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Q3'09 Global IPO update

October 2009

Q3'09 key highlights

- ▶ Global IPO activity by number of IPOs, was significantly higher in Q3'09 (149 deals) compared with Q2'09 (77 deals), though this was significantly lower than Q3'08 (164 deals).
 - ▶ 94% more IPOs in Q3'09 than Q2'09.
 - ▶ 9% fewer IPOs than Q3'08.
- ▶ Total capital raised in Q3'09 was significantly higher (US\$37.8 billion) than Q2'09 (US\$9.6 billion), and also higher than Q3'08 (US\$13.2 billion).
 - ▶ 292% more capital raised in Q3'09 than in Q2'09.
 - ▶ 186% more capital raised in Q3'09 than in Q3'08.
 - ▶ Q3'09 had the highest capital raised per quarter since Q2'08.
- ▶ Global IPO activity in the first 9 months of 2009 remains at the lowest level since the same period in 2003. However, there was significant increase in global IPO activity from Q2'09 to Q3'09.
 - ▶ Eight IPOs had funds raised of over US\$1 billion in Q3'09, compared with two in the previous quarter.
 - ▶ China State Construction Engineering Corp which raised US\$7.3 billion, constituted 19% of global capital raised in Q3'09. It is the world's largest IPO so far this year.
 - ▶ The second largest IPO this quarter, Metallurgical Corp of China, raised US\$5.1 billion, which constituted 13.6% of global capital raised this quarter.
 - ▶ The top three IPOs in Q3'09 accounted for 37% of the quarter's global capital raised.
- ▶ Improved economic conditions in many countries, the deployment of the various stimulus plans, stronger performance of global equity markets and some optimism by investors led to an increase in IPO activity.
 - ▶ Asia Pacific represented 80% of IPO activity (by deals) in Q3'09.
 - ▶ There are also positive signs for the US IPO market – there has been an increase in IPO listings and new IPO filings – though still below historical levels.
 - ▶ Europe, Middle East and Africa IPO market remain stagnant in Q3'09.

Q3'09 key highlights

- ▶ Although facing a decline in IPOs compared to 2007, both in deals and capital raised, emerging markets continued to drive activity in the global IPO market:
 - ▶ Developing countries made up 82% of the number of deals globally, whereas developed countries made up 18%.
 - ▶ Developing countries raised 87% of the total global capital raised compared to 13% from the developed economies.
 - ▶ The developing countries' share of capital raised was mainly due to China and India's IPO activity, which constituted 71% of global capital raised in Q3'09.
 - ▶ Nine of the top 10 IPOs and 13 of the top 20 IPOs by capital raised were from emerging markets.
 - ▶ Five of the top 20 IPOs were former state-owned enterprises (3 from China and 2 deals from India).
- ▶ BRIC (Brazil, Russia, India and China) countries together raised US\$27.0 billion (72% of total capital raised) in 71 deals (48% of total deal numbers) in Q3'09.

Geographical analysis:

- ▶ By number of IPOs:
 - ▶ Asia Pacific was the leading region with 80% market share. EMEA and North America regions had 10% and 9% market share respectively.
 - ▶ Far East countries (China/HK, South Korea, Singapore, Japan, Thailand, Malaysia, Indonesia and Macau) accounted for 102 IPOs. Half of the top 20 IPOs by value are domiciled in the Far East, 8 were from China/HK.
 - ▶ China/HK, South Korea and India were market share leaders with 68, 14 and 8 IPOs respectively.
- ▶ By capital raised:
 - ▶ Asia Pacific was the market share leader with 84% in Q3'09. North America and EMEA were ranked second and third with 12% and 3% market share respectively.
 - ▶ China/HK, US and India were market share leaders in Q3'09 with 67% (US\$25.4 billion), 8.4% (US\$3.2 billion) and 7% (US\$2.7 billion) respectively.

Q3'09 key highlights

Industry analysis:

- ▶ Leading industries (by number of deals) include industrials, materials and technology.
- ▶ Leading industries (by capital raised) include industrials, energy and power and financials.

Exchange analysis:

