

Q1'10 Global IPO update

April 2010

Q1'10 key highlights

- ▶ Global IPO activity by number of IPOs, was significantly higher in Q1'10 (267 deals) compared with Q1'09 (52 deals), though this was lower than Q4'09 (297 deals):
 - ▶ 413% more IPOs in Q1'10 than Q1'09.
 - ▶ 10% fewer IPOs than Q4'09.
- ▶ Total capital raised in Q1'10 was significantly higher (US\$53.2 billion) than Q1'09 (US\$1.4 billion), but lower than Q4'09 (US\$67.2 billion):
 - ▶ 3667% more capital raised in Q1'10 than in Q1'09.
 - ▶ 20% less capital raised in Q1'10 than in Q4'09.
- ▶ The global IPO market recovery which started in second half of 2009 continued in Q1'10. The global IPO activity in Q1'10 is the highest first quarter activity since 2000 (by number of deals and capital raised). This is a good example of continuous recovery in global equity markets.
 - ▶ Nine IPOs had capital raised of over US\$1 billion in Q1'10 compared with none in Q1'09 and 17 in Q4'09.
 - ▶ Japan's Dai-ichi Life Insurance raised US\$11.0 billion, which constituted 21% of global capital raised. It is the largest IPO in Q1'10. It is the biggest IPO in two years since the US\$19.7 billion Visa IPO in March 2008 and the largest Japanese IPO since NTT DoCoMo's listing in 1998.
 - ▶ The second largest IPO was China's Huatai Securities, which raised US\$2.3 billion and constituted 4.3% of global capital raised in Q1'10.
 - ▶ Russia's United Co Rusal raised US\$2.2 billion (4.2% of global capital raised) was the third largest IPO this quarter. This is the first listing of a Russian company on the Hong Kong Stock Exchange (HKEx) and the second listing of a non-Far East issuer on HKEx (the 1st deal was by a German issuer in Q4'09).
 - ▶ The top three IPOs in Q1'10 accounted for 29% of the quarter's global capital raised.
- ▶ .

Q1'10 key highlights

- ▶ According to Dealogic, 33 IPOs, with expected capital raised of US\$23.1 billion, have been withdrawn or postponed during Q1'10.
 - ▶ These include the proposed US\$10 billion IPO from AIA group on HKEx, as well as sponsored-backed deals by UK's New Look Group (US\$1.0 billion) and Travelport (US\$2.2 billion) – both deals were postponed in early February.
- ▶ Europe and the US joined Asia in the continuous recovery of the global capital markets:
 - ▶ Asian issuers continue to drive global IPO activity in Q1'10 (62% of IPO activity by deals),
 - ▶ European IPO activity in Q1'10 shows significant recovery compared to 2009. Europe raised US\$8.0 billion in 39 deals in Q1'10. Europe activity (by number of deals and capital raised) is the highest quarterly total since Q2'08. In fact, capital raised by European issuers in Q1'10 exceed the total capital raised in 2009.
 - ▶ US IPO activity continues its recovery. While number of deals and capital raised were slightly lower in Q1'10 than Q4'09, there continues to be an increase in new IPO filings.
 - ▶ The Middle East and Africa IPO market remain stagnant in Q1'10.
- ▶ The recovery in financial sponsor backed IPO* activity that started in Q3'09 continues in Q1'10. The largest sponsor backed IPO in Q1'10 is Germany's Kabel Deutschland. Five of the top 20 IPOs were sponsor-backed IPOs (2 from Germany, 2 from US and 1 from China).
- ▶ Emerging markets continued to drive activity in the global IPO market:
 - ▶ Developing countries made up 72% of global number of deals, whereas developed countries made up 28%.
 - ▶ Developing countries raised 58% of the total global capital raised compared to 42% from developed economies.
 - ▶ The developing countries' share of capital raised was mainly due to BRIC (Brazil, Russia, India and China) countries' IPO activity, which constituted 49% of global capital raised in Q1'10.
 - ▶ Seven of the top 10 IPOs and 13 of the top 20 IPOs by capital raised were from emerging markets.

*Financial sponsor backed IPOs refer to private equity backed IPO deals. A financial sponsor is defined by 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."

Q1'10 key highlights

- ▶ 27 of Q1'10 global IPOs (10%) were former state-owned enterprises (SOEs). Twenty four of the 27 deals were from China, the other 3 deals are from other emerging markets.
 - ▶ Four of the top 20 IPOs were former SOEs, these were all from China.
- ▶ BRIC countries together raised US\$26.2 billion (49% of total capital raised) in 135 deals (51% of total deal numbers) in Q1'10.
 - ▶ While global number of deals declined 10% from Q4'09 to Q1'10, the number of deals by BRIC issuers actually increased 9%. This demonstrates the strength of emerging markets in IPO activity.
 - ▶ Six of the top 10 IPOs and 11 of the top 20 IPOs by capital raised were from BRIC issuers.

Geographical analysis:

- ▶ By number of IPOs:
 - ▶ Asia Pacific continues to be the leading region with 66% market share. EMEA and North America regions had 19% and 13% market share respectively.
 - ▶ Far East countries (China/HK, South Korea, Singapore, Japan, Thailand, Malaysia, Indonesia and Macau) accounted for 145 IPOs. Nine of the top 20 IPOs by value are domiciled in the Far East, 7 were from China/HK.
 - ▶ China/HK, US and India were market share leaders with 112, 25 and 20 IPOs respectively.
- ▶ By capital raised:
 - ▶ Asia Pacific was the market share leader with 66% in Q1'10. EMEA and North America were ranked second and third with 17% and 11% market share respectively.
 - ▶ China/HK, Japan and US were market share leaders in Q1'10 with 37% (US\$19.7 billion), 21% (US\$11.1 billion) and 8% (US\$4.2 billion) respectively.

Q1'10 key highlights

Industry analysis:

- ▶ Leading industries (by number of deals) are materials (53), industrials (51) and technology (38).
- ▶ Leading industries (by capital raised) include financials (US\$16.4 billion), materials (US\$10.2 billion) and industrials (US\$7.9 billion).
- ▶ Although only 9 IPOs in Q1'10 were by insurance companies (3% of global number of deals), these raised US\$13.4 billion altogether (25% of global capital raised). Three of this quarter's top 20 deals were from insurance issuers.

Exchange analysis:

- ▶ By number of IPOs:
 - ▶ China's Shenzhen Stock Exchange (SSE), India's Bombay Stock Exchange (BSE) and US's New York Stock Exchange (NYSE) were the top three exchanges respectively in Q1'10.
- ▶ By capital raised:
 - ▶ Japan's Tokyo Stock Exchange (TSE), China's Shanghai Stock Exchange (SSE) and Shenzhen Stock Exchange (SZE) were the top three exchanges respectively in Q1'10.
- ▶ Although only 1% of the total number of IPOs in Q1'10 were listed on Tokyo Stock Exchange, it attracted 21% of capital raised this quarter (#1 rank), due to hosting this quarter's largest IPO – Dai-ichi Life Insurance.

