

Mid Year 2007 DR Market Roundup

DEPOSITARY RECEIPTS (DR) CAPITAL RAISED REACHES ALL-TIME HIGH OF \$22.2 BILLION IN FIRST HALF 2007

- **Record set for IPO capital raised – \$15.8 billion – driven by BRIC (Brazil, Russia, India and China)**
- **DR trading value increases 29% to record \$1.04 trillion. Trading volume rises 19% to record 25.4 billion ADRs**

Total year-to-date 2007 capital raised in DR form (primary and secondary offerings) was a record \$22.2 billion, a 37% increase over the first half of 2006. This was the highest first half total ever, topping the \$17.1 billion raised during the comparable period in 2000. The \$22.2 billion of DR capital raised was comprised of \$15.8 billion (71%) in primary offerings and \$6.4 billion in secondary offerings (companies with existing programs offering additional tranches of DRs in the market).

Capital raised in the form of DRs as primary offerings (primary offerings are Initial Public Offerings (IPOs) of companies coming to the U.S., London or Luxembourg markets for the first time) by non-U.S. companies YTD through June 22, 2007 totaled \$15.8 billion, a 49% increase over the first half of 2006. ⁽¹⁾ This was the highest first half IPO total ever, exceeding last year's record of \$10.6 billion.

The 2007 first half total was paced by five IPOs: JSC VTB Bank (Russia), whose \$5.2 billion IPO in DR form on the London Stock Exchange (LSE) in May was the second largest DR capital raising in history; Sterlite Industries (India), whose \$2.0 billion ADR IPO on the NYSE in June was the largest Indian capital raising in history; AFI Development (Russia, LSE, \$1.5 billion); PIK Group (Russia, LSE, \$1.4 billion); and Magnitogorsk Iron & Steel Works (Russia, LSE, \$1.0 billion).

"Issuers from the 'BRIC' countries (Brazil, Russia, India and China) drove the worldwide increase in first half 2007 IPOs in DR form, raising \$15.1 billion. This accounted for 95% of the worldwide total of \$15.8 billion," said Nancy Lissemore, Managing Director of Depositary Receipt Services for Citi. By contrast, in the first half of 2006, issuers from the "BRIC" countries raised \$3.1 billion in IPOs in DR form, accounting for 29% of the \$10.6 billion total.

Russian issuers raised \$10.4 billion, an 878% increase over 2006, accounting for 69% of the total. Issuers from India raised \$2.1 billion, a 96% increase over 2006, for a 14% share. Issuers from China raised \$2.1 billion, an 811% year-on-year increase, for 14% of the total, and Brazilian issuers raised \$0.5 billion, a 27% decrease from 2006, for 3% of the total.

DR Trading Value Increases by 29% Over 2006, While ADR Trading Volume Rises 19%

Projected first half 2007 US\$ value of trading of DRs (based on actual May YTD data) is an all-time record \$1.04 trillion, up 29% over 2006's total of \$803 billion. U.S.-listed ADRs represent \$858 billion of the 2007 total, up 29% from 2006. London-traded GDRs represent \$178 billion of the total, up 30% over the first half of 2006. ⁽²⁾

The 29% growth in ADR trading value exceeded the year-over-year growth in the U.S. market, and the 30% growth in GDR trading value trailed the year-over-year growth in securities listed on the London Stock Exchange. For the U.S. market (excluding ADRs), projected first half 2007 US\$ value of trading is \$18.4 trillion, up 7% from last year, and projected first half 2007 US\$ value of trading for the London Stock Exchange (excluding GDRs), is \$5.1 trillion, up 42% over 2006. ⁽³⁾

Projected first half 2007 ADR trading volume on U.S. exchanges (based on May YTD actual) is a record 25.4 billion ADRs traded, up 19% over 2006's total of 21.4 billion.

U.S. Investment in Non-US Equities Reaches \$4.1 Trillion – A New Record

According to the U.S. Federal Reserve, total U.S. investment in non-US equities in the first quarter of 2007 (both DRs and non-US shares) increased by \$713 billion (21%) over first quarter 2006, reaching \$4.1 trillion, an all-time record. ⁽⁴⁾ Rising asset values accounted for \$584 billion of the total increase, while net capital inflows counted for \$129 billion. "We expect continued robust growth in the level of total U.S. investment in non-US equities in 2007," said Lissemore.

International Equity Fund Growth Exceeds U.S. Investment in Non-US Equities

From 1990 through the first quarter of 2007, the annual growth rate in international equity mutual funds exceeded that of U.S. investment in non-US equities. Based on data from the Investment Company Institute and the U.S. Federal Reserve, the annual growth rate for international mutual funds was 28%, compared to 19% for total U.S. investment in non-US equities excluding international mutual funds.

Total net asset values of international equity mutual funds reached a record \$1.2 trillion as of first quarter 2007, an increase of \$299 billion (32%) over first quarter 2006. ⁽⁵⁾ Rising asset values accounted for \$169 billion of the total increase, while net inflows counted for \$131 billion.