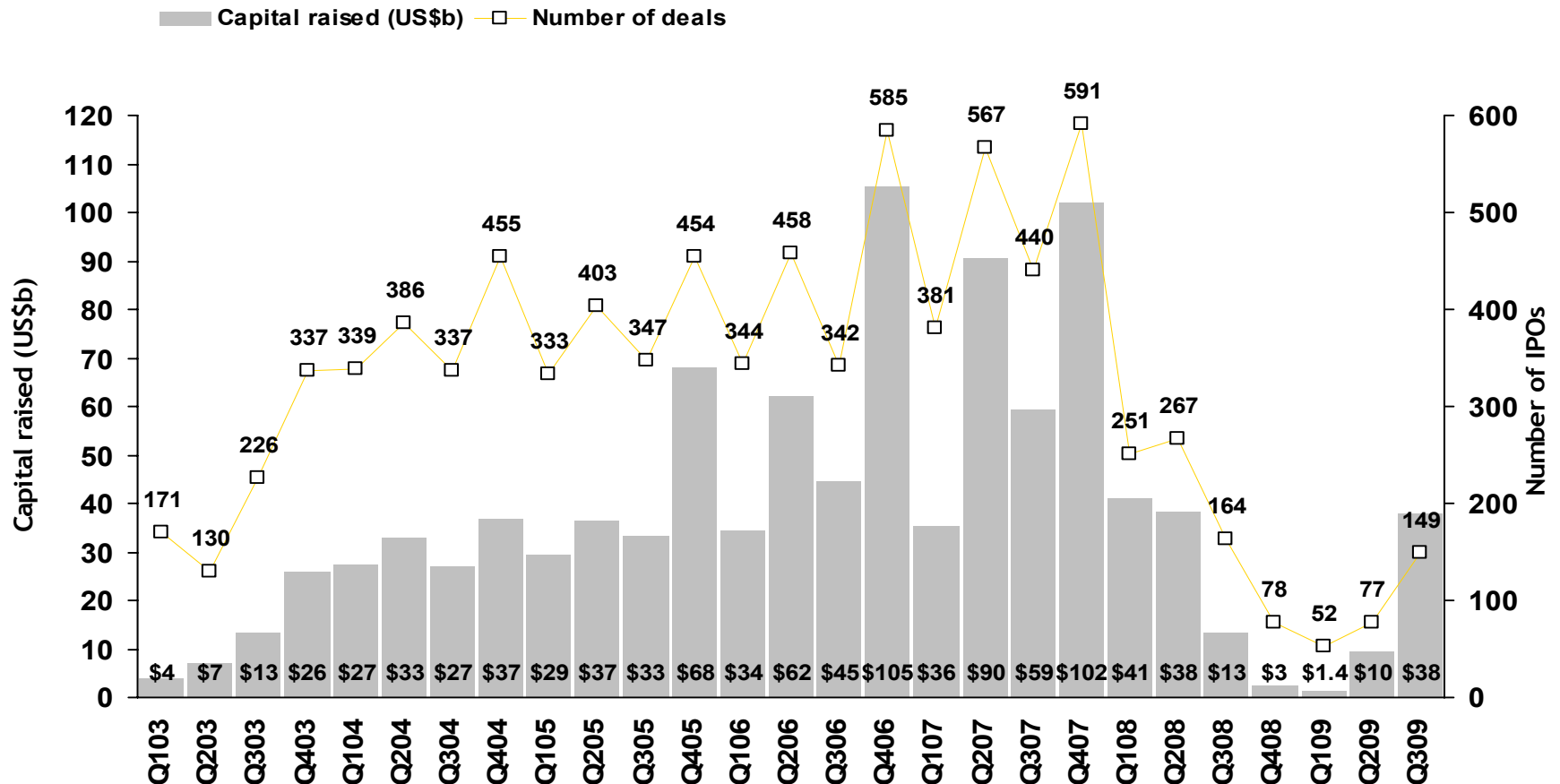
- ▶ By number of IPOs:
 - ▶ China's Shenzhen Stock Exchange (SSE), Hong Kong's HKEx and South Korea's KOSDAQ were the top three exchanges respectively in Q3'09.
- ▶ By capital raised:
 - ▶ Hong Kong's HKEx, China's Shanghai Stock Exchange and US's NASDAQ were the top three exchanges respectively in Q3'09.
- ▶ Although only 2% of the total number of IPOs in Q3'09 were listed on Shanghai Stock Exchange, it attracted 25% of capital raised this quarter (#2 rank), due to hosting two of this quarter's Top 10 IPOs: China State Construction Engineering and Everbright Securities.

Q3'09 key highlights

The Top 20 Club (top 20 IPOs by capital raised)

- ▶ Emerging markets represent nine of the top ten IPOs and 13 of the top 20 IPOs.
 - ▶ Asia Pacific region accounts for 65% of the Top 20 Club (13 IPOs out of 20). Eight IPOs were from China/HK and 3 deals were from India.
 - ▶ North America region accounts for 30% of the Top 20 Club (six IPOs out of 20). Four deals were from US companies and the other 2 deals were from Canada.
 - ▶ EMEA region account for 5% of the Top 20 Club (one IPOs out of 20).
- ▶ 17 of the Top 20 Club listed on their home exchange (as their primary exchange). The other 2 of the top 20 were from China and Singapore listing on US exchanges.
- ▶ The Top 20 Club IPOs raised US\$28.7 billion which represents about 59% of global funds raised in Q3'09.
- ▶ Greater China represent 8 of the top 10 IPOs in Q3'09.
- ▶ The minimum deal value to join the Top 20 Club at Q3'09 has risen to US\$422.4 million, compared to US\$136.9 million in Q3'08.
- ▶ The minimum deal value to join the Top 10 Club at Q3'09 has increased significantly to US\$883.6 million, compared to US\$332.6 million in Q3'08.
- ▶ Energy and power industry generated six of the top 20 IPOs, while high technology and financial industries each accounted for 3 of the top 20 IPOs.

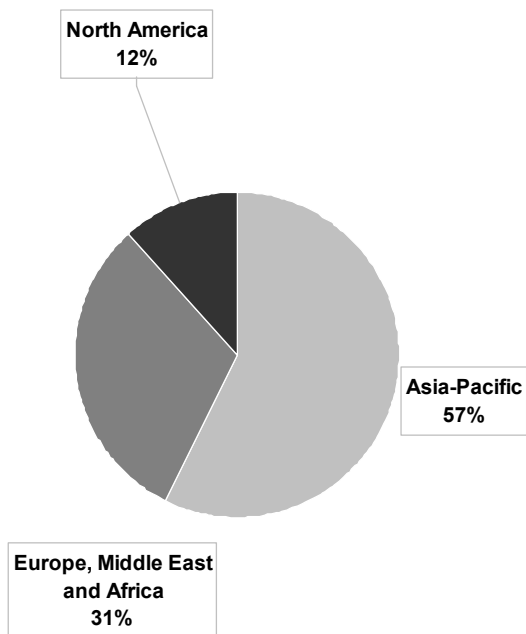
Global IPO activity: number of deals and capital raised by quarter



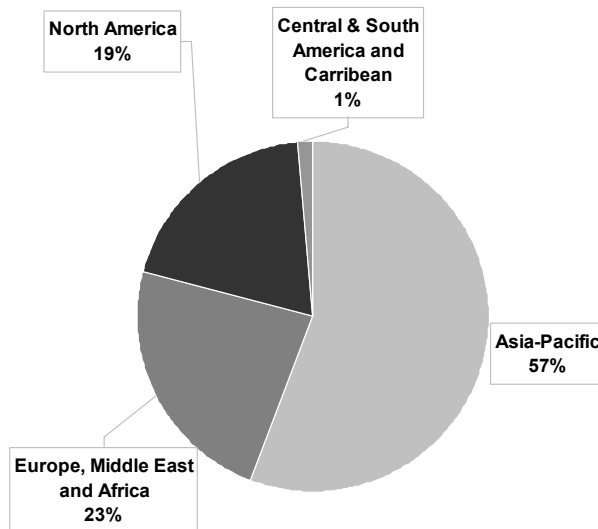
Source: Dealogic, Thomson Financial, Ernst & Young

