



# Q3'11 Global IPO Update

October 2011

# Q3'11 key highlights

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Global IPO activity by number of IPOs was lower in Q3'11 (284 deals) compared to Q3'10 (302 deals) and much lower than Q2'11 (383 deals):

**6%** less IPOs in Q3'11 than Q3'10.

**26%** less IPOs in Q3'11 than Q2'11.

Total capital raised in Q3'11 was markedly lower (US\$28.5 billion) than Q3'10 (US\$52.5 billion) and significantly lower than Q2'11 (US\$65.6 billion):

**46%** less capital raised in Q3'11 than in Q3'10.

**57%** less capital raised in Q3'11 than in Q2'11.

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# Q3'11 key highlights

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## Quarter on quarter analysis:

- ▶ **Global IPO volume reached US\$28.5 billion in 284 deals in Q3'11. There was a 6% decrease by number of deals and 46% lower by capital raised than the US\$52.5 billion raised via 302 deals in the third quarter of 2010.**
- ▶ After a strong first six months of 2011, Q3'11 was the lowest quarter by capital raised since Q2'09 (US\$10.4 billion from 82 deals).
  - ▶ The unresolved Eurozone debt crisis, concerns about global economic growth and falling equity markets had a deep impact on global IPO activity and on both issuers and investors' confidence. The market is waiting for governments to deal with the current debt and economic crisis.
  - ▶ There is a huge pipeline of private companies globally, waiting to go public as soon as market conditions improve. The global IPO market will recover when the markets are stabilized and both issuers and investors' confidences are improved.
  - ▶ Average deal size decreased in many markets in Q3'11 compared to Q2'11. The global average deal size fell from US\$171.2 million to US\$100.2 million in Q3'11, due to smaller IPOs.

## Year on year analysis:

- ▶ In the first nine months of 2011, there were 961 deals which raised US\$140.6 billion. There was 6 % lower by number of deals and 8% decrease by capital raised than the US\$153.1 billion via 909 IPOs for the first nine months of 2010.

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# Q3'11 key highlights

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▶ **The top three IPOs accounted for 27% of the third quarter's global capital raised.**

- ▶ Spanish commercial bank, Bankia raised US\$4.4 billion in July, which constituted 15.5% of Q3'11 global capital raised. It is the third largest IPO globally so far this year. It is the second largest IPO on Bolsa de Madrid ever (behind the wind power generation company Iberdrola Renovables SA's US\$6.6 billion listing in Q4'07).
- ▶ The second largest IPO in Q3'11 was the Polish coal producer JSW SA which raised US\$1.9 billion on Warsaw Stock Exchange in July. This is the fourth largest IPO by Polish issuers on record.
- ▶ The third largest IPO was the US\$1.2 billion IPO listing of China's hypermarket operator, Sun Art Retail Group Ltd on Hong Kong Stock Exchange (HKEx) in July.

▶ **Emerging markets\*\* made up around 67% by global number of deals and 60% by amount of capital raised in Q3'11:**

- ▶ Of the top 10 IPOs (by capital raised), 6 deals were from emerging countries. Of the top 20 IPOs, 12 deals were from emerging countries.
- ▶ BRIC markets recorded 95 deals and US\$12.5 billion, or 33% of global number of deals and 44% of total capital raised in Q3'11. This compares with US\$25.3 billion via 128 deals in Q2'11 and US\$41.8 billion and 132 deals in Q3'10.

\*\* Please see the Appendix for the definition of emerging markets and Asian issuers.

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# Q3'11 key highlights

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- ▶ **In Q3'11, Asian issuers\*\* continue to dominate global IPO activity.** The region accounted for 47% of dollar volume or US\$13.5 billion in 138 deals in Q3'11. However, Q3'11 was the lowest level of capital raised by Asian issuers since Q2'09 (US\$3.0 billion in 44 deals).
- ▶ **Greater Chinese issuers still dominated the global IPO market. Greater China issuers made up around 40% of global fundraising in Q3'11:**
  - ▶ Greater Chinese issuers raised US\$11.4 billion in 90 deals (at home exchanges or cross-border listings). This is the lowest level of fundraising by Greater Chinese issuers since Q2'09 (US\$2.5 billion in 12 deals).
- ▶ Shenzhen Stock Exchange (SME and ChiNext) (SZE) led among world exchanges by capital raised (US\$5.5 billion in 56 deals) in Q3'11, taking the lead for the first time since Q2'10.
- ▶ Shanghai Stock Exchange (SSE) ranked third by global capital raised. SSE raised US\$3.1 billion via 9 IPO deals.
- ▶ Hong Kong Stock Exchange (HKEx) was fourth by global capital raised (US\$2.5 billion in 17 deals).
  - ▶ The third largest IPO globally in Q3'11 was the US\$1.2 billion IPO by Chinese hypermarket operator, Sun Art Retail Group Ltd on HKEx.

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# Q3'11 key highlights

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- ▶ **US exchanges raised 14% of global proceeds, 60% by capital raised are backed by PE and/or VC firms:**
  - ▶ US exchanges (NYSE, NASDAQ and AMEX) raised 14% of global proceeds, or a total of US\$3.9 billion in 19 deals in Q3'11. The US IPO market was much quieter in Q3'11. This was a 58% decrease by number of deals and 71.5% lower by capital raised from Q2'11 (US\$13.8 billion via 45 deals) to Q3'11.
  - ▶ NYSE was ranked fifth by highest capital raised among exchanges. There were 8 deals which raised US\$2.2 billion in Q3'11. This represents a 78% decrease in capital raised from Q2'11.
  - ▶ PE and/or VC sponsored deals made up 63% by number of US new issuances (12 deals) and 60% by capital raised (US\$2.3 billion). The second, third and fourth largest US IPOs in Q3'11 were all PE backed.
  - ▶ Cross border IPOs on US exchanges was also quieter in Q3'11. There was one IPO by Chinese issuer which raised US\$174 million.
  - ▶ There were four deals from the oil and gas industry which raised US\$1.3 billion in Q3'11. This includes this quarter's largest US IPOs, SandRidge Permian Trust's US\$621 million listing on NYSE.
  
- ▶ **Central and South American issuers raised 1.4% of global capital raised, led by Brazil.**
  - ▶ Issuers from Central and South America raised US\$398 million in 4 deals (1.4% of global deal number) in Q3'11. This is the lowest quarter by capital raised since Q3'10.
  - ▶ Brazil conducted one IPO deal raising US\$238 million in Q3'11, the lowest quarter by capital raised since Q3'10. However, many local companies are waiting for markets to improve before tapping the Sao Paulo Stock Exchange to finance expansion plans.
  - ▶ Mexico conducted one IPO in Q3'11. Banregio Grupo Financiero SAB de CV raised US\$154 million on Bolsa Mexicana de Valores.

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# Q3'11 key highlights

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▶ **European exchanges raises 31.2% of global proceeds, led by Spain and Poland:**

- ▶ European exchanges launched 72 IPOs worth US\$8.9 billion in Q3'11. There was a 31% increase by number of deals in Q3'11 compared to Q3'10 (US\$2.7 billion in 55 deals), while capital raised increased by 232%.
- ▶ There was a 26% decrease by number of deals in Q3'11 compared to Q2'11 (US\$17.7 billion via 97 deals), while capital raised decreased by 50%.
- ▶ Spain's Bolsa de Madrid led Europe and was second globally in fundraising with US\$5.3 billion raised in five IPO offerings. This is due to hosting this quarter's largest IPO of Spanish commercial bank, Bankia which raised US\$4.4 billion and the sixth largest IPO of another commercial bank, Banca Civica SA which raised US\$857.3 million.
- ▶ Warsaw Stock Exchange (WSE) had the second highest capital raised within Europe. There were 4 IPOs which raised US\$2.0 billion altogether. WSE hosted this quarter's second largest IPO listing of the coal producer JSW SA which raised US\$1.9 billion.
- ▶ Polish junior market NewConnect and London Alternative Investment Market (AIM) launched the highest and second highest number of IPOs within European exchanges. There were 36 deals which raised US\$43 million on NewConnect and 13 deals which raised US\$326 million on London AIM.
- ▶ The Middle East and Africa IPO market remained relatively quiet in Q3'11 due to regional political unrest and global market volatility. Issuers from the Middle East raised US\$219 million in two IPOs in Q3'11, while African issuers completed 7 IPO deals which raised US\$536.7 million.
- ▶ There were three deals with capital raised above US\$1 billion in Q3'11, compared to four deals in Q3'10. Of the three deals, they were from Spain, Poland and China (one deal each).

# Q3'11 key highlights

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## ▶ Financial sponsor-backed IPOs\* continue their presence

- ▶ Globally, PE firms exited 21 companies via IPO in Q3'11, raising around US\$2.9 billion (10.0% of total funds raised). Whereas in Q2'11, there was 47 PE backed IPOs which raised US\$17.8 billion (27.1%). This was a 55% decrease by number of deals and 84% lower by total funds raised from Q2'11 to Q3'11.
- ▶ US PE backed IPO listings continue to drive global PE backed IPO activity in Q3'11. There were 9 IPOs which raised US\$2.0 billion on US exchanges, this was around 7.1% of global capital raised in Q3'11.
- ▶ PE backed IPO in the first nine months of 2011 reached deal volume of US\$34.2 billion via 91 deals, up 64% on the US\$20.8 billion raised via 92 deals in the same period in 2010.
- ▶ The largest PE backed IPO in Q3'11 was the US franchisor of quick service restaurants, Dunkin' Brands Group Inc, which raised US\$486 million on NASDAQ.
- ▶ Globally, VC firms exited 18 companies through an IPO in Q3'11, these IPO deals raised US\$1.2 billion (4.2% of global capital raised).
- ▶ Global state-owned enterprise (SOE) privatization accounted for two IPOs which raised US\$2.0 billion in Q3'11 (7% of global capital raised). This includes Q3'11 second largest IPO, Polish coal producer JSW SA's US\$1.9 billion IPO on Warsaw Stock Exchange. The other IPO was by Rwanda's Bank of Kigali's US\$61.7 million IPO listed on the Rwanda Stock Exchange.
- ▶ **Around 9 out of 10 global IPOs\*\* priced within or above their initial filing range in Q3'11:**
  - ▶ 87.0% of global IPOs in Q3'11 priced within their initial filing range – compared to a historical 10 year average of 75.9%.
  - ▶ Only 6.5% of IPOs priced below their initial price, while 6.5% priced above.

