



Q3'12 Global IPO update

September 2012

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Section 1: Q3'12 highlights

Global IPO activity by deal volume and value

165 IPOs worldwide in Q3'12 compared to 291 in Q3'11 and 248 in Q2'12

43% fewer IPOs in Q3'12 than Q3'11

33% less IPOs in Q3'12 than Q2'12

US\$24.1b in capital raised in Q3'12 compared to US\$28.6b in Q3'11 and \$US44.3b in Q2'12

16% less capital raised in Q3'12 than Q3'11

46% less capital raised in Q3'12 than Q2'12

US\$85.7b raised in **615 deals** in first nine months of 2012 vs US\$140.7b raised in 970 deals in first nine months of 2011

36% fewer IPOs in first nine months of 2012 than same time period in 2011

39% less capital raised in first nine months of 2012 than same time period in 2011

Note: The Q3'12 Global IPO update covers global IPO activity from January to 20th September 2012.

Factors driving Q3'12 activity

- ▶ Q3'12 showed relative optimism for capital-raising in certain markets.
- ▶ However, in selected markets, capital market activity continues to be hampered by lack of investor confidence and economic uncertainty, stemming from concern over the ongoing European sovereign-debt crisis and global economic slowdown.
- ▶ In Q3'12, many equity markets indices around the world are trending upwards (such as S&P 500, Dow Jones Industrial Average, FTSE100, FTSE Eurofirst 300, CAC, XETRA DAX, Nikkei 225, Hang Seng Index)¹.
- ▶ After the CBOE Volatility S&P 500 Index (the VIX index) rose and peaked in early June (to around 26%), the index has been falling steadily in the last few months. During Q3'12, the VIX index decreased to the 13.5% – 20% range, reflecting lower market volatility. We expect a return in investor confidence and an improved environment for IPO candidates in Q4'12.

Note: The Q3'12 *Global IPO update* covers global IPO activity from January to 20th September 2012.

*Equity market indices for Q3'12 as at 23rd September 2012.

Q4'12 outlook

- ▶ There are a number of positive signs of global IPO activity and capital markets for Q4'12.
- ▶ Several large IPO deals are expected by end of 2012 and the market continues to be opportunistic and selective. We expect more volume in the first half of 2013. Industries to watch include high technology, consumer products and industrials sectors.
- ▶ New stimulus from central banks in the world's major economies should help bolster IPO activity and continue to restore investor and issuers' confidence.
- ▶ We have observed improvement in equity markets and easing volatility. The number of withdrawn or postponed IPO deals has also fallen in recent months.
- ▶ There is a huge pipeline of private companies globally who are waiting to go public as soon as market conditions improve. They are 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.

Q3'12 largest IPOs

The top three IPOs accounted for 47.7% of Q3'12 global capital raised:

1. Japan Airline Co Ltd Japan; industrials – airline operator

- ▶ Raised US\$8.5b on Tokyo exchange in September; constituted 35.2% of global capital raised in Q3'12.
- ▶ Largest IPO in Japan so far this year and the second largest IPO globally in 2012 YTD.
- ▶ Fifth largest IPO by an Japanese issuer on record, behind Dai-ichi Life Insurance US\$11.1b listing in March 2010.
- ▶ Largest airline operator IPO globally on record, surpassing Air China's US\$1.2b listing in 2004, which is now second largest Airline IPO deal.

2. IHH Healthcare Bhd Malaysia; healthcare – healthcare services provider

- ▶ Raised US\$2.1b on Bursa Malaysia in July; constituted 8.9% of global capital raised in Q3'12.
- ▶ Fourth largest IPO globally so far this year.
- ▶ Fourth largest IPO on Bursa Malaysia on record.

3. Inner Mongolia Yitai Coal Co Ltd China; materials – coal mining company

- ▶ Raised US\$0.9b on HKEx in August; constituted 3.8% of global capital raised in Q3'12.
- ▶ This is the tenth largest IPO globally so far this year.

The top 20 IPOs accounted for 70.0% of the global capital raised in Q3'12:

- ▶ Two deals with capital raised above US\$1b in Q3'12, compared to five deals in Q2'12 and three deals in Q3'11.

*Please see the Appendix for the definition of emerging markets . Based on the listed company domicile.
Source: Dealogic, Ernst & Young

Q3'12 activity by geography, industry and exchange

Geographical analysis

By number of IPOs:

- ▶ Asia Pacific issuers continue to be the leading region with 67.9% market share in Q3'12.
- ▶ EMEA and North America regions had 14.6% and 15.2% market share respectively. Central and South America had 2.4% market share.
- ▶ Greater China*, US and Poland issuers were market share leaders with 63, 22 and 11 IPOs respectively.

By capital raised:

- ▶ Asia Pacific issuers were the market share leaders with 76.6%.
- ▶ North America and EMEA were ranked second and third with 14.9% and 5.0% market share respectively, while Central and South America had 3.6%.
- ▶ Japan, Greater China* and US issuers were market share leaders in Q3'12 with 36.2% (US\$8.7b), 24.4% (US\$5.9b) and 13.6% (US\$3.3b) respectively.

Industry analysis

By number of IPOs:

- ▶ The leading sectors by number of deals were industrials (29); materials (27) and technology (18). The top three sectors accounted for 45% of total deal numbers.

By capital raised:

- ▶ The top three sectors accounted for 65% of total deal value; industrials (US\$10.6b), healthcare (US\$2.7b) and materials (US\$ 2.3b).

Exchange analysis

By number of IPOs:

- ▶ Shenzhen Stock Exchange (SME board and ChiNext) was the most active by number of deals, with 35 deals (21.2% of total numbers).
- ▶ Hong Kong Stock Exchange saw 12 deals (7.3%), and the NASDAQ hosted 12 deals (7.3%).

By capital raised:

- ▶ Tokyo Stock Exchange, buoyed by hosting this quarter's largest IPO of Japan Airlines, raised US\$8.5b via one IPO (35.2% of global proceeds).
- ▶ Shenzhen Stock Exchange raised US\$2.9b in 35 IPOs (11.9% of global proceeds).
- ▶ Bursa Malaysia ranked third, raising US\$2.4b (10.1%) via four deals.

*Greater China includes Mainland China (59 deals raising US\$5.9b) and Hong Kong (4 deals raising US\$19m) issuers.

Emerging markets

Emerging markets* made up around 72% of the global number of deals and 46% of capital raised in Q3'12.

- ▶ Seven of the top 10 IPOs by capital raised were from emerging markets. Of these 7 deals, 2 were from China and Singapore each, 1 deals each from Malaysia, Chile and Saudi Arabia.
- ▶ 12 of the top 20 IPOs were from emerging markets.
- ▶ BRIC markets recorded 67 deals and US\$5.9b; 41% of global number of deals and 24% of total capital raised in Q3'12.
- ▶ This compares with US\$10.9b via 82 deals in Q2'12 and US\$12.5b via 95 deals in Q3'11.

*Please see the Appendix for the definition of emerging markets . Based on the listed company domicile.
Source: Dealogic, Ernst & Young

PE and VC backed deals

Financial sponsor-backed IPOs* continue their presence:

- ▶ Globally, PE firms exited 17 companies via IPO in Q3'12 (10% of global number of deals), raising US\$3.8b (16.0% of total funds raised).
- ▶ In Q2'12, there were 27 PE-backed IPOs which raised US\$4.2b (11% by global number of deals and 10% of global funds raised). This represents a 37.0% decrease by number of deals and 8.8% lower by total funds raised from Q2'12 to Q3'12.
- ▶ US PE-backed IPO listings continue to drive global PE-backed IPO activity in Q3'12. There were 11 IPOs which raised US\$1.6b on US exchanges which represents 6.8% of global capital raised.
- ▶ The largest PE-backed IPO in Q3'12 was the US\$2.1b IPO of the Malaysian health care service provider, IHH Healthcare Bhd, listed on Bursa Malaysia. This is the second largest IPO globally this quarter.
- ▶ The second largest PE-backed IPO this quarter is by the US petrochemical company, Northern Tier Energy LP. They raised US\$262m on the New York Stock Exchange. This is the 13th largest IPO globally in Q3'12.
- ▶ Globally, VC firms exited 15 companies through an IPO in Q3'12. These IPO deals raised US\$1.3b (5.3% of global capital raised).
- ▶ US VC-backed IPO deals continue to drive global VC-backed IPO activity in Q3'12. There were 10 IPOs which raised US\$1.2b on US exchanges representing 5.0% of global capital raised.
- ▶ The largest VC-backed IPO in Q3'12 was the Palo Alto Networks IPO which raised US\$299m on the New York Stock Exchange.

*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

Other Q3'12 highlights

▶ Pricing:

- ▶ Around 82 out of every 100 global IPOs* priced within or above their initial filing range in Q3'12.
- ▶ Seventy-five percent of global IPOs were priced within their initial filing range, compared to a historical 10 year average of 79%.
- ▶ Seven percent of IPOs were priced above their initial filing range.
- ▶ Only 18% of IPOs were priced below their initial filing range.

▶ Withdrawals and postponements:

- ▶ There were 44 postponed or withdrawn IPOs in Q3'12, compared to 86 in Q2'12 and 65 in Q3'11.

▶ State-owned enterprises (SOEs):

- ▶ There was one IPO from SOE privatization in Q3'12 globally - of Japanese airline operator, Japan Airlines Co Ltd - raising US\$8.5b (35% of the global funds raised). This deal was the largest IPO globally in terms of capital raised in Q3'12 and second largest IPO for the first nine months of 2012.

▶ Follow-on offerings:

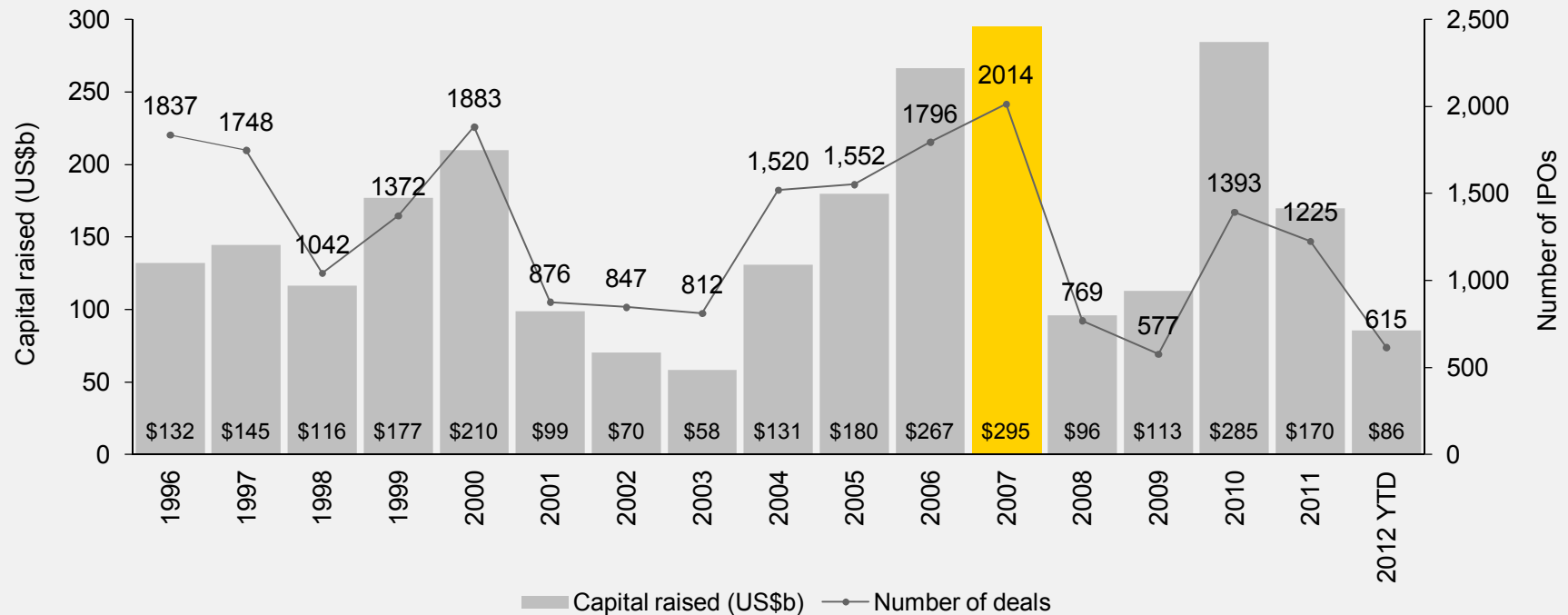
- ▶ There were 625 follow-on offerings globally, raising US\$126.4b in Q3'12. This compares to 694 deals raising US\$87.7b in Q2'12 and 801 deals raising US\$82.5b in Q3'11.
- ▶ Follow-on offerings constituted 78% of global equity capital markets activity in Q3'12 by capital raised, while IPOs represented 14%.