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

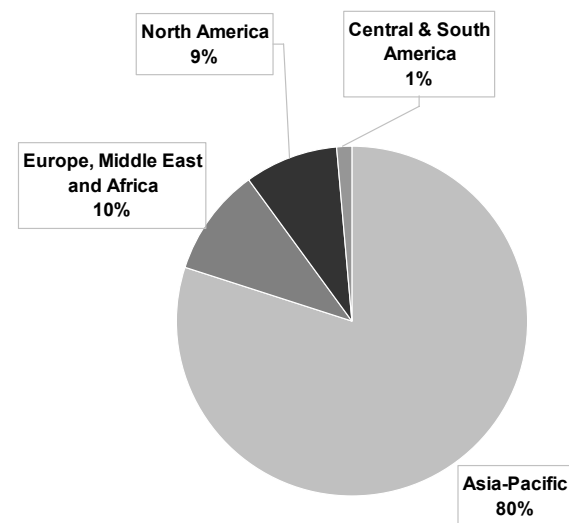
Q3'08



Q2'09



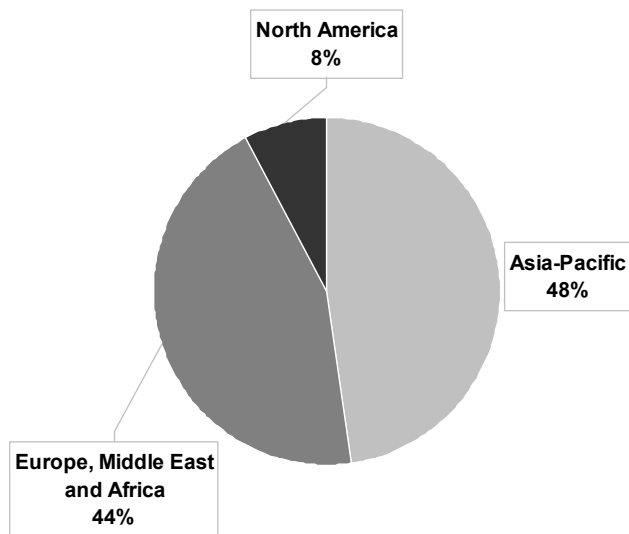
Q3'09



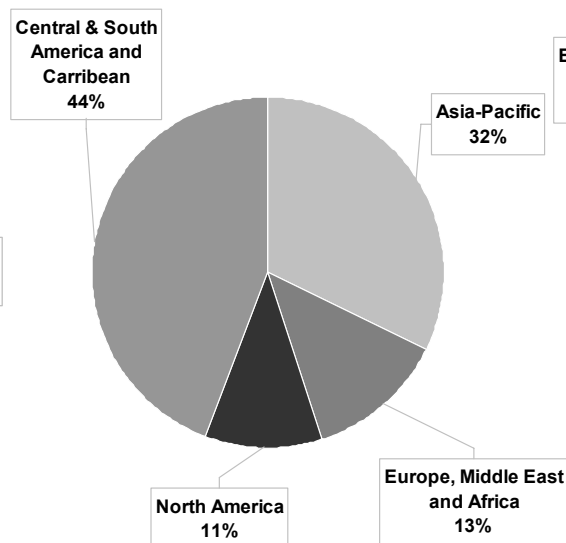
Source: Dealogic, Thomson Financial, Ernst & Young

