

IPO Price Behavior

Implications For The Individual Investor

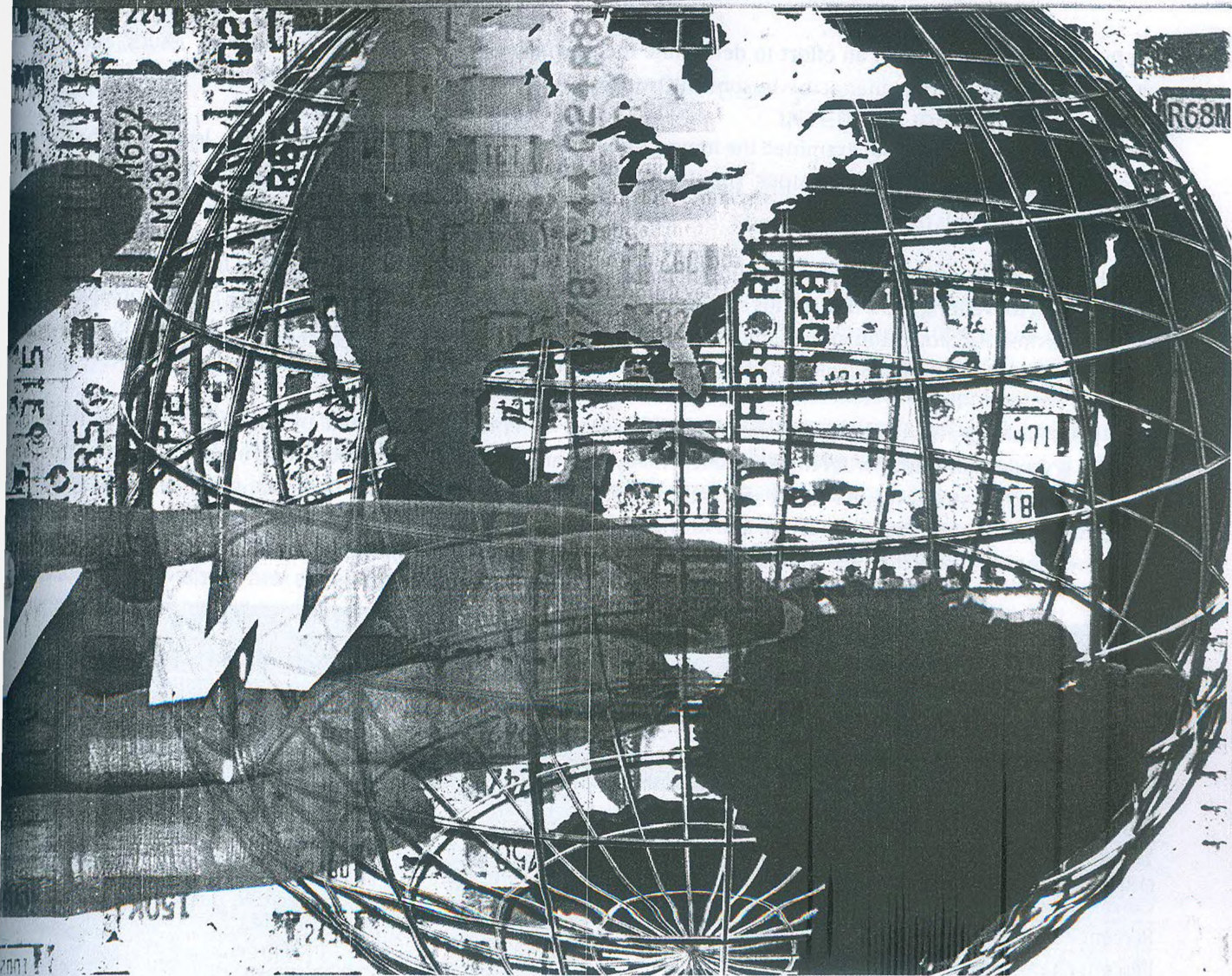
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ABSTRACT

The high number and different types of Initial Public Offerings (IPO) brought forward during the last decade makes it difficult for the investor to analyze this market. The wide array of IPOs requires that each subgroup be isolated for analysis. For purposes of this research, only Internet IPOs were examined. Within this category alone, there are eleven sub-classifications of Internet sectors. Using all eleven sectors, a total of 377 Internet companies covering the period 1/1/92 through 5/2/00 were analyzed. The study focused on three factors: capitalization, change since IPO offering price, and change from first day closing price. An examination of the fifty "best" companies based on each of these three factors indicate that, with the exception of two or three companies, significant differences among the three groups of fifty exist. Preliminary findings indicate that the expectation of high returns may not be dependent upon the three factors cited above.

I. INTRODUCTION AND RATIONALE

During the last several years, there has been an onslaught of Initial Public Offerings (IPO) and the trend is expected to continue. Individual investors (as well as portfolio managers) have actively taken part in this process with the expectation that the value of the IPO stock price will continue to rise. Obviously this is an unrealistic view especially as it relates to the IPO market. The extreme, bullish attitude that investors have toward this newly issued stock is simply unfounded and due to a lack of understanding how IPOs truly behave. Most investors believe that if they can purchase early the shares of the late IPO, they can be assured of substantial profits. To them, the words "risk" and "fair value" seem to have little meaning. They give little or no consideration to the quality of the company; and for the most part, what the company does is of no importance.



The current levels of such high expectations can be compared to some degree to several past situations in which investors were absorbed and fascinated by the hottest "get rich quick" schemes. From the Holland Tulip Bulb craze and the British South Sea Bubble, to the U.S. stock market crash in 1929 and the "tronics" boom in the 1960's, history has shown how investors can be drawn into a faddish situation, betting all on a whim and only to end with very little. It is likely that the current fascination with the IPOs will diminish as investors begin to understand the true worth of the IPO as a quality investment. Those who are seeking a young company to invest in should perhaps "wait and see" rather than "buy and hope."

Thus, the focus of this research is to examine one category of IPOs; i.e. those classified as Internet companies from the stand point of: (1) market value creation, (2) change since offering price, and (3) change from first day closing price.

These three factors were chosen because they provide some indication as to how investors value IPOs over time. The specific hypothesis tested in this research is that there are significant differences among the internet IPO categories in terms of returns based on the three above mentioned factors. Section II provides additional background and a literature review. Section III describes the data and methodology. Section IV discusses the analysis and results. The last section presents the conclusions.

II. BACKGROUND AND LITERATURE REVIEW

A review of the literature related to the general area of the IPOs indicates that what substantial work has been done. For example, Reese (1998) examined a sample of IPOs issued prior to the Tax Reform Act of 1986 (TRA) and a sample that was issued afterward. Another study by Asquith, Jones and Kreschnick (1998) reviewed data on 560

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IPOs for the 1982-83 period in an effort to determine the anomalies of underpricing, "hot market" issues, and long-term performance. Questions remained as to why some IPOs are price stabilized while others are not.

Guenther and Willenborg (1999) examined the impact on IPO offerings by the 1993 tax law change, legislation that reduced the capital gains tax on small business stock. They found that IPOs issued after the tax change were priced significantly higher than before tax revision.