\*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.”

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

# Q3'11 key highlights

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## ▶ Follow-on offerings:

- ▶ There were 3,291 follow-on offerings globally, which raised US\$392.0 billion in the first nine months of 2011. This compares to 3323 follow-on deals which raised US\$406.6 billion in the first nine months of 2010.
- ▶ Follow on offerings constitute 67% of global equity capital markets activity, while IPOs represented 23% in Q3'11.
- ▶ In Q3'11, there were 770 follow-on offerings globally, which raised US\$80.0 billion. This was 36% decrease by number of deals and 52% lower by capital raised than the US\$165.0 billion raised via 1207 deals in Q2'11.
- ▶ **Q3'11's three largest follow-on deals are:**
  - ▶ The US\$4.0 billion rights offering by Chinese commercial bank China CITIC Bank Corps Ltd that was dual listed on HKEx and Shanghai in August.
  - ▶ Italy's retail and merchant bank Monte dei Paschi completed their US\$3.1 billion listing on Borsa Italiana in July.
  - ▶ Ireland's commercial bank, Bank of Ireland, raised US\$2.7 billion via dual listing on Irish and London Stock Exchanges in July.
- ▶ In the first nine months of 2011, there were 66 deals with capital raised above US\$1 billion – 41 were from developed markets, 25 were from emerging markets. Of the 66 deals, 15 deals were priced in Q3'11.
- ▶ In the first nine months of 2011, emerging markets made up around 24.5% by global number of follow-on deals and 31.1% by amount of capital raised. Whereas developed markets made up around 75.5% by number of deals and 68.9% by capital raised via follow on offerings globally.

## ▶ Withdrawals/postponements:

- ▶ 71 IPOs have been postponed or withdrawn in Q3'11 compared with 97 deals put on hold or withdrawn during Q2'11, according to Dealogic. Whereas, Q3'10 saw 51 postponed or withdrawn IPOs.
- ▶ In the first nine months of 2011, there has been 226 postponed or withdrawn IPO. This is slightly lower than the record of 231 postponed or withdrawn deals in the first nine months of 2008, at the height of the financial crisis.
- ▶ Globally, there were 22 postponed deals and 49 withdrawn IPO deals in Q3'11:
- ▶ Of the 71 deals, 22 deals were from the US, while China had 16 deals and Brazil had 5 deals. Australia and Poland had 4 deals each.
- ▶ Of the 71 deals, 14 deals were financial sponsor-backed deals.

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

# Q3'11 key highlights

## Geographical analysis

### By number of IPOs

- ▶ Asia Pacific issuers continue to be the leading region with 56.7% market share.
- ▶ EMEA and North America regions had 27.5% and 14.4% market share respectively. Central & South America had 1.4% market share.
- ▶ Greater China, Poland and Australian issuers were market share leaders with 90, 38 and 23 IPOs respectively.

### By capital raised

- ▶ Asia Pacific issuers was the market share leader with 49.0% in Q3'11.
- ▶ EMEA and North America were ranked second and third with 33.8% and 15.8% market share respectively, while Central & South America had 1.4%.
- ▶ Greater China, Spain and US issuers were market share leaders in Q3'11 with 40% (US\$11.4b), 18.6% (US\$5.3b) and 13.6% (US\$3.9b) respectively.

## Industry analysis

### By number of IPOs

- ▶ The leading sectors by number of deals were materials (72 IPOs); industrials (48); and consumer products and services (29). The top three sectors accounted for 52% of total deal numbers.

### By capital raised

- ▶ The top three sectors accounted for 59% of total deal value: financials (US\$6.8b), materials (US\$ 5.8b) and Industrials (US\$4.3b).

## Exchange analysis

### By number of IPOs

- ▶ Shenzhen Stock Exchange (SME board and ChiNext) was the most active by number of deals, with 56 deals (19.7% of total numbers).
- ▶ Warsaw's NewConnect saw 36 deals (12.7%), and the Australian Securities exchange hosted 24 deals (8.4%).

### By capital raised

- ▶ Shenzhen Stock Exchange (SME and ChiNext) raised US\$5.5b in 56 IPOs (19.3% of global proceeds).
- ▶ Bolsa de Madrid ranked second, raising US\$5.3b (18.6%) in 5 IPO listings. It hosted this quarter's largest IPO, the US\$4.4b listing of Spanish commercial bank, Bankia.
- ▶ While Shanghai Stock exchange came in third, raising US\$3.1b (11.0%) via 9 deals.

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# Q3'11 key highlights

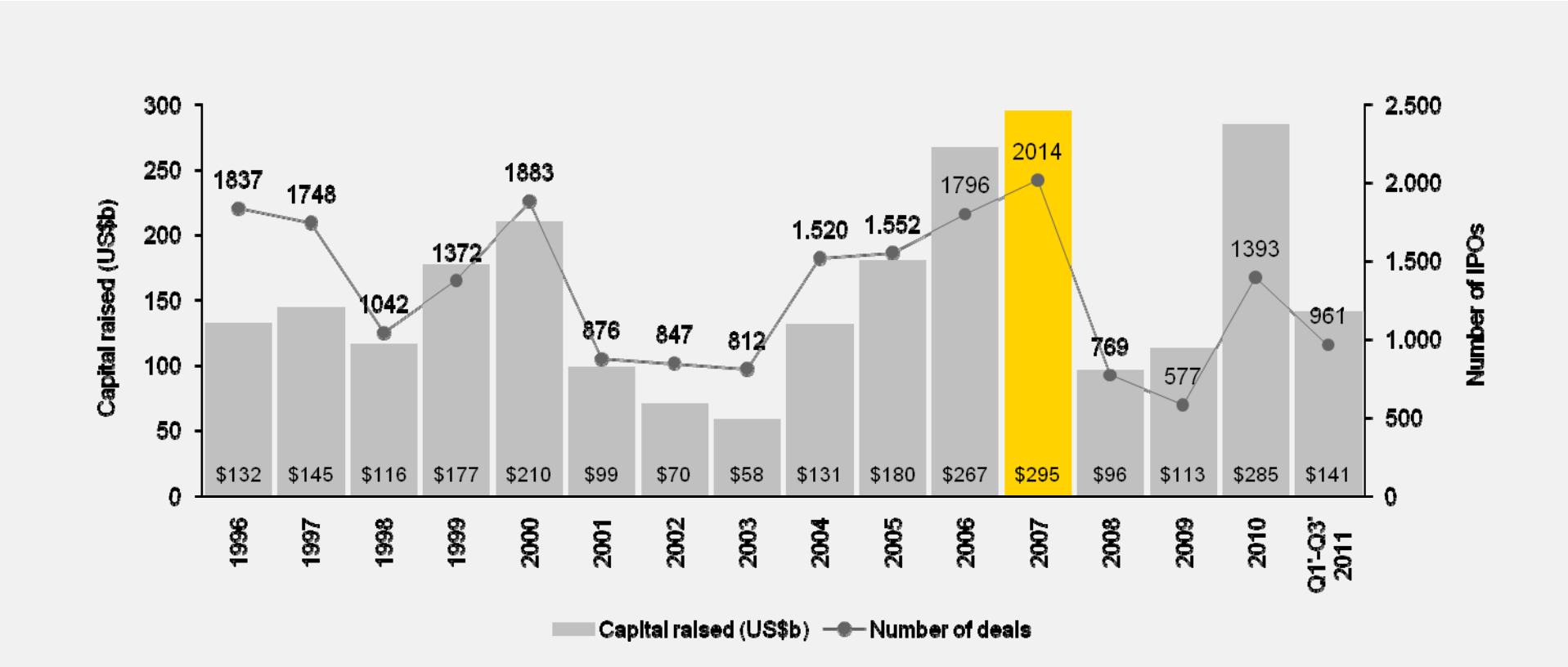
The global “Top 20 Club” (top 20 IPOs by capital raised)

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- ▶ **Emerging markets represent 6 of the top 12 IPOs and 12 of the top 20 IPOs:**
- ▶ 4 out of the top 20 deals were private equity-backed IPOs.
- ▶ **19 of the top 20 listed on their home exchange (as their primary exchange).**
  - ▶ Russia’s phosphatic fertilizers manufacturer PhosAgro OAO completed a US\$565 million IPO on LSE, as well as at home exchanges MICEX and RTS.
- ▶ The three largest deals (by capital raised) include:
  - ▶ Spanish commercial bank, Bankia, completed a US\$4.4 billion offering on Bolsa de Madrid.
  - ▶ Poland’s coal producer JSW SA’s US\$1.9 billion IPO on Warsaw Stock Exchange.
  - ▶ China’s supermarket operator, Sun Art Retail Group Ltd completed a US\$1.2 billion IPO on HKEx.
- ▶ The top 10 IPOs together raised US\$12.5 billion which represents about 44% of global proceeds.
- ▶ The top 20 IPOs together raised US\$15.9 billion which represents about 56% of global proceeds.
  - ▶ Greater China was the source of 8 of the top 20 IPOs, while the US was the source of 4 deals:
  - ▶ 2 IPO deals were from Spain. Other IPOs in the top 20 were from Poland, Malaysia, Russian Federation, UK, Canada and India. Each country accounted for one deal each.
- ▶ The minimum deal value required to make the top 20 was US\$271 million in Q3'11, compared to the US\$311 million in Q3'10.
- ▶ The minimum deal value to join the global Top 10 Club was US\$486 million compared to US\$476 million in Q3'10.
- ▶ The financials and industrials sectors generated four IPOs each:
  - ▶ Energy, materials and retail sectors generated three deals each. Consumer products and services, health care and real estate sectors generated one IPO each respectively.

