

Ministry of Energy and Property Fund, shareholders of the insolvent company Hidroelectrica, signed an agreement with consortium of Morgan Stanley and Raiffeisen Bank, which will be responsible for the listing of Hidroelectrica, a process that will be completed by the end of year, announced Fondul Proprietatea.

Energy Ministry holds 80.06% stake in Hidroelectrica, while the Proprietatea Fund has a stake of 19.94%.

The agreement provides that the state will list 15% stake in Hidroelectrica by increasing the company's capital, and the Property Fund will sell a stake of 5% of its holding and another 3.75% of the Fund representing subscription rights in the process of increase capital, writes news.ro.

Letter of Commitment is an essential step for listing company. Listing of Hidroelectrica is crucial for passage of the local exchange market status border at emerging market and thus represent a unique opportunity for the Government to conclude an historic transaction that will bring Romania closer to that goal, "said the manager of the Fund, Greg Konieczny, quoted in the release.

Listing value could reach 3.15 billion lei (700 million euros, 802 million dollars) on the evaluation of Hidroelectrica included in the net assets of the Fund 31 March 2016.

"Under the current timetable, Hidroelectrica would be listed before the end of this year," said Property Fund.

The engagement letter between Hidroelectrica and shareholders was signed in February 2014. But the parties have agreed in June 2014 to suspend execution of obligations letter after Hidroelectrica insolvency.

Hidroelectrica was insolvent during the period June 2012 - June 2013, but rejoined the judicial reorganization in February 2014.

Listing Hidroelectrica would be the first case of this kind of state companies in Romania in the past two years.

This week, the company's insolvency administrator, Remus Borza said to News.ro that Hidroelectrica could get out of insolvency within two to three months depending on the date court decisions with two last remaining court appeals lodged by Alpiq Holding and Romenergie of Energy.

The receiver believes that the company's two shareholders, State Ministry of Energy and Property Fund, should select the time members of the Supervisory Board, before the exit from insolvency.

Energy Minister Victor Grigorescu, wrote on his account on a social network that in the immediate future, the ministry will launch recruitment for the posts of the Supervisory Board of the company Hidroelectrica, "that is to emerge from insolvency earlier this year and is with a return to corporate governance recruited in professional management".

According to the statutes of the company, Hidroelectrica is run in two-tier system:

Supervisory Board and Executive Board, Staff and currently in force.

For this year, Hidroelectrica has planned a production of 15 TWh and a gross profit of 1.3 billion, which would be the best result in company history. In 2015, the company recorded a gross profit of 1.1 billion lei, transmits Serbia-energy.eu