



## Mercurial rise for content provider

EQUITY MARKETS

**DLA PHILLIPS Fox** has acted on the initial public offer and ASX listing of Mercury Mobility Ltd, one of the few content providers for the mobile phone networks operating in Australia.

The Brisbane-based company, listed on 2 August after demerging from Cellnet Group Ltd in May this year. DLA Phillips Fox also advised on the demerger.

Mercury made its offer at 20 cents a share, and managed to raise \$3 million from its rights issue to existing shareholders.

The law firm's lead partner on the deal, Eugene Fung, said it was unusually for a company to make its IPO through a rights issue to its existing shareholders rather than the whole market, with the rest of the market only able to invest in the company after the float.

"There are a number of ways you go about it. One way is to make an offer to the general market at large. In this case they said we're so optimistic about our business that we're happy to go to our existing shareholders and seek to

raise money from that limited number of people rather than go to the market as a whole," he said.

He said his client had chosen that option simply because it was easier making an offer to a smaller number of investors.

Content suppliers for Mercury include Disney, and Fung said the intellectual property rights involved had raised some "challenging issues".

Mercury managing director Ben Grootemaat said in a statement the response to the rights issue had been "outstanding" and said he believed a public company will enable them to quickly secure more market share worldwide.

The company listed at a 25 per cent premium to its IPO price of 20 cents, and quickly rose to about 32 cents. Last week it was still trading above its debut at around 33 cents, despite big price falls on the All Ordinaries index.

Mercury Mobility operates in Australia, New Zealand and Europe and supplies Hutchison 3, Telecom NZ and

Bell Canada with ringtones, wallpapers, animation, music, and TV services to their customers.