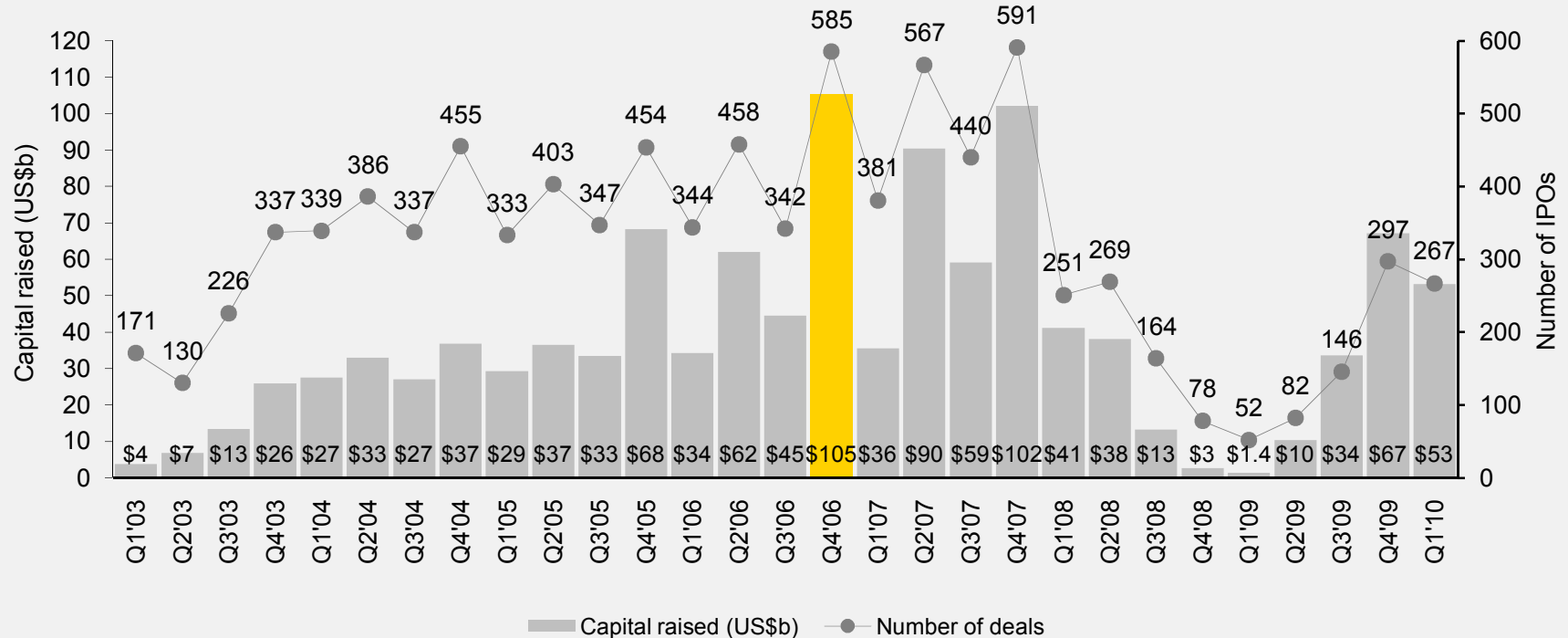
Q1'10 key highlights

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

- ▶ Emerging markets represent 7 of the top 10 IPOs and 13 of the top 20 IPOs:
 - ▶ Asia Pacific region accounts for 45% of the Top 20 Club (9 IPOs out of 20). Seven IPOs were from China/HK while Japan and South Korea had one deal each.
 - ▶ North America region accounts for 15% of the Top 20 Club (3 IPOs out of 20). Two deals were from US companies and 1 deal was from Canada.
 - ▶ EMEA region account for 25% of the Top 20 Club (5 IPOs out of 20). Two deals were from Germany, while Russia, Turkey and the UK had one deal each.
- ▶ Nineteen of the top 20 listed on their home exchange (as their primary exchange). The only deal of the top 20 that listed on a foreign exchange was Russia's Rusal which listed on the HKEx and Euronext.
- ▶ The top 10 IPOs globally raised US\$25.0 billion which represents about 47% of global capital raised in Q1'10. The top 20 IPOs together raised US\$30.8 billion which represents about 58% of global capital raised.
- ▶ Greater China was the source of 7 of the top 20 IPOs in Q1'10. Brazil and Russian issuers account for 3 and 1 deal respectively.
- ▶ The minimum deal value to join the global Top 20 Club in Q1'10 has risen to US\$420 million, compared to US\$7 million in Q1'09.
- ▶ The minimum deal value to join the global Top 10 Club in Q1'10 has risen to US\$982 million, compared to US\$20m in Q1'09.
- ▶ Materials industry generated six of the top 20 IPOs, while industrials and financial industries accounted for 5 and 4 of the top 20 IPOs, respectively.

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

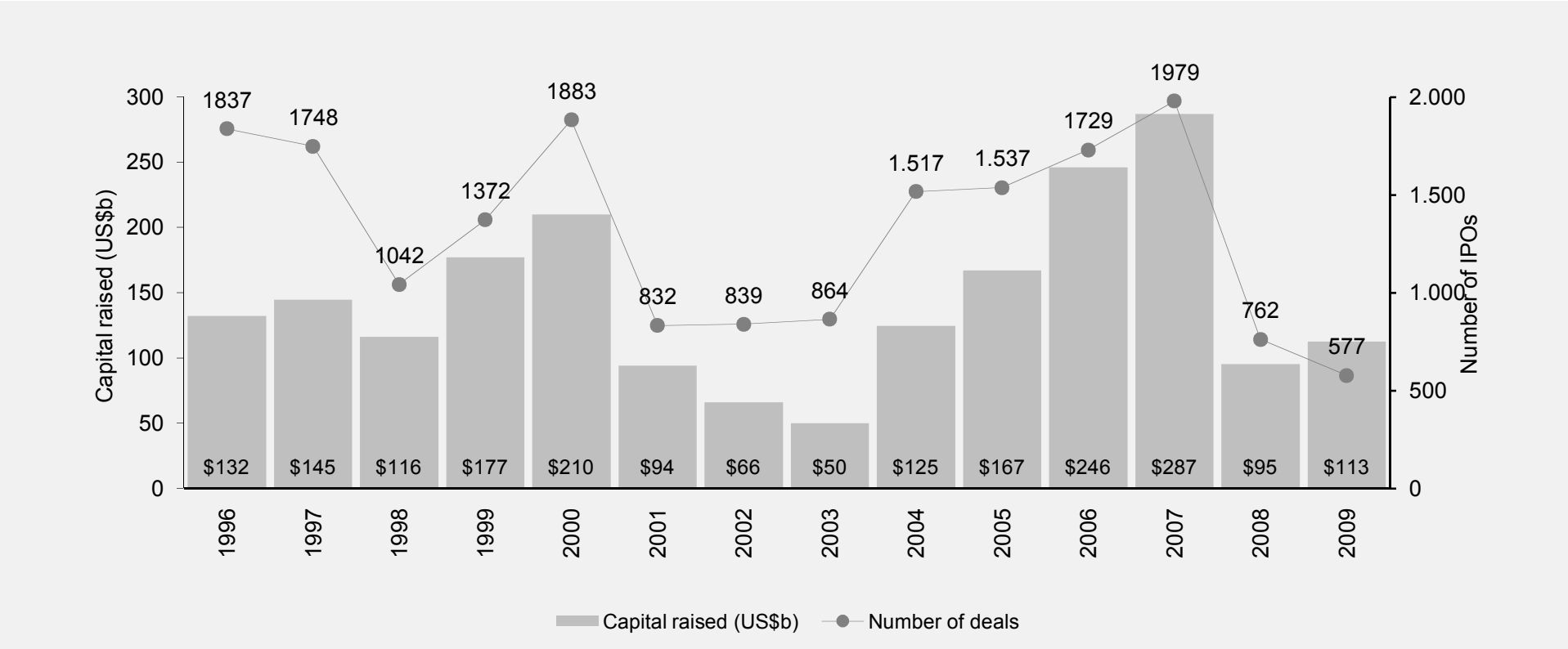
In Q1'10, there were 9 deals with capital raised above US\$1 billion. Of the top 10 IPOs (by capital raised), 7 deals were from emerging countries, while 3 were from developed countries. Of the top 20 IPOs, 13 deals were from emerging countries.



