

# News Release

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## PricewaterhouseCoopers U.S. IPO Watch Report:

### 2008 IPO Market Experienced Lowest Activity in 30 Years despite Largest Offering in History

#### Lack of Financial Sponsored-Backed and Non-US Issuers IPOs amidst Challenging Markets Stifled Deal Flow; IPO Activity Could Return by Late 2009

**NEW YORK, April 1, 2009** – Investors and issuers largely avoided the United States (U.S.) initial public offerings (IPOs) market in 2008 amidst a slowing economy and growing credit market turmoil. Volume (number) and value (proceeds) of U.S. IPOs in 2008 decreased by 80.7% and 54.9%, respectively, to 57 IPOs with proceeds of \$29.4 billion compared to 296 IPOs with proceeds of \$65.1 billion in 2007.

Although 2008 witnessed the largest IPO offering in history from Visa Inc., which raised \$17.9 billion, representing 60.9% of the total IPO proceeds raised in 2008, IPO activity for the year was the lowest since the late 1970s. America Water Works Company, Inc. was the only other IPO during 2008 that raised more than a billion dollars as compared to seven IPOs with more than a billion in proceeds in 2007.

"The volatility and performance of the equity markets presented increasing challenges to the IPO market during 2008, with uncertainty around valuations creating difficulty in pricing deals.," said Scott Gehsmann, a capital markets partner in PricewaterhouseCoopers' Transaction Services Group.

An increased number of companies withdrew or postponed their IPOs during 2008. As of December 31 2008, 105 IPOs had been either postponed or withdrawn, compared to 25 withdrawn or postponed deals for the same period in 2007. After a continual increase of financial sponsor-backed and special purpose acquisition company ("SPAC") IPOs during the last few years, the trend reversed rapidly in 2008. Financial sponsors backed only 14 IPOs totaling \$2.3 billion in 2008, a significant decrease from 163 such IPOs that raised \$30.0 billion in 2007. SPAC IPOs declined from 49 offerings in 2007 to 12 in 2008, and total proceeds fell from \$9.9 billion to \$3.5 billion, respectively.

IPO's from, non-U.S. issuers also declined, completing only 17 IPOs that raised a mere \$1.9 billion in the U.S. during 2008. This was a significant decline from 2007, which saw 56 offerings that raised \$16.7 billion. "The decline was felt globally as the European and Greater China markets witnessed steep declines in IPO activity as well," said Gehsmann.

On the prospects for a recovery of IPO activity in the US in 2009, Gehsmann posits that investors looking for returns beyond those offered in other investments could help "unfreeze" the equity market. That said, we expect the 'thaw' to be slow, and significant IPO activity may not return until later in 2009.

**US IPO Watch** is a quarterly survey of all IPOs listed on U.S. exchanges. These include IPOs by domestic and foreign companies, best-efforts, business development companies, filings with the FDIC, and bank demutualizations. IPOs do not include unit investment trusts and fully classified closed-end funds. This survey captures IPOs listed between January 1, 2008 and December 31, 2008. Visit our website, [www.pwc.com/ustransactionservices](http://www.pwc.com/ustransactionservices), for our 2004, 2005, 2006, 2007 and 2008 U.S. IPO Watch reports.

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