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

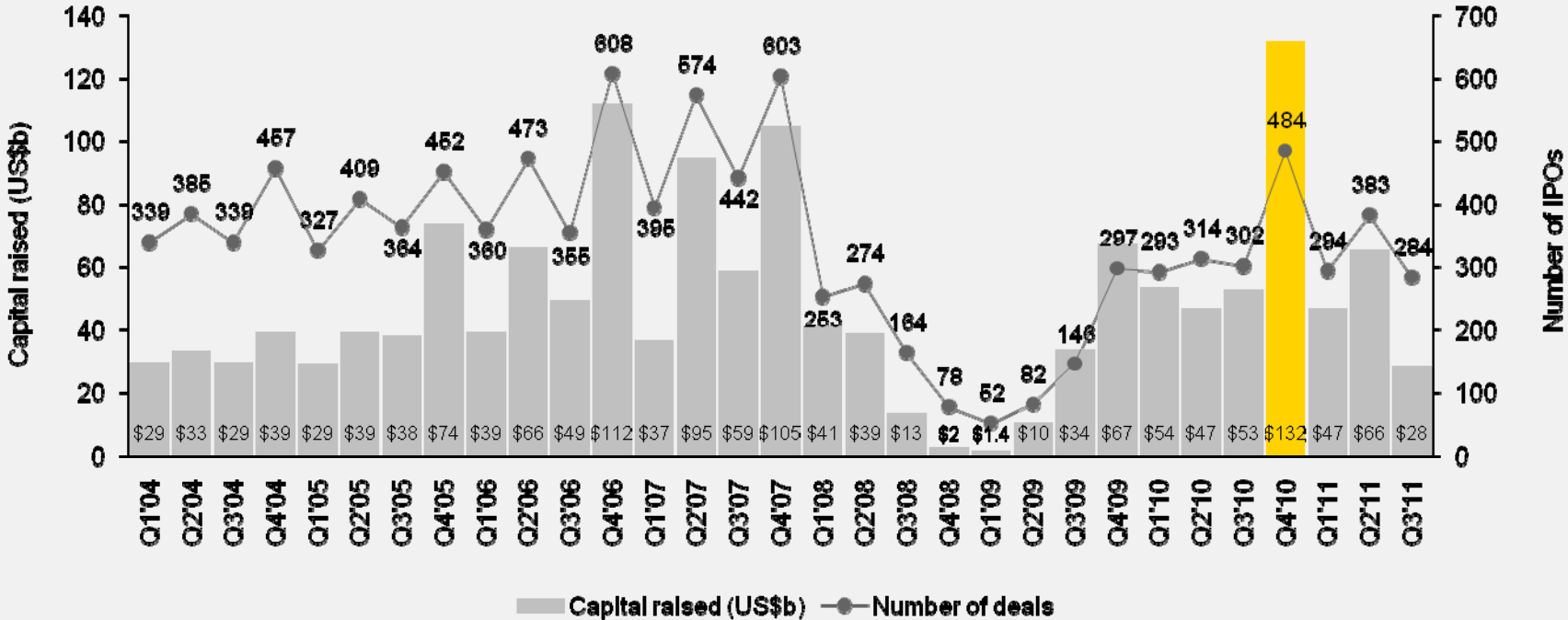
Global IPO activity in 2010 was 153% higher than 2009 by global capital raised. Improved economic conditions in many countries, stronger performance of global equity markets and increasing investor optimism contributed to this increase in IPO activity in 2010.



Source: Dealogic, Thomson Financial, Ernst & Young

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

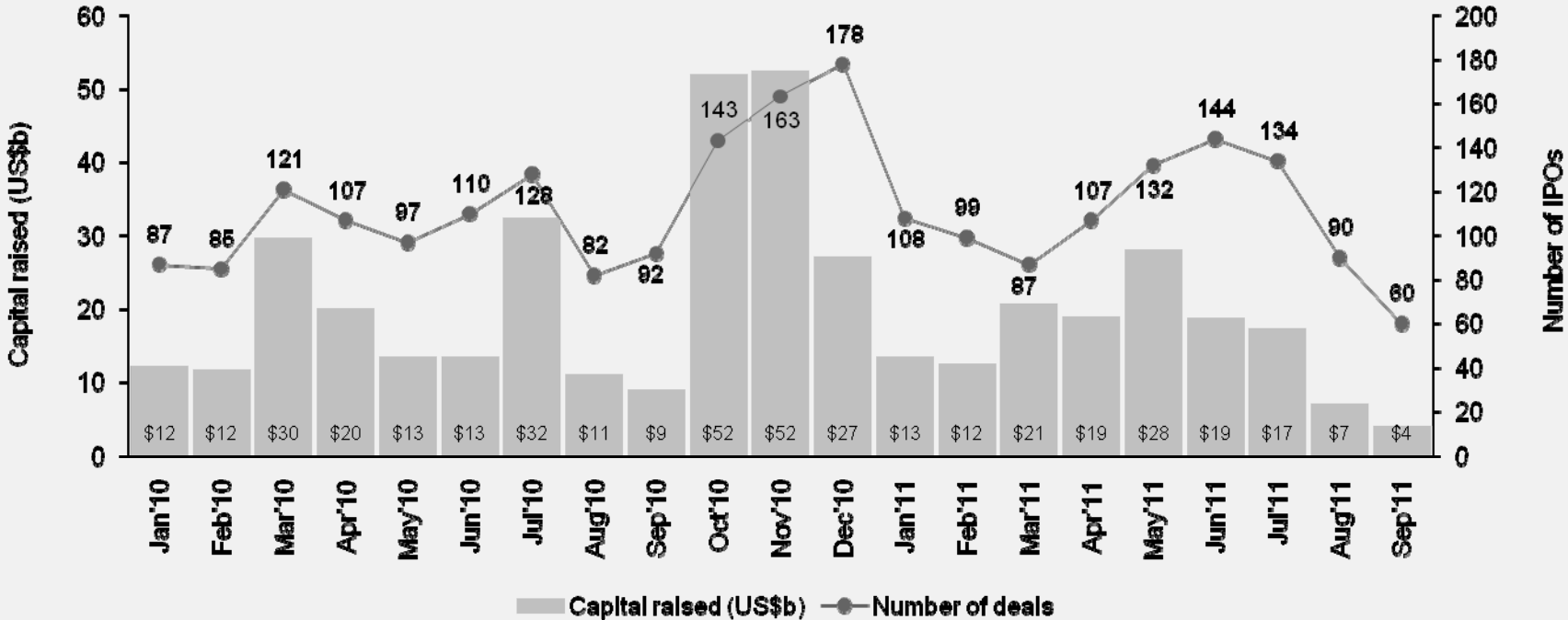
In Q3'2011, there were three deals with capital raised above US\$1 billion. Of the top 10 IPOs (by capital raised), six deals were from emerging countries. Of the top 20 IPOs, 12 deals were from emerging countries.



Source: Dealogic, Thomson Financial, Ernst & Young

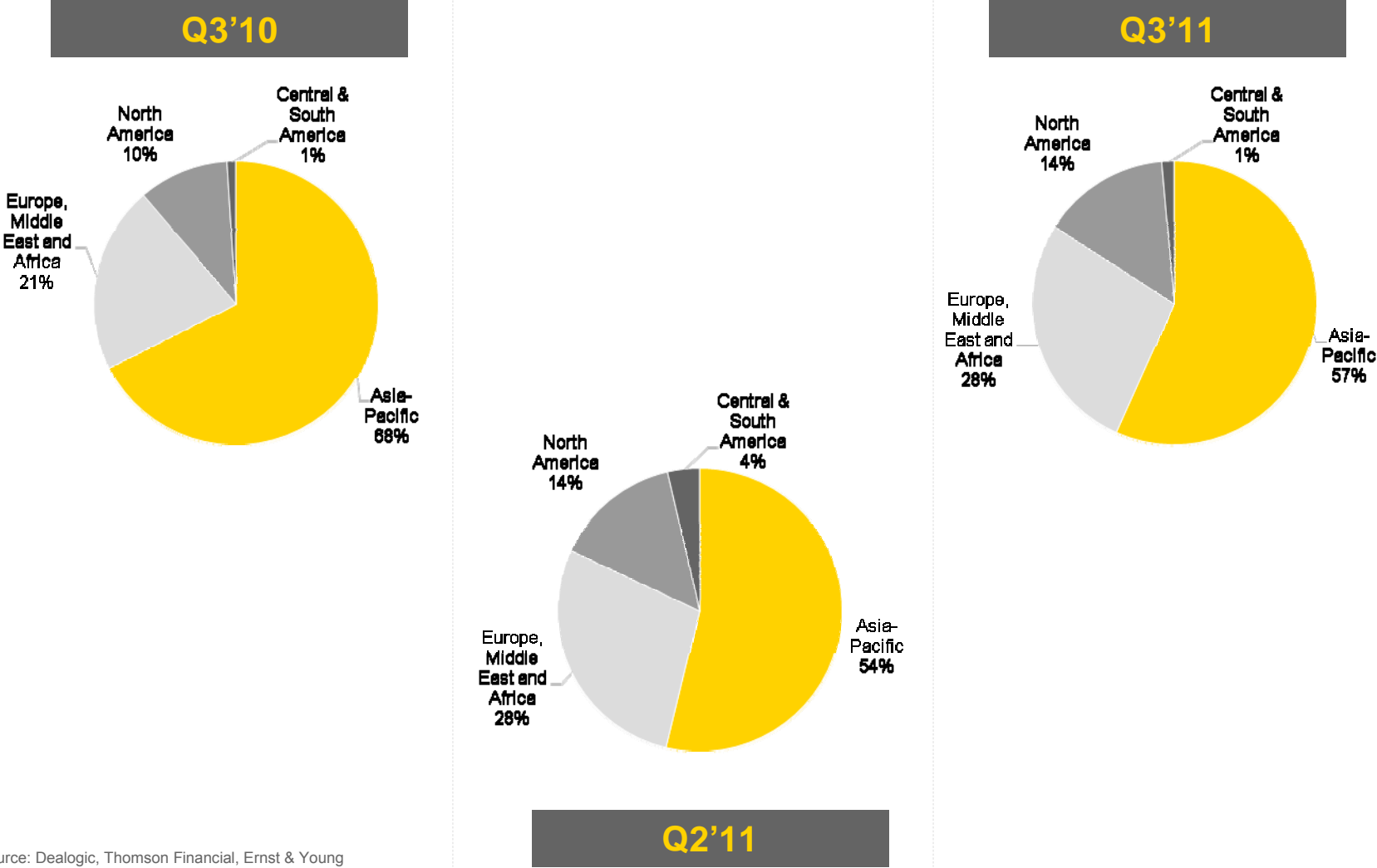
# Global IPO activity: number of deals and capital raised by month

September 2011 generated 60 IPO listings which raised US\$4.0billion altogether. This is the lowest monthly capital raised since May 2009 (US\$2.4 billion from 27 deals).