Source: Dealogic, Thomson Financial, Ernst & Young

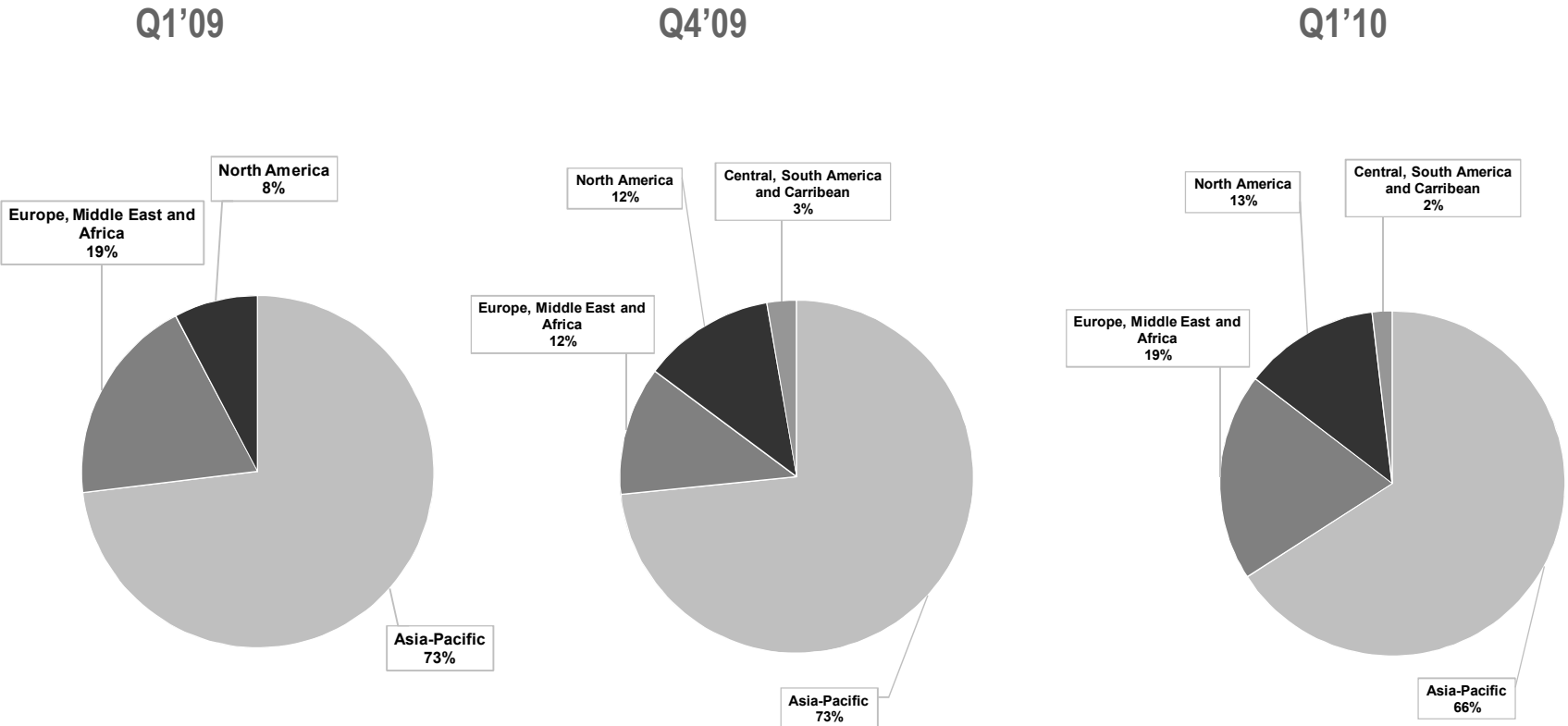
Global IPO activity: number of deals and capital raised by year

Global IPO activity increased significantly in the second half of 2009, compared to the first half. Improved economic conditions in many countries, stronger performance of global equity markets and increasing investor optimism contributed to this increase in IPO activity.



