\$5,627	12.1%
Shanghai Stock Exchange (SSE)	\$4,542	9.7%
Hong Kong Exchanges & Clearing Limited (HKEx)	\$2,222	4.8%
Sao Paulo Stock Exchange (BOVESPA)	\$2,064	4.4%
Oslo Bors	\$1,440	3.1%
NASDAQ	\$1,156	2.5%
Korea Stock Exchange (KRX)	\$634	1.4%
Jakarta	\$577	1.2%
Istanbul Stock Exchange (ISE)	\$361	0.8%
London Stock Exchange (LSE)	\$360	0.8%
All other exchanges	\$2,572	5.4%
Global total	\$46,593	100.0%

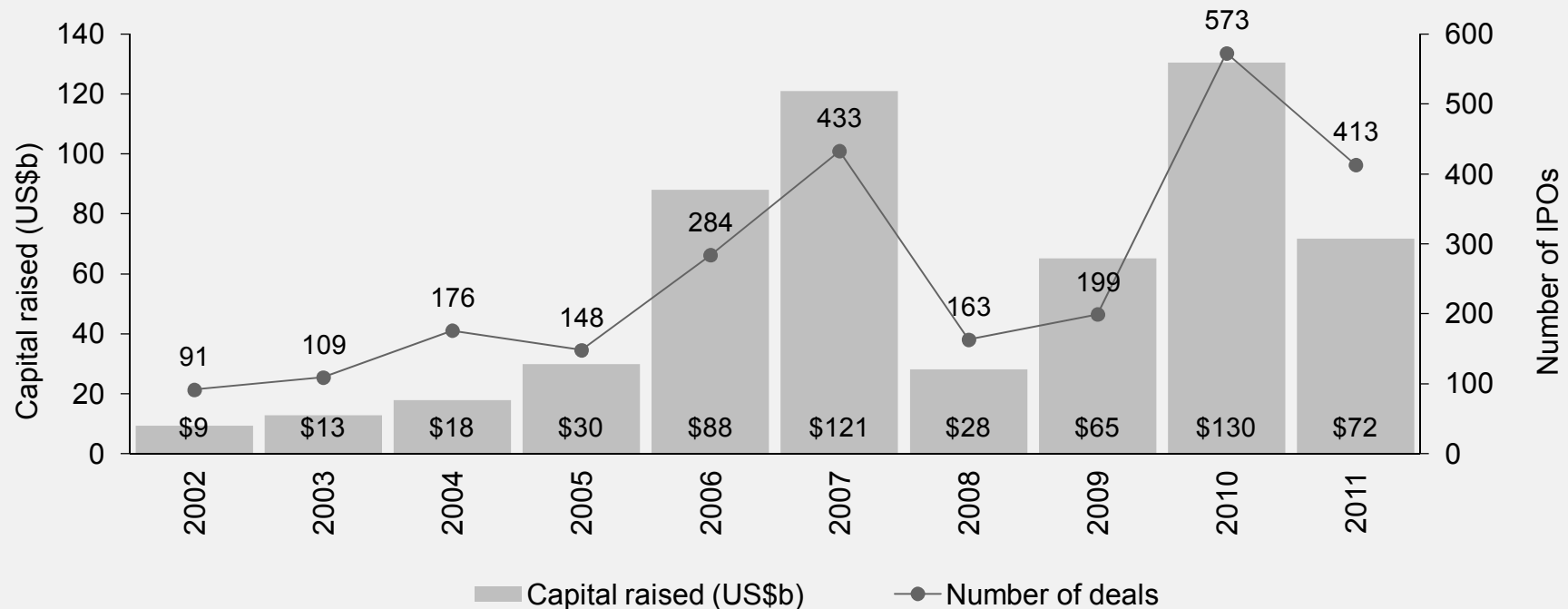
*Data based on domicile of the exchange, regardless of the listed company domicile