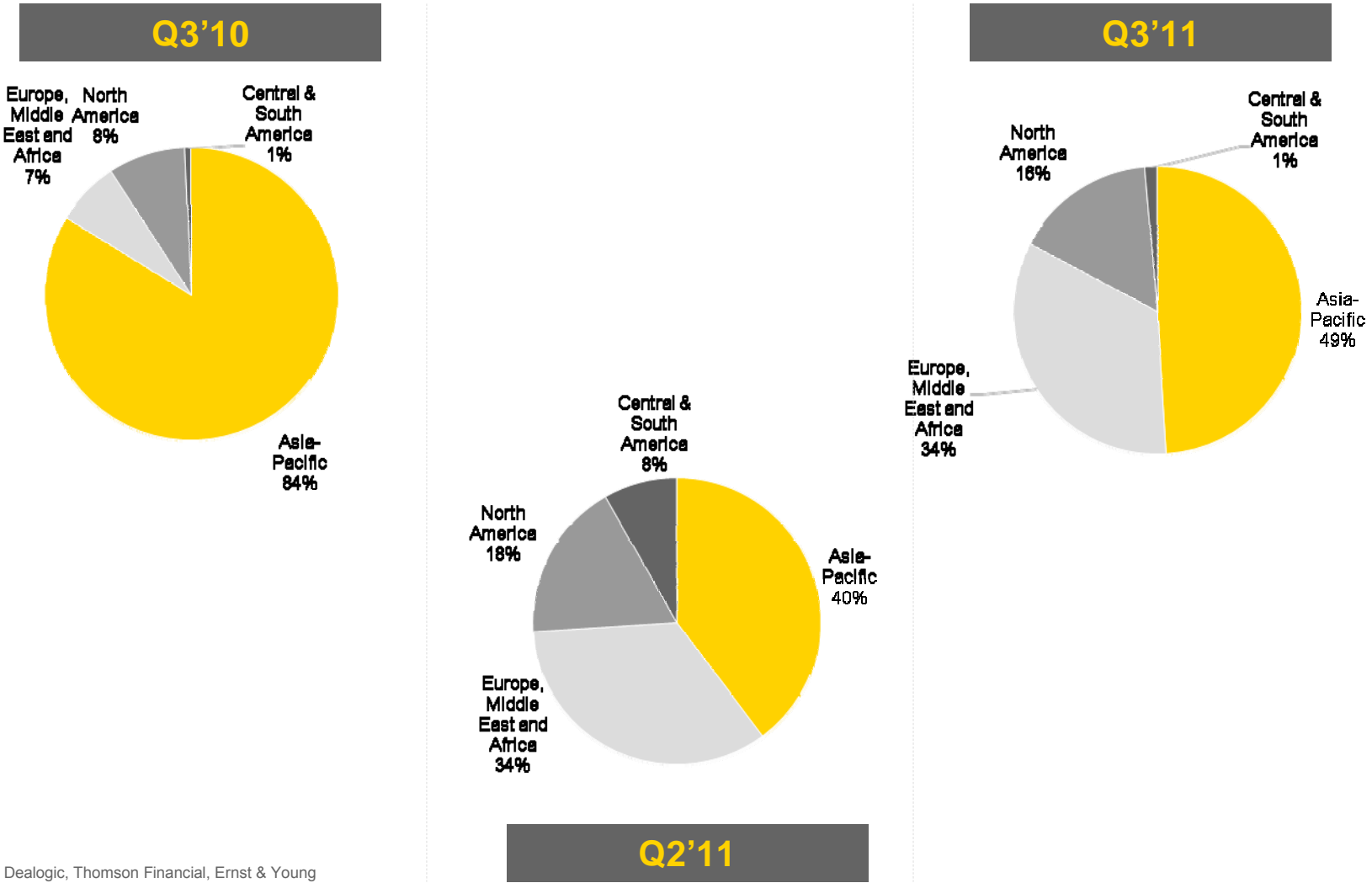
\*Date up to end of 27<sup>th</sup> September  
 Source: Dealogic, Thomson Financial, Ernst & Young

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



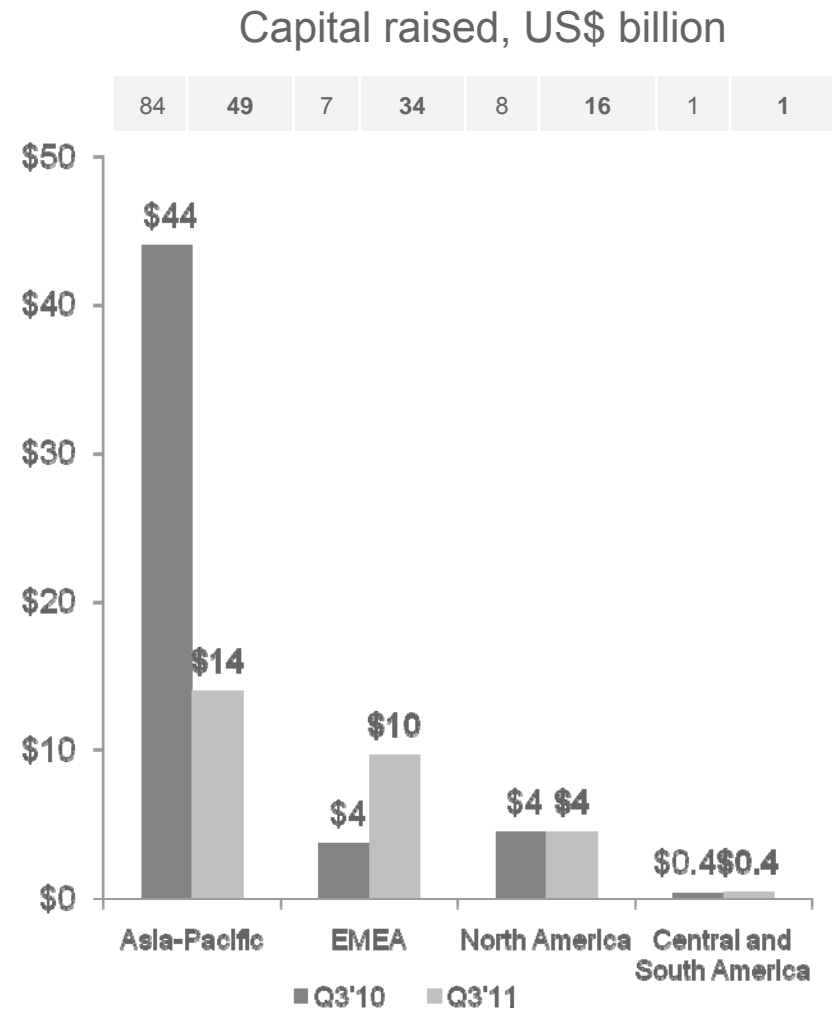
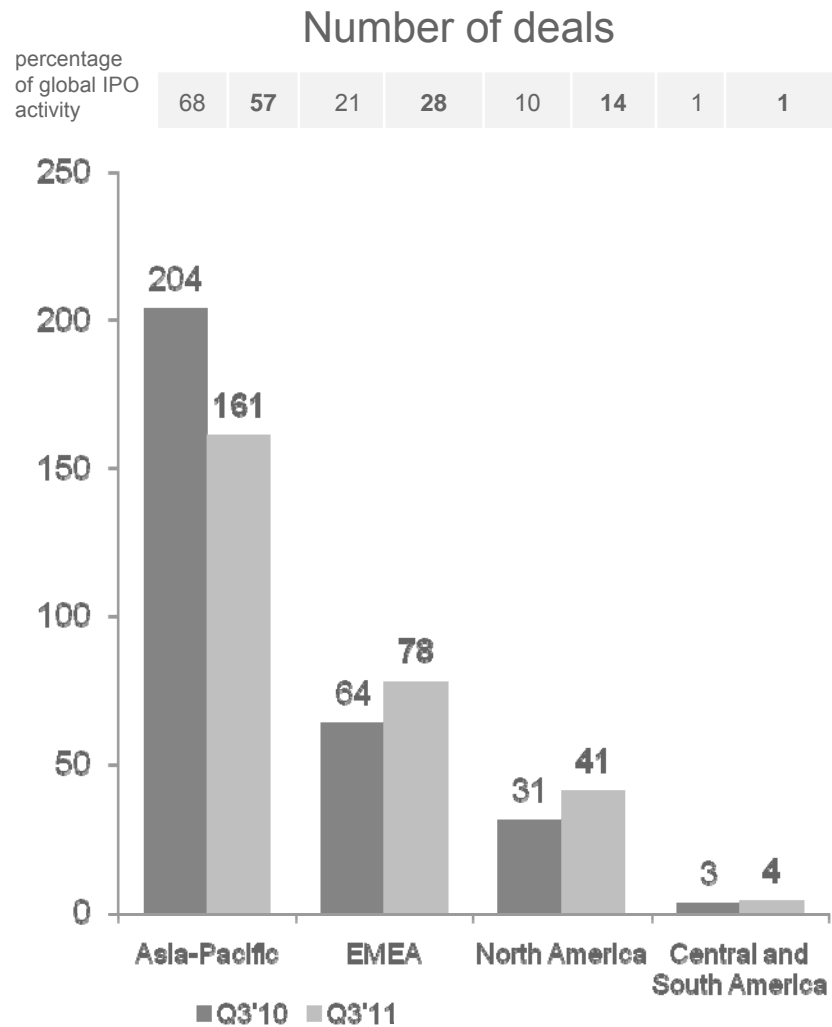
Source: Dealogic, Thomson Financial, Ernst & Young