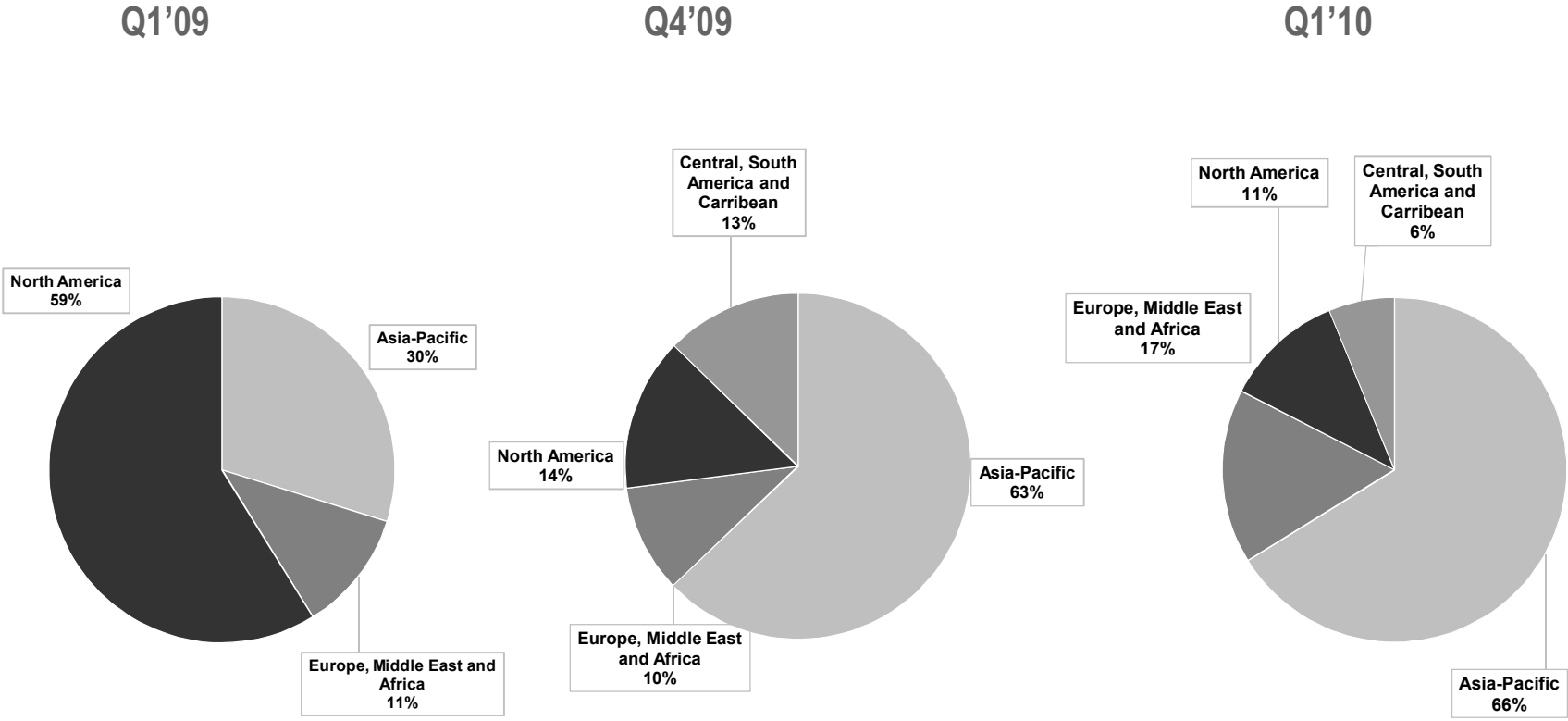
Source: Dealogic, Thomson Financial, Ernst & Young

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



Source: Dealogic, Thomson Financial, Ernst & Young

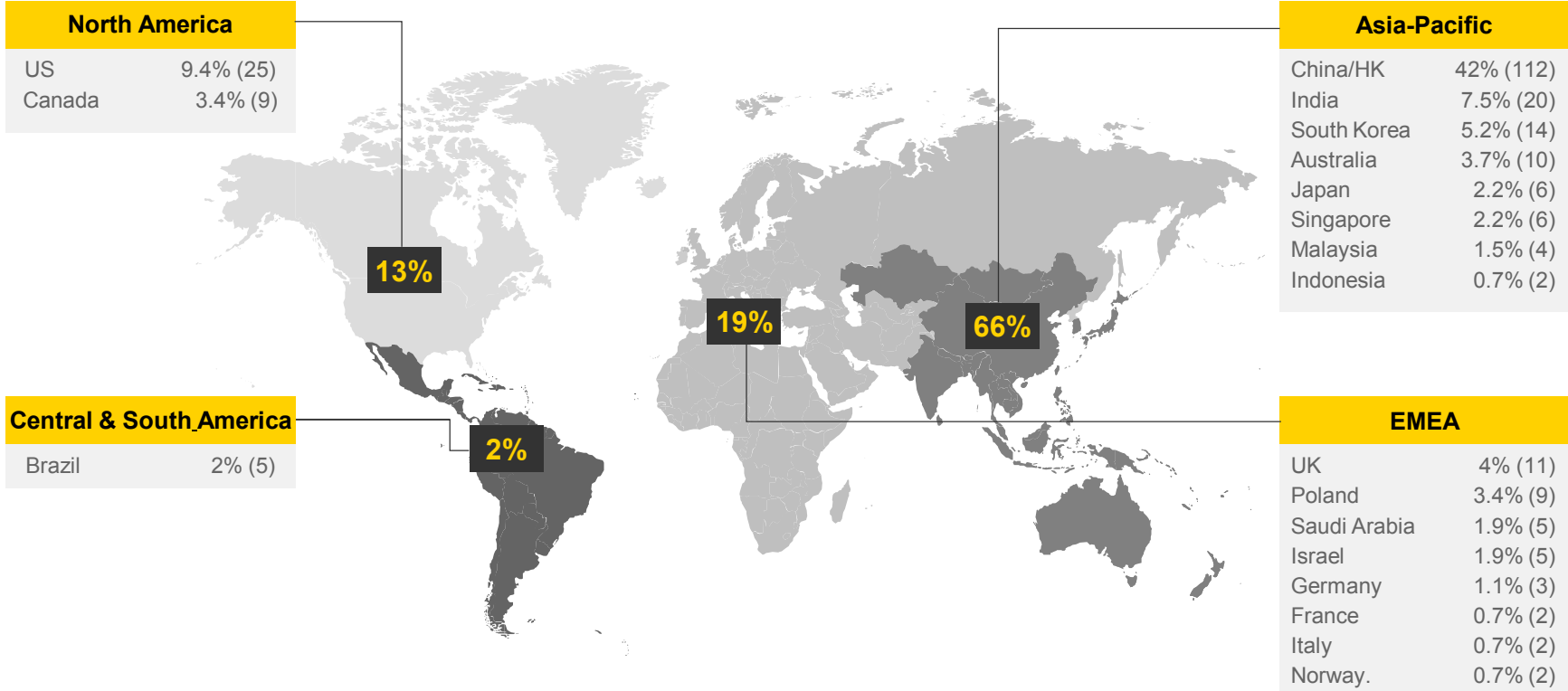
Global IPO activity: distribution of IPOs by world region (by capital raised)



Source: Dealogic, Thomson Financial, Ernst & Young

Q1'10 Global IPO activity: by region and number of deals

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



Developing countries made up 72% of the number of deals globally, whereas developed countries made up 28%. Developing countries raised 58% of the total global capital raised compared to 42% from the developed economies.