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

Section 2: Global IPO activity trends

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

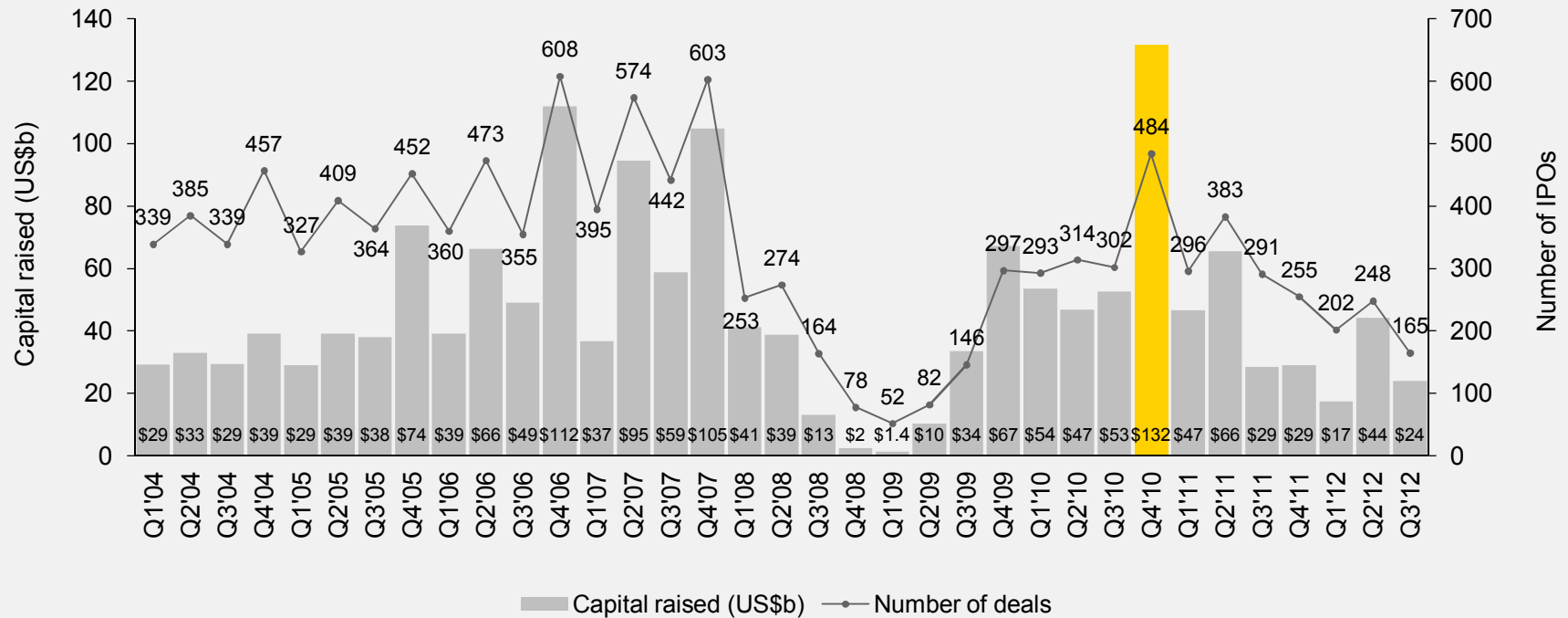
The unresolved Eurozone debt crisis, concerns about global economic growth and falling equity markets continued to impact on global IPO activity in the first nine months of 2012.



*Date up to end of 20th September 2012
Source: Dealogic, Thomson Financial, Ernst & Young

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

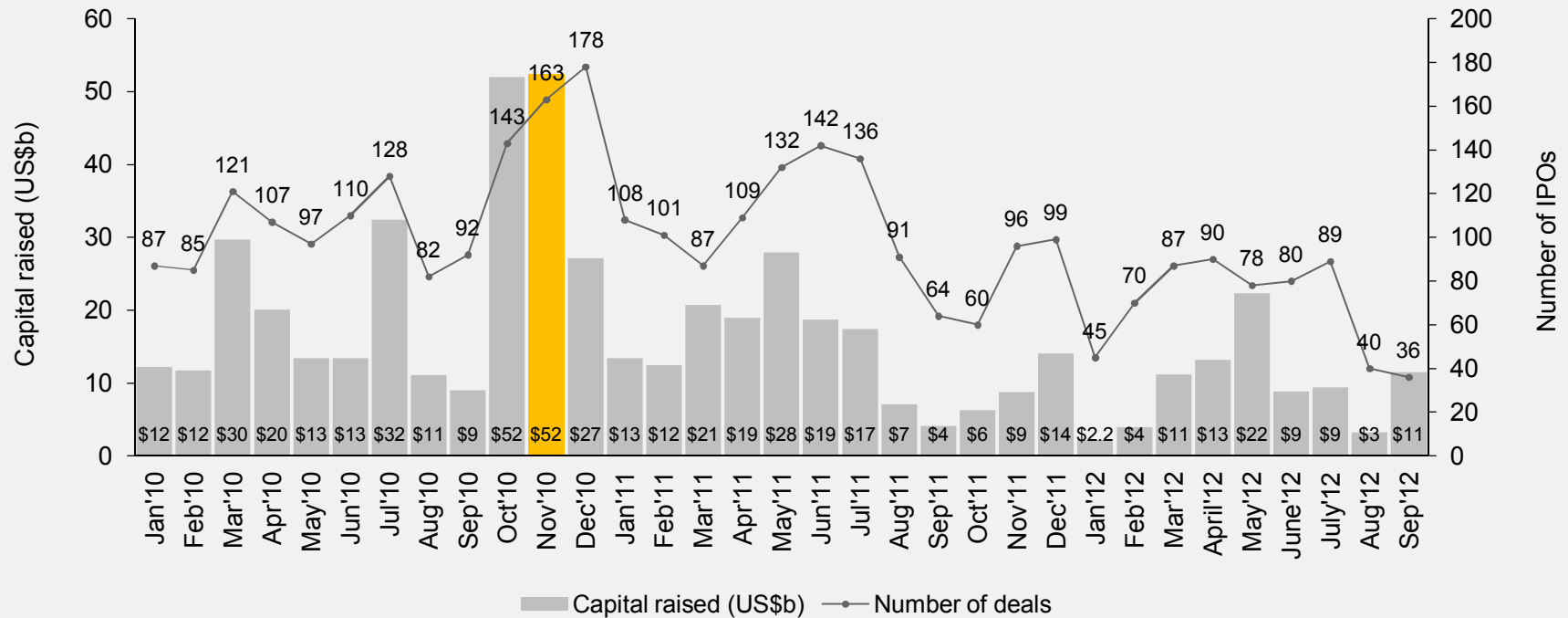
In Q3'12, there were two deals with capital raised above US\$1b. Of the top 10 IPOs (by capital raised), seven deals were from emerging markets. Of the top 20 IPOs, 12 deals were from emerging markets.



*Date up to end of 20th September 2012.
Source: Dealogic, Thomson Financial, Ernst & Young

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

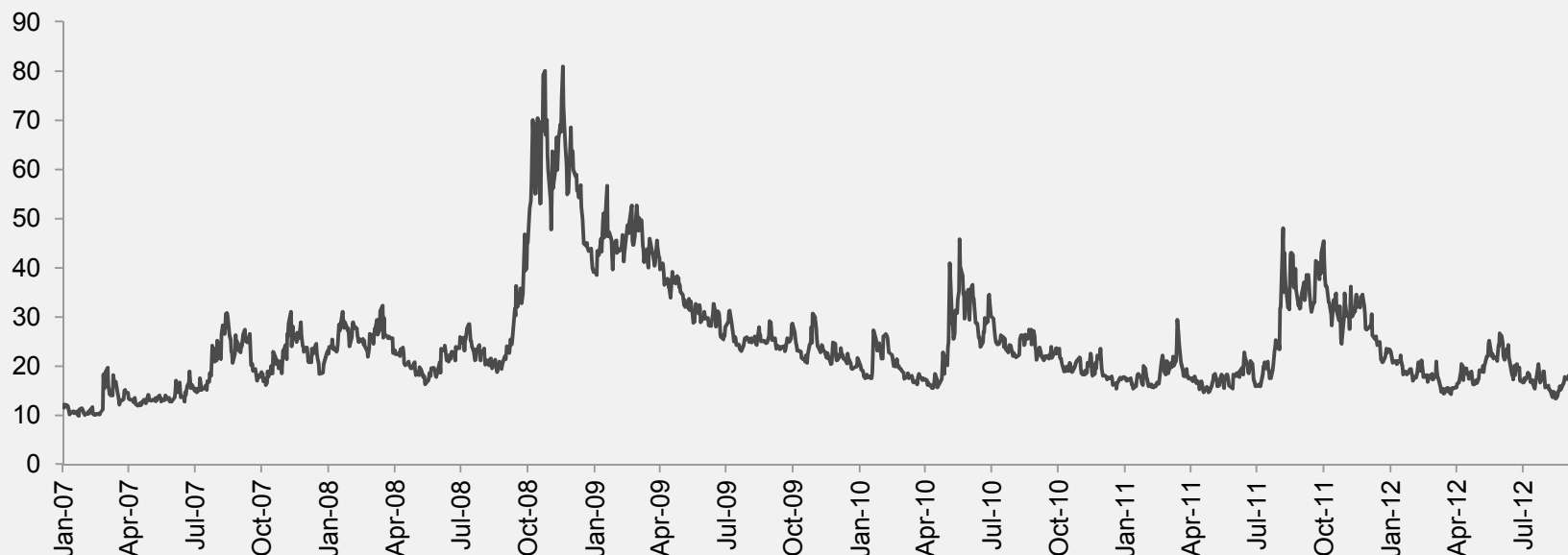
September 2012 generated 36 IPO listings which raised US\$11.5b combined – the lowest number of deals since May 2009 (US\$2.4 b from 27 deals). August 2012 saw 30 deals raising a total of US\$3.2b – the lowest monthly capital raised since January 2012.