**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

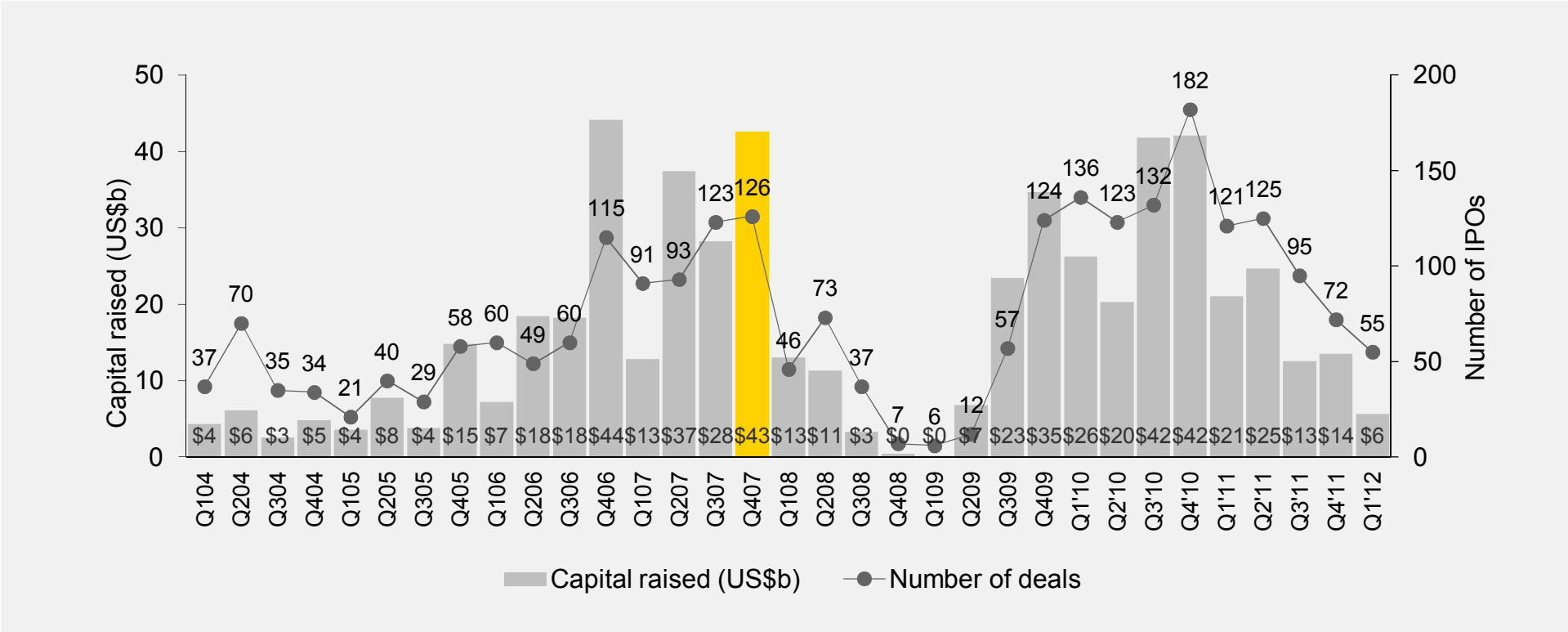
Emerging markets continued to drive global IPO activity in Q1'12 (62% of global deals and 48% of global capital raised). Emerging markets issuers raised US\$6.8 billion from 98 IPO deals and BRIC issuers had 55 IPOs raising US\$5.7 billion.