Mutual fund investment has grown from 11% of total non-US investment in 1990 to a record 30% as of first quarter 2007. "The higher growth rate in investment in international mutual funds reflects increasing individual investor appetite for non-US equities, especially DRs," Lissemore said. "The strength of this longer term trend reinforces the message of record-setting DR activity so far this year across all key measures."

(1) Source: Citigroup and other depositories,

(2) Source: NYSE, NASDAQ, AMEX, LSE,

(3) Source: World Federation of Exchanges,

(4) Source: Board of Governors of the Federal Reserve System, "Flow of Funds Accounts of the U.S., Flows and Outstandings, First Quarter 2007," June 7, 2007,

(5) Source: Investment Company Institute.

Globally, the 25 largest DR capital raisings June 22, 2007 YTD were:

Capital Raising Events – June 22, 2007 YTD

	Issuer	Country	Exchange	Event Date	Value (US\$ millions)	IPO?
1	JSC VTB Bank	Russia	LSE	3/15/2007	5,192	Yes
2	TSMC	Taiwan	NYSE	5/23/2007	2,563	
3	Sterlite Industries (India) Ltd.	India	NYSE	6/22/2007	2,016	Yes
4	AFI Development plc	Russia	LSE	5/11/2007	1,540	Yes
5	PIK Group	Russia	LSE	6/5/2007	1,440	Yes
6	Magnitogorsk Iron & Steel Works	Russia	LSE	4/27/2007	972	Yes
7	HBOS plc.	U.K.	PORTAL	5/21/2007	750	
8	Embraer	Brazil	NYSE	2/12/2007	730	
9	Focus Media Holding Limited	China	NASDAQ	1/31/2007	608	
10	Pharmstandard	Russia	LSE	5/10/2007	550	Yes
11	LDK Solar Co., Ltd.	China	NYSE	6/6/2007	469	Yes
12	GAFISA S.A.	Brazil	NYSE	3/21/2007	443	Yes
13	Sitronics	Russia	LSE	2/12/2007	372	Yes
14	Yingli Green Energy Holding Company Ltd.	China	NYSE	6/13/2007	319	Yes
15	Edenor	Argentina	NYSE	4/30/2007	307	Yes
16	Xinhua Finance Media	China	NASDAQ	3/14/2007	300	Yes
17	Indiabulls Financial	India	PORTAL	5/15/2007	300	
18	Polymetal	Russia	LSE	2/12/2007	295	Yes
19	New Oriental Education & Technology Grp.	China	NYSE	2/22/2007	291	
20	Mindray Medical International Ltd.	China	NYSE	1/31/2007	277	
21	Simcere Pharmaceutical Group	China	NYSE	4/25/2007	261	Yes
22	JA Solar Holdings Co., Ltd.	China	NASDAQ	2/12/2007	259	Yes
23	Trina Solar Energy Co., Ltd.	China	NYSE	5/31/2007	249	
24	Motech Industries, Inc.	Taiwan	LSE	5/9/2007	219	Yes
25	Pampa Holding	Argentina	Luxembourg	2/1/2007	158	
	Total Capital raised by Top 25				20,881	

Source: Citigroup and other depositaries

Globally, the 25 most actively traded U.S.-listed ADRs in the period by value were:

Top 25 ADR Issuers by Value – May 2007 YTD

	Issuer	Country	Exchange	Ticker	Value (US\$ millions)
1	Companhia Vale do Rio Doce (CVRD) (com & pfd)	Brazil	NYSE	RIO/RIOPR	34,180
2	Baidu.com, Inc,	China	NASDAQ	BIDU	27,451
3	Petrobras (com & pfd)	Brazil	NYSE	PBR/PBRA	22,566
4	Teva Pharmaceutical Industries Ltd.	Israel	NASDAQ	TEVA	21,825
5	America Movil S.A.B. de C.V.	Mexico	NYSE	AMX	19,975
6	Nokia Corporation	Finland	NYSE	NOK	19,808
7	BP plc	U.K.	NYSE	BP	19,388
8	BHP Billiton Limited (Ltd. & plc)	Australia	NYSE	BHP	11,574
9	Focus Media Holding Limited	China	NASDAQ	FMCN	11,216
10	Infosys Technologies Ltd.	India	NASDAQ	INFY	10,493
11	Taiwan Semiconductor Manufacturing Company Ltd.	Taiwan	NYSE	TSM	9,782
12	Royal Dutch Shell plc (A&B)	U.K.	NYSE	RDS/A, RSD/B	9,492
13	Arcelor Mittal	Netherlands	NYSE	MT	9,415
14	Alcatel - Lucent	France	NYSE	ALU	9,345
15	Total S.A.	France	NYSE	TOT	9,025
16	Rio Tinto plc (formerly RTZ Corp)	U.K.	NYSE	RTP	8,991
17	Ericsson (Telefonaktiebolaget LM Ericsson)	Sweden	NASDAQ	ERIC	8,943
18	ASML Holding, NV	Netherlands	NASDAQ	ASML	8,893
19	DaimlerChrysler AG	Germany	NYSE	DCX	8,850
20	CEMEX, S.A.B. de C.V.	Mexico	NYSE	CX	8,779
21	SAP AG	Germany	NYSE	SAP	7,889
22	Novartis AG	Switzerland	NYSE	NVS	7,722
23	Unibanco - Uniao de Bancos Brasileiros S.A.	Brazil	NYSE	UBB	7,586
24	UBS AG	Switzerland	NYSE	UBS	7,469
25	VimpelCom, Open Joint Stock Company	Russia	NYSE	VIP	7,412