*Date up to end of 20th September 2012.
Source: Dealogic, Thomson Financial, Ernst & Young

CBOE Volatility S&P 500 Index® (VIX®)

The VIX index rose in May and June, indicating capital markets were volatile. During Q3'12, the VIX index fell back into the 13.5% – 20% range, reflecting an improving environment for IPO candidates and improving 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 2nd June
Source: Capital IQ

Section 3: Regional analysis

Asia

- ▶ **In Q3'12, Asian issuers* continued to dominate global IPO activity in terms of number of deals and capital raised:**
 - ▶ Asian issuers accounted for 76% of global capital raised or US\$18.3b in over 102 deals in Q3'12. This was because six of the top 10 deals by capital raised in Q3'12 came from issuers from this region.
 - ▶ Capital raised in Q3'12 was 16% higher but 14% lower by number of deals than Q2'12 (US\$15.8b via 124 deals).
 - ▶ Capital raised in Q3'12 was 35% higher and 23% lower by number of deals than in Q3'11 (US\$13.6b in 139 deals).
- ▶ **Japanese issuers dominated the global IPO market, accounting for 35.2% of global fundraising in Q3'12.**
 - ▶ The Tokyo Stock Exchange ranked first among world exchanges by capital raised (US\$8.5b via one deal) in Q3'12. This is mainly due to hosting the quarter's largest IPO listing of Japan Airlines.
- ▶ **Greater Chinese issuers ranked second in the Asian region and globally by capital raised, raising US\$5.9b in 63 deals (home exchanges or cross-border listings):**
 - ▶ This was 17% lower by number of deals and 33% lower by capital raised than Q2'12. Compared to Q3'12, this was 31% lower by deal numbers and 48% lower by capital raised than in Q3'11 (US\$11.4b in 92 deals).
 - ▶ Shenzhen Stock Exchange (SME and ChiNext) was second among world exchanges by capital raised (US\$2.9b in 35 deals) in Q3'12.
 - ▶ Hong Kong Stock Exchange (HKEx) was ranked fifth by global capital raised (US\$1.8b via 12 deals) in Q3'12.
 - ▶ Shanghai Stock Exchange (SSE) ranked sixth by global capital raised in Q3'12. SSE raised US\$1.4b via eight IPO deals.

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

**Greater China includes Mainland China (59 deals raising US\$5.9b) and Hong Kong (4 deals raising \$19m) issuers.

Source: Dealogic, Ernst & Young

Americas

▶ **US exchanges raised 15% of global proceeds; 70% of US deal numbers and 64% of US proceeds are backed by PE and/or VC firms:**

- ▶ US exchanges (NYSE, NASDAQ and AMEX) raised 15% of global proceeds, or a total of US\$3.5b in 23 deals in Q3'12. This was a 30% decrease in the number of deals and a 85% decrease (including Facebook IPO) or 51% decrease (excluding Facebook IPO) in capital raised compared to Q2'12 (US\$23.2b via 33 deals).
- ▶ Q3'12 saw a 21% increase in the number of deals and 11% decrease in capital raised compared to Q3'11 (US\$3.9b via 19 deals).
- ▶ The New York Stock Exchange was ranked fourth highest by capital raised among global exchanges. There were 11 deals that raised US\$2.2b in Q3'12.
- ▶ PE and/or VC sponsored deals made up 70% of the number of US new issuances (16 deals) and 64% by capital raised (US\$2.2b). Five of the top 10 US IPOs by capital raised were all PE-backed.
- ▶ There were six technology deals which raised US\$770m. The media and entertainment and health care sectors saw four and three IPOs each which raised US\$598m and US\$250m respectively.

▶ **Central and South American issuers, led by Chile, raised 3.6% of global capital raised:**

- ▶ Issuers from Central and South America raised US\$875m in four deals (2.4% of the global deal number) in Q3'12. By contrast, Q2'12 saw seven deals which raised US\$3.1b from this region.
- ▶ Chile conducted three IPO deals raising US\$619m in Q3'12. This includes the sixth largest IPO globally in Q3'12 by the insurance services provider, Sociedad de Inversiones y Servicios La Construccion SA which raised US\$464m listed on Bolsa de Santiago.
- ▶ In Mexico, IPO listing of the real estate developer, Corporacion Inmobiliaria Vesta SAB De CV on Bolsa Mexicana de Valores, was the only listing during Q3'12, raising US\$256m .

Source: Dealogic, Ernst & Young

EMEA

▶ **European exchanges, led by the UK, raised 2% of global proceeds:**

- ▶ European exchanges launched 23 IPOs worth US\$372m in Q3'12 (14% of global number of deals). Q3'12 saw a 62% decrease in the number of deals compared to Q2'12 (US\$1.0b in 60 deals) and capital raised decreased by 62%.
- ▶ London's Alternative Investment Market (AIM) drove European exchanges by capital raised and was ranked 11th globally in fundraising with US\$335m raised in eight IPO offerings.
- ▶ Polish junior market NewConnect had the highest number of IPOs within European exchanges and ranked fifth globally by deal numbers. There were 10 deals which raised US\$7.1m on NewConnect.

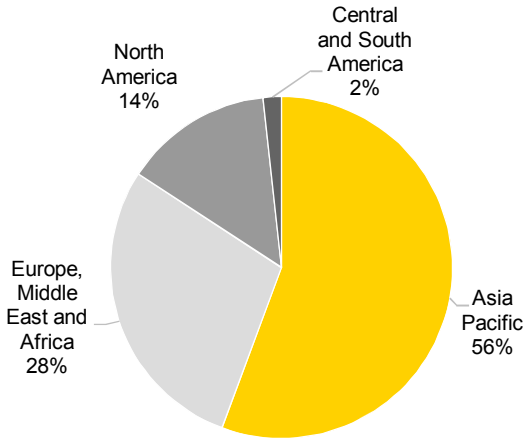
▶ **The Middle East and Africa IPO market remained relatively quiet in Q3'12:**

- ▶ Middle East issuers raised US\$606m in two IPOs in Q3'12. By contrast in Q2'12, there were four deals which raised US\$956m in total.
- ▶ African issuers conducted one IPO deal which raised US\$10m in Q3'12. Q2'12 saw two deals which raised US\$94m in total.