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

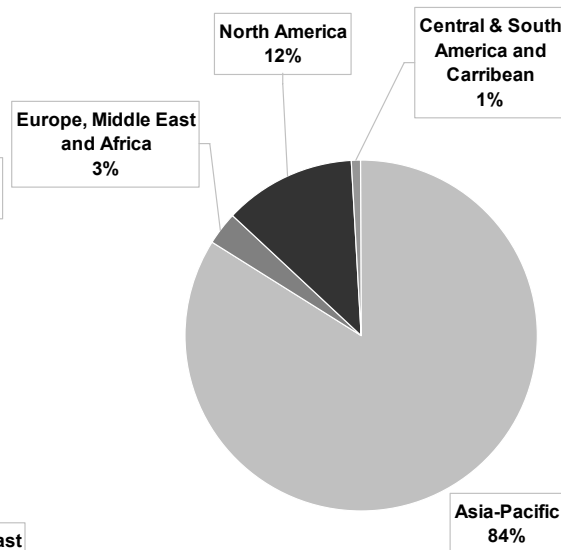
Q3'08



Q2'09



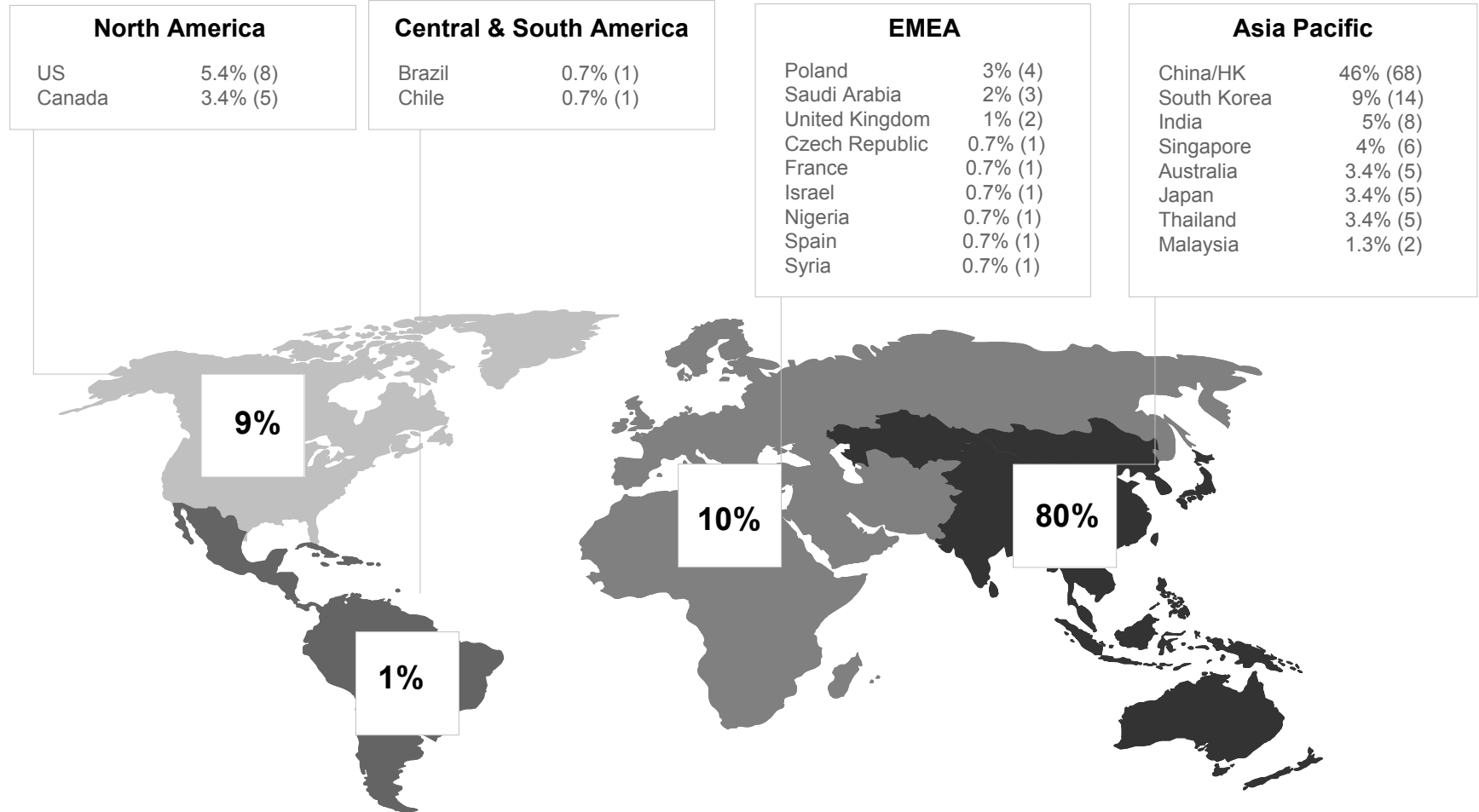
Q3'09



Source: Dealogic, Thomson Financial, Ernst & Young

Q3'09 Global IPO activity: by region and number of deals

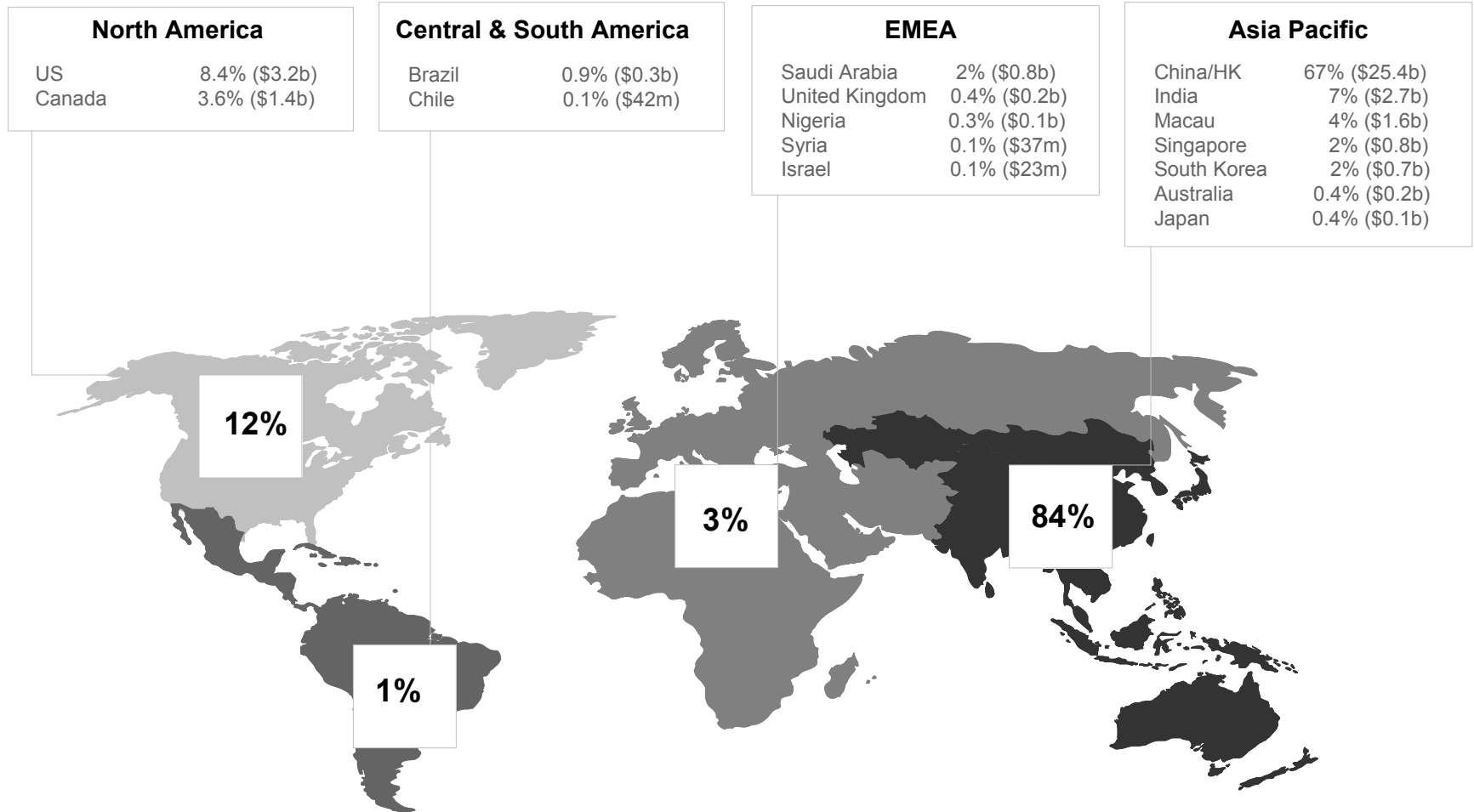
China/HK lead by number of deals, followed by South Korea and India