Source: Dealogic, Thomson Financial, Ernst & Young

2009 Global IPO activity: by region and capital raised

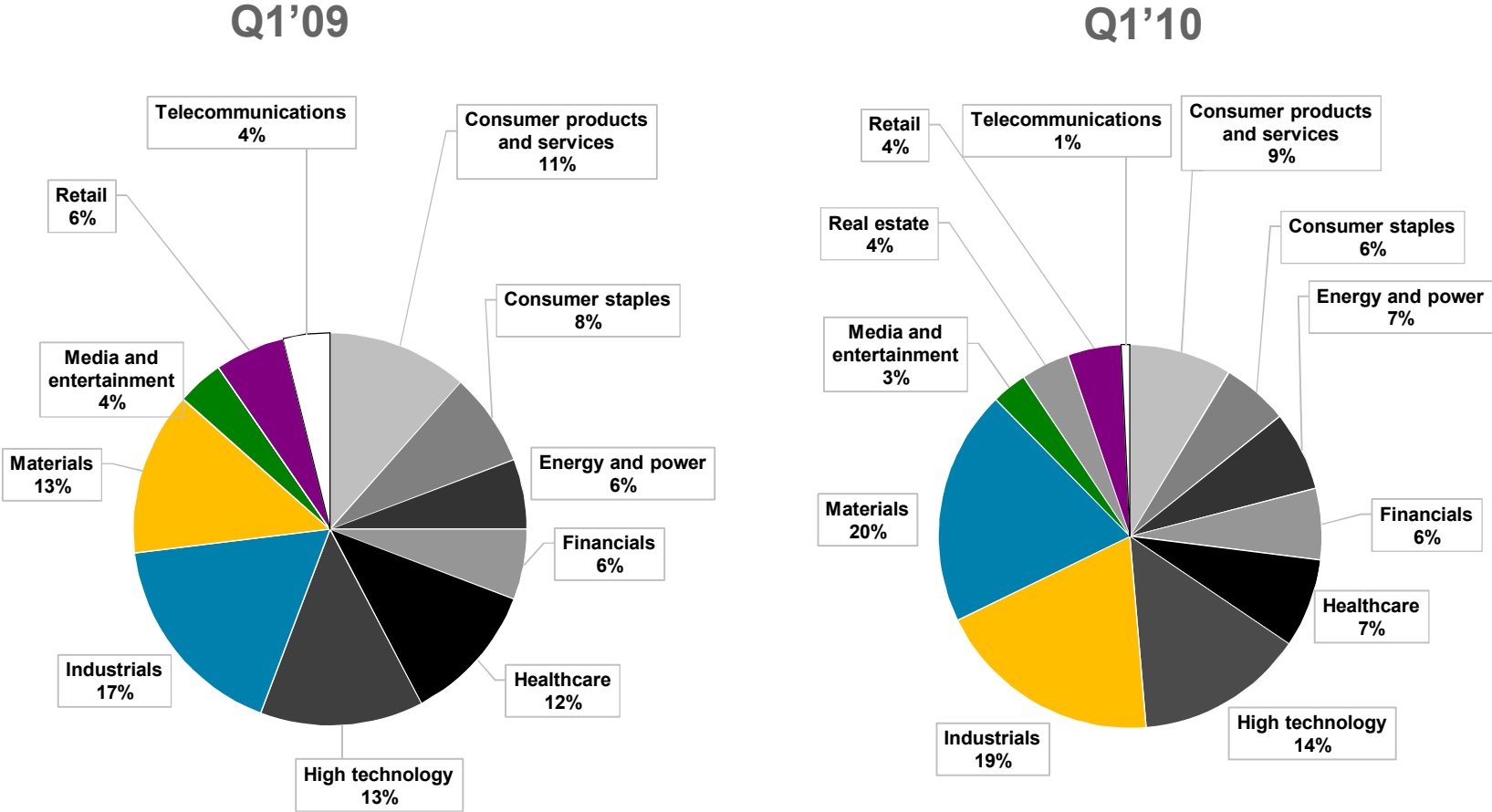
China/HK lead by total capital raised (US\$), followed by Japan and US



Seven of the top ten IPOs and 13 of the top 20 IPOs by capital raised were from emerging markets. BRICs together raised US\$26.2 billion (49% of total capital raised) in 135 deals (51% of total deal numbers).

Source: Dealogic, Thomson Financial, Ernst & Young

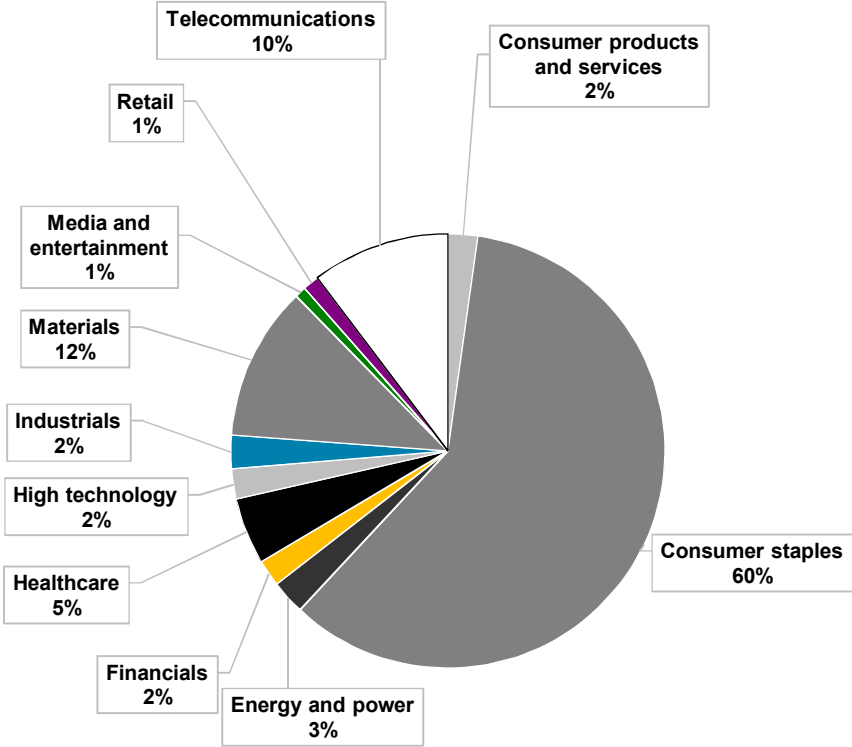
Global IPO activity: by industry and number of deals



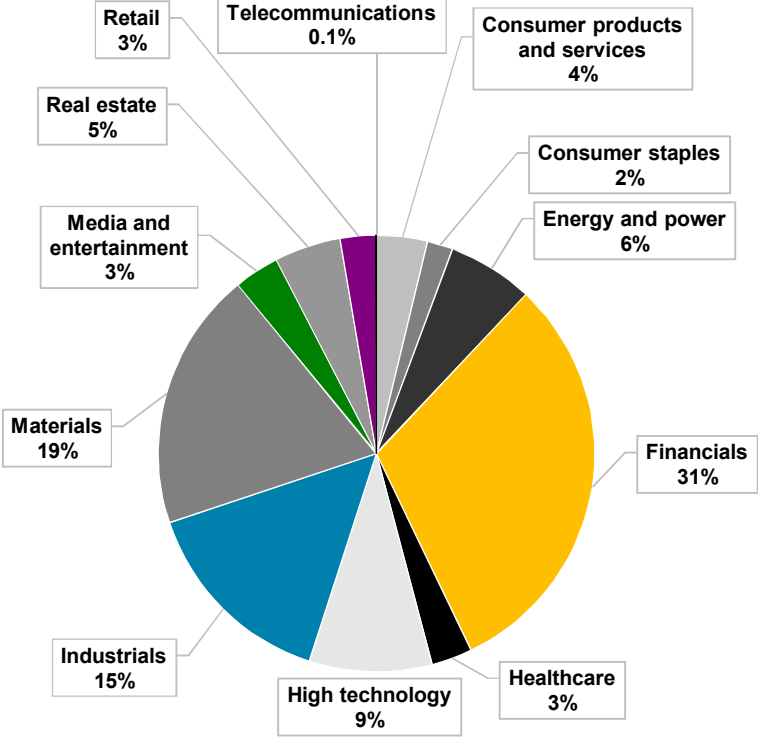
Source: Dealogic, Thomson Financial, Ernst & Young