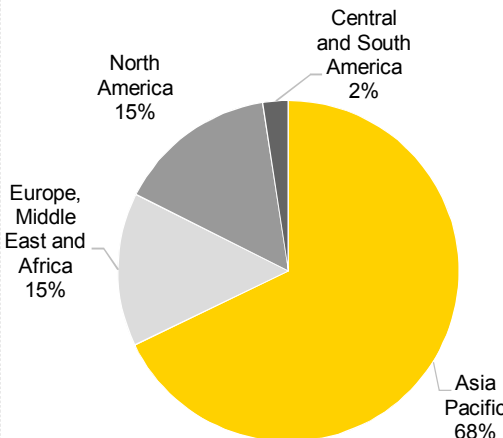
Source: Dealogic, Ernst & Young

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

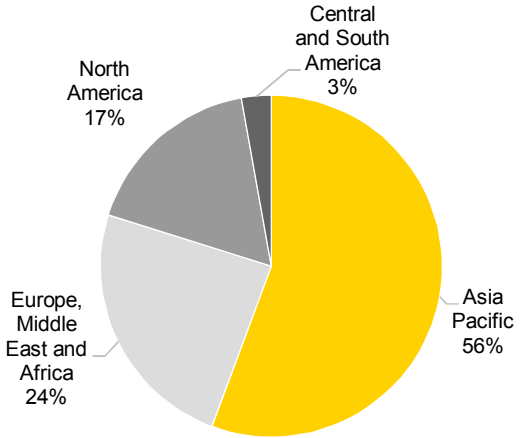
Q3'11



Q3'12

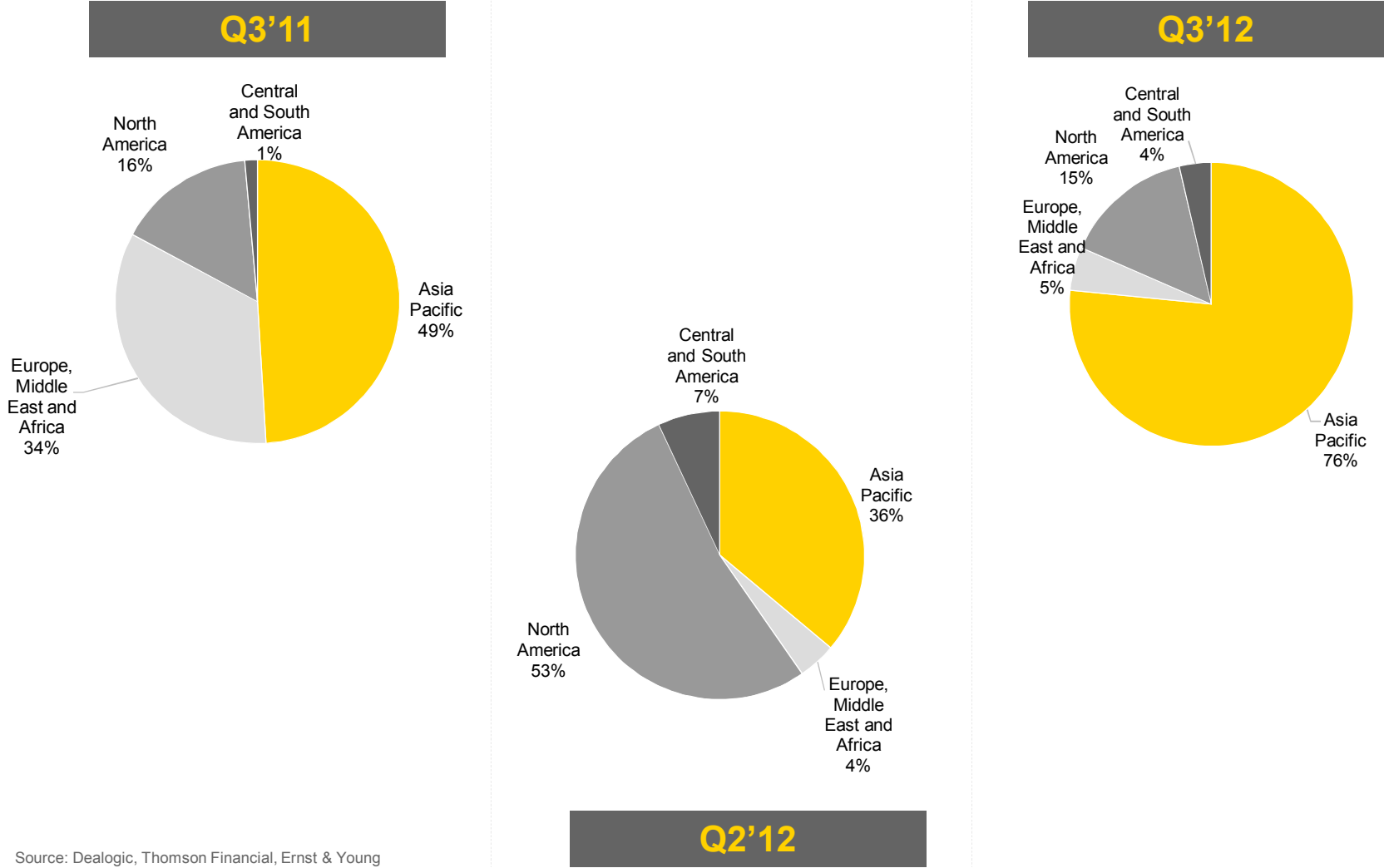


Q2'12



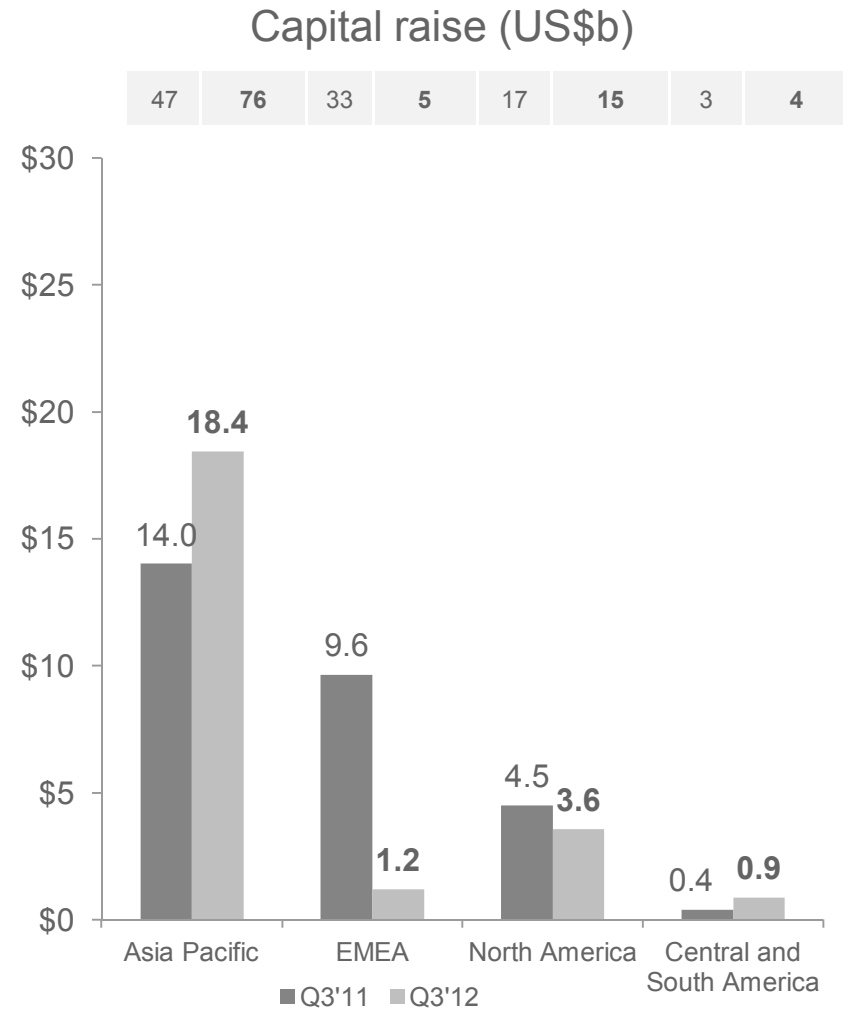
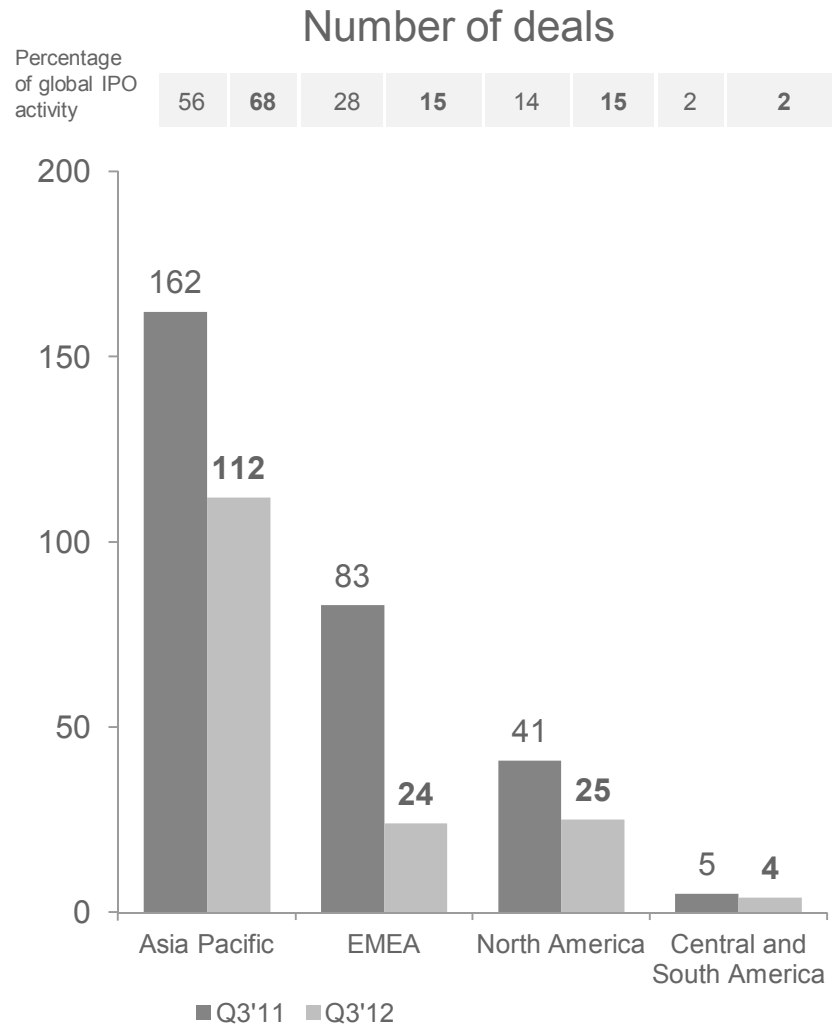
Source: Dealogic, Thomson Financial, Ernst & Young

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



Source: Dealogic, Thomson Financial, Ernst & Young

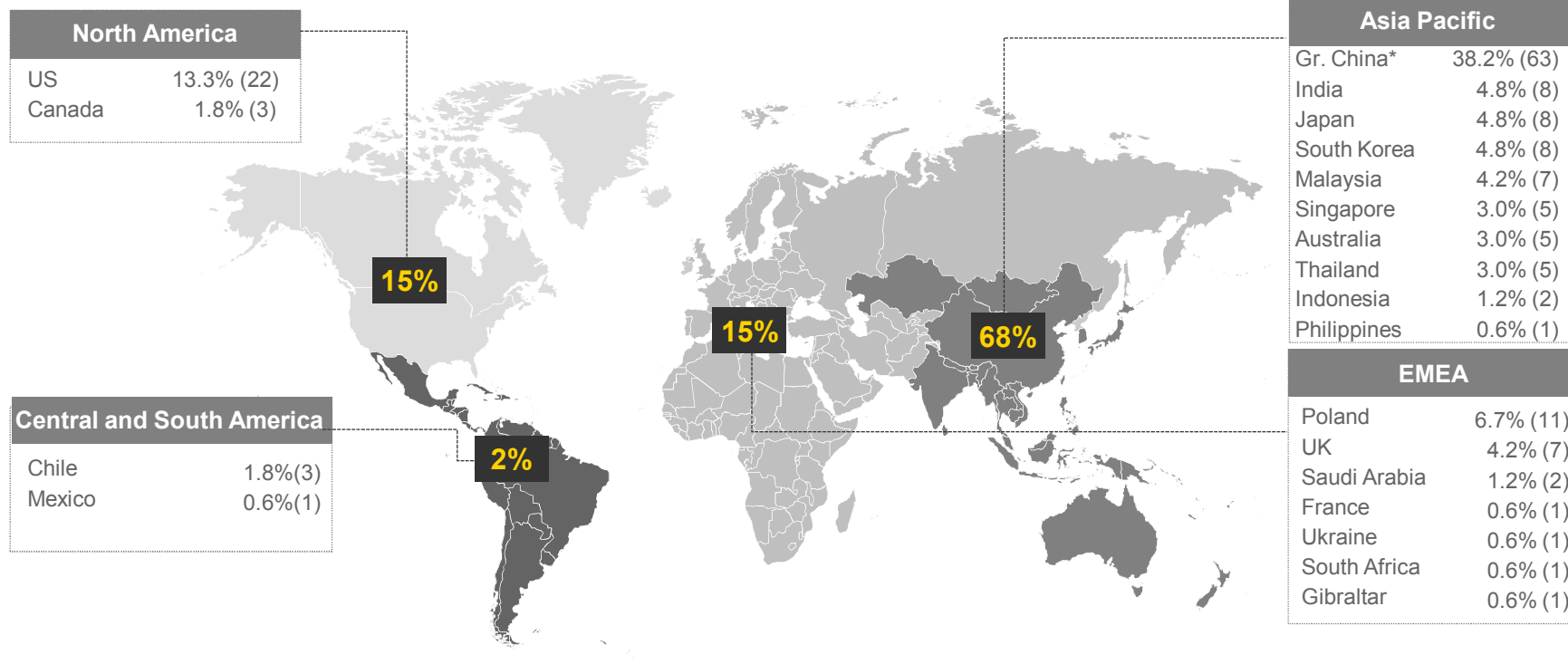
Q3'11 versus Q3'12 global IPOs by region



Source: Dealogic, Thomson Financial, Ernst & Young

Q3'12 Global IPO activity (by region and number of deals)

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

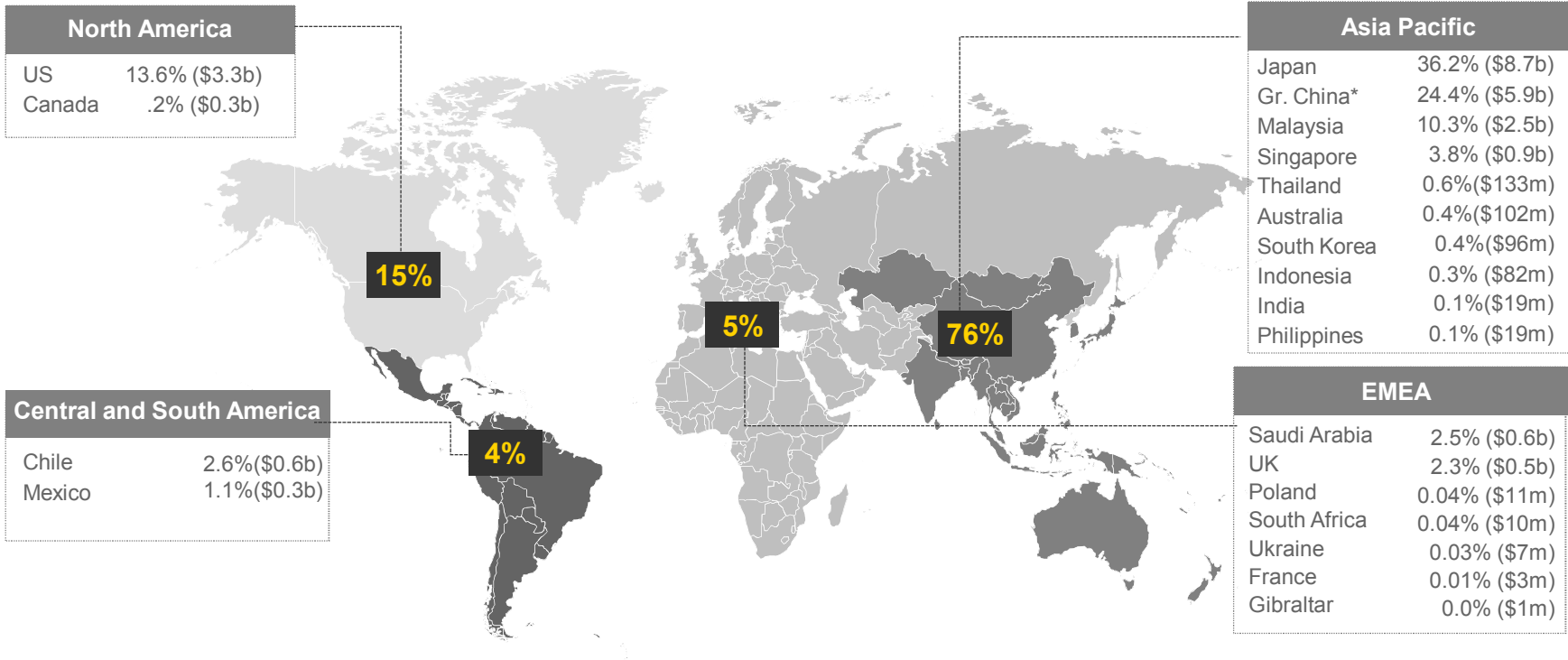


Developing countries accounted for 72% of the number of deals globally and 46% of the total global capital raised. BRICs together raised US\$5.9b (24% of total capital raised) in 67 deals (41% of total deal numbers).