Source: Dealogic, Thomson Financial, Ernst & Young

Emerging markets: IPO activity by quarter in the BRIC countries

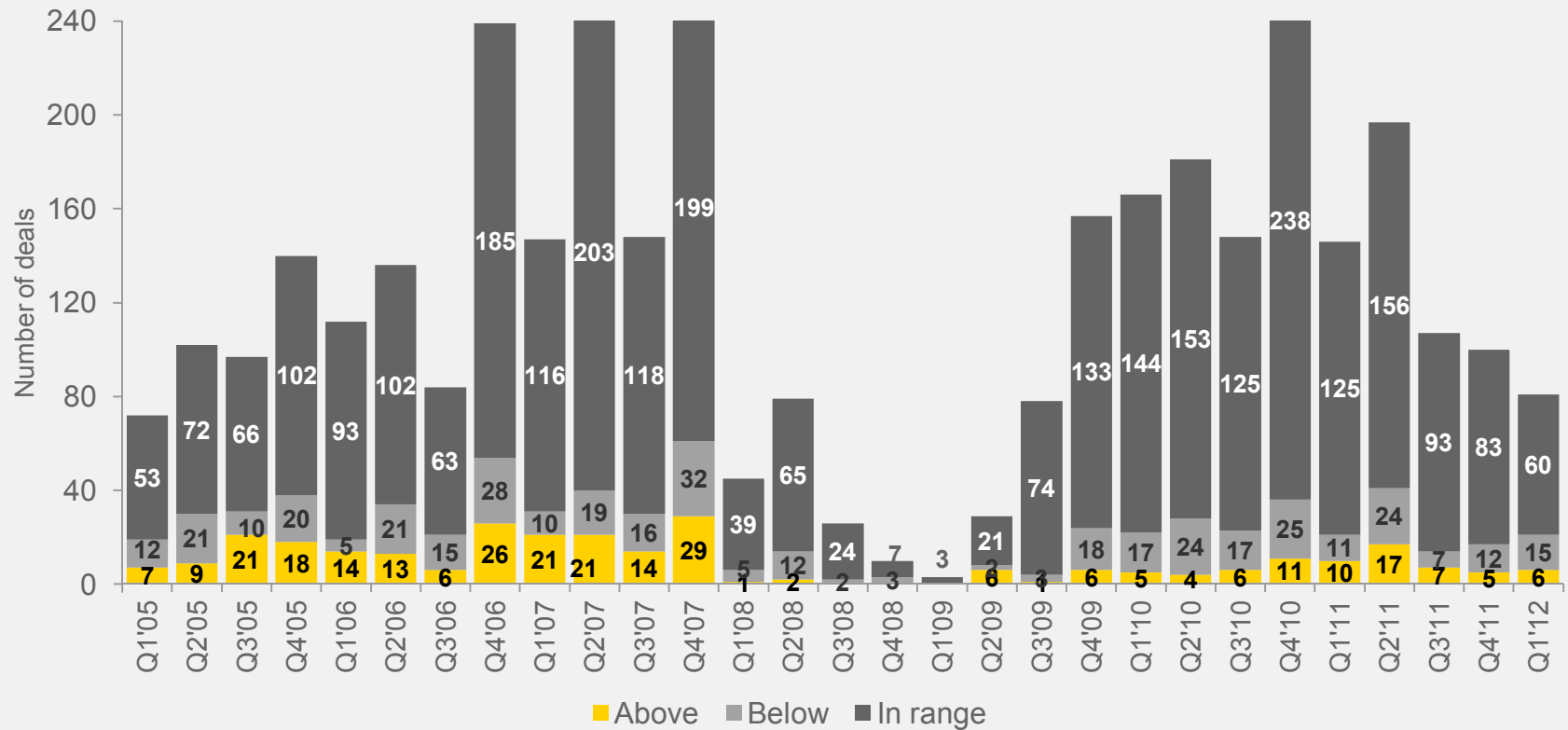
In Q1'12, the only deal with capital raised above US\$1 billion was from the developed markets. Of the top 10 IPOs (by capital raised), three deals were from emerging markets. Of the top 20 IPOs, nine deals were from emerging markets.



