

## China Mass Media IPO prices at bottom of range



Reuters - 2 hours 51 minutes ago

NEW YORK, Aug 4 - China Mass Media International Advertising Corp <CMM.P> shares on Monday priced at \$6.80 in the company's initial public offering, landing at the bottom of the estimated range, before falling in their trading debut.

The shares were originally expected to price on Thursday last week within an estimated range of \$5.20 to \$7.20 for the 14.4 million ADRs offered, with anticipated proceeds of \$89 million.

But on Friday, with the shares not yet priced, the terms were changed. The estimated range was increased to between \$6.80 and \$7.80, while the number of ADRs offered was halved.

Shares fell 7.4 percent in their debut Monday morning, trading at \$6.30 on the NYSE Euronext's Arca electronic platform.

The television advertising company sold 7.2 million American depositary receipts, each representing 30 ordinary shares, raising \$49 million.

"Based upon the trading, it looks like it was still not priced attractively," said Scott Sweet, a senior managing partner with IPO Boutique, a research and advisory firm. "China is no longer free money like it was last year," he said, referring to the sudden drop in Chinese IPOs in the United States this year.

China Mass Media is the second Chinese company to make an initial public offering in the past week. China Distance Learning Holdings Ltd <DL.P> shares began trading on Wednesday last week, after pricing at the bottom of an estimate range that also had been revised downward.

China Mass Media becomes the third Chinese advertising company to list in the United States, according to Thomson Reuters data. AirMedia Group Inc <AMCN.O> went public last November, raising \$259 million, and Focus Media Holding Ltd <FMCN.O> went public in July 2005, raising \$198 million.

The underwriters, led by Merrill Lynch and Oppenheimer & Co, can buy up to an additional 1.1 million ADRs.

The Beijing-based company is an independent television advertising service provider to China Central Television, according to a regulatory filing.

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