Source: Dealogic, Thomson Financial, Ernst & Young

Q3'09 Global IPO activity: by region and capital raised

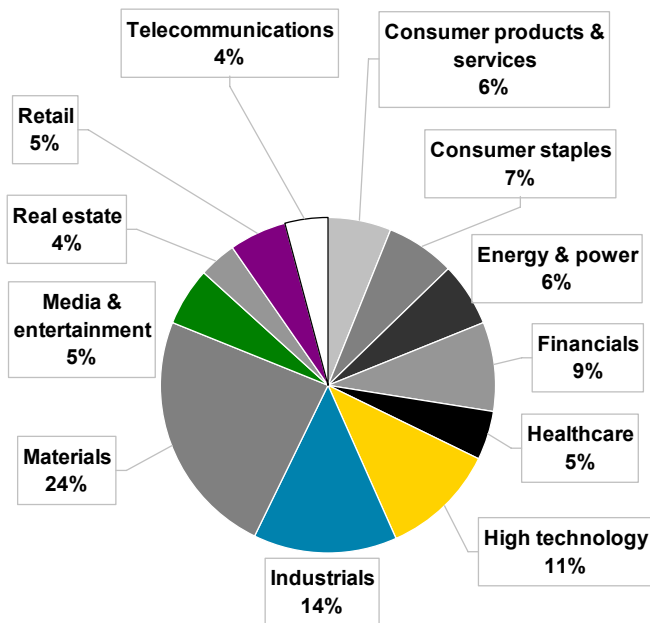
China/HK lead by total capital raised (US\$), followed by US and India



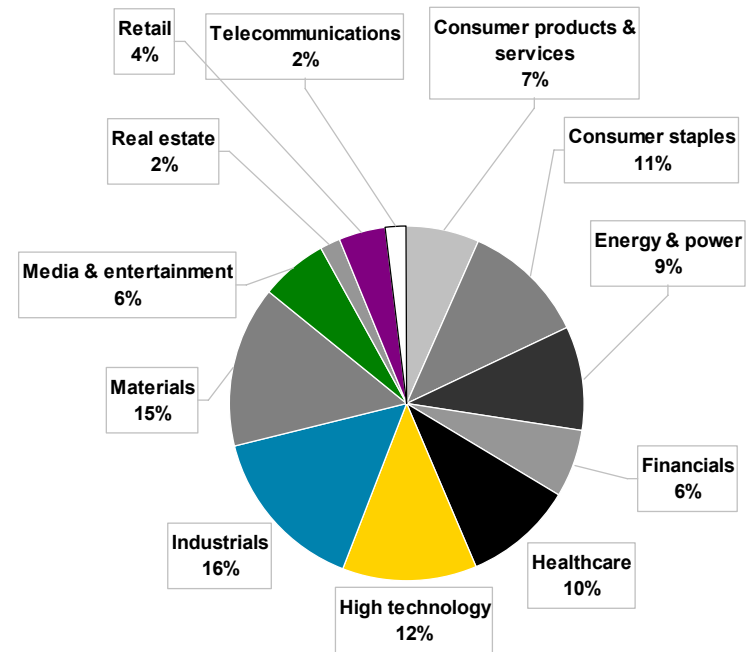
Source: Dealogic, Thomson Financial, Ernst & Young