*Greater China includes Mainland China (59 deals) and Hong Kong (4) issuers. Based on the listed company domicile. Source: Dealogic, Ernst & Young

Q3'12 Global IPO activity (by region and capital raised)

Japan led by total capital raised (US\$8.7b), followed by Greater China* and the United States

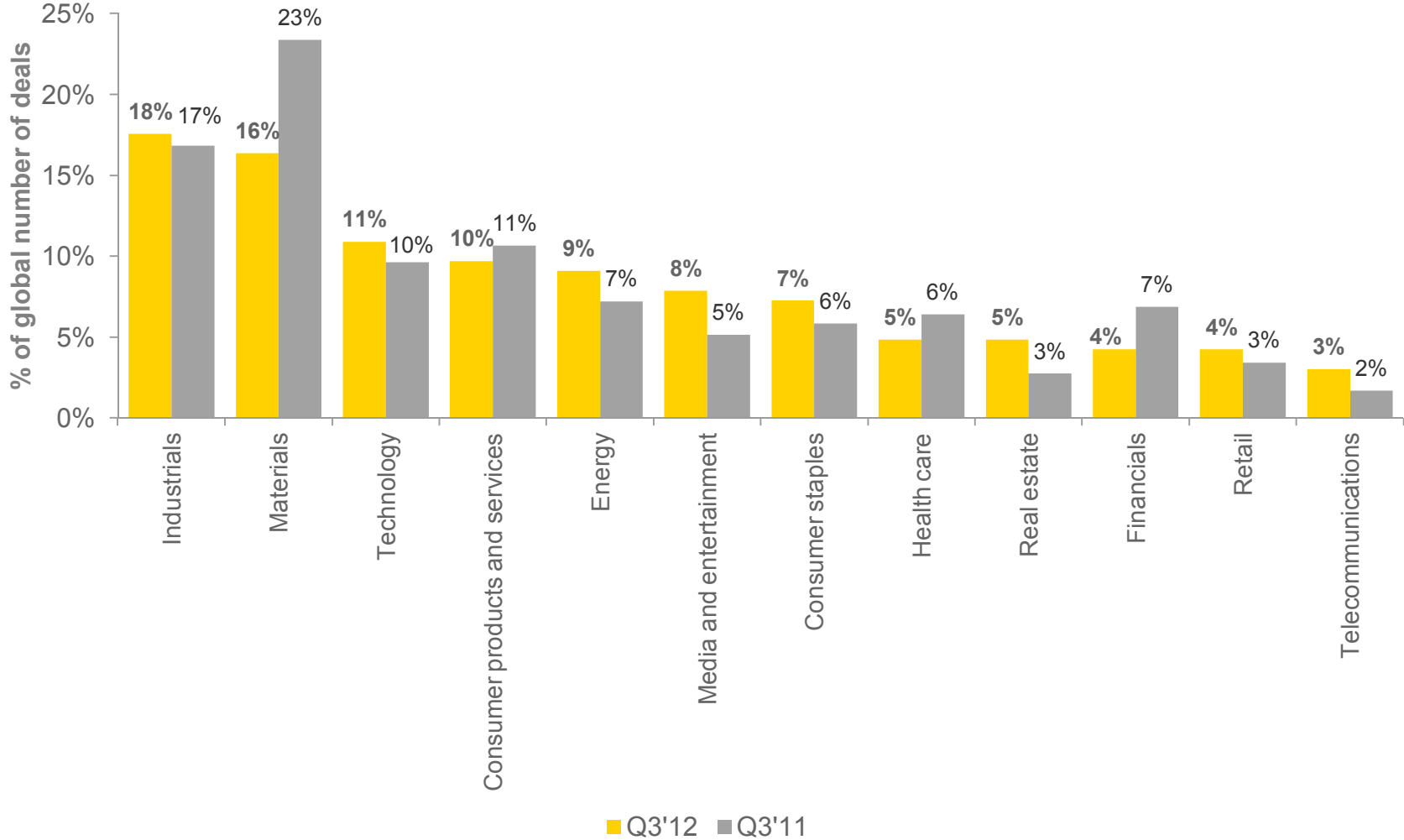


There were two deals with capital raised above US\$1b, of which one was from the emerging markets. Seven of the top 10 IPOs and 12 of the top 20 IPOs (by capital raised) were from emerging markets.

*Greater China includes Mainland China (US\$5.9b) and Hong Kong (US\$19m) issuers. Based on the listed company domicile. Capital raised for whole slide is based on US\$. Source: Dealogic, Ernst & Young

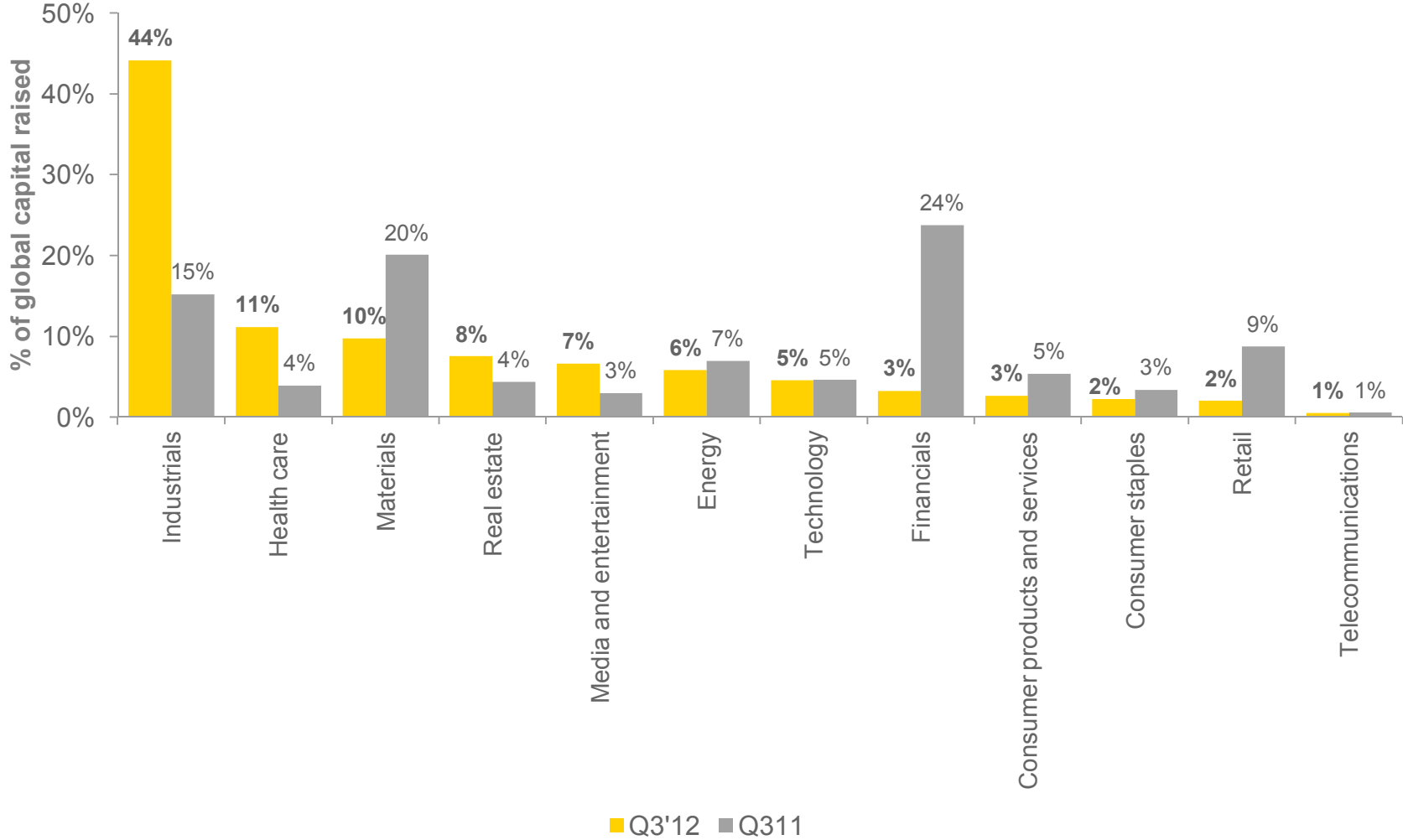
Section 4: Industry analysis

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

Section 5: Stock exchange analysis

Q3'12 Global IPO activity: by stock exchanges*

Top 12 by number of deals

Exchange	No. of deals	Percentage of global total
Shenzhen Stock Exchange (SZE)**	35	21.2%
Hong Kong Exchanges & Clearing Limited (HKEx)	12	7.3%
NASDAQ	12	7.3%
New York Stock Exchange (NYSE)	11	6.7%
Warsaw - NewConnect	10	6.1%
London Alternative Investment Market (AIM)	8	4.8%
Shanghai Stock Exchange (SSE)	8	4.8%
Australian Securities Exchange (ASX)	7	4.2%
Bombay SME	7	4.2%
KOSDAQ	7	4.2%
Tokyo MOTHERS	5	3.0%
Singapore Catalist	4	2.4%
<i>All other exchanges</i>	39	23.6%
Global total	165	100%

Top 12 by capital raised

Exchange	Capital raised (US\$m)	Percentage of global total
Tokyo Stock Exchange (TSE)	\$8,477	35.2%
Shenzhen Stock Exchange (SZE)**	\$2,860	11.9%
Bursa Malaysia	\$2,436	10.1%
New York Stock Exchange (NYSE)	\$2,180	9.1%
Hong Kong Exchanges and Clearing Limited (HKEx)	\$1,757	7.3%
Shanghai Stock Exchange (SSE)	\$1,405	5.8%
NASDAQ	\$1,331	5.5%
Singapore Stock Exchange (SGX)	\$913	3.8%
Bolsa de Santiago (SSE)	\$619	2.6%
Saudi Stock Exchange (TADAWUL)	\$606	2.5%
London Alternative Investment Market (AIM)	\$335	1.4%
Bolsa Mexicana de Valores (BMV)	\$256	1.1%
<i>All other exchanges</i>	\$906	3.8%
Global total	\$24,803	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, Ernst & Young

Q3'11 Global IPO activity: by stock exchanges*

Top 12 by number of deals

Exchange	No. of deals	Percentage of global total
Shenzhen Stock Exchange (SZE)**	57	19.6%
Warsaw – NewConnect	38	13.1%
Australian Securities Exchange (ASX)	24	8.2%
Hong Kong Exchanges and Clearing Ltd (HKEx)	17	5.8%
Toronto Venture Exchange (TSX-V)	16	5.5%
London Alternative Investment Market (AIM)	14	4.8%
Bombay Stock Exchange (BSE)	12	4.1%
KOSDAQ	11	3.8%
NASDAQ	11	3.8%
Shanghai Stock Exchange (SSE)	9	3.1%
New York Stock Exchange (NYSE)	8	2.7%
Bolsa de Madrid	5	1.7%
All other exchanges	69	23.7%
Global total	291	100%

Top 12 by capital raised

Exchange	Capital raised (US\$m)	Percentage of global total
Shenzhen Stock Exchange (SZE)**	\$5,525	19.4%
Bolsa De Madrid (IBEX)	\$5,293	18.5%
Shanghai Stock Exchange (SSE)	\$3,119	10.9%
Hong Kong Exchanges and Clearing Ltd (HKEx)	\$2,503	8.8%
New York Stock Exchange (NYSE)	\$2,199	7.7%
Warsaw Stock Exchange (WSE)	\$2,029	7.1%
NASDAQ	\$1,731	6.1%
London Stock Exchange (LSE)	\$950	3.3%
Bursa Malaysia	\$888	3.1%
Toronto Stock Exchange (TSX)	\$549	1.9%
Australian Securities Exchange (ASX)	\$548	1.9%
Bombay Stock Exchange (BSE)	\$506	1.8%
All other exchanges	\$2,728	9.6%
Global total	\$28,569	100%