Source: NYSE, NASDAQ, and AMEX, Bloomberg Financial Markets

Globally, the 25 most actively traded London-traded GDRs in the period by value were:

Top 25 GDR Issuers by Value – May 2007 YTD

	Issuer	Country	Exchange	Ticker	Value (US\$ millions)
1	AO Gazprom	Russia	LSE	OGZD LI	35,571
2	Lukoil	Russia	LSE	LKOD LI	26,007
3	Unified Energy System of Russia	Russia	LSE	UESD LI	12,785
4	MMC Norilsk Nickel	Russia	LSE	MNOD LI	12,558
5	Surgutneftegaz	Russia	LSE	SGGD LI	8,164
6	JSC VTB Bank	Russia	LSE	VTBR LI	6,347
7	Orascom Telecom	Egypt	LSE	OTLD LI	5,638
8	Rosneft (OJSC)	Russia	LSE	ROSN LI	4,233
9	Samsung Electronics Co., Ltd. (com & pfd)	Korea	LSE	SMSN LI	3,949
10	Novatek JSC	Russia	LSE	NVTK LI	3,206
11	Evrast Group S.A.	Russia	LSE	EVR LI	1,990
12	KazMunaiGas EP	Kazakhstan	LSE	KMG LI	1,896
13	Sistema JSFC	Russia	LSE	SSA LI	1,723
14	Gas Authority of India (GAIL)	India	LSE	GAID LI	1,540
15	Kazkommertsbank	Kazakhstan	LSE	JSCD LI	1,528
16	OTP Bank	Hungary	LSE	OTPD LI	1,239
17	Severstal	Russia	LSE	SVST LI	1,212
18	Reliance Industries Ltd	India	LSE	RIGD LI	1,195
19	AO TMK	Russia	LSE	TMKS LI	1,168
20	Comstar United Telesystems	Russia	LSE	CMST LI	1,143
21	X5 Retail Group	Russia	LSE	FIVE LI	979
22	Halyk Savings Bank of Kazakhstan	Kazakhstan	LSE	HSBK LI	958
23	Novolipetsk Iron & Steel Corp.	Russia	LSE	NLMK LI	940
24	Orascom Construction Industries	Egypt	LSE	ORSD LI	920
25	AFI Development plc	Russia	LSE	AFID LI	920

Source: London Stock Exchange - International Order Book

Globally, the 25 most actively traded U.S.-listed ADRs in the period by volume were:

Top 25 ADR Issuers by Volume – May 2007 YTD

	Issuer	Country	Exchange	Ticker	Volume (millions)
1	TSMC	Taiwan	NYSE	TSM	901
2	Nokia Corporation	Finland	NYSE	NOK	877
3	Alcatel – Lucent	France	NYSE	ALU	717
4	Companhia Vale do Rio Doce (CVRD) (com & pfd)	Brazil	NYSE	RIO/RIOPR	976
5	Teva Pharmaceutical Industries Ltd.	Israel	NASDAQ	TEVA	598
6	United Microelectronics Corporation (UMC)	Taiwan	NYSE	UMC	451
7	America Movil S.A.B. de C.V.	Mexico	NYSE	AMX	415
8	DRDGold Ltd.	South Africa	NASDAQ	DROOY	406
9	ASML Holding, NV	Netherlands	NASDAQ	ASML	353
10	BP plc	U.K.	NYSE	BP	301
11	Vivo Participacoes S.A.	Brazil	NYSE	VIV	269
12	Gold Fields Ltd.	South Africa	NYSE	GFI	261
13	CEMEX, S.A.B. de C.V.	Mexico	NYSE	CX	256
14	BHP Billiton Limited (Ltd. & plc)	Australia	NYSE	BHP	257
15	Elan Corp plc	Ireland	NYSE	ELN	250
16	Ericsson (Telefonaktiebolaget LM Ericsson)	Sweden	NASDAQ	ERIC	238
17	Baidu.com, Inc,	China	NASDAQ	BIDU	236
18	Melco PBL Entertainment	China	NASDAQ	MPEL	235
19	Petrobras (com & pfd)	Brazil	NYSE	PBR/PBRA	370
20	Amarin Corporation plc	U.K.	NASDAQ	AMRN	208
21	Banco Bradesco S.A.	Brazil	NYSE	BBD	203
22	Infosys Technologies Ltd.	India	NASDAQ	INFY	196
23	Focus Media Holding Limited	China	NASDAQ	FMCN	190
24	Siliconware Precision Industries Co., Ltd.	Taiwan	NASDAQ	SPIL	187
25	Business Objects S.A.	France	NASDAQ	BOBJ	185

Source: NYSE, NASDAQ, and AMEX, Bloomberg Financial Markets



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