Moonchul and Ritter (1999) found that accounting information in conjunction with comparable firm multiples was widely recommended for valuing IPOs. But, ratios such as the P/E and price-to-sales multiples have only modest predictive ability without adjustments. Stoughton and Zechner (1998) analyzed the effect of different IPO mechanisms on the structure of share ownership and explored the role of underpricing and rationing in determining investors' shareholdings.

Nanda (1997) investigated the empirical significance of underwriter reputation capital by analyzing the impacts of initial returns of IPOs on lead-underwriter market value. Finally, Carter, Dark and Singh (1998) found in their study that the underperformance of IPO stocks relative to the market over a three year holding period is less severe for IPOs handled by more prestigious underwriters. These important and formal studies illustrate the wide range of research undertaken recently. This research was found, however, which significantly overlap the approach taken in this work.

III. DATA AND METHODOLOGY

To test the above-mentioned hypothesis, 377 Internet IPOs issued during the 1992 through 5/2/00 period were examined. The source for obtaining the needed information was The Technology & Internet IPO Yearbook - Sixth Edition, Morgan Stanley Dean Witter (1999). Data used for evaluation include the following variables:

VARIABLE	VARIABLE ABBREVIATION USED FOR ANALYSIS
Closing price on (5/2/2000)	PRICE
Year-to-date percentage change	YTDAT
Offering price of new issue on its first day	ATOFFER
Closing price (1st day)	ATCLOSE
Percent change since 1st day close	FRMCLOSE
Percent change since IPO issued	SINCEIPO
Percent below high in the last 12 month period	B_HIGH
Percent above low in the last 12 month period	ABV_LOW
Market capitalization at offering	CAP_OFFR
Current market capitalization	CAP_NOW
Gain/Loss in market capitalization since IPO	CP_S_IPO
IPO Date	-----

These variables were selected in an effort to determine which, if any, of the three factors provided some guidance regarding returns on investment.

Trend analysis along with summary statistics were obtained for various Internet IPOs. The focus was on the fifty best Internet IPOs based on (1) market capitalization, (2) percentage price change since offering price, and (3) percentage price change since first day closing price. The results were then further grouped according to the eleven major Internet (IPO) sectors.

The fifty best companies were also ranked according to market capitalization for each of the three factors. The rankings are provided in Appendix I, Tables A, B and C and discussed in the next section.

Correlation matrices for each of the above mentioned variables were developed for each of the three factors analyzed. The matrices are found in Appendix 2 and also described in the next section.

IV. ANALYSIS AND RESULTS

The first step in the analysis was to obtain an overview of the various Internet IPO sectors in terms of number of IPOs issued and their combined market capitalization as of 5/2/2000. As Table 1 indicates, 377 firms issued public stock offerings since 1992. The market capitalization of these firms as of 5/2/2000 totaled \$856 billion.

The sectors which had the highest number of firms were those involved in infrastructure services (18%) followed by B2B software companies (14%). In terms of market capitalization, however, the twenty internet portal businesses represented 30% of the total capitalization, almost more than double the next closest category.

Table 2 sheds additional light by providing information related to specific companies and their market capitalization.

As noted in Table 2, in the multi-sector Internet companies category CMGI & ICG represent 100% of the market value appreciation. For the next highest category, Internet portals, America Online and Yahoo represented 77%. While the Internet portals sector dominated market capitalization as shown in Table 1, the two top companies in terms of market capitalization did not follow the same pattern. The data were then analyzed with regard to the fifty best Internet IPOs again based on the three factors.

INTERNET IPO SECTOR	NUMBER OF FIRMS	%	MKT. CAP (\$B)	%
Internet Portals	20	5.31	\$257	30.02
Internet Infrastructure	26	6.90	131	15.30
Internet Infrastructure Services	68	18.04	125	14.60
Internet/B2B Software	54	14.32	109	12.73
Internet Commerce	49	13.00	66	7.71
Internet Consulting & Application Services	49	13.00	41	4.79
Internet Financial Services	23	6.10	33	3.86
Multi-Sector Internet Companies	2	0.53	29	3.39
Internet Vertical Portals	47	12.47	27	3.15
Internet Direct Marketing & Adv. Services	24	6.37	24	2.80
B2B Commerce	15	3.98	14	1.64
Total:	377	100.0	\$856	100.0

Table 1. Internet IPO Sectors by Number of Firms and Their Market Capitalization (as of 5/2/00)

Note: A description of each is found in Appendix 3.

INTERNET IPO SECTOR	HIGHEST CAPITALIZATION	%	SECOND HIGHEST CAPITALIZATION	% OF TOTAL WITHIN SECTOR
Internet Portals	America Online	51	Yahoo!	2677
Internet Infrastructure	Juniper	24	Inktomi	1236
Internet Infrastructure Services	Exodus	12	Akamai	921
Internet/B2B Software	TIBCO	15	Ariba	1328
Internet Commerce	Amazon.com	30	eBay	2858
Internet Consulting & Application Services	Sapient	13	Scient	920
Internet Financial Services	TD Waterhouse	24	Intuit	2145
Multi-Sector Internet Companies	CMGI	61	ICG	39100
Internet Vertical Portals	TMP	23	H/WMD	1336
Internet Direct Marketing & Adv. Services	DoubleClick	24	Engage	1152
B2B Commerce	VerticalNet	25	FreeMarket	1011

Table 2. Companies with the Two Highest Market Capitalizations, 1980-1999

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VARNAME	MIN	MAX	MEAN	STD	T	PRT	LCLM*	UCLM*
PRICE	17.63	197.88	69.25	41.37	11.836	0	58.45	79.06
YTDATA	-75	91	16.42	40.05	2.388	0.005586	-25.92	-6.92
ATOFFER	0.09	26	6.85	5.32	9.0926	0	5.58	8.11
ATCLOSE	0.12	145.19	16.93	22.72	5.2687	0.000003	11.54	22.31
FRMCLOSE	-36	49798	3921.64	8628.82	-2.055	0.044093	-15.79	4567.57
SINCEIPO	150	63900	3469.7	10256.11	3.3654	0.020977	1028	5891.43
B_HIGH	-84	-23	-56.58	12.23	-32.702	0	-49.48	-53.68
ABV_LOW	11	1210	311.28	314.33	7.0024	0	236.75	385.81
CAP_OFFR	21	3748	650.14	734.15	5.2618	0	476.07	824.21
CAP_NOW	2948	131202	2435.1	19862.82	2.4269	0.000053	725.8	17144.78
CP_S_IPO	2589	131140	1305.27	19902.39	1.1877	0.000117	956.4	16504.08

Table 3: Summary Statistics: Fifty Best Internet IPOs Based on Market Capitalization

A) FIFTY BEST INTERNET IPOs BASED ON MARKET CAPITALIZATION

As noted in Appendix 1 Table A, different Internet sectors share the top three spots in the list: AOL (Internet Portals), YHOO (B2B Commerce), and JNPR (Internet Infrastructure Services). AMZN (Internet Commerce) are the only Internet IPO of this sector to appear among the top ten of the Fifty Best Internet IPOs based on this criterion. It should be noted that 50% of the top ten IPOs belong to the Internet Infrastructure Services sector: JNPR, INKT, EXDS, TIBX, and TRRA. Although after the fact, the investor would have benefited by investing in this sector.