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



Source: Dealogic, Thomson Financial, Ernst & Young

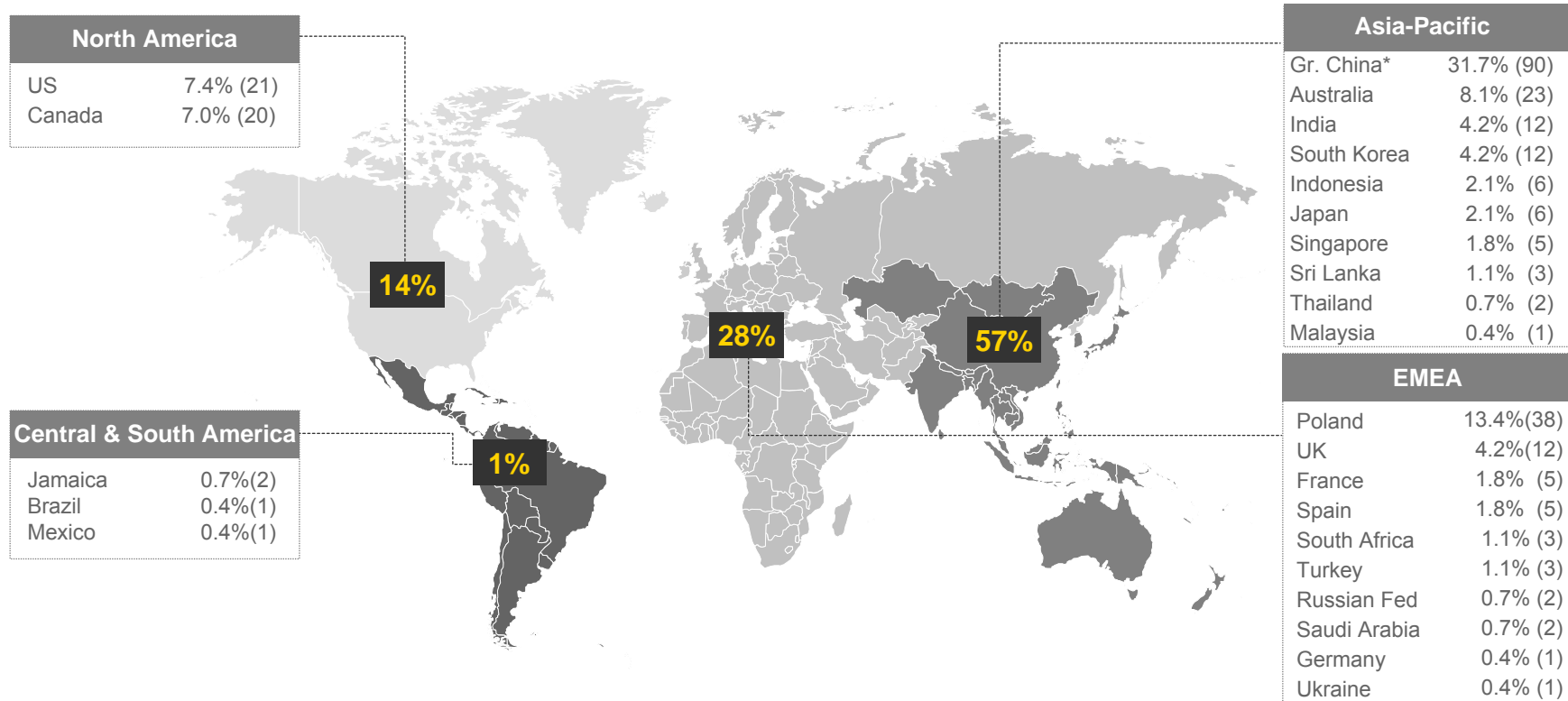
# Q3'10 versus Q3'11 global IPOs by region



Source: Dealogic, Thomson Financial, Ernst & Young

# Q3'11 Global IPO activity (by region and number of deals)

## Greater China lead by number of deals, followed by Poland and US

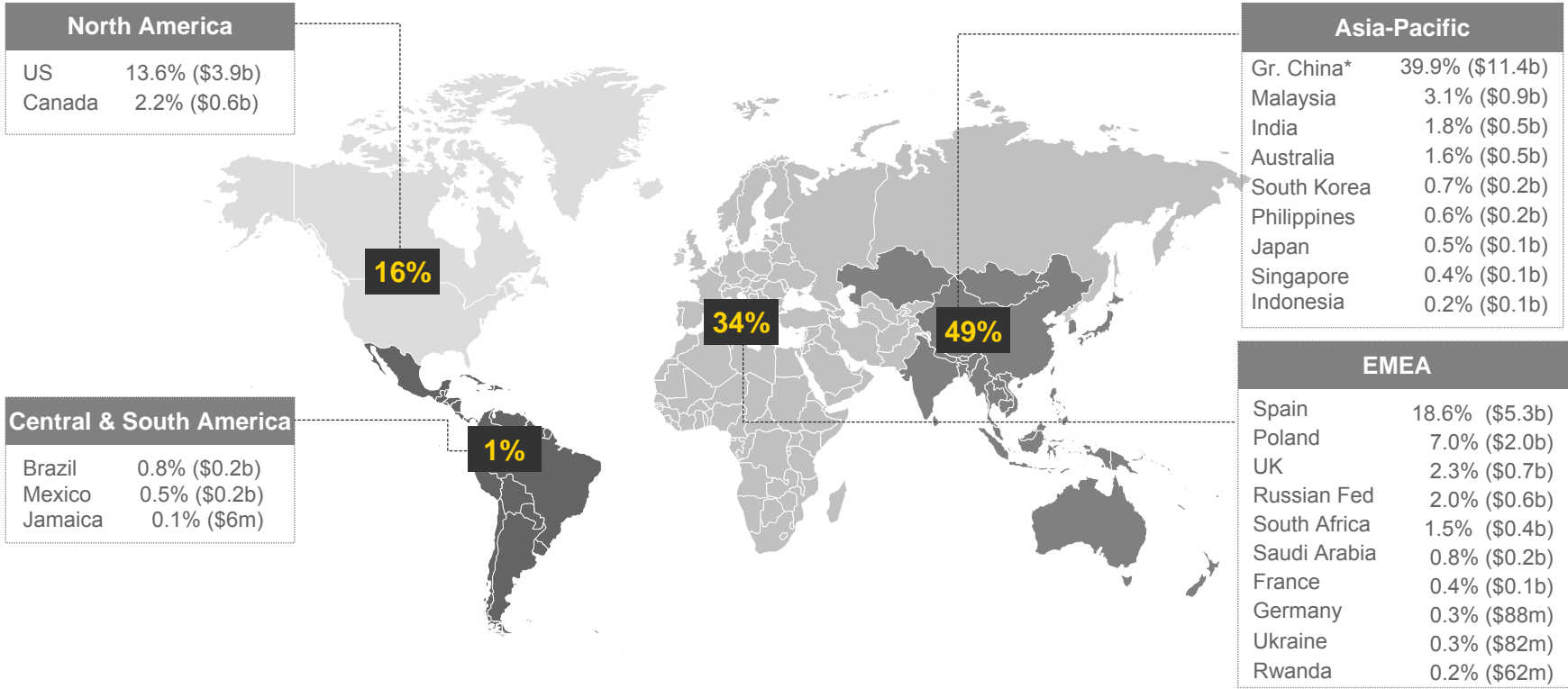


Developing countries made up 67% of the number of deals globally and 60% of the total global capital raised. BRICs together raised US\$12.5 billion (44% of total capital raised) in 95 deals (33% of total deal numbers).

\*Greater China includes Mainland China (80 deals), Hong Kong (7) and Taiwanese (3) issuers. Based on the listed company domicile country  
Source: Dealogic, Thomson Financial, Ernst & Young