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

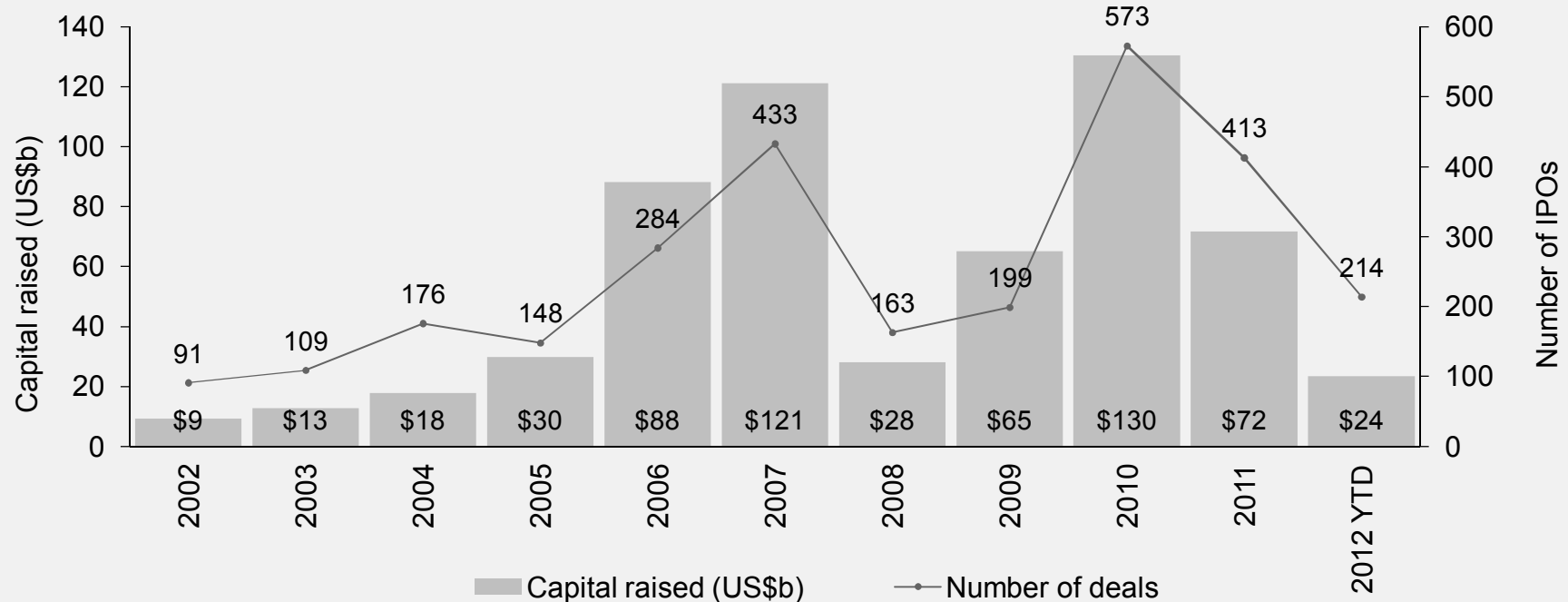
**Shenzhen Stock Exchange includes listings on Mainboard (SME) and ChiNext

Source: Dealogic, Thomson Financial, Ernst & Young

Section 6: Emerging markets

Emerging markets: IPO activity by year in the BRIC countries

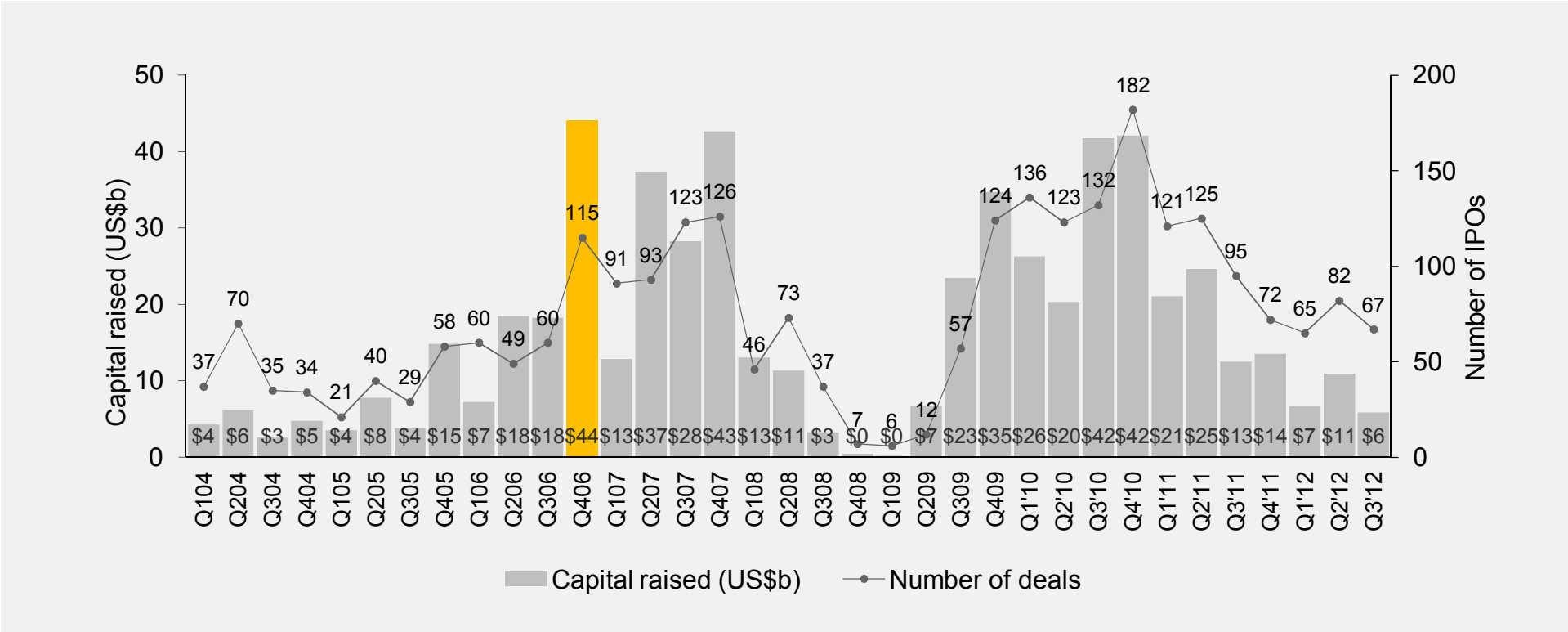
Emerging markets continued to drive global IPO activity in Q3'12 (72% of global deals and 46% of global capital raised). Emerging markets issuers raised US\$11.1b from 118 IPO deals and BRIC issuers had 67 IPOs raising US\$5.9b.



Source: Dealogic, Thomson Financial, Ernst & Young

Emerging markets: IPO activity by quarter in the BRIC countries

In Q3'12, there were two deals with capital raised above US\$1b, of which one was from the emerging markets. Of the top 10 IPOs (by capital raised), seven deals were from emerging markets. Of the top 20 IPOs, 12 deals were from emerging markets.



Source: Dealogic, Thomson Financial, Ernst & Young

Section 7: Top 20 IPOs

Q3'12 top 20 IPOs by capital raised

- ▶ Emerging markets represent 7 of the top 10 IPOs and 12 of the top 20 IPOs:
 - ▶ Four 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 listed on a foreign exchange while there was one deal that was dual-listed on their home exchange and a foreign exchange.
- ▶ The three largest deals (by capital raised) are:
 - ▶ Japanese airline operator, Japan Airlines Co Ltd, which was listed on the Tokyo Stock Exchange.
 - ▶ Malaysian healthcare services provider, IHH Healthcare Bhd, which was listed on Bursa Malaysia.
 - ▶ China's coal mining firm, Inner Mongolia Yitai Coal Co Ltd, which was listed on HKEx.
- ▶ The top 10 IPOs together raised US\$14.4b which represents 60% of global proceeds. The top 20 IPOs together raised US\$16.9b which represents 70% of global proceeds.
- ▶ The US was the source of five of the top 20 IPOs, while Greater China was the source of four deals:
 - ▶ Malaysia, Saudi Arabia and Singapore issuers had two deals each. Other IPOs in the top 20 were from Canada, Chile, Japan, Mexico and United Kingdom issuers. Each country accounted for one deal each.
- ▶ The minimum deal value required to make the “top 20 club” was US\$202m in Q3'12, compared to the US\$327m for Q2'12 and the US\$271m for Q3'11. The minimum deal value to join the global “top 10 club” was US\$299m compared to US\$504m in Q2'12 and the US\$486m for Q3'11.
- ▶ The materials, the media and entertainment, and the real estate sectors generated four IPOs each, whereas the industrials and materials sectors generated three IPOs each:
 - ▶ The energy sector generated two deals.
 - ▶ The financial, health care and technology sectors generated one IPO each.

Q3'12 top 20 IPOs by capital raised

Issue month	Issuer name	Domicile	Sector	Issuer business description	Capital raised (US\$m)	Exchange(s)	Type of IPO
September	Japan Airlines Co Ltd	Japan	Industrials	Airline operator.	8,478	Tokyo	Former SOE
July	IHH Healthcare Bhd	Malaysia	Health care	Provider of healthcare services.	2,115	Malaysia, Singapore	PE-backed IPO
July	Inner Mongolia Yitai Coal Co Ltd	China	Materials	Coal mining group.	904	Hong Kong	
August	Far East Hospitality Trust	Singapore	Real estate	Real estate investment trust.	525	Singapore	
July	Citic Heavy Industries Co Ltd	China	Industrials	Engaged in developing building materials, mining, electric power and technical equipments.	506	Shanghai	
July	Sociedad de Inversiones y Servicios La Construccion SA	Chile	Financials	Engaged in providing retirement and health insurance, private healthcare services, and other services.	464	Santiago	
September	Spirit Realty Capital	United States	Real estate	Real estate investment trust.	435	New York	
July	Ascendas Hospitality Trust	Singapore	Real estate	Real estate investment trust.	364	Singapore	
July	Saudi Airlines Catering Co	Saudi Arabia	Media and entertainment	Catering and other associated support services to a number of local and international airlines.	354	Saudi Arabia	
July	Palo Alto Networks Inc	United States	Technology	Developer of enterprise network security software platforms such as firewalls.	299	New York	VC-backed IPO

Source: Dealogic, 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
July	Sichuan Hebang Corp Ltd	China	Materials	Engaged in manufacturing and distributing ammonium chloride, liquid ammonia and calcium carbonate.	278	Shanghai Bursa	
September	IGB REIT	Malaysia	Real estate	Real Estate Investment Trust.	269	Malaysia	
July	Northern Tier Energy LP	United States	Energy	Downstream energy company with refining, retail and pipeline operations.	262	New York	PE-backed IPO
July	Corporacion Inmobiliaria Vesta SAB De CV	Mexico	Media and entertainment	Developer, owner and operator of industrial real estate properties.	256	Mexican	
September	City Cement Co	Saudi Arabia	Materials	Manufacturer of cement.	252	Saudi Arabia	
August	Argent Energy Trust	Canada	Energy	Energy trust with a focus on oil and natural gas.	244	Toronto	
August	Manchester United Ltd	United Kingdom	Media and entertainment	Professional football club.	233	New York	
August	Hi-Crush Partners LP	United States	Materials	Producer of premium monocrystalline sand.	220	New York	PE-backed IPO
July	China Yongda Automobiles Services Holdings Ltd	China	Industrials	Automobile full sales-and-service company.	216	Hong Kong	
August	Bloomin' Brands Inc	United States	Media and entertainment	Casual dining restaurant company.	202	Nasdaq	PE-backed IPO