Table 3 below carries the analysis further by presenting summary statistics for the market capitalization factor.

The data in Table 3 indicates that among the 50 best Internet IPOs based on market capitalization, a wide range of companies from only five Internet sectors were involved: Internet Portals, Internet Infrastructure, Internet Infrastructure Services, Internet Commerce, and B2B Commerce. IPOs from Internet sectors such as: Internet/B2B Software, Internet Consulting & Application Services, Internet Financial Services, Multi-Sector Internet Companies, Internet Vertical Portals, and Internet Direct Marketing & Adv. Services, simply never made it to the top fifty best internet IPOs based on market capitalization. The current share prices of these top best 50 as of 5/20/00 (with splits), range from a low of \$17.63

(ATHM: Internet Portals) to a high of \$197.88 (JNPR: Internet Infrastructure Services). The year-to-date percentage change variable for this group is negative \$16.42) at the 95% confidence interval. The lower limit is 25.92 and the upper limit is -6.92.

The average offering price was \$6.85 with lower and upper limits of \$5.58 and \$8.11, respectively. The offering price range from \$0.09 (AOL) to \$26.00 (AKAM). At the close of the first day the average price was \$16.93. The average percentage change since first day close was 2,521%, obviously a substantial appreciation. Their appreciation was higher (3,459%) since issuance.

The average percentage of IPOs below their high was -56% while the average percent above their low as 311%. These figures represent substantial volatility. The average market capitalization of these IPOs at offer was \$650 million and as of 5/2/00 was almost double at \$12.435 billion. The gain in capitalization was an astounding 11,785 percent.

Year	Sector				Total
	Internet Portals	Internet Infrastructures	Internet Commerce	B2B Commerce	
92	1				1
93		1			1
94		1			1
95		1			1
96	1	8		1	10
97	1	2	1		4
98		6		1	7
99	2	20		3	25
Totals	5	39	1	5	50

TABLE 4. Internet IPOs by Sector, year end

An analysis of the issuance trends for the 50 best Internet IPOs based on market capitalization is shown in Table 4 which follows.

Clearly, the Internet infrastructure subcategory of Internet IPOs dominate in terms of type of company issuing stock for the first time. Also, it is evident that most of the IPOs have occurred only recently, especially in 1999. This may portend the future regarding the type of Internet companies which will dominate the industry and satisfy investor demand.

The matrix in Appendix 2, Table pair-wise correlation coefficients between various variables. They are ordered from possible significant negative correlations to zero correlations and then to positive correlations (starting with

observation 39). As a rule of thumb, one might choose ± 0.6 as the cutoff point for a high correlation coefficient. Therefore, if one examines observation 45 of Table A, Appendix 2, the correlation between "year to date" and "the percentage below the high in the last twelve month period" is 0.60668. This value represents a reasonably high positive correlation between the two variables. It also indicates that if "year to date" is high, then the "percentage below the high during the last twelve months" is also high. To confirm this conclusion, it is clear from the 95% confidence interval that the correlation coefficient between these two variables is between 0.39504 and 0.75717. Another example is observation 51. If the stock was high at offer, then the expectation is that the price at close of the day will also be high. A clear high positive correlation of 0.82381

VARNAME	MIN	MAX	MEAN	STD	T	PRT	LCLM*	UCLM*
PRICE	15	197.88	69.59	40.76	12.0721	0	59.93	79.26
YTDAT	-75	227	-9.12	51.05	-1.2632	0.2125	-21.22	2.98
ATOFFER	0.09	16	5.28	3.52	10.6283	0	4.45	6.12
ATCLOSE	0.12	48.44	11.38	10.89	7.3916	0	8.8	13.96
FRMCLOSE	66	49798	2680.52	8593.38	2.2057	0.03213	643.03	4718.01
SINCEIPO	450	63900	3633.92	10211.04	2.5165	0.01518	1212.9	6054.96
B_HIGH	-80	-2	-51.8	14.36	-25.507	0	-55.2	-48.4
ABV_LOW	20	1210	340.98	328.65	7.3363	0	263.06	418.9
CAP_OFFR	21	1680	336.64	350.59	6.7897	0	253.51	419.77
CAP_NOW	546	131202	11214.32	20226.98	3.9204	0.00027	6418.5	16010.14
CP_S_IPO	493	131140	10877.78	20199.27	3.8079	0.00039	6088.5	15667.03

Table 5. Summary Statistics: Fifty Best Internet IPOs
Based on Percentage Price Change Since IPO

The year in which the fifty Internet IPOs were issued by sector based on percentage price change since IPO is shown in Table 6.

Year	Sector						Total
	Internet Portals	Internet Infrastructures	Internet B2B Software	Internet Commerce	Internet Commerce	B2B Commerce	
92	1	0	0	0	0	0	1
93	0	1	0	0	0	0	1
94	0	2	0	0	0	0	2
95	0	0	0	0	0	1	1
96	1	8	0	0	0	1	10
97	0	6	0	1	1	0	8
98	0	6	1	0	0	1	8
99	3	13	1	0	0	2	19
Totals	5	36	2	1	1	5	50

TABLE 6. Internet IPOs by Sector, year and percentage price change since IPO

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substantiates this notion with lower and upper 95% confidence limits of 0.70775 and 0.89657 respectively.

B) FIFTY BEST INTERNET IPOs BASED ON PERCENTAGE PRICE CHANGES SINCE IPO

Following the analysis pattern already established, a listing of the fifty best Internet IPOs based on percentage price change since IPO is shown in Appendix 1, Table B.

Again, this listing shows that with the exception of AOL, YHOO, BVSN, AMZN and VRSN, the Internet infrastructure services subcategory companies were the most appealing to investors.

Using the percentage price change since IPO criterion, the summary statistics of Table 5 which follows shows that the price to be about the same at \$69.59 when compared to the market capitalization criterion. The year-to-date

percentage change is still negative but lower at 9.12%. Other variables follow similar patterns shown in the summary statistics for market capitalization.

Table 6 figures indicate that the Internet infrastructure category again ranked first (36) followed by Internet portals (5) and B2B commerce (5). A new category that of Internet financial services was added. While unconfirmed, this may be the result of further deregulation in the financial services industry. Also, added to the listing were two IPOs in the internet/B2B software category.