Global IPO activity: by industry and total capital raised

Q1'09



Q1'10



Source: Dealogic, Thomson Financial, Ernst & Young

Q1'10 Global IPO activity: by stock exchanges*

Top 10 by number of deals

Primary exchange	No. of deals	%
Shenzhen Stock Exchange (SZE)**	81	30.3%
Bombay Stock Exchange (BSE)	19	7.1%
New York Stock Exchange (NYSE)	16	6.0%
NASDAQ	13	4.9%
Australian Securities Exchange (ASX)	12	4.5%
KOSDAQ	12	4.5%
Hong Kong Exchanges & Clearing Ltd (HKEx)	11	4.1%
Shanghai Stock Exchange (SSE)	10	3.8%
NewConnect – Warsaw	8	3.0%
London Alternative Investment Market (AIM)	7	2.6%

Top 10 by total capital raised

Primary exchange	Capital raised US\$m	%
Tokyo Stock Exchange (TSE)	\$11,014	20.7%
Shanghai Stock Exchange (SSE)	\$8,693	16.4%
Shenzhen Stock Exchange (SZE)**	\$8,623	16.2%
Hong Kong Exchanges & Clearing Ltd (HKEx)	\$3,925	7.4%
New York Stock Exchange (NYSE)	\$3,411	6.4%
Sao Paulo Stock Exchange (BOVESPA)	\$3,295	6.2%
London Stock Exchange (LSE)	\$1,875	3.5%
Korea Stock Exchange (KSE)	\$1,834	3.4%
Toronto Stock Exchange (TSX)	\$1,816	3.4%
NASDAQ	\$1,351	2.5%

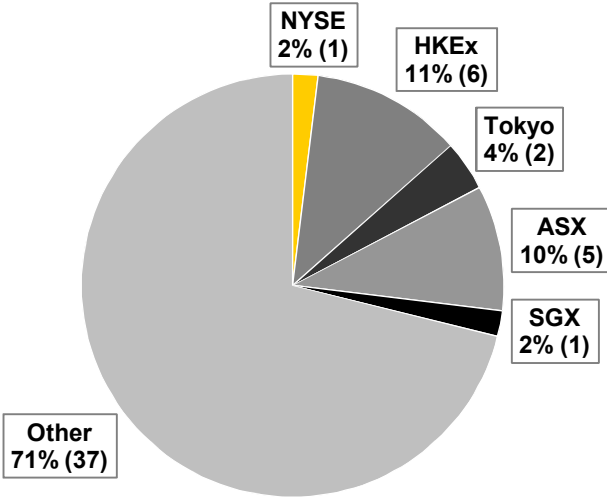
*Data based on domicile of the exchange, regardless of the listed company domicile

**Shenzhen Stock Exchange includes listings on Mainboard and ChiNext

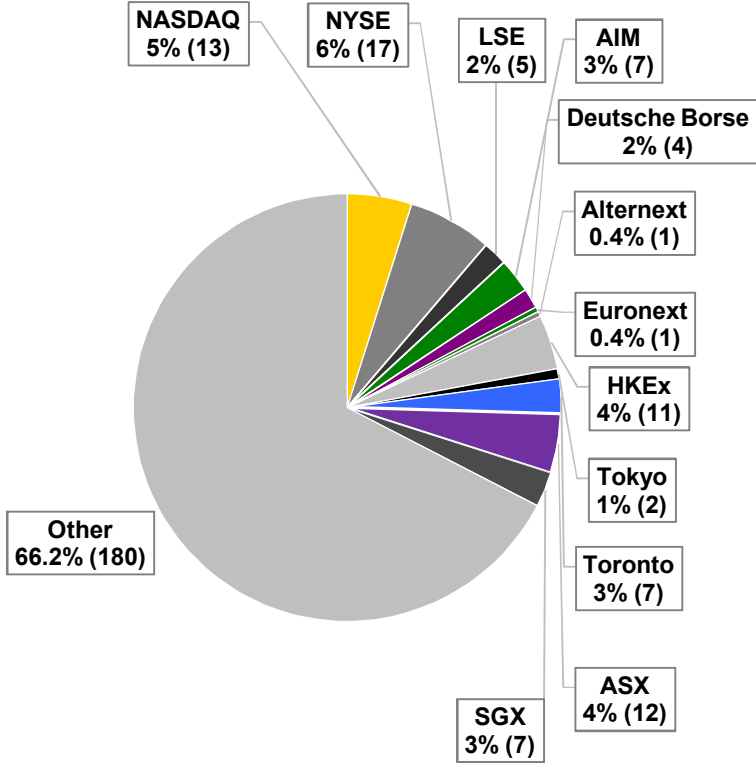
Source: Dealogic, Thomson Financial, Ernst & Young