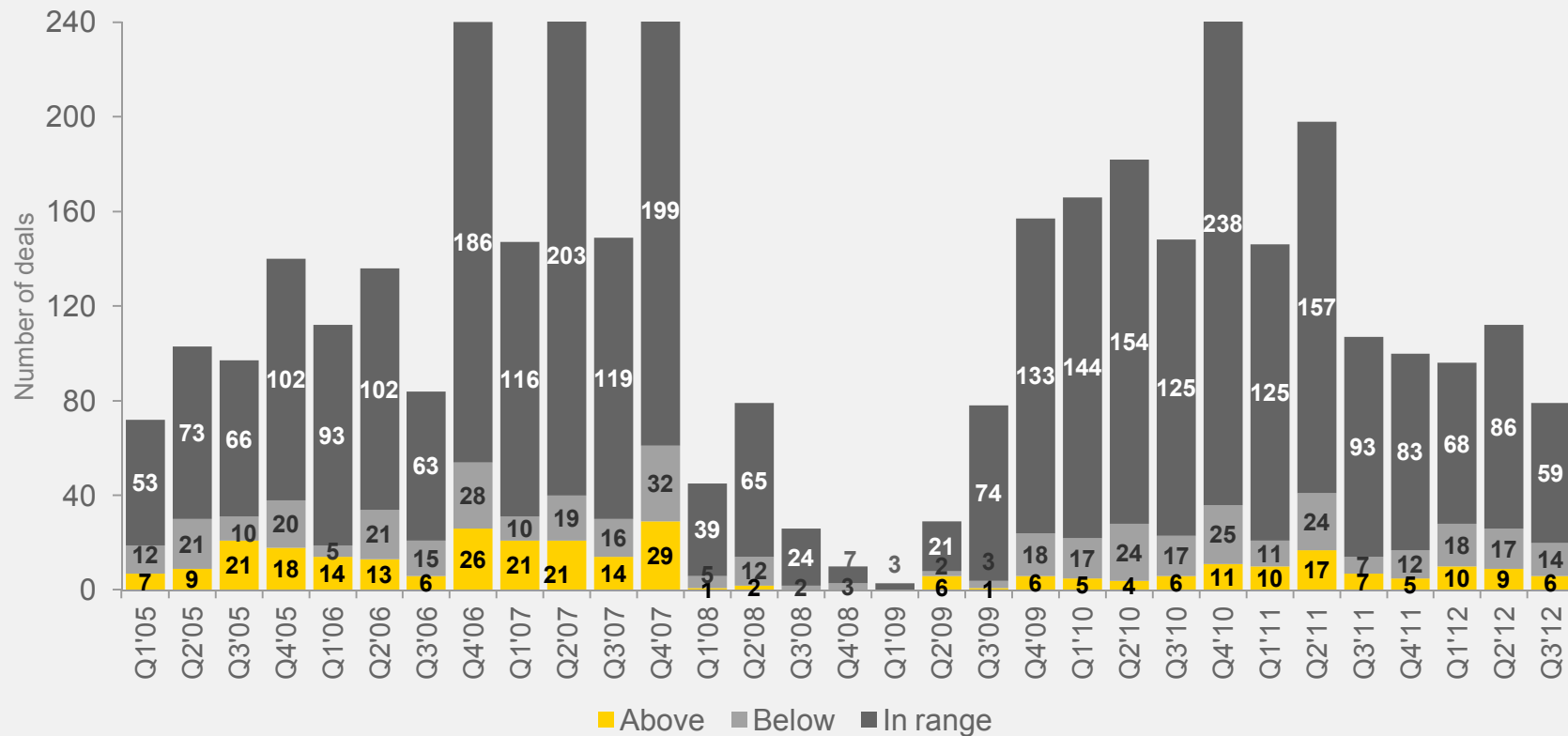
Total capital raised by top 20 IPOs: US\$16.9b
Total global capital raised in Q3'12 : US\$24.1b
% of top 20: 70%

Source: Dealogic, Ernst & Young

Section 8: Pricing range

Global number of IPOs by pricing range

While price-sensitive investors grew more cautious after the mixed performances of some high-profile IPOs, 75% of global IPOs* in Q3'12 were priced within their initial filing range and 7% were priced above. Only 18% 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

Section 9: Follow-on activity

Follow-on offerings

- ▶ 625 follow-on offerings globally raised US\$126.4b in Q3'12. This compares to 694 deals raising US\$87.7b in Q2'12 and 801 deals raising US\$82.5b in Q3'11.
- ▶ Follow-on offerings constituted 78% of global equity capital markets activity in Q3'12 by capital raised, while IPOs represented 14%.
- ▶ The four largest follow-on deals in Q3'12 were:
 - ▶ US insurance company, American International Group Inc (AIG) conducted two follow-on deals: the US\$20.7b and US\$5.8b listings on NYSE in August and September respectively.
 - ▶ Russian state commercial bank, Sberbank, completed its US\$5.2b offering on London and Moscow's MICEX exchange in September.
 - ▶ The US\$3.9b listing by Swiss investment bank, Credit Suisse Group on the Swiss Exchange in July.
- ▶ In Q3'12, there were 21 deals with capital raised above US\$1b. Fifteen deals were from developed markets, six were from emerging markets. Eight of the 21 deals were priced in July, seven deals were priced in May and six deals were priced in September.
- ▶ In Q3'12, emerging markets made up around 30% of the global number of follow-on deals and 28% of the amount of capital raised (US\$34.9b, 187 deals). Developed markets made up 70% of the number of deals and 72% of capital raised (US\$91.5b, 438 deals) via follow-on offerings globally.
- ▶ The top three stock exchanges by capital raised are New York (US\$50.4b via 69 follow-on deals), London (US\$9.0b via 13 deals) and Hong Kong Stock Exchange (US\$8.7b via 42 deals).
- ▶ The top three industries by capital raised are financials (US\$56.9b via 62 follow-on deals), energy (US\$14.3b via 91 deals) and real estate (US\$13.4b via 49 deals).

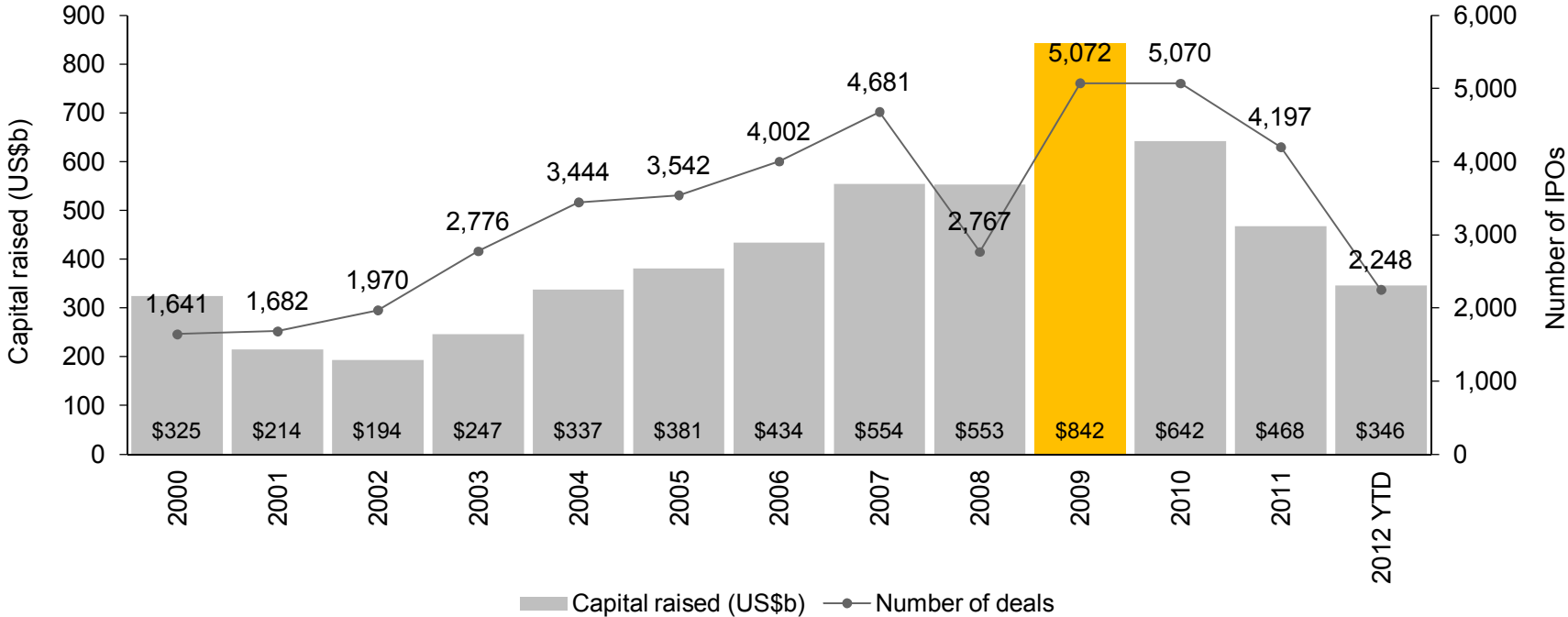
*Date up to end of 21st September 2012.

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

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

Global follow-on activity reached record highs worldwide in 2009. In 2011, there were 75 deals with capital raised above US\$1b, compared to 64 deals for the first nine months of 2012 – of which 41 deals were from developed markets, 23 were from emerging markets.

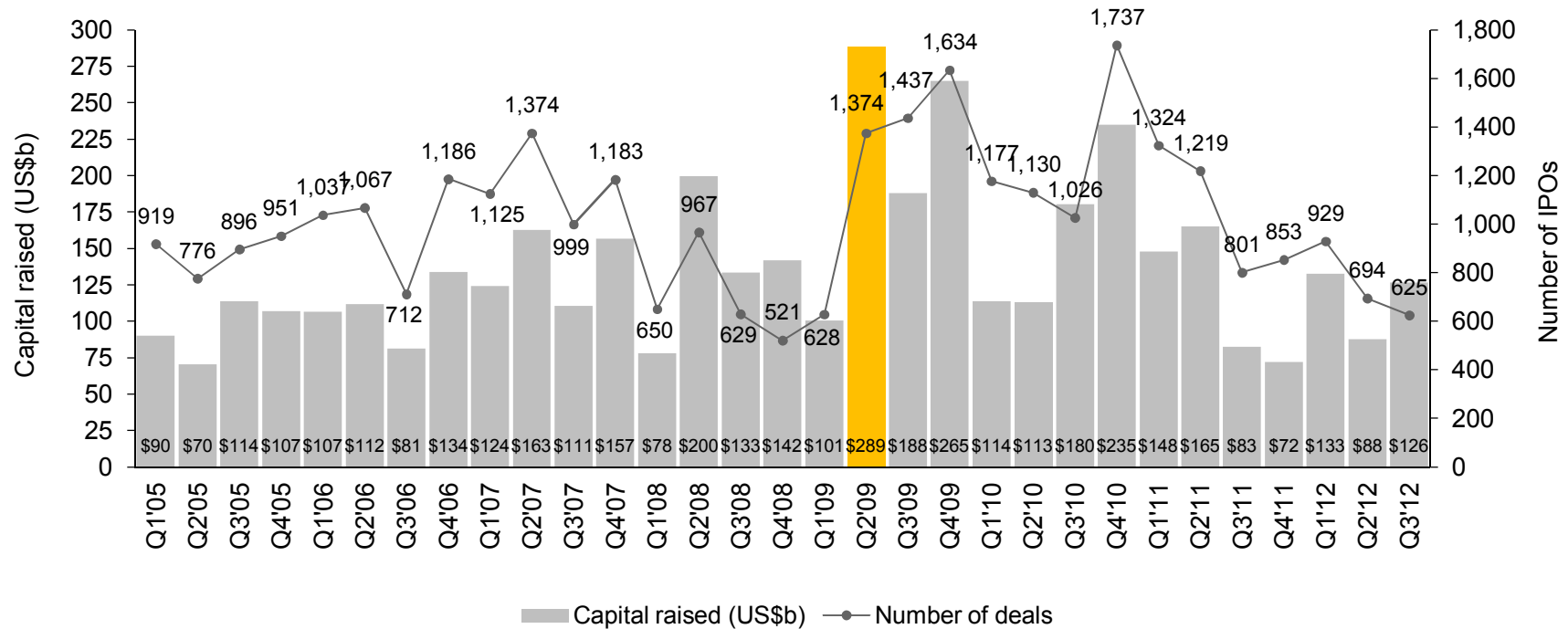
FO as % of global ECM activity	50	45	51	50	57	59	52	53	69	78	62	67	74
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ECM = Equity Capital Markets, it includes IPO deals, Follow on (FO) deals and Convertibles deals
 *Date up to end of 21st September 2012.
 Source: Dealogic, Ernst & Young

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

In Q3'12, the top three stock exchanges by capital raised are New York (US\$50.4b via 69 deals), London Stock Exchange (\$9.0b, 13 deals) and Hong Kong Stock Exchange (US\$8.7b, 42 deals). 21 deals had capital raised above US\$1b – 15 were from developed markets.