Global IPO activity: by industry and number of deals

Q3'08



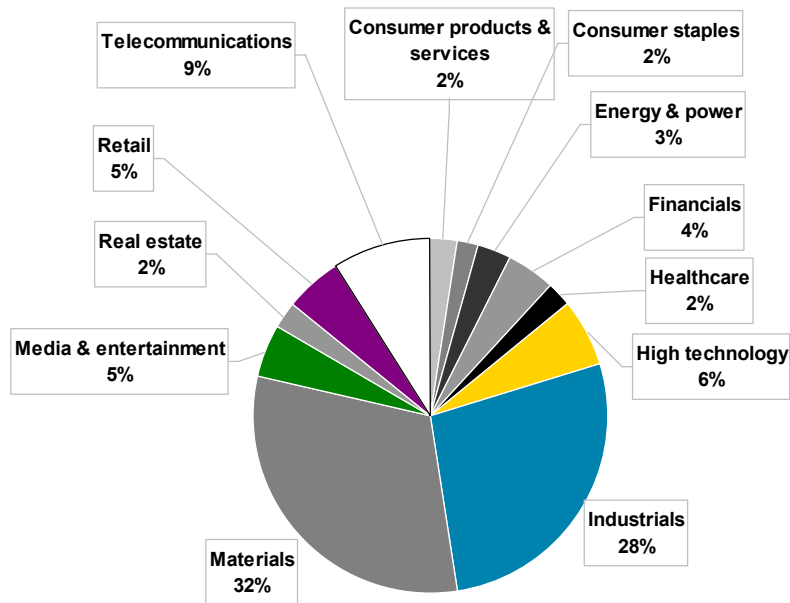
Q3'09



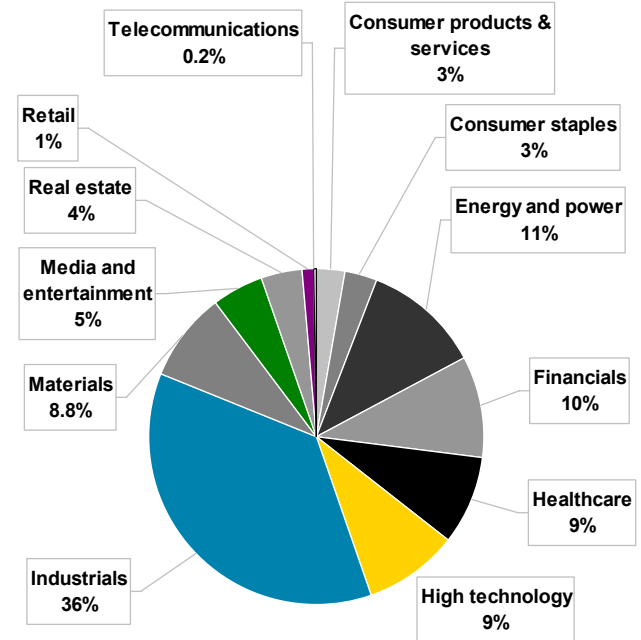
Source: Dealogic, Thomson Financial, Ernst & Young

Global IPO activity: by industry and total capital raised

Q3'08



Q3'09



Source: Dealogic, Thomson Financial, Ernst & Young

Q3'09 Global IPO activity: by stock exchanges*

Top 10 by number of deals

Primary exchange	No. of deals	%
Shenzhen Stock Exchange (SZE)	34	22.8%
Hong Kong Exchanges & Clearing Ltd (HKEx)	19	12.8%
KOSDAQ	13	8.7%
NASDAQ	11	7.4%
Bombay Stock Exchange (BSE)	8	5.4%
Australian Stock Exchange (ASX)	6	4.0%
Catalist – Singapore	5	3.4%
Singapore Stock Exchange (SGX)	4	2.7%
Thailand Stock Exchange (SET)	4	2.7%
NewConnect - Warsaw	4	2.7%

Top 10 by total capital raised

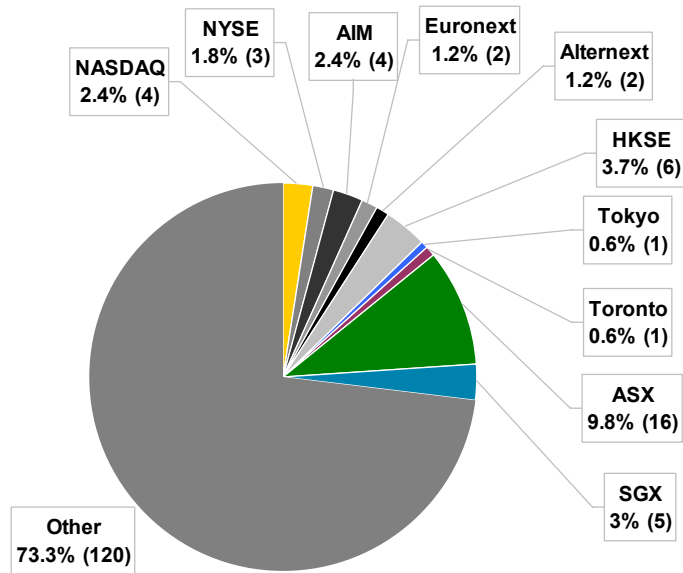
Primary exchange	Funds raised US\$m	%
Hong Kong Exchanges & Clearing Ltd (HKEx)	\$13193	34.9%
Shanghai Stock Exchange (SSE)	\$9327	24.7%
NASDAQ	\$3605	9.5%
Shenzhen Stock Exchange (SSE)	\$3147	8.3%
Bombay Stock Exchange (BSE)	\$2721	7.2%
New York Stock Exchange (NYSE)	\$1441	3.8%
Toronto Stock Exchange (TSX)	\$1352	3.6%
Saudi Stock Exchange (Tadawul)	\$834	2.2%
KOSDAQ	\$400	1.1%
Sao Paulo Stock Exchange (BOVESPA)	\$320	0.9%

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

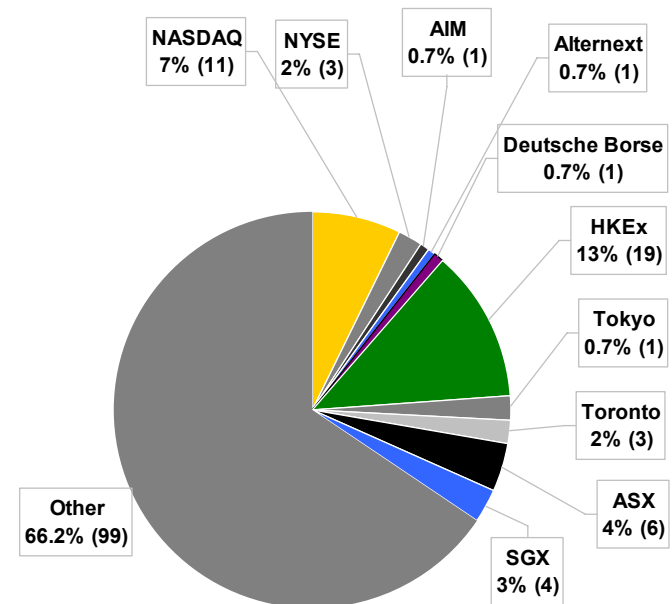
Source: Dealogic, Thomson Financial, Ernst & Young