Following the same pattern as in Section IV (A), the correlation matrix is found in Appendix 2, Table B. For the two variables "at offer" and "at close" (observation 53), the correlation is higher at 0.91769. This means that for the factor "percentage price change since IPO" there is a higher correlation between these two variables than that was

VARNAME	MIN	MAX	MEAN	STD	T	PRT	UCLM*	UCLM*
PRICE	15	197.88	66.48	40.42	11.6314	0	56.9	76.06
YTDAT	-0.75	2.27	-0.1	0.51	-1.395	0.1693	-0.22	0.02
ATOFFER	0.09	17	5.25	3.49	10.6603	0	4.43	6.08
ATCLOSE	0.12	32.96	9.04	6.83	9.3607	0	7.42	10.66
FRMCLOSE	1.91	497.98	26.97	85.88	2.2206	0.03104	6.61	47.33
SINCEIPO	2.13	639	36.08	102.19	2.4964	0.01596	11.85	60.31
B_HIGH	-0.8	-0.02	-0.52	0.15	-25.057	0	10.55	-0.48
ABV_LOW	0.2	12.1	3.6	3.25	7.8299	0	2.83	4.37
CAP_OFFR	21	1880	341.6	343.23	7.0375	0	260.22	422.98
CAP_NOW	519	131202	11084.1	20276.99	3.8653	0.00033	6276.4	15891.78
CP_S_IPO	400	131180	10742.58	20252.92	3.7506	0.00047	5940.6	15544.55

Table 7. Summary Statistics: Fifty Best Internet IPOs based on Percentage Price Change Since First-Day Close

Year	Sector						Total
	Internet Portals	Internet Infrastructures	Internet B2B Software	Internet Commerce	Internet Commerce	B2B Commerce	
92	1	0	0	0	0	0	1
93	0	1	0	0	0	0	1
94	0	2	0	0	0	0	2
95	0	0	0	0	0	1	1
96	1	8	0	0	0	1	10
97	0	6	0	1	1	0	8
98	0	6	1	0	0	1	8
99	3	13	0	0	0	3	19
Totals	5	36	1	1	1	6	50

Table 8. Internet IPOs by Sector, Year and Percentage Price Change Since First-Day Close

found for the factor "market capitalization."

C) FIFTY BEST INTERNET IPOs BASED ON PERCENTAGE PRICE CHANGE SINCE FIRST-DAY CLOSE

Because the first day closing price is usually much higher than the initial IPO offering it is important to analyze this factor as well. Table C in Appendix 1 provides a listing of the fifty best IPOs based on the percentage change since first day close.

As noted before, with the exception of AOL, YHOO, CMGI, VRSN, and VRSN, Internet infrastructure and Internet infrastructure services are listed most frequently.

Table 7 contains the summary statistics.

Based on the Percentage Price change since first day close factor, the average year to date percentage, although small, was still negative (-0.1%). The average percentage change since first day close, however, was only 26.97% and, since IPO issuances, only 36%. These are rather low figures when compared to those since the IPO issuance. This would suggest that the appreciation is minimal unless the investor can purchase the IPO either when issued or prior to the first day close.

The Internet infrastructure sector again exhibited the highest number of companies (36) based on the third factor examined.

Correlations for the factor "percentage price change since first day close" are shown in Appendix 2, Table C. For observation 51 for example, the correlation between "at offer" and "at close" is 0.79040. It is clearly lower than that of the same two variables for each of the other two factors (market capitalization and percentage price change since IPO).

V. CONCLUSIONS

The purpose of this research was to examine 377 Internet IPOs from the standpoint of (1) market capitalization, (2) percentage change since offering price, and (3) percentage change from first day closing price. These factors were chosen because they provide some indication of how an IPO might fare in terms of an investment vehicle. Within the Internet IPO classification there are eleven sectors

which were also examined. For each of the three abovementioned factors the fifty "best" IPOs were analyzed. It was found that, with the exception of four or five IPOs, significant differences among the fifty best companies exist. Also, this analysis suggests that the expectation of high returns may not be dependent upon the three factors cited above.

This research should prove to be of interest to investors involved in specific investment strategies and who have differing perceptions of IPO performance. It should be especially relevant for individual investors who may be enticed to purchase an IPO strictly on the hype given by the media.

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TABLE A

APPENDIX 1

Fifty Best Internet IPOs Based on Market Capitalization

OBS	SYMBOL	SECTOR	DATE	YEAR	CAP NOW
1	AOL	Internet Portals	03/19/92	92	131202
2	YHOO	B2B Commerce	04/12/96	96	66584
3	JNPR	Internet Infrastructure Services	06/25/99	99	30968
4	AMZN	Internet Commerce	05/15/97	97	19617
5	EBAY	Internet Infrastructure	09/24/98	98	18665
6	CMGI	Internet Infrastructure	01/25/94	94	17683
7	INKT	Internet Infrastructure Services	06/10/98	98	15846
8	EXDS	Internet Infrastructure Services	03/19/98	98	15267
9	TIBX	Internet Infrastructure Services	07/14/99	99	15939
10	TRRA	Internet Infrastructure Services	11/17/99	99	18183
11	INSP	Internet Infrastructure Services	12/15/98	98	14132
12	ARBA	Internet Portals	06/23/99	99	14439
13	VRSN	B2B Commerce	01/30/98	98	13127
14	CHKP	Internet Infrastructure	06/28/96	96	13246
15	BVSN	Internet Portals	06/21/96	96	11657
16	RBAK	Internet Infrastructure Services	05/18/99	99	11862
17	ICGE	Internet Infrastructure Services	08/05/99	99	11331
18	NSOL	Internet Infrastructure Services	09/26/97	97	9946
19	VIGN	B2B Commerce	02/19/99	99	9499
20	CMRC	Internet Infrastructure	07/01/99	99	8958
21	AKAM	Internet Infrastructure Services	10/29/99	99	10769
22	PCLN	Internet Infrastructure Services	03/30/99	99	10122
23	DCLK	Internet Infrastructure	02/20/98	98	8037
24	INTU	Internet Infrastructure Services	03/12/93	93	6958
25	ATHM	Internet Portals	07/11/97	97	7737
26	RNWK	Internet Infrastructure Services	11/21/97	97	6686
27	PRSF	Internet Infrastructure Services	05/06/99	99	7117
28	TMPW	Internet Infrastructure Services	12/13/96	96	6122
29	EGRP	Internet Infrastructure	08/16/96	96	5673
30	PHCM	Internet Infrastructure Services	06/11/99	99	5390
31	AETH	Internet Infrastructure	10/21/99	99	5189
32	SAPE	Internet Infrastructure Services	04/04/96	96	4570
33	VITR	B2B Commerce	09/17/99	99	4912
34	INAP	Internet Infrastructure Services	09/29/99	99	5541
35	LCOS	Internet Infrastructure Services	04/02/96	96	4458
36	ARTG	Internet Portals	07/21/99	99	4021
37	FREE	Internet Infrastructure Services	07/26/99	99	6044
38	MRCH	Internet Infrastructure Services	05/03/96	96	3421
39	ISSX	Internet Infrastructure Services	03/24/98	98	3553
40	COVD	Internet Infrastructure	01/22/99	99	3988
41	VERT	B2B Commerce	02/11/99	99	3418
42	HLTH	Internet Infrastructure Services	02/11/99	99	3608
43	LBRT	Internet Infrastructure Services	07/28/99	99	3672
44	SONE	Internet Infrastructure Services	05/23/96	96	3030
45	SWCM	Internet Infrastructure Services	06/24/99	99	3539
46	SIFY	Internet Infrastructure Services	10/19/99	99	3295
47	PSIX	Internet Infrastructure Services	05/02/95	95	3266
48	SCNT	Internet Infrastructure Services	05/14/99	99	3531
49	CNET	Internet Infrastructure	07/02/96	96	2948
50	KANA	Internet Infrastructure Services	09/22/99	99	2999