*Date up to end of 21st September 2012.
Source: Dealogic, Ernst & Young

Section 10: Withdrawals and postponements

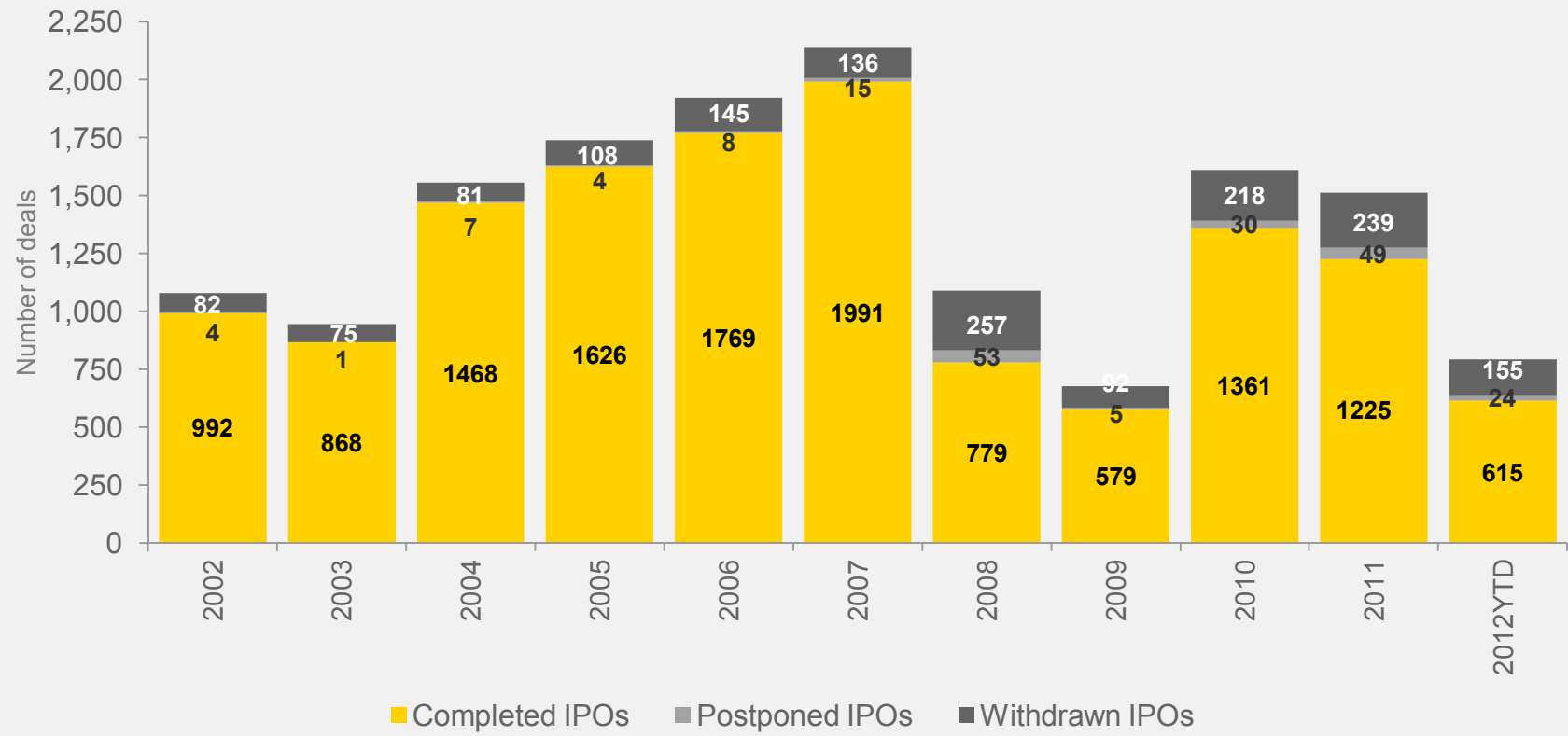
Withdrawals and postponements

- ▶ There were four postponed and 40 withdrawn IPOs in Q3'12.
- ▶ Of the 44 deals:
 - ▶ 21 from the US, nine from Mainland China and five from Australia
 - ▶ 12 PE-backed; 10 VC backed.
 - ▶ 12 from NASDAQ, eight from Shenzhen – SME and ChiNext, and five each from New York and Australian Stock Exchanges.
 - ▶ 10 were technology issuers and materials issuers, while four were from energy and industrials sectors each.
- ▶ Many issuers cited market uncertainty as the reason for postponing the listing.
- ▶ By comparison, there were 16 postponed and 70 withdrawn IPOs in Q2'12.
- ▶ Q3'11 saw 15 postponed and 50 withdrawn IPOs.
- ▶ The proportion of postponed and withdrawn IPOs compared to completed IPO deals was highest in 2008, at 40%, whereas the proportion was 24% in 2011 and 29% in the first nine months of 2012.
- ▶ On a quarterly basis, the proportion of postponed and withdrawn IPOs against completed 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 Q2'12 and Q3'12, this ratio of postponed and withdrawn IPOs compared to completed IPOs was 35% and 27% respectively. During Q2'12, the VIX index rose in May and June, it peaked at around 27% at the start of June and it started to decrease during the month of June. During Q3'12, the VIX index fell back to the 13.5% – 20% range, reflecting an improved environment for IPO candidates and investor confidence.
- ▶ Whereas the ratio of postponed and withdrawn IPOs in Q3'11 was 22%.

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

Comparison of global completed IPOs with withdrawn and postponed IPOs

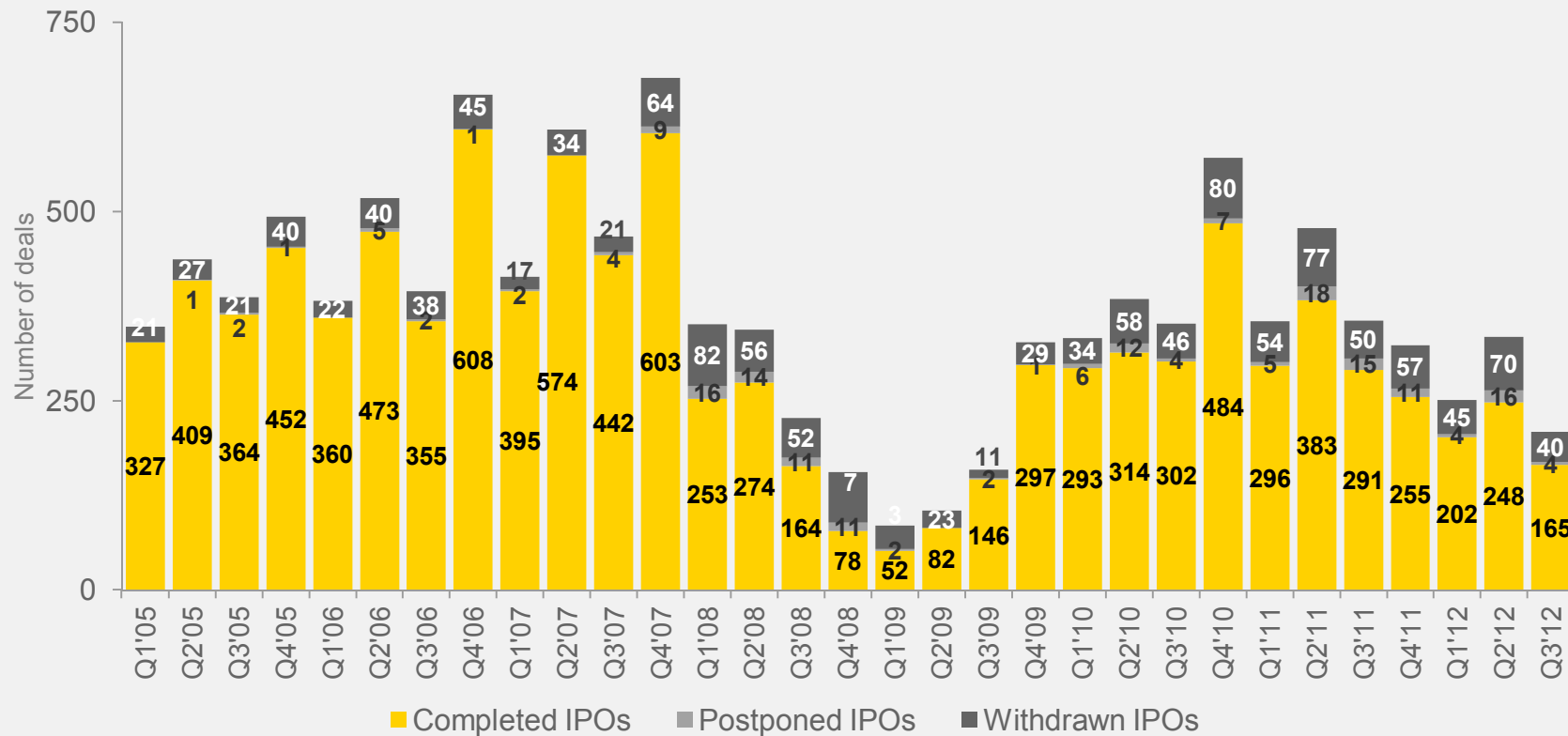
Withdrawn and postponed IPOs as % of completed IPOs	9	9	6	7	9	8	40	17	18	23	29
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*Data for 2012YTD is up to 20th September. Data includes only operating companies.
Source: Dealogic, Thomson Financial, Ernst & Young

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 Q2'12 and Q3'12, this ratio was 35% and 27% respectively.



*Data for 2012 YTD is up to 20th September. Data includes only operating companies.
Source: Dealogic, Thomson Financial, Ernst & Young

Appendix

Appendix: definitions

- ▶ The data presented in the Ernst & Young *Global IPO trends 2012 report and Q3'12 Global IPO update* and press releases are from Dealogic, Thomson Reuters and Ernst & Young. The *Q3'12 global IPO update* covers global IPO activity from January to 20th September 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 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.
- ▶ **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.
- ▶ **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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