Global IPO activity: by stock exchange* and number of deals

Q3'08



Q3'09

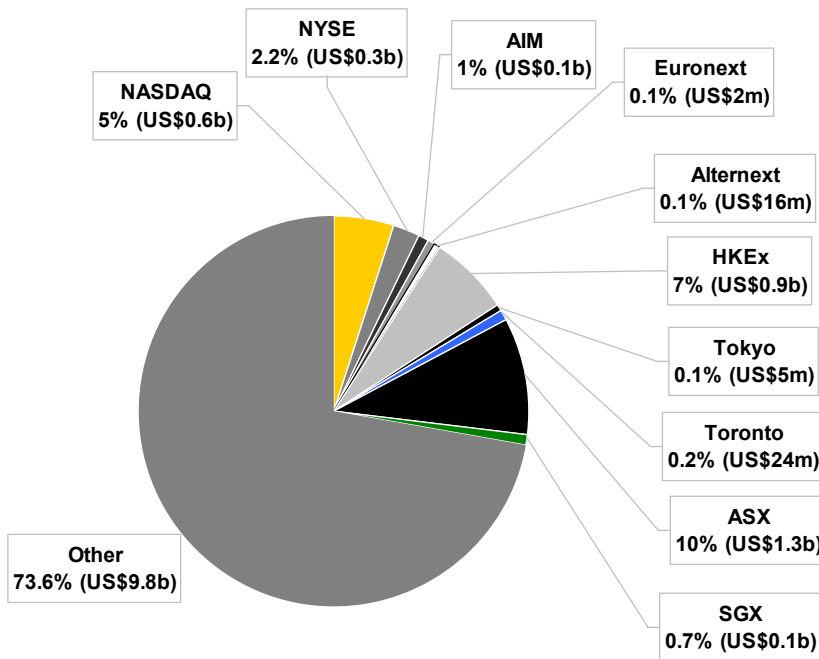


* On this slide the data is based on the exchanges' domicile regardless of the listed company domicile

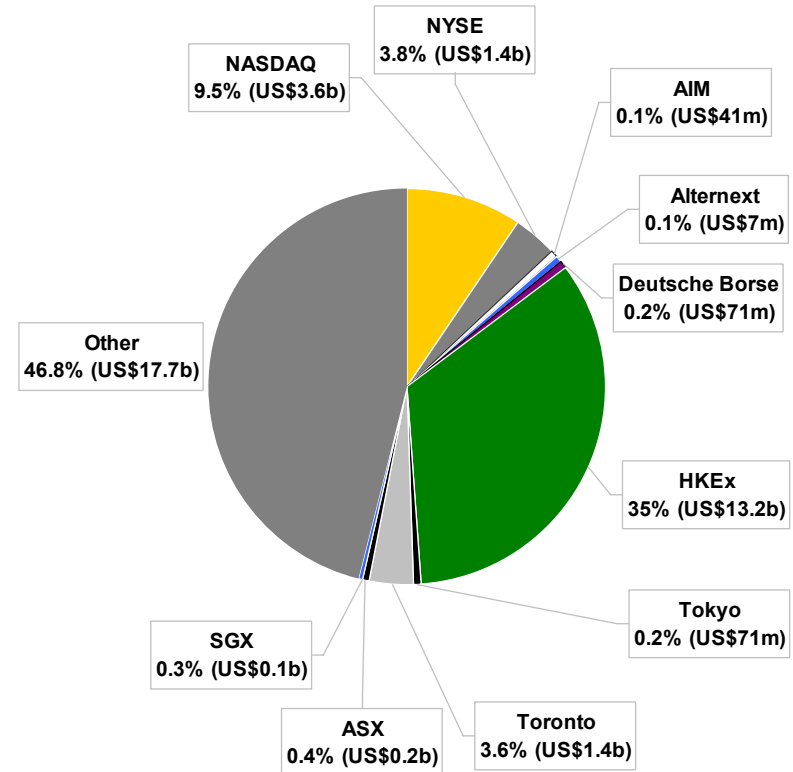
Source: Dealogic, Thomson Financial, Ernst & Young

