

Hot IPOs

The ten IPOs with the highest first-day returns since 1975 are:

<u>Year of IPO</u>	<u>Company</u>	<u>First-day return, %</u>
1999	Va Linux	698
1998	Globe.com	606
1999	Foundry Networks	525
2000	Webmethods	508
1999	Free Markets	483
1999	Cobalt Networks	482
1999	MarketWatch.com	474
1999	Akamai Technologies	427
1999	Cacheflow	458
1999	Sycamore Networks	386

Notice that each of these IPOs occurred during the dot.com mania.

The dollar amount of underpricing (the “money left on the table”) equals the first-day return multiplied by the amount of money raised.

The top ten IPOs in terms of the dollar underpricing are as follows:

<u>Year of IPO</u>	<u>Company</u>	<u>Underpricing, \$ million</u>
2008	Visa	5,075
1998	United Parcel Service	1,597
2000	Corvis	1,540
2000	Palm	1,312
1999	Sycamore Networks	1,097
1999	Akamai Technologies	1,073
1999	Aligent Technologies	970
1999	Goldman Sachs	959
2000	AT&T Wireless	949
1999	Va Linux	921

Source: Jay Ritter’s IPO data on

<http://bear.warrington.ufl.edu/ritter/ipodata.htm>