# Q3'11 Global IPO activity (by region and capital raised)

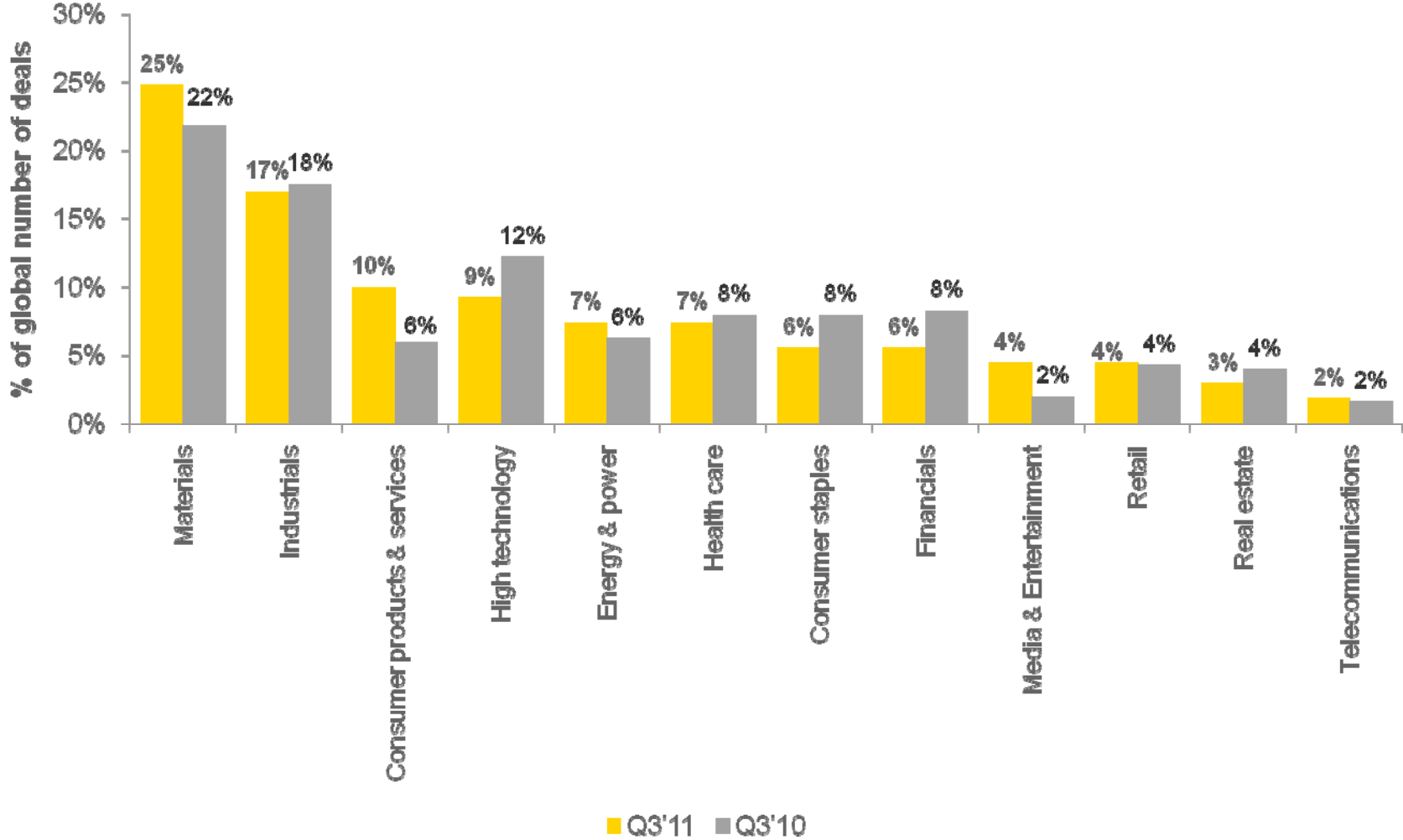
**Greater China lead by total capital raised (US\$b), followed by Spain and US**



Of the 3 deals with capital raised above US\$1 billion, 2 were from emerging markets. Six of the top 10 IPOs and 12 of the top 20 IPOs (by capital raised) were from emerging countries.

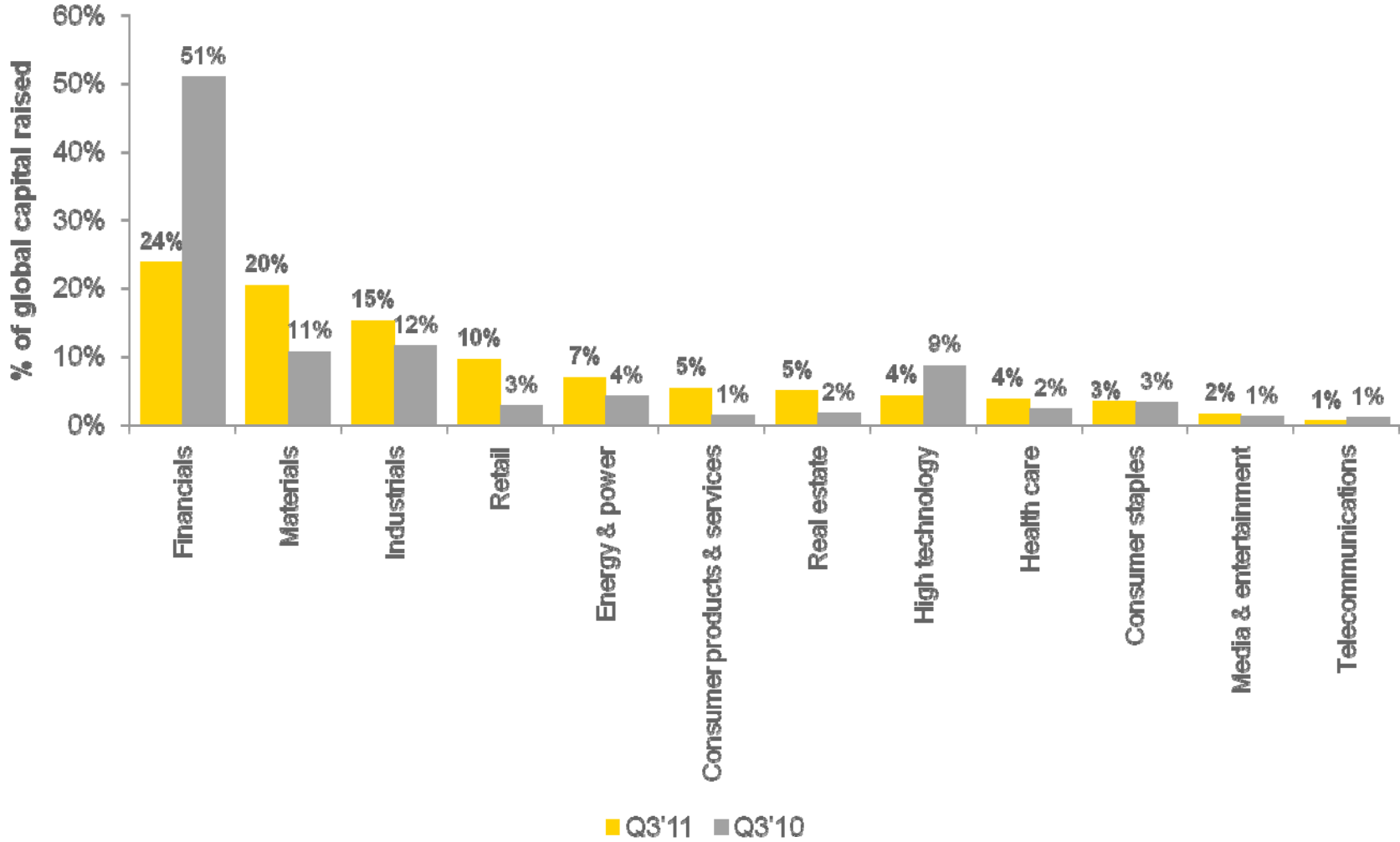
\*Greater China includes Mainland China (US\$10.6b), Hong Kong (\$91m) and Taiwanese (\$49m) issuers . Based on the listed company domicile country  
 Source: Dealogic, Thomson Financial, Ernst & Young

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



Source: Dealogic, Thomson Financial, Ernst & Young

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



Source: Dealogic, Thomson Financial, 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)**            | 56           | 19.7%                      |
| NewConnect - Warsaw                        | 36           | 12.7%                      |
| Australian Securities Exchange (ASX)       | 24           | 8.5%                       |
| Hong Kong Exchanges & Clearing Ltd (HKEx)  | 17           | 6.0%                       |
| Toronto Venture Exchange - TSX-V           | 16           | 5.6%                       |
| London Alternative Investment Market (AIM) | 13           | 4.6%                       |
| Bombay Stock Exchange (BSE)                | 12           | 4.2%                       |
| KOSDAQ                                     | 11           | 3.9%                       |
| NASDAQ                                     | 11           | 3.9%                       |
| Shanghai Stock Exchange (SSE)              | 9            | 3.2%                       |
| New York Stock Exchange (NYSE)             | 8            | 2.8%                       |
| Euronext                                   | 5            | 1.8%                       |
| All other exchanges                        | 66           | 23.2%                      |
| <b>Global total</b>                        | <b>284</b>   | <b>100%</b>                |

## Top 12 by capital raised

| Exchange                                  | Capital raised (US\$m) | percentage of global total |
|---|------------------------|----------------------------|
| Shenzhen Stock Exchange (SZE)**           | \$5,481                | 19.3%                      |
| Bolsa de Madrid                           | \$5,293                | 18.6%                      |
| Shanghai Stock Exchange (SSE)             | \$3,119                | 11.0%                      |
| Hong Kong Exchanges & Clearing Ltd (HKEx) | \$2,504                | 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%                       |
| Australian Securities Exchange (ASX)      | \$549                  | 1.9%                       |
| Toronto Stock Exchange (TSX)              | \$546                  | 1.9%                       |
| Bombay Stock Exchange (BSE)               | \$506                  | 1.8%                       |
| All other exchanges                       | \$2,673                | 9.4%                       |
| <b>Global total</b>                       | <b>\$28,469</b>        | <b>100%</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

# Q3'10 Global IPO activity: by stock exchanges\*

## Top 12 by number of deals

| Exchange                                   | No. of deals | percentage of global total |
|--|--------------|----------------------------|
| Shenzhen Stock Exchange (SZE) **           | 79           | 26.1%                      |
| NewConnect – Warsaw                        | 26           | 8.6%                       |
| Australian Securities Exchange (ASX)       | 19           | 6.3%                       |
| Hong Kong Exchanges & Clearing Ltd (HKEx)  | 19           | 6.3%                       |
| New York Stock Exchange (NYSE)             | 17           | 5.6%                       |
| Bombay Stock Exchange (BSE)                | 17           | 5.6%                       |
| NASDAQ                                     | 16           | 5.3%                       |
| KOSDAQ                                     | 13           | 4.3%                       |
| London Alternative Investment Market (AIM) | 8            | 2.6%                       |
| Bursa Malaysia                             | 8            | 2.6%                       |
| Jakarta Stock Exchange                     | 7            | 2.3%                       |
| Toronto Venture Exchange (TSX-V)           | 7            | 2.3%                       |
| <i>All other exchanges</i>                 | 66           | 22.1%                      |
| <b>Global total</b>                        | <b>302</b>   | <b>100.0%</b>              |

