

News Release

CONTACT: Jenna Focarino
 Brainerd Communicators, Inc.
 (212) 986-6667
focarino@braincomm.com

OR: Nancy Wu
 PricewaterhouseCoopers Transaction Services
 (646) 471-2471
nancy.n.wu@us.pwc.com

PricewaterhouseCoopers U.S. IPO watch Report:

After a record year of U.S. IPO activity in 2007, 2008 is off to a sluggish start

2007 U.S. IPO activity was the highest since 2000, fueled by special purpose acquisition company (SPAC), alternative investment manager (AIM) and non-U.S. company IPOs

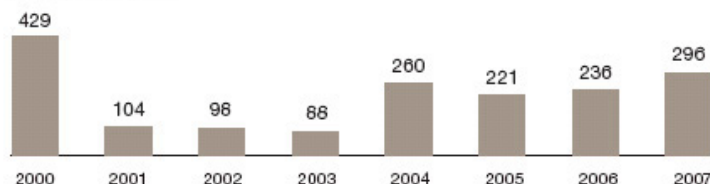
NEW YORK, April 21, 2008 – United States IPO (initial public offering) activity in 2007 was the highest since 2000. During 2007, 296 IPOs generated \$65.1 billion in proceeds compared to 236 IPOs that raised \$49.9 billion in 2006. The turbulence in the credit markets did not hinder IPO activity in the latter half of 2007. In fact, the fourth quarter, with 101 IPOs, was the most active quarter in terms of IPO volume in the last eight years.

Total number of IPOs and offering value by year

Offering value by year
 (US\$ millions)



Number of IPOs



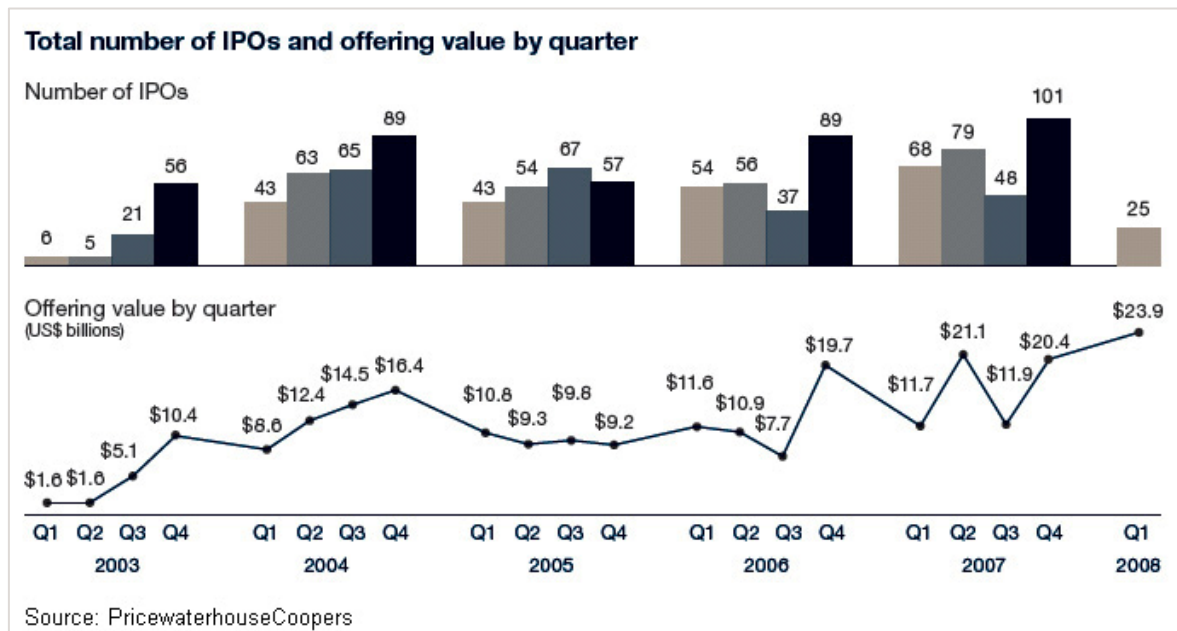
Source: PricewaterhouseCoopers

Among the key factors that drove 2007 IPO activity was the growth in SPAC listings, which increased from 18 offerings raising \$2.4 billion in 2006 to 49 IPOs accumulating \$9.9 billion in 2007.

"SPAC IPO volume grew considerably in 2007, representing roughly 17% of the total IPO volume and 15% of the total IPO proceeds, up from 8% and 5%, respectively, in 2006," said Scott Gehsmann, a capital markets partner in PricewaterhouseCoopers' Transaction Services group. "The growing volume of SPAC IPOs continued in 2008 with eight such deals raising \$3.1 billion in the first quarter," Gehsmann added.

AIM IPOs made their debut in 2007, completing four IPOs that raised \$6.0 billion. The largest U.S. IPO in 2007 was an AIM offering—the \$4.1 billion Blackstone IPO. Non-U.S. issuers' sustained interest in the U.S. capital markets also fueled IPO activity. In 2007, non-U.S. companies raised \$16.7 billion in proceeds from 56 offerings, an increase from \$8.6 billion from 28 IPOs in 2006. China was the most active foreign registrant.

Other drivers of 2007 U.S. IPO activity were increased proceeds from billion dollar deals and a rapidly growing volume of mid-sized deals. Proceeds from billion dollar deals increased nearly 15% from \$11.7 billion in 2006 to \$13.4 billion in 2007. IPO volume for transactions from \$150 million-to-\$499 million increased 79% from 2006 to 2007, while IPO value rose 69% during the same period.



Financial sponsor-backed IPO volume increased slightly in 2007, and, continuing the trend from 2006, drove more than half of the 2007's IPO volume.

On the global front, Europe continued to lead in IPO volume and value, with 813 IPOs that raised \$117.2 billion in 2007. Although U.S. IPO proceeds increased from \$49.9 billion in 2006 to \$65.1 billion in 2007, its share of the global IPO proceeds remained around 20%. However, Greater China—Hong Kong, Shanghai, Shenzhen and Taiwan—continued to increase its share of global IPO proceeds from 18% in 2005 to 36% in 2007.

U.S. IPO activity in the first quarter of 2008 is off to a very slow start. There were 25 IPOs in the first quarter of 2008, down significantly from 68 IPOs for the same period last year. IPO proceeds for the first quarter of 2008 were skewed by the \$17.9 billion Visa IPO, the largest US IPO in history. Excluding the Visa IPO, IPO value was \$6.0 billion, down almost 50% from the \$11.7 billion raised in the first quarter of 2007. That said, the U.S. IPO pipeline appears relatively strong. According to Thomson Financial, 179 companies have filed with SEC as of March 27, 2008 to raise capital in the U.S.

"Volatility in the equity markets is challenging deal execution. During 2008, both the debt and equity markets will be pursuing greater stability, which should fuel IPO activity," said Gehsmann.

U.S. 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, 2007 and December 31, 2007. First quarter 2008 insights are also included. Visit our website, www.pwc.com/ustransactionservices, for our 2004, 2005, 2006 and 2007 U.S. IPO Watch reports.

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