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

Q1'09



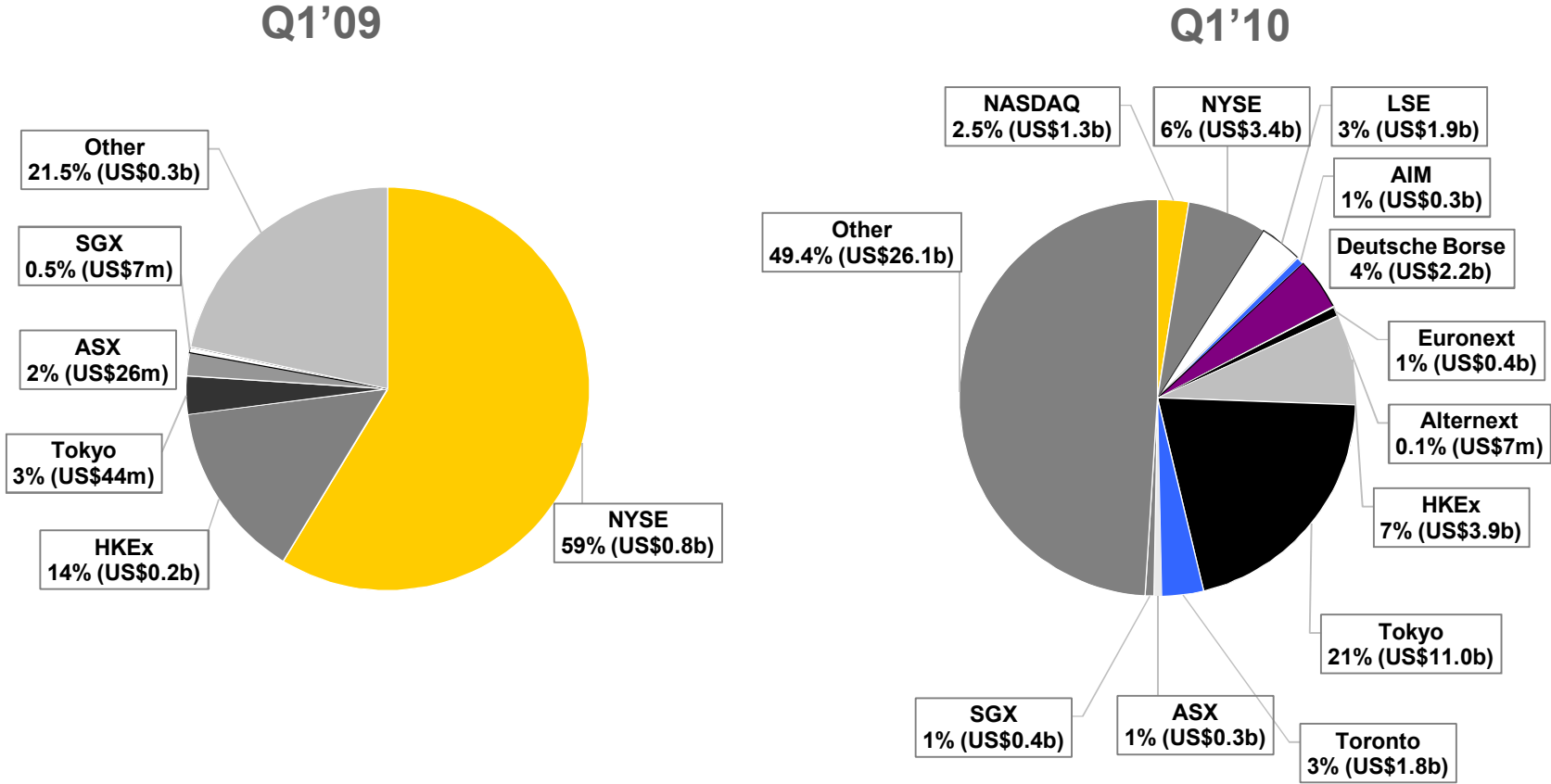
Q1'10



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

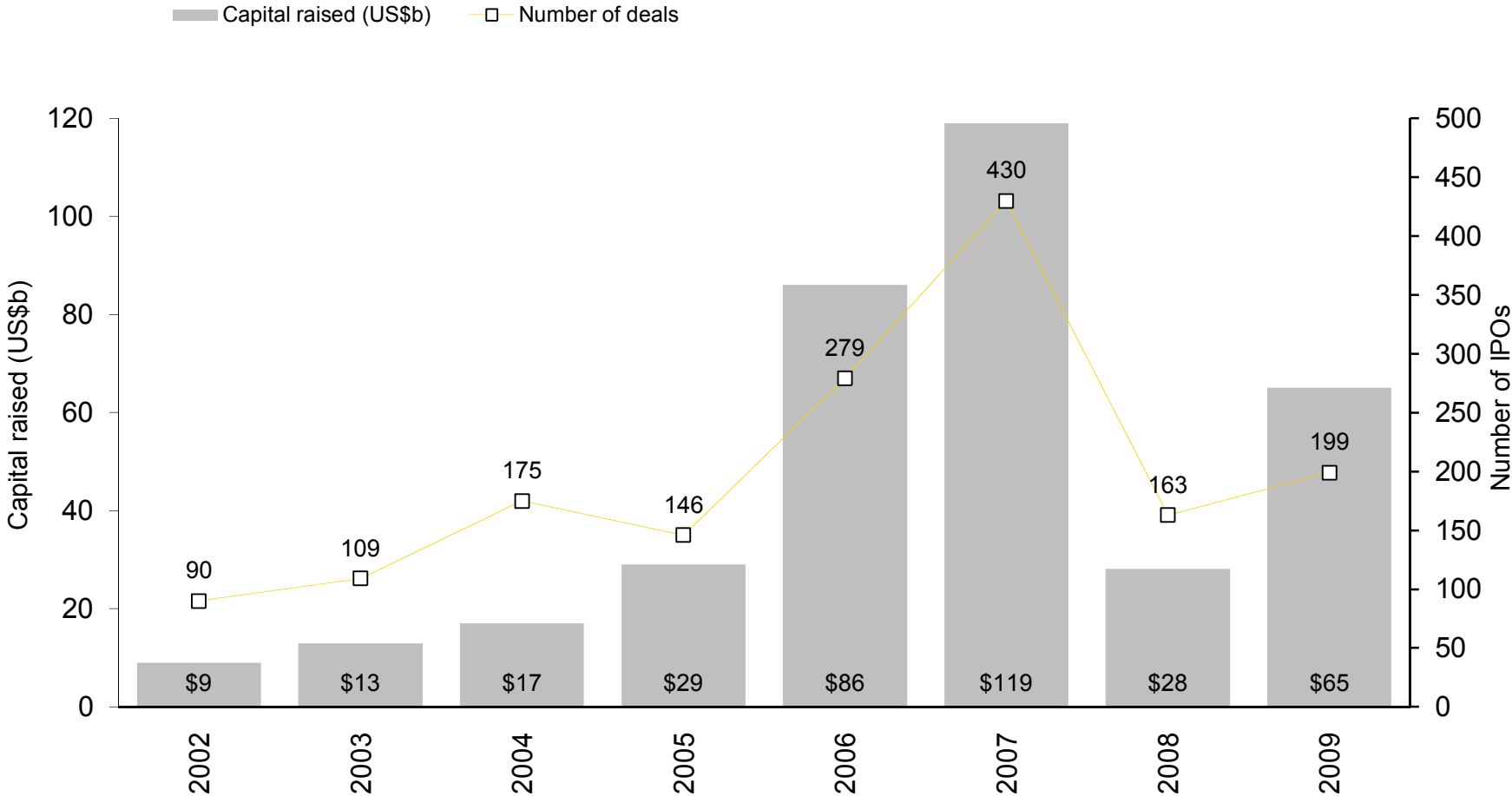
** Chart shows the IPO market share of the main "traditional" exchanges (vs. the rise of the emerging exchanges) . For list of Top 10 exchanges in Q1'10, please refer to slides 15.
Source: Dealogic, Thomson Financial, Ernst & Young