Source: Dealogic, Thomson Financial, Ernst & Young

Global number of IPOs by pricing range

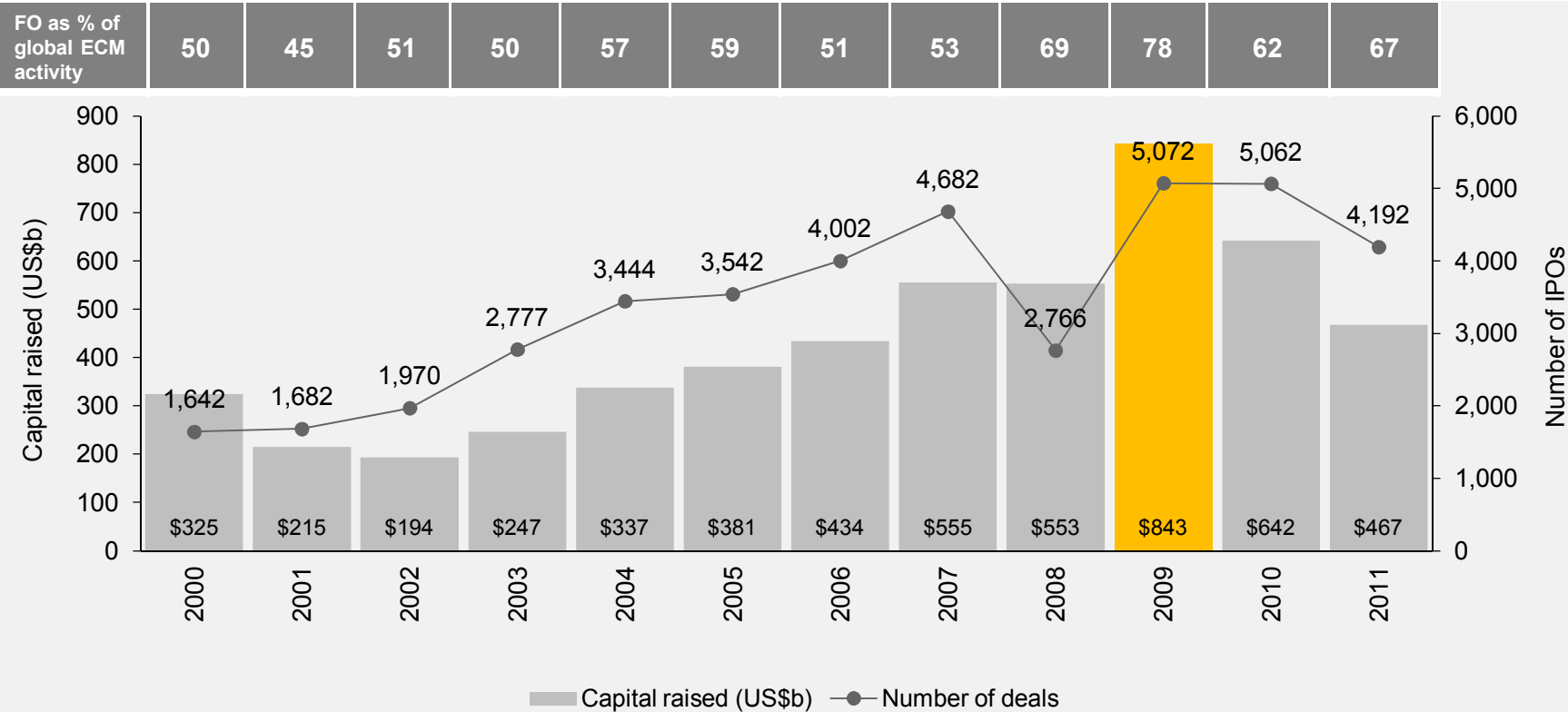
While price-sensitive investors grew more cautious after the mixed performances of some high-profile IPOs, 74% of global IPOs* in Q1'12 were priced within their initial filing range and 7% were priced above. Only 19% of IPOs were priced below their initial filing range.