## Top 12 by capital raised

| Exchange                                  | Capital raised (US\$m) | percentage of global total |
|---|------------------------|----------------------------|
| Shanghai Stock Exchange (SSE)             | \$15,631               | 29.7%                      |
| Hong Kong Exchanges & Clearing Ltd (HKEx) | \$14,123               | 26.9%                      |
| Shenzhen Stock Exchange (SZE)**           | \$9,952                | 18.9%                      |
| New York Stock Exchange (NYSE)            | \$3,371                | 6.4%                       |
| NASDAQ                                    | \$2,173                | 4.1%                       |
| London Stock Exchange (LSE)               | \$1,614                | 3.1%                       |
| Bombay Stock Exchange (BSE)               | \$1,005                | 1.9%                       |
| Toronto Stock Exchange (TSX)              | \$730                  | 1.4%                       |
| Korea Stock Exchange (KSE)                | \$517                  | 1.0%                       |
| Deutsche Borse                            | \$493                  | 0.9%                       |
| Australian Securities Exchange (ASX)      | \$485                  | 0.9%                       |
| Indonesia Stock Exchange (IDX)            | \$426                  | 0.9%                       |
| <i>All other exchanges</i>                | \$2,031                | 3.9%                       |
| <b>Global total</b>                       | <b>\$52,549</b>        | <b>100.0%</b>              |

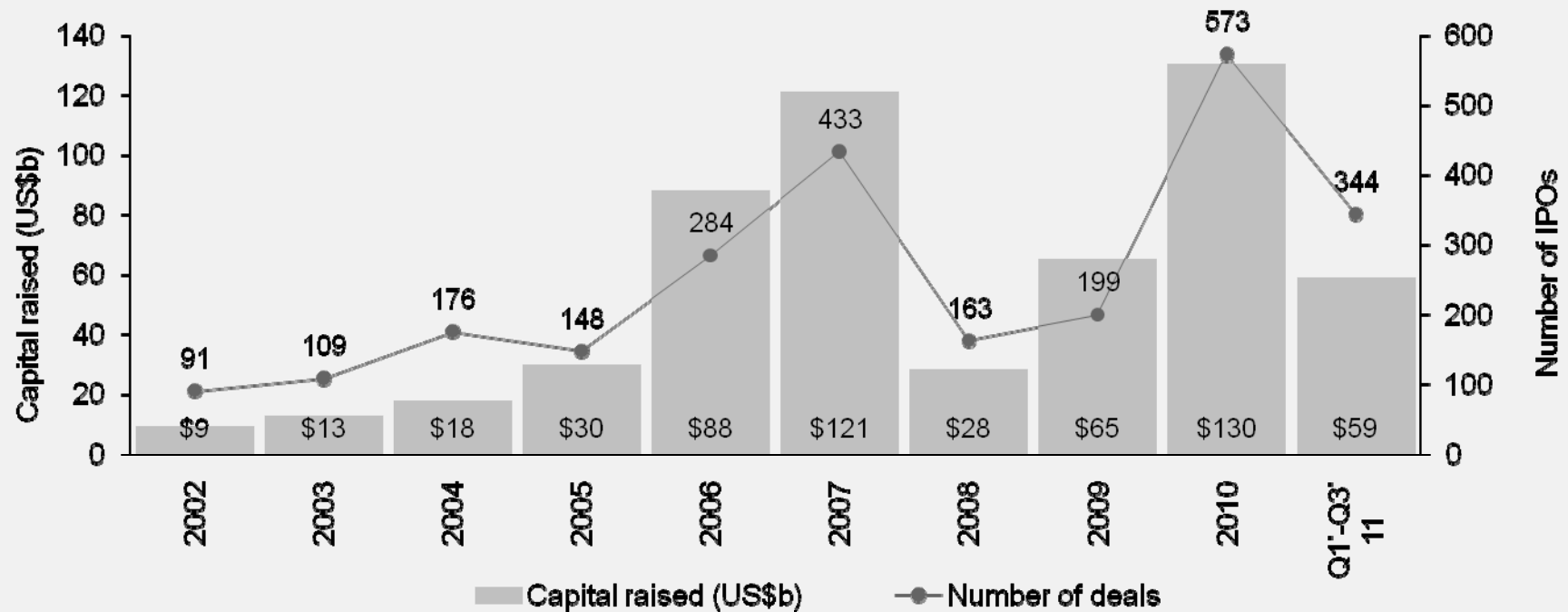
\*Data based on domicile of the exchange, regardless of the listed company domicile

\*\*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

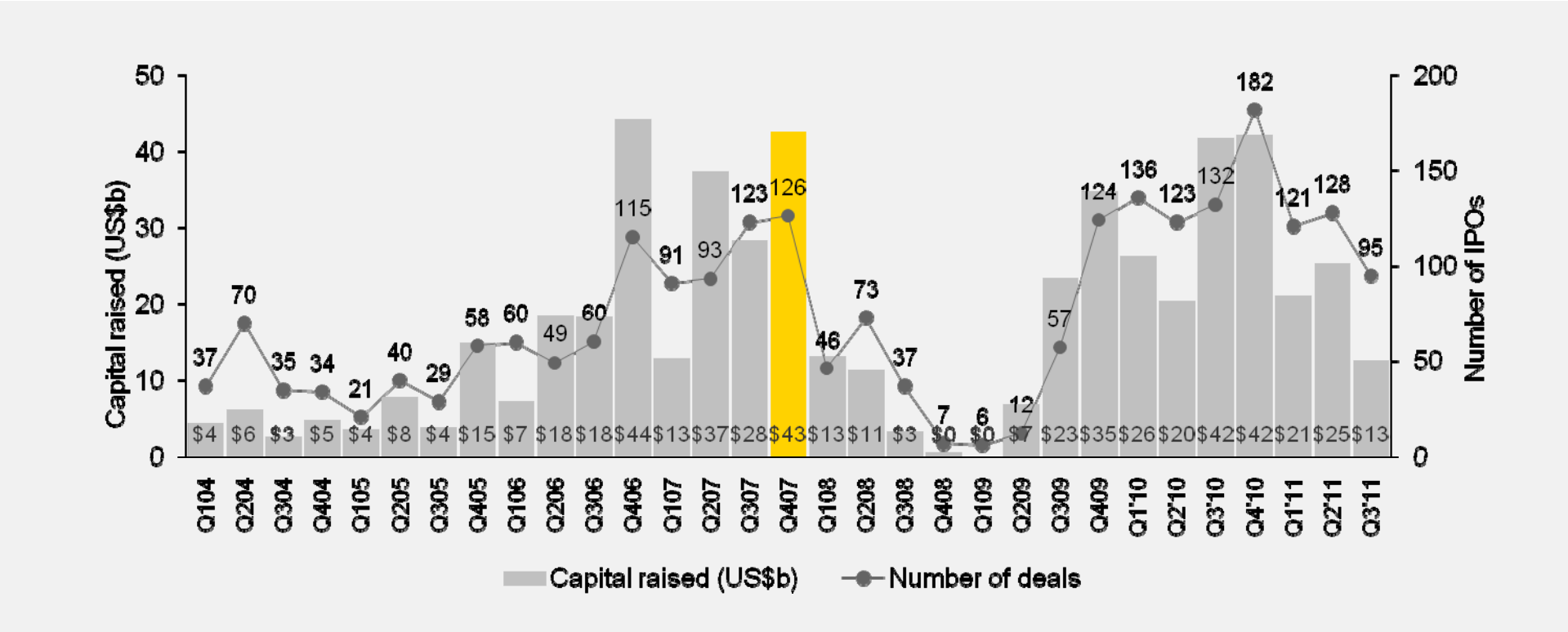
Emerging market continues to drive global IPO activity in Q3'11 (67% by global deals and 60% by global capital raised). Emerging markets issuers raised US\$17.2b from 191 IPO deals in Q3'11. There were 95 IPOs which raised US\$12.5 billion by BRIC issuers.



Source: Dealogic, Thomson Financial, Ernst & Young

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

In Q3'11, 2 of the 3 deals with capital raised above US\$1 billion were from emerging markets. Of the top 10 IPOs (by capital raised), 6 deals were from emerging countries. Of the top 20 IPOs, 12 deals were from emerging countries.



Source: Dealogic, Thomson Financial, Ernst & Young

# Q3'11 Top 20 IPOs by capital raised

| Issue month | Issuer name               | Domicile country   | Sector      | Issuer business description   | Capital raised (US\$m) | Exchange(s)        | Type of IPO |
|-------------|---------------------------|--------------------|-------------|---|------------------------|--------------------|-------------|
| Jul         | Bankia                    | Spain              | Financials  | Commercial bank   | 4,424                  | Madrid             |             |
| Jul         | JSW SA                    | Poland             | Materials   | Coal producer and distributor   | 1,923                  | Warsaw             | Former SOE  |
| Jul         | Sun Art Retail Group Ltd  | China              | Retail      | Hypermarket operator  | 1,217                  | Hong Kong          |             |
| Aug         | Founder Securities Co Ltd | China              | Financials  | Securities company  | 905                    | Shanghai           |             |
| Jul         | Bumi Armada Bhd           | Malaysia           | Industrials | Provider of marine transportation, engineering and support services to offshore oil and gas companies | 888                    | Kuala Lumpur       |             |
| Jul         | Banca Civica SA           | Spain              | Financials  | Commercial bank   | 857                    | Madrid             |             |
| Aug         | SandRidge Permian Trust   | US                 | Energy      | Oil trust   | 621                    | New York           |             |
| Sep         | Great Wall Motor Co Ltd   | China              | Industrials | Chinese truck and sport-utility vehicle maker.  | 621                    | Shanghai           |             |
| Jul         | PhosAgro OAO              | Russian Federation | Materials   | Phosphatic fertilizers manufacturer   | 565                    | London, MICEX, RTS |             |
| Jul         | Dunkin' Brands Group Inc  | US                 | Retail      | Franchisor of quick service restaurants   | 486                    | Nasdaq             | PE backed   |