Global IPO activity: by stock exchange* and total capital raised

Q3'08



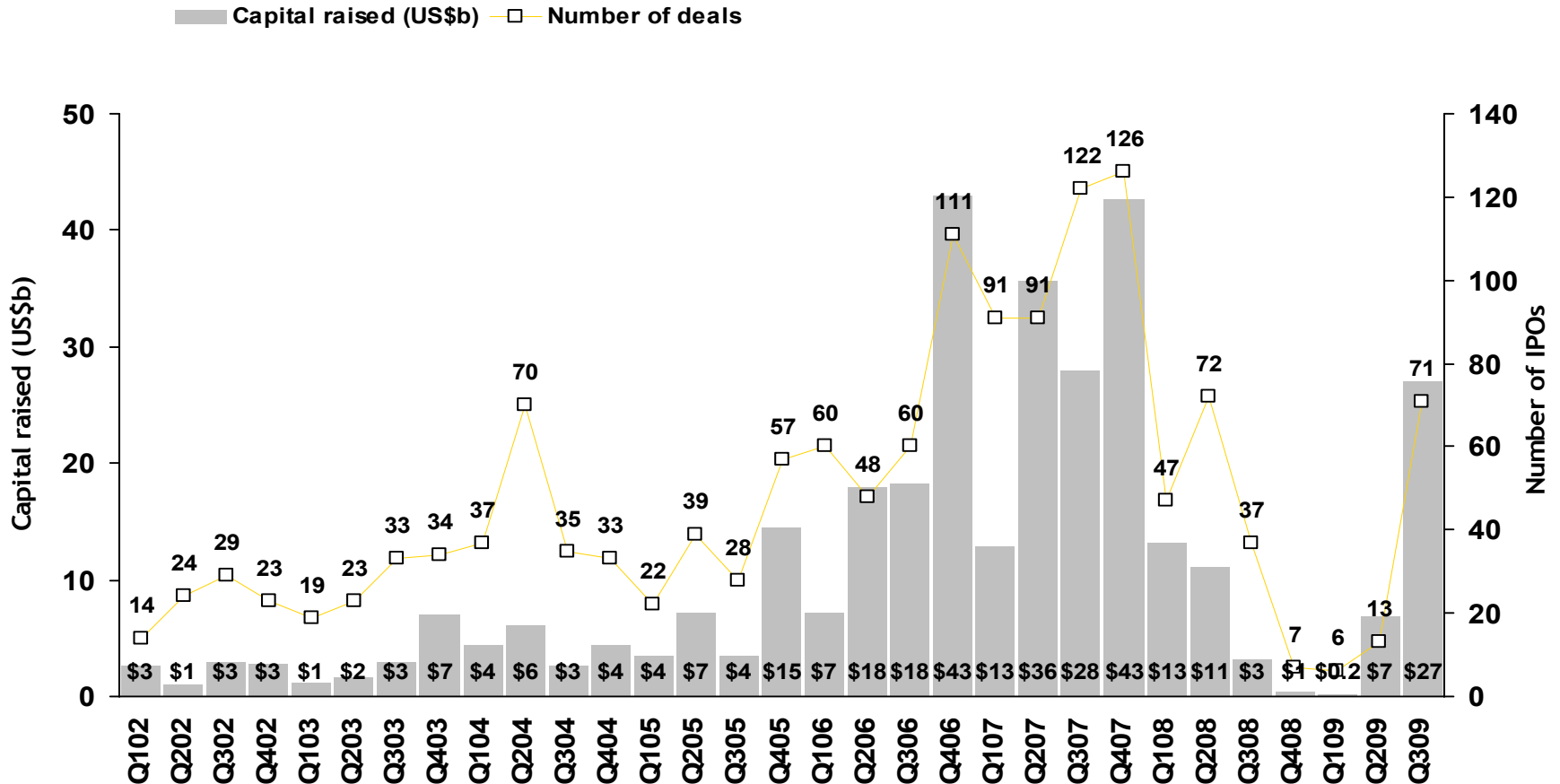
Q3'09



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

Source: Dealogic, Thomson Financial, Ernst & Young

Emerging markets: IPO activity by quarter in the BRIC countries



Source: Dealogic, Thomson Financial, Ernst & Young

Q3'09: top 20 IPOs by capital raised

Issue date	Issuer name	Domicile nation	Industry description	Proceeds (US\$m)	Primary exchange
24/7/09	China State Construction Engineering Corp	China	Industrials	7342	Shanghai Stock Exchange (SSE)
17/9/09	Metallurgical Corp of China Ltd	China	Industrials	5130	Hong Kong Exchanges & Clearing Ltd (HKEx); Shanghai Stock Exchange (SSE)
30/9/09	Wynn Macau Ltd	Macau	Media & Entertainment	1626	Hong Kong Exchanges & Clearing Ltd (HKEx)
6/8/09	Everbright Securities Co Ltd	China	Financials	1605	Shanghai Stock Exchange (SSE)
16/9/09	SinoPharm Group Co Ltd	China	Healthcare	1296	Hong Kong Exchanges & Clearing Ltd (HKEx)
25/9/09	Glorious Property Holdings Ltd	China	Real estate	1277	Hong Kong Exchanges & Clearing Ltd (HKEx)
17/8/09	National Hydro Electric Power Corp Ltd (NHPC)	India	Energy & power	1248	Bombay Stock Exchange (BSE)
24/9/09	Shanda Games Ltd	China	High technology	1044	NASDAQ
30/9/09	Talecris Biotherapeutics Holdings Corp	United States	Healthcare	950	NASDAQ
23/7/09	BBMG Corp	China	Materials	884	Hong Kong Exchanges & Clearing (HKEx)

Source: Dealogic, Thomson Financial, Ernst & Young

Q3'09: top 20 IPOs by capital raised

Issue date	Issuer name	Domicile nation	Industry description	Proceeds (US\$m)	Primary exchange
25/9/09	China Resources Cement Holdings	Hong Kong	Materials	824	Hong Kong Exchanges & Clearing Ltd (HKEx)
3/7/09	Genworth MI Canada Inc	Canada	Financials	820	Toronto Stock Exchange (TMX)
5/8/09	Avago Technologies	Singapore	High technology	745	NASDAQ
3/8/09	Adani Power Ltd	India	Energy & power	733	Bombay Stock Exchange (BSE)
23/9/09	Artio Global Investors Inc	United States	Financials	719	New York Stock Exchange (NYSE)
28/7/09	Saudi National Petrochemical Co (PETROCHEM)	Saudi Arabia	Energy & power	640	Saudi Stock Exchange (Tadawul)
14/9/09	Oil India Ltd	India	Energy & power	571	Bombay Stock Exchange (BSE)
23/9/09	A123 Systems Inc	United States	Energy & power	438	NASDAQ
9/7/09	Capital Power Corp	Canada	Energy & power	436	Toronto Stock Exchange (TMX)
11/8/09	Emdeon Inc	United States	High technology	422	New York Stock Exchange (NYSE)

Source: Dealogic, Thomson Financial, Ernst & Young

Appendix: definitions

- ▶ The data presented in the Annual IPO survey is from Dealogic, Thomson Financial and Ernst & Young.
- ▶ For the purposes of the Quarterly and Year End IPO press release, we focus only on IPOs of operating companies and define an IPO as follows:
 - ▶ A company's first offering of equity to the public.
- ▶ This report includes only those IPOs for which Dealogic, Thomson Financial 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 overallotment sold). Postponed IPOs or those which have not yet been priced are therefore 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
 - ▶ 6798: Companies that are REITs
 - ▶ 6799: Special Purpose Acquisition Companies (SPACs)
- ▶ In our analysis, unless stated otherwise, IPOs are attributed to the domicile nation of the company undertaking an IPO. The primary exchange on which they are listed is as defined by Dealogic, Thomson Financial and Ernst & Young research. A foreign listing is where the stock exchange nation of the company is different from the company's domicile nation (i.e., issuer's nation).

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