*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

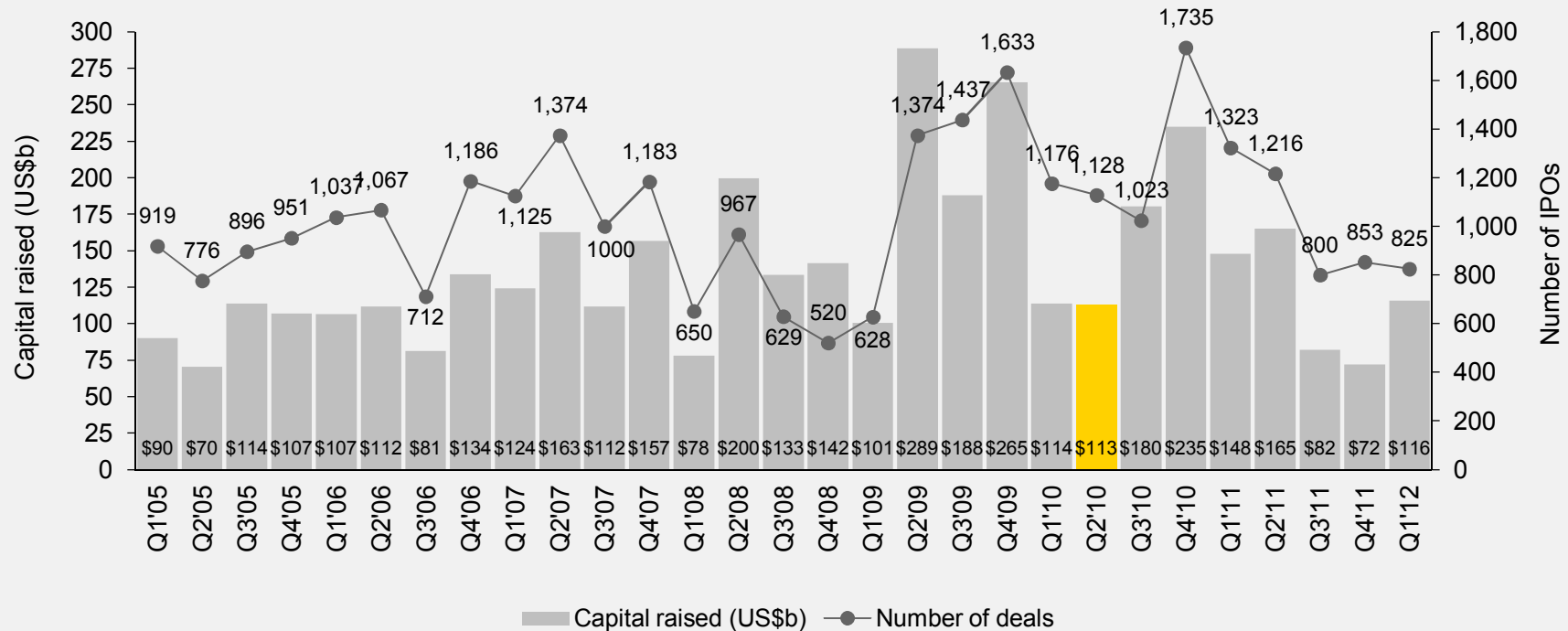
Global follow-on activity reached record highs worldwide in 2009, accounting for 78% of global equity issuance. In 2011, there were 75 deals with capital raised above US\$1 billion – 46 were from developed markets, 29 were from emerging markets.



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 Q1'12, the top three stock exchanges by capital raised are New York (\$30.2 billion via 75 deals), Borsa Italiana (\$10.5 billion, 5 deals) and Hong Kong Stock Exchange (\$9.7 billion, 40 deals). 22 deals had capital raised above US\$1 billion – 16 were from developed markets.



¹Deutsche Borse includes listings on General, Prime and Entry Standards
Source: Dealogic, Ernst & Young

Appendix: definitions

- ▶ The data presented in the Ernst & Young *Global IPO trends 2012* report and *Q1'12 Global IPO update* and press releases are from Dealogic, Thomson Reuters and Ernst & Young. **The Q1'12 global IPO update covers global IPO activity from January to March 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

▶ **Geographic definitions:**

- ▶ Asia includes Bangladesh, Greater China, India, Indonesia, Japan, Laos, Malaysia, Pakistan, Philippines, Singapore, South Korea, Sri Lanka, Thailand, 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, United Kingdom
- ▶ Middle East includes Bahrain, Iran, Israel, Jordan, Kuwait, Oman, Qatar, Saudi Arabia, Syria, United Arab Emirates, Yemen
- ▶ Africa includes Algeria, Botswana, Egypt, Ghana Kenya, Madagascar, Malawi, Morocco, Namibia, Rwanda, South Africa, Tanzania, Tunisia, Uganda, Zambia, Zimbabwe
- ▶ North America consists of 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 its IPO listings to become public companies.

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