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



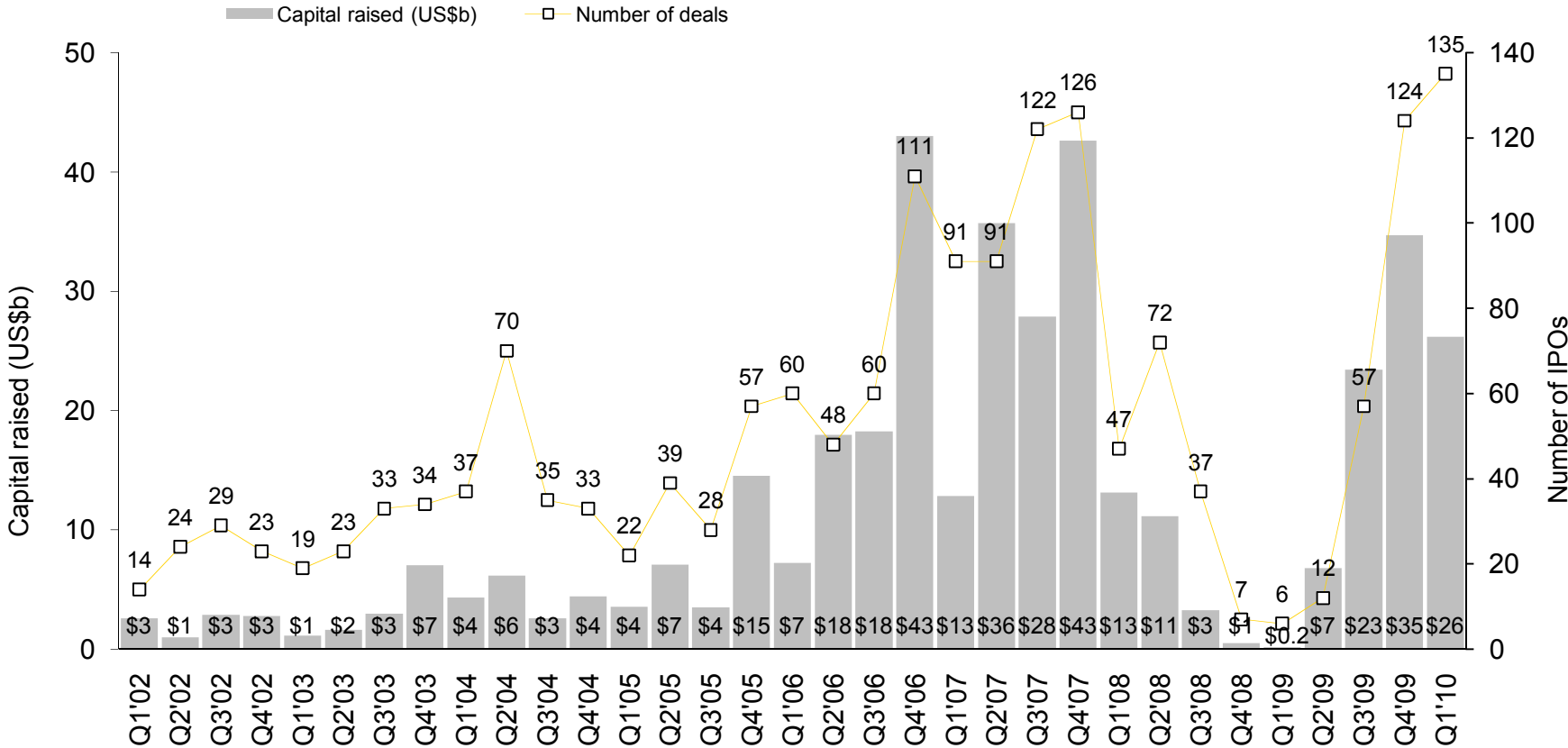
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 Source: Dealogic, Thomson Financial, Ernst & Young

Emerging markets: IPO activity by year in the BRIC countries



Source: Dealogic, Thomson Financial, Ernst & Young

Emerging markets: IPO activity by quarter in the BRIC countries



Source: Dealogic, Thomson Financial, Ernst & Young

Q1'10 top 20 IPOs by capital raised

Issue date	Issuer name	Domicile nation	Industry description	Proceeds (US\$m)	Primary exchange
23/3/10	Dai-ichi Life Insurance Co Ltd	Japan	Financials	10986	Tokyo Stock Exchange (TSE)
26/2/10	Huatai Securities Co Ltd	China	Financials	2299	Shanghai Stock Exchange (SSE)
27/1/10	United Co Rusal Ltd	Russian Fed	Materials	2239	Hong Kong Exchanges & Clearing Ltd (HKEx), Euronext
9/2/10	China First Heavy Industries	China	Materials	1670	Shanghai Stock Exchange (SSE)
5/3/10	Korea Life Insurance Co Ltd	South Korea	Financials	1555	Korea Stock Exchange (KSE)
28/1/10	China XD Electric Co Ltd	China	High technology	1512	Shanghai Stock Exchange (SSE)
17/3/10	OSX Brasil SA	Brazil	Industrials	1388	Sao Paulo Stock Exchange (BOVESPA)
30/3/10	Athabasca Oil Sands Corp	Canada	Energy & power	1321	Toronto Stock Exchange (TSX)
19/3/10	Kabel Deutschland GmbH	Germany	Media & entertainment	1036	Deutsche Borse
7/1/10	China National Chemical Engineering Co Ltd	China	Industrials	982	Shanghai Stock Exchange (SSE)

Source: Dealogic, Thomson Financial, Ernst & Young

Q1'10 top 20 IPOs by capital raised

Issue date	Issuer name	Domicile nation	Industry description	Proceeds (US\$m)	Primary exchange
19/3/10	African Barrick Gold	United Kingdom	Materials	889	London Stock Exchange (LSE)
29/3/10	Brenntag Holding GmbH	Germany	Materials	872	Deutsche Borse
30/3/09	EcoRodovias Infraestrutura e Logistica SA	Brazil	Industrials	656	Sao Paulo Stock Exchange (BOVESPA)
10/3/09	Sensata Technologies Holding BV	United States	Industrials	569	New York Stock Exchange (NYSE)
4/3/10	BR Properties SA	Brazil	Real estate	523	Sao Paulo Stock Exchange (BOVESPA)
29/3/10	Chongqing Water Group Co Ltd	China	Energy & power	511	Shanghai Stock Exchange (SSE)
31/03/10	Beijing Haohua Energy Resources Co Ltd	China	Materials	480	Shanghai Stock Exchange (SSE)
8/2/10	Koza Gold Operations Co	Turkey	Materials	433	Istanbul Stock Exchange (ISE)
26/3/10	Zhongsheng Group Holdings Ltd	China	Industrials	424	Hong Kong Exchanges & Clearing Ltd (HKEx)
21/1/10	Symetra Financial Corp	United States	Financials	420	New York Stock Exchange (NYSE)

Source: Dealogic, Thomson Financial, Ernst & Young

Appendix: definitions

- ▶ The data presented in the *Annual IPO trends report* and *Quarterly and Year End press release* 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 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
 - ▶ 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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