

On 21 June, the Bucharest Court decided on the closure of insolvency proceeding for the Romanian electricity producer Hidroelectrica.

This was announced by the company's judicial administrator Remus Borza, who added that the decision is not final, but is enforceable. He reminded that in 2012, when his company Euro Insol took over the management of Hidroelectrica, it was the most indebted company in Romania with 1.2 billion euros of debts. But today the company owes nothing and all of its debt has been cleared. In the past three years, the company managed to achieve a combined gross profit of 500 million euros and it was the first insolvent company which managed to pay dividends to its shareholders.

Hidroelectrica was in insolvency on two occasions recently. For the first time, the company was insolvent between June 2012 and June 2013, while it entered insolvency for the second time in February 2014.

Hidroelectrica declared insolvency in June 2012, after the company lost about 1.4 billion dollars due to the unfavorable long-term contracts, which it has cancelled after going into insolvency. The company recorded a gross profit of 242.7 million euros and a turnover of 703.5 million euros in 2015. Borza said that this is the best financial result ever achieved by Hidroelectrica compared to the electricity output, adding that the profit recorded in 2015 is 3.3 times higher than profit in 2010 when approximately the same electricity production of 19.8 TWh was recorded.

Greg Konieczny, Portfolio Manager at Fondul Proprietatea, an investment fund which owns a minority stake in Hidroelectrica, said in the press release that the fund is concerned that even though the company's exit from insolvency has been expected since last year, it still does not have an independent Supervisory Board according to the Ordinance 109/2011. Therefore, Fondul Proprietatea urges the Ministry of Energy to appoint the new Supervisory Board, followed by the appointment of professional management team. According to Konieczny, the closure of insolvency proceedings opens the way towards the company's initial public offering (IPO) at Bucharest Stock Exchange, which would be the first listing of state-owned company in the last two years and possibly the largest listing in the Romanian history, transmits [Serbia-energy.eu](http://serbia-energy.eu)