Source: Dealogic, Thomson Financial, Ernst & Young

# Q3'11 Top 20 IPOs by capital raised

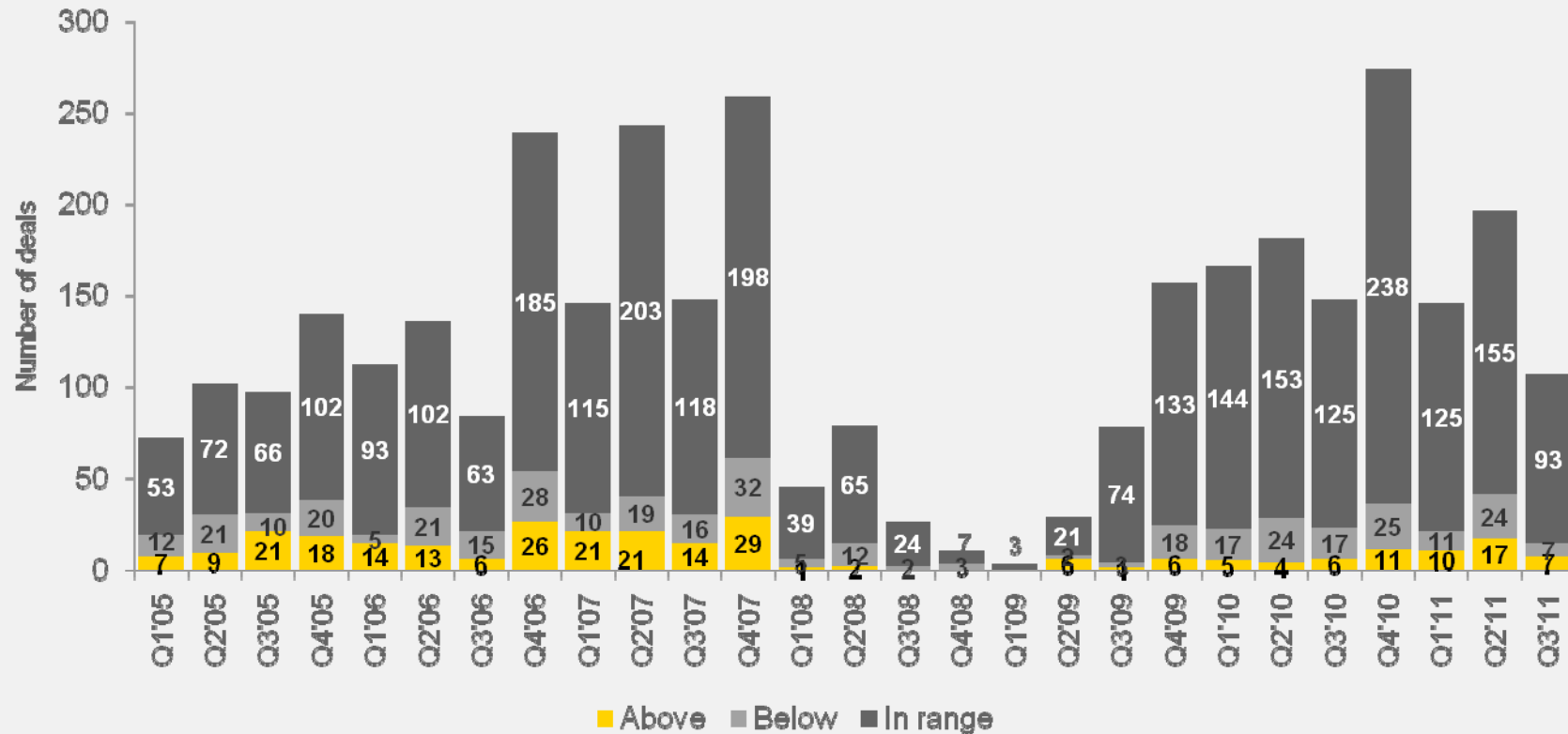
| Issue month | Issuer name                                       | Domicile country | Sector                         | Issuer business description   | Capital raised (US\$m) | Exchange(s)        | Type of IPO   |
|-------------|---|------------------|--------------------------------|---|------------------------|--------------------|---------------|
| Sep         | Beijing Jingyuntong Technology Co Ltd             | China            | Materials                      | Manufacturer of vacuum crystal growing equipment and crystal-silicon materials  | 395                    | Shanghai           |               |
| Jul         | Ophir Energy plc                                  | United Kingdom   | Energy                         | Oil and gas extraction firm   | 385                    | London             |               |
| Jul         | C&J Energy Services Inc                           | US               | Energy                         | Provider of coiled tubing and pressure pumping services to the oil and gas industry   | 384                    | New York           | PE backed IPO |
| Aug         | Zhejiang Kaishan Compressor Co Ltd                | China            | Industrials                    | Engaged in developing, producing and selling air compressors and mainly for industrial enterprises                              | 351                    | Shenzhen - Chinext |               |
| Jul         | Shijiazhuang Yiling Pharmaceutical Co Ltd         | China            | Health care                    | Manufacturer of hormonal products, cancer drugs, new agents as well as herbal medicine, health products and dietary supplements | 347                    | Shenzhen           |               |
| Aug         | Beijing Jangho Curtain Wall Co Ltd                | China            | Consumer products and services | Manufacturer of curtain walls, windows and other stainless steel products   | 340                    | Shanghai           | PE backed IPO |
| Aug         | Dundee International Real Estate Investment Trust | Canada           | Real estate                    | Real Estate Investment Trust  | 323                    | Toronto            |               |
| Jul         | Wesco Aircraft Holdings Inc                       | US               | Industrials                    | Distributor and provider of supply chain management services to the aerospace industry  | 315                    | New York           | PE backed IPO |
| Aug         | L&T Finance Holdings Ltd                          | India            | Financials                     | Provider of financial products and services to the corporate, retail and infrastructure finance sectors                         | 279                    | Bombay, National   |               |
| Aug         | Lancy Co Ltd                                      | China            | Retail                         | Engaged in sales, import and export of women's clothing   | 271                    | Shenzhen           |               |

**Total capital raised by top 20 IPOs: US\$15.9b**  
**Total global capital raised in Q3'11: US\$28.5b**  
**% of top 20: 56%**

Source: Dealogic, Thomson Financial, Ernst & Young

# Global number of IPOs\* by pricing range

While price-sensitive investors grew more cautious after mixed performances of some high-profile IPOs, 87.0% of global IPOs\* in Q3'11 priced within their initial filing range, while 6.5% were priced above. Only 6.5% of IPOs were priced below their initial filing range.

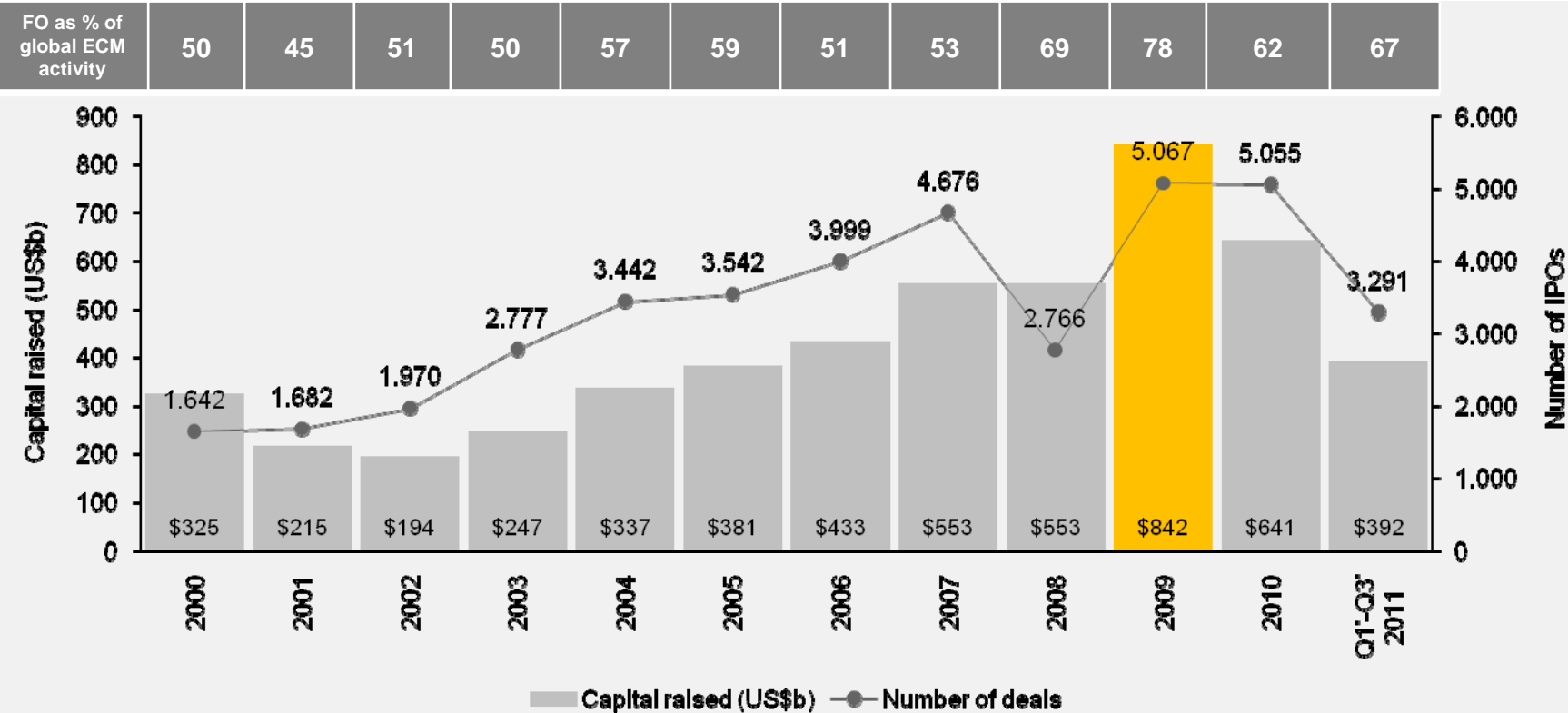


Source: Dealogic

\*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

# 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 the first nine months of 2011, there were 66 deals with capital raised above US\$1 billion – 41 were from developed markets, 25 were from emerging markets.



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

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# Appendix: definitions

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- ▶ The data presented in the Ernst & Young *Global IPO trends 2011 report and Quarterly Global IPO update* and press releases are from Dealogic, Thomson Financial and Ernst & Young.
- ▶ For the purposes of these reports and press releases, 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 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 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). 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.

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# 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, Vietnam
- ▶ **Greater China** includes Mainland China, Hong Kong, Taiwan and Macau 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 consist 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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