



## Cellcom IPO dips in debut after price boost

NEW YORK (MarketWatch) -- Cellcom fell below its offering price in its stock market debut Tuesday after it boosted the size of its initial public offering and priced above its range, taking its place as the fourth U.S. listing on the New York Stock Exchange from Israel. The aggressive pricing and larger deal size for Cellcom's IPO could have been a sure sign of success for the dozen IPOs from major underwriters this week, but the IPO's fall below its offering price signals a more cautious environment.

Still, the market has a number of high profile deals still in the wings including Fortress Investment Group and advertising firm National CineMedia. See full story.

Meanwhile, China's JA Solar Holdings Co. Ltd. plans to offer 15 million American depositary shares at \$12.50-\$14.50 a share in a bid to raise about \$203 million with underwriters CIBC World Markets and Piper Jaffray in its IPO. The deal is expected to price later on Tuesday for its trading debut on Wednesday.

Cellcom priced 20 million shares at \$20 in a bid to raise \$400 million with underwriters Goldman Sachs, Citigroup and Deutsche Bank . The stock opened at \$20.30 and fell to \$19.82 in afternoon trades.

In a sign of a strong interest, the cell phone company added about 1 million shares to the IPO and priced above the high end of the estimated \$16-\$18 range.

Cellcom joins fellow Israel firms Blue Square, Koor Industries, and Tefron on the Big Board. Cellcom Israel will not receive any proceeds in the offering, which will come from stakeholders, including Israel's IDB Holding Corp., Goldman Sachs International and Leumi & Co. Investment House Ltd.

For the nine months ended Sept. 30, Cellcom Israel reported net income of \$91 million on revenue of \$974 million.

IDB Holding Corp. is offering shares in the IPO through its Discount Investments unit. Discount said in a statement to the Tel Aviv Stock Exchange that it would post a first-quarter capital gain of \$155 million on the deal.

After the offering, Discount will hold 59% of Cellcom, down from 78.5%, or 56% after underwriters exercise their over-allotment.

Cellcom, which began operations in 1994, said that as of Sept. 30, it had about 2.83 million subscribers in Israel and estimated its market share at 34.4%.

Competitors include Partner Communications, the country's affiliate of the Orange network