APPENDIX 1

Fifty Best Internet IPOs Based on Percentage Price Change Since IPO

OBS	SYMBOL	SECTOR	DATE	YEAR	CAP NOW
1	AOL	Internet Portals	03/19/92	92	131202
2	CMGI	Internet Infrastructure	01/25/94	94	17683
3	YHOO	B2B Commerce	04/12/96	96	66584
4	BVSN	Internet Portals	06/21/96	96	11657
5	EXDS	Internet Infrastructure Services	03/19/98	98	15267
6	AMZN	Internet Commerce	05/15/97	97	19617
7	VRSN	B2B Commerce	01/30/98	98	13127
8	INSP	Internet Infrastructure Services	12/15/98	98	14132
9	INKT	Internet Infrastructure Services	06/10/98	98	15846
10	NSOL	Internet Infrastructure Services	09/26/97	97	9946
11	GNET	Internet Infrastructure Services	04/23/97	97	1647
12	CHKP	Internet Infrastructure	06/28/96	96	13246
13	EBAY	Internet Infrastructure	09/24/98	98	18665
14	DTPI	Internet Infrastructure	02/25/97	97	1586
15	JNPR	Internet Infrastructure Services	06/25/99	99	30968
16	TIBX	Internet Infrastructure Services	07/14/99	99	15939
17	CMRC	Internet Infrastructure	07/01/99	99	8958
18	DCLK	Internet Infrastructure	02/20/98	98	8037
19	VIGN	B2B Commerce	02/19/99	99	9499
20	RSAS	Internet Infrastructure Services	12/14/94	94	2389
21	SAPE	Internet Infrastructure Services	04/04/96	96	4570
22	RBAK	Internet Infrastructure Services	05/18/99	99	11862
23	RNWK	Internet Infrastructure Services	11/21/97	97	6686
24	ELNK	Internet Infrastructure	01/22/97	97	2076
25	ARBA	Internet Portals	06/23/99	99	14439
26	VERT	B2B Commerce	02/11/99	99	3418
27	AMTD	Internet Financial Services	03/04/97	97	2619
28	TMPW	Internet Infrastructure Services	12/13/96	96	6122
29	EDV	Internet Infrastructure	09/29/99	99	546
30	INTU	Internet Infrastructure Services	03/12/93	93	6958
31	LCOS	Internet Infrastructure Services	04/02/96	96	4458
32	ARTG	Internet Portals	07/21/99	99	4021
33	PHCM	Internet Infrastructure Services	06/11/99	99	5390
34	CNET	Internet Infrastructure	07/02/96	96	2948
35	SIFY	Internet Infrastructure Services	10/19/99	99	3295
36	AETH	Internet Infrastructure	10/21/99	99	5189
37	ISSX	Internet Infrastructure Services	03/24/98	98	3553
38	EGRP	Internet Infrastructure	08/16/96	96	5673
39	ICGE	Internet Infrastructure Services	08/05/99	99	11331
40	CNCX	Internet Infrastructure	08/01/97	97	2217
41	KANA	Internet Infrastructure Services	09/22/99	99	2999
42	PRSF	Internet Infrastructure Services	05/06/99	99	7117
43	SONE	Internet Infrastructure Services	05/23/96	96	3030
44	MRC.I	Internet Infrastructure Services	05/03/96	96	3421
45	PXCM	Internet Infrastructure Services	04/20/99	99	2035
46	VRTY	B2B Commerce	10/06/95	95	1079
47	EPNY	Internet Infrastructure	09/22/99	99	2965
48	ALLR	Internet/B2B Software	01/22/99	99	1514
49	CHINA	Internet Portals	07/13/99	99	2339
50	ACTU	Internet/B2B Software	07/17/98	98	851

TABLE C

APPENDIX 1

Fifty Best Internet IPOs Based on Percentage Price Change Since First-Day Close

OBS	SYMBOL	SECTOR	DATE	YEAR	CAP NOW
1	AOL	Internet Portals	03/19/92	92	131202
2	CMGI	Internet Infrastructure	01/25/94	94	17683
3	BVSN	Internet Portals	06/21/96	96	11657
4	YHOO	B2B Commerce	04/12/96	96	66584
5	AMZN	Internet Commerce	05/15/97	97	19617
6	INSP	Internet Infrastructure Services	12/15/98	98	14132
7	EXDS	Internet Infrastructure Services	03/19/98	98	15267
8	NSOL	Internet Infrastructure Services	09/26/97	97	9946
9	GNET	Internet Infrastructure Services	04/23/97	97	1647
10	VRSN	B2B Commerce	01/30/98	98	13127
11	INKT	Internet Infrastructure Services	06/10/98	98	15846
12	CHKP	Internet Infrastructure	06/28/96	96	13246
13	ELNK	Internet Infrastructure	01/22/97	97	2076
14	RSAS	Internet Infrastructure Services	12/14/94	94	2389
15	DTPI	Internet Infrastructure	02/25/97	97	1586
16	EDV	Internet Infrastructure	09/29/99	99	546
17	TMPW	Internet Infrastructure Services	12/13/96	96	6122
18	DCLK	Internet Infrastructure	02/20/98	98	8037
19	SAFE	Internet Infrastructure Services	04/04/96	96	4570
20	RNWK	Internet Infrastructure Services	11/21/97	97	6686
21	AMTD	Internet Financial Services	03/04/97	97	2619
22	EBAY	Internet Infrastructure	09/24/98	98	18665
23	TIBX	Internet Infrastructure Services	07/14/99	99	15939
24	LCOS	Internet Infrastructure Services	04/02/96	96	4458
25	CNET	Internet Infrastructure	07/02/96	96	2948
26	EGRP	Internet Infrastructure	08/16/96	96	5673
27	VIGN	B2B Commerce	02/19/99	99	9499
28	ARTG	Internet Portals	07/21/99	99	4021
29	INTU	Internet Infrastructure Services	03/12/93	93	6958
30	JNPR	Internet Infrastructure Services	06/25/99	99	30968
31	CNCX	Internet Infrastructure	08/01/97	97	2217
32	CMRC	Internet Infrastructure	07/01/99	99	8958
33	SWCM	Internet Infrastructure Services	06/24/99	99	3539
34	SIFY	Internet Infrastructure Services	10/19/99	99	3295
35	VERT	B2B Commerce	02/11/99	99	3418
36	ISSX	Internet Infrastructure Services	03/24/98	98	3553
37	LBRT	Internet Infrastructure Services	07/28/99	99	3672
38	PHCM	Internet Infrastructure Services	06/11/99	99	5390
39	PXCM	Internet Infrastructure Services	04/20/99	99	2035
40	MRCH	Internet Infrastructure Services	05/03/96	96	3421
41	RBAK	Internet Infrastructure Services	05/18/99	99	11862
42	BRNC	Internet Portals	08/10/99	99	519
43	VRTY	B2B Commerce	10/06/95	95	1079
44	ICGE	Internet Infrastructure Services	08/05/99	99	11331
45	ARBA	Internet Portals	06/23/99	99	14439
46	ACTU	Internet/B2B Software	07/17/98	98	851
47	VITR	B2B Commerce	09/17/99	99	4912
48	DIGX	Internet Infrastructure	07/30/99	99	1712
49	SCNT	Internet Infrastructure Services	05/14/99	99	3531
50	IDTC	Internet Infrastructure Services	03/15/96	96	757

TABLE A

APPENDIX 2

Fifty Best Internet IPOs Based on Market Value Creation:

All Variable Correlation Matrix

OBS	VAR1	VAR2	N	CORR	FISHERSZ	SIGMAZ	L95	U95
1	ATOFFER	SINCEIPO	50	-0.32594	-0.33828	0.14586	-0.55403	-0.05233
2	ATOFFER	FRMCLOSE	50	-0.31658	-0.32785	0.14586	-0.54676	-0.04193
3	ATOFFER	CP_S_IPO	50	-0.27821	-0.28574	0.14586	-0.51656	0.00016
4	ATOFFER	CAP_NOW	50	-0.25321	-0.25884	0.14586	-0.49656	0.02705
5	ATCLOSE	B_HIGH	50	-0.22889	-0.23302	0.14586	-0.47686	0.05283
6	SINCEIPO	CAP_OFFR	50	-0.20853	-0.21163	0.14586	-0.46017	0.07413
7	FRMCLOSE	CAP_OFFR	50	-0.20760	-0.21066	0.14586	-0.45940	0.07510
8	ATCLOSE	SINCEIPO	50	-0.19660	-0.19919	0.14586	-0.45031	0.08648
9	ATCLOSE	FRMCLOSE	50	-0.19491	-0.19744	0.14586	-0.44891	0.08823
10	ATCLOSE	ABV_LOW	50	-0.16770	-0.16930	0.14586	-0.42616	0.11607
11	ATOFFER	B_HIGH	50	-0.14545	-0.14649	0.14586	-0.40731	0.13851
12	ATOFFER	ABV_LOW	50	-0.14446	-0.14548	0.14586	-0.40647	0.13950
13	B_HIGH	CAP_OFFR	50	-0.13858	-0.13948	0.14586	-0.40145	0.14538
14	ABV_LOW	CAP_OFFR	50	-0.13823	-0.13912	0.14586	-0.40115	0.14573
15	ATCLOSE	CP_S_IPO	50	-0.13613	-0.13698	0.14586	-0.39935	0.14782
16	FRMCLOSE	ABV_LOW	50	-0.12334	-0.12397	0.14586	-0.38836	0.16052
17	SINCEIPO	ABV_LOW	50	-0.11863	-0.11920	0.14586	-0.38430	0.16517
18	ATCLOSE	CAP_NOW	50	-0.11312	-0.11361	0.14586	-0.37952	0.17060
19	YTDATE	FRMCLOSE	50	-0.09001	-0.09025	0.14586	-0.35936	0.19319
20	CAP_OFFR	CP_S_IPO	50	-0.07230	-0.07242	0.14586	-0.34373	0.21029
21	ABV_LOW	CAP_NOW	50	-0.07167	-0.07179	0.14586	-0.34318	0.21089
22	YTDATE	SINCEIPO	50	-0.06937	-0.06948	0.14586	-0.34114	0.21310
23	ABV_LOW	CP_S_IPO	50	-0.06643	-0.06652	0.14586	-0.33852	0.21592
24	CAP_OFFR	CAP_NOW	50	-0.03548	-0.03549	0.14586	-0.31076	0.24530
25	PRICE	FRMCLOSE	50	-0.01464	-0.01464	0.14586	-0.29180	0.26480
26	PRICE	SINCEIPO	50	0.02418	0.02419	0.14586	-0.25589	0.30051
27	YTDATE	ATCLOSE	50	0.04078	0.04081	0.14586	-0.24030	0.31555
28	YTDATE	CP_S_IPO	50	0.06793	0.06803	0.14586	-0.21448	0.33985
29	YTDATE	CAP_NOW	50	0.07189	0.07201	0.14586	-0.21068	0.34337
30	PRICE	CAP_OFFR	50	0.08094	0.08111	0.14586	-0.20197	0.35137
31	YTDATE	CAP_OFFR	50	0.10342	0.10379	0.14586	-0.18012	0.37109
32	YTDATE	ATOFFER	50	0.10978	0.11023	0.14586	-0.17388	0.37663
33	FRMCLOSE	B_HIGH	50	0.16523	0.16676	0.14586	-0.11857	0.42408
34	PRICE	ATOFFER	50	0.17555	0.17739	0.14586	-0.10808	0.43276
35	PRICE	ATCLOSE	50	0.19154	0.19394	0.14586	-0.09170	0.44611
36	SINCEIPO	B_HIGH	50	0.19710	0.19971	0.14586	-0.08597	0.45072
37	PRICE	CP_S_IPO	50	0.21238	0.21566	0.14586	-0.07012	0.46334
38	PRICE	CAP_NOW	50	0.21579	0.21924	0.14586	-0.06656	0.46614
39	B_HIGH	ABV_LOW	50	0.29509	0.30413	0.14586	0.01823	0.52992
40	PRICE	ABV_LOW	50	0.29735	0.30661	0.14586	0.02072	0.53170
41	B_HIGH	CAP_NOW	50	0.30623	0.31638	0.14586	0.03048	0.53867
42	B_HIGH	CP_S_IPO	50	0.31074	0.32136	0.14586	0.03545	0.54219
43	YTDATE	ABV_LOW	50	0.37960	0.39959	0.14586	0.11321	0.59508
44	PRICE	B_HIGH	50	0.58014	0.66267	0.14586	0.35990	0.73913
45	YTDATE	B_HIGH	50	0.60668	0.70365	0.14586	0.39504	0.75717
46	ATCLOSE	CAP_OFFR	50	0.62985	0.74117	0.14586	0.42623	0.77273
47	PRICE	YTDATE	50	0.67857	0.82645	0.14586	0.49341	0.80489
48	ATOFFER	CAP_OFFR	50	0.69143	0.85070	0.14586	0.51153	0.81326
49	FRMCLOSE	CAP_NOW	50	0.75167	0.97679	0.14586	0.59855	0.85180
50	FRMCLOSE	CP_S_IPO	50	0.75783	0.99111	0.14586	0.60766	0.85568
51	ATOFFER	ATCLOSE	50	0.82381	1.16855	0.14586	0.70775	0.89657
52	SINCEIPO	CAP_NOW	50	0.83590	1.20741	0.14586	0.72661	0.90393
53	SINCEIPO	CP_S_IPO	50	0.84193	1.22776	0.14586	0.73608	0.90759
54	FRMCLOSE	SINCEIPO	50	0.98884	2.59128	0.14586	0.98031	0.99368
55	CAP_NOW	CP_S_IPO	50	0.99932	3.99333	0.14586	0.99880	0.99962

TABLE B

APPENDIX 2

Fifty Best Internet IPOs Based on Percentage Price Change Since IPO:

All Variable Correlation Matrix

OBS	VARI	VAR2	N	CORR	FISHERSZ	SIGMAZ	L95	U95
1	ATOFFER	FRMCLOSE	50	-0.36343	-0.38083	0.14586	-0.58282	-0.09465
2	ATOFFER	SINCEIPO	50	-0.36295	-0.38028	0.14586	-0.58246	-0.09411
3	ATOFFER	CP_S_IPO	50	-0.30096	-0.31058	0.14586	-0.53454	-0.02468
4	ATOFFER	CAP_NOW	50	-0.29519	-0.30424	0.14586	-0.52999	-0.01835
5	ATCLOSE	FRMCLOSE	50	-0.26918	-0.27598	0.14586	-0.50937	0.00991
6	ATCLOSE	SINCEIPO	50	-0.25967	-0.26576	0.14586	-0.51176	0.02014
7	FRMCLOSE	CAP_OFFR	50	-0.19073	-0.19310	0.14586	-0.41544	0.09253
8	ATCLOSE	CP_S_IPO	50	-0.17627	-0.17813	0.14586	-0.43336	0.10735
9	ATCLOSE	B_HIGH	50	-0.17388	-0.17567	0.14586	-0.43136	0.10978
10	SINCEIPO	CAP_OFFR	50	-0.16929	-0.17093	0.14586	-0.42750	0.11446
11	ATCLOSE	CAP_NOW	50	-0.16929	-0.17093	0.14586	-0.42749	0.11446
12	FRMCLOSE	ABV_LOW	50	-0.14975	-0.15088	0.14586	-0.41097	0.13420
13	SINCEIPO	ABV_LOW	50	-0.14787	-0.14897	0.14586	-0.40938	0.13608
14	YTDATA	FRMCLOSE	50	-0.10721	-0.10762	0.14586	-0.37439	0.17641
15	YTDATA	SINCEIPO	50	-0.09924	-0.09957	0.14586	-0.36744	0.18420
16	ABV_LOW	CP_S_IPO	50	-0.08293	-0.08312	0.14586	-0.35313	0.20004
17	ABV_LOW	CAP_NOW	50	-0.07992	-0.08009	0.14586	-0.35048	0.20295
18	B_HIGH	CAP_OFFR	50	-0.06082	-0.06090	0.14586	-0.33353	0.22128
19	PRICE	FRMCLOSE	50	-0.02676	-0.02676	0.14586	-0.30285	0.25348
20	YTDATA	CP_S_IPO	50	-0.01679	-0.01679	0.14586	-0.29377	0.26279
21	YTDATA	CAP_NOW	50	-0.01428	-0.01428	0.14586	-0.29147	0.26513
22	PRICE	SINCEIPO	50	0.01411	0.01411	0.14586	-0.26528	0.29132
23	ATCLOSE	ABV_LOW	50	0.01590	0.01590	0.14586	-0.26362	0.29295
24	ATOFFER	B_HIGH	50	0.05124	0.05129	0.14586	-0.23039	0.32496
25	FRMCLOSE	B_HIGH	50	0.05645	0.05651	0.14586	-0.22545	0.32962
26	ATOFFER	ABV_LOW	50	0.06065	0.06072	0.14586	-0.22144	0.33337
27	CAP_OFFR	CP_S_IPO	50	0.07036	0.07048	0.14586	-0.21215	0.34201
28	SINCEIPO	B_HIGH	50	0.07180	0.07192	0.14586	-0.21077	0.34329
29	CAP_OFFR	CAP_NOW	50	0.08760	0.08782	0.14586	-0.19552	0.35724
30	B_HIGH	CAP_NOW	50	0.12326	0.12389	0.14586	-0.16061	0.38829
31	B_HIGH	CP_S_IPO	50	0.12448	0.12513	0.14586	-0.15939	0.38934
32	YTDATA	CAP_OFFR	50	0.14365	0.14465	0.14586	-0.14031	0.40578
33	YTDATA	ATCLOSE	50	0.15514	0.15640	0.14586	-0.12878	0.41557
34	ABV_LOW	CAP_OFFR	50	0.16743	0.16902	0.14586	-0.11635	0.42597
35	PRICE	CP_S_IPO	50	0.22136	0.22509	0.14586	-0.06073	0.47077
36	PRICE	CAP_NOW	50	0.22785	0.23192	0.14586	-0.05392	0.47607
37	PRICE	ABV_LOW	50	0.27718	0.28462	0.14586	-0.00127	0.51574
38	YTDATA	ATOFFER	50	0.28036	0.28808	0.14586	0.00218	0.51827
39	ATOFFER	CAP_OFFR	50	0.30940	0.31988	0.14586	0.03397	0.54115
40	B_HIGH	ABV_LOW	50	0.32897	0.34167	0.14586	0.05572	0.55637
41	PRICE	B_HIGH	50	0.35217	0.36792	0.14586	0.08184	0.57423
42	PRICE	ATOFFER	50	0.35674	0.37314	0.14586	0.08703	0.57772
43	PRICE	ATCLOSE	50	0.37324	0.39218	0.14586	0.10588	0.59026
44	ATCLOSE	CAP_OFFR	50	0.38886	0.41046	0.14586	0.12392	0.60205
45	PRICE	CAP_OFFR	50	0.39172	0.41383	0.14586	0.12724	0.60420
46	PRICE	YTDATA	50	0.49875	0.54764	0.14586	0.25593	0.68237
47	YTDATA	ABV_LOW	50	0.51369	0.56773	0.14586	0.27460	0.69296
48	YTDATA	B_HIGH	50	0.67570	0.82116	0.14586	0.48940	0.80302
49	FRMCLOSE	CAP_NOW	50	0.74995	0.97285	0.14586	0.59602	0.85072
50	FRMCLOSE	CP_S_IPO	50	0.75429	0.98283	0.14586	0.60242	0.85345
51	SINCEIPO	CAP_NOW	50	0.83537	1.20566	0.14586	0.72579	0.90361
52	SINCEIPO	CP_S_IPO	50	0.83946	1.21933	0.14586	0.73219	0.90609
53	ATOFFER	ATCLOSE	50	0.91769	1.57417	0.14586	0.85867	0.95269
54	FRMCLOSE	SINCEIPO	50	0.98862	2.58165	0.14586	0.97993	0.99356
55	CAP_NOW	CP_S_IPO	50	0.99985	4.75068	0.14586	0.99974	0.99992

TABLE C

APPENDIX 2

Fifty Best Internet IPOs Based on Percentage Price Change Since First-Day Close:

All Variable Correlation Matrix

OBS	VAR1	VAR2	N	CORR	FISHERSZ	SIGMAZ	L95	U95
1	ATOFFER	SINCEIPO	50	-0.36760	-0.38565	0.14586	-0.58599	-0.09942
2	ATOFFER	FRMCLOSE	50	-0.36117	-0.37823	0.14586	-0.58110	-0.09207
4	ATOFFER	CP_S_IPO	50	-0.31028	-0.32086	0.14586	-0.54184	-0.03495
5	ATCLOSE	SINCEIPO	50	-0.31018	-0.32074	0.14586	-0.54175	-0.03483
6	ATOFFER	CAP_NOW	50	-0.30373	-0.31363	0.14586	-0.53671	-0.02772
7	FRMCLOSE	CAP_OFFR	50	-0.19861	-0.20129	0.14586	-0.45198	0.08441
8	SINCEIPO	CAP_OFFR	50	-0.17756	-0.17946	0.14586	-0.43444	0.10604
9	FRMCLOSE	ABV_LOW	50	-0.16893	-0.17056	0.14586	-0.42719	0.11482
10	SINCEIPO	ABV_LOW	50	-0.16678	-0.16836	0.14586	-0.42539	0.11700
11	ATCLOSE	CP_S_IPO	50	-0.15149	-0.15267	0.14586	-0.41245	0.13245
12	ATCLOSE	CAP_NOW	50	-0.14069	-0.14163	0.14586	-0.40325	0.14327
13	ABV_LOW	CP_S_IPO	50	-0.10368	-0.10405	0.14586	-0.37131	0.17987
14	YTDATE	FRMCLOSE	50	-0.10367	-0.10405	0.14586	-0.37131	0.17987
15	ABV_LOW	CAP_NOW	50	-0.10034	-0.10068	0.14586	-0.36841	0.18313
16	B_HIGH	CAP_OFFR	50	-0.09805	-0.09836	0.14586	-0.36640	0.18536
17	YTDATE	SINCEIPO	50	-0.09519	-0.09548	0.14586	-0.36390	0.18815
18	YTDATE	CP_S_IPO	50	-0.01660	-0.01660	0.14586	-0.29359	0.26297
19	YTDATE	CAP_NOW	50	-0.01497	-0.01497	0.14586	-0.29211	0.26448
20	PRICE	FRMCLOSE	50	-0.00464	-0.00464	0.14586	-0.28262	0.27407
21	ATCLOSE	B_HIGH	50	0.01632	0.01632	0.14586	-0.26323	0.29334
22	PRICE	SINCEIPO	50	0.03871	0.03873	0.14586	-0.24226	0.31368
23	FRMCLOSE	B_HIGH	50	0.05212	0.05216	0.14586	-0.22957	0.32574
24	CAP_OFFR	CP_S_IPO	50	0.06165	0.06173	0.14586	-0.22048	0.33427
25	SINCEIPO	B_HIGH	50	0.06932	0.06943	0.14586	-0.21314	0.34109
26	CAP_OFFR	CAP_NOW	50	0.07851	0.07867	0.14586	-0.20431	0.34923
27	YTDATE	CAP_OFFR	50	0.09477	0.09505	0.14586	-0.18856	0.36353
28	B_HIGH	CAP_NOW	50	0.11668	0.11722	0.14586	-0.16710	0.38261
29	B_HIGH	CP_S_IPO	50	0.11848	0.11904	0.14586	-0.16532	0.38417
30	ATOFFER	B_HIGH	50	0.14239	0.14337	0.14586	-0.14157	0.40470
31	ATOFFER	ABV_LOW	50	0.16010	0.16149	0.14586	-0.12377	0.41975
32	ABV_LOW	CAP_OFFR	50	0.18968	0.19200	0.14586	-0.09362	0.44456
33	PRICE	ATOFFER	50	0.20567	0.20865	0.14586	-0.07709	0.45782
34	YTDATE	ATCLOSE	50	0.21343	0.21676	0.14586	-0.06903	0.46420
35	ATCLOSE	ABV_LOW	50	0.21546	0.21889	0.14586	-0.06690	0.46588
36	PRICE	CP_S_IPO	50	0.25478	0.26052	0.14586	-0.02537	0.49783
37	YTDATE	ATOFFER	50	0.25496	0.26071	0.14586	-0.02518	0.49797
38	PRICE	CAP_NOW	50	0.26138	0.26759	0.14586	-0.01830	0.50313
39	B_HIGH	ABV_LOW	50	0.26287	0.26919	0.14586	-0.01670	0.50432
40	PRICE	ABV_LOW	50	0.29655	0.30573	0.14586	0.01983	0.53106
41	ATOFFER	CAP_OFFR	50	0.36512	0.38278	0.14586	0.09659	0.58411
42	PRICE	CAP_OFFR	50	0.40784	0.43301	0.14586	0.14606	0.61623
43	PRICE	B_HIGH	50	0.41182	0.43780	0.14586	0.15075	0.61919
44	PRICE	ATCLOSE	50	0.42472	0.45344	0.14586	0.16600	0.62874
45	PRICE	YTDATE	50	0.45702	0.49354	0.14586	0.20471	0.65238
46	YTDATE	ABV_LOW	50	0.48130	0.52468	0.14586	0.23435	0.66991
47	ATCLOSE	CAP_OFFR	50	0.62733	0.73701	0.14586	0.42281	0.77105
48	FRMCLOSE	CAP_NOW	50	0.74965	0.97216	0.14586	0.59558	0.85053
49	YTDATE	B_HIGH	50	0.75294	0.97972	0.14586	0.60043	0.85260
50	FRMCLOSE	CP_S_IPO	50	0.75391	0.98195	0.14586	0.60186	0.85321
51	ATOFFER	ATCLOSE	50	0.79040	1.07250	0.14586	0.65648	0.87602
52	SINCEIPO	CAP_NOW	50	0.83571	1.20678	0.14586	0.72632	0.90382
53	SINCEIPO	CP_S_IPO	50	0.83971	1.22020	0.14586	0.73259	0.90624
54	FRMCLOSE	SINCEIPO	50	0.98853	2.57772	0.14586	0.97977	0.99351
55	CAP_NOW	CP_S_IPO	50	0.99986	4.77385	0.14586	0.99975	0.99992

DESCRIPTION OF INTERNET IPO SECTORS*

INTERNET PORTALS

Internet Portal companies have Web sites that focus on providing users with a wide array of Web-based services, including search engines, news, travel information, stock quotes, email, calendar and e-commerce links.

INTERNET VERTICAL PORTALS

Internet Vertical Portals offer users content and services, in particular industry verticals, attempting to cater to a user's specific needs or interests in sectors such as healthcare, careers, technology, music, sports, and women.

INTERNET COMMERCE

Internet Commerce companies leverage the Web as a medium to sell products or services, benefiting from the ubiquity of the Internet to reach larger audiences than would be possible with a bricks and mortar store.

INTERNET DIRECT MARKETING & ADVERTISING SERVICES

Internet Direct Marketing and Advertising Services companies assist businesses in developing their brands and selling products or services over the Web, by allowing them to better target their prospective shoppers through Web site advertising, sponsorships, database marketing, and email.

INTERNET/B2B SOFTWARE

Internet/B2B Software companies develop software that enables entities to establish a Web presence

and automate business processes by leveraging the Internet as an information and transaction medium, including Web site design, auction, and procurement software.

INTERNET CONSULTING & APPLICATION SERVICES

Internet Consultants and Application Service Providers (ASPs) deliver competitiveness-enhancing digital solutions, including strategy consulting, creative design, branding, technology, and application hosting services, assisting client companies in moving business to the Internet.

INTERNET INFRASTRUCTURE SERVICES

Internet Infrastructure Services companies provide the Internet with the infrastructure on which to operate, including hosting, network, and other infrastructure services.

INTERNET INFRASTRUCTURE

Internet Infrastructure companies develop the software and equipment required to run the Internet, including routers, switches, encryption software, streaming media, caching, and search engine software.

INTERNET FINANCIAL SERVICES

Internet Financial Services companies provide financial services to consumers or businesses over the Internet, including brokerage, tax filing, banking, insurance, and financial information services.

B2B COMMERCE

B2B Commerce companies are online intermediaries that connect businesses over the Internet, allowing them to transact goods and services, functioning as distributors, auction and reverse auction exchange, vertical exchanges, or business process managers.

MULTI-SECTOR INTERNET COMPANIES

Multi-Sector Internet Companies are entities with investments and/or operating companies in multiple Internet segments or verticals.

* Source: The Technology & Internet IPO Yearbook - Sixth Edition, Morgan Stanley